



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

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Rafael A. Paz, Acting City Attorney

A handwritten signature in blue ink, appearing to be "Rafael A. Paz", written over the printed name.

DATE: May 12, 2021

SUBJECT: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN EMPLOYMENT AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND CITY MANAGER ALINA T. HUDAK, TO PROVIDE FOR THE TERMS AND CONDITIONS OF THE CITY MANAGER'S EMPLOYMENT, FOR A TERM OF UP TO FOUR (4) YEARS, COMMENCING AS OF APRIL 21, 2021, AND EXPIRING ON APRIL 20, 2025, UNLESS TERMINATED EARLIER BY EITHER PARTY IN ACCORDANCE WITH THE TERMS OF THE AGREEMENT.

On April 21, 2021, the Mayor and City Commission appointed Alina T. Hudak as City Manager of the City of Miami Beach, **effective immediately**.

At that meeting, the City Commission directed the City Attorney to negotiate the terms for the proposed Employment Agreement with the City Manager, and to meet with Commissioner Arriola, as Chair of the Finance and Economic Resiliency Committee ("Finance Committee"), to review the proposed terms. Once adopted, the employment agreement would be retroactive to the April 21, 2021 date of the City Manager's appointment.

The proposed Employment Agreement is attached hereto as **Exhibit "A."**

The terms and conditions of the proposed Employment Agreement are summarized in the chart below, which includes a side-by-side comparison of the employment terms currently provided to City Attorney Raul J. Aguila, and the most recent employment terms provided to former City Manager Jimmy Morales. As shown below, the proposed compensation and terms of employment for City Manager Alina T. Hudak are consistent with the compensation the City has previously provided to both the City Manager and City Attorney.

On April 30, 2021, Acting City Attorney and City Manager Hudak met with Commissioner Arriola, the Finance Committee Chair, to review the proposed terms. Following review of the proposed terms, Commissioner Arriola advised that the proposed terms are fair and commensurate with the City Manager's experience and the responsibilities of the position of City Manager.

The terms are summarized below:

	Raul Aguila Contract	J. Morales 2019 Contract	Alina T. Hudak's Proposed Terms
Term	Most recent extension was in May, 2018, for 3 years and 10 months through March 31, 2022 final retirement date	Up to 4 years, terminable at any time and subject to annual evaluation	Up to 4 years, terminable at any time and subject to annual evaluation
Base Salary	\$324,418 (2021)	\$305, 736.60	\$320,000* *This salary is comparable to salary for City of Miami Manager.
457 Deferred Comp Plan	\$26,000 per year	\$25,000 per year , subject to automatic annual increase to maximum amount permitted by law	\$26,000 , subject to automatic annual increase to maximum amount permitted by law
IRA contribution	\$7,000	\$7,000 , subject to automatic annual increase to maximum amount permitted by law	\$7,000 , subject to automatic annual increase to maximum amount permitted by law
City Offered Insurance	City to pay premiums for Medical, Dental, Life Supplemental life, Short Term Disability, and Long Term Disability	City to pay premiums for Medical, Dental, Life, and Long-term care insurance for City Manager and dependents	City to pay premiums for Life, Supplemental life, Short Term Disability, Long-Term Disability, and Long Term Care City Manager will decline Medical/Dental coverage in FY2021 (\$45,052 value for family premium PPO coverage). City Manager may elect to join City health plan during open enrollment each year, with City to pay premiums for City Manager/dependents
Annual leave	Same as general employees Cap of accrued leave at 650 hours	Same as general employees, plus accrual of 120 additional hours of annual leave per year Cap at 500 hours, same as general employees	Same as general employees, plus accrual of 120 additional hours of annual leave per year Cap at 500 hours, same as general employees
Vehicle allowance	\$800 per month	\$800 per month	\$800 per month
Separation Benefits at Expiration of Agreement (i.e. non-renewal at end of 4-year term)	12 weeks	12 weeks Separation Payment, plus Medical and Dental for Morales and dependents for one year	12 weeks Separation Payment, plus Medical and Dental for City Manager and dependents for one year (if CM elects to join plan). The Separation Payments will cease if the CM finds alternate employment

	Raul Aguila Contract	J. Morales 2019 Contract	Alina T. Hudak's Proposed Terms
			during the 12 week period following her departure.
Termination	May be terminated by the City Commission at any time, with or without cause	May be terminated by the City Commission at any time, with or without Cause. However, achievement of annual performance benchmarks shall impact eligibility for bonus only, and shall not constitute a basis for termination for Cause.	May be terminated by the City Commission at any time, with or without Cause. However, achievement of annual performance benchmarks shall impact eligibility for bonus only, and shall not constitute a basis for termination for Cause.
Separation Payment if Termination Without Cause	20 weeks Separation Payment	20 weeks Separation Payment, plus Medical and Dental for Morales and dependents for one year	20 weeks Separation Payment (the same severance provided to all other Charter officers), plus Medical and Dental for City Manager and dependents (if CM elects to join plan).
Separation Payment if Termination for Cause	None	None	None
Termination by City Manager	City Attorney may terminate upon 90 days prior written notice. No Separation Payment due if City Attorney elects to terminate.	If Manager terminates with 90 days' notice: 12 weeks Separation Payment, plus Medical and Dental for Morales and dependents for one year If Manager terminates on less than 90 days' notice, no Separation Payment.	If Manager terminates with 90 days' notice: 12 weeks Separation Payment, plus Medical and Dental for Morales and dependents for one year. If Manager terminates on less than 90 days' notice, no Separation Payment.
Annual Evaluation/Goals	Annual Performance Evaluation (30 days after May 16 th)	Mandatory annual review, with agreed-upon goals and performance measures, with potential bonus up to 10% of base salary	Mandatory annual review, with agreed-upon goals and performance measures, and potential bonus up to 10% of base salary. City Manager Hudak proposes for goals to be established separately following Commission retreat/workshop in next 3-4 months and incorporated by amendment.
TOTAL COMPENSATION PACKAGE:	\$394,741.38 * * The City's contribution to the plan is actuarially determined for the plan to maintain benefits for the entire plan each year.	\$394,824.60 * * The City's contribution to the plan is actuarially determined for the plan to maintain benefits for the entire plan each year.	\$372,413.20 * * The City's contribution to the plan is actuarially determined for the plan to maintain benefits for the entire plan each year.

In addition, consistent with City Manager Jimmy Morales's contract, the proposed Employment Agreement provides for a mandatory annual review of the City Manager's performance, and establishes a framework for assigning specific goals and priority objectives to the City Manager. To this end, the goals and objectives assigned to City Manager Morales, which were first developed in 2018, with a minor amendment in March, 2019, serve as a useful starting point. However, those goals and objectives need to be updated to reflect the current environment, as many of the City's current priorities, including public safety or post-COVID recovery and other initiatives, are simply not reflected in Jimmy Morales' 2018 performance objectives.

Accordingly, because the priority goals and objectives of the City Manager need to be updated by the City Commission, in consultation with City Manager Hudak, the Agreement provides that the goals shall be adopted as soon as possible in the next 3-4 months (ideally, following a Commission workshop or retreat), and memorialized as an amendment to this Agreement. Until such time as the City Commission and Alina Hudak jointly establish such agreed-upon goals and priority objectives, Alina Hudak's immediate priorities shall focus upon (i) the continuation of the City's COVID-19 efforts, including post-COVID economic recovery; (ii) the continuation of City's ongoing public safety efforts, including during High Impact weekends such as Memorial Day weekend; (iii) City's FY2022 budget process; (iv) the City Manager's staffing and organizational plan, including filling of key vacancies; and (v) any such other priorities as the City Commission may establish from time to time.

RP/ag