BAL HARBOUR VILLAGE COUNCIL MEETING MINUTES
SECOND BUDGET HEARING – SEPTEMBER 21, 2010

The First Budget Hearing of Bal Harbour Village was held on Tuesday, September 21, 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. Sanz[1]

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

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

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

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: Mayor Rosenfield opened the meeting for public discussion.

Mr. Wallace noted that although the announced millage rate was 2.8619, the Village was going with the roll back rate of 2.5567, which was not a tax increase and obtained the same revenue as the Village received last year. He reviewed a memo, dated Sept 16, 2010, which outlined the cuts in accordance with the items discussed at the First Budget Hearing.

Neil Alter, 9801 Collins Avenue, requested that Councilman Sanz be given the meeting audio, since he was absent. He requested an explanation of the $100,000 for the Landscape Architect. He discussed significant expenses related to legal totaling $460,000, including Munisport, and requested Councilwoman Cohen's assessment of the amount for

1 Councilman Sanz arrived during Discussion of Proposed Tax Millage Rate and Proposed Budget.

legal fees. Councilwoman Cohen advised that she was not prepared to give comment on that. She noted that the Munisport item was eliminated. Mr. Alter requested the elimination of the COLA increase for the attorneys. Mr. Treppeda explained that the Council had passed a motion that the Village's law firm would receive the same COLA as the general employees. Mr. Weiss discussed his rate for the Village, which was approximately a quarter of their regular rate. He explained that the rates for the firm had increased more than the cost of living, so instead of coming back for a substantial rate increase every year it was agreed that they would receive a COLA instead. He noted that this year it would amount to 91 cents per hour. Mr. Alter questioned if the contracts with other municipalities included an annual COLA. Mr. Weiss reported that the arrangements varied, but that they received approximately 4% to 5% COLA each year. Mr. Alter questioned the amount of income derived from Bal Harbour in the prior year. Mr. Weiss estimated it to be $400,000, with a large portion due to the Mullen litigation.

Mayor Rosenfield discussed the Landscape Architect and explained that Mr. O'Leary explained at a prior meeting the level of service needed to maintain the Village, which he oversaw. Mr. Treppeda noted that Mr. O'Leary worked on an hourly rate, as needed (bus shelters, landscaping, etc.). He reported that Mr. O'Leary was an expert that advised him and kept Bal Harbour beautiful. Mr. Alter questioned if Mr. O'Leary received a COLA. Mr. Treppeda reported that he was not guaranteed that. Assistant Mayor Blachar agreed that Mr. O'Leary was responsible for the beauty of the Village. Councilwoman Cohen questioned the budgeted amount. Mr. Treppeda clarified that the budgeted amount was only an estimate.

Anamarie Kelly, 77 Camden Drive, discussed the voting conflict of two Councilmembers (Assistant Mayor Blachar and Councilman Sanz), since the budget included the Security District items and they were benefitting directly from those items. She spoke in favor of those two Councilpeople recusing themselves from the vote. Mr. Weiss felt comfortable that it was within a large enough group that it was not to their personal benefit or gain. Ms. Kelly disagreed.

Beth Berkowitz, 10160 Collins Avenue, discussed open space/ landscaping and spoke against public money being spent for private use, which she requested to be addressed. She reviewed Resolution 279, involving payment for the last repair/resurfacing of the sewer and streets in the Security District. She noted that Part 1 was paid by the Residential Section and Part 2 was paid by the Village. She requested that the Council and Finance Director look at the amount of money being spent for the sewers, water meters, etc. in the Security District. Mayor Rosenfield clarified that the issue was being researched and would still be open for discussion. Ms. Berkowitz questioned if the budgeted money would be spent prior to that research being completed. Mayor Rosenfield advised that the money would only be spent if necessary and any corrections would be addressed after the research was done.

Lynne Bloch Mullen, 10150 Collins Avenue, questioned a time limit for the research on the Security District and noted that alot of people outside of the gates were very unhappy. She discussed the possibility of a class action lawsuit and requested that the research be completed. Mayor Rosenfield advised that the Village was working on the research.

Dina Cellini, 211 Bal Cross Drive, suggested that the Council consider the possibility of the problem being resolved if Bal Harbour residents were able to come into the Security

District. As a resident of the Security District, she didn't have a problem with any Bal Harbour resident walking into the Security District. Assistant Mayor Blachar discussed the Civic Association President's (Stuart Sobel) opinion that people in the Security District didn't want to allow access to those not living inside the gate. Ms. Cellini questioned if Mr. Sobel was permitted to make a unilateral opinion on the issue. Assistant Mayor Blachar didn't know what his role was and what he was permitted to say. She suggested that Ms. Cellini attend the Civic Association meeting to discuss that option with the Security District residents. Ms. Cellini noted that there hadn't been a Civic Association meeting to discuss the issue in the Security District. She spoke in favor of giving people the opportunity to get all the facts. Mayor Rosenfield directed Mr. Treppeda to have a conversation with the Civic Association about the issue. Councilwoman Cohen thought that Ms. Cellini had a good point and something needed to give. Assistant Mayor Blachar didn't think that the Council could make the decision on that. Councilwoman Cohen agreed.

Ms. Cellini spoke in favor of the transparency of the budget process this year. She discussed the City of Aventura using some reserves to adopt their rolled-back rate. She noted that, per Aventura's Budget Director, they only had four months of reserves. Mayor Rosenfield thought that they had a year of reserves. Mr. Treppeda will verify that information with the Aventura Village Manager, but he and the Finance Director still recommended that the Village maintain the six months of reserves.

Ms. Cellini discussed the large amount in the Forfeiture Fund and requested that the Council keep a close watch on any expenses that could lawfully be charged to it (salaries, benefits, overtime, etc.). She questioned if all of the task force officer salaries, etc. were taken from the forfeiture fund and not the general budget. Chief Hunker discussed the $1.2 million in the Forfeiture Fund, with an estimated $700,000 to $800,000 earmarked for salaries, etc. for the four members that were primarily assigned to the task force. Chief Hunker reviewed the guidelines and noted that he worked with the Village Manager and Village Attorney when the items came up for Council approval. He discussed the amount of time needed to clear the money and noted that he wouldn't request approval from the Council until the money was received in the account. He clarified that four salaries, including their overtime and benefits were paid from the fund. Ms. Cellini discussed the $400,000 to $500,000 left over in the fund. Chief Hunker clarified that he made recommendations to the Council on expenditures for the fund as the money became available.

Neil Alter, 9801 Collins Avenue, discussed the Professional Services Additional Inspections item in the Building Department for $116,100 and questioned the St. Regis paying for that since it was for their project. Mr. Treppeda explained that the St. Regis Development Agreement provided money for those additional inspections.

Beth Berkowitz, 10160 Collins Avenue, spoke on behalf of the other Bal Harbour taxpayers that don't live in the Security District regarding their tax dollars being used for the Security District.

Mr. Treppeda requested that the Council reconsider the uniform allowance, since it would not raise the millage rate. Councilman Packer and Councilwoman Cohen agreed.

Councilman Packer questioned if $100,000 in resort tax funds could be used for the bus shelters. Mr. Wallace explained that $163,000 was already taken from the tourism

department, which removed efforts from their marketing and sales efforts, which brought money into the Village, and may result in declining revenue. He noted that it was a policy question and there may be some adverse effects (less promotion, advertising, etc.). Mayor Rosenfield noted that Councilman Packer was at the last Resort Tax Committee meeting and the members were unanimous for the $163,000 to pay for the park/recreation, since hotel guests could use the Park. She reported that was 10% of the entire tourism budget. Councilman Packer explained that $28,000 had been spent on the bus shelter design and he didn't want to see the project discarded if it wasn't budgeted. Mayor Rosenfield pointed out that the Village still had the grant money.

Councilman Sanz arrived.

Mayor Rosenfield explained that the Resort Tax Committee decided what to spend the money on, so that Committee would need to have a discussion on that first. Mr. Treppeda clarified that the Council had the authority to spend the money and didn't need the Resort Tax Committee's input. Councilman Packer questioned if and when the budget came in for the shelters and the money wasn't there and money was available in the tourism fund, if the Council could get the money during the year. Mr. Wallace explained that if the Village wanted to order the shelters and came up short, then it could do a supplemental appropriation and not adversely affect the budget.

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 FINAL 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 comments, Mayor Rosenfield closed the meeting for public discussion.

A motion was offered by Councilman Packer and seconded by Assistant Mayor Blachar to approve the Resolution, with an amendment providing that the millage rate be at the rolled-back rate of 2.5567.

Councilman Sanz questioned if the millage rate was the same as the prior year. Mr. Wallace clarified that it would be slightly higher than the actual millage rate, but was the same as the rolled-back millage rate, due to the change in the property value. He added that it was considered to be no tax increase.

The motion carried (5-0); thus becoming Resolution No. 2010-730.

6. ORDINANCE SECOND 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.

A motion was offered by Councilman Packer and seconded by Assistant Mayor Blachar to approve the Ordinance.

A motion was offered by Assistant Mayor Blachar and seconded by Councilwoman Cohen to amend the motion to accept the budget and to put the amount for the uniforms back in.

Mayor Rosenfield opened the meeting for public discussion.

Dina Cellini, 211 Bal Cross Drive, spoke in favor of doing what the employees would like. She noted that one employee she spoke to didn't want the uniforms. Mr. Treppeda explained that the employees were not required to wear them.

Dan Nieda, Building Official, spoke in favor of the uniforms, since it was important that all of the inspectors wore the official Bal Harbour shirts.

Councilman Packer spoke in favor of the amendment.

Councilman Sanz questioned if it was a clothing allowance. Mr. Treppeda clarified that uniforms were purchased from a uniform company.

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

The motion on the amendment carried (5-0) with the vote as follows: Mayor Rosenfield yes; Assistant Mayor Blachar yes; Councilwoman Cohen yes; Councilman Packer yes; Councilman Sanz yes.

The motion on the ordinance carried (5-0) with the vote as follows: Mayor Rosenfield yes; Assistant Mayor Blachar yes; Councilwoman Cohen yes; Councilman Packer yes; Councilman Sanz yes; thus becoming Ordinance No. 2010-544.

7. ADJOURN: There being no further business to come before the Council, ***it was the consensus of the Council to adjourn. The meeting adjourned at 6:04 p.m.***

Mayor Jean Rosenfield

Attest:

Ellisa L. Horvath, MMC, Village Clerk