



TOWN OF PALM BEACH

Town Clerk's Office

MINUTES OF THE SPECIAL TOWN COUNCIL HELD ON MONDAY, JULY 9, 2018

I. CALL TO ORDER AND ROLL CALL

The Special Town Council Meeting was called to order on Monday, July 9, 2018 at 9:00 a.m. in the Town Council Chambers. On roll call, all of the elected officials were found to be present.

II. PLEDGE OF ALLEGIANCE

Council President Moore led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

Motion was made by Council President Pro Tem Zeidman, and was seconded by Council Member Araskog, to approve the Agenda, as printed. On roll call, the motion passed unanimously.

IV. COMMUNICATIONS FROM CITIZENS - None

V. TOWN MANAGER'S OVERVIEW OF THE PROPOSED FY19 BUDGET

A. Executive Summary of FY19 Proposed Budget

Kirk W. Blouin, Town Manager

Town Manager Blouin provided an overview of the proposed Fiscal Year 2019 Budget. He spoke regarding the Town's achieved goal of identifying 5.42 million dollars in unused funds to allocate annually towards the Unfunded Actuarial Accrued Liability, (UAAL). He also recommended a reduction in the UAAL amortization schedule from a 25-year to a 15-year period.

Peter Strong, Senior Consultant, Gabriel Roeder and Smith Actuarial Consulting Firm, presented the reasons for considering a reduction in the amortization period.

1 In response to questions from the Town Manager Blouin, Mr. Strong spoke
2 regarding ways to mitigate market volatility risks once the pension is 100%
3 funded and explained the period of time when a portfolio “smooths” itself out
4 from its gains and losses.

5
6 In response to questions from Council Member Lindsay, Mr. Strong spoke
7 regarding how the Town’s Actuarial Determined Employer Contribution (ADEC)
8 is calculated, how the investment return affects the Town’s contribution rate, and
9 other items to consider when calculating a reasonable amortization schedule.

10
11 In response to questions from Council Member Crampton, Mr. Strong explained
12 what the interest rate would be for a pension fund that is 85% funded vs. 100%
13 funded and projected that the Town will be 85% funded by 9/30/2025 with a 15-
14 year amortization rate and a 16 million dollar annual payment.

15
16 In response to a question from Council Member Araskog, Mr. Strong pointed out
17 that the Town’s funding policy has the flexibility to reduce the additional amount
18 contributed each year to the pension fund should those additional costs become
19 unsustainable due to a recession or unforeseen circumstances.

20
21 Discussion ensued regarding the manageability of changing the amortization
22 schedule and the accruing amount of interest to the debt.

23
24 **It was the consensus of the Town Council to request that the Retirement Board of**
25 **Trustees vet the recommendation to reduce the UAAL amortization period to 15**
26 **years.**

27
28 **B. General Fund**

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30 1. Review of General Fund Revenues for FY 2019.
31 *Jane Le Clainche, Director of Finance*

32
33 Director Le Clainche provided an overview of the General Fund revenues
34 and expenditures for FY2018 and FY2019, the proposed millage rates and
35 fee increases for FY2019. She also spoke regarding the reduced operating
36 expenditures and surplus revenues identified in the CROTO and the level
37 of reserves recommended for the FY2019 budget.

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39 2. General Fund Expenditures – Department Review

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41 Director Le Clainche provided an overview of each department’s budget
42 and explained how the General Government Fund is set up for funding the
43 compensation payouts for retired employees and employee benefits.

- 44
45 a. Legislative
46 b. General Government
47 c. Town Manager

- d. Advice and Litigation
- e. Town Clerk
- f. Information Technology
- g. Human Resources
- h. Finance
- i. Planning Zoning and Building
- j. Recreation and Tennis
- k. Fire-Rescue
- l. Police
- m. Public Works
- n. Library Services
- o. Transfer and Other

Discussion ensued regarding the amount of money spent on advice vs. litigation and the amount of expenditures on communications with the Town Attorney.

Deputy Town Manager Boodheswar addressed concerns expressed by Council Member Crampton with regard to Information Technology, records management and cloud storage.

Discussion ensued regarding the evolving need of information security systems.

Robert Weber, Coastal Program Manager, spoke regarding the 2019 coastal project schedule and the projected schedule for receiving funding assistance from the grants awarded by the state.

Discussion ensued regarding the funding of the coastal program and the grant awards, the dock replacement project, how the cost savings from the reduction in staff impacts the costs for contractual services, future funding commitments to the Four Arts Library, the Capital Improvement Program and the issuance of the General Obligation Bonds for the Town-wide Underground Utility Project.

C. Debt Service Funds

Jane Le Clainche, Director of Finance

Director Le Clainche provided an overview of the Town's debt service fund.

In response to a question from Mayor Coniglio, Director Le Clainche spoke regarding the Town's policy for the allowable debt permitted versus the Town's current debt amount. She reported that the Town is currently 109 million dollars in debt and the capacity of debt allowed, which is based on the Town's taxable property value, is 900 million dollars.

D. Capital Improvement Funds

H. Paul Brazil, P.E., Director of Public Works

- a. Pay As You Go Capital Improvement Program
- b. Accelerated Capital Improvement Program
- c. Coastal Protection Program
- d. Worth Avenue Maintenance Program

In response to a question from Council Member Crampton, Director Le Clainche and Town Manager Blouin spoke regarding the Town's shift from the Accelerated Capital Improvement Program (ACIP) to the Pay-As-You-Go program.

In response to a question from Council Member Crampton, Coastal Program Manager Weber spoke regarding the mitigation of the near-shore hard-bottom repairs in Mid-town and the coral reef transplants from carry-over projects approved in 2012.

Mayor Coniglio spoke regarding the need to consider modifying the budget for projects in the Pay-as-You-Go program and Coastal Protection Program to ensure that both the coastal and intracoastal areas are protected and the Town roads and drainage projects are kept current.

E. Enterprise Fund Budgets

Jane Le Clainche, Director of Finance

- a. Town Docks Enterprise Fund
- b. Par 3 Golf Course Enterprise Fund

Beth Zickar, Director of Recreation, explained the line item for the cost related to the elevator circuit board replacement at the Par 3 Golf Course and how excess funds are transferred.

The Town Council requested that staff report back with the proposed costs for the elevator circuit board replacement and the cost for the replacement of the Par 3 Clubhouse's original elevator with a Limited Use Limited Application (LULA) elevator.

F. Internal Service Funds

Jane Le Clainche, Director of Finance

- a. Health Insurance
- b. Risk Management
- c. Equipment Replacement Fund

Director Le Clainche provided an overview of the Health, Risk and Equipment Replacement Funds.

G. Trust and Agency Funds

Jane Le Clainche, Director of Finance

- a. Pension Funds
- b. OPEB Trust

Director Le Clainche provided an overview of the Health, Risk and Equipment Replacement Funds.

- H. RESOLUTION NO. 082-2018** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Approving a Proposed Operating Millage Rate of 3.2037 for the Tentative Fiscal Year 2019 Budget; Approving the Computed Rolled Back Millage Rate of 2.9857 to be Provided to the Property Appraiser in Accordance with F.S. 200.065; Establishing the Date, Time and Place of the First and the Final Budget Hearings to Consider the Proposed Millage Rates and Tentative Fiscal Year 2019 Budget and Directing the Town Manager to Transmit this Information to the Property Appraiser of Palm Beach County in Accordance with the Requirements of F.S. 200.065.

Kirk W. Blouin, Town Manager

Council President Moore read the resolution into the record.

Motion was made by Council Member Crampton, and was seconded by Council President Pro Tem Zeidman, to approve Resolution No. 082-2018. On roll call, the motion passed unanimously.

- I. RESOLUTION NO. 083-2018** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Amending the Town of Palm Beach Master Fee Schedule by Increasing the Lien Search Fees, Voluntary Identification Card Fee, Valet Parking Permit Fee, Special Pickup Fees, and Right of Way Permit Fees; and Providing an Effective Date.

Jane Le Clainche, Director of Finance

Council Member Araskog read the resolution into the record.

Motion was made by Council Member Araskog, and was seconded by Council President Pro Tem Zeidman, to approve Resolution No. 083-2018. On roll call, the motion passed unanimously.

- J. RESOLUTION NO. 084-2018** A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Amending Recreation Department Fees for Fiscal Year 2019 and Granting Authority to the Director of Recreation to Modify Daily Tennis and Golf Fees, when Necessary, to Maximize Revenue During Underused Periods. *Beth Zickar, Director of Recreation*

Council President Moore read the resolution into the record.

Director Zickar provided an explanation of the proposed fee increases.

Council Member Lindsay requested that staff research an appropriate fee increase for the Town Dock Slip Wait List.

Motion was made by Council Member Crampton, and was seconded by Council President Pro Tem Zeidman, to approve Resolution No. 084-2018. On roll call, the motion passed unanimously.

K. RESOLUTION NO. 085-2018 A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Relating to the Worth Avenue Improvement Project; Establishing the Estimated Assessed Cost Against the Properties That Will Be Benefitted Thereby; Directing the Town Manager to Prepare an Updated Assessment Roll; Establishing a Public Hearing to Consider Approval of the Assessment Rolls and Reimposition of the Maintenance Assessments and their Collection Pursuant to the Uniform Assessment Collection Act; Directing the Provision of Notice; and Providing for an Effective Date.
Jane Le Clainche, Director of Finance

Council Member Araskog read the resolution into the record.

Motion was made by Council President Pro Tem Zeidman, and was seconded by Council Member Lindsay, to approve Resolution No. 085-2018. On roll call, the motion passed unanimously.

L. RESOLUTION NO. 086-2018 A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Relating to the Peruvian Avenue Improvement Project; Establishing the Estimated Assessed Cost Against the Properties that will be Benefitted Thereby; Directing the Town Manager to Prepare an Updated Assessment Roll; Establishing a Public Hearing to Consider Approval of the Assessment Rolls and Reimposition of the Maintenance Assessments and their Collection Pursuant to the Uniform Assessment Collection Act; Directing the Provision of Notice; and Providing for an Effective Date.
Jane Le Clainche, Director of Finance

Council Member Lindsay read the resolution into the record.

Motion was made by Council President Pro Tem Zeidman, and was seconded by Council Member Araskog, to approve Resolution No. 086-2018. On roll call, the motion passed unanimously.

M. RESOLUTION NO. 087-2018 A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County, Florida, Relating to the Collection and Disposal of Commercial Solid Waste; Establishing the Estimated Assessed Cost

Against the Properties that Will Be Benefitted Thereby; Directing the Town Manager to Prepare an Updated Solid Waste Assessment Roll; Establishing a Public Hearing to Consider Approval of the Assessment Roll and Reimposition of the Service Assessments and Their Collection Pursuant to the Uniform Assessment Collection Act; Directing the Provision of Notice; and Providing for an Effective Date.

H. Paul Brazil, P.E., Director of Public Works

Council President Pro Tem Zeidman read the resolution into the record.

Motion was made by Council Member Lindsay, and was seconded by Council Member Araskog, to approve Resolution No. 087-2018. On roll call, the motion passed unanimously.

VI. ANY OTHER MATTERS

Pat Cooper, Palm Beach Civic Association, commended the Town staff on the tremendous job with the budget.

Council President Moore announced that the Recreation Center Project Update, scheduled for discussion at the July 10, 2018 Town Council meeting, has moved from a 1:30 p.m. time certain to a 2:00 p.m. time certain.

Director Le Clainche announced the upcoming Town Council meeting schedule, which included the dates and times for the first and final budget hearings.

VII. ADJOURNMENT

There being no further business, the Special Town Council meeting of July 9, 2018 adjourned at 11:35 a.m.

APPROVED:

Danielle H. Moore
Town Council President

ATTEST:

Kathleen Dominguez
Town Clerk

Date: _____