

**FINAL MINTES AND AGENDA
TOWN OF JUPITER
TOWN COUNCIL WORKSHOP
COUNCIL CHAMBERS
THURSDAY, JUNE 23, 2022**

Mayor Kuretski called the meeting to order at 6:00 P.M.

Roll Call: Mayor Jim Kuretski; Vice-Mayor Ron Delaney, Councilor Cameron May; Councilor Cheryl Schneider; Councilor Malise Sundstrom; Town Manager Frank Kitzerow; Town Attorney Thomas J. Baird and Town Clerk Laura Cahill.

1. Discussion of Proposed Operating Budget for Fiscal Year 2023.

Mayor Kuretski discussed the expectations of what would be reviewed and that it was the first time Council would be meeting to discuss the budget collectively. He discussed upcoming important dates which included the July 19, 2022 meeting for the Truth in Millage (TRIM). He also mentioned discussing Utilities inflationary cost adjustments.

Councilor Schneider stated she hoped to have the full picture of the budget by the time Council got to hear about the TRIM.

Mr. Kitzerow stated the process started back in January and thanked the directors and finance team. He noted the Town's biggest focus was on the employees as the most important asset.

Mr. Scott Reynolds, Director of Finance gave an overview of the budget assumptions which included a proposed flat millage rate; increase of property values; continued distribution of Ad Valorem tax revenues between operating and Community Investment Program (CIP); increase in total Ad Valorem taxes; increase in water revenues of 2.9 percent; Stormwater revenues increase of 6.38 percent; and Building Fund increases due to substantial redevelopment.

Councilor Sundstrom asked how the millage rate had changed over the years. Mr. Reynolds stated the millage rate had stayed consistent for a few years but there had been a minimal decrease in 2017.

Mr. Reynolds presented the historical property valuations from 2006 to 2023 and noted the projected increase of 10.89 percent for fiscal year 2023. He noted only 1.01 percent of 10.89 was from new construction.

Councilor Sundstrom asked for some clarification on the valuations going up across the County. She asked if other municipalities were seeing the same 10.89 percent increase.

Mr. Reynolds said he looked at Boca Raton, Delray, Palm Beach Gardens, Wellington and West Palm Beach; he noted they had received more increases overall due to Jupiter having lower new construction. He also stated Jupiter was 80 percent residential and only 20 percent commercial.

1. Discussion of Proposed Operating Budget for Fiscal Year 2023.

Mr. Reynolds explained 14.28 percent of the residents' tax bill made up the Jupiter Millage rate. He stated the TRIM actually started on July 1st and the Town would be receiving updated evaluation numbers from the Palm Beach County Property Appraiser.

Mr. Reynolds reviewed the Jupiter Fire Municipal Service Taxing Units (MSTU) and explained that it was capped at a 10 maximum millage.

Mr. Reynolds provided examples of tax dollars paid to the Town for different home values; with and without homestead exemption; and for a commercial property for fiscal years 2022 and 2023 with the proposed new millage rate.

Mr. Reynolds discussed the millage rate comparisons with the proposed flat millage rate of 2.4633, the rollback rate of 2.22494, and the mid-point 2.3564. He noted the millage rate was a benchmark required by the State to be broadcast to the public.

Councilor May noted if Council decided with the rollback it would only decrease tax payers bill by \$9.00 but would equate to a \$2.7 million deduction to the Town.

Mr. Reynolds gave some explains to the reduction of the millage rate.

Councilor Schneider asked about the impact of inflation on the budget.

Vice-Mayor Delaney stated Council always wanted to lower taxes, but he wanted to avoid putting the Town in a position next year for an increase.

Councilor May left the meeting at 6:32 P.M.

Mr. Reynolds discussed sluggish interest earnings and recreation revenue struggles due to challenges in hiring summer camp counselors.

Mr. Reynolds continued with expenditure increases. Mayor Kuretski suggested a six percent increase to employee salaries instead of four percent, based on inflation.

Councilor Sundstrom asked if the bonuses had been figured out as percentages. Mr. Reynolds said for any salary at \$70,000 or below it would equate to a more than two percent lump sum.

Councilor Schneider said she was fine with the concept of a six percent increase but she would need to see the whole effect on the budget.

Mr. Kitzerow explained Staff had taken a multiyear approach to mitigate unknown future factors and also focused on not raising health care costs. He mentioned considering shortened work weeks and being able to focus on employee salaries next fiscal year with a better economic understanding.

Mr. Reynolds moved on to health insurance and noted there was a zero percent increase in premiums. He mentioned there was an expenditure increase to account for employee vacancies and assumptions of risk. Mayor Kuretski explained the thought process behind

the stop gap emergency funding and how it has worked so far. Mr. Reynolds felt when the fund reached \$10 million, the budget expenditure could go down.

1. Discussion of Proposed Operating Budget for Fiscal Year 2023.

Mr. Reynolds reviewed new position requests and succession plans. He gave examples of two utility positions and how succession was planned for those.

Mayor Kuretski asked about the succession plans and confirmation that the hires would be time bound and the cost would be neutral when the people retired. Mr. David Brown, Director of Utilities said that was correct.

Mr. Reynolds discussed salaries, Police Union salaries, and the inflationary subsidy. Mayor Kuretski asked if the two percent merit increase would be capped for some employees and would they only receive the two percent market adjustment. Mr. Reynolds said there would be no cap. Mr. Kitzerow said if an employee was topped out in their pay grade they would receive the market adjustment in a lump sum.

Mayor Kuretski and Mr. Kitzerow discussed the six percent increase and Mayor Kuretski explained his idea was four percent merit increase with a two percent market adjustment.

Mr. Reynolds stated the General fund revenue had an \$2.3 million increase primarily due to the solid waste contract and several other projects. He mentioned the remaining fund balance available was just over \$21 million.

Mayor Kuretski asked if the solid waste was a franchise fee tax. Mr. Reynolds said that was correct.

Mayor Kuretski stated the Town faced an increase in solid waste collection cost which also led to a revenue increase. He also mentioned the Town could expect higher tax revenue through utilities and franchise fees.

Mayor Kuretski asked for the change in forecast on the utility taxes and franchise fee. Mr. Reynolds agreed.

Mr. Reynolds reviewed the General fund proposed expenses.

Council discussed the annual community contributions and grant program.

Mr. Reynolds highlighted the Water fund and gave two options for either a 7.5 percent or 4.5 percent rate increase.

Councilor Schneider stated she would like a discussion on the whole Water fund. Mayor Kuretski and Councilor Sundstrom suggested a workshop. Vice-Mayor Delaney agreed.

Mr. David Brown, Director of Utilities, stated Staff was proposing to present on both the Water and Stormwater master plan at the July 19, 2022 Council meeting unless Council

wanted to discuss it at a separate meeting.

Mr. Reynolds spoke about the Water fund indexing increase request and inflationary cost. Mayor Kuretski stated he supported the recommendation of 4.5 percent rate increase.

1. Discussion of Proposed Operating Budget for Fiscal Year 2023.

Mr. Reynolds reviewed the Stormwater fund, Building fund and Health Insurance fund. He mentioned important upcoming dates including, July 19 2022 Council meeting to set the Truth in Millage (TRIM), the Police Union contract in August, Community Redevelopment Agency (CRA) budget workshop and Community Investment Program (CIP) Budget workshop on August 11, 2022, Insurance RFP set for October, and the public Budget hearings on September 6th and 20th, 2022. He stated the dates of the public budget hearings could change depending on Palm Beach County and School Board budget hearing dates.

Mr. Reynolds stated the policy guidance items to be considered by Council included: maintaining the proposed flat millage rate of 2.4633; Ad Valorem Tax distribution of 85/15 between the General fund operations and the CIP; Health Insurance premium maintaining the current H.S.A. funding levels for employees; and employee inflation subsidy of \$1,400 distributed on October 1, 2022.

Councilor Schneider asked about a CRA workshop prior to the CRA budget workshop. Mr. Reynolds stated the plan was to have a workshop to discuss the CRA in total before the CRA budget workshop.

Mayor Kuretski asked Staff for a list of CIP projects.

Council unanimously agreed on the proposed flat millage rate of 2.4633.

Council discussed the Ad Valorem Tax distribution of 85/15 between the General fund operations and the CIP. Mayor Kuretski stated he was in support. Councilor Schneider stated she needed more information.

Council unanimously agreed regarding the zero increase in health insurance premiums for employees and the H.S.A subsidy of \$824,000.

Councilor Sundstrom stated she needed more time to think about the one-time \$1,400 subsidy for employees. Council discussed the topic and asked Staff to present different options regarding the employee evaluation increase and one-time subsidy.

Mr. Reynolds continued stating policy guidance items; Council annual Community Contribution increase; Community Holiday decoration budget; and the proposed utility rate

increase.

Councilor Sundstrom supported an increase of the Council annual Community Contributions to \$50,000.

Council discussed the Community Holiday decoration budget of \$75,000.

Council discussed the proposed utility rate increase.

Mr. Reynolds went over the topics Council wanted more information about, including: the MSTU details; the franchise fee and utility tax increment analysis; increase on community donations; the five-year plan for Stormwater; and the CIP project list.

ADJOURNMENT – 8:14 P.M.

Laura Cahill, Town Clerk