

**MINUTES
TOWN OF LAKE CLARKE SHORES
TOWN COUNCIL SECOND BUDGET WORKSHOP MEETING
AUGUST 11, 2009**

*(Immediately following the Public Meeting regarding FRDAP Recreational Grant
Lake Clarke Shores Community Park – Phase IV)*

I. Meeting Called To Order

Mayor Mayes called the Second Budget Workshop Meeting to order at 6:35 PM.

A) The following members and officials were present:

Mayor Thomas C. Mayes, Jr.
Vice Mayor Gregory Freebold
President Pro Tem Valentine Rodriguez
Council Member Malcolm K. Lewis
Council Member Robert M. W. Shalhoub
Town Administrator Joann Hatton
Town Clerk Jo Plyler
Police Chief Wes Smith
Town Finance Director Bill Thrasher
Attorney Charles Schoech
Mary Pinkerman, Recording Clerk

II. Presentation of Proposed 2009-2010 Fiscal Year Town Budget

- A) Finance Director, Bill Thrasher**, referenced the proposed budget dated July 30, 2009 and noted that all changes made to the proposed budget since the last meeting have been highlighted in yellow. He also noted that the proposed budget reflects a roll back millage rate of 6.4921, which represents a two and half percent (2 ½ %) drop in revenue and that the Palm Beach County Board of County Commissioners approved the Fire Rescue MSTU at 3.5481.

Note: At the audience request Audience Comments was moved to follow Town Council comments.

B) Council Members:

Council Member Shalhoub – questioned the costs for 2009/2010 repairs to the water and sewer system as noted in the Capital Improvement spreadsheet and wanted to know if the portion of the costs for these repairs

will be paid by the utility customers that are utilizing the system. He also questioned if the costs associated with these repairs are being acknowledged in the ongoing Water and Wastewater Revenue Sufficiency Analysis (rate study) for the Seminole Manor area and the Lake Clarke Shores utility customers.

It was noted that Burton and Associates has the information on the proposed costs to repair the system and will be included in the final report.

Vice Mayor Freebold – agrees with Council Member Shalhoub regarding the rate study and if it includes the costs associated with the repairs.

Council Member Lewis – stated that the Lake Clarke water system is in good condition, but the south area system is not. He stated that the figures reflecting the costs to repair and maintain the system are very preliminary. He noted that he along with Town Administrator Hatton, Utility Engineer Bill Snow, and a few key staff personnel met with Mike Burton and Kevin Krueger of Burton and Associates on August 5, 2009, to review their findings up to that point and to obtain input from the town. Various scenarios were reviewed and taken into consideration. He noted that the final report should be available in September and would like the actual work to begin once the study has been approved. He stated that he would like the repair work to start in the Maralago Cay area first because this would prevent utilities costs stemming from Lake Worth billing a surcharge for overages in our sewer capacity. The Seminole Manor area also contributes to the overages.

Ms. Hatton noted that during the first meeting with Burton and Associates a scenario was shown with the \$190,000 transfer of funds, and without the transfer. These scenarios will be provided as part of the rate study.

President Pro Tem Rodriguez – questioned the reason for the large amount budgeted in the 2009/2010 fiscal year to make repairs to the water/sewer utility system.

It was noted that the repairs will be completed first that will reduce the inflow of rainwater into the sewer system.

Mayor Mayes – began the discussion regarding the transfer of \$190,000 from the utility fund to general fund. Mr. Thrasher noted that not everyone that uses the Lake Clarke Shores utilities pays taxes to the town and that the taxes from the Lake Clarke Shores residents are reflected in the Town budget. He also noted that the transfer of funds is not an arbitrary transfer but is legitimate, according to a prior town auditor, to cover day-to-day operation of the Town.

Council Member Lewis noted that the utility department personnel are paid by the utility fund, even when they are not performing utility work. He gave various instances where the utility personnel are performing work not related to utilities such as during town events and as a public works department. Office staff also does payroll and accounts receivable/payable.

President Pro Tem Rodriguez noted that when the Town Administrator or other town personnel spend time on utility issues, those costs come out of the general fund, not the utility fund.

Mayor Mayes asked when the rate study will be completed. Ms. Hatton noted that the rate study should be ready to present to the Town Council during the September 29, 2009 Town Council Meeting.

C) Audience Comments:

Panna Kulkarni, 8131 West Lake Drive and Steven Grabe, 1611 Carandis Road questioned the use of wells for irrigation in the Seminole Manor area. They each noted that using wells could be a savings to those residents since they are paying water and sewer rates based on the amount of water that goes through the meter. Town Council members discussed this and other ways that residents could conserve water. It was noted that it would be up to those residents to drill wells to use for irrigation, instead of using potable water. Council Member Lewis said that Seminole Manor is a low income area and that residents may not have available funds to install an irrigation well. He also noted that at one time the utilities had 2 deep wells in the area with poor quality water. To better serve the customers, we provided water to the area by purchasing water from Lake Worth Utilities.

Fran Carlton, 8432 Waterway Drive – asked if the Town could use those existing wells to provide water for irrigation. Council Member Lewis noted that the Health Department required the town to cap and abandon those wells years ago since they were no longer being used.

Steven Grabe, 1611 Carandis Road – reiterated his position from the last meeting that he would like to see the Town get out of the utility business.

He also commented on the following items:

1. Police special detail with Palm Springs
2. Use of Town Clerk's salary following her retirement
3. Employee insurance benefits
4. Town Complex funding, size of building and utilization of space
5. Car allowance for the Town Administrator

III. Adjournment

Council Member Shalhoub made a motion to adjourn the meeting at 7:35 pm, seconded by President Pro Tem Rodriguez; Motion carried (5-0).

Thomas C. Mayes, Jr., Mayor

Mary Pinkerman, Recording Clerk

If an individual decides to appeal any decision made by the Town Council with respect to this meeting, a verbatim transcript may be required. If so, the individual should make provisions for a transcript to be made at the meeting. (Ref. F.S.S. 286.0105) Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting, please advise the town at least two (2) calendar days before the hearing by contacting Jo Plyler at (561) 964-1515, Ext. 10.