

TOWN OF LAUDERDALE-BY-THE-SEA

TOWN COMMISSION

SPECIAL BUDGET MEETING MINUTES

Jarvis Hall

4505 Ocean Drive

Tuesday, July 26, 2011

5:30 P.M.

1. CALL TO ORDER, MAYOR ROSEANN MINNET

Mayor Roseann Minnet called the meeting to order at 5:40 p.m. Vice Mayor Stuart Dodd, Commissioner Birute Ann Clottey, Commissioner Scot Sasser, and Commissioner Chris Vincent were present. Also present were Town Manager Connie Hoffmann, Town Attorney Susan Trevarthen, and Town Clerk June White.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

3. PUBLIC COMMENTS

Yann Brandt believed that the proposed budget would spend every single dime out of the \$10 million plus dollars that would be taxed to the residents, visitors and others that come through the Town. He added that the Town wanted to do great things, and have portals, and paid \$900,000 in employee benefits. Mr. Brandt believed that he justifications pages showed almost 7 employees making close to \$100,000, with benefits included. He believed that based on property values, Lauderdale-By-The-Sea did not have one of the lowest tax rates; it had close to the highest. Mr. Brandt asked whether the Commission wanted to spend up to the debt ceiling. He believed the Commission should set an example for Broward County.

There were no further speakers.

4. ITEMS OF DISCUSSION AND/OR ACTION:

- a. Resolution 2011-21: 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 OF LAUDERDALE-BY-THE-SEA, FLORIDA; 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, 2011; 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; PROVIDING FOR SEVERABILITY; PROVIDING
FOR AN EFFECTIVE DATE

Attorney Trevarthen read Resolution 2011-21 by title.

Vice Mayor Dodd made a motion to adopt Resolution 2011-21 setting the fire assessment fee as per Appendix B of the Resolution, hereby attached as part of these minutes. Commissioner Clotey seconded the motion. The motion carried 5 - 0.

- b. Resolution 2011-22: A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ADOPTING A PROPOSED MILLAGE RATE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2011, AND ENDING SEPTEMBER 30, 2012; STATING THE PERCENTAGE AMOUNT OF THE PROPOSED RATE DOES NOT EXCEED THE ROLLED BACK RATE; ANNOUNCING THE DATE, TIME AND PLACE OF THE FIRST PUBLIC HEARING TO CONSIDER THE PROPOSED MILLAGE RATE AND THE TENTATIVE BUDGET; PROVIDING FOR SEVERABILITY, CONFLICTS, AND AN EFFECTIVE DATE

Attorney Trevarthen read Resolution 2011-22 by title.

Commissioner Clotey explained to the public that the budget presented was not the final budget.

Mayor Minnet explained that the proposed millage rate was set at 3.9990 and could not go higher.

Vice Mayor Dodd said he favored waiting to fill the 3 new positions for full time professionals, as he believed the positions would not be needed until 2013-2014. He stated that there was a \$200,000 stormwater revenue proposed for 2013 from a stormwater assessment fee in that fiscal year. Vice Mayor Dodd stated that all the design work for the CIP (Capital Improvement Projects) were scheduled for the next fiscal year budget, 2013-2014. He asked whether the millage rate would need to be increased to pay for the capital improvement projects along with the staff increases for the new positions, or whether they could hold it at the current rate. Vice Mayor Dodd preferred to move forward with a more responsible approach and not proceed with the new positions at this time. He favored a planner/designer to do the design work immediately, but questioned whether it should be in-house or contracted out.

Mayor Minnet asked what areas in the budget he was looking to change. Vice Mayor Dodd said that he supported keeping the millage rate at 3.999 but he believed that two of the new positions could be postponed until the following fiscal year. He did not feel a marketing manager was needed at this time, nor did the Town need a project manager when there were no projects running.

Mayor Minnet asked whether Vice Mayor Dodd was looking at the General Government Department, Business Development budget 519.1. She said that was the area that assumed a new position of the Business Development and Marketing Director, beginning November. Vice Mayor Dodd said he was. He hoped to do much of the work in-house and work with the Chamber of Commerce in marketing the Town.

Commissioner Clotey suggested that rather than hiring those 2 positions on a permanent basis, perhaps they could be contractual on a temporary basis until their services were no longer needed.

Commissioner Vincent believed it was set up in the budget on an "as needed" basis. Town Manager Hoffmann envisioned it as a continued position assuming that, at the end of the year, the community and the Commission saw the value in the work that individual did. Commissioner Vincent did not know whether Town staff was qualified to do marketing work, but did know they did not have the time. He believed that by hiring a professional for \$50,000 they would be able to do the job correctly and therefore, move the jobs quickly.

Commissioner Sasser believed that although the Commission wanted to go forward with the project, there appeared to be issues with hiring additional full time staff at this time. He asked the Town Manager for an overview of the head count, as he understood that one or two positions were not new positions; perhaps the same employee was doing different things or, exchanging one position for another. He requested the bottom line effect of salaries for different employees.

Town Manager Hoffmann said the 3 positions were not all new positions. She said the Planner was a new face that would replace the Development Services Director position and the other two positions were brand new positions; Business Development / Marketing Manager and the Capital Projects Manager. She believed the Capital Projects Manager was extremely important, as she did not feel the Town could go forward with the capital plan without having someone to manage those projects. She said the following construction projects were budgeted for next year: Flamingo Avenue drainage project, Harbor Drive drainage project, Bougainvillea Drive drainage and a streetscape at the north end (both design and construction), the streetscape and drainage for the 2 eastern most blocks of Commercial Boulevard (design and construction), South A1A Streetscape (design) and Seagrape Drive (design with possible construction). She said that the design projects required an enormous amount of time and therefore a project manager was needed. Town Manager Hoffmann said the Business Development / Marketing position was a policy decision for the Commission to make. She said there were two ways to go forward with the marketing projects: hire the person needed or contract with someone to manage them. She added that, effectively she proposed to add 2 positions to the budget.

Commissioner Sasser inquired of the position called Assistant to the Town Manager. Town Manager Hoffmann explained that was a re-titling of an existing position, Assistant Municipal Services Director, to better reflect what that person did. She added

that money was taken from that position to fund for the Assistant to the Town Manager position.

Mayor Minnet asked whether we were spending every single dime of the Town's reserves. Town Manager Hoffmann explained that the 5 year capital improvement plan was laid out as a game plan. She added that funds were drawn from the reserves each year as needed, to fund the projects, and each year the Commission would revisit the plan to determine whether they wanted to stay with the plan or change it.

Mayor Minnet noted that the Town Commission did not reflect an increase in the Commission salaries, but did reflect funds for the elections and training regarding the new Broward County ethics ordinance. She said she looked at other communities and believed that \$350,000 budget for the Town Attorney was an outstanding figure. She asked the Commission to address that budget amount and try to work within a reduced budget. Mayor Minnet understood there were legal issues, but she requested that the Commission reduce the Town Attorney's budget to \$300,000.

Attorney Trevarthen said she could not budget for litigation as there was no way to determine the amount of litigations. She believed the \$350,000 for general legal fees was a fair amount based on the past year. Attorney Trevarthen said she responded to the demands of the Commission and Town staff. She added that if it was the will of the Commission, her office would work to lower the number.

Commissioner Vincent asked whether there were areas that may be redundant as far as the review process and whether there was something that could be done to avoid redundancy. Attorney Trevarthen said that a significant amount of work was done this past year that reduced certain items coming before her, equal to a 10% reduction.

Commissioner Clotey questioned whether staff could review the code, rather than the Town Attorney's staff. Attorney Trevarthen said the Town Manager had a planning consultant review the code for changes which reduced the amount of time necessary for the Town Attorney to review that project. She believed that filling the proposed planning position would reduce attorney fees. Commissioner Clotey inquired of the possibility of a retainer that would not include any litigation costs. Attorney Trevarthen said at the time it was discussed, the Commission chose not to go in that direction.

Town Manager Hoffmann said she was open to a retainer at this time. She believed the kinks were worked out, forms were in place and standard contracts were developed that should reduce legal fees going forward. Town Manager Hoffmann stated that she had no control over the Town Attorney expenditures.

Commissioner Vincent concurred with the Commission to entertain the idea of looking at a retainer.

Commissioner Sasser stated that when the Commission discussed this at Roundtable he was the only one in favor of a retainer. He believed that there was an inherent

problem with the way it was done, as there was no one who had control over the fees. Commissioner Sasser said he was told that if he read the budget, and kept on top of it, the Commission was responsible for keeping the Town Attorney's fees down to where they were.

Mayor Minnet stated that now was the time to discuss the Town Attorney's budget and reduce it.

Commissioner Sasser said that the Commission should be monitoring the expenditures in the Town Attorney's budget whenever the reports were available; there should be someone responsible for managing it. He said that the Commission was rehashing old ground and he did not appreciate it, as they already made a decision on the retainer issue.

Mayor Minnet believed the Commission should address the budget of the Town Attorney, reduce it by 10% and have everyone work within that budget. She added that if the Commission wanted to keep the Town Attorney budget at \$350,000, then they should work within that amount.

Commissioner Sasser believed that the point was made, and the Town Planner was supposed to be there to effectively reduce the Town Attorney fees.

Commissioner Vincent noted that the Town Manager stated that she could not control the Town Attorney fees, and therefore, if the Town Manager could not do that, who could. Commissioner Sasser said that the Town Attorney stated that she did what the Commission told her to do, so therefore, she could not control her own fees.

Mayor Minnet asked whether the Commission wished to leave the Town Attorney's at \$350,000. Commission Clotey believed it should be left open for further discussion. Mayor Minnet went to the Business Development / Marketing Director position. She said the position was not to start until November. She asked if the Town Manager held off on this position for half the year, could they still move forward some of the development and marketing incentives without the position in place. Town Manager Hoffmann said she could not move forward with marketing programs, but could do the facade grant program.

Mayor Minnet noted there was an increase in the budget of almost \$300,000 to the BSO contract.

Commissioner Sasser suggested that if these were pilot programs, some of the responsibilities could go to the businesses as to how to market and/or run their business. He asked whether the marketing position could be a temporary position. Commissioner Sasser suggested having someone responsible as a catalyst to bring the right businesses to Town.

Town Manager Hoffmann said that marketing had a lot to do with building relationships and trust. She said an option was to do it by contract. Town Manager Hoffmann said that the economic development position was not in the budget because the Commission gave direction that it was several years down the road. She said her impression was that the Commission wanted to bring additional retail stores into Town, help the current retail stores, get new hoteliers that could redevelop some of the existing properties, and help existing hoteliers. She said two types of expertise were required to accomplish that; hotel and retail. Town Manager Hoffmann requested clear direction as to whether the Commission wanted to do these things. She understood the Commission did not want to do it through new staff, but did they want to do it through contracts? Commissioner Sasser preferred to do this on a contractual basis to measure its effectiveness, one step at a time. Mayor Minnet agreed to contract the work out and to go forward one step at a time.

Mayor Minnet questioned the allocations under Development Services. Town Manager Hoffmann explained that they took a part-time Code Enforcement position and turned it into a full time position at a slightly higher level. She added that there were 2 people devoted to code enforcement in the new budget.

Commissioner Sasser asked for consensus from the other Commission members regarding the marketing.

There was Commission consensus do marketing on a contractual basis. Commissioner Vincent hoped to see a positive result.

Town Manager Hoffmann inquired as to whether the Commission wanted to contract for business development services. She said that would be two contracts, one for retail and one for hotels.

Commissioner Sasser wanted to contract out for both separately. He said he would like to run a pilot program, but within the budget proposed for the Marketing Manager. Vice Mayor Dodd questioned whether the Town Manager intended to hire someone with expertise in both areas or hire someone for business development and someone for marketing. Town Manager Hoffmann said she did not propose to hire someone for business development. She apologized for the way the position was titled, as it was confusing. Vice Mayor Dodd agreed with 2 separate contracts. Commissioner Vincent and Commissioner Clotney also agreed.

Mayor Minnet requested Commission consensus regarding Town Attorney's budget. Attorney Trevarthen said she was well within budget the first year, and the past two years had been very active. She said she would do whatever the Commission desired. She said she needed guidance on whether they should sit down and discuss this line item.

Mayor Minnet inquired as to whether the Commission wished to put this on the August 23, 2011 Commission meeting agenda to address a retainer, or do they want to reduce

the Town Attorney's budget by 10%. Mayor Minnet said her recommendation was to see if they could live within 10% cut in the Town Attorney's budget. Commissioner Vincent concurred within a 10% reduction. Commissioner Clotey believed they needed to revisit this and look at the numbers to come up with a retainer, and make a comparison.

Vice Mayor Dodd agreed with Commissioner Clotey. He asked whether the Town Attorney was supposed to work up to a certain amount and then stop work because the money ran out. Vice Mayor Dodd believed that closer control was needed as they progressed forward with the expenditures. Town Manager Hoffmann believed she had reported on the status of the Town Attorney's budget in her reports to the Commission, but the current issue was what level of service the Commission wanted to receive, and at what cost. She believed the Town received superb counsel.

Commissioner Sasser stated that they just got out of a shade session. He believed the legal service was needed, but did not believe it would come down to a retainer. Commissioner Sasser favored a reduction, but not a retainer. He believed it came down to managing the expenses, whether a retainer was there or not. Commissioner Sasser said he was in favor of leaving the Town Attorney's budget the way it is, or drop it down 10%. He wanted to schedule a discussion for the August 23, 2011 Commission meeting, as to who was responsible for the expenses and how to keep control of those expenses.

The Commission agreed 3-2 for a reduction of 10% in the Town Attorney budget. Mayor Minnet inquired as to where those funds would be allocated. Town Manager Hoffmann believed the difference would be placed into the General Fund Contingency.

Vice Mayor Dodd made a motion to adopt Resolution 2011-22 setting the proposed millage rate at 3.9990. Commissioner Sasser seconded the motion.

Commissioner Clotey inquired as to how much was set aside for storm expenditures. She wanted to see that particular fund restricted so that it could only be used for emergency purposes due to storms. Town Manager Hoffmann said that even though the financial report said that \$2.3 million was designated for emergency purposes, only if the Commission specifically voted that this was a reserve only to be used for disaster or storm recovery, then the money could not be used for any other purpose unless the Commission voted to undo that reserve.

Commissioner Clotey brought that forward for Commission consideration of designation. Commissioner Vincent asked whether historically the Town had a general reserve and whether there was a mandate within the Town Charter. Town Manager Hoffmann stated that the reserve had been built up over time, and stayed at the same level the past several years. She added that every municipality on the coast should have such a reserve, but since the Town was on a barrier island, the amount to have in reserve was worthy of discussion.

Mayor Minnet asked how the Commission would do the designation. Attorney Trevarthen stated that this was coming back for later action, so the Commission was only approving the millage tonight. Mayor Minnet requested that Commissioner Clotey bring it up when they discuss Town Attorney expenditures at the August 23, 2011 Commission meeting.

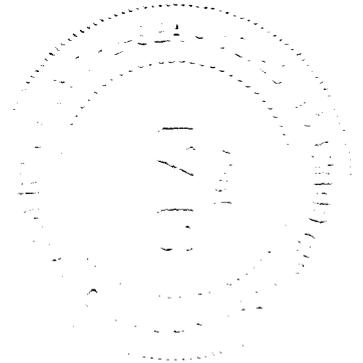
The motion carried 5 - 0.

5. ADJOURNMENT

Vice Mayor Dodd made a motion to adjourn. With no further business before the Commission, Mayor Minnet adjourned the meeting at 6:47 p.m.



Mayor Roseann Minnet



ATTEST:



Town Clerk, June White

8-24-11

Date