

1 Riviera Beach Community Redevelopment Agency Budget Workshop

2 City of Riviera Beach Council Chambers

3 2nd Floor, Municipal Complex

4 600 West Blue Heron Boulevard

5 Riviera Beach, Florida

6 Wednesday, September 9, 2015

7 5:34 p.m. to 6:51 p.m.

8
9 APPEARANCES:

10 Chair Dawn Pardo

11 Vice Chair Terence Davis

12 Commissioner Bruce Guyton

13 Commissioner KaShamba Miller

14 Commissioner Cedrick Thomas

15 Attorney Michael Haygood

16 CRA Executive Director Tony Brown

17 CRA Administrative Director Darlene Hatcher

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1 CHAIR PARDO: Welcome, everyone, to the City of Riviera
2 Beach. We are going to begin with the Riviera Beach Community
3 Redevelopment Agency Budget Workshop.

4 Ms. Hatcher, roll call, please.

5 (Upon roll call by CRA Administrative Director Hatcher, the
6 following were present: Chair Dawn Pardo, Vice Chair Terence
7 Davis, Commissioner KaShamba Miller, Commissioner Cedrick
8 Thomas. Also present: Executive Director Tony Brown, Attorney
9 Michael Haygood.)

10 CHAIR PARDO: Okay. I'd like to invite everyone to stand
11 for a moment of silence followed by the Pledge, led by
12 Commissioner Thomas.

13 (Moment of silence, followed by the Pledge of Allegiance.)

14 CHAIR PARDO: Okay. Mr. Brown, it's your show.

15 EXECUTIVE DIRECTOR BROWN: Madam Chair, Members of the
16 Board, we're going to present to you the narrative for the
17 fiscal year 2015 - 2016 budget. If there are no major changes
18 then when you convene for your regular meeting we have it on as
19 a consent item for approval. If there are substantial changes
20 then the Board members will need to pull it so that we can make
21 those changes and bring it back at our next meeting.

22 As we had indicated, we've had previous workshops; and so
23 this workshop is the budget draft either for you to adopt or to
24 provide some additional revisions.

25 The PowerPoint presentation I'm making will reference the

1 budget narrative in the presentation, so you'll be able to
2 follow along between the slide show; and then as I do the slide
3 show, I'll reference particular pages that more detail follows.

4 The budget is in basically six parts. We have the budget
5 letter which summarizes where we propose to go for the upcoming
6 fiscal year. We have the preliminary tax roll letter which
7 documents how we've derived our tax increment financing
8 revenues. Then we have a discussion of revenues and sources; a
9 discussion of expenses and the use of funds. Followed by that
10 we'll talk about capital projects. And then related to each of
11 the above subject items are schedules that can give you some
12 additional details on specific line items.

13 So we characterize 2016 as our year of transformations. As
14 we said, that 25 million dollars of public improvements are
15 going into our marina, the new Riviera Beach Marina Village; it
16 is scheduled to be completed by fiscal year end. Two, you'll be
17 able to celebrate in the new Marina Event Center. It is
18 currently under construction. And in January, February, we
19 expect to be able to celebrate in our new Event Center.

20 Also in 2016 our residents will enjoy new amenities at
21 Bicentennial Park: A stage that will allow us to have concerts
22 in the park; a kids splash ground that abuts our beach area, it
23 will be a fun addition to the marina; that too will be completed
24 in fiscal year 2016.

25 New homes will be built in Park Manor. Our partnership

1 with the Riviera Beach Community Development Corporation
2 continues, with significant funding from the Board of County
3 Commissioners.

4 And then also we will continue safe passageways for our
5 residents in Riviera Beach Heights with the infrastructure
6 improvements. And, Mr. Thomas, I'm pleased to say this is an
7 update of that rendering and so this is what will be implemented
8 in the linear park that's underway in Riviera Beach Heights.

9 And we'll talk about some of these when we go over the
10 capital budget.

11 So how do we derive our tax revenues? In May or June of
12 each year we get a preliminary tax roll letter. From that
13 letter it tells the taxable values that the County has
14 estimated, the Property Appraiser's Office has estimated, within
15 the defined Riviera Beach boundaries. The good news is since
16 1984, when the CRA was created, we had documented base revenues
17 or tax assessed values was 132 million. The good news is since
18 that time the tax values within your CRA have gone up over half
19 a billion dollars. And in this slide the City and the County
20 continues to derive the revenues from the base rate, and then
21 they receive 5% of the increment.

22 And so this next slide gives you an idea of the revenue
23 generation within the CRA, that's maintained by the City,
24 County, and the CRA. What this slides shows is that the City's
25 revenue generated from the CRA is a little under 1.4 million,

1 the County is at \$770,000, and that the CRA derives 7.1 million
2 of tax increment value. By law we are required to spend that
3 money within the defined CRA areas as per the plan that is
4 derived with citizens input.

5 So to talk a little bit about the sources that begin on
6 page 7 of the report, as we've indicated during our previous
7 workshops the TIF revenues have increased by 11%, and that the
8 revenues from FP&L --

9 CHAIR PARDO: Hold on a second. Let the record reflect
10 that Commissioner Guyton is now on the dais.

11 Sorry. Go ahead, sir.

12 EXECUTIVE DIRECTOR BROWN: And so you can see that even
13 though FP&L is within the CRA boundaries, as we explained before
14 the significant value was defined or was evaluated as plant and
15 equipment and not real property, and so the tax increment on
16 real property goes to the City and the County and not the CRA.
17 But with that, and as well as a proposed millage rate reduction,
18 you still see that the TIF, tax increment value in the CRA, is
19 still projected to grow at a robust 11%.

20 The other sources of revenues, as we were correcting the
21 marina lease issue to ensure that the CRA remains solvent, based
22 on assumptions we made last year regarding projected revenue
23 between the City and the CRA, is that we're presenting -- when
24 you exclude the redevelopment project funds, the money set aside
25 to fund our capital projects, that we're presenting an operating

1 budget of about 9.2 million. We expect reserves or working
2 capital carry over of about 1.6 million.

3 We are expecting to receive a grant from the City to
4 support our programs in the tune of 1.4 million.

5 This budget also proposes a marina infrastructure rebate
6 over a long-term period at \$500,000; and then the TIF revenues
7 as I discussed at 7.1 million; which makes up the 9.2 million.

8 COMMISSIONER GUYTON: Madam Chair.

9 CHAIR PARDO: Yes, sir.

10 COMMISSIONER GUYTON: On the marina infrastructure rebate,
11 do we know if that's been calculated on the City side yet? Does
12 anyone know?

13 EXECUTIVE DIRECTOR BROWN: I do not. But I need to follow
14 up. I know that direction was given at a City workshop.

15 COMMISSIONER GUYTON: Okay. I just wanted to make sure
16 that we follow up on that.

17 EXECUTIVE DIRECTOR BROWN: The other impact of the revenues
18 is that we're projecting to lose in our enterprise operations,
19 mainly because of the lag in private development, we are
20 projecting over the next two years -- or at this current fiscal
21 year, to lose about 1.5 million in our enterprise operations.

22 There were some comments made about the level of support
23 from the City to the CRA. The CRA is paying the City 1.7
24 million, which offsets the 3 million dollars, so the net benefit
25 received from the City is 1.3 million, which will largely

1 support our program grants; and I'll talk about that shortly.

2 The redevelopment project funds account for the remainder
3 of the 28 million dollar budget. 18.9 million is cash in the
4 bank that is held in restricted funds, that is used to complete
5 our capital projects; and your packet includes a summary of
6 sources of uses by project.

7 I'm going to shift the discussion to total expenses. Total
8 expenses, we're projecting to spend 8.3 million. Those expenses
9 are delineated in your budget narrative between pages 9 and 11.
10 As indicated, 47% of our expenditure budget goes towards debt
11 service, followed by operations programs, and then to fulfill
12 our real estate development projects.

13 The budget does reflect what was recommended in the
14 restructuring of City owned debt, that it would be a zero
15 percent interest for Ocean Mall; repayment would begin after we
16 pay off the Wachovia debt, which is projected to be paid off in
17 the next seven years. Total operations expense that we're
18 proposing is reduced by 1.3% over the prior year, and even with
19 that overall reduction of 1.3% there is a little less than 5%
20 increase in personnel, due mainly to an increase in benefits,
21 including even when we exclude two unfilled positions.

22 Professional services we're bringing in at a level budget;
23 and you can see the delineation of professional services in your
24 packet under Exhibit B; and that accounts for 21% of operational
25 expenses.

1 So personnel and professional services account for 74%,
2 programs 15%, and then the remainder would be things like rents
3 and supplies.

4 COMMISSIONER GUYTON: Madam Chair.

5 CHAIR PARDO: Yes, sir.

6 COMMISSIONER GUYTON: Same question about the Ocean Mall
7 deferment. Has that been adjusted on the City's side, do we
8 know?

9 EXECUTIVE DIRECTOR BROWN: We'll make sure that that's
10 followed up on as well.

11 So without much discussion, this is our org chart. You can
12 see the positions that are unfilled; the controller position
13 will remain unfilled, as well as an additional administrative
14 assistant position. Total FTEs of 23 going into fiscal year
15 2016 will be 21.

16 And then to try to have -- and I think I shared other
17 slides with you, when we compare ourselves to other CRAs in Palm
18 Beach County, when you compare apples to apples, if you
19 eliminated the Ambassador Program and the fact that we have
20 staffed up to do development in our neighborhoods, if you
21 eliminated that then we have eight FTEs; and that is about
22 consistent when we look at CRAs in -- well, West Palm is a
23 little different, they subcontract their entire CRA operations,
24 but they indicated the number of people that they put into West
25 Palm, Lake Worth, Boynton, and Delray, our FTEs are similarly