



**TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
SECOND BUDGET HEARING
MEETING MINUTES
Jarvis Hall
4505 Ocean Drive
Wednesday, September 18, 2024
5:01 PM**

1. CALL TO ORDER, MAYOR EDMUND MALKOON

Mayor Edmund Malkoon called the meeting to order at 5:01 p.m. Also present were Vice Mayor Randy Strauss, Commissioner Richard DeNapoli, Commissioner John A. Graziano, Commissioner Theo Pouloupoulos, 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. DISCUSSION ITEM

- a. Resolution 2024-36-A – A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ESTABLISHING AND ADOPTING THE FINAL TOWN AD VALOREM TAX MILLAGE RATE AT 3.9235 MILLS PER THOUSAND DOLLARS OF TAXABLE ASSESSED VALUE, WHICH IS 8.07% ABOVE THE ROLLED BACK MILLAGE RATE OF 3.6304 MILLS COMPUTED PURSUANT TO STATE LAW, FOR THE 2024 TAX YEAR; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.**

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

Commissioner DeNapoli commented that he was in favor of keeping the millage rate the same as in the current year; however, he felt the Town must prepare for the potential passage of a statewide ballot initiative which will result in reduced revenue for the Town in fiscal year (FY) 2025-2026. He recalled that at the September 12, 2024 budget hearing,

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the Commission had moved \$50,000 into a Contingency Fund. Another \$100,000 that was unused in FY 2023-2024 will be carried over into the FY 2024-2025 budget.

Commissioner DeNapoli also noted that some Commissioners had questions regarding charitable donations, which totaled \$68,500. He distributed a comparison summary between the FY 2024 and proposed FY 2025 budgets, recalling that some nonprofit entities apply a formula to determine the amount of their request. He concluded that he felt Mayor Malkoon's earlier suggestion of providing donations on a reimbursement basis had been well-stated.

Commissioner DeNapoli made a motion, seconded by Vice Mayor Strauss, to adopt the millage rate of 3.9235. Motion carried 5-0.

b. Resolution 2024-41-A – A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ADOPTING THE ATTACHED FINAL TOWN BUDGET FOR THE 2024/2025 FISCAL YEAR; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR 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 stated that the proposed FY 2025 budget was updated to reflect the changes made by the Commissioners at the September 12, 2024 budget hearing. These included moving \$50,000 from the litigation contingency fund to the general Contingency Fund, as well as the \$100,000 Capital Improvement Program (CIP) carry-over from FY 2024 to FY 2025 to fund a legacy garden.

Mayor Malkoon reiterated that some nonprofit entities calculate their donation requests based on a formula which reflects the number of local residents assisted by their services; however, he suggested greater oversight of the nonprofits which make more general requests by providing them with donations based on a reimbursement model, through which the Town would reimburse the nonprofit for eligible expenses up to the approved total of the donation. Director of Budget and Finance Lang confirmed that this could be done.

Commissioner Graziano recalled that he had proposed the nonprofit entities tell the Commission exactly what they would do with the donated funds, as well as how donations have been used in the past. He had also suggested an across-the-board donation of

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\$2500 to each nonprofit, although there had been no Commission consensus on that suggestion.

Commissioner Graziano asserted that in the future, there would be greater evaluation of the nonprofits' documentation, as most of their requests had seemed to be based on the previous year's received amount. He wished to see the value provided to the community by the nonprofits and concluded that the Commission has an obligation to ensure that the money they expend is used toward Town activities.

Mayor Malkoon observed that local nonprofits, such as the Woman's Club or the Merchants' Association, indicated that they would use donated funds to improve their facility and promote or advertise businesses respectively. He felt a reimbursement model was appropriate for these entities to ensure that funds are used as requested.

Commissioner Poulopoulos noted that the issue of charitable donations was addressed earlier in the year when the Commissioners saw and voted upon the nonprofits' presentations. It was his position that the Commission should make good on the commitment made when they voted to fund the nonprofits based on their presentations.

Commissioner Poulopoulos continued that he did not take issue with making a change to the Town's donation policy in FY 2026. He cautioned that a reimbursement program could create more work for Town Staff, and felt the Commission could identify other solutions, such as ending the Town's donation program, placing a cap on donations, or donating only to entities which have a direct impact on the Town or are located within the Town. He concluded that he did not want to counteract the Commission's previous funding decisions for nonprofits, and the Commission should make good on their word.

Vice Mayor Strauss agreed with Commissioner Poulopoulos's comments.

Commissioner DeNapoli recalled that when the nonprofits had presented their donation requests in July 2024, the Commission had made it clear that changes could be made to the budget process. He felt the Commission should ensure that donated funds will be used as described by the nonprofits.

Commissioner DeNapoli asked if other Broward municipalities have similar donation request policies, pointing out that Fort Lauderdale's program includes a participation agreement that allows them some oversight into how funds are used. Director of Budget and Finance Lang recalled that two years ago, Town Staff looked at other municipalities' policies or programs. Some municipalities provide donations in a similar manner to the

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Town, while others donate a specific amount and others retain outside organizations to evaluate the requests and make a proposal to the governing body.

Mayor Malkoon advised that his intent was to ensure funds are being spent in the proper way, as he had reason to believe this has not always been the case in the past.

Linda Collins, representing the Woman's Club of Lauderdale-By-The-Sea, briefly reviewed the Club's history, recalling that their organization began in 1948, and their building was constructed in 1956. Over the years the Club has provided a food bank, participated in the Town's 4th of July parade, collected toys for children in need, and provided funds to Women in Distress and other entities. They would like to have an even greater footprint in the Town. She concluded that windows in the Club's building need to be replaced.

Commissioner Graziano stated that he was willing to accommodate the nonprofit donation requests as previously decided by the Commission, but pointed out that in the next fiscal year, the nonprofits' applications will determine the kind of support provided to them by the Town.

Commissioner DeNapoli also spoke in favor of a more detailed description of nonprofit activity. He concluded that he was also willing to support the Commission's previous decision on nonprofit donations in FY 2025, but suggested that in the future, the Commission change the nonprofit application process or create a reimbursement program before next year's budget discussions.

Commissioner Graziano made a motion, seconded by Vice Mayor Strauss, to proceed with the nonprofit donations.

Mayor Malkoon observed that Commissioner Graziano's **motion** would mean that in FY 2025, Town organizations requesting funds would be provided with donations on a reimbursement basis.

Town Attorney Susan Trevarthen recommended clarification of the term "Town organizations." It was clarified that this would include the Lauderdale-By-The-Sea Woman's Club, the Lauderdale-By-The-Sea Merchants' Association, and the Lauderdale-By-The-Sea Garden Club.

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Mayor Malkoon further clarified that these organizations could be asked to provide invoices showing how funds would be used, which was not the case for other nonprofit entities that have requested donations.

Vice Mayor Strauss recommended that the Commission approve this year's donations as previously agreed, and that the Commissioners further discuss developing a system for future donations which would clarify what the organization does and how the Town's donation would be used. He felt this could be part of the nonprofit application in the future.

Director of Budget and Finance Lang explained that in the current process, a nonprofit organization sends an email or letter requesting a donation for an amount they have determined based on their budget. She suggested that Staff can further develop the application to include a description of how the previous year's donation was spent.

Commissioner Graziano advised that he would recommend the method described above for the next year. He felt all nonprofits should be asked to provide a detailed description of how the previous year's donation was spent. Mayor Malkoon pointed out that many nonprofits already provide this information to the Town, recalling that some entities had cited specific services to Lauderdale-By-The-Sea residents.

Mayor Malkoon continued that there are three Town-based organizations requesting donations in the amounts of \$3000, \$7000, and \$5000, which would not require a great deal of documentation of transactions. He also cautioned that in the past, donated funds may have been used to benefit certain entities in a way that did not meet the organization's stated purpose. This was why he recommended greater transparency for the use of taxpayer dollars.

Commissioner Graziano **restated** his earlier **motion** as follows: **motion to approve the nonprofit items listed in the Resolution, and to ask the three Town-based organizations to supply the Commission with confirmation of how expenditures would be made.**

Vice Mayor Strauss recommended the following **amendment** to the **restated motion**: **that the three local entities must provide evidence of how the donated funds were spent.**

Vice Mayor Strauss seconded the motion.

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Town Attorney Trevarthen clarified that while this **motion** specifically addressed the issue of donations, the Commission would also have to approve the entire budget.

Motion carried 5-0.

Commissioner DeNapoli also noted that a budget line item for roadway paving is nearly \$500,000 and recalled that there had been previous discussion of postponing the paving of some streets to FY 2026 in recognition of possible shortfalls going forward.

Deputy Town Manager/Public Works Director Ken Rubach advised that a portion of this line item is carried over from the current fiscal year to finish work in the Downtown area, including bollards and paving. \$300,000 would be used to pave roadways, while the amount carried over would be used to complete the Downtown work.

Director of Budget and Finance Lang reminded the Commission that the amounts reflected in the budget will come back to them for approval once the projects begin and/or for contract approval as required. Budget amendments can also be made as needed throughout the year. Funds not spent in FY 2025 will either be carried over into FY 2026 or go into the Fund Balance at the end of the fiscal year.

Deputy Town Manager/Public Works Director Rubach advised that the only exception to the process described above would be the bollard project for which funds were being carried over, as that project was previously approved by the Commission. He confirmed that roadway projects in FY 2025 will come back to the Commission, as they exceed the limit of the Town Manager's purchasing authority.

Commissioner Pouloupoulos requested additional information on a Public Works line item of \$153,000 for building maintenance. Director of Budget and Finance Lang replied that part of this line item addresses building maintenance, while another part would go toward the tennis court access system and fencing.

Deputy Town Manager/Public Works Director Rubach further clarified that the tennis court access system is being changed to a fob system, which will cost \$12,000. Another \$16,000 will go toward fencing. He noted that the building maintenance portion of these funds will go toward general maintenance of Town buildings. Additional funds are typically included in this line item for contingencies.

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Commissioner Poulopoulos asked what would happen to funds left over in this line item. Director of Budget and Finance Lang advised that these dollars go into the Fund Balance for the next fiscal year, as the line item is part of the General Fund.

Commissioner Poulopoulos noted that there are several large line items within Public Works and asked if these might be “over-estimates.” Deputy Town Manager/Public Works Director Rubach explained that these line items are inclusive of additional costs, citing storm drain maintenance as an example. This line item includes a contract cleaning of storm drains, which can be expensive.

Deputy Town Manager/Public Works Director Rubach added that the Contractual Services line item includes maintenance of tennis and bocce courts, the Town’s camera system, beach raking, pressure washing, tree trimming, landscaping, and maintenance of tree health, among others.

Commissioner Poulopoulos asked how much of the FY 2024 budget was a remainder carried over from FY 2023. Director of Budget and Finance Lang referred to the July 2024 Finance Report, noting that Municipal Services currently has a surplus of roughly 28%. The FY 2024 budgeted \$3.8 million for FY 2024 and has spent \$2.7 million of that budget to date, with two months remaining in that fiscal year. She cautioned that billing for some larger expenses may not have been received yet.

Commissioner Poulopoulos requested clarification later on of the percentage of this line item that will remain to be carried over into FY 2025 at the end of FY 2024. He pointed out that this may result in significant savings in the future.

Deputy Town Manager/Public Works Director Rubach added that there will be a surplus in Contractual Services, recalling that he had included a high number for the pressure washing contract.

Commissioner DeNapoli requested clarification of a \$45,000 line item for tennis court lighting. Deputy Town Manager/Public Works Director Rubach stated that the Town currently has a very old lighting system that often experiences failures and requires electrical maintenance. The Commission may determine whether they would like to move forward with this project in FY 2025 or postpone it to a later year.

Commissioner Graziano asked if the updated budget includes the Friday Night Music line item discussed at the September 12, 2024 meeting. Director of Budget and Finance Lang

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replied that the line item has not been removed. It reflects the budget for six Friday Night Music events.

Commissioner Graziano asked if the Downtown restaurants that benefit from the Friday Night Music events have made any payment toward that line item. It was clarified that they have not. Commissioner Graziano asserted that these businesses have not acted as reliable partners with the Town, and did not feel the Town should pay for the Friday Night Music events to benefit them.

Mayor Malkoon recalled that the previous Town Commission had considered leaving Friday Night Music out of the budget, which resulted in some businesses approaching the Town to propose a partnership toward which they would provide some funding. The businesses have provided no funding thus far.

Commissioner Graziano recalled that there had been previous discussion of the breakdown of costs associated with Friday Night Music. He reiterated that this event does not show a good partnership between the Town and the Downtown businesses, and he did not want to support it in the FY 2025 budget.

Commissioner Graziano made a motion, seconded by Commissioner Poulopoulos, to leave the Friday Night Music line item out of the budget.

Vice Mayor Strauss stated that he agreed with Commissioner Graziano regarding the contributions discussed but not provided by Downtown businesses. He recalled that when previous Mayor Chris Vincent had suggested not moving forward with Friday Night Music, the businesses had agreed to provide some funding. He had been surprised to learn the businesses have not participated in that partnership.

Vice Mayor Strauss continued that he did not want to remove the line item from the budget, as he felt this could unnecessarily punish the Town and its residents and visitors who enjoy the Friday Night Music events. He pointed out, however, that keeping this line item in the budget means the Town can revisit that item on a monthly basis, taking the businesses' partnerships into account when making a decision on whether or not to hold the monthly event.

Vice Mayor Strauss proposed that the Town add a caveat to the Friday Night Music line item to indicate that the event would not be held without the financial participation of Downtown businesses.

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Commissioner DeNapoli recalled an earlier discussion of adding more family-friendly events to the Town's budget, and noted line items referring to these events. He requested clarification of how these events relate to Friday Night Music, recalling that the previous discussion had included a reference to extra Friday Night Music events.

Director of Budget and Finance Lang recalled that in FY 2024, the Town budgeted \$240,800 toward these events, which included an Easter Egg Hunt, Movies at the Park, and Taste of the Beach as well as one additional Friday Night Music event to be added to the five music events already scheduled.

Mayor Malkoon asked if Commissioner Graziano wished to amend his motion to remove the Friday Night Music line item in light of the Vice Mayor's proposal to review these events on a monthly basis. Commissioner Graziano explained that he did not wish to continue to work with entities that do not honor their commitments, and asked if there has been any recent outreach from the businesses in question.

Events and Marketing Manager Katie Anderson advised that during the FY 2024 discussion of Friday Night Music, the Commission's directive had been for the businesses to contribute a token amount toward the overall event costs. One restaurant had offered to leverage a vendor partnership as part of the token contribution. Several follow-up discussions have ensued, but no contribution or in-kind donation has been received.

Events and Marketing Manager Anderson noted that if the events are approached on a month-to-month basis, the Town will have to secure contracts for appearances. She asked if the Commission's expectation is for the individual businesses to come to the Town and offer to contribute, or if there may be a meeting the businesses are invited to attend to discuss their commitment.

Commissioner DeNapoli asked how the Town would invoice and/or collect from the businesses. Events and Marketing Manager Anderson replied that if the Town proceeds in this direction in the future, she would need more clarity of this process and the Commission's expectations for it. Commissioner DeNapoli agreed that there is a need for a procedure, as well as identification of the businesses that would contribute.

Vice Mayor Strauss requested clarification of the contract deadline for the Town. Events and Marketing Manager Anderson replied that while there is not a strict deadline after which it would be too late to proceed, she has received requests over several months by bands that would like to be placed on the schedule. Because bands also book their seasons in advance, it may affect the quality of performers if contracts are not secured in

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the near term. She added that the Town's contracts include clauses that allow them to cancel arbitrarily, although this would not be ideal. The first Friday Night Music event would be held in January 2025.

Vice Mayor Strauss asked if delaying the discussion for another month to allow the Town's partners to make their contribution would affect the Town's ability to contract with bands. Events and Marketing Manager Anderson replied that another month would not be too great a delay.

Vice Mayor Strauss concluded that the Commission could decide tonight to keep the line item in the budget and then decide later to call off the event if necessary.

Commissioner Graziano asked if the Commission could agree to keep the line item in the budget and review it in a month; however, the businesses must pay the past due amount. He also asked if the businesses must be asked to contribute in the future, and recommended that if this is done, the payments must be made in advance of the events.

Mayor Malkoon requested clarification of the Downtown business partners for Friday Night Music. Events and Marketing Manager Anderson replied that Aruba Beach Café had offered to leverage a relationship with a vendor, which would contribute the \$15,000. The Town has been in contact with this entity, which has indicated that the funds are forthcoming.

Peggy Mohler, resident, stated that a check is forthcoming from the vendor. She added that other restaurants were also intended to participate in the agreement. She could not provide a date on which the funds could be expected.

Commissioner Graziano asserted that he would like the Town to at least stipulate that the businesses have to pay the past due amount before the Town approves any more funds for Friday Night Music, and that payment must be made in advance in the future.

Mayor Malkoon pointed out that this would mean the line item does not have to be removed from the budget at this time, and no motion would be necessary.

Events and Marketing Manager Anderson confirmed that she understood the stipulations.

Commissioner Pouloupoulos commented that the proposed agreement is not with specific businesses but with a third-party distributor that has indicated interest in providing \$15,000 toward the event. He continued that this was not the partnership he had felt was

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proposed, and there is no written contract between the Town and the Downtown businesses. He felt there should be a more formal commitment than an understanding and wished to see a written contract going forward.

Commissioner Pouloupoulos concluded that he felt the Town should approve the Friday Night Music line item as part of the FY 2025, but he would like to see this issue brought back at a subsequent Town meeting well before the events are scheduled to begin in January 2025 for further discussion of how to proceed.

Commissioner DeNapoli made a motion, seconded by Vice Mayor Strauss, to discuss this topic further as an Agenda Item at the October 8, 2024 meeting. Motion carried 5-0.

Commissioner DeNapoli reiterated that there had been discussion at earlier meetings of additional Town events, such as the Easter Egg Hunt, an additional Friday Night Music event, Taste of the Beach, and others. He cautioned that the Town is spending a significant amount to refurbish El Prado Park, and that future events will result in more wear and tear on that facility. He asked if the Commission preferred to annualize funding for these proposed events, or if they would rather revisit each individual event in advance.

Vice Mayor Strauss noted that Taste of the Beach had been a great success, and felt prices could be raised for this event in the future in order to break even. He was not in favor of limiting events in El Prado Park, but felt the park should be used for events that benefit the community. He recommended keeping the proposed events in the budget.

Events and Marketing Manager Anderson recalled that in FY 2024, Taste of the Beach had been intended as a one-time event which was part of the Town's 75th anniversary celebration. Town Staff will take post-event notes into account as they plan for the 2025 event, including reevaluation of ticket prices and the number of vendors to be included. The ticket price would go back into the General Fund.

Commissioner Graziano praised the FY 2024 Taste of the Beach, but requested clarification of whether or not the Chamber of Commerce had been intended to partner with the Town on that event. Events and Marketing Manager Anderson replied that this had not been the case, reiterating that the event had been scheduled as part of the anniversary celebration.

Town Attorney Trevarthen reviewed actions taken earlier on the FY 2025 budget, which included:

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- Funding nonprofit entities as agreed to earlier, but requesting that the three Town organizations supply confirmation of how their funds are expended
- Adding an Agenda Item for the October 8, 2024 meeting to further discuss the Friday Night Music line item

She concluded that no changes have been made to the budget itself.

Commissioner DeNapoli made a motion, seconded by Commissioner Pouloupoulos, to approve the budget, incorporating those two intermediary motions. Motion carried 5-0.

4. ADJOURNMENT

With no other business to come before the Commission at this time, the meeting was adjourned at 6:20 p.m.



Mayor Edmund Malkoon

ATTEST:



Katrina Adler, Town Clerk

10/11/2024 | 11:10 AM EDT

Date