



MIAMI BEACH

City Commission Retreat

January 23, 2010

Alexander Hotel

Mayor Matti Herrera Bower
Vice-Mayor Deede Weithorn
Commissioner Jorge Exposito
Commissioner Michael Góngora
Commissioner Jerry Libbin
Commissioner Edward L. Tobin
Commissioner Jonah Wolfson

Jorge M. Gonzalez, City Manager
Jose Smith, City Attorney
Robert E. Parcher, City Clerk
Kathie Brooks, Budget and Performance Improvements Department Director.

Dr. Rick Jensen, Ph. D., founder of the Performance Center, facilitated the meeting.

The meeting started at approximately 9:45 a.m.

Jorge Gonzalez, City Manager, and Ms. Kathie Brooks, Budget and Performance Improvements Department Director, started the meeting by reviewing the General Fund Revenues, General Fund Expenditures, and General Fund Revenue and Expenditure Trends charts.

A resolution was requested supporting the State of Florida's initiative to collect resort tax on rooms booked via the Internet. See February 3, 2010 – Agenda item R7J.

A question was asked about the number of police sergeant, lieutenants, captains, and majors. A historical report was requested that compares the number of sergeants, lieutenants, captains and majors going back for the last ten (10) years if the data is available. In addition, it was stated that public safety, Police and Fire, accounts for 58% of the budget. A report was requested to split out the salary, health insurance, and pension costs for public safety. **Kathie Brooks to handle.**

There was a discussion regarding police costs and in response the City should request the Federal Government help fund existing police positions and the request should be added to the Federal Legislative priority list. **Kevin Crowder to handle.**

There was a discussion about the City's golf courses and the Administration was requested to prepare an analysis of the pro's and con's of making the golf courses enterprise funds. **Kathie Brooks to handle.**

There was a discussion regarding the FPL franchise agreement and its value to the City of Miami Beach. The direction is the City must not give up the ability to generate electric from future technologies.

Jorge Gonzalez, City Manager, and Ms. Kathie Brooks, Budget and Performance Improvements Department Director, reviewed the General Fund Financial Forecast scenarios for revenues and expenditures.

Discussion was held regarding the % of change in taxable value from prior years and Scenario #2 was selected and to be prepared for a \$30M shortfall in 2011:

Scenario #2 %

Revenue	2011 Proj	2012 Proj	2013 Proj	2014 Proj
	-15%	-5%	0%	0%
	\$209M	\$204M	\$204M	\$204M

All other revenues are assumed to be unchanged over the 5 years

Expenditure

	\$235M	\$242M	\$250M	\$258M
Gap	\$26M	\$38M	\$46M	\$54M

Ms. Brooks presented charts showing the historical tax levy and assessed values.

There was a discussion regarding who gives the most value to the residents, the City of Miami Beach, Miami-Dade County, school system, State of Florida or the Federal government.

City Clerk's note: 1/10 of mill equals approximately \$2 million dollar, 1 mill equals approximately \$20 million dollars.

Jorge Gonzalez, City Manager, and Ms. Kathie Brooks, Budget and Performance Improvements Department Director, presented information regarding the FY 2010/11 Budget Outlook – Impact of Changes in the millage. Based on the information provided with the selection of scenario #2, update the chart to for a \$30M gap.

In FY07/08 what was the savings to homeowners due to the decrease in millage? There was discussion regarding the \$200 Homeowner Dividend. The Commission requested an analysis on a tax increase of \$200, and increment by \$10 up to \$300 and to do an analysis of the impact across all types of homesteaded City of Miami Beach properties. There was strong sentiment that if the employees do not agree to "give backs" that the deficit will not be placed on the homeowners. **Kathie Brooks to handle.**

Jorge Gonzalez, City Manager, presented the current package of "give backs" being discussed with the unions in negotiations. The "give backs" total approximately \$19.5M. The City Manager explained that employee "give backs" will most likely not reach the \$19.5 million figure. In the hierarchy of options to address the \$30M shortfall, increasing taxes will be considered last.

There was a discussion regarding the Condrey study. It was stated that the Condrey study was recommended by the Finance and Citywide Projects Committee to be implemented beginning in April 2010, or at the time all bargaining units agree and which ever is the latter.

There was a discussion on making sure the residents were educated on the budget issues. There are five (5) key components that the public needs to be educated on.

1. Employee give backs
2. Efficiencies
3. Revenue increases
4. Service reductions

5. Increase taxes

Commission Tobin requested a review of the Police Department's top "brass" and to review the possibility of reducing.

The Commission individually prioritized the Citywide Initiatives and reviewed as a group.

There was a discussion regarding improving team effectiveness.

Task Roles	Maintenance Role	Dysfunctional Behavior
Initiate activity	Listen	Being aggressive
See information/opinion	Harmonize	Rejecting ideas
Give information/opinions	Facilitate Interaction	Competing
Clarify and elaborate	Encourage/support	Pleading
Coordinate	Mediate	Dominating
Summarize	Note group process	Withdrawing

The Commission requested to begin the budget process as early as possible. At the May retreat the high level priorities need to be determined.

Commissioner Libbin distributed a package he prepared on possible revenue generating ideas.

The following items were discussed: Cost avoidance, sale/lease back of parking garages (Selling the future), not charging properly for parking (on-street damage to the infrastructure such as curbs), IBM's initiate (Smarter City), what is the cost to pursue the revenue initiatives (for all revenue opportunities need to provide cost to implement).

A City Commission Workshop needs to be scheduled to discuss possible revenue generating ideas in February, March, April timeframe pending the General Fund Revenue Enhancement Study approved at the December 9, 2009 Commission Meeting. The Workshop should be held as a Committee-of-the-Whole meeting.

The meeting adjourned at approximately 5:10 p.m.

Handout or Reference Materials

1. Color Chart titled: General Fund Revenues – labeled #4
2. Chart titled: General Fund Financial Forecast Scenarios – labeled #5
3. Color Chart titled: City of Miami Beach Tax Levy and Assessed Values – labeled #6
4. Chart titled: FY 2010/11 Budget Outlook – Impact of Changes in the Millage – labeled #7
5. Document titled FY 2009/10 Adopted Citywide Initiatives & Department Work Plan Activities
6. Document submitted by Commissioner Libbin titled: Revenue Ideas
7. Document submitted by Commissioner Libbin titled: PhoCusWright's Key Direction in Travel Distribution