

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

DECEMBER 21, 2017

**THURSDAY
10:04 A.M.**

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

- 1. CALL TO ORDER**
- 2. ROLL CALL**

MEMBERS:

Philip Ward, Chair
Kimberly Weston, Vice Chair – Absent
John Ahrenholz
Maria Antuña – Absent
Jeffrey Bailey – Absent
Leontyne Brown – Absent
Debra Chandler
Mark Elhilow
Mary Evans – Absent
Patrick Franklin – Absent
Glen Harvie – Absent
Rex Kirby
Frank Lewis
Denise Palmatier
John Smith
Christine Thrower – Absent
Lee Waring – Absent
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 of Facilities Development and Operations

ADMINISTRATIVE STAFF:

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

3. REVENUE REPORT

Sherry Brown, Director, Office of Financial Management & Budget (OFMB), said that:

- The Fiscal Year (FY) 2017 final revenue receipt in November indicated a yearly revenue of \$57.7 million.
- Approximately \$50 million in infrastructure surtax revenue was budgeted.
- The \$7.3 million in additional revenue would remain in reserves until current FY revenue was reviewed to determine if any projects should be accelerated.

4. EXPENSE REPORT

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

- The expense report showed current commitments and expenditures of projects by type.
- The amounts for each project were infrastructure sales tax dollars.

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

4. – CONTINUED

- The total budget to date was \$118,932,597.
- Committed costs were \$21,605,792, of which \$14,564,063 represented expenditures.
- Some projects would continue beyond 2018.

Ms. Brown clarified that:

- Leftover funds from the completed Haverhill Road and the Gun Club Road resurfacing projects would be placed in reserves, but one final entry needed to be posted.
- The final amount should be available in January 2018 to re-appropriate funds for other engineering projects.
- \$118,932,597 was budgeted for FY 2017/2018. The total budget for the IST Project Plan (Plan) was \$709 million.
- The Plan did not have an individual budgeted goal for FY 2017/2018 because some of the projects could take multiple years to complete.
- If a project was experiencing a shortfall of funds from the budgeted amount, staff would review incoming revenues to determine if those dollars should be transferred to the project. Another option was to determine if other projects could be moved further into the future.

5. DRAFT ANNUAL REPORT

Ms. Brown stated that the annual narrative report (report) contained information that was presented at the last meeting, along with the committee's suggested changes. She added that the financial information presented followed the FY while the report was based on a calendar year basis.

5. – CONTINUED

Mark Elhilow said that:

- He reviewed the County’s infrastructure surtax ordinance to understand the committee’s role of advising and reviewing and to ensure it complied with the Plan and the ballot language.
- He prepared and read the following suggested language:

The committee has reviewed various reports developed and maintained by the County which have been provided to the committee to date, including, but not limited to, the County’s Surtax budget plan, the County’s reported Collections of Surtax revenue for the period and the County’s report of project expenditures to date. Based on the data and information provided by the County to date, the committee finds the Surtax Plan and expenditures to date to be in compliance with the ballot language.

- The statement clarified that the committee only reviewed information that was provided by the County
- The language, “pursuant to review of information provided to the committee by the County, could be inserted in the report under “Mission/Purpose.”

Michael Jones, Senior Assistant County Attorney, said that the statement complied with the ordinance language.

Ms. Brown stated that, in November, staff presented some Plan transfers and amendments to the Board of County Commissioners informing them that the committee reviewed them and agreed with staff’s recommendations. She added that the revised language under “Future Recommendations” in the report explained the committee’s responsibilities.

Denise Palmatier suggested tracking the progress of projects and implementing an annual goal for how much would be spent on a project.

5. – CONTINUED

Ms. Brown explained that details on each project were provided, such as the start date and the design period, but there was no overall goal on how much would be spent annually. She added that the infrastructure sales tax would be collected for 10 years, but the Plan would continue to track the capital projects associated with that tax.

Rex Kirby said that if a project was not moving forward, OFMB staff would probably recommend that the project's funds be moved into the next year's budget.

Ms. Brown clarified that:

- Project funds budgeted in 2017 or 2018 would continue to be brought forward until the project was completed.
- Bringing the funds forward was an automatic process and did not require the committee's recommendation or approval.
- The progress of a project's funding was included in every monthly report to the committee.

Mr. Kirby suggested that an overall plan should be implemented to indicate how the total Plan's budget of \$709 million would be allocated over the 10-year period.

Ms. Brown said that the adopted 10-year Plan indicated project allocations on a year-by-year basis.

Eric McClellan, Director of Facilities Development & Operations (FDO) Strategic Planning, stated that:

- A funding plan was in place, but there was no certainty that every project on the list could be completed in the FY or even through the 10-year cycle.
- Whenever staff proposed a project transfer or amendment, the committee could review the Plan and identify the project and its funding amount to determine the consequences of the transfer or amendment.
- The Plan already prioritized some of the most immediate infrastructure needs in the early fiscal years.

5. – CONTINUED

Mr. Jordan said that, subject to the BCC's approval, the expense report could include annual tracking of the progress achieved on projects in order to measure performance.

Ms. Brown said that OFMB staff could track the funding aspect of projects but not which projects would be started or completed in a specific year. She added that 100% of a project's funding was budgeted, but the funds may not be spent until a future date.

FDO Director Audrey Wolf confirmed that the committee's mission did not include reviewing a schedule.

Ms. Brown clarified that the only way funds allocated to a project could be moved to a different project was through a transfer. She added that the committee must approve a transfer before it was considered by the BCC.

Mr. McClellan stated that the committee so far had been given reports on the active projects but staff could start providing a list of projects not yet active as well.

Ms. Palmatier requested that a monthly status report be provided listing all projects for the fiscal year and tracking spending and accomplishments.

Ms. Brown stated that scheduling was not part of the committee's mission and that the BCC had not set a specific schedule or spending goals for each year. She added that this approach was unusual.

Mr. McClellan stated that it was best to think of the Plan as a funding plan and not a performance plan. He added that the software should allow staff to put together the requested additional information and that staff would explore that option and bring back a draft.

MOTION to approve the report as amended to reflect the changes as discussed.

Motion by Mark Elhilow, seconded by Debra Chandler, and carried 9-0. Maria Antüna, Jeffrey Bailey, Leontyne Brown, Mary Evans, Patrick Franklin, Glen Harvie, Christine Thrower, Lee Waring, and Kimberly Weston were absent.

6. OTHER COMMITTEE BUSINESS

John Smith stated that the committee's mission was to provide advice to the BCC but that he wanted clarification regarding the process to provide such advice.

Ms. Brown stated that:

- If the projects or allocations changed, staff would present the requested change to the committee and then report the request to the BCC for final approval.
- It was the committee's mission to review the request and determine whether it complied with the ballot language.
- The approved changes would be made to the report and brought back to the committee next month for approval and before submitting to the BCC.

7. ADJOURN

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

APPROVED: