

BAL HARBOUR VILLAGE BUDGET COMMITTEE
REGULAR MEETING MINUTES – JULY 9, 2013

A Regular Meeting of the Bal Harbour Village Budget Committee was held on Tuesday, July 9, 2013, in the Council Chamber at Bal Harbour Village Hall (655 – 96th Street, Bal Harbour, Florida).

The meeting was called to order at 6:03 p.m. by Councilman Packer.

1. CALL TO ORDER/ROLL CALL: The following members were present:

Councilman Martin Packer
Dina V. Cellini
Seth E. Salver
Raj Singh

Absent: Michael M. Krop

Others Present: Assistant Mayor Joni D. Blachar¹
Councilwoman Patricia Cohen
Councilman Jaime M. Sanz²
Jay Smith, Interim Village Manager
Ellisa L. Horvath, MMC, Village Clerk

As a quorum was determined to be present, the meeting commenced.

2. PLEDGE OF ALLEGIANCE: The pledge was led by Police Chief Michael Daddario.

3. APPROVAL OF MINUTES: Mr. Singh requested that the minutes be clarified (page 7) that Mr. Wallace would prefer to use the GFOA (Government Finance Officers Association) format for the budget, in lieu of the current format.

A motion was offered by Mr. Salver and seconded by Ms. Cellini to approve the June 26, 2013 Regular Meeting Minutes, as clarified. The motion carried (4-0).

4. DISCUSSION OF PRELIMINARY BUDGET FOR THE LAW ENFORCEMENT ACCOUNT: The Committee commenced discussion on the Law Enforcement budget.

Mr. Salver recapped the following items that the Committee had previously requested:

- Fleet Schedule
- Red light Camera Program (cost benefit analysis)
- Maintenance Line Item (breakdown of costs)

¹ Assistant Mayor Blachar arrived and left during discussion of the Law Enforcement budget.

² Councilman Sanz arrived during discussion of the Law Enforcement budget and left during discussion of the General Government budget.

- Education/Training Goals

Chief Daddario distributed information on the following: vehicle breakdown, ATS revenue (provided by ATS), and training goals/objectives.

The Committee reviewed the proposed budget by line item. The following items were highlighted:

Salaries: The Committee reviewed the line items for the IT vendor (Professional Network Solutions). Mr. Smith spoke in favor of hiring an in-house IT person, to reduce costs and to have someone on site. The Committee spoke in favor of a bid process and to determine if IT should be outsourced or in house.

Councilman Sanz arrived.

Mr. Wallace will provide the total paid (for the current and prior year) to Professional Network Solutions and the amount allocated, for IT services, to each department.

Overtime: Mr. Wallace reported that overtime was based on five percent of payroll.

Revenue: Mr. Wallace will provide the revenue forecast, for off-duty and red light camera tickets, at the next meeting.

Chief Daddario distributed the revenue sheet from the red light cameras, as provided from ATS, and explained the program. He noted that the Village was making money on the program. Mr. Wallace reported that \$250,000.00 (page 15) was set aside for potential litigation (refunds), from the red light camera program. Ms. Cellini discussed discrepancies in the revenue report provided. Mr. Wallace will review the vendor's revenue report and tie it back to the Village's records. Mr. Salver requested the cost benefit, since inception. Mr. Wallace will provide an amount, using the Village's records. He estimated that the Village made \$60,000.00 to \$100,000.00 annually from the program. Mr. Wallace will provide at what point the cost would exceed the benefit.

Neil Alter – 9801 Collins Avenue, didn't see the justification for the \$250,000.00 in reserves. Mr. Wallace explained that the money was set aside, in case of litigation from the red light camera program, etc.

Brian Mulheren – 10245 Collins Avenue, suggested that the Village renegotiate the contract with ATS, to decrease the costs. Mr. Smith noted that the contract hadn't been renegotiated, but there was language in it to cover the Village from losing money.

Mr. Wallace will check to see if anything in legal fees was related to red light cameras.

The Committee would like to determine if the red light cameras were cost effective, so they requested the amount of the expenses, in addition to the revenue.

Anamarie Kelly Stoppa - 77 Camden Drive, questioned the increase in overtime. Mr. Wallace explained that all overtime (except for non-sworn personnel) was paid out of the federal forfeiture fund in 2012, which was now being paid from the general fund. Ms. Stoppa voiced concern about the overtime issue and the DOJ (Department of Justice)

investigation. Mr. Wallace discussed the DOJ issue.

Brian Mulheren – 10245 Collins Avenue, noted that the DOJ was reviewing overtime and a report may indicate that the Village needed to pay more money back.

Retirement: Mr. Wallace explained that a contribution rate increase was expected. Mr. Singh requested the schedule showing the total requested for retirement. Mr. Wallace noted that the Actuary provided the percentage amount. Mr. Salver estimated the cost to be less. Mr. Wallace will review the item, for any errors.

Health Insurance: Mr. Wallace will update the insurance numbers, since the cost had been decreased. He clarified that the Village paid a \$350.00 monthly stipend to retired officers for health insurance, from the general fund, as dictated by the police agreement. He added that retired Village employees could keep the Village's insurance, but had to pay the full cost of the premium.

Life Insurance: Mr. Wallace reported that life insurance was provided for officers, under the collective bargaining agreement, and was also provided as a benefit to general employees.

Legal Fees: Mr. Smith explained that the Village would be going through the collective bargaining process again, for the police.

Mr. Wallace will provide all of the legal fees as one line item, to be discussed at the next meeting. He will also place Dan Gelber's legal fees, in the Police Department's budget, and provide the legal fees for all attorneys paid by the Village.

Mr. Wallace will also provide information on the Village's top ten vendors.

Anamarie Kelly Stoppa – 77 Camden Drive, suggested that Mr. Gelber's bills be submitted to the Village's insurance carrier. Mr. Wallace noted that Mr. Gelber's bills would not be covered by the insurance carrier.

Professional Services: Chief Daddario noted that the following items, previously paid with forfeiture funds, were discontinued: police marketing campaign (Twitter and Facebook), contract for the accreditation manager, and MRW (accounting firm).

Purchasing Cards: Mr. Singh discussed the large amounts charged to the purchasing cards. Chief Daddario discussed the use of the credit cards for rebate (5%) purposes. Mr. Wallace explained that the rebate was posted as miscellaneous revenue. Mr. Smith is providing Ms. Cellini with the purchasing card statements.

Councilwoman Cohen also questioned the large charges and what they were for. She discussed the need for monthly reports from the Manager. She pledged to review the credit cards, to be clear on what had been charged traditionally.

Other Contractual: The VIN trailer will be removed from the items for cleaning services. The Committee discussed the need for a policy to either do shredding in house or outsource it. Mr. Smith will look into the most cost effective method.

Telephone: Chief Daddario reported that most of the cell phones had been paid with federal forfeiture funds in the past. He discussed the cell phone and car laptop plans. Mr. Singh discussed personal versus business use of the phones.

Councilwoman Cohen discussed the need to determine who did and didn't need a phone.

Chief Daddario explained that some of the charges had been for transitioning out of the task force and some credits to those accounts were coming. Mr. Singh spoke in favor of decreasing the line item.

Rentals/Leases: Mr. Singh reviewed the vehicles, boat docking, and off site space at the Bal Harbour Shops.

Police Sergeant Jack Young explained that the vehicle leases were done on a State bid, through Mears Motor Leasing. The Committee discussed the vehicles being returned and the leases that would be absorbed from the federal forfeiture fund. Chief Daddario explained the spare vehicles, which were older. Ms. Cellini suggested that some of the leases be returned and the owned vehicles be used instead. Chief Daddario didn't believe that there were more vehicles that could be deleted and was comfortable with the current amount.

Mr. Singh discussed reducing the number of cars, but buying newer ones to save on maintenance and downtime. Chief Daddario spoke in favor of one to two new cars a year, to rotate the older ones out.

Councilwoman Cohen suggested that the Village downsize and not have large vehicles. She suggested that the undercover cars be reviewed, since they were inappropriate. She requested that the leases of machinery be listed on one page and the leases for vehicles on another. Mr. Wallace will provide the lease list separately, by vendor name.

Chief Daddario discussed the importance of the motorcycles, to catch speeders and to get through traffic more easily. Councilman Packer and Mr. Singh thought the motorcycles were superfluous and pointed out that the Village was absorbing some costs from the forfeiture fund and needed to look for some savings. Chief Daddario discussed the importance of providing special units for morale, etc. He would like a full time marine officer. Councilman Packer questioned the need for a boat. Chief Daddario spoke in favor of the boat, which was owned by the Village.

Mr. Singh suggested that the 2004 Lincoln Navigator (used as a spare) be sold and something newer be purchased. Mr. Wallace explained that since that was received through federal forfeiture, the money from selling it would have to be given back to them.

Mr. Singh spoke against keeping any old vehicles, due to the high maintenance costs.

Anamarie Kelly Stoppa – 77 Camden Drive, discussed the dockage of the Police boat at the Yacht Basin. She suggested that the boat be docked behind the Village's park, since the Village paid \$8,000.00 to the Florida Land Trust for that dock. Mr. Smith discussed exposure to the public and elements at the dock behind the park and the lack of the ability for a boat lift. Ms. Stoppa suggested getting rid of the Florida Land Lease, if the Village

wasn't using the dock. Mr. Smith will look into the amount paid for the Land Lease.

Ms. Cellini suggested a mutual aid agreement with a neighboring city (Miami Beach) for a K-9, instead of dedicating a Village Officer for a K-9 unit, which would also save money on the need for a specialized car.

Brian Mulheren – 10245 Collins Avenue, suggested reviewing the costs for the boat, K-9, and motorcycles. He noted that two new vehicles could be leased, for the cost of the motorcycles. He suggested marking the currently unmarked vehicles and getting rid of the older vehicles. He discussed the top heavy format of the department.

Purchasing Cards: Mr. Wallace will provide detailed information for all the cards, for the current and prior year.

Assistant Mayor Blachar arrived.

Car Washes: Mr. Wallace explained that the Police Officers would have to be paid, if they had to wash their own cars. A cost benefit analysis will be provided for the car washes to be done on site, versus driving them to a car wash location.

Neil Alter – 9801 Collins Avenue, discussed the cost of the car washes.

Councilwoman Cohen spoke in favor of the item being reviewed and offered to assist the Village Manager, to find a better way to provide the car washes.

Chief Daddario will review the item.

Maintenance of Vehicles: Mr. Singh suggested that the amount be decreased and the items be looked at.

Chief Daddario explained the increase (\$60,000.00 known costs, not including tires, with the rest as contingency).

Mr. Singh discussed leasing new cars, to decrease the maintenance costs and mechanic fees. He discussed the cost to maintain the fleet and requested that it be reviewed.

Maintenance of Equipment: Ms. Cellini pointed out one-time costs (totaling \$20,000.00), which wouldn't be needed again next year (removal of VIN trailer, etc.). Mr. Smith agreed.

Chief Daddario noted that the line item amount would decrease, if there was a full time IT person, which he spoke in favor of.

The line item will be reviewed.

Assistant Mayor Blachar left the meeting.

Operating Supplies: Mr. Smith explained that the item was increased, due to the anticipated accreditation process.

Fuel: Chief Daddario explained that the item was increased, since federal forfeiture funds were used for some of the cars previously.

Neil Alter – 9801 Collins Avenue, questioned how the fuel was handled for the cars, for off-duty jobs.

Mr. Wallace explained that, per the Development Agreement, Consultatio paid for the labor and the Village received a \$5.00 administrative fee. Mr. Wallace will provide Mr. Alter with the Development Agreement.

Mr. Wallace will provide the revenue, at the next meeting.

Tires: This line item will be consolidated with Maintenance of Equipment.

Mr. Singh suggested less costly police vehicles. Councilman Packer discussed the types of vehicles needed for the police cars, which needed to be taken into consideration. Mr. Smith clarified that take home cars were not in the bargaining agreement, but would have to be part of the bargaining process, to take them away.

Councilwoman Cohen suggested hiring someone to wash cars, without a pension.

Education Expenses: Chief Daddario reviewed in-house, versus off site training.

Chief Daddario reported that use of the State Forfeiture Funds was on hold, until the Federal Forfeiture Fund investigation was done. Mr. Wallace explained that, per State statute, those funds were for unbudgeted items.

Police Sergeant Jack Young reviewed the training programs. Ms. Cellini wanted to ensure that the training trailer was being used for a purpose and to save the Village from going elsewhere for training. She will meet with Sergeant Young to review the training programs.

Anamarie Kelly Stoppa – 77 Camden Drive, discussed FS 316.006 and the lack of an agreement for the Police to patrol in the Gated Area. She discussed the police budget and the misuse of public funds for private property.

Mr. Wallace reviewed that the following items were requested by the Committee:

- Vehicle fleet schedule
- Red light camera cost benefit analysis (based on Village records)
- Fleet maintenance breakdown (whether or not it paid to have old cars and maintain them or get new cars - fewer cars but newer)
- Pro Network Solutions – IT vendor
(year to date cost for this year and last year for all departments)
- Legal fees for red light cameras (part of overall legal fees)
- Spreadsheet for the police pension contribution
- Top ten vendors
- Evaluate shredding (outsourcing versus in-house)
- Telephone services (obtain other prices to compare to AT&T)
- Submerged Land Lease cost

- Evaluate car washing (bid out car wash services versus in-house)
- Provide detail of purchasing card receipts
- GFOA budget format
- Current gasoline price
- Show the net cost for the budget

Councilman Packer clarified that the Committee would provide recommended cuts to the Village Manager, which would be up to the Council to decide on. He spoke in favor of decreasing the millage rate.

5. DISCUSSION OF PRELIMINARY BUDGET FOR THE FINANCE

ACCOUNT: The Committee commenced discussion on the Finance budget.

Salaries: Mr. Smith explained the salary for an anticipated full time Finance Director, as well as costs for the consultant (Munilytics – under Professional Services), since the transition period was unknown. The Finance Director may be considered, if a Village Manager was hired in a timely manner.

Retirement: Mr. Wallace explained the increase, due to the new Finance Director salary and an increased contribution rate. He will provide the spreadsheet for the pension contribution.

Health Insurance: Mr. Wallace will update the insurance numbers, since the cost had been decreased. Insurance will also be provided for the new Finance Director.

Auditor's Fees: Mr. Wallace discussed the random research audit. The CITT and IRS audit were still ongoing.

Telephone: Mr. Smith explained the increase for a cell phone and iPad, for the new Finance Director.

Bank Charges: Mr. Wallace noted that the item could be bid out, since the charges were increased. The Committee discussed looking at outsourcing utilities, providing for credit card and electronic payments, etc.

Maintenance of Equipment: The Committee discussed the IT vendor (Professional Network Solutions). Mr. Wallace discussed the need to upgrade the finance software. Mr. Singh discussed the need for a comprehensive IT solution. Mr. Smith agreed and spoke in favor of having someone in house. Mr. Singh suggested that the IT be bid out.

6. DISCUSSION OF PRELIMINARY BUDGET FOR THE GENERAL

GOVERNMENT ACCOUNT: The Committee commenced discussion on the Finance budget.

Engineering and Architecture: This item was decreased, due to review of the Consultatio project being done. Mr. Singh suggested a reserve of \$100,000.00 and only the amount spent would then be requested each year. Mr. Wallace will explore the options.

Mr. Singh discussed a balanced budget and spoke against over appropriating funds. Mr. Wallace explained that reserves also had to be appropriated. He discussed the need to accommodate State law and the Village Charter.

Councilman Sanz left the meeting.

Mr. Wallace spoke in favor of having a year's worth of operations in reserves.

Mr. Singh noted that some line items were under spent and some were overspent, which gave too much discretion to be able to move funds and didn't encourage control of expenses. He questioned if the Village had a policy that required Council approval, if a department exceeded a line item amount.

Ms. Cellini didn't see much in the budget for giving back to the community, or how the residents benefitted. Mr. Wallace discussed the upcoming underground utility and other projects that would benefit the residents. Ms. Cellini discussed having items for the residents such as parks, etc. Mr. Wallace noted that would be up to the Council to decide what they wanted to budget items for.

Purchasing Cards: Mr. Wallace reported that the Village received 5% back on the purchasing card items.

Transportation Surcharge: Mr. Wallace reported that the Village didn't pay for the bus. He explained the bus and the street sweeper.

General Contingency: Mr. Wallace explained that the line item was for unforeseen costs, such as money for the DOJ investigation, red light cameras, etc. Mr. Singh spoke against re-appropriating money that wasn't spent. Mr. Wallace discussed the need to have an operating contingency and re-appropriating the contingency money that wasn't spent. Mr. Singh noted that the revenue was conservative, but the expenses were not. He thought there was a lot of room to cut the budget. He noted that many line items had been under spent and over budgeted.

The Committee discussed the Village contesting the adjustments requested by a property owner for property taxes. Mr. Wallace noted that the Village could do that, but it would cost money and would be a difficult battle.

Councilwoman Cohen spoke in favor of doing so.

Anamarie Kelly Stoppa – 77 Camden Drive, spoke in favor of doing so.

Councilman Packer noted that could be discussed with Mr. Weiss (Village Attorney).

Mr. Singh briefly left the meeting.

Professional Services: Mr. Smith will do a Request for Qualifications, since Mr. O'Leary (Landscape Architect) was retiring. Mr. O'Leary's costs came out of different departments. Mr. Wallace will provide vendor information on Mr. O'Leary.

Mr. Singh returned to the meeting.

Ms. Cellini discussed the excess benefit plan for Mr. Treppeda (former Village Manager). She questioned what would happen if the Department of Justice (DOJ) wanted money back. Mr. Wallace explained that the money would come from the general fund contingency. He noted that there was also money in the forfeiture pipeline that the Village didn't receive.

Councilwoman Cohen questioned the high amount in the budget for pooper scoopers (\$10,000.00) and questioned if the Gated Area paid for the ones behind the gates. She suggested looking at less expensive bags. Mr. Smith thought that there was only one provider for the bags. Ms. Cellini didn't see how the Gated Area residents weren't entitled to the same scoopers, as the other residents. Councilman Packer pointed out that the Gated Area was private.

7. ANNOUNCEMENT OF NEXT MEETING DATE: The next meeting is scheduled for July 18, 2013, at 7:00 p.m.

Councilman Packer requested that the budgets for resort tax, public works, parks, and revenue be reviewed at the next meeting.

Mrs. Horvath noted that the Resort Tax Committee would not discuss their budget, until their meeting in August.

It was the consensus of the Committee to schedule a meeting for July 30, 2013 at 7:00 p.m.

8. OTHER BUSINESS:

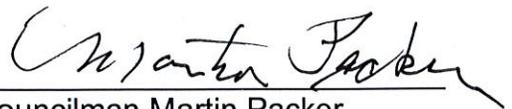
Mr. Singh discussed the building fees for the Consultatio project. Mr. Wallace explained the Development Agreement for the project and its revenue.

Councilwoman Cohen suggested that the building fees be reviewed, including the percentage that was given to the Building Official. She knew that the Development Agreement couldn't be changed, but thought that other things, as a result of the building permits, could be changed.

9. ADJOURN: There being no further business, *a motion was offered by Mr. Salver and seconded by Ms. Cellini to adjourn. The motion carried (4-0) and the meeting was adjourned at 10:55 p.m.*

Attest:


Ellisa L. Horvath, MMQ, Village Clerk


Councilman Martin Packer