TOWN OF PALM BEACH

Office of The Town Clerk

MINUTES FROM THE SPECIAL TOWN COUNCIL MEETING REGARDING ANNUAL GOALS AND BUDGET HELD ON THURSDAY, APRIL 15, 2004

I. CALL TO ORDER AND ROLL CALL

President Allen Wyett called the Special Town Council meeting to order at 9:30 a.m. in the Town Council chambers. On roll call, the following Elected Officials were found to be in attendance:

Mayor Lesly S. Smith
President Allen S. Wyett
President Pro-Tem Samuel C. McLendon
Councilman William J. Brooks
Councilman Norman P. Goldblum
Councilman Jack McDonald

Also attending for all or part of the meeting were:

Town Manager Peter B. Elwell
Assistant Town Manager Thomas G. Bradford
Assistant to the Town Manager Sarah Hannah
Town Attorney John C. Randolph
Finance Director Jane Skittone
Assistant Finance Director Cheryl Somers
Finance Accounting Supervisor Amy Wood
Assistant Chief Fire-Rescue Andrew Cox
Assistant Human Resources Director Carla Kneipp
Police Chief Michael S. Reiter
Police Planner Lisa Gorman
Director of Planning, Zoning, & Building Robert L. Moore
Assistant Director of Planning, Zoning & Building Veronica Close
Administrative Aide to Director of Planning, Zoning & Building Linda Corbett
Public Works Director Al Dusey
Public Works Assistant Director Paul Brazil
Recreation Director Russell Bitzer
Town Clerk Mary A. Pollitt

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II. INVOCATION AND PLEDGE OF ALLEGIANCE

Town Clerk Pollitt gave the invocation. President Wyett led the pledge of allegiance.

III. APPROVAL OF AGENDA

Councilman Brooks made a motion to approve the agenda. Councilman McLendon seconded the motion, and it carried 5-0 on roll call.

IV. ADOPTION OF ANNUAL GOALS FOR FY2005

Town Manager Peter Elwell reviewed a memorandum he had provided to the Town Council. He explained to the public the manner by which the Town Council, individually, reviewed the goals and indicated their preferences, prioritizing them, adding any that they felt should be considered so a balloting process could take place. He continued that the individual consensus for what the top five priority goals are for the year would be the result of this process.

Town Manager Elwell advised that this process was important because it gives direction. He said that, as an example this year, that the second highest priority goal from this process is the Town-wide Traffic and Parking Improvement Plan. He stated there had been recent discussions about this issue with a range of opinions within the Council. He continued that this was deferred last year due to cost but the Council, as a group, has identified it as something they want to move forward with this year. He advised that a particular plan would be developed with an estimated price tag. He added that during the budget process, the Council would give formal consideration to this issue.

Town Manager Elwell, for the benefit of the public, reviewed the top five highest priority Town-wide goals for FY2005 that came out of the individual process.

1. The top priority number one goal for the year is continuing the implementation of the Town's Coastal Management Plan, including the completion of the Phipps Project and making measurable progress in the permitting for the remaining projects.

2. The completion of the Traffic and Parking Improvement Plan.

3. The implementation of a Key Result Measurement and Management System that will align departmental services and programs.

4. The completion of the multi-year and multi-faceted R-B Zoning Study and make final decisions.

Town Manager Elwell advised that two items tied for fifth.

5. (TIE) The continuation of the approved drainage improvement program for the basins north of Wells Road.

5. (TIE) The completion of an independent compensation study to ensure fair and competitive pay and benefits for all Town employees.

President Wyett stated that he had one comment regarding the R-B Zoning Study. He said that usually they hear from one group of residents who believe things may be overbuilt. He stated that it seems the same people always appear before Council, and the Council never hears from the rest of the north end residents. He continued that these people may be the majority, but they are always a small group. He suggested a survey of the north end be studied by sending out a questionnaire or some other form. He stated that through this survey the sentiment could be determined to make sure the Town is not moving in a direction that the majority does not want and to make sure that the Town is moving in a direction that the majority does want.

Town Manager Elwell suggested that Council could reserve that decision for another day since the Council likes the idea of a community wide survey. He advised that Dick Bowers, consultant, would be reporting on the progress the Town is making with the Key Results System and that surveying the Town's customers is critically important to making sure this system is successful. Town Manager Elwell stated that a community wide customer satisfaction survey would give the Town the opportunity to add some issue related questions with the help of an objective professional who knows how to word them. He stated you could get objective responses rather than guided responses. He continued that even though the survey would not be particular to north end residents, and would be a broader community wide survey, this topic could be added He advised that a price tag for the budget would be obtained as requested by Council.

Councilman William Brooks made a motion to approve the adoption of annual goals for FY2005. The motion was seconded by Councilman Norman Goldblum. On roll call, the motion carried 5-0.

V. FY 2005 BUDGET PLANNING

A. OVERVIEW OF STATUS OF FY 2004 BUDGET IMPLEMENTATION
B. PRELIMINARY CONSIDERATION OF FY 2005 BUDGET ISSUES

Finance Director Jane Skittone presented a brief update on the implementation of the current year's budget, and on beginning the forecasting for the work that will be done this summer in preparation for next year's budget.

Mayor Smith questioned the investment yield stating that it was down as 2% but this year the Town is only getting 1.14% and then 2.2%. She asked if it would be more prudent to put the investment yield lower?

Finance Director Skittone stated that it would be looked at again in July. She continued that in the last few months, the blended yield the Town has earned has been over 2% with the Florida League of Cities Investment.

Mayor Smith wanted to know if they anticipated putting more money with the Florida League of Cities?

Finance Director Skittone stated that the Town would stay at the same rate they are invested in now which is 33%.

Mayor Smith asked if she thought that they would have to raise the millage rate by .23%?

Finance Director Skittone replied that she did not think the millage rate would have to be increased by .23%.

Town Manager Elwell stated that last year was the first time the Town prepared a long term financial plan looking five years into the future. He reminded Council that this plan was drawn up so the Town would have a better handle as each new budget process is entered into to see if the Town is where it thought it would be and whether it looks as if it is there. He stated that the report presented this morning indicates the Town seems to be on target for where it thought it would at this point. He continued that the Town expected to trim the budget during its preparation in order not to have that less than 1% increase which was forecast in the long term financial plan. He stated that the budget that is to be proposed is expected not to include any tax rate increase.

Mayor Smith stated that with the undesignated fund balance so much over the minium policy, one would hope that the budget would be less or the millage rate could even be trimmed rather than increase it. Mayor Smith reported that a property value increase is certain.

Finance Director Skittone reported that the .23% was only a $71,000 overage off a 0% increase.

Mayor Smith asked that they take it off.

Town Manager Elwell agreed. He advised that the message they wanted to convey this morning was to remind Council where things stood with the long term financial plan with staff advising that they can do better than that.

Councilman Brooks asked, with regard to the fund balance, if the over 40% was formalized with a motion or did Council just agree? He said those monies could be used subject to the Council's discretion if it was over 40% which is substantially higher than the minium requested of 25%.

Town Manager Elwell stated the policy is 25% and that minium needs to be maintained. He continued that the funds that are available above and beyond that which have been referred to in recent years as excess fund balance is available but should only be used for one time needs. He continued that when you use the fund balance as a balancing tool in order to maintain a stable tax rate or reduce the tax rate, you're at risk of a financial downturn. He advised that generally this is not done but when you get to the point of 40% and above consideration could be given to it. He stated that the Town would give consideration to this during the summer. He responded to Mr. Brooks and said that there is no formal policy speaking to the excess above and beyond the 25%.

Councilman Brooks responded that then it was just a sense of the Council with regard to the over 40%. He said he knows that he spoke to it.

Town Manager Elwell advised that Mr. Brooks did speak to it. He continued that he did not recall a clear consensus of the Council on that matter. He said there were discussions but the clear direction from Council relates to the 25% threshold rather than the 40%.

Councilman Brooks stated that as the year progresses, the undesignated fund balance will grow. He advised that the Town will be under budget and those funds will transfer into the undesignated fund balance and the Town may be at 41% or 42% at that time.

Town Manager Elwell said yes and that those funds are available for one time needs. He stated that the policy question to address is whether Council wants to be beyond a certain threshold, perhaps the 40% threshold, returning that to the general operating fund.

Councilman Goldblum suggested that a threshold is set that Council is comfortable with and the balance should be used to reduce taxes, the millage rate to the Town's citizens.

President Wyett stated that could be done in July.

Councilman Goldblum agreed but just wanted to put it on the table so that Council considers doing that instead of putting it any other place.

President Wyett commented that a 2 1/2% increase of general inflation was a good figure before reading this morning's paper. He advised that it indicated the month of March showed the country experiencing a 6% inflation rate. He questioned whether it was a one time bump. He said no one knows but suggested that by July the modeling be reviewed. He advised that last year the inflation rate was officially 1.9% for the year 2003.

Finance Director Skittone stated that by July they will have actual figures to work with.

VI. PUBLIC COMMENTS AND QUESTIONS

Louis Pryor, 227 Brazilian Avenue, expressed his concerns that sooner or later the property values, having increased at much higher rates than the rate of inflation, will not be the basis for being able to continue to say that the Town or any other municipality has not increased or has kept the millage rates down. He suspected that the Town will have two or three years where the increase in property values will not be something that can be counted on. He asked if they were fairly certain that there was going to be an 8% increase from the property appraiser next year?

Finance Director Skittone replied affirmatively for next year.

Mr. Pryor said that the Council should consider, if the property values do not increase, the Town might have to adjust their budget.

VII. KEY RESULTS MEASUREMENT AND MANAGEMENT SYSTEM

A. PRESENTATION BY MR. RICHARD BOWERS

Town Manager Elwell stated that the Town Council authorized the hiring of Mr. Bowers as a consultant to assist the Town in creating a system that measures, more precisely and systematically, the performance of the Town's programs, departments and projects. He stated that this would assist in making informed determinations on how to change, as the Town moves into the future.

Mr. Elwell reported that Dick Bowers has been an asset to the Town in the development of this process and he is a first class person. He then thanked the Mayor and Town Council for supporting this endeavor.

Mr. Richard Bowers thanked the Council and stated that he has spent over thirty years in local government with the last ten as the city manager of Scottsdale, Arizona. He said that there are some parallel characteristics with Palm Beach in its relationship to the State of Arizona. He informed the Council that he teaches at the Anderson Graduate School at UCLA and at Arizona State University.

He explained that his teachings concentrate on innovation and creativity in local government with the application of that creativity through systems and structures with a basic admonition to not let the process triumph over the product.

Mr. Bowers stated that his presentation this morning would be short and may be perceived as rudimentary, but it will assist with the language evident in the budget process. He continued that the Town has work load indicators which simply mean how much work is done; the Town has output efficiency measures which are the cost per unit of the work being done; and the Town has some effectiveness measures which are outcome measures. He stated that these outcome measures are the most meaningful, at the full depth of evaluation of the work being done. He advised that it is very difficult to do this in government.

Mr. Bowers stated that, as Mr. Elwell mentioned, one of the most effective, effectiveness measures is the citizens survey, and he will recommend that the Town consider doing a survey.

Mr. Bowers advised that Key Result Measures are what he is going to discuss at length. He explained that they are the measures for vital goals, for key policy directed goals, for higher order goals from which all other things cascade in the Town's organization and how they are measured. He stated that feedback is received from those measures and how they relate to the system they represent so the Town can improve, adjust and change, etc. He continued that finally there is data and data is information without qualification. He continued that there is a place for data in the budget but advised it isn't measures but it's simply data.

Mr. Bowers said the reason local government has these systems is because government exists to serve the public will of the community. He stated that the public will of the community is expressed primarily through the ballot box when their representatives are elected. He said policy is formed that enables this service to the public will and gives the capacity of this organization to serve that well. He continued that Council adopts a budget to enable a policy which is a process here and right now and finally action is taken. He said the question is 'Does the work you do make a difference?', and that is always the bottom line question in local government. He questioned whether the work being done makes a difference, and he said that it does. He continued that the Town's current efforts to improve the systems of measuring, especially measuring overall performance, will provide the necessary information to answer that question. He said that the Town is an extraordinary place.

Mr. Bowers explained that public will equals a public vision which is a difficult issue because public will is expressed in so many different ways. He advised that they are the repository of much of that expression and what you do with it is to create some vision that unifies, energizes, compels and binds you together for a common purpose. He continued that he, in essence, will use the term public will, as the vision, as it is seen for the public.

Mr. Bowers explained that graphics help him think. He stated that there is the public and they have their ideas, their sense of things, their experiences in Palm Beach. He continued that through that experience they elect people who will help to maintain those characteristics which they find so dear and add the things they would like. He explained that the policy they form is the fundamental

enabling tool, and it is the direction they give for all the work that's done to serve that public, and the core of that is what is wanted for the immediate and long term future of Palm Beach. He continued that the highest order of work and the primary work that a Council does is to set policy.

Mr. Bowers explained that the detail is handled by the professionals who take your policy and turn it into, as they are trained to do, the day to day service that is provided to the community and to the public. He said this is where the effort is concentrated. He advised that the vision is found in the early stages of looking at key result measurements and key result theories which cascade through the organization from the Town Council.

He continued that the perspective of what this Town should be like through the organization, through the departments, the divisions, the work units, the individuals, is to let the people from the top to the front line know how they fit in, how important they are, and how they are doing their job. He advised that it all starts with the Council, and with the vision and focus of the community.

Mr. Bowers stated that there are several current core influences and from the documents the Town has provided him, he is trying to determine what they are and what the Town's vision is. He continued that Town-wide goals for 2004 have been set-up, a strategic plan has been adopted, annual budget priorities have been made and special projects planned. He stated that these are very important things that need to be done. He advised that they represent a component of your vision and there are historic norms, the way things have been done for a long time within those. He stated that he found that there is one central point that claims itself to be the vision. He continued that it was not formally adopted by the Council from what he understood but it is the question he wants to ask. He stated that the current vision from the Strategic Plan adopted in March of 2003 said that ten years from now, Palm Beach would remain true to the inspired legacy of its founders. He reported that it also stated envisioning a Mediterranean style mecca of stunning architecture and natural beauty, acclaimed shopping, restaurants and hotels, a cosmopolitan culture, involved citizenry committed to civic and philanthropic causes and excellence in town government. He said that it is a very strong vision.

Mr. Bowers asked if this was the Council's vision, and if it is the way the Council desires collectively as a body, for the future of Palm Beach? He continued that if it is, it then becomes the foundational point for the entire process of Key Results Measures. He said it is the starting point and it's the ending point, in some ways, because it is ultimately what it measures things against.

Mr. Bowers said that the Town has a banner slogan which also is very powerful, very clear and stated that since he now understands Palm Beach, it is a legacy worth keeping. He continued that Key Result Measures cascade into the organization so that the person on the front line feels they are contributing. He used an analogy of when John Kennedy, in 1961, said a man would be put on the moon by the turn of the decade, the person in Houston sweeping up the space center had some internal, intrinsic sense that he/she contributed to putting that man on the moon. He said that's the compelling nature of the leadership vision that you create and how Key Result Measures cascade into the organization. He stated that cascading is critical.

Mr. Bowers asked what are these Key Result Measures and what do they do? He answered that Key Result Measures fit into a system and do not stand in isolation. He said they are part of a cycle of connectivity where the Key Result Measures impact the departmental plans, impact departmental measures for their staff, impact work units and so on. He said that they fit into a system, and they become evident in a budget. He continued that early in the budget, they are used as a guiding element, and at the end of the budget, as an evaluative element. He stated that Key Result Measures need to be understood and useful. He advised not to measure thousands of things but measure the vital things. He stated that the public needs to be informed because there are multiple constituencies both external and internal, and the staff must be compelled to create excitement and energy.

Mr. Bowers stated that the greatest value is to see trend lines, how costs change, and how the work load changes. He said they enhance decision making and certainly enhance the budget process. He advised that they validate the vision and thoughtful measurement of key result theories in relationship to the vision gives a means to answer that question of how are we doing, are we getting it done. He said that he believes the answer is yes. He said there are so many values and among them, with measurements, one can start to look back to the multiple constituencies that provide input into this cycle that is in local government.

Mr. Bowers stated that the survey tests the measurements against the public. He advised that it is very difficult to measure effectiveness in the public setting because there aren't the benefits or the circumstances of a private company such as bottom line profit and sales. He said that an annual survey of some sort should be done prior to the beginning of the budget process and the Town should survey the public using the same questions each year using a credible survey company or individual who has standing in that field. He said the survey should ask the public how they perceive the services they are receiving and then the survey becomes a fundamental measurement of effectiveness. He continued that they can test what they do with the public in a variety of ways but that's clearly the most effective, the most consistent. He advised that a number of other questions which are more current can be added, but there are a core set of questions that remain the same year to year. He said you can ask in the survey if the public felt safe, felt secure and how other services impact them. He stated that it can be tested in the political arena and there are a number of places to measure it back

against.

Mr. Bowers stated that a basic premise is that when people understand their destination, they are more likely to contribute to the success of the journey. He used a graphic showing a palm tree, a man with a fishing pole and a body of water. He said that the body of water there is Tahiti and Tahiti represents the vision and the way it should be, the way Palm Beach should be five, ten fifteen years from now. He said that the boat represents a direction in which very competent, capable rowers are rowing, and they are rowing in whatever direction appears to them to be right at the moment. He continued that it may or may not be in the direction of Tahiti, but it may be in any direction that seems right at the time for them. He said that what is missing and what is extremely common in local government organizations is the absence of clarity, of what the long range intention is. He stated that the absence of clarity does not allow the people in the organization to make the decisions about direction that are clear and consistent with the policy intentions, and so consequently, people row in a variety of different directions. He said the reason this happens is because the people at the top haven't shared that with a high degree of clarity. He explained that when the vision is clear, the Key Result Measurements become clear, and there is a tendency toward self-organization. He advised that organizations begin and people begin to align in the direction of that vision or in other words, this alignment has the clarity of where the organization wants to go.

Mr. Bowers said the more aligned, the more focused, and the more measurement intensive the key result areas are, the more it becomes evident when something is out of sync. He said that when there is an aligned organization with most rowers going in the same direction but one rowing in the other direction, the answer to that becomes increasingly more clear using Key Result Measurements, and the answer is to have that person row in the right direction.

Mr. Bowers stated a certain dynamic tension is created. He advised that dynamic tension is the constant that goes on, and it is a sustained tension between the way it is now and the way it is intended. He said that creates a tension between what is and what is wanted. He added that if that tension is held, and there are reasonable measurements of progress, current reality moves in the direction of that vision, and that, in essence, is what dynamic tension is.

Mr. Bowers continued that Palm Beach is a high performing community and high performing communities throughout the country have a clear shared purpose. He stated that there is a sense of alignment when anybody is touched in the organization and a sense of energy when they see where the organization is going. He stated there is a sense of personal mastery when there is a clarity of that vision, a clarity of those key measures, and a sense of energy and power as a group is formed. He said they have structural integrity, the budget, the systems contribute to encouraging employees forward and finally they continually renew, renew, renew and improve. He stated that when a clear sense of where the community, as an organization, is going, those very, very difficult issues are discussed, because they are inconsistent with expectations.

Mr. Bowers said that the next step would be to draft Key Result Measures for each of the nine primary budget areas establishing and extending those to thirty nine subunits. He stated then each will have critical vital Key Result Measures that will be consistent with the vision. He continued that he would establish a budget format which would simply be a way to structure the budget so the information is presented in exactly the same way or in exactly the same place and is easily comparable. He said that he provides some assistance to a process which is already under way in that regard and enables the cascading through the organization. He advised that the organization then understands how to link those Key Result Measures from the top to the bottom. He identified nine primary budget areas with the budget containing sub-budget areas each of which should be evident as a policy maker when opening a document that they have Key Result Measures. He said that the budget document which becomes the centerpiece, in this discussion, and the centerpiece, as an operational guide, needs to have consistent information presented in a prescribed format. He continued that a linkage of the departmental budgets, of the Council's goal, and visage Key Result Measures focus on the most critical goals and objectives, measures for feedback and the capacity to inform the public about results as well as intentions.

Mr. Bowers suggested three global measures as a starting point to give a sense of the type of thing that the Town will look at to have represented throughout the organization. He said one of the global measures is the cost of service per citizen adjusted for inflation dealing with operational expenses. He continued that technology is leveraged to improve the cost per unit of service delivered which is an an excellent global measure but does not answer all the questions; however, it is a very strong key indicator.

Mr. Bowers stated that full time service equivalents per thousand residents is the second global measure. He stated that service equivalents are consultant supports that are hired such as himself and explained that the total number of human hours dedicated per thousand citizens can start to be seen and over time the trend line becomes very informative. He compared it to an organization studying the rate of sick leave and over time it starts to give significant indicators of things that may be beneath the surface and can be looked at.

Mr. Bowers stated that the third is the citizens satisfaction survey conducted by a reputable firm with an excellent to very good rating. He said that, in his experience, it has been one of the most vital indicators. He mentioned that there have been times when efficiency indicators suggest a job is being done very well, but the public perception is not the same.

Mr. Bowers mentioned that this process is long range and will evolve and not be consultant dependent. He stated that the Council and staff will continually refine and improve the process and the strengthening of measures will substantially enhance budget formation and priority setting, and there would be incremental improvement over time. He added that the approach to this will be simplicity, directness and usefulness.

Councilman Brooks said that much thought and debate had gone into the vision statement and was not something that just happened. He said that he recalled the Strategic Planning Board gave much thought and debate to the whole question of the vision statement, and he certainly signs off on that vision statement.

Councilman McDonald stated that he enjoyed Mr. Bowers example of the Ritz Carlton employee and the level of customer service the Town is able to provide its residents, day in and day out, has always been a priority to him. He asked Mr. Bowers if the Ritz Carlton was able to maintain that level of service throughout his stay, and if so how were they able to do that?

Mr. Bowers replied that the Ritz Carlton did and in extraordinary ways, and he became very aware of it, at that point, and started to study it and make it into a case study. He stated that it is clear that they hire people with positive attitudes and keep them engaged with a clear understanding that they make a difference. He continued that they must have a philosophy that if that person on the front line is making a difference, everyone else is, and the employees carry their personal mission statement in their back pockets. He said it is annually renewed and management exercises concentrated effort on an annual basis to bring in new employees and to remind old employees of its importance and to celebrate their achievements. He stated that, in his experience, the Ritz Carlton creates an unusual experience in a very competitive five star market.

Councilman McLendon stated that he enjoyed Mr. Bowers presentation ver much.

Councilman Goldblum stated that one thing he found out in private industry was to be very close to the online employee and let him know what is going on and that he is depended upon. He said it worked and and that's what's working at the Ritz Carlton. He continued that it works in private industry and he would assume in government as well.

Mr. Bowers stated that his experience as a city manager was that he was much more judged by the character and quality of his refuse collectors, or the water sewer technician then he was ever judged by his own character.

Councilman Goldblum said that is the case here as well because Palm Beach has the best service.

President Wyett told Mr. Bowers that his presentation was very informative and thought one of the messages that got through to him was that service is paramount, and also one of the important measurements was the global measurements. He said these are tools that can be used well.

Mayor Smith asked how many municipalities had Mr. Bowers performed this service for?

Mr. Bowers stated that in various forms, thirty give or take. He said that he honestly didn't count but some significant number in a variety of different forms and that his crucible was his own organization over the course of some significant years.

Mayor Smith continued that during the course of the presentation, he recommended the surveys and she assumed the municipalities did the surveys.

Mr. Bowers replied that was correct.

Mayor Smith said that what she has noticed when sending out surveys to the entire community, a 37% or 38% was a reasonable response.

Mr. Bowers replied that is accurate and suggested that the surveys not be mailed. He said surveys should not be self-selected surveys. He suggested telephone surveys be done by a reputable firm that does random calling through a prescribed system. He said that they should assure you a 96% accuracy. He reported that in Scottsdale with 220,000 residents, it took 606 successful calls. He advised that he thought it was imperative that it not be self selected surveys.

Councilman Brooks told Mr. Bowers that they will need his help because telephone surveys in the Town of Palm Beach traditionally have had an exceptionally difficult time to score some degree of validity. He said there are a lot of unlisted private numbers and it is difficult to come up with some degree of validity. He advised, from his television days, that Nielsen was totally unsuccessful in placing even one meter in the 33480 zip code which is the Town. He wondered if Mr. Bowers could help if the Town runs into problems on this. He asked if Mr. Bowers had this situation in other communities and asked for suggestions.

Mr. Bowers said there are survey companies that would have suggestions but an option is to contact people in ways other than by telephone, but do it in a measured way so it is known who is contacted and the sample is compiled in a thoughtful way. He mentioned door to door but said that would probably be just as tough.

Mayor Smith said she didn't think that is possible in Palm Beach.

Mr. Bowers agreed, but knows there are other options and the outcome is rich.

President Wyett asked if he ever used a referendum?

Mr. Bowers replied affirmatively. He said a referendum is that wave that moved from California through Arizona, and referendums have been initiated by the public more than by the policy body in general.

Mayor Smith said a lot of calls are received presently because of the election campaign and the phone rings all the time, and she thought the telephone survey would be a good start. She said that during the last election there were surveys and questioned if the response was one out of every five?

Mr. Bowers said that is about the rate he expected. He related that other communities such as Vail, Scottsdale, and Sparks, Nevada, put an ad in the paper notifying residents that calls will be going out and please be good enough to take that call.

Councilman Goldblum stated that there is a very good phone survey company here that he had used. He said he had good results; however, they are expensive, but they are good.

Mr. Bowers commented that in the first year surveys are more expensive than the second year, but once a relationship was established, communities were able to work out better arrangements.

President Wyett asked if any member of the public had any questions?

Al Flamm, 2000 South Ocean Boulevard, stated that much of what was heard today was very applicable to this Town and more straight forward than it would be for many other communities because the Town is a fully developed community. He said that one of the real variables is eliminated that causes consternation and that is namely the population. He continued that the Town is really measuring its own performance and its own satisfaction to a stable community. He said that makes it all the easier to apply to this type of environment. He stated that as far as a legacy, what was looked at was probably the fourth or fifth iteration, and he thought the community and the policy makers accepted it, and it's a valid goal to be aiming towards.

Mayor Smith advised that Mr. Flamm was one of the pillars of the Strategic Planning Board.

Councilman Goldblum stated that Palm Beach is a very fluid community meaning snow birds, and he didn't know if they should only be identifying the voting community for phone calls or if they should use the whole community. He related that he thought the two groups have two different ideas.

Mr. Bowers responded that is an issue and the good survey company that you know will be able to differentiate, but he suggested both groups be included. He stated that certainly in resort communities that have a high snow bird rate where those people have a significant impact on public service and a significant input especially if they own property, even if they don't vote, they should be included. He said that could be differentiated in the survey and would be interesting.

President Wyett thanked Mr. Bowers for his presentation.

B. STAFF IDENTIFICATION OF THE NEXT STEP

Town Manager Elwell said that moving forward means the staff will continue to work with Mr. Bowers in fashioning this system so it can be brought forward to the Mayor and Town Council when the proposed budget for 2005 is submitted which will be coming to the Mayor and Town Council the first week of July. He advised that, in the meantime, if additional issues need to be addressed, they will be presented at the upcoming Council meetings, but it was his expectation the key measures in that budget document will be presented as the budget is reviewed.

VII. ADJOURNMENT

Councilman Goldblum made a motion to adjourn the meeting. President Wyett adjourned the meeting at 10:30 a.m.

Allen S. Wyett, Town Council President

Mary A. Pollitt, Town Clerk