



**Town of Surfside
Special Town Commission Meeting
July 23, 2013**

7:00 p.m.

Town Hall Commission Chambers - 9293 Harding Ave, 2nd Floor
Surfside, FL 33154

1. Opening

- A. Call to Order**
- B. Roll Call of Members**
- C. Pledge of Allegiance**

**2. Discussion of FY 13/14 Budget – Michael P. Crotty, Town Manager and Donald Nelson,
Finance Director**

3. Public Comments

4. Adjournment

Respectfully submitted,

Michael P. Crotty
Town Manager

THIS MEETING IS OPEN TO THE PUBLIC. IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, ALL PERSONS ARE DISABLED; WHO NEED SPECIAL ACCOMMODATIONS TO PARTICIPATE IN THIS MEETING BECAUSE OF THAT DISABILITY SHOULD CONTACT THE OFFICE OF THE TOWN CLERK AT 305-893-6511 EXT. 226 NO LATER THAN FOUR DAYS PRIOR TO SUCH PROCEEDING. HEARING IMPAIRED PERSONS MAY CONTACT THE TDD LINE AT 305-893-7936.

IN ACCORDANCE WITH THE PROVISIONS OF SECTION 286.0105, FLORIDA STATUTES, ANYONE WISHING TO APPEAL ANY DECISION MADE BY THE TOWN OF SURFSIDE COMMISSION, WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING OR HEARING, WILL NEED A RECORD OF THE PROCEEDINGS AND FOR SUCH PURPOSE, MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE WHICH RECORD SHALL INCLUDE THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

AGENDA ITEMS MAY BE VIEWED AT THE OFFICE OF THE TOWN CLERK, TOWN OF SURFSIDE TOWN HALL, 9293 HARDING AVENUE. ANYONE WISHING TO OBTAIN A COPY OF ANY AGENDA ITEM SHOULD CONTACT THE TOWN CLERK AT 305-861-4863. A COMPLETE AGENDA PACKET IS ALSO AVAILABLE ON THE TOWN WEBSITE AT www.townofsurfsidefl.gov

TWO OR MORE MEMBERS OF OTHER TOWN BOARDS MAY ATTEND THIS MEETING.

THESE MEETINGS MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATIONS MEDIA TECHNOLOGY, SPECIFICALLY, A TELEPHONE CONFERENCE CALL. THE LOCATION 9293 HARDING AVENUE, SURFSIDE, FL 33154, WHICH IS OPEN TO THE PUBLIC, SHALL SERVE AS AN ACCESS POINT FOR SUCH COMMUNICATION.

MEMORANDUM

July 22, 2013

To: Town Commission
From: Michael P. Crotty, Town Manager
Subject: July 23 Special Meeting (Budget 13/14)

A special meeting for the FY 13/14 budget is scheduled for Tuesday July 23 at 7:00 p.m. Prior to the Special Meeting, an FOP executive session will be held at 6:15 p.m. in the Manny Crawford Conference Room.

The following is offered in support of budget issues to be considered by the Commission at the meeting:

1. **Program Modifications:** The following is the handout on the program modifications to be provided at the meeting based on the Commission initial review at the Budget Workshop held on July 9th:

**Town of Surside
 2013 - 2014 Proposed Budget
 Budget Modifications, Cost and Millage
 Special Town Commission Meeting
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General Fund				Commission
Department	Modification	Cost	Millage	Action
Legislative	Feeder School Donations (3)	\$4,500	0.0041	Pending
Legislative	Commissioner Discretion Donation (5)	\$5,000	0.0046	Pending
Legislative	Citizen Surveys	\$5,000	0.0046	Yes
Town Attorney	Legal Assistant - Full time	\$31,000	0.0286	No
Executive	Grant Writing Services	\$15,000	0.0138	Yes
Executive	Employee Educational Assistance	\$10,000	0.0092	No
Planning & Code	Zoning Code Update	\$35,000	0.0322	No
Finance - IT	ERP Project Management	\$13,190	0.0121	Yes
Finance - IT	Live Video Streaming	\$3,000	0.0028	Yes
Finance - IT	SCALA Upgrade	\$9,950	0.0092	Yes
Public Safety	Neighborhood Resource Officer	\$70,850	0.0653	Pending
Public Safety	Public Service Aide	\$37,000	0.0341	Pending
Public Safety	Replace Flooring	\$6,640	0.0061	Yes
Parks/Recreation	Community Center Outdoor Fitness Equipment	\$12,000	0.0111	Pending
Non-Dept	Bus Service to Mount Sinai Medical Center	\$12,500	0.0115	Pending
		\$270,630	0.2492	
Enterprise Funds				
Water & Sewer	Combination Backhoe/Front End Loader	\$13,100		Yes
Solid Waste	Replacement of Commercial Containers Phase I	\$10,000		Yes
Stormwater	Vacuum Truck Services	\$25,000		Yes

2. Personnel Costs:

A. Merit Pay: The proposed FY 13/14 Budget includes a proposal for up to a 3% merit pay (based on evaluation) for general employees (non FOP). The following is a 5 year history of pay raises for general employees:

FY 08/09 – COLA 1.4%

FY 09/10 – Salaries reduced 1% for employees earning under 50,000 and 2% for employees earning over 50,000.

FY 10/11 – Salaries reduced 1% or 2% were reinstated. In addition a COLA of 2% was given.

FY 11/12 – The Town Commission approved a pool of money equal to 1.83% of base salaries. This amount was given to each department to be distributed amongst the staff based on merit as a one-time non-pensionable check. The Directors had the control on who got what amount.

FY 12/13 – The Town Commission approved a pool of money equal to 2.53% of base salaries. One-time non-pensionable checks were given based on performance as follows:

Above Satisfactory received 2.75%

Satisfactory received 2.25%

Conditional received 1.75%

FY 13/14- Proposed: Up to 3% based on merit (performance evaluation)

For FY 13/14 \$91,000 has been budgeted for merit pay.

B. Classification and Compensation Study: The proposed FY 13/14 Budget includes a phased implementation of the 2012 study prepared by Cody & Associates. During the current fiscal year (12/13), all employees whose salary was less than the minimum (entry level) for their pay grade had their salary adjusted to the minimum for the pay grade as recommended by the study.

The study recommends that “for each year of satisfactory service in grade award the individual a specified percentage per year times the recommended pay range minimum.” The study identifies percentages of 1% or 2% or 3%. For the purpose of FY 13/14, a 1% figure was utilized. The proposed budget includes \$90,500 for achieving this next phase of the Classification and Compensation Study.

C. FOP: To be determined.

3. Parks and Recreation Five Year Capital Plan: Attached is a copy of the Parks & Recreation Board’s Park and Recreation Five Year Capital Plan. At its July 15 meeting, the Board amended its plan by moving the renovation of the tennis center from FY 15/16 to FY 13/14 based on the tennis facilities’ current condition. The Board’s estimated cost for the renovation is \$255,000. During FY 13/14, at a minimum \$350,000 in voluntary proffers will be received for the Parks & Recreation Five Year Capital Plan. \$100,000 has been allocated for professional/design services for the

Community Center; 96th Street Park and other possible park expansions. \$250,000 is available for other items on the Five Year Plan including tennis facility renovation. (Note: Vice Mayor Karukin, who will not be able to attend the special meeting as he is out of town on business, has requested the Commission consider moving the tennis facility renovation to 13/14.) Also, staff will update the Commission on the recent meeting with Miami Beach on the partnership for a skate park. This project/partnership was reported to the Parks and Recreation Board at its July meeting.

4. Millage Rate:

a. The proposed millage rate for the 13/14 budget has been established at 5.3 mills. This is the same millage rate as contained in the 12/13 budget. A question has been asked if the millage is the same and the Town is receiving \$400,000 + ad valorem revenue, what is the impact to homeowners? The enclosed report provides this analysis. In addition to this analysis/comparison, the report indicates from a homesteaded property owner's perspective, a "revenue neutral" millage rate is approximately 5.2 mills.

b. Reduction of Millage Rate (Commissioner Olchyk):

Commissioner Olchyk requested staff assist in identifying expenditure reductions including multi-tasking, to reduce the millage from the proposed 5.3 mills to 5.0 mills. As reported at the previous budget meetings, each 0.1 mill equals approximately \$108,000. To reduce the proposed budget by 0.3 mills down to 5.0 mills would require a reduction in the proposed budget of approximately \$325,000. The following are options to consider to achieve a millage of 5.0:

- Program Modifications (See #1 above for listing of Program Modifications)
The corresponding millage equivalent is listed for each of the proposed program modifications (see #1 above). For example, if all General Fund program modifications were eliminated, the proposed budget could be reduced by \$270,630 which would reduce the millage by .2492 mills thus reducing the 13/14 millage to 5.0508 mills.
- Multi-Tasking
Since FY 09/10, multi-tasking has characterized the Town's approach to service delivery. As the proposed FY 13/14 budget was prepared, an analysis was conducted of the workforce and position staffing levels. This analysis revealed the following since 09/10:

Parks & Recreation –

Reduction in staff (4 full time lifeguard positions). Lifeguarding service was only provided on weekends. (Service restored FY 10/11)

Reduction in staff (1 full time and 2 part time beach club staff). (position has not been restored since)

Reduction in staff (1 full time janitor position)

Reduction in staff (1 full time recreation cashier) (position has not been restored since)

Aquatics Supervisor's hours were reduced from 40 hrs per week to 32 hrs per week. (hours were restored to 40 hrs per week FY 10/11)

Police-

Reduction in staff (1 Quarter Master, 3 Lieutenant, 1 Crime Prevention Specialist, 1 Crime Prevention Coordinator (part time) and 2 Police Officer). (Lieutenant restored as a reorganization when the Assistant Chief, John Di Censo retired in 2012, the remaining 3 have not been restored since).

2 Dispatcher position and 2 Public Service Aide eliminated. (have not been restored)

Public Safety Analyst (FY 2007/2008)

Total Sworn in 2007 = 32

Total Sworn today = 27

Executive –

Front Office clerk hours were reduced from 40 hrs per week to 32 hrs per week. (hours were restored FY 10/11)

Special Projects Coordinator position not funded FY 11.

Building-

Building Official reduced to part time hours (position remained part time until Dec 2012 when we hired a full time Building Official)

Code enforcement Officer hours were reduced to a part time position 20 hours per week.

Permit Clerks (2) were reduced from 40 hrs per week to 32 hrs per week. (hours were restored to 40 hrs per week FY 10/11)

Library –

Reduction in staff (1 head librarian and 3 library assistants). We hired a PT library clerk to assist while we phased out the library. This PT clerk worked with community volunteers for a short period of time. (library closed)

Tourist Bureau –

Tourism Secretary's hours were reduced from 40 hrs to 25 hrs per week. (Position was eliminated FY 10/11 and has not been restored since. Tourist Bureau Director was given additional responsibilities to cover various functions including the special projects coordinator position eliminated in FY 10/11).

Solid Waste-

Reduction in staff (1 solid waste operator and 1 toter – refuse collector)

Public Works –

Reduction in staff (1 full time laborer and 1 full time janitor). (positions have not been restored since)

While the above analysis represents the decrease in the workforce, the production level of Town departments for FY 13/14 exceed service levels and sophistication that existed in FY 09/10.

What are other possible avenues to explore for multi-tasking or service cost reductions? Several options could include:

- Customer Service Representatives

The six customer service representatives are being cross-trained so they will be able to multi-task among the customer service requirements: building/zoning; solid waste; 40 year re-certification; and water and sewer. If one position were eliminated the cross-training would allow for the remaining customer representatives to provide the services albeit at a lower service level. This reduction of one representative position would result in savings of **\$43,000 or approximately .04 mills.**

- Grounds Maintenance

Reduce the monthly grounds maintenance costs of the General Fund by reducing the frequency of the contract maintenance of parks, recreation areas and beach areas by 25% resulting in a **savings of approximately \$27,500 or .025 mills.**

- Personnel Costs

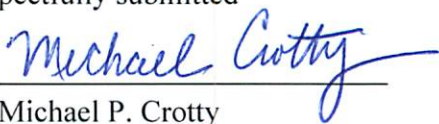
As personnel costs (salaries and benefits) comprise a majority of the expenditures of the general fund, any reduction in millage can be achieved by controlling or reducing these expenses. \$300,000 has been budgeted in the Non-Departmental Expenditures of the 13/14 Budget. This is an option available to the Commission to achieve millage reduction.

Town Manager Recommendation:

The option exists to reduce millage in the near future as the new/growth revenues are realized. However, FY 13/14 is not the appropriate time to consider this option. In analyzing the funding requirements for current operations contained in the update of the Five Year Financial Forecasting (13/14–17/18), the forecast does not assume the maintenance of the 5.300 mill rate. Rather, it assumes (if the growth assumptions hold) a reduction to the rate sufficient to generate the same levy from existing properties. To put the point more directly: Property owners with improved properties with the same exemptions will pay the same Town of Surfside property tax in absolute dollars up to September 30, 2018 as they did on October 1, 2013. The projected increase to property tax collections for the Town of Surfside relies on net increases to property valuations resulting from property improvements (new development).

The reduction in millage rate and tax relief is within sight; however, the Town must prepare an orderly plan to achieve it between now and FY 17/18. The Commission has charted a clear path and the Town is moving safely in that direction.

Respectfully submitted

by: 

Michael P. Crotty
Town Manager

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PARKS AND RECREATION 5 YEAR CAPITAL PLAN

Priority Rank	Estimated Cost	Construction Time Frame	Fiscal Year	Brief Description
Community Center 2nd Floor	\$1.9 million	9-12 months	FY 13/14	To provide funds to built a second floor to the existing Community Center. This will help to increase space that is needed to develop additional programs along with the ability for the Parks and Recreation Department to rent out the facility on a daily basis without space limitation.
Renovation of 96th Street Park	\$475,000	3-4 months	FY 3/14 & FY 14/15	Renovate 96th street Park to include input from the Parks and Recreation Committee and the information and schematic drawings provided by the Charrette process in 2006.
Renovation of Hawthorne Tot-Lot	\$275,000	2 months	FY 14/15 & FY 15/16	Renovate Hawthorne Tot Lot to include input from the Parks and Recreation Committee and information provided by the Charrette process in 2006.
Renovation and Expansion of Tennis Center	\$255,000	3 months	FY 15/16	Renovation to the existing Tennis Center to include replacing the out dated lighting system, resurfacing the existing courts and updating the Tennis Center building inside and out.
Acquisition of Property to Create New Parks both Passive and Active	\$2.2 million	1-5 years	FY 13/14 thru FY 16/17	Acquisition of properties with in the Town of Surfside and along the border of Surfside and Miami Beach. Properties to include double lot on 8712 Byron Avenue, Miami Beach open lot located at 226 87 ter. With the possible expansion of the Tennis Center and new skate park, and 9540 Bay Drive to include the expansion of 96th Street Park.
Renovation of the Beach Street Ends	\$1.4 million	1-5 years	FY 13/14 thru FY 16/17	Redesigning and beautification of the existing beach street ends on 88th, 89th, 92nd, 94th, 95th and 96th street. This will include where possible, the addition of a passive park area or green space.



Fiscal Year 2013-2014

Proposed Millage

2012 Millage Rate

5.3 Mills

2013 Millage Rate (Proposed) 5.3 Mills



Impact to Property Owners

Example 1:

A Homestead property with an assessed value of \$300,000 in 2012 will be increased by 1.7% for 2013 if the property's assessed value is less than market value as determined by the Property Appraiser. The 2013 assessed value will increase to \$305,100.00



Assessment Information

<u>2012</u>		<u>2013</u>
\$300,000	Assessed Value	\$305,100
-\$50,000	Exemptions	-\$50,000
-----		-----
\$250,000	Taxable Value	\$255,100



Town Ad Valorem Taxes

2012

$$\$250,000 \times .0053 = \$1,325.00$$

2013

$$\$255,100 \times .0053 = \$1,352.03$$

Comparison

Under this example, increase in Town Ad Valorem taxes would be **\$27.03** per year or **\$2.25** per month.



Impact to Property Owners

Example 2:

A Homestead property with an assessed value of \$500,000 in 2012 will be increased by 1.7% for 2013 if the property's assessed value is less than market value as determined by the Property Appraiser. The 2013 assessed value will increase to \$508,500.00



Assessment Information

<u>2012</u>	<u>2013</u>
Assessed Value	\$508,500
Exemptions	-\$50,000
-----	-----
\$450,000	\$458,500
Taxable Value	



Town Ad Valorem Taxes

2012

$$\$450,000 \times .0053 = \$2,385.00$$

2013

$$\$458,500 \times .0053 = \$2,430.05$$

Comparison

Under this example, increase in Town Ad Valorem Taxes would be **\$45.05** per year or **\$3.75** per month



Homeowner Revenue Neutral Millage Rate

What Millage Rate is Revenue Neutral to the Homesteaded properties contained in the above examples?

Example 1. \$250,000 taxable values (2012); taxes: \$1325.00
\$255,100 taxable values (2013)

$$\begin{aligned} \$255,100(x) &= \$1325 \\ (x) &= \frac{\$1325}{255,100} = 5.194 \text{ mills} \approx \mathbf{5.2} \text{ mills} \end{aligned}$$



Homeowner Revenue Neutral Millage Rate

What Millage Rate is Revenue Neutral to the Homesteaded properties contained in the above examples?

Example 2. \$450,000 taxable values (2012); taxes: \$2385.00

\$458,500 taxable values (2013)

$$\$458,500(x) = \$2385$$

$$(x) = \frac{\$2385}{458,500} = 5.202 \text{ mills} \cong 5.2 \text{ mills}$$