



CITY OF NORTH MIAMI BEACH
Council Chambers, 2nd Floor
City Hall, 17011 NE 19th Avenue
City of North Miami Beach, FL 33162

SEPTEMBER 28, 2010
BUDGET MEETING MINUTES
(CNMB-CC MINUTES TAPE #453)

1. ROLL CALL OF THE CITY OFFICIALS

The meeting was called to order at 7:10 p.m. Present were Mayor Myron Rosner, Vice Mayor Beth E. Spiegel and Council Members Philippe Derose, Barbara Kramer, Frantz Pierre, and Phyllis S. Smith. Also present were Acting City Manager Roslyn Weisblum, City Attorney Darcee S. Siegel, and Interim City Clerk Joanne M. Callahan. Absent was Councilman John Patrick Julien.

2. PLEDGE OF ALLEGIANCE

Mayor Rosner led the Pledge of Allegiance.

3. LEGISLATION

Interim City Clerk Callahan read the rules for Public Hearings.

Motion made by Councilman Derose, seconded by Vice Mayor Spiegel, to introduce Ordinance No. 2010-24 (Second and Final Reading). By consensus, all voted in favor of the motion. **(Motion carried 6-0).**

3.1 Ordinance No. 2010-24 (Second and Final Reading)

AN ORDINANCE FIXING THE MILLAGE RATE FOR AD VALOREM TAXES ON REAL AND PERSONAL PROPERTY IN THE CITY OF NORTH MIAMI BEACH, FLORIDA FOR THE PURPOSE OF MEETING THE REQUIREMENTS OF THE ANNUAL BUDGET OF THE CITY OF NORTH MIAMI BEACH FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2010 AND FIXING THE MILLAGE RATES FOR DEBT SERVICE ON THE GENERAL OBLIGATION BONDS, SERIES 2000B AND SERIES 2002A.

Motion made by Councilman Derose, seconded by Vice Mayor Spiegel, to adopt Ordinance No. 2010-24 on Second and Final Reading. Finance Director Susan Gooding-Liburd announced the following Millage Rates for the Fiscal Year 2010-2011: Operating 6.6036, Debt 1.2060, and Total 7.8096. She then reported the following Millage Rates for the Fiscal Year 2009-2010: Operating 6.6136, Debt .9595, and Total 7.5731.

Public Comment

Mubarak Kazan, 15564 NE 12 Avenue, North Miami Beach, FL, spoke of the 0.01 % reduction in the millage rate, big salary giveaways, and pensions.

Vote: In a roll call vote, Vice Mayor Spiegel, Councilwoman Smith, Councilman Derose, Councilwoman Kramer, Councilman Pierre and Mayor Rosner all voted in favor of the motion. **(Motion carried 6-0).**

Motion made by Vice Mayor Derose, seconded by Vice Mayor Spiegel, to introduce Ordinance No. 2010-26. By consensus, all voted in favor of the motion. **(Motion carried 6-0).**

Councilwoman Smith recognized Former Councilman John Kurzman and his wife Rhoda as being present at the meeting. Mayor Rosner requested Ordinance No. 2010-26 to be heard at this time. There were no objections received.

Motion made by Councilman Derose, seconded by Councilwoman Smith, to introduce Ordinance No. 2010-26 on Second and Final Reading. By consensus, all voted in favor of the motion. **(Motion carried 6-0).**

3.2 Ordinance No. 2010-26 (Second and Final Reading)

AN ORDINANCE OF THE CITY OF NORTH MIAMI BEACH, FLORIDA, AMENDING CHAPTER XIX OF THE CODE OF ORDINANCES OF THE CITY OF NORTH MIAMI BEACH, FLORIDA, ENTITLED "WATER AND SEWERS"; IMPLEMENTING A PREVIOUSLY AUTHORIZED PSC ANNUAL INFLATION ADJUSTMENT; IMPLEMENTING A PREVIOUSLY AUTHORIZED ANNUAL INCREASE IN WATER AND SEWER RATES, FEES, AND CHARGES; PROVIDING FOR THE REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR THE CODIFICATION OF THIS ORDINANCE.

Motion made by Vice Mayor Derose, seconded by Councilwoman Smith, to adopt Ordinance No. 2010-26 on Second and Final Reading.

Public Comment

Odalys Parra, 3530 NW 177th Terrace, Miami Gardens, FL, spoke on the increase in rates on the water and sewer water bills. Acting City Manager Weisblum will follow-up on her request.

Rolland Villieux, 13730 Highland Drive, North Miami Beach, FL, spoke against the ordinance.

John Kurzman, 15499 West Dixie Highway, North Miami Beach, FL, spoke about millage rates going up, increasing the price of water and history of the water plant.

Errolee P. Smith, 1730 NW 12th Avenue, Miami Gardens, FL, spoke on her water bill and her neighbor's water line break.

Mubarak Kazan, 15564 NE 12 Avenue, North Miami Beach, FL, spoke against the ordinance.

Gerardo Vazquez, 240 Atlantic Isle, Sunny Isles Beach, FL, spoke against the ordinance.

Bert Kehren, 3302 NE 171 Street, North Miami Beach, FL, spoke about the increase relating to the budget.

Richard Riess, 23 NW 169 Street, North Miami Beach, FL, spoke about the bottled water and the sludge.

Karen Malde, 1558 NE 183 Street, North Miami Beach, FL, spoke against the ordinance.

Councilman Derosé requested an explanation of a citizen's suggestion to charge a \$12 per resident increase and how it would impact the budget. Acting City Manager Weisblum explained that his estimated calculations showed that a large majority of the increase would come from the commercial properties translating to \$12 per resident per year, that it was a fair amount, and that the City should continue with the increase.

Councilwoman Smith noted that actuary professionals came before the Council and said that the City has to raise the water rates 10% for the next five (5) years in order to meet its obligation. She asked if it was not raised this year, what would be the impact be to the City. Utilities Finance Manager Barbara Trinka noted that recommendation was based on the assumption in order to meet our debt obligations and to ensure the fund balance was sufficient and recommended a cumulative increase of 10% for five (5) years. She explained that if the increase was postponed, next year's increase could be 25% or 30% because it is cumulative. Utilities Finance Manager Trinka further explained that based on the 2007 study, the recommendations were made for the future (water debt increases, debt obligations, regulatory requirements, etc.).

Councilman Smith inquired about the annual cost of the bottled water and the comparison to other cities. Public Services Director Shari Kamali reported the cost being about \$60,000 from October 1 to September 30th, and noted that some cities have cut down or not doing it at all because of these economic times. Councilwoman Smith requested Acting City Manager Weisblum to direct Staff to complete a study in order to re-evaluate the process or suspend it. Acting City Manager Weisblum noted that a recent study was completed comparing the cost of the City bottling the water versus an outside firm. Public Services Director Kamali reported that 123, 360 bottles (12 oz.) and 622 (5 gallon) bottles were processed October 1 to September 30th and provided the details of purchasing equipment, etc. for bottling on site.

Councilwoman Smith spoke of the missing two (2) million dollars and recommended maybe the increase should be 12%. She wanted to know what would happen if there was no water increase and the impact on the budget and did the increase need to be 10% or could it be 0 to 10%. Acting City Weisblum explained that Finance Director Gooding-Liburd provided an overview of a 5% increase and the effects on the budget with drawing the money of the pension contribution from reserves. She further explained that the 10% increase actuary recommendation was on the basis that the City would have an increase of water consumption, which did not occur. With that being said, she believed that if the study was done today, the actuary would probably tell the City to increase the rate additionally.

Councilwoman Smith spoke of a citizen's suggestion on how to handle the sludge to save money. Acting City Manager Weisblum noted that there were not many places that would receive the sludge, and was concerned about the City getting stuck with it; however, there were companies to hire that would take it out of state. She said the costs and details would be provided to the Council and that all citizen suggestions were considered and appreciated.

Vice Mayor Spiegel noted that last year the rate was not increased, but the City still needs to maintain the utility for water service and to follow the recommendations. She added that it was expense that could not be deferred again. Vice Mayor Spiegel said she spoke to the City Attorney about suing the company to recover the two (2) million dollars and maybe use it to offset the water rate increases. She suggested a cost/benefit analysis whether or not to continue bottling water.

Acting City Manager Weisblum noted that she was working with the Finance Department to tighten things up. She explained that Public Services Director Kamali has already implemented “the 5 Ws” with every invoice and purchase order will have who, what, when, where and why; the project manager cannot be the same person that signs it; every single purchase order over \$25,000 has to be signed by the director; and that additional checks and balances will be implemented through accounts payable.

Vote: In a roll call vote, Vice Mayor Spiegel, Councilwoman Smith, Councilman Derose, Councilwoman Kramer, Councilman Pierre all voted in favor of the motion with the exception of Mayor Rosner who voted in the negative. (**Motion carried 6-0**).

Motion made by Councilman Derose, seconded by Councilwoman Smith, to introduce Ordinance No. 2010-25 (Second and Final Reading). By consensus, all voted in favor of the motion. (**Motion carried 6-0**).

3.3 Ordinance No. 2010-25 (Second and Final Reading)

AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF NORTH MIAMI BEACH, FLORIDA FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2010.

Motion made by Councilman Derose, seconded by Councilwoman Smith, to adopt Ordinance No. 2010-25 on Second and Final Reading.

Public Comment

Charles Loeb, 16800 NE 15 Avenue #12, North Miami Beach, FL, suggested changing the library hours and implemented “meet with the city manager,” a regular meeting for residents to present ideas.

Bert Kehren, 3302 NE 171 Street, North Miami Beach, FL, spoke about the budget being a disaster.

Mubarak Kazan, 15564 NE 12 Avenue, North Miami Beach, FL, spoke about the budget.

Bruce Lamberto, 3420 NE 165 Street, North Miami Beach, FL, suggested working on the next budget immediately.

Robert Taylor, 1951 NE 157 Terrace, North Miami Beach, FL, praised the Council and Staff for lowering the budget, curbside recycling, new computer systems and no layoffs and questioned why people were complaining.

Vice Mayor Spiegel expressed enthusiasm that the following items were included in this budget: 1) holiday hours for the pool and recreation centers; 2) computer upgrades; and 3) curbside recycling. She explained that she was pleased that the budget was balanced and that a pension workshop was in the works. Vice Mayor Spiegel thanked the Staff who responded to her requests.

Councilwoman Smith expressed concern for a department head approving invoices without thoroughly reviewing them. She commended the Staff’s work on the budget. Councilwoman Smith wanted the Council’s involvement in planning the budget in the beginning stages. She also spoke of piggybacking on a state contract for codification services and saving money on other projects.

Councilwoman Kramer encouraged everyone to focus in detail on the budget for next year. At the Councilwoman's request, Finance Director Gooding-Liburd provided an overview regarding the changes to the budget numbers from the previous week.

Councilman Pierre thanked the Acting City Manager and Staff. He said that he was pleased in seeing senior management contributing to healthcare and that the budget included computer upgrades for checks and balances. Councilman Pierre expressed concern for the missing pipelines and the millions of dollars that had disappeared and suggested a complete shakedown.

Mayor Rosner explained that no residents' services had been cut in the budget. He spoke about having the City moving forward progressively. Mayor Rosner questioned what percentage in cuts the City would be using to plan the next budget. Finance Director Gooding-Liburd responded that 10% would be used.

Vote: In a roll call vote, Vice Mayor Spiegel, Councilwoman Smith, Councilman Derosé, and Mayor Rosner all voted in favor of the motion while Councilwoman Kramer and Councilman Pierre voted in the negative. **(Motion carried 4-2)**

Assistant City Manager Bernard McGriff reported that Staff would be working on the budget, the census results would be coming out on December 31st, and that the purpose bottling the water was that it made a statement for the City and that the City continued to do it for goodwill.

4. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:54 p.m. on a motion made by Councilman Derosé and seconded by Councilwoman Pierre. By consensus, all voted in favor. **(Motion carried 6-0).**

ATTEST:

(SEAL)



Joanne M. Callahan
Interim City Clerk