TOWN OF PALM BEACH

Office of the Town Clerk

REPORT OF THE FINANCE AND TAXATION COMMITTEE MEETING HELD ON MONDAY, MAY 11, 2015

I. CALL TO ORDER AND ROLL CALL

The Finance and Taxation Committee meeting was called to order on Monday, May 11, 2015, at 2:00 p.m., in the Town Council Chambers. On roll call, Chairman Pucillo and Committee Member Kleid were present.

II. PLEDGE OF ALLEGIANCE

Chairman Pucillo led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

Motion was made by Committee Member Kleid, and seconded by Chairman Pucillo, to approve the Agenda. On call for a vote, the motion carried unanimously.

IV. AUDIT SELECTION COMMITTEE UPDATE

Jane Struder, Director of Finance

Director Struder provided an update on the Audit Selection Committee recruitment, spoke regarding auditor selection best practices, and provided Staff's recommendation.

Chairman Pucillo stated that Council Member Wildrick has agreed to serve on this committee.

Discussion ensued regarding tentatively scheduling the first Selection Committee meeting for the afternoon of June 9, 2015, either at 2:00 p.m. or following the Town Council meeting; and, if needed, scheduling a second meeting near the July Town Council meetings.

Motion was made by Committee Member Kleid, and seconded by Chairman Pucillo, to recommend the appointment of Council President Pucillo, Council President Pro Tem Kleid, and Council Member Wildrick to the Audit Selection Committee. On call for a vote, the motion carried unanimously.

Post Office Box 2029 • 360 South County Road • Palm Beach, Florida 33480
Telephone (561) 838-5416 • Facsimile (561) 838-5417
E-mail: townclerk@townofpalmbeach.com • Website: www.townofpalmbeach.com

V. COASTAL FINANCING UPDATE

Jane Struder, Director of Finance and
Jay Glover and Jeremy Neidfeldt, PFM

Jeremy Neidfeldt, PFM, provided an update on the Coastal Financing Plan.

Discussion ensued regarding Program cost overruns, the projected shortfall, transferring $6 million to the Coastal Program to fund the gap, fiscal year 2016 property tax revenue, the Town's reserve percentage and appropriate reserve levels, seawall project status, funding gap coverage options, caps, using non-General Fund reserves, extending the life of equipment assets and utilizing the savings for the Coastal Program, internal borrowing options, the Town's high credit rating and its 25% fund balance policy.

a. GROIN PROJECT FINANCING
H. Paul Brazil, P.E., Director of Public Works

Director Brazil provided an overview of the Groin Project and the funds available for Phase I of the Project.

Discussion ensued regarding the Groin Project, project phases and timing, bondable projects, whether we need to worry about this now, permitting, bids, the Beach Management Agreement, condition of the groins, identifying private groins, ownership and easement issues, perceptions, private owners piggybacking off of the Town's contract, seeing what work could be done for $5 million, and groin effectiveness.

VI. UNDERGROUND UTILITY PROJECT FINANCING PRESENTATION

Jay Glover and Jeremy Neidfeldt, PFM

Jay Glover, PFM, provided a presentation on Underground Utility Project financing.

Discussion ensued regarding bonding options, how bonding the Utility Project might affect the Coastal Management Financing Plan, tax exempt status and timeframes for expenditure of funds, doing the Project in phases and rate differentials, the Town's credit rating, scheduling a bond referendum, general obligation bond capacity, combining financing options, and effects on those who have already undergrounded their utilities.

By consensus of the Committee, PFM was directed to look into whether a bond could be structured such that a portion of the proceeds from the general obligation bond could be used to assume the special assessment obligation of those who have already undergrounded their utilities.

Discussion continued regarding bond procedures and timing, bond validation, equivalent benefit units, costing methodologies and the equity between them, prepayment of assessments, and financial assumptions.

By consensus of the Committee, PFM was directed to look into whether an option that offers the benefits of a general obligation bond, but uses a special assessment methodology for determining a property owner's share of taxes, exists.

Further discussion ensued regarding property owner preferences for ad-valorem versus special assessment taxation, costing equity, how the taxes are collected, cost differences between general obligation and special assessment bonds, when the Project can start, and Project startup costs.

Council President Pucillo announced that this item will be on tomorrow's Town Council meeting agenda, and that he will be providing a summary of today's presentation and discussions.

By consensus of the Committee, it was recommended that the Town Council also seek financing input from the Underground Utilities Task Force.

VII. ANY OTHER MATTERS – None

VIII. ADJOURNMENT

There being no further business, the Finance and Taxation Committee Meeting of Monday, May 11, 2015, was adjourned at 3:37 p.m.

APPROVED:

Michael J. Pucillo
Chairman

ATTEST:

Susan A. Owens, MPA, MMC
Town Clerk

6/9/15
Date