

MINUTES OF THE BUDGET WORKSHOP MEETING
CITY COUNCIL
CITY OF BOCA RATON, FLORIDA
TUESDAY, JULY 29, 2003
6:30 PM

The budget workshop meeting of the City Council of the City of Boca Raton, Florida was called to order by Mayor Steven L. Abrams at approximately 6:40 p.m.

ROLL CALL:

Mayor Steven L. Abrams
Deputy Mayor Susan Whelchel
Council Member Dave Freudenberg
Council Member Bill Hager
Council Member Susan Haynie

Also attending the meeting were:

City Manager Leif J. Ahnell
Office of Management and Budget Director Linda Davidson
City Attorney Diana Grub Frieser
Financial Services Director Mervyn Timberlake
Development Services Director Jorge Camejo
Police Services Chief Andrew J. Scott, III
Fire Rescue Services Chief Bruce Silk
Municipal Services Director Robert DiChristopher
Recreation Services Director Mickey Gomez
Utility Services Director Michael Woika

The purpose of the meeting is for review of the proposed budget for FY 2003-04.

The City Manager reported that the total proposed operation budget for FY 2003-04, including fund balance, transfers, and reserves is just over \$330 million. The recommended General Fund portion is approximately \$110 million and the City-wide operating portion is approximately \$253 million. He expressed appreciation to Council for setting the goals and priorities at the May goal setting sessions, and noted that the budget was prepared in accordance with that direction. Mr. Ahnell noted that he believes the proposed budget will allow the City to maintain its outstanding service levels, retain its outstanding triple-A bond rating, and maintain its excellent financial condition. The goals taken into account included a financially sound city government, top quality municipal services, and a strong partnership with our stakeholders. He emphasized that it is imperative that the City continue to look beyond the next fiscal year when preparing the budget, specifically noting the new fire stations, additional library facilities, and expanded park operations that are planned.

The City Manager stated that for the General Fund budget, the proposed millage for next year is 3.6231 mills per \$1,000, which is \$.0846 greater than last year. The increase is due directly to the debt service payment for voter-approved bonds to fund the new Fire-Rescue and Library facilities. The proposed operating millage is maintained at 3.15 mills. Based on the proposed millage rate, the owner of a home with a \$175,000 taxable value would pay \$14.81 more ad valorem tax to the City than in FY 2002-03.

Mr. Ahnell commented on the challenges encountered in preparing the proposed budget. It is recommended that nine vacant positions be eliminated, six of which are in the General Fund. User fees are proposed to increase by an average of 9.5% to cover additional operations, including the acceptance of credit and debit cards for City transactions.

Mr. Ahnell identified the sources of the major cost impacts and increases anticipated for FY 2003-04 that have resulted in an approximated \$6.5 million increase to the General Fund operating budget. He then

noted the specific areas that contributed to the increase. Areas identified were police and fire salaries and benefits, general employees' salaries and benefits, new police and fire personnel, new programs, health insurance, vehicle purchases and fuel costs, workers' compensation liability, and other operating costs.

New programs include additional dollars in the City Clerk budget to cover the expenses associated with the special September and November elections regarding annexation; creation of a North Federal Highway Master Plan and heightened code enforcement activity; traffic signal transfer of operations from Palm Beach County to the City; maintenance of the new NW 12th Avenue pocket park and training facility, and purchase of a rescue craft. The projected cost of each program was provided. It was also noted that 17 new personnel, 12 for Fire-Rescue Service and 5 for Police Services, are proposed.

Other components of the City's overall budget were reviewed including the Water and Sewer Enterprise Fund, the Beautification Fund, the Greater Boca Raton Beach and Park District, Cemetery and Mausoleum Fund, and the Golf Course Enterprise Fund. Mr. Ahnell explained that the Water and Sewer Enterprise Fund and related portions of the budget would include an increase of 2.1% in rates. In addition, reclaimed water (IRIS) rates will increase from \$0.23 to \$0.28 per 1,000 gallons. The bi-monthly customer charges will increase from \$2.98 to \$3.98 to provide for expanded customer service, which will include on-line bill paying and acceptance of credit and debit cards.

The proposed budget does not include any funds to provide services to the areas proposed to be annexed. Should the annexations be approved by voters, the budget would need to be amended; reserves would be used to fund services for the first year.

Following the City Manager's review of the City Council and City Manager Office budgets, each department's proposed budget was presented by the respective department head. Mr. Ahnell concluded by reviewing the non-divisional budget.

No members of the public came forward to speak.

The budget workshop meeting of the City Council of the City of Boca Raton, Florida adjourned at approximately 8:04 p.m. on Tuesday, July 29, 2003. As each department's proposed budget was presented at this workshop, the second budget workshop meeting, scheduled for Wednesday, July 30, 2003 was cancelled.

Sharma Carannante, City Clerk