

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

I. CALL TO ORDER AND ROLL CALL

The Town Council Meeting was called to order by President Smith at 9:30 A.M. on June 10, 1997. Upon roll call, the following Elected Officials were found to be in attendance: Mayor Paul Ilyinsky, President Lesly Smith, President Pro-Tem Leslie Shaw, Councilmen Jack McDonald, Sam McLendon, and Allen Wyett. Also in attendance were: Town Manager Robert Doney, Assistant Town Manager Peter Elwell, Assistant to the Town Manager David Jakubiak, Town Attorney John Randolph, Fire-Rescue Chief Ken Koelz, Police Chief Joseph Terlizzese, Director of Information Systems Spencer Wilson, Finance Director James Demming, Assistant Finance Director Cheryl Somers, Personnel Director William Crouse, Director of Public Works Al Dusey, Town Engineer James Bowser, Building & Grounds Manager Joe Ugi, Supervisor II Recreation Alan Brown, Director of Planning, Zoning & Building Robert Moore, Zoning Administrator Paul Castro, Planner/Projects Coordinator Timothy Frank, Risk Manager Barbara Martinuzzi, and Town Clerk Mary Pollitt.

II. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Rabbi Resnick of Temple Emanu-El. President Smith led the Pledge of Allegiance.

III. PRESENTATIONS - None

IV. COMMENTS OF THE MAYOR

Mayor Ilyinsky commented that the 1997 Public Storm Preparedness Plan was now available, as the Hurricane Season, beginning on June 1 and ending on November 30, was now in progress. He urged all citizens to prepare for any storm that may affect the Island of Palm Beach.

Mayor Ilyinsky urged all to pause for the Pledge of Allegiance on National Flag Day at 7:00 P.M. on Saturday, June 14, 1997.

The Mayor encouraged everyone to attend the Fabulous Fourth Celebration in Bradley Park on Friday, July 4 from 6:00 P.M. to 8:30 P.M.

V. APPROVAL OF THE AGENDA

Mr. Randolph referred to Agenda Item 6, on page 3 of the Agenda, under XI. Old Business, A. Other (Status Report on Town of Palm Beach vs. City of West Palm Beach Regarding Downtown Master Plan) and stated that he would like to discuss consideration of scheduling an Attorney/Client Session at that time.

Mrs. Smith referred to page 2 of the Agenda, Item X. A. (Report of the Finance and Taxation Committee Meetings of May 29 & 30, 1997), noting that Ms. Denise Jones, the actuary with Gabriel, Roeder, Smith & Co. was present for other business, and requested that she be allowed to address the consideration of potential retirement system changes related to the FY98 Proposed Budget as the first item immediately after lunch.

Mr. Wyett made a motion to approve Ms. Denise Jones, the actuary with Gabriel, Roeder, Smith & Co. addressing the consideration of potential retirement system changes related to the FY98 Proposed Budget immediately after the lunch break; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mrs. Smith referred to page 2 of the Agenda, Item IX. B. (Landmark Designation of 150 Clarke Avenue; Resolution No. 35-97) noting that there was a request for deferral to the August 12, 1997 Town Council Meeting per letter dated June 5, 1997 from Mr. David Peterson.

Mr. Shaw made a motion to approve deferral of Agenda Item IX. B. the Landmark Designation of 150 Clarke Avenue to the August 12, 1997 Town Council Meeting (Resolution No. 35-97); seconded by Mr. Wyett. On roll call, the motion carried unanimously.

Mrs. Smith referred to page 5 of the Agenda, Item XV. B. 1. (Consideration of Appeal of the Landmarks Preservation Commission to Undesignate 150-A Australian Avenue; Request by Quilty Properties, Inc.) and noted that there was a request for deferral to the July 8, 1997 Town Council Meeting per letter dated June 4, 1997 from Mr. James R. Brindell.

Mr. Wyett made a motion to defer Agenda Item XV.B.1., Consideration of Appeal of the Landmarks Preservation Commission to Undesignate 150-A Australian Avenue; Request by Quilty Properties, Inc., to the July 8, 1997 Town Council Meeting; seconded by Mr. Shaw. On roll call, the motion carried unanimously.

Mr. McDonald referred to Agenda Item XII. New Business C. Other, suggesting that an addition be made concerning discussion of the Code Enforcement Board Ordinance, as Item No. 8.

Mr. Wyett made a motion to add Item XII. New Business. C. Other 8 - Discussion of the Code Enforcement Board Ordinance; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mr. Wyett made a motion to approve the Agenda as Amended; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

VI. COMMUNICATIONS FROM CITIZENS - 3-MINUTE LIMIT PLEASE

Eric Gilbertson addressed the Town Council, stating that property taxes had increased dramatically in the past 10-15 years, and long term, fixed income home owners had taxes which had greatly risen. He urged the Town Council to consider these increases when making decisions.

Adrian Winterfield addressed the Town Council, suggesting that one way to replace the losses due to the Save Our Homes Amendment would be to impose fees for ambulance services

APPROVED AGENDA

VII. APPROVAL OF MINUTES OF MAY 13, 1997

VIII. LICENSES, PERMITS, AND AGREEMENTS

A. Charitable Solicitations - None

B. Alcoholic Beverage Licenses

1. Application for a Transfer of a 2APS Alcoholic Beverage License by Mr. Pell Rogers for Atlantic Marketing, Inc. d/b/a Palm Beach Texaco at 231 Royal Poinciana Way

The Approved Agenda was approved by motion of Mr. Wyett; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

REGULAR AGENDA

IX. PUBLIC HEARINGS

A. Request for Undesignations of Historic/Specimen Trees and Property Recording Changes; Resolution No. 34-97

Public Works Director Al Dusey addressed the Town Council, stating that Resolution 34-97 would be updated, which involved property at 448 North Lake Way, where a Washingtonian Palm was lost that had been designated as a historic/specimen tree. The record must be changed from six Washingtonian Palms to five trees on the property.

At 8 South Lake Trail, during survey work, it was found that a Camphor tree very close to the property line actually belonged to 445 Antigua Lane, and that change would have to be made. In addition, a Red Tip Lysiloma tree at 445 Antigua Lane had been damaged by lightening, and needed to be removed. That tree would have to be removed from the record.

The Society of the Four Arts had requested that the Pink Trumpet Tree near the library be de-designated as a result

of its poor condition.

A Garcinia tree at 1290 South Ocean Blvd. had lost its specimen quality and it had been suggested to the owner that staff would support de-designation, and the owner had requested same.

Lastly, the legal description for 1300 South Ocean Blvd. had changed when the property was sold and the record would now reflect the change to: CASA APAVA S 10 FT OF LT 5 & LT 6 (LESS N 82 FT LYG WITHIN N 210 FT OF LT).

Mr. Randolph read Resolution 34-97:

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, EXCLUDING CERTAIN ALREADY DESIGNATED HISTORIC OR SPECIMEN TREES, AND REDEFINING PROPERTY DESCRIPTIONS OF OTHER HISTORIC OR SPECIMEN TREES LOCATED ON PROPERTIES WITHIN THE TOWN OF PALM BEACH; PROVIDING FOR THE RECORDING OF SAID DESIGNATIONS AGAINST THE LAND UPON WHICH THE TREE OR TREES ARE LOCATED; PROVIDING THAT A COPY OF THIS RESOLUTION BE RECORDED IN THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

Mr. Wyett made a motion to approve Resolution 34-97; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

B. Landmark Designation of 150 Clarke Avenue; Resolution No. 35-97 - **Request for Deferral to August 12, 1997, per letter dated June 5, 1997, from Mr. David L. Petersen**

C. Landmark Designation of 277 Pendleton Avenue; Resolution No. 36-97

Planner/Projects Coordinator Timothy Frank stated that the subject property had been studied by the Landmarks Preservation Commission and had been found to meet the following criteria for designation: Criterion A: exemplifies or reflects the broad cultural, political, economic, or social history of the nation, state, county or town. Criterion C: embodies distinguishing characteristics of an architectural type or is a specimen inherently valuable for the study of a period, style, method of construction, or use of indigenous materials or craftsmanship. Criterion D: is representative of the notable work of a master builder, designer, or architect, whose individual ability has been recognized or who influenced his age. In this case, the architect was John Volk. Mr. Frank reported that proper notice had been served.

Town Clerk Pollitt confirmed proof of publication.

At this time Town Clerk Pollitt administered the oath to all those who would be speaking to the issues considered.

Historic Preservation Consultant Jane Day reported that the property at 277 Pendleton Avenue had been built in 1936, and the architect of record was John L. Volk. There had been very few alterations to the property over the years. It was important to note that one of the things that happened to Palm Beach during the 1930's and the depression era was that houses became smaller, and this property was a good example of what had happened. The house was Colonial Revival Style, with the main feature being the recessed front door.

Mr. Shaw made a motion to accept the Designation Report; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

In response to the query of Mr. McLendon, Mrs. Day explained that the certified letter that went to all proposed landmark property owners did not include a request that the Town be advised whether they were pro or con. There had been a request by the Landmarks Commission as well as the Preservation Foundation, to re-write the form letters, since they had been drafted many years ago. She suggested that it would be appropriate to include approval or objection by the property owner.

Mr. McLendon agreed, stating that he would generally oppose landmarking if the owner objected to it.

Mrs. Day explained that the letters would be re-written during the summer months, and then be submitted for approval of the Landmarks Commission.

Mr. Shaw made a motion to approve Resolution 36-97; seconded by Mr. McLendon.

Mr. Randolph read Resolution 36-97:

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, RATIFYING AND CONFIRMING THE DETERMINATION OF THE LANDMARKS PRESERVATION COMMISSION THAT THE PROPERTY HEREINAFTER DESCRIBED MEETS THE CRITERIA SET FORTH IN ORDINANCE 2-84, ALSO KNOWN AS CHAPTER 16 ARTICLE III OF THE CODE OF ORDINANCES OF THE TOWN OF PALM BEACH, AND DOES HEREBY DESIGNATE SAID PROPERTY AS A TOWN OF PALM BEACH LANDMARK PURSUANT TO ORDINANCE 2-84, ALSO KNOWN AS CHAPTER 16 ARTICLE III OF THE CODE OF ORDINANCES OF THE TOWN OF PALM BEACH.

277 Pendleton Avenue
Reverie, Lots 18 & 19, Block 1

On roll call, the motion carried unanimously.

D. Landmark Designation of 9 Golf Road; Resolution No. 37-97

Mr. Frank reported that the subject property had been studied by the Landmarks Preservation Commission, finding it to meet the following criteria for designation: Criterion A: exemplifies or reflects the broad cultural, political, economic or social history of the nation, state, county, or town. Criterion C: embodies distinguishing characteristics of an architectural type or is a specimen inherently valuable for the study of a period, style, method of construction, or use of indigenous materials or craftsmanship. Criterion D: is representative of the notable work of a master builder, designer, or architect, whose individual ability has been recognized, or who influenced his age. The architect was Clark J. Lawrence, and Mr. Frank noted that the proper notification had been accomplished.

Mrs. Day stated that last month Mr. Shaw had asked her to display a map with the properties already landmarked in the area, which she exhibited.

Mrs. Day reported that the property at 9 Golf Road was of the Monterey style, done in a Spanish style that blended very nicely with the Mediterranean Revival properties on the street. It was a good example of the work of Clark J. Lawrence.

Mr. Shaw made a motion to approve the Designation Report; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mrs. Smith asked if the Landmark Ordinance designated that a property must be 50 years old in order to be landmarked?

Mrs. Day replied that it did not. The 50 year criteria was traditional within the State of Florida, however, under the National Register criteria and the Department of the Interior criteria a property could be landmarked that was less than 50 years old. One of the reasons that staff had used the 50 year criteria was to keep the management of designating properties under control as far as time frame and available staff, because there was so much in the Town of Palm Beach that could qualify for landmarking.

Mr. Shaw made a motion to approve Resolution 37-97; seconded by Mr. Wyett.

Mr. Randolph read Resolution 37-97:

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, RATIFYING AND CONFIRMING THE DETERMINATION OF THE LANDMARKS PRESERVATION COMMISSION THAT THE PROPERTY HEREINAFTER DESCRIBED MEETS THE CRITERIA SET FORTH IN ORDINANCE NO. 2-84, ALSO KNOWN AS CHAPTER 16, ARTICLE III OF THE CODE OF ORDINANCES OF THE TOWN OF PALM BEACH, AND DOES HEREBY DESIGNATE SAID PROPERTY AS A TOWN OF PALM BEACH LANDMARK PURSUANT TO ORDINANCE 2-84, ALSO KNOWN AS CHAPTER 16, ARTICLE III OF THE CODE OF ORDINANCES OF THE TOWN OF PALM BEACH.

9 Golf Road
Golfview Subdivision, East 45.47 feet & West 29.53 feet of North 67.5 feet/less West 1.96 feet of South 22.23 feet/of lot 9 & North 38.1 feet of East 5.58 feet of lot 10 in Official Record 886, Page 400.

On roll call, the motion carried unanimously.

Director of Planning, Zoning & Building Robert Moore added that discussion had taken place at a recent Landmarks Preservation Commission meeting concerning looking at lists of available buildings that might qualify that were not 50 years of age and determining if they were architecturally significant.

Mrs. Smith noted that there were tax benefits to owners of landmarked properties, and cautioned that the Town should not be caught in a position of landmarking houses for this reason.

Mrs. Day responded that matter should be carefully considered, and that since the tax legislation had been enacted more people had come forward to ask that their properties be studied.

Mr. Moore stated that whether the properties were submitted voluntarily or not, the criteria remained the same and was applied evenly across the board.

E. Landmark Designation of 14 Golf Road; Resolution No. 38-97

Mr. Frank stated that the Landmarks Preservation Commission found that the subject property met Criterion A: exemplifies or reflects the broad cultural, political, economic, or social history of the nation, state, county or town. Criterion C: embodies distinguishing characteristics of an architectural type or is a specimen inherently valuable for the study of a period, style, method of construction or use of an indigenous material or craftsmanship. Criterion D: is representative of the notable work of a master builder, designer, or architect whose individual ability has been recognized or who influenced his age. The architects involved with this property were Marion Sims Wyeth and Belford Shumate.

Historic Preservation Consultant Jane Day reported that the original house was designed by Marion Sims Wyeth. The house was in the Mediterranean Revival style and was a good example of what happened in Palm Beach on Golf Road with the development of the street.

Mr. Shaw made a motion to accept the Designation Report; seconded by Mr. Wyett. On roll call, the motion carried unanimously.

Mr. Wyett made a motion to approve Resolution 38-97; seconded by Mr. Shaw.

Mr. Randolph read Resolution 38-97:

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, RATIFYING AND CONFIRMING THE DETERMINATION OF THE LANDMARKS PRESERVATION COMMISSION THAT THE PROPERTY HEREINAFTER DESCRIBED MEETS THE CRITERIA SET FORTH IN ORDINANCE NO. 2-84, ALSO KNOWN AS CHAPTER 16, ARTICLE III OF THE CODE OF ORDINANCES OF THE TOWN OF PALM BEACH, AND DOES HEREBY DESIGNATE SAID PROPERTY AS A TOWN OF PALM BEACH LANDMARK PURSUANT TO ORDINANCE 2-84, ALSO KNOWN AS CHAPTER 16, ARTICLE III OF THE CODE OF ORDINANCES OF THE TOWN OF PALM BEACH.

14 Golf Road
Golfview Subdivision, part of lots 14 & 15 in Official Record 3604, page 1178.

On roll call, the motion carried unanimously.

Mr. Shaw recommended that a view easement be placed on the street based on the views from the properties south across the Golf Course.

Mrs. Day replied that she would be happy to look at that matter.

Mrs. Smith clarified that the plantings on Golf Road had changed many times over the years, and the view easement would be on the Everglades Club. She suggested that would be a question of the Landmarks Commission being in touch with the Everglades Club.

Mr. Moore clarified that the Town Council would need to give instructions to staff to bring this matter to the Landmarks Commission.

Mrs. Smith replied the Town Council would consider adding the matter to the agenda for discussion at another time.

X. COMMITTEE REPORTS

A. Report of the Finance and Taxation Committee Meetings of May 29 & 30, 1997

FINANCE & TAXATION COMMITTEE REPORT OF MEETINGS HELD ON

MAY 29 AND MAY 30, 1997

I. CALL TO ORDER AND ROLL CALL: The Finance and Taxation Committee meeting was called to order by Chairman Lesly Smith at 10:05 a.m. on May 29, 1997, in the Town Council Chambers. On roll call, Lesly Smith, Chairman, and Leslie Shaw, Committee Member, were found to be in attendance. Other Elected Officials attending for all or part of the meetings were Mayor Paul Ilyinsky and Councilmen Sam McLendon and Allen Wyett. Also attending for all or part of the meetings were: Town Manager Robert Doney; Finance Director James Demming; Assistant to the Finance Director Cheryl Somers; Assistant Town Manager Peter Elwell; Assistant to the Town Manager David Jakubiak; Fire-Rescue Chief Ken Elmore; Administrative Secretary Belinda Hardy from the Fire-Rescue Department; Assistant Fire-Rescue Chief Ken Koelz; Inspector Craig Olson from the Fire-Rescue Department; Police Chief Joseph Terlizzese; Major Frank Croft from the Police Department; Police Planner Lisa Gorman from the Police Department; Personnel Director William Crouse; Personnel Analysts Carla Kneipp and Pam Russell; Information Systems Manager Spencer Wilson; Risk Manager Barbara Martinuzzi; Purchasing Agent Charles Boggs; Director of Planning, Zoning, and Building Robert Moore; Administrative Aide Wendy Zamecnik from the Planning, Zoning & Building Department; Recreation Director Russell

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

Bitzer; Supervisor Alan Brown from the Recreation Department; Tennis Pro-Manager Jim Hay from the Recreation Department; Golf Pro-Manager Rick Dytrych from the Par 3 Golf Course; Dockmaster Karen Lane; Director of Public Works Albert Dusey; Assistant Director of Public Works Leonard Greene; Public Works Division Managers Joe Ugi, Larry Plympton, and Lloyd McCoy; and Town Clerk Mary Pollitt.

II. APPROVAL OF AGENDA: Item I. LAW AND POLICY REVIEW (PROGRAM 111), INTERGOVERNMENTAL RELATIONS (PROGRAM 112), AND ADVICE AND LITIGATION (PROGRAM 122), Request by Town Attorney to Increase Hourly Billing Rate from \$150 to \$160, was moved to be heard at a time certain of 1:30 p.m. (after lunch) on May 29th. The amended agenda was approved.

III. FY98 PROPOSED BUDGETS

A. OVERVIEW AND COMMENTS BY TOWN MANAGER: Mr. Doney referred to his May 21, 1997, memorandum to the Committee stating the Department Heads and the Town Manager would present the FY98 Budget proposals based upon their reviewing and documenting the budget proposals to insure the Town staff and employees are providing the same levels of the Town Council's established services in a fiscally responsible manner.

The May 21st memorandum indicated the proposed budgets do not include a potential general pay increase at this time due to the limited available information regarding proposed general pay increases in the employment market area. Mr. Doney said that after further review of the matter with the Personnel Director, he would attempt to advance his recommendation on a general pay increase at the Special Town Council meeting on July 29, 1997, at 10:00 a.m. or at the August 12, 1997, regular monthly Town Council meeting.

Mr. Doney said that in addition to the specific presentations by each Department Head, several budget adjustments would be identified by Mr. Demming or himself as the respective department or program budget was presented to the Committee.

Mr. Doney provided an overview with highlighted comments on Exhibits A through U (a copy of the summary list of these exhibits is attached).

B. OVERVIEW BY FINANCE DIRECTOR ON BUDGET STANDARDS: Mr. Demming reported that the Town of Palm Beach continues to maintain an uninsured Aaa bond rating with Moody's Investors Service. The Town of Palm Beach is the only municipality in the State of Florida with this rating.

Mr. Demming said that the direction given to the departments when preparing their budgets included estimates for health insurance, retirement and some of the utility expenses. The health insurance line items for fixed expenses and claims were merged into one line item because this more accurately reflects the actual distribution of costs, program by program. Funding for health insurance is proposed again at the \$3.7 million total of which approximately \$700,000 is contributed by the employees who participate in the program for a portion of premiums for dependent coverage and retirees for a portion of themselves and their dependents. The remaining \$3 million is contributed by the Town. This total figure was divided by the total personnel complement to arrive at a figure of approximately \$7,670 per person. Throughout the budgets, the full time equivalent positions were multiplied by that factor to determine the proper share for the health insurance contributions.

1. Retirement: Mr. Demming said that in the area of retirement, the recommended funding levels as supplied by the actuary were used to determine the figures of \$4,246 for general employees; \$11,278 for a Police personnel; \$13,307 for Fire-Rescue personnel; and \$5,577 for Lifeguards. Those amounts were the Town's retirement contributions for employees in those classes.

2. Social Security: Mr. Demming said that Social Security coverage, including mandatory Medicare coverage, would remain at 7.65% of eligible wages.

3. Utilities Expenses: Mr. Demming reported that increases were budgeted throughout all programs based on information received from the various utility companies:

- | | | |
|----|-----------|----|
| a. | Water | 4% |
| b. | Electric | 3% |
| c. | Telephone | 0 |
| d. | Gasoline | 5% |

e. Postage 2%

4. **Non Ad-Valorem Revenues/Fees:** Mr. Demming reported that non ad-valorem revenues are proposed at approximately \$12,200,000 which is approximately \$1.6 million over FY97's projected revenues. The \$1.6 million consists mainly of an increase of \$300,000 in utility tax revenues; a projected increase in building permits of \$360,000; increased State-shared money of \$100,000; a reclassification of the commercial garbage revenues of \$152,000; \$250,000 from the parking fund; and an anticipated increase in investment earnings of \$400,000.

C. INSURANCE PROGRAMS OVERVIEW - RISK MANAGER AND

PERSONNEL

DIRECTOR: Mrs. Barbara Martinuzzi, Risk Manager, presented the property and casualty portions of the self-insurance fund which are general liability, automobile liability, public officials liability, workers' compensation, and property. Mrs. Martinuzzi explained that the Town is self-insured for all exposures and maintains excess insurance coverage above the self-insured retention. The self-insurance retention varies depending upon the line of coverage but is a per occurrence limit of \$200,000 for automobile and general liability. A \$100,000 retention is maintained for public officials' liability, workers' compensation, and property. The Town has an aggregate retention of \$775,000 which is a "loss fund" that is a routine budgeted item which is divided into several line items and is allocated throughout the divisions and departments based upon their relative exposures and actual claims experience.

Mrs. Martinuzzi said the Town has a \$1 million excess for the loss fund if all of the loss fund retentions were exhausted in any given year. The Town has a \$10 million liability limit for coverages in general liability, automobile liability, and public officials, statutory limits for workers' compensation benefits, and approximately \$33 million coverage for property. The Town is purely self-insured and has no excess coverage in place for environmental impairment liability, roads, bridges, sea walls, and underground piping.

Mrs. Martinuzzi reported that the current program continues to be marketed on an "as is" basis with no major changes in the exposure or operations of the Town. Renewal proposals are presented annually at the September Town Council Meeting prior to the coverage being placed in October, consistent with the fiscal year.

Mrs. Martinuzzi said that no changes are anticipated in the loss fund of \$775,000. Several significant workers' compensation losses have occurred over the past two years, but the Town's overall claim experience continues to improve and remains on a decline. The cost allocation program, implemented in FY96, distributes the cost of risk, the claims cost and the fixed cost, equitably in the different divisions and departments. The claims costs are based on the past three years' experience for each particular program. The fixed premium costs are based on current payrolls and workers' compensation rates. The costs allocated through the departments will vary greatly from year to year as claim amounts are dropped or added to the computations.

Mrs. Martinuzzi said the Town continues to remain actuarially sound, and the reserves continue to increase based on current loss experience. Mrs. Martinuzzi recommended no increases in reserve amounts which was approximately \$2.8 million as of September 30, 1996. As of May, 1997, it appears an additional \$721,000 would trickle down if experiences continue to be good the rest of FY97.

Mrs. Smith requested to see specifics regarding the Workers' Compensation Claims for Parks (up 773%) and the Parking Control Unit. Mr. Shaw requested that the specifics also be provided for Beach Rescue.

Mr. Wyett requested the Committee ask Mrs. Martinuzzi supply a report regarding the feasibility of purchasing excess liability coverage above \$1 million or \$2 million whichever is appropriate. Mr. Wyett requested the costs be included if the excess liability coverage should be purchased--if the recommendation was not to purchase excess liability coverage, Mr. Wyett would like to see a report on that. Mrs. Smith recalled this same issue was presented last year at the September meeting, and after considering the costs, the decision was made to leave it at the \$10 million level. Mrs. Smith said if the Town Council decided the limit should be higher, that request would be made at the Town Council meeting. Mr. Doney concluded that the specifics requested by the Committee would be provided at the September meeting when updates of the details of all of the plans were presented.

William Crouse, Personnel Director, introduced Jeff Angelo, Area President of Gallagher Benefit Services, and Richard Shell, Benefits Consultant. Mr. Crouse reported that the costs for the health care system have remained flat--both fixed and claims. A two year contract is being negotiated for fixed costs with all of the Town's providers at the current cost level. If the negotiations are successful, the fixed costs will remain the same for a four year period.

Mr. Crouse said the claims also have remained fairly flat over the past five years. Mr. Crouse reported gross claims have ranged in the last five years from \$3.1 million to \$4.1 million. However, with the discounts, the coordination of benefits, and the negotiated reductions of bills for out-of-network hospitals and providers, net claims paid have averaged approximately \$1.5 million. The first five months of FY97 indicate this fiscal year may be one of the highest years and gross claims are currently projected at a rate of \$4.9 million, without discounts. Mr. Crouse noted that the goal is to reduce those claims to approximately \$1.8 million actually paid, after negotiations and deductions.

In 1991, sixty-five cents of every claim dollar was expended. Mr. Crouse said that this year, the amount will be approximately thirty-six cents of every claim dollar. Mr. Crouse noted that doctors are attempting to gain power against the managed care facilities that currently favor the employer.

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

Mr. Crouse identified three new federal health laws:

1. HIPA - Health Insurance Portability and Accountability Act - insurance companies
pre-existing medical problems
2. NIPA - Newborns and Mothers Health Protection Act - to assure that newborns and mothers can stay in the hospitals and not be pushed out by managed care
3. MIPA - Mental Health Parity Act of 1996 - provides parity in the application of limits to certain mental and mental health benefits.

Mr. Crouse said that the Mental Health Parity Act could have significant impact on the Town's policies. Mr. Crouse added that the State of New York passed a law allowing a 50% surcharge for out of state patients at New York hospitals. This will affect claims occurring in the State of New York. Gallagher-Bassett identified that and filed papers in a timely fashion to reduce the charge to 8% for services in New York. Four other states are possibly following suit.

Mr. Crouse said that from 1987 to 1992, the Town's Health Plan had budget increases ranging from 3.0% to 64.0% for health care services. In 1992, the actuary recommended that the Town have a \$3.3 million budget for Health Care because at that point, the Town had liabilities that exceeded the reserve assets. Since 1992, the recommended budget amount of \$3.7 million has been consistent. Mr. Crouse recommended a budget of \$3.7 million for FY98. Mr. Crouse outlined the needs for maintaining the reserve balance including the future unfunded liability of health care for retirees and their dependents. The State of Florida requires the employer to supply the same health insurance to retirees at a rate that is co-mingled with the active employees. Mr. Crouse said the last actuarial study of Post-Retirement Health Care Program was as of September 30, 1991. This study projected the present value cost over twenty-five years for post-retirement health costs to be approximately \$8.5 million. Mr. Crouse said that last year he recommended that the Town stay with the budgeted amount of \$3.7 million and not necessarily fund for another study of the retirement health care liability because a new actuarial report may well reflect a liability amount greater than \$8.5 million. Mr. Crouse reported that the FY95 actuarial report of the Town's Health Plan showed that future claims would significantly increase and the reserves would not build as rapidly. The FY96 actuarial report--recently received--showed that the claims were projected to be flat and running fairly consistent with fixed costs being consistent.

Mr. Crouse recommended a new study of the Post-Retirement Health Care Plan should be done because the Town currently has a reserve of \$8.2 million, close to the amount mentioned in the FY1991 Post-Retirement Actuarial study. At the end of FY97, if the second six months are good, approximately \$1.5 million should roll over into the reserves--bringing the reserve amount slightly under \$10 million. Mr. Crouse said the recommendation for a study on the unfunded liability of retirement would be answer the question, "Should the philosophy in funding be changed from the projected budgeting of \$3.7 million for the FY99 Budget?" Mr. Crouse said a study could be done for approximately \$20,000 and suggested quotes should be obtained for the proposed study.

Recalling the discussion last year of the health insurance program, Mr. Shaw advised that he believes that the interest earned on the designated health insurance (approximately \$340,000) should be returned to the General Fund for FY98. After discussing the health insurance reserve amount, the interest earned by the Reserve Account during FY97, a new actuarial study of the unfunded liability to the Town's General Fund for health insurance for retirees and their dependents, and the favorable experience with historical claims issues, **THE COMMITTEE RECOMMENDED THE FOLLOWING:**

1. **OF THE PROJECTED EARNED INTEREST (\$340,000) ON THE DESIGNATED HEALTH INSURANCE RESERVE ACCOUNT FOR FY98, \$300,000 BE RETURNED TO THE GENERAL FUND FOR FY98**
2. **QUOTATIONS BE OBTAINED TO PREPARE AN ACTUARIAL REPORT OF THE FUTURE UNFUNDED ACCRUED LIABILITY OF RETIREES HEALTH INSURANCE TO DETERMINE THE FUTURE DOLLAR LEVEL OF FUNDING FOR THE DESIGNATED HEALTH INSURANCE ACCOUNT.**

D. INFORMATION SYSTEMS OVERVIEW - INFORMATION SYSTEMS MANAGER:
Spencer Wilson, Information System Manager, explained that the Office of Information Services works with the individual departments on a year long basis in addition to the special meetings to determine hardware, software, programming, and project needs for the budget review process. Mr. Wilson outlined the methods for cost saving measures within the departments by re-assigning equipment and software and making the best use of the machines that the Town has.

Referring to Exhibit R, page 3, Mr. Wilson identified the projected needs of each department in summary form. Mr. Wilson said that most of departments do not need additional hardware for FY98. However, Mr. Wilson said that the Fire-Rescue Department would present justification for the \$64,600 amount requested for FY98. The Planning, Zoning & Building Department requested token ring cards (seven networking cards to tie the machines in the department together for networking purposes) in the amount of \$2,000. Mr. Wilson identified the amount of \$46,500 requested by Information Systems for an improved back up system and increased storage capability for the AS 400 system.

Mr. Wilson reviewed the software requirements for the proposed FY98 budget that totaled \$34,580 for all of the departments. Mr. Wilson noted that \$20,000 of the \$34,580 amount was requested for the major projects proposed by the

Fire-Rescue Department and Office of Information Systems.

The Committee discussed the requested amount of \$2,000 for hardware by the Planning, Zoning, & Building Department. Mr. Wilson reported that the department did have funds remaining in the donation used this year to purchase scanning equipment, and that remaining money was ear-marked for an additional scanner; however, that scanner had not been purchased because the department was not at the point in the scanning process where it was needed. Mr. Wilson said the scanner was not purchased early because the price will decrease and the warranty would be used up, starting from the purchase date, although the machine was not being utilized.

Mrs. Smith suggested the \$2,000 should be taken from the donation account that was used to purchase the scanning equipment and removed from the proposed FY98 budget.

E. FIRE-RESCUE DEPARTMENT: Fire-Rescue Chief Ken Elmore, assisted by Belinda Hardy, presented an overview of the Fire-Rescue Department Budget. Chief Elmore reported the Fire-Rescue Department's budget consisted of five programs--Administrative, Fire Fighting, Fire Prevention, Emergency Medical Services, and Building Maintenance.

Chief Elmore distributed a revised page two (copy attached) of Exhibit Q of the Fire-Rescue Department FY98 Budget Proposal and corrected the second paragraph to read:

"The Proposed FY98 budget of \$6,087,752 represents a decrease of \$79,613 (1.3%) from the approved FY97 budget of \$6,167,365."

Chief Elmore reported the department used donated funds to purchase two new medical transport units during the past year and used an additional \$50,000 in donated funds to upgrade two existing units that were used to transport the third or fourth calls received during peak periods. During March and April of this year, the units were called approximately eight times, thus reducing the amount of transport time for patients. One of the units was placed at the North Fire-Rescue Station, and the other one was placed at the South Fire-Rescue Station.

Chief Elmore outlined the cost saving measures taken by his Department during the last year.

Chief Elmore requested that \$71,640 be allocated for FY98 to allow for the purchase of mobile data terminals (MDT) for the emergency vehicles, divided between the Fire Fighting and EMS programs. \$64,600 of that amount would be used to purchase hardware and \$7,040 would be needed for the software and installation costs. Chief Elmore cited the following benefits to the Fire-Rescue Department if the mobile data terminals were installed:

1. The Global Positioning System (GPS) will track vehicles at all times and enable the Computer Aided Dispatch System (CAD) to prompt the nearest unit to the incident for dispatch to fire and medical alarms.
2. MDTs will reduce voice communications between units and dispatchers by:
enabling units to use function keys to signal en route, on-scene, in service, in station, at hospital, and truck out of service; enabling units to view CAD screen for special information regarding the building, the scene, incident, etc., and confidential relay of patient information; obtaining times for reports directly from CAD screen.
3. MDTs will increase the efficiency of entering and accuracy of tracking response times for emergency units by automatically entering the units' times in CAD when signaled from the units.
4. Reduce the workload of the dispatchers by enabling emergency units direct access to the AS400 and CAD systems.
5. MDTs will provide the redundancy in communications required by Insurance Services Office (ISO) by providing an alternate dispatch method if the radio system fails.

Chief Elmore said this system is a continuation of improvements to the Police Department communication system phased in during the past year, and the Fire-Rescue Department will benefit from the successful implementation of the Police Department system.

Chief Elmore reported that the Administrative Program which is approximately 6% of the Fire-Rescue budget had a proposed decrease of \$68,831 due to the adjustment in Workers' Compensation Claims. Proposed radio costs and repairs were reduced by \$5,000. Chief Elmore said \$25,000 was included in the proposed budget for a replacement vehicle.

Chief Elmore said the Fire Fighting Program is 33% of the budget and has a decrease of \$166,106 for the FY98 Proposed Budget due mainly to the Workers' Compensation and Liability Insurances. The Fire Prevention Program is projected to increase by the projected amount of \$31,542 due to the inclusion in the salary line item for the three fire fighters, hired in 1997, that are divided between the three programs--Fire Fighting, Fire Prevention, and EMS. The position of contractual fire inspector was changed to the position of a part-time fire inspector.

Chief Elmore said the EMS program is proposed to increase by \$115,002, reflecting overtime reduction amounts and the proposed purchase of the mobile data terminals. The Building Maintenance Program which is approximately 2% of the budget showed a projected increase of \$8,780 to allow for repairs to windows in the North Fire Station and repairs to air conditioning coils at the South Fire-Rescue Station.

Chief Elmore recommended that an Operations Program be created for FY99 to include the fire fighters and paramedics. The net result would be an Administrative Program, a Building Maintenance Program, a Fire Prevention Program, an Operations Program, and perhaps a Training Program. Chief Elmore said this would be a more representative program designation for his department.

Chief Elmore concluded that the total proposed FY98 Budget was reduced by \$273,784, over the FY97 Approved Budget.

After discussing the \$25,000 amount budgeted for the purchase of a new sedan, **THE COMMITTEE RECOMMENDED APPROVAL OF THE PROPOSED FY98 BUDGET FOR THE FIRE-RESCUE DEPARTMENT, INCLUDING THE MOBILE DATA TERMINALS, BUT EXCLUDING THE \$25,000 FOR THE PURCHASE OF A NEW SEDAN.**

Responding to Mr. Shaw's inquiry concerning the inspection of commercial properties, Chief Elmore replied 100% of commercial properties were inspected, not including professional offices, but inspections were made for the common areas of office buildings and condominiums.

F. POLICE DEPARTMENT: Police Chief Joseph Terlizzese with the assistance of Major Frank Croft and Police Planner Lisa Gorman presented the proposed FY98 budget for the Police Department.

Chief Terlizzese reported the Town of Palm Beach Police Department had a 12% decrease in Part I serious crimes and a 33% reduction in burglaries. The Patrol division made 16,295 house checks, 160,533 business checks, and answered 45,087 calls for service during 1996. Chief Terlizzese summarized the activities of the Crime Prevention Unit, the Detective Bureau, the Crime Scene/Evidence Unit, the Beach Rescue Unit, the Marine Unit, and the Parking Control Unit. Chief Terlizzese said an under expenditure of approximately \$160,000 from the FY97 budget is expected to be returned to the General Fund.

The Committee reviewed the issue of false alarm charges and current revenues of \$45,000 for a six month period. Major Croft reported that due to a duplication, line item 12-01 in Program 421 will be reduced by \$12,625 (plus benefits). Major Croft said that 59-00 in Program 421, \$1,750, Prior Year's Expenses, will be eliminated. The FY98 Proposed column figure at the bottom of page 65 will be \$543,572, not \$557,947.

The Committee discussed the issues of expenses for prisoners and revenues that offset expenses. Mr. Demming said that revenue exhibits that offset expenses can be generated to provide information requested by the Committee; however, a specially generated report would be necessary to show those accounts on the same page.

Major Croft said that \$18,208 would be reduced from Program 432, line item 12-01, for the part time position.

Mr. Shaw commented that the Parking Fund accounts have been distributed to the Police, Finance, and Public Works Departments making it difficult to track the expenses and revenues offsetting those expenses. Mr. Demming said he would review that issue during the next fiscal year.

Following a discussion of the problem of parking limousines in valet parking places or utilizing more than one parking place close to restaurants, Chief Terlizzese replied the Town has an ordinance, and there is a State Statute that requires one vehicle to park in one parking space. After the Committee requested that these laws be enforced, Chief Terlizzese said that would be handled and enforced as it is for buses presently.

After discussing the entire proposed FY98 budget for the Police Department, **THE COMMITTEE RECOMMENDED THE APPROVAL OF THE BUDGET WITH THE FOLLOWING CHANGES TOTALING APPROXIMATELY \$40,000:**

- 1. REDUCE PROGRAM 421, LINE ITEM 12-01, (PLUS BENEFITS) BY \$12,625 (PART TIME PERSONNEL)--PLUS RELATED FICA AND MEDICARE**
- 2. PROGRAM 421, ELIMINATE \$1,750 PRIOR YEAR'S EXPENSES--ADMINISTRATIVE MANAGEMENT**
- 3. REDUCE PROGRAM 432, LINE ITEM 12-01, (PLUS BENEFITS) BY \$18,208--PLUS RELATED FICA AND MEDICARE**
- 4. ADD AN ADDITIONAL \$10,000 TO THE FY97 REVENUES FOR BURGLAR ALARM FINES.**

G. TOWN CLERK'S OFFICE: Mary Pollitt presented the Proposed FY97 budget for the Town Clerk's

Office. Mrs. Pollitt presented updated tables for FY96 and FY97 showing the actual number of hours the Town Clerk's office recorded meetings for Town Council, boards, and commissions.

Mrs. Pollitt reported the proposed FY98 budget was reduced over the FY97 budget by approximately 5%. Line item 12-01, Regular Salaries, contained a proposed increase of \$800 that resulted from a recommendation from a Town-wide survey by the Personnel Department for secretarial positions. This survey includes recommendations for title changes for two positions in the Town Clerk's office. Line item 40-11, Professional Development, reflected a proposed \$400 increase due to the increased registration rates charged by professional organizations and seminars attended by members in the Town Clerk's office. Mrs. Pollitt clarified that the professional development is used for both the Town Clerk and the Deputy Town Clerk (this change had no monetary impact for the FY98 proposed budget) as identified in the Personnel Department survey.

Mrs. Pollitt said that \$500 was added to the Proposed FY98 budget for the Elections line item because of information received from the Supervisor of Elections regarding increases in salaries for poll workers. Off-duty police officers costs also have increased over the past two years.

After discussion of the Town Clerk's proposed FY98 budget, **THE COMMITTEE RECOMMENDED APPROVAL OF THE TOWN CLERK'S BUDGET AS PROPOSED.**

Mrs. Pollitt reported the Town does not currently charge for notarizing signatures; although Palm Beach County charges \$2.00 per signature. The City of West Palm Beach does not charge for the service. The Committee did not make a recommendation but commented that the Town Clerk would continue to survey and report back on this potential new fee.

H. TOWN MANAGER'S OFFICE: Law and Policy Review (Program 111) Mr. Doney identified the Law and Policy Review expenses as related to the Mayor and Town Council's operations. Mr. Doney said that the program total of \$17,425 for FY98, was based on historical information, and the amount budgeted for FY97 was \$18,200.

Mr. Doney referred to a letter dated May 19, 1997, from Charter Review Commission member, William M. Guttman, requesting the Town consider funding for FY98 for the Charter Review Commission. Mr. Doney reported the next meeting of the Charter Review Commission is scheduled for October 31, 1997. At this time, the only expense has been \$533.75 for informational materials under line item 001-111-511-51-03, and these materials have been distributed to the Charter Review Commission members.

Mrs. Smith replied she understood Mr. Guttman's request; however, the first meeting of the Charter Review Commission will be on October 31, 1997, and Mrs. Smith believes that the Commission at that time should determine the depth, the scope, and the details of the studies to accomplish its mission (as suggested in Mr. Guttman's letter). Mrs. Smith said that Chairman Doyle Rogers, Vice-Chairman Jim Wearn, and other Commission Members should also have the opportunity to participate at the October 31, 1997, meeting to consider what the expenses should be, and Mrs. Smith believes it would be premature to budget any money for FY98 at this time. Mr. Shaw concurred with Mrs. Smith's comments.

Mr. Doney said that costs associated with the various Town boards and commissions (example: Shore Protection Board) have been assigned to the servicing departmental operations budgets rather than creating new board or commission line items.

Mrs. Smith also referred to the Shore Protection Board's request for funding expenses for a quarterly newsletter and related that issue to other commissions (the Landmarks Commission and the Architectural Review Commission) who previously have discussed about having a newsletter regarding their activities. Mrs. Smith said the Shore Protection Board should meet and make specific recommendations for their projects before any consideration is given to designate money for a newsletter, and the Town Council should not designate any money to one board or commission unless the Town Council looks at the issue for all of the boards and commissions that exist in the Town. Mrs. Smith suggested the Shore Board should have space in the Town calendar where their ideas could be stated and education of the public could begin for their proposals.

Assistant Town Manager Peter Elwell addressed the Committee and said his intention was to present a conceptual proposal as requested by the Shore Protection Board, because the Shore Board is awaiting an important item of information relating to this funding request. Mr. Elwell said he advised the Shore Protection Board that he would present a conceptual proposal for some feedback from the Committee and present that information to the Shore Board at their June 18th meeting. If the Finance & Taxation Committee has interest in recommending to the Town Council that a newsletter be considered as a FY98 budget item, detailed information for the newsletter could be presented to the July 8th Town Council meeting. Mr. Elwell said the estimated cost for a quarterly newsletter was approximately \$15,000 for four editions that would be mailed to every Town address. The \$15,000 cost covered postage and printing for an in-house produced newsletter. Mr. Elwell added that he did not have an additional dollar amount as of this time to cover the costs of a professionally produced or contracted newsletter, but he will obtain same per the Shore Protection Board's request.

Mrs. Smith replied that her previous comments that addressed all of the boards and commissions remained as stated. Replying to Mr. Elwell's question regarding a presentation or a request for a newsletter by the Shore Protection Board at the July Town Council meeting, Mrs. Smith said all Commissions may address the Town Council; however, all of the other commissions and the Town Council should have the same privilege. Mrs. Smith said she did not think that it was fair to the Town taxpayers to have the staff take the time to do the research for estimating figures to use a professional to do a newsletter for one particular board or commission. Mr. Shaw added he would say the same, and Mr. Wyett (who attended the Committee meeting) concurred. After discussion, **THE COMMITTEE RECOMMENDED THAT ANY**

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

ACTION REGARDING A PROPOSED NEWSLETTER FOR THE SHORE PROTECTION BOARD OR FUNDING FOR THE CHARTER REVIEW COMMISSION WOULD BE PREMATURE FOR THE FY98 BUDGET.

After discussing the proposed FY98 budget for Program 112, (Intergovernmental Relations), **THE COMMITTEE MADE THE FOLLOWING RECOMMENDATIONS:**

LINE ITEM 31-03, PBIA-LEGAL ISSUES, DELETE \$2,500;

LINE ITEM 49-13, ACCESS TO C-51 CANAL, DELETE \$3,000;

LINE ITEM 49-14, FLORIDA SHORE & BEACH PRESERVATION ASSOCIATION., DELETE \$5,000;

LINE ITEM 63-91, AMERICAN'S WITH DISABILITIES ACT, DELETE \$2,500--LEAVING A BALANCE OF \$5,000.

The Committee discussed line item 54-01, Membership Dues for the Palm Beach County Municipal League. The \$6,000 proposed for the FY98 budget provided dues for the Palm Beach County Municipal League, the Florida League of Cities, and the National League of Cities. Mr. Doney said he would report at the June 10, 1997, Town Council meeting the actual amount for the Palm Beach County Municipal League dues, and this item was to be addressed at the end of the May 30th Committee meeting.

Mr. Doney reported that program 121 (Administrative Management-Town Manager's Office) was projected at \$451,065 for the proposed FY98 budget versus the \$451,993 for the FY97 budget, and Mr. Doney highlighted several line items within the Town Manager's office budget.

Mr. Wyett raised the question of what benefits the Town receives from the Town's payment of dues to the Rotary Club for the Town Manager and dues to the Kiwanis Club for the Police Chief. After a discussion of the Rotary and Kiwanis dues issues, the Committee did not recommend any actions at this time and advised that if Mr. Wyett wished to have the entire Town Council consider same, that Mr. Wyett could raise these dues issues at the June 10, 1997, Town Council meeting.

After reviewing program 122, (Advice and Litigation), Mr. Doney noted line item 31-02, "Lubavitch Center", will be changed to "Litigation" and a new line item will be created for litigation for all applicable Departments/Programs. **THE COMMITTEE RECOMMENDED THE APPROVAL OF THE TOWN MANAGER'S PROPOSED FY98 BUDGETS FOR PROGRAMS 121 AND 122.**

1. Office of Information Systems: Spencer Wilson presented the proposed FY98 budget for the Office of Information Systems. Mr. Wilson reported the proposed FY98 budget is reduced by 6% over the FY97 budget, primarily because lease payments on the AS400 will be completed at the end of FY97.

Mr. Wilson referred to line item 64-04 and said that \$33,000 of the proposed \$46,500 would be used to upgrade the secondary AS 400 system used as a back up system for the Town. The disk capacity would be increased because the current disk capacity has reached its maximum. Mr. Wilson identified an additional \$6,500 in hardware for a scanner, optical disk drive, and a personal computer to run the optical drive which is needed to begin the process of optical storage for the Town and will be available for all of the Town departments to use. Mr. Wilson identified line item 52-10, \$12,000, part of which would be used for software that would be used for both scanning and indexing documents. Part of that amount would also be used for software that would allow reports to be taken from the AS 400 or personal computers directly to the optical drive without having to actually scan them into the system.

Mrs. Smith said the \$2,000 for the Planning, Zoning, & Building Department would be reduced from their proposed FY98 budget for hardware when that department was reviewed.

The Committee requested Barbara Martinuzzi, Risk Manager, to explain line item 45-04, Property Claims, in the Information Systems proposed FY98 budget.

Mrs. Martinuzzi explained that the claims allocation program works by funding yearly the loss fund for the Town's self-insured retentions (\$775,000) and that amount is broken down into the three claims line items--property, liability, and workers' compensation. The \$775,000 loss fund is funded for the FY98 fiscal year by allocating the previous losses for the previous claims' exposure. The claims for each division based on three years of prior history are used to determine the percentage of total claims that the Town paid during that prior three years. That same percentage is applied for the needed funding to a department or a division. This percentage is not a reflection of what losses may be in the future but a reflection of what the past history has been.

Mr. Demming explained that the dollar amounts in the proposed budget need to be viewed as insurance premiums because the Town is self-insured. The claims are paid out of the self-insured fund, and the costs for the \$775,000 have to be distributed throughout the departments based on past history.

After discussing the upgrade of the older, smaller AS 400 system, **THE COMMITTEE RECOMMENDED APPROVAL OF THE INFORMATION SYSTEMS BUDGET AS PROPOSED.**

2. Office of Risk Management: Barbara Martinuzzi, Risk Manager, stated she handled the self-insurance fund that applied to the property and casualty portions which are the general liability, the automobile liability, public officials, workers' compensation, and property. Mrs. Martinuzzi said the bulk of her budget is the proposed \$900,000 for fixed premium costs which will be presented in greater detail at the September 9, 1997, Town Council meeting and the \$775,000 loss fund for the payment of claims within the Town's retention levels. Mrs. Martinuzzi explained those amounts are shown in line items 24-01, 24-02, and 45-01 through 45-04.

Mr. Shaw questioned the \$1,200 amount shown in line item 36-10, depreciation, for FY97 Anticipated. Mrs. Martinuzzi said she would review the \$1,200 depreciation amount which may be for a lap top computer that is not in her department. Mr. Demming said he understood this \$1,200 amount was in the FY97 Anticipated Budget as an audit adjustment, because this was an Internal Service Fund.

Mr. Shaw questioned line item 49-10, Investment Management Fees, for \$2,000 charges for FY97 Anticipated and a zero amount for the proposed FY98 budget. Mrs. Martinuzzi replied that the Finance Department indicated amounts would be forthcoming for the proposed FY98 budget but were not available at this time. Mrs. Martinuzzi said she could not estimate those figures and would have to rely on the Finance Department's input.

The Committee discussed line items 40-04 and 34-20, Vehicle Allowance/Mileage vs. Automobile Allowance and clarified that 40-04 was for mileage and 34-20 was an actual allowance for a vehicle. Mrs. Martinuzzi said that line item 34-10, Other Contracted Services, proposed \$28,000 for FY98, would be used to pay Gallagher-Bassett Services who administer claims for the Town.

After discussing various line items in the Self Insurance Budget including line item 26-01, Dental Insurance Fixed, **THE COMMITTEE RECOMMENDED \$1,000 BE ALLOCATED FOR THE PROPOSED FY98 BUDGET, LINE ITEM 49-10, INVESTMENT MANAGEMENT FEES, AND RECOMMENDED APPROVAL OF THE SELF INSURANCE FUND PROPOSED FY98 BUDGET WITH THE THE REVIEW OF THE NOTED ITEMS.**

Mrs. Martinuzzi explained the reasons for the specific increases for the Workers' Compensation Claims for Parks (up 773%) and the Parking Control Unit. Mrs. Martinuzzi said an employee in Parks had orthoscopic knee surgery and was out for an extensive period of time. A Parking Division employee, Diane Gale, experienced a very bad accident with a scooter that affected the claims significantly. A lifeguard for the Beach Patrol had a right shoulder injury resulting in surgery, and he was out for an extensive period of time.

(The following item was heard at a time certain of 1:40 p.m. after the lunch break on May 29th.)

I. LAW AND POLICY REVIEW (PROGRAM 111), INTERGOVERNMENTAL (PROGRAM 112), AND ADVICE AND LITIGATION (PROGRAM 122): Mr. Doney referred to the May 9, 1997, letter from Attorney John Randolph to Mr. Doney requesting an increase of Mr. Randolph's hourly rate from \$150 to \$160.

1. Request by Town Attorney to Increase Hourly Billing Rate from \$150 to \$160: Mr. Randolph clarified that the maximum hourly billing rate from Jones, Foster, Johnston & Stubbs, P.A. would be \$160 to the Town. Associates would bill at their individual rates. However, most associates already bill at the \$150 or \$160 rate. After discussion regarding the rates charged by attorneys and associates in the law firm, **THE COMMITTEE RECOMMENDED THE HOURLY RATE FOR TOWN ATTORNEY RANDOLPH BE INCREASED FROM \$150 TO \$160 EFFECTIVE JULY 1, 1997.** The Committee suggested Mr. Randolph investigate the possibility of an associate from the law firm who could attend some of the longer Town Commission and Board meetings (not Town Council meetings) and not bill at the higher rate.

The Committee discussed the Town Attorney's monthly litigation report and billing. The Committee requested that the Planning, Zoning, and Building Department and all affected departments contain a separate line item for the litigation expenses versus general legal expenses billed to them by the Town Attorney beginning with the FY98 fiscal year.

J. PERSONNEL DEPARTMENT: William Crouse, Personnel Director, reported the Personnel Department proposed FY98 budget reflected an increase of 1.7%. The Health Clinic's funding for the implementation of a Hepatitis A vaccination program is one of the primary reasons. This vaccination would be available for Town employees working with patient care, rescue, and working around infectious matter. That would include Fire-Rescue, WPCO, Parks employees, and Lifeguards. This is a one-time experience and is projected to cost approximately \$4,500 over and above the Hepatitis B program. New employees only would receive the vaccines after the initial cost to vaccinate existing employees.

Mr. Crouse, responding to a question from Mr. Shaw regarding line item 34-14, Benefit Update, replied that the Personnel did not plan to proceed with the computerized program because the anticipated costs exceeded the previously proposed amount. Mr. Crouse said informational pamphlets prepared in-house at an estimated cost of \$500 would be used in place of that program.

After the Committee discussed costs associated with record copying (line item 52-07) for litigation cases, related to drug and alcohol testing, and personnel requirements in the Personnel Department, **THE COMMITTEE RECOMMENDED APPROVAL OF THE PROPOSED FY98 BUDGET FOR THE PERSONNEL DEPARTMENT.**

K. FINANCE DEPARTMENT: James Demming, Finance Director, presented the proposed FY98 budget for the Finance Department. Mr. Demming referred to Exhibit Q which compared the Proposed FY98 Budget for Programs 141, Financial Management; 142, Budgeting; 144, Purchasing; and 145, Auditing; to the Adopted and Anticipated FY97 budget. The dollar amount of the budget/proposed variance was also shown. Mr. Demming said that this exhibit identifies the changes from the FY97 budget to the Proposed FY98 budget. The total change is projected at \$40,406. That increase includes programs 141--up \$21,000; program 142--up \$9,000; program 144--up \$1,600; and program 145--up \$8,500. Programs 142 and 145 reflect reallocations of employee time to those programs.

Mr. Demming reported that the merit increases for the Finance Department employees were not included in the proposed FY98 budget, and the amount of \$9,303 should be added to the proposed FY98 budget for merit increases with a corresponding \$712 social security/medicare amount for a total of \$10,015. Mr. Demming requested a new position, a secretarial position, with a salary of \$25,480 and related fringes resulting in an approximate amount of \$39,345. Additional costs associated with that position would total \$3,400 for a computer work station.

Mr. Demming noted that the Finance Department will assume Parking Costs in the areas of printing, postage, and miscellaneous office supplies for FY98. Also, line item 46-01 was reduced by \$2,900 to reflect the re-assignment of the Parking costs. Mr. Demming handed out an organization chart and an eight page summary of the duties performed by Finance Department personnel.

Responding to Mr. Shaw's comments regarding the tracking of the Parking costs associated with the changes in assignment of parking meter collections, Mr. Doney suggested Mr. Demming, Major Croft, and Mr. Dusey collectively address the concerns at the Friday meeting (May 30, 1997) of the Finance & Taxation Committee.

Mr. Shaw addressed the issue of a revenue management system to review all of the revenues of the Town and determine if the revenues are being received on a timely basis. Mr. Shaw expressed his concerns regarding the revenues collected by the various departments in the Town, the enforcement of the collection of these revenues, the realization that certain revenues should be collected, and the overall reporting to the Finance Department. Responding to those concerns, Mr. Demming reported that a newly hired Account Clerk II has been directed to establish a filing/record keeping system of all the major revenue sources. Tracking will be done and monthly reports will be generated. Mr. Demming said that unless notification is received from an individual department regarding billing, the Finance Department has no way to identify that a billing should be sent.

Mr. Shaw clarified that the Finance Department should be the department that should be collecting the monies due to the Town and expressed the concern that 100% of the monies due the Town are not being collected.

Mr. Demming replied that during his short tenure with the Town (five weeks), he noticed the budget preparation brought the individual departments together with the Finance Department once a year. Mr. Demming suggested more in-depth budget tracking by the Finance Department throughout the year may be appropriate, that would include monthly reports and notices to individual departments who may be overspending line items. Trends could be tracked within departments.

Mr. Shaw suggested it may be prudent for the Committee and the Town Council to review the costs and process related to a revenue management system. Mrs. Smith added that the Finance & Taxation Committee should meet at the end of November, after the books are closed, to review these matters. Additional meetings could be held throughout the year to review any on-going concerns.

Mr. Wyett commented that a full time secretarial position presently in the Risk Manager's office on the third floor could be shared with the Finance Department (as previously shared) in lieu of establishing a new position.

Mr. Doney replied that issue has been considered, and he proposed providing additional information regarding the requested Finance Department secretarial position at the July Town Council meeting. Mrs. Smith said that all of the information requested by the Finance & Taxation Committee does not have to be available for the June 10, 1997, Town Council meeting. Mr. Doney responded that much of the information should be available for the June 10th meeting, and the Finance & Taxation Committee recommendations, in summary form, would be available for that meeting.

After discussing the addition of a secretarial position in the Finance Department, **THE COMMITTEE RECOMMENDED APPROVAL OF THE PROPOSED FY98 BUDGET FOR THE FINANCE DEPARTMENT AS PRESENTED INCLUDING THE ADDED POSITION FOR A DEPARTMENT SECRETARY AT AN ADDITIONAL SALARY COST OF APPROXIMATELY \$38,000 PLUS EQUIPMENT COSTS. APPROXIMATELY \$10,000 WILL BE ADDED TO THE SALARY LINE FOR MERIT INCREASES IN FY98.**

Charlie Boggs, Purchasing Agent, explained line item 52-06, Uniforms. Mr. Boggs reported that some of the departments supply uniforms to their employees, and Line item 52-06 was moved to line 15-06. Mr. Boggs said that line item 51-02 was for small office equipment, including storage racks located in the Town's storage area. After discussing the aforementioned items, **THE COMMITTEE RECOMMENDED APPROVAL OF THE PURCHASING PROPOSED FY98 BUDGET**, and Mr. Doney advised that he is further evaluating the uniforms and automobile allowances issues throughout the Budget and will address same before the revised FY98 Proposed Budget is considered at the July 29, 1997, 10:00 a.m. Special Town Council meeting.

(The Committee adjourned at 5:20 p.m. on May 29, 1997.)

(The Finance & Taxation Committee reconvened at 10:00 a.m on May 30, 1997)

L. PLANNING, ZONING, AND BUILDING DEPARTMENT: Director of Planning, Zoning, and Building Robert Moore assisted by Administrative Aide Wendy Zamecnik presented the proposed \$1,445,972 FY98 budget for the department covering programs 211, 212, 213, and 214. Mr. Moore said that the proposed FY98 budget for his department projected a 6% increase for costs primarily related to special legal fees and the hiring of an additional inspector, as compared to the FY97 budget of \$1,368,673.

Mr. Moore reported that of the \$77,000 proposed budget increase, \$60,000 is in special legal fees and \$40,000 was proposed for an additional combination inspector. ISO, an insurance rating company who reviewed the Town's Planning, Zoning, and Building Department, identified the under staffing in inspections and plan review functions. Additionally, \$15,500 was included in the proposed FY98 budget to cover the cost of a vehicle for a new inspector. Mr. Moore referred to charts in Exhibit Q that reflected the increase in the number of inspections, permits, and revenues for FY89 through FY96, and revenue sources from FY91 through FY96, and a comparison of revenue sources to expenditures from FY91 through FY96.

The Committee discussed the issuance of tent permits, tent inspections, and rights-of-way permits. Mr. Shaw said he would like to see the issuance of occupational licenses moved from the Planning, Zoning, and Building Department to the Finance Department as part of revenue management. Mr. Shaw said personnel issues for such a change need to be addressed and inspections of commercial properties, handled by the Fire-Rescue Department, could be coordinated with the issuance of occupational licenses. Mr. Moore responded that although he would like to see the Finance Department issue occupational licenses, the Planning, Zoning, and Building Department could issue the occupational licenses faster and has a better technical knowledge and expertise in related issues such as zoning.

Mr. Doney said that the concept of one stop permitting by the Planning, Zoning, and Building Department was a major issue in approximately 1985 for the transfer of the issuance of licenses from the Finance Department. Mr. Doney said, in his opinion, the issuance of occupational licenses should be left in the Planning, Zoning, and Building Department, but to address some of Mr. Shaw's concerns, several additional procedures should be instituted to strengthen the enforcement of the issuance of occupational licenses.

Mr. Demming said he had previously dealt with the issuance of occupational licenses; however, the problem he encountered was that the Finance Department did not control the entire process and delays resulted. Mr. Demming said the Town's Finance Department has a space limitation when serving the general public, and the issue would be compounded with issuance of occupational licenses. Mrs. Smith said the physical limitations should not be an issue when considering an efficient system. Mr. Demming said he did not know at this time the personnel requirements for his department and respectfully requested additional time to evaluate those needs.

Responding to a question from Mrs. Smith concerning the reduction in the Planning, Zoning, and Building Department's staffing if occupational licenses were not issued, Mr. Moore said no reduction in staff would be possible because of other duties of the Occupational License technician. Mr. Moore said he was not familiar with the Finance Department's personnel duties; however, at least one-half person would be required to issue the licenses with additional assistance needed during the renewal season in August of each year.

Mrs. Smith said Mr. Shaw's recommendation would be considered by the full Town Council and would not be effective for the FY98 budget. Mrs. Smith said she thought additional information was needed including reports from all departments, particularly Mr. Demming and Mrs. Somers, indicating the personnel requirements.

Mr. Shaw said that the occupational licenses are not part and parcel of a building permit or a certificate of occupancy. Mr. Moore responded that his department administers the program by not issuing an occupational license until a certificate of occupancy has been issued for the site. Mr. Shaw said that most of the occupational licenses are issued by mail and the real issue is the monitoring and the efficiency of the collection of fees, and the ability of the accounting branch of our government to make sure that when finances are due on an on-going renewal on an on-going year after year basis that they are administered through the financial arm.

Mr. Moore said that the Town issues approximately 3,500 occupational licenses and approximately 2,000 are renewals. Mr. Moore said that a new ordinance affecting proposed 5% occupational license fees increases will be presented at the June 10th Town Council meeting. Mr. Moore recommended the issue of the issuance of occupational licenses be studied for one year before a decision was made. Mr. Moore said his employees are experienced to address the negatives encountered with the general public regarding the issuance of the licenses.

After discussion, **THE COMMITTEE RECOMMENDED THE TOWN COUNCIL CONSIDER MR. SHAW'S PROPOSAL TO MOVE THE ISSUANCE OF OCCUPATIONAL LICENSES FROM THE PLANNING, ZONING, AND BUILDING DEPARTMENT TO THE FINANCE DEPARTMENT AND ACT UPON IT IN THE FUTURE. THIS WILL NOT IMPACT THE CURRENT FY98 BUDGET ACTIVITIES.**

Mrs. Smith clarified that the information did not have to be presented at the June 10th Town Council meeting and could be presented at the July 8, 1997, Town Council meeting.

Mr. Shaw suggested a charge (perhaps of \$5) could be added for the mailing of a permit thus eliminating some of the congestion at the counter. Mr. Moore replied that a charge could discourage mailing and may encourage additional congestion at the counter, but added he would research the issue to determine if other municipalities are charging for postage service, and report back on same.

The Committee discussed the line items of Other Professional Services that appear throughout the budget. Mr. Moore explained some of the costs are associated with plan reviewers and Jane Day, Research Atlantica, the consultant for the Landmarks. Mrs. Day compiles the designation reports for landmarked properties and serves as an expert witness as needed and writes grant requests for the Town. Mrs. Smith questioned why Mr. Frank could not perform the duties of Mrs. Day regarding the landmarked properties and stated the proposed \$19,000 allocated for Mrs. Day was too much money when the Town had an expert on staff. Mr. Moore offered to discuss the matter regarding assignment of duties with Mr. Doney and Mr. Randolph. Mr. Shaw suggested reducing the proposed \$19,000 to \$15,000, but Mr. Moore requested the \$19,000 be left in the proposed FY98 budget to allow for contractual obligations connected to the grant monies received from the State of Florida. Mrs. Smith said Mr. Moore should consider the amount red-tagged.

Mrs. Smith recalled that the Ordinances, Rules, and Standards Committee was going to review the staff time and the costs for requested special meetings.

The Committee discussed the subject of resident inspectors whose salaries are paid by the individual site contractors. Mr. Moore explained the duties of resident inspectors vs. the Town's hired inspectors.

THE COMMITTEE MADE THE FOLLOWING RECOMMENDATIONS AND OTHERWISE RECOMMENDED APPROVAL OF THE PLANNING, ZONING, AND BUILDING BUDGET AS PROPOSED:

1. **APPROVAL OF THE PLANNING, ZONING, AND BUILDING DEPARTMENT'S REQUEST FOR AN ADDITIONAL COMBINATION INSPECTOR.**
2. **APPROVAL OF THE PURCHASE OF A NEW VEHICLE FOR THAT INSPECTOR**
3. **APPROVAL OF A NEW TRANSCRIBER TO BE USED FOR TRANSCRIBING MINUTES FOR COMMISSION MEETINGS.**
4. **REMOVAL OF \$2,000 FROM THE PROPOSED FY98 BUDGET FOR PURCHASE OF COMPUTER HARDWARE.**

The Committee discussed the issue of tent permits with Mr. Moore, Chief Elmore, and Craig Olson from the Fire-Rescue Department. Chief Elmore explained an applicant pays a one time fee for a tent permit when the tent goes up. The Fire Marshal's office inspects the tent and makes a determination based on answers to a number of questions: the number of tent occupants, if food will be served, if the tent has sides, and the exiting pattern. The answers to those questions determine the number of Fire-Rescue people assigned to be present when the tent is occupied. The applicant supplies a schedule to the Fire Marshal, listing the times of occupancy, and that list is used to determine when the Fire-Rescue personnel will be on site. If the tent has less than 50 people, and the tent will not be used for cooking or be decorated, the Fire-Rescue personnel do not attend any function. When the occupants exceed 50 persons, all of them are inspected. When the number of persons exceeds 200, one person is assigned at all times; when the number exceeds 300 persons, two people are assigned, etc. Five people were scheduled for the tent that the Breakers recently had up for one week. Any costs associated with the off-duty Fire-Rescue personnel are paid directly to the Town via the Fire-Rescue Department.

Mr. Moore said the fee structure for tent permits is a percentage based on the cost charged by the contractor to the applicant for the cost of a tent. The Breakers paid \$1,125 for a tent permit on the tent that was up for a week in May.

M. RECREATION DEPARTMENT: Director of Recreation Russell Bitzer introduced Supervisor Alan Brown, Tennis Pro Manager Jim Hay, and Rick Dytrych, Golf Pro Manager. Mr. Bitzer explained the Recreation Department budget is divided into five programs--Seaview Park Facility Maintenance (311), the Tennis Center (312), Adult Programs (313), Youth Programs (314), and the Golf Course Enterprise Fund and referred to Exhibit Q that provided details for these programs.

Mr. Bitzer said the overall combined proposed FY98 budget for Seaview Park, Recreation, and Tennis Center budget is estimated to be up \$21,000 or only 2% above FY97 estimated expenses. Mr. Bitzer said this was due primarily to the replacement of an eight year old reel mower used to cut Bermuda grass that would cost approximately \$17,000. Proposed revenues will offset the remainder (\$4,000) of that increase. Mr. Bitzer said the proposed FY98 Maintenance Management Program Expenditure budget is projected to increase \$32,000 or 14% above the FY97 approved budget. In addition to the \$17,000 mower, \$15,000 was budgeted for resurfacing of the tennis backwall, basketball, and asphalt tennis courts. Mr. Bitzer reported this resurfacing was required every five years to maintain these surfaces.

Mr. Bitzer said the proposed FY98 Tennis Expenditure Program is down approximately \$5,000 or 2% below the FY97 approved budget. The decrease is primarily due to a reduction in personnel related items resulting from an employee's retirement.

Mr. Bitzer reported that the proposed FY98 Adult Program Expenditure budget is up approximately \$5,000 or 22% above the FY97 approved budget. The increases are in special recreation contracts and supplies which reflect an increase

in adult programs; however, the proposed FY98 adult program revenues will offset 100% of the adult program expenditures.

Mr. Bitzer said that the proposed FY98 Youth Program expenditure budget is projected to increase approximately \$15,000 or 5% above the FY97 approved budget. The increase is due to additional youth programs and participation; however, youth program revenues will offset 100% of the projected increase. Mr. Bitzer said that approximately 1,000 youths participate in all of the programs.

Mr. Bitzer reviewed the FY98 proposed five year Capital Improvement Program that included the Athletic Field renovation. The total amount need to renovate the field is projected to be \$40,000; however, the Palm Beach Day School who also uses the field offered to pay half or \$20,000. Mr. Bitzer said that the project would not go forward until the \$20,000 was received from the school.

Mr. Bitzer reviewed the projected revenues for the Tennis Program--up 4% or \$6,000 above the FY97 budgeted revenues. Mr. Bitzer handed out a revised page 10 (copy attached) that reflected the recommendations of the Seaview Park Commission. The annual Resident Junior FY98 proposed fee was reduced from \$85 to \$25, and the Semi Annual Resident Junior FY98 proposed fee was reduced from \$42 to \$12.50. **IT WAS THE RECOMMENDATION OF THE COMMITTEE TO APPROVE THE REDUCTION OF THE ANNUAL RESIDENT JUNIOR TENNIS FEE FROM \$85 TO \$25 AND THE SEMI ANNUAL RESIDENT JUNIOR TENNIS FEE FROM \$42 TO \$12.50.**

Mr. Bitzer reviewed the projected revenues for the Adult Recreation Program which is up 19% or \$4500 above the FY97 budgeted revenues due to an increase in adult participation. Mr. Bitzer said the proposed FY98 Recreation-Youth Program revenues are projected to be up approximately \$17,500 or 13% above the FY97 approved revenue budget due to the increase in youth programs, participation, and FY97 fee increases. Mr. Bitzer said that all of the special interest classes are 100% funded by the participants. No increases were recommended by Mr. Bitzer for the classes listed on page 14 of Exhibit Q.

Mr. Bitzer referred to page 14 of Exhibit Q, Facility Rental (per hour), and he did not recommend any increases for the facility rental. After discussion **THE COMMITTEE RECOMMENDED INCREASING THE FEES FOR FACILITY RENTAL AS FOLLOWS:**

MEETING ROOM	\$30
AUDITORIUM	\$50
GAME ROOM	\$30
SNACKBAR	\$30
KITCHEN	\$20

After discussing the rate charged by the Tennis Pro, Jim Hay, which is \$22 for each one-half hour, Mr. Bitzer reported that he will be reviewing additional information over the summer months and a recommendation will be made to the Town Council at the end of the summer.

After discussion of the Capital Improvement Program, the Committee suggested that the program be restudied after Mr. Bitzer received additional information.

THE COMMITTEE RECOMMENDED THE PURCHASE OF THE LAWNMOWER FOR APPROXIMATELY \$17,000 FOR THE PROPOSED FY98 BUDGET AND RENOVATION OF THE ATHLETIC FIELD (\$20,000 - SHARED AMOUNT WITH PALM BEACH DAY SCHOOL \$20,000 EACH) AND OTHERWISE RECOMMENDED APPROVAL OF THE PROPOSED FY98 BUDGET AS PRESENTED.

1. **Golf Course Fund:** Mr. Bitzer reviewed the history of revenues at the Par 3 Golf Course for the past several years. Approximately \$825,000 of Golf Course improvements including seawall repairs, a new maintenance building, greens and tees renovations, a new pump station, and American with Disabilities required renovations have reduced cash reserves and increased the depreciation expenses. These improvements were made at no cost to the taxpayers. The Golf Course's infrastructure was not good when the Town purchased the Course in 1973. New strategies have been implemented in FY97 to improve the financial condition of the Golf Course including:

1. Additional fee categories were implemented to remain competitive in the market;
2. Annual permits were made available to non-residents;
3. Expanded advertising including the Palm Beach Post and brochures at local hotels;
4. Driving range hours were extended;
5. Adult leagues and special event outings were offered;
6. Several expenditure items were reduced.

Mr. Bitzer said the results of the action plan for a seven month period indicate that FY97 revenues are up \$72,000 or 15% above the FY96 revenues. Proposed FY98 revenues are projected to be up about \$57,000 or 8% above the FY97 revenues. Mr. Bitzer gave details regarding the reduction of expenditures in FY97.

After discussing the re-tubing project that was approved in FY97, **THE COMMITTEE RECOMMENDED THE GOLF COURSE BORROW APPROXIMATELY \$40,000 FROM THE GENERAL FUND TO INSTALL THE PIPING (PREVIOUSLY APPROVED) IN FY98 ON THE GOLF COURSE.** Mr. Bitzer added that \$40,000 for this

project was included in the FY99 Golf Course Five Year projections.

Mr. Bitzer referred to the Golf Course rate schedules on pages 22 through 24 and recommended the fee schedule be adopted. Mr. Brown distributed the Golf Course Finance Report dated May 16, 1997, and a Five Year Financial Projection for the Golf Course dated May 23, 1997 (copies attached). Mr. Bitzer announced the upward trend for revenues has continued through the Month of May. The retained earnings as of April 30, 1997, was approximately \$96,000 for the Golf Course; however, revenues will probably decline over the summer months and the expenditures will remain fairly constant.

Mr. Shaw said that the Golf Course was a very important asset to the Town and the discussion centered around the fact that the operation of the Golf Course was set up as an enterprise fund when it was purchased. Mrs. Smith clarified that the Golf Course is protected by the Town's Green Space Charter Amendment.

Mr. Shaw stated it is the obligation of the Town Council to see that the funds are properly spent, where the monies are going, and to make sure that the Golf Course is being used for the best interest of the residents and the Town. Mr. Shaw questioned if the Golf Course should be left as an enterprise fund and perhaps that is the problem. Mr. Shaw read the definition of an enterprise fund from the Uniform Accounting System Manual (copy attached) provided by the State of Florida, Department of Banking and Finance Bureau of Special Programs, 1996 Edition. Mr. Shaw said that the Golf Course could be made part of the Recreation Department's budget with accountability.

Mrs. Smith said that a recommendation on this decision will not be made by the Committee but will be reviewed by the Town Council. The entire picture will have to be presented to the Town Council and the question is semantics--Is the Golf Course an enterprise fund or part of the Recreation Department? Mrs. Smith said her opinion is that the Golf Course will be maintained in perpetuity in the Town of Palm Beach.

After the aforementioned discussion, **THE COMMITTEE RECOMMENDED THE TOWN COUNCIL CONSIDER THE ISSUE OF LEAVING THE GOLF COURSE AS AN ENTERPRISE FUND OR MAKING IT PART OF THE RECREATION DEPARTMENT.**

Mr. Bitzer recommended approval of the proposed FY98 Financial Action Plan for the Golf Course--five items: increase fees, continue to expand golf programs and events to increase green fee revenues, continue the advertising and promotions, reduce expenditures where ever possible, and to continue to monitor the financial trends throughout the year and make financial strategy changes as required. Mr. Dytrych and Mr. Bitzer explained non-resident green fees for November 1 - November 30 and April 1 - April 30 are new fees and no prior history exists. The \$20 amount shown as "prior fee" was actually a winter fee and did not apply for the April and November time periods.

Mrs. Smith commented that she was not in favor of corporate sponsorship for the Golf Tournament and questioned costs of 50% against the revenues for the event. Mr. Dytrych and Mr. Bitzer said they would review the expenditures before the next tournament to determine where cuts could be made.

Mr. Demming reported that \$4,171 needed to be reduced from the proposed FY98 Recreation retirement line item due to an overstated amount regarding part time employees. Mr. Demming said that \$11,000 amount profit realized from the golf tournament was credited to account 366-03, Recreation Department's Donation Fund, as directed in an April memorandum to the Finance Department. Mr. Demming said he would transfer \$11,000 to the Golf Course Fund. Mr. Bitzer clarified that all donated monies are deposited in account 366-03 and then transferred to the appropriate department or account. Mr. Demming explained the purpose of an enterprise fund. Mr. Doney recommended the Golf Course be left as an enterprise fund. Mrs. Smith said that the Town Council would consider a policy decision regarding the question if the Golf Course, as an enterprise fund, would pay interest on borrowed money from the General Fund.

THE COMMITTEE RECOMMENDED APPROVAL OF THE FEE INCREASES FOR THE GOLF COURSE AS PRESENTED BY MR. BITZER AND MR. DYTRYCH AS OUTLINED IN PAGES 22 THROUGH 24 OF EXHIBIT Q, RECREATION DEPARTMENT, PROPOSED FY98 BUDGET.

N. PUBLIC WORKS DEPARTMENT: Public Works Director Al Dusey introduced Assistant Director Leonard Green, Facilities Maintenance Division Manager Joe Ugi, Services Division Manager Lloyd McCoy, and Water Resources Division Manager Larry Plympton.

Mr. Dusey reported that the revenue requirement of the proposed FY98 Public Works budget is approximately \$52,000 less than FY97. Mr. Dusey pointed out that within the Commercial Garbage, program 542, a completely offset cost item is included for contracted compact garbage removal. Approximately \$157,000 is collected from the users and the contractor is paid approximately \$154,000.

Mr. Dusey said Parks Maintenance has a substantial increase because of the \$90,000 transferred to the Public Works budget from the Parking Fund, and approximately \$74,500 will be in Parks and approximately \$15,500 will be in the 543 Program, Solid Waste Disposal. That combination increases the Public Works budget by \$90,000. Revenues from the parking meters will offset this amount. Mr. Dusey reported that the Public Works Department volunteered to assume the responsibilities of the Parking Meter Maintenance and Collection Programs, which were established to replace the previously contracted services.

Mr. Dusey said the Public Works Department reorganized during FY97 with the retirement of a long-time division manager. That managerial position was eliminated and the divisions were restructured. Three additional positions were

eliminated for a total of four positions eliminated for FY97 and a total of twenty-four positions have been eliminated, primarily through attrition, since 1986.

The Committee discussed the issue of charges and anticipated revenues for yard trash collection. Mr. Dusey said some issues remain to be resolved; specifically, the question of charging tax exempt organizations (example: Four Arts) and the total number of customers who will be using the Town's services or contracting with an outside contractor. Mr. Dusey said he had projected an estimated amount of \$125,000 for FY98 revenues but was not sure this will be a valid number; therefore, this amount was not shown in the budget for FY98, but same will need to be addressed after final Town Council actions on this matter.

Mr. Shaw mentioned he would like to see the issue of commercial garbage collection addressed from an economical point of scale, because the majority of garbage visible for the commercial buildings in the center of Town appears to be recyclables. Mr. Shaw said many of these buildings are generally on a cleaning schedule and may afford a variation in pick up schedules--perhaps three days a week in lieu of five days a week. That schedule would allow more frequent pick ups of yard trash on the streets in residential areas. Mr. Dusey responded that he needed to know the final level of service from a policy perspective, perhaps three days a week, for certain office areas.

Mrs. Smith suggested this issue should be discussed by the Public Works Committee.

Mr. Dusey said the Town's street lighting that is in place has evolved over the years. Mr. Dusey reported that the Town's policy currently is to receive petitions from 51% of the property owners on a given street who want new street lighting or street lighting in excess of the existing lighting. The Town Council considers those requests and can approve or deny the request. The long range Public Works Plan envisioned a uniform lighting system for the entire Town and compiled a cost for doing that. The Town had chosen not to pursue that; however, the issue could be reconsidered and budgeted as a capital expense. Mr. Dusey reported the Town has invested a good amount of money in the lighting system over the past ten years-- a lot of the money has paid for underground wiring. Old concrete poles were replaced, and many lights have been converted to high pressure sodium which is the most efficient lighting. Some criticism has been expressed regarding the attractiveness of the lighting.

Mrs. Smith asked Mr. Dusey if the Town residents have the option of using Town fixtures which the Town would maintain, or if the residents may use FPL fixtures which FPL would maintain? Mr. Dusey responded the Town pays for the electricity based on the wattage of the bulb; however, the FPL lights are generally put on the FPL poles and those are generally paid for as part of the street system. FPL also offers an individual property owner program where property owners can pay for lighting installed on their properties.

Mr. Dusey said that the Town's 1976 Long Range Public Works Plan, by Smith and Gillespie Engineers, Inc. reported mainly on levels of lighting; however, the Town has attempted over the past few years to standardize the light fixtures. Approximately fifteen different types of lights were used over the years in the Town, and presently the Town uses a fiber glass pole with acorn globes on top. The old style composite poles held together by reinforcing bars, designed in 1932, with mast arms are being maintained on Royal Palm Way and other locations. The Town is able to buy similar poles made from spun aluminum which is easier to maintain. Mr. Dusey said the standardization effort resulted in the use of three different styles of poles and fixtures.

After discussing the types of street lighting used in Town and the amount of lighting in commercial areas, **THE COMMITTEE RECOMMENDED THE TOWN COUNCIL CONSIDER THE ISSUE OF STREET LIGHTING INCLUDING THE FOLLOWING QUESTIONS:**

- 1. SHOULD A UNIFORM STREET LIGHTING PROGRAM BE ADOPTED FOR CERTAIN AREAS?**
- 2. SHOULD THE COMMERCIAL DISTRICTS HAVE ADDITIONAL LIGHTING OR SHOULD THE LIGHTING BE LEFT AS IT IS?**

Mr. Dusey said that the Smith and Gillespie 1976 study had outstanding information regarding the standards for different areas based on the intensity of usage for commercial, etc.

Mrs. Smith requested this issue not be put on the agenda for the June 10, 1997, Town Council meeting. Mrs. Smith said this issue should be considered by the Town Council but at a time uncertain as of this date, but the Smith and Gillespie report should be made available to the Town Council.

Mr. Dusey reported that installing the historically accurate lanterns, specifically on Royal Palm Way, is a maintenance problem in a salt water environment. The cost associated with the lanterns is approximately \$225,000 including approximately \$20,000 in-house labor for 311 units. The option of using the acorn globe type fixture on top of existing poles has an associated cost of approximately \$240,00 for 311 units.

Responding to a question from Mr. Shaw, Mr. Dusey reported that underground lighting for Pendleton Avenue and Barton Avenue would have to be done by FPL (they are FPL lights), and FPL would have to give the Town an estimate if the Town Council would like to have that done. The request by Mr. Fagan on Root Trail to install historically accurate lighting would also have to be handled through FPL.

Mr. Dusey reported that he had provided information through Mr. Doney regarding solar street lighting for the Town. Mr. Dusey expressed concern for maintaining solar panels in a salt water environment. Additionally, the solar poles may not be aesthetically pleasing.

Responding to Mrs. Smith's question concerning the proposed additional \$35,000 amount for the operation of the Sand Transfer Plant, Mr. Dusey replied that was an estimate and the figure will be presented to the Town Council at the June 10, 1997, meeting. Mr. Dusey explained that the amount of transferred sand was much more than anticipated (it would normally be approximately 67,000 cubic yards per year, and that during the first year approximately 250,000 cubic yards were pumped) adding to the cost of operation. The Town indicated to the County that sand should be pumped as it came to the station and the operators worked some overtime to accomplish that--sometimes operating the plant around the clock.

After discussing the proposed estimates for pumping sand from the Sand Transfer Plant in FY98, **THE COMMITTEE RECOMMENDED THE ESTIMATED AMOUNT FOR PROGRAM 581, SAND TRANSFER PLANT, BE CHANGED FROM \$200,000 TO \$180,000 AND THAT AMOUNT WOULD INCLUDE APPROXIMATELY \$13,000 FOR TURTLE MONITORING IF SAND WERE PUMPED IN THE SUMMER TIME.**

Mr. Dusey reported the Public Works Department inoculated 3,382 palms as of November, 1996, to prevent lethal yellowing. Mr. Ugi said that approximately 37,000 palms have been lost to lethal yellowing since the program started in the 1970's or approximately 90% of the palms.

Mrs. Smith identified a cost of \$100 per palm tree to inoculate a palm tree three times per year to prevent lethal yellowing. Mr. Ugi reported approximately 1,700 palm trees are on Town-owned property out of the 3,382, and the rest are on private property. Mr. Ugi reported that every single Jamaican palm tree on Town-owned property has been under planted by Malayan or more resistant to lethal yellowing palm trees. After discussion, **THE COMMITTEE RECOMMENDED THE PROGRAM 556, LETHAL YELLOWING CONTROL, BE ELIMINATED FROM THE PROPOSED FY98 BUDGET.**

1. **Marina Fund:** Mr. Dusey reported that the Peruvian Dock replacement is projected for FY98, and the money has been borrowed to do that. Mr. Dusey said a recommendation to increase dock rates has been made. This is in line with other area rate increases. Additionally, the Town will have to start paying a substantial submerged land lease cost (estimated at \$60,000 per year) to the State of Florida.

Mr. Shaw requested Mr. Dusey review the issue of charging for 50 amp electrical service in lieu of starting at the 100 amp level for charging for electrical service. Mr. Dusey replied that very few of the vessels use less than 100 amps. After discussing the issue, Mr. Dusey suggested the rates may be raised in lieu of charging at the 50 amp level. Mr. Dusey agreed to review the possibility of charging at the 50 amp level.

Mr. Dusey reported that with the proposed increased charges for rates at the docks, \$366,000 increased revenues should be generated for FY98. These revenues should cover the costs of the debt service, maintenance, and the submerged land lease payment with little room to spare. **THE COMMITTEE RECOMMENDED APPROVAL OF THE MARINA FUND INCLUDING THE PROPOSED RATE INCREASES.**

O. CAPITAL IMPROVEMENT FUND: Mr. Dusey referred to the first element, Coastal Management, in Exhibit M, that was approved by the Town Council and submitted to the State with the anticipation that the State will share funding 50-50 with the Town because Federal funding does not appear to be available for coastal projects. No revenue sources exist presently for any of the noted amounts in the Coastal Management element. Mr. Dusey said the Comprehensive Coastal Management Plan will be updated within a month or two which will have suggestions for funding and recommended projects. Exhibit M is a reproduction of the program the Town submitted to the State which is the five year element of the ten year submitted program. Although the anticipation is for 50-50 funding with the State, this element does not have a funding source.

Mr. Dusey reported the Sanitary Sewer element of the proposed FY98 Capital Improvement Program includes the rehabilitation of the A-4 sanitary service pump station at a projected cost of \$250,000 that basically services The Breakers. The sanitary sewer improvements in the amount of \$300,000 are for the aged pipe systems in Town which is part of an ongoing effort to update those systems.

Mr. Dusey said the Storm Sewer element for the proposed amount of \$1,646,000 covers four areas in Town. \$200,000 of the projected amount covers preliminary design work, feasibility studies, and permitting to prepare for the proposed FY99 projects. The proposed D-12 pump station is a new pump and collection system to drain the Bradley area. The proposed improvements for Barton Avenue, Central Avenue, and Seabreeze Avenue are completions of the Royal Palm drainage basin. The new pump station in that area is performing well and these improvements will complete that project.

Mr. Dusey said that the Structures element of the proposed FY98 Capital Improvement Program includes Town Marina Improvements for the Peruvian Dock which has been funded through the previously approved loan. Mr. Dusey advised that the Town Council Chambers portion of Town Hall is not covered by a backup generator system and \$130,000 is proposed for FY99 for a new Town Hall backup system. Mr. Dusey reported that \$60,000 (as part of a two year program to be completed by December, 1998) is projected to cover State required retrofitting of the Town's underground storage tank piping. Mr. Dusey said \$90,000 is projected to cover the rehabilitation of the Everglades Island Bridge. Mr. Dusey pointed out that Mr. Bitzer covered the proposed \$40,000 renovation for the Athletic Field to be shared with Palm Beach Day School and the \$40,000 for the Par 3 irrigation project that will be funded through the General Fund for FY98.

Mr. Dusey reviewed the Source of Fund Summary for the Capital Improvement projects. Mrs. Smith requested the \$40,000 (Other Funds) be left until the recommendation is approved to transfer that amount for the Par 3 irrigation project from the General Fund. Mr. Dusey said that a transfer from the General Fund would total \$2,241,000.

THE COMMITTEE RECOMMENDED APPROVAL OF THE PROPOSED CAPITAL IMPROVEMENT FUND BUDGET FOR FY98.

Mr. Dusey reported that the clean up level of service for the Clarke Avenue Beach is once per week and referred to correspondence with Mrs. Evelyn Lauder who requested additional clean up for the area. Mr. Dusey said that the Public Works employee who cleans the beach in that area said he could clean that area on a twice a week basis without affecting the overall program--perhaps on a Monday and a Friday. The Committee agreed that should be tried.

Mr. Shaw referred to Resolution Number 23-97 regarding the fees for yard trash collection. Mr. Shaw said that the resolution does not state if the fees should be charged on an annual basis or on a collection basis. Mrs. Smith recalled that this issue would be heard by the Ordinances, Rules, and Standards Committee at their meeting scheduled for June 12, 1997. Mr. Shaw agreed with that statement.

Mr. Doney said he understood present charges were made on a per incident basis--no charge for the first truckload: the second and subsequent truckloads are charged \$185 per load. Mr. Dusey clarified that this is charged on a cumulative annual basis. Mr. Shaw gave the example of picking up one-half load every week for fifty-two weeks where the first full load would be free and a charge made for twenty-five loads for the year.

Mrs. Smith said the Ordinances, Rules, and Standards Committee will also discuss the issue of charitable organizations being charged for yard trash pick up.

P. OTHER FUNDS

1. Parking Fund: Mr. Shaw expressed his concern for including the Parking Fund expenditures within the various departments rather than having it set up as its own department, not an enterprise fund. Mr. Shaw said the fund needs to be isolated in such a way that the departments can justify what they are doing, and at the same time, not have the individual departments assume the expenses without having credit for some share of the revenues. Mr. Shaw said he did not think this unique situation exists for any other fund.

Mr. Demming explained the parking revenues have been isolated in the General Fund using the same structure that was in the previous Parking Fund for FY97--the titles are the same. The fines and penalties will be broken out separately from the one catch-all category. Those are the only revenues connected with the Parking Fund. The boots revenue was already segregated. Mr. Demming said that those revenue sources associated with the Program will be identified within the General Fund.

Mr. Demming said that the expenses will be absorbed by the Finance, Public Works, and Police Departments. Mr. Demming, Major Croft, and Mr. Dusey addressed the budget impacts for their departments for the proposed FY98 Parking budget. Mrs. Smith asked if the projected parking revenue of \$634,000 would cover all of the departments' costs? Mr. Shaw asked why the all of the revenue should be reported to the Finance Department's budget while the other departments are incurring expenses? Mr. Demming replied that all of these programs and all of the revenues will be included in the General Fund, and the Town Council determines how the revenues will be disbursed to cover the services that the Town provides. The parking service will be within the General Fund.

2. Debt Service Fund: Mr. Demming said the Town has two Debt Service Funds--Programs 200 and 202. Mr. Demming explained that the 200 Debt Service Fund is the 1993 General Obligation Refunding Bonds that were issued. This is funding for the annual debt service payments that would be paid in the calendar year 1998. The paying agent fees associated with servicing the bond holders are included.

Mr. Demming explained that the 202 Fund is the annual payment due for the 1992 Refunding General Obligation Bonds that were issued with the corresponding amount of money for paying agent fees. Mr. Demming said that on January 1 of each calendar year, the Town pays interest and on July 1st, the principal and interest component are paid. Two payments are made for each bond throughout the year. These bonds are funded fully by property taxes.

Mr. Demming said that the final payment for the 1992 bonds is due July, 2000. The 1993 series is over in 2005. Mr. Doney said these were refinanced as a means of cost savings and are shown in the cost savings report. **THE COMMITTEE RECOMMENDED THE ACCEPTANCE OF THE PROPOSED DEBT SERVICE FUND BUDGET FOR FY98.**

3. Retirement Fund:

a. Proposed Amendments to Retirement System Ordinance Pursuant To Retirement Board Meeting on May 16, 1997: As detailed in his May 20, 1997, memorandum, Mr. Crouse provided a background and history for the proposed amendments to the Retirement System that were recommended

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

by the Retirement Board of Trustees at their last quarterly meeting of May 16, 1997, as follows:

- A. Increased non-duty disability pension amount from 25% to 30% for Public Safety Employees.
Increase in contribution requirement: *de minimis*.
- B. Increased duty-disability pension amount from 52.5% to 60%.
Increase in contribution requirement: General Employees *de minimis*
 Police Employees \$5,923
 Fire Fighters 5,214
 Lifeguard Employees 599

 Total Increase \$11,736
- C. General Employees' retirement eligibility at age 55 with 10 or more years of credited service.
Increase in Contribution Requirement:
 Employer Paid (.72%) \$46,952*
 Employee Paid (.72%) \$46,952*
* Based on an Annual Payroll of \$6,521,164 as reported in Supplemental Actuarial Report dated May 13, 1997.

Mr. Crouse reported that the \$46,952 (Employer Paid .72% portion) would change if the pay would increase faster than the actuarial projection or if the market would decrease or not move in the same direction as actuarially determined over a thirty year period. Mr. Crouse said the actuary uses a formula that fits the employer to determine the contribution amount over a thirty year period.

Mr. Boggs noted that the retirement funding paid by the Town changes yearly based on actuarial studies. Mr. Boggs said the percentages are fixed but the dollar amounts are not.

Mr. Shaw clarified that this amendment would add the fixed percentage of .72% to the employer side of the retirement funding equation. This .72% would be added to the dollar amount, paid by the Town, that would be required to fund the retirement system. Mr. Shaw suggested a lump sum contribution (similar to a whole life policy) by the Town on a one time basis could be established with the earnings from that lump sum (equal to the .72%) be used to fund the Town's part of the funding. Mr. Crouse replied that an actuary advised him that some problems exists with using a lump sum for funding. Mr. Crouse identified a required lump sum of \$1,410,000 for ten years, assuming no interest and \$47,000 was the thirty year figure. If the present value were lump summed, the actuary said the amount would be approximately \$800,000 to be deposited up front to fund that value for the thirty years. The actuary said the problem was that the fund is actuarially determined each and every year based upon the monies that are in it, and the fund would show up as being \$800,000 richer which would automatically drive the cost down to the fund which means the Town's contributions to the fund would decrease automatically. Mr. Crouse said a false picture would be presented showing the fund to be richer than it actually would be. Mr. Crouse said the actuary advised that if the Town really wanted to use that approach, the actuary could provide additional information.

Mr. Demming said that he would not suggest setting up a separate accounting fund. The actuaries could probably track the funding within the Retirement Fund. Mr. Demming suggested that an actuarial analysis be done periodically to assure that the Town is paying half of the cost of funding.

Mr. Crouse agreed to discuss this with the actuary and review previous actuarial reports regarding retirement funding contributions over a five year period to provide a historical record of funding. Mr. Crouse said he would have the information June 2, 1997.

After discussing the funding for the General Employees' retirement at age 55 with 10 or more years of service and Mr. Crouse's memorandum (with attachments) dated May 20, 1997, **THE COMMITTEE RECOMMENDED APPROVAL OF THE FOLLOWING AMENDMENTS:**

- A. **INCREASE THE NON-DUTY DISABILITY PENSION FROM 25% TO 30% FOR PUBLIC SAFETY EMPLOYEES;**
- B. **INCREASE THE DUTY-DISABILITY PENSION AMOUNT FROM 52.5% TO 60%;**
- C. **INCREASE THE GENERAL EMPLOYEES' RETIREMENT ELIGIBILITY TO AGE 55 WITH 10 OR MORE YEARS OF CREDITED SERVICE, AS FOLLOWS:**

INCREASE IN CONTRIBUTION REQUIREMENT:

EMPLOYER PAID (.72%)	\$46,952 *
EMPLOYEE PAID (.72%)	\$46,952 *

*** BASED ON ANNUAL PAYROLL OF \$6,521,164 AS REPORTED IN SUPPLEMENTAL ACTUARIAL REPORT DATED MAY 13, 1997.**

Per the actuary for the Town's Retirement System, the costs for this benefit will not impact the fiscal year 1997/1998 budget, but will impact the fiscal year 1999 budget.

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

In addition, based upon a potential alternative funding option for this benefit improvement from Councilman Shaw, the Committee recommended that Mr. Crouse have this funding alternative be fully studied by the Town's actuary, Denise Jones of Gabriel, Roeder, Smith and Company, and that the Mayor and Town Council be advised of the Town actuary's official opinion on this alternative.

Q. REVENUES: Mr. Demming reported that the proposed FY98 General Fund non-Ad Valorem revenues are approximately \$1.6 million greater than the estimates from FY97. Mr. Demming identified the Local Option Gas Tax revenue as being flat; the Cable TV revenue should produce approximately \$150,000; and the Utility Service Tax is estimated to increase by approximately \$300,000. Mr. Demming said that the Water revenues are increasing and the 39% increase shown may be due to an underestimate (\$425,000) for FY97 and an increase in rates, not an increased use of water.

Mr. Demming said that occupational licenses are proposed to have a slight increase and building permits are projected to increase by \$225,000 over the projected FY97 amount of \$975,000.

Mr. Demming reviewed Other Licenses, Fees, and Permits revenues and no grant revenues are projected at this time because no grants have been received from the State. Mr. Demming identified the State shared revenues, Grants from Local Units, Shared Revenue from Local Revenue, General Government revenues, Public Safety revenues, and Physical Environment revenues.

Mr. Demming said the Transportation program covering the parking meters was estimated before the duties were transferred to the three departments. This is a new revenue item in the budget and a sub-fine penalty for parking under Fines and Penalties, and these revenues will be tracked through those line items. All transportation related items will be included in the 344 account.

Mr. Demming reviewed and provided details for the Judgements and Fines, Interest Earnings, Rents & Royalties, Special Assessments, Sales of Fixed Assets, and Other Miscellaneous Revenues. Mr. Demming requested permission to adjust the Kreusler Park line item, 40-00, to reflect the approximately \$24,000 received annually. The Committee agreed to that request. Mr. Demming identified the categories of miscellaneous revenue for line item 99-00 in Other Miscellaneous Revenues.

In summary, Mr. Demming reported that the total amount is \$12,922,000 plus the Kreusler Park adjustment for the non Ad Valorem Revenues; total expenses before any cuts were approximately \$33,000,000 and taxes required to fund the Proposed FY98 budget, assuming no carry-over would be used, would be approximately \$20,000,000 or a slight increase over the FY97 budget. Mr. Demming said the 202 fund showed the Ad Valorem taxes that are budgeted to pay for the debt service. \$1500 of the accrued interest was budgeted to cover the paying agent fees. The accumulated interest earnings will be used to reduce the debt service payments. The 200 Fund will be treated similarly.

Mr. Demming reviewed the Capital Improvement Fund. Responding to a question from Mrs. Smith regarding line item 70-00 in program 366 and line item 10-00 in program 369, Mid-Town Beach Dune Planting, Mr. Demming responded that was a duplication and one of them should be eliminated. Mr. Demming said that if the budget were to be balanced for the projects to be carried over, \$1,900,000 needs to be budgeted for the proposed FY98 budget for previously approved projects.

After reviewing the balance of the revenue funds, Mr. Demming requested any questions be directed to him on specific line items. **THE COMMITTEE RECOMMENDED ACCEPTANCE OF THE NON AD-VALOREM REVENUE ESTIMATES AS PRESENTED BY MR. DEMMING.**

IV. ANY OTHER MATTERS: Mr. Doney requested the Committee consider the Municipal League item regarding the cost of membership which is based on per capita population. **THE COMMITTEE RECOMMENDED APPROVAL OF THE DUES FOR THE MUNICIPAL LEAGUE (APPROXIMATELY \$5,000) INCLUDED IN LINE ITEM 54-01, MEMBERSHIP DUES, IN PROGRAM 112 "INTERGOVERNMENTAL RELATIONS" FOR FY 98 BUDGET, AS DETAILED IN THE ATTACHED COPY OF A NOTE FROM THE TOWN MANAGER DATED MAY 27, 1997, AND THE MAY 14, 1997, MEMORANDUM FROM THE MUNICIPAL LEAGUE.**

V. ADJOURNMENT: The meeting was adjourned at 6:05 p.m.

FINANCE & TAXATION COMMITTEE

Lesly S. Smith, Chairperson

Leslie A. Shaw, Committee Member

Mrs. Smith reported that on May 29 & 30, 1997 the Finance and Taxation Committee held their meetings on the budget, and the report would be gone through point by point with discussion and motion taking place on each separate action of the report.

A. OVERVIEW AND COMMENTS BY THE TOWN MANAGER:

(There was no discussion on this item)

B. OVERVIEW BY THE FINANCE DIRECTOR ON BUDGET STANDARDS:

(There was no discussion on this item)

Mrs. Smith stated that it was very interesting that the funding for the health insurance was proposed at \$3.7 million, of which approximately \$700,000 was contributed by participating employees; the remaining \$3,000,000 contributed by the Town. The total was divided by the total personnel complement to arrive at the figure of approximately \$7,670 per person for health insurance for Town employees.

1. **Retirement:** Mrs. Smith noted that the recommended funding levels were \$4,246 for general employees; \$11,278 for Police personnel; \$13,307 for Fire-Rescue personnel; and \$5,577 for Lifeguards. These amounts were the town's retirement contributions for employees in those classes.

2. **Social Security:** Social Security coverage would remain at 7.65% of eligible wages.

3. **Utilities Expenses:** Estimates for increases were budgeted throughout all programs based on information received from the various utility companies.

4. **Non Ad-Valorem Revenues/Fees:** Mr. Demming had reported that non-ad-valorem revenues were approximately \$12,200,000, which was approximately \$1.6 million over FY97 revenues.

C. INSURANCE PROGRAMS OVERVIEW - RISK MANAGER AND PERSONNEL DIRECTOR:

Personnel Director William Crouse and Risk Manager Barbara Martinuzzi presented this portion, and after discussion, the Finance & Taxation Committee recommended the following:

1. OF THE PROJECTED EARNED INTEREST (\$340,000) ON THE DESIGNATED HEALTH INSURANCE RESERVE ACCOUNT FOR FY98, \$300,000 BE RETURNED TO THE GENERAL FUND FOR FY98.

Personnel Director William Crouse responded to the query of Mr. McLendon, explaining that the purpose of the reserves was the long term liability of the health care costs for retirees. In 1991 that liability had been set at approximately \$8.5 million. There had not been a study since 1991, and it had been recommended at the Finance & Taxation Meeting this year that the study be approved in order to ascertain what that liability was today. He stated that he did believe, with the reserves at a point which would be approximately \$10 million at the end of the fiscal year, that it was time to see how close the Town was to funding that liability. He explained that actuarial determinations used different assumptions to determine the ongoing liability. The scope of work required would be prepared by staff with the help of Gallagher-Bassett.

Mr. Wyett asked if the Town was required to fully fund the reserve fund by State law?

Mr. Crouse replied negatively; the Town was not required to fund it by any law; it was a real liability that the Town must recognize.

2. QUOTATIONS BE OBTAINED TO PREPARE AN ACTUARIAL REPORT OF THE FUTURE UNFUNDED ACCRUED LIABILITY OF RETIREES HEALTH INSURANCE TO DETERMINE THE FUTURE DOLLAR LEVEL OF FUNDING FOR THE DESIGNATED HEALTH INSURANCE ACCOUNT.

Mr. McLendon made a motion to approve recommendations 1 and 2 of the Finance & Taxation Committee; seconded by Mr. Wyett.

Mr. Shaw noted that Mr. Crouse had indicated that a savings would be seen in costs of actuarial study.

Mr. Crouse replied that last year the cost was \$20,000, and he was hopeful that the costs would be approximately \$15,000 or less this year.

Mrs. Smith clarified that Mr. Crouse would come back to the Town Council with quotations for the costs of the study.

Mr. Crouse agreed to come back to the Town Council with quotations for costs.

On roll call, the motion carried unanimously.

At this time, Mr. McLendon asked Risk Manager Barbara Martinuzzi if what was referred to as a self-insured retention was the same thing as deductible, and was per occurrence?

Mrs. Martinuzzi replied that was correct, with the exception of the Public Official Liability Policy, which was an aggregate. If an incident was one occurrence, arising out of one incident, it would be one deductible. She explained that a claim was driven by the date of accident, not the date that litigation was filed, so most claim payments had come out of prior year reserves, with the exception being worker's compensation.

Mr. McLendon asked if legal fees were included in the retention account?

Mrs. Martinuzzi replied that legal fees were probably the biggest expense in the claims account, especially if litigation was successful; therefore, legal fees were probably a large portion of the claim payments, with the exception of worker's compensation.

Mrs. Smith noted that it seemed that the discussion had moved from page 6 of the Finance & Taxation Report to page 15 of the Finance & Taxation Report, and clarified that the above discussion concerned item 2. Office of Risk Management, where the \$775,000 loss fund for the payment of claims within the Town's retention levels was discussed. As part of that discussion, which dealt with the other fees for the Office of Risk Management, the

THE COMMITTEE RECOMMENDED THAT \$1,000 BE ALLOCATED FOR THE PROPOSED FY98 BUDGET, LINE ITEM 49-10, INVESTMENT MANAGEMENT FEES, AND RECOMMENDED APPROVAL OF THE SELF INSURANCE FUND PROPOSED FY98 BUDGET WITH THE REVIEW OF THE NOTED ITEMS.

Mr. Shaw made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

(The discussion now returned to page 7 of the Finance & Taxation Report)

D. INFORMATION SYSTEMS OVERVIEW - INFORMATION SYSTEMS MANAGER

(There was no discussion on this item).

E. FIRE-RESCUE DEPARTMENT:

Mrs. Smith reported that the proposed FY98 budget for the Fire-Rescue Department was \$6,087,752 (representing a decrease of \$79,613 (1.3%) from the previous budget. Chief Elmore requested that \$71,640 be allocated for FY98 to allow for the purchase of mobile data terminals (MDT) for the emergency vehicles, divided between the Fire Fighting and EMS programs. After discussion, the Committee recommended approval of the \$71,640 for the mobile data terminals, and the \$25,000 amount budgeted for the purchase of a new sedan as a replacement vehicle.

Mr. McLendon made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. Shaw. On roll call, the motion carried unanimously.

F. POLICE DEPARTMENT:

Mrs. Smith reported that Chief Terlizze presented figures on the work the Police Department had done, and the Patrol Division had made 16,295 house checks, 160,53 business checks, and answered 45,087 calls for service during 1996. After discussion of the FY98 proposed budget for the Police Department,

THE COMMITTEE RECOMMENDED THE APPROVAL OF THE BUDGET WITH THE FOLLOWING CHANGES TOTALING APPROXIMATELY \$40,000:

- 1. REDUCE PROGRAM 421, LINE ITEM 12-01, (PLUS BENEFITS) BY \$12,625 (PART TIME HELP)--PLUS RELATED FICA AND MEDICARE.**
- 2. PROGRAM 421, ELIMINATE \$1,750 PRIOR YEAR'S EXPENSES--ADMINISTRATIVE MANAGEMENT.**
- 3. REDUCE PROGRAM 432, LINE ITEM 12-01, (PLUS BENEFITS) BY \$18,208--PLUS RELATED FICA AND MEDICARE.**

4. ADD AN ADDITIONAL \$10,000 TO THE FY97 REVENUES FOR BURGLAR ALARM FINES.

Mr. McLendon made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. Wyett. On roll call, the motion carried unanimously.

G. TOWN CLERK'S OFFICE:

After discussion of the Town Clerk's proposed FY98 budget,

THE COMMITTEE RECOMMENDED APPROVAL OF THE TOWN CLERK'S BUDGET AS PROPOSED.

Mr. McLendon made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. McDonald. On roll call, the motion carried unanimously.

H. TOWN MANAGER'S OFFICE: Law and Policy Review (Program 111):

Mrs. Smith reported that after discussion,

THE COMMITTEE RECOMMENDED THAT ANY ACTION REGARDING A PROPOSED NEWSLETTER FOR THE SHORE PROTECTION BOARD OR FUNDING FOR THE CHARTER REVIEW COMMISSION WOULD BE PREMATURE FOR THE FY98 BUDGET.

Mrs. Smith explained that the Committee believed that it would be unnecessary to set money aside until the committees and commissions come in with the scope of work, as the money would be available. In addition, she stated that the Landmarks Commission had been lobbying for a letter for 6-8 years, as well as the Zoning Commission, and Architectural Commission, and the monies would be made available when the scope of work was submitted.

Mrs. Smith reported that after discussing the proposed FY98 budget for Program 112 (Intergovernmental Relations),

THE COMMITTEE MADE THE FOLLOWING RECOMMENDATIONS:

LINE ITEM 31-03, PBIA-LEGAL ISSUES, DELETE \$2,500;

LINE ITEM 49-13, ACCESS TO C-51 CANAL, DELETE \$3,000;

LINE ITEM 49-14, FLORIDA SHORE & BEACH PRESERVATION ASSOCIATION, DELETE \$5,000;

LINE ITEM 63-91, AMERICAN'S WITH DISABILITIES ACT, DELETE \$2,500--LEAVING A BALANCE OF \$5,000.

Mr. McDonald asked for clarification of the \$5,000 deleted from the Florida Shore & Beach Preservation Association.

Mrs. Smith explained that was the money that the Town Council had approved this year; it had been included in the budget for next year and had been removed, since this year's \$5,000 was a one time only situation for lobbying efforts.

Mr. Shaw made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. Wyett. On roll call, the motion carried unanimously.

Mrs. Smith reported that after reviewing Program 122,

THE COMMITTEE RECOMMENDED THE APPROVAL FOR THE TOWN MANAGER'S PROPOSED FY98 BUDGETS FOR PROGRAMS 121 AND 122.

(Program 121 approved above)

Mr. McLendon made a motion to approve the recommendations of the Finance & Taxation Committee regarding Program 122; seconded by Mr. Wyett. On roll call, the motion carried unanimously.

1. Office of Information Systems:

Mrs. Smith reported that Director of Information Systems Spencer Wilson presented the proposed FY98 budget for the Office of Information Systems. After discussion on the upgrading of the older and smaller AS400 system,

THE COMMITTEE RECOMMENDED APPROVAL OF THE INFORMATION SYSTEMS BUDGET AS PROPOSED.

Mr. Wyett asked Director of Information Systems Spencer Wilson if the Information Systems Department was ready for the change to the new millennium?

Mr. Wilson responded that he had been planning for it, and everything was in order.

Mr. McLendon made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. Wyett. On roll call, the motion carried unanimously.

I. LAW AND POLICY REVIEW (PROGRAM 111), INTERGOVERNMENTAL (PROGRAM 112), AND ADVICE AND LITIGATION (PROGRAM 122):

1. Request by Town Attorney to Increase Hourly Billing Rate from \$150 to \$160:

Mrs. Smith reported that after discussion, the Finance & Taxation Committee recommended that the hourly rate for the Town Attorney be increased from \$150 to \$160, effective July 1, 1997.

Mr. Shaw made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. McLendon.

Mr. McLendon asked if there was a possibility of reducing the number of man hours that the Town Attorney was required to spend at various meetings?

Mr. Doney replied that would be ill advised, and staff always attempted to minimize the amount of time required for assistance by Mr. Randolph, however, it was difficult to measure when the direct participation of Mr. Randolph was needed in lieu of someone else from his office. In addition, staff usually required the attendance of Mr. Randolph or a representative from his office only for items where it was anticipated participation would be required.

Mrs. Smith noted that during the hearing on the increase, a discussion had ensued regarding Mr. Randolph's attendance. On the basis that he had historical background on many of the cases it had been determined that it was important to have his particular expertise.

On roll call, the motion carried unanimously.

J. PERSONNEL DEPARTMENT:

Mrs. Smith reported that after discussion,

THE COMMITTEE RECOMMENDED APPROVAL OF THE PROPOSED FY98 BUDGET FOR THE PERSONNEL DEPARTMENT.

Mr. McDonald made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried 4/0, as Mr. Wyett was out of the room.

K. FINANCE DEPARTMENT:

Mrs. Smith reported that after discussion of a new secretarial position in the Finance Department, the Committee recommended approval of the proposed FY98 budget for the Finance Department as presented.

Mr. McLendon asked if there was physical space for another desk in the area?

Mr. Doney assured Mr. McLendon that there was space, as some files and a printer would be moved to accommodate the new personnel.

Mr. Wyett made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. Shaw. On roll call, the motion carried unanimously.

Mrs. Smith announced that the Finance & Taxation Committee would be meeting in November, after the books were closed in order to look at the final figures. Mr. Shaw had suggested that the Committee and the Town Council review the costs and the process related to a revenue management system, which Mr. Demming would be looking into.

Mrs. Smith reported that the budget for the Purchasing Department had been presented by Mr. Charlie Boggs, Purchasing Agent, and after discussion,

THE COMMITTEE RECOMMENDED APPROVAL OF THE PURCHASING PROPOSED FY98

BUDGET.

Mr. Shaw made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mrs. Smith reported that Mr. Doney had advised that he would further evaluate the uniforms and automobile allowance issues throughout the budget and would address same before the revised FY98 proposed budget was considered at the July 29, 1997 Special Town Council Meeting.

L. PLANNING, ZONING, AND BUILDING DEPARTMENT:

Mrs. Smith reported that the Planning, Zoning and Building Department budget had been presented by Director Robert Moore, who projected a 6% increase for costs primarily related to special legal fees and the hiring of an additional inspector, as compared to the FY97 budget of \$1,368,673. During the course of the presentation a discussion had taken place on the occupational licenses, and Mr. Moore had stated that the Town issued approximately 3,500 occupational licenses and approximately 2,000 were renewals. He said that a new ordinance affecting a proposed 5% occupational license fee increases would be presented at the present Town Council Meeting. After discussion,

THE COMMITTEE RECOMMENDED THE TOWN COUNCIL CONSIDER MR. SHAW'S PROPOSAL TO MOVE THE ISSUANCE OF OCCUPATIONAL LICENSES FROM THE PLANNING, ZONING, AND BUILDING DEPARTMENT TO THE FINANCE DEPARTMENT, AND ACT UPON IT IN THE FUTURE. THIS WILL NOT IMPACT THE CURRENT FY98 BUDGET ACTIVITIES.

Mr. Shaw suggested that this item be put on the July Town Council Meeting Agenda for discussion. Mrs. Smith clarified that the issue would be discussed at the July 8th Town Council Meeting in order to determine the scope of the matter, and that staff would be prepared to discuss it in detail at the August Town Council Meeting.

Mr. McLendon made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. Shaw. On roll call, the motion carried unanimously.

Mrs. Smith reported that after discussion,

THE COMMITTEE MADE THE FOLLOWING RECOMMENDATIONS:

1. **APPROVAL OF THE PLANNING, ZONING, AND BUILDING DEPARTMENT'S REQUEST FOR AN ADDITIONAL COMBINATION INSPECTOR.**
2. **APPROVAL OF THE PURCHASE OF A NEW VEHICLE FOR THAT INSPECTOR.**
3. **APPROVAL OF A NEW TRANSCRIBER TO BE USED FOR TRANSCRIBING MINUTES FOR COMMISSION MEETINGS.**
4. **REMOVAL OF \$2,000 FROM THE PROPOSED FY98 BUDGET FOR PURCHASE OF COMPUTER HARDWARE.**

Mr. Shaw made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mr. McLendon referred to the tent permitting regulations, and asked how long tents could remain?

Director of Planning, Zoning & Building Robert Moore replied that there was no restriction on the length of time a tent could be placed on any particular piece of property; in particular there was no restriction in Town Codes or any agreements with Mar-a-Lago that specified how long a tent could be up.

Mr. Wyett made a motion that the issue of tent permits go on the Agenda for the July Town Council Meeting for discussion, and be sent to the appropriate committee; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

M. RECREATION DEPARTMENT:

Mrs. Smith reported that Director of Recreation Russell Bitzer presented the Recreation Department budget, and after discussion of fees for the many programs conducted by the Town,

THE COMMITTEE RECOMMENDED APPROVAL OF THE REDUCTION OF THE ANNUAL RESIDENT JUNIOR TENNIS FEE FROM \$85 TO \$25 AND THE SEMI ANNUAL RESIDENT JUNIOR TENNIS FEE FROM \$42 TO \$12.50.

Mr. McDonald stated that he would like to see two improvements made to the Tennis Courts in this year's budget, and asked if there were any plans to do that? (Divider between the courts at the ends that would not extend all the way across the court, but would prevent balls from rolling from one court to another; and to install more than one water

fountain).

Supervisor II Alan Brown of the Recreation Department responded that the Tennis Pro Manager had submitted proposals for the "wings" for the Tennis Courts, which would prevent balls rolling from one court to another, which would be taken care of with the current budget, provided the necessary funds were available. There was currently a water fountain outside of court one, and there was one at the far end. Staff was attempting to locate placement areas for others outside of the gates, so as to make easy access without impeding traffic.

Mr. Shaw suggested that the wings be pulled into the current year's budget, rather than the FY98 budget.

Mrs. Smith stated that if the Recreation Director felt it was more important than other items that were already budgeted that was a possibility.

Mr. McDonald asked for a consensus on the subject. Mr. Shaw had agreed, and Mr. Wyett and Mr. McLendon were in agreement.

Mrs. Smith stated that the majority of the Town Council recommended that the Recreation Department staff look into whether funds were available for wings and water fountains, and come back to the Town Council at the July 29th Special Town Council Meeting for consideration.

Mr. Brown stated that the cost of wings was approximately \$8,000.

Mr. Doney clarified that if the Recreation Department had year end projected underexpenditures, then a portion or all of the wings project could be done. However, if the funds were not available, the FY98 budget could handle implementation.

Mr. McDonald suggested that the Recreation Department start the investigation of availability of contractors, etc. regarding this issue.

Mr. Shaw made a motion to accept the recommendations of the Finance & Taxation Committee regarding the reduction of annual resident junior tennis fees from \$85 to \$25, and the semi annual resident junior tennis fees from \$42 to \$12.50; seconded by Mr. McDonald. On roll call, the motion carried unanimously.

Mrs. Smith reported that after discussion,

THE COMMITTEE RECOMMENDED INCREASING THE FEES FOR FACILITY RENTAL AS FOLLOWS:

MEETING ROOM	\$30
AUDITORIUM	\$50
GAME ROOM	\$30
SNACKBAR	\$30
KITCHEN	\$20

Mr. Shaw made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. McDonald. On roll call, the motion carried unanimously.

Mrs. Smith reported that after discussion of the Capital Improvement Program,

THE COMMITTEE SUGGESTED THAT THE PROGRAM BE RESTUDIED AFTER MR. BITZER RECEIVED ADDITIONAL INFORMATION.

THE COMMITTEE RECOMMENDED THE PURCHASE OF THE LAWNMOWER FOR APPROXIMATELY \$17,000 FOR THE PROPOSED FY98 BUDGET AND RENOVATION OF THE ATHLETIC FIELD (\$20,000 - SHARED AMOUNT WITH PALM BEACH DAY SCHOOL \$20,000 EACH), AND OTHERWISE RECOMMENDED APPROVAL OF THE PROPOSED FY98 BUDGET AS PRESENTED.

Mr. Shaw made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. McDonald. On roll call, the motion carried unanimously.

1. Golf Course Fund:

Mrs. Smith reported that Recreation Director Bitzer reviewed the history of revenues at the Par 3 Golf Course for the past several years. After discussion of the re-tubing project that was approved in FY97,

THE COMMITTEE RECOMMENDED THE GOLF COURSE BORROW APPROXIMATELY \$40,000 FROM THE GENERAL FUND TO INSTALL THE PIPING (PREVIOUSLY APPROVED) IN FY98 ON THE GOLF COURSE. Mr. Bitzer added that \$40,000 for this project was included in the FY99 Golf Course Five Year projections.

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

Mr. Shaw made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. McLendon.

Mr. Shaw stated that there had been some misinformation concerning the Golf Course, and there had never been any consideration to do anything with the Golf Course other than keep it as a green space. He stated that he believed the Golf Course was saddled with what could be considered a very unfair assessment, as a result of the fact that as an Enterprise Fund it was obligated to have depreciation and charge backs for financial services. He stated that he would like to see the Golf Course landmarked, with view easements to protect it.

Mrs. Smith stated that the Golf Course was already protected by the Green Space Ordinance, and the course could not be sold or disposed of without a voter referendum.

Mr. Wyett stated that he believed the Golf Course was extremely well run, and that the \$25,000 accounting charge was excessive, and depreciation was only because it was an Enterprise Fund.

Finance Director James Demming stated that typically the charges for administrative services charged back to an Enterprise Fund included accounting, personnel management, the amount of effort put forward by Town management toward overseeing some aspects of the Golf Course management, as well as those in the Recreation Department that dealt with golf course issues. All of those charges must be added together, not only accounting services.

Mr. Doney explained that each year painting, plumbing, and other types of general maintenance services through the Public Works Department for the Par 3 Golf Course impacted the General Fund.

Mrs. Smith reported that after discussion,

THE COMMITTEE RECOMMENDED THE TOWN COUNCIL CONSIDER THE ISSUE OF LEAVING THE GOLF COURSE AS AN ENTERPRISE FUND OR MAKING IT PART OF THE RECREATION DEPARTMENT.

Mrs. Smith noted that the Finance & Taxation Committee had recommended that the Town Council consider the issue of the Enterprise Fund, and asked for a consensus from the Town Council members. It was decided that the issue would be discussed at the July Town Council Meeting.

At this time, roll call on the motion regarding the recommendation of the Committee regarding the re-tubing project was taken. The motion passed unanimously.

Mr. McLendon made a motion to discuss the Enterprise Fund regarding the Golf Course at the July 8th Town Council Meeting; seconded by Mr. Wyett. On roll call, the motion carried unanimously.

Mr. Doney stated that he believed very strongly, as Town Manager, that the Golf Course should remain as an Enterprise Fund.

Mrs. Smith reported that after discussion,

THE COMMITTEE RECOMMENDED SUPPORTING THE FEE INCREASES FOR THE GOLF COURSE AS PRESENTED BY MR. BITZER AND MR. DYTRYCH AS OUTLINED IN PAGES 22 THROUGH 24 OF EXHIBIT Q, (FINANCE & TAXATION COMMITTEE REPORT FOR MEETINGS HELD ON MAY 29 & 30, 1997) RECREATION DEPARTMENT, PROPOSED FY98 BUDGET.

Mr. Shaw made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

N. PUBLIC WORKS DEPARTMENT:

Mrs. Smith reported that Director of Public Works Al Dusey had presented the proposed FY98 Public Works budget, and after discussion of street lighting and the amount of lighting in commercial areas,

THE COMMITTEE RECOMMENDED THE TOWN COUNCIL CONSIDER THE ISSUE OF STREET LIGHTING INCLUDING THE FOLLOWING QUESTIONS:

- 1. SHOULD A UNIFORM STREET LIGHTING PROGRAM BE ADOPTED FOR CERTAIN AREAS?**
- 2. SHOULD COMMERCIAL DISTRICTS HAVE ADDITIONAL LIGHTING, OR SHOULD THE LIGHTING BE LEFT AS IT IS?**

Mrs. Smith noted that Mr. Dusey reported that the Smith and Gillespie 1976 study had outstanding information for the Town Council to study, and this was recommended for a time uncertain.

Mr. Shaw made a motion to approve the recommendations of the Finance & Taxation Committee, as well as approval of setting a date to consider the issues set forth in the Smith and Gillespie study sometime prior to October, 1997; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mr. Wyett noted that he objected to spending additional funds to replace lighting, as he believed lights should be replaced when needed.

In accordance with the suggestion of Mr. McLendon, Mr. Dusey agreed that the Smith and Gillespie study would be reviewed from all perspectives.

Mrs. Smith reported that after discussing the proposed estimates for pumping sand from the Sand Transfer Plant in FY98,

THE COMMITTEE RECOMMENDED THE ESTIMATED AMOUNT FOR PROGRAM 581, SAND TRANSFER PLANT, BE CHANGED FROM \$200,000 TO \$180,000, AND THAT AMOUNT WOULD INCLUDE APPROXIMATELY \$13,000 FOR TURTLE MONITORING IF SAND WERE PUMPED IN THE SUMMER TIME.

Mr. Dusey reported that the Sand Transfer Plant fully operated from May through October of last year, and the expenditure was \$149,840. This year the amount would be \$200,000. If the requested funds were not sufficient additional funds would be requested next year. Mr. Dusey noted that turtle monitoring was necessary if sand was pumped in the summer season.

Mr. Wyett made a motion to approve the amount of \$200,000 (rather than the proposed \$180,000) for Program 581, with the extra money going for the turtle monitoring; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mrs. Smith reported that after discussion,

THE COMMITTEE RECOMMENDED THE PROGRAM 556, LETHAL YELLOWING CONTROL, BE ELIMINATED FROM THE PROPOSED FY98 BUDGET.

Dr. Sanford Kuvin addressed the Town Council, stating that he had formerly chaired the Lethal Yellowing Committee, which recommended the change in the lethal yellowing program in 1981 which had continued until the present time. He distributed a handout for review by Town Council members to provide evidence that the program was significant and must be continued. He noted that replacement of the Jamaican Tall Coconut Palms would cost approximately \$1,000 per tree, and without the lethal yellowing inoculation all would be destined to die. Therefore, a program costing \$100 per tree per year was cost effective, particularly considering how unique the trees were to the island. Although the Malayan Palm Tree was approximately 80% resistant to the lethal yellowing, lethal yellowing was documented in the Malayan Palm, and plant experts agreed that it would only be a question of time that this species lost its resistance. He urged that the lethal yellowing program continue to inoculate all Jamaican Tall Palms, as well as a controlled representative number of Malayan Palms.

Mrs. Smith stated that the Town had a long standing commitment to inoculations for lethal yellowing, and that the Town would accept donations from citizens to these types of programs. She noted that the Royal Palm Program mentioned in the Miami Herald was a new program that was not yet in the budget for the Town, and it could be put into effect by approval of the Town Council after the figures were received.

Mr. McLendon asked Dr. Kuvin what the life expectancy of the remaining trees would be without the program?

Dr. Kuvin replied that they would be dead within a decade.

Mrs. Smith noted that the Finance & Taxation Committee had not actually discussed abandoning the program, but had suggested that the Town continue to inoculate the Town trees, with private property owners inoculating their own trees. It had then been brought to her attention that people would probably not inoculate their own trees, and that was how the motion was made to eliminate inoculation for all the trees, hoping for a response such as was being made today.

Mr. Wyett made a motion to continue with the lethal yellowing inoculation program to include the \$30,000 as part of the budget; seconded by Mr. McDonald. On roll call, the motion carried unanimously.

1. Marina Fund:

Mrs. Smith reported that after discussion,

THE COMMITTEE RECOMMENDED APPROVAL OF THE MARINA FUND INCLUDING THE PROPOSED RATE INCREASES.

Mr. Shaw made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried 4/0, as Mr. McDonald was out of the room.

O. CAPITAL IMPROVEMENT FUND:

Mrs. Smith reported that after discussion,

THE COMMITTEE RECOMMENDED APPROVAL OF THE PROPOSED CAPITAL IMPROVEMENT FUND BUDGET FOR FY98.

Mr. Shaw made a motion to approve the recommendation of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried 4/0, as Mr. McDonald was out of the room.

P. OTHER FUNDS

1. Parking Fund:

Mrs. Smith reported that after discussion parking revenues would be isolated in the General Fund, using the same structure that was in the previous parking fund for FY97. The fines and penalties would be broken out separately. She noted that Finance Director Demming had explained that the expenses for the parking fund would be absorbed by the Finance, Public Works, and Police Departments.

Town Manager Doney clarified that a spreadsheet had shown the impact on each department.

In response to the query of Mr. Wyett, Mr. Dusey explained that some of the parking meters were very old and were at the point of replacement. The Public Works Department would be completing a needs analysis to determine what would need to be replaced.

Mr. Wyett suggested using meters with one pole supporting two meters in order to reduce visibility, as well as looking at meters with recording tapes of monies coming into them.

Mr. Dusey noted that he would be coming before the Town Council in the near future with a recommended program for maintenance of the meters, which would include a conversion to electronics.

Mr. Wyett made a motion to approve the recommendations of the Finance & Taxation Committee regarding the Parking Fund; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

2. Debt Service Fund:

Mrs. Smith reported that Finance Director Demming had explained that the Town had two Debt Service Fund Programs--200 and 202. After discussion,

THE COMMITTEE RECOMMENDED THE ACCEPTANCE OF THE PROPOSED DEBT SERVICE FUND BUDGET FOR FY98.

Mr. Shaw made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

3. Retirement Fund:

(Will be discussed after the break for lunch)

Q. REVENUES:

Mrs. Smith reported that after discussion and reviewing the balance of the fund revenues,

THE COMMITTEE RECOMMENDED ACCEPTANCE OF THE NON AD-VALOREM REVENUE ESTIMATES AS PRESENTED BY MR. DEMMING.

Mr. Shaw made a motion to accept the recommendations of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

IV. ANY OTHER MATTERS:

Mrs. Smith reported that the Finance & Taxation Committee considered the Municipal League item regarding the cost of membership, which is based on per capita population.

THE COMMITTEE RECOMMENDED APPROVAL OF THE DUES FOR THE MUNICIPAL LEAGUE (APPROXIMATELY \$5,000) INCLUDED IN LINE ITEM 54-01, MEMBERSHIP DUES, IN PROGRAM 112 "INTERGOVERNMENTAL RELATIONS" FOR FY98 BUD, AS DETAILED IN THE ATTACHED COPY OF A NOTE FROM THE TOWN MANAGER DATED MAY 27, 1997, AND THE MAY 14, 1997 MEMORANDUM FROM THE MUNICIPAL LEAGUE.

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

Mr. Wyett made a motion to approve the recommendations of the Finance & Taxation Committee; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mrs. Smith concluded the Finance & Taxation Committee Report (with the exception of the Retirement Fund, which would be discussed later in the meeting).

Mr. Wyett made a motion that a vote of consensus be taken regarding using funds to defend itself from the Undesignated Fund to support the legal issues which may arise from the Mar-a-Lago situation. He also suggested that the chairs for the Town Council members be replaced with more comfortable chairs.

Mrs. Smith replied that chairs could be purchased individually if necessary.

Mr. McDonald seconded the motion of Mr. Wyett.

Mrs. Smith noted that the Town Council would take action to defend itself on any lawsuit that was filed against it.

Mr. Bill Guttman, Co-Chairman of the Palm Beach Civic Association addressed the Town Council, stating that legal expenses could be estimated as a capital budget item for each year, similar to the budgetary practices of corporations.

Mrs. Smith replied that municipal and corporate practices differed.

Mr. Wyett explained that he was suggesting a consensus to assure the people of Palm Beach that the Town Council would spend whatever money was necessary to defend itself.

Mrs. Smith stated that she was constantly surprised at the attorney fees incurred in actions against the Town that she considered frivolous and irresponsible, and had no way of knowing what various lawsuits would cost. The Town would continue to defend itself against every lawsuit on any matter to the very best of its ability.

Risk Manager Barbara Martinuzzi stated that in regard to this particular claim, there was a \$100,000 retention under the Public Officials Policy, subject to litigation management guidelines and other information, however, she did not know if it was appropriate for discussion at this time since the litigation was ongoing.

Town Manager Doney clarified that in litigation cases the Town Attorney was consulted, and line items were included in the budget for amounts believed to be necessary. The Mayor and Town Council were provided copies of the Monthly Litigation Status Report, which would show expenses from the beginning of the case, as well as per fiscal year. He noted that in the Mar-a-Lago lawsuit there were two different legal expenses--the General Fund legal expenses related to the Writ of Certiorari, and the legal expenses regarding the Self Insurance Fund which were related to the claim for damages.

Mr. Wyett asked if the budget included anticipated legal expenses relative to the Mar-a-Lago lawsuit?

Mr. Doney explained that the Building Department had a budget item for Planning, Zoning & Building legal expenses, as well as the estimate from Town Attorney Randolph regarding the Writ of Certiorari issue.

On roll call, the motion made by Mr. Wyett, which included the purchase of new chairs for the Mayor and Town Council Members in the Town Council Chambers, which was seconded by Mr. McDonald passed 3/2, with Mr. Shaw and Mrs. Smith casting negative votes.

Mr. Guttman asked for clarification on the legal expenses which may be incurred, asking if the estimate of the amount expected to be expended during the next fiscal year was included in the budget?

Mrs. Smith responded that legal expenses were included in the budget, however, if the legal expenses were extraordinary it did not mean that the lawsuit would not be defended. She stated that the Town of Palm Beach would support and defend any lawsuit, regardless of the subject matter.

After the lunch break, the meeting was reconvened at 2:20 P.M., continuing with the Finance & Taxation Committee Report.

P. OTHER FUNDS

3. Retirement Fund:

- A. Proposed Amendments to Retirement System Ordinance Pursuant to Retirement Board Meeting of May 16, 1997.

Mrs. Smith read the recommendations of the Finance & Taxation Committee:

THE COMMITTEE RECOMMENDED APPROVAL OF THE FOLLOWING AMENDMENTS:

A. INCREASE THE NON-DUTY DISABILITY PENSION FROM 25% TO 30% FOR PUBLIC SAFETY EMPLOYEES;

Mr. Shaw made a motion to approve this recommendation; seconded by Mr. McLendon.

Mr. McLendon asked how this increase compared with other municipalities, such as Boca Raton and Delray Beach?

Personnel Director William Crouse replied that it was comparative and fit the structure of the Town of Palm Beach plan. A non-duty disability required ten years of service to qualify, and at the 3% per year multiplier, times ten years, a 30% non-duty disability pension was determined--it was simply being brought up to date with the change in the multiplier from 2.5% to 3%, which met the minimum established by the Town. He explained that 90% or greater of all municipal plans had like percentages.

On roll call, the motion carried unanimously.

B. INCREASE THE DUTY-DISABILITY PENSION AMOUNT FROM 52.5% TO 60%;

Mr. Wyett made a motion to approve this recommendation; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

C. INCREASE THE GENERAL EMPLOYEES' RETIREMENT ELIGIBILITY TO AGE 55 WITH 10 OR MORE YEARS OF CREDITED SERVICE, AS FOLLOWS:

INCREASE IN CONTRIBUTION REQUIREMENT:

EMPLOYER PAID (.72%)	\$46,952*
EMPLOYEE PAID (.72%)	\$46,952*

*** BASED ON ANNUAL PAYROLL OF \$6,521,164 AS REPORTED IN SUPPLEMENTAL ACTUARIAL REPORT DATED MAY 13, 1997.**

Mr. Shaw explained that his concern had been how the program of retirement eligibility was funded, as a result of the percentage formula, which would cause the amount to go up in the future. He suggested that the percentage be readdressed periodically based on what the funding or the actuarial needs were.

Ms. Denise Jones, of Gabrielle, Roeder, Smith & Co. addressed the Town Council in this regard. She explained that the dollar amount would increase; the pension benefits were based on pays at retirement, and consequently it was typical for plans to express the cost of the pension benefits as percents of payroll. Therefore, the percents shown were expected to remain fairly level, however, the dollar amounts would go up.

Ms. Jones addressed the concerns as to whether this could be re-evaluated periodically or whether a lump sum amount should be put in to cover the full costs. She explained that every year that the actuarial evaluation was done the cost of the plan was re-evaluated, taking into account all activity that had occurred up to that date. Because it was the employer responsibility to pay the pension benefits, any increases or decreases in the contribution rates were reflected in the employer's contributions. She noted that this plan had very favorable experience; the plan had been very well managed, and the employer contribution rates had decreased. If a lump sum amount was put in, the opportunity to re-evaluate would be forfeited, because once the money was in the fund it must stay in the fund, and there was no allowance for removing the funds. In addition, she mentioned that typically every five years the assumptions to compute the costs were reviewed in order to ensure that estimates coincided with the actual activity of the plan.

Mr. Shaw expressed his concern that the employee contribution was fixed, whereas the employer contribution was the balancing entry to get to the funding requirements. If there was a significant change in dollars, the deficit would come from the Town, and he questioned whether that should be the way to treat this change in funding.

Ms. Jones responded that historically the cost of the plan had decreased, so if anyone should be advocating re-evaluation it should be the employees in order to take into account that all of the decreases so far had been decreases to the employer contribution. Only through plan amendment had there been decreases in the employee contributions. The decrease in the employer contribution adjustments were made automatically every time the actuarial evaluation was completed, and the only time that the employer contribution rates had increased were when there had been plan amendments. For the past ten years experience had been very favorable. Actuaries tended to error on the side of caution, as it was preferred to see the cost decrease, as opposed to increase, because it was difficult to meet budgets when there were unexpected increases in the contribution rates. A significant increase was not anticipated due to this particular proposal. The assumptions that were chosen were based on the plan activity, and were consistent with other public employee plans. The automatic re-evaluation each year ensured that there would not be significant increases in the plan costs.

In response to Mr. Wyett, Personnel Director Crouse explained that this issue had been brought up over a year ago by the employer representatives for the general employees, and the Board of Trustees investigated the cost elements and surrounding issues, taking it to the actuary for cost estimate. Employees had overwhelmingly voted for the increase to age

55, with the circumstances of picking up half the cost.

Mr. Wyett pointed out that an employee could take a position with the Town at age 45 and retire at 55, and then retire with a percentage of their pension.

Mr. Crouse responded that the pension was based upon years of service, and ten years of service would yield a 24% pension .

Mr. Wyett stated that the Town could lose an employee who could take a 24% pension, and be able to obtain another job and his total income would go up.

Mr. Crouse replied that there were different philosophies--there were many companies that bought out early retirements to bring in lower cost employees, as well as the intention to keep employees as another option. He stated that he believed the people who would take advantage of this option would be those who were less happy with their employment, versus a person who was working for the Town and was happy and would not look forward to an early out.

Mr. Wyett remarked that the best employees could be lost, as they would find it easier to obtain a new position, and his concern was that the better employees would be lost.

Mr. Crouse explained that the option existing today was 50 and out, with ten years of service--the only drawback to that was that there was a decrease in the pension based upon how early the employee was leaving relative to a 30-year service or age 60. He was not aware of anyone taking that option since it had been established.

Purchasing Agent Charlie Boggs, addressed the Town Council, stating that he was also the General Employee representative on the Town Retirement System Board of Trustees, representing all General Employees other than Public Works. He pointed out that the percentage of General Employees voting for the age 55 retirement eligibility was 69%. Public Safety employees could retire with the 65 point plan as early as age 42. He considered that the person working on the back of a garbage truck, using physical labor, would have to work until age 60, and if the employee retired early under the 50/20 or 50/10 plan he would have to give up part of his pension. What was being asked today was support for the General Employees working for the Town of Palm Beach.

Mr. Shaw made a motion to approve the recommendation of the Finance & Taxation Committee to increase the general employees' retirement eligibility to age 55 with 10 or more years of credited service; seconded by Mr. McLendon. On roll call, the motion carried 4/0 as Mr. McDonald was out of the room.

Mrs. Smith concluded the report of the Finance & Taxation Committee Report, thanking department heads, staff, and administration for all of the help and support in preparing the budget package.

Mr. Doney explained that the culmination of the considerations today would result in the Special Town Council Meeting on July 29, 1997 at 10:00 A.M. at which time the Town Council would set a tentative operating millage rate and a debt service millage rate for FY98 which would begin October 1, 1997, pursuant to Chapter 200, Florida Statutes.

XI. OLD BUSINESS

A. Other

1. Consideration of Authorization for Town Manager to Execute Two-Year Extension Agreement for Banking Services with First Union National Bank of Florida for Fiscal Years Ending September 30, 1997, and September 30, 1998 (*Deferred from May 13, 1997*).

Town Manager Doney stated that the Town Council would have the opportunity to consider the renewal of the daily banking services agreement with First Union National Bank. He noted that Mr. Shaw had raised questions at the May 13, 1997 Town Council Meeting relative to the feasibility of ATM machines at several locations. Representatives of First Union National Bank were present to respond to any questions.

Mr. Shaw explained that he had asked about the provisions of service to employees of the Town of Palm Beach with the installation of ATM machines at several Town locations.

Mr. Keith Ennis addressed the Town Council, stating that there were many options for the Town to consider with First Union National Bank. He had received information concerning the number of employees interested in the use of ATM machines, and had found that the costs involved with installation in the fire stations in Town would be overwhelming at about \$3,000 per month; at the Public Works offices on old Okeechobee Blvd. the shortfall would be approximately \$700 per month--it would not be economical with the number of employees that would use the machines. He pointed out that First Union had three twenty-four banking machines within the Town of Palm Beach, which were readily accessible to

employees.

Mr. Ennis noted that currently there was nothing extra offered to Town employees by First Union, although a presentation had been made to Finance Director Demming last week concerning a program called PERC.

Ms. Barbara Garcia, Manager of First Union National Bank Worth Avenue, addressed the Town Council, stating that all commercial customers were offered a preferred PERC account, with three basic types of packages available with different types of services. The most basic one would include a \$5.00 fee on a monthly basis with free checks, unlimited check writing on that account, and use of the ATM.

Mr. Wyett pointed out that the Federal Government would go to direct deposit of Social Security and other payments to recipients, and he suggested that the Town may find it advantageous to follow this procedure. He asked how that could affect any calculations of First Union for the Town employees at the Public Works department?

Mr. Ennis replied that was not known at this time. The problem was that employees at the Public Works department were paid on a weekly basis which made it impossible for First Union to do a direct deposit.

Mr. Doney mentioned that there were several financial institutions that offered banking services to Town employees at no charge, however, when First Union met the specifications of daily banking services agreement details they were the only institution that had the assets and could meet all of the requirements of the Town. He noted that First Union best met the daily banking services needs of the Town.

Mr. Shaw made a motion to approve the two year extension agreement with First Union National Bank of Florida, subject to the installation of an ATM machine at the Public Works facility, and a basic package of banking services that would be offered to Town employees at no charge; seconded by Mr. Wyett.

Mr. Ennis stated that altered the offer on the two-year extension agreement, and he would discuss the offer with banking officials, returning to the Town Council at the July 8, 1997 Town Council Meeting.

On roll call, the motion carried unanimously.

2. Consideration of Request by the Greater South County Road Association for a Memorial Plaque Listing the Donors to the South County Road Tree Planting Project (*Deferred from November 12, 1996, and December 10, 1996*)

Mr. Koos of the Greater South County Road Association addressed the Town Council, thanking Mr. Dusey for the time spent in preparation of this project. He stated that an architectural drawing had been submitted for review. He proposed a monument mentioning all of the donors of trees, as well as the names of the Mayor and Town Council at the time of the planting. The monument would be 40" high, 5' long, and 8" thick. There were three possibilities for placement: the median strip on the east side of Royal Palm Way between the two banks; the northwest corner of Brazilian and South County Road; and the median strip on the west side of South County Road on Royal Palm Way.

Public Works Director Al Dusey remarked that the Brazilian Avenue location was advantageous because Royal Palm was more of a formal planting area, and the Brazilian Avenue carried more visibility and was more centrally located to the project.

Mrs. Smith asked if the Brazilian location would require approval of the Landmarks Preservation Commission, since it was in an historic district?

Director of Planning, Zoning & Building Robert Moore stated that the monument would require the approval of the Landmarks Preservation Commission.

Mr. Shaw made a motion to accept the plaque for installation on the northwest corner of Brazilian; seconded by Mr. Wyett. On roll call, the motion carried 4/0, as Mr. McDonald was out of the room.

3. Consideration of Proposal for Franchise Fee Audits and Compliance Reviews (*Deferred from May 13, 1997*)

Assistant to the Town Manager Dave Jakubiak addressed the Town Council stating that Comcast had provided a breakdown of revenues, which had been forwarded to the telecommunications attorney for review, and there were a number of questions relating to fees that had been omitted from that breakdown. Based on that review, staff would refer back to the report of May 7, 1997, which itemized the costs associated with a potential audit for any of four utilities.

In response to Mr. Wyett's question concerning the 20% ownership of Microsoft in regard to Comcast, Mr. Jakubiak advised that he would discuss it with the telecommunications attorney and report back to the Town Council next month.

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

Mr. Jakubiak referred to the franchise audit, and noted that staff believed there was a potential that there were revenues that were not being paid to the Town.

Mr. Wyett suggested that Comcast be asked for fee categories that had not been included in order to determine whether the Town should be receiving a percentage.

Mr. Jakubiak agreed that Comcast could be asked for a more detailed proposal addressing particular issues raised by the telecommunications attorney.

Mr. Shaw expressed concern regarding telephone revenue, and suggested that efforts be directed towards an audit.

Mr. Wyett made a motion that the process begin with an audit of telephone revenue, and that Mr. Jakubiak follow through on the suggestions of Attorney Miller regarding Comcast; seconded by Mr. Shaw.

Finance Director Demming referred to his memorandum of June 4, 1997, defining information on Town franchise fees and utility taxes regarding electrical, utility and telephone services, offering to respond to any questions.

Mr. Wyett asked if it would be worthwhile to conduct an audit of the telephone franchise fees and taxes?

Mr. Demming replied that the telephone area would probably have the most potential because revenues were coming in from 40+ service providers to the Town, however, there was no revenue auditor in the Finance Department and only a desk review could be accomplished.

Mr. Shaw asked if an audit should be done on a flat fee or a contingency basis?

Mr. Jakubiak responded that the contingency fee basis may be a moot point because there had been legislation passed that would prevent that.

Mr. Shaw made a motion that bids be requested, and a follow up be completed at the Council Meeting next month; seconded by Mr. McLendon.

Mrs. Smith asked that both previous motions be withdrawn in order to give time for discussion. A new motion could then be made.

Mr. Wyett and Mr. Shaw agreed to withdraw the motions made.

Mr. Jakubiak noted that there was a wire line service by BellSouth that was franchised, as well as companies that provided paging and alarm services that were telephone related and fell under the public service tax of 7%. He requested that the intent of the Town Council be clarified in the motion.

Mr. Shaw clarified that his motion was to include all telephone services, both the franchise and utility taxes encompassing local, long distance, pagers, mobile, fax, and anything else that would fall under that umbrella; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

4. Consideration of Additional Funding for FY97 (10/1/96 to 9/30/97) to Operate Lake Worth Inlet Sand Transfer Plant by Palm Beach County

Public Works Director Al Dusey addressed the Town Council, explaining that the County had given notification that an additional allocation was needed, based on the estimates of the County for turtle monitoring for \$13,652, which would allow the Plant to continue its operation during the summer, and an additional amount of \$19,267 for employee overtime and additional fuel costs. The total of both of these costs was approximately \$33,000, which Mr. Dusey requested as an appropriation from the Undesignated General Fund reserves. The County had also asked for permission to bring equipment on the beach periodically to dig out the outfall pipe which becomes sand bound.

Mrs. Smith asked if the Town had any control over the expenses that the County incurred in running the Sand Transfer Plant?

Mr. Dusey replied that the Town had the ability to require the County to stop when the monies ran out, however, he believed they were being prudent in their expenditures, as there was more sand transferred than anticipated.

Mr. McDonald made a motion to approve the additional funding for the operation of the Sand Transfer Plant; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

5. Status Report on Water Franchise Agreement Negotiations with the City of West Palm Beach

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

Town Attorney Randolph reported that subsequent to the last meeting of the Town Council he had met with City Attorney Patrick Brown in regard to the Franchise Agreement. At that time the potential amendments to the Agreement had been discussed, and Mr. Brown had indicated that he would make certain changes for consideration. Mr. Randolph recently contacted Mr. Brown, who had advised him that the changes had not yet been accomplished, and a meeting was set for discussion on June 18th or 19th, at which time the Agreement would be presented for review. In addition, Mr. Randolph noted that he had written to Mr. Brown regarding the contact from the South Florida Water Management District (SFWMD), which material was furnished to the Town Council today.

In response to Mr. Wyatt, Mr. Randolph explained that the discussion of the surcharge had not included decreasing of the surcharge, however, there were considerations being given to the application of the surcharge to take care of the water system within the Town. The numbers estimated by City engineers regarding the amount necessary to bring the Palm Beach system up to par were much larger than anticipated, and that had caused a setback on their part.

Mr. Randolph suggested that immediately after his meeting with Mr. Brown next week he could have a staff to staff meeting regarding this issue, which he would set up.

6. Status Report on Town of Palm Beach vs. City of West Palm Beach Regarding Downtown Master Plan

Town Attorney Randolph reported that an additional Petition had been filed in regard to the Traffic Concurrency Exception Area (TCEA) Amendment. Discussion at the last closed door attorney/client session had included potential for settlement, and at this point Mr. Randolph noted that he was in need of advice concerning the litigation. Pursuant to Section 286.011, Florida Statutes, Mr. Randolph asked that a closed door attorney/client session be set in order to discuss potential settlement of this matter. Reasonable public notice of the time and date of the session, as well as the names of persons in attendance would be given. A closed door attorney/client meeting date of Tuesday, June 17, 1997 at 10:30 A.M. in the Town Hall was scheduled, with the following persons in attendance: Mayor Ilyinsky, Council President Smith, Councilmen McLendon, Shaw and Wyatt, Town Manager Robert Doney, Town Attorney John Randolph, Attorney Scott Hawkins, and a court reporter from Ley & Marsaa Court Reporters. Mrs. Smith noted that the meeting would begin as a public meeting in the Town Council Chambers at 10:30 A.M., reconvening into the rear conference room for the closed door session, and then reconvene to a public meeting in the Town Council Chambers.

At this time Mrs. Smith apologized to Mr. Guttman as he had not had the opportunity to finish his remarks before the lunch break, and offered him the opportunity to continue.

Mr. William Guttman addressed the Town Council, stating the Palm Beach Civic Association felt very strongly with respect to the Mar-a-Lago litigation, and he believed that the community would stand behind the Town Council for any amount necessary to defend the town; there were many members of the community that would be willing to help out financially.

XII. NEW BUSINESS

A. Ordinances

1. Ordinance No. 8-97 - Amendments to the Occupational Licenses Ordinance

Director of Planning, Zoning & Building Robert Moore addressed the Town Council, referring to his memorandum of June 3, 1997 with the revised Occupational Licenses Ordinance, including the 5% increase for a two-year period (representing 2.5% per year). In May of 1993 the original legislation had been passed by the State of Florida which enabled municipalities to raise fees for occupational licenses. The increase would translate to an increase in revenue of \$25,000 per year.

Mr. Randolph read Ordinance 8-97:

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, AMENDING CHAPTER 10, ARTICLE 1 IN GENERAL OF THE TOWN OF PALM BEACH CODE OF ORDINANCES SECTION 10.1, SECTION 10.8, SECTION 10.14, AND SECTION 10.17, AMENDING GENERAL LICENSE REGULATIONS AND FEES, DELETING ARTICLE 3, ASTROLOGERS, FORTUNE TELLERS, CLAIRVOYANTS, ETC., DELETING ARTICLE 7, COIN OPERATED DEVICES, AND DELETING ARTICLE 9, MERCHANTS, PROVIDING FOR SEVERABILITY REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith, PROVIDING FOR CODIFICATION, AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Adrian Winterfield respectfully suggested that the Town Council enact the increase, but postpone the review of the ordinance to such time as the Ordinances, Rules, and Standards Committee could review it, including the mail drop question. He noted that the major problem with Occupational Licenses, the mail drop question, had not been addressed.

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

Mr. Moore noted that the second part of this Agenda item was the post office boxes and Occupational Licenses, and Mr. Randolph, Chief Terlizzese, and staff had met regarding this concern, which Mr. Randolph would address.

Town Attorney Randolph stated that the mail drop/box situation was still being discussed, and the intention of the ordinance today was to enact the increase.

Mr. Wyett suggested that the Taxicab ordinance be reviewed, specifically the portion dealing with "stands", making a motion that this issue be considered at the July 8, 1997 Town Council Meeting; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mr. Shaw brought up the classification of barber shops, which included one barber, and a beauty shop, which included one cosmetologist, and he asked why there was not a charge for the shop by square footage as there was the indication under "merchants" where there was a fee for the size of the shop, as well as a charge for the individual occupation?

Mr. Moore replied that discussion on this subject had resulted in the decision not to charge on a square footage basis, but on the basis of service. If there was a second cosmetologist or barber, then that individual would have to purchase his/her own license.

Mr. Shaw asked how the meeting rooms in hotels were categorized?

Mr. Moore responded that he believed that they were incidental to the hotel use.

Mr. Shaw replied that the meeting rooms in hotel should be categorized as a separate business.

Mr. Moore explained that the rooms were considered accessory uses to hotels.

Mr. Shaw asked if an occupational license would be required if a merchant exhibited merchandise in a hotel window?

Mr. Moore replied that shops on the premises had occupational licenses. In response to the question of the shop not being on the premises, he referred the question to Chief Code Compliance Officer Brian House.

Mr. Shaw explained that his questions were being asked to determine if these types of items should be added to the list of licenses.

Chief Code Compliance Officer Brian House addressed the Town Council, stating that window displays required an occupational license, if they were separate operations from the hotel, rather than part of the hotel operation. He remarked that the meeting rooms in hotels had always been considered incidental to the operation of the hotels.

Mr. Moore mentioned that meeting rooms could be considered in the future, although he did not believe that a huge amount of money was involved.

Mr. House explained that if a business could stand alone by itself, then an occupational license would be required. It was not believed that a meeting room could stand alone by itself, but would have to have the hotel as a method of operation.

Mr. Shaw stated that these matters could be addressed at a later time.

Mr. McDonald commented that approximately 2,000 licenses were renewed each year, and approximately 3,500 were issued. He suggested that perhaps notice be provided so that anyone could appear to speak to the matter in the future when fees were increased. He explained that he did not believe that most people applying for licenses had any knowledge of when fees would be increased.

Mr. Moore responded that there was no notice requirement in State Statutes, however, if the Town Council would so direct, an advertisement could be placed in the newspaper notifying the public.

Mrs. Smith stated that she believed that was a good idea.

Mr. Moore replied that would be done in the future.

a. Consideration of Occupational License Issues - Post Office Boxes (*Deferred from April 8, 1997*)

Director of Planning, Zoning & Building Robert Moore reported that Town Attorney Randolph was continuing to study this issue in order to determine a legal answer. If a change was necessary, a separate ordinance would be brought to the Town Council.

Town Attorney Randolph stated that he was hopeful to provide a response to this issue at the July Town Council Meeting.

Mr. Shaw made a motion to approve Ordinance 8-97; seconded by Mr. McDonald. On roll call, the motion carried 4/0, as Mr. Wyett was out of the room.

B. Resolutions

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

1. Resolution No. 33-97 - Interlocal Agreement with Northern Palm Beach County Improvement District for the National Pollutant Discharge Elimination System (NPDES) Permit Application Regarding Storm Drainage to the United States Environmental Protection Agency

Town Engineer James Bowser addressed the Town Council, stating that the Environmental Protection Agency had required all municipalities and Drainage Districts in Palm Beach County to obtain a National Pollutant Discharge Elimination System (NPDES) Permit, and all groups had banded together with Interlocal Agreements with the Northern Palm Beach County Improvement District to create the application. Permits were secured as of February, 1997, and the implementation phase was now beginning, thus a new Interlocal Agreement for that portion of the permit was necessary. The permit was for a period of five years, expiring in 2002, and cost savings would be provided to the Town, as required sampling would be done on a countywide basis with shared costs. The estimate of \$1,800 per year during the first two years could go somewhat higher as a result of additional testing that would be necessary. Staff recommended that the Town Council authorize the Town Council President to sign the Interlocal Agreement contingent upon staff review, as well as review by the Town Attorney.

Mr. Shaw made a motion to approve Resolution 33-97; seconded by Mr. McLendon.

Mr. Randolph read Resolution 33-97

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE TOWN COUNCIL PRESIDENT TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT FOR ASSISTANCE WITH IMPLEMENTING THE PROVISION OF THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM PERMIT.

On roll call, the motion carried unanimously.

C. Other

1. Consideration of Donation from Mr. and Mrs. Arthur Williams of Proposed Landscaping for Caribbean Road Beach Access Path Easement from North Ocean Boulevard

Public Works Director Al Dusey addressed the Town Council, correcting North Ocean Boulevard to North Ocean Way, and stating that Mr. and Mrs. Williams had asked for permission to provide some landscaping in the beach access walkway from North Ocean Way to the beach. The plan had been reviewed, and staff recommended approval.

Steve Dowber of Life Force Nurseries exhibited the proposed design plan for the review of the Town Council.

Mr. Shaw asked what would happen if the property was sold?

Mr. Dusey replied that the maintenance would be fairly easy for the Town to pick up.

Mrs. Smith suggested that the maintenance of the property be made as a condition of the sale of the property.

Mr. Dusey explained that the Town had a standard form agreement that could be executed and recorded that would require maintenance responsibility to run with the property.

Mr. Shaw made a motion to approve the landscaping, subject to the standard form agreement and perpetual maintenance of the easement by the landowner; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

2. Consideration of Request by Property Owners on Regents Park Road for Median Landscape Improvements

Public Works Director Al Dusey reported that Mr. George Ford of 300 Regents Park Road had asked for permission to landscape and maintain the median on Regents Park Road. Staff had reviewed the plan and recommended approval.

Mr. Eddy Louis, of 500 Regents Park Road, explained that grass and a short hedge would be included, as well as a sprinkler system and timer.

Mr. McDonald moved to approve the request. The motion was seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Mrs. Smith noted that the property owners would be maintaining the landscaping.

3. Consideration of Comcast Cablevision's Agreement (Referred to as the Social Contract) with the Federal

3. Consideration of Comcast Cablevision's Agreement (Referred to as the Social Contract) with the Federal Communications Commission (FCC)

Assistant to the Town Manager Dave Jakubiak addressed the Town Council, stating that this issue had come forward as a result of an agreement reached between the Federal Communications Commission (FCC) and Comcast Cablevision. It was a legal settlement agreement, and was proposed at this time, with FCC seeking comments from communities. Essentially the agreement said that Comcast would have the opportunity to increase its rates, put rates into unregulated tiers, at least a year and one-half early in order to upgrade other communities into more advanced systems. The systems would include 80% of their subscribers being upgraded to receive fiber optic connections to their communities, and 60% would be upgraded to a 750 MHZ system. Currently the Town did not have fiber optic cable coming in to the Town, and the Town was on a 550 MHZ system. Mr. Jakubiak noted that he had requested comment from Comcast Director of System Development, Diane Christie, and she had responded that Comcast did not plan to upgrade the Town system to either a 750 MHZ or to fiber optics. He explained that the problem with the agreement was that it allowed Comcast to raise rates in the Town, and essentially the Town would be subsidizing upgrades to systems in other parts of the country. He recommended that an official position be taken, submitting comments to the FCC asking why Palm Beach would be subject to rate increases, and why Comcast upgrades in other systems would be subsidized by Palm Beach, and most importantly, why Comcast was not upgrading the Palm Beach system along with the other systems. He advised that this had nothing to do with Franchise negotiations. Mr. Jakubiak recommended that a letter of objection be drafted, after consultation with Attorney Nick Miller, for signature of the Town Council President or the Mayor.

Mr. Shaw moved that a letter of objection to the FCC be drafted for signature. The motion was seconded by Mr. McLendon. On roll call, the motion carried be unanimously.

4. Consideration of Authorization for Mayor to Execute Fire-Rescue Emergency Services Agreement for Mutual Assistance and Automatic Aid Between Palm Beach County and the Town

Mr. Wyett moved to approve authorization for the Mayor to execute Fire-Rescue Emergency Services Agreement for Mutual Assistance and Automatic Aid between Palm Beach County and the Town; seconded by Mr. McDonald.

Mr. Shaw questioned the changes that had been made in the original agreement after it had been reviewed by the Town Attorney, asking if the agreement had previously been reviewed by staff responsible for reviewing such items?

Mr. Randolph replied that he would need to review the original agreement in order to answer the questions of Mr. Shaw.

On roll call, the motion carried unanimously.

5. Consideration of Consultants' Competitive Negotiation Act for the Selection of Coastal Engineering Consultants

Town Engineer James Bowser addressed the Town Council, stating that in anticipation of the Town Council authorizing an aggressive beach management in the near future, staff had interviewed Coastal Engineering firms under the Consultants' Competitive Negotiation Act, and recommended that a contract be entered into with the top three firms: Coastal Planning and Engineering, Applied Technology and Management, and Coastal Technology Corporation. This would not guarantee that there would be work to do, however, the firms would then be available should the Town need them. The Agreements would have a life through January 1, 2003, and staff recommended approval.

Mr. Shaw moved to approve the selection and contract; seconded by Mr. Wyett.

Mrs. Smith asked the costs involved with this issue?

Mr. Bowser explained that historically these types of agreements allowed a multiplier of 3.0 on actual hourly costs for an employee; each project would have a proposal submitted by the firm, which staff could scrutinize and agree upon. If agreement could not be reached, staff would then go on to the next firm.

On roll call, the motion carried unanimously.

6. Consideration of Authorization for Attendance at the Florida League of Cities 75th Anniversary Annual Conference in Orlando, August 21-23, 1997

Town Manager Doney explained that this annual convention of the Florida League of Cities would be held in Orlando, however, he would not be in attendance as he would be on vacation at that time.

Mrs. Smith stated that she would attend, as well as Mr. McLendon and Mayor Ilyinsky. The voting delegate would be Mayor Ilyinsky.

Mr. Shaw suggested that someone from the Building Department or Public Works attend to review the exhibits pertaining to city

Mr. Doney would consider this and decide if a representative would attend.

7. Consideration of Proposed Settlement of Workers' Compensation Claim by Mr. Paul Trimm

Risk Manager Martinuzzi addressed the Town Council, stating that she believed her memorandum of June 3, 1997 would speak for itself, offering to respond to any questions.

Town Manager Doney stated that he concurred with the recommended settlement.

Mr. McDonald moved to approve the settlement. The motion was seconded by Mr. Shaw. On roll call, the motion carried unanimously.

8. Consideration of Discussion of the Code Enforcement Board Ordinance

Mr. McDonald stated that he would like the Ordinance revised in order to grant Code Enforcement Board liens a parity with ad valorem taxes, providing for a 20 year duration for Code Enforcement Board liens.

Mr. McDonald moved to add this item to the July Town Council Meeting for discussion. The motion was seconded by Mr. McLendon. On roll call, the motion carried unanimously.

XIII. COMMENTS OF THE TOWN COUNCIL MEMBERS

Councilman McDonald remarked that the lawfirm of Attorney Nick Miller gave the Town a \$3,000-\$4,000 discount on the billing statement, and he thanked him for that.

Councilman McDonald referred to the Town Hurricane Plan, suggesting that anytime residents were notified of any procedure or project, that the bridges be identified by the street names for easier identification.

Councilman Shaw suggested that a policy be developed to have the Police Department notified when a bridge was "stuck" in the up position.

Town Manager Doney advised that there was a standard operating procedure relative to the bridge openings, and the Town did have the ability to call the bridge tenders through the communication center to request that the bridge be kept down for mobile intensive care units. The Police Department would remind the bridge tenders to advise of any malfunctions.

Councilman McLendon complimented the Fire-Rescue Department on the report of test results of every fire hydrant in the Town.

Councilman McLendon displayed his 50 year award from the American Waterworks Association Meeting in Orlando.

XIV. APPROVAL OF WARRANT LIST AND FUND EXPENDITURES FOR MAY 1997

Mr. Shaw moved to approve the Warrant List and Fund Expenditures for May 1997. The motion was seconded by Mr. Wyatt. On roll call, the motion carried unanimously.

XV. DEVELOPMENT REVIEWS

- a. Major Matters Previously Considered by the Architectural Commission at Its Meeting of May 28, 1997 - Minutes Available in Town Manager's Office

A. DEFERRALS AND CONTINUATIONS - MAJOR PROJECTS:

- B51-97 Application by Michael Burrows, 1030 North Lake Way, for new two story single family residence - deferred.

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

- deferred.

- B53-97 Application by Michael Burrows, 1020 North Lake Way, for new single family residence - deferred.
- B16-97 Application by James Woolems, 1080 North Ocean Blvd., for demolition of existing residence and construction of new two-story Mediterranean style residence - deferred.
- B17-97 Application by Classic Homes and Remodelers, Inc., 215 Southland Road, for new two-story Bermuda style residence - approved.
- B19-97 Application by Haisfield Investment Partnership, 231 Royal Palm Way, for removal of windows, for new smooth stucco, new barrel tile roof, cornice work at parapet, new balconies and brick accent panels - approved.
- B21-97 Application by Mr. and Mrs. Friedman, 901 North Ocean Boulevard, for new guest house, add new dining room, new garden shed and an open roof canopy over an existing roof deck - approved.
- B25-97 Application by Robert M. Fomon and Lewis a. Foman, 974 South Ocean Boulevard, for demolition of main residence - approved with the proviso to sod or seed and irrigate the vacant area within 30 days, and replacement home will be 12,000 to 15,000 square feet as represented at ARCOM meeting.
- B26-97 Application by Fred Keller, 241 La Puerta Way, for deletion of some windows and increase square footage to garage - approved.
- B32-97 Application by Skip Gozzo, 127 Ocean View Road, for new Bermuda style residence - deferred.
- B35-97 Application by Addison Development, 211 Via Tortuga, for new residence - approved.
- B36-97 Application by Addison Development, 236 Via Las Brisas, for new two-story Mediterranean style residence - deferred.
- B38-97 Application by Addison Development, 234 Via Las Brisas, for new two-story Mediterranean style residence - deferred.
- B22-97 Application by Cartier, 214-218 Worth Avenue, to remove existing pink marble facade and install new verde marble and limestone facade. Add new display windows and signage. Add new balustrade - approved.
- B31-97 Application by Llwyd Ecclestone, 1070 North Ocean Boulevard, for new two-story residence, pool and cabana - approved.

B. NEW BUSINESS - MAJOR PROJECTS

- B44-97 Application by Betty Knight Scripps, 955 North Ocean Blvd., to cover existing patio with a 1560 s.f. pavilion attached to the garage and covered walkway; renovation of garage interior adding restrooms; relocation of existing emergency generator to garage addition - approved.
- B40-97 Application by Martin and Maria Mochorowski, 1494 North Lake Way, to demolish existing single family residence and pool and build a new 7,197 sq.ft. residence and swimming pool - demolition approved; project deferred.
- B41-97 Application by Johnathan Deitcher, 175 Via Palma, for new residence - approved.
- B32-97 Application by Johnathan Deitcher, 175 Via Palma, for landscaping - approved.
- B42-97 Application by Rocco Marcello, 168 Clarendon, for new single family house with separate north and south cabanas - approved.
- B43-97 Application by CPS Properties, 324 Royal Palm Way, for removal of existing overhangs above windows, new horizontal sliding windows to replace existing awning type, wood trim over existing store front frame to match existing, new cast stone trim, panels, cornice, and partial balustrade at existing parapet - approved.
- B45-97 Application by Euro Homes, 232 Everglade Avenue, for new luxury duplex - deferred.
- B46-97 Application by Kevan Boyles, 240 Miraflores, to add columns and moldings to entry - approved.
- B47-97 Application by Ambassador South Development Corp., 2774 South Ocean Blvd., to replace existing balcony handrails with metal rails - approved.
- B48-97 Application by Hamlin Beattie and Loti Woods, 1263 North Lake Way, for demolition of existing structure and new residence - demolition approved; project deferred.

including pool and garden - deferred.

B50-97 Application by George Cohon, 614 Tarpon Way, for 657 s.f. single story cbs addition to north side of existing residence - denied.

B52-97 Application by Jonathan Gladstone, 281 North County Road, for addition of second story to existing one story home - deferred.

Director of Planning, Zoning, and Building Robert Moore referred to Item B50-97, 614 Tarpon Way, and noted that any acceptance of the Major Matters considered by the Architectural Commission at its meeting of May 29, 1997 should be exclusive of that item, as it was on appeal and would be heard later in the Agenda for the meeting today. He also took the opportunity to inform the Town Council that a new procedure would be instituted for the Architectural Commission Meetings, which would require the applicants to meet directly with Mr. Frank prior to the application date, when anything deficient in the application would be required to be submitted prior to the deadline. Failure to do so would mean an automatic deferral until the following month.

Councilman McDonald stated that he did not believe that the conflict and disclosure requirements were being followed adequately and needed to be addressed. He suggested that Building Director Robert Moore and Town Attorney Randolph review these requirements and set some adequate guidelines.

Town Attorney Randolph remarked that oftentimes a conflict would be declared without the nature of it being addressed. He noted that he tried to remind everyone of that necessity when the conflict was declared, however, he would review the minutes for inconsistency.

Director of Planning, Zoning & Building Robert Moore remarked that Town Attorney Randolph was not always at the meetings when some of the particular problems arose, and staff would endeavor to be much more specific in this regard during the meetings.

Mr. Wyett made a motion to approve the Architectural Commission report, with the exclusion of Item B50-97; seconded by Mr. McLendon. On roll call, the motion carried unanimously.

Town Attorney noted that approval of the report included approval of the actions that had been taken at the meeting. The reason the Town Council was given the report was so that it could be reviewed and any matter could then be extracted for discussion.

On roll call, the motion carried unanimously.

B. Appeals

1. Consideration of Appeal of the Landmarks Preservation Commission to Undesignate 150-A Australian Avenue; Request by Quilty Properties, Inc. (*Deferred from May 13, 1997*) - **Request for Deferral to July 8, 1997, per letter dated June 4, 1997, from Mr. James R. Brindell**
2. Consideration of Appeal of the Architectural Commission's Decision of May 28, 1997, regarding Application No. B50-97, 614 Tarpon Way, by Violet Hill Development Company Ltd.

Attorney Frank Lynch, on behalf of Violet Hill Development Co., Ltd., the owner of the property at 614 Tarpon Way, addressed the Town Council. He noted that the Architectural Commission application had been filed on behalf of Mr. and Mrs. Cohon, who were the sole shareholders of the corporation. Mr. Lynch exhibited a sketch of the proposed addition, which was 657 sq.ft. to an 8,050 sq.ft. House. He distributed a handout which included the direction of the Architectural Commission (ARCOM) to consider the proposed improvements in relation to the neighborhood. He submitted that the neighborhood area was very small, and there were at present four houses, of which this application was the fourth house. The property immediately across the street was a vacant lot. He noted that he had been present at the ARCOM meeting, and concern with the comparative sizes of houses had been a concern. He exhibited sketches of the proposed residence as well as the neighboring area residences. He compared lot sizes, house sizes, and cubic content ratios, coming to the conclusion that the house in question was smaller than those in the neighborhood. He explained that Town Code permitted lot coverage of 25%, and the proposed lot coverage was only 20%; a minimum landscaped area of 45% was required, and the proposed landscaped area was 54%. Mr. Lynch requested permission to build the addition to the house.

Director of Planning, Zoning & Building Robert Moore noted that Planner/Projects Coordinator Tim Frank would review the action of the Architectural Commission for the Town Council.

Planner/Projects Coordinator Tim Frank addressed the Town Council, stating that the Architectural Commission had viewed the house, which had just recently been approved. He noted that the Architectural Commission had believed that the original house was too large, and that houses going up in this neighborhood were too large. Also, when the project was denied two criteria were entered that the Commission believed the house did not meet: Criterion D: the proposed building or structure was not appropriate in its relation to the established character of other structures in the immediate area or neighboring areas in respect to significant design features, such as material or quality of architectural design, as viewed from any public or private way except alleys. Criterion H: the proposed development was not in conformity with the

from any public or private way except alleys. Criterion H: the proposed development was not in conformity with the standards of this code and other applicable ordinances insofar as to the location and the appearance of the building and structures which were involved. Related to that, commentary had been given that the addition itself, although it used the appropriate materials, did look like an add on to a structure that the Commission felt exceeded the size limitations, which they had, in fact, granted.

Mrs. Smith asked if the house was built for the current owners?

Mr. Frank replied negatively.

Mrs. Smith stated that it appeared to her that part of the problem was that the addition was too small to go along with the house, however, she clarified that the Architectural Commission was not in favor of the original house, and now they were denying the addition because it was felt that the original house was too large.

Mr. Frank responded that was included as some of the commentary.

Mr. Shaw remarked that he was hearing two things: size and design. He suggested that the two be separated, as the Town Council was not going to discuss design.

Town Attorney Randolph commented that the criteria cited did not mention size.

Mr. Shaw asked what the justification had been for denial?

Mr. Wyett commented that usually homes were encouraged to come in substantially under the maximums allowed. The issue of the size of the house was an Architectural Commission situation. He stated that he believed the decision of ARCOM should be upheld.

Town Attorney Randolph pointed out that the criteria set forth in the ordinance must be followed; ARCOM could not deny a house only because it was large. They had not mentioned the cubic content in their criteria, which was in an entirely different section of the Ordinance, Sections E and F, where size, cubic content, gross floor area, etc. was discussed. The two criteria mentioned by ARCOM as reasons for denial (D & H) did not specifically deal with size.

Mrs. Smith asked Mr. Frank for clarification on the ARCOM decision.

Mr. Frank explained that it was very clear that size was discussed at the ARCOM meeting, however, it was not used in the reason for denial. The approval or denial that was being sought was for the addition, and ARCOM did not feel that the addition was an appropriate mix with the house in question. Although size was a concern, it had not been used as a criteria for denial.

Town Attorney Randolph, who had not been in attendance at the ARCOM meeting, asked if the exhibits shown today, citing cubic content of houses in the area, had been presented to the Architectural Commission on the meeting day?

Mr. Frank replied that the handout distributed today had not been seen.

Attorney Lynch responded that exhibit boards had been presented at the ARCOM meeting, and the handout had come from the boards.

Mrs. Smith asked if the exhibit board had been available for the Architectural Commission to review prior to the hearing?

The response was affirmative

Mrs. Smith asserted that every member of the Architectural Commission then had the opportunity to review the exhibit board.

Attorney Lynch stated that he had shown that the house was much less than maximum limits, and requested approval of the addition.

Mr. Wyett commented that the major point was that the Architectural Commission did not believe the addition was suitable, which was a decision of ARCOM, and he did not believe the Town Council should override that decision. He suggested that the applicant was free to re-design the addition and petition ARCOM for a new hearing.

Mr. McDonald remarked that he agreed with the decision of ARCOM in this instance. He moved that the appeal be denied. The motion was seconded by Mr. Wyett. On roll call, the motion carried 4/1, with Mr. McLendon casting a negative vote.

Mayor Ilyinsky commented that the drawings were outrageously false.

Attorney Lynch replied that he understood that the drawings came from what was in the public records, and if that was not the case he would be sure that it was corrected.

C. Variances, Special Exceptions, and Site Plan Reviews

At this time, Town Clerk Pollitt administered the oath to all those who would be speaking to the Variances, Special Exceptions, and Site Plan Reviews on the Agenda today.

Old Business

1. Variance No. 6-97 - Michael Kalisman, 146 Dunbar Road; located in the R-B Zoning District; to allow construction of a two-story addition on an accessory building on a lot under 20,000 sq.ft., a variance to the one-story limit per Sec. 5.51(b); and, to allow a variance to Sec. 5.36(b) to provide a 9'x15' parking stall in front of the privacy gate in lieu of 9' x 18' required. (*Deferred from March 11, 1997, April 8, 1997, and May 13, 1997*)

Ex-parte communication was declared by Councilman Wyett with Attorney Kolins regarding the plans for the addition; Councilman McLendon spoke with Mr. Kolins and the neighbors, Dr. and Mrs. Crumholz; Mrs. Smith spoke with Mr. Kolins on the telephone regarding the project; Mr. Shaw spoke with Mr. Kolins concerning the point of view of his client, as well as the neighbors, Dr. and Mrs. Crumholz.

Attorney Ron Kolins, on behalf of the applicant, addressed the Town Council, stating that the concern in this issue was over 331 sq.ft., as Town Code allowed a two story accessory building on lots that were 20,000 sq.ft. or more. The property in question was 19,669 sq.ft., or 331 sq.ft. shy of the 20,000 sq.ft. He requested permission for the addition of the very small accessory two-story structure. The bottom story would house an automobile, with the second story having two rooms--bathroom and bedroom. He noted that the application had been filed a few months ago, however, it had been in a different form at that time, requiring additional variances because the structure had been larger at that time, partially encroaching on the rear setback requirement, and fully encroaching on the side setback requirement. The Crumholzes had expressed dissatisfaction with that, so the matter was postponed so that it could be re-designed to meet all of the code requirements. Now, the structure did meet all Town requirements, as Mr. Kolins displayed on an exhibit board for Council review.

Attorney Kolins addressed the second request concerning the semi-circular drive, requesting gates across the front on both sides that would swing open. There was an existing wall at the outer portion on both sides, to which the gate could be connected, leaving 15' from that point to the beginning of the road. Town Code required 18', however, all along Dunbar Road on the Kalisman side, there were marked parking spaces, so that the travel lane of the street was beyond the parking spaces, and if the area of the parking spaces where cars would not be traveling was added in, the total would be 23' before the travel lane of the road was involved. He suggested that in approving the request for the gates, the spirit, intent, and purpose of the Town Ordinance would be satisfied.

Town Attorney Lynch, on behalf of Dr. and Mrs. Crumholz, neighbors on the property immediately east of the subject property, addressed the Town Council, stating that there was still a problem with the subject application, even in the re-design phase. The applicant needed to show a hardship, however, this aspect had not been addressed. He noted that if the hardship was cited as the lot size, then every lot in the Adams Addition had the same problem, so the property of the Kalismans was no differently situated than anyone else on Dunbar. He also cited an invasion of privacy that would be suffered by Dr. and Mrs. Crumholz, as the proposed second story structure had three windows, one facing east and two north. Each window would view into the Crumholz property. He placed several photographs of the area into the record. He addressed the issue of the gates, and he noted that the walls were perimeter walls, rather than a contiguous wall along the property with cuts for the driveway. This would necessitate the need for posts placed within the setback area for the gates.

Director of Planning, Zoning & Building Robert Moore gave the following staff comments: The Police Department requested that the 9' x 18' space remain because of the street parking and the width of the street; Fire Department: the 9' x 18' space should remain; Comprehensive Plan: does not meet criteria for granting of variance--there is sufficient room to design gates which would comply with the codes; Town Engineer: gates should meet Town codes; Building Department: minimum variance request for lot size for second story; gate should be set back to meet code; east garage door should be eliminated on the proposed structure. Mr. Moore commented that from a historical point the R-B Zoning District had at one time permitted only one story accessory structures, however, the Zoning Commission had studied the concept of allowing a second story in the R-B Zoning District. A second story was allowed in the R-A Zoning District with a minimum lot size of 20,000 sq.ft. The Zoning Commission had contemplated that there would be cases that came before the Town Council where there would be a shortage of a minimal amount of square footage. Mr. Moore stated that he did not believe that the argument of Attorney Lynch would be relevant in this case. Regarding the gates, Mr. Moore stated that he did not see any relevant hardship, and believed that the existence of the garage door on the east side was an open invitation to park other vehicles against that property line, such as boats or cars, which would defeat the intent of the Ordinance. He mentioned that the Town Manager concurred with the above.

Dr. Steven Crumholz addressed the Town Council, stating that the proposed addition would have a substantial detrimental effect on the quality of life for his family, as there would be a significant invasion of privacy. He noted that his family lived in their home year round, whereas the Kalismans had been present one to two weeks during the time they had been in possession of the house. Dr. Crumholz submitted that they had tried to be good neighbors, however, the proposed two story addition would have a negative effect on the privacy of his family. Dr. Crumholz stated that he would not object to a one story addition.

not object to a one story addition.

Mr. Shaw stated that he did not see a hardship.

Attorney Kolins remarked that the Crumholz property included a large two-story guest house on a lot smaller than 20,000 sq.ft. He circulated several photographs exhibiting the area. He exhibited some renderings of the proposed addition, stating that the garage door on the east side was shown because a car could be pulled through it. The window that was of concern to Dr. and Mrs. Crumholz could be either eliminated or made opaque. He stated that there were different kinds of hardship, and the Kalismans had taken the property as they found it. He cited Town Code as saying that "special conditions and circumstances exist which are peculiar to the land, structures, or building involved..." . He submitted that the hardship was that the structure and buildings on the property as it was found created a circumstance whereby the only way the accessory structure could be added was where it was shown.

Mrs. Smith asked if the garage door on the ground floor could be eliminated, so that there would be no drive through?

Mr. Kolins replied that if the Council so directed, that would be done.

Attorney Lynch responded to the comments of Mr. Kolins, stating that the Kalismans already had a two-story structure in their backyard, just as was in the Crumholz backyard. In order to have the proposed addition approved, the Kalismans must show a hardship.

Dana Crumholz addressed the Town Council responding to questions of the Council regarding photographs submitted regarding the landscaping in the area.

Mr. McLendon asked what the entire garage space would be used for?

Attorney Kolins replied that he was told that the space was big enough for one car, but not for two. He explained that the main house did not have a garage, and the only place to keep cars was in the traffic court area. The proposed garage could absorb one car, and it was intended to have two cars piggy-backed. If the garage door on the east was not there, then only one car would fit. The reason for the door in the first place was so that two cars could be piggy-backed.

Mr. Wyett suggested that perhaps a compromise could be reached between the parties involved.

Attorney Kolins stated that he would be agreeable to making the window on the second floor opaque, eliminating the garage door next to the Crumholz house, and adding more landscaping.

Attorney Lynch replied that the issue was still that his clients were not willing to accept a two-story structure.

Attorney Kolins explained that the difference in height was 6.5'.

Mrs. Smith suggested that the two items contained in Variance 6-97 be separated, with the two-story structure being considered separately from the driveway gates.

Mr. Shaw made a motion to approve the two-story structure portion of Variance 6-97 at 18', without the eastbound garage door, and with the window obscured.

Mr. Wyett proposed an amendment to the motion. He suggested that landscaping for the entire property be included, as well as restoration of the existing roof, which was in disrepair.

Attorney Kolins suggested that the Variance application be considered at the height proposed in the application.

Mr. Shaw accepted the amendments to his motion.

Mr. Randolph advised that the proposal of amendment to the motion was a second to the motion. He commented that if anyone made a motion to grant a variance the Town Council must find that all conditions for the granting of a variance had been met, according to Town Code, and these must be included within the motion.

Mr. Shaw stated that the Variance was minimal, however, he could not define all of the conditions stated in Town Code. He therefore withdrew his motion. Mr. Wyett withdrew his second.

Mr. McDonald moved that the two-story portion of Variance 6-97 be denied, as he saw no hardship associated with the application. The motion was seconded by Mr. Shaw.

Mr. Shaw suggested a deferral.

Mr. McDonald then withdrew his motion and moved for a deferral (to the July Town Council Meeting) of the two-story portion of Variance 6-97. The motion was seconded by Mr. Wyett. On roll call the motion carried unanimously.

Mr. McDonald moved for a deferral (to the July Town Council Meeting) of the driveway gate portion of Variance 6-97. The motion was seconded by Mr. Shaw. On roll call, the motion carried unanimously.

2. Special Exception No. 16-97 with Variance - Nancy DeMoss, 185 Woodbridge Road; located in the R-A Zoning District; to allow the addition of driveway gates providing a front yard setback of 8' in lieu of 18' required. A variance is requested to allow the gates at a 12' height in lieu of 8' maximum allowed. (*Deferred from May 13, 1997*)

Ex-parte communication was declared by Mr. Shaw with Attorney Deziel and Architect Jeff Smith regarding discussion of the gates.

Attorney Robert Deziel, representing the applicant, addressed the Town Council, stating that there were two requests associated with the application: a Special Exception to allow the driveway gates to be at a setback of 8' in lieu of the 18' required; a Variance to allow driveway gates at a height of 12' in lieu of 8' allowed by Section 5.36. Mr. Deziel incorporated, by reference, Code Sections 10.13, 6.4, and 5.36.

Director of Planning, Zoning, and Building Robert Moore recalled that this item had been before the Town Council nearly one year ago, and the Ordinance had now changed. The height of the gates had now been modified, and staff had no objection to the height of the gates. The existing gate posts had been considered a hardship for placement of gates in the past.

Mr. McLendon made a motion to approve Special Exception 16-97, with the hardship being the existing gate posts; seconded by Mr. Shaw.

Attorney Ray Royce, representing the Mar-a-Lago Club, stated that Mr. Blackman, the planner for the Mar-a-Lago Club had reviewed the gates and it was believed that the gates were fitting and appropriate. He urged the Town Council to grant approval.

Mr. Wyett asked Mr. McLendon to amend the motion to include as the hardship the fact that the setback and the gates were necessary because the street was a dead-end street. Mr. McLendon agreed to the amendment.

On roll call, the motion carried unanimously.

Attorney Deziel stated that a traffic engineer had completed a traffic report, and he believed that this should be a requirement with any application of this sort.

New Business

3. Variance No. 15-97 - Leonard A. Lauder, 115 Flagler Drive; located in the R-B Zoning District; to allow construction of an addition at a point of measurement of 20.89' NGVD in lieu of the 11.57' required.

Attorney Robert Deziel, representing the applicant, addressed the Town Council, incorporating the provisions of the application, A-F, and Section 10.13 of the Zoning Code. He explained that the request was to allow construction of a one-story addition to an existing three story structure. He noted that because of a change in the Zoning Code a basement floor was defined as the first floor. He stated that the hardships were that the floor level for the height of the new structure was measured from the basement, as opposed to at grade, and the topography of the land.

Director of Planning, Zoning, and Building Robert Moore commented that staff had no comments on the request, except for the Town Manager request for additional information on the hardship.

Mr. Deziel explained that the occupant of the property was Mr. and Mrs. Ronald Lauder; the property was entitled in a trust with Leonard Lauder as trustee.

Ex-parte communication was declared by Mayor Ilyinsky with Mr. Lauder.

Mr. Wyett moved approval of Variance 15-97, with the hardship being the topography of the land, and the existing structure related to the change in Zoning after it was built. The motion was seconded by Mr. McLendon. On roll call, the motion carried unanimously.

4. Variance No. 16-97 - Bath & Tennis Club, 1170 S. Ocean Blvd.; located in the R-AA Zoning District; to allow construction of a wall in the required front yard at 11.5' above the crown of the road

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

4. Variance No.16-97 - Bath & Tennis Club, 1170 S. Ocean Blvd.; located in the R-AA Zoning District; to allow construction of a wall in the required front yard at 11.5' above the crown of the road in lieu of the 6' maximum allowed, and in the required side yard at a 12.38' height in lieu of 7' maximum allowed.

Ex-parte communication was declared by Mr. McDonald with Mr. Schuler regarding the reason for his attendance today.

Mr. Wyett had discussed the reason for attendance today with Mr. Schuler.

Mayor Ilyinsky mentioned that he was a member of the Club, and had received an abundance of communication regarding it. He recused himself as a shareholder of the Club.

Mrs. Smith commented that she was recusing herself, as she was a shareholder of the Bath & Tennis Club.

Attorney Frank Lynch, on behalf of the Bath & Tennis Club, addressed the Town Council, requesting a variance which would allow a wall to be built matching the height of the existing wall along South Ocean Blvd. The plan had been modified from the original application in response to comments from neighbors, lowering the wall after the first 36' to 6'4", with a second step down 25.5' past that point to the height of the wall to 5' above the existing concrete bulkhead, which was common with the Mar-a-Lago Club. The hardship associated with the request was the lay of the land. A wall with the height of 7' above the crown of the road within the front yard setback was allowed. The height at the crown of the road was approximately 13'; the height at the point of commencement of the wall was approximately 15.5', so there was a difference of 2.5'. The height of the wall at that point would be 9', which would match the height of the existing wall. He noted that the adjoining property had been bulkheaded and the height was needed, given the steps. The reason for the insertion of the steps was that the Mar-a-Lago Club had requested it in order to maintain the view of the ocean on the south boundary; in addition the Mar-a-Lago Club had requested the steps match the wall on the north boundary of the Mar-a-Lago Club, which also had a step in it.

Director of Planning, Zoning, and Building Robert Moore gave the following staff comments: The wall should be stepped down as it continued eastward. The permitted height of the wall in the first 35' running from west to east would be 6' as measured from the crown of the road, and not 7' as mentioned by Mr. Lynch. The rest of the wall could be at 7' on to the east of the bulkhead. The hardship was that the wall would match the existing height of the wall that already existed on the Bath & Tennis Club along the west side of the property. This criteria had been used in the past as hardship criteria. The Mar-a-Lago Club also had a variance for its wall and gates using the same hardship.

Attorney Ray Royce, representing the Mar-a-Lago Club, stated that the wall was reasonable and acceptable to the Mar-a-Lago Club.

Mr. Wyett made a motion to approve Variance 16-97, with the hardship being the lay of the land; seconded by Mr. McDonald. On roll call, the motion carried 4/0, as Mrs. Smith had recused herself.

5. Variance No. 17-97 - Carol Oelsner, Penthouse D, 369 S. Lake Drive, located in the R-D(2) Zoning District; to allow a roof addition over the IX terrace, a variance from Sec. 8.23 of the Town Zoning Code.

Ex-parte communication was not declared by any Council member.

Gene Pandula, representing Carol Oelsner, addressed the Town Council, stating that the request was to reconfigure the awning to a permanent roof on a terrace of the apartment at 369 S. Lake Drive. He explained that technically the variance was for expansion of a nonconforming apartment building, except there was no expansion, but an upgrading of a condition that had existed for approximately 33 years. The building had been constructed in 1956-57, at which time a roof had been included. In approximately 1964 an awning had replaced the roof, with perimeter windows and sliding glass doors of a permanent nature, which remained in place. The proposal was to leave the existing footprint exactly as it was, remove the awning, and put a permanent roof over the approximate 500 sq.ft. area. He exhibited photographs of the area.

Director of Planning, Zoning, and Building Robert Moore commented that the Building Association must approve replacement of the awning structure with a permanent structure. Staff had no objection.

Mr. Pandula stated that the hardship was that the room had been in existence prior to the change in Zoning Code, which now prohibited an upgrade of a nonconforming use. In addition there were some safety concerns regarding the fact that there was a permanent perimeter structure that was not tied back to the building, and the request was to approve making this a permanent structure on the perimeter.

Mr. McDonald made a motion to approve Variance 17-97, incorporating the remarks of Mr. Pandula regarding the hardship into the motion; seconded by Mr. Wyett. On roll call, the motion carried unanimously.

Mr. Randolph noted that this applicant was not being granted anything that others in similar situations had not been granted, as this was the last such area to be enclosed on the building.

6. Special Exception No. 18-97 with Site Plan Review - Mr. & Mrs. Alex Fanjul, 110 Chateaux Dr.; located in the R-B Zoning District; to allow installation of a lighting system on the existing tennis court per Code Sec. 6.15.

Ex-parte communication was not declared by any Council member.

Architect Ames Bennett, on behalf of Mr. and Mrs. Fanjul addressed the Town Council, stating that a tennis court had existed on the property for a number of years, and the Zoning Code had recently changed permitting tennis courts to be lit. State of the art equipment would be used, and the lights would not be turned on beyond 9:00 P.M. Eight standards were being proposed; there was extremely high foliage, and the ends of the court were screened in order to see the tennis balls.

Director of Planning, Zoning, and Building Robert Moore commented that the proposed 21' poles for lighting would be acceptable, as long as the hedging material met the height of the lights.

Mr. Shaw clarified that the courts would be for personal use only and not for professional lessons for the public.

Mr. McLendon moved to approve Special Exception 18-97. The motion was seconded by Mr. Wyett. On roll call, the motion carried unanimously.

7. Special Exception No. 19-97 with Site Plan Review - Dr. & Mrs. Marvin Rosenberg, 125 Chateaux Dr.; located in the R-B Zoning District; to allow installation of a lighting system on the existing tennis court.

Ex-parte communication was not declared by any Council members.

Architect Ames Bennett, on behalf of Dr. and Mrs. Marvin Rosenberg, stated that there was appropriate foliage to cover the area so that the tennis courts could not be seen, and lighting was being requested. The light poles would be 21' in height.

Director of Planning, Zoning, and Building Robert Moore commented that the application had met the criteria as set forth in the Ordinance, and staff recommended approval.

Attorney Frank Lynch, on behalf of Mr. and Mrs. Turner, 111 Chateau Dr., immediately east of the Rosenberg property, addressed the Town Council, stating that the Terners objected to the tennis court, submitting that the addition of lights would allow the period in which the courts were used to be extended beyond the normal daylight hours. In addition, the height of the proposed light poles was a concern, since the glare would come on to the Turner property; in addition the height of the lights would exceed the height of the fence and existing foliage.

Mr. Bennett replied that the tennis courts would be on the west side of the Rosenberg property, and the light would be confined to the court itself. There was no sight screening between the tennis court and the Rosenberg house, and the tennis court had been shielded from the road on the west, the neighbors on the north and south. The Rosenberg house faced the courts, however, there would be no light intrusion.

Mr. Wyett moved to approve Special Exception 19-97; seconded by Mr. Shaw.

Mr. Moore remarked that the burden was on the applicant to create the sight screening, and if there was a problem the applicant would need to address it. The applicant must demonstrate how the lights would be controlled.

On roll call, the motion carried unanimously.

8. Special Exception No. 20-97 - Mar-a-Lago Club LLC, LC, 1100 S. Ocean Blvd.; located in the R-AA Zoning District; to allow the installation a lighting system at five (5) tennis courts.

Attorney Ray Royce, representing the Mar-a-Lago Club, requested approval of the installation of lights at the existing tennis courts at the southwest portion of the property. The courts were located in an area that would preclude any problem with neighboring properties.

Ex-parte communication was declared by Mr. Wyett with Attorney Royce.

Mr. Wes Blackman, Director of Projects for the Mar-a-Lago Club, addressed the Town Council, stating that the tennis courts were in the extreme southwest corner of the property. The courts were appropriately screened from the adjacent rights of way and properties, and review had been accomplished and approved by the Landmarks Commission. The Zoning Code had recently changed, allowing lighting of residential district tennis courts, and the application met all of the Special Exception criteria; criteria under Section 6.15 had also been met. State of the art lighting would be used, equivalent to the lighting found at the Town Seaview Tennis Courts.

Director of Planning, Zoning, and Building Robert Moore stated that the criteria in the Ordinance had been

MINUTES OF THE TOWN COUNCIL MEETING HELD ON JUNE 10, 1997

equivalent to the lighting found at the Town Seaview Tennis Courts.

Director of Planning, Zoning, and Building Robert Moore stated that the criteria in the Ordinance had been addressed by the applicant, however, there were concerns from some of the neighbors, and there were some conditions that would need to be addressed regarding light being seen from neighboring properties.

Attorney Ray Royce stated that there was only one neighbor that could possibly be affected, Mrs. DeMoss, and her property was located 455' north of the tennis courts. The tennis courts had some landscaping around the north side, and most of the landscaping that would prevent Mrs. DeMoss from seeing the area was located on the Mar-a-Lago north property line by a 6' tall wall, and a 20' ficus hedge. Contact had been made with the attorneys representing Mrs. DeMoss, and the following conditions were agreed upon:

1. No tennis tournaments to be conducted at the same time the lights were on.
2. No machines feeding or retrieving tennis balls would be utilized when the lights were on.
3. A row of Royal Palm trees be added along the north side of the property.
4. On one of the electrical drawings a reference had been made to future tennis courts, however, there was no expansion proposed or requested. If that eventuality ever came to pass it was known that Mar-a-Lago would need Town Council approval. That reference would be deleted, and it would be agreed that any further court requests would come before the Town Council.

With those understandings, a letter was signed and sent back to the law firm of Carlton Fields.

Attorney Royce addressed the letter from Mr. Floyd Wideman objecting to the addition of lighting on the tennis courts, however, Mr. Royce asserted that there was no basis for the objection, since his residence was approximately 500' away.

Mr. Moore commented that the issue of Town-serving must be addressed, since this was a special exception use in the R-AA Zoning District.

Mr. Royce stated that the Declaration of Use Agreement provided that at least 50% or more of the members of the Mar-a-Lago Club must be town persons, and the tennis courts were for the benefit and use of the members of the Club, and thus would meet the Town serving criteria.

Mr. Moore explained that Mr. Wideman had objected to parties that involved music, and suggested that the Mar-a-Lago Club could stipulate that there would be no tennis events at night involving music.

Mr. Blackman agreed that the Mar-a-Lago Club would have no problem with that restriction.

Mr. Wyett expressed concern over the lighting of five tennis courts all at the same time, which were adjacent to a public way; there could be a distraction to the Department of Transportation, or Public Safety officers, and if that became a problem the lighting would have to be reduced.

Mr. Royce explained that there would be no spillage of light due to the wall, hedges, and trees in the area.

Mr. Blackman exhibited photographs of the area, pointing out the landscaping that would be used: there was a 10' high fence surrounding all of the tennis courts; a 35' setback from the southern edge of the court to the wall; a ficus hedge on the interior of the wall, which was 12' high; the light standards were set back 20' to the north from the southern edge of the court; there was thus a distance of 55' from the wall to the nearest light; the lights were 21' high; the angle, light distribution, etc. would shield any glare from Southern Blvd.

Mr. Moore pointed out that the only time five courts would be lit was if all courts were in service at the same time; in other words it would not be an all or nothing proposition--he recommended that the Club stipulate to the Town Council that the courts would be handled individually, with each set of lights coming on individually.

Mr. Blackman responded that all the lights would be switched separately on an as needed basis--if only court one was being used, court one would be lit. The probability was that all five courts would not be lit at once.

Electrical Engineer Gillespie addressed the Town Council referring to the exhibited diagram to point out the area where light would fall. He explained that there was an individual lighting control for each court; the system would have a master control that would be programmed by the installer to be shut off at 9:00 P.M.

Landscape Architect Dugan addressed the Town Council exhibiting material defining the proposed landscaping of the area.

Mr. Wyett made a motion to approve Special Exception 20-97, with the incorporation of the letter from the law firm of Carlton Fields, all the conversation of representations made by representatives of the Mar-a-Lago Club, including that there should be no music, tournaments, or entertainment on the courts while they were lit; seconded by Mr. Shaw.

The following conditions were listed in the June 9, 1997 letter from Attorney Gina K. Grimes with the Law Firm

on); and

2. No machines, wiother feeding or retrieving tennis balls, shall be utilized at the same time the tennis court lights are activated; and
3. A row of Royal Palm Trees, of the same size and specification indicated on the "Tennis Facilities Planting Plan" prepared by Edward D. Stone, Jr. & Associates, dated April 18, 1996, shall be installed/planted on the Mar-a-Lago property immediately adjacent to the wall of the Northern boundary of the Mar-a-Lago property. The Royal Palms shall be planted 20 feet on center and shall begin at the Western boundary of the Mar-a-Lago property (adjacent to Lake Worth), and continue easterly in a row along side said wall terminating at a point immediately west of the first accessory structure. The intent of this condition is to ensure that a row of Royal Palms is planted along the entire boundary of the Mar-a-Lago property where it abuts Mrs. DeMoss' property; and
4. The reference to the "3 future courts - 24 lights at 1102 VA/light times 125% equals 33,072 VA" shall be deleted from sheet E-1 of the Site Plans and/or a note will be added that any reference to 3 future courts is in no way approved by this application, and that any approval of any additional tennis courts must undergo the Special Exception review process provided for in the Town of Palm Beach Zoning Code.

Mrs. Smith asked if ball machines were allowed?

Mr. Moore replied that the machines were regulated, although not prohibited.

On roll call, the motion carried 4/0, as Mr. McLendon had left the meeting.

9. Site Plan Review No. 5-97 with Variance - Ronald Kolins on behalf of the estate of Nancy D. W. Gardiner, 110 Hammon Ave.; located in the R-C Zoning District; to allow construction of a 3-unit multi-family structure, and to allow construction of side yard privacy walls at 8.5' height in lieu of 7' maximum allowed per Sec. 10.13.

Development Planner Chuck Millar, with the law firm of Moyle, Flanagan, addressed the Town Council, stating that he was representing Mr. Ed Cury, developer of Villas De Marbella, located at 110 Hammon Ave. The application was for one variance, the wall height, and for site plan approval for a multi-family development.

Ex-parte communication was declared by Mrs. Smith with Attorney Kolins, and by Mr. Wyett with Attorney Kolins.

Director of Planning, Zoning, and Building Robert Moore commented that the project had been redesigned, omitting all of the variance requests that had been submitted on a prior application. Staff had no objection to the request for the wall height.

Attorney Fred Badach, representing Charlie's Crab Restaurant, addressed the Town Council, stating that there was no problem with the application.

Mr. Shaw made a motion to approve Site Plan Review 5-97; seconded by Mr. McDonald.

Mr. Wyett asked if the applicant was precluded from coming back at another time to increase the height of the wall from 8.5'?

Mr. Randolph replied that would be acceptable, however, it would have to be advertised and come back before the Town Council.

Mr. Moore suggested a deferral if it was the intent of the Town Council and the applicant to consider a 9' wall instead of the 8.5', and bring this item back to the Town Council at a future meeting. Otherwise, an increase would require a full application.

Mr. Millar asked for approval of the Site Plan and Variance, and would decide whether to come back at a later date to change the height of the wall.

Mr. Shaw noted that the hardship was the fact that the property abutted a commercial use, and a separation would be provided between a residential and commercial use by allowing the extra height of the wall.

On roll call, the motion carried 4/0, as Mr. McLendon had left the meeting.

XVI. ANY OTHER MATTERS

Director of Planning, Zoning, and Building Robert Moore stated that in addition to the items already approved for zoning consideration, a final set of items would be ready for the September Town Council Meeting. Most recently there had been one person interested in redevelopment on Worth Avenue. He advised the Town Council that the intention was to have the Worth Avenue guidelines looked at again this year.

XVII. ADJOURNMENT

The meeting was adjourned at 8:20 P.M.

Mary a. Pollitt
Town Clerk

Prepared by:
Susan Eichhorn

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME, FIRST NAME, MIDDLE NAME <u>Smith, Lesly Stokard</u>		NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE <u>Palm Beach Town Council</u>	
MAILING ADDRESS		THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:	
CITY	COUNTY	☒ CITY	☐ COUNTY ☐ OTHER LOCAL AGENCY
DATE ON WHICH VOTE OCCURRED		NAME OF POLITICAL SUBDIVISION:	
		MY POSITION IS: ☒ ELECTIVE ☐ APPOINTEE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; and

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

You must abstain from voting and disclose the conflict in the situations described above and in the manner described for elected officers. In order to participate in these matters, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes.
- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, _____, hereby disclose that on _____, 19 _____;

(a) A measure came or will come before my agency which (check one)

- ☐ inured to my special private gain or loss;
- ☐ inured to the special gain or loss of my business associate, _____;
- ☐ inured to the special gain or loss of my relative, _____;
- ☐ inured to the special gain or loss of _____, by whom I am retained; or
- ☐ inured to the special gain or loss of _____, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

I am a shareholder of the Club.

Date Filed

Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.