

Special Town Commission Meeting of the Town of Ocean Ridge held on Tuesday, July 25, 2006 at 8:30 AM in the Town Hall Meeting Chambers

The meeting was called to order by Mayor Kaleel and roll call was answered by the following:

Commissioner Allison  
Commissioner Bingham  
Mayor Kaleel  
Commissioner Hogan  
Commissioner Pugh

1. Consideration of the 2006/2007 proposed budget

Town Manager Mathis summarized the highlights of the proposed budget as shown on page vii. A proposal to add a Step G to the personnel salary table was included. A majority of the staff has been topped out for 10+ years. In comparison to other municipalities, the town's salaries were below average. We have many long term employees and this would reward them for their longevity. This step increase would only initially affect those topped out already and probably a Step H would be proposed for next year. The cost of living was 4.2%, and he was proposing a 4% increase. The cost for adding a Step G and a proposed 4% cost of living increase would total \$183,000. The Fire/EMS Contract with Boynton Beach went up 4.3%. The Public Safety capital outlay including equipment replacement and 2 police cruisers is \$61,936, also for Public Safety, an 800 MHz radio system for \$53,128, and police software for \$41,000. The police software was dropped from last year's proposed budget. Several breaks have been found in the storm drainage, and \$100,000 is budgeted for those repairs and maintenance. \$76,000 is budgeted for road paving. A proposal of increasing the flex time for personnel from \$600 to \$1200/yr is requested. Flex time can be used toward dependent health coverage, dental or personal time. The staff was recommending a fiscal year 2006/2007 millage rate of 5.000. Increasing the millage at 5.000 will generate an additional \$791,419 in Ad Valorem taxes.

There are two desired unfunded expenditures listed on page viii. The first is \$500,000 for the second segment capital funding of the Town Hall Construction. In 2002/03 the Commission appropriated \$300,000 into a fund for the construction costs of the Town Hall Renovation. The Town has applied for 3 grants totaling \$1.1 million, and a fund raising effort is proposed within the next two years. The second unfunded expenditure is \$1.2 million for the Coconut Lane drainage well construction & professional services. This project has not been budgeted as there is presently no funding available. If the \$750,000 FEMA Grant is approved or the loan is increased to include this project, then the project may be constructed. There has also been an interest in hiring a part-time assistant/consultant to assist the Manager or the Town during certain projects. This is not in the budget, but if the Commission desires to do so, it would add approximately \$50,000 to the budget and would give the Town additional staff when needed.

Mayor Kaleel suggested that the Proposed Budget be reviewed a section at a time.

Revenue

Comm Hogan questioned the 20% increase from Ad Valorem. Manager Mathis explained that if the millage rate was not increased by .25, the money would come out of Fund Balance or expenditures would have to be reduced to balance the budget.

Town Commission

There were no major changes to this department.

Town Manager

Manager Mathis explained that the purchase of a new vehicle for the Town Manager was budgeted for last year, but was not used. The Town Manager received a \$600 vehicle allowance instead. Interim Manager Schenck stated that he was willing to use the vehicle allowance in lieu of a new vehicle if decided. Clerk Hancsak noted that final negotiations had not been determined for the new Town Manager. Manager Mathis stated that selling of the old Town Manager's vehicle would offset the vehicle purchase cost.

## SPECIAL TOWN COMMISSION MEETING HELD TUESDAY JULY 25, 2006

### Town Clerk/Treasurer

Clerk Hancsak proposed an increase of \$5000 for the annual audit. The actual increase is unknown until the bids are received and the contract awarded to the new audit firm.

### Town Attorney

There were no changes to this department. Comm Hogan questioned the \$5000 printing cost to which was advised supplements to the code were charged to this account.

### Appointed Boards

There was no discussion for this department.

### General Government

Town Clerk Hancsak gave a summary of the department. Comm Hogan questioned the current interest rate for the Town Hall Loan. Manager Mathis stated 5.25% was the current rate for Wachovia, but further research could be done. Manager Mathis stated that he and Clerk Hancsak had prepared the budget with great care and thoroughness, and felt this was a solid budget and that everything was needed.

### Public Safety

Manager Mathis explained that he had met with the police department personnel and reviewed their list of requests. The request for an icemaker, clothes washer/dryer, he considered to be a reasonable and legitimate request. During a hurricane they are on staff 24/7, and not able to go home for a dry change of clothes. The machines would be installed in the garage.

Comm Hogan questioned \$53,128 for the 800 MHZ Radio System and \$41,000 for the Police CAD software. Chief Hillery explained that the 800 MHZ Radio System was a joint purchase with Palm Beach County and this was our one-time portion for the infrastructure. The equipment was already purchased, and this was a one-time charge, afterwards there would only be a yearly maintenance charge. This equipment would allow all municipalities to communicate with each other during emergencies. The Police Cad Software was separate for the Police Department and special to the Town's needs. It would be very hard to piggy-back this type of purchase with another municipality. Regarding salaries, Manager Mathis noted that each year our officers stayed, they gained another year experience. If their increase was not approved, we could start losing officers, as they could make more money in other towns. Comm Allison noted that Ocean Ridge's staff was underpaid compared to other municipalities, and would consider the proposed increases. Comm Bingham requested a total benefit package overview compared to other Town's. Interim Manager Schenck noted that he could look into it for next year. He had prepared surveys before, and the information that comes back is a mix of answers, making it hard to do a fair comparison.

Comm Hogan questioned the increase in the retirement contributions. Clerk Hancsak noted that the State of Florida mandates the contribution rate and that it had increased approximately 2%. A part time officer was leaving and would be replaced by a new full-time officer. She also stated that a portion of the insurance increase covered the additional full-time officer.

### Building & Zoning

Clerk Hancsak noted that the contract with Hy-Byrd, Inc was renewed, and their rates did not increase.

### Emergency Preparedness

This department remained the same with no changes. Manager Mathis noted that we were still waiting for some FEMA Reimbursements; \$161,000 had been received in fiscal year 2004/05 and \$33,000 more was expected which will cover the garage re-roof. A total of \$50,000 is budgeted for hurricane related expenses.

## SPECIAL TOWN COMMISSION MEETING HELD TUESDAY JULY 25, 2006

### Solid Waste

A 3% increase was budgeted for the Waste Management Services contract for sanitation.

### Environmental

Manager Mathis noted that the projects were finishing up, except Coconut. Mayor Kaleel noted that the engineer contract was only for \$70,000, but that the Town had increased its demand on them, and the increase was budgeted for, if needed. Comm Bingham asked if the landscaping was going up. Manager Mathis noted that their maintenance contract was staying the same, however landscape projects went up.

### Public Works

Manager Mathis explained that the major increase in this department was due to storm drain maintenance. The piping was over 50 years old, and original. Several leaks/breaks had been found, also the paving and electric for pumps had increased, along with the fuel needed for the pumps/generators.

### Capital Projects Fund

Manager Mathis noted that they had reapplied for the Lake Worth Lagoon. Comm Bingham noted that the Town Hall was a 2 year project, and all of it was on this year's budget. Manager Mathis explained that debt payment would only incur after the debt loan was incurred. If the revenues are received from the grants, approximately \$650,000 from the General Fund would be needed to supplement the New Town Hall Building and \$8000 in interest generated revenue is anticipated.

### Discussion

Mayor Kaleel suggested that new finance options be researched. Comm Bingham suggested have \$3million or a portion of it used as short-term CD's for a higher interest rate. Clerk Hancsak noted that most of the funds were in CD's or T-Bills currently. Mayor Kaleel noted that no arbitrage could be done, and that there were restrictions by the State who we could use for our banking.

Comm Hogan questioned the need for an assistant to the Town Manager. Mayor Kaleel disagreed, especially with large Town Projects. He also noted that as the resident demands increase on the staff, we have to be prepared for the need of additional help. Manager Mathis commented that he would have given anything to have a part-time assistant at the beginning of the Drainage Project. Interim Manager Schenck noted that he did not feel the need for an assistant at this time. Comm Hogan suggested that with any new projects, the cost of an assistant be built into the cost of the project. Comm Bingham noted that it might have even saved money with prior projects if someone had been designated to bull-dog them.

Comm Hogan suggested that the millage be reduced, and the spending be slowed down. Comm Bingham suggested not to cut the budget, but to utilize more of the reserve. Comm Hogan also wanted to approve the budget, but suggested to slow down the spending after this. Mayor Kaleel stated his concern of reducing the reserve. The Town had limited resources, larger towns can lower their millage. They have other resources such as commercial business and water utility plants. Currently, property values are up, but if they went down, the reserve may be needed for unplanned occurrences. Clerk Hancsak mentioned that this commission was pro-active. Prior commissions only did band-aid repairs, and made no plans for maintenance.

Mayor Kaleel gave a high recommendation to Clerk Hancsak, Manager Mathis, Chief Hillery and staff for doing a great job preparing this years' budget. He trusted the budget and did not want any items cut out. He also noted that the staff had shown that you don't have to spend all that is budgeted, citing usually year-end reserve increases. He noted that if the budget was not approved, then when residents demands come in, we may be unable to react. Manager Mathis stated that Manalapan has a staff of 32 with a much smaller town population, while Ocean Ridge has staff of 27 who do the job day in/day out. Comm Allison thanked Manager Mathis for being available last week to review the budget with them individually and answer any questions if needed and felt it helped tremendously.

SPECIAL TOWN COMMISSION MEETING HELD TUESDAY JULY 25, 2006

2. Certification of rolled back rate for millage for 2006/2007

Comm Pugh moved that the rolled back rate be certified at \$4.0520 per \$1,000 and that the Certification of Taxable Value form be executed to reflect this for submission to the Property Appraiser and Tax Collector of Palm Beach County, seconded by Comm Hogan.

Motion carried - yea 5.

3. Proposed Millage Rate for 2006/2007

Comm Bingham moved that the proposed millage rate for 2006-2007 be established at 5.0000 mills and that this be included on the Certification of Taxable Value form that is forwarded to the Property Appraiser and Tax Collector of Palm Beach County, seconded by Comm Allison.

Motion carried - yea 5.

4. First Public Hearing to consider the budget for fiscal year 2006/2007

Comm Allison moved that the First Public Hearing to consider the budget for the fiscal year 2006-2007 be held at 5:01 PM on Monday, September 11<sup>th</sup>, 2006, with the regular meeting immediately following, and that this date be included on the Certification of Taxable Value form that is forwarded to the Palm Beach County Property Appraiser and Tax Collector, seconded by Comm Hogan.

Motion carried – yea 5.

5. Second Public Hearing to consider the tentative budget for the 2006/2006 fiscal year.

Comm Hogan moved that the second public hearing to consider the tentative budget for the 2006-2007 fiscal year be held at 5:01 PM on Monday September 18<sup>th</sup>, 2006, seconded by Comm Allison.

Interim Manager Schenck thanked the commission for keeping Manager Mathis on staff part-time, and for his hard work in preparing the budget. Mayor Kaleel said farewell to Manager Mathis as this was his last day, and stated that he was instrumental in preparing the budget, and would like to count on him for any future help if needed. Manager Mathis stated that he appreciated all the staff and thanked the commission for the opportunity to serve, and would be available if needed.

Interim Manager Schenck reminded the commission that the approval to proceed with the preparations for the New Town Hall was based on the decision of this budget. The consensus was to proceed with preparation for a new Town hall, such as the vegetation removal for a temporary road, and ordering the two portables for temporary housing.

Adjourn

Meeting adjourned at 9:55 AM

Attest By:

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Town Clerk

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Mayor Kaleel

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Commissioner Allison

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Commissioner Bingham

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Commissioner Pugh

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Commissioner Hogan