

**City of Miami Beach - City Commission Workshop
Commission Chambers, 3rd Floor, City Hall
1700 Convention Center Drive
March 10, 2004**

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Mayor David Dermer
Vice-Mayor Saul Gross
Commissioner Matti Herrera Bower Absent
Commissioner Simon Cruz Absent
Commissioner Luis R. Garcia, Jr. in at 3:43:54 p.m.
Commissioner Jose Smith
Commissioner Richard L. Steinberg

City Manager Jorge M. Gonzalez
City Attorney Murray H. Dubbin
City Clerk Robert E. Parcher

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ATTENTION ALL LOBBYISTS

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

Called to order at 3:10:41 p.m.

Budget Workshop Agenda

- I. Economic overview
- II. Presentations of city services
 - a. Police Department
 - b. Fire Department
 - c. Parks and Recreation
- III. Discussion with Commission
 - a. Level of involvement with the budget process
 - b. Key issues to be addressed in the FY 04-05 budget
 - c. Initiatives
 - d. Data for Commission retreats or for FY 04-05 budget presentations

Mayor Dermer stated that he was very proud of the citizens who voted in favor of the Charter Amendments, and also of the City Commission for their unanimous support. He gave special thanks to the Charter Review Board who worked very hard, and especially to Victor Diaz for all of his hard work on questions No. 2 (Lease/Disposal of City-owned property) and No. 3 (Voter approval prior to floor area increase). He also thanked Steve Zack, Chairman of the Charter Review Board, Jorge Gomez, Planning Director, and Jean Olin, Deputy City Attorney, for a great job. He stated that at the March 17, 2004 meeting he will thank everyone properly and officially accept the results of the election, and added that the City made history yesterday in helping protect the public interest.

Robert Parcher, City Clerk, stated that his office has received several requests from other municipalities for copies of the FAR Charter Amendment.

Jorge Gonzalez, City Manager, stated that he is seeking guidance from the City Commission. He explained that there will be five (5) budget meetings between now and the end of July, and two public hearings in September. The City Commission will be receiving an economic overview to show where the City is today as compared to last year. The three largest departments, Police, Fire and Parks and Recreation, will be presenting an economic overview. He stated that these three departments represent about 72% of the budget. He asked what the City Commission would like the Administration to do between now and July, such as collection of data, more or less budget briefings or maybe a different format. He explained that the Administration is here to get the Commission's direction. He stated that this is the third year in a row of a very challenging budget. He expects that FY 05/06 will allow more flexibility because of the revenue increase by the phasing out of the South Pointe RDA. He stated that this year, based on certain assumption as to the level of revenues and expenditures for next year, the difference is \$9.7 million; last year at this same time the difference was \$9.8 million. It makes it more challenging this year because most of the one time opportunities have already been taken. The biggest unknown is the final tax assessment. The final figure will not be known until July. The Ad Valorem revenues represent about 45% of the total revenues.

Mayor Dermer requested an explanation of the Resort Tax projections and recommended appropriations.

Jorge Gonzalez, City Manager, stated that the assumption is that the Resort Tax will increase slightly, but not dramatically. This budget includes an estimate of \$16 million to the General Fund from Resort Taxes. He explained that one way to fund the \$9.7 million difference is to budget more of the Resort Tax, but the policy has been not to budget more Resort Tax to the General fund than the 11% reserved for emergencies. He stated that the key elements driving the City's budget on the revenue side are the fees, Occupational License, building, and Ad Valorem taxes. On the expenditure side, the budgets are pretty much nondiscretionary. Of the City's budget of about \$152 million, Police, Fire, and Parks and Recreation composed about \$109 million. He stated that the Fire Department is 87% salaries and fringe benefits, Police Department is 80% salary and fringe benefits, and Parks and Recreation is 50% salary and fringe benefits. These departments are very labor intensive departments and it is difficult trying to cut expenses in these departments. He asked the Commission to let him know what issues they would like the Administration to focus on. He explained that some of the key drivers affecting this budget are the pension costs which will be known sometime in April, the health insurance costs will increase between 5% and 8%, and the impact of the union contracts for Police, Fire, and CWA. The impact of the implementation of the living wage ordinance and the impact of new facilities coming on line such as the North Shore Youth Center, the ice rink, the Byron Carlyle Theater, and the Colony Theater are now being experienced, along with the maintenance of the new landscaping. These are some of the challenges the Administration is facing.

Don De Lucca, Chief of Police, gave an overview and presented statistics on the operations of the Police Department.

Commissioner Garcia suggested using some of the recently retired police officers to compliment staffing the city jail and other areas.

Jorge Gonzalez, City Manager, stated that this could be a collective bargaining issue for the next contract. **Linda Gonzalez to handle.**

Commissioner Smith emphasized that since special events are driving up the cost of the City, there are a couple of options: 1) Cut down on some of the special events; or 2) Charge the promoters of special events an additional fee to help with the cost of Police and Fire. The City needs to review the special events permits especially to determine how many, where they are being held, how large is the event, and

determine what impact it places on the City and are they being charged accordingly. **Max Sklar to handle.**

Jorge Gonzalez, City Manager, stated that this is the exact discussion that leads to a "fair-share" discussion. Raising the Ad Valorem tax rate is not the logical place to beginning looking for revenue. The question is where are the expenditures being driven and by and large most of the expenditures are incurred because of activities south of Dade Boulevard. This analysis is a complicated and involved process and cannot be done for this budget cycle.

Commissioner Smith stated that if the benefit of these events is that the City is receiving additional Resort Tax revenues, if that is the benefit, then the Commission needs to review the 11% cap which was arbitrarily placed on Resort Tax revenues coming into the General Fund.

Vice-Mayor Gross stated that he does not want people to get the wrong impression that the \$25 million or so of Resort Taxes collected, are not being used to help with the impact of tourism, because \$16 million or 60% goes into the General Fund to help fund Police, Fire, Lifeguards, etc. The question is, should the City be taking more than 60%; this is an analysis which can be done. He stated that the City does charge promoters, when possible, for the cost of Police and Fire services. For an activity like Memorial Day, when there are 300,000 or 400,000 people descending on Miami Beach, how do we identify a promoter? He stated that the Atlanta Special Events Ordinance brought by Commissioner Steinberg could be reviewed.

Don De Lucca, Chief of Police, continued his presentation.

Mayor Dermer requested the Commission's assistance in making the County Commission understand how important Miami Beach is to the area and there should be a dedicated funding source from the County to help fund the cost of services for events on Miami Beach.

Mayor Dermer announced that he had to leave.

Chief Jordan, Fire Chief, gave an overview and presented statistics on the operations of the Fire Department.

Commissioner Smith asked what the federal legislators are doing to assist counties and municipalities in allocating funds for the war on terrorism and what does the City need to do to get funding help?

Chief Jordan stated that his department has received some grant money that made it possible to send some of his employees for training on weapons of mass destruction.

Jorge Gonzalez, City Manager, stated that the City has aggressively tried to get some of the funding.

Commissioner Smith stated that this being an election year, this is the year that the City needs to exercise all its influence in Washington and Tallahassee and get them to be more cooperative with the municipalities in terms of funding. **Kevin Crowder to handle.**

Vice-Mayor Gross asked if the Fire Department is staffed appropriately.

Chief Jordan stated that they added some positions when the minimum staffing went into effect and are in the process of determining if it is more advantageous to add new positions or pay overtime. **Chief Jordan to handle.**

Kevin Smith, Parks and Recreation Director, gave an overview and presented statistics on the operations of the Parks and Recreation.

Commissioner Smith stated that the City could do a better job of cleaning in the dunes area, but for the most part Miami-Dade County maintains the beach in pretty good condition. He also stated that he likes the staffing and the programs, the parks are looking great, the programs are terrific, and he has no criticisms.

Jorge Gonzalez, City Manager, stated that current service levels are not meeting service demands, coupled with just trying to maintain current service levels, and the \$9.7 million difference between expense and revenue, is the challenge. He asked the Commission to tell the Administration what process they would like; do they want changes, what information is needed, and are there areas where the Commission would like the Administration to review.

Commissioner Garcia stated that the Commission has heard from Police, Fire, and Parks and Recreation but the Commission receives call about garbage and broken streets and would like to address internal services such as building maintenance. He stated that the smaller departments are important to the functioning of the City and should all make presentations.

Commissioner Smith stated that residents are constantly complaining that they cannot get a Code Enforcement Officer and that Code Enforcement is not available certain days of the week. Parking is another issue. The City needs to ease the burden of parking on the residents and the tourists.

Commissioner Steinberg stated that the City Commission Retreat is scheduled and this is where the City Commission's priorities, focus, and vision will be established. He stated that the budget review meetings should be scheduled after the retreat.

Jorge Gonzalez, City Manager, stated that the visioning process is very important.

Vice-Mayor Gross stated that it seems the City spends a lot of money on the noise issues. Noise is a big issue to the residents and the City needs to tackle this problem.

Jorge Gonzalez, City Manager, stated that changes are needed. He has asked the Police Department to evaluate the impact of the 5 a.m. liquor license.

Commission Garcia stated that perhaps merging Code Enforcement and Fire inspectors may be helpful.

Commissioner Smith stated that he agrees that the noise issue and the code enforcement issue need to be addressed. He stated that Police is the most important function the City provides and he was able to observe this at Lummus Park last weekend when the Police enforced the alcohol laws, the crowd behaved. He also commended the Administration for closing the pier.

Vice-Mayor Gross stated that he would rather have an understanding of the choices the City Manager has to make in regarding the departments requests for enhanced services or reductions in services.

Commissioner Garcia suggested that the Mayor and Commissioners receive a schedule of the departmental budget meetings.

Jorge Gonzalez, City Manager, stated that the schedule of meetings would be provided; however, rather than Commissioners attending, it is more appropriate to have an aide(s) attend. **Jose Cruz to handle.**

Vice-Mayor Gross asked if the health insurance and the pension funds need to be discussed.

Jorge Gonzalez, City Manager, stated that in his earlier presentation there are a series of budget drivers that are out of the Administration's control and require legislative action. He suggested a session to discuss pension, health insurance, living wage, and new facilities because these are the items driving the City's budget. **Jose Cruz to handle.**

Commissioner Smith stated that he would like to know if the Building Department is staffed properly and how things are progressing in that department.

Vice-Mayor Gross stated that he is aware that the Building Department is losing employees because the salaries are not comparable to other municipalities.

Hamid Dolikhani, Assistant Director, Building Department, stated that the City Manager approved, mid-year, nine new positions because of the work load. He stated that of the 65 approved positions, the department has 10 vacancies.

The Commission requested another session with the Building, Code, Sanitation, Public Works, and CIP. **Jose Cruz to handle.**

Commissioner Smith requested the Administration to provide information about Hazen and Sawyer, and URS, such as what has the City paid them, how much does the City still owe, and to what extent can we cut some of their services. He would like to reevaluate what they were hired to do to determine if they are performing the way they should be performing.

Jorge Gonzalez, City Manager, stated that the Administration is due for a quarterly meeting for the status of projects and this may be a better forum.

Commissioner Steinberg requested to add the unfunded projects to the quarterly report.

Jorge Gonzalez, City Manager, stated that the last City Commission direction was to bring the Hazen and Sawyer and URS discussion to the City Commission. **Tim Hemstreet to handle.**

Vice-Mayor Gross suggested Property Management and the unfunded project.

Jorge Gonzalez, City Manager, stated that he sees a session to discuss departments, a session to discuss the choices and the budget drivers, and after that it will be decided what will be next.

Meeting adjourned at 5:47:51 p.m.