

Special Town Commission Meeting of the Town of Ocean Ridge held on Wednesday, July 23, 2014 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 Bonfiglio
Commissioner Lucibella

Mayor Pugh

1. CONSIDERATION OF THE 2014-2015 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 2014/2015 General Fund Budget will require \$436,628 from unappropriated funds to balance the GF budget. This includes a proposed \$150,000 transfer to the Capital Projects Fund. To balance the budget as proposed, it would require a tax increase with a millage rate of 5.93 or 5.35 coupled with \$286,628 from the reserves. This would be a 10.8% tax increase which equates to about \$300+ a year for a \$500,000 home. The fiscal year 2014/2015 General Fund Expenditures have an increase of \$276,950 over last year (not including the \$150,000 transfer). Personnel costs account for 43% of the budget and operating expenses (majority being the 2 loans and the fire/ems contract) account for 41%. 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 5.56% increase over the rolled back rate. The reduction in property values several years ago has resulted in an annual loss of revenue of about \$740,000. The rolled back rate based on this year's property values is 5.0680. If we were to use this as our budget rate instead of the 5.35 we would need an additional \$210,250 to balance the budget or a total of \$646,878.

Manager Schenck stated that we have not received quotes regarding the health or liability insurance (expected in August) but have estimated a 10% increase. He added that the budget includes a 3% merit increase to those employees that are topped out and up to 5% for those employees not topped out (both based on their anniversary dates). He also noted that all highlighted requested items were included in the budget and could be discussed in more detail at the summary of each department.

Manager Schenck mentioned that the contract for police services with Briny Breezes provided for a total increase of 3.6% (2.1% CPI plus 1.5%). Comm Lucibella mentioned that the law enforcement budget increased 7% while the Briny Breezes residents increase in their taxes was only 3.6%, adding that he felt they should be charged the same. Comm Lucibella questioned whether the \$65,000 budgeted for overtime could be reduced if the Town utilized the Reserve Officers. Chief Yannuzzi explained that the Reserve Officers did not provide general patrol.

Manager Schenck advised that our contract with Boynton Beach Fire would be up for renewal in 2016. Comm Bonfiglio suggested that staff and the Commission begin negotiations with Boynton Beach and explore other options that may be available, such as contracting out only portions. Mayor Pugh stated that there are state mandates requiring 2 in and 2 out. Comm Allison stated that prior commissions have researched this and Boynton Beach still is the most cost efficient option.

Manager Schenck stated that an additional \$10,000 was budgeted in the General Fund towards drainage improvements to include the purchase of the new type of red valves that should be more efficient. He stated that the Capital Projects Fund included \$50,000 to add a 3" force main along SR A1A from Adams to the 5900 block thereby allowing the Villas of Ocean Ridge to tie their system into it, \$10,000 was proposed to grade the alley between Hudson and Ocean Ave., and \$100,000 was proposed for repaving.

Manager Schenck stated that a new alarm monitor system at a cost of \$38,495 was proposed. He reminded the Commission that the fee to the residents was increased from \$180 to \$200 two years ago but the system has not been purchased yet. He advised that it would take approximately 7 years to pay for itself. Comm Lucibella commented that he felt this cost was outrageous and could be done for much less. He also stated that it should be competitively bid. Mayor Pugh agreed that more than one bid should be sought. Chief Yannuzzi advised that he relied on an alarm expert who had recommended this company. He added that both he and the expert traveled to Palm Beach to see this same system. He added that upon further review of the proposal he discovered that it could

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be reduced by \$5,000 because of the actual monitors needed. The consensus was to keep the item in the budget at this time but to check the costs and other possible vendors.

Manager Schenck advised that two fully equipped vehicles were proposed at a cost of \$76,000. Two 2011 vehicles that would be out of warranty with total mileage (actual mileage and idle time) of upwards of 224,387 miles would be traded in. New accessory equipment is required because the Fords would be replaced with a Chevy product. A question was raised if the warranties could be extended. He also stated that \$28,000 was budgeted for a proposed new truck. Comm Lucibella questioned the justification for the truck purchase to which he was advised that that the 2000 model truck leaks oil and the ball joints need to be replaced costing between \$5,000 and \$6,000. The consensus was for staff to provide an itemized list of repairs with associated costs.

Terry Brown, Harbour Drive So., questioned whether the Town's current drainage system could accommodate the additional water to which he was advised that the Villas of Ocean Ridge has their own drainage and only the overflow would drain into the Town's system. He stated that he agreed with Comm Lucibella that the alarm system should be competitively bid. He also stated that he supports the pay raises and also the extra position. He added though, that he did not agree with the position being solely designated as a beach patrol officer and that the position should be utilized for additional patrols. Comm Lucibella agreed and stated that he actually did not feel another officer was necessary and that there should be equal patrol to all areas. Mr. Brown concluded by questioning whether the golf cart would meet the street legal guidelines.

Gerry Magruder, 9 Ridge Blvd. reminded the Commission that her home was burglarized, along with several homes in the area, and she felt the \$85,000 salary could be applied towards the purchase of cameras in the Town. She stated that neighboring municipalities to the north and south already had camera systems in place. She felt this would be the best tool for the police department.

Nancy Hogan, 37 Hibiscus Way, commented that she felt the Town should keep apprised of Boynton Beach's budget and services considering they are a neighboring Town. She iterated her prior concerns regarding the response time for EMS to travel east over the bridge, also citing that she believed that the timing of the traffic lights at the intersection of Woolbright and Federal should be reviewed.

Betty Bingham, 1 Ocean Ave., felt the Town should start studying the fire contract and questioned if the services (EMS and Fire) could be separated and only pay for actual fire calls. Comm Lucibella reminded her that federal mandates need to be adhered to but he agreed with the concept.

Ed Brookes, 15 Ocean Ave., commented that property values increased 6% and even if the millage rate remains at 5.35 it will be a tax increase to the residents. He commented that the Town needed to live within their means rather than raise taxes or use surplus, commenting a budget should not begin with fluff. He also felt that \$85,000 to fund an additional officer for beach patrol was unfair to all of the taxpayers, to which Comm Lucibella agreed. Comm Bonfiglio commented that there was very little discretionary items and funds were needed from the surplus but agreed that the budget should start with income and see what purchases can be made. Mayor Pugh commented that each of the past and present Commissioners have their ideas how the budget process should occur. He also mentioned that a 5.56% tax increase equates to about \$350 for his property. Comm Lucibella stated that the Town needed to control growth expenses.

Town Clerk Hancsak explained the Consolidated Statement of Revenues and Disbursements for the General Fund. Comm Lucibella questioned the comparison of the current June balance sheet reflecting 4.2 million in monies compared to the 2.78 estimated balance at 2013/14 year end. Clerk Hancsak advised that the 2.78 million was an estimate of Fund Balance not cash and utilized 100% of the expenditures and 100% of the revenues received, along with the \$150,000 transfer to Capital Projects. She stated that the majority of the revenue has been received for the year, however; there were still 3 months of expenditures that will be paid out. Comm Lucibella commented that the Commission needed to start contemplating the replacement of the Town Clerk and suggested possibly utilizing an intern from FAU. Town Clerk Hancsak commented that the Commission will need to decide if the new position will be both Clerk and Treasurer as most Municipal Clerks do not perform financing duties. She stated several of the smaller municipalities employ a Town Manager/Finance Director that has an extensive financial background.

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Revenues

Town Clerk Hancsak briefly summarized the revenues and reminded the Commission that the ad valorem revenue reflected an increase of \$236,878 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 5.0680. She added that the Garbage/Trash revenue in the amount of \$300,400 reflects charging the residents a Single Family Rate of \$231.00 and a Multi-Family Rate of \$161.70 and the remainder is administrative fees. The estimated revenues for Building Permits remained the same at \$120,000 even though over \$200,000 has already been received for FY 2013/14. She stated that several new home construction permits were issued or applied for this year and the inspections will take place next year. Clerk Hancsak concluded by stating that the \$5,566,622 in revenues supplemented by \$436,628 from reserves will balance the proposed budget based on a millage rate of 5.35. She then explained the Summary of Expenditures, the Personnel Expenses and Total Budget Review pages.

Town Commission

The slight increase in Florida State Retirement rates (6.95% to 7.37%) and an increase in the E & O Insurance (\$1,800) accounted for the increase in this department.

Town Manager

This department increased slightly: the personnel costs reflect a 3 merit increase, \$7,200 vehicle allowance, a Florida Retirement System contribution rate of 7.37% (\$7,548 in the ICMA account), 100% of the health insurance premium with a 10% estimated increase and 3 months remaining of the approved \$1500 2014 calendar year deductible and 9 months of a \$1500 2015 deductible, dental coverage (\$192) 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 increased from the prior year. The personnel costs include a 3% merit increase to the Town Clerk and up to a 5% merit increase to the 2 employees not topped out on the Step Plan and an increase to the FRS contribution rate from 6.95% to 7.37%, and 12.28% for the DROP contribution rate. The Life & Health Insurance reflect 100% of the premium (with a 10% estimated increase), 3 months remainder of the approved \$1500 2014 deductible, 9 months of a \$1500 2015 deductible, dental coverage (\$576) and vision coverage (\$252). Replacement of two chairs (\$600) is budgeted.

Town Attorney

The Professional Services account increased from a \$6300 monthly retainer to \$7,000 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 remained the same (\$25,000) 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 increased slightly due to anticipated insurance costs.

General Government

This activity reflects a decrease due to the reduction in the Repair & Maintenance account, even though a/c maintenance costs increased. Three garage doors were replaced in FY 2013/14. \$5,000 was also budgeted to replace the Chamber/Community Room and Dispatch carpets (which may be a low figure now that several quotes have been received). Other costs in that account include: 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 Insurance account reflects a 3% increase. The Other Current Charges account remains the same which still includes

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\$3000 to provide for funding for donation/promotional events. Subscriptions and Memberships includes \$12,000 (\$4000 for this year and \$4,000 for FY13/14 and \$4,000 for FY 12/13) to fund monies for the PBC Inspector General. The State Revolving Payment is \$468,000 and the Town Hall Loan Payment is \$311,175. Capital Outlay includes \$8000 for new Air Conditioning Unit/s if necessary, and \$1100 to purchase a computer if necessary. Clerk Hancsak stated that we have budgeted for one computer consistently. The holiday function and lighting is still included in the budget.

Manager Schenck explained the funding for the Inspector General by stating that the original method of funding the office was based on a percentage of each municipalities existing contracts. However; the County decided to fund the office by taxing each of the municipalities which resulted in 11+ municipalities filing a lawsuit on the grounds that the new method was illegal. To date only a small portion of the first years' funding has been paid so all three years are included in the budget.

Public Safety

Clerk Hancsak noted that the costs in this department had increased from the prior year. The FRS contribution rates increased from 19.06% to 19.82% and 6.95% to 7.37%. The personnel costs include a 3% merit increase to those topped out, and up to a 5% increase on the anniversary date to 14 employees not topped out on the Step Plan, an additional 5% on Oct. 1st to four employees to correct the parody with the new employees, 100% of the health insurance premium (with an estimated 10% increase) 3 months remainder of the approved \$1500 2014 calendar year deductible, 9 months of a \$1500 2015 deductible, dental coverage (\$3840) and vision coverage (\$1680) to all employees. A new Special Detail Pay account in the amount of \$7,000 was budgeted along with the associated costs. The Repair and Maintenance – Radio account has increased for various maintenance costs (\$3,600). 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% from last FY per the existing contract (\$37,551). Capital outlay expenditures include: 2 Police Vehicles fully equipped (\$76,000); 2 Computer Replacements (\$3600), Copier for the Squad Room (\$500), 2 Laptop Computers (\$4,000), 2 Radar units (\$5,990), USA Program Software (\$5,493), and the new Alarm Monitoring Equipment (\$38,495).

Chief Yannuzzi advised that the USA software is to update 2 computers with all of the current upgrades.

Chief Yannuzzi responded to the comment from Mrs. Magruder about several burglaries by stating that there has been a 48% decrease in burglaries last year and that so far this year there has been one actual and one attempted burglary. He reminded the Commission that several communities are in discussions to install cameras along a 12 mile stretch of coastal area. Regarding the additional officer, Chief Yannuzzi advised that this position has been part of a budget discussion since the 11/12 budget. He agreed that the officer would not be strictly a beach officer but the position will make beach patrols more available and consistent. He reminded the Commission that while the goal is to have 3 officers on the road at all times it does not always occur, citing vacations, sick time, short staff, dispatch relief, breaks, etc. He stated the additional position would permit more consistent coverage 7 days a week.

Comm Lucibella stated that residents by the beach area were asking for better management of patrolling not necessarily more beach patrol. He wanted harder work by the existing police presence. He cited that the law enforcement budget increased 18% last year and a 7% increase is proposed for this year. He advised that the private sector does not automatically give raises to employees and he believed that the staff was treated well. He stated he did not believe the Town needed 3 officers on the road at all times or the other costs associated with an additional officer. He also stated that if the officers enforced the current rules/regulations then less enforcement would be needed. Chief Yannuzzi stated that he felt his staff was doing a great and cited the CAD event statistics since its inception. He added that he felt they were also doing a good job with code enforcement for the Town.

Mayor Pugh commented that the general patrol and security would be enhanced with an additional officer and the level of service would be positively affected. Comm Allison agreed and stated that the duties would be the same as the other officers and all the discussions revolved around needing more patrol. Comm Bonfiglio suggested keeping the additional officer in the budget designated for beach patrol and propose the millage at 5.90 and determine if the residents want the extra position or not through their input. Comm Lucibella reiterated his comment that if there was enforcement of our rules/regulations we would need less enforcement. Chief Yannuzzi mentioned some of cost offsets such as: 911 call taker and 911 equipment reimbursements, reimbursements for bulletproof vests, 12.50 money for radio related equipment reimbursement, and misc. \$1,000 grant monies totaling approximately \$36,000.

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Clerk Hancsak mentioned that the proposed revenue to offset the special detail pay was inadvertently not budgeted and would be included when amendments were made.

Building & Zoning

Clerk Hancsak stated that this department reflected a decrease in the Other Current Charge account. The FY 2013/14 budget was amended to include a substantial building permit refund which has since been removed from this budget. The Professional Services account increased based on anticipated additional 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 as it remains as zero. Clerk Hancsak encouraged the Commission to consider funding for this department in the future if projected revenue allows for same. Having funds budgeted would avoid any delay of payment for emergency expenses.

Solid Waste

This activity reflects an overall 2.13% increase in the Republic Services contract. The costs are offset with the revenues received. The proposed Single Family Rate will be \$231 and the Multi-Family Rate will be \$161.70 annually.

Environmental

This department increased. \$12,000 has been budgeted to fund a State mandated Comprehensive Plan amendment to address new regulations related to the potable water system. The NoSeeum fee remains the same, however; additional areas sprayed has added \$5,000 to the budget. The Town Engineering fees remains the same, however; due to additional site reviews and drainage concerns the budget was increased by \$5,000. The Landscape budget increased by \$5,000 to accommodate any special landscaping projects. The Repair & Maintenance account increased \$3,000 to provide for repairs to dune walkovers.

Public Works

This department increased from the prior year. The personnel costs include a 3% merit to the Maintenance Supervisor and up to 5% on the anniversary date to the other employee not topped out on the Step Plan and the Florida Retirement System contribution rate from 6.95% to 7.37%. The Life & Health Insurance reflects 100% of the premium (with a 10% estimated increase), 3 month remainder of the approved \$1500 2014 calendar year deductible, 9 months of a \$1500 2015 deductible, dental coverage (\$384) and vision coverage (\$168). The Operating Supplies for Gas and Oil is based on an estimated \$4/gal. The Road Materials & Supplies account increased \$10,000 to provide for the purchase of red valves and drainage line cleaning. The Capital Outlay account includes \$3,000 for an electric golf cart and \$28,500 for a new truck with an 8' bed.

Manager Schenck advised the new type of red valve has been improved and is inside the pipe thus deterring barnacles from obstructing the valves and becoming more cost efficient. He stated that the Town recently installed one on Inlet Cay Island and if successful they will replace others.

Clerk Hancsak advised that \$50,000 was again budgeted in the Contingency for miscellaneous unbudgeted or emergency funding in any department.

Capital Projects

A \$150,000 Transfer from the General Fund is proposed to assist in funding projects including: \$50,000 for a 3" Force Main from Adams to the 5900 blk of SR A1A (the Villas of Ocean Ridge would fund any tie in to our system),

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\$5,000 for grading the alley between Hudson and Ocean Ave., \$15,000 for the associated miscellaneous drainage professional service, and \$100,000 for Phase I of Repaving.

A consensus was made to investigate the regulations for golf carts on the street, more details on the maintenance truck repairs, actual warranty date information on the two trade in vehicles, and provide additional quotes and/or information on the alarm monitoring system.

Comm Lucibella moved to schedule the Regular Meeting to Monday, August 11, 2014 at 6 PM and hold a Special Budget Meeting one hour before the Regular Meeting, pending approval of the date change by the Town Attorney. Comm Allison seconded the motion.

Motion carried – Yea (5).

Certification of Rolled Back Rate for Millage for 2014/15

Comm. Lucibella moved that the rolled back rate be certified at 5.0680 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. Bonfiglio seconded the motion.

Motion carried – Yea (5).

Proposed Millage Rate for 2014/15

It was discussed that any proposed millage rate set at this meeting can come down prior to the budget adoption, however it cannot go up.

Comm Bonfiglio moved that the proposed millage rate for 2014/15 be established at 5.9300 mills (to cover all proposed expenses without utilizing any surplus) 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. There was no second to the motion.

Comm. Allison moved that the proposed millage rate for 2014/15 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. Aaskov seconded the motion.

Motion carried – Yea (5)

First Public Hearing to consider the budget for fiscal year 2014/2015

Comm. Bonfiglio moved that the First Public Hearing to consider the budget for the fiscal year 2014-2015 be held at 5:01 PM on Tuesday, September 9th, 2014, 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 2014/2015 fiscal year

Comm. Bonfiglio moved that the second public hearing to consider the tentative budget for the 2014/2015 fiscal year be held at 5:01 PM on Tuesday September 16th, 2014, seconded by Comm. Allison.

Motion carried – yea (5).

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Comm Lucibella commented that although the motions were already completed he would like to make a motion that the Commission approve a 5.50 millage rate subject to a balanced budget without any reserves being utilized. There was no second to the motion.

Manager Schenck mentioned that another shade meeting needed to be scheduled to discuss the PBA negotiations. There was a consensus to schedule the meeting for July 30, 2014 at 8:30 AM.

Meeting adjourned at 11:45am.

Attest By:

Town Clerk

Mayor Pugh

Commissioner Aaskov

Commissioner Allison

Commissioner Bonfiglio

Commissioner Lucibella