

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

Meeting Date: April 20, 2010 [ ] Consent [X] Regular  
[ ] Ordinance [ ] Public Hearing

Department Submitted By: Clerk & Comptroller, Palm Beach County

Submitted For: Sharon R. Bock, Clerk & Comptroller

**I. EXECUTIVE BRIEF**

**Motion and Title: Staff recommends motion to approve:**

A Budget Amendment of \$104,247 that includes a transfer of \$156,371 from the General Fund contingency to supplement the 2010 Value Adjustment Board budget.

**Summary:**

The 2010 Value Adjustment Board season set a new record in the number of individuals filing petitions—19,054. This was an increase of approximately 6,000 petitions filed from the year before, which was also a record-breaking year. With this increase in filed petitions, corresponding costs have also gone up, including, but not limited to, special magistrate hours, VAB Counsel hours and the number of needed temporary clerks. Additionally, the 2010 VAB Season has seen three separate lawsuits which required the acquisition of outside legal counsel for defense. Lastly, staff has determined that by implementing the AXIA Media Player upgrade to the existing AXIA software, \$3,073.90 will be saved each year in corresponding costs. The upgrade will replace cassette tapes with digital recorders inside the hearing rooms. The initial outlay for the software upgrade is \$13,600 and has a payback period of four (4) years. The Value Adjustment Board has recommended the implementation of the upgrade for efficiency and liability purposes. For all the foregoing reasons, the VAB requires \$260,618 to supplement its current budget in order to meet operating cost projections for the remainder of the fiscal year. The Board of County Commissioners will be reimbursed 40% of these funds (\$104,247) by the School Board of Palm Beach County as mandated by State Statute. The remainder of the funds (\$156,371) will be paid out of the General Fund contingency. Countywide (PK)

**Background and Justification:**

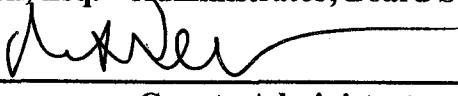
For the 2010 Value Adjustment Board season, 19,054 petitions were filed - approximately 6,000 more than the year before. As seen in previous years, because of the increase in petitions filed, the corresponding costs have also increased. This is readily apparent in three separate areas: Special Magistrate costs, Legal Counsel costs and temporary clerk costs. With regard to Special Magistrates, the Palm Beach County Value Adjustment Board pays the magistrates \$90/hour. With 5 hearing rooms operational and 70 hearing days scheduled, the total cost anticipated is \$283,500.

(CONTINUED ON PAGE 2)

**Attachments:**

- 1. Chart Depicting Temporary Clerk Costs
- 2. Chart Depicting Legal Counsel Costs
- 3. Chart Depicting Special Magistrate Costs
- 4. AXIA Media Player Cost Saving Analysis
- 5. VAB Meeting Minutes
- 6. Budget Amendment

Recommended by:  4/9/10  
Grant J. Skolnick, Esq. – Administrator, Board Services Date

Approved by:  4/14/10  
County Administrator Date

**II. FISCAL IMPACT ANALYSIS**

**A. FIVE YEAR SUMMARY OF FISCAL IMPACT:**

Fiscal years	2010	2011	2012	2013	2014
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	<u>\$260,618</u>	<u>\$1,900</u>	<u>\$1,900</u>	<u>\$1,900</u>	<u>\$1,900</u>
External Revenues	* <u>(\$104,247)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<u>\$156,371</u>	<u>\$1,900</u>	<u>\$1,900</u>	<u>\$1,900</u>	<u>\$1,900</u>
No. additional FTE positions (Cumulative)	_____	_____	_____	_____	_____

Is item included in current Budget? Yes \_\_\_\_\_ No X

Budget Account No.: Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_  
 Revenue Source \_\_\_\_\_

**B. RECOMMENDED SOURCES OF FUNDS/SUMMARY OF FISCAL IMPACT:  
 General Fund Contingency Reserves**

**C. DEPARTMENTAL FISCAL REVIEW: \_\_\_\_\_**

**III. REVIEW COMMENTS**

**A. OFMB FISCAL AND/OR CONTRACT DEV. AND CONTROL COMMENTS:**

\* The external revenue reflects 40% expenses reimbursed by School Board.

*[Handwritten signatures and dates]*  
 OFMB *[Signature]* 4/13/2010 Contract Dev and Control *[Signature]* 4/13/10  
 meB 4/12/10 *[Signature]* 4/12/10

**B. LEGAL SUFFICIENCY:**

*[Handwritten signature]* 4/14/10  
 Assistant County Attorney

**C. Other Department Review:**

*[Handwritten signature]*  
 Department Director

**(BACKGROUND AND JUSTIFICATION CONTINUED FROM PAGE 1)**

The VAB only budgeted \$166,000 in Special Magistrate Costs. The next area of concern is legal counsel costs. The VAB has two attorneys; Heidi Juhl, VAB legal counsel and Barry Balmouth, VAB litigator. Ms. Juhl charges \$150/hour and Mr. Balmouth charges up to \$250/hour. Between both attorneys, the 2010 FY budget had \$80,000 allocated. Because of 3 separate lawsuits, as well as the vast increase in petitions filed, outside legal counsel costs are anticipated to reach \$161,134.88. The last area of concern pertains to temporary clerks. Last VAB season, 5 temporary clerks were utilized. Because of the petition increase, it was necessary to employ 7 temporary clerks to facilitate the process. This fact, along with the longer hours required to run the process, has led to an estimated shortfall of \$48,382.95. These three areas alone have led to a budget shortfall of \$247,017.83.

The Palm Beach County Value Adjustment Board currently uses AXIA software by Pioneer Technologies for all VAB operations. Staff has determined that by upgrading the software's functionality with a component named AXIA Media Player, \$3,073.90 will be saved each year. The purpose of the upgrade is to eliminate cassette tapes and to digitally record all VAB hearings. The initial outlay for the software is \$13,600 with a payback period of four (4) years. The Value Adjustment Board has officially recommended the acquisition of the digital recorders and the cessation of cassette tapes for efficiency and liability purposes. This is adding additional functionality to an existing software package.

The VAB requires \$260,618 to supplement its current budget to meet operating cost projections for the remainder of the fiscal year. The Board of County Commissioners will be reimbursed 40% of these funds (\$104,247.20) by the School Board of Palm Beach County as mandated by State Statute. As such, the total cost to the county is \$156,370.80.

## VALUE ADJUSTMENT PAYROLL AND TEMP COSTS

- The full-time staff of the Palm Beach County VAB has not changed since last year; the Department has the exact same number of people with the exact same salaries. However, due to the vast increase in petitions filed, the number of temps has increased this year to 7.

PAY PERIOD	TOTAL PAYROLL
10/9/2009	\$10,815.08
10/23/2009	\$12,755.90
11/6/2009	\$16,559.55
11/20/2009	\$15,124.44
12/4/2009	\$11,687.02
12/18/2009	\$15,927.44
1/1/2010	\$8,461.99
1/15/2010	\$14,978.86
1/29/2010	\$16,039.30
2/12/2010	\$16,905.13
2/26/2010	\$16,378.89
3/12/2010	\$14,148.51
3/26/2010	\$14,148.51
4/9/2010	\$14,148.51
4/23/2010	\$14,148.51
5/7/2010	\$14,148.51
5/21/2010	\$14,148.51
6/4/2010	\$8,735.46
6/18/2010	\$8,735.46
7/2/2010	\$8,735.46
7/16/2010	\$8,735.46
7/30/2010	\$8,735.46
8/13/20010	\$8,735.46
8/27/2010	\$14,148.51
9/10/2010	\$14,148.51
9/24/2010	\$14,148.51
<b>TOTAL</b>	<b>\$335,382.95</b>

} No Temps

Anticipated

Budgeted for \$287,000

**This is a budget shortfall of \$48,382.95**

## VALUE ADJUSTMENT BOARD LEGAL COUNSEL COSTS

- Palm Beach County VAB has two different attorneys:
  - Heidi Juhl, VAB legal Counsel (\$150/hour)
  - Barry Balmouth, VAB litigator (up to \$250/hour)

### Heidi Juhl, Esq.

INVOICE DATE	AMOUNT
10/13/2009	\$3,572.00
11/4/2009	\$9,387.00
11/18/2009	\$8,115.00
12/4/2009	\$6,841.51
1/6/2010	\$7,804.38
2/3/2010	\$9,861.00
3/4/2010	\$7,687.00
4/7/2010	\$10,223.45
May Estimate	\$7,936.42
June Estimate	\$7,936.42
July Estimate	\$7,936.42
August Estimate	\$7,936.42
September Estimate	\$7,936.42
<b>TOTAL</b>	<b>\$103,173.44</b>

Anticipated

Budgeted for \$75,000

### Barry Balmouth, Esq.

INVOICE DATE	AMOUNT
10/13/2009	\$852.95
10/13/2009	\$3,794.15
12/7/2009	\$6,843.42
1/8/2010	\$12,714.94
2/9/2010	\$2,114.68
3/2/2010	\$525.00
4/8/2010	\$6,965.70
May Estimate	\$4,830.12
June Estimate	\$4,830.12
July Estimate	\$4,830.12
August Estimate	\$4,830.12
September Estimate	\$4,830.12
<b>TOTAL</b>	<b>\$57,961.44</b>

Anticipated

Budgeted for \$5,000

Utilizing current estimates, the total VAB Legal Counsel bill for the 2009 VAB season (FY 2010) will be \$161,134.88

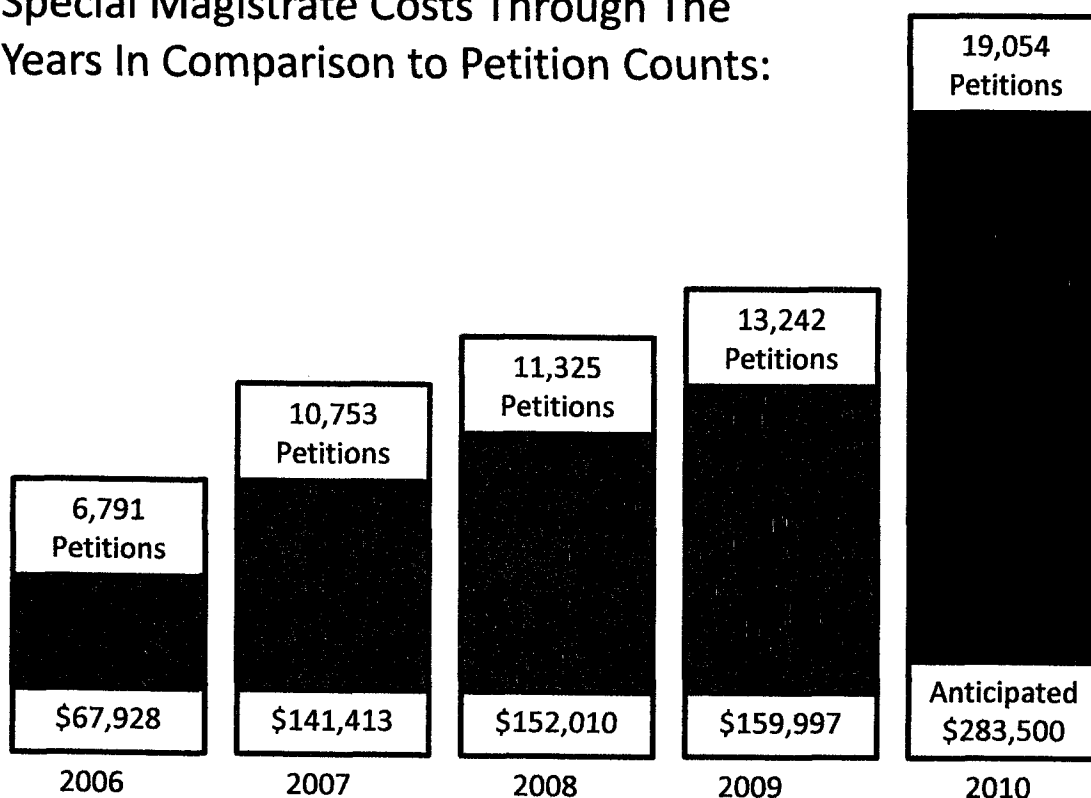
The total VAB Legal Counsel budget for the 2009 VAB season is \$80,000

**This is a budget shortfall of \$81,134.88**

## VALUE ADJUSTMENT BOARD SPECIAL MAGISTRATE COSTS

- Palm Beach County pays its VAB Special Magistrates \$90/hour;
- Special Magistrates work an average of 9 hours per hearing day;
- For 5 Special Magistrates per hearing day, this comes to \$4,050/day;
- Currently, there are 70 hearing days scheduled for this VAB Season ;
- This comes to **\$283,500** in Special Magistrate costs;
- We are **budgeted for \$166,000** in Special Magistrate costs.
- **This is a budget short fall of \$117,500**

Special Magistrate Costs Through The  
Years In Comparison to Petition Counts:





**SHARON R. BOCK**  
Clerk & Comptroller  
Palm Beach County

February 5, 2010

### DIGITAL RECORDER COST SAVING ANALYSIS

AXIA by Pioneer Technologies is currently our software provider for the Value Adjustment Board. They recently released a software product named, "AXIA Media Player," which enables VAB hearings to be digitally recorded by the laptops in the rooms. The utilization of this product by the Value Adjustment Board would eliminate the need to use unreliable, out-dated cassette recorders. Moreover, this product would allow anyone with internet access to immediately review the audio of his or her hearings from the comfort of their own home or office. The AXIA Media Player product provides a more customer-friendly, effective and efficient solution for recording VAB hearings than the present, antiquated solution. Additionally, by utilizing this technology, the VAB would no longer be open to liability when hearings (which must be recorded as a matter of law) are not properly recorded due to equipment malfunction.

#### Break-even Analysis:

Utilizing the information provided below, the AXIA Media Player product will pay for itself in approximately 4 years. From that point on, the utilization of AXIA Media Player will save the Value Adjustment Board \$3,073.90 a year.

The cost of AXIA Media Player is \$13,600:

- \$9,500 for Perpetual License
- \$1,900 for Yearly Maintenance Support
- \$2,200 for Installation and Implementation

Currently, the Value Adjustment Board spends \$4,974 a year working with cassette tapes:

- \$1,630 a year purchasing cassettes
- \$1,319 for recorder maintenance
- \$2,025 a year of staff time in duplicating cassette tapes for record requests (assuming 135 hours at \$15/hour)

Should you have any questions, please contact me at (561) 355-4526.

Sincerely,

Grant J. Skolnick, Esq.  
Administrator, Board Services

**Value Adjustment Board**  
301 N. Olive Avenue  
West Palm Beach, FL 33401

P.O. Box 4036  
West Palm Beach, FL 33402

Phone: 561-355-6289  
Fax: 561-355-1653

www.pbcountyclerk.com

Attachment # 4

**OFFICIAL MEETING MINUTES  
OF THE  
VALUE ADJUSTMENT BOARD (VAB)  
PALM BEACH COUNTY, FLORIDA**

**April 7, 2010**

**THURSDAY  
8:46 A.M.**

**COMMISSION  
CHAMBERS**

**1. CALL TO ORDER**

**1.A. Roll Call**

Commissioner Karen T. Marcus, Chair - Absent  
School Board Member William Graham, Vice Chair  
Commissioner Steven L. Abrams  
Citizen-At-Large Scott Johnston  
Citizen-At-Large Stormet Norem - Absent  
VAB Legal Counsel Heidi Juhl, Esq.  
Clerk & Comptroller Board Services Administrator Grant J. Skolnick, Esq.  
Deputy Clerk Sydone Thompson

(CLERK'S NOTE: School Board Member Graham announced that a quorum was present.)

**2. CERTIFICATION OF THE 2009 PARTIAL TAX ROLL**

**2.A. Certification Motion**

**MOTION to certify the 2009 partial tax roll for the hearings that took place from November 6, 2009, through January 15, 2010; as well as the petitions that were administratively granted and withdrawn during the same time period. Motion by Commissioner Abrams, seconded by Scott Johnston, and carried 3-0. Commissioner Marcus and Stormet Norem absent.**



**2.B. Clerk Read Figures into the Record**

Vice Chair Graham requested that the clerk read the certification figures into the record.

**1.**

Ann Clark, VAB coordinator, read the 2009 Real Property tax roll figures as follows:

<b>a.</b>	<b>Taxable value of Real Property Assessment Roll as submitted by Property Appraiser to the Value Adjustment Board</b>	<b>\$ 134,538,290,298</b>
<b>b.</b>	<b>The Net Change in Taxable Value, to date, due to actions of the Board</b>	<b>\$ 22,394,240</b>
<b>c.</b>	<b>The Net Change in Taxable Value, to date, due to actions of the Property Appraiser</b>	<b>\$ 254,743,526</b>
<b>d.</b>	<b>Taxable value of Real Property Assessment Roll incorporating all changes due to the action of the Value Adjustment Board</b>	<b>\$ 134,261,152,532</b>

**2.**

Ms. Clark, read the 2009 Tangible Personal Property tax roll figures as follows:

<b>a.</b>	<b>The Taxable Value of Tangible Personal Property Assessment Roll as submitted by the Property Appraiser to the Value Adjustment Board</b>	<b>\$ 6,665,393,559</b>
<b>b.</b>	<b>The Net Change in Taxable Value, to date, due to actions of the Board</b>	<b>\$ 23,951,661</b>
<b>c.</b>	<b>The Net Change in Taxable Value, to date, due to actions of the Property</b>	

Appraiser

\$ 27,298,310

**2.B.2 – CONTINUED**

- d. Taxable Value of Tangible Personal  
Property Assessment Roll incorporating  
all changes due to action of the  
Value Adjustment Board \$ 6,614,143,588

**3. APPROVAL OF THE MINUTES OF THE VAB MEETING OF MARCH 17, 2010**

**MOTION to approve the minutes. Motion by Commissioner Abrams, seconded by Scott Johnston, and carried 3-0. Commissioner Marcus and Stormet Norem absent.**

**4. BOARD COMMENTS**

**4.A. VAB Rules.**

Commissioner Abrams asked staff if a rule was in place regarding re-hearings.

VAB Legal Counsel Heidi Juhl Esq. stated that Florida Statute 12.D.9, was adopted in July 2009, and new VAB rules were being developed by the Department of Revenue. She concluded that previous the VAB rules were concise and discrepancies often arose.

**5. STAFF COMMENTS**

**5.A. Petitioners Requesting New Hearings.**

Clerk & Comptroller VAB Supervisor Gloria Madison stated that several reconsiderations were requested and it was expected that many of those petitioners probably would be in attendance at the next meeting.

Ms. Juhl stated the following:

- The new rule would be used to address concerns of petitioners.
- Petitioners would be asked to provide a letter stating whether they would be attending the next VAB meeting, and why they were requesting a new hearing.

**5.A. – CONTINUED**

- The information would be provided to the VAB committee and the Property Appraiser's Office prior to the next meeting.

Commissioner Abrams asked that petitioners be instructed to provide their case number if a new hearing was requested.

**5.B. VAB Budget.**

Clerk & Comptroller Board Services Administrator Grant J. Skolnick, Esq. stated the following:

- VAB was added to the agenda for the April 20, 2010, Board of County Commissioners meeting, and a request would be made for additional funding.
- On April 5, 2010, the VAB budget was submitted to the Office of Financial Management and Budget for fiscal year 2011.
- Reasonable projections were made for the next fiscal year.

**6. PUBLIC COMMENTS – None**

**7. ADJOURNMENT**

**At 8:53 a.m., the vice chair declared the meeting adjourned.**

ATTESTED:

APPROVED:

Clerk

Chair

2010 - 0767

BGEX 040710\*1085

BGRV 040910\*0270

BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET AMENDMENT

FUND 0001 GENERAL FUND

ACCOUNT NAME AND NUMBER	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 3/16/10	REMAINING BALANCE
<u>Revenues</u>							
0001-765-7604-4199 Other Charge Services General Gov't	149,500	149,500	104,247	0	253,747	0	253,747
<b>TOTAL RECEIPTS &amp; BALANCES</b>	999,824,019	1,000,724,734	104,247	0	1,000,828,981	0	1,000,828,981
<u>Expenditures</u>							
0001-765-7604-3101 Professional Services (Special Magistrate)	166,000	166,000	117,500	0	283,500	180,698	102,802
0001-765-7604-3125 Legal Services (Outside Counsel)	5,000	5,000	81,135	0	86,135	67,759	18,376
0001-765-7604-4601 Repair & Maintenance	500	500	2,200	0	2,700	0	2,700
0001-765-7604-4950 Work Done By Other Cty Forces	287,000	287,000	48,383	0	335,383	155,634	179,749
0001-765-7604-4909 Licenses & Permits	0	0	11,400	0	11,400	0	11,400
0001-820-9900-9901 Reserve - Contingency	20,000,000	19,075,250		156,371	18,918,879	0	18,918,879
<b>TOTAL APPROPRIATIONS &amp; EXPENDITURES</b>	999,824,019	1,000,724,734	260,618	156,371	1,000,828,981		

Attachment #

6

Value Adjustment Board

INITIATING DEPARTMENT/DIVISION  
Administration/Budget Department Approval  
OFMB Department - Posted

Signatures & Dates

*[Signature]*  
4/13/2010

MCB  
4/13/10

BY BOARD OF COUNTY COMMISSIONERS

AT MEETING OF

April 20, 2010

Deputy Clerk to the  
Board of County Commissioners