TOWN OF PALM BEACH

Office of the Town Clerk

MINUTES OF THE UNDERGROUND UTILITIES TASK FORCE MEETING HELD ON TUESDAY, NOVEMBER 3, 2015

I. CALL TO ORDER AND ROLL CALL

The Underground Utilities Task Force meeting was called to order on Tuesday, November 3, 2015, at 9:02 a.m., in the Town Council Chambers. On roll call, all Task Force Members were found to be present, with the exception of Vice Chair Ross.

II. PLEDGE OF ALLEGIANCE

Chair Smith led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

Motion was made by Task Force Member Bottorff, and seconded by Task Force Member Dowell, to approve the Agenda. On call for a vote, the motion carried 6-0.

IV. COMMUNICATIONS FROM CITIZENS (3 Minute Limit, Please)

John Corey, 226 Brazilian Ave., inquired regarding what type of street lights Australian Avenue would have as a result of the undergrounding.

Town Manager Bradford stated that neighborhoods will be given the option of standard FP&L lights or, for an additional cost, decorative lights.

Discussion ensued regarding taking a more comprehensive approach towards street lighting preferences and having the Public Works Department provide an overview of the street light system.

Madelyn Greenberg, 3360 S. Ocean Blvd., spoke in opposition to the proposed assessment methodology.

Town Manager Bradford provided additional information regarding assessment methodologies and the average cost of the project per parcel. He stated that he could arrange to have a consultant attend an upcoming meeting to discuss bond repayment methods.

Discussion ensued regarding the Town Council's decision to move forward with the referendum, the shared burden by the residents, revisiting individual costs adding years to the project, aesthetics, and service reliability.

Motion was made by Task Force Member Gary, and seconded by Task Force Member Gulbrandsen, to recommend that the Town Council review the financial methodology portion of the Project. On call for a vote, the motion carried 5-1, with Task Force Member Dowell dissenting.

Town Manager Bradford stated that he would arrange to have a consultant attend an upcoming meeting to discuss bond repayment methodologies.

MINUTES

A. UUTF Meeting Minutes of October 6, 2015

Motion was made by Task Force Member Parker, and seconded by Task Force Member Bottorff, to approve the minutes of the October 6, 2015, Underground Utilities Task Force meeting. On call for a vote, the motion carried 6-0.

V. AT&T PRESENTATION ON UNDERGROUNDING AND THE TOWN PROPOSED PROJECT WITH FOLLOWUP QUESTIONS FROM UUTF MEMBERS

Darrell Davis, Area Manager, AT&T

Darrell Davis, AT&T, provided an overview of undergrounding and the Town's proposed Project.

Discussion ensued regarding the availability and feasibility of installing fiber optic cables.

Motion was made by Task Force Member Gary, and seconded by Task Force Member Smith, to direct Town Manager Bradford to explore with AT&T the possibility of upgrading to fiber optic cable during the Project. On call for a vote, the motion carried 6-0.

(Clerk's Note: Task Force Member Parker left the meeting at this time.)

VII. OVERVIEW OF PUBLIC INFORMATION PROGRAM AND PROJECT TIMELINE FOR MARCH 15, 2016 REFERENDUM BY CORNERSTONE SOLUTIONS, INC.

Rick Asnani, Partner, Cornerstone Solutions

Rick Asnani, Cornerstone Solutions, Inc., provided an overview of the Public Information Program and project timeline for the referendum.

Discussion ensued regarding revising the ballot language for clarity and simplicity, asking citizens to vote yes on the referendum and keeping in compliance with the law, receiving help from organizations advocating for an issue, providing a list of contacts on the Town's website, Task Force members attending informational meetings, technical information availability, the ballot language submission date of December 11, 2015, addressing the assessment methodology questions separately from the referendum, and the Task Force serving as an oversight committee.

Motion was made by Task Force Member Gary, and seconded by Task Force Member Dowell, to recommend that the Town Council designate the Task Force as a de facto "Citizens Oversight Committee" during the design and construction phases of the Project, in addition to their current duties, should the voters approve the undergrounding referendum on March 15, 2016. On call for a vote, the motion carried 6-0.

VIII. UNDERGROUNDING COSTS AND FINANCIAL MATTERS

Jay Glover, Managing Director, Public Financial Management (PFM)
Jane Struder, Director of Finance

1. Staggered Financing Implementation Alternatives

   a. Revisit Bottorff Plan
   b. 50% of Bottorff Plan
   c. Assessments Delayed until Year 3

   Town Manager Bradford provided the status of the alternatives.

   Jay Glover, Public Financial Management (PFM), provided an overview of the three alternatives.

   Discussion ensued regarding assessing the entire Town in advance, the dollar amount impacting the referendum, the ballot reflecting the maximum amount of bonds issued on the Project, borrowing the money without excess financing cost, needing a fluid financial plan, paying the lowest cost over the life of financing, making firm financial decisions nine to twelve months after the referendum, the possibility of internally funding the Project for later reimbursement, negotiated financing, reluctance to go full bond due to excess financing costs, and the engineering company's draw schedule.

2. Assessment Cost Relative to Ad Valorem Cost Comparisons

   a. Top Ten Taxpayers
   b. Updated Estimates of Assessments Compared to Ad Valorem Cost

   Director of Finance Struder provided a presentation regarding the top ten taxpayers' assessment costs relative to ad valorem cost comparisons.

Discussion ensued regarding the differences taxpayers would pay between the special assessment and ad valorem methodologies, assessments being based on the size of the property and its structures, updating the 2009 property class data, assessing properties that have already undergrounded differently, ensuring that the data coincides with FPL's data, and verifying the accuracy of the needs of the major properties.

3. Assessment Methodology Update

a. Raftelis Financial Consultants update of the Underground Utility Assessment Methodology Report and Model.

Town Manager Bradford stated that Raftelis Financial Consultants would be meeting with the Task Force to discuss the Assessment Methodology Report and Model.

4. Financing Plan Tranches and Project Areas

Town Manager Bradford provided an overview of the financing plan tranches and project areas.

Discussion ensued regarding the viability of the sequencing plan, reasons for starting at the south side of Sloan's Curve, informing the public if the Task Force makes any changes to the financing plan, presenting a tentative plan at the December 1, 2015, meeting, informing the public that unforeseen circumstances in the field may cause the plan to change, starting construction north and south simultaneously and then the middle, keeping communication flexible with the public, the reasoning behind the sequencing, the effects of the Southern Boulevard Bridge construction on the Project, the Breakers and County Road poles and trees, and traffic congestion issues.

Task Force Member Gulbrandsen requested a Gantt chart update.

VI. ANY OTHER MATTERS – None

VII. ADJOURNMENT

There being no further business, the Underground Utilities Task Force Meeting of Tuesday, November 3, 2015, was adjourned at 11:47 a.m.

APPROVED:

Jeffery Smith
Chair

ATTEST:

Susan A. Owens

Susan A. Owens, MPA, MMC
Town Clerk

5/19/16
Date