



CITY OF LAKE WORTH

7 North Dixie Highway · Lake Worth, Florida 33460 · Phone: 561-586-1600 · Fax: 561-586-1750

AGENDA
CITY COMMISSION SPECIAL MEETING
and
BUDGET DISCUSSION NO. 4
CITY HALL COMMISSION CHAMBER
TUESDAY, JULY 08, 2014 - 6:00 PM

1. ROLL CALL:

2. PLEDGE OF ALLEGIANCE: Led by Vice Mayor Scott Maxwell

3. NEW BUSINESS:

A. Resolution No. 34-2014 - establish the Proposed Tentative Millage for Fiscal Year 2014-2015 and schedule the first public hearing date for September 8, 2014

B. Discuss Fiscal Year 2015 proposed budget - estimated time 4 hours

1) Electric Fund

2) Golf Fund

3) Library/Simpkin Trust

4. ADJOURNMENT:

If a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105)

NOTE: ONE OR MORE MEMBERS OF ANY BOARD, AUTHORITY OR COMMISSION MAY ATTEND AND SPEAK AT ANY MEETING OF ANOTHER CITY BOARD, AUTHORITY OR COMMISSION.



CITY OF LAKE WORTH

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AGENDA DATE: July 8, 2014, Special Meeting

DEPARTMENT: Finance

EXECUTIVE BRIEF

TITLE:

Resolution No. 34-2014 - establish the Proposed Tentative Millage for Fiscal Year 2014-2015 and schedule the first public hearing date for September 8, 2014, and second public hearing date for September 23, 2014

SUMMARY:

This Resolution will establish the Proposed Tentative Millage Rate of 5.4945, the same rate in the current Fiscal Year budget.

BACKGROUND AND JUSTIFICATION:

Pursuant to §200.065(2)(b), Florida Statutes, the City must advise the Palm Beach County Property Appraiser of the Tentative Operating Millage Rate, as well as the date of the City's first public budget hearing scheduled for September 8, 2014. The Tentative Operating Millage Rate approved at this public hearing establishes the *maximum millage rate* the City may consider and approve during the budget hearings in September. The Tentative Operating Millage Rate may be lowered by the Commission at the hearings, but it cannot be raised (*without additional notice being provided to each taxpayer at a cost of approximately \$15,500 for postage*).

Based on information from the Palm Beach County Property Appraiser's Office, the FY 2015 Operating RollBack Millage is 5.0197. This Operating Roll-Back Millage is the millage rate that will generate the same property tax revenue that was generated in FY 2014.

With the inclusion of the County Fire MSTU millage 3.4581, the maximum available Operating Millage cannot exceed 6.5419 mills. This year continues a trend that began last year with an increase in the taxable value of real and personal property (9.71%). This rate will result in a increase in the actual tax revenue collected. The 9.71% is the total increase in taxable value (including CRA district). The increase attributable to the City outside the CRA is 8.41%.

The budget and property tax rate adoption process is governed by the State Statute known as Truth In Millage (TRIM). In Florida, properties are assessed by the county Property Appraiser and property taxes are collected by the county Tax Collector. All property is assessed at 100% of real value, which is approximately 85% of market value. The State Constitution restricts the annual increase in taxable value of homestead property to 3% or the increase in the CPI, whichever is less.

Property owners are eligible to receive a homestead exemption of \$25,000 on the first \$25,000 of value of their principal place of residence. In addition, homeowners can receive in whole or in part a second \$25,000 homestead exemption on the third \$25,000 of value of their principal place of residence. For instance, if a home's value is \$50,000 or under, the owner is only entitled to the first exemption. However, for example if the

home is worth \$67,000 or \$75,000, the owner would be eligible to receive the second exemption in the amount of \$17,000 or \$25,000, respectively.

The City is required to hold two public hearings for adoption of a property tax rate and budget. The first public hearing is advertised by the Property Appraiser mailing to each property owner a TRIM notice. In addition to notification of this first public hearing, the TRIM notice contains the following information:

- The new and prior year's assessed value;
- The tax bill if the current property tax rate is changed for the new year;
- The tax bill if the roll-back rate is levied for the new year; and
- The property tax bill if the proposed budget is adopted.

MOTION:

I move to approve/disapprove Resolution No. 34-2014 and schedule the first public hearing date on September 8, 2014, at 6:00 PM at Lake Worth City Hall.

ATTACHMENT(S):

Resolution
Estimated Tax Value

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RESOLUTION NO. 34-2014 OF THE CITY OF LAKE WORTH, FLORIDA, ADOPTING A TENTATIVE OPERATING MILLAGE RATE OF 5.4945 MILLS FOR FISCAL YEAR 2014-2015; ESTABLISHING A DATE AND TIME FOR THE FIRST HEARING ON THE TENTATIVE BUDGET AND PROPOSED MILLAGE RATE; AUTHORIZING THE CITY MANAGER TO SUBMIT THE REQUIRED FORMS TO THE PALM BEACH COUNTY PROPERTY APPRAISER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to §200.065, Florida Statutes, the City Commission is required to advise the County Property Appraiser of its tentative millage rate, its rolled-back millage rate, and the date, time and place at which a public hearing will be held to consider the proposed millage rate and the City's tentative budget.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF LAKE WORTH, FLORIDA as follows:

Section 1. The City Commission hereby adopts a tentative operating millage rate of 5.4945 mills for General Operating Budget purposes for Fiscal Year 2014-2015.

Section 2. The City Commission hereby establishes Monday, September 8, 2014, at 6:00 p.m. as the date and time of the first hearing on the tentative budget and proposed millage rate. The public hearing shall be held at City Hall, 7 North Dixie Highway, Lake Worth, Florida 33460.

Section 3. The City Manager is hereby authorized and directed to submit forms DR-420 (Certification of Taxable Value), DR-420TIF (Tax Increment Adjustment Worksheet) and DR-420 MM-P (Municipality Maximum Millage Levy Calculation) to the Palm Beach County Property Appraiser's Office.

The passage of this Resolution was moved by Commissioner _____, seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

- Mayor Pam Triolo
- Vice Mayor Scott Maxwell
- Commissioner Christopher McVoy
- Commissioner Andy Amoroso
- Commissioner John Szerdi

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The Mayor thereupon declared this Resolution duly passed and adopted on this 8th day of July, 2014.

LAKE WORTH CITY COMMISSION

By: _____
Pam Triolo, Mayor

ATTEST:

Pamela J. Lopez, City Clerk

City of Lake Worth
 Change in assessed values and resulting Ad-Valorem Taxes
 Tax year 2014/ FY2015

| | <u>Assessed Value</u> | | <u>Total Estimated Ad-Valorem at 95%</u> | <u>CRA Estimate</u> | <u>City Portion</u> |
|--|----------------------------------|---------------------|--|-------------------------------------|---------------------|
| | | | | <u>assessed value</u> | |
| Certified Final Taxable Value - 2013 after VAB closed | <u>\$1,092,390,714</u> | as of May 20, 2014 | | 118,194,331 | 974,196,383 |
| | <small>(CY DR420 line 7)</small> | | | <small>(CY DR420TIF line 5)</small> | |
| | | | Adopted Millage rate 5.49450 | | |
| | | | \$5,702,034 | pymt made | amt budgeted |
| | | | | <u>622,290</u> | <u>5,105,833</u> |
| Tax year 2014 estimated gross taxable value | <u>\$1,198,460,439</u> | as of June 27, 2014 | | <u>assessed value</u> | |
| | <small>(CY DR420 line 4)</small> | | | 142,380,016 | 1,056,080,423 |
| | | | Proposed Millage rate 5.49450 | <small>(CY DR420TIF line 3)</small> | |
| | | | \$6,255,694 | | |
| | | | | <u>743,192</u> | <u>5,512,502</u> |
| Estimated Ad-Valorem changes | | | | | |
| | Dollars | \$106,069,725 | \$6,255,694 | \$120,902 | \$406,669 |
| | % | 9.71% | 9.71% | 19.43% | 7.96% |
| Assessed Value changes | | | | | |
| | Dollars | | | 24,185,685 | 81,884,040 |
| | % | | | 20.46% | 8.41% |
| millage cap | | 10.0000 | | Calculated Roll-back rate | 5.0197 |
| MSTU - PBC Fire rescue letter 6/2/2014 | | 3.4581 | | Proposed millage rate | 5.4945 |
| Maximum Roll-up Rate | | <u>6.5419</u> | | % change of roll-back rate | 9.46% |
| final millage rate public hearing 9/8/2014 and 9/22/2014 | | | | | |

LAKE WORTH ELECTRIC UTILITY

Meter Changeout Program

5,978 meters changed to date

355 meters failed test (>2% out of range) 1 in every 17 meters failed = 6% failure rate

Average age of meters changed = 30 years

\$219,000 total increase in annual revenue due to accurate metering

Theft of Service Investigations

546 cases found since January 2013

\$250,000 collected

Collection Activity

438 'turn offs' average per month for non payment

New deposit policy will reduce the bad debt

Phone Application for Bill Pay

New Bill Format

Customer Survey Results Ranked Electric Utility Good to Excellent

LAKE WORTH ELECTRIC UTILITY

Reliability

| | current index | prior index |
|---|---------------|-------------|
| SAIFI (measures how often a customer experiences an outage) | 0.2 | 1.1 |
| SAIDI (measures average length of customer outage time) | 10.0 | 51.0 |
| CAIDI (measures average time required to restore service) | 71.4 | 78.7 |
| MAIFI (measures average 'system blinks') | 0.1 | 0.6 |
| L-Bar (measures average length of each interruption) * | 135.3 | 42.0 |

*this is expected due to system improvements being implemented and required 'planned outages.

TPTL-1 Repair

Transformer was returned to service on schedule

Electric system was monitored hourly and reconfigured as needed

Capital Reinvestment Plan

The northeast quadrant has been rebuilt to industry standards

The central area is designed and ready for construction

Substation transformer specifications are written and ready for bid

LAKE WORTH ELECTRIC UTILITY

| | <u>FY 2013 actual</u> | <u>FY 2014 forecast</u> | <u>percent of budget</u> | <u>FY 2015 budget</u> | <u>percent diff</u> |
|--------------------------|-----------------------|-------------------------|--------------------------|-----------------------|---------------------|
| Purchase Power | | | 66% | | |
| FMPA/OUC | \$22,785,907 | \$18,977,350 | | \$20,100,000 | (13%) |
| St Lucie | \$10,896,327 | \$11,437,350 | | \$12,096,112 | +11% |
| Gas Line | \$663,699 | \$675,825 | | \$642,132 | (3%) |
| Salaries | \$5,706,281 | \$5,880,861 | 11% | \$5,449,031 | (5%) |
| Benefits | \$2,790,532 | \$3,046,737 | 5% | \$2,997,605 | +7% |
| Contractual Services | \$1,263,184 | \$1,568,520 | 3% | \$2,502,832 | +39% |
| Repairs / Maint. | \$1,619,540 | \$1,579,282 | 3% | \$2,571,952 | +5% |
| Operations | \$1,084,036 | \$1,366,366 | 2% | \$1,079,269 | (1%) |
| Insurance | \$707,708 | \$605,254 | 1% | \$640,709 | (10%) |
| Internal IT | \$501,567 | \$507,745 | 1% | \$531,975 | +13% |
| TOTAL | \$51,723,413 | \$52,253,387 | | \$50,230,674 | (3%) |
| Contribution to Gnl Fund | \$4,459,183 | \$4,141,958 | | \$3,932,889 | |
| Administrative Fees | \$2,151,041 | \$2,151,041 | | \$1,789,224 | |
| Service Tax | \$1,896,128 | \$2,084,000 | | \$2,084,000 | |

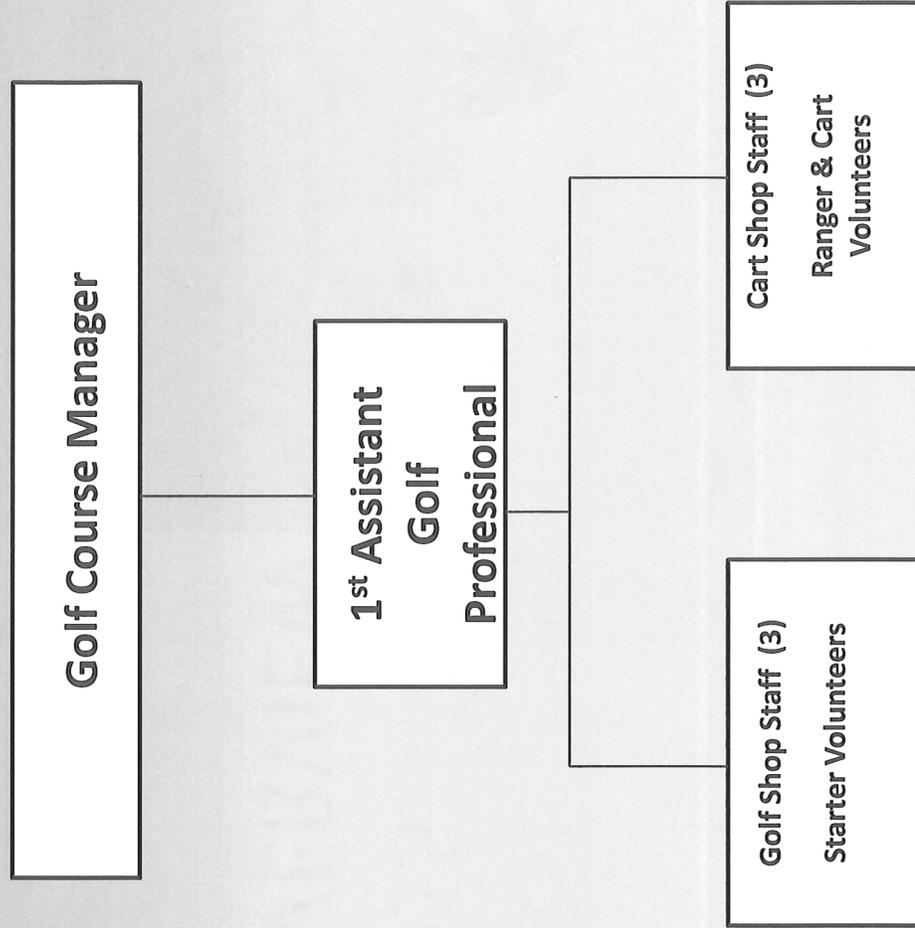
GOLF COURSE FY 2014-2015 BUDGET OVERVIEW



Golf Course Organizational Chart

Volunteer Staff:
(12) Volunteers Work as
Starters, Rangers, or Cart
Attendants

Total Annual Volunteer Hours:
3120 at \$21.24 an hr.
\$66,268.80 in value



Golf Course 5 Year Plan

| Operating Category | GOLF FUND 5-YR PROJECTION | | | | | FY 2018 Projection |
|---------------------------------|---------------------------|--------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | FY 2014 Adopted | FY 2014 Actuals | FY 2015 Requested | FY 2016 Projection | FY 2017 Projection | |
| OPERATING REVENUES | | | | | | |
| Misc | 10,785 | 10,785 | 10,785 | 10,785 | 10,785 | 10,785 |
| Driving Range | - | - | 50,000 | 55,000 | 57,000 | 60,000 |
| Memberships | 270,000 | 53,165 | 250,000 | 257,500 | 265,225 | 273,200 |
| Greens Fees | 693,989 | 656,376 | 650,355 | 669,866 | 689,962 | 710,600 |
| Carts Fees | 76,139 | 56,580 | 75,000 | 77,250 | 79,568 | 82,000 |
| Locker | - | - | - | - | - | - |
| Club Service | 12,500 | 15,428 | 14,500 | 14,725 | 14,800 | 15,000 |
| Surcharge | - | - | - | - | - | - |
| Merchandise | 65,000 | 35,533 | 64,000 | 65,000 | 65,500 | 66,000 |
| Er Bradley's Restaurant | 30,000 | 21,000 | 36,000 | 36,000 | 36,000 | 36,000 |
| Transfer in | - | - | - | - | - | - |
| Total Revenues | 1,158,413 | 764,332 | 1,150,640 | 1,186,126 | 1,218,840 | 1,253,585 |
| OPERATING EXPENSES | | | | | | |
| Golf | | | | | | |
| Personal Services | 289,000 | 177,536 | 248,000 | 250,480 | 252,985 | 255,515 |
| Operating Expenses | 782,405 | 741,551 | 783,000 | 784,000 | 785,000 | 789,000 |
| Capital Outlay | - | - | - | - | - | - |
| Total Golf | 1,071,405 | 919,087 | 1,031,000 | 1,034,480 | 1,037,985 | 1,044,515 |
| Non-Departmental | | | | | | |
| Operating Expenses | 58,703 | 58,703 | 58,703 | 58,703 | 58,703 | 58,703 |
| Debt Service | - | - | - | - | - | - |
| Total Non Departmental | 58,703 | 58,703 | 58,703 | 58,703 | 58,703 | 58,703 |
| Total Operating Expenses | 1,130,108 | 977,790 | 1,089,703 | 1,093,183 | 1,096,688 | 1,103,218 |

Golf Course Highlights of FY2014 Budget

| Month | Revenue 2013 | Revenue 2014 |
|-----------|---------------|---------------|
| October | \$ 9,692.00 | \$ 47,254.63 |
| November | \$ 84,481.00 | \$ 78,018.91 |
| December | \$ 80,508.00 | \$ 85,226.96 |
| January | \$ 124,717.00 | \$ 104,315.05 |
| February | \$ 122,908.00 | \$ 158,707.00 |
| March | \$ 148,200.00 | \$ 174,228.32 |
| April | \$ 83,873.00 | \$ 96,794.86 |
| May | \$ 57,071.60 | \$ 49,766.63 |
| June | \$ 34,877.38 | \$ 45,360.00 |
| July | \$ 30,000.00 | |
| August | \$ 45,000.00 | |
| September | \$ 79,000.00 | |

- January rain days cost \$50,000 in lost revenue
- Lake Worth Golf Club sold more rounds in the month of March than any other public golf course in the state according to the PGA of America

Golf Course Highlights of Budget

□ Expense Budget Reduction Over The Last 5 Years

FY 2010-2011 - \$1,728,155
FY 2014-2015 - \$1,089,703

- Staffing - 2 Full-time, 6 Part-time
- Repairs & Maintenance budget reduction - \$73,930 to \$10,500
- Advertising budget reduction - \$22,500 to \$15,000
- IT reduction - \$49,230 to \$23,665

FY 14 Days Closed Due to Rain and The Affect Financially on The Golf Course

As of 6/23/14

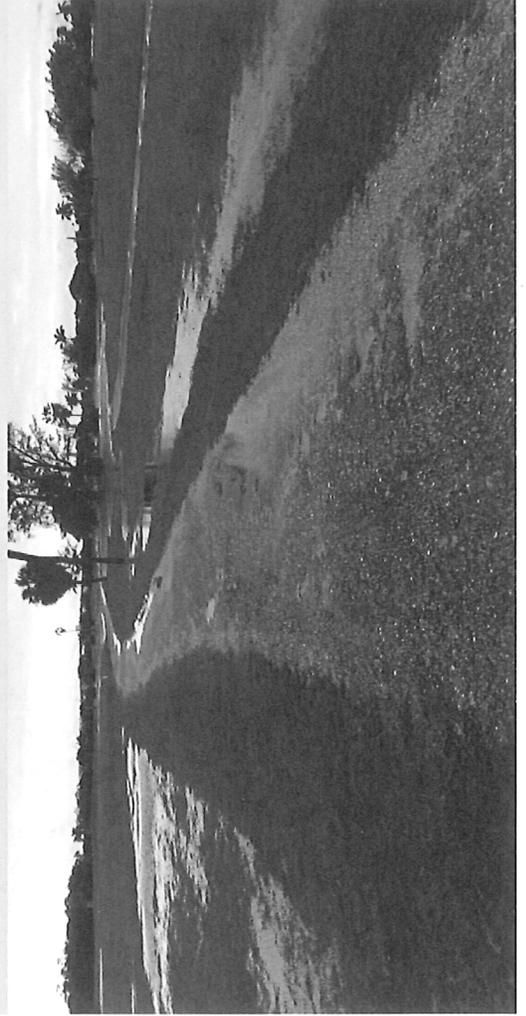
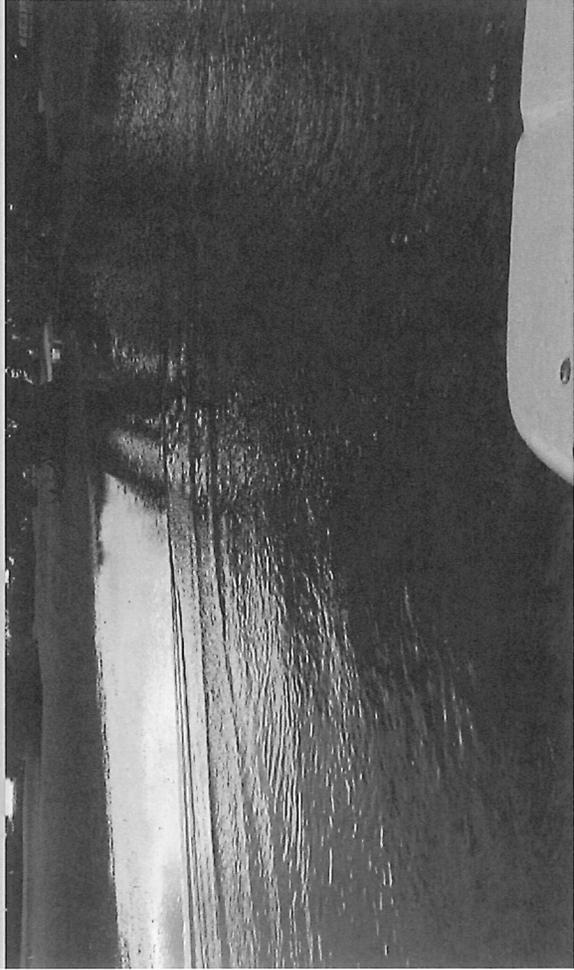
*The golf course has lost 22 days
to large amounts of rain.

The golf course's primary drainage system is tied into the intra costal. When rain falls during high tide, the water has nowhere to go, causing major flooding on the golf course.

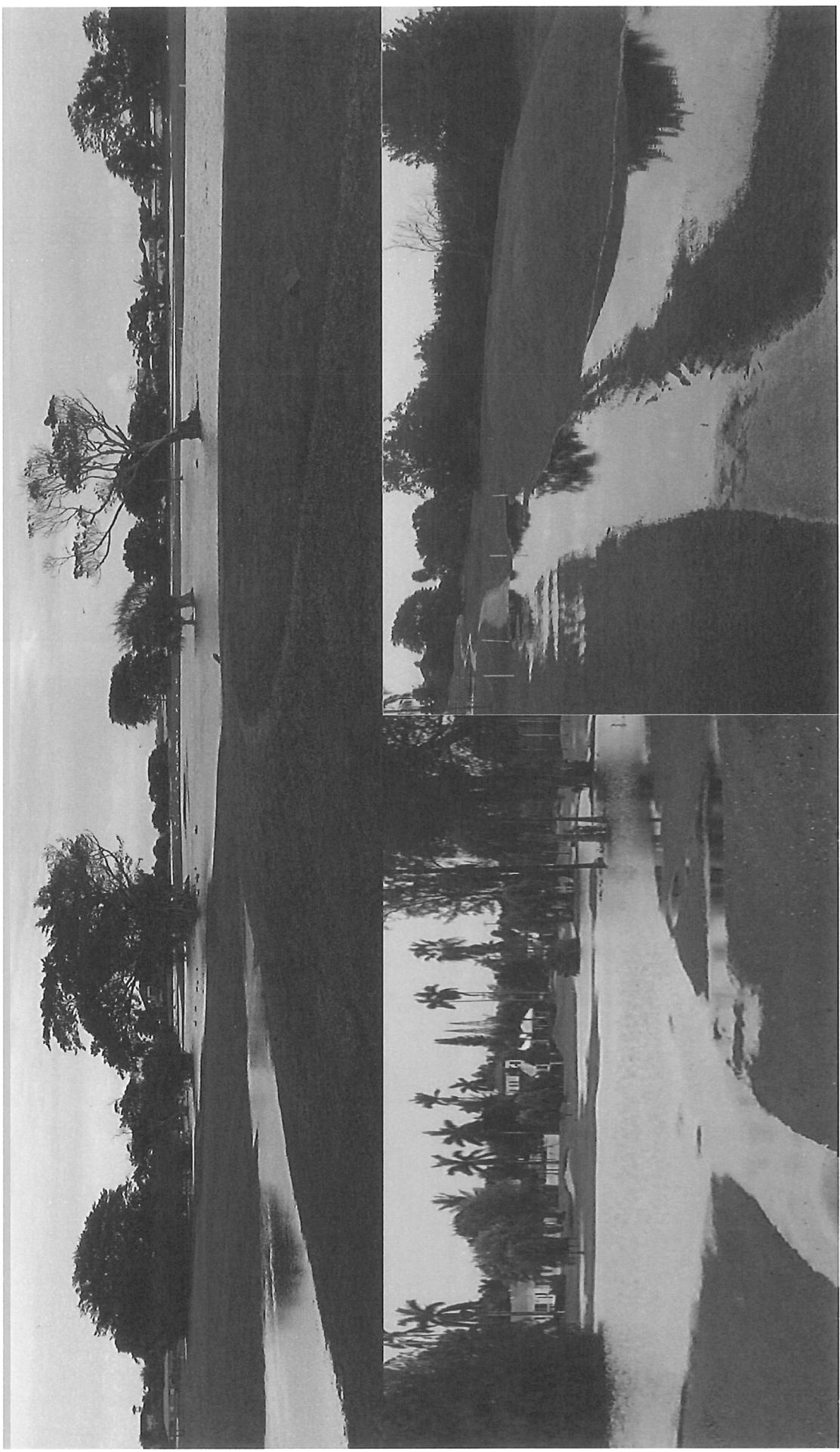
The golf course was closed (9) days
in January, with a total of 23" of rain
for the month. Estimated \$50,000 in
lost revenue.



FY 14 The Golf Course After 4 Plus Inches of Rain



FY 14 The Golf Course After 4 Plus Inches of Rain



FY 14 The Affect of High Tides (Moon Tide)

High Tides are known to bring large amounts of salt water onto the golf course, killing the grass.

This year, moon tide cost the golf course \$11,000 in new sod.



Golf Course Memberships

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|----------------------|-----------|-----------|------------|------------|------------|
| Resident | 43 | 43 | 54 | 50 | 56 |
| Non Resident | 46 | 46 | 32 | 26 | 33 |
| Unlimited | 8 | 8 | 17 | 29 | 31 |
| Seasonal | | | | 5 | 9 |
| Summer | | | | | 822 |
| Total Members | 97 | 97 | 103 | 110 | 951 |

Our new Summer Member Program has helped bring in more revenue during the slower months of the year.

Golf Course Maintenance Projects

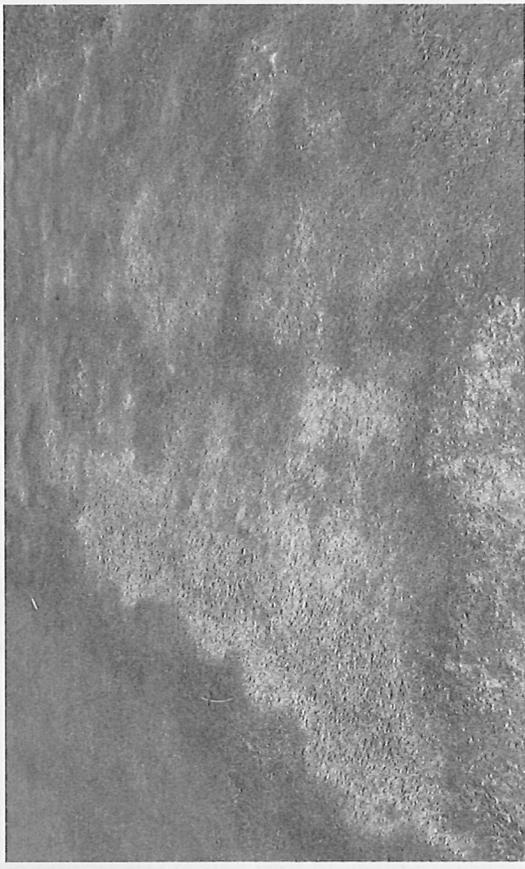
FY 14:

We have replaced 3 cart paths on the golf course with a new permeable asphalt.



Weed control:

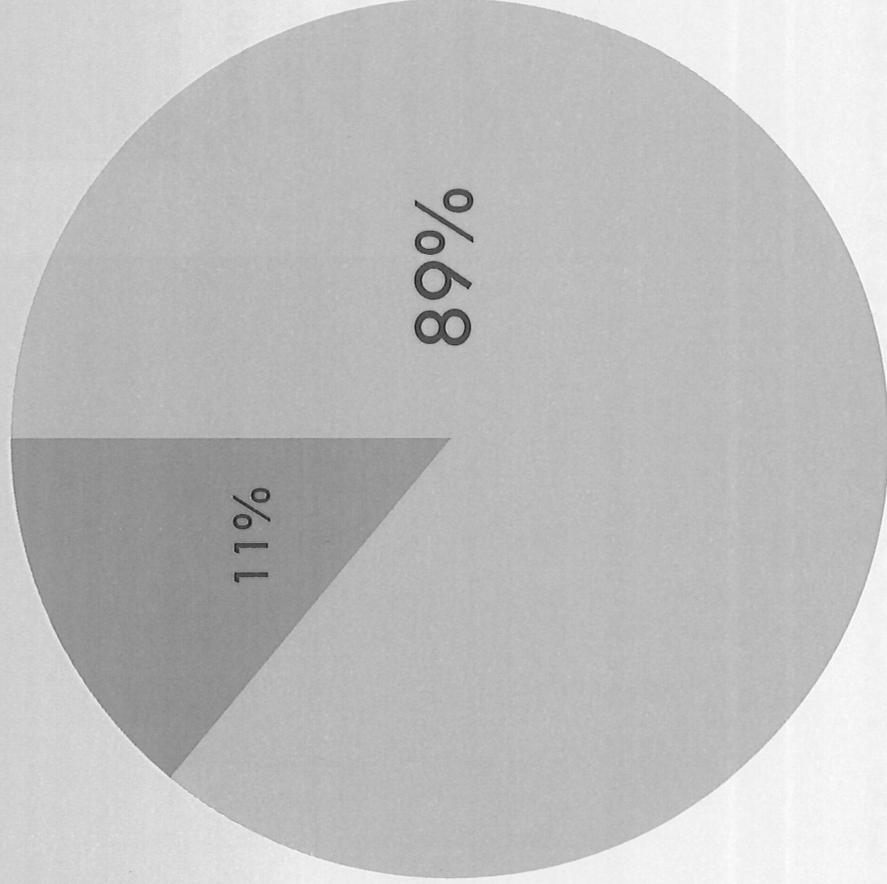
Valley Crest is using a new chemical application to help eradicate the invasive weeds that are on the golf course.



Irrigation:

The golf course and Valley Crest replaced all sprinkler heads in an effort to create more efficient water flow to the greens and tee boxes.

Golf Course Customer Satisfaction



89% of the 1148 customers surveyed approve of the service and quality of product they received while at Lake Worth Golf Club. The people surveyed were a mostly new Summer Members. Our highest remarks were based on our customer service.

- Approve
- Need Improvement

FY 15 New Revenue Source

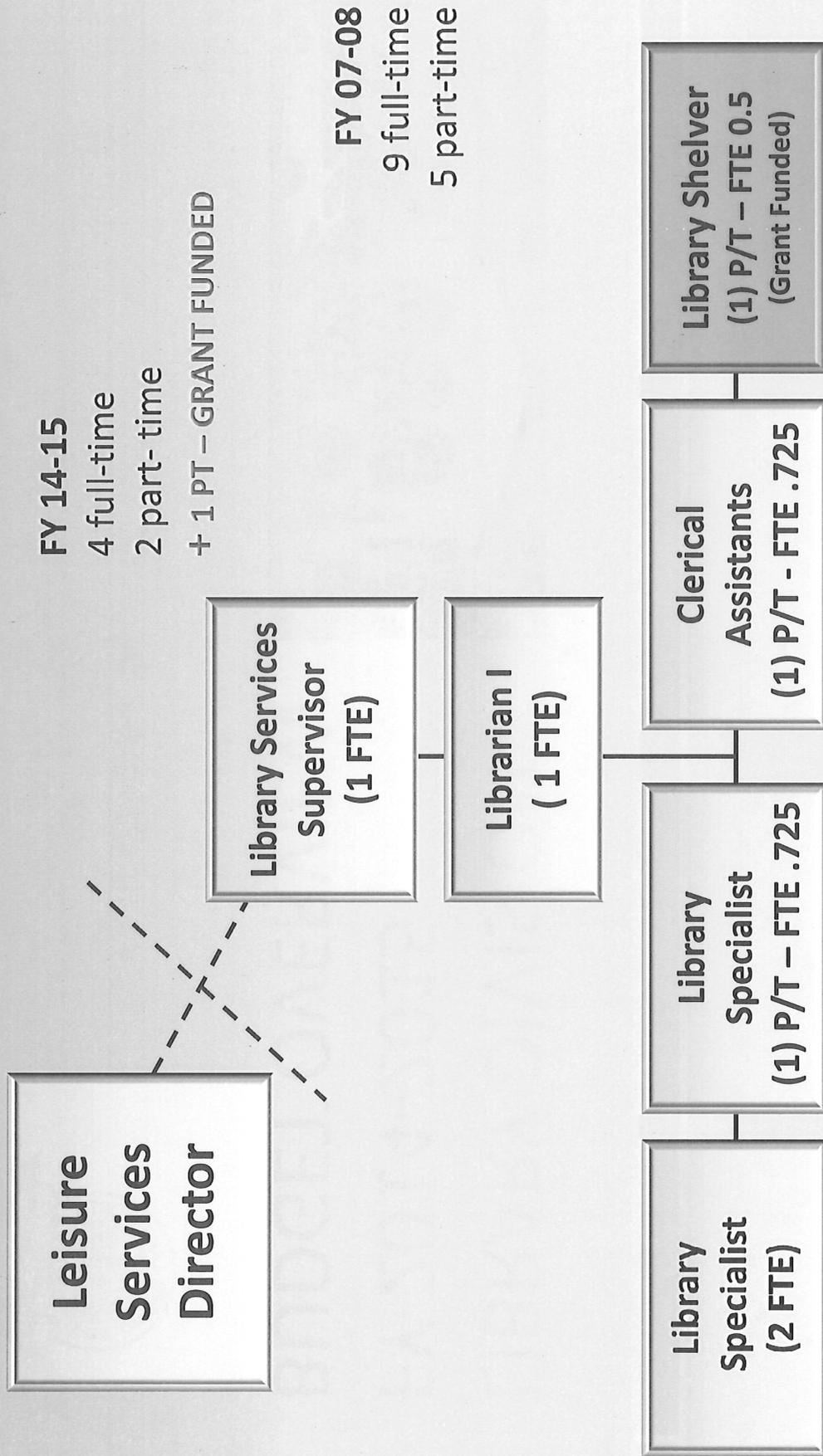
- Public golf courses that have a driving range make an average of \$90,000 - \$175,000 a year in gross profit. This revenue source is something that Lake Worth Golf Club has been missing since it was originally built.
- Lake Worth Golf Club does not have the space to build a full scale driving range, but we can put in a netted warm up area that should make \$50,000 in revenue the first year,
- A survey was conducted this year and over %50 of the people who played golf said that they would pay \$3 more to warm up before playing.



LIBRARY DIVISION FY 2014-2015 BUDGET OVERVIEW



Library Division Organizational Chart



Library Division – Budget Funding Sources

| | | |
|-------------------|----------------------------|--------------------------|
| General Fund | Library Trust Funds | Library State-Aid Grant |
| \$ 386,334 | + \$ 106,000 | + \$ 8,974 |
| = | | |
| \$ 501,308 | | |

Library Trust Fund Balance

FY 07-08 \$907,669

**Library Trust
Funds Use**

(After \$106,000
taken out for FY 14-15)

FY 14-15 \$243,581

Library Division Highlights of Budget

- **Staffing** - 4 Full-time, 2 Part-time
+1 PT Grant funded
- **Library Materials** – 4.8% increase due to increased cost of books and materials

Budget Breakdown

| | <u>FY 2014</u> | <u>FY 2015</u> |
|---|------------------|------------------|
| <input type="checkbox"/> Staffing | \$279,494 | \$302,585 |
| <input type="checkbox"/> IT cost | \$ 70,149 | \$ 68,916 |
| <input type="checkbox"/> <u>Other Operating</u> | <u>\$141,303</u> | <u>\$129,807</u> |
| <input type="checkbox"/> Total | \$490,946 | \$501,308 |

What Has the Library Been Doing?

Children's Programming, Outreach, Tours

- # of programs – 215
- Children served – 4510
- Outreach programs – 40
- Library Tours – 8; 725 students

What Has the Library Been Doing?

Adult Programs

- # of programs -- 48
- Attendance -- 504
- Author visits – 8
- Computer classes – 20
- Other programs – 20

Use of Library Resources – Last 12 months

- Checkouts – 51,000
- Computer Sessions – 30,240
- Wifi Sessions – 4654
- E-resource sessions – 9,000

Friends of the Library Grant - \$11,200

- \$3400 -- Children's room furnishings
- \$2800 -- Children's program supplies, crafts, snacks, Summer Reading Program Kickoff puppet show, tickets to Willie Wanka, Jr. at the LW Playhouse
- \$5000 -- Books and Library Materials

Friends of the Library Grant - \$11,200



New Book Case

Friends of the Library Grant - \$11,200



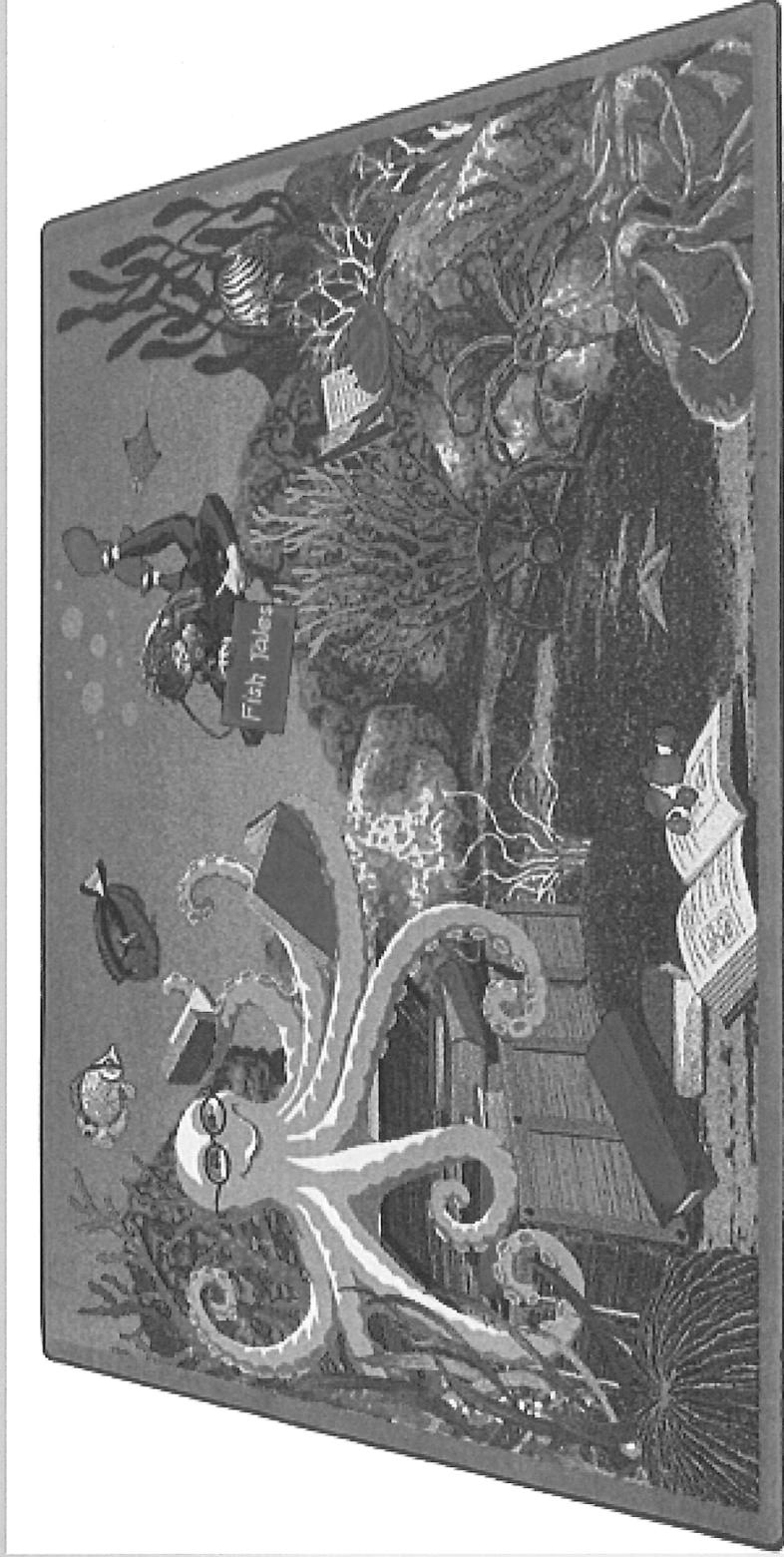
3 New Kid-Size Tables & 24 chairs

Friends of the Library Grant - \$11,200



New Wall Decorations

Friends of the Library Grant - \$11,200



Coming Soon -- New Play Rug

What Else Can We Do? Encourage Giving!

- Bequests
- Memorial Donation
- Celebrate the Occasion
- Adopt a Book
- Periodical subscription donations