

TOWN OF LAUDERDALE-BY-THE-SEA

TOWN COMMISSION

Budget Workshop

MINUTES

Jarvis Hall

4505 Ocean Drive

Tuesday, June 21, 2011

5:00 P.M.

1. CALL TO ORDER, MAYOR ROSEANN MINNET

Mayor Roseann Minnet called the meeting to order at 5:00 p.m. Vice Mayor Stuart Dodd, Commissioner Birute Ann Clottey, Commissioner Scot Sasser, Commissioner Chris Vincent, and Town Attorney Daniel L. Abbott were present. Also present were Town Manager Connie Hoffmann, and Deputy Clerk Nekisha Smith.

Commissioner Sasser arrived at 5:12 p.m.

2. ITEMS OF DISCUSSION:

Commissioner Clottey requested that Public Comments be noted on future Workshop agendas. Mayor Minnet agreed. Vice Mayor Dodd wanted to hear to from the public.

Mayor Minnet opened the meeting for public comments.

Debbie Capone requested local matching funds on behalf of Family Central. She said for every donated dollar received from the Town, they raise \$57.99 from other state and local funding. Ms. Capone said it made a significant difference to child care subsidy program with 100% of the funding going back into that program. She said it was not used for administration dollars.

Yann Brandt believed the Town was in a good financial position. He added that was not the same situation for people at home. Mr. Brandt believed the residents needed to cut excess waste. He stated that a large amount of money was spent on consultants and some were repetitive. Mr. Brandt stated that the proposed budget was staggering at \$3.3 million per year, and, with police and EMS, \$4.6095 million. Mr. Brandt did not believe the consulting positions were needed, as this was not a big Town; keep it simple.

Rosa Michailuik was said there were only two or three parking enforcement employees and did not know why the Commission would want to contract out those positions. She said she was the mother of one of those parking enforcement employees with a family to support, and hoped the Commission would take that into consideration.

Ben Freeny stated many projects were not yet executed such as street lighting, sewers, etc. He did not feel it was good practice for the Commission to set the millage rate and collect the money, only to let it sit in the bank. Mr. Freeny said that the Town had a new Commission and new Town staff and needed to move forward with the projects that were proposed.

Ken Brenner was disappointed that a marketing position has not been created. He believed the Town needed that before anything could be done, whether it related to the master plan or not. Mr. Brenner believed that parking staff should remain in house.

Arthur Franczac said the Town collected \$2.6 million more than in the previous year. He asked how the millage rate was determined in Town. Mr. Franczac suggested that the millage rate be lowered. He did not believe it should be based on how much tax payers were willing to pay.

a. Draft Finance Plan for Implementation of the Town's Master Plan (Town Manager Connie Hoffmann)

Mayor Minnet explained that the plan was a work in progress. She pointed out that drainage was addressed in the first year of the plan. Mayor Minnet recommended the plan be separated into three categories: 1) Economic revitalization; 2) Infrastructure; and 3) Necessary staffing for implementation.

Commissioner Clotey explained that the plan was good; however, she saw it as a platinum plan. She said that she was disappointed not to see a more economical version of the plan to present to the residents.

Ms. Briesmeister explained that the plan was transparent and allowed the Town the flexibility to move projects around without affecting the overall plan. She wanted the public to understand that the plan was structured to make sure that if the revenue was not available or allocated, then the money was not spent. She stated that there were four parts to stage one: 1) appearance; 2) marketing & special events; 3) branding campaign; and, 4) marketing materials. Ms. Breismeister explained that marketing was important to the Town and could result in higher property values, fewer store front vacancies, and higher customer satisfaction. She suggested that the Town allocate funding towards data and statistical analysis.

Ms. Briesmeister stated that under the appearance stage, the Town would develop design guidelines and gave the Commission control over how they wanted the Town to look. She explained that the Town would have funding available to hire someone to address design guidelines. Ms. Breismeister recommended this to begin in 2012. She said that branding was also important and the Town could choose how small or large the branding campaign would be. Ms. Breismeister explained that retail and business development helped target the businesses and offer outreach incentives. She recognized that hotel owners stated that they were lacking the revenues necessary to

do upgrades. Ms. Breismeister suggested the Town reach out to the hotel industry and devise a program that could allow them to market themselves.

Mayor Minnet questioned the pros and cons of the Town getting involved with the private sector. Ms. Breismeister explained that there was always a ratio of funding between government and the private sector in every community she worked in. She recognized that public perception was an issue. Mayor Minnet requested that the Commission give direction whether to move forward with any of the proposed items.

Commissioner Vincent stated that he was in favor of investing in the Town; however, it had to be closely watched to see whether the program could attract private sector involvement. He reiterated that he was in favor of the recommendations made by RMA.

Commissioner Clotey explained that she wanted some questions answered before deciding to move forward. She said that there needed to be a balance between infrastructure and the recommendations made. Ms. Breismeister believed that the Town would see private investment over the 5 year plan. Commissioner Clotey questioned how the Town could receive the best return on investment. Ms. Breismeister explained that the Town would need to implement several portions of the recommended plan to receive the best return on investment and attract private sector investors. She emphasized that the total amount for the plan was \$18 million, which would not place the Town in debt.

Commissioner Sasser recognized that several stages included facade improvements and questioned whether they were different from each other. Ms. Breismeister explained that they covered different aspects of facade improvements in each element. Commissioner Sasser questioned whether the recommended hotel incentive also included facade improvements. Ms. Breismeister stated that this had not yet been defined and that the Town could meet with the hotel industry to determine that. Commissioner Sasser requested to know the difference between a marketing director and an economic development director. Ms. Breismeister explained that the positions were different and could not be combined. She said that the marketing director needed to understand how to analyze data once it was received; economic development was more focused on business development than marketing activity. Commissioner Sasser stated that he would prefer to prioritize the infrastructure project before moving forward with the recommendations.

Vice Mayor Dodd pointed out that the recommendations called for three full time positions at a cost of approximately \$1.3 million over five years. Town Manager Hoffmann explained that the marketing director was a new title that could come from the reorganization of existing staff. She stated that the position of a project manager would be new and was strongly needed due to the level of infrastructure work that was going to be done. Vice Mayor Dodd questioned whether the Town should be improved before it was marketed. Ms. Breismeister explained that marketing not only focused on bringing people into the Town, it also addressed the problems while capitalizing on the opportunities.

Mayor Minnet questioned whether the Commission was interested in implementing any of the recommended programs on a trial basis and include them in the capital improvement plan. Town Manager Hoffmann requested direction in regards to moving forward with the recommended marketing programs and which infrastructure projects to move forward with in the next two years. Commissioner Vincent explained that he was in favor of the marketing and research and branding programs. Commissioner Clotey said she was in favor of marketing and research, and selecting other programs at a later date.

Vice Mayor Dodd was not in favor of creating new staff positions and requested to see the list of projects that could be done financially. Commissioner Sasser explained that he was not yet in favor of the recommended full time employees. He said that he needed more details before choosing to fund the marketing plan. Commissioner Sasser stated he was in favor of moving forward with a percentage of the recommended plan. Mayor Minnet agreed with Commissioner Sasser.

Ms. Breismeister reviewed the recommendations in regards to infrastructure. She explained that the prices were taken from recent projects and the estimates were provided by the University of Miami. Ms. Breismeister pointed out that the plan included Commercial Boulevard, El Mar Drive, A1A, and Pelican Square drainage. She reminded the Commission the projects could be moved around throughout the five year plan.

Commissioner Clotey preferred to fix the drainage problems throughout the Town first. She suggested the Commission consider landscaping the west end of Commercial Boulevard and the south end of A1A.

Commissioner Vincent agreed that work needed to be done at the south end of A1A. He also suggested working on the portals starting from the south. Mayor Minnet stated that infrastructure was her top priority including drainage and the pavilion area. She agreed that work was needed along the Town entryway on Commercial Boulevard and also suggested including work on El Mar Drive. Commissioner Vincent recommended beginning the design process for the pavilion area as it would take time to receive approval from the state. Commissioner Sasser agreed with the recommendations previously stated. He believed that other projects with shorter completion timeframes could be added as well.

Commissioner Sasser questioned whether the work needed on Commercial Boulevard to the bridge could be completed next year. Town Manager Hoffmann did not believe that was possible as the project would involve FDOT.

Vice Mayor Dodd questioned whether the Town had enough money to complete the recommended projects without a bond or a loan. Town Manager Hoffmann explained that the parking garage would probably require a bond, which was not related to the general fund and would be completely supported by the parking fund. She pointed out

that the vast majority of the recommended projects could be completed without raising taxes.

Mayor Minnet recognized that the Commission agreed that drainage, sewers, and the Town entryways were the top priorities. Town Manager Hoffmann explained she would provide a draft CIP budget at the July 12, 2011 Commission meeting.

b. Planning Priorities & Cost to Address (JC Consulting & Town Manager Connie Hoffmann)

Town Manager Hoffmann said this was a follow up to the presentation made by Cecilia Ward, J.C. Consulting, in April, 2011. She explained that at that time, the Commission gave direction to staff to make recommendations on what the priorities were based on Ms. Ward's presentation and to return to the Commission with a plan and the costs involved. Town Manager Hoffmann said she proposed to begin some of the projects immediately. She asked whether the Commission agreed with the priorities as recommended or whether they wanted to alter any of them. Town Manager Hoffmann said that whatever the Commission decided on, she would incorporate into the budget.

Ms. Ward reviewed the top seven priorities: 1) remove the Mediterranean style architecture as a requirement; 2) modify the code to encourage investment and redevelopment of hotels to discourage conversion of tourist units to residential use, and to facilitate the development of new hotels; 3) revise the sign code; 4) revise the Land Development Regulations to include language that protected single family neighborhoods and addressed safety, historical and archeological resources; 5) cleanup the code to remove pyramidal zoning structure and improve purpose and intent of districts and to be consistent with height regulations and rezoning procedures; 6) develop and adopt architectural design guidelines for commercial and multi-family residential projects; 7) revise the Comprehensive Plan to process the 2012 EAR and EAR-based plan amendments due in 2013.

Commissioner Clotey asked whether the marketing plan should be done first or should the hoteliers be allowed to do it. Ms. Ward believed the hotel operators should be asked what specific changes they wanted to make to their building. She added that at that time, the planner would look at the code and determine whether that could be done. Town Manager Hoffmann believed that the intern should take good notes so that the marketing person could ask more detailed questions the second time around.

Commissioner Vincent said it was important that the businesses be aware of what the Town was doing. He did not want them to lose out on opportunities that may result with ordinance changes. Commissioner Vincent agreed with priorities 1, 2, and 6. He believed all three were extremely important and needed to be done before anything could be accomplished.

Vice Mayor Dodd believed that the changes gave a fair rate of return. He wanted to see Ms. Ward's priority order, as he favored #2 as a high priority. Ms. Ward said that the

order submitted was the recommended priority order, with some of the tasks being done next year. Town Manager Hoffmann added that the recommendations before the Commission were from a longer list of items that could be done in later years.

Commissioner Sasser said that the Town was obligated to meet the EAR and asked whether the priorities met the criteria. Ms. Ward said it did. Commissioner Sasser wondered whether the Town still needed Ms. Ward if they had a town planner. Town Manager Hoffmann explained that much of the work would be done by a planning intern or planning tech. She envisioned using Ms. Ward to guide that work, as the new planner would not be on board until August 2011. Commissioner Sasser asked whether they could get this done without hiring a town planner. Town Manager Hoffmann stated that the outside planner would be phased out, as the staff planner would take over much of the work. Commissioner Sasser said he was trying to cut down as much as possible. Town Manager Hoffmann stated that \$60,000 was the outside end, and if the Town could use another cities' design guideline, alter them, and go that route, the dollar amount would be less as they would not need a design planner. Commissioner Sasser said he said was in favor of the priorities, but not with the expenditures and would like further discussion at another time.

The consensus of the Commission was to move forward with the planned direction.

Mayor Minnet recessed the meeting at 9:15 p.m. and reconvened the meeting at 9:30 p.m.

c. Proposed New Building Permit Fee Schedule (Town Manager Connie Hoffmann)

Consultant Gary Shimun reviewed the proposed fee schedule. He said he reviewed the fee schedules of 14 municipalities within Broward County and determined that some of the methods used were time consuming. Mr. Shimun recommended using the percentage of the cost method that some of those municipalities used, as it was simple to use and easy to understand.

Mayor Minnet requested that the Commission give direction to the Town Manager as to the preparation of an RFP for building services using the proposed fee schedule as the basis for the proposers to respond. Commissioner Vincent asked whether the Town would receive quality responses at these prices. Mr. Shimun said he spoke to two potential proposers who said they were satisfied with the proposed fee schedule, and believed the Town would get a different level of service; the responses would be based on how much the responders felt they could make. Commissioner Vincent asked whether this could increase the quality of service, such as in the turnaround time for people pulling permits. He also asked whether the minimum cost would create an abundant amount of building permits, which would also result in a larger cost to the Town. Mr. Shimun stated that was why he recommended that the permit fee stay at \$85, approximately 33% lower, but would cover the Town's cost.

Vice Mayor Dodd asked, out of the agencies that were analyzed how many processed building permits in-house. Mr. Shimun said that Broward County processed the Town of Lauderdale-By-The-Sea, and Weston also outsourced their building services. Vice Mayor Dodd asked how the project costs were evaluated should a contractor wish to build their own home or if a homeowner did their own work. Mr. Shimun explained the Building Official would make the determination based on the RF Mean Construction Evaluation System. Commissioner Vincent added that there was a level of discretion.

Commissioner Clotey wanted to see a lower minimum fee as \$85 was high for the installation of a ceiling fan. Mr. Shimun said that the Commission could make the determination on the fee.

There was Commission consensus to move forward with an RFP containing the proposed building permit fee schedule, with the understanding that the RFP would go to the Commission for review, before going out.

Town Manager Hoffmann stated she would meet with Commissioner Vincent prior to distributing the RFP as he was the liaison.

d. Undergrounding of Utilities on El Mar Drive (Town Manager Connie Hoffmann)

Town Manager Hoffmann said the estimated cost for undergrounding of electric, cable, and telephone wiring on El Mar Drive was approximately \$2 million. She said there were logistic problems.

Mayor Minnet stated that the reality was that there were no locations in the Town of Lauderdale-By-The-Sea, where the underground transformers could be placed, as the Town did not own the property where the transformers could go. She said in light of that situation, the project could not be done.

Helen Gray said that the distribution lines could go under the public right-of-way. She added that the problem was with the location of the service equipment, which had to be located outside of the public right-of-way, and with back-out parking on El Mar Drive, that was problematic.

Commissioner Clotey stated that FPL did not allow placement of transformers in medians. She thanked Ms. Gray for addressing that. Town Manager Hoffmann recommended the project be dropped for undergrounding the utilities on El Mar Drive, but continue to pursue the option for undergrounding the utilities in the Pelican Square project.

There was Commission consensus not to move forward with the undergrounding of utilities on El Mar Drive.

e. Contracting for Parking Operations & Citation Collection Services (Assistant Municipal Services Director Pat Himelberger & Assistant Town Manager Bud Bentley)

Assistant Town Manager Bentley said the Town already contracted out parking citation management, worth between \$50,000 and \$60,000 a year, and the parking consultant determined it would be better for the Town to contract out both components, enforcement and citation management.

Vice Mayor Dodd believed that Duncan Solutions received between 18% and 25% of the Town's parking revenue, and yet they do not do any of the ticketing, maintenance or repairs. He stated that Wilton Manors paid 7% of their revenues and wondered whether it included ticketing and repairs. Vice Mayor Dodd wanted to make a comparison as he believed Duncan was expensive. He favored outsourcing, if it was economically necessary. Commissioner Clotey asked what the saving would be if the Town outsourced the parking enforcement and citation management. Assistant Town Manager Bentley said he would not know the amount until the proposals were received. Commissioner Clotey stated that she did not want to outsource parking if the savings were not significant. Assistant Town Manager Bentley said that when considering outsourcing they would have to look at whether they would save at least 15% and how outsourcing would improve service. Commissioner Clotey said careful consideration was needed since they were talking about eliminating jobs.

Commissioner Sasser asked how much the RFP was costing the Town. Assistant Town Manager Bentley said it was put together in-house, so it only required staff time. Commissioner Sasser did not favor moving forward if outsourcing only produced a small savings. He liked the option of splitting the citation management from enforcement. Commissioner Sasser asked that the RFP contain a third option to bid: citation only. Assistant Town Manager Bentley said the RFP was structured to make the proposer bid on all three options; enforcement only, citation management only, or enforcement and citation management. Commissioner Sasser said he wanted the proposer to bid on all three, separately, and not bid on one option only. Town Manager Hoffmann understood the request.

Town Manager Hoffmann said staff included in the RFP that the contractor consider hiring the existing Town employees, if they met their minimum requirements. Town Manager Hoffmann added that Assistant Town Manager Bentley devoted approximately 1/3 of his time in the past year to parking issues, and requested that the Commission consider his time when considering the amount of savings.

Vice Mayor Dodd wanted to include in the contract a 15 minute grace period when writing citations. Commissioner Vincent did not want to lose the one-on-one customer service that the residents and tourists got currently from our parking enforcement staff. Commissioner Clotey requested that staff research their losses the last time a grace period was in put in place. Assistant Town Manager Bentley said the pay

stations were programmed with a 10 minute grace period.

There was Commission consensus to move forward with the RFP to include pricing for enforcement, citation management, and for enforcement and citation management.

f. Warehouse Update (Public Information Officer Steve d'Oliveira)

Public Information Officer d'Oliveira stated that the interested company was still a few months away from making a final decision as to whether they wished to rent a portion of the building. He said that they were trying to determine the amount of square footage they needed. Public Information Officer d'Oliveira said staff was looking at the numbers to determine whether it made better sense to sell, or to rent the property. He said he would bring that determination to the Commission.

Mayor Minnet stated that it was also important for the Commission to decide whether they wanted to keep the building for hurricane purposes.

It was the consensus of the Commission to hold off until the information was received.

g. Millage Rate Discussion (Finance Director Tony Bryan)

Town Manager Hoffmann introduced Finance Director Tony Bryan. Finance Director Bryan said the Broward County Property Appraiser estimated a decrease in the taxable values at approximately \$43.5 million. He explained that overall property tax collection would go down \$165,000 by maintaining the current 3.9990 millage rate. Finance Director Bryan requested Commission direction as to whether they should maintain the 3.9990 millage rate for another year, or adopt the roll back rate of 4.20994 which would maintain the taxes at the current level.

Finance Director Bryan stated that the 3.9990 millage rate was maintained over the past four years. He said there was a steady tax reduction of \$600,000 for 2011, \$700,000 in 2010, and \$1,018,000 in 2009; equal to an average of \$780,000 in tax reductions over the past three years.

Mayor Minnet stated that the Town had one of the lowest millage rates in Broward County. She noted that only 24% of the real estate taxes came to Lauderdale-By-The-Sea, the other components went to Broward County, the School Board, the Hospital District, and the South Florida Water Management District. Mayor Minnet explained that although the Town's millage rate was very low, other government's millage rate could be very high. She added that when the TRIM notices were received, the residents would notice the different tax components, and each component would have their own line item, including the Town of Lauderdale-By-The-Sea. Mayor Minnet said she favored reducing taxes.

Commissioner Clotey said the reason the Town did not raise taxes was because the Town's expenses went down, and the expenses went down because the Town paid off

a loan a few years ago. She explained that even if the 3.9990 millage rate was maintained, the taxes may increase for some people because they were in the "save our homes" situation. Commissioner Clotey said that she would not vote for an increase in taxes considering how much money was in reserves. She said the Commission should think about lowering the tax rate.

Vice Mayor Dodd wanted to set the millage rate at 3.9990, which meant that the Commission could not go above that rate. He wanted staff to consider the following in the budget: the re-payment of the parking debt to lower the interest rate; reduce consultant costs and consider outsourcing, only when financially viable; and the utilization of undesignated making them designated funds. Vice Mayor Dodd said he was in favor of lowering taxes.

Commissioner Sasser questioned whether the proposed amount for the capital projects was considered under the 3.9990 millage rate or the 4.20994 roll back rate. Town Manager Hoffmann said she assumed it would be under the 3.9990 millage rate.

Commissioner Vincent stated that according to his tax bill from last year, the millage rate for Broward County Commission was 5.1, or 30% of his tax bill. He said his total tax bill was \$6,600; the four highest components equaled \$4,000. Commissioner Vincent stated that only \$1,283 went to Lauderdale-By-The-Sea. He said many residents called the Commissioners to complain that their taxes went up, and suggested they call the Broward County Commissioners and request that they lower their millage rate, as well and cut wasteful spending.

Mayor Minnet said that if the millage rate was set at 3.9990 they could not go higher than that. She suggested they look at other areas that would reduce the budget. Mayor Minnet believed sensitivity was needed when looking at other areas and at the same time, determined what infrastructure projects they wanted to move forward with.

It was the consensus of the Commission to keep the millage rate at 3.9990.

h. Improved Efficiencies & Practices in the Town's Finance Division (Town Manager Connie Hoffmann)

Mayor Minnet stated that sometimes consultants saved the Town money this past year, and this was one example. She believed it was important to look at the cost savings and efficiencies, and not look at the negative side.

Town Manager Hoffman explained that Acting Finance Director Doug Haag was hired as a consultant last year to take a look at the Town's financial operation and make recommendations as to how it could be more efficient. She added that, as a result a lengthy report was submitted on the improvements made. Town Manager Hoffmann said a position in the Finance Department was eliminated last year and another position will be eliminated in the budget for the upcoming year.

Town Manager Hoffmann wanted everyone to remember that Kathy Margolies, one of the Town's consultants, who was paid \$14,000, discovered that the Town was overcharged \$80,000 by the City of Pompano Beach on sewer charges. She added that, as a result, the money was returned to the Town.

There was no further discussion.

Commissioner Sasser requested an excused absence for the June 24, 2011 Commission meeting. Mayor Minnet said it will be placed on the June 24, 2011 Commission agenda.

Assistant Town Manager Bentley said the answer to Vice Mayor Dodd's question regarding Wilton Manors' contract was yes, that they paid approximately 7% of their gross revenue. Vice Mayor Dodd said that confirmed his point that there was a huge disparity. He said Duncan received 18% - 25% from the Town, whereby Wilton Manors paid 7% of their collections to their contractor, Lanier Parking Systems of Florida. Assistant Town Manager Bentley explained that it was a comparison of an apple and an orange. Vice Mayor Dodd stated that was why he wanted to go out for an RFP.

3. ADJOURNMENT

Vice Mayor Dodd made a motion to adjourn. With no further business before the Commission, Mayor Minnet recessed the meeting at 8:30 p.m.



Mayor Roseann Minnet

ATTEST:



Town Clerk, June White CMC

8-24-11

Date