

**TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION SPECIAL MEETING**

**Jarvis Hall
4505 Ocean Drive
Monday, September 15, 2014
6:00 P.M.**

1. CALL TO ORDER, MAYOR SCOT SASSER

Mayor Scot Sasser called the meeting to order at 6:04 p.m. Also present were Vice Mayor Chris Vincent, Commissioner Stuart Dodd, Commissioner Mark Brown, Commissioner Elliot Sokolow, Town Manager Connie Hoffmann, Assistant Town Manager Bud Bentley, Town Attorney Susan L. Trevarthen, Finance Director Tony Bryan, and Town Clerk Tedra Smith.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

3. RESOLUTIONS

Finance Director Tony Bryan provided a brief presentation on the capital projects in the Town's fiscal year (FY) 2014-15 budget. He noted that despite an increase in property values, 71% of Broward County municipalities decided to keep or increase the proposed millage rate. Lauderdale-By-The-Sea has elected to reduce its millage, which will be tied for the third-lowest rate in the County at 3.8%. Because the proposed rate is higher than the roll back rate, the Town's budgeted ad valorem tax revenues will increase by \$206,841. Some of the items covered by this additional revenue will include:

- Increase in the Broward Sheriff's Office (BSO) contract, which is approximately \$300,000;
- Pressure cleaning for Downtown sidewalks;
- Addition of one municipal services worker to clean and to assist people in the Downtown area, as approved by the Commission during the fiscal year;
- Increase in benefit costs for Town employees.

Finance Director Bryan noted that less than 20% of ad valorem taxes that our property owners pay will come to the Town. Approximately 70% of the ad valorem tax revenue is divided between Broward County Schools and Broward County government. Because of the Save Our Homes provisions and because the increase in valuation varies from property to property, the amount of increase in taxes paid will vary between taxpayers.

He moved on to fire assessment rates, noting there is no change in the rate and the Town's rates remain the second-lowest in the County for single-family residential households and commercial properties with 7700 sq. ft. or less.

The Capital Improvement Plan (CIP) for FY 2014-15 includes the following items:

- \$755,000 for drainage projects in Bel Air, Pine Avenue, and Basin Drive;

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- \$170,000 for underground utilities;
- \$532,000 for other projects, including beach restrooms, park improvements, and beach re-nourishment;
- \$579,000 for Commercial Boulevard streetscape improvements.

Finance Director Bryan pointed out that while there are no changes in the staffing levels in the budget for the Town administration, the allocation of the Assistant Town Manager's salary and benefits in Development Services and General Government will decrease, while the allocation for the Parking Fund will increase. In the Municipal Services Department, two positions were upgraded to Maintenance Worker II. In comparison with the FY14 All Funds budget, the FY15 budget will decrease \$1.7 million, or 9%.

The Commissioners discussed the presentation, clarifying that while the Town's millage rate will be decreased, it will be higher than the rollback rate. Mayor Sasser expressed concern that such a significant portion of the Asst. Town Manager's time will be spent on the Parking Fund. The Town Manager clarified that is reflective of the amount of time parking matters consume, as well as the health of the Parking Fund. The Commissioners also reviewed the millage rates of other Broward County municipalities, noting that many other cities draw on significant reserve funds in order to preserve their millage rates.

Finance Director Bryan pointed out that the budget figures can be confusing, as some of the decreases in the budget are actually transfers between funds, such as from the General Fund to the Capital Fund. Governmental accounting standards require the transfers be shown as expenditures, so this has the effect of "double-counting" this expense – once as the transfer, and second when the funds are actually spent on capital projects, which is required by. He explained that all but \$500,000 of the money spent in the Capital Fund next year will come from the General Fund balance.

He explained that tax proceeds from the ad valorem tax levy are used to cover ongoing operating expenses in the General Fund such as police services and municipal services. Town Manager Hoffmann noted that the funds being raised by adopting the millage rate rather than the roll back rate is less than the increase in the cost of BSO police services next year.

Commissioner Dodd commented that when the Town's property values are multiplied by a low percentage, the result is significant revenue. He advised that the Commission should remain mindful of this.

- a. Resolution 2014-35 – A Resolution of the Town of Lauderdale-By-The-Sea, Florida, establishing the Final Fire Assessment Rate on property that is specially benefited by Fire Protection Services for the Fiscal Year beginning October 1, 2014 and ending September 30, 2015; confirming the**

Final Assessment Rolls and levying such special assessments (Tony Bryan, Finance Director)

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

Commissioner Brown recognized the Town's Volunteer Fire Department (VFD) for their financial management, stating that it is a key reason the Town can maintain a low fire assessment rate.

Commissioner Dodd made a motion, seconded by Commissioner Sokolow, to approve. Motion carried 5-0.

- b. Resolution 2014-36 – A Resolution of the Town of Commission of the Town of Lauderdale-By-The-Sea, Florida establishing the proposed Town Ad Valorem Tax Millage Rate at 3.8000 Mills per thousand dollars of Taxable Assessed Value, which is 3.05% above the rolled back rated computed pursuant to State Law, for the 2014 Tax Year; announcing the Second and Final Millage Rate; providing for severability, conflicts, and an effective date (Tony Bryan, Finance Director)**

At this time Mayor Sasser opened public comment.

Yann Brandt, resident, asserted that the Town's millage rate is too high, resulting in a tax increase for residents. He did not feel the documentation before the Commission was accurate in its presentation of the millage rate as a reduction, and characterized this presentation as intellectually dishonest. He also noted that the projects listed in the Capital Fund are being paid for by funds raised from previous years, which he stated were the result of over taxation in those years.

As there were no other individuals wishing to speak on this Item, Mayor Sasser closed public comment at this time.

Commissioner Brown pointed out that taxes in the state of Florida are based on property values, as there is no state income tax. He also noted that the Commission does not determine property value, and that an increase in property values should be seen as a positive. He concluded that there are no areas in the budget for which he would advocate cuts, although he invited the earlier speaker to make recommendations for cuts, which would be considered.

Town Attorney Trevarthen explained that the published millage rate is the maximum amount that can be charged. The Town retains the ability to lower the rate, although it would not be possible at this point in the budget cycle to exceed the published amount.

Commissioner Sokolow disagreed with the characterization of the millage rate as "intellectually dishonest," as the budget advertisement clearly states the Town is implementing a tax increase. He added that Staff's original budget proposed a lower millage rate, and noted that one capital project, the undergrounding of utilities, may not be carried out. However, the other capital projects were not considered to be discretionary, and he felt the Town should budget for a surplus due to the possibility of an emergency.

Town Manager Hoffmann advised that the estimated Town portion of the possible undergrounding project in the south alley is \$110,000. The additional cost to the individual property owners is estimated at \$5000-\$10,000 per property affected. The unwillingness of adjacent property owners to absorb these costs is what often derails undergrounding projects so the Town will ultimately need to decide whether or not they wish to absorb these costs in order to proceed with the project. The \$170,000 budget allocation for the project assumes the Town will end up paying the costs to connect to private properties. She noted that the balance of what is needed for this project would come from the General Fund balance, which means it would not affect the millage rate.

Mayor Sasser stated that he would consider lowering the millage rate, and pointed out that even a \$25,000 reduction to the Contingency Fund would have a slight effect on the rate. The Commissioners discussed the potential cost of absorbing the undergrounding expenses for individual properties, which would include the removal of utility poles and providing service from new ground-level transformers to the businesses, and decided to leave those funds in the budget for now.

Commissioner Dodd made a motion, seconded by Commissioner Sokolow, to keep [the millage rate] as it is by Staff recommendation. Motion carried 5-0.

- c. Resolution 2014-37 – A Resolution of the Town Commission of the Town of Lauderdale-By-The-Sea, Florida, adopting the attached Tentative Town Budget for the 2014/2015 Fiscal Year; announcing the Second and Final Public Hearing to adopt the Final Town Budget for the 2014/2015 Fiscal Year; providing for an effective date (Tony Bryan, Finance Director)**

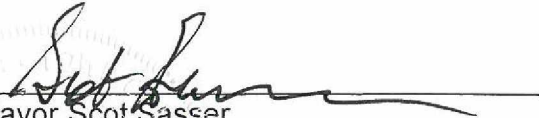
At this time Mayor Sasser opened public comment, which he closed upon receiving no input.

Commissioner Dodd made a motion, seconded by Commissioner Sokolow, to approve. Motion carried 5-0.

4. ADJOURNMENT

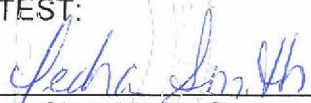
With no further business before the Commission at this time, the Special Meeting was adjourned at 6:52 p.m.

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Mayor Scot Sasser

ATTEST:



Town Clerk Tedra Smith



Date