

**MINUTES OF THE BUDGET WORKSHOP SESSION
VILLAGE COUNCIL OF NORTH PALM BEACH, FLORIDA
AUGUST 11, 2021**

Present:

Darryl C. Aubrey, Sc.D., Mayor
Deborah Searcy, Vice Mayor
Mark Mullinix, President Pro Tem
David B. Norris, Councilmember
Susan Bickel, Councilmember
Andrew D. Lukasik, Village Manager
Jessica Green, Village Clerk

ROLL CALL

Mayor Aubrey called the meeting to order at 6:00 p.m. All members of Council were present. All members of staff were present, except the Village Attorney. All staff members were present.

The purpose of the meeting was to review the proposed FY 2022 General Fund and 5-Year CIP.

Mr. Lukasik announced that the meeting was also available via the Zoom virtual meeting platform.

FY 2022 GENERAL FUND BUDGET SUMMARY

Mr. Lukasik provided an overview of the proposed FY 2022 General Fund budget as follows:

Category	FY 2022	FY 2021	\$ Increase / (Decrease)	% Increase / (Decrease)
Millage Rate	\$7.10	\$7.50	(\$0.40)	-5.33%
Personnel	\$16,825,308	\$17,083,228	(257,920)	-1.51%
Operating	6,788,104	6,186,569	601,535	9.72%
Debt Service	1,849,047	1,640,000	209,047	12.75%
Capital Outlay	10,000	10,000	0	0.00%
Transfer Out	1,059,000	784,000	275,000	35.08%
Contingency	209,926	0	209,926	0.00%
TOTAL	\$26,741,385	\$25,703,797	\$1,037,588	\$4.04%

General Fund Highlights

- Overall increase in the operating budget is \$1.04M or 4.04%
- Ad Valorem revenues based upon a 7.1 millage rate
 - Below the rolled back rate
 - Revenue growth increased but is less than an amount equivalent to what was generated last year plus new investment
- Debt increased due to additional vehicle leases
- Transfers to the CIP and County Club Increase
 - \$125,000 to Country Club for R&R funding
 - \$150,000 to CIP for infrastructure

Number of Positions	FY 2022	FY 2021	Increase / (Decrease)
Full-Time	140	142	-2
Part-Time	47	49	-2

FY 2022 SUMMARY OF BUDGET CHANGES – GENERAL FUND

Beginning Council Contingency **\$135,000**

Budget Change	Impact Positive / (Negative)
<u>Undated Revenues</u>	
1. State Revenue Share Estimate received from FDOR	\$53,391
<u>Updated Personnel Costs</u>	
1. Updated employee salaries with current data	21,535
Updated Operating Costs	0
Net Impact of General Fund Budget Changes	\$74,926

Ending Council Contingency **\$209,926**

PERSONNEL CHANGES

Mr. Lukasik further discussed personnel changes to the FY 2022 budget, including:

- Restructuring and reduction in staffing levels
- Eliminating Special Projects Director from Manager’s budget
- Public Works
 - Restructuring leadership positions to improve overall performance
 - Reducing two (2) positions – Streets
 - Reducing two (2) positions – Facilities
 - Increasing contractual services expense to replace positions
- Parks and Recreation
 - Change in leadership structure to better address service gaps identified in the Needs Assessment
 - Eliminate two (2) part-time positions
 - Add one (1) part-time Park Ranger
 - Funding a full-time Recreation Supervisor - focus on athletics programming
- Library
 - Director of Leisure Services oversees Library as well as Parks & Recreation operations
 - No increase in positions; creating a Library Manager to oversee day-to-day functions
- Police
 - Adding two (2) police officers

PERSONNEL CHANGES *continued*

- Other Minor Changes
 - Change a part-time Administrative Assistant to full-time to assist with Help Desk functions in IT
 - Changed full-time Accounting Clerk to full-time Clerical Assistant in Finance

UPCOMING PROJECTS

Mr. Lukasik discussed Upcoming Issues/Projects as follows:

- US1 north of Parker Bridge – streetscape and traffic management
- Begin to revisit US1 lane repurposing
- Residential Code Update
- Twin Cities Mall Site (C3) Code (following completion of the market analysis)
- Complete US1 and Prosperity Farms Road Bridge Projects
- Implement Stormwater Maintenance Programs
- Implement Recreation Needs Assessment
- Master Plan for Undergrounding Overhead Lines
- Streetscape and Bridge Design for Lighthouse Drive
- Community Center Playground Replacement
- Osborne Park Basketball Court Renovation
- Use of ARPA funding – not included in preliminary budget
 - Funding should be available in September/October - to be committed by September 2023 and spent by September 2026

Mr. Lukasik noted significant changes to the FY 2022 Budget Summary compared to FY 2021:

- Revenue Increases for Sales & Use Taxes and Licenses & Permits
- Slight decrease in Public Safety Expenditures
- Increase in Leisure Services Expenditures – moved from Public Works

MINIMUM WAGE IMPLEMENTATION

Mr. Lukasik discussed Amendment 2, which increased the minimum wage and amends Florida's Constitution. Under the new mandate, Florida's minimum wage rate (currently \$8.56) will increase to \$10 an hour in September 2021. Employers must use the following hourly minimum wage schedule for non-tipped employees:

- September 30, 2021 - \$10.00
- September 30, 2022 - \$11.00
- September 30, 2023 - \$12.00
- September 30, 2024 - \$13.00
- September 30, 2025 - \$14.00
- September 30, 2026 - \$15.00

MINIMUM WAGE IMPLEMENTATION *continued*

Beginning on September 30, 2027, the minimum wage rate will be adjusted annually by the Florida Department of Economic Opportunity based on changes to the Consumer Price Index for Urban Wage Earners and Clerical Workers.

Full-Time ONLY:

Fund	\$15 min FT only	Proposed Budget	\$ Increase
General Fund	16,828,624.00	16,825,308.00	3,316.00
Club	2,014,403.00	2,009,019.00	5,384.00
Total	18,843,027.00	18,834,327.00	8,700.00

Full-Time & Part-Time

Fund	\$15 min FT & PT	Proposed Budget	\$ Increase
General Fund	16,867,043.00	16,825,308.00	41,735.00
Club	2,137,110.00	2,009,019.00	128,091.00
Total	19,004,153.00	18,834,327.00	169,826.00

Discussion ensued regarding whether to follow the hourly minimum wage schedule. Mr. Lukasik will present options to implement an expedited process for further discussion at the August 19th Budget Workshop.

PROPOSED FY 22 DEPARTMENTAL BUDGETS

- Village Council
 - \$146,538 total expenses; 10.77% or \$14,253 increase from FY 2021
- Village Manager
 - \$549,310 total expenses; -20.64% or (\$142,822) decrease from FY 2021

Mr. Lukasik discussed the increase in Contractual Services for upcoming Planning Projects.

- Village Clerk
 - \$366,610 total expenses; 9.12% or \$30,636 increase from FY 2021

Village Clerk Green discussed an increase in Election Costs.

- Village Attorney
 - \$185,000 total expenses; 15.63% or \$25,000 increase from FY 2021
- Human Resources
 - \$444,940 total expenses; 6.47% or \$27,046 increase from FY 2021

Human Resources goals and highlights are as follows:

- Managed and developed expertise on administering the Family First Coronavirus Response Act and two Village-sponsored Administrative Leave banks
- Re-institute Wellness Activities – Monthly Lunch-n-Learn, Virtual 5k Run and Annual Physical Initiative
- Resume committee meetings to revamp Performance Evaluation tools
- Finance Department
 - \$677,670 total expenses; -2.54% or (\$17,695) decrease from FY 2021

PROPOSED FY 22 DEPARTMENTAL BUDGETS *continued*

- Information Technology
 - \$533,736 total expenses; 4.57% or \$23,334 increase from FY 2021

IT highlights are as follows:

- Conducted a cyber-security assessment and penetration testing at no cost to the Village
- Implemented and designed a new sound system in Council Chambers
- Added additional layers of email filtering and archiving, and web security
- Implemented SDWAN technology at all remote sites
- General Services
 - \$117,960 total expenses; -1.60% or (\$1,920) decrease from FY 2021
- Public Safety Combined
 - \$10,546,601 total expenses; -0.21% or (\$22,417) decrease from FY 2021
- Police Department
 - \$6,703,312 total expenses; 5.12% or \$326,641 increase from FY 2021

Police Chief Jenkins discussed the increase in contractual services and provided a brief overview of the Police Department budget.

- Fire Rescue Department
 - \$3,740,729 total expenses; -8.71% or (\$356,738) decrease from FY 2021

Fire Chief Armstrong reviewed some goals and highlights, including:

- Replace 2006 Fire Engine
- Replace 2003 SUV Command Vehicle
- Amend Fee Schedule
- General Services - Public Safety Building
 - \$102,560 total expenses; 8.09% or \$7,680 increase from FY 2021
- Public Works Combined
 - \$5,562,703 total expenses; -2.66% or (\$152,089) decrease from FY 2021
 - Administration \$525,771 total expenses; 16.43% or \$74,203 increase
 - Facility Services \$834,290 total expenses; -4.51% or (\$39,379) decrease
 - Fleet Maintenance \$549,138 total expenses; -8.94% or (\$53,933) decrease
 - Solid Waste \$1,881,048 total expenses; 5.87% or \$104,313 increase
 - Proposed Fee Schedule Changes
 - Streets Maintenance \$1,772,456 total expenses; -11.81% or (\$237,293) decrease
- Community Development Combined
 - \$1,746,836 total expenses; 5.36% or \$88,817 increase from FY 2021

PROPOSED FY 22 DEPARTMENTAL BUDGETS *continued*

Some Community Development Upcoming Projects included:

- Ad-hoc Committee to evaluate Residential Zoning Code
- Adopt land development regulations for Twin City Mall Site
- Proposed Fee Schedule Changes

- Leisure Services Combined
 - \$2,340,508 total expenses; 18.56% or \$366,472 increase from FY 2021
 - Proposed Fee Schedule Changes
 - Library \$919,252 total expenses; 8.23% or \$69,863 increase from FY 2021
 - Parks & Recreation \$1,421,256 total expenses; 26.37% or \$296,609 increase

Mr. Lukasik briefly reviewed debt service, property and general liability insurance, and the Five-Year CIP Plan. He reviewed the CIP Projects List and discussed equipment needs in facilities, aging AC units, and renovations at Osborne Park and the Public Works building.

Additional discussion ensued regarding the following items:

- Comprehensive discussion about Monet Road and the aging seawall
- Needs Assessment conducted in the Parks and Recreation Department
- Accelerate the purchase of a new vehicle for the Public Works Department
- South-side of the Marina - marine vessels

Mr. Lukasik stated that the 2019-2021 Strategic Plan Initiatives are ongoing and in different stages of completion. He asked Council to review and provide direction for projects listed under years 2021-2025. Mr. Lukasik will provide a list and each Councilmember will review and re-rank the projects.

Mr. Lukasik reviewed the Budget Workshop Schedule. The next Workshop will be on Thursday, August 19, 2021, to discuss the Country Club and a Budget Recap. He also stated that the Public Hearings will be held on Wednesday, September 8th and Thursday, September 23rd.

ADJOURNMENT

With no further business to come before the Council, the meeting adjourned at 7:55 p.m.



Jessica Green, MMC, Village Clerk