



**TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
BUDGET WORKSHOP
Jarvis Hall
4505 Ocean Drive
Tuesday, May 14, 2024
5:00 PM**

1. CALL TO ORDER, MAYOR EDMUND MALKOON

Mayor Edmund Malkoon called the meeting to order at 5:00 p.m. Also present were Vice Mayor Randy Strauss, Commissioner Richard DeNapoli, Commissioner John A. Graziano, Commissioner Theo Pouloupoulos, Town Manager Linda Connors, Town Attorney Susan Trevarthen, Deputy Town Manager/Public Works Director Ken Rubach, Development Services Director Jhanelle Campbell, Director of Budget and Finance Lucila Lang, Assistant Finance Director Edner Saint-Jean, Events and Marketing Manager Katie Anderson, and Town Clerk Katrina Adler.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

3. DISCUSSION ITEM

a. FY2024-2025 Budget Presentation

Director of Budget and Finance Lucila Lang explained that the purpose of tonight's budget workshop is to share the Town's budget process with the Town Commission and the public. She showed three videos on the budget process and the establishment of the Town's millage rate. The videos are available on the Town's website.

Mayor Malkoon advised that the Town is seeking to make the budget process more transparent so residents understand and can contribute to the process.

At this time Mayor Malkoon opened public comment.

Carol Kulkin, resident, requested that the Commission consider adding a Mobi-mat at the beach entrance located between the Royal Coast and Seawatch restaurant. She pointed out that many residents find the existing beach access at that location difficult to use.

Town Manager Linda Connors recalled that the Town had applied for a \$10,000 grant from the American Association of Retired Persons (AARP) but was not awarded the

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grant. The Town will continue to look for other funding opportunities. Mayor Malkoon stated that he would like to see a line item in the Town's budget for a Mobi-mat, even if the Town does not receive grant funds for it. At present, there is only one Mobi-mat in the Town at the El Prado beach entrance.

Commissioner Graziano asked if the addition of mats would be added by the Town or by the condominiums located on the beachfront. Town Manager Connors clarified that the Town would only add mats at public access points. The Town also has a beach wheelchair unit.

Commissioner Graziano requested clarification of the cost of a Mobi-mat. Town Manager Connors explained that one purpose of tonight's meeting is for the Commission to inform Staff of what they would like Staff to research. Staff will come back in June with more specific numbers and prioritize items. When more information is available regarding tax assessments, the Commission and Staff will have a clearer understanding of the amount that can be generated by the Town's current millage rate.

Ken Rubach, Deputy Town Manager/Public Works Director, further clarified that the cost of a Mobi-mat is based on the mat's length. Town Manager Connors added that the Town will continue to seek grant opportunities to fund an additional mat. She confirmed that Staff will bring back information on the estimated cost of the mat.

Commissioner Graziano asked if there are grants for which the Town can apply under the Americans with Disabilities Act (ADA). Town Manager Connors replied that if there are grants available in relation to this Act, the Town will apply for them. There are also other non-governmental entities which provide Mobi-mats.

Steve d'Oliveira, resident, stated that some of the overhead lights used by the Town's theater program have failed. He requested that the Town consider adding an additional \$1000 to the budget to repair these lights.

Deputy Town Manager/Public Works Director Rubach advised that additional equipment can be rented rather than purchased; however, this rental comes at a cost. Mr. d'Oliveira further clarified that the Sea Shorts program receives approximately \$1000 per year, which is divided between two productions. This does not, however, include funds to repair the lights. He pointed out that this expense would be a one-time request.

With no other individuals wishing to speak at this time, Mayor Malkoon closed public comment.

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Director of Finance and Budget Lucila Lang showed a PowerPoint presentation, explaining that Staff will identify the items and services necessary to run the Town, as well as a list of enhancements to be considered for the fiscal year (FY) 2024-2025 budget.

Town Manager Connors noted that tonight's workshop, as well as a second budget workshop in June 2024, are intended to increase transparency as well as input from both the public and the Commission before the final budget is completed.

Recurring operational costs include salaries, Federal Insurance Contribution Act (FICA) requirements, and Florida Retirement System (FRS) costs. Town Commission operating costs include meeting expenses, contractual services, donation sponsorships, ethics training, membership dues for Commissioners, and operating expenses. At this time the Town Clerk is not requesting any additional enhancements for the Commission.

Assistant to the Town Manager Courtney Easley reviewed the Town's donations to nonprofit organizations, recalling that two years ago, the Town established a new process for donation requests. This included moving the applications online and requiring organizations to provide information on program services, the target population, and the estimated number of Town residents served by their program.

In FY 2023-2024, the Town received 13 donation requests from nonprofit entities which provide services to the Town, totaling \$66,500. In FY 2024-2025, the Town has received 12 applications thus far, with one additional application pending. The original deadline for nonprofit donation requests was Friday, May 10, 2024. To date, no new organizations have applied. The final amounts awarded are determined by the Town Commission.

Town Manager Connors added that nonprofit requests will be presented to the Commission at a later date under a separate Agenda Memo.

Visitors Center costs include regular operational costs such as labor, promotional materials, open houses for businesses and residents, service contracts, building maintenance, utilities, and website landing pages. No enhancements are requested for the Visitors Center budget in FY 2024-2025.

Administration expenses include agenda management services, audit expenses, contracts, employee onboarding and team building, legal advertising costs, and training

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and travel expenses, all of which total \$1.2 million. Staff proposes the following enhancements to this budget:

- Infrastructure upgrades for servers
- Additional office furniture
- Online budgeting

The Town Attorney's budget includes legal expenses, litigation, additional legal training, and ethics training for the Commission. This budget is typically high in order to provide for unforeseen circumstances.

General governmental expenses include taxes on buildings that bring in a profit, transportation such as Circuit, recycling expenses, advertising, service maintenance contracts, information technology (IT) support, and insurance. These services total \$1.2 million. The Town is requesting funds to replace its computers in FY 2024-2025, which are at the end of their expected five-year cycle.

Events and Marketing Manager Katie Anderson advised that needs for the Tourism and Community Outreach category include Channel 78, Public Information Officer (PIO) services, the Discover LBTS website and updates, the .gov Town website, social media, music licensing, graphic design, and street banner and signage printing. This budget also includes the Town's core annual events such as the July 4th celebration, Boo-By-The-Sea, the Veterans Day celebration, Christmas-By-The-Sea, and the Dive Into Summer music festival.

Enhancements to this budget include the 75th Anniversary celebration, Farmers Market programming, Dancing-By-The-Sea, Yoga-By-The-Sea, the Town's Easter Egg Hunt, and Movies at the Park.

Deputy Town Manager/Public Works Director Rubach reviewed Police expenses, which are contracted through the Broward Sheriff's Office (BSO). Operational costs include staffing, benefits, and the needs of operating the district. Operational enhancements include enhanced patrols during the busy season in addition to seasonal beach activities.

Development Services Director Jhanelle Campbell stated that operational costs for this Department include contractual services, dues and subscriptions, equipment maintenance, membership dues, office supplies, postage, printing, professional services, training, and travel expenses. The FY 2023-2024 budget for this Department

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was \$861,398. Enhancements requested for consideration in the upcoming fiscal year include vacation rental monitoring software as well as paid interns.

Vice Mayor Strauss asked if there is a general overall increase in the costs of budgeted items, or if they remain nearly the same as in FY 2023-2024. Director of Budget and Finance Lang replied that when the proposed budget is provided to the Commission with justification sheets, Staff will provide three years' worth of actual costs for each line item so the Commissioners can see these increases.

Town Manager Connors further clarified that Staff typically budgets a 5% increase for staffing. Last year was also expensive with regard to insurance costs, which are expected to be between 10% and 15% lower in FY 2024-2025. FRS expenses were also significant in FY 2023-2024, and Staff is awaiting more information on these figures.

Town Manager Connors advised that beginning the budget process early affords the Commissioners with an opportunity to consider different programming; however, the downside to beginning this process early is that specific answers for basic questions cannot be provided until the Town receives its numbers.

Town Manager Connors also noted that properties must have received a Certificate of Occupancy (CO) and construction completed by December 31, 2023 in order to appear on the next year's tax rolls. This means two hotels for which construction is nearly complete will not appear on the FY 2024-2025 tax rolls, but will appear on the FY 2025-2026 rolls.

Town Manager Connors encouraged the Commissioners to request any items which they are interested in adding to the budget, and Staff will bring back information on these items as the process moves along. She emphasized that no decision needs to be made on the tentative millage rate until July 2024. At that time the rate is set at the maximum possible amount, which can be lowered later if that is the Commission's desire; however, the millage rate cannot be raised after that time.

Commissioner DeNapoli requested clarification that the items and operating costs presented thus far represent items that have appeared in previous budgets. Town Manager Connors confirmed this, also clarifying that the costs shown are what is necessary to maintain the Town's current level of service. Enhancements include additional items that Staff would like to see, but are not necessary to meet the requirements of running a government.

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Deputy Town Manager/Public Works Director Rubach stated that operational costs for the Public Works Department include the Town's beach maintenance contract, which covers the raking and cleaning of beaches, which is done several times per week. Other items include public bathroom cleaning, buoy maintenance, building maintenance for all Town properties, camera maintenance for the closed circuit system, communications, other contractual maintenance services, tree trimming and landscaping, dues and subscriptions for professional associations, equipment leasing, fleet maintenance and vehicle leasing, forestry management, pressure washing, radio maintenance, signage, training, utilities, and other operating expenses.

Deputy Town Manager/Public Works Director Rubach further clarified that even if a Department receives grant funds to cover a cost, that cost must be reflected in the budget. Proposed enhancements include office furniture.

Mayor Malkoon commented that he would prefer Staff to present the current year's budget, projected budget increases for the coming year, and the estimated amount of funds the Town would need if the millage rate were to remain the same.

Deputy Town Manager/Public Works Director Rubach clarified that the operational costs presented tonight will be part of the FY 2024-2025 budget, as these are baseline items that allow each Department to provide their current levels of service.

Assistant to the Town Manager Easley reviewed recreational costs, which include the Community Center. The Center has a management contract and service maintenance contract. No enhancements are requested thus far for FY 2024-2025.

Vice Mayor Strauss noted that some of the items presented for the FY 2024-2025 budget were also budgeted for the current year. He cited the children's playground at Friedt Park as an example, pointing out that this money was budgeted in the current year but has not been used. Town Manager Connors explained that the Friedt Park improvement dollars are in the Town's Capital Improvement Program (CIP), which carries over from one year to the next. She also noted that Staff is preparing to bring this expense before the Commission to order materials. Whether the work will be done in the current fiscal year or rolled forward into the next year will depend upon how long it takes to order the necessary materials.

Commissioner Pouloupoulos requested clarification of whether or not the Town had received grant funds for the park playground in the previous year. Town Manager

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Connors explained that the Town hopes to receive a grant if it is signed by the Governor before the June 30, 2024 deadline.

Commissioner Pouloupoulos asked if the Town owns the land on which the Visitors Center is located. Town Manager Connors confirmed that this is the case. She also noted that part of the expense for that building goes toward its general upkeep, which is necessary whether or not the building is open. There are two part-time employees who assist the Visitors Center as well as supporting special events.

Town Manager Connors advised that the land on which the Visitors Center was built was donated to the Town and includes restrictions on that property. Town Attorney Susan Trevarthen explained that the site may not be used for commercial development. The property may also be used for other Town purposes in addition to the Visitors Center.

Town Manager Connors advised that the next group of presentations will include expenses funded through revenues from the Building Fund, which are primarily permit fees.

Development Services Director Campbell stated that operational costs for the Building Fund include building permit processing, everyday administration of the Department, and professional services such as engineering review. Operational enhancements under consideration in the upcoming fiscal year include an additional full-time Code Compliance Officer who would focus on Building Department-related issues so the other Officers can focus on other Code initiatives and priorities.

Another proposed enhancement is a scanning initiative which is currently underway. Staff will bring forward a request for proposal (RFP) for this service in the near future. This project would digitize all of the Town's paper plans and documents and would be placed into a portal that residents may access. The final enhancement is office furniture.

Deputy Town Manager/Public Works Director Rubach advised that the Sewer Fund is also an Enterprise Fund. The budget includes all operational costs related to that system, a contingency fund, maintenance of the Town's two pump stations, sanitary sewer lining, sewer master billing, and utility services. No enhancements are requested at this time.

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Deputy Town Manager/Public Works Director further clarified that the area south of Pine Avenue is served by the city of Fort Lauderdale for sewer and water services, while the area north of this delineation point is served by the city of Pompano Beach.

Mayor Malkoon requested information on the health of the Sewer Fund, also asking if it will be necessary to undertake another rate study in the near future. Deputy Town Manager/Public Works Director Rubach replied that the coming winter will determine what new rates are going to be, but noted that there has been no increase in rates over the past four years.

Commissioner Graziano recalled that boil water advisories have been issued three different times for the area south of Pine Avenue, and asked if any remediation activity is necessary to address these issues. Deputy Town Manager/Public Works Director explained that there are typically two reasons why a boil water notice would be issued: one is in the case of a water main break, which lowers water pressure, while the other is the flushing of hydrants. He noted that Pompano Beach's system operates differently from Fort Lauderdale, which allows them to maintain pressure above the level that would necessitate a boil water advisory. These notices often accompany normal maintenance.

Deputy Town Manager/Public Works Director moved on to the Capital Fund, which includes a proposed 75th anniversary art installation as well as the Anglin Pier monument and its foundation. He noted that the Downtown enhancement project was funded using American Rescue Plan Act (ARPA) dollars.

The Town is currently on hold regarding the Opticon system, as the city of Pompano Beach is seeking grant funds for this system. It would allow Emergency Services to change traffic signals. The Town is also in the permitting process for canal dredging. The Bel Air seawall has been completed and benches will be installed within the next two months.

A stormwater rate study was done to show the needs for this infrastructure over the next 10 to 20 years. This study will be updated within the next one to two years. It may be possible to fund stormwater improvements through a mechanism other than the millage rate.

Pedestrian amenities include additional crosswalks and signage. The Friedt Park playground project is moving forward. Resurfacing is proposed east of A1A to El Mar

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Drive as well as other portions of El Mar Drive and the installation of removable bollards. Traffic calming studies are also underway.

Town Manager Connors advised that the Commission will have a separate meeting on the CIP in general.

Deputy Town Manager/Public Works Director Rubach addressed the Parking Fund, which oversees maintenance of machines and lots as well as signage or other needs. The Town switched to a new parking company the previous year and has done a great deal of behind-the-scenes work in order to roll out new features. Residents now have the option of doing all permitting online.

Fire services are provided to the community by Pompano Beach Fire Rescue.

Director of Budget and Finance Lang concluded that after tonight's meeting Staff will update costs for regular business items and then determine costs for new recommendations that were proposed. At the June 11 budget meeting, Staff will share all of these estimates and the Commission will be asked to prioritize items in order of importance. Staff will then prepare a proposed budget.

On or near July 1, the Town will receive information from the Broward County Property Appraiser's Office on taxable value for properties in the Town. Staff can then estimate how much revenue the Town will receive, and the Commission can establish the tentative millage rate in July. Any rate set in July may be lowered afterward, but cannot be raised. Two additional budget meetings will be held in September.

Commissioner Pouloupoulos requested an overview of when and how monies may be transferred between funds. Town Manager Connors offered the example of the Fire Fund, which may pay only for fire services; non-fire-related emergencies must be funded through the General Fund. Similarly, the Building Fund may only pay for items associated with the Building Department, including rent paid from that Department to the Town and utilities used in that building; it cannot fund, for example, special events which are unrelated to that Department.

The Parking Fund may be used to pay for any use the Town identifies. In the past the Town has used this fund for one-time large purchases by transferring money from the Parking Fund to pay for capital projects.

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Mayor Malkoon suggested that updated studies and a programmable five-year CIP be established going forward. He noted that the Town is in the process of simplifying its website and considering the development of a mobile app which would provide users access to Town events, allow the reporting of vacation rentals, and allow bill payments on an individual's phone.

Mayor Malkoon continued that bringing on a Code Officer to address issues related specifically to the Building Fund was also a sensible choice, as this would provide the existing Code Officers to focus on other priorities. He added that the results of a traffic study suggest there is no need for traffic calming measures; however, residents have requested these measures in neighborhoods such as South Silver Shores, and Staff will meet with those residents to discuss the study further. He recommended that both temporary and permanent traffic calming measures be considered.

Mayor Malkoon recalled that as unlicensed vacation rentals continue to come to the Town's attention, there may be an opportunity to identify other unlicensed properties and monitor them going forward. He concluded that he would like to see Taste of the Beach be funded as a permanent event.

Deputy Town Manager/Public Works Director Rubach advised that Public Works is already working with Development Services toward a mobile app for the Town.

Commissioner Poulopoulos commented that the Town has a very well-designed website in comparison to other Broward municipalities, and he felt designing a mobile app would be a waste of money which could be invested in a more meaningful use, such as lifeguards. He concluded that he did not have any other projects to propose at this time, other than a continued focus on storm drainage.

Commissioner Graziano stated that he would like to see budget-neutral consideration of adding two federal holidays for Town Staff. These will be discussed further at tonight's regular Commission meeting. He was also in favor of infrastructure enhancements, development of a five-year plan, and vacation rental monitoring software.

Commissioner DeNapoli asked if Staff could prepare a presentation of some of the Town's "big-ticket" items that will go out for RFP, such as contracts. Town Manager Connors replied that the engineering services contract will come before the Commission, as will a Code Compliance contract. Paperless permitting will also be brought forward in the future.

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Deputy Town Manager/Public Works Director Rubach advised that typically, any items which exceed the Town Manager's purchasing authority would either go out for RFP or would be "piggybacked" on another community's RFP. For the following fiscal year, these will include the beach maintenance contract, landscaping, and debris management.

Mayor Malkoon requested additional information on the pressure cleaning contract. Town Manager Connors recalled that during last year's budget process, the Town budgeted conservatively for pressure cleaning services, and ultimately secured a better deal than that conservative budget. They will be able to budget less money for this service in FY 2024-2025.

Commissioner DeNapoli asked if there will be any large-ticket RFPs coming up in the budget process before the FY 2024-2025 budget is finalized. Town Manager Connors replied that no such items will come up before the budget process is concluded. She reiterated that the engineering contract and Code Compliance are both large contracts, but do not present opportunities for significant savings from what the Town currently pays.

Commissioner DeNapoli concluded that he would like to see the estimated costs of items such as vacation rental oversight or enhanced beach patrols. Town Manager Connors stated that information on beach patrols will be provided at the June 11 budget workshop. Development Services Director Campbell has already begun researching the costs associated with vacation rental software. The Code Compliance RFP does not have an estimated cost at present, and the Town will budget approximately 10% over what is typically budgeted. There will also be further consideration of whether or not a new Code Officer would be funded through the Code RFP or hired as a Staff member through the Building Fund.

Vice Mayor Strauss emphasized the importance of a new public safety building, and suggested that Staff consider "forced savings" in future budgets in order to designate funds toward that building. He also proposed designating an individual to focus primarily on vacation rentals, including permitting, collecting fees, and investigating unlicensed properties.

Town Manager Connors noted that the Town reserves \$300,000 in the Fire Fund annually. If that same amount is budgeted this year, the Fire Fund will show a total savings of roughly \$900,000. Budget and Finance Director Lang is working with Truist Bank to invest these funds. This may result in a return of up to \$800,000 which the

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Town has not budgeted. Town Manager Connors suggested moving these funds into savings toward a new public safety building.

The funds the Town is collecting on purchased properties will go back into the Parking Fund in order to reimburse that Fund for the expenditures. With regard to a dedicated Code Officer to focus on vacation rentals, Town Manager Connors advised that dedicating a Code Officer to Building Department issues would free up the other Officers to pay greater attention to other issues.

Vice Mayor Strauss continued that he was also in favor of continuing the Taste of the Beach event, and suggested that this may be a break-even expense in the future. He was also in favor of movies on the beach in the El Prado Park area, as well as of extending the Farmers Market contract. Mayor Malkoon commented that further opportunities may include bringing a portion of the Farmers Market into Jarvis Hall.

Vice Mayor Strauss continued that he would like to see next year's budget extend the Friday Night Music series into the month of June. He was also in favor of greater commercial participation in this event, recommending a partnership between the Town and local businesses.

Commissioner Graziano stated that he would like to see the Town become even more attractive to families through events that encourage a community atmosphere, such as a movie night. He added that the Town may also need a lobbying firm which focuses more closely on leadership, including the Governor and the Governor's staff. He was in favor of a greater presence in the state capital.

4. ADJOURNMENT

With no other business to come before the Commission at this time, the meeting was adjourned at 6:23 p.m.



Mayor Edmund Malkoon

ATTEST:

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6/13/2024 | 10:49 AM EDT

Katrina Adler, Town Clerk

Date