

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

WORKSHOP

MINUTES

Jarvis Hall

4505 Ocean Drive

Wednesday, August 25, 2010

5:00 P.M.

1. CALL TO ORDER, MAYOR ROSEANN MINNET

Mayor Roseann Minnet called the meeting to order at 5:00 p.m. Present were Vice Mayor Stuart Dodd, Commissioner Birute Ann Clotey, Commissioner Scot Sasser, and Commissioner Chris Vincent. Also present were Town Attorney Susan L. Trevarthen, Interim Town Manager Connie Hoffmann, Town Clerk June White, and Deputy Clerk Nekisha Smith.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

3. ITEMS OF DISCUSSION:

a. Town Budget

i. Community Theater (Interim Town Manager Connie Hoffmann)

Interim Town Manager Hoffmann explained that Mr. Ragusa chose to reduce the scheduled number of plays down to three. She said that he had enough money to cover the cost of the three plays, but not the amount needed to purchase the liability insurance required to use Jarvis Hall. Interim Town Manager Hoffmann said that Mr. Ragusa requested \$1,000 from the Town to cover the amount needed for the insurance.

Commissioner Vincent inquired as to whether Mr. Ragusa's corporation was still active. Mr. Ragusa confirmed that it was and explained that he was willing to pay for the insurance up front as long as the Town agreed to reimburse him quarterly.

Commissioner Vincent requested that Mr. Ragusa submit proof of funds when the agreement was finalized. He wanted to ensure there would be no conflicts with any other events in Jarvis Hall. Interim Town Manager Hoffmann said that would be taken care of prior to the execution of the contract.

Commissioner Sasser requested clarification regarding section 6.3 of the agreement. He questioned whether the contract amount of \$1,000 could satisfy the statutory requirement. Attorney Trevarthen explained that most contracts called for the recitation of \$10.00 even though there was a contracted amount.

Commissioner Sasser questioned whether Section 7 of the agreement covered the Town against any liability from profits made by Mr. Ragusa's non-profit organization. Attorney Trevarthen explained that the agreement did include an indemnification section; however she would review the document prior to execution. Commissioner Sasser pointed out that the agreement did not include a clause that required submission of reports to the Town. Interim Town Manager Hoffmann explained that she did not include that clause based on the amount requested. Commissioner Sasser said the document could be as simple as a spreadsheet of the financials for review.

Commissioner Clotley requested that Mr. Ragusa include a disclaimer on any advertisements for plays that included material unsuitable for families.

Commissioner Vincent questioned how much money was budgeted for each play. Mr. Ragusa said about \$1,000.

Mayor Minnet was concerned with the Town agreeing to pay for the corporation's insurance. She did not agree with the perception and wanted to see that money eventually returned to the Town.

There was Commission consensus to move forward. Mayor Minnet said an official vote would take place at the 7:00 p.m. Commission meeting.

ii. Sea Ranch Condos Sewer Fees Analysis (Interim Town Manager Connie Hoffmann)

Interim Town Manager Hoffmann introduced Kathie Margoles who worked on the research on this issue and explained that the topic was very complicated. She pointed out that part of the sewer system was owned by the City of Pompano Beach and part owned by the Town. Interim Town Manager Hoffmann said that the rate structure was fragmented and suggested that the Commission should discuss sewer rates as a whole rather than just the Sea Ranch Condos. She requested direction to work with the Town Attorney to solve the problem and she anticipated raising the sewer rate to create balance throughout the Town. Interim Town Manager Hoffmann suggested looking into a new Master Sewer Agreement for the entire Town.

Vice Mayor Dodd did not agree with staffs' recommendation to switch the billing for Sea Ranch Condos back to the City of Pompano Beach. He pointed out that the Sea Ranch Condos and the north end of Town were paying a higher rate than the south end of Town. He explained that the north end of Town and the Sea Ranch Condos were both left out of the 2007 Master Sewer Agreement with the City of Pompano Beach. Vice Mayor Dodd wanted staff to re-evaluate the situation and come back with a proposal to raise the sewer rates in the south end of Town and include the Sea Ranch Condos. He wanted to see some money placed into a fund to pay for future repairs to the sewer infrastructure. Vice Mayor Dodd agreed with moving forward with a new Master Sewer Agreement for the entire Town.

Kathie Margoles explained that Sea Ranch Condos were paying the Lauderdale-By-The-Sea rate while the Town paid the City of Pompano Beach rate for the Sea Ranch Condos. She pointed out that Fort Lauderdale collected the money and then reimbursed the Town. Vice Mayor Dodd wanted the entire Town to pay the same rate.

Commissioner Clotley explained that the City of Pompano Beach collected about \$500,000 from the north end of Town for the sewers and she felt that the money should have gone to the Town. Commissioner Clotley questioned whether it was legal to try and get that money back. Attorney Trevarthen explained that the situation needed further review before she could give a legal opinion.

Mayor Minnet and Commissioner Sasser agreed that the facts needed to be presented first. Mayor Minnet requested that Commissioner Sasser give any questions he may have to the Interim Town Manager.

Interim Town Manager Hoffmann questioned how far into the past did the Commission wish staff to research. She pointed out that it would not change the outcome and requested direction on the type of research the Commission wanted.

Commissioner Sasser suggested researching how the funds were allocated and for verification that the Town was legally covered. He wanted to make sure the Town moved toward a solution rather than placing blame. Commissioner Sasser agreed with trying to place everyone under the same agreement.

Vice Mayor Dodd reiterated the Town needed one sewer rate and money should come back to the Town for infrastructure repairs. He no longer wanted to see the Town at the mercy of the City of Pompano Beach or anyone else.

Commissioner Clotley explained that bonds were floated to initially install the sewers in the south end of Town. She said that legal issues arose from overcharging the residents and requested Interim Town Manager Hoffmann research the issue.

Mayor Minnet suggested staff begin researching around 1998. She requested the research be completed as quickly as possible, but understood that it would not be easy.

There was no further discussion.

iii. Proposed FY 2010/2011 Budget Updates (Interim Town Manager Connie Hoffmann)

Interim Town Manager Hoffmann explained that several changes were outlined and pending Commission direction. Mayor Minnet suggested discussing item 3.A.4 before this item. The Commission agreed.

Interim Town Manager Hoffmann explained she would go through the list of items line by line. She explained that some of the revenue estimates were lowered and that if the changes were approved by the Commission it would bring the millage rate down to 4.0900.

Interim Town Manager Hoffmann suggested setting up a fire fund and consolidating all of the parking activities into a single fund. She explained that the sales tax revenues and the franchise fees from FPL were reduced from the proposed budget while the waste franchise fee was slightly increased. She recommended appropriating funds from the fund balance to pay for the upgrades to the phone system and Town technology which would help lower the millage rate. Interim Town Manager Hoffmann wanted to know if the Commission was still interested in having six non-profit organizations make presentations at a budget meeting in September. She pointed out that she did not need direction regarding the Chamber of Commerce until September. Interim Town Manager Hoffmann informed the Commission that the audit costs were reduced and part of the costs would be charged to the fire fund. She explained that the Human Resource position was eliminated, however \$10,000 was budgeted to cover any outside consulting and a contract with the Florida League of Cities for Risk Management services. Interim Town Manager Hoffmann also requested policy direction regarding the Town Topics.

Interim Town Manager Hoffmann proposed to reduce the contingency account by \$115,000. She explained that she was pleased with the progress made during budget discussions with the VFD (Volunteer Fire Department). She said she would continue to research whether the Town could legally fund the first response to medical calls and beach patrol with fire assessment funds. Interim Town Manager Hoffmann reminded the Commission that the millage was still tentative. She explained that the VFD's total budget was reduced to allow for money to be put aside for the replacement of fire equipment. She pointed out that the VFD would vote on their budget in September and then the Commission could further discuss their budget and make any decisions.

Commissioner Clotey explained that it was more cost effective for the Town and the residents to pay the full price of the services rendered by the Area of Aging Agency. There was Commission consensus to have the non-profit agencies make their presentations in September and to keep that budgeted amount the same until that time.

Commissioner Sasser was in favor of separating the fire fund and he also wanted to verify who would be in control of that fund. He questioned the reason for the reduction in FPL franchise fees. Interim Town Manager Hoffmann explained that the amount was based on the amount that FPL was billing and collecting, so the amount was probably lower due to the economy. Commissioner Sasser asked whether the fees could be increased. Interim Town Manager Hoffmann said they could not be increased because there was a franchise agreement in place.

Commissioner Sasser was in favor of funding the \$55,000 requested by the Chamber of Commerce. He wanted to make sure that any money the Chamber of Commerce received from Broward County was deducted from the Town's contribution. Mayor Minnet explained that she still wanted to see a business plan. Commissioner Sasser agreed that a business plan needed to be presented.

Mayor Minnet said she was in favor of funding the \$55,000 with the following conditions: a business plan was presented; the funds were paid out quarterly to ensure the business plan was followed; and any amount donated by Broward County would be deducted. Commissioner Vincent questioned whether Mayor Minnet meant that the Town would reserve the right to withhold funding if the Commission was not satisfied with the results. Mayor Minnet confirmed that was what she meant.

Commissioner Vincent agreed the Town should deduct any money received by Broward County to help fund the Chamber of Commerce. Commissioner Clotney preferred to reserve her decision until a business plan was presented. She explained that she was concerned when the Chamber of Commerce made donations to charities after the Town provided funding to them and suggested that money come from a separate fund.

There was Commission consensus on staff suggestions regarding the elimination of the Human Resource position.

Mayor Minnet was in favor of finding ways to reduce the cost of Town Topics. Commissioner Sasser suggested posting the material on the web, making them available at key locations, and reducing the publications from bi-monthly to quarterly. The Commission agreed. Interim Town Manager Hoffmann asked for clarification that the Commission no longer wanted to mail Town Topics and the Commission responded that was correct.

Commissioner Sasser agreed to the allocation of \$20,000 for improvements to the air conditioning system. He questioned whether it met statutory requirements. Interim Town Manager Hoffmann confirmed. There was Commission consensus for staff to move forward.

Mayor Minnet confirmed that the Commission was in consensus to upgrade the phone systems in Town Hall. Commissioner Sasser questioned where the \$115,000 taken from the contingency fund would go. Interim Town Manager Hoffmann explained that it would be used to lower the millage.

Commissioner Sasser asked how much the fire budget equaled after adding the money to be set aside for the purchase or replacement of fire equipment. Interim Town Manager Hoffmann said that she would check the amount and get the information back to the Commission. She explained that the difference would stay in the fire reserve. Commissioner Sasser questioned what the Town's options were if the fire assessment fees could not be used for first response to medical calls. Interim Town Manager Hoffmann said that the Commission would have to look at cutting back the amount or paying it through the General Fund which would affect the millage rate.

Commissioner Clotney felt that this was a large sum of money with none of it going towards the replacement of vehicles. Interim Town Manager Hoffmann advised that she would provide a breakdown of the VFD budget at the next budget meeting for discussion. Commissioner Clotney questioned whether the Commission could force the VFD to make reductions. Attorney Trevarthen explained that it was the choice of both parties and she would look into it.

Interim Town Manager Hoffmann suggested allocating the \$12,000 budgeted in recreation be used to contract with someone to handle recreational activities. Mayor Minnet said that item needed to be looked at further because it could help lower the millage rate.

Commissioner Clotley agreed with Mayor Minnet regarding recreational activities. She did not believe this was the time to spend \$12,000 when volunteers always did it in the past. Commissioner Sasser said he would be in favor with hopes that with a person in place, policy and procedures would be set and an updated inventory would be provided.

Commissioner Sasser inquired how much money was needed to cut the proposed rate of 4.0900 to the current millage rate, 3.999. Acting Finance Director Doug Haag said the net additional reduction was approximately \$153,330. Interim Town Manager Hoffmann added the amount assumed that the fire fund expenditures were determined to be legitimate by the Town Attorney.

There was no further discussion regarding the proposed budget.

iv. Chamber of Commerce request for \$55,000 in funding next year (Commissioner Scot Sasser)

Commissioner Sasser explained that after negotiations, the Chamber of Commerce looked for direction on three scenarios: 1) to fully fund the Welcome Center and add a full time employee for \$55,000; 2) to fully fund the Welcome Center and hire a part time employee for \$45,000; 3) to fully fund the Welcome Center with no additional employees for \$35,000. He explained that the Chamber of Commerce was satisfied with all three scenarios; however they respectfully requested an additional employee in the Welcome Center.

Paul Novak, President of the Chamber of Commerce, explained that previous funding of the Welcome Center came in part from the Chamber of Commerce. He said that it would be helpful to have the Welcome Center fully staffed.

Diane Boutin reminded the Commission how important the Chamber of Commerce was to the Town. She explained that the quality of life needed to be enhanced and that it would be an investment for the Town in the long run.

Commissioner Vincent agreed with Ms. Boutin. He explained that if the Town only approved \$35,000 it would put them back at square one. Commissioner Vincent said the funds requested were already budgeted and that he was in favor of funding \$55,000.

Commissioner Clotley agreed that the Chamber of Commerce was important to the Town and assured that the Town was committed to the Chamber of Commerce. Commissioner Clotley questioned whether any money received from Broward County would reduce the Town's contribution. She requested the percentage of business

members located in Town versus business members located out of Town. Judy Swaggerty said the percentage was almost equal.

Vice Mayor Dodd recalled that one of the reasons for the increase to \$55,000 was to cover a research project to find ways to improve and market the Town. He asked for a breakdown of the \$35,000 from the Chamber of Commerce and pointed out that Broward County needed to be involved. Vice Mayor Dodd did not want the Town to carry the burden alone. He requested that pressure be put on Broward County to help fund the Welcome Center and that the Chamber of Commerce aggressively market the Town.

Mayor Minnet questioned how much the Town paid for the location of the Visitor Center. Interim Town Manager Hoffmann said she would look up the figure and inform the Commission. Mayor Minnet explained she was an advocate of the Chamber of Commerce and all local businesses. She said that there needed to be a business plan and was concerned with the Town's investment.

Mayor Minnet explained that she was not ready to approve funding the Chamber of Commerce with \$55,000 without more research and a business plan in place. She wanted to know exactly what the Visitor Center was going to do for the Town to justify the funds requested. Commissioner Sasser requested clarification on the business plan Mayor Minnet requested. He wanted to make sure that it included day to day operations and the financials associated with the Welcome Center. Mayor Minnet agreed. Commissioner Sasser said he would provide the information requested.

Commissioner Sasser explained that the Chamber of Commerce wished to separate itself from the Welcome Center to better operate the facility. Mr. Novak explained that the Chamber of Commerce was small compared to others and the goal was to run the facility better than before. He did not understand what else the Commission was looking for and pointed out that what they were requesting was almost impossible.

Dick Clark, Executive Director, explained that the Commission needed to look at the Chamber of Commerce as a business community partner. He pointed out that the Town had the only local Visitor Center on the beach. He offered his time and experience to draft a plan suitable to the Commission.

Commissioner Vincent requested clarification that in the past all funding received by the Chamber of Commerce was used to fund both the Chamber of Commerce and the Welcome Center with no additional fund sources other than money received from Broward County. Mr. Novak confirmed. Commissioner Vincent believed that the request was valid and that it was time to get Broward County involved to help with funding.

Interim Town Manager Hoffmann informed the Commission that the Town incurred a \$30,000 cost supporting the Chamber of Commerce building in the current fiscal year and \$18,000 was budgeted for the next fiscal year.

Vice Mayor Dodd pointed out that the Town was being asked to provide \$73,000 in funding. He said that Broward County needed to be fully aware of what was being spent by the Town.

Commissioner Vincent said the breakdown should be simple and there should be no confusion. He felt the money being spent on the building was an asset to the Town.

Interim Town Manager Hoffmann informed the Commission that she left out the \$14,000 for Town employee salaries and benefits that maintained the Chamber of Commerce building. She said if the Commission chose to fund the additional \$55,000 that would bring the total to approximately \$87,600 funded by the Town.

Commissioner Sasser explained that he would get a business plan from the Chamber of Commerce and requested clear direction on what else the Commission wanted to see before the item was brought back for a vote.

Mayor Minnet said the item needed further discussion during the budget item. She said she was not prepared to make a decision yet.

- b. Town Manager Applications - Applications - previously distributed - Town Manager applicant ranking sheet (Town Clerk June White)

Mayor Minnet requested that Interim Town Manager Hoffmann and Interim Assistant Town Manager Bentley leave the room for this discussion.

Commissioner Clotney did not believe this item could be discussed in such a short time frame.

There was Commission consensus to discuss this item during the 7:00 p.m. Commission meeting later in the evening.

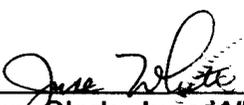
4. ADJOURNMENT

Vice Mayor Dodd made a motion to adjourn. With no further business before the Commission, Mayor Minnet adjourned the meeting at 6:50 p.m.



Mayor Roseann Minnet

ATTEST:


Town Clerk, June White

9-16-10
Date