# MINUTES OF THE SPECIAL TOWN COUNCIL MEETING HELD ON JULY 29, 1997

**I. CALL TO ORDER AND ROLL CALL:** President Lesly Smith called the Special Town Council meeting to order at 10:00 a.m. on July 29, 1997, in the Town Council chambers. Upon roll call, the following Elected Officials were found to be in attendance: Mayor Paul Ilyinsky, President Lesly Smith, Councilmen Jack McDonald, Sam McLendon, and Allen Wyett. President Pro-Tem Leslie Shaw was absent from the meeting. Also in attendance for all or part of the meeting were: Town Manager Robert Doney, Assistant Town Manager Peter Elwell, Assistant to the Town Manager David Jakubiak, Finance Director James Demming, Assistant to the Finance Director Cheryl Somers, Public Works Director Al Dusey, Police Chief Joseph Terlizzese, Police Major Michael Reiter, Director of Information Systems Spencer Wilson, Director of Planning, Building & Zoning Robert Moore, Recreation Supervisor II Alan Brown, Risk Manager Barbara Martinuzzi, and Town Clerk Mary Pollitt.

## II. INVOCATION AND PLEDGE OF ALLEGIANCE:

The invocation was given by Town Clerk Pollitt. President Smith led the Pledge of Allegiance.

## III. COMMENTS BY THE MAYOR:

Mayor Ilyinsky mentioned the Palm Beach Crime Watch night, which would be Tuesday, August 5, 1997 at St. Edward's Church.

## IV. APPROVAL OF THE AGENDA:

Councilman Wyett moved approval of the Agenda. The motion was seconded by Councilman McLendon. On roll call, the motion carried 4/0, as President Pro Tem Shaw was not in attendance at the meeting.

## V. FY98 PROPOSED BUDGETS

### A. Percentage of Change in Millage over the Rolled-Back Rate Necessary to fund the Budget and the Specific Purposes for which Ad Valorem Tax Revenues are being Increased

Mr. Doney referred to Exhibit F-2 which indicated the reasons for the major increases. As a result of the June 10,1997 Town Council Meeting where the recommendations of the Finance & Taxation Committee had been acted upon, the budget increased for FY98 to $33,828,662, which was an $843,457 increase over the FY97 budget. Mr. Doney read the reasons for that increase into the record:

- Advice and litigation increased $45,700
- AS400 Disk Expansion Unit increased $33,000
- Optical Storage Imaging Hardware and Software increased $14,500
- Capital Improvement Funding increased $203,000
- Finance Department - new secretarial position $42,745
- Building & Zoning Department - new combination inspector positions - $52,000
- Fire Rescue Department mobile date terminal related equipment - $64,600
- Police Department Equipment - $27,659
  - Bench Mounted Air Hood Cabinet ($2,659)
  - Telex Radio Interface ($5,000)
  - Portable Video Observation System ($20,000)
  - Software Maintenance ($23,082)
- Public Works Department
  - Sewage Treatment and Disposal - $64,205

Commercial Collection- $154,160
Fuel/Motor Oil - $33,535

Mr. Doney stated that the recommended operating millage for FY98 was 4.400 mills, which was $4.40 per $1,000 of taxable value. The total millage was 4.8313 mills.

Councilman Wyett suggested that a study be conducted concerning the general pay increase, with greater emphasis being put on incentive--he explained that dollars from an automatic pay increase exceeding the inflation rate could be transferred to an incentive increase.

After discussion, it was determined that this issue would be studied, and Mr. Doney would report back to the Town Council at a later date.

Town Manager Doney continued with the budget presentation. He stated that the proposed millage rate of 4.4000 represented a .95% increase over the rolled back millage rate of 4.3588 mills and a 2.9% decrease from the FY96/97 adopted millage rate of 4.5319 mills. He planned to provide a recommendation regarding the general pay increase issue to the Town Council so that the Council could act upon it at the Special Town Council Meeting of September 4, 1997 at 5:01 P.M. He directed attention to the exhibits accompanying his memorandum of July 24, 1997:

- Exhibit A-2: Tentative Agenda for Wednesday, August 13, 1997 at 10:00 A.M., Finance and Taxation Meeting:

  He explained that if the Town Council determined that an additional Finance & Taxation Meeting was necessary, the date for that meeting would be August 13, 1997 at 10:00 A.M.

- Exhibit B: FY98 Proposed General Fund Budget and Taxable Value Review (as of July 24, 1997):

  The FY98 recommended operating millage was 4.4000 mills, which was a 2.91% change over the FY97 adopted operating millage of 4.5319 mills. The debt service millage recommended for FY98 was .4313 mills, which was a 3.96% decrease over the current FY97 adopted debt service millage of .4491 mills. The total FY98 recommended aggregate millage was 4.8313 mills, which was a 3.01% decrease over the total millage for FY97.

  The recommended budget for FY98 was $34,493,809, which represented a dollar difference over FY97 of $1,508,604, or a 4.57% increase. Of the total of $34,493,809, ad valorem taxes funded $19,717,104; the non tax revenues were $12,792,368; the transfers were $675,000; and the fund balance was $1,309,337.

In response to the query of Councilman McLendon, Mr. Doney explained that anticipated needs had been included in the recommended operating budget for payroll, as well as other expenses that would need to be addressed.

Finance Director Demming estimated the annual payroll costs to be approximately $14,800,000 of the total recommended budget of $34,493,809.

- Exhibit C: FY98 Proposed General Fund and Other Fund Expenditures (By Program with Personnel Complement Information), as of July 24, 1997:

  This exhibit identified a budget history of the Town budgets for all funds. A highlight of this exhibit was the elimination of the Parking Fund in FY98, which would now become a program within the General Fund.

- Exhibit D: General Fund Revenue Report, as of July 17, 1997:

  This exhibit provided identification, on a line item basis, of revenue items for all funds. The total for the General Fund for non tax revenue for FY98 was $13,467,368. Details were set forth in the exhibit explaining what revenues had increased/decreased.

- Exhibit E: "Proposed" Funding Requirements - Capital Improvements Program - FY98 Proposed, as Revised as of July 24, 1997:

  This exhibit identified the Capital Improvement projects as currently recommended. The grand total for FY98 was $4,726,000. A breakdown of the funding of that total was contained in the exhibit. The Designated Reserves for the Coastal Protection Fund, as of May 19, 1997 was $3,524,818; the Storm Pipe Replacement Fund balance as of April 8, 1997 was $1,000,000.

In response to the question of Councilman Wyett regarding Par 3 irrigation, Public Works Director Al Dusey responded that installation of tubing would allow the irrigation system to water each head separately, so that the greens could be watered differently than the fairways, etc. The system would operate more efficiently and result in a water usage reduction.

Councilman Wyett requested a report of the water usage by month of the Par 3 Golf Course in order to include it as part of a recommendation he planned to present at the next Town Council Meeting.

- Exhibit F-1: "Revised" FY98 General Fund Proposed Expenditures as of July 24, 1997:

This exhibit provided identification of the recommendations of the Finance & Taxation Committee and the Town Council actions.

- Exhibit F-2: FY97 Adopted Budget vs. FY98 Proposed Budget - Major Items of Change:

  This exhibit identified major items of change.

- Exhibit F-3: FY97 Adopted Budget vs. FY98 Proposed Budget - Major Items of Change Summary:

  This exhibit presented major categories of expenses.

- Exhibit G: Estimated Cost to a Town Taxpayer for each $100,000 of expenditures funded by Ad Valorem Taxes:

  This exhibit illustrated the estimated costs to a Town taxpayer for each $100,000 of general operating fund expenditures funded by ad valorem taxes. As an example, several taxable property values had been used to indicate the impact to a taxpayer.

- Exhibit H: FY97 Estimated Ad Valorem Taxes Paid by Town Property Owners Based Upon Final FY96 Taxable Value:

  This exhibit indicated the percent of each dollar paid by a Town taxpayer to each Taxing Authority. Mr. Doney noted that if the Town was required to participate in the County wide library millage of .4997 mills, an additional $2,247,664 of taxes would be required to be paid by Town property owners. Thus the Town participation in the Society of the Four Arts Library and its contribution to that entity of $100,000 per year was notable.

- Exhibit I: Town and Overlapping Millage Tax Rates by Year (FY88-FY97 Adopted):

  This exhibit indicated millage history in actual millage as well as a percent of the total.

- Exhibit J: Town and Overlapping Tax Rates - Tax Rate as a Percent of Total (FY98-FY97 Adopted):

  This exhibit indicated taxing units and tax rates for the last ten fiscal years.

- Exhibit K-1: 1997 "Preliminary" Certification of Taxable Value - Operating;
  Exhibit K-2: 1997 "Preliminary" Certification of Taxable Value - Debt Service:

  These exhibits covered the Certification of Taxable Value forms provided by the Palm Beach County Property Appraiser and indicated taxable values for 1997.

- Exhibit L: Proposed Total Town Taxes (Includes Operating and Debt Service Millage) Comparison Between FY97 and FY98:

  This exhibit provided the Town of Palm Beach proposed total Town taxes, and indicated various examples of taxes due on several different property values.

- Exhibit M: Comparison of Town and County Taxable Value (FY90-FY98):

  This exhibit compared taxable values in Palm Beach County to the Town of Palm Beach. Mr. Doney noted that even though the town of Palm Beach was approximately 3.5 square miles of land area out of the 2, 025 square miles of land area in Palm Beach County, it made up approximately 8% of the total taxable value of the entire County.

**B. Comments from the Public**

President Smith requested any comments from the public. There were none at this time.

**C. Advise Property Appraiser of Town's Proposed "Tentative" Operating (General Fund) Millage Rate, Rolled-Back Millage Rate, and Debt Service Millage Rate**

Councilman McLendon made a motion to approve the Tentative Operating (General Fund) Millage Rate, Rolled-Back Millage Rate, and Debt Service Millage Rate; seconded by Mr. Wyett. On roll call, the motion carried unanimously.

Mr. Doney noted that the Proposed "Tentative" Operating General Fund Millage Rate was 4.4000 mills; the Rolled-

Back Millage Rate was 4.3588 mills; and the Debt Service Millage Rate was .4313 mills for a total aggregate millage rate of 4.8313 mills.

**D. Set the Date, Time, and Place of Public Hearing when Town Council will consider and Act Upon Tentative Proposed Millage Rate and Tentative Budget for General Fund and Other Funds (Proposed Date: Thursday, September 4, 1997, at 5:01 p.m. in Town Hall Council Chambers and Final Adoption Public Hearing, Proposed Date: Wednesday, September 17, 1997, at 5:01 p.m. in Town Hall Council Chambers).**

Councilman McLendon moved approval of the two proposed dates of Thursday, September 4, 1997 at 5:01 P.M., and Wednesday, September 17, 1997 at 5:01 P.M. as Public Hearings for action upon the tentative proposed millage rate and the tentative budget. The motion was seconded by Councilman Wyett. On roll call, the motion carried 4/0, as President Pro-Tem Shaw was not in attendance.

Mr. Doney clarified that President Smith, Councilmen McLendon and Wyett would be present at the September 4, 1997 hearing; President Smith, President Pro-Tem Shaw, Councilmen McDonald and Wyett would be present at the September 17, 1997 hearing.

**E. Authorize Town Manager to Execute 1997 Certifications of Taxable Value with Details Directed Today**

Councilman Wyett moved approval of authorizing the Town Manager to execute the 1997 Certifications of Taxable Value with the details directed today. The motion was seconded by Councilman McLendon. On roll call, the motion carried 4/0, as President Pro-Tem Shaw was not in attendance.

**F. Any Other FY98 Proposed Budget Matters**

There were none.

## VI. CONSIDERATION OF TENNIS COURT IMPROVEMENTS-TENNIS DIVIDER FENCING AND DRINKING FOUNTAINS *(DEFERRED FROM JUNE 10, 1997, TOWN COUNCIL MEETING)*

Supervisor II Alan Brown of the Recreation Department reported that the fencing on the tennis courts had been completed as sufficient funds had been available. The courts had been down for annual reconditioning, and the same contractor was used to complete all of the work at the same time. The cost had been $3,950.00. He explained that the Director of Recreation, Russell Bitzer, had concurred that two additional drinking fountains were needed for the tennis facility, however, sufficient funding was not available in the 1997 budget. The total cost would be $3,062.00.

Councilman McDonald moved approval of the fencing for the tennis courts, as well as funding from the Undesignated Fund for the two additional drinking fountains. The motion was seconded by Councilman McLendon.

President Smith suggested that the same level of service should be provided to the Golf Course, which had only two water fountains presently.

Upon roll call, the motion failed 2/3, with President Smith and Councilman Wyett casting negative votes; Councilmen McDonald and McLendon casting affirmative votes; Mayor Ilyinsky casting the decisive negative vote.

## VII. CONSIDERATION OF FLOOD INSURANCE RENEWALS FOR TOWN FACILITIES

Risk Manager Martinuzzi addressed the Town Council referring to her memorandum dated July 9, 1997 requesting authorization to renew the existing flood insurance policies on the major facilities in the Town of Palm Beach. She mentioned that, in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act passed by Congress in 1988, an entity with property in flood zones A and V must purchase flood insurance coverage for at least 80% of the replacement value of the property or the maximum amount of flood insurance available in order to be eligible for full federal disaster assistance in a catastrophic event. The Town had maintained flood insurance on its major properties since 1988, which was now up for renewal. She recommended renewal of the major policies on a three year policy term at the maximum coverage available, and to change the deductible from the current $500 deductible per loss to a $5,000 deductible per loss.

In response to the query of Councilman Wyett concerning flood insurance on the Bradley Park facility with its computer control system, Public Works Director Al Dusey explained that flood insurance was not maintained on that facility because of its elevation, which was above the floodplain.

Councilman McLendon expressed concern over possible flooding of the D-15 Pumping Facility flooding, which Mr. Dusey confirmed could probably flood, since half of it was below ground.

President Smith suggested that the recommendations of Risk Manager Martinuzzi be accepted today, and request her to study the additional structures mentioned today, and report back to the Town Council.

Councilman Wyett moved approval of the renewal of the existing flood insurance policies on the major facilities in the Town of Palm Beach as recommended by Risk Manager Martinuzzi. The motion was seconded by Councilman McLendon. On roll call, the motion carried 4/0, as President Pro-Tem Shaw was not in attendance.

Risk Manager Martinuzzi clarified that the structures to be included in the flood insurance premium study were the D-6, D-7, D-15, S-1 stations, in addition to the whole system.

## VIII. CHARITABLE SOLICITATION APPLICATION NO. 424-98, MUSCULAR DYSTROPHY ASSOCIATION-CONSIDERATION OF RECOMMENDATION TO APPROVE WAIVER OF THE ADVERTISING REQUIREMENT

Town Clerk Pollitt referred to her memorandum dated July 21, 1997 referring to the Muscular Dystrophy Association Charitable Solicitation Permit, which had been applied for in the past week, for permission to hold an event July 31, 1997 at Charley's Crab. The association had been unaware of the requirements of the Charitable Solicitation Ordinance, and the application had not been submitted in a timely fashion, requiring approval of the Town Council.

Police Chief Terlizzese explained that the Muscular Dystrophy Association had contacted the Police Department and had been instructed that Town Council approval was necessary. If Police Department participation was approved, several police officers would be taken off duty to participate in the event, subject to recall in the event of an emergency.

Jennifer Brown of the Muscular Dystrophy Association addressed the Town Council, apologizing for the lack of awareness regarding the Charitable Solicitation Permit. She explained that usually the Association recruited help from each Town four to five weeks in advance. The Palm Beach County Sheriff's Department would assist with four or five officers helping with transportation. She explained that there would be approximately 50-60 people participating throughout the day, with the first hour being from 9:00-10:00 A.M. and the last hour being from 4:00-5:00 P.M. It was planned that officers and limousines would be transporting those participating. Participants would be picked up, brought to Charley's Crab for an hour, provided with a cell phone to contact donors for bail money, and then transported back to their offices.

President Smith expressed concern over traffic and parking at Charley's Crab.

Ms. Brown replied that one limousine and one town car would be used, with the Sheriff officers coming in shifts.

Police Major Michael Reiter reported that a letter had been received on July 8, 1997 from the Muscular Dystrophy Association requesting police participation, which he had replied to, informing them that a Charitable Solicitation Permit would be required. He explained that the Police Department had not committed to participation, since the Charitable Solicitation Permit was required, and that if the Town Council granted that today, it would then be decided whether the Police Department would participate and to what extent, based on Town Council permission.

Ms. Brown advised that 10-15 people would be brought in per hour to participate in the event.

Councilman McDonald made a motion to approve the Charitable Solicitation Permit, with the Police participation being handled separately; seconded by Mr. Wyett.

Risk Manager Martinuzzi addressed the liability, advising that there would be some liability as well as a worker's compensation exposure liability associated with the Police Department, as well as with other employees participating on Town time.

On roll call, the motion of Councilman McDonald carried 4/0 as President Pro-Tem Shaw was not in attendance.

Discussion continued with the participation of Town employees.

Town Clerk Pollitt explained that lunch hours would be used by employees.

Risk Manager Martinuzzi stated that lunch hours would not be considered "Town time", however, her concern in that regard would be the "arrest" taking place on Town premises for the purposes of the lock-up, which would still create liability for the Town.

President Smith commented that the appearance was the question; the "arrest" was for publicity purposes and was not something that would go unnoticed; she suggested that it would set a terrible precedent for this to take place on Town property. Employees could volunteer to go into the lock-up on their own time with no exposure to the Town.

Ms. Brown suggested that a limousine could pick up the employee--officers were not allowed to pick up any participants that would not want to be picked up because of the effect on their business.

Councilman McDonald moved that any participation by the Police Department be denied. The motion was seconded by Councilman McLendon. On roll call, the motion carried 4/0, as President Pro-Tem Shaw was not in attendance.

## IX. ANY OTHER MATTERS

Councilman Wyett suggested that a review of the parking stickers at the Town Docks be put on the Agenda for the August 12, 1997 Town Council Meeting, as well as a report on the $.25 meters at the end of Worth Avenue.

Police Chief Terlizzese responded that he checked the meters two to three times per week on average, and there were less than six per day being used.

President Smith suggested that a report be given at the September Town Council meeting in order to give more time for the issue to be studied.

Councilman McLendon asked if the Water Committee Meeting could could be put on the Agenda for the August 12, 1997 Town Council Meeting.

Mr. Doney advised that could be done under "Approval of Agenda."

## X. ADJOURNMENT

The meeting was adjourned at 12:07 P.M.

Mary A. Pollitt
Town Clerk

Prepared by:
Susan Eichhorn
8/7/97