



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: July 16, 2008

SUBJECT: **REPORT OF THE SPECIAL FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF JUNE 17, 2007.**

NEW BUSINESS

1. Discussion regarding the Sanitation Budget.

(Handouts and supplemental information submitted and available at the City Clerk's Office.)

ACTION

The topics discussed included the cleanliness and service levels of the right-of-ways and Waterways in Miami Beach, performance indicators, budget overview, service levels and how they relate to the Sanitation budget.

City Manager, Jorge Gonzalez opened the discussion by giving a brief overview of the City's financial health and millage rate. He also indicated that the main focus of the discussion was to know if the commission was satisfied with the current levels of service and how they relate to the budget.

CIP Director, Fred Beckmann introduced the Public Works sanitation budget item by stating that "cleaner and safer" is one of the major objectives of the strategic plan of the City of Miami Beach, and that for the past 3 years there has been a significant increase in resources provided for sanitation, therefore; the cleanliness index has continued to improve.

He then went on to say that the first key intended outcome in Sanitation is to improve the cleanliness of Miami Beach right-of-ways especially in the business areas, and highlighted the following:

- Night litter control service has been increased from five days to seven days a week on Ocean Drive, Washington Avenue, and Lincoln Road with hours of operation from 3:00 p.m. to 11:30 p.m.;

- An early morning crew has been added to provide service to Washington Avenue and the entertainment area south of 5th Street from 3:00 a.m. to 11:00 a.m. five days a week;
- On-call litter control service has been added five days a week on the day shift to Mid Beach and North Beach;
- Now providing dedicated litter control services and sand sifting in the beach spoil areas from South Pointe Drive to 14th Terrace.

Mayor Matti Bower asked for clarification as to what is referred to by the beach spoil areas.

Mr. Beckmann indicated that the beach spoil area covers from the coral rock wall to the dune, and from the dune on, is the county's responsibility.

The Mayor then stated that the City needs a sand sifter and that she was approached by the Boucher brothers who are willing to purchase a sifter and that hotels are also willing to contribute towards the purchase of said sifter to improve the beaches' condition.

The Manager stated that the City has been encouraging the County to purchase the bigger sifter for the east side of the dune.

Mr. Beckmann indicated that the City has a sand sifting program in place already.

Sanitation Director, Alberto Zamora stated that the City has a sand sifting crew on the east side of the dune and that a smaller screen has been purchased because the bigger one did not catch smaller litter such as cigarette butts.

Mayor Bower questioned if the operation was costing the City extra money.

The Manager answered the Mayor's question by stating that it is being done with City resources and that technically, it is the County's responsibility, but the County only takes the matter to a certain base, which is then augmented by the City to satisfactory levels.

Mr. Beckmann then went on to discuss other significant change in sanitation with regards to parking lots. He noted that there has been an improvement in the general cleanliness of parking lots and complaints have decreased. With regards to code enforcement, Sanitation has partnered with Police to combat illegal dumping and the result has also been positive.

Mr. Beckmann then discussed the improvement in the cleanliness of Miami Beach Waterways. He indicated that a contractor was hired for the task and that initially they were not improving as much as expected but after meeting with the contractor regularly, they are now close to the cleanliness index that the City wanted to achieve.

Commissioner Wolfson questioned if there was a budget line item for dredging because there are some waterways that have gotten increasingly shallower.

Manager Jorge Gonzalez answered the question by stating that the City does not have resources for dredging.

Commissioner Steinberg stated that the most affected waterways include Biscayne Point, the areas around Palm Island, and the canal along Dade Blvd.

Discussion ensued about dredging but no referral was made for specific action.

Fred Beckmann continued his discussion by presenting the significant budget growth from the year 2000, going from \$4.6 million to \$14.8 in 2007. Employee wise, there was an increase from 71 employees to 184, due to the expansion of duties in sanitation. He then stated that revenues have been steady but noted a steep decrease in interest earnings and other revenues from \$3,802,192 in 2006 to \$1,092,334 in 2007, and explained that the decrease was due to additional funds received from FEMA in 2006.

Manager Gonzalez highlighted that the sanitation fund is an Enterprise Fund and any surplus that may occur does not drop to the general fund. It stays in sanitation, which helps capital investments or costs in future years.

Commissioner Deede Weithorn requested clarification for budget allocations under temporary labor and how it relates to the savings in salaries.

The Manager explained that this is due to outsourcing and the filling of vacancies with temporary labor.

Mr. Beckmann went on to discuss the sanitation service levels. He presented a map with sanitation levels throughout the City and a service level legend. The Service Levels locations were as follows:

- A Ocean Drive, Washington Avenue, Lincoln Road, and Beachwalk
- A-1 41st Street, Collins Avenue (63rd – 74th), and 71st Street/Normandy Drive (Collins – Rue Bordeaux)
- B Collins Avenue (8th – 16th), Espanola Way, and Boardwalk
- B-1 Collins Park
- C South of 5th Street, Harding Avenue (71st – 79th) / Abbott Avenue, City Center North Beach, and Indian Creek Drive from (63rd to 71st).
- D Flamingo Neighborhood and Sunset Harbor Neighborhood
- E Multi-family areas in North Beach (north of 73rd)
- F Single Family Residential

Commissioner Wolfson noted that South Beach, which is being serviced at level D (hand crews 3 days a week, mechanical sweeper 7 days a week, litter cans serviced 7 days a week), and North Beach, which is being serviced at level E (hand crews 2 days a week, mechanical sweeper 7 days a week, litter cans serviced 7 days a week), should be serviced at the same level because they are comparable in size, and that North Beach citizens have expressed their dissatisfaction with the cleanliness of their neighborhood.

Manager Gonzalez explained that it is all a function of what is required to achieve an outcome and suggested to look at the data to see if the cleanliness target in North Beach is being achieved.

Mr. Beckmann presented a level of service savings cost matrix to show the different options that could realize different levels of savings. He provided an example of how the elimination of the overnight crew in the level A areas, that include Washington Avenue and Ocean Drive, would generate cost savings of approximately \$110,000, and how further savings would be achieved by eliminating the night crews from Lincoln Road and Beachwalk. He also noted that as a result, the level of service would revert to what it was in the past.

Chairman Gross stated that he would not like to see cutting back on cleanliness unless the options can be carried out without reducing services, and that the issue would be looked at when the cleanliness index is provided.

Manager Gonzalez explained that it is all about the level of service and what would happen when you bring an A to an A minus. He also stated that the topic would be discussed in the June 30 meeting.

2. Discussion regarding the Greenspace Budget.

(Handouts and supplemental information submitted and available at the City Clerk's Office.)

ACTION

The topics discussed included the cleanliness and service levels of the right-of-ways, especially in the business areas in Miami Beach, performance indicators, budget overview, service levels and how they relate to the Greenspace budget.

Parks and Recreation Director, Kevin Smith presented the budget item on Greenspace Management, which supports key intended outcomes such as improving the cleanliness of Miami Beach rights-of-way especially in the business areas; maintaining the rights-of-way and public areas especially in business districts; and ensuring that expenditure trends are sustainable over the long run. He then discussed the department's performance indicators, which included the following:

- Public area cleanliness rating index baseline for fiscal year 04/05 was 1.95 and now targeting 1.5
- Percentage of public area cleanliness assessments for parks scoring 2.0 or better was 61.8 in 04/05 and 76.7 in 06/07, and now targeting 90.
- Number of City Parks maintained at level of service A has been 27

Chairman Gross inquired about the status of the Urban Reforestation Program that included the planting of 5,000 trees over a period of 4 years.

Mr. Smith stated that this is the second year into the program and that 1,100 trees were planted during the first year, and another 1,000 trees are expected to be planted during this current fiscal year.

Commissioner Gross questioned the status of the tree ordinance.

Mr. Smith responded by saying that they are working on it and it is moving ahead. He explained that they consulted with an urban forester and have been working on developing the guidelines for the ordinance.

He then went on to provide a budget overview which included the following information:

- Funded as a division within the Parks and Recreation Department's General Fund budget
- The divisional budget for FY 2007/08 is \$8,010,999
- Additional funding is provided from the City Center totaling \$203,026 of which \$97,375 is used to maintain Lincoln Road; and \$105,651 is utilized for the new Beachwalk Project.
- The Greenspace Management Division also receives \$300,000 per year in revenues from Florida Department of Transportation to offset the costs associated with the full maintenance at the Julia Tuttle and MacArthur Causeway locations
- Additional funding is provided from the Capital Investment Upkeep Account totaling \$1,150,000

Regarding expenditures, Mr. Smith stated that the budget request for next year focuses primarily on salaries, with an increase of approximately \$400,000; benefits, and the most predominant item is professional services, with a request of \$2.6 million; due to the outsourcing of work to achieve the desired levels of service.

He then explained the different levels of service for contractual services, which include the mowing of all green spaces City-wide and full maintenance at specific sites, with service levels ranging from A through D and how the changing of levels could yield a potential cost reduction.

Chairman Gross indicated that the City has made great strides at improving the cleanliness in Parks and that hasn't been any complaints about the current levels of service.

3. Discussion regarding the Property Management Budget.

(Handouts and supplemental information submitted and available at the City Clerk's Office.)

ACTION

The topics discussed included the maintenance of facilities and facility condition index; performance indicators; budget overview; service levels; and how they relate to the Property Management budget.

Fred Beckmann opened the discussion regarding property management by stating that the City's key intended outcomes with regards to property maintenance focuses on ensuring well-maintained facilities and that in order to achieve such, a consultant has been engaged to provide a facility condition index, the assessment of facilities, and a list of deficiencies. This has provided a clear roadmap of what needs to be done to each building to achieve condition index that is acceptable to the City.

He then went on to discuss the performance indicators and stated that while some areas are above the target facility condition index (Cultural Arts Facilities, Police Facilities, Parking Garages, and Convention Center); some areas are below the target (Community and Recreation Center, Office Buildings, Fire Stations, and the Maintenance and Operations Facilities).

Mr. Beckmann then provided budget highlights by stating that revenues have been steady and only a slight increase is shown from 2006 with revenues of \$8 million and \$9.6 million in 2007, primarily a result of savings in employee salaries due to the contracted services used for construction work.

After the budget highlights, Mr. Beckmann presented the levels of service in property management going from A through C and the facility groupings in each. He then presented pictures of facilities in different level of service groupings to show cleanliness results achieved at the different levels.

The Manager stated that a summary of the extended information discussed will be provided, with options on how to save money department by department, at the next special meeting of the Finance & Citywide Projects Committee on June 30, 2008.

