

BAL HARBOUR

- V I L L A G E -

Raj Singh, Chair
Jonathan Kader, Vice Chair
Ed Ilyadzhyanov, Committee Member
Neca Logan, Committee Member
Andrew J Shechtel, Committee Member

Village Manager Jorge M. Gonzalez
Village Clerk Dwight S. Danie
Village Attorneys Weiss Serota Helfman
Cole & Bierman, P.L.

BUDGET ADVISORY COMMITTEE

REGULAR MEETING AGENDA

AUGUST 6, 2025

AT 6:30 P.M.

Bal Harbour Village Hall • 655 – 96th Street • Bal Harbour • Florida 33154

This meeting will be conducted in-person. Members of the public are encouraged to participate in person or by emailing (meetings@balharbourfl.gov) or by telephoning 305-865-6449.

1. CALL TO ORDER/ ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

- a. Budget Advisory Committee Meeting Minutes - May 20, June 25 and July 17, 2025
[BudgetAdvisoryCommitteeMinutes-May20_2025.pdf](#)
[BudgetAdvisoryCommitteeMinutes-June25_2025.pdf](#)
[BudgetAdvisoryCommitteeMinutes-July17_2025.pdf](#)

4. REVIEW OF FYE 2026 BUDGET RELATED ITEMS

- a. Water and Wastewater Rates
- b. Enhancement Requests
- c. Operating and Capital Plan (Discussion)

5. IMPORTANT DATES

- a. Council Meetings:
 - i. September 9th – Millage Rate Affirmation & 1st Budget Hearing
 - ii. September 16th – Second & Final Budget Hearing

6. PUBLIC COMMENT

7. ADJOURNMENT

One or more members of any Village Committee/Board may attend this meeting of the Council and may discuss matters which may later come before their respective Boards/Committees. On public comment matters, any person is entitled to be heard by this Council on any matter; however, no action shall be taken by the Council on a matter of public comment, unless the item is specifically listed on the agenda, or is added to the agenda by Council action.

Any person who acts as a lobbyist, pursuant to Village Code Section 2-301 (Lobbyists), must register with the Village Clerk, prior to engaging in lobbying activities before Village staff, boards, committees, and/or the Village Council. A copy of the Ordinance is available in the Village Clerk's Office at Village Hall.

If a person decides to appeal any decision made by the Village Council with respect to any matter considered at a meeting or hearing, that person will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

In accordance with the Americans with Disabilities Act of 1990, all persons who are disabled and who need special accommodations to participate in this proceeding because of that disability should contact the Village Clerk's Office (305-866-4633), not later than two business days prior to such proceeding.

All Village Council meeting attendees, including Village staff and consultants, are subject to security screening utilizing a metal detector and/or wand, prior to entering the Council Chamber, Conference Room, or other meeting area located within Village Hall. This is for the safety of everyone. Thanks for your cooperation.

BAL HARBOUR

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Village Clerk Dwight S. Danie
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BUDGET ADVISORY COMMITTEE

REGULAR MEETING MINUTES

MAY 20, 2025

AT 6:30 P.M.

Bal Harbour Village Hall • 655 – 96th Street • Bal Harbour • Florida 33154

This meeting was conducted in-person. Members of the public were also encouraged to participate by email (meetings@balharbourfl.gov) or by telephone at 305-865-6449.

- 1 CALL TO ORDER/ ROLL CALL-** Neca Logan, as previous Chair, called the meeting to order at 6:53 P.M.

The following were present:

Neca Logan
Ed Ilyadzhannov (Via Zoom)
Raj Singh
Jonathan Kader
Andrew Shechtel

The following were also present:

Jorge Gonzalez, Village Manager
Claudia Dixon, Chief Financial
Dwight Danie, Village Clerk

- 2 PLEDGE OF ALLEGIANCE** - The Pledge of Allegiance was led by the Village Clerk.

3 SELECTION OF CHAIR AND VICE CHAIR

Neca Logan nominated Raj Singh for Chair. Mr. Singh accepted the nomination, and the Committee unanimously approved the appointment. Ms. Logan then nominated Jonathan Kader for Vice Chair. Mr. Kader accepted, and the Committee again gave unanimous approval

4 APPROVAL OF MINUTES

- 4.A** Budget Advisory Committee Meeting Minutes - August 6, 2024

MOTION: A Motion to approve the minutes was moved by Andrew Shechtel and seconded by Raj Singh.

VOTE: the motion passed by unanimous voice vote (4-0).

5 FY 2025 –

a. PROCESSING AND DEFENSE FUND

Ms. Dixon provided an update of the Processing and Defense Fund for FY 2025, funded with nearly \$2 million from targeted ad valorem taxes to cover legal and regulatory issues related to the Bal Harbour Shops development. She said that to date, \$850,000 of that fund had been spent

b. MID YEAR AMENDMENT

She then reviewed the mid-year budget amendment, explaining it serves to close out the prior fiscal year and carry forward unspent funds—primarily for capital and grant-funded projects—into the new year. She said that the General Fund closed FY 2024 with a \$7.67 million surplus, largely due to investment income and license fees, adding that other surpluses included \$1.16 million in resort tax, \$807,000 in the security and landscape fund, and \$1.28 million in the utility fund. She said that an additional \$2.5 million from the General Fund was earmarked for capital reserves, and \$2 million was allocated for the Utility Master Plan.

c. FY 2025-29 CAPITAL BUDGET AND 5-YEAR CAPITAL IMPROVEMENT PROGRAM

Matilde Reyes, Capital Program Director, provided an update on ongoing and planned capital projects. She recapped the Waterfront Park project, the completion of the Community Center and Playground, and described the upcoming Harbourfront Park, Jetty, and Cut Walk projects. She said that the Jetty project involves reconstructing a seawall, landscaping, and safety handrails, creating a linear park with viewing platforms.

Ms. Reyes said that the Jetty project is currently in the 80% construction drawing phase and is projected to cost around \$30 million, with a construction start targeted for October with a duration of 18-24 months. She described the use of a Construction Manager at Risk (CMAR) model and clarified that the full project scope may be adjusted if bid prices are too high and that several optional features, like an entry garden, have already been removed to manage costs.

Ms. Reyes also provided an update on the new Village Hall project, which is under contract with an architecture and engineering firm and is expected to be fully designed by summer 2026, with construction beginning in 2027 and completed by mid-2028. She said that after

the completion of the new Village Hall, design for the future Recreation Center will begin on the current Village Hall.

Julio Magrisso introduced himself as the new Director of the Public Works and Beautification Department who then introduced Mike Alvarez, Utility Compliance Officer. Mr. Alvarez handed out a map of the phased infrastructure work in the gated community showing completed and ongoing projects include water main replacements, sanitary sewer upgrades, and stormwater improvements from 2018 through 2025. He said that projects have largely used trenchless technology to minimize disruptions and that final paving and curb work in sections 6A and 6B are expected to be completed by early 2026, depending on weather and funding. He said Project 7, a new stormwater pump station, is set to launch soon with upgrades to pumps, generators, and underground infrastructure.

6 REVIEW OF FYE 2026 BUDGET RELATED ITEMS

- a. *CONSIDERATIONS - EMPLOYEE BENEFITS:*
 - i. *COLLECTIVE BARGAINING - PBA*
 - ii. *COST OF LIVING (3% INCREASE)*
 - iii. *EMPLOYEE HEALTH INSURANCE (PLACEHOLDER 10% INCREASE)*
 - iv. *PENSION PLAN ACTUARIAL REPORTS:*
 - 1. *GE*
 - 2. *POLICE*
 - 3. *FRS*

Ramiro Inguanzo, Assistant Village Manager, provided updates on employee benefits and collective bargaining negotiations. He said that the police union contract expired at the end of FY 2024, and that negotiations are ongoing, with hopes to ratify a new 3.5-year contract by July 15, 2025. He noted that a 10% placeholder has been set for employee health insurance increases pending final rates from the broker, and that pension plan contributions are expected to slightly decrease due to strong investment performance. He said that he was optimistic about holding the line on health insurance costs

Ms. Dixon added that the base COLA (Cost of Living Adjustment) set in the Police Benevolent Association (PBA) agreement is typically carried forward to general employees.

- b. *CONSIDERATIONS - OTHER COSTS:*
 - i. *INFLATIONARY IMPACT ON CURRENT LEVEL OF SERVICE*

Mr. Alvarez highlighted inflation's effects on construction including increased prices for concrete, building materials and labor. He said that contractors are finding it challenging to work in the area due to increased costs and traffic. Ms. Dixon described a strategic approach to mitigate inflation including locking in prices earlier, including make earlier purchases to lock in prices and the need to be proactive in budgeting and purchasing to

manage the financial impact of inflationary pressures, particularly in infrastructure and utility projects.

ii. *OTHER:*

1. *MIAMI BEACH SEWER SURCHARGE*

Ms. Dixon said that there was a concern regarding a \$581,000 proposed surcharge from the City of Miami Beach, for sewer outflow from Bal Harbour. She said that the surcharge reflects years of under-collection and will be passed through to customers, resulting in approximately \$24 per month or \$286 annually for a typical user. Mr. Shechtel suggested amortizing the cost over two years to soften the impact, and to create reserves and implement monitoring, as future annual charges may continue to increase.

She said that this increase is not a one-time cost and was expected to continue annually, although not necessarily at the same amount. The cost could escalate modestly year over year (e.g., 3% to 5%), depending on Miami Beach's future capital needs and ongoing operating expenses. She said that the Mayor is working with other mayors to potentially reduce the proposed \$581,000 increase and potentially spread it out over two years to make it more manageable for residents.

She added that Village is considering whether it can legally and prudently build reserves in advance to soften future rate spikes tied to outside providers like Miami Beach and Miami-Dade County.

2. *TAX COLLECTOR COMMISSION*

3. *PROPERTY TAX:*

- a. *SECOND HOMESTEAD ADJUSTED FOR CPI*
- b. *STATE COMMITTEE*

Ms. Dixon announced that the Miami-Dade County Tax Collector had proposed a 2% collection fee for municipalities, which Bal Harbour and other communities had successfully pushed back on, and that for FY 2026, that fee will not be imposed, avoiding an estimated \$200,000 cost.

4. *BUSINESS TAX*

Regarding the local business tax, Ms. Dixon noted that the Village has a biannual renewal or increase request for business taxes, which is typically a nominal amount. She estimated it would be around \$70,000 for the year.

5. *FPL RATE INCREASE*

Ms. Dixon also mentioned a Florida Power & Light (FP&L) rate proposed increase saying that FP&L is proposing a 2.5% per year increase over the next four years, and that while the Village pays FP&L for utilities, they also receive money from FP&L, and for the most part, this arrangement "pays for itself."

- c. *INSURANCE:*
 - 1. *PROPERTY*
 - 2. *HEALTH*
 - 3. *OTHER*

Mr. Inguanzo said that the Village might see significant rate increases in property insurance with Florida Municipal Insurance Trust (FMIT), reflecting increases across the industry, adding that renewal rates are usually not provided until June, which he said complicates budget planning. He said that some municipalities have tried alternative insurers but often return to FMIT because of significant rate hikes in subsequent years after signing up. He said that the Waterfront Park has impacted insurance costs and that the upcoming Jetty Project is expected to increase rates further.

7 APPROACH TOWARDS DEPARTMENTAL BUDGET REVIEWS (DISCUSSION)

Ms. Logan said that she would like to hear from the Department of Recreation, Arts and Culture in that it would have completed a full year of operation. Chair Singh said that he would like to hear from the Police Department. There was a general consensus for the Committee to review the departmental operating budgets.

8 IMPORTANT DATES –

- a. *ASSESSMENT ROLL ESTIMATE ROLL CALCS:*
 - i. *JUNE 1ST*
 - ii. *JULY 1ST*
- b. *COUNCIL MEETINGS:*
 - i. *JULY 17TH - ESTABLISH MILLAGE RATE CEILING*
 - ii. *SEPTEMBER TBD - MILLAGE RATE AFFIRMATION & 1ST BUDGET HEARING*
 - iii. *SEPTEMBER TBD - SECOND & FINAL BUDGET HEARING*

9 FUTURE MEETING DATES –

- a. *Next Meeting:*
 - i. *tbd*

Ms. Dixon reported several key dates including June 1st for when the Village should receive the assessment rolls and June 17th for when the Village Council would establish the tax rate ceiling. She said that the September Budget Hearing dates are yet to be determined, pending the determination of Miami-Dade County and Miami-Dade School Board budget hearing calendar dates. She said that she would reach out to Committee members regarding the date for the next Budget Advisory Committee meeting.

10 PUBLIC COMMENT - There were no comments from the public.

11 OTHER BUSINESS - There was no other business to be discussed.

12 ADJOURNMENT - The meeting was adjourned at 8:20 PM.

Raj Singh, Chair



Attest:

Dwight S. Danie, Village Clerk

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BUDGET ADVISORY COMMITTEE

REGULAR MEETING MINUTES

JUNE 25, 2025

AT 6:30 P.M.

Bal Harbour Village Hall • 655 – 96th Street • Bal Harbour • Florida 33154

This meeting was conducted in-person. Members of the public were encouraged to participate in person or by emailing (meetings@balharbourfl.gov) or by telephoning 305-865-6449.

1. CALL TO ORDER- Chair Raj Singh called the meeting to order at 6:35 P.M.

The following were present:

Chair Raj Singh
Jonathan Kader (Via Zoom)
Neca Logan
Ed Ilyadzhano (Via Zoom)

The following were not present

Andrew Shechtel

The following were also present:

Claudia Dixon, Chief Financial Officer
Dwight Danie, Village Clerk

The Village Clerk noted the absence of a quorum and indicated that any consensus items would be added to the next meeting agenda for a formal vote.

2. PLEDGE OF ALLEGIANCE - The Pledge of Allegiance was led by Bal Harbour Police Chief Raleigh Flowers.

3. APPROVAL OF MINUTES

- a. May 20, 2025 Budget Advisory Committee Meeting Minutes

This item will be added to the July 17, 2025 Budget Advisory Committee Meeting for ratification.

4. REVIEW OF FYE 2026 BUDGET RELATED ITEMS

- a. Preliminary June 2025 Assessment Roll Estimate - Set Tentative Millage (Includes Legal Defense Funding)

This item was discussed at 7:33 P.M after the presentation by Chief Flowers and after Neca Logan had left the meeting. Ms. Dixon provided an overview of the annual budget process. She said that the process begins each February, starting with a Council Retreat where policy goals and departmental priorities are set.

She explained how surpluses were handled, stating that funds encumbered for grants or capital projects could be carried forward without being requisitioned again, which she said would avoid double budgeting, and that these funds are not placed into reserves but are re-appropriated through formal budget amendments. She said that remaining surpluses, are added to the Village's general reserves.

Chair Singh asked whether overages were used only for capital, what the sources of the overages were, whether some should support departmental needs, and if unspent items are requisitioned again in the following year.

Ms. Dixon explained that budget overages generally go into reserves and are later allocated during the budget process, with some used for capital projects and others for critical departmental needs. She said that the overages stemmed from interest income, unspent project funds, departmental savings, developer contributions, and grant reimbursements, and unpurchased items from prior years are carried forward without being requisitioned again.

She then described the roles of; the Budget Advisory Committee, which focuses on the General Fund and supports core services like police, recreation, and administration; the Resort Tax Committee which oversees tourism-related spending, funded by hotel and restaurant taxes; and the role of the Bal Harbour Civic Association, which manages the special the taxing district within the gated community.

Ms. Dixon explained that in June and July, the Village receives preliminary property tax roll data from the County Property Appraiser which determines the projected ad valorem revenue. She said a tentative millage rate is then proposed, and a maximum rate is set. She said that the final certified tax roll is received in September when two public hearings are held to adopt the final millage rate, the budget, and the solid waste and security assessments.

She then described the structure of the municipal budget, consisting of an Operating Budget and a Capital Budget. She said that the Operating Budget includes the General Fund, Special Revenue Funds (such as Resort Tax and Security and Landscape), and the Utility Fund. She said that the Capital Budget covers infrastructure and large purchases, often funded by grants or one-time revenues and that departments cannot transfer funds between categories or other departments without proper approval.

Ms. Dixon said that the June 1 assessment roll estimate, which showed a 7.3% increase in property values and that the Administration recommend keeping the millage rate flat and that at its July 15 meeting the Village Council will set the tentative millage rate ceiling.

b. Solid Waste Assessment- First Reading

Ms. Dixon said that Administration had proposed a 5% increase for the solid waste assessment in that the contractor, Waste Connections, had requested a higher adjustment due to inflation and rising operational costs.

Julio Magrisso, Director of Public Works and Beautification said that the Village is currently renegotiating within the terms of the contract to stay within the proposed 5% ceiling, which had already been approved by Council as the maximum allowable increase for this budget cycle.

c. Business Tax Receipt – First Reading

Ms. Dixon said that the Administration was proposing 5% increase in BTR fees, which she said was the maximum allowed by State law every two years. She said that not implementing the increase would result in a \$140,000 revenue loss over four years, while adopting it is expected to generate an additional \$44,000 annually. She added that the average increase per business would be approximately \$202. She noted the importance of acting now, given possible future State restrictions on municipal authority to raise or collect these fees.

Chair Singh requested a breakdown of which business types are most impacted by the BTR increase, and particularly whether any small businesses are disproportionately affected, to which Ms. Dixon said that she would bring BTR fee structure details by business type and fee range to the next Budget Advisory Committee meeting.

d. Departmental Budget Reviews (Discussion)

i. Police

This item was discussed at 6:38 P.M following the Pledge of Allegiance. Chief Flowers provided a presentation on the structure, operations, performance, and budgetary needs of the Bal Harbour Police Department. He began by affirming the department's visibility and critical role in Village life, noting that with 28 full-time sworn officers and 10 civilian staff, the Department was both lean and efficient. He described the two main divisions—Administration and Operations. He said that the Operations Division oversees all patrol functions including directed patrol, bike, golf cart, ATV, foot and beach patrols, as well as marine patrol, traffic enforcement, and code enforcement. He noted that the Collins Corridor Unit was a dedicated detail with two officers covering Collins Avenue and 96th Street areas seven days a week, working 10-hour shifts.

He described his department's around-the-clock patrol function, structured into four squads, each comprising one sergeant and three officers, with a minimum of one supervisor and two officers per shift. He then described the Administrative Division, which supports the operational mission by managing logistics such as budgeting, fiscal oversight, personnel administration, public communications, dispatch, training, fleet

management, property and evidence, special event coordination, professional compliance, and investigative work.

Chief Flowers then provided 2024 crime statistics, stating that violent crime had remained low and stable, with only two incidents recorded. He said that property crime had decreased substantially where there were 121 at the Shops, down from 168 the year prior, representing a notable reduction. He said that this decrease was attributed to increased police presence and strategic patrols. He noted that other property crimes in the Village totaled just 30 incidents and that overall crime had dropped 20% from the previous year, and that arrests had increased by 9.5%, and the Code Compliance team had investigated 2,178 ordinances, conducted 1,719 inspections, and issued 6 violations.

He then described his department's accomplishments since 2020 saying that his department had led a regional coastal police collaboration with 13 municipalities, expanded marine patrol operations, and assigned an officer to the FBI's Joint Terrorism Task Force. He said that he had prioritized officer development through advanced training, launched community programs like a women's self-defense course, and delivered statewide autism awareness training to over 40,000 public safety personnel. He added that his department had acquired the Taser 10, becoming the first agency in the region to deploy this new technology, and had trained all officers in its use.

Chief Flowers then provide an update on a new wave of personnel including three new officers, a dispatcher, and a code compliance officer.

Ms. Dixon then presented an overview of the Police Department's proposed \$780,000 budget increase for FY 2026, representing an 8.42% rise from the prior year. She explained that public safety comprises nearly half of the Village's General Fund and that the largest portion of the increase is tied to compensation and benefits. She said that \$113,000 is for reimbursable off-duty detail costs, \$60,000 was for fuel expense transfer from Public Works, and \$260,000 covers salary and benefit adjustments from the tentative PBA agreement, including COLAs, step increases, and longevity pay—benefits also extended to general employees. She said that with the closure of the legacy pension plan, newer officers in the Florida Retirement System now incur employer contribution costs of 38-40% of salary, paid as payroll obligations.

Ms. Dixon noted that an additional \$40,000 was added to the overtime budget to reflect COLA and step adjustments previously excluded, while \$25,000 was allocated to software licensing for tools implemented in FY 2025. She said that the budget also includes \$70,000 for four new police vehicles and \$14,000 to expand officer training.

There was discussion about adding reserves not just for vehicles but for software and technology replacements. Ms. Dixon stated that the Village intends to use any excess funds or surplus from mid-year amendments to bolster reserves in these areas.

ii. Recreation

This item was discussed at 7:14 P.M following Chief Flower's presentation. Sylvia Flores, Director of Recreation, Arts and Culture, presented an overview of her department's operations, covering recreation, facility maintenance, and events and communications. She emphasized the critical role of the customer service team at the waterfront park, noting the success of the "All Access Card" program, which now has over 2,400 registrants—including seasonal residents—and enables access to facilities and resident pricing. She described the recreation programming, with youth and adult classes adjusted seasonally based on participation feedback and promoted through a centralized service platform that also handles facility rentals and support for internal and third-party functions, averaging 23 uses per quarter.

Ms. Flores outlined the facility maintenance team's responsibilities for ensuring safety and upkeep of all indoor and outdoor amenities, including the fitness trail, playground, splash pad, and courts. She highlighted the events and communications team's role in producing both recurring and signature events—such as seasonal festivals, concerts, museum trips, and specialized programs and Unscripted speaker series—and in managing over 100 activations annually, including weekly farmer's markets and police-led events.

She said that her team also oversees all Village communications, including Constant Contact messaging to 3,500+ recipients, website content, printed materials, social media, and emergency alerts. Outreach efforts include seasonal visits to condos and hotels and regular calls with property managers. She described new initiatives including added fitness and play amenities, and community-requested upgrades to park infrastructure. She described awards from the National Association of Government Communicators and the Florida Festivals and Events Association,

Ms. Dixon said that the Recreation, Arts and Culture Department's budget is relatively flat this year with the primary increase is in salary and benefits, totaling about \$73,000. She said that this increase is mainly due to cost of living (COLA) and salary adjustments related to staff changes, overtime, and health benefits contributions.

Neca Logan left the meeting at 7:29 P.M.

Mr. Ilyadzhyanov asked how the department tracks and evaluates resident engagement, (penetration rate) and what methods of outreach are implemented, adding that he would like to see the statistics. Ms. Flores said that the Village's population is just over 3,000 people, and her Department has already registered 2,400 individuals for the all-access card. She agreed to provide more detailed statistics on repeat attendees for events and which events are work better than others.

- e. Considerations - Employee Benefits:
 - i. Collective Bargaining - PBA
 - ii. Cost of Living (4% Increase)

iii. Pension Plan Actuarial Reports:

1. GE
2. Police
3. FRS

This item was discussed at 8:02 P.M. following the discussion regarding BTRs. Ms. Dixon provided an update on the Village's negotiations with the Police Benevolent Association (PBA) saying that a tentative three-year agreement was awaiting ratification by the Village Council. She said that proposed agreement includes a 4% cost-of-living adjustment (COLA) each year, along with step increases and longevity pay for eligible officers.

She said the Village is facing rising costs under the Florida Retirement System (FRS) as new police officers are enrolled following the closure of the Village's former police pension plan, saying that FRS is a pay-as-you-go system, with contributions made each pay period rather than through a fixed actuarial amount. She said that as more officers transition into FRS, the Village's budget reflects higher contribution rates—around 38% to 40% of salary per officer—making the FRS cost increasingly prominent in future budgets.

f. Considerations – Other Costs:

- i. Inflationary Impact on Current Level of Service
- ii. Other:
 1. Miami Beach Sewage Surcharge
 2. Others

Ms. Dixon introduced the discussion on the Miami Beach sewer passthrough regarding a proposed rate increase from Miami Beach, initially set at over \$581,000. Mr. Magrisso said that after negotiations, Miami Beach had agreed to split the increase over two years. Ms. Dixon noted that this adjustment offers temporary relief and is reflected in the Village's budget planning and that the Village had reviewed Miami Beach's justification for the surcharge and had involved engineers to evaluate the proposed charges.

iii. Insurance:

1. Property
2. Health
3. Other

Ms. Dixon noted that insurance cost increases for health and other employee benefits contributed to department budget adjustments. She said that rising insurance expenses were a factor in overall compensation-related increases, particularly within personnel budgets and that these adjustments were included in the proposed budget to account for higher anticipated insurance premiums in the upcoming fiscal year.

5. IMPORTANT DATES

- a. Assessment Roll Estimate Calcs:
 - i. July 1st
- b. Council Meetings:
 - i. July 15th - Establish Millage Rate Ceiling
 - ii. September 15th - Millage Rate Affirmation & 1st Budget Hearing
 - iii. September 25th - Second & Final Budget Hearing

Ms. Dixon reviewed the important dates, inviting Committee members to attend the Budget hearings.

6. FUTURE MEETING DATES

- a. Next Meeting:
 - i. July 17th
 - ii. August 6th

Ms. Dixon announced the scheduled dates for the remaining Committee meetings. She then summarized the items that received Committee consensus during this meeting and would need to be ratified at the July 17 meeting, which included recommendations for the Village Council to:

- maintain the current millage rate,
- support the 5% Increase in Solid Waste Assessment,
- approve a 5% Increase in BTR Fees,
- approve the proposed Police Department budget, and
- approve the proposed Recreation, Arts and Culture budget.

7. OTHER BUSINESS

8. PUBLIC COMMENT

9. ADJOURNMENT

Raj Singh, Chair



Attest:

Dwight S. Danie, Village Clerk

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BUDGET ADVISORY COMMITTEE

REGULAR MEETING MINUTES

JULY 17, 2025

AT 6:30 P.M.

Bal Harbour Village Hall • 655 – 96th Street • Bal Harbour • Florida 33154

This meeting was conducted in-person. Members of the public were encouraged to participate in person or by emailing (meetings@balharbourfl.gov) or by telephoning 305-865-6449.

1. CALL TO ORDER/ ROLL CALL- Chair Raj Singh called the meeting to order at 6:32 P.M.

The following were present:

Chair Raj Singh
Neca Logan
Ed Ilyadzhyanov (by Zoom)
Andrew Shechtel (by Zoom)

The following were not present

Jonathan Kader

The following were also present:

Claudia Dixon, Chief Financial Officer
Dwight Danie, Village Clerk

The Village Clerk noted the absence of a quorum present and indicated that any consensus items would be added to the next meeting agenda for a formal vote.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

- a. Budget Advisory Committee Meeting Minutes - June 25, 2025

4. REVIEW OF FYE 2026 BUDGET RELATED ITEMS

- a. July 1ST 2025 Certification of Assessment Roll & Proposed Millage Rate – Included Legal Defense Funding (July Council Item).

Ms. Dixon said that the millage rate would remain at 1.9654 mills, with legal defense funding at 0.1785 mills, totaling 2.1439 mills, which had been approved by the Village

Council. She said that the July 1 valuation provided by the Property Appraiser's Office came in lower than the June 1 estimate, which resulted in a \$100,000 decrease in projected revenue—from a previously anticipated \$1 million increase to only \$900,000.

Mr. Shechtel asked if the Village could redistribute the millage rate by increasing the portion allocated to the legal defense fund while proportionally decreasing the general operating millage, to which Ms. Dixon said that it could be done, explaining that any proposed changes would need to be brought back to the Village Council for consideration. Mr. Singh noted that since property valuations rose by 6.5%, both the operating and legal defense components had increased by that same percentage.

Mr. Shechtel suggested that boosting the legal defense fund might serve the Village's strategic interests, especially for litigation purposes, without affecting the taxpayer burden.

Ms. Dixon said the Village must first ensure all services are fully funded, noting that surpluses typically go into reserves, which are vital for long-term stability. She shared that the State of Florida has warned cities not to expect prior levels of grant funding, as it is now building its own reserves due to uncertain FEMA reimbursements. This makes it even more important for the Village to grow its own reserves. Mr. Singh added that reserves offer flexibility, allowing the General Fund to cover emergencies with the potential for later reimbursement.

Ms. Dixon said that the legal defense fund was formally created the prior year in response to the Bal Harbour Shops litigation, but the Village had been managing legal expenses from contingency funds long before that and that having a dedicated fund allowed for more deliberate fiscal planning and readiness.

b. Departmental Budget Reviews – General Fund (Discussion)

i. Information Technology

Dolores Mejia, Administrative Services Director for Police and Information Technology, introduced the IT team, Misha Nizhegorodtsev, Jose Lira and Tony Gomez who were responsible for both network architecture and administration. She said that the team's major achievement for the fiscal year was the Emergency Operations Failover Project, funded by a \$100,000 grant, which created a redundant network environment at a North Miami Ops facility that mirrored Police operations.

She then listed other accomplishments including, firewall upgrades, full replacement of aging network switches, operating system upgrades to Windows Server 2019 and 2022, and completion of the annual computer replacement cycle. She said The team also acquired and deployed Veeam backup for Microsoft 365 and offsite cloud storage, upgraded Data Domain storage systems, and implemented a new VPN solution to meet FDLE two-factor authentication standards for police officers.

She described cybersecurity improvements and training, stating that all Village employees had completed the required state cybersecurity training, the upgrading of Finance software (CCH Pro) and the Village's keycard system.

Chair Singh asked about the real-time nature of the network backups, to which Mr. Nizhegorodtsev confirmed that there was a slight 30-second delay in synchronization, with backups stored both on- and off-site.

Ms. Dixon presented the IT budget saying that the total Village-wide IT budget was just under \$800,000, with costs allocated across departments based on use. She said that the proposed General Fund IT budget showed a nominal \$3,000 increase over the prior year, with no new initiatives. She noted that a \$50,000 IT reserve was included in the budget to prepare for the anticipated tech upgrades related to the new Village Hall building.

There was a general consensus from the Committee to approve IT Department's proposed budget.

ii. Building

Eliezer Palacio, the Building Official and Building Department Director, said that over the past fiscal year, his department processed 1,333 permit applications and issued 905 permits, of which 656 were finalized with completed inspections. He said his department performed 2,782 inspections and processed 15 Architectural Review Board submittals, of which six had been heard and approved. He added that there were 3,681 customer walk-ins for permit-related matters.

He said that his department is also involved in zoning, planning, and the legalities surrounding development projects, in particular the Bal Harbour Shops litigation.

Mr. Palacio then presented the Village's permit process, noting that pre-construction meetings are critical in educating contractors and property owners on site rules, neighborhood impacts, and construction best practices. He said that a typical single-family home now requires around nine permits and 49 inspections, while larger homes, such as one in Bal Bay, could exceed 120 inspections. He said that a condo interior renovation might involve six permits and 17 inspections, while commercial interiors within the Bal Harbour Shops typically require eight permits and 22 inspections.

He said that after the Village Council had approved fee schedule changes in 2022, his department expanded inspections to four-days-a-week, improving turnaround times and service delivery, and that all requested inspections are completed on the same or next business day.

Ms. Logan asked if the infrastructure—specifically water and sewer—could handle the all the planned expansion, to which Mr. Palacio said that all major projects require an allocation determination from the Village's utility department and Miami-Dade Water and Sewer. Capacity assessments are done before permit issuance.

Mr. Shechtel noted that larger residential units tend to use less water per square foot, since they're rarely fully occupied, to which Mr. Palacio agreed, pointing out that usage projections are based on square footage and unit count, but actual consumption may be lower than the theoretical maximum.

Mr. Ilyadzhyanov asked whether the Building Department needed more staff support, to which Mr. Palacio said that his department uses a three-tiered staffing model: full-time clerks for daily intake, and a bank of part-time, as-needed inspectors and plan reviewers. He said that these professionals are pre-contracted and available for surge capacity.

Chair Singh asked about the upfront fee process, to which Mr. Palacio explained that an upfront fee is now required at the time of application submission and plan intake, prior to any reviews being conducted. He said that some permits that are approved remain unissued by applicant choice, who then must file extension letters every 180 days to retain their permit approval. He said that upfront fee is non-refundable, which helps cover reviewer costs.

Mr. Ilyadzhyanov asked to see fee amounts and revenue. Ms. Dixon said that fees are based on a percentage of project value and include supplemental charges for scanning and digital recordkeeping. She noted that the fee schedule is posted on the Village website.

Mr. Palacio said that his department had digitized 50% of historical plan records and all new submittals since June 2021 are stored digitally and that full digitization is expected within the next year and a half.

Chair Singh asked whether the Building Department's costs related to legal support for the Shops litigation were covered by its own budget or the Village's legal defense fund to which Ms. Dixon said that any work by the zoning or planning departments related to the litigation is billed to and paid from the legal defense fund.

Ms. Dixon said that the Building Department had implemented a new software system at the beginning of the fiscal year, which allows online plan reviews and submittals. She then described the proposed FY 2026 budget, explaining that the Building Department's General Fund budget had increased slightly, due to a 4% COLA and scheduled merit increases. She said that salaries and benefits rose by \$67,000 year-over-year, while capital and operational costs declined due to the one-time purchase of a high-water vehicle last year.

There was a general consensus from the committee to approve the Building Department proposed budget.

iii. Public Works

Julio Magrisso, Director of Public Works and Beautification, explained that public works includes both visible services—like building maintenance, landscaping, sanitation, beach walks, sidewalks, and flags—and behind-the-scenes systems such as water, sewer, and

stormwater infrastructure. He said that nearly every aspect of village operations, from plumbing to holiday flag-raising, falls under his department. He presented his department's organizational chart highlighting the importance of staff development, recruiting the right personnel, retaining them, and recognizing their contributions.

Julio described his department's ongoing responsibilities, including the daily inspection and maintenance of lights, electrical systems, beach infrastructure, and public restrooms. He showed photographs of staff performing various tasks and highlighted the department's use of a software system called Asset Essentials to track work orders. He explained that while the software shows more than 10,000 tasks completed annually, many entries represent small but essential jobs like checking a streetlight or changing a filter.

Mr. Magrisso provided an update on the \$7.3 million stormwater pump station replacement in the Gated Community saying that the project had been awarded and is expected to take 18 to 24 months to complete, adding that funding includes grant money, reserve contributions, and other State/Federal sources.

Ms. Dixon noted that most of the increase in salaries and benefits came from the 4% COLA and merit-based raises. She said the department had experienced a decrease in capital-related line items, primarily because funds previously set aside for pump station maintenance were no longer necessary due to the forthcoming replacement project. She said that fuel expenses were also shifted from Public Works to the Police Department's budget to improve tracking and cost attribution, resulting in a \$100,000 transfer.

Mr. Magrisso provided an update on the Waste Connections sanitation contract noting that the company had operated for years with limited or no CPI increases. He said that their recent request for financial relief was based on cost escalation beyond their capped 3% annual increases. He said that the Village is negotiating carefully, but no agreement had yet been reached.

Chair Singh asked whether cost recovery mechanisms were built into the rates, especially given the pending vendor adjustments, to which Ms. Dixon responded that the Village raised sanitation fees by 5% at the last meeting, with the understanding that further increases might be necessary. She said that future adjustments could be implemented retroactively to recapture additional costs once the contract terms are finalized.

Ms. Dixon said that the Public Works Department's General Fund budget was primarily focused on facilities and stormwater management, while beautification efforts were funded through the Resort Tax and infrastructure maintenance through the Utility Fund.

There was a general consensus from the Committee to approve the proposed budget for the Department of Public Works and Beautification.

- c. Considerations – Employee Benefits:
 - i. Collective Bargaining – PBA and Cost of Living (4% Increase)

Ms. Dixon informed the Committee that the Village had successfully reached a new agreement with the Police Benevolent Association (PBA), which had been approved by the Village Council. She said that the agreement includes a 4% cost-of-living adjustment (COLA), retroactive to October 1, 2024, which applies not only to union members but also to general employees, and that the increase in salaries and benefits lines throughout the budget reflected the higher COLA and scheduled merit raises.

Claudia also addressed the misconception that employee separations automatically result in savings for the Village. She noted that staff departures often trigger recruitment expenses, onboarding costs, and, in many cases, increased overtime for remaining personnel—all of which typically exceed any salary savings. She emphasized that the net financial impact of employee turnover tends to be cost-neutral or even negative in practice.

d. Considerations – Other Costs:

- i. Inflationary Impact on Current Level of Service
- ii. Sewer Pass Through Charges:
 - 1. Miami Beach Surcharge
 - 2. Miami-Dade Water and Sewer Wholesale Rate

Ms. Dixon noted the confirmed utility rate hikes from Miami Beach and Miami-Dade County. Chair Singh asked whether staff-related utility rates would increase at the same pace as the passthrough costs, to which Ms. Dixon responded that they would not, saying that while utility rate increases do influence the Village's internal expenses, they don't result in a direct, proportional rise in employee utility benefits or allocations. Mr. Magrisso confirmed that Miami-Dade's increase for water would be approximately 3%, more in line with inflation and significantly lower than the sewer increase.

iii. Insurance:

- 1. Health
- 2. Property
- 3. Other

Ms. Dixon described factors affecting the FY 2026 budget including a projected insurance cost increases from a possible 10% jump in vehicle premiums, and with property and health still under negotiation.

Ms. Dixon noted a shift in how the State of Florida is handling grant oversight, with the Village receiving formal information requests from the Department of Financial Services seeking detailed breakdowns of how ad valorem tax revenue is allocated across departments. Despite no standardized formulas, the state wants figures showing how much supports areas like Police, Public Works, and Administration. Dixon raised concerns about the subjectivity this introduces, given government accounting typically follows strict guidelines.

Chair Singh remarked that full cost allocation works in the corporate world but questioned its fit for government without clear standards. Ms. Dixon agreed, warning that such

allocations could misrepresent the budget and said the Village would respond cautiously, providing only what's necessary.

Ms. Dixon noted that the Village was continuing to operate under conservative revenue assumptions given the state's signal that funding for municipalities may decrease. She explained that consumption-based revenues—such as fuel taxes and tourism-related funds—were particularly vulnerable to broader economic shifts. She said that the Village would have a clearer sense of its revenue outlook once updated estimates from the State arrived later in the summer.

5. IMPORTANT DATES

- a. Council Meetings:
 - i. September 9th – Millage Rate Affirmation & 1st Budget Hearing
 - ii. September 16th – Second & Final Budget Hearing

6. FUTURE MEETING DATES

- b. Next Meeting:
 - i. August 6th
 - ii. TBD

Ms. Dixon reminded Committee members about the final upcoming Budget Advisory Committee meeting, scheduled for August 6, saying that staff would present the complete budget picture, including capital projects, updated revenue projections, final water and sewer rates, and comprehensive expenditure summaries.

7. OTHER BUSINESS

8. PUBLIC COMMENT

ADJOURNMENT- The meeting was adjourned at 8:15 PM.

Raj Singh, Chair



Attest:

Dwight S. Danie, Village Clerk

