

City Manager's Budget Message

2006/07



A. John Szerlag
City Manager



In accordance with the City Charter, I present to you the City of Sunny Isles Beach Budget for Fiscal Year 2006/07. Developed with the City Commission's preferred future as directed, this level of service document addresses current and future community needs by correlating service demands with conservative financial management.

What is the preferred future for Sunny Isles Beach?

During individual interviews you responded in unison by articulating the following:

- Beautification, parks, and open space enhancements.
- A solid infrastructure, especially in the area of transportation and undergrounding of utilities.
- An economically functional, pedestrian-friendly, world-class streetscape on Collins Avenue and along Sunny Isles Boulevard (163 Street).
- A professional, friendly and efficient local government that will provide great City amenities and services.
- Retail, restaurants, and other private-sector that match our changing demographics of an upscale community.
- An excellent school system to attract younger families.

Please know that the adopted work plan and administrative structure contained in this budget document will bring us closer to our preferred vision.

Following is a glance at our major budget components:

- The City's millage rate remains at 2.95 mills, which is the same as last year's rate.
- The General Fund expenditure budget of \$24,051,527 increased by \$3,975,835 or 19.65% from the previous year.
- Total General Fund revenues are projected for \$24,051,527 or an increase of 19.65% over last fiscal year. The single biggest increase in revenues is in property taxes. A one billion dollar increase in property valuations will provide additional revenues of \$2.8 million.
- The General Fund is now separated into 3 classes: *general operating*, *general capital*, and *debt service*. Respectively, millage rates for these categories are as follows:
 - 2.53 for general operating.
 - .14 for general capital.
 - .28 for debt services.

Personnel Costs

As with virtually all municipalities, personnel costs are the largest portions of the general fund budget and ours is at 57%. The total personnel expenditure for FY 2006/07 is \$13,662,285 which represents a 15% increase over last year's personnel budget. This cost increase is attributable to three factors:

1. Increased health care and pension costs.
2. 3.5 - 5% pay increases for all full-time general employees and continuance of the grade-step plan program for police officers which delineates a 5.6% annual step increase.
3. Increased staffing levels.

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Allow me to address each item.

Health Insurance, Pensions and Other Benefit Increases

With the exception of the police officers' grade-step plan program, if we assumed no pay rate increases for general employees and also assumed no additional staffing, operating costs will still increase 9.7% or \$1,944,061 over last year's budget because of these legacy costs:

- Retirement contribution increased \$289,000 or 28%.
- Health, life and dental costs increased \$184,500 or 18%.
- Property and liability insurance costs increased \$235,000 or 51%.
- Temporary personnel increased by \$53,200 or 32%.
- Overtime increased by \$67,000 or 20%.

Pay Increases for General Employees

Although 5% has been budgeted, the across-the-board increase will be 3.5%. Additional increases more than 3.5% will be predicated on merit. The Mercer Group will be developing a classification and compensation plan, as well as a performance review methodology.

Table of Organization Revisions

This budget document incorporates the following revisions to the table of organization:

Office of the City Manager

The position of Assistant to the City Manager has been vacated, and I am not going to fill it. Instead, the position of Assistant City Manager, Finance Division has been created. This person will be responsible for managing the Finance and IT Department(s), as well as a portion of Administrative Services. Integration of these areas will improve overall efficiency. Accounting and budgetary controls need to be put into place to assure all projects are constantly reviewed and managed from a financial perspective. So to, this position will be responsible for grants management.

City Engineering Department

This is a newly created department consisting of a City Engineer and Assistant to the City Engineer. Please know that we currently expend about \$500,000 per year for consultant engineering services. While we will still need to utilize consultant engineering services, much if not all of the costs involved for developing an in-house engineering department will be offset by not having as much reliance on outside consultants. Having said this, I do not expect drastic cuts in our engineering consultant fees until the City Engineer can get comfortable with all of our projects and on-going infrastructure maintenance issues. I will expect that this will take at least a year or so.

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Department of Public Works

The position of Fleet Maintenance Supervisor has become vacant and a new position of Assistant Public Works Director will supplant the Fleet Maintenance Supervisor.

An additional Parks/Facilities Maintenance Worker position has been added to handle the increased workload inherent with a growing city. Additionally, I am transferring all parks/facility maintenance items from Cultural & Human Services to Public Works.

Building/Planning & Zoning/Code Enforcement & Licensing Departments

Although for the most part these are separate areas, it is easier to discuss in this fashion. First of all, the position of Assistant Building Department Administrator has been expunged. This position also functions as the Code Enforcement Director and will continue to do so. Given the staffing of the Building Department coupled with direct line authority over this department by the Assistant City Manager/Services, there is sufficient coverage to administer the Building Department without an Assistant Building Department Administrator. So to, the Administrative Assistant to Department Head in the Building Department will also absorb some responsibilities currently inherent in the Building Department Assistant Administrator position.

Additionally, an Electrical Inspector and Plan Analyst for the Building Department have been added. These positions are required for our increased workload, ability to review plans and inspect construction work on a timely basis. Please know that we are able to offset the costs of these positions by eliminating one (1) Administrative Coordinator, one (1) Planning & Zoning Administrator, and two (2) Intermittent Inspectors.

In terms of Planning & Zoning, we need to enhance on-site supervision of our planning consultant that we utilize from Calvin Giordano & Associates. In this regard, the Code Enforcement Director will have expanded responsibilities to be in charge of Planning & Zoning. As such, I am changing the title of this position to Director of Community Development.

Code Enforcement can use a full-time Field Supervisor; someone who will follow through on all zoning code violations as well as function as an Assistant to the Director of Community Development when called upon to do so. Thus, this budget document includes a position of Assistant Code Enforcement & Licensing Director. In addition, a Licensing Inspector position will replace a Parking Enforcement Specialist to more closely match our workload.

Cultural & Human Services Department

A new lifeguard tower was opened in FY 2005/06 without any full-time lifeguards budgeted. However, two (2) full-time Ocean Rescue personnel were hired in FY 2005/06 to staff this tower. We thus need to ratify these two (2) positions by incorporating them in the budget document. In addition, two (2) more lifeguards are being requested so as to achieve a better balance of straight-time coverage for all lifeguard stations. From a budgetary perspective, this means four (4) new lifeguards.

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Capital Projects

More often than not, capital programs span more than one (1) fiscal year. All of our major capital projects through FY 2009/10 are contained in the "Capital" portion of the budget document. In addition, we have developed a capital projects report which delves into the specifics of all of these projects. In terms of capital items that will be complete or substantially complete during FY 2006/07, we have the following:

Active Park	\$8,419,000
Street Lighting on No. Bay Rd.	\$153,000
Town Center Park Restroom/Lighting	\$180,000
Town Center Park Entry Sign	\$57,000
Town Center Park Observation Deck Study	\$145,000
FPL Undergrounding:	
• Collins Avenue (185 – 194 Streets & alley in Golden Shores))	\$800,000
• Atlantic Avenue	\$1,050,000
Atlantic Avenue - Sanitary Sewer	\$750,000
Collins Avenue Corridor Study	\$300,000
Signage on Collins Avenue	\$250,000
Collins Avenue Median Closure	\$188,000
Beach Access Signs	\$250,000
Sunny Isles Boulevard Improvement	\$4,042,546
Bus Shelters	\$350,000
Pedestrian North Bay Bridge Specs	\$210,000
Master Thoroughfare Study	\$100,000
SIB Government Center Modifications	\$350,000
Parks Master Plan	\$200,000

Our most important objective for the coming year is to enrich and improve the lives of residents of all ages that, in turn, will provide a great benefit to our island community as a whole.

In closing, I wish to thank the staff of our entire organization for their professionalism and dedication. I also wish to thank the Mayor, Vice Mayor and Commissioners for their assistance in advancing direction to me on a preferred future for Sunny Isles Beach.

Respectfully submitted,

A. John Szerlag
City Manager