

SPECIAL TOWN COMMISSION MEETING MINUTES
AUGUST 29, 2018

Minutes of the Town Commission Special Meeting of the Town of Ocean Ridge held on Wednesday,
August 29, 2018, at 2:00 PM in the Town Hall Commission Chambers.

CALL TO ORDER

The meeting was called to order by Mayor Bonfiglio at 2:00 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

CLOSED EXECUTIVE SESSION (SHADE MEETING)

1. Mayor Bonfiglio announced that a closed Executive Session in accordance with F.S. Section 447.605 for the purpose of discussing PBA Collective Bargaining Negotiations will be held at 2:00 p.m. Those in attendance will include Mayor James Bonfiglio, Vice Mayor Don MaGruder, Commissioner Phil Besler, Commissioner Steve Coz, Commissioner Kristine de Haseth, Town Labor Attorney Matthew Ransdell, Town Manager Jamie Titcomb, Town Clerk Tracey Stevens, and Police Chief Hal Hutchins.

RECESS

The Town Commission recessed into closed executive session at 2:02 p.m.

RECONVENE

The Town Commission reconvened into public session at 3:19 p.m.

TOWN MANAGER EVALUATION

Commissioner de Haseth asked if everyone has had a chance to have an evaluation session with the Town Manager before the meeting. She envisioned that the results would be compiled and then a discussion could have led to a better, more robust discussion. There was some discussion about the evaluations and some Commissioners declined to do a written evaluation and preferred to do a verbal evaluation at the meeting. Commissioner Besler noted that he wanted to ask the Town Attorney if Town Manager Titcomb could sue the Town if Commissioners all did their own evaluation forms and there was no consistency, with five people leading him in a different direction. Commissioner de Haseth stated that evaluation forms were distributed to Commissioners by the Town Clerk. Mayor Bonfiglio responded that there is a contract in place, and he doesn't think a lawsuit would be won on that argument. He stated that this Commission cannot bind future Commissions either, so a future Commission could dismiss the Town Manager even if he received good evaluations. Commissioner Besler asked if the evaluations can be distributed legally, and Mayor Bonfiglio stated that they can be distributed in an open meeting and they become public record at that time.

Town Manager Titcomb stated that the evaluation was scheduled today in order to set the rates for the upcoming budget, and noted that his salary has not changed since his 90 day probationary period ended.

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He voiced his concern about distributing emails, forms or comments if the format is not consistent. He noted that there is money in the proposed budget for an increase, but it is incumbent upon the Commission to do the evaluation and authorize the increase.

Commissioner Coz mentioned that Town Manager Titcomb would benefit from comments that will make him a better Town Manager, and would like to see that happen in this format and then have the Commission take a vote on a salary increase.

Mayor Bonfiglio asked if any Commissioners had submitted evaluation forms to the Town Clerk, and Town Clerk Stevens stated that she received three forms.

Commissioner Besler noted that he asked Town Manager Titcomb to do a self-evaluation and then they were going to sit down together and compare evaluations to come up with a final product.

Public comment: Zoanne Hennigan, 91 Island Drive South, commented on the process and noted that the intention was to have one on one discussions with the Town Manager, and then do a public discussion as it is important to hear feedback. She stated that time is an important factor with the budget. She mentioned that each employee deserves to hear feedback on their performance, and it is healthy to hear each other's feedback as well.

Mayor Bonfiglio stated that he would be reluctant to expose the written evaluation forms to the public if they are not completed yet. He suggested that each Commissioner give their feedback now. He began by saying that he has had interactions with Town Manager Titcomb on a bi-weekly or weekly basis over the past three years, and on occasion he wishes he wouldn't be so wordy, but that is the only criticism he has. He stated he has come a long way since the transitional issues and the problems with the budget early on. He stated he gets along well with Mr. Titcomb, and he does well as a Town Manager. He thinks a 5% increase is appropriate at this time. He noted that Mr. Titcomb has not received a raise in three years except for the 90 day contractual increase.

Commissioner Coz agreed that Town Manager Titcomb could be less wordy, and suggested that if he doesn't know the answer to something, that he should let that be known and come back with an answer later. He stated he has had conversations with Mr. Titcomb about these things and he believes he is already implementing the suggestions. He would like to see Mr. Titcomb be more hands on; we are a small town and Mr. Titcomb has a strong executive background that is overwhelming to the town and what is needed at times, but he has improved from where he started. He stated that the problems in the beginning were half the Town and half Mr. Titcomb, but everything is moving forward nicely now.

Commissioner de Haseth stated that she has been impressed with Mr. Titcomb. She gets to see a different side of him when he is interacting publicly with his peers and other elected officials, and he is well respected in the community and is at the top of his game. She stated she would like to see a signing bonus and a 5% raise because his base salary would have been \$118,000 if he had been given his raises over the past three years. She stated we have been spending a lot of time through PBA negotiations talking about what is fair and equitable and something that will motivate and retain key employees so she would like that to be a consideration. She would like to see a contract renewal instead of 30 day renewal, because a 30 day renewable contract is de-incentivizing and does not build confidence with other staff members. She stated she would like to see Mr. Titcomb be more proactive, and take on more of a leadership role, and instead of gaining consensus, sometimes go out and lead, and bring solutions to the Commission instead of problems asking for consensus to move forward. She stated that Mr. Titcomb has the knowledge base, and would like to see less talk and more walk. She stated she is very happy with the direction the Town is going in, and thinks Mr. Titcomb has done an amazing job over the last three years sorting out what needed to be done procedurally. She is delighted with what has been done with the staff, and thanked Mr. Titcomb for hiring Town Clerk Stevens and Building Official Cameron. She stated Mr. Titcomb is sometimes too much of a consensus builder with staff, and noted that he does not always need every senior staff member in every meeting unless it is pertinent. She stated that we are on the right track.

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She understands that he may be reprimanded if he does not have consensus on things, but she would encourage him to step forward and make things happen.

Commissioner Besler disclosed that he has an auditing background so he sometimes looks at the negative. One of the issues he found in the beginning was that we have a good surplus in town, and when he asked Town Manager Titcomb about the interest we are earning, he didn't have an answer. However, when he did the research, he found avenues to gain us more interest, so that balanced the issue out and he thought he did a good job once he got his arms around the issue. He stated that the second thing he was concerned about were the errors in the budget, and in future meetings we may want to discuss if we should change the budgeting system, or develop an Excel spreadsheet that has less human interaction. He doesn't necessarily agree with a signing bonus because we are trying to find money in the budget this year, but he does agree with a 5% increase in the budget and thinks he is an asset to the Town. He stated that Town Manager Titcomb is respected in the community, and he will be tough to replace when he retires.

Vice Mayor MaGruder stated that Town Manager Titcomb is on top of his game as Town Manager, he is the past president of the League of Cities and knows state regulations, and is well versed on what can and can't be done which to him is sometimes frustrating because the end result is slow, which is not Mr. Titcomb's fault. Regulations sometimes get in the way with government processes. He stated that Mr. Titcomb should be more of a strong Town Manager where he is delegating projects down the line such as making the Building Official in charge of reporting to the Commission and residents on items such as tree trimming and building issues. He stated that Mr. Titcomb spends a lot of time meeting with contractors and vendors, and sometimes does not have enough time to spend on making sure projects get from point A to point B in a timely manner, so he should delegate things to the Department Heads. He stated that Mr. Titcomb was hired with a salary of \$99,000 and went up to \$102,500 after his probationary period, and the salary has remained the same since 2015. He stated that he would not have given him an increase in 2016 due to the budget issues, but he should have received a raise in 2017 so he is proposing a base salary of \$116,000.

Mayor Bonfiglio asked if we now wanted to talk about the contract issue, and Town Manager Titcomb responded that he started out with an annualized contract, and that was switched to a 30 day renewable contract with a shorter notification and payout period if there is a problem. He stated the contract works both ways in that it reduced the payout and notification period, but if he is not happy with the job, he can seek other opportunities sooner. He stated that he is not unhappy with the contract. He is happy with the direction things are going in.

There was consensus of the Commission to direct the Town Attorney to negotiate a contract with Town Manager Titcomb and bring it back to the Commission for ratification.

Vice Mayor MaGruder moved to increase the Town Manager's salary to \$116,000 in the next budget; seconded by Commissioner de Haseth.

Commissioner Coz prefers giving Town Manager Titcomb a 5% raise due to some rocky areas in the past, and Commissioner Besler agreed.

Commissioner de Haseth stated she was proposing a larger increase because he has more than earned it and we have discussed a lot that we want to keep top employees and incentivize them.

Mayor Bonfiglio stated that the bump to \$116,000 recognizes that the \$102,500 salary has been frozen for three years and compensates him for that, but on the negative side we need to come up with the money in a tough budget year, so he would like to suggest a compromise that we offer a salary of \$107,000 in the next budget year and a \$9,000 bonus this year.

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Commissioner Besler suggests a 5% raise for 2018, and another 5% in the FY19 budget. Mayor Bonfiglio suggested paying him a bonus now in this year's budget.

Commissioner Besler asked what other Managers in the area make, and Vice Mayor MaGruder stated that the Gulf Stream Town Manager makes \$111,000 and has been there for two years, and the South Palm Beach Manager makes \$105,000 and was just hired this year.

Mayor Bonfiglio noted that Town Manager Titcomb is in his 4th year on the job and has improved, and he would like to make up for monies he did not get in raises when he did a good job. The bonus would make up for what he lost. Commissioner Coz stated that Town Manager Titcomb had some employment issues in the past and we are discussing compensating him. He stated that it is great that he is involved in the Florida League of Cities and that is a fantastic asset to have especially during hurricanes and such, but he wants him to be more hands on instead of delegating things, and wants him to take care of matters that need to be handled whether it's by delegating or not, as we are a small town.

Commissioner Besler offered an amendment to the main motion to offer a bonus this year of \$5,000, and set the salary at \$112,500 for FY19. The maker and seconder of the main motion, Vice Mayor MaGruder and Commissioner de Haseth accepted the amendment to the motion. Motion carried 4-1 (Commissioner Coz dissenting).

BUDGET DISCUSSION

1. Consideration of the FY18/19 Proposed Budget (By: Town Manager Titcomb)

Town Clerk Stevens stated that we need to go through the budget today and make decisions so the Town Commission's budget can be presented to the public for the public hearing on September 6th, as the Commission should not be making changes to the tentative budget and tentative millage rate after it is presented to the public unless it is requested by the public at the public hearing.

Town Manager Titcomb stated that the budget presented today is modeled at the 5.55 mil rate as set by the Commission, and the employee chart has been modeled based on the current requests from the PBA. He noted that the detail items were listed for the "General Government" department as requested. The health insurance increased by 11.6%, and some of the project items have been moved around, such as taking the storm and infrastructure projects out of the "Other Physical Environment" department, and moving it to the capital fund. The capital fund was increased from \$200,000 to \$300,000 and it is split between paving and storm infrastructure. Most of the other department budgets stayed relatively the same, however, the I/T expenses were reduced. There were no changes to the Building Department, however staff began early discussions about reorganizing the Building and Zoning and Public Works Departments for better efficiency. This concept will not be modeled until the FY20 budget year. He reminded the Commission that the Repair and Maintenance of infrastructure is different than paying for new infrastructure and projects, and he explained the transfer to the Capital Fund. He noted that the contingency line was left the same as the last version of the proposed budget. He stated that we have three open positions in the police department due to departures, and the Commission will need to decide whether we want to fill those positions or not, but that decision will be based on what type of service the community wants. We could postpone filling these vacant positions if the Commission wishes to save some money. If the mil rate is reduced, we will need to look at the contingency lines, capital items, and possibly not filling open positions. There has been talk about the capital plan, however, we can't begin those big projects in FY19 if we can't fund them, but we will need to determine what those projects are and ramp those up for the next budget cycle.

Mayor Bonfiglio asked if we could raise the building permit fees, and Town Manager Titcomb stated that because the moratorium is in place, we have a delay in collecting revenues, and it is hard to project how much revenue we will receive next year. Mayor Bonfiglio noted that we are revamping our fee schedule

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so that we can begin to break even in our building department. **After discussion, it was the consensus of the Commission to increase the building permit revenue line to \$300,000.**

Commissioner Besler suggested that we increase the ad valorem collection percentage from 97% to 98.5% since we typically collect 99% of those revenues, and that would generate around \$61,000 in revenue. It was the consensus of the Commission to do so.

Commissioner de Haseth asked about the possibility of providing dispatch services to Manalapan in order to generate additional revenue, and Chief Hutchins responded that Manalapan has decided to keep their in-house services.

Commissioner de Haseth stated that the pending amendment on the November ballot could add an additional \$125,000 in homestead discounts for each taxpayer, and based on the Assessor's office estimate, that would mean 581 parcels in Ocean Ridge would be affected, with a loss of \$74,843 in tax dollars. Town Manager Titcomb noted that would affect the 2020 budget, as it needs to be passed and then would affect the next tax year.

Commissioner Coz asked if the \$44,000 interest projection is solid, and Commissioner Besler confirmed that it is.

Commissioner de Haseth asked about the increase in fines and forfeitures this year, and asked if that is a one-time increase in revenues, and Chief Hutchins stated that we realize fines that cannot be anticipated and the number varies greatly. He stated that the projection is based on historical data averages.

Commissioner de Haseth asked for clarification on the reserve number to balance the budget and Town Manager Titcomb explained the process for balancing the budget and noted that the money goes back into the reserves if it is unexpended at the end of the fiscal year. The reserve number to balance the budget cannot be calculated until the mil rate and other numbers stop moving.

The Town Manager's budget was discussed and noted that the salary will increase to \$112,500 based on prior discussions.

Commissioner de Haseth voiced her concern about the legal expenses staying the same, as we are currently working on Charter and code amendments, as well as Comp Plan amendments, and Town Manager Titcomb responded that the Town Attorney is comfortable with the current projection.

Commissioner de Haseth mentioned bank fees, and Town Manager Titcomb responded that we have a meeting scheduled with our bankers in October, but we don't know what the outcome will be yet.

Commissioner Besler asked if we could consolidate or renegotiate our loans, and Town Clerk Stevens reminded the Commission that the Town already tried to do that and ended up with a SWAP loan that did not work out in the Town's favor. Town Manager Titcomb stated that he will look into renegotiating the loans, however, the outcome won't be ready for this budget year.

Commissioner de Haseth asked if there would be a way to shift the roles and responsibilities in reference to cleaning service and building and grounds maintenance, and Town Manager Titcomb stated that staff will look at the possibilities, but cautioned the Commission not to get into the logistics of the operations.

Town Manager Titcomb stated that the police budget includes the current numbers from where we stand with PBA negotiations so far, although no contract has been signed yet. **Vice Mayor MaGruder stated that there is a missing comma in line 504.610 of the police budget, and would like it fixed.**

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Commissioner de Haseth asked if the Chris Wayne contract is up for renewal, and Town Manager Titcomb confirmed that the invitation to bid will be going out soon, but for the purposed of budgeting we are holding the same level for these services. He stated that he highly doubts that the expenses will be less next year.

Mayor Bonfiglio suggested reducing the contingency line, and Commissioner Besler asked how much we typically spend out of that line. Town Manager Titcomb responded that we have used all of it in FY18, and Commissioner de Haseth noted that is because we spent it on drainage maintenance items that we weren't budgeting for in the past. Town Manager Titcomb confirmed and noted that there were several emergency expenses this year too such as the emergency repairs for the water main break on A1A and the sink hole on Eleuthera Drive. He stated that the maintenance line items have been increased in the FY19 budget.

Commissioner Coz asked if we need to make a decision on the salaries for the non-PBA employees, and Commissioner Besler asked if anyone has analyzed the salary ranges for these positions in comparison to other towns. Town Manager Titcomb stated that we have access to that data, and Chief Hutchins stated he has researched the police department employees on a flat dollar basis. Vice Mayor MaGruder stated that he asked Town Manager Titcomb to find the salary surveys for like-sized communities for the Administrative staff, and based on job descriptions and responsibilities. He stated that we are compiling the data now, but we have been traditionally modeling the increases at 5% for these positions. Commissioner Coz suggested that we allocate a dollar amount that Town Manager Titcomb could use to make decisions on how to adjust the salary ranges to build equality so we don't start losing people. Vice Mayor MaGruder recommends leaving it as is now and making recommendations for the next budget cycle. Chief Hutchins stated that the Dispatcher positions are around \$5-7,000 below market value at this time, even though we recently made adjustments to those salaries, and we may need to adjust them more. Mayor Bonfiglio stated that we cannot balance the budget on the backs of the employees, however, he suggests staying at the current number for this year. Commissioner Coz suggests setting aside a pool of money to adjust the salary ranges, and Town Clerk Stevens stated that we could put that money into the contingency line. Town Manager Titcomb stated that we will come back later with recommendations for salary ranges. Commissioner Besler asked about the starting salary for a Dispatcher, and Chief Hutchins responded that the starting salary for a Dispatcher is \$37,000 which is low, as the average starting salary is \$41,000. Commissioner de Haseth stated that it seems like we don't have much of a problem in the Dispatch area right now as we have a full force with no open positions and the employees seem to be happy. She stated that parity is not a word she is comfortable with, but she is comfortable with a 5% merit increase.

Vice Mayor MaGruder suggested discussing the millage rate first, but there was consensus to discuss expenses first. Commissioner Coz asked for a consensus that we are not going to stay at the 5.55 millage rate, and the Commission agreed. Mayor Bonfiglio stated he wants to see if we can get back to the 5.25 millage rate and Commissioner Coz agreed.

Commissioner Coz mentioned that the storm drain maintenance has been working and would like to see the appropriation for stormwater and drainage and paving reduced to \$200,000 if we are taking care of Spanish bend in this year's budget. He stated that a lot of the money in the drainage infrastructure line is earmarked for items from the Higgins report that we may or may not need if the maintenance is working to fix the problems. Town Manager Titcomb noted that the amount was set at \$200,000 when it was meant only for paving, but the Commission has had some discussions about not doing as much paving this coming fiscal year. Commissioner de Haseth stated that we need a capital improvement plan so we know how much money we will need in the future, and we are moving numbers around that are not based on a plan. Commissioner Coz responded that we have money in the budget for TeleVac, and their work

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should tell us where we have problems. Vice Mayor MaGruder asked about paving on Bimini, and Town Manager Titcomb responded that we just spent a lot of money for improvements to those areas including Eleuthera Drive, maintenance has been done on Spanish River and Bimini, and Spanish River bend is being done currently. Vice Mayor MaGruder noted that Mr. Higgins told us that there is a capacity issue. Commissioner Coz responded that we won't know if our repairs are going to work yet. Vice Mayor MaGruder stated he is not comfortable with the \$200,000 figure for paving and drainage. Mayor Bonfiglio mentioned that we could delay paving and reduce the amount of miles we do this year, as we have taken care of the worst roads already, and Commissioner Coz agreed. Town Manager Titcomb stated that we have money in contingency if things come up during the year that we need to take care of. Commissioner de Haseth stated that the \$200,000 would only cover the things we already know about, with no room for things that may come up. She asked if there are streets that need to be paved this year, and Town Manager Titcomb responded that we already paved the roads that were in the worst condition. Town Manager Titcomb stated that we will do a capital plan in FY20 and budget for those items. **There was consensus of the Commission to allocate \$200,000 for paving and drainage, for a savings of \$100,000.**

Commissioner Coz asked if we could wait until February and buy two police vehicles and Chief Hutchins responded that the cost for one vehicle looks like it may be less than projected, but it is up to the Commission whether they want to buy less vehicles this year and run the risk of having to buy more in next year's budget. He stated that we are at a minimum level of vehicles right now in order to patrol the streets properly, due to maintenance and wear and tear. He stated that we could buy three vehicles for around \$98,000. He stated that we could reduce it to two vehicles if the Commission wishes to do so. **There was consensus of the Commission to purchase two cars at \$40,000 each, for a savings of \$40,000.**

Vice Mayor MaGruder asked for detail on the police department repair and maintenance line, and Chief Hutchins listed the items that it covers and noted there are reductions due to some of the contracts for I/T Services. Vice Mayor MaGruder asked about infrastructure for the LPR cameras, and Chief Hutchins responded that the project should be complete by October 1, however, the ongoing costs are included in the budget. He stated he is working to reduce costs with Verizon, but it may not be significant.

Public Comment: A resident from Pelican Cove questioned the cost for two police vehicles, noting that the Chief stated he could purchase them for less than \$40,000 each, and Mayor Bonfiglio explained that the Commission decided to allocate \$40,000 each so that the Chief does not have to come back to the Commission if he finds out later in the year that the costs have gone up. In reference to the point the resident made regarding the reduced quotes, Commissioner Coz asked Chief Hutchins if he would be comfortable going down to \$75,000 for the two vehicles, and Chief Hutchins responded that is not comfortable going down to \$75,000 due to the uncertainty in the costs.

Commissioner Coz stated that Commissioner de Haseth had a good idea to collapse the noseem and iguana lines and create a pest control budget, and he would like to do so and suggested that we reduce the line to \$60,000. Commissioner Besler asked if we want to ask the residents to pay a portion of the pest control bill, and Mayor Bonfiglio stated that we would not have time to develop a program before the budget needs to be passed, but he agrees with the concept. Vice Mayor MaGruder questioned if that would work or not. Town Manager Titcomb stated that the noseem contract is based on town properties and opt-in properties, and he has asked our vendor to try alternative models to reconfigure the chemicals and methodologies to try to reduce the amount of labor hours and still accomplish the same blanket coverage in town, which may mean they would come to town twice instead of three times per month. Commissioner de Haseth asked for the percentage of town vs. private property and Town Manager Titcomb stated that it is about an 8:1 ratio of private to public acreage. He stated that we need a better model that does not increase because more people sign up and he's working with the vendor to do so.

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After discussion regarding how to handle pest control services, the consensus of the Commission is to combine the noseeum spraying line and the iguana control line into an overall pest control line and fund it at \$60,000, for a savings of \$24,000.

Vice Mayor MaGruder asked if we need street sweeping, and Town Manager Titcomb stated that we do need it, and we get credit from the NPDES and CRS programs for doing so because it helps to control our stormwater, which results in lower insurance rates for residents.

Commissioner Besler asked if we want to reduce the beautification line by half, and Mayor Bonfiglio stated he is concerned with reducing it due to the irrigation component.

Commissioner Besler asked if all of the drainage pipes were put in all at once or over time, as he wants to try to assess which pipes may be deteriorating faster than others, and Town Manager Titcomb stated that TeleVac is doing work for us to assess the condition of the pipes and is critical in the maintenance of our systems. Mayor Bonfiglio stated he agrees with putting more money into maintenance lines so we can take care of things on a proactive basis instead of waiting until things break. Town Manager Titcomb does not suggest reducing the maintenance lines in the budget.

Commissioner Coz asked if the Commission would like to reduce the contingency line, and Town Manager Titcomb reminded the Commission that this line is for emergency spending throughout the year, and Town Clerk Stevens cautioned that if we have a hurricane, the expenditure from this line could be around \$100,000 for one emergency. **After discussion, the Commission consensus is to reduce the Contingency line to \$100,000, for a savings of \$50,000.**

Commissioner Coz asked if we could reduce the police salary line as we may not be able to even fill the open positions by October 1st anyway, and Mayor Bonfiglio suggested that we have a discussion about how much we have cut in expenditures and raised revenues so far and come back to this item if we need to after the discussion.

There was discussion regarding the mil rate and taking money from reserves to balance the budget. Commissioner de Haseth is not comfortable with using reserves to balance the budget, and would like to see the town move toward a zero based balanced budget, as we are setting ourselves up to not be able to sustain the budget in the future. Commissioner Besler agrees that we will be in bad shape during the really lean years and the town should not have decreased the mil rate in past years. Mayor Bonfiglio stated that he wants to stay at 5.25 mils, and Commissioner Besler stated that we will be close to not being able to break even, as we have developed a very thin budget. Commissioner Coz would like to see the budget crafted at 5.35 mils. Town Manager Titcomb highly recommends getting back to the 5.35 mil rate that we were at for many years before it was reduced last year. Commissioner de Haseth is not comfortable with the gamble of taking money out of reserves at the 5.25 mil rate, and she asked how much money we would be taking out of reserves at that rate. There was discussion amongst the Town Manager and Commission about that question, and Town Manager Titcomb stated that he would need to re-run the spreadsheets in order to give a clear answer. He estimates that we would still need to pull around \$267,000 from reserves if we go down to a mil rate of 5.25, but that is just a rough estimate. He stated that we would need approximately \$167,000 out of reserves at 5.35 mils.

Commissioner Coz moved to direct the Town Manager to craft the proposed budget at a mil rate of 5.35, due to the police union contract impacting the budget this year; seconded by Vice Mayor MaGruder.

Mayor Bonfiglio pointed out how we can balance the budget at a mil rate of 5.25 using \$267,000 from reserves, and he is against raising the millage to 5.35.

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Commissioner Coz stated that with the impact of the police contract hitting us this year, there is no way to reduce the mil rate to 5.25 and remain fiscally responsible, although he would like to do so.

There was discussion whether or not the Commission could raise the millage to 5.45 if they needed to after the budget is crafted at 5.35, and Mayor Bonfiglio stated that we have not set the mil rate at 5.35; the motion was simply to direct the Town Manager to craft the proposed budget at 5.35 mils to present to the public at the first budget hearing, and Town Manager Titcomb confirmed that after the tentative mil rate is set at the hearing on September 6th, they can no longer go up from the number, but they can go down at the final budget hearing.

Commissioner Coz stated he believes we have achieved our goal of cutting expenses, and now we will just need to discuss the mil rate and how much we want to take out of reserves to balance the budget. Mayor Bonfiglio agrees that he doesn't think we can cut anymore expenses.

Commissioner de Haseth would like to see modeling at 5.45 as well to see how much we would need from reserves if we changed the mil rate to 5.45. She stated that based on the PBA negotiations, there have been discussions about parity at different levels for the other employees and at 5.35, \$167,000 is all she would want to take out of reserves. She suggested that the Town Manager create alternative sheets to show how much we would need to take from reserves at the different mil rates. Town Manager Titcomb confirmed that he could do that.

Motion carried 3-2 (Mayor Bonfiglio and Commissioner de Haseth dissenting).

ADJOURNMENT

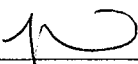
Meeting Adjourned at 6:27 p.m.

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



Mayor James A. Bonfiglio

ATTEST:



Tracey L. Stevens, Town Clerk