



**TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
BUDGET HEARING #1 - MINUTES
Jarvis Hall
4505 N. Ocean Drive
Wednesday, September 10, 2025
5:01 PM**

1. CALL TO ORDER, MAYOR EDMUND MALKOON

Mayor Edmund Malkoon called the meeting to order at 5:10 p.m. Also present were Vice Mayor Randy Strauss, Commissioner Richard DeNapoli, Commissioner John A. Graziano, Commissioner Theo Pouloupoulos, Interim Town Manager Ken Rubach, Town Attorney Susan L. Trevarthen, Director of Budget and Finance Lucila Lang, Assistant Director of Budget and Finance Edner St. Jean, Development Services Director Jhanelle Campbell, Acting Town Clerk/Assistant to the Town Manager Courtney Easley, and Events and Marketing Manager Katie Anderson.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

3. INVOCATION

All present observed a moment of silence.

4. ADDITIONS, DELETIONS, DEFERRALS OF AGENDA ITEMS

None.

5. PRESENTATIONS

None.

6. PUBLIC COMMENTS

At this time Mayor Malkoon opened public comment.

Howard Goldberg, chair of the Chamber of Commerce, recalled that the Chamber has assisted the Town by helping to operate the Visitor Center for over 60 years. They hope to restore efficient operations that save taxpayers' money and improve connections for residents, businesses, and visitors. He concluded that the Chamber's model for managing the Center would save Town taxpayers over \$41,000 annually.

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Karen Sylvester, resident, addressed the proposed fiscal year (FY) 2026 budget and millage rate, noting that Staff recommends retaining the current millage rate. She encouraged the Commission to keep costs under control by removing the El Mar Drive paving project from the Capital Improvement Plan, but recommended proceeding with the West Plaza refurbishment project.

Ina Marjakangas, representing the Lauderdale-By-The-Sea Merchants' Association and member of the Chamber of Commerce and Beach Council Committee, stated that she recently attended the IPW Partnership Summit in preparation for the IPW Conference, which will be hosted by Fort Lauderdale in May 2026. She requested that the Town Commission set aside funds and resources so the Town can participate in that upcoming event.

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

7. PUBLIC SAFETY DISCUSSION

None.

8. TOWN MANAGER REPORT

None.

9. TOWN ATTORNEY REPORT

None.

10. APPROVAL OF MINUTES

None.

11. CONSENT AGENDA

None.

12. OLD BUSINESS

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None.

13. NEW BUSINESS

a. FY2026-Non-Profit Donation Requests

Director of Budget and Finance Lucila Lang requested Commission direction regarding FY 2026 nonprofit donation requests. A Commission memorandum lists the amounts and percentages set aside for donations in prior years, as well as the amounts provided to organizations the previous year and their requests for the current year. The Commission approved \$68,500 in nonprofit donations in FY 2025.

Director of Budget and Finance Lang advised that in addition to nonprofit organizations funded in FY 2025, there are two new requests: Honor Flight South Florida requests \$40,000, and Chabad Lauderdale-By-The-Sea requests \$7,000. The total requests submitted for FY 2026 come to \$139,269, which would be an increase of \$70,769 over the previous year.

Mayor Malkoon noted that some organizations, such as the Area Council on Aging, request a cost share based on the services they provide the Lauderdale-By-The-Sea community. Director of Budget and Finance Lang confirmed this.

Commissioner Graziano stated that he is supportive of providing limited funds to nonprofit entities based in Lauderdale-By-The-Sea. He felt the Commission should offer nonprofits a token of appreciation, but should not support them financially.

Commissioner Graziano recalled that his recommendation in FY 2025 was to provide all nonprofits based in the Town and serving Town residents with \$2,500. Director of Budget and Finance Lang clarified that there are four Town-based entities which have applied for donations: the Lauderdale-By-The-Sea Garden Club, Merchants' Association, Woman's Club, and Chabad.

Mayor Malkoon advised that the Town is facing a challenging economic period, and felt it would be prudent, in light of existing and potential changes at the state level, to take a fiscally conservative approach. He recommended a donation of \$1,000 to each of the nonprofits, with the exception of cost-sharing organizations such as the Area Council on Aging. He recommended funding the Garden Club at the full amount, as it is celebrating its 75th anniversary and proposes projects that would benefit the entire Town.

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Commissioner DeNapoli also agreed with limiting donations to an equal amount for most organizations, with the possibility of a slightly higher donation for entities based in Lauderdale-By-The-Sea. Commissioner Pouloupoulos agreed as well, recognizing the Town's budget constraints as well as its operating needs.

Vice Mayor Strauss observed that while some of the nonprofits funded in the past are not based in the Town, they serve Lauderdale-By-The-Sea residents. He recalled that in previous years, nonprofit organizations made presentations to the Commission which provided information on the number of residents served, and recommended that this be kept in mind when finalizing donations.

Vice Mayor Strauss requested clarification of the Mayor's recommendation for funding the Garden Club. Mayor Malkoon explained that the Garden Club is requesting \$2,500, which would be used toward planting and gardening at Town facilities.

Town Attorney Susan Trevarthen suggested that any motion addressing nonprofit donations provide guidance for Staff so they can bring back a proposal for final approval at the September 24, 2025 meeting. Another option would be to make a detailed motion for each individual nonprofit entity.

At this time Mayor Malkoon opened public comment.

Ann Marchetti, resident, representing the Lauderdale-By-The-Sea Garden Club, acknowledged the financial constraints facing the Town in FY 2026, and proposed that the Commission consider funding the four Town-based organizations at a negotiated amount. She reviewed the Garden Club's plans for its funding, which would include an Orchid Walk, contributions to the Visitor Center garden, and plans for a garden at Town Hall.

Linda Collins, resident, representing the Woman's Club of Lauderdale-By-The-Sea, advised that this organization recently installed new impact-resistant windows in its facility which were funded by the Town in FY 2025. She requested that the Commission consider funding for similar improvements in FY 2026. The Woman's Club also donates to local charitable entities.

Annie Berry, owner of the Wild Berry Salon, addressed the proposed revitalization of the Town's western corridor, emphasizing that efforts by businesses and property owners in the west are not sufficient on their own to raise the profile of that area. She recommended

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improved signage, walking maps, landscaping, lighting, and more to create a sense of place and better visual impact.

Ina Marjakangas, representing the Merchants' Association, explained that this organization was formed during the COVID-19 epidemic, when changes related to that event negatively affected the Town's western corridor in particular. The Association produces a shopping map, promotes local businesses, and participates in community events.

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

Mayor Malkoon recalled that in FY 2025, the Commission had discussed a policy of requesting verified receipts for the use of donated funds by Town-based entities. There was unanimous Commission consensus to continue this policy in FY 2026.

Commissioner Poulopoulos made a motion, seconded by Commissioner Graziano, for \$1,000 per recipient for organizations in Lauderdale-By-The-Sea, and for those nonprofits that document the services provided to the Town, which would be compensated for their services, as well as full funding of the donation request by the Garden Club, and for continued documentation with receipts. In a roll call vote, the motion carried 5-0.

14. COMMISSIONER PRESENTATIONS

None.

15. COMMISSIONER COMMENTS

Commissioner Comments were deferred to the Regular Town Commission Meeting.

16. ORDINANCES 1ST READING

None.

17. ORDINANCES 2ND READING

None.

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18.RESOLUTIONS – PUBLIC COMMENTS

- a. RESOLUTION 2025-39 – A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ESTABLISHING THE PROPOSED TOWN AD VALOREM TAX MILLAGE RATE AT 3.9235 MILLS PER THOUSAND DOLLARS OF TAXABLE ASSESSED VALUE, WHICH IS 5.35% ABOVE THE ROLLED BACK MILLAGE RATE OF 3.7241 MILLS COMPUTED PURSUANT TO STATE LAW, FOR THE 2025 TAX YEAR; ANNOUNCING THE SECOND AND FINAL PUBLIC HEARING TO ADOPT THE FINAL MILLAGE RATE; PROVIDING FOR SEVERABILITY, CONFLICTS, AND EFFECTIVE DATE.**

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

Director of Budget and Finance Lang advised that her presentation would cover both Items 18.a and 18.b.

The proposed FY 2026 budget is based on the current millage rate of 3.9235. Today's meeting is the first public budget hearing for review of the proposed budget prepared by Staff. The final budget hearing is scheduled for September 24 and will include adoption of the millage rate and final budget for FY 2026.

The rolled back rate, which is the millage rate the Town would adopt if they wished to maintain roughly the same revenue as FY 2025, is 3.7241. Property values in the Town have increased by approximately 5.35%; retaining the current millage rate of 3.9235 will mean the Town will receive an additional \$742,957 in revenue.

65% of the total General Fund balance comes from ad valorem taxes. In FY 2025, the Town received \$13.5 million; the same millage rate in FY 2026 will bring in roughly \$14.3 million.

The Town includes the following funds:

- General Fund: \$21.7 million, 61% of the total budget
- Parking Fund: \$3.6 million, 10% of the total budget
- Capital Improvement Fund: \$3.9 million, 11% of the total budget
- Fire Fund: \$2.5 million, 7% of the total budget
- Building Fund: \$1.9 million, 5% of the total budget

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- Sewer Fund: \$1.8 million, 5% of the total budget

The Building, Sewer, and Fire Funds are Enterprise Funds, which means the Fire Fund is funded by the Town's fire assessment, the Building Fund from building permit fees, and the Sewer Fund from sewer rates.

Major expenditures anticipated in FY 2026 include:

- Public safety services, including Broward Sheriff's Office (BSO) and Emergency Medical Services (EMS)
- Employee benefits and insurance; health insurance is expected to increase by roughly 17%, along with property and compensation insurance
- Florida Retirement System (FRS) contributions
- Contractual services; these are affected by general inflationary pressures

The Town's public safety budget is comprised of approximately 40% of income from the General Fund. BSO's proposed budget is \$7.27 million, while EMS is proposed at \$1.4 million. These total \$8.7 million. EMS will see a significant increase because the City of Pompano Beach has chosen to terminate its contract with the Town. The BSO increase is approximately 13%, or \$839,000.

Capital improvement projects total roughly 3.8% of the budget and include the following:

- Beach renourishment: one payment of \$116,000 remains
- Beach portal design: \$775,000, carried over from FY 2025
- El Prado Park: \$1.3 million, currently in the planning stage
- West Plaza refurbishments: \$500,000
- Roadway paving: \$400,000
- Stormwater lining: \$500,000
- Florida Department of Transportation (FDOT) manhole covers: \$100,000
- Bougainvilla/Poinciana project: \$100,000, carried over from FY 2025

Total capital improvement expenses are \$3.9 million. The Town will receive a grant for the beach portal project in FY 2026 which will provide \$50,000. Staff proposes a transfer of \$3 million from the General Fund to the Capital Improvement Plan (CIP).

Director of Budget and Finance Lang requested Commission direction on capital improvement projects. She noted that the proposed millage rate of 3.9235 is the third-lowest rate among local municipalities, with only Hillsboro Beach and Southwest Ranches proposing lower rates.

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A homestead exemption increase from \$50,000 to \$75,000 has been proposed for Florida residents. There is also discussion at the state level of a temporary tax rebate program which would return approximately \$1,000 in property taxes per homestead. If these programs are approved, the resulting lost revenue for the Town would be between \$2 million and \$3 million. A Constitutional amendment to eliminate property taxes in Florida has also been proposed which would require 60% supermajority voter approval. This would result in roughly \$14 million in lost revenue.

Director of Budget and Finance Lang continued that following individual discussions with the Commissioners, she had examined legal expenses from recent years, which were as follows:

- FY 2021: \$338,000
- FY 2022: \$360,000
- FY 2023: \$278,000
- FY 2024: \$335,000
- FY 2025: \$242,000 (to date)

Another item raised during individual discussions was the balance maintained in the General Fund. The Town maintains an average balance of \$6 million in this account. Director of Budget and Finance Lang recalled that it was suggested some of this balance be invested in a higher interest-bearing account with sufficient flexibility to remove it if needed. She confirmed that this is a possibility, but pointed out that the proposed transfer of \$3.2 million in FY 2026 means that amount is available in unencumbered funds. This would decrease the General Fund to roughly \$3 million. The Town seeks to maintain approximately \$3 million in the General Fund to operate the daily business of Lauderdale-By-The-Sea. Another fund that includes potential investment dollars is the Parking Fund.

It was clarified that while both Resolutions were presented together, they must be voted upon separately.

Vice Mayor Strauss made a motion, seconded by Commissioner Graziano, to approve the millage rate of 3.9235.

Commissioner Graziano commented that while he had originally considered lowering the millage rate, he felt the current financial atmosphere in the state of Florida warranted reconsideration. He added that it may be possible to realize more savings when reviewing specific budget items.

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Commissioner Poulopoulos stated that while he had felt differently during earlier budget discussions, he was now in favor of the West Plaza refurbishment project. He also agreed with retaining the FY 2025 millage rate rather than adopting the rolled back rate.

In a roll call vote, the motion carried 5-0.

b. RESOLUTION 2025-40 -- A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ADOPTING THE ATTACHED TENTATIVE TOWN BUDGET FOR THE 2025-2026 FISCAL YEAR; ANNOUNCING THE SECOND AND FINAL PUBLIC HEARING TO ADOPT THE FINAL TOWN BUDGET FOR THE 2025-2026 FISCAL YEAR; PROVIDING FOR AN EFFECTIVE DATE.

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

Commissioner Graziano recalled that he had previously raised the issue of legal costs, stating that the budget of \$420,000 for this item was excessive. He recommended budgeting a lesser amount.

Mayor Malkoon also addressed legal expenses, noting that the Town has a letter of retainer which provides for 3% escalation each year. This letter has been in effect since FY 2022, which means each year the increase could be levied with appropriate notice. He continued that the Town can also consider maintaining a reserve amount of \$50,000 in order to prevent budgeting for an extra amount each year.

With respect to Fire and EMS services, Mayor Malkoon advised that this contract has increased substantially. The Town was previously under-billed by Pompano Beach for their contract and is now being billed at actual costs. Many of these costs are union-controlled, which means the Town has little recourse; however, the Town can change service levels and address vacancy credits, overtime controls and reporting, staffing efficiencies, and more.

Mayor Malkoon continued that another major cost driver is BSO, which proposes an increase of 13.2%. This will mean an increase from \$6.32 million to \$7.16 million. He has reached out to BSO with questions, including whether or not the Town's BSO coverage is the right size for the community. No staffing changes are proposed by BSO.

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Mayor Malkoon added that the Town also has an additional agreement with BSO which was \$100,000 in FY 2025 for enhanced Downtown coverage. The cost of this agreement has increased regularly. This agreement was implemented during the height of the COVID-19 pandemic to help Police enforce restrictions and other required actions. Because this was not a crime-related protection, the Town may wish to reconsider its value.

Regarding the Parking Fund and reserves, Mayor Malkoon stated that best practices for this Fund recommend three to six months' reserves for expenses. The Town's reserves are significantly higher than this recommendation, which means the additional funds could be used toward capital improvements. He recalled that businesses have cited parking as a potential deterrent for visitors and customers, as other Broward municipalities offer lower parking fees. He suggested the Commission may wish to consider providing parking relief.

Mayor Malkoon continued that he would like to see the Chamber of Commerce and other business associations step in with respect to any additional need for advertising and marketing. This could include targeted campaigns that are co-funded by the business community. Other possibilities include creation of a single annual permit for recurring events, launching regular business roundtables, and appointing a Town Hall business concierge.

Mayor Malkoon concluded that the Town must observe fiscal responsibility and remain as lean as possible without compromising vital services for residents.

Commissioner DeNapoli stated that he also felt parking fees are too high and should be reviewed for possible decreases. He was also in favor of a Parking Fund analysis to determine whether or not its reserves are realistic and appropriate, and of supporting the Town's western commercial corridor.

Interim Town Manager Ken Rubach advised that while the Parking Fund reserves are currently very high, a \$4.5 million stormwater project is planned for FY 2027. He explained that reserves have been held with larger projects of this nature in mind. Extra reserves have also been held in light of the possibility of changes in property taxes.

Commissioner Poulopoulos made a motion, seconded by Commissioner DeNapoli, to approve. In a roll call vote, the motion carried 5-0.

19. QUASI JUDICIAL PUBLIC HEARINGS

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None.

20. ADJOURNMENT

With no other business to come before the Commission at this time, the meeting was adjourned at 6:27 p.m.

Mayor Edmund Malkoon

Mayor Edmund Malkoon

ATTEST:

Courtney Easley

Courtney Easley, Acting Town Clerk

10/21/2025 | 2:34 PM EDT

Date