

**MINUTES
CITY OF LAKE WORTH
CITY COMMISSION
BUDGET WORK SESSION NO. 6
AUGUST 25, 2014 – 6:00 PM**

The meeting was called to order by Mayor Triolo on the above date at 6:03 PM in the City Commission Chamber, located at 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 John Szerdi.

3. UPDATES/FUTURE ACTION/DIRECTION:

A. Discuss the Fiscal Year 2015 proposed budget

1) Electric rate and budget discussion

Mark Beauchamp, Utility Financial Solutions, said he would be discussing the rate comparison between Lake Worth and Florida Power & Light (FPL), financial projections for 2015, modifications to billing structures, and rate changes proposed for 2015 for residential and small commercial.

He explained in detail the current base Power Cost Adjustment (PCA) and change in PCA prior to additional budget reductions. He announced that the rates were reduced in 2012, 2013, and 2014. He recommended no rate changes in 2015, but a change in the base PCA power cost.

Request/comment summaries:

1. Vice Mayor Maxwell commented that the City did a poor job in marketing its rate reductions over the past four years.
2. Vice Mayor Maxwell suggested offering a small rate reduction.

Vice Mayor Maxwell left the meeting at 7:02 PM.

Commissioner Amoroso left the meeting at 7:03 PM and returned at 7:06 PM.

Steven Carr, Interim Finance Director, commented that the City's goal was to have rate parity with FPL. He defined rate parity as the reduction of rate differential between FPL and the City. He said the City reduced its electric rate by 11.5% over the past four years, which resulted in a rate difference between FPL and the City of less than 7% in Fiscal Year 2015. He discussed the residential rate comparisons between FP&L and the City's.

He explained how the City kept the same rates in Fiscal Year 2015 and that the proposed budget included a \$2 convenience fee for customers who paid in person or over the telephone instead of accessing the four automated methods of payments. He commented that the fee was needed in order to offset the additional cost of a face to face or telephone interaction for bill payment. He said the cost per transaction at the Utility Customer Service Office was \$4.45 and this \$2 convenience fee would help offset that cost.

Consensus: For staff to reduce the electric rates by up to 0.5%.

Mayor Triolo recessed the meeting at 7:39 PM and reconvened at 7:51 PM.

2) Fiscal Year 2014/15 city-wide budget wrap-up

Steven Carr, Interim Finance Director, provided highlights of all city-wide funds. He said the General Fund would use \$264,544 in Fund Balance; there was \$3.5 million remaining in the Fund Balance; property taxes would remain the same as the past three years at 5.4545 mills; there were no new positions, but included the reduction of three positions; and all current services would continue.

He provided an overview of the electric and water & sewer utilities, refuse, and parking budgets; revenues and expenditures by fund; city-wide revenues by fund; General Fund revenues and expenditures by category; General Fund expenditures versus revenues comparisons between Fiscal Years 2004 through 2015; pension plan contributions between Fiscal Years 2008 through 2042; budgeted versus actual use of Fund Balance between Fiscal Years 2009 and 2015; and controllable versus non-controllable costs between Fiscal Years 2012 and 2015.

Lengthy discussion ensued regarding increasing the Library's budget by \$15,000 and having fund raisers to generate revenue for the Library.

No changes to the budget were made.

Commissioner Amoroso left the meeting at 8:50 PM and returned at 8:52 PM.

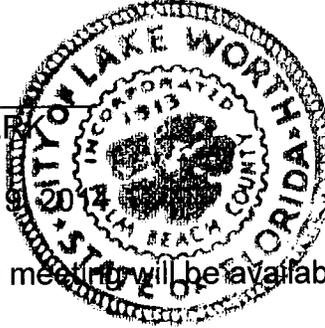
4. **ADJOURNMENT:**

Consensus: To adjourn the meeting at 8:55 PM.


PAM TRICLO, MAYOR

ATTEST:


PAMELA J. LOPEZ, CITY CLERK



Minutes Approved: September 9, 2014

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