MINUTES OF THE SPECIAL TOWN COUNCIL MEETING HELD ON SEPTEMBER 28, 1998

I. CALL TO ORDER AND ROLL CALL

The Special Town Council Meeting was called to order by President Smith at 3:05 P.M., on September 28, 1998, in the Town Council Chambers. On roll call the following Elected Officials were found to be in attendance: Mayor Paul Ilyinsky, President Lesly Smith, President Pro-Tem Samuel McLendon, Councilman Leslie Shaw, and Councilman Allen Wyett. Councilman Jack McDonald was absent from the meeting. Also in attendance for all or a portion of the meeting were: Town Manager Robert Doney, Assistant Town Manger Peter Elwell, Town Attorney John Randolph, Finance Director James Demming, Public Works Director Al Dusey, Town Engineer James Bowser, and Town Clerk Mary Pollitt.

II. APPROVAL OF AGENDA

The Agenda was approved through motion of President Pro-Tem McLendon, seconded by Councilman Wyett, and carried unanimously.

III. CHARTER REVIEW COMMISSION REQUEST FOR APPROPRIATION OF UP TO $2,000 FOR DR. LARRY GROSS OF FLORIDA STATE UNIVERSITY AND DR. SUSAN MACMANUS OF THE UNIVERSITY OF SOUTH FLORIDA TO ADDRESS THE COMMISSION

President Pro-Tem McLendon moved approval of the request of the Charter Review Commission. The motion died for lack of a second.

Assistant Town Manager Peter Elwell referred to the letter of Doyle Rogers, Chairman of the Charter Review Commission, dated September 18, 1998, wherein he identified the two individuals and gave information concerning their backgrounds. He explained that the Commission desired to bring people in who had some special knowledge regarding particular issues that they were discussing. One of the issues concerned goal setting and performance measurements, which Dr. Gross would address; the other concerned electoral systems, particularly those for local government, which Dr. MacManus would address. The Commission would then gather the information they had learned from all experts that had addressed the Commission, together with Commission discussions, and determine their recommendations on any changes they may suggest to the Town's Charter.

Councilman Shaw moved approval of the request of the Charter Review Commission for $2,000 for Dr. Larry Gross of Florida State University and Dr. Susan MacManus of the University of South Florida to address the Commission.

In response to the query of Councilman Shaw as to whether either Dr. Gross or Dr. MacManus had been brought in to evaluate, or formulate how municipalities changed or kept their form of government, Mr. Elwell replied that Dr. Gross had been more of a facilitator who had assisted local governments in goal setting process, and in instituting performance evaluation systems. He did not know if Dr. MacManus had assisted local governments in changing electoral systems, however, she was noted as an expert in the local government electoral system.

Councilman Shaw commented that it seemed like Dr. MacManus should speak to the Charter Review Commission, and Dr. Gross should address the Town Council or Town Manager Doney.

Mr. Elwell explained that the Charter Review Commission had expressed interest in hearing from Dr. Gross because several of the items on their list of potential areas of change related to goal setting and performance evaluation. He believed that the Charter Review Commission would then determine if those particular items would be recommended to the Town Council for inclusion within the Town's Charter.

President Smith recalled that the Town Council had agreed that performance evaluations would be done by the Town Council, and she agreed that anything to do with performance evaluations should be discussed with the Town Council, not the Charter Commission; she did not believe that was an issue that should be included in the Town's Charter.

Councilman Wyett commented that he believed the Charter Review Commission was confused by employee reviews. Mandating that reviews be done was a Charter issue, however, how to do it should be a Town Council issue, because changes may be desired in the future as times changed.

President Smith suggested that the request regarding Dr. MacManus be approved, and that Dr. Gross appear at a later date in order to address the entire Town Council.

Mr. Elwell responded that it had been the opinion of the Charter Review Commission that someone like Dr. Gross may be helpful to them in determining whether performance evaluations should be included within the Charter. He noted that the Commission was merely making a request to hear Dr. Gross, and the request was at the discretion of the Town Council.

President Smith commented that it was the feeling of the Town Council that Dr. Gross should address them, rather than only the Charter Review Commission.

Mr. Elwell noted that Dr. MacManus had indicated that she would be willing to come for expenses only, with no fee, so there would be a savings in the amount of the appropriation.

Councilman Shaw moved that the funds be allocated for Dr. MacManus to appear before the Charter Review Commission, and it would be decided at a later date as to when it would be convenient for the Town Council to hear from Dr. Gross. Councilman Wyett seconded the motion. On roll call the motion carried 4/0, as Councilman McDonald was absent from the meeting.

IV. WATER RESOURCES CONSULTANT'S UPDATE ON TOWN OPTIONS FOR AN ALTERNATIVE WATER SUPPLY SYSTEM

For purposes of clarity, the chart furnished by consultant Gerald Hartman entitled "Estimated and Preliminary Cost Comparison" is included as part of the minutes as Appendix A.

Public Works Director Al Dusey reported that there had been a brief meeting with Palm Beach County Utilities Department, which indicated a possible solution for a source of water. The consultant, Gerald Hartman, had been requested to put together some cost figures, and would present the three alternatives as well as discuss the West Palm Beach system.

Gerald Hartman reported that the Town consumptive use permit application for the allocation of brackish water resources for a potential facility had been submitted. The two applications for deep well injection for brine discharge would be addressed with Florida Department of Environmental Protection in a pre-application meeting.

Mr. Hartman explained that three basic options for an alternative water supply system had been evaluated, noting that the common thread for all of the options was to own and control the customer base. Those options were: the privatization for water supply; the continued or a new wholesale agreement with the City of West Palm Beach for supply; a wholesale agreement with Palm Beach County for supply. The Engineering Due Diligence had been completed on hydro testing, pressure recorders of the system were verified, the environmental site assessments conducted, and the deficiencies enumerated. The re-pump station and in-line booster station were also evaluated. The cost approach, the income approach, and comparable sales approaches were preliminarily completed. The departmental review was ongoing in order to finalize the Valuation Report itself. Information had not been forthcoming from the City of West Palm Beach regarding easement issues associated with the potential acquisition of the transmission distribution system within the Town, and the Town Council and his firm were jointly working on obtaining that. A land appraiser had been authorized to go through the County records regarding this issue to match them up to the system maps.

Mr. Hartman reviewed the three potential options, which all appeared to be more cost effective than the present situation, and explained the one page table entitled "Estimated and Preliminary Cost Comparison." The present City of West Palm Beach system was a total blended rate in cents per thousand gallons, including the surcharge, and was costing approximately $2.52 per thousand gallons, based on present rates. The City of West Palm Beach would be raising their rates over time, and it was probable that by the year 2001 the rates would equal $3.00 per thousand gallons. Mr. Hartman then went over the figures for wholesale costs for city rates ($2.02 per thousand gallons), wholesale Palm Beach County rates ($2.20 per thousand gallons), and for a wholesale privatization vendor ($2.53 per thousand gallons).

Councilman Wyett commented that currently, when one builds a home in Palm Beach, he buys the meter from West Palm Beach. He asked who owned the meter–the homeowner or West Palm Beach?

Mr. Hartman responded that it was considered a contribution of construction based on the customer, and West Palm Beach basically owned the meter.

Mr. Wyett asked why the Town, in negotiating with West Palm Beach, would want to buy an older-type meter when the newest meters could be acquired?

Mr. Hartman replied that the goal was not to have a discontinuance of service; it was desired to have service maintained at all times with the least amount of disturbance as possible. He explained that the meters had an average service life of 7-15 years, and almost all of them have served their service lives, so they were on salvage. The meter value would be at salvage value.

Councilman Shaw questioned the correlation between the consumption of water and the amount of land. He questioned if there was really a need to bother with water meters, explaining that perhaps water consumption could be determined by the size of the property and ratio of house to green space.

Mr. Hartman responded that meters were required by the South Florida Water Management District (SFWMD), and the reading of those meters at quarterly intervals for potable water service was also required. How a customer was actually billed would be a decision that would have to be made.

Mr. Hartman explained that he believed that the three most favorable options to the Town included the three discussed today, and not the present water service. To most effectively implement any one of the three, consideration toward acquisition of the present system would be recommended for the following reasons: it is a long lead time item--it would take some time to accomplish; upgrading the system could best be controlled by whoever was in charge.

President Pro-Tem McLendon considered that it would be optimistic to think that there would be any serious negotiations with the City of West Palm Beach until the value of their system was in jeopardy of being replaced, becoming worthless to them. He commented that he did not think the Town could expect reasonable negotiations to get an $.80 per thousand gallon wholesale rate, for example.

Mr. Hartman concurred, relative to negotiations on a wholesale rate, that it was difficult to negotiate a wholesale rate unless you had something to negotiate with, and that was the customer base. He disagreed that the Town would have to parallel the lines in order to negotiate, believing that the Town had a contract right to purchase.

Town Attorney Randolph explained that the agreement provided that at or after the conclusion of the franchise, the Town had the option to purchase the system. If the Town was going to pursue any one of the scenarios presented by Mr. Hartman today, now would be the time to give consideration on exercising the option to purchase. He noted that the Town would not be bound to purchase the system for the amount demanded by the City of West Palm Beach, in which case an arbitrator could make a determination as to the value, although the Town could still decide not to purchase. He added that staff advice from the City of West Palm Beach indicated that the City of West Palm Beach did not envision itself as being a continuing purveyor of water on a retail basis; that the City would prefer to be the purveyor of water on a wholesale basis, much the same as it has done in the western portion of the County; indications had been that they would like to work with the Town in selling the system and providing the Town with wholesale water. That was the first time that clear language had been presented that there was no real interest in moving forward with a renewed franchise agreement.

President Smith commented that if the City was interested in only wholesale water, then perhaps this was the time to negotiate the sale of the system. She asked Mr. Hartman if his chart included a reverse osmosis plant?

Mr. Hartman replied that the chart did include a reverse osmosis plant under the title "Wholesale Privatization Vendor."

Councilman Wyett pointed out that the current system was extremely old, and the value was quite low. The capitalization value was very high; and the replacement value of the system had been estimated to be between $20-24 million, and there was an informal estimate of $16 million needed to repair the system.

Mr. Hartman replied that he was qualified to render opinions in the court system of the State of Florida, and the approach that he had always utilized was to consider the eleventh edition precepts, the standard approaches, which were the cost approach, the income approach, and the comparable sales approach–all three reconciled to an opinion of value. There were some preliminary findings in the forthcoming report, and he gave assurance that all three approaches discussed today were less than $10 million. He would have the full report ready for presentation by the end of October.

Councilman Wyett commented that the advantage of taking an existing system at a reasonable price was that many of the old pipes could be sleeved, and digging up the center part of Town would be avoided, with less disruption to the system.

Public Works Director Al Dusey reported that streets which had received new storm sewers would not have to be dug up, since they all had new water mains. He explained that Mr. Hartman had convinced him that the process of buying the system was set up so that the Town would not have to pay more than what the system was worth. He expressed concern about advising to purchase the system without knowing the alternatives to water supply; the Palm Beach County alternative had surfaced as an alternative as well.

Town Attorney Randolph explained that in the negotiation process, Mr. Hartman would act as a consultant on behalf of the Town, and hopefully negotiations could take place without going to arbitration; arbitration would involve each of the parties selecting an arbitrator, with a third arbitrator selected, in order to make a determination of the value of the system.

Councilman Wyett expressed concern that Palm Beach County, in furnishing wholesale water, would eventually consider the Town as a revenue source, putting the Town in the same position as it was now with the City of West Palm Beach.

Mr. Hartman replied that he believed that all options should be understood before making a decision; the Palm Beach County alternative could be considered, but until there was a binding agreement there was no commitment.

Mr. Dusey explained that the County could not charge a surcharge, as there was no provision by law for that.

Councilman Wyett asked if the 5.5MM connection was the cost of connecting the Town to the wholesale water from Palm Beach County; what costs would be incurred to increase the pipe from 24" to 36" from the origin point?

Mr. Hartman replied affirmatively, assuming that the 36" pipe was used for the entire distance, with the subaqueous crossing, the meter was put in on the mainland side of the crossing, and the meters and new valves were put in for the City of West Palm Beach connections. Regarding the five connections from the City of West Palm Beach to the Town, meters would be put in with valves to valve them off. The 5.5 MM is a 36" transmission system with additional storage and pumping facilities; basically, like one plant coming across Southern Blvd. with major transmission up and down in the Town. The 36" pipe would end at Phipps Ocean Park. The 5.5 MM stops at 1,000' in from the dirt point.

Councilman Wyett explained that his questions related to the fact that if the Town did not like the Palm Beach County source of water for some reason after a given number of years, it would not be precluded from canceling or not renewing that agreement and putting in whatever was technically available at that time.

Town Manager Doney requested that authorization for funding be included with any authorization to proceed with negotiations; at the October Town Council Meeting the estimate of Mr. Hartman could be discussed, in addition to the time frame.

President Smith replied that she had understood that Town Attorney Randolph would be doing the negotiating, using Mr. Hartman as a consultant.

Town Attorney Randolph explained that what was needed was authorization to exercise the option to purchase under the terms of the franchise, to draft the appropriate letter for the signature of the Town representative in that regard. In response to the suggestion of President Smith, Mr. Randolph advised that a response from the City of West Palm Beach would be requested so that it could be presented at the October Town Council Meeting.

Councilman Wyett pointed out that all the costs of acquisition, etc., would not cost the taxpayers under the ad valorem tax rate– it would be assigned to a water department, and the costs would be yearly recovered so that over a 30 year period of a bond issue assuming 30 years, the costs to the residents would probably be less than the current costs, plus the expected incremental costs. Even if the Town was to appropriate money, it should be appropriated with the idea that the costs would be transferred to the receipt of the bond issue. He stated that he was prepared, at some future point, to ask that all costs associated with this water problem be assigned to the water department that would be formed, and refunded to the Town.

Councilman Shaw moved that authorization be given to the Town Attorney to draft a letter exercising the option under the franchise, to acquire the system. The motion was seconded by Councilman Wyett.

President Pro-Tem McLendon indicated that it was his understanding that the figures under the "Wholesale Privatization Vendor" column were based on one vendor's proposal that was submitted in detail to the Town, and that was not the final competitive number that would be on competitive bids.

Mr. Hartman replied that was true, and mentioned that was why he had shown all three alternatives with the numbers. He pointed out that he believed the Town should look at all three equally, and not looking at one as having a preferred cost over another.

President Pro-Tem McLendon commented that approximately two years ago he had two meetings with the County Utilities, and had received some cost estimates, however, they had pointed out that there was not the ability to service because the closest thing to the Town was at Forest Hill and Florida Mango, and it was not big enough to supply a whole city.

Mr. Hartman replied that there had been a 1997 master plan conducted that showed major transmission system improvements.

On roll call the motion of Councilman Shaw carried 4/0, as Councilman McDonald was absent from the meeting.

Mr. Dusey commented that the discussions with Palm Beach County had been very preliminary and very brief, and requested the authorization to continue to develop the concept with Palm Beach County, as there were some promising advantages. He requested the amount of $10,000 to cover the costs.

Councilman Wyett moved approval of authorization to continue discussions with Palm Beach County regarding wholesale water, with the amount of $10,000 to cover costs. The motion was seconded by President Pro-Tem McLendon. On roll call the motion carried 4/0, as Councilman McDonald was absent from the meeting.

Councilman Wyett pointed out the R & R (repair and replacement) costs as submitted on the chart of Mr. Hartman seemed high if a new system was put in, as the first three to five years of a brand new system would involve almost no costs, with the heavy costs occurring approximately in the fifteenth year or later. He suggested that Mr. Hartman provide total costs between buying the distribution system or replacing it; scenarios on the various things that could happen were needed from Mr. Hartman. For example, under privatization under a reverse osmosis system, one of the advantages was that the only inflation would be materials and labor, because the bond issue would be established, the plant would be established, so there was very little inflation. There were various scenarios within the numbers that were distributed on the chart, and the Town Council may have to look at that in detail, and would like to in advance of the meeting with as much explanation to each of the scenarios because no one would know the exact inflation factors, repair costs, etc.

Mr. Hartman replied that $700,000 of R & R was overhead, with $300,000 for replacements also, so there was a total of $1.3 million as an overall. If the Town went to a new system, the present bond market was about 14.26, times $1.3 million, which would equal $19 million.

Councilman Wyett replied that he believed those figure were still on the low side because the estimate of West Palm Beach was $16 million to repair the system over 10 years, which would be $1.6 million per year, and the Town certainly could not wait ten years, so the costs might be a lot higher as far as the distribution, repair and replacement.

Mr. Hartman replied that there was another $300,000 in the $700,000, so he had combined the two numbers together to get the $19 million, and there was still the $7.5 million of transmission improvements. When all those were added together they totaled $26.5 million.

President Pro-Tem McLendon questioned the conversion from dollars to cents per thousand gallons, asking if it had been assumed that 8 million gallons per day was being pumped?

Mr. Hartman replied that the figure used was slightly under 8 million gallons per day, losing approximately 18%; the typical figure for a system of this age was in the 15-20%; typical for a new system was the 4-8%.

President Smith commented that the Town Council would look forward to the October Town Council Meeting with the response from the City of West Palm Beach, and the report from Dr. Hartman in November.

V. ROYAL PARK BRIDGE

Councilman Shaw commented that he believed that both the City of West Palm Beach and the Town of Palm Beach had been working diligently in trying to minimize the effects of the lane changes on the Royal Park Bridge. He expressed concern about the manner in which the merge lane on the Palm Beach side was being constructed, and had discussed the issue with Palm Beach Assistant Police Chief Reiter, and was under the impressions that there was a little problem from the standpoint of how the Florida Department of Transportation (FDOT) was approaching the merge. There appeared to be a back up of traffic coming across Cocoanut Row, because the merge starts at Cocoanut, rather than closer to the bridge, and Mr. Shaw suggested that Mr. Bowser and/or Mr. Dusey consider the situation, and if need be, work with FDOT to change the point of the merge. The other problem evolving is that people trying to make the "U" turn or the left turn into the bank building cannot complete the turn because there is now a single lane of traffic. He suggested that the road be two-lanes until west of the Four Arts.

President Smith commented that with two lanes trying to merge west of the Four Arts, people coming out of the Four Arts, and people trying to make the "U" turn, traffic just absolutely stood still, and she considered that it had gone smoother with the one lane.

Councilman Shaw suggested that an alternative would be to make the Four Arts street a one-way street northbound, which would force traffic from Four Arts to go north to Seaview and come around where a traffic light can handle the traffic.

Public Works Director Al Dusey responded that he would review the situation and speak to the appropriate parties.

Councilman Shaw commented that a bridge schedule may be appropriate at this time in order to avoid massive traffic back-ups.

President Smith suggested that cars be prohibited from making a right turn on red off of Cocoanut Row from the school into the one lane that has been striped out. She mentioned that there were Four Arts lectures on Tuesday afternoons, ending at 3:30 P.M., with school getting out at the same time.

Councilman Wyett suggested that perhaps the Four Arts lectures could be held at a different time. He added that there was an opening and closing schedule for the bridge for the season, and asked Mayor Ilyinsky if the Coast Guard would consider more restrictive openings and closings, especially during rush hours, which would facilitate traffic while the new bridge was being built?

Mayor Ilyinsky replied affirmatively, and agreed that he would write to the Coast Guard, as well as the Four Arts concerning the matters discussed today.

President Pro-Tem McLendon noted that he would be out of town on Thursday for the scheduled meeting, and read it as follows:

I am writing to express my views as an individual member of the Palm Beach Town Council. This is not an official statement on behalf of the Town. I appreciate the Department of Transportation's efforts to date to resolve the repair/replacement of the Royal Park Bridge in Palm Beach. It has been less than comfortable to listen to the many suggestions for repair, some of which appear to have some merit, but since, obviously I am not an bridge expert, we have to leave the matter in your hands. Please do what you can to avoid the new bridge from being obsolete by the time it is constructed. I think it is imperative to provide more than two lanes of traffic in each direction, and to make the South Flagler Drive/Okeechobee Blvd./Lakeview intersection less complicated. If we have three lanes in each direction it would fit the West Palm Beach City streets, which already have three lanes. Also some of the westbound bridge traffic goes north on Flagler Drive, and that would result in less likely impact to the Phillips Point/U.S. I area. A third lane easterly could be handled by South Lake

Drive, then one block south to Brazilian, or two blocks to Australian, or four blocks to Peruvian going east. It could dictate a traffic signal at Brazilian and South County Road, as this intersection is already without a signal a dangerous one, and could be improved by a signal, or maybe to require eastbound Brazilian traffic to turn right on County Road. The area in the vicinity of Four Arts and Royal Palm Way is very limited, but there is enough space to permit entry to a third bridge lane. The traffic signal operation and other local configurations at Flagler Drive and Lakeview need to be re-designated and constructed. I realize it's not under your jurisdiction, but the length of time for bridge openings should be reduced. This would relieve some bridge traffic delays. There may be two ways to accomplish this: 1) to utilize in the new bridge design a faster rate of opening and closing of the draws; 2) ask the Coast Guard to modernize the determinations of when the bridge starts to close. Most of the time when I've observed the boat that has just passed through is a long way past the bridge before the draw even starts to close. I will be out of town on October 1st, the day of your meeting, but needed to express my views on the bridge situation.

Town Manager Doney commented that FDOT personnel would be present and available to listen to concerns at the October 13, 1998, Town Council Meeting. He suggested that they could then be the emissary to the Coast Guard to obtain special drawbridge regulations throughout the construction period of the bridge. The Mayor could then follow up with the Four Arts situation with a letter asking them to give special consideration to the modification of their lecture series.

Councilman Wyett commented that West Palm Beach was contemplating some major changes to Flagler Drive in narrowing it, and suggested that dialogue be undertaken them to have assurances that while the bridge was closed to traffic on a full basis, that they should suspend any action to narrow Flagler Drive, as it would only aggravate the situation.

Town Manager Doney suggested that the possible reconfiguration of Flagler Drive be considered at the October 13, 1998, Town Council Meeting so that appropriate direction could be given at that time.

VI. ANY OTHER MATTERS

There were none.

VII. ADJOURNMENT

The meeting was adjourned at 4:40 P.M.

Mary A. Pollitt
Town Clerk

Prepared by:
Susan Eichhorn
Deputy Town Clerk
SUE.wpd

APPENDIX A

APPENDIX A

ESTIMATED AND PRELIMINARY COST COMPARISON

Description	Estimated Values	Present City West Palm Beach	Wholesale City West Palm Beach	Wholesale Palm Beach County	Wholesale Privatization Vendor
Bulk Rate	—	—	0.80	0.56	1.50[1]
Connection CIP	5.5 MM	—	0.15	0.15	—
Acquisition T & D	7.5 MM	—	0.21	0.21	0.21
Town O.H.	$700,000/Yr.	—	0.25	0.25	0.25
R&R	$1,000,000/Yr.	—	0.36	0.36	0.36
Trans. CIP	7.5 MM	—	—	0.21	0.21
Capacity Debt	$1,300,000/Yr.	—	—	0.46	—
Contingency	—	—	0.25	—	—
Total Rate ($/1,000 gallons)	—	$2.52[2]	2.02[3]	2.20[4]	2.53[5]

(1) Year 2001 BOO Cost at $1.12/100 CF = 748 gallons
(2) Subject to increase with City Rate Study.
(3) Assumes V.R.P.B. Bulk Rate without Capacity Cost - Subject to Negotiation and Inflation
(4) Estimated Values Subject to Negotiation and Inflation.
(5) 60% of Cost fixed and includes connection to the Town's System.

gch/mg/corresp/97-432.00/estimate-gch.doc

MINUTES OF THE PUBLIC HEARING CONDUCTED BY THE MAYOR AND TOWN COUNCIL HELD ON SEPTEMBER 28, 1998

To Adopt Final Millages and Budgets for Fiscal Year 1999

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 5:10 p.m. by President Lesly Smith. The following Elected Officials were present: Mayor Paul Ilyinsky; President Lesly Smith; President Pro-Tem Samuel McLendon; Councilman Leslie Shaw and Allen Wyett. Councilman Jack McDonald was absent. Others attending the meeting were: Town Manager Robert Doney; Assistant Town Manager Peter Elwell; Police Chief Frank Croft; Finance Director James Demming; Assistant Finance Director Cheryl Somers; Public Works Director Al Dusey; Planning, Zoning & Building Director Robert Moore; Fire-Rescue Chief Ken Elmore; Information Services Manager Spencer Wilson; Recreation Director Russell Bitzer Personnel Analyst Carla Kneipp; and Town Clerk Mary Pollitt.

II. COMMENTS OF THE MAYOR

There were none.

III. APPROVAL OF THE AGENDA

No changes were made in the agenda.

IV. PUBLIC HEARING ON FINAL FY99 MILLAGE RATES AND BUDGETS

A. Proof of Publication

Mrs. Smith said this Public Hearing had been publically advertised and announced to commence at 5:01 p.m. The proposed FY99 millage rates, General Fund, Debt Service Fund, and other funds including the approval of Resolution Number 37-98 and Ordinance Number 14-98.

Mrs. Smith asked the Town Clerk if she received Proof of Publication of notice of this meeting? Mrs. Pollitt replied affirmatively.

B. Proposed Operating Millage

Mrs. Smith said at the September 10, 1998, Public Hearing at 5:01 p.m. which was held by the Mayor and Town Council, the following proposed millage rates were approved:

General Fund	4.3400 mills
Debt Service	.4128 mills
Total	4.7528 mills

Item 5(b) the Town of Palm Beach FY99 General Fund proposed millage rates of 4.3400 mills represents a 3.83% increase over the rolled-back millage rate of 4.1799 mills.

C. Reason for Proposed Operating Millage Rate Increase Over Rolled-Back Millage Rate

Mrs. Smith requested the Town Manager, as required by State law, to identify the reason for which the ad valorem taxes are being increased above the roll-back rate.

Mr. Doney said the rolled-back rate would have provided a general contingency of approximately $650,000, and the Town staff believes that a general contingency of approximately $1,400,000 is more prudent given the uncertainty regarding the potential expenditures for water matters, coastal protection matters, and other needs which may arise during FY99. To generate the approximate $750,000 of additional general contingency revenue, a 3.83% increase over the rolled-back millage rate will be necessary.

Mr. Wyett said when the additional monies were spent for water issues or beach issues, that the Town Council be advised how it can be paid up front and reassign it into the proper bond issues so the expenditures that the Town Council will make can be restored to the Town and accounted for in a different manner as this may be temporary funding.

Mr. Doney said it was anticipated until the Town Council formally acts upon water or coastal protection matters, for example, that those funding advances that would come from the General Operating Fund would ultimately be replaced by whatever then designating funding source the Town Council would identify. He said this has been discussed with the Finance Director, the Bond Counsel, and Mr. Randolph. It is the contemplation that it is the Town Council's and the Mayor's intent to replace those funds to the General Fund at such time as a permanent funding source becomes available.

D. Memorandum Regarding Proposed Final Millages and Budgets Based Upon Actions at September 10th Public Hearing

Mr. Doney said that as identified in the September 21, 1998, memorandum to the Mayor and Town Council from Mr. Doney, the package of exhibits presented prior to the September 10, 1998, Public Hearing was referred to. He said rather than go through the exhibits in detail, A through M, he offered to answer any questions from the Mayor or any of the Council members.

There were no questions.

E. Comments and Questions from Public

There were none.

F. Discussion and Adoption (with Changes, if any) of Resolution No. 37-98 Adopting Final Millage Rates for FY99

Mrs. Smith asked Mr. Doney to read Resolution Number 37-98 by title.

Mr. Doney read Resolution Number 37-98.

RESOLUTION NO. 37-98

A RESOLUTION OF THE TOWN OF PALM BEACH ADOPTING FINAL MILLAGE RATES AND LEVYING AD VALOREM TAXES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 1998, AND ENDING SEPTEMBER 30, 1999; SETTING FORTH CERTAIN INFORMATION REGARDING "ROLLED-BACK MILLAGE RATE"; DIRECTING THE TOWN MANAGER OR THE FINANCE DIRECTOR TO ADJUST THE ADOPTED MILLAGE RATES IN THE EVENT OF CHANGES IN THE ASSESSMENT ROLL AND TAXABLE VALUE; PROVIDING AN EFFECTIVE DATE.

Mr. Wyett made a motion to adopt Resolution Number 37-98 to set the millage rate of 4.3400 mills for the General Operating Fund and .4128 mills for the Debt Service Fund for a total of 4.7528 mills. The motion was seconded by Mr. McLendon. On roll call, the motion carried unanimously.

G. Second Reading of Ordinance No. 14-98 - Adopting Final Budgets for FY99

Mrs. Smith requested that Mr. Doney read Ordinance Number 14-98 by title.

Mr. Doney read Ordinance Number 14-98, second reading, as follows:

ORDINANCE NO. 14-98

AN ORDINANCE OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, ADOPTING A FINAL BUDGET AND APPROPRIATING FUNDS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 1998, AND ENDING SEPTEMBER 30,1999; PROVIDING FOR AN EFFECTIVE DATE.

Mr. Wyett made a motion to adopt Ordinance Number 14-98 which adopts the FY99 budgets. The motion was seconded by Mr. McLendon and carried unanimously on roll call.

Mrs. Smith thanked all the department heads and those who participated in the budget process.

VI. ANY OTHER MATTERS

There were none.

VII. ADJOURNMENT

The meeting was adjourned at 5:18 p.m.

Mary A. Pollitt, Town Clerk