



TOWN OF PALM BEACH

Town Clerk's Office

REPORT OF THE FINANCE AND TAXATION COMMITTEE MEETING HELD ON APRIL 10, 2008

1 I. CALL TO ORDER AND ROLL CALL

2

3 The Finance and Taxation Committee meeting was called to order at 4:30 p.m. in
4 the Town Council Chambers. On roll call, Committee Chair Denis Coleman and
5 Committee Member David Rosow were found to be in attendance. Others present for all
6 or a portion of the meeting were: Town Manager Peter B. Elwell, Finance Director Jane
7 Struder, Town Council President Pro Tem Gail Coniglio, and Town Clerk Susan
8 Eichhorn.

9

10 II. PLEDGE OF ALLEGIANCE

11

12 The Pledge of Allegiance was led by Chair Coleman.

13

14

15

16 III. APPROVAL OF AGENDA

17

18 The Agenda was approved as printed.

19

20

21

22 IV. REVIEW OF DRAFT ANNUAL REPORT

23

24 Chair Coleman observed the following:

25

- 26 • Page views must be consistent.

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- 1 • Total property tax bill pie chart - 19.99% should be further highlighted.
- 2 • Note on debt millage rate - Town Manger Elwell explained that GO debt
- 3 was a separate debt millage rate. There was not a debt millage rate
- 4 included, because the Town pays existing outstanding debt through
- 5 operating costs (only through revenue bonds).
- 6 • Page entitled "General Fund Revenue and Expenditure Analysis" -
- 7 Chair Coleman made the following recommendation:
- 8 Break it out to have medical and pensions removed from individual
- 9 departments, so that people could do percentage increases by departments
- 10 within what we have discretionary control over each year. For someone to
- 11 say that compensation expense has gone up by "x" percent over the year -
- 12 would be a totally inadequate analysis, because it would be overwhelmed
- 13 by what was going on in the pension line. To produce a separate pension
- 14 line or separate medical benefits line would permit someone to see what
- 15 was going on in pensions, but to also see what the actual percentage
- 16 changes had been.
- 17
- 18 Committee Member Rosow: This coming year, the Town pension
- 19 contribution would be lower than the previous year. If that line was not
- 20 extracted, it would look like the compensation costs went down, when in
- 21 fact, the straight salaries and wages would actually have gone up slightly.
- 22
- 23 Town Manger Elwell explained that to try to do what was being described within
- 24 the one chart would become burdensome to the resident to try to see it at a glance. The
- 25 intent had been to give that page the full picture snapshot, with a detailed breakout on the
- 26 following pages.
- 27
- 28 Chair Coleman suggested that the page have two lines added to it: pensions and
- 29 medical expenses, with those expenses taken out of each of the other departments. If the
- 30 resident wanted to see the allocation by department, they would see that as they
- 31 progressed through the document. He explained that there was a major discussion last
- 32 budget season about the increase.
- 33
- 34 Mr. Elwell commented that he thought that had been addressed through the pages
- 35 of department specific summaries.
- 36
- 37 Chair Coleman responded that the department specific summaries would not need
- 38 to be changed, because that showed how it was added back and still foots.
- 39

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1 Finance Director Struder explained that those figures would not foot to the page in
2 question, because she did not include every single expense – the request had been for
3 capital over \$50,000 and contractual over \$50,000.

4
5 Committee Member Rosow responded that it would foot if you added two lines
6 for compensation – one to say pension benefits and one to say medical benefits. It could
7 be noted that the figures did not foot – that these were the overall costs.

8
9 Chair Coleman suggested that there then be three lines: pension, medical, and
10 discretionary, and then it would foot.

11
12 Mr. Elwell clarified that as he understood it, there would be two different
13 changes:

- 14
15 • On the General Fund Revenue and Expenditure Analysis page, the two
16 major benefit costs (pension and health) would stand alone as single line
17 items. There would be a subtotal, and then there would be the same grand
18 total as was shown.
19
20 • In the department specific clusters in the next several pages, that would be
21 left as is, however, instead of “employee benefits” each different
22 department would have shown “pensions,” “medical,” and “other
23 employee benefits.”
24

25 Chair Coleman and Committee Member Rosow agreed.

26
27 Chair Coleman commented on other items affecting the general fund: when the
28 Town switched to replacement costs depreciation, there was a jump from FY06 to FY07
29 to FY08, and he suggested that deserved a very strong footnote to explain the increase –
30 because of a deliberate decision to provide more conservative expensing. Mr. Elwell
31 agreed that a footnote would be applied.

32
33 Mr. Elwell addressed one other item regarding the general fund cluster of items:
34 the OPEC trust contribution should be reflected, relating again to benefit costs. Ms.
35 Struder advised that she could call it “retiree health care.”
36

37 Committee Member Rosow commented on the first page, where the term “Annual
38 Report” was used and there was also the term “Citizens Financial Report,” and that the
39 language should be consistent throughout the document.

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1 Committee Member Rosow commented on the "Undesignated Fund
2 Balance/Retained Earnings Summary" page, and noted that he had discussed his concerns
3 with Ms. Struder earlier today.

4
5 Ms. Struder commented that there were the cash balances, and there was also the
6 capital project balance, which was not included on that page, but which she could add to
7 the bottom of that chart. She stated that she hesitated to say "cash balances" because the
8 cash balance fluctuates wildly, depending upon when the Town received its property tax
9 money. She explained that the fund balance was the reserve of the general fund. She
10 stated that she would add the chart showing the capital project balances, which would be
11 included in the chart that already existed.

12
13 Committee Member Rosow suggested that in the general fund, where there were
14 required reserves, a footnote should be added to FY07, with the dollar amount of the
15 required reserve and the percentage noted.

16
17 Committee Member Rosow suggested that statistics be provided for what had
18 been accomplished by Planning Zoning and Building, Police, Public Works, Fire-Rescue.

19
20 Ms. Struder noted that all of that information was included in the budget. For
21 each program, there were statistics included within each department.

22
23 Mr. Elwell interjected that he had believed that the annual report was intended to
24 focus on financial information, and that descriptive things were more well-suited to the
25 budget document.

26
27 Committee Member Rosow requested that the most critical statistics for each
28 department should be included – just a few lines for each department.

29
30 Mr. Elwell commented that in the full term text of the budget document, there are
31 much more precise figures and statistics. He expressed concern that picking out just a
32 few statistics here and there would be confusing.

33
34 Chair Coleman suggested that a stronger statement be included in the Annual
35 Report that this was an abbreviated report, and did not reconcile to the exact budget.

36
37 Mr. Elwell suggested that a table be included that would refer citizens to all of the
38 other documents that were available for information regarding Town government and
39 Town finances.

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1 Chair Coleman and Committee Member Rosow agreed.

2

3 Town Council President Pro Tem Coniglio addressed the Committee, stating that
4 it would be helpful to provide percentage changes for departmental budget histories, from
5 year to year.

6

7 Mr. Elwell replied that the difficulty of that was two-fold: the full story was not
8 told, because those were the more relevant pieces that people were concerned with; there
9 could be a column that showed percentage increases, however, showing multiple years at
10 a glance would really clutter the document.

11

12 Chair Coleman recommended that the narrative include language that said there
13 had been a purposeful attempt to reduce this year, and that the Town was opened to and
14 sought suggestions.

15

16 Mr. Elwell advised that would all be blended into the table that referred citizens to
17 other relevant documents.

18

19 Committee Member Rosow addressed the costs of \$12,500, which included
20 mailing to all residents and business. He suggested that perhaps the Civic Association
21 could pay for the costs, with a notation made on the front page.

22

23 In response to Chair Coleman, Mr. Elwell advised that when a letter mailing was
24 done to everyone in Town, the cost was approximately \$5,000.

25

26 Ned Barnes, Palm Beach Civic Association, advised that the Civic Association
27 would consider the possibility of picking up the costs of mailing, however, he was not
28 sure that the Town would want the notation that the costs of the report were paid for by
29 the Palm Beach Civic Association.

30

31 Chair Coleman brought up the issue of early voting, and the idea of the Palm
32 Beach Civic Association paying for that.

33

34 Former Mayor Marix, 1570 North Ocean Blvd., commented that she was not sure
35 mailing the annual reports to everyone was necessary, and that there must be ways that it
36 could be indicated that the reports would be available.

37

38 Chair Coleman suggested that perhaps it could be published in the Palm Beach
39 Daily News.

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1 Mr. Elwell reminded all that the intent was to streamline the annual report and
2 send it to everyone, because conversation had been held regarding whether posting it on
3 the website or putting it on the counter in Town Hall would be sufficient.

4
5 Former Mayor Marix further commented that a letter could be mailed to everyone,
6 indicating the documents that were available regarding the budget.

7
8 Mr. Elwell commented that it would cost the same to mail the annual report
9 document as it would to mail such a letter, since the bulk mail rate was used.

10
11 Former Mayor Marix commented that she was all in favor of making early voting
12 possible in the Town.

13
14 Committee Member Rosow suggested that the Palm Beach Civic Association, in
15 conjunction with the Citizens' Association, work to enable early voting.

16
17 Mr. Barnes suggested that it was a high priority, and that he was open to any and
18 all requests, however, there would need to be a formal request.

19
20 Chair Coleman made a formal request that Mr. Barnes bring the issue before the
21 board of the Palm Beach Civic Association.

22
23 Mr. Elwell advised that if a letter was received by May 1st, it would be added to
24 the May agenda, and the Town Council would discuss it at that time.

25
26 Gerry Frank, resident, commented that he thought early voting was a great idea,
27 and questioned the statistical percentages of early voting in other municipalities.

28
29 Chair Coleman suggested that it be tried one time.

30
31 Committee Member Rosow stated that somewhere in the annual report it must be
32 advertised that everyone could register with the Town via email.

33
34 Mr. Elwell advised that such a notice would blend together nicely into the first
35 page.

36
37 Mr. Elwell advised that it was his understanding that there was not the need to
38 wait until the May Town Council meeting to confirm the revised format of the annual
39 report. The annual report would be published as soon as possible. If the report was not

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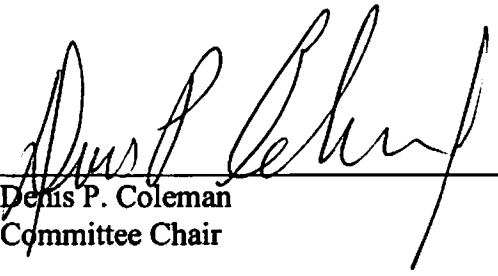
1 published in mid to late May, many residents would not be in Town. He stated that he
2 would check with each Town Council member that was not present today.

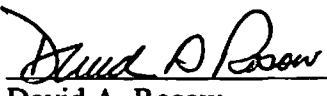
3
4
5 V. ANY OTHER MATTERS

6
7 There were none.
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10 VI. ADJOURNMENT
11
12

13 There being no further business, the Finance and Taxation Committee Meeting
14 was adjourned at 5:05 p.m.
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19
20 
21 Denis P. Coleman
22 Committee Chair
23
24
25

20 
21 David A. Rosow
22 Committee Member