TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
Jarvis Hall
BUDGET HEARING # 2 - MINUTES
4505 N. Ocean Drive
Wednesday, September 24, 2025
5:01 PM

1. CALL TO ORDER, MAYOR EDMUND MALKOON

Mayor Edmund Malkoon called the meeting to order at 5:05 p.m. Also present were Vice Mayor Randy Strauss, Commissioner Richard DeNapoli, Commissioner John A. Graziano, Commissioner Theo Poulopoulos, Interim Town Manager Ken Rubach, Town Attorney Susan L. Trevarthen, Finance Director Lucila Lang, Assistant Finance Director 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.

Ina Marjakangas, representing the Lauderdale-By-The-Sea Merchants Association, encouraged the Commission to set aside funds for the Town's participation in the upcoming IPW Conference, noting that other Broward municipalities are participating in this event.

Ms. Marjakangas recalled the inception of the Merchants Association, which was formed during the COVID-19 pandemic to support Town businesses, particularly those on the Town's western corridor. She characterized the charitable donation requested by this Association as an important way to help these businesses.

Interim Town Manager Ken Rubach confirmed that funds in the proposed fiscal year (FY) 2025-2026 budget are allotted for participation in the IPW Conference, which is scheduled for summer 2026.

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

None.

13. NEW BUSINESS

None.

14. COMMISSIONER PRESENTATIONS

None.

15. COMMISSIONER COMMENTS

None.

16. ORDINANCES 1ST READING

None.

17. ORDINANCES 2ND READING

None.

18. RESOLUTIONS – PUBLIC COMMENTS

It was determined that Items 18.a and 18.b would be presented together and voted upon separately.

a. **RESOLUTION 2025-43 – 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 5.35% ABOVE THE ROLLED BACK MILLAGE RATE OF 3.7241 MILLS COMPUTED PURSUANT TO STATE LAW, FOR THE 2025 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.

Finance Director Lucila Lang stated that tonight's meeting is the second and final public hearing for the FY 2025-2026 budget, with Resolutions establishing the millage rate and adopting the budget for that year. The millage rate is proposed at 3.9235, which was approved upon first reading at the September 10, 2025 budget hearing.

When the proposed budget was presented to the Commission on September 10, the Commission directed Staff to revisit nonprofit donation requests with the following guidance:

- $1,000 to all requesting entities with specific exceptions
- $2,500, which is the full requested amount, to the Lauderdale-By-The-Sea Garden Club
- Award full amount to agencies which provide cost-sharing information

Staff reviewed submitted information and found that the Area-wide Council on Aging of Broward County referenced cost-sharing in its application. The following agencies provided some supporting information for their requests:

- Dr. Stanley and Pearl Goodman of Broward County
- First Call for Help (2-1-1 Broward)
- Hillsboro Lighthouse Preservation Society
- South Florida Wildlife Center

If the Commission wishes to approve funding for these agencies in a manner consistent with their previous direction, the FY 2025-2026 allocation for charitable donations would total $51,269. This amount would include the full requests for the four agencies listed above, which would represent a decrease of $17,231, or 25.15%, from FY 2024-2025. If the Commission chooses to provide $1,000 for all requesting agencies with the exceptions of the Garden Club and Council on Aging, the total donation funding would come to $27,269, which is $41,231, or 60%, less than FY 2024-2025. The total requested amount for FY 2025-2026 was $139,269. The total funding of donations in FY 2024-2025 totaled $68,500.

Commissioner DeNapoli requested clarification of how the amounts were calculated. Finance Director Lang reiterated that the total amount, if all but two agencies are funded at $1,000, is $27,269, which includes $2,500 for the Garden Club, $10,769 for the Council on Aging, and $1,000 each for the remaining 14 agencies.

Finance Director Lang explained that the Goodman agency provided information which anticipates serving 15 Lauderdale-By-The-Sea residents, although they did not provide a cost estimate for this service. 2-1-1 Broward included information showing that they responded to approximately 21,000 suicide-related calls, which included two calls from Lauderdale-By-The-Sea in FY 2024-2025. The Hillsboro Lighthouse Preservation Society requested $3,000, which represents the 6% of their membership which comes from the

Town. The South Florida Wildlife Center anticipates treating approximately 500 animals from Lauderdale-By-The-Sea.

Finance Director Lang concluded that if these four agencies were funded at their full requested amounts in addition to the funding for the Council on Aging and Garden Club, the total charitable donations for FY 2025-2026 would come to $51,269. The remaining agencies would receive $1,000 each as previously noted.

Commissioner Graziano advised that he had understood the direction at the September 10 meeting to mean each agency from Lauderdale-By-The-Sea would receive $1,000 rather than each agency which applied for funds, with the two aforementioned exceptions.

Commissioner Poulopoulos commented that while he understood that some of the agencies have made previous donation requests and serve residents of the Town, he agreed with the $1,000 donation across the board with the exceptions of the Garden Club and Council on Aging.

Commissioner Poulopoulos also expressed concern with the $10,769 request from the Council on Aging, as this represents a significant disparity between that agency's funding and the others'. It was clarified that the $10,769 would be a 54% increase from the previous year's funding.

Mayor Malkoon observed that this request is similar to a reimbursement for services provided to Town residents. It was also pointed out that if the Council on Aging cannot show receipt of local funds, they would not be able to receive federal matching funds.

Finance Director Lang advised that donations are one area on which Staff needs direction regarding the final budget. She also recalled that Staff was asked to prepare alternative millage rate scenarios. Those have been provided in the Commissioners' backup materials and include a range of possible rates ranging from 3.9000 to 3.9207. The revenue impacts from these options range from $10,200 to $85,600 and are based on information provided by Broward County.

The average taxable value of homes in Lauderdale-By-The-Sea is $715,530. Based on that information, as well as the different millage rate scenarios, impacts to residents would be between approximately $2 and $16.81.

If a line item is budgeted but the full amount is not spent, the remaining money will be moved into unencumbered funds, and the Commission will be asked to provide direction to Staff regarding how they would like to spend those funds.

Commissioner DeNapoli commented that the donation request by the Council on Aging is $3,769 more than in FY 2024-2025. Mayor Malkoon recalled that the agency's FY 2024-2025 request had been less than their FY 2023-2024 request, as the amount requested varies based on the number of Town residents who need services.

Commissioner Poulopoulos made a motion, seconded by Vice Mayor Strauss, to pay the Council on Aging $10,769, the Garden Club $2,500, and all other agencies $1,000 for a total of $27,269. Motion carried 5-0.

Mayor Malkoon stated that he was considering a slight reduction to the proposed millage rate, pointing out that the Town will save significantly on charitable donations, has earned an additional $500,000 in interest, and saved $200,000 associated with the design of the public safety complex. He recommended reducing the rate to at least 3.9000, which corresponds to a reduction of $85,559, or 3.8900, which would mean a reduction of $122,026.

Mayor Malkoon continued that the Commission should also discuss the enhanced services provided in the Downtown area by the Broward Sheriff's Office (BSO), which costs the Town an additional $100,000 over the base BSO contract. He recalled that this was intended to be a temporary measure during the height of the COVID-19 pandemic, with the goal of helping local businesses enforce regulations related to the pandemic.

Vice Mayor Strauss advised that the additional $100,000 had covered the service of two extra BSO Deputies during the COVID-19 era. Captain Christopher Sutter, representing BSO, confirmed this, adding that the two Deputies had remained on patrol Downtown during peak hours of the tourist season for additional security. There has been no history of incidents Downtown since the additional Deputies have been present. The extra BSO presence has been in place from late November through May. A portion of the $100,000 has also gone toward extra patrols during spring break season.

Commissioner Graziano requested clarification of how much of the additional $100,000 has been used thus far in FY 2024-2025. Captain Sutter replied that $84,000 was used in the current fiscal year.

Commissioner Graziano stated that he was in favor of retaining the additional $100,000 for these enhanced public safety services.

Vice Mayor Strauss observed that the Town can budget for this line item in case they need it, but may choose not to spend it. He recommended budgeting the $100,000 out of an abundance of caution, pointing out that if it is not used, the money can be returned to the General Fund.

Captain Sutter also clarified that the funds spent in FY 2024-2025 were based on salaries at that time. Salaries are set to increase in FY 2025-2026. The current $100,000 in the FY 2024-2025 budget also represented an increase from the previous year, when $80,000 was budgeted. He did not anticipate an increase that would require budgeting more than the proposed $100,000.

Commissioner Poulopoulos concurred with Commissioner Graziano and Vice Mayor Strauss, recommending that the Town budget for enhanced public safety even if they eventually choose not to spend this amount.

Commissioner DeNapoli recommended that all proposed changes to the budget be discussed as a whole rather than on an item-by-item basis. Mayor Malkoon explained that he had raised the issue of enhanced public safety spending because the $100,000 is an extra item; the Town cannot modify BSO's overall $7 million budget, but has the option of removing this item if they wish.

Mayor Malkoon noted that it is difficult to quantify the effect of the enhanced services, as the service was not implemented in response to crime. Regular Police coverage would remain in place. Captain Sutter added that the Deputy who provides this service walks the Downtown area, engaging with the public and business owners, while other Deputies carry out regular duties. He concluded that he felt the service was extremely beneficial to the Town, suggesting that if the Commission wished to reduce enhanced service, they provide it for three instead of four nights per week.

Mayor Malkoon continued that the budget also includes approximately $200,000 for events, and asked how many Friday Night Music events are budgeted in the coming year. It was confirmed that the Town will budget for three of these events.

Mayor Malkoon advised that he had prepared a business plan for the Downtown area which could be discussed in greater depth at a later date, possibly in a roundtable setting. He recommended seeking sponsorships to offset the costs of Friday Night Music events, and suggested that the Commission consider lowering parking fees as a way to support Town businesses in the last quarter of the year. This could be undertaken as a pilot program during the off-season. He was also in favor of reducing the cost of special event parking from $21 to $10.

Mayor Malkoon also addressed the line item for the Town Attorney's budget, stating that in FY 2024-2025, the Town allocated $420,240 for legal services. This amount equals roughly 2.5% of the Town's General Fund, which he felt was high for a municipality with 6,000 residents. Peer municipalities, such as Wilton Manors and Lighthouse Point, typically budget between $150,000 and $350,000 for these services.

Mayor Malkoon observed that one reason for the higher expense for legal services may be the contract's structure, as the Town Attorney agreement is not a standard contract with a renewal date but is instead a retainer without an end date. The agreement bills at $250/hour for all attorneys, plus expenses, with an automatic 3% annual increase each October. When compounded over 10 years, this increase grows at a rate of more than 35%. Other municipalities typically tie increases to the consumer price index (CPI) or require a Commission vote on increases.

While the Town pays for Town Attorney services by the hour, litigation is budgeted separately, with no caps and no requirement for quarterly reporting. Mayor Malkoon pointed out that this means taxpayers fund all the risk. He felt this system could be improved by options such as a blended retainer, a flat fee for routine services, and capped hours for litigation, as well as quarterly reports to reflect what work is being done and how much it costs. He proposed that the automatic 3% increase be replaced by CPI-based adjustments or Commission approval.

Mayor Malkoon continued that before assigning billable work, the Town should make better use of its paid memberships, such as the Broward League of Cities, Florida League of Cities, and risk management providers, all of which offer legal resources, templates, and training. He emphasized that the proposal is based on accountability, fairness, and fiscal responsibility rather than on the quality of representation, and concluded that his intent is to protect taxpayers' dollars by ensuring that legal costs are sustainable for a municipality of the Town's size.

Finance Director Lang clarified that the monthly billing the Town receives from the Town Attorney's Office is fully detailed, and noted that more information can be included in her monthly Finance Report if that is the Commission's wish.

Vice Mayor Strauss pointed out that the Commission had recently approved the 3% contractual increase, and characterized the hourly fee for services as relatively inexpensive in comparison to the fees paid by other Broward municipalities. He added that population is not always relevant to the Town's legal issues, and recommended caution when reconsidering attorneys' fees. He did not take issue with close scrutiny of all expenses and billed hours, and suggested that a blended retainer could be negotiated with the Town Attorney's firm.

Commissioner DeNapoli observed that with changes, attorney-client privilege would need to be taken into consideration when providing the Commissioners with their backup materials in advance of meetings, as the information therein would be available to the public. He added that the rate of $250/hour did not seem excessive, although the $420,240 seemed slightly high in comparison to other municipalities. He concluded that more detailed billing information could be blacked out of backup materials if necessary.

Commissioner Graziano clarified that the hourly rate was $273/hour rather than $250/hour. He recalled that in FY 2024-2025, he had proposed reducing the Town's legal services line item by $50,000, recalling that the Town has spent roughly $300,000 in the current fiscal year. He pointed out, however, that if the Town proceeds with consideration of a proposed public-private partnership (P3), it may incur significant charges as well as issues in which counsel will need to be involved. He suggested reducing the budgeted amount, but was not in favor of drastic cuts or reducing the budgeted amount to equal the current year's expenditures.

Commissioner DeNapoli requested clarification of the difference between the budgeted amount in FY 2024-2025 and the actual amount. Finance Director Lang replied that all billing has not been received for the current fiscal year.

Commissioner DeNapoli continued that with respect to the proposed P3, the Town would receive $25,000 from the proposing entity, which is included with the intent of securing a financial advisor to analyze the plan.

Commissioner Poulopoulos also commented that the rate of $273/hour is very reasonable based on the quality of service provided since his tenure on the Commission began. With respect to billable hours, he was confident that these are accurately recorded. He agreed with previous concerns regarding the review of the proposed P3 as well as other service contracts which will require review and possible negotiation, and concluded that he did not wish to cut corners on this expense.

Mayor Malkoon requested input from Commissioner Poulopoulos regarding the automatic 3% annual increase. Commissioner Poulopoulos replied that this is not a large increase, and pointed out that an increase based on CPI would be similar.

Town Attorney Susan Trevarthen recalled that some years ago, there was discussion of a flat fee arrangement for legal services, but this was ultimately rejected by the Town. She confirmed that this can be revisited if that is the Commission's wish. With regard to hourly billing, she pointed out that this method is fully transparent and based on the Town's needs; should the Town require more active legal services, the number of hours would increase and then decrease accordingly following the period of activity.

Town Attorney Trevarthen continued that the 3% annual increase was agreed upon after roughly five years in which inflation was very low, which left rates significantly below market. The 3% was determined as a long-term method to bring rates closer to market rates. She noted that her office was the only contractor in the current fiscal year who has requested only 3%; others have requested increases of between 5% and 20%.

Town Attorney Trevarthen noted that the Town's agreement for legal services is transparent, which is not always the case for other municipalities. She felt her office's proactive involvement was in the long-term best interests of the Town. In addition, some of the work done by her office is cost-recovered, although this recovery is allocated to other Departments.

With respect to the P3, Town Attorney Trevarthen advised that the Town will collect an out-of-pocket amount; however, there is likely to be more activity, and the Town may need additional services. She concluded that the manner in which the Commission wishes to budget for legal services is left to the Commission's discretion.

Finance Director Lang advised that in FY 2022-2023, the Town spent $280,000 on legal services, followed by $335,144 in FY 2023-2024. To date in FY 2024-2025, absent some remaining billing, the Town has spent $290,000.

Finance Director Lang further clarified that all items billed from the Town Attorney's Office are included under legal expenses; for example, if there is a legal expense related to the Fire Department, the billed amount is not coded from the Fire Fund, but is under legal expenses.

Commissioner Graziano stated that he would like to know the other Commissioners' comfort level regarding the budget for legal expenses. Town Attorney Trevarthen emphasized, however, that the Town has not yet been billed for the month of September in FY 2024-2025, which meant it is premature to draw conclusions based on the bills received thus far.

Finance Director Lang estimated that another $40,000 to $45,000 is anticipated to be billed for August and September 2025, which would bring FY 2024-2025 legal expenses to roughly $335,000, nearly the same as in FY 2023-2024.

Commissioner DeNapoli suggested that if the Commission wished to reduce the budgeted amount for legal expenses, they could lower the budgeted amount from $420,000 to $400,000, which he estimated would provide some cushion for FY 2025-2026.

Interim Town Manager Rubach stated that Staff's goal when budgeting is to take a conservative approach; however, he cautioned against lowering the budget to a level that would eventually require Staff to come back before the Commission and request more money for that account. He reiterated that unspent money at the end of the year will go into unencumbered funds. The Town currently has $3 million in unencumbered funds, some of which will be used toward the Town's Capital Improvement Program (CIP) in FY 2025-2026.

Commissioner DeNapoli suggested that the Commission reconsider its budget for charitable donations as well as legal expenses, pointing out that this would still leave the Town with roughly $3 million in unencumbered funds. He concluded that he was in favor of reducing the millage rate at least by the same amount as the agreed-upon decrease in charitable donations, which reduced the budget by approximately $40,000.

Vice Mayor Strauss recalled that the savings from reducing the millage rate to 3.9000 would be approximately $86,000. He requested clarification of what this would mean in actual savings for the average household. Finance Director Lang replied that this difference would be $16.81. If the millage rate were reduced to 3.9207, this would reduce the budget by $10,199.15, lowering ad valorem taxes for the average household by $2.

Vice Mayor Strauss commented that a reduction to 3.9000 would be primarily symbolic, recalling that in the past, when the Town reduced the millage rate to the rolled back rate, the result was a tax increase after two years. He recalled that at a previous meeting, he had recommended caution due to a forthcoming increase in the homestead exemption. There will also be increases related to public safety expenses.

Vice Mayor Strauss asked if making the proposed adjustment to the millage rate would require significantly more work from Town Staff to modify the budget accordingly. Finance Director Lang confirmed that this would not require significantly more work from Staff, adding that a reduction of $10,000 from the budget would result from reducing the millage rate by 0.0027, establishing a rate of 3.9073.

Vice Mayor Strauss noted that there are additional projects, such as the proposed beach portal project budgeted at $775,000, for which funding could be reduced in order to realize greater savings. He pointed out that some expenses, such as manhole covers, are requirements, while others are discretionary. He requested feedback from the other Commissioners regarding whether or not they felt the Town should move the portal project forward while also investing significantly in the El Prado Park renovation in the same year.

Commissioner Poulopoulos asked if there is any particular reason the beach portal project should be done in FY 2025-2026 rather than FY 2026-2027. Interim Town Manager Rubach confirmed that there is no hard reason for this, but recalled that the Town has significant expense increases pending which are related to public safety. He recommended moving any savings from budget cuts into the Emergency Medical Services (EMS) Fund, as this expense is expected to increase substantially. Another alternative would be investing the saved funds.

Commissioner Poulopoulos observed that if the Florida Legislature enacts major changes to the way in which the Town derives revenue, the budget savings discussed today would not be sufficient to offset that change. He was in favor of the proposal to remove the beach portal project due to the magnitude of the expense, and requested more information on that project.

Interim Town Manager Rubach clarified that the proposed project includes the Hibiscus and Datura portals as well as a portion of the design phase which will be carried forward and will use grant money. He recommended removal of the Hibiscus portal component, which could save $100,000 to $150,000. The majority of the funding would go toward structural work on the Datura portal.

Commissioner Graziano requested that the Commission return to the discussion of the budget for legal services, as he did not recall consensus being reached on this issue.

Commissioner DeNapoli asked if the funds for the Hibiscus portal would remain in the FY 2025-2026 budget or if it would be removed to substantially reduce the millage rate. He recalled that there had seemed to be consensus to reduce the legal services budget to $400,000 as well as for reducing the millage rate by at least the same amount as the decrease in charitable donations. He also noted that in addition to the savings that could be realized through these changes, the Town also has a $4 million equity line, $3 million in unencumbered funds, and the Emergency Fund.

Interim Town Manager Rubach advised that the Town had budgeted $3.6 million toward public safety. He also clarified that with the FY 2025-2026 budget, the $3 million in unencumbered funds will decrease to zero, as this will being used to fund the CIP.

Commissioner Poulopoulos asserted that he was in favor of returning any savings to taxpayers.

Interim Town Manager Rubach estimated that removing the Hibiscus portion of the portal project would save approximately $125,000 to $150,000. He added that another option is to seek bids for the work on both portals and make a decision once they are received. The Town will have the option to proceed with work on one, both, or neither portal.

Vice Mayor Strauss stated that he would be more comfortable budgeting for the portal project and then possibly postponing that project until FY 2026-2027, reiterating his concerns for the public safety budget and possible changes at the state level. He concluded that he would be in favor of a millage rate reduction to 3.9000.

Mayor Malkoon concurred, stating that he would agree with either proceeding with only the Datura portal or delaying the full project for another year. He also agreed with the proposed millage rate reduction to 3.9000 or 3.8900.

Commissioner Graziano made a motion, seconded by Commissioner DeNapoli, to recommend a millage rate of 3.9000. Motion carried 5-0.

b. RESOLUTION 2025-44 – A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ADOPTING THE ATTACHED FINAL TOWN BUDGET FOR THE 2025/2026 FISCAL YEAR; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR AN EFFECTIVE DATE.

Finance Director Lang confirmed that a millage rate of 3.900 would bring in $85,599.99 less than the original proposed budget. The modified budget will include the following changes:

- Removal of $41,231 from charitable donation requests, as discussed earlier in the meeting
- Removal of $20,000 from the Town Attorney's line item for legal expenses
- Removal of $26,000 from the portal project budget
- Adjustment and transfer of appropriated funds

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

Commissioner DeNapoli made a motion, seconded by Commissioner Graziano, to allocate $400,000 to the Town Attorney and counsel litigation fund, to reduce the millage rate equivalent to the reduction in the charitable donations of approximately $41,000, and then to allocate $20,000 out of the portal fund immediately, delaying one of the portal projects to a future year. Motion carried 5-0.

19. QUASI JUDICIAL PUBLIC HEARINGS

None.

20. ADJOURNMENT

With no other business to come before the Commission at this time, the meeting was adjourned at 6:40 p.m.

Mayor Edmund Malkoon

Mayor Edmund Malkoon

ATTEST:

Courtney Easley

10/21/2025 | 2:34 PM EDT

Courtney Easley, Acting Town Clerk

Date