

City of Fort Lauderdale



Meeting Minutes

Tuesday, March 2, 2021

11:30 AM

Joint Workshop with Budget Advisory Board

City Hall - 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

STEVEN GLASSMAN Vice Mayor - Commissioner - District II

HEATHER MORAITIS Commissioner - District I

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 11:37 a.m.

ROLL CALL

Commission Members Present: Commissioner Heather Moraitis, Vice Mayor Steven Glassman (participated telephonically), Commissioner Robert L. McKinzie (arrived at 11:40 a.m. - participated telephonically), Commissioner Ben Sorensen (participated telephonically), and Mayor Dean J. Trantalis

Budget Advisory Board Members Present: Chair Brian Donaldson, Vice Chair Jeff Lowe, Ross Cammarata, Catherine Graham, Michael Marshall, A. Abidemi Oladipo, Prabhuling Patel, Adam Sabin, Johnnie Smith, and Christopher Williams

QUORUM ESTABLISHED

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

OLD/NEW BUSINESS**BUS-1** [21-0285](#)

Budget Advisory Board - Business Updates - (Commission Districts 1, 2, 3 and 4)

Budget Advisory Board Chair Brian Donaldson commented on upcoming 2021 Budget Advisory Board (BAB) Commission Joint Workshops (Joint Workshops). The June Joint Workshop will include BAB recommendations impacting the *Truth In Millage (TRIM) Notice, i.e., ad valorem tax rate (ad valorem)* and *Fire Assessment*. The August Joint Workshop will include BAB recommendations regarding City Manager Lagerbloom's proposed Fiscal Year 2021-2022 Budget.

Chair Donaldson discussed the new open process for non-profit organization (non-profits) funding requests and the BAB's role to review, score and make Commission recommendations. In recent years the annual allocation to non-profits from the General Fund has been approximately \$2,000,000. He noted that BAB members added additional meetings to accomplish non-profit related tasks and goals. Chair Donaldson said he would reserve additional comments on this topic later in the meeting.

Chair Donaldson explained the BAB mission includes input on its review of estimated revenue and expenditure projections, working with City Manager Lagerbloom to develop the Annual Operating Budget, advising the Commission on service levels and priorities and taxpayer perspective. The purpose of this meeting is to focus on Commission goals, priorities and policies and apply feedback to subsequent meetings with City Manager Lagerbloom, Assistant City Managers and Department Heads to formulate Commission recommendations for the FY 2021-2022 Budget and the ad valorem. He confirmed challenges related to the FY 2021-2022 Budget and maintaining the current ad valorem.

Chair Donaldson reviewed items impacting the budget, i.e., Water and Sewer Fund Return on Investment (ROI) elimination, full recovery of the Fire Assessment, shifting Stormwater Bond funding from Utility bills to Property Tax bills, the Parks Bond and Public Safety Facilities Bond. The FY 2021-2022 Budget deficit is estimated to be approximately \$14,000,000 that includes Fire/Public Safety Capital Enhancements and Cost of Living Increases (COLA). Conversations with the Broward County Property Appraiser's Office indicate commercial property tax value revenue will be decreasing. This Joint Workshop will focus on Commission feedback on the General Fund and the ad valorem.

Mayor Trantalis noted increasing property values. In response to Mayor Trantalis' question, Chair Donaldson explained the anticipated reduction of General Fund ad valorem revenue that is paid in arrears. Seventy percent (70%) of ad valorem revenue is received from residential properties. The balance is from commercial and industrial properties. Projections for 2020 indicate a possible reduction in commercial property tax revenue based upon a decline in 2020 income streams. Increased 2021 residential property values will not be recognized until 2022, impacting the FY 2022-2023 Budget. Chair Donaldson expounded on his perspective and consideration of this information when contemplating the FY 2021-2022 ad valorem. Further comment ensued. Board Member Christopher Williams commented on his experience in this realm, explaining the spread between the taxable value and assessed value for small commercial properties, i.e., small commercial apartment buildings. The taxable value can only increase ten percent (10%) per year on those properties and could offset projected revenue reductions.

Mayor Trantalis noted termination of the Beach Community Redevelopment Agency (Beach CRA) last year and asked whether this was calculated. Laura Reece, Management and Budget Office Director, explained the Beach CRA had sunset before the FY 2020-2021 Budget

and the reduction of expenditures was factored into the current FY 2020-2021 Budget.

Chair Donaldson explained the BAB's work on developing the FY 2021-2022 budget was based upon a *worst case* scenario.

Discussion ensued regarding the budget development timeline:

March 2021 - BAB begins work with each Department Head to determine budget FY 2021-2022 Department Budgets;

April 2021 - Revenue sources are determined;

June 1, 2021 - Property Appraiser provides the Preliminary Assessment Role;

June 15, 2021 - BAB Joint Workshop Meeting - BAB provides Commission with *ad valorem (Truth In Millage (TRIM) Notice)* recommendation;

July 1, 2021 - Property Appraiser provides final Assessment Role;

July 6, 2021 Commission Meeting - Commission sets the maximum *ad valorem* and all *non-ad valorem rates*, i.e., Stormwater rate, Fire Assessment, etc.

August 1, 2021 BAB Joint Workshop Meeting - BAB will present recommendations regarding the City Manager Lagerbloom's proposed Fiscal Year 2021-2022 Budget.

September 10, 2021 - First Budget Hearing setting *ad valorem* and all *non-ad valorem rates* and establishing FY 2021-2022 Budget;

September 13, 2021 - Second Budget Hearing setting *ad valorem* and all *non-ad valorem rates* and adoption of FY 2021-2022 Budget;

In response to Commissioner Sorensen's question, Ms. Reece explained the Property Appraiser's Preliminary Assessment Role has historically closely aligned with the Property Appraiser's Final Assessment Role, expounding on details. The head of the Property Appraiser's Commercial Property Department indicated commercial business properties could be part of the *Value Adjustment Board* process due to third-party companies administering taxes to commercial businesses. Staff has been working to address COVID-19 impacts on revenue and will make

associated recommendations.

Chair Donaldson discussed stakeholder concerns regarding *Community Investment Plan (CIP)* investments and the FY 2021-2022 Budget, i.e., seawalls, sidewalks, lighting, bridges and Emergency Medical Service (EMS) Substations. The General Fund has traditionally funded \$10,000,000 for various CIP projects with five (5) year projections and rollouts.

Chair Donaldson requested Commission feedback regarding the addition of an *ad valorem line item* dedicated to specific unfunded CIP projects. The City of Miami Beach has this type of program. Commission priorities include CIP projects not funded by bonds, the Water and Sewer Fund, Parking Fund or Stormwater Fund. In the past, funding of CIP projects had been shifted to balance the budget.

City Manager Lagerbloom said five (5) year CIP projects are currently in place. New CIP projects the Commission may desire would require scheduling in year six (6) or making adjustments to currently scheduled CIP projects. Comment and discussion ensued on floating a bond as a revenue source for CIP projects.

Ms. Reece clarified details of Chair Donaldson's recommendation to levy an additional *ad valorem line item* that would be mandated by Resolution for use only on identified CIP projects, split into two (2) pieces, i.e., *pay as you go* capital projects and *renew and replacement* capital projects. These types of CIP projects could also be funded with voter-approved debt (bonds).

Chair Donaldson noted levying an additional *ad valorem line item* could be implemented by the Commission. He commented on his perspective regarding CIP project priorities. Further comment and discussion ensued on CIP project funding and bond funding.

Commissioner Moraitis explained her perspective on recent bonds issued for Parks and Public Safety Facilities and the readiness of the public for additional voter-approved bonds. She noted upcoming large CIP projects, including the *Fiveash Water Treatment Plant (Fiveash)* and *the Joint Government Center*. Commissioner Moraitis recommended an analysis of all CIP projects needs.

City Manager Lagerbloom clarified utilities CIPs for stormwater and *Fiveash* are funded by revenue bonds fees financed by the related utility revenue or an assessment. CIPs funded from the General Fund include

repairs of bridges, seawalls and sidewalks. The Parks Bond and the Public Safety Facilities Bond are examples of voter-approved general obligation bonds.

City Manager Lagerbloom said he has a neutral position regarding Chair Donaldson's recommendation for an additional millage levy targeted towards specific *CIP* projects funded from the General Fund.

Commissioner McKinzie commented on the need to make a determination of resources needed for unfunded *CIP* projects. Chair Donaldson cited additional *CIP* project expenses, i.e., recurring assessments of HVAC, electrical, and plumbing in City-owned facilities, City Hall elevators, EMS Substations, crosswalks, etc. He explained the need to fund Commission priorities not currently funded with the annual \$10,000,000 General Fund *CIP* project allocation. The recommendation for an additional ad valorem line item would be dedicated to those unfunded Commission priority *CIP* projects to address resident requests to move those projects forward promptly.

Vice Mayor Glassman said he liked Chair Donaldson's recommendation for an *ad valorem line item* dedicated to specified unfunded *CIP* projects. He concurred with resident input regarding *CIP* project requests and frustrations related to funding and accomplishing those *CIP* projects.

In response to Vice Mayor Glassman's request for the dollar amount the City of Miami Beach receives from its dedicated *ad valorem line item* for specified unfunded *CIP* projects, Chair Donaldson said he would provide this information. Ms. Reece confirmed the City of Miami Beach millage increase dedicated to *paying as you go* capital projects and *renew and replace* existing assets was one (1) mil. Chair Donaldson noted the City's estimated dollar amount for a one (1) mil increase would equal approximately \$40,000,000.

Commissioner Sorensen confirmed this concept is worth exploring, expounding on his perspective.

Commissioner Moraitis said she does not favor raising taxes and commented on the need to determine other funding sources, including the Broward County Metropolitan Planning Organization (MPO), Broward County Surtax (Surtax) and possible State funding. She noted a portion of Stormwater funding is going towards some seawalls.

Mayor Trantalis recommended identifying specific funding items, areas identified by the community and what funding is currently in place. Chair

Donaldson concurred. He recommended not eliminating the \$10,000,000 presently allocated in the budget for *CIP* projects. Mayor Trantalis concurred, citing sidewalk needs and expounding on related details. He requested a summary of needed *CIP* projects, current and anticipated funding sources and a determination of where the gap exists. City Manager Lagerbloom confirmed.

Commissioner Sorensen discussed the need to consider proactive waterway improvements and waterway dredging. Mayor Trantalis commented on current waterway improvement projects, including the body of water at *George English Park* and the *New River*. City Manager Lagerbloom said those were not planned. They were restorative projects required because of Sewer Force Mainline ruptures. He noted the topic of waterway dredging could be revisited.

Mayor Trantalis commented on the need to determine the purpose of dredging, i.e., cleanup of the environment or navigable waterways. Previous dredging discussions to increase waterway depth for navigability resulted in homeowner input to not move forward with dredging.

City Manager Lagerbloom said an environmental study of all waterways had not been done. Mayor Trantalis commented on other ways to remediate waterway quality through oxygenation and noted the possible negative impact of dredging. Further comment and discussion ensued on current water quality monitoring by *Miami Waterkeeper*.

Commissioner Sorensen confirmed the need for a holistic solution where appropriate, i.e., oxygenation and dredging, and expounded on his perspective.

Mayor Trantalis confirmed work with a vendor to oxygenate the Himmarshee Canal water as an alternative to dredging. Oxygenation of waterways could be done through a *CIP* project.

Commissioner Moraitis concurred with Commissioner Sorensen's recommendation on funding a study to improve water quality and confirmed support to fund a waterway study in the FY 201-2022 Budget. A determination of funding resources for waterway cleanup could occur later.

In response to Commissioner Sorensen's question, City Manager Lagerbloom confirmed he would move forward to determine the cost of a waterway study and return to the Commission with a recommendation.

Mayor Trantalis concurred.

Chair Donaldson discussed his understanding, based on Commission input, that the BAB is challenged with keeping the *ad valorem* flat and making budget adjustments, based upon revenue streams. He requested Commission input on reducing services. City Manager Lagerbloom confirmed Staff would begin a conversation with the BAB on this topic.

Chair Donaldson discussed the time and efforts put in by BAB members for vetting and scoring of non-profit funding requests. One hundred and seven (107) non-profit applications for funding were submitted and narrowed down to thirty (30). Traditionally, the Commission funds sixteen (16) to seventeen (17) non-profits annually.

Chair Donaldson noted Strategic Communications Division's ability to assist non-profits not selected to receive funding, i.e., providing additional visibility by publicizing at homeowner's association meetings, Commission Meetings, etc. The BAB selected thirty (30) non-profits for funding recommendations. He commented on previous funding allocated to the *Broward County United Way* and its pass-through organizations requesting separate City funding. BAB non-profit recommendations fall into categories that include education, arts and assisting underprivileged families. Chair Donaldson reviewed past non-profit funding allocations and commented on BAB discussions regarding funding to the Nova Southeastern Art Museum that were too high.

Chair Donaldson requested Commission input regarding BAB non-profit funding recommendations based on its scoring of non-profit applications or focusing on past non-profit funding.

In response to Mayor Trantalis' question, Chair Donaldson confirmed the BAB developed five (5) criterion for scoring that included leveraging funds, having a City-wide impact, historical record and other items. He expounded on details regarding the scoring process.

In response to Mayor Trantalis' question, Chair Donaldson said the thirty (30) recommended non-profit organization's cumulative request is \$2,500,000. Traditionally, allocated funding for non-profit organizations has been \$2,100,000. The final BAB recommendation will be given to City Manager Lagerbloom in late March or early April 2021, following budget determinations.

In response to Mayor Trantalis' question, Chair Donaldson confirmed he would provide the Commission with the list of the thirty (30) non-profit organizations via a Communication to the Commission.

Commissioner Moraitis thanked BAB members for their work and recommended Commission Members provide their non-profit philosophies to the BAB. She confirmed her opposition to allocating taxpayer funds to non-profits unless they address Commission priorities. She noted the ability of non-profits to utilize pass-through State and Federal funding opportunities, i.e., Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, and possible opportunities to offer incentives to developers for items such as public art.

Vice Mayor Glassman thanked BAB members for their efforts and concurred with development of a system and plan by the BAB to fund non-profits. He noted the inability of non-profits to function due to 2021 difficulties, confirmed support of continued non-profit funding and expounded on his perspective.

Commissioner McKinzie commented on the need to allocate non-profit funding fairly. Chair Donaldson responded, explaining details related to scoring the one hundred and seven (107) non-profit application submissions narrowed to thirty (30). Based on BAB criteria and scoring, Chair Donaldson confirmed the ability to address any public scrutiny.

In response to Commissioner McKinzie's question, Chair Donaldson said non-profit funding could vary from zero dollars to \$2,000,000. Chair Donaldson confirmed Commission goals would be a consideration as part of the final presentation to the Commission.

Commissioner Sorensen thanked the BAB for its work. In response to Commissioner Sorensen's questions, Chair Donaldson reviewed details regarding the BAB's non-profit funding meetings and timelines, scoring, public input, communications to non-profits and presentations from non-profits. Commissioner Sorensen confirmed his support of non-profit funding in support of Commission priorities.

Mayor Trantalis discussed his perspective, concurring with input from Commission Members. He commented on past non-profit funding and the Commission's desire to fund non-profit organizations that address Commission priorities.

Mayor Trantalis requested Chair Donaldson provide the BAB non-profit funding recommendations based upon Commission input. Chair Donaldson confirmed. The BAB will continue its work as a team focusing on opportunities to maintain the current *ad valorem* while addressing resident services and needs.

Mayor Trantalis welcomed new BAB members and thanked both new and continuing BAB members for their work.

ADJOURNMENT

Mayor Trantalis adjourned the meeting at 1:06 p.m.