

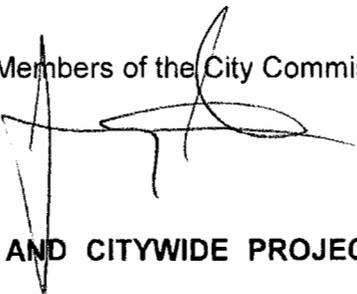


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COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jimmy L. Morales, City Manager 

DATE: May 8, 2013

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING ON APRIL 25, 2013**

The agenda is as follows:

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

ACTION

The Committee recommended refunding on a bi-weekly basis the difference in the plan cost, to the employees who have elected medical coverage for their registered domestic partner to be implemented with the fiscal year 2014 budget.

Assistant Human Resource Director Carla Gomez presented this item.

Assistant Human Resources Director Carla Gomez began by stating at the June 12, 2012 meeting the Miami Beach GLBT Business Enhancement Committee ("BEC") members held a discussion regarding the heavier tax burden for City of Miami Beach ("the City") employees with domestic partners who elect to receive family medical and dental coverage through the City over that of their married counterparts. Exclusions from taxable compensation for benefits provided by an employer are governed by the Internal Revenue Code.

Human Resources Administrator Sue Radig explained these requirements provide that, to be excluded from paying said taxes on insurance benefits, the benefits have to be provided to an employee and dependents as defined by the Internal Revenue Service (IRS), which include the employee's legal spouse or children. For federal tax purposes, domestic partners (same or opposite sex) are not included in the definition of a "spouse" and therefore tax benefits at the federal level do not exist for domestic partners. Therefore (unless the domestic partner is the employee's dependent), the premium paid by an employer for health care benefits for an employee's domestic partner benefits is considered income and, therefore, must be included in the employee's taxable income. An employee who enrolls his or her domestic partner for health benefits has two (2) medical deductions, one for the employee's before-tax premium payment and

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one for the domestic partner's after-tax premium payment, which is the difference between the employee only contribution and the contribution for family coverage. This after-tax premium payment for their domestic partner's health care coverage is in addition to the income tax paid on the value of the City's premium payment for the domestic partner's coverage. In Scenario One, payroll was run for the 19 registered domestic partners that are currently enrolled and changed it to appear as if they were married with the only change being their enrollment in medical and dental to show they had family coverage. In Scenario Two, the benefits and payroll report included the domestic partner being covered and it showed the income value of the domestic partner was an average of about \$100-150 tax liability to the employee per payroll period. Scenario Three payroll report gave the average tax liability back to the employee which produced an average cost of about \$20-30 for most employees. A gross up was then done to refund the employees these funds back. The City's total annual fiscal impact for refunding the employee's additional tax liability for domestic partner coverage is \$53,850.36. Even if enrollment in domestic partner coverage increased by 40% as a result of the passage of this ordinance to create tax equality, the City's annual cost for the reimbursement would be less than \$80,000, based on the current medical and dental premium cost. There are currently 68 registered employees as a having a domestic partner.

Commissioner Michael Gongora gave credit for the hard work done on an issue that is a matter of equality. Mayor Matti Bower stated the 40% increase shows that there is a need out there to our employees and it's important to make this change. Human Resources Administrator Radig stated the recommendation from the committee was for this to be included in the 2013 budget.

Equality Florida representative Stratton Pollitzer thanked the City for being progressive in their policies.

Commissioner Gongora made a motion to recommend that the resulting gross-up in the three scenarios be refunded on a bi-weekly basis to employees who have elected medical coverage for their registered domestic partner to be implemented with the fiscal year 2014 budget. Commissioner Jorge Exposito second the motion.

2. Discussion on water conservation methods and implementation

ACTION

The Committee recommended CDM Smith provide the study for Single Family homes with the current data and bring it back to the full Commission.

City Engineer Richard Saltrick presented this item. City Engineer Richard Saltrick began by stating 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: enhance water conservation and 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. The City was also being proactive as it was anticipating 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 representative Daniel Anderson began his presentation by stating the single most important point is that it still makes sense to have water conservation even though it's no longer required in order to keep the transfer of payments to Miami Dade County down. The purpose and scope of the rate study is customer charges, capacity cost and commodity cost. Assistant City Manager Kathie Brooks explained that what the goal is to structure the rates so that those individuals using more water pay more for the water. Mr. Anderson continued that there currently isn't any incentive to save on water usage having a minimum charge on all accounts. By eliminating the minimum allowance, there will be a revenue short fall that will have to be made up on the other volume customers. Mayor Matti Bower stated if this method of payment is installed, those individuals using more water will have to pay more to make up the money for those individuals that use less than the minimum amount of water. Mr. Anderson stated the projections have been more favorable financially from a revenue standpoint over the last three years. We recommend updating the study now that there is more data to work from projecting into the future to 2015. The summary of alternatives is to show how much the rates need to be to cover the cost and generate revenue with a uniform rate across the City. Mayor Bower stated the study would have been better suited to be done by usage of each individual. Mr. Anderson's strong recommendation is to update the analysis, and analyze rate impacts to the City Budget. Assistant City Manager Brooks stated there should be further discussion to see if this is still wants to be considered moving forward. Mayor Bower suggested changing the study to Single Family Residents that might show a savings. Commissioner Jorge Exposito asked for clarification on why City of Miami Beach residents pay so much more in water rates. Mr. Anderson replied that the different utility systems have different maturities, older pipes which might require more service and the shares that have to be paid based on the size of the pipes that are throughout the City can cost more money to the City, but it will sustain the infrastructure to the City. The Committee recommended CDM Smith provide the study for Single Family homes with the current data and bring it back to the full Commission.

3. Discussion regarding Budget Advisory Committee recommended Pension Reform policies and guidelines

ACTION

Item Deferred.

4. Discussion regarding the issue of encouraging businesses to support the effort of implementing more homeless meters

ACTION

The Committee deferred the item to the next meeting.

Real Estate, Housing & Community Development Director Anna Parekh presented this item.

Real Estate, Housing & Community Development Director Anna Parekh briefly stated the City of Miami Beach participates in the Miami-Dade County Homeless Trust which administers proceeds of the one-percent food and beverage tax on issues involving homelessness. The City has been participating in a fundraising campaign referred to as the "Homeless Meters" in an effort to continue to promote awareness of homeless issues throughout the community. The Homeless Meters are surplus parking meters graphically enhanced by a local artist and placed where panhandling most frequently occurs. There are 11 Homeless Meters that have been placed throughout the City of which one is missing, so 10 remain. A private donor sponsored 11 additional meters that Joe's Stone Crab allowed to be placed in their parking lot. Sponsors provide a tax deductible contribution of \$1,000.00 per donation meter sponsorship. Currently, the money deposited into Homeless Meters is collected and maintained by the Miami Parking Authority free of charge to the Homeless Trust. The Homeless Trust is requesting the City of Miami Beach Parking Department take over collection and maintenance of the 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 and annual audit costs per year. Regulatory review may be required for the large collection device depending on its size, design and location.

Commissioner Exposito deferred this item to the next meeting to allow Chairperson Deede Weithorn to give her thoughts since she was unable to attend the meeting.

- 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, and contracting with an outside entity for billing and collection services for false alarm fees**

ACTION

The Committee recommended that the false alarm fee for police be amended to mirror that of the Miami-Dade County false alarm provisions, as well as contract an outside agency for the purposes of collection. With the exception of keeping the \$10 dollar per year registration permit fee the same. Also recommending fines and appeals for the false alarm section of the City Code be included in Chapter 30 of the City Code to provide jurisdiction to the Special Master. The Committee also recommended that false alarms for the fire fee be \$250.00 after the 3rd-5th false alarms, the 6th-11th false alarms will be \$500.00 and after 12 false alarms, the fee goes will be \$1,000.00.

Police Chief Raymond Martinez and Fire Chief Javier Otero presented this item.

Assistant City manager Kathie Brooks began the discussion by stating this item

was referred due to the need for discussion and policy direction with regards to false alarm fees and their collection. Police Chief Raymond Martinez stated Miami Beach Police Department (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. 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. 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.

Fire Chief Javier Otero stated that similar to Police, 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. False fire alarms are predominantly generated by multi-family residential buildings. An analysis of false fire alarms in Fiscal Year 2011/2012 indicates a significant number of buildings citywide had 10 to 108 false fire alarms. There are numerous buildings that have more than 25 false alarms per year. Commissioner Jorge Exposito stated that the City of Miami Beach currently charges nothing for false fire alarms and he is concerned making such a drastic change. Mayor Matti Bower suggested that the false alarms start at \$250.00 and that the resident is educated on the fees that will kick in if other false alarms continue to exist. Assistant City Manager Brooks added the second recommendation is to outsource the billing and collection function for false alarm fees that can be bidded out. Mayor Bower recommended that the fee be \$250.00 after the 3rd-5th false alarms, the 6th-11th false alarms will be \$500.00 and after 12 false alarms, the fee goes up to \$1,000.00. Commissioner Michael Gongora second the motion.

6. Discussion regarding the Florida's Safe Routes to School Program (FLSRTS)

ACTION

The Committee recommended moving forward with the application for Feinberg-Fisher and Nautilus Middle School Projects under the FLSRTS program.

Transportation Manager Jose Gonzalez presented the item and began by stating 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. 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 on a reimbursement basis. The application process is open through June 14, 2013. Three candidate FLSRTS projects were identified by City Staff for consideration in which Feinberg-Fisher Elementary and Nautilus Middle School were chosen as priority projects. The City conducted a series of inspections of the current infrastructure, including sidewalk condition, crosswalks, signalization, signage, pavement striping, traffic calming, lighting, and drainage in making this decision. If the application is successful, the funds would become available next fiscal year 2013/2014. 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. There is no guarantee the funding will be there next year. The reason Miami Beach Senior project was placed on hold was due to the detailed analysis required for the bicycle boulevard, but an attempt will be made next fiscal year for this project. 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. Commissioner Michael Gongora made a motion to move forward with the application for Feinberg-Fisher and Nautilus Middle School Projects under the FLSRTS program. Mayor Matti Bower seconded the motion.

7. Discussion regarding FCWPC Travel Channel's Proposal to film a documentary with Miami Beach

ACTION

The Committee recommended to move the item to the full Commission and allow a non-binding casting of City employees in writing that clearly states we are not committing to do the show, but allowing for City employees to be cast.

Cultural Arts & Tourism Development Director Max Sklar presented this item.

Max Sklar began the discussion by stating that 2C Media approached the City with a concept of South Beach 24/7 where they would follow key individuals in the City. They are interested in casting City employees be it a life guard, police officer, etc. A number of years ago, there was a similar type agreement with Evolutions to do a similar concept. The City was allowed to review all episodes for factual accuracy, but it was not a great experience because the City was unable to deter anything that portrayed the City negatively from airing. The potential of being portrayed poorly is the main concern if we decide to move forward with this deal. In the past, the City has negotiated with TRU television on a \$12,000 per episode contract to highlight the life guards only on Miami Beach back in 2008.

Commissioner Jorge Exposito stated his concern is to portray the City of Miami Beach in a proper light which he expressed when meeting with 2C Media. The other concern was the legality if an issue occurred while filming. Chief Deputy City Attorney Raul Aguila added that they would definitely negotiate final cut approval of all episodes as per previous experiences. Commissioner Michael Gongora requested to see what language is in Miami Dade County's contract so that there's an idea as to how this can be negotiated. 2C Media representative Carla Kauffman Sloan discussed a few shows they have produced in Miami. Mrs. Kauffman also added they work closely with the Film Commission in which they showed a video they produced of all their Miami film cuts to promote

production in Miami. 2C Media representative Igal Shet added they have already began discussions with some of the noted influential private business owners on the beach for casting. Commissioner Jorge Exposito stated they currently have a framework and it is important to have legal involved. Mrs. Kaufman stated the casting would need to be done immediately and then the Travel Channel would decide if they want to move forward with the show. Mr. Shet stated the missing link is a life guard or cop or some sort of City worker. Mayor Matti Bower asked if they currently only have City workers in which Mr. Shet stated they currently only have private business owners that are doing great things within the City. Commissioner Gongora stated if they allow 2C Media to cast, is there any commitment in which the response was no from Mr. Shet. City Attorney Aguila stated from a legal standpoint, it appears nothing is currently binding under the City. There can be a release drawn up for the casting of any City employees that would be referred to the Commission for any approval. Mayor Matti Bower stated she's leery due to previous experiences with South Beach Tow and the context in which businesses are chosen. Initially, it was understood that it would only be City employees and not private business owners. Mrs. Sloan stated they have met with the Travel Channel and they feel if the City is not involved, the show cannot succeed. Mr. Shet stated the Travel Channel doesn't feel the entire picture of a community would not be portrayed without the City's involvement. Commissioner Exposito stated that a lot of clarity would need to be brought to the Commission from legal on this item before an informed decision can be made. Commissioner Gongora made a motion to move the item to Commission to allow a non binding casting of City employees in writing that clearly states we are not committing to do the show, but it's okay for the employees to cast if they want to be a part of it. Mayor Matti Bower seconded the motion.

8. Discussion regarding Bayfront to Miami Ferry and a proposal to rent the Old Pilot House south of Miami Beach Marina

ACTION

The Committee recommended closing out the item.

Real Estate, Housing & Community Development Director Anna Parekh presented this item.

The Committee recommended closing out the item.

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