

**CITY OF RIVIERA BEACH  
PALM BEACH COUNTY, FLORIDA  
CITY COUNCIL WORKSHOP MINUTES  
WEDNESDAY, JULY 31, 2013 AT 5:30 P.M.  
MUNICIPAL COMPLEX CITY COUNCIL CHAMBERS**

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

**CHAIRPERSON THOMAS:** Test, test, test, one, two. Okay. We'll now call this City Council Workshop -- Budget Workshop to order. Um, seeing that there's no clerk here I'll go ahead and call the -- the roll. Um, Miss Judy Davis? Commissioner -- Councilman Terence Davis?

**COUNCILPERSON T. DAVIS:** Here.

**CHAIRPERSON THOMAS:** Council Pro Tem Pardo?

**CHAIR PRO TEM PARDO:** Present.

**CHAIRPERSON THOMAS:** Council Member Bruce Guyton? Cedrick Thomas. I'm here. City Managers are here. Finance Directors are here. We got a quorum and we'll stand for a moment of silence followed by the Pledge of Allegiance led by Miss Pardo.

(Everyone stood for a moment of silence with the Pledge of Allegiance being led by Chair Pro Tem Pardo).

**CHAIRPERSON THOMAS:** Mr. Manager, I do understand that there's a council member that wants to come in via telephone. Do we have him?

**DEPUTY CITY MANAGER JONES:** He's on video. Can we see him?

**CHAIRPERSON THOMAS:** Okay. Mr. Guyton will be attending the meeting via video. So all of the, uh, council members are here.

**COUNCILPERSON J. DAVIS:** Councilwoman Davis is here.

**CHAIRPERSON THOMAS:** Yes.

**DEPUTY CITY MANAGER JONES:** Can we hear him?

**CHAIRPERSON THOMAS:** We saw -- they said you were out in the hall when we called the roll. We got you, Councilwoman Davis.

**DEPUTY CITY MANAGER JONES:** Councilperson Guyton?

**CHAIRPERSON THOMAS:** No problem. When you get him just let us know.

**DEPUTY CITY MANAGER JONES:** Okay.

**CHAIRPERSON THOMAS:** Um, Miss Jones. And welcome back.

**CITY MANAGER JONES:** Thank you. Uh, coming from the airport to get here but this wasn't that important. Um, first of all let me say thank you to the members of Council, um, for agreeing to, uh, participate once again in our Annual Budget Workshop as we go through the proposed, uh, budget for 2013/'14. This budget is presented to you in accordance with the statutes and with the charter. And we are in compliance with that. To give opening comments, um, since I have not been here -- I read it before I left, but those that -- the -- the individuals have ably worked on this budget and met with some of you since I returned so I will now turn the meeting over to Danny Jones, Deputy City Manager.

**DEPUTY CITY MANAGER JONES:** Good evening.

**CHAIRPERSON THOMAS:** Good evening.

**COUNCILPERSON J. DAVIS:** Good evening.

**DEPUTY CITY MANAGER JONES:** The purpose of tonight's meeting is to present to you, the City Council, and the citizens of Riviera Beach the tentative operating budget for 2014. This is the second meeting in a series of meetings scheduled to workshop the tentative budget and adopt a final budget for the 2014 fiscal year. This budget was distributed to you last week for your review and was posted on the website using the NovusAGENDA website system to provide the general public at large an opportunity to review this document.

The fiscal year 2014 budget is based upon estimated property evaluations provided to us by the Palm Beach County Property Appraiser's Office in the amount of \$3.17 billion which represents an increase of 6.22 percent from last year's valuation. Although this is a slight increase, it is significant because this is the first time in five years that the City's property valuation has increased.

Over the last five years the City has eliminated nearly 90 full-time positions but have worked hard to continue to do City business. Staff has performed admirably while taking on additional workloads and maintaining high levels of customer service. What we'd like to do tonight is to review the budget, answer any questions that you may have, and provide the members of the community an opportunity to speak and discuss the budget.

The community will also have several other opportunities to comment on the budget at our second workshop which is tentatively scheduled for August 19<sup>th</sup>, at the first reading on September 4<sup>th</sup>, and at the second reading on September 21<sup>st</sup>.

The -- in talking about last year's budget, fiscal year '13, this budget and the resources that the Council provided helped staff accomplish several major goals within the City, including the automation of the agenda process, the implementation of voice over Internet Protocol phone systems for more efficiency and provided some cost savings, upgraded the City's website and instituted a cue alert customer service tracking system

to help improve customer service and our responsiveness to the community.

One of the most visible and notable accomplishments was the beautification of our major thoroughfares and roadways. As you enter into Riviera Beach from I-95, you can see the improvements in the beautification. All these goals were met at the cost savings and reductions that was implemented in last year's budget. At this time I would like to ask the Director of Finance and Administrative Services Randy Sherman and Assistant Finance Director and Budget Manager Karen Hoskins to provide the Council and the citizens with an overview of fiscal year 2014 tentative budget. Mr. Sherman?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Good evening. Again, for the record, Randy Sherman, Director of Finance and Administrative Services. Uh, we really have four objectives of this workshop tonight. You know, first of all I want to, again, discuss some of the major issues that the City was facing in developing this budget. Then we will provide you an overview of the City Manager's recommended operating budgets for the general fund and the enterprise funds. Then we're going to spend a brief little period of time talking about wage and pension considerations. Uh, we have some plans as you saw in the manager's letter we'd like to just kind of, you know, throw that out and have our -- our first discussion about that. And then obviously, you know, like to get any initiatives that you'd like us to go back and look at and, you know, feedback on the budget that is being presented.

Uh, first of all, again, we'll start with the major impacts. As you heard back in June, the number one priority going into this year was to eliminate all the furlough days. That has been successful. The budget you have in front of you, there are no furlough days accounted for in there. They are all gone. But on the negative side, we did have an increase in our pension contribution of \$1.9 million. We saw an increase in the health insurance of 8 percent, which actually is broken into two components. We actually have an increase of 5 percent and then with the Affordable Health Care Act, we are assessed a 3 percent -- we'll call it a tax. So that makes up the 8 percent.

I don't know if anybody saw the article last couple of days but insurance rates are going anywhere from 5 to 40 percent increases. So the fact that we're at the bottom, I think we're -- we're doing well. And then again, trying to address the -- the wage increase considerations. Uh, now, while all the enterprise funds also were impacted by those issues up top, the major issue that we had dealing with the enterprise funds is in the marina area. The ongoing construction --

**CHAIRPERSON THOMAS:** Excuse me, Mr. Sherman?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yes.

**CHAIRPERSON THOMAS:** Just so we can have some dialogue here.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Sure.

**CHAIRPERSON THOMAS:** Has the City readjusted these numbers since the information about the Affordable Care Act came out?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** The -- the numbers that are in the budget include that 8 percent. I'm not sure I understand the question. If that --

**CHAIRPERSON THOMAS:** Correct. But we were expecting to have to pay that in January, correct? We were expecting to have to have the impact in January?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yes.

**CHAIRPERSON THOMAS:** Right. But --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yes.

**CHAIRPERSON THOMAS:** -- that's no longer so, correct?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. The taxes still goes into effect. It's just a delay in the implementation of certain components of the act. But the tax still goes into effect.

**CHAIRPERSON THOMAS:** Okay. But that's information that we're just finding out by just reading. Um, is there any new information that the staff wants to talk to us about that can help us in deciding what this budget should look like, since we don't know what parts of this needs to happen in January and what parts don't?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I -- is Miss Perry here?

**UNIDENTIFIED SPEAKER:** She's here.

**DEPUTY CITY MANAGER JONES:** One of the things that we asked for from McKinley was an assessment of the Health Care Act. So at the second budget meeting on the 19<sup>th</sup>, we can bring back various specifics. But right now the -- Miss Perry, you have additional information you can provide?

**DIRECTOR OF HUMAN RESOURCES PERRY:** Doretha Perry, Human Resources Department. The only thing that will not be implemented January 1 will be, um, to cover employees with 30 hours or more per week. Otherwise, everything goes into effect as far as the 3 percent for the taxes. The only thing that's not being implemented at this time is the City not placing the 30-hour individuals onto our insurance.

**CHAIRPERSON THOMAS:** I -- I -- I get you. I'm not sure -- I mean, I found this out due to my personal business --

**DIRECTOR OF HUMAN RESOURCES PERRY:** Uh-huh.

**CHAIRPERSON THOMAS:** -- that this is what's happening but this new information is

not coming to us from the City. So I don't know how that's going to affect -- I do think there's some other parts of this particular act that are not going to be implemented, as well.

**DIRECTOR OF HUMAN RESOURCES PERRY:** Yes. We -- we're continuously -- we've attended about three meetings thus far and I saw some information today, uh, from the Florida League of Cities that I will be reading over tomorrow. But that's one component that will not be implemented. As long as we did not make any changes in our insurance this year, and we did not, then we don't have to cover those persons who work 30 hours or more. But I mean, we're -- we're continuously attending meetings about --

**CHAIRPERSON THOMAS:** Yeah. Thing -- things are continuously changing with that.

**DIRECTOR OF HUMAN RESOURCES PERRY:** -- um, the Health Care Act. Right.

**CHAIRPERSON THOMAS:** And I'm -- I'm a little nervous because, you know, for a small company like mine, of course it -- you know, it -- it makes major differences.

**DIRECTOR OF HUMAN RESOURCES PERRY:** Uh-huh.

**CHAIRPERSON THOMAS:** But when you're dealing with a company or agency like the City where you have so many employees, one minor change could mean hundreds of thousands, you know, in -- in spending or hundreds of thousands in savings. So I do want to make sure that we're not just going down this road thinking that we still are up under the same provisions as we initially thought we were when this budget was set and sent out. So I just want to make sure that we're keeping up with the changes that's going on and how that affects us in terms of a dollar amount.

**DIRECTOR OF HUMAN RESOURCES PERRY:** Yes. The -- the -- the 8 percent is built into the budget. And, you know, like I said, what's impacted is, you know, us not having to place these 30-hour individuals on to our budget this -- on to our insurance program this year.

**CHAIRPERSON THOMAS:** Okay.

**CHAIR PRO TEM PARDO:** Mr. Chair?

**CHAIRPERSON THOMAS:** Uh, Miss Pardo?

**CHAIR PRO TEM PARDO:** All right. Miss Perry, uh, for the next meeting could you get us the number of -- if we decided to move forward with covering those employees, can you get us the number and tell us, you know, how much it would cost us, please?

**DIRECTOR OF HUMAN RESOURCES PERRY:** Sure.

**CHAIR PRO TEM PARDO:** Thank you.

**CHAIRPERSON THOMAS:** Miss -- Miss -- Miss -- Miss, um, Jones?

**CITY MANAGER JONES:** Mr. Chair, in order to assist you and as the City goes through this process, what we will ask, um, McKinley and our insurance company to do is to provide us with more periodic updates of those things that might impact us and so that as we change through the next 45 days or so in the preparation of the budget, we'll get those to you, 'cause they'll be beneficial to you, as well as to the staff.

**CHAIRPERSON THOMAS:** Yeah. I -- I do think that whoever our agent of record is and whoever our insurance carrier is -- well, we know who they are -- with McKinley and Coventry, you know, when we spend \$3 million a year trying to make sure that we utilize this service, those are things that you should be keeping -- I shouldn't have to have a private business that says, Hey, look, you -- you -- you're going to run into this issue. And I say, Well, if I'm running into this issue, I'm sure that the City is going to run into the issues -- issue to get this information. This should be ongoing. It shouldn't be lagging. Because if something changes in 45 days where it changes that we have to expend more money, I definitely would want, you know, to know that, because then we don't have a balanced budget anymore.

You know, so that's something that we shouldn't have to say, Hey, listen, we're 45 days out. They get the information well before I would get the information. So that's just something that -- that I don't think that we ought to just be lax on and that needs to happen, like, soon. You know, they are here. They are our agent of record. I know they may have more customers than the City of Riviera Beach, but I -- I expect that information to -- you know, to -- to get to us in a -- in a more timely fashion other than the Chair just happened to have a meeting this -- earlier today to find that out.

**DIRECTOR OF HUMAN RESOURCES PERRY:** Will do.

**CHAIRPERSON THOMAS:** Yes, ma'am.

**DIRECTOR OF HUMAN RESOURCES PERRY:** Okay.

**CHAIRPERSON THOMAS:** Mr. Sherman -- oh, if there are no other questions? Mr. Sherman?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Again, back to the enterprise funds. The real issue that we're struggling with is at the marina. Both the waterside construction is ongoing and then we're looking to start the uplands construction. Uh, so we have issues about, okay, Tiki's closing, Newcomb Hall's closing. Well, who's doing security? Where's parking going to be? So coming up with real tight numbers for the marina has been tough. Um, but, again, we're continuing to work those numbers as we go through the budget process.

As part of the budget, there are some staffing or positional changes. Four new positions have been recommended. The internal auditor will be responsible for

conducting audits, overseeing contract administration, controls, internal controls, you know, and doing risk assessments and following up on anything, again, that is brought to the City's attention.

The treasurer position will deal with cash, investments, debt, collections. It, um -- it actually is going to also address an internal control problem that we have that I talked about back when we talked about customer service in the billing office. You have the same person who's doing billing that's also doing the collections. And that's really a control issue. This position is somewhat being funded by the fact that, under eliminated positions, we're getting rid of a customer service clerk. Database administrator, the City has dozens of --

**CHAIRPERSON THOMAS:** Well, hold on one second.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. Sure.

**CHAIRPERSON THOMAS:** You say you're getting rid of a customer service clerk?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yes. There's a customer service --

**CHAIRPERSON THOMAS:** Is that going to make the wait in the line longer?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. Actually by putting in -- by one, accepting credit cards, by going to outsourcing the billing function, actually the mailing of the bills, by having the online customer service, it's actually gotten to the point that we're overstaffed at times down there as far as the customer service reps. Now, I know it's not perfect yet but this is a part-time position that we'll be eliminating.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Database administrator. Again, we have dozens of software programs in the City. But getting information, usable information out, there is nobody really that focuses on that and can provide that type of information. The -- the IT staff, very talented, you know, hard-working group but there's really not anybody there that has that as -- as their job function. So we're pushing to have the database administrator. And then been requested by several people to add a custodian staff to the library and that's what that part-timer is. It will be based out of Public Works but primarily working in the library and City Hall.

Uh, there are two positions that are being eliminated. Again, the part-time customer service --

**CHAIRPERSON THOMAS:** No, no, no. Please don't go so fast 'cause we want to deal with these --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. I'm sorry. Go ahead.

**CHAIRPERSON THOMAS:** -- we want to deal with these issues that are coming up. Now, there have been -- and this is no complaint, no -- well, it's not a -- a -- and it's not a point of trying to embarrass anybody or do anything. But there have been several complaints about the cleanliness of City Hall. And my question would be why are you putting a part-time custodian just in the library instead of making it efficient enough that all buildings are clean?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** It will actually bounce between City Hall and the library. So it'll hit the restroom on a cycle and be able to keep everything clean between the two. We didn't think we needed a full-time position because there is staff that comes in towards the end of the day. But this is really that morning hours that -- that we need -- felt we needed somebody to handle those public -- public restrooms.

**CHAIRPERSON THOMAS:** How many custodians do we have now?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I don't have a total count. Do you have a count?

**UNIDENTIFIED SPEAKER:** (Inaudible).

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Three?

**DEPUTY CITY MANAGER JONES:** We have three full-time and three part-time. We can call Mr. Johnson up to seek more --

**CHAIRPERSON THOMAS:** So we have six?

**DIRECTOR OF HUMAN RESOURCES PERRY:** One full-time and two part-time.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** One full-time, two part-time.

**CITY MANAGER JONES:** One? Yeah.

**CHAIRPERSON THOMAS:** We have one full-time.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** (Inaudible).

**CHAIRPERSON THOMAS:** And two part-time?

**CITY MANAGER JONES:** Three part-time.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Three part-time. And this'll add a fourth part-time.

**CITY MANAGER JONES:** Yeah.

**CHAIRPERSON THOMAS:** Okay. Is --

**CITY MANAGER JONES:** You actually have three FTEs so that's how the three came up, 'cause of part-time people.

**UNIDENTIFIED SPEAKER:** (Inaudible).

**CHAIRPERSON THOMAS:** Okay. Well, wait a minute. Somebody needs to give us an accurate count here.

**CITY MANAGER JONES:** One full-time. Three part-time.

**CHAIRPERSON THOMAS:** Okay.

**CITY MANAGER JONES:** Total of four.

**CHAIRPERSON THOMAS:** All right. Is -- is this the most efficient way to disperse the - the workload of City Hall and the entire City complex, to just add another part-time person?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Do you want to answer that?

**CITY MANAGER JONES:** (Inaudible).

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Brynt Johnson, Director of Public Works. Uh, we currently have two full-time custodians, one allocated to the police department. We have a full-time --

**UNIDENTIFIED SPEAKER:** (Inaudible).

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Right. We have a full-time here and we have two part-times, one that maintains Public Works and another one in this building. Um, another part-time person was needed primarily because those custodians that service City Hall come in later in the afternoon. And a lot of the complaints that we have are during the day. There are bathroom concerns and other issues that pop up during the day so with this part-time person they could actually bounce -- as Mr. Sherman mentioned, they could bounce back and forth between the library who has -- you know, it's all day. It's people, you know -- it's a revolving door. There's people in and out all day. So that particular custodian would bounce back and forth between the library and

City Hall. And that is based on, you know, different building locations and everything else. That's the most efficient at the time.

**CHAIR PRO TEM PARDO:** Um, what --  
**CHAIRPERSON THOMAS:** Miss Pardo?

**CHAIR PRO TEM PARDO:** -- yeah. And what do we do on the weekends with the library?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** The library isn't open on weekends anymore, I don't believe.

**UNIDENTIFIED SPEAKER:** Well, it will be. (Inaudible).

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Well, it will be. Well --

**UNIDENTIFIED SPEAKER:** Starting in the fall.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** -- yeah.

**CHAIR PRO TEM PARDO:** Right.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** -- we have current staff cover --

**CHAIR PRO TEM PARDO:** Somebody to do --

**DIRECTOR OF PUBLIC WORKS JOHNSON:** -- we have current staff cover the library on weekends. They come in and do it for a couple of hours on Saturday, and I believe it's been working. Miss Cobb has been satisfied.

**CHAIR PRO TEM PARDO:** Okay. So is it a custodian or one of your --

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Yes. No, it's a -- it's one of the custodians, yes, ma'am.

**CHAIR PRO TEM PARDO:** Okay.

**CHAIRPERSON THOMAS:** I just want to make sure that we're not skipping over intricate things that are needed. We've had several complaints, um, of -- and I don't know if it's just not -- they don't have enough time to get to it or whatever the problem is. Um, and, you know, we've had those. We don't need to, you know, labor on this issue. I just want to make sure that, you know, we're not just cutting positions or cutting -- putting -- making them part-time to, you know, try to make sure that the budget is okay but still deal with a -- you know, a cleanliness issue on the other hand. I just -- if you got it you got it. I just want to make sure that you got it because when we see those type of complaints, I'm -- I'm not gonna be very happy, you know, when -- when we could have,

uh, taken this opportunity to -- just like Miss Davis right now is probably trying to, you know, destroy one of our little creepy-crawler friends here.

So, you know, those -- those are the issues that I'm -- that I'm saying that we really need to -- you know, to be -- to be, you know, concerned about. It's -- you know, it's kind of embarrassing to have creepy crawlers crawling in front of you and a speaker has to come and kill it or the people up here on the dais have to play musical chairs to avoid interacting with it. You know, so I just want to make sure that we -- we're really paying attention to this.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Yes. We -- we are.

**CHAIRPERSON THOMAS:** Okay. We can -- it's -- it's dead. Don't worry about it; it's dead. We -- we're good. We're good. You can, uh, carry on, Mr. --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** -- Mr. Sherman.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Um, and actually, I'm glad -- I'm glad you brought that up, because that's exactly what's happening under the reclassified positions. A number of departments came in and said, Listen -- as Mr. Jones said, I've -- we've lost 90 people. We need to reorganize. We need to look at what we're doing. We need to get more efficient. So last year you actually increased the business tax specialist from a part-time position to a full-time position with no benefits.

**COUNCILPERSON J. DAVIS:** Mr. Chair? Can I interrupt?

**CHAIRPERSON THOMAS:** Uh, Miss Davis?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**COUNCILPERSON J. DAVIS:** Have -- have we considered, um, like, including -- requiring, rather, other things? I'm -- I'm trying to figure how to say this without trying to offend anybody. But anyway, um, what about having custodians be required to know how to do other things, too, besides cleaning or, you know -- I mean, and that way they could kind of, like -- if -- if, um, something needs to be sprayed --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. You're looking for, like, a job sharing or --

**COUNCILPERSON J. DAVIS:** Yeah.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- again, it's gonna get back --

**COUNCILPERSON J. DAVIS:** It's, you know --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- it's gonna get back to the job classifications and the pay grades and -- and we can look at some --

**COUNCILPERSON J. DAVIS:** So that -- is that something that you're working on doing?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Ultimately --

**COUNCILPERSON J. DAVIS:** Job classifications?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- I think what you want to do -- we have a lot of position -- a lot of job classifications that are vacant. Um, and one of the things that we're going to be doing -- you know, not for this budget cycle but we're going to be going back and looking at those to see what we can consolidate, how you can rewrite those descriptions. Again, sort of what I do with the customer service crew. Go back.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Make sure they're modernized, make sure they're all covering each other's tasks and --

**COUNCILPERSON J. DAVIS:** Yeah.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- yes.

**COUNCILPERSON J. DAVIS:** I mean, so, you know, it's -- it's like if somebody needs a picture hung or something or a screw drilled in --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**COUNCILPERSON J. DAVIS:** -- into a stud or something like that, a custodian could do it and you wouldn't have to call Public Works.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**COUNCILPERSON J. DAVIS:** You know, that's -- that's all I'm saying.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. Um, I'm sorry. Okay. The business tax specialist, again, last year you increased from a part-time to a full-time position but the position didn't have any benefits. All we're doing with this position is it's a 40-hour position. You have to give it benefits. We're giving

that position benefits.

Um, the paralegal and the administrative assistant are both in the Legal Department. Um, paralegal right now is -- this is a joint position. And really what we're trying to do is separate it out, create two different positions, both full-time positions. And again, this is really just addressing the -- the amount of work that's coming from there. The office manager, he --

**CHAIRPERSON THOMAS:** What's the impact in terms of financial?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh, a net of about 24 or 5 is the net cost to do both. Yeah.

**CHAIRPERSON THOMAS:** 25,000?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** About 25 -- yes, 25,000. I'm sorry.

**CHAIRPERSON THOMAS:** We're going to get a paralegal for \$25,000?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. This is the added cost of what's already in the budget.

**CITY ATTORNEY RYAN:** (Inaudible) didn't say we were deleting the current part-time -  
-

**UNIDENTIFIED SPEAKER:** Use your microphone.

**CITY ATTORNEY RYAN:** We're deleting the part-time legal secretary's position. Creating the administrative assistant.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right. Right.

**CHAIRPERSON THOMAS:** I'm -- I'm going to need to see that broken down but keep going, please.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. The office manager is in Community Development. And again, she is taking a position and, uh, increasing that to an office manager position. And then the crew leader -- two crew leader positions --

**CHAIRPERSON THOMAS:** Okay. Hold on one -- one --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

Okay.

**CHAIRPERSON THOMAS:** I get you. I know you're trying to move and usually I like that. But I want to understand what's going on there. The office manager position is in Community Development?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Correct. I don't --

**DEPUTY CITY MANAGER JONES:** Yeah, it's currently established as a senior position that, uh --

**CHAIRPERSON THOMAS:** Okay.

**DEPUTY CITY MANAGER JONES:** -- you're looking to reclassify to office manager.

**CHAIRPERSON THOMAS:** Is that a step up?

**DEPUTY CITY MANAGER JONES:** It's not necessarily a step up. It's different job duties and additional duties or assignments.

**CITY MANAGER JONES:** What's the budget implication?

**COUNCILPERSON J. DAVIS:** And it's a full-time position.

**DEPUTY CITY MANAGER JONES:** The -- the cost implications, yes.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Cost implications, about \$15,000.

**DEPUTY CITY MANAGER JONES:** Yeah.

**CHAIRPERSON THOMAS:** Okay. All right. I'll ask some other questions off line. Let's keep going. Crew leader?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh, crew leader, again, these are two positions in Public Works. One is an equipment operator and one is currently a maintenance worker. Both are being reclassified to crew leaders. That costs about \$6,000. And the maintenance -- a maintenance worker position --

**CHAIRPERSON THOMAS:** Okay. Okay. Hold on. Tell us what this means. You know, are we getting more people to be able to cut the grass? Are we -- what -- what does this mean? 'Cause so many things happen and then when people start asking questions, everybody say, Well, the Council decided to do that.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh-huh.

**CHAIRPERSON THOMAS:** And I'm just not in the mood to take those blames anymore when I don't exactly know what's going on. So what does that really mean?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** We'll let Mr. Johnson address that.

**CHAIRPERSON THOMAS:** Okay. He seems like an able person to do that.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Good evening, again. Brynt Johnson, Director of Public Works. Um, as Mr. Sherman mentioned, uh, the two crew leader positions are being created from an equipment operator and from a maintenance worker. So basically these will be working individuals but they'll have some type of supervisory capabilities to oversee the crews that are out working, because currently we don't have that and it's sort of hard to, uh, track the crews that are working when the supervisor's also out working, and it's hard for him to break away and go and monitor the work. So these will be, um, basically overseeing the crews, the day-to-day operations of the crews.

**CHAIRPERSON THOMAS:** And what significance does that have on your schedule of being able to do the work that we're already kind of behind doing?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** It allows us to actually keep up with the work, if not get ahead, because you have someone there that's overseeing it, that's taking responsibility for ensuring that that work is getting done. Because right now, you're basically depending on a crew to go out and get it done with no one being officially responsible. So things don't get done. There's just a lot of, you know, finger-pointing and, it wasn't me. But with these positions you have someone that's actually responsible for it that you can, you know, go directly to and make sure that it gets done.

**CHAIRPERSON THOMAS:** Okay. And are these positions -- they're obviously going to be promoted from within or you are trying to re-advertise this? Are those positions that you're re-advertising vacant or how -- how are you doing this?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Um, two -- two -- two of the positions are actually currently vacant. The equipment operator is vacant and one of the maintenance worker positions is vacant. Uh, the other maintenance worker position is currently filled.

**CHAIRPERSON THOMAS:** Are we looking to fill these two new positions with existing personnel?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** We're looking from within first, absolutely. So we'll definitely look from within first. But we have to advertise. I mean, advertising is -- is --

**CHAIRPERSON THOMAS:** Yeah. I'm -- do whatever you have to do but I'm --

**DIRECTOR OF PUBLIC WORKS JOHNSON:** -- right.

**CHAIRPERSON THOMAS:** -- I want to make sure that we're not -- we're giving the -- the individuals who have been here an opportunity to go into these positions. I don't want people just forgotten about because we're doing new -- two new positions.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** No, absolutely. As long as -- as long as they meet the -- the requirements and the qualifications, they'll be considered.

**UNIDENTIFIED SPEAKER:** (Inaudible).

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Huh?

**CHAIRPERSON THOMAS:** I'm sorry?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Oh, no. As long as they meet the qualifications and the requirements then they'll be considered.

**CHAIRPERSON THOMAS:** Okay.

**COUNCILPERSON T. DAVIS:** Excuse me, Mr. Chair?

**CHAIRPERSON THOMAS:** Um, Mr. Davis?

**COUNCILPERSON T. DAVIS:** Mr. Johnson, um, you mentioned, you know, your crews. How many crews do we have now -- currently now in the City, individual crews?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** In the -- in the division that we're looking at converting these positions to, um, it's two -- two -- two crews. I'd say three crews. One of them's a small two-man crew but --

**COUNCILPERSON T. DAVIS:** Okay.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** -- three crews.

**COUNCILPERSON T. DAVIS:** Um, what training are we providing our entire staff to allow them to compete for these positions that we don't quite have a criteria on job, um, specifications we're going to be doing? What kind of training are we providing at this time?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Well, we've -- we've constantly -- or we constantly encourage our people to -- to -- to pursue, um, not only higher education but also getting certain certifications. Um, some of them, um, are simple CDL licenses. You know, spray-tech certification, things of that nature. So we constantly encourage

them to do it. But we constantly train them, as well. We've gotten our whole staff -- or at least the Streets Division, certified in maintenance of traffic, which is a State of Florida MOT certification --

**COUNCILPERSON T. DAVIS:** Uh-huh.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** -- which allows them to be able to set up all of the lane closures and everything that they need to. Uh, they've all gotten training on, um -- we actually had a company come in and train them in landscape maintenance. I mean, we -- we constantly train and look for ways to -- to train employees. And we always encourage them to go and get additional certifications.

**COUNCILPERSON T. DAVIS:** Okay. The reason I asked you about how many crews we have, 'cause I looked at the two crew leader positions. Um, we've -- your staff is very short.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Uh-huh.

**COUNCILPERSON T. DAVIS:** I'd like to make sure if we're going to hire two more people that we hire people that are gonna actually do the work versus watching people work. Um, you're a supervisor. Right now our budget's very tight, even though we're improving. I want to see us hire more people to assist these people so we can get more productivity. Um, if that requires you to work a little more this year -- and then maybe next year if our budget gets better -- you know, that's something I just want to look at. You -- you know what I mean?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Well -- right. Well --

**COUNCILPERSON T. DAVIS:** You talk about, Oh -- you know, we went on our tour.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Correct.

**COUNCILPERSON T. DAVIS:** And you were showing me on the ditches on -- you only had, like, two or three guys doing all the ditches in the entire city.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Right.

**COUNCILPERSON T. DAVIS:** And I was like, Wow. So maybe we need another person to do, um, some more services in the ditch so we can get the work done, expedited.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Absolutely. I understand it and that's why I -- you know, in answer to Mr. Thomas's question I basically stated that these will be working persons. I mean, they -- they won't just be overseeing.

**COUNCILPERSON T. DAVIS:** Okay.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** They'll be out working. They'll be working crew leaders.

**COUNCILPERSON T. DAVIS:** Okay.

**CHAIRPERSON THOMAS:** Okay. All right, Mr. -- the maintenance mechanic irrigation person. I'm assuming that's going to be in your, uh --

**DIRECTOR OF PUBLIC WORKS JOHNSON:** That's me.

**CHAIRPERSON THOMAS:** -- department, as well?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** That's me, as well. Um, we currently have one irrigation technician. Um, but given the amount of -- of -- of -- of medians and -- and City-owned property that we maintain, um, we wanted to convert one of the maintenance worker positions to an irrigation technician position so that we can keep up with all of the, um, irrigation components and then make -- and keep it operational and functional.

**CHAIRPERSON THOMAS:** Okay. And this is going to be someone we already have existing?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Um, we'll try. Like I mentioned before, same with the crew leaders. We're going to look from within first. Um, but I'm not sure. I can't say for -- for certain.

**CHAIRPERSON THOMAS:** Well, no. I'm going to say this because this is gonna probably go down the line for most of these departments. Um, when you're dealing with a -- a morale issue and the first thing that comes out of a department head's mouth is, This is what the City Council said. So the City Council is saying now that we want you to do what we can do to promote the people that are here. I don't really want to hear the excuses of, This is what the City Council did, and you get to stand behind that. That's not really happening anymore 'cause all we do is say, This is what you're asking. We have enough money to do it? Fine. We're trusting you to do that.

I -- I don't want to be blamed for the issues of the department heads not being able to -- to lift the morale of individuals. And if you bring in this many positions and they don't -- the -- the existing personnel don't have an opportunity to compete for them or get these, you're going to have another morale issue. And this time you're not going to be able to blame the -- the -- the City Council.

I, for a -- for one, I'm going to be very, very detailed in seeing exactly what all these positions do, because that's not something that we've done in the -- in the past. We've trusted you to say what you need and we've given that. But when things get tight, we get the blame. So after six or seven years of that you kind of say, Well, let's try something different. And let's really see what's going on, um, here.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Understood.

**CHAIRPERSON THOMAS:** So I'm just hoping that, you know, you're coming up with a -- with a -- a formula that's going to allow the individuals that have been here to compete for these, I'm assuming, higher-paying and supervisory positions. That's all. And that's going to be my thought process for any of the new positions.

**CHAIR PRO TEM PARDO:** Mr. Chair?

**CHAIRPERSON THOMAS:** Miss Pardo?

**CHAIR PRO TEM PARDO:** All right. I'd like to know how many maintenance mechanic irrigation, uh, people do we have right now?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Um, in Public Works there's only one.

**CHAIR PRO TEM PARDO:** Okay. All right. So maybe that person, you can, you know -- go through your staff and maybe that person could train someone, you know? There's a lot of good men and women over there, you know?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Absolutely.

**CHAIR PRO TEM PARDO:** Yeah.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** But we'll -- we'll definitely look --

**CHAIR PRO TEM PARDO:** And I agree with Mr. Thomas. We have a lot of employees here. You need to start moving them up. You know? And find out who is -- you know, go through their history. You know, there's a lot of very eager people. And I would just say take them, mentor them, teach them and move them up and hopefully they do the same down the road. Um, okay. Thank you.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Okay.

**CHAIR PRO TEM PARDO:** Mr. Chair, I have a --

**CHAIRPERSON THOMAS:** Yeah, go.

**CHAIR PRO TEM PARDO:** All right. Going back to our staffing changes.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yes.

**CHAIR PRO TEM PARDO:** Are we doing anything in the legislative office with the clerk that we have from time to time at the front desk? Is that position staying, going? I assume staying 'cause it's not on there?

**CITY MANAGER JONES:** That position is being funded out of the city manager's office and it only goes through September 30<sup>th</sup> of this year.

**CHAIR PRO TEM PARDO:** Okay. So there's nothing in the budget to continue it?

**CITY MANAGER JONES:** No.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. Correct.

**CHAIR PRO TEM PARDO:** Okay. Thank you.

**COUNCILPERSON J. DAVIS:** Excuse me, Madam Chair -- Mr. Chair?

**CHAIRPERSON THOMAS:** Yeah. Thank you.

**COUNCILPERSON J. DAVIS:** I mean, even --

**CHAIRPERSON THOMAS:** You already did that to me the other night, but --

**COUNCILPERSON J. DAVIS:** Oh.

**CHAIRPERSON THOMAS:** It's cool.

**COUNCILPERSON J. DAVIS:** Oh, I'm sorry.

**CHAIRPERSON THOMAS:** No problem. Go ahead.

**COUNCILPERSON J. DAVIS:** Sorry. Um, so if we're not -- well, even if that position ends in -- on September, are you planning -- so are you saying that you are not going to fund the position, I mean, even if it's a different person? I mean, because I'm just saying that I think somebody needs to be in the office to -- to answer phones or -- or whatever. Or just to greet the public. I -- I really don't care who it is. It's just -- I -- I think it needs to be somebody there.

**CITY MANAGER JONES:** And that's one of the kinds of topics that we wanted to talk about and those other initiatives --

**COUNCILPERSON J. DAVIS:** Uh-huh.

**CITY MANAGER JONES:** -- that are not currently in the budget the Council would like for us to reconsider so that when we come back at the next workshop we could tell you what the budget implications for those, what those might be --

**COUNCILPERSON J. DAVIS:** Uh-huh.

**CITY MANAGER JONES:** -- as well as where we would get the money from.

**COUNCILPERSON J. DAVIS:** And -- and the reason I say that is because during the day there have been times when -- when I've been there, um, and you hear somebody knocking on the door. Sometimes it may even be a council member, you know? And it means that I have to jump up and -- and go and open the door, you know, if the door is locked, which pretty much, I think it should be. Um, but, you know, I'm not gonna be jumping up and going to open the door to direct people one place or the other. So that's why I asked that question.

**CHAIRPERSON THOMAS:** Yeah. Well, and we -- we do need to --

**CHAIR PRO TEM PARDO:** Discuss it.

**CHAIRPERSON THOMAS:** -- deal with this. Now, the -- the issue is, it's just unprofessional. People come by and say, Well, I tried to get ahold to you.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**CHAIRPERSON THOMAS:** Nobody was there. Somebody -- there's no real continuity there to -- to get what you need done. That office should be available --

**COUNCILPERSON J. DAVIS:** Exactly.

**CHAIRPERSON THOMAS:** -- during -- during business hours for City Hall. So someone needs to definitely be there. They -- they do. You know, who is there, I'm -- I'm really not concerned about, just as long as they're professional and can do the job. But something needs to happen there. We can't just, you know, not deal with that. And I know every council member may not feel that way. But we need to decide how the -- the office is going to be -- right, covered and run. And run. And I just personally believe that that office belongs to the citizens, and they should be able to have access to it during business hours, you know, of -- of the day.

I know that, um, you know, everyone is doing different things and have different initiatives. But just not having anybody -- or not having anybody to answer a phone, not having anybody to give direction, not having anybody to filter where certain calls need to go, um -- every call is not a City Council call. You know, somebody needs to know what department it needs to go to and to help navigate it. So if we don't want to have that discussion today, we definitely need to pick -- figure out a day to have that discussion.

**CITY MANAGER JONES:** Well, today is --

**CHAIR PRO TEM PARDO:** Um --

**CITY MANAGER JONES:** -- appropriate if you desire.

**COUNCILPERSON J. DAVIS:** (Inaudible).

**CHAIR PRO TEM PARDO:** Yeah. Well --

**CHAIRPERSON THOMAS:** Well, I figured that. I just thought I would just say, you know --

**CHAIR PRO TEM PARDO:** -- okay. Well, I would -- all right, Mr. Chair?

**CHAIRPERSON THOMAS:** Yes, ma'am. Miss Pardo.

**CHAIR PRO TEM PARDO:** Well, you know, if the consensus of the Council is to make sure we have someone sitting at that front desk, maybe we should consider two part-time people. One in the morning and one in the afternoon. The person that we have downstairs, when she's here, she leaves at 3:00. And I'm the person -- I'm the council person jumping up from 3 until 6. You know, people knocking on the door. Sometimes the door is open. Door was open last night at quarter after 5 and a woman walked in wanting to talk about something. So --

**CHAIRPERSON THOMAS:** I think everybody agrees with that, yeah.

**CHAIR PRO TEM PARDO:** Right. So, you know, if you're -- if you're going to do it --

**CITY MANAGER JONES:** okay.

**CHAIR PRO TEM PARDO:** -- do two part-time. One person works in the morning. The other person works in the afternoon. Then you have the place covered from 8:00 until 5, right? What are hours, 8, 8:30? 8:30 until 5.

**CHAIRPERSON THOMAS:** I have no problem with that.

**DEPUTY CITY MANAGER JONES:** All right. We'll bring something back on the second meeting.

**COUNCILPERSON GUYTON:** Mr. Chair?

**CHAIRPERSON THOMAS:** I think I just heard Mr. Guyton. I don't see you, but Mr. Guyton, welcome to the meeting. Please go ahead and say your comments.

**COUNCILPERSON GUYTON:** Thank you. Thank you. Um, I agree with the rest of the Council who have expressed a concern about having, um, continual presence in the Council office. I personally think that it would be grossly unprofessional for the office of policymakers to have no one to greet the residents and/or business people and not answer the phones. And right now it's intermittent.

And I think that we need to establish some process. It can be two part-timers, one full-timer, but we need to have somebody there at times of business hours to answer the phones and to greet our residents. Um, I think we've been a little slacking on that and we need to step it up. So I'm in favor of that office being manned eight hours a day during -- or whatever it is, nine -- during business hours.

So I would like for, um, my position to be known and we need to direct staff to ensure that that office is manned by someone professional, of course. Um, so that we can be represented in the manner that is, um, not lacking in -- in serving our public. Thank you.

**CHAIRPERSON THOMAS:** Yes. Yes, sir, Mr. Guyton. Duly noted.

**COUNCILPERSON J. DAVIS:** Mr. Chair?

**CHAIRPERSON THOMAS:** Miss Davis?

**COUNCILPERSON J. DAVIS:** And one other thing I think we need to go ahead and put on the table now is, uh, whose authority that employee is going to be under. Is it going to continue to be under the city manager or some -- something else?

**CHAIRPERSON THOMAS:** Um --

**COUNCILPERSON J. DAVIS:** The other person was paid out of her budget. So I assume that --

**COUNCILPERSON GUYTON:** Mr. Chair?

**CHAIRPERSON THOMAS:** Hold on one second, Mr. Guyton. Miss Davis, go ahead.

**COUNCILPERSON J. DAVIS:** -- so I would assume -- I would hope that it would continue that way in answer to Mrs. Jones.

**CHAIRPERSON THOMAS:** Um, okay. Mr. Guyton?

**COUNCILPERSON GUYTON:** Yes. I -- I would -- I would suggest and recommend that it remains where it is now, under the city manager. We -- we -- we do have our staff and I can't speak for everyone else's staff, but I keep mine busy dealing with water bills complaints and everything else. And, um, you know, should that be put in the city council budget, certainly that would impact our budget. So it would be my recommendation that it stays in the city manager and she has the ability to oversee and direct to ensure that they're doing what they're supposed to do, because we're in and out.

**CHAIR PRO TEM PARDO:** Okay. And, Mr. Chair?

**CHAIRPERSON THOMAS:** Okay. Miss Pardo?

**COUNCILPERSON GUYTON:** Thank you, Mr. Chair.

**CHAIR PRO TEM PARDO:** Yeah. And I recommended two part-time people just so we don't have to pay all the benefits, the health care, pension and all of that.

**COUNCILPERSON T. DAVIS:** That's (inaudible).

**CHAIR PRO TEM PARDO:** You know, two --

**CHAIRPERSON THOMAS:** I --

**CHAIR PRO TEM PARDO:** -- hourly rates, period.

**CHAIRPERSON THOMAS:** -- um, I do understand. Um, okay. I think city manager's office have a good enough understanding on that. We're going to move --

**COUNCILPERSON T. DAVIS:** Excuse me, Mr. Chair?

**CHAIRPERSON THOMAS:** Oh, I'm sorry, Mr. Davis.

**COUNCILPERSON T. DAVIS:** I know. I know. It's okay.

**CHAIRPERSON THOMAS:** Mr. Davis, go right ahead, sir.

**COUNCILPERSON T. DAVIS:** Um, only concern I had was just the job description. That's all. Specifically what they're going to be doing. That's it.

**CHAIRPERSON THOMAS:** Okay.

**COUNCILPERSON T. DAVIS:** Yeah.

**CHAIRPERSON THOMAS:** No problem.

**UNIDENTIFIED SPEAKER:** (Inaudible).

**CHAIRPERSON THOMAS:** Yeah. Gotcha. So maybe --

**COUNCILPERSON GUYTON:** Uh, Mr. Chair?

**CHAIRPERSON THOMAS:** -- yeah. Mr. Guyton?

**COUNCILPERSON GUYTON:** Yes. Um, I'd like to address the issue that I didn't get a chance to address -- address is the reclassification of -- of some employees. I would like to get just -- just one clarification on that, if I may, please.

**CHAIRPERSON THOMAS:** You may.

**COUNCILPERSON GUYTON:** Um, my question is, um, to staff, if this were to take place, um, and if there is some level of increase in the rest of the employees' salaries, um, would the reclassification not participate in the increase because their increase is coming for -- for many of them with their reclassification?

**CHAIRPERSON THOMAS:** Okay. I -- I may be the only one that's totally confused about --

**COUNCILPERSON GUYTON:** I'm --

**CHAIRPERSON THOMAS:** -- what you said but I'm going to -- I'm gonna ask you with the -- with great caution to please repeat that.

**COUNCILPERSON GUYTON:** Okay. Did -- did you say repeat it?

**COUNCILPERSON J. DAVIS:** Yes.

**CHAIRPERSON THOMAS:** If -- if you could. If you can put it in a hybrid package and -

**COUNCILPERSON GUYTON:** (Inaudible). And -- okay, okay. See, I'm trying not --

**CHAIRPERSON THOMAS:** -- simplify it just for -- just for me, please.

**COUNCILPERSON GUYTON:** Okay. I'm trying not to be presumptuous with -- with the salary increases for at least the rank and file. And I'll put it on record that I will be supporting that. But my question is about the reclassification people. Um, when they start in October and should there be an increase for all of the employees, would those reclassification people be -- one, their salary be increased and then they get another increase in addition to the reclassification increase?

**COUNCILPERSON J. DAVIS:** They have to work out all that.

**CHAIRPERSON THOMAS:** I -- well, the -- the -- the positions should start in October so I don't see how it would be double in terms of that. But if someone wants to answer that question --

**COUNCILPERSON GUYTON:** No, no. I just want clarification.

**COUNCILPERSON J. DAVIS:** No. He's talking about --

**COUNCILPERSON GUYTON:** I --

**CHAIRPERSON THOMAS:** No, no, no. I heard you. I heard you say you didn't want to presume or assume and -- and neither do we. We know what that means. But can someone give us a direct answer if these -- these -- these positions now that are being reclassified that will get an increase, would they still realize another increase October 1 when the rest of the employees get an increase?

**COUNCILPERSON J. DAVIS:** Yeah.

**DIRECTOR OF HUMAN RESOURCES PERRY:** Number one, I -- you know, I don't know. Are we getting an increase in October?

**UNIDENTIFIED SPEAKER:** That would depend.

**UNIDENTIFIED SPEAKER:** (Inaudible).

**DIRECTOR OF HUMAN RESOURCES PERRY:** I know. I know. I -- I know. But, you know, we -- we --

**UNIDENTIFIED SPEAKER:** (Inaudible).

**DIRECTOR OF HUMAN RESOURCES PERRY:** -- need to be careful because, uh, that's negotiable.

**UNIDENTIFIED SPEAKER:** (Inaudible).

**DIRECTOR OF HUMAN RESOURCES PERRY:** Yeah. Right.

**UNIDENTIFIED SPEAKER:** It's already (inaudible).

**DIRECTOR OF HUMAN RESOURCES PERRY:** If a -- if a position -- it's the position. If it's reclassified, it's a higher classification. Has nothing to do about a salary adjustment. So, um --

**CHAIRPERSON THOMAS:** Can you do that again? Just teasing.

**DIRECTOR OF HUMAN RESOURCES PERRY:** If I'm promoted from a staff assistant to a staff assistant senior, that's because I'm performing duties at a higher --

**CHAIRPERSON THOMAS:** We understand.

**DIRECTOR OF HUMAN RESOURCES PERRY:** -- uh, level.

**CHAIRPERSON THOMAS:** We understand.

**DIRECTOR OF HUMAN RESOURCES PERRY:** So if the union agrees to give the employees a 2 percent salary adjustment, then that's given to those individuals in the unit.

**CHAIRPERSON THOMAS:** Okay. The unions --

**DIRECTOR OF HUMAN RESOURCES PERRY:** So they --

**CHAIRPERSON THOMAS:** -- the unions can come and say how they feel about it, but

it's up to us to offer it. So --

**DIRECTOR OF HUMAN RESOURCES PERRY:** The -- the -- the union and the City agrees on a percentage for a wage adjustment.

**CHAIRPERSON THOMAS:** Right, with --

**DIRECTOR OF HUMAN RESOURCES PERRY:** If that position is under the unit, then everyone gets --

**CHAIRPERSON THOMAS:** But that -- that's not what -- that wasn't what you just said, and I didn't want that to get out the way you just said it. You just may have misspoke but you said if the union gives --

**DIRECTOR OF HUMAN RESOURCES PERRY:** Well, the union and the City.

**CHAIRPERSON THOMAS:** Well, the union doesn't give any raise. We just agree on it. It comes from --

**DEPUTY CITY MANAGER JONES:** A negotiated -- a negotiated --

**CHAIRPERSON THOMAS:** Okay. I got it.

**DEPUTY CITY MANAGER JONES:** -- increase. That's what that is.

**DIRECTOR OF HUMAN RESOURCES PERRY:** If the union -- if the City asks us to put that on the table, we put it on the table. The union agrees and then the City ratifies that contract for the increase. If a position is reclassified or if a -- if a person is placed in that reclassified position, then that position is with -- is within that union. Then that position gets the salary adjustment.

**CHAIRPERSON THOMAS:** I -- I understood a few minutes ago. Mr. Guyton, did you understand that?

**COUNCILPERSON GUYTON:** Yeah, I did understand it but there'll be -- I -- I'll be able to better clarify my concern when -- when I'm there in person.

**CHAIRPERSON THOMAS:** Okay.

**COUNCILPERSON GUYTON:** But I just wanted to throw it out there because I do have a concern about them realizing should that happen, a double increase. And let me just say that this is -- we -- in this budget I -- I do have a question about that later on, too. But I don't want to get into any type of negotiations or -- but I have a general question at the appropriate time about potential salary increases.

**CHAIRPERSON THOMAS:** Okay. Well, we'll be getting there soon. Stay tuned. Plug your phone in. Make sure you get enough battery juice. Mr. Sherman, we're going to

go ahead and move on to --

**COUNCILPERSON GUYTON:** That's right.

**CHAIRPERSON THOMAS:** -- I think enterprise funds --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Enterprise?

**CHAIRPERSON THOMAS:** -- staffing changes? Yes.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** All right. This is an equipment operator senior position that they are reclassifying to a water sewer maintenance mechanic senior position.

**CHAIRPERSON THOMAS:** Okay. I'm especially concerned about this. Um, what exactly does this -- does this mean?

**DIRECTOR OF UTILITY DISTRICT AURIGEMMA:** Good evening.

**CHAIRPERSON THOMAS:** Yes.

**DIRECTOR OF UTILITY DISTRICT AURIGEMMA:** Lou Aurigemma, Executive Director of the Utility District. Uh, this is just a streamlining of my organization. Uh, we have currently, um, four -- well, we -- we -- we -- we have -- the equipment operator senior position is actually an antiquated position in the Utility District. The equipment operator senior and the water sewer maintenance mechanic senior are in the same pay classification. So I'm just streamlining. Uh, this reclassification is zero dollars. It's just -- just changing the title. That's all it is.

**CHAIRPERSON THOMAS:** Is it -- is it -- is it filled?

**DIRECTOR OF UTILITY DISTRICT AURIGEMMA:** Yes, it is, sir.

**CHAIRPERSON THOMAS:** Okay. And what does that mean in terms of -- I mean, if it's -- if it's antiquated and it's filled, how will we just -- I mean, it's gotta be more than just you saying, I'm just changing the name of it. What other aspects is this gonna -- how is this going to affect us?

**DIRECTOR OF UTILITY DISTRICT AURIGEMMA:** Uh, the -- the current equipment operator senior is performing the same functions as the water sewer maintenance mechanic seniors. So, uh -- and the way it's -- the way the Utility District is set up in water distribution and wastewater collection, you're either a wastewater mechanic, maintenance mechanic, period, or a senior. So we're just trying to align. That's all it is. And I -- right now there's only one equipment operator senior in the entire organization and just trying to streamline.

**CHAIRPERSON THOMAS:** Okay. But nobody's losing their job? Nobody's getting demoted? This is --

**DIRECTOR OF UTILITY DISTRICT AURIGEMMA:** Nobody's losing a job. It's -- it's a specific person that's gonna just change title. This actually was presented to, uh, the board -- the Council last year and it slipped through the cracks. I don't know what happened but we're just bringing it back. That's all.

**CHAIRPERSON THOMAS:** You presented it to the board last year and what happened?

**DIRECTOR OF UTILITY DISTRICT AURIGEMMA:** It slipped through the cracks. It never made it to the second reading. It -- it just didn't make it. I don't know what happened.

**CHAIRPERSON THOMAS:** You don't know what happened so it didn't come back?

**DIRECTOR OF UTILITY DISTRICT AURIGEMMA:** Well, it -- it just didn't make it. It just was left off. That's all.

**DEPUTY CITY MANAGER JONES:** In reviewing the paperwork, we think it's administrative oversight of a list of employees that were included for reclassification. This one did not make the list for the second read, so it, therefore, could not be implemented. And this year we're bringing it back to try to streamline that process.

**CHAIRPERSON THOMAS:** Okay. I'm gonna be watching. No problem. Thank you, sir. Mr. Sherman?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Ready for the next slide?

**CHAIRPERSON THOMAS:** We're ready.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. I know you've all seen this slide before, but it -- it's such a pretty picture now that the numbers are actually starting to go back up again. Um, but as was mentioned earlier, um, you know, City peaked its valuations in 2009 at 4 billion. We bottomed out at 2.884 billion last year and -- and we're actually seeing over a 6 percent increase this year. We're up to 3.179 billion. This increase is actually providing an additional approximately \$1.7 million in -- in revenue to the City this year. So it's -- it's at least moving, trending in the right direction.

Um, what we want to do next is take a look at the General Fund operating budget. Which I have on the top are the revenues by category and then on the bottom is the expenditures by category. Then going across the top you have the '11/'12 budget, '12/'13 budget, and then that middle column is the tentative budget for '13/'14. Uh, the

last two columns show the increase in dollars and then -- or the increase/decrease in dollars and then the same in percentage. So if we just work down that middle column, um, start with the revenues, we've got property taxes or ad valorem --

**CHAIRPERSON THOMAS:** I'm -- I'm sorry, Mr. Sherman.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** Just before we get too far, we never did discuss the facilities manager.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Oh, that was a -- that was just a deletion which is helping pay for the reclassifications that Public Works is --

**CHAIRPERSON THOMAS:** So we had a position of facilities manager?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That was Mr. Johnson's old position and it's been vacant since he vacated it.

**COUNCILPERSON J. DAVIS:** Mr. Chair?

**CHAIRPERSON THOMAS:** Miss, uh, Davis?

**COUNCILPERSON J. DAVIS:** And -- and that's why I'm saying that I think custodians should have some other --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Tasks.

**COUNCILPERSON J. DAVIS:** -- training or skill set, you know, to address issues in the various buildings.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. But maybe I think -- yeah. I'm sorry. Um, didn't mean to interrupt. I think that maybe what we need to do is go back and look at the job descriptions of the maintenance workers and --

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- and we'll -- we can evaluate that and see what --

**COUNCILPERSON J. DAVIS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- what's in there.

**CHAIRPERSON THOMAS:** Well, I -- I agree with that. Um, but I also agree if we want to put more work on them that their salary needs to increase, as well. So I want you to look at that part, as well.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh-huh. Okay.

**CHAIRPERSON THOMAS:** But do we -- do we have a regular, um, Nozzle Nolen or whoever to -- to deal with the --

**COUNCILPERSON J. DAVIS:** Spray.

**CHAIRPERSON THOMAS:** -- the buildings here?

**CITY MANAGER JONES:** Yeah.

**DEPUTY CITY MANAGER JONES:** Yes, we do. We have -- we have pest control to come deal with the building, yes, sir.

**CHAIRPERSON THOMAS:** We do?

**COUNCILPERSON J. DAVIS:** But on a regular basis?

**CHAIRPERSON THOMAS:** Yeah, we -- are you sure?

**DEPUTY CITY MANAGER JONES:** The frequency, uh, I can't speak to right now. Um, but we do have a contract for those kind of services.

**CHAIRPERSON THOMAS:** Okay. So those are sole-source so we don't bid those?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No, that should be bid.

**CHAIRPERSON THOMAS:** I mean, and -- or if it's under 25,000 --

**COUNCILPERSON J. DAVIS:** And it needs it regularly.

**CHAIRPERSON THOMAS:** -- whoever's here -- whoever's doing it is -- I'm -- I'm just not happy with their service at this point due to the visit we had a little earlier.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Good evening, again. Brynt Johnson, Director of Public Works.

**CHAIRPERSON THOMAS:** Well, good evening, Mr. Johnson. Yeah.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Um, yes. The -- the current pest control

company is Nozzle Nolen. Um, but we have been having some issues with Nozzle Nolen so we will be seeking services of, uh, possibly a different company. So --

**CHAIRPERSON THOMAS:** Is it sole source or is it -- is it --

**DIRECTOR OF PUBLIC WORKS JOHNSON:** -- no. No. It was advertised. But they -  
- we -- they've been under contract for some years. So we do plan on re-advertising  
the, um -- we've actually been assembling all the necessary paperwork so we will be re-  
advertising for, um, pesticide services once their contract -- or once it nears completion.

**COUNCILPERSON J. DAVIS:** And when will that be?

**CHAIRPERSON THOMAS:** When -- when will the completion be?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Uh, I think sometime later this year. I'll  
have to double-check. I'm not exactly sure when.

**CHAIRPERSON THOMAS:** Okay. So this is what we're saying. Um, where --  
wherever the -- the situation is in terms of where they are, they're obviously not  
performing up to standard.

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

**CHAIRPERSON THOMAS:** So whatever clause we have to be able to get a service  
that's of somewhat of a good quality so that we don't have to share this space with  
creepy crawlers, we just want you to move that ahead.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Understood. Absolutely.

**CHAIRPERSON THOMAS:** Okay.

**COUNCILPERSON J. DAVIS:** And -- and -- and I'd also like to add, Mr. Chair --

**CHAIRPERSON THOMAS:** Go right ahead.

**COUNCILPERSON J. DAVIS:** -- that it be done on a regular basis. You know, the --

**DIRECTOR OF PUBLIC WORKS JOHNSON:** It's currently being done on a regular  
basis.

**COUNCILPERSON J. DAVIS:** Oh, well.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** But it's -- like I said, we're not --

**COUNCILPERSON J. DAVIS:** Okay.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** -- we're not really -- I mean, based on

the level of complaints that we're getting, things that we see, we're not really satisfied with them in Public Works, either.

**COUNCILPERSON J. DAVIS:** Okay.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** So, um, that's one of the reasons we were going to go back out --

**CHAIRPERSON THOMAS:** A "regular basis" meaning once a month, once every two months, once every six months?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** I think it's once every -- I want to say every three months, I believe.

**CHAIRPERSON THOMAS:** Yeah. That's not regular enough.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Well, I mean, depending, I mean, standards, that's -- yeah, that's about --

**CHAIRPERSON THOMAS:** Yeah, that's not regular enough.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** So you want more frequency?

**CHAIRPERSON THOMAS:** I -- I -- I believe --

**COUNCILPERSON J. DAVIS:** I think it needs more frequency.

**CHAIR PRO TEM PARDO:** Yes. There's all kinds of things running around.

**DEPUTY CITY MANAGER JONES:** We'll review that information and bring back specifics at our next workshop.

**CHAIRPERSON THOMAS:** Okay. I do need you to understand that this is almost like a lion country safari, man. It's -- it's a lot of --

**DEPUTY CITY MANAGER JONES:** We -- we understand, sir.

**CHAIRPERSON THOMAS:** Okay. Okay. I just, you know -- you know, we're dealing with, you know, building issues and everything but I'm -- I'm not really wanting to hide anything from the public anymore. We need to understand what's happening and we need to fix the issues, period. I mean --

**COUNCILPERSON J. DAVIS:** This is serious.

**CHAIRPERSON THOMAS:** -- that -- that -- that's all. Okay. We're going to move on. Thank you, Mr. Johnson.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** You're welcome.

**CHAIRPERSON THOMAS:** Mr. Sherman? Welcome back, sir.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Thank you. Um, okay. So we're going to work with the, uh -- the last three columns here. Um, starting at the top with the revenues in 2014, and the ad valorem tax revenues are at \$27.5 million, which again, is that increase of approximately 1.7 or just shy of 1.7 due from the -- the increase in the valuations. Other taxes coming in at 7.7 million.

Now, I know this shows a decrease. Um, but as was laid out in the -- in the memo that accompanied the budget, the insurance premium tax had been budgeted in previous years. And all that is is a pass-through. It comes -- gets collected. It's sent to the State. The State sends it back. We send it to the -- the pension trust. Um, so that has actually been taken out because it's really not a revenue of the City. And that accounts for \$460,000. So this category actually has increased by \$80,000.

**CHAIRPERSON THOMAS:** And that's other fees and permits.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** It's other taxes and --

**CHAIRPERSON THOMAS:** Other taxes?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- other things that are included in there, again, are things like sales tax. You have your utility taxes and --

**CHAIRPERSON THOMAS:** (Inaudible).

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- those items.

**CHAIRPERSON THOMAS:** Oh, other taxes. Okay. And what's considered in other taxes?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Items such as sales tax. You have all your utility taxes so your electric tax and water tax and - and those items.

**CHAIRPERSON THOMAS:** And what happens with those taxes?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. Those taxes stay here. It's the insurance premium tax that's attached to everybody's, uh, insurance policies. You actually pay a tax -- whether it's a business, homeowner or whatever, you're paying a tax. That tax goes up to the State. They then take that money and send it back to the local governments and that goes into the -- the pension

trust.

So it's a pass-through so it shouldn't be budgeted within our budget because it's - we don't -- never know what the number is. And again, all we do is we take it in with one hand and we ship it back out with the other hand.

**CHAIRPERSON THOMAS:** So we get a tax for insurance premiums?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** It's a tax on insurance.

**CHAIRPERSON THOMAS:** So whatever type of insurance you have, you get a tax. It goes to the State.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh-huh.

**CHAIRPERSON THOMAS:** The State sends it to the municipality.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Correct.

**CHAIRPERSON THOMAS:** And the municipality sends it to the pension --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** It goes to the pensions, yeah. You've actually --

**CHAIRPERSON THOMAS:** Why?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- you've actually adopted an ordinance under chapters 175 and 185 of the state statutes. City has adopted an ordinance that assesses this tax. And again, it's collected by the insurance companies. They submit it to the State and then the State collects it and sends it back to the municipalities.

**COUNCILPERSON GUYTON:** Uh, Mr. Chair?

**CHAIRPERSON THOMAS:** Um, Mr. Guyton?

**COUNCILPERSON GUYTON:** Um, yes. On that issue there, uh, Mr. Sherman is correct. Uh, it falls under Florida Statute. For the fire it's chapter 175 and for the police it's 185. Um, that was -- I forget the exact year it was done. But those funds are just passed through to the City. It goes directly to the, um, pension fund participants, which I think is a good idea, I might add.

But there -- there are other funds that come from the State, one of which is communication service tax. And at one of our meetings, um, when I was still on the Pension Board, we were advised that many municipalities do not check the State numbers. And sometimes the State numbers are not accurate with some other taxes. So I have a question to staff. Do we have someone verifying a community service tax, which in this budget it says it decreased by \$100,000 from the last fiscal tax year.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I think the answer to that question is yes. Community -- someone in Community Development does check those. And it's -- and again, it's all based on --

**COUNCILPERSON GUYTON:** Okay. When -- well --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- address.

**COUNCILPERSON GUYTON:** Yes. And -- and when -- when I return I would like to get with whoever is responsible for verifying those taxes because, um, we need -- and I'm not questioning or second-guessing, but I want to see the procedure by which we are checking. Are we just verifying the numbers that the State sends for us or are we looking at the dwelling and actually determining what we're supposed to be getting from those dwellings? That's a difference.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** Okay. Thank you, Mr. Guyton.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**COUNCILPERSON J. DAVIS:** Mr. Chair?

**CHAIRPERSON THOMAS:** Miss Davis?

**COUNCILPERSON J. DAVIS:** While we're talking about this communication service tax -- and I may not have all of the information correct, but at the League of Cities meeting last Wednesday, the attorney gave an update about -- I think and the number 1.75 or 1.85 percentage was the percentage that cities -- that comes back to municipalities but that they want, um -- that the upcoming legislature probably is going to want to, um, ask cities to reduce their millage by this same amount. It's something -- and I -- and I sent the information to Mr. Jones because I wanted him to check into that.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**COUNCILPERSON J. DAVIS:** And I'll -- I'll get the information so that I -- it's very clear, too.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** Okay. Um, all right. No problem. Going on down to franchise fees.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Franchise fees. You know, it's only about a \$20,000 increase. Uh, again, these are the

franchise fees that we charge the utilities. This is primarily FPL, Florida Public Utilities. You know, these are the fees that -- that they pay.

**CHAIRPERSON THOMAS:** You said it's only increasing by \$20,000?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. And -- and again, we're -- we think we're going to hit this year's budget, but again, we don't see a lot of growth. The only time you'd see growth is, again, if you have new power usage or increased fees, because it's a percentage of the revenues that are charged them.

**CHAIRPERSON THOMAS:** Well, and -- and that was going to be my question. Um, you know, for some reason it just might be what I'm experiencing. Um, my Florida Power & -- & Light bill, it, um -- you know, it increases, you know, on a, you know, fairly frequent --

**UNIDENTIFIED SPEAKER:** Yes.

**CHAIRPERSON THOMAS:** -- you know, basis.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**CHAIRPERSON THOMAS:** I'm trying to figure out, um, how come we're only estimating \$20,000 if I know that they get these rate hikes all of the time. So I mean, how are we ensuring that we're getting our piece of this particular --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. I mean, and I --

**CHAIRPERSON THOMAS:** -- revenue?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- and I tell you, there's -- there's no one that -- that's auditing those numbers. Um, you know, we do get a report. It tells us how much they billed and how much they're collecting. You know, they show us all the calculations.

**CHAIRPERSON THOMAS:** Right. So let's talk about that for a minute.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** What do we need to do, um, to -- is this going to be a function of that new internal auditor that you want or how are we going to -- how are we going to make sure that we're -- we're getting that?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** That we're getting what we're supposed to? I'm -- I mean,

we trust Florida Power & Light.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** Yeah, but when, you know, everybody else are wanting to pay cash -- so when -- when -- when are we going to be able to -- to make sure that we are -- we're getting what we're supposed to be getting?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** All right. We can -- we can -- I can certainly contact FPL and see what types of more detail we can get. I'm just not sure what --

**CITY ATTORNEY RYAN:** Audit.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I'd have to go back to the franchise agreement and see what they're -- they have to provide and --

**CHAIRPERSON THOMAS:** Okay. Well, the attorney says that we can audit it.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Audit.

**CHAIRPERSON THOMAS:** Is that going to be a --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- function of -- is that what, um -- is that something that, um, HCT needs to do or is that something that the internal auditor would do?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** We may even have to find a utility specialist to go and audit that.

**CITY ATTORNEY RYAN:** That's what I would suggest.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That -- that's not your typical internal auditor or even financial external auditor. I mean, there are people who specializes -- there's special accounting that's required by the federal government for utilities so it's -- it's pretty complicated. That's -- I mean, we can --

**CHAIRPERSON THOMAS:** I just -- I just think that --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- we can take a look at it.

**CHAIRPERSON THOMAS:** -- 20 -- \$20,000 --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- is sort of low, um, for --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, and again, it's -- it's because of the concern that -- that we're even going to hit this year, is budget. So that's why we're not looking to increase it that much.

**CHAIRPERSON THOMAS:** I'm sorry. Say that one more time, please.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, again, we're concerned that we're even going to hit this year's budget. You know, they're -- the -- the budget this year was \$50,000 over the prior year. The concern is whether we're even going to hit this year's budget. So we're -- when we develop the budget, we're actually looking at increase over actual, not necessarily budget to budget. I mean, this just happens to be 20,000, but again, we've got the concern that we're not even going to hit this year's number in this category.

**CHAIRPERSON THOMAS:** Okay. What do you -- what do you mean by that? What do you mean by that?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, this year we budgeted \$2.69 million.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay? Um, but if we're tracking and trending at, say, only 2.6, okay, we'll be short in this category. Okay? And I don't have that specific number right -- number here right now. Um, but if we're only looking at 2.6, then when we go and we look forward and say, Okay. FPL has a 2 percent rate increase that we know is coming, or whatever --

**CHAIRPERSON THOMAS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- the increase is, we apply that to the actual, not to the budget, of the prior year. We're going to say, Okay. We'll apply --

**CITY ATTORNEY RYAN:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- it to the 2.6, which we know is gonna be the actual so it would be 2 percent higher than the actual, not 2 percent higher than the -- the prior year budget.

**COUNCILPERSON J. DAVIS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** So we

tried constantly to get those budgets balanced in line with actual performance, not budget to budget to budget.

**CHAIRPERSON THOMAS:** Right. I'm not going to pretend that I understood what you just said then, but what I will do is -- just expect to see me to get some more in-depth understanding of that.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. Okay. Okay.

**CHAIRPERSON THOMAS:** Everybody good? Okay. Let's move on now to --

**COUNCILPERSON GUYTON:** Uh, Mr. Chair?

**CHAIRPERSON THOMAS:** Did I hear Mr. Guyton?

**COUNCILPERSON GUYTON:** Yes. Yes, Mr. Chair. Just --

**CHAIRPERSON THOMAS:** I did. Mr. Guyton, go right ahead, sir.

**COUNCILPERSON GUYTON:** Um, just a brief comment on the franchise fee. Um, first of all, let me put on the record that I don't support them because they are pass-throughs that our taxpayers are paying. They pay to the utility and these other companies and then they turn around and give it back to us. That's just a back-door tax on our residents and I really don't support that. So -- and -- and Mr. Sherman, correct me if I'm wrong. Am -- am I not correct that our -- our taxpayers pay to the company, and the company turn around and give it to us?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yes. You would actually see it on an individual bill. There's a line right there that says franchise fee.

**COUNCILPERSON GUYTON:** Yes. Okay. Okay. Okay. I just wanted to put on the record that -- that --

**CHAIRPERSON THOMAS:** No. No, hold on, Mr. Guyton. Hold on. Hold on. You don't open up a can like that and we don't discuss it.

**COUNCILPERSON J. DAVIS:** That's true.

**CHAIRPERSON THOMAS:** So I remember several times in the past years asking if we did not accept the franchise fee, will our, um, bills go down for our residents. And FP&L said that they would not. So is this something that need to be visited again, revisited? Is this something that they would be willing to do, to decrease Riviera Beach's bill if we did not accept the franchise fee?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I -- I'd have to go back and talk to FPL. That -- that would be a different position than I've ever heard from them but --

**COUNCILPERSON J. DAVIS:** They have a 10- -- 10-, 20-year something.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** But --

**CITY MANAGER JONES:** Yeah.

**CHAIRPERSON THOMAS:** Okay. I just want to make sure.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** 'Cause I remember having this very conversation with FP&L right from that podium. So I wanted to make sure that everybody understands this is not something that the City set out to do to just tax the residents more. You know, this is a practice that FP&L was doing.

**CITY ATTORNEY RYAN:** And just -- Mr. Chair?

**CHAIRPERSON THOMAS:** Yeah. Yes, Miss Ryan.

**CITY ATTORNEY RYAN:** Just -- just for the record, we did negotiate a new franchise agreement with FPL a few years ago, and our franchise agreement is not any different from the other hundreds --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No, it's the same as everybody else has.

**CITY ATTORNEY RYAN:** I don't know if they have hundreds but --

**CHAIRPERSON THOMAS:** They do.

**CITY ATTORNEY RYAN:** -- the other franchise agreements throughout the State of Florida. Everyone does it this way. This is how we get paid our franchise fee. Unfortunately, um, this is how it's done and that's how we get 2.4 -- \$2.6 million.

**CHAIRPERSON THOMAS:** Okay. Mr. Guyton?

**COUNCILPERSON GUYTON:** Okay. Yes. But -- and -- and -- and I agree that this is done across the board, but it's still a back-door tax on our taxpayers. And this is something that I don't think many taxpayers understand. They think it's going to the utility company. But -- but -- but my other point that I wanted to make on that is that, um, we only negotiate franchise agreements sometime maybe 30, 40 years. And -- and any time we have the opportunity to fight for a lower franchise fee, I have not

seen us as a municipality do it to the degree that I would hope. And -- and I just want to put it on the record that next time -- none of us may not be there, but our residents need to understand that it's just another tax that they are paying to us through the utility company. So, um, I don't want them to think that somehow the company FP&L is paying us a franchise fee because they're not. We're paying to FP&L and then they give it back to us.

So -- but, um, as -- as -- as it relates to your issue regarding the increase in rates, um, my question would be to Miss Ryan, because we are obligated to the franchise agreement, and if there is no language in the franchise agreement that allows us to adjust those fees when a rate is increased, then I don't see how we can really do that. So my question is do you know of any language in the franchise agreement, Miss Ryan, that allows us to adjust our fees with, um -- with, um -- with the payment hikes or --

**CITY ATTORNEY RYAN:** FPL -- yeah. Um, I'm pretty sure that there is no language that addresses that. However, you can always go back to FPL and ask them to, um, open up negotiation -- or renegotiation of the current franchise agreement. They may -- they may or may not do so. Um, I think our franchise agreement is for 20 years.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**CITY ATTORNEY RYAN:** But, um, you -- we can always ask, if that's something the City Council is interested in.

**CHAIRPERSON THOMAS:** Okay. Um --

**COUNCILPERSON GUYTON:** Okay. I'm done, Mr. Chair, on that issue.

**CHAIRPERSON THOMAS:** All right. Thank you, sir. Where are we at? Fines?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Other -- Other fees, permits and licenses.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** 3.7 million. Up \$600,000. This category includes both building permits and the business license. Um, both of them have seen increases, just pure volume increases. I mean, you know, more businesses, more permits being requested. And that pretty much accounts for the \$600,000 increase that you have there.

Uh, under Grants and other shared revenues, 1.2 million, again, not a -- much of a change. You know, \$7,000 change in that category. Fines, 300 -- \$290,000. Only a \$10,000 increase. Uh, Rents and --

**CHAIRPERSON THOMAS:** Let me ask you a question.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** How do you budget fines?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Historical trends. And that's why, again, we're up a little bit higher. The -- you know, if we were putting a larger emphasis on trying to collect them and trying to assess them, then, you know, um -- and you're right. You're -- the hope is, is that revenues come in at zero. I mean, that there aren't any at the end of the day. But it just -- it's just historical trends.

**CHAIRPERSON THOMAS:** Well, you know, if we went from 521,5 last year or the year before last, and we're looking at half of that this year and we're only increasing it -- I mean, I -- that's just kind of tough for me to --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh-huh.

**CHAIRPERSON THOMAS:** -- to say that we need to budget fines. Because we would hope that we never have to get these fines in. What happen if we get compliance below what you're budgeting here?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right. Yeah. I mean, if you get compliance below this -- and I mean, you're going to be short on the revenue side.

**CHAIRPERSON THOMAS:** Oh, I'm sorry. Compliance above --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** But -- right. Right.

**CHAIRPERSON THOMAS:** -- what you were expecting (inaudible).

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Um, but then the hope is is then you'd go back and you'd look at it and a division like Code Enforcement, you say, Well, then they should be able to peel back expenses on -- you know, on the regulatory side, as well. Um, so it's a -- it's a balance going both ways. And until you see a -- a trend that is definitely going the other way, I mean, you're going to continue to -- you know, to budget those dollars.

**DEPUTY CITY MANAGER JONES:** Also --

**CHAIRPERSON THOMAS:** I -- I'm just kind of just saying just for me, I'm uncomfortable with budgeting --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** It's tough.

**CHAIRPERSON THOMAS:** -- an increase -- I'm -- I'm uncomfortable -- uncomfortable with budgeting fines, period. But to -- to -- to budget an increase in fines, that's just --

that makes a -- a individual think that maybe you have some type of quota --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- or you have some type of --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No --

**CHAIRPERSON THOMAS:** That's what happens when people see, okay, well, why is Code Enforcement just citing my property --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- but the overgrown property across the street there, they're not? Those are the type of thoughts that start to enter in people --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That's, uh -- yeah. We've --

**CHAIRPERSON THOMAS:** -- minds when you have this type of thing.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. We've actually gone over budget already this year in fines. And that's after nine months. Um, so again, looking at we were going -- we actually had -- we'll push -- actually raise that even further and we -- you know, we're reluctant to do it again just for that same reason. It's, you know -- you just don't know what those numbers are going to be. And even though you had a lot of fine collections this year, that doesn't mean you're necessarily going to get those collections in -- in subsequent years.

**CHAIRPERSON THOMAS:** Understood. Did I hear -- Mr. Jones, you wanted to say something?

**DEPUTY CITY MANAGER JONES:** No. He -- it's good.

**CHAIRPERSON THOMAS:** Okay.

**DEPUTY CITY MANAGER JONES:** Okay.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Um, Rents and leases. Again, there's a --

**CHAIR PRO TEM PARDO:** Wait, hold on a second.

**CHAIRPERSON THOMAS:** Wait. No, no, no. Hold on. Miss Pardo, go right ahead.

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

**CHAIR PRO TEM PARDO:** All right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIR PRO TEM PARDO:** I want to go back to Grants and other shared revenues.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIR PRO TEM PARDO:** Okay. Does that include appropriations? If we get appropriations from the feds or from the State, is that included in that number?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** It --

**CHAIR PRO TEM PARDO:** Or is this pure grants where it's matching --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- it -- it seems like the State revenue sharing money that comes in --

**CHAIR PRO TEM PARDO:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- um, so it -- it's -- it's the pass-through again that's going up to the State. And they're actually telling us what those are. This is not, we've gone out and gotten a, uh -- a -- you know, a fire grant or a police grant, those types of things.

**CHAIR PRO TEM PARDO:** Right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** These are the actual numbers that are coming back in to the General Fund.

**CHAIR PRO TEM PARDO:** Okay. So why do we have grants, then? Why is it labeled grants?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I --

**CHAIRPERSON THOMAS:** Take your time. Don't rush. Take your time.

**CHAIR PRO TEM PARDO:** No, I'm just curious.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That's a good question.

**CHAIR PRO TEM PARDO:** If you're saying --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That's an excellent question.

**CHAIRPERSON THOMAS:** Yeah, that's a very good question.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** Actually, it's as -- um, we receive funds from the -- from FDOT for --

**COUNCILPERSON J. DAVIS:** Highways.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** -- the, um, highway lighting and --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** And library.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** -- and the library.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** Um, FDOT for, um, some of the maintenance, landscape maintenance, so, um, that's why we labeled it Grants and other shared revenue, 'cause State revenue sharing is part of that, also.

**CHAIR PRO TEM PARDO:** Okay. But no matching is included in that?

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** No.

**CITY MANAGER JONES:** No.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No.

**CHAIR PRO TEM PARDO:** So really not a --

**CITY MANAGER JONES:** Not a grant.

**CHAIR PRO TEM PARDO:** -- a grant? Okay. So --

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** It's just the State paid for the library.

**CHAIR PRO TEM PARDO:** -- it -- revenue sharing. Okay. All right.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** It's a grant.

**CHAIR PRO TEM PARDO:** Thank you, Miss Hoskins.

**CHAIRPERSON THOMAS:** Okay. Miss --

**CITY ATTORNEY RYAN:** And -- and Mr. -- Mr. Chair?

**CHAIRPERSON THOMAS:** Miss Ryan?

**CITY ATTORNEY RYAN:** Can I make a comment on fines?

**CHAIRPERSON THOMAS:** Sure.

**CITY ATTORNEY RYAN:** One of -- it's not just putting fines on the properties. One of the things that we've been very successful at this year is collecting fines through foreclosure proceedings. The City's been paid quite a bit of money on, um, some of the liens that have been on properties for a long time. So that now that the economy is changing, I think that the properties are changing hands more and they're coming in and paying off some of the liens.

**CHAIRPERSON THOMAS:** Okay.

**CITY ATTORNEY RYAN:** So that is included in that amount, as well.

**CHAIRPERSON THOMAS:** Good point. Good point. Rents and leases?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Rents and leases, again, 126,000. A slight increase here. Again, we're seeing, um --

**CHAIRPERSON THOMAS:** And what does that consist of?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- higher rents from Ocean Mall than we had budgeted in the past so that's why we're really just adjusting that budget up -- upwards for the Ocean Mall.

**CHAIRPERSON THOMAS:** Is that the majority, Ocean Mall, or is that all of the rents and leases?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That's all of the -- the rents and leases that we have. So again, includes all the beach rentals and -- and the like.

**CHAIRPERSON THOMAS:** Okay. When you say -- that's when they want to, like, rent a -- a picnic area at the beach or --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** The chairs and -- right. And all -- all of the concessions that you have out at the -- at the beach.

**CHAIRPERSON THOMAS:** And the -- the number is only 126?

**COUNCILPERSON J. DAVIS:** And it's more than the beach, isn't it? Is it -- is it, like, Wells Recreation and --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, we - well, again, we have -- the Ocean Mall's in there. The beach lease is in there. Uh, the police tower is in there.

**COUNCILPERSON J. DAVIS:** Oh, it's those kinds of leases?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** All those types of leases.

**CHAIRPERSON THOMAS:** Wait a minute. What about -- what about Tiki and --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That's over in the marina. That's in the marina budget.

**CHAIRPERSON THOMAS:** Okay. So what -- what's -- this number just looks a little low for me.

**CHAIR PRO TEM PARDO:** It's increased.

**CHAIRPERSON THOMAS:** And this is what you're expecting to get in? These are the numbers that you're expecting to --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** These are the numbers we're expecting to get in. So again, it includes, um, like Maritime Academy. It would include, you know, Life Span. It includes all of those where you have -- have City property and you've leased it out.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**CITY MANAGER JONES:** Yeah.

**CHAIRPERSON THOMAS:** Okay. All right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay? Um, other revenues is really, uh -- there's only a couple of things in there. It's miscellaneous revenue, which again, we're budgeting \$100,000 and exceeding that so we added an extra 20,000 to that. And we also increased the investment earnings

\$20,000. Again, just feeling that some of the things we've done in the past, just being as passive as we have -- if we're a little more active in the investing, we think we'll be able to add to that number, as well.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** The administrative fees, again, as we talked about back in June, this is due to the fact that we went back. We did the cost allocation plan so these are all new fees for your enterprise funds. Um, including the Utility District, the marina, stormwater, trash. Okay? Those all have new fees. They haven't been adjusted in five, six years. That's why you see such a large increase, because again, it hasn't been adjusted annually as it probably should have been.

**CHAIRPERSON THOMAS:** Okay.

**COUNCILPERSON GUYTON:** Mr. Chair?

**CHAIRPERSON THOMAS:** Mr. Guyton?

**COUNCILPERSON GUYTON:** Yes. I have a question for Mr. Sherman regarding the administrative fees.

**CHAIRPERSON THOMAS:** Do ask.

**COUNCILPERSON GUYTON:** I'm sorry?

**CHAIRPERSON THOMAS:** Go ahead and ask.

**COUNCILPERSON GUYTON:** Okay. Mr. Sherman, as it relates to the CRA, Community Redevelopment Agency redevelopment fees -- and one thing about this budget, too, let me make a quick comment. Um, some of the line items were not detailed enough for me. They were in general so I couldn't tell what the actual amounts were as it relates to specificities. So I would like to know what amount is in the budget for charging the CRA their administrative fees?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right now this budget includes 370,000, which is the same number that we've used for the last two fiscal years. Um --

**COUNCILPERSON GUYTON:** All right. How much? I'm sorry. I didn't understand you.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** 370,000, which is the same number that we've used for the last two fiscal years. Um, Mr. Brown and I are discussing what number that really should be at the -- at the end of the day.

He's -- he's looking at the services the City provides and trying to figure out whether he needs them or is outsourcing. You know, so we're discussing what that number is. But for now in this budget we've just carried the 370,000.

**COUNCILPERSON GUYTON:** Okay. So, um, Mr. Chair, if I may, I have a follow-up question.

**CHAIRPERSON THOMAS:** You may.

**COUNCILPERSON GUYTON:** So Mr. Sherman, so is that number subject to change based on your discussions with Mr. Brown? Is it a possibility?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I believe it is a possibility, yes.

**COUNCILPERSON GUYTON:** Okay. And if that number were to change, how would we make up if it's determined that that amount may not be what Mr. Brown may need from us?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, I guess the -- I guess the answer to that would be, one, it would depend on how much the difference really was. I'm actually proposing a higher figure, which of course, he's proposing a lower figure. But we'll see, you know, where we end up at the end of the day. And then which departments are actually impacted by the services he needs.

**COUNCILPERSON GUYTON:** Okay. I'm sorry. I didn't understand the last part that you said. Could you speak into the microphone for me, please?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. It - it's gonna depend on which services he determines that he does not need.

**COUNCILPERSON GUYTON:** Okay. Okay. Okay, Mr. Chair. Um, those -- those are all the questions I have for that issue.

**CHAIRPERSON THOMAS:** Okay. All right. Okay, Mr. Guyton. I -- I definitely want to make sure that -- um, I -- I don't want a number that's pulled out of the air with this.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** If -- if the CRA is using \$500,000 worth of services, they need to pay \$500,000 worth of services. If the CRA is using \$100,000 worth of services, they need to pay --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**CHAIRPERSON THOMAS:** -- \$100,000 worth of service. So for whatever they're

using, no more, no less, what it actually costs us to do that is what needs to be discussed. So I don't want the, you know, we -- we might be paying too much; we might not. Whatever it costs to get the job done, then that's what needs to happen.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** The other thing that we need to look at, since we happen to know most of the members of that other board, if -- if it's cheaper for the CRA to do their own --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- purchasing, their own community development, whatever they need, then that may need -- need to be something that we explore on that side, as well. I don't want to continue to put a hardship on the City staff when I know that that's a considerable amount of work, especially in purchasing and in community development. So that's not something that I'm hiding from. That's not a number that I want to hide from. Whatever it is, the CRA needs to pay it. And I'm sure that we have enough influence with the board over there to make sure that that happens. Or the CRA needs to get their own employees. I don't -- I don't want to be doing this shoestring-type thing. It is what it is. If -- if -- if they can't handle it then we need to -- to look at some other arrangements.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** All right. So are we done with that?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Sure.

**CHAIRPERSON THOMAS:** Okay. What would you like to go to next, sir?

**COUNCILPERSON J. DAVIS:** Mr. Chair?

**CHAIRPERSON THOMAS:** Miss Davis?

**COUNCILPERSON J. DAVIS:** Just a -- just a thought. Um, I mean, I -- I have no problem with, um, asking the CRA to pay their fair share. Um, and, you know, I just want it to be justifiable. And for God knows how many years now we've been trying to get this redevelopment effort going. And we are just right almost there now. And I know that the City employees have been, um, assisting in doing a lot of the work. But I also think that the CRA has made it possible for us to kind of move forward in this process. So I'm -- and I mean, you know, if that's something that Mr. Brown wants to do is, you know, hire his own employees, fine. But I think over the long haul, if our goal is redevelopment, I think, you know, that's -- it -- it kind of washes away our effort, you know, in moving forward. So, you know, I'm -- I'm willing -- I'm open to the discussion, though. So --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** Okay. Um, I just want to make sure I understand it correctly. You -- you were saying that if we -- if we're not -- if we do it that way, that that impedes the ability for the CRA to -- to function with redeveloping?

**COUNCILPERSON J. DAVIS:** I'm -- what I -- what I'm saying is if we are going to say they need to hire their own employees, um, I don't know if that means one or two or six, you know? I think it -- that -- that's going to be a pot of money right there, just to hire the employees to do the work. You see what I'm saying? So rather than do that, you know, which would interfere with -- it's just going to take money away from moving forward with our redevelopment efforts. You know, just come up with a solution, a formula that's agreeable upon -- with the City and the CRA --

**CHAIRPERSON THOMAS:** Well --

**COUNCILPERSON J. DAVIS:** -- for whatever the cost may be, you know?

**CHAIRPERSON THOMAS:** -- that's what I would hope would happen. But it seems like there's some type of impasse here. And with the amount of money that goes out on the CRA's side to consultants, it may be better for the CRA -- and we're not having a CRA workshop here but because we're talking about it --

**COUNCILPERSON J. DAVIS:** I -- that was just my opinion. That's all.

**CHAIRPERSON THOMAS:** -- I -- I do think that that's not something I want to -- to hide with. We loan -- or we allow the City's employees to be used on the CRA side, which pushes a higher workload and takes time that they could be doing other things on the City side. So in my opinion -- and I'm just one opinion here -- it either needs to be paid for or it needs to be totally managed on the side and under the budget, you know, of the CRA. If we can come up with the number and continue the partnership, yes. But if we can't, then I -- then I think that the CRA ought to maintain its own employees, its own, um, expenses that way and not have the City sharing it. Put simply --

**COUNCILPERSON J. DAVIS:** Well, I'd -- I --

**CHAIRPERSON THOMAS:** -- I'm just saying, if the finance director say, I think it should be more, and the -- the -- the CRA director say, I think it should be less, nobody's talking about staying where it is. That's -- even though that's what's proposed. It's clearly going to run into an impasse --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**CHAIRPERSON THOMAS:** -- unless somebody says, Okay. I'll do more for less.

**DEPUTY CITY MANAGER JONES:** Mr. Chair?

**COUNCILPERSON J. DAVIS:** Well, um, what I'm saying is --

**CHAIRPERSON THOMAS:** One second. I'll come right to you, Mr. --

**COUNCILPERSON J. DAVIS:** -- and what I'm saying is that I think the CRA has been paying. It was simply that a couple of years ago, um, a figure was just, you know -- just came up out of thin air which was not justifiable.

**CHAIRPERSON THOMAS:** I get you.

**COUNCILPERSON J. DAVIS:** Okay? And, um, since that time -- you know, if -- if -- if you say that I'm going to use the City attorney, um, 200 days a year, okay, out of 260 workdays, all right, and we're going to use her four hours a day, then that means that she's only working for the City four hours a day. Okay? So all I'm saying, it has to be justified, you know?

**CHAIRPERSON THOMAS:** And that's what I'm asking him to bring back.

**COUNCILPERSON J. DAVIS:** And I don't think that there's been any problem whereas the CRA hasn't been willing to pay the money. It's simply just justified.

**CHAIRPERSON THOMAS:** We agree on that point.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Correct. We all agree on that.

**DEPUTY CITY MANAGER JONES:** Mr. Chair, I -- I don't think we're at an impasse. We'll work diligently by the second budget meeting workshop --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**DEPUTY CITY MANAGER JONES:** -- to come back with a solid number.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**CHAIRPERSON THOMAS:** Please bring that number back. Please bring that number back. This is not something that I want a CRA director to be calling around saying, This is what I think, or -- I want that number back and I want it in the open so everybody knows. If -- if -- if we have budgeted 300,000 but the CRA should only be paying 100,000, then I want the CRA to pay 100,000. But if we have budgeted 360,000 when it should actually be 500,000, then they need to pay 500,000. And that's what I need to know. Not this -- 'cause that's what happens.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** That's what happens. Everybody's like, Well, you know, this is what's happening. This is what's happening. We just want it. We want to workshop it like we're doing now. Let everybody give their input and then we decide where the money comes.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** Not the finance director. Not the city manager. It's the board that ultimately, as you all so often say -- it's us; it's our decision to make so we'll make that decision as a board.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**CHAIRPERSON THOMAS:** Whether we agree or disagree, that's why, you know, we have a board to make that decision. So just bring back the --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** -- documents and the justification, you know, for the documents.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** And if you can't agree, in our next budget meeting just say, We can't agree.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** But this is what we have.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. Let me just -- and not to belabor this, but -- but last year we provided \$441,000 worth of justification. But the agreement, we're capped at 370. They fan the 370. So this year I did the calculations based on the same services and that's where I came close. Instead of \$500,000 -- because again, increased health, increased pension, you know, all of those issues.

**CHAIRPERSON THOMAS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** And that's when he said, Well, I may not want all those. Sort of exactly what you're saying. I'm hiring my own marketing firm. I'm doing that. I don't necessarily need -- great. Tell us what you don't want. We'll back them out and then we'll deal with it. So that's what we're doing.

**CHAIRPERSON THOMAS:** And -- and that works. Can -- is that something that can be --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** We -- we --

**CHAIRPERSON THOMAS:** -- well, just make that happen by our next budget meeting.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. We'll bring it back.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**DEPUTY CITY MANAGER JONES:** Yeah.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Let me get, uh, to the Expense --

**CHAIRPERSON THOMAS:** Mr. -- Mr. -- I don't want to forget Mr. -- Mr. Jones.

**DEPUTY CITY MANAGER JONES:** No, you came to me. I just --

**CHAIRPERSON THOMAS:** Oh, I did?

**DEPUTY CITY MANAGER JONES:** -- guarantee that we're not at an impasse and we will bring that back at the second meeting.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. And let me, uh, run through the Expense section.

**CHAIRPERSON THOMAS:** Sure.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh, personnel costs, again, this is salaries, Social Security, health, retirement, you know, dental, all those. \$34 million is a \$2.7 million increase over the prior year. And again, I think that was laid out pretty well in the letter where those numbers are -- are coming from. And again, it's every one of those categories. Uh, operating expenses, uh, we're at 10.6 million.

**COUNCILPERSON GUYTON:** Uh, Mr. Chair?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** Hold on one second, Mr. Guyton.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** Did you finish that thought?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. Go ahead. That's all right. You can --

**CHAIRPERSON THOMAS:** Okay, Mr. Guyton. Go ahead.

**COUNCILPERSON GUYTON:** Um, yes. On the personnel costs, is -- is -- that's what Mr. Sherman just addressed? That figure, 34 something?

**COUNCILPERSON J. DAVIS:** Yes.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Correct.

**CHAIRPERSON THOMAS:** Yes. Yes.

**COUNCILPERSON GUYTON:** Okay. Um, I -- I -- I -- I don't want to compromise any laboring associations but -- but I -- I -- I just want to make sure that staff understands as I indicated when Mrs. Jones' contract came up, I expect the rank and file to have an increase when it comes back to us. Um, and that's all I'm going to say about it right now. So if that does not have, in addition to the ending of the furloughs and some increase, then I'm going to have a problem.

**CHAIRPERSON THOMAS:** Okay.

**COUNCILPERSON GUYTON:** That -- that's all I have to say about that right now.

**CHAIRPERSON THOMAS:** So noted. Mr. Sherman?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. General operating expense. Again, this is hundreds of line items. Um, \$10.6 million. Again, pretty much level across from the prior year. Again, we mentioned that, you know, there were certain increases such as, you know, the water line. But again, there were other decreases as we went through.

And again, we're looking at the budgets on spending trends, not necessarily a budget to budget to budget. So just because you budget \$10,000 every year but you're only spending 2, guess what? We took you down. Okay? It's not at 10 this year. You haven't been spending 10. Why do we keep budgeting 10? Um, Capital outlay.

**COUNCILPERSON J. DAVIS:** Um, before -- before you move on?

**CHAIRPERSON THOMAS:** Miss Davis, go right ahead.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**COUNCILPERSON J. DAVIS:** Um, in looking at this, at the -- in -- in our little handout here, the very next page I was looking at, um -- just looking at the legislative budget in the personnel line items, and was just curious to know why, um, there is an increase in every personnel budget line item.

**CHAIRPERSON THOMAS:** Is -- is an increase?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** You're talking about just the legislative ones or all of them?

**COUNCILPERSON J. DAVIS:** On the legislative. That -- that -- that's the only one I'm looking at is the legislative here.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Um, probably has to do with the health insurance.

**COUNCILPERSON J. DAVIS:** So -- oh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** 'Cause that would be in -- in personnel.

**COUNCILPERSON J. DAVIS:** Oh, so -- okay. So the increase is going to be for just this year only?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**COUNCILPERSON J. DAVIS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**COUNCILPERSON J. DAVIS:** Uh, I just wanted to make sure it wasn't, you know, something else. 'Cause -- 'cause all of the figures are different.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, and again, it depends on whether -- which plan you're in and whether you take insurance and don't take insurance. You know, 'cause I believe, you know, you don't -- do not take insurance?

**CHAIR PRO TEM PARDO:** Right. Right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** And again --

**CHAIR PRO TEM PARDO:** I don't take insurance, but my budget is showing a 1.44 percent increase.

**COUNCILPERSON J. DAVIS:** Yeah.

**CHAIR PRO TEM PARDO:** So what's being increased?

**COUNCILPERSON J. DAVIS:** That -- that was very strange to me.

**CHAIR PRO TEM PARDO:** I'm not get -- I'm not getting a raise.

**UNIDENTIFIED SPEAKER:** (Inaudible).

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIR PRO TEM PARDO:** Right? I'm not getting a raise (inaudible).

**DEPUTY CITY MANAGER JONES:** The, uh, part-time people.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Furlough days?

**UNIDENTIFIED SPEAKER:** Yeah.

**DEPUTY CITY MANAGER JONES:** Yeah, furlough days for your part-time people.

**CHAIR PRO TEM PARDO:** For my part-time person?

**CHAIRPERSON THOMAS:** The furlough days are gone.

**CHAIR PRO TEM PARDO:** Uh-huh. Okay. Thank you.

**COUNCILPERSON J. DAVIS:** So did all --

**CHAIRPERSON THOMAS:** And I want --

**COUNCILPERSON J. DAVIS:** -- did everybody have the same amount of furlough days?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yes. Everyone had -- had 48 hours.

**COUNCILPERSON J. DAVIS:** That's -- okay. I'm still lost on that but I'll get with you later on to get an explanation.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Okay.

**COUNCILPERSON J. DAVIS:** Because all these figures are -- are totally different. Okay.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** And that's also because the chairs moved from, um, different districts last year. Um, I believe you served as chair.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** So, um --

**COUNCILPERSON J. DAVIS:** No, Miss Brooks.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** -- your salary -- or Miss Brooks.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Miss Brooks, yeah.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** Her salary would have gone down for that district and then, um, Councilperson Thomas' salary.

**COUNCILPERSON J. DAVIS:** Okay. Okay. I see what you're saying.

**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** So difference in salaries.

**COUNCILPERSON J. DAVIS:** All right, then.

**COUNCILPERSON GUYTON:** Uh, Mr. Chair?

**COUNCILPERSON J. DAVIS:** But I'll get with you.

**CHAIRPERSON THOMAS:** Mr. Guyton?

**COUNCILPERSON GUYTON:** Uh, yes. I believe Mr. Sherman was doing the Operations budget. Is that correct?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Correct.

**CITY MANAGER JONES:** Yes, sir.

**CHAIRPERSON THOMAS:** Yes.

**COUNCILPERSON GUYTON:** Yes. I'd like to speak to the Council operating budgets. One of the things I would like to suggest for the Council budget, because I feel it's

important that we get the necessary training and we promote our city. Our travel, I think, is grossly inadequate. And I would like to propose to my colleagues that that be increased to \$5,000 as opposed to 2,500.

Um, and -- and it's -- and certainly we're going to deal with issues of accountability with the travel and our travel policy. But I think that our budget, because of the downturn in the economy and the real estate market, we can't cut back. But if we're going to grow as a city, we need to be able to travel, get trained and promote our city. And I think \$2,500 is grossly inadequate. So I'd like to propose that to come back to us in, um -- in our next budget.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** At 5 -- at 5,000?

**CHAIRPERSON THOMAS:** At -- he said at 5,000.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** 5,000.

**COUNCILPERSON GUYTON:** And -- and Mr. Chair?

**CHAIRPERSON THOMAS:** Yes, sir.

**COUNCILPERSON GUYTON:** I have one more suggestion for the Council budget.

**CHAIRPERSON THOMAS:** Please give it to us.

**COUNCILPERSON GUYTON:** Um, for -- for the health care.

**CHAIRPERSON THOMAS:** Uh-huh.

**COUNCILPERSON GUYTON:** Um, I -- I -- I'm not proposing an increase in salary for Council as I am for the rank-and-file employees. But what I am proposing is that the Council be, um -- be allowed to have a family plan on the medical care. And let me say for the record, I don't have a family. It's not for me personally.

But I think that those who may run in the future or may consider running who have families, I think that's a benefit since you're -- we don't get paid enough -- and maybe we shouldn't -- for all of our frustration and aggravation. But at least if we have families, I think that that benefit should be covered by the City. So I'd like for our colleagues to also consider that, as well.

**CHAIRPERSON THOMAS:** Uh, I agree.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Just -- um, just to let you know, that's a \$5,000. Between single person to family, that's a \$5,000. Just so you've got that information.

**COUNCILPERSON GUYTON:** And -- and -- and let me also -- and let me also say that -- that it can be an option for -- for those who don't have families.

**CHAIR PRO TEM PARDO:** So can they -- can they just take the cash?

**COUNCILPERSON GUYTON:** We -- we'll fall under the single. And those who have families, then they'll be covered. So it's not an automatic coverage for everybody because we all don't have families.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**COUNCILPERSON GUYTON:** So -- so it would be councilperson-specific as opposed to across-the-board increase for everybody.

**COUNCILPERSON T. DAVIS:** Excuse me, Mr. Chair?

**CHAIRPERSON THOMAS:** Uh, okay, Mr. Guyton. Mr. Davis?

**COUNCILPERSON T. DAVIS:** Um, concerns to the family coverage, is that something that we can have the option to purchase and pay for an additional family coverage versus this independent board --

**COUNCILPERSON J. DAVIS:** You can do that now.

**CHAIR PRO TEM PARDO:** Yeah, you can do that.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** You can do that now, yes.

**COUNCILPERSON T. DAVIS:** Yeah.

**CHAIR PRO TEM PARDO:** All right. I have a question. Do we have any kind of rebate --

**CHAIRPERSON THOMAS:** Hold on one second, Miss Pardo.

**CHAIR PRO TEM PARDO:** I'm sorry.

**CHAIRPERSON THOMAS:** Are you --

**COUNCILPERSON T. DAVIS:** I'm done.

**CHAIR PRO TEM PARDO:** Yeah.

**CHAIRPERSON THOMAS:** Okay.

**COUNCILPERSON T. DAVIS:** Yes.

**CHAIRPERSON THOMAS:** Miss Pardo.

**CHAIR PRO TEM PARDO:** Do we have some kind of rebate program so if you're an employee and you choose not to take the City's insurance there's some kind of incentive? I know some companies, I -- I mentioned this a couple of years ago. The -- the company that I work for, you know, if you don't take your --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right. Get your -- the incentives like that.

**CHAIR PRO TEM PARDO:** -- their insurance, um, because your spouse is insured then, you know, there's an incentive to do that. Do we have that?

**DEPUTY CITY MANAGER JONES:** Currently, uh, there is not but that's something that we can actually look into and --

**CHAIR PRO TEM PARDO:** Okay.

**DEPUTY CITY MANAGER JONES:** -- and bring you back some concrete information by the second meeting.

**CHAIR PRO TEM PARDO:** Okay. Thank you.

**CITY MANAGER JONES:** Yeah.

**CHAIR PRO TEM PARDO:** And then the other thing I'd like to ask is how much do we get in travel right now?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** 2,500.

**CHAIR PRO TEM PARDO:** 2,500?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** And --

**CHAIR PRO TEM PARDO:** Okay. And then we get 3,000 at the CRA. Okay. For travel only. Okay. Thank you.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** Okay. All right. Moving on.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**COUNCILPERSON GUYTON:** Uh, and Mr. Chair?

**CHAIRPERSON THOMAS:** Mr. Guyton, I almost forgot you.

**COUNCILPERSON GUYTON:** I'm sorry. I -- I didn't understand -- I -- I mean, I, um -- Miss Pardo's question didn't come through clearly. Um, could -- could somebody (inaudible) --

**CHAIRPERSON THOMAS:** She was asking what the number was that we got for travel and she also commented on the travel in terms of the Community Redevelopment Agency's budget.

**COUNCILPERSON GUYTON:** Okay.

**CHAIR PRO TEM PARDO:** And also insurance.

**CHAIRPERSON THOMAS:** And insurance. She -- she also talked about, um, an incentive --

**COUNCILPERSON J. DAVIS:** Insurance rebate.

**CHAIRPERSON THOMAS:** -- for employees who may not take the City's insurance.

**COUNCILPERSON GUYTON:** Okay. And can -- can I get some clarity as to that being an option, the family coverage for council people? If the council doesn't have a family, it won't apply so those funds would not be needed to be allocated.

**COUNCILPERSON J. DAVIS:** So --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That's correct. That's correct.

**COUNCILPERSON GUYTON:** I mean, I -- my -- my question is can -- can we have staff bring us something back in that regards where it's not across the board but it's only as an option for those who may have a family?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right. We only budget the plan that is required for that individual or requested by that individual.

**DEPUTY CITY MANAGER JONES:** But we can -- we can -- I -- I think his question was --

**COUNCILPERSON GUYTON:** Okay. Let me --

**DEPUTY CITY MANAGER JONES:** -- can we bring back the cost for those who would like that option?

**COUNCILPERSON GUYTON:** Right.

**CITY MANAGER JONES:** Of who would be.

**CHAIRPERSON THOMAS:** Yes.

**DEPUTY CITY MANAGER JONES:** We can. We can do that.

**CITY MANAGER JONES:** We can do that.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** 5,000, yeah.

**CHAIRPERSON THOMAS:** Did you understand that, Mr. Guyton?

**COUNCILPERSON GUYTON:** Okay. Yeah. Yeah. Yeah. Long as it's councilperson-specific and not across-the-board increase for all council members who may not even have a family and don't need --

**CHAIR PRO TEM PARDO:** Well --

**CITY MANAGER JONES:** But in addition, the other, I think, also -- Miss Pardo's other suggestion is it relates to incentives --

**CHAIRPERSON THOMAS:** To the incentives, yes.

**CITY MANAGER JONES:** -- as well so you have both of them.

**CHAIRPERSON THOMAS:** Uh-huh.

**COUNCILPERSON GUYTON:** I'm sorry. I don't understand Miss Jones. What -- what is she saying?

**CHAIRPERSON THOMAS:** She -- she's just saying that she's going to bring back also, um, the numbers for an incentive in case the employee does not elect to take the City's insurance.

**COUNCILPERSON GUYTON:** Okay.

**COUNCILPERSON J. DAVIS:** Mr. Chair?

**COUNCILPERSON GUYTON:** Okay, Mr. Chair. Thank you.

**CHAIRPERSON THOMAS:** Okay. Okay, Miss Davis?

**COUNCILPERSON J. DAVIS:** Can that be explained? I'm -- I'm not sure I'm following.

**CHAIRPERSON THOMAS:** What would you --

**COUNCILPERSON J. DAVIS:** The incentive about if we choose not to take it.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** Um, if the -- the -- the incentive -- the question is the incentive for the employee. Excuse me.

**COUNCILPERSON J. DAVIS:** Okay. Can she -- can you tell me what you're talking about, Miss Pardo? I mean, I'm -- I'm not --

**CHAIR PRO TEM PARDO:** About incentives?

**COUNCILPERSON J. DAVIS:** Yeah.

**CHAIR PRO TEM PARDO:** Well, um, in the private sector almost every company offers incentives. You know, as we all know, we're looking at these numbers, health insurance is very expensive.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**CHAIR PRO TEM PARDO:** Um, these days most families have a wife and a husband who work. And they're both offered insurance. And what happens, a lot of people -- one spouse's insurance may be better than the -- the other spouse's.

**COUNCILPERSON J. DAVIS:** Right.

**CHAIR PRO TEM PARDO:** So they get under the good insurance --

**COUNCILPERSON J. DAVIS:** And they don't take that insurance.

**CHAIR PRO TEM PARDO:** -- and they don't take the other insurance. In return, they get an incentive from their company.

**COUNCILPERSON J. DAVIS:** In the form of dollars?

**CHAIR PRO TEM PARDO:** In the form of dollars.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yes. Typically.

**COUNCILPERSON J. DAVIS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. For --

**COUNCILPERSON J. DAVIS:** Okay. That's what I thought. I just wasn't sure that's what you --

**CHAIR PRO TEM PARDO:** And it's -- it's a lot less --

**COUNCILPERSON J. DAVIS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIR PRO TEM PARDO:** -- than paying and you have to -- you sign an agreement with the company that you are not going to --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**CHAIR PRO TEM PARDO:** -- you know, take their insurance --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right. For -- for example --

**CHAIR PRO TEM PARDO:** -- for a certain amount of time.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- yeah. For example, the school board will put \$50 into a retirement account for employees who don't take health insurance.

**COUNCILPERSON J. DAVIS:** Uh-huh. Right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** And that \$50 is cheaper than (inaudible) but, yeah.

**COUNCILPERSON J. DAVIS:** Well, I knew of one individual who -- who didn't take it and they paid the total amount that they paid for the insurance premium --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** For the insurance, yeah.

**COUNCILPERSON J. DAVIS:** -- and -- and put it in a --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**COUNCILPERSON J. DAVIS:** -- a retirement fund so -- okay, thank you.

**CHAIRPERSON THOMAS:** Mr. Guyton, did I hear you want to come in?

**COUNCILPERSON GUYTON:** (No audible response).

**CHAIRPERSON THOMAS:** Okay. All right.

**COUNCILPERSON GUYTON:** Uh, no, Mr. Chair, not at this time.

**CHAIRPERSON THOMAS:** Okay, sir. Okay, Mr. --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** -- Mr. Sherman.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**COUNCILPERSON J. DAVIS:** Let's go.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I think we're on the -- I think we're on the CRA TIF payment, uh, which is \$3.9 million which is an increase of \$364,000. And again, that is the increase in the value within the -- the TIF here, within the CRA District. You know, if all values went up and the values in the CRA District went up, that's just a transfer. So we collect the revenue up top and we pass it through to the CRA.

**CHAIRPERSON THOMAS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** The -- the final line there is the transfers out where we transfer funds to the debt service fund and we transfer funds to the major disaster fund. And you see again a slight increase of 28,000 -- that's an 8 -- \$28,000 in that account. And again, we put -- 1½ percent of the property taxes goes to the major disaster fund. So again, when your property taxes go up, you're required to put more in. And that's really what that difference is. Uh, so at the end of the day, uh, the recommended budget at this point is 49 million -- uh, \$49.4 million.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay?

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** On to the enterprise funds. Uh, start with the Utility District funds. The Utility District actually operates out of four funds, an operating fund, a renewal and replacement fund; there are capital impact fees that they collect, and then they have their debt service fund is -- is a separate fund. Uh, starting with the operating fund, far right-hand column, it's \$17.4 million budget. It's a 5 percent increase over the prior year. But again, you have approved rate increases.

**CHAIRPERSON THOMAS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** The rate increase is only 2 percent. But again, uh, better collections, better service. We're actually expecting -- you know, and obviously more usage -- we're actually expecting those numbers to increase 5 percent.

Uh, the renewal and replacement account is at \$2.2 million or \$2.3 million. Impact fees, \$8.5 million. Now, that is not all collected impact fees this year. Again, they're obviously using fund balance that they have. And then their debt service, again, is -- is level at \$1.9 million from the prior year.

**CHAIRPERSON THOMAS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** The marina fund, again, as I mentioned earlier, this is a difficult budget to put together. Um, trying again figure out with the new docks coming in, old docks going out, construction on the uplands. Right now we're looking at revenues for 2014 at \$1.4 million, which again, is an increase over the current year but not as much as we're seeing on the expense side. We're expecting the expenses to be in the \$1.6 million range, which leaves us with this shortfall of \$146,000.

**COUNCILPERSON J. DAVIS:** Mr. Chair?

**CHAIRPERSON THOMAS:** Miss Davis?

**COUNCILPERSON J. DAVIS:** Yeah. So I -- I won't ask you to go into detail and explain -- so if it's difficult -- how you arrived at these figures. But, um, so I'm -- I'm just going to assume you used prior history?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, prior history. And again, what we did is we went under the assumption that come January 1<sup>st</sup> there'll be no Newcomb Hall. There'll be no Tiki Hut. Um, the land will have been turned over to the CRA to -- so they can begin their -- their site work.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** You know, it's going to be an inconvenience trying to get new boaters in. We expect phase 2 to be done shortly thereafter. So it was just trying to work all those numbers. And I think Mr. Legue will tell you, there's not necessarily new boaters. Even if you have new docks, there's not necessarily new boaters.

**COUNCILPERSON J. DAVIS:** Uh-huh. Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** So --

**COUNCILPERSON J. DAVIS:** So how is that going to impact --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- will people come back?

**COUNCILPERSON J. DAVIS:** -- impact our personnel there?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Um, right now it -- it's not because, again, the water side of the operation will continue as it's been operating. The big issue that we had to try to figure out was with the security, 'cause right now security does the entire area. Um, but that doesn't mean that when that's under construction you still don't need security. And again, who's going to pay for that security? So again, all of those issues are what has actually caused, you know, the difficulty in trying to reach these numbers.

**COUNCILPERSON J. DAVIS:** Okay. I'm -- I'll -- I'll talk to you later.

**CHAIRPERSON THOMAS:** Okay. Carry on, please.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Um, the stormwater fund. You see revenue's a \$1.6 million. Again, that's exactly consistent with the prior year. Um, the revenues are at -- I mean, expenditures are at 3.4. The difference there, uh, they're using fund balance to continue their stormwater capital projects of that \$1.7 million.

**CHAIRPERSON THOMAS:** Okay. Can you stop right there for one second?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Sure.

**CHAIRPERSON THOMAS:** Well, let me just be a little bit more honest with you. It's going to be a little bit more than one second. Um, every year I don't see this change very much. Uh, but I get calls quite frequently in reference to our stormwater. So, um -- I forget the street. Chief Perry, is that Avenue N that you went out to look at, uh, 36<sup>th</sup> or 37<sup>th</sup> Street? Is -- is it Avenue N?

**UNIDENTIFIED SPEAKER:** Uh-huh.

**FIRE CHIEF PERRY:** Yeah. Mr. Johnson's going to address that.

**CHAIRPERSON THOMAS:** Okay. So you know what I'm about to ask.

**FIRE CHIEF PERRY:** Exactly.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Yes, I do.

**CHAIRPERSON THOMAS:** So --

**DIRECTOR OF PUBLIC WORKS JOHNSON:** All right.

**CHAIRPERSON THOMAS:** -- yes.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Brynt Johnson, Director of Public Works.

**CHAIRPERSON THOMAS:** Good to see you, Mr. Johnson.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Nice seeing you, as well. Um, yes. That is correct, 36<sup>th</sup> and N. Um, we actually are just waiting on the contractor. He sent a follow-up e-mail today saying that two weeks from Monday he should be there. We're using D.S. Eakins, uh, as the contractor that's going to do the repair work out there. So that should be repaired two weeks from Monday, weather permitting.

**CHAIRPERSON THOMAS:** So that's in this existing budget?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** Yes.

**CHAIRPERSON THOMAS:** Okay. Well, stay right there for a moment. Because I want to -- I want to really discuss this because they -- there are a lot of drainage issues around the City. There's a lot of individuals who say, Well, listen, um -- you know, my street got done -- do you have to be a councilperson to get your street done or do you have -- you know, all of those things we should be trying to discuss, you know, in this particular budget, which is not very much. Um, it only goes so far to say, Okay. Well, the county commissioner at that time did this street or that street and that's where the money came from. Individuals are looking to say, Hey, look, you know, I'm paying the tax that you've asked me to pay. You know, um, so I -- you know, I want some upgrades.

What are we doing to look at whether it's a -- a bond issue, whether -- whatever it is to be able to get the majority of these streets done, you know, to get these sidewalks and things done that's, you know, going to move a little faster than, you know -- we can't just wait on CDBG funds, Community Development Block Grants or whatever -- and I hear that that's being toyed with with the government, as well -- but what can we do now, right now in this budget cycle, to say how do we address this in a holistic approach? And maybe that's not a -- a -- an answer for you. But it's definitely gotta be an answer for one of the two of you.

**CITY MANAGER JONES:** Yes. Councilman -- well, Chair Thomas -- I'm sorry -- uh, one of the things that we're doing is a part of the entire look at all of our capital needs, because if we're going to go out and try to finance, we need to be financing everything.

**CHAIRPERSON THOMAS:** Exactly.

**CITY MANAGER JONES:** And so then you've got to first do the study -- here's our street needs; here are our sidewalk needs -- so that we'll be able to, uh, determine what that figure might be. Um, that is a part of our task for the first part of next year so that

this time next year or before then with financing we can bring that to you. But it's of a magnitude you really can't budget for it in finite dollars that we actually have and we really need to study it so we can bring a total financing package.

**CHAIRPERSON THOMAS:** Okay. So is the study in this upcoming budget, the -- the -- the money needed for this study?

**CITY MANAGER JONES:** We will be able to do the study out of the, uh, operating budgets that we have for the respective areas. Public Works. Studies that can take place out of the city manager's Office. So there is money allocated that we could be able to conduct the proper studies.

**CHAIRPERSON THOMAS:** Okay. Um, I just want to make sure that we don't forget that. Um, it is -- it is an issue. My -- my -- my office has been filled with some of the -- the wonderful, uh, young ladies and men from the Southside Coalition that has been asking for this for several years and, you know, saying that their streets, as well as a lot of streets, deteriorate. The one thing that we do not have is a -- is a cut -- clear-cut concise schedule, that 36<sup>th</sup> Street is getting done this year, 37<sup>th</sup> Street is getting done, 38<sup>th</sup> Street is getting done. I think how we've managed it is the streets that were in the worst shape, we tried to put the attention on. But at this point individuals definitely need to know.

So I -- we don't have enough money to just keep doing it like that. We have to look at some type of, you know, financing to just get it all done. You know, so we want to look at that. We want to bring it back. We want to start to workshop that, you know, in -- in the immediate future, um, so that, you know, everybody can know. Now, whether we go forward with it -- I'm going to support it but that -- that's going to be up to the board and the citizens who, um, are asking for those things.

**CHAIR PRO TEM PARDO:** Mr. Chair?

**CHAIRPERSON THOMAS:** Miss Pardo?

**CHAIR PRO TEM PARDO:** Okay. So we still have the stormwater master plan that we paid a lot of money for about six years ago, correct? And I believe the stormwater --

**COUNCILPERSON J. DAVIS:** Uh-huh.

**CHAIR PRO TEM PARDO:** -- master plan outlines how we're supposed to move forward or the recommendations, right? The recommendations on how we're supposed to move forward with fixing these problems, which areas, you know, were much more higher --

**CHAIRPERSON THOMAS:** In terms of stormwater?

**CHAIR PRO TEM PARDO:** Correct. -- higher priority than others. Maybe -- you know, maybe staff can get us that --

**CHAIRPERSON THOMAS:** Is --

**CHAIR PRO TEM PARDO:** -- report again. Like I said, that report came out probably -- it was before we were here.

**COUNCILPERSON J. DAVIS:** About three years.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** It was 2009.

**CITY MANAGER JONES:** 2008?

**DIRECTOR OF PUBLIC WORKS JOHNSON:** 2009.

**CHAIR PRO TEM PARDO:** No, it was prior. It was prior to that. I wasn't elected yet.

**DIRECTOR OF PUBLIC WORKS JOHNSON:** (Inaudible) it was -- it was approved by Council. I know that. It was accepted by Council. (Inaudible).

**CHAIR PRO TEM PARDO:** It was either '06 or '07 it came out.

**CHAIRPERSON THOMAS:** Well, I mean, are we operating --

**CHAIR PRO TEM PARDO:** So maybe you can get us a copy of that.

**CHAIRPERSON THOMAS:** -- up under that particular plan?

**CITY MANAGER JONES:** That currently is the only approved plan that Council has.

**CHAIR PRO TEM PARDO:** Right.

**CITY MANAGER JONES:** And so that's what we've been working under. However, like with most master plans, if you don't finance it, it's -- it's just a plan.

**CHAIRPERSON THOMAS:** Right.

**CITY MANAGER JONES:** And we need to get it off of paper into some reality.

**CHAIRPERSON THOMAS:** And that's what I'm -- that's what I'm speaking of. I mean, we've had a lot of studies and a lot of plans. People need to see new sidewalks and new street lights and those type of things. So we just gotta get serious about it. I mean, we gotta get serious about it.

**CHAIR PRO TEM PARDO:** Implement it.

**CHAIRPERSON THOMAS:** Okay. Moving right along. Thank you, Mr. -- Mr. Johnson.

I got a feeling that it won't be the last time we see you tonight, though.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That's it. Don't sit on the inside. Yeah. And finally, um, the -- the Trust & Debt Service Funds. Um, we do operate a couple of trusts. We've got the library -- the library? The -- we wish we had a library trust -- the liability insurance trust is 4.6 -- budgeting \$4.6 million, which again, is \$50,000 less than the prior year. Uh, the Major Disaster Fund, which I touched on a little bit earlier, again, that you'll -- you see that increase from the 388,000 to the 413. That, again, is 'cause your property taxes are going up the 1½ percent, so that's why that number has gone up. And then the Debt Service Fund is, uh -- has actually gone up from 273,000 to 573,000 this year. And you know, that's 'cause over the past couple years you've leased fire trucks and you've leased the police vehicles earlier this year and that actually is represented within those numbers.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay? So you ready to, uh --

**CITY MANAGER JONES:** Any questions on (inaudible)?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- any other questions, any other suggestions, comments, anything?

**CHAIRPERSON THOMAS:** Yes. Yes. I -- I got a few that -- things that we want to talk about. Um, the --

**COUNCILPERSON GUYTON:** Yes. Is there --

**COUNCILPERSON J. DAVIS:** Bruce is on (inaudible).

**CHAIRPERSON THOMAS:** Okay. Hold on, Mr. Guyton, one second. Let me just let them start working on this. Um, I want to discuss about, uh, youth empowerment.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** And that budget and what we're doing in terms of that. And if you need to gather that information, I'll take Mr. Guyton. Mr. Guyton?

**COUNCILPERSON GUYTON:** Uh, yes. Thank you, Mr. Chair. I just have a -- a couple of quick questions to staff. Um, the Council discussed ways to, um, use the funds that were cut from the Ocean Mall with their extension and we have not finalized that. So I'd like to know from staff, uh -- they gave us some -- some idea of -- of how much it would cost for each respective request that we gave to them, but we as a council have not really given staff any direction as to how we're going to spend those funds from the Ocean Mall. So I'd like to know from staff has something been decided

or where are we on this issue right now?

**CHAIRPERSON THOMAS:** Good question. Miss Jones?

**CITY MANAGER JONES:** Nothing has been decided. Um, that is an item that is on next week's agenda under Discussions and Deliberations. If you'll recall when that first came up, different suggestions were thrown out. Staff was asked to go back and cost out those items. That information was provided to Council and so it's on the agenda for next week under Discussions and Deliberations for you all to make the decision.

**CHAIRPERSON THOMAS:** Understood.

**COUNCILPERSON GUYTON:** Okay. I'm sorry. When is it on the agenda -- the agenda?

**CHAIRPERSON THOMAS:** Next -- next -- next meeting. August 6<sup>th</sup>, I believe, or 8<sup>th</sup>.

**UNIDENTIFIED SPEAKER:** 7<sup>th</sup>.

**CHAIRPERSON THOMAS:** 7<sup>th</sup>. 7<sup>th</sup>. I better show up that day, huh? August 7<sup>th</sup>, Mr. Guyton.

**COUNCILPERSON GUYTON:** Okay. I -- I -- I have another question for staff.

**CHAIRPERSON THOMAS:** Go ahead.

**COUNCILPERSON GUYTON:** Um, in the -- in the summary that we were given for this, um, budget workshop, it was indicated that all four labor contracts have expired. I'd like to know when are we going to go back to the table and try to, um, resume negotiations and come up with some contract so that we'll know how we're going to move with the potential increases for the rank and file?

**CITY MANAGER JONES:** We have been working with our Human Resource Office, as well as our labor attorney advisors trying to get the respective unions to the table. We've proposed dates. They've proposed dates, as well as we have one new union where you've got to go and start negotiating all of the articles. Uh, so we will be contacting them and have been in contact with them to try to get to the table as soon as we possibly can. But there is, as you know in labor negotiations, no guarantee as to how long or how short they're going to actually be.

**CHAIRPERSON THOMAS:** You good, Mr. Guyton?

**COUNCILPERSON GUYTON:** Okay. And Mr. Chair?

**CHAIRPERSON THOMAS:** Go ahead, sir.

**COUNCILPERSON GUYTON:** Okay. I'm -- I'm having little problems on this end with my -- with my setup here. But before I go --

**CHAIRPERSON THOMAS:** I'll recap. I'll recap. She just basically said that they are talking but it's -- she doesn't have a date certain that that's going to be ratified.

**COUNCILPERSON GUYTON:** Okay. Um, my concern is for the rank and file and maybe the unions need to understand that; that for us to potentially give them -- if we decide to give them an increase -- and for the record, I do support giving rank and file a pay increase. And if it's caught up in labor negotiations and no one is coming to the table, that is going to be a problem for October 1. So I would like staff to either step it up and let us know either they're not talking to us or we got this date scheduled, because my word is my bond and I -- I told rank and file that I would be supporting a pay increase for them. So we need to know the intricacies of the labor negotiations, because we can't do it until those are settled.

**CHAIRPERSON THOMAS:** Mr. Guyton, um, you're not here to -- to witness this, but I can assure you with every degree of certainty that the majority of the representatives from these unions are sitting in this, um, chamber today and they hear that and, um, I believe it's so noted.

**COUNCILPERSON GUYTON:** Okay. I'm sorry. Who is there today?

**CHAIRPERSON THOMAS:** I see quite a few union representatives here today.

**COUNCILPERSON GUYTON:** Oh, okay. Okay. Okay. I -- I can't see that but --

**CHAIRPERSON THOMAS:** Right. Right. That's why I just thought that I would give you that --

**UNIDENTIFIED SPEAKER:** We're here.

**CHAIRPERSON THOMAS:** -- tidbit of information. Um, they -- they are here and they hear it the same way we are and -- and we understand that. I'm -- you know, I just want to make sure that, you know, everybody's negotiating in good faith so I would like to go ahead and bypass this part of it. You've, uh, made your point clear several times and all of this board is in agreeance with that. But I think that the negotiations need to take place, you know, at a different spot other than this.

**COUNCILPERSON GUYTON:** Oh, definite. I agree. And -- and I just want to (inaudible) them know. Okay. I just wanted to know when they were going to get back to the table because that -- that's holding this process up. Okay. But one -- one -- one last question about, um, the summary that I received. On page 4, staff indicated that they are proposing a two-tier pension plan. And they really didn't touch -- I know that we're having a meeting on -- when are we having our next meeting?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** It's the

next slide.

**COUNCILPERSON J. DAVIS:** It's the next slide.

**CHAIRPERSON THOMAS:** It's -- it's -- it's the next slide, Mr. Guyton.

**COUNCILPERSON GUYTON:** When is it?

**CHAIRPERSON THOMAS:** The next slide.

**COUNCILPERSON GUYTON:** Oh, see, I can't see the slides. I --

**CHAIRPERSON THOMAS:** Can you -- can you go to, uh -- to the website and maybe pull it up?

**COUNCILPERSON GUYTON:** My picture went out here. Um --

**CHAIRPERSON THOMAS:** We're gonna -- we're gonna work on that, Mr. Guyton.

**COUNCILPERSON GUYTON:** -- um, anyway, continue. Continue.

**CHAIRPERSON THOMAS:** We gonna -- we -- we need to put some money --

**COUNCILPERSON GUYTON:** Continue.

**CHAIRPERSON THOMAS:** -- to TV 18 so that'll stop happening. But, uh, we're going to go ahead to that and if you have any questions, uh, we'll -- we'll take them at that time. Is that okay with you?

**COUNCILPERSON GUYTON:** Yeah.

**CHAIRPERSON THOMAS:** Okay.

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

**CHAIRPERSON THOMAS:** Mr. Sherman, are you going to be handling that part of it?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I'm gonna give it a run.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** You ready?

**CHAIRPERSON THOMAS:** As we'll ever be.

**DEPUTY CITY MANAGER JONES:** We -- we -- we want to get the YEP update before that?

**CHAIRPERSON THOMAS:** Yes. Yes. Please give me the YEP update. Please.

**DEPUTY CITY MANAGER JONES:** Okay. As Council, uh, may recall, for the last two years that the City has funded YEP to the tune of \$100,000 to keep the program operational due to funds being lost by the County. We recently were notified that additional funding from the County may be cut and the program, in order to be functional, would need an additional \$47,000. And we thought that would be something that we could discuss openly with Council. Currently the City is providing \$100,000 to, uh, fund the program, along with dollars from the Criminal Justice Commission -- which are not being supported at this time -- um, for about 47,000 and then some money coming through the State through the CJC for about another 45 or 46,000.

**CHAIRPERSON THOMAS:** What is your belief on this program? I believe that it's needed but --

**DEPUTY CITY MANAGER JONES:** I -- I strongly support the program.

**CHAIRPERSON THOMAS:** -- you tell me. Okay. I'm good with it. I support it, as well. I support the increase. But --

**CHAIR PRO TEM PARDO:** I support it, also.

**CHAIRPERSON THOMAS:** Okay. Um, anybody else?

**COUNCILPERSON T. DAVIS:** Support it.

**CHAIRPERSON THOMAS:** Okay. Sound like you can go back and take care of that.

**DEPUTY CITY MANAGER JONES:** Thank you.

**CHAIRPERSON THOMAS:** We're going to the pensions now, man.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Ready?

**CHAIRPERSON THOMAS:** That's what we've been sitting for two hours for. We could have did this first. You know what everybody here for. Come on. Let's do this.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Trying to keep the audience.

**CHAIRPERSON THOMAS:** Okay. All right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Um, yeah, back in April we had a Pension Workshop, and you might recognize this slide in a slightly different form. But, you know, the -- this slide, again, what it does is it lays out here's -- here's what the real -- the issue is. Okay? But we got a couple ideas on how we think we can generate some money and -- and be able to -- to take care of, uh, both sides of the ledger here.

Um, so what I want you to focus on this side -- again, we have a column for Police and Fire and General. And if you look down into the -- the middle of the screen -- if I can find my cursor here -- down -- down in this area, this is the City's contribution rates. This line right here, 41.37 percent for police; fire is 51.94 and general employees is 52.2 percent. Okay? In real dollars, uh, those are the number -- whoops. That didn't work. Gotta go back up. Where's my up arrow? Okay. Where's my up arrow again? Here we go. Okay. Keep my hands off the keyboard. In real dollars, uh, you know, it's 2.4, 2.1 and 4.8 for general employees. Okay? And then on the bottom I put the prior year's percentages in dollars so you can see that, again, we're trending in the wrong direction here. Okay?

One thing we did is I went out and I looked at, for example, a county, uh, deputy and the county deputy's starting salary and a county deputy's retirement contributions. And if you add those two together and compare it to a police officer in the City of Riviera Beach, a starting police officer with the retirement contributions, it's almost the same amount of money. The issue is the Sheriff has a higher salary and a lower contribution than we do. So the issue is how do we get these things in line so we can make some -- some salary adjustments.

What I want you to do, if you can focus on this number right up here in the top, this 23.14, 'cause I'm just going to give you an example. We'll have much more detailed discussions as we go along, as we talk to the union and come back. But I just want to show you that 23.14. That's the normal cost, the percentage of payroll that you should be paying for a general employee. So for every \$100 of payroll, take \$23.14 and put in their retirement account. Okay?

If you recall again back in April, we said there's really three options. We can stay with the plan that we have, okay, and pay those numbers that we have. We can create a second tier or the third option again that we presented in April was create a DC plan. Quite a chilly reception we got in April. Fully understand it. So right now what we're going to focus on and talk about is going back to the second option, which is create a second tier, which means you draw a line in the sand and you say all the employees who come in after that date would have different benefits than the employees that are currently employed with the City.

So again, let me just kind of give you an example of how this would work. No specifics. Just an example here.

**CHAIRPERSON THOMAS:** Mr. Sherman?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yes.

**CHAIRPERSON THOMAS:** You've given us an example on that. We need to know the

-- the -- the other nuances of that. We remember back in -- whenever, when it was brought -- the other nuances in that. You know that I've had a -- an issue with I just don't see how it stops the bleeding for now. And there have been some --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** And I actually have a slide to hopefully address that in this (inaudible).

**CHAIRPERSON THOMAS:** Yeah. Can we -- yeah, can we do that, though, so we don't belabor it? 'Cause we've -- we've heard this. We've seen this.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Well, again, this is a second tier but let me tell you -- okay. Let me -- I'll skip over this one. Okay. What I did on this slide is you have 30 years running down the left-hand side. The actuary has actually told us based on how employees retire, come, go, everything, if you draw the line in the sand as of October 1<sup>st</sup>, here's how your new employees' payrolls will grow over time.

Third column in, if I apply that 23.14 percent under the current plan, that is how much is getting contributed for those employees if we don't change anything. What I did in the fourth column -- and again, this is just a scenario. Can take any combinations you want and changing of the plan. All I did here is I went to a five-year average instead of a two-year average salary to calculate benefits, on, and I changed the multiplier from a three-times multiplier to a 1.6-times multiplier, which is what the Florida Retirement System general employees use. So you can see in that fourth column that our contributions are much lower than they were in the third column. You've actually dropped from 23.14 percent to 11.5 percent of payroll.

Now, what that does gets you over to that last column, which, if you went to the two-tier, these were the only changes you made, based on the growth of the payroll, that would be your savings. Okay? The -- in -- in the -- in the fifth column. So --

**CHAIRPERSON THOMAS:** So are those commas that I'm seeing? So it's 61,000?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Those are commas in there. So in the first year because you're -- you maybe only have 10 people leave and 10 new people come on, your salaries would only be 500,000. You'd only save 61,000 the first year. But then the next year, you hire 10 more employees and 10 more employees and 10 more employees. And that number and savings in that right-hand column, as you can see over 30 years, grows to \$46 million.

**CHAIRPERSON THOMAS:** Right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** So it's about a million and a half dollar average every year.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** That --

that's the first scenario to be able to generate some dollars to be able to equalize, raise salaries and lower pension costs.

**CHAIRPERSON THOMAS:** Okay. Let -- let me ask you this question here. Um, you really don't know how that would go, correct? The only thing that you could do is, um, give this assumption based on D.R.O.P. participants.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well -- well, actually -- no, actually --

**CHAIRPERSON THOMAS:** I mean, I just want to make sure I'm understanding correctly.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- these - - these set payroll numbers actually were determined by the actuary. And again, they look at historic. Some people -- you know, they know that you always hire people and they leave, and these people come and some people leaves after 10 years. They have all of that history of all of your employees going back for years. And that's how they determine how much you owe. So they have projected and said, Okay. Here's your payroll growth. Here's how many employees are going to turn over. They know when people are going to retire, you know, 'cause again, maybe somebody's got 20 years. Okay. In five years they're going to retire. They have all those calculations. And they've given us those numbers. Is it a hundred percent perfect and accurate? No. It's never going to be.

**CHAIRPERSON THOMAS:** Is it 50 percent accurate?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I -- it's -- they're -- they're very good. Those actuaries are pretty good, um, you know, as far as calculating those numbers.

**CHAIRPERSON THOMAS:** What's the percentage that you'll give to say that that will be accurate?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Oh, I'd say they're probably over 90 percent accurate in -- in what they're doing.

**CHAIRPERSON THOMAS:** Really?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. Yeah. Okay? So this was the first scenario. And again, we have a bunch of attributes in the plan that we can talk about and talk about what we're going to change for this second tier. But I just wanted to give you an example of how you save that money over time. Okay? And again, this would only be for new employees coming in. The second thing we wanted to talk about is looking even longer range and getting a quicker, um, inflow of cash or savings of cash because again, \$61,000 spread out over 600

employees isn't going to go very far.

**CHAIRPERSON THOMAS:** Well, let me ask you a question. I see -- I see what you're saying with this first part.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** But what about the other -- let me just say, like, intangible things, retention -- well, it won't hurt retention 'cause everybody was here.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Won't hurt retention.

**CHAIRPERSON THOMAS:** But what about recruitment?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** If it's the same -- you have over 600,000 employees in the state that are in the Florida Retirement System. So if you're competing against communities that are in Florida Retirement, you're giving them the same benefit. And again, I used 1.6 because that's what the FRS is using. You could make that 2 if you wanted. You could make it, you know -- but that's what I mean. You can play with all of those numbers and every attribute in your plan has a cost. So if you say people can retire at age 50, that's going to cost you more than if you say they can retire at 60. You know, so you can play with all of those attributes. It's just how far you want to, you know, tweak those numbers and get that savings.

**CHAIRPERSON THOMAS:** The -- the significance of doing this now is what I have not been convinced on. What is the significance of doing this now?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, again, the issue is, is -- is drawing that line in the sand and getting all those new employees in under the second tier. Okay? So you have 12 employees leaving next year in all different unions. But you have 12 employees leaving that are part of the D.R.O.P. So you know those 12 are going. You bring those 12 employees back in -- and again, this is just general employees (inaudible) here -- but when you bring those 12 employees in, if they're in that lower tier and you're paying a lower contribution rate for those employees, then you have your savings right away. And you have --

**CHAIRPERSON THOMAS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- a number of employees that's just 12 next year. There's more coming after that, more coming after -- because of that D.R.O.P. plan.

**CHAIRPERSON THOMAS:** Okay. Well, let me ask you this question. Um, what is a -- what -- how much is a mill represented by? The -- give me the dollar figure for a mill.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** It's about \$3 million.

**CHAIRPERSON THOMAS:** Okay. So a half a mill would be 1.5 or does it do a different calculation?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No, a half a mill is about 1.5, right.

**CHAIRPERSON THOMAS:** Okay. And what benefit would this allow to the taxpayers if we won't be able to lower the tax rate until 2026? We won't be able to lower the -- the millage rate until 2026. How would this benefit -- what -- give me the other benefit of this. Other than saying our pension contribution will be less, what other benefits would we have with this? Could we lower our -- can we -- can we get below 8 mills? Can we do -- what -- what are the other exciting things --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I think when I get to the -- I think when I get to --

**CHAIRPERSON THOMAS:** -- that I would want to hear?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- that next step which actually gives you the dollars faster -- if I can get to that -- then I think you can talk about lowering the millage rate, doing the raises, reducing your pension costs and then --

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- in the future being able to -- to lower the millage rate.

**CHAIRPERSON THOMAS:** No problem.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Okay. Again, now we're gonna go back to the schedule. And I just want you to focus -- instead of focusing on the normal costs this time, I want you to focus on the unfunded accrued liability line. And if you look at those percentages, they average about 25 percent, which means 25 percent of your payroll every year, okay -- and this year your payroll's about \$20 million in the General Fund -- is going to pay for your unfunded liabilities. The amounts off to the left there in bold and underlined there add up to almost \$60 million in each of your three pension funds. You combine those all together, that's about \$60 million.

**COUNCILPERSON GUYTON:** Mr. Chair?

**CHAIRPERSON THOMAS:** Uh, Mr. Guyton?

**COUNCILPERSON GUYTON:** Yes. And I can't -- let me preface my comments with I haven't been able to see the slides and the numbers that Mr. Sherman is, um -- is sharing with you all but I'll see them when I get back. But as it relates to the unfunded liability, I -- I would like to get some clarification. Because the unfunded liability is calculating the cost of everybody in the pension plan, those who just started to those who may be to retirement, uh, getting ready to retire. Am I correct, Mr. Sherman?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah, you're correct.

**COUNCILPERSON GUYTON:** Okay. So the likelihood of everybody retiring at the same time is nil to none. But we do have to be responsible and plan for them, but I don't want people to think that somehow everybody's going to retire and the City's going to go broke. That -- that is not going to happen at this point. Because everybody in the system, from the one who just got in the system to the one who's about to retire, all of that is calculated in the unfunded liability. That's the first point I wanted to make.

The -- the other point as -- as -- as I'm listening to Mr. Sherman's presentation that I would like to point out is that our -- our salary -- I heard him refer to salaries that are comparable to other agencies. The numbers that I have suggest that not so much. And that is my concern about focusing on the pension plan being our avenue to reduce our, uh, expenses and expenditures. One, because it doesn't put us in a competitive market, because our salaries from the information I have is not that competitive. And if we don't have an incentive in our benefit package, that means that even though we're paying less, we're going to have frequent and high turnovers that may cost us more with trying to hire quality employees than it would to give them what I consider a reasonable pension plan.

So as we go through this, I would like to keep those issues, um, on focus because the unfunded liability is not anything that we're going to have to endure all at once. Those are my comments right now. I'll have some more later.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Okay. When you're paying, though, the annual contributions, okay, they are charging you principal and interest on that unfunded liability. That's part of the payment that you're making every year. And what the proposal is here is to take that \$60 million that is part of your retirement contribution -- again, where we're paying principal and interest -- they're charging you at their assumed interest rate. Okay? So each plan has an assumed interest rate, 7.5 percent, 7.6 percent. The retirement plan is charging the City that interest rate. The --

**CHAIR PRO TEM PARDO:** I have a question, Mr. Chair. All right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Go ahead.

**CHAIRPERSON THOMAS:** Miss Pardo.

**CHAIR PRO TEM PARDO:** All right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Want me to finish?

**CHAIR PRO TEM PARDO:** Finish and -- yeah.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIR PRO TEM PARDO:** -- finish and --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** The proposal is, is if you take that \$60 million and actually issue what is known as pension obligation bonds, actually going to the financial market and saying, We are \$60 million underfunded in the pension plans. We want to borrow that money and fund the pension plans. What you earned -- the way you make financial savings here is that you're paying the financial markets a lower interest rate than you're paying to the retirement plan. So it's no different than refinancing your mortgage. Okay? Rather than paying 6½ percent you can get it at 4 percent. Why wouldn't you do it? Okay. Let me, um, just jump to the --

**CHAIRPERSON THOMAS:** Hold on. Let me -- let me let Miss Pardo get her question in.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. I'm sorry. Go ahead.

**CHAIRPERSON THOMAS:** Go ahead, Miss Pardo.

**CHAIR PRO TEM PARDO:** All right. I have two questions. The first question is how come the General Employees pay 6 percent and, um, Public Safety 8 percent? That's something to do with retirement? What -- why?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. It's -- it's -- I --

**UNIDENTIFIED SPEAKER:** (Inaudible).

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- yeah. I mean, that's just been what's been negotiated, would be my guess. I don't --

**CHAIR PRO TEM PARDO:** So it's purely contract?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIR PRO TEM PARDO:** So -- all right. So Public Safety 8, General 6. Okay. And then what's going on with the General Employees? You know, it looks like, you know, both Fire and Police are doing a fairly decent job --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh-huh.

**CHAIR PRO TEM PARDO:** -- with their investments. What's going on with General Employees? Is -- you know, who do we have on -- on that board? I really think that's something that we need to look at. And I know we had passed -- there's a policy now saying that within a year, right, they have to be --

**CHAIRPERSON THOMAS:** To get the certification.

**CHAIR PRO TEM PARDO:** -- certified.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** They have -- they have to be certified.

**CHAIRPERSON THOMAS:** I think we need to be certified, as well.

**CHAIR PRO TEM PARDO:** But is it just the first phase of certification? Isn't there three -- three steps to certification? Or you can get, you know, your basic certification and then you -- you go up? Which certification do we require?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. Well, I -- I mean, I -- I do attend those meetings. And I can tell you they take every opportunity they can to learn. Okay?

**CHAIR PRO TEM PARDO:** (Inaudible).

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Um, but you've had a -- you know, you have people have been on there for a long time.

**CHAIR PRO TEM PARDO:** Too long, right?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Um, they have a very, um -- I'll call it safe investment policy. Um, and as you know, you know, your returns are -- come with risk at times. And if you're not willing to, you know, push out a little bit, you're never going to hit those assumed earnings rates. I will say when the markets dropped, they didn't drop as far as others, because again, they were -- they were much safer. Um, but they continue to fall further and further behind because they're never hitting that assumed earnings rate.

**CHAIR PRO TEM PARDO:** Correct. And then it turns out and then it's on us.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** And then it's on the City.

**CHAIRPERSON THOMAS:** So what do we need to do? Do we have the -- I mean, do we need to relook at this board or what do we need to -- why are all the other -- the other pensions performing and --

**CHAIR PRO TEM PARDO:** Very well.

**CHAIRPERSON THOMAS:** -- the General Employees are not?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** What -- what do we need to do -- 'cause we need to look at that. What do we need to do?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, I -- again, I think you -- you can look at the -- at the board members. Um, but again, it comes down to their investment policy and -- and how they handle -- I mean, they've actually even brought in, uh, investment firms, you know, trying to hire somebody to invest money. And they look at the investment policy and they're like, That's not what I would do. But that's your investment policy.

**CHAIRPERSON THOMAS:** I -- I get what you're saying. But we don't have oversight over this board, correct? We only can appoint certain members.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** You can appoint. You appoint.

**CHAIRPERSON THOMAS:** So --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Correct.

**CHAIRPERSON THOMAS:** -- I mean, how do -- what do we need to do to create a board that is going to, I mean, perform? We -- we -- we look at this all of the time. I mean, Fire and Police --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh-huh.

**CHAIRPERSON THOMAS:** -- you know, are always doing well, and -- and the -- the General Employees -- and not saying that anything is wrong with the board members --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** -- but what do we need to do in terms of enacting a policy to make sure that -- that the General Employees can start to perform much better?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. I mean, the only thing I -- that I could suggest -- and -- and I will remind you there's a pension meeting next week. FPPTA is coming in at 5:30 on Monday and maybe that's a good question for them, as well. You could put qualifications in there. And --

**CHAIRPERSON THOMAS:** We thought we did that.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- and -- and I'll --

**CHAIR PRO TEM PARDO:** No.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. Residency. I mean, it's -- it's not necessary -- and then that they have to get certified. Um, but I'll tell you what some of the states have done is they've actually said they have to be professionally managed.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** They don't even appoint the boards.

**COUNCILPERSON J. DAVIS:** Right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** They actually outsource the entire thing. Um, and just say, Here. Here you go. Here's our plan. You know, take care of it for us. And they've eliminated the boards. And I mentioned to somebody earlier today that 60 percent funded level, if that was a private plan, they'd come in and shut it down.

**CHAIR PRO TEM PARDO:** Absolutely.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** They'd come in and shut that thing down.

**CHAIRPERSON THOMAS:** Okay. So because this is serious, because we don't want a --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- Detroit situation to approach us at all in the least bit, then we need some recommendations from staff to say --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- Listen, we understand that the Council is concerned about the way that this particular pension is performing, this potential plan is performing --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh-huh.

**CHAIRPERSON THOMAS:** -- and give us some recommendations. We'll bring some, as well. And I'm not saying I want to do away with the boards because the boards are doing perfectly fine with Police --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**CHAIRPERSON THOMAS:** -- and with Fire. You know? So I want to know what we need to do.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** And we don't -- we don't have to beat it tonight.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right. Okay.

**CHAIRPERSON THOMAS:** But definitely bring us some, I mean, just unbiased, just, you know, um --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- you know, just some --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** -- just some ideas on what we need to do in order to make that better. Because I believe the General Employees have the majority of the employees in the -- in the -- in the plan.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh-huh.

**CHAIRPERSON THOMAS:** So that -- that really bothers me because that's -- if something was to happen, that means it's going to affect even more, you know, individuals, you know, in that.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**CHAIRPERSON THOMAS:** So --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**COUNCILPERSON J. DAVIS:** Mr. Chair?

**CHAIRPERSON THOMAS:** Okay. Yes, Miss Davis?

**COUNCILPERSON J. DAVIS:** Just a quick question. I -- I -- I wanted to go back to something. Um, in looking at their -- your 30-year chart of savings, um, with the two-tier savings potential -- and I know I'm -- I'm taking you off your --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Uh-huh.

**COUNCILPERSON J. DAVIS:** -- spiel here. Um, so in looking at 30 years, we can pretty much assume that most of the current employees who are here will be gone. Okay? So, um, then that's why we realize this 46 million savings, because we're looking at new employees.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Correct.

**COUNCILPERSON J. DAVIS:** Okay. Um, but my -- my question is, okay, that our current pension plan that's paying out the money to the retirees, what -- what is going on at that point? I mean, we don't have to put any more money into that plan?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** You will. You just put a lower amount in for the new employees. The current employees you continue to put in what you're putting in.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** The new employees you put in a lesser amount.

**COUNCILPERSON J. DAVIS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** So it's that difference that is your savings.

**COUNCILPERSON J. DAVIS:** But what I'm -- okay. Um, but I think when we talked about this before, some of the things that we heard from current employees or current -- current union members was that they didn't want that to happen simply because the new employees would not be contributing as much to the plan, you know, as -- as they would, or they would not be contributing to that plan.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** They -- they would be contributing to their retirement.

**COUNCILPERSON J. DAVIS:** Their -- their retirement plan but not to the current plan.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Now, again, here we have 6 percent.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** When you set up a second tier --

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- you can keep it at 6 percent.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** You can make it 8 percent if you want to make them all, you know, the same. I mean, but that's when you -- when you design the second tier --

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- it's like you're designing a whole new plan that's going to start --

**COUNCILPERSON J. DAVIS:** Right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- but there's still one plan.

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** They're still operated by the same thing and everything, yeah.

**COUNCILPERSON J. DAVIS:** But that -- the -- the current plan now that -- for the employees, even though they'll be gone in 30 years, that plan will be sound enough to pay out the pensions for them.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** They'll be sound enough. And again, if we get to the pension obligation bonds, those will be even more sound but --

**COUNCILPERSON J. DAVIS:** Okay. All right.

**CHAIRPERSON THOMAS:** Wait a minute. Miss Davis brought up a good point that --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- just jogged my -- my thought process. Be careful now because I'm thinking about this.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** Um, if that's the case, is the fund not funded soundly because of -- you have retirees that don't put anything into it but the people who are working put into the -- what happens when that catches up? What happens when that plan is no more in terms of the -- are you expecting everybody to no longer be in that plan for lack of a -- a better -- how do you -- how are you doing that?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. In -- in -- in -- in theory --

**CHAIRPERSON THOMAS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- if everybody got to retirement, it would be a hundred percent funded and there'd be enough money there earning the right rate to pay those people out over time. In practice, it very rarely happens that way and you typically end up showing -- and you continue to make payments even though maybe there's nobody else coming in. And that happens occasionally when you literally close a plan. If you were going to go to a DC plan, in essence, this plan would get closed.

**CHAIRPERSON THOMAS:** Right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** And eventually there'd be no new employees coming in and contributing. But then the City would keep contributing.

**CHAIRPERSON THOMAS:** Right. So how does that -- that means that's -- wouldn't that put the City at a -- at --

**CITY MANAGER JONES:** (Inaudible).

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. But that -- yeah, but that's not -- as Miss Jones said, what -- that's not what's being proposed here. We're proposing a second lower-tiered benefit package.

**CHAIRPERSON THOMAS:** Okay. But if you -- if --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** So the current employees pay and the new employees pay.

**CHAIRPERSON THOMAS:** But if you're not letting anybody else into that particular

plan, you are essentially closing the plan to who's already in there.

**COUNCILPERSON J. DAVIS:** Uh-uh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** But again, you have the earnings. It's going to pay -- it should pay -- and again, in theory, in best practice, it should be at 100 percent. When that last employee retires there should be enough money to pay all of the remaining employees.

**CHAIRPERSON THOMAS:** But answer this question, please, so I know.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. Yeah.

**CHAIRPERSON THOMAS:** If you're not allowing any more employees into that plan, are you not closing the plan for enrollment?

**COUNCILPERSON J. DAVIS:** To new employees.

**CHAIRPERSON THOMAS:** You -- nobody else can get in it.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Tier -- tier -- tier 1 is being closed to new enrollment, yes.

**CHAIRPERSON THOMAS:** Exactly. So in 30 years --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** -- you won't have anybody to pay into that plan. So what's going to make the plan sound for those people who have now retired if no new --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** At -- at that point you -- the normal cost would be zero, 'cause you have no new payroll. And then you'd have whatever's left in the unfunded, which is what the City is paying now.

**COUNCILPERSON J. DAVIS:** We're paying anyway.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** It's the unfunded.

**CHAIRPERSON THOMAS:** But we wouldn't have what that number is?

**COUNCILPERSON GUYTON:** Mr. Chair?

**CHAIRPERSON THOMAS:** Which --

**COUNCILPERSON J. DAVIS:** Right.

**CHAIRPERSON THOMAS:** -- hold on one second, Mr. Guyton. I'm gonna come to you.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah.

**CHAIRPERSON THOMAS:** We wouldn't have what that number is so we wouldn't really know if the -- what I'm trying to say is this is -- this could -- this could be a risk in my opinion, how I'm understanding it now.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, but let me get to the analysis on issuing pension obligation bonds.

**CHAIRPERSON THOMAS:** Okay. Let me take Mr. Guyton first before you move on.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Go ahead.

**CHAIRPERSON THOMAS:** Mr. Guyton?

**COUNCILPERSON GUYTON:** Um, yes. Um, just a quick couple of things. And to address your point, as the employees leave on the first tier, certainly there would be zero funds to continue to pay for those retirees who now are living much longer with no additional income coming in. So that could pose a problem for the City, because we have an obligation to those people who are in the defined benefit plan until they die.

**CHAIRPERSON THOMAS:** That's what I'm asking.

**COUNCILPERSON GUYTON:** Okay? Yes. Yes. That --

**CHAIRPERSON THOMAS:** That -- that's -- that's the question that I'm --

**COUNCILPERSON GUYTON:** -- long term, that -- that could be a problem. But the other problem that we would face as a City, if we modified this plan and it doesn't comply with the Florida Statute 175 and 185, we can potentially lose up to \$500,000. I know the police get something a little over 200,000. It -- it was, um -- the premium tax dollars were mentioned earlier. Those dollars goes directly to the, um, retiree. It's about a half a million dollars that if we don't do this correctly --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Right.

**COUNCILPERSON GUYTON:** -- that the retirees would lose. And I think that that -- that would not be good for, um, our retirees.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I --

**COUNCILPERSON GUYTON:** So, um, on Monday I know that -- that FPPTA is coming in. Um, this -- I'm not sure -- I'm not there to see the slides so I can't really comment on them. But I do know that our retirement plan, the majority -- and I've said this before -- the benefits do not come from the contributions of the City, the majority of them. 60 to 65 percent of the benefits come from investment, not from the contributions from the City. Not from the employees. It's the investments. So that is a critical component. And you all were discussing about, um, the -- should we consider or maybe alluding to not even using boards. I think that would be a bad idea, quite frankly, for us.

**CHAIRPERSON THOMAS:** Okay. I -- I -- I understand, Mr. Guyton.

**COUNCILPERSON GUYTON:** And I don't --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** You -- you actually did shed some light and, um, that's what -- that -- that's where we're getting to; we are going to discuss a little bit later. Um, what I want to do now is because it's 8:00, I do have one comment card.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** And -- and individuals are normally used to speaking by now. I only have one comment card. Well, you got it in your hand, Miss Brabham. You gotta turn it in in order for me to -- to be able to get it. You got to turn it in, darling. So what I'm going to do is, um, I'm going to take the comment cards that are turned in. We're only going to have one time to speak tonight. We're not going to speak on every item. We're only going to have Public Comment. Um, Miss Brabham, just stay right there, darling. Miss Brabham? Miss Brabham? Just stay right there. We're going to go ahead and take -- we're going to go ahead and take Public Comments very quickly here, Miss Brabham. Good afternoon. Thank you for coming.

**MARY BRABHAM:** Good afternoon.

**CHAIRPERSON THOMAS:** You have three minutes to make your comments.

**MARY BRABHAM:** Um, thank you. And from what I can see, you as a board, you all are working constructive. Councilman Bruce Guyton, thank you for making some critical points. I don't know whether you can hear me but --

**COUNCILPERSON GUYTON:** I -- I do, Miss Brabham. And thank you.

**MARY BRABHAM:** -- uh, I was -- I was taking, uh, some of those pointers, also. And, uh, thank you for, uh, the furlough days with the employees, because, uh, I think that more or less we -- we do have something that we can negotiate and mitigate with these employees. And as well as, uh, if there's any other incentives, you know, for all of the

other departments, uh, if that's constructive within your budget, uh, as a resident, uh, for the City, as well as the employees, uh, I'm going to say thank you.

And also I would like to say thank you for recognizing your in-house youth programs. When we look and see what is happening now all -- everywhere with our children, as well as our seniors, those are critical components for any city. So I'm going to say thank you as a board for addressing that and stepping up to the plate, because we know that those programs were funded through the County but the County dollars are not there. So -- and as a board, too, you have that duty and obligation to also advocate for the County for your -- for your programs. And with the youth, uh, the new police station that will be built, it has so much square footage in that building there. And I'm going to throw something out. Perhaps that with the youth and children of the city, perhaps that we can also incorporate them into that building there to let them know that, uh, we love them and life skills goes hand in hand. So if we can continuously to embrace our children and the youth of this city here, just think -- just think how this city will be. Because we are already on the move, in the process of -- of building our marina and other areas that are critical for this city here. So you all think about that. Thank you.

**CHAIRPERSON THOMAS:** Thank you.

**MARY BRABHAM:** So the police department will be built. Residents get on board.

**CHAIRPERSON THOMAS:** Yes, ma'am. Okay. Thank you very much for your comments, Miss Brabham. And, uh, next up we'll have Clinton and Harriet Studstill.

**HARRIET STUDSTILL:** Yes. My husband had to step out for a few minutes but that's okay.

**CHAIRPERSON THOMAS:** No problem. Good evening.

**HARRIET STUDSTILL:** Good afternoon.

**CHAIRPERSON THOMAS:** You have three minutes to make your comments.

**HARRIET STUDSTILL:** Good afternoon.

**CHAIRPERSON THOMAS:** Uh-huh.

**HARRIET STUDSTILL:** My name is Harriet Studstill and the reason why I'm here is I'm -- I'm caught -- I'm -- I've been talking about the tennis court at Wells Gym. On the west -- on the east side of, um, Wells Gym there's a -- it needs a little repair. I'm a citizen of Riviera Beach and I live in Riviera Beach and I enjoy all the facilities that we have here. And, um, I have some concerns at this time that the tennis court there, um -- forgive me if I seem a little out of beat -- that the tennis court at -- there at Wells, there are some repairs that are -- are needed. And I don't know of many of you that, um, may utilize the tennis court that's on Wells or had an opportunity to go over there and, um, take a look,

if you -- anybody else have made any, um, comments or anything about the tennis court.

However, we have quite a few people here that utilize the tennis court. If you don't mind, would you please stand? These are some of the people that utilize the tennis court on a daily basis. And I thank them for showing up in support. Some of those -- we have one person, Coach Bush, I'm sure that anybody -- most people know him. He does not live in this area but he -- he's willing to train and to teach people how to -- to learn tennis and he's encouraging a lot of our black youth and black adults how to play tennis. He's there -- he's there daily. And it costs nothing. He loves tennis. Okay?

And as I said, um, one of my concerns at this time are the tennis courts at Wells. There are some of the repair -- there are some repairs that are needed. Um, I understand that there are no funds at this time for the current -- and, um, in the current budgets but, however, I will, um -- I will strongly -- I'm strongly concerned of making it one of the top priorities. I only have seconds to go.

**CHAIRPERSON THOMAS:** Miss -- Miss -- Miss -- Miss -- Miss Power, your -- your time --

**HARRIET STUDSTILL:** And --

**CHAIRPERSON THOMAS:** -- I mean, Miss Studstill, your time is up.

**HARRIET STUDSTILL:** Okay.

**CHAIRPERSON THOMAS:** Uh, what -- what I will do is I just want to ask you a quick question.

**HARRIET STUDSTILL:** Okay.

**CHAIRPERSON THOMAS:** Have you brought this information to the Parks & Rec. Department?

**HARRIET STUDSTILL:** Yes, I have. I've talked to Mr. Williams. I talked to Miss Frank.

**CHAIRPERSON THOMAS:** Okay.

**HARRIET STUDSTILL:** First of all I went to Miss Frank and the --

**CHAIRPERSON THOMAS:** No, no. I just don't want to -- I don't want to get into the story. I just want to make sure that you've already talked to them.

**HARRIET STUDSTILL:** Yes, I have.

**CHAIRPERSON THOMAS:** That repairs needed to be made and there were no repairs made?

**HARRIET STUDSTILL:** Yes, I have.

**CHAIRPERSON THOMAS:** Okay. I'm -- you -- you're going to leave the mike right now but I want you to stop right here at Miss -- Miss Jones.

**HARRIET STUDSTILL:** And --

**CHAIRPERSON THOMAS:** And I want you to stop right here at Miss Jones and Mr. Jones and let them know before you leave what those repairs are.

**HARRIET STUDSTILL:** Okay.

**CHAIRPERSON THOMAS:** And we'll move forward in -- in that particular manner.

**HARRIET STUDSTILL:** Okay.

**CHAIRPERSON THOMAS:** Um, when we bring forth the Parks & Rec.'s --

**COUNCILPERSON J. DAVIS:** Capital budget.

**CHAIRPERSON THOMAS:** -- uh, capital budgets --

**HARRIET STUDSTILL:** Okay.

**CHAIRPERSON THOMAS:** -- all those things can be discussed. But at this point we hear you.

**HARRIET STUDSTILL:** Okay.

**CHAIRPERSON THOMAS:** You've made -- you've made us aware of what's going on. And right now before you leave we're going to have you talk to the city manager to get that squared away.

**HARRIET STUDSTILL:** Okay. I -- I'm pleased to hear that.

**DEPUTY CITY MANAGER JONES:** Chair?

**CHAIRPERSON THOMAS:** All right. Okay. Thank you very much for your comments and thank you --

**HARRIET STUDSTILL:** Okay. Thank you very much.

**CHAIRPERSON THOMAS:** -- for participating.

**HARRIET STUDSTILL:** Okay.

**DEPUTY CITY MANAGER JONES:** I've already met with her and provided her with my

card and I'm going to -- I'm going to follow up with her tomorrow.

**CHAIRPERSON THOMAS:** Okay.

**DEPUTY CITY MANAGER JONES:** Right.

**HARRIET STUDSTILL:** Okay. All right.

**CHAIRPERSON THOMAS:** Okay. Thank you very much. Thank you, Miss Studstill, for bringing that. And I have talked to Mr. Bush and Miss Jackson and everybody. We understand that you all are utilizing it. We know it. We're glad you're utilizing it. Frankly, I've never, ever hit a tennis ball, uh, but I'm glad to see the youth here. We're -- we're -- we're good. We know that it needs to be done. And it is getting considered and we're going to take care of the necessary needs to make sure that it's a safe place for you to practice and play. Mr. Bush, thank you for your volunteer hours. Please continue to -- to help train and thank you for doing it for free. Okay, Mr. Sherman.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** That's the end of the comment cards.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. I only have two more slides.

**CHAIRPERSON THOMAS:** Okay. Go ahead.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay. Again, this is an example. I had this schedule run for me about a month or so ago. Um, this is an example of how pension obligation bonds can save the City money. The -- again, this is General Employees. Okay? The -- where you see prior debt service, that's actually paying through your pension contributions the unfunded liability. The second column is what the debt service would be if you went to the finance markets and borrowed that 6 -- or in this case the \$30 million. That would be what your debt service is.

So if you look at that fourth column over, that savings column -- and these are real dollars -- you'd -- you would reduce your contributions and instead of paying the contributions into the retirement system, you would be making debt service payments. So right off the bat, okay, the first few years here, you're saving 428,000, 481,000, 500,000. These dollars come much faster than the second tier. But I will tell you, when I sit in front of those rating agencies, the first question they're going to ask me is --

**COUNCILPERSON J. DAVIS:** Investment costs.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- what did you do to change the plans so this doesn't happen again? Okay? 'Cause we're not

going to loan you \$60 million and have you come back in 10 years and say, Jeez, I need another \$30 million.

**COUNCILPERSON J. DAVIS:** Yeah. Right.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** So I'm telling you, without changing the plans somehow, this'll never get off the ground. But again, this produces real dollars. And if this -- again, this is just general, just an example. Obviously interest rates, everything is taken in consideration. If you do Police and Fire in addition to the schedule, you could literally be saving over a million dollars a year just on your pension costs.

**COUNCILPERSON J. DAVIS:** And, Mr. Chairman?

**CHAIRPERSON THOMAS:** Yes, ma'am, Miss Davis.

**COUNCILPERSON J. DAVIS:** Um, we can't even do this unless we have our investment policy in place. Those other, uh, policies in place.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** They're gonna --

**COUNCILPERSON J. DAVIS:** When -- when do you expect to bring those back?

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Well, I'm hoping that within the next 30, 60 -- you know, by -- through into September we can have a more detailed conversation.

**COUNCILPERSON J. DAVIS:** Well, I think sooner than later because we need to really understand what --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Yeah. And part of the discussion, though, has to be with the unions.

**COUNCILPERSON J. DAVIS:** Yes.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I mean, that's -- that's part of the issue, as well. But yes, we'll be bringing those along because this is -- while the interest rates are at rock bottom --

**COUNCILPERSON J. DAVIS:** Uh-huh.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** -- this is when you would want to do something like this. That's why these savings are as high as they are.

**CHAIRPERSON THOMAS:** Okay.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay?

**CHAIRPERSON THOMAS:** Thank you, Mr. Sherman.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** And then this is, again, just so you have this information. Um, the next budget meeting scheduled for August 19<sup>th</sup> and then we'll have the Capital on the 21<sup>st</sup> and then the two public hearing dates are set for September 4<sup>th</sup> and September 18<sup>th</sup>.

**CHAIRPERSON THOMAS:** Okay. Thank you very much, Mr. Sherman. I think you did an excellent job.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** Okay.

**CHAIRPERSON THOMAS:** This is the first time since I've been here that I hadn't heard Miss Hopkins [sic] do this, so I was a little nervous to see if you can carry it through.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** I was, too.

**CHAIRPERSON THOMAS:** But, uh -- but, um, I -- I'd say you did a good job. You did a good job.

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** All right. Thank you.

**CHAIRPERSON THOMAS:** You did a good job. Um, all right. We're going to go to -- oh, wait a minute. Did you want to say anything else on --

**DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES SHERMAN:** No. No. Done.

**CHAIRPERSON THOMAS:** All right. We're going to go to Discussion if you don't have anything else. Okay. Um, let's make sure we run these, uh, hearing dates and upcoming budget workshops. Scroll it on the screen if you can on TV 18. Put it on the website. And, um, also put it on the, uh -- the phone when people call.

**DEPUTY CITY MANAGER JONES:** We'll take care of it, sir.

**CHAIRPERSON THOMAS:** Okay. Thank you. We'll go to City Council Comments and Discussions. We'll start with Miss Davis.

**COUNCILPERSON J. DAVIS:** Nothing.

**CHAIRPERSON THOMAS:** Um, Mr. Davis?

**COUNCILPERSON T. DAVIS:** Nothing.

**CHAIRPERSON THOMAS:** Um, Miss Pardo?

**CHAIR PRO TEM PARDO:** (Inaudible).

**CHAIRPERSON THOMAS:** Okay. Mr. Guyton?

**COUNCILPERSON GUYTON:** I'll see you when I get back.

**CHAIRPERSON THOMAS:** Sounds good. Be safe out there. I know it's -- it's -- it's a beautiful city, um, so be -- be safe out there. He's doing some City business, just for everyone who, uh, knows, getting some training. Miss Ryan, do you have anything?

**CITY ATTORNEY RYAN:** No, sir.

**CHAIRPERSON THOMAS:** Mr. and Mrs. Jones?

**DEPUTY CITY MANAGER JONES:** I have nothing.

**CITY MANAGER JONES:** (Inaudible).

**CHAIRPERSON THOMAS:** Miss -- Miss -- Miss -- Miss Hopkins, anything?

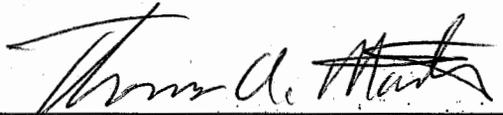
**ASSISTANT FINANCE DIRECTOR AND BUDGET MANAGER HOSKINS:** (No audible response).

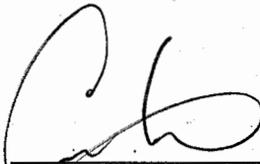
**CHAIRPERSON THOMAS:** All right. We'll, uh, entertain a motion for adjournment.

**COUNCILPERSON T. DAVIS:** So moved.

(CONCLUSION OF MEETING)

APPROVED:

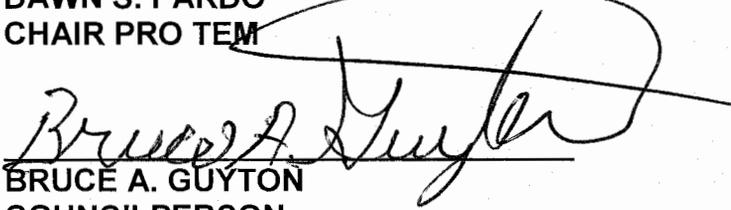
  
THOMAS A. MASTERS  
MAYOR

  
CEDRICK A. THOMAS  
CHAIRPERSON

ATTEST:

  
CARRIE E. WARD  
MASTER MUNICIPAL CLERK  
CITY CLERK

  
DAWN S. PARDO  
CHAIR PRO TEM

  
BRUCE A. GUYTON  
COUNCILPERSON

  
JUDY L. DAVIS  
COUNCILPERSON

  
TERENCE D. DAVIS  
COUNCILPERSON

MOTIONED BY: T. DAVIS

SECONDED BY: J. DAVIS

B. GUYTON AYE

J. DAVIS AYE

C. THOMAS OUT

D. PARDO AYE

T. DAVIS AYE

DATE APPROVED: 10/02/2013