

Special Town Commission Meeting of the Town of Ocean Ridge held on Wednesday, July 27, 2010 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 Pugh  
Commissioner Brown

1. CONSIDERATION OF THE 2010-2011 PROPOSED BUDGET

Town Manager Schenck commented that both he and staff had met with some of the Commissioners individually to review the budget. He commented that the FY 2010/11 budget was prepared with the 5.4000 proposed millage rate although the roll back rate is 5.800. He commented that \$97,010 of the reserves was used to balance the budget. He stated that his summary letter highlights the major expenditures and Capital Project items He stated that there were funds available in this year's budget for a vehicle and trash pump proposed for the FY 2010/11 Budget, thereby reduce next year's budget by \$28,100. He also stated that the budget was proposed without any COLA increase, and no step increases. Nine months of no-seeum spraying is included in the budget, and he would be going out to bid. In regards to the Fire Contract, he was going to attempt to have the 4% CPI revised. The Law Enforcement Department was budgeted for 12 hour shifts of 1 sergeant and 2 officers per shift and should result in a reduction of overtime from \$120,000 to \$100,000. The Law Enforcement Department was also asking to fill the Lieutenant position with Officer Hal Hutchins at an overall increase of \$6000. Manager Schenck also stated that he was pleased with receiving the Briny Breezes Police Contract in the amount of \$185,000. He reminded the Commission that the millage they set today can only be lowered so they may want to consider proposing a higher rate if needed which can be lowered at adoption.

Mayor Kaleel asked if road paving was still being rotated and included in this budget. Manager Schenck stated that it is not .

Revenues

Town Clerk Hancsak briefly summarized the revenues, and stated that there is a loss of ad valorem revenue from last year as the proposed Gross Taxable Value has decreased \$156,000,000 +/- in the last two years. She discussed the major highlights in more detail and reminded the Commission that the \$3,572,483 ad valorem revenue reflects 97% of the anticipated revenue based on a millage rate of 5.4000 and that the State provides estimates for the various State revenues, which actually reflect reductions from the current year.

Town Commission

Other than the slight increase in Florida State Retirement rates, there were no changes.

Town Manager

It was pointed out that the Travel and Per Diem account, along with the Subscription and Membership account had both been reduced. The Health Insurance increased slightly and included 100% of the premium and the 3 months remainder of the approved 2010 calendar year deductible.

Town Clerk

This department's main increase was due to the increase in the Florida Retirement System and also covering 100% of the premium for Health Insurance and 3 months of the remaining 2010 calendar deductible. The Accounting and Auditing account also increased to include a new annual audit required for GASB 45 that is done from another independent auditing firm. The Repair and Maintenance account increased slightly to add software maintenance for the new accounts receivable (utility billing) program.

Mayor Kaleel asked to defer the discussion of the employee's health insurance and flex time and possible policy decision to the end of the meeting.

Town Attorney

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This department remains the same in the Professional Services account keeping the monthly retainer invoice the same based on the prior year's actual service. The \$195 per hour blended rate is an increase from the last year's \$190 per hour.

### Appointed Boards

This department basically stayed the same, except the insurance account was reduced slightly.

### General Government

This activity reflects an increase primarily due to an increase in the Repair and Maintenance account to fund any Town Hall building repairs such as air conditioners, sound equipment and also a required annual fire inspection by our fire alarm company. The insurance for the new Town Hall was reduced. The Utility Services account decreased based on current billing. Capital Outlay includes \$4000 for a new Air Conditioning Unit if necessary, \$1100 to purchase a computer and \$200 for a color scanner for the Town Hall. The Capital Outlay for Buildings account reflect \$50,000 to be used for lighting and appliance energy improvements to the Town Hall from revenues shown in the PBC Energy Efficient Grant Monies.

Comm. Allison asked for clarification of the Art Show Related Expenses and Election Related Expense accounts. Clerk Hancsak stated that this was to cover any costs related to the art exhibits and there was also a new account in Revenues, "Art Proceeds" account to offset any expenses. It was at the request of the Commission that the Election expenses be separated from the Other Current Charges account.

Manager Schenck stated that he had received quotes for maintenance of our air conditioning systems, and was going to change to Service America. The new contract would include plumbing also.

### Public Safety

Town Clerk Hancsak summarized the title page by stating that an increase incurred to equip three police vehicles in the Repair and Maintenance account. There was also a 4% increase to the Fire/ALS Service contract with the City of Boynton Beach (\$836,826). She added that the salaries decreased due to the changes in personnel. The Capital Outlay expenditures increased significantly. This year's expenditures include replacing one squad car, replacing the Ford Escape with a new Hybrid Ford Escape reimbursed from a State Energy Grant, and one computer.

Mayor Kaleel asked if a cheaper squad car could be purchased other than the Crown Victoria as he thought they were being phased out. Chief Yannuzzi stated that if any different vehicle was purchased then there would be a need to purchase new cages and lights, as they could not use the existing. He was also looking into the possibility of leasing a car in lieu of purchasing a new car to keep costs down.

Comm. Bingham questioned budgeting fuel at \$4/gallon and suggested \$3.50/gallon. Mayor Kaleel stated that he felt comfortable with keeping it at \$4/gallon. Comm. Pugh asked if they had looked into other modes of transportation in lieu of cars, such as ATV, boats, bikes if we had the right amount of police personnel. Chief Yannuzzi advised he was looking into patrol with the Marine Unit and other modes of patrol.

Chief Yannuzzi stated the benefits of the new 12 hour schedule and that more agencies were going to a 12hr shift. He stated there were currently 3 ways to accumulate time off: Vacation; Comp Time in lieu of Holiday pay and the Cafeteria Plan. The current Vacation Plan is 2wk for those employees 1-5 years; 3wk for 6-10 years; and over 10 years you receive a 4wk vacation. You could also receive Comp. Time in lieu of Holiday pay (11 Holidays = 88 hrs). The Cafeteria Plan is \$100/month which could be used for dental/dependent coverage or flex time. At the end of the year you can only carry over 80 hr total of Vacation and/or Comp. time. You are also allowed a payout of 40hrs Vacation time once per year. Chief Yannuzzi suggested limiting the accumulated Comp Time by having the officers be paid for Holiday. Mayor Kaleel stated his concern of the many benefits allowed in the public sector versus the private sector and the costs. He was in favor of not allowing the Vacation Pay Out.

Comm. Brown stated that in terms of fairness & morale, he asked to revisit the rate for the police officers. He asked that they keep the rates the same with the 12hour schedule and make up the monies by deleting the Cafeteria Plan and using those funds to offset the additional hours worked.

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Comm. Pugh stated that he felt the 12hour scheduled diluted the hourly rate and created time off and reduced the budget instead of personnel. He felt it was fair and equitable to the Town.

Comm. Bingham asked the cost of total benefits in addition to salary for the employees. It was explained that a \$75,000 position could possibly have \$50,000 in benefits.

Comm. Allison asked what the track record was in the other municipalities that use the 12 hour shift. Chief Yannuzzi stated that the other municipalities that switched to the 12 hour shift did it during a flush economy and did not lower the hourly rate. He stated that in the last 2 years Ocean Ridge was going through hard financial time with a 23% reduction of town value. The other towns paid for the 104 hours, but with budget restraints, we are not able to. He anticipated a savings utilizing the 12 hour shifts and reduced the overtime account by \$20,000. Comm. Brown stated his concern for any anticipated problems or dangers in morale with the officers. Chief Yannuzzi stated that he did anticipate problems, but hoped they would see the benefit of the 12 hour shift and the time off.

Chief Yannuzzi stated that using the State Grant the Ford Escape would be replaced with a new Hybrid Ford Escape and be used as the chief's vehicle. His old vehicle will be placed back in the fleet to replace an older squad car with 70,000 miles. The old squad car would then be stripped of its cage, lights and markings and be used as an administration vehicle for conferences or classes.

Manager Schenck recommended promoting Officer Hal Hutchins to the Lieutenant position at an exempt salary status at an approximate overall increase of \$6000 to the FY 2010/11 Budget. Chief Yannuzzi stated that Hal Hutchins had been his investigator with officer ranking, and stated his need for a second in command and felt he was qualified. The Lieutenant position and the investigator position could be combined. From a morale point it may not go over well with the sergeants; they had not been informed and some may feel they have seniority or are entitled to the position. He can appoint without having to post the position or have lieutenant testing. He felt that Hal is the best choice for Ocean Ridge.

### Building & Zoning

There were no changes to this department at this time.

### Emergency Preparedness and Sanitation

This account has been zeroed out, however if a major storm occurs monies will need to be transferred from the Fund Balance.

### Solid Waste

This activity reflects an overall 3.3% increase which includes a 2% CPI increase and also a 1.3% fuel adjustment that is part of the contract with Republic Services.

### Environmental

This department increased due to the NoSeeum Spraying at a cost of \$36,000. The Other Contractual Services account decreased \$10,000 for landscaping maintenance and projects. The Town Engineering and the Repair and Maintenance Accounts decreased \$4000 and \$5000 respectively.

Comm. Brown asked that the no-seeum pricing be more realistic. He felt that the final cost of the spraying will be higher than \$36,000 with the additional areas being sprayed. Comm. Allison stated that she had received positive feed-back from residents from current sprayings. Manager Schenck advised it was built into the budgeted costs.

Comm. Bingham stated that she liked our current landscaper; the previous 2 contractors had killed the plantings on Ocean Avenue. She had done some personal research, and felt that our current contractor was giving us a fair price, and she did not feel it necessary to go out to bid. It was discussed and a consensus was made to go out to bid for landscape maintenance.

### Public Works

The major changes in this department included reducing one position from full-time to part-time (25 hours per week) and the

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related personnel costs. Funds for the storm drain maintenance were reduced to \$20,000 in the Road and Material account. Capital Outlay purchases include heavy equipment rental (\$2000), 1 red valve (\$2500), Trash Pump (\$2100) and replacing the smaller pickup truck with a Hybrid pickup truck to be funded from the State Energy Grant monies. Manager Schenck reminded the Commission that he was proposing to purchase the pump from the current year budget.

Comm. Bingham again stated her concern that the \$4/gal fuel cost was high. It was discussed that the cost for diesel fuel of the generators was also included and should remain in the budget.

### Capital Projects

The revenues provide for \$120,000 in a proposed grant for the drainage improvements to Coconut Lane and \$3000 in interest generated revenue. The proposed projects include approximately \$50,000 remaining for the Island Dr Bridge replacement, \$450,000 for the Coconut Lane Drainage Improvements, \$50,000 for professional services related to Coconut Lane, \$80,000 to add a new drainage line to connect the catch basin at the end of Douglas/Oceanview Drive to a catch basin farther west for discharge into the Tropical system, \$80,000 to replace several valley gutters on Spanish River Drive, and \$20,000 in professional services for the 2 projects. Clerk Hancsak advised that monies other than the Grant have already been approved, and transferred into the Capital Projects Fund.

Manager Schenck stated that Coconut Lane continually floods and that it has to be monitored and the plug pulled each time it rains.

### Back to Discussion of the General Fund

Manager Schenck stated that 100% of the health insurance premium was included in the budget while the deductible would be fully funded by the employee. He suggested deleting the Cafeteria Plan of \$1200 per employee (or \$31,000) and put it in the insurance account towards the \$2500 deductible. The balance of the deductible would be paid by the employee. Not all employees opt for the health insurance, and would lose this benefit.

Comm. Brown moved to authorize that the Cafeteria Plan be eliminated and transfer those funds toward the health insurance deductible of \$1200 per employee, and then to look at options more closely next year. Seconded by Comm. Allison.

Motion Carried – yea (5).

Comm. Brown motioned to approve the payment of a vehicle (\$22,000) and the trash pump (\$2100) out of this year's budget. Seconded by Comm. Bingham.

Motion Carried – yea (5)

Comm. Pugh requested to address the additional 44 hours paid to the police officers for Holiday Pay. Comm. Brown stated that this was only a benefit to the police officers who are expected to work Holidays, and felt it was fair. Chief Yannuzzi explained and recommended paying the 44 hours for morale.

Mayor Kaleel thanked the staff for the thorough explanation of the budget and suggested reviewing the budget for any further revisions.

At this point Town Clerk Hancsak summarized all of the changes totaling approximately \$22,000 in reductions to the budget.

### Certification of Rolled Back Rate for Millage for 2010/11

Comm Brown moved that the rolled back be certified at \$5.8000 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. Comm Pugh seconded the motion.

Motion carried – Yea (5).

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Proposed Millage Rate for 2010/11

Comm Brown moved that the proposed millage rate for 2010/11 be established at \$5.4000 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. Comm Allison seconded the motion.

Motion carried – Yea (5)

First Public Hearing to consider the budget for fiscal year 2010/2011

Comm. Brown moved that the First Public Hearing to consider the budget for the fiscal year 2010-2011 be held at **5:01** PM on **Wednesday**, September **8<sup>th</sup>, 2010**, 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. Pugh.

Motion carried – yea (5).

Second Public Hearing to consider the tentative budget for the 2010/2011 fiscal year

Comm Brown moved that the second public hearing to consider the tentative budget for the 2010-2011 fiscal year be held at **5:01** PM on **Wednesday** September **22nd, 2010**, seconded by Comm. Pugh.

Motion carried – yea (5).

Public Comment

There was no public comment.

Meeting adjourned at 10:30am.

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 Brown