TOWN COUNCIL MINUTES OF SPECIAL TOWN COUNCIL MEETING HELD ON SEPTEMBER 4, 1991 AT 5:01 PM.

I. CALL TO ORDER AND ROLL CALL: Meeting called to order at 5:04 PM by President Heeke. On roll call, the following elected officials were found to be in attendance: Mayor Marix, President Heeke, President Pro Tem Weinberg, Councilwoman Douthit and Councilman Ilyinsky. (Councilwoman Wiener was absent). Also attending were Town Manager Doney, Mr. McPhail, Mrs. Peters, Chief Elmore, Chief Terlizzese, Mr. Moore, Mr. Crouse, Mr. Dusey, Mr. Bitzer, Mr. Jakubiak, Mr. Elwell, Cpt. Croft, Sgt. Riley, Assistant Chief Frazier and Assistant Chief Neal.

II. INVOCATION AND PLEDGE OF ALLEGIANCE: Invocation was given by Mrs. Peters. Pledge of Allegiance was led by President Pro Tem Weinberg.

III. APPROVAL OF AGENDA. Agenda was approved on motion of Mr. Ilyinsky, seconded by Mr. Weinberg. On roll call, the motion carried unanimously.

IV. PUBLIC HEARING ON "TENTATIVE" FY92 BUDGET AND PROPOSED MILLAGE RATE:

A. "Notice of Proposed Property Taxes" Mr. Doney reported much of the hearing this evening will be conducted procedurally according to Chapter 200 of the Florida Statutes which require specific announcements as to the major reasons why there is an increase in the budget; and procedurally how the millage and budget is adopted. He stated in mid-August, the Property Appraiser under State Law sends out the Notice of Proposed Property Taxes which gives the proposed taxable value for FY 92 and the current taxable value for each individual property owner, and additionally it does identify the taxes for each taxing district, and that includes the Palm Beach County School Board, the Board of County Commissioners, the Town of Palm Beach, Health Care District, South Florida Water Management District, South Lake Worth Inlet District if the individuals live south of Southern Blvd., the Child Services District, and the Florida Inland Navigation District.

He indicated the roll back millage rate dollar amount is shown on that notice to indicate if no changes were made in the millage what the dollar amount would be, based upon the taxable value of that property and each taxing authority's millage rate is calculated in terms of dollars and cents and so indicated on the form.

Mr. Doney advised the proposed Operating Millage Rate which was on the Notice of Proposed Property Tax is 8.57% above the rolled back millage rate.

B. Memorandum (with enclosures) dated August 30, 1991, Regarding FY92 Proposed "Tentative" General (Operating) Fund Budget and Millage and all Budgets. Mr. Doney explained this memorandum is in the packet and several items need to be discussed. He reported as a result of the August 9th Finance & Taxation Committee Meeting and the August 13th Town Council meeting, the Town Council directed action and what has been done by Mr. McPhail is the Exhibits attached to the 8-30-91 memorandum give a recapitulation of all of the changes to date and in addition, there is an additional item which is the issue of a one-time Town Employee Bonus Award payment, in lieu of a general pay increase, and that needs action by the Mayor and Town Council.

He advised the exhibits indicate the proposed millage rate as of this time, without the consideration of the one-time employee bonus award equates to 3.7077 mills (one dollar per thousand dollars of taxable value), which would be a 3.22% increase over the rolled back millage rate and a 6.6% reduction from last year's operating millage rate.

Mr. Doney advised the Debt Service Millage which is for payment of interest and principal on the Outstanding Bonds is proposed at .7397 mills or ten per cent less than last year. He reported the overall proposed tax rate of 4.4474 mills is seven per cent less than last year's.

He reported there was no determination as to the cost-of-living award at the last meeting of the Finance & Taxation Committee.

C. Proposed Operating Millage Exceeds "Rolled-Back Rate" by 8.57 Percent. Mr. Doney advised that based upon the directives of the Mayor and Council from past meetings, the revised proposed millage is 3.22% over the rolled-back millage rate, however, if the Mayor and Town Council do approve the one-time employee bonus, that would increase.

D. Major Specific Purposes for Which Ad Valorem Tax Revenues are Proposed to be Increased for Operating Budget.

Mr. Doney advised the regular salaries for FY 92 are $11,555,757 which is an increase of $348,448 or a 3.1% increase. He advised retirement is at $2,141,574, an increase of $304,071 which is up 15.7%.

He reported the major increase is the health insurance program which is proposed at $3,132,335 and the gross increase is $1,236,070, less the premium increase for those employees who pay for their dependent coverage and that figure is $250,000 and that equals a net increase to the budget of $986,070.

Mr. Doney advised the gross increase is a 65% increase and the Worker's Comp and Liability insurance program for FY 92 is $1,595,383 which is an increase of $148,558.

He advised at the regular monthly Town Council meeting, there will be a proposed renewal program for the liability and worker's comp and it appears there will be a larger amount directed towards the reserves, but this will be a 10.03% increase.

He reported a decrease which is quite significant is the telephone base charges which is associated with the conversion to the Southern Bell Essex system and that will be a reduction of $47,498, or a decrease of 39.6%.

He commented on the total dollar increase which is $1,739,649. He advised the Department Heads are prepared to discuss any of the items in their budget and the reasons why it has been recommended the items be included in the Budget.

He referred to the Expenditure Summary, Exhibit B, and the proposed total budget for FY 91-91 is $27,132,198.

BONUS AWARD: Mr. Doney noted this year there are severe financial budget constraints and severe impacts to Town tax payers with the increase in taxes and part of that is attributable to the increase in taxable value, part to the impact of the millages of the various taxing authorities and each year, surrounding communities are surveyed with regards to general pay increases which are being proposed but the overall unfavorable economic situation and the budget constraints most municipalities are facing, the survey shows that ten of the fourteen municipalities will not be granted an across the board general pay increase next fiscal year.

Mr. Doney advised seven of the surveyed surrounding municipalities do not intend to continue their merit pay increase program next year but as of this proposed budget, the Town Council has included in the budget the continuation of the Town's Pay-for-Performance program.

He recommended the Town Council consider a one-time Town Employee Bonus Award in the amount of $650 to each regular full-time employee who has completed a minimum of one year of service as of October 1, 1991. He believed this would not have a long-range financial impact on the budget as it would be a lump sum award, in recognition of the service and dedication of the Town employees.

Mr. Heeke asked how this would affect the millage rate if this bonus was awarded? Mr. Doney advised it would increase from 3.7077 to 3.7707, and would be seven-one hundredths of a mill increase, and would be a 4.97% increase over the rolled back millage rate.

Mr. Weinberg asked what the gross amount would be. Mr. Doney advised it is estimated there are 340 employees who have completed the one year of service, which would equate to $221,000 plus the Social Security which would make the total $237,906. Mrs. Douthit asked if they had calculated this using lower figures than the $650 per employee? Mr. Doney responded negatively.

Mr. Weinberg wondered if perhaps they were not recognizing the special talents and responsibilities of the major people, and thought perhaps some consideration should be given to this. Mr. Doney gave the rationale of awarding a one lump sum amount, and believed they had a very unique situation with the tax situation and the budget we have now and because of the economic situation, ten of fourteen surveyed municipalities have indicated they would not be granting anyone an across the board general pay increase. Mr. Weinberg believed the same percentage could be applied to each executive's salary. Mr. Doney thought that could be done, however he believed his recommendation was fiscally sound and it was reasonable and he considered it fortunate that they were not laying off or cutting back employees or cutting back services.

Mayor Marix believed there was no way the Town could envision an across the board raise and this particular bonus was a gesture of appreciation which she viewed as being helpful to every employee. She realized they couldn't give everyone what they would like to give, but the thinking was that if everyone got the same thing, the ones who earned the least could use it the best.

Mr. Crouse addressed the Council, noting what they are proposing is not usual or customary and is not relative to the compensation plan now in place, but they feel it is the appropriate way to approach this topic this year but it is not something that they would intend to do in the future but it would be a one-time bonus.

Mayor Marix pointed out there are employees who would still get the merit increase and asked what was the percentage of employees who would be getting it? Mr. Crouse responded it would be approximately 80%, although it does depend upon their eligibility.

Mr. Doney reported the weighted average of the Comp Ratio in October, 1990 was 102.38% and in June of 1991 it was 103.77% or a change of 1.39%.

E. Comments and Questions from Public. Mr. George Hyam of 429 Australian Avenue addressed the Council, stating he believed that Palm Beach employees should be rewarded this bonus, as he believed it would express appreciation. He also believed that the merit system was very important as it was important to have satisfied employees and he complimented the Mayor and Council on this idea.

Mr. Ilyinsky made the motion that the $650 Employee Bonus be awarded to all regular full time employees who have been in the employ of the Town for one year as of October 1, 1991. Seconded by Mrs. Douthit. On roll call, the motion carried unanimously.

Mayor Marix stated she was completely in favor of the bonus, however, was disappointed that several other things were not done on how money could be saved. She recalled she had asked that this be done at the onset of the budget process. She informed everyone that she was in receipt of two flyers from the Recreation Department and she didn't know what they cost to print them as they contain pictures and colored ink, but these are things that she thought should be on that list of what could be cut and they might want to discontinue it and save $500, or $200 or none; or they might elect to continue with it. She also doesn't know how they increased their personnel quota by twenty people since 1987 and they may be fully justified, but these are the things that trouble her with the budget. She hoped that perhaps next year she wouldn't be having these same questions.

Mr. Doney commented on the questions raised by the Mayor stating he has talked with each Department Head and it would be an exercise in the budget wherein, what budget items could be eliminated which would be the least detrimental to operations and what would be the impact to those eliminations, so the Mayor and Town Council could discuss these actual impacts and cited as an example, if they eliminated the recycling program for multi-family dwellings which will cost approximately $79,000. He believed the dollar items can be discussed, however the budgets from each Department have been submitted and a number of items have already been eliminated and if the Mayor and Council wish, they can go through it and identify those eliminations which have already occurred.

Mayor Marix believed Mr. Doney misunderstood the question she was asking and she knows things have been eliminated and some things have been included in the budget which really mattered, such as the recycling, but no-one has told her what items could be cut out and what the result would be, such as whether or not the Recreation flyer could be produced cheaper. She recalled last year they eliminated some chairs from that budget, so it is not a matter of not recycling or stop lethal yellowing and things like that, she hoped that at budget preparation time, they would have some priorities and one would know what the lowest priorities would be. Mr. Doney explained the budget is prepared on a program by program basis and the line items which make up that program is the way the Department Heads and he, as Town Manager, analyze the programs to see how the programs can be furnished at the least possible cost.

He felt direction was needed from the Mayor and Council as is if there is a desired change in terms of level of service, that does need to be made known. He believed the Mayor was referring to the Fall Schedule of the Recreation Department and he doesn't know how the Mayor received two copies as it is sent out bulk mail. He stated he could tell them exactly what it cost and if the Mayor and Council wished a change in the type of material that is disseminated, not only through this Department, but also by other Departments in the Town, it can be done.

Mayor Marix felt if there was a low priority and if it did turn out that this brochure could be made in one color, which would save for example, one thousand dollars, and also have some idea as to how many of these are mailed out. Mr. Bitzer advised he sent out approximately 600 of these brochures and it is sent only to those people who are participants in the Recreational Program and it is prepared in-house for an approximate cost of $1500. Mr. Heeke believed this was an important piece of information so that the people in the Town know what is available.

A ten minute break was taken.

Meeting called back to order by President Heeke.

F. Discussion and Adoption (With Changes, If Any) of Resolution No. 45-91, Adopting a Tentative Operating Budget, Debt Service Budget, and Budgets for Other Funds for FY92.

Mr. Doney read the Resolution No. 45-91:

A RESOLUTION OF THE TOWN OF PALM BEACH ADOPTING A TENTATIVE BUDGET FOR THE 1991-1992 FISCAL YEAR.

WHEREAS, Section 200.065, Florida Statutes, requires among other things that the Town Council of the Town of Palm Beach adopt a tentative budget after notice and public hearing, prior to adopting a final budget or final millage rates; and

WHEREAS, the Town Council has conducted a public hearing on a tentative budget and proposed millage rates as required by law; now therefore

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PALM BEACH:

SECTION 1. A tentative budget for the Town of Palm Beach as attached, marked Exhibit A, is hereby adopted for the fiscal year ending September 30, 1991.

SECTION 2. The tentative budget adopted by this Resolution shall be subject to review and amendment by the Town Council of the Town of Palm Beach at a Public Hearing to be conducted at 5:01 PM on Thursday, September 12, 1991, in the Town Council Chambers, 360 South County Road, Palm Beach, Florida.

PASSED AND ADOPTED by the Town Council of the Town of Palm Beach this 4th day of September, 1991.

EXHIBIT A - BUDGET SUMMARY - TOWN OF PALM BEACH - FISCAL YEAR 1991-1992:

FY 92 PROPOSED:
GENERAL FUND:
REVENUES

AD VALOREM TAXES 3.7707 mills	15,143,607
GENERAL USE TAXES	4,238,000
LICENSES AND PERMITS	1,448,600
INTERGOVERNMENTAL	1,041,966
CHARGES FOR SERVICES	957,200
FINES AND FORFEITURES	466,000
INTEREST	950,000
MISCELLANEOUS	1,638,905
USE OF FUND BALANCE	1,599,767
TOTAL	$27,384,098

EXPENDITURES:

GENERAL GOVERNMENT	3,518,148
DEVELOPMENT REGULATION	1,239,358
PUBLIC SAFETY	12,596,939
PHYSICAL ENVIRONMENT	7,330,616
TRANSPORTATION	989,121
CULTURAL AND RECREATION	740,816
CAPITAL OUTLAY	969,100
TOTAL	$27,384,098

DEBT SERVICE FUND		
REVENUES		
AD VALOREM TAXES	.7397 mills	$2,957,098
EXPENDITURES		
DEBT PAYMENTS		2,951,098
OTHER		6,000
TOTAL		2,957,000

Mr. Heeke advised the millage rate under the General Fund Revenues, Ad Valorem Taxes, is now 3.7707 and the dollar amount is changed to $15,143,607, which changes the total to $27,384,098 with the expenditure total being the same and a change in the General Government total is $3,518,148.

Motion was made by Mr. Ilyinsky to approve Resolution No. 45-91, with the changes. Seconded by Mr. Weinberg.

Mayor Marix wished it to be known that several large expenditures have been shifted to next year, such as Capital Improvement funds for the South Fire Station. Mr. Doney advised there were also several storm drainage projects which were deferred. Mr. Heeke stated they have tried to keep this in line as much as they possibly could. Mayor Marix wanted to be sure it was understood these were transfers to next fiscal year and not just savings. Mr. Heeke stated he hoped that the new fire station in the south would then be a functional building. Mayor Marix stated she believed also there was $250,000 which came from the bond issue.

On roll call, the motion carried unanimously.

G. Discussion and Adoption (With Changes, If Any) of Resolution No. 46-91, Adopting Tentative Operating and Debt Millage Rates for FY92.

Mr. Doney read Resolution No. 46-91:

A RESOLUTION OF THE TOWN OF PALM BEACH ADOPTING TENTATIVE MILLAGE RATES NECESSARY TO FUND A BUDGET FOR THE 1991-1992 FISCAL YEAR.

WHEREAS, SECTION 200.065, Florida Statutes, requires among other things that the Town Council of the Town of Palm Beach adopt tentative millage rates necessary to fund a tentative budget after notice and public hearing, prior to adopting a final budget or final millage rates; and

WHEREAS, the Town Council has conducted a public hearing on a tentative budget and tentative millage rates as required by law, now therefore,

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PALM BEACH:

SECTION 1. The Town Council of the Town of Palm Beach hereby adopts the following tentative ad valorem tax millage rates as being necessary to fund a tentative budget for the Fiscal year beginning October 1, 1991 and ending September 30, 1992:

(1) The millage rate for nonexempt taxable property within the Town of Palm Beach shall be 3.7707 mills for operational purposes and .7397 mills for debt service, making a total of 4.5104 mills.

(2) The tentative millage rate adopted herein exceeds the "rolled-back rate" by 4.97%, which percentage represents "the percentage increase in property taxes" according to the characterization ascribed to said percentages by the Florida Legislature in Section 200.065(2) (c), Florida Statutes.

SECTION 2. The proposed millage rates adopted herein shall be subject to review and recomputation by the Town Council of the Town of Palm Beach prior to or at the time of adoption of the final budget for the Town following a public hearing to be conducted at 5:01 PM Thursday, September 12, 1991, in the Town Council Chambers, 360 South County Road, Palm Beach, Florida.

PASSED AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF PALM BEACH THIS 4TH DAY OF SEPTEMBER, 1991.

Motion was made by Mr. Weinberg to adopt Resolution No. 46-91 with the changes. Seconded by Mr. Ilyinsky. On roll call, the motion carried unanimously.

H. Second and Final Public Hearing to Adopt Final Millage Rates and Budgets Will Be on Thursday, September 12, 1991 at 5:01 P.M. in the Council Chambers

Mr. Heeke announced the second and final public hearing will be Thursday, September 12, 1991 at 5:01 PM in the Council Chambers.

V. ANY OTHER MATTERS

Mr. George Hyam addressed the Council indicating he came to this meeting hoping to hear about the real estate taxes which the Palm Beach County Property Appraiser has assessed on their properties and asked what the Council would be doing about the increase in the real estate taxes, which many people object to, noting there is a hearing in West Palm Beach tomorrow evening but many people want to know exactly what the Town Council would be doing.

Mr. Heeke advised Mr. Hyam this Council has no control over what the County does, and have had legal opinions as to what position the Council can take and have been informed there is no position which the Council can take. He stated the Council as individuals go to the budget hearings of the Palm Beach County Commission and many of them have gone to them in the past and he encouraged all citizens of the Town to go to those meetings. He felt it was a sad state of affairs since it is not an election year, and the assessments have gone up and he is not satisfied the County is making a sincere effort to hold back spending, to which Mayor Marix agreed, noting that the people who are doing the heavy spending are being re-elected due to the voter turn-out being very low. Mr. Hyam felt it was important that the people in Palm Beach are aware of these things and should be given the information.

Mr. Heeke noted there are so many taxing districts to which we are all paying taxes. Mrs. Douthit stated there are over 250 in the County. Mayor Marix recalled many people in the Town of Palm Beach voted for the Health Care Tax and that came off the County work-load and the County did not decrease their millage. Mr. Heeke pointed out another highly taxed area is the Palm Beach County School Board.

Mary Ratliffe of the Palm Beach Civic Association and speaking for the Committee for Good Government, addressed the Council noting the Committee is a not-for-profit political committee and speaks for many of the people in the Town who are concerned about their county taxes. She advised they are circulating a petition which calls for a three per cent cap on property assessments annually or the rate of inflation, whichever is lower, and they would be glad to provide the petition and a packet of information explaining the Save Our Homes campaign. She advised there will be a rally at 6 PM tomorrow on Clematis Street and it will be people gathered together as taxpayers and they will walk over to the County Commission hearing, which she thought would be a signal to the Commission that there are some who will not put up with the higher taxes.

Mayor Marix asked if there would be a similar one for the School Board hearing? Mrs. Ratliffe stated at the present time, there is nothing organized. Mayor Marix recalled she attended one of the meetings a few weeks ago and the attendance was very poor. Mr. Doney advised the School Board meeting will be on September 11th, 1991 at 6 PM at the Board Room at 3323 Belvedere Road in West Palm Beach.

Mr. Heeke recalled the Save our Homes process was started by the Tax Assessor of Lee County and he is still very much behind the effort.

Mrs. Ratliffe advised there will be a rally of citizens in front of Rebecca Walker's office on September 11, 1991 at 11 AM and a gathering of citizens before the final budget hearing for the County on September 23, 1991 at 6 PM on Flagler and Clematis.

Mr. Heeke asked how many signatures are needed to get this on the ballot as a referendum? Mrs. Ratliffe advised state-wide 353,000 petitions are needed to get this on the ballot next year and they have about half of those signatures already certified, so she felt they are well on their way. She stated they needed 27,000 signatures from District 14 and 22,000 from District 12.

VI. ADJOURNMENT. There being no further business, the meeting was adjourned at 6:38 PM.

Grace T. Peters,
Town Clerk