

# MIAMI TODAY

Miami Today is an independent voice of the community, published weekly at 710 Brickell Avenue, Miami, Florida 33131. Telephone (305) 358-2663

## Last gasp to avert year of paralytic spasms at county hall

A painful side effect of recall drives to oust Miami-Dade's mayor and five commissioners, a prominent banker points out, is county hall paralysis for a year or more.

Vital county business – yes, it exists – will take a back seat to politicking around rapid changes.

As a result, government is likely to sidestep substantive issues that might be pivotal to residents' future.

What's happening? In interlocking steps:

■ Mayor Carlos Alvarez rightly dropped a suit to prevent a yes-or-no recall vote early next year. Given public disgust, he's likely to go.

■ The county commission would then either appoint a mayor or let the public vote. With voters warring on commissioners, too, the public would probably get its say.

■ Meanwhile, Commissioner Natasha Seijas and several more might face recall battles too, after the mayor's or concurrently. That could trigger replacement elections.

■ Commissioners are among may-



Michael Lewis

oral hopefuls. If one wins, it could force an election for another commission seat.

■ Charter reform is also in play. Several questions – including limiting commission terms and easing voters' ability to initiate charter and recall votes – were up for commission committee debate this week.

■ Meanwhile, any mayoral replacement would then face yet another election (complicated, isn't it?). A mayor appointed following a recall would face election in January 2012. If elected, the vote would be in November 2012.

Either way, as soon as a replacement was chosen, jockeying for that election would begin.

■ Voters dumped the county manager's job as of 2012 because the strong mayor post that Mr. Alvarez initiated but never fully assumed has that duty too. For five decades a manager has run staff. How the shift will play out is a question mark.

■ Finally, a charter review commission due to start work by 2012 at latest would surely debate our commission district structure, eyeing fewer and broader districts. That means more politicking.

Much of this chaos was triggered by

a mayoral recall drive that, while a valid wakeup call to county hall, has at most 18 months' impact on Mr. Alvarez.

Chaos is one reason to limit recall to major offenses, not policy failures.

His errant policies caused Mr. Alvarez to now run for his mayoral life. He was miles off base in initiating first a \$3 billion baseball stadium giveaway, then a double-digit tax hike in the midst of the worst downturn in 75 years.

What little leadership he has shown has taken the wrong direction.

Still, it's unlikely he could do so much more damage in the next 18 months as to warrant recall. He is neither criminal nor immoral, merely a normal guy who hasn't met the far-above-normal challenges a mayor faces.

True, he asked for the job, but voters handed it to him fairly. Wrong policy choices – even very, very wrong – and weak leadership shouldn't spur recall.

But, apparently, they will. And we are going to reap results that may be even worse than leaving him alone until his final term ends.

Plus, we'll raise the specter that future dissident groups could seek recalls for any perceived policy misstep. A mayor governed by fear could be worse

than one erring out of personal – if ill-founded – belief. We will find out.

But, of course, Mr. Alvarez is not an automatic loser. He has the right and duty to fight at the polls. We detest his few policies, but we hope he battles to retain a job to which he was reelected.

He seems to be doing just that. He's suddenly visible in places he shunned before the recall drive.

The irony would be if an initially-popular mayor who never grasped the reins of power and whose policies went terribly astray could somehow summon the courage and muscle to retain the job until he's term-limited out of office in 23 months.

To do that, he'd have to miraculously find in only a few months wisdom that the needs of citizens battered by the economy come first, not after he favors his inner circle. He'd even have to take substantive steps.

As my banker friend noted, the issue is the economy and the county still doesn't get it. Mr. Alvarez has precious little time to learn and to act.

If he does, win or lose at the polls we might yet get something positive from a reeling county hall.

## Health care 'reform' a body blow to Florida's small businesses

Florida is "the land of small business," with over 425,000 small firms accounting for 99% of the state's employers. However, most are struggling to stay afloat in an environment where the state's growth rate is projected to be 1.5% (a percentage point less than the nation) and unemployment 12%.



Jerry Haar

The health care reforms bills – now law – encompass the Patient Protection and Affordable Care Act (PPACA) and the Health Care Education Reconciliation Act. The impact of the new law on small business is clear: significant restrictions on the health insurance coverage of employers and employees; tax increases on business and huge new paperwork requirements; and disincentives for creating jobs and growing the economy.

The impact of the reforms will be felt by every business in the nation – restricting employer and employee choices with

respect to health insurance coverage, raising taxes and paperwork burdens on firms, and discouraging employment creation and economic growth. The 2,000-page legislation will create 47 new government bureaucracies, regulate much of the health care industry and monitor the implementation of the law – one that will require all individuals to purchase health insurance and mandate which coverage is acceptable.

All companies with 51 full-time workers or more must provide "minimum essential coverage" beginning in 2014 or be fined \$2,000 per worker. The federal government will decide what that coverage is and can change the standards arbitrarily. Employers will not be allowed to set lifetime maximums for coverage or require cost-sharing for preventive services.

Mercer, the consulting firm, surveyed small businesses and found that 62% have at least one "red flag" in their plans that violate PPACA mandates. Small firms enrolled in group plans pay insurance premiums that are 18% higher than large firms; and their administrative

### The Writer

Jerry Haar is a professor of management and international business in the College of Business Administration at Florida International University

costs are 25% of premiums compared to 10% for big companies.

Understandably, the higher costs will be taken from the overall employment costs for a small business. That means shorter hours, slower wage growth or direct salary cuts, not to mention the use of subcontractors and temporary workers.

As for individual choice, starting in 2013 the new health reform law will limit the amount employees can contribute to health care flexible spending accounts by nearly half. These accounts will also disallow spending for over-the-counter medication. Count on more doctor visits and prescription treatments.

The so-called tax credits the president has been extolling will have about as much impact as sending one platoon of motor pool mechanics to Afghanistan. To qualify, a company must have fewer than 25 workers, pay an average wage of less than \$50,000 and pay half of employees' premiums.

The National Federal of Independent Business estimates only one-third of firms with fewer than 25 employees will qualify. Most likely this provision will discourage small businesses from hiring as well as raising salaries.

Income taxes are also subject to the new health care law, part and parcel of the "let's sock it to the rich" mantra that is firmly rooted in the ideology of the White House and current Congress. "Rich" is defined as a couple earning \$250,000 per year. (Last time I checked, that would include "rich people" such as a New York City policeman with 20 years' service and his secondary school-teacher wife with equal time in service.) Since many small businesses file under

the individual income tax code, their aggregated income will be subjected to a Medicare surtax along with a Medicare tax on investment income.

Finally, the new health care law will increase paperwork for small businesses. Starting in 2011 businesses must include on W-2s the total value of the health care benefits they provide.

As for their 1099s, small businesses file the form for payments to individuals of \$600 or more. Under the new law, they must do the same for any payment to a business for the same amount. Presently, small firms file about 10 forms a year. Under the new law, that figure will jump to eight and a half times as many!

According to a recent and comprehensive policy report issued by the Independent Women's Forum in Washington, DC, the new health reform law "...will exacerbate, rather than solve, existing problems within the health care system and will create new burdens on business." South Florida's small businesses have much at stake as the next Congress revisits and attempts to reform the new law.

### LETTERS TO THE EDITOR

#### International marketing a Jackson success story

I read your editorial with great interest. It's amazing that instead of plaudits, our success in developing an international patient marketing business for Jackson has brought only criticism.

The hospital asked us to create this program in 2005, and our business growth has made tens of millions for Jackson. But instead of appreciation, there has been too much harsh criticism of documentation flaws, business errors and imperfect employees.

As requested, we're turning the program over to the hospital and hope they will continue our successful path. Our

foundation is focused on raising funds for JMH at a time that our public hospital needs us most.

Some commissioners believe that Jackson will save \$7 million by closing the international marketing efforts run by Foundation Health Services. They won't. It will instead endanger the \$50 million or so in net revenue we planned to achieve, because marketing an international healthcare program under a public hospital system is, in the opinion of most, nearly impossible.

But let's not argue. Let others try new solutions. We believe in Jackson, and are here to support the hospital any way we can. As for international, we'll let history and time be the judge.

**Rolando Damian Rodriguez**

## MIAMI TODAY

miamitodaynews.com

FOUNDED JUNE 2, 1983

VOLUME XXVIII No. 30

ENTIRE CONTENTS © 2010

To contact us:

News (305) 358-2663  
Advertising (305) 358-1008  
Classifieds (305) 358-1008  
Subscriptions (305) 358-2663  
Reprints (305) 358-2663

Editor and Publisher / Michael Lewis  
Vice President / Carmen Betancourt-Lewis



MIAMI TODAY (ISSN: 0889-2296) is published weekly for \$105 per year; airmail: to Europe \$190 per year, the Americas \$140 per year. Published by Today Enterprises Inc., 710 Brickell Avenue, Miami, Florida 33131-2810, USA. Periodicals postage paid at Miami, FL. POSTMASTER: Send address changes to MIAMI TODAY, 710 BRICKELL AVE, MIAMI, FL 33131-2810.