



**Town of Surfside**  
**FIRST BUDGET HEARING**  
**TOWN HALL COMMISSION CHAMBERS**  
**9293 HARDING AVENUE**  
**MINUTES**

**SEPTEMBER 9, 2014**  
**6:30 PM**

**1. Opening**

**2. Call to Order**

Mayor Dietch called the meeting to order at 6:32P.M.

**3. Roll Call of Members**

Town Clerk Sandra Novoa called the roll with the following members present: Mayor Dietch, Vice Mayor Tourgeman, Commissioner Olchyk, Commissioner Karukin and Commissioner Cohen.

**4. Pledge of Allegiance**

Chief Allen led the Pledge of Allegiance

**5. Discussion Regarding Millage Rate and Budget – Michael P. Crotty, Town Manager**

Mayor Dietch thanked Manager Crotty and staff as well as his colleagues for all their work on the budget. Manager Crotty gave an update on the budget. Finance Director Nelson presented the program modifications to the budget based on what was agreed upon at the July 22, 2014 meeting.

Commissioner Karukin made a motion to approve for discussion purposes. The motion received a second from Commissioner Cohen and all voted in favor.

Vice Mayor Tourgeman said he has had meetings with the Town Manager and Finance Director and has concerns about bigger government. He read into the record an email which he sent on August 12, 2014 to Manager Crotty and Director Nelson.

“As we prepare the final numbers for the budget I need your help in thinking corporate as if this town was your personal investment and business and you would say how can I make this government smaller not bigger. How can I make this business more efficient and not more expensive? What divisions can I run leaner not fatter. What mind change I need to implement to make this goal a reality? What realignments need to take

place in order to cut the expenses and increase revenues? Taking into consideration that we anticipate in directing funds into major undertakings such as updating our obsolete operation platform, expanding the community center and maybe a public/private expense adventure. So as you dig into the budget numbers think and proceed with recommendations to make this government entity leaner.”

The Vice Mayor said he believed this email fell on deaf ears. He had meetings with the Manager and haggled over items and was told the budget is the budget and everyone is happy with it. Vice Mayor Tourgeman said he was not happy with the budget and not happy with the figures especially salaries for higher position personal and feels additional increases are not acceptable.

Commissioner Olchyk also said she was not happy with the budget and agrees with Vice Mayor Tourgeman on salaries. To be more specific and as an example, she stated that many mistakes have been made and no one is punished but they then receive a merit salary increase. Another example she mentioned was a scanner machine that was purchased, does not work, no one uses it and asks who purchased it and why? Another example was the background check on the final candidate for the Town Manager position and why the HR Director failed to find the problem that was later raised. She is extremely upset as there have been issues in various departments and there is no accountability and yet merit increases are given. She also mentioned the sand issue and how the citizens knew of the problem before the Commission knew and asked was code enforcement doing their job. As to landscaping she has personally gone to sites where the landscaping staff was to be on site certain days and found they were not there. Who is supervising this company and the service? She is against rewarding people who are not doing their job and is against the percentage of pay raises in the budget.

Commissioner Karukin said he disagreed with Commissioner Olchyk on all salaried employees but felt she was speaking about department heads specifically. He also defended the HR Director and said she has done a very good job and has saved the Town money on many occasions. The Commissioner also stated that the citizens of Surfside are very demanding and expect good services and that comes with a price.

With time running out and bumping into the next scheduled meeting the Mayor asked for a motion.

Vice Mayor Tourgeman made a motion to defer the 7:00 regular Commission Meeting. The motion received a second from Commissioner Olchyk and all voted in favor.

Vice Mayor Tourgeman made a motion to continue the discussion in the Budget Meeting. The motion received a second from Commissioner Olchyk and all voted in favor.

Commissioner Karukin continued with his remarks and said government cannot be run like a business. As to code enforcement, he said they cannot be everywhere and to do so would require additional staff and more expense. Addressing some of the remarks made by the Vice Mayor and Commissioner Olchyk, Commissioner Karukin said the Town Manager did give options as to where we could cut some budget expenses. Commissioner

Karukin said regarding the salaries a wide net was cast involving all staff salaries. Commissioner Touregman said that was not true he was only speaking of higher echelon positions. Vice Mayor Tourgeman expressed his frustration with the Parks and Recreation Dept. also by not pursuing grants or sponsorships for some of their programs and then presenting an incomplete report to the Commission on revenues but eliminating expenses on certain items. The Mayor said we have gotten grants in the past.

Town Manager Crotty responded to the concerns raised by the Vice Mayor and Commissioner Olchyk. He said pertaining to the scanner, that was purchased by the second previous building official and the current building official was praised for his hard work and putting in long hours on his own time. He agrees that the scanner does not meet their needs.

Finance Director Nelson addressed the issue of the error in under billing for commercial business solid waste and said the error was caught in this budget, notices have gone out and all but five businesses have met their obligation and they are working out a payment plan for those five businesses. Commissioner Olchyk asked why it took two years to catch this error. Why did staff not see that revenue was going down for two years and now it is caught. She said placing the burden now on the citizens who have to pay double because of our error is not fair and who is responsible for overseeing this and they should be demoted. Director Nelson praised his staff as working very hard and said his department is understaffed. He also indicated that the software they have is over twenty years old which is part of the problem.

The Vice Mayor said he wants efficiency in Town Hall in Surfside and feels we are not getting it. The study on inequities in salaries was discussed also. Mayor Dietch said the study done indicated that staff in Surfside were fifty percent below the market salary and said if we want efficiency we need to have happy, qualified employees and we need to be in the range of what the market salary is for a particular position. The Vice Mayor interrupted the Mayor and wanted to make clear that his comments were not referring to clerical staff. The Mayor said that we have to look at the overall picture when it comes to department directors. Turnovers create problems for the town as it takes time to find a new director and then time for that person to become acclimated to the position and familiar with issues involved in that department. If one is underpaid and not appreciated, they will look elsewhere and sometimes the cheapest is not the best so when looking for a candidate who is well qualified and fit, we would have to offer at least the market value for that particular position.

Vice Mayor Tourgeman was strong in his comments regarding the increase in salaries for high paying positions which would amount to a 22% increase in salary in eight months. He said this is unheard of in today's economy. He also compared our Police Dept. and Chief with the one in Doral. He further stated that this type of thinking has to stop as we do not need to bump up titles from Manager or Official to Director which puts them in another salary category.

As a footnote, Commissioner Olchyk said it took six weeks for her to get an answer regarding the recycling billing error and then was told there was nothing they could do about it.

Mayor Dietch responded to the Vice Mayor and said it was horrible the way he has presented this issue. He said the residents of Surfside request quality services. When the Chief of Police came on board in 2006 he walked into a nightmare of a Police Department with many problems and we had to hire a transformational chief to right the ship. It took time and now we have a Police Department we can be proud of and that is the type of leadership it takes but it doesn't come at low cost. He also said Doral is completely different from Surfside and cannot be compared. The Mayor also said the salary increases amount to a total of \$35,000 and if a Director leaves it would be more costly to replace the position.

With time running close to the scheduled Commission Meeting, Vice Mayor Tourgeman made a motion to temporarily stop the discussion of the budget meeting. The motion received a second from Commissioner Karukin and all voted in favor.

Commissioner Karukin made a motion to extend the regular Commission Meeting to 8:00 p.m. The motion received a second from Commissioner Olchyk and all voted in favor.

Vice Mayor Tourgeman made a motion to return to the discussion of the Budget Meeting. The motion received a second from Commissioner Karukin and all voted in favor.

Town Manager Crotty asked if he could address the citizens in the audience as he heard their reactions when the 22 percent increase in salaries was mentioned. He stated that in December the Town Clerk was a finalist for a Town Clerk position in another town which paid more money. When Sandra came to Surfside there was disorganization, poor record keeping and poor management. She has completely turned this around and has done an outstanding job. Our Town Clerk is very much underpaid especially when compared to Bay Harbor and Bal Harbour which are smaller towns. It was agreed in December and Commissioner Olchyk was present, to increase her salary from \$69,000 to \$83,000 and the Town Clerk withdraw her application for the new position. If we had to hire a new Town Clerk with her qualifications and competency, we are looking at a salary between \$80-\$90,000. He asked that they look at the whole perspective and not just 22 percent. He said this applies to department heads as well who are below their market value.

Commissioner Olchyk said she agrees that the Town Clerk is a very valuable employee. However, increasing a salary doesn't mean an employee will stay with Surfside and cited two examples. She feels we can hire people that would be happy with the salary the town can afford.

The Vice Mayor said he had asked the Town Manager not to bring the Town Clerk into the conversation as it had been decided at a previous meeting in December to give the Town Clerk the full adjustment. That salary adjustment had already been approved and this should not be included in the discussion. Manager Crotty said he wanted the Town Clerk

to be grouped in with the other Directors and not separated. The Vice Mayor said the Manager did not follow policy.

The Mayor wanting to clarify some points and for the record stated that at three votes the following changes may be made to the budget which amount to approximately \$620,000 in reduction:

- Eliminate the new police leadership position
- Eliminate the attorney legal assistant position at part-time
- Eliminate the administrative and clerical positions for code compliance
- Harding/Collins corridor study
- Tree canopy initiative
- Eliminate the neighborhood resource officer
- Two percent merit pool for general employees
- Reduces landscaping
- Reduces one public works maintenance worker
- Changes the Gazette from every month to every other month
- Eliminates special events such as Public Employee Appreciation Day Picnic, Halloween, July 4<sup>th</sup> celebration
- Closes 96<sup>th</sup> Street park one day per week
- Closes the tennis courts one day per week
- Reduces the pool hours by twenty percent
- Eliminates heating the pool late fall to early spring
- Eliminates the library reimbursement charges

The Vice Mayor feels we are still making government bigger and the Mayor disagreed. There was further discussion on some of these items and the budget in general as well as the millage rate.

#### **6. Fiscal Year 2014/2015 Millage Rate**

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, MIAMI-DADE COUNTY, FLORIDA, ADOPTING THE TENTATIVE LEVYING OF A MILLAGE RATE AGAINST ALL TAXABLE REAL AND PERSONAL PROPERTY IN THE TOWN OF SURFSIDE, FLORIDA FOR THE FISCAL YEAR 2014/2015; AND REAFFIRMING SEPTEMBER 23, 2014 AS THE DATE OF ADOPTION OF THE FINAL MILLAGE RATE.**

Commissioner Karukin made a motion to approve a 5.0821 millage rate. The motion received a second from Commissioner Cohen. A vote was taken with Commissioner Karukin, Commissioner Cohen, and Mayor Dietch voting to approve. Vice Mayor Tourgeman and Commissioner Olchyk voting in opposition.

Commissioner Karukin made a motion to approve a 5.0823 millage rate. After passing the gavel the motion received a second from Mayor Dietch. A vote was taken with

Commissioner Karukin, Commissioner Cohen, and Mayor Dietch voting to approve. Vice Mayor Tourgeman and Commissioner Olchyk in opposition.

The Commission further discussed the budget and some of the proposed cuts and there were strong differences in their views.

Vice Mayor Tourgeman made a motion to temporarily pause the budget meeting. The motion received a second from Commissioner Karukin and all voted in favor.

Vice Mayor Tourgeman made a motion to extend the regular Commission Meeting to 8:30 p.m. The motion received a second from Commissioner Olchyk and all voted in favor.

Vice Mayor Tourgeman made a motion to continue the discussion in the Budget Meeting. The motion received a second from Commissioner Karukin and all voted in favor.

Vice Mayor Tourgeman proposed that \$100,000 be cut from the budget which would take the millage rate to 5.0293 and require four votes. He presented a document with salary and increases for five department heads. The cut would include eliminating salary increases in October for department heads, part of the step two process. It would also include eliminating a two percent increase in salary for the Finance Director who was not listed on the document.

Commissioner Karukin made a motion to reconsider the previous vote of 5.0823. The motion received a second from Commissioner Cohen and all voted in favor.

Vice Mayor Tourgeman made a motion to approve a millage rate of 5.0293 with the provision that the cuts would include eliminating salary increases in October for department heads, part of the step two process. It would also include eliminating a two percent increase in salary for the Finance Director who was not listed on the document. The motion received a second from Commissioner Karukin.

There was further discussion on the budget and Commissioner Karukin withdrew his second to the motion of accepting 5.0293 millage rate.

Commissioner Cohen made a motion to accept a 5.1080 millage rate as previously approved in July, 2014. The motion received a second from Commissioner Karukin. A vote was taken with Commissioner Karukin, Commissioner Cohen, and Mayor Dietch voting to approve. Vice Mayor Tourgeman and Commissioner Olchyk voting in opposition.

Vice Mayor Tourgeman made a motion to approve a millage rate of 5.0293 with the provision that the cuts would include eliminating salary increases in October for department heads, part of the step two process. It would also include eliminating a two percent increase in salary for the Finance Director who was not listed on the document. The motion received a second from Commissioner Olchyk. A vote was taken with Commissioner Karukin, Commissioner Cohen, Vice Mayor Tourgeman and Commissioner Olchyk voting to approve. Mayor Dietch voted in opposition. The Mayor explained he

voted against because he does not agree with the reasoning of some of his colleagues. He feels we should recognize our employees and put the shine back in Surfside.

## **7. Public Comment**

-Eliana Salzhauer said the reason people move to Surfside is for the quality of life and asks the Commission to please stop “nickel and diming” over this. The increase in the millage rate is really a minimal amount and she feels the citizens want to keep good services and good Town employees who are compensated for their efforts. She further said it is expensive to run a town and you get what you pay for and that is why people reside in Surfside. She stated she did not know who the directors are on the list whose salaries are in question but feels their increases should not be eliminated and does not like the way the meeting is going.

-Deborah Cimadevilla said she agrees with Commissioner Olchyk and Vice Mayor Tourgeman as they must have perceived some things after the July meeting which made them change their mind and should be respected for what they believe. She agrees also that some of the items on the list could be cut and there should be some flexibility with give and take to come to a solution. She made it a point to say she thought the Town Clerk Sandra was wonderful. As to the other directors she said she would like to see their performance record and asks if they truly deserve the increase proposed.

-Louis Cohen expressed his displeasure in the way the budget is being handled this evening and referred to it as a circus. He also stated that at the previous public budget hearing all five members of the Commission agreed to a 5.1080 rate and gave it to the Town Manager who then came back with a budget. He feels some members of the Commission are micromanaging this which is not their job. The job of the Commission is to set policy and he feels this evening the Commission has been arguing among themselves and thinks it is a disgrace.

Commissioner Cohen agreed and said in July the Commission had agreed on a millage rate of 5.2 and this evening everything changed and going backward. He understands the frustration of the people as he is frustrated himself. He stated we should stand by what was agreed on at the July 22, 2014 meeting and the vote should be unanimous.

Commissioner Olchyk said it was after the July meeting that they found out about the error in recycling billing, the cost of the sand issue and the issue with the candidate for the Town Manager position. This has led her to believe that we are not spending the money correctly.

-Ken Arnold said he was disappointed that the Vice Mayor and Commissioner Olchyk voted against the 5.108 millage rate. He said the town is not about to go bankrupt and is in good financial condition and we need to invest properly if we are to succeed. He is against cutting services and is against the proposed large cut in the budget. He personally feels the Town is going in the wrong direction.

-Norma Parron disagreed with Commissioner Karukin and said this is a business and should be run as one. She said each department should be asked what they can cut from their budget. She is involved in a condo association and they submit their budget on what their expenses are for the year. The error in billing for the recycling has created a problem as they were not budgeted for the amount that is now due.

-Clara Diaz-Leal Parker said staff are not the same and should be evaluated on their performance and rewarded if they do well and not rewarded if performance needs

improvement. The Mayor said we do have a merit system in place. She was not happy with the indecision of the Commission on the budget.

**8. Fiscal Year 2014/2015 Annual Budget**

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA ("TOWN") APPROVING AND ADOPTING THE FINAL ANNUAL BUDGET AND MAKING APPROPRIATIONS FOR THE FISCAL YEAR 2014/20145 ATTACHING A SUMMARY COPY OF SAID BUDGET MARKED EXHIBIT "A"; PROVIDING FOR AN EFFECTIVE DATE.**

Town Manager Crotty said that a total of \$160,000 would be cut from the budget.

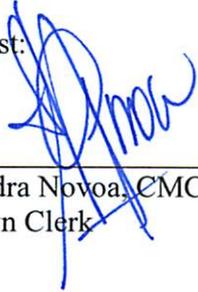
Vice Mayor Tourgeman made a motion to approve. The motion received a second from Commissioner Olchyk. The motion carried 4-1 with Mayor Dietch voting in opposition.

**9. Adjournment**

There being no further business to come before the Commission, the meeting adjourned at 8:42 p.m.

Accepted this 14<sup>th</sup> day of October, 2014

Attest:

  
\_\_\_\_\_  
Sandra Novoa, CMC  
Town Clerk

  
\_\_\_\_\_  
Daniel Dietch, Mayor