



TOWN OF PALM BEACH

Minutes of the Town Council Special Meeting: Budget Workshop Held on July 10, 2025

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 9:30 AM in the Town Council Chambers.

Members Present: Bridget Moran, Ted Cooney, Lewis Crampton, Danielle Moore, Julie Araskog

Members Absent: Bobbie Lindsay

INVOCATION AND PLEDGE OF ALLEGIANCE

Town Clerk Churney gave the invocation. Council President Pro Tem Crampton led the Pledge of Allegiance.

APPROVAL OF AGENDA

A motion was made by Council Member Cooney and seconded by Council Member Moran to approve the agenda as presented. The motion was carried unanimously, 4-0.

COMMENTS

1. MAYOR AND TOWN COUNCIL MEMBERS

Council Member Araskog thanked the department directors and assistant directors for their contributions to the town.

2. PUBLIC - 3 MINUTE LIMIT

No one indicated a desire to speak.

GENERAL BUSINESS

3. Fiscal Year 2026 Proposed Budget

Council President Pro Tem Crampton discussed millage rates and presented a chart showing an 11-year trend, noting a 25% reduction in town property tax rates. He thanked staff and colleagues for the opportunity to continue serving a safe, secure, clean, and well-managed town.

Town Manager Blouin made introductory remarks. He stated that operations had been thoroughly reviewed, and staff continued to seek ways to meet community expectations. He noted increased staffing, particularly in the Police Department, and that additional Council-approved positions, some contractual and some revenue-generating, had been added to the budget. Mr. Blouin discussed capital projects and investments made to improve software and technology townwide. These improvements will better prepare the town for the future. He said that the adoption of the budget in September does not end the budget process as the town staff will continue to look for ways to reduce costs. He noted that the town has been without any increase in property taxes for seven years.

Mr. Miracle stated that the workshop's intent was to provide transparency, facilitate discussion, and assure that financial resources are properly aligned with the community's needs. He thanked the Finance Department staff for their work on the budget.

Mr. Miracle discussed a property tax proposal reducing millage rates, resulting in a zero-tax increase for homestead property owners, and a \$120 per \$1 million increase for non-homestead property owners. He summarized the major FY26 revenue and expenditure changes.

Mr. Miracle stated that while home sales in Palm Beach were declining, sale prices continued to rise. He reviewed expected property tax revenue for FY 2025-2026 and discussed revenues from parking, investments, and fund transfers. He noted that the marina transfer to the Underground Project would increase from \$6 million to \$8 million. He also noted that the transfer to capital was being reduced by \$0.5 million.

Mr. Miracle addressed healthcare costs. He said Palm Beach had been a model for healthcare cost containment. However, recently, there has been a history of high/sustained claims. He noted that with that, there have been pharmaceutical changes and increases, and the cost increases have remained consistent with the public sector. He noted that the stop loss is \$135,000. He stated that the town clinic had been a huge benefit for the town and continues to be used by employees. He discussed the history of the healthcare fund, which is a separate fund. He stated that staff had been trying to mitigate the healthcare costs for the past few years. In 2026, there is a proposed increase in deductibles, out-of-pocket maximum, and a new prescription cost-saving plan.

Mr. Blouin discussed the new positions in the budget. He stated that the Police new hires would be staffing the south end for the opening of the Phipps Park project. He also felt that with additional traffic and parking needs, it was more than justified to add police officers. Two police aides were also being added to assist with traffic and parking. He said the Planning, Zoning and Building Department will be hiring a new civil engineer, which would result in contractual cost savings while improving permit processing time. This position will be charged to the Building Fund. Mr. Blouin said that in accordance with the agreement with the Preservation Foundation, a crew foreman and two park attendants would be hired to assist with Phipps Park. He also discussed positions that were requested but not included in this budget. He noted there would be at least two key senior staff members leaving the town within the next two years, and additional positions would be necessary for succession planning.

Mr. Miracle explained the Capital Improvement Program (CIP)/Coastal projects that have been funded in the budget. In addition to budgeted capital/coastal items included in the budget, he discussed planned budget items for FY 27, which include the Mid-Town Seawall and Mid-Town Beach Renourishment. He noted that the anticipated State Reimbursement would be \$7 million.

Mr. Miracle discussed the paving project related to the undergrounding project and provided a schedule for finishing the final phases. He said it would likely be in the range of \$20 million. He noted it was great that the town could do this without incurring additional debt.

Mr. Miracle discussed various funds and the reserve status as of September 30, 2024. He stated that the Town's policy has been to maintain Unassigned Fund Balance (FB) at least 30% of General Fund budgeted operating expenses, which includes all transfers besides the \$5.42 million transfer for retirement. He was pleased that the minimum fund balance requirement had increased from 25% to 30%.

Mr. Miracle stated that there may be some headwinds in the future. He discussed the state legislature, noting the constitutional amendment that passed in November 2024 on homestead exemptions, which says that each year, exemptions will be increased by Consumer Price Index (CPI). He stated that the exemption would increase every year. He noted that homestead property owners are capped at 3% and non-homestead property owners are capped at 10%. He also noted discussions about total elimination of property taxes as well as other proposals, none of which got through at the last legislative session. He noted that a task force was put together to look at ways to reduce property taxes between now and the next legislative session. Mr. Miracle discussed that FEMA (Federal Emergency Management Agency) may no longer support local governments after this hurricane season. The federal government currently reimburses 90% of storm claims. He further discussed the potential financial impact. Mr. Blouin noted concern about the possible changes in federal funding.

Mayor Moore asked what the dollar change would be if the millage rate was maintained rather than lowered. Mr. Miracle stated an additional 2.6 million dollars in revenue. Mayor Moore wondered if the police officer positions would be difficult to fill. Gillian Barth, Director of People and Culture, responded that the ability of the town to attract high-quality candidates had improved considerably. She also said that changes were made to the compensation structure, where experienced people can be hired without starting at the bottom of the pay scale. Police Chief Nicholas Caristo stated that the Police Department does its own recruitment and maintains a wait list. He did not anticipate any challenges filling that position. Mayor Moore asked about a market analysis of the positions. Ms. Barth responded that the compensation studies are consistent, and around this time of year, all public safety market studies and for general staff, 33% of all positions are filled every year. By every third year, all positions have been reviewed. She also noted that as new positions are recruited, market studies are conducted to maintain on-market trends as much as possible.

Council Member Moran had no questions at this time.

Council Member Araskog wondered if a reduction was made to the millage rate this year; could it be increased next year? Mr. Miracle confirmed it could be increased. Council Member Araskog thought that the millage rate should be held consistent, rather than reduced, in the event there are unexpected costs.

Mr. Blouin stated that staff's goal was always to present a budget without property tax increases. He noted that maintaining the current millage rate would not compromise the town's position.

Council Member Araskog asked how many new officers would be dedicated to Phipps Ocean Park. Carolyn Stone, Deputy Town Manager, responded that a crew foreman and two park attendants were included in the capital grant agreement. She noted that for this year, those positions were only being budgeted for two months. Mr. Blouin added that the Town agreed to increase police presence in the park. Council Member Araskog asked about the cost for the additional employees in the park. Ms. Stone thought it was about \$660,000. Council Member Araskog confirmed that the seawall would not be replaced when the President is in town. Mr. Blouin stated that the item is not in the 2026 budget but would be on the agenda for discussion in the fall. Council Member Araskog asked about the state easements and the 2027 \$7 million reimbursement cost. Paul Brazil, Director of Public Works, stated he could not guarantee that the state would have reimbursement costs, but this was a typical reimbursement. Council Member Araskog asked about the paving project schedule, and Mr. Miracle stated the paving would be following the stages of completion.

Council Member Cooney asked about the increase in healthcare deductibles. Ms. Barth talked about slightly increasing the healthcare deductibles. She stated that slow incremental responses were being implemented while never putting any employee in a situation where it is unattainable for them to deal with their healthcare issues. Council Member Cooney wanted to make sure that the town was competitive. Council Member Cooney asked about recruitment and the cost of living in this area. Ms. Barth felt that the town was doing quite well with recruitment. Council Member Cooney thanked Town Manager Blouin, Mr. Miracle, and all the department directors for their hard work on the budget. Council Member Cooney was happy to see the increased staffing request for public safety. He asked about recruitment and staffing levels. Chief Caristo stated that the town had a strong recruitment and many new, quality recruits were from the northeast. Council Member Cooney asked about his thoughts on contractual employees. Mr. Blouin discussed that prior to the great recession, hiring contractual employees was ideal. However, substantial changes have been made, and the town is competitive. He said many times it would cost the town more to hire contractual help than full-time employees. He also mentioned that the town maintains better quality control when hiring its employees. Council Member Cooney wondered if the town should be concerned about the limited ability to find new revenue streams. Mr. Blouin said the town has adopted a new philosophy for generating revenue streams. One would be to maximize its assets. He said there are a few opportunities left, but other opportunities would require council direction, legal research, and possibly additional staff.

Council President Pro Tem Crampton added that many groups and residents contribute to the town's expenses. Mr. Blouin agreed that the town has received great gifts, but they do so with some discussion and trade-offs. Mr. Miracle stated that when there are small surpluses, the staff looks at the capital improvements where they can contribute when it makes a small difference. The town strives not to take on new debt, strategically evaluating needs versus wants. Mr. Blouin stated that financial planning is helping to set the town up for the future. Council Member Cooney acknowledged that keeping the millage rate the same as last year helped to allow for good budget planning this year. He asked if keeping the millage rate the same would help. Mr. Blouin thought that planning the FY27 budget would be challenging, anticipating a lot of unknowns; Mr. Miracle concurred.

Council President Pro Tem Crampton asked about the costs for undergrounding, and Mr. Miracle

stated that all the costs had been submitted and were known. Council President Pro Tem Crampton asked about the positions open in the Police Department and wondered if they would assist with traffic. Chief Caristo discussed the external and internal need for more police officers.

Council Member Araskog asked about the dollar amount the town spends to protect the President and if the town receives any reimbursement. Chief Caristo said the Sheriff's Office is tasked with providing additional security around Mar-a-Lago. He said anything related to Mar-a-Lago is broken down by hours and costs. The Police Department does submit for reimbursement. Mr. Blouin said the Town did get some reimbursement from the federal government for duties related to the 45th President.

Council President Pro Tem Crampton acknowledged that the ADAC (the amount of money the town contributes to pension funds) would be reduced in the next few years. He stated that the \$5.4 million in annual contributions would not have to be made in the future, after next year. He said the town is in great shape with regard to long-term funding.

Council Member Moran recommended making the parking revenue its own enterprise. She thought keeping the millage rate was a good idea, as it would contribute the extra money to future capital projects.

Council President Pro Tem Crampton thought the budget was solid, and the millage rate did not need to be raised. He discussed the excess reserves that should handle contingencies. He did not believe the millage rate needed to be maintained and could be reduced.

Council Member Araskog asked about the health fund's minimal requirement. Mr. Miracle explained that, when working with the consultants, they look at claim experience and make a recommendation as to what they believe the fund balance should be to cover the healthcare costs. This is the first time healthcare has been underfunded. He said this was why staff was asking to increase the transfer by roughly \$2.6 million to stabilize that fund. Council Member Araskog wondered if the new employee in Public Works would be hired early enough to train, and if the two outgoing employees would be allowed to consult with the town. Council Member Araskog thought the millage rate should be held consistently and not reduced; she thought there were many unknowns, and the town should keep a cushion.

There was a consensus of the Town Council to keep the millage rate at the existing 2.6110, and not to lower it to 2.5311.

Council President Pro Tem Crampton called for public comment.

Mark Zeidman, 229 Barton Avenue, spoke about the budget and agreed with the meeting's consensus, holding the millage rate at 2.6110. He said that looking ahead, he sees more headwinds than tailwinds. He felt the increase in protective capital expenditures for capital improvement and coastal resiliency projects had been significant. He noted that these two funds were projected to run net deficits from time to time over the next several years.

4. **60-2025** A Resolution Of The Town Council Of The Town Of Palm Beach, Palm Beach County, Florida, Approving A Proposed Operating Millage Rate Of 2.6110 For The Tentative Fiscal Year 2026 Budget; Approving The Computed Rolled-Back Millage Rate Of 2.4310 To Be Provided To The Property Appraiser In Accordance With F.S. 200.065;

Establishing The Date, Time And Place Of The First And Final Budget Hearings To Consider The Proposed Millage Rates And Tentative Fiscal Year 2026 Budget And Directing The Town Manager To Transmit This Information To The Property Appraiser Of Palm Beach County In Accordance With The Requirements Of F.S. 200.065.

A motion was made by Council Member Araskog and seconded by Council Member Moran to approve Resolution No. 060-2025. The motion was carried unanimously, 4-0.

5. **61-2025** A Resolution of the Town Council of the Town Of Palm Beach, Palm Beach County, Florida, Amending Golf Fees for Fiscal Year 2026.

A motion was made by Council Member Araskog and seconded by Council Member Cooney to approve Resolution No. 061-2025. The motion was carried unanimously, 4-0.

6. **75-2025** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Establishing Marina Annual and Transient Dockage Rates for the Fiscal Year 2026.

A motion was made by Council Member Araskog and seconded by Council Member Moran to approve Resolution No. 075-2025. The motion was carried unanimously, 4-0.

7. **62-2025** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Amending Recreation Department Fees for Fiscal Year 2026.

A motion was made by Council Member Araskog and seconded by Council Member Moran to approve Resolution No. 062-2025. The motion was carried unanimously, 4-0.

8. **63-2025** A Resolution Of The Town Council Of The Town Of Palm Beach, Palm Beach County, Florida, Relating To The Worth Avenue Improvement Project; Establishing The Estimated Assessed Cost Against The Properties That Will Be Benefitted Thereby; Directing The Town Manager To Prepare Updated Assessment Rolls; Establishing A Public Hearing To Consider Approval Of The Assessment Rolls And Reimposition Of The Maintenance Assessments And Their Collection Pursuant To The Uniform Assessment Collection Act; Directing The Provision Of Notice; And Providing For An Effective Date.

A motion was made by Council Member Araskog and seconded by Council Member Moran to approve Resolution No. 063-2025. The motion was carried unanimously, 4-0.

9. **64-2025** A Resolution Of The Town Council Of The Town Of Palm Beach, Palm Beach County, Florida, Relating To Maintenance Of The Peruvian Avenue Improvement Project; Establishing The Estimated Assessed Cost Against The Properties That Will Be Benefitted Thereby; Directing The Town Manager To Prepare An Updated Assessment Roll; Establishing A Public Hearing To Consider Approval Of The Assessment Roll And Reimposition Of The Maintenance Assessments And Their Collection Pursuant To The Uniform Assessment Collection Act; Directing The Provision Of Notice; And Providing For An Effective Date.

A motion was made by Council Member Araskog and seconded by Council Member Moran to approve Resolution No. 064-2025. The motion was carried unanimously, 4-0.

10. **65-2025** A Resolution Of The Town Council Of The Town Of Palm Beach, Palm Beach County, Florida, Relating To The Collection And Disposal Of Commercial Solid Waste; Establishing The Estimated Assessed Cost Against The Properties That Will Be Benefitted Thereby; Directing The Town Manager To Prepare An Updated Solid Waste Assessment Roll; Establishing A Public Hearing To Consider Approval Of The Assessment Roll And Reimposition Of The Service Assessments And Their Collection Pursuant To The Uniform Assessment Collection Act; Directing The Provision Of Notice; And Providing For An Effective Date.

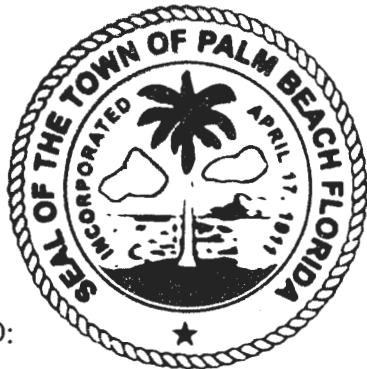
A motion was made by Council Member Araskog and seconded by Council Member Moran to approve Resolution No. 065-2025. The motion was carried unanimously, 4-0.

ANY OTHER BUSINESS

There was no other business discussed at this time.

ADJOURNMENT

A motion was made by Council Member Cooney and seconded by Council Member Araskog to adjourn the meeting at 11:51 AM. The motion was carried unanimously, 4-0.



APPROVED:

Kelly Churney
Kelly Churney, CMC, Town Clerk
Date: 8/12/25

APPROVED:

Lewis S.W. Crampton
Lewis S.W. Crampton, Council President
Pro Tem