

SPECIAL TOWN COMMISSION MEETING MINUTES  
JULY 2, 2018

Minutes of the Town Commission Special Meeting of the Town of Ocean Ridge held on Monday,  
July 2, 2018, at 3:00 PM in the Town Hall Commission Chambers.

**CALL TO ORDER**

The meeting was called to order by Mayor Bonfiglio at 3:03 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 Besler	x		
Mayor Bonfiglio	x		
Commissioner Coz	x		
Commissioner de Haseth	x		
Vice Mayor MaGruder	x		

**PLEDGE OF ALLEGIANCE**

Mayor Bonfiglio led the Pledge of Allegiance.

**PUBLIC COMMENT**

None

**BUDGET DISCUSSION**

**1. Consideration of the FY18/19 Proposed Budget and Determination of Town Commission Fiscal Priorities**

Town Manager Titcomb advised that there was a change made to the budget document today, and the new pages were distributed for the Commission, and posted on the website for the public. The change was due to incorrect salary figures on pages 3 and 11, as the dispatch unit was not included in the law enforcement salaries erroneously. He noted that due to the error, the balancing figure changed to \$373,900 which is non-revenue from reserves required to balance the budget, at the current modeling with the 5.25 mil rate.

Commissioner Besler stated that we were at a mil rate of 5.35 in 2017 and the Commission changed that to 5.25 in 2018, so we lost around \$100,000 in revenue. Commissioner Coz responded that the revenues went up due to the valuation increase last year, so the Commission decided they could decrease the mil rate to 5.25. Town Manager Titcomb explained the mil rate comparison sheet and how much revenue would be produced at each mil rate.

Commissioner Besler stated that \$266,000 was placed in the budget to balance it from revenues last year, and at the end of the year, we realized \$425,000 returned to reserves. He stated we would lose \$200,000 but we had a cushion of \$425,000 the year before, so we would still have a cushion of around \$225,000. Town Manager Titcomb confirmed that our track record of revenues over expenditures has been consistent and if we offset that with the amount of money we are using from reserves as our balancing figure, we would get down to a close figure at the end of the year. Commissioner de Haseth asked if that means we are not taking any money out of reserves and we would have around \$200,000 left at the end of the year, and Town Manager Titcomb stated that is incorrect. Commissioner de Haseth asked for an explanation, and Commissioner Besler explained that when the budget was crafted last year, the revenues were understated and the expenses were overstated so at the end of the year revenues went back into the reserves at the end of the year. Town Clerk Stevens explained that last year \$266,581 was used to balance the budget from reserves, however, at the end of the year, we did not expend \$425,000, so \$425,000 minus \$266,581 was returned to the reserves, which ended up being a return of \$120,944 after the financial statements were

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fully audited. (Note: The monies being returned to the reserves each year are shown at the bottom of page 3 of the budget document).

Mayor Bonfiglio stated that the project list is on page 17, and explained that the reserves used to balance the budget is \$373,900 before the projects are even considered. He stated that the Commission needs to decide on what they want to fund for projects, and decide how to pay for it by either drawing down the reserves, cutting expenses, or increasing the mil rate. Town Manager Titcomb stated that the Town has historically used money from reserves to balance the budget, but has returned that money back into the reserves at the end of the year. Commissioner de Haseth stated that the Commission will need to decide if it wants to use reserves or not this year.

Town Manager Titcomb explained that he has already included in the budget more maintenance money for drain infrastructure, etc., however, there is also extra money for drain infrastructure on the project list for increased projects in that area. He stated that we could also consider raising some of our fees for different things to produce more revenue.

Vice Mayor MaGruder asked if the revenue in the amount of \$250,000 that would have been realized from a lien if the Commission had not approved a lien reduction would have gone into reserves at the end of the year, and Town Manager Titcomb responded that since it would have been unbudgeted revenue, it should unless it is reassigned accordingly. Vice Mayor MaGruder asked if we were to go back to the 5.35 mil rate, would that generate \$93,000 in revenue, and Town Manager Titcomb confirmed that it would.

Commissioner Coz asked if we could project how much money would be going back into the reserves at the end of this fiscal year, and Town Manager Titcomb stated that the revenue and expenditure reports that are generated monthly gives you a pretty good idea of the percentage expended to date. Town Clerk Stevens cautioned that when looking at the monthly percentages and projections, we also need to take into consideration quarterly, annual, and semi-annual payments such as the drainage loan of \$233,000 that is paid twice per year, and also consider that we receive most of the ad valorem revenue at the beginning of the fiscal year. Town Clerk Stevens stated that she believes we will be close in revenues vs. expenditures this year. Commissioner Besler stated that if we were only over in revenue by \$120,000 last year, and we are going to lose \$93,000 from the mil rate decrease, and another \$100,000 because of the difference in plug number over last year, then we are in a negative position before we even discuss the project list. Vice Mayor MaGruder reminded the Commission that the PBA negotiations need to be concluded before we can discuss that number on the project list as well. Town Manager Titcomb stated that we have not received the new insurance numbers yet either, so that could cause an increase in expenditures as well. He reminded the Commission that the maximum millage vote is a critical step in the process, and statutorily we cannot go above the maximum that is set, but we can always come down from that before the final budget is approved if things look better based on new figures or Commission action.

Commissioner de Haseth asked what may look better by next month, and Commission Besler cautioned that the other revenue streams besides ad valorem seem to be going down. Commissioner Coz asked about the sales tax revenue, and Town Clerk Stevens reminded the Commission that the penny sales tax revenue of \$108,000 is a revenue line in the budget, but it will need to go back into the reserves at the end of the year unless the Commission decides to use it for expenditures that meet the County ordinance, because those are restricted funds based on the County ordinance. She stated that she believes the health insurances rates will be higher than what is currently budgeted as well.

Mayor Bonfiglio turned the Commission's attention to the project list on page 17, and noted that the Commission needs to decide which of the projects to fund this year so the maximum millage rate can be set today.

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Public comment: Zoanne Hennigan, 91 Island Drive South, stated that she understands that the maximum millage rate may be set at a higher rate today, but hopes that the Commission will be able to come down from that rate before final adoption of the budget.

Town Manager Titcomb explained the project amounts on page 17, noting that there is one column for partial funding, and a second column for full funding. He noted that we have \$20,000 in line item 503.400 in the Other Physical Environment Department for landscape projects, irrigation and beautification, so the money on the project list for beautification is extra. He gave a similar example for drain maintenance. **Commissioner Coz stated he wants to know how much money is currently in the budget for each item so we know how much additional we may need for the projects, and that he had spoken to Town Manager Titcomb about this previously. He stated he wants those numbers included on the project list. There was consensus of the Commission for Town Manager Titcomb to produce those numbers on the project list.**

Public Comment: Betty Bingham, 1 E. Ocean Ave, asked if we have come up with an overall plan for beautification.

Town Manager Titcomb explained that the projects on page 17 are for new projects, as the regular maintenance, installation and upgrade items are already included in line items in the budget in order to maintain our current level of service. He stated the Commission needs to look at the cost/benefit ratio, and how much they want to accomplish in one fiscal year on top of what is already being done.

Commissioner Coz asked about whether our officers had any say in the PBA requests or if the requests came directly from the PBA, and Chief Hutchins explained that the patrol officers and sergeants are in the PBA, and their representative allegedly gathered information from the officers to present to the PBA to formulate their collective request items. He stated there are rumors that indicates that is not true.

Commissioner de Haseth asked if this is being negotiated for all area police departments or just Ocean Ridge, and Chief Hutchins responded that this is for only Ocean Ridge. Town Manager Titcomb followed up that the PBA represents most law enforcement agencies in the area, and several negotiations are going on concurrently in the region which may have some similarities, but the particular requests are crafted by the members of the bargaining unit here in Ocean Ridge.

Commissioner de Haseth stated that we have a separate beautification fund that is quite healthy that has not been used. Town Clerk Stevens explained that the Town Commission earmarked \$115,000 of our fund balance/reserves years ago for beautification. Those funds remain in the restricted fund balance figures. She stated that the \$115,000 is designated for beautification on page 11 of the financial statements. She noted that we also have approximately \$32,000 in the McGinty bank account which is specifically for Town Hall beautification, not town-wide beautification. Town Manager Titcomb stated we have \$20,000 currently in the budget earmarked for beautification. Mayor Bonfiglio asked if the Commission would rather go with the \$10,000 figure or the \$40,000 figure for beautification in the budget, and Commissioner Besler stated that the \$10,000 figure would fund one project, and the \$40,000 may fund four projects. Commissioner Coz asked for clarification that the \$10,000 would be spent for the Harbour Island project that was already quoted, and Town Manager Titcomb stated that it could be spent on the landscaping there. He noted that the Town Commission decided this year that \$10,000 would be spent on that project, however, the quote came in at \$50,000 for that project including curbing, electrical, irrigation and landscaping so we didn't have enough to fund it. **The consensus was to leave the beautification project at zero at this time.**

In reference to drain infrastructure upgrades on the project list, Town Manager Titcomb stated that we have only included repairs and maintenance in the budget in the amount of \$47,400, with no new infrastructure such as catch basins. He stated that stormceptors are about \$15,000. He stated that we have maintenance

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scheduled on Bimini Cove, as it is still flooding there, and we now know what the additional issues are after doing additional camera work. He stated that we need to fix what is broken or install infiltration trenches, etc. Commissioner de Haseth noted that we don't have the report from Higgins Engineering yet so it is difficult to know which things we should do this year and which things we should wait to do next year. She said we may be able to spread the \$250,000 over a three year period, however, we haven't seen the report yet. Town Manager Titcomb stated that drainage issues will always be exacerbated by king tides and rising waters, aging infrastructure, etc. **Vice Mayor MaGruder suggested funding \$125,000 for both Higgins recommendations and drain infrastructure upgrades, and there was consensus to do so.**

Town Manager Titcomb stated that the \$16,000 for iguana control would be a limited program to do only town owned areas and then residents could opt in to hire the company to do their own properties at their own cost. If the Commission decides on \$30,000, the town would be paying for a 12 month program for town properties plus private properties that opt into the program. Commissioner Besler is in favor of the \$16,000 program, and Commissioner Coz is not in favor of the program.

Public Comment: Zoanne Hennigan, Island Drive South, stated that iguanas are more than a nuisance, they are a health hazard due to salmonella bacteria in the feces. She mentioned that the two vacant houses next to her are not going to spend money to get rid of iguanas because no one lives there, and it seems to be a breeding ground on those properties which affects the quality of life in the area.

Commissioner de Haseth stated that this will eventually be a property value issue. Mayor Bonfiglio noted that iguanas dig and burrow and can compromise foundations and seawalls. Commissioner de Haseth stated that the town has already set a precedent to help with quality of life with the noseem spraying program. Vice Mayor MaGruder stated that the iguana program would be similar to noseem spraying. Town Manager Titcomb noted that there is a 30 day cancellation on the program if we find that it is not successful. He stated that the service fee is \$900 per year for residents if the Commission opts for the \$16,000 program. A town wide 6 month trial program at \$16,000 was discussed that may not require resident funding, however, Town Manager Titcomb stated he would need to discuss that possibility with the contractor before moving forward. **There was consensus of the Commission to begin with the \$16,000 program, and the details of the contract will be worked out once the budget is finalized.**

**Regarding the potable water main upgrades/maintenance/inspections line on the project list, Town Manager Titcomb suggested deferring this until next year, as we are currently in negotiations with Boynton Beach utilities, and there was consensus of the Commission not to fund this in the proposed budget.**

**There was consensus of the Commission to fund \$12,000 for the Sea Level Vulnerability & GIS mapping layers, with a focus on vulnerability GIS layer data.**

**There was consensus of the Commission to fund \$12,000 for extra TeleVac South services.**

**There was consensus of the Commission to not fund additional signage systems/street signs.**

Regarding additional traffic calming & entryway branding, Commissioner Coz asked where we are with FDOT, and Town Manager Titcomb stated that they are working slowly on our A1A project, and it will probably not happen in FY19. Commissioner Coz asked about installing an island on Ocean Ave.

Public comment: Betty Bingham, 1 E. Ocean Ave, stated that the residents fought not to do an island on Ocean Ave when they did the Ocean Ave bridge project.

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Commissioner Coz noted that the residents he has spoken to want the island due to speeding on Ocean Ave. **There was consensus of the Commission not to fund any additional traffic calming or entryway branding.**

In reference to beach crossover removals, renovations & repairs, Town Manager Titcomb stated that we have discussed in recent Town Commission meetings to take out the wood beach crossover structures and replace them with a more low profile infrastructure, and it would cost approximately \$10,000 per crossover. He stated that DEP will not let us replace the Beachway crossover, so we either need to maintain it as-is or take it out completely. Vice Mayor MaGruder suggested funding \$15,000 for the Beachway crossover and stated that we need to curve it like the Corrine crossover so it is not a tunnel for the sand during high winds. He stated that Beachway is one of the lowest dunes we have. **There was consensus of the Commission to fund \$15,000 for the Beachway crossover.**

There was a discussion regarding the Crown Colony crosswalk, and Chief Hutchins noted that FDOT does not believe the mid-block crosswalks are as safe, so they are less apt to fund that. He stated that they have strict parameters and it will not be easy to get FDOT to approve it. **There was consensus of the Commission to fund \$4,000 for a traffic study for the Crown Colony crosswalk.**

Town Manager Titcomb stated that the flood control infrastructure upgrades on the project list is to fund the Higgins Engineering estimate for existing outfall upgrades. Commissioner Coz noted that the alley behind Coconut needs attention, and Town Manager Titcomb stated that those repairs may be done during the current fiscal year. **There was consensus to fund the flood control infrastructure upgrades at \$33,000.**

Chief Hutchins stated that there is value in having additional LPR cameras in strategic locations to expedite our response. He stated that we can do this over a period of time to maximize the funding and get a long term program in place. He stated that he would not prioritize this over other projects at this time, and **there was consensus of the Commission not to fund additional pole locations in the proposed budget.**

Regarding the swale/sidewalk construction in town right of ways, Mayor Bonfiglio asked if the Town Engineer has recommended swales in particular areas, and Town Manager Titcomb stated that she hasn't yet. Town Clerk Stevens stated that the Town Engineer estimated \$10,000 per swale area. **There was consensus of the Commission to fund \$20,000 for swale/sidewalk construction in town right of ways.** Commissioner de Haseth stated that it is an important step to do a 5-year plan so we know how much to fund each year. Town Manager Titcomb stated that he could develop the 5-year plan, but we also need to take into consideration any recommendations that come out of the comp plan review.

Town Manager Titcomb stated that we cannot set a number yet for the PBA requests, as the negotiations are still ongoing.

Mayor Bonfiglio summarized that the current plug number/utilization from reserves to balance the budget is \$373,900, and we now have \$237,000 in consensus items, for a total of \$610,900 without the PBA requests added in yet. He reminded Commissioners that we need to fund this with either an increase in mill rate, usage from the town's reserves, cuts in expenses, increases in user fees, or a combination of these.

Town Manager Titcomb reminded the Commission that the PBA negotiations are for a three-year contract. We are budgeting for the first year of the contract in this proposed budget, and then we will need to include those negotiated figures in the next two budgets as well.

There was a preliminary discussion regarding the maximum millage, and Commissioner Coz suggested that we have some flexibility with the paving. He suggested setting the max at 5.35. Commissioner de Haseth

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stated that each mil gives us around \$100,000 so even if we set it at 5.65, it won't be enough to cover the \$610,900 in expenses, and 5.35 is unrealistic. Commissioner Coz stated that there may be unrealistic numbers in the budget, and we do have the option of using reserves. Commissioner de Haseth stated that she is not in favor of using reserves. Chief Hutchins stated that since the PBA numbers are unknown at this time and the Commission needs to set the maximum millage today, perhaps setting it more realistically at this time would be the better option, and then the Commission can come down from that before the final budget adoption.

Commissioner de Haseth stated that if the Higgins Engineering report comes in and he recommends large ticket infrastructure items, we may want to look at a special assessment district or bonding. Mayor Bonfiglio stated that we can move the expenses around later if we decide to use some of the paving budget for drainage infrastructure, or if we decide to not fund the \$125,000 for drainage. Vice Mayor MaGruder stated that last year he was an advocate for setting the maximum millage at a higher rate as a precautionary measure and then coming down from that during the process, and he would like to do the same this year. Commissioner Besler suggested that we set the maximum at 5.6384 and we can come down from that later. He is uncomfortable setting it lower due to the unknowns with the PBA contract negotiations. Commissioner de Haseth mentioned that there are other capital items that we may need to cut such as police cars. She stated that she would support setting the maximum at 5.6384. Town Manager Titcomb stated that 5.6384 is the maximum millage the Commission can vote for relative to the rolled back rate with a simple majority vote, and per our valuation, that would generate \$565,507 over the current year budget. Commissioner Besler noted that would be a 7% increase in the budget. Commissioner de Haseth stated that chances are, that will drop down to 5%. She noted that for each 10<sup>th</sup> of a mil increase, it would be an additional \$50 approximately per year for a resident, depending on valuation.

### 2. Certification of Rolled Back Rate for Millage for FY18/19

**Commissioner Coz moved to certify the rolled back rate at 5.0527 per \$1,000 for FY18/19 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 Vice Mayor MaGruder. Motion carried 5-0.**

### 3. Set Maximum Millage Rate for FY18/19

(Note: See prior discussions on the maximum millage rate beginning on the last paragraph of page 5, and ending on page 6.) Commissioner Coz stated that he is not in favor of raising taxes on people whose property values already went up and will be paying more due to that, and thinks the Commission needs to have fiscal discipline. He stated that the Town is becoming responsible for more and more.

Mayor Bonfiglio stated that he agrees, however, the town put things off for years that needed to be done, in order to keep the taxes and the millage rate down while going through the terrible period of recession, and now those things need to be addressed.

Commissioner de Haseth asked if she would have support if she made a motion for 5.55 maximum millage, and stated that it would give us approximately \$300,000 of the \$600,000 we need to fund the budget. Mayor Bonfiglio stated that if we go that high, we are asking the residents to pay for a very large increase, and Commissioner de Haseth stated it would only be around \$75 additional per year for \$100,000 house. Commissioner Besler stated that would be an increase of 5.7% over the 5.25 millage rate. Commissioner de Haseth stated that we may be able to lower it during the next two months by doing some maneuvering. Vice Mayor MaGruder stated that we need wiggle room between now and the next two meetings.

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**Commissioner de Haseth moved to establish the maximum millage rate for FY18/19 at 5.55 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 Vice Mayor MaGruder. Motion carried 3-2 (Mayor Bonfiglio and Commissioner Coz dissenting).**

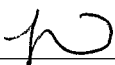
**ADJOURNMENT**

Meeting Adjourned at 5:17 p.m.

Minutes prepared by Town Clerk Stevens, and adopted by the Town Commission on August 6, 2018.

  
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Mayor James A. Bonfiglio

ATTEST:

  
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Tracey L. Stevens, Town Clerk