

**OFFICIAL MEETING MINUTES
OF THE
INFRASTRUCTURE SURTAX
INDEPENDENT CITIZEN OVERSIGHT COMMITTEE
PALM BEACH COUNTY, FLORIDA**

NOVEMBER 16, 2017

**THURSDAY
10:01 A.M.**

**FACILITIES, DEVELOPMENT & OPERATIONS
WEST PALM BEACH, FL**

1. CALL TO ORDER

MOTION to adopt the agenda. Motion by Debra Chandler, seconded by Maria Antuna, and carried 9-9. Jeffrey Bailey, Leontyne Brown, Mark Elhilow, Mary Evans, Patrick Franklin, Frank Lewis, Christine Thrower, Michael Weiner, and Kimberly Weston absent.

2. ROLL CALL

MEMBERS:

Philip Ward, Chair
Kimberly Weston, Vice Chair – Arrived later
John Ahrenholz
Maria Antuna
Jeffrey Bailey – Absent
Leontyne Brown – Arrived later
Debra Chandler
Mark Elhilow – Arrived later
Mary Evans – Absent
Patrick Franklin – Absent
Glen Harvie
Rex Kirby
Frank Lewis – Absent
Denise Palmatier
John Smith
Christine Thrower – Arrived later
Lee Waring
Michael Weiner – Arrived later

2. – CONTINUED

COUNTY STAFF:

Sherry Brown, Director, Office of Financial Management & Budget
Michael Jones, Senior Assistant County Attorney
Audrey Wolf, Director, Facilities, Development & Operations

ADMINISTRATIVE STAFF:

Julie Burns, Deputy Clerk, Clerk & Comptroller's Office

3. APPROVE MINUTES FROM JUNE 22, 2017

MOTION to approve the June 22, 2017 minutes. Motion by Debra Chandler and seconded by Maria Antūna.

Sherry Brown, Director, Office of Financial Management & Budget, said that the minutes page 28 should state that John Smith nominated Phil Ward.

UPON CALL FOR A VOTE, the motion, as amended, carried 9-0. Jeffrey Bailey, Leontyne Brown, Mark Elhilow, Mary Evans, Patrick Franklin, Frank Lewis, Christine Thrower, Michael Weiner, and Kimberly Weston absent.

4. MEETING CANCELLATION PROTOCOL

Chair Ward said that a protocol should be established for cancelling meetings because some were cancelled without discussion or prior communication.

Ms. Brown said that:

- In June 2017, meeting dates and times were established for the year.
- The last scheduled meeting was cancelled because there were no transfers or amendments that required votes, and staff needed additional time to process the more labor-intensive monthly reports.

4. – CONTINUED

(CLERK'S NOTE: Mark Elhilow joined the meeting.)

Ms. Brown added that the details of the monthly reports were worked out, and staff's plan was to provide the reports on a monthly basis for the committee's review.

(CLERK'S NOTE: Kimberly Weston joined the meeting.)

Chair Ward suggested that the committee initially meet on a monthly basis to stay informed.

Ms. Brown said that the committee members would be notified when the monthly reports were available and be provided a link to the reports.

Chair Ward said that, by consensus, the committee members agreed to meet on a monthly basis.

5. REVENUE REPORT

Ms. Brown said that:

- \$50.4 million in infrastructure surtax revenue was budgeted for Fiscal Year (FY) 2017, but \$50.6 million was collected.
- The approximate \$200,000 in additional revenue would go into reserves until the committee allocated it.
- \$68.8 million in revenue was budgeted for FY 2018 beginning October 1, 2017.

(CLERK'S NOTE: Leontyne Brown joined the meeting.)

- The committee was not required to take any action at this time regarding revenues.
- Expenditures in the Infrastructure Sales Tax Project Plan (Plan) were approved by the Board of County Commissioners (BCC), but at this time, it was unclear whether committee votes to approve the revenue and expense reports were necessary.

5. – CONTINUED

(CLERK'S NOTE: Michael Weiner joined the meeting.)

Audrey Wolf, Director, Facilities, Development & Operations (FD&O), explained that the committee's purpose was to review any expenditure changes in the Plan, such as transfers and amendments, and to recommend whether those changes were consistent with the voter referendum's language and whether the BCC should move forward with the changes.

Denise Palmatier stated that the committee's broader responsibilities included ensuring that the project expenditure process was on schedule and that the project consultant was accountable to the BCC and the taxpayers.

Ms. Brown said that over the next 10 years, there would be numerous types of transfers because some project expenditures would be higher than initially estimated and that the committee would ensure that the County adhered to the Plan as adopted.

Mark Elhilow noted that the committee was not tasked with questioning whether a particular project conformed to infrastructure standards.

Ms. Brown said that if a new project under consideration was not in the Plan, the committee may need to read the ballot language to understand why a project did or did not conform to that language.

(CLERK'S NOTE: Christine Thrower joined the meeting.)

Chair Ward said that County infrastructure budgets were declining from the \$40-\$50 million range seen in the past to \$35 million in 2017 to an anticipated \$30 million in 2018.

Ms. Brown said that:

- The stated budget amounts consisted of ad valorem funding, and not surtax dollars.
- The County's priority was to continually increase infrastructure capital.

5. – CONTINUED

- The surtax dollars would be used for backlogged infrastructure projects that were listed in the Plan, and additional budget dollars would fund projects not included in the Plan.

Chair Ward said that the committee should consider making recommendations for allocation of surtax dollars on capital projects that were not included in the Plan.

Christine Thrower said that the committee's purpose was to focus on the surtax revenues and not to determine whether the County was allocating enough money to capital projects.

6. EXPENSE REPORT

Jonathan Jordan, Principal/Senior Project Manager for Jacobs Project Management Company, said that:

- The expense report showed all the initiated and scheduled projects for FY 2017 and FY 2018 broken down by department and the original budget versus the amended or revised budget.
- Any processed and paid invoices would be reflected as an expended cost.
- A final payment reference did not necessarily mean that a project was completed.

Ms. Wolf explained that new appropriated projects were added to each fiscal year, but the expense report only reflected FY 2017. She added that another report reflected assumptions for FY 2018.

Ms. Brown said that the amended infrastructure budget on the second page of the program summary was the same amount as the original \$709 million budget, but as sales tax revenues were collected, there could be projects that needed additional funding, which would trigger amendments.

Ms. Wolf explained that the infrastructure housing budget listed under FDO contained 2 projects that would fund housing for low-to moderate-income residents and expansion of another Lewis Homeless Resource Center (Center).

6. – CONTINUED

Leontyne Brown said that those infrastructure surtax funds would probably be used to clean up the Center and not to construct a new facility.

Ms. Wolf clarified that the BCC would determine how the funds would be allocated. She added that the expense report would be posted on the County's Web site and distributed on a monthly basis.

Steve Carrier, Assistant County Engineer, clarified that annual funding was available to resurface sections of the 19-mile County Road 880 and that the canal bank stabilization project was a separate project about 1 mile in length.

Mr. Jordan stated that a large gap project was considered to have a threshold of \$1 million.

7. BUDGET TRANSFERS

Type 1 (Projects Completed)

- a. Engineering, Gun Club Road Resurfacing
- b. Engineering, Haverhill Road Resurfacing

Type 2 (Recommendation Required)

- c. Parks, Playground Replacement (Countywide):
\$1,632,250.00
- d. Parks, Sports Lighting Replacement (Countywide):
\$11,850,000.00

Ms. Brown said that:

- The completed Type 1 resurfacing projects had leftover funds that would be moved to reserves until a transfer of funds was approved for another project. The balance of the remaining funds would be provided at the next meeting.

7. – CONTINUED

- There were 27 individual line items for projects under playground replacement between FY 2017 and FY 2019 and 30 individual line items for sports lighting replacement between FY 2017 and FY 2022.
 - Staff was reviewing whether to combine the projects into one line item for each category.
 - The budget transfers would not change the Plan, the projects, or the dollar amounts but would make the accounting process easier for staff.

Eric Call, Director, Parks & Recreation, said that:

- Staff met with and surveyed community groups whenever the County repurposed or replaced park equipment as trends and community needs changed.
- The infrastructure surtax revenue would replace park items that were similar in comparison.
- Parks & Recreation had a very robust inspection program to determine what types of equipment needed repairing or replacing.

Ms. Wolf stated that an outside consultant reviewed the condition assessment practices of Engineering and Public Works, FDO, and Parks & Recreation and confirmed that the departments' practices were correct.

MOTION to approve the budget transfers. Motion by Christine Thrower, seconded by Mark Elhilow and carried 14-4. Jerry Bailey, Mary Evans, Patrick Franklin, and Frank Lewis absent.

8. DRAFT ANNUAL REPORT

Ms. Brown said that the draft annual report was for informational purposes and did not require a vote of approval.

8. – CONTINUED

Mr. Smith suggested amending the last sentence in the Annual Narrative Report (2017) to read, “The surtax plan and expenditures reviewed by the committee to date comply with the ballot language.” He added that the committee was not really ratifying any of the Plan’s legal decisions that were made prior to the creation of the committee.

Chair Ward said that the consensus was to include the amended language in the Annual Narrative Report (2017).

Rex Kirby said that the committee’s purpose was to review preapproved changes to the Plan and not the “Surtax revenues, Surtax Plan and Surtax expenditures” as indicated under “Future Recommendations.”

Glen Harvie suggested dividing the sentence under Future Recommendations in the Annual Narrative Report (2017) into 2 sentences. He said that the first sentence should refer to the review of surtax revenues, the Plan, and the expenditures, and the second sentence would refer to passing recommendations.

Ms. Brown explained that the ballot language was developed to ensure that it was broad enough for some municipal projects, and the BCC adopted it based on legal reviews and compliance with Florida statutes.

Ms. Thrower said that the County put significant effort into preparing and itemizing a project list, and she expected that surplus funds would be available after all the projects were completed.

Ms. Brown stated that:

- Municipalities contacted her to inquire whether surtax dollars could be used on types of projects that were not addressed by the ballot language. She suggested that they contact their legal counsel.
- There was no approved list for unfunded projects waiting to receive surplus surtax dollars.
- Other entities, such as the Palm Beach County School District, were entitled to portions of the surtax revenue but formed their own committees to determine the priority of their projects.

9. OTHER COMMITTEE BUSINESS

Ms. Brown said that the next meeting would take place on December 21, 2017 at the same location and time.

10. ADJOURN

At 10:59 a.m., the chair declared the meeting adjourned.