



COMMISSION MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: September 5, 2007

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF JULY 19, 2007.**

OLD BUSINESS

1. Discussion regarding FY 2007/08 Proposed Operating Budget

ACTION

Continue to look for alternatives to balance the Operating Budget.

City Manager, Jorge Gonzalez, opened the discussion. He advised the Committee that administration has been working on delivering a balanced budget for the Commissions consideration in September. This meeting is also to provide an update on the mandates from Tallahassee as to how these directives will impact the upcoming budget year. There is a mandated rollback of a 9% reduction of the tax base. The Administration will have to address an approximate 27 million dollar shortfall. The City will either have to either increase revenues or a cut expenses to cover the 27 million dollar shortfall. The Manager noted that a series of options have been identified. Of the 27 million dollars needed in savings, 22 million will have a minor impact on the City's current service levels. A decrease in current service levels may be experienced for the remaining 5 million dollars.

Chairman Saul Gross, inquired how this year, the Administration was able to find 22 million dollars to address the shortfall with minimal impacts to service, but not in the prior year.

The City Manager explained that the 22 million dollars referenced was not all reductions. This amount includes normal revenue growth that occurs from year to year in the budget, for revenue lines other than Ad Valorem, the elimination of additional transfers to the eleven (11) percent emergency reserves fund among other actions. Additional transfers to the 11% emergency reserve are required any time the budget increases. In previous years increases to the reserve fund was funded by any excess revenue at the end of the year, but two years ago our policy changed to actually include the 11% increment as a budget line item. In the upcoming budget year no additional transfers are required because we are reducing the total General Fund budget, therefore our current 11% reserves are sufficient to meet our requirements.

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In addition, elimination of the \$300 homeowners dividend which was an early version of tax relief is recommended as the community is getting tax relief in a different manner.

The Manager along with Kathie Brooks, Budget and Performance Improvement Director, reviewed the list of potential reductions by department, details of the reorganization and reduction alternatives.

The Manager noted that the Commission would hold two budget hearings at which time the millage rate would be finalized and along with presentation of the 2007/2008 budget. The first hearing is scheduled for September 17, 2007 and the second, September 26, 2007. The Manager stated that he was requesting the Committee's guidance and feedback regarding the options from the list. If there were any new recommendations, the changes would have to be made in time for the budget workshop and the item's first reading at Commission.

The Manager added that the list affects a total of approximately 90 positions in the General Fund and Internal Service Fund Departments. Of those 90 positions, 41 positions are currently filled and 49 are vacant. He went on to advise every consideration would be made to fill vacant positions that are not recommended for elimination with current employees whose positions were being adversely affected. Most of the alternatives presented for consideration had been recommended by department heads. To fulfill the rollback budget directive, department heads were charged with creating a modified zero-based budget for their respective departments.

Chairman Gross inquired as to how much input was received in the process from the Unions.

The Manager advised that the Unions where required to provide input and some conversations were held with Fraternal Order of Police (FOP) and International Association of Firefighters (IAFF) leaders, but the main goal was to first provide the Commission and the Committee with the appropriate information.

Commissioner Simon Cruz commented that the Miami Beach Magazine and similar enhancements should be reviewed. He stated that basic functions such as safety, fire and police should have a higher priority.

Commissioner Jerry Libbin expressed his concern regarding eliminating the code director's position. He requested more information regarding the job descriptions for the Code Director and Code Division Director.

Commissioner Cruz and Commissioner Mattie Bower stated that they did not want the Playtime and Tot Time Program under the Parks Department to be moved to just one location.

Commissioner Richard Steinberg expressed his concern regarding the elimination of one of the capital projects coordinator position under Public Works. Director of Public Works, Fred Beckmann, advised the position cut would not affect any projects. Some of the workload from projects under Public Work's purview would be shifted to the CIP coordinators in the Property Management Division.

Chairman Gross suggested that the Manager send a Letter to the Commission (LTC) regarding the reduction in funding for the Cultural Arts Council. He went on to suggest a review be made regarding the Festival of Arts funding.

Chairman Gross opened the floor for staff and public comment.

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- ¶ Parks & Recreation:¶
- ¶ <#>-Consolidate Playtime and Tot Time Program into one location¶
- ¶ Public Works:¶
- ¶ <#>- Eliminate Environmental Specialist by consolidating functions with the Environmental Manager¶
- ¶ Fire Department¶
- ¶ <#>-Reduce the overtime budget for ocean rescue¶
- ¶ <#>-Change the Ocean Rescue Division schedule to a 9am to 5pm during non-winter months¶
- ¶ <#>-Reduce the Fire Rescue overtime budgets by reducing minimum staffing to 42¶
- ¶ <#>Use state certified inspector for fire inspection program¶
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Adonis Garcia noted that the Assistant Fire Chief position that was to be cut was implemented to cover the oversight of the Ocean Rescue Division consisting of 70 plus employees. He stated that elimination of this position would create a strain on the workload of the remaining assistant fire chiefs.

Chairman Gross suggested looking into streamlining all inspections in the City to include fire, building, and code.

Adonis Garcia suggested passing an ordinance that would require a certified fire-fighter to fill the fire inspector position.

Chief Jordan advised that if such an ordinance were to pass, the City would lose one of its most qualified fire inspectors.

The Manager advised that the Administration would review other alternatives for funding such as Internal Service Funds and Enterprise Funds.

The consensus of the Committee was that the following alternatives should be removed from consideration and should not be incorporated into the Manager's proposed budget for FY 2007/08:

Parks & Recreation:

- Consolidate Playtime and Tot Time Program into one location (\$36,379)

Public Works:

- Eliminate Environmental Specialist by consolidating functions with the Environmental Manager (\$67,715)

Fire Department

- Reduce the overtime budget for ocean rescue (\$100,000)
- Change the Ocean Rescue Division schedule to a 9am to 5pm during non-winter months (\$315,000)
- Reduce the Fire Rescue overtime budgets by reducing minimum staffing to 42 (\$1,050,000)
- Use state certified inspector for fire inspection program (\$67,958)

Revenues

- Elimination of waivers for special event permit fees (\$117,485)
- Film/print vehicle beach access pass (\$44,325)
- Film and print permit fees (\$139,000)
- Increase resident fees for golf rounds at Miami Beach Golf Club (\$52,700) (Note: rate increases for resident memberships and driving range fees were approved by the Committee)
- Increase sidewalk café fees from \$15 per sq foot by \$5 per year

All other alternatives on the list provided (see Attachment A) were approved by the Committee to move forward to the Commission as part of the manager's proposed budget for FY 2007/08.

JMG/PDW/rs/nsl

Comment [c1]: I don't recall this and I am not sure that it is correctly worded as I do not understand the meaning as written

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