



**TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
SPECIAL MEETING MINUTES
Jarvis Hall
4505 Ocean Drive
Tuesday, July 9, 2024
5:30 PM**

1. CALL TO ORDER, MAYOR EDMUND MALKOON

Mayor Edmund Malkoon called the meeting to order at 5:30 p.m. Also present were Vice Mayor Randy Strauss, Commissioner Richard DeNapoli, Commissioner John A. Graziano, Commissioner Theo Pouloupoulos (by phone), Town Manager Linda Connors, Town Attorney Susan Trevarthen, Deputy Town Manager/Public Works Director Ken Rubach, Assistant to the Town Manager Courtney Easley, 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. NEW BUSINESS

- a. **Resolution 2024-23: A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, RELATING TO THE PROVISION OF FIRE PROTECTION SERVICES, FACILITIES AND PROGRAMS IN THE TOWN; DESCRIBING THE METHOD OF ASSESSING FIRE PROTECTION ASSESSED COSTS AGAINST ASSESSED PROPERTY LOCATED WITHIN THE TOWN'S GEOGRAPHICAL BOUNDARIES, KNOWN AS FIRE PROTECTION ASSESSMENT AREA – TOWNWIDE; ESTABLISHING THE ESTIMATED RATES FOR FIRE PROTECTION SERVICES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024; PROVIDING FOR AN INCREASE IN RATES FOR FIRE PROTECTION SERVICES OF FIVE PERCENT EACH FISCAL YEAR BEGINNING OCTOBER 1, 2025 THROUGH AND INCLUDING 2037; DIRECTING THE PREPARATION OF AN ASSESSMENT ROLL FOR FIRE PROTECTION ASSESSMENT AREA – TOWNWIDE; AUTHORIZING A PUBLIC HEARING AND DIRECTING THE PROVISION OF NOTICE THEREOF; PROVIDING FOR CONFLICT, SEVERABILITY, AND FOR AN EFFECTIVE DATE.**

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

At this time Mayor Malkoon opened public comment, which he closed upon receiving no input.

Director of Budget and Finance Lucila Lang recalled that a Fire service fee assessment analysis was performed in 2022, and the Commission adopted its recommendation, which was to increase the rates for residential dwellings to \$147.37 and increase the rates for commercial properties per square foot to 22 cents. These rates took effect in fiscal year (FY) 2023.

In July 2023, the Town contracted with the city of Pompano Beach to provide fire protection services. This contract began on September 1, 2023 at an annual rate of \$1.4 million. This rate included fire protection and emergency medical services. At present, the allocation for this payment is 65.51 for fire protection, which comes from the Fire Fund, and 34.49 for emergency medical services, which comes from the General Fund.

The Town's contract with Pompano Beach Fire/Rescue (PBFR) calls for a 5% annual increase. The Town also has administrative and maintenance costs, as well as the allocation of \$300,000 annually toward a new public safety facility. Expenses consist of payments to the Broward County Property Appraiser to expend the special assessment on the County's tax rolls, fire inspection fees, building maintenance, and a transfer to the General Fund.

To cover the payment to Pompano Beach as well as the expenses cited above, the Town recommends an increase to \$175.37 for residential dwellings and an increase to 26 cents per square foot for commercial properties. These increases will produce approximately \$1.4 million to \$1.8 million, of which the Town budgets 95%. The total would be \$1.347 million.

The new rates would reflect an annual increase of \$20 for residential properties, with the annual commercial increase to be based on the square footage of commercial properties.

Director of Budget and Finance Lang briefly reviewed the payments associated with some of the Town's commercial properties, which include square footages ranging from 1,237 sq. ft. to 19,664 sq. ft. If the proposed rates take effect, the increase would range from \$49.48 to \$786.56 for these properties. Multi-purpose buildings, which combine commercial and residential uses, would see an increase from \$61.48 to \$3378.60.

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

If the Town does not process the proposed increase, they would be able to cover the PBFR contract and other expenses, but would be unable to set aside the \$300,000 toward the new public safety building. Maintaining the same rate in FY 2025 would also mean the increased rate in FY 2026 would increase sufficiently to put the Town in a deficit.

Mayor Malkoon asked if only \$300,000 is set aside for the public safety building each year, or if interest is also saved toward this expense. Director of Budget and Finance Lang explained that only \$300,000 comes from the Fire Assessment. The Town has also discussed putting interest income toward this future need.

Commissioner DeNapoli commented that the proposed \$28 increase is approximately 19% higher than the \$147.37 rate. He also noted that the \$500,000 requested from the state of Florida was vetoed by the Governor, and asked if the increase is expected to make up for the vetoed amount. Director of Budget and Finance Lang clarified that the Town has set aside the \$300,000 for the last two years. If no funds are set aside in FY 2024 for the public safety building, the increase would be lower.

Commissioner DeNapoli also requested clarification that the PBFR contract calls for a 5% increase every year through 2037. Director of Budget and Finance Lang confirmed this amount. Town Manager Linda Connors added that 5% is a standard increase in contracts of this nature.

Director of Budget and Finance Lang further clarified that if the Town continued at its current rate, it would have enough funds to cover the contract but not to set aside the \$300,000. Next year's 5% increase would result in a shortfall even without setting aside the \$300,000.

Vice Mayor Strauss requested an overview of the Town's increases to the Fire Fund over the last five years. Director of Budget and Finance Lang recalled that in 2016, the rate was \$129.85, and remained static until it was increased to \$147.37 based on the 2022 analysis. It has not increased since 2022.

Vice Mayor Strauss continued that while the Town has kept its millage rate low in recent years, the Commission realized last year that the millage rate must be raised. The Town still retains one of the lowest millage rates in Broward County. He recommended taking a realistic view of this rate, which must be raised to meet the Town's needs; however, the question was whether or not to continue setting aside \$300,000 per year for the public safety building.

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

Director of Budget and Finance Lang also noted that Resolution 2024-23 gives the Commission authority to increase the Fire Assessment up to 5% every year through the end of the contract with PBFR. Vice Mayor Strauss noted that the total increase proposed for FY 2025 is 19%.

Town Manager Connors also provided more information on the cost of the Town's fire services, recalling that the Town's Volunteer Fire Department (VFD) was not trained in emergency medical services. This meant the Town contracted separately with American Medical Rescue (AMR). Both of those contracts combined cost approximately \$2 million. The change to PBFR allowed the Town to save \$600,000 beginning in the first year of the contract.

Town Manager Connors continued that because AMR was not paid from the Fire Assessment, 100% of its costs were funded by the Town's millage rate. When the Town contracted with PBFR, they paid approximately 35% of this expense from the millage rate and 65% from the Fire Assessment. This resulted in significant savings to the millage rate. She advised that while 5% seems like a significant increase, the Town worked hard to secure the best price and lowest increase possible. With the 5% increase, the Town will still pay less over the next several years than it paid the VFD.

Town Manager Connors continued that two years ago, the Commission decided to put away a significant amount of money every year toward a new public safety building. There is currently \$600,000 saved toward this expense, to which the \$300,000 proposed in FY 2025 will be added.

If the \$300,000 is not allocated in FY 2025, the Town would need to determine how the building will ultimately be funded. Town Manager Connors emphasized the importance of saving for the public safety building, adding that Staff plans to recommend keeping last year's millage rate of 3.9235. This is also a very low rate, and is different from the ad valorem rate, which is tied specifically to property values.

Commissioner Graziano stated that he took a different view of the proposed assessment, as he opposed tax increases. He recommended that the Town consider borrowing money for the public safety building, and advised that he would like to know how much the Town should budget to pay its bills. He cautioned that the amount of funds saved for the public safety building may not be sufficient to cover the design of the building.

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

Commissioner Graziano continued that the Town may wish to consider selling the FDG North building, with the proceeds to be used to lessen the amount they may have to borrow.

Vice Mayor Strauss observed that the Fire Assessment does not increase the same way the millage rate may increase, as it is not linked to property values. He emphasized that the Commission needs to take steps to meet the 5% increase for which they have contracted, and should also be aware of the savings realized by moving away from a separate contract with AMR.

Vice Mayor Strauss continued that the Commission elected to move toward a new public safety building several years ago, first purchasing the space where the building would be located and then budgeting funds each year toward constructing a more modern building. He reiterated that the proposed FY 2025 rates remain significantly lower than those of other Broward County municipalities. He concluded that he was in favor of moving forward with Staff's recommendation.

Commissioner Pouloupoulos also pointed out that the Fire Assessment does not follow property values, and acknowledged the Town's commitment to its contractual obligations. He asserted that the Town should continue the practice of the previous Commission by saving money for a new public safety building for the responders who protect residents and visitors.

Commissioner Pouloupoulos continued that he would rather increase the Fire Assessment than the millage rate, and would also like to consider using money from the Parking Fund to finance the new building. He noted that the Town has not previously issued a bond or other financing to his knowledge, and he was not in favor of taking this step at present due to current interest rates.

Commissioner Pouloupoulos requested clarification of the expected costs of a new public safety building. Town Manager Connors replied that Staff has generally reviewed potential costs and has estimated that a new public safety building, which would house Broward Sheriff's Office (BSO) and PBFR staff, would cost approximately \$10 million. The standard cost for design is 10% of the total, which in this case would be roughly \$1 million. Once the design phase is complete, Staff can determine whether or not their estimate is correct and move forward with discussion of how to pay for the building.

Town Manager Connors added that Staff does not plan to request any extravagances for the new public safety building, but only what is necessary. Another consideration

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

may be parking and the use of parking fees to fund the new building. She reiterated that plans for this year include using the saved \$600,000 and the proposed \$300,000 toward the design of the building, which would then be brought back to the Commission with an estimate as well as potential ways to pay for the structure.

Commissioner Poulopoulos stated that he would like to meet with PBFR to discuss what they consider necessities for the public safety building, as well as other items that they may wish to see. He noted that this project will be ongoing for the next few years and recommended that the Town look into how they can lower the \$10 million estimate.

Town Manager Connors advised that the 2021 Fire Assessment analysis considered the basic needs of a new public safety building. Staff has also worked with PBFR to determine what their new buildings include and how this might translate to what the Town needs for its smaller community.

Commissioner Poulopoulos concluded that he agreed with Vice Mayor Strauss and was in favor of accepting Staff's recommendations for the Fire Assessment.

Commissioner DeNapoli requested clarification of a listed amount of \$960,059 in the backup materials on this Item, noting that it is explained as an allocation for administrative costs and design of the public safety building. Director of Budget and Finance Lang replied that this amount includes the \$600,000 already set aside for the public safety building and the \$300,000 proposed to be set aside in FY 2025. The \$60,059 would be transferred to the General Fund to cover administrative and building maintenance costs.

Commissioner DeNapoli also requested more information on the previous Commission's past actions toward setting aside \$300,000 each year. Town Manager Connors replied that two years ago, the Commission decided to save \$300,000 toward a new public safety building, which led to the \$600,000 that has already been set aside.

Commissioner DeNapoli asked if a vote was taken by the previous Commission to set aside \$300,000 annually. Town Manager Connors confirmed that this vote was taken on the Fire Assessment for the past two years.

Commissioner DeNapoli observed that costs associated with the new building may increase in the future beyond what is currently anticipated. Town Manager Connors explained that Staff recommends using the savings currently in place to begin the

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

design and planning of the building. She agreed that the longer construction is postponed, the more expensive it may be.

Commissioner DeNapoli asked if the Town plans to continue setting aside \$300,000 each year toward the eventual \$10 million total estimated cost of the public safety building. Town Manager Connors advised that this is not what is planned, as the building is likely to cost more than \$10 million if it is postponed for that length of time. She reiterated that Staff recommends beginning the design phase so they can bring the design back to the Commission and discuss how the building will be financed.

Commissioner DeNapoli asked how the building might be funded without a loan. Town Manager Connors replied that financing could involve a loan, bond, or millage rate increase.

Commissioner DeNapoli commented that setting aside this amount of money for a new public safety building was similar to backing oneself into a corner. Mayor Malkoon replied that there will be discussion of whether or not the Commission feels the community should have a new public safety building, and if so, how to pay for it. The intent of the previous Commission was to set aside a small portion at a time toward the total cost.

Town Manager Connors stated that in the future, there will be a Commission Agenda Item to discuss issuing a request for proposal (RFP) for the design of the building, at which time the Commission can decide if that is how they wish to move forward.

Mayor Malkoon added that another potential means of funding the new building may be to continue lobbying the State Legislature for grant funds. Commissioner DeNapoli recalled that these funds were vetoed in FY 2025 by the Governor.

Commissioner Graziano stated that while he opposed tax increases, in this case the Town must consider the \$300,000 an investment in longer-term planning. He also noted that it is likely the Town may need to consider previously unused methods of financing, such as a loan, for the proposed building. He concluded that he was in favor of the \$28 increase for this reason.

Director of Budget and Finance Lang reiterated that the \$28 is a non-ad valorem assessment and is not based on property values. It is a flat fee.

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

Town Attorney Susan Trevarthen further clarified that a special assessment is not a tax, but is more accurately considered a user fee. It is aligned specifically between the costs the Town incurs and the expense of money toward those costs. She also noted that local governments have limited options for raising revenue, and there are only a few ways in which the Town might raise the funds it needs.

Commissioner Pouloupoulos observed that the previous Commission considered the public safety building to be of the utmost importance. He did not, however, believe its cost would be \$10 million, and also felt that estimating the design cost at 10% of the total was a high estimate. He stated that he would like to participate in the negotiations related to the design phase, and may be able to recommend local architects who could do this work at a lower cost.

With regard to the general concept of financing, Commissioner Pouloupoulos felt the Town should be creative in how it sought money for this building, as he was not confident the state of Florida would provide it. He pointed out that the Town has significant assets, and suggested reviewing what could be done with these in the future to improve liquidity. He also proposed seeking private donors who may contribute to a new building.

Mayor Malkoon stated once more that if the Town does not set aside \$300,000 in FY 2025 toward the new public safety building, its Fire Assessment could remain the same; however, it would have to be raised by 5% the next year in any case.

Commissioner DeNapoli commented that there are many increasing expenses for residents, including homeowners' insurance and property taxes. He concluded that he was not in favor of voting for significant increases.

Commissioner Graziano advised that \$28 is a minimal amount for the Commission to consider, and asked if there is likely to be enough money for the design phase of the proposed building if another \$300,000 is set aside in FY 2025. He felt the Town should move forward with the design phase in order to determine projected costs, and then discuss how the building would be funded later.

Deputy Town Manager/Public Works Director Ken Rubach explained that standard design costs in Florida are currently 10% to 12% of a project. While there are many qualified architects and design firms who could take on this work, some are more specialized than others when designing a building with specific needs and

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

requirements. For this reason, the costs of designing a public safety building will exceed the costs of a typical residential or commercial building.

Commissioner DeNapoli commented that he wished to see a “total package” for the public safety building, which would include options for its financing.

Deputy Town Manager/Public Works Director Rubach recalled that in 2021, a firm conducted a needs analysis in conjunction with BSO, AMR, and the VFD to determine their needs. Because the configuration of these entities has changed, the Town reduced proposed costs accordingly and determined an inflationary number. The project’s estimated costs would be based on current comparable builds within the area.

Commissioner Pouloupoulos requested additional clarification regarding design costs, including what these costs might include. Deputy Town Manager/Public Works Director Rubach replied that this would include all of the building’s needs including architecture, structural requirements, HVAC, exhaust, and other systems. Design would not be limited to architectural drawings alone and would not be limited to the requirements of a typical commercial, industrial, or residential structure.

Commissioner DeNapoli asked if the Town has spoken with any design firms that specialize in this type of structure. Town Manager Connors advised that at present, Staff is only asking to continue the savings toward the projected design costs. There have been no discussions with contractors thus far.

Town Attorney Trevarthen explained that if the Commission changes its mind about proceeding with a new public safety building, the saved funds would continue to be used toward fire protection purposes, less the amount expended toward preliminary work. One option could be to use those dollars toward future increases in the Fire Assessment rate.

Commissioner Graziano made a motion, seconded by Vice Mayor Strauss, to approve the \$28 and bring forward a proposal that includes \$900,000 toward this project, with that money to be used toward the design work.

Director of Budget and Finance Lang clarified that the increase for residential properties would be \$28, and the increase in commercial property would be four cents per square foot.

Motion carried 4-1 (Commissioner DeNapoli dissenting).

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

b. FY25-FY29 Capital Improvement Plan 5-Year Overview

Deputy Town Manager/Public Works Director Rubach provided a brief overview of the Capital Improvement Plan (CIP) budget from FY 2026 through FY 2029. He emphasized that the CIP can be altered in the future. The FY 2025 CIP will be included in upcoming discussions of the next budget.

FY 2026 plans include:

- Beach portal construction, for which FY 2025 grant funds will be used toward design
- Final beach renourishment payment
- Phase 1 construction of Bougainvilla Drive/Poinciana Drive
- Americans with Disabilities Act (ADA) -compliant crosswalk improvements
- Phase 1 of construction for the new public safety building

FY 2027 and later plans include:

- \$8 million (estimated) toward the new public safety building
- Roadway paving and refurbishment
- Traffic calming projects and neighborhood beautification

Commissioner Graziano commented that there are infrastructure improvements needed in neighborhoods such as Terra Mar and Bel Air. Deputy Town Manager/Public Works Director Rubach replied that this will be based on the Commission's allocation of funds for those projects.

Commissioner Graziano explained that he was referring to a listing of \$500,000 under CIP projects for the design of the public safety building. He pointed out that the Commission had just voted to allocate \$300,000 toward this phase. Deputy Town Manager/Public Works Director clarified that a portion of the proposed CIP expenses in FY 2025 will be paid for from the Fire Fund, with the rest to come from the General Fund and Parking Fund. These will be included in the budget when it is brought before the Commission.

Commissioner Graziano asked if the \$500,000 to which he was referring was included in the \$900,000 that would be used toward design of the new public safety building or was in addition to it. Deputy Town Manager/Public Works Director Rubach advised that because the building is intended for general public safety, it cannot be funded solely through the Fire Fund. A portion of this expense will need to come from other funds,

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

such as the General Fund and Parking Fund. The \$300,000 will be used toward design, eventual construction, or possibly the payment mechanism chosen by the Commission.

Commissioner Graziano again requested where the \$500,000 would go. Deputy Town Manager/Public Works Director Rubach explained that because all of the money from the Fire Fund cannot be used, as the building will not be constructed solely for Fire services, 100% of the \$900,000 cannot be used toward the design.

Town Manager Connors further clarified that the Town has to show that it is not using 100% of funds from the Fire Fund to pay for the public safety building, as public safety also includes emergency medical and Police services. The remaining money in the Fire Fund after the design phase can be used toward other costs of the new building.

Commissioner Graziano asked what percentage of the \$900,000 can be spent toward the public safety building design. Town Manager Connors replied that the Town must provide a rational nexus explanation, which includes the rationale for what is being designed and what is spent toward it. Deputy Town Manager/Public Works Director Rubach added that the square footage of the new building which would be used by the Fire Department could be funded with money from the Fire Fund. This square footage is not yet known.

Commissioner Graziano asked what could be done with the remainder of the \$1.4 million in the Fire Fund if it is not needed for design work. Deputy Town Manager/Public Works Director replied that this money would remain in the Fire Fund and can be used toward construction of the new building.

Commissioner Graziano advocated for the allocation of more CIP funds toward infrastructure, noting that in addition to the proposed work on Bougainvillea and Poinciana Drives, there are other areas throughout the Town which are in need of work.

Commissioner DeNapoli asked if the CIP presented tonight was primarily a wish list, and the Commission would be asked to vote on allocations later. Deputy Town Manager/Public Works Director Rubach reiterated that after FY 2025, the CIP is effectively a road map. The Commission will not vote on the expenses slated for FY 2026 until they approve the FY 2026 budget next year. He added that there is also no formal vote requested on the FY 2025 CIP at this time, as it will be presented with the remainder of the FY 2025 budget.

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 9, 2024

Commissioner DeNapoli asked for “the average” that the current millage rate could fund in the CIP. Deputy Town Manager/Public Works Director Rubach replied that this is not known, as it is a moving target based on the year, changes in operating costs, and how much is allocated to the CIP from different funds.

Town Attorney Trevarthen explained that local governments are required to have a CIP; however, actual costs may not be known until they act to spend the money. It is a mandated governmental planning process for the expenditure of funds.

Commissioner Graziano asked if other infrastructure projects could be presented as part of the FY 2025 CIP when it comes before the Commission. Deputy Town Manager/Public Works Director Rubach explained that this is one reason the CIP is presented to the Commission so they can discuss it with Staff.

4. ADJOURNMENT

With no other business to come before the Commission at this time, the meeting was adjourned at 6:36 p.m.



Mayor Edmund Malkoon

ATTEST:



Katrina Adler, Town Clerk

9/20/2024 | 4:13 PM EDT

Date