## MIAMIBEACH

## Committee of the Whole Meeting

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive August 22, 2013

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

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

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## **COMMITTEE OF THE WHOLE AFTER-ACTION**

R9A The Committee Of The Whole Will Meet On August 22, 2013 At The City Manager's Office Large Conference Room To Discuss Fiscal Year 2013/14 Proposed Operating Budget Request For The Office Of The Mayor And City Commission.

The Committee of the Whole was called to order at 2:10 p.m.

The following individuals were present:

Mayor Matti Herrera Bower Commissioner Jorge R. Exposito Commissioner Michael Góngora Commissioner Jerry Libbin Commissioner Deede Weithorn City Manager Jimmy L. Morales City Clerk Rafael E. Granado Budget & Performance Improvement Director John Woodruff

Office Manager for the Office of the Mayor & Commission Luis Wong

Senior Management and Budget Analyst Georgette Daniels

Commissioner Libbin requested the amount by which the Mayor and Commission budget was increasing as compared to the last fiscal year. Mr. Woodruff replied that it was up by 5%.

Commissioner Weithorn stated that the increase was caused mostly by pension costs.

Mayor Bower inquired if the budget was the same as the previous fiscal year, and if the employees

in the Mayor & Commission Office were receiving a cost of living adjustment (COLA). City Manager Jimmy L. Morales explained that the employees were receiving the pension adjustment and that the Aides received an adjustment to their salaries during the current fiscal year. Ms. Daniels, Senior Management and Budget Analyst, stated that employees will not receive a COLA during FY 2013/14, but they will be eligible to receive a merit increase of two percent (2%). Ms. Daniels and Commissioner Weithorn further explained that no employee would be receiving COLA's during FY 2013/14; as such, an increase was not negotiated with union employees.

Mayor Bower asked if employees who were at the top of their salary range would receive a merit increase. Ms. Daniels responded that those employees who were at the top of their salary range would be capped, and would not be eligible to receive the merit increase. Commissioner Weithorn stated that there was only one employee in the Mayor and Commission Office who was capped. Commissioner Weithorn clarified that the salary cap does not increase when merit raises are given, but the COLA may change the top of the cap.

Commissioner Libbin stated that he was against increasing the minimum and maximum of the pay ranges when COLAs are given. Commissioner Weithorn and Ms. Daniels added that there is no COLA proposed for FY 2013/2014. Commissioner Weithorn stated that therefore there is no salary range change occurring during FY 2013/2014. Commissioner Weithorn expressed that the only salary range change would occur in year three (3) of the union contracts that have been or are being negotiated.

Mayor Bower inquired if the union employees were being treated the same. Commissioner Weithorn and Manager Morales stated that no employee is receiving a COLA during FY 2013/2014.

Mayor Bower asked if union employees would be receiving a merit increase in FY 2013/2014, and if they have a cap. Commissioner Weithorn replied that the union employees have a cap.

Mayor Bower stated that the pension is "so out of whack" because for many years, the City gave both merit and COLA increases. Therefore, the City was providing two salary increases a year. As a result, employees reached the cap very fast. What the City then did was every two or three years the salary grade for the capped employee was increased, in order to allow the employee to continue to receive raises. As a result, the Condrey study showed that there were employees whose salary was "out of whack" with their actual duties. So the City was then faced with the choice of having to lower all these employees' salaries; which is very difficult to do. So instead, the City suggested phasing in the salary reductions. The Mayor inquired if the City was doing the phasing. Commissioner Weithorn responded "yes" that the City has done that. Mayor Bower wanted to ensure that the City is not only capping those employees who are not in the union, as it is not fair that the City keeps giving the unions everything and the employees not in the unions are being constantly killed.

Commissioner Libbin asked if an employee hits their maximum because of a merit step increase, does it raise the cap? Commissioner Weithorn stated that she knew the answer to be a definite "no," as this was a cause of disagreement during the union negotiations.

City Manager Morales stated that the only group that received a range increase was a few CWA employees to make up for the years they did not receive salary increases. The Mayor stated that it was fine, as those are minimal [salary] employees.

Commissioner Weithorn reminded her colleagues that there were some CWA employees whom

the City did cut their pay in the previous union contract. Commissioner Libbin added that the cuts were 16%. Commissioner Weithorn stated that the City reinstated a certain amount of pay to them in the new labor contracts, but not the entire amount.

City Manager Morales just wanted to be accurate when answering Mayor Bower's question, and stated that there was a small group whose ranges were increased. Commissioner Weithorn concurred that it was a small group, and it was definitely employees from whom the City had taken money from; they are not people who are receiving anything new. Mayor Bower stated that it was fine.

City Manager Morales explained that the only increase to the Mayor & Commission Budget for FY 2013/2014 was pension, insurance, and internal service charges.

Budget & Performance Improvement Director John Woodruff pointed out that in the Mayor & Commission FY 13/14 Proposed Budget there is an item called "Retiree Benefits OPEB PayGO" that is \$40,000, which is appearing for the first time in 2014. However, if they go down the page, to the section entitled "Operating Expenditures" and thereafter to the subsection entitled "Self Insurance – Internal Service," that decreased by \$37,000. That amount was originally showing in the "Risk Charge," and they have cleaned it up based on salaries. This amount represents retiree benefits. Commissioner Weithorn explained that it was a movement of an expense; it used to be in one place, now it is split in two pieces. Commissioner Weithorn explained that there is the current expense for the retiree piece, and now it is being split into two lines so it may be shown clearer. Director Woodruff stated that it was merely "one pocket to another." He wanted to make sure the Commission understood that they were not being hit with a \$40,000 expense. Commissioner Libbin stated that the increase was \$2,300. Commissioner Weithorn responded that for insurance that figure is a very reasonable increase.

Mayor Bower stated that this budget does not show the \$19,000 for the receptionist. City Manager Morales concurred that it is not included in the budget before them, as it is an enhancement. City Manager Morales explained that it would only be included in the proposed budget if the Commission approved the enhancement. Mayor Bower asked if the enhancement were approved, how that cost would be transferred into the budget. City Manager Morales explained that the proposed Mayor & Commission Budget would have to be amended under "salary and wages" to amend the positions. City Manager Morales explained that right now, the Mayor and Commission Office has 2/3rd of a position for a receptionist, and if the enhancement occurs, they will be charged for a "whole" receptionist position. Mayor Bower inquired as to what is the process necessary to amend the regular budget to include the proposed enhancement. City Manager Morales explained that after today's meeting they would take all their comments and incorporate them into the budget that will be presented for first reading on September 11, 2013.

Mayor Bower stated that the Mayor and Commission Budget would therefore increase by \$20,000 to fund the receptionist. City Manager Morales agreed. Commissioner Exposito stated that after the shooting incident at another City's Commission meeting last year, the Miami Beach Commissioners had concerns regarding security. Commissioner Exposito listed some of the events that occurred in the Mayor and Commission Office, which raised security concerns. Commissioner Exposito had asked for a security study, as it was very easy to enter the Mayor and Commission Office unannounced. The City implemented changes in some locks, but by having a receptionist to greet the public, there is control, and it makes it more difficult to walk in unannounced.

Thereafter, by acclamation, the Mayor and the Commissioners present approved the Mayor &

Commission FY 13/14 Proposed Budget.

The Committee of the Whole adjourned at 2:30 p.m.

Handouts or Reference Materials:

1. Mayor & Commission FY 13/14 Budget Request Package