

SPECIAL TOWN COMMISSION MEETING MINUTES
JULY 10, 2017

Minutes of the Special Town Commission Meeting of the Town of Ocean Ridge held on Monday,
July 10, 2017, at 5:01 PM in the Town Hall Commission Chambers.

CALL TO ORDER

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

ROLL CALL

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

| | <u>Present:</u> | <u>Absent:</u> | <u>Tardy:</u> |
|-----------------------|-----------------|----------------|---------------|
| Commissioner Aaskov | | x | |
| Vice Mayor Bonfiglio | x | | |
| Commissioner Coz | x | | |
| Commissioner MaGruder | x | | |
| Mayor Pugh | x | | |

Let the record show that Commissioner Aaskov is absent with notice.

PLEDGE OF ALLEGIANCE

Mayor Pugh led the Pledge of Allegiance.

ACTION ITEMS

1. Consideration of the FY17/18 Proposed Budget (By: Jamie Titcomb, Town Manager)

Town Manager Titcomb advised that the purpose of the meeting is to set a maximum millage rate that will be a ceiling for the FY18 budget, and to certify the rolled back rate. He noted that the revisions that were discussed at the last meeting were incorporated into the new version of the budget, and the FY16 actual numbers have been reflected to match the audit report that was recently submitted to the Town. The town is in an increased net position from FY16. The FY18 budget was crafted based on remaining at a flat millage rate of 5.35 mils. If we remain at that level, the flat rate would generate an additional \$241,892 in revenues over FY17. In the capital budget, we included everything that has been discussed up to this point, but there is a differential. The plug number for interfund transfers of \$254,493 is \$88,007 less than the totals for the police capital outlay plan. If the Commission desires to include all of the capital items in the budget, then the difference of \$88,007 would be obtained by going up to 5.45 mils, or by reducing or eliminating other individual items in the budget.

Town Manager Titcomb noted that if the Commission would like to continue with the paving program this year, it could do so by legislative action at the next meeting by designating money from the fund balance for the current fiscal year. Otherwise, the next highest priority streets will be paved in the coming fiscal year beginning in October which is currently funded at \$200,000.

Town Manager Titcomb stated that there is an increase in net cash position as a result of data from the audit. He stated that the changes in the budget are: 1. added money under the Town Clerk's department for additional software; 2. Legal Services dropped to \$140,000; 3. Professional Services is going up slightly due to potential additional duties of the various boards; 4. Added \$12,000 for new finance software; 5. Law Enforcement increase in uniforms due to higher prices estimated at 15%.

Vice Mayor Bonfiglio asked if we budgeted for an in-house Building Official, and Town Manager Titcomb responded that there are two scenarios in the budget; one to contract out Building Official services, and one to have an in-house Building Official. He noted that he has spoken with our current contractor to reconfigure our current contract to provide specific full in-house days for the Building Official utilizing the same cost points in our current contract, likely Monday, Wednesday and Friday. The second model is to advertise for a full-time in-house Building Official based on standard market values in the industry. Vice

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Mayor Bonfiglio asked if we included funds for the Building Official's replacement due to illness, vacation, etc., and Town Manager Titcomb responded that the funds are under the contractual services line for that purpose as well as for additional inspection services. He noted that the bottom line figures do not change between the two scenarios. Mayor Pugh asked if the in-house Building Official scenario is an honest number, and stated he would like to see the actual figures of what it would cost to have an in-house Building Official. Vice Mayor Bonfiglio asked if the Manager called different towns to see what the costs may be, and Town Manager Titcomb responded that he looked at the salaries in the public employee's database which measures several dozen towns of various sizes in the tri-county area to determine the range of salaries for this position. He stated that our current provider noted that costs would go up for additional Building Official duties, and we may need to go out to bid for services if we stay with the contract model. Commissioner Coz noted that in the in-house model, it shows we would be paying \$77,000 for a salary and \$50,000 for contractual services which seems high, and he asked what we are paying for through the current contract. Town Manager Titcomb responded that we are paying for a Building Official, Zoning Official, and Inspectors through the contract. He stated that with an in-house model, we would still have to hire out for certain inspections, to cover for vacations, etc. Mayor Pugh stated that we are using the same numbers from top to bottom, and asked what the \$50,000 in the contractual services line represents. Town Manager Titcomb responded that it would fund coverage and additional contracting for inspections that the in-house person would not be able to perform for whatever reason. Mayor Pugh asked if the in-house Building Official would do plan review and Zoning Review, and Town Manager Titcomb responded that we would hire someone who has credentials to do all of the plan reviews, inspections, enhanced code enforcement working with the Police Department, etc. He noted that the budget for that is an estimated number. Mayor Pugh stated he was hoping the budget would give us more detail on the true cost of what the difference is between in-house and contract services so we can see if it would be a benefit to the Town or not. Commissioner MaGruder noted that Town Manager Titcomb has a job description prepared for the Building Official, and Town Manager Titcomb stated that he would forward the job description to Commissioners.

Mayor Pugh asked what the projected revenues over expenses are in the proposed budget and noted we brought in more revenue than expenses in 2015 and 2016. He stated we may have an opportunity to lower the tax rate if we can determine that number. Town Manager Titcomb responded that we need to adopt a balanced budget so we don't project more revenues than expenses; however, he explained that there is a plug number of \$274,000 on the Statement of Revenues and Expenditures on page 20, line item 380.100. He also noted that the Commission still needs to review the Capital budget items which may re-adjust the plug numbers.

Commissioner Coz stated that the property values in town have gone up with a realized revenue to the town of \$250,000, so the Commission has an opportunity to lower the millage rate.

Vice Mayor Bonfiglio stated that the proposed budget includes items such as the license plate recognition cameras and other capital items. Town Manager Titcomb confirmed that some of the capital items are accounted for in the budget and some are not. Chief Hutchins stated that the numbers are estimated until the Commission decides what it will fund and what it will not fund. Commissioner Coz asked if the additional officers are budgeted for, and Town Manager Titcomb responded that he included the temporary seasonal officer coverage option in the law enforcement budget. Commissioner MaGruder stated the estimated cost to fund additional full-time officers is \$204,000 including benefits, if the Commission decides to replace that with the seasonal officer coverage that Town Manager Titcomb included in the budget. Commissioner Coz stated that police enforcement has been a huge issue, and Town Manager Titcomb reiterated that he included in the budget funds for special duty reserve officers to cover during peak times. Chief Hutchins stated that the cost for full-time officers is \$76,000 per officer, with a maximum of \$152,000 proposed. The Town Manager included in the budget a holding number for part-time use of the Reserve force without adding an employee.

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Vice Mayor Bonfiglio stated that the fund balance reserves are available to cover a catastrophic event, and we are getting to a point where we have dodged a bullet regarding hurricanes for a number of years. He asked Town Manager Titcomb to figure out what it would cost to pay for replacement infrastructure due to a catastrophic event until insurance proceeds kick in. He stated the Auditor reported that it would take 40-60% of annual revenues for a continuity of operation plan, which does not include infrastructure. He stated he would like to have the cost of replacing emergency vehicles and bringing in office trailers and equipment, hooking everything up to electricity, etc. He noted that he does not want to dip into those funds to balance the budget. He would like to approve the millage at the current rate which would pay for everything we need, and we can make cuts to possibly lower the rate later.

Mayor Pugh stated he would like everyone to figure out how we can reduce the budget at the next budget workshop.

Commissioner MaGruder stated we will need additional funding for our drainage systems. He noted that if we set the maximum millage at 5.35 and we cannot increase it, he would like to go up one step to 5.45 for the sake of budgeting and then we have a better opportunity to lower it to below the 5.35 if that is where the numbers really fall.

Vice Mayor Bonfiglio stated that some of our other anticipated revenues may go down such as fuel tax, building permit revenue, etc. and we never know when a recession will hit. He stated we know what we will be receiving in ad valorem tax, but the other revenues are not guaranteed.

Commissioner Coz stated he would like to set the maximum millage at our current rate of 5.35. Mayor Pugh agreed, and stated that historically we have only had a deficit once. Commissioner Coz stated that we are already paying more in taxes due to values going up.

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

2. Certification of Rolled Back Rate for Millage for FY17/18 (By: Jamie Titcomb, Town Manager)

Vice Mayor Bonfiglio moved to certify the rolled back rate at 5.0847 per \$1,000 for FY17/18 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, and the State Department of Revenue; seconded by Commissioner Coz.

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

Motion carried 4-0.

3. Set Maximum Millage Rate for FY17/18 (By: Jamie Titcomb, Town Manager)

Vice Mayor Bonfiglio moved to establish the maximum millage rate for FY17/18 at 5.3500 mils 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, and the State Department of Revenue; seconded by Commissioner Coz.

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

Motion carried 3-1 (MaGruder).

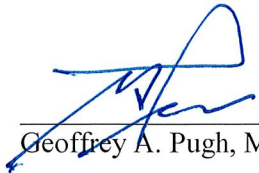
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Commissioner Coz noted that the Town Manager's contract is coming up for renewal on September 30th with a 60-day notification period, and asked Town Attorney Shutt if he could speak regarding the contract at this meeting, and Town Attorney Shutt responded that he would rather it be taken up at the Regular Town Commission Meeting.

ADJOURNMENT

Meeting Adjourned at 5:48 p.m.

Minutes prepared by Town Clerk Stevens, and adopted by the Town Commission on August 15, 2017.



Geoffrey A. Pugh, Mayor

ATTEST:



Tracey L. Stevens, CMC, Town Clerk

