

Special Town Commission Meeting of the Town of Ocean Ridge held on Wednesday, July 25, 2012 at 8:30 AM in the Town Hall Meeting Chambers

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

Commissioner Aaskov  
Commissioner Allison

Commissioner Brookes  
Commissioner Hennigan

Mayor Pugh

#### 1. CONSIDERATION OF THE 2012-2013 PROPOSED BUDGET

Town Manager Schenck provided a budget summary chart of the last 4 years showing the surplus to Fund Balance at each Year End. The proposed 2012/2013 General Fund Budget will require \$197,292 from unappropriated funds to balance the GF budget. This includes a proposed \$100,000 transfer to the Capital Projects Fund. To balance the budget as proposed, it would require a tax increase with a millage rate of 5.4065 or \$97,292 from the reserves. This would be a 4.8% tax increase which equates to about \$124 a year for a \$500,000 home. The fiscal year 2012/2013 General Fund Budget has an increase of \$107,420 over last year (not including the \$100,000 transfer). Personnel costs account for 41% of the budget and operating expenses (majority being the 2 loans and the fire/ems contract) account for 43%. The upcoming year's budget also focuses on continuing on-going projects including storm-water improvements, road and drainage pipe repairs, landscape maintenance, building & zoning contract and maintaining the town's current level of visibility for public safety.

This year's preliminary budget maintains last year's millage rate of 5.250. Even though the gross property value increased slightly this year, the millage rate established last year lowered the total ad valorem this year because of the rolled back rate. The rolled back rate based on this year's property values is 5.1578. If we were to use this as our budget rate instead of the 5.25 we would need an additional \$62,153 to balance the budget. The cost to replace our outdated alarm monitoring system is \$5000. We are proposing an increase to the alarm monitoring to offset this cost from \$180/year to \$200/year for the 300 alarms for a total of \$6000 revenue increase. The proposed budget does not include road paving again this year.

There are some items that staff has not included in the proposed budget that we would like the Commission to consider. These include 2 police cars, a contribution toward the health insurance deductible (once we find out what it is), and a consideration toward a salary increase, whether it be a percentage and/or replacing the step plan. The budget does include the health insurance premium for the employees with an estimated 10% increase. The budget doesn't include anything in the PBA contract renewal as it hasn't been finalized.

It was discussed that per Palm Beach County, the property values in Ocean Ridge had increased 2%. It was also discussed that the health insurance rates were unknown this year. The upcoming PBA negotiations also caused concern regarding potential increases.

Comm. Hennigan commented that she felt the Manager's Memo appeared inconsistent to follow along with the budget and that major items should be trended and labeled more clearly. Comm. Aaskov asked how they can proceed without knowing the insurance premium cost and/or prior to PBA negotiations. Town Clerk Hancsak advised a proposed millage rate must be set at this meeting however, it can be reduced but not raised later.

Town Clerk Hancsak presented the Balance Sheet through June and the Consolidated Statement of Revenues and Disbursements for the General Fund. She then summarized each department.

#### Revenues

Town Clerk Hancsak briefly summarized the revenues, and reminded the Commission that the \$3,539,089 ad valorem revenue reflects 97% of the anticipated revenue based on a millage rate of 5.2500 and that the State provides estimates for the various State revenues. She added that the Garbage/Trash revenue in the amount of \$292,120 reflects charging the residents a Single Family Rate of \$225.00 and a Multi-Family Rate of \$157.50 and the remainder is administrative fees. There is a proposed increase to the alarm monitoring revenue from \$180/year to \$200/year. This would generate an additional \$6000 in revenues which can be utilized to fund the new alarm monitoring equipment. The estimated revenues for Building Permits had been lowered as Ocean Ridge was nearly built out. Chief Yannuzzi reported that due to a lack of firm direction by the County Court, the Court Fines are being reduced as the County is receiving a majority of the funds being collected. The 911 DPS Related Reimbursement is \$15,000 this year for dispatch expenses that were to be reimbursed by the County in addition to the \$18,000 911 Call Taker reimbursement. Clerk Hancsak concluded the revenues by stating that \$5,041,809 was generated revenue and the remaining \$197,292 is proposed to come from reserves to balance the budget, and presented a 4 year comparison of personnel expenses and total budget review.

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Comm. Hennigan thanked the staff for the 4 year comparison. She stated that multiple times she had asked the staff for a ~~6~~ year history/forecast of certain major line items, such as health insurance and liability insurance. She also asked that the health, life and short term disability be split out by types. Mayor Pugh questioned having details of the expenses being a part of the budget. He also asked that any change of procedure for the staff be done as a general consensus by all the Commission. Comm. Allison stated that there is a process for the Commission to follow, by giving direction as a whole and not as an individual. No one commissioner should be using up the staff's time. The commission's role is to make policy not to micromanage and mandate staff. There needs to be a consensus. Comm. Hennigan stated that she had met with the Town Manager regarding this several times. She felt that the Manager should have met with the Commissioners individually in January/February per his action plan, and the desired changes to the budget could have been addressed and put in place already. She asked that the budget be better prepared and more consistent – some areas had percentages, and she had a laundry list of items to be changed or added to the budget. Manager Schenck stated that he felt our budget process was satisfactory. Any future projections would just be a guess - we couldn't determine the future costs for FRS or the State. Mayor Pugh stated that at the end of each Commission Meeting there is a place for Commissioner's Comments. He asked at the next meeting that she present this "laundry list" for all to decide. He stated that her job is not to direct staff individually. He stated that it is the privilege of a commissioner to ask for existing data; however to direct the staff to compile non-historical data is not needed. Comm. Brookes asked for all to review the list, so a single commissioner would not be operating in a vacuum.

### Town Commission

Other than the slight increase in Florida State Retirement rates (4.91% to 5.18%), there were no changes.

### Town Manager

It was pointed out that each personnel department reflected the following: no COLA increase, 100% of the health insurance premium with a 10% estimated increase and 3 month remainder of the approved \$1200 2012 calendar year deductible. No Funding has been budgeted for any portion of the 2013 deductible. 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 to FRS are made to the ICMA account instead and has been broken out in the written summary on Page 9.

### Town Clerk

This department's slight increase was due to the new FRS rates.

### 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 is proposed to be increased to \$205 for anything not included in the retainer costs.

Comm. Brookes asked with the intent of lowering attorney's fee, if it was necessary to have the attorney present at each meeting. Mayor Pugh stated that it would be prudent to have the attorney present to direct the Commission regarding legal matters. There was a consensus to not reduce any hours at this time.

### Appointed Boards

This department stayed the same.

### General Government

This activity reflects a decrease primarily due to the removal of the funds to retrofit the Town Hall lighting (reimbursed through a grant). The Insurance account has been increased based on an estimated 16% increase and the conclusion of the 2 year guaranteed rate. The Repair and Maintenance account reflects a \$10,700 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. \$9000 has been budgeted for interior painting of Town Hall. Other Current Charges stay the same, and include \$3,000 to provide for funding for donation/promotional events. Subscriptions and Memberships still include \$4,000 to fund monies due to the PBC Inspector General. The State Revolving Payment is \$468,000 and the Town Hall Loan Payment is \$311,175. Capital Outlay includes \$5000 for a new Air Conditioning Unit/s if necessary, and \$1100 to purchase a computer if necessary. Clerk Hancsak advised staff had received a reasonable quote under \$5000 from the original vendor and she needed direction on whether the Commission still wanted decorations and street lighting. There was a consensus of approval.

### Public Safety

Chief Yannuzzi noted that personnel expenses had reduced over the last 4 years due to the replacement of topped out personnel with lower paying officers and dispatchers. One new officer has been included as a result of the March meeting. In

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the process of recruitment, he had only received 12 applicants (usually 30) and interviewed 4. After background checks, one is in the pre-employment phase (physical, psychological...), and will be recommended for hire at the August Commission Meeting. Chief Yannuzzi noted that overtime had been reduced and vacation payout was now a separate item from overtime. He also noted that a Sergeant's exam will be held in October for the open position. He stated that he was reaching out for any reimbursements by state or county to offset budget costs. There is an increase in repairs due to old equipment, we have older computers that are failing, and there is a need to upgrade and also to add the annual CAD software. The Capital Outlay expenditures includes \$3,000 for three computers, \$1329 for USA CAD Alarm Program Software, 2 Motorola Radios for \$6,000, New Alarm Monitoring Equipment which will be offset by the proposed increase to the Alarm Monitoring Billing, and 2 new Radar Units. The budget can be reduced by \$900 as the Support Group will be supplying new fire arms as officers retire. He also advised that the \$6000 budgeted for 2 radios could be removed because he believes they could be funded from the \$12.50 monies. We are proposing to replace the fire extinguishers in each patrol vehicle at a cost of \$150 each. The Operating Supplies – Gas and Oil account has been reduced from \$4.50/gal to \$4.00/gal. It's required that the body armor be replaced every 5 years. The cost is \$600 each and half of it is reimbursed by grants. He was looking into newer/thinner vests that looked like a uniform shirt. In regards to the dark tinting of the squad cars, he was waiting on the price to remove dark tinting from the front, driver and passenger side. He noted that the tinting was paid by the Support Group to keep the officers and computers cool. Chief Yannuzzi requested the Commission to add to the budget 2 police vehicles due to the engine life of the existing fleet. He also concluded his report stating the Police Department encompassed 20 of the 25 total personnel for Ocean Ridge and that only 13 of the 20 in the police department are part of the PBA. He asked the Commission to remember the remaining 7 employees in regards to salary and benefits during the budget process. He also commented that the \$12.50 monies that accrued when Ocean Ridge was servicing Briny Breezes in prior years is also available (\$800).

Comm. Brookes asked that "instead of lowering the water, they raise the bridge". The residents at the last few meetings were in favor of keeping their alarm monitoring service with Ocean Ridge. The proposed budget shows an increase from \$180 to \$200. He asked that it be increased \$25/month to \$300/year for alarm monitoring. He felt this was a fair price for the quality of service that is provided. Comm. Hennigan agreed that it should be looked at. Mayor Pugh questioned if raising the alarm fees would cause us to lose customers, which could hurt us. Comm. Brookes also questioned why Briny Breezes contract was not increasing, and asked for an analysis to be performed to compare our expenses to the revenue. Mayor Pugh stated that after we had lost Briny Breezes to Boynton Beach we wanted it back and quoted them a lower price than Boynton's. The extra time/gas to patrol Briny Breezes was miniscule. It was also noted that it was a 3 year contract and could not be raised until next year. Comm. Hennigan stated that if we compared the cost for the number of people versus the cost for the people in Ocean Ridge, that Briny Breezes was getting a good deal. Chief Yannuzzi stated that for the month of June there were 52 calls to Briny Breezes.

Comm. Hennigan requested that in regards to Capital Expenditures, she asked for a freeze in spending unless an item is broken until the PBSO decision is rendered. The Commission concurred. Chief Yannuzzi reminded the Commission that the Crown Victoria was no longer available as a patrol car. Their choices were a Ford Escape, Ford Taurus, and Chevy Caprice. He had consulted other municipalities and was able to test drive some of them. He was going to wait on purchasing any new vehicles to see how they rated with the other towns first. There were many advantages to a SUV: 4- wheel drive, 6 cylinder drive (more energy efficient than the 8 cylinder) and more storage room for police equipment in the back. He was including the cost to retrofit, lighting and laptops as the total capital outlay for the vehicles. He stated that at the end of June, the 2 older vehicles had engine miles of 97,500 and 99,800, and should be replaced.

Comm. Brookes asked if there was an annual report of what the Support Group provided for the Police Department. He asked if Ocean Ridge was being remiss by not funding those items. Comm. Hennigan stated that with these new costs, ORPD was approaching double the cost of PBSO. Chief Yannuzzi reminded the Commission that the PBSO bid was for 11 staff versus 14-15 officer and the 5 dispatchers.

### Building & Zoning

Clerk Hancsak stated that this department increased \$10,000 to cover anticipated increased inspections related to new home construction or building permits. This department is offset by the building permit revenue.

### Emergency Preparedness

There was no change to this department it remains as zero. Mayor Pugh noted that the Commission was aware that if there was an emergency, the funds would be taken from the reserves.

### Solid Waste

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This activity reflects an overall 1.7% increase in the Republic Services contract. The costs are offset with the revenues received. The proposed Single Family Rate will be \$225 and the Multi-Family Rate will be \$157.50 annually. It was discussed that this item should be reviewed as a possible increase on the revenue side by increase the rate.

### Environmental

The department increased due to the NoSeeum spraying increase of 3% in chemical costs and also the addition of several areas. The Repair & Maintenance account increased \$5000 to provide for repairs to several dune walkovers and miscellaneous water line repairs.

### Public Works

This department increased slightly. The Utility Service Account increased by \$2000 based on the new generator to operate Coconut Lane. The Operating Supplies for Gas and Oil is based on an estimated \$4/gal. Capital Outlay purchases include heavy equipment rental of \$2000. There is an increase to the Building Repair & Maintenance Account for the signs, and pedestrian crosswalks signs that have to be frequently replaced.

### Capital Projects

The revenues provide for a \$120,000 grant for the drainage improvements to Coconut Lane and \$1000 in interest generated revenue. A \$100,000 Transfer from the General Fund is proposed due to the uncertainty of when the grant money will be received. The proposed projects include \$40,000 for the Bonito Drive Drainage/Paving Repairs, \$45,000 for the Inlet Cay Piling Repairs, \$15,000 for engineering services related to the Bonito Drive and Inlet Cay projects, and \$10,000 each for miscellaneous professional service and drainage repairs.

### Back to Discussion of the General Fund

Mayor Pugh opened it up to Public Comment.

Nancy Hogan, 37 Hibiscus Way, stated her concern for not going out and seeking bids for a RFP for the Town Engineer and Town Attorney contracts. She did not feel that they should be on retainer, and should be present at all commission meetings. Manager Schenck reported that only the Town Attorney is on a retainer, the Town Engineer bills are on an hourly basis. There is a state regulation that states that when we go out to bid it has to be based on a qualification basis not on a cost basis for professional services.

James Bonfiglio, 5616 N Ocean Blvd, stated that he had been assisting with the PBSO cost comparisons. He asked that the Commission set the millage so as to not dip into the reserves and high enough to not worry about the rollback millage rate for next year. He also asked them to consider a 1% - 2% salary increase for the employees. He feels that now is time for the Commission to recoup any revenue losses. In the last few years, Ocean Ridge did 2 large Capital Projects at the same time, and the residents have received the benefit from them. He asked that they set the millage high now, knowing they can bring it down. He wanted to remind the residents that the Town is financially better now, and he feels the economy is recovering.

Betty Bingham, 1 E Ocean Avenue, feels Briny Breezes should be off the table, and was in favor increasing the Garbage & Trash fees. There use to be restrictions on the size of the garbage at curbside (6x6). The residents love the employees, but if the employees feel they can do better they should go elsewhere. Clerk Hancsak stated that the contract with Republic Services tonnage is built into the cost, however any major trimming done by a tree service – the tree service is responsible for the removal of those trimmings.

Don Magruder, 9 Ridge Blvd, was in favor of keeping the alarm monitoring and felt it could be increased. It would cost him more in the long run if we went to PBSO. He felt the Briny Breeze's contract should also go up to reflect our cost increase. BBFD Contract went up 4%. He questioned why Briny Breezes did now show up under the Police Department expenses. Staff advised that it was required to be split out. Comm. Brookes asked to have the cost broken down for Briny Breezes.

Sgt Hallahan, Treasurer of the Ocean Ridge Support Group, reported that he gives a list to the Town Clerk each year of the purchases made. In the past years, they have painted the garage, built shelves, etc. They pick projects that are needed at Town Hall that are not budgeted. They paid for the tinting of the car windows as they felt it helped the officers to do a better job. They are currently looking into the costs to repair/replace the gun range which is not a budgeted item. They maintain the Pepsi machine and provide water for the officers. Last year they donated \$20,000 toward the CAD system. They send out a donation letter 1 time a year with an annual report showing a breakdown of items purchased. They pay for the uniforms/equipment for the 7 reserve officers. The reserve officers are used at special town functions, elections, storms, and reduce man hours and overtime.

Christine Dehaseth, 29 Sabal Island Drive, asked when the BBFD was up for renewal, and stated that if Boynton closed

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Station #1, the contract should be renegotiated, and possibly bring the fire truck to Ocean Ridge. Manager Schenck stated that it is up for renewal in 2016, and that the parking lot would have to be changed to accommodate the size of the fire truck.

Officer Galluscio, of Ocean Ridge, asked the purpose of removing the window tinting, and could it be lighter instead? Mayor Pugh stated that the driver side was being removed to keep it personable with the residents. While he thanked the Support Group for a wonderful idea, the Commission felt it should have been a joint decision, as it was the Town's property that was being changed. The residents enjoy seeing the officers as they patrol down the street. Off. Galluscio stated that he does roll down the window and speak with the residents as he goes through the neighborhoods. Now that the vehicles have laptops, some of the information on the screen is sensitive in nature, and should not be visible to the public however.

Chief Yannuzzi thanked the Support Group for their support, as they have stepped up to the plate. In regards to the window tinting, he personally had approved the tinting. He understood the resident's perception, and he apologized for any issues or concerns this may have caused. He stated that 28% is the legal/maximum amount for window tinting for police vehicles. It is higher for canine units. He noted that the Town Manager of Lauderdale has had the same response regarding their tinting, and they are having the tinting removed.

Penny Kosinski, 6000 Old Ocean Blvd, was in favor of increasing the alarm monitoring fees, and also felt that the Garbage & Trash billing was too low. In regards to Briny Breezes, she asked if the personnel costs had increased, and that a breakdown may show too high a profit.

Bob Ganger, a Gulf Stream resident, welcomed Chief Yannuzzi to test drive their new Ford SUV. He felt it would be hard to break out the costs for Briny Breezes. Gulf Stream had a hard time breaking out their costs for police services when they annexed the County Pocket area. He suggested that Ocean Ridge spend their time elsewhere. He felt that it was a strategic decision to take back Briny Breezes. At the time Boynton Beach was looking to expand on the intra-coastal. Sometimes numbers are not the most important factor. He also noted that Ocean Ridge is paying three times the amount to Boynton Beach for their fire services than Gulf Stream is paying to Delray Beach. Mayor Pugh stated that Delray Beach refused to give us a price for the fire services. Manager Schenck stated that Manalapan has a separate millage for fire services (3.46) compared to our 1.9 millage rate for BBFD. It was discussed that if Station #1 was relocated to Ocean Ridge, there would be a cost to retrofit the parking lot to accommodate the length of the fire truck, and accommodations would have to be made at Town Hall for their quarters. Boynton Beach's new budget is still entertaining the idea of closing Station #1.

At 11:00am there was a break, and the meeting resumed at 11:07am.

Clerk Hancsak summarized the points of interest/changes to the budget: 1) Reduction of \$900 for guns. 2) Increase to \$300/year for Alarm Monitoring 3) Decrease in Legal budget by possibly reducing hours. 4) Annual Report from the Support Group. 5) Garbage & Trash billing increase. 6) Expense Breakdown for Briny Breezes. 7) Approval of Holiday Lighting.

Manager Schenck clarified that we do not pay the Town Engineer a retainer fee, only the Town Attorney. The CCNA has a ruling that we cannot go out to bid for professional service based on cost but for qualifications. Comm. Allison noted that both our Town Attorney and Town Engineer have a history of Ocean Ridge and would be hard to replace.

Comm. Hennigan asked that we earmark the Police Capital Expenditures. There was a consensus that to freeze the purchase of them and only to replace the items when they break until the PBSO decision is rendered.

Comm. Hennigan asked that at the end of the year the excess funds be put into the reserve account rather than spending it. It would provide adequate transparency. Clerk Hancsak stated that at the end of last year the Police Department had purchased 2 vehicles with the excess funds. Chief Yannuzzi stated that this year 4 new vehicles were needed however there were only 2 on the wish list. The longer we wait to make the purchases, there is less trade in value and the next year it will catch up on the number of vehicles that are needed. Manager Schenck stated that the new Health Insurance Premiums should be available at the August meeting.

Clerk Hancsak asked for direction in regards to the Holiday Lighting of Town Hall and Ocean Avenue for next year. Last year we had switched companies to save monies, but because of difficulties they were going to switch back. There was a consensus from the Commission to include the funding for the decorations and lighting.

Clerk Hancsak summarized and clarified the services and rates for the Garbage & Trash Service. The single family residences were currently \$222 and going up to \$225, and multi-family rates from \$148.40 to \$151.50. It was discussed that the service is twice a week and reasonable, and that it be raised another \$25 for single family residents, and then adjust it accordingly for the multi-family units. Clerk Hancsak advised that she would work out a divisible number and update the rates, however the town was already receiving approximately \$58,000 in administrative fees.

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There was a consensus from the Commission to make the following changes the budget: 1) Increase \$68,000 for 2 new vehicles at \$68,000, with the knowledge that the funds are frozen. 2) Increase the alarm monitoring to \$300/year. 3) Reducing \$6000 for the hand-held radios. 4) No reduction in legal fees. 5) Increase Garbage & Trash Billing an approximate additional \$25/year. 6) Reduce \$900 for the purchase of 2 guns.

**Certification of Rolled Back Rate for Millage for 2012/13**

Comm. Allison moved that the rolled back rate be certified at 5.1578 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. Aaskov seconded the motion.

Motion carried – Yea (5).

**Proposed Millage Rate for 2012/13**

Comm. Aaskov moved that the proposed millage rate for 2012/13 be established at 5.7500 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.

Comm. Pugh stated that this can come down at the next meeting, however it cannot go up, and with the unknown health insurance costs and upcoming PBA negotiations, he felt it was warranted.

Comm. Hennigan and Comm. Brookes disagreed. They felt the proposed millage should be set at 5.6000 mills because the Commission may forget it is set artificially high. Comm. Hennigan also stated that a ½ mill is not just \$250 because residents with higher assessed values pay more and if the Town goes with PBSO, it could be substantially less.

Motion carried – Yea (3) Nae – Comm. Brookes, Nae – Comm. Hennigan

**First Public Hearing to consider the budget for fiscal year 2012/2013**

Comm. Hennigan moved that the First Public Hearing to consider the budget for the fiscal year 2012-2013 be held at **5:01** PM on **Monday**, September **10<sup>th</sup>, 2012**, 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. Allison.

Motion carried – yea (5).

**Second Public Hearing to consider the tentative budget for the 2012/2013 fiscal year**

Comm. Hennigan moved that the second public hearing to consider the tentative budget for the 2012-2013 fiscal year be held at **5:01** PM on **Tuesday** September **25<sup>th</sup>, 2012**, seconded by Comm. Allison.

Motion carried – yea (5).

Public Comment

There was no additional public comment.

Meeting adjourned at 11:40am.

Attest By:

\_\_\_\_\_  
Town Clerk

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Mayor Pugh

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Commissioner Aaskov

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Commissioner Allison

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Commissioner Brookes

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Commissioner Hennigan