



MINUTES  
TOWN OF HILLSBORO BEACH  
2<sup>ND</sup> FY2021 BUDGET HEARING

WEDNESDAY

SEPTEMBER 23, 2020

5:01 P.M.

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**CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**

Mayor Deborah L. Tarrant called the meeting to order at 5:02 p.m. Roll was called with the Commission members and staff present via video as listed below.

**Town Commission:**

Mayor Deborah L. Tarrant  
Commissioner Andrew R. Brown  
Commissioner Barbara Baldasarre

Vice Mayor Irene Kirdahy  
Commissioner Vicky Feaman

**Town Staff:**

Town Manager Mac Serda  
Town Attorney DJ Doody  
Town Clerk Sherry D. Henderson, CMC

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Town Manager Mac Serda shared the Governor's order allowing for online meeting and outlined the procedure to be followed. He explained the notice given and provided instruction on the Zoom system being utilized to host the meeting online. He further noted public comment was being accepted by email, as well as on the Zoom system.

**APPROVAL OF AGENDA**

Mayor Tarrant asked that item 3a be moved to after item 5.

**Motion** made by Commissioner Baldasarre, seconded by Commissioner Feaman, to approve the meeting agenda as amended. In a roll call vote, the **motion** passed unanimously. (5-0)

## I. PUBLIC HEARINGS

### A. Resolution No. 2020-60 – Consideration to Approve and Adopt the Final Millage Rate for General Operations for Fiscal Year 2020-2021 (FY21)

#### a. Staff Presentation

Mayor Tarrant explained this was the fourth time the budget had been reviewed by the Commission, and previous notes had been integrated.

Stephen Bloom, Inframark, gave a brief *PowerPoint* presentation outlining the major points of the proposed FY21 budget. He explained changes since the September 14 budget hearing included:

- Reduced the Fire Services Budget to match the new contract - \$833,021
- Added the following carryover Capital Improvement Projects (CIP)
  - Town Hall Renovations - \$50,000
  - Underground Utility Project - \$35,000
- Increased Town Attorney budget by \$5,000
- Adjusted Town Manager's salary by \$4,072
- Increased Police Physical Examinations budget by \$1,750
- Changed budget line item title from "FPL Underground Utility" to "Underground Utility Project"

Mr. Bloom stated everything changed was offset by the contingency line item. He noted the revised contingency budget was \$157,479.

Mr. Bloom pointed out the beach nourishment loan had been repaid.

Continuing, Mr. Bloom explained the budget contemplated a millage rate of 3.50, which was 3.51 percent higher than the rollback rate of 3.3813. He provided a brief overview of the General Fund, noting a \$25,000 decrease in the Operating Budget through a lot of hard work despite increases in some areas, and reviewed the special funds.

Mayor Tarrant stated the millage rate was the same as the past three (3) years.

#### b. Open Public Hearing

Mayor Tarrant opened a public hearing on the budget.

Town Clerk Sherry D. Henderson stated no public comments were received via email.

Mr. Serda stated there were no virtual attendees wishing to speak.

**c. Close Public Hearing**

Mayor Tarrant closed the public hearing on the proposed millage rate.

**d. Commission Discussion**

Commissioner Baldasarre commended Mr. Serda and staff on being able to keep the mill rate and expenses down which has been a tremendous asset.

**e. Motion to Adopt Final Millage Rate**

**Motion** made by Commissioner Baldasarre, seconded by Commissioner Brown, to approve the final millage rate of 3.50. In a roll call vote, the **motion** passed unanimously. (5-0)

**f. Motion to Adopt Resolution**

Mr. Doody read the Resolution by title only.

**Motion** made by Commissioner Baldasarre, seconded by Commissioner Brown, to approve Resolution No. 2020-60. In a roll call vote, the **motion** passed unanimously. (5-0)

**B. Resolution No. 2020-61 – Consideration to Approve and Adopt the Final Budget for Fiscal Year 2020-2021 (FY21)**

Mr. Doody read the Resolution by title only.

Mayor Tarrant opened a public hearing.

Ms. Henderson stated no public comments were received via email.

Mr. Serda stated there were no virtual attendees wishing to speak.

Mayor Tarrant closed the public hearing on the proposed millage rate.

**Motion** made by Commissioner Feaman, seconded by Commissioner Brown, to approve Resolution No. 2020-61. In a roll call vote, the **motion** passed unanimously. (5-0)

## II. ORDINANCES

- A. Ordinance No. 2020-06** – Amendment to the Town Code of Ordinance – “Buildings and Building Regulations” Chapter 4, Amending Section 4-67, Permit Fee Schedule (Second Reading)

Mr. Doody read the Ordinance by title only.

Steve Mitchell, Building Official with CG&A, explained the Ordinance changed the format of fees to allow the Building Department to operate effectively.

Mr. Serda stated this action moved the Town away from the County fee structure, which didn't work well for the Town. He noted it was a modernization of the fees which made it easier for those outside to do construction work.

Mayor Tarrant opened a public hearing on the item.

Ms. Henderson stated no public comments were received via email.

Mr. Serda stated there were no virtual attendees wishing to speak.

Mayor Tarrant closed the public hearing.

**Motion** made by Commissioner Baldassarre, seconded by Commissioner Brown, to approve Ordinance No. 2020-06. In a roll call vote, the **motion** passed unanimously. (5-0)

## III. DISCUSSION AND POSSIBLE ACTION

- A. Discussion** - Commercial Contract with Winter Sun Investments, LLC Relating to Purchase of 1205 and 1206 Hillsboro Mile

Item addressed later in the meeting.

## IV. RESOLUTIONS & CONTRACTS

- A. Resolution No. 2020-62** - Consideration to Approve the Enhanced Marine Law Enforcement Grant (EMLEG) Program for Hillsboro Beach Police Department to Enhance Marine Law Enforcement and Improve Boat Safety.

Mr. Doody read Resolution 2020-62 by title only.

Mr. Serda summarized the matter briefly. He explained the grant had been received routinely and provided \$33,000 with no cash match to expand the availability of the Marine Patrol.

Mayor Tarrant stated the Marine Patrol had been doing a fabulous job.

**Motion** made by Commissioner Feaman, seconded by Vice Mayor Kirdahy, to approve Resolution 2020-62. In a roll call vote, the **motion** passed unanimously. (5-0)

## V. CONSENT

### A. Invoices for Approval

- a. **Sweetapple, Broeker, & Varkas: Invoice #10979 08/27/20 \$1975.00**

**Motion** made by Commissioner Baldassarre, seconded by Vice Mayor Kirdahy, to approve the Consent Agenda. In a roll call vote, the **motion** passed unanimously. (5-0)

## III. DISCUSSION AND POSSIBLE ACTION

### A. Discussion - Commercial Contract with Winter Sun Investments, LLC Relating to Purchase of 1205 and 1206 Hillsboro Mile

Mayor Tarrant read a statement regarding the purchase, providing details and background on the issue, along with *PowerPoint* slides (attached as backup material). The presentation focused on discrepancies and the lack of "fairness" in using ad valorem taxes as a formula to impose a special assessment - specifically long-time homesteaded properties/units versus newly purchased or non-homesteaded properties/units.

Mayor Tarrant explained and gave actual examples which showed that using ad valorem as a basis for assessment means identical units within the same building would pay vastly different amounts for receiving the exact same benefit. Units that have been homesteaded for decades (and therefore pay substantially lower ad valorem taxes than non-homesteaded or newly purchased units) would be responsible for a far lower share of the assessment than their neighbor next door with an identical unit that is not homesteaded or is newly purchased.

Mayor Tarrant noted the slides were available to anyone wanting to share information with friends and neighbors. She provided a brief timeline of the litigation associated with the purchase of 1205 and 1206 Hillsboro Mile and mediation with Deerfield Beach.

Mayor Tarrant opened the discussion, pointing out the Commission was under tight constraints for two (2) sets of legal situations.

The Commissioners discussed the restrictions of communicating with the public regarding ongoing litigation.

Commissioner Brown stated the Commissioners are not immune and are also fellow property owners. He added that the purchase was in the best interest of the Town.

Commissioner Baldasarre commented that she was tortured when she thinks about spending \$15 million on property she never thought she would have considered. She said she understood where the residents were coming from in terms of money and the 30-year commitment, especially on fixed incomes.

Mayor Tarrant stated it boils down to protecting Hillsboro Beach's biggest asset, the beach.

#### **IV. PUBLIC COMMENT**

**Terri Osman**, Port De Mer, thanked Mayor Tarrant for the extraordinary amount of communication and said she and her husband appreciate it. She noted beach replenishment was an important issue where she lives and thanked the Commission for the transparency on the complicated analysis used. She stated it was her opinion the special assessment was an equitable way to fund the purchase, and said she supports to the Commission's decisions.

Continuing, Ms. Osman asked if the meeting was for information purposes only, or if there was something holding the Town back from the purchase and agreed that without the beach, there really is no Town.

**Kim Williams**, Sea Club, stated her problem with the issue was that the voters were promised an opportunity to vote on a referendum and that was denied to them. She said the public should have a right to vote and have a say in this matter.

Mayor Tarrant stated half the properties that would be impacted are not voters in Hillsboro Beach.

**David Ravenisi**, 1236 Hillsboro Mile, stated he believes public hearings are held to make people available to make their case and answer questions. He asserted in the long-term Hillsboro Beach is an exclusive area and the purchase of the property is in the best interest of the Town. He added that no one likes to pay an increased tax or fee, but if it was in the best interest of the Town, it was the best thing to do.

Ms. Henderson stated no public comments were received via email.

**Dennis Pushkin**, 1223 Hillsboro Mile, thanked the Commissioners for the thorough work they had done on the issue. He stated he supports the issue and hopes it gets done soon.

**Asa Loof**, thanked Mayor Tarrant for explaining the issue thoroughly.

Mr. Serda stated Mayor Tarrant and Mr. Bloom had done a great job putting together the facts and figures for the presentation.

## V. ADJOURNMENT

Mayor Tarrant announced the Census deadline was in seven (7) days, and October 5 was the last day for voter registration. She noted ballots should be mailed out 33-40 days ahead of the election and suggested those relying on mail-in ballots get their ballots back in the mail immediately.

Vice Mayor Kirdahy commended Mayor Tarrant on the number of hours she puts in. She finds it difficult when people complain without understanding the Commission is trying to do the very best they can as a collective whole.

Mr. Doody requested a shade session for the following Tuesday or Wednesday pursuant to the pending appeal of the validation hearing regarding the purchase of 1205 and 1206 Hillsboro Mile.

**Motion** made by Commissioner Vicky Feaman, seconded by Vice Mayor Irene Kirdahy, to adjourn the meeting at 6:22 p.m. In a roll call vote, the **motion** passed unanimously.

ADOPTED THIS 10<sup>th</sup> DAY OF NOVEMBER, 2020

By:   
Deborah L. Tarrant, Mayor

ATTEST:

  
Sherry D. Henderson, CMC Town Clerk

September 23, 2020 Meeting Notes  
1205 Purchase Discussion

Adding the 1205 property purchase to the agenda for today's budget meeting is meant to provide constructive information.

Before we can talk about the Winter Sun contract, we need to talk about what has caused the purchase to become an issue. Since we have some aspiring Commissioners in the group that's filed litigation against the 1205 purchase, I'll start the discussion by sharing information anyone who wants to be a Commissioner should be aware of. First, some generalities, and then the details. There are lots of numbers involved in the details, and it might get a bit tedious, but understanding the details is critical, so I ask that you hang in there and bear with me.

In general, Commissioners have a responsibility to exercise foresight in planning for the future, especially given that in government, nothing happens quickly. Every Commissioner has a responsibility to represent ALL the residents in Town, not just the buildings or communities from whence we come. Commissioners have to weigh the impact of decisions ACROSS THE BOARD. This all seems pretty basic, but it's easy to lose sight of this when there's something of personal interest on the table.

With the 1205/1206 property, the Commission decided it's an excellent strategic move for the Town, both in the short-term and the long-term, to own that property for a number of reasons, the most urgent of which is for beach nourishment access and staging. Are there other uses the property can offer? Of course – things like ATV access for beach patrol, the beach-raker, and turtle monitors, as well as access for the post-monitoring required in conjunction with a beach nourishment. We've run into issues for these activities over the years because the Town doesn't have control of an access point.

Anybody with eyes can see the 1205/1206 location makes it perfect for beach nourishment and maintenance because it's right in the middle of the permitted nourishment area. In fact, Mr. Garcia, who's the primary organizer for the group that's filed litigation against the Town to stop the purchase, was involved in trying to BUY the property for the Town in 2015 when he was a Commissioner. He thought it was a great idea five years ago. But Mr. Garcia now owns property next door. He and his group did not initially object to the Town buying a nourishment access point nor to the method of financing, as long as the property being purchased was located somewhere else in Town. After other vacant properties were explored and found to be inappropriate, the focus of the group's objection shifted to the "fairness" of the assessment methodology.

Bottom line, there are a number of strategic advantages for the Town to own the 1205/1206 property, but as I said, the most urgent by far is for the Town to have a beach nourishment access point. Debating the merits of that under the current circumstances, where we've done three emergency nourishments in five years with a fourth already on the horizon, seems ridiculous. If you had a business, would you do what you needed to do to run your business the way it needed to be run, or would you trust your livelihood to the guy who owns the business next door, and hope he'll give you favors whenever you need them without holding your feet to the flames?

This is what the Town has naively done by depending on Deerfield and private owners to grant access, and there's been a price.

So, this brings us to the main part of the discussion which is how to pay for the property purchase and the details that need to be considered to determine what's "fair."

This first slide may seem like a segue, but it's an important factor in determining the "fairness" of any particular methodology for assessments in Hillsboro Beach. This is something most residents are not aware of, but something every Commissioner has to take into consideration.

**(Slide of Sanitation Assessments for Broward County)**

This slide shows monthly waste disposal charges for every municipality in Broward County. What's important here is not the specific numbers, although it's very interesting to note the differences. What's important is to note that Hillsboro Beach is the only municipality in Broward County where residents do not pay their own trash disposal fees as a separate line item on their tax bills. We use ad valorem taxes instead. If you look at Lighthouse Point and calculate their annual disposal fee, it's over \$500 a year. By using ad valorem taxes in Hillsboro Beach, residents with low assessed property values get a break.

**(Sanitation Assessment Slide goes away)**

The same is true for Fire/Rescue services. I don't have a slide with specific amounts, but Hillsboro Beach is the only Broward municipality that uses ad valorem taxes to cover Fire/Rescue services as well. Again, those properties with low assessed values come out winners. When you combine typical waste disposal fees and Fire/Rescue fees, individual property owners in Hillsboro Beach avoid direct line items on their annual tax bills for anywhere from \$400 - \$800 annually, depending on which municipality you compare us to. Properties with higher assessed values subsidize properties with lower assessed values for these services. That's something a Commissioner needs to be aware of and take into consideration when representing ALL the residents in Town. If you removed the Fire/Rescue and waste disposal expenses from the Town's budget and people paid those expenses themselves like every other municipality, the mill rate in Hillsboro Beach would drop from 3.5 to 2.66.

Keep this in mind as we look at the logic used by the experts for a large expense like the 1205/1206 property purchase. The best way to understand the logic is to look at the details for individual parcels.

The assessment method recommended by the consultants for purchasing the property has two variables – front footage and Equal Residential Unit or ERU. The ERU is a fixed amount per parcel. FF is based on the number of linear feet "owned" by an individual unit. So for condos, the total front footage for a building is divided by the number of units, and each unit is responsible for that fraction of the frontage of their building. If a condo has 100' of frontage and there are 10 units, each unit would be responsible for 10' of front footage.

**(Slide – Comparison of 10% FF/90% ERU to 15% FF/84% ERU)**

This chart takes the formula recommended by the experts, 10% FF/90% ERU, and compares it with a 5% shift in the variables to 15% FF/85% ERU. Parcels above the blue line for these examples are within the beach nourishment template area and are authorized to receive sand during a nourishment. The organizers for the opposition of the proposed methodology live in buildings above the blue line. The parcels below the blue line are a random sampling of single-family homes and are outside the area eligible to receive sand in a nourishment. In other words, they will never receive direct improvement to their beach as a result of having a beach nourishment access point at 1205.

If you look at the red boxes, you can see that a 5% shift from ERU to front footage saves the parcels above the blue line (who receive sand) between \$3 and \$13 a year, which is between \$77 and \$380 over 30 years. **Stated another way, the average annual savings for the parcels above the blue line is \$10 a year – less than \$1 a month.** In turn, **that 5% shift drives up the obligation of the properties below the blue line an additional \$250 to \$1000 a year**, which is an additional obligation of \$7,400 to \$30,000 over 30 years for the properties not receiving sand.

For the examples we have here, as recommended by the consultants' formula, **the parcels NOT receiving sand would pay up to nearly 6 times as much as the parcels receiving sand.** Trust me when I tell you, it seems backwards to many residents who live outside the sand nourishment area to have those not receiving sand paying more than those receiving sand. With a 5% shift in the variables of the formula to add more front footage, the parcels not receiving sand would pay up to **8 times** as much as the parcels receiving sand, so that **people receiving sand could save \$10... per year.**

**The reason there is not a linear correlation for the variables (and this is very important and something most people don't know, but something every Commissioner needs to understand) is because 98% of our residents live in condos (70% of those are within the sand template area), and only 2% of our residents live in single-family homes. It's this huge weighted difference (98%, 2%) that makes a small change for the 98% have an exponential impact on the 2%.**

**(Slide – Comparison of 10% FF/90% ERU to 20% FF/80% ERU)**

To drive the point home, here's a second comparison with a 10% change from the experts' recommendation, going from 10% FF/90% ERU to 20% FF/80% ERU. The disparity gets even more staggering. If you look at the red boxes, you see **the average savings for properties receiving sand is about \$21 a year (this is \$1.75 a month).** But the obligation for the properties not receiving sand jumps as much as an additional \$61,000, with properties not receiving sand paying up to nearly 11 times those in the nourishment area. The shift creates a fairly insignificant savings for properties above the blue line, but has a major impact on those properties below the blue line. Again, this is because of the huge weighting of 98% condos and 2% single family.

It becomes pretty obvious that it's draconian to expect the 2% (none of whom would receive sand brought to the beach using the 1205 nourishment access point) to carry the load for the other 98%.

**(Slide – Recommended formula compared to Ad Valorem)**

So, now instead of using a formula with variables of FF and ERU like the experts recommended, let's compare what happens with ad valorem, which is what's being advocated by the people who have filed litigation against the Town. The best way to get the impact of the disparity in using ad valorem taxes is to look at the ends of the spectrum for our examples. Keep in mind, there are properties in Town with much lower assessed values than these examples, as well as much higher assessed values than these examples.

Let's start with two properties that both have 200' of frontage – Palm Hill and the single family at 1087. In the red boxes under "Difference", the Annual Cost column shows Palm Hill residents would **save \$60/year (\$5/month)** for a savings of \$1800 over 30 years using ad valorem for the assessment. Compare that to the single-family home at 1087 that also has 200' of frontage, but would **pay an additional \$10,500 a year**, totaling an additional \$314,000 over 30 years.

Using ad valorem, the red box under "Property Taxes" shows the huge disparity over the life of the bond between the folks above the blue line who can get sand using the access point, and those below the blue line who can't. The 1087 property that has the same frontage as Palm Hill would end up paying \$359,000 over 30 years, while never getting a freshly nourished beach. That's 28 times as much as the Palm Hill resident who pays \$13,000 over 30 years and can get a new 200' beach using the 1205 access point every few years. The \$359,000 that 1087 would have to pay is 79 times as much as the Sea Club resident who gets a new 400' beach, twice as much frontage as the single-family and pays only \$151/year or \$4530 over 30 years. **To say it another way, over the 30-year life of the bond, the resident that enjoys a 400' beach that receives nourishments would pay \$4350, and the resident that has a 200' beach that will never get sand that's been trucked in would pay \$359,000. It's pretty hard to find the fairness in that scenario.**

A few other comparisons from the red box under "Property Taxes":

- 1) Focusing above the blue line, look at Recess and Palm Hill. They both have 200' of frontage, but Palm Hill residents would pay 25% more on average than Recess residents.
- 2) Shoreland has 100' of frontage, compared to Palm Hill's 200'. Using ad valorem, Shoreland residents would pay nearly the same amount as Palm Hill residents, but for half the beach frontage.
- 3) Shoreland, with one-quarter the beachfront of Sea Club (100' compared to 400'), would pay twice as much on average as Sea Club. Is that "fair"?
- 4) Comparing Sea Club and Palm Hill, Sea Club has twice the frontage of Palm Hill, (Sea Club – 400 and Palm Hill 200), but less than half the average ad valorem assessment as the average Palm Hill assessment. A Sea Club unit's average total ad valorem assessment

September 23, 2020 Meeting Notes  
1205 Purchase Discussion

would be about \$4500 while Palm Hill's average would be almost \$13,000, for half the frontage.

- 5) Now move to the parcels below the blue line. The properties above the blue line are eligible to receive sand delivered via the 1205 access point. They are paying anywhere from \$4,500 to \$13,000 over the life of the 30-year bond. The owners below the blue line get no sand and would pay hundreds of thousands of dollars, ranging from \$191,000 to \$392,000, for these examples. **And properties below the blue line already pay \$100,000, \$200,000, \$300,000 a year in current ad valorem taxes, a large chunk of which is used to cover sanitation and fire/rescue for the whole Town.** Contrary to popular belief, not all single-family owners are wealthy beyond imagination. Many of them struggle to pay their taxes every year as it is.

These are just examples. There are properties that would get sand directly onto their beach and pay even lower amounts than those shown here, and there are properties that would get no sand and pay even higher amounts than the properties shown here. Is it "fair" that properties paying hundreds of thousands of dollars would never get a new beach out of the deal? As I said at a previous meeting, this starts to look and sound like socialism. You can argue that the sand migrates south, but if you think the downdrift properties wake up one morning and have a brand-new beach, that's definitely not the case. A tremendous amount of the placed sand goes out to sea. You can see this happening any time fresh sand is put down.

**(Slide – Comparing Ad Valorem within Buildings)**

Lastly, using ad valorem taxes, the disparities are even more obvious when you look at the discrepancies for like-units in the same buildings or parcels with the same beach frontage. Go over to the red box.

Using ad valorem taxes, the Sea Club owner of unit 30A would pay nearly 40% more than the owner of unit 29A, and over 50% more than the owner of unit 9, but everybody has use of the same 400' of beach. (I think we all agree that nobody expects each owner to stay within the 4.5' of beachfront they technically own.)

At Opal Towers East, for use of the same 400' of beach, the owner of unit 208 would pay more than double (130% more) compared to their neighbor in 207, and 160% more than the neighbor down the hall at 201. Is that "fair"?

For the three single-family examples who all have 100' of frontage, one owner would pay \$83,000 while another would pay \$142,000 (over 70% more), and another would pay \$191,000 (130% higher than the first example).

There's nothing "fair" about having properties with the same beach frontage, or next-door neighbors with similar units who share the same beach, paying substantially different amounts. These discrepancies are the result of how long ago a property was purchased and whether or not

September 23, 2020 Meeting Notes  
1205 Purchase Discussion

it's homesteaded. Adding to ad valorem tax instead of doing a special assessment means that newcomers who move to Hillsboro Beach would have to pick up a disproportionate share of the burden because we have so many properties that have been passed down within families or homesteaded for a very, very long time. That's not conducive for making people want to move here or for keeping property values high.

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I realize it's tedious to look at all these numbers, but as a Commissioner, these are the things you have to consider. You have to understand the math. If you understand the math, you understand why the experts recommended the assessment methodology they did. And as I said, Commissioners have a responsibility to consider ALL residents in Town. Whether you like it or not, that includes the single-family properties that give Hillsboro its panache.

My apologies if this is boring, but these details needed to be shared because the folks opposing the property purchase speak in generalities and spread quasi-facts. According to their favorite sound-byte, "An ad valorem assessment is more 'fair...'" Initially, many of us assumed the assessment would be done using ad valorem which is what was discussed way back in January, but as they say, the devil's in the details. Once the experts weighed in, we realized a number of things:

- Ad valorem is certainly not more fair for the 2% of our residents that already pay sky high taxes and subsidize fire/rescue and trash disposal for the whole town.
- It's not more fair for the people who are new in Town.
- It's not more fair for snow birds that aren't homesteaded.
- It's not more fair for people with high assessed values that don't get any sand.
- It's not more fair for the condo owner who pays twice as much as his next-door neighbor to use the same beach.

I guess it depends on your definition of "fair". It would also depend on whether you're looking out for personal interests or thinking about what's best for the Town. When you look at the details, it becomes pretty obvious there's nothing even close to "fair" about using an ad valorem assessment.

It is the nuances of a municipality's demographics, history, and potential revenue sources that make "home rule" important, and its why judges usually listen to the experts for validation for bonds. Because of the pending litigation, I can't say much, but I'm told "home rule" is often misunderstood unless you are familiar with municipal law. The general concept is that a municipality has the authority to do things unless their Charter strictly prohibits it. Our Charter does not prohibit purchasing land to be used for beach preservation purposes. In fact, our Charter specifically grants the Commission authority for things relating to beach preservation.

Judges sometimes make mistakes; that's why there's an appeal process. Although Home Rule is apparently a difficult concept to grasp, I have faith that the Supreme Court understands it. For

the record, the attorney representing the State of Florida at the validation hearing understood it and supported the Town.

My purpose in going into all this detail is to hopefully help residents understand the process and the outcomes for the assessment evaluation. These slides are available for anyone who wants to share the information with friends or neighbors.

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### **So What Happens Now?**

The 1205 owners have been very patient with the numerous road blocks and delays created by the group that lives near the property. The litigants just filed for another 30-day delay with the Supreme Court to submit their brief, and then Hillsboro has 30 days to respond. The decision for the appeal likely will not be determined until January 2021.

Before the 1205 property came on the market last year, the Town had been in mediation with Deerfield. The proposal that came out of that mediation had no benefits for Hillsboro Beach, so the Commission voted it down. Had the mediation been successful, the Town would have looked at the possible purchase of the 1205 property with a completely different lens.

As it happened, several months after signing the contract to purchase the property, we got a surprise when Deerfield suggested a third round of mediation. A lot can certainly happen in a year, even in the middle of COVID. Negotiations with Deerfield have been going on for months and are in the final stages. I expect the Commission will be voting on a proposal at the regular October 6<sup>th</sup> Commission meeting, but that's all I can say about the Deerfield situation.

Okay, I've gone on long enough. The problem is that we have several complex situations converging all at once, and each of these has its own set of complex details. At the same time, all the pieces are interrelated because they all deal with preservation of our beach. At this point, I'll open the floor to the Commission.

**TOWN OF HILLSBORO BEACH**  
 Analysis on Lot 1205/1206 Purchase - Comparison of Assessment Methodologies  
 Breakdown by Address (Per Unit)

Comparison of 10% FF/90% ERU versus 15% FF/85% ERU

| Building Name    | Address   | # of ERUs ** | FF ** | Recommended Option |                  |                        |                          | Difference - Fav (Unfav) |                          |
|------------------|-----------|--------------|-------|--------------------|------------------|------------------------|--------------------------|--------------------------|--------------------------|
|                  |           |              |       | 10% FF / 90% ERU   | 15% FF / 85% ERU | Annual Cost (per unit) | 30 year Total (per unit) | Annual Cost (per unit)   | 30 year Total (per unit) |
| Sea Club         | 1221      | 91           | 405.0 | \$472              | \$14,161         | \$459                  | \$13,781                 | \$13                     | \$380                    |
| Opal Towers East | 1147-1149 | 241          | 404.9 | \$456              | \$13,680         | \$450                  | \$13,493                 | \$6                      | \$187                    |
| Shoreland East   | 1203      | 15           | 100.1 | \$485              | \$14,546         | \$479                  | \$14,381                 | \$6                      | \$165                    |
| Recess           | 1207      | 8            | 200.0 | \$591              | \$17,727         | \$638                  | \$19,153                 | (\$48)                   | (\$1,426)                |
| Palm Hill        | 1212      | 26           | 199.9 | \$491              | \$14,723         | \$488                  | \$14,647                 | \$3                      | \$77                     |
| Single Family    | 989       | 1            | 100.0 | \$1,025            | \$30,744         | \$1,273                | \$38,180                 | (\$248)                  | (\$7,436)                |
| Single Family    | 1087      | 1            | 200.0 | \$1,603            | \$48,099         | \$2,124                | \$63,715                 | (\$521)                  | (\$15,616)               |
| Single Family    | 1097      | 1            | 300.0 | \$2,182            | \$65,454         | \$2,975                | \$89,251                 | (\$793)                  | (\$23,796)               |
| Single Family    | 1125      | 1            | 375.0 | \$2,616            | \$78,471         | \$3,613                | \$108,402                | (\$998)                  | (\$29,932)               |

Notes

\*\* Cost of Special Assessment per folio number is a result of the number of units on a parcel and the shared front footage.

\*\*\*\* The properties listed above the blue line are within the sand template and receive direct sand. Properties below the blue line do not receive direct sand.

**TOWN OF HILLSBORO BEACH**  
 Analysis on Lot 1205/1206 Purchase - Comparison of Assessment Methodologies  
 Breakdown by Address (Per Unit)

Comparison of 10% FF/90% ERU versus 20% FF/80% ERU

| Building Name    | Address   | # of ERUs ** | FF ** | Recommended Option |                  |                  |                  | Difference - Fav (Unfav) |                          |
|------------------|-----------|--------------|-------|--------------------|------------------|------------------|------------------|--------------------------|--------------------------|
|                  |           |              |       | 10% FF / 90% ERU   | 20% FF / 80% ERU | 10% FF / 90% ERU | 20% FF / 80% ERU | Annual Cost (per unit)   | 30 year Total (per unit) |
| Sea Club         | 1221      | 91           | 405.0 | \$472              | \$14,161         | \$447            | \$13,416         | \$25                     | \$745                    |
| Opal Towers East | 1147-1149 | 241          | 404.9 | \$456              | \$13,680         | \$434            | \$13,032         | \$22                     | \$648                    |
| Shoreland East   | 1203      | 15           | 100.1 | \$485              | \$14,546         | \$474            | \$14,216         | \$11                     | \$330                    |
| Recess           | 1207      | 8            | 200.0 | \$591              | \$17,727         | \$686            | \$20,579         | (\$95)                   | (\$2,851)                |
| Palm Hill        | 1212      | 26           | 199.9 | \$491              | \$14,723         | \$486            | \$14,570         | \$5                      | \$153                    |
| Single Family    | 989       | 1            | 100.0 | \$1,025            | \$30,744         | \$1,532          | \$45,948         | (\$507)                  | (\$15,204)               |
| Single Family    | 1087      | 1            | 200.0 | \$1,603            | \$48,099         | \$2,667          | \$79,995         | (\$1,063)                | (\$31,896)               |
| Single Family    | 1097      | 1            | 300.0 | \$2,182            | \$65,454         | \$3,801          | \$114,042        | (\$1,620)                | (\$48,588)               |
| Single Family    | 1125      | 1            | 375.0 | \$2,616            | \$78,471         | \$4,653          | \$139,578        | (\$2,037)                | (\$61,107)               |

Notes

\*\* Cost of Special Assessment per folio number is a result of the number of units on a parcel and the shared front footage.

\*\*\*\* The properties listed above the blue line are within the sand template and receive direct sand. Properties below the blue line do not receive direct sand.

**TOWN OF HILLSBORO BEACH**  
 Analysis on Lot 1205/1206 Purchase - Comparison of Assessment Methodologies  
 Breakdown by Address (Per Unit)

Comparison of 10% FF/90% ERU versus Property Taxes

| Building Name    | Address   | # of ERUs ** | FF ** | Recommended Option |          | Property Taxes         |                          | Difference - Fav (Unfav) |                          |
|------------------|-----------|--------------|-------|--------------------|----------|------------------------|--------------------------|--------------------------|--------------------------|
|                  |           |              |       | 10% FF / 90% ERU   |          | Annual Cost (per unit) | 30 year Total (per unit) | Annual Cost (per unit)   | 30 year Total (per unit) |
| Sea Club         | 1221      | 91           | 405.0 | \$472              | \$14,161 | \$151                  | \$4,530                  | \$321                    | \$9,631                  |
| Opal Towers East | 1147-1149 | 241          | 404.9 | \$456              | \$13,680 | \$202                  | \$6,075                  | \$254                    | \$7,605                  |
| Shoreland East   | 1203      | 15           | 100.1 | \$485              | \$14,546 | \$326                  | \$9,792                  | \$158                    | \$4,754                  |
| Recess           | 1207      | 8            | 200.0 | \$591              | \$17,727 | \$345                  | \$10,347                 | \$246                    | \$7,380                  |
| Palm Hill        | 1212      | 26           | 199.9 | \$491              | \$14,723 | \$431                  | \$12,920                 | \$60                     | \$1,803                  |
| Single Family    | 989       | 1            | 100.0 | \$1,025            | \$30,744 | \$6,364                | \$190,921                | (\$5,339)                | (\$160,177)              |
| Single Family    | 1087      | 1            | 200.0 | \$1,603            | \$48,099 | \$11,957               | \$358,704                | (\$10,353)               | (\$310,605)              |
| Single Family    | 1097      | 1            | 300.0 | \$2,182            | \$65,454 | \$7,849                | \$235,471                | (\$5,667)                | (\$170,017)              |
| Single Family    | 1125      | 1            | 375.0 | \$2,616            | \$78,471 | \$13,074               | \$392,206                | (\$10,458)               | (\$313,735)              |

Notes

\*\* Cost of Special Assessment per folio number is a result of the number of units on a parcel and the shared front footage.

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**TOWN OF HILLSBORO BEACH**  
 Analysis of 1205/1206 Purchased - Disparity in Ad Valorem Taxes for Similar Units  
 (Homesteaded versus Non-Homesteaded Properties)  
 Breakdown by Address (Per Unit)

| Building Name    | Address            | Year Purchased | # of ERUs | FF unit / FF Bldg | Property Taxes         |                          |
|------------------|--------------------|----------------|-----------|-------------------|------------------------|--------------------------|
|                  |                    |                |           |                   | Annual Cost (per unit) | 30 year Total (per unit) |
| Sea Club         | Unit 30A           | Dec 2016       | 1         | 4.5 / 405         | \$191                  | \$5,738                  |
|                  | Unit 29A (H)       | Dec 2017       | 1         | 4.5 / 405         | \$137                  | \$4,120                  |
|                  | Unit 9 (H)         | Aug 2001       | 1         | 4.5 / 405         | \$125                  | \$3,748                  |
| Opal Towers East | Unit 208 North     | June 1999      | 1         | 1.7 / 404.9       | \$232                  | \$6,962                  |
|                  | Unit 207 North (H) | June 2017      | 1         | 1.7 / 404.9       | \$101                  | \$3,026                  |
|                  | Unit 201 North (H) | June 1998      | 1         | 1.7 / 404.9       | \$90                   | \$2,690                  |
| Single Family    | 921 (H)            | June 1979      | 1         | 100 / 100         | \$2,758                | \$82,751                 |
| Single Family    | 949                | July 2016      | 1         | 100 / 100         | \$4,721                | \$141,642                |
| Single Family    | 989 (H)            | Jan 2015       | 1         | 100 / 100         | \$6,326                | \$189,771                |

Notes

(H) - Homesteaded Property

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