MINUTES OF THE SPECIAL TOWN COUNCIL MEETING HELD ON JULY 25, 1995

I. CALL TO ORDER AND ROLL CALL - The Special Meeting of the Town Council was called to order on July 25, 1995 at 10:00 A.M. by President Smith. On roll call, the following Elected Officials were found to be in attendance: Mayor Paul Ilyinsky, President Lesly Smith, President Pro Tem Jack McDonald, Councilmen Leslie Shaw, Samuel McLendon and Allen Wyett. Also attending were Town Manager Robert Doney, Assistant Town Manager Peter Elwell, Assistant to the Town Manager Dave Jakubiak, Town Clerk Mary Pollitt, Director of Public Works Albert Dusey, Town Engineer James Bowser, Personnel Director William Crouse, Director of Recreation Russell Bitzer, Police Chief Joseph Terlizzese, Major Frank Croft of the Police Department, Fire Chief Ken Elmore, Finance Director Marie Crozier, Accounting Clerk Lisa Gorman, and Building and Zoning Administrative Aide Wendy Zamecnik.

II. INVOCATION AND PLEDGE OF ALLEGIANCE - The invocation was given by Mrs. Pollitt. The Pledge of Allegiance was led by President Smith.

III. APPROVAL OF AGENDA - Mr. Shaw made a motion to approve the Agenda. Seconded by Mr. McLendon. On roll call the motion carried unanimously.

IV. FY96 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 addressed the Town Council, stating that the percentage of change in Millage over the Rolled-Back Rate necessary to fund the budget was 1.68% increase over the Rolled-Back Millage Rate, as noted in his memorandum of July 20, 1995. The Rolled-Back Millage Rate was 4.4747 mills. Mr. Doney continued that in his memorandum of July 20, 1995 he had further noted that this was a decrease of .85% from the adopted FY95 operating Millage Rate of 4.5888 mills.

As required by Florida State Statute, Chapter 200, Mr. Doney stated that it was necessary to announce the specific purposes for which Ad Valorem Tax Revenues were being increased. Mr. Doney then directed attention to Exhibit B, Page 2, where the FY96 proposed Ad Valorem Taxes for the General Fund were $18,838,215.00. The current year FY95 Adopted Ad Valorem Tax Budget was $18,587,885.00. There was a dollar difference of $250,330.00, and that was a 1.35% increase in Ad Valorem Taxes proposed for FY96. Mr. Doney continued that by law, the major expenditures warranting the tax increase must be announced at this Public Meeting. Referring to Exhibit E, 2, Mr. Doney pointed out that the Adopted Budget for FY95 was $30,199,205.00. The Proposed Budget for FY96 was $31,014,873.00, constituting a dollar difference of $815,668.00, or a 2.70% increase. A footnote explained the need to set a Tentative Operating Millage Rate which would be high enough so that the Town Council may address some pending issues before the proposed first Public Hearing (tentatively set for Wednesday, September 6, 1995, at 5:01 P.M.) and a recommendation was being made for the proposed General Fund Budget to be set at $31,436.335.00, along with further consideration of potential increased charges for solid waste and sanitary sewage treatment and disposal, and also the potential for a general pay increase (previously addressed in Mr. Doney's July 20, 1995 memorandum). Mr. Doney noted that the major expenditures and increases in the budget were as follows:

Retirement system changes for Police and Fire-Rescue employee members as recommended by the Retirement Board:	$360,000.00
The first year of a 7-year Lease Purchase for replacement radios for Police and Fire-Rescue Departments, and Mobile Data Terminal System for Police Department	$185,000.00
Capital Improvement Funding Increase	$110,000.00

Police Uniform Replacement	$ 59,000.00
Special Operations Truck for Fire-Rescue Department - the first year of a proposed 5-Year Lease Purchase	$ 36,000.00

Mr. Doney pointed out that those major items more than exceeded the amount of proposed increase in Ad Valorem Taxes, (referred to on page 2 of Exhibit B in the amount of $250,330.00).

Mr. Doney requested permission from the Mayor and Town Council to go into the budget package to announce the major highlights in the FY96 Proposed Budget.

Mr. McLendon asked for a definition of Rolled-Back Millage Rate.

Mr. Doney replied that it was a term established by law that was a Revenue Equivalent Millage, meaning that it was a calculation that was made each year to give the same amount of dollars in Ad Valorem Taxes that had been received the previous year, less new construction.

Mr. Doney then discussed the FY96 Proposed Budget.

Referring to his memorandum of July 20, 1995, Mr. Doney explained the major highlights of the FY96 Proposed General Fund Budget, and also the proposed other funds. The other particular details were included in exhibits that were attached.

The Preliminary Taxable Value: For reference, the Town's Preliminary Gross Taxable Value for 1995 as of June 30th, as determined by the Palm Beach County Property Appraiser increased by approximately 2.80%, from $4,239,340,568.00 for FY 95 to $4,358,175,908.00 for FY96 This was a $118,835,340.00 increase in taxable value.

Mr. Doney noted that the Rolled-Back Millage Rate was 4.4747 mills, or $4.47 per one-thousand dollars of taxable value. Each one-hundred thousand dollars of expenditures funded by Ad Valorem Taxes equals approximately .02415 mills. Each potential 1% general pay increase was approximately $141,000.00, including Social Security. One mill was $1.00 per one-thousand dollars of taxable value, and the amount needed to fund the Debt Service for FY96 was $1,899,940.00. The Millage calculation equaled .4589 mills.

The remainder of page 1 of Exhibit B identified where the Town was as of the June 7 and 8 Finance & Taxation Committee Meetings, and also the actions that were directed by the Town Council at the July 11, 1995 meeting.

Page 2 of Exhibit B included the recommended operating Millage of 4.5500 mills, an .85% decrease over the current year's operating Millage of 4.5888 mills. The Debt Service recommended Millage was .4589 mills, a 20.76% decrease over the current year's Debt Service Millage of .5791 mills. The total recommended Millage Operating and Debt Service was 5.0089 mills, with the current year's total of 5.1679 mills. The decrease was 3.08 decrease in total Millage. Mr. Doney noted that 4.55 Operating mills is a 1.68% increase over the Rolled-Back Millage Rate of 4.4747 mills.

Mr. Doney then explained Exhibits C and D as follows:

Exhibit C contained the estimated cost to a Town taxpayer for each $100,000 of General Operating Fund expenditures funded by Ad Valorem Taxes.

Exhibit D identified tax implications to property owners within the Town of Palm Beach, showing 23% of tax dollars going to the Town of Palm Beach, with 77% of tax dollars going to other taxing authorities.

Mr. McLendon asked what percentage of Palm Beach assessed valuation is reduced for homestead exemption as compared to Palm Beach County?

Mr. Doney replied that a recapitulation from the Property Appraiser was attached to the Certification of Taxable Value received on June 29, 1995, giving the total amount of different types of exemptions, including homestead exemptions. He said that he would provide the information at the next meeting on Thursday, July 27, 1995.

Mr. Doney referred to Exhibit E, 1, which identified the FY96 Proposed Budget General Operating Fund with the changes as recommended by the Finance and Taxation Committee at its meetings on June 7 and 8, 1995, and also by the Town Council at its meeting of July 11, 1995. Mr. Doney highlighted the $40,000.00 reduction of the transfer to the Capital Improvement Fund from the General Fund. That was to eliminate the tennis court lighting as recommended by the Finance and Taxation Committee, however, Mr. Bitzer was requested to provide additional justification at the July 27, 1995 Finance and Taxation Meeting for further consideration. Yesterday, Mr. Bitzer had provided a memorandum, and was prepared to address the issue on Thursday at the Finance and Taxation Committee Meeting.

Mr. Doney then referred to Exhibit G, highlighting the percentage basis of the Town as compared to other taxing authorities having jurisdiction within the Town, noting that over the past ten years, a decrease of percentage of total tax monies going to the Town had occurred; in 1976 approximately 34% of total tax monies were going to the Town, now in 1995 the percentage was 23% of the total.

Mr. Doney referred to Exhibit H, pointing out that it was on a program by program, and fund by fund basis, with proposed budgets as of May 30, 1995.

Exhibit I identified both Ad Valorem and Non Ad Valorem revenues for FY94, FY95, and FY96.

Exhibit J identified the proposed Capital Improvement Fund for FY96.

Exhibit K referred to the Certification of Taxable Value from the Property Appraiser.

Exhibit L identified examples of implications and impacts upon taxable value of properties.

Mr. Doney stated that if there were any questions, he and the staff would gladly answer them.

Mr. Shaw inquired about proposed changes to the homestead exemption, asking Mrs. Crozier what impact would be felt by the taxpayers of Palm Beach?

Mrs. Crozier replied that she had spoken with the Property Appraiser's office, and they had indicated that they did not have the ability to retrieve information comparing properties in Palm Beach claiming the $25,000 homestead exemption with properties in West Palm Beach.

Mr. Shaw noted that if there was a shift in the homestead exemption it would involve the amount of homes not exempted throughout the County, thereby increasing the County tax base so the Millage on a County and School Board level would be reduced. Mr. Shaw stated that a decrease in that Millage would have a significant impact on the residents of the Town.

Mr. McLendon asked if the County administered the Child Services and Health Care program?

Mr. Doney replied that they were independent taxing authorities, with their own legislatively established boards.

Mr. McDonald asked if the Town had a representative on the South Lake Worth Inlet Board?

Mr. Doney replied negatively, stating that no one from within the Town had run for that elected position.

B. Comments From The Public

Mrs. Smith asked if there were any comments from the public?

Mr. Adrian Winterfield, 443 Brazilian Avenue, addressed the Town Council, inquiring if there had been an indication of any reduction on the appraisal of the homesteaded properties. He stated that he believed that this was the first year in which there was a cap on the increase in assessment of homestead values, and could that factor be broken out? He questioned what the taxable base would have been had there been no restriction on the increase in assessment of homesteaded properties?

Mr. Doney replied that perhaps the Property Appraiser would have that information.

Mr. Shaw made a motion to authorize the Town Manager to advise the Property Appraiser of the Town's Proposed Tentative Operating General Fund Millage Rate of 4.5500 mills, with a Roll-Back Millage rate of 4.4747 mills, and the Debt Service Millage Rate of .4589 mills. Seconded by Mr. McLendon.

On roll call the motion carried unanimously.

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: Wednesday, September 6, 1995, at 5:01 P.M. in Town Council Chambers and for Final Adoption Public Hearing, Proposed Date: Tuesday, September 12,1995, at 5:01 P.M. in Town Council Chambers).

Mr. McLendon made a motion approving the proposed dates, times, and places. Seconded by Mr. Shaw.

On roll call the motion carried unanimously.

Mr. Doney noted that the County Commission had preempted the Town on its desire to use September 7, 1995.

E. Authorize Town Manager to Execute 1995 Certification of Taxable Value with Details Directed Today

Mr. Shaw made a motion to authorize the Town Manager to execute the 1995 Certification of Taxable Value with details directed today. Seconded by Mr. McLendon.

On roll call the motion carried unanimously.

F. Any Other FY96 Proposed Budget Matters

Mr. Doney stated that the staff had prepared a very responsible budget with good justification, and more detail or any questions to be answered could be taken care of at the Finance and Taxation Committee Meeting on Thursday, July 27, 1995. Mr. Doney thanked the Department Heads and Staff for their efforts.

V. CONSIDERATION OF RESOLUTION NO. 25-95 - DESIGNATION OF TOWN DEPOSITORIES AND AUTHORIZATION OF SIGNATURES-

Mr. Shaw made a motion to approve Resolution 25-95. Seconded by Mr. McDonald.

On roll call the motion carried unanimously.

VI. CONSIDERATION OF SEALED BID NO. 95-18 FOR CONSTRUCTION OF MID-TOWN BEACH NOURISHMENT PROJECT - RESOLUTION NO. 28-95 -

Mr. Albert Dusey, Director of Public Works, addressed the Town Council, stating that bids had been opened on July 19, for both the Mid-Town Nourishment Project and the Mid-Town Groin Construction Project. The bidding had gone very well, and should allow the Town to proceed with the projects within the $6,000,000 budget if Town Council so approved.

Mr. Dusey continued that it had been confirmed that the sand in the borrow area was finer than that which the consultant determined in 1989. Finer sand formed a flatter slope as it adjusts in the ocean environment, therefore more sand would be needed to build a berm. In the Town's case, the consultant, Applied Technology Management, had determined that just over 200,000 cubic yards, in addition to the 600,000 cubic yards originally planned was needed in order to achieve the desired result. Mr. Dusey noted that because of the good bids received it would be possible to accommodate the additional sand within the $6,000,000 budget if the Town Council chose to proceed. He also noted that because of the additional 200,000 cubic yards, the permit applications would have to be modified. Mr. Dusey explained that he and Mr. Elwell had discussed the permit modification with the State agencies, and there did not seem to be any significant problem, however they all wanted to see the new design with the entire 800,000 cubic yards. Mr. Dusey noted that the accelerated schedule for the fill project anticipated an award be made today, with a Notice to Proceed on August 4, 1995, and a construction start for the fill on September 1, 1995. This schedule anticipated a permitting process that would have issued permits in the very near future, and this schedule was not as far along as had been hoped. If the project proceeded, and the anticipated permits did not come, then the monies involved would be lost, so Mr. Dusey recommended that the award be deferred until August 8,1995, at which time there would be better information regarding the permitting process. The deferral would delay the start of construction by approximately two weeks, but would not have a major impact on the ability of either contractor to complete the project within the original time frame.

Mrs. Smith asked Mr. Dusey if both contractors were willing to go along with the two week delay?

Mr. Dusey replied affirmatively, as options had been included in the bidding for the Town to keep the dates open.

Mr. McLendon asked if there was any recourse against the 1989 consultant who had errored in the sand measurement?

Mr. Dusey replied that it was definitely an error, however, whether proof of damages could be determined would have to be considered, and the Town Attorney would have to be consulted if the Town Council wished to pursue that.

The awarding of the bids was deferred until the August 8, 1995 Town Council Meeting.

VII. CONSIDERATION OF FORMAT FOR PUBLIC WORKSHOP REGARDING MID-TOWN BEACH NOURISHMENT AND GROIN PROJECTS (SCHEDULED FOR JULY 31, 1995, AT 7:00 P.M. IN THE TOWN COUNCIL CHAMBERS).

Mr. Doney stated that the State hearing would be at 7:30 P.M., with the 7:00 P.M. meeting being the Public Workshop. Mr. Doney pointed out that the 7:00 P.M. Public Workshop, as required by State law, was to provide information about the emergency project, and to answer any questions from the public. It had been proposed by Staff, after consultation with the State representatives from the Department of Environmental Protection, that the Town Staff, along with the coastal engineers (ATM), conduct the technical aspects for the public at the 7:00 P.M. meeting. Mr.

Doney commented that it would be helpful if the Mayor and Town Council attended to advise on the emergency nature of the project, although it was not mandatory that the Mayor and Town Council preside at the meeting.

Mrs. Smith remarked that the State had set the meeting, with notice being received approximately 5 days ago, and members of the Town Council had already made plans for that date and would not be able to attend. She stated that she wanted to make it very clear that this was not a Town Council meeting.

Mr. McLendon asked for confirmation on his understanding that the State's position was that wherever the new water line was now, would be the new State ownership line.

Mr. Doney replied that was correct.

Mr. McLendon stated that in many places it would be the seawall, and some people would have lost some of their beach area, since the last time it was established.

Mr. Doney stated that the State Department of Environmental Protection would be holding a Public Hearing to receive comments on the establishment of an Erosion Control Line, and by definition the purpose of an Erosion Control Line would be to identify the pre-project mean high water line, which would be the post-project boundary between State lands and private, or Town owned, upland property.

Mr. Dusey explained that the elevation was 1.5 feet, as of June 7 and 8, 1995.

Mr. Shaw stated that considering the beach nourishment program, that line would change drastically in the next few months.

Mr. Dusey replied that the line would stay the same, but oceanward of that line would become public property.

Mr. McLendon clarified that everything east of the 1.5 foot water line would become public property as of June 7, 1995.

Mr. Dusey replied that was correct, everything east of the mean water line.

Mrs. Smith asked Mr. Dusey where that line would be?

Mr. Dusey replied that 99% of it would be the present seawall.

Mrs. Smith clarified that when the beach project was put in, the line would move to the east.

Mr. Dusey responded that the line stayed at the seawall line, and anything east of that would become public property. Mr. Dusey added that the process required establishment of the line before the fill was put in, and that most of the beaches being filled were public, with only very small pieces being privately owned.

VIII. ANY OTHER MATTERS

There were none.

IX. ADJOURNMENT

The meeting was adjourned at 11:05 A.M.

Mary A. Pollitt
Town Clerk

Prepared By:
Susan Eichhorn