

SPECIAL TOWN COMMISSION MEETING MINUTES  
AUGUST 23, 2016

Minutes of the Special Town Commission Meeting of the Town of Ocean Ridge held on Tuesday, August 23, 2016, at 8:30 AM in the Town Hall Commission Chambers.

The meeting was called to order by Mayor Pugh at 8:35 a.m.

Town Clerk Stevens led the roll call, which was answered by the following:

Commissioner Aaskov	Commissioner Bonfiglio
Commissioner Coz	Commissioner Lucibella
Mayor Pugh	

Mayor Pugh led the Pledge of Allegiance.

**ACTION ITEMS**

**1. Closed Executive Session**

The Town Commission entered executive session at 8:36 a.m. pursuant to F.S. Section 447.605 for the purpose of discussing PBA Collective Bargaining Negotiations. Those in attendance included the Town Commission, Town Attorney, Town Manager, and Police Chief.

The Town Commission reconvened into public session at 9:32 a.m.

**2. Recommend Town Employee Insurance Package for FY16/17** By: Jamie Titcomb, Town Manager

Town Manager Titcomb explained that after spending a great deal of time with staff and vendors, staff is recommending that the Town offer its employees Blue Cross Blue Shield (BCBS) Plan 14251 offered by Evershore Financial to replace the current United Healthcare NHP plan. The Health Reimbursement Account debit card system would not continue under the new plan as the deductible is significantly lower than the current plan. GAP insurance would not be included in the recommended plan either due to the low deductibles. The comparative cost is similar under the renewal NHP. The plan content was provided in the meeting packages. The proposed plan has a co-pay system and a low deductible. Staff is also recommending the associated dental, vision, life, short-term disability and long-term disability offered by Evershore Financial.

Commissioner Coz asked who would be responsible for the GAP insurance, and Town Manager Titcomb responded that if the Commission votes on the BCBS 14251 plan, we would not need to provide GAP insurance.

Mayor Pugh called for public comment, and there was none.

Commissioner Lucibella stated he indicated to the Town Manager the most important thing he brings to the Commission is accurate information. He stated the information isn't entirely accurate because the \$712.20 cost for insurance goes up to approximately \$725 when you add the 50% deductible requirement through the PBA contract. He noted to be fair to the Town Manager the number might not be that large because employees may not reach their deductible amount. He also mentioned that we should have greater enrollment with the new plan, which we would like to see. Mayor Pugh asked how many employees are currently on the plan and the Town Clerk stated 23 are currently enrolled.

Commissioner Bonfiglio moved to approve switching to the new insurance plan presented by Gloria Rosen at Evershore, Blue Cross Blue Shield 14251 along with matched supplemental coverages for dental, vision,

## SPECIAL TOWN COMMISSION MEETING MINUTES AUGUST 23, 2016

life, LTD and STD, but not HRA coverage or GAP insurance; seconded by Commissioner Lucibella. Commissioner Bonfiglio amended the main motion to authorize the Town Manager to sign all of the insurance forms necessary to implement coverage under the plan; seconded by Commissioner Lucibella. Motion as amended carried 5-0.

### 3. **Consideration of the FY16/17 Proposed Budget** By: Jamie Titcomb, Town Manager

Town Manager Titcomb stated that the updated budget Version 3.0 was presented to the Commission in its packages. He noted that the budget is a living document and items will be updated as they are received such as new insurance rates, etc. He explained how the budget workbook is set up and reviewed some of the highlights. He noted that the Town Commission set the maximum millage rate at 5.3500 which is a flat rate, and the current rolled back rate is 4.9891. He also mentioned that in order to present a balanced budget, there is a transfer to capital projects on page 4, which is the difference between the revenues and expenditures. He noted that the Capital Investment Plan Worksheet on page 17 lists projects that have been discussed but not yet committed to yet, on a five year plan so the Town can project the amounts of money it will dedicate to specific projects on an amortized basis. He noted that the last column in the budget documents is the % to FY15, which means if the number is 100% it is the same budget figure used last year, if the number is over 100% it is an increase, and if the number is below 100%, it is a decrease. He stated things move based on contracts that exist which are still coming up in rotation. He noted that in the past when times were tight, he thinks the trend was to write multi-year contracts in many areas. Legacy systems and contracts may need to be changed out in the future, for instance, our financial software system is a legacy system that has not been updated in three years from the vendor. Each contract and services are being vetted and weighed to improve in the future.

Commissioner Lucibella asked about the Dept 380.100 unappropriated fund balance in the amount of \$286,600, and Town Manager Titcomb explained that unappropriated fund balance figures are the amounts we budget for currently that may not be expended at the end of the year and would be returned to the Town automatically at the end of the fiscal year if unexpended. This is an estimated number because it continually moves, and then is finally adjusted by the Auditors.

Commissioner Lucibella asked about the 381.100 account interfund transfer on page 3 in the amount of \$95,842, and Town Manager Titcomb explained this money is the amount that we anticipate will come in from the new year budget used to fund capital projects. He noted that by Commission direction, appropriations from this fund could be made for capital projects such as road paving.

Commissioner Lucibella mentioned there is an important inadvertent error on page 16. The 2016 budget for contingency and interfund transfers is \$230,000, not \$217,000, and in the Town Clerk's budget for 2016 (page 15 from last year's budget), the total adopted budget was \$342,468, not \$355,469. The difference is the payment to Karen Hancsak of \$13,000. This number needs to be fixed on page 7 of the current proposed budget. When you take the \$13,000 off you realize that we dropped the salary of the Town Clerk from \$91,700 to \$65,500 and that gives you \$13,000 plus \$26,000 that you need to take off to compare apples to apples how much that budget is going up. When you do that, it shows the Town Clerk's budget going up by 8.6%. Commissioner Lucibella asked why the Accounting & Auditing line is going up from \$30,000 to \$39,500, and Town Manager Titcomb explained that we are recommending that we have some additional accounting services that have to do with auditing transactions so we are doing that process correctly. Commissioner Lucibella asked what the \$9,600 is for under "other contractual services", and Town Manager Titcomb responded that is in the budget to allow for updates to software and/or other tech support for administrative functions.

## SPECIAL TOWN COMMISSION MEETING MINUTES AUGUST 23, 2016

Commissioner Lucibella stated the point of a budget is transparency, especially for the public. He stated the public should be able to see how we are spending their money this year compared to last year. He stated in the past budgets, we have included a summary, a discussion of major expenditures, a discussion of capital expenditures, an expense summary, a four-year comparative chart by department, and a detailed personnel services and capital outlay. He stated the new budget format has impacted transparency of the process for the public. Town Manager Titcomb responded that the reason the narratives and multi-year comparatives are not included is because those are intended for the public hearings. This meeting was intended as a workshop to garner from the Commission any priorities or direction that might fundamentally change the budget, so that when he writes the narrative and presents the additional material it will be the final package. Commissioner Lucibella stated the Commission usually receives narratives in advance of the budget workshop so they don't have to spend additional time to fully understand the budget, and the meetings are quick. Mayor Pugh stated he would like to see an asterisk beside any line items that change, and a narrative explaining the change, and he would like to see this before the budget workshop is held so he is not spending time questioning each line item when he is reviewing the budget, and so he understands the budget before coming to the workshop. He stated he shouldn't be asking how the Town is spending his money, staff should be explaining how the money is being spent.

Mayor Pugh asked about the travel and per diem line in the Town Manager's budget which is \$1,900 higher than last year. Town Manager Titcomb explained that his contract lists which functions he is allowed to attend, and \$3,200 is the estimated cost to attend those events for the year as well as the associated travel costs. He explained that his predecessor did not participate in a number of those events, so the budget is increasing. Commissioner Lucibella asked if the Town Manager would normally itemize those functions in the budget for the public, and Town Manager Titcomb responded that this is a summary line item budget based on the actual GL codes of the Town in this point in the process. Commissioner Lucibella noted that the Town of Melbourne Beach budget (where the Town Manager worked in the past) showed an itemized budget last year, and we should have one here. He stated the summary budget is unacceptable. Town Manager Titcomb responded that the Melbourne Beach budget was created under different requirements and was produced over a series of about twenty or so budget workshop meetings to get to that document. He stated he has the actuarial numbers in front of him and he can produce the details for every line item in a document for the Commission. Commissioner Lucibella stated he trusts that the numbers are correct, but to avoid the discomfort, the information should be provided (before the workshop meeting). In reference to the travel in the Town Manager's budget, Commissioner Lucibella stated that a 250% increase in the budget is a little much unless you can find it somewhere else in the budget. He stated he could see going up to \$2,000, but this is \$6,000,000 of taxpayer's money, and we need to respond to them.

Commissioner Coz stated to make it simple, go through the entire budget and where there is an FY17 proposed increase, place an asterisk beside the number, and provide detail explaining the increase.

Mayor Pugh reiterated that he wants to see the items that are increasing in an itemized format, rather than having to ask. He asked why there is an increase of 131% in the Town Clerk's budget for accounting and auditing, and Town Manager Titcomb explained that the increase is for the renewal of the current Auditor contract plus CPA tech support in the audit field for the degree of separation between the Auditor and the function of the Clerk's office. Mayor Pugh asked if the Town has ever had that before, and Town Manager Titcomb explained that we haven't had this before, but we have not been doing things correctly and he is concerned. He explained that there are government accounting standards that require separation of functions in the Town, and we are trying to correct those procedures. Commissioner Lucibella asked why we didn't see findings for that in our audit, as audits are designed to look at procedures in addition to numbers. Town Manager Titcomb responded that he can only speculate on that, but the Auditors are very familiar with the Town and how our systems work, and they have not had serious concern due to the size and scope of our Town as to how some of those procedures were done. They have suggested that processes

## SPECIAL TOWN COMMISSION MEETING MINUTES AUGUST 23, 2016

should be done correctly under ideal situations. Commissioner Lucibella requested a letter from our Auditor to that effect.

Commissioner Lucibella asked why the Town Clerk's salary is budgeted at \$74,000 when she currently makes \$65,500. Town Manager Titcomb referred the Commission to the employee chart at the back of the budget booklet that shows where people are today, where the salaries may be adjusted to for successful merit increases or other contractual adjustments before the end of the fiscal year, and a range of merit increases for the coming fiscal year. Commissioner Lucibella stated there are three positions shown on the chart that are due for an increase based on merit evaluation which are the Lieutenant, Police Chief, and Town Clerk, and he questioned why those three are shown on the chart for merit evaluations before evaluations have been done, and why no other employees have been shown for a merit increase. He also questioned why the Town Clerk salary line has increased from \$65,500 to \$74,000, and Town Manager Titcomb explained that the figures shown assume up to a 5% merit increase at the end of the probationary period (June 2016), and potentially up to a 5% merit increase at the annual anniversary date. Commissioner Lucibella asked how the merit increases are defined in advance for the three people shown on the chart, and Town Manager Titcomb explained that his projections are defined based on his observational performance of those employees shown on the chart. Commissioner Lucibella and Mayor Pugh asked why other employees are not earmarked for a merit increase, and Town Manager Titcomb responded that all of the employees are shown on the chart to potentially receive a merit increase of between two and five percent. The FY16YE Adj. column on the chart shows all of the increases for employees on their anniversary dates whether it be an annual anniversary, a contractual anniversary, or a probationary anniversary. In the case of the Town Clerk, Police Chief, and Lieutenant, they are shown for a merit increase due to probationary periods reached and contractual adjustments. Commissioner Lucibella asked why the Town Clerk's salary line reflects \$74,000 when the chart shows a maximum of \$72,000, and Town Manager Titcomb stated he will research the detail of that line item and adjust it accordingly. Commissioner Bonfiglio stated that the point of a budget is to make sure we have enough money at the end of the year to pay for all of the anticipated expenses, so we should budget for a merit increase for everyone. We don't necessarily need to spend all of the money that has been budgeted, but it is budgeted for in case those employees receive the increase. Commissioner Lucibella stated we would need to raise the millage rate if we did that so the question is why is anybody in there. Commissioner Bonfiglio stated that the point is, if the goal is to cover these expenses just in case they earn the maximum, you would do it for everyone. If you plan to pull it out of the general fund during the year, don't put anyone in there. Mayor Pugh stated he can understand that employees have received their merit evaluations before this budget goes into effect so it wouldn't be everybody, but we would presume it would be more than just the three that are shown on the chart. Town Manager Titcomb noted that the Mayor is correct, and that is the point in creating the chart. He stated most of the salaries have already been adjusted during the fiscal year, and Commissioner Lucibella countered that those salaries did not increase due to merit evaluation. Town Manager Titcomb agreed and stated that the merit evaluation process is newly emerging field that is also related to our PBA collective bargaining scenario that everyone will be evaluated. As Commissioner Bonfiglio pointed out, the chart shows the maximum increase that would occur due to merit evaluation, and those numbers are plugged into the budget so we know whether or not we have the revenues to cover that equation town-wide. Mayor Pugh stated his point was that the chart shows that in the next budget year, there are only three people that he would budget the merit increase for. Town Manager Titcomb explained that is incorrect. The adjustments shown are in the current fiscal year. He explained that in the case of the Town Clerk, the increase is shown based on an increase at the successful six month probationary period evaluation (June 2016) and then an annual evaluation in the next fiscal year. Town Manager Titcomb also explained that some of the adjustments for employees are based on the terms of the PBA contract. Commissioner Lucibella stated it would be helpful if the chart showed salaries at a glance to show what each employee was paid in FY15 vs. FY16 vs. projections in FY17 so the Commission can see where the salaries are going. Town Manager Titcomb acknowledged that he can show that in the detail for each department.

## SPECIAL TOWN COMMISSION MEETING MINUTES AUGUST 23, 2016

Mayor Pugh reiterated the need for an asterisk by each increase and a detail provided.

Mayor Pugh brought up the idea of creating an in-house Building Official. He also mentioned having the Planning & Zoning Board take on the role of Site Plan Review and noted that we may need to increase the Appointed Boards budget. Town Manager Titcomb noted that we have been discussing these issues at the staff level and will bring something formally to the Commission in the near future.

In reference to the General Government Services expense, Commissioner Lucibella asked about the \$1,000 Improvements Not Buildings line item, and Town Manager Titcomb responded this is an incidental line item for odds and ends that come up throughout the year.

Under Law Enforcement & Fire Service Expense, Town Manager Titcomb noted that the Machinery and Equipment line now includes the radio equipment in order for us to execute those purchases. He also noted that the 504.610 line on page 11 increased due to contract renewals. Commissioner Lucibella asked if the traffic cameras are included in the budget, and Town Manager Titcomb explained that the cameras are listed in the Capital Improvements budget; however, everything in that budget is currently unfunded. Commissioner Lucibella asked about the one time lump sum increase line item of \$2,700, and Town Manager Titcomb explained that one of the Sergeants will be retiring during the upcoming fiscal years and will receive a lump sum according to Town policy. Commissioner Lucibella asked about the Life and Health insurance lines, and Town Manager Titcomb responded that we can update those numbers now that we know which insurance plan we are going with.

Commissioner Coz asked about the current costs for our contracted Building Official and Inspection Services, and Town Manager Titcomb stated we budgeted \$140,000 in our current budget and \$154,000 in the proposed budget for the Building Official and inspection services based on increases in building permits. Commissioner Lucibella asked if we could even find someone who could do the Building Official and inspection services in-house, and Town Manager Titcomb stated he had one in his previous Town. He noted it is rare though due to state certifications and licensing. Mayor Pugh stated we may want to look into hiring an in-house Building Official so we have someone here full-time as opposed to part-time contracted service.

Commissioner Lucibella asked about the Other Contractual Services line in the Other Physical Environment budget on page 14, and Town Manager Titcomb noted that this is for several different contracts such as Clarke Mosquito, Chris Wayne Associates for landscaping, Aquagenics for detention area spraying, etc. Commissioner Lucibella mentioned he would like to see the list of contracts in the detail. Mayor Pugh concurred.

Town Manager Titcomb noted that the Garbage & Solid Waste Services budget went up due to the CPI increase in the contract, and as a safeguard in case of a tropical storm or series of tropical storms. Mayor Pugh suggested taking money out of contingency if we are hit with a hurricane instead of budgeting for it. Town Manager Titcomb stated that it shows in the budget that Ocean Ridge has always budgeted higher than the contractual amount, but we could take money out of contingency to cover an incident.

In reference to the Other Physical Environment & Services Expense budget on page 14, Commissioner Lucibella asked if mosquito spraying is included, and Town Manager Titcomb responded that it is included in the amount of \$62,000. Commissioner Bonfiglio asked how much it will cost to expand the spraying to combat the Zika virus. Mayor Pugh noted that we have some of the island that have opted out of the spraying, and suggested that we need to ask the neighborhoods whether they would like spraying in their communities or not. Commissioner Bonfiglio stated we should get an idea on the cost, as he believes we should at least put it in the budget for maybe the next two or three years because eventually we could have a serious problem if the State and Federal Government don't step up to the plate. Town Manager Titcomb

## SPECIAL TOWN COMMISSION MEETING MINUTES AUGUST 23, 2016

stated we have an option by Clarke Mosquito in the proposed contract for Zika and that contract will be brought before the Town Commission for a decision. Commissioner Bonfiglio stated he wants to know how residents feel about spraying for Zika. There was Commission consensus to have Clarke Mosquito at the next budget meeting to talk about spraying for Zika.

Mayor Pugh asked about the contingency line item in the Public Works budget, and there was Commission consensus to fold that into the Repairs & Maintenance line item.

Commissioner Lucibella pointed out that the contingency line item on page 16 has been \$50,000 for the past several years as opposed to \$37,000. He noted that the reason you would not normally pick that up is because the previous Town Clerk would do the year-end adjustments after the budget comes out (budget amendments), and she posted the entry before she left. There was Commission consensus to increase the contingency line on page 16 to \$50,000.

In reference to the five year capital plan on page 17, Commissioner Lucibella thanked former Mayor Kaleel for reminding him that we need to get back on a schedule of paving. Town Manager Titcomb mentioned that we have money in the capital projects fund now that could be used during this fiscal year, but there needs to be consensus direction from the Commission. Commissioner Lucibella asked if we should budget \$150,000 so we can build the fund for paving so we can commit to a certain number of miles per year. Commissioner Bonfiglio stated we should figure out how many roads we have to pave because we wouldn't want to do half a road, and then adjust the figures for each road we decide to pave. Commissioner Bonfiglio suggested surveying the worst roads we have that need to be paved to see how much it will cost for paving for each road. Mayor Pugh suggested doing an RFP. Commissioner Lucibella noted he wants to get back on a paving schedule, and asked how much is in the proposed budget for paving. Town Manager Titcomb explained that there is currently \$100,000 per year earmarked for paving, however, the capital investment plan is currently unfunded. Mayor Pugh stated we used to re-pave every ten years. Commissioner Lucibella would like to see the number changed to \$200,000. Town Manager Titcomb reiterated that in order to fund that, the Commission would need to transfer funds into the capital fund each year. Mayor Pugh stated the RFP will be key so we know how much money to budget for. A contractor could evaluate all of the Town roads, and list them in order of need and cost to repave over a five-year plan.

Commissioner Lucibella asked about the \$70,000 for media/audio upgrades line for the Commission Chambers, and Chief Hutchins stated the audio/visual equipment for Commission chambers is at the end of its life, and it is time to upgrade the system. We have not been satisfied with the quality of the audio for meetings, or the time spent trying to fix things before meetings. He stated that the video projection and audio recording equipment needs to be upgraded, and the estimate for just the audio equipment is \$23,000. Chief Hutchins noted that in order to supply a solid cost, he would need to know exactly how the Commission would like to proceed. There is an option for better audio equipment such as ceiling mics and the ability to adjust the volume for the microphones so we don't experience the current audio issues we have. Chief Hutchins stated the estimate to replace the current audio equipment that is breaking is around \$10,000. He stated the equipment we have now is old technology. He stated we need the upgraded equipment due to all of the meetings, events and training sessions we hold in the Commission Chambers. Town Manager Titcomb noted that all of the equipment and infrastructure for the building are aging at the same rate.

Commissioner Lucibella asked what the number is between revenues and expenditures, and Mayor Pugh responded that number is \$286,650. Commissioner Lucibella stated that we would need \$425,000 for everything that is listed in the proposed capital improvements budget, or \$525,000 if we raise the road paving to \$200,000. Town Manager Titcomb stated the Commission can decide on a certain amount for capital projects each year and then decide which projects to fund during the year. Commissioner Lucibella

SPECIAL TOWN COMMISSION MEETING MINUTES AUGUST 23, 2016

stated he would be in favor of the expenses for the Reconyx covert cameras and the Redundant SIS Alarm Receiver, but he would not be in favor of purchasing Taser's.

Commissioner Bonfiglio asked where we are with the Briny Breezes contract. Town Manager Titcomb stated we had put together a contract and presented it to Briny Breezes, but they also received numbers from Boynton Beach, and those numbers were less than ours. He noted that Briny Breezes met and tabled the decision until the meeting on Sept 8<sup>th</sup>. Commissioner Bonfiglio noted that we have budgeted for that income, and asked what our plan is if we do not receive the contract, as we are stuck with the maximum millage. Commissioner Lucibella stated it is not a matter of recapturing the income because we always end up with a surplus. He stated Briny Breezes knows what services they will be getting from Boynton Beach vs. Ocean Ridge. He also stated they know they are important to us, and know they will be getting a good deal. He stated we need to remember that if we have to depend on contracted services, we have a problem with our budgeting. He stated we need to take it as it comes and tighten our belts. Chief Hutchins stated we made sure Briny Breezes was aware they had a fully executed contract from us and Boynton Beach had not provided that. He stated the only thing that came out of that meeting was whether we would reduce our contract price for the September 8th meeting. Commissioner Lucibella suggested that we offer our current contract price of \$213,000, with a 4% per year increase, with a five-year commitment, and a 60-day out clause.

Commissioner Lucibella moved to add the Briny Breezes contract discussion to the agenda; seconded by Commissioner Bonfiglio. Motion carried 5-0.

Town Attorney Torcivia stated the Commission should ratify this at the next meeting.

Commissioner Lucibella moved to authorize the Chief of Police to go back to Briny Breezes and explain that we will give them two choices, the contract already offered, or an alternative five-year contract with no increase for FY2016-17, then a 4% increase in years two to five and continue to have the same contract terms as the current proposed contract; seconded by Commissioner Coz. Motion carried 5-0.

Meeting Adjourned at 11:29 a.m.

Minutes prepared by Town Clerk Stevens, and adopted by the Town Commission on September 12, 2016.

---

Mayor Pugh

ATTEST:

---

Tracey L. Stevens, CMC, Town Clerk