



**TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
SPECIAL MEETING MINUTES
Jarvis Hall
4505 Ocean Drive
Tuesday, July 23, 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 (by phone), Commissioner John A. Graziano, Commissioner Theo Pouloupoulos, 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 2024-26 – A RESOLUTION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ESTABLISHING A PROPOSED MILLAGE RATE FOR THE 2024/2025 FISCAL YEAR; PROVIDING FOR THE DATE, TIME, AND PLACE OF THE PUBLIC HEARING TO CONSIDER THE PROPOSED MILLAGE RATE AND TENTATIVE BUDGET; DIRECTING THE TOWN CLERK TO FILE SAID RESOLUTION WITH THE PROPERTY APPRAISER OF BROWARD COUNTY; AND PROVIDING AN EFFECTIVE DATE.**

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

Director of Budget and Finance Lucila Lang explained that the purpose of tonight's meeting is to set the tentative millage rate for fiscal year (FY) 2025. The rate set tonight cannot be raised during future budget discussions, although it can be decreased. Once the rate is set at tonight's meeting, that information will be sent to the Broward County Property Appraiser's Office. In August 2024, residents will receive their Truth in Millage (TRIM) notice informing them of the tentative rates for different areas.

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Staff held two previous meetings, one in May and one in June 2024, which served as pre-budget meetings. They presented the Commission with both regular business items and a separate list of enhancements. These meetings gave the Commission and the public the opportunity to consider the proposed enhancements and provide Staff with some direction.

The Commission reviewed the different Town Departments at the two previous meetings, as well as the list of enhancements. They advised Staff of the enhancements they would like to see in the budget. Staff prepared the budget with the regular items and enhancements.

In July, the Broward County Property Appraiser's Office informed Staff that the Town's taxable value had increased by 8.07%, which comes to roughly \$1.7 million. Based on this information, Staff prepared a budget maintaining the same millage rate as FY 2023-2024, which is 3.9235. With this rate, the Town would receive approximately an additional \$998,000 in revenue to cover the costs in increases to services, Broward Sheriff's Office (BSO) expenses, training, health and commercial insurances, and several other items, as well as a transfer of funds to the Capital Improvement Plan (CIP).

The General Fund proposed for FY 2025 is \$17.6 million, which is an increase of 4.04% over the current year. The Building Fund will have \$1.78 million, which is a 37.85% increase. The reason for this increase is the addition of a Code Officer specifically dedicated to the Building Department. That Officer's salary, FICA, and insurances will be covered by the Building Fund.

The State Flood Superfund would be \$1.7 million, which is an increase of roughly 1.9%. The Fire Fund for FY 2025 is at \$2 million, which is a 47.53% increase from FY 2024. The reason for this increase is that the Town plans to begin the design process for a new public safety building using \$600,000 from the Fire Fund.

The CIP decreased by 22.11% from the current year. The FY 2025 CIP budget is \$3.2 million. The Parking Fund for FY 2025 is at approximately \$3 million, which is a 24% decrease from FY 2024. The reason for this decrease is a budget amendment in FY 2024 to pay off the new parking lot.

Director of Budget and Finance Lang advised that an annual adjustment to homestead exemption value will be on the November 2024 ballot. If it passes, it will increase the

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property values eligible for homestead exemptions by \$25,000 in FY 2025 and thereafter, based on the consumer price index (CPI). If this proposal passes in November, it will take effect on January 1, 2025.

The Broward County Property Appraiser's Office states that Lauderdale-By-The-Sea has 2073 homesteaded and 2722 non-homesteaded residential properties. Based on this information, if the ballot question passes in November, the Town would receive between \$300,000 and \$500,000 less revenue in FY 2025.

For FY 2025 there have been two large transfers, one of \$1.2 million from the General Fund to the CIP and one of \$1.6 million from the Parking Fund to the CIP.

Director of Budget and Finance Lang also addressed the rolled back millage rate for FY 2025, which is 3.6305. This is the rate which would keep the property tax revenue the same amount as in FY 2024. The revenue generated by this rate would be approximately \$1 million less than what would be realized by retaining the 3.9235 rate. If the 3.9235 millage rate is maintained, a home with the taxable value of roughly \$650,000 would see an increase of approximately \$75.

At this time Staff recommends keeping the millage rate at 3.9235 for FY 2025.

Commissioner Graziano requested clarification of the relationship between what the Town budgets and what it expends in relation to the millage rate. Director of Budget and Finance Lang replied that the budget proposed for FY 2025 is based on retaining the Town's current millage rate of 3.9235. The Town would collect \$13,548,619 under that millage rate. The budget is based on this revenue as well as additional revenues from franchise taxes, utility taxes, and other sources. These revenues are combined. Staff then reviews every Department and budgets accordingly.

Director of Budget and Finance Lang advised that for FY 2025, most Departments have remained within their budgets and some have decreased. The Departments which saw increases typically did so because line items were moved from one Department to another.

The General Fund is projected to increase by 4.04% from FY 2024 to FY 2025. Other funds, including the Building, Sewer, and Fire Funds, are not affected by the millage rate. The Capital Fund is affected by this rate, as a \$1.2 million transfer is being made from the General Fund to fund capital projects.

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Town Manager Linda Connors further explained that the millage rate provides the Town's taxable income to fund the workings of the government. The budget is conservatively prepared at a rate of 95%, as the municipality cannot run at a deficit.

Commissioner Graziano observed that if the Town keeps its current millage rate, it will receive approximately \$1 million more than the previous year. Director of Budget and Finance Lang confirmed that the increase would be \$998,000. Similarly, the rolled back rate would bring in roughly \$1 million less than the previous year.

Commissioner Graziano also requested clarification that the millage rate adopted at tonight's meeting cannot be raised. Director of Budget and Finance Lang confirmed this, reiterating that the millage rate can be lowered but not raised at a future meeting.

Commissioner Graziano asked if the Commission could lower the millage rate in the future based on its evaluation of items that have been budgeted. This was confirmed as well.

Commissioner Graziano commented that while he was not inclined to lower the millage rate recommended by Staff, he would be in favor of lowering the amount that the Town will spend in its budget. Director of Budget and Finance Lang confirmed that changes to the budget may be made through September 2024.

Commissioner DeNapoli asked if funds itemized in the budget but not spent would go into a particular fund. Director of Budget and Finance Lang replied that Staff must present a balanced budget, which means any monies not spent will go into the Town's unencumbered funds. These funds can be used at a later date for projects or may be invested according to the Commission's wishes.

Commissioner DeNapoli also asked if September budget discussions will allow the Commission the opportunity to vote on line items individually through a single motion. He offered the example of lowering the amount allocated to charitable donations, requesting clarification that this or other line item changes could be made through one motion.

Town Attorney Susan Trevarthen advised that in practice, changes to the budget typically arise from dialogue as the Commissioners meet with Staff and work through the public budget hearings. If several changes are requested at the final budget hearing, these may be proposed either by individual motions or by proposing multiple motions in a group.

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Commissioner DeNapoli also observed that while property tax revenue is expected to increase by nearly 8%, and the Town budgets for the use of 95% of those funds, the proposed budget would expend an additional \$1.1 million over last year, or roughly 13% more than the previous year. He asked if the budget should be cut to maintain consistency with property tax revenues. Director of Budget and Finance Lang explained that the actual difference between the FY 2024 and FY 2025 budgets is \$61,000 less in FY 2025. This includes a transfer of \$1.2 million from the General Fund to the CIP, which is not the same as an expenditure.

The expenditures in the general budget in FY 2024 are \$15,422,144, while the proposed FY 2025 budget is \$16,351,512. This represents an increase of 6.03% in proposed expenditures.

Commissioner DeNapoli concluded that if the proposed homestead ballot question passes, and with consideration of inflation, the Town should be cognizant that it may have less revenue coming in. He was in favor of spending slightly less for this reason. He concluded that he was in favor of keeping the Town's millage rate the same as the current year.

Commissioner Graziano stated that the increased homestead exemption is likely to pass on the November ballot, and recommended that the Town plan for this loss of revenue.

Commissioner Pouloupoulos also believed property values would continue to rise as rates decrease. Because tonight's meeting is the initial budget hearing, he was in favor of establishing the highest possible millage rate, which can be lowered during later discussions. He concluded that the millage rate proposed for FY 2025 should remain the same as the previous year, with opportunities to lower it later on.

Vice Mayor Strauss advised that planning is part of the Town's fiscal responsibility with regard to the budget. There have already been significant discussions and review of the budget, including the costs associated with "wish list" items. This process provides the Commission with many opportunities to review the budget before a decision must be made in September.

Vice Mayor Strauss continued that the Commission is aware of the increase in property values, which can provide a buffer that would allow the Town to proceed with the budget as it has already been reviewed and discussed. Retaining the current millage rate, with

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the increase in taxable values, would allow the Commission to make the budget changes they have already discussed.

Vice Mayor Strauss concluded that the proposed millage rate is right for the Town's current circumstances, and rolling back the rate would remove money from the budget that the Commission has agreed on during previous discussions. He was in favor of keeping the 3.9235 rate with the possibility of lowering it in September.

Commissioner DeNapoli stated that he did not believe property values will increase at the same rate in the future and recommended reconsidering some expenditures during a September meeting. He agreed that 3.9235 should be established at the maximum rate.

Commissioner Graziano made a motion, seconded by Commissioner Pouloupoulos, to accept the recommendation of Staff at 3.9235. Motion carried 5-0.

It was noted that the Town's next budget meeting will be held on September 12, 2024.

4. ADJOURNMENT

With no other business to come before the Commission at this time, the meeting was adjourned at 6:01 p.m.



Mayor Edmund Malkoon

ATTEST:



Katrina Adler, Town Clerk

9/20/2024 | 4:13 PM EDT

Date