

Riviera Beach City Council Budget Workshop

Monday, August 10, 2020

APPEARANCES (via remote technology):

Chair Julia A. Botel

Vice Chair Douglas A. Lawson

Councilperson Shirley D. Lanier

Councilperson Tradrick McCoy

Councilperson KaShamba Miller-Anderson

Mayor Ronnie Felder

City Attorney Dawn Wynn

City Manager Jonathan Evans

City Clerk Claudene Anthony

Assistant to the City Manager, Marsha Noel

Digital recording transcribed by Claudia Price Witters,

RPR

1 CITY CLERK: Chairperson Julia Botel.
2 CHAIR BOTEL: Here.
3 CITY CLERK: Vice Chair Douglas Lawson.
4 VICE CHAIR LAWSON: Here.
5 CITY CLERK: Councilperson Tradrick McCoy.
6 COUNCILPERSON McCOY: Here.
7 CITY CLERK: Councilperson KaShamba
8 Miller-Anderson.
9 COUNCILPERSON MILLER-ANDERSON: Present.
10 CITY CLERK: Councilperson Shirley Lanier.
11 (Absent)
12 CITY CLERK: City Manager Jonathan Evans.
13 CITY MANAGER EVANS: Present.
14 CITY CLERK: City Clerk Claudene Anthony is
15 present.
16 City Attorney Dawn Wynn.
17 MS. WYNN: Here.
18 CITY CLERK: Thank you, Madam Chair.
19 CHAIR MILLER-ANDERSON: Thank you.
20 We'll have a moment of silence followed by
21 the Pledge of Allegiance led by Councilwoman
22 Miller-Anderson.
23 (Moment of silence. Pledge recited.)
24 CHAIR MILLER-ANDERSON: Thank you.
25 Mr. Evans.

1 CITY MANAGER EVANS: All right. Thank you,
2 Madam Chair and Members of the City Council.

3 The intent behind this presentation is to
4 kick off the fiscal year 2020-2021 budget.

5 In order to kind of set the stage as to how
6 we got to this point I want to share some of the
7 work that staff has embarked upon as we prepared
8 for this year's budget. As you can envision, this
9 year's budget process was quite challenging with
10 COVID 19. And what a lot of folks have started to
11 realize is that the economic conditions in
12 municipalities as well as the nation is predicated
13 on multiple factors. The City of Riviera Beach
14 collects 60 percent of its revenue from ad valorem
15 or property tax revenue, and 40 percent of the
16 revenue is collected by other sources. And so when
17 we show you the budget today you'll see that there
18 are different elements that make the budget what it
19 is, and we are heavily reliant upon revenue that's
20 provided by the state and other sources.

21 So in order to get us to this point today, we
22 assembled a Budget Reasonableness Committee. That
23 committee was comprised of staff that had
24 representatives from the City Attorney's office,
25 Procurement, Finance, HR, City Administration, and

1 Public Safety. The intent behind that Budget
2 Reasonableness Committee was to ask questions about
3 budget proposals, budget requests, and to ensure
4 that if there was anything that was happening in a
5 department and had a global impact on other
6 departments, that there were probing questions that
7 were asked.

8 Additionally, looking at it from the
9 standpoint to provide guidance, perspective and
10 insight to city administration as we bring forward
11 this budget for your consideration.

12 As we looked at the state of the organization
13 and the state of the city, originally when we went
14 into the budget process we projected a 4.2 million
15 dollar budget shortfall. Fortunately for us the
16 revenues came in better than anticipated as it
17 relates to the state side.

18 The City of Riviera Beach collects about 47
19 million dollars in revenue from ad valorem revenue,
20 and then the other funding sources make up the 81
21 million dollar general fund. The general fund is
22 the city's largest fund.

23 When we looked at developing a budget to
24 bring it to the Board, we knew the Board was very
25 conscientious about cost increase and what would

1 that be if there was any cost increase in the
2 overall budget.

3 The budget is about 4.69 percent larger than
4 last year's budget. But there's a couple of
5 elements that will be discussed in subsequent
6 budget conversations that speak to some of the
7 things that we had to do. We have cuts in
8 spending. We have additional revenues. And then
9 we have operational efficiencies.

10 Two things that are incorporated into this
11 budget is the City moving forward with the fire
12 assessment, as well as a 6 percent Utility District
13 increase. And we did have preliminary
14 conversations with the Board about the fire
15 assessment last year, as well as earlier this year,
16 about moving forward with a fire assessment. We'll
17 get into the specificities of the fire assessment
18 and the intent behind the fire assessment.

19 One of the things that you'll see as part of
20 the presentation that was glaring to us is that the
21 residential properties in the City of Riviera
22 Beach, a large portion of those properties, well
23 over 43 to 45 percent, are non-homesteaded
24 properties. And 85 percent of those properties are
25 owned by non-Riviera Beach residents. 15 percent

1 of your residential housing stock is homesteaded
2 properties. So that number has increased since
3 2017 when that number was well around 70 percent.
4 So one of the challenges that we have to look at is
5 how do we transition our community into people that
6 are owner-occupied. Because that is going to have
7 a profound impact as we try to address some of the
8 challenges in our community.

9 This budget is built on the millage rate of
10 8.452 mills, and we do have a model that in the
11 event that the Board wanted to consider reducing
12 the millage rate to 8.2 mills, what that will
13 actually be and what cuts would have to occur.

14 But one of the things that I will share with
15 you is that if we look to move in that particular
16 fashion, the biggest benefactor of moving the
17 millage rate to that will be FPL. FPL would save
18 \$240,000 in one year if that millage rate goes down
19 to 8.2 mills, where the average Riviera Beach
20 resident would save \$3.16 per month. So by giving
21 that reduced millage rate, in fact you're going
22 to -- your larger property taxpayers would see an
23 increase associated -- or a windfall in their case
24 as it relates to that particular item.

25 We've also, of course, as stipulated in the

1 charter, 1.5 percent of your ad valorem revenue
2 goes to your major disaster fund, which is about
3 \$750,000. And that fund is very healthy. And
4 Mr. Sherman will provide you some insight with
5 regards to that fund. But any growth that the City
6 of Riviera Beach experiences is sometimes scraped
7 off the top as it relates to property tax value.

8 The property tax appraiser has told that next
9 year flat is the new up, because some of the
10 challenges that we're seeing is that the
11 residential market, but also the commercial market,
12 is not as hot as it used to be; and a lot of
13 businesses that were currently up and operational
14 are probably going to retrench their operation,
15 maybe downsize, and see how they operate post
16 COVID.

17 So everything that we have done is with the
18 backdrop of how COVID will impact our ability to
19 operate as a government entity.

20 So I'm going to go ahead and share my screen
21 at this point and jump into the nuances of the
22 presentation.

23 COUNCILPERSON McCOY: Madam Chair.
24 Mr. Evans, the numbers that you threw out -- we
25 went pretty quickly -- are you going to go over

1 those in this presentation?

2 CITY MANAGER EVANS: Yes, sir. Yes, sir.

3 COUNCILPERSON McCOY: Okay. Thank you.

4 CITY MANAGER EVANS: Okay. So everyone
5 should be able to see the presentation.

6 And so I gave you a general oversight of the
7 fiscal year, the 2020-2021 budget.

8 The road map. We'll go over a financial
9 overview. We'll look at the tax base. We'll look
10 at the overall budget. We'll look at the
11 preliminary 2021 budget. We'll then go to some of
12 the major initiatives that the Board adopted with
13 your Riviera Beach 2030 plan, some City goals, and
14 then moving into the budget calendar and questions
15 and answers for the Board. But this is the, the
16 beginning of the process and how we'll move through
17 today's agenda.

18 So the first item is unassigned fund balance
19 as it relates to the general fund. And like I said
20 earlier, the general fund is the City of Riviera
21 Beach's largest fund. Your general fund revenue is
22 75.6 million. And Riviera Beach has 20 million
23 dollars of unassigned fund balance. So that is
24 monies that is not set aside for any particular
25 project or initiative. It is basically cash on

1 hand. When we talk about the general fund, we've
2 talked about what GFOA gives recommendations to
3 local government entities, that's Government
4 Finance Officers Association. That particular
5 entity is the gold standard as it relates to
6 providing insight for good budgeting and good
7 fiscal management. The award that the city has
8 been successful in receiving over the last two
9 years is provided by GFOA. And GFOA says that they
10 want government entities to at least have no less
11 than two to three months of general fund operating
12 revenue, which for the City is approximately 16.67
13 percent.

14 When we talk about our general fund -- our
15 unassigned fund balance and we look at the City of
16 Riviera Beach, we're at 27 percent. So staff, when
17 we did have the discussion about how do we look to
18 transition our entire community, because obviously
19 the CRA can only operate within their particular
20 geographical boundaries, the City, we can go
21 throughout our entire community, can we look to
22 bring some of that cash on hand to effectuate what
23 we want to see occur, to assist with getting folks
24 into homes? Can we assist with property
25 acquisition? Can we assist with construction?

1 This would be the monies that we would look to
2 utilize in the event that we were to move into
3 creating that opportunity that the City of Riviera
4 Beach has been staunch advocates for, is
5 transitioning our community to more owner-occupied
6 dwellings. And so this is something that as we
7 have subsequent conversations and subsequent
8 discussions, we want to be conscientious of the
9 threshold, and as a coastal community we probably
10 want to stay around that 20 percent.

11 Coastal communities usually carry a higher
12 fund balance because of the volatility and the
13 concern associated with if anything happens those,
14 and we will not refer to them by name, but the
15 things that circle in the ocean around this time of
16 year. So we're very conscientious about those
17 things. But we need to make sure that our fund
18 balance stays at a good percentage because at any
19 particular time we as a city, as a coastal
20 community, have to be more resilient than others
21 that are more inland.

22 COUNCILPERSON MILLER-ANDERSON: Madam Chair.

23 Mr. Evans, do we have this PowerPoint?

24 CITY MANAGER EVANS: You do not have this
25 PowerPoint, but I can e-mail it to you.

1 COUNCILPERSON MILLER-ANDERSON: Okay. Yes.

2 Thank you.

3 CITY MANAGER EVANS: Okay. I will have
4 someone from staff -- Ms. Reynolds, if you can
5 e-mail that to Miss Noel so she can get it out to
6 the Board. Thank you.

7 So going into the next slide here, it talks
8 about cash on hand and the days of cash on hand.
9 So the City of Riviera Beach approximately has cash
10 in the bank for about 122 days. And so that's your
11 fund balance when it transitions to what cash on
12 hand means. And you can look at other
13 municipalities throughout Palm Beach County, as
14 well as some other communities, you see the city of
15 Clearwater and some other entities, so it all
16 depends on what their particular agency and how
17 resilient they want to be as a community.

18 Moving on to the next slide. This slide is
19 very important because it talks about the City's
20 general fund adopted budget and the FTEs and our
21 staffing numbers. And so you can see that the
22 general fund budget in 2020 was 24 million, to
23 where in 2020 it was -- or in 2000 it was 24
24 million and in 2020 it is 77.4 million. And you
25 can see that the numbers as it relates to personnel

1 have fluctuated as the revenue and the -- the
2 revenue for the City has increased or decreased
3 over time.

4 So one of the things that we're looking at
5 holistically in the agency is, as we do get
6 vacancies in the City of Riviera Beach, that we're
7 going to be asking those questions, is it necessary
8 to fill that position, can those duties and
9 responsibilities be absorbed by someone else in
10 another department, and/or is that function or is
11 that responsibility truly a responsibility we as a
12 city should be focusing on.

13 And so we're going to look at our peer
14 agencies, we're going to look at our service
15 deliver model, because the level of service and
16 what services we provide -- local governments
17 provide two types of services: Those that are
18 mandated by state and federal agencies, and those
19 that are requested by constituents; constituents
20 that one time said we want to have a recreational
21 amenities, or we wanted to have a police department
22 or a fire department, and those types of things.
23 There's no law that says that you have to have that
24 but it is the core function of municipality
25 entities and we said a long time ago that these

1 were the services and the programs that were a
2 value to us.

3 So as we go through, you will see over the
4 next couple of years we will be looking at that
5 number and really scrutinizing positions as they
6 become vacant, and looking to maybe modify the
7 staffing complement. And what I mean by that is,
8 we would rather have a smaller better compensated
9 workforce than a large poorly compensated
10 workforce.

11 And so as we look to address that, one of the
12 things that the Deputy City Manager is going to be
13 looking at is the compensation and classification
14 study and looking to bring that back for
15 consideration. And this budget includes addressing
16 some of those inequities in the compensation and
17 classification system to really push on how do we
18 attract, retain and compensate the City's most
19 precious resource, its employees.

20 COUNCILPERSON McCOY: Question, Mr. Evans.
21 Madam Chair.

22 CHAIR BOTEL: Go ahead.

23 COUNCILPERSON McCOY: So to clarify, I
24 thought just a moment ago I heard you say the
25 general fund was 75.6, and I'm looking at 77.4. Am

1 I not following correctly?

2 CITY MANAGER EVANS: This is for 2020. The
3 2021 budget is 81 million.

4 COUNCILPERSON McCOY: Okay. Well, I didn't
5 hear that one at all.

6 CITY MANAGER EVANS: Yeah.

7 COUNCILPERSON McCOY: But in any event,
8 that's still a discrepancy because I heard 75.6
9 million shortly ago.

10 CITY MANAGER EVANS: The -- it was -- we have
11 74 in 2019 and -- as far as in the general fund.

12 COUNCILPERSON McCOY: Mhmm. Okay. All
13 right. So we're looking at 81 million dollars for
14 2021?

15 CITY MANAGER EVANS: Yes, sir. And that's
16 with the 4.69 percent increase.

17 COUNCILPERSON McCOY: Okay. And obviously
18 this spread sheet or this presentation slide
19 doesn't account for the FTEs. Do we have an
20 estimate of what you're looking to bring as far as
21 that number? Does that go down?

22 CITY MANAGER EVANS: Yes, sir. The proposed
23 FTEs and the information that we'll be sharing in
24 subsequent budget discussions is the FTE count is
25 reduced about 20 percent. We did go through

1 vacancies, we did look at certain positions. So
2 the number that you see for 2020, the number that
3 staff is proposing for 2021 is a lower staffing
4 complement.

5 Moving on to the next slide, which speaks to
6 the tax base. We can see that in 1999 the taxable
7 value of our entire community was 1.5 billion
8 dollars. Now, in 2020, it's 5.9 billion dollars.
9 So we have seen increase in our taxable value of
10 approximately 295 percent since 1999 to 2020.

11 If you see, though, in these years that go
12 back to 2000 to 2004 the millage rate was at its
13 highest point and that was about 8.998 mills. Then
14 as the economic downturn and issues starting
15 impacting the City, especially during the great
16 recession, you saw that the millage rate remained
17 the same and then was reduced in 2015 and stays at
18 the millage rate, that 8.4 mills and change that we
19 have been utilizing for some time now.

20 One of the things that, as you look at the
21 linear chart, you can see that the recession we
22 know impacted us in 20 -- 2008. But the City of
23 Riviera Beach really didn't start feeling the pinch
24 until 2009, all the way to 2015, because the way in
25 which we collect our revenue -- we collect our

1 revenue in arrears. So what happens is, for
2 instance, individuals, say the Amrit, when the
3 Amrit project comes online, well, if the Amrit
4 project is not CO'd by December 31st, they
5 basically don't jump on the tax roll until the
6 following year. So if the Amrit doesn't CO by
7 December, just to utilize that particular project,
8 we won't start collecting revenue from that
9 particular project until 2022. So when the economy
10 gets a cold, we get a profoundly different version
11 of the flu later, and it takes us longer to recover
12 and rebound.

13 Moving on to the next slide. So since 2012
14 to 2020 --

15 CHAIR BOTEL: Mr. Evans, if I could interrupt
16 just to let the record show that Councilwoman
17 Lanier has joined us. Thank you. Sorry. Thank
18 you.

19 CITY MANAGER EVANS: No problem.

20 So if we look at from 2012 to 2020 there's
21 been significant changes to the agency and things
22 that have been a priority for the City. Obviously,
23 I can't speak to all of these items, and then I had
24 a 15-month vacation during 2017, so I'm going to
25 have to defer to staff to be able to fill in some

1 of the gaps on those.

2 We have increased compensation for personnel.
3 We have invested in information technology systems
4 and kudos to this Board for dealing with the
5 challenge that you had with regards to the computer
6 system and then making sure that the appropriate
7 resources have been allocated since then to ensure
8 that we are now closer to the 21st century than
9 we've ever been as it relates to our computing
10 devices.

11 Mr. Sherman, if you can speak on the ERP
12 system, as well as public safety and the
13 improvements on the Marina District, et cetera.

14 MR. SHERMAN: Yes. Certainly.

15 Good evening, everyone. This is Randy
16 Sherman, City Finance Director.

17 The ERP system. In 2015 the City undertook
18 an IT master plan. And they came in, they spent
19 about, oh, close to a year evaluating all of the
20 City's technology issues.

21 Obviously at the top of the list there were
22 two things that really came out at the very top.
23 One was the computer dispatch for the police
24 department. That was actually the first project
25 that we implemented.

1 The second project was a replacement for the
2 ERP system that the City had purchased back with
3 Y2K. So, again, that system had certainly outlived
4 its usefulness to the City.

5 So the City has funded since 2015, what we're
6 calling the IT master plan. It is a long
7 seven-year plan. So in essence we're about, you
8 know, entering in our fifth year of the plan to
9 bring everything in the City up to current
10 standards.

11 The Marina District is obviously the -- not
12 only the uplands and then the waterside but
13 everything that you see on the uplands that we did
14 in conjunction with the CRA.

15 So while the CRA certainly put substantial
16 dollars into the uplands and paid pretty much for
17 the Events Center, the City did provide over 10
18 million dollars of funding to that project,
19 primarily to the infrastructure and the, again, the
20 shoreline, the promenade, and those issues.

21 Which other item did you want me to hit on?

22 CITY MANAGER EVANS: Business tax.

23 MR. SHERMAN: Oh. Yes. We haven't -- the
24 business tax receipts, you're allowed to increase
25 the business tax receipts up to five percent every

1 other year. We have not taken advantage of that
2 the last number of years. I want to say the last
3 time we actually had an increase was in 2015. So
4 again we've managed to hold those rates down; and
5 even when we did do the increase in 2015, we did
6 not do the full five percent that was permissible.

7 The other item on here that the manager
8 touched on real quick is the major disaster fund.
9 Today that major disaster fund sits at 6.3 million
10 dollars. But just to give you an idea of where
11 that is, in 2018 it was at 4.5 million. Last year
12 it went up to 5.3. Now it's at 6.3. So again
13 that's -- the focus is we have to keep putting that
14 one and a half percent in that fund, which then
15 limits what we can use those dollars for.

16 CITY MANAGER EVANS: Okay. Obviously -- and
17 then, Mr. Sherman, if you can speak on the actions
18 that the Board took to fully fund the pension plans
19 for general fire and PD, and I'll take the rest.

20 MR. SHERMAN: Sure. The pension plans -- the
21 City had three pension plans: One for the general
22 employees; one for the PBA, police department
23 employees; and one for the fire fighters. All
24 three plans were woefully funded back in 2013,
25 2014. Part of it was an impact of the recession,

1 which provided losses to the funds. But the
2 contribution rates that therein lied, that got
3 applied to the City, were approaching between 40
4 and 50 percent of the salary of the members of each
5 of those plans.

6 Now, so what the City did back in 2015 is we
7 moved the general fund employees and the fire
8 fighters, the IFF, to the Florida Retirement
9 System. We then went out and we borrowed what's
10 called pension obligation bonds, which is taxable
11 borrowing, and we fully funded the pension plans.
12 So we borrowed the rate at about 3, 3 and a half
13 percent, where the pension plans charge us 7 and a
14 half percent. So the difference between the
15 interest rates that we're paying on the bonds
16 versus the interest rate that the pension plan
17 would pay us for that unfunded liability, and the
18 difference between the FRS contribution rates and
19 the City's contribution rates required under the
20 old plans, the projection was, is that the City
21 would actually save 130 million dollars over a
22 20-year period. Now that obviously is depending on
23 how you hire and what salary levels. But at the
24 time when we had the analysis, we got an
25 independent actuarial report and, you know, or when

1 we made the presentation, so we had that support,
2 but we were looking at 130 million dollars over 20
3 years.

4 And what part of that deal was is that the
5 City would take those savings and put it into the
6 salaries of the employees, understanding that we
7 had some of the lowest paid employees in the
8 county; that was part of the reasoning for changing
9 retirement plans, generating the savings, and then
10 putting it into wages.

11 CITY MANAGER EVANS: With regards to the
12 other items, the City of Riviera Beach was able to
13 successfully create departments that were once
14 housed under finance and general administration
15 procurement, IT, library, human resources, were
16 departments that were created.

17 We've also looked to enhance public safety,
18 and we've done that by some of the apparatus that
19 has been secured for fire, as well as the real time
20 crime center shot spotter, some of the other
21 elements, body worn cameras, have been significant
22 investments in public safety for the City of
23 Riviera Beach.

24 You'll also see that when we look at the
25 revenue that's collected from ad valorem taxes,

1 that 79 percent of the revenue that's collected
2 conceivably goes to fund public safety. So your
3 two major core municipal departments consume most
4 of the ad valorem revenue that the City of Riviera
5 Beach collects.

6 Again, we talked a little bit about the
7 transfer to the major disaster fund. And I did ask
8 the question of the insurance provider, in a worst
9 case scenario what would be the maximum
10 out-of-pocket that the City of Riviera Beach would
11 experience if we had a storm like a Hurricane
12 Dorian, and that number was roughly about three
13 million dollars. So that fund is a very healthy
14 fund; and it is separate and apart from your
15 general fund reserves, your non-assigned reserves
16 that we spoke about earlier.

17 Mr. Sherman, if you can get into the
18 improvements of the City's financial standings and
19 ability to borrow capital.

20 MR. SHERMAN: Yeah. Part of that goes back
21 to what we see as the cash on hand and the fund
22 balance. As you might imagine, coming out of the
23 recession, you know, cash on hand was probably
24 close to one month versus four months. Fund
25 balance was in the low teens at that point. And

1 again, if you recall, that was coming off of storms
2 like Frances and Wilma and Jeanne. So there was a
3 lot of concerns about the level of fund balance.

4 So over the last seven, eight years, as we've
5 been able to build up the cash reserves; build up
6 the fund balance; provide balanced budgets; take
7 steps, again, like the pension obligation bonds;
8 all of those have been recognized by the rating
9 agencies as, you know, movements forward. You
10 know, the City is double A rated now.

11 The City hadn't prior to 2014 actually done
12 any borrowings for over a dozen years. So getting
13 back into the market, you know, and getting the
14 rating agencies familiar with the City again, where
15 it stands, you know, where it sits in the county,
16 the role that it plays within the county, building
17 a good management team, I think has been critical
18 and been recognized by the rating agencies. And
19 while we've been doing that, we not only took care
20 of the general fund but also building up the
21 Utility District, building up storm water. As
22 we've issued debt for both those entities as well,
23 again, the rating agencies have taken note of the
24 City and recognized the gem that we really have
25 here.

1 CITY MANAGER EVANS: Thank you, Mr. Sherman.

2 And as we had said earlier in the
3 presentation about the millage rate that has been
4 decreased from 8.998 to 8.4520 mills, and obviously
5 we know that it is the desire for this Board and it
6 is the desire of City administration to effectively
7 get to a point where we have diversified revenue
8 streams that we are in a better state with regards
9 to our facilities, so we can look to move the
10 millage rate down and save the residents of this
11 community monies as it relates to ad valorem taxes.

12 But I can tell you that when we get into the
13 other revenue streams and you see the assessments
14 that are being generated, some of those communities
15 that we compare ourselves to do have artificially
16 low millage rates because they have created another
17 funding stream to pay for public safety.

18 CHAIR BOTEL: Mr. Evans, I have a question.

19 CITY MANAGER EVANS: Yes.

20 CHAIR BOTEL: Going back to the general
21 disaster fund, as I recall, if we were to make any
22 adjustments to the amount of money that we put into
23 that, we would have to open a charter?

24 CITY MANAGER EVANS: That is correct.

25 CHAIR BOTEL: And could we have a workshop at

1 some time in the future about whether or not we
2 think that the charter should be opened and what
3 kinds of things we would ask the Charter Review
4 Committee if either we reconstituted or we
5 institute a new one, those kinds of issues we would
6 like to see it reviewed.

7 CITY MANAGER EVANS: Certainly.

8 All right. The next slide --

9 COUNCILPERSON McCOY: Can I ask a question
10 before we go too far? Because there's a number of
11 things I want to get some clarification on.

12 CHAIR BOTEL: Go ahead, Mr. McCoy.

13 COUNCILPERSON McCOY: It -- so this slide
14 right here just begs a number of different other
15 questions. But before I address what I see on this
16 slide and what was discussed, you know, I think --
17 I certainly respect what it is that the Charter
18 Review Committee has done. However, that's
19 something that doesn't necessarily have to go to
20 the Charter Review Committee. I think it's our
21 desire as elected officials for us to refocus our
22 savings account for major disaster fund. I mean,
23 that's as simple as us putting an ordinance
24 together and have two readings and it can be then
25 reduced to a ballot language, as opposed to

1 constituting a Charter Review Committee, because I
2 think that that's going to be a process in itself.
3 And having people to serve has been a bit
4 challenging.

5 But, Mr. Evans, there's a number of things
6 that I want to kind of ask questions about before
7 we get too far away from some of the things that
8 you've discussed. And particularly this slide.
9 So, obviously, it's been a desire of us to kind of
10 at least be conscientious of the millage rate.
11 However, I believe you said 40 percent -- is it
12 about 40 percent of our general fund revenue comes
13 from ad valorem taxes, or was it 60 percent?

14 CITY MANAGER EVANS: 60 percent.

15 CHAIR BOTEL: 47.

16 COUNCILPERSON McCOY: I'm sorry?

17 CITY MANAGER EVANS: 60 percent is from
18 property tax revenue.

19 COUNCILPERSON McCOY: Okay. All right. So I
20 had it the other way around. So in that event
21 then, obviously, in light of this slide, then these
22 are some of the things that, obviously, you know, I
23 think these are some of the highlights, but
24 Mr. Sherman spoke about business tax receipt rates
25 and we haven't seen one of those since 2015, and

1 we're allowed to go up five percent. How much did
2 we go up in 2015? Do you recall, Mr. Sherman?

3 MR. SHERMAN: I think some of the fees
4 actually did go up five percent. But what we tried
5 to do -- and I want to say those that were around
6 the hundred dollar limit, we kind of capped those,
7 so that they didn't go up the whole five percent.
8 I'd have to go back and pull it up. But we were
9 trying to be conscious of the people, you know, the
10 very small one-person office, one thing, and try to
11 keep those lower. But I could certainly go back
12 and pull that resolution and backup, if you'd like.

13 COUNCILPERSON McCOY: Okay. Not necessarily.
14 I just was curious.

15 But, you know, obviously, you know, these are
16 going to be the tough decisions that we all have to
17 make; and I can certainly understand that we have
18 to do it, but I'm going to have some real strong
19 resistance and hesitation about increasing any
20 business tax receipt rates if our level of service,
21 when it comes to businesses, stays the same.
22 Because, as you know, and administration, as well
23 as the city attorney, I just undertook that
24 endeavor again to try to get one and it takes
25 almost three months. And, you know, I haven't even

1 paid the actual business tax receipt rate yet. At
2 that point I've only paid the rate for the
3 inspection. Then you got to turn around and
4 consider the fire inspection.

5 But I just don't want us to have the same
6 level of service when it comes to opening a
7 business. So many times I get caught outside of
8 coming inside the building, now more than ever
9 because the city hall isn't open, or there's
10 somebody that has to go through what seems like a
11 mountain just to get over just general information
12 that is lacking on our website, that's not exactly
13 clear inside the code, on how to open up certain
14 types of businesses. Not only is there a lack of
15 information, but it seems almost insurmountable,
16 the number of different hoops; and, if I can use
17 the manager's term, it seems like a moving target.
18 So I would only support us looking at business tax
19 receipt rates when we can fine tune what it takes
20 to actually open up a business in the City of
21 Riviera Beach, and making sure that everybody pays
22 their fair share. And, you know, that's what my
23 concern is with that.

24 And I'm saying I hope that there's going to
25 be more dialogue if this is something that we have

1 to do because, you know, obviously the business tax
2 receipt is something that we have to deal with in
3 the City of Riviera Beach, but then there's also
4 another Palm Beach County business tax receipt that
5 is not as much but certainly businesses have to
6 comply with the county requirements as well.

7 I wanted to ask a question, Mr. Evans, about
8 the 2020 slide. I believe it was the second one
9 that you showed, that had FTE of four hundred and
10 twenty-five for fiscal year 2020, where we're at
11 now. What is the vacancy like? I mean, how much
12 is -- how much is our vacancy as far as this
13 current year? Because if you're talking about
14 cutting 20 percent going into '21, into 2021, I
15 calculated that at about 85 positions. So what's
16 our vacancy rate currently as of where we stand
17 currently?

18 CITY MANAGER EVANS: Mr. Sherman, I don't
19 know if you have that data handy. And he can be
20 able to provide that specific.

21 And so what we did is we looked at positions
22 that were historically vacant, positions that were
23 never filled, those were the positions that were
24 the first to go. And then we even looked at a
25 situation where we usually carry the entire amount

1 for our school resource officers, as well as our
2 crossing guards, et cetera. Well, we know that
3 school is going to open in a digital form at the
4 end of the month and we don't know as to when those
5 particular positions would (indiscernible) so we
6 modified that based on the information that we
7 believed to be the best and most accurate
8 information.

9 We've also looked at some of the summer
10 programs and some of the things that we
11 traditionally have done, and looked to reduce some
12 of those staffing elements as well.

13 Mr. Sherman, were you able to pull that?

14 MR. SHERMAN: Yeah, I was. I just reran the
15 report. Right now our vacancy is 2.9 million
16 dollars. A considerable amount of that though is
17 in the fire department and over at the Utility
18 District. And we have a lot of a part-time summer
19 programs which are obviously vacant at this point.

20 CITY MANAGER EVANS: And Councilman, to your
21 point, one of the biggest challenges is -- and
22 we'll show this as part of the budget presentation.
23 Not at this meeting -- but it's called the hidden
24 paycheck; that an individual, you know, takes --
25 you know, you may pay him \$50,000, but you may pay

1 \$40,000 in benefits. And so those are situations
2 when you eliminate a position that may be a 50,000
3 dollar a year position, you're really seeing a
4 savings of 90,000, because you're eliminating all
5 the other ancillary costs associated with employing
6 that particular individual.

7 COUNCILPERSON McCOY: I think that's just --
8 well, we seen it last year. And to put things in
9 perspective, I think we were doing -- what were we
10 doing, negotiations for one of the bargaining
11 agreements? And it was really, it was really
12 informative.

13 In fact, Mr. Evans, I think you're being
14 generous. Isn't it more like 50/50; or in some
15 cases, you know, more in benefits than actual
16 salaries?

17 CITY MANAGER EVANS: Well, with new -- with
18 the new collective bargaining agreements and
19 contracts it's probably close to 50/50.

20 COUNCILPERSON McCOY: Okay.

21 CITY MANAGER EVANS: Yeah.

22 COUNCILPERSON McCOY: All right. And,
23 Mr. Evans, just forgive me because you've been
24 saying a whole lot and I wanted to kind of make
25 sure I understood this, because I -- you said that

1 it's our desire to get more owner-occupied housing
2 within the City. And I certainly agree. But
3 doesn't that put us in a situation where we have
4 more individuals taking advantage of homestead, and
5 how does that benefit us so far as the ad valorem
6 dollars that we collect?

7 CITY MANAGER EVANS: That's an excellent
8 point. We anticipate that if it is more
9 owner-occupied dwellings, that people will make
10 investments into their home, they will care for
11 their homes, and you will see the neighborhoods
12 transform, versus some situations where we have
13 absent landlords. And so we believe that if it's
14 owner-occupied and that's that family's most
15 valuable asset, that invariably you're going to see
16 a situation where they take the time to keep up the
17 property and be conscientious of the surroundings,
18 et cetera. And so we believe that that is going to
19 kind of address the loss that you would see, to
20 your point, if, you know, they're now under Save
21 Our Homes and getting that protection.

22 COUNCILPERSON McCOY: Okay. That's all I
23 have for now. Thank you.

24 VICE CHAIR LAWSON: Madam Chair.

25 CHAIR BOTEL: Yes. Go ahead.

1 VICE CHAIR LAWSON: Thank you, Madam Chair.

2 Councilman McCoy, I had a question in
3 reference to the business tax receipt. Were you
4 asking the question based upon the concern with not
5 wanting to see an increase in business tax
6 receipts? Because I didn't hear -- I wanted to
7 make sure I didn't miss something in reference to
8 Mr. Evans mentioning or stating that business tax
9 receipts would be increased. Or we'd be using that
10 as additional revenue. I'm not sure if I missed
11 that part.

12 COUNCILPERSON McCOY: Well, it's -- you know,
13 I guess the way this slide is kind of laid out,
14 obviously this is some of the highlights, and we
15 have to know that if we're not looking to raise the
16 millage rate then we're going to have to look at
17 other areas to increase revenue for the City.
18 That's why I specifically asked how much of ad
19 valorem dollars went into the general fund. But
20 it's -- you know, I guess I'm probably presumptuous
21 in this statement, to think that this is probably
22 something that's going to be on the table for us to
23 increase BTR rates.

24 VICE CHAIR LAWSON: And I was just -- I was
25 asking because I assume that based upon your

1 interest in that, that you were just jumping the
2 gun a little bit and hopefully addressing a concern
3 that may not come about. So I just want to make
4 sure I didn't miss something, because I'm in
5 agreement with what you said as well.

6 But also I want us to at the same time give
7 Mr. Evans an opportunity to present, so that we're
8 not here all night. Because there's going to be a
9 lot of discussion that we're going to be having in
10 reference to this budget, because this is going to
11 be our biggest year. This is our first
12 essential -- our first budget with Mr. Evans. So I
13 want us to try to get through it because we have
14 multiple budget workshops, and if we continue to
15 jump in with our concerns immediately, it's going
16 to drag it on a little longer. And that was my
17 concern with kind of addressing that now. Because
18 I thought I missed it, but I didn't understand why
19 we were addressing the business tax increase if
20 that wasn't something that was even presented.

21 Thank you, Madam Chair.

22 COUNCILPERSON McCOY: Well, I'm sorry if I
23 confused you. But I -- I understand what you're
24 saying, but we only get one bite at the apple, and
25 if this is coming up and Mr. Sherman alludes to we

1 haven't raised business tax increases, we haven't
2 had any business tax receipt increases, he's saying
3 it for a reason. And I want to make sure that I
4 understand.

5 VICE CHAIR LAWSON: I didn't get that
6 allusion from Mr. Sherman, so that's why I was
7 confused as to why we had the discussion. But
8 either way, and moving forward, I want to get
9 through these meetings. And yes, we do have one
10 bite, so for us to get it right, let's just get it
11 right and focus on what we need to do.

12 But when it does come up, I want to address
13 it, because I'm in agreement with what you're
14 saying. But I want to get through these meetings
15 though.

16 CHAIR BOTTEL: Okay. Mr. Evans.

17 CITY MANAGER EVANS: Yes. And so the intent
18 behind that was just to notify the Board that we
19 haven't increased it. It's not projected in the
20 revenues that the City is looking to anticipate as
21 part of this particular budget. But as we go
22 through and the Board has subsequent conversations,
23 there may be a desire to discuss that in more
24 specificities.

25 So, moving to the next slide. This talks

1 about the Riviera Beach top ten property taxpayers
2 in FY 2020. This is a list that we want all our
3 residents to be on, because this is a good thing if
4 you're on the list, of course, for the City of
5 Riviera Beach.

6 But one of the things that I really want to
7 call your attention to is FPL. And FPL's taxable
8 value is close to a billion dollars with their
9 asset. And they contribute to the City of Riviera
10 Beach eight million dollars in property taxes.
11 However, being that it is the type of operation it
12 is, it's a depreciating asset, so the revenue
13 collection actually goes down. We don't see it
14 appreciate in value. So when we see this and, you
15 know, people get excited, you have FPL, the reality
16 is over the next amount of years, you know, a
17 ten-year period, that asset is going to depreciate;
18 and then eventually FPL would make increased
19 investments and the number will go up again. But,
20 unlike the situation when you look at the Marriott
21 Resort Hospitality Corporation, that is assessed as
22 123 million dollars and the City of Riviera Beach
23 collects roughly about a million dollars in
24 revenue.

25 So, if you look at all these particular

1 businesses that are listed here, they generate
2 about 23 percent of the ad valorem revenue that the
3 City collects. And remember, we collect about 47
4 million dollars. And so when you look at all those
5 businesses in totality, their taxable value is
6 sizable; and the taxes that they do pay to the City
7 of Riviera Beach is approximately 11 million
8 dollars and 23 percent of the overall pie.

9 Okay. Moving on to the next slide. And this
10 is the slide that when staff provided this slide to
11 me, it was kind of concerning. And for the first
12 time, staff and myself were able to see we have to
13 do something, we have to do something to get people
14 in our community to have owner-occupied dwellings.
15 43 percent of the total number of your residential
16 market here in Riviera Beach is owned by
17 individuals that do not reside in our community,
18 and that poses for significant challenges. You see
19 that 15 percent is homesteaded property. In
20 totality that generates about 28 million dollars
21 for the City of Riviera Beach.

22 On the other side, if you look at commercial,
23 and you can see the composition of the commercial
24 and our industrial park and how beneficial that is
25 to the City. But one of the challenges and the

1 things that we are concerned about is the tangible
2 personal property, which is 20.14 percent or
3 approximately 9.5 million dollars that's generated
4 as a result of tangible personal properties; and
5 that is for items that are inside of facilities, so
6 your medical offices, your, you know, your heavy
7 machinery and equipment. If companies stop
8 investing or they go out of business, we can see a
9 sizable impact.

10 And, Mr. Sherman, if you can provide some
11 insight and some perspective, what the property
12 appraiser has said with regards to what next year
13 may look like, and especially on the commercial and
14 residential side.

15 MR. SHERMAN: Yeah. The concern is, is that
16 it appears that the residential values should be
17 flat. That's the expectation.

18 The real concern that they expressed during
19 our conversations was obviously on the commercial
20 side. Specifically the tourism industry. So,
21 again, where we have the resorts on Singer Island,
22 where you're looking at items such as the
23 restaurants, that's where they're expecting upwards
24 of 25 percent decrease. So, again, that will be
25 assessed in (audio interference), wherever we stand

1 with the Corona virus at that point; that's when
2 those values will be determined, and then that will
3 kick in as we said in 2022. So 2021, again, we
4 held fine with those.

5 The other concern that they had is should any
6 of those business types go to the Value Adjustment
7 Board and attempt to get an adjustment for 2021,
8 nobody knows how that might play out. So despite
9 the fact that they were assessed in December of
10 2019, there is a chance that the virus could impact
11 us in the 2021, should they file. So, again, 25
12 percent on the commercial side was what they were
13 projecting.

14 CHAIR BOTTEL: Madam Clerk, could you please
15 let the record show that the Mayor has joined us.
16 Thank you.

17 CITY MANAGER EVANS: Okay. Moving to the
18 next slide. So this is the composition of the
19 residential units in our community, broken down per
20 taxable value. You see that there's roughly about
21 three percent in totality that pay zero taxes to
22 the City of Riviera Beach for any type of service
23 that is being provided; and then you can see the
24 share and the breakdown.

25 The average taxable value of a residential

1 property in the City of Riviera Beach is \$232,000;
2 and we have approximately 13,000 units within our
3 community.

4 COUNCILPERSON LANIER: Madam Chair.

5 CHAIR BOTEL: Yes.

6 COUNCILPERSON LANIER: I just wanted to ask,
7 what does that mean when you say zero -- taxable
8 value zero? What is that?

9 CITY MANAGER EVANS: It could be a multitude
10 of things. It could be exemptions. It could be --

11 COUNCILPERSON LANIER: Oh. Okay.

12 CITY MANAGER EVANS: Yeah. There's a litany
13 of different things. Yeah.

14 Okay. The next slide really speaks to
15 something here that I think is very important. We
16 talk about our millage rate, 8.4520 mills. And in
17 our community value survey, I think the number was
18 well over 70 percent of individuals that took the
19 survey did not realize that only 38.14 percent of
20 your total entire tax bill is remitted to the City
21 of Riviera Beach. So if you look at each of those
22 columns and you see a gross property value at
23 75,000, 100,000, 200,000 and two million, and then
24 of course we have FPL, you can see what the
25 breakdown is as it relates to taxable revenue. So,

1 if the -- if you own a property that has a value of
2 75,000, your tax bill in its entirety is about
3 \$554, of which the City of Riviera Beach collects
4 \$211. But, the Palm Beach County School Board and
5 Palm Beach County collect 54 percent together, as
6 it relates to the services -- or the revenue that
7 they collect for the services that they provide.
8 And so as you go down the list, you can see that it
9 is significant as you continue to go up what an
10 individual or individuals would pay for taxes in
11 our community.

12 But if you look at FPL, and when we talked
13 about what FPL pays and then what they, what they
14 would benefit by reducing the millage rate, it is
15 quite significant. And so when we did look at, you
16 know, the average house, saying 232,000, the
17 average property tax bill for that is about 3500,
18 of which \$1,268 is collected by the City of Riviera
19 Beach and the rest is remitted to other taxing
20 entities. And so when you pay your entire tax
21 bill, not all of it goes to your local government.
22 And then there's also discounts that is provided as
23 well.

24 Ad valorem revenue is the most reliable
25 revenue to collect. The City books, by statute,

1 collect 95 percent of the revenue, because
2 invariably somebody does end up paying the taxes.
3 But this is a good breakdown to see how much of
4 your taxes and where does it go.

5 And in my -- you know, to digress for a
6 moment, in my letter to the Board of County
7 Commissioners, I do communicate that -- and I'll
8 show you on the next slide -- that the City of
9 Riviera Beach does send Palm Beach County 27
10 million dollars on an annual basis, as it relates
11 to what our residents contribute for their general
12 operations. And so when we did ask for -- when we
13 will be asking for monies to be remitted back in
14 some form or some fashion, obviously, we have a --
15 we are a partner and we have for a long time
16 contributed to the county's general operations.

17 The City of Riviera Beach, 47 million
18 dollars, that 38.14, that's the monies that is
19 collected from ad valorem revenue. And then you
20 can see the breakdown as it relates to the School
21 District's operating budget.

22 One of the things that I think is germane to
23 the conversation and the discussion as we go
24 through, is that the City of Riviera Beach
25 residents do pay to send monies to Palm Beach

1 County School Board but also the City of Riviera
2 Beach carries about \$600,000 in expenditures on an
3 annual basis to provide certain things such as
4 school crossing guards and school resource
5 officers. Other jurisdictions and other school
6 districts, that is a cost that's usually borne by
7 the district as it is not necessarily a government,
8 a local jurisdiction's responsibility to provide
9 that. So there has been just limited conversations
10 on the city managers group about, you know, those
11 types of fees. Everybody is doing it the same way.
12 But I can tell you in other communities that I've
13 worked in, that's not the case, the school district
14 usually burdens all the costs associated with those
15 particular elements. And if they do have school
16 resource officers with the local jurisdiction,
17 there is monies that are remitted back to the
18 government agency for those services.

19 Okay. Moving to the next slide. This is the
20 slide that we've put together to look at going to
21 that 8.2000 mills and what the impact would be.
22 And so you see as we go down through the
23 residential properties that have the gross value of
24 75,000, all the way to two million, you can see
25 that the savings are really de minimis; and those

1 large entities such as FPL, the Marriott property,
2 some of the larger properties in our community,
3 would be the entities to stand to benefit
4 exponentially as it relates to looking at that
5 particular millage rate. And so we wanted to
6 enumerate that in a slide to show what the savings
7 would be to the property taxpayers, and the impact
8 to the City of Riviera Beach would be about a 1.4
9 million dollar budget reduction.

10 But to Councilman McCoy's point, if you look
11 at your major disaster fund that roughly is about
12 \$750,000 and goes up as your taxable value goes up,
13 the present value for a mill -- Mr. Sherman, and
14 correct me if I'm wrong -- is close to about a
15 million dollars?

16 MR. SHERMAN: That's correct.

17 CITY MANAGER EVANS: So you're almost at the
18 point where probably in the next two or three years
19 you will be putting away a million dollars in your
20 major disaster fund. And if you wanted to provide
21 some type of relief to your taxpayers, that's
22 conceivably a way to be able to do it, to say that
23 major disaster fund, in lieu of that fund
24 continuing to grow, that maybe you in essence cap
25 it, and then that savings is provided to the

1 residents of this community in a reduction; and
2 that that's almost going to be a mill reduction,
3 and that's a sizable reduction when you're talking
4 about, you know, the point ones and point twos and
5 point threes. So just food for thought in
6 subsequent conversations as to how this Board can
7 look to address some of the discussions that we've
8 had.

9 COUNCILPERSON McCOY: So have you explored
10 administration and finance, if we were to amend the
11 charter, what we would like to take that percent
12 down to, in just as a hypothetical scenario?

13 CITY MANAGER EVANS: We've had brief
14 conversations, but nothing in greater detail. But,
15 you know, if the Board does have the desire to take
16 a look at that greater detail, we can bring you
17 something in your subsequent budget conversations
18 to see what that would look like and what the
19 impact would be to the property taxpayers in the
20 City of Riviera Beach by looking to make that
21 switch.

22 CHAIR BOTEL: I, for one, would like that.
23 Do you want to hear from all of us about
24 that, Mr. Evans?

25 CITY MANAGER EVANS: I would, Madam Chair.

1 CHAIR BOTEL: Thumbs up if you want that to
2 happen. Easiest way to do it.

3 Looks like Mr. Lawson and
4 Ms. Miller-Anderson.

5 COUNCILPERSON MILLER-ANDERSON: Well, I mean,
6 we've mentioned, that was one of the requests
7 before, right, to do that?

8 CHAIR BOTEL: I don't think we --

9 COUNCILPERSON LANIER: I asked.

10 COUNCILPERSON MILLER-ANDERSON: I thought I
11 did.

12 CHAIR BOTEL: Well, so you have your marching
13 orders, Mr. Evans, if you wouldn't mind.

14 COUNCILPERSON MILLER-ANDERSON: The two
15 amounts, I think, we were looking at two different
16 amounts. Correct me if I'm wrong. Right,
17 Mr. Evans?

18 CITY MANAGER EVANS: Right. Yes. We did
19 look at two different amounts. And so we looked at
20 what it would be if you split it, or a situation
21 where if you decided to say okay that goes away and
22 then that savings is turned back. And so we've had
23 the preliminary discussions with staff, and so we
24 are -- we can be prepared fairly quickly to have
25 that as an item that the Board can consider.

1 To Councilman McCoy's point, that is
2 something that legislatively you all have the
3 authority to put anything on the ballot for
4 consideration to your constituents.

5 CHAIR BOTEL: How much time in advance do we
6 need to make that decision prior to the election?

7 CITY MANAGER EVANS: I would have to defer to
8 the city clerk and the city attorney as it relates
9 to how quickly it would have to be queued up for a
10 ballot initiative.

11 MS. WYNN: I know we're looking at -- go
12 ahead, Ms. Anthony.

13 CITY CLERK ANTHONY: Madam Chair, Members of
14 the Board, are we looking at the March election?

15 MS. WYNN: That's the soonest, just so you
16 know, that we could get it on, because the
17 supervisor of elections is not taking any municipal
18 ballot measures until March 2021.

19 CITY CLERK ANTHONY: And with that being
20 said, I will give you the date in which we need to
21 have the information submitted to the supervisor of
22 elections office.

23 CHAIR BOTEL: Thank you.

24 Mr. Evans, just -- not necessarily to put on
25 this slide, but at some point if you could provide

1 me with a breakdown that reflects say five hundred
2 thousand in gross property value, and maybe seven
3 hundred and fifty, and a million, so I can, when
4 people ask me, you know, what it means to their
5 particular property, I can let them know.

6 It's probably too much for one slide but --

7 CITY MANAGER EVANS: Certainly. We can build
8 out the slide to reflect more.

9 CHAIR BOTEL: Thank you.

10 CITY MANAGER EVANS: All right. And so when
11 we looked at the two millage rate scenarios, in the
12 event that we were to reduce the millage rate, you
13 will also see a reduction of 1.4 million dollars in
14 revenue to the City, but also the revenue payment
15 to the CRA would decrease by 176,000; and then the
16 major disaster fund, the impact would be about
17 21,000. So the net position would be 1.2 million
18 dollars. So, you know, everything does have an
19 impact when we're talking about the reduction of
20 millage rate, et cetera.

21 Okay. Moving on to the next slide. And
22 Mr. Sherman will speak a little bit about the 2019
23 tax comparison and the next couple of slides.

24 Mr. Sherman.

25 MR. SHERMAN: Yeah, this slide, what we have

1 done is we have just taken, again, our cohort
2 comparative cities, and just tried to lay out,
3 again, a comparative across the board. As you can
4 see, you know, as we've talked about for a number
5 of years, with our 8.452 percent, it does put us up
6 at the top end of the local municipal millage rate.

7 But what's interesting is when you look at
8 the overall millage rate, we're not necessarily
9 three spots from the top, if you compare across,
10 you know, each individual rate. And what we found
11 is, is that, again, they -- some of them pay an
12 MSTU for their libraries. Some of them pay into a
13 parks fund, where they have a separate millage
14 rate. And that's where you get the equalization.

15 The other issue that I think is very
16 significant to note on here is City of Riviera
17 Beach, all of our debt service for any of our
18 government bonds, not utility, not storm water, but
19 our general government debt, is within our 8.452.
20 So when you compare that to someone like West Palm
21 Beach, where they have done referendum bonds and
22 they have a separate millage rate for their debt,
23 it's not necessarily apples to apples when you're
24 comparing those. So, really, that's why you want
25 to almost look at that top lines and see, you know,

1 the variation there. Are we still at the top end?
2 We're still at the top end, but certainly not three
3 spots from the very highest rate.

4 On the next slide, again, what we have done
5 in trying to get some comparisons to see really
6 where we map out, again, we've taken some of our
7 municipalities within Palm Beach County and then
8 kind of tried to look across, looking at the
9 taxable value for each one of those entities,
10 looking at their population, and coming up with per
11 capita assessments and per capita tax.

12 Now, again, we fall down to the very high end
13 of this chart. But, again, if you look at our
14 population and our tax values, I think that kind of
15 answers the question of why we end up at the top.

16 Going back to the slide that Mr. Evans
17 presented about the values of our property and
18 three hundred plus properties not paying any
19 property taxes, and considerable amount of
20 properties at that low end, that kind of explains
21 why our values are much higher.

22 We did break out Riviera Beach with and
23 without FPL, because clearly that plays a factor.
24 It didn't move us that much in the overall
25 conversation. But certainly having the power plant

1 located within the City boundaries does change our
2 calculation a bit.

3 And then the third slide that we have, again,
4 is pretty telling. What we've done is we've taken
5 the individual budgets and we've come up with a
6 cost per resident for each of the communities,
7 based on a different sector of the services that we
8 provide. So we have the general government side,
9 the administrative side. Then we look at the
10 public safety side. And we're higher than almost
11 every community in those two areas.

12 So, again, I think as we look back and we
13 talk about the number of FTEs that the City has,
14 there's some room to make these numbers look a
15 little bit better.

16 So we're spending \$819 per resident for
17 general government, where someone like Palm Beach
18 Gardens is only paying \$364.

19 Our public safety number is \$974 and Palm
20 Beach Gardens is at \$919. But yet Boca and West
21 Palm and Delray are right there in that public
22 safety number that we're looking at.

23 Now, again, this is partially reflective of
24 the new contract as we did build some of those
25 dollars into 2020. But, again, there certainly is

1 some reason to move in these numbers.

2 Do you want me to go to the 2020, or are you
3 going to take that one back?

4 CITY MANAGER EVANS: I will take it back.

5 MR. SHERMAN: Okay.

6 CITY MANAGER EVANS: So moving in to the
7 2020. The 2020 budget was -- the general fund, was
8 77 million dollars. As you can see, 59 percent of
9 that is derived by ad valorem revenue. And then
10 you have the other revenue streams or the other
11 parts of the pie that make up the revenue that the
12 City collects.

13 We as local governments, as municipalities,
14 are very fortunate that the lion's share of our
15 revenue, unlike the county, is very dependent and
16 reliant on property tax. Usually about 70 to 75
17 percent of county revenue is derived by property
18 taxes. Local governments usually have more
19 diversified funding streams. And so as we look at
20 other opportunities to diversify the ways in which
21 we operate and the ways in which we collect our
22 monies, the less reliant we can be on property
23 taxes and more consistent revenue streams, it is
24 certainly a better approach for us; because when
25 the economy does take an impact -- and especially

1 the residential market, the housing market -- it
2 has an adverse impact, as you've seen in previous
3 slides.

4 So this is the revenue side of it. And
5 then -- so, this goes into what the projected
6 budget to actual is. So it shows that the revenues
7 for the City of Riviera Beach for -- projected
8 revenues, was 78 million; expenditures, 77; and so
9 there's about \$500,000 that allows for us to be
10 able to come in within budget and a balanced
11 budget.

12 And so you can see that actual year-to-date,
13 2019 and 2020, the revenues were 73 million,
14 expenditures were 70 million, and the turn-back to
15 the general fund was 3 million dollars. In most
16 cases you have a situation where it's budgeted for
17 turn-back into the general fund; and that's what
18 ends up building your fund balance, the monies that
19 go unexpended, or vacancies, et cetera.

20 And I will turn the next two slides over to
21 Mr. Sherman.

22 COUNCILPERSON McCOY: Mr. Evans, before we go
23 forward, I'm trying to get some clear
24 understanding. I was looking at, I think, slide
25 18.

1 CITY MANAGER EVANS: 18.

2 COUNCILPERSON McCOY: We had -- this one, and
3 then the one -- okay. If we start here -- I'm
4 trying to find out -- let's just take, for
5 instance, this bottom highlighted, Riviera Beach
6 with the FPL, pro capita -- oh. So this is the
7 2019 assessment, and you're suggesting that that is
8 \$1,333 per capita, so per every resident; and
9 that's based on the 35,000 --

10 CITY MANAGER EVANS: Yes, sir.

11 COUNCILPERSON McCOY: But the next slide,
12 we're moving from thirteen hundred bucks up to what
13 I calculated at nineteen hundred and fifty-five per
14 resident. Is that about accurate?

15 CITY MANAGER EVANS: Yes, sir. And this is
16 for 2020.

17 COUNCILPERSON McCOY: Correct.

18 CITY MANAGER EVANS: Yes.

19 COUNCILPERSON McCOY: You mean -- wait, wait,
20 wait. I'm sorry. When you say 2020, you mean
21 currently now or --

22 CITY MANAGER EVANS: Yes, sir. Currently
23 now.

24 MR. SHERMAN: The current year budget.

25 COUNCILPERSON McCOY: Okay. So...

1 CITY MANAGER EVANS: So you're seeing the
2 increase -- I think what you're trying to show is
3 the increase from the -- with FPL, or the thirteen
4 hundred, to now when we go into the current year
5 budget and you're looking at roughly at about
6 nineteen hundred.

7 COUNCILPERSON McCOY: Okay. Thank you.

8 CITY MANAGER EVANS: Yes, sir.

9 So here is -- I think we went over that. And
10 this one. And then, Mr. Sherman, if you can speak
11 to the next couple of slides.

12 MR. SHERMAN: Yes. This slide here, what it
13 does -- hopefully, you can see the two different
14 lines there, the green/blue line are our revenues;
15 and the red line, the red and blue line, are our
16 expenditures.

17 So what we've done is we've gone back to the
18 year 2000 and tracked the performance year to year
19 of the City. So when you see where the
20 expenditures are above the revenues, that means the
21 City actually ran a deficit for that year. So if
22 you are looking at like 2004, the red line is
23 actually above the expenditures. In 2011, again,
24 the revenues are about the expenditures. But what
25 this is showing is how well we have actually

1 performed since 2015.

2 So when we talk about, again, cash on hand
3 and fund balance, what's really happened is the
4 City has, coming out of the recession, has really
5 benefited for the last five years. And you can
6 again see that spread that our revenues have
7 actually outperformed the budgets; and the
8 expenditures, we've been able to maintain within
9 those budgets and haven't run deficits now since
10 2011.

11 Now, again, as far as that 2020 projected,
12 that was the slide that the manager just showed
13 previously where, you know, it's going to be tight,
14 people are going to have to pinch their pennies for
15 the next couple of months to remain within budgets
16 on the expense side.

17 And even though we have taken a few hits
18 along the way due to the pandemic, especially in
19 the state revenues, we actually still are
20 projecting that we will be over budget or exceed
21 our budget by about \$500,000 for 2020.

22 On the next slide, we start looking at where
23 we were for 2021.

24 VICE CHAIR LAWSON: Madam Chair.

25 CHAIR BOTTEL: Yes.

1 MR. SHERMAN: So, again, it is effectively
2 the same slide --

3 CHAIR BOTEL: Mr. Sherman.

4 MR. SHERMAN: -- except now we've added the
5 2021 budget numbers on the right-hand side.

6 CHAIR BOTEL: Mr. Lawson has a question,
7 Mr. Sherman.

8 MR. SHERMAN: Oh. I'm sorry.

9 CHAIR BOTEL: It's okay.

10 Mr. Lawson.

11 VICE CHAIR LAWSON: Mr. Sherman, if you could
12 go back to the last slide for me.

13 MR. SHERMAN: Sure.

14 VICE CHAIR LAWSON: Currently our projected
15 revenues, you said this year we're projected to
16 have a savings -- we're going to be about 500,000.
17 But the last four years we've had a variance of
18 about 20 million?

19 MR. SHERMAN: We've had some --

20 VICE CHAIR LAWSON: Anywhere between 16 and
21 20 million, the last four years?

22 MR. SHERMAN: Yeah. Typically we have been
23 under budget on the expense side, between one and a
24 half to two million dollars each year, and where we
25 bring in additional revenue. So that's where

1 you're seeing that spread for the past couple of
2 years.

3 VICE CHAIR LAWSON: Okay. I just want to --
4 I guess I need just some clarity in regards to what
5 I see you have documented for 2016 revenue versus
6 expenditures. So these are actual expenditures,
7 not what was actually budgeted.

8 If you could pull up 2016, '17 and '18. And
9 if you guys could kind of review what the actual
10 budgeted expenditures were, so I can get an
11 understanding and look at what we're going into for
12 2021. Because right now with the actual spending
13 for 2016 came in just around 55 million, well, what
14 was budgeted for 2016?

15 And the reason I'm asking is because it looks
16 like the budgeted compared to the actual, we had a
17 variance or savings of anywhere between 15 and 20
18 million every year. But this year we're coming in
19 projected at only 500,000 versus the 15 to 20
20 million that we've been arranging the last four
21 years. So I'm not sure if COVID cost us an
22 additional 12 million dollars, but I just want to
23 kind of understand.

24 CITY MANAGER EVANS: Well, I think what may
25 be is that capital projects were budgeted and then

1 they never moved forward, and that can be an issue
2 that has created that; that invariably it was
3 budgeted but the actual expenditure never occurred
4 until things were re-budgeted. So we have to do a
5 little bit of research on that.

6 VICE CHAIR LAWSON: Right. Yeah. No, I'm
7 very aware of that because one of my concerns is if
8 we're only going to be under budget about 500,000,
9 I'm looking at the parking project that we put
10 in -- and I'm assuming that's the only project
11 that -- expenditure that wasn't completed, and that
12 was budgeted close to 500,000.

13 So I'm trying to just make sure that our
14 budget is making sense. Because right now, looking
15 at this slide, it doesn't make sense to me; I'm not
16 understanding.

17 So if I could just get some -- by the time we
18 have our next budget session, if I could have those
19 information, Mr. Sherman, just based on '16, '17
20 and '18, what we budgeted, and then what our actual
21 expenses are. Because I see you have actual
22 expenses. But you're telling us that we had
23 savings. But essentially, does that mean it was
24 under budgeted, it wasn't properly budgeted? Did
25 our City not perform properly? Did we not complete

1 the capital budgets we put in place? I just want a
2 little bit more in-depth with this, in
3 understanding this part.

4 MR. SHERMAN: Sure. We'll pull out the raw
5 numbers on those and provide them.

6 VICE CHAIR LAWSON: Thank you, Mr. Sherman.

7 Thank you, Madam Chair.

8 CHAIR BOTEL: You're welcome.

9 I think Mr. McCoy was first and then
10 Ms. Miller-Anderson.

11 Mr. McCoy.

12 COUNCILPERSON McCOY: Real quick. I just
13 noticed, which -- I'm guessing that's 2017 that had
14 the largest, I guess, what was the -- is that the
15 15 million, more or less? 55 million and, you
16 know --

17 VICE CHAIR LAWSON: The 15. Yeah, the 15.

18 COUNCILPERSON McCOY: Oh. That was -- okay.
19 It's kind of hard to see, because I only have a
20 portion of this screen. I'm not on a dual screen
21 so...

22 CITY MANAGER EVANS: Well -- and I do have to
23 apologize, I guess the staff that made the
24 presentation did not know their manager is blue
25 green color blind, so I can't help you guys on

1 these next couple of slides. So that's why
2 Mr. Sherman is presenting them, because I just see
3 a whole bunch of different things.

4 COUNCILPERSON McCOY: Well, I think that's
5 the year that you were here for a short while. We
6 made a lot of money when you were not here,
7 Mr. Evans.

8 UNIDENTIFIED SPEAKER: Made some money. We
9 appreciate it.

10 CITY MANAGER EVANS: No problem. No problem.
11 All right. Move to the next one.

12 MR. SHERMAN: Yeah, let's go to the next one.

13 Okay. So on this one, again, when we started
14 the budget process --

15 COUNCILPERSON LANIER: I had a question. I'm
16 sorry. I had my finger up but I --

17 CHAIR BOTEL: I'm sorry. Ms. Miller-Anderson
18 had hers up first, I think.

19 COUNCILPERSON LANIER: Oh. Okay.

20 CHAIR BOTEL: Thank you. Because I wasn't --
21 I was looking at the slides.

22 COUNCILPERSON MILLER-ANDERSON: I was just
23 going to let you go right on and jump back in
24 later.

25 No, it was just to Mr. Lawson's point about

1 the 500,000. Could that possibly be the money that
2 was going to be put away for the Housing Authority
3 as well, maybe? Or is that not a part of that?

4 MR. SHERMAN: Yeah, that's not a part of it.
5 And part is in a separate fund as well. But we'll
6 get you the raw.

7 COUNCILPERSON MILLER-ANDERSON: Okay. Okay.

8 COUNCILPERSON LANIER: And I just wanted to
9 ask a quick question. How much of this revenue
10 over expense was considered deferred maintenance?

11 MR. SHERMAN: No, actually, in 2015 and
12 forward, we've actually put a lot of money into
13 maintenance, to avoid that.

14 No, it's just the -- it's primarily a factor
15 of the economy and how well things performed. And,
16 again, we save money on the expense side in a good
17 economy because it's more competitive and we can
18 get better pricing. So it's a combination of the
19 two. But we'll get some more detail to provide to
20 everyone.

21 CHAIR BOTEL: Thank you. Anyone else?

22 Okay.

23 MR. SHERMAN: When we started the 2021
24 budget, we actually -- you know, it starts in
25 finance. We put together all the salary

1 projections, the revenue projections, working with
2 the departments; making estimates on health
3 insurance and, you know, and those types of issues.

4 We actually started, I believe the manager
5 has mentioned at past meetings, we were 4.2 million
6 dollars difference between what we were projecting
7 for revenues and what was being asked for from the
8 departments. Part of that was a million dollars
9 additional capital dollars. And part of what has
10 really changed that 4.2 million dollars was the
11 state revenues.

12 Initially, as we were, again, going through
13 the early stages of the pandemic, you may recall
14 that we were being informed by the state that our
15 state revenue distributions were going to be cut.
16 Our sales tax was cut. Our revenue sharing dollars
17 was cut. So we were actually carrying a total
18 reduction of state revenues in the initial budget
19 rounds of about 30 percent. Those numbers, though
20 they did come in lower than 2020, we were able to
21 actually increase our revenue projections, which is
22 how we ended up to this 1.9 million dollar deficit,
23 along with taking out that million dollars that had
24 been put in for capital.

25 So, again, going through the budget process,

1 dealing, as the manager said, with his committee
2 dealing with all the department heads, we really
3 have had to come back and reduce the asks, the
4 requests from the departments, this 1.9 million
5 dollars. And that's how we get to the 83 million
6 dollars where we are today, what has been
7 presented.

8 CITY MANAGER EVANS: The next slide is -- I'm
9 briefly going to walk through some of the things
10 that we've done as it relates to COVID 19. Back in
11 March we did execute a local state of emergency
12 concerning the novel Corona virus. We then quickly
13 moved into our incident command system to try to
14 address this pandemic as best as we possibly can.

15 We have coordinated with Palm Beach County,
16 state emergency operations, to ensure continuity of
17 operations; and that there was an effort from the
18 City of Riviera Beach to address the challenges
19 that we heard early on that the virus would have in
20 communities that look like ours. And so we were
21 successful in obtaining a mission resource request
22 from the county and the state.

23 We were successful with a lot of the --
24 obtaining testing from the state. And that's a
25 testament to the elected leadership that was

1 advocating consistently -- and I think every
2 councilperson that I had a conversation with was
3 looking to advocate for testing in our community.
4 And we were successful and have been successful in
5 testing multiple individuals in our community in
6 multiple forms and fashions.

7 The Health and Human Services chair,
8 Councilperson Lanier, is actually going to be
9 rolling out a new initiative that no other
10 municipality is doing -- which we are not scared to
11 be out in the forefront -- to look to do something
12 in the evening. We know that a lot of folks may
13 not be able to go to a testing site on a weekend.
14 So we're going to look to partner again with the
15 Black Nurse Practitioners of Palm Beach County to
16 do testing in the evening.

17 We have distributed over 18,000 meals to
18 persons in our community and will still be doing
19 that until the start of school commences. In most
20 cases, most recently, we've had situations where
21 we've in fact ran out of food and the line stays
22 queued up and backed up for hours for individuals
23 in our community coming to receive those services
24 from the City of Riviera Beach.

25 We have done mass give-aways and

1 distributions throughout our community, and we have
2 consistently done that. We have looked to do
3 targeting mass distributions where we visited
4 convenience stores and other facilities throughout
5 the City.

6 We have mailed over 15,000 masks to the
7 residents of Riviera Beach. And we did see Palm
8 Beach County follow suit by distributing masks to
9 over 650,000 households in Palm Beach County, to
10 include Riviera Beach.

11 We did also set aside a member of our team to
12 work with ALS and senior centers to ensure that the
13 vulnerable populations in our community did not see
14 an adverse impact associated with this virus; and
15 we've been very successful with regards to that.

16 We have provided testing and PPE to the
17 homeless community. And we have monitored ALS and
18 senior citizen centers in our community on a daily
19 basis. And that information has been provided to
20 the emergency command staff.

21 As you can see, we've tested over 500 people
22 in our community for multiple -- at multiple
23 locations, multiple agencies involved. And so we
24 are very proud of what we were able to do on the
25 City's side.

1 Additionally, there is still testing that is
2 going on at another facilities. And we're working
3 towards getting into an arrangement with another
4 provider, that I'll speak about here shortly, as it
5 relates to our employee testing.

6 Our virtual platform for city council
7 meetings and other meetings, this was something
8 that all of us tried to find a way as to how this
9 is going to work; and so we were learning on the
10 fly. But I think staff got a very good handle on
11 it.

12 We did virtual weekly calls with the
13 community and the city council to keep you attuned
14 to what's going on as it relates to COVID 19.

15 We created a COVID education compliance team
16 that was intended to go talk to businesses and
17 making sure that they are following all the
18 guidance and recommendations provided by the CDC.

19 We established programs and protocols for our
20 beach reopening, to make sure we can do it safely
21 and responsibly. As other entities have asked us
22 for our plan and have deployed it in other
23 jurisdictions.

24 Completed a comprehensive workplace
25 inspection and safety program. We've inspected all

1 facilities. We've provided educational and
2 training for individuals in our community as it
3 relates to how to safely be able to operate their
4 particular business.

5 We were successful with working with a
6 certified mental health counselor to assist some of
7 our young folks during this new norm, that it's
8 okay to talk about feelings and emotions; and we
9 were able to do that on a digital platform. And
10 I've heard some great remarks with respect to the
11 success of that program.

12 Developed a couple of policies, telecommuting
13 policy, workplace safety return to work, and
14 continuity of operation plan to ensure that we can
15 continue to provide services throughout the
16 duration of this pandemic.

17 The council all were -- established
18 committees, and all are chairing certain committees
19 for the community's needs, from business assistance
20 to helping human services, to clergy, community, to
21 public safety.

22 You know, we did wrap our hands around
23 everything that we could do. Fast track
24 permitting. Any and everything we can do to move
25 our city forward.

1 There was a councilperson that was
2 spearheading the initiatives, and staff has been
3 working to help facilitate some of those things.

4 With the City and CRA it will be
5 approximately \$400,000 of monies that will be
6 remitted to the community for business assistance
7 grants; that are, of course, with the intent that
8 if they do not attend any of the training and the
9 courses that we have offered, that they are to
10 remit payment back to the City. But they do have a
11 year to do that. So we have rolled out a program
12 to address some of the challenges to our local
13 business community.

14 And then a variety of drive-through
15 celebrations for our seniors, our senior citizens.
16 A grab bag give-away. You name it, we have found a
17 way to try to do everything we could to have some
18 form of normality for our communities in light of
19 the challenges that COVID has presented us; and
20 continuing to make sure that our employees stay
21 safe and we can continue to do the job that we are
22 entrusted to do.

23 Next slide is the city goals.

24 COUNCILPERSON McCOY: Mr. Evans.

25 CITY MANAGER EVANS: Yes, sir.

1 COUNCILPERSON McCOY: Sorry. And I don't
2 have too many concerns about that but, again, this
3 is very interesting to see you go down that list
4 because, you know, when we're involved in
5 operations, and we probably get over 20 calls at
6 least -- I probably get around the area of 20 to 30
7 calls a day -- and many of them have been addressed
8 in the last two slides that you brought up, so I
9 want to take the opportunity again to commend you
10 for bringing forth a number of these initiatives.
11 Because, you know, after being here, we almost kind
12 of forget the amount of stuff and the services that
13 we provide. And even still, sometimes I know it
14 doesn't exactly meet every need of every one of our
15 residents. But, you know, for Christ's sake,
16 that's a lot that we did just since March. And I
17 want to certainly commend you and the
18 administration and the other members of the Board,
19 because it's quite a bit.

20 But, you know, I just realized, and I got to
21 say it again, sometimes it just doesn't meet
22 everybody's needs and we have to have those
23 unfortunate conversations where we tell people we
24 can't help them.

25 But, again, thank you for your leadership in