

SPECIAL TOWN COMMISSION MEETING MINUTES
SEPTEMBER 21, 2016

Minutes of the Special Town Commission Meeting of the Town of Ocean Ridge held on Wednesday, September 21, 2016, at 5:01 PM in the Town Hall Commission Chambers.

The meeting was called to order by Mayor Pugh at 5:01 p.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.

PUBLIC HEARING/ACTION ITEMS

1. Presentation/Discussion of the Budget & Proposed Millage Rate for FY 2016/17

Town Manager Titcomb explained that the FY17 Budget Document Correction Note Sheet was handed out and illustrates a couple of corrections that would make some impacts, and he explained that the changes address some of the concerns raised at the last meeting. The net result is \$108,813 that can be re-appropriated, assigned to something in the budget, or eliminated, reducing the proposed budget from the advertised budget summary ad and tax rate related legal ads.

Commissioner Lucibella asked about the adjusting journal entry to re-appropriate the police radio expense to the capital fund in this year's budget, and asked who has been recording the journal entries. Town Manager Titcomb responded that the Town Clerk's office and the bookkeeping office have been recording the journal entries, and quite often something will be paid out of the general fund and then re-appropriated after the fact.

Commissioner Lucibella referred to the balance sheet and noted the City National CD balance is negative \$500,000 and prepaid insurance premiums are negative as well. We cannot have a negative monetary asset in accounting, and he believes either a reverse journal entry or a double journal entry was recorded. Town Manager Titcomb stated that he will research the errors.

Commissioner Coz stated he talked to the Town Attorney who told him the Commission could approve a budget today and during course of the year as errors are found, have the legal ability to amend the budget. Commissioner Lucibella stated the Commission cannot approve a budget where the expenses are higher than what is publicized, and when you correct the arithmetic errors, the expenses are higher than the advertised amount.

Commissioner Lucibella pointed out the following errors that need to be fixed before approval of the budget:

1. On the Statement of Revenues and Expenditures on page 4, line 513.103 Town Clerk/Treasurer amount of \$316,914 does not match the total Town Clerk's budget of \$307,034 on page 8.
2. Transfer to capital projects shows \$80,000 on page 4, and it is supposed to be \$180,000 which is listed on page 22. The \$194,900 figure in the narrative needs to be corrected as well. Commissioner Lucibella suggested holding a budget amendment workshop after adoption of the budget so the Commission can thoroughly discuss the budget as well as discuss how it will spend money on the capital projects.

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3. The \$180,000 interfund transfer on page 3 actually belongs in the fund balance unappropriated line because the \$180,000 already exists in the capital fund and is earmarked for paving and police radios in the current FY16 budget.
4. The interfund transfer number needs to be \$100,000. Commissioner Lucibella expressed concern about this because the budget summary ad states that we are transferring \$80,000 to the capital projects fund, and he asked Town Attorney Shutt if we can transfer more than \$80,000 if that is what we advertised. Town Attorney Shutt responded that we can do that as long as we don't break the bottom line budget. He also noted that Resolution 2016-12 will need to be changed if changes are made to the budget.
5. Transfers to Capital Projects on page 4 should remain at \$80,000 to keep it in line with the budget summary advertisement, and change that number to match on page 3 and also on page 22 (change the number to \$80,000).

Mayor Pugh asked if the suggested changes will fix the fact that the advertised number is lower than what we will be approving, and Commissioner Lucibella responded that the plug number on page 2 is the number that causes the budget to balance. Town Attorney Shutt responded that by statute the Commission is allowed to make changes to the budget at this hearing provided that it does not go above the proposed millage rate and it does not exceed the noticed budgeted amount.

Town Manager Titcomb noted that he will need some time to recalibrate the numbers and make sure all of the numbers in the spreadsheets are accurate. He does not want to adjust one sheet and find that it creates a balloon effect somewhere else. Commissioner Lucibella offered his assistance in making sure the numbers come out properly.

Mayor Pugh asked what exactly is the problem with the budget right now vs. what was advertised, and Town Manager Titcomb responded that the totals referenced on page 4 add up to \$6,413,611, and those totals match the budget summary ad. He stated he was working on the numbers that needed to be changed from the last meeting, and the deadline for the legal ad needed to be met, so he did everything he could do to maintain the lines in the budget to match the ad.

Commissioner Coz stated that with all the corrections that Commissioner Lucibella pointed out, we should be under the advertised amount by \$10,000 for the purposes of approving the budget. Commissioner Lucibella stated it was the Commission's job two meetings ago to approve expenses, and he cannot approve the budget as presented at this time because we don't know exactly how the adjustments will affect the budget.

Town Manager Titcomb explained that the spreadsheets are linked in certain ways and the calculations are not straight-line calculations, so to be cautious, we should take some time to readjust the figures and make sure all of the numbers are accurate before adopting the budget.

Commissioner Bonfiglio mentioned that the bottom line is if we change the numbers so that we come under the advertised amount, then it may affect other numbers such it may be over the advertised amount which we cannot do. In order to accomplish the statutory requirement, we have no choice to meet sometime between now and the first, and allow Commissioner Lucibella to go over the budget with the Town Manager so that we can meet our statutory obligation of passing a balanced budget in conformity with what we have advertised.

Commissioner Lucibella noted that we would still need to hold a budget amendment workshop after the fact, because all we are trying to do at this point is achieve compliance with what we have advertised and make sure the accounting is correct.

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Town Attorney Shutt explained that the Town Clerk checked with the Department of Revenue today and confirmed that we can recess this final hearing. However, we need to decide the specific date and time to reconvene because there are certain statutory requirements and strict advertising guidelines. The earliest we could meet would be next Wednesday.

Mayor Pugh suggested reconvening on October 3, 2016 prior to the regular meeting.

Commissioner Bonfiglio moved to recess this special meeting to October 3, 2016 at 5:01 p.m. and authorize the Town Clerk to advertise according to TRIM guidelines and in accordance with our discussion today; seconded by Commissioner Lucibella.

Betty Bingham, 1 Ocean Ave, noted that it seems we have many of these same problems every year, and asked if anyone has an outline of what the government actually requires in the budget. She stated Ms. Hancsak would say “that’s just the way it is done”, which didn’t always make it balance. She asked if there is a way we can simplify the budget document so that the average citizen can understand it.

Commissioner Lucibella responded that he liked the way the budgets were annotated in the past within each budget, and stated the Town Manager chooses to present it with a long summary in the front. He stated it is a stylistic issue he is more than willing to accommodate, and he wants to see a budget that the average citizen can look at and understand where money is coming from and going to. He stated we had that in the past, and less so this year, but this is a transitional year.

Commissioner Coz asked what if we are in the same situation on October 3rd and our deadline is October 6th to pass a budget, and Town Attorney Shutt responded that he believes if the Town Commission does not pass a budget by the deadline, then we would automatically go back to the rolled back rate. He will research to see if that is correct.

Mayor Pugh stated that in fourteen years he has never had this situation occur, and he is appalled that we need to postpone the final budget hearing. He stated he gives Commissioner Lucibella a lot of credit for finding the errors, and that it is his personal opinion that Town Manager Titcomb’s job is on the line if we cannot get the budget corrected by the October 3rd final hearing because one of the reasons the Commission hired him was because of his budget experience.

Commissioner Coz stated he appreciates Commissioner Lucibella’s offer to help correct the budget, but asked if we should hire an outside Accountant to make sure we don’t have any issues. Mayor Pugh responded that we should not do that because it is the Town Manager’s job to make sure the budget is presented correctly. Commissioner Lucibella responded that the only way he would be in favor of hiring an outside Accountant would be at the expense of the Town Manager’s job because the Commission grilled him during the interview process and he assured them he could prepare the budget.

Motion carried 5-0.

Meeting recessed at 5:51 p.m. The remaining items on the agenda will be taken up at the continuation meeting scheduled for Monday, October 3, 2016 at 5:01 p.m.

2. ~~Announce that the Town of Ocean Ridge Computed Millage Rate of 5.3500 is higher than the Rolled Back Rate of 4.9891 by 7.23%.~~
3. ~~Comment from Commissioners & Public~~

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4. ~~Resolution No. 2016-10: Adoption of Final Millage Rate for Fiscal Year 2016/2017~~
5. ~~Resolution No. 2016-11: Adoption of Final Budget for Fiscal Year 2016/2017~~
6. ~~Resolution No. 2016-12: Updating and Re-appropriating Funds for the Capital Projects Fund for FY2016/2017~~

Minutes prepared by Town Clerk Stevens, and adopted by the Town Commission on October 3, 2016.

Mayor Pugh

ATTEST:

Tracey L. Stevens, CMC, Town Clerk