

**MINUTES OF THE COUNTY BUDGET TASK FORCE MEETING
HELD ON THURSDAY, MAY 27, 2010**

I. CALL TO ORDER AND ROLL CALL

The meeting of the County Budget Task Force was called to order at 9:00 a.m. on Thursday, May 27, 2010, in the Emergency Operations Center, 355 South County Road, Palm Beach, Florida.

On roll call, the following members were found to be present: Chairman Jack McDonald, Erica Elliott, Bobbi Horwich, Bruce McAllister, Tim Moran, Stuart Shulman and Jere Zenko. Staff members present were John C. Randolph, Town Attorney, and Thomas G. Bradford, Deputy Town Manager.

II. PLEDGE OF ALLEGIANCE

Chairman McDonald led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

Motion to approve the agenda as presented was made by Mr. McAllister, seconded by Mr. Shulman, and unanimously approved.

IV. INTRODUCTIONS & CHAIRMANMAN'S COMMENTS

Thanking the Task Force Members, Chairman McDonald gave the historical background for the Task Force and stated that the establishment resolution directs the Task Force to monitor the County budget and encourage fiscal responsibility by County officials. He reported that the County budget is approximately 25% of the real estate tax bill. He said the group would operate pursuant to the Sunshine Law providing transparency to the Town's residents. He reported that at the next meeting, Pat Cooper, chairman of the Civic Association Tax Committee, will brief the members about the substantial tax analysis they have done.

Chairman McDonald stated there were two items on the agenda that require a timetable: 1) the County sale tax proposal for fire-rescue and 2) the County budget workshop schedule.

Chairman McDonald said he would appoint a Vice-Chairman at the next meeting.

The Task Force members introduced themselves and gave their backgrounds.

V. REVIEW OF SUNSHINE LAW AND PUBLIC RECORDS LAW

Attorney Randolph stated that the Sunshine Law provides that all meetings of any board or commission of any city, county, or governmental subdivision of the state must be open, public meetings. He reported that the law had been applied very strictly by the Attorney General's office and the courts. He explained that two or more members of this committee cannot get together to discuss the business of the committee outside of an advertised public hearing; however, they can meet socially as long as they don't discuss the business of the committee. He cautioned that committee members cannot get together by email, by telephone or by any correspondence what so ever in regard to the business of the committee. He explained that the Task Force was created by the Town Council as an advisory board to make recommendations to the Council and under the law the Task Force is subject to the Sunshine Law. He gave an example of a Sunshine Law violation by the Town of Palm Beach. He said that violations of the Sunshine Law could result in the work that was done being thrown out by the courts, members could be fined, or turned over to the Ethics Commission. He stated there is a limited exception for a committee established for fact finding only. He said in his opinion, the cases cited for the limited fact finding exception are not applicable to the Task Force.

Mr. McAllister responded that the essence of trying to get out of the Sunshine Law was to save time and for efficiency. He said that the group could meet in the Sunshine subject to staff recommendations, or they could speak to each other electronically, by telephone, and by individual initiatives and coming up with a product sooner and better for the Town Council. He reported that there are two exceptions to the Sunshine Law; the first is any fact finding activity of an advisory board are exempt from Sunshine. Secondly, he proposed the Task Force ask the Town Council to revise its resolution and appoint the group as a fact finding committee. He read his proposed resolution: "In light of the decrease in Palm Beach County's revenues and the recent increases in the Palm Beach County budget expenditures. Resolved that the members of the Palm Beach County Budget Task Force undertake to assemble and organize the facts relevant to the Palm Beach County budget, expanding to the school district budget and any other relevant budgets, including sources and applications of revenue, decision-making methodology and other facts the Task Force deems significant and present them in a report to the Town Council. Since these are fact finding activities only, the Task Force deems itself in the exercise of these activities free from the operation of the Sunshine Law, subject to the contrary opinion of the Town's attorney or the contrary instruction of the Town Council." Mrs. Elliott said that if the Task Force operates under the Sunshine Law, the projects could be divvied up with each Task Force member working on a separate piece, working on it and then coming back together. She expressed concern that if they did fact finding only, it could potentially divisive and she did not want to see the work of the Task Force thrown out in court. Mr. Moran said he believed it would be more expeditious if the group did not have to work under the Sunshine Law. Mrs. Horwich said her concern was if there were four members at a County event. Attorney Randolph responded that members could attend an event as long as they did not discuss the business of the committee. Mr. Shulman agreed with Mr. McAllister. He reported that three of the Task Force members were involved with another group with a similar task regarding reduction

of the county taxes. Mrs. Zenko expressed concern about the paperwork flow and where it would go. Attorney Randolph replied that the analysis from each Task Force member could be sent to Tom Bradford through the Town Manager's office asking that it be placed on the agenda. He reminded the group that they should not respond to any of the information received except during a public meeting.

Motion made Mr. McAllister, seconded by Mr. Shulman, that in light of the decrease in Palm Beach County's revenues and the recent increases in the Palm Beach County budget expenditures, that it be resolved that the members of the Palm Beach County Budget Task Force undertake to assemble and organize the facts relevant to the Palm Beach County budget, including sources and applications of revenue, decision-making methodology and other facts the Task Force deems significant, and present them in a report to the Town Council. Since these are fact finding activities only, the Task Force deems itself in the exercise of these activities free from the operation of the Sunshine Law, subject to the contrary opinion of the Town's attorney on these facts or the contrary instruction of the Town Council, which the Town Council can take up at its next meeting.

Chairman McDonald noted that the next meeting of the Town Council was June 21 and suggested that rather than schedule another Task Force meeting for mid-June wait until the Council's decision on the motion. Mrs. Anita Seltzer addressed the Task Force thanking them for serving and asked for comment on any infraction or problems with the cross pollination of information, source material or consultants that might be brought in due to the fact that there seems to be a parallel group organized with an express function that may dovetail with the activities of the Task Force. Attorney Randolph replied that the parallel group is not subject to the Sunshine Law and it could be beneficial to hear from that group in a public meeting. Chairman McDonald commented that three members of the Task Force serve on the parallel group and would be discussing the issues. Responding that it is problematic, Attorney Randolph reported that if three members are on another board that has similar functions and they meet in private, there is case law and an Attorney General's opinion that it is a violation of the Sunshine Law. Mrs. Horwich, Mr. McAllister and Mr. Shulman are members of the organization. Mrs. Horwich and Mr. Shulman spoke about the political nature of the committee. Mr. McAllister said that the founding documents of the organization are focused on the fiscal prudence within the county as exemplified by its budget and on finding candidates and issues on which the group can vote and solicit support. He said the subject of discussion of the group is the same as the Task Force. Attorney Randolph replied he would provide case law and/or an Attorney General's opinion in that regard. He commented that it might be best not to serve on both committees. Chairman McDonald said he did not feel comfortable having members on both committees. Mr. McAllister responded that if his motion passes, the Task Force would not be under the Sunshine Law; if it does not pass, he would resign from the other group. Mrs. Horwich and Mr. Shulman agreed.

On roll call vote, the motion carried 4-3.

Mr. McAllister	Yes
Mr. Shulman	Yes

Mrs. Elliott	No
Mrs. Horwich	Yes
Mr. Moran	Yes
Mrs. Zenko	No
Chairman McDonald	No

There was further discussion regarding the Sunshine Law. Chairman McDonald stated that the Task Force has passed a motion for Town Council to reconsider its resolution, but, in the meantime, the group needs to act under the Sunshine Law. He asked if they should complete the agenda or wait until after the Council acts on the recommendation to not operate under the Sunshine Law. There was consensus that the Task Force should complete the agenda. Chairman McDonald asked that Mr. Bradford place the Task Force resolution on the agenda for the next Town Council meeting.

VI. MISSION STATEMENT

Chairman McDonald reiterated that the mission of the Task Force to monitor the County budget and encourage fiscal responsibility. He said that the school budget was excluded from the Council's resolution, and, also, the group would not look at the Town budget. Mrs. Elliott stated that there was a definite bifurcation between the sheriff's office and the county administrator. Chairman McDonald responded that the sheriff's office falls within the 25% so the Task Force would look at it. Mr. Bradford asked about the separate taxing districts such as the MSTU for fire rescue, the Children's Services Council, and the Health Care District. He said that they are included in the ten mill cap for the millage rate and asked if the Task Force should look into those items. Mr. McAllister suggested the Task Force ask the Town Council to expand the scope of work to include the separate taxing districts.

VII. REVIEW PALM BEACH COUNTY'S BUDGET SCHEDULE FOR FY11

The following items were distributed: the Palm Beach County budget schedule of hearings and workshops, a memorandum dated October 23, 2009, from Jane Struder, Finance Director, regarding the Final FY10 Tax Rates with the County budget in detail, and a booklet from the Clerk & Comptroller's Office entitled "Checks & Balances, Your Guide to County Finances." Chairman McDonald suggested the information be reviewed and discussed at the next meeting.

VIII. DISCUSSION OF PROPOSED FIRE-RESCUE SERVICE SALES TAX

Chairman McDonald stated that the fire-rescue service sales tax was a time sensitive issue as it would be placed on the November ballot. Mr. Bradford reported that the 2009 Florida Legislature passed the legislation as requested by the firefighter's union (IAFF). He explained that basically the legislation says that a county may levy a one percent sales tax for the purpose of providing additional revenues for fire-rescue services within that county if, first, the county approves doing so and a majority of the municipalities in the

county that also have a fire-rescue department also approve doing so. He continued, following approval, the issue must go to a referendum of the people and, if passed, a one percent sales tax is imposed and the revenue that it raises for each of the fire departments within that county by virtue of the property taxes is reduced by the amount of money that the sales tax brings in. He reported that four of the eleven municipalities, including Palm Beach, are in opposition to the proposal. He said, historically, sales tax revenue is volatile. He stated that the law makes it automatic; if sales tax revenue goes down, property tax revenue is supposed to go up. He said there are a lot of unanswered questions regarding the legislation. Councilman William Diamond spoke to the Task Force stating that if the issue passes, it would begin on January 1.

IX. DISCUSSION OF OBJECTIVES AND TIMETABLE

Chairman McDonald said he was not sure how to proceed with the objectives and timetable because of the issue regarding the Sunshine Law. Councilman Diamond stated that the voluntary organization that wants to raise money through a PAC to support candidates that are fiscally responsible should not conflict with the Task Force. There was discussion regarding the focus and goals of the voluntary group. Attorney Randolph said he would provide either a case or an Attorney General opinion.

Mr. McAllister suggested that the Task Force schedule another meeting. Mrs. Zenko expressed concern with the timetable and stated the need to establish a division of labor duties so people would know what they should do and not wander into other people's area. She said it would eliminate some of the Sunshine Law issues and conflict issues. She stated she would like to work on the health care issue. Chairman McDonald agreed saying that the two biggest issues where the Task Force could influence a reduction in the county budget were health care and pension. He asked if anyone would be interested in researching those issues and reporting back at the next meeting. Mrs. Elliott suggested a third area be included, accounting. She explained that this area would include the collection of existing revenue, revenue missing from other areas of the budget, and an overall review of sharing of expenses. She volunteered to be involved in this aspect. Chairman McDonald asked for a volunteer for the pension part of the County budget. Mr. McAllister offered to help someone. He asked if two or more Task Force members are delegated to investigate the pension system of Palm Beach County and report back to the group, can those two people cooperate with each other outside the Sunshine? Attorney Randolph replied that they could if it was just fact finding. He said he would like to get an opinion on whether that would be operating inside or outside the Sunshine. He cautioned the danger of two people conversing with each other with regard to what the facts mean. Mrs. Zenko asked if she could send pension information to members. Chairman McDonald responded that she could send it to them but not discuss it. Mr. Shulman asked if there was breakdown of the percentage of the County budget for each item. Chairman McDonald replied that he believed it was included in the handout material. Mrs. Zenko suggested the members look at the Financial Urgency Statute (447.4095 F.S.) of the State of Florida. Chairman McDonald asked if Mr. McAllister would do an overview of the County pension program. Mr. McAllister replied that there had been so much work done by people in Town on municipal pensions that he could

look at it and present something at the next Sunshine meeting. Chairman McDonald suggested he could talk to Pat Cooper of the Civic Association. Mrs. Zenko added that Councilman Robert Wildrick had some documents that would be helpful.

Mr. McAllister reported that the Town gets money from the County with respect to taxes that are paid by the Town. He asked if the Town was getting all the money it is entitled to, is it receiving some things it would rather do without and could it make an exchange for other things. Chairman McDonald agreed but asked that the focus be narrowed until the next meeting. There was discussion regarding the components of pensions including salaries, wages, and overtime pay. Mrs. Elliott agreed that it could be included as part of expense management. Mrs. Zenko said it would be helpful if Mrs. Elliott was provided the PEPIE surveys for 2010 because the comparative data is included in it. Councilman Diamond asked about the bed tax and the amount of money that should come back to the Town to help with the restoration of beaches. Chairman McDonald responded that he and Mr. Randolph had written letters to the Comptroller to get that information but had not been provided with it.

X. DISCUSS FUTURE MEETINGS SCHEDULE

There was consensus that the next meeting should be held after the June Council meeting.

XI. SCHEDULE MEETING FOR MID-JUNE

The next meeting of the Task Force was scheduled for 1:30 p.m. on Wednesday, June 23, 2010, in the EOC. Chairman McDonald stated that there would need to be four people in attendance at the meeting and the rest could connect by telephone. Task Force members were asked to notify the Town Manager's office if they cannot attend.

XII. REVIEW HANDOUTS AND ASSIGNMENTS

This was completed earlier in the meeting.

XIII. ANY OTHER MATTERS

None

XIV. ADJOURNMENT

There being no further business to discuss, the County Budget Task Force meeting of Thursday, May 27, 2010, was adjourned at 10:25 a.m.

APPROVED:



Jack McDonald
Chairman