TOWN OF PALM BEACH
Town Manager's Office

TENTATIVE - SUBJECT TO REVISION

SPECIAL TOWN COUNCIL MEETING

AGENDA

TOWN COUNCIL CHAMBERS

WEDNESDAY, OCTOBER 4, 2017

5:01 PM

WELCOME!

I. CALL TO ORDER AND ROLL CALL

Mayor Gail L. Coniglio
Richard M. Kleid, President
Danielle H. Moore, President Pro Tem
Julie Araskog
Bobbie Lindsay
Margaret A. Zeidman

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF AGENDA

IV. PUBLIC HEARING ON FINAL MILLAGE RATE AND FY18 BUDGET

A. Proof of Publication

B. Announcement of Proposed Operating Millage Rate

C. Reasons for Proposed Operating Millage Rate Increase from the Rolled-Back Millage Rate

D. Comments and Questions from Public

Post Office Box 2029 * 360 South County Road * Palm Beach, Florida 33480
Telephone (561) 838-5410 * Facsimile (561) 838-5411 * townmanager@townofpalmbeach.com

E. RESOLUTION NO. 197-2017 A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Adopting the Final Millage Rate and Levying Ad Valorem Taxes for the Fiscal Year Beginning October 1, 2017, and Ending September 30, 2018; Setting Forth Certain Information Regarding the Rolled-Back Millage Rate; Directing the Town Manager or the Finance Director to Adjust the Adopted Millage Rate in the Event of Changes in the Assessment Roll and Taxable Value; Providing an Effective Date.

F. RESOLUTION NO. 198-2017 A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Adopting a Final Budget and Appropriating Funds for the Fiscal Year Beginning October 1, 2017, and Ending September 30, 2018; Providing for an Effective Date.

V. ANY OTHER MATTERS

VI. ADJOURNMENT

PLEASE TAKE NOTE:

The progress of this meeting may be monitored by visiting the Town's website (www.townofpalmbeach.com) and clicking on "Meeting Audio" in the left column. If you have questions regarding that feature, please contact the Office of Information Systems (561) 227-6315. The audio recording of the meeting will appear within 24 hours after the conclusion of the meeting.

Disabled persons who need an accommodation in order to participate in the Town Council Meeting are requested to contact the Town Manager's Office at 838-5410 or through the Florida Relay Service by dialing 1-800-955-8770 for voice callers or 1-800-955-8771 for TDD callers, at least two (2) working days before this meeting.

TOWN OF PALM BEACH

Information for Second Public Hearing on: October 4, 2017

To: Mayor and Town Council

Via: Thomas G. Bradford, Town Manager

From: Cheryl Somers, Asst. Finance Director

Re: Fiscal Year 2018 Millage Rate and Budgets
Resolution No. 197-2017
Resolution No. 198-2017

Date: September 29, 2017

STAFF RECOMMENDATION

Resolution No. 197-2017 provides the proposed FY18 millage rate. Resolution No. 198-2017 provides for the proposed FY18 budget. State law requires the Town to adopt a millage rate and budget. Both must be transmitted to the Property Appraiser and Department of Revenue on October 4, 2017.

GENERAL INFORMATION

At the September 19th Budgetary Public Hearing, Town Council adopted the tentative FY2018 millage rate and tentative FY2018 budget. The FY2018 millage rate approved at the September 19th public hearing of 3.2706 is the same millage rate adopted in FY2017 and is 5.44% more than the "rolled back rate" of 3.1018. Adoption of Resolution No. 197-2017 and Resolution No. 198-2017 will constitute the Town's final action on these matters for FY2018.

$420,000 IN BUDGET CUTS

As directed by Town Council at the First FY2018 Budgetary Public Hearing held on September 19th, staff has identified areas in the General Fund Budget that can be cut to arrive at $420,000 in savings.

FY2018 Requested Additional Cuts - $420,000	
Town-wide Reduction in Fuel Budget (1)	102,900
Adjustment in the Transfer from the Recreation Fund, Offset by Estimated Dock M&I Funds	75,000
Reduce General Fund Transfer to OPEB, Replace with Transfer from Health Reserves	118,550
Decrease in Transfer to Pay-go CIP	123,550
Total Additional Cuts per Town Council direction at 9/19/17 STC Meeting	**$ 420,000**

(1) Based on a U.S. Energy Report released on 9/12/2017, the price per gallon of gasoline is projected to remain unchanged from 2017 to 2018, therefore the town-wide fuel budget has been adjusted accordingly.

I do not recommend making the requested cuts for the following reasons.

We need to plan for the next recession. When that day comes, we will have no choice but to increase taxes and/or decrease services because the cuts presented in August, plus this latest request, are greatly reducing our ability to adjust to an economic downturn. Many are not aware of the extent of the downsizing this organization went through in response to the Great Recession. Records indicate that millions of dollars were cut out of operations, the head count was reduced from 415 to today's 364 and pension costs were radically reduced resulting in initial savings of about $5 million per year with mass worker exodus and unsustainable worker turnover. Simply put, the Town budget is now right-sized. Thoughts of the Town having a "fat' budget are simply not true. Continued efforts to cut costs are leaving the Town at risk of having to do the previously unthinkable (workforce reductions) or tax increases during a recession when property owners are least likely to bear that burden.

Instead, I recommend you do the following:

1. Count excess pension funds toward the $420,000 cut goal. I confirmed the excess with actuary Pete Strong in the Retirement Fund for FY17 ($236,695) and FY18 ($124,289) for an excess of $360,984.
2. Reduce the millage rate from the current proposed 3.2706 to 3.2037, which increases funding by $59,016 over the original proposed millage rate of 3.2000. This dollar amount, plus the $360,984 provided in item (1) above, generates extra funding in the amount of $420,000 thereby providing you with the extra funding desired for the Retirement Fund. The reduced millage rate of 3.2037 is 3.29% more than the rolled back rate.

If you want to keep the millage rate the same as the FY17 millage rate and apply the extra funds to the "Pension Bucket", the millage rate will be 3.2706 and will generate an additional $1,134,256. By doing this you will have established a baseline revenue stream for UAAL reduction in the amount of $2,334,256. Therefore, the FY19 budget will require additional funding of $3,085,744 in order to realize the stated target of $5,420,000.

Retirement UAAL Funding

For your reference, the following two tables indicate the steps taken to date relative to additional Retirement Fund allocations and the sources of funding for the established revenue stream for future years.

FY2018 Proposed Plan to Achieve the $5.42 million UAAL Transfer to the Retirement Fund	
Transfer from Unassigned General Fund Balance included in the FY2018 Proposed Budget, 7/2017	$ 2,500,000
Increase the transfer from the Unassigned General Fund Balance per July Budget Meeting	1,000,000
July 1st Property Taxable Value Revenue Increase	117,000
FY2018 DC Forfeiture Revenue	197,000
Expenditure cuts from the FY2018 Budget (net of DC Forfeiture Revenue)	886,000
Subtotal Additional Transfer FY2018 Budget	**$ 4,700,000**
FY2017 DC Forfeiture Revenue	150,000
FY2017 Remaining Budget for General Employee DC accounts	150,000
Total Proposed Transfer to the Retirement Fund for the UAAL	**$ 5,000,000**

Budget Adjustments	
July 1st Property Tax Increase	$ 117,000
FY2018 DC Forfeiture Revenue	197,000
Expenditure Cuts	886,000
Total Budget Adjustments for UAAL	**$ 1,200,000**

ATTACHMENTS

- Agenda
- Resolution No. 197-2017
- Resolution No. 198-2017

Cc: Jay Boodheshwar, Deputy Town Manager
Department Directors

RESOLUTION NO. 197-2017

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA ADOPTING THE FINAL MILLAGE RATE AND LEVYING AD VALOREM TAXES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017, AND ENDING SEPTEMBER 30, 2018; SETTING FORTH CERTAIN INFORMATION REGARDING THE ROLLED-BACK MILLAGE RATE; DIRECTING THE TOWN MANAGER OR THE FINANCE DIRECTOR TO ADJUST THE ADOPTED MILLAGE RATE IN THE EVENT OF CHANGES IN THE ASSESSMENT ROLL AND TAXABLE VALUE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Palm Beach held a public hearing on September 19, 2017, on the proposed millage rate and tentative budgets for the 2017-2018 fiscal year, and has approved the proposed millage rate and tentative budgets; and

WHEREAS, the Town Council of the Town of Palm Beach proposes by Resolution No. 198-2017 to adopt a final budget and make appropriations for various funds for the Town of Palm Beach for the fiscal year beginning October 1, 2017, and ending September 30, 2018; and

WHEREAS, the budgets as proposed will require that the sum of $52,545,300 be raised and collected by an ad valorem tax levy.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY FLORIDA, AS FOLLOWS:

Section 1. The sum of $52,545,300 shall be raised and collected for the Town of Palm Beach by ad valorem taxes for the fiscal year beginning October 1, 2017, and ending September 30, 2018 as follows:

1) There is hereby levied on all non-exempt taxable property within the Town of Palm Beach an ad valorem tax of 3.2706 mills for operational purposes.

2) Such millage shall be levied upon the dollar amount of the assessed valuation of all non-exempt taxable property in the Town of Palm Beach as determined by the Palm Beach County Property Appraiser and as shown by the 2017 assessment roll for the Town, allowing homestead and other lawful exemptions. All such taxes so specified and levied are ordered extended upon the assessment roll to show the tax attributable to all taxable property, and shall be collected by the Palm Beach County Tax Collector as provided by law.

Section 2. The ad valorem taxes hereby levied are for the purpose of raising funds, revenues, and monies to be used, set aside, and expended for the functions and purposes of the municipal government of the Town of Palm Beach pursuant to the provisions of the Town Charter and the laws of the State of Florida.

Section 3. The following information is set forth as required by Section 200.065(2)(d), Florida Statutes:

1) The operating millage rate of 3.2706 levied herein is 5.446% more than the rolled-back rate of 3.1018 mills.

Section 4. Pursuant to Section 200.065(5), Florida Statutes, the Town Manager, or in his absence the Finance Director, is hereby authorized and required to adjust the adopted millage rate set forth herein if the taxable value within the jurisdiction of the Town of Palm Beach as certified by the Palm Beach County Property Appraiser is at variance from the taxable value shown on the assessment roll to be extended. The adjustment shall be such that the taxes computed by applying the adopted rate against the certified taxable value are equal to the taxes computed by applying the adjusted adopted rate to the taxable value on the roll to be extended. However, no adjustment shall be made to the levies required by law to be a specific millage amount. The Town Manager or the Finance Director shall certify to the Property Appraiser the aggregate change in the assessment roll and taxable value, if any, from that certified.

Section 5. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED in a regular, adjourned session of the Town Council of the Town of Palm Beach assembled this 4th day of October 2017.

______________________________	______________________________
Gail L. Coniglio, Mayor	Richard M. Kleid, Town Council President
	______________________________
	Danielle H. Moore, Council President Pro Tem
	______________________________
	Julie Araskog, Town Council Member
	______________________________
ATTEST:	Bobbie Lindsay, Town Council Member
______________________________	______________________________
Kathleen Dominguez, Town Clerk	Margaret A. Zeidman, Town Council Member

RESOLUTION NO. 198-2017

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, ADOPTING A FINAL BUDGET AND APPROPRIATING FUNDS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017, AND ENDING SEPTEMBER 30, 2018; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, a public hearing was held on September 19, 2017, on the Town of Palm Beach's proposed millage rate and its tentative budget for the 2017-2018 Fiscal Year; and

WHEREAS, the Town Council of the Town of Palm Beach adopted a tentative budget and the proposed millage rate necessary to fund the tentative budget; and

WHEREAS, a further public hearing was held to adopt a final millage rate and finalize the budget.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, as follows:

Section 1. The budget for the Town of Palm Beach as attached, marked Exhibit A, incorporated herein and by this reference made an integral part hereof, is hereby adopted as the final budget for the fiscal year beginning October 1, 2017, and ending September 30, 2018, pursuant to Town Charter and Town Code of Ordinances.

<u>Section 2.</u> Funds are hereby appropriated in accordance with the provisions of the Town Charter, Article VII, Financial Matters, Section 7.01.

<u>Section 3</u>. The Town Manager is hereby authorized to approve requested intrafund transfers throughout the fiscal year as may be needed to ensure the continuity of municipal operations.

<u>Section 4.</u> All funds appropriated for the 2016-2017 Fiscal Year which are encumbered, but unexpended as of the last day of the fiscal year shall be deemed reappropriated for the same purposes for the 2017-2018 Fiscal Year.

PASSED AND ADOPTED in a regular, adjourned session of the Town Council of the Town of Palm Beach assembled this 4th day of October 2017.

Gail L. Coniglio, Mayor	Richard M. Kleid, Town Council President
	Danielle M. Moore, Council President Pro Tem
	Julie Araskog, Town Council Member
ATTEST:	Bobbie Lindsay, Town Council Member
Kathleen Dominguez, Town Clerk	Margaret A. Zeidman, Town Council Member

BUDGET SUMMARY
TOWN OF PALM BEACH - FISCAL YEAR 2017-2018

THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE TOWN OF PALM BEACH ARE 6.1% MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.

General Fund 3.2706

ESTIMATED REVENUES		GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	ENTER-PRISE FUND	INTERNAL SERVICE FUND	TRUST FUND	TOTAL ALL FUNDS
Taxes:	Millage per $1,000								
Ad Val Taxes - Operating	3.2706	$52,545,300	$0	$0	$0	$0	$0	$0	$52,545,300
Sales and Use Taxes		6,150,000	0	0	500,000	0	0	0	6,650,000
Licenses and Permits		9,947,975	0	0	0	0	0	0	9,947,975
Intergovernmental Revenue		1,185,450	0	0	7,200,000	0	0	0	8,385,450
Charges for Services		3,943,650	0	0	0	6,627,400	7,256,096	0	17,827,146
Fines and Forfeitures		1,138,800	0	0	0	0	0	0	1,138,800
Contributions		0	0	0	5,000	6,571,154	0	11,260,070	17,836,224
Commercial Paper		0	14,450,000	0	0	0	0	0	14,450,000
Special Assessments		0	5,080,000	710,000	258,638	0	0	0	6,048,638
Interest		582,142	6,000	0	377,676	14,000	281,456	17,136,649	18,397,923
Miscellaneous		420,000	0	0	0	0	30,000	2,500	452,500
TOTAL SOURCES		$75,913,317	$19,536,000	$710,000	$8,341,314	$13,212,554	$7,567,552	$28,399,219	$153,679,956
Transfers In		585,000	13,880,000	6,916,632	12,148,324	0	14,578,475	6,794,100	54,902,531
Fund Balances/Reserves/Net Assets		5,065,996	1,152,300	18,214	26,468,236	3,017,334	7,130,606	0	42,852,686
TOTAL REVENUES,TRANSFERS & BALANCES		$81,564,313	$34,568,300	$7,644,846	$46,957,874	$16,229,888	$29,276,633	$35,193,319	$251,435,173
EXPENDITURES									
General Government		$13,157,607	$0	$0	$0	$0	$14,526,633	$22,444,520	$50,128,760
Public Safety		28,227,751	0	0	0	0	0	0	28,227,751
Physical Environment		14,561,649	21,818,300	0	42,471,836	0	0	0	78,851,785
Transportation		1,149,068	0	0	0	0	0	0	1,149,068
Culture and Recreation		335,008	0	0	0	15,446,625	0	0	15,781,633
Principal Retirement		0	0	2,550,000	0	0	0	0	2,550,000
Interest and Fees		0	0	5,094,846	0	0	0	0	5,094,846
TOTAL EXPENDITURES		$57,431,083	$21,818,300	$7,644,846	$42,471,836	$15,446,625	$14,526,633	$22,444,520	$181,783,843
Transfers Out		24,133,230	12,750,000	0	4,486,038	783,263	14,750,000	0	56,902,531
Fund Balances/Reserves/Net Assets		0	0	0	0	0	0	12,748,799	12,748,799
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES AND BALANCES		$81,564,313	$34,568,300	$7,644,846	$46,957,874	$16,229,888	$29,276,633	$35,193,319	$251,435,173

The tentative, adopted, and/or final budgets are on file in the office of the above referenced taxing authority as a public record.