



**TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
SPECIAL MEETING MINUTES
Jarvis Hall
4505 Ocean Drive
Tuesday, July 26, 2022
5:30 PM**

1. CALL TO ORDER, MAYOR CHRIS VINCENT

Mayor Chris Vincent called the meeting to order at 5:30 p.m. Also present were Vice Mayor Edmund Malkoon, Commissioner Alfred “Buz” Oldaker, Commissioner Theo Pouloupoulos, Commissioner Randy Strauss, Town Manager Linda Connors, Town Attorney Susan Trevarthen, Deputy Town Manager/Public Works Director Ken Rubach, Assistant to the Town Manager Courtney Easley, Director of Budget and Finance Lucila Lang, Development Services Director Jhanelle Campbell, Special Events and Marketing Manager Debbie Hime, and Town Clerk Katrina Adler.

2. PLEDGE OF ALLEGIANCE

3. RESOLUTIONS

- a. **Resolution 2022-29 – A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, RELATING TO THE PROVISION OF FIRE PROTECTION SERVICES, FACILITIES AND PROGRAMS IN THE TOWN; DESCRIBING THE METHOD OF ASSESSING FIRE PROTECTION ASSESSED COSTS AGAINST ASSESSED PROPERTY LOCATED WITHIN THE TOWN’S GEOGRAPHICAL BOUNDARIES, KNOWN AS FIRE PROTECTION ASSESSMENT AREA – TOWNWIDE; ESTABLISHING THE ESTIMATED RATES FOR FIRE PROTECTION SERVICES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022 AND PROVIDING FOR MAXIMUM RATES FOR FUTURE FISCAL YEARS; DIRECTING THE PREPARATION OF AN ASSESSMENT ROLL FOR FIRE PROTECTION ASSESSMENT AREA – TOWNWIDE; AUTHORIZING A PUBLIC HEARING AND DIRECTING THE PROVISION OF NOTICE THEREOF; PROVIDING FOR CONFLICT, SEVERABILITY, AND FOR AN EFFECTIVE DATE.**

At this time Mayor Vincent opened public comment.

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 26, 2022

Barbara Cole, resident, expressed concern with the possibility of funding a new Public Safety building for the Town, as well as with the increased expenses that Town businesses and residents are currently experiencing. She felt this should be a key consideration in the Commission's decisions tonight.

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

Director of Budget and Finance Lucila Lang explained that the Commission will establish a tentative fire assessment rate for fiscal year (FY) 2022-2023, which begins on October 1, 2022. The Town has maintained its current rate for the past six years, which is the lowest such rate in Broward County.

Finance Director Lang recalled that during the past year, the Town retained Matrix Consulting Group to conduct a fire services fee assessment analysis. A presentation on this analysis was made before the Commission at the July 12, 2022 meeting. Matrix provided the Town with two options:

- Increase residential costs by roughly 4% and decrease commercial properties' costs by 5% (per square foot): these rates would continue to cover current services
- Increase residential rates from \$129.85 to \$147.37, a 13% increase, and increase the commercial square footage rate from 21 cents to 23 cents, a 10% increase: this recommendation would provide the Town an additional \$100,000

Finance Director Lang emphasized that the additional revenue generated by the second option could be used either toward building a new Public Safety structure or refurbishing the current building. Staff will conduct additional analysis on either option selected by the Commission. Staff recommends approval of the second option.

Commissioner Strauss advised that he has considered these options since they were presented on July 12. He pointed out that the Town may need a new Public Safety building five to seven years from now; if they opt not to construct a new building, they will need to maintain the existing one. He felt the proposed \$100,000 increase should be used in a fiscally responsible manner toward the time when a new or refurbished building becomes necessary.

Mayor Vincent recalled that approximately 12 years ago, the Town's fire assessment fee was roughly twice its current rate. The Town's millage rate was also significantly higher at that time. These rates have been brought down over the last several years

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 26, 2022

while maintaining the necessary level of services. As some deficiencies have been identified within the Volunteer Fire Department (VFD), particularly with regard to housing, upgrades will be necessary in the future. He concluded that he was in favor of the increased assessment, which he felt would be accepted by the Town's residents.

Mayor Vincent also pointed out that if the Town's fire assessment costs were wrapped into its millage rate, that rate would be significantly higher. He felt the second option is the best way to set aside money for future investment in the VFD.

Commissioner Oldaker thanked Town Staff and the VFD for their proactive stance on preparing for the future by setting aside funds. He was also in favor of the recommended option.

Vice Mayor Malkoon reminded all present that the VFD brought forward a plan to make improvements at the Fire Station. This plan was delayed until after Matrix Consulting had submitted its report. He felt the second option would be an important first step in improving the facility, and concluded that should the Town decide not to proceed with a new Public Safety building, the funds could be used for another purpose.

Commissioner Poulopoulos agreed with many of the previous comments, adding that he was also in favor of the increase, which will be an average of \$17.52 per residential household.

Commissioner Oldaker made a motion, seconded by Commissioner Strauss, to approve Option #2. Motion carried 5-0.

b. Resolution 2022-30 – A RESOLUTION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ESTABLISHING A PROPOSED MILLAGE RATE FOR THE 2022/2023 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 Vincent opened public comment.

Barbara Cole, resident, requested that the Commission not raise the Town's millage rate.

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 26, 2022

Ron Piersante, resident, stated that if the millage rate is increased to approximately 3.5, the cost to homeowners may increase by roughly \$40 per year. He felt the Town is in need of a financial cushion, and asked that the Commission consider increasing the millage rate.

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

Commissioner Oldaker observed that after tonight's meeting, the Commission would be unable to consider raising the millage rate later in the budget process, although they would retain the option of decreasing it later if desired. He thanked Town Staff for their work on the budget, noting that this year included unanticipated pressures such as inflation, rising gas prices, and a regional labor shortage. The proposed millage rate is higher in acknowledgement of these circumstances.

Finance Director Lang stated that the rolled back rate for FY 2022/2023 is 3.1012. Tonight's meeting will set the tentative millage rate, which will be the highest possible rate that can be considered. The rate may be lowered in September, although it may not be raised above the tentative rate established tonight. She referred the Commissioners to the overview provided in tonight's Agenda Memo.

Finance Director Lang continued that the scenarios reflect the proposed ad valorem property taxes using the rolled back rate, current rate, and other possible rates ranging from 3.4 to approximately 3.67. Staff recommends a millage rate of 3.5000, which would produce net ad valorem property taxes of roughly \$10,112,946.

The average homesteaded property owner in Lauderdale-By-The-Sea would see a minimal impact of between \$39.59 and \$133.18. This information is based on homes valued at roughly \$218,000 to \$671,000, which are the average homesteaded property values.

The two September 2022 budget meetings are planned for September 14 and September 28, 2022. Both of these dates fall on Wednesdays in order to prevent conflict with Broward County School Board and Broward County Board of County Commissioners meetings.

Town Manager Linda Connors provided a presentation on the proposed budget, stating that the intent is to deliver services, meet residents' needs, plan for current and future

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 26, 2022

Town initiatives, and provide accountability and transparency. Staff has met with the individual Commissioners to discuss the Town's budget needs. The final millage rate and Capital Improvement Program (CIP) will be adopted at the September 28, 2022 public hearing.

The backup materials include the Town's tentative millage rates from 2017 through 2021. These rates have been reduced or remained consistent every year since that time. Last year's recommendation was for 3.5, and the final rate was set at 3.3923.

At the current millage rate, the Town's budget would increase by approximately \$805,000 due to the increase in assessed value. When the current inflation rate of 9.1% is taken into consideration, along with the \$364,000 increase in contracts, this would leave very little money to address community needs while also saving for future projects.

Town Manager Connors also noted that the backup materials include a property tax history from FY 2007 through FY 2023. In 2007, the Town collected \$9.3 million in property taxes; in 2022, this amount decreased to \$8.96 million. Maintaining the 3.3923 millage rate would result in the collection of \$9.8 million in the coming fiscal year, while increasing the rate to 3.500 would collect just over \$10 million.

The increase would give the Town an additional \$311,000, which would reduce the reliance on reserve funds, address inflation and the labor market, address increases in utilities, supplies, gas, and contracts, and allow the Town to save for future needs. This can be accomplished without debt service. In the past, the Town has avoided debt service by using reserve funds; however, should the millage rate be lowered again, there will be insufficient reserves to realize Town projects.

Town Manager Connors continued that with the exception of the city of Weston, Lauderdale-By-The-Sea currently has the lowest operating millage rate in Broward County at 3.923. Should the Town increase this rate to 3.500, they would maintain a low millage rate in comparison to most other Broward County municipalities.

Vice Mayor Malkoon commended Staff for their work on the proposed budget, which lessens the Town's reliance on its reserves. Town Manager Connors observed that the budget Staff had hoped for would have been \$1.6 million higher than what was being collected, which was unsustainable. \$1.1 million was cut from that budget, leaving \$500,000 to be requested from the Town's reserve account.

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 26, 2022

Vice Mayor Malkoon continued that should the Town retain its current millage rate, this would be a tax increase due to property values, which generate an additional \$100,000 in revenue. He did not believe the proposed 3.5000 rate was needed, as the Town has emergency reserves available; however, he was not opposed to moving forward with that proposed rate and discussing it further at the subsequent budget meetings.

Commissioner Strauss advised that the Town has seen a positive increase in its property values over the last year. He also recalled that the previous year, he had felt it was important to roll back the millage rate and give back to the Town's residents in light of the recent COVID-19 pandemic and its effect on Town businesses. He stated that while he was in favor of maintaining the current millage rate, it would be reasonable to move forward with the proposed rate of 3.5000 at present before making a final decision. He added that he was not in favor of further rolling back the current rate.

Commissioner Pouloupoulos commented that while no one likes to raise taxes, there are external conditions that require the Commission to be cognizant of how they will approach the future. While he was also inclined to keep the millage rate the same, he believed the Town should move forward with a tentative millage rate of 3.5000, which may change between now and the final decision in September. He pointed out that Staff has cut back on several potential programs in the proposed budget in order to keep the Town's taxes low.

Mayor Vincent noted that there were four years of the 3.9 millage rate in which there was also a steady reduction in the property taxes collected. This was followed by another decrease in the millage rate which was accompanied by an increase in taxes collected. He suggested that if the millage rate had instead increased, the Town could have collected a significantly larger amount of ad valorem taxes; however, they had instead elected to decrease this rate.

Mayor Vincent advised that he was not in favor of raising taxes when it is certain that next year, property values will continue to increase. He also noted that earlier in the meeting, the Commission voted to increase the fire assessment. He characterized raising taxes as "a slippery slope" for any municipality.

With respect to level of service, Mayor Vincent continued that there may be times when cutbacks are more important than these services. He felt the Town should continue to stay the course it has maintained over the last 12 years. He was in favor of the current rate or further rolling back the rate, as he was confident property values would continue to increase.

Lauderdale-By-The-Sea
Special Town Commission Meeting
July 26, 2022

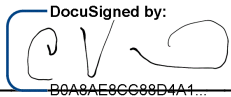
Commissioner Oldaker recalled the financial crisis of 2008, which had lasting effects over the next few years across South Florida and significantly decreased the tax base. He reiterated that the Commission should continue to err on the side of caution in the current economy, as there is the possibility of a similar scenario, including rising interest rates.

Commissioner Pouloupoulos stated that the chart provided to the Commissioners does not show inflation in the late 2000s at a similar rate to the present, which affects all residents. He also felt it was important to proceed cautiously, with the hope that the same millage rate may be maintained; however, the current climate remains uncertain.

Commissioner Oldaker made a motion, seconded by Commissioner Pouloupoulos, to approve the proposed millage rate of 3.5000. Motion carried 3-2.

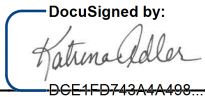
4. ADJOURNMENT

With no other business to come before the Commission at this time, the meeting was adjourned at 6:18 p.m.

DocuSigned by:

B0A8AE8CG88D4A1...

Mayor Chris Vincent

ATTEST:

DocuSigned by:

DGE1FD743A4A498...

Town Clerk

8/30/2022

Date