TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
2ND BUDGET WORKSHOP
Jarvis Hall
4505 Ocean Drive
Tuesday, June 11, 2024
5:00 PM

1. CALL TO ORDER, MAYOR EDMUND MALKOON

Mayor Edmund Malkoon called the workshop to order at 5:00 p.m. Also present were Vice Mayor Randy Strauss, Commissioner John A. Graziano, Commissioner Theo Poulopoulos, 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 workshop is to review the budget enhancements discussed at the first workshop meeting, which was held on May 14, 2024. The enhancements have been categorized by Department and include associated costs and the respective funds each enhancement would impact. Following an overview of the proposed enhancements for each Department, the Commissioners may ask questions directly of the Department leaders.

Once all proposed enhancements have been discussed, Staff will prioritize the enhancements the Commission wishes to pursue and identify the enhancements to be deleted. Prioritization will be followed by the introduction of the proposed budget and tentative millage rate, which will be established at the Commission's second meeting of July 2024. Staff will prepare the budget beginning with the highest-prioritized items. The proposed millage rate will ultimately determine the number of enhancements that can be included for fiscal year (FY) 2024-2025.

The first proposed enhancement under Administration is office furniture. The furniture currently in use at Town Hall is approximately 15 years old and some pieces are in disrepair. The cost of replacing this furniture is approximately $25,000.

Another Administrative item is the Town's digital budget workbook. The program would place the budget in a digital book format which is user-friendly for anyone who may wish to view it on the website. The cost of this program is $25,850, with an actual annual cost of $20,000 and an additional $5,800 for initial setup. The cost would increase by 3% annually afterward.

The majority of the Town's computers were purchased in 2019 and are now five years old. To ensure that these computers are running properly and support necessary technical advancements, they should be replaced every three to five years. There are roughly 20 computers which should be upgraded.

Director of Budget and Finance Lang recalled that there have been previous discussions addressing the lease of computers rather than their purchase. Lease payments would be spread over a 36-month period. In the case of purchase, the payment would be made up front.

Mayor Malkoon requested clarification of the cost of leasing computers. Director of Budget and Finance Lang replied that the costs of leasing or purchasing would be the same; however, in the case of a lease, the payments could be spread out over 36 months. The cost of technical support would be included in the contract.

Mayor Malkoon asked what might happen if leased computers are damaged. Director of Budget and Finance Lang stated that she would need to look into this further.

The next items include lighting of the theater in Jarvis Hall, which is estimated at $1,000. This item can be added to the FY 2023-2024 budget if it is the Commission's desire. The two Mobi-Mats proposed for the beach can also be added to this year's budget at a cost of roughly $25,000, which meant they would not have to be funded in FY 2024-2025. This would make beach access compliant with the requirements of the Americans with Disabilities Act (ADA).

Town Manager Linda Connors recalled that Commissioner Graziano had proposed additional funding to enhance the Town's lobbying efforts. Commissioner Graziano explained that his conversations with the Town's current lobbyist have not been productive, and he recommended $20,000 to either "piggyback" on another contract for additional service or hire a different lobbying firm to pursue the Town's interests in Tallahassee.

Mayor Malkoon commented that he was in favor of the purchase of new office furniture, although he felt it could be delayed if the budget has to be tightened. He was not in favor of the digital budget book, and was only in favor of leasing computer hardware if there was an extra benefit and the computers were replaceable.

Mayor Malkoon requested more information on the Jarvis Hall lighting. Town Manager Connors replied that she has asked for an estimate on this item.

Mayor Malkoon continued that he was in favor of the two Mobi-Mats. He did not believe an additional lobbying firm was necessary, as the current provider is already based in Tallahassee.

Vice Mayor Strauss stated he was in favor of purchasing new office furniture, if necessary, but asked what would be done with the existing furniture. Town Attorney Susan Trevarthen clarified that the Town would follow its surplus property policy.

Vice Mayor Strauss agreed with Mayor Malkoon regarding the digital budget book. He was in favor of computer hardware replacement as well as the theater lighting in Jarvis Hall and the Mobi-Mats for the beach. He agreed with Mayor Malkoon that there was no need for an additional $20,000 toward lobbying services, and was in favor of retaining the current lobbyist, as their current contract was recently negotiated.

Commissioner Graziano stated he was in favor of new office furniture as long as the Town follows its surplus property policy. He was also in favor of the digital budget workbook and new computer hardware, and was supportive of replacing the two theater lights. He was also in favor of providing the Mobi-Mats.

With regard to the Town's lobbying firm, Commissioner Graziano asserted that they did not do a good job, but acknowledged that the other Commissioners may have differing opinions on this issue. He withdrew his request for $20,000 toward additional services.

Commissioner Richard DeNapoli arrived at 5:13 p.m.

Commissioner Poulopoulos explained that he was not in favor of raising taxes in FY 2024-2025 and wished to remain fiscally responsible while providing safety services for the Town. He was not in favor of new office furniture, the digital budget workbook, or computer hardware replacement, although he recommended surge protection to prevent damage. He was, however, in favor of the Mobi-Mats as a safety enhancement, as well as the lighting in Jarvis Hall, which would be a nominal expense. He felt the savings from some of these items could be used toward providing lifeguards on the Town's beaches.

Commissioner DeNapoli stated that he was not in favor of new office furniture, the digital budget workbook, or new computer hardware. He was in favor of purchasing the Mobi-Mats and replacing the lights in Jarvis Hall.

Director of Budget and Finance Lang next addressed Police Department expenses, noting that enhanced patrol services have been provided since 2019. The Town has signed a memorandum of understanding (MOU) with the Broward Sheriff's Office (BSO) for $80,000, which covers enhanced Police services from November through Memorial Day Weekend. In FY 2023-2024, however, $80,000 was not sufficient to cover these costs through Memorial Day Weekend, and fewer services were provided during some weeks leading up to that holiday. Staff proposes increasing the $80,000 to $100,000, which would have a budget impact of $20,000 on the General Fund.

Mayor Malkoon requested input from the Town Manager on the enhanced Police services. Town Manager Connors replied that the enhanced patrols seem to be well-received during spring break, and acknowledged that these costs have increased over the last five years, which would necessitate the proposed additional $20,000. The Town may also choose to cut back on these enhanced services. Mayor Malkoon indicated he was in favor of the enhancements.

Vice Mayor Strauss recalled that in the past, he had been in favor of adding enhanced patrols during spring break and other peak times. This is still an issue when there is no Police presence in the area. He felt the enhancements made a noticeable difference.

Commissioner Poulopoulos stated that he was supportive of the Vice Mayor's comments on enhanced Police services, particularly during the tourist season. Commissioners Graziano and DeNapoli were also in favor of the expense toward enhanced services.

Director of Budget and Finance Lang next addressed Fire services, recalling that the Commission had previously spoken in favor of continued savings toward the expense of a new public safety building. For the past two years, the Town has included $300,000 in the budget toward this expense. This would be continued in FY 2024-2025, which means there would be no additional impacts to the budget.

Vice Mayor Strauss pointed out that these funds are also earning interest for the Town. Town Manager Connors added that Staff will bring forward additional information on how these savings could be increased.

Commissioner Poulopoulos reiterated that his goal was to avoid raising taxes to fund projects such as the new building, as well as to avoid issuing a bond or another type of debt. He was in favor of setting aside these funds each year, and recommended discussion in the near term of what this project might look like. There was unanimous Commission support for the continued savings.

Director of Budget and Finance Lang recalled that at the first budget workshop, a stand-alone application had been presented for a My Civic Engagement module, which is currently underway. It will be rolled out later in the current year and is part of a contract, which means it will have no financial impact.

Another item raised at the previous budget workshop was lifeguards and beach patrols, which is also on the Agenda of tonight’s Regular Town Commission meeting. There had also been discussion of information technology (IT) infrastructure upgrades. The Town’s servers are being monitored and no issues have been detected thus far, which means there is no reason to replace them at this time.

Commission ethics training will continue to be provided by the Town Attorney and her Staff. Sewer rates will be reviewed at the end of the year when Pompano Beach has sent the Town its rate increases or decreases, which are typically provided at the end of December.

There was also discussion of traffic calming measures and storm drainage at the previous budget workshop. These are both expected to be part of the Capital Improvement Program (CIP) discussion, which will be brought before the Commission at the June 25, 2024 meeting.

Development Services Director Jhanelle Campbell stated that one proposal for this Department is the addition of paid interns, the cost of which would be spread across both Development Services and the Building Fund. The interns would be able to provide significant assistance at a lower cost by taking on rudimentary administrative tasks.

Another proposal is vacation rental monitoring software. Development Services Director Campbell advised that she has met with various providers of this software and the average cost is $30,000/year. This software would “scrub” vacation rental websites on the internet on an automatic basis, which helps Staff prepare evidence sheets for Code Compliance cases. One form of software includes a hotline option through which residents could call in issues. The software would also generate automatic letters to residents when new properties come online. She concluded that the software adds an extra layer of monitoring vacation and short-term rentals.

Commissioner Poulopoulos asked if the software program would require a one-time or annual cost of $30,000. Development Services Director Campbell confirmed that this would be an annual cost. There may also be an escalator included in a finalized contract with the selected provider.

Development Services Director Campbell continued that the Building Department requests an additional Code Compliance Officer who would be paid for through the Building Fund. This Officer could focus on cases such as work without permits and similar building issues, which would free up the Town’s other Code Compliance Officers to handle other Code priorities.

Another request was a scanning initiative, as the Town has a great many historical documents that are regularly used. This effort would digitize as many of those documents as quickly as possible and would allow residents to gain access to their own documents more easily. This would be a multi-year process, with an initial $150,000 expense followed by annual costs to be determined as the process moves forward. This initiative would require a request for proposal (RFP).

Development Services Director Campbell further clarified that when information is scanned, the correct metadata must be attached to the documentation to ensure it is searchable and useful. There is an additional cost associated with this attachment. Some documents may need to be scanned in color as well as in black and white. She concluded that this would be a comprehensive multi-year process.

Town Manager Connors advised that the proposed new Code Compliance Officer, the scanning initiative, and a portion of the paid intern costs would be funded out of the Building Fund. She emphasized that the Building Fund receives its monies through building permits. These requested items would not affect the Town’s millage rate.

Commissioner Poulopoulos asked roughly how much money was earned from building permit revenue in the previous year. Development Services Director Campbell advised that this income would more than cover the proposed costs, as there are limits on how Building Fund dollars can be spent. These funds can only be spent on building-related activities, as well as expenses such as rent, utilities, staffing, or renovations within the Building Department.

Commissioner Poulopoulos asked if any of the expenses otherwise covered by the Building Fund revenues are also subsidized by the General Fund. Town Manager Connors replied that the General Fund does not subsidize the Building Fund at all.

Town Attorney Trevarthen added that the Town is not permitted to stockpile funds indefinitely in the Building Fund, as any expense of these dollars must, by law, be related to the cost of providing services.

Director of Budget and Finance Lang also noted that the Building Fund covers the salaries and expenses associated with employees of the Building Department, including retirement and group insurance. It covers professional and contractual services as well as permitting costs. There is also a small amount of funds used toward maintenance contracts and some operating expenses.

Commissioner Graziano commented that while Building Fund income has covered that Department’s expenses in the past, the proposed additions to the budget would cost approximately another $250,000. Development Services Director Campbell confirmed that the Building Fund would be sufficient to cover 100% of those expenses.

Town Manager Connors emphasized the importance of expenses such as the scanning initiative, as it is important for anyone with a building permit to be able to access that permit. These projects can be funded not only this year but continued over the next few years using Building Fund revenue.

Commissioner Poulopoulos asserted that he fully supported the scanning initiative, as well as the other proposed expenses as long as they could be covered.

Mayor Malkoon requested additional information regarding paid interns. Development Services Director Campbell explained that these costs would be spread across both the Building Fund and the Development Services account, the latter of which comes from the General Fund. The allocation would be $10,000 from the Building Fund and $7,000 from Development Services.

Commissioner Poulopoulos also addressed vacation rental monitoring software, asking if any Building Fund dollars could be allocated to that expense. It was clarified that this could not be done, and the money would need to come from the General Fund.

Vice Mayor Strauss pointed out that a permitting fee is charged to vacation rentals, which is restricted to "a reasonable amount." He suggested that this fee could be raised slightly to include the cost of the $30,000 software. Town Manager Connors replied that Staff is looking at all of the Town's application fees and will bring back comparative information later in the year about what the Town and other municipalities charge, as well as the costs associated with applications and the last time these fees were increased.

Mayor Malkoon stated that he was in favor of all the expenses proposed from the Building Fund. With regard to the vacation rental monitoring software, he added that residents have indicated they would like a better response regarding these properties, whether it comes from more aggressive Code Compliance or monitoring of these sites. He was in favor of the additional options for this software, including letter generation.

Commissioner Graziano commented that he was also in favor of the vacation rental monitoring software, which would relieve Staff so they can fulfill other responsibilities. Commissioner DeNapoli also agreed to all the Building Fund requests as well as the monitoring software. He added that he would like to see an RFP for this software in order to determine if there are other options.

Commissioner Poulopoulos requested more information on what the current Code Compliance Officer would be doing if an additional Officer was funded through the Building Department to focus on building issues. Development Services Director Campbell explained that there are issues including noise in the Downtown area, compliance with seasonal sea turtle restrictions, business tax receipt (BTR) inspections, daily patrols, and other responsibilities associated with Town Code.

Commissioner Poulopoulos advised that if an additional Code Compliance Officer is added, he was not in favor of also purchasing vacation rental monitoring software. He felt the additional Officer could focus at least half their time on vacation and short-term rentals.

Town Manager Connors explained that because vacation rentals are advertised on a wide variety of platforms, it is not feasible for a person to effectively monitor those platforms. Development Services Director Campbell added that there are at least 70 different websites on which the properties are advertised, and the properties do not consistently appear on those sites every day.

Commissioner Poulopoulos reiterated that he was not supportive of the vacation rental monitoring software if an additional Code Compliance Officer is brought on board. He felt the issues related to vacation rentals were not sufficient to the expense of an annual investment in software.

Vice Mayor Strauss commented that it may be possible to fund the proposed software contract through permitting once the Town has looked more closely at potential changes to fees. He felt the cost was legitimate and reasonable and would be paid for by the service it provides. Commissioner Poulopoulos noted that he would like to see additional information on what would be provided by this software.

Commissioner Graziano stated that he supported Vice Mayor Strauss's comments, adding that the software may eventually be seen as an income-neutral expense. He remained in favor of the software.

Director of Budget and Finance Lang next addressed tourism and community outreach, referring to a list of current FY 2023-2024 events. Friday Night Music, for example, was budgeted at $45,000 in the current fiscal year and would increase by $10,000 if approved for FY 2024-2025.

Events and Marketing Manager Katie Anderson explained that some of the proposed events are staples in the Town's annual programming, such as the 4th of July celebration. Others are events that residents have enjoyed but may not perceive as essential.

Existing events include:

- Friday Night Music, with an additional $10,000 budgeted to extend this event through June
- Farmers Market
- Dancing-By-The-Sea
- Yoga-By-The-Sea
- Movies at the Park

Events proposed for budgeting in FY 2024-2025 include:

- Easter Egg Hunt (previously hosted by the Volunteer Fire Department and picked up in FY 2023-2024 by the Town)
- Taste of the Beach
- Indoor Market at Jarvis Hall
- Town website improvements
- Chatbot for website
- 75th Anniversary
- Founders Day
- More family-friendly events

Events and Marketing Manager Anderson recalled that the Commissioners had expressed interest in continuing some of these events, such as Taste of the Beach and the Indoor Market, at the previous budget workshop. She also noted that website improvements would have no financial impact, as they are included in a current contract.

For additional family-friendly events, Events and Marketing Manager Anderson advised that Staff could request an estimate from the Commission regarding how much to allocate to a given event. They could then develop more details about specific events.

It was also noted that costs associated with the Town's 75th Anniversary celebration are one-time costs. Staff requested $15,000 to cover the costs of the Founders Day event planned for October 5, 2024. The intent has been to further enhance the Town's five existing celebrations by incorporating a specialty component related to the anniversary. The 75th anniversary celebration will end with a drone show as part of Christmas-By-The-Sea.

There was Commission consensus against proceeding with a chatbot.

Commissioner Poulopoulos advised that he supported the proposed events, suggesting that the proposed drone show in particular could bring more revenue into the Town. He pointed out that this has been a success in other municipalities, but recommended further discussion of this option, as it may contribute to greater traffic and parking needs.

Commissioner Poulopoulos also requested clarification of the additional family-friendly activities, noting that there are already several family-centered programs in the Town. He was in favor of continuing the Easter Egg Hunt.

Vice Mayor Strauss also addressed the proposed drone show, expressing concern for the traffic it may generate. He emphasized the need for BSO input and preparation for this event, suggesting outreach to Pompano Beach, which has had a drone show for the past two years.

Vice Mayor Strauss continued that Taste of the Beach was a very successful event and spoke in favor of other Town-enhancing events such as Yoga-By-The-Sea and Dancing-By-The-Sea. He was also in favor of continuing the Easter Egg Hunt, and recommended providing some funds for the Town's Chanukah celebration held Downtown each year.

Commissioner DeNapoli was also generally supportive of the proposed initiatives, requesting clarification of next year's Friday Night Music budget. Events and Marketing Manager Anderson explained that the budget for FY 2024-2025 will include an additional $10,000 over the baseline $45,000 to continue this event through June.

Commissioner DeNapoli requested additional information on other family-friendly events, and agreed with Vice Mayor Strauss's proposal to provide funds for the Chanukah event. He concluded by suggesting if the cost of attendance at Taste of the Beach could be analyzed with the intent of making that event more revenue-neutral.

Town Manager Connors explained that the costs associated with Taste of the Beach must be included in the budget, while projected revenue from ticket sales cannot be budgeted.

Events and Marketing Manager Anderson also confirmed that the Downtown businesses have contributed to the Friday Night Music event in the current fiscal year. Similarly to the Taste of the Beach event, the Town would need to allocate funds to cover those expenses within the budget.

Commissioner DeNapoli also stated that he was not in favor of the chatbot, but suggested that the Town may wish to develop a mobile app. Town Manager Connors confirmed that this is already in process.

Commissioner Graziano stated that he was in favor of all family-friendly events and suggested that a number of family-friendly items could be packaged together, such as movies specifically for children. He requested more information on how much the Downtown restaurants contributed toward Friday Night Music, pointing out that the National Restaurant Association has indicated that restaurants have now exceeded pre-

COVID-19 numbers nationally. He recalled that these businesses once funded the entire Downtown music series and recommended that this be considered.

Mayor Malkoon was also in favor of Friday Night Music as long as businesses continue to contribute to this event. He noted that weather may be a consideration for the proposed drone show, and spoke highly of Staff's plans for the Founders Day picnic. He hoped to continue Movies in the Park and Taste of the Beach.

Regarding additional family-friendly activities, Mayor Malkoon advised that he did not want to budget a large amount, such as the proposed $45,000, toward more events without knowing what they will be. Vice Mayor Strauss agreed that there should be more discussion of what the proposed events may include.

Commissioner DeNapoli asked how many family-friendly activities were estimated with an overall budget of $45,000. Town Manager Connors advised that Staff is working to determine how much is available to spend for these events and will then bring back proposed events within that budget. She suggested that the budget could be reduced from $45,000 to a lesser amount if that was the Commission's wish.

It was noted that Boo!-By-The-Sea was not listed among these events. Events and Marketing Manager Anderson clarified that this annual event has a $7000 budget and is among the standard budget items rather than the optional ones.

The Commissioners discussed the proposed allocation for $45,000, determining by consensus to reduce this amount to a placeholder amount of $30,000, which will be used to create the FY 2024-2025 budget book. Once the millage rate is determined, Staff will be able to lower this proposed amount further in order to keep the millage rate reasonable.

Commissioner Graziano asked if the Commission can agree to add some of the family-friendly events the Town already holds into the proposed budget. Town Manager Connors confirmed that these are already included in the budget and can be marketed among the family-friendly events.

Director of Budget and Finance Lang concluded that Staff will include the following in the budget:

- Any items "in the building"
- $300,000 for Fire services
- Theater lighting and Mobi-Mat, which total approximately $26,000

She requested additional input from the Commission on how to prioritize other items within the General Fund. The Commission will establish the Town's tentative millage rate in July and will be presented with both regular and prioritized budget items.

Town Manager Connors reviewed the following priorities from least to greatest:

- Office furniture
- Paid interns
- Computer hardware
- Town events
- Vacation rental monitoring software

Both the digital workbook and the additional lobbying costs would be deleted. The Commissioners agreed by consensus to this prioritization.

Director of Budget and Finance Lang advised that at the next Commission meeting on June 25, 2024, Staff will bring forward nonprofit funding requests at a 5:00 p.m. special meeting. Representatives of all entities that have requested donations will be invited to attend that meeting and provide brief presentations on their requests. Staff will also give a presentation on the FY 2024-2025 proposed CIP. During the regular Commission meeting on that date, Staff will also review the Town's BSO budget.

At the July 9, 2024 meeting, the Commission will be asked to adopt the proposed Fire Assessment rates for FY 2024-2025, followed by a review of the five-year CIP. At the July 23, 2024 meeting, the Commission will adopt a proposed millage rate. Two additional budget meetings are tentatively scheduled for September 12 and 17, 2024.

The Commissioners discussed this proposed schedule, determining that the June 25, 2024 special meeting will begin at 5:30 rather than 5:00 p.m. and the nonprofit organizations' presentations will be limited to two minutes each rather than five. Town Manager Connors added that a list of the presenting agencies will be sent to the Commissioners in advance of the meeting.

Town Manager Connors also noted that nonprofit donation requests have increased significantly over the years and encouraged the Commissioners to look closely at these requests. She anticipated 14 agencies will request donations.

Commissioner Graziano asked how nonprofit donations are determined, stating that he was in favor of these donations being based on the agencies' services to the Town.

Mayor Malkoon replied that many of these entities provide services to residents and can provide an estimated number of residents served. Town Manager Connors added that the funding amounts determined by the Commission may change once the tentative millage rate has been established.

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:

Katrina Adler

7/11/2024 | 3:50 PM EDT

Katrina Adler, Town Clerk | Date