



**TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
SPECIAL MEETING MINUTES
Jarvis Hall
4505 Ocean Drive
Tuesday, June 27, 2023
5:00 PM**

1. CALL TO ORDER

Mayor Chris Vincent called the meeting to order at 5:00 p.m. Also present were Vice Mayor Edmund Malkoon, Commissioner Alfred “Buz” Oldaker, Commissioner Theo Pouloupoulos (by phone), 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, , and Town Clerk Katrina Adler.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

3. DISCUSSION ITEM

- a. Resolution 2023-40 – A RESOLUTION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ESTABLISHING A PROPOSED MILLAGE RATE FOR THE 2023 / 2024 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.

Ken Brenner, resident, stated that while he credited Town Staff for negotiating lower costs for some services in the short term, none of these decreases are passed on to residents or property owners. The Town’s Fire Assessment has increased, and the proposed millage rate has increased as well, which means every property will see a higher tax bill.

Mr. Brenner continued that the cost of Fire/Emergency Medical Services (EMS) has decreased by \$1 million, although he did not see where these savings have gone. He

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asked if the \$1 million fire truck has been canceled, pointing out that these two items alone would make up for a \$1.5 million budget shortfall. He emphasized that last year's budget shows 80% of revenues come from ad valorem taxes, and noted that some properties in Lauderdale-By-The-Sea have tripled or quadrupled in value in a single year. This means both the Town and Broward County will see triple revenue from these individual properties, which will make a significant difference to the Town.

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

Budget and Finance Director Lucila Lang explained that the purpose of tonight's meeting is for the Commission to establish the tentative millage rate based on the Town's proposed budget for fiscal year (FY) 2023-2024. She recalled that there have been two additional public hearings during the budget process, which focused on the General Fund as well as any enhancements the community may wish to add. These items were presented to the Commission with cost estimates. The Commission eliminated some prospective enhancements and reduced funding for others. Using these figures, Staff arrived at the proposed FY 2023-2024 budget.

After these meetings were held, the Town's proposed expenses for FY 2023-2024 came to approximately \$16.3 million. In order to fund the Town's Capital Improvement Program (CIP), Staff included a \$1 million transfer from the General Fund to the CIP.

To fund these expenditures, the Town relies on ad valorem taxes, as well as other income such as the gas tax and a transfer from the Fire and Building Funds to the General Fund. For FY 2023-2024, Staff estimates that there will be roughly \$3.6 million in total additional revenue. They will transfer approximately \$150,000 from the Fire and Building Funds.

To assist the Commission with tonight's budget decision, Budget and Finance Director Lang provided them with information on the Town's millage rates for the past 10 years. This document shows when the Town decided to adopt the rolled back rate, when the millage rate remained the same, and when the millage rate was lowered. She noted that in 2013, the Town adopted a millage rate of 3.9312, while in 2022, the millage rate was adopted at 3.3923.

Budget and Finance Director Lang continued that she had also provided a number of potential millage rate scenarios, including retaining the current millage rate, adopting the rolled back rate, and additional possible rates ranging from 3.5 to 3.9325. The

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document shows the revenue each rate would produce in ad valorem taxes, the deficit to funding the proposed FY 2023-2024 expenses would be, and the additional funding that would be required for the CIP.

A number of scenarios to various homes in the Town were also provided, which range from (-\$381.32) to an increase of \$638.37. Homes receiving the Save Our Homes exemption would experience an impact of (-\$197.07) to an increase of \$329.92. The negative amounts represent the decrease a homeowner would see in ad valorem taxes under the proposed rates.

Director of Budget and Finance Lang continued that the total Truth in Millage Rate (TRIM) notice the Town would receive in ad valorem tax revenue is 19.26%. She also noted there are comparisons between the millage rates and debt services of Lauderdale-By-The-Sea and neighboring Broward municipalities. These included Lighthouse Point, Fort Lauderdale, Pompano Beach, Wilton Manors, Oakland Park, and Sea Ranch Lakes.

Director of Budget and Finance Lang reminded the Commissioners that the tentative millage rate they adopt tonight would represent the highest possible rate they could select for FY 2023-2024.

In order to cover the proposed expenses for FY 2023-2024, and to avoid continued use of unencumbered funds for the Town's day-to-day operations, Staff recommends a millage rate of 3.923 for the next fiscal year.

Town Manager Linda Connors addressed the concerns raised during Public Comment, stating that the \$1 million fire truck was ordered two years ago, as that is the approximate time frame required for its construction. The Pompano Beach Fire Department, which will be taking over the Town's Fire services, will use this truck when it is received.

Mayor Vincent asked for clarification of the disparity between the existing and new vehicles. Deputy Town Manager/Municipal Services Director Ken Rubach explained that the new truck will replace the existing ladder truck, which was beginning to fail. The new ladder truck will remain on-site in Lauderdale-By-The-Sea for use by the Pompano Beach Fire Department.

Mayor Vincent also requested information regarding the savings in Fire/EMS costs. Deputy Town Manager/Municipal Services Director Rubach replied that these savings

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are calculated on the Fire Department side rather than as General Fund revenue. These dollars cannot be used to balance any deficit. They will be used to build up reserves in order to fund improvements to the Public Safety building.

Commissioner Oldaker observed that the TRIM notice is the tentative full tax bill that residents would pay, and pointed out that the Town's portion of that bill would be approximately 19.26%. Director of Budget and Finance Lang confirmed this, adding that 19.26% was the Town's portion for the last fiscal year.

Commissioner Oldaker further clarified that the tentative millage rate determined at tonight's meeting can be lowered during the September phase of the budget process, but cannot be raised.

Commissioner Pouloupoulos noted that this year's budget process differs from the process in previous years, as the Commission has already provided input on items they want to keep in or remove from the budget. He felt this meant there is less room for change in the FY 2023-2024 budget, and the millage rate can be set to meet the budget's needs. He recommended setting the millage rate at the highest rate proposed by Staff, which can be decreased as the budget process moves forward. He concluded that he would be in favor of the 3.923 rate.

Mayor Vincent stated that he agreed with Commissioner Pouloupoulos regarding how the Commission has approached this year's budget thus far. He also agreed with Staff's recommended rate of 3.923, pointing out that costs are continuing to rise and the supply chain issues experienced during the COVID-19 pandemic seem to be less of a factor. He added that property values seem to be more stagnant than in previous years, as properties are remaining on the market longer than during the pandemic, due in part to increased interest rates.

Mayor Vincent continued that the Town's contracts constitute a large portion of its expenditures, and noted that the costs of labor and goods have increased as well. He concluded that the Town must retain a certain level of service and quality in order to continue to attract and serve both residents and visitors. He recommended that the Town adopt the tentative rate of 3.9235 at tonight's meeting, noting that since his tenure with the Commission began, there have been no tax increases.

Commissioner Strauss agreed, pointing out that the Commission has given a mandate to Staff requiring them to spend money, and that costs have nearly doubled in the past 10 years, including the cost of living. He recommended closely reviewing the budget

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during the month of August to determine if there are any areas where costs can be reduced.

Vice Mayor Malkoon also agreed, noting that he has typically recommended the rolled back or reduced millage rate in order to maintain fiscal responsibility. He confirmed that he was in favor of the recommended rate of 3.9235.

Commissioner Pouloupoulos observed that the Town must spend some money in order to maintain its quality of life, and pointed out that unlike other South Florida municipalities, the Town is not carrying any debt, nor is their proposed millage rate as high as in other places. He concluded that this was the appropriate time for the Town to be fiscally responsible.

Commissioner Strauss made a motion, seconded by Commissioner Pouloupoulos, to adopt the proposed 3.9235 millage. Motion carried 5-0.

4. ADJOURNMENT

With no other business to come before the Commission at this time, the meeting was adjourned at 5:30 p.m.

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Mayor Chris Vincent

ATTEST:

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Town Clerk

8/23/2023 | 5:15 AM PDT

Date