

BAL HARBOUR VILLAGE BUDGET COMMITTEE
REGULAR MEETING MINUTES – JUNE 3, 2013

A Regular Meeting of the Bal Harbour Village Budget Committee was held on Monday, June 3, 2013, in the Conference Room at Bal Harbour Village Hall (655 – 96th Street, Bal Harbour, Florida).

The meeting was called to order at 9:18 a.m. by Councilman Packer.

PLEDGE OF ALLEGIANCE: The Pledge was led by Raj Singh, Sea View Hotel.

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

Councilman Martin Packer
Dina V. Cellini
Michael M. Krop
Seth E. Salver

Others Present: Councilwoman Patricia Cohen
Raj Singh, Sea View Hotel
Jay Smith, Interim Village Manager
Ellisa L. Horvath, MMC, Village Clerk
Richard J. Weiss, Village Attorney

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

2. PLEDGE OF ALLEGIANCE: The pledge was done earlier in the meeting.

3. OATH OF OFFICE FOR COMMITTEE MEMBERS: Mrs. Horvath gave the oath of office to Committee members Councilman Packer, Ms. Cellini, Dr. Krop, and Mr. Salver. She noted that Mr. Singh would be sworn in at the next meeting, if his appointment by Councilman Packer was ratified by the Council.

4. VILLAGE ATTORNEY REPORT: Mr. Weiss reviewed the Sunshine Law. Mrs. Horvath reviewed the Financial Disclosure form.

Ms. Cellini questioned her and Dr. Krop's ability to serve on the Committee, in addition to the Citizen's Coalition Board. Mr. Weiss cautioned them on the items that could not be discussed.

5. DISCUSSION OF COMMITTEE GOALS:

Dr. Krop voiced concern with the Council's lack of knowledge of the budget. He discussed the need to look and ask questions of Chris Wallace (Finance Director).

Mr. Singh requested a timeline for the meetings and review of how the budget had been calculated in the past.

Councilwoman Cohen arrived at the meeting.

Mr. Singh suggested that the line items be reviewed and spoke against just increasing the budget by a certain percentage amount. He discussed the goal of the Committee, not to micromanage the budget, but to ask questions.

Councilman Packer anticipated that the Committee should have everything done by the middle/end of August. He requested that the Department Heads have their proposed budgets in July and be able to defend them.

6. REVIEW OF CURRENT BUDGET FOR FISCAL YEAR 2012/2013: Committee members were provided with a copy of the current operating budget.

7. DISCUSSION OF BUDGET FOR FISCAL YEAR 2013/2014: Mr. Smith distributed the budget worksheets for 2013/2014, for demonstration of the format used. Mr. Wallace was not in attendance.

Ms. Cellini thought that the Council still wanted a budget workshop meeting, which had normally been held in July. She spoke in favor of the Committee having in-depth input and hearing from the Department Heads and not just the Finance Director. Councilman Packer agreed that the Department Heads should meet with the Committee.

Mr. Weiss discussed the budget process followed by other communities. He clarified that the budget should show what the community was interested in spending money on, the management should implement the direction from the Council, and the Council should discuss what the priority of the community was.

Mr. Smith explained the budget process. He noted that the Department Heads had been requested to provide their goals and objectives, which hadn't been reviewed yet. He noted that there were some typos on the budget worksheets provided, but that it had only been provided as a demonstration of the format followed and not for budget review.

Councilwoman Cohen requested explanations of the line items, in addition to them being listed.

It was the consensus of the Committee to speak with the Department Heads.

Mr. Weiss suggested that three Department Heads attend each meeting.

Councilman Packer discussed the possible cost savings of \$51,000.00 annually, if the Park/Recreation Department was outsourced.

Councilman Packer noted that the Miami-Dade County Property Appraiser had estimated that the Village would receive \$700,000.00 in additional tax revenue (at the current tax rate), for FY14.

Mr. Singh suggested that the questions to the Department Heads be asked independently, before the Committee meeting. He discussed the need to know what each line item was for

(such as police reimbursable expenses, etc.).

Councilwoman Cohen suggested that the Department Heads attend a Committee meeting, to answer questions.

It was the consensus of the Committee that it was important for Mr. Wallace to attend the Budget Committee meetings.

Dr. Krop requested updated current budget expenditures for each department. Mr. Smith noted that he reviewed each department's budget every month.

Mr. Salver suggested that the reporting format include another column, for explanation of the line item.

Ms. Cellini would like to know what was included in each line item, since she wasn't sure that the prior year expenses were appropriate.

Dr. Krop noted that the line items for the law enforcement budget, provided at the meeting, did not equal the total at the bottom. Mr. Smith clarified that the amount of some items would not be received until the middle/end of August (insurance rates, etc.). He clarified that the worksheets were provided to demonstrate formatting, not for budget review at this meeting.

Ms. Cellini noted that the Committee needed to rely on the accuracy of the reports.

Mr. Smith clarified that the report was a working document and was provided to show the Committee the format used.

The Committee reviewed the budget format. A meeting timeline was discussed.

Councilman Packer spoke against the Budget Committee reviewing the budgets of other Village Committees.

Mr. Smith will send the budget monthly report to the Committee members.

It was the consensus of the Committee to schedule the next meeting on June 17, 2013, at 6:00 p.m. to review budgets for the Police Department and Building Department.

Mr. Singh discussed concern for the items to be complete and accurate by the Finance Director.

Dr. Krop suggested that the same format used for the financial reports, for the Resort Tax Committee Agenda, be used for each department.

Al Pollans (CPA) - 10155 Collins Avenue, noted that the Council needed to set the goals/objectives for the budget, to be used by the Department Heads as a compass. He suggested a report showing the actual expenditures and an estimate for the remainder of the year, to compare and see the variations. He noted that would provide a basis for the upcoming budget. He spoke in favor of the Department Heads meeting with the Committee.

Councilman Packer explained that the current meeting was to review the goals/objectives and to set dates to meet with the Department Heads.

Councilman Packer noted that the goals/objectives were to keep taxes and expenses down.

Councilwoman Cohen noted that the residents wanted to know the amounts and what they were being spent on. She didn't think that the Council could determine the goals, until it understood the numbers.

Ms. Cellini didn't know that the goals/objectives of the Council would be any different this year than in prior years. She discussed the goal to ensure that the money had been spent wisely over the past years.

Mr. Pollans explained the importance of having the goals first to follow (such as a goal of safety and following up by seeing if the Chief had sufficient staffing, etc.). He explained that it was the Village's outside auditor's responsibility to determine accountability, which had industry expertise, not the Budget Committee.

Mr. Weiss noted that the Council wanted to make sure that the money was being spent properly and to regain credibility with the citizens. Mr. Pollans suggested that the Village have Marcum (auditors) do department audits, if that was a concern. Mr. Weiss explained that the Village was looking for a new Manager, etc. and was working to get through the budget.

Councilman Packer clarified that this was the first meeting of the Budget Committee.

Mr. Pollans suggested that each Department's expenditures be reviewed, for any significant variances, to see where the problems were. Mr. Weiss thought that the Departments were within target, but the problem was the target.

Mr. Salver suggested that reporting requirements be set. Dr. Krop suggested that the format used for the Resort Tax Committee reports be used. Mr. Smith will provide the same report that he receives. Councilman Packer requested that the Department Heads be prepared to defend what they were requesting for the upcoming year.

It was the consensus of the Committee to review the Law Enforcement and Building Department budgets, at a meeting on June 17.

Dr. Krop questioned if the Village would have the pension costs by then. Mr. Smith didn't know, but would look into that. Mr. Weiss thought that the Actuary should be able to provide that.

Mr. Pollans clarified that everything would be an estimate.

Mr. Salver suggested that the focus be on the FY14 budget, not the current budget.

Mr. Pollans suggested that the focus be on the Police Department, since it was the largest part of the budget.

It was the consensus of the Committee for the staff to be prepared as much as possible, with a more specific budget and a better detailed report.

Mr. Singh spoke in favor of the Budget Committee reviewing the Resort Tax Committee budget. Councilman Packer spoke against doing so and noted that would be for an audit committee to do, not the Budget Committee. Councilwoman Cohen thought that the Council should be giving the Resort Tax Committee their goals, not the other way around.

The Committee recommended that the Council set a Budget Workshop meeting on August 20, 2013, at 7:00 p.m.

It was the consensus of the Committee to schedule meetings for June 17th, June 27th, July 9th, and July 17th, at 6 p.m.

Mr. Smith will provide the same detailed monthly report he receives and include the budgets in the agenda.

8. OTHER BUSINESS: None.

9. ADJOURN: There being no further business, a motion was offered by Ms. Cellini and seconded by Mr. Salver to adjourn. The motion carried (4-0) and the meeting was adjourned at 11:05 a.m.

Attest:



Ellisa L. Horvath, MMC, Village Clerk
Councilman Martin Packer