



TOWN OF PALM BEACH

Town Clerk's Office

MINUTES OF THE SPECIAL TOWN COUNCIL MEETING HELD ON SEPTEMBER 9, 2008 @ 5:01 P.M. (BUDGET)

I. CALL TO ORDER AND ROLL CALL

The Special Town Council Meeting was called to order in the Town Council Chambers at 5:01 p.m., on September 9, 2008. On roll call, the following elected officials were found to be present:

Mayor Jack McDonald
President Richard M. Kleid
President Pro Tem Gail Coniglio
Council Member Denis P. Coleman
Council Member Susan Markin
Council Member Rosow

Others present for all or a portion of the meeting were:

Town Manager Peter B. Elwell
Deputy Town Manager Thomas G. Bradford
Assistant Town Manager Sarah E. Hannah
William Amador - Fire-Rescue Chief
Jay Boodheshwar - Recreation Director
Eric Brown - Assistant Public Works Director
Paul Brazil - Public Works Director
Veronica Close - Assistant Director Planning, Zoning, and Building
William Crouse - Human Resources Director
Jon Luscomb - Dock Master
John Page - Planning, Zoning and Building Director
Michael Reiter - Police Chief
Cheryl Somers - Assistant Finance Director
Jane Struder - Finance Director
Spencer Wilson - Information Systems Manager
Susan Eichhorn - Town Clerk

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II. APPROVAL OF AGENDA

The agenda was approved through motion of Council Member Coleman, seconded by President Pro Tem Coniglio. On roll call, the motion carried unanimously.

III. PUBLIC HEARING ON PROPOSED MILLAGE RATE AND "TENTATIVE" FY2009 BUDGETS

Town Manager Peter B. Elwell reviewed the budget information presented in binders to the Town Council, which included General Fund Revenues and Expenditures, Property Tax Information, and the Resolutions adopting the proposed millage rate and the tentative budget for the 2008-2009 Fiscal Year.

Mr. Elwell advised that there were some procedural steps that would be accomplished this evening, in order to comply with state law.

IV. CONSIDERATION OF INDIVIDUAL BUDGET-RELATED MATTERS

A. Notice of Proposed Property Taxes

President Kleid announced that, pursuant to the Notice of Proposed Property Taxes, which had been mailed by the Palm Beach County Property Appraiser to each property owner, the Public Hearing had been announced to commence at 5:01 p.m. The fiscal year 2009 proposed millage rate would be discussed, and the tentative general fund, debt service fund, and other fund budgets, including the approval of Resolution No. 70-08, and Resolution No. 71-08. The fiscal year 2009 general fund proposed operating millage rate of 3.3370 mills represented a 6.06% increase from the rolled back millage rate of 3.1464 mills. He requested the Town Manager identify the reasons why the ad valorem taxes were being decreased from the rolled-back rate.

B. Proposed Operating Millage

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

Town Manager Elwell advised that the tentative FY09 general operating fund budget of \$68,209,400 had increased by \$3,876,841, or 6% over the FY08 adopted operating budget of \$64,332,559. The major increases to the FY09 budget included health insurance costs; additional funding for coastal litigation and lobbying; competitive pay increase for all employees; Police Officer and Firefighter special competitive pay increases; increases in fuel and electricity costs; additional funding for the street resurfacing program; Lake Trail paving. Those increases were offset by decreases through cuts made through the Comprehensive Review of Town Operations (CRTO); decreases in retirement funding; decreases for one-time purchases in FY08; transfer of coastal related legal and monitoring costs to the coastal protection fund.

The memorandum included in the back-up material outlined the changes that had been made to the budget since the proposed budget was presented to the Mayor and Town Council on July 9, 2008. Those changes include: additional funding for roadway milling and resurfacing and Lake Trail paving; funding for the litigation related to the Surfriders petition and coastal litigation and lobbying expenses; software for digital imaging and digitizing plans; traffic signal for the North Fire-Rescue Station; first year costs of the early retirement incentive program.

D. Comments and Questions from Public

President Kleid opened the floor for public comment. There were none.

E. Discussion and Adoption (with changes, if any) of Resolution No. 70-08 Adopting Proposed Operating Millage Rate for FY09.

Council Member Rosow addressed the issue of billing private residences for cleaning their beaches.

Town Manager Elwell recalled that the issue was discussed at the July 9, 2008, Budget Hearing, and the outcome of the discussion had been that the program would not be changed.

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1 Public Works Director H. Paul Brazil commented that the discussion had included the beach
2 related items becoming part of the Recreation Enterprise Fund, and treating the beach front as a
3 recreational item.

4
5 Town Manager Elwell explained that after calculations had been made, the results were that
6 the fees would be very high, and that had caused the idea to be dropped.

7
8 Finance Director Struder added that the additional cost for the beach cleaning would be
9 \$171,000.

10
11 In response to Council Member Rosow:

12
13 Mr. Brazil explained that the costs for street lighting were for electricity, operation and
14 maintenance of the system, and that part of the costs were reimbursed by the Florida
15 Department of Transportation (FDOT). The Town operated and maintained Town-owned
16 street lights, as well as FDOT owned street lights, and Florida Power & Light (FP & L) also
17 had some circuits that they were responsible for.

18
19 In regard to increases in residential, commercial and yard trash collection, Mr. Brazil
20 explained that the vast majority of the increases were labor related; he reviewed staff duties
21 that were necessary to complete the tasks.

22
23 In regard to the drop in coastal management costs, Mr. Brazil explained that funds had gone
24 back from the operating fund into the capital fund. He explained that several years ago,
25 project related costs had been put into operating costs. With all of the recent budget issues,
26 some of those expenses had gone back into the capital program

27
28 Police Chief Reiter addressed the increase in organized crime/vice/narcotics, explaining that
29 was part of a departmental reorganization. Some positions had been moved from another
30 program to that program. Regarding parking control, he advised that parking changes
31 seasonally; parking spaces are abundant in the commercial district during business hours in
32 the summer; beach parking is busier in the summer.

33
34 Regarding the budgeted \$500,000 for code violation fees (revenues), Chief Reiter explained
35 that there had been one particular large payment made this year, that skewed the actual and
36 budgeted amounts. This past year had included an increase in enforcement, and water
37 violations had also increased; he did not expect the numbers of enforcement in that regard
38 in the upcoming budget year.

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1 Regarding the \$1,200,000 to be expended for new Fire-Rescue aerial apparatus, Fire-Rescue
2 Chief William Amador provided an explanation of the costs, and how equipment is managed
3 during storm events.

4
5 Regarding the general reserve contingency, Town Manager Elwell explained that the bank
6 loan for the Town Hall building had been approved at \$10,000,000, rather than \$8,000,000,
7 with the explicit idea that it would be for investment in some other capital project. Staff had
8 found that there was a general fund balance of 25%, after all considerations had been taken
9 into account. Therefore, staff recommended that the remaining \$2,000,000 be used for the
10 Sand Transfer Plant. He noted that if some other action was preferred, staff would work
11 through that this evening.

12
13 Council Member Rosow commented that in the last two days of meetings the following
14 amounts were added into the proposed budget: \$80,000 for the pump monitoring system; \$525,000
15 for sanitary systems in the private homes (which will now be billed to residents); \$400,000 of
16 savings experienced in the insurance reserve. He stated that it seemed that it would not now be
17 necessary for an override.

18
19 Discussion took place regarding the general fund balance, and how it was maintained.

20
21 Town Manager Elwell responded to questions from Council Member Markin regarding the
22 exhibits included in the back-up material.

23
24 Regarding the tentative policy decision to free-up the \$525,000 for sanitary systems, Mr.
25 Elwell pointed out that a policy decision would be necessary as to whether to move those dollars into
26 the operating budget at this time, or mark it for sewer upgrades in the capital improvement program,
27 since there was a multi-year, multi-million dollar unfunded effort that needed to be undertaken in
28 that area. The \$400,000 transferred from the insurance fund into the general fund, and the new
29 revenue of \$250,000 for increased fees that would be budgeted on the revenue side would be to the
30 good of the figure provided for the override.

31
32 Discussion took place regarding the policies of previous Town Councils, and the need to
33 maintain reserves.

34
35 Town Manager Elwell requested clarification regarding the \$525,000 for sanitary systems.

36
37 **President Pro Tem Coniglio moved that the \$525,000 for sanitary systems be moved to**
38 **the operating budget. The motion was seconded by Council Member Rosow. On roll call, the**
39 **motion carried 4/1:**

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President Pro Tem Coniglio: Yes
Council Member Rosow: Yes
Council Member Markin: Yes
Council Member Coleman No
President Kleid: Yes

Town Manager Elwell stated that staff would recalculate the millage rate, since there was now enough revenue that was non-tax revenue so that the override would not be necessary.

Town Manager Elwell requested clarification regarding direction regarding the beach erosion litigation. It was the consensus of the Town Council to request that Town Attorney Randolph seek out additional law firms that may be interested in representing the Town.

Discussion took place regarding a straw ballot, as opposed to a general obligation bond, for a public referendum.

Council Member Rosow commented that rather than having a straw ballot as to whether the Town should sue the Army Corps, a campaign was needed to educate the voters on the pros and cons, so that voters would have a full understanding when the time came to vote.

Discussion took place regarding the proposed litigation and the associated costs to the taxpayers.

Council Member Rosow requested that a Finance and Tax Committee meeting be scheduled, at some point after the October 13, 2008, Town Council Meeting.

Town Manager announced that the new proposed millage rate was 3.2473 mills, which was a 3.21% increase over the rolled-back rate, and a 3.46% decrease from the FY08 millage rate. He clarified that earlier today, in the regular meeting, the decision was made to transfer the \$400,000 in insurance savings to the general fund contingency, however, the contingency would not increase by that amount because on the expenditure side, the Town Council had intended that \$1,000,000 would be put in the coastal fund for litigation/lobbying expenses, and the \$122,000 would be put in a combination of capital and operating funds for the road paving. He noted that the documents would reflect what the intent was, which meant that the contingency would not increase by \$400,000; the additional revenue sources would be shown; and the expenditure side would be shown as the Town Council had originally intended.

Council Member Coleman pointed out that adoption of the proposed millage rate would set a base for next year, which would constrict things even more next year.

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1 Town Manager Elwell noted that if the Town Council wished to adopt the millage rate that
2 was originally proposed (3.2512 mills), the difference was approximately \$51,000, which could be
3 put into the contingency account, and that would avoid the constriction on next year's millage rate.

4
5 Finance Director Struder advised that a 3.1512 mills would be the majority vote millage rate,
6 which was 3.33% over the rolled-back rate, and 3.34% below the FY08 millage rate.

7
8 Town Manager Elwell clarified that the additional revenue on the expenditure side would be
9 reflected in the general fund contingency.

10
11 Town Manager Elwell read Resolution No. 70-08 by title:

12
13 A RESOLUTION OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY,
14 FLORIDA, ADOPTING PROPOSED MILLAGE RATE NECESSARY TO FUND THE
15 TENTATIVE GENERAL (OPERATING) FUND BUDGET FOR THE 2008-2009 FISCAL
16 YEAR.

17
18 **Council Member Rosow moved that Resolution No. 70-08, setting the proposed millage**
19 **rate of 3.2512 mills. The motion was seconded by President Pro Tem Coniglio, and carried**
20 **4/1:**

21
22 **Council Member Rosow: Yes**
23 **President Pro Tem Coniglio: Yes**
24 **Council Member Markin: Yes**
25 **Council Member Coleman: No**
26 **President Kleid: Yes**

27
28
29
30 **F. Adoption of Assessments for Commercial Garbage Collection Services.**

31
32 Director of Public Works H. Paul Brazil reported the final non-ad valorem assessment rates
33 for commercial solid waste collection for FY09, as had been set forth in Resolution No. 49-08
34 adopted on July 8, 2008.

35
36 **Council Member Markin made a motion to reaffirm Resolution No. 49-08, which was**
37 **adopted at the July 8, 2008, Town Council Meeting. The motion was seconded by President**
38 **Pro Tem Coniglio. On roll call, the motion carried unanimously.**
39

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1
2 G. Discussion and Adoption (with changes, if any) Resolution 71-08 - Adopting a
3 Tentative Operating Budget, Debt Service Budget, and Budgets for Other Funds for
4 FY2009.

5
6 Town Manager Elwell read Resolution No. 71-08 by title:

7
8 A RESOLUTION OF THE TOWN OF PALM BEACH ADOPTING THE TENTATIVE
9 GENERAL (OPERATING) FUND, DEBT SERVICE FUND, AND BUDGETS FOR
10 OTHER FUNDS FOR THE 2008-2009 FISCAL YEAR.

11
12 **Council Member Markin moved adoption of Resolution No. 71-08. The motion was**
13 **seconded by Council Member Rosow. On roll call, the motion carried unanimously.**

14
15
16
17 H. Second and Final Public Hearing to Adopt Final Millage Rate and Budgets will be
18 on Wednesday, September 24, 2008, at 5:01 p.m. in the Town Council Chambers.

19
20 President Kleid announced that the second and final Public Hearing to adopt the final millage
21 rate and budgets would be held on September 24, 2008, at 5:01 p.m.

22
23
24
25
26 V. ANY OTHER MATTERS

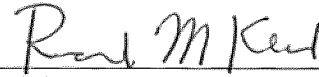
27
28 There were none.

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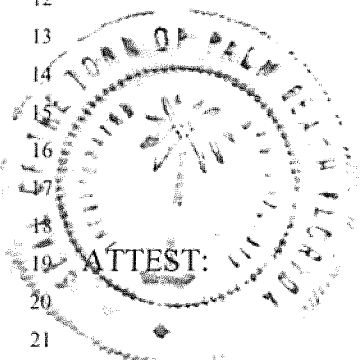
VI. ADJOURNMENT

There being no further business, the Special Town Council Meeting of September 9, 2008,
at 5:01 p.m. was adjourned at 6:20 p.m.

APPROVED:



Richard M. Kleid
Town Council President



ATTEST:



Susan A. Eichhorn
Town Clerk