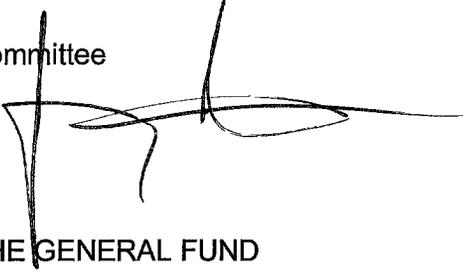


MIAMI BEACH

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: August 21, 2013

SUBJECT: APPROACHES TO BALANCE THE GENERAL FUND

The Current Service Level budget gap in the General Fund currently totals \$2,457,000. A combination of reduction/efficiencies, new or enhanced revenues, and transfers from other funds are proposed to close the gap and provide additional capacity for enhancements.

As previously projected, we are recommending an increase of \$2.0 million from \$30.9 million to \$32.9 million in Resort Tax transfers to the General Fund to pay for eligible tourism expenditures.

In addition, as part of the budget process, departments submitted reductions/efficiencies with minimal impacts on service delivery. Proposed efficiencies in the General Fund total \$242,000 through a re-scope of the Municipal Wi-Fi project to deliver a high-speed signal at select facilities rather than the current citywide coverage that has intermittent coverage and a slow signal. Savings in FY 2013/14 will be \$242,000 in the General Fund and that figure is anticipated to increase in FY 2014/15 to \$347,000. It is important to note that the City reviews the potential for operational efficiencies each year and that opportunities have declined over time as operations have become increasingly streamlined.

Proposed new or enhanced revenues in the General Fund total \$430,000 with a net positive impact of \$220,000. A new grease trap permit is proposed in the Code Department to fund proactive enforcement of grease disposal through the implementation of a Green Team. The proposed revenue of \$210,000 would offset costs of the new team. Additional revenues that have a net positive impact include new false alarm fees totaling \$106,000 in Police and Fire, an increase in permits to nightclubs and other assembly occupancies that total \$96,000, and a new Fitness Class permit totaling \$18,000 for businesses delivering fitness programs in City parks.

Proposed enhancements in the General Fund net of offsetting revenue total \$1,231,000. Enhancements for Police Services total \$274,000, Fire Services \$424,000, Internal Service Departments \$143,000, Building Department \$48,000, Community Services Department \$85,000, and City Attorney, City Manager, Mayor & Commission \$257,000. Details regarding each enhancement can be found in the attachment titled "Proposed Additions and Service Enhancements". Transfers from the Parking Fund to the General Fund are anticipated to be used to fund the proposed enhancements.

Attachments

JLM: JW



APPROACH TO BALANCE

**CITY OF MIAMI BEACH
FY 2013/14 GENERAL FUND OPERATING BUDGET**

Status as of July 8, 2013

Preliminary Current Service Level (CSL)Budget

Revenues	\$ 262,417,000
Expenditures	267,337,000
Net CSL Gap	\$ (4,920,000)

Changes to CSL Since July 8, 2013

Revenue Adjustments	
Millage Rate Reduction of 0.2 Mills	\$ (4,004,000)
Other General Fund Revenue Adjustments	1,690,000
Expenditure Adjustments	142,000
Employee Givebacks to Offset increases in health and pension costs	
Net Impact from Union Agreements	4,990,000
Police Health Incentive Program	(355,000)
Net CSL Gap After July 8, 2013	\$ (2,457,000)

Transfers/ Efficiencies/ Revenues

Resort Tax - Transfer to GF	\$ 2,000,000
Minimal Impact Reduction / Efficiencies	242,000
Revenue Enhancements (Net of offsetting expenditures)	220,000
Total Excess/ (Shortfall)	\$ 5,000

Enhancements/ Transfers

Additions and Enhancements	
Enhancements for Police Services	\$ (274,000)
Enhancements for Fire Services	(424,000)
Enhancements for Internal Service Departments	(143,000)
Enhancements for City Attorney, City Manager, Mayor & Commission	(257,000)
Enhancements for Building Department	(48,000)
Enhancements for Community Services	(85,000)
Enhancements with Offsetting Revenues (Green Team, Unsafe Structures, Grant Coord.)	-
Sub-Total	\$ (1,231,000)
Parking Fund - Transfer to GF	\$ 1,226,000

Total Excess /(Shortfall) \$ -

POSITIVE IMPACT OR MINIMAL SERVICE IMPACT, EFFICIENCIES, ETC.

	Impact	Cumulative Dept. Impact	Position Impacts					
			Full Time	Part Time	Proj. Vacant	Filled	Mgt. & Admin	Non Mgt.
GENERAL FUND								
Estimated Savings to the General Fund- From Information Technology efficiency below	\$ (242,000)	\$ (242,000)	0.0	0.0	0.0	0.0	0.0	0.0
Total General Funds	\$ (242,000)	\$ (242,000)	0.0	0.0	0.0	0.0	0.0	0.0
INTERNAL SERVICE FUNDS								
Information Technology								
Rescope the Municipal WiFi Project to deliver a WiFi signal to select facilities rather than citywide. Reducing annual funding from \$727K to \$200K. Due to the structure of the existing contract change with an effective date of October 1, one payments will be made in Fiscal Year 2014 of \$160K. In future years the saving would be approx. \$526K. FY14 Estimated savings to the General Fund \$242,000. The remainder (\$125k will be allocated between all other funds through internal service allocations)	\$ (125,000)	\$ (125,000)	0.0	0.0	0.0	0.0	0.0	0.0
Property Management								
Eliminate vacant Carpenter position & replace with contracted services. In year 2, the department will recognize pension savings of approximately \$14,000.	\$ (1,000)	\$ (126,000)	(1.0)	0.0	(1.0)	0.0	0.0	(1.0)
Total Internal Services Funds	\$ (126,000)	\$ (126,000)	(1.0)	0.0	(1.0)	0.0	0.0	(1.0)
ENTERPRISE FUNDS								
Sanitation								
Eliminate vacant HEO I position. During the period this position has been vacant, the department has been able to re-assign duties and increase efficiencies, which allows for this elimination without service impacts.	(55,000)	(55,000)	(1.0)	0.0	(1.0)	0.0	0.0	(1.0)
Convention Center								
Convert Executive Office Associate I position to two Part-time Office Associate III positions	(17,000)	\$ (72,000)	(1.0)	2.0	(1.0)	0.0	0.0	(1.0)
Total Enterprise Funds	\$ (72,000)	\$ (72,000)	(2.0)	2.0	(2.0)	0.0	0.0	(2.0)
Grand Total All Funds	\$ (440,000)	\$ (198,000)	(3.0)	2.0	(3.0)	0.0	0.0	(3.0)

POTENTIAL REVENUE ENHANCEMENTS

	Fiscal Impact	Cumulative Impact
GENERAL FUND		
Code		
Improve monitoring of waste run off - estimated at \$350 x 600 grease traps by creating a Permit for Grease Traps- <i>(offset by service enhancement request for implementation of Green Team)</i>	210,000	\$210,000
Fire		
Promote compliance and improve overall safety within the City through the implementation of a new fire false alarm fee. The fee will be set at \$250 after the 3rd-5th false alarms; \$500 for the 6th-11th false alarms and after the 12th false alarm the fee goes up to \$1,000.	89,000	\$299,000
Ensure compliance with City Code relating to overcrowding conditions and locked exits in nightclubs and other assembly occupancies through amendment to the code and increase the permit fee charged to dance hall establishments from \$3 per person \$4 per person.	82,000	\$381,000
Ensure compliance with City Code relating to overcrowding conditions and locked exits in nightclubs and other assembly occupancies through amendment to the code and increase in the fines for code violations	14,000	\$395,000
Police		
Amend false alarm fee for police to mirror that of Miami Dade County's provisions for both commercial and residential callers	17,000	\$412,000
TCD		
Legitimize the service delivery of all classes held on City property, designate specific locations/park , for each service provider and legalize that "any Commercial for-profit business that is interested in using a city park as a location for delivery of a program or service is required to obtain a Commercial Fitness Rental Permit by creating a Fitness Class Permit	\$ 18,000	\$ 430,000
Total General Funds	\$ 430,000	\$ 430,000
Revenue Enhancements Net of Offsetting Expenditures	\$ 220,000	\$ 220,000

PROPOSED ADDITIONS AND SERVICE ENHANCEMENTS	Fiscal Impact	Cumulative Impact	Positions	
			FT	PT
GENERAL FUND				
Police				
Public Safety Communications Units (PSCU) Dispatchers Enhancement- Seven (7) additional dispatcher positions for the Public Safety Communications Unit (PSCU) to ensure the continuity of operations of the PSCU on a 24/7 basis. This enhancement includes an offsetting reduction in overtime of \$199,000	157,000	157,000	7.0	0.0
Address salary compression for Police Captains resulting from pay disparities between upper management unclassified employees and classified / bargaining unit employees over several years.	20,000	177,000	0.0	0.0
Records Unit Enhancement- Ensure the appropriate management and disposition of official police records, including the completion of Uniform Crime Reporting for the State <i>Reinstate on (1) Records Manager position which was vacated in 2003 due to the incumbent's deployment on active military duty. Position was eliminated through the budget process. Upon his return from active duty, the City provided him with his position as a Records Manager. This enhancement formally adds this position into the budget.</i>	97,000	274,000	1.0	0.0
Fire/Ocean Rescue				
Improve the efficiency of the Fire Department's Fire Prevention division in light of the Building Official's newly implemented plans review times (10 days versus 30 days) by hiring two (2) additional Fire Protection Analysts. Allows the division to meet the new turnaround times and implement the change of being first to review plans ahead of others in the chain.	193,000	467,000	2.0	0.0
Improve the frequency of fire inspections within the City from once every 2.5 years to once every 1.5 years with the hiring of two (2) additional Fire Protection Inspectors	179,000	646,000	2.0	0.0
Reinstate the Ocean Rescue Chief to be offset by the reduction of a full-time lifeguard position	52,000	698,000	0.0	0.0
Code				
Improve monitoring of waste runoff by adding a Green Team to include 1- Code Compliance Manager, 1- engineering Inspector and 1- Code Compliance Officer (<i>offset by revenue from permit for grease traps (estimated at \$350 x 600 = \$210,000)</i>)	210,000	908,000	3.0	0.0
Building				
Improve efficiency of permitting process for Miami Beach homeowners by adding a Permit Clerk on first floor - the increased demand is reflected in the increase of revenues projected in the current year and anticipated in FY 2013/14	48,000	956,000	1.0	0.0
Enhance enforcement of Unsafe Structures by providing funding for demolition of unsafe structures. Covers Six (6) identified properties in the North end (<i>one time expense, funded by Building revenues</i>)	250,000	1,206,000	0.0	0.0
Community Services				
Add supplemental funds for elder meal programs to supplant Federal funds that were lost via sequester. Addresses lost capacity at the following sites: Rebeca Towers (15), Council Towers South (10), Stella Maris 3, South Shore Community Center (20), Federation Towers (10); for a total of 58 meals per day.	85,000	1,291,000	0.0	0.0
Procurement				
Improve Procurement Compliance and Reduce Solicitation Backlog by adding a Procurement Coordinator	63,000	1,354,000	1.0	0.0
Office of Budget and Performance Improvement				
Improve financial oversight of Capital Budget process (including Renewal and Replacement projects) and increase department's capacity for proactive analyses, process improvement and performance initiatives by adding a Management and Budget Analyst.	71,000	1,425,000	1.0	0.0
Enhance monitoring of existing grants (including providing support for EOC grants) and research of new grant opportunities, for example Emergency Management grants, by adding a Grants Position (<i>offset by revenue/grant funded</i>)	57,000	1,482,000	1.0	0.0
City Attorney				
Recruit a Senior Assistant City Attorney to handle additional volume of transactional litigation due to convention center development.	109,000	1,591,000	1.0	0.0
Increase hours for Legal Secretary from part-time to fulltime to support new Senior Assistant City Attorney	32,000	1,623,000	1.0	(1.0)
Move Receptionist formerly split between City Manager, City Attorney and Mayor/Commission	17,000	1,640,000	0.0	0.0

PROPOSED ADDITIONS AND SERVICE ENHANCEMENTS	Fiscal Impact	Cumulative Impact	Positions	
			FT	PT
GENERAL FUND Continued				
City Manager's Office				
Dedicated Receptionist to effectively manage the daily flow of inquiries and requests received by the City Manager's Office (Current receptionists will be moved back to solely City Attorney Office and Mayor/Commission Office)	11,000	1,651,000	0.0	0.0
Proactively investigate and address potential corruption and malfeasance by adding a Compliance Officer position and Hotline Contract. The cost of the Hotline contract is not included and will be determined when put out to bid. Finance and Citywide Projects Committee recommendation.	69,000	1,720,000	1.0	0.0
Mayor/Commission				
Move Receptionist formerly split between City Manager, City Attorney and Mayor/Commission	19,000	1,739,000	0.0	0.0
Total General Fund Enhancements	\$ 1,739,000	\$ 1,739,000	22.0	(1.0)
Total General Fund Not Offset By Revenues	\$ 1,222,000		22.0	(1.0)
Total Enhancements Offset by Non-GF Funding	\$ 267,000			
One Time - funded by Building Revenue	\$ 250,000			

	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
INTERNAL SERVICE FUNDS				
Property Management				
Add a Construction Manager to oversee Capital Renewal & Replacement Capital Projects related to City Facilities over and above routine maintenance. This position will oversee work on all aspects of the projects including design, construction, inspection and renovation. <i>(This cost will be offset by Renewal and Replacement funding)</i>	68,000	68,000	1.0	0.0
Fleet Management				
Improve Warehouse Operations by converting 2 Part-time Fleet Service Representative positions to 1 Full-time Warehouse Manager - Estimated impact to General Fund \$9,000	14,000	82,000	1.0	(2.0)
Total Internal Service Funds	\$ 82,000	\$ 82,000	2.0	(2.0)
Estimated impact to the General Fund	\$ 9,000			

	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
ENTERPRISE FUNDS				
Stormwater				
Enhance Stormwater Pump Station Maintenance- Due to the increased number of pump stations (4), additional maintenance is critical to meet the demands of effective stormwater control.	\$ 175,000	\$ 175,000	0.0	0.0
Parking				
Increase the services available online by adding a Senior Systems Analyst. Some of the projects that are currently in queue are: 1. Modify Customer Counter Application for the integration with LPR enforcement. 2. Online payment and auto pay for Residential Permits Application (Visitors and Residents) 3. Online payment and auto pay for Monthly Municipal Permits Application 4. Access Card Payments Application integration with garage revenue control equipment. 5. Visitor Parking Application 6. Bulk Billing Permits Application 7. Valet enforcement handheld application 8. Mobile point of sale application	80,000	\$ 255,000	1.0	0.0
Improve the management and coordination of all aspects of the maintenance of parking facilities including handling the contracts with vendors that perform related work by adding a Property Management Contracts Coordinator	88,000	\$ 343,000	1.0	0.0
Total Enterprise Funds	\$ 343,000	\$ 343,000	2.0	0.0
Grand Total All City Funds	\$ 1,647,000	\$ 425,000	26.0	(3.0)
Grand Total General Fund Enhancements Not Offset by Revenues	\$ 1,231,000			

	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
RDA				
New police squad for the RDA, which will provide 24 hour coverage, particularly on Lincoln Road and surrounding areas. This new squad will include one (1) Sergeant and two (2) Police Officers. The City has applied for the U.S. DOJ COPS Hiring grant. If the grant is awarded, it will offset \$187,000 for the two new Police Officers for three years. The City will be required to maintain these positions after year three for twelve months	\$ 309,000	\$ 309,000	3.0	0.0
Improve the Management of Lincoln Road Infrastructure by addition of a Mall Manager	\$ 100,000	\$ 409,000	1.0	0.0
Improve ability to quickly address code issues on Lincoln Road by addition of two dedicated code officers	\$ 81,000	\$ 490,000	2.0	0.0
Total RDA	\$ 490,000	\$ 490,000	6.0	0.0
	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
Resort Tax				
Increase existing funding of \$100,000 for Miss USA or similar event to \$125,000 per year for four years to provide funding for World Out Games	25,000	\$ 25,000	0.0	0.0
Total Resort Tax	25,000	\$ 25,000	0.0	0.0
	Fiscal Impact	Cumulative	Total	
			FT	PT
Other Revenue				
Grants				
Pursue Grant Funding to design and develop a Resiliency Program to plan, develop and promote policies in Miami Beach related to long term community resilience, sustainable development and building, climate change impacts, environmental quality, green business growth and green infrastructure expansion. Finance & Citywide Projects Committee recommendation.	-	-	1.0	0.0