

**MINUTES
CITY OF LAKE WORTH
SPECIAL MEETING OF THE CITY COMMISSION
MARCH 25, 2014 – 6:00 PM**

The meeting was called to order by Mayor Triolo on the above date at 6:00 PM in the City Commission Chamber located at City Hall, 7 North Dixie Highway, Lake Worth, Florida.

1. ROLL CALL:

Present were Mayor Pam Triolo; Vice Mayor Scott Maxwell; and Commissioners Christopher McVoy, Andy Amoroso, and John Szerdi. Also present were City Manager Michael Bornstein and City Clerk Pamela Lopez.

2. PLEDGE OF ALLEGIANCE:

The pledge of allegiance was led by Commissioner Andy Amoroso.

3. NEW BUSINESS:

A. Fiscal Year 2013 Comprehensive Annual Financial Report and Management Letter

Douglas Wood, Finance Director, recognized the Controller and former Finance Director for their work on the report.

Ronald Thompson, TCBA Watson Rice LLP, commented that the Comprehensive Annual Financial Report (CAFR) included an independent auditors' report, management's discussion and analysis, basic financials, notes to financials, budgetary comparison schedules, and combining non-major governmental funds. He explained the City's financial highlights between Fiscal Years 2011 through 2013, single audit report, status of compliance and internal control findings, management letter, new accounting pronouncements, and communication to the governing board as overseers of the audit. He announced the audit showed that the Finance Department addressed all but one legacy comment from Fiscal Years 2009 through 2012. He said for Fiscal Years 2012 and 2013, there was no management finding recommendations.

Action: Motion made by Commissioner McVoy and seconded by Commissioner Szerdi to accept the September 30, 2013, Audit Reports and authorize the Mayor to sign the necessary documents.

Mayor Triolo announced that it was time for public comment.

Peter Timm said the report showed that the City spent more money than it took in; commented that money received from the sub-regional sewer

settlement should have gone back to the taxpayers; and the City lost money in its parks, golf course, and recreation. He asked the Commission to be more cautious next year.

Loretta Sharpe said she disagreed with Mr. Timm's comments and asked someone to research whether or not the golf course had deed restrictions on the property's use.

Steven Carr, former Finance Director, explained that the money received from the sub-regional sewer settlement went towards reducing the City's water debt, which in turn reduced customer's rates. Therefore, the money indirectly went back to the taxpayers in the form of water rate reductions.

Request/comment summary:

1. Vice Mayor Maxwell requested staff research whether or not there were deed restrictions on the golf course property.

Vote: Voice vote showed: AYES: Mayor Triolo; Vice Mayor Maxwell; and Commissioners McVoy, Amoroso, and Szerdi. NAYS: None.

B. Lake Worth 2020 summary presentation and discussion on potential funding sources

City Manager Bornstein explained that the Lake Worth 2020 Plan (Plan) was initiated in Fiscal Year 2013 to combine and prioritize critical roadway, water, sewer, and stormwater projects within the City. The Plan was expanded to consider a broad range of infrastructure improvements within the City. He said a series of detailed workshops were conducted in Fiscal Year 2013 to discuss the potential projects.

He advised that staff would present information on a 7-Year Base Plan financing, which included the Park of Commerce Phases 1, 2, and 3; an alternate 7-Year Base Plan financing; an alternate 5-Year Base Plan financing, which included the Park of Commerce Phases 1 and 2; an alternate 5-Year Base Plan financing; a two inch watermain replacement plan; and alternate financing scenarios.

Vice Mayor Maxwell left the meeting at 6:50 PM.

Jamie Brown, Public Services Director, explained in detail roadways, sidewalks, fire protection and need for fire hydrants, and drainage base plans. He said the 7-Year Base Plan for roadway improvements included drainage, water and hydrant plans, and full depth roadway reconstruction up to a Pavement Condition Index (PCI) 55 rating.

William Waters, Community Sustainability Director, provided an overview of the Park of Commerce improvements, which included roadway redevelopment, drainage improvements, potable water service upgrades, fire protection improvements, sanitary sewer service upgrades, electric service upgrades, telecommunications, landscaping upgrades, and street lighting. He explained where the roadway improvements were located in Phases 1, 2, and 3.

Douglas Wood, Finance Director, explained in detail the 7-Year Base Plan financing for roadway, storm, water, sewer, project management, and Park of Commerce Phases 1, 2, and 3. He said in 2015 (Year 1) the total cost for improvements was \$16,119,996. The proposed 7-Year Base Plan totaled \$82,206,131; however, a General Obligation (GO) Bond issued in an amount equal to the total amount less the City's current reserves would be \$60,178,053.

He commented that a GO Bond 1 for Years 1-4 had a cumulative millage requirement of 1.80 mil; Bond 2 for Year 5 had a cumulative millage requirement of 2.31 mil; and Bond 3 for Years 6-7 had a cumulative millage requirement of 3.07 mil. He explained the number of residential and commercial properties sorted by taxable property value and the monthly taxable impact for GO Bonds 1, 2, and 3.

He explained in detail the 5-Year Base Plan financing for roadway, storm, water, sewer, project management, Park of Commerce Phases 1 and 2, and resurfacing roads with a PCI 56-83 rating. He said this Plan would make \$6,800,000 available and the millage rate would remain at 3.07.

Vice Mayor Maxwell returned to the meeting at 7:07 PM.

City Manager Bornstein explained which improvements could not be done if the 5-Year Base Plan financing was preferred.

Larry Johnson, Water Utilities Director, explained in detail the condition of the City's two inch water pipes in alleys and easements.

Vice Mayor Maxwell left the meeting at 7:14 PM.

Mr. Johnson explained the locations of where water pipes had failed. He said staff proposed to replace all two inch water lines in alleys, easements, and roads in seven years for a total estimated cost of \$14,000,000.

He said there were several payment options to replace the water lines, which included increasing water rates, issuing special assessments, increasing the amount of a GO Bond, or a combination of the options. He explained in detail the financial impact to customers for each of the payment

options. He said the cumulative millage rate increase required for the 7-Year Base Plan including the Park of Commerce Phases 1, 2, and 3 was 3.07 mil; however, adding a \$14,000,000 two inch water pipe replacement plan would increase the millage rate to 3.78 mil.

Lengthy discussion ensued regarding the various funding options including grant funds.

Vice Mayor Maxwell returned to the meeting at 7:51 PM.

Mayor Triolo recessed the meeting at 7:57 PM and reconvened at 8:11 PM.

Lengthy discussion ensued regarding revenue the City would receive if a one-half cent county tax was approved.

Request/comment summary:

1. Commissioners Amoroso and Szerdi supported the 5-Year Base Plan financing.
2. Commissioner McVoy suggested seeking community input on what they wanted before the bond went on the ballot.
3. Mayor Triolo supported the 5-Year Base Plan financing.
4. Vice Mayor Maxwell suggested the Commission speak as one voice and articulate clearly to the voters what improvements they would be receiving.

Commissioner Amoroso left the meeting at 8:52 PM and returned at 8:55 PM.

Consensus: To support the 5-Year Base Plan financing including the Park of Commerce Phases 1 and 2 and resurfacing roads at a 56-83 PCI rating.

Request/comment summary:

5. City Manager Bornstein commented that he would meet individually with the Commission to discuss further the four funding source options and the two inch water pipe replacement plan.
6. Vice Mayor Maxwell requested a special meeting be scheduled to discuss only Lake Worth 2020.

4. ADJOURNMENT:

Action: Motion made by Vice Mayor Maxwell and seconded by Commissioner Amoroso to adjourn the meeting at 9:14 PM.

Vote: Voice vote showed: AYES: Mayor Triolo; Vice Mayor Maxwell; and Commissioners McVoy, Amoroso, and Szerdi. NAYS: None.


PAM TRIOLO, MAYOR

ATTEST:


PAMELA J. LOPEZ, CITY CLERK

Minutes Approved: April 5, 2014



A digital audio recording of this meeting will be available in the Office of the City Clerk.