

TOWN OF PALM BEACH

Office of the Town Clerk

MINUTES OF THE SPECIAL TOWN COUNCIL WORKSHOP MEETING HELD ON MONDAY, SEPTEMBER 12, 2016

I. CALL TO ORDER AND ROLL CALL

The Special Town Council meeting was called to order on Monday, September 12, 2016, at 2:00 p.m., in the Town Council Chambers. On roll call, all of the elected officials were found to be present.

II. PLEDGE OF ALLEGIANCE

Council President Pucillo led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

Motion was made by Council Member Moore, and seconded by Council Member Lindsay, to approve the Agenda. On roll call, the motion carried unanimously.

IV. COMMUNICATIONS FROM CITIZENS

Pat Cooper, Palm Beach Civic Association, spoke regarding the use of prior bonds issued by the Town, the need for a strategic process and a communication plan regarding the budget plan, shore protection options, the Retirement Trust Fund, replacement of the Town Docks, the level of Debt Service as a percentage of the overall budget, and other critical services that are not included in the budget.

V. FURTHER REVIEW OF THE PROPOSED FY 2017 BUDGET

- A. Review of Questions Posed by Mayor Coniglio at the August 16 Town Council Meeting, including CIP PAYGO and the Coastal Management Program

Mayor Coniglio spoke regarding the Town's Debt Service, Capital Improvement, and Coastal Management Programs as the three major areas of cost increases, Retirement Fund assumptions and unfunded liabilities, the Undergrounding project, the Long-Term Financial Plan, reassessing the Town's current spending and budget increases, revenue uncertainties, and stock market volatility.

Town Manager Bradford provided an overview of the proposed increases to the Town's General Fund, Comprehensive Coastal Management Program (CCMP), and Capital Improvement Program.

Discussion ensued regarding planning for the CCMP, funding options for future recommended projects, Woods Hole Group's recommendations, and waiting for the final Environmental Impact Statement (EIS) before removing funding from the CCMP budget.

Director of Public Works Brazil spoke regarding costs and life expectancy of sand dunes, the budgeting process for the Sand Dune and Groin Replacement Projects, and the Reach 8 Project costs.

Discussion ensued regarding personnel costs increasing despite Staff reductions over the past five years, allocating funds for future CCMP projects, the EIS not being finalized, the number of Capital Improvement Projects happening concurrently, sand dune and groin rehabilitation project costs, budgeting future projects in the 5-Year Capital Improvement Program versus budgeting future CCMP projects in the Coastal Management Program, the Reach 8 Project, maintaining an adaptive CCMP, funding for committed versus future projects in the Fiscal Year 2017 Budget, funding for the Reach 8 Project, and mitigation funding for Fiscal Years 2018-2020.

Motion was made by Council Member Moore, and seconded by Council Member Lindsay, to approve a reduction of the proposed Fiscal Year 2017 allocation for the Reach 8 Project from \$5.78 million to \$1.3 million, and to direct the Shore Protection Board, upon finalization of the EIS, to make a recommendation to the Town Council on the Reach 8 Project during the Fiscal Year 2018 budget process. On roll call, the motion passed 4-1, with Council President Pro Tem Kleid dissenting.

Mayor Coniglio spoke regarding Capital Improvement Pay-As-You-Go program expenditures, completing the big ticket projects first and doing the smaller projects simultaneously with the Undergrounding Project, and segregating the allocated funds for the Undergrounding Project from the Public Works budget.

Discussion ensued regarding the use of Undergrounding Project funds versus bond financing, options for reducing Undergrounding Project special assessments, transparency, bond restrictions, and needing permission from Bond Counsel before using any excess funds.

Director of Finance Struder spoke regarding the creation of a Town-Wide Undergrounding Fund, transferring Undergrounding Project expenditures, and how excess project funds can be used.

Town Manager Bradford spoke regarding his efforts with Bond Counsel to determine the proper way to use unbonded funds for Undergrounding matters.

Director of Public Works Brazil spoke regarding the intent of the Accelerated Capital Improvement Program (ACIP), the volume of work per phase, and slowing down and postponing projects to give residents a break.

Anita Seltzer, 44 Cocconut Row, spoke regarding the accumulation of contingency funds for Public Works projects and how they are spent, how funds are allocated for projects, projects going over budget, how excess bond funding would be spent, funding for the Lake Trail Extension Project, and funding for future projects.

Director of Public Works Brazil spoke regarding the funding allocated from the ACIP budget to the Lake Trail Extension Project.

Lew Crampton, 2335 S. Ocean Blvd., spoke regarding communicating with the public and the need for fairness and transparency in planning future Reach 8 projects.

B. Other Budget Questions

Mayor Coniglio spoke regarding completing the larger ACIP projects now as opposed to completing only the smaller projects and the Town Council receiving updates after engineering projects are preliminarily approved in order to track project progress and determine if a project is worth the Town's time and money.

Director of Public Works Brazil provided an overview of the larger projects to be completed within the ACIP Pay-As-You-Go Program.

Discussion ensued regarding the Public Works preliminary project approval process, providing the Town Council progress reports on large projects when the project is 30% complete, transparency, keeping projects on-time and on-budget, comparing projects accurately, the D-14 Project at the Society of the Four Arts, pension plan unfunded liabilities, transferring funds from the General Fund assigned balance and how it's accounted for in the budget, Program costs, funding for the future Town Dock replacements, bondable costs and what happens if excess funds remain after the required timeframe, sustainability of lowering the millage rate, CCMP funding and the projected deficits in future years, not budgeting for CCMP projects that will not be started in the upcoming fiscal year, and allocating funds to avoid the projected CCMP deficits.

Director of Finance Struder spoke regarding ACIP funding and what happens if excess funds remain after the required timeframe, reducing Debt Service, reducing the proposed Undergrounding Project Coordinator costs, and the previous transfer of \$160,150 to the Undergrounding Project.

Town Manager Bradford spoke regarding the transfer of \$2.5 million dollars to start the Undergrounding Project, his discussions with Bond Counsel on use of funds for undergrounding assessments and what fund sources may be used for assessment reductions, and the revenue flow for the CCMP.

Coastal Program Manager Weber provided an overview of the 10-Year CCMP.

It was the consensus of the Town Council to approve the following changes to the proposed Fiscal Year 2017 Budget:

- **Reduce the allocation for the Undergrounding Project Coordinator position by \$70,000**
- **Allocate the \$185,000 in projected savings from the refinancing the 2010 Bonds to the Undergrounding Project Fund**
- **Keep the \$160,150 increase from the Property Appraiser's increase in property values in the Undergrounding Project Fund**

1 It was the consensus of the Town Council to direct Staff to incorporate the changes
2 approved during this meeting, and to come back before the Town Council with a
3 new millage rate and revised budget for the first Budget Hearing on September 13,
4 2016.

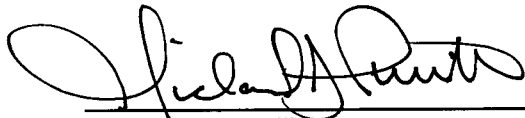
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6 **VI. ANY OTHER MATTERS – None**

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8 **VII. ADJOURNMENT**

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10 There being no further business, the September 12, 2016, Special Town Council
11 workshop meeting was adjourned at 4:50 p.m.
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Michael J. Pucillo
Town Council President

ATTEST


Susan A. Owens, MPA, MMC
Town Clerk

10/10/16
Date

