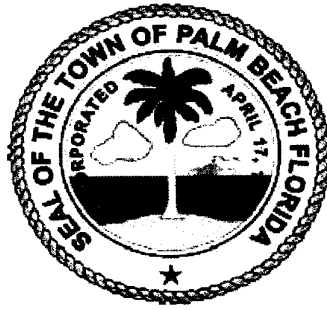




TOWN OF PALM BEACH

Minutes Of The Special Town Council
Budget Workshop Meeting
Held On July 11, 2024

I. CALL TO ORDER AND ROLL CALL (00:11)

The Town Council Meeting was called to order at 9:31 a.m. On roll call, all council members were found to be present.

II. PLEDGE OF ALLEGIANCE (01:41)

Council President Lindsay led the Pledge of Allegiance.

III. APPROVAL OF AGENDA (02:01)

A motion was made by Council President Pro Tem Crampton and seconded by Council Member Araskog to approve the agenda as presented. The motion was carried unanimously, 5-0.

IV. COMMUNICATIONS FROM CITIZENS - 3 MINUTE LIMIT (02:30)

There were no comments heard at this time.

V. TOWN MANAGER'S OVERVIEW OF THE PROPOSED FY25 BUDGET (02:49)

A. Fiscal Year 2025 Proposed Budget

1. Fiscal Year 2025 Proposed Budget
Kirk Blouin, Town Manager

Mr. Blouin discussed the year-long budget review. He discussed the new Fire Inspector paid out of the Planning Zoning and Building Enterprise

Fund, and three Parking Patrol Officers which will be revenue producing positions. The parking patrol officers were previously contract employees. He stated that last fiscal year there was \$6 million in surplus funds that have been earmarked for projects that have been approved by the Mayor and Town Council for fiscal years 2025 and 2026. Mr. Blouin noted that the town has been six years without any increase in property taxes.

This discussion lasted approximately 7 minutes. To listen, please click the link on the agenda topic above.

B. General Fund (10:07)

1. Review of General Fund Revenues for FY 2025
Bob Miracle, Deputy Town Manager - Finance & Administration

Mr. Miracle thanked the Town Council for providing their feedback. He thanked Mr. Blouin and Ms. Stone for their wisdom and guidance. He thanked Ms. Ladd for her contributions and Mr. DiSimone.

Inflation pressures on the capital side. Since COVID, many projects such as fire station and undergrounding, have increased costs. Have been able to pay cash and kept property taxes as low as possible. The budget is getting tighter and revenues are leveling off.

Mr. Blouin built in two items into the budget, which helped shore up the unfunded retirement

Clerk's note: Council Member Araskog left the meeting at 9:45 a.m.

Mr. Miracle discussed a property tax proposal reducing millage rates, which would be a zero-tax increase for homestead property owners and would increase \$161 per million increase for non-homestead property owners.

Mayor Moore wondered if the millage rate should remain steady to provide a cushion should the Town need one. She did not believe the savings were significant enough that homeowners would notice. Mr. Blouin thought the note was valid. Council Member Araskog agreed with Mayor Moore.

Mr. Miracle stated that home sales in Palm Beach were decreasing, which placed a capacity on homestead exemptions. He clarified that

the numbers shown were for FY 2024. He indicated that home sale prices were increasing. Mr. Miracle reviewed the amount of property tax revenue that the Town should expect to receive in 2024-2025.

Mr. Miracle provided a summary of the major changes for the FY2025 budget. The revenues were expected to be about \$10.9 million, where the expenditures were expected to be about \$10.8 million. He discussed the general fund major expense increases, which included salary, benefits, retirement, contractual increases and transfers to capital fund, which amounted to a \$9.5 million increase vs. a \$5.2 increase in proposed property tax revenues. He noted that paid parking and investment fund increases would help to cover the deficit.

Council President Lindsay asked about the parking increase and wondered when those amounts were increased. Mr. Miracle thought it was about 2-3 years ago. Council President Lindsay noted that the rates were increased prior to inflation and thought the rates could be discussed. Mr. Miracle stated the parking rates were \$7.00 per hour along Ocean Boulevard and \$5.00 per hour everywhere else.

Mr. Miracle discussed the proposed new positions to be hired in October. These positions were in the Police Department, the Fire Department, and a new project manager for ERP, which will impact every department. He explained justification for the proposed positions.

Mr. Blouin discussed the overtime for the Fire Department and reviewed the need. He discussed how the need increased costs and analyzed whether overtime should be paid, or additional firefighters be hired.

Council President Pro Tem Crampton thought it was smart to manage the issue. Council Member Cooney asked for clarification on the overtime pay. Mayor Moore wondered if the Town had issues filling the positions. Mr. Blouin stated that the Town still lost employees to attrition. Mr. Miracle thought reducing overtime could save money and allow employees to enjoy their time off. He added that services would improve with the addition of personnel.

Council Member Cooney asked if the younger employees were working overtime even when they were not seeking out the overtime. Messrs. Miracle and Blouin stated that the employees were not seeking as much overtime as in the past.

Mr. Miracle discussed the funded capital projects. He discussed the projects that were included and excluded. He asked for the Town Council's direction in these items.

Mr. Blouin thought that the Town Council may believe that the paving for Phases 4 South and 5 North may be lower than \$4 million, and they may want to act on this item. The Town Council agreed, and Mayor Moore thought that it would be a good argument not to lower the millage rate.

Mr. Miracle discussed capital and future capital projects beyond 2025. He stated that paving was not funded as part of the undergrounding budget and would cost at least \$10-15 million. He added that this item would need to be funded from the budget.

Mr. Miracle reviewed the reserve status of all the funds and discussed how the general fund was doing well and was healthy. Mr. Miracle answered questions about the Marina and the Par 3 (golf course) enterprise funds. He also discussed how the building enterprise fund was paying a portion of the public service renovation.

Discussion ensued about docks and insurance. Council President Lindsay asked if docks are insured against storm damage. Ms. Stone said the Town does not have business interruption insurance and self-insures the docks. Quotes are being solicited for business interruption insurance. Mr. Blouin noted that the docks are rated at a Category 3 and should a significant event damage the docks, the Town would work to get them back in place as soon as possible. He noted that depending on availability of materials, docks can be replaced quickly.

Mayor Moore thought the optics of lowering the millage rate was nice, but she added that they needed to hold the line this year rather than having to significantly increase millage rates in the future.

Council Member Moran thought that with the decrease in property sales, holding the line this year would be a responsible decision. She thought many of the items were a must to take action on.

Mayor Moore asked Mr. Brazil about the items needed. She asked about the canopy drainage on North County Road. She wondered if it should be moved up on the priority list. Mr. Brazil stated that he went out to bid for the item and received one bid that exceeded the estimate. Subsequently, staff put it out for bid again and no bids have been received. Staff has had a hard time finding a contractor to take on the

project. Because of the single bid high estimate, Paul Brazil freed up those funds to do the paving. Mayor Moore discussed the importance of paving Phases 4 South and 5 North. She wondered if many of the projects should occur at one time to get it all done simultaneously.

Council Member Cooney wondered if there were cost savings associated with the drainage project, since repaving would be necessary after undergrounding.

Council President Lindsay agreed that the paving of phases 4 south and 5 north needed to be done. She thought it was unfair to the neighborhood to leave it for another year. She thought the painting and design tied to the Phipps park renovation should be postponed. Mr. Brazil added that the painting of the building was overdue as well as some interior renovations that were overdue.

Mr. Brazil provided the methodology behind the ranking of the projects at the request of Mr. Blouin. Council President Lindsay asked about the solid waste facility located at the Pinewalk/Skees Road refuse area. Mr. Brazil responded.

Council President Lindsay agreed with Mayor Moore that the millage rate should not be reduced this year. She agreed with many of the inclusions and some of the exclusions. She thought the paving for Phases 4 South and 5 North should be added to the inclusions as not doing it this year is unfair to the affected neighborhoods. She also thought the marina garbage relocation to inside the utility park area should be included.

Mr. Blouin stated that if the millage rate were maintained, an additional \$2.4 million would be added to the budget. Council President Lindsay noted that while it would not entirely cover the paving and the garbage relocation, it would help cover some of those costs.

Council President Pro Tem Crampton agreed with Council President Lindsay that the marina garbage relocation should be included in this year's budget and funded out of the marina budget. He also agreed that the budget for the paving could be covered with parking fees, which he thought should be increased as he was not in favor of even a modest increase in taxes.

Council President Lindsay agreed with Council President Pro Tem Crampton on the parking fees.

Council Member Cooney appreciated the commitment to reduce taxes. However, he thought paving was a must, especially since the commitment to undergrounding always included the promise of new paved roads. He was wary of adjusting parking fees this year, especially since the new parking program had not been fully rolled out. He thought the program should be given time to succeed over the next season. After some discussion, the Council unanimously thought Council Member Cooney made a good argument. They agreed to keep the planned rate system for a year and will review it next year.

Council President Lindsay suggested using drone surveillance next season on RPP spaces in the midtown residential and marina area to monitor the RPP demand and determine whether some of the spaces might be converted to some of the 40 placard parking spaces that were lost when the marina was rebuilt.

Mr. Brazil discussed the accuracy of the garbage relocation budget amount, including a credit for eliminating the removal of select hardscape in the park because of subsequent revisions to the ordinance including waste management services as a utility. That marginally reduces the cost of the current \$600,000; budgeted however, that number is approximately 2 years old and will require updating.

Mayor Moore asked about the D-12 Resiliency Scope for building and hardening was and what it included. Mr. Brazil responded. She asked if that project could be moved to FY26. Mr. Brazil said perhaps.

Council Member Moran asked about the risk of excluding some of the resilience. Mr. Brazil said very little.

Council Member Cooney asked about the Pinewalk property, and Mr. Brazil said the property is leased from the Breakers for one dollar. He said all of the small residential garbage vehicles would have to go out to a solid waste facility. This lease allows for those vehicles to remain on the island and transfer to a larger vehicle.

Council Member Moran asked if there was a policy about what the balance in the dock replacement fund needed to be. Mr. Blouin responded that funds are transferred annually into the dock replacement fund.

Council President Pro Tem Crampton thought that the paving funds should be able to be allocated.

Mr. Blouin anticipated the desire from the Town Council to do the paving. He discussed options to offset the costs. Mr. Miracle stated that he could ask for a one-time transfer for equipment replacement from the Marina fund for the paving. He stated that the operation would lose money in 2025, but it had \$20 million in cash. He stated next year, it could be an issue.

Mayor Moore would rather be steady and keep the millage rate constant, rather than raising taxes next year.

Carolyn Stone stated that the excess marina reserve funds were like self-insurance. Moving the marina garbage would still require keeping the current garbage pavilion area for storage.

Council Member Moran thought the Par 3 golf course needed some attention and improvements. She was unaware of where the funds would come from. Mr. Miracle and Ms. Stone stated it would come from the Par 3 fund capital improvement plan.

Council President Lindsay called for public comment.

Public Comment

Martin Klein, 1060 N. Ocean Blvd., agreed with Mayor Moore and thought the costs should be smoothed over more than one year. He did not support lowering the millage rate. Mr. Klein asked Mr. Miracle where the cost of the zoning code reform consultant was budgeted. Mr. Miracle responded that it was a prior budget amendment in the amount of approximately \$1.1 million. Mr. Klein thought that money went to the Planning and Zoning Department. Mr. Miracle stated that there was a code violation fine of \$1.7 million last fiscal year, which went into the general fund.

Mark Zeidman, 229 Barton Avenue, thought the key issue was the millage rate. He thought that by looking at the pay as you go fund and the coastal management fund, you begin to see some significant reserve fund deficits were noted. Future year projections do include some slight increases in transfers from other funds. He looked at major increases in taxes that the town would have to pay in future years, noting some future deficits of funds. He thought the Town should look at the capital budget projects and whether the contingency reserve funds were available to fund these projects. He supported what Mayor Moore stated, addressing items sooner and retaining the current millage rate.

Mr. Blouin asked for a consensus on keeping parking rates at \$7 and \$5.

There was a consensus of the Town Council to leave parking rates at \$7 on the ocean and \$5 for everywhere else for this year only.

Mr. Blouin asked for a consensus on including pay for paving Phases 4 South and 5 North, and the marina garage.

The consensus of the Town Council was to move forward with the included/excluded and finding a way to pay for paving for Phases 4 south and 5 north and marina garbage. Mr. Miracle stated that both could be covered with reallocation of revenues with the side note that the marina fund would lose money in 2025, noting that we will have \$2.4M in next year's budget as well.

Mr. Blouin confirmed that there was a consensus to maintain the current millage rate, pay for paving of phases 4 South and 5 North, and marina garbage. He stated that \$2.4 million would be added to the budget if the current millage rate is maintained. There was consensus of the Town Council.

Mr. Blouin said a decision needed to be made with regard to placing the canopy drainage project in the FY25 or FY26 budget. Mr. Brazil stated the bid was twice as much as the engineer's estimation.

Mr. Blouin asked about the disruption in the area. Mr. Brazil responded. Council Member Moran asked about the cost savings that would be experienced for doing the project all at once. She asked about the staff recommendation for the project. Mr. Brazil thought the project should be done in conjunction with undergrounding paving in the area in 2025 or 2026.

Council President Pro Tem Crampton asked about the \$2.4 million and where the money would go if the millage rate were not lowered. Mr. Miracle stated that money would go into the capital improvement fund to offset costs.

Mr. Blouin asked if some of the canopy drainage could be done in FY25 and the rest in FY26.

The consensus of the Town Council was for marina garbage and paving to begin. The canopy drainage project phasing should start in FY25 and

finish in FY26. The Town Council also agreed to retain the current millage rate.

Mr. Miracle looked at the future FY26, which predicted a decrease in home sales and an increase in capital and retirement costs. By increasing the capital fund by \$2.4 million, and by keeping the millage rate the same, it assists in keeping the funds balanced. Mr. Miracle discussed the possible \$2 to 4M shortfall in next year's budget.

Mr. Blouin stated that the same strategy would be pursued for the additional properties we own in West Palm Beach. He thought the properties in West Palm Beach would appreciate in value. He also noted that undergrounding would be paid off in 2027.

Mayor Moore reminded everyone that the Town Council had not made a decision on water at this time. While the item may be bonded, it was not included in future liabilities.

The budget resolutions presented were read and passed.

This discussion lasted approximately 2 hours and 21 minutes. To listen, please click the link on the agenda topic above.

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

Bob Miracle, Deputy Town Manager - Finance & Administration

C. Special Revenue Fund

1. Town-wide Underground Utility Fund

H. Paul Brazil, Director of Public Works

D. Debt Service Funds

1. Debt Service Funds
Bob Miracle, Deputy Town Manager - Finance & Administration

E. Capital Improvement Funds

1.
 - a) Pay As You Go Capital Improvement Program
 - b) Coastal Protection Program
 - 1) Review of 10-year plan
 - c) Worth Avenue Maintenance Program*Bob Miracle, Deputy Town Manager - Finance & Administration and
H. Paul Brazil, Director of Public Works*

F. Enterprise Fund Budgets

1.
 - a) Marina Enterprise Fund
 - b) Par 3 Golf Course Enterprise Fund
 - c) Building Enterprise Fund*Carolyn Stone, Deputy Town Manager - Business Enterprise and
Culture and Wayne Bergman, Director of Planning, Zoning and
Building Director*

G. Internal Service Funds

1.
 - a) Risk Management
 - b) Health Insurance
 - c) Equipment Replacement Fund*Bob Miracle, Deputy Town Manager - Finance & Administration*

H. Trust and Agency Funds

1.
 - a) Pension Fund
 - b) OPEB Trust*Bob Miracle, Deputy Town Manager - Finance & Administration*

VI. RESOLUTIONS

- A. RESOLUTION NO. 083-2024: (2:38:15) 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 2025 Budget; Approving The Computed Rolled-Back Millage Rate Of 2.3608 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 2025 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 & Administration

Mr. Miracle read the resolution by title only. He stated that the staff would be making a change to keep the millage rate the same upon first reading.

Motion was made by Council Member Cooney and seconded by Council Member Moran to approve Resolution No. 083-2024. On roll call, the motion was carried unanimously, 4-0 with Council Member Araskog absent.

- B. RESOLUTION NO. 080-2024: (2:39:56) 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.

H. Paul Brazil, Director of Public Works

Mayor Moore read the resolution by title only.

Motion was made by Council Member Cooney and seconded by Council President Pro Tem Crampton to approve Resolution No. 080-2024. On roll call, the motion was carried unanimously, 4-0 with Council Member Araskog absent.

- C. RESOLUTION NO. 082-2024: (2:40:57) 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 2025.

Carolyn Stone, Deputy Town Manager - Business Enterprise and Culture

Ms. Stone read the resolution by title only.

Motion was made by Council President Pro Tem Crampton and seconded by Council Member Cooney to approve Resolution No. 082-2024. On roll call, the motion was carried unanimously, 4-0 with Council Member Araskog absent.

- D. RESOLUTION NO. 084-2024: (2:41:16) 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 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.

Bob Miracle, Deputy Town Manager - Finance & Administration

Mr. Miracle read the resolution by title only.

Motion was made by Council President Pro Tem Crampton and seconded by Council Member Moran to approve Resolution No. 084-2024. On roll call, the motion was carried unanimously, 4-0 with Council Member Araskog absent.

- E. RESOLUTION NO. 085-2024: (2:42:06) 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.

Bob Miracle, Deputy Town Manager - Finance & Administration

Mr. Miracle read the resolution by title only.

Motion was made by Council President Pro Tem Crampton and seconded by Council Member Moran to approve Resolution No. 085-2024. On roll call, the motion was carried unanimously, 4-0 with Council Member Araskog absent.

- F. RESOLUTION NO. 086-2024: (2:42:44) A Resolution Of The Town Council Of The Town Of Palm Beach, Palm Beach County, Florida, Amending Golf Fees For Fiscal Year 2025.

Mark Bresnahan, Director of Recreation

Mayor Moore read the resolution by title only.

Motion was made by Council President Pro Tem Crampton and

seconded by Council Member Moran to approve Resolution No. 086-2024. On roll call, the motion was carried unanimously, 4-0 with Council Member Araskog absent.

- G. RESOLUTION NO. 087-2024: (2:43:03) A Resolution Of The Town Council Of The Town Of Palm Beach, Palm Beach County, Florida, Amending Recreation Department Fees For Fiscal Year 2025.
Mark Bresnahan, Director of Recreation

Ms. Stone read the resolution by title only.

Motion was made by Council Member Cooney and seconded by Council President Pro Tem Crampton to approve Resolution No. 087-2024. On roll call, the motion was carried unanimously, 4-0 with Council Member Araskog absent.

VII. ANY OTHER MATTERS (2:43:25)

Council Member Cooney asked about adding one police officer to the street daily and asked if Chief Caristo could check in with the Town Council.

Mr. Blouin stated that the Town had been incrementally increasing the police staff and added if the Phipps Park changes went through, it would be increased further. He also added that with a former President in Town and the upcoming election, even more staffing could be required.

Chief Caristo discussed the sworn full-time positions that had been filled.

Council President Lindsay asked about the staffing of the parking enforcement officers. Chief Caristo stated this had stabilized, but there were two positions open.

Mayor Moore acknowledged the long afternoon of discussion at the prior meeting. She thought that based on the information presented, the Town Council made the right decision. However, she was disappointed that the applicant did not present proper information for the Town Council to make a good decision to move forward.

Council Member Cooney agreed with Mayor Moore's statements, even though he dissented on the vote.

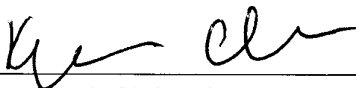
VIII. ADJOURNMENT (2:52:57)

Motion was made by Council Member Cooney and seconded by Council President Pro Tem Crampton to adjourn the meeting at 12:23 p.m. Motion was carried unanimously, 4-0 with Council Member Araskog absent.

APPROVED:


Bobbie D. Lindsay, Town Council President

ATTEST:


Katherine deClaire, Clerk's Assistant
Date: 8/13/24

