

**SUMMARY MINUTES**  
**Special City Commission Meeting – Second Budget Hearing**  
**Wednesday, September 22, 2004, 6:00 p.m.**  
**CITY OF SUNNY ISLES BEACH, FLORIDA**

**ATTENTION ALL LOBBYISTS: CITY LAW REQUIRES YOUR REGISTRATION PRIOR TO ENGAGING IN LOBBYING ACTIVITIES BEFORE CITY STAFF, BOARDS, COMMITTEES OR THE CITY COMMISSION. PLEASE CONTACT THE CITY CLERK FOR FORMS AND ADDITIONAL INFORMATION.**

**AGENDA**

**1. CALL TO ORDER/ROLL CALL OF MEMBERS**

The meeting was called to order by Mayor Edelcup at 6:05 p.m., with the following officials present:

Mayor Norman S. Edelcup  
Vice Mayor Gerry Goodman  
Commissioner Roslyn Brezin  
Commissioner Danny Iglesias  
Commissioner Lewis J. Thaler

City Manager Christopher J. Russo  
City Attorney Lynn Dannheisser  
City Clerk Jane A. Hines

**2. PLEDGE OF ALLEGIANCE/INVOCATION**

*Action:* City Manager Russo led the Pledge of Allegiance to the flag.

**3. PUBLIC HEARING ON THE MILLAGE RATE AND BUDGET**

**3A. Millage Resolution (Public Hearing)**

A Resolution of the City Commission of the City of Sunny Isles Beach, Florida, **Establishing the City of Sunny Isles Beach Ad Valorem Tax Millage Levy Rate** at 3.35 Mills per One Thousand Dollars (\$1,000.00) of Taxable Assessed Value Which is 17.45% Greater than the “Rolled Back” Rate of 2.8523 Mills, for Fiscal Year 2004/05; Providing for an Effective Date.

(First Hearing 09/09/04)

*Action:* City Clerk Hines read the title and City Manager Russo reported and he noted that the required budget notice shows that the City has a tax increase but the City has not had any tax rate increase, as the growth in the community is what is being used to fund all the City’s redevelopment efforts, infrastructure improvement, and City operations. He said we are fortunate that the property values are rising in this City because it is becoming more valuable. He stated that the City gets 15-cents on the tax dollar for all the services and improvements that are made within this City.

City Manager Russo did a presentation on the Capital Improvements being done within the City. He noted that when we do the new streetlights on 174<sup>th</sup> Street that the landscaping will be disturbed, therefore we will not replace flowers in the islands that are right in the middle where a streetlight will be installed because we will be ripping them out shortly thereafter.

Commissioner Iglesias said that some of the people at Ocean III are taking the inbound and using it as the outbound instead of making the loop under Lehman Causeway, they are cutting across on the entrance and using it as an access cutting across the Chevron gas station shooting across the median opening, and he suggested that we extend that median all the way back to the last Chevron and we can use it for more landscaping because someone is going to get killed out there. City Manager Russo said that is covered by the median closure study which is almost complete.

Vice Mayor Goodman asked about the emergency fund, and City Manager Russo said that is the surplus fund and it is at \$3.7 Million, and that it is the City's savings account in the event of a disaster or a shortfall. City Manager Russo said at the appropriate time after the numbers are audited and we know what the current year's fund balance is, after going through an entire hurricane preparation effort and then have the actual event, there is a number of items that we will be coming back to recommend that we target out of that fund balance to buy for emergency disaster needs of this City.

*Public Speakers:* none

Commissioner Iglesias moved and Commissioner Brezin seconded **a motion to approve the resolution. Resolution No. 2004-721 was adopted by a voice vote of 5-0 in favor, at 6:30 p.m.**

**3B. Budget Ordinance (Public Hearing)**

An Ordinance of the City Commission of the City of Sunny Isles Beach, Florida, **Adopting an Operating and Capital Outlay Budget for the Fiscal Year Commencing October 1, 2004 through September 30, 2005**, Pursuant to Florida Statutes Section 200.65 (Trim Bill) Authorizing Expenditures of Funds Established by the Budget; Authorizing Encumbrances; Authorizing Issuance of Checks; Providing for Grants and Gifts; Providing for Post Audit; Providing for Severability and Providing for an Effective Date.

(First Reading/Hearing 9/09/04)

**Action:** City Clerk Hines read the title, and City Manager Russo reported. Commissioner Thaler asked if we have done anything on the actuary that was discussed, and City Manager Russo said yes that we have already started looking into that issue in which the City entered into the Florida Retirement System (FRS). He said it is a major fixed benefit retirement program who's percentage payment into the system for the high risk area which is mostly in public safety is substantially more than what we are contributing into the 401 which is a more controlled situation, however the administrative side of it is less than what we were paying. He said the concern was, based on a lot of recent publicity of other fixed benefit retirement systems and their cost and having problems because of the stock market or whatever, these communities had to make a significant one-time payment to keep the systems sound, and the

issue was, can we have a actuary study to make projections as to how the system will fare three or five years out, he went to Human Resources Director Tom Acquaro who oversees this program, but noted that this is a State system. He said that the fortunate thing is we are not doing what most of the communities that he has seen who have been the subject of these articles that have had these substantial shortfalls. He said they have their own municipal retirement system that provides this benefit and that is a much greater risk then being in a statewide fixed benefit program that has never had substantial swings where it has caused that sort of situation, but it is still a very good point to know if we are going to pay 18%, 10% or 30% of payroll into this system. He said that they did make the inquiries and found out that the administration of the State which handles the program under the Governor structure of the State and is a department of the State, does a actuarial analysis of the system on a periodical basis within the State's own department. He noted that the Florida State Legislature hires their own independent actuarial who then does their analysis and checks the State Administration which is done on a periodical basis, which is underway right now, and that report is due in January 2005. He stated that what we are intending to do, because this is a big State system and if the City wants to pay for that kind of actuarial study, you are talking six-figure numbers for that study, which is what the Legislature has paid for that study, and we do not need to do that, this was done independent of the Governor's Administrative operations, they were double checking him and his operation. He said what we are going to do is when that report is done and at a reasonable rate, have that independent firm come here and make us a presentation of the results that they have found because in theory our State taxes would be paying for that study. Mayor Edelcup asked if, for example, they went up over 25%, do we have the annual option of either leaving the plan or doing something else? City Manager Russo said he doesn't know if it is annual, but we would have to go through what that process would be. Commissioner Thaler said until the initial report comes in he realizes that there is nothing we can do and he doesn't have a problem waiting 3-4 months for that report.

*Public Speakers:* none

Vice Mayor Goodman moved and Commissioner Iglesias seconded **a motion to adopt the ordinance. Ordinance No. 2004-213 was adopted by a roll call vote of 5-0 in favor, at 6:37 p.m.**

<b>Vote:</b>	Commissioner Brezin	<u>yes</u>
	Commissioner Iglesias	<u>yes</u>
	Commissioner Thaler	<u>yes</u>
	Vice Mayor Goodman	<u>yes</u>
	Mayor Edelcup	<u>yes</u>

Mayor Edelcup thanked City Manager Russo for putting together a very detailed and good report and he thanked each of the department heads who worked diligently to help create this document and that it is a very important document for the City because it gives us our guidelines of where we can go and how well we can best spend the monies that we collect from our various sources of revenue. City Manager Russo said he wanted to particularly thank Jean Watson, Finance Director.

**4.     ADJOURNMENT**

Mayor Edelcup adjourned the meeting at 6:38 p.m.

Respectfully submitted by:

Approved by the City Commission on Oct. 14, 2004

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Jane A. Hines, City Clerk

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Norman S. Edelcup, Mayor