

City of Fort Lauderdale



Meeting Minutes

Tuesday, June 15, 2021

11:30 AM

Joint Workshop with Budget Advisory Board

**City Commission Chambers
100 North Andrews Avenue, Fort Lauderdale, FL 33301**

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CITY COMMISSION WORKSHOP

FORT LAUDERDALE CITY COMMISSION

DEAN J. TRANTALIS Mayor

HEATHER MORAITIS Vice Mayor - Commissioner - District I

STEVEN GLASSMAN Commissioner - District II

ROBERT L. McKINZIE Commissioner - District III

BEN SORENSEN Commissioner - District IV

CHRIS LAGERBLOOM, City Manager

JOHN HERBST, City Auditor

JEFFREY A. MODARELLI, City Clerk

ALAIN E. BOILEAU, City Attorney

CALL TO ORDER

Mayor Trantalis called the meeting to order at 11:38 a.m.

ROLL CALL

Commission Members Present: Vice Mayor Heather Moraitis (participated via communication technology), Commissioner Glassman, Commissioner Robert L. McKinzie, Commissioner Ben Sorensen and Mayor Dean J. Trantalis

Budget Advisory Board Members Present: Chair Brian Donaldson, Vice Chair Jeff Lowe, Catherine Graham, Michael Marshall, Prabhuling Patel, Adam Sabin and Christopher Williams

Budget Advisory Board Members Not Present: Ross Cammarata, A. Abidemi Oladipo, Johnnie Smith

QUORUM ESTABLISHED

Also Present: City Manager Chris Lagerbloom, City Clerk Jeffrey A. Modarelli, City Attorney Alain E. Boileau and City Auditor John Herbst

OLD/NEW BUSINESS**BUS-1** [21-0636](#) Fiscal Year 2022 - General Fund Preliminary Budget

Budget Advisory Board (BAB) Chair Brian Donaldson explained the meeting format addressing the development of the *Fiscal Year 2022 Preliminary Budget (Budget)*.

City Manager Lagerbloom provided a brief review of the *Budget*, noting his prior individual review of the *Budget* with each Commission Member. He recommended maintaining the current 4.1193 millage rate and requested Commission direction on the rate.

City Manager Lagerbloom noted receipt of approximately \$49,000,000 in *Coronavirus Aid, Relief, and Economic Security (CARES) Act* Funding in FY 2021 and approximately \$19,100,000 in *American Rescue Plan Act of 2021 (ARPA)*. Fiscal Year 2023 *ARPA* funding is anticipated to be approximately \$19,100,000.

City Manager Lagerbloom said Staff utilized a formula determining the portion of federal funding permitted for use as revenue replacement and

allocated towards moving up *capital improvement/Community Investment Plan (CIP) Projects* in the *Budget*, i.e., \$5,800,000 towards repair and replacement of seawalls.

In response to Mayor Trantalis' question, City Manager Lagerbloom confirmed sufficient funding in the *Fiscal Year 2021 Operating Budget* without federal funding. City Manager Lagerbloom explained additional capital projects in the *Budget* include: 1) \$3,900,000 - *Fire Bond* to reconstruct *Fire Station 13* in *Birch State Park*; 2) \$3,500,000 - *Bridges - repair and replacement*; 3) \$3,300,000 - *Beach Renourishment*; 4) \$2,500,000 - *Sidewalks and Roadways - repair and replacement*; 5) \$2,000,000 - *City Facilities - repair and replacement*; 6) \$600,000 - *Parker Playhouse renovation*; 7) \$300,000 for *Las Olas Isles Signalized Crosswalks*; and 8) \$200,000 - *American with Disabilities Act (ADA) Compliant Bus Stops at fixed Bus stop locations*.

In response to Mayor Trantalis' question, City Manager Lagerbloom confirmed the four (4)-year deadline for the use of federal Funding.

In response to Commissioner Sorensen's question, City Manager Lagerbloom explained timeline and related details regarding the reconstruction of *Fire Station 13*. Construction is expected to begin in calendar year 2022.

City Manager Lagerbloom commented on the approximate \$900,000,000 *Budget* includes:

- Staff requests - both included and not included
- Portions related to the *General Fund* and all other *Funds*
- Federal funding allocations and related details
- Alignment with *Commission Priorities*
- Future budget planning for replacement of fleet vehicles, computers, Police Department equipment and animals, Information Technology Services (ITS) equipment, Fire-Rescue Department equipment and Five (5)-Year CIPs
- Non-Profit Funding recommended by the *BAB* and others based upon Commission input.

A copy is part of the backup to this Agenda item.

City Manager Lagerbloom explained an increase in the tax roll, primarily due to new construction. He noted related information received from the *Broward County Property Appraiser's Office*.

BUS-2 [21-0637](#)

Fiscal Year 2022 - 10 Year Financial Plan/Revenue Sufficiency Analysis Presentation - Stantec Consulting Services Inc.

Laura Reece, Management and Budget Office Director, explained the role of *Stantec* in Budget development and introduced Kyle Stevens, *Stantec* Project Manager.

Mr. Stevens narrated a presentation entitled *Fiscal Year 2022 - 10 Year Financial Plan/Revenue Sufficiency Analysis Presentation - Stantec Consulting Services, Inc.* The presentation reviewed efforts towards developing the *Budget*, consideration of future budgets and financial models.

A copy is part of the backup to this Agenda item.

In response to Mayor Trantalis' question regarding allocating \$350,000 from the General Fund to the *Northwest Progresso Flagler Heights (NWPFH) Community Redevelopment Agency (CRA) Operating Fund*, Mr. Stevens explained this amount represents additional expenditures. *BAB* Chair Donaldson expounded on related accounting details. Mayor Trantalis clarified this would not be an ongoing expense, instead of an offset from *NWPFH Tax Increment Financing (TIF)*.

City Auditor John Herbst noted possible additional *NWPFH CRA* maintenance costs associated with capital improvements, citing examples, i.e., lights and improvements along *Sistrunk Boulevard* following *NWPFH CRA* sunseting.

City Manager Lagerbloom noted that the planned *Fire Station 88* located west of *Federal Highway* and south of *Henry E. Kinney Tunnel* would be an *Emergency Medical Services (EMS) Substation*.

In response to Mayor Trantalis' question, Mr. Stevens explained details related to the projected tax roll increase resulting from property value increases and new construction. Stantec's projected tax roll increase for planning purposes is 5%. The most recent tax roll increase of 6.36% for 2022 is trending down from the previous approximate 7% increase.

In response to Commissioner McKinzie's question, Mr. Stevens confirmed a budget deficit without federal funding received and the ability federal funding provides to move forward with capital funding. Mr. Stevens explained federal funding is not an ongoing source of revenue and details associated with upcoming declines in *Fund Balances* without a future millage rate increase.

In response to Commissioner Sorensen's question, Mr. Stevens reviewed the scenario of an annual 3% property value increase and a .50 millage rate increase on revenues going forward. The impact of this scenario indicates sustainability until 2027, when expenditures would exceed revenue. Comment and discussion ensued on recent declines in projected property tax value increases.

Commissioner McKinzie commented on his perspective regarding increasing property values sustaining the City budget, the current real estate market and economic trends.

In response to Commissioner McKinzie's question, Mr. Stevens confirmed the need for future increased revenue to maintain current levels of service. He noted an increase to the millage rate would be warranted to provide sufficient revenues.

Chair Donaldson explained details regarding the *BAB* recommendation to maintain the current millage rate in FY 2022 due to federal funding received and the unanticipated tax roll increase from new construction. He discussed details related to the City's fiscal responsibility and ways to address revenue shortfalls. Further comment and discussion ensued.

In response to Vice Mayor Moraitis' question, Mr. Stevens confirmed the long-term projection modeling growth was five percent (5%). He explained two (2) scenarios modeled on a one-time .25 and a .50 millage rate increase in 2023 maintained going forward. Increasing the millage rate in 2023 by .50 to 4.6193 would sustain revenue over the next ten (10) years.

In response to Vice Mayor Moraitis' question, City Manager Lagerbloom clarified the correct amount of non-profit grant funding to *Nova Southeastern Art Museum* is \$250,000. Staff will correct the \$500,000 amount listed in backup *Budget* information in the subsequent *Budget* publication. Mayor Trantalis confirmed fundraising outreach efforts matched the City's \$250,000 grant funding to *Nova Southeastern Art Museum*.

Vice Mayor Moraitis noted the \$9,900,000 projected operations and maintenance expenses for the anticipated *Broward County and City of Fort Lauderdale Joint Government Center (JGC)*. She inquired about current operation and maintenance costs for existing City offices planned for relocation to the *JGC*. City Manager Lagerbloom said the Finance Department would deliver this information to Commission Members today or tomorrow.

Mayor Trantalis noted a .50 millage rate increase equates to a twelve percent (12%) increase. Mr. Stevens confirmed and said it would be the lowest of Broward County municipalities listed in the presentation.

In response to Mayor Trantalis' question, Mr. Stevens explained the Building FAMS Model. Mr. Stevens discussed previous excess amounts in the Building Fund Balance and explained anticipated expenditure increases and one-time land purchase. Comment and discussion ensued on fee increases and periodic studies determining subsequent adjustments dependent upon the level of activity in the community.

Commissioner McKinzie requested information regarding the new *Fort Lauderdale United States District Court for the Southern District of Florida Parking Garage (Federal Courthouse Parking Garage)*. Mr. Stevens explained that the City parking utility would include the *Federal Courthouse Parking Garage* and contribute to the *Parking Enterprise Fund* in the near term.

Commissioner Sorensen clarified discussions with the *General Services Administration (GSA)* regarding the need to address *Federal Courthouse* parking requirements. Comment and discussion ensued regarding informing Commission Members about these types of discussions in real-time. City Manager Lagerbloom expounded on *Federal Courthouse* and Broward County Courthouse parking facilities and related details.

In response to Commissioner Glassman's question, City Manager Lagerbloom confirmed Ben Rogers, Transportation and Mobility (TAM) Department Director, would provide a *Federal Courthouse Parking Garage* update at an upcoming Conference Meeting.

Chair Donaldson noted the need for considerable Commission policy discussions regarding increases to the *Water and Sewer Fund Balance* to fund replacement of the *Fiveash Water Treatment Plant (Fiveash)*.

Commissioner Sorensen commented on a Public/Private Partnership (P3) option versus bond funding for *Fiveash* replacement.

City Manager Lagerbloom discussed the need for the City to replace *Fiveash* independently, requiring ongoing Commission discussion. This presentation addresses the financial calculations associated with replacing *Fiveash* independently versus moving forward with an unsolicited proposal.

In response to Commissioner McKinzie's question, Chair Donaldson confirmed proposed rate increases modeled in the presentation address debt repayment for *Fiveash* replacement.

Commissioner McKinzie commented on cost concerns, i.e., assessments and rate increases passed on to consumers.

City Auditor Herbst explained current rate increases support existing debt service and operational costs. Recent rate increases did not contemplate building up the *Water and Sewer Fund Balance* for a new water plant. He confirmed a replacement cost for *Fiveash* regardless of utilizing a *P3* or independent construction.

Chair Donaldson clarified user rate fees, not the ad valorem, fund *Fiveash* costs. The *BAB* position is not to delay rate increases associated with *Fiveash* replacement costs. Mayor Trantalis and Commissioner McKinzie expounded on their perspectives and moving forward.

In response to Chair Donaldson's question regarding property market value and taxable value for long-term residents, Ms. Reece confirmed she could provide this information.

Chair Donaldson commented on tax role projections should there be a reduction in new construction and the impact of the "*save our homes*" three percent (3%) cap on property tax increases. He discussed increased projection accuracy utilizing recent home sales data.

In response to Commissioner Glassman's questions regarding the *Budget*, City Manager Lagerbloom confirmed the *Budget* includes \$300,000 for two (2) pedestrian crosswalks on *Las Olas Boulevard*. City Manager Lagerbloom explained details related to \$500,000 in funding for the City of Pompano Beach (Pompano Beach) *McNab Road Bridge (Bridge)* replacement. This funding addresses raising the *Bridge* three (3) feet allowing District 1 residents access to deeper water. Vice Mayor Moraitis confirmed District 1 residents had requested, noting previous Commission discussions on this topic.

Commissioner Glassman commented on requesting financial contributions from Pompano Beach towards addressing homelessness in the City. Mayor Trantalis noted homeless-related challenges in Pompano Beach and recommended looking towards municipalities in the western portion of Broward County for contributions addressing

homelessness. Further comment and discussion ensued.

In response to Commissioner Glassman's question, City Manager Lagerbloom confirmed a \$500,000 reduction in non-profit grant participation agreement funding (Funding) from prior levels. Commissioner Glassman commented on reviewing funding requests and making adjustments to utilize the funding reduction. City Manager Lagerbloom confirmed the ability to do so at the Commissioner's pleasure and expounded on details. Commissioner Glassman requested this information for Commission review and discussion at the July 6, 2021 Commission Meeting.

In response to Commissioner McKinzie's questions, Chair Donaldson explained details associated with the new open process for non-profit organization funding requests and the *BAB* role to review, score and make Commission recommendations tied to Commission initiatives.

Chair Donaldson noted the extensive work done by the *BAB* and its *Budget* goal not to reduce services or payroll. *BAB* funding recommendations were before federal funding associated with COVID and receipt of recent increased tax roll information. He expounded on related details. Further comment ensued.

BUS-3 [21-0639](#)

Business Updates - Fiscal Year 2022 Budget Review

Chair Donaldson provided *BAB Budget* comments. The *BAB* unanimously supports the recommendation of City Manager Lagerbloom for a zero increase in the ad valorem rate for the FY 2022 Budget based upon one-time federal funding revenues. The *BAB* also supports:

1. Use of *Federal Funding* for one-time *capital improvement/Community Investment Projects (CIPs)* included in the *Budget*.
2. No increase in *Fire Assessment* - True-Up in 2023.
3. No *Stormwater Rate Increase in FY 2022* - review stormwater rate soon with a possible five percent (5%) increase.

Chair Donaldson explained *BAB* efforts challenging Staff and Departments to work better, more intelligently and efficiently and cited steps towards realizing improved information technology infrastructure. He expounded on *BAB* support of Police Department and Fire-Rescue Department equipment funding requests, citing examples.

Chair Donaldson confirmed the need to address funding *CIPs* from the *General Fund* through future ad valorem revenue increases. He cited

examples and suggested future ad valorem revenue increase should be set aside for *CIPs*.

Chair Donaldson commented on his perspective regarding community support for an increase in the ad valorem addressing tangible *CIP* Projects.

Chair Donaldson commented on the recommendation of the BAB regarding recognizing *President's Day* as a City holiday and the estimated \$600,000 cost. BAB recommends in lieu of this, considering the \$600,000 to hire additional Full-Time Employees (FTEs) in Departments requesting additional Staff.

City Manager Lagerbloom provided a brief overview of the next steps in the process to adopt the *Budget*.

ADJOURNMENT

Mayor Trantalis adjourned the meeting at 1:32 p.m.