



**MINUTES OF
THE BOARD OF SUPERVISORS
WORKSHOP MEETING OF
LAKE WORTH DRAINAGE DISTRICT
HELD AT THE DELRAY BEACH OFFICE ON
JULY 13, 2016 AT 8:00 A.M.**

Board Members Present:

Harry Raucher

James M. Alderman

Steve Bedner (via phone)

John I. Whitworth, III

Jeffrey P. Phipps, Sr.

1. Call to Order

President Alderman called the meeting to order at 8:00 A.M.

2. Fiscal Year 2017 Proposed Budget - Robert M. Brown, Executive Director and Karen Hoyt, Director of Finance

Mr. Brown stated that modifications were made to the FY17 Proposed Budget following discussion at the June 23, 2016 Board meeting and workshop. Proposed expenses for replacement of the shop generator and paint equipment were removed as well as contingency funding for replacement of the radial gates for Control Structure 11. He explained that the proposed budget continues to provide funding for heavy equipment to assemble a second tree crew, and includes additional funding for accelerated canal rehabilitation efforts and capital improvement projects.

Ms. Hoyt presented a FY17 Proposed Budget of \$17.5 million with two options to balance the budget. The first option included carrying forward unassigned funds. She explained that the District currently has \$4.3 million in unassigned funds, and indicated that it is recommended to retain a minimum of 25% of annual budgeted funds for financial stability.

Ms. Hoyt explained the second option included an annual assessment increase of \$1.50, which would raise the annual non-ad valorem assessment to \$46.50 and generate additional revenues of \$481,000. She explained that staff proposed to dedicate \$.50 to Capital Improvement Projects and \$1.00 to accelerate Canal Rehabilitation Program efforts. This option would allow the District to retain unassigned funds for financial stability and future unfunded capital improvement projects.

President Alderman inquired about the intended use for the balance of unassigned funds. Ms. Hoyt explained that the unassigned funds are derived from accumulated surplus funds, and that the District utilizes these funds during the months of October, November and December when the District does not receive any tax revenue from the Palm Beach County Tax Collector.

Vice President Phipps inquired about the availability and appropriate levels of funding for emergency response efforts. Ms. Hoyt explained that the District has additional extraordinary income funds that can be used for emergency response and other expenditures with the Board's approval.

Mr. Strowd stated that the Solid Waste Authority conducted a damage assessment study for different levels of impact and debris removal after a storm, and indicated he would request a copy of the report to provide to the Board. He also estimated that the District should retain an amount equal to one year's operating budget in reserve funds for emergency use.

Mr. Brown stated that even with a \$1.50 assessment increase, there would still be a budget shortfall and recommended using carry forward of unassigned funds to balance the budget. He also stated that he expects there will be a budget shortfall in upcoming fiscal years based on the District's five-year projections, specifically when Control Structure 9 is replaced.

President Alderman stated that he did not support raising the assessment.

Vice President Phipps shared the importance and responsibility of both private and public businesses in developing a five-year plan and projected expenses, rather than budgeting year-to-year.

Senior Vice President Raucher stated that the District has been very conservative over the years, and recommended that any necessary increase be designated for certain uses.

Supervisor Whitworth stated that the District needs to remain vigilant to maintain cleared areas so resources are not expended on clearing regrowth in the same area years later.

Mr. Brown stated that the District has a responsibility to look ahead at future fiscal years to address potential budget constraints. He shared that costs increase each year that projects are delayed, and reiterated his ongoing commitment to modernize and streamline operations, refurbish water control structures and rehabilitate canals and associated rights-of-way. He stated that staff will present the FY17 Preliminary Budget with a recommendation to approve a moderate assessment increase.

3. Board Comment

There was no additional Board comments.

4. General Public Comment

There was no public comment.

5. Adjourn

There being no further business, the meeting adjourned at 8:35 A.M.

President - James M. Alderman

Recording Secretary - Joann M. Aylor