



MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: August 13, 2014

This shall serve as written notice that a meeting of the Finance and Citywide Projects Committee has been scheduled for August 13, 2014, at 1:00 P.M. in the Commission Chambers.

The agenda is as follows:

OLD BUSINESS

1. **Discussion regarding The Greater Miami Convention and Visitors Bureau Interlocal Agreement (March 5, 2014 Commission Item C4F)(188)**

Max Sklar – Tourism, Cultural and Economic Development Director

2. **Discussion The Purchase Of Flood Insurance, All-Risk Property Insurance, Including Windstorm, Boiler & Machinery Insurance For City Buildings And Contents (Including New Construction); And Fine Arts Insurance (Bass Museum), As Proposed By Arthur J. Gallagher Risk Management Services, Inc., The City's Broker Of Record (May 28, 2014 Commission Item R7E)(198)**

Silvia Crespo-Tabak – Human Resources Director

3. **Discussion regarding the Use of the Byron Carlyle Theater (June 11, 2014 Commission Item C4D)(200)**

Max Sklar – Tourism, Cultural and Economic Development Director

NEW BUSINESS

4. **Employee Wellness Program**

Silvia Crespo-Tabak – Human Resources Director

5. **Status Update on FY 2014/15 General Fund Operating Budget**
a. **Potential Efficiencies, Reductions, Enhancements, Revenue Enhancements**

John Woodruff – Budget and Performance Improvement Director

Finance and Citywide Projects Committee Meetings for 2014:

August 15, 2014 (Budget)

September 25, 2014

October 17, 2014

November 12, 2014

December 12, 2014

PDW/rs/kd

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Cc. Mayor and Members of the City Commission
Management Team

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: August 13, 2015

SUBJECT: **DISCUSSION REGARDING THE GREATER MIAMI CONVENTION AND VISITORS BUREAU INTERLOCAL AGREEMENT.**

BACKGROUND

The City has been contracting with the Greater Miami Convention and Visitor's Bureau (GMCVB) since 1984 for the purpose of promoting the Miami Beach Convention Center and the destination. The GMCVB is the entity primarily responsible for pursuing and securing Convention business for the Convention Center, with the Convention Center management company also responsible for pursuing booking business, which typically includes shorter term uses. A booking policy governs priority of bookings. The GMCVB also engages in local, national and international marketing of the overall destination in an effort to promote tourism. The goal of both the convention booking and destination marketing is to secure hotel room nights in the City, and further enhance the City's tourism economy. Funding for the City's Agreement with the GMCVB is derived from the Municipal Resort Tax revenue. The GMCVB derives additional funding from Miami-Dade County, Village of Bal Harbour, member fees and cooperative marketing partnerships. The GMCVB's activities are focused primarily in marketing and convention sales/meeting sales.

In 1984, the City of Miami Beach (CMB), Miami Dade County, the City of Miami and the Village of Bal Harbour, entered into an Interlocal Agreement with the Greater Miami Convention and Visitor's Bureau to perform tourism and convention sales and promotion functions. On July 7, 1999 the Mayor and City Commission adopted Resolution No. 99-23237 approving an agreement with the GMCVB for an initial term commencing on October 1, 1999 and ending on September 30, 2002 with one, two (2) year renewal option, at the City's discretion. On December 8, 2004, the City Commission adopted Resolution No. 2004-25767 which approved an agreement with the GMCVB for five (5) years from October 1, 2004 – September 30, 2009. On July 7, 2009, the Finance and Citywide Projects Committee directed the Administration to negotiate a new five (5) year agreement with the GMCVB. On September 24, 2009, the City Commission adopted Resolution No. 2009-27217 approving a new five (5) year agreement commencing on October 1, 2009, and ending on September 30, 2014.

On July 18, 2014 this item was brought to Finance and Citywide Projects Committee meeting with the recommendation to extend the contract for one year to develop the goals for a much more rigorously based performance contract. The committee made no recommendation and moved the item to the August 13, 2014 Budget meeting and then to the September 10, 2014 Commission meeting for final discussion.

Attached is the terms sheet as well as a summary of their annual performance report Since FY 2003-04. I have also attached for your review a summary of the GMCVB current annual revenues, as well as a comparison of the City's funding allocation to the GMCVB versus the City's resort tax collections. The GMCVB did meet their Performance Objectives but, in hindsight, these objectives

were not challenging. As a result, the City began to review the agreement in an effort to make it more performance based.

GMCVB'S PROCESS FOR BOOKINGS

The GMCVB's Convention sales staff reaches out to clients through many different avenues to obtain "leads".

1) Sales calls daily from their data base by 11 sales managers for both hotel and MBCC business as well as prospecting new markets. One Sales manager is located in Washington DC, which hosts more than 3,000 headquarters for Association, Corporate and Tradeshow businesses.

2) Attending tradeshow and industry shows where clients are in attendance and selling directly to them while building on relationships. The GMCVB attends over 60 events a year and typically has a representative from the MBCC staff and partner hotels when appropriate.

3) Hosting clients and customers in Greater Miami for familiarization trips, sites inspections and other industry shows going on in our destination.

4) Respond to inquiries that come in via email, phone, Convention Center staff, hotel sales people, and local community leaders that want to bring business to Miami Beach.

Once a client is interested in the MBCC for a future year, the GMCVB qualifies them through their history of previous meeting destinations. The GMCVB looks at their hotel pickup and contracts to verify that they meet the First Priority Status that will allow them to hold dates 1st option beyond the 24 month window (per the MBCC booking Policy – 1,500 rooms contracted or greater). Once that is determined, the GMCVB works with the Client on dates and the MBCC staff on proposals, and assists from start to finish with the clients' visits to secure the hotels and room blocks. (example: American Academy of Dermatology convention in 2013 used 55 hotels to meet their requirement for 5,600 rooms on peak which the GMCVB facilitated).

For long term citywide groups, this process can take 4-6 years from the "lead to the booking". In this timeframe, the GMCVB assist the clients as they weed out the competition, facilitate hotel proposals that need fine-tuning, make presentations to Boards and Executive committees and strengthen these relationships along the way. Once the convention is booked, the Convention Services Team is in "All Hands on Deck" mode. The GMCVB partners with the clients on promoting Miami Beach at the convention in the city prior to Miami Beach (i.e. American Academy of Dermatology, Cardiac Research Foundation TCT, etc. which can include:

Personnel, Booth, Promotional Material, Video, Handouts, Brochures, and Maps). Once on site, GMCVB Convention Services does everything from the "day to day" liaison to the community, media, transportation contacts, staffing needs, airport & city welcome signage, banners, referrals, housing desk, off site venue recommendations, etc. The GMCVB is the "one stop shop" for the client.

Additionally, the City engaged the GMCVB in 2009 to work more closely with the repeat users for MBCC (i.e. Swimwear show, Printing Show, Cruise Shipping, Jewelry show, Art Basel, etc.) by providing a more active Convention Sales and Services presence. These services have included: arrival welcome at the MIA, Banners in Miami Beach welcoming the group, marketing support, pre-mailers to increase attendance, registration personnel provided on site, assistance with securing hotel rooms for the clients' room blocks which would assist them to qualify their hotel pickup, conducting site inspections, ideas for special events, etc. The intent of the City at the time was to make these repeat customers feel welcomed and valued.

NEW AGREEMENT

In anticipation of the expiration of the GMCVB agreement, the City contracted with Strategic Advisory Group (SAG) to assist the City in analyzing the current GMCVB agreement and recommend revisions. As you know, SAG is the City's consultant for the Convention Center Renovation Project. In addition to these services SAG also has destination marketing experience. Mr. Daniel Fenton, Associate Partner with SAG, has over 25 years of Hospitality and Destination Marketing experience. Prior to joining SAG, Mr. Fenton was CEO of the San Jose Convention and Visitors Bureau and has held senior management positions with Radisson, Amfac and Hyatt Hotels. He is a graduate of the Cornell School of Hospitality Management.

Mr. Fenton specifically performed the following services for the City:

1. Reviewed and analyzed the current GMCVB agreement;
1. Reviewed historical bookings and recommended future production goals and goal setting process;
2. Reviewed proposed Term Sheet by GMCVB;
3. Reviewed budget information from CMB and Bureau including summary data on key measures from the past three to five years;
4. Reviewed hotel inventory data for Miami Beach and the Greater Miami area, including trends in transient occupancy tax collections; and
5. Conducted interviews with stakeholders including City staff, and multiple interviews with key staff of the Convention Center.
6. This research effort established industry standards, as well as suggest alternative strategies that are currently working well in other locations (along with lessons learned from failed experiments elsewhere).
7. Identifying opportunities to refine approach to guiding future performance; and
8. Proposing revisions to current GMCVB agreement.

SAG RECOMMENDATIONS

SAG's primary recommendation was to change the overall direction of the proposed terms for the GMCVB contract with the City to a performance based agreement from a fee for services approach. This new direction focuses on the achievement of key metrics and the overall measureable success of GMCVB in their contractual relationship with the City. As part of this recommendation, the City would establish a base fee and establish an incentive fee to be paid based on the overall achievement of agreed-upon annual performance goals.

Although the details still need to be negotiated and agreed upon by both parties, recommended performance measures could include the following categories:

Citywide Conventions

- Definite Room Nights
 - Associated with future Convention Center bookings
 - Associated with agreed-upon future need periods
- Convention Center Fiscal Performance

As a key partner in the overall success of the Miami Beach Convention Center (MBCC), the GMCVB will have performance metrics tied to the fiscal results. The following are the performance metrics:

- MBCC Revenue
 - Future Revenue booked into MBCC annually
 - Future revenue will be determined based on the estimated revenues in rent, food and beverage, electric and audio visual
 - Current Revenue
 - As an indicator of past sales efforts, current annual MBCC revenue will be a performance metric
- Economic Impact
 - Using an agreed-upon formula, the economic impact of future citywide bookings

Miami Beach Hotels "In house" group bookings

- Room Nights
 - Room nights associated with future "in house booking"
- Economic Impact
 - Using an agreed-upon formula, the economic impact of "in house" bookings

Leisure Groups

- The efforts to secure group tour/leisure business will be measured with the following metrics:
 - Consumed Room Nights
 - Consumed room nights are defined as actual rooms occupied by tour groups and others verified through hotel rooming lists
 - Economic Impact
 - Using an agreed-upon formula, the economic impact of leisure groups will be determined

Individual Leisure Travel

- The marketing and conversion of leisure travel will be measured with the following metrics:
 - Room Night Conversion
 - Using an agreed-upon methodology, an annual conversion study will be conducted to determine the direct impact of leisure travel marketing efforts.
 - Online Bookings
 - Room nights booked through the online booking engine

Joint Goal Setting

In order to establish the annual performance measures the GMCVB will finalize a goal setting process related to the contractual metrics that includes a defined internal process and the

participation of the hospitality industry and MBCC operator. The GMCVB will collaborate with MBCC to create a singular marketing plan in the area of citywide convention sales and marketing. The marketing plan will include an outline of the agreed-upon key vertical markets, a collaborative approach to all marketing channels, and a deployment plan.

Reporting

GMCVB would also be required to create a monthly report that will encompass the contractual performance metrics and the results in comparison to annual agreed-upon goals and the previous year's results.

GMCVB will coordinate a joint reporting plan with MBCC incorporating all shared metrics.

GMCVB will also produce a "pace" report that will indicate the current level of activity and overall group performance for future years.

All GMCVB reports will be provided to the City, Convention Center, and Convention Center Advisory Board.

RECOMMENDATION

Transitioning to a performance based agreement requires the City and GMCVB to begin a goal setting process with the hospitality industry, which will take place over several months. Therefore, the City Administration recommends a one (1) year extension of the current Agreement under the same terms and conditions to allow time for the goal setting process to occur. This will allow the Administration and GMCVB to finalize negotiations of a new agreement for consideration by the City Commission.

Additionally, this allows the Administration to finalize the Convention Center renovation plans and timelines. Finally, this also provides time for the Administration to begin drafting Convention Center Booking Policy amendments that will address future bookings at the Center.

The City provides the GMCVB with \$5,366,000 of funding in the current fiscal year (FY 2013/14). If the Contract is extending under the current terms the GMCVB would receive approximately \$5,527,000.

CONCLUSION

Based on the foregoing, it is recommended that the Finance and Citywide Projects Committee recommend a one (1) year extension of the City's Agreement with the GMCVB under the same terms and conditions.

JLM/KGB/MAS

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CURRENT AGREEMENT TERMS:

The current agreement, which expires September 30, 2014 has the following terms:

TERMS	
1. Term	<p>Five (5) years commencing on October 1, 2009, and ending on September 30, 2014; termination for convenience with 60 day notice.</p> <p>A "contract year" shall be defined as the period from October 1 through September 30 of the following year (coinciding with the City's Fiscal Year).</p>
2. Base Fee	<p>\$5,000,000 per year.</p> <p>At the commencement of the 2nd contract year of the Agreement, and at the beginning of every year thereafter, the annual City's contribution will be adjusted by 3% or the increase in the CPI-U, whichever is less.</p>
3. Sub-Market Initiatives	<p>GMCVB agrees that not less than \$950,000 will be targeted annually to support and implement sub-market initiatives developed by the City, in partnership with the Bureau, that market, promote or support activities or events in the City, or that directly benefit the City. These sub-market initiatives will be revisited annually and established by the City, in its reasonable discretion, on an annual basis.</p> <p>The Bureau's Marketing and Tourism Committee must fully reflect and be representative of the sub-market initiatives referenced above.</p>
4. Cultural Arts Council	<p>GMCVB will make an annual contribution to the City's Cultural Arts Council of \$50,000 per year.</p>
5. Performance Objectives	<p>The following performance objectives shall be included in the Agreement for achievement during the Agreement term:</p> <p>A. Organizational Improvement</p> <ul style="list-style-type: none"> o Report on/update the status of the current five-year Strategic Plan (year 1) o Develop and present for approval a new Strategic Plan (year 1) o Conduct an annual retreat (year 1, year 3) o Report on/update the status of the new Strategic Plan developed in year 1 (year 3) <p>B. Develop, plan and/or implement certain mutually agreed upon recommendations from the Mayor's Blue Ribbon Task Force on Tourism</p> <p>C. New Bookings at the Miami Beach Convention Center:</p> <ul style="list-style-type: none"> o Book a minimum of twenty (20) new conventions/meetings/Corporate business <p>D. New Bookings at Miami Beach Hotels</p> <ul style="list-style-type: none"> o Book a minimum of 125 new events/meetings/corporate business <p>E. Achieve no less than a 90% positive rating on customer service surveys for convention bookings (positive = excellent/good)</p> <p>* Note: The term "Booking" will be further defined in the Agreement; "new refers to non-renewal business.</p>

<p>6. Reports</p>	<p>Provide at beginning of term and subsequently as needed/updated:</p> <ul style="list-style-type: none"> ▪ Operating Policies and Procedures <ul style="list-style-type: none"> ○ Convention Sales Standard Operating Procedures ○ Convention Services Standard Operating Procedures ○ GMCVB, Global Spectrum, Messe Schweiz Marketing Partnership <p>Provide Monthly:</p> <ul style="list-style-type: none"> ▪ Tourism Sales <ul style="list-style-type: none"> ○ New Leisure visitor generated and estimated visitor receipts ○ Visitor Demographics (with breakdown for MB) • Convention Sales <ul style="list-style-type: none"> ○ Conversion of Sales Leads to Booked Business <ul style="list-style-type: none"> ▪ Booked Business Report – sales closed (all) ▪ Booked Business Report – sales closed (convention center related) ▪ Booked Business Report – sales closed (Miami Beach Hotels) ○ Business targets (leads, including bid opportunities for major events and international business opportunities) ○ Lost Business Reports (all and convention center related) ○ Cancelled Business Reports (all and convention center related) ○ In-kind Partnership Reports ○ Convention Income Survey ▪ Convention Summary Reports • GMCVB Membership <ul style="list-style-type: none"> ○ Private Membership participation ○ Leverage and In-kind support • Marketing <ul style="list-style-type: none"> ○ Total number of paid media placements and media impressions (all) ○ Total number of paid media placements and media impressions (convention-related) ○ Total number of earned media opportunities and impressions (all) ○ Total number of earned media opportunities and impressions (convention-related) • Targeted Initiatives <ul style="list-style-type: none"> ○ Boutique Hotel <ul style="list-style-type: none"> ▪ Marketing Report (number of media placements, number of media impressions, number of earned media opportunities) ▪ Sales Report (number of booked new business - leisure and convention/meetings) ○ Gay/Lesbian Travel/business <ul style="list-style-type: none"> ▪ Marketing Report (number of media placements, number of media impressions, number of earned media opportunities) ▪ Sales Activities (marketing efforts targeted to leisure travel, convention/meetings, leads, etc.) ○ Survey results as required per agreement • Convention Center Sales Customer Service Feedback Reports <p>Provide annually (within 90 days after end of term)</p>
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	<ul style="list-style-type: none"> • ROI Analysis <ul style="list-style-type: none"> ○ Conventions and Meetings (annual number booked, anticipated visitors/delegates, room nights and total receipts/economic impact) ○ Advertising (conversion analysis actual new visitors, hotel room nights and visitor receipts) ○ GMCVB Website (hotel booking results) ○ Tourism Sales ○ Revenue Per Available Rooms (Rev Par)
<p>7. Marketing Support</p>	<p>GMCVB will participate in monthly Sales and Marketing Meeting held by the CMB and MBCC</p> <ul style="list-style-type: none"> ▪ Minimum of 25% of GMCVB's total convention marketing funds available per the approved GMCVB budget will be used to promote the availability and use of the MBCC. • All MBCC convention/meeting industry publication ads are to be drafted and reviewed with the MBCC Director of Sales and Marketing Manager. • GMCVB's Advertising and Marketing Costs shall be at least 50% of the overall GMCVB annual budget. • GMCVB will support and highlight targeted City events and/or amenities (e.g. golf clubs, Sleepless Night), in GMCVB publications (in-room magazines, etc.)
<p>8. European Sales:</p>	<p>Partner with Messe Schweiz for European convention sales and marketing.</p> <ol style="list-style-type: none"> 1. Coordinate at least one annual meeting with Messe Schweiz to develop annual international sales and marketing plan.
<p>10. Governance</p>	<ul style="list-style-type: none"> • City representation on the Executive Committee and Board will be not less than 30%. • City's representation on any and all Bureau committees/ and/or subcommittees shall be a number proportionate to the percentage amount of the City's total annual financial contribution to the Bureau, but in no event shall be less than 30%. • The City manager or his designee shall be a voting member of the Finance Committee. ▪ The General Manager of the MBCC shall be a voting member of the Convention Sales Committee.

GMCVB ANNUAL PERFORMANCE REPORT (FY 12/13 as of September 30, 2013)

	FY 03/04 (Base Yr.)	FY 04/05 (Yr. 1)	FY 05/06 (Yr. 2)	FY 06/07 (Yr. 3)	FY 07/08 (Yr. 4)	FY 08/09 (Yr. 5)	FY 09/10 (Yr. 6)	FY 10/11 (Yr. 7)	FY 11/12 (Yr. 8)	FY 12/13 (Yr. 9)
Bookings/Meetings										
Hotel Bookings/Meetings	459	489	441	470	485	494	593	659	623	664
Est. Room Nights	273,294	224,528	149,272	225,296	240,890	236,466	281,660	347,057	304,552	324,535
Est. Economic Impact	\$101,100,439	\$79,775,772	\$47,939,779	\$97,827,253	\$135,281,343	\$100,696,959	\$122,115,579	\$168,934,382	\$143,835,846	\$145,624,929
MBCC Bookings	41	27	48	32	51	41	33	30	46	38
Est. Room Nights	250,078	89,148	231,021	86,747	229,541	102,924	111,918	165,540	233,503	166,089
Est. Economic Impact	\$159,033,151	\$63,678,452	\$175,294,443	\$69,585,557	\$132,533,411	\$80,248,014	\$70,763,961	\$138,802,385	\$195,505,343	\$157,304,331
Meeting Express Division										
Bookings/Meetings	N/A	191	195	206	261	153	295	345	325	342
Est. Room Nights	N/A	15,220	17,555	15,843	27,320	13,834	33,092	53,501	55,344	59,165
Est. Economic Impact	N/A	\$12,622,440	\$16,992,000	\$12,571,000	\$23,264,000	\$9,103,000	\$21,345,000	\$26,872,000	\$38,592,000	\$29,314,000
Total Bookings	500	516	483	520	536	525	659	727	703	742
Est. Room Nights	523,372	313,676	400,097	341,502	470,431	339,390	452,051	551,816	581,868	523,089
Est. Economic Impact	\$260,133,590	\$154,225,616	\$240,226,222	\$178,130,810	\$267,814,754	\$160,944,973	\$214,361,052	\$338,688,632	\$365,767,306	\$332,318,196
Leads Generated										
MBCC Leads Generated	93	77	98	81	119	104	109	77	98	111
Hotel Leads Generated	1,109	1,226	1,249	1368	1,280	964	1,178	1,320	1,428	1,655
Other Center Leads	69	63	70	104	131	104	128	160	172	182
Total Leads Generated	1,271	1,366	1,417	1553	1,530	1,172	1,415	1,557	1,698	1,948
Fam Trips										
Convention Sales Fam Trips	4	4	4	4	3	5	6	6	4	5
Meeting Planner Attendees	21	26	47	32	35	60	165	328	50	48
Site Inspections										
Meeting Planner Site Inspections	172	184	165	186	222	185	245	238	230	215
Meeting Planner Attendees	195	182	162	309	400	380	488	453	381	329
Convention Services										
Meetings Serviced	370	570	579	619	450	452	433	538	569	1,359
Total Delegates	189,726	220,000	275,611	362,864 *	265,723	229,606	293,671	236,170	450,675	728,416
* Superbowl										
Media Relations										
Fam Tours	19	19	26	27	23	26	27	26	42	24
Media Hosted	128	138	148	155	161	182	189	175	294	120
Media Missions	13	16	14	23	15	16	21	13	17	13
Media Contacts	420	575	580	590	432	464	609	377	493	392
Media Visits	119	156	130	200	136	173	327	368	392	349
Media Serviced	150	193	181	2,500	1,750	1,900	3,900	4,200	4,472	3,982
Special Media Projects	43	39	38	35	13	24	30	32	29	21
Audience Impressions Generated	471 m	572 m	567 m	658 m	700 m	1.1 b	3.3 b	2.7 b	3.0 b	13.5 b
Estimated/Comparable Ad Promotional	\$10.8 m	\$12.0 m	\$13 m	\$13.2 m	\$15.9 m	\$25.5 m	\$34.4 m	\$63.7 m	\$41.2 m	\$65 m

GMCVB ANNUAL PERFORMANCE REPORT (FY 12/13 as of September 30, 2013)

	FY 03/04 (Base Yr.)	FY 04/05 (Yr. 1)	FY 05/06 (Yr. 2)	FY 06/07 (Yr. 3)	FY 07/08 (Yr. 4)	FY 08/09 (Yr. 5)	FY 09/10 (Yr. 6)	FY 10/11 (Yr. 6)	FY 11/12 (Yr. 8)	FY 12/13 (Yr. 9)
Tourism Sales										
Trade Shows/Missions	122	194	177	207	183	140	122	186	220	317
Travel Trade Client Contacts	12,733	15,666	16,730	47,503	35,620	31,500	33,908	38,646	72,000	82,061
Farm Tours	80	98	85	75	82	60	51	52	53	66
Travel Trade Clients Hosted	1,468	1,903	1,764	1,902	1,950	1,380	1,297	668	890	1,038
Advertising										
Advertising Impressions	44,896,264	207,279,160	216,211,905	140,037,581	101,628,015	378,751,278	293,168,091	668,824,932	335,554,303	381,000,000
Call Center Inquiries	11,908	9,696	5,567	4,842	5,287	5,573	2,847	1,918	2,650	2,405
Website Visitors	1,308,546	2,092,456	2,685,882	3,454,840	3,907,228	3,088,979	4,380,748	2,548,551	1,590,600	1,910,032
Website Registered Users/Email Opt-ins	8,196	18,916	22,593	33,257	23,668	5,282	15,966	847	8,262	8,743
Website Brochure Requests	19,324	19,681	18,102	16,858	16,068	13,005	20,268	20,196	17,930	7,278
Publishing										
Advertising Revenue Generated	\$1,247,000	\$1,330,000	\$1,237,528	\$1,259,912	\$1,140,172	\$907,991	\$815,199	\$975,000	\$958,561	\$977,787
Collateral Projects	145	212	237	320	451	600	750	900	1,250	1,500
Collateral Projects Volume/Circulation	423,791	624,370	919,989	387,002	680,294	810,000	925,000	1,200,000	1,500,000	1,575,000
Membership										
Renewal Members	887	898	858	881	863	928	914	935	1,010	787
Renewal Revenue	\$1,044,900	\$1,047,111	\$1,053,632	\$902,733	\$907,013	\$1,111,395	\$1,200,733	\$1,177,114	\$1,982,816	\$1,255,689
New Members	159	127	163	153	171	151	152	150	83	191
New Member Revenue	\$125,000	\$114,878	\$154,522	\$120,864	\$162,769	\$140,544	\$145,642	\$121,488	\$198,668	\$189,603
Total Members	1,046	1,025	1,021	1,034	1,034	1,079	1,066	1,085	961	978
Total Member Revenue	\$1,170,040	\$1,161,989	\$1,208,154	\$1,023,598	\$1,140,782	\$1,251,939	\$1,346,376	\$1,299,603	\$1,291,585	\$1,445,292
Lost Members	-193	-148	-167	-144	-206	-203	-154	-131	-75	-185
Lost Member Revenue	-\$145,759	-\$142,425	-\$122,246	\$132,840	\$177,483	\$194,946	\$135,402	\$115,618	\$55,051	\$160,181
Annual Membership Retention/Renewal Rate	79%	86%	83%	88%	91%	79%	83%	88%	93%	81%

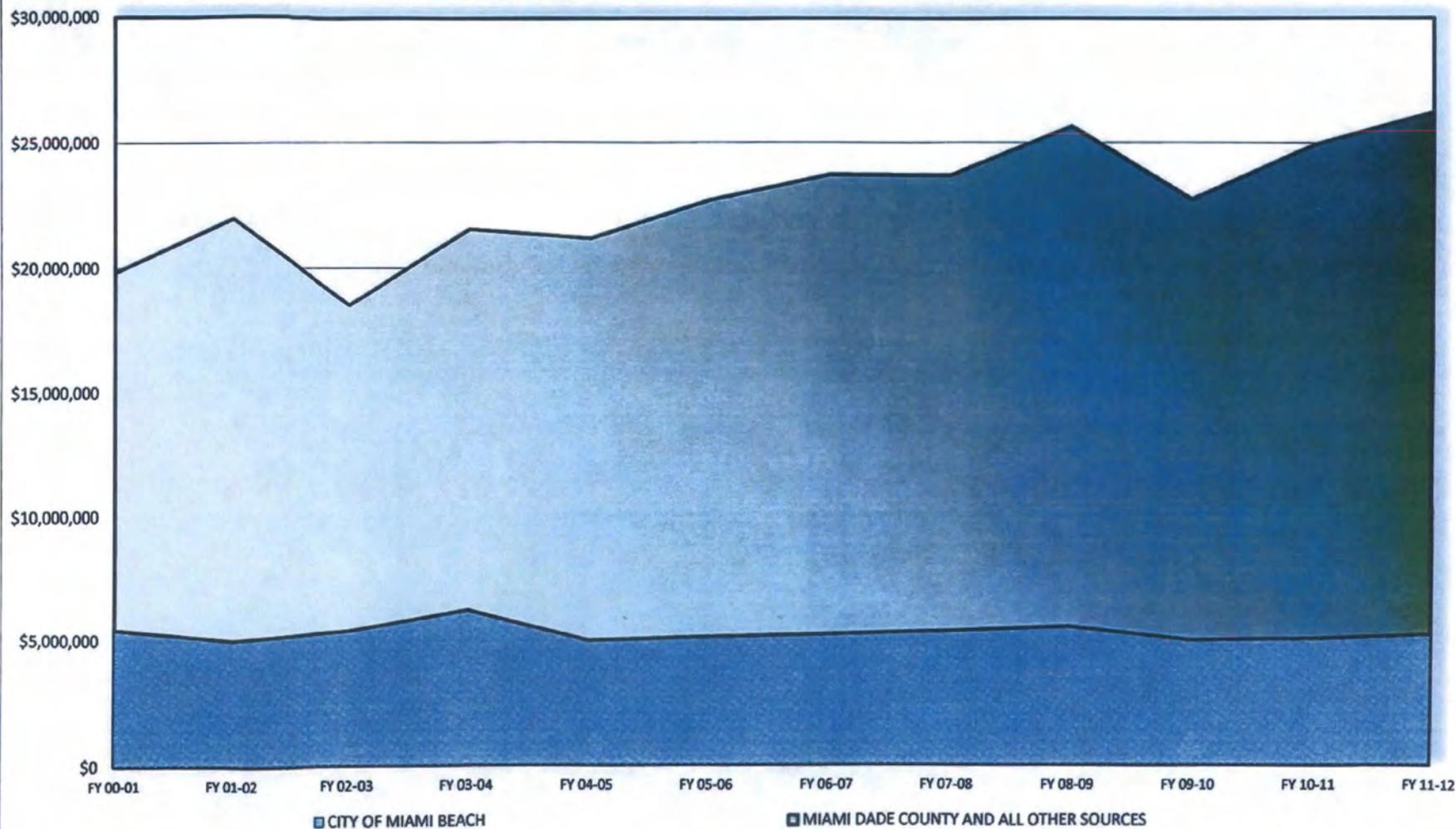
Updated: April 7, 2014

Greater Miami Convention & Visitors Bureau Analysis of CMB Revenue as a % of Total Revenues

	Actual / Audited												Total All Years
	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	
MIAMI DADE COUNTY (TDT & FB)	10,470,737	9,070,487	9,539,409	10,978,954	12,392,838	13,720,824	14,701,149	14,908,491	11,895,916	12,738,323	14,755,015	16,545,542	151,717,685
CITY OF MIAMI BEACH	5,437,379	5,000,000	5,389,491	6,249,274	5,000,000	5,150,000	5,258,000	5,405,378	5,567,540	5,000,000	5,055,000	5,206,650	63,718,712
VILLAGE OF BAL HARBOUR	200,000	200,000	200,000	100,000	100,000	0	0	50,000	75,000	25,000	50,000	0	1,000,000
SUB-TOTAL PUBLIC REVENUE	16,108,116	14,270,487	15,128,900	17,328,228	17,492,838	18,870,824	19,959,149	20,363,869	17,538,456	17,763,323	19,860,015	21,752,192	216,436,396
PARTNER DUES	1,202,358	1,201,978	1,245,158	1,259,497	1,246,815	1,220,794	1,201,338	1,278,123	1,445,455	1,325,467	1,342,411	1,398,247	15,367,641
MEMBER PROGRAMS	1,494,082	5,710,783	1,263,362	2,044,016	1,249,760	1,150,739	1,127,661	794,333	4,938,533	2,442,808	1,608,093	1,188,847	25,013,018
REGISTRATION SERVICES	263,896	132,901	137,865	142,380	278,817	227,009	177,470	157,898	154,783	197,979	54,798	0	1,925,796
CONTRIBUTED SERVICES	625,960	620,688	716,612	762,111	804,479	952,985	910,914	929,807	1,528,187	978,982	1,994,796	1,873,434	12,698,954
SUB-TOTAL PRIVATE REVENUE	3,586,296	7,666,350	3,362,997	4,208,003	3,579,871	3,551,527	3,417,383	3,160,160	8,066,958	4,945,236	5,000,098	4,460,529	55,005,409
INTEREST INCOME	154,092	58,739	30,646	28,051	114,575	302,409	361,544	183,448	51,800	38,416	43,534	39,130	1,406,385
TOTAL ALL REVENUE	19,848,504	21,995,576	18,522,544	21,564,283	21,187,284	22,724,760	23,738,076	23,707,477	25,657,214	22,746,975	24,903,647	26,251,851	272,848,190
CMB % of Total	27%	23%	29%	29%	24%	23%	22%	23%	22%	22%	20%	20%	23%

← Current Contract Term

Greater Miami Convention & Visitors Bureau Analysis of All Revenue Sources

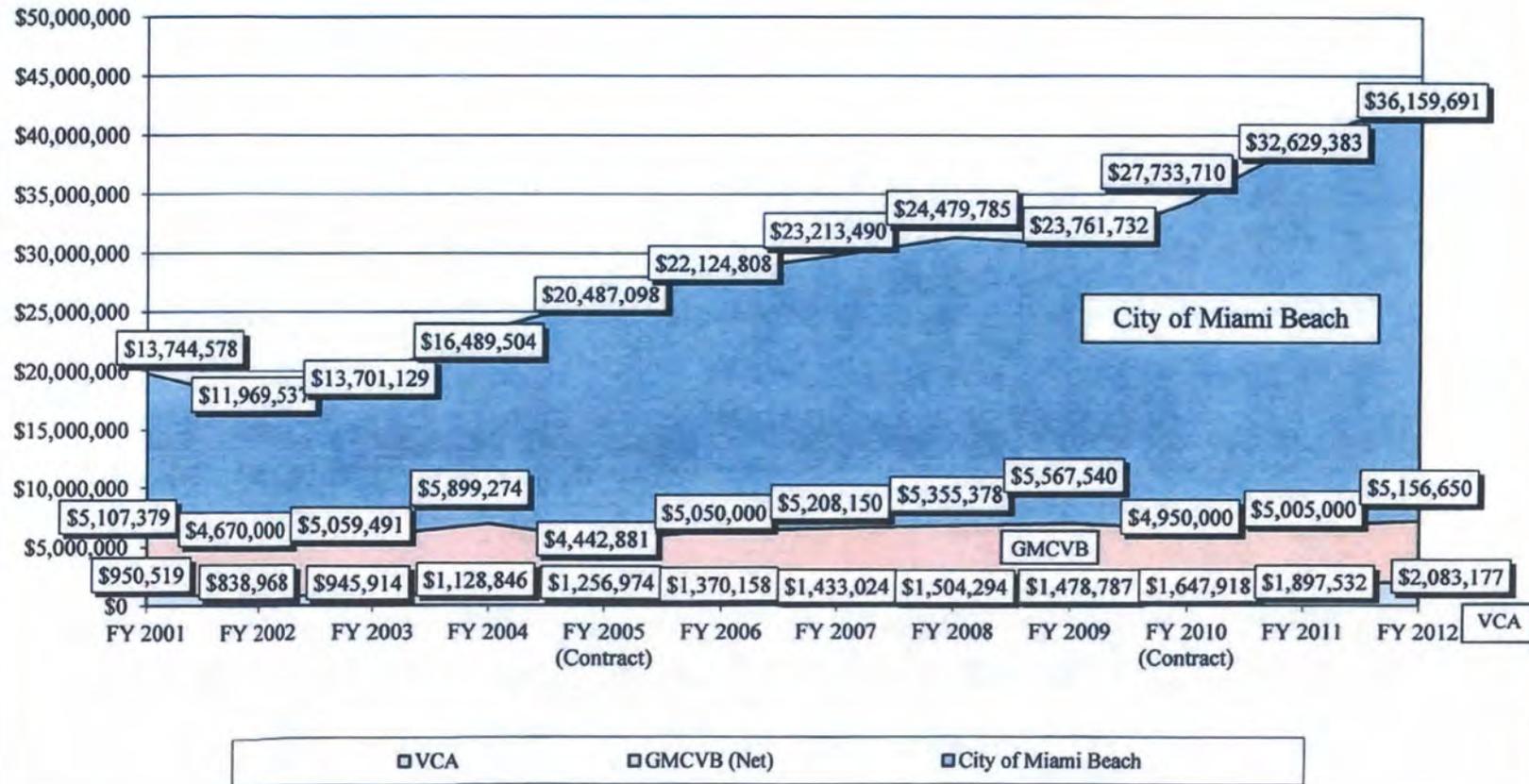


Greater Miami Convention & Visitors Bureau
Analysis of Distribution of Resort (Hotel & F & B) Tax Collected by the City of Miami Beach
 Fiscal Years 2001-2002-2003-2004-2005-2006-2007-2008-2009-2010-2011-2012

	GMCVB (Net)	VCA	City of Miami Beach	Total	% to CVB	% to VCA	% to CMB
FY 2001	\$5,107,379	\$950,519	\$13,744,578	\$19,802,476	26%	5%	69%
FY 2002	4,670,000	838,968	11,969,537	\$17,478,505	27%	5%	68%
FY 2003	5,059,491	945,914	13,701,129	\$19,706,534	26%	5%	70%
FY 2004	5,899,274	1,128,846	16,489,504	\$23,517,624	25%	5%	70%
FY 2005 (Contract)	4,442,881	1,256,974	20,487,098	\$26,186,953	17%	5%	78%
FY 2006	5,050,000	1,370,158	22,124,808	\$28,544,966	18%	5%	78%
FY 2007	5,208,150	1,433,024	23,213,490	\$29,854,664	17%	5%	78%
FY 2008	5,355,378	1,504,294	24,479,785	\$31,339,457	17%	5%	78%
FY 2009	5,567,540	1,478,787	23,761,732	\$30,808,058	18%	5%	77%
FY 2010 (Contract)	4,950,000	1,647,918	27,733,710	\$34,331,628	14%	5%	81%
FY 2011	5,005,000	1,897,532	32,629,383	\$39,531,915	13%	5%	83%
FY 2012	5,156,650	2,083,177	36,159,691	\$43,399,518	12%	5%	83%

Note: VCA receives 5% of the Resort Tax less a 4% collection fee.

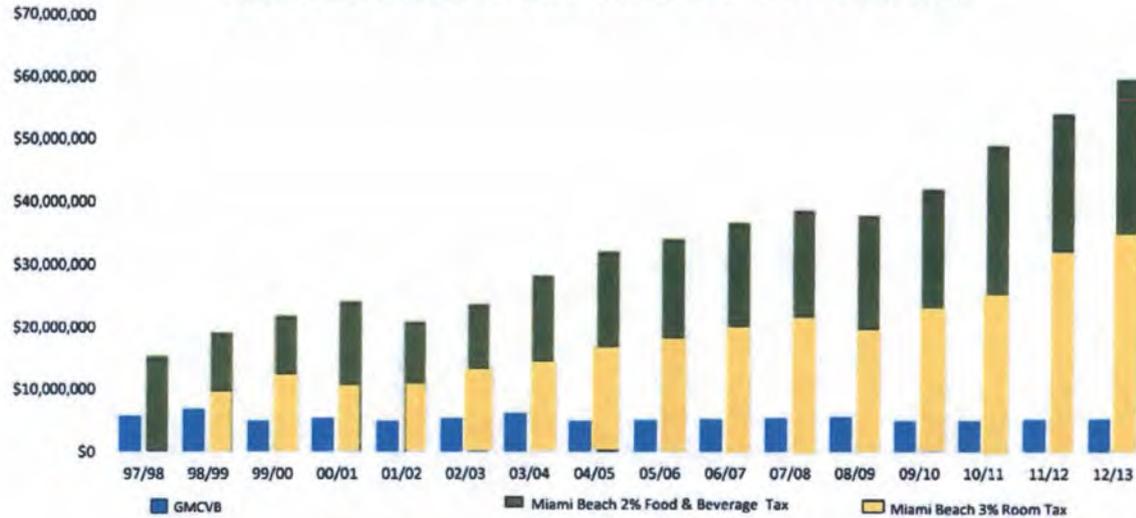
**Greater Miami Convention & Visitors Bureau
Analysis of Distribution of Resort (Hotel & Food and Beverage)
Tax Collected by the City of Miami Beach**



**Greater Miami Convention Visitors Bureau
Analysis of City of Miami Beach Room and Food Beverage Tax Collections
Fiscal Years 1997/1998 to 2012/2013* (16 Years)**

***Projected**

GMCVB and City of Miami Beach Room and F&B Tax Comparison



Fiscal Year	3% Room	Fiscal Year	2% F & B	Fiscal Year	GMCVB	Total Collections	GMCVB % of Collections
97/98	\$8,152,910	97/98	\$7,247,163	97/98	\$5,837,568	\$15,400,073	37.9%
98/99	\$10,636,299	98/99	\$8,528,672	98/99	\$6,912,500	\$19,164,971	36.1%
99/00	\$11,793,777	99/00	\$10,032,692	99/00	\$5,000,000	\$21,826,469	22.9%
00/01	\$12,989,436	00/01	\$11,130,708	00/01	\$5,437,379	\$24,120,144	22.5%
01/02	\$10,511,805	01/02	\$10,430,992	01/02	\$5,000,000	\$20,942,797	23.9%
02/03	\$12,015,479	02/03	\$11,663,794	02/03	\$5,389,491	\$23,679,273	22.8%
03/04	\$14,685,556	03/04	\$13,594,246	03/04	\$6,249,274	\$28,279,802	22.1%
04/05	\$16,554,553	04/05	\$15,490,526	04/05	\$5,000,000	\$32,045,079	15.6%
05/06	\$17,730,824	05/06	\$16,291,916	05/06	\$5,150,000	\$34,022,740	15.1%
06/07	\$19,398,252	06/07	\$17,276,319	06/07	\$5,258,150	\$36,674,571	14.3%
07/08	\$20,706,940	07/08	\$17,917,547	07/08	\$5,405,378	\$38,624,487	14.0%
08/09	\$19,678,107	08/09	\$18,150,738	08/09	\$5,567,539	\$37,828,845	14.7%
09/10	\$22,112,123	09/10	\$19,873,982	09/10	\$5,000,000	\$41,986,105	11.9%
10/11	\$26,285,403	10/11	\$22,725,978	10/11	\$5,055,000	\$49,011,381	10.3%
11/12	\$29,751,712	11/12	\$24,319,507	11/12	\$5,206,650	\$54,071,219	9.6%
12/13	\$33,500,428	12/13	\$26,216,429	12/13	\$5,305,580	\$59,716,857	8.9%

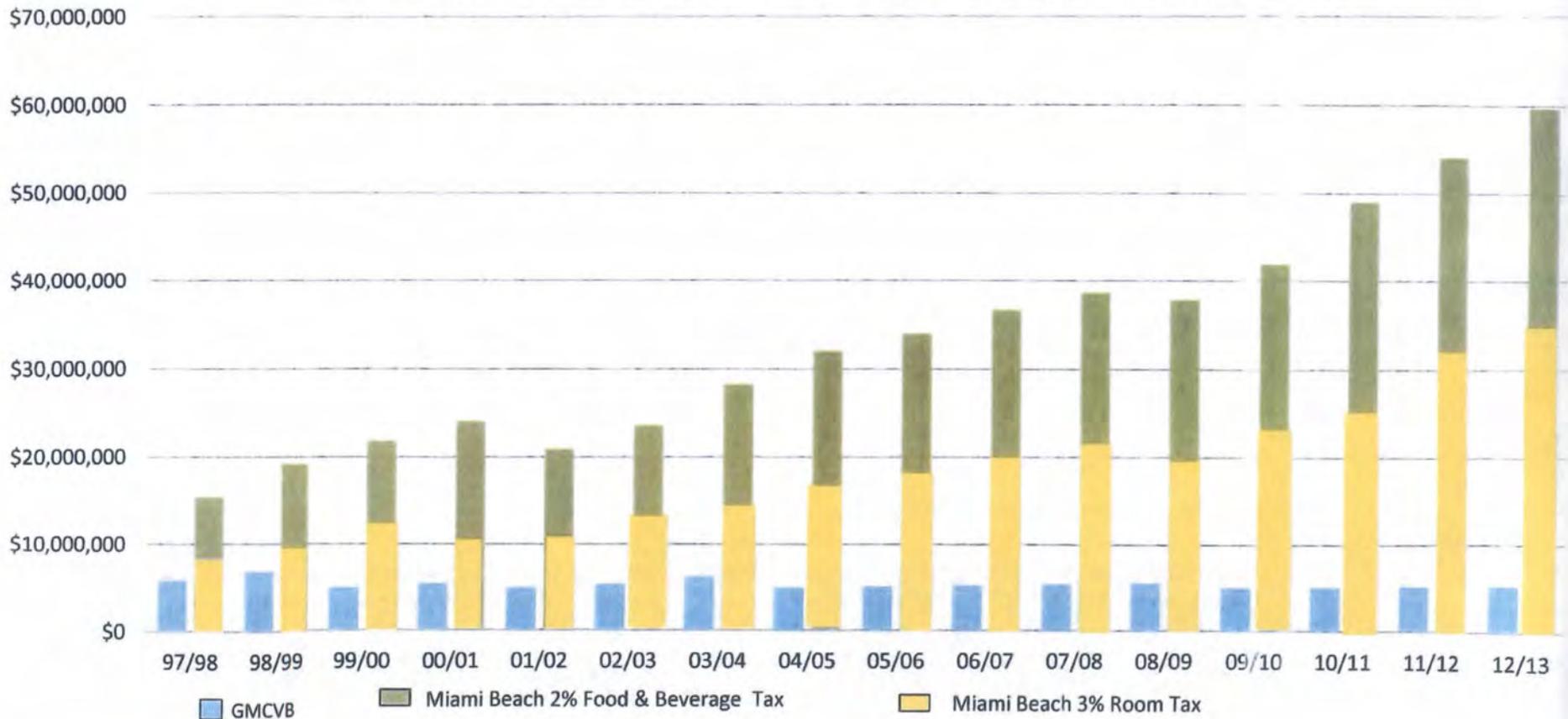
Greater Miami Convention Visitors Bureau

Analysis of City of Miami Beach Room and Food Beverage Tax Collections

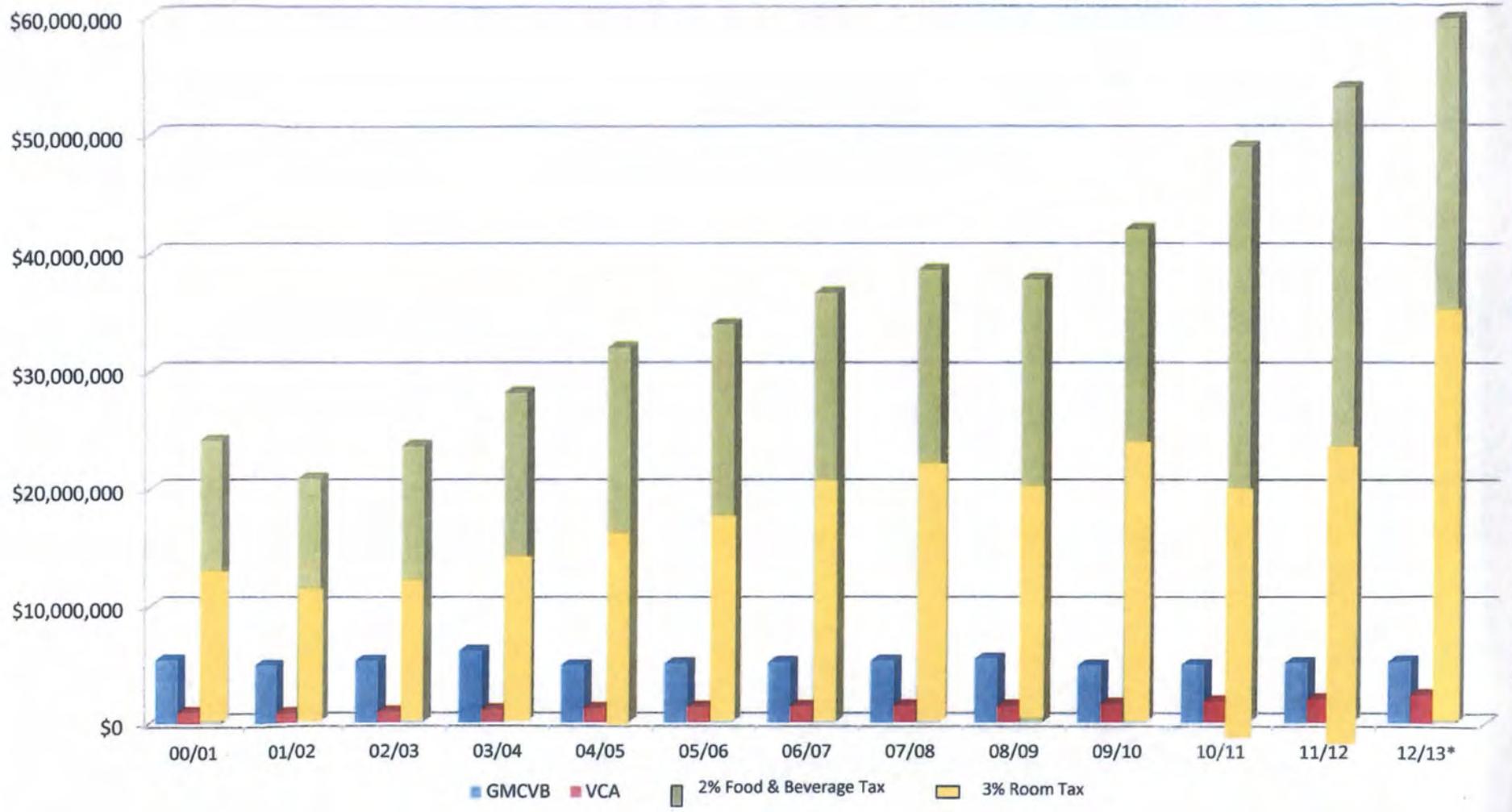
Fiscal Years 1997/1998 to 2012/2013* (16 Years)

*Projected

GMCVB and City of Miami Beach Room and F&B Tax Comparison



GMCVB, VCA and City of Miami Beach Room and F&B Tax Comparison



GMCVB and City of Miami Beach Room and F&B Tax Comparison

City of Miami Beach Tax Collections

	Fiscal Year	3% Room
16	97/98	\$8,152,910
15	98/99	\$10,636,299
14	99/00	\$11,793,777
13	00/01	\$12,989,436
12	01/02	\$10,511,805
11	02/03	\$12,015,479
10	03/04	\$14,685,556
9	04/05	\$16,554,553
8	05/06	\$17,730,824
7	06/07	\$19,398,252
6	07/08	\$20,706,940
5	08/09	\$19,678,107
4	09/10	\$22,112,123
3	10/11	\$26,285,403
2	11/12	\$29,751,712
1	12/13*	\$33,500,428

	Fiscal Year	2% F & B
	97/98	\$7,247,163
	98/99	\$8,528,672
	99/00	\$10,032,692
	00/01	\$11,130,708
	01/02	\$10,430,992
	02/03	\$11,663,794
	03/04	\$13,594,246
	04/05	\$15,490,526
	05/06	\$16,291,916
	06/07	\$17,276,319
	07/08	\$17,917,547
	08/09	\$18,150,738
	09/10	\$19,873,982
	10/11	\$22,725,978
	11/12	\$24,319,507
	12/13*	\$26,216,429

Fiscal Year	GMCVB	Total Collections
97/98	\$5,837,568	\$15,400,073
98/99	\$6,912,500	\$19,164,971
99/00	\$5,000,000	\$21,826,469
00/01	\$5,437,379	\$24,120,144
01/02	\$5,000,000	\$20,942,797
02/03	\$5,389,491	\$23,679,273
03/04	\$6,249,274	\$28,279,802
04/05	\$5,000,000	\$32,045,079
05/06	\$5,150,000	\$34,022,740
06/07	\$5,258,150	\$36,674,571
07/08	\$5,405,378	\$38,624,487
08/09	\$5,567,539	\$37,828,845
09/10	\$5,000,000	\$41,986,105
10/11	\$5,055,000	\$49,011,381
11/12	\$5,206,650	\$54,071,219
12/13*	\$5,305,580	\$59,716,857

* FY 2012/13 IS PROJECTED

GMCVB , VCA and City of Miami Beach Room and F&B Tax Comparison

City of Miami Beach Tax Collections

	Fiscal Year	3% Room
13	00/01	\$12,989,436
12	01/02	\$10,511,805
11	02/03	\$12,015,479
10	03/04	\$14,685,556
9	04/05	\$16,554,553
8	05/06	\$17,730,824
7	06/07	\$19,398,252
6	07/08	\$20,706,940
5	08/09	\$19,678,107
4	09/10	\$22,112,123
3	10/11	\$26,285,403
2	11/12	\$29,751,712
1	12/13*	\$33,500,428

	Fiscal Year	2% F & B
	00/01	\$11,130,708
	01/02	\$10,430,992
	02/03	\$11,663,794
	03/04	\$13,594,246
	04/05	\$15,490,526
	05/06	\$16,291,916
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	08/09	\$18,150,738
	09/10	\$19,873,982
	10/11	\$22,725,978
	11/12	\$24,319,507
	12/13*	\$26,216,429

Fiscal Year	GMCVB	VCA	Total Collections
00/01	\$5,437,379	\$950,519	\$24,120,144
01/02	\$5,000,000	\$838,968	\$20,942,797
02/03	\$5,389,491	\$945,914	\$23,679,273
03/04	\$6,249,274	\$1,128,846	\$28,279,802
04/05	\$5,000,000	\$1,256,974	\$32,045,079
05/06	\$5,150,000	\$1,370,158	\$34,022,740
06/07	\$5,258,150	\$1,433,024	\$36,674,571
07/08	\$5,405,378	\$1,504,294	\$38,624,487
08/09	\$5,567,539	\$1,478,787	\$37,828,845
09/10	\$5,000,000	\$1,647,918	\$41,986,105
10/11	\$5,055,000	\$1,897,532	\$49,011,381
11/12	\$5,206,650	\$2,083,177	\$54,071,219
12/13*	\$5,305,580	\$2,427,502	\$59,716,857

* FY 2012/13 IS PROJECTED

GREATER MIAMI CONVENTION AND VISITORS BUREAU

TOP 25 HOTEL MARKETS

REVPAR

2013 Rank	City	Oct. 2013	Oct. 2012	Oct. 2008	% Change 13 vs 12	% Change 13 vs 08
1	New York	\$270.91	\$260.79	\$257.43	3.9%	5.2%
2	San Francisco	\$197.09	\$181.70	\$135.06	8.5%	45.9%
3	Boston	\$171.69	\$149.61	\$131.75	14.8%	30.3%
4	Oahu Island	\$162.57	\$147.75	\$116.67	10.0%	39.3%
5	New Orleans	\$117.37	\$115.85	\$76.06	1.3%	54.3%
6	Miami	\$111.45	\$114.59	\$91.20	-2.7%	22.2%
7	Washington	\$108.84	\$114.55	\$126.36	-5.0%	-13.9%
8	Los Angeles	\$107.94	\$103.38	\$91.87	4.4%	17.5%
9	Chicago	\$105.25	\$111.38	\$98.78	-5.5%	6.5%
10	San Diego	\$97.35	\$93.50	\$94.79	4.1%	2.7%
11	Seattle	\$96.54	\$90.49	\$85.29	6.7%	13.2%
12	Anaheim	\$94.70	\$93.09	\$76.82	1.7%	23.3%
13	Philadelphia	\$89.96	\$86.83	\$93.08	3.6%	-3.4%
14	Nashville	\$83.06	\$72.39	\$62.81	14.7%	32.2%
15	Denver	\$82.29	\$82.10	\$66.68	0.2%	23.4%
16	Minneapolis	\$81.00	\$73.33	\$62.88	10.5%	28.8%
17	Houston	\$77.15	\$68.04	\$93.02	13.4%	-17.1%
	United States	\$73.48	\$70.57	\$66.82	4.1%	10.0%
18	Phoenix	\$69.26	\$65.34	\$72.20	6.0%	-4.1%
19	Dallas	\$68.81	\$61.97	\$60.83	11.0%	13.1%
20	Orlando	\$67.33	\$63.22	\$65.97	6.5%	2.1%
21	St Louis	\$65.36	\$58.82	\$55.00	11.1%	18.8%
22	Atlanta	\$61.02	\$57.24	\$54.16	6.6%	12.7%
23	Tampa	\$56.49	\$54.59	\$52.67	3.5%	7.3%
24	Detroit	\$55.66	\$55.89	\$46.51	-0.4%	19.7%
25	Norfolk	\$39.30	\$39.68	\$40.95	-1.0%	-4.0%

Source: Smith Travel Research

GREATER MIAMI CONVENTION AND VISITORS BUREAU

TOP 25 HOTEL MARKETS

OCCUPANCY

2013					% Change	% Change
Rank	City	Oct. 2013	Oct. 2012	Oct. 2008	13 vs 12	13 vs 08
1	San Francisco	90.3%	87.8%	79.6%	2.8%	13.4%
2	New York	89.1%	89.0%	82.7%	0.1%	7.7%
3	Boston	86.1%	81.0%	76.4%	6.3%	12.7%
4	Oahu Island	80.8%	82.0%	73.3%	-1.5%	10.2%
5	Los Angeles	78.4%	77.6%	70.9%	1.0%	10.6%
6	Anaheim	75.7%	75.7%	65.7%	0.0%	15.2%
7	Denver	75.1%	72.4%	62.1%	3.7%	20.9%
8	New Orleans	74.9%	78.0%	64.5%	-4.0%	16.1%
9	Minneapolis	74.6%	69.7%	61.0%	7.0%	22.3%
10	Nashville	74.5%	70.2%	62.9%	6.1%	18.4%
11	Seattle	73.6%	72.7%	66.2%	1.2%	11.2%
12	Miami	73.5%	75.4%	66.2%	-2.5%	11.0%
13	Chicago	73.4%	75.7%	69.4%	-3.0%	5.8%
14	Houston	72.7%	69.6%	84.8%	4.5%	-14.3%
15	San Diego	70.8%	70.1%	68.6%	1.0%	3.2%
16	Philadelphia	70.6%	70.2%	71.8%	0.6%	-1.7%
17	Dallas	70.0%	66.7%	61.8%	4.9%	13.3%
18	Orlando	67.6%	65.5%	61.7%	3.2%	9.6%
19	Washington	67.4%	72.3%	73.6%	-6.8%	-8.4%
20	St Louis	66.7%	64.8%	62.0%	2.9%	7.6%
21	Atlanta	66.6%	63.3%	57.5%	5.2%	15.8%
	United States	64.7%	64.2%	61.9%	0.8%	4.5%
22	Detroit	64.6%	67.9%	54.3%	-4.9%	19.0%
23	Phoenix	61.3%	59.6%	59.4%	2.9%	3.2%
24	Tampa	59.6%	58.5%	52.0%	1.9%	14.6%
25	Norfolk	50.2%	52.0%	51.7%	-3.5%	-2.9%

Source: Smith Travel Research

GREATER MIAMI CONVENTION AND VISITORS BUREAU

TOP 25 HOTEL MARKETS

ROOM RATE

2013 Rank	City	Oct. 2013	Oct. 2012	Oct. 2008	% Change 13 vs 12	% Change 13 vs 08
1	New York	\$304.02	\$293.02	\$311.19	3.8%	-2.3%
2	San Francisco	\$218.18	\$206.93	\$169.73	5.4%	28.5%
3	Oahu Island	\$201.12	\$180.29	\$159.09	11.6%	26.4%
4	Boston	\$199.42	\$184.59	\$172.46	8.0%	15.6%
5	Washington	\$161.47	\$158.47	\$171.72	1.9%	-6.0%
6	New Orleans	\$156.76	\$148.55	\$117.87	5.5%	33.0%
7	Miami	\$151.72	\$152.07	\$137.86	-0.2%	10.1%
8	Chicago	\$143.36	\$147.05	\$142.43	-2.5%	0.7%
9	Los Angeles	\$137.71	\$133.29	\$129.50	3.3%	6.3%
10	San Diego	\$137.55	\$133.39	\$138.20	3.1%	-0.5%
11	Seattle	\$131.18	\$124.42	\$128.87	5.4%	1.8%
12	Philadelphia	\$127.42	\$123.74	\$129.69	3.0%	-1.8%
13	Anaheim	\$125.14	\$122.97	\$116.84	1.8%	7.1%
	United States	\$113.48	\$109.86	\$107.89	3.3%	5.2%
14	Phoenix	\$112.96	\$109.71	\$121.58	3.0%	-7.1%
15	Nashville	\$111.48	\$103.17	\$99.83	8.1%	11.7%
16	Denver	\$109.62	\$113.38	\$107.43	-3.3%	2.0%
17	Minneapolis	\$108.65	\$105.25	\$103.07	3.2%	5.4%
18	Houston	\$106.09	\$97.83	\$109.65	8.4%	-3.2%
19	Orlando	\$99.63	\$96.48	\$106.99	3.3%	-6.9%
20	Dallas	\$98.32	\$92.90	\$98.41	5.8%	-0.1%
21	St Louis	\$98.05	\$89.57	\$88.73	9.5%	10.5%
22	Tampa	\$94.72	\$93.33	\$101.19	1.5%	-6.4%
23	Atlanta	\$91.69	\$90.46	\$94.22	1.4%	-2.7%
24	Detroit	\$86.20	\$82.29	\$85.67	4.8%	0.6%
25	Norfolk	\$78.24	\$76.35	\$79.27	2.5%	-1.3%

Source: Smith Travel Research

MIAMI BEACH TARGETED INITIATIVES

	2011/12	2012/13
Art Basel Miami Beach	\$ 55,000	
Art Basel (Art Fairs Unlimited - Pavillion and installation)		\$ 25,040
Art Basel (Media Support/airline tickets)	\$ 10,000	\$ 10,000
Art Basel, Basel, Switzerland - Staff Travel	\$ 5,771	\$ 6,161
Miami Beach Resident Program		
South Beach Wine and Food Festival Marketing	\$ 46,800	\$ 46,800
South Beach Comedy Festival	\$ 5,000	\$ 5,000
Marketing-Public Relations / LGBT Social Media with Current MB Golf Club and Normandy Golf Course and Shop Miami Beach - HCP Ads	\$ 250,000	\$ 250,000
Welcome Channel (Shop MB, Park & Culture and Events	\$ 15,925	\$ 17,850
Miss Miami Beach USA	\$ 22,500	\$ 15,000
Shop Miami Beach	\$ 5,000	
Shop Miami Beach Brochure Distribution through CTM	\$ 15,000	\$ 16,871
Miami Beach Itineraries Bochures	\$ 4,600	\$ 3,067
Miami Beach Police/Water Safety Brochure Translations	\$ 3,970	\$ 1,342
Funding for Miami Beach Visitor Center currently operated by the Miami Beach Chamber	\$ 30,000	\$ 30,000
Customer Service	\$ 10,000	\$ 10,000
Boutique Hotel Program	\$ 225,000	\$ 225,000
Boutique Hotel Brochure Reprinting		\$ 60,468
Gay & Lesbian Tourism Research & Co-op Advertising	\$ 145,000	\$ 150,000
Gay Pride Miami Beach	\$ 5,000	
Orgullo	\$ 15,000	\$ 5,000
Miami Beach OutGames		\$ 50,849
Miami Beach OutGames Delegation Expenses		\$ 5,000
Film, Fashion & Entertainment		
Trade Shows/events (Graham Winick's Expenses)	\$ 27,941	\$ 20,541
Miami Beach Website	\$ 24,247	\$ 10,854
Respect the Scene Campaign	\$ 59,288	\$ 25,524
Polo Life, LLC	\$ 20,000	\$ 10,000
Film Life, Inc. (American Black Film Festival)	\$ 15,000	\$ 17,250
Miami Beach Latin Chamber Visitor Center	\$ 5,000	\$ 5,000
Total	\$ 1,021,042	\$ 1,022,617

November 25, 2013

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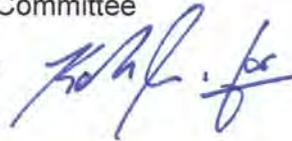
MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and City Wide Projects Committee

FROM: Jimmy L. Morales, City Manager



DATE: August 13, 2014

SUBJECT: **Named Windstorm Coverage**

Background

The City of Miami Beach's property schedule is valued at \$853 million and represents a 100% coastal exposure with no inland spread of risk. The fact that the City of Miami Beach sits on a barrier island and is concentrated within a seven square mile area means that if a tropical storm or hurricane hits our area, the impact on the City will be substantial.

The City's insurance broker analyzes the City's property portfolio in terms of wind exposure using two different probable maximum loss (PML) models (RMS, a trademark of Risk Management Solutions and Applied Insurance Research, Inc. [AIR]). These are the same computer models insurance companies use to measure their aggregated risk in certain geographical areas.

The City of Miami Beach's property portfolio is perceived to generate risk as summarized in the table below. The model, developed prior to the 2014 renewals, is based on the prior year's total insured values (TIV) of \$685 million before the addition of the parking garages to the City's insured property schedule.

Critical Probability	Return Period	AIR MODEL		RMS MODEL	
		Ground Up	Gross Loss	Ground Up	Gross Loss
0.10%	1,000	\$ 357,045,026	\$ 306,124,273	\$ 453,468,502	\$ 415,801,353
0.20%	500	\$ 282,959,658	\$ 232,278,554	\$ 361,389,806	\$ 327,485,822
0.40%	250	\$ 211,853,531	\$ 161,681,211	\$ 274,994,150	\$ 243,485,487
1.00%	100	\$ 135,507,613	\$ 90,551,276	\$ 170,899,634	\$ 145,263,428
2.00%	50	\$ 68,544,437	\$ 33,731,840	\$ 101,806,053	\$ 77,552,144
5.00%	20	\$ 22,517,500	\$ 6,780,970	\$ 30,689,077	\$ 8,512,953
Average Annual Loss		\$ 5,290,935	\$ 3,228,200	\$ 6,842,000	\$ 4,829,252

Insurance companies and rating agencies use the 250-year storm (0.4% probability of occurring in any given year) as a benchmark for perceived risk to a property insurance portfolio. Based on that benchmark, the industry estimates the City's PML (the amount of catastrophic risk the City adds to the carrier's portfolio) between \$212 million and \$275 million. However, it is not reasonable to expect a City to insure for a 250 year storm event; typically, jurisdictions rely on FEMA (Federal Emergency Management Agency) for that type of event.

The City purchased \$15 million of coverage and insurance companies anticipate that as the result of a medium to large windstorm event, the City will sustain damage well in excess of this

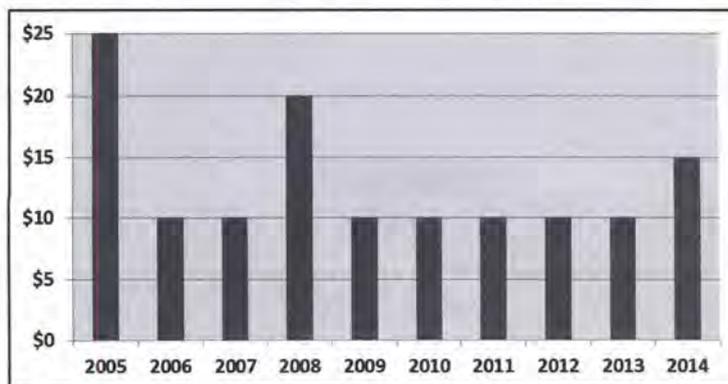
amount and price coverage accordingly. The City needs to determine how much cash it will need to have access to immediately after a storm and the insurance companies need to decide how much coverage they can afford to sell and at what price to entities located in wind-prone areas which will, sooner or later, result in payments to the insured party. These are among the challenges faced by the City in purchasing Named Windstorm coverage, and the insurers, who need to manage their aggregate exposure in wind-prone areas. Of the 26 insurers that our broker approached in 2014, only five submitted responsive quotes.

The City has a risk management strategy to help recover from tropical storm or hurricane related damages, which consists of preserving its ability to obtain relief from the FEMA, under the Stafford Act, and possibly from the State of Florida, in the event of a Federally-declared disaster, and purchasing Named Windstorm insurance coverage.

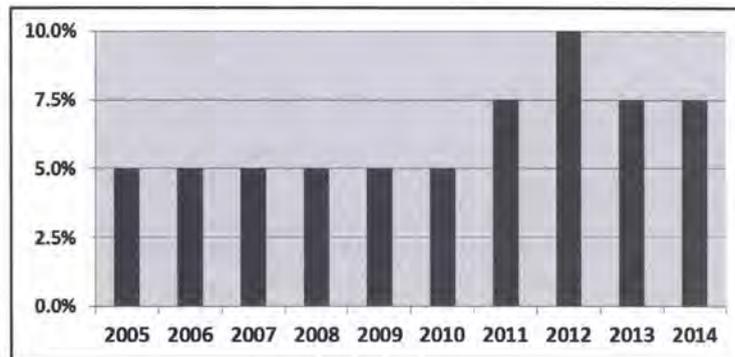
Obtaining relief from the Federal or State government could be a multi-year process, which may require significant efforts on the part of the City to obtain funds. Additionally, under the Stafford Act, the City is required to purchase insurance on its buildings and contents for the amount and peril(s) for which it has already received funds from FEMA. Therefore, the City must purchase, at a minimum, Named Windstorm coverage to fulfill its FEMA obligation, as well as to have a ready and secure source of funds, in the event of a tropical storm or hurricane. Over the past ten-plus years, the City received approximately \$7.5 million in disaster relief from FEMA. An estimated \$3.75 million of this represents recovery for damage to physical locations, and therefore is the amount that the City is committed to insure under the Stafford Act.

The cost of coverage (which fluctuates in hard and soft markets) has been a factor in the amount of coverage the City has been purchasing. In the past 10 years, the amount of Named Windstorm coverage purchased has ranged from \$10 million to \$25 million, in excess of applicable deductibles. Until 2014, the limit had remained at \$10 million (approximately 1.45% based on \$685 TIV at the time). This compares to 41% of the TIV for all other perils (AOP). In 2014, the City decided to increase this limit, from \$10 million to \$15 million but at the same time added the parking garages to the insured property schedule (\$15 million in coverage is approximately 1.76% of the TIV), as part of an effort to obtain incrementally higher limits over time.

Named Windstorm limits purchased from 2005 to 2014 (amounts in \$ millions):



Named Windstorm Percentage Deductible



In the 2008/09 policy year, the City took advantage of a soft insurance market and increased the Named Windstorm limit from \$10 to \$20 million. However, prior to the June 2009 renewal, the property insurance market hardened as a result of industry-wide underwriting losses in 2008, and the weak investment climate. As a result, the estimated premium to maintain the same level of coverage, with a slight increase in the deductible, was \$1,843,304. The Named Windstorm limit was lowered to \$10 million and the deductible increased to renew coverage within the allocated budgetary resources. The renewal premium for this lower level of coverage was \$1,460,346.

At the May 13, 2009 meeting, the City Commission passed Resolution 2009-27077 authorizing the Administration to renew the insurance program for up to four additional one-year terms, provided premiums did not exceed budgeted funds. Subsequently, the City maintained the \$10 million policy limit until 2014.

At the June 11, 2014 Commission meeting, subject to review and authorization by the Finance and Citywide Projects Committee, the Commission authorized the purchase of an additional \$5 million of Named Windstorm coverage through Resolution No. 2014-28626.

Analysis

In the event a named tropical storm or hurricane causes severe damage to the City's property, the City will need an immediate infusion of funds to recover and begin the rebuilding process as quickly as possible. FEMA, and possibly the State of Florida, typically provides disaster assistance to the City. However, to comply with FEMA's eligibility requirements under the Stafford Act, the City is required to purchase Named Windstorm coverage that is *reasonably* available.

In addition to the \$3.75 million in coverage minimum, to receive FEMA funding the City is required to present its property insurance program every year to the State of Florida, Office of Insurance Regulation (via the FL Division of Emergency Management), to obtain a "*reasonableness*" letter. The City received this letter for the 2013/14 policy year (Attachment 1). At the same time and under separate cover, the State advised the City to purchase additional windstorm limits for the 2014/15 policy year (Attachment 2), although the State did not recommend a specific amount.

Other Coastal Entities' Insurance Information

At the City's request, its broker of record provided information on the TIV and windstorm limits in other coastal entities in Florida.

Comparison to governmental entities, provided by the City's property insurance consultant:

	<u>South Florida</u>	<u>South Florida</u>	<u>South Florida</u>
	<u>Coastal School (A)</u>	<u>Coastal County (B)</u>	<u>Coastal School (C)</u>
TIV	\$315,379,995	\$12,224,099,312	\$6,072,133,359
Windstorm Limit	\$2,500,000 (0.8%)	\$135,000,000 (1.10%)	\$110,000,000 (1.81%)
	<u>South Florida</u>	<u>South Florida</u>	<u>South Florida</u>
	<u>Coastal School (D)</u>	<u>Coastal County (E)</u>	<u>Coastal County (F)</u>
TIV	\$7,933,590,322	\$2,049,228,338	\$4,585,040,698
Windstorm Limit	\$250,000,000 (3.15%)	\$80,000,000 (3.9%)	\$275,000,000 (6%)
	<u>South Florida</u>		
	<u>Coastal City (G)</u>		
TIV	\$500,000,000		
Windstorm Limit	\$35,000,000 (7%)		

The coverage decisions made by those entities do not automatically turn into a recommendation that the City of Miami Beach act similarly since differences between entities need to be taken into account. If the City was to insure at levels similar to coastal City "G", this would result in an insurance level of \$48 million.

In addition to the information provided by our insurance broker, the City's Risk Management Division also researched insurance levels in neighboring cities.

Additional comparison to governmental entities, provided by the Risk Management Division of the Human Resources Department:

	<u>Fort Lauderdale</u>	<u>Pompano Beach</u>	<u>Hialeah</u>
Property TIV	\$248,296,333	\$67,509,324	\$250,000,000
AOP Limit	\$50 million (20.1%)	\$20 million (29.6%)	\$25 million (10%)
Windstorm Limit	\$50 million (20.1%)	\$10 million (14.8%)	\$25 million (10%)
	<u>Coral Gables</u>	<u>Riviera Beach</u>	
Property TIV	\$209,201,816	\$76,298,021	
AOP Limit	\$209,201,816 (100%)	\$30 million (39.3%)	
Windstorm Limit	\$25 million (12%)	\$30 million (39.3%)	
<u>Notes</u>			

- 1) The percentages above represent coverage limits compared to the total insurable value.
- 2) Property TIV for Fort Lauderdale and Pompano Beach does not include utility properties.

Recommendation

Based on the State's recommendation to increase the City's Named Windstorm coverage, the Administration recommended increasing funding coverage to \$25 million, increasing the amount by \$5 million per year over three years, assuming the limits continue to be available and reasonable. The \$25 million in coverage is within the range of the probable maximum loss for a 20-year storm (\$23 million - \$31 million).

As to the actual amount of insurance coverage the City should carry, the prudent recommendation is that the City continue with its risk management strategy which consists of preserving its ability to obtain relief from the FEMA, under the Stafford Act, and possibly from the State of Florida, in the event of a Federally-declared disaster, and purchasing Named Windstorm insurance coverage. This recommendation translates into determining how much money the City needs to be able to access immediately, in addition to the working capital in place, to respond and recover from a tropical storm or hurricane. The Risk Management Division will work with the Emergency Management Department to determine appropriate levels of funds needed for immediate reconstruction of facilities critical to continuity of operations, in addition to working capital needed to respond and recover from a tropical storm or hurricane.

Attachments

JLM/KGB/SC-T



STATE OF FLORIDA
DIVISION OF EMERGENCY MANAGEMENT

RICK SCOTT
Governor

BRYAN W. KOON
Director

March 14, 2014

Ms. Sonia Bridges, Risk Manager
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

Re: City of Miami Beach (2013-2014)
Insurance Reasonableness Determination Requested

Dear Ms. Bridges:

Please find attached the determination of the State Insurance Commissioner regarding the "reasonableness" of the insurance coverage procured by the City of Miami Beach. Based upon the information reviewed by the Office of Insurance Regulation, the State Insurance Commissioner has determined that the City of Miami Beach has been successful in procuring insurance that appears to be "reasonable."

Please understand that this determination applies only for the levels of coverage, terms and coverage periods that were presented for review; should material terms of the insurance package change, the applicant will need to resubmit for a new reasonableness determination.

If you have any questions or require additional information, please contact Steven Hyatt, State Public Assistance Officer, via email at Steven.Hyatt@em.myflorida.com or by phone at (850) 487-1660.

Sincerely,

Steven Hyatt
State Public Assistance Officer

SH/bh

Attachments: Determination of the State Insurance Commissioner



OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER

FINANCIAL SERVICES
COMMISSION

RECK SCOTT
GOVERNOR

JEFF ATWATER
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ADAM PUTNAM
COMMISSIONER OF
AGRICULTURE

March 7, 2014

Larissa Pallo
State Public Assistance Officer
Division of Emergency Management
2555 Shumard Oak Boulevard
Tallahassee, Florida 32399-2100

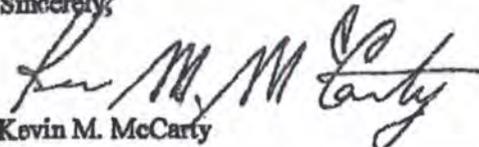
Dear Ms. Pallo:

This letter is in response to David Merrill's letter dated July 19, 2013, in which it was requested that the Office of Insurance Regulation (Office) certify the "reasonableness" of the insurance coverage for the City of Miami Beach. Based on the information provided, it appears that the City of Miami Beach has been successful in procuring insurance that appears to be "reasonable." The City of Miami Beach may have already received an email correspondence with recommendations for the coming policy year. Due to changes in the marketplace, additional comments regarding their program may be provided.

The Office understands that the reason the program has been submitted is to meet the requirements of the Federal Stafford Act, which appears to require the approval of a regulatory authority. Although some of the products at issue may not be subject to Chapter 627 of the Florida Insurance Code, the program that has been selected appears to be "reasonable" and competitive given the state of the Florida insurance market in 2013.

If the Office can be of further assistance, please do not hesitate to contact us.

Sincerely,


Kevin M. McCarty

KEVIN M. MCCARTY • COMMISSIONER
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-5914 • FAX (850) 488-3334
WEBSITE: WWW.FLOR.COM • EMAIL: KEVIN.MCCARTY@FLOIR.COM

Affirmative Action / Equal Opportunity Employer

Bridges, Sonia

From: Christy, Virginia [Virginia.Christy@flair.com]
Sent: Thursday, March 06, 2014 5:04 PM
To: Bridges, Sonia
Subject: 138847-13 City of Miami Beach;Reasonableness Determination:

Ms. Bridges,

We have finished the review of the above referenced request from your office to certify the "reasonableness" of the property insurance program for the City of Miami Beach. A letter has been sent to the Department of Emergency Management. It is recommended that the city look into higher Named Windstorm limits for the coming policy year.

Virginia A. Christy
Assistant General Counsel
Office of Insurance Regulation
Division of Legal Services
200 East Gaines Street
Tallahassee, FL 32399-4206
Phone: 850-413-4220
Email: Virginia.christy@flair.com

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects / Budget Committee

FROM: Jimmy L. Morales, City Manager

DATE: August 1³~~5~~, 2014

SUBJECT: **A DISCUSSION REGARDING UTILIZATION OF THE OFFICE SPACE AT THE BYRON CARLYLE THEATER AS AN ENTREPRENEURIAL STARTUP/ INCUBATOR SPACE**

BACKGROUND

At the July 23, 2014 Commission meeting, the Administration was directed to research and return with a proposal and cost estimate for a City sponsored Entrepreneurial Startup/Incubator Space in North Beach, specifically the Byron Carlyle Theater.

The Byron Carlyle Theater has a building size 28,335 square feet. Of that there is approximately 2,000 sq. ft. of office space which was previously occupied by North Beach Development Corp.

In the proposed FY 14/15 Capital Budget, which was accepted at the Special Finance and Citywide Projects Committee on July 16, 2014, is \$145,000 which was previously identified for a North Beach City Hall Annex which could instead be used for the one time capital costs for an Entrepreneurial Startup/Business Incubator.

ANALYSIS

In researching the possibilities, staff has determined that there are fundamental differences between an entrepreneurial startup space and an incubator.

An entrepreneurial startup space may only have some basic elements that may be helpful to a start-up's development early on, such as a conference room, desks, computers, printers, scanner, basic office supplies, etc. This effort may be of relatively low cost to the City.

An incubator however, is a business support process that accelerates the successful development of start-up and fledgling companies by providing entrepreneurs with an array of targeted resources and services including educational programming, training, mentoring, and specialized support staff. Critical to the definition of an incubator is the provision of management guidance, technical assistance and consulting tailored to young growing companies. Incubators usually also provide clients access to appropriate rental space and flexible leases, shared basic business services and equipment, technology support services and assistance in obtaining the financing necessary for company growth. These services are usually developed or orchestrated by incubator management and offered both in the business incubator and through its network of contacts. This effort would require additional planning, resources and may be a greater cost to the City.

Based on the direction given by the Mayor to create a City-sponsored space in North Beach, that could host start-ups early in their development and provide them with a place to go and begin working that has some basic elements including desks and computers, and that is of low cost to the City, staff

identified and prepared the following capital cost estimates that would be necessary for implementation of the space.

Byron Carlyle Entrepreneurial Start-Up	
Space	
CAPITAL EXPENSES	
IT/Telecom	
Desktop Computers - Qty. 10	\$ 32,000
Laptops - Qty. 5	\$ 25,000
Projection system- TV, Projector, White Boards, Audio, etc.	\$ 16,600
Hi-Speed Internet Connection. Wireless, modems, etc.	\$ 500
Computer Software & Licenses	\$ 5,000
Scanners - Qty. 2	\$ 4,000
Printers - Qty. 2	\$ 2,400
Copy Machine	\$ 4,000
Wiring	\$ 5,000
Phone system for conference calling	\$ 500
Total Estimate for IT/Telecom	\$ 95,000
FF&E	
Individual Workstations with desks	\$ 15,000
Open Space/Collaborative Desks	\$ 5,000
Conference Room Tables	\$ 10,000
Seating - Desk Chairs, Guest Chairs, Sofas, etc.	\$ 10,000
Printer Carts	\$ 2,000
Dry Erase Boards	\$ 3,000
Storage Cabinets	\$ 5,000
Carpet	\$ 45,000
TOTAL FF&E	\$ 95,000
Grand Total Capital	\$ 190,000
Less Funding Identified for North Beach City Hall Annex	(\$ 145,000)
Net Additional Capital Funding Needs	\$ 45,000

Additionally, staff has identified recurring cost in the amount of approximately \$200,000 which could be pro-rated to six months for FY15 at \$100,000 following the build-out of the space. These recurring operating costs include: Staff Support to serve as a receptionist, assist with technical issues, and keep supplies stocked; Office Supplies; Janitorial; Electricity; Water/Sewer/Storm; Sanitation; and Internal Services (Self-Insurance & Property Management). Together with the additional \$45,000 not yet identified in Capital funding, results in a total of \$145,000 additional funding needed for the entrepreneurial startup space. This \$145,000 has been submitted to the Office of Budget and Performance Improvement as a potential enhancement for FY 2014/15.

The Mayor and Commission may need to appoint a selection committee or ad hoc committee to determine who would be entitled to use of the space.

CONCLUSION

The Administration recommends that the Finance and Citywide Projects Committee discuss the proposal further and provide appropriate policy direction.

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and City Wide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: August 13, 2014

SUBJECT: **Proposed Wellness Program**



Background

Health care costs have been rising approximately eight percent per year and are becoming one of the most expensive employment benefit organizations are facing. In an attempt to control costs, if not reduce, many employers have introduced wellness programs with mixed results. Wellness program proponents and industry experts state that 75 percent of health care dollars go toward the care of chronic illnesses and that 50 percent of those costs are preventable. The critical factor, however, is engaging employees and motivating them to commit to lifestyle changes that result in better health, ergo, lower health care costs.

Well-designed wellness programs, those proven to yield a return on investment (ROI), contain a variety of incentives, and eventually make participation a requirement. According to industry experts, the only proven methodology that yields a real ROI is to require participation and use health care coverage premium reductions as the primary incentive.

The City contracts with Humana for wellness as part of the administration of its self-insurance plans. Humana has been providing annual biometric screenings through the City's wellness fair. In an ongoing effort to promote health and wellness, Humana will continue to provide these screenings, up to 200 participants, assuming the City remains a medical Administrative services Only (ASO) client of Humana.

In addition, flu shots, provided only to employees covered by the City's Humana health care plans and the most popular factor of the wellness fair, are coordinated by Walgreens and billed through the Humana claims system and are reflected in the City's claims experience.

The City's wellness seminars have had little employee participation, not unlike other wellness programs without incentives.

Collective Bargaining Implications

In an environment where most employees belong to collective bargaining units, terms and conditions of employment are mandatory subjects of bargaining, therefore, a wellness program that provides incentives and requires participation is subject to negotiation. Four of the City's collective bargaining agreements expire September 30, 2015, and the fifth expires April 30, 2016. Should the City decide to pursue a wellness program that requires participation and includes a health care insurance premium reduction incentive, the matter would be a bargaining priority for the Administration.

The City has 1,705 employees eligible for health care benefits. If you remove the 524 (31 percent) employees covered by the International Association of Firefighters (IAFF) and the Fraternal Order of Police (FOP), who have their own health trusts, 978 of the resulting 1,181 eligible employees avail themselves of coverage afforded through the City. Of the 1,181 employees, collective bargaining units cover 724 employees, of which 595 have insurance through a City plan.

Including IAFF and FOP bargaining unit employees is an added bonus given that a wellness program's goal is to have healthier employees. However, should they not participate, because of provisions in their respective contracts regarding their premium contributions, the City would still benefit if negotiations with units representing general employees are successful. General employees represent 69 percent of employees eligible for health care coverage.

Analysis

Discussions with industry experts indicate that when organizations offer such programs, five to ten percent of the already healthy employee population takes advantage of them. If the wellness program includes incentives of value to employees, maybe there is a 20 percent participation rate, which is not enough to result in an ROI.

Base components of wellness plans include the following:

- Health Risk Assessment (HRA)
- Incentive Administration
- Weight Loss/Nutrition Programs
- Walking
- Physical Activity
- Stress Reduction
- Smoking Cessation
- Health Coaching

Additional Components may include Biometrics and On-Site Health Coaching

Return on Investment (ROI)

There is little agreement on the timing and magnitude of the return on investment on a wellness program. There is, however, agreement that a seventy to eighty percent participation level is needed to generate a successful ROI. That participation level is achievable when premium reductions are included as an incentive. Premium reductions need to be taken into consideration when calculating the ROI.

Program Phasing

Wellness programs offer proceed through varying levels of engagement and participation:

- Programs similar to those offered by the City resulting in up to 10 percent participation
- Incentive programs
- Incentive programs in combination with mandatory health assessments
- Incentive programs, mandatory health assessments and premium reductions, resulting in participation levels as high as seventy to eighty percent

Wellness Program Request for Proposals

AS part of the review process for the City's medical plans in FY 2012/13, the City's benefit consultant, Gallagher Benefit Services (Gallagher), issued a Request for Proposal (RFP) to health care vendors for plans with cost containment features, including wellness programs.

The Administration recently met with representatives from Engagement Health and Humana Vitality, who were the only respondents to the wellness component of the RFP. Based on the RFP submittals, presentations and subsequent question/answer sessions the Administration is comfortable that a wellness program based on incentives could be implemented for a costs of approximately \$4.46 per employee per month; approximately \$53,000 for the 978 employees that avail themselves to health coverage through the City. This was submitted to the Office of Budget and Performance Improvement as a potential enhancement for FY 2014/15.

Given that it is two years since the last RFP was issued, and given that the RFP issued at that time was more comprehensive focusing on health benefits and health care administration, with wellness as a small component, Gallagher believes that we would receive substantially more proposals were the City to issue a new RFP.

Further the RFP scope would include a multi-year program, that eventually results in mandatory participation by all general employees, includes health care plan premium reductions as its primary incentive, and yields a significant ROI in year three. Every indication is that such a revised RFP will yield responses from more vendors that those who responded to the original RFP.

In addition, implementing the wellness program in phases will allow the City and collective bargaining units time to negotiate while orienting employees to the benefits of participation, at minimum as it relates to having a healthier lifestyle and interacting with a provider.

Recommendation

The Administration recommends that a wellness program be a component of the benefits of employment with the City of Miami Beach. The Administration understands the implementation of any wellness program will initially generate additional health care spending. However, the anticipated eventual savings to the health plan, and the benefits of a healthier work force, outweigh these costs.

The Administration further recommends that during the upcoming plan year Gallagher issue another RFP focused solely on wellness programs, independent of any health care plan administration.

Attachments

JLM/KGB/SC-T

ATTACHMENT 1

Example of A Successful Program: Lubbock Independent School District

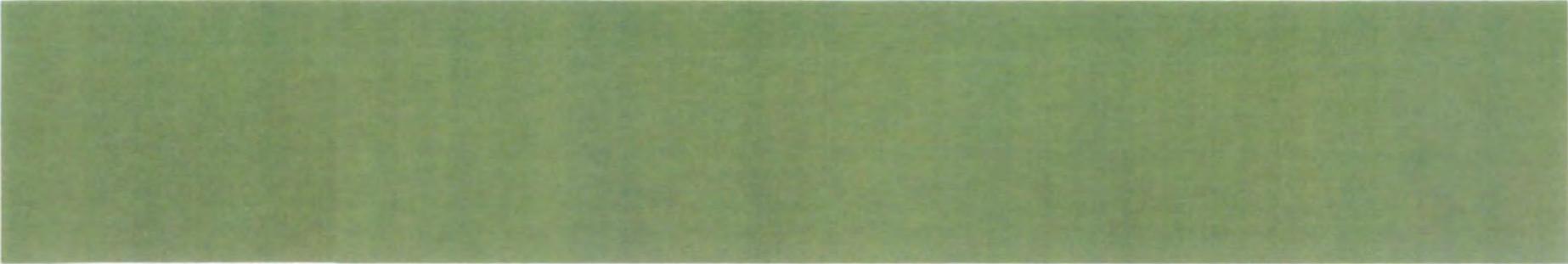
The Lubbock Independent School District (LISD) implemented its wellness plan in 2010. The LISD's wellness plan is independent from its medical plan carrier and managed by pforymWELL who tracks employee participation, manages all screenings, and interacts with employees regarding resources to help them achieve better health.

To encourage employee participation, the LISD wellness plan provides incentives in the form of reductions to the employees' health care insurance premiums.

- \$25 premium reduction each month for completing the HRA,
- \$25 premium reduction each month for undergoing a biometric screening, and
- \$25 premium reduction each month for participating in at least three educational seminars each year provided by the wellness plan related to improving a current health condition or promoting health habits.

Employees may earn a maximum premium reduction incentive of \$75 per month, with an annual premium reduction totaling no more than \$900.

The LISD has about 3,500 employees in fifty-eight locations. Approximately 2,700 employees (77 percent) participate in the wellness program indicating that the premium reduction investment works. In the four years since implementation, the LISD has seen savings in their health plan claims of approximately \$6 million with related wellness plan costs of \$2.65 million.



A CASE FOR WELLNESS

According to the U.S. Department of Health and Human Services

- 59% of employees do not get adequate exercise
- 50% or more have high cholesterol
- 27% have cardiovascular disease
- 26% are overweight by 20 percent or more
- 24% have high blood pressure



80% Lifestyle Related

The Full Cost of Poor Health

Personal Health Costs

Medical Care

Pharmaceutical costs

Productivity Costs

Absenteeism

Short-term Disability

Long-term Disability

Presenteeism

Overtime

Turnover

Temporary Staffing

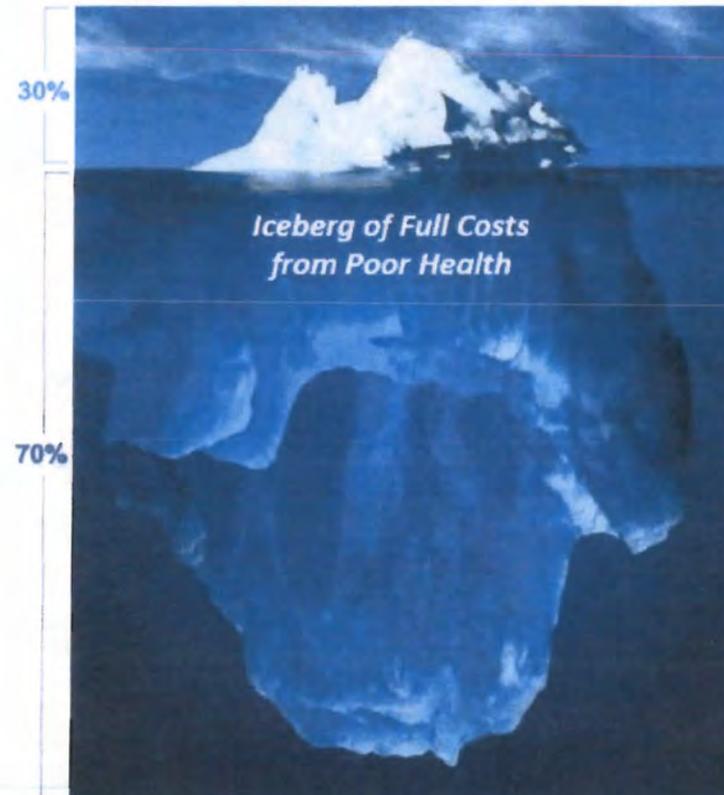
Administrative Costs

Replacement Training

Off-Site Travel for Care

Customer Dissatisfaction

Variable Product Quality



Sources: Loeppke, R., et al., "Health and Productivity as a Business Strategy: A Multi-Employer Study", JOEM.2009; 51(4):411-428. and Edington DW, Burton WN. Health and Productivity. In McCunney RJ, Editor. A Practical Approach to Occupational and Environmental Medicine. 3rd edition. Philadelphia, PA. Lippincott. Williams and Wilkens: 2003: 40-152

Building the Program

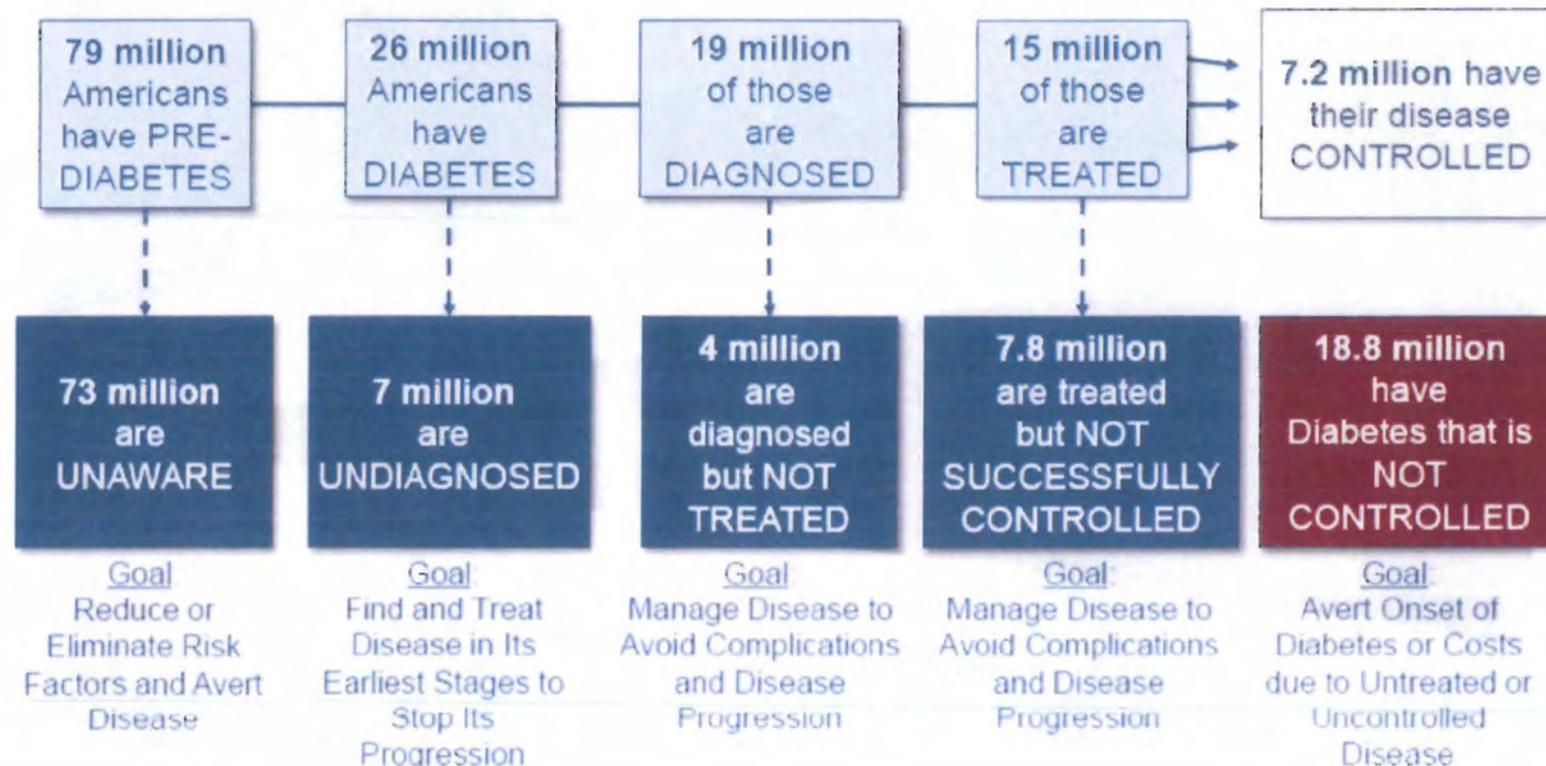
- Leadership
- Goals – begin with the end in mind
- Vendor
- Budget
- Wellness Team
- Eligibility

Diabetes

One Disease, Many Costly
Issues

Need for Diabetes Prevention/Care in the United States

Sources Throughout: NIH, CDC



Heart Disease, Blood Vessel Disease, and Diabetes

Adults with diabetes have heart disease death rates about two to four times higher than adults without diabetes. The risk for stroke is two to four times higher .

Diabetes and the Eyes

Diabetes is the leading cause of new blindness in the U.S. in adults ages 20-74. It can cause a number of eye disorders which include:

- Glaucoma
- Cataracts
- Diabetic retinopathy

Studies show that regular eye exams and timely treatment of diabetes-related eye problems could prevent up to 90% of diabetes-related blindness.

Diabetes and Kidney Disease

Diabetes is the leading cause of kidney failure in adults in the U.S., accounting for 44% of new cases in 2008.

Drugs that lower blood pressure (even if you don't have high blood pressure) can lower risk of kidney failure by 33%.

Diabetes and Your Nerves

Over time, high [blood sugar levels](#) can harm the nerves.

Approximately 60-70% of people with diabetes have some form of nerve damage.

Diabetes-related nerve damage can also [cause pain](#) in the legs, arms, and hands, and can cause problems with digestion, going to the bathroom, or having sex.

A Common Problem Worth Controlling

ESTIMATED DIABETES COSTS IN THE UNITED STATES, 2012

TOTAL (DIRECT AND INDIRECT)
\$ 245 billion

DIRECT MEDICAL COSTS
\$ 176 billion

After adjusting for population age and sex differences, average medical expenditures among people with diagnosed diabetes were 2.3 times higher than people without diabetes.

INDIRECT COSTS
\$ 69 billion
(disability, work loss, premature death).

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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

for JLM


DATE: August 13, 2014

SUBJECT: RECOMMENDED FY 2014/15 EFFICIENCIES AND ENHANCEMENTS

The Current Service Level budget surplus in the General Fund currently totals \$2,450,000. A combination of efficiencies and enhancements are proposed to balance the General Fund budget.

As part of the budget process, departments submitted recommended efficiencies with minimal impacts on service delivery. Recommended efficiencies can be found in Attachment A. Efficiencies in the Communications, Fire, and Property Management departments total \$60,000 and reduce position count by 23 positions. 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.

Recommended enhancements in the General Fund can be found in Attachment B. The recommended enhancements total \$2,418,000 and add a net of 21 new positions. Recommended enhancements for Internal Service departments total \$598,000, Enterprise funded departments total \$4.47 million, and Special Revenue funds total \$7.48 million. Enhancements that were not recommended can be found in Attachment C.

A revised Confiscation Trust budget for the Police Department can be found in Attachment D. Changes made since July 16th include the reallocation of \$200,000 in funding from Crime Analysis Software to \$90,000 for a Crime Scene 3D Camera System to help clear crime scenes more efficiently and the addition of \$110,000 for the acquisition of Body Cameras.

A millage rate table can be found in Attachment E that shows impacts to property tax revenues from potential millage rate decreases.

Attachments

JLM: JW 

ATTACHMENT A
RECOMMENDED MINIMAL SERVICE IMPACT, EFFICIENCIES, ETC.

	Impact	Cumulative Dept. Impact	Position Impacts					
			Full Time	Part Time	Proj. Vacant	Filled	Mgt. & Admin	Non
GENERAL FUND								
Communications								
Reduce contractual television production costs of \$120,000 by 50% by adding an in-house Media Specialist position.	\$ (60,000)	\$ (60,000)	1.0					
Fire								
In FY 2010/11 a pilot program to reduce overtime in the Fire Suppression division was approved. The aim of the program was to reduce overtime on the weekends by hiring three (3) Fire Firefighter I's to work a weekend only schedule. The salaries cost for these firefighters was to be offset by the reduction in overtime costs. Although funding for the salaries of these firefighters has been included in the department's approved budget each year, the weekend program was never implemented. Based on the structure of the union contract, the most senior and most costly firefighters would have first option to the weekend schedule and ultimately creating more costs than savings. The department proposes utilizing the combined salaries of the three firefighters to hire a Training Division Chief to oversee the training needs of the sworn staff.	\$ -	\$ (60,000)	(2.0)		(3.0)		1.0	(3.0)
Total General Funds	\$ (60,000)	\$ (60,000)	(1.0)	0.0	(3.0)	0.0	1.0	(3.0)
INTERNAL SERVICE FUNDS								
Property Management								
Implement new service model for trades such as carpenters, electricians, masons, painters, and plumbers. This is part of an overall strategy to empower each department to control priorities in order to improve the level of maintenance and condition of our facilities. In the 2014 Community Survey, residents rated the appearance and maintenance of the City's public buildings at 79 percent, a decrease from 87 percent in the 2012 survey. The new model should provide greater flexibility and potentially enhanced services for specialty work while not resulting in any employees losing employment with the City. However, we will be reducing the number of positions by twenty-two with associated savings in equipment, materials, supplies, etc. In addition, the new model provides greater flexibility by allowing each department to address their own priorities, minimize delays, and avoid competing department interests. The twenty employees affected by the change (two positions are currently vacant) will be placed in alternate positions within Public Works and the Parks and Recreation department. Furthermore, their current compensation and benefits would not be impacted. Any savings resulting from this change would be used to enhance services.	\$ -	\$ -	(22.0)	0.0	(2.0)	(20.0)	0.0	(20.0)
Total Internal Services Funds	\$ -	\$ -	(22.0)	0.0	(2.0)	(20.0)	0.0	(20.0)
Grand Total All Funds	\$ (60,000)	\$ (60,000)	(23.0)	0.0	(5.0)	(20.0)	1.0	(23.0)

**ATTACHMENT B
RECOMMENDED - FY 2014/15 ENHANCEMENTS**

	Requests	Recommended Enhancements	Total	
			FT	PT
GENERAL FUND				
Potential Enhancements				
Living Wage Increase	55,000	55,000	0.0	0.0
City Attorney				
Improve efficient delivery of legal services by adding one Assistant City Attorney II position. Having the appropriate staffing to support the City Attorney's Office is essential to provide prompt and comprehensive legal services to the City Commission and City Administration. The addition of an entry level attorney position will bring much needed support, as well as correct an imbalanced workload condition. <i>[Restores one part-time First City Attorney position eliminated during the FY2011 budget process]</i>	81,000	81,000	1.0	0.0
Code Compliance				
Implement Body Camera program in the Code Compliance, Building, and Fire departments. The cameras for Code Compliance will be funded out of the General Fund. The cameras in Building (\$79,000) and Fire (\$57,000) will be funded by their respective Training and Technology funds.	86,000	86,000	0.0	0.0
Establish a more proactive code compliance environment by adding: two Code Compliance Officers in the Entertainment District (Ocean Drive, Collins Avenue, and Washington Avenue); two Code Compliance Officers to enforce Short-Term Rentals/Transient Use on a full-time basis; and one Administrative Aide I position to support case files and legal notices for the new positions. Address the Crowe Horwath Audit's recommendations for increased supervision and organizational efficiency by adding one Code Compliance Manager position to provide increased accountability, improved case flow including a reduction of process time, and improved supervision as well as one Office Associate IV position to facilitate financial and administrative functions, provide customer service support, and supervise seven clerical staff. Improve the ability for Code Compliance to more effectively schedule for special details such as noise, vendors, and flyers/handbills by converting twelve part-time Code Compliance Officer positions to six full-time Code Compliance Officer positions resulting in a savings of \$255,000. New position salaries are budgeted at 9 months. <i>[Restores three full-time Code Officer positions that were converted to part-time during the FY2009 budget process and one Administrative Aide II eliminated during the FY2010 budget process]</i>	270,000	177,000	13.0	(12.0)
Communications				
Enhance the City's website and social media outreach by adding a Public Information Specialist position. This position would oversee, execute strategies, and provide content to the entire website, develop new websites/pages, and provide support to social media and multi-media accounts.	60,000	60,000	1.0	0.0
Enhance the original programming on Miami-Beach TV. According to the Florida Consumer Choice Act (HB 529), PEG channels are required to have five hours of original non-repeat programming a day.	25,000	25,000	0.0	0.0
Finance				
Expedite lien turnaround time within 48 hours by adding a Financial Analyst position. <i>(Costs of \$73,000 would be completely offset by revenue)</i>	-	-	1.0	0.0
Address new GASB requirements resulting in more intense research and reporting of data by adding a Financial Analyst III position in the General Ledger section.	76,000	76,000	1.0	0.0
Implement phase one of new 3-1-1 customer service model by routing calls through the Customer Service call center and creating a City Warning Point dispatch function for high priority service calls related to programs in Public Works, Parking, Code, Transportation, and Emergency Management.	-	-	0.0	0.0
Ensure adequate internal controls by adding a Financial Analyst II position (cashier supervisor) in the Treasury section. 50% funded by Building funds	67,000	67,000	1.0	0.0
Fire				
Improve efficiency and management of the Fire Department's training by adding a Training Division Chief position. Training needs to be a separate division as it is one of the most critical elements for the Fire Department and is a key component of being rated a Class 1 agency by ISO. Currently training falls under the Support Services Division Chief who is also in charge of logistics, communication, air tech program, and fire shop division. The new position would develop and maintain a recruitment training program, supervise recruit classes, schedule all department training, ensure that all safety requirements are met according to State requirements, ensure all EMS certifications are up to date, verify that all ISO training is up to date, develop training programs for in-service training and officer training programs.	-	-	1.0	0.0
Organizational Development & Performance Initiatives				
The Miami Beach Public Area Cleanliness & Appearance Index is an objective measurement of performance which includes assessments of litter, litter/ garbage cans/dumpsters, organic material, fecal matter, sidewalk/roadway appearance, turf appearance, and plant bed appearance. The results of the assessments are used to monitor the impacts of recently implemented initiatives to target areas for future improvements, and assure the quality of services. Each quarter 90 four (4) hour assessments are conducted 7 days a week to provide a statistically valid sampling (1,440 hours annually). There are 4 four hour shifts Sunday - Thursday and 6 four hour shifts Friday and Saturday. Outsourcing will eliminate the need to utilize city personnel to conduct these ongoing assessments.	36,000	36,000	0.0	0.0
Create an Employee Suggestion Program (ESP) is to inspire City employees to share innovative ideas which may enhance City services. Eligible employees identify a specific problem and suggest a specific method or improvement to do a job or procedure better. Employees receive a recognition award for viable suggestions and a special award based on the savings or increase in revenue generated with awards ranging from \$50 to a maximum of \$5,000 per suggestion. Participating employees with viable suggestions will receive a certificate and a \$25 reward regardless of whether or not savings/revenues are generated.	15,000	15,000	0.0	0.0
Provide an organization-wide training workshop for 1,300 employees for a 'live' Cultural Communication in the Workplace workshop to better understand how cultural context influences cultural communication, key elements of effective cross cultural communication and learn to respond effectively in spite of communication differences. Current required sessions do not directly address this topic, and skills learned will help improve internal and external communication and customer service.	42,000	42,000	0.0	0.0

**ATTACHMENT B
RECOMMENDED - FY 2014/15 ENHANCEMENTS**

	Requests	Recommended Enhancements	Total	
			FT	PT
Parks & Recreation				
Improve security in city parks by implementing a Park Ranger program. This program would provide four Park Ranger positions to patrol the parks, provide additional security, and enforce compliance with city ordinances and park rules. The Rangers would also provide assistance with social issues such as transient camping in the parks and loitering. They would partner with various other forces such as the CMB Police, the Miami-Dade County School Police, and Neighborhood Watch groups. The new position salaries are funded at 9 months.	415,000	208,000	4.0	0.0
Maintain service level for Senior Enhancement Transportation Service (SETS). In FY2006/07, the City Commission dedicated \$150,000 of one-time funds for the provision of transportation for senior services. At the close of the FY 2013/14 budget year, those funds will be exhausted. During the past three years, 5,834 seniors were transported through this program.	35,000	35,000	0.0	0.0
Maintain service level for the Miami Beach Teen Club program. Prior to FY 2014/15, the Parks and Recreation Department received grant funding from the Department of Juvenile Justice for the Teen Club program. Grant funding for this program will end at the close of this fiscal year. Currently there are over 280 teens attending the Teen Club which is held at two locations, 21st Street Recreation Center and Fairway Park.	83,000	83,000	0.0	0.0
Improve grounds maintenance and landscape plantings, replace expired golf cart leases, refill sand bunkers, and replace mats and golf balls on the driving ranges for Miami Beach Golf Course and Normandy Shores Golf Course Golf enhancements. Spending on these items were scaled back during the recession and are necessary to maintain the quality of the golf courses. <i>(\$136,000 offset by proposed increase in golf rates)</i>	-	-	0.0	0.0
Planning				
Improve efficient and timely delivery of plan review services by providing optional expedited review in coordination with the Building Department. This enhancement would offer customers comparable services as currently performed by Building and would deliver the enhanced service by assigning two staff members to review plans during Saturday sessions. Customers would make written requests and payment by Thursday, 5:00 p.m. for expedited review to occur that Saturday. Necessary overtime costs would be offset by revenue charged for the expedited service. <i>(Costs of \$23,000 would be completely offset by revenue)</i>	-	-	0.0	0.0
Improve administrative support to the five Development Review Boards by adding an Office Associate V position. This position would assist two current staff members receive and process all Board applications, review for completeness, schedule pre-meeting conferences, coordinate advertisements, prepare notices, prepare and deliver Board packages, post information on the internet, mail final orders, and assist with filing. In addition to improving the delivery of services, the position would enhance transparency by making available complete and timely information for viewing, including completed board application submittals with drawings, agendas, and after-actions. <i>(Costs of \$60,000 would be 75% offset by revenue)</i>	15,000	15,000	1.0	0.0
Ensure compliance and accuracy as it relates to the administration of the Parking Impact Fee policies and procedures by adding a Field Supervisor position. This position would also be responsible for site visits to help assist with the accurate and consistent administration of the Concurrency Mitigation Program. <i>(Costs of \$70,000 would be 75% offset by revenue)</i>	18,000	18,000	1.0	0.0
Develop an articulated massing study of Washington Avenue between 6th Street and Lincoln Road to allow for the determination of ideal maximum heights, number of stories, and intensity (FAR) for each block or block section of the study area (\$25,000). Develop an articulated massing study of North Beach, focusing on 71st Street, Ocean Terrace, and West Lots, which allows for the determination of ideal maximum heights, number of stories, and intensity (FAR) for each block or block section of the study area. (\$55,000) <i>Recommendation of the Land Use Committee</i>	80,000	80,000	0.0	0.0
Police				
Maintain service level in the Criminal Investigations Division by funding a Senior Latent Examiner position previously funded from Confiscated Trust Funds. The position serves as a senior fingerprint identification examiner and teaches the three-year certification process necessary to become certified. Without this position, all crime scene fingerprint evidence and subsequent identifications would have to be sent to an outside source for verification slowing the identification process down considerably.	75,000	75,000	1.0	0.0
Implement Body Camera program in the Police Department by adding two positions to ensure proper video evidence recovery and maintain chain of custody. The positions include a Sergeant and a Property & Evidence Tech I. The acquisition of 50 body cameras for \$310,000 is proposed to be covered by Confiscation Trust funds.	198,000	198,000	2.0	0.0
Procurement				
Implement e-sourcing solutions and business process efficiencies that would expedite the acquisition of goods and services by reclassifying a part-time Procurement Coordinator position to full-time. This position would manage the e-Marketplace which is an on-line solution for ordering a wide variety of items from vendors with whom the City has established pricing discounts, similar to shopping at Amazon.com. The position would also manage the standard order catalog, which helps assure adherence to contract pricing and terms and generally improves the effectiveness and efficiency of the acquisition of commodity purchases.	25,000	25,000	1.0	(1.0)
Support additional proposed projects in Capital Improvement Plan for stormwater drainage, sea level rise, sewer system, and right-of-ways by adding a Procurement Contracting Officer II position. This position would manage the public procurement/contracting process for an estimated 100 planned projects over the next five years totaling in excess of \$300 million.	70,000	70,000	1.0	0.0
Public Works				
Better organize responsibilities of six divisions and administrative functions by adding an Assistant Director position.	110,000	110,000	1.0	0.0
Reduce backlog of projects and enhance ability to perform in-house engineering by adding a Civil Engineer position (30% GF, 30% Stormwater, 40% Water & Sewer).	19,000	19,000	0.3	0.0
Housing & Community Services				
Address homelessness at Lummus Park and ancillary locations by adding two part-time outreach workers and additional overtime for a Police detail to initiate 4 am sweeps in the park. This enhancement includes additional funds for ambulance service to transport mobility-impaired homeless persons, homeless tracking to include briefings for court hearings to include service history, and flex-use shelter beds.	118,000	118,000	0.0	2.0

**ATTACHMENT B
RECOMMENDED - FY 2014/15 ENHANCEMENTS**

	Requests	Recommended Enhancements	Total	
			FT	PT
Emergency Management/9-1-1				
Address security upgrades in city facilities by funding additional security cameras and increased access control measures (\$25,000) and implementation of Crime Prevention through Environmental Design (CEPTED) infrastructure enhancements (\$70,000). Additional funding of \$100,000 to \$200,000 for CEPTED infrastructure enhancements is anticipated from existing and upcoming UASI grant funds.	95,000	95,000	0.0	0.0
Enhance hurricane and disaster preparation by funding the acquisition of key equipment including an emergency response trailer, portable generators and lighting units, emergency mobile communication kits, and a 4 wheel drive vehicle.	101,000	101,000	0.0	0.0
Address the backlog, increase of public records requests, and support Homeland Security initiatives by adding an additional 9-1-1 Records Custodian position in the Public Safety Center Unit.	70,000	70,000	1.0	0.0
Citywide				
Restore funding to Miami Beach Botanical Garden that was reduced during prior budget reductions.	15,000	15,000	0.0	0.0
Total General Fund Enhancements	\$ 2,355,000	\$ 2,055,000	32.3	(11.0)
General Fund Impact from Internal Service Enhancements		\$ 363,000		
Grand Total		\$ 2,418,000		
		\$ (32,000)		

**ATTACHMENT B
RECOMMENDED - FY 2014/15 ENHANCEMENTS**

	Requests	Recommended Enhancements	Total	
			FT	PT
INTERNAL SERVICE FUNDS				
Living Wage Increase	55,000	55,000	0.0	0.0
Medical/Dental Insurance				
Implement Employee Wellness program to encourage employees to maintain a healthy lifestyle and help reduce long-term medical plan costs. Program would assist employees with taking the responsibility to make healthy lifestyle choices such as annual physical examinations, biometric screenings, exercise, smoking cessation, and weight loss. Wellness plans are designed, using incentives, to assist employees in adopting lifestyle changes to promote physical and emotional well being, with lower health care costs for the employer as the ultimate goal. The funding request is proposed to enhance the City's current program for the coming fiscal year to raise awareness/interest and promote employee trust/engagement while concurrently allowing the administration to develop a collective bargaining strategy addressing the incentives the industry has identified as most effective in raising employee participation, the key element in a program's success when measured by the return on investment. Successful negotiations will lead, in years two or three, to a more robust program, with a concomitant increase in expenditure, by including negotiated incentives directly related to employee participation and engagement. <i>The impact to the General Fund would be \$31,000.</i>	53,000	53,000		
Risk Management				
Increase Windstorm insurance coverage to assist recovery in case of a tropical storm or hurricane event. During the last ten years, the amount of coverage the City has purchased has ranged from \$10 million to \$25 million, in excess of applicable deductibles. During FY 2013/14, the City increased its windstorm coverage from \$10 million to \$15 million. This enhancement would increase funds necessary to purchase an additional \$5 million of named windstorm coverage for a total of \$20 million. <i>The impact to the General Fund would be \$201,000.</i>	330,000	330,000	0.0	0.0
Information Technology				
Improve the computing environment by changing the personal computer and laptop replacement life-cycle from 5 years to 3 years, which is considered best practice in the industry. There would be no additional cost in FY 2014/15, but there would be an additional \$597,000 in FY 2015/16 and \$289,000 in FY 2016/17 due to a one-time overlap from replacing equipment for two different warranty cycles.	-	-	0.0	0.0
Improve disaster preparedness by backing up City technology data/systems in an out of region data center. This enhancement would be phased in over three years. Year one would be \$200,000 including a \$40,000 one-time charge. The one-time charge is proposed to be funded from the IT Tech Fund. Year two would be \$100K and year three would be \$50,000. <i>The impact to the General Fund would be \$131,000.</i>	160,000	160,000	0.0	0.0
Total Internal Service Funds	\$ 598,000	\$ 598,000	0.0	0.0
Estimated Impact to the General Fund	\$ -	\$ 363,000		

**ATTACHMENT B
RECOMMENDED - FY 2014/15 ENHANCEMENTS**

	Requests	Recommended Enhancements	Total	
			FT	PT
ENTERPRISE FUNDS				
Living Wage Increase	139,000	139,000	0.0	0.0
Parking				
Implement Body Camera program in the Parking department.	104,000	104,000	0.0	0.0
The Garage Index will assess the ten public garages throughout Miami Beach for garage cleanliness, stairwells, cashier booths, equipment, elevators, and appearance. The results will be used to improve overall maintenance and safety of garage facilities. There are 6 shifts each four (4) hour 7 days a week based on 47 assessments quarterly. Outsourcing will eliminate the need to utilize city personnel to conduct these ongoing assessments.	23,000	23,000	0.0	0.0
Enhance cleanliness and appearance of City parking garages through the implementation of several initiatives to improve the appearance of the City's garages. These initiatives include: 1) Pressure Cleaning: increasing the frequency from quarterly to every two months in garages with high traffic. 2) Washdown: perform weekly washdown of garage ramps to reduce dust and tire debris. 3) Highgrade concrete treatment: yearly treatment to garage concrete to remove stains, oil residue, adhesives, and other materials that degrade the overall appearance of the garages. 4) Garbage cans: one time complete replacement and standardization of garbage cans at all garages. Note: painting of all garages will be on a five (5) year schedule commencing in FY 2015/16.	600,000	600,000	0.0	0.0
Address traffic challenges resulting from commercial loading through the implementation of enhanced loading zone enforcement. Additional overtime of \$150,000 would be added in Police for support and enforcement of this program as well as one Financial Analyst position at the City's Service Center. Police officers will be assigned to dedicated enforcement (moving violations) for obstruction of traffic (double parking) on major thoroughfares. Moving violations are an effective deterrent of double parking, as it: (1) assesses points to the operator's driver's license, (2) increases insurance premiums, and (3) moving violations carry higher penalties than nonmoving citations issued by parking enforcement specialists. Revenues generated by these programs are estimated to be \$90,000 in permit fees and \$100,000 in fine revenues, for total annual revenues of \$190,000 or \$950,000 over five years. Expenses for the permitting component consists largely of replacement of existing "commercial loading zone" and "no parking in alley" signs, many of which are planned replacements, resulting in a negligible expense.	355,000	355,000	0.0	0.0
Increase the services available online by adding a Senior Systems Analyst position. Some of the projects that are currently in queue are: 1. Modify Customer Counter Application for the integration with License Plate Reader 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	80,000	1.0	0.0
Additional windstorm insurance for parking garages	65,000	65,000	0.0	0.0
Stormwater				
Fund a formal Mitigation Plan to address sea-level rise.	250,000	250,000	0.0	0.0
Provide funding for special studies of the Flooding Committee.	1,150,000	750,000	0.0	0.0
Expand utilization of outsourced vac-con services for annual stormwater main cleaning by increasing contractual maintenance.	644,000	644,000	0.0	0.0
Provide enhanced stormwater pump maintenance with more preventive maintenance and bi-monthly inspections by increasing contractual maintenance.	225,000	225,000	0.0	0.0
Provide additional leadership of the expanded stormwater program by adding a Stormwater Superintendent position.	109,000	109,000	1.0	0.0
Enhance cleaning operations and stormwater maintenance projects by adding two Field Inspector positions.	100,000	100,000	2.0	0.0
Improve capabilities in drainage analysis and stormwater modeling by adding a Civil Engineer position.	75,000	75,000	1.0	0.0
Improve ability to produce drawings, sketches, and maps by adding an Engineering Assistant I position.	50,000	50,000	1.0	0.0
Reduce backlog of projects and enhance ability to perform in-house engineering by adding a Civil Engineer position (30% GF, 30% Stormwater, 40% Water & Sewer).	19,000	19,000	0.3	0.0
Water & Sewer				
Reduce backlog of projects and enhance ability to perform in-house engineering by adding a Civil Engineer position (30% GF, 30% Stormwater, 40% Water & Sewer).	32,000	32,000	0.3	0.0
Sanitation				
In support of the "can on every corner" initiative, add more litter cans across the city: \$129,000 in North Beach; \$40,000 for citywide litter cans [ONE-TIME]	169,000	169,000	0.0	0.0
The Bathroom Index will assess the 64 public restrooms throughout Miami Beach for overall cleanliness and maintenance to ensure these public facilities are well maintained. The results of the assessment will be used to measure overall cleanliness and maintenance. There are 4 shifts each four (4) hour conducted 7 days a week based on 47 assessments quarterly. Outsourcing will eliminate the need to utilize city personnel to conduct these ongoing assessments.	21,000	21,000	0.0	0.0
Support the initiative to provide better service at beachfront restrooms by adding attendants to the beachfront restrooms in Lummus Park and 21st street. The attendants will be responsible for stocking and performing litter control. Each restroom requires two attendants. This enhancement would be funded from the Resort Tax fund	661,000	661,000	0.0	0.0
Total Enterprise Funds	\$ 4,871,000	\$ 4,471,000	6.7	0.0

**ATTACHMENT B
RECOMMENDED - FY 2014/15 ENHANCEMENTS**

	Requests	Recommended Enhancements	Total	
			FT	PT
SPECIAL REVENUE FUNDS				
Transportation				
Provide resources for the newly-created Transportation department by adding a Transportation Planner position. This position would provide resources needed to adequately support various transportation initiatives including the new North Beach Local, the East/West Alton Trolley, the South Beach Local, automated traffic monitoring and management services, and Next Bus mobile application technology.	118,000	118,000	1.0	0.0
The Mystery Rider Program for transit assesses the level of service provided to transit users of three different transit routes, the South Beach Local and both the Alton-West and North Beach Trolleys. The results will be used to measure customer service, reliability of service, maintenance and cleanliness of vehicles. There are 4 shifts each four (4) hours conducted 7 days a week based on 47 assessments quarterly. Outsourcing will eliminate the need to utilize city personnel to conduct these ongoing assessments.	21,000	21,000	0.0	0.0
Bicycle safety campaign (<i>Recommended by Finance Committee in February</i>)	10,000	10,000	0.0	0.0
Resort Tax				
Deploy interim Intelligent Transportation System (ITS) solution for major special events and high impact periods	200,000	200,000	0.0	0.0
RDA				
Living Wage Increase	10,000	10,000	0.0	0.0
Total Special Revenue Funds	\$ 359,000	\$ 359,000	1.0	0.0
Grand Total All City Funds	\$ 8,183,000	\$ 7,483,000	40.0	(11.0)

ATTACHMENT C
NOT RECOMMENDED - FY 2014/15 ENHANCEMENTS

	Requests	Total	
		FT	PT
GENERAL FUND			
Potential Enhancements			
Building			
Provide additional support to the Elevator Safety Division to facilitate annual licensing and state reporting requirements and provide administrative support to the Chief Elevator Inspector by adding one Office Associate V position.	47,000	1.0	0.0
Establish unsafe structures panel	50,000	1.0	0.0
City Clerk			
Provide a higher level of customer service and improve efficiency and timeliness by adding an Office Associate II position. This position would prepare and manage meeting notices, return "604-CITY" calls, provide assistance to walk-in customers, handle incoming mail, maintain the City's bulletin boards, pay invoices, answer telephones, and coordinate the flow of information externally and internally.	35,000	1.0	0.0
Communications			
Improve administrative support by converting a part-time Office Associate III position to full-time and sharing the resource with the Tourism, Culture, & Economic Development department. This position would provide customer assistance, results reports, media assistance, logging and archiving video, photo, media clips and project files, and prepare and process financial payments.	26,000	1.0	(0.5)
Develop literature to educate the public regarding potential impacts of sea-level rise	15,000	0.0	0.0
Finance			
Ensure adequate internal controls by adding a Financial Analyst position to serve as an additional cashier and back up for the current cashier at City Hall in the Treasury section. 100% funded by Building funds	51,000	1.0	0.0
Fire			
Improve efficiency and management of assets and medical supplies inventory by adding a civilian Quartermaster position. This position was recommended by the Commission on Fire Accreditation International (CFAI) in the annual compliance report to develop a centralized inventory system to better track all assets and equipment. This position would free up the time of administrative Fire Captains and Resource Division Shift Captains would be freed up to dedicate more time for value-added activities.	49,000	1.0	0.0
Improve availability of front-line apparatus by adding a Mechanic position to adequately meet preventive maintenance schedule and make repairs in a timely manner. <i>[Restores one Mechanic position eliminated during the FY2008 budget process]</i>	55,000	1.0	0.0
Budget & Performance Improvement			
Increase audit coverage of high risk areas from 79% to 90% and address increases in audit requests by adding an Internal Auditor position. The position would allow ten additional audit areas per year and increase the quality and frequency of audits.	60,000	1.0	0.0
Human Resources			
Meet customer service expectations as they relate to turnaround times in the recruitment division by adding an Office Associate III position. The most labor-intensive and time consuming activities are associated with making telephone calls to verify applicants' former employment histories and schedule pre-employment physicals and fingerprint-capturing appointments. Of these three, the most demanding in terms of time and effort is the verification of employment. Former employers are reticent to provide information and have no vested interest in responding to our calls. Therefore, it falls upon the recruitment staff to call and call again. In the meantime, hiring decisions remain unresolved. Most employed applicants are unwilling to give notice at their current jobs without a formal job offer from the City. Our due diligence responsibilities prevent us from making those offers until the pre-employment background checks are complete. Additionally, the Human Resources Department has assumed Citywide responsibility for coordinating activities related to the assignment of temporary staffing agency personnel to different departments. This is another labor-intensive, time consuming function.	41,000	1.0	0.0
Organizational Development & Performance Initiatives			
Enhance process management and performance improvement by adding a Management Consultant position. The position would be a catalyst for streamlining, process improvements, improvement initiatives, and performance-driven operations. <i>[Restores one Management Consultant position eliminated during the FY2010 budget process]</i>	65,000	1.0	0.0
The City's Service Shopper Program supports our Customer Service standards by helping assess how well the City is serving its customers by evaluating service deliver at interface points. The goal of the program is to obtain measurable data on customer service to achieve heightened customer service awareness, assist departments in determining staff training to improve customer service, evaluate results to improve customer service to meet public needs and expectations and assess how the City is serving customers at interface points. Assessments are completed during the regular work week from 9:00 a.m. to 5:00 p.m., with several afterhours and weekend experiences as well. Outsourcing will eliminate the need to utilize city personnel to conduct these ongoing assessments (approximately 900) at 608 hours annually.	13,000	0.0	0.0

ATTACHMENT C
NOT RECOMMENDED - FY 2014/15 ENHANCEMENTS

	Requests	Total	
		FT	PT
Parks & Recreation			
Improve administration and planning of recreation operations and programming by adding two Program Coordinator positions. These positions would provide support needed by the Facility Managers to carry out existing programs at the expected service levels, run facilities more efficiently, and free up time to strategically plan and implement new programming.	146,000	2.0	0.0
Expedite and coordinate procurement related activities by adding a Procurement Liaison position. The position would assure compliance with policies and regulations, perform contract management, and develop specifications and solicitations.	60,000	1.0	0.0
Enhance the service level of contractual mowing and green space maintenance by increasing mowing frequency from 32 to 36 cycles, increasing litter control, adding dune maintenance/clean up, and providing routine pressure cleaning.	1,057,000	0.0	0.0
Enhance maintenance and quality of City parks and facilities by adding: annual sod replacement for all athletic fields, additional gymnastics programming, laser grading of baseball and softball fields, additional playground equipment and repairs, annual resurfacing of four courts, additional and replacement of bike racks, and miscellaneous equipment including a scissor lift.	267,000	0.0	0.0
Police			
Address increasing technology needs by adding an Information Tech Specialist III position in the Technical Services Division. The new position would provide supervisory oversight to the existing four tech positions, address increasing inventory of laptops/desktops and technology needs, and allow for a direct point of contact to better coordinate the needs of the department in lieu of contacting four individuals. Industry standards recommend a ratio of 1 technician for every 86 laptops serviced for government organizations of 1,000 or more employees. The Police Department currently has 380 deployed laptops being serviced by 3 technicians, a ratio of 1:113 technicians to laptops. Hiring an additional technician would adjust the ratio to 1:96, bringing it more in line with industry best practices.	72,000	1.0	0.0
Provide enhanced coordination of fleet management activities by adding a Fleet Specialist position. The new position would perform the following functions: develop and implement vehicle replacement programs; coordinate vehicle auctions, service, repairs, preventive maintenance, delivery, and training; research and evaluate vehicle and equipment in support of law enforcement initiatives; monitor installations of AVL in vehicles; maintain vehicle inventory and maintenance logs; track and process toll violations for police vehicles; and process State license renewals for vehicles with private license tags. [Restores one Fleet Specialist position eliminated during the FY2008 budget process]	52,000	1.0	0.0
Enhance records management unit by adding one Sergeant position. This position would perform an independent audit and consolidation of UCR coding; provide quality assurance of reports written via the NWS Field Base Reporting System; assist in the collection of accurate data sets for use in the COMPSTAT process; provide a sworn conduit to the Operations Division for problem resolutions; and investigate and correct Field Base Reporting merge and content issues.	146,000	1.0	0.0
Properly address workload levels in the records management unit by adding an Administrative Aide II position and two Data Entry Clerk positions. The Administrative Aide II position would assist with the workload associated with public records requests and Uniform Crime Reporting. The two Data Entry Clerks would free up Public Safety Specialists in the Operations Division from data entry duties to focus on duties such as School Crossing Guard details, writing moving and parking citations, and responding to incidents for police reports and traffic crash reports. [Restores one Administrative Aide and two Data Entry Clerk positions eliminated during the FY2010 budget process]	132,000	3.0	0.0
Enhance training unit by adding one Sergeant position. This position would supervise the officers and civilians assigned to the Training Section in the performance of their duties in training all personnel in the department and create a separation of duties between the two sergeants allowing for a permanent Range Master to: effectively supervise the Range Training Officer, manage the use of the department's driving and force simulators, supervise and manage all use of force training, develop the firearms training program, manage the Taser training program, and high liability training programs.	146,000	1.0	0.0
Provide nighttime coverage seven days per week on the waterways of Miami Beach by creating a Marine Patrol Overnight unit consisting of one Sergeant and four Police Officer positions. The overnight unit would investigate suspicious vessels, thefts from waterfront properties, burglaries/thefts of vessels and personal watercrafts, enhanced search and rescue abilities, enhanced Dive Team abilities and coverage.	626,000	5.0	0.0
Expand current ATV coverage by adding two dedicated ATV squads consisting of two Sergeants and eight Police Officers. The two units would enhance current service levels on the beach and paved beach walk in the areas of South Pointe Park through 46th Street and help deter beach thefts, alcoholic nuisances, public intoxication, sex-related crimes, beach after-hours ordinance, and homeless issues.	1,251,000	10.0	0.0
Enhance criminal investigations by adding a Public Safety Specialist position (non-sworn) to perform the following functions: retrieve, review, and determine evidentiary value of videos from areas crimes were committed; ensure proper video evidence recovery and chain of custody in support of other units; provide specialized experience of commercial and residential security camera installations, transfer of video evidence, and knowledge of video formats and associated technology. [Restores one Public Safety Specialist position eliminated during the FY2010 budget process]	74,000	1.0	0.0
Enhance criminal investigations by adding a Sergeant and Detective position. The new positions would perform the following functions: Create a Career Offender/Fugitive Squad tasked with identifying career criminals and fugitives at-large in the city; effectively track, monitor, and investigate the 80 plus career criminals residing within the city limits and more than 600 active warrants in the criminal system; and proactively investigate activity using crime analysis data, field interviews, and surveillances.	216,000	2.0	0.0

ATTACHMENT C
NOT RECOMMENDED - FY 2014/15 ENHANCEMENTS

	Requests	Total	
		FT	PT
Increase enforcement of drunk driving by adding DUI details to staff six saturations and six checkpoints annually. Costs include overtime and necessary training classes (Standard Field Sobriety Tests, Drug Recognition School, and Advanced Roadside Impaired Driving Enforcement).	152,000	0.0	0.0
Public Works			
Increase ability to procure goods and services in a timely manner by adding a Procurement Liaison position.	61,000	1.0	0.0
Add contractual services for building plans review support to handle peak periods with a 30 day turnaround	73,000	0.0	0.0
Assist the GIS team with specific projects and field validation by adding a GIS Consultant position.	25,000	0.0	0.0
Enhance ability of GIS by upgrading to the latest version of required software.	21,000	0.0	0.0
Address backlog of capital renewal and replacement projects by adding a Construction Manager position.	84,000	1.0	0.0
Increase capacity to process GIS requests, analyze spatial data, and automate GIS tasks by adding a GIS Analyst position.	66,000	1.0	0.0
Enhance project management of capital projects by adding a Civil Engineer II position.	66,000	1.0	0.0
Increase capacity to research City records, as-builts, and maps, by adding an Engineering Assistant I position.	46,000	1.0	0.0
Improve response time and volume of repairs completed annually by adding contractual funds sidewalk repairs.	39,000	0.0	0.0
Enhance leadership and management of pavement and sidewalk lighting programs by adding a Streets and Lighting Superintendent position.	101,000	1.0	0.0
Capital funds for street and sidewalk maintenance based on pavement condition index	1,000,000	0.0	0.0
Tourism, Cultural, & Economic Development			
Implement and market program to provide outreach to new and existing businesses in the City	10,000	0.0	0.0
Create a business incubator at the Byron Carlyle in North Beach. Recurring costs total \$193,000. The operating recurring costs would be pro-rated for 6 months (\$145,000) following the build-out. The one-time costs of \$145,000 would be funded in the Capital Budget.	145,000	0.0	0.0
During the last year the department expanded with additional responsibilities, divisions, and staff specifically in the area of Economic Development, the RDA, and Real Estate Office. An Assistant Department Director position would improve the efficiency and management of the departments responsibilities and new City initiatives being added. In addition, the position would address succession planning within the department.	141,000	1.0	0.0
Total General Fund Enhancements	\$ 6,782,000	45.0	(0.5)
General Fund Impact from Internal Service Enhancements	\$ 430,000		
Grand Total	\$ 7,212,000		

ATTACHMENT C
NOT RECOMMENDED - FY 2014/15 ENHANCEMENTS

	Requests	Total	
		FT	PT
INTERNAL SERVICE FUNDS			
Information Technology			
Enhance IT project management capabilities by adding one Project Manager position to create a project management office (PMO) to handle the implementation of all IT projects. <i>The impact to the General Fund would be \$78,000.</i>	95,000	1.0	0.0
Add Info Tech I and Info Tech II positions (Support) to improve services such as repairing computers, installing phones, etc. <i>The impact to the General Fund would be \$91,000.</i>	111,000	2.0	0.0
Property Management			
Improve delivery of Property Management and CIP construction projects through the utilization of Construction Material Standards. The proposed standards would ensure that materials selected are compatible for the saltwater environment of Miami Beach to avoid accelerated deterioration of components. Examples include the selection of materials for air conditioning systems, park benches, janitorial dispensers, signage, and fencing materials. The standards would improve the longevity of materials and reduce maintenance and replacement costs. <i>(one-time costs) The impact to the General Fund would be \$215,000.</i>	250,000	0.0	0.0
Improve efficient delivery of property management support and administrative services by adding an Office Associate IV position. This position would address additional work load from addressing the backlog of capital renewal and replacement projects in the areas of procurement, accounts payable, and general administrative support. <i>The impact to the General Fund would be \$46,000.</i>	54,000	1.0	0.0
Total Internal Service Funds	\$ 510,000	4.0	0.0
Estimated Impact to the General Fund	\$ 430,000		

ENTERPRISE FUNDS			
Stormwater			
Enhanced repairs and maintenance	101,000	0.0	0.0
Contract Maintenance - cleaning, inspection, and video of storm drainage box culverts for Flamingo Park drainage system (one-time)	600,000	0.0	0.0
Convention Center			
Expand marketing efforts to book the Convention Center by adding funds for promotional items to support several different reward and promotional initiatives. These items would be used in conjunction with advertising campaigns as a lead generation incentives and giveaways at major industry trade shows.	200,000	0.0	0.0
Total Enterprise Funds	\$ 901,000	0.0	0.0

Grand Total All City Funds	\$ 8,193,000	49.0	(0.5)
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ATTACHMENT D
Police Department
Confiscations - Federal & State Funds
FY15 BUDGET REQUEST

FEDERAL FUNDS:

Federal Funds - (603)

	FY15 Request
Organizational Development Travel & Off-site testing	50,000
Training Supplement to supplement LETTF	60,000
Crime Scene 3D Camera System	90,000
Bulletproof Vest Partnership	35,000
Graffiti eradication through Teen Job Corp.	25,000
Body Cameras	310,000
Gym Equipment	10,000
Total Funds (603)	580,000

STATE FUNDS:

State Funds - (607)

Costs connected with the prosecution/processing of forfeitures.	20,000
Crime Prevention initiatives & School Liaison Projects	30,000
AR Rifle Program/initiative- City's match for reimbursement of rifles at \$500.	15,000
15% of State Funds collected in FY13 to be used for drug abuse treatment, drug and crime prevention education and non-profit community based programs.	19,000
PAL Boxing Program	47,000
VOCA Salary Match	45,000
Total Funds (607)	176,000

Total Federal & State Funds

756,000

**ATTACHMENT E
Millage Rate Table**

Value of 1 Mill @ 95%		22,049,273
Mills Equal	Dollars	Note
0.0100	220,493	
0.0200	440,985	
0.0234	515,953	Debt Service Millage decrease
0.0454	1,000,000	
0.0500	1,102,464	
0.0734	1,618,417	No rate increase to median property owner
0.1000	2,204,927	
0.1111	2,450,000	Give back all of projected surplus
0.2000	4,409,855	
0.2079	4,584,044	Remainder of tax rate goal