



City of Margate

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Meeting Minutes City Commission Budget Hearing

Mayor Joanne Simone
Vice Mayor Tommy Ruzzano
Commissioners:
Joyce W. Bryan, Lesa Peerman, Frank B. Talerico

City Manager Douglas E. Smith
City Attorney Eugene M. Steinfeld
City Clerk Joseph J. Kavanagh

Thursday, September 3, 2015

7:00 PM

Commission Chambers

CALL TO ORDER

Present: 5 - Commissioner Lesa 'Le' Peerman, Commissioner Frank B. Talerico, Commissioner Joyce W. Bryan, Vice Mayor Tommy Ruzzano and Mayor Joanne Simone

In Attendance:

City Manager Douglas E. Smith
City Attorney Eugene M. Steinfeld
City Clerk Joseph J. Kavanagh

1) PUBLIC HEARING(S)

- A. ID 14-1338 PUBLIC HEARING ON TENTATIVE BUDGET AND PROPOSED MILLAGE RATE.**

CITY CLERK JOSEPH J. KAVANAGH opened the Public Hearing on the Tentative Budget and proposed Millage Rate. He said that pursuant to State Law, the City of Margate publicly announces that the recommended operating millage is 6.3402, which is 9.10 percent higher than the rollback rate of 5.8114.

Hearing no discussion from the public, the Public Hearing was closed.

2) RESOLUTION(S)

- A. ID 14-1283 APPROVING THE PROPOSED MILLAGE RATE FOR THE CITY OF MARGATE FISCAL YEAR 2015/2016 IN THE AMOUNT OF 7.3093 MILLS PER THOUSAND DOLLARS OF ASSESSED VALUATION (WHICH INCLUDES 0.9691 FOR VOTED DEBT SERVICE); THAT THE OPERATING MILLAGE RATE OF 6.3402 IS 9.1% HIGHER THAN THE ROLL-BACK RATE OF 5.8114.**

Resolution 15-086

A motion was made by Commissioner Talerico, seconded by Commissioner Bryan, that this Resolution be approved. The motion carried by the following vote:

Yes: 5 - Commissioner Peerman, Commissioner Talerico, Commissioner Bryan, Vice Mayor Ruzzano and Mayor Simone

- B. ID 14-1281** ADOPTING A TENTATIVE BUDGET FOR THE 2015/2016 FISCAL YEAR, AND AUTHORIZING THE ADMINISTRATION TO OPERATE ON SAID TENTATIVE BUDGET AS AMENDED PURSUANT TO FLORIDA STATUTE UNTIL ADOPTION OF THE FINAL BUDGET FOR SAID FISCAL YEAR.

Resolution 15-087

A motion was made by Commissioner Talerico, seconded for discussion by Commissioner Peerman, that this Resolution be approved.

COMMISSIONER PEERMAN thanked the City Manager for providing the Department Head salary information; however, she hoped next year the font could be larger. She noted that the salary comparisons she requested at the last Public Workshop meeting were not provided.

CITY MANAGER DOUGLAS E. SMITH apologized for not providing sooner; however, he noted that he would be meeting with the Commission next week to review the information. He noted that the plan was to use the funds from the Contingency amount included in the Budget for next year.

COMMISSIONER PEERMAN expressed concern with going through a Budget without the salary comparisons requested. She spoke about eliminating the Commissioner insurance, because insurance was not offered to other part-time employees. She provided the following insurance cost comparisons:

- Commissioners who took the low end HMO family insurance made \$17,564 more than Commissioners who did not take it.*
- Commissioners made \$6,485 if taking the employee insurance without family.*
- Commissioners who took the high end HMO family insurance made \$20,000.*

COMMISSIONER PEERMAN showed a chart comparing what other Cities did and noted that some Cities gave back a stipend to Commissioners who did not take the insurance. She suggested that the insurance stop being offered starting with the 2016 election.

MAYOR SIMONE agreed and asked that benefits for regular employees be looked into, because the City paid more for family members than it did for the employee.

VICE MAYOR RUZZANO disagreed with eliminating the insurance, because he felt that the Commission job was a full time job. He said that it was a fiscally conservative decision and he felt that the Commission was deserving of the insurance. He also felt that taking the insurance was a personal attack.

COMMISSIONER TALERICO expressed concerns regarding looking into benefits for regular employees, as he did not want to hurt employees that had families on the City's insurance.

There was a brief discussion pertaining to benefits being part of the Collective Bargaining for the Unions in the City and having reopeners as part of the contracts during specific times during the year.

COMMISSIONER BRYAN stated that she was in support of having the Commissioners provided with the option of having the City's insurance.

MAYOR SIMONE provided the following breakdown of employee insurance costs for the high end HMO, which indicated that the City paid more for family members than for the employee:

- For employee only – employee paid \$93.85
- For employee only – City paid \$208.00
- For family – employee paid \$178.00
- For family – City paid \$640.81

MAYOR SIMONE stated that she was not against the City paying 100 percent for the Commissioner insurance without covering the family.

COMMISSIONER PEERMAN stated that if keeping the insurance, she would request in every future Budget to have the salaries of Commissioners indicated in the Budget including the insurance benefit.

Additional discussion ensued between the Commission pertaining to keeping or not keeping the insurance.

MAYOR SIMONE mentioned putting the money towards Resident Projects.

An amendment was made by Commissioner Lesa 'Le' Peerman, seconded by Mayor Joanne Simone after passing the gavel, that health insurance for Commissioners be eliminated.

ANTHONY CAGGIANO, 7856 NW 1st Street, spoke about taking away the insurance benefit from certain Commissioners being a personal attack, which he did not agree with.

MITCH PELLECCCHIA, 6890 NW 9th Street, spoke about the Commission addressing in the future, the fact that many benefits were tied to Collective Bargaining. He spoke about great benefits working for the City, and that the Commission needed to work out what benefits they should have. He agreed that the Commission did more than the two meetings a week and felt that the health insurance should be provided. He agreed that the employee versus what the City was paying for the families was a work in progress. He commended the Commission for discussing the matter, and felt they needed to separate themselves from the Collective Bargaining.

COMMISSIONER BRYAN wanted to look into the matter herself, prior to making a decision. She suggested looking into this matter another time for review.

COMMISSIONER PEERMAN withdrew her motion; however, she wanted a certain time designated for this discussion, such as in two or three months.

COMMISSIONER PEERMAN WITHDREW HER AMENDMENT.

COMMISSIONER PEERMAN stated that she wanted a time certain for future discussion.

The original motion carried by the following vote:

Yes: 5 - Commissioner Peerman, Commissioner Talerico, Commissioner Bryan, Vice Mayor Ruzzano and Mayor Simone

3) ORDINANCE(S) - FIRST READING

- A. ID 14-1284 ADOPTING AN OPERATING BUDGET FOR THE CITY OF MARGATE, FLORIDA, FOR THE PERIOD BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016; PROVIDING FOR A BUDGET FOR THE GENERAL FUND, SPECIAL REVENUE FUNDS, DEBT SERVICE FUND, CAPITAL IMPROVEMENTS FUND, ENTERPRISE FUNDS, AND INTERNAL SERVICE FUND; PROVIDING FOR A MILLAGE RATE; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

A motion was made by Commissioner Talerico, seconded for discussion by Commissioner Peerman, that this Ordinance - 1st Reading be approved.

COMMISSIONER PEERMAN and VICE MAYOR RUZZANO expressed not wanting to adopt Operating Budget, because salary comparisons were never received.

CITY MANAGER DOUGLAS E. SMITH stated that a Budget Amendment could be done if necessary to make any further changes. He added that there was money available in the Contingency Fund. He stated that he would meet with the Commission next week to show the recommendations. He further explained that the proposed document the Commission had before them included salaries with standard raises for next year; however, further comparisons to other Cities and any adjustments or recommendations would be provided at the meeting.

MAYOR SIMONE noted that the Millage Rate would remain the same as last year, the Reserve was healthy at 16 percent and that a lot of money was coming into the City. She stated that the Resource Recover money was at \$1,060,302.39, and that Big League Dreams was \$450,000. She stated that the home value increased 7.7 percent or \$900,000. She said that because of the money coming in she wanted assurance that when asking for something for the residents, she would not hear that the City did not have the money.

VICE MAYOR RUZZANO asked how the Resource Recovery Board money was appropriated or if there was a special fund.

CITY ATTORNEY EUGENE STEINFELD said that it was originally earmarked for Solid Waste purposes; however, there was nothing in the Lawsuit that required that.

VICE MAYOR RUZZANO asked about using the \$1 million dollars.

CITY MANAGER SMITH clarified that it would need to be budgeted, and if moving this Budget forward, there would be a year-end Budget revision for the current year and could also amend next year's Budget at the same time but separately.

VICE MAYOR RUZZANO asked the Commission if they agreed to put the \$1 million dollars in a Special Budget named.

CITY MANAGER SMITH clarified that the Resource Recover Board money was received.

He asked how the Commission wanted it set up and would speak with Finance about that.

A motion was made by Vice Mayor Tommy Ruzzano, seconded by Commissioner Lesa 'Le' Peerman, that the money received from the Resource Recovery Board Settlement be put into a separate account named the Citizen's Project Initiative.

MITCH PELLECCIA, 6890 NW 9th Street, questioned whether the account needed to be defined before being created, or should it go into the General Fund to be spent on any Capital Fund Project.

CITY MANAGER SMITH noted that for Capital Projects an account could be set up in the Capital Projects Fund, and that whatever was left could be re-budgeted for the next year. He felt that it would be easier to do during the November Budget Amendment so as not to change the whole Budget now; however, it was up to the Commission.

COMMISSIONER PEERMAN questioned whether the City received tax credits if donating to a 501C3. She noted that the Parks and Recreation Foundation was a 501C3 and the money could be donated from Margate to that foundation.

CITY ATTORNEY STEINFELD said that the purpose of having the Parks and Recreation Fund was to allow private enterprise to donate. He clarified that the City could put money in the Fund if it was for a public purpose. He noted that the City did not receive tax benefits because the City was not taxed.

COMMISSIONER BRYAN said that she was reconsidering putting it out for November to have a better idea and clearer picture as to disbursement, etc.

VICE MAYOR RUZZANO wanted the money in a separate account where the full balance would be there every day. He said that after the money was in its own account, it could then be donated to another Fund.

COMMISSIONER TALERICO questioned creating an account requiring the vote of the Commission to be disbursed.

CITY ATTORNEY STEINFELD said that he would defer to the Finance Director and that the funds could be specifically designated in some type of Fund. He said that under the Charter, the City Manager could transfer funds within any particular department. He stated that if this was identified as a Fund in the Budget for a particular purpose, the City Manager would have to come to the City Commission for a Budget Amendment to transfer the funds anywhere.

DIRECTOR OF FINANCE MARY BEAZLEY stated that the money was currently in the General Fund. She noted that there were different categories of Fund Balance, such as assigned, restricted, committed, unassigned and prepaid. She stated that the Funds could be committed, which meant that the Commission would take a vote on it and it could only be moved around by Commission. She preferred not to open another Fund, because the Commission did not know what they wanted to do with it. She stated that Special Revenue Funds were restricted by Law; therefore, it could not go in that Fund. She further explained that Capital Project Funds were usually for major Capital Projects. She reiterated that she preferred it remain in the General Fund, but segregated in the separate line item and account. She explained that the money could be transitioned either by a Budget Amendment, which was currently being done once a year; however, it

would be done this November as an Ordinance requiring two readings. She said that the Budget Amendment would be done for the 2014-2015 year, as well as for the 2015-2016 year because the Parks and Recreation Master Plan Project, which would need a Budget Amendment at the same time.

CITY MANAGER SMITH stated that if proceeding with the Budget as it was, the Financial Report for this year end could have that amount of money placed in the committed category. He said that at the Commission's discretion that money could be taken out, budgeted and spent for things the Commission deemed.

VICE MAYOR RUZZANO questioned the wording committed.

MS. BEAZLEY stated that it required Commission action to be able to do any project. She clarified that the Commission did not have to decide now what the money would be used for. She said that when the project came up, the Commission would determine what it would be used for.

CITY MANAGER SMITH clarified that it would actually show up in the Fund balance and not in the Budget document until such time as the Commission may want to allocate it out and put it in the Budget for certain projects.

An amendment was made by Commissioner Frank B. Talerico, seconded by Commissioner Joyce W. Bryan, that the money be placed in the Fund as described by the Finance Director.

Commissioner Peerman pulled her original second; therefore, the original motion failed for lack of a second.

It was determined that a vote was not needed for the money to be placed in the committed category of the General Fund; therefore, the amendment was not needed.

CITY ATTORNEY STEINFELD RE-READ THE ITEM TITLE.

A motion was made by Commissioner Frank B. Talerico, seconded by Commissioner Lesa 'Le' Peerman, that this item was approved.

MITCH PELLECCIA, 6890 NW 9th Street, requested that the Commission explain where the money was coming from when the residents were fiscally impacted from certain items, during their bi-monthly meetings when moving forward with this Budget year.

The motion carried by the following vote:

Yes: 5 - Commissioner Peerman, Commissioner Talerico, Commissioner Bryan, Vice Mayor Ruzzano and Mayor Simone

ADJOURNMENT

There being no further business, the meeting adjourned at 8:14 PM.

Respectfully submitted,

Transcribed by Carol DiLorenzo



Joseph J. Kavanagh, City Clerk

Date: 10/28/15