



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

**SEPTEMBER 26, 2011**  
**5:01 PM**

**1. Opening**

**A. Call to Order**

Mayor Dietch called the meeting to order at 5:02pm.

**B. Roll Call of Members**

The following members of the Commission were present upon roll call: Mayor Daniel Dietch, Commissioner Edward Kopelman, Commissioner Michael Karukin, and Commissioner Marta Olchyk.

Not in attendance: Vice Mayor Joseph Graubart.

Also in attendance: Town Manager Roger M. Carlton, Town Attorney Lynn M. Dannheisser, Town Planner Sarah Sinatra, Building Official Paul Gioia, Finance Director Martin Sherwood, Human Resources Director Yamileth Slate-McCloud, TEDACS Director Duncan Tavares, Public Works Director Bill Evans, Budget Consultant Carl Berkey-Abbott, Parks and Recreation Director Tim Milian, Assistant Police Chief/Interim Town Clerk John Di Censo, Police Chief David Allen.

**C. Pledge of Allegiance**

Chief Allen led the pledge of allegiance.

**D. Agenda and Order of Business (Additions, Deletions)**

None.

## 2. Discussion Regarding Millage Rate and Budget

Mayor Dietch read the below statement pertaining to the meeting agenda:

In accordance with Florida Statute 200.065(2)(e) 1, the first substantive issue discussed shall be the percentage decrease in the millage over the rolled-back rate necessary to fund the Fiscal Year 2011-2012 budget and the specific reasons for the proposed decrease over the rolled-back rate.

For Fiscal Year 2011-2012, the Town of Surfside, Florida is considering the levy of a millage rate of 5.5000 mills (\$5.50 per one thousand dollars of taxable value). The millage rate is 2.78% less than the rolled-back rate of 5.6573 mills.

The decrease in the Fiscal Year 2011-2012 millage is largely attributable to:

- An increase in non-Ad valorem revenues such as red light violations and Building Department related revenue projections
- A Capital Projects Fund transfer of \$150,000
- A reduction in Pension Plan contributions of nearly \$100,000 due to the fiscal health and good oversight of the Pension Board
- The use of \$188,000 from the sale of surplus real estate

After a series of Commission Workshops and adjustments from the September 13, 2011 Budget Hearing, the revised budget totals \$29,946,810. This includes:

- A General and Capital Projects Funds Budget totaling \$9,788,305;
- Special Revenue Funds Budget including the Tourist Resort Tax, Police Forfeiture and Confiscation and Transportation/CITT Tax totaling \$513,312 and, finally;
- Enterprise Funds including Water/Sewer, Municipal Parking, Solid Waste and Recycling and Storm Water Utility Budget totaling \$19,645,193.

Establishment of both final millage rate and the final budget require two public hearings the first of which was held Tuesday, September 13, 2011 at 5:01pm and the second which is this evening, Monday, September 26, 2011 at 5:01pm.

## 3. Millage Rate Page 1-3

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, MIAMI-DADE COUNTY, FLORIDA, ADOPTING THE FINAL LEVYING OF A MILLAGE RATE AGAINST ALL TAXABLE REAL AND PERSONAL PROPERTY IN THE TOWN OF SURFSIDE, FLORIDA FOR THE FISCAL YEAR 2011-2012; AND PROVIDING FOR AN EFFECTIVE DATE.**

Carl Berkey-Abbott reviewed the budget process and the tentative millage for FY 11/12. He presented a powerpoint presentation illustrating the budget process, tentative millage rate for FY 11/12, millage rate voting requirements, 5 year property tax history, tax impact of 5.5 mills on various property valuations, the tentative budget for FY 11/12, FY 11/12 enterprise rates status, tentative final

summary budget for FY 11/12, classification changes, and General Fund and Non-General Fund projects.

Mayor Dietch opened the floor to any members of the public wishing to speak.

*\*No speakers came forth.*

Commissioner Olchyk asked Town Manager Roger Carlton about payroll and how the proposed increases would be implemented.

Town Manager Roger Carlton responded that in the current year there was a 2.5% [across the board] payment to all non-bargaining employees. He explained that the increase made up for a previous reduction plus a small amount. He said that for FY 11/12 the budget includes a merit pool which is the equivalent of 1.83% increase from General and Enterprise Funds to employees based upon the employee's performance review and status. He explained that the increases would be from a fixed amount of money and that this is a conversion from a flat increase for all non-bargaining employees to a performance based increase. He added that bargaining unit employees (FOP) would be compensated through the collective bargaining process.

Commissioner Olchyk expressed concern with the proposal of salary increases citing financial difficulties in surrounding communities. She said in light of other municipalities reducing staff and salaries she would like the Town to be more fiscally conservative.

Mayor Dietch responded that last year Commissioner Olchyk demanded increased accountability from staff and was not supportive of an across the board increase. He said this proposal for performance based increases is as a result of her concerns from last year.

Commissioner Olchyk asked for clarification on how the increases will be applied and said she would like the Commissioners to have input on how personnel issues are handled.

Town Manager Roger Carlton responded that the concept of merit review begins with a form [that is well accepted within the industry] which is filled out by the supervisors and department heads. He said after the form is filled out the employee and supervisor has a discussion where the employee has an opportunity to respond to the performance review. He asked Chief Allen to speak to the review process.

Chief Allen responded that there are multiple layers of review prior to an increase being given and employee evaluations are reviewed at all supervisory levels, including the Town Manager.

Town Manager Roger Carlton said the primary purpose of the employee review process is to have a good interchange between employee/employer and the

process works using behavior modification and positive reinforcement. He also responded to Commissioner Olchyk reference to surrounding communities facing financial difficulties. He said that the current and previous Commission took measures [several years ago] making a series of decisions to be pro-active so the Town would avoid facing similar financial difficulties (faced by other communities). He said that he wants to be sensitive to real economic problems being faced by the community and in response to those economic conditions the Town has lowered the millage. Town Manager Roger Carlton explained that since the current Commission has come into office staff has had increased workload and that the 1.83% increase that is being proposed is not a substantial amount compared to the workload and the potential impact on employee morale, specifically because there will be an increase with employee health insurance contribution. He said that in an effort to avoid litigation and appeals associated with separation from employment he uses progressive discipline unless the situation is critical, attempting to resolve the issues with employees. He cited examples when progressive discipline resulted in separation from employment and by having a good settlement agreement, litigation and the appeals process was avoided. He said that based upon the current economic times and the property tax reduction, he is recommending a performance based increase.

Commissioner Karukin said that people managing is the most difficult thing that the staff has to do and he acknowledged Yamileth Slate McCloud. He said there will always be employees that don't do very well and he thinks that the 1.83% is not very high. He referenced all the budget adjustments that have to be done throughout the year. He thinks that personnel is the wrong area to look for reductions at this time.

Mayor Dietch said that prior to 2007 there was not a Human Resources Department and now there is a professional department that allows people to be held accountable and allow employees to be mentored. He said that he feels the most important story from the budget proposal is the diversification of the revenue stream and the millage reduction for the residents.

**Commissioner Kopelman made a motion for approval. Commissioner Karukin seconded the motion. Unanimously approved.**

#### **4. Public Comment**

*\*see under item-no speakers came forth.*

**5. 2011-2012 Final Adopted Budget Page 4-9**

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING AND ADOPTING THE FINAL ANNUAL BUDGET AND MAKING APPROPRIATIONS FOR THE FISCAL YEAR 2011-2012; ATTACHING A SUMMARY COPY OF SAID BUDGET MARKED EXHIBIT "A"; PROVIDING FOR AN EFFECTIVE DATE.**

**Commissioner Kopelman made a motion. Commissioner Karukin seconded the motion.**

**All in favor Commissioner Olchyk voted to approve with reservations regarding the employee review process and the 1.83% merit pool.**

**6. Public Comment**

Michael Lefkowitz from ECS Business Service, 4770 Biscayne Blvd. Suite 660, stated that he represents Azure Condominium. He spoke about a denied request for credits for consumption of water used by cooling towers. He explained that he had an agreement with the previous Town Manager, however, the requests have been denied because the agreement was never approved by the Town Commission.

Town Manager Roger Carlton said that theory behind this request is that there should be a credit calculated when cooling tower water doesn't go through the sewer system. The water evaporates. He said his predecessor started this process but did not bring the issue before the Town Commission. He said that if they continued this process they would have to have a public hearing for approval for rate adjustment and also expressed that this would encourage use of an outdated and not efficient air conditioning system. He said that the administration does not support this type of rate adjustment but after speaking with Mr. Lefkowitz he invited him to speak at the hearing.

Commissioner Kopelman would like to see more figures and information regarding this issue and asked that it be deferred. He asked Town Manager Roger Carlton if the Town would lose or make money if they complied with the request being made on behalf of the Azure.

Town Manager Roger Carlton responded that the Town would lose money if they complied with Mr. Lefkowitz's request (made on behalf of the Azure).

Michael Lefkowitz responded that the Azure is not sending the water to the sewer treatment plant and therefore the Town is not paying for sewer treatment on the water.

Mayor Dietch said that this was something that was started with the previous Town Manager and was inherited by the current Town Manager. He asked Roger Carlton to

come back with a report (not for grandfathering) on how going forward with the proposed agreement would impact the Town.

Mayor Dietch asked someone to notify Mr. Lefkowitz when this item will be on the agenda.

## 7. Adjournment

**Commissioner Kopelman made a motion to adjourn. Commissioner Karukin seconded the motion to adjourn.**

**The meeting adjourned at 5:58pm.**

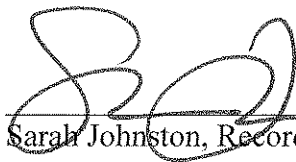
Accepted this 10 day of October, 2011



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Daniel Dietch, Mayor

Attest:



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Sarah Johnston, Recording Clerk