

**MINUTES OF THE COUNTY BUDGET TASK FORCE MEETING
HELD ON THURSDAY, MARCH 28, 2013**

I. CALL TO ORDER AND ROLL CALL

The County Budget Task Force meeting was called to order on Thursday, March 28, 2013, at 2:00 p.m., in the Emergency Operations Center, Central Fire-Rescue Station. On roll call, the following members were found to be present: Chair Gail Coniglio, Carla Cove, Bobbi Horwich, and Jere Zenko, with the exception of Bruce McAllister, who arrived later and Kenneth Horowitz, who was absent.

II. PLEDGE OF ALLEGIANCE

Mayor Coniglio led the Pledge of Allegiance.

III. COMMUNICATIONS FROM CITIZENS (3-minute limit, please)

No one requested to speak.

IV. APPROVAL OF AGENDA

Motion to approve the agenda was made by Mrs. Zenko, seconded by Mrs. Horwich, and was approved 4-0, with the exception of Bruce McAllister, who arrived later and Kenneth Horowitz, who was absent.

V. APPROVAL OF THE MINUTES FOR THE APRIL 30, 2012 CBTF MEETING

Motion to approve the minutes of the April 30, 2012, County Budget Task Force meeting was made by Mrs. Zenko, and seconded by Mrs. Horwich, and was approved 4-0, with the exception of Bruce McAllister, who arrived later and Kenneth Horowitz, who was absent.

VI. PALM BEACH COUNTY BUDGET PROCESS AND BUDGET OUTLOOK FOR FISCAL YEAR 2014 BUDGET

[Robert Weisman, County Administrator, Palm Beach County]

Robert Weisman, Palm Beach County Administrator, reported that the millage rate of 4.75 to 4.78 was the same for the last three years, and the county's ad valorem taxes were reduced by \$100 million to about the \$600 million level that they are now, and have been for about five years. He stated that property values have stabilized and that a slight increase is expected.

Mr. Weisman stated that the unions did not accept the offer of a small pay raise to the employees on October 1, 2013, who have not had a raise in several years. He also mentioned that the Board of County Commissioners (BCC) has been forced to give \$3 million a year for three years to the Palm Tran pension plan, as it is in a substantial deficit, the departments still cannot routinely refill vacant positions, as shown in the Vacant Position Report online, and compensation is the biggest expense factor due to layoffs this past year.

Mr. Weisman spoke regarding the Palm Beach Sheriff's Office's (PBSO) budget, the Fire-Rescue Department's union contract is up for ratification, asking for a 3% raise in the third year, Clerk and Comptroller Bock's decision to invest in short term instruments, the South Florida Water Management District's (SFWMD) unacceptable low ball pricing offer for the sale of county's Mecca Farms property, increasing services and fuel costs for PBSO and Palm Tran, the debt service will be paid off, in a year or two, the constitutional officers, for example, the Tax Collector, provides extra fees that helps balance the budget, Supervisor of Elections has reduced the expenses, giving back budgeted funds at the million dollar level, Head Start and senior services programs are the most seriously hit area, Customs at Palm Beach International Airport (PBIA) eliminated half their staff and significantly limited their hours,

(Clerk's Note: Member McAllister arrived at approximately 2:15 p.m.)

Mr. Weisman further stated that the new expense, the Homeless Resource Center in West Palm Beach is about \$5 million annually, the library programs were paid for with library funds, not general funds, the county's capital budget was as high as \$75 million, and now is \$15 million, the number of employees was reduced in 2005 by 1,000 positions, and since then, the Glades Utilities were added back, the Fire-Rescue Department added people, the Worker's Compensation claims are now handled by a consultant with a total savings of more than half a million dollars a year, privatized food service for the Head Start program provided better food service at less cost, the Palm Tran Connection Paratransit Service, have not done well due to personnel problems and service delivery. He spoke regarding the new cost of the Inspector General's (IG) position and the funding formula used.

Responding to Mrs. Horwich regarding the disposition of impact fees, Mr. Weisman stated that the fees go to the department that required it, such as road impact fees are used only for new roads and so on. Regarding GL Homes wanting their own Police Department, Mr. Weisman stated that GL Homes owns development property in the Ag Reserve where public services are not allowed. He also stated that the county has made a deal with them and the item will be on Tuesday's agenda for approval by the BCC.

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2 Responding to Mrs. Cove regarding the investments made by Clerk Bock and debt
3 service, Mr. Weisman said that her handling of the investments has historically been
4 outstanding, and it is disconcerting that the short term investments would result in less
5 money. Regarding the debt service, he said that a considerable amount of money has
6 been saved on all bonds issued for the public on environmentally sensitive lands, ag
7 reserve lands, the courthouse, and all those bonds have been refinanced.

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9 Responding to Mrs. Zenko regarding a very competent county employee, Nancy Bolton,
10 who has kept medical insurance costs down, Mr. Weisman stated that she examined all of
11 their property insurance, minimized it, and accomplished a great deal. Regarding the
12 large amount of money, \$171 million, that the Town pays to the county, he said the he
13 receives similar comments from other municipalities, and that it is the nature of the tax
14 system in this country, state, and county; it is a fact and he offers no defense, offense, or
15 otherwise. He also spoke regarding the county's balancing of the budget, as they
16 anticipated the economy's slowdown and prepared for it by building their reserves.

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18 Discussion ensued regarding the disposition of impact fees, the county's deal with GL
19 Homes in the Ag Reserve, the investments made by Clerk and Comptrollers Bock and the
20 reduction in debt service, the lower medical insurance costs, the elimination of vacant
21 positions, the hiring of two zoning employees versus contracted employees, the two state
22 legislative initiatives specific to PBSO's Career Service Bill and budget, the Palm Tran
23 bus drivers, the Mecca Farms property and cost to maintain it, and the Inspector
24 General's (IG) budget.

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26 Responding to Fred Scheibl, Mr. Weisman said that the Glades Water Project has nothing
27 to do with the general fund that is strictly water utilities. They have taken over the
28 Glades Water Project sending money west that is not your money and the hotel has
29 accounted for the numbers that have already been given.

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31 Responding to Council Member Diamond, Mr. Weisman stated that money is given to
32 small businesses to come here, such as Scripps and a lot of others. They have a very
33 sound contract formula that requires delivery of service before they get the money, and in
34 some cases they require payback. The county has done a fairly good job of trying to
35 safeguard the funds.

36
37 Mr. McAllister spoke regarding the Task Force's struggles and successes for the past two
38 years, and they have come out with a lot of hope and deserved confidence from their
39 local bureaucrats. Is the sense of the board that we ought to say so to our fellow residents;
40 is it something that they would like to talk about on camera or can we talk about it in the
41 open? A lot of admirable things can be said, but it seems nothing very critical can be
42 said, is that the consensus of this board?

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44 Responding to Mayor Coniglio, Mr. Weisman stated that her presence at the BCC
45 meetings reminds them of how much money the Town sends the west and dealing with
46 beach issues is one area that they could have a lot of conversation about in the future.

Mayor Coniglio thanked Mr. Weisman for his presentation.

VII. ANY OTHER MATTERS

Mayor Coniglio stated that regarding the April 30, 2012, minutes, Mr. McAllister's mention of the Task Force's broad base approach, and after hearing from the entire constitutional offices and County Administrator Weisman today, a broad base is certainly where they have as much effectiveness rather than picking for issues. She asked the Task Force what they would like for her mantra to be this year.

Discussion ensued regarding the approach they would take in addressing the county's budget issues, the difficulty in monitoring the BCC meetings, as it is time consuming trying to monitor every detail, the specifics that the BCC would like to look at before the next budget process, the pressure of having a large contributor to their base listening to them and showing up to the budget workshops would help, and the \$500,000 bed tax.

Deputy Town Manager Bradford spoke regarding statutorily changing the Career Service Bill in PBSO's budget. He said that it would require Mayor Coniglio or the Task Force, as a group, to take action before the Palm Beach County legislative delegation to sponsor the changes. It should be investigated as to whether or not it is unconstitutional, and it would need to get corrected through the courts. He added that within the last two weeks, he has seen in the Palm Beach Post that the county is getting ready to make a move relative to the bed tax. He stated that the this group could help give Mayor Coniglio support in dealing with how to get a fair allocation of that funding for the beaches and particularly directly back to the Town; he said when you consider it, we have 20% of the shoreline and we can have many discussions.

Mrs. Horwich said that she read that the money for bed tax, which we spend so much on, was going to be given to the Palm Beach County Convention Center that has lost so much money.

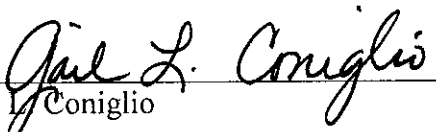
Deputy Town Manager Bradford said that the county is also considering the Convention Center for the sixth cent, which is more money and therefore more negotiations relative to how to distribute the original five if you got the sixth cent. So all of it is about to come to a head.

Mayor Coniglio said that the next County Budget Task Force meeting would be scheduled in the second half of April, and that three or four dates would be sent to Mr. Bradford.

VIII. ADJOURNMENT

There being no further business, the March 28, 2013, County Budget Task Force meeting was adjourned at 3:22 p.m.

APPROVED:



Gail L. Coniglio
Mayor