

**TOWN OF LAUDERDALE-BY-THE-SEA**  
**TOWN COMMISSION**  
**Special Public Hearing Minutes**  
Jarvis Hall  
**4505 Ocean Drive**  
**Wednesday, September 12, 2012**  
**7:00 P.M.**

1. CALL TO ORDER, MAYOR ROSEANN MINNET
2. PLEDGE OF ALLEGIANCE TO THE FLAG
3. PUBLIC COMMENTS

Hera Mouradian introduced herself. She was new to the Town and wanted to know how the tax bill was calculated.

Arthur Franczak would like for the accounting firm to release the audit report earlier. He suggested the Commission return to its prior practice of having budget meetings in the month of June to allow more time for public input.

4. COMMISSIONER COMMENTS

Commissioner Dodd thanked staff for the hard work they put into preparing and explaining the budget.

5. RESOLUTIONS - PUBLIC HEARINGS

- a. RESOLUTION 2012-38: A RESOLUTION OF THE TOWN COMMISSION 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, 2012 AND ENDING SEPTEMBER 30, 2013; CONFIRMING THE FINAL ASSESSMENT ROLLS AND LEVYING SUCH SPECIAL ASSESSMENTS

Attorney Trevarthen read Resolution 2012-38 by title.

Finance Director Tony Bryan announced the total fire assessment was \$1,070,130.

Mayor Minnet opened the meeting for public comment.

Arthur Franczak was concerned about the transfer of \$40,000 from the Fire Fund to the General Fund. He believed this was prohibited by law. He also expressed concern regarding the \$300,000 difference between the \$1,070,130 Fire Assessment tax collected and the \$700,000 budget for the Volunteer Fire Department. This year money would be spent on a fire truck, but would the Town be buying a new truck every year? He suggested spreading those costs out over several years and lowering the fire assessment fee.

Ron Piersante thought the \$130 fee was a good deal. He expressed support for the volunteer fire department.

With no one else wishing to speak, Mayor Minnet closed the public comment portion of the meeting.

Town Manager Hoffmann stated contrary to what was said earlier there was a meeting in June that discussed budget items. One item discussed was specifically about the fire budget and the 5 year projection for providing fire service for the Town. The VFD had presented their five year budget at that meeting.

Finance Director Bryan discussed upcoming items in the VFD's five year plan. Notably, there would be a \$700,000 expense for a Squirrt truck and a \$253,000 expense for a complete replacement of breathing apparatus equipment.

Town Manager Hoffmann said there were other costs associated with the budget. There were pension fund audit costs, an actuarial study of the pension fund, and next year the Fire Department building needed a new roof. She noted, the transfer to the General Fund had been reduced in the current year. These funds cover management and financial staff supporting the Fire Fund and fire services. Also, there were accounts in the budget for the upcoming purchases of the previously mentioned new truck and equipment.

Mayor Minnet asked if the amount of the fire assessment fee had been \$130 a year for the past five years.

Town Manager Connie Hoffmann confirmed that to be the case.

Commissioner Dodd stated fire assessment funds can only be spent on fire services related issues. He noted there had previously been a recall election in Town over misuse of funds and that the Commission would keep a close eye on these funds.

Mayor Minnet felt comfortable staff had provided a fair figure for the Fire Assessment fee.

Commissioner Dodd made a motion to approve Resolution 2012-38. Commissioner Vincent seconded the motion. The motion carried 5-0.

- b. RESOLUTION 2012-39: A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE BY THE SEA, FLORIDA, ESTABLISHING THE PROPOSED TOWN AD VALOREM TAX MILLAGE RATE AT 3.9312 MILS PER THOUSAND DOLLARS OF TAXABLE ASSESSED VALUE, WHICH IS EQUAL TO THE ROLLED BACK RATE COMPUTED PURSUANT TO STATE LAW, FOR THE 2012 TAX YEAR; ANNOUNCING THE SECOND AND FINAL PUBLIC HEARING TO ADOPT THE FINAL MILLAGE RATE; PROVIDING FOR SEVERABILITY, CONFLICTS, AND AN EFFECTIVE DATE

Attorney Trevarthen read Resolution 2012-39 by title.

Mayor Minnet opened the meeting for public comment.

Arthur Franczak thought the Town was running a deficit. He did not think the millage rate was set to balance the budget. He thought it was based on a number that people were used to paying.

Ron Piersante was not opposed to the millage rate. He suggested to adopt it at 3.9312, but don't lower it more.

With no one else wishing to speak, Mayor Minnet closed the public comment portion of the meeting.

Finance Director provided a slide that showed where the Town was in relation to what other municipalities in the County had proposed for next year. The Town was the fourth lowest in proposed millage rates.

Town Manager Hoffmann responded to the public comments, stating the Town was definitely not running a deficit. If budgeted funds were not spent this year in total for a project, they would be appropriated to the following year. She provided the example of the Bougainvilla Drive project. This year \$800,000 had been budgeted for design and construction. Due to delays in the design process, all of that money wasn't spent. Next year \$650,000 would be spent on Bougainvilla. The funds not spent this year would be carried forward via an appropriation in next year's budget. This process was completely transparent. The Town budgeted conservatively and would continue to do so. They had seen what had happened to other municipalities that did not do so.

Mayor Minnet pointed out that in 2009 the Town collected \$9.1 million for property taxes. In 2011 that number was \$6.7 million. That amounted to a 25% decrease in taxes collected by the Town.

Vice Mayor Sasser requested an explanation as to someone's tax bill would show the taxes went up if the Town's millage rate went down. He noted the utility tax had been reduced by 50%. He would take the 50% reduction this year, a with an eye towards eliminating it all together next year.

Vice Mayor Sasser first thought the Hotel Improvement Program (HIP) should be cut, but the Town Manager indicated it wasn't funded with recurring revenue. Town Manager Hoffmann explained it was not a good idea to use revenue that you could not count on year after year to fund an ongoing operational cost. She pointed out that the City of Fort Lauderdale was having problems with the rating agencies because they had used non-recurring revenue to pay for normal operations.

Vice Mayor Sasser asked for a consensus on HIP to clarify staff would not to approve anything on that program until they came back to discuss the rules on the HIP program. Town Manager Hoffmann said they will discuss HIP at the next meeting. She asked if the paint program was also to be placed on hold.

Mayor Minnet thought that was a different program and did not need to be discussed because the rules on it were very clear.

In response to Commissioner Sasser's question, Finance Director Bryan explained that with the proposed 2012 millage rate, the Town's property tax accounted for only 20% of the property owner's tax bill. The other taxing authorities, such as the County School Board and Hospital District, made up the remaining 80%.

Commissioner Vincent compared the millage rate of the Town with other municipalities. He noted that new municipalities such as Parkland and Weston that did not need infrastructure improvements had low millage rates and older towns and cities had higher millage rates. The Town of Lauderdale-By-The-Sea was an older town yet had a low millage rate like the new towns. He expressed concern regarding total elimination of the utility tax. Taxes were difficult to impose and he did not want to short change future commissions when it came to revenues. While he preferred there not be any taxes at all, he realized they were necessary to keep government running.

Commissioner Dodd pointed out the Town enjoyed low millage rates because of the higher property values. He advised being cautious about "patting ourselves on the back" when it came to low millage rates. He expressed confusion over the Vice Mayor's proposal to eliminate the utility tax but raising the millage rate to make up the difference. He was in favor of keeping the 3.9312 millage rate and reducing the utility tax.

Vice Mayor Sasser responded the millage rate would be 3.8445 if the utility tax was eliminated. That would mean \$145,000 would have to be raised to make up the budget shortfall or that amount would have to be eliminated from the budget. He also expressed his belief that it should be hard to raise taxes.

Mayor Minnet expressed that the two annexations had been a good thing for the community. They doubled the Town's population. She stated there were expenses associated with living on a barrier island and that this government was very transparent about those expenses. She said she was happy with the rollback rate.

Commissioner Dodd made a motion to adopt Resolution 2012-39. Vice Mayor Sasser seconded the motion. The motion carried 5-0.

- c. RESOLUTION 2012-40: A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, ADOPTING THE ATTACHED TENTATIVE TOWN BUDGET FOR THE 2012/2013 FISCAL YEAR; ANNOUNCING THE SECOND AND FINAL PUBLIC HEARING TO ADOPT THE FINAL TOWN BUDGET FOR THE 2012/2013 FISCAL YEAR; PROVIDING FOR AN EFFECTIVE DATE

Town Attorney Trevarthen read Resolution 2012-40 by title.

Mayor Minnet opened the meeting for public comments.

Arthur Franczak expressed that just looking at the millage rate missed the point. The richest towns have the lowest rates. He stated he did not pay in mills, he paid in dollars. He pointed out that a rollback rate was not a tax cut. It meant the rates stayed the same. To him the Town having a surplus meant that the Town had more than it needed and the taxpayers were poorer. He was in favor of a balanced budget.

With no one else wishing to speak, Mayor Minnet closed the public comment portion of the meeting.

Town Manager Hoffmann noted there was more than one way to look at the millage rate. She provided examples, one of which was that someone with a \$400,000 house in Town paid 3.9312, but if they owned the same priced house across the street in Sea Ranch Lakes the millage rate would be 7.2. Likewise, a hotel valued at \$1 million in Town paid less in taxes than a similarly valued hotel in Fort Lauderdale.

Finance Director Tony Bryan reviewed the changes that were made since the budget was previously presented. The 5% salary increase for commission was removed and the budget for training was increased. Mayor Minnet injected that more training was required due to the County's new Ethics Ordinance mandating additional training for elected officials. He noted there was an increase in health insurance costs generally and retirement contributions for two positions. Also the recycling grant money was reflected on both revenues and expenditures.

Town Manager Hoffmann noted the request for a new heavy equipment bobcat was deferred while Municipal Services Director Don Prince did more research.

Commissioner Brown noted that 24 out of 31 municipalities in the County were raising taxes. The Town was one of the 3 municipalities that were lowering the millage rate. He thought it was an excellent budget. He pointed out other municipalities were laying off employees and cutting public safety. The Town was not doing any of those things. He gave credit to Town Manager, the Finance Director and staff for doing a great job.

Commissioner Dodd made a motion to adopt Resolution 2012-40. Commissioner Vincent seconded the motion. The motion carried 5-0.

6. ANNOUNCEMENT OF 2ND AND FINAL PUBLIC HEARING ON MILLAGE AND BUDGET

Mayor Minnet announced the Second Budget hearing would be held on September 24, 2012 at 7:00 p.m.

Mayor Minnet also announced a new speaker series was scheduled in Jarvis Hall. The speaker on Thursday night will be Dr. Alex Aswad, speaking on the World Trade Center at 7:00 pm in Jarvis Hall.

7. ADJOURNMENT

Commissioner Dodd made a motion to adjourn. With no further business before the Commission, Mayor Minnet adjourned the meeting at 8:05 p.m.

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Mayor Roseann Minnet

ATTEST:

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Town Clerk, June White

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Date