

# The Miami Herald

Posted on Wed, Sep. 15, 2010

## City of Miami likely to raise fees, fines

BY CHARLES RABIN AND PATRICIA MAZZEI

[crabin@MiamiHerald.com](mailto:crabin@MiamiHerald.com)



PATRICK FARRELL / MIAMI HERALD STAFF

Miami City Commissioner Marc Sarnoff listens to City of Miami Police Officer Jose Maldonado at Miami City Hall for the Miami Commission's first budget hearing for 2011.

Two weeks after slashing \$72 million in salaries and pensions, Miami commissioners worked late Tuesday to hike fees and fines in a bid to balance the city's toughest budget in years.

Commissioners were to vote on the first reading of the \$501 million budget for 2011, a financial blueprint that would mean a slightly higher tax bill for about one in five city homeowners -- but multiple fee increases for the public. The final vote is scheduled for Sept. 27.

The city has been wrestling with a \$105 million shortfall, more than one-fifth of the entire operating stream. And though the tax rate only rose slightly on the debt payment side, residents and business owners will feel a pinch -- as commissioners chose cost increases and the imposition of

fines that could reach \$20 million.

Commissioners were considering enforcing \$250 fines after a third false fire alarm, and raising permit fees for large-scale residential and commercial developments by tens of thousands of dollars. A series of fire inspection fees would increase by hundreds of dollars. Renting the parking lot at Miami Marine Stadium would nearly double from \$1,050 a day to \$2,000.

Those decisions were coming as the city's chamber in the old Pan American Airways building in Coconut Grove overflowed with visitors for the first public budget hearing.

Police and firefighters -- who lost an earlier battle over cuts to their pay and pensions -- turned out in red, yellow and blue shirts. Arts advocates paraded around in white T-shirts, asking commissioners to save the Gusman Center downtown from the budget chopping block.

The hearing opened with a lengthy, impassioned speech from Mayor Tomás Regalado, which cut to the tense relations between union members and city administrators.

"This budget keeps jobs. This budget keeps services. It sends a message to residents," said Regalado. "It's a difficult budget, but these are difficult times."

His words were greeted with a smattering of applause.

Shortly after, police union President Armando Aguilar said he couldn't help but notice how difficult it was for commissioners to pass "a little fee" -- yet how easily they voted to cut pay and pension.

"It's very easy when you hit the little guy," Aguilar said, "as opposed to those who fill your pockets." The

chamber erupted in applause.

Commissioners voted early in the evening to set the tax rate for homeowners at \$8.64 for every \$1,000 of property. That's a 33-cent increase due, the city said, to obligations from a bond voters approved this decade.

About 20 percent of Miami's 127,000 households are likely to see an increase in their tax bill. An owner of a \$200,000 home that retained its value would pay an additional \$62 in taxes.

The vote passed 4-0, with Commissioner Richard P. Dunn II absent.

Two weeks ago, city leaders completed the unpleasant task of cutting \$72 million worth of union salaries and pensions, and increasing healthcare costs by another \$7 million to employees. Those actions came after City Manager Carlos Migoya imposed a state statute calling for a "fiscal urgency."

Tuesday, commissioners pondered how to fill the remainder of the budget hole, about \$26 million, even as supporters of Gusman and other city agencies like the Model City Trust cried for help.

"Gusman is the jewel of Flagler Street," said historian Arva Moore Parks. "It belongs to you, it belongs to us, and I hope that you will do everything that you can to keep the doors open."

The mayor, Miami Commission Chair Marc Sarnoff said, had a deal with an anonymous resident to cover most or all of the \$450,000 the city gave the theater in 2010 -- but had planned to take away this budget year.

To keep plugging gaps, commissioners were studying money transfers and projected revenue streams.

Miami hopes to capture \$8 million in fines to be collected under a new red light camera program the commission has yet to adopt, \$2 million from a garbage pickup fee that would add \$30 to a resident's bill, and \$1.4 million from a vehicle impoundment program that at one time was ruled unconstitutional. Another few million was expected to be collected under an agreement to mulch other cities' garbage.

The city also plans to transfer \$10.4 million from its Community Redevelopment Agencies, a proposal that rattled some nerves Tuesday. Migoya said the revenue would come from a combination of general fund money spent in prior years on two projects inside the CRA district, one at Museum Park, the other to cover debt payments on a two-decade old bond in Overtown.

CRA funds are highly restricted and generally can't be used outside a district determined to be of slum and blight. Taxes created within the boundary must stay there.

Alison Austin, running against Commissioner Dunn in November, urged commissioners not to touch the CRA money.

"It is not simply a matter of the legality of this proposal, but, rather, a moral question of how this loss of revenue will impact the Overtown residents quality of life," said Austin.

Dunn missed the tax rate vote.

A few miles away in Coral Gables, the prominent law firm Becker & Poliakoff had scheduled a fundraiser for Dunn, according to the invitation. Dunn, reached late Tuesday, declined to say whether he attended. "I had to take care of something, it was real urgent," he said.

The commissioner said he would address the issue at Thursday's commission meeting.

---

© 2010 Miami Herald Media Company. All Rights Reserved.  
<http://www.miamiherald.com>