

WELCOME
TO A SPECIAL MEETING OF THE
CITY OF OPA-LOCKA CITY COMMISSION
TUESDAY, JUNE 16, 2015

6:00 P.M.

Sherbondy Village Auditorium
215 President Barack Obama (Perviz) Avenue
Opa-locka, FL 33054



CITY COMMISSION

Mayor Myra L. Taylor
Vice Mayor Timothy Holmes
Commissioner Joseph L. Kelley
Commissioner Terence K. Pinder
Commissioner Luis B. Santiago

APPOINTED OFFICIALS

Kelvin L. Baker, Sr., City Manager
Vincent T. Brown, City Attorney
Joanna Flores, City Clerk



CITY OF OPA-LOCKA
"The Great City"

SPECIAL COMMISSION MEETING
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AGENDA

- 1. CALL TO ORDER:**
- 2. ROLL CALL:**
- 3. INVOCATION:**
- 4. PLEDGE OF ALLEGIANCE:**
- 5. PRESENTATION:**
Mayor's Financial Task Force
- 6. CITIZENS' INPUT:**
Agenda Items Only
- 7. RESOLUTION:**
 - a) A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, DIRECTING THE CITY MANAGER TO IMPLEMENT THE MAYOR'S TASK FORCE RECOMMENDATIONS IN CONNECTION WITH THE CITY'S FINANCES; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE. *Sponsored by M.T.***
- 8. ADJOURNMENT:**



CITY OF OPA-LOCKA

Mayor's Financial Task Force

Report and Recommendations

TASK FORCE MEMBERS

Roosevelt Bradley

Former Miami-Dade County Transportation Director

Anthony Brunson

CPA and Financial Advisor

Steven Barrett

Former Opa-locka Commissioner and Opa-locka Community Leader

Alex Rey

Former Miami-Dade County Assistant Budget Director, former City of Miami Beach Building Director and City Manager of the Town of Miami Lakes

The Honorable Mayor Michael Pizzi of the Town of Miami Lakes and former City Attorney for the Town of Medley served as legal advisor to the Task Force

Honorable Mayor City of Opa-locka, Myra L. Taylor, as requested, the Task Force has concluded its review of the City of Opa-locka's budgetary issues. In conducting its analysis, the Task Force thoroughly reviewed all relevant budget related documents. Provided below are the findings and collective recommendations of the following Task Force members:

1. Roosevelt Bradley, former Miami-Dade County Transportation Director
2. Anthony Brunson, CPA and Financial Advisor
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4. Alex Rey, former Miami-Dade County Assistant Budget Director, former City of Miami Beach Building Director and City Manager of the Town of Miami Lakes

Additionally, Honorable Mayor Town of Miami Lakes, Michael Pizzi, and former City Attorney of the Town of Medley, served as legal advisor to the Task Force.

FINDINGS

In general, the Task Force determined that:

- The City of Opa-Locka's existing identifiable administrative policies and procedures encompassed inherent fiscal impacts, yet lacked:
 - Requisite oversight
 - Safeguards
 - Checks and balances and general accountability
- Many of these deficiencies stemmed from flawed procedures which are fundamentally based on an antiquated honor system with no accountability or oversight.
- The City of Opa-Locka has failed to implement aggressive safeguards to readily identify potential misuse and abuse of City resources.
- The City of Opa-Locka has simply failed to properly evaluate its existing administrative policies and procedures to determine their effectiveness and measure their costs.

The specific findings and effective recommendations are detailed below:

PERSONNEL

PART-TIME EMPLOYEES: A review of staffing policies indicates that the City of Opa-Locka employs an ordinate number of part-time employees as a significant percentage of its total workforce. There are a total of twenty (20) part-time employees with pay rates as high as \$20.00 per hour and durations of employment from 2-3 years. This is a costly and inefficient employment practice. Conceptually, part-timers are utilized on an as needed basis to augment existing staff for short term durations. Part-time employees are not intended for long-term need, unless they offer some unique skill such as an electrical inspector. Moreover, to garner optimal financial benefits, part-time employees should be hired at or near entry level wages. However, financial records indicate that part-time employees receive premium pay rates.

RECOMMENDATION:

- Evaluate staffing to assess actual needs. Based on staffing needs, consider absorbing some of the long term part-time employees into full-time positions and eliminate any overage, unneeded staffing.
- Establish a policy which limits the employment terms of part-time employees.
- Consider employing part-time employees seasonally, or project driven, on an as needed basis. When employees are transferred to a lower position their salary must be decreased.

CODE ENFORCEMENT: A review of Code Enforcement staffing reflects a total of seven (7) employees assigned to the Unit. However, the staffing levels are inconsistent with any measurable results. Specifically, there is a remarkable lack of productivity. Given the staffing levels, there should be a marked level of revenue directly related to compliance activities. However, revenue levels are not even close to budget projections. This is yet another potential loss of revenue directly attributable to a lack of accountability and oversight.

RECOMMENDATION: Establish an aggressive oversight of Code Enforcement. Establish measurable goals and objectives for Compliance Officers commensurate with budget projections. Evaluate staffing levels based on measurable objectives and initiate corrective measures including rightsizing and administrative sanctions for failure to achieve established objectives. Management should also explore the option of contracting out versus performing Code Enforcement activities in-house.

CIP: CIP is also in need of staffing evaluation. Given the number of engineering projects, there is an obvious imbalance in staffing levels. Moreover, most engineering projects are contracting out and the contractor should have their own engineer. Therefore, engineers are provided as a part of the contract. This creates a costly duplication of staff and unmerited increase in labor costs.

RECOMMENDATION: Evaluate CIP engineering staff based on existing, short term and long term projects to effectually right size staffing levels. Consideration must be given to staffing incorporated as a part of construction projects to eliminate duplication.

VEHICLES

A review of vehicle usage indicates that a significant number of staff are assigned take home vehicles without legitimate need. History has revealed that administrative policies that allow take home vehicles under an honor system provide ample opportunity for abuse and misuse. More importantly, it increases unnecessary costs. Additionally, it was specifically noted that there were gross inconsistencies in fuel usage amongst employees assigned take home cars. These irregularities require further investigation to determine whether there may be cause for administrative action stemming from confirmed improprieties.

RECOMMENDATION: An immediate discontinuance of the City of Opa-Locka's take home vehicle policy. This should be replaced with a pool car program. The program must include strict oversight and accountability. Employees are allowed to sign out for the use of cars strictly on an as needed basis. In extremely rare instances employees may be approved for overnight car usage but requires advanced authorization by the Manager. Additionally, an immediate and comprehensive investigation should be launched regarding identified irregularities in the use of fueling for employees assigned take home vehicles.

REVENUE/FINANCIAL

GRANTS: It was determined that employees who have been assigned to work on grant funded projects salaries are not being properly allocated against the grant. Instead, these employee salaries are being paid out of operation funding. This is not only improper allocation, but fail to maximize the fiscal benefits of grant funding. It also improperly encumbers operational dollars better utilized to address other fiscal needs.

RECOMMENDATION: Budget and Finance staff must ensure the proper allocation of grant funding to finance employee salaries.

REVENUE PRODUCING PROJECTS: The City of Opa-locka has a number of revenue producing contracts including Advertising Contracts, Red Light Cameras and Gaming Machines. However, it has been determined that due to a lack of contract compliance and oversight, these revenues are simply not being realized. In essence, there is no aggressive monitoring of contract compliance to ensure that entitled revenues are received resulting in lost revenues. Given current fiscal challenges, this is reprehensible.

RECOMMENDATION: There needs to be an immediate and sustained corrective action to ensure absolute contract compliance and continual receipt of entitled revenues from all revenue producing contracts. Management must also explore sanction options as allowed by contract including Cease and Desist, and Contract Termination. However, this must work in tandem with an aggressive recovery of lost revenue.

POLICE FORFEITURE FUND: Another potential loss of funding is the Police Forfeiture Fund. It was determined in consultation with Law Enforcement Administrative Staff that the City of Opa-locka has failed to pursue available proceeds consistent with federal and state regulations regarding their potential entitlement to shared participation of assets stemming from criminal activity in accordance with the Police Department's Police Forfeiture Fund. These lost proceeds are estimated to be over \$700,000.

RECOMMENDATION: The City of Opa-locka must pursue an agreement and establish related files to aggressively implement federal and state regulations in accordance with the Police Forfeiture Fund to recover and recapture these loss proceeds.

ADDITIONAL RECOMMENDATIONS: Given the City of Opa-Locka's existing fiscal condition, a salary freeze is recommended for all non-bargaining unit employees for the current and succeeding fiscal years. Additionally, the City is further advised to pursue salary concessions for bargaining unit employees within the confines of their labor agreement and in accordance with applicable labor laws.

Short Term:

- Cancel vehicle leases and grant vehicle allowances to staff as needed, and review all other vehicle maintenance expenses
- Hard freeze on overtime except for police emergencies approved directly by the City Manager

- Mandatory unpaid furlough days every Friday until the end of the year for all employees except for police
- Close the jobs programs
- Cancel all discretionary activities for the balance of the Fiscal Year (special events, travel, consultants, etc), with the exception of events for which the City is already committed or financially obligated
- Aggressive collection efforts through usage of collection agencies and/or legal action if needed, but expedited
- Firm hiring freeze, with any budgeted positions to be filled from existing staff or internal transfer where qualifications are met

All of the recommendations provided herein can be fully initiated within the next ninety (90) days. While some require a longer period of completion, most are fully attainable within one-hundred and twenty days (120). Therefore, the City of Opa-locka should attain measurable results in a relatively short-term period.

Long Term:

- Earmark 100% of tax rolls increase to pay down general fund deficit and begin creating a positive fund balance until it reaches 10% of operating budget
- Close all inactive subaccounts and consolidate all sub-accounts under the general fund to portray a more accurate picture
- Identify all functions and conduct a needs assessment with surplus positions during the FY 15-16 budget process and offer a more aggressive departure incentive program
- Explore private or public partnerships for the provision Building Department services
- Do not expand services nor pursue grants for new assets until the City has demonstrated the ability to stay within the budget for two full years
- Offer incentives to local businesses to hire existing City employees
- Improve budget practices by making conservative and non-speculative budget projections
- Require Capitol Projects awardees to hire local residents
- More productive allocation of employees

The longer term goals present a greater challenge. Primarily, the longer range goals include the formation and implementation of formalized policies and procedures to systemize oversight and compliance activities. However, to ensure absolute effectiveness, these policies must incorporate measurable goals and objectives as further safeguards and evaluation.

The Finance and Budget team must develop and implement score card measures to include regimented data analysis and review to facilitate a continual forensic review of budgetary issues. This not only provides a real time review of budget shortfalls, but provides a foundation to make critical administrative decisions to ensure long term fiscal stability and most importantly a foundation for future growth.

In conclusion, the City of Opa-locka is strongly advised to adopt full and aggressive implementation of these recommended corrective measures. The City is further challenged with implementation of a sustained program of identifying gross mismanagement, inefficiencies and lack of administrative oversight that have significantly contributed to its current fiscal condition. The Task Force is confident that these recommendations will significantly improve, although not eradicate, the City's existing fiscal crisis.

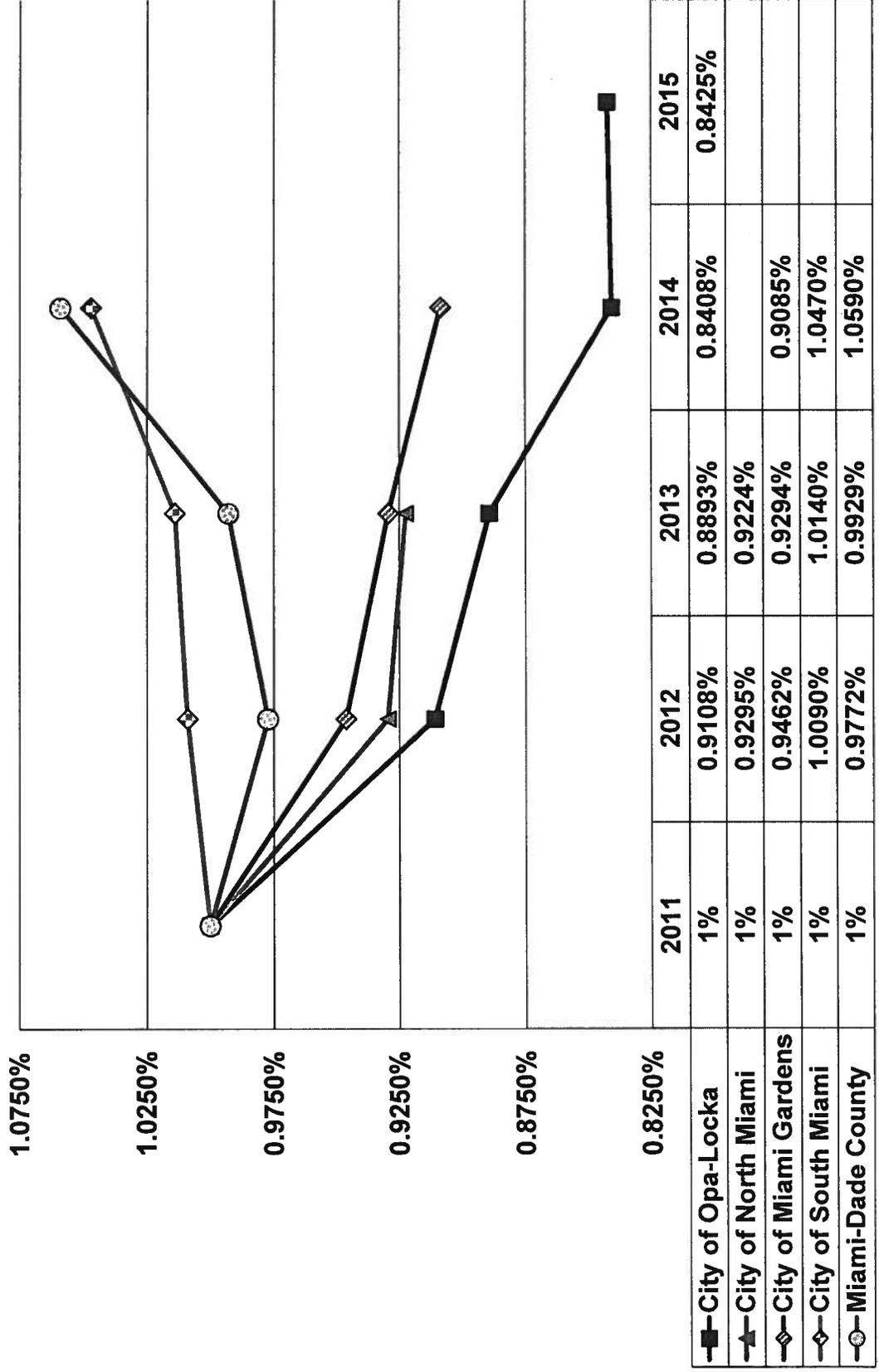
Additionally, the Task Force remains available for technical guidance and assistance as needed.

Thank you for the opportunity to serve the City of Opa-locka.

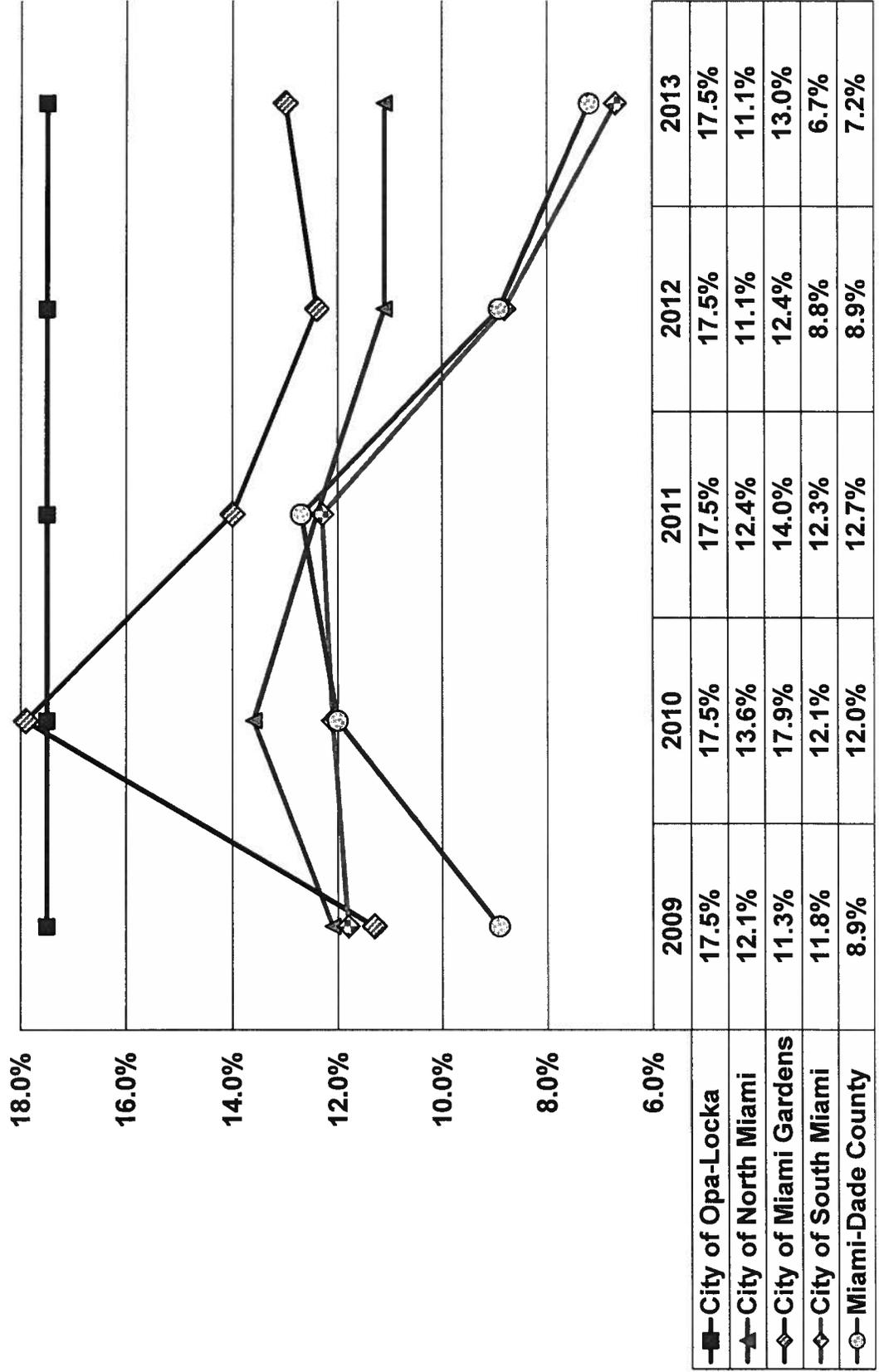
**CITY OF OPA-LOCKA
FUND BALANCE**

<u>FUND</u>	ESTIMATED FUND BALANCE <u>09/30/2014</u>
General Fund	\$ 785,310
Capital Projects Fund	(545,688)
Special Law Enforcement	97,067
Boys Scouts Fund	17,395
Opa-Locka Youth Academy	(344,328)
Crime Prevention Fund	(383,016)
Stop/VAWA Program	(151,738)
CRA Fund	<u>(197,790)</u>
Subtotal General Fund	<u>(722,788)</u>
Solid Waste Fund	(762,192)
Water & Sewer Fund	14,014,371
Stormwater Utility Fund	633,824
Debt Service Fund	1,123,862
FEMA Fund	55,046
PTP Fund	-
South Florida Water Management	<u>263,012</u>
Total All Funds	<u>\$ 14,605,135</u>

Assessed and Taxable Property Values



Unemployment Rates



RESOLUTION

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA LOCKA, FLORIDA, DIRECTING THE CITY MANAGER TO IMPLEMENT THE MAYOR'S TASK FORCE RECOMMENDATIONS IN CONNECTION WITH THE CITY'S FINANCES; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City of Opa-locka currently has a gap in its fiscal year budget, as well as gaps and budget issues projected for future years budgets ; and

WHEREAS, The Mayor formed a Task Force to address these issues and make recommendations for short and long terms solutions to the City's budget issues; and

WHEREAS, the Task Force is made up of individuals with over one hundred years of combined municipal government and private experience; and

WHEREAS, the Task Force has conducted an extensive review of the City's finances and budget and has made recommendations which the Commission desires to adopt; and

WHEREAS, the Task Force has submitted a Final Report and Recommendations for the Commission to adopt that are attached as Exhibit "A".

NOW THEREFORE BE IT RESOLVED THAT THE CITY COMMISSION OF THE CITY OF OPA LOCKA, FLORIDA:

Section 1. The recitals to the preamble herein are incorporated by reference;

Section 2. The City hereby directs the Manager to implement these recommendations and fully cooperate with the Task Force;

Section 3. This Resolution shall take effect immediately upon adoption.

Resolution No. _____

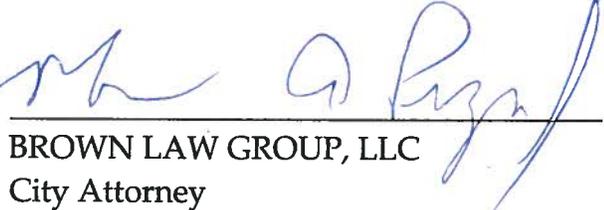
PASSED AND ADOPTED this _____ **day of** _____, 2015.

Myra L. Taylor
Mayor

Attest to:

Approved as to form and legal sufficiency:

Joanna Flores
City Clerk



BROWN LAW GROUP, LLC
City Attorney

Moved by:

Seconded by:

Commissioner Vote:

Commissioner Kelley:

Commissioner Pinder:

Commissioner Santiago:

Vice Mayor Holmes:

Mayor Taylor:

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