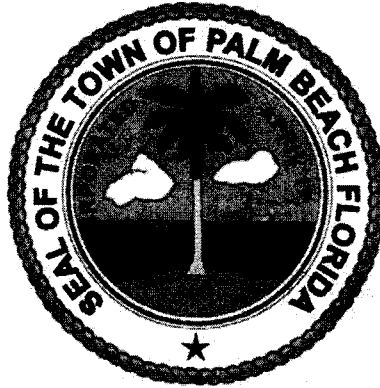




TOWN OF PALM BEACH

Minutes of the Special Town Council
Budget Workshop Meeting
Held on July 13, 2023

I. CALL TO ORDER AND ROLL CALL

The Special Town Council Budget Workshop Meeting was called to order on July 13, 2023, at 9:31 a.m. On roll call, all elected officials were found to be present.

II. PLEDGE OF ALLEGIANCE

Council President Zeidman led the Pledge of Allegiance

III. APPROVAL OF THE AGENDA

Motion made by Council Member Cooney and seconded by Council President Pro Tem Lindsay to approve the agenda as presented. Motion carried unanimously, 5-0.

IV. COMMUNICATIONS FROM CITIZENS – 3-MINUTE LIMIT, PLEASE

Pat Cooper, West Palm Beach, inquired about the calculation of the Town's debt margin.

Council Member Araskog stated that she thought it would be helpful to have the actual number of the Town's debt margin in the budget.

V. TOWN MANAGER'S OVERVIEW OF THE PROPOSED FY24 BUDGET

1. Fiscal Year 2024 Proposed Budget

1. Fiscal Year 2024 Proposed Budget
Kirk Blouin, Town Manager

Mr. Blouin explained the annual budget process and spoke regarding the

challenge of the high rate of inflation in South Florida and rising construction costs. He spoke regarding his and the Department Heads' continual efforts to increase efficiency and monitor spending. He spoke regarding the increase in property values allowing the Town to approve a lower millage rate for the sixth year in a row.

2. General Fund

1. Review of General Fund Revenues for FY2024

Bob Miracle, Deputy Town Manager - Finance & Administration

Deputy Town Manager Miracle explained the slide presentation. He stated that the proposed millage rate was 2.6110, which was lower than last year's and would result in a zero increase to homesteaded properties. Council Member Araskog requested clarification regarding property values being increased, which would result in higher taxes. Mr. Blouin clarified that homesteaded properties would have no increase, while non-homesteaded properties would have an increase of \$179 per million.

Council Member Crampton inquired about why staff was proposing to pay for the North Fire Station out of the general fund, to which Mr. Blouin responded and explained the choice not to borrow money for this project. Mr. Miracle provided additional information. Council Member Cooney requested clarification regarding the impact of reconstructing the North Fire Station at this time and the planning of other facility improvements, to which Mr. Blouin responded.

Mr. Miracle spoke regarding the proposed COLA for employees: based on the 9% CPI, the COLA would be a 7% lump sum payment and a 2% salary increase. He spoke regarding the recommendation for future COLA payments to be made as a lump sum in order not to impact the retirement fund. He spoke regarding handouts that he distributed that depict what other municipalities were offering and answered Council Members' questions. Mr. Blouin and Mr. Miracle provided additional information on the other cities in response to questions from Council Members. Council Member Crampton spoke in support of the lump sum payments. Mayor Moore spoke regarding other municipalities going through the same process at the same time.

Mr. Miracle explained the increases to expenses in the general fund, which would result in an approximate \$7.8 million increase. In response to a question from Ms. Zeidman regarding the increase to health insurance, Mr. Blouin explained the increase to the Town's health insurance. Ms. Zeidman clarified the increase to the retirement account and inquired about the expense for the Town Code Reform, to which Mr. Blouin responded.

Mr. Miracle spoke regarding increases in investment earnings and the

proposed parking revenues. Ms. Araskog expressed concern that the backup made assumptions that the parking program would be moving forward with the Worth Avenue component when that had not been approved.

Mr. Miracle provided an overview of large projects that were expected for the upcoming five years. Ms. Lindsay spoke regarding some of the projects being pushed off due to various reasons and that those projects would not be hitting the 2024 budget. Mr. Crampton inquired about the Linear Park project, to which Mayor Moore responded. Ms. Araskog explained the future planning of Reach 8 and the reason why it was not budgeted at this time. She inquired about pursuing grants for the seawall project, to which Mr. Blouin responded.

Council President Zeidman spoke regarding the Town Council adopting a resolution to allocate \$17 million to the North Fire Station project. She explained the necessity to address the structural issues with the building, which was a historic building. Mr. Blouin addressed the financing and costs included in the project. Council Member Cooney spoke in support of the renovation of the Fire Station and stated that it was the second oldest fire station in the State of Florida. Ms. Araskog stated that the cost to demolish and rebuild it would be the same as renovation. Ms. Lindsay spoke regarding restoration being more costly than new construction, but the decision to restore this building was the only choice for the Town Council. Mr. Crampton spoke regarding the soft costs for the project and stated that the Town would be contracting with a Construction Manager at Risk so the construction costs stay on budget.

Mr. Miracle provided an overview of the Town's reserves and provided information on each fund. Mr. Miracle addressed equipment replacement, and Mr. Blouin provided additional information on the process of equipment replacement. Mr. Miracle answered questions from Council Members regarding the fund balance and status of the Town's reserves. Mr. Blouin responded to a question from Mr. Crampton regarding the levels of each reserve fund and the Town's bond rating and addressed why some of the reserve levels were lower this year. He spoke regarding policy changes that were being proposed. He spoke regarding the beach renourishment reimbursements, and Mr. Miracle answered questions from Mr. Crampton regarding the transfers for the coastal projects.

Clerk's Note: A short break was taken at 11:14 a.m. The meeting resumed at 11:21 a.m.

Council Member Araskog inquired if the Town Council should change the policy to increase the limit on reserves due to the issues in the economy and unanticipated capital projects. Mr. Miracle stated that he would like to do

more research on other coastal communities prior to making a recommendation to change the policy. Mr. Blouin provided additional information.

Mr. Miracle explained how the Town was funding capital projects and responded to a question from Mr. Crampton regarding how certain projects would be funded in the future.

He spoke regarding options for where additional funds could be transferred. Council Member Araskog stated that she did not believe that the Town should put money towards the Phipps project this fiscal year. Council Member Crampton spoke regarding fundraising efforts for the Phipps project and spoke regarding being able to expend \$1 million for the project by utilizing one of the options. Discussion ensued on whether the Town Council should discuss this item at this time. Council President Pro Tem Lindsay spoke in support of looking at providing \$2 million of funds towards the Phipps Ocean Park project on a phased approach over 2 fiscal years.

Council Member Cooney spoke in support of expanding funds to add new police officer positions to increase the police presence in the community. Mr. Blouin provided additional information on new positions and part-time contractual employees that were being added to the Police Department. Discussion ensued on the staffing of the Police Department and whether additional funds should be expended for additional officers. Further discussion ensued regarding allocating funds for the Phipps Ocean Park project and additional police officers.

Council Member Crampton spoke regarding the possibility that the proposed parking program could have additional expenditures that would come back to Town Council. He spoke regarding the impact that parking enforcement on Worth Avenue would have on the Town's budget.

Council President Zeidman spoke in support of using \$1 million of the debt service fund in Fiscal Year 2024 and \$1 million in Fiscal Year 2025 for the Phipps Ocean Park project. President Zeidman asked for and received consensus on the allocation of money to the Phipps Ocean Project. Mr. Blouin and Mr. Miracle spoke regarding obtaining the funds from the best option. Ms. Zeidman spoke regarding increasing the presence of the Police Department in the community, and Mr. Blouin spoke regarding accomplishing that goal after all open positions and over-hires were filled. He further stated that staff would continue to review staffing, including for Code Enforcement. The Town Council provided consensus for the transfers of capital and coastal projects.

Council Member Araskog inquired about new positions that were going to be added to the Department of Planning, Zoning and Building, to which Mr.

Bergman responded. Mr. Blouin provided additional information about the department's budget and new positions.

In response to comments by Council Member Crampton, Mr. Blouin spoke regarding parking enforcement.

2. General Fund Expenditures – Department Review

- a. Legislative
- b. General Government
- c. Town Manager
- d. Advice and Litigation
- e. Town Clerk
- f. Information Technology
- g. People & Culture
- h. Finance
- i. Planning and Zoning
- j. Recreation and Tennis
- k. Fire-Rescue
- l. Police
- m. Public Works
- n. Transfer and Other

3. Special Revenue Fund

- 1. Town-wide Underground Utility Fund

H. Paul Brazil, Director of Public Works

4. Debt Service Funds

- 1. Debt Service Funds

Bob Miracle, Deputy Town Manager - Finance & Administration

5. Capital Improvement Funds

- 2. Pay As you Go Capital Improvement Program

- 3. Coastal Protection Program

- a. Review of 10-year plan

- 4. Worth Avenue Maintenance Program

Bob Miracle, Deputy Town Manager - Finance & Administration

H. Paul Brazil, Director of Public Works

6. Enterprise Fund Budgets

- 1. Marina Enterprise Fund

- 2. Par 3 Golf Course Enterprise Fund

- 3. Building Enterprise Fund

Carolyn Stone, Deputy Town Manager

Wayne Bergman, Planning, Zoning and Building Director

7. Internal Service Funds

1. Health Insurance
2. Risk Management
3. Equipment Replacement Fund

Bob Miracle, Deputy Town Manager - Finance & Administration

8. Trust and Agency Funds

1. Pension Fund
2. OPEB Trust

Bob Miracle, Deputy Town Manager - Finance & Administration

PUBLIC COMMENT:

Amanda Skier, Preservation Foundation of Palm Beach, thanked the Town Council for the Town's contribution of \$2 million for the Phipps Ocean Park project.

VI. RESOLUTIONS

- A. **RESOLUTION NO. 086-2023** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County Florida, Approving a Proposed Operating Millage Rate of 2.6932 for the Tentative Fiscal Year 2024 Budget; Approving the Computed Rolled Back Millage Rate of 2.3736 to be Provided to the Property Appraiser in Accordance with F.S. 200.065; Establishing the Date, Time and Place of the First and the Final Budget Hearings to Consider the Proposed Millage Rates and Tentative Fiscal Year 2024 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.

Bob Miracle, Deputy Town Manager - Finance and Administration

Council Member Araskog read the title of the resolution.

Council President Zeidman called for comment; no one indicated a desire to speak.

Motion was made by Council Member Araskog and seconded by Council Member Cooney to approve Resolution No. 086-2023. Motion carried unanimously, 5-0.

- B. **RESOLUTION NO. 087-2023** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Amending Recreation Department Fees for Fiscal Year 2024.

Mark Bresnahan, Director of Recreation

Council Member Cooney read the title of the resolution.

Council President Zeidman called for comment; no one indicated a desire to speak.

Motion was made by Council Member Cooney and seconded by Council President Pro Tem Lindsay to approve Resolution No. 087-2023. Motion carried unanimously, 5-0.

- C. **RESOLUTION NO. 088-2023** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Amending Golf Fees for Fiscal Year 2024.

Mark Bresnahan, Director of Recreation

Council Member Cooney read the title of the resolution.

Council President Zeidman called for comment; no one indicated a desire to speak.

Motion was made by Council Member Cooney and seconded by Council Member Araskog to approve Resolution No. 088-2023. Motion carried unanimously, 5-0.

- D. **RESOLUTION NO. 089-2023** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Establishing Marina Annual and Transient Dockage Rates for Fiscal Year 2024.

Carolyn Stone, Deputy Town Manager - Business and Culture

Council Member Cooney read the title of the resolution.

Council President Zeidman called for comment; no one indicated a desire to speak.

Motion was made by Council Member Cooney and seconded by Council President Pro Tem Lindsay to approve Resolution No. 089-2023. Motion carried unanimously, 5-0.

- E. **RESOLUTION NO. 090-2023** 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 Estimate Assessed Cost Against the Properties that will be Benefited 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.

H. Paul Brazil, P.E., Director of Public Works

Council President Zeidman read the title of the resolution.

Council President Zeidman called for comment; no one indicated a desire to speak.

Motion was made by Council President Zeidman and seconded by Council Member Cooney to approve Resolution No. 090-2023. Motion carried unanimously, 5-0.

- F. **RESOLUTION NO. 092-2023** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County Florida, Relating to the Relating To The Peruvian Avenue Improvement Project: Establishing the Estimate Assessed Cost Against the Properties that will be Benefited Thereby; Directing the Town Manager to Prepare an 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.

Bob Miracle, Deputy Town Manager - Finance and Administration

Council Member Cooney read the title of the resolution.

Council President Zeidman called for comment; no one indicated a desire to speak.

Motion was made by Council Member Cooney and seconded by Council Member Araskog to approve Resolution No. 092-2023. Motion carried unanimously, 5-0.

- G. **RESOLUTION NO. 093-2023** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County Florida, Relating to the Relating To The Worth Avenue Improvement Project: Establishing the Estimate Assessed Cost Against the Properties that will be Benefited Thereby; Directing the Town Manager to Prepare an 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.

Bob Miracle, Deputy Town Manager - Finance and Administration

Council Member Cooney read the title of the resolution.

Council President Zeidman called for comment; no one indicated a desire to speak.

Motion was made by Council Member Cooney and seconded by Council President Pro Tem Lindsay to approve Resolution No. 093-2023. Motion carried unanimously, 5-0.

VII. ANY OTHER MATTERS

Council President Zeidman announced the following dates for the upcoming budget hearings:

Tuesday, September 12, 2023, 5:01 PM
Thursday, September 21, 2023, 5:01 PM

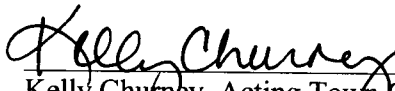
VIII. ADJOURNMENT

The meeting adjourned at 12:16 p.m. without the benefit of a Motion.

APPROVED:


Margaret A. Zeidman, Town Council President

ATTEST:


Kelly Churney, Acting Town Clerk
Date: 8/8/23

