



**Town of Surfside
Special Town Commission Meeting
Budget Millage Rate
MINUTES
July 9, 2019
5 p.m.**

Town Hall Commission Chambers - 9293 Harding Ave, 2nd Floor
Surfside, FL 33154

1. Opening

A. Call to Order

Mayor Dietch called the meeting to order at 5:04 p.m.

B. Roll Call of Members

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

Commissioner Cohen arrived at 5:25 p.m.

C. Pledge of Allegiance

Chief Yero led the Pledge of Allegiance.

D. Presentation of FY 19/20 Budget and Proposed Operating Millage Rate – Guillermo Olmedillo, Town Manager

Town Manager Olmedillo requested that Item 1E be heard before item 1D. Commission agreed by consensus.

Interim Finance Director Wallace introduced the item.

Budget Officer Meiri presented the proposed budget and millage rate.

Interim Finance Director Wallace stated they fall under commercial property.

Commissioner Karukin requested to know which items/programs will have a recurring cost every year.

The Commission went through each item and gave their recommendations as follows:

*** Consensus to keep item in the budget means that at least three members of the Town Commission were in favor.*

Government Academy

Consensus to keep this item in the budget.

Charter and Code Rewrite – Consensus to defund this item and move the funds into reserves.

Commissioner Karukin commented on the charter and code rewrite item. He does not like allocating \$300,000 for this item and believes that it would be better to have an idea or list of what these discrepancies are. He is not inclined to support this item until he gets a list of what staff is looking at.

Commissioner Paul agrees with Commissioner Karukin and is not in agreement with this item without seeing the list.

Town Manager Olmedillo stated that he understands but to make the list will cost money as well.

Commissioner Karukin would like to cut this item.

Commissioner Paul disagrees with Town Manager Olmedillo and stated that if they need revisions, they should be brought back to the Commission.

Town Attorney Arango explained the charter provisions and the contradiction with the Charter and the Town's Home Rule power. She stated that there are several items in the Charter that are outdated.

Discussion continued among the Commission and staff on creating a list and possibly allocating the funds to the reserve.

Non-Contractual, Professional, Excluded Services and Special Projects – Consensus to keep.

Vice Mayor Gielchinsky asked Town Attorney Arango how much the Victor May lawsuit cost.

Town Attorney Arango stated that it was about \$20,000 and last year it was \$36,000 for a total of \$56,000.

Vice Mayor Gielchinsky asked Town Attorney Arango what the total cost for this item was last year.

Town Attorney Arango stated that the total amount paid was \$436,263. You can deduct \$18,250 from land use recovery; other cost recovery was \$9,000 and litigation recovery was \$46,224.

Classification and Compensation Study

Consensus to keep this item in the budget.

Paid Parental Leave

Consensus to keep this item in the budget.

305 Strategic Action Plan

Consensus to keep and reduce it to \$200,000 with Commissioner Karukin and Commissioner Cohen not in support.

Commissioner Paul stated that more information is needed and she would support it if something would be done and not just studies.

Commissioner Karukin stated for the record that he is not in support of this item.

Commissioner Cohen is not in support of this item.

Urban Land Institute

Consensus to keep. Commissioner Cohen not in favor.

Police Officer new position

There was a Consensus to keep this item in the budget.

Commissioner Karukin is against this item and does not see the demand or urgency. He feels it can be put off another year.

Commissioner Paul supports this item due to the traffic issues that are in the Town.

Mayor Dietch asked Chief Yero through the Manager to explain the item.

Chief Yero explained that the position is being requested to be able to staff the community as needed. He stated that they have an officer that has been on military leave for over a year and they must hold his position open and unfilled until he returns. He also spoke regarding retirements and other staffing concerns and issues.

Commissioner Karukin stated he supports this item.

85th Anniversary Event

Consensus to keep this item in the budget. However, Mayor Dietch and Commissioner Karukin not in support.

Full Time Lifeguard – Special Revenue Fund

Consensus to keep this item in the budget.

Mayor Dietch advised Town Manager Olmedillo that there are no objections to any of the Special Revenue Fund items.

Beach Raking

Consensus to keep this item in the budget.

Commissioner Karukin wanted clarification because he heard that if the Town did the beach raking, then the County would stop doing it.

Commissioner Paul feels they need to work with the County since it is much larger than Surfside and the bacteria in the water is creating the large amounts of sargassum. She feels that the raking needs to be done properly. She requested an analysis to make sure it is done correctly.

Mayor Dietch stated that the sargassum is a climate issue.

Town Manager Olmedillo explained how the raking takes place and stated that they either have to make a decision to work with the County or take it over from the County and the Town do it themselves.

Public Works Director Stokes explained the process of the beach raking.

Enterprise Water & Sewer Fund – Maintenance Worker Position –
Consensus to keep this item in the budget.

Municipal Parking Fund – New Parking Enforcement Officer –
Consensus to keep this item in the budget.

Commissioner Paul asked if this was for weekends and evenings and wants to make sure that they have that covered.

Chief Yero stated yes, it is to fill voids wherever they might have them.

Handheld Radios – Public Safety

Consensus to keep this item in the budget.

Parks & Recreation Security Cameras at Recreation Center –
Consensus to keep this item in the budget.

Community Digital Signs

Consensus to keep this item in the budget.

Commissioner Paul would like to look at alternatives to digital signs. She objects to digital because it is hard to see during the day and distracting to drivers. She is supportive of the signs but for staff to come back with different options.

Solar PVC System at Community Center

Consensus to keep this item in the budget.

Mayor Dietch suggested reducing the money allocated.

Commissioner Paul supports solar power but feels more research should be done. There still is the question of adding a second story on the Community Center.

Mayor Dietch stated it was in the budget last year and it does not negate them going vertical if needed. The panels can be relocated but the panels still have value.

Commissioner Karukin stated he prefers to allocate the funds to another project or to the reserve for the 96th Street Park.

Mayor Dietch suggested \$200,000 be allocated instead of \$400,000 and there was consensus.

Community Center Fencing and Gate Entrance Replacement

Consensus to keep this item in the budget.

Security Camera System

Consensus to keep this item in the budget.

Police Forfeiture Fund

Consensus to keep this item in the budget.

Transportation Fund

Downtown Sidewalk Beautification – Plans and Studies

Consensus to keep this item in the budget.

Commissioner Karukin stated that he does not support city-wide sidewalks but there are some areas that do need sidewalks for safety reasons, especially the circle at 95th Street. He would like to put a sidewalk at that particular spot.

Commissioner Paul clarified it is for the downtown area and they need crosswalk enhancements desperately. She spoke regarding the study that FIU students did.

Mayor Dietch asked if there are any other items the Commission would like to revisit.

Vice Mayor Gielchinsky stated he would like to revisit the Biscaya Island Watermain Crossing.

The following individuals spoke on the item:
Victor May

Enterprise Funds – Water & Sewer Watermain Crossing
Consensus to keep this item in the budget.

A Motion was made by Commissioner Karukin to approve the recommended millage rate at 4.5. Motion seconded by Commissioner Paul and carried 3-1 with Vice Mayor Gielchinsky absent and Commissioner Cohen voting against.

E. Pension Board Contribution Request – Guillermo Olmedillo, Town Manager

Abraham Issa, Pension Board Attorney, presented the item and the request from the Pension Board. He stated that the Town should be putting more money into the pension account in order to be prepared for the unexpected.

Mr. Issa gave the Pension Board's recommendations as follows: 1) Establish a funding plan to reach 100% funded status over the next 14 years. This would require an estimated additional annual contribution of \$250,000 per year for the next 14 years; 2) Establish and fund a pre-paid contribution reserve within the pension plan with an additional annual contribution of \$50,000.

Mayor Dietch asked Mr. Issa if the recommendations that the Pension Board agreed upon were a unanimous vote.

Mr. Issa stated that yes it was a unanimous vote.

Mayor Dietch asked how they arrived at 14 years.

Mr. Issa stated that it was based on the actuary and listening to those on the Pension Board and their recommendations. He also explained how they arrived at 14 years.

Mayor Dietch asked if there was any consideration as to the rate of return.

Mr. Issa explained the rate of return and the funding ratio.

Mayor Dietch requested Mr. Issa to research and look at what the return has been historically and try to have it better aligned to a normal course and get back to the Commission with that information.

Mayor Dietch asked what changes have occurred in the last few years.

Mr. Issa explained the changes that have taken place including a change in Board members.

Commissioner Karukin asked if the Commission chooses recommendation 1 and later on, they feel it is not fiscally sustainable, can they backout. He asked that if there are years that they are able to make those payments and tighter years that they do not make the payments, if it would be allowable to move to an alternative scenario.

Mr. Issa stated it is voluntary to make those additional payments and stated that is why there is a second recommendation.

Commissioner Karukin asked what fund it comes out of.

Town Manager Olmedillo stated that it comes out of the General Fund.

Further discussion among the Commission and Mr. Issa took place regarding the contributions and recommendations 1 and 2 and mitigation in the event of a catastrophe.

Mr. Issa answered the Commission's questions regarding the recommendations and in the event of a catastrophe.

Mayor Dietch asked the Pension Board to come up with a creative way to mitigate the risk of a devastating event.

Commissioner Paul stated that she is more comfortable with recommendation 2 because it would protect the Town in the lean years.

Commissioner Karukin stated he is in favor of recommendation 2.

Vice Mayor Gielchinsky stated he is in favor of recommendation 2.

Mayor Dietch spoke regarding the reserves and recognized there is a substantial liability which is having a municipal pension but it makes Surfside an attraction to obtain talent.

Mayor Dietch stated he is inclined to recommendation 1 but perhaps at a lower amount than \$250,000.

Mr. Issa stated that the amount can be changed but needs to be realistic within the budget and have it as a reserve contingency.

Commissioner Paul asked if they could go with option 1 and decrease the amount.

Town Manager Olmedillo stated that if the Commission preferred additional time, the Pension Board could come back to the Commission with the numbers.

Mr. Issa suggested they come back with a different dollar amount and not focus on the amount of years.

Commissioner Paul suggested either \$100,000 or \$125,000 for option 1.

Mr. Issa recommended maintaining recommendation 2 and have recommendation 1 at \$125,000.

After further discussion by the Commission on the item the following motion was made.

A motion was made by Commissioner Karukin and seconded by Commissioner Paul to accept recommendation 1 with a funding level of \$125,000 and recommendation 2 as presented. Motion passed with a 5-0 vote.

Commissioner Karukin made a motion to adjourn the meeting and reconvene at 10:00 p.m. to continue the remainder of the budget items. The motion received a second from Commissioner Paul. The meeting adjourned at 7:00 pm. and will reconvene at a time certain of 10:00 p.m. with a 5-0 vote.

The Budget Meeting reconvened at 11:55 p.m.

Vice Mayor Gielchinsky and Mayor Dietch asked if the \$150,000 for the Biscaya Watermain Project was in addition to the appropriation amount. Town Manager Olmedillo stated yes, it is in addition to the appropriated amount and explained the process.

Mayor Dietch commented on the Biscaya Watermain Project and the conversation he had with the State Representative on grant funding for dredging, the ownership issue and unlocking monies in order to obtain grant funding for the project.

Mayor Dietch asked the Commission if they would agree to budgeting \$25,000 for a possible kayak launch which would unlock the possibility of receiving money for the dredging.

A motion was made by Commissioner Karukin to extend the meeting 10 minutes and seconded by Commissioner Paul. Motion passed 4-0 with Commissioner Cohen absent.

Commissioner Karukin commented on the existing debt management policy not being aligned with best practices with a city the size of Surfside. He stated that what he received is not what he expected.

Commissioner Karukin continued discussing the issue and feels that the Town needs to tighten up the debt management, what the debt capacity for a city their size would be and requested staff to provide a report.

2. Adjournment

There being no further business to discuss before the Commission, Commissioner Karukin made a motion to adjourn the meeting. Motion seconded by Vice Mayor Gielchinsky. The meeting adjourned without objection at 12:04 a.m. July 10, 2019.

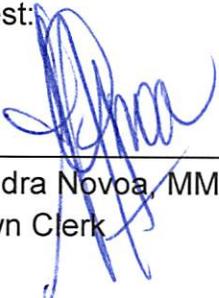
Respectfully submitted,

Accepted this 10th day of September, 2019.



Daniel Dietch, Mayor

Attest:



Sandra Novoa, MMC
Town Clerk