TOWN COUNCIL PUBLIC HEARING MEETING HELD

SEPTEMBER 7, 1993 AT 5:01 PM

Roll Call

I. CALL TO ORDER AND ROLL CALL: A meeting of the Town Council was called to order by President Pro Tem Wiener at 5:01 PM, September 7, 1993, in the Town Hall Council Chambers. On roll call, the following elected officials were found to be in attendance: Mayor Ilyinsky, President Pro Tem, Wiener, Councilwomen Douthit, Smith and Royal. Council President Weinberg did not attend the meeting. Staff members attending the meeting were: Town Manager Doney, Mrs. Peters, Mrs. Crozier, Chief Terlizzese, Mr. Moore and Mr. Dusey.

Invocation

II. INVOCATION AND PLEDGE OF ALLEGIANCE: Invocation was given by Mrs. Peters. Pledge of allegiance was led by Mayor Ilyinsky.

III. APPROVAL OF AGENDA: Agenda was approved as printed.

Comments of the Mayor

IV. A. COMMENTS OF THE MAYOR: Mayor Ilyinsky said each budget year the Town faces the same dilemma. He said few Town residents are willing to accept reductions in the excellent services that we all enjoy, yet there is always pressure to reduce the tax burden. Mayor Ilyinsky commented that we get what we pay for, no more, and no less. Also, he is assured that the proposed 1994 budget has been taken apart, examined, and put back together again line by line, by line. Mayor Ilyinsky said that thanks to the excellent leadership of our Finance and Tax Committee Chair, Mrs. Wiener, and her very, very able assistant Mrs. Smith, every expenditure has been tested for value received, necessity, and cost. He said no stone has been left unturned in search of getting more value for our tax dollar, and as everyone knows, inflation has reduced our purchasing power by approximately 4.8%. Mayor Ilyinsky said to maintain the same purchasing power as we did in the 1993 budget, we should have increased our 1994 budget by over 1.8 million dollars. However, our Finance and Tax Committee, and the Town Staff tightened their financial belts, and held the increase in the 1994 budget to approximately $900,000, which represents an increase of only 3.3% over last year's budget. He said he feels that the proposed 1994 budget continues all of the fiscal realities of maintaining the excellent services that Town residents enjoy by minimizing the costs of supplying them to the community. He congratulated the Committee, the Town Council, and above all the Town Staff for a fine job well done.

Public Hearing of Tentative FY94 Budget & Proposed Millage Rate

V. PUBLIC HEARING OF "TENTATIVE" FY94 BUDGET AND PROPOSED MILLAGE RATE.

A. "Notice of Proposed Property Taxes"

Mrs. Wiener said pursuant to the notice of proposed property taxes which has been mailed by the County Property Appraiser to each property owner, this Public Hearing has been announced to commence at 5:01 PM. She said they will discuss the proposed fiscal year 1994 tentative millage rates, and general fund debt service fund, and other funds budgets including the approval of Resolution Nos. 34-93 and 35-93.

Mr. Doney said the notice of proposed property taxes which is required by the Florida Statutes to be mailed by the Property Appraiser each year begins the formal notification to each taxpayer of the amount of taxes each taxing authority proposes for them for the subsequent fiscal year. Mr. Doney said todays meeting is the first of two public hearings, and will address the Town of Palm Beach's proposed budget for next year. Mr. Doney stated that under agenda item 4-D, he would identify the major reasons for the dollar increases in the FY94 proposed budget. Also, he said they have prepared a package of materials which he feels will be helpful in understanding the Town's general fund budget.

B. Proposed Operating Millage Exceeds "Rolled-Back Rate" by 10.94 Percent.

Mrs. Wiener said the FY94 general fund tentative millage of 4.6526 mills represents a 10.94% increase over the rolled-back rate of 4.1937 mills.

Mr. Doney said the way today's agenda is structured is based upon the State of Florida Truth in Millage Law, and that is to announce the percentage of increase in the operating millage over the rolled-back millage rate.

C. Mrs. Wiener said as required by State Law, she is requesting Town Manager Doney to generally identify the major specific purposes for which ad valorem taxes are being proposed for increase.

Mr. Doney referred to Exhibit F, and said this has been revised as of September 1, 1993, to identify the major items in the General Fund which are proposed as expenditures for the FY94 budget.

Mr. Doney said the total general fund adopted budget for FY93 is $28,266,741, the proposed FY94 general fund budget is $29,203,425, and the dollar difference between the two budgets is $936,684. Mr. Doney stated this represents an actual dollar increase of 3.31%. The major items which comprise the dollar increase are as follows:

1. Proposed general pay increase of 2%, including Social Security for FY94 - Total $275,632.

2. Funding for the Capital Improvement Fund which is proposed to increase by $228,000 in the FY94 proposed budget, increasing from $1,390,000 to $1,618,000.

3. Sewage Disposal Charges, $980,000 for FY93 as compared to $1,220,000 in FY94, representing a dollar difference of $240,000 or approximately a 24% increase.

4. The aerial fire truck purchase represents the largest item of the increases. This is a five year lease purchase, and FY94 is the first year of the purchase which represents an increase of $110,000 in the FY94 proposed budget.

Mr. Doney said the four items listed total $853,632 of the total dollar increase of $936,684.

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D. Memorandum (with Enclosures) Regarding FY94 Proposed "Tentative" General (Operating) Fund Millage and Budget and other Fund Budgets.

Mr. Doney said this includes exhibits A thru S, and the major exhibits are available at the rear of the Council Chambers. He said the FY94 proposed General Fund budget has been revised, and shows an increase of $936,684. The packages which have been assembled is the combination of the Finance and Taxation Committee meetings of June 9th and 10th, and July 7th, Special Town Council meeting of July 30th, and work completed by the Town Staff since the July 30th Special Town Council meeting when the Council set the tentative operating millage rate.

Mr. Doney said as of July 30th there had not been a determination or consideration of a proposed pay increase for eligible Town employees for FY94. He stated that based on the survey which has been completed by the Personnel Department, and in view of todays General Fund Budget, and other economic conditions, he is recommending that the Town Council consider a 2% general pay increase for eligible employees, excluding contractual employees for FY94, at an approximate cost of $276,000. Mr. Doney said additionally he is recommending that the Town's pay for performance program be modified for one year. He said he is recommending that any incentive increase will be awarded in a lump sum form based upon the performance evaluation rather than applying any increase to the base salary, which has a compounding effect. Mr. Doney said that balancing this issue of the general pay increase, and incentive increase continues to be an annual visited subject, wherein, the Town must, if it continues to attract and retain highly qualified employees it's a matter of competitiveness within the local market, and he feels this is a responsible fiscal recommendation, however, if the Town Council feels that additional considerations are warranted, the Town Staff will be happy to consider them.

Mr. Doney said the staff is reducing the overall personnel compliment by three persons. He said Mr. Dusey has eliminated two positions in the Parks Division of the Public Works Department, and Staff is changing one Fire Inspector position from a full time position to a part time contractual fire inspector position.

Mr. Doney said the tentative operating millage of 4.6526 mills represents a 10.94% increase over the roll-back millage rate of 4.1937 mills which is a 10.82% increase over the adopted FY93 operating millage rate of 4.1984 mills. He said the proposed debt service millage for FY94 is .5513 mills or .55 cents per $1,000 of taxable value, or an approximate 25% decrease from the FY93 debt service millage of .7338 mills. He said this is due to the very beneficial results of the 1993 bond refunding program.

Mr. Doney stated the overall FY94 total millage rate operating plus debt service of 5.2039 mills or $5.20 per $1,000 dollars of taxable value is an approximate 5.51% increase over the FY93 total millage rate of 4.9322 mills or $4.93 per $1,000 of taxable value. Mr. Doney said he would explain each of the exhibits as follows:

Mr. Doney stated that Exhibit B is a recapitulation of millage, budget, and taxable value information as of September 1, 1993. He said this illustrates previous information regarding millage rates for FY94 budget, and the percentage change in both dollars and mills for FY94 from FY93. He said the overall recommendation for the operating, and debt service millage for FY94 is recommended at a 5.51% increase over FY93.

Mr. Doney referred to Exhibit C which identifies the estimated cost to a taxpayer for each $100,000 of general operating fund expenditures funded by ad valorem taxes. He said a property with a $200,000 taxable value, comparing the FY93 adopted millage to the revenue budget, the impact to a Town taxpayer would be $5.04 based on the millage of 4.2236 mills which is the dollar difference in a $100,000 increase in ad valorem taxes.

Mr. Doney said Exhibit D identifies the respective dollar impact upon Town taxpayers for each taxing authority having jurisdiction to levy taxes within the Town of Palm Beach. He said based on figures from the FY93 adopted budget, the Town of Palm Beach received $20,335,628, Palm Beach County received $19,057,075, and the largest recipient of taxes is the Palm Beach County School Board who received $39,593,495.

Mr. Doney stated Exhibit E summarizes the changes to the Town's proposed general fund budget from June 10, 1993 to today which is a recommended general fund budget of $29,203,425.

Mr. Doney said Exhibit F has been covered previously.

Mr. Doney stated Exhibit G explains that the Town of Palm Beach does not have user fees, which are monthly user charges or bills for sanitary sewage, residential garbage, solid waste collection, and also, for yard trash collection. He said this exhibit illustrates what the relative reduction in millage could be if these services were paid on a monthly service charge basis. Mr. Doney said the total for those services for the FY93 general fund budget is 4.5 million dollars. He said if they were eliminated from the Town's general fund budget, and paid on a monthly user charge basis, the millage rate could be reduced by approximately 1.14 mills.

Mr. Doney said the next exhibit is the cost saving measures which have been implemented over the years FY90 thru FY93, and what is recommended to be implemented in FY94.

Mr. Doney referred to Exhibit I which is the unfunded or partially funded mandated estimated expenditures, general operating fund only. He said the mandates are shown for FY90 thru FY94, and are programs and services that the Town is required to provide in order to operate as a municipality. Mr. Doney said these mandates impact significantly on the general operating budget. He said the current year's fiscal budget is $28,742,859, and of that amount the mandated expenditures total $3,796,670 which is 13%.

Mr. Doney referred to Exhibits J and K. He said Exhibit J identifies the actual millages from FY85 thru FY93, and FY94 proposed millage for each taxing authority which has jurisdiction within the Town of Palm Beach. He said based upon the proposed millage, the Town of Palm Beach controls .23 cents of each dollar of a Town taxpayers' total tax bill. Mr. Doney said the Palm Beach County Commission receives .20 cents of every dollar, and the Palm Beach County School Board receives approximately .45 cents of every dollar. He said the balance is shared by the South Florida Water Management District, South Lake Worth Inlet District if you live south of Southern Blvd., Child

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Services District, Florida Inland Navigation District, and the Health Care District. Mr. Doney said Exhibit K illustrates the FY85 thru FY93, and including FY94, the total percentage of each taxing authority.

Mr. Doney said Exhibit L is a summary of the FY94 proposed general fund, and other fund expenditures for each of the Town's departmental budgets.

Mr. Doney referred to Exhibit M, and said this exhibit is the general fund revenues for FY94, and shows the FY92 actual, the FY93 budgeted, and the FY93 anticipated revenues for the Town's general fund, and has been revised thru September 1, 1993.

Mr. Doney said Exhibit N is the Capital Improvement Fund as proposed for FY94 based upon the most recent considerations presented at the July 30th special Town Council meeting.

Mr. Doney explained that Exhibit O is the 1993 certification of taxable value from the Palm Beach County Property Appraiser, and identifies the Town's rollback millage rate, and also, the taxable value within the Town.

Mr. Doney stated that Exhibit P has been updated as of September 1st, to illustrate the Town's proposed taxes which includes operating and debt service, comparing FY93 to the FY94 proposed budget. He said said this exhibit gives examples of taxable value at $225,000, $425,000, $625,000 and $825,000. Mr. Doney gave an example of $425,000 taxable value, and assuming that that property increased the same as the total taxable value increase for the Town which was .659%, the total increase in taxes from FY93 to FY94 based on the proposed general and debt service fund budgets, would be an additional $123. in Town taxes. Mr. Doney said each taxpayers' actual taxable value is determined by the Property Appraiser, and may be larger or smaller than the illustrated amount.

Mr. Doney said Exhibit Q indicates the three year history of major state revenues. He said over the three years, the Town's share of the state revenues has decreased by approximately $99,390, and since the state shared revenues are decreasing, and if the Town continues funding it's expenditures at the same levels, it would be a greater impact on either the Town's ad valorem taxes, or the Town could increase or implement new user fees.

Mr. Doney said Exhibit R and S are Resolutions No. 34-93 and 35-93 which identify millage and budget information.

Mrs. Douthit said she had one item which she has mentioned to Mrs. Crozier and Mr. Dusey. She said the Town is charged a quarter of a million dollars for solid sewage treatment. She said not only is the County taking funds from the Town, but from everyone as individuals. Mrs. Douthit said the rate is the same for everyone whether you have one or two bathrooms in your house or you have 14. She asked Mr. Dusey to check with other municipalities, and determine if they are charged the same fees as the Town. Mrs. Wiener asked if the Town has information as to whether or not this policy is county wide? Mr. Doney replied it is not county wide, but Mr. Dusey has determined that several other cities, towns and some of the unincorporated area of Palm Beach County are all experiencing the same increases in the sanitary sewage charges as the Town of Palm Beach. Mrs. Wiener asked what about other districts? Mr. Doney said they do not have information regarding other districts in the area. Mrs. Douthit asked if any reasons have been given for the increases? Mr. Dusey said they are discussing a couple of different things. He said one is the solid waste disposal fees of the Solid Waste Authority. Mr. Dusey said everyone's personal bills have gone up, and that is due to a weight study the Solid Waste Authority did or residential garbage. He said the other matter is sanitation and, sewage flows at the regional treatment plant. Mr. Dusey said the only people who are impacted similar to the Town of Palm Beach are the ones who send their sewage to the same plant as the Town.

E. Comments and Questions from Public.

Public Comments

Mrs. Wiener asked for public comments.

Mr. Pryor said he is representing the Civic Association. He stated that over a number of months from mid 1992 until March 1993, the Civic Association made certain suggestions concerning budget matters. He said three of the suggestions were:

1. Recommended establishment of a ten (10) year rolling budget based upon estimates for protecting the shore line, and the cost of planned replacement of the Town's infrastructure, and the buildup of appropriate funds to this end.

2. Recommended a study of ways to streamline the management structure.

3. Recommended a study to maximize the safety, and interest earnings on the Town's reserve funds, which vary between approximately $16,000,000, and $30,000,000 during the average fiscal year.

Mr. Pryor said the Civic association would support an increase in taxes, if it comprises planned replacement of the Town's infrastructure. He said he was concerned whether or not the Town is doing enough concerning the Town's infrastructure. Mr. Pryor said that over the next five (5) years an average of 1.65 million per year is recommended for storm sewers, but there is only half a million in this year's budget. Mr. Pryor said they couldn't support annual increases in operating taxes without some offsetting savings. He stated they would not object to the 2% general pay increase, and the 1% performance incentive if they are compensated for by a reduction in personnel. He said he did not feel that a study has been made to streamline the management structure. Mr. Pryor stated with regards to the third point, he felt steps have been taken to maximize interest on the Town's reserve funds.

Mr. Pryor said he would like to express how a Town taxpayer would look at their total tax bill. He said he would exclude the Town's debt servicing which is being reduced. He stated the Town's share of taxes is 20%, and any property owner whose assessment has remained the same will see that vs. the 20%, fifty percent of the increase in total property taxes is due to the Town's increases in taxes.

Mrs. Wiener asked Mr. Doney if he or Mrs. Crozier wished to discuss the adjustment last year of interest on funds? Mr. Doney said that will be on the September 30th Town Council meeting agenda.

Comments from the Public (cont'd)

Mrs. Wiener stated that the Town works on a five (5) year rolling budget, and she asked Mr. Doney if he would comment on Mr. Pryor's statement regarding a ten (10) rolling budget? She said she felt it was difficult to look five years ahead. Mr. Doney said the Town has a five year Capital Improvement Plan, but only the first year of the five is adopted and implemented for the subsequent fiscal year. Mr. Doney said the Town has a long range Public Works Plan, and all of the Town's infrastructure is examined on an annual basis. He said the Town's Comprehensive Plan requires that the Town properly fund infrastructure improvements.

Norma Allen stated that some of the citizens of the Town feel that the Town Council does not really care about what they think. She said many people requested that the Council not increase the taxes to the extent which was proposed. She stated there were many suggestions, one of which was that an increase in salaries is not feasible at this time, even though it many be well deserved. Mrs. Allen said she felt that none of the protest and suggestions which were made last year were considered, and the Council passed the budget as proposed. She asked if the Council intended to continue to ignore the wishes of citizens.

Mrs. Wiener said she could only speak for herself. She thought what Mrs. Allen was referring to was the final Public Hearing on the budget. She said there is a time limit of the state which the Council is required to meet. Mrs. Wiener stated there have been several meetings this year, all of which are open to the public, and all are published in the paper, and every item is visited. She said at all of those meetings there were only two or three people from the public. Mrs. Wiener stated that everyone on the Council is a taxpayer also, and it is her belief that the Mayor and Town Council saved the taxpayers money in the hours, and hours of preparation which goes into everything on behalf of the Town. She said they are not enamored of paying more taxes than any other citizen, but a responsible public official will not go along with a budget that they know will become a makeup situation two or three years later. Also, she said no responsible public official will put himself in a situation where he knows good employees will leave, and the raise which the Council is considering this year is lower than what is being done in Palm Beach County. Mrs. Wiener said with what is taking place in West Palm Beach, the good employees are starting to leave that City. She said a good Town must be serviced by good people, and good people will not work for less for the pleasure of working for the Town of Palm Beach. Mrs. Wiener said she is not thrilled when she receives her tax bill, but when she does, she is certain that the Town portion of the tax bill has been gone over carefully, and with great consideration by the Mayor, and every member of the Council.

Mrs. Smith commented that she wasn't on the Town Council last year, but she asked Mrs. Allen if she and her fellow residents had submitted a list of suggestions for the consideration of the Town Council? Mrs. Allen said they did not submit a list, but there were many suggestions verbally. Mrs. Smith asked Mr. Dusey what would be the actual savings if one day a week of trash pickup was eliminated? Mr. Dusey said they had considered a three day pickup about six (6) years ago, but they decided to go back to the five days. He said he couldn't say for sure what the savings would be, but guessed it could possibly be $100,000. Mrs. Smith said that was a negligible amount when dealing with a $29,000,000 budget. Mrs. Smith commented that many people live in Palm Beach because of the services, and if the Police force is reduced as it is being done in West Palm Beach, or the Fire Department, and the trash pickup, then Palm Beach might become a place where you are not happy to live.

Mrs. Allen stated that if taxes keep going up as they have in the past, a lot of people will be forced out of Palm Beach, and then who will pay the taxes? Mrs. Smith said the people need to complain to the Palm Beach County Tax Assessor, because he is raising the assessments for everyone, also, the School Board taxes are making it difficult for a lot of people.

Mrs. Wiener said the Town of Palm Beach is very near the bottom of the millage list for each of the Towns in Palm Beach County. Mrs. Allen said she hears a lot of grumbling about the continual rise in property taxes, and she felt possibly there is a lack of communication between the Mayor, and Town Council and the citizens of the Town. Mayor Ilyinsky said the rumbling probably starts at the southern most house in the Keys, and extends to the Georgia border, and he suggested she should look at the millage rates of other cities. He said for what the residents of the Town receive, they probably pay a lower rate of taxes than any other City in Florida.

The question was asked as to how much the Town spends in debt service? Mrs. Crozier said it was approximately 2.2 million this year. Another question was, what is $76,500 for dignitary protection?

Chief Terlizzese said the Town of Palm Beach attracts a great many dignitaries, world known figures, elected officials, and heads of State, and when they come here they require protection. Chief Terlizzese said this is a federally mandated program.

Mrs. Holt said her house and yard was in a state of disrepair, still her taxes have gone from $4,000 to $60,000. She said she realizes a large portion of the taxes goes to the County School Board where there is a lot of waste. She asked if anyone is representing the Town's residents in opposing the constant rise in taxes. Mrs. Holt stated she had an incident with garbage pickup at Christmas time, and she was not pleased with the employee who was picking up the cans, and she felt the Town's employees were not deserving of such a large increase in salary.

Mr. Winterfield asked if the Law and Policy Review is a Tallahassee requirement. He said it isn't a big item, but it has increased 31%. Mr. Winterfield also questioned the item of "advice and litigation" of $200,000. He said he felt that fee was too much, and the Town receives too little for it. He suggested that if the Town hired a full time Staff Attorney they would receive much more extensive legal service at a much lower cost.

F. Discussion and Adoption (With Changes, If Any) of Resolution No. 34-93, Adopting Tentative Operating and Dept Service Millage Rates for FY94.

Mr. Doney read Resolution No. 34-93 by title only. Res 34-93

A RESOLUTION OF THE TOWN OF PALM BEACH ADOPTING TENTATIVE MILLAGE RATES NECESSARY TO FUND THE TENTATIVE GENERAL (OPERATING) FUND AND DEBT SERVICE FUND BUDGETS FOR THE 1993-1994 FISCAL YEAR.

Res. 34-93 (cont'd)

Mrs. Wiener called for a motion to adopt Resolution No. 34-93 which sets the tentative millage rate of 4.6526 mills for the General Operating Fund, and .5513 mills for the Debt Service Fund for a total of 5.2039 mills.

Mrs. Royal made a motion to adopt Resolution No. 34-93. Seconded by Mrs. Smith, the motion carried unanimously.

G. Discussion and Adoption (With Changes, If Any) of Resolution No. 35-93, Adopting a Tentative Operating Budget, Debt Service Budget, and Budgets for Other Funds for FY94.

Res. 35-93

Mr. Doney read Resolution No. 35-93 by title only.

A RESOLUTION OF THE TOWN OF PALM BEACH ADOPTING THE TENTATIVE GENERAL (OPERATING) FUND AND DEBT SERVICE FUND BUDGETS FOR THE 1993-1994 FISCAL YEAR.

Mrs. Wiener asked for a motion to adopt Resolution No. 35-93 which is the budget for all the funds for FY94. Motion was made by Mrs. Royal to adopt Resolution 35-93. There was no second of the motion. Mrs. Wiener passed the gavel, and seconded the motion, and on roll call the motion carried unanimously.

H. Second and Final Public Hearing to Adopt Final Millage Rates and Budgets will be on Tuesday, September 14, 1993, at 5:01 PM, in the Town Hall Council Chambers.

VI. ANY OTHER MATTERS: None.

Adjournment

VII. ADJOURNMENT: There being no other matters, the meeting was adjourned at 6:18 PM.

Grace T. Peters
Town Clerk