

**CITY OF RIVIERA BEACH
PALM BEACH COUNTY, FLORIDA
CITY COUNCIL BUDGET WORKSHOP MINUTES
MUNICIPAL COMPLEX COUNCIL CHAMBERS
MONDAY, AUGUST 24, 2015 AT 5:30 P.M.**

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

I. CITY CLERK CALLS TO ORDER

CHAIRPERSON PARDO: And I think this may be our last budget meeting.

COUNCILPERSON MILLER: Yeah, okay.

CHAIRPERSON PARDO: Um, Madam -- on the city side; exactly. Madam Clerk, roll call please.

II. ROLL CALL

CITY CLERK ANTHONY: Mayor Thomas Masters.

MAYOR MASTERS: Present.

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 GUYTON: Here.

CITY CLERK ANTHONY: 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 Claudia Anthony is present. City Attorney Pamela Ryan.

CITY ATTORNEY RYAN: Present.

III. INVOCATION AND PLEDGE OF ALLEGIANCE

CHAIRPERSON PARDO: Okay. We have a quorum. I'd like to everyone to stand for a moment of silence followed by the pledge, led by Attorney Ryan.

(Everyone stood for a Moment of Silence with the Pledge of Allegiance being led by City Attorney Ryan).

IV. DISCUSSION - RUTH JONES, CITY MANAGER

CHAIRPERSON PARDO: Okay. Ms. Jones, at this time, I will send it over to you.

CITY MANAGER JONES: Thank you, Madam Chair and Members of Council. Um, seems like we've been here every Monday night this month and, uh, we have -- we have three items on this agenda tonight to get your feedback and your input.

Um, first we will be dealing with the request that had been received for the way -- waste water rate adjustment and then the storm water rate adjustment and then, of course, the third item was the restructuring of the CRA debt. Um, right now, I'd like to ask Randy Sherman, the Director of Finance Administration to put up the slide as it relates to the waste water rate adjustment.

V. FISCAL YEAR BUDGET DISCUSSION

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Absolutely. All set? Uh, good evening. Randy Sherman, Director of Finance Administrative Services. Uh, what you have down, uh, in front of you here -- and I've kind of boiled it down just to one slide -- uh, is the waste water recommended rate adjustment. Uh, if you recall, the utility district had hired a rate consultant. Uh, they spent considerable amount of time building models and -- and trying to figure out where these rates needed to be.

Um, there's two reasons that they came back and have asked for a rate increase. Uh, one is the fact that you -- as a member of the east coast regional -- whatever it is -- ECR. I always get that one wrong. Um, they've gone out and they have a BioSal Plant. They went out and issued just over a hundred million dollars, uh, for a couple of projects over there. So we have some debt service payments and operational costs that we need to make to that, uh, entity. And we've also looking at \$11 million in bonds on the city side for, uh, waste water-related, uh, projects.

On the -- on the top line, the city has actually already adopted, in 2009, a series of rate increases that go out till 2019. The adopted rates, uh, that are currently in

place, uh, are on that top line. So if we do nothing at -- at this point, uh, the waste water rate would be going up 5.17 percent in October. Uh, and then the three successive years you see there were some small increases.

What the consultant is recommending is, in addition to that top line, uh, the increases that he has on that second line. So for 2016, he's actually recommending a total waste water increase of 21.17 percent. Uh, the impact to the average residential account in a average residential account is an account that uses 5,000 gallons of water a month. That -- that's what an average is.

Uh, so the impact of that rate increase to a average residential account is \$3.65. Uh, the increase in 2016 would raise approximately one million dollars. And then, again, as you go out in 2017, he's recommending 11.99 percent, 11.69 percent in '18, and 8.61 percent in 2019.

I can take any questions that you have.

CHAIRPERSON PARDO: I have a question.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yes?

CHAIRPERSON PARDO: Um, how are the condominiums built -- built?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Condo -- if -- if they have their own individual meter, it's the same. I mean, they -- they get their flow. They -- they pay the same exact rates. If it's -- if it's a master meter, again, they would pay their rates. But --

CHAIRPERSON PARDO: So some of the condominiums are different? Some pay per unit, some pay, you know --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yes.

CHAIRPERSON PARDO: -- the entire building --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yes.

CHAIRPERSON PARDO: -- through their --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yeah.

CHAIRPERSON PARDO: -- you know, common fees?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Correct.

CHAIRPERSON PARDO: Okay.

COUNCILPERSON GUYTON: Uh -- uh, Madam Chair?

CHAIRPERSON PARDO: Go ahead, sir.

COUNCILPERSON GUYTON: Uh, Mr. Sherman, is someone from the utilities here?
Um -- um --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Uh, Mr. Rhoads is here.
Yes.

COUNCILPERSON GUYTON: Okay. Uh, we spend more time talking about the increase than we do for the purpose and I think that the residents get lost in we just wanna raise our rates and you're really not explaining to us why this is necessary. Um, I understand it was twofold. Could you go in more detail into those reasons why this request is being made?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Sure. Uh, Giles Rhoads, Assistant Director of the Utility District. Um, the utility district did a master plan, uh, basically an assessment of the infrastructure in the whole service area of the water and sewer collection system. Um -- and including the water treatment plant itself. The, uh, master plan identified, uh, about 250 million in, um, projects that should be done over the next 20 years to keep the system ongoing and run as it should.

Um, they broke out a few of the projects into a critical and high priority list and those were approximately \$33 million in projects. The others were upkeep and maintenance with a high price tag on those as well.

COUNCILPERSON GUYTON: Okay. But those -- those critical projects. Was that based on those areas, that infrastructure coming close to its, um, useful life?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: That's correct.

COUNCILPERSON GUYTON: Okay. Um, and did it determine how long that infrastructure has been there?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Yes. The -- the assessment started with, um -- as bill plans or drawings based on that and looked at the infrastructure itself. Um, one, you look at a, say a lift station; it'll have a life span from 20 to 30 years. And then you can do assessment on the, um -- the infrastructure itself, the pumps, the equipment, the electrical, the pipe work. Um, and make an evaluation on that and what it would take to get a new one installed or re-habit that.

So, um, it was performed by a company called Hazing and Sawyer and they have, um, background experience in do -- doing those, uh, type of master plans.

COUNCILPERSON GUYTON: And what would be the consequences should we not act on those critical areas? What could potentially happen?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: If you -- you don't operate or maintain 'em or actually do something about it when it comes to the end of its useful life, consequence could -- you know, your risk goes up significantly. Um, and a consequence of a lift station depending on where it is, um -- say a lift station on Singer Island, you'd find a -- a real difficult time trying to move the sewage from Singer Island onto the mainland and transport it to the ECR. Um, could have a failure in -- in the, uh, force main itself. There's a force main that runs under the inner coastal. And that would be a significant issue of anything happening to that force main.

COUNCILPERSON GUYTON: We -- we had an incident which actually disturbed me in my district here recently over on -- is that T Avenue?

CITY MANAGER JONES: R.

COUNCILPERSON GUYTON: R. There was an incident recently over there.

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Yes.

COUNCILPERSON GUYTON: Is that correct?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Yes, sir.

COUNCILPERSON GUYTON: And what happened?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Uh, there was a, uh, search arch to the system there, um, where the pumps were running and operating. However, um, debris, rags, something was binding up into the impellers and it wasn't allowing the same flow that should flow through a pump at that speed to go through and the system started surcharging in the -- the level of the -- um, level of the --

COUNCILPERSON GUYTON: The sewage.

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: The sewage was raising --

COUNCILPERSON GUYTON: (Inaudible).

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: -- the volume was increasing. As it surcharged, it found the lowest area in the system to overflow in.

COUNCILPERSON GUYTON: And -- and that was actually gross. But, um -- um, DEP -- I -- was it DEP or some environmental, uh --

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: DEP and the health department were both notified and both came out to the site to -- to, uh, see the progress on that.

COUNCILPERSON GUYTON: And -- and have we responded to those agencies' satisfaction?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: We are still in the progress of doing that. Um --

COUNCILPERSON GUYTON: Okay. How long are we gonna be responding or what -- what --

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Uh, we're still sampling, um, service water, um, samples. And until they -- we come to a level of -- concentration level that you typically see in a surface water, we'll still be handling that with the -- those agencies until that time comes.

COUNCILPERSON GUYTON: Okay. And -- and the reason that I'm going in-depth as I am, because we don't discuss reasons why we need infrastructure. Unless there's a catastrophe and there's a big problem and then they look at us as to, "Why did that happen?"

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Right.

COUNCILPERSON GUYTON: If you have old infrastructure, it's gonna be a problem.

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Right.

COUNCILPERSON GUYTON: So, um -- well, we need to understand that our infrastructure is not for infinity. You know? We -- we have to deal with it and it's never comfortable addressing needing to upgrade it and give a slight increase. Um, the other thing was, um, the EO -- the, um, ERC? Uh, what -- what did you --

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: ECR.

CHAIRPERSON PARDO: ECR.

COUNCILPERSON GUYTON: ECR. What -- what is our responsibility there?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: We're a partner in the ECR, so we have, uh, almost 12 percent ownership in the ECR. Um, so we pay for the operational costs on that ownership level, the percentage-wise. Um, the new costs coming in to the projects they're doing now will have to cover the debt in that percentage range. Um --

COUNCILPERSON GUYTON: So that's spread between the members of the ECR?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: That's correct. The five entities. Agencies or utilities.

COUNCILPERSON GUYTON: Okay. So is this part of a legally binding agreement that we have?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Yes.

COUNCILPERSON GUYTON: Okay. So we are legally obligated to pay our share?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Yes, sir.

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

CHAIRPERSON PARDO: Anyone else? Okay. Well --

COUNCILPERSON GUYTON: Oh, oh, oh. Uh, one -- one last question.

CHAIRPERSON PARDO: (Inaudible).

COUNCILPERSON GUYTON: I spoke to Mr. Aurigemma about addressing the, um, senior citizens', um, program.

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Program. Correct.

COUNCILPERSON GUYTON: Where, um, we would consider -- I would like the board to consider, um, raising the level of the senior citizens', um, program amount to come close to or equal what is recommended for the increase here. Um, and I think he said that within the budget, he felt that would not be a problem. Did he have a discussion with you on that?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: He -- he led me to believe the same.

COUNCILPERSON GUYTON: Yes.

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: And, um, we are bringing that to, uh, the next council board meeting, utility council board meeting.

COUNCILPERSON GUYTON: The utility -- okay. That's where we'll address it then. Okay. Thank you.

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Okay.

COUNCILPERSON GUYTON: That's all I have.

CHAIRPERSON PARDO: Okay. If nothing more --

CHAIR PRO TEM DAVIS: Madam Chair.

CHAIRPERSON PARDO: -- Mr. Sherman, you wanna continue? Go ahead.

CHAIR PRO TEM DAVIS: This is real quick.

CHAIRPERSON PARDO: Go ahead.

CHAIR PRO TEM DAVIS: Um, you stated earlier about, um, the critical needs based on the study that was done. Did they give you a list of what areas were -- were critical as far as infrastructure?

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: They -- they did break up that into, uh, different tables. I do have something from, uh, the slideshow last time we talked about the budget.

CHAIR PRO TEM DAVIS: Okay.

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Where there was a breakdown of the critical needs, uh, projects. Just a part of 'em.

CHAIR PRO TEM DAVIS: Uh-huh.

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Let me see if I can find it and tell you what -- what those items are. I do know --

CHAIR PRO TEM DAVIS: Listen, you can always come back and update us on it as, um, Mr. Sherman goes through it.

UTILITY DISTRICT ASSISTANT DIRECTOR RHOADS: Okay.

CHAIR PRO TEM DAVIS: Unless you -- like, if it takes a minute, you know, I can wait. There's some information I'd just like to know for FYI.

CHAIRPERSON PARDO: And all of this is coming back to -- to (inaudible).

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Right. An actual resolution with the increases will be coming to the utility district board on the second.

CHAIR PRO TEM DAVIS: Okay.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: So maybe we can make a fuller presentation at that point if you'd like better.

CHAIR PRO TEM DAVIS: Okay.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Okay? Um, okay. The next one is the storm water recommended rate adjustment. Um, again, this -- this rate study actually goes back to, uh, 2009. Um, and part of what they looked at at that point was, again, they -- they came in, did -- did an entire, uh, storm water

master plan. They actually proposed three different scenarios for rate increases. Um, but here we are six years later. Um, we're trying to not only take care of what was in that storm water master plan, but also addressing the storm water issues that go along with the street construction that we're undertaking.

Um, so in reviewing the three proposals that they had, uh, felt that this was actually the best proposal to, uh -- to finance the projects and the needs. Uh, currently the rate is \$4.50 per month. Um, what we're recommending is that we actually double that to \$9 per month. So, again, what that means to your average resident is a \$4.50 increase. Uh, and when you combine that with the waste water increase, it actually is just around a hundred dollars a year. It is a total impact to a -- to a residential.

Uh, what the \$9 would do is it actually raise --

COUNCILPERSON GUYTON: Wait, wait, wait. I'm sorry, Madam Chair.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yes.

CHAIRPERSON PARDO: It's all right.

COUNCILPERSON GUYTON: Uh, instead of a yearly --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: That's a year.

COUNCILPERSON GUYTON: I know.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yep.

COUNCILPERSON GUYTON: What is a monthly average impact?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: For the waste water it was \$3.65. For the storm water, it's \$4.50, so \$8.15.

COUNCILPERSON GUYTON: \$8.15 --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Correct.

COUNCILPERSON GUYTON: -- monthly, on average?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yeah. For the average -
- that's that 5,000-gallon per month user.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yes. Um, what the -- if -
- if we double the rate, right now we bring in a million 6 a year in storm water. If we -
- and that right now is just covering operations, so there's very little dollars that are

left over for capital. What the additional 1.6 million would do is it would support a \$10 million borrowing so we could actually address the storm water master plan projects. And it should give us enough, um, cash left over to be able to deal with the, uh, the street projects and the storm water projects related to the streets that are -- are, um, currently in design and will go out to bid shortly.

COUNCILPERSON THOMAS: Um, Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

COUNCILPERSON THOMAS: So let me make sure I'm understanding you clearly. The \$8 million that you have on there, that is for money that's already being utilized?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Now, the \$8 million is the required amount of money of storm water to go along with the \$12 million that you have for streets. So -- so the 12 million does the -- the above-ground. This'll do the storm water and then the utility will pick up the --

COUNCILPERSON THOMAS: So it's already been designed you said?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: No. They're in the design phase now.

COUNCILPERSON THOMAS: Of what areas?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Of all -- all of the streets that you have each individually identified to Public Works. Brynt, come on up.

DIRECTOR OF PUBLIC WORKS JOHNSON: Good evening. Brynt Johnson, Director of Public Works. Uh, to answer your question Mr. Thomas, or Councilman Thomas, uh, it's all of those streets that we laid out. I met with each council person individually and went over what their projects were. In your case, um, it's Avenue T, from T to R. 14th Street down to, I think around 11th or 12th Street. It's that area. That's -- that's where we're doing full road reconstruction at.

COUNCILPERSON THOMAS: Why do we --

DIRECTOR OF PUBLIC WORKS JOHNSON: And of course there's other projects associated with that in your district, but that's --

COUNCILPERSON THOMAS: Right. I -- I --

DIRECTOR OF PUBLIC WORKS JOHNSON: -- where -- where we're doing the full load of construction.

COUNCILPERSON THOMAS: I get what you're saying. Um, I didn't -- I thought that -- that all of that money was within that \$3 million that we were --

DIRECTOR OF PUBLIC WORKS JOHNSON: No, sir. That was just purely the roadwork, the asphalt, the base rock, the stabilized upgrade. Just the roadwork itself. Uh, typically, when we do road projects just like CDBG, um, the city contributes to the road works; storm water contributes to the storm water; and the utility district contributes their portion for the water and sewer. And this is pretty much the same.

COUNCILPERSON THOMAS: Okay.

COUNCILPERSON GUYTON: Uh, Madam Chair? Um, Mr. Johnson and -- as with utilities, we -- we don't focus in enough on the purpose. We spend a lot of time on what the increase is gonna be. Um, as you just said now, without this, we wouldn't be able to do the drainage for the new roads that are being proposed to be done on top --

DIRECTOR OF PUBLIC WORKS JOHNSON: Well -- well, technically without it, you probably wouldn't be able to do the road project itself. But drainage is -- it's probably the most important part of the road project. I mean, um -- yeah. You probably wouldn't be able to do it 'cause you have to change the contour of the road. You have to, uh, change elevations and all that stuff. So without that, it's just basically a mill and resurface without drainage.

COUNCILPERSON GUYTON: So when you say milling and resurface, that's just paving it?

DIRECTOR OF PUBLIC WORKS JOHNSON: Yeah. That's just ripping up a little bit of the black top and replacing it. I mean, you could go through and do a road reconstruction without it, but, honestly, whatever problems you had drainage-wise, you're still gonna have the same problems unless you --

COUNCILPERSON GUYTON: The drainage'll (sic) still be there.

DIRECTOR OF PUBLIC WORKS JOHNSON: -- fix the drainage. Correct.

COUNCILPERSON GUYTON: Now, if we just did the -- the above-ground infrastructure, not the underground and the other associated, um, elements of the project, could a pipe conceivably -- conceivably burst and then incite what --

CHAIRPERSON PARDO: We see it all the time.

COUNCILPERSON GUYTON: -- was done on top?

DIRECTOR OF PUBLIC WORKS JOHNSON: Absolutely. Um --

COUNCILPERSON GUYTON: By sucking in that new --

DIRECTOR OF PUBLIC WORKS JOHNSON: Basically that's what happens and we have a lot of pipe. That's what they call corrugated metal. Um, it's an old aluminum

pipe. And what happens, it -- it'll erode and once it erodes, it starts sucking dirt in and that's where you get your sinkhole from.

COUNCILPERSON GUYTON: Get the sinkhole. Yeah.

DIRECTOR OF PUBLIC WORKS JOHNSON: And it's -- it -- it does happen. It's happened -- it happens all the time.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF PUBLIC WORKS JOHNSON: Because of the age in the infrastructure.

CHAIRPERSON PARDO: Uh-huh.

COUNCILPERSON GUYTON: Yeah. And -- and what I would hope we start doing is spending as much time explaining the purpose and reason as we do with the consultants and their study and -- people want layman's terms of what this actually for. Without it, we can't do the underground structure and some of the other elements to complete the project. So what we are expecting to be done, and we've told the community that will be done, won't be done without some additional revenue essentially.

DIRECTOR OF PUBLIC WORKS JOHNSON: Correct.

COUNCILPERSON GUYTON: Okay. Thank you.

DIRECTOR OF PUBLIC WORKS JOHNSON: You're welcome.

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

CITY MANAGER JONES: So unless there is, um, opposition, we will also be bringing a subsequent resolution for the storm water recommended rates as well.

CHAIRPERSON PARDO: Okay. And will that be coming to us --

CITY MANAGER JONES: City side.

CHAIRPERSON PARDO: -- September?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yes.

CHAIRPERSON PARDO: Okay. Okay. Well, you know, I hate to agree on an increase in rates, but, you know, at this point it is definitely needed. Um, and I can tell you in my district, that's all everyone complains about are the streets. And we've seen many sinkholes over on the island because of the corroded pipes.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Uh-huh.

CHAIRPERSON PARDO: So, yeah. Unfortunately it's needed.

COUNCILPERSON GUYTON: And -- and Madam Chair, I -- I do agree. Um, I would just like for us to really address the senior citizens' portion of it. And hopefully we can lend some assistance to those with fixed incomes --

CHAIRPERSON PARDO: Sure.

COUNCILPERSON GUYTON: -- who -- who this really may impact tremendously.

CHAIRPERSON PARDO: Uh-huh.

COUNCILPERSON GUYTON: So --

CHAIRPERSON PARDO: Right.

COUNCILPERSON GUYTON: Okay.

CHAIRPERSON PARDO: And I'm sure staff will figure out the criteria to make sure --

COUNCILPERSON GUYTON: Yes. And I'm (inaudible).

CHAIRPERSON PARDO: -- that we're targeting the most -- you know, the most needy. Okay? All right. Ms. Jones.

CITY MANAGER JONES: As well as we, um, are taking into consideration the Mayor's recommendations as it relates to the disabled in addition to the senior citizens.

MAYOR MASTERS: And I think we said the veterans? Or just the disabled?

CITY MANAGER JONES: Well, it depends on if you're doing disabled veterans 'cause you can have veterans of any age and -- so just to say --

MAYOR MASTERS: Disabled veterans. Okay.

CITY MANAGER JONES: -- disabled veterans.

MAYOR MASTERS: Thank you.

CITY MANAGER JONES: Disabled, disabled veterans, and seniors.

MAYOR MASTERS: Okay. Got it.

CHAIRPERSON PARDO: Okay? All right.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Okay. And the third item that we had again was, um, addressing the CRA request. Um, again, just to go over what we had talked about last Monday, um, the CRA requested a million 398 for capital items. Um, and the city has, uh, put together a pocket for \$917,000. 599,000 will cover the outdoor amenities, trash, tree grates, uh, benches. Those types of items. \$138,000 for Avenue C and a 179,000 for the, uh, marina office relocation costs.

Um, again, as part of this, Avenue E does revert back to the CRA. Um, the bigger issue, I think, that we need to get some clear direction on here --

COUNCILPERSON THOMAS: Go -- can you go back?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Sure.

COUNCILPERSON THOMAS: What did -- what did you say reverts back to the CRA?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: The, uh, responsibility for Avenue E.

COUNCILPERSON THOMAS: Okay.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Again, the debt restructuring, uh, we -- first we have the marina district debt. Um, again, the issue on the city side is we didn't want to, uh, reverse the agreement that we had for the CRA to pay the -- their share of that debt, so what the city is offering is to increase the operating assistance from 2.5 million to 3 million. That half million dollars more than covers, uh, the debt service for a number of years. Um, and I mean, annually, the debt service is 460 and then it -- it goes up slightly, but the 500,000 will cover that debt service. So it's actually -- that's actually a, uh, 35,000 or so windfall to the CRA. Um, and it's gonna come from the property taxes so it doesn't impact our non-ad valorem revenues.

Um, and then part of the funding for this, um, is coming from marina operations 'cause, again, they will be paying for their office lease and they will be covering their own, uh, common area maintenance charges. Um, and again, what we had done is frozen a certain number of positions for six months to get this to balance out.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

COUNCILPERSON GUYTON: Um, this is the same thing that we told 'em to go back and correct. And the last I remember that we were supposed -- or the attorney was gonna have someone to give an opinion about the proposed impact. When is that gonna happen? Is that further down in this --

CITY MANAGER JONES: They're here.

COUNCILPERSON GUYTON: -- presentation?

CITY MANAGER JONES: You can call on them now.

COUNCILPERSON GUYTON: Is this the time now?

CITY MANAGER JONES: Yes, sir. Now would be the time.

COUNCILPERSON GUYTON: Okay. Um, who -- who is bond council, um --

CHAIRPERSON PARDO: For the city. Right?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: For the city?

COUNCILPERSON GUYTON: Oh, it's the city?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Skip.

COUNCILPERSON GUYTON: And -- and do we have one for CRA too?

UNIDENTIFIED SPEAKER: He -- he was unable to make it.

COUNCILPERSON GUYTON: Okay. Um --

COUNCILPERSON THOMAS: Well --

CITY ATTORNEY RYAN: Well, okay. This is -- let me -- let me just start off with some introductory comments on this. Last week, um, I reached out to the city's bond council, the CRA's bond council, the city's financial advisors, and the CRA's financial advisors. Um, Mr. Haygood and I hosted a phone conference with those individuals and, um, some of them are here tonight. We, um -- we were on the phone for -- for over an hour discussing this issue.

Um, one of the main things that we discussed is the, u, desire of the CRA to restructure the debt versus the city's desire to -- um, if we have to do anything to simply give the CRA an additional half a million dollars, which is what Mr., um, Brown is stating that the restructuring -- the restructuring will net them about 500 -- uh, \$500,000, at least, initial year's savings.

COUNCILPERSON GUYTON: Yeah. But it's more long-term.

CITY ATTORNEY RYAN: Right.

COUNCILPERSON GUYTON: Yeah. The restructuring. Okay.

CITY ATTORNEY RYAN: Right. Right. Yeah. Right. So we discussed the -- the potential for restructuring the debt and we also discussed the, um -- um, just giving them the \$500,000 in an interlocal agreement of some type that would, uh, kind of not be an annual appropriations. We're still trying to work that out.

In a separate conversation -- and I'll -- I'll let Mr. Haygood speak after I've kind of given the overview -- um, conversation with Mr. Brown, Mr. Haygood, and, um, Jolinda Herring, the bond council, we, I think, were able to, uh -- I'm not gonna say convince, but they were able to have a discussion with Mr. Brown and he agreed to the half million dollars that the city would prefer to give as opposed to the debt restructuring.

However, I'm -- I -- I wanna hear from the CRA to make sure that I'm correct in this because this afternoon I received a email from Mr. Brown -- or maybe that was this morning; the whole day's kind of one -- one long hour -- that he still needs Ocean Mall debt restructuring. And since that wasn't a separate part of our conversation, um, I think we need to have a discussion on that. But suffice it to say, what we thought we were going to come here with today was an agreement so that we didn't have to go through --

CHAIRPERSON PARDO: Sorry. I'm sorry.

CITY ATTORNEY RYAN: That's okay. So that we didn't have to go through the -- the discussions -- the separate discussions with our financial advisors and bond council. I will tell you that it -- I think there were seven or eight of us on the phone and, um, they -- they are, of course, here because we requested that they be here. Um, but they made a couple of conclusions. One is that neither one of them is wrong. That both -- either could be done. It just -- it's really a policy decision of the council.

So, you know, one of the things that I kept trying to drill down on is, okay. So, you know, will it make a difference to the city's coverage capacity if we restructure the debt? And the answer was it could, but you know, it's all -- it's all -- it's hypothetical and it's -- it really depends on how much risk this council is willing to take. Um, Mr. Brown prefers the debt restructuring, but I think if we could figure out how to do the instrument -- and Mr. Haygood and I have not had an opportunity to try to figure that out, what the instrument would look like -- that would guarantee the half million dollars a year. I think he may be amenable to that.

But I do -- I would like for the CRA to speak on the issue of the Ocean Mall reconstruction so that we're all on the same page.

ATTORNEY MICHAEL HAYGOOD: Um, good afternoon. Um, Michael Haygood. Um, again, as usual, there's a little lack of communications here. Uh, I was under the impression we had actually reached agreement on Friday, uh, on the half a million dollars. And the issue, um, I think, uh, Tony had with it, uh, as he articulated, was he didn't wanna have it to be an annual appropriation. That it would be a long-term commitment for the half million dollars tied to the repayment of the -- of the

debt. Um, so I thought that maybe -- since we -- we still had to come this afternoon -
- again, misunderstanding.

CITY ATTORNEY RYAN: Right.

ATTORNEY MICHAEL HAYGOOD: I thought that, uh, Mr. Sherman had rejected that and didn't wanna go for it, so I guess that's necessarily the case.

CITY ATTORNEY RYAN: No. I --

ATTORNEY MICHAEL HAYGOOD: Okay. So now -- and I'm saying as you --

CITY ATTORNEY RYAN: I'm sorry.

ATTORNEY MICHAEL HAYGOOD: -- are now articulating it, the issue wasn't so much whether or not it was a long-term commitment as it was the fact that we hadn't addressed the issue with the Ocean Mall debt.

CITY ATTORNEY RYAN: Correct.

ATTORNEY MICHAEL HAYGOOD: Okay. I'm --

CITY ATTORNEY RYAN: Okay.

ATTORNEY MICHAEL HAYGOOD: I'm gonna have to defer to Mr. Brown on whether or not we can move forward with what we had structured on Friday, the ideas just addressed in a half a million dollars. And as we discussed with him -- uh, that is, um, Jolinda and I discussed with him, um, that that might be something that we address in the future. I think his -- his most immediate problem -- and he's gonna explain that -- his most immediate problem was there's a debt service due on the Ocean Mall debt this year. And he wants some relief -- relief from that.

But you -- as far as --

CITY ATTORNEY RYAN: In addition to the 2.5 --

ATTORNEY MICHAEL HAYGOOD: I'll let you discuss it with him.

CITY ATTORNEY RYAN: Right. I mean -- and I'm, of course, not here to argue with it, but, you know, I thought I had a handle on this until today. I thought that the city was dealing with the issues for everything because we were told that the restructuring of the debt -- and I thought it was all of the debt -- meant a half a million dollar savings for the CRA. This is the half million that they needed. But now we're being told that in addition to the 2.5, in addition to the 917, and now in addition to the half a million dollars, that the CRA needs more. And that still goes to the heart of the issue on debt restructuring, which is still Mr., um, Sherman's issue and I have not had an opportunity to speak with him about that issue or with our, um, financial advisor or bond council. So I'm just putting that out there.

COUNCILPERSON GUYTON: Okay. All right. Um, Madam Chair.

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON GUYTON: Um, let me say this. I sit as -- and the others do, but I'm only speaking for me -- as a CRA board member too. That debt is my debt. We're not talking about separate entities. So as I sit here looking at what I'm responsibility for on the CRA side, I have concerns. All I'm saying is I want a structure so that my responsibility on the CRA side would be taken care of. Period. Not about city, not about CRA, not about -- this is about a dual representation of two different boards. I got a debt on the CRA side. Things then happen as they were planned. We on the CRA side said that, "Okay. We'll accept this marina debt 'cause we're looking at some funds coming in." That's what we said as a board.

That didn't happen. So now we're sitting here trying to figure out how do we undertake that debt now? That we have agreed to -- I -- on the CRA side agreed to. So this about, you know, we didn't talk about this, we didn't talk about that. You all were supposed to do all of that and bring it back to us. The Ocean Mall debt; there was a -- a discussion at one time where I think we said we would forgive the interest or we said we would consider that. Um, because Mr. Thomas made a good point. Why are we charging interest to ourselves? We the CRA board. And he said, "Well, that doesn't make any sense." And it didn't and it doesn't now. And -- and staff representing their -- their respective sides, but we as a board member, we sit on both sides.

So I'm -- I'm getting a little frustrated because both sides need to understand that you making me as an elected official look bad if I can't pay my debt. 'Cause everybody drawing their lines and everybody got their respective sides. But I represent both. So whatever you all bring to us, my position is I want the debt paid. All right? I -- and -- and whether we forgive some of the loan on the Ocean Mall or -- well, I don't even think they're asking to forgive it. I think they're just asking to delay payment on it. I don't wanna put words in their mouth. Is -- is -- is that what are being requested?

ATTORNEY MICHAEL HAYGOOD: I'll -- I'll defer to Mr. Brown.

COUNCILPERSON GUYTON: Mr. Brown, would you come up here? 'Cause if we saying we can't even delay a payment or two, that's ridiculous. And it's a debt that the CRA agreed to that was the city's debt. Wasn't even a -- wasn't even a CRA debt.

Uh, Mr. Brown, what --

CRA EXECUTIVE DIRECTOR BROWN: Yep. Mr. Guyton, Tony Brown, uh, Executive Director of the Riviera Beach CRA. Uh, you are correct. We are not asking for the Ocean Mall debt to be forgiven. The only thing that we ask is that the repayment be structured long-term and that we would begin -- we would begin principle repayment following the payoff of the Wachovia debt. The Wachovia debt,

uh, will be paid off within the next six years and, um -- and the deferral and the long-term repayment of the Ocean Mall debt will allow that to be paid off in our proposal, I think in 2036 or 2038.

COUNCILPERSON GUYTON: Okay. Let me get some understanding about the Ocean Mall debt. Um, well, who can answer these -- Mr. Sherman, is that you? Or -

CITY ATTORNEY RYAN: Well --

CRA EXECUTIVE DIRECTOR BROWN: I can --

CITY ATTORNEY RYAN: Probably, but let me say this.

CRA EXECUTIVE DIRECTOR BROWN: I can answer --

CITY ATTORNEY RYAN: Perhaps the council asked for outside assistance because we -- this is the same thing we did last week, so maybe we should just get to asking questions of, um, bond council and the, um, financial advisor. Because --

COUNCILPERSON GUYTON: Okay. Okay.

CITY ATTORNEY RYAN: -- Mr. Brown is going to make his point. And, you know, I'm not disputing his point --

COUNCILPERSON GUYTON: Understood. Understood. Okay.

CITY ATTORNEY RYAN: -- but we're gonna end up with the same --

COUNCILPERSON GUYTON: Let's not belabor it. All right. Is the -- either bond council familiar with the Ocean Mall debt?

CRA EXECUTIVE DIRECTOR BROWN: Um, probably not. Jolinda Would have been the most, um -- Jolinda Herring is the bond council for the CRA. She's with Bryant Miller Olive. She had a previous compliment to -- in Tallahassee that she could not break.

ATTORNEY MICHAEL HAYGOOD: And -- and again, as of Friday, we thought we had reached a -- a, uh, understanding as to -- at least to -- as it relates to the, uh, marina debt.

COUNCILPERSON THOMAS: But that's not what we asked for. We asked for individuals to be present so that we could talk to them. We gave you all the opportunity to work this out among yourselves to do just that. So, we wanted to talk, you know, with them and that's what I'm a little bit disappointed --

CRA EXECUTIVE DIRECTOR BROWN: Yeah. I --

COUNCILPERSON THOMAS: -- you know, by, because -- I mean, we -- we give directives up here and they get followed as staff chooses and not as we give them. That is a real problem with me.

CRA EXECUTIVE DIRECTOR BROWN: But the CRA's financial advisor is also present.

COUNCILPERSON THOMAS: Right.

CRA EXECUTIVE DIRECTOR BROWN: He's here.

ATTORNEY MICHAEL HAYGOOD: And I -- and I have some familiarity with the, uh, Ocean Mall debt. Uh, generally I don't know if I can answer.

COUNCILPERSON THOMAS: But when did we start talking about the Ocean Mall and all of this? 'Cause that -- I don't remember the Ocean Mall being a part of this entire discussion.

CRA EXECUTIVE DIRECTOR BROWN: It -- it -- the -- the request to the city was a debt restructuring and it was in two parts. The first part was a request to eliminate the marina debt service allocation. The justification being is that the CRA will continue its ground lease payment, uh, at the marina and would assume all responsibilities. The ground lease payment for the marina and Bicentennial Park will cost the CRA \$1.2 million. In addition to that, we have the responsibilities of cutting the grass, picking up the trash, and we estimate that to be about 1.4 million.

So, when you put that together, that is a \$3.1 million commitment from the CRA long-term. Um, so we were looking for a long-term benefit. The way we structured the request to the city, the two and a half million that is being provided, we asked the city to -- of the two and a half million, to apply about 1.1, 1.2 million to the common area maintenance expense. To put it another way, if you said why don't we just unwind the marina lease? The impact to the city, I think, would be more detrimental. They would lose the 1.2 million in lease revenue and they would then incur the 1.2, 3 million in common area maintenance.

So by making it a part of the contribution in the common area maintenance, it offsets the operating expense and as I share -- share with you in the CRA's budget workshop, we are still projecting to lose 1.4 million in the marina operations due largely in part to paying the city a long-term lease. So the debt restructuring was attempted by me to tie the long-term lease commitment that we will pay for the next 50 years or to the life of the CRA to the restructuring that nearly matched the amount that we're paying in the ground lease. So the \$500,000 marina debt service, uh, allocation would -- would be eliminated. And then next year, the CRA is responsible for starting to make principle payments on the Ocean Mall debt. We just simply ask for that to be deferred until after the Wachovia debt is paid. We didn't ask for you to forgive it. We did ask for it to be zero percent interest, but that repayment of the principle would occur after the Wachovia debt.

COUNCILPERSON THOMAS: And what is the -- what is the issue with deferring it?

CRA EXECUTIVE DIRECTOR BROWN: That's a --

COUNCILPERSON THOMAS: Mr. Sherman, you wanna answer that?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: The city has deferred -- has not received any principle payments as of yet. You have deferred this and deferred it and now you wanna defer it again. And what's gonna happen is, if we defer it till the -- the Wachovia loan is paid off, you're talking another six, seven, eight years; whatever that number is. What that requires us to do on our books is take that \$10.1 million out of our fund balance and set it aside because it's going to be considered --

COUNCILPERSON THOMAS: Okay. This is where it gets a little hairy for me.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Well, what they're gonna do is they're gonna say it's not a loan.

COUNCILPERSON THOMAS: I get it.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: If all you do is defer it, it's not a loan.

COUNCILPERSON THOMAS: I -- I get what you're saying. I get exactly what you're saying. This is what I need to understand.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Uh-huh.

COUNCILPERSON THOMAS: The \$10 million is not there.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: No.

COUNCILPERSON THOMAS: Period. It's not there.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yeah.

COUNCILPERSON THOMAS: And the interest money that has been coming in -- which has been, what, three or four mill -- three or four years of interest?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Since 2011; yeah.

COUNCILPERSON THOMAS: Okay. So the --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: And I -- and I think there was one payment before that or two payments.

COUNCILPERSON THOMAS: So how much interest of that do we have back in?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yeah. I think it's about a million three was the -- was the number.

COUNCILPERSON THOMAS: Okay. And where is that million three?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: It goes into Fund Your Insurance program 'cause that's where the loan came from.

COUNCILPERSON THOMAS: Okay. But it's back in there?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: And it's been used to offset your budget so you're not contributing as much because it's offsetting what you need for your annual contribution.

COUNCILPERSON THOMAS: I -- I -- I got it.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: But yes.

COUNCILPERSON THOMAS: We just --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: It's in the insurance fund.

COUNCILPERSON THOMAS: Okay. So how do we normally offset our budget?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Well, normally what we do is we figure out what the insurance bill is --

COUNCILPERSON THOMAS: Right.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: -- and we allocate it out to whoever owns the assets. So the marina would pay some, the utility district would pay. And then, again, some of it's worker's comp, general liability, so that just gets allocated across through all the departments.

COUNCILPERSON THOMAS: All right. I got it. This -- this is my -- this is what I don't quite understand. And as I oftentimes say, this is probably just for me. But the money is not there. If we defer the payments, it doesn't mean that you don't have a loan. People do it all of the time.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Uh-huh.

COUNCILPERSON THOMAS: You have automobile loans, you have whatever. You say, "Can you put two payments on the -- the back end of the loan?" They don't say that you don't have a loan anymore. They just say that you don't have to pay the payments for two months. So how is it that it wouldn't be still considered a loan?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: It -- it -- it's not that it's -- wouldn't necessarily -- we wouldn't -- well, we could still call it a loan.

COUNCILPERSON THOMAS: Uh-huh.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: But again, you're using your balance sheet to go out and report to investors. And the investors are going to look at it and go, "That's funny money. We ain't counting it anymore."

COUNCILPERSON THOMAS: I'm not the investor.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: No. I -- I --

COUNCILPERSON THOMAS: Well, actually, we are.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: -- understand that.

COUNCILPERSON THOMAS: But I'm saying I think it's funny money too. I think the game that's being played is funny money games.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Then -- then we need to just take it off the books --

CHAIRPERSON PARDO: Right.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: -- and take the hit to the fund balance and the fund balance will go from 16 million to six million to seven. Whatever the math is gonna work out to be. I mean, if that's what you -- you wanna do, as -- as Ms. Ryan said, it's a policy decision. If that -- all we did is lay out, "Here's the consequences of doing each one of these." It wasn't picking sides. It was, "Here's the consequence, here's --" you know, you can make this choice or this choice.

COUNCILPERSON THOMAS: Okay. But what I'm saying is at what point do that money start to come off of the principle? I mean, because there was no reason to --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: 2017.

COUNCILPERSON THOMAS: There was no reason to charge interest from the very beginning. I mean, the -- the -- I mean, if --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: There -- there is. I mean, there is a --

COUNCILPERSON THOMAS: I -- I would love to hear that.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Well, there's -- there's --

CITY ATTORNEY RYAN: The reason -- hold on.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yeah. All right.

CITY ATTORNEY RYAN: I think one of the reasons we loaned them the money -- this was the reason that was given -- was that we would get more of -- more of an in -- a higher interest rate from the CRA than we would get from the bank. So we took our money out of the bank and gave it to the CRA --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Right.

CITY ATTORNEY RYAN: -- with the promise of more interest. I was here when it happened.

COUNCILPERSON GUYTON: So you gave it to the builder to put the infrastructure in?

COUNCILPERSON THOMAS: Okay.

COUNCILPERSON GUYTON: It didn't go to the CRA. It went to the builder to --

COUNCILPERSON THOMAS: Right.

COUNCILPERSON GUYTON: -- do the infrastructure and the CRA said that we'll step up and repay it.

COUNCILPERSON THOMAS: Mr. Guyton, I -- I still had -- I still had the floor.

CITY ATTORNEY RYAN: And now they want 'em --

COUNCILPERSON GUYTON: Okay.

CITY ATTORNEY RYAN: And that's fine.

COUNCILPERSON GUYTON: But you're -- you're saying like we took --

COUNCILPERSON THOMAS: I still --

COUNCILPERSON GUYTON: -- 10 million --

COUNCILPERSON THOMAS: I still have the floor.

COUNCILPERSON GUYTON: -- and gave it to the CRA.

CHAIRPERSON PARDO: All right. Hold on a second.

COUNCILPERSON THOMAS: I still have the floor.

CHAIRPERSON PARDO: Hold on a second.

COUNCILPERSON THOMAS: Well, this is the concern I have. The money did go into the builder to do the beach property. I get it.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Uh-huh.

COUNCILPERSON THOMAS: Um, but this is the concern I have. Right now the \$6,000,000 that came in from the FPNL tiff has been -- really it's been split; more than split. The CRA now is getting more than 50 percent of it. Okay? So -- I mean, there's not much more you can do on -- on that aspect of it.

What I need to understand is the significance of what happens if this amount of money for the repayment goes six years from now. What -- what happens if we say, "Okay. You get a six-year reprieve"? What actually happens to our financial forecast in terms of our rating?

CITY ATTORNEY RYAN: Okay. Hold on. I'm -- I'm kind of monitoring this.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Okay.

CITY ATTORNEY RYAN: Is that a question that the financial advisor can answer?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yeah. I -- I think --

CITY ATTORNEY RYAN: Because, again, Mr. Sherman's gonna make his statement and then Mr. Brown is gonna say that's not true --

COUNCILPERSON THOMAS: Right.

CITY ATTORNEY RYAN: -- blah, blah, blah. So can we just --

COUNCILPERSON THOMAS: But -- listen. I said this in the last meeting. If you pick up the city's financial person, they just gonna say the same thing. If you pick up the CRA's financial person, they gonna say the same thing.

CITY ATTORNEY RYAN: They're both here. Well, they're both here.

COUNCILPERSON THOMAS: Well, Mr. Brown and Mr. Sherman are both here. I mean, you just gonna get two of -- of the people saying the same thing. But -- just -- just -- just -- just for the -- the sake of going through this, where's the city's, um -- the financial advisor?

PUBLIC FINANCIAL MANAGER MASVIDAL: Thank you. Sergio Masvidal, Public Financial Management with the city of --

COUNCILPERSON THOMAS: I'm sorry. Can you repeat your name?

PUBLIC FINANCIAL MANAGER MASVIDAL: Sergio Masvidal.

COUNCILPERSON GUYTON: Sergio Masvidal.

COUNCILPERSON THOMAS: Can I just call you Mr. Sergio?

PUBLIC FINANCIAL MANAGER MASVIDAL: Perfect.

COUNCILPERSON THOMAS: Okay. So, can you tell me --?

PUBLIC FINANCIAL MANAGER MASVIDAL: Most -- most people do.

COUNCILPERSON THOMAS: Did you hear that question I just asked Mr. Sherman?

PUBLIC FINANCIAL MANAGER MASVIDAL: I did. I did. Absolutely. And I -- I -- I think what the Financial Director is trying to explain is in the case of -- you know, in this -- I'm not a CPA; Mr. Sherman luckily is. In accounting terms, when you have a non-performing loan and at some point the auditors will come in and write off that loan. And that's where the set aside comes about. So if -- if you were to ask if -- I think the question being posed to me is if your -- the city's fund balance went from 16 million to six million, will that have an impact on your credit rating? I -- I think the answer is yes.

COUNCILPERSON THOMAS: Okay. But if you -- if you defer it, are you saying that it will still have an impact on the --

PUBLIC FINANCIAL MANAGER MASVIDAL: I am not a hundred percent familiar with the history of that loan, so -- but I'll take a leap here and say the more times you defer it, at some point, the auditor -- I'm not even sure who this city's auditors are -- but at some point the auditors will come back and say, "Wait a second. You keep deferring this loan. It's a non-performing loan."

COUNCILPERSON THOMAS: Got it. Hold on. Hold on, hold on, hold on, hold on. Don't stop. Where's the, uh, CRA's, uh, financial person?

COUNCILPERSON MILLER: You still got to pay the damn --

COUNCILPERSON THOMAS: Okay. Can you -- can you hold on for a minute? I just -- 'cause there's gonna be something different said here. I'm almost sure of it. How -- how you doing, sir?

CRA FINANCIAL ADVISOR TINDEL: Good. How are you? Uh, Joe Tindel for Southwest.

CHAIRPERSON PARDO: Good evening.

CRA FINANCIAL ADVISOR TINDEL: I serve as the Financial Advisor to the CRA.

COUNCILPERSON THOMAS: Mr. Tindel, did you hear that question that was just asked earlier?

CRA FINANCIAL ADVISOR TINDEL: In terms of the fund balance dropping down?

COUNCILPERSON THOMAS: Uh-huh.

CRA FINANCIAL ADVISOR TINDEL: Um, obviously the CRA -- or the city's financial advisor is more familiar with the city's credit just having gone through the rating and, um, talking to the rating agencies specifically about this city's credit, so -- I -- I do agree that if you have a large drop in the fund balance, it could -- be impact for the rating. The question, I guess, would be whether there ultimately would be a drop with a deferral. Whether it would just be reclassified or how that ultimately happens and that would be an accounting question. Um, and I'm not a CPA myself. That's what --

COUNCILPERSON THOMAS: Right. So we have to go back to the only CPA we have on staff which is Mr. Sherman?

CRA FINANCIAL ADVISOR TINDEL: The -- the --

COUNCILPERSON THOMAS: And it's not a bad thing.

CRA FINANCIAL ADVISOR TINDEL: The city -- the city, um -- or the CRA, I'm sorry, does have the receivable -- or the city has a receivable from the CRA currently and I know the rating agencies do still reference that, um, as (inaudible) balance.

COUNCILPERSON THOMAS: I understand that. But as a financial advisor, you can't tell me whether a deferment would affect the city's rating?

CRA FINANCIAL ADVISOR TINDEL: Ratings are made up of multiple components, so focusing on one small component, um; it's hard to say whether -- whether a deferment itself without knowing how that would ultimately look on the financial statement would -- would -- would come into play.

COUNCILPERSON THOMAS: So have you looked at our financial statement?

CRA FINANCIAL ADVISOR TINDEL: Minimally, but this -- this -- the -- the city's financial advisor is -- is -- is more, um, in tune with the city's financial position.

COUNCILPERSON THOMAS: So I heard you say you agree with the city's financial advisor on the initial part?

CRA FINANCIAL ADVISOR TINDEL: I -- I agree -- I agree in a -- in a --

COUNCILPERSON THOMAS: Which is a change from what I've been deal with.

CRA FINANCIAL ADVISOR TINDEL: I -- I -- I agree in a general sense that if you have a large fund balance and you go to a low, small fund balance, and that's purely what happens and you look at the books and it shows a fund balance of this and then it goes to a smaller -- smaller number, that would be a credit negative.

COUNCILPERSON THOMAS: Okay. So --

CRA FINANCIAL ADVISOR TINDEL: That --

COUNCILPERSON THOMAS: I got it. No problem. Um, okay. All right. So is this something that Harvey, Covington & Thomas would be able to answer?

CITY ATTORNEY RYAN: No.

ATTORNEY MICHEAL HAYGOOD: As the city ordinate, I would think it wouldn't be a question to --

COUNCILPERSON THOMAS: This is gonna be real good. Ms., um -- Ms. (inaudible) can you get them on the line and I'll come out and speak to them and ask them that question? That'll -- that'll solve that part.

Um, Mr. Sherman, um, let me ask you this right here. So --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yes.

COUNCILPERSON THOMAS: If we -- if we decided to -- to defer this, you're basically saying that, "Hey, look, I believe in my professional and I'm gonna add humble opinion, that it's going to negatively affect the -- the city's revenue?" I mean, the city's, uh, rating. So what would you suggest we do?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Well, that's -- this is the offer that we made back.

COUNCILPERSON THOMAS: Right. I -- I got that.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Okay.

COUNCILPERSON THOMAS: Uh, we -- we've seen that a few times.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Okay.

COUNCILPERSON THOMAS: I'm asking you what do you suggest we do with that part of it? With the -- what do you suggest we do in terms of the restruction of that Ocean Mall debt?

CITY ATTORNEY RYAN: He wants you to do that.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: That -- that's the city's counter.

CITY MANAGER JONES: But you're gonna need --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: To the Ocean Mall. So what we're doing is we're -- we're taking the -- right now they're only paying two percent interest. No principle; two percent interest. Okay?

COUNCILPERSON THOMAS: Okay.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Well, they have one more year of that. Okay? After that, the interest rate goes to 4.75 percent. What we're saying is let's -- let's bring that to a market rate. We just issued \$23 million worth of bonds last year. It was 3.01 percent, so we'll change the 4.7 percent.

COUNCILPERSON THOMAS: Okay. But I -- I know I'm the only person that thinks that this is kinda silly for us to charge interest on this --

COUNCILPERSON GUYTON: No, you're not.

COUNCILPERSON THOMAS: -- when we have a financial crisis --

COUNCILPERSON GUYTON: It's a crisis.

COUNCILPERSON THOMAS: -- going on. So that I'm -- I get it.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: And that's fine.

COUNCILPERSON THOMAS: It originally --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: It's --

COUNCILPERSON THOMAS: -- it was set to -- to make money or whatever and I get it. You know, but this is usually what happens when you loan family money.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: There you go.

COUNCILPERSON THOMAS: What I'm trying to figure out is what did we do -- what do we do now to alleviate some of that? We can't --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Okay.

COUNCILPERSON GUYTON: -- erase the debt. But what other options do we have besides --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Okay.

COUNCILPERSON THOMAS: -- the interest rate?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Okay. So what we did is we eliminated the balloon payment.

COUNCILPERSON GUYTON: Going back to (inaudible).

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Okay? Which was five years of payments due all at once in 2026. So we eliminated that. So what -- in essence, that takes the principle and spreads it out for that five-year period. Okay? Then we -- so that really goes out -- the loan really goes out to 2031, but there's a balloon payment in '26. Okay? So then we said, "Okay. Well, we'll extend it out to 2036." Okay? Again, that spreads that principle out over an additional five-year period. Okay? So we took down the interest rate, spread the principle out over five years, and what that does is in 2017, it gives them another \$280,000 savings, uh, for what their payment would be. And that 280,000, that's every year now all the way through to the end. So, it's -- it's not a -- a small offer.

COUNCILPERSON THOMAS: No. That -- that's actually pretty -- pretty aggressive. What was the issue with that Mr., uh, Brown? I mean, I -- that's a pretty aggressive -

COUNCILPERSON GUYTON: He's still -- 'cause he's still charging us, so --

COUNCILPERSON THOMAS: Okay. I just wanna hear him.

CRA EXECUTIVE DIRECTOR BROWN: Uh, Mr. Thomas, we -- we just requested a zero percent interest and that principle would begin to repay after we paid off the Wachovia debt. Uh, you mentioned in your comments that we were getting more than 50 percent of the \$6 million. Well, we structured with the city. And this transferred payment when we thought we were gonna receive the FPNL money. We structured a \$4 million benefit to the city. It was \$1.2 million in the lease. \$500,000 to repay the marina, uh, debt service that takes it to 1.7. And then we were picking up the maintenance at both the marina and the park. That's a \$4 million benefit to the city's two and a half contribution coming in.

So, all we were attempting to do is with the city making the CAM contributions, which will go down as private development goes up.

COUNCILPERSON THOMAS: But we have no -- no real date when --

CRA EXECUTIVE DIRECTOR BROWN: So --

COUNCILPERSON THOMAS: -- private development is going to commence.

CRA EXECUTIVE DIRECTOR BROWN: The one -- the one question you did not ask is how detrimental to the city's balance sheet -- if you just unwound the marina

lease and gave it back to the city and the city keeps its money and they take back the marina lease.

COUNCILPERSON THOMAS: Okay. Don't you answer that. Where's the financial advisor for the city? Can you tell me what would happen if that happened

PUBLIC FINANCIAL MANAGER MASVIDAL: I'm sorry. Yeah. Can someone summarize the request for me?

COUNCILPERSON THOMAS: What would happen if we have to unwind this -- this marina, uh, loan that we have?

CITY ATTORNEY RYAN: Loan or lease?

COUNCILPERSON THOMAS: Lease.

CITY ATTORNEY RYAN: Is that -- is that the same thing?

COUNCILPERSON THOMAS: Lease.

CITY ATTORNEY RYAN: Uh, which (inaudible).

PUBLIC FINANCIAL MANAGER MASVIDAL: So what -- when -- when you say unwind, you just --

CRA EXECUTIVE DIRECTOR BROWN: If -- if we were to unwind the marina lease, it would impact the \$1.7 million in non-ad valorem revenue.

COUNCILPERSON THOMAS: See, I --

CRA EXECUTIVE DIRECTOR BROWN: What the city is projecting is 1.2 million in the lease, plus five -- nearly \$500,000 --

COUNCILPERSON THOMAS: Right. But I didn't want you to explain all that 'cause I want it from a neutral --

CRA EXECUTIVE DIRECTOR BROWN: But he wanted --

COUNCILPERSON THOMAS: -- party.

PUBLIC FINANCIAL MANAGER MASVIDAL: No. But that's helpful. That's -- that's exactly --

CHAIRPERSON PARDO: Yeah. And you know what?

PUBLIC FINANCIAL MANAGER MASVIDAL: I just needed the basis for what I'm going to need.

CHAIRPERSON PARDO: I would rather, at this point, Mr. Sherman, since the city went out and we borrowed the \$22 million to give 10 million to the CRA and put the rest of it into the streets, I think you need to explain it to, um, Mr. Surge (sic). It's like a hairdresser. No, seriously. I think you need to explain it.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: It -- yeah. The -- here -- here's the issue. Is the \$1.1 million of lease payments -- it's just so he can use this in his equation over there -- comes in as non-ad valorem revenue? The \$463,000 debt payment comes in as non-ad valorem revenue. So if we have \$2.8 million of what I'll call access non-ad valorem revenue and coverage of 2.27, what's the impact if we lose \$1.5 million of that?

COUNCILPERSON THOMAS: Okay. That was almost balanced. Go ahead.

PUBLIC FINANCIAL MANAGER MASVIDAL: So, I'm gonna start this with the preface that this is, in my opinion, absolutely a policy decision. I think --

CITY ATTORNEY RYAN: Yes.

PUBLIC FINANCIAL MANAGER MASVIDAL: -- if you were to -- to take any action that will reduce the revenues that the city has, or -- or increase the debt, there's gonna be two impacts. One is I don't -- this is my personal opinion. We haven't had any detailed discussions with the rating agencies. I don't believe that in itself would have an immediate impact to the city's rating.

COUNCILPERSON THOMAS: Let me make sure I'm understanding that first one. You said if we was to unwind it and have to --

PUBLIC FINANCIAL MANAGER MASVIDAL: Scenario that was just described to me.

COUNCILPERSON THOMAS: Right.

COUNCILPERSON GUYTON: The city --

CITY ATTORNEY RYAN: He doesn't believe it would have an immediate --

PUBLIC FINANCIAL MANAGER MASVIDAL: I don't believe it would have any immediate impact to the city's credit rating.

COUNCILPERSON THOMAS: Okay.

PUBLIC FINANCIAL MANAGER MASVIDAL: Now, this -- this is me personally speaking. I haven't spoken to the rating agencies about this. I'd be happy to do so, but we haven't done that to -- to date. Um, long-term, I don't know what impact that will have if other events -- we never know what the future's gonna bring. We don't know what events will unfold.

COUNCILPERSON THOMAS: When you say "immediate", you mean one year, two years, five years, ten years?

PUBLIC FINANCIAL MANAGER MASVIDAL: I'm -- I'm thinking in the next three to six months. Will the city be downgraded based on that?

COUNCILPERSON THOMAS: Right.

PUBLIC FINANCIAL MANAGER MASVIDAL: I don't think so.

COUNCILPERSON THOMAS: Okay.

CITY ATTORNEY RYAN: Right. And -- and -- and that was one of the things that we discussed in our, uh, meeting last week. Um, and no -- it's a policy decision. Basically --

COUNCILPERSON THOMAS: I get it, but this is what's happening, Ms. Ryan. You all discussed it, but you're not the policy makers; we are.

CITY ATTORNEY RYAN: Right.

COUNCILPERSON THOMAS: So if -- if you all would have had that discussion with us like we wanted to today, then maybe we would have better understood it. You know? That -- that's what I'm saying. You all have a better grasp at it, but we don't.

CITY ATTORNEY RYAN: Right.

COUNCILPERSON THOMAS: You know? It's still the -- it's still the same thing, you know? It's still the same thing. We're trying to understand it 'cause one side is saying something; the other side is saying something else. I'm trying to utilize the city's --

CITY ATTORNEY RYAN: Financial --

COUNCILPERSON THOMAS: -- financial advisor to add some level of refereeism (sic), if that's a word. You know?

CITY ATTORNEY RYAN: Right.

COUNCILPERSON THOMAS: Into this -- well, thank you. In -- into this, you know, into this equation to see which way we go. We understand that it's a policy decision. We understand that.

CITY ATTORNEY RYAN: And -- and you understand what the policy decision is. Base -- basically -- and this is what we found; this is the conclusion I came to on Friday. The bottom -- or Thursday; whatever day that was -- the bottom line is you have to decide on the city council side whether or not you are comfortable with the risk that you are taking in restructuring the debt.

COUNCILPERSON THOMAS: I would -- I would really like to understand what the risk is. That's what I'm trying to get to. I'm trying to see -- okay. I understand that there is a risk. Well, what is the impact of this risk? If you saying, okay, we'll be fine for the next year or two years or three years, that's fine. But if you saying we're not and we're saying we need to borrow more money, uh, from the -- for storm water and more money for these other things that we're doing and it's going to affect us and we -- we may not be able to do that, that's significant enough to me to say I'm not really trying to do that.

So that's what I need to understand. But if you saying it's not and we'll still be able to do all these other things that we have, then that's what I -- that's what I personally need to understand.

PUBLIC FINANCIAL MANAGER MASVIDAL: I -- I understand your question and unfortunately I can't answer that for you. I can tell you today, again, in my opinion, based on years of doing this, I don't think there's an immediate risk to the city's credit rating by taking that action. That's immediate, though. I can't tell you what happens during hurricane season, what happens next year if property values, you know, decline again.

There's a -- there's many variables here and -- that we just don't know that's in the future. I can't tell you that everything's gonna be okay. What I can tell you just conceptually from a policy standpoint is any action you take -- and this applies to the CRA or the city; I understand you wear two hats -- is any action you take you take on either side to reduce revenues or increase debt is gonna have some impact at some point in time. I can tell you that today. I can't tell you when that'll happen.

COUNCILPERSON THOMAS: So we were basically pre-qualified for all of these bond deals that we're trying to -- to get, right, Mr. Sherman? We was basically pre-qualified for all these bond deals that we're about to get?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: I'm not quite sure what that means.

PUBLIC FINANCIAL MANAGER MASVIDAL: You were -- you got a credit rating for the last bond (inaudible).

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: You get your credit ratings before you sell your bonds. Yes.

COUNCILPERSON THOMAS: Right. So I'm saying we know that we can get these -- this amount of bond?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: For -- you're talking about for storm water and --

COUNCILPERSON THOMAS: Right. For all of those --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yes.

COUNCILPERSON THOMAS: -- other things that we --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Well -- and again, now, storm water's a good example. Storm water is a different set of revenues.

CITY ATTORNEY RYAN: Right.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: So when we borrow that \$10 million, we -- you -- we secure it exclusively with storm water revenues.

COUNCILPERSON THOMAS: No problem. Good point. So the -- the -- what -- what are we trying to do? Another 60,000,000 for the --

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: For the --

COUNCILPERSON THOMAS: -- for the pensions?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: That -- that's just about done.

COUNCILPERSON THOMAS: What is --?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: We're gonna close on that next Tuesday. That's done.

COUNCILPERSON THOMAS: Okay. So what are we looking to do then?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: What you would be using your non-ad valorem revenues for. Items such as vehicles, uh, some IT maybe. We talked last week about the CAD system.

COUNCILPERSON THOMAS: Uh-huh.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Uh, we talked about the, uh, the buildings. In general, possibly borrowing for those. So we're looking at, you know, maybe small deals. You know? I don't this know we're looking at another, you know, even a \$10 million deal. But, again, you're looking for chunks here and a chunk there to -- to be able to go out and -- and borrow.

Now, again, as -- as Mr. Masvidal said, it gets better and it gets worse. You know? First, you know, it -- as we pay off debt, then the numbers get a little bit better. As revenues grow, the numbers get a little bit better. You have a hurricane and your revenues are gonna drop and it's gonna go the other way. You go out and borrow, and it's gonna get worse.

You know, so it's -- it's that constant balance trying to stay above that number. But, again, there's so many unknowns you -- in my -- you know, again, as you said, humble opinion -- you need to leave that cushion there to cover those unknowns.

ATTORNEY MICHAEL HAYGOOD: Mr. -- if -- if I may. To help along the discussion, uh, it seems to me that we reached an agreement on the payment of the \$500,000. I -- you know, maybe I'm speaking out of turn, but I thought --

COUNCILPERSON THOMAS: Well, I don't know. This is what I need to know.

CHAIRPERSON PARDO: I don't know. We --

COUNCILPERSON THOMAS: I need to make sure -- 'cause it seems like it just keeps growing and growing and growing and growing. I thought we were -- were good. So the -- the 500,000 on top of the two and a half million on top of this 1.3 million?

ATTORNEY MICHAEL HAYGOOD: Let -- you know, let me -- let me rephrase it. The only open issue from what I understand now is the restructuring of the Ocean Mall debt.

CITY ATTORNEY RYAN: And -- and, Mr. Sherman --

COUNCILPERSON THOMAS: Is that the truth?

CITY ATTORNEY RYAN: Well, Mr. Sherman, maybe you can help me understand. I thought the 500 --

CHAIRPERSON PARDO: Yeah. They got everything else they wanted.

CITY ATTORNEY RYAN: I thought the \$500,000 included Ocean Mall, so I -- that was just my misunderstanding.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: No. No. We -- we separated the -- the 500,000 --

CITY ATTORNEY RYAN: Okay.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: -- was to help cover the debt service, so that wasn't a financial cash burden to the CRA. This -- the Ocean Mall was a different animal to discuss. Yes.

ATTORNEY MICHAEL HAYGOOD: And -- and when we left on Friday, it was with the understanding the only issue was rather than it being an annual appropriation, we tried to -- we were going to try and negotiate a document to bring back to you. Would it be a long-term commitment?

COUNCILPERSON THOMAS: Why -- why -- why -- why is that -- why is that, uh, an issue? Why can't we do it every year? Why -- why we're not able to do it every year?

COUNCILPERSON GUYTON: 'Cause council may change their mind. They may decide they don't wanna do it no more.

CRA EXECUTIVE DIRECTOR BROWN: Mr. Thomas, the, uh -- the lease agreement with the city is a 50-year commitment that we have projected that at least in the next six years it's gonna cost us, uh, two and a half million dollars, uh, lost revenue. Uh, over \$11 million in the next five years. And so what we were attempting to structure is where the debt restructuring is to make sure that the million and a half dollars that we're gonna lose in the marina was offset by the debt restructure.

We're not asking for the Ocean Mall debt to be forgiven. The deferral, the income --

COUNCILPERSON THOMAS: No, no, no. I just wanna talk about the -- the -- the -- the -- the --

CRA EXECUTIVE DIRECTOR BROWN: The five -- the \$500,000 --

COUNCILPERSON THOMAS: (inaudible) right now.

CRA EXECUTIVE DIRECTOR BROWN: -- we felt that we would at risk annually to appropriations and that it did not tie the long-term commitment we made, which was intentionally a transfer payment of the Florida Power and Light Revenue, to the city at the time that we did this last year. So when you take away that variable, the only thing that we attempted to do was to match our long-term commitment with a long-term commitment from the city. Simply put.

COUNCILPERSON THOMAS: And how long are you trying to make this agreement?

CRA EXECUTIVE DIRECTOR BROWN: It would -- the -- the \$500,000, um, structure would -- would tie to the term of the debt. The principle -- what'd you say? Twenty years?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Nineteen.

CITY MANAGER JONES: Twenty.

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Twenty.

CRA EXECUTIVE DIRECTOR BROWN: The deferral of principle payment on the Wachovia debt would only be a six-year deferral. After the Wachovia debt is paid --

COUNCILPERSON THOMAS: Why is that important?

CRA EXECUTIVE DIRECTOR BROWN: Because you're -- the CRA has \$8.3 million in expenses, including debt, and 7.2 million in tiff revenues. The 7.2 million in tiff revenues gets offset by a million 2 losses. So basically we have \$5 million net revenue because the marina enterprise is gonna lose a million and a half -- making the math simple -- uh, tied to 8.3 million in -- in total expenses. So this fiscal year -- this fiscal year, we're upside-down by \$3.3 million. Next fiscal year, 2017, right? If all things stayed the same, beginning the principle payment on the Ocean Mall, we'd be -- we'll be upside-down by 4.3 million.

COUNCILPERSON THOMAS: Okay. But if you're upside-down 3.3 million, what is it that we're saying we're not gonna do anymore to try to right that -- right-side that up?

CRA EXECUTIVE DIRECTOR BROWN: Repeat the question.

COUNCILPERSON THOMAS: If you got a \$3 million shortfall, what is the CRA saying that we're not going to do anymore to try to right-side that up?

CRA EXECUTIVE DIRECTOR BROWN: We are going to begin to propose to you a reduction in program expenses that we've projected over multiple years. The biggest of which is a capital access program, uh, our ambassador program, are the two biggest, uh, items that -- program expense items that we'll need to address next fiscal year. Those two programs alone cost us a million dollars in expenses.

COUNCILPERSON THOMAS: Okay. So the \$3.3 million that we're upside-down, what was that \$3,000,000 originally appropriated for?

CRA EXECUTIVE DIRECTOR BROWN: Uh, it was originally appropriated for the marina enterprises that we projected to lose money; um, program expenses; administrative and operational expenses. Uh, in total. The biggest difference -- when I said here before this mic this time last year is that we said that we thought our revenue would go from 6,000,000 to 16. And that because we projected that our revenue would go from 6,000,000 to 16, that we were in a better position to take the marina operations --

COUNCILPERSON THOMAS: Right. But why -- what -- what made you think that if, even when the money came in, it was only six? Why did you think it would go -- why would you think it would be \$10,000,000?

CRA EXECUTIVE DIRECTOR BROWN: Because we would get the county share.

COUNCILPERSON THOMAS: Right. So why haven't we approached the county to say we can get that share back?

CRA EXECUTIVE DIRECTOR BROWN: Um, I don't think that the county would give -- I don't understand --

COUNCILPERSON THOMAS: I mean, but did we ask?

CRA EXECUTIVE DIRECTOR BROWN: But we didn't -- we -- we didn't structure a deal last year with the county. We structured a deal last year with the city.

COUNCILPERSON THOMAS: I get that.

CRA EXECUTIVE DIRECTOR BROWN: Just --

COUNCILPERSON THOMAS: That's not what I'm asking you, sir. I'm asking -- okay. We understand what happened. But did we ask the county, "Hey, we having some issues here. Can you give us that money that we would originally have gotten if this money would have come in on the CRA side"?

CRA EXECUTIVE DIRECTOR BROWN: No. We didn't pose that particular question.

COUNCILPERSON THOMAS: But I'm just saying. Why are we continuing to fight with each other when we go to --?

CRA EXECUTIVE DIRECTOR BROWN: Because we did not structure a marina enterprise deal with the sit -- with the county as an intent to transfer FPNL revenue to take a burden off the city's back. To put it on ours because we projected the recipient of the revenue --

COUNCILPERSON THOMAS: I get it. But what I'm trying to say is --

CRA EXECUTIVE DIRECTOR BROWN: And if --

COUNCILPERSON THOMAS: -- if you were say you were expecting 10,000,000 and only 6,000,000 came, then that means there's 4,000,000 still at the county somewhere?

CRA EXECUTIVE DIRECTOR BROWN: No. I'm saying that the -- the tiff revenues -- the -- the foregone income is the city and the county. What we structured last year was to give the benefit of the FPNL tiff that we thought was gonna come to the CRA. We -- we allocated the value of the city's value to give it back to them.

COUNCILPERSON THOMAS: Okay. Got it. So what are you doing with the actual increase that the CRA actually got then?

CRA EXECUTIVE DIRECTOR BROWN: They actually --

COUNCILPERSON THOMAS: 'Cause they would have to get some too. If the city got more, that means the CRA would have to get some of that.

CRA EXECUTIVE DIRECTOR BROWN: It's -- it's going towards the program expenses that we've -- that we've outlined to you at our last meeting. And it's going to cover part of the losses at the marina.

COUNCILPERSON THOMAS: Okay. So that's part of the money that you saying that you -- the \$3.3 million was supposed to cover? How much did you actually get? How much did you -- did the CRA actually get?

CRA EXECUTIVE DIRECTOR BROWN: The CRA's revenue increase, because you had a decrease in your, um -- uh, proposed decrease in your ad valorem rate, we're projecting that our revenue will go up by about \$400,000, 500,000 -- from about 6.6 million to seven -- actually about 7.2. So we're proposing that our revenue will go from 6.4 million to 7.2.

COUNCILPERSON THOMAS: From how much to where?

CRA EXECUTIVE DIRECTOR BROWN: From about 6.6 -- I'm doing this from memory -- to 7.2.

COUNCILPERSON THOMAS: 6.6 to 7.2.

CRA EXECUTIVE DIRECTOR BROWN: And then from that amount, we're saying that the marina --

COUNCILPERSON THOMAS: So you got about another 800,000 in --

CRA EXECUTIVE DIRECTOR BROWN: In -- in increase --

COUNCILPERSON THOMAS: -- revenue?

CRA EXECUTIVE DIRECTOR BROWN: Right.

COUNCILPERSON THOMAS: Okay.

CRA EXECUTIVE DIRECTOR BROWN: We had 11 percent increase.

COUNCILPERSON THOMAS: And then what did you do with that 800,000?

CRA EXECUTIVE DIRECTOR BROWN: So, the, um -- the biggest hit that we'll have this year -- or this coming fiscal year that we did not have, is that the marina enterprise, we projected that was gonna lose about \$600,000. We're projecting that it will lose next year 1.5 million. So that -- that --

COUNCILPERSON THOMAS: Now how did you do -- how did those two projections come?

CRA EXECUTIVE DIRECTOR BROWN: It comes from the marina enterprise lease. I've said the -- the marina lease and it comes from CAM-related expenses.

COUNCILPERSON THOMAS: The CAM-related expenses --

CRA EXECUTIVE DIRECTOR BROWN: Cutting the grass, picking up trash, paying the water bills, paying the utilities.

COUNCILPERSON THOMAS: And that's gonna be a million two?

CRA EXECUTIVE DIRECTOR BROWN: That's gonna be a million five. Marina --

COUNCILPERSON THOMAS: Million five. And who gave you that million five number?

CRA EXECUTIVE DIRECTOR BROWN: Uh, this is what we've projected in -- in our -- in our marina, uh, uplinks operations.

COUNCILPERSON THOMAS: A million five and upwards?

CRA EXECUTIVE DIRECTOR BROWN: Yeah. Of that million five, a million -- about a million two represents the, um, uh, lease to the city for Bicentennial Park and the marina.

COUNCILPERSON THOMAS: Uh-huh.

CRA EXECUTIVE DIRECTOR BROWN: And then, um --

COUNCILPERSON THOMAS: You got 300,000 more.

CRA EXECUTIVE DIRECTOR BROWN: And then there are CAM-related expense - common area maintenance expense that exceed over a million dollars that the city is partially offsetting with that two and a half million that they're contributing. So that would in -- that -- that would include paying the water bill to keep the trees and the grass watered. That's a big expense. It -- it covers picking up trash; it covers cutting grass. So all the things that are in, um, what would be, um --

COUNCILPERSON THOMAS: And -- and -- and why don't you agree with this, what the city has offered that -- that's gonna give you almost 300,000 annually in --

CRA EXECUTIVE DIRECTOR BROWN: Because if -- in the -- in the budget I showed you for next year is that our number is negative. We lose -- we still lose a million dollars in net cash flow. We will have depleted reserves. So I will end up cutting programs -- in order to give you a -- a balanced budget, I will cut programs and staff in order to deliver a break-even budget.

COUNCILPERSON THOMAS: Okay. That's all, Madam Chair. I'm -- I need to go and talk to the accountant.

CHAIRPERSON PARDO: Okay. One thing that we all need to remember. When we started this discussion, Mr. Brown came in asking for \$2,000,000. Two million dollars and he wanted the Ocean Mall debt restructured. We gave him two and a half million. Now we're up to \$3,000,000. We offered him the debt restructure over

at the Ocean Mall and, you know -- and it still isn't enough. And at what point are we gonna say no?

The money did come -- fine. We all thought the money was gonna go over to the CRA and we were gonna get some of that money back. And here we are now. The money came over to the city and we are sending some of the money back to the CRA. They can't have it all. There's needs over here also. And I said this at our last meeting and I mean it a hundred percent, this should be the incentive for Mr. Brown and everyone else to get moving on finding companies to come in and start leasing out the property over at the Ocean Mall. Because if he's estimating a million and a half deficit today, uh, it's gonna be really interesting to hear what the true number is gonna be tomorrow.

You have a lease with Viking. They still haven't done anything with their, you know, with that Pad A site. Nothing. And then we have these other sites. People coming in and talking, but there's no plans and there's nothing coming out of the ground except the event center which all along we knew we were gonna have to subsidize for a number of years in -- in addition to the park.

So, you know, we're building this stuff over at the -- over at the marina and my feeling is we're not being aggressive enough. Aggressive enough trying to bring businesses in there. We're still sitting on Spanish courts and this, again, should be the incentive to do something with Spanish courts. If we have to, if you guys can't reach some kind of an agreement with Viking, go out and try to find someone to build something at Spanish courts to get additional tiff. We need to be reaching out to the other businesses along Broadway who have been talking about expanding their business and saying, "What can we do to help you?" We need -- we need the additional tiff. "What can we do to help you?"

So instead of coming to the city and having this be a city problem -- and if we're all gonna say this is a city problem, maybe we need to have the discussion again. A discussion that I tried starting in, um, 2008 and 2009 about maybe folding it and bringing it back to the city.

But, you know, at -- at some point, we need to -- you know, this -- this is a give-and-take. And my feeling is the CRA isn't giving anything. All along, the city has been giving.

Going back to the \$2,000,000, you asked for \$2,000,000 and now we're up to, uh, 3,000,000 in addition to the \$914,028 and now the restructuring. So, if this is gonna be a true partnership, this needs to be give-and-take and, you know, we're gonna go through your budget again on Wednesday. Right? We -- and we had asked for a line item so we can go through it.

CRA EXECUTIVE DIRECTOR BROWN: Um, still ain't got it.

CHAIRPERSON PARDO: No. Wednesday.

CITY MANAGER JONES: Wednesday.

CHAIRPERSON PARDO: Wednesday. You know, we asked for a line item budget so we can go through it. But I think there's a lesson be -- to be learned here and it is we need to be aggressive. We all said we were gonna redevelop this marina. We need to be aggressive in finding people to develop it. We can't do it ourselves. We cannot do it ourselves. So instead of, you know, waiting for someone to come along and, you know, you have the girls over at CBRE doing whatever they do, I think we need to be more aggressive in getting some businesses down there. And, Mr. Brown, we'll have this discussion on Wednesday, but this council needs to decide what they're gonna do with Spanish courts. Because that is -- that's potential revenue right there that we're missing.

CHAIR PRO TEM DAVIS: Madam --

CHAIRPERSON PARDO: Let me just make sure there is nothing else. No. I'm just -- you know, I'm done. Go ahead, sir.

CHAIR PRO TEM DAVIS: Thank you. Um, this is the third time we gonna -- I think we've had this exact same conversation about making a decision. And this board had made a decision for staff to bring financial advisors from both parties and bond council of both parties. I commend the city staff because they've been having to show their hand each and every time as we going through this budget process.

If we gonna do what we need to do and work well together, the other side need to do -- um, make sure they doing their part. Because people can come here and get contracts and get work in the city. But there's a -- but you got ample amount of time to send someone from staff from the bound council to be here. So we can ask from both parties. If one person can be here, maybe -- do they have more than one person, um, Mr. Brown? Is Ms. -- the young lady from bond council?

ATTORNEY MICHAEL HAYGOOD: Yes. Yes. I'll -- I'll answer that question for you.

CHAIR PRO TEM DAVIS: Yeah.

ATTORNEY MICHAEL HAYGOOD: And -- and again, um, when we left on Friday, I think all of the staff --

CHAIR PRO TEM DAVIS: Correct.

ATTORNEY MICHAEL HAYGOOD: -- both the city staff and the city's consultant and the CRA consultants thought we had a deal.

CHAIR PRO TEM DAVIS: Uh-huh.

ATTORNEY MICHAEL HAYGOOD: So there was some other, uh, conflicts that, um, they did not resolve because we thought we had worked it out.

CHAIR PRO TEM DAVIS: So --

ATTORNEY MICHAEL HAYGOOD: In all honesty.

CHAIR PRO TEM DAVIS: So did you speak -- did you speak to the bond council or did Mr. Brown speak to bond council?

ATTORNEY MICHAEL HAYGOOD: No. All of us. But we had a conference call with --

CITY ATTORNEY RYAN: She was on the conference call.

ATTORNEY MICHAEL HAYGOOD: Yeah. She was on the conference call. We had a conference call with the --

CHAIR PRO TEM DAVIS: Okay. So did -- did she state whether or not she can come at a later date?

ATTORNEY MICHAEL HAYGOOD: If you want her to come again, again, we thought we had --

CHAIR PRO TEM DAVIS: No. I mean, the purpose was not for her to speak to you all. It was to speak to this board.

ATTORNEY MICHAEL HAYGOOD: Again, sir, because we thought we had worked out the issue, we were --

CHAIR PRO TEM DAVIS: I -- I know how you -- with all due respect, Mr. Haygood. I respect your position. Because you felt like you worked something out, we've been trying to get staff to work things out for a few weeks out now. With all due respect, you all took each -- each side stronger. I respect that. But it got to a point where this board wanna ask some questions. And that's not fair to us -- and I'm trying to find out who works for who. Because we also asked for a itemized line budget so we can be prepared to even have this discussion today. If I'm going to help the CRA, give them some relief, I need to have all the questions we had to ask -- whoever we need to ask. Was it the financial advisor from the CRA or the city? Or the bond councils from the city versus the CRA.

And here we are again getting ready to make a -- a decision before we even get to our C -- our official CRA budget workshop. You know, I'm just -- just trying to find out when are we gonna get every -- uh, everybody in the room to answer the -- ask the questions? And wonder why we not moving forward?

COUNCILPERSON THOMAS: You haven't received a line item budget from Mr. --

CHAIR PRO TEM DAVIS: Not yet. Have you?

COUNCILPERSON THOMAS: Uh, I got the questions I needed -- what I wanted to see I got. So I just wanna make sure -- Mr. Brown, is there any reason why he has -

CRA EXECUTIVE DIRECTOR BROWN: It's -- it's in the CRA workshop budget (inaudible).

COUNCILPERSON THOMAS: Okay. Well, I mean, I've already -- so he already has access to it then?

CRA EXECUTIVE DIRECTOR BROWN: Yes.

COUNCILPERSON THOMAS: Okay. All right.

CHAIR PRO TEM DAVIS: Well, my -- my thing is that was supposed to be presented to the board so we can -- when that board -- that -- when that was presented, that should have been sent over to us immediately. Simple as that. I'm not, you know, I -- I stick hard to my guns on how I feel about Riviera Beach. The CRA -- I'm gonna say it again -- designed to give the city relief. We're not the same board. We are the same people, but we have to operate and -- and function on the different laws and bylaws.

So based on the purpose and the function of the CRA, they're designed to give us relief. Now, based on their recommendations that -- to us, based on staff, I ain't gonna say I assumed it, but staff had the responsibility to go out ask do their due diligence to find out where the money was gonna fall. So they're gonna make their recommendations and say we assumed? No, no, no. We voted on something that staff brought to us, that they get paid to do. There was no assumption. Either you telling me that staff assumed, then we have a no-no situation to address. That still has yet to be worked out from this -- any of these meetings.

Do I wanna help the CRA? Yes, we do. Do we wanna make sure we keep some of the jobs in the CRA? Yes, we do. But if they're gonna hold their guns back, why do we need to go ahead and give them any relief if they're not showing their whole hand? We should have to discuss their budget item by item as a board together so we can know that we all getting the same piece of information, having the same discussion at the same time, so we can feel comfortable with how we're gonna help each other out.

So I'm just trying to find out now -- we had our last budget workshop in the city and the city keeps saying that we keep trying to -- over \$3,000,000 and they're saying no and then Mr. Haygood is saying -- well, I guess y'all came to agreement. Is that what you just stated?

ATTORNEY MICHAEL HAYGOOD: Yes, sir.

CHAIR PRO TEM DAVIS: So --

ATTORNEY MICHAEL HAYGOOD: As -- as it relates to the half a million dollars.

CHAIR PRO TEM DAVIS: The half a million dollars, right?

ATTORNEY MICHAEL HAYGOOD: Uh, yes, sir.

CHAIR PRO TEM DAVIS: Is -- is that true? Ms. Ryan, is that true?

CITY ATTORNEY RYAN: Yes, it's true. Except that I was working from a totally different position.

CHAIR PRO TEM DAVIS: Position.

CITY ATTORNEY RYAN: I didn't realize that it didn't -- it did not include the Ocean Mall debt restructuring. But as long as that was Mr. Sherman's understanding, that's fine. But that -- I never articulated that in our discussion. I just didn't understand and that's why I was confused this afternoon.

CHAIR PRO TEM DAVIS: So -- so Mr. Sherman, were you comfortable with that?

CITY ATTORNEY RYAN: With the five -- \$500,000?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yes.

CHAIR PRO TEM DAVIS: You're comfortable with that?

DIRECTOR OF FINANCE ADMINISTRATION SHERMAN: Yeah.

CHAIR PRO TEM DAVIS: Okay. Uh, let me talk to the CRA financial advisor since they here. Let me ask a few questions.

COUNCILPERSON THOMAS: So Mr. Davis, are -- in -- in -- I just wanna make sure also, are we only just trying to get the Ocean Mall stuff done if everything else is decided upon or --

CHAIR PRO TEM DAVIS: Well, the Ocean Mall wasn't even a discussion in the last meeting, so why we discussing -- discussing it now? All of a sudden there's a whole nother conversation coming back to this board. So if you wanna talk about Ocean Mall?

COUNCILPERSON THOMAS: I -- I would -- I would inclined to agree with you on that.

CHAIR PRO TEM DAVIS: You know what I mean? So why are we even --?

COUNCILPERSON GUYTON: Well, we did discuss the interest.

CHAIR PRO TEM DAVIS: We had interest in it; we did.

COUNCILPERSON GUYTON: And -- and why are we paying interest?

CHAIR PRO TEM DAVIS: But that wasn't a -- that wasn't a --

COUNCILPERSON GUYTON: The Ocean Mall was discussed.

CHAIR PRO TEM DAVIS: Correct. But it wasn't a primary focus.

COUNCILPERSON GUYTON: Okay.

CHAIR PRO TEM DAVIS: The focus was for them to come back here so we can ask our series of questions.

COUNCILPERSON GUYTON: It was part of our discussion.

CHAIRPERSON PARDO: Right.

CHAIR PRO TEM DAVIS: That's cool.

ATTORNEY MICHAEL HAYGOOD: And -- and --

CHAIR PRO TEM DAVIS: But it's not the primary folk -- focus of our questions. It was just a part of it.

ATTORNEY MICHAEL HAYGOOD: And again, in defense of, um, Mrs. Herring, we said that we worked out the half million dollars and it's just a matter of coming back to the board, tell them that, and you authorize him as (inaudible) to negotiate a document to bring back to you.

CHAIR PRO TEM DAVIS: So did someone tell Ms. Herring that she didn't have to be here? Yes or no.

COUNCILPERSON THOMAS: Um, I'm sure they did.

CHAIR PRO TEM DAVIS: No. Hold on. Hold on. They gonna answer the question.

ATTORNEY MICHAEL HAYGOOD: Well, I -- I don't -- well --

CHAIR PRO TEM DAVIS: Yes or no.

ATTORNEY MICHAEL HAYGOOD: To the extent --

CHAIR PRO TEM DAVIS: Hold on.

ATTORNEY MICHAEL HAYGOOD: -- that we thought we resolved the issue. Yeah.

CHAIR PRO TEM DAVIS: Hold -- okay.

ATTORNEY MICHAEL HAYGOOD: Yes.

CHAIR PRO TEM DAVIS: Yes?

ATTORNEY MICHAEL HAYGOOD: To the extent we thought we resolved it.

CHAIR PRO TEM DAVIS: See, now, that's the problem right -- right there. Everybody -- every member of this board should have because his board wanted an opportunity to ask questions from all parties.

ATTORNEY MICHAEL HAYGOOD: But if we had resolved the issue --

CHAIR PRO TEM DAVIS: No. Look --

ATTORNEY MICHAEL HAYGOOD: -- it would seem to be moot. I thought it'd have been moot. Understood.

CHAIR PRO TEM DAVIS: Yeah.

ATTORNEY MICHAEL HAYGOOD: Understood.

CHAIR PRO TEM DAVIS: But -- but see --

CHAIRPERSON PARDO: But it wasn't resolved.

CHAIR PRO TEM DAVIS: It wasn't resolved when we left here.

CHAIRPERSON PARDO: It wasn't resolved. Because that's why we're here again today.

CHAIR PRO TEM DAVIS: Other than that, we should have said, "Resolve it. Don't even bring them too them -- don't even reach out to them." If that was the case. You know? Okay. Really quick. What's your name again, sir?

CRA FINANCIAL ADVISOR TINDEL: Joe Tindel.

CHAIR PRO TEM DAVIS: How you doing? Let me ask you a question. Um, your, um, company that you represent, do you all work for the CRA or the CRA Director?

CRA FINANCIAL ADVISOR TINDEL: We work for the CRA.

CHAIR PRO TEM DAVIS: So -- so you work for this board here, right?

CRA FINANCIAL ADVISOR TINDEL: Yes. Yes.

CHAIR PRO TEM DAVIS: Okay. So let me ask you a question. Um, I -- I wrote down a -- a few questions 'cause I was prepared to ask everybody a series of questions as it relates to all this stuff that's going on. Um, as part of your work, um, that you come to perform for the CRA, did you compare any, um, financial -- financial, um, projections for the CRA revenues and expenses?

CRA FINANCIAL ADVISOR TINDEL: Recently, no.

CHAIR PRO TEM DAVIS: No. Not -- as far as over the last -- as far it relates to the bond.

CRA FINANCIAL ADVISOR TINDEL: Uh, the, um, the city's recent bond?

CHAIR PRO TEM DAVIS: Yes.

CRA FINANCIAL ADVISOR TINDEL: Um, no, we did -- we didn't. Uh, well, we -- we looked at debt service after the fact --

CHAIR PRO TEM DAVIS: Okay.

CRA FINANCIAL ADVISOR TINDEL: -- but we didn't prepare any projections in terms of revenue, so --

CHAIR PRO TEM DAVIS: Did you do any in the last three years?

CRA FINANCIAL ADVISOR TINDEL: Um, most recently we assisted the CRA with the, um, refinancing of a portion of the 2011 loan.

CHAIR PRO TEM DAVIS: Uh-huh. Which -- which loan was that?

CRA FINANCIAL ADVISOR TINDEL: That was the 2013 A and B.

CHAIR PRO TEM DAVIS: 2013 what?

CRA FINANCIAL ADVISOR TINDEL: Series 2013 A and B. Um, it was a split loan where you had a portion tax exempt and a portion taxable.

CHAIR PRO TEM DAVIS: And that was for?

CRA FINANCIAL ADVISOR TINDEL: Um, a portion of it was converted to taxable and -- and -- and Tony could probably, uh, tell you more accurately the ultimate use of the proceeds, but, um, a portion of it was -- was converted to taxable in order to, uh, be used for a -- a different purpose than originally planned and the taxable nature provided more flexibility to do that. And the tax exempt loan was additional capital for the CRA.

CHAIR PRO TEM DAVIS: So did -- did you work, um, uh, with the CRA as regards to the bond and its structure and our recommendation to this board, the FPNL? The tiff dollars from the FPNL?

CRA FINANCIAL ADVISOR TINDEL: Um, the --

CHAIR PRO TEM DAVIS: Did you?

CRA FINANCIAL ADVISOR TINDEL: Which -- which -- I'm sorry. Which bond?

CHAIR PRO TEM DAVIS: The bond as it regards to the FPNL tiff dollars.

CRA FINANCIAL ADVISOR TINDEL: Um --

CHAIR PRO TEM DAVIS: To pay back --

CRA FINANCIAL ADVISOR TINDEL: In terms of the payback?

CHAIR PRO TEM DAVIS: Yes.

CRA FINANCIAL ADVISOR TINDEL: It -- honestly, no. We did not work specifically with the -- like FPNL.

CHAIR PRO TEM DAVIS: So who did?

CRA FINANCIAL ADVISOR TINDEL: We --

ATTORNEY MICHAEL HAYGOOD: We don't -- we don't have a FPNL tiff wand. It's not pledged or anything.

CHAIR PRO TEM DAVIS: No, no, no. That ain't what I'm stating. There was a bond taken out, correct? As it regards to FPNL -- explaining the FPNL tiff, correct?

CRA FINANCIAL ADVISOR TINDEL: No. The -- the -- the exist --?

ATTORNEY MICHAEL HAYGOOD: There's no bond.

CHAIR PRO TEM DAVIS: Hold on. The BB&T bond; what -- what was that for?

CRA FINANCIAL ADVISOR TINDEL: Oh, the -- the existing --

CHAIR PRO TEM DAVIS: How was that gonna pay you back?

CHAIRPERSON PARDO: Tiff.

CRA FINANCIAL ADVISOR TINDEL: Firm tiff revenue. The existing debt that we did --

CHAIRPERSON PARDO: Okay.

CRA FINANCIAL ADVISOR TINDEL: -- helped the CRA with --

CHAIR PRO TEM DAVIS: Okay. Now -- okay. Let's --

CRA FINANCIAL ADVISOR TINDEL: -- the tiff revenues, the existing revenues, were enough (inaudible).

CHAIR PRO TEM DAVIS: Thank you. That's what I meant. Thanks -- thanks for correcting me. Okay. As far as the BB&T loan -- 'cause you worked on that.

CRA FINANCIAL ADVISOR TINDEL: Yes.

CHAIR PRO TEM DAVIS: Okay. What source of income that was structured in that document state on how that BB&T was gonna get paid back?

CRA FINANCIAL ADVISOR TINDEL: A tax increment revenue.

CHAIR PRO TEM DAVIS: From who? From what sources?

CRA FINANCIAL ADVISOR TINDEL: It's a combination of the city and the county.

CHAIR PRO TEM DAVIS: But you blame all the sources in the city, in the county?

CRA FINANCIAL ADVISOR TINDEL: Uh, I'm not sure we got into that much detail in terms of -- you talking about each property or --

CHAIR PRO TEM DAVIS: At any point in that document, was the FPNL revenue a part of that?

CRA FINANCIAL ADVISOR TINDEL: It -- it's --

CHAIR PRO TEM DAVIS: Tiff. Uh-huh.

ATTORNEY MICHAEL HAYGOOD: Yes.

CRA FINANCIAL ADVISOR TINDEL: Um, at this -- at -- at some point in time, I'm sure it was contemplated that there were would potentially be a large increase --

CHAIR PRO TEM DAVIS: Uh-huh.

CRA FINANCIAL ADVISOR TINDEL: -- in FPNL -- or tiff revenue from the power plants and so it's a long time ago.

COUNCILPERSON THOMAS: No. But he's not answering the question properly. There absolutely was because in that --

CRA FINANCIAL ADVISOR TINDEL: All right.

COUNCILPERSON THOMAS: -- we could not change the boundaries of our CRA --

CRA FINANCIAL ADVISOR TINDEL: Uh-huh.

COUNCILPERSON THOMAS: -- just because of that. I remember being very upset about that. So it was directly a part of that. We could not -- a government could not change their own boundaries for that loan, so --

ATTORNEY MICHAEL HAYGOOD: That -- that's not correct.

CHAIRPERSON PARDO: But that's -- yeah. I agree with --

ATTORNEY MICHAEL HAYGOOD: That is -- that is not --

COUNCILPERSON THOMAS: That was definitely --

ATTORNEY MICHAEL HAYGOOD: It may have --

COUNCILPERSON THOMAS: What was it?

ATTORNEY MICHAEL HAYGOOD: That wasn't the reason it had nothing to do with FPNL. They never want you to be able to shrink your taxing district.

CHAIRPERSON PARDO: Right.

COUNCILPERSON THOMAS: But it was about FPNL. Now, you can say it wasn't because there were not any other loans. It was when they knew that we were getting the FPNL money that that particular verbiage showed up in the contract. Other than that, show me where it said in any other contract.

ATTORNEY MICHAEL HAYGOOD: That's -- that's -- that's not true.

COUNCILPERSON THOMAS: Show me where it is in any other contract.

ATTORNEY MICHAEL HAYGOOD: I'll -- the only thing I can tell you definitely --

COUNCILPERSON THOMAS: Yeah. You can (inaudible) but --

ATTORNEY MICHAEL HAYGOOD: -- is that the tiff revenue --

COUNCILPERSON THOMAS: -- they playing games and I don't like that.

CHAIR PRO TEM DAVIS: I know. I know.

ATTORNEY MICHAEL HAYGOOD: I'm not playing any games.

CHAIRPERSON PARDO: No, no. There's no games being played.

ATTORNEY MICHAEL HAYGOOD: Nobody's playing any games.

COUNCILPERSON THOMAS: So --

CHAIRPERSON PARDO: Go back and read that BB&T document. They were concerned -- their major concern was the Ritz Carlton because for years there's -- there's been talk about taking Ritz Carlton out and putting it back at the city. The Ritz Carlton -- we get the -- the majority of the tiff coming into the CRA is from the Ritz Carlton. I'm sorry, Mr. Thomas.

ATTORNEY MICHAEL HAYGOOD: That -- I -- no. Let me just --

CHAIRPERSON PARDO: Uh, and Mr. Davis. It's your --

CHAIR PRO TEM DAVIS: Let him finish.

ATTORNEY MICHAEL HAYGOOD: I'll -- I'll -- let me finish. Let me finish and --

CHAIRPERSON PARDO: Yeah.

ATTORNEY MICHAEL HAYGOOD: -- let me tell you for a point --

CHAIRPERSON PARDO: There's no mention of FPNL in the --

ATTORNEY MICHAEL HAYGOOD: The tiff -- it --

COUNCILPERSON THOMAS: There's no any --

CHAIRPERSON PARDO: -- bond document.

COUNCILPERSON THOMAS: There's no mention of any Ritz or any --

ATTORNEY MICHAEL HAYGOOD: Listen, it was too speculative. They will not issue bonds --

CHAIRPERSON PARDO: It was too speculative.

ATTORNEY MICHAEL HAYGOOD: -- on speculation. The FPNL wasn't built -- if they had, look what it would be.

CITY ATTORNEY RYAN: That's right.

ATTORNEY MICHAEL HAYGOOD: So they do not anticipate revenue.

CHAIRPERSON PARDO: It wasn't built.

ATTORNEY MICHAEL HAYGOOD: Your bond -- listen to me now. And you can ask bond council, you can ask --

COUNCILPERSON THOMAS: I wanna know why was the verbiage put in then?

ATTORNEY MICHAEL HAYGOOD: Because they didn't --

CHAIRPERSON PARDO: Wait. Hold on. It -- hold on a second. You know what? With all due respect, Mr. Thomas --

COUNCILPERSON THOMAS: Yeah.

CHAIRPERSON PARDO: -- you had the floor for a long time.

COUNCILPERSON THOMAS: I did. I did. No problem. Mr. Davis got the floor.

CHAIRPERSON PARDO: Mr. Davis has it.

COUNCILPERSON THOMAS: Go ahead.

CHAIRPERSON PARDO: All right. Sir, go back.

CHAIR PRO TEM DAVIS: I just want -- just please answer that question that Councilman Thomas just asked.

ATTORNEY MICHAEL HAYGOOD: Um, they will not -- when they are looking -- and you can ask your financial advisor, you can ask your Financial Director. They do not anticipate revenue. They only do it based upon your past history. So they wouldn't go any further in sizing the bonds other than the revenue streams that they had at the time the bonds were issued.

CHAIR PRO TEM DAVIS: From -- from the past?

CRA FINANCIAL ADVISOR TINDEL: The -- the -- and I'll add a little bit to that. The -- the -- the current debt with BB&T has an additional debt task.

CHAIR PRO TEM DAVIS: Correct.

CRA FINANCIAL ADVISOR TINDEL: So you can take out new debt secured by tiff as long as you meet, uh, one time -- 1.5 times coverage. The 1.5 times coverage is on historical revenue. It's not on projected revenue.

CHAIR PRO TEM DAVIS: Thank you.

CRA FINANCIAL ADVISOR TINDEL: So to issue new debt, you'd have to look --

CHAIR PRO TEM DAVIS: See --

CRA FINANCIAL ADVISOR TINDEL: -- backwards, not forwards.

CHAIR PRO TEM DAVIS: See, I don't know if you was here though, but when this came before this board, the only thing that was discussed in the tiff and we kept referencing was the FPNL tiff dollars. That was ref --

CRA FINANCIAL ADVISOR TINDEL: I -- like -- like --

CHAIR PRO TEM DAVIS: That was driven -- and it's driven it to this board over and over and over again.

CRA FINANCIAL ADVISOR TINDEL: And --

CHAIR PRO TEM DAVIS: And this board is going out and getting bonds and getting money for projects that seems to me -- and correct me if I'm wrong -- that's why we're having discussions today. That we don't even have a funding source to pay this money back.

CRA FINANCIAL ADVISOR TINDEL: The -- the -- the exact --

CHAIR PRO TEM DAVIS: I mean, please help me out. Mr. Haywood, I -- I hear you over there --

ATTORNEY MICHAEL HAYGOOD: It's Haygood.

CHAIR PRO TEM DAVIS: Haygood. I apologize. Yeah.

ATTORNEY MICHAEL HAYGOOD: And -- and number two, the -- the shortfalls that -- that you are talking about have nothing to do with your bonds. Your bonds are not at risk.

CHAIRPERSON PARDO: Well, first of all, the CRA doesn't have any bonds.

CHAIR PRO TEM DAVIS: Well, Mr. -- Mr. --

ATTORNEY MICHAEL HAYGOOD: We have the tiff bonds. Those are our bonds.

CHAIR PRO TEM DAVIS: Mr. Haygood.

ATTORNEY MICHAEL HAYGOOD: The BB&T are bonds --

CHAIRPERSON PARDO: That's a loan.

CHAIR PRO TEM DAVIS: Mr. Haygood.

ATTORNEY MICHAEL HAYGOOD: It's a bond. What's -- there's no difference between a bond and a loan.

CHAIR PRO TEM DAVIS: Mr. Haygood.

CHAIRPERSON PARDO: It's a loan.

CHAIR PRO TEM DAVIS: Are you upset?

ATTORNEY MICHAEL HAYGOOD: Well, no. I just wanna get my name straight for the record.

CHAIR PRO TEM DAVIS: I know. But, you know, this -- this, you can say it, you know, in a little more calmer manner next time. You know? But no problem. You staying professional.

ATTORNEY MICHAEL HAYGOOD: Well, you -- you can call me Chef Smokin' in the future.

CHAIR PRO TEM DAVIS: No. Mr. Haygood is your name. I will respect you for that.

CITY ATTORNEY RYAN: General revenue (inaudible).

CHAIR PRO TEM DAVIS: Um, and I'm not gonna ask a lot of questions because we are back in the same position, but thank you, sir. Um, I -- somebody else might have some more questions, but I don't wanna go into a million question -- I got, uh, tons of questions, but I want everybody in the room. You know, I'm glad that you all got to a point that you feel like finally you want to get to a breakthrough. But we're having this discussion today for a reason. Okay? If we keep taking staff recommendations, it's based on the -- the -- you know, your professionalism. The money we pay you all to do. You know what I mean? We're in a -- we're in a tough situation. You know? I'm not gonna -- that's nothing -- that's nothing to harp on. But we gotta find a way to level the -- level the situation.

What you're talking about with \$3,000,000 that we're gonna give the CRA. And I'm trying to find out, Mr. Brown, what -- why is that not enough, the 3,000,000?

CRA EXECUTIVE DIRECTOR BROWN: Mr. Davis, uh, in the end I will present a budget based on what you direct me to do.

CHAIR PRO TEM DAVIS: Okay.

CRA EXECUTIVE DIRECTOR BROWN: What we presented to the city was a debt restructure request that included the marina debt service allocation as well as the restructure of the Ocean Mall loan. I think that what happened is that we never got past the marina debt service allocation.

CHAIR PRO TEM DAVIS: Okay.

CRA EXECUTIVE DIRECTOR BROWN: And that the other stuff just got lost in the debate. The other thing that I wanted to address is that I -- in my four-year tenure, I -- I don't want this to sound as if I'm asking the city to bail out the CRA in terms of its fiscal -- uh, perceived fiscal irresponsibility. I think in the four years and I've said this before that the city manager and I have taken great lengths to collaborate, to make sure that when the fortunes appear to be on the CRA side, is that we took great pride to make sure that our city benefitted.

Again I remind you that we depleted two and a half million dollars in cash so that the docks could be complete. That two and a half million matched an additional two and a half million.

We also, um, you, uh -- the eight -- \$10,000,000 that came out of the 2014 revenue bond was always intended for the city to make an infrastructure investment in the marina.

CHAIR PRO TEM DAVIS: Uh-huh.

CRA EXECUTIVE DIRECTOR BROWN: It is city-owned land. It can't be sold. We never had the intention of putting major investment in the infrastructure. We agreed to repay it in an -- in a -- in an additional effort to give our city real-time benefit when we thought that our revenues were gonna go up and that the city's revenue were gonna stay stagnant. It was an attempt to ensure that there was real-time benefit.

CHAIR PRO TEM DAVIS: Uh-huh.

CRA EXECUTIVE DIRECTOR BROWN: We have put money to build the new Newcomb Hall, the events center, the -- in the manner in which the community envisioned. It's an \$8,000,000 investment. At the end of seven years, it goes to the city for \$1. The CRA is repaying that.

So I only present all that to say that the in my four years that I've been here, I have worked tirelessly --

CHAIR PRO TEM DAVIS: Uh-huh.

CRA EXECUTIVE DIRECTOR BROWN: -- to ensure that the fortunes of the CRA had real-time benefit to the city.

CHAIR PRO TEM DAVIS: Uh-huh.

CRA EXECUTIVE DIRECTOR BROWN: This time last year, the Finance Director and I thought that the revenue stream would benefit you on the CRA side. We cleverly thought of ways in which -- to make sure that our city would benefit. It didn't. So all I'm doing is projecting to you --

CHAIR PRO TEM DAVIS: Okay.

CRA EXECUTIVE DIRECTOR BROWN: -- that the long-term impact -- I'm -- I'm not asking for a bail-out, but what you've asked me to do -- you've second me to build a public market. To Ms. Pardo's point, we can't continue the economic vitality at the Ocean Mall if we don't build parking capacity. We can't spark redevelopment at the marina if we can't build parking capacity.

CHAIR PRO TEM DAVIS: Okay.

CRA EXECUTIVE DIRECTOR BROWN: We can't spark redevelopment along the Broadway corridor if we don't restructure and fix Avenue E. So what I've looked at is the long-term need of the CRA to be structured in a manner that I hope that you will find fiscally responsible. But in the end --

CHAIR PRO TEM DAVIS: Uh-huh.

CRA EXECUTIVE DIRECTOR BROWN: -- I will present a budget based on what you direct.

CHAIR PRO TEM DAVIS: Let me ask you a question, Mr. Brown, really quick. Um, as reference to phase two we just made the public market phase, do -- in your budget that we're gonna discuss coming up soon -- um, do you -- do you have that part funded? Phase two?

CRA EXECUTIVE DIRECTOR BROWN: We have a \$50,000,000 commitment from Fifth-Third bank that's attached to new markets tax credits.

CHAIR PRO TEM DAVIS: So if new market tax -- if we get approved for new market's tax credit --

CRA EXECUTIVE DIRECTOR BROWN: Whether we -- or we attract a partner with it --

CHAIR PRO TEM DAVIS: Uh-huh.

CRA EXECUTIVE DIRECTOR BROWN: -- then we -- that is part of one financing structure that we have in place.

CHAIR PRO TEM DAVIS: But as of now, we don't really have --

CRA EXECUTIVE DIRECTOR BROWN: But I will explain to you on Wednesday though --

CHAIR PRO TEM DAVIS: Okay.

CRA EXECUTIVE DIRECTOR BROWN: -- that in order for that public market to not be speculative, we'll have to do what we did with the events center. You need to ensure that your CRA has enough financial capacity that we could master lease the

public market so that a financial institution can lend against it to ensure that the cash flows are adequate to service debt.

CHAIR PRO TEM DAVIS: So it'll take another loan?

CRA EXECUTIVE DIRECTOR BROWN: It will.

CHAIR PRO TEM DAVIS: About how much approximately?

CRA EXECUTIVE DIRECTOR BROWN: Well, the way it's structured with the parking, it will be \$20,000,000.

CHAIR PRO TEM DAVIS: Based on the parking with the --

CRA EXECUTIVE DIRECTOR BROWN: With parking.

CHAIR PRO TEM DAVIS: -- parking garage and that whole in --

CRA EXECUTIVE DIRECTOR BROWN: And the --

CHAIR PRO TEM DAVIS: -- that whole structure?

CRA EXECUTIVE DIRECTOR BROWN: Yes.

CHAIR PRO TEM DAVIS: So -- so here -- here's the thing that I -- I'm -- I'm glad the things that you did do because, as you know, you know, you was vetted, you won the position. Um, only thing we ever asked you to do is just do your job. And now I'm paying to do -- community asks us to just do our job. Um, and I -- I'm sure we all can continue in -- in that capacity. But the thing that -- that really scares me with this project is -- with our old -- old budget in Phase One, how much more that we may potentially go over? And will this happen in Phase Two?

We know we gotta move forward, but we -- even as we subsidize, we can't keep going over budget, you know, if we're gonna have a GNP, things of that sort. Now, things happen. There's unforeseen things. But we don't know how these unforeseen things are gonna impact the city. On the city side next year. Like this young man had stated earlier, you know. He said he don't know what's gonna happen after three to six months. And neither do I. Because we might have to come back and help you again on something else that may happen in the CRA; or vice versa.

But at no point should we -- at this point, we should stabilize -- help stabilize you. That's how I feel. So you can move forward and do what we hired you to do. But anything outside of that, I think this city, Ms. Jones and her staff need to find some things that she can get creative with if she can. Because what it looks like, you know, she's not gonna have a whole lot of money left over to do anything. You know?

CRA EXECUTIVE DIRECTOR BROWN: And -- and -- and for those reasons, we raised our hand --

CHAIR PRO TEM DAVIS: Okay.

CRA EXECUTIVE DIRECTOR BROWN: -- to take on the responsibility of Avenue E and to bury the utility lines on Broadway in Phase Two. Because we know that as you sit as the CRA board, that's probably your most important priority as you sit as the CRA board. But as you sit as members of city council, the needs widen. And so, uh --

CHAIR PRO TEM DAVIS: Avenue E you're talking about or --

CRA EXECUTIVE DIRECTOR BROWN: Avenue E --

CHAIR PRO TEM DAVIS: Okay.

CRA EXECUTIVE DIRECTOR BROWN: -- and the Phase Two burial of the utility lines.

CHAIR PRO TEM DAVIS: Okay.

CRA EXECUTIVE DIRECTOR BROWN: Because we do believe that the -- that the, um -- we -- we do believe that the tiff, that your tax base, will significantly grow along the mainland, along Broadway, from the port to Silver Beach. And that we -- we know that infrastructure is -- will be the stimulus to make that happen.

CHAIR PRO TEM DAVIS: Thank you, Madam Chair. I'm done.

COUNCILPERSON THOMAS: Mad -- Madam Chair. Um, I just, uh, got off the phone with our, um, internal law to -- not our internal -- our, uh --

CITY MANAGER JONES: Auditor.

COUNCILPERSON THOMAS: -- our auditor. Um, and, um, as far as the deferral, uh, he did say that it would negatively impact -- impact the city if you do it for something longer than nine or ten months. He said because what's going to happen is they're going -- it's going to be looked at as there's something wrong with that payment and then it is going to, you know, affect the city negatively. So, um, as far as the debt restructuring in terms of that Ocean Mall debt, that's something totally different. I'm okay with that. Um, however we wanna do that. But I just couldn't support the -- the, uh, wait until the -- after the --

CITY MANAGER JONES: Wachovia's paid.

COUNCILPERSON THOMAS: -- after the Wachovia's paid to, uh -- uh, to do that. So if you wanna do something else, that's fine, but, you know, the -- the -- the auditor told me himself that that is -- that -- that's not something that we should do.

And when he told me that it's gonna probably negatively affect the CRA, but, you know, it's --it's pick which side you want it to negatively affect, u, basically is what we would have to do.

COUNCILPERSON GUYTON: Yep.

COUNCILPERSON THOMAS: And I just don't -- I don't want it to negatively impact the city.

CHAIRPERSON PARDO: Okay. So let's get back to it. The, um, Mr. Sherman laid out his proposal and are we going with his proposal or are we gonna go with something different? Are you looking for a recommendation right now, Ms. Jones?

CITY MANAGER JONES: We really are because we've got to finalize all of this 'cause we have a budget -- a public hearing on our budget --

CHAIR PRO TEM DAVIS: When?

CITY MANAGER JONES: -- on the third.

CHAIRPERSON PARDO: Which -- okay. So would you be okay if, um -- if council came back to you on Wednesday night? Have staff, maybe have Mr. Sherman here? He can sit in on the CRA budget workshop and then at that time -- so this'll give council enough time -- you'll have enough time to stew on this and ask any other questions that you need to and then we'll go through the CRA budget and then make our final decision. So, the city staff knows how to move forward in addition to the CRA. How does that sound?

CHAIR PRO TEM DAVIS: I'm fine with it.

COUNCILPERSON THOMAS: Well, I -- I don't know what two more days is gonna make a difference on, but that's --

CHAIRPERSON PARDO: Well, I'm just saying if you need to make --

CITY MANAGER JONES: But Madam --

CHAIRPERSON PARDO: -- any more calls. If someone else needs to call Harvey.

COUNCILPERSON THOMAS: Right. Okay. I -- I understand that. Yeah.

CHAIRPERSON PARDO: Yeah.

COUNCILPERSON THOMAS: Um, uh, the only other thing that I would like to see is there not be any interest in those payments go directly to principle. Um, but I'm --

COUNCILPERSON GUYTON: I agree.

COUNCILPERSON THOMAS: I'm -- I'm -- that's it for (inaudible).

COUNCILPERSON GUYTON: Um, well, we charging ourselves interest is ridiculous.

CHAIRPERSON PARDO: Okay. All right.

CITY MANAGER JONES: Can I --

CHAIRPERSON PARDO: So -- no. So -- okay? So yeah. So I'll go along with the zero interest. So you have consensus on zero interest.

CITY ATTORNEY RYAN: Yeah.

CHAIRPERSON PARDO: Um, the other stuff --

CITY ATTORNEY RYAN: Hold on.

CHAIRPERSON PARDO: What?

CITY ATTORNEY RYAN: So it's zero interest with the principle payment being a requirement?

CHAIRPERSON PARDO: Correct.

CITY MANAGER JONES: Right. Yes. Yes.

CITY ATTORNEY RYAN: Okay.

CHAIRPERSON PARDO: I --

CITY MANAGER JONES: And as well as, you know, Mr. Brown and I just spoke and, you happen, we are willing to extend the term of that contract out to 2038 for two additional years. Um, we are still willing to eliminate the balloon payment in 2026 as a part of that in order to assist with that restructuring.

CHAIRPERSON PARDO: So, really, what's two extra years gonna do for us? And where'd you come up with two years? You know what I mean?

CITY MANAGER JONES: It's the term of the --

CHAIRPERSON PARDO: Well -- all right. Someone needs to justify that to me. 'Cause if you're going to --

COUNCILPERSON THOMAS: Justify what?

COUNCILPERSON GUYTON: Why only two years? (Inaudible).

CHAIRPERSON PARDO: Going an additional -- you're extending it another two years. Then why don't you go to 2040?

COUNCILPERSON GUYTON: I agree.

CHAIRPERSON PARDO: Why don't -- why don't we go to -- when does the CRA terminate?

COUNCILPERSON GUYTON: Uh-huh.

CHAIRPERSON PARDO: You know what I mean? So I'm just asking. How'd you come up with the two extra years? That's all.

COUNCILPERSON GUYTON: I agree. I support the Chair.

CRA EXECUTIVE DIRECTOR BROWN: Well, it -- it -- the numbers worked out to 2038 in our first proposal that principle would start after the Wachovia debt repaid at \$700,000 annually. So when you applied \$700,000 annually to the outstanding balance, I think it took it to a term of 2038.

COUNCILPERSON GUYTON: But now they're saying that no --

CHAIRPERSON PARDO: No interest.

COUNCILPERSON GUYTON: They're not gonna defer a lease to -- from what I'm hearing. The deferment is not gonna happen now. So --

CRA EXECUTIVE DIRECTOR BROWN: Well, and that was part -- the -- the 2038 was per our -- our proposal. I just need to go back and calculate. Whatever you all decide to do as a consensus, I will present a budget to you. I'll show you the effect and -- and, as I said, I will make sure that the budget balance.

COUNCILPERSON THOMAS: But that's a policy decision. I'm just saying I don't think that we should, but the rest of the board may say that we should defer it. I mean, it's just a policy decision. So it's either, do you want the negative effect to take place on the city side or do you want it to take place on the CRA side?

CHAIRPERSON PARDO: This go -- right. And this goes back to what I said. Let's -- you have two days to think about it.

CHAIR PRO TEM DAVIS: Yeah.

CHAIRPERSON PARDO: And, you know, call who you need to call and then we can discuss it again on Wednesday night.

COUNCILPERSON GUYTON: Okay. And Madam Chair, let --

CHAIRPERSON PARDO: Instead of making a decision right now.

COUNCILPERSON GUYTON: Yeah. And let me make -- I'd like to make, um --

CHAIRPERSON PARDO: Yes. Go ahead, sir.

COUNCILPERSON GUYTON: Only 'cause we -- we need to move on.

CHAIRPERSON PARDO: Yeah.

COUNCILPERSON GUYTON: Um, they -- it's -- it's a little -- a little perplexing to me that we on the CRA side agree to undertake all of this debt in an effort to help the city and now that things didn't work out as planned, we're suggesting to some degree, let's cut programs that we approved not long ago that we have been getting awards from. We have an award-winning CRA. We just got noticed that they just got another award. We are trailblazers. I -- it would be a travesty to start cutting programs now when we're making our mark in the state as one of the best run CRAs in this state and we approved all those programs.

And all I'm saying is that I would hope that we at least fund the programs that exist. Not add anything; not give 'em anymore positions. Not do anything more but fund what we have already approved. For which we are getting awards from state agencies. So if we go to cutting --

CHAIRPERSON PARDO: Right.

COUNCILPERSON GUYTON: -- I think that we who make these decisions would not look too good by not understanding that these things could happen. But if they do, we still need to be prepared to fund them. So --

CHAIRPERSON PARDO: Okay.

COUNCILPERSON GUYTON: -- we have an award-winning agency and it's my hope that we just fund what's there.

CHAIRPERSON PARDO: Okay. And, again, we can have that discussion on Wednesday night when we go through, uh, Mr. Brown's budget. All right. Ms. Jones, let's get to your --

CITY MANAGER JONES: One last item and if you'll recall, one of the areas that we had up the other day dealt with parks. And their creation of an after-school program. Um, due to the great research of a mayor, he found out -- and we're -- and he got an email that states that municipalities are exempt from the requirement of having a year-round after-school program.

So what I would like to recommend to council, instead of six new positions, we give them three positions and that way they can have two people at Tate after -- for programs after school and they can have two people at Wale's in order to try to bring back some of the programs that they used to have after school so that the children can participate in.

And I would just like, um, some reaction to that recommendation.

CHAIRPERSON PARDO: Okay. So --

COUNCILPERSON GUYTON: Madam Chair, I have a question.

CHAIRPERSON PARDO: Yeah. Go ahead.

COUNCILPERSON GUYTON: Well, when you say, um -- when, maybe the mayor or -- or the City Manager -- when you said exempt from year-round programs, what are you referencing? What -- what are you talking about?

CITY MANAGER JONES: If you will recall, the requirement this year, when individuals went to use the early learning coalition vouchers, they could not use them because we did not have a year-round program.

COUNCILPERSON GUYTON: Okay.

CITY MANAGER JONES: And what they're saying now is that municipalities are exempt. They don't have to have a year-round program in order to use the vouchers during the summer.

COUNCILPERSON GUYTON: Okay. So why did the agency tell us that -- that --

CHAIRPERSON PARDO: No idea.

COUNCILPERSON GUYTON: Somebody answer me.

CITY MANAGER JONES: I don't know why 'cause they -- well, there's emails with both positions --

COUNCILPERSON GUYTON: Okay.

CITY MANAGER JONES: -- from the agency. Where they say in both statements -- where they said that we had to have a year-round program. There's a email from the agency and there's a email from the agency saying that the municipalities are exempt.

COUNCILPERSON GUYTON: Okay. And -- first of all, I would like to see the information that says that we don't have to -- we're not required. Do you have that information?

CITY MANAGER JONES: I can get you that email.

COUNCILPERSON THOMAS: Yeah. Because you didn't give it to us.

CITY MANAGER JONES: Uh-huh.

COUNCILPERSON GUYTON: Would somebody give me some data, documents, or evidence? Well, I -- but -- but -- but let's put that to the side. But if something comes like that, just provide the information and we have it in front of us and we make a rational decision.

COUNCILPERSON THOMAS: I asked 'em (inaudible).

COUNCILPERSON GUYTON: Okay.

COUNCILPERSON THOMAS: They said --

COUNCILPERSON GUYTON: So that's -- everybody know what I request. Some data documents and evidence. So --

CHAIRPERSON PARDO: Okay.

COUNCILPERSON GUYTON: Right now I'm really not going there. I don't think we should cut it. We have a tremendous need in our community. Tremendous need. We have seen the mothers trying to work. They -- most of them have to work in the evenings, not during the day, so that they can provide for their families.

CHAIRPERSON PARDO: Uh-huh.

COUNCILPERSON GUYTON: We need to get back in the mode of providing the type of services that, one, we'll provide positive activities and provide assistance to the low-income families, which are many in our community. It's not asking too much to provide the employees that have been requested. And I think that the request that's been made, whether it's required or not, would benefit our communities tremendously. That's what I'm thinking about.

CHAIRPERSON PARDO: Okay.

COUNCILPERSON GUYTON: I'm thinking about providing a service, not whether we have to meet some requirements. What I'm thinking about is how can we help our people in this community? One, be productive citizens and have some positive activities to indulge in. This wasn't just about after-care. This was about providing more sports activities too. There was gonna be a dual role. Do you remember that discussion?

CITY MANAGER JONES: And that's why I said --

COUNCILPERSON GUYTON: Yes.

CITY MANAGER JONES: -- do half of the staff.

COUNCILPERSON GUYTON: Yes. Yeah.

CITY MANAGER JONES: To do that dual role. Because it means we have got to go and cut someplace else to come up with additional \$256,000. So I was offering a compromise of half of that --

COUNCILPERSON GUYTON: Okay.

CITY MANAGER JONES: -- for three additional staff people instead of six.

COUNCILPERSON GUYTON: Okay.

CITY MANAGER JONES: In order to be able to do something for those programs.

COUNCILPERSON GUYTON: Okay. Understood.

CITY MANAGER JONES: Yep.

COUNCILPERSON GUYTON: And what I'm saying is that when the economy tanked, we had these programs. And we need to get back to that level where we as policy makers provide the type of assistance that I got when I came up that saved me from the -- I -- I would have had two choices. I've told people this. I had a choice to go to either an educational institution or a penal institution. These type of activities assisted me to stay on the right track.

These kids' future, to me, is invaluable. Two hundred thousand -- if it -- if -- if it require 500,000, I would support it. We need to provide these services to our community. That's my position --

CHAIRPERSON PARDO: Okay.

COUNCILPERSON GUYTON: -- it's not changing. And actually, we need more. We don't have any staff to man our parks. When I grew up, we had, um, horseshoes and everything else in the parks. And -- and -- and we had staff staffing them. So, I mean, just to do the gyms, that's not asking much.

It's my desire to eventually branch out into the parks and have somebody manning the parks and working with those kids within their own neighborhoods. And -- and -- and -- and that is where we need to go and we need to start with what is being requested here and -- and for us to -- and I think it's shortchanging our kids and our community by saying that we have to go and -- yes. To me, it's worth going to find it for the kids.

CHAIRPERSON PARDO: Okay.

COUNCILPERSON GUYTON: Thank you.

CHAIRPERSON PARDO: Okay. Ms. Jones, I brought this up at the last meeting. I had asked for, um, a couple of items. Um, I wanted to know how much, uh, additional insurance we would need. I asked what the condition of Tate was and

how much money we would have to pour into Tate to bring it up to a standard where we would be able to provide daycare service. Um, and then I'd like to know what's -- how we're gonna go around town picking these kids up. Are we using the -- the buses that the parks and rec department has? How are we transporting these kids?

Um, you know, again, it is a liability, um -- you know, there are so many other things we should doing in this city. We went through the budget a couple of weeks ago. We -- we're pouring a ton of money right now into parks and rec and I just question if any of that money's being spent wisely. You know, I spoke about Barracuda Bay. We're putting another -- what was it, \$800,000? We're doing Cunningham Park. Now we're building another rec center. You know, there's a lot of money going into parks. And what I would rather see, instead of getting into the daycare business, since we have so many daycares. We have daycares even in neighborhoods, in residential neighborhoods in the city. We have a Boys and Girls Club in the city and then we have Lifespan in the city.

There are a lot of daycare centers, so I just question whether or not, at this point, in 2015, if we should really be getting into the daycare business. I would rather see -- you know, if everyone is -- if everyone wants to just spend this money, there's \$286,000 or whatever it is. If, you know, you wanna spend the money on parks, then go and hire part-time people and put them in the parks on the weekends. Or put them in the parks when, um, you know, after school and let them start some kind of activities. But, you know, to start a daycare sent -- cent, without, you know, without any real plan, I -- I'm not going for that. I don't -- I don't agree with it at all. It's -- you know, it just seems we're just throwing this money. Someone comes up with the idea and it's like, "Sure, let's do it. Let's do it."

You know, there are other things. There are other things. You know, we talk about giving the CRA all of this money. I can tell you, over in my district, the people didn't want all of this money, all this CRA -- all of the FPNL money going all back to the CRA because there's needs in my district. There's street needs, there's water -- I bring up Lake Pardo all the time. You know? If we're gonna pour all this money into parks, why don't you, you know, start divvying it up and throw some over to Singer Island too? Nothing goes over there. We have a park that, you know, the majority of our residents don't use. It's people from out-of-town that go over and use the beach park. You know, come on. We don't even have a police officer stationed over at that park.

So if we're really gonna talk about the parks and the needs of the parks, let's start with the Ocean Mall where you have thousands and thousands of people over there on a regular basis and there's no police. You know? Everyone's governing themselves. So I'm not supporting this and I won't support it.

Mayor, did I hear you?

COUNCILPERSON GUYTON: Uh, Mayor, did you have anything?

MAYOR MASTERS: Go ahead.

COUNCILPERSON GUYTON: Okay.

MAYOR MASTERS: I'll come back.

COUNCILPERSON GUYTON: Um, it --

CHAIRPERSON PARDO: All right. Does anyone else -- hold on, Mr. Guyton, before you go. Anyone else have anything?

COUNCILPERSON MILLER: Of course I do.

COUNCILPERSON GUYTON: No.

CHAIRPERSON PARDO: Go right ahead, Ms. Miller.

COUNCILPERSON MILLER: Um, I mean anytime we're talking about kids, obviously we wanna do whatever we can for 'em, um, to keep them out of trouble. Um, parks and -- and recreation and sports are avenues to keep children on the right path. Um, I -- I do have a question, though, regarding the voucher system that we were told that we couldn't get. If anybody can answer that.

CHAIRPERSON PARDO: Ms. Manager, who can answer, um --

CITY MANAGER JONES: Yes, ma'am?

COUNCILPERSON MILLER: So, I heard you say that there are emails that, um, are explained in both positions that they were one exempt and then the other was that, um, it -- we didn't qualify it because we needed to have the year-round program.

CITY MANAGER JONES: The earlier one said we needed to have the year-round program. That was in June.

COUNCILPERSON MILLER: Did those two --

CITY MANAGER JONES: But --

COUNCILPERSON MILLER: -- emails come from the same person?

CITY MANAGER JONES: They come from the same organization. One's the Executive Director and then one is another level down for the funding source. Yep.

COUNCILPERSON MILLER: Okay. So we probably could have accepted those kids during the summer had we talked to the right person maybe?

CITY MANAGER JONES: And if we had have gotten on their list early enough.

COUNCILPERSON MILLER: Okay. Okay. Now, with -- I know we talked about having, um -- oh, hold on a second. I've got my hair pulling back here. Hold on. I

can't focus yet. Hold on. Okay. So we were talking about having -- that hurted (sic) really bad. You all wouldn't have wanted me to try to talk with that linked on to that. Um, we're trying to do the programs. We know that our parks and rec can use some work. Um, I know we have all these different, uh, requests coming from different departments and obviously we have to prioritize. But you can never, um, prioritize and put children at the bottom.

Um, with the -- what I will say is we use the money for this, we wanna make sure that the programs are being done with fidelity, someone is monitoring it. I mean, we're making sure that we have children enrolled in the program. Um, and they're actually doing the things that we say they're going to do. So, I don't have a problem with supporting anything involving children and keeping them off the streets and keeping them involved. But I -- I need to make sure that we have some, um, controls in place to make sure that the activities that we say we're going to offer, they are being offered. They are being advertised. Um, we're doing whatever we can to market it and get the children involved in the programs and, um -- and the people are doing what their job description says that they're going to do. You know? Um, that -- that to me, it -- it will be money well-worth spent, but we wanna make sure we take a look at what it is that we're trying to do. I mean, you know, we've talked about the Barracuda Bay many a times and said it is not bringing in what we thought it would bring in. So maybe we -- when we design these programs, we wanna make sure that the programs are going to bring the people in and not just say we have a program and only have five or ten people in it. We wanna make sure we do the work to be able to get the people involved in it.

Um, Mr. Guyton has a request, so I'm gonna let him take the mic now. Go ahead.

COUNCILPERSON GUYTON: Okay. Um --

COUNCILPERSON THOMAS: Mr. Mayor, I think --

CHAIRPERSON PARDO: All right. Hold on. Does anyone else who hasn't spoke -- Mr. Davis, you have anything?

CHAIR PRO TEM DAVIS: Yeah. A question. Um, someone referenced dual role. Can you explain a little bit more about that dual role -- dual role for the -- is that for parks versus -- along with, um --

COUNCILPERSON GUYTON: Adamant care.

CHAIR PRO TEM DAVIS: Councilman, Guyton, what did you say?

COUNCILPERSON GUYTON: Um, I'll let, uh, Ms. Franks explain what the dual role, um, would be of the --

PARKS AND REC ASSISTANT DIRECTOR FRANKS: For staffing?

COUNCILPERSON GUYTON: For the staffing part.

CHAIR PRO TEM DAVIS: For the staffing. Yes.

COUNCILPERSON GUYTON: And in addition to, um --

CHAIR PRO TEM DAVIS: This purpose (inaudible).

COUNCILPERSON GUYTON: -- the, um, daycare, there were other activities that they would be engaged in.

PARKS AND REC ASSISTANT DIRECTOR FRANKS: Right.

COUNCILPERSON GUYTON: As I understood it.

PARKS AND REC ASSISTANT DIRECTOR FRANKS: Good evening. Aladia Franks, Assistant Director of Parks and Recreation. The employees will play a dual role. Um, the additional staffing is not just for the aftercare program. We are down as we, uh, stated previously, down to just two staff in the gym. Uh, we -- before two -- in 2008, we had about five staff persons in the gym. So we are -- the programs have declined tremendously because we need the additional staffing.

CHAIR PRO TEM DAVIS: So what -- what was the decline from five to two? What happened?

PARKS AND REC ASSISTANT DIRECTOR FRANKS: We -- well, you could see the decline in the programming, the service, the quality. Uh, we need the manpower.

CHAIR PRO TEM DAVIS: No. Well, how did -- why'd you go from five to two?

COUNCILPERSON THOMAS: Budget.

CHAIR PRO TEM DAVIS: What happened, the budget?

PARKS AND REC ASSISTANT DIRECTOR FRANKS: Because of the -- yes. The budget cuts. The -- the decline in the budget.

CHAIR PRO TEM DAVIS: The decline in the budget? Is there a reason why the budget was cut?

COUNCILPERSON THOMAS: Yeah. They had to -- they -- they -- they -- all departments had to cut --

CHAIR PRO TEM DAVIS: At that time?

COUNCILPERSON THOMAS: -- you know, to -- to make the budget needs, so --

CHAIRPERSON PARDO: Well -- and I would suggest, um, you know, ask for a line item budget going back a couple of years and you'll see --

PARKS AND REC ASSISTANT DIRECTOR FRANKS: Yes.

CHAIRPERSON PARDO: -- that there were -- there were, um --

CHAIR PRO TEM DAVIS: What year that was?

CHAIRPERSON PARDO: There were -- no. There were, um, jobs in the budget that weren't filled.

CHAIR PRO TEM DAVIS: Oh, okay.

CHAIRPERSON PARDO: All right? And then some of that money started going over to Jazz After Dark.

CHAIR PRO TEM DAVIS: Oh.

CHAIRPERSON PARDO: Okay?

CHAIR PRO TEM DAVIS: What year that was?

CHAIRPERSON PARDO: So -- I don't know. You just pull the last couple of years and you'll be able to see it. So we allocated for, um, additional positions in the budgets in prior years and they weren't filled. And I believe it was last year we decided, "You know what? If you're not filling these --" and just reallocating the money, similar to --

CHAIR PRO TEM DAVIS: Okay.

CHAIRPERSON PARDO: -- what I brought up with the canine unit the other night.

CHAIR PRO TEM DAVIS: Uh-huh.

CHAIRPERSON PARDO: Then, no; you're not gonna get all of these positions.

CITY MANAGER JONES: Yeah. And so what we did as a result of that was that we were doing a lot of particular maintenance with part-time positions.

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: And as you know, part-time positions turn over frequently.

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: So in this year's budget, we made them full-time positions in hopes that that would help with the retention of the individuals. Um, at least in that classification. But that's a classification different than the pro -- the program aides --

PARKS AND REC ASSISTANT DIRECTOR FRANKS: That is correct. The --

CITY MANAGER JONES: -- that is being talked about.

PARKS AND REC ASSISTANT DIRECTOR FRANKS: Jazz After Dark, uh, the council gave us 25,000 seed money, so that -- that come from the general fund.

CHAIRPERSON PARDO: And that was this year? Correct. And that --

PARKS AND REC ASSISTANT DIRECTOR FRANKS: No. That was initially when the program started.

CHAIR PRO TEM DAVIS: Started.

CHAIRPERSON PARDO: Okay. So, um --

CHAIR PRO TEM DAVIS: Madam --

CHAIRPERSON PARDO: Anything else?

CHAIR PRO TEM DAVIS: I -- I just wanted to just hear more about it 'cause it was brought up on how -- is there, um, a plan? You ever think --

PARKS AND REC ASSISTANT DIRECTOR FRANKS: I -- I submitted it to Ms. Jones. I had a presentation. I'm not sure if you got it.

CITY MANAGER JONES: She has a presentation. She doesn't have a plan. She does have a --

PARKS AND REC ASSISTANT DIRECTOR FRANKS: I have a proposal.

CITY MANAGER JONES: -- presentation or a proposal --

CHAIR PRO TEM DAVIS: She gonna bring it back to a later meeting so we can --

CITY MANAGER JONES: -- about a plan. No. There's -- to me it sounds like it's funded. I think --

CHAIR PRO TEM DAVIS: No, no. I'm -- I'm just -- if there's a presentation, I mean, for her to -- to request in this, does the presentation include a plan?

CITY MANAGER JONES: No. It includes: here's what they do; here's what you would do in a program; here's the schools where we would pick up; here's the --

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: You know, the kind of things we do with that --

CHAIR PRO TEM DAVIS: That's not -- that's not considered a plan, Ms. Jones?

CITY MANAGER JONES: But I thought the plan was --

CHAIR PRO TEM DAVIS: I'm -- I'm just asking.

CITY MANAGER JONES: -- beyond aftercare.

CHAIR PRO TEM DAVIS: Oh. Okay.

CITY MANAGER JONES: I thought the plan was --

CHAIR PRO TEM DAVIS: Yeah.

CITY MANAGER JONES: Mr. Guyton was saying he wanted even more than that and to see how we could bring those programs back up to quality. That's what I heard.

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: Not just the aftercare program, but make sure that it's good, excellent programming throughout the parks.

CHAIR PRO TEM DAVIS: What -- why --

CITY MANAGER JONES: Not just the aftercare program.

CHAIR PRO TEM DAVIS: Well, you know I -- I wanna make sure that whatever decision that we make, um, whether if you're supporting this -- if we gonna support it, it need to have a -- a very strict plan with controls in place where they can't transfer funding for other things. But if we not, it has to be based on not being able to show how this is gonna be successful. But right now we haven't seen that. So I would like to see, maybe at a later date, for them to -- instead of bringing it back. Um, a effective plan, presentation, just like any other department would. Then we go from there. But right now this --

CITY MANAGER JONES: Well, we can let her do her presentation, but it -- it would -- it's talking about your aftercare.

PARKS AND REC ASSISTANT DIRECTOR FRANKS: Right.

CITY MANAGER JONES: It's not talking about --

CHAIR PRO TEM DAVIS: Well, we can --

CITY MANAGER JONES: -- as much as how you're gonna beef up the other parks.

CHAIR PRO TEM DAVIS: Oh.

COUNCILPERSON MILLER: That's what we need to hear.

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: Yeah. This is on the aftercare.

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: Am I correct?

PARKS AND REC ASSISTANT DIRECTOR FRANKS: Um, in -- I reviewed the video and it was asking for us to bring back information regarding the aftercare, so --

COUNCILPERSON GUYTON: On the certification --

PARKS AND REC ASSISTANT DIRECTOR FRANKS: -- that wasn't clear. Yes. On the --

COUNCILPERSON GUYTON: -- and that's what we requested.

PARKS AND REC ASSISTANT DIRECTOR FRANKS: Correct.

COUNCILPERSON MILLER: Right. But -- but now --

PARKS AND REC ASSISTANT DIRECTOR FRANKS: Correct:

COUNCILPERSON MILLER: -- we -- that's not the case. We don't --

CHAIR PRO TEM DAVIS: Just --

COUNCILPERSON THOMAS: Well, I think -- Madam Chair.

CHAIRPERSON PARDO: Yeah. Go ahead. You know what?

COUNCILPERSON THOMAS: I --

CHAIRPERSON PARDO: Can we just -- you know, if you wanna fund it, fund it. But it's not like we have, you know, immediately start this come October 1st. I think, you know, if you wanna put the money in the budget -- and I think there's a consensus for that -- that's fine. But before we go out and start spending the money, let's have a viable plan.

COUNCILPERSON THOMAS: Okay.

CHAIR PRO TEM DAVIS: No problem.

COUNCILPERSON THOMAS: I just wanna understand two things. First of all, we need to understand -- do we want to have an aftercare? That's the first thing that we need to say. Okay.

CHAIRPERSON PARDO: Yea or nay.

COUNCILPERSON MILLER: (inaudible) on that.

COUNCILPERSON THOMAS: Now let -- let -- I'm -- hold on one second. Let me just --

CHAIRPERSON PARDO: Let's --

COUNCILPERSON THOMAS: Let me just say if we gonna have an aftercare, then we need to decide whether we're gonna do that. And I think that the aftercare was for two parts. First part was we thought that that was an original requirement which we have documentation saying that it was. Okay? So that's the reason why we said, "Okay. Go out and find out what we need to do to bring that back."

If -- if the board doesn't agree with the aftercare, then that's fine. Let me just say I think we should have an aftercare. I know that's not popular, but I think we should have an aftercare.

Now, let me -- let me just explain to you why. Because then you're feeding your system. They'll go from your aftercare to your supports programs to whatever other programs you have there. You're feeding your system. You -- you will eventually get back to where you need to be. Everybody may not agree with that, but that's my point.

Now, if you say we're not gonna have an aftercare, then it's, "Do we want those six positions?" To me they're two separate issues. I think we need to decide on both. But I'm just gonna tell you I'm for both. The aftercare and the -- and the, uh, the additional positions. I mean, a lot of people -- um, even you, Ms. Pardo, you will say, hey, the parks are closed or the gates are closed. The kids need to come over and have somewhere to play. They also need to be supervised when they, you know, when they come over there. So --

CHAIRPERSON PARDO: And that's exactly what I said.

COUNCILPERSON THOMAS: Well, I -- I'm --

CHAIRPERSON PARDO: Turn -- turn the money. No. You called me out.

COUNCILPERSON THOMAS: No. I didn't -- I didn't call you out.

CHAIRPERSON PARDO: Put the money -- put the money into --

COUNCILPERSON THOMAS: I'm just saying --

CHAIRPERSON PARDO: -- the parks instead of --

COUNCILPERSON THOMAS: I'm just -- I'm basically say --

CHAIRPERSON PARDO: -- starting an aftercare.

COUNCILPERSON THOMAS: Ms. Pardo, Ms. Pardo, don't do that, please. All I'm saying is --

CHAIRPERSON PARDO: Don't bring my name into it.

COUNCILPERSON THOMAS: All -- all -- well, you said it.

COUNCILPERSON GUYTON: Come on, y'all.

COUNCILPERSON THOMAS: So, all I'm basically saying is it's not fair to go and tell this department leader, head, here, say -- okay. We say we wanna hear this information on the aftercare; then we don't even get it. Everybody up here's like, "Well, where'd you get that from and how did you --" you know, "How did you get it" and all of that type of stuff. Then we say, "Well, we don't wanna do it because the mayor got some letter that didn't -- he didn't share with the rest of us." It's like everybody's going around trying to just, you know, sabotage whatever it is that they don't like, you know, about whatever the budget process is.

I prefer to do it how we used to. Where the department heads come up here and present their own particular budget so we can -- so we can do that. Because we don't -- we don't have that. We don't -- we don't have what's going on here. So if there's a few that don't want it or there's a few that do, I believe that we should.

So that's where I'm at with it. It can be whichever way you want, but I think we need to give some clear direction on which way we're dealing with this. Not fund it and then don't do anything. Then somebody will be saying, "You're not doing what you said you was gonna do with those positions." If we gonna do it, let's do it so we know what to expect. So we know, hey, we funded these positions to be doing this and that's what we wanna see. Not funding it and don't do it later. That's it.

MAYOR MASTERS: Madam Chair.

CHAIRPERSON PARDO: Yes, Mayor?

MAYOR MASTERS: Let -- let me just explain a -- a -- a couple things. Um, it was on my calendar. It's for a couple weeks to -- prior to this -- to meet with the, uh, people from the, um, children services. You know, they wanted to come and meet with the mayor, uh, in reference to promoting the, um -- their programs and to, um, get my support and let me know what they were doing and some of the transitions and that they -- uh, how they support, um, head start programs ties with the Lutheran church. Just a -- kind of a update.

And in that meeting, since, uh, they were the people who fund aftercare programs, I asked the question, "Do you have to have an aftercare program year-round in order to qualify for aftercare during the summer?" And the young lady said to me, "I don't know. But I will, um, research it and get back with you."

The very next day or the day after, she sent a letter and said in the letter, as the chair -- or the, uh, manager has stated, that municipalities are exempted. They do not have to have, um -- um, aftercare year-round. I have several personal conversations from time to time with, um, Councilman Thomas and in that conversation I asked him. I said, "Well, did you hear -- did you know this?" And he said no. I said, "Well, I got a email today." And he did ask for me to send it, but before I did, or did not, I sent it, uh, to the manager and had a conversation with the manager about it. 'Cause I didn't wanna send anything out that was premature. I wanted the manager to do due process and look into it and go from there. So I actually, um, actually didn't think anymore, uh, about it.

Um, so Mr., um, Thomas, if you think I should apologize for you for not sending it to you --

COUNCILPERSON THOMAS: No apology needed.

MAYOR MASTERS: Uh, I'm sorry. That was not my intent to leave you or anyone else out the -- out of the, uh, loop. But I did proceed with the manager.

Now, all of us want the most and the best for our children. I don't think anyone up here wants anything different. Councilman, um, said something -- Terence Davis said something that -- a week ago which stayed in my mind and it appears that there's going to be a new administration that's going to be coming in. And with this new administration, as with any administration, there comes ideas, projects, plans, and programs that the new administration will birth.

What he said is that maybe it might be a better idea to put this on hold or -- someone suggested put the money in the budget and just let it -- it'll be there or whatever the - - however you work it out. But I would -- I'm certain it would be unsupportive to, um, be patient and wait and see on what the new administration is going to propose, um, since it seems apparent to me that there's going -- probably that's the way it's going to be going. No disrespect to, um, Aladia who I have high respect for in regards for the work that you've done. But it doesn't seem -- seems something is gonna change. So let me just leave it at that.

Having said that -- so that's where I am with that. The second thing is it kind of scares me when we talk about head start and aftercare start or aftercare programs because the liabilities -- the -- the liability issue is a big issue. The insurance that may be and the problems that could possibly happen. Um, parents coming up and -- to the staff about this, that, and the other and just all kinds of things that possibly could happen, that I've seen happen, in daycares and aftercare programs. I'm not for sure if aftercare should be something that the city should be involved in rather

than the non-profit organizations and those organizations who are already, um, doing aftercare.

Um, I also think that parental involvement definitely should be a part of aftercare that -- there's a responsibility of the parents. I don't know what the -- the pay thing should be, but I'm not for sure if the -- the city should take the -- the brunt of -- of that.

Now, um, the other thing that concerns me is that usually when a new program is going to be birthed or a new project is going to come forth, there is a foundation -- I use the word foundation that is laid or predicated in order to bring this program into - - into fruition. Or a study has been, um, done. In the study, best practices have been looked at. I mean, to me, that's kinda how it's done in the world that I come from. Um, look at the study. Look at best practices and see how our children -- what would benefit the children of Riviera Beach the most. I would like to see that. Not just because there's a need for one. Certainly there may be a need for this and that or other, but a municipality really should have some kind of documentation, um, some type of study that we can hang our hat on. And in -- especially in light of the fact that a new administration may come forth and may have a different take or a different interpretation.

I am very supportive -- I think two or three people mentioned -- maybe all of us are in support -- of having supervision at the parks. Not just one or two places like Wale's or Tate's, but I think it's important -- it's -- if it starts in the parks, then let it start in the park, let it end in the parks. Let the parks do their thing. Just to have a park and you don't have supervision and you don't have any projects, you don't have anything going on. I think we can do better than that.

Also, as it relates to the crime and violence in our city, I believe that having activity in the parks would help to decrease our crime and violence or, if not, set an environment for peace, uh, and progress and productivity. So, if this is going to be worked out, I would be on the side of, as Mr. Guyton had stated earlier and I think someone else stated, looking into the feasibility of really doing something in those parks.

We have parks in these neighborhoods and in some of these neighborhoods, we have problems, um, that leads to, uh, delinquency and all kinds of things. But I think if we can get a handle and make those parks productive and progressive, I think would be a good -- good investment on our dollar.

Thank you, Madam Chair.

COUNCILPERSON THOMAS: Madam -- Madam Chair?

MAYOR MASTERS: Thank you, Madam Manager.

CHAIRPERSON PARDO: Thank you, Mayor. Yes, Mr. Thomas?

COUNCILPERSON THOMAS: Okay. A couple things. I just wanna say to, uh, to, uh, the mayor. Well, I just kinda disagree with -- basically what he said. Um, that the administration is changing. Unless he knows something that I don't know. Um, I don't think that that's a fair or accurate --

MAYOR MASTERS: I do.

COUNCILPERSON THOMAS: I'm sorry?

MAYOR MASTERS: I do know something you don't know.

COUNCILPERSON THOMAS: Well, you don't make -- you don't hire people, so if you just --

MAYOR MASTERS: No. But I do know there's a feeling --

COUNCILPERSON THOMAS: Okay.

MAYOR MASTERS: -- that there's gonna be a new director and I think --

COUNCILPERSON THOMAS: I -- I don't --

MAYOR MASTERS: -- everybody knows that.

COUNCILPERSON THOMAS: But that's not what -- that -- that's not what this board does. The manager makes those -- those hires, not this board. So if you start putting that out there, they'll think that this board has the --

MAYOR MASTERS: I put it out there because it's the reality and you know it is, Mr. Thomas.

COUNCILPERSON THOMAS: I'm -- I'm not finished yet. I'm not finished yet.

MAYOR MASTERS: Okay. I'm sorry.

COUNCILPERSON THOMAS: If you put that out there, that is wrong for someone to think that we make that decision. That decision is made by the manager. Now -- and I think it's kind of hurtful too to say that to somebody who is leading the department. Period. She is the one that's leading the department. She's the one that's keeping it together. So to sit here and say there's an administration change that's coming, I don't know that to be true. It is the manager's decision to hire whoever it is, but you can bet for certain that I wanna make sure that she has a fair chance to apply for that job just like anybody else would. And coming from this board, saying there's gonna be a new administration, I just wanna let it be known that I'm not a part of whatever the mayor knows on that. I don't like it. I think that the people who work here -- what kind of morale would you have if you can never continue to ascend?

MAYOR MASTERS: Uh, Mr. Thomas, I'm in --

COUNCILPERSON THOMAS: Person's been -- I'm not done yet.

MAYOR MASTERS: I'm in support of Ms. --

COUNCILPERSON THOMAS: I'm not done yet. I'm not done yet. I'm not done yet.

MAYOR MASTERS: I'm in support --

COUNCILPERSON THOMAS: I waited for you to finish.

MAYOR MASTERS: Yeah. But don't make it sound like you --

COUNCILPERSON THOMAS: I waited for you to finish.

MAYOR MASTERS: Okay. Go ahead.

COUNCILPERSON THOMAS: A person has been here 15 years and we sit here and run the person around. The person is holding it together while our -- our director is out on vacation who's gonna be retiring soon and we come from the dais in the middle of a -- a stringent budget and just say there's gonna be a new -- a change.

Well, first of all, we set the policy. That is one of your jobs. We set the policy. And whatever director comes should be to enhance whatever our policy direction is. But there's no way in the world that I'm gonna sit here and say I agree with anybody up here saying that there's gonna be an administration change. Until the manager provides whoever for confirmation for us for a department head, that should be that. Right now, she is the one that's in control and she would have the full support of me and everybody up here should be doing that because she's in charge of leading our kids. It's the wrong thing to say and you can say whatever you wanna say about it, but if it's gonna be anything more of what just happened, I'm not gonna sit here for it.

MAYOR MASTERS: Fine. But if you will -- if you will recall --

COUNCILPERSON GUYTON: Um --

MAYOR MASTERS: Let me just finish. When I -- when I pre-stated, I said to you, "Terence Davis said in a meeting a few days ago that we ought to wait and see whether there's going to be a change." Now, we can sit here and say -- I've already stated for the record I support our lady a hundred percent.

COUNCILPERSON GUYTON: Mayor. Mayor, let --

MAYOR MASTERS: No. Let me -- let me just finish.

CHAIRPERSON PARDO: Hold on.

COUNCILPERSON GUYTON: I know --

MAYOR MASTERS: Let me finish.

CHAIRPERSON PARDO: Hold on. Hold on.

MAYOR MASTERS: I support her --

CHAIRPERSON PARDO: Let's do one at a time.

MAYOR MASTERS: -- but it just seems to me that she did not, or does not, have the three people up here. I mean, I'm just being for real. That want to see her continue in this position. If she continues in the position, fine. I want to see her move up, but I'm not gonna play a game about whether she's gonna move or not.

If there's going to be a change, then I think we oughta put everything on hold and let's see. That's all I said.

CHAIRPERSON PARDO: Okay. Fine. Can we --

MAYOR MASTERS: And that's the feeling I had.

CHAIRPERSON PARDO: -- stop the bickering? Everyone has their own opinion and we're not here to rip, um, a lady apart.

COUNCILPERSON GUYTON: That's right.

CHAIRPERSON PARDO: Okay? We're here to finally decide on our budget. So, Ms. --

COUNCILPERSON GUYTON: Okay. Madam Chair, may I -- I'm --

CHAIRPERSON PARDO: -- Jones, you know, can we get back on track here?

COUNCILPERSON GUYTON: Yes. We -- we can. What -- what --

CHAIRPERSON PARDO: You know, it's 8:00 already. Go ahead. What? No.

COUNCILPERSON GUYTON: Um, and -- and I -- we -- we need to take a vote on this. Um --

CHAIRPERSON PARDO: We're at a workshop, so there will be consensus tonight.

COUNCILPERSON GUYTON: But I'm -- I'm -- I'm -- I'm too frustrated. Now let me say this. If the City Manager does not give our acting director close consideration, she is gonna have a big problem with me. I think she needs to be given --

CHAIRPERSON PARDO: We're out of order here.

COUNCILPERSON GUYTON: -- ample consideration as anybody else is. Now, for the mayor to sit down here saying that he knows something that we don't know --

CHAIRPERSON PARDO: Mr. Guyton, we're all out of order here.

COUNCILPERSON GUYTON: -- that is a problem. And -- and -- and I'm saying it publicly. It needs to be a fair objective process. And -- and to have this and something similar also happened to another employee and it was not fair. So, um -- wait, wait, wait. Is she going -- uh -- uh, Ms. Manager are you going somewhere? Um --

CITY MANAGER JONES: I'm going to the trashcan.

COUNCILPERSON GUYTON: Uh, could you come back on -- on the dais while I'm talking?

CHAIRPERSON PARDO: She might be insulted. This is ridiculous.

COUNCILPERSON GUYTON: Have you speak -- been speaking to the mayor about this process?

CITY MANAGER JONES: Not one bit. No, sir.

COUNCILPERSON GUYTON: Okay. Let -- let me -- let -- let me just say --

MAYOR MASTERS: And I didn't say she did neither.

COUNCILPERSON GUYTON: I don't like this public discourse. I -- I don't like how this conversation went. And to suggest that Aladia doesn't have three votes up here -- we don't make that decision. It's the city manager, first of all. So whether she has three up here or not -- and let me just say, I think Aladia is very competent. And I think she should be given close consideration and I would support her of being hired. It -- publicly I'm saying that. So for people to think that they can come here and disparage people in public, it's absolutely ridiculous.

I'm ready to put the motion on the floor to --

CHAIRPERSON PARDO: We're at a workshop. There's no motions.

COUNCILPERSON GUYTON: Or -- or -- or give consensus to direct the City Manager to put every dime that's been requested into budget and -- and the recreation department can bring us back the plan or -- or how the dollars are gonna be spent and on what programs.

CHAIRPERSON PARDO: So is there a consensus?

COUNCILPERSON THOMAS: I'm good with it.

CHAIRPERSON PARDO: There's two. Anyone else? Anyone? Anyone? Okay.

COUNCILPERSON MILLER: I mean, I'm --

CHAIRPERSON PARDO: Right. It -- I mean --

COUNCILPERSON MILLER: It's just to do a blanket. I mean --

COUNCILPERSON GUYTON: Yeah. (Inaudible).

COUNCILPERSON MILLER: -- we don't do that for everything else. Why are we doing that just for this -- I mean, we got -- I support parks, don't get me wrong. I mean, don't get me wrong on that. But we need to make sure that we're doing this the correct way as we would do any other department. I mean --

MAYOR MASTERS: So there's no consensus then?

COUNCILPERSON MILLER: This is about the aftercare.

MAYOR MASTERS: Point of order.

COUNCILPERSON MILLER: Are we doing it?

CHAIRPERSON PARDO: Hold on a second. This is about -- hold on.

COUNCILPERSON MILLER: Right. I mean, we haven't decided that.

CHAIRPERSON PARDO: This is about -- this is about a plan, bringing a plan back to us.

MAYOR MASTERS: Right.

CHAIRPERSON PARDO: There is no plan right now. Now I think, Mr. Guyton, if you ask if there's consensus to put money in the budget, there's probably consensus to do that. But there's no consensus right now to move forward until we see a plan.

COUNCILPERSON GUYTON: Madam Chair, I asked for the funds be put into the budget and the plan be brought back to us. That's exactly what I said.

MAYOR MASTERS: Twist it the other way around.

COUNCILPERSON GUYTON: It -- they -- and somebody didn't hear that? Or you --

CHAIR PRO TEM DAVIS: You left -- you left the second part out.

COUNCILPERSON GUYTON: No I didn't. No, I --

CHAIRPERSON PARDO: Joe --

CHAIR PRO TEM DAVIS: He asked and you just said --

COUNCILPERSON GUYTON: No.

COUNCILPERSON THOMAS: No. I sit up here with him.

COUNCILPERSON GUYTON: Yeah. I -- I did say bring back a plan. Put the money in the budget, bring us back a plan. That's exactly what I said.

COUNCILPERSON MILLER: So they gonna bring back a plan and then we decide that we don't have -- so we --

COUNCILPERSON GUYTON: Yeah. When we review the plan and determine whether it's legitimate to move forward.

CHAIRPERSON PARDO: Right. But if not --

COUNCILPERSON GUYTON: But if the -- not now it's time --

CHAIRPERSON PARDO: -- the money will be reallocated.

COUNCILPERSON GUYTON: -- to put the bonds --

COUNCILPERSON MILLER: Okay.

COUNCILPERSON GUYTON: -- in the budget. If we don't, they won't be there.

CHAIRPERSON PARDO: The money will be reallocated.

COUNCILPERSON MILLER: It will be reallocated if we don't approve of the plan.

CHAIRPERSON PARDO: Right. Manager?

COUNCILPERSON MILLER: I mean, is that -- I mean, is that it or no?

CHAIR PRO TEM DAVIS: I don't know.

COUNCILPERSON THOMAS: You can reallocate it at any time that we going through the budget process. So if we wanna reallocate it, we can reallocate it.

CHAIR PRO TEM DAVIS: I missed the interview though.

CITY MANAGER JONES: There will be two additional opportunities during the public hearings on the budget to address any budget issues, whether you wanna put money in or move -- remove money. And that will be on September the third and on September the 16th. Because on September the 16th is when you actually vote on the budget.

CHAIRPERSON PARDO: Okay. What else do you need? Okay.

MAYOR MASTERS: The thing about the -- well -- no.

CHAIRPERSON PARDO: All right. So, Ms. Jones, anything else?

CITY MANAGER JONES: No, ma'am.

MAYOR MASTERS: Ms. Jones, what about the library?

CHAIRPERSON PARDO: Okay. And I -- Ms. Jones, and I'll make this statement, you are in charge of the staff. And I'll tell you right now. I'm not telling you who to hire and who not to hire. I will take your recommendation because at the end of the day, they work for you. They don't work for me or anyone else up here. All right? Anything else?

MAYOR MASTERS: Yes.

CHAIRPERSON PARDO: Well, we are going to adjourn.

MAYOR MASTERS: Yes, there is.

CHAIRPERSON PARDO: Go ahead, Mayor.

MAYOR MASTERS: Do we have any, uh, updates, Madam Manager on the library and the security? I'm sorry, ma'am.

CITY MANAGER JONES: We did look at that and, um, it won't cost -- it's nominal. I believe under \$10,000 to put unarmed security in the library.

MAYOR MASTERS: So we'll have it?

CITY MANAGER JONES: And so we're looking to see. And put that in there as well.

MAYOR MASTERS: Okay. That's all I want.

CHAIRPERSON PARDO: All right. Now --

COUNCILPERSON THOMAS: You're asking us to decide whether we want to do that as a policy decision or not?

CITY MANAGER JONES: If you can get a consensus.

CHAIRPERSON PARDO: Is there consensus to move forward --

CHAIR PRO TEM DAVIS: I support it.

CHAIRPERSON PARDO: -- hiring a --

COUNCILPERSON MILLER: Is it -- is 10,000, what, for the year --

CHAIR PRO TEM DAVIS: I just wanna bring it back.

COUNCILPERSON MILLER: -- for the whole budget? Just --

CITY MANAGER JONES: Well, she only needed it for a limited number of hours. It's not like it's there the whole time --

CHAIR PRO TEM DAVIS: I don't have a problem.

COUNCILPERSON MILLER: What is it?

COUNCILPERSON THOMAS: Okay. When are we gonna know what those times are in -- that -- it's the same thing you just asked for. We don't have it. We don't have the plan for that.

CITY MANAGER JONES: She asked for eight hours a week. That's what the librarian asked for.

COUNCILPERSON MILLER: Eight hours?

CITY MANAGER JONES: Was eight hours a week.

COUNCILPERSON MILLER: Well -- I mean, what are those hours?

CHAIRPERSON PARDO: Ms. Cobb, would you like to come up here and tell us the plan please?

COUNCILPERSON THOMAS: That's a hour a day. I don't know what that's --

COUNCILPERSON MILLER: I think you just put 'em in there for a couple hours. Is it just closing -- close to closing or something?

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON GUYTON: Yeah. That's what I --

LIBRARY DIRECTOR COBB: Okay. The hours would be from 6:00 p.m. Mondays and Fridays when the library -- um, no excuse me. From 6 to 8:00 p.m. Tuesday -- Tuesday, Wednesday, Thursday. Because you're open until eight. We're open from ten to five on Saturdays at seven and there's one hour from the time that this building closes, from five to six on, um, Mondays and Fridays.

COUNCILPERSON MILLER: Okay. So it -- basically it revolves around the hours that -- the security that's here. They would -- they would go back and forth during the day when the -- well, two of them are here?

LIBRARY DIRECTOR COBB: It's my understanding that that's the way they were going to work it. You know, coming over on an hourly basis just to kind of check out things and see how things are going.

COUNCILPERSON MILLER: Okay.

COUNCILPERSON THOMAS: That's it?

COUNCILPERSON MILLER: And -- and that security, you all are ordinary care with that? You feel more secure with just doing those additions?

LIBRARY DIRECTOR COBB: That's all I think we'll need at this point because at that point there wouldn't be anyone here --

COUNCILPERSON MILLER: Uh-huh.

LIBRARY DIRECTOR COBB: -- that we can call on. Unfortunately, the police, you know, they're having to pull people from the street if we need them at any given time, so by having our own, then we don't have to tap on that source.

COUNCILPERSON MILLER: And those that are downstairs, they're -- they're armed, right?

LIBRARY DIRECTOR COBB: Yes.

COUNCILPERSON MILLER: So we would have -- okay.

COUNCILPERSON THOMAS: So you're never gonna use those that are downstairs 'cause we were getting that service with the exception of Saturday anyway, correct?

LIBRARY DIRECTOR COBB: And when this building closes.

COUNCILPERSON THOMAS: Okay.

LIBRARY DIRECTOR COBB: Yeah.

COUNCILPERSON THOMAS: So -- but what I'm -- what I'm saying is, you saying that you want an hour throughout the week?

COUNCILPERSON MILLER: After they leave downstairs.

LIBRARY DIRECTOR COBB: Mondays and Fridays.

COUNCILPERSON THOMAS: I don't have anything written, so I'm just --

LIBRARY DIRECTOR COBB: No.

COUNCILPERSON THOMAS: -- trying to take it how you say it.

LIBRARY DIRECTOR COBB: I hear you. I hear you.

CHAIRPERSON PARDO: Fine. You know what? Why don't you write something up and give it to the manager and she'll give it us. All right? And this'll be part of when we -- you know, we're gonna get the budget in a week --

LIBRARY DIRECTOR COBB: Uh-huh.

CHAIRPERSON PARDO: -- so we'll decide at that time.

LIBRARY DIRECTOR COBB: Okay.

CHAIRPERSON PARDO: So Ms. Manager, will you make sure that you get us that and also the, um, the plan for the, um, the parks for the daycare? Okay?

CITY MANAGER JONES: Yes, ma'am.

LIBRARY DIRECTOR COBB: Thank you, Ms. Cobb.

MAYOR MASTERS: Madam Manager, one more. I'm sorry, Madam Chair. The, um -- is there a possibility -- I mean, that's -- that's something. That's not all that I asked for. I wanted full security, but sometimes you have to take one step in order to make two. But is there a possibility, Madam Manager, that we could put a skycam -- um, a camera in the library that the police would be able to see, monitor? Because right now we don't have any kind of --

CHAIRPERSON PARDO: Um --

CHAIR PRO TEM DAVIS: They have 'em already.

MAYOR MASTERS: Not that type of camera.

CHAIRPERSON PARDO: You're better off having security because we don't even have --

MAYOR MASTERS: I mean in addition to.

CHAIR PRO TEM DAVIS: There's already a camera in there.

MAYOR MASTERS: But --

CHAIRPERSON PARDO: But you --

MAYOR MASTERS: Madam Manager -- Madam Librarian?

CHAIR PRO TEM DAVIS: Sir, isn't that camera (inaudible)?

MAYOR MASTERS: Where's the librarian at?

CHAIRPERSON PARDO: The problem is you don't have a police officer --

MAYOR MASTERS: That's all I'm saying.

CHAIRPERSON PARDO: -- monitoring everything 24 hours a day. We have a lot of cameras around this city and if you go into the technology room, you'll see there's scores of televisions in there.

COUNCILPERSON GUYTON: Understand we're still gonna support --

CHAIRPERSON PARDO: But you don't have --

COUNCILPERSON GUYTON: -- the program, but he's saying we don't have a camera now.

CHAIRPERSON PARDO: Is there a camera in there?

MAYOR MASTERS: I'm gonna ask the librarian. Is there a camera -- what type of -- of surveillance do you have in the library now?

LIBRARY DIRECTOR COBB: We have cameras.

MAYOR MASTERS: Okay.

LIBRARY DIRECTOR COBB: And there's a --

MAYOR MASTERS: Hold on just a minute.

LIBRARY DIRECTOR COBB: -- a monitor in the server room in the library. So we can see the -- the, um -- the -- you know, from the -- on the cameras of -- of different points throughout the building. I think we have, maybe, seven or eight, if that -- if not more. But at least seven I know because they're all over on the first and second floor.

CHAIRPERSON PARDO: Perfect.

LIBRARY DIRECTOR COBB: Yes.

MAYOR MASTERS: Okay. My final comment -- and I wanna make it for the record.

LIBRARY DIRECTOR COBB: Okay.

MAYOR MASTERS: It has nothing to do with you.

LIBRARY DIRECTOR COBB: Okay.

MAYOR MASTERS: I'm sorry. You can sit down. I am in full 100 percent support of Aladia, um, moving up. So whatever I said that was misunderstood, I apologize. But I support that young lady and anybody else in the sacred position who have served faithfully moving up. That's my personal opinion. I stand by it. Thank you.

CHAIRPERSON PARDO: Okay. Great. All right. Anything else?

CHAIR PRO TEM DAVIS: Madam Chair.

CHAIRPERSON PARDO: Go ahead.

CHAIR PRO TEM DAVIS: Only thing I just ask, if you gonna -- Mayor --

MAYOR MASTERS: Yeah?

CHAIR PRO TEM DAVIS: -- that's not what I stated. My exact words were to whoever end up the best qualified candidate for that position." When we make that final -- when the city manager makes that final decision, that should be brought to that board.

MAYOR MASTERS: Okay.

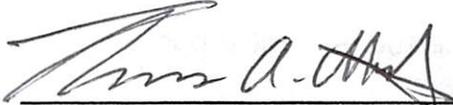
CHAIR PRO TEM DAVIS: I make no comments about the future. And if somebody else told you that, it wasn't me.

MAYOR MASTERS: Okay.

CHAIRPERSON PARDO: Okay. With that, we're adjourned. Thank you, everyone.

There being no further business, the workshop was duly adjourned at 8:15 p.m.

APPROVED:



THOMAS A. MASTERS
MAYOR

ABSENT

DAWN S. PARDO
CHAIRPERSON

ATTEST:



CLAUDENE L. ANTHONY
CERTIFIED MUNICIPAL CLERK
CITY CLERK



TERENCE D. DAVIS
CHAIR PRO TEM



BRUCE A. GUYTON
COUNCILPERSON



KaSHAMBA L. MILLER-ANDERSON
COUNCILPERSON



CEDRICK A. THOMAS
COUNCILPERSON

MOTIONED BY: K. MILLER-ANDERSON

SECONDED BY: B. GUYTON

B. GUYTON AYE

K. MILLER-ANDERSON AYE

C. THOMAS AYE

D. PARDO ABSENT

T. DAVIS AYE

DATE APPROVED: OCTOBER 7, 2015