

DRAFT



TOWN OF HIGHLAND BEACH TOWN FINANCIAL ADVISORY BOARD REGULAR MEETING MINUTES

Town Hall Commission Chambers
3614 South Ocean Boulevard
Highland Beach, Florida 33487

Date: June 09, 2026
Time: 9:30 AM

1. CALL TO ORDER

A. Welcome Board Member Mace Tamse

Chairperson Greenwald called the meeting to order at 9:30 A.M. and introduced Mace Tamse.

2. ROLL CALL

Vice Chairperson Margarita Chappelear
Chairperson Richard Greenwald
Member Mace Tamse
Member Edward Kornfeld
Town Clerk Lanelda Gaskins
Deputy Town Clerk Jaclyn DeHart

ABSENT

Board Member Mark Zarrilli
Board Member Harold Siegel

ADDITIONAL STAFF

Assistant Finance Director Suzie Matthew
Town Manager Marshall Labadie
Finance Director Consultant David DiLena

3. PLEDGE OF ALLEGIANCE

The Board Members led the Pledge of Allegiance to the United States of America.

4. APPROVAL OF THE AGENDA

MOTION: Chappelear/Kornfeld - A motion was made and seconded to approve the agenda as presented, which passed unanimously, 4 to 0.

5. PUBLIC COMMENT *(limited to three (3) minutes per speaker)*

There were no public comments.

6. APPROVAL OF MINUTES

A. March 04, 2026

MOTION: Chapplelear/Kornfeld - A motion was made and seconded to approve the Minutes as presented, which passed 3 to 0 with Member Tamse dissenting.

7. UNFINISHED BUSINESS

None.

8. NEW BUSINESS

A. Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2025 Presentation

Assistant Finance Director Suzie Matthews presented the Annual Comprehensive Financial Report for the period of October 1, 2024, through September 30, 2025. She reviewed the purpose of audits and noted that efficient audits help the Town make more timely and informed decisions. She highlighted several financial accomplishments, including the Town's strong net position. The General Fund and Building Fund both increased during the year, and water and sewer revenues also increased. Overall, Town assets increased, while debt in the Water Fund and General Fund decreased. The audit resulted in a clean opinion.

There was brief discussion about who conducts the audits and the selection process.

B. Financial Overview: Fiscal Year 2026 covering the period of October 1, 2025 - April 31, 2026

Assistant Finance Director Matthews presented a comprehensive financial overview of the Town's unaudited budget versus actual expenditures for Fiscal Year 2026, covering the period from October 1, 2025, through April 30, 2026. Overall, the Town remains in a favorable financial position, and year-to-date results are consistent with seasonal revenue collection patterns and project implementation schedules.

The general fund demonstrated strong financial performance with revenues continuing to exceed expenditure. Although discretionary sales tax revenue concluded as of December 31, the remaining funds are available to support several capital projects that have not yet been completed.

Town Manager Labadie noted that one of the projects includes resurfacing the pathways and installing lighting at crosswalks. The Town is currently awaiting the appropriation request from the State.

Assistant Finance Director Matthews reported that the Building Fund remains in a strong financial position. Revenues continue to be supported by permit activity and the interlocal agreement with the Town of Gulf Stream, while expenditures are tracking as expected. Capital project spending remains below budget, with several planned improvements scheduled for later in the year.

Town Manager Labadie provided an update on Building Department performance, noting a decline in permit activity in Highland Beach and attributing the slowdown in projects to the current economic climate. While future activity remains somewhat unpredictable, the department continues to be supported by permitting activity in Gulf Stream.

He also noted that the fee structure will be revised to ensure compliance with state statutes. Additionally, the Building Department has several capital projects planned and will assume a portion of the financial responsibility for those improvements.

Assistant Finance Director Matthews reported that the Water Fund remains financially stable. Revenues and expenditures are tracking as expected, while capital spending remains below budget due to several infrastructure projects being pending or in the early stages of implementation. Additional project activity is anticipated later in the fiscal year.

The Sewer Fund generated revenue slightly below projections for the year but remains in strong financial condition. The sanitary sewer capital improvement project is ongoing.

Chairperson Greenwald inquired about the total cost of the sewer project and asked whether it had cost between \$6 million and \$8 million. Town Manager Labadie responded that \$3.5 million had been budgeted for the project, but current estimates indicate it will be completed costing approximately \$1.5 million, with minimal disruption to residents. Additional funds were budgeted to address any unforeseen issues that might arise during the project.

Assistant Finance Director Matthews concluded that the Town's overall financial position remains favorable, with the General Fund continuing to perform well and maintaining a strong financial position.

Town Manager Labadie discussed the potential financial impacts of a proposed state ballot initiative and noted that the Town is updating its five-year financial forecast to evaluate possible outcomes. He stated that while Highland Beach may face significant financial challenges if the measure is approved, the Town is in a position to adapt through careful planning and strategic decision-making. He

emphasized that addressing the potential revenue loss could require a combination of budget reductions and tax adjustments. During the discussion, the possibility of annexation was raised; however, Town Manager Labadie indicated that annexation is not currently viewed as a practical solution and noted that many options may need to be considered as the Town plans for the future.

C. Preliminary Fiscal Year 2027-2028 Operating Budget Presentation

Finance Director Consultant David DiLena, joined via Zoom and gave a presentation on an overview of the FY2027 budget assumptions, including a 4.1% increase in taxable value and confirmation of the proposed millage rate of 3.5875, which remains unchanged since FY2023. Property taxes continue to represent the majority of the Town's total revenue.

The presentation highlighted that FY2026 represents a peak in capital investment, while FY2027 will moderate capital spending and focus more on operations and maintenance. Overall revenues are expected to remain sufficient to support increased costs driven primarily by inflation and personnel-related expenses, including pensions and insurance.

He noted that the Town's five-year financial forecast is being updated in response to potential state legislative changes that could impact future revenues and millage rates. While property value growth has slowed compared to recent years, the Town's financial position remains stable.

The General Fund continues to show healthy fund balance levels; however, most reserves are restricted for specific purposes such as stabilization, disaster recovery, and fire rescue replacement funding. Approximately 90 days of unassigned operating cash remains available.

Discussions included the Town's fire rescue service transition, with Town Manager Labadie noting that operational savings are tracking positively over time compared to prior service agreements, though long-term break-even projections remain several years out. Chairperson Greenwald requested additional analysis comparing current fire service costs to prior arrangements.

The Building Fund remains strong, supported by permit activity and interlocal agreement revenues, though a slight slowdown is anticipated in FY2027. Water and Sewer Funds remain operationally stable, with planned rate increases, ongoing capital projects, and adjustments to interfund transfers to support cash flow and infrastructure needs.

Mr. DiLena concluded that the Town's combined FY2027 budget is projected at approximately \$30.3 million, with expenditure primarily driven by personnel costs, followed by operating expenses and capital outlay. Long-term planning will continue to focus on potential legislative impacts, capital prioritization, and maintaining service levels across all funds.

Chairperson Greenwald inquired about the ongoing efforts to improve employee compensation and maintain competitiveness in the municipal job market.

Town Manager Labadie explained that the Town conducts regular salary studies using statewide municipal data to align pay ranges with market standards. The Town is gradually adjusting its compensation structure to address positions that are below regional averages, while avoiding sudden increases that could significantly impact personnel costs. The approach focuses on incremental adjustments to salary ranges combined with annual merit increases, with the goal of aligning compensation with market rates over time.

He noted that while some positions still require adjustments, overall, the Town has made meaningful progress in closing compensation gaps. The strategy is intended to support employee retention and recruitment while maintaining fiscal responsibility and ensuring long-term sustainability of personnel costs.

Chairperson Greenwald inquired about recent water and sewer rate increases, how the Town's rates compare to surrounding communities, and whether the utility funds are financially healthy. Mr. DiLena responded that the Water and Sewer Funds are generally self-sustaining and in stable condition, with the Sewer Fund performing particularly well due to lower-than-expected project costs. The Water Fund is more constrained due to higher operating and debt service costs, but both funds remain operationally stable. He noted that a comparative rate analysis with surrounding Southeast Florida municipalities would be obtained to better assess competitiveness. In response to questions about rate comparisons, he will obtain a report on water and sewer rates across surrounding Southeast Florida municipalities to benchmark the Town's rates. It was also noted that utility revenue includes both fixed fees and usage-based charges, which can be adjusted independently as needed to support financial stability.

Chairperson Greenwald asked what is driving the reduction in total expenditures in the FY2027 budget. Mr. DiLena explained that the decrease is primarily due to a reduction in capital improvement spending compared to FY2026, which was a capital-intensive year. Many projects from FY2026 are now in progress or nearing completion, and FY2027 reflects a planned slowdown in new capital investments rather than elimination of projects. Operating costs remain relatively stable, with the overall reduction concentrated in capital outlay.

D. Discussion on the introduction of a Proposed Resolution adopting procedures for the initiation and adoption of Town ordinances (Recommendation to Town Commission).

The Board discussed a proposed resolution adopting procedures for the initiation and adoption of Town ordinances. Chairperson Greenwald explained that the resolution formalizes existing practices to ensure a clear, consistent process that provides residents with multiple opportunities for participation and transparency.

He noted that the procedures incorporate required state law requirements, including multiple readings, as well as additional Town steps such as review by advisory boards and preliminary public discussion. He emphasized that the intent is to improve clarity and public involvement while avoiding unnecessary delays in the legislative process.

After brief discussion, members expressed support for the resolution as presented and indicated they did not recommend further revisions. The Board agreed to recommend adoption of the procedures to the Town Commission.

9. BOARD MEMBERS REPORT

There were no reports.

10. ANNOUNCEMENTS

Next Financial Advisory Board Meeting date to be determined

11. ADJOURNMENT

The meeting adjourned at 11:48 A.M.

APPROVED: September 14, 2026, Financial Advisory Board Regular Meeting.

Signed Minutes on file in the Town
Clerk's Office

Richard Greenwald, Chairperson

ATTEST:

September 14, 2026

Lanelda Gaskins, MMC
Town Clerk

Date

Disclaimer: Effective May 19, 2020, per Resolution No. 20-008, all meeting minutes are transcribed as a brief summary reflecting the event of this meeting. Verbatim audio/video recordings are permanent records and are available on the Town's Media Archives & Minutes webpage: <https://highlandbeach-fl.municodemeetings.com/>.