



**Minutes
Town of Lake Park, Florida
Virtual First Public Budget Hearing
Meeting Minutes
Monday, September 14, 2020, 6:30 PM
Via Zoom**

The Town Commission met for the purpose of a Virtual First Public Budget Hearing Meeting on Monday, September 14, 2020 at 6:30 p.m. Present were Mayor Michael O'Rourke, Vice-Mayor Kimberly Glas-Castro, Commissioners Erin Flaherty, John Linden, and Roger Michaud, Town Manager John O. D'Agostino, Attorney Thomas Baird, and Town Clerk Vivian Mendez.

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

PUBLIC HEARING:

1. Resolution 60-09-20 Adopting the Proposed Millage Rate for Fiscal Year 2020-2021.

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, 2020 AND ENDING SEPTEMBER 30, 2021; 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 2020/2021; PROVIDING FOR AN EFFECTIVE DATE.

Town Manager D'Agostino explained that a Budget Transmittal Letter was provided with the budget (see Exhibit "A"). The Commission discussed at length the proposed millage rate and its impact on the budget. They discussed how grant funds could be used over the next fiscal year. Vice-Mayor Glas-Castro asked what capital improvement projects are being set aside due to insufficient funds. Town Manager D'Agostino stated that projects like updating the generators to Town facilities and installing a generator at the Library. In addition building a data center to place the servers in a data center. He explained that the data center would also include a record retention area.

Finance Director Cariseo shared a chart, which reflects how the budget would be effected should the millage rate change (see Exhibit "B").

The Commission discussed additional reductions could be made to the budget. Finance Director Cariseo explained that reductions had been made to the budget prior to this meeting. If the Commission wished to reduce the budget more, staff could reduce Travel & Training and Memberships as a starting point.

Motion: Commissioner Flaherty moved to adopt Resolution 60-09-20 setting the millage rate at 5.3474; Vice-Mayor Glas-Castro 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 4-1.

2. Resolution 61-09-20 Adopting a Tentative Budget for Fiscal Year 2020-2021

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, 2020, AND ENDING SEPTEMBER 30, 2021, AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

Town Manager D'Agostino was available to answer any questions. Vice-Mayor Glas-Castro asked what the total salary increase was based on the salary survey. Finance Director Cariseo stated \$75,000 for the next two-year period, if approved by the Commission. Vice-Mayor Glas-Castro stated that she did not vote in favor of the salary increases this year because she did not feel it was appropriate to do so given the Town's revenue limitation and the unknown for the next fiscal year. The majority of the Commission directed staff to include it to the budget. She stated that this was the only concern she had with this budget and was not sure if she would be supportive of the salary increases next year. Commissioner Linden stated that he was in favor of the salary increases, but was against several staff members receiving a large salary increase, which already have high salaries and the other lower salaried employees are not getting much of an increase. He stated that with so many still on unemployment he could not support this budget.

Motion: Commissioner Flaherty moved to adopt Resolution 61-09-20; Commissioner Michaud seconded the motion.

Vice-Mayor Glas-Castro

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		
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Motion passed 4-1.

Finance Director Cariseo explained that an advertisement would run in Sunday's edition for the Final Public Budget Hearing, which was scheduled for Wednesday, September 23, 2020 at 6:30 p.m. in the Commission Chamber of Town Hall.

PUBLIC COMMENT: None

TOWN ATTORNEY, TOWN MANAGER, COMMISSIONER COMMENTS:

Town Attorney Baird had no comments.

Town Manager D'Agostino had no comments.

Commissioner Linden asked if there a specific order in which the millage rate and budget was approved. He explained that this was the second budget he participated and was confused with the order in which the millage and budget were approved. He thought that assumptions were made by approving the Community Redevelopment Agency budget in August, before the proposed millage rate was established. Mayor O'Rourke explained that during the first budget meeting in July the Commission set the "not to exceed" maximum millage rate. He explained that staff must file certain information to the State by a specific date in July. Then during tonight's meeting the Commission discussed if the millage rate should be lowered, which the Commission discussed and came to a conclusion.

Commissioner Michaud had no comments.

Commissioner Flaherty had no comments.

Vice-Mayor Glas-Castro had no comments.


Mayor O'Rourke had no comments.

ADJOURNMENT

There being no further business to come before the Commission and after a motion to adjourn by Vice-Mayor Glas-Castro and seconded by Commissioner Flaherty, and by unanimous vote, the meeting adjourned at 7:52 p.m.



Mayor Michael O'Rourke



Town Clerk, Vivian Mendez, MMC



Approved on this 7 of October, 2020

Exhibit "A"

September 10, 2020

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 2020-2021 Fiscal Year.

The budget process begins with the submittal of department initiatives. Budget initiatives may result in budget increases if incorporated into the operating budget. Budget initiatives originate with Department Directors and forecast what departments need to increase services or enhance program services. Budget initiatives are essential to department heads because budget initiatives are what each department needs to manage their departments adequately.

The operating budget for the 2020-2021 fiscal year is balanced without increasing the millage rate, which remains at 5.3474. The Fire MSTU is 3.458. Together, the total millage rate is 8.8055. The state has capped the millage rate at \$10.00 per \$1,000. The millage rate will raise \$3,949,407 in budget revenue. Without an increase in property values, our budget revenue stream will see a significant reduction. The budget will increase by \$260,271 in new property value revenue to support a budget of more than \$9,703,864. The difference is made up from other revenue sources outside of the millage rate.

This fiscal year, rather than focus on numbers, the budget message will provide the reader with what we intend to accomplish during this budget cycle concerning programs, services, infrastructure, etc. The budget is subject to change and is a fluid planning document of priorities the Town hopes to accomplish between October 1, 2020 and September 31, 2021.

The financial condition of the Town continues to improve. **The Taxpayer Accountability and Transparency Project in Tallahassee rated the Town's budget an "A" budget.** We will continue to provide myriad public services to our residents. Over the past few years, young residents have moved into Lake Park. Young families continue to find Lake Park affordable and are moving to the Town in more significant numbers. We must provide families with the services they desire to remain a livable community. Our vision for the Town continues to resonate with young families and has contributed to the growth of this demographic segment among our residents.

Development of Nautilus 220 will break ground in the new fiscal year. The investment of \$180 million will increase developer interest in the US Federal Hwy corridor. Such development will diversify our tax base and increase revenue at a time critical to the financial future of our community.

The library recently received a grant for \$68,485.00 for the purchase of laptops and a kiosk to clean, store and charge the laptops. There is a possibility of also purchasing furniture through this grant, however, the Town plans to purchase new carpeting and furniture with one-time funding from the Master Development Fee from the Nautilus 220 project.

As COVID restrictions continue to loosen, and with the possibility of a vaccine on the horizon, Special Events will evaluate and possibly resume activities when science dictates the reopening of everyday activities. If so, during this budget year, we plan to resume the Sunset Celebrations, Easter Egg Hunt, and summer camp and utilize 800 Park Avenue in the CRA for indoor activities open to residents of Lake Park.



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Town Manager

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MILLAGE RATE:

The millage rate will remain at 5.3474 unless the Commission votes to reduce the millage. This rate has remained steady for the past five fiscal years. The increased property tax bills are a result of an increase in property value, not the millage tax rate. The largest increase in property value continues to occur within the CRA boundaries of the Town.

HOMESTEAD EXEMPTION:

Homestead exemptions provide a tax break of \$665,632 to qualified homeowners each fiscal year.

WHAT THE BUDGET WILL PROVIDE TO RESIDENTS AND BUSINESSES:

CAPITAL PROJECTS:

- The CRA parking lot will provide lighting and parking for approximately 138 vehicles. The project will help alleviate parking concerns for businesses within the CRA. Funding for the parking lot will come from the One Cent Sales Tax. The estimated cost is \$724,285.
- Drainage project for Lake Shore Drive. The drainage project will include green infrastructure in the form of bioswales that will naturally filter significant amounts of water from the Town's drainage system before it discharges into the Intracoastal Waterway (Lake Worth Lagoon). The total project cost is approximately \$6.5 million (including the \$1.1 million cost to Seacoast Utility for water and sewer upgrades). The actual drainage cost is \$5.4 million. Funding will come from FEMA (\$3.4 million) and One Cent Sales Tax (\$2.0 million). THERE WILL NOT BE A SPECIAL ASSESSMENT FOR THIS PROJECT. The financial structure of this project saves taxpayers about \$5.4 million by not implementing a special assessment for the drainage work. A redesigned streetscape with west side parking, wider sidewalks, and period lighting will part of the project.
- Our infrastructure is as old as the Town of Lake Park, which was founded in 1917 and incorporated in 1923. For many years, both the Town Administration and the Town Commission failed to update the drainage infrastructure or to extend drainage to other areas of the Town. This year, we plan to spend \$360,000 in stormwater funding to upgrade Town infrastructure.
- With the use of CDBG Funds, the budget will fund the acquisition and installation of new playground equipment at Lake Shore Park. We hope to add new sections to the playground over the coming years.
- Public-Private Partnership for the Lake Harbor Marina. By leveraging private sector dollars, the Marina will be able to implement the vision of the Town Commission to upgrade the facility to a resort-style Marina and to expand the Marina for larger vessels. A Public-Private Consultant will negotiate a Public-Private Partnership Agreement to achieve the vision of the Town Commission. The consultant will manage the upgrades to the Marina, as well. The Town's portion of the cost is \$180,000 for the consultant. The construction phase will be an additional element of the contract, with a total cost of over \$300,000. The selected private developer will pay the majority of the additional costs beyond the \$180,000. The Marina will remain in the ownership of the Town, and access to the water from the Marina will remain open to the public. Boat access to the water will be from the two public boat ramps (which may be relocated from their existing location).
- During this fiscal year, the Commission will decide how to use the \$1.8 million paid by Nautilus 220 developers for public improvements, including public art projects in the immediate area of the development project.

CRA BUDGET:

The CRA budget benefits residents and businesses within the CRA district. The ad valorem taxes paid to the CRA from the County is \$473,069.00. By State Statute, the Town must contribute \$871,192 to the CRA, for a total of \$1,344,192.00. The budget will fund landscaping services, decorative displays, street lighting and business development grants totaling \$125,000, as well as grant incentives totaling \$62,500 for businesses to relocate or expand within the CRA boundaries. The CRA budget proposes to provide up to \$147,800 in revolving loans to businesses in the CRA for expansion or relocation of businesses into the CRA or existing businesses to expand in the CRA. The budget also increases the hours of policing along the Park Avenue area (from the 700 to 900 blocks and 10th Street).

The CRA continues the marketing campaign for Live, Work, and Recreate within the district.

ONE CENT SALES TAX REVENUE:

Sales tax revenue passed by Palm Beach County residents benefits the Town of Lake Park through supplemental funding for road construction projects, road work and related infrastructure purchases including surveillance cameras and license plate readers with a five year or greater life expectancy. The town received \$2,084,494 in surtax funds. The balance is \$1,061,570.

ENTERPRISE FUND BUDGETS:

Public Works Department Streets and Road Fund Budget:

The Public Works Department and Road Fund Budget will remain unchanged with no additional funding. The budget appropriates \$30,000 in funding to continue the sidewalk repair program, which is now in its fourth year. The budget will support \$29,000 in traffic and speed signs throughout the Town. Further, the Town is mandated by 2022 to have new school zone signage in place. Both are achievable with the proposed budget amount of \$29,000.

Marina Fund Budget:

The Marina Fund will show a deficit due to the unexpected pandemic-related closure of the Marina. Each year, the Marina fund has shown a slight deficit, which increased when the Marina was required to close for three months due to COVID-19. Fuel sales were down, while slip fees remained steady for the last fiscal year. One of the most considerable challenges to the Marina budget continues to be the funding of large-scale capital projects. However, with the Public-Private Partnership on the horizon, large-scale capital projects for the Marina will be achieved by the Private Developer chosen by the Town Commission. The expansion of the Marina will be necessary to maintain a greater degree of profitability for the Marina.

Stormwater Utility Fund Budget:

Two fiscal years ago, the Commission in office at that time voted to increase the Stormwater Utility Fund. As a result of that leadership decision, we will be able to implement significant green infrastructure projects to improve drainage and filter drainage discharge before entering the Lake Worth Lagoon. Finally, we will be able to begin the expansion of drainage infrastructure to those areas of Town without drainage. The implementation of the Master Drainage plan is underway. Within the next 10 years, we plan to achieve drainage resiliency in the most bio-friendly way. Bioswales, rain gardens, and rain barrels will hold drainage water on property longer, resulting in clean drainage discharge to the Lake Worth Lagoon.

The budget will allocate \$360,000 focused on drainage projects. Whether for the lining of drainage pipes or the redesign of drainage under the Lake Shore Drive bridge, such work must be achieved in partnership with the Florida Department of Transportation District IV. The Lake Shore Drive drainage addressed earlier ends at the bridge and the 60-inch drainage pipe. This past fiscal year, the Stormwater Fund financed emergency repairs of this pipe. Further investigation revealed that additional infrastructure work is necessary further west of the emergency repair work.

The budget supports the purchase of a street sweeper for \$259,871, which was made through a lease-purchase agreement. The budget will support annual payments of \$55,506 through 2024, of which \$6,948.00 is interest.

Sanitation Fund Budget:

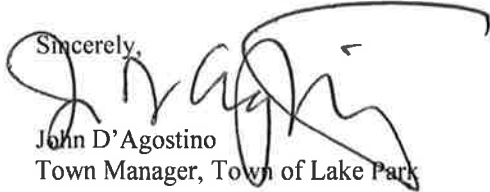
The Sanitation fund will, for the first time in several years, see an increase in the budget. The rate increase is \$1.62 per month, or a total increase of 9%. The rate increase will result in a budget of \$1,963,733 for the fiscal year 2020-2021. The increase for single-family homes, mobile homes, and multi-family units of five or less increased from \$215.49 to \$234.88 for the year. The total yearly increase is \$19.29 per household. Multi-family units greater than five housing units is increasing from \$145.93 to \$159.06, or a \$13.13 yearly increase. Next fiscal year and beyond, the percentage increase will be 5% per year over four years. Sanitation costs for disposal and the purchase of equipment, including capital purchases, salary increases, automobile insurance, continue to increase.

CONCLUSION:

The Budget for the new fiscal year 2020-2021 is balanced without significant changes in departmental service levels. The Administration looks forward to working with the Commission to further the goals and objectives of both the Commission and the administration, as together we continue to move the Town in a positive direction.

Staff would like to thank the Commission members for their insight, vision, and direction, as together we have balanced the budget with the best intentions of the Town at heart.

Sincerely,

A handwritten signature in black ink, appearing to read 'John D'Agostino', with a large, sweeping flourish extending to the right.

John D'Agostino
Town Manager, Town of Lake Park

Exhibit "B"

	0	Millage	Values	Taxes	Ad Valorem Taxes after Millage Reductions	General Fund Reduction	CRA Reduction	Total Reduction in Ad Valorem
Reduction in Millage	5.3474	0.05	777,437,788.00	\$3,949,407	3,914,399	31,939	4,989	\$36,928
			777,437,788.00	\$36,928				
Reduction in Millage	5.2409	0.1065	777,437,788.00	\$3,870,750	3,840,543	68,030	10,627	\$78,657
			777,437,788.00	\$78,657				
Reduction in Millage	5.1884	0.159	777,437,788.00	\$3,831,975	3,766,686	101,567	15,865	\$117,432
			777,437,788.00	\$117,432				
Reduction in Millage	4.9289	0.4185	777,437,788.00	\$3,640,317	3,692,829	267,332	41,758	\$309,090
			777,437,788.00	\$309,090				
Reduction in Millage	4.8796	0.4678	777,437,788.00	\$3,603,906	3,618,973	298,824	46,677	\$345,501
			777,437,788.00	\$345,501				