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Mayor Manny Diaz
Remarks on the Updated Budget
As Prepared for Delivery

FELLOW RESIDENTS, MR. CHAIRMAN, MADAME VICE-CHAIRMAN, COMMISSIONERS, FELLOW CITY EMPLOYEES: I APPRECIATE THE MANY HOURS YOU HAVE DEVOTED TO THIS PROCESS. YOUR ADVICE AND COUNSEL HAVE BEEN EXTREMELY VALUABLE TO ME IN DEVELOPING THIS BUDGET.

I ALSO WANT TO THANK OUR STAFF. IN PARTICULAR, I AGAIN RECOGNIZE THE EFFORTS OF PETE, LARRY & MICHAEL. FINALLY, I WANT TO ESPECIALLY THANK CHARLIE COX, BOBBY SUAREZ, JOE SIMMONS, CHIEF TIMONEY, DEPUTY CHIEF FERNANDEZ AND CHIEF KEMP----

I RECOGNIZE THAT THIS PROCESS HAS BEEN VERY DIFFICULT FOR THEM. BUT MAKE NO MISTAKE, THEY CARE DEEPLY FOR THE MEN AND WOMEN THEY REPRESENT AND FOR THE CITY THEY SERVE.

TWO WEEKS AGO, I PRESENTED A PROPOSED BUDGET FOR FY 2010. IT WAS A BARE-BONES, NO FRILLS BUDGET REQUIRING US TO MAKE TOUGH, REALISTIC DECISIONS, WITHOUT POLITICAL OR PERSONAL CONSIDERATIONS. WE HAVE A LEGAL OBLIGATION TO BALANCE OUR BUDGET AND IT WILL TAKE \$118 MILLION IN SAVINGS TO DO THIS.

BUT, BALANCING OUR BUDGET IS MORE THAN A LEGAL OBLIGATION. WE ALSO HAVE AN OBLIGATION TO OUR EMPLOYEES, THE MEN AND WOMEN WHO MAKE THIS CITY WORK EVERY DAY. WE WANT TO DO RIGHT BY THEM, PRESERVE THEIR JOBS, AND NOT ABANDON THEM DURING THESE DIFFICULT ECONOMIC TIMES.

THE PROPOSED BUDGET WAS GUIDED BY FOUR FUNDAMENTAL PRINCIPLES:

FIRST, PROVIDE ADDITIONAL TAX RELIEF BY MAINTAINING OUR MILLAGE RATE FLAT. WE HAVE ACHIEVED THIS. WHILE OTHER LOCAL GOVERNMENTS ARE BALANCING THEIR BUDGETS ON THE BACKS OF TAXPAYERS, WE ARE NOT RAISING TAXES. AND I THANK YOU FOR THAT.

SECOND, MAINTAIN HEALTHY RESERVES. THE PROPOSED BUDGET ASSUMES NO USE OF FUND BALANCE WHATSOEVER. AND I THANK YOU FOR THAT.

RESERVES ALLOW US TO DEAL WITH THE UNFORESEEN, HURRICANES... LITIGATION... TERRORISM. AS OUR FINANCE COMMITTEE WARNED, WHAT WE ARE FACING IS FORESEEABLE. WE ALSO NEED STRONG RESERVES IN ORDER TO ACCESS THE BOND MARKETS. CITY SERVICES ARE MORE THAN JUST ROUTINE OPERATING EXPENSES; THEY ARE ALSO ABOUT MAKING THE INVESTMENTS NECESSARY TO CONTINUE REBUILDING OUR INFRASTRUCTURE.

IN THE LAST EIGHT YEARS WE HAVE LEVERAGED \$2 BILLION IN INVESTMENTS. THIS WOULD NOT BE POSSIBLE WITHOUT ACCESS TO MARKETS...AND STRONG RESERVES. AGAIN, UNLIKE MANY OTHER LOCAL GOVERNMENTS—WE HAVE STOOD FIRM TO THIS PRINCIPLE.

THIRD, WE HAVE SOUGHT TO MINIMIZE THE IMPACT ON THE DELIVERY OF SERVICES AND THE QUALITY OF LIFE OUR RESIDENTS HAVE COME TO EXPECT. WE HAVE PROPOSED SIGNIFICANT CUTS ACROSS ALL DEPARTMENTS. THESE REDUCTIONS ARE ON TOP OF THE \$100 MILLION IN SAVINGS DURING THE PAST TWO YEARS. OUR DIRECTORS WILL CONTINUE TO DELIVER EXCELLENT SERVICE TO THE PEOPLE OF MIAMI. I THANK THEM FOR THAT.

OUR PARKS WILL CONTINUE TO DELIVER QUALITY PROGRAMS. I REMIND YOU THAT OUR PARKS BUDGET HAS MORE THAN DOUBLED OVER THE PAST EIGHT YEARS. PARKS AND POOLS WILL NOT CLOSE. HOURS WILL NOT BE REDUCED. AFTERSCHOOL AND SWIMMING PROGRAMS WILL REMAIN.

ALL OF US ARE EXTREMELY PROUD OF OUR NATIONALLY RECOGNIZED HOMELESS PROGRAM. SERVICES TO THIS VULNERABLE POPULATION WILL CONTINUE LARGELY UNAFFECTED. OUR COMMITMENT TO INTERNATIONAL AFFAIRS, ART, CULTURE AND FILM, SUSTAINABILITY AND COMMUNITY RELATIONS WILL CONTINUE.

WHILE WE ARE UNABLE TO CONTINUE PRIOR LEVELS OF SUPPORT, THE BUDGET RETAINS ONE (1) POSITION PER OFFICE TO ENSURE THAT THESE IMPORTANT FUNCTIONS ARE PRESERVED AND THE RECENT GAINS CONTINUED. WE ALL RECOGNIZE THE UNIQUE VALUE AND HISTORICAL LEGACY OF VIRGINIA KEY BEACH. WHILE WE CANNOT AFFORD TO FUND SALARIES AND OTHER EXPENSES FOR THE DEVELOPMENT OF THE PROPOSED MUSEUM, WE CAN FUND CURRENT OPERATIONS.

THE GENERAL FUND INCLUDES APPROXIMATELY 1/2 MILLION IN THE PARKS DEPARTMENT TO SUPPORT GENERAL OPERATIONS AND MAINTENANCE. IN ADDITION, TOLL REVENUES GENERATED AT VIRGINIA KEY CAN PROVIDE THE PARKS DEPARTMENT WITH THE FUNDS NECESSARY TO OPERATE THE TRAIN, CAROUSEL AND CONCESSION STAND. VIRGINIA KEY BEACH MUST AND WILL REMAIN OPEN FOR BUSINESS.

FINALLY, THE BUDGET CALLS FOR THE ELIMINATION OF OUR N.E.T. OFFICES. WE SIMPLY CANNOT AFFORD THE \$4.4 MILLION REQUIRED TO MAINTAIN THE EXISTING OPERATION. ALL OF US AGREE THAT OUR N.E.T.S HAVE BEEN A TREMENDOUS ASSET, AND HAVE SOME OF THE CITY'S FINEST EMPLOYEES. HOWEVER, IN THIS BUDGET CLIMATE, OUR N.E.T.S ARE AN EXPENSE WE CANNOT AFFORD.

IT IS IMPORTANT TO NOTE, HOWEVER, THAT MANY CORE FUNCTIONS REMAIN. LITTER AND GRAFFITI BUSTERS ARE MOVED TO OTHER DEPARTMENTS. OUR HOMELESS PROGRAM IS LEFT INTACT. OUR NEIGHBORHOOD RESOURCE OFFICERS CONTINUE THEIR ROLES. OUR ACCESS PROGRAM WILL CONTINUE ITS EFFORTS TO FIGHT POVERTY AND CREATE OPPORTUNITIES. IN ADDITION, SHOULD WE FINALIZE A DEAL WITH OUR GENERAL EMPLOYEE'S UNION, 28 OF THE JOBS WE SAVE ARE NET EMPLOYEES, ALLOWING US TO STAFF ALL OR A PORTION OF OUR NET OFFICES.

OUR FOURTH GUIDING PRINCIPLE IS TO PROTECT THE JOBS OF AS MANY OF OUR EMPLOYEES AS POSSIBLE. TO ACHIEVE THIS, SACRIFICES MUST BE MADE. THE QUESTION IS WHO SHOULD MAKE THESE SACRIFICES?

THANKFULLY, WE HAVE CHOSEN NOT TO FURTHER BURDEN OUR TAXPAYERS AND NOT JEOPARDIZE OUR RESERVES. THERE IS ONLY ONE PLACE LEFT TO LOOK. AND THAT IS INTERNALLY. WE HAVE MADE HUGE CUTS TO THOSE EXPENSES WE CONTROL, FROM OPERATING EXPENSES TO SALARIES AND BENEFITS OF OUR NON-UNION EMPLOYEES....ALL ON TOP OF \$100 MILLION CUT IN THE LAST 2 YEARS. YET, THESE VERY STEEP AND PAINFUL CUTS ARE NOT ENOUGH TO BALANCE OUR BUDGET. THEY ARE ALSO NOT ENOUGH TO SAVE JOBS.

TO SAVE JOBS, WE ASKED OUR UNIONS FOR HELP. THREE OF OUR UNION LEADERS ARE WORKING WITH US, AND I AGAIN COMMEND THEM FOR THEIR HARD WORK; FOR THEIR WILLINGNESS TO PROTECT EVEN THE LEAST SENIOR AMONG THEM.

LET'S RECAP OUR ORIGINAL REQUEST TO OUR UNIONS:

(I) THE SAME TIERED SALARY REDUCTIONS AS NON-UNION EMPLOYEES:

\$250,000 AND ABOVE-	15%
\$250-\$200-	12%
\$199-\$150-	10%
\$149-\$100-	9%
\$99-\$70-	8%
\$69-\$50-	7%
\$49-\$40-	6%
\$39 AND BELOW-	-0-

AND:

(II) AGREEING TO THE FOREGO ACROSS-THE-BOARD, ANNIVERSARY AND LONGEVITY SALARY INCREASES. THESE SAVINGS HELP BALANCE OUR BUDGET BY GENERATING THE FOLLOWING SAVINGS:

GENERAL EMPLOYEES-	\$7.8 MILLION
SOLID WASTE-	\$745,000
FIRE-	\$9.9 MILLION
POLICE-	\$9.7 MILLION

THESE SAVINGS ALSO HELP PRESERVE THE FOLLOWING NUMBER OF JOBS:

GENERAL EMPLOYEES-	210
SOLID WASTE-	13
POLICE-	177

NOW LET'S LOOK AT WHERE WE ARE TODAY:

GENERAL EMPLOYEES-

A. OPTION # 1: SAVES 125 JOBS (86 LAY-OFFS)

Across the board salary increases and increase pension contributions from 10% to 13 %	\$2,784,000
4.0% across-the-board salary reduction effective 10/1/09.	\$3,672,000
drop incentive program	\$1,392,000

B. OPTION 2- SAVE ALL 210 JOBS

ALL OF THE ABOVE PLUS:

12 Furlough days	\$2,636,760
Longevity	\$1,411,814
Anniversary	\$356,399
Eliminate 3% ATB-Drop employees-	\$173,000
Drop incentive program	\$268,439

WHERE ARE WE?: WE HAVE A TENTATIVE AGREEMENT WITH UNION PRESIDENT, WHICH HE WILL PRESENT TO MEMBERS. I THANK CHARLIE COX FOR THAT.

SOLID WASTE-

A. OPTION 1- 13 LAY-OFFS

Across the board salary increases and increase pension contributions from 10% to 13 %	\$247,868
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3.0% across-the-board salary reduction members making more than \$50,000	\$35,527
No paid additional paid holiday pay (9)	\$198,025
Defer longevity	\$26,408
Defer anniversary	\$178,670
Provide a 0.7531 across the board salary reduction	\$58,695

B. OPTION 2- SAVE 13 JOBS

ALL OF THE ABOVE PLUS:

Use solid waste fee to buy back positions in lieu of additional equipment purchases	\$473, 571
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WHERE ARE WE? RATIFIED. THANKS JOE SIMMONS.

FIRE-

no 5% across the board salary increase	\$3,774,895
salary reductions- new hires in training	\$150,000
no contribution to health trust	\$325,000
eliminate one holiday pay-out	\$345,000
eliminate compounding- EMT/paramedic/ALS	\$4,000,000
2% across the board salary reduction	\$1,454,517

WHERE ARE WE? WE HAVE A TENTATIVE AGREEMENT WITH UNION PRESIDENT. THERE'S A MEMBERSHIP VOTE UP-COMING. THANKS TO BOBBY SUAREZ

POLICE

Holidays/vacation/sick days	\$1,362,000
Uniforms	\$500,000
Vehicle replacements	\$1,721,000
Clothing allowance	\$116,000
Health insurance (increase \$7 per pay period)	\$309,400
Additional department savings	\$1,357,246
Across the board salary increases and increase pension contributions from 7% to 10 %	\$2,586,955
2% across the board salary reduction	\$1,782,646

WHERE ARE WE? WHILE THREE OF OUR UNIONS HAVE SACRIFICED IN ORDER TO BALANCE OUR BUDGET AND SAVE JOBS, THE POLICE UNION HAS FAILED TO DO SO.

NOW, WE ALL RECOGNIZE AND APPRECIATE THE JOB OUR POLICE DO EVERY DAY TO KEEP OUR CITY SAFE.

THIS IS WHY JUST IN THE LAST 3 YEARS, WE HAVE GIVEN OUR BRAVE MEN AND WOMEN IN UNIFORM----

OVER \$21 MILLION IN SALARY INCREASES, NOT INCLUDING BENEFITS;
OVER \$15 MILLION TO CREATE 200 NEW POSITIONS;

AND WE HAVE INVESTED MILLIONS IN CRIME FIGHTING TOOLS TO BETTER PROTECT AND SAVE LIVES. JUST A FEW YEARS AGO WE WERE BELOW 1,000 SWORN PERSONNEL, AND WE WERE LOSING OFFICERS TO OTHER DEPARTMENTS.

AND YET, CHIEF TIMONEY AND OUR POLICE DEPARTMENT HAVE LOWERED OUR CRIME RATE BY 30% DURING LAST 8 YEARS.

I KNOW THAT, NO MATTER WHAT, OUR POLICE MEN AND WOMEN WILL CONTINUE TO KEEP OUR STREETS AND NEIGHBORHOODS SAFE. BUT NOW, WE ARE ASKING THEM TO JOIN US.

THE THREE OTHER UNIONS HAVE AGREED OR TENTATIVELY AGREED TO FOREGO SALARY RAISES AND TAKE MODEST SALARY REDUCTIONS. THE POLICE UNION REFUSES TO SACRIFICE, REFUSES TO SAVE THE JOBS OF THEIR OWN MEMBERS.

IT'S NOW THEIR CHOICE: PROTECT ALL THEIR MEMBERS, OR PUT OVER 100 POLICE FAMILIES OUT OF A JOB. ALL BECAUSE UNION LEADERS REFUSE TO TAKE A 2% SALARY CUT.

WE HAVE DONE ALL WE CAN. I NEED YOUR SUPPORT IN ASKING ALL OF OUR UNIONS TO MAKE THESE SACRIFICES.

TO BALANCE OUR BUDGET.
TO SAVE 400 JOBS.

I KNOW THIS IS DIFFICULT. AND WHEN YOU LOOK TO OTHER CITIES AND COUNTIES, DOING WHAT IS RIGHT BY OUR PEOPLE LOOKS EVEN MORE DIFFICULT.

BUT WE HAVE CHOSEN NOT TO RAISE TAXES, NOT TO DEplete OUR RESERVES. WE HAVE CHOSEN PUBLIC SERVICE OVER PUBLIC ENRICHMENT. THIS IS WHAT THE PEOPLE EXPECT FROM US, AND WHAT WE MUST DELIVER. THANK YOU. I ASK FOR YOUR SUPPORT.

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