

SUMMARY MINUTES
Special City Commission Meeting – First Budget Hearing
Thursday, September 8, 2005, 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 6:00 p.m., with the following officials present:

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

City Manager Christopher J. Russo
City Attorney Hans Ottinot
City Clerk Jane A. Hines

2. PLEDGE OF ALLEGIANCE

Action: Gloria Taft led the Pledge of Allegiance to the flag.

Mayor Edelcup gave opening remarks.

3. PUBLIC HEARING ON THE PROPOSED MILLAGE RATE AND TENTATIVE 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 Proposed Ad Valorem Tax Millage Levy Rate** at 2.95 Mills per One Thousand (\$1,000) Dollars of Taxable Assessed Value Which is 5.65 Percent Greater than the “Rolled Back” Rate of 2.7922 Mills, for Fiscal Year 2005/2006; Providing for an Effective Date.

Action: City Clerk Hines read the title and City Manager Russo gave a presentation on Fiscal Year 2005/2006 Budget. He said that we have a proposed reduction of about 13.5% on our tax rate. He noted that they will be showing a few slides on the screen and then run through a few highlights from the budget document itself. He said that for clarification purposes he wants everyone to know what part of their total tax dollar we are talking about in the proposed budget at the reduced tax rate of \$2.95 which is down from \$3.35, we are about 13.5 cents on a dollar, which is down from 14.81 cents on a dollar. He noted that we had 21% increase in our growth of tax base for this proposed budget, and are from \$3.2 Billion to \$3.9 Billion which makes up that 21% increase in our tax base which gave us the

ability to propose a reduction in the tax rate. He said that the City of Sunny Isles Beach is 28 out of 34 municipalities, and is in the lowest 20 percentile in tax burden in the County. He noted that our budget in total has gone from an \$18 Million budget to a \$20 Million budget, and approximately 3/4 of that increase is made up on the revenues. He said the ad valorem property taxes is up roughly a little over \$600,000.00, that is the growth that was still there even after the tax rate reduction but underneath that for the first time in a while, are other revenue category that has gone up by almost \$1.5 Million. City Manager Russo then went through the budget book and highlighted some of the major increases. He noted that the City's total interest income from all of the accounts is approaching \$1 Million. He then went through the General Fund and pointed out some highlights on the expenditure side that has changed.

City Manager Russo pointed out in the City Clerk's Office budget, that he wanted to make an important comment that was not reflected in the budget that they will add in the Capital budget between now and second reading, the first year of the image processing of all of our records. He said they are going to do the Building Department and the Police Department the first year which will be roughly about \$375,000.00. He noted they were working on trying to piggy-back off from another municipality's contract that may or may not work out, but are still working on that. He said that money is going to come out of Capital, and that is a one time work that we can properly not use operating funds for and that is going to be reflected there. He said he brought this up here because it is really something that is overseen by the Clerk's office with technical assistance from IT and the City Manager's office.

City Manager Russo noted under the Police Department's Capital Outlay where we have got some car replacements and are actually buying ten vehicles and we are going to surplus and auction off 13 vehicles from the Police Department. Mayor Edelcup asked what the cycle is on a vehicle, and City Manager Russo said a normal cycle of a police vehicle is two to maybe three years, and we are at a solid five years. He said the vehicles we are getting rid of are seven years old, so the take-home policy is clearly measurably adding at least two to three years on the life of our vehicles by having one officer personally responsible for everything that has happened to that car. City Manager Russo noted that the other equipment are copiers, portable low-jack system, shot guns, rifles, surveillance equipment, satellite phone equipment, and Mayor Edelcup asked if these were new pieces of equipment and City Manager Russo said yes. He said most of them are new and some are replacements, but he wasn't sure on the rifles and the shotguns and Chief Fred Maas said they are but they are limited, they are not for each officer. Mayor Edelcup asked if we can hit the fines and forfeiture monies for any of these that are new, and City Attorney Ottinot said if it is for crime prevention purposes we can use forfeiture funds, and that he will sit down with the City Manager and the Chief to discuss it. Mayor Edelcup said he would like them to look into that because we always have difficulty using those funds and if we can on these, this is where we should draw the money down from. City Attorney Ottinot said it is not a recurring expense that we generally have, that is the issue. Mayor Edelcup said if these have to be replaced afterwards he can understand that they have to come under operations but if this is the first time around and they didn't have them before then we can get them under the fines and forfeiture funds. City Manager Russo said we will look at the list between the first and second hearing of the budget. He said that we have one major item that is in the fines

and forfeiture funds and that is the purchase of a new boat. He asked if we have to replace the other boat, can we use this fund to do that, and City Attorney Ottinot said if you bought the boat out of general funds it would be difficult to justify it from forfeiture funds to replace it.

Mayor Edelcup asked about Capital Outlay, we never seem to show other capital sidewalk repair, and City Manager Russo said that the sidewalk repair has all been in conjunction with projects that we have been doing. He said just a few years ago the City replaced all the cracked sidewalk sections, and still has a life and where it is bad we have been replacing it with projects. He said if something came up or something happened and something needs to be fixed, we certainly have the funds in the Capital budget to just go in and do it.

Commissioner Iglesias noted that we don't seem to have a Capital Improvement Reserve for the future, we just did the Golden Shore pump station which will have about a 20-year life on it which means in about 18 years, what we paid \$4.5 Million for, we are going to probably wind up paying \$18 Million to \$20 Million, drainage a \$6 Million project, which in 20 years we are looking at \$24 Million. He said right now they are doing the resurfacing and drainage structure of pipe realignment and pump stations that they did when he started with DOT, and he would like to see somewhere along the line that we don't have future generations saying this Commission put the burden on them.

Mayor Edelcup said historically governmental funding has always been on a pay as you go and not on a reserve basis, in fact, the accounting financial statements specifically show that we are exempted from general exempting account and principals where you actually have to be funding and taking depreciation charges, governments don't do that because of their "taxing authority" but it is something that we should look at and the only place that you can legitimately put it would be in our surplus that we keep accumulating every year which has been growing at \$1 Million every year.

Ms. Watson said that the undergrounding and drainage all come from stormwater which is an enterprise fund, it is not your general fund which is not the same, so if you were going to do that, funds would be coming from a different area, from stormwater fees, or grants, if you are going to try to get a reserve you really have to look at increasing your stormwater fees. City Manager Russo said that there has to be ways of breaking that up such as road resurfacing, curbing, and the work.

Mayor Edelcup said that there is a partial solution for what Commission Iglesias is suggesting, that all the money that the City is going to receive for the sale of TDRs, is designated that it can only go for capital expenditures so some of that money, there is going to be \$13 Million coming in on just one project. City Manager Russo said that at the end of each fiscal year you should make the determination then because as we already know, for example, what he just mentioned about the money for the image processing, at the end of the year see how much is in there and put a piece aside for each of these projects. Mayor Edelcup said that we need to look at that in conjunction with TDR money and other capital monies coming in because he feels we will find that a lot of that question can be answered with that kind of money but that is not to say that we shouldn't every year go through the calculation and determine that yes there is this other money coming in and if it isn't coming

in then we start planning for it so that we don't get hit with a catastrophe.

City Manager Russo said in the Cultural and Human Services budget we have hired three additional lifeguards full time plus the intermittent to fully staff the four operating towers. Vice Mayor Thaler asked about opening the fifth and City Manager said we are not planning on opening the fifth but that we are budgeting for it this next fiscal year. He said what he would suggest is if Turnberry gets occupied and we start getting a presence on the beach at the very south end that we feel we can't handle, right now the northern Haulover booth is open on holidays and weekends, then we would staff that at some point during the year. Vice Mayor Thaler asked why not have it in there and if we don't use, we don't use it. City Manager Russo asked Cultural and Human Services Director Susan Simpson to figure out what we need to staff that with our lead lifeguards, and we will take a look at that between now and second reading. He noted that we have ten lifeguards all together including the lead lifeguards, and that we are following the highest standards in lifeguard training. He said next year we will be looking into getting a manual both for the department operational lifeguards service and our parks, and have proposed bringing in some professional services to accomplish that, and we are using Boca Raton as our model. City Manager Russo stated that we have not had a drowning, a fatality or anything since we have increased the lifeguard service over the past two years.

City Manager Russo went to the Capital Fund and pointed out a few highlights. He said fundamentally even with the reduction of the tax rate we have been able to maintain all of our projects and add some more in. He said we have got a series of various funds in the City and we are fortunate to have them, they have got restrictions but they total over \$30 Million which changes constantly with TDR money coming in, and the bottom line is if we were to accomplish everything we wouldn't spend all the money that we have right now.

Vice Mayor Thaler asked if we had any money allocated for the bus shelters and City Manager Russo said yes and it will be coming before the Commission soon to determine the style and type of shelters, which is the next part of the streetscape program. He said that in the last few weeks we finished the mapping which will be coming before the Commission as probably a workshop showing all the current bus shelter locations and to discuss where to add them. He said in many of these locations we will need an easement from the property owner so we can set them back so we can have an accessible bus shelter and sidewalk.

Mayor Edelcup asked that in the final budget book to put in the pages for each of the Capital Funds that we have accumulated, all of them total somewhere close to \$30 Million, and show: 1) the beginning balance, 2) the estimated amount of interest income we expect to receive in each of those funds for the year, and 3) the amount of dollars we expect to come out this year. He said in other words, maybe taking this approved schedule that is already on page 59, but break it down by the separate category by funds, and each item on that list is a separate story in and of itself with the beginning balance that has money coming in, projected to come in, it has money projected to go out and it has a projected, therefore, ending balance a year from now, and if we can see that within the next two weeks, it would be very helpful to the Commissioners. City Manager Russo also presented highlights on the Stormwater Fund, Debt Services, Impact Fees, and the Police Forfeiture Account.

Mayor Edelcup thanked City Manager Russo, Finance Director Jean Watson and staff for preparing an excellent budget, and noted that when we had the discussion earlier this summer, we indicated that we would like to come in with a tax reduction rate and we have been able to accommodate that for the residents of Sunny Isles Beach and at the same time keep our budget in line and this budget still has a contingency fee of roughly a quarter of a million dollars, so we have that contingency over and above whatever has been added to each of the departments.

Public Speakers: none

Commissioner Goodman moved and Commissioner Brezin seconded a **motion to approve the resolution. Resolution No. 2005-824 was adopted by a voice vote of 5-0 in favor.**

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, 2005 through September 30, 2006**, 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.

Action: City Clerk Hines read the title, and City Manager Russo reported.

Public Speakers: none

Commissioner Goodman moved and Commissioner Brezin seconded a **motion to approve the proposed ordinance on first reading. The motion was approved by a roll call vote of 5-0 in favor at 7:05 p.m. Second reading, public hearing will be held on Thursday, September 22, 2005, at 6:00 p.m.**

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

4. ADJOURNMENT

Commissioner Goodman moved and Vice Mayor Thaler seconded a motion to adjourn the meeting, and Mayor Edelcup adjourned it at 7:06 p.m.

Respectfully submitted by:

Approved by the City Commission on Oct. 11, 2005

Jane A. Hines, City Clerk

Norman S. Edelcup, Mayor