



**Town of Surfside  
Town Commission Budget Workshop  
September 1, 2011**

**4 p.m.**

**Meeting Minutes**

**Town Hall Commission Chambers - 9293 Harding Ave, 2<sup>nd</sup> Floor  
Surfside, FL 33154**

**1. Opening**

**A. Call to Order**

Meeting was called to order at 4:04pm.

**B. Roll Call of Members: Interim Town Clerk called the roll.**

In attendance; Mayor, Daniel Dietch; Vice-Mayor, Joseph Graubart; Commissioner, Michael Karukin; Commissioner, Marta Olchyk

Not in attendance; Commissioner Edward Kopelman.

Also in attendance; Town Manager, Roger M. Carlton; Town Attorney, Lynn M. Dannheisser; Finance Director, Martin Sherwood; Police Chief, David Allen; Assistant Police Chief/Interim Town Clerk, John Di Censo; Human Resources Director, Yamileth Slate-McCloud; Town Planner, Sarah Sinatra; Building Official, Paul Gioia; Public Works Director, Bill Evans (arrived late due to water sewer main break); Budget Consultant, Carl Berkey-Abbott.

**C. Pledge of Allegiance.**

Chief Allen led the pledge of allegiance.

**2. Introduction – General Preview of Workshop – Roger M. Carlton, Town Manager**

Roger Carlton introduced this meeting as the second budget workshop for the Fiscal Year 2011/2012 (FY 11/12) budget, leading up to the two required budget public hearings. He stated that this workshop will present six “Summer Studies” which are questions that came from the first workshop held in June. He asked for feedback and direction from the Town Commission on items to be addressed in the Summer Studies, as well as any other issues they would like to see addressed in the final budget. He stated that this feedback will be represented in the budget presented in the first budget meeting on September 13, 2011 at 5:01pm in Commission Chambers. Roger Carlton indicated that the proposed budget will reflect a millage reduction down to about 5.5 mills, which is a 1/10 of a mil reduction. He stated that the proposed millage adjustment (and reduction) will result in more than 95% of the residents of the Town receiving a tax reduction.

Mayor Dietch asked the Town Manager to speak to the enterprise funds.

Roger Carlton explained that an enterprise fund is a business within government, a service or commodity provided by the Town that is not paid for by property taxes. For example, the Town has to buy water from Miami Dade County and has to process sewage through Miami Beach; both of these activities cost the Town money. The Town has to charge a fee which covers the cost of those activities and allows for a surplus to put money into the reserves to pay debt and bring the system up to date. He explained that because the Town did not (previously) put sufficient money into the reserves, the Town had to borrow money to repair the deteriorated water and sewer system. He discussed the Collins Avenue force main project indicating it was close to completion and discussed the other enterprise funds; the storm drainage fund pays for the storm water utility, the solid waste fund goes towards collecting solid waste and recycling, the parking fund is applied towards the purchase of property for parking and renovating parking lots, the capital fund is for capital projects not specific to any other enterprise funds, the police confiscation fund is applied to incremental programs to suppress crime. He indicated that the staff is recommending modifying the existing finance software instead of replacing the software system; the modification would free-up \$100,000 in the capital budget. He recommended to the Commission that they leave these excess funds in the capital account fund for reserves. He said that previously the capital account reserve fund had more than \$5 million, which was used for the Community Center progress payments. He indicated that there is enough money in the fund to close out the Community Center building. He said that staff is working towards an October final report on the Community Center and how much everything cost.

Marta Olchyk asked that the Commission be able to vote before final payment is made on the Community Center.

Roger Carlton responded that he will provide his recommendations prior to making the final payment. He said that some of his ability to negotiate for the best deal possible has been the ability to pay quickly, however he will reserve the final payment until it is presented to the Commission for a vote.

Mayor Dietch asked if there is a rate increase for water and sewer, storm drainage and garbage and if there is a decrease in ad valorem taxes.

Roger Carlton responded that there is no increase in water and sewer, solid waste, and storm drainage fees and there is a decrease in the millage rate.

Roger Carlton indicated that Bill Evans was not present because there was a water main break, Parks and Recreation Director, Tim Milian was at a conference, TEDACS Director, Duncan Tavares is on vacation, and he thanked staff for filling in during the Town Clerk's vacancy.

Carl Berkey-Abbott presented an overview of the previous budget (FY 10/11) accomplishments and reviewed the FY 10/11 fund balances indicating they are in fair to excellent shape and he provided an overview of the six summer studies.

**3. Summer Studies Overview – Roger M. Carlton, Town Manager and Carl Berkey-Abbott, Budget Consultant Page 1-14.**

- Parks and Recreation Non-resident Community Center Access Fees and Cost Recovery for Youth, Adult, Senior and Summer Camp Programs.

Carl Berkey-Abbott presented the information indicating that the cost recovery for the Community Center stemming from access fees amounted to; senior programs recover approximately 32%, adult programs recover nearly 100%, youth programs (including Summer Camp) recover approximately 80% of their costs. He indicated that the staff recommends continuation of recovery service rates for existing programs and to develop the senior programs for more participation. He presented a chart of revenue for the first 30 days of the guest programs at the Community Center; the total revenue was approximately \$4100. He said that staff has projected an increase of \$10,000 in Pool Guest revenue for the upcoming year.

Roger Carlton said that staff will present (in the September Town Commission Meeting) a fee schedule for permitting party rentals at the Community Center indicating that this will also increase revenue.

Commissioner Karukin asked how funds received are going to be used.

Roger Carlton responded that he would recommend keeping the revenues in the Community Center budget and made suggestions on how the funds may be spent.

Martin Sherwood explained that the money would be a line item in the budget and can be viewed at any time.

Mayor Dietch asked for the Town to report quarterly on the revenue generated from the Community Center.

Commissioner Olchyk asked if the Town Commission is able to provide feedback on how the money should be spent.

Roger Carlton stated that although he is permitted to spend up to \$8500 without Commission approval he would seek their approval on items such as a new program or additional televisions at the Community Center.

Vice Mayor Graubart asked for clarification on the guest policy and for a breakdown of who was coming to the Community Center (the earlier referenced 13,000 attendees) and for a comparison of the Community Center budget and income generated by the Community Center.

Roger Carlton clarified that guests are permitted but must be accompanied by a Surfside resident. He also indicated that there is \$250,000 from resort taxes supporting the Community Center.

Commissioner Karukin responded that the Community Center is not an enterprise fund and not intended to generate revenue.

Mayor Dietch clarified the \$1 million Vice Mayor Graubart was referring to covered all of the Parks and Recreation costs and asked if there was a way that the Community Center cost of operation is able to be compared against the revenue (its own revenue and the tourism tax).

Roger Carlton said he will clarify how much of the cost of the Community Center is covered by the revenue generated.

Mayor Dietch expressed interest in expanding the senior program and would like staff to explore working with other communities to combine programming.

Commissioner Olchyk stated she has some concern with increasing the percentage of cost recovery of the senior programming.

Vice Mayor Graubart stated that he spoke with Tim Milian and he had indicated that there is a direct correlation between costs and the attendance of seniors.

Mayor Dietch asked if there are any objections to the report presented by Carl Berkey-Abbott. No objections were indicated.

- What would the Costs be to Open a Second Lifeguard Stand on the North End of the Beach?

Carl Berkey-Abbott presented the costs to open a lifeguard stand on the North end of the beach.

Commissioner Karukin indicated that this was his question and believes that they should not fund this item in the budget and it could possibly be put back in at a later date as part of a Development Impact Committee process or from resort tax funds.

Commissioner Olchyk believes it is not necessary at this time.

Vice Mayor Graubart agreed.

Roger Carlton said that this could be taken out of the budget for FY11/12 and if a need arises in the future this could be funded from resort taxes or developer fees generated from the DIC process.

- Finance Support Services Department Proposed Budget Officer Position

Carl Berkey-Abbott presented a comparison with other municipalities indicating that Surfside has a smaller finance staff than most of the other municipalities. Martin Sherwood is requesting a Budget Officer in response to additional programs that have recently started and the need for additional analysis.

Vice Mayor Graubart asked for clarification on the responsibilities of a budget analyst.

Roger Carlton stated that it would be a multi-purpose analytical position that would help to ensure the Town is spending money wisely.

Martin Sherwood stated that when he was hired the Budget Analyst position was not funded but now with creation and monitoring of a 5-year plan, a monthly variance analysis, expanded administrative analysis, and servicing debt the position is necessary.

Commissioner Olychk stated that since the population of the Town has not increased she does not see a need for an additional person and thinks the responsibilities could be given to current staff.

Mayor Dietch stated that the previous Town Commission reduced staff significantly, accounting standards have changed, residents are demanding increased transparency; and the current Commission has increased accountability. He believes that this request is a response to meeting the demands of the Commission and asked the members of the Town Commission if there is a better solution.

Commissioner Olchyk responded that she is not able to recommend the hiring of an additional person when she does not believe that Town staff has done everything they could without hiring someone.

Roger Carlton stated that the budget is about \$30 million and they cannot continue to deliver a quality product without additional staff. Referencing earlier comments about other municipalities making staff cuts, he said the previous Commission reduced staff by 20%. He told the Town Commission members that the current staff is stretched to the maximum and this additional staff position is necessary.

Paul Gioia said that based on his experience this Town is doing what they can, most of his staff went to part-time or contractual status and everyone is overworked. He thinks that because programs are being added the current staff will be unable to handle the forthcoming workload.

Commissioner Olchyk said her concern is if they add staff to the Finance Department then all the other departments will need to add a person and she thinks either they give everyone an additional person or not at all.

Paul Gioia said he doesn't believe they should take advantage of the staff and if they are performing they should be able to retain additional staff that are justified.

Vice Mayor Graubart stated he expressed these concerns earlier and called and spoke with Martin Sherwood and as much as he was concerned with expenditures he thinks finance is particularly important to the residents and this may be necessary. He also asked about the staff in the front office.

Roger Carlton indicated that they are all cross-trained and changes are forthcoming to improve customer service and accountability.

Commissioner Karukin stated he supports the recommendation.

Mayor Dietch supported the recommendation.

Vice Mayor Graubart, citing an item in the budget where it said they intend to identify other areas for non ad valorem revenue, expressed concerned that the Town was scrambling to collect fees, he is supportive of residents paying for what they do (i.e. copies of blueprints, etc.,) and he wants to make sure he does was not support punitive charges for purposes of increasing revenue.

Commissioner Olchyk asked how staff proposes to pay for an additional person without using property tax money.

Mayor Dietch responded that there is room for infill development within the community, citing vacant lots in the Town. He said that having development on these vacant lots which is sensible and suits the needs and character of the Town could bring more revenue to the Town.

Roger Carlton indicated some of the ways they plan to gain revenue include the resort tax auditor and turning off service for unpaid water and sewer bills to encourage property owners to pay timely. He explained the intent is to focus on the existing revenue sources and enforcing what is already in the code.

Mayor Dietch commented on the Commission's drive for accountability and transparency and the staff's response in increasing accountability and transparency in a cost effective and responsible manner.

- Policy Direction Related to Increasing General Fund Reserves

Carl Berkey-Abbott went over the analysis of the General Fund Reserves, what is needed to reach \$5 million in the General Fund, and the policy options for increasing the General Fund Reserves.

Roger Carlton indicated that staff estimates there will be \$3.57 million in the fund by the end of FY 10/11.

Commissioner Karukin stated that he would like the fund to be \$5 million including the \$2 million set aside for hurricane recovery.

Roger Carlton discussed the items presented (see list below) as they relate to increasing the General Fund Revenues. He stated the items are suggestions for ways to increase cash carryover, which goes to reserves. Some of the items have been done and others he does not recommend but they are options for the Commission to adopt if they chose:

1. Special event and party rental at the Community Center.
2. The lease/purchase of police vehicles.
3. Eliminate Community Garden funding.
4. Decrease spending for Beachwalk maintenance.
5. Remove general fund allocation for roadway repairs.
6. Remove grant writer funding.
7. Defer digital microphones in Commission Chambers.
8. Defer purchase of dog clean-up receptacles.
9. Reduce frequency of cutting grass in parking lots and public areas.
10. Reduce unemployment compensation fund.

11. Reduce refreshments at public meetings.
12. Reduce participation in Miami Dade and Florida League of Cities.
13. Reduce frequency of the Gazette.
14. Adjust fees for senior programs to equal 80% of full cost recovery.

Mayor Dietch asked if they could find a company that would sponsor the branding of dog pick-up receptacles.

Commissioner Olchyk is supportive of that initiative because it will save money on installation of dog pick-up receptacles.

Roger Carlton reviewed the current conditions of the General Fund Reserve indicating that staff has been able to put money into reserves and he believes they will be able to reach their desired objective of having a \$5 million balance in the General Fund Reserves based upon their policies and anticipated development in the Town within five years.

Mayor Dietch discussed some numbers from other municipalities and asked what a strong number would be to have for the General Fund Reserve.

Roger Carlton responded that to have 50% reserves (6 months of expenses) is the ultimate goal and very prudent; to state we want 80% would mean that we have nearly 10 months of expenses in General Fund. He said that if the cash was not paid for the Community Center the Town would have \$8.5 million in the bank. He stated that in the current economy that would be excessive. He asked Lynn Dannheisser what action would need to be taken to memorialize a budget policy and/or a 5-year plan.

Lynn Dannheisser stated that the budget would be the instrument and a resolution could be passed but she recommended that the policy be stated in the budget.

Vice Mayor Graubart was upset about the money being spent on the Community Center and asked if the money could be restricted to emergencies and/or hurricanes.

Roger Carlton stated that there is \$2 million that is restricted to hurricane recovery and the money requires Commission action to move those funds.

Martin Sherwood indicated that generally regulators only dictate a minimum balance of between 5-15% but because the Town is a coastal community up to 50% reserves is not unusual and it could be memorialized with a general fund balance policy and could be dictated by a resolution.

Commissioner Karukin stated that the Town currently has 33%, which is on the low end of the Florida League of Cities recommendation.

Vice Mayor Graubart asked Bill Evans if the Town was faced with a damaging storm with insurance and other money available, how much would the Town have and how much would the Town need.

Roger Carlton responded the Town has Florida League of Cities insurance, revenues in the bank, and FEMA repayment. He believes the Town is in a better position than most other municipalities.

Vice Mayor Graubart said that he would like the Town to use the Florida League of Cities recommendation to set the policy.

Roger Carlton said when staff updates the 5-year plan he would then be able to recommend those numbers.

*\* Paul Gioia left the meeting at 6pm.*

Roger Carlton clarified that the direction on each item is:

1. *Special event and party rental at the Community Center.* This has already been approved.
2. *The lease/purchase of police vehicles.* This will be decided on September 13, 2011.
3. *Eliminate Community Garden funding.* This was removed from the recommendation.
4. *Decrease spending for Beachwalk maintenance.* This is not recommended.
5. *Remove general fund allocation for roadway repairs.* He is not recommending taking this out of the budget but if there is no damage the money will carry over until next year
6. *Remove grant writer funding.* This is a part-time position and he thinks they will recoup the cost; he would like to try it for a year.
7. *Defer digital microphones in Commission Chambers.* He does not recommend removing this item.
8. *Defer purchase of dog clean-up receptacles.* He will attempt to obtain sponsors.
9. *Reduce frequency of cutting grass in parking lots and public areas.* He does not recommend.
10. *Reduce unemployment compensation fund.* This is based upon laying off staff as a result of other decisions the Commission may make. If there are no layoffs, this money could be saved.
11. *Reduce refreshments at public meetings.* He does not recommend.
12. *Reduce participation in Miami Dade and Florida League of Cities.* He does not recommend.
13. *Reduce frequency of the Gazette.* He will continue to do it monthly and look for ways to minimize the mailing costs
14. *Adjust fees for senior programs to equal 80% of full cost recovery.* He does not recommend increasing costs to seniors and will explore ways to work with other municipalities

Commissioner Karukin asked about fireworks for July 4, 2011, Commissioner Karukin and Vice Mayor Graubart are supportive. Commissioner Olchyk is not supportive of fireworks.

Commissioner Karukin asked about using additional revenue (from the Community Center) for fireworks. Commissioner Olchyk objected.

Roger Carlton suggested reaching out to other Towns to share the costs. He verified that they wanted him to research doing something for July 4, 2012 and see if they could work with another Town to share the costs.



- Policy Direction Related to Solid Waste Services Collection Adjustments for FY 11/12

Carl Berkey-Abbott presented the current status and recommended that at this time service standards and processes remain the same.

Roger Carlton stated the community is undergoing a lot of change right now and he thinks this is something to be researched at a later date.

Vice Mayor Graubart said that the former Town Manager was working with Indian Creek to see if there was an opportunity for the Town to generate revenue by doing garbage pick-up in other municipalities.

Roger Carlton said he will see if there is interest from other municipalities.

- Proposed Environment Resource Enhancement Department (ERED)

Carl Berkey-Abbott indicated that staff is not recommending creation of another department. Commissioner Olchyk stated that they all agreed with that recommendation.

Roger Carlton indicated that they are hiring a Code Enforcement Director but a new department will not be created.

Commissioner Olchyk complimented the work of the staff on the force main replacement,

Mayor Dietch reminded residents watching from home that there are websites they could access and could get alerts by signing up through the website.

Commissioner Karukin asked residents to please consider granting permission as requested by the recent mailer for the water sewer meters.

Roger Carlton indicated that another mailing is going out answering a lot of the questions and concerns expressed as a result of the initial mailer.

Vice Mayor Graubart directed attention to page 14 regarding Calvin Giordano & Associates costs. He requested that the Commission be sent the monthly and annual expenditures and to be able to see the contracts to determine if this item should go out to bid.

#### **4. Additional Information not Addressed in Summer Studies**

Mayor Dietch asked if there were any other items from the budget book.

Roger Carlton stated there are a few items he would like to place on the table, not for a decision but just to inform the Commission. The first item is that United Healthcare is proposing more than a 15% increase, they have looked to other providers and so far Aetna is the only provider that would not result in an increase but it will come with a significant increase in the deductible.

The second item is on garbage, Miami Dade County stated there will be a slight increase on disposal fees. The Town has no control but can absorb the cost without a rate increase. The sewer rates also were increased by 5.4% and the Town will absorb the increase. The third item is on parking and there are monthly rental increases and a .75¢ per hour meter rate increase, he indicated that there is more money available in the fund than was originally anticipated and those adjustments will be reflected in the final budget presentation for first reading at the September 13, 2011 Budget Hearing.

## **5. Questions/Direction from Town Commission**

*\*see discussion under Agenda items 1-4 and item 7.*

## **6. Public Comments**

*\*No speakers were present.*

## **7. Wrap-Up –Commission Direction for Finalizing FY 11/12 Budget**

### **A. Budget Calendar Review Page 15**

Vice Mayor Graubart suggested that, for the future Town Commission, ipad's be available as an option to receive the agenda each month. He indicated that this would be a recommendation to be considered for the future.

Roger Carlton stated that a number of Commissions from other municipalities no longer have paper agendas, ipads are approximately \$400.

Commissioner Olchyk, Commissioner Karukin, and Vice Mayor Graubart would opt out of receiving it electronically but support having it considered as an option for the future Town Commission.

Mayor Dietch also expressed support of this as something to be considered in the future as an option for future elected officials.

Vice Mayor Graubart asked if staff could look into a grant or subsidy to have solar panels to power the pump stations.

Bill Evans said the new pumps and generators being installed will result in about 50% reduction in operating costs.

Roger Carlton asked for any other specific direction. He thanked the Commission for the process and asked if they liked the idea of the summer study.

The members responded affirmatively.

Lynn Dannheisser announced an upcoming Executive Session regarding Young Israel litigation on Thursday September 15, 2011 at 6pm in the Manny Crawford Conference Room, Lead

A. Budget Calendar Review **Page 15**

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**Commissioner Olchyk, Commissioner Karukin, and Vice Mayor Graubart would opt out of receiving it electronically but support having it as an option.**

**Mayor Dietch is supportive of the option.**

Vice Mayor Graubart asked if they could look into a grant or subsidy to have solar panels to power the pump stations.

Bill Evans said the new pumps and generators being installed will result in about 50% reduction in costs to run.

Roger Carlton asked for any other specific direction. He thanked the Commission for the process and asked if they liked the idea of the summer study.

The members responded affirmatively.

Lynn Dannheisser announced an upcoming Executive Session regarding Young Israel litigation on Thursday September 15 at 6pm in the Manny Crawford Conference Room, lead counsel, Jeff Hochman, the Town Manager, the Town Attorney, and the remainder of counsel may be present.

**8. Adjournment**

Mayor Dietch thanked the staff, his colleagues, and the public.

**Commissioner Olchyk made a motion to adjourn, Commissioner Karukin seconded the motion.**

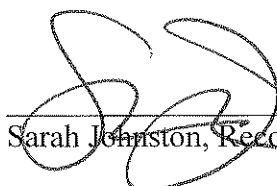
**The meeting adjourned at 6:48pm.**

Accepted this 10 day of October, 2011



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

Attest:

  
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Sarah Johnston, Recording Clerk