

Special Town Commission Meeting of the Town of Ocean Ridge held on Wednesday, July 20, 2011 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 Brookes

Commissioner Hennigan  
Commissioner Pugh

Mayor Kaleel

1. CONSIDERATION OF THE 2010-2011 PROPOSED BUDGET

Town Manager Schenck suggested reviewing his memorandum in the budget concerning the possible purchase of several capital items from this current budget year (FY 2010/11). He stated that the Police Dept. was requesting an Advanced Authentication System that FDLE requires (\$4,240), two security cameras for two areas that aren't covered by the current system (\$1,742), and an upgraded security system hard drive (\$880) that can be purchased from the remaining capital outlay funds in the police budget. He was also suggesting purchasing a new police vehicle (\$28,000) from an anticipated surplus in the FRS contributions and overtime funds. The final item was a Computer Aided Dispatch (CAD) system from USA Software at a cost of \$100,386.22. Manager Schenck stated that the justification for the system was attached and the funding would come from three (3) sources. The Ocean Ridge Support Group approved funding \$20,000, the \$9,000 Naar/Kelly could be utilized and the remaining \$72,000 +/- could be funded from remaining funds in the Capital Projects Fund that was not utilized for the Island Drive Bridge or the Inlet Cay/Douglas Dr. drainage improvements.

Comm Brookes questioned whether the CAD system would still be needed if the Town did consolidate dispatch services with Manalapan. Chief Yannuzzi advised that even if this occurred records management would still remain separate and added that the price was lowered because of the company's affiliation with Manalapan. Comm Hennigan commented that she understood the need for the system but questioned the annual \$12,000 maintenance costs. Chief Yannuzzi advised that the \$12,000 also included upgrades and the police department has researched other vendors over the last several years.

There was a consensus by the Commission to approve all of the requested items at the August 1, 2011 Regular Meeting.

Town Manager Schenck commented that the FY 2011/12 budget was prepared with 5.1500 proposed millage rate, although the roll back rate is 5.1351 and would take approximately \$10,000 additional reserve monies to balance the budget as proposed with the rolled back rate. He commented that \$324,368 of the reserves was used to balance the budget. He mentioned that the Town has lost more than \$740,000 in revenue because of the \$150,000,000 drop in property values over the last few years. Town Clerk Hancsak pointed out a typographical error on Page ii (the 2<sup>nd</sup> 2009-2010 should actually read 2011-2012). He stated that his summary letter highlights the major expenditures and Capital Project items. He stated that the drainage loan (\$468,000), the Town Hall loan (\$311,175), and the Fire/EMS contract (\$870,301) with a 4% increase comprise 31% of the budget. He stated that the budget was proposed with a 3% COLA increase (approximately \$60,200), and no step increases. He mentioned that the 3% helps offset the 3% reduction in salary instituted by the FRS. A year of no-seeum spraying and landscaping at the same cost as this year is included in the budget. He mentioned that the Capital Projects Fund still has the funding for the Coconut Lane drainage improvements with an approved grant of \$119,415 to help offset these costs. The Law Enforcement Department has already changed to 12 hour shifts which has reduced overtime costs. An Investigator position is proposed (approximately \$82,000) in order to alleviate the Lieutenant from performing both administrative and investigative duties. He reminded the Commission that there was a closed meeting for PBA negotiations scheduled immediately following this meeting. Manager Schenck also stated that the Briny Breezes Police Contract in the amount of \$185,000 was continuing. He reminded the Commission that the millage they set today can remain or only be lowered so they may want to consider proposing a higher rate than needed which can be lowered at adoption.

Comm Brookes commented that the 3% COLA should not be tied together with the FRS 3% contribution. The other Commissioners agreed. Manager Schenck stated that 3% was proposed because there has been no COLA since 2008/09 and the step increases were frozen last year.

At this point Town Clerk Hancsak would summarize each department and answer questions.

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### Revenues

Town Clerk Hancsak briefly summarized the revenues, and stated that there is a \$74,440 loss of ad valorem revenue from last year even though the Gross Taxable Value increased \$1,968,356 because of the rolled back rate of 5.1351. She discussed the major highlights in more detail and reminded the Commission that the \$3,398,808 ad valorem revenue reflects 97% of the anticipated revenue based on a millage rate of 5.1500 and that the State provides estimates for the various State revenues. She mentioned the anticipated \$43,000 remaining in the PBC Energy Efficient Grant Monies to offset the updating or retrofitting of the lighting at Town Hall and Ocean Ave.

Town Clerk Hancsak added that the Garbage/Trash revenue in the amount of \$288,000 reflects charging the residents a Single Family Rate of \$222.00 and a Multi-Family Rate of \$155.40 and the remainder is administrative fees. The Commission approved the rates as provided. She concluded the revenues by stating that \$4,937,708 was generated revenue and the remaining \$324,368 was coming from reserves to balance the budget.

### Town Commission

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

### Town Manager

It was pointed out that each personnel department reflected a 3% COLA, 100% of the health insurance premium, the remaining 3 months of the 2011 deductible and \$1,200 of the 2012 \$2,500 deductible. The Commission concurred to discuss these items as a whole following the budget presentation. Town Clerk Hancsak reminded the Commission that the only position that can opt out of the FRS is the Town Manager and the contributions that would have been made are made to the ICMA account instead. She added that this department decreased because of the reduction in FRS contributions but reminded the Commission that the rates will increase next year for all departments.

### Town Clerk

This department's main decrease was due to the decrease in the FRS contributions. The 3% COLA, 100% of the health insurance premium, the remaining 3 months of the 2011 deductible and \$1,200 of the 2012 \$2,500 deductible is included. The Accounting and Auditing account also increased to include a new annual audit required for GASB 45 that is completed by another independent auditing firm.

### Town Attorney

This department increased slightly to reflect additional anticipated costs in the Special Counsel Account for PBA discussions. The \$195 per hour blended rate remains the same and the Professional Services account was decreased slightly based on the average monthly retainer invoices on the prior year's actual service.

### Appointed Boards

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

### General Government

This activity reflects a decrease primarily due to a 2<sup>nd</sup> year guaranteed rate for the insurance coverage after changing companies. The Repair and Maintenance account reflects a slight increase 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 Other Current Charges increased by \$3,000 to provide for funding for donation/promotional events. Subscriptions and Memberships also increased \$4,000 to fund monies due to the PBC Inspector General. Capital Outlay includes \$5000 for a new Air Conditioning Unit/s if necessary, \$1100 to purchase a computer and \$400 for a color scanner for the Town Hall. The Capital Outlay for Buildings account reflect \$43,000 to be used for lighting and appliance energy improvements to the Town Hall from revenues shown in the PBC Energy Efficient Grant Monies.

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### Public Safety

Town Clerk Hancsak summarized the title page by stating that a decrease has occurred mainly due to the FRS contribution rates. An additional Investigator position has been added at an approximate cost of \$82,000. The 3% COLA, 100% of the health insurance premium, the remaining 3 months of the 2011 deductible and \$1,200 of the 2012 \$2,500 deductible is included. The Operating Supplies – Gas and Oil account increased anticipating an increase of up to \$5.00 per gallon. There was also a 4% increase to the Fire/ALS Service contract with the City of Boynton Beach (\$870,301). The Capital Outlay expenditures include \$3,000 for three computers.

Comm Brookes questioned if any renegotiation discussions have or will take place regarding the 4% annual increase. Manager Schenck commented that he has spoken to representatives in Boynton Beach who have not expressed an interest in renegotiating the contract. He added that he has researched the possibility of AMR providing just EMS services and the cost is around \$500,000. Mayor Kaleel stated that he and some of the other coastal community leaders may be in favor of looking at other alternatives; therefore discussing a longer contract period would not be prudent at this time. Mayor Kaleel did express his concern over recent articles regarding reduction in personnel and possible service at one of the Boynton Sub-Stations and asked staff to research any possible changes that may affect the Town. Manager Schenck stated that he also checked with a nationwide fire company who advised that they were not interested in any discussions at this time.

The Commission questioned whether the Investigator position was absolutely necessary at this time. Chief Yannuzzi stated that last year he thought both the administrative and investigative duties could be handled by one individual, however, he feels now it cannot be done. Comm Hennigan commented that this was a bad time to request additional staff and suggested the possibility of restructuring with the pending sergeant retiring. Chief Yannuzzi commented that he needed 12 people to cover the road, which consists of 1 sergeant and 2 patrolmen and with vacation/sick time taken some shifts do not have 3 on the road at all times. He added that his department is working on accreditation which is a full-time position in other departments. He stated that most of the policy/procedures are from 1991/1993 and many still refer to fire department duties.

Comm Brookes questioned how the town would suffer without becoming accredited to which he was advised that it was not just a matter of the accreditation but follow up investigations have suffered. Comm Allison stated that not following up on investigations is not right but she also understood these tough economic times. Chief Yannuzzi advised the Commission that investigations are very time consuming and the lieutenant's position primarily should consist of supervisory, 2<sup>nd</sup> in command, and heading up the accreditation program. He stated that the policies/procedures needed to be updated regardless of becoming accredited and while doing so it makes sense to complete it to their standards. Chief Yannuzzi was asked if being accredited would help the Town, such as saving the Town on insurance rates, etc. to which he stated that from a liability standpoint the policies needed to be updated. Mayor Kaleel asked if this process could be outsourced. Chief Yannuzzi stated that he was unsure. However, there is an accreditation agency to assist the various departments with the process.

Mayor Kaleel questioned if the Chief could consider a one year probationary period to determine if the need truly exists to which Chief Yannuzzi advised that the force could be reduced through attrition from anticipated retirements. Comm Hennigan reiterated her concern regarding the economic times and instead suggested continually monitoring the situation. The consensus was to continue on with the presentation.

Chief Yannuzzi also announced that the advertisement to replace Sgt. Tinfina would appear in the PB Post for the next two Sundays and depending on the applications received there may be a 2<sup>nd</sup> candidate if the investigator position is ultimately approved. He added that they also included the dispatch position in the ad since they had only received two responses.

### Building & Zoning

This department increased \$4,000 to cover anticipated increased inspections related to new home construction or building permits. This department is offset by the building permit revenue.

### Emergency Preparedness

This account was zeroed out last year, however, \$5,000 has been placed back in to cover any storm related expenses or heavy roadway debris removal.

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### Solid Waste

This activity reflects an overall 8.22% increase in the Republic Services contract. The CPI and fuel adjustment fees are included in this increase. The costs are offset with the revenues received.

### Environmental

This department increased due to the NoSeeum Spraying at a cost of approximately \$40,000. The Town Engineering and landscaping costs remain the same.

Comm Pugh questioned the breakdown for the Town Engineering services for the prior year as was provided for the current year.

### Public Works

The major changes in this department included increasing one position from part-time (25 hours per week) to full-time and the related personnel costs. The 3% COLA, 100% of the health insurance premium, the remaining 3 months of the 2011 deductible and \$1,200 of the 2012 \$2,500 deductible is included. Funds for the storm drain maintenance were reduced to \$20,000 in the Road and Material account. The Operating Supplies for Gas and Oil is based on an estimated \$5.00 per gallon for fuel. Capital Outlay purchases include heavy equipment rental (\$2000).

Mayor Kaleel questioned the justification and need for a full-time position. Manager Schenck advised that the current employee has demonstrated himself to be a definite asset through his knowledge of plumbing and electricity, thereby saving the Town from hiring a contractor on several occasions. Comm Pugh asked for a cost savings analysis and further justification for the full-time position. Comm Hennigan suggested possibly increasing the hours if necessary but not to a full-time status.

### Capital Projects

The revenues provide for a \$120,000 grant for the drainage improvements to Coconut Lane and \$3000 in interest generated revenue. The proposed projects include approximately \$400,000 for the Coconut Lane Drainage Improvements, \$50,000 for the Inlet Cay/Sabal Island Drive Bridge Repairs, \$40,000 for professional services related to Coconut Lane, and \$10,000 each for miscellaneous drainage professional service and repairs. Town Clerk Hancsak also advised that the \$100,000 for the USA Software discussed earlier is already reflected as an expenditure for the current year.

### Back to Discussion of the General Fund

Mayor Kaleel complimented the staff on the proposed budget. He commented that he did not feel the Town should lower the millage lower than the rolled back rate because it could have a greater impact in the future.

Comm Brookes questioned the possibility of increasing the revenue by possibly increasing the annual alarm monitoring fees, citing that a \$100 increase would increase the revenue by \$30,000. Mayor Kaleel stated that increasing those user fees was still a tax increase. Clerk Hancsak also mentioned that increasing the fee could also possibly cause some property owners to drop the Town monitoring because several of the alarm companies also charge for monitoring.

Mayor Kaleel questioned the rationale for the 3% COLA to which Manager Schenck advised that he tied it back to the 3% employee contribution for FRS and that the employees have not received a COLA since 2008/09. He also stated that Gulfstream was proposing 2.5% and Manalapan was proposing 2%.

Comm Hennigan stated that she did not feel this was the time to give pay increases. She also felt there should be a strategic plan for items such as paving. Staff advised that the Town has previously budgeted for paving the entire Town every ten years and the majority of the Town has been paved over a 3 year period but there are several streets that still have not been done. Clerk Hancsak added that once the grant money reimbursement is received for the Coconut Lane project those monies could be earmarked towards paving.

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Comm Brookes stated that he felt the reserve amount to balance the budget needed to be lower and agreed that salary increases should not be incurred by the taxpayers at this time. Comm Pugh commented that he felt the budget could be trimmed down by at least \$150,000 and possibly up to \$300,000. Comm Brookes agreed and stated that he felt the salary/benefits were way above the private sector. Comm Hennigan agreed with both Comm Pugh and Brookes and also suggested that since the medical costs have increased 40% over a 4 year period (while property values declined 20%) that the employee should pay a portion of the premium and the Town not fund the \$1,200 towards the deductible (approximate \$28,000 savings). She added that she has checked with other agencies and they do not fund any of the deductible. Mayor Kaleel stated that while he agreed with some of the comments he did have a hard time tying property values to what an employee is paid and does for the Town. He also stated that if an employee is truly due an increase then one should be given since there has not been any COLA since 2008/09 but added he was unsure whether the employees are underpaid. He also commented that a 2% COLA, rather than a 3%, would reduce the budget by approximately \$20,000 and added that he leaned towards some sort of increase. Manager Schenck stated that he felt most of the salaries were in the middle of the spectrum; however the Chief and Lt. are low. Comm Pugh stated that that should have been presented and shown in a survey.

Bernd Schulte, 5 Osprey Court, commented that public safety comprises 70% of the budget after debt and the remainder of the items is more nickel and dime. Mayor Kaleel agreed that different municipalities incur different cost factors. He stated that Gulfstream's millage was 3%. Clerk Hancsak mentioned that Gulfstream and Manalapan also have commercial which increases revenue. Mayor Kaleel stated that may be something the Town may wish to discuss in the future; however, their predecessors wanted a strictly residential community.

Chief Yannuzzi stated that he represents 19 of the current employees and felt that the Town does offer its residents a higher quality of service. He added that some of the employees have tenure and with that time comes higher salaries. He stated that the 3% FRS contribution is a loss in take home pay and from their income source in addition to their other real bills. He stated that there has been a loss of 180 law enforcement positions alone in Palm Beach County and asked for consideration to the proposed budget.

Mayor Kaleel stated that if necessary he would rather do a tax increase than get hit harder down the road as some of the prior Town Commissioners had realized in past years. He also stated that he felt the Town could not take \$300,000 from reserves but he could possibly go along with \$100 - \$150,000. He suggested lowering the COLA and rethinking the investigator position. Comm Allison suggested possibly removing the investigator position, the 3% and the \$1,200 deductible. Mayor Kaleel suggested adopting a higher proposed millage for now with the understanding that he may not agree to anything more than a 5.1351 millage. A table was distributed with the budget depicting various millage rates, ad valorem and reserves to balance the budget.

The consensus was for staff to review the benefits, engineering and legal departments, and others for additional reductions.

### **Certification of Rolled Back Rate for Millage for 2011/12**

Comm Pugh moved that the rolled back rate be certified at 5.1351 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 Hennigan seconded the motion.

Motion carried – Yea (5).

### **Proposed Millage Rate for 2011/12**

Comm Brookes moved that the proposed millage rate for 2011/12 be established at 5.3000 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.

Sgt. Wohlfiel, ORPD, clarified that when setting a proposed millage the Town may subsequently lower it but not raise it. He then commented that setting this millage requiring a maximum of \$225,374 to balance a budget therefore negates the PBA Negotiation Closed Session scheduled after this meeting because it sets a tone for that meeting. Chief Yannuzzi disagreed citing that setting a proposed millage is only restricting how much of the reserves the Town will utilize to balance the budget and stated it was capping the income for the Town.

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Mario Galluscio, officer with ORPD, requested that the Commission seriously take healthcare into consideration because shift work takes an additional toll on an employee.

Lt. Hutchins, ORPD, stated that setting the millage and considering what is in the budget are separate issues and this motion is more of a formality. Chief Yannuzzi commented that the proposed budget included a 3% COLA and a 3.21% tax increase.

Sgt. Wohlfiel, ORPD, again stated that setting this proposed millage puts the cart before the horse, so to speak. Mayor Kaleel stated he was 100% correct and that one can't negotiate in a vacuum and revenue can't just be increased.

Motion carried – Yea (5)

**First Public Hearing to consider the budget for fiscal year 2011/2012**

Comm. Hennigan moved that the First Public Hearing to consider the budget for the fiscal year 2011-2012 be held at **5:01** PM on **Monday**, September **12<sup>th</sup>, 2011**, 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.

Comm Brookes advised that he would be unavailable for this meeting.

Motion carried – yea (5).

**Second Public Hearing to consider the tentative budget for the 2011/2012 fiscal year**

Comm Allison moved that the second public hearing to consider the tentative budget for the 2011-2012 fiscal year be held at **5:01** PM on **Monday** September **19nd, 2011**, seconded by Comm. Pugh.

Motion carried – yea (5).

Public Comment

There was no additional public comment.

Meeting adjourned at 11:10am.

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 Brookes

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Commissioner Hennigan

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Commissioner Pugh