

MINUTES OF THE BUDGET WORKSHOP MEETING
CITY COUNCIL
CITY OF BOCA RATON, FLORIDA
MONDAY, JULY 25, 2005
6:00 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 6:00 p.m.

ROLL CALL:

Mayor Steven L. Abrams
Deputy Mayor Susan Whelchel
Council Member Peter R. Baronoff (absent)
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
Asst. City Attorney John McKirchy

The purpose of the meeting is for review of the proposed budget for FY 2005-06.

City Manager Leif Ahnell reviewed the FY 2005-06 budget. He reported (in rounded figures) that the total proposed operating budget for FY 2005-06, including operations, transfers, and fund balance/reserves is \$356,300,000; the General Fund portion is \$128,600,000; and the Citywide total operating budget is \$279,500,000. The proposed budget requires a 4.83% increase in the ad valorem tax rate. He expressed appreciation to Council for their direction in the May goal setting sessions, and stated that the proposed budget supports the goals and priorities set by the Council and continues to maintain the City's outstanding "AAA" financial bond rating. Mr. Ahnell then listed those goals and priorities.

He emphasized that it is imperative that the City continue to look beyond the next fiscal year when preparing the budget and then provided information on the General Fund budget. The total millage rate for next year is 3.7262 mills, which is \$.1716 greater than the previous year and yet remains 3.3% less than the City's tax rate in 1995. Using an example of a home with a \$225,000 taxable value, Mr. Ahnell stated the homeowner would pay approximately \$38.61 more than last fiscal year, which represents an increase of 4.83% over last year. Since City taxes only comprise 17% of the total tax bill, this tax increase reflects a .84% increase in the homeowner's total tax bill.

Mr. Ahnell spoke to the new projects, approved by voters, which are coming on line and advised that without the new fire station personnel and the new Spanish River Library opening next fiscal year, no tax increase would be necessary. He then identified the primary areas where increases are proposed, noting that the General Fund operating budget was approximately \$11.3 million more than last year; details were provided.

New programs and new personnel for 2006 include: a Grants Administrator (conversion from part-time to full-time), an Education Advocate, ongoing Building Department Customer Service Improvements, Planning Study Consultants (includes review of recommendations for Comprehensive Plan amendments, North Federal Highway area master plan and a complete analysis of the LIRP APOC area), Police Services Staffing and Recruitment, Fire Rescue Operations, New Spanish River Library, New Dog Park Maintenance and Municipal Services (new building maintenance). The combined cost for the programs and personnel is approximately \$5.1 million; this includes 35 new full-time library positions and 13 additional fire-rescue positions. Mr. Ahnell added that a fire assessment fee is going to be recommended for the next fiscal year; a consultant had been hired to provide an analysis. Recommendations will be brought forward to Council in the fall; this issue is not addressed in this budget. (Fee is included in budget).

Mr. Ahnell then noted the other funds that are components of the City's overall budget. Two new programs were being added to the Right-of-Way Beautification Fund: \$289,400 for enhanced median beautification, and \$111,600 for maintenance of newly landscaped medians. In addition, \$123,300 was allocated in the Environmentally Sensitive Lands Fund for maintenance of environmentally sensitive lands (lands purchased by voter approved bonds in the 1990s).

Mr. Ahnell explained that the City has expended \$5.6 million to date for costs related to the hurricanes of last year. Reimbursement of only \$3 million is expected from FEMA, due to their renegeing on the agreement to provide reimbursement for gated community cleanup. Consequently, the remaining \$2.6 million loss, which does not include the beach projects, will be absorbed by the City via existing reserves; property owners will not be subject to any additional fees or surcharges to mitigate same.

Mr. Ahnell advised that this budget was based upon the most current financial information available and concluded his remarks by expressing appreciation to all involved in the preparation of the FY 2005-06 budget. He reiterated that this budget reflects the goals of the City and maintains the outstanding services provided by the City. Mr. Ahnell then provided the dates and times of both the tentative budget and final budget public hearings.

The City Manager responded to questions from Council related to the education advocate, clarification regarding new personnel, hurricane reimbursement, the proposed tax increase, justification for new staff, trimming of departmental budgets, current debt service, possible privatizing of sanitation services, and roll backs. During the course of discussion, Mr. Ahnell stated he believes the City's tax rate to be the lowest of any full-service city in the state; most cities have rates that are double or triple Boca Raton's tax rate.

He pointed out that \$4 million of the \$7 million in new tax dollars is dedicated for operational expenses related to new facilities, leaving only \$3 million towards other operational impacts; those costs have been absorbed within other revenues. Mr. Ahnell confirmed that the City, as projected, is receiving positive financial impacts from both annexations; taxes would have had to be increased an additional 5% without the revenue from these annexations. He also confirmed that future annexations could generate additional positive revenues that could be used to balance future budgets.

Mr. Ahnell advised that, via ad valorem taxes, Boca Raton provides many services that other cities don't, specifically noting sanitation services – a service that represents approximately 4.4% of the General Fund budget. If sanitation pickup costs were passed on to taxpayers as a separate fee, it would mean an additional \$130 - \$140 per household. In response to a query, the City Manager advised that all cities in Broward County charge a fire assessment fee in addition to property taxes; in Palm Beach County, Boynton Beach also charges a fee and other cities are looking at doing so to offset increased expenses.

Mr. Ahnell reviewed all the departmental budgets with the City Council. Particular attention was given to the budgets for the City Manager, Development Services, and Recreation Services. Discussion took place regarding various user fees, including non-resident use of the dog park; a recommendation regarding this fee, as well as an increase to the non-resident library use fee, will be brought forward next month.

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 7:08 p.m. on Monday, July 25, 2005.

Vanessa Hines, Assistant City Clerk