

BAL HARBOUR VILLAGE COUNCIL MEETING MINUTES **FIRST BUDGET HEARING – SEPTEMBER 14, 2010**

The First Budget Hearing of Bal Harbour Village was held on Tuesday, September 14, 2010, in the Council Chambers at Bal Harbour Village Hall (655 – 96th Street, Bal Harbour, Florida).

1. CALL TO ORDER/ROLL CALL: The meeting was called to order at 5:01 p.m. by Mayor Rosenfield. The following were present:

Mayor Jean Rosenfield
Assistant Mayor Joni D. Blachar
Councilwoman Patricia Cohen
Councilman Martin Packer
Councilman Jaime M. Sanz¹

Alfred J. Treppeda, Village Manager
Ellisa Horvath, MMC, Village Clerk
Andrea Greenblatt, Admin. Assistant
Matthew Pearl, Village Attorney

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

2. PLEDGE OF ALLEGIANCE: The Pledge was led by Assistant Mayor Blachar.

3. ANNOUNCEMENT: Mayor Rosenfield made the following announcement:

The Bal Harbour Village rolled-back millage rate is 2.5567 mills. The new proposed millage rate is 2.8619 mills, which exceeds the rolled-back rate by 11.94%.

4. DISCUSSION OF PROPOSED TAX MILLAGE RATE AND DISCUSSION OF PROPOSED BUDGET: The Powerpoint presentation was not reviewed, since the public requested moving to discussion.

Mayor Rosenfield opened the meeting for public discussion.

Dina Cellini, 211 Bal Cross Drive, spoke in favor of a hybrid of the three options. She discussed the legality of budgeted items being moved to forfeiture funds. Mr. Pearl explained that certain funds could be used for special task forces, but not all of the things were permissible. He clarified that approval was on an item by item basis, per the request of the Chief. Mr. Treppeda reported that it was determined that the forfeiture funds could now pay for the Police VIN trailer for the task force. Ms. Cellini questioned the salary of a law enforcement officer. Mr. Pearl explained that the salary of the officer in the unit or the salary of that officer working overtime could be paid with forfeiture funds. He clarified that everything on Ms. Cellini's list had been reviewed to determine if forfeiture funds could be

used.

Ms. Cellini spoke against approval of option A, B, or C and requested that the Council address using reserve funds of at least \$500,000. Mr. Treppeda explained that \$1 million of reserve funds were being used for the budget. Ms. Cellini clarified that the \$1 million being used was earmarked out of the \$2 million from the St. Regis funds. Mr. Treppeda reported a balance of \$5.7 million in reserves after the \$2 million was taken out. Ms. Cellini suggested using \$500,000 of reserve funds. Assistant Mayor Blachar clarified that Mr. Wallace had recommended that the amount in reserve was appropriate and shouldn't be used. Mr. Wallace agreed and noted that the Village should have at least six months of operating expenses in reserve and the Village almost has that. He discussed the need to address the problem of expenses exceeding revenues. Assistant Mayor Blachar noted that more people were appealing the taxes, so there may be less revenue from that than anticipated. Mr. Wallace agreed. He discussed the guidelines for the use of forfeiture funds and the spirit and intent of the statutes.

Lynne Mullen, 10150 Collins Avenue, questioned the progress on the Security District issue and how long it would take. Mayor Rosenfield and Mr. Treppeda explained the large amount of records that were being reviewed. Ms. Mullen noted that the Village was using public dollars on what she believed to be private property.

Neil Alter, 9801 Collins Avenue, requested the total budget amount for the Village. Mr. Treppeda estimated the proposed budget to be \$13 million. Mr. Alter discussed the \$416,000 in the proposed budget for legal expenses. He discussed the repetition of \$130,000 (55% of the general fund) and requested an explanation of the significant line items 503.101. He was not comfortable with compensating the Attorney with a 2% cost of living adjustment, since the actual COLA was .4%. Mr. Treppeda clarified that the Village Attorney's office received a COLA, if the general employees did. He explained that the Attorney's COLA was approved via a previous Council motion. Mr. Alter requested that the Council pass a motion that would rescind that. Assistant Mayor Blachar questioned the savings if the Village did that. Mr. Alter estimated the savings to be almost \$10,000.

Beth Berkowitz, 10160 Collins Avenue, questioned the \$143,000 noted twice in the budget. Mr. Treppeda explained that it was only one line item in the amount of \$143,000 in the general fund. Ms. Berkowitz thought that was confusing. Mr. Treppeda explained that the Security District was not included in the budgeted item and there was a word missing. Ms. Berkowitz discussed the contingency funds for hurricanes and the general budget. She questioned what items were included in the general contingency fund for that amount. Mr. Treppeda explained that any unanticipated items would be covered, so that the budget wouldn't have to be amended. Ms. Berkowitz questioned if legal fees would be under that. Mr. Wallace reported that they would not and explained that legal fees would be charged to the department that used it and then money would have to be moved from contingency to that department. He reported that has never come up before.

Doug Rudolph, 212 Bal Bay Drive, discussed it coming down to the expenses and how they would be paid. He understood the thinking behind removing the garbage out of the budget, but he didn't think that would change anything. He agreed that the millage rate could be misleading. Mr. Rudolph felt that the goal was to have a budget with residents paying the least amount of taxes and keeping the same level of service, beauty, etc. He discussed the millage rate being lowered over the years. He spoke against using money

out of the reserves. He supported the Council in doing what they thought was best.

Mayor Rosenfield noted that the City of Aventura had one year in reserves and the Village barely had six months.

Anamarie Kelly Stoppa, 77 Camden Drive, spoke in favor of cut backs. She suggested that an investigation be done of the journal item entries to see where the money was going. She spoke against the Security District continuing to receive landscaping from the Village. She questioned the expenses and contingency amounts for legal services. She requested the journal, not the ledger, on the forfeiture items before the next meeting. Ms. Kelly discussed the Chief's salary compared to the Surfside Chief and suggested that the contract be revisited. She spoke against the 17% increase for the police and against spending reserves.

Mayor Rosenfield noted that the Councilmembers made \$100 per month and the Mayor made \$120 per month.

Ms. Berkowitz questioned what the street sweeper swept. Mr. Treppeda explained that it swept Collins Avenue, 96th Street and the residential area. Assistant Mayor Blachar thought that everything was kept very nice because of the street sweep and if the Village didn't have it then the residents would realize it. Ms. Berkowitz didn't know if it was allowed on Collins Avenue, since the Village didn't own it.

Ms. Cellini noted that it was misleading to show a decrease of 16.58% in the executive division salaries, due to the inclusion of the salary and benefits for Jay Smith. She noted that the Executive salaries had increased, which she requested be reflected in the records. Mr. Wallace explained the process and noted that he would restate the line items. He explained that it didn't change the budget amount within that department, but he would highlight any changes.

Mr. Alter suggested decreasing sales managers, catering, and special events in the tourism department. Mayor Rosenfield discussed the items that the Village supported and discussed the special events that gave Bal Harbour recognition. Mr. Wallace explained that the Resort Tax Committee made recommendations to the Council for approval and that the tourism tax money had to be spent on specific items. He clarified that money could not be saved in tourism, but it could be reallocated. He noted that any decrease would not affect the property tax. Mr. Treppeda clarified that a decrease would not affect the millage rate.

Councilman Packer agreed with Mr. Rudolph that the bottom line was what the taxpayers were paying. He discussed the \$5.7 million in reserve funds and spoke in favor of using \$500,000 of it for the budget. He agreed that the following year would also be tough, but noted that it was the taxpayers' money and it was just sitting there. He discussed it being a disservice not to use the money and noted that some things in the budget could not be cut.

Assistant Mayor Blachar spoke against using reserves, since Mr. Wallace had recommended leaving the reserves alone, the value of homes may decrease further, etc. She spoke in favor of trimming the budget more, instead of using the reserves.

Councilman Packer agreed with trimming more, but also using \$500,000 of the reserves.

Councilwoman Cohen agreed with Assistant Mayor Blachar with having reserves, taking Mr. Wallace's recommendation, and trimming the budget reasonably.

Assistant Mayor Blachar discussed the millage rate over the years in Bal Harbour. She reported that the Village was still lower than most other municipalities and pointed out that municipalities did not include the garbage fee in the millage. She didn't think that the millage rate was excessive.

Councilman Packer noted that the County was charging higher taxes which the Village didn't have control over, but that the Village had control over its own taxes. He clarified that using \$500,000 from reserves would enable the Village to lower its millage rate.

Mayor Rosenfield reported that the residents she had spoken to were not happy, but they weren't disturbed by the increase. She noted that everyone had the right to also go to the County hearings. She discussed the following list of items that could be cut: Village newsletter (place online), change the date of elections, and maybe also looking at the cost of the bus shelters. Mr. Treppeda reported that the bus shelter prototype was very expensive.

Councilman Sanz arrived.

Mayor Rosenfield reported the prototype to be \$60,000-\$65,000 and suggested that the extra \$100,000 that was budgeted for the bus shelters be looked at. She thought that it was a necessity for the crosswalks on Collins Avenue, but she was willing to hold off on those.

Mr. Wallace noted that a final decision was not needed tonight, since it was the first of two required public hearings. He clarified that the rate could be lowered, but not raised.

Mayor Rosenfield spoke against spending reserve funds.

Councilwoman Cohen spoke in favor of cutting the following: crosswalks, changing elections, and possibly having only one park attendant. Mr. Treppeda reported that two attendants were needed to provide breaks and for the recreation center restrooms. He pointed out that could be cut if a restroom was built in the park, which would cost approximately \$25,000. Councilwoman Cohen spoke against cutting the vanpool and against cutting the uniforms. She noted that the garbage fees could be billed in a different manner. She agreed with most of the suggested items to be cut, but spoke in favor of leaving the COLA for the general employees. Mr. Treppeda explained that the annual bonus replaced the merit steps. He explained the COLA and the bonus system.

Councilman Packer questioned if the COLA should be 2% (pursuant to the police contract) or .4% (the actual COLA). Councilwoman Cohen spoke in favor of the .4% COLA and the bonuses.

Chief Hunker explained the bonus process and the employees that were eligible, based on their performance. He requested that the Council take that into consideration. He did not want to see unions coming in for the general employees. Chief Hunker noted that the employees were dedicated and loyal and thought that the Council would hurt the smaller lower level employees, if the bonuses were removed.

Assistant Mayor Blachar requested an explanation of who received the bonus, etc. Chief Hunker explained that all of the non-union employees received it, but that it wasn't a raise or an increase (not compounded and didn't go in the pension).

Assistant Mayor Blachar questioned the COLA for the general employees. Councilwoman Cohen explained that it would be for everyone who was not unionized. Councilman Packer suggested that another word be used, since it wasn't really a bonus. He did think that the employees depended on it. Chief Hunker suggested that it be called a performance appraisal. Mr. Treppeda and Chief Hunker explained the process.

Councilman Sanz suggested that resort tax funds be used to pay for the park attendants. Mayor Rosenfield reported that could be looked into, since the State mandated what the tourism funds could be spent on. Councilman Sanz suggested using the extra \$1 million from the St. Regis money, but spoke against raising the millage rate.

Councilman Packer proposed using at least \$500,000 from reserves. Mayor Rosenfield discussed concerns with using the reserves, due to the age of the infrastructure, hurricanes, etc. Councilman Sanz noted that if the total \$2 million St. Regis money was used, then the reserves would not be needed. Mayor Rosenfield pointed out that the other \$1 million from the St. Regis money was for next year. Councilman Sanz suggested maybe implementing the garbage fee for next year. He agreed that nothing should be taken away from the employees, but he also didn't want to increase taxes. Assistant Mayor Blachar explained that a garbage fee would still be taking money from taxpayers, but the millage rate would be lower. She spoke against touching the reserves, per the recommendation from Mr. Wallace. Councilman Sanz suggested keeping the reserves and using the total \$2 million St. Regis money and by doing so the millage rate would stay the same and the Village would have a year to work on what needed to be done for the following year. He didn't mind talking about the garbage fee next year, but was not in favor of it for this year. He spoke against raising taxes this year.

Mayor Rosenfield explained that in order to avoid a tax increase the Council needed to cut the budget. She spoke against using the reserves and against using the extra \$1 million of the St. Regis funds. Assistant Mayor Blachar questioned if the COLA for general employees should be .4% or 2%. Councilwoman Cohen spoke in favor of .4% and the performance bonus for the general employees.

Councilwoman Cohen questioned the amount the Council needed to save, in order to not raise taxes. Mr. Wallace explained the rolled-back rate. He clarified that in order to generate the same revenue as FY 2010 the millage rate would go from 2.5265 to 2.5567 and he estimated that the Village would need to cut \$560,000.00.

Mayor Rosenfield suggested cutting \$200,000 from Contingency. Mr. Wallace reported the following suggested savings that were discussed: decreasing from a 2% to a .4% COLA (\$30,000), changing the election date (\$12,000), extra money for bus shelters (\$100,000), money for crosswalks (\$90,000), and Contingency (\$200,000).

Mayor Rosenfield spoke against cutting the Lobbyist fee of \$30,000, since that was the average cost for other cities. Assistant Mayor Blachar spoke in favor of decreasing the amount for the Lobbyist fee, but agreed to go along with it. Assistant Mayor Blachar spoke

in favor of cutting the vanpool. Councilman Sanz agreed. Assistant Mayor Blachar suggested that a few months notice be given to the vanpool employees. Councilman Packer felt that was in the same category as the uniforms for other employees. Councilwoman Cohen agreed. Councilman Packer suggested it be looked at again if needed. Mayor Rosenfield noted that the number of park attendants could be reduced by reducing the park operating hours and putting a restroom into the park.

Leonard Robinson, Public Works Department, spoke in favor of keeping the vanpool program, on behalf of the vanpool employees. He explained that doing away with the program would create a hardship and he reported that the program had helped a lot with improved attendance, morale, financial hardship, etc. He reported that approximately 14 public works employees used the vanpool.

Assistant Mayor Blachar questioned if the vanpool driver could use the van other than for work. Mr. Treppeda explained that they could, if it was pre-approved. He noted that the vanpool employees paid for their fuel. Councilman Packer noted that if they used the vans then they arrived to work on time. Councilwoman Cohen agreed.

Mr. Pearl will determine if the tourism fund could be used for park and recreation items.

Michael O'Quinn, Recreation & Transportation Director, reported that tourists had been allowed to use the Village Park. He discussed the park attendant schedule and the need for an extra person for relief, etc. He agreed that certain items could be cut back.

Mayor Rosenfield noted that follow-up items could be discussed during the year, but she didn't think that they could be cut now. She reported that the Village was investigating maintaining private property in the gated area.

Ms. Cellini requested that the legal fees also be reviewed. Mayor Rosenfield noted that the Council would look at legal fees, as well as beautification/maintenance.

Lee Anderson, 9800 Collins Avenue, discussed the hazardous road condition, on the small road in front of the Fairfield Manor, which needed to be resurfaced and repaved. Mr. Treppeda explained that Anthony Gillam (Fairfield Manor) had been in touch with the Civic Association regarding that road, because the Village didn't own that. He reported that the Village thought that the Civic Association owned that road. Assistant Mayor Blachar suggested that Ms. Anderson speak to Stuart Sobel of the Civic Association. Mr. Treppeda noted that Mr. Gillam had been speaking with Mr. Sobel.

Dina Cellini, 211 Bal Cross Drive, summarized the following savings of \$448,500: \$200,000 from Contingency, \$90,000 cross walks, \$100,000 bus shelters, \$12,000 changing elections, \$16,500 newsletter, and \$30,000 savings from COLA (she is opposed to the COLA decrease). She noted that the Village was striving for a little more than \$550,000 for the rolled-back rate. She spoke in favor of the following additional savings: moving \$163,000 to the tourism fund, if it could be done lawfully, reviewing the legal fees, the Attorneys only receiving a .4% COLA if that is what the general employees received, and \$35,000 Munisport landfill.

Chief Hunker reported that a printer in the Village offered to print the Village newsletter for free, if advertising could be placed in it. Mr. Treppeda thinks that it could be legally done,

but he didn't know that the Village wanted to have advertising in its newsletter.

Assistant Mayor Blachar suggested that the frequency of the car washes be cut for a total of \$25,000.

Mr. Wallace noted that the goal would be to cut \$686,000 (corrected amount) in order to achieve the rolled back rate. He summarized the following savings of \$451,500: \$3,000 saving for reduced car washes, \$200,000 to reduce the budgetary contingency, \$30,000 to reduce the COLA from 2% to .4%, \$16,500 to eliminate the printing/postage of the Village newsletter, \$12,000 changing election dates (contingent upon approval of an ordinance), \$100,000 bus shelters, and \$90,000 crosswalks. He discussed the following additional possible savings: \$163,000 to fund the recreation and park from the tourism fund and reducing the Attorney COLA to .4% instead of 2%. Mr. Wallace explained that the millage rate (2.8619) could be left as it is in the resolution, which would allow the Council to lower it at the next meeting.

5. RESOLUTION/PUBLIC HEARING: The following resolution was read by title, by Mrs. Horvath:

A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, MIAMI-DADE COUNTY, FLORIDA, ADOPTING THE TENTATIVE LEVYING OF AD VALOREM TAXES FOR FISCAL YEAR 2010/2011; PROVIDING FOR AN EFFECTIVE DATE.

Mayor Rosenfield opened the meeting for public discussion. There being no additional comments, Mayor Rosenfield closed the meeting for public discussion.

Mr. Treppeda explained that four votes were needed for the resolution to pass.

A motion was offered by Assistant Mayor Blachar and seconded by Councilman Packer to approve the Resolution. The motion carried (4-1) with the vote as follows: Mayor Rosenfield yes; Assistant Mayor Blachar yes; Councilwoman Cohen yes; Councilman Packer yes; Councilman Sanz no; thus becoming Resolution No. 2010-729.

6. ORDINANCE FIRST READING/PUBLIC HEARING: The following ordinance was read by title, by Mrs. Horvath:

AN ORDINANCE OF BAL HARBOUR VILLAGE ADOPTING A BUDGET FOR ALL VILLAGE FUNDS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2010, AND ENDING SEPTEMBER 30, 2011; APPROPRIATING REVENUES AND OTHER FUNDS; AUTHORIZING EXPENDITURES; AND ESTABLISHING AN EFFECTIVE DATE.

Mr. Wallace noted that the budget would be amended to include the proposed cuts for the next hearing.

A motion was offered by Assistant Mayor Blachar and seconded by Councilwoman Cohen to approve the Ordinance. The motion carried (4-1) with the vote as follows: Mayor Rosenfield yes; Assistant Mayor Blachar yes; Councilwoman Cohen yes; Councilman Packer yes; Councilman Sanz no.

7. ANNOUNCEMENT: Mayor Rosenfield made the following announcement:

Bal Harbour Village has tentatively adopted a millage rate of 2.8619 mills. Property taxes will increase by 11.94%. A final hearing on the tentatively adopted millage rate and the budget will be held on September 21, 2010, at 5:01 p.m., in the Council Chamber at Bal Harbour Village Hall, 655-96th Street, Bal Harbour, Florida.

Councilwoman Cohen questioned the increase in fuel of 150%. Mr. Wallace estimated that the current year fuel was under budgeted. Councilwoman Cohen questioned the postage increase. Mr. Wallace will review that. Mr. Treppeda explained that the number of newsletters and postcards were increased.

Ms. Kelly clarified that the streets, according to the platt, were owned by the lot owners not the Civic Association.

8. ADJOURN: There being no further business to come before the Council, it was the consensus of the Council to adjourn. The meeting adjourned at 7:06 p.m.



Mayor Jean Rosenfield

Attest:



Ellisa L. Horvath, MMC, Village Clerk