MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: April 25, 2013

This shall serve as written notice that a meeting of the Finance and Citywide Projects Committee has been scheduled for April 25, 2013, at 3:00 P.M. in the City Manager's Large Conference Room.

The agenda is as follows:

OLD BUSINESS

NEW BUSINESS

1. **Discussion regarding a recommendation by the GLBT Committee to address the issue of benefits tax inequality for City Employees with registered domestic partners versus legally married spouses.** ***(March 21, 2012 Commission Item C4l)***

   Carla Gomez – Assistant Human Resource Director

2. **Discussion on water conservation methods and implementation.** ***(June 6, 20121 Commission Item C4g)***

   Jay Fink – Public Works Assistant Director

3. **Discussion Regarding Budget Advisory Committee recommended Pension Reform policies and guidelines.** ***(July 18, 2012 Commission Item C4l/R9G)***

   Carla Gomez – Assistant Human Resource Director

4. **Discussion regarding the issue of encouraging businesses to support the effort of implementing more homeless meters.** ***(October 24, 2012 Commission Item PA6)***

   Anna Parekh – Real Estate, Housing & Community Development Director

5. **Discussion regarding fine schedules and enforcement of the City of Miami Beach Code provisions for Police and Fire false alarms, implementing additional fines for false alarms, implementing additional fines for false alarms, and contracting with an outside entity for billing and collection services for false alarm fees.** ***(March 13, 2013 Commission Item C4G))***

   Raymond Martinez –Police Chief / Javier Otero – Fire Chief

6. **Discussion regarding the Florida's Safe Routes to School Program (FLSRTS).** ***(March 13, 2013 Commission Item C4H)***

   Jay Fink – Public Works Assistant Director

7. **Discussion regarding FCWPCTravel Channel's Proposal to film a documentary with Miami Beach**

   Max Sklar – Cultural Arts & Tourism Development Director

8. **Discussion regarding Bayfront to Miami Ferry and a proposal to rent the Old Pilot House south of Miami Beach Marina*****(April 13, 2011 Commission Item C4M)***

   Anna Parekh – Real Estate, Housing & Community Development Director

Finance and Citywide Projects Committee Meetings for 2013:
May 15, 2013
June 13, 2013
July 25, 2013
September 19, 2013
October 24, 2013
November 14, 2013
December 19, 2013

PDW/rs/kd

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Cc. Mayor and Members of the City Commission
Management Team

I T E M O N E

MIAMIBEACH

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COMMITTEE MEMORANDUM

TO: Finance & Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: April 25, 2013

SUBJECT: **DISCUSSION REGARDING A RECOMMENDATION BY THE GAY, LESBIAN, BISEXUAL AND TRANSGENER COMMITTEE TO ADDRESS THE ISSUE OF BENEFITS TAX INEQUALITY FOR CITY EMPLOYEES WITH REGISTERED DOMESTIC PARTNERS VERSUS LEGALLY MARRIED SPOUSES**

BACKGROUND

At its June 12, 2012 meeting, the Miami Beach Gay, Lesbian, Bisexual and Transgender Business Enhancement Committee ("BEC") held a discussion regarding the heavier tax burden for City of Miami Beach employees with registered domestic partners that elect to enroll their domestic partner in the City's medical and dental health plans, over that of their married counterparts. A motion was passed by the BEC recommending the City to reimburse the additional income tax liability to these employees who bare a heavier tax burden for enrolling their registered domestic partner in the City's sponsored health plans. This additional federal income tax liability is not incurred by employees that have the right to marry who participate in a medical plan sponsored by the City. Mayor Matti Herrera Bower referred the matter to the FCWPC on March 13, 2013, for discussion and on November 30, 2012, a similar referral to the FCWPC was made by Commissioner Michael Gongora.

ANALYSIS

Exclusions from taxable compensation for benefit costs provided by an employer are governed by the Internal Revenue Service (IRS) Code. These requirements provide that, to be excluded from paying federal income taxes on insurance benefits, the benefits must be provided to the employee and their qualified tax dependent(s), as defined by IRS. Qualified tax dependents include the employee's legal spouse and/or dependent children. For federal tax purposes, domestic partners, both same or opposite sex, are not included in the IRS definition of a "spouse", therefore tax benefits at the federal level do not exist for domestic partners (except in rare instances where the domestic partner might also qualify as the employee's dependent). Unless the domestic partner is the employee's qualified tax dependent, the premium paid by an employer for domestic partner health care benefits is considered as income to the employee and must be included as taxable income to the employee.

The City offers health benefits to all general employees and their legal dependents through a self funded insurance plan. In addition, the City also contributes to both, the International Association of Fire Fighters (IAFF) Health Trust and the Fraternal Order of Police (FOP) Health Trust plans. The City provides health benefits coverage for an employee's registered domestic partner, either same or opposite sex. In addition, the IAFF Health Trust also provides healthcare coverage to registered domestic partners; however, the FOP Health Trust does not provide for this benefit.

In accordance with IRS code, the employer's share of the premium cost for healthcare coverage provided to a domestic partner is considered income and is therefore, subject to Federal Income tax and Medicare tax withholdings. This cost is considered imputed income and is reported on the employee's annual W-2 earnings statement. In addition, since the domestic partner is not considered a qualified tax dependent under the IRS code, the employee's premium contributions for the coverage provided to a domestic partner is deducted from their payroll check as a post-tax contribution. An employee who enrolls his/her domestic partner for health benefits has two (2) medical deductions, one for the employee's pre-tax premium payment equivalent to the premium cost of "Employee Only" coverage and a second, post-tax deduction for the domestic partner's post-tax premium payment, equivalent to the difference between the "Employee Only" contribution rate and the contribution rate for 'Family" coverage. This post-tax premium payment for the domestic partner's healthcare coverage is in addition to the employee's federal tax liability for the City's premium payment for the domestic partner's coverage.

The City provides a premium subsidy for all medical plans including the Self-Funded Health Plan and the International Association of Fire Fighters (IAFF) Health Trust plan and the Fraternal Order of Police (FOP) Health Trust plan. The attached spreadsheet ("Attachment A") provides a summary of the City's current monthly premium costs and the monthly and annual additional taxable income charged to an employee who has elected domestic partner healthcare coverage for the Self-Funded Health plan and the IAFF Health Trust plan which, both provide for registered domestic partnership healthcare coverage. This same formula is applicable to dental insurance, as also referenced in the table. This taxable income is referred to as imputed income and is equal to the difference between the City's premium contribution for "Employee Only" coverage and the City's premium contribution for "Family" coverage.

ADMINISTRATION DUE DILIGENCE

To provide financial relief for the additional federal income tax liability for the coverage of a domestic partner, the City could increase the employee's pay in an amount equal to the tax liability incurred by the employee for the domestic partner healthcare coverage. Because the employee's tax liability for the benefit is mandated by the IRS, the Administration wanted to be certain that the City and the employee would not incur any legal or financial consequences for providing a refund to the employee for this additional tax liability. To that end, the Administration sought advice from its benefit plan consultant, Gallagher Benefit Services (GBS).

The benefits attorney for GBS has advised the Administration that adjusting an employee's earnings to offset the additional tax liability is lawful because the City would still be in compliance with the IRS code, as the employee would continue to incur the tax liability for the value of the coverage for their domestic partner's healthcare coverage which would continue to be reported on the employee's annual W2. The City's reimbursement of the tax liability would be considered additional income to the employee and this additional income would be subject to federal tax withholdings. The reimbursement offered to the employee by the City is considered a taxable adjustment to the employee's pay – it is not a refund.

Since the employee's tax liability is a fixed bi-weekly cost based on their selected medical and/or dental insurance plan, the tax liability can be calculated on a dollar-to-dollar basis to determine the City's reimbursement.

FINANCIAL IMPACT

As of January 17, 2012, the City has 1,938 active full-time and part-time employees, 68 employees who are registered with the City's Human Resources Department as having a domestic partner. Of the 68 registered employees, eleven (11) active and two (2) retirees have elected to enroll in the City's medical and/or dental coverage and six (6) have elected coverage in the IAFF Health Trust plan.

The attached schedule (Attachment "B") calculates the fiscal impact of implementing a bi-weekly tax reimbursement to each of the aforementioned City employees with domestic partners enrolled in their health benefits plan.

Based on the attached analysis, the City's total annual fiscal impact for refunding the employee's additional tax liability for domestic partner coverage is $53,850.36. By order of magnitude, if enrollment for domestic partner healthcare coverage increased by forty-percent (40%), the City's annual cost for the reimbursement is estimated to be less than $80,000, (based on current medical and dental premium costs).

GOVERNMENT AGENCIES THAT ARE GROSSING UP[1]

Three (3) other known municipalities offer reimbursement of the employee's income tax liability for domestic partner coverage; San Francisco, California; Cambridge, Massachusetts; and the City of Hallandale Beach, Florida. Additionally, the Palm Beach County Property Appraiser's Office enacted a "grossing up" policy, making it the first known county agency in Florida to adopt such a policy. Their adopted policies are as follows:

CAMBRIDGE, MA

Effective July 1, 2011, employees for the City of Cambridge, Massachusetts, who have same-sex spouses, received an additional payment to cover federal taxation of the benefits coverage the city provides those spouses.

The Cambridge action was in response to a January 10, 2011, City Council resolution ordering a study of how the federal tax treatment of spousal benefits affects the benefits that the city provides its employees and their spouses. It also ordered that the city find a way to ameliorate the effect of the differential tax treatment for city employees with same-sex spouses.

On May 23, 2011, Cambridge City Manager, Robert W. Healy issued a letter stating that the city's remedy for the disparity was to provide a quarterly stipend that is equal to twenty percent (20%) of reported taxable income imputed to the employee for health and dental coverage. This program began July 1, 2011, for non-union and management employees; for employees who belong to unions, the city could implement the stipend as part of new contracts when they are negotiated.

CITY OF HALLANDALE BEACH, FLORIDA

At its November 7, 2012, City of Hallandale Beach Commission meeting, a resolution was adopted by the Mayor and City Commission, approving a tax equity reimbursement program for domestic partnerships, authorizing the City Manager to take the necessary action to implement

[1] ***Gross up*** means to increase a net amount to include deductions, such as taxes, that would be incurred by the receiver.

the program. The tax equity solution offers City of Hallandale Beach employees who enroll their domestic partners under the City's health insurance plan with a $500 tax equity reimbursement to mitigate the impact of the additional imputed income tax. A tax equity reimbursement application is required to be filed with its Human Resources Department on May 1st of every year that that the additional tax was deducted.

City of Hallandale Beach was the first city in the State of Florida to implement a tax equity reimbursement program.

PALM BEACH COUNTY PROPERTY APPRAISER GARY R. NIKOLITS, FLORIDA

The Palm Beach County Property Appraiser's Office implemented a policy to offset the additional taxes paid by employees who elect to provide health insurance to their domestic partners. The action was taken upon the request of the Palm Beach County Human Rights Council.

The policy, which went into effect in January 2013, provides employees who elect to insure their domestic partners with a tax equity reimbursement of twenty dollars ($20) on a bi-weekly basis, aimed at mitigating the impact of the additional imputed income tax.

Palm Beach County Property Appraiser Gary R. Nikolits is the first elected constitutional officer in Florida to implement a tax equity program. His office has offered domestic partnership health insurance since 2004.

Currently no state agencies offer grossing up. However, two (2) other Florida government agencies are in the process of implementing grossing up polices including, the City of West Palm Beach and the Palm Beach County Tax Collector's Office.

PRIVATE SECTOR POLICIES

As of December 2012, TD Bank announced that it will begin offsetting the tax burden that its employees pay for domestic partner benefits. Other private employers who have implemented similar programs include: American Express, Apple, Bank of America Corp., Cisco Systems Inc, Corning, Biogen Corp., Facebook, Goldman Sachs, Google, Kimpton Hotels, Microsoft, Morgan Stanley and Yahoo!.

It is important to note, in discussion with each of the entities who have enacted a reimbursement program to their employees providing health care coverage for a domestic partner, none have experienced a significant increase in the number of employees enrolling their domestic partner in health care coverage.

COMPUTING THE GROSS UP AMOUNT

In processing the tax reimbursement for an employee providing medical coverage for their registered domestic partner, the Administration deliberated how it could determine the appropriate reimbursement in order to make the employee financially whole. In other words, Administration calculated the difference in Federal Income taxes paid by an employee who is legally married and purchasing the City's medical and/or dental plan coverage for their spouse; and, an employee purchasing the City's medical and dental plan for their registered domestic partner. In order to determine this liability, multiple scenarios were processed within the payroll database for each employee whose domestic partner was enrolled in the City's medical and/or dental plans as follows:

- **Scenario One (1)** – A sample employee's enrollment was processed as if they were electing medical and dental coverage for their legally married spouse; providing them with "Family Medical" coverage. As the spouse is considered a tax dependent by the IRS, there is no additional tax liability to the employee for the spouse's coverage. In this scenario, the employee's bi-weekly contribution is pre-tax. Therefore, an employee's tax liability is reduced because their pre-tax premiums reduce their taxable wages.

- **Scenario Two (2)** - A sample employee's enrollment was processed as if they were electing medical and dental coverage for their registered domestic partner. Pre-tax contributions were taken for "Employee Only" coverage and post-tax deductions were taken for the difference of "Employee Only" coverage and "Family" coverage for the registered domestic partner. Furthermore, the additional tax liability, or "*Imputed Income*" incurred by the employee for the City's cost for the registered domestic partner's coverage (this cost is equal to the difference between the City's costs for Employee Only" and "Family" coverage) was included in the employee's earnings as imputed income.

The employee's tax liability was determined by subtracting the employee's net pay as described in Scenario Two (2), from their net pay in Scenario One (1). It is important to note that the Administration made no changes in the employee's W2 election, the only difference is the change in enrollment from domestic partner to spouse. Using this method provides the employees with the most accurate determination of the actual extra tax liability. An example of this payroll process can be viewed in Attachment "C".

The sample employee depicted in Attachment "C" would receive a bi-weekly reimbursement of $142.92, which is the total federal income tax liability for electing medical and dental coverage for their registered domestic partner.

<u>Grossing-up the Gross-up</u>

It is important to note, the bi-weekly reimbursement amount, or the *gross-up*, is subject to federal income tax, as well. In an effort to make the employee whole, the gross-up amount should be grossed-up to consider the additional tax liability to the employee. To determine this additional tax liability, each employee whose domestic partner was enrolled in City medical coverage would have their payroll processed under a third scenario.

- **Scenario Three** (3) - A sample employee's enrollment was processed providing coverage for their registered domestic partner; pre-tax contributions were taken for "Employee Only" coverage and post-tax deductions were taken for the difference of "Employee Only" coverage and "Family" coverage for the registered domestic partner. The previously determined additional tax liability was included in the employee's earnings as imputed income as well as the gross-up amount determined by subtracting the employee's federal income tax liability under Scenario One (1) from their federal income tax liability under Scenario Two (2).

The new gross-up of the gross-up amount would be determined by subtracting the employee's federal income tax liability under Scenario Two (2) from their federal tax liability under Scenario Three (3). This additional federal income tax liability of $37.80 would be added to the tax liability from the difference of Scenario One (1) and Two (2) to create the total gross-up amount of

$180.72 to be reimbursed. A copy of this payroll process can be found in Attachment "C".

CONCLUSION

Passing such an ordinance, correcting an inequality imposed by the Federal Government, will enhance our City's message of embracing and welcoming equality, diversity and no tolerance for discrimination. Employers who offer the reimbursement also do so to attract the most talented labor pool for their workforce.

If approved, the Administration recommends that the resulting gross-up of the gross-up amount in the three (3) scenarios referenced above be refunded on a bi-weekly basis to employees who have elected medical coverage for their registered domestic partner. This amount would be determined on an annual basis, beginning with the employee's first payroll check of the medical plan year. Said reimbursement would remain unchanged until a new medical plan year begins. The estimated annual fiscal impact of grossing up is $80,000 based on current enrollment and insurance premium costs.

JLM/ /KGB/CMG/SR/CD

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"Attachment A"

Determination of Imputed Income

Determination of Inputed Income

Exludes FOP Health Trust as they currently do not provide health benefits for domestic partners

Medical Plan

	Employee Only Coverage				Family Coverage		
Medical Plan	Total Monthly Premium	Employee Pays	City Pays		Total Monthly Premium	Employee Pays	City Pays
Standard HMO	$464.56	$134.72	$329.84	**Standard HMO**	$1,151.86	$472.26	$679.60
Premium HMO	$763.48	$381.74	$381.74	**Premium HMO**	$1,892.80	$946.40	$946.40
Standard PPO	$902.42	$261.70	$640.72	**Standard PPO**	$2,214.64	$908.00	$1,306.64
Premium PPO	$1,527.80	$763.90	$763.90	**Premium PPO**	$3,748.92	$1,874.46	$1,874.46
POS	$850.12	$425.06	$425.06	**POS**	$2,109.72	$1,054.86	$1,054.86
IAFF Health Trust*	$522.02	$40.00	$482.02	**IAFF Health Trust***	$1,248.65	$74.50	$1,174.15

Employee's Taxable Monthly Imputed Income

The difference of the City's cost for Family coverage vs Employee Only Coverage

	Family Coveage less Employee Only coveage	Equals Imputed Income	**Monthly Imputed Income Taxed as Earnings**	**Annual Imputed Income Taxed as Earnings**
Standard HMO	$679.60 - $329.84 = $349.76		**$349.76**	**$4,197.12**
Premium HMO	$946.40 - $381.74 = $564.66		**$564.66**	**$6,775.92**
Standard PPO	$1,306.64 - 4640.72 = $665.92		**$665.92**	**$7,991.04**
Premium PPO	$1,874.46 - $763.90 = $1,110.56		**$1,110.56**	**$13,326.72**
POS	$1,054.86 - $425.06 = $629.80		**$629.80**	**$7,557.60**
IAFF Health Trust*	$1,174.15 - $482.02 = $692.13		**$692.13**	**$8,305.56**

Dental Plan

	Employee Only Coverage				Employee + 1 Coverage		
Dental	Total Monthly Premium	Employee Pays	City Pays		Total Monthly Premium	Employee Pays	City Pays
PPO	$20.08	$10.04	$10.04	**PPO**	$38.70	$19.35	$19.35
DHMO	$7.38	$3.69	$3.69	**DHMO**	$12.90	$6.45	$6.45

Employee's Taxable Monthly Imputed Income

The difference of the City's cost for Family coverage vs Employee Only Coverage

	Employee + 1 coverage less Employee Only coveage	Equals Imputed Income	**Monthly Imputed Income Taxed as Earnings**	**Annual Imputed Income Taxed as Earnings**
PPO	$19.35 - $10.04 = $9.31		**$9.31**	**$111.72**
DHMO	$6.45 - $3.69 = $2.76		**$2.76**	**$33.12**

*Includes premium cost for dental. The IAFF Health Trust medical and dental benefits are bundled in one plan.

"Attachment B"

Computing the Gross up Amount Spreadsheet

Computing the Gross up

	Scenario 1 Federal Income and Medicare Tax liability for married employees			Scenario 2 Additional Federal Income and Medicare Tax liability for employees providing medical coverage for a registered domestic partner				Scenario 3 Additional income tax paid paid by the employee for the total amount reimbursed for their additional Federal Income and Medicare Tax				
Employee	**Federal Income Tax Paid**	**Medicare Tax Paid**	**Total Withholding**	**Federal Withholding Tax Paid**	**Medicare Tax Paid**	**Total Withholding**	**Difference Scenario 2 over Scenario 1***	**Federal Withholding Tax Paid**	**Medicare Tax Paid**	**Total Withholding**	**Difference Scenario 3 over Scenario 2****	**Difference Scenario 3 over Scenario 1*****
1	$506.33	$46.91	$553.24	$641.41	$54.75	$696.16	$142.92	$677.14	$56.82	$733.96	$37.80	$180.72
2	$81.06	$19.55	$100.61	$159.16	$27.10	$186.26	$85.65	$172.01	$28.35	$200.36	$14.10	$99.75
3	$229.41	$26.63	$256.04	$359.59	$34.18	$393.77	$137.73	$394.02	$36.18	$430.20	$36.43	$174.16
4	$274.37	$33.24	$307.61	$405.23	$40.83	$446.06	$138.45	$439.85	$42.84	$482.69	$36.63	$175.08
5	$1,317.99	$63.84	$1,381.83	$1,469.29	$71.67	$1,540.96	$159.13	$1,513.85	$73.98	$1,587.83	$46.87	$206.00
6	$200.17	$24.75	$224.92	$303.35	$32.30	$335.65	$110.73	$364.78	$34.29	$399.07	$63.42	$174.15
7	$934.05	$69.48	$1,003.53	$941.87	$69.89	$1,011.76	$8.23	$944.18	$70.00	$1,014.18	$2.42	$10.65
8	$131.75	$19.89	$151.64	$132.99	$20.01	$153.00	$1.36	$133.20	$20.03	$153.23	$0.23	$1.59
9	$169.97	$24.34	$194.31	$174.16	$24.75	$198.91	$4.60	$174.84	$24.81	$199.65	$0.74	$5.34
10	$896.79	$78.78	$975.57	$905.47	$79.22	$984.69	$9.12	$908.03	$79.36	$987.39	$2.70	$11.82
11	$33.91	$31.89	$65.80	$55.54	$34.00	$89.54	$23.74	$59.10	$34.35	$93.45	$3.91	$27.65
12	$776.11	$63.67	$839.78	$816.89	$65.78	$882.67	$42.89	$828.90	$66.41	$895.31	$12.64	$55.53
13	$753.14	$59.66	$812.80	$869.20	$65.67	$934.87	$122.07	$903.38	$67.44	$970.82	$35.95	$158.02
14	$751.66	$64.84	$816.50	$792.44	$66.95	$859.39	$42.89	$804.44	$67.58	$872.02	$12.63	$55.52
15	$1,096.98	$85.89	$1,182.87	$1,319.76	$97.42	$1,417.18	$234.31	$1,385.37	$100.82	$1,486.19	$69.01	$303.32
16	$227.03	$26.56	$253.59	$357.20	$34.11	$391.31	$137.72	$391.63	$36.10	$427.73	$36.42	$174.14
17	$236.05	$27.47	$263.52	$368.98	$35.15	$404.13	$140.61	$404.14	$37.22	$441.36	$37.23	$177.84
18	$212.19	$51.03	$263.22	$315.32	$57.04	$372.36	$109.14	$343.23	$58.63	$401.86	$29.50	$138.64
19	$434.45	$0.00	$434.45	$616.60	$0.00	$616.60	$182.15	$662.14	$0.00	$662.14	$45.54	$227.69
						Bi-Weekly Total	$1,833.44				$524.17	$2,357.61
						Annual Total	**$44,002.51**				**$12,580.13**	**$53,850.36**

*This difference represents the additional Federal Income and Medicare Taxes paid bi-weekly by the employee providing coverage for their registered domestic partner versus the Federal Income and Medicare Taxes paid by employees providing medical coverage for the legal spouse. The Administration recommendes the reimbursement of this additional cost to the employee.

**This difference represents the additional income tax paid paid by the employee for the total amount reimbursed for the Federal Income and Medicare Tax. The Administration recommendes the reimbursement of this additional cost to the employee.

***This difference represents the total additional Federal Income and Medicare Tax paid by the employee providing coverage for their registered domestic partner. This reimbursement includes the total amount of additional Federal Income and Medicare Taxes paid paid by the employee for the domestic partner coverage, plus the amount of additional Federal Income and Medicare Taxes paid by the employee for the amount reimbursed. This is the total bi-weekly amount the Administration recommends to be reimbursed to employee's providing health care coverage for their registered domestic partner; an annual cost to the City of $51,118.08

"Attachment C"

Sample Employee's Payroll Processing Worksheets

Sample Employee
Scenario 1

Payroll Processing Report
CITY OF MIAMI BEACH
1/14/2013 to 1/27/2013-1 Cycle bw

Status: Active Employees

EARNINGS SECTION					DEDUCTIONS SECTION				LEAVE SECTION				
Type	Hours/units	Rate	Amount	Src	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued	Taken	Banked	Lost
Emp # [redacted]						Salary: 3,490.84							
Pos # [redacted]						Hourly: 43.6355							
hol	8.00		349.08	D	fwt	2,886.27	506.33	0.00	s_gen	3.69			
ltd	80.00		0.00	P	medcr	3,235.36	46.91	46.91	v_gen	5.23			
reg	72.00		3,141.76	D	dppo2		19.35	19.35					
serv	80.00		0.00	P	lohmoc		236.13	339.80					
					mberp	3,490.84	279.27	0.00					
					mberp2	3,490.84	69.82	0.00					
					natwid	3,490.84	0.00	0.00					
					basicl		3.41	3.56					
					deplf4		2.00	0.00					
					fmlfee		0.00	1.49					
Appoint Totals:	80.00		3,490.84				1,163.22	411.11					

Gross:	3,490.84
Net:	2,327.62

Home Dept: [redacted] Employees: 1

Type	Hours/units	Rate	Amount	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued
hol	8.00		349.08	basicl		3.41	3.56	s_gen	3.69
ltd	80.00		0.00	deplf4		2.00		v_gen	5.23
reg	72.00		3,141.76	dppo2		19.35	19.35		
serv	80.00		0.00	fmlfee			1.49		
				fwt	2,886.27	506.33			
				lohmoc		236.13	339.80		
				mberp	3,490.84	279.27			
				mberp2	3,490.84	69.82			
				medcr	3,235.36	46.91	46.91		
				natwid	3,490.84				
Totals	80.00		3,490.84			1,163.22	411.11		

Gross:	3,490.84
Net:	2,327.62

<< No Errors / No Warnings >>

Sample Employee
Scenario 2

Payroll Processing Report
CITY OF MIAMI BEACH
1/14/2013 to 1/27/2013-1 Cycle bw

Status: Active Employees

EARNINGS SECTION					DEDUCTIONS SECTION				LEAVE SECTION				
Type	Hours/units	Rate	Amount	Src	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued	Taken	Banked	Lost
Emp # [redacted]						Salary: 3,490.84							
Pos # [redacted]						Hourly: 43.6355							
domd	0.00		18.62	P	fwt	3,426.62	641.41	0.00	s_gen	3.69			
domm	0.00		343.65	P	medcr	3,775.71	54.75	54.75	v_gen	5.23			
hol	8.00		349.08	D	dppo1		10.04	10.04					
ltd	80.00		0.00	P	lohmoc		67.36	164.92					
reg	72.00		3,141.76	D	mberp	3,490.84	279.27	0.00					
serv	80.00		0.00	P	mberp2	3,490.84	69.82	0.00					
					natwid	3,490.84	0.00	0.00					
					basicl		3.41	3.56					
					deplf4		2.00	0.00					
					dpdppo		9.31	9.31					
					dplhmo		168.77	174.88					
					fmlfee		0.00	1.49					
Appoint Totals:	80.00		3,490.84				1,306.14	418.95		Gross: 3,490.84			
										Net: 2,184.70			

Home Dept: [redacted]

Employees: 1

Type	Hours/units	Rate	Amount	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued
domd	0.00		18.62	basicl		3.41	3.56	s_gen	3.69
domm	0.00		343.65	deplf4		2.00		v_gen	5.23
hol	8.00		349.08	dpdppo		9.31	9.31		
ltd	80.00		0.00	dplhmo		168.77	174.88		
reg	72.00		3,141.76	dppo1		10.04	10.04		
serv	80.00		0.00	fmlfee			1.49		
				fwt	3,426.62	641.41			
				lohmoc		67.36	164.92		
				mberp	3,490.84	279.27			
				mberp2	3,490.84	69.82			
				medcr	3,775.71	54.75	54.75		
				natwid	3,490.84				
Totals	80.00		3,490.84			1,306.14	418.95		Gross: 3,490.84
									Net: 2,184.70

<< No Errors / No Warnings >>

Sample Employee
Scenario 3

Payroll Processing Report
CITY OF MIAMI BEACH
1/14/2013 to 1/27/2013-1 Cycle bw

Status: Active Employees

EARNINGS SECTION					DEDUCTIONS SECTION				LEAVE SECTION				
Type	Hours/units	Rate	Amount	Src	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued	Taken	Banked	Lost
Emp # [redacted]						Salary: 3,490.84							
Pos # [redacted]						Hourly: 43.6355							
domd	0.00		18.62	P	fwt	3,569.54	677.14	0.00	s_gen	3.69			
domm	0.00		343.65	P	medcr	3,918.63	56.82	56.82	v_gen	5.23			
hol	8.00		349.08	D	dppo1		10.04	10.04					
ltd	80.00		0.00	P	lohmoc		67.36	164.92					
reg	72.00		3,141.76	D	mberp	3,490.84	279.27	0.00					
sala	0.00		142.92	P	mberp2	3,490.84	69.82	0.00					
serv	80.00		0.00	P	natwid	3,633.76	0.00	0.00					
					basicl		3.41	3.56					
					deplf4		2.00	0.00					
					dpdppo		9.31	9.31					
					dplhmo		168.77	174.88					
					fmlfee		0.00	1.49					
Appoint Totals:	80.00		3,633.76				1,343.94	421.02		**Gross:** 3,633.76 **Net:** 2,289.82			
Home Dept: [redacted]					**Employees:** 1								
domd	0.00		18.62		basicl		3.41	3.56	s_gen	3.69			
domm	0.00		343.65		deplf4		2.00		v_gen	5.23			
hol	8.00		349.08		dpdppo		9.31	9.31					
ltd	80.00		0.00		dplhmo		168.77	174.88					
reg	72.00		3,141.76		dppo1		10.04	10.04					
sala	0.00		142.92		fmlfee			1.49					
serv	80.00		0.00		fwt	3,569.54	677.14						
					lohmoc		67.36	164.92					
					mberp	3,490.84	279.27						
					mberp2	3,490.84	69.82						
					medcr	3,918.63	56.82	56.82					
					natwid	3,633.76							
Totals	80.00		3,633.76				1,343.94	421.02		**Gross:** 3,633.76 **Net:** 2,289.82			

<< No Errors / No Warnings >>

ITEM TWO

MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: April 25, 2013

SUBJECT: **DISCUSSION ON WATER CONSERVATION METHODS AND IMPLEMENTATION**

BACKGROUND

At the June 6, 2012 Commission Meeting, the discussion on water conversation methods and implementation was referred to the Finance and Citywide Projects Committee (FCWPC).

The Administration retained CDM Smith (formerly known as Camp Dresser & McKee Inc) to conduct a Water and Wastewater rate structure review in July 2010. The purpose of the study was to explore rate structure options beyond the current rate structure that would address two (2) goals:

1. Enhance water conservation
2. Assess the appropriateness of restructuring

Conservation water rates are an increasingly popular tool to influence water consumption behavior. The benefits of implementing conservation water rates include reducing water demand, saving capital infrastructure costs, and reducing energy costs and environmental impacts.

- Reduce peak daily and seasonal demands
- Reduce overall water consumption with resultant reduction in charges from Miami Dade County Water and Sewer Department (WASD)
- Conserve water during drought periods
- Allocate costs in a more equitable manner

The City was also being proactive as it was anticipated that an inclining block rate was going to be required by the Consumptive Use Permit issued to WASD by the South Florida Water Management District. However, the City is not required to adopt a conservation rate structure to be in compliance with the permit and it is not expected to be a requirement pending.

Based on the existing customer base and growth projections furnished by the City, the consultant projected customer growth by meter size (the existing customer billing classification), and number of dwelling units which may be the recommended customer billing classification.

Because revenues are affected when usage decreases, a utility must analyze its consumption patterns very closely to ensure that revenues will continue to be sufficient to cover expenses. Annual revenue requirements were projected separately for the water system and the wastewater system, and on a combined basis.

CDM Smith evaluated various rate alternatives based upon the customer base and growth projections.

1. Alternative #1 - Elimination of the scaling capacity charges by meter size for single family residential customers.
2. Alternative #2 - First two blocks would be collapsed into a single block.
3. Alternative #3 - Employ existing water rate structure for Miami Dade Water and Sewer Department.

The current water rate structure does not promote water conservation, since a flat rate per 1,000 gallons of water used is charged regardless of the usage level. Moreover, the current water rate structure reflects what may be termed an "anti-conservation feature," in that a volume allowance is included in the minimum monthly charge irrespective of the actual usage.

The proposed alternative water rate structures will encourage water conservation at higher usage levels by increasing the cost of consumption through an inclining block structure. High volume residential and commercial users, such as hotels, will see their monthly water bill significantly increase. Low volume users, who are typically financially more vulnerable, would see their monthly water bill reduced. All customers would also be encouraged to conserve water since they no longer would have a "free allowance".

CDM Smith is proposing to maintain the existing wastewater rate structure, which is a uniform volume charge. The uniform wastewater volume structure complements the proposed restructured water rates, as it is already a conserving rate as far as its impact on customers.

CONCLUSION

The above information and attachments are provided to facilitate the discussion by members of the committee.

MT/JF/RWS

F:WORK\ALL\(1)EMPLOYEE FOLDERS/FIORELLA SARMIENTO\Finance\Water conservation and implementation

ITEM THREE

MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: April 25, 2013

SUBJECT: Discussion Regarding the Budget Advisory Committee's Proposed Policies and Guidelines for the City's Pension Plans

The Government Finance Officers Association (GFOA) recommends that state and local governments have a policy statement that will guide their on-going plan design decisions. This policy should encourage governments to provide sustainable and properly funded retirement plans, which will attract employees in a competitive labor market, facilitate effective management of the workforce and fulfill retirement needs.

In early 2011, the Mayor approached the City's Budget Advisory Committee (BAC) regarding undertaking a study of pension reform for each of the pension plans in an effort to identify options available to ensure the long-term sustainability of the Plans, particularly the Police and Fire Pension system which represents the fastest growing costs to the City budget within recent years. As part of this effort the BAC developed a set of guidelines and policies for the future.

BACKGROUND

The City currently has two (2) pension plans, which include the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach and the Miami Beach Employees' Retirement Plan (MBERP). During the previous collective bargaining process for the City's five (5) collective bargaining units, issues were raised concerning the long-term fiscal health of the City's two (2) pension plans in terms of the growing unfunded liability, the funding ratio percentages of each plan and the growing costs of the plans as they relate to percentage of payroll. As a result, the City and the Unions negotiated several changes that were implemented for each of the pension plans for both, current and future employees in November 2011. In particular, the General Employees' pension plan (MBERP) was amended to include significant pension reform initiatives that will significantly reduce the City's pension contributions in the short-term, mid-term and long-term. Although the changes made to both plans will yield both short-term and long-term savings, these changes fail to fully address the increasing costs derived from the benefits that are currently provided to the pension plan members, particularly in the Fire and Police Pension Plan, which represents the fastest growing costs to the City's budget in recent years.

Over the past year, the BAC held twenty meetings to accomplish their objective by developing an approach that included the following components:

- Develop an understanding of the City's current pension plans benefits and costs for the Fire and Police Pension Plan and the Miami Beach Employees' Retirement Plan (for General employees) from the perspective of legal counsel, the City's actuary, the City Manager and the pension plan administrator for each of the City's pension plans (the Fire and Police Pension Plan and the Miami Beach Employees' Retirement Plan - MBERP).
- Solicit input from the City's collective bargaining groups and employees.
- Survey comparative jurisdictions in the region regarding pension plan costs and benefits.
- Develop draft policies and guidelines to guide management of the City's pension plans into the future, (a copy of which is attached for your review).
- Identify and review options of potential changes to the Fire and Police Pension Plan based on 6 major categories, namely:
    - Florida Retirement System (FRS)
    - Defined Benefit similar to FRS, including a Social Security equivalent
    - Hybrid Plans with both, a defined benefit and a defined contribution component
    - Changes to the existing plan with a combination of past service benefits and benefits earned prospectively
    - Freezing the existing plan and defining new benefits based on Florida Statute Chapter 175 and 185 minimum benefits to continue receiving premium taxes
    - Changes to the existing plan to reflect the savings associated with plan changes included in the 2010 collective bargaining agreements with the International Federation of Fire Fighters (IAFF) and the Fraternal Order of Police (FOP) that have not yet been implemented by the Fire and Police Pension Board
- Evaluate the cost impacts of potential options
- Develop Recommendations

On April 17, 2012, by a majority vote of 7-2, the BAC approved a motion for the Committees' final recommendation on pension reform for the Fire and Police Pension Plan which are currently being discussed through the bargaining process. In addition, the BAC recommended a set of policies and guidelines. The GFOA best practices for developing policies for retirement plans state the following:

- Purpose of the retirement plan (e.g., level of replacement income and purchasing power retention);
- Ability of public retirees to contribute to the economic viability of their community and not become a financial liability to the community in which they live due to inadequate retirement income;
- Organization's philosophy regarding employer and employee responsibilities in preparing for retirement;
- Availability of Social Security, retiree medical benefits, disability and survivor benefits and supplemental (e.g. 457) savings plans;
- Costs, including the employer's ability to sustain payments and perhaps increase benefits over time and cost predictability;
- Labor market considerations such as competitive environment, workforce mobility, length of employee service and recruitment and retention of employees;

- Investment risk and control, including how investment risk is allocated between employer and employee;
- Portability of benefits;
- A plan design that can be communicated to and understood by plan participants;
- Employee educational efforts; and
- Advantages of the different types of plans (e.g., defined benefit, defined contribution and hybrid).

CITY OF MIAMI BEACH RECOMMENDED POLICIES AND GUIDELINES

As part of the evaluation for Pension Reform in the City of Miami Beach, the Budget Advisory Committee (BAC) is recommending policies for long term pension reform. The BAC is also recommending guidelines for the City to adopt which establish thresholds which if surpassed will require the City to take prompt and appropriate measures to meet the guideline criteria.

The policies and guidelines address four perspectives: (1) Affordability and Sustainability, (2) Appropriate Benefits to Provide to Employees, (3) Recruitment and Retention, and (4) Management of Risk/Risk Sharing.

These policies and guidelines were adopted unanimously by the BAC.

Affordability and Sustainability

- GUIDELINE STATEMENT: If the City's portion of the total annual cost of retirement benefits contribution exceeds 25 percent of payroll for general employees and 60 percent of payroll for high risk employees, the City should review and evaluate potential changes to the collective bargaining agreements between the City and the Unions, applicable towards the next contract negotiations, in order to identify potential approaches to reduce the contributions to these levels over the long term.

- POLICY STATEMENT: The City shall fund at least the normal cost of pension. If this exceeds the amount of the actuarially determined annual required contribution, the excess should be placed in a pension stabilization fund, to be made available for future pension shortfalls.

- POLICY STATEMENT: The City should strive to maintain a funded ratio of at least 80 percent for each of its defined benefit pension plans.

- GUIDELINE STATEMENT: If the funded ratio (actuarial value of assets minus actuarial liabilities) of either of the City of Miami Beach's pension plans falls below 70 percent, the City should strive to implement approaches to increase the funded ratio to that level over five (5) years.

- POLICY STATEMENT: Salary growth should not exceed the average actuarially assumed salary growth in each of the City's pension plans.

- POLICY STATEMENT: The City should require 5, 10 and 20 year projections of required pension contributions as part of the annual actuarial valuations for each of the City's pension plans. These projections shall be based on the current actuarial assumptions for each plan. The projections shall be updated to reflect the cost of any proposed benefit enhancement before the City Commission agrees to the enhancement. The cost of these studies shall be funded separately from the annual contribution to the pension plan.

- POLICY STATEMENT: There shall be an experience study of each of the City's pension plan's actuarial assumptions performed by an actuary that is independent from the pension board. The experience study should be conducted at least once every three (3) years, to compare actual experience to the assumptions. The independent actuary shall make recommendations for any changes in assumptions based on the results of the experience study, and any deviations from those assumptions by the pension board shall be justified to the City Commission.

- POLICY STATEMENT: Once pension reform is implemented, a 5/7th vote of the City Commission should be required for any further pension changes.

Appropriate Benefits to Provide to Employees

- POLICY STATEMENT: The City of Miami Beach should strive to provide a retirement benefit that provides for a replacement of salary at a level at least equivalent to Social Security plus a supplemental retirement benefit.

- POLICY STATEMENT: The City of Miami Beach retirement benefits should be adjusted periodically after retirement to reflect the impacts of inflation, with rates no more than the Consumer Price Index for All Workers - CPI(W), that is subject to City Commission approval and with a maximum of 3 percent annually.

Recruitment and Retention

- POLICY STATEMENT: The City of Miami Beach should strive to provide retirement benefits that ensure that the City is competitive in the recruitment and retention of employees.

Management of Risk/Risk Sharing

- POLICY STATEMENT: The City of Miami Beach should strive to share some portion of retirement benefit risk with employees.

- GUIDELINE STATEMENT: If the City's contribution to a defined pension benefit plan exceeds 25 percent of payroll for general employees and 60 percent of payroll for high risk employees, the employee contribution should be reviewed.

The Supporting Rational and Data for the Proposed Guidelines and Policy Statements are provided in "Attachment 1". In addition, "Attachment 2" provides the updated status of the City's two pension plans as of October 1, 2012.The BAC's Proposed Guidelines and Policy Statements were previously considered by the Finance and Citywide Projects Committee on February 20, 2013, at which time the Committee recommended that Commissioner Weithorn review the Proposed Guidelines and Policy Statements with the BAC and bring back to the Finance and Citywide Projects Committee for further discussion. Commissioner Weithorn reviewed the Proposed Guidelines and Policy Statements with the BAC at the April 9, 2013, BAC meeting.

JLM/KGB/CMG

Attachments

Attachment 1

Supporting Rationale and Data for Proposed Guidelines and Policy Statements

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

AFFORDABILITY AND SUSTAINABILITY

GUIDELINE STATEMENT:

- If the City's portion of the total annual cost of retirement benefits contribution exceeds 25 percent of payroll for general employees and 60 percent of payroll for high risk employees, the City should review and evaluate potential changes to the collective bargaining agreements between the City and the Unions, applicable towards the next contract negotiations, in order to identify potential approaches to reduce the contributions to these levels over the long term.

POLICY STATEMENT:

- The City shall fund at least the normal cost of pension. If this exceeds the amount of the actuarially determined annual required contribution, the excess should be placed in a pension stabilization fund, to be made available for future pension shortfalls.

Background/Rationale:

Pension plans require annual contributions from plan sponsors (i.e., municipal governments) and participants in order to maintain their funding levels. Ideally, those contributions are only necessary to pay for future benefits that were earned by participants in the current year. That amount is referred to as the normal contribution. Normal contributions increase as plans provide more generous benefits, make benefits available to more individuals and reduce the number of years someone needs to work or lower the age when the plan will begin to pay benefits.

Underfunded pension plans require an additional contribution in order to eventually eliminate their unfunded liabilities. When pension plans are underfunded, annual contributions need to include the normal contribution and an additional contribution to pay down the unfunded portion of the liability. Therefore, if two pension plans have equal benefit policies and equal employee characteristics but one is 75 percent funded and the other is 100 percent funded, the plan that is 75 percent funded will require a larger annual contribution in order to pay down its unfunded liability. Plan sponsors do not have to make up the entire unfunded portion of the liability in a single year. In most cases, that amount would be too costly for governments to pay in full. Instead, a professional actuary establishes a payment schedule that allows the sponsor to pay off the unfunded portion of the liability over as many as 30 years. In short, plans with large unfunded liabilities will pay more in annual pension costs.

The combination of the normal cost funding requirement and the payment for amortization of the unfunded liability results in a combined annual required contribution (ARC) that the City is required to pay to each pension plan for the next fiscal year. Typically, this is expressed as a percent of the payroll applicable to the particular pension plan to allow comparability from year to year, as well as, to other pension plans.

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

Current Conditions:

The City of Miami Beach pension contributions as a percent of payroll as of the 10/1/10 valuation reports:

Fire and Police Pension Plan: 72.76%%
Miami Beach Employees Retirement Plan: 25.02%

Fire and Police Pension Plan Normal Cost: 32.59%%
Miami Beach Employees Retirement Plan Normal Cost: 10.80%

At this time, the negotiated changes to the Fire and Police Pension Plan are under litigation. However, the projections provided by the Fire and Police Pension Plan actuary regarding the impact of changes collectively bargained for new employees were minimal. In addition, assuming all actuarial projections were met from FY 2010/11 forward, the ARC as a percent of payroll is projected to increase to 81.05% by Fiscal Year 2017 contribution.

The Miami Beach Employees Retirement Plan (MBERP) Actuary projected that the 2010 changes to the plan for new employees would decrease the unfunded liability payment by approximately $6 million - 5.78% of payroll after 10 years. Even with this decrease, and assuming all actuarial projections were met from FY 2010/11 forward, the ARC as a percent of payroll is projected to increase to 37.12% by Fiscal Year 2017, declining each year thereafter.

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Total annual employer cost of retirement benefits contribution as a percent of payroll

Jurisdiction	High Risk Employees	General Employees
Boca Raton	52.72%	19.81%
Coral Gables	49.1%	
Coral Springs	Police: 87.98% Fire 28.02%	
Fort Lauderdale	49%	32.75% Plan closed for new hires 10/1/2007-3/5/2008 Now defined contribution
Hialeah	32.59%	
Hollywood	Police: 84.41% Fire 127.03% (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	36.14% (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)

6. RECOMMENDED POLICIES AND GUIDELINES

The Government Finance Officers Association (GFOA) recommends that state and local governments have a policy statement that will guide their on-going plan design decisions. This policy should encourage governments to provide sustainable and properly funded retirement plans, which will attract employees in a competitive labor market, facilitate effective management of the workforce and fulfill retirement needs.

In developing a policy for retirement plan design, a state or local government should consider the following:

- Purpose of the retirement plan (e.g., level of replacement income and purchasing power retention);
- Ability of public retirees to contribute to the economic viability of their community and not become a financial liability to the community in which they live due to inadequate retirement income;
- Organization's philosophy regarding employer and employee responsibilities in preparing for retirement;
- Availability of Social Security, retiree medical benefits, disability and survivor benefits and supplemental (e.g. 457) savings plans;
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- Portability of benefits;
- A plan design that can be communicated to and understood by plan participants;
- Employee educational efforts; and
- Advantages of the different types of plans (e.g., defined benefit, defined contribution and hybrid).

Source: GFOA Best Practices and Advisories, Developing a Policy for Retirement Plan Design Options (1999, 2007) (CORBA)
Source: Florida Pensions, Volume 1, Issue 1, April 2012.

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- POLICY STATEMENT: There shall be an experience study of each of the City's pension plan's actuarial assumptions performed by an actuary that is independent from the pension board. The experience study should be conducted at least once every three (3) years, to compare actual experience to the assumptions. The independent actuary shall make recommendations for any changes in assumptions based on the results of the experience study, and any deviations from those assumptions by the pension board shall be justified to the City Commission.

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Supporting Rationale and Data for Proposed Guidelines and Policy Statements

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

AFFORDABILITY AND SUSTAINABILITY

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Underfunded pension plans require an additional contribution in order to eventually eliminate their unfunded liabilities. When pension plans are underfunded, annual contributions need to include the normal contribution and an additional contribution to pay down the unfunded portion of the liability. Therefore, if two pension plans have equal benefit policies and equal employee characteristics but one is 75 percent funded and the other is 100 percent funded, the plan that is 75 percent funded will require a larger annual contribution in order to pay down its unfunded liability. Plan sponsors do not have to make up the entire unfunded portion of the liability in a single year. In most cases, that amount would be too costly for governments to pay in full. Instead, a professional actuary establishes a payment schedule that allows the sponsor to pay off the unfunded portion of the liability over as many as 30 years. In short, plans with large unfunded liabilities will pay more in annual pension costs.

The combination of the normal cost funding requirement and the payment for amortization of the unfunded liability results in a combined annual required contribution (ARC) that the City is required to pay to each pension plan for the next fiscal year. Typically, this is expressed as a percent of the payroll applicable to the particular pension plan to allow comparability from year to year, as well as, to other pension plans.

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

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Miami Beach Employees Retirement Plan Normal Cost: 10.80%

At this time, the negotiated changes to the Fire and Police Pension Plan are under litigation. However, the projections provided by the Fire and Police Pension Plan actuary regarding the impact of changes collectively bargained for new employees were minimal. In addition, assuming all actuarial projections were met from FY 2010/11 forward, the ARC as a percent of payroll is projected to increase to 81.05% by Fiscal Year 2017 contribution.

The Miami Beach Employees Retirement Plan (MBERP) Actuary projected that the 2010 changes to the plan for new employees would decrease the unfunded liability payment by approximately $6 million - 5.78% of payroll after 10 years. Even with this decrease, and assuming all actuarial projections were met from FY 2010/11 forward, the ARC as a percent of payroll is projected to increase to 37.12% by Fiscal Year 2017, declining each year thereafter.

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Total annual employer cost of retirement benefits contribution as a percent of payroll

Jurisdiction	High Risk Employees	General Employees
Boca Raton	52.72%	19.81%
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Fort Lauderdale	49%	32.75% Plan closed for new hires 10/1/2007-3/5/2008 Now defined contribution
Hialeah	32.59%	
Hollywood	Police: 84.41% Fire 127.03% (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	36.14% (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)

North Miami	30.21%	32.14%
North Miami Beach	55.3%	25%
Pompano	38.59%	21.39%
Tamarac	55.45%	28.8%
FRS (Includes Coconut Creek, Cooper City, Miami Gardens, Miami-Dade County, Miami Lakes, Pinecrest and Wilton Manors)	14.1% 7/1/11 19.56% 7/1/12	4.91% 7/1/11 6.58% 7/1/12

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

POLICY STATEMENT:

- The City should strive to maintain a funded ratio of at least 80 percent for each of its defined benefit pension plans.

GUIDELINE STATEMENT(S):

- If the funded ratio (actuarial value of assets minus actuarial liabilities) of either of the City of Miami Beach's pension plans falls below 70 percent, the City should strive to implement approaches to increase the funded ratio to that level over five (5) years.

Background/Rationale:

Each year, the City receives independent actuarial reports for each of the City's two pension plans. The actuarial valuation of the pension plan is a mathematical determination of the financial condition of the plan, which includes: the computation of the present monetary value of benefits payable to present members, the present monetary value of future employer and employee contributions, considering the expected mortality rates among employees and retirees, rates of disability, retirement age, withdrawal from service, salary increases, investment earnings and value of assets.

As part of the annual actuarial valuation for each plan based on plan data as of October 1, the Actuary evaluates how the actual data for the preceding year compared to the actuarial valuation for that year. Any differences are reflected as gains or losses in unfunded liability. The unfunded liability for a plan is the difference between the benefits earned (accrued) and the assets of the plan on a given date, and is typically amortized and funded over 30 years. The amortization methodology varies by plan. In the Fire and Police Pension Plan, the amortization is based on increased payments in proportion to assumed future payroll growth. In the MBERP, an assumption of level amortization payments is used.

The unfunded liability of the plan is the actuarial accrued liability less the plan actuarial assets. This amount is expected to have year-by-year fluctuations; however, if the plan's assumptions are consistent with the plans long-term experience, the changes in the unfunded liability should be offsetting over the life of the plan. In contrast to the market value of the pension plan assets, the actuarial value of the pension plan assets is equal to the market value of the assets at a specific data, adjusted to reflect a five-year phase-in (or smoothing) of any asset experience gain or loss. The five-year smoothing of pension plan asset value means that only 20 percent of the experience gain or loss that the fund experiences in any one year is recognized immediately for the purpose of determining the actuarial value of the plan and the annual required contribution.

The percent of the actuarial accrued liability funded is a measure of a pension fund's fiscal health. It compares assets to pension obligations. A percentage over 100% means that the fund has more money than it needs to meet its obligations at that point in time.

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

Current Conditions:

City of Miami Beach funding levels as of the 10/1/10 valuation reports:

Fire and Police Pension Plan: 64.3%
Miami Beach Employees Retirement Plan: 74.4%

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Funded Ratio

Jurisdiction	High Risk Employees	General Employees
Boca Raton	70.26%	91.38%
Coral Gables	57.5%	
Coral Springs	Police 77.77% Fire: 79.65%	
Fort Lauderdale	77.4%	70.7% Plan closed for new hires 10/1/2007-3/5/2008 Now defined contribution
Hialeah	75.03%	75.03%
Hollywood	Police 53.5% Fire 37.6% (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	63.78% (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)
North Miami	68.6%	75.6%
North Miami Beach	61.6%	70.3%
Pompano	69.8%	74.2%
Tamarac	63.3%	77.96%
FRS (Includes Coconut Creek, Cooper City, Miami Gardens, Miami-Dade County, Miami Lakes, Pinecrest and Wilton Manors)	87.1% (7/1/11)	

Other Information:

The United States Postal Service Office of the Inspector General (June 18, 2010) concluded that 80 percent prefunding of pensions is reasonable based on the following:

- The Standard and Poor's companies' (S&P 500) median prefunding level for pensions in 2009 was 79 percent of liabilities. From 2001 through 2009, S&P 500's pension median prefunding ranged from 73 to 112 percent.

- The aggregate prefunding for states' pensions in 2008 was also 79 percent. From 2001 through 2009, state governments' aggregate pension prefunding ranged from 59 to 90 percent.

The Government Accountability Office (GAO) reported that many experts consider at least 80 percent prefunding to be sound for government pensions. (Source: The GAO's State and Local Government Retiree Benefits Current Funded (5); The GAO's State and Local Government Retiree Benefits Current Funded Status of Pension and Health Benefits, January 2008.)

The Pension Protection Act of 2006 considers pensions prefunded at less than 70 percent as being "at risk" and attempts to protect such plans by commencing restrictions on corporate pension funds only when prefunding is below 80 percent.

The 2011 report prepared by the Leroy Collins Institute at Florida State University for pension systems across Florida assigned the following grades to pension plans based on percent funded.

GRADE	PERCENT FUNDED
A	More than 90% funded
B	80 to 90% funded
C	70 to 80% funded
D	60 to 70% funded
F	Less than 60% funded

The following cities scored an "F" grade, according to the institute's study: Boynton Beach, Cooper City, Fort Myers, Hollywood, Homestead, Jacksonville, Miramar, Oakland Park, Ocala, Oviedo, Palm Beach Gardens, Panama City, Parkland, Plant City, Port Orange, Tamarac, Temple Terrace, Venice and Winter Haven. The highest rated was Melbourne's general employee plan with 190.1 percent funding, while Cooper City's general employee and police pension fund sat at the bottom with 35.48 percent funding. Pension funds that exceeded the 100% funded mark -- Tallahassee's general, Clearwater's firefighters, Gainesville's general, Key West's general, Palm Coast's firefighters, Plantation's firefighters and Rockledge's general and police funds -- have more than enough money in the bank to cover projected payouts to former and current employees.

The federal government has funded its combined **Civil Service Retirement System** (CSRS) and **Federal Employee Retirement System** (FERS) pension obligations at only 41 percent of liabilities and the military's prefunding for pensions is only 24 percent (Source: US Postal Service Office of The Inspector General Report of Pension Funding, 2010).

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

POLICY STATEMENT(S):

- Salary growth should not exceed the average actuarially assumed salary growth in each pension plan.

Background/Rationale:

Each year, the City receives independent actuarial reports for each of the City's two pension plans. The actuarial valuation of the pension plan is a mathematical determination of the financial condition of the plan, which includes: the computation of the present monetary value of benefits payable to present members, the present monetary value of future employer and employee contributions, considering the expected mortality rates among employees and retirees, rates of disability, retirement age, withdrawal from service, salary increases, investment earnings and value of assets.

Each year, experience "gains" in the prior year reduces the actuarial accrued liability. Experience "losses" for the prior year, conversely, increases the actuarial accrued liability. To the extent that salary growth is more than the actuarial assumption for the plan, this would result in an experience "loss" and add to the unfunded liability of the plan.

Salary growth can result from merit increases, automatic step adjustments to salaries annually, cost of living adjustments impacting all employees or subsets or employees (COLA's), adjustments to salary ranges based on compensation studies, etc.

Current Conditions:

Projected salary rate increases vary by age.

For the Fire and Police Pension Plan, the average long-term assumption across all ages is 6 percent per year.

For the Miami Beach Employees Retirement Plan, the assumed increases are as follows:

Years of Service	Merit and Seniority	Base (Economic)	Total Increase
1	4.0%	4.0%	8.0%
2	3.9%	4.0%	7.9%
3	3.8%	4.0%	7.8%
4	3.7%	4.0%	7.7%
5	3.6%	4.0%	7.6%
6	3.5%	4.0%	7.5%
7	3.0%	4.0%	7.0%
8	2.9%	4.0%	6.9%
9	2.8%	4.0%	6.8%
10	2.7%	4.0%	6.7%
11	2.6%	4.0%	6.6%
12	2.5%	4.0%	6.5%
13	2.4%	4.0%	6.4%

14	2.3%	4.0%	6.3%
15	2.2%	4.0%	6.2%
16	2.1%	4.0%	6.1%
17	2.0%	4.0%	6.0%
18	1.9%	4.0%	5.9%
19	1.8%	4.0%	5.8%
20	1.7%	4.0%	5.7%
21+	1.5%	4.0%	5.5%

The pension board for MBERP recently approved a decrease in the salary growth assumption for the 10/11/11 valuation to reflect the downturn in the economy and the lower economic increases in recent years and likely into the future.

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Not Applicable

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

POLICY STATEMENT(S):

- The City should require 5, 10 and 20 year projections of required pension contributions as part of the annual actuarial valuations for each of the City's pension plans. These projections shall be based on the current actuarial assumptions for each plan. The projections shall be updated to reflect the cost of any proposed benefit enhancement, before the City Commission agrees to the enhancement. The cost of these studies shall be funded separately from the annual contribution to the pension plan.

- There shall be an experience study of each of the City's pension plan's actuarial assumptions performed by an actuary that is independent from the pension board. The experience study should be conducted at least once every three (3) years, to compare actual experience to the assumptions. The independent actuary shall make recommendations for any changes in assumptions based on the results of the experience study, and any deviations from those assumptions by the pension board shall be justified to the City Commission.

- Once pension reform is implemented, a $5/7^{th}$ vote of the City Commission should be required for further pension changes.

Background/Rationale:

Changes to plan benefits can affect the actuarial accrued liability of a plan, either positively or negatively. If plan benefits are increased, the mathematical calculations will result in more benefits anticipated to be paid to plan members in the future, which will need to be recognized all at once, although payments would be amortized over the long-term. Conversely, if plan benefits are reduced, with all else being equal, the plan will see a reduction in the actuarial accrued liability.

Current Conditions:

Not Applicable

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Not Applicable

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

POLICY STATEMENT(S):

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Current Conditions:

Not Applicable

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Not Applicable

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

APPROPRIATE BENEFITS TO PROVIDE TO EMPLOYEES

DRAFT POLICY STATEMENT(S):

- The City of Miami Beach should strive to provide a retirement benefit that provides for a replacement of salary at a level at least equivalent to Social Security plus a supplemental retirement benefit.

Background/Rationale:

In the United States, 96 percent of workers are covered by Social Security. The benefit payment is based on how much is earned during your working career. Higher lifetime earnings result in higher benefits. If there were some years when you did not work or had low earnings, your benefit amount may be lower than if you had worked steadily. Social Security replaces about 40 percent of preretirement income for the average worker. The average replacement rate for lower-paid workers equals about 55 percent of their pre-retirement earnings. The average replacement rate for highly paid workers is about 25 percent.

Windfall Elimination Provision
Before 1983, people who worked mainly in a job not covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job where they did not pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Government Pension Offset
If you receive a pension from a federal, state or local government based on work where you did not pay Social Security taxes, your Social Security spouse's or widow's or widower's benefits may be reduced by two-thirds of your government pension.

(Source: Social Security website: http://www.ssa.gov/pubs/10035.html
http://www.ssa.gov/pubs/10045.html http://www.ssa.gov/pubs/10007.html)

Current Conditions:

The City of Miami Beach currently does not participate in Social Security. In evaluating proposed changes to the City's pension plans, the fact that the City does not participate in Social Security must be taken into account.

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Participation in Social Security

Jurisdiction	General Employees
Boca Raton	Yes
Coral Gables	Yes
Coral Springs	Yes
Fort Lauderdale	Yes
Hialeah	Yes
Hollywood	Yes
North Miami	Yes
North Miami Beach	Yes
Pompano	Yes
Tamarac	Yes
FRS (includes Miami Dade County, Miami Lakes, Pinecrest, Wilton Manors)	Yes

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

POLICY STATEMENT(S):

- City of Miami Beach retirement benefits should be adjusted periodically after retirement to reflect the impacts of inflation, with rates no more than the Consumer Price Index for All Workers (CPI-W), subject to Commission approval, and with a maximum of 3 percent annually.

Background/Rationale:

Most people are aware that there are annual increases in Social Security benefits to offset the effects of inflation on fixed incomes. These increases, now known as cost-of-living adjustments (COLAs), are such an accepted feature of the program that it is difficult to imagine a time when there were no COLAs.

Before 1975, beneficiaries had to await a special act of Congress to receive a benefit increase.

Beginning in 1975, Social Security started automatic annual COLAs. The change was enacted by legislation that ties COLAs to the annual increase in the CPI-W.

(Source: Social Security website: http://www.ssa.gov/pubs/10035.html
http://www.ssa.gov/pubs/10045.html http://www.ssa.gov/pubs/10007.html)

Current Conditions:

Fire and Police Pension Plan

Employees hired before 10/1/10 - 2.5%

Employees hired on or after 10/1/10 – 1.5% with first adjustment deferred to 1 year after the end of DROP or 2 mandatory 0 DROP COLAs*

Miami Beach Employees Pension Plan

Employees hired before 10/1/10 - 2.5%

Employees hired on or after 10/1/10 – 1.5%

*Subject to current litigation

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Cost of Living Adjustments

Jurisdiction	High Risk Employees	General Employees
Boca Raton	Not required – reviewed every odd year	Not required – reviewed every odd year
Coral Gables	If investment returns are over 10%, then equal to half of CPI – catch-up clause capped at 8%	
Coral Springs	2.5%	1% commences 5 years after retirement or DROP entry
Fort Lauderdale	COLA provision repealed 7/15/2008	Very Infrequent – only if actual investment earnings exceed assumptions Plan closed for new hires 10/1/2007-3/5/2008 Now defined contribution
Hialeah	2% for 10 years	
Hollywood	Police: None Fire None (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	Only Enterprise employees hired prior to 7/15/2009 (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)
North Miami	1.92% with 1 year elimination period or 3% with 5 year elimination period	1.92% with 1 year elimination period or 3% with 5 year elimination period
North Miami Beach	2.5% Annually after 3 Years of Retirement	2.25% Annually
Pompano	2% fixed 1% variable	Tier 1 2% Tier 2 5 year waiting period tiered 0-2% based on age
Tamarac	Employees retiring before 3/1/07 = 2% after 3 years of retirement After 3/1/07 – 2.25%. after 3 years of retirement	Up to 2% - solely funded from actuarial gains
FRS (Includes Coconut Creek, Cooper City, Miami Gardens, Miami-Dade County, Miami Lakes, Pinecrest and Wilton Manors)	3% for benefits earned prior to 7/1/11 None for benefits earned thereafter	

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

RECRUITMENT AND RETENTION

POLICY STATEMENT(S):

- The City of Miami Beach should strive to provide retirement benefits that ensure that the City is competitive in recruitment and retention of employees.

Background/Rationale:

Salary ranges for job classifications in City of Miami Beach are periodically reviewed to ensure internal equity and external competitiveness. Internal equity refers to the relationships (duties, level of responsibilities, salary, tenure, etc.) between positions within the same organization. External equity refers to the relationships (duties, level of responsibilities, salary, tenure, etc.) between positions to the external labor market, in both, the public and private sectors. Benefits, including pension, are also periodically reviewed.

Current Conditions:

In the past, particularly during periods of low unemployment rates when competition for employees has been tight, the City has targeted to set salaries in the 75th percentile of neighboring jurisdictions, and to provide benefits similar to neighboring jurisdictions.

Comparison to Florida Retirement System (FRS) and Comparative Local Jurisdictions:

See survey of pension benefits provided by neighboring jurisdictions

In addition, the 2009 Classification and Compensation Study prepared by Condrey and Associates for the City of Miami Beach concluded that "the City's retirement benefit, while generous, appears appropriate considering the employee 8 percent contribution to the fund (based on a comparison to other jurisdictions locally and throughout Florida).

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

MANAGEMENT OF RISK/RISK SHARING

POLICY STATEMENT(S):

- The City of Miami Beach should strive to share some portion of retirement benefit risk with employees.

GUIDELINE STATEMENT(S):

- If the City's contribution to a defined pension benefit plan exceeds 25 percent of payroll for general employees and 60 percent of payroll for high-risk employees, the employee contribution should be reviewed.

Background/Rationale:

With the City of Miami Beach's two pension plans, the City bears 100 percent of the risk of the volatility of the equity market; whereas, with private sector pension plans, the risk is born by the employee.

Current Conditions:

Fire and Police Pension Plan:
Employee Contribution Rates – 10%

Miami Beach Employees Retirement Plan
Employee Contribution Rates for employees hired prior to early 1990's – 12%
Employee Contribution Rates for employees hired after early 1990's – 10%

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Employee Contribution Rates

Jurisdiction	High Risk Employees	General Employees
Boca Raton	10.2%	Plans A&B 9.65% Plan C 6%
Coral Gables	5%	5-10%
Coral Springs	Police 9.875% Fire 8.75%	
Fort Lauderdale	Hired before 4-18-10 8.25% Hired after 4-18-10 8.5%	6% Plan closed for new hires 10/1/2007-3/5/2008 Now defined contribution
Hialeah		0%

Hollywood	Police 9.25% Fire 7.5% - 8% (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	9% (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)
North Miami	11.51% or 9.51%	7%
North Miami Beach	12%	7%
Pompano	11.6%	Tier 1 10% Tier 2 7%
Tamarac	9%	7%
FRS (Includes Coconut Creek, Cooper City, Miami Gardens, Miami-Dade County, Miami Lakes, Pinecrest and Wilton Manors)	3%	3%

Note: Employees in Social Security also contribute to Social Security.

See page 1 for additional comparatives related to percent of payroll.

Presentations by: City Pension Counsel/Actuary and Pension Plan Administrators

City of Miami Beach
Valuation Data for City's Pension Plans

ATTACHMENT 2

		Police & Fire					General Employees				
Valuation	**ARC Payable October 1 of Fiscal Year**	**Actuarial Required City Contribution**	**Projected Pensionable Payroll**	**% of Payroll**	**Unfunded Actuarial Accrued Liability (UAAL)**	**% Funded**	**Actuarial Required City Contribution**	**Covered Payroll**	**% of Payroll**	**Unfunded Actuarial Accrued Liability (UAAL)**	**% Funded**
2008	2009-2010	$23,283,269	$ 53,153,934	43.8%	$176,368,132	74.2%	$17,137,394	$68,009,550	25.2%	$125,016,843	76.0%
2009	2010-2011	$35,243,726	$ 54,154,885	65.1%	$266,792,988	66.0%	$14,474,678	$70,097,549	20.7%	$148,766,860	77.1%
2010	2011-2012	$36,175,910	$49,718,966	72.8%	$291,931,506	64.3%	* $17,583,191	$68,844,264	25.5%	$176,796,453	74.4%
2011	2012-2013	$39,370,000	$49,186,724	80.0%	$339,297,448	61.0%	$21,222,051	$66,346,904	32.0%	$205,827,133	70.7%
2012**	2013-2014**	$41,510,000	$46,313,650	89.6%	$382,000,000	59.0%	$26,212,015	$65,053,945	40.3%	$215,987,733	66.1%

*Amount was reduced by $466,878 due to City overpayment in FY10/11

** Police and Fire Estimated Projections as Valuation has not been adopted by the Board

ITEM FOUR

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy Morales, City Manager

DATE: April 25, 2013

SUBJECT: **DISCUSSION REGARDING THE ISSUE OF ENCOURAGING BUSINESSES TO SUPPORT THE EFFORT OF IMPLEMENTING MORE HOMELESS METERS**

BACKGROUND

The Miami-Dade County Homeless Trust (the Trust) was created in 1993 by the Board of County Commissioners with several primary functions: to administer proceeds of the one-percent food and beverage tax, to implement the local Continuum of Care Plan, a three-phased plan, called the Miami-Dade County Community Homeless Plan; and to serve in an advisory capacity to the Board of County Commissioners on issues involving homelessness. The Trust is not a direct service provider. Instead, it is responsible for the implementation of policy initiatives developed by the 27-member Miami-Dade County Homeless Trust Board, and the monitoring of contract compliance by agencies contracted with the County, through the Trust, for the provision of housing and services for homeless persons.

The City has been participating in a fundraising campaign which is described below and will be referred to as the "Homeless Meters" throughout this memorandum. The Homeless Meter campaign resulted from the Trust's April 2009 effort to continue to promote awareness of homeless issues throughout the community. The Trust engaged the M Network, a public relations firm, to promote community awareness of services offered by the Trust, as well as to assist in a targeted campaign related to providing alternative strategies to panhandling.

The Trust's awareness campaign focused on donation of parking meters, a strategy which had been successfully utilized in other communities, such as Denver and Baltimore, to redirect community giving from panhandlers and into funding homeless services. According to the survey conducted by Zogby International on behalf of the Homeless Trust, "Homeless Trust Survey on Miami-Dade County's Generosity," county residents may be giving millions of dollars per year to people on the street.

The Homeless Meters are surplus parking meters graphically enhanced by local artist, Romero Britto, and are placed where panhandling most frequently occurs. All monies are collected and utilized for homeless services, such as emergency shelter beds and feeding programs. The Homeless Trust takes care of all costs associated with the program, which includes installation of the Homeless Meters and finding meter sponsors. Sponsors provide a tax deductible contribution of $1,000.00 per donation meter sponsorship (Attachment 1). The City of Miami Parking Authority (MPA) collects, processes and maintains all of the meters county wide.

On October 27, 2010, Resolution No. 2010-27535 was approved by our City Commission establishing the Miami-Dade County's Homeless Trust's Adopt-A-Homeless Meter Donation Campaign Program in the City of Miami Beach. The resolution allowed for 11 Homeless Meters to be established throughout the City (Attachment 2). Subsequently, a private donor sponsored 11 additional meters which Joe's Stone Crab allowed to be placed in its' parking lot.

ANALYSIS

At the October 24, 2012 City Commission meeting, Commissioner Weithorn referred to the Finance & Citywide Projects Committee (F&CWPC), a discussion on the issue of encouraging businesses to support the effort of implementing more Homeless Meters in the City of Miami Beach.

Subsequently, the Homeless Trust requested that the City of Miami Beach Parking Department take over collection and maintenance of the 22 Miami Beach Homeless Meters. Currently, the money deposited into the Homeless Meters is collected and maintained by the Miami Parking Authority free of charge to the Homeless Trust. However there are issues with the amount of time it takes to get the meters serviced when in need of repairs and the amount of time it takes to collect and report on donations. In an effort to more effectively maintain the Homeless Meters and collect and track the money deposited into our Homeless Meters, it is recommended that an alternative system be implemented.

The City of Miami Beach currently contracts with Standard Parking for regular parking meter collections. If the Homeless Meters program expands, Standard Parking is considering waiving the annual collection cost to Miami Beach of $242.88 for our 22 existing Homeless Meters. However, the City of Miami Beach would have to take over the annual maintenance cost of $43.09 per meter (currently totaling $948.00 for the existing 22 Homeless Meters). In return, the Homeless Trust would place a meter and a large collection device at City Hall at no cost and pay for the processing fees of the collections, $22.77 per year, and annual audit costs, $105.26 per year. However, regulatory review may be required for the large collection device depending on its size, design and location.

Based on the most recent report provided to the Homeless Trust by the MPA, collections from July 1, 2011 through February 28, 2013 resulted in $2,579.85 from the Joe's Stone Crab meters and $1,550.25 from the City of Miami Beach meters, totaling $4,130.10.

It is relevant to note that the City's own Committee on the Homeless is currently working on an anti-panhandling campaign which will include a City-wide public education component promoting the homeless meters in lieu of giving to panhandlers. Our Committee on the Homeless is researching models that have worked in other cities and including flyers, signage and mass media campaigns. This idea was a result of a presentation given to the Community Relations Board (CRB) on February 20, 2013 by the Homeless Programs staff regarding the services the City provides to the homeless. The discussion turned to the meters and how the community is not aware of its purpose. The CRB suggested a joint effort on promoting awareness and possibly being able to allocate some resources for the project.

Conclusion

The Administration requests a recommendation from the F&CWPC regarding whether the City of Miami Beach should, in an effort to encourage businesses to sponsor and place more homeless meters in the City of Miami Beach, take over the annual maintenance cost of $43.09 per meter for the meters (currently $948 annually for the existing 22 meters). In return, the Homeless Trust would place a meter and a large collection device at City Hall, subject to regulatory reviews, at no cost and pay for the processing fees of the collections, $22.77 per year, and annual audit costs, $105.26 per year.

JLM/KGB/AP/KM

Miami-Dade County

ADOPT-A-HOMELESS DONATION METER PROGRAM

SPONSORSHIP AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of __________, 20____, by and between Miami-Dade County (the "County") ____ (the "Sponsor").

WITNESSETH

WHEREAS, the Miami-Dade County's Homeless Trust Department ("Department") is responsible for the Homeless Trust Continuum of Care; and

WHEREAS, the Board of County Commissioners of Miami-Dade County, through Resolution No. ________ has established the "Adopt-A-Homeless Donation Meter Program" permitting local organizations, private corporations and individuals to sponsor a collection device to promote public awareness of homelessness and allow individuals to contribute to the Homeless Trust's programs and services; and

WHEREAS, the Sponsor wishes to provide a tax deductable contribution of $1,000.00 per donation meter **sponsorship**. If the Sponsor has a preference for location please list the location(s) below:

1. ____

2. ______________________________________

3. ______________________________________

And/or WHEREAS the Sponsor wishes to house a large collection device at no cost to the Sponsor at the following private location(s), which are controlled and operated by the Sponsor:

1. ______________________________________

2. ______________________________________

3. ______________________________________

Now therefore, the parties agree as follows:

A. The Sponsor shall:

1.) Provide a charitable contribution of $1,000 per homeless donation meter payable to Miami-Dade County; and

2.) Identify desired location(s) for the placement of said homeless donation meter(s). Approval of location(s) is subject to the discretion of the County; and

3.) Meter(s) placed in/on private property not otherwise visible to the street may be located in private venues when properly secured by the Sponsor; and

4.) Identify the name of the Sponsor to be placed on a sponsorship plaque to be affixed to the meter as:

____

Name of Sponsor

Such sponsorship name shall be in a standard font and format selected by the County.

B. A Sponsor hosting a large collection device in its privately controlled and operated venue shall:

1.) Provide a secure and mutually agreeable location within the Sponsor's privately controlled and operated venue where a large collection device may be installed; and

2.) Provide access during business hours to County-authorized personnel to install, maintain and collect any monies collected from the collection device. The Sponsor understands and acknowledges that any and all monies received in the collection device will go toward the County's Homeless programs and services; and

3.) The Sponsor covenants and agrees that it will **indemnify** and hold harmless Miami-Dade County from any claim relating to the placement of the collection device.

4.) The Sponsor understands and acknowledges that it may suspend or revoke its participation in the Adopt-A-Homeless Donation Meter Program if it finds that the Sponsor has in any way damaged or stolen from the meter/collection device or committed any acts that are contrary to the Program's mission.

C. The County shall:

1.) Install and maintain donation meters and collection devices; and

2.) Ensure timely collection of funds from donation meters and collection devices; and

3.) Utilize all funds from donation meters and collection devices to directly support the programs and services provided by the County's Homeless Trust.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, the day and year first written above.

I CERTIFY that the information contained herein is true and accurate and that I possess the authority to execute this Agreement on behalf of the Sponsor.

NAME OF SPONSOR: ______________________________

ADDRESS: ______________________________

BY: ______________________ DATE: ______________
Sponsor Representative's Signature

PRINT NAME: ______________________ TITLE: ______________

MIAMI-DADE COUNTY

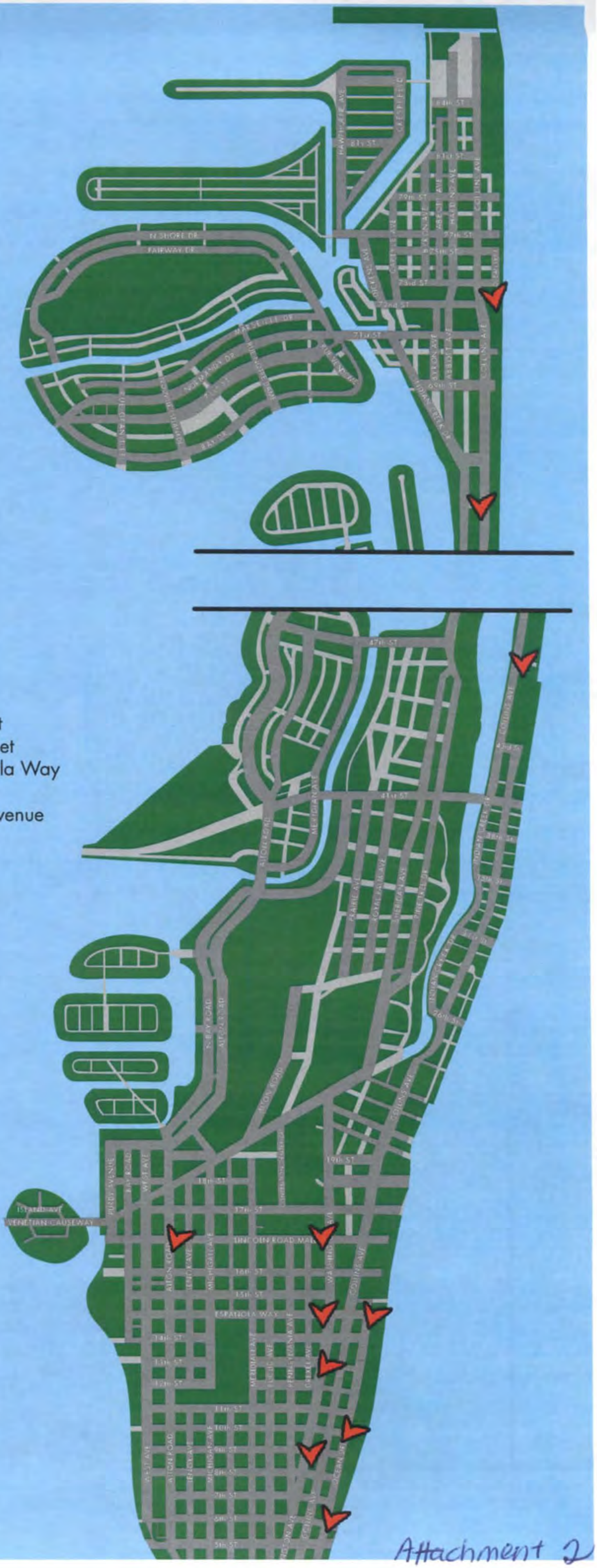
BY: ______________________ DATE: ______________
Mayor or Mayor's Designee

ATTEST: ______________________ DATE: ______________

HOMELESS **DONATION** METERS

LOCATIONS

Ocean Drive + 6 Street
Ocean Drive + 10 Street
Ocean Drive + 14 Street
Washington Avenue + 9 Street
Washington Avenue + 13 Street
Washington Avenue + Española Way
Lincoln Road + Alton Road
Lincoln Road + Washington Avenue
Collins Avenue + 46 Street
Collins Avenue + 67 Street
Collins Avenue + 73 Street



Attachment 2

ITEM FIVE

MIAMIBEACH

OFFICE OF THE CITY MANAGER

COMMITTEE MEMORANDUM

TO: Finance & Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: April 25, 2013

SUBJECT: **REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE – Discussion regarding Fine Schedules and Enforcement of the City of Miami Beach Code Provisions for Police and Fire False Alarms, Implementing Additional Fines for False Alarms, and Contracting with an Outside Entity for Billing and Collection Services for False Alarm Fees.**

BACKGROUND

At the March 13, 2013 City of Miami Beach Commission Meeting, a discussion was referred to the Finance and Citywide Projects Committee regarding fines and enforcement of false alarm provisions for the Miami Beach Police and Fire Departments, including contracting of an outside entity for the purposes of billing and collection of these fees was referred to the Finance and Citywide Projects Committee.

The Miami Beach City Code outlines the regulations and enforcement of false alarms by the Miami Beach Police Department (MBPD). However, the MBPD and Miami Beach Fire Departments (MBFD) departments have identified the need for discussion and policy direction with regards to false alarm fees and their collection.

During the budget process for Fiscal Year 2012/13, MBPD presented an initiative to the City Commission to increase only commercial false burglar alarms; however, in proceeding with the required ordinance amendment, the City Attorney's Office opined that this would be considered discriminatory, unless a specific public safety need could be established.

As such, the increase in commercial false burglar alarms fees has not been implemented. In addition, due to the limited number of administrative support staff, the MBPD recommends outsourcing the billing and collection function for false alarm fees.

Miami Beach Police Department

Under Division 3 of the City Code, regulations and a fee schedule already exist for false burglar alarms, which are under the purview of the MBPD. However, the MBPD has identified several issues with the administrative processes related to enforcing false alarms.

As a result of the department's experience, MBPD Command Staff has recommended amending the fee schedule and enforcement provisions to mirror the Miami-Dade County false alarm provisions, as well as contract an outside agency for the purposes of collection. This would involve amending the City of Miami Beach Code to mirror the false burglar alarm code in Miami-Dade County.

As it stands today, an alarm user is fined $50.00 upon the 4th false alarm. Every alarm thereafter is an additional $100.00 fine. Further, the code sets a $10 per year registration permit. This fee is waived for alarm users who have not had any false alarms in the prior 12 month period.

The proposed fee schedule is depicted in the chart below:

	Miami-Dade County	**City of Hialeah**	**Current - Miami Beach**	**Proposed - Miami Beach**
Registration - 1st violation	$50	$50	$10	$50
Registration - 2nd violation and all subsequent	$100	$100	N/A	$100
1st false alarm	$0	$0	$0	$0
2nd false alarm	$0	$0	$0	$0
3rd false alarm	$0	$0	$0	$0
4th false alarm	$50	$100	$50	$50
5th false alarm	$100	$100	$100	$100
6th false alarm and all subsequent in registration period	$200	$200	$100	$200
Violation of alarm verification call, cancelling false alarm subsections	$100	$100	N/A	N/A
Cap (in a 24-hour period)	$200	$200	$200	$200

Currently, fines and appeals for the false alarm section of the City Code are under the purview of the MBPD Chief. It is further recommended that these provisions be included in Chapter 30 of the City Code to provide jurisdiction to the Special Master.

Moreover, due to the reduction in administrative support personnel during the past few years, the MBPD is exploring the option of contracting an outside entity to provide billing and collection services for false burglar alarms. In conducting due diligence, MBPD personnel have contacted several billing and collections agencies, who serve other local law enforcement agencies for this purpose. Most agencies require that cities include lien provisions in their code of ordinances to ensure collection of outstanding fines.

Due to limited staffing, the MBPD has been completing the false alarm processing via overtime assignments. This personnel issue has caused backlogs in processing, and delays in collecting fees. Since 2008, the MBPD has seen a yearly decrease in the collection of false burglar alarm fees.

The chart below reflects fee collection over the last five (5) years:

YEAR	*REVENUE*
2008	$13,610
2009	$13,060
2010	$10,950
2011	$7,050
2012	$2,800

For MBPD, false burglar alarms are an additional tool in helping keep our residents and businesses safe. Lack of enforcement in terms of burglar alarm registration as well as false alarms diverts public safety resources and impacts response time.

<u>*Miami Beach Fire Department*</u>

A false fire alarm is defined as a signal from a fire alarm system that elicits a response by the Fire Department when no actual or threatened fire-related emergency exists. Currently, the City of Miami Beach Code does not include provisions for enforcing false fire alarms or an accompanying fine schedule.

In order to promote compliance and improve overall safety, the MBFD Staff is recommending establishing a fee schedule for fire false alarms, as is in place in Miami-Dade County and neighboring cities. Below is a table that depicts the false fire alarm fees schedule for neighboring cities, as well as the proposed fee schedule for MBFD fire false alarms:

Miami-Dade County	**City of Hialeah**	**City of Miami**	**City of Coral Gables**	**Proposed – City of Miami Beach**
First two false alarms – no fine	First three false alarms – no fine	First two false fire alarms – no fine	First two false fire alarms – no fine	First two false alarms – no fine
3rd false alarm $500.00	4th false alarm in one calendar year - $50.00	3rd and 4th false fire alarms $250.00 per incident	3rd false fire alarm in calendar year - $60.00	3rd false alarm $500.00
4th and each additional false fire alarm in one calendar yr. - $1,000.00	5th false alarm in one calendar year - $100.00	5th and any subsequent false fire alarm – $500.00 per incident	4th false fire alarm in calendar year - $110.00	4th and each additional false fire alarm in one calendar yr. -$1,000.00
	6th false alarm in one calendar year - $200.00	6th or subsequent false fire alarm – cert. of occupancy could be revoked.	False fire alarm after 4th incident in calendar year - $210.00	
			$25.00 past due fees after 41-60 days ; $25.00 every 30 days.	

False fire alarms are predominantly generated by multi-family residential buildings. An analysis of false fire alarms in Fiscal Year 2011/2012 indicate a significant number of buildings citywide had 10 to 108 false fire alarms. The chart below represents the projected collection of fees based on the data from Fiscal Year 2011/2012:

# of Buildings	# of false alarms in FY 11/12	Potential fines for 3rd false alarm ($500 x # of Buildings)	Assume compliance on 5th false alarm ($2,000 x # of buildings)	Assume compliance on the 10th false alarm ($5,000 x # of buildings)
15	10	$7,500		
6	11	$3,000	12,000	
8	12	$4,000	$16,000	
6	13	$3,000		
1	14	$500	$2,000	
7	15	$3,500	$14,000	
2	16	$1,000	$4,000	$10,000
6	17	$3,000	$12,000	
3	18	$1,500		
5	20	$2,500	$10,000	
1	21	$500	$2,000	$5,000
3	23	$1,500		
2	25	$1,000	$4,000	$10,000
1	28	$500	$0	
1	30	$500	$0	
1	31	$500	$2,000	$5,000
2	32	$1,000	$4,000	
1	33	$500	$2,000	
2	34	$1,000		
1	38	$500	$2,000	$5,000
2	42	$10,000	$4,000	$10,000
1	44	$500	$2,000	$5,000
1	50	$500	$2,000	$5,000
1	54	$500	$2,000	$5,000
1	108	$500	$2,000	$5,000
		$49,000	$98,000	$65,000
			Total Estimate of Fines first year	**$212,000**

***Note:** Total amount of fines is predicted to decrease year by year as buildings learn that proper maintenance of the system will avoid issuance of fines.*

Due to the limited number of administrative support personnel, the MBFD proposes that an outside entity be contracted for fine collection which is consistent with the recommendations by the MBPD.

Every fire alarm call received requires at least one unit (engine or ladder) to respond. If the alarm turns out to be false, then valuable and limited resources are not available to respond to a legitimate alarm call. This would affect response time to legitimate calls. In addition, the occupants of these buildings become so accustomed to false alarms that they no longer take the alarms seriously, which could result in a tragedy.

Conclusion

The Administration proposes that amendments to current false alarm regulations and fee schedules for both the Miami Beach Police and Fire departments be created and amended as proposed.

ITEM SIX

MIAMIBEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales City Manager

DATE: April 25, 2013

SUBJECT: **DISCUSSION REGARDING THE FLORIDA SAFE ROUTES TO SCHOOL PROGRAM.**

This item was referred to the Finance and Citywide Projects Committee for discussion by Commissioner Jorge Exposito.

BACKGROUND

The Safe Routes to School (SRTS) Program is a federally funded discretionary grant program intended to help communities address their school transportation needs and encourage more students to walk or cycle to school. SRTS strives to enable and encourage children from kindergarten through high school, including those with disabilities, to walk and cycle to school; to make walking and biking to school safer and more appealing; and to facilitate the planning, development, and implementation of projects that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools. The program also seeks to address the safety needs of children already walking or biking in less than ideal conditions.

The Florida SRTS (FLSRTS) Program is fully funded through the Federal Highway Administration (FHWA) and managed through the Florida Department of Transportation (FDOT) on a cost-reimbursement basis. In order for a project to be eligible under the FLSRTS Program, the following criteria must be met:

- Proposed projects must be designed to meet an identified need that is preventing children from walking or biking safely to and from school.
- Proposed projects must be within a two-mile radius of the participating school, and within the school attendance area. Generally, the closer the project is to the school, the more likely it will be to increase the numbers of children walking or biking to and from school, or to increase the safety of children already walking or biking to school.
- Proposed projects must be located on public property or on permanent public easements. Right of way issues must be resolved before applying.
- Use of traffic control devices must be consistent with the current Manual on Uniform Traffic Control Devices (MUTCD), unless the applicant receives experimental approval from FHWA.

Projects are classified as one of two types: infrastructure projects and non-infrastructure projects. Eligible infrastructure projects under the FLSRTS Program may include:

- **Pedestrian facilities:** includes new sidewalks and other pathways, sidewalk widening and sidewalk gap closures, on the public right of way. All of these facilities must include ADA ramps and meet other ADA requirements. Short pedestrian bridges and access improvements to bus stops may be able to be funded.

- **Bicycle facilities:** includes new or upgraded bike lanes, shared-use paths, geometric improvements and shoulder widening, on the public right of way.

- **Bicycle parking facilities**: includes bicycle parking facilities such as bike racks; shelters and bike lockers on school grounds.

- **Traffic control devices:** includes new or upgraded marked crosswalks, pavement markings, traffic signs and signals, flashing beacons, bicycle-sensitive signal actuation devices, pedestrian countdown signals, pedestrian activated signal upgrades, and all other pedestrian- and bicycle-related traffic control devices.

- **Traffic calming:** includes roundabouts, bulb-outs, speed humps, raised crosswalks, raised intersections, median refuges, narrowed traffic lanes, lane reductions, full- or half-street closures, and other speed reduction techniques. Generally these are not stand-alone projects, but some traffic calming devices may be included as part of an overall pedestrian or bicycle facility project.

Eligible non-infrastructure projects under the FLSRTS Program may include:

- Support for the creation of "Walking School Buses" or "Bike Trains" of school children
- Support for Walk and Roll to School Days.
- School encouragement and incentive programs.
- Support for bicycle rodeos.
- Pedestrian and bicycle safety education training for children or instructors, including, but not limited to, the Florida Traffic and Bicycle Safety Education Program.
- Support for these types of education programs, including paying for trainers, equipment, substitute teachers (if necessary and training is done during the school day) or training time for teachers (if necessary and training is done outside the school day).
- Other relevant training for children, such as transportation, environmental choices and personal safety, if done as part of a larger FLSRTS program.
- Relevant training for law enforcement personnel, school administrators, youth leaders, parents or the public, including paying trainers.

In 2011, the City applied for FLSRTS Program funding for various infrastructure improvements to improve the safety of students walking and bicycling to Biscayne Point Elementary. The scope of the grant application included design and construction of new sidewalks, crosswalks, and bicycle lanes to improve the safety of children walking and bicycling to school. The total cost of the infrastructure improvements identified was estimated at $379,075.37. As a result of the City's grant application, the City was awarded $150,000 under the FLSRTS Program for

Fiscal Year 2014/15.

ANALYSIS

FDOT District Six is currently soliciting applications for funding under the FLSRTS Program for infrastructure and non-infrastructure projects for Fiscal Years 2013/14, 2014/15, 2015/16, 2016/17, and 2017/18. The application process is open through June 14, 2013. FDOT has programmed approximately $24 million over this five-year period. The program does not require a local match. FDOT has indicated that it intends to open the application process each fiscal year for Fiscal Year 2013/2014 through 2017/2018 contingent upon funding availability.

Below are three candidate FLSRTS projects identified by City staff for consideration. Detailed cost estimates for design and construction of the proposed improvements are being developed for each candidate project.

Feinberg-Fisher Elementary School, North Beach Elementary School, and Nautilus Middle School – Infrastructure Improvements

Pursuant to Letter to Commission # 077-2013 from the City's Quality for Education Committee, the committee requested the Mayor and City Commission consider supporting the inclusion of North Beach Elementary, Feinberg-Fisher K-8, and Nautilus Middle School in the City's SRTS application. Upon direction from the City Commission, the Administration will partner with each of these schools to identify infrastructure deficiencies currently preventing children from safely walking or bicycling to and from the schools. As part of the application process, City staff will conduct a series of inspections of the current infrastructure, including sidewalk condition, crosswalks, signalization, signage, pavement striping, traffic calming, lighting, and drainage. The City will conduct a review of all current and future projects in the school boundary area as well as interviews with the school principals, police liaison, and Parent-Teacher Association president. The Administration will coordinate with the City's Committee for Quality of Education to identify priorities and deficiencies for these two schools.

In addition, the following project has been recommended by City Commission for inclusion in the SRTS application to be submitted by the City:

Miami Beach Senior High School - Bicycle Boulevard along Royal Palm Avenue from 28th Street to 41st Street and Extension of the Par 3 Golf Course Off-Road Shared-Use Path.

A bicycle boulevard is a corridor that prioritizes bicycle traffic over vehicular traffic through the implementation of traffic calming features and signage along the boulevard. In order to further prioritize bicyclists over motorists, a successful bicycle boulevard must divert traffic and restrict certain turning movements. These restrictions are intended to reduce vehicular speed and volume along the roadway.

A proposed bicycle boulevard along Royal Palm Avenue would provide an alternative mode of transportation and a safe connection for children bicycling to Miami Beach Senior High. Currently, there are dedicated bicycle lanes along Royal Palm Avenue from 42nd Street to 47th Street where it connects to dedicated bicycle lanes on 47th Street from Alton Road to Pine Tree Drive. In addition, the City has an upcoming Capital Improvements Program (CIP) project that includes improvements to the Par 3 Golf Course located to the north of Miami Beach Senior High School. As part of this CIP project, an off-road shared-use path will be constructed from the Scott Rakow Youth Center and run along the north and west edge of the Par 3 Golf Course; however, the path will not extend to Miami Beach Senior High School. In order to achieve a direct connection to the school, an extension to the proposed Par 3 off-road shared-use path is required. Therefore, in addition to the bicycle boulevard along Royal Palm Avenue, the SRTS grant application would also include an extension to the proposed Par 3 off-road shared-use path in order to provide a direct connection to the school.

The upcoming traffic safety study for Miami Beach High School will identify any additional safety enhancements that can be included in the City's SRTS grant application.

The implementation of a bicycle boulevard requires Miami Dade County Public Works and Waste Management (County) review and approval. As part of the County's review process, the City must obtain concurrence from the majority of affected residents along the corridor and present engineering plans for permit approval. This effort is anticipated to take six (6) to eight (8) months. As such, an application for design and construction of a bicycle boulevard along Royal Palm Avenue would be premature at this time. Since planning studies do not appear in the eligibility list, the City Administration recommends the deferral of this application until the next application cycle (Fiscal Year 2014/2015).

Florida Safe Routes To School Application Process

The FLSRTS application process involves an intensive review and planning effort with the intent of identifying all infrastructure deficiencies preventing safe and comfortable walking and bicycling conditions. As part of the application, the City is required to submit a technical report detailing the following elements:

- Introduction and Background Information (SRTS History by Maintaining Agency, School SRTS History, Eligibility Information, Past Engineering, Past Safety Planning, Past Evaluation, Past Safety Education Campaigns)
- Project School Data (Name, Enrollment, Student Travel Data, Student Economical Data, School Attendance Boundary)
- Existing Conditions Report (Crash History, Existing Deficiencies Report, Traffic Control Conditions, Traffic Volume)
- Proposed SRTS Improvements
- Maps (Bicycle and Pedestrian Crashes, Land Use, Existing Route Deficiencies)
- Cost Estimate

In order to compile the required information, City staff must coordinate with school officials and conduct various site inspections and evaluations. These inspections must be completed during morning drop-off and afternoon pick-up periods in order to observe peak hour conditions and trends.

CONCLUSION

Due to limited resources and time constraints, the Administration is seeking that the FCWPC prioritize the aforementioned candidate FLSRTS projects for Fiscal Years 2013/2014, 2014/2015, 2015/2016, 2016/2017, and 2017/2018. It should be noted that the City can apply for more than one eligible project in any given fiscal year; however, given the level of effort required to prepare the FLSRTS application, the Administration recommends prioritizing no more than two projects in one application cycle.

KGB/JJF/RWS/JRG

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Discussion Item

ITEM SEVEN

MIAMIBEACH

City Commission Meeting
ADDENDUM MATERIAL 3 (Handout)
City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive
April 17, 2013

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

City Manager Jimmy L. Morales
City Attorney Jose Smith
City Clerk Rafael E. Granado

*Visit us at **www.miamibeachfl.gov** for agendas and video "streaming" of City Commission Meetings.*

ATTENTION ALL LOBBYISTS

Chapter 2, Article VII, Division 3 of the City Code of Miami Beach entitled "Lobbyists" requires the registration of all lobbyists with the City Clerk prior to engaging in any lobbying activity with the City Commission, any City Board or Committee, or any personnel as defined in the subject Code sections. Copies of the City Code sections on lobbyists laws are available in the City Clerk's office. Questions regarding the provisions of the Ordinance should be directed to the Office of the City Attorney.

ADDENDUM AGENDA

C4 - Commission Committee Assignments

C4K Referral To The Finance And Citywide Projects Committee To Consider The Travel Channel's Proposal To Film A Documentary With Miami Beach.
(Requested by Commissioner Michael Góngora)

ITEM EIGHT

MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy Morales, City Manager

DATE: April 25, 2013

SUBJECT: **DISCUSSION REGARDING BAYFRONT TO MIAMI FERRY AND A PROPOSAL TO RENT THE OLD PILOT HOUSE SOUTH OF MIAMI BEACH MARINA**

STATUS UPDATE

This matter was referred for discussion by Commissioner Jonah Wolfson on April 13, 2011, to the Finance & Citywide Projects Committee. At the time, the City had been approached by Biscayne Xpress, LLC, a private entity interested in starting a ferry/water taxi service from Bayfront to Miami Beach South Pointe Park. Biscayne Xpress wanted to rent the "Old Pilot House" south of Miami Beach Marina from the City.

After conducting research, Staff determined that the "Old Pilot House" is a reference to a pilot house, long since demolished, which was on the east side of South Pointe Park. The ferry company's interest, however, was in utilizing an existing 50 foot dormant boatslip on the west side of South Point Park. The boatslip, which accommodated large vessels in the past, is located off the baywalk behind what is now the Apogee condominium building, and is immediately off the west edge of the current Dog Off-Leash Pilot Program Area.

Subsequently, a second private entity, Water Taxi Miami, expressed an interest in renting the boat slip from the City. While staff was researching potential deed restrictions and considering if neighborhood opposition might thwart any efforts to entertain lease proposals from the two private entities for use of the dormant boatslip, both entitles negotiated directly with Miami Beach Marina and are currently operating ferry/water taxi services with coordinated drop-offs and pick-ups from the fuel dock at the marina. The Miami Beach Marina is a tenant of the City's and pays a percentage of its gross receipts to the City as rent.

RECOMMENDATION

The Administration is recommending that this referral be closed out.

JLM/KGB/AP

F&CWP Pending Items - Commission Referrals

Item #	Title	Referred By	Date Referred	Handled By	Note
1	Status update on Business Tax Process Improvement.	Jorge R. Exposito		Patricia Walker Kathie Brooks	Awaiting new business tax system
4	Additional proposed amendment to the City's Living Wage Ordinance Mandating Health Benefits Plan	City Managers Office	September 27, 2011 Commission Item R7E	Raul Aguila	per Raul Aguila - waiting for the Supreme Court to rule on this
6	Discussion of responses received from the Request For Letters of Interest (RFLI) for a North Beach parking garage	City Managers Office		Richard Lorber Joyce Meyers	
13	Amendment to City's Cone of Silence Ordinance	Matti Herrera Bower	June 09, 2010 Commission Item C4C	Raul Aguila	per Raul Aguila...defer until further notice; (01/06/12)
18	Discussion Bayfront to Miami Ferry and a proposal to rent the Old Pilot House south of Miami Beach Marina.	Jonah Wolfson	April 13, 2011 Commission Item C4M	Anna Parekh	Administration is researching pending direction from Commissioner Wolfson
26	Discussion regarding Advertising RFP	Jorge R. Exposito	September 14, 2011 Commission Item R7H	Max Sklar	
50	Discussion regarding a recommendation by the GLBT Committee to address the issue of benefits tax inequality for City Employees with registered domestic partners versus legally married spouses	Matti Herrera Bower	March 21, 2012 Commission Item C4L	Raul Aguilla Carla Gomez Sue Radig	Same as item 93
61	Discussion on water conservation methods and implementation	Jonah Wolfson	June 6, 2012 Commission Item C4G	Jay Fink	
63	Discussion regarding the collection of City Liens	Edward L. Tobin	June 6, 2012 Commission Item C4J	Patricia Walker	
69	Discussion regarding "Booting" Services and raising the allowable rate per vehicle, which is now $25 each	Matti Herrera Bower	July 18, 2012 Commission Item C4J	Saul Frances	Per Saul Frances, this item is not ready
70A	Discussion Regarding Budget Advisory Committee recommended Pension Reform policies and guidelines	City Managers Office	July 18, 2012 Commission Item C4L/R9G (withdrawn by Exposito) October 24, 2012 Commission Item C4I	Jose Smith Carla Gomez	2/20/13 The Committee assigned the item to Chairperson Deede Weithorn. The item was deferred to be further discussed at either an April or May Finance meeting with an LTC being issued on how this item will be handled to allow all Commissioners to participate.
78	Discussion regarding the issue of encouraging businesses to support the effort of implementing more homeless meters.	Deede Weithorn	October 24, 2012 Commission Item PA6	Anna Parekh	
80	Referral To Finance And Citywide Projects Committee - Discussion Regarding: Business Tax Receipt Renewal Notices; How We Handle Over Charges; Reasons For Miscalculations; And Corrective Action Plan.	Jorge R. Exposito	October 24, 2012 Commission Item C4B	Patricia Walker	1/24/13 Monitor this item and bring it back before the Committee in November 2013 to see how it worked.
82	Referral To The Finance And Citywide Projects Committee - Discussion Regarding An Amendment To The Lease Between The City And Massage Partners, Inc., Located At 767 17th Street, Said Amendment Regarding A Proposed Additional Use Of The Leased Premises, A Proposal To Grant Necessary Access To Additional Restroom Facilities; And A Corresponding Rent Adjustment.	City Managers Office	October 24, 2012 Commission Item C4D	Anna Parekh	The Committee requested a standby LOC be issued for the liens that have been filed. Will determine appropriate CAM use when it's brought back to the Committee with the requested info.
84	Discussion related to the explanation and viability of City's Self Funded Health Insurance Plan.	Jorge R. Exposito	October 24, 2012 Commission Item C4L	Carla Gomez	pending recommendation from BAC
87	Discussion regarding giving guidance to the IT Steering Committee to review the pros and cons of becoming a paperless environment and create new policies and procedures to be implemented within the City of Miami Beach.	Jorge R. Exposito	October 24, 2012 Commission Item R9H	Gladys Gonzalez	2/20/13 The Committee assigned the item to Commissioner Jorge Exposito who will meet with the IT Steering Committee to further discuss how to phase the project and what would be the best plan of action and what would be the timeframe to implement.
93	Discuss Benefits For City Employees.	Michael Gongora	December 12, 2012 Commission Item C4F	Sue Radig Silvia Crespo-Tabak	same as Item 50
94	Discussion Regarding Police Athletic League (PAL) Lease.	City Managers Office	December 12, 2012 Commission Item C4K	Max Sklar	1/24/13 The Committee recommended going ahead and negotiating the figures that can be brought back to the Finance Committee with the lease and measureables that can be provided to the community. Pending deliverables from PAL 3/15/13 Pending measurables from PAL
97	Discussion regarding a proposed marketing program for Sunscreen and an update on other potential marketing partnerships	City Managers Office	June 6, 2012 Commission Item C4I	Max Sklar	All Committee Members will present their questions to M. Sklar so that they can be discussed and brought back to the FCWPC
101	A Discussion Regarding Upgrade To Municipal Parking Garage Gated Revenue Control System.	City Managers Office	January 16, 2013 Commission Item C4J	Saul Frances	
110	Discussion regarding to review the 28 rules to determine what can be done when performing City projects, to avoid doing double work and increasing the cost. /Discussion regarding the implementation of the regional climate action plan	Matti Herrera Bower	February 6, 2013 Commission Item R7B	Jay Fink Kathie G. Brooks	

Item #	Title	Referred By	Date Referred	Handled By	Note
122	Discussion regarding fine schedules and enforcement of the City of Miami Beach Code provisions for Police and Fire false alarms, implementing additional fines for false alarms, implmenting additional fines for false alarms, and contracting with an outside entity for billing and collection services for false alarm fees	Managers Office	March 13, 2013 Commission Item C4G	Ray Martinez / Chief Overton / Javier Otero	
123	Discussion regarding the Florida's Safe Routes to School Program (FLSRTS)	Jorge R. Exposito	March 13, 2013 Commission Item C4H	Jay Fink	
124	Discussion regarding permit expiration courtesy notices;Amnesty for expired permits;And length of time for building permits	Deede Weithorn	March 13, 2013 Commission Item C4O	Stephen Scott	
125	Discussion to consider the Travel Channel's proposal to film a documentary with Miami Beach	Michael Gongora	April 17, 2013 Commission Item C4K	Max Sklar	
126	Discussion regarding Labor Peace Agreements	Jorge R. Exposito	April 17, 2013 Commission Item C4L		
127	Discussion regarding small cells on existing poles	Michael Gongora	April 17, 2013 Commission Item C4I		
128	Discussion regarding a resolution to approving in substance the terms of a professional services agreement with The International City/County Management Association ("ICMA") for review and recommendations for efficiencies for the Fire Department;Authorizing the City Manager and City Attorney's Office to negotiate and draft the agreement based upon the approved terms;And authorizing the Mayor and City Clerk to execute the final agreement in an amount not to exceed $70,000.	City Managers Office	April 17, 2013 Commission Item C4I		