

Special Town Commission Meeting of the Town of Ocean Ridge held on Wednesday, July 24, 2013 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
Mayor Pugh

Comm. Hennigan was absent with notice. Clerk Hancsak read a memo from Comm. Hennigan apologizing for not being able to attend due to a family illness/surgery. She had closely reviewed all the budget information and has sent feedback to the Town Manager, which was distributed to the Commission prior to the meeting.

1. CONSIDERATION OF THE 2013-2014 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 2013/2014 General Fund Budget will require \$170,349 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 5.461 or \$70,349 from the reserves. This would be a 2.1% tax increase which equates to about \$55 a year for a \$500,000 home. The fiscal year 2012/2013 General Fund Budget has an increase of \$176,999 over last year (not including the \$100,000 transfer). Personnel costs account for 42% of the budget and operating expenses (majority being the 2 loans and the fire/ems contract) account for 32%. 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 5.350 or a 3.6% increase over the rolled back rate. The reduction in property values over the last couple of years has resulted in an annual loss of revenue of about \$740,000. The rolled back rate based on this year's property values is 5.1621. If we were to use this as our budget rate instead of the 5.35 we would need an additional \$131,773 to balance the budget or a total of \$202,122.

Manager Schenck stated that we have not received quotes regarding the health or liability insurance (expected in August) we have estimated a 10% increase. He also noted that there was a "Wish List" that would be discussed after we have gone over each of the Departments.

Comm. Allison noted that next year that our contract with Boynton Beach Fire would be up for renewal. She had spoken with the new City Manager for Delray Beach and asked if they would consider servicing Ocean Ridge. Delray Beach has new commissioners who may be willing to service Ocean Ridge. Mayor Pugh noted that in the past they were not interested in sending us a proposal and that the distance from Delray would be greater than Boynton Beach. Most of our calls are for medical purposes and that response time for our residents is more important than the cost. Manager Schenck stated that Boynton Beach's fee equates to 1.4 mills vs. Palm Beach County, which would be 3.46 mills.

Mayor Pugh questioned 2 of the expenses in the Town Engineer Account - \$1000 GIS expense and \$6000 NPDES expense. Manager Schenck stated that the \$1000 for GIS was for keeping it up to date, and that NPDES is a federal requirement mandated by the state. We have joined with other municipalities to keep the costs down. They are possibly considering sampling, which would increase the current costs. While there are no repaving projects in the budget, we need to commence with the repaving program as soon, and fund it from the reserves. We are proposing to use the \$119,000 FDEP reimbursement grant funds from Coconut Lane in the Capital Projects Fund to rejuvenate this repaving program.

Manager Schenck stated that one of the budget highlights included the approved PBA salary benefits extended to all of the employees and one police vehicle. Comm. Brookes questioned why salary increases (\$53,373) along with a police vehicle (\$34,000) had been implemented into the proposed budget, and not put on the "Wish List". He felt the budget was being filtered and mixed with some items included and some not. Manager Schenck stated he was recommending the salary/benefit increase to all employees for morale reasons and as a result of the salary survey and also the need for at least one police vehicle. Mayor Pugh noted that these 2 costs if removed from the budget and put on the "Wish List" would "balance" the budget, and \$70,349 would not have to be taken from reserves then, so no changes essentially needed to be made. The consensus of the Commission for future budgets was for staff to either include all recommended items or no items.

SPECIAL TOWN COMMISSION MEETING HELD JULY 24, 2013

Town Clerk Hancsak explained the Consolidated Statement of Revenues and Disbursements for the General Fund.

Revenues

Town Clerk Hancsak briefly summarized the revenues, and reminded the Commission that the ad valorem revenue reflected an increase of \$145,417 from the prior year. This is based on a property tax levy of 5.3500 per \$1000 (same as current year) of assessed valuation. The rolled back rate for this year is 5.1621. She added that the Garbage/Trash revenue in the amount of \$296,580 reflects charging the residents a Single Family Rate of \$228.00 and a Multi-Family Rate of \$159.60 and the remainder is administrative fees. She noted that there has been discussion at the State level to phase out the Commercial Service Tax next year, which generates approximately \$50,000. The estimated revenues for Building Permits had been raised \$10,000 as construction is starting to increase again in Ocean Ridge. Chief Yannuzzi reported that Briny Breezes had approved our contract with an increase of \$18,500. Clerk Hancsak concluded the revenues by stating that \$5,281,798 was generated revenue and the remaining \$170,349 is proposed to come from reserves to balance the budget. She then explained the Summary of Expenditures and the Personnel Expenses and Total Budget Review. Comm Brookes noted the 7% increase in the Law Enforcement budget over the 4 year period. It was pointed out that the fire service increases and the additional of another police officer made up a portion of the increase.

Town Commission

Other than the slight increase in Florida State Retirement rates (5.18% to 6.95%), there were no changes.

Town Manager

This department increased slightly: the personnel costs reflect a 3% COLA increase, a Florida Retirement System contribution rate of 6.95% (\$7,102 to the ICMA account), 100% of the health insurance premium with a 10% estimated increase and 3 month remainder of the approved \$1500 2013 calendar year deductible and 9 months of a \$1500 2014 deductible, dental coverage (\$216) and vision coverage (\$84). The Operating Supplies for Gas and Oil is based on an estimated \$4 per gallon for fuel.

Town Clerk

This department's increased from the prior year. The personnel costs include a 3% to all, 5% increase to the 2 employees not topped on the Step Plan and an increase to the FRS contribution rate from 5.18% to 6.95%. The Life & health Insurance reflect 100% of the premium (with a 10% estimated increase), 3 months remainder of the approved \$1500 2013 deductible, 9 months of a \$1500 2014 deductible, dental coverage (\$648) and vision coverage (\$252).

Town Attorney

The Professional Services account remained the same with a \$6300 monthly retainer based on invoices from the prior year's actual service. The \$205/hr blended rate remains the same for anything not included in the retainer costs. The Special Counsel Account increased \$5,000 to reflect anticipated costs for PBA discussions and Inspector General Suit costs. Expenditures for permit review are offset by the building permit revenues. \$5000 is included in printing/binding for code supplements.

Appointed Boards

This department stayed the same.

General Government

This activity reflects a slight increase. The Insurance account reflects a decrease even though an estimated 10% increase is reflected because last year we had budgeted for a 16% increase. The Repair and Maintenance account reflects the replacement of 3 garage doors (\$18,000) along with funding for any Town Hall building repairs such as air conditioners, sound equipment, annual fire inspection by our fire alarm company and cleaning service. The

SPECIAL TOWN COMMISSION MEETING HELD JULY 24, 2013

Other Current Charges was decreased slightly, based on prior year's actual expended funds; however \$3000 remains to provide for funding for donation/promotional events. Subscriptions and Memberships includes \$8,000 (\$4000 for this year and \$4,000 for FY12/13) 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 stated that consistently we have budgeted for one computer, and that last year we had to utilize the funds to replace Dave Johnson's computer. The holiday function and lighting is still included in the budget.

Clerk Hancsak explained that our auditor discovered that the Town Hall Loan with Bank of America was undercharged and invoiced incorrectly for the prior year. It was the bank's error which resulted in the Town having to pay \$9000 extra in this current year to correct the error. We are now up to date, however; staff will request a budget adjustment at year end.

Comm Brookes questioned whether participating in the lawsuit will ultimately cost more than the actual payments to the Inspector General to which he was advised that it should be less.

Public Safety

Chief Yannuzzi noted that their costs had increased from the prior year. The FRS contribution rates increased from 14.90% to 19.06% and 5.28% to 6.95%. The personnel costs include a 3% COLA to all, 5% increase on the anniversary date to 17 employees not topped out on the Step Plan, 100% of the health insurance premium (with an estimated 10% increase) 3 months remainder of the approved \$1500 2013 calendar year deductible, 9 months of a \$1500 deductible, dental coverage (\$4320) and vision coverage (\$1080) to all employees. The Repair and Maintenance – Radio account has increased for various maintenance costs (\$2700). The Operating Supplies – Gas and Oil has stayed the same (budgeted \$4/gal). The Fire/ALS Service contract with the City of Boynton Beach increased 4% per the existing contract for a total of \$36,204 increase from last FY. Capital outlay expenditures include: 1 Police Vehicle fully equipped (\$34,000); 3 Computer Replacements (\$3300), Color All Combination Copier for Dispatch (\$1000) and 1 Radar unit (\$2995).

Comm. Brookes stated that other Police Departments charge for false alarms, especially for repeat offenders. Chief Yannuzzi stated that if someone continually has false alarms, they will notify the homeowner and ask them to correct or repair their monitoring. He felt that Ocean Ridge should continue to provide for this service without additional cost to the residents.

Building & Zoning

Clerk Hancsak stated that this department increased based on anticipated increased inspections related to new home construction or building permits. The contract with Hy-Byrd Inspections, Inc was renewed last year and remains the same without an increase. This department is offset by the building permit revenue.

Emergency Preparedness

There was no change to this department it remains as zero. Clerk Hancsak encouraged the Commission to consider \$20,000 for hurricane related expenses. Having funds budgeted would avoid any delay of payment for emergency expenses.

Solid Waste

This activity reflects an overall 1.4% increase in the Republic Services contract. The costs are offset with the revenues received. The proposed Single Family Rate will be \$228 and the Multi-Family Rate will be \$159.60 annually.

Comm. Allison stated that Republic Services started at 7:30am on her street. Manager Schenck stated that he would remind them to start at 8am.

Environmental

The department increased. The NoSeeum spraying and the Town Engineering budget stayed the same with no cost increases. The Repair & Maintenance account increased \$13,500 to provide for water line/hydrant related repairs and repairs to dune walkovers.

SPECIAL TOWN COMMISSION MEETING HELD JULY 24, 2013

Public Works

This department increased from the prior year. The personnel costs include a 3% COLA to both, 5% to the one part-time employee not topped out on the Step Plan and the Florida Retirement System contribution rate from 5.18% to 6.95%. The Life & Health Insurance reflects 100% of the premium (with a 10% estimated increase), 3 month remainder of the approved \$1500 2013 calendar year deductible, 9 months of a \$1500 2014 deductible, dental coverage (should actually be \$216) and vision coverage (should actually be \$84) for the full-time employee. The Operating Supplies for Gas and Oil is based on an estimated \$4/gal.

Capital Projects

The revenues provide for \$11,000 remaining from the approved grant for the drainage improvements to Coconut Lane (\$107,473 was received in FY12/13) and \$1000 in interest generated revenue. A \$100,000 Transfer from the General Fund is proposed to fund various drainage projects. The proposed projects include \$130,000 for the Inlet Cay drainage improvements, \$25,000 for Thompson St. drainage improvements, \$15,000 for Spanish River Dr. drainage improvements, and \$20,000 for the associated miscellaneous drainage professional service and \$120,000 for Phase I of Repaving.

Mayor Pugh asked what the projected reserves would be at the end of this Fiscal Year - \$30,000-\$50,000? Clerk Hancsak stated that most departments were right at their 75%, and thought that it would be less.

Manager Schenck presented to the Commission 9 Items on the "Wish List": 1) Transfer of \$100,000 from the reserve account to the Capital Project Fund for various capital projects (this cost was already reflected as a transfer in the proposed budget). 2) Program to repave the roads. The program was put on hold a few years ago, and there was some discussion of using the FDEP grant funds (\$119,000) for this (These funds are already reflected in the proposed Capital Projects Fund budget.).

3) Computers and new server \$55,555. (28 Computers/laptops) The Microsoft windows XP is being phased out, so there won't be any support for the XP. Our computers and one of the servers are outdated and need to be replaced. 4) Additional Salary increases in the Police Department – Police Chief, Lieutenant and the 2 senior dispatchers. The total increase is \$36,073. This would be an increase to the proposed budget in addition to the \$53,373 already proposed for salary and benefit additions to the budget. 5) Police Car – One car was in the budget, however 2 cars are out of warranty and both should be replaced. 6) Public Works – Used Golf Cart \$2500 – this would allow them the ability of accessing alleyways and eliminate dangerous and frequent stops along the roads with their pick-up truck. 7) New ATV – Trade in the oldest ATV and purchase a new one \$8500. If the Commission decides to have a police patrol on the beaches on weekends and holidays, we'll need a covered ATV (\$15,000). This would also require the addition of a part time police officer that would cost about \$30,000-\$35,000 based on an 8-10 hour day. 8) Public Works – Make Billy Armstrong a full-time employee (additional \$19,000). There are numerous projects that require 2 men and are too dangerous for one person to do by themselves. Billy has worked very well for the Town and with living in Briny Breezes has been a benefit for emergencies or pump station problems. 9) Bucket Truck – Over \$20,000. Many of the trimming contracts that we sub out, we could do ourselves instead. We also have an agreement to maintain a lot of the trees that FDOT planted when they repaved A1A. Based on our expenses it should pay for itself in 2 years. If all of the capital items were approved, they would total \$120,055. The tax rate could be increased by 0.174 mills or take the funds from the reserves. Manager Schenck recommended using the reserves. The salary increases equate to .194 mills and would need to be added to the budget.

The full-time maintenance position was discussed, and what benefit would the Town receive by having him as a full-time employee. Could Ocean Ridge get by with him being part-time another year? Manager Schenck stated yes Ocean Ridge could function with him staying part-time, however Billy was a good worker, and didn't want to lose him as a valued employee. Many projects such as tree trimming and the pump stations require 2 people, and would not have to be contracted out. It was requested to prepare a laundry list showing savings for the Town if the position was made full-time.

Comm. Brookes asked the Town to consider going more green where possible, ie, paying bills online instead of signed checks to be more efficient. Clerk Hancsak stated that internal control was necessary to be demonstrated, and with the staff being so limited the auditor recommends dual signatures on checks. Comm. Brookes stated that in regards to the computers there were 2 issues: 1) Outdated software. 2) Computer Replacements. He cautioned having both done at the same time as computer problems can occur, and he suggested doing it over a 2 year period. It was also noted that the town could expect to recoup some of the cost through the sale of the old computers and laptops. Chief Yannuzzi advised that they would still retain a couple of older computers with programs to prevent any possible issues. Comm. Brookes also suggested combining the request for the golf cart

SPECIAL TOWN COMMISSION MEETING HELD JULY 24, 2013

and ATV and purchase (1) 2-seat ATV with cover and an attached bed for both departments to share.

Chief Yannuzzi displayed a chart showing the mileage of the current fleet and the proposed replacement dates of each vehicle (newer vehicles had been purchased with a 5 year warranty). The current Ford Escape has been used as an administration vehicle and for those attending conferences out of town and regular use by the Lt. He suggested selling the Ford Escape and using the existing A-1 as the new administrative vehicle. He asked that the new A1 be another SUV. Vehicle #564 would be sold and replaced with a new Chevy Impala. The trade-in values of the old vehicles had not been included, and would reduce the cost overall of the new vehicles by approximately \$5,000 each. He stated that he felt it was his job to tell the Commission what he felt he needed for his staff and this included at least one vehicle. Chief Yannuzzi concluded by stating that the 3% and 5% increases were placed in the budget as a result of comments made by some of the Commissioners during the PBA and budget discussions as a group and with individual Commissioner discussions.

Mayor Pugh requested that the insurance company be contacted regarding liability of a bucket truck. Manager Schenck noted that it would only be used for trimming near the low phone or cable lines not power lines. If there were storms, there would be no delay of waiting for a tree service. This year the cost for tree trimming was \$10,000. If the Commission was in support of the idea – he would pursue auctions and state programs for a used bucket truck. Mayor Pugh was in favor of Ocean Ridge being self-sufficient and not having to sub out work to other contractors but he was concerned with liability.

A consensus was made for more detail and justification for the items on the “Wish List” and for the next budget workshop meeting to be held on Wednesday, July 31, 2013 at 8:30am as a Special Town Commission Meeting.

Back to Discussion of the General Fund

Mayor Pugh opened it up to Public Comment.

Gerry Magruder, 9 Ridge Lane, was very disappointed at the proposed budget because the purchase of cameras at the Town’s boundaries had been omitted. She cited her recent burglary and the safety concerns in her neighborhood. She noted that Comm. Brookes was previously opposed to the cameras, and commented that he could be liable should a tragic event occur. Comm. Brookes took exception to this comment.

Chief Yannuzzi stated that in regards to the cameras it would be a multi-agency project. The cost could be from \$60,000 - \$120,000, and he has been looking at grant funding, and he had approached the Support Group in regards to partial funding. A decision would also have to be made if the computer would be put here in the police department or in the “cloud”. Mayor Pugh stated that there are also different types of cameras, one that would target license plates or a 360 degree camera that would encompass foot/bike traffic also. The project had not been forgotten.

Betty Bingham, 1 E Ocean Avenue, was in favor of Billy Armstrong going to full-time, and felt he had been an asset to Ocean Ridge, and felt that he could be used for several projects including crosswalk repairs and holiday lighting. She asked if there was a savings of fuel between the SUV and the Impala. Chief Yannuzzi stated that they should be approximately the same.

Bernd Schulte, 5 Osprey Court, requested that staff look at other interest rate returns on our \$2million in reserves. Clerk Hancsak stated that prior Commissions were only in favor of CD’s or money market accounts, and chose not to go through the League of Cities. She added that having our funds tied to long term investments could become restrictive. There was a consensus for staff to look at other sources for investments.

Terry Brown, 23 Harbour Drive South, stated his concern for the safety of the residents of Ridge Blvd. He suggested the vehicle traffic be for residents only, and to put additional police patrol in that area. He has always contacted the Police Department of any suspicious people in the area. He stated that 10 coconut palms had disappeared from Porter Street due to storms or disease, and that they needed to be replaced. He stated there were drainage issues on Harbour Drive South with standing water, new drainage pipes were needed. He was in favor of bidding out for a new Town Engineer.

Clerk Hancsak read an e-mail from Ken Kaleel, 86 Island Drive South, stating his concern for the Police Department budget. He asked that the Commission reinstitute the 3 officers on duty at all times. In the past it had a positive effect as a deterrent to unwelcome behavior from non-residents. He felt now was the time to bring it back in force, as the Town residents deserve this level of service. Ocean Ridge also has almost 3 miles of beach, with several public parks and no beach patrol. While there has been an increase to the beaches there has not been an increase in public safety presence, and felt it needed to be addressed.

SPECIAL TOWN COMMISSION MEETING HELD JULY 24, 2013

Chief Yannuzzi stated that he sympathized with Ms. Magruder regarding the burglary and damage to her home. He thanked her for the comments requesting to provide better police service. He was getting pricing for cameras that would record license plates only, not foot traffic. Ridge Blvd has one break-in and one attempted break-in recently on that street. They had recovered some items, and had a partial fingerprint. The investigation was in conjunction with Palm Beach Co. Sheriff's Department and Boca Raton. In regards to Beach Patrol, he requested for an extra person rather than taking someone off of the road. He also noted that the number of applicants for police officers and dispatchers was low. The main problem was our starting pay is \$4/\$5 less than other municipalities. He felt the only choice would be increasing overtime and use our existing staff for holidays and weekends as realistically there had not been enough calls to justify an extra officer.

Certification of Rolled Back Rate for Millage for 2013/14

Comm. Allison moved that the rolled back rate be certified at 5.1621 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 (4).

Proposed Millage Rate for 2013/14

Comm. Aaskov moved that the proposed millage rate for 2013/14 be established at 5.5000 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.

It was discussed that this can come down at the next meeting, however it cannot go up.

Motion carried – Yea (4)

First Public Hearing to consider the budget for fiscal year 2013/2014

Comm. Allison moved that the First Public Hearing to consider the budget for the fiscal year 2013-2014 be held at **5:01** PM on **Tuesday**, September **10th, 2013**, 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. Aaskov.

Motion carried – yea (4).

Second Public Hearing to consider the tentative budget for the 2013/2014 fiscal year

Comm. Allison moved that the second public hearing to consider the tentative budget for the 2013/2014 fiscal year be held at **5:01** PM on **Tuesday** September **17th, 2013**, seconded by Comm. Brookes.

Motion carried – yea (4).

Public Comment

There was no additional public comment.

Meeting adjourned at 11:55am.

Attest By:

Town Clerk

Mayor Pugh

Commissioner Aaskov

Commissioner Allison

Commissioner Brookes