



**Minutes
Town of Lake Park, Florida
First Public Hearing on the Budget Meeting
Thursday, September 5, 2019, 6:30 PM
Town Commission Chamber, 535 Park Avenue**

The Town Commission met for the purpose of the First Public Hearing on the Budget on Thursday, September 5, 2019 at 6:36 p.m. Present were Mayor Michael O'Rourke, Vice-Mayor Kimberly Glas-Castro, Commissioners Erin Flaherty, John Linden, Roger Michaud, Town Manager John O. D'Agostino, Attorney Jamie Gavigan, and Town Clerk Vivian Mendez.

Town Clerk Mendez performed the roll call and Mayor O'Rourke led the pledge of allegiance.

PUBLIC HEARING

******* OPEN PUBLIC BUDGET HEARING*******

1. Resolution No. 69-09-19 Adopting the Proposed Millage Rate for Fiscal Year 2019-2020.

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, ADOPTING A PROPOSED MILLAGE RATE FOR THE TOWN OF LAKE PARK FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020; STATING THE ROLLED-BACK RATE FOR THE TOWN OF LAKE PARK; STATING THE PERCENT BY WHICH THE TOWN MILLAGE RATE EXCEEDS, IF ANY, THE ROLLED-BACK MILLAGE RATE; AND LEVYING FOR AD VALOREM TAXES ON ALL TAXABLE REAL AND TANGIBLE PERSONAL PROPERTY IN THE TOWN OF LAKE PARK FOR FISCAL YEAR 2019/2020; PROVIDING FOR AN EFFECTIVE DATE.

Town Manager D'Agostino explained the proposed millage rate and the proposed budget (see Budget Transmittal Letter as Exhibit "A"). Vice-Mayor Glas-Castro recapped a discussion that took place during the July Budget Workshop in which public safety was 55% of the overall budget. She asked how much of the 5.3474 millage rate was for Sheriff services. Finance Director Cariseo explained that in the graph (see Exhibit "B") that breaks down the public safety departments, 35% was Sheriff's. She further explained that when the Fire Municipal Service Tax Unit (MSTU of 3.458) and Town Millage Rate (5.3474) are combined, the totals Millage Rate is 8.805 and public safety is 55% of the overall budget. Vice-Mayor Glas-Castro pointed out that property tax was generating revenue for the Town, but public safety was higher than what the property tax generates.

Commissioner Linden expressed concern with the budget, but would wait to discuss those issues when the budget agenda item was discussed.

Motion: Vice-Mayor Glas-Castro moved to approve Resolution 69-09-19; Commissioner Michaud seconded the motion.

Vote on Motion:

Commission Member	Aye	Nay	Other
Commissioner Flaherty	X		
Commissioner Linden	X		
Commissioner Michaud	X		
Vice-Mayor Glas-Castro	X		
Mayor O'Rourke	X		

Motion passed 5-0.

2. Resolution No. 70-09-19 Adopting a Tentative Budget for Fiscal Year 2019-2020

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, MAKING SEPARATE AND SEVERAL APPROPRIATIONS FOR ITS NECESSARY OPERATING EXPENSES, THE EXPENSES OF THE VARIOUS FUNDS AND DEPARTMENTS OF THE TOWN FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020, AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

Town Manager D'Agostino explained that members of the Collective Bargaining Agreement (CBA) would negotiated salaries. He stated that the CBA was a three-year contract with a re-opener clause for salaries. The negotiations would be scheduled. Vice-Mayor Glas-Castro asked if all employees would receive the same amount. Town Manager D'Agostino explained that the negotiations would only be for those members in the CBA. He further explained that all employees would receive a 2% Cost of Living increase and there were funds in the budget to cover up to a 2% merit increase, dependent upon performance.

Commissioner Flaherty asked if the budget documents on the Dias this evening were the most up to date. Finance Director Cariseo explained that the updated documents reflect the changes made during last night's Commission meeting. She explained how the budget funds are allocated during the mid-year budget adjustment.

Vice-Mayor Glas-Castro thanked the Town Manager for the Budget Transmittal Letter (see Exhibit "A"), which assist residents in understanding what the financial situation was for the Town and the projected budget. She stated that she would not support a Commission salary increase. She suggested that the funds be allocate for after school programs or park expansion.

Commissioner Michaud agreed that the Budget Transmittal Letter was clear. He thanked the Town Manager and staff for all they do.

Commissioner Linden expressed concern with how much of the budget was contingent on future projects; projects that he believes have stalled at the Planning & Zoning stage. He expressed concern with how the Town Manager would have authorization with the budget. Town Manager D'Agostino explained that the authorization would be for the

mid-year budget adjustment. As a point of clarification, he explained the revenue stream that come in. The building fee paid by the developer of a project to the Town would go towards funding on-time revenue sources. An example was the funds would go towards capital projects that the Town does not have the budget funds to cover. He made a few suggestions to fund certain capital projects. He stated that the budget was balanced without the projected funds from the building fees. Those funds would be added to the budget during the mid-year budget adjustment.

Commissioner Linden expressed concern that the proposed budget included hiring five (5) employees. He stated that it would be much more difficult to go to a rollback rate next year to lower the Millage Rate. Commissioner Linden referred to the "Personnel Changes" included in the Budget Transmittal Letter. Town Manager D'Agostino read sections of the Budget Transmittal Letter for clarification purposes (see page 3 of Exhibit "A". Commissioner Linden referred to positions referenced in next year's budget. Finance Director Cariseo explained that the positions referenced are not new positions and are filled and budgeted. Commissioner Linden expressed concern with hiring a Records Technician Clerk for the Town Clerk's Office and not contracting the services instead. Town Manager D'Agostino explained that staff could research the cost of contracting the services versus hiring an employee. He further clarified that records are created each day and the person would assist with record retention. Commissioner Michaud clarified the function of the position. Commissioner Linden did not believe that a records person would be necessary once all the records were scanned. He expressed irritation that the Town could not go back to the rollback rate. He was not in favor of hiring a large amount of people and then not be able to fund them in the future, if the projected development fell through. Mayor O'Rourke asked if staff knew how much it would cost to contract out the records services. Town Manager D'Agostino explained the difficulty with contracting the services. Vice-Mayor Glas-Castro explained the cost associated with the scanning process at the municipality she works for and the staff time associated with indexing the records after they were scanned. Discussion ensued regarding the scanning of records and having a central person that would maintain the records as well as cross training the person to assist in other departments.

Commissioner Linden expressed concern hiring additional staff in the Community Development Department. Vice-Mayor Glas-Castro explained the process of processing building permits and plans in the Community Development Department. Commissioner Linden expressed concern with the cost of the exterior doors for Town Hall. Public Works Director Scherle explained the projects necessary to maintain the historical nature of Town Hall. He explained different funding options to offset some of the costs.

Commissioner Linden expressed concern with the Grant Making Policy program process and would like it discussed in the future.

Motion: Commissioner Flaherty moved to approve Resolution 70-09-19; Vice-Mayor Glas-Castro seconded the motion.

Vice-Mayor Glas-Castro does not agree with the salary increase for the Commission and therefore will vote against the Resolution. Commissioner Linden does not agree with the Grant Making process and will vote against the Resolution until the process is changed.

Commissioner Michaud asked if the process could be changed and not affect the budget. Town Manager D’Agostino stated that it was up to the Commission if they wanted the Grant Making Policy process changed. Discussion ensued regarding the Grant Making Policy process. Mayor O’Rourke agreed that he had issues with the process, but would vote in favor of the budget funds allocated for the grant. Commissioner Michaud stated that the grant process could be modified later. He agreed that the Commissioner salary increase funds could go to children programs. Mayor O’Rourke had reservation about the Commissioner salary increase and felt that an increase would be appropriate in the future, but not now. He would like to have the millage rate lowered as projects begins in the Town. Commissioner Linden asked where would the funds allocated for the Commissioners salary go. Finance Director Cariseo suggested that the funds would be placed in the Contingency Fund, which would need Commissioner approval to move the funds out of Contingency and into another fund. Commissioner Flaherty asked if the Sunset Celebration fund was reduced since some of the celebrations have been canceled. Town Manager D’Agostino stated no because they would try to create larger events in the year.

Commissioner Flaherty withdrew his motion. Vice-Mayor Glas-Castro withdrew her second.

Motion: Commissioner Flaherty moved to approve Resolution 70-09-19 with the exception that the Commissioner salary remain the same and moving the difference between the Commission current salary and proposed increases to the Contingency Fund; Commissioner Michaud seconded the motion.

Vote on Motion:

Commission Member	Aye	Nay	Other
Commissioner Flaherty	X		
Commissioner Linden	X		
Commissioner Michaud	X		
Vice-Mayor Glas-Castro	X		
Mayor O’Rourke	X		

Motion passed 5-0.

******* CLOSE PUBLIC BUDGET HEARING*******

PUBLIC COMMENT: None

TOWN ATTORNEY, TOWN MANAGER, COMMISSIONER COMMENTS:

Town Attorney Gavigan had no comments.

Town Manager D’Agostino had no comments.

Commissioner Linden would like to discuss the Grant Making Policy procedures at a future meeting.

Commissioner Michaud had no comments.

Commissioner Flaherty had no comments.

Vice-Mayor Glas-Castro had not comments.


Mayor O'Rourke had not comments.

ADJOURNMENT

There being no further business to come before the Commission and after a motion to adjourn by Commissioner Flaherty and seconded by Commissioner Michaud, and by unanimous vote, the meeting adjourned at 8:14 p.m.



Mayor Michael O'Rourke



Town Clerk, Vivian Mendez, MMC



Approved on this 18 of September, 2019



Office of the
Town Manager

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Lake Park, FL 33403
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Exhibit "A"

September 4, 2019

Re: Budget Transmittal Letter

Dear Mayor Michael O'Rourke, Vice Mayor Kim Glas-Castro and Members of the Town Commission and the Residents of Lake Park:

The purpose of this Budget Transmittal Letter is to highlight the changes to the Operating and Enterprise Budgets for the upcoming Fiscal Year 2019-2020.

The budget process commenced with the submission of budget initiatives from each department director. Budget submittals are what Town departments need to deliver the highest and best services to our residents. Initially, budget initiatives and line item expenditures increased the budget deficit by more than **\$1,000,000**. Unfortunately, revenues never match up with budget and initiative requests. The budget process requires us to pare down the budget to ensure that the operating budget, along with each enterprise fund is balanced. This process required the budget team members consisting of Lourdes Cariseo Finance Director, Bambi Turner, Assistant Town Manager and Human Resource Director, Janet Perry Assistant to the Town Manager and each Department Director to meet with the budget team to achieve a balanced budget.

Staff is proposing a balanced operating budget for the upcoming Fiscal without an increase to the millage rate. The rate remains at 5.3474. The Fire MSTU is **3.4581**. Together, the total millage rate is 8.8055. The state has capped the millage rate for municipalities at \$10.00 per \$1,000. The millage rate will increase to **\$3,689,136** from **\$3,384,406**, increasing property values. The associated revenue to support a budget of more than **\$8,980,345** permits departments to develop after-school programs designed to enable after school-age children to get involved in constructive recreational activities throughout the school year at no charge to families. The difference is made up from other revenue sources outside of the millage rate. The total revenue from outside of the millage rate is **\$6,074,315**.

The financial condition of the Town continues to improve. Staff is mindful of the increase in value increasing property taxes. If the Town decided to roll back the rate and eliminate the rise in taxable value, the Town would need to reduce the budget by **\$410,292**. We can only reach the rollback rate when significant new reoccurring revenues hit the operating budget. The Federal Highway development project, which has an estimated value of 160 million dollars, will generate Ad Valorem tax revenue of approximately \$1.4 million per year. Our current Ad Valorem revenue is **\$2,737,304**. Until new revenue streams are added to the budget, we cannot reach the rollback rate without significant reductions in personnel, programs, and services.

Sixtyfive percent of single-family homes are renter-occupied. Roughly 35 percent of our housing stock is owner-occupied. Younger residents and families continue to move into Lake Park in part because of low property values, the unique location of the Town between Jupiter and West Palm Beach and quick

access to the waterfront. Young families are finding Lake Park affordable. We must provide these families with the services they desire to remain a livable community. The challenges we face as leaders are to stem the tide of rental housing. The goal of this administration is to encourage homeownership opportunities throughout Lake Park. The town remains attractively affordable and a community on the move. This budget year, Strategic Marketing Inc. will begin to implement an overall strategy for the Community Redevelopment Agency (CRA) to attract millennials to the PADD (Park Avenue Downtown District) and to fill vacant commercial space and create a sense of excitement around the newly established Park Avenue Downtown Brewery District. The CRA funded branding initiative continues in the next fiscal year's CRA budget at \$55,000. The objective is to promote the CRA as a hipster place to eat, drink, and recreate. Property values in the CRA increased by over 16.5 percent (in the last fiscal year) while property values throughout the rest of the town increased over eight and a half percent. As the CRA continues to outpace the rest of the town in property value increase, creating a synergistic balance among businesses, restaurants, breweries, live entertainment, the arts, and a live-work and recreational environment in the downtown area is critical. The vibrancy of any rebirth of a downtown area requires residents to live and work in the downtown district. The Special Events Department will work with downtown businesses to assist in the planning of special events in the PADD, which will contribute to the revitalization and success of the CRA.

MILLAGE RATE

The Millage Rate has remained at 5.3474. The rate remains steady for the past five fiscal years. The increase in your tax bill is related to the rise in property values. The most significant increase in property values occurred within the CRA boundaries. The CRA continues to be a good investment for the business community.

HOMESTEAD EXEMPTION

Homestead exemptions reduce the overall tax burden to residents by **\$522,405** each year. However, the homestead exemption only applies to homeowners living in their residence. Remember, 65 percent of the property in the Town is rental and therefore not eligible for the exemption.

FUNDED INITIATIVES

Each year, the ability for the Town to fund department initiatives remains problematic. Nautilus is in plan review. The building permit fee for an estimated \$160 million project is calculated to be close to \$2 million, and staff expects to collect the payment in the 2019-2020 budget year. Therefore, I am recommending the Commission reopen the budget process to fund one-time budget initiatives later in the FY 2019-2020 fiscal year. The following initiatives are funded in the FY 2019-2020. Those initiatives include: extending Lambda Rail (Second Phase) \$180,000, Web Hosting \$4,000, part-time to full-time Project Manager at \$30,000, Town Hall Doors at \$70,000, Town Clerk's Ceiling Assessment at \$28,000 (Historical Grant Approval), water supply update at \$9,800, the Back To School Extravaganza at \$3,000, afterschool youth activities at \$5,000 and funds to complete the CDBG funded additional playground equipment and canopy at \$7,000. The total of public initiatives added to the operating budget is \$336,800.00. The upgrade of a Stormwater Technician to a Stormwater Infrastructure Manager for \$9,464 was added to the Stormwater Budget.

Furthermore, the continuation of the grant program for **\$25,000** to assist not-for-profit and for-profit organizations in our community will continue in the FY 2019-2020. Last year the Commission decided to fund the Lake Park Baptist youth soccer program. Bike racks

along Park Avenue and to provide funding for \$4,000 to assist the Brewhouse Gallery back alley Mural Project. The youth Soccer camp staff saw approximately 150 youth participate in the one week program between the time school ended and the start of summer camp programs in Palm Beach County. The initiative provided working parents with a structured recreational program for their children.

PERSONNEL CHANGES:

The budget for FY19-20 will fund the full-time equivalent Code Compliance Officer's position in its entirety. Last year's budget supported the full-time Code Compliance Officer on a partial basis using CDBG grant funds, with the general fund picking up the balance of salary and benefits. While the CDBG program may be extended an additional six months into FY 19-20, Palm Beach County will not make this decision for possibly another 30 days; therefore, the position must be funded in its entirety now.

Further, the budget continues to support a Part-Time Planner at twenty-five hours per week. With the continued increase in projects projected for this budget year, additional personnel including the need for a second Community Development Technician for is necessary but remains unfunded. Even with the assistance/relief provided by other department employees, Community Development is experiencing delays and anticipates these delays will increase in the next budget cycle given the limited resource with hundreds of Business Tax Receipt applications per year (minus the daily customer interactions – front counter, phones and email – which average approximately 70 customer interactions per day).

The Town Clerk's Office needs a Records Retention Clerk to enable the various departments to scan and retrieve public records electronically. With the introduction of Laserfiche as the document retrieval backbone, documents scanned into the system are readily available to staff, and residents via the Town Website and will allow staff to respond to records requests in an expeditious manner.

ENTERPRISE FUNDED INITIATIVES:

Public Works Department Streets and Road Fund Budget:

The Public Works Department Streets and Roads fund budget will continue to fund the sidewalk repair and replacement program. The budget supports the program at **\$418,041**. Future roadwork projects, such as 10th street from Sliver Beach Road to Park Avenue, will require grant funding to complete. The road lacks proper drainage, and the streets and roads budget funds are insufficient to meet the financing needs to complete the roadwork. Staff believes the entire roadway from Silver Beach to Park Avenue will require a full re-acclimation. The addition of green infrastructure drainage swales throughout the corridor will enhance the Town's ability to secure funding from the Lake Worth Lagoon Initiative. Our approach will be to aggressively seek grant funding to implement a trial sustainable green initiative of bioswales along 10th Street. The need to achieve sustainable green initiatives means that the Town will position itself for future grant funding from funding sources that support clean water initiatives.

Lake Harbor Marina Fund Budget:

The FY 2019-2020 Marina Fund Budget is \$ **1,541,868**. The Marina Fund will look to increase revenues by establishing a new methodology for slip rentals. The Marina currently charges slip fees based on the actual length of the boat. The new method will calculate the exact length of the vessel size plus the motor, which will slightly increase revenues per month, per slip. The Marina budget

will continue to fund the Marina Maintenance II position. For years, the Marina has deferred maintenance resulting in significant costs for building repairs and maintenance. Considerable building maintenance and repair work remains a top priority.

The administration is proposing to enter into a public-private partnership to fund upgrades to the Marina. The upgrades, including the expansion of the Marina, is estimated at \$20-\$30 million dollars. We will need to balance necessary repair work with prospects of moving the funding for the Marina to a private investor. Continual maintenance to the property will be required. Air conditioning units have been replaced. The fuel pumps at the Marina require further evaluation and may need replacement shortly. One of the most significant challenges to the Marina budget continues to be the funding of large-scale capital projects. The administration is proposing to move the current Dockmaster to the Marina Director's position and hire a Dockmaster to support the day-to-day operations. The need to re-evaluate how services are delivered at the Marina remains a top priority. For years, the Marina has thought to be this quaint park-like Marina. Development near the marina has changed the dynamic of what the Lake Park Harbor Marina will look like in the future. A resort-style marina that is expanded to accommodate larger vessels with possible mixed-use on the Marina Peninsula. The proposed public-private partnership envisioned for the Marina will move the Marina to a full-scale resort-style Marina.

Stormwater Utility Fund Budget:

The Stormwater Budget has a balance of **\$2,002,263**. The further development of the Comprehensive Stormwater Management Plan incorporates best practices for sustainable green initiatives throughout the Town. Every aspect of drainage in the Town will include retaining and treating run-off on-site for as long as possible before discharging to the Intracoastal. Rather than expand piping, which is incredibly expensive and not necessary, the emphasis will be on water retention and the utilization through a series of bioswales from the west to east ends of the town and eventually into the Intracoastal Waterway. The initiatives in the bioswale areas will act as a natural filter before discharging into the Lake Worth Lagoon, thereby contributing to cleaner outflows into the water body. In the upcoming year, we also intend to acquire a new street sweeper, implement an additional pipe repair (similar to the repairs completed in FY2018-2019 at Kalmia and Palmetto), and perform in-depth engineering of the large 60 inch pipe that serves a large portion of the Town, which runs along the southern part of Lake Park. We have previously completed repairs to this large pipe – but the entire pipeline will be examined for structural integrity and need for further maintenance.

Sanitation Fund Budget:

The Sanitation Budget has a balance of \$23,250 after the purchase of two refuse trucks.

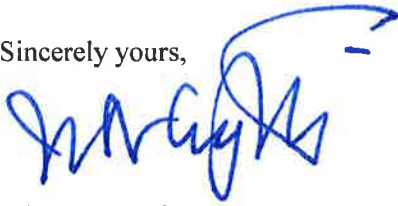
CONCLUSION:

The Fiscal Year 2019-2020 budget is balanced. Service levels will either remain the same or increase slightly. The turn around time for permits in the Community Development Department is approaching a week to a week and a half for simplified permits and several weeks for permits that involve the more extensive review, or outside agency review (this is one area that may suffer additional delays next budget cycle). In my opinion, extending that time beyond a week is unacceptable. The need to hire a second Community Development Technician will be a priority in the next budget cycle. The Public Works Department is near capacity with almost all positions filled.

I look forward to working with the Commission to further the goals and objectives of both the Commission and the administration as together we move the Town forward in a positive direction.

I want to thank the Commission for its insight, vision, and direction as together we have balanced the budget with the best intentions of the Town at the heart of what we do on behalf of the residents of Lake Park.

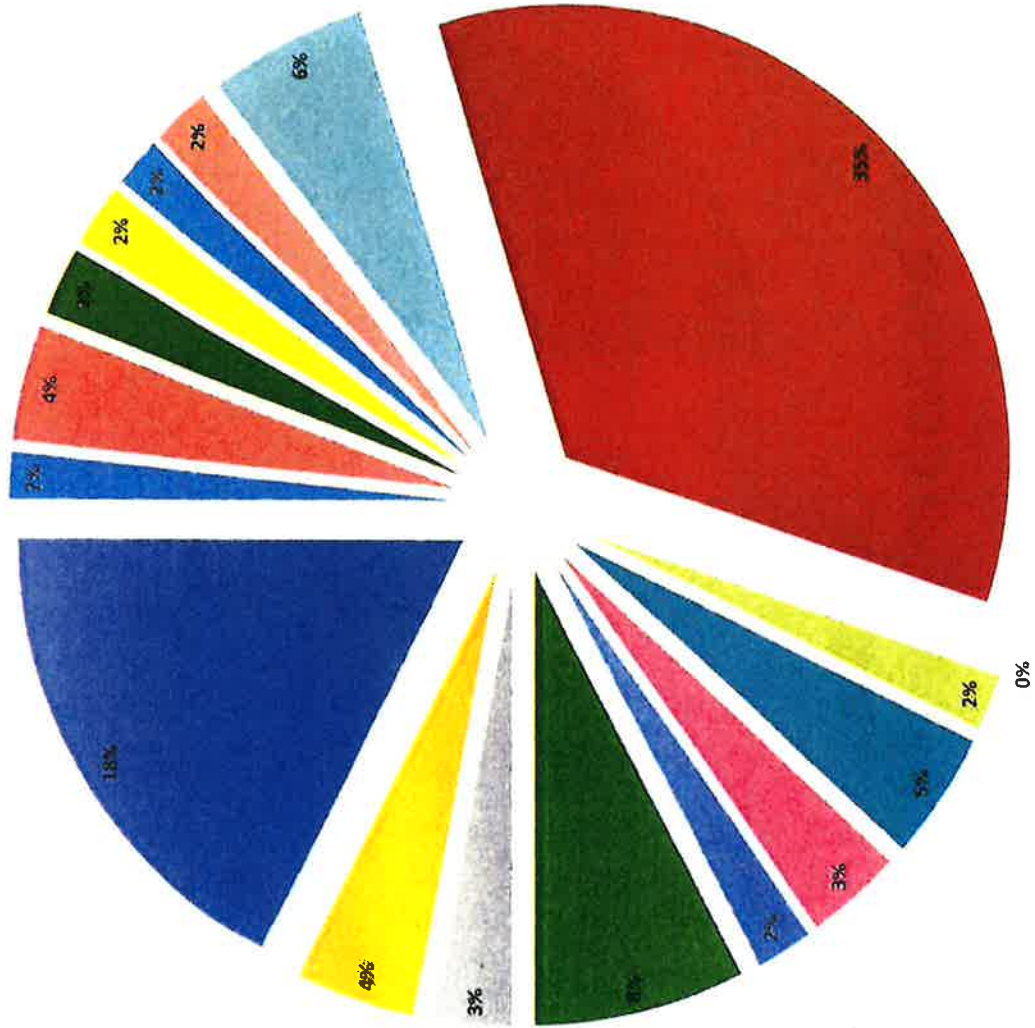
Sincerely yours,

A handwritten signature in blue ink, appearing to read "John D'Agostino". The signature is stylized and includes a large, sweeping flourish above the name.

John D'Agostino
Town Manager, Town of Lake Park

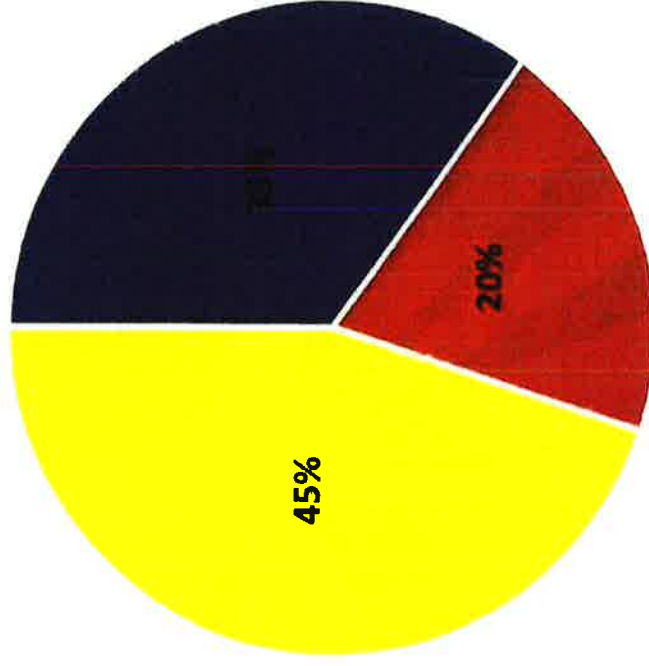
Exhibit "B"

General Fund Expenditures



- Town Commission 2%
- Town Manager 4%
- Human Resources 2%
- Town Clerk 2%
- Town Attorney 2%
- ◀ Information Technology 2%
- ⊗ Finance 2%
- Public Safety 35%
- Emergency Management < 1%
- Public Works Administration 2%
- Public Works Grounds 5%
- Public Works Facilities 3%
- Public Works Vehicle Maintenance 2%
- Community Development 8%
- Special Events 3%
- Library 4%
- Non-Departmental 18%

PUBLIC SAFETY AS A % of GENERAL FUND BUDGET



■ PBSO 35%

■ FIRE 20%

■ ALL OTHER COST CENTERS 45%