

Budget Message



A. John Szerlag
City Manager

In accordance with the City Charter, I present to you the City of Sunny Isles Beach Budget for the Fiscal Year 2008/2009. Developed with the City Commission's preferred future as direction, 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?

I asked this question of you when I first came here in 2006, and your answers then are still germane, and will be for many years to come. Specifically, you articulated the following:

- Beautification, parks and open-space enhancements. Please know that since my last budget message, we have opened the Pelican Community Park which houses a gymnasium, community center and baseball field. We have also begun design on Heritage Park as well as a new Fishing Pier which will replace the existing one.
- A solid infrastructure, especially in the area of public facilities, transportation, drainage and undergrounding of utilities.
- An economically functional, pedestrian-friendly, world-class streetscape on Collins Avenue and along Sunny Isles Boulevard (163rd/167th Street).
- A professional, friendly and efficient local government that provides great City amenities and services.
- Retail, restaurants and other private sector elements that match our changing demographics of an upscale community.
- An excellent school system to attract younger families. Again, since my last budget message, the Sunny Isles Beach Community School has opened and added greatly to the character of our municipality. The vision of the City Commission to make a donation to the Miami-Dade School District to achieve this goal was excellent.

Our Capital Improvements Plan and administrative structure contained in this budget document brings us closer to the preferred vision.

Following is a glimpse of our major budget components:

- The millage rate is now 2.4842 mills. This is known as the roll-back rate and a simple majority vote is all that is required to approve this tax rate.
- The roll-back rate is the rate required to produce the same amount of ad valorem tax revenues this year as the previous year, excluding the effect of new construction. The typical example is that as assessments increase the millage rate decreases proportionally to equalize revenues. However, this also works in reverse whereby with assessments decreasing in 2008, the millage rate can also increase so the same amount of revenue is generated. This is what happened in 2008.

Budget Message, continued

The adjusted taxable value (excluding new construction) declined from \$6,149,734,161 to \$5,936,184,628. This resulted in a "roll-forward rate" of 2.4842. This entire rate methodology is in accordance with Tallahassee Tax Legislation.

- Total General Fund revenues, excluding surplus used, are projected at \$26,890,480 or an increase of ½% over last Fiscal Year.

The General Fund is separated into three classes: general operating, general capital and debt service. Millage rates for these categories are as follows:

o General Operating	1.8093
o General Capital	.4936
o Debt Service	<u>.1813</u>
Total	2.4842

Personnel Costs

As with virtually all municipalities, personnel costs are the largest portion of the general fund budget. Ours is 51%. The total personnel expenditure for FY 2008/09 is projected at \$ 14.8 million, which represents an 8% increase over last year's personnel budget. This is directly attributable to increases in salaries and benefits.

Compared to last year, please know the following:

- Retirement contributions increased by \$120,463 or 9%.
- The FRS employer contribution rate for sworn police personnel is 20.92% of payroll, and the City contributes 9.85% of payroll for general employees and 13.12% for department heads. These rates have not changed from last year.
- Health, life and dental costs increased by \$69,955 or 6%.
- Overtime increased by \$116,502 or 29%. Most of this overtime is scheduled.

Pay Increases for General Employees

We currently have a pay plan in place for sworn personnel below the rank of Captain. Chief Maas and I worked in an amicable fashion with Police Officers and Sergeants to achieve parity for our pay structure when compared to surrounding communities. We also have a pay plan for non-sworn personnel, developed by the Mercer Group, which I have calibrated because of economic constraints. The salient change to the Mercer pay plan is that the Sunny Isles Beach maximum for each pay grade will be at the 75th percentile. This is essentially half way between the midpoint and maximum levels.

Budget Message, continued

Four percent (4%) of payroll has been budgeted for pay increases for general employees earning more than \$50,000 per year and 5% of payroll has been budgeted for employees earning less than \$50,000 per year. This does not mean that all employees will receive a 4% or 5% pay increase; some may receive less while others receive more, depending on performance. However, when the dust settles, the overall increase will not be more than what I have indicated above.

Table of Organization Revisions

Revisions to the table of organization are twofold: changes in the reporting structure and addition/deletion of personnel. In terms of the reporting structure, I have narrowed the focus of the Service Division by having the Cultural and Human Services Department report directly to me, as the Department is now on-line with Pelican Community Park and many decisions that will affect the quality of our program offerings need to be made in real-time. This now enables the Service Division to focus on public/private infrastructure, all maintenance activities, inspections, code enforcement and planning. In addition, the Division will take on construction management for all City capital projects, an endeavor that I forecast will save tens of thousands of dollars annually.

With reference to the Finance side of the organization, I now have Administrative Services reporting directly to the Assistant City Manager, Finance Division.

Let us now turn our focus to the organizational changes that affect a number of personnel:

Office of the City Manager/Human Resources Department

I have eliminated the Human Resources Director position and incorporated the human resources function with that of the Office of the City Manager. Additionally, I have added the job responsibilities of Office Manager to the Deputy City Clerk position, to assist in administrating the HR function.

Finance Department

The Purchasing Agent position has been expunged.

Public Works and Engineering Department

The Maintenance Foreman position has been expunged.

Building Department

The Senior Permit Licensing Clerk position and the Chief Structural Plans Examiner position have been eliminated as well as one part-time Building Inspector position.

Budget Message, continued

Community Development Department

The full-time Planning Technician position has been eliminated.

Information Technology Department

Two full-time positions have been eliminated: Program Manager and Project Manager. The positions are no longer needed as we have reduced the scope of work for the wireless island initiative. In addition, the IT Help Desk position has been returned to an intermittent status (from full-time).

Administrative Services Department

The status of one Office Assistant position has been changed from intermittent to full-time. Essentially, this means that while the number of hours worked per week remains the same, that person will now be eligible for benefits.

Police Department

One Police Officer/School Liaison has been added to the Police Department to handle all school related issues, which may include traffic matters. Additionally, three Police Officers will be promoted to the rank of corporal, a move that will result in a cost savings in projected overtime. And, an Administrative Assistant to a Division Head has been eliminated.

Cultural and Human Services Department

One Bus Driver position has been changed from intermittent to full-time to maintain continuity of scheduling.

All in all, the full-time work force has been reduced by 8 positions. And, with the exception of the Director of Human Resources and Planning Technician, all other positions were eliminated via attrition.

Capital Projects

More often than not, capital initiatives span more than one fiscal year. Ours are no exception. Please know that all of our major capital projects are incorporated into a five-year plan and contained in the capital improvement projects (CIP) status report section of this budget document. This plan also delves into the specifics of cost, project scope, timeframe for completion and intervening variables that may affect the timeframe.

Budget Message, continued

Following is a list of capital projects that will be completed or substantially completed during Fiscal Year 2008/09:

FY 2008/09 – Capital Project	Total \$ Amount
FPL Undergrounding Phase I and Phase II	\$750,000
Collins Avenue Median Closure	\$188,000
Additional Bus Shelters	\$80,000
Pedestrian North Bay Bridge Design	\$540,000
Government Center Modifications	\$300,000
Central Island Drainage	\$8,200,000*
Heritage Park and Garage Design	\$1,000,000
172 nd Street Improvements	\$1,200,000*
Sunny Isles Boulevard Improvements	\$3,500,000
Atlantic Isle Improvements	\$3,130,000*
Citywide Signage II	\$120,000
Collins Avenue Streetscape	\$1,900,000*
Collins Avenue Median Fencing	\$425,000
Sunny Isles Boulevard Retention Ponds	\$175,000
Oceania Park Improvements	\$65,000
Pelican Community Park Restrooms	\$488,000
Gwen Margolis Park Restrooms	\$200,000
Traffic Signal on 182 nd Street and Collins Avenue	\$300,000
Wireless Island Enhanced	\$120,000
Newport Fishing Pier Design	\$393,303*

*These amounts represent the total project cost before any grants, donations or special assessments have been applied. This information is available in the CIP Fund section of this budget.

It is important to note that our Capital Projects Plan also incorporates estimated operation and maintenance costs as a result of the capital improvement.

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

In closing, I want to thank the entire staff of our organization for their professionalism and dedication, and in particular, City management for their assistance in advancing a culture of professionalism. I also want to thank the Mayor, Vice Mayor and Commissioners for providing me with direction on a preferred future for Sunny Isles Beach and for the valuable input I received during our budget workshops.

Respectfully submitted,

A. John Szerlag, City Manager