



**Town of Surfside
Town Commission Budget Workshop
Minutes**

June 23, 2011

7 p.m.

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

1. Opening

A. Call to Order: Mayor Dietch called the meeting to order at 7:00 pm.

Attorney/Client session scheduled for June 28, 2011 at 6:00pm.

B. Roll Call of Members Town Clerk Debra Eastman called the roll and the following members of the Commission were present upon roll call: Commissioner Michael Karukin, Commissioner Edward Kopelman, Commissioner Marta Olchyk, Vice Mayor Joe Graubart and Mayor Daniel Dietch.

C. Pledge of Allegiance: Chief Dave Allen led The Pledge of Allegiance.

2. Introduction – General Preview of Workshops – Roger M. Carlton, Town Manager
Town Manager Roger Carlton introduced the general preview of the workshop. He informed the Commission that many economic factors were considered in preparing the budget. He added that there were various meetings with different departments and all the information was presented to the Town Manager. Town Manager, Roger Carlton stated that he is recommending reducing the millage rate to 5.5000 in the General Fund. He stated that this signifies that 90% of property owners will not pay any more real property tax dollars in the coming year because if value goes down and the millage rate goes down as well, the property owner will pay less. Town Manager, Roger Carlton added that if the property owner has lived in Surfside for a long time and have the Save Our Homes Amendment, they have artificial holding of their property value. He noted that this year the property values can go up 1.5%, but added that the property owner's savings is still less than those without homestead exemption.

Town Manager, Roger Carlton spoke about the Enterprise Funds. He mentioned that the bond issue was approved. He added that bonds were sold and a construction contract was awarded. Town Manager, Roger Carlton also mentioned that a commitment was made by the Town's administration that the Town would not need a rate increase in the next fiscal year. He stated that at the July 12th meeting the Town will set the proposed millage rate that will go to the Dade County Tax Collector. He added that the notice will state what the charges are potentially going to be.

Vice Mayor Joe Graubart inquired if the budget is a changing document and if it can be changed once it passes. He noted that when the Commission budgets for something it is giving clear direction to the Town Staff. He asked if the budget can be changed and new direction be given. Town Manager, Roger Carlton responded that once the budget is adopted by the Commission, it is a direction to administration to carry out the funded items. He added that it is an evolving document and noted that the budget is produced in June predicting outcomes for September 30, 2012, which is 16 months away.

3. Summary Presentation - Carl Berkey-Abbott

Mr. Carl Berkey-Abbott gave a PowerPoint presentation

4. Questions/Direction from Town Commission, Including Summer Studies

The Commission discussed the budget book section by section.

General Fund: Commissioner Marta Olchyk asked if the Community Center's pool admission fee will be discussed. Town Manager, Roger Carlton recommended that the pool's admission fee be an assigned summer study. He stated that the summer study would result in recommendations to the Commission in mid-August and could be incorporated in the budget in September. Director of Parks and Recreation, Mr. Tim Milian, noted that this has been the Community Center's first week of operation. He stated that the summer will be the main focal point and a good time to study the fees. He added that he will be able to provide a good report by August. Parks and Recreation Director, Tim Milian noted that the pool's limited capacity is an issue. Commissioner Olchyk asked how many people have participated since the first day. Parks and Recreation Director, Tim Milian responded that over 2,800 people have visited the Community Center since the grand opening and his department has issued 1,091 ID's as of today. Commissioner Olchyk asked if this is handled by someone the Town is paying or by the Town Staff. Town Manager, Roger Carlton noted that this is a significant issue and will be done in-house. Commissioner Olchyk asked that this be a summer study. Vice Mayor Graubart stated that he would like to know what various communities charge to use their Community Center and the total operating costs of the centers.

Commissioner Olchyk inquired about zoning review fees. Town Manager, Roger Carlton stated that this is projected revenue from building permits. Commissioner Olchyk asked if there is a time limit when the resident has to apply for a building permit and if they apply for a permit, is there a length of time when the applicant has to begin the project. Building Official, Mr. Paul Gioia responded that there is no time limit for a building permit. He noted that as soon as the plans come in, the Building Department charges 30% up front plus 5% of the cost of construction as bond.

Vice Mayor Graubart inquired about the other fees involved. He asked about who does zoning and how many employees are utilized from Calvin, Giordano and Associates. Town Manager, Roger Carlton noted that there is a fixed monthly fee paid to CGA for planning and zoning and community development work. He added that there is also reimbursable for certain types of work. Town Manager, Roger Carlton explained the cost recovery. He noted that there is only cost recovery on large scale projects. Town Manager, Roger Carlton noted that if the Town had an internal Planning and Zoning

Department the costs would be significantly more. He added that planning is a function of government and the building department usually makes a profit which goes to the general fund.

Commissioner Olchyk expressed concern that 69% of the funds go to personnel expenses. She stated that she read about Miami Lakes having low personnel expenses. She noted that Surfside is adding money for so many new additional employees. Commissioner Olchyk stated that that the Town has been adding expenses in our personnel and feels it is outrageous that 69% goes to personnel. Town Manager, Roger Carlton noted that the average is 81% across all units of government and therefore it is significantly lower in Surfside. Commissioner Karukin thanked the Town Manager and stated that personnel are one of those necessary business costs. He added that it will always be an expensive piece of the pie.

Commissioner Karukin asked for clarification on the definition of reserves and the rate stabilization fund. Town Manager, Roger Carlton noted that that is the Water and Sewer. He added that 30% of reserves are on a slide. Town Manager, Roger Carlton noted that there are two types of reserves – the reserve available for any purpose and the \$2 mil more for a hurricane fund – both of which put the reserves to 30%.

Commissioner Karukin stated that the overall budget is funded because the Town has increased revenue, however, from an expenditure prospective, would like to not exceed and acceptable inflationary rate. He noted that these expenditures go above that rate. Commissioner Karukin noted that he is interested in some of the programs but he would like to see if there is any way the Town can look at certain reductions and still meet objectives. Town Manager, Roger Carlton mentioned that if the Commission would then have to decide what it would like to do, reduce the millage rate or take \$200,000 and put into more reserves. Town Manager, Roger Carlton stated that if the Commission wishes, this analysis can be done as part of a summer study. He noted that it will be a significant amount of work and asked to see if there is more support for this from the majority. Commissioner Karukin stated that he would like to revisit this issue before giving the Town Manager policy direction tonight. He presented Town Manager, Roger Carlton with a request for a \$169,500 reduction, which represents a 2.8% increase instead of 4+%.

Vice Mayor Graubart inquired if the reserve for rate stabilization fund is replenished as it is used. Town Manager, Roger Carlton explained the series of buckets.

Vice Mayor Graubart inquired about the red light camera program and how many tickets have been issued. Chief Allen responded that that the average is 1,000 tickets per month.

Vice Mayor Graubart commented on the \$94,000 for Capital Expenditure in 07/08 and noted that it was broadcast equipment.

Town Attorney: Commissioner Olchyk inquired about the expenditures for the Town Attorney's department. Town Manager, Roger Carlton stated that it includes the entire function. Vice Mayor Graubart asked about the car allowance.

Executive Department: Commissioner Olchyk inquired about the Town Manager's position in transition plus the payout. Town Manager, Roger Carlton commented that this is a gray area and not included in the budget.

Finance: Commissioner Karukin spoke about the new position. He noted that this person will be responsible for making sure that the water and sewer number is monitored closely. Town Manager, Roger Carlton noted that there are actually four people who monitor this, including CGA, Finance Director Mr. Martin Sherwood and himself. Town Manager, Roger Carlton also stated that this budget has to be submitted to the bank that loaned the money for the project and that annual audit will be watching it as well. Commissioner Olchyk inquired as to why a Budget Officer was needed. Town Manager, Roger Carlton stated that Mr. Carl Berkey-Abbott does this as a consultant now. He added that this will have to be a process and not something the Town should do just through the budget cycle. He added that it should be done all year long. Mayor Dietch stated that this function has been previously outsourced. He added that this brings the capability back in-house. He also added that the Town has to balance it with cost. Vice Mayor Graubart inquired if surrounding towns had a budget officer position and asked what the cost to them was to do the accounting. Town Manager, Roger Carlton stated that other towns have some type of budget officers as well as an assistant town manager, which Surfside does not have. Town Manager, Roger Carlton noted that he could do further research.

Town Clerk: Commissioner Kopelman asked about the 2 +1 and asked if this is due to Information Technology. Town Manager, Roger Carlton stated that this is IT and procurement. He added that this department's budget is up because items were moved to that budget. Mr. Sherwood spoke about the personnel complement of +1 and noted that this is for recording assistance to various boards. Mayor Dietch noted that this function is being done today on an ad hoc basis. Commissioner Olchyk expressed concern over the amount of money being spent in that department. She further inquired about the rationale for changing the code enforcement officer. Town Manager, Roger Carlton noted that now this position has three functions that report to the Town Manager, but coordinates constantly with the Town Attorney and Building Department. He added that this is two CGA positions (Community Development and Planning) and have a code enforcement officer. Town Manager, Roger Carlton stated that now we have revision on how we handle large scale development. He noted that the Developmental Impact Committee has raised importance and complexity of how the Town handles these projects. Town Manager, Roger Carlton spoke about code enforcement and Downtown Vision Advisory Committee. He stated that it had over 400 violations in the downtown area and most are making progress. He also spoke about the flood elevation problem and announced that the Town could be out of the flood doghouse in September due to Mr. Paul Gioia's work. Town Manager, Roger Carlton stated that his will allow the discounts to go back to the property owners, decreasing the cost of insurance by about \$300 per home.

Commissioner Olchyk expressed opposition to the new code enforcement position. She noted that this could expand to become a new department needing a secretary and additional support staff. Town Manager, Roger Carlton noted that the function in the Building Department will cease to exist and will move over to a new department. Commissioner Kopelman stated that the salary will be paid by the revenues from fines.

Mayor Dietch noted that the goal is still to obtain compliance. He gave the Town Manager direction to align organization on how to deliver services better for the community.

Commissioner Olchyk commented that the Commission was here just to rubber stamp and exercise in futility. Town Manager, Roger Carlton noted that this was the third time Commissioner Olchyk mentioned this. He added that the Town has two extraordinary people in the Town Attorney and Town Manager, who bring as high a quality recommendation as you will find in government. He stated that the Commissioner vets their recommendations many times and noted that they try to do the best they can. Town Manager, Roger Carlton stated that “rubberstamping” is unfair and disrespectful of your colleagues. Commissioner Kopelman noted that he sits down with the Town Manager two or three times a week and there is no rubber stamping. Vice Mayor Graubart mentioned that he partially agrees and feels like that at times.

Commissioner Karukin mentioned that he is not 100% on board with this department. He added that he is not so concerned about the budget, but rather the whole process of code enforcement and enforcement mentality can be a slippery slope if not done carefully. He commented that the Code Enforcement Committee was set up to help and not pull him in different directions. He added that he does not like the name of the department and noted that it is not representative of its function. Commissioner Karukin mentioned that there seems to be some overlap between the Building Department and this new department and inquired about what offsets this department would have against the contract with CGA. Commissioner Karukin noted that he needs more time to go over this in more detail and requested an analysis with information. He also expressed concern that this would build a new bureaucracy. Town Manager, Roger Carlton stated that he would include this as a summer study.

Public Safety: Town Manager, Roger Carlton began discussion on the Public Safety budget and directed the Commission to the chart on Page 72. He noted that the percentage is lower than in the past. Vice Mayor Graubart asked what was done to achieve a lower percentage since the parking fund pays a portion of Assistant Police Chief John DiCenso’s salary. Town Manager, Roger Carlton stated that this is a natural outcome that the general fund has grown a bit.

Town Manager, Roger Carlton noted that in 4603 line item, 34,400 should be reduced as equipment cars is part of the lease. Vice Mayor Graubart noted that these can be purchased at the end of the lease for \$1.

Commissioner Olchyk commented that she is pleased with the way Public Works is working. She stated that someone finally took pity on her and cleaned up the beach walk. She thanked everyone. Vice Mayor Graubart agreed.

Commissioner Karukin thanked Bill Evans and the entire staff and administration who are working really hard. Mayor Dietch stated that this starts with leadership and a Manager who holds people accountable. He added that he does not do this through force, but rather leads by example. He noted that Town Manager, Roger Carlton brought leadership that complimented leadership and he has the appropriate compensation that is tied to performance.

Leisure Services: Vice Mayor Graubart commented on page 82 and expressed concern that this is 15% higher than 07/08. Town Manager, Roger Carlton noted that this was five years ago and running the new building is only \$188,000 more than five years ago.

Vice Mayor Graubart inquired about the \$1,486,855. He noted that \$1,494,000 is the entire Parks and Recreation budget, including the Community Center. He asked what portion is set by fees. Mr. Berkey-Abbott responded that the revenues are about 12%. Vice Mayor Graubart requested that this also be part of the summer study to see if the 12.3% is in line with other communities. Town Manager, Roger Carlton noted that this study will be combined with the Community Center admission fees study. Vice Mayor Graubart asked about the balance from property taxes.

Commissioner Kopelman asked if the lawn maintenance for the soccer field was included in the budget. Parks and Recreation Director, Tim Milian mentioned that this expense is \$15,000, down from \$24,000. Commissioner Kopelman also inquired about the cost of senior trips. Parks and Recreation Director, Tim Milian responded that they are bringing in about 20% of what they spend. Commissioner Kopelman then inquired about the kids camp. Parks and Recreation Director, Tim Milian mentioned that there is a fee structure in place for residents and nonresidents. He added that about 90% is brought in. Commissioner Olchyk noted that the senior trips have fallen off because they used to be much less expensive. She compared them to Sunny Isles, which charges less. She noted that since the cost has gone up, there are less people. Mayor Dietch stated that last year the Commission gave direction to reduce the subsidy and asked Commissioner Olchyk if she would like to see this reversed for the senior trips. Commissioner Olchyk stated that she would like to see what is being offered to the seniors at the senior center. She mentioned that if the senior center offers some of it she does not feel so bad about raising the costs of the trips, but if the seniors do not get offered anything, then she would be okay with the fees charged currently for the trips. Parks and Recreation Director, Tim Milian explained that Miami-Dade County lost grants for adult programs. Mayor Dietch commented that if there is a demand the programs will follow. Commissioner Olchyk mentioned that the adult education was a minimum cost. Parks and Recreation Director, Tim Milian noted that the programs have now increased the fees with administrative directive.

Commissioner Karukin noted that Parks and Recreation has total fiscal responsibility for the Community Center. He stated that last year the Commission allocated about

\$200,000 in anticipation and asked what the anticipated cost of operations of the Community Center will be. Parks and Recreation Director, Tim Milian mentioned that it will be about \$480,000 additional. Commissioner Karukin asked if Parks and Recreation Director, Tim Milian has looked into adding an additional lifeguard station to the north and what that cost could be. Town Manager, Roger Carlton mentioned that they will look into it. Commissioner Karukin stated that they might want to consider that since there is a new hotel coming in and there will be an increase in the number of people in the area.

Commissioner Kopelman asked about the concession stands. Parks and Recreation Director, Tim Milian stated that they are up and running.

Capital Projects: Town Manager, Roger Carlton mentioned that the main expenditures for the rest of the budget book are funds, which includes the water, sewer and storm water funds. He stated that there is some flow of money between them to get to debt service. He added that the bottom line of the funds is that there will be no rate increases. Town Manager, Roger Carlton stated that the water, sewer project actually covers three fiscal years. He added that he had a meeting today with the Town Attorney about getting the contracts finished and signed and have notice to proceed and looks like the project will be up and running in August. He noted that they will be running sooner on the new force main on Collins Ave. Town Manager, Roger Carlton stated that he will have a report ready for the Commission in July. He also spoke about the impact on traffic and stated that it will be affected for a while due to parking and lanes that will be affected.

Town Manager, Roger Carlton spoke about the parking fund and possible land acquisitions. He stated that they are nowhere closer to the price on the Delgado property at this point. He stated that he will bring it back to the Commission for recommendations on whether they should buy Downtown Vision Advisory Committee. He also spoke about recommendations for a parking garage. Town Manager, Roger Carlton mentioned that the Commission had the first reading to do away with the moratorium. He also mentioned that the Police Chief David Allen took action regarding people from St. Regis parking in the Abbot parking lot. He noted that the Chief was getting many complaints from business owners and therefore met with top people at St. Regis. He added that the lot was closed at 5:00am. He mentioned that with police staffing the lots with bosses from the St. Regis, they turned them away and the business district was happy that customers had spots to park. He added that the workers will be there until November.

Town Manager, Roger Carlton mentioned that there has was a rate adjustment made for parking from \$1.00 to \$1.25 per hour and \$5.00 per month for monthly parkers which brings the fees up to market rates. Mr. Berkey-Abbott stated that this will represent an addition \$125,000 in revenues.

Vice Mayor Graubart inquired why the parking citations are being allocated to the general fund and not the parking fund. Town Manager, Roger Carlton responded that it is practice to send them to the general fund.

Commissioner Olchyk asked why the forfeiture funds are not being utilized to purchase police cars. Town Manager, Roger Carlton noted that there is not enough money.

Commissioner Olchyk asked if the Town can use the reserves and use the rest from another fund.

Commissioner Karukin spoke about the water and sewer project and the rate stabilization fund. He asked if the Commission could give direction on ways to continue to stabilize the rate to that there are no rate increases in the future years as well as this one. Town Manager, Roger Carlton responded that it is inherent in the budgeting process to avoid rate increases. He added that they might not be able to do this considering the debt service, the major cost of treating the sewer and buying the water. He stated that these are things that cannot be controlled. Commissioner Karukin stated that he is in favor of the rate stabilization fund if its purpose is to stabilize the rates. Town Manager, Roger Carlton noted that it is its purpose in whole or in part. Vice Mayor Graubart noted that it would be good to eliminate spikes somehow.

Commissioner Kopelman noted that there will be a new County Mayor who will have ten days to decide on a budget. He inquired about how this will impact Surfside. Town Manager, Roger Carlton noted that he does not participate in the county's budget process, but added that it could hurt Surfside in the bus routes on Collins Ave. Commissioner Kopelman expressed concern that Surfside is dropping the millage rate before knowing what the county will do. He stated that the county's decision could wipe out the Town's savings.

Commissioner Olchyk inquired about the additional position on the water and sewer on page 41. Mr. Berkey-Abbott mentioned that this is a front office position.

Town Manager, Roger Carlton spoke about a very significant change proposed for the Solid Waste Department for the spring of next year consisting of moving toward using one arm bandits to collect in single family neighborhoods and collect twice a week instead of everyday. He noted that this is clearly a summer study. He added that the budget includes the purchase of cans. Town Manager, Roger Carlton stated that one arm bandit truck will be leased and one truck will be sold. He added that it is time to think about modernizing the whole process. Commissioner Kopelman expressed concern about collection twice a week in the heat of summer. Town Manager, Roger Carlton noted that Dade County collects twice a week.

Vice Mayor Graubart spoke about the solid waste study. He noted that the residents would have to be participating in returning the barrels. He added that many residents who do their own tree trimming and gardening will still need at least weekly pick-up. Town Manager, Roger Carlton mentioned that if someone does that, the Town could sell them an extra can for \$50. Commissioner Karukin asked about the collaboration with Bal Harbor and Bay Harbor about moving garbage depot to main land. He noted that the Bal Harbor Commission approved a feasibility study about outsourcing their entire solid waste program. He added that they will include Surfside in that study at no cost to the Town. Town Manager, Roger Carlton stated that there is a high level of expectation for daily collections and noted that this will be an issue. He added that if the Town wants to save money perhaps the most inefficient process it has in terms of technology is the solid waste collection. He noted that there would have to be a massive public information

program. Mayor Dietch commented that as antiquated as the program is, it still offers an extremely high level and the cost is less than half the cost of the county. He spoke in favor of a summer study.

Town Manager, Roger Carlton mentioned that a classification and compensation study is needed. Vice Mayor Graubart asked about adding contractual personnel. Town Manager, Roger Carlton responded that he could put something like a senior planner position and compare to that to what Surfside pays the position with CGA. The Vice Mayor noted that he would like to try to establish a comparison between what this person costs compared to that position. He also noted that we need to find out if we are paying correctly.

Town Manager, Roger Carlton also mentioned that Commissioner Olchyk is interested in night lighting along the beach walk. Parks and Recreation Director, Tim Milian noted that the FDEP was luke-warm on the idea due to the possible confusion of the turtles and impact to turtle reproduction.

Town Manager, Roger Carlton summarized the direction given to him by the Commission:

- Summer study of entire fees and charges in Parks and Recreation Community Center, senior programs, etc.
- Summer study to determine how the Town could reduce the general fund expenditures by \$165,500 and possible implications.
- Finance budget program as a percent of the whole and how it will compare to other jurisdictions.
- Summer study of ERED, department name change, etc.
- Lifeguard station to the north.
- Much more detailed study of solid waste, one-arm bandits, and comparable costs.

Mayor Dietch noted that he would like to see the implementation of a community garden, garden club and cultural activities. He asked if \$5,000 was set aside for this for this year. Mr. Berkey-Abbott stated that \$12,500 was set aside in the current fiscal year budget. Commissioner Kopelman stated that it seemed to be a lot of money for 18-20 people. Town Manager, Roger Carlton noted that the \$12,500 could be seed money to build a fence on 89th and Dickens. He added that this is still a point of light item. Mayor Dietch opined that this is a low cost to achieve a high impact and bring the community together.

Mayor Dietch asked about the bike racks. Parks and Recreation Director, Tim Milian stated that they are included in the Parks and Recreation budget.

Mayor Dietch asked about the street sweepers. Mr. Evans noted that they are included in the Public Works budget. He added that he hopes to have an agreement ready for the July Commission meeting.

Commissioner Kopelman mentioned that there will be a Town meeting at 7:00 p.m. on Monday at the Community Center for a neighbor-to-neighbor discussion.

Vice Mayor Graubart inquired about the trailers. Parks and Recreation Director, Tim Milian mentioned that the lease expires month to month and that it is budgeted through the end of the fiscal year.

5. Public Comments:

Lou Cohen expressed concern about the \$2 mil hurricane item and inquired if this will be enough. He noted that Collins is 12 feet above sea level and added that 12-14 foot surge would cause more than \$2 mil worth of damage. Town Manager, Roger Carlton responded that there are three levels of coverage, deductible, insurance and FEMA. Mr. Cohen asked how much coverage the Town has in total. Mr. Sherwood responded that there is almost \$10 mil, plus \$2 mil, plus FEMA.

Commissioner Olchyk asked why the Town will keep paying for the trailers if they are not needed. Town Manager, Roger Carlton responded that the P&R department will go soon, but the summer camp program needs to finish before the trailers can be removed, possibly in September or October.

6. Wrap-Up – Additional Commission Direction

A. Second Workshop Schedule?

Vice Mayor Graubart opined that the summer studies should be vetted in public and if the information is obtained it can be done during the actual public hearings. Town Manager, Roger Carlton stated that he will get the summer studies as part as the August agenda packet, then the Commission can decide if they want to have a separate discussion of those items the last two weeks in August. He noted that they do not need to make a decision tonight.

7. Adjournment: The meeting adjourned at 10:15pm.

Accepted this 9 day of Aug., 2011



Daniel Dietch, Mayor

Attest:



Debra E. Eastman, MMC
Town Clerk