



CITY OF FORT LAUDERDALE

**BUDGET ADVISORY BOARD MEETING  
CITY OF FORT LAUDERDALE  
JUNE 15, 2023 – 5:00 P.M.  
Fort Lauderdale Executive Airport  
Red Tails Conference Room  
6000 NW 21st Avenue  
Fort Lauderdale, FL 33309**

<b>Board Member</b>	<b>Attendance</b>	<b>10/2022 through 9/2023 Cumulative Attendance</b>	
		<b>Present</b>	<b>Absent</b>
Brian Donaldson, Chair	P	4	0
Jeff Lowe, Vice Chair	P	4	0
William Brown	P	3	1
Ross Cammarata	A	3	1
John Rodstrom	P	3	0
Christian Macellari	P	2	2
Michael Marshall [via Zoom]	P	4	0
Prabhuling Patel	A	3	1

**Staff**

Greg Chavarria, City Manager  
Susan Grant, Assistant City Manager  
Anthony Fajardo, Assistant City Manager  
Laura Reece, Director, Office of Management and Budget  
Linda Short, Director of Finance  
Phil Thornburg, Director of Parks and Recreation  
Alan Dodd, Director of Public Works  
Stephen Gollan, Fire Chief [via Zoom]  
Charmaine Crawford, OMB Department and Board Liaison  
J. Opperlee, Prototype Inc. Recording Secretary

**Others**

Jeremy Niedfeldt, PFM Financial Advisors LLC  
Mara Lugo PFM Financial Advisors LLC  
Andrew Burnham, Stantec Inc.

**Communications to the City Commission**

- *Water/Sewer Rate Structures*

**Motion** made by Mr. Brown, seconded by Mr. Macellari to state the Board agreed with staff's recommendation of Funding Scenario 3 for the Water Treatment Plant. In a roll call vote, motion passed 6-0.

- *Fire Assessment Fee*

**Motion** made by Mr. Brown, seconded by Mr. Macellari to adjust the Fire Assessment Fee annually and to increase it to full cost recovery. In a roll call vote, motion passed 6-0.

- *Ad Valorem Rate*

**Motion** made by Mr. Brown, seconded by Mr. Macellari to keep the ad valorem rate flat for the 17<sup>th</sup> consecutive year. In a roll call vote, motion passed 5-1 with Mr. Lowe opposed.



**DRAFT**  
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**Communications to the City Commission**

Water/Sewer Rate Structures, Fire Assessment Fee, and Ad valorem Rate

**I. Call to Order**

The meeting of the Budget Advisory Board was called to order at 5:00 p.m.

## **II. Roll Call**

Roll was called, and it was determined a quorum was present.

**Motion** made by Mr. Brown, seconded by Mr. Lowe to allow Mr. Marshall to attend via Zoom. In a voice vote, motion passed unanimously.

## **VII. Infrastructure Task Force Update**

Mr. Marshall said they had discussed staff's takeaways from the flooding event and repairs to City Hall. They had also discussed water treatment plant funding options.

## **III. Approval of Meeting Minutes – May 17, 2023**

**Motion** made by Mr. Lowe, seconded by Mr. Brown to approve the minutes of the Board's May 17, 2023 meeting. In a voice vote, motion passed unanimously.

## **IV. Floor Open for Neighbor Input**

None

## **V. Old Business**

Chair Donaldson had attended the last City Commission meeting and discussed the BAB's suggestion of reinstating a convenience fee for credit card utility payments. The Commission had directed the City Manager to restart those fees. Ms. Reece said they anticipated a six-month implementation period. Ms. Short stated they needed a new contract that would work with each payment system and each software system would require reprogramming.

## **VI. New Business**

### **• Water/Sewer Rate Structures**

Ms. Grant reported the City Commission had approved the comprehensive agreement for the water treatment plant in February. PFM and Stantec were present via Zoom to discuss four financing scenarios and water/sewer rates.

Jeremy Niedfeldt and Mara Lugo, PFM Financial Advisors LLC, provided a presentation on the Water Plant financing, a copy of which is attached to these minutes for the public record. Ms. Grant said these scenarios related to construction of the water treatment plant only, not for ongoing maintenance costs; bonding for this would be included in the rate structure presentation. She confirmed that City staff and PFM recommended Scenario 3.

Mr. Rodstrom asked if they had explored variable rate demand notes and Ms. Lugo said they had not. Mr. Niedfeldt said the recent contraction on the liquidity market would present an interest rate risk. Mr. Rodstrom said Scenario 3 was the best option and it would probably save significant money.

Mr. Lowe asked if they had considered three tranches instead of two and Ms. Lugo explained the tranches were based on when they needed the funds. Ms. Grant stated

three tranches presented an interest rate risk. She explained that IRS rules dictated when the funds must be drawn down.

Mr. Brown and Chair Donaldson noted the difference in total interest in different scenarios and Ms. Grant said they had considered the impact on rates over time.

Andrew Burnham, Stantec Inc., provided a presentation on water/sewer rates, a copy of which is included with these minutes for the public record.

Ms. Grant said their original estimate of rates rising 140% over 10 years was now 126%, due to the next \$200 million going toward sewer, because they had already been increasing rates for water.

Mr. Brown asked if Mr. Dodd anticipated there being any major infrastructure updates needed from the treatment plant to the individual properties that would require bonding in the next 30 years. Mr. Dodd said a portion of the \$200 million bonds was for distribution projects and was built into the long-term Master Plan. Mr. Burnham agreed they had anticipated and factored in renewal/replacements needs.

Board members all preferred Funding Scenario 3.

**Motion** made by Mr. Brown, seconded by Mr. Macellari to state the Board agreed with staff's recommendation of Funding Scenario 3 for the Water Treatment Plant. In a roll call vote, motion passed 6-0.

- **City Manager's Update and Initial Recommendations - FY 2024 Budget**

Ms. Reece stated the first budget hearing would be at 5:01 PM on September 5, prior to the regular City Commission meeting. The second budget hearing would be on September 13.

Chair Donaldson thought it was premature for Mr. Chavarria to indicate that increased property values would allow the City to maintain the same ad valorem rate. He felt this should have waited until after the BAB met with the City Commission to weigh in. Ms. Reece said she had replicated the format from prior years. Mr. Chavarria said the property value figures had allowed staff a sigh of relief and acknowledged that "it's not over until we jointly go together [to the City Commission] and you present what your Board recommends."

Mr. Chavarria provided a presentation on the preliminary budget, a copy of which is attached to these minutes for the public record.

#### Fire Assessment Fee

Mr. Chavarria proposed annual adjustments [instead of the current adjustment every three years. This year, he proposed increasing the residential rate from \$321 to \$338, which would provide an additional \$3 million in revenue to the General Fund.

Chair Donaldson was concerned about contract increases and staff confirmed these would go into the following year's budget. Mr. Chavarria noted it was not just salary increases; there was some very important equipment they needed to purchase. Ms. Reece pointed out the new Las Olas Station needed to be built out and they could not afford this without the increase. Ms. Reece explained why the Police budget request for positions was so much more than for Fire Rescue.

Mr. Chavarria said they would further study what could be done to improve Police presence and have more patrol staff. Chair Donaldson said he looked forward to discussing in August how they could shift more officers to patrol.

Mr. Macellari said the Police Department could consider a better fleet program and use the money they saved to pay for more officers.

Chair Donaldson was concerned about the amount of money going to non-profits and events and wanted some of those funds reallocated to public safety. Mr. Lowe agreed, and said he got a lot of questions about this every year. He said many of the non-profits had deep pockets and did not need the City's money. He felt the process was flawed as well; there were many non-profits that did not have the opportunity to participate. Mr. Macellaria suggested the City could fund an incubator program to train organizations how to operate and to do their own fundraising. Mr. Marshall agreed regarding non-profits and events.

Mr. Rodstrom asked about the Riverwalk "activation" and Ms. Reece said a portion of the non-profit funding for Riverwalk was for them to light up and activate Riverwalk. The \$100,000 difference was for additional lighting Riverwalk had requested for the upcoming year.

Chair Donaldson asked who was responsible for cleaning the benches along Riverwalk and Phil Thornburg, Director of Parks and Recreation, stated Parks and Recreation was responsible for maintenance of Riverwalk. He explained what "activation" was along Riverwalk: working with promoters to bring in events to get more people there. Mr. Rodstrom thought the \$100,000 for lights on Riverwalk could be spent on another officer. He agreed they could cut aid to non-profits and events but did not want to do anything to negatively affect the homeless population.

Mr. Brown supported the other Board Members' comments regarding non-profits and events. He suggested staff examine why they were funding a Riverwalk magazine when they did not fund neighborhood magazines.

Mr. Brown requested 17 years' worth of the assessed values. Chair Donaldson wanted to differentiate between single-family home and condominium values and to know the average taxable value.

Regarding events, Mr. Chavarria said Mr. Thornburg was analyzing what the City charged those who used the parks and they thought there were opportunities to lease beach and park space for events. Mr. Thornburg said Tortuga Fest paid \$500 per day to use the beach.

Chair Donaldson said when they met with the City Commission the following week, he would bring up the Board's remarks regarding shifting funding away from non-profits and events.

**Motion** made by Mr. Brown, seconded by Mr. Macellari to adjust the Fire Assessment Fee annually and to increase it to full cost recovery. In a roll call vote, motion passed 6-0.

**Motion** made by Mr. Brown, seconded by Mr. Macellari to keep the ad valorem rate flat for the 17<sup>th</sup> consecutive year. In a roll call vote, motion passed 5-1 with Mr. Lowe opposed.

- **Discussion of FY 2024 Department Budget Presentations**
- **Joint City Commission Workshop Preparation**
  - Tuesday, June 20, 2023; 11:30am – 1:00pm  
The Parker, 707 Northeast 8th Street, Fort Lauderdale, FL 33304

**VIII. Communications to/from the City Commission**

None

**IX. Board Member Comments**

None

**X. Adjourn**

The meeting was adjourned at 7:06 p.m.