

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Nick Kallergis, Chief Deputy City Attorney

DATE: October 30, 2024

TITLE: 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 ERIC T. CARPENTER, TO PROVIDE FOR THE TERMS AND CONDITIONS OF THE CITY MANAGER'S EMPLOYMENT, FOR A TERM OF UP TO THREE (3) YEARS, COMMENCING RETROACTIVELY AS OF JULY 24, 2024, AND EXPIRING ON JULY 24, 2027, UNLESS TERMINATED EARLIER BY EITHER PARTY IN ACCORDANCE WITH THE TERMS OF THE AGREEMENT.

RECOMMENDATION

BACKGROUND/HISTORY

On July 24, 2024, the Mayor and City Commission appointed Eric T. Carpenter as City Manager of the City of Miami Beach, effective immediately.

At that meeting, the City Commission also authorized Commissioner Joseph Magazine, as Chair of the Finance and Economic Resiliency Committee ("Finance Committee"), to negotiate the terms of an Employment Agreement, which Agreement is subject to final approval by the Mayor and City Commission. Once approved, the Employment Agreement would be retroactive to the July 24, 2024 date of the City Manager's appointment.

ANALYSIS

The terms of employment for City Manager Eric T. Carpenter are largely consistent with the terms for prior City Managers. The proposed Employment Agreement is attached hereto as **Exhibit "A."** One provision that requires separate action by the City Commission is Mr. Carpenter's request, summarized below, to be included in Tier B of the Miami Beach Employees' Retirement Plan ("Pension Plan"). A separate Ordinance amending the Pension Plan has been placed on the October 30, 2024 City Commission meeting agenda to ratify this change.

As directed by the City Commission, Mr. Carpenter has met with the Chair of the Finance Committee to review and negotiate the terms of his Employment Agreement. The attached Agreement represents the terms negotiated between Mr. Carpenter and Commissioner Magazine, subject to final approval by the City Commission.

The major terms of Mr. Carpenter's proposed Employment Agreement are as follows:

1. **Term.** Mr. Carpenter's Employment Agreement provides for a term of up to three (3) years, which may be renewed by the City Commission by Resolution for succeeding periods.

2. **Base salary.** The Employment Agreement provides for a base salary of \$375,000 per year, subject to annual evaluation by the City Commission.
3. **Section 457 Deferred Compensation Plan and Individual Retirement Account.** The Employment Agreement provides that the City shall make an annual lump sum contribution into (i) the City's Section 457 Deferred Compensation Plan in the amount of \$26,000 on Mr. Carpenter's behalf, and (ii) an Individual Retirement Account (IRA) selected by Mr. Carpenter in the amount of \$7,000. Both of these contributions will be subject to an automatic annual increase to the maximum amount permitted by applicable law.
4. **Insurance.** The City will pay the premiums for the City-offered group medical and group dental plan selected by Mr. Carpenter, for himself and his eligible dependents. The City will also pay the premiums for City-offered life insurance and supplemental life insurance for Mr. Carpenter, and City-offered short-term disability, long-term disability, and long-term care insurance for Mr. Carpenter.
5. **Leave.** Mr. Carpenter will be eligible to accrue, use, and convert leave hours on the same terms as are applicable to unclassified general employees of the City.
6. **Vehicle allowance.** The Agreement provides for a vehicle allowance in the amount of \$9,600 annually, to reimburse Mr. Carpenter for the use of his personal vehicle for the benefit of the City. In the alternative, Mr. Carpenter may forego the allowance in exchange for the use of a City-owned vehicle with limited personal use.
7. **Pension.** Mr. Carpenter is proposing that he be included as one of the more than 400 current employees that are members of Tier B of the Pension Plan. Mr. Carpenter makes this request, as set forth in Section 12 of the Agreement, "based on the more than ten years of service as a City executive and the short duration of the contractual relationship as City Manager." A separate item has been placed on the October 30, 2024 City Commission meeting agenda to amend the Pension Plan in order to ratify this term. The terms and benefits applicable to members of Tier B and Tier C, as well as the terms and benefits that apply to Charter Officers, are summarized in the Commission Memorandum accompanying the amendment to the Pension Plan.

The Employment Agreement also provides that Mr. Carpenter's performance will be evaluated by the City Commission at least once annually. The annual review and evaluation will be in accordance with the specific goals, priority objectives, and initiatives the City Commission shall establish, in consultation with Mr. Carpenter, as being necessary for the proper operation of the City and the achievement of the City Commission's policy objectives. The Agreement provides that the performance priorities, goals, and objectives for the City Manager shall be adopted by the City Commission by December 31, 2024.

Mr. Carpenter's immediate priorities include (i) the adoption of the City's FY2025 budget; (ii) the continuation of City's ongoing public safety efforts, including during Spring Break; (iii) the City's permitting process improvement program; (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.

FISCAL IMPACT STATEMENT

The financial terms of the proposed Employment Agreement are summarized in this Memorandum.

Does this Ordinance require a Business Impact Estimate?
(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

CONCLUSION

If the City Commission adopts the attached Resolution approving the Employment Agreement as proposed, the City Attorney's Office recommends that the City Commission adopt the accompanying Ordinance amending the Pension Plan at First Reading.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

City Attorney

Sponsor(s)

Co-sponsor(s)

Condensed Title

Approve City Manager's Employment Agreement. CA