

FY 2020 General Fund Proposed Budget

Miami Beach

FY 2020 Preliminary General Fund Budget Based on Preliminary June 1st Property Values

<u>Preliminary</u> Property Value Increase

3.0%

1% Change in Property Value

\$ 1.6M

Fiscal Year 2020		
Revenues	\$ 345,945,000	0.1%
Expenditures	\$ 350,860,000	1.5%
Shortfall	(\$ 4,915,000)	



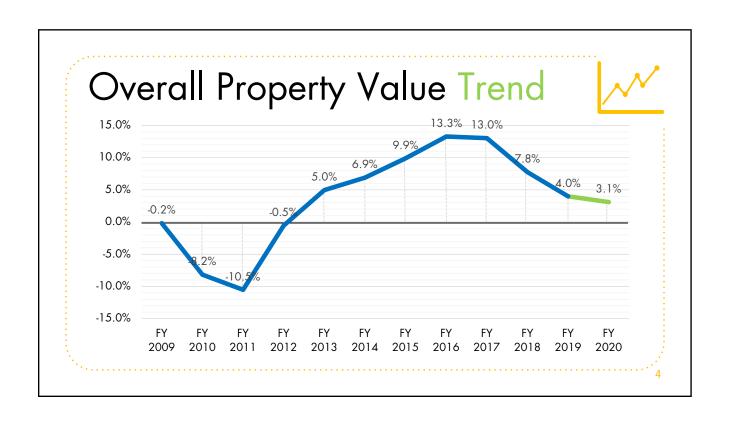
The Property Appraiser provided Certified values on July 1st



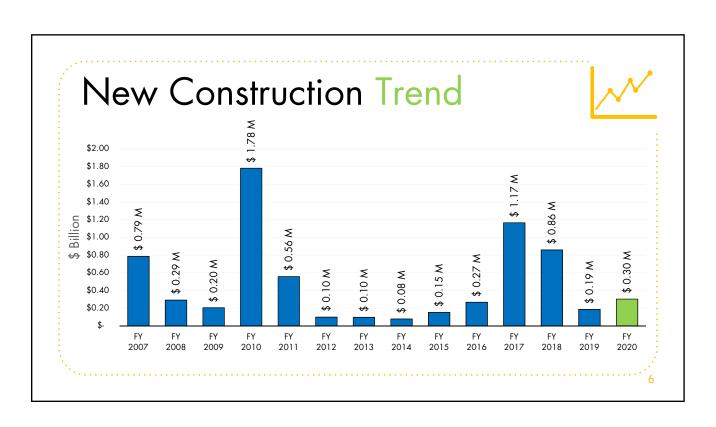
Miami Beach's <u>Certified</u> Property Values

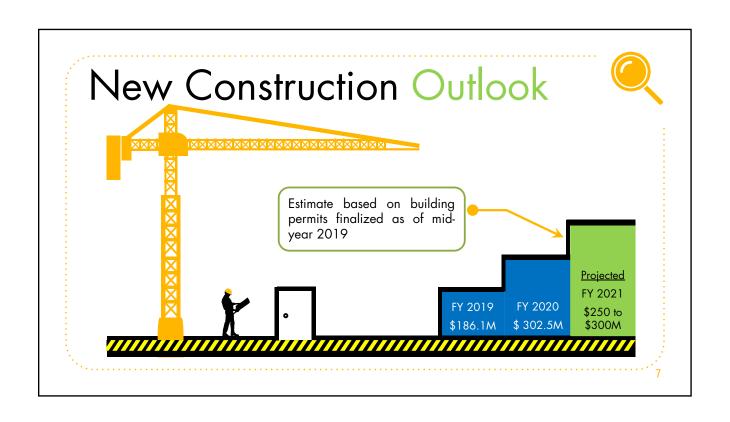
3.1% increase

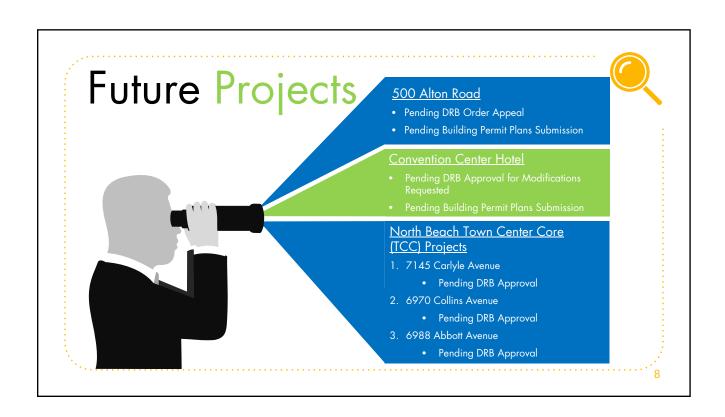
Normandy	Miami-Dade	Miami-Dade
Shores	County	School Board
5.5%	6.4%	5.4%











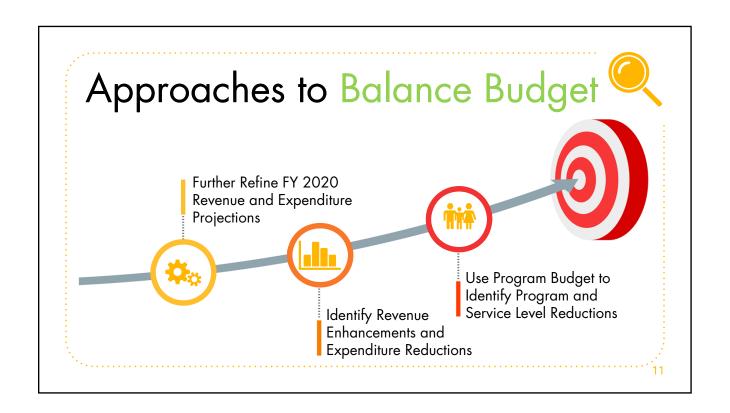
FY 2020 Preliminary General Fund Budget Based on Certified July 1st Property Values

Certified Property Value Increase
3.1%

1% Change in Property Value \$ 1.6M

Fiscal Year 2020		
Revenues	\$ 346,621,000	0.3%
Expenditures	\$ 351,032,000	1.6%
Shortfall	(\$ 4,411,000)	





Y 2020 General Fund

FY 2020 Balancing Strategies



FY 2020 General Fund Balancing Strategies	\$
Preliminary as of July 1 st	\$ (4,411,000)
Recommended Revenue Enhancements	792,000
Revenue Refinements	832,000
Expenditure Refinements	1,580,000
Recommended Reductions/Efficiencies	2,061,000
Recommended Expenditure Enhancements	(172,000)
Recommended "One-Time" Expenditure Enhancements	(2,109,000)
Use of Prior Year Fund Balance for "One-Time" Enhancements	1,640,000
Net	\$ 213,000





Recommended Rate Increases	\$
Indexing City Fees to Consumer Price Index (CPI) (not including Building fees)	792,000
Total	\$ 792,000

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Automatic
Indexing of City
Fees to
Consumer Price
Index (CPI)

\$ 792,000

Increase for FY 2020

2.9%

Does **not** include Building Fees

Benefits:

- Promotes Transparency
- Eliminates Inconsistencies
- Streamlines Implementation of Adjustments

Recommendation from Finance Committee at April 19, 2019 Meeting



FY 2020 Revenue Refinements

Adjustments to FY 2020 Revenue Projections	\$
Increase in Intergovernmental/Utility Taxes Revenues	304,000
Increase in Business Tax Receipts Revenues	273,000
Increase in Beachfront Concessions Revenues	100,000
Increase in Fire Training and Technology Fund Revenues	125,000
Increase in Resort Tax Contribution to Offset Cost of Recommended 26th Street Lifeguard Staffing Enhancement	30,000
Total	\$ 832,000

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FY 2020 Expenditure Refinements

Adjustments to FY 2020 Expenditures	\$
Reduction in Projected Increase in Health Insurance Premiums for Non Police and Fire (from 8% to 5%)	276,000
Reduction in Projected Increase in Health Insurance Premiums for Police and Fire based on Segal Study (from 10% to 8%)	220,000
Reduction Internal Services Chargeback to the General Fund	556,000
Re-allocation of Public Works Director Salary and Benefits to Public Works Enterprise Funds	182,000
Sub-Total	\$ 1,234,000

FY 2020 Expenditure Refinements

Adjustments to FY 2020 Expenditures	\$
Sub-Total	\$ 1,234,000
Reduction in Citywide General Fund Contingency (from \$1.234M to \$1.00M)	234,000
Reduction in Other Miscellaneous Operating Expenditures	112,000
Total	\$ 1,580,000

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FY 2020 Expenditure Reductions

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Recommended Expenditure Reductions	\$ Year 1
Efficiency of Part-Time (8) and Full-Time (2) Vacant Parks and Recreation positions	313,000
Outsourcing of Miami Beach Tennis Center (incl. 4 Part- Time and 3 Full-Time positions)	182,000
Efficiency of 3 Full-Time Vacant Public Works positions	169,000
Efficiency of Contracted Security Guard Services for City Hall Weekends, Meetings, and Miscellaneous Equipment	57,000
Sub-Total	\$ 721,000

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FY 2020 Expenditure Reductions

Recommended Expenditure Reductions	\$ Year 1
Sub-Total	\$ 721,000
One-Time Restructuring of Grounds Maintenance Contract (Waiving bid and remaining with existing contractor)	469,000
Efficiencies in Miscellaneous Police Operating Expenditures	197,000
Efficiency of Filled (1) and Vacant (1) Full-Time Fire Department Positions	99,000
Elimination of CodeRed Emergency Notification System	46,000
Sub-Total	\$ 1,532,000

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FY 2020 Expenditure Reductions

Recommended Expenditure Reductions	\$ Year 1
Sub-Total	\$ 1,532,000
Efficiencies in Miscellaneous Fire Operating Expenditures	103,000
Elimination of 1% COLA in April 2020 for <u>Unclassified</u> Positions over \$100,000 (Citywide - \$141,000)	111,000
Efficiency in Citywide Tuition Reimbursement Expenditures	100,000
Reduction in Human Resources (\$5,000), Tourism and Cultural Development (\$5,000), and Public Works General Fund (\$5,000) Travel and Training Expenditures	15,000
Sub-Total	\$ 1,861,000

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FY 2020 Expenditure Reductions

Recommended Expenditure Reductions	\$ Year 1
Sub-Total	\$ 1,861,000
Full-Time (1) Marketing and Communications Position	97,000
Full-Time (1) Vacant Code Compliance Position and Reclassification of Assistant Director Position to Admin Services Manager Position	92,000
Estimated General Fund Impact of Recommended Internal Service Department Reductions	11,000
Total	\$ 2,061,000

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FY 2020 "Recurring" **Expenditure Enhancements**



Recommended Expenditure Enhancements	\$ Year 1
FY 2020 Phase-In of Living Wage (Citywide - \$504,000)	104,000
26 th Street Staffing of Lifeguard Stand (offset by overtime reduction and recommended increase in transfer from Resort Tax Fund)	30,000
Estimated General Fund Impact of Recommended Internal Service Department Enhancements	38,000
Total	\$ 172,000

FY 2020 "One-Time"



Expenditure Enhancements

Recommended "One-Time" Enhancements	\$
Additional One-Time Transfer for Capital PAYGO Projects (from one-time savings from landscaping contract)	469,000
Re-Write City's Land Development Regulations (Two Year Project)	400,000
Sea Level Rise Impact Study	300,000
Economic Vitality Strategic Plan	200,000
Sub-Total	\$ 1,369,000



FY 2020 "One-Time" **Expenditure Enhancements**

Recommended "One-Time" Enhancements	\$
Sub-Total	\$ 1,369,000
South Pointe Park Cutwalk/Government Cut Erosion	200,000
Go Digital Program Implementation (Two Year Project)	105,000
Small Business Development Program	75,000
Sub-Total	\$ 1,749,000

FY 2020 "One-Time"



Expenditure Enhancements

Recommended "One-Time" Enhancements	\$
Sub-Total	\$ 1,749,000
Conservation of the City's Public Art Projects	70,000
Washington Avenue Parklets	50,000
Camillus House Lazarus Project	47,000
Sub-Total	\$ 1,916,000



FY 2020 "One-Time" **Expenditure Enhancements**

Recommended "One-Time" Enhancements	\$
Sub-Total	\$ 1,916,000
North Beach Community Redevelopment Agency (CRA) Plan	35,000
South Beach Store Front Covers	35,000
Pine Tree Drive Australian Pine Pruning	123,000
Total	\$ 2,109,000

'Y 2020 General Fund

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Parking and RDA Transfers to General Fund \$ RDA \$ Parking \$9.0 Fiscal Year Contribution Contribution \$8.0 \$7.0 FY 2011 3,600,000 \$6.0 FY 2012 7,200,000 0 \$5.0 FY 2013 7,200,000 \$4.0 \$3.0 0 FY 2014 8,400,000 \$2.0 8,400,000 FY 2015 \$1.0 8,400,000 0 FY 2016 FY 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 6,400,000 FY 2017 FY 2018 4,400,000 1,079,000 Recommendation: FY 2019 1,166,000 4,400,000 Reduce Parking Contribution over time FY 2020 1,166,000 4,400,000 Reduce use of RDA Amendment proceeds over time



2% Resort Tax Fund Preliminary Budget



	FY 2019	FY 2020	Var. (\$)	Var. (%)
Revenues*	60,622,000	62,062,000	1,440,000	2.4%
Expenditures	60,622,000	61,312,000	690,000	1.1%
Net	0	750,000		

*Based on 2% Resort Tax collections thru April 2019 and 1% increase over prior year collections thru September; FY 2020 assumes 2% increase over FY 2019 projection as of April 2019

FY 2020 Resort Tax

FY 2020 Balancing Strategies

FY 2020 Resort Tax Balancing Strategies	\$
Preliminary	\$ 750,000
Recommended Expenditure Enhancements	(552,000)
Expenditure Refinements	(198,000)
Recommended "One-Time" Expenditure Enhancements	(1,900,000)
Use of Prior Year Fund Balance for "One-Time" Enhancements	1,900,000
Net	\$ 0

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FY 2020 "Recurring" Resort Tax **Expenditure Enhancements**



Recommended Resort Tax Expenditure Enhancements	\$
Tourism Off-Duty Police Services (TOPS) Program	151,000
Contribution to the Miami Design Preservation League (MDPL) for Art Deco Weekend	100,000
Annual Painting of Lifeguard Towers	36,000
Miami Beach Pride Ferris Wheel	25,000
Sub-Total	\$ 312,000

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FY 2020 "Recurring" Resort Tax **Expenditure Enhancements**



Recommended Resort Tax Expenditure Enhancements	\$ Year 1
Sub-Total	\$ 312,000
Additional Enhanced Holiday Lighting (per LTC 371-2019)	140,000
Cultural Arts Programming	100,000
Total	\$ 552,000

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FY 2020 Expenditure Refinements

Adjustments to FY 2020 Expenditures	\$
Increase in Resort Tax Contribution to General Fund to offset Recommended General Fund 26 th Street Lifeguard Staffing Enhancement	30,000
Operating Contingency for Unforeseen Resort Tax Expenditures	168,000
Total	\$198,000

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FY 2020 "One-Time" Resort Tax



Expenditure Enhancements

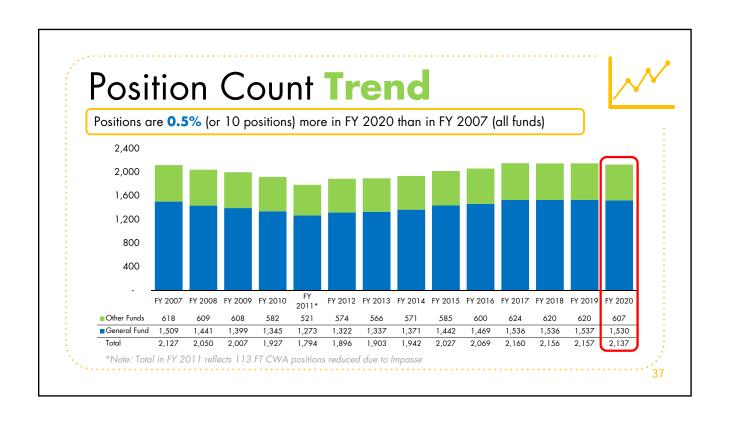
Recommended "One-Time" Enhancements	\$
Police Services for Super Bowl 2020	1,500,000
City Services for Super Bowl 2020	250,000
Orange Bowl Sponsorship	150,000
Total	\$ 1,900,000

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FY 2020 Resort Tax

FY 2020 Balancing Strategies

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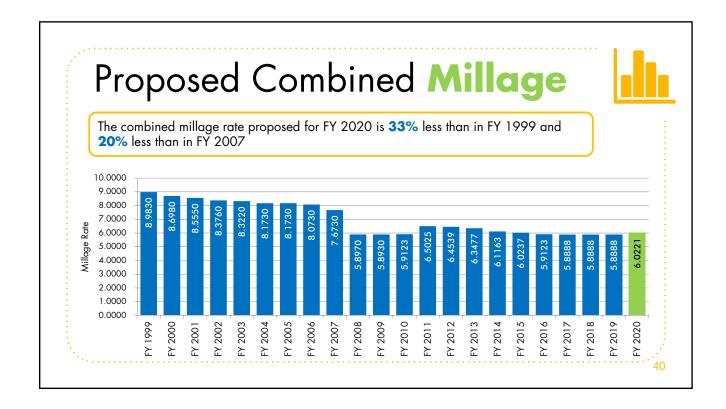


Proposed Millage Rate



CRR	0.0235	0.0235	0.0000
CKK	0.0233	0.0233	0.0000
PayGo	0.0755	0.0755	0.0000
Total Operating	5.7288	5.7288	0.0000
Debt Service	0.1600	0.2933	0.1333

- Proposed FY 2020 budget assumes no change in the operating millage rate of 5.7288
- Proposed debt service portion of the millage rate will increase to 0.2933 per debt service schedule for 1st tranche and future tranches of voter-approved G.O. Bond Program
- City Commission will adopt maximum millage rate on July 31st



Proposed Millage Rate Impact on



Homesteaded Property

Reflects CPI Increase in Taxable Value of Homesteaded Property of 1.9% per "Save Our Homes"

	FY 2020	
	Median	Average
Preliminary Taxable Value**	\$ 197,942	\$ 503,134
City of Miami Beach		
Óperating	1,134	2,882
Voted Debt	58	148
Total Miami Beach	1,192	3,030
\$ Change in Taxes Operating	21	53
Voted Debt	27	69
Total Miami Beach	\$ 48	\$ 122

^{**}Source: Miami-Dade County Property Appraiser's - 2018-average-median-homestead-residential-values file

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Additional Millage Rate Analysis



\$ Additional Funding	Additional Millage Required	Additional \$ Impact on Median Value	Additional \$ Impact on Average Value
\$1,000,000	0.0306	\$6	\$15
5,000,000	0.1529	30	77
10,000,000	0.3057	61	154

- "Additional Millage Required" based on <u>Certified</u> July 1st Property Values
- Direction from June 28, 2019
 Finance and Citywide Projects
 Committee

<u>Unfunded</u> FY 2020 Capital Renewal and Replacement and Pay-As-You-Go Requests

\$11.5 M

Additional Addition
Millage \$ Impact
Required Median Vo

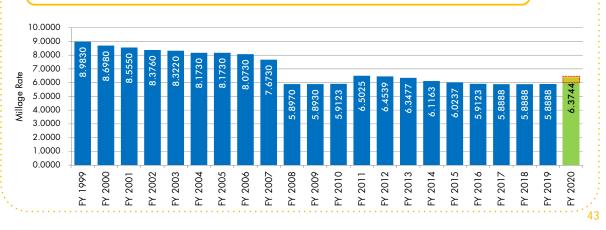
Additional \$ Impact on Average Value

0.3523 \$ 70 \$ 177





With increase to fund \$11.5 million of unfunded Capital Project requests for FY 2020, the combined millage rate proposed for FY 2020 would be **29%** less than in FY 1999 and **16%** less than in FY 2007



Truth in Millage (TRIM) Process



- Commission will set the Proposed "Maximum Millage" at the July 31, 2019 Commission Meeting
- Proposed Millage of 6.0221 requires Majority Approval (4 of 7 votes) by Mayor and Commission
- Proposed Millage of 6.3744 requires Two-Thirds Approval (5 of 7 votes) by Mayor and Commission



