BAL HARBOUR VILLAGE COUNCIL MEETING MINUTES
WORKSHOP MEETING – AUGUST 30, 2010

A Workshop Meeting of the Bal Harbour Village Council was held on Monday, August 30, 2010, at the Bal Harbour Village Hall Council Chamber (655 – 96th Street, Bal Harbour, Florida).

1. CALL TO ORDER/ROLL CALL: The meeting was called to order at 6:00 p.m. by Mayor Rosenfield. The following were present:

Mayor Jean Rosenfield
Assistant Mayor Joni D. Blachar
Councilman Jaime M. Sanz
Alfred J. Treppeda, Village Manager
Ellisa Horvath, MMC, Village Clerk
Christopher Wallace, Finance Director
Matthew Pearl, Village Attorney

Absent: Councilwoman Patricia Cohen
Councilman Martin Packer

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

2. PLEDGE OF ALLEGIANCE: The pledge was led by Finance Director Chris Wallace.

3. DISCUSSION OF 2010/2011 BUDGET: Mayor Rosenfield explained the purpose of the workshop meeting to review the budget process and receive input from the public. Budget information was distributed to the public. Mr. Treppeda reviewed the Executive Summary for the Proposed Budget. Mr. Wallace and Mr. Treppeda reviewed the proposed budget savings and cuts.

Anthony Gillam, 9800 Collins Avenue, requested clarification on the money received from the St. Regis project. Mr. Treppeda explained that the project would continue to pay resort tax fees until the hotel opened, but that the other Development Agreement fees had stopped. Mr. Gillam questioned if the placement of the St. Regis on the tax rolls could be delayed even further. Mr. Treppeda reported that they expected to open in 2012. Mayor Rosenfield agreed that they had predicted to open at the end of 2011/beginning of 2012.

Dan Nieda, Building Official, reported that the St. Regis project had every intention to complete the work and he believed that they were over the hump. He clarified that they were slated to receive the first certificate of occupancy in September 2011.

Mr. Gillam questioned what funds would be used for renourishment of the beach and anything that was scheduled. Mr. Treppeda explained that State, Federal and County funds had always paid for the renourishment, but that there was $1.2 million in resort tax funds specifically designated for beach renourishment. He offered to find out when the next renourishment was scheduled.

Anamarie Kelly Stoppa, 77 Camden Drive, spoke against cutting the uniform budget for the general employees and spoke in favor of cutting the car washes. She questioned the leases for 31 cars. She questioned the costs in Roads & Streets to maintain 96th Street and the costs in the Beautification and Maintenance budget. She discussed the Open Space fund and questioned the amount that was spent on the Raheb litigation. Ms. Stoppa noted that the Security District area was private property and alot of money had been paid for duplicate legal service. She discussed other municipalities that paid in-house legal services and questioned the amount that was paid to Weiss Serota (Village Attorneys). Mr. Treppeda reported that the Village Attorneys were paid hourly. Ms. Stoppa suggested that a study be done on the amount paid to Weiss Serota versus the amount for in-house legal services. Mayor Rosenfield reported that in-house legal services would be very expensive. Ms. Stoppa discussed the amount of lawsuits that were filed. She questioned the contract amount for the Police Chief and thought that the police budget was outrageous. Ms. Stoppa discussed the Open Space fund and noted that the Village was paying for landscaping in the Security District and questioned if that amount would be reimbursed when it was proven that the area was private property.

Mr. Treppeda reported that the Roads & Streets fund included the bus shelters and storm drainage projects. Mayor Rosenfield clarified that the police patrolled all of the buildings, etc. and the beach. Ms. Stoppa discussed an agreement from 1988 for policing powers in the Security District. Mr. Wallace noted that most of the calls received via 911 were from private property, but explained that it was to everyone's benefit to have the police patrolling private property.

Assistant Mayor Blachar recommended cutting the car washes down to twice a month for patrol cars and once a month for the other cars. Mr. Treppeda explained that the car wash service was provided at Village Hall, so that the officers would not need to leave the Village in order to have their cars washed. Ms. Stoppa discussed the other vehicles. Mr. Treppeda explained that a list would be provided for discussion at the first budget hearing of the recommended changes.

Assistant Mayor Blachar discussed in-house legal counsel and clarified that Weiss Serota was an advantage for the Village, due to the different things that they specialized in. She noted that their expertise surpassed having one attorney in-house that wouldn't have the background, etc. and clarified that the municipalities that had in-house counsel sometimes still needed to use outside sources. She spoke against cutting costs in that area. Mayor Rosenfield agreed and noted that she was happy with the current counsel.

Neil Alter, 9801 Collins Avenue, questioned the amount budgeted for legal expenses in 2009/2010 and the amount that was spent compared to that. Mr. Treppeda explained that he would need to provide that amount. Assistant Mayor Blachar noted that the amount could be provided at the next meeting. Mr. Alter questioned how the Village compared to neighboring communities regarding the total police budget and number of law enforcement officers. He also questioned if more officers could be funded through forfeiture. Mr. Treppeda explained that funding through forfeiture had been discussed for the future, but he clarified that those officers would have to be dedicated to the VIN unit.

Chief Hunker explained that restrictions were placed by the Federal and State government on how the forfeiture money could be spent. He advised that he would make

recommendations to the Council on expenditure of the funds as the money came in. He offered to resign if the community felt that he was not doing his job well.

Mayor Rosenfield explained that when salaries were negotiated studies were done, etc.

Dina Cellini, 211 Bal Cross Drive, pointed out that the St. Regis Development Agreement did not specify that the project be completed by a certain date. She noted that the $2 million was being split by the Village between the two years, but clarified that there wasn't any guarantee that the St. Regis project would be substantially complete by January 2012.

Dan Nieda, Building Official, discussed the meaning of substantial completion as determined by the tax assessors and the Building Department. He explained that would only change if the tax assessor thought that the property was purposely delaying completion to avoid taxes. He reported that the St. Regis still expected completion in September 2011. Ms. Cellini clarified that if the St. Regis wasn't done by February 2012, then everything could change.

Ms. Cellini suggested that the budget be reduced further and recommended reviewing any line items that had an increase greater than 10%. She also suggested that the budget document pages be numbered.

Ms. Cellini questioned the amount of the St. Regis contribution for resort tax revenue. Mr. Treppeda reported it to be $1.8 million. Ms. Cellini noted that the amount was divided between the tourism and beautification departments and suggested that if the money was not enough to cover those departments, then those departments should be scaled back.

Ms. Cellini suggested rethinking the Brickman landscaping contract and having the public works employees do the work, since three employees would be freed up if the Security District was cut from the Village budget. Assistant Mayor Blachar agreed that it would be a possibility, but that it would have to be looked at. Mayor Rosenfield agreed that it could be looked at again, once the Security District issue was looked into. She reported that The Brickman Group had done a wonderful job so far. Ms. Cellini noted that there were other public works employees that could do additional work. Mr. Treppeda reported that the public works department couldn't handle the beach, so a larger operation was hired to handle the beach and Collins Avenue. Mayor Rosenfield suggested looking at what the employees were doing on a daily basis. Councilman Sanz suggested that the three employees handle other landscaping if necessary. Ms. Cellini noted that the scope of services for landscaping had increased over the years. Mr. Treppeda agreed and clarified that there were also six less employees. He reported that the current contract allowed the Village to save money without any Village employees losing their jobs.

Ms. Cellini discussed the $1.74 million that was contributed to the retirement accounts and questioned the ability for the investments to cover that. Mr. Treppeda reported that none of the investments were keeping up with the projections. Ms. Cellini suggested reviewing the people that were responsible for investing for the Plans. Mr. Treppeda reported that the Pension Board meetings were open to the public. He discussed the two separate Pension Boards (Police and General Employees).

Dr. Abraham Gotman, 9601 Collins Avenue, Police Pension Board Member, reported that the Police Pension Board used Sawgrass to handle its investments.

Ms. Cellini discussed the large contribution to the pension funds. Mayor Rosenfield noted that pensions had been discussed in all of the municipalities. She reported that the Council was on top of the issue and some ideas would be proposed in the upcoming year to cut the costs.

Ms. Cellini suggested reviewing the increase in the beautification budget. She questioned the $35,000 to monitor the Munisport project. Mr. Treppeda reported that the money would be used for the environmental attorneys. He noted that it did not have to be budgeted, but if something came up on that site (in North Miami), then the money would have to come from contingency.

Assistant Mayor Blachar suggested decreasing the $25,000 for Council management expenses.

Ms. Cellini questioned the $90,000 budgeted for decorative crosswalks and if Federal stimulus money would be used for that. Mr. Treppeda explained that the cost was for the areas around the St. Regis to match the other crosswalks, which would not be covered by Federal funds. Ms. Cellini questioned the need for that expenditure. Mr. Treppeda explained that would be up to the Council and residents. Ms. Cellini spoke against budgeting funds for the decorative crosswalks.

Ms. Cellini noted that the Executive salaries had decreased, but that the FICA had increased (Department 512). Mr. Wallace explained the move of a Police Captain to that department and noted that he would check those figures.

Ms. Cellini spoke against providing a miscellaneous expenses line item in the budget, since each department should have to determine what the money would be used for. Mayor Rosenfield discussed the need for the money if various items came up. She also noted that contingency funds were budgeted for emergencies in all of the funds. Ms. Cellini clarified that the Contingency fund could cover any unexpected expenses.

Ms. Cellini questioned the increase in the Police travel and per diem, if the policy was to reduce that. Chief Hunker explained that conferences were included in his contract and there were also price increases. He discussed the red light camera training. Ms. Cellini suggested that a minimum amount of people attend and that the budget be cut back. Mr. Treppeda reported the red light revenue to be $800,000.

Ms. Cellini discussed the large increase in overtime for the Police. Chief Hunker explained the use of family medical leave, etc. which resulted in increased overtime.

Ms. Cellini discussed the increase in the number of police officers since 2004, while the Village's population and square footage had remained the same. Mr. Treppeda explained that several officers were assigned to the VIN unit. Ms. Cellini suggested that more expenses be moved to the forfeiture fund. Mayor Rosenfield reported that there was $703,000 in the forfeiture fund. Chief Hunker clarified that a minimum of $500,000 was already earmarked for salaries and other commitments.

Ms. Cellini spoke in favor of the forfeiture guidelines allowing forfeiture funds to pay for the lease of the new Police trailer. Mr. Treppeda explained that the Village Attorneys had reported that forfeiture funds could not be used. Ms. Cellini will provide her opinions to Mr.

Treppeda to send to Mr. Weiss. Ms. Cellini also discussed forfeiture funds being used for overtime, police salaries, and the boat dockage lease.

Ms. Cellini requested that the Council keep in mind that people would also have property tax adjustments next year.

Ms. Cellini discussed changing the Village elections to November. Assistant Mayor Blachar reported that the Village was looking into that.

Ms. Cellini discussed the $116,000 budgeted for additional inspections and questioned why the St. Regis wasn't paying for that.

Dan Nieda, Building Official, explained that it was paid by the Developer as part of the St Regis Development Agreement.

Ms. Cellini questioned how much would be saved by getting rid of the current trailer. Mr. Treppeda reported that $340 monthly was being paid by forfeiture for the current Police trailer.

Ms. Cellini discussed the $260,000 budget total for legal fees, which she felt was high. She questioned the amount spent in the current fiscal year. Mr. Treppeda offered to provide the amount. Ms. Cellini noted that there was alot of litigation, which she didn't see on the horizon.

Ms. Cellini reviewed the General fund items and questioned the amount of the Landscape Architect contract and if it could be charged to the tourism fund. She voiced concern that maybe too much was being spent on beautification.

Lynne Mullen, 10150 Collins Avenue, spoke against spending any money in the General Fund for the Security District, unless the Village was willing to cut the grass for the other properties in the entire Village. She questioned the amount for the Security District. Mr. Treppeda reviewed the amount in the Security District fund. Mayor Rosenfield explained that the Village was still investigating the issue.

Neil Alter, 9801 Collins Avenue, discussed the saving possibilities identified by Ms. Cellini in addition to catching rain water to wash cars, irrigation, etc. He questioned the cost for the red light camera training. Chief Hunker discussed the need for additional training, since there had been legal changes due to State regulation of the cameras. Mr. Alter suggested that the training be brought to the Village or County, to avoid traveling costs. Mayor Rosenfield agreed and suggested that a cost be received from them to do the training locally. Chief Hunker estimated the cost to be $2,500 to send the officers for training. Assistant Mayor Blachar discussed it being less expensive to send the officers for training. Chief Hunker will discuss the training with the company, but spoke in favor of sending two officers.

Councilman Sanz suggested that the budget be reviewed again for additional cuts. Mayor Rosenfield agreed and noted that some things may be automatically cut. She questioned the landscaping contract. Mr. Treppeda explained that the Village could cancel the Security District portion of the landscaping contract, because that was part of agreement. He reported that the contract could be canceled with 30 to 60 days notice.

Dina Cellini, 211 Bal Cross Drive, questioned if the Security District was included in the Brickman landscaping contract. Mr. Treppeda reported that a portion was included. Ms. Cellini clarified that the contract could be canceled or modified with notice. Mr. Treppeda agreed.

Assistant Mayor Blachar suggested cutting the number of car washes down to once a month and looking at the $30,000 annual Lobbyist fee. Mr. Pearl reported that Lobbyist Ron Book worked on the State legislation for the red light cameras for the Village. Mr. Treppeda explained that Mr. Book worked with the County commission on legislation that affected cities, increasing limits on sovereign immunity, communicated with FDOT on issues, etc. Assistant Mayor Blachar suggested negotiating the Lobbyist fee to $10,000 or on an hourly basis. Mayor Rosenfield suggested a study to find out what other cities were paying Mr. Book. Assistant Mayor Blachar also spoke in favor of looking into changing the elections to November, looking into the $35,000 Munisport fee, vehicle leases not exceeding $400 monthly, and looking at lowering the $50,000 contribution to the GMCVB. Mayor Rosenfield explained that was out of the tourism budget. Mr. Treppeda explained that the contribution amount had varied and that most of the other municipalities did not contribute, because their resort taxes went directly to the County. Assistant Mayor Blachar suggested that Ms. Travis, Director of Tourism Marketing, work on the amount. Assistant Mayor Blachar spoke against wage increases for the general employees. She discussed the benefits that were provided to the general employees and noted that insurance costs would probably not increase for the employees. Councilman Sanz agreed and noted that in the private sector salaries and bonuses were cut and the insurance fees were increased. He didn't know what other municipalities were doing.

Anamarie Kelly Stoppa, 77 Camden Drive, suggested that if the general employees were given the uniforms and other benefits then they wouldn't need a cost of living increase. She suggested cutting the 31 vehicles and keeping the cost of living increase, which was more of a benefit.

Dina Cellini, 211 Bal Cross Drive, spoke in favor of a COLA increase, in accordance with the index, and that the COLA be kept in mind during police negotiations.

Mr. Treppeda explained that the general employees had always received the same cost of living increase as the police officers. Assistant Mayor Blachar thought that the employees were great, but she didn't want the increase to come back later as a problem. Mayor Rosenfield suggested looking at all of the employment contracts and agreements and making a decision about what to do with future people that were hired. She didn't know that something could be taken away that had been given. She suggested the possibility of looking at a two-tiered situation in the future.

Assistant Mayor Blachar discussed the $17,525.00 for the Vanpool for the Public Works employees. Mr. Treppeda explained that the Vanpool was a State program to encourage carpooling and the Village had 12 employees with 3 vans, which helped with parking, etc. He suggested that a grace period be given for them to find other transportation, if the item was cut. Mr. Wallace thought that the item should be considered since it would add 12 cars to the parking lot and he felt that the government needed to set the tone for carpooling (taking cars off the road and reducing pollution), which was subsidized. Mr. Treppeda explained that the employees paid for their fuel. Councilman Sanz questioned the amount

that the government paid for the program. Mr. Treppeda explained that the County paid additional money for the lease. Mr. Wallace reported that other municipalities and private employers participated in the program. Assistant Mayor Blachar noted that the employees could still carpool together at their own cost.

Mr. Wallace explained the next step for the public hearing and proposed millage rate. He offered to send a summary to the Village Manager and Council, to provide feedback for the next meeting.

Assistant Mayor Blachar spoke against $85,000 for employee performance bonuses. Mr. Treppeda explained that in 1990 the general employees received merit steps and to save money the Council implemented an annual performance bonus, so that the amount wouldn't be compounded onto their salaries.

Mr. Wallace summarized the following discussions: eliminate staff uniforms, reduce or eliminate car washes for Village vehicles, review the beautification funds spent on landscaping, look into the cost for in-house attorney versus outside counsel, compare the number of police officers to other cities of similar size, evaluate using four officers for forfeiture instead of two (statute must be reviewed), review any line items increased by over 10%, review the Brickman contract, look at the investment funds and pension, eliminate the Munisport budget, eliminate the crosswalks, look at police travel & per diem , reduce the police overtime, decrease police staffing from the prior year, use forfeiture fund for other items, look into legal fee expenses, look into having local training for the red light cameras, eliminate the employee performance, eliminate employee cost of living raises, etc.

Mayor Rosenfield requested that the public think about the items discussed and come back to the meeting on September 14th. She suggested that the public contact the Councilmembers individually with any questions/comments.

Councilman Sanz questioned using the $1 million in reserve from the St. Regis now. Mr. Wallace spoke against doing so now, since the same problem could exist next year. He spoke in favor of splitting the money between the two years.

Dina Cellini, 211 Bal Cross Drive, spoke on Dr. Michael Krop's behalf and reported that it was Dr. Krop's opinion that the Village look into using some of the reserves to offset the deficit this year. Mr. Treppeda reported that there was $5,730,000 in unreserved funds. Ms. Cellini clarified that it was Dr. Krop's opinion that some of those funds be used. She questioned if another document would be provided prior to the September 14th meeting.

Mr. Treppeda reported that a list would be provided of recommended cuts. Mr. Wallace explained that the list would be shared with the Council and another document would be brought back that may or may not be changed, based on the feedback received. He discussed the budget process. He explained that the millage rate could be lowered but not increased. He reported that the general fund unreserved fund balance was not quite six months of expenditures. He spoke in favor of the Village having a minimum of six months in reserves.

Councilman Sanz spoke against raising taxes this year and if that was done then the Village needed to have a very lean budget.

Mayor Rosenfield questioned what the average tax increase was. Mr. Wallace will provide that information.

Assistant Mayor Blachar left the meeting.

Mayor Rosenfield agreed with Mr. Wallace that the Village needed at least six months or more in reserves.

Dina Cellini, 211 Bal Cross Drive, clarified that the millage rate that was certified (2.8619) would require a two-thirds vote (4 out of 5) of the Council. She explained that the legislature had enacted the controls to make sure that municipalities understood that when the millage rate was increased a certain percentage then it was doing something extraordinary. She noted that if the millage rate was a little higher (2.87), then the increase would be so extreme that it would require a super majority.

Mayor Rosenfield understood, but questioned what would be done about the garbage, because the millage rate could change with just that. She clarified that there were ways to lower the millage rate.

Mr. Wallace explained that very few municipalities did that.

Neil Alter, 9801 Collins Avenue, recommended that the absent Councilmembers be provided with audio of the meeting and Mr. Wallace's summary.

4. ADJOURN: There being no further business, ***the meeting adjourned at 8:26 p.m.***

Mayor Jean Rosenfield

Attest:

Ellisa L. Horvath, MMC, Village Clerk