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## FY 2021 Property Values

The Property Appraiser provides the Preliminary 2021 property values on June 1<sup>st</sup> and Certified values on July 1<sup>st</sup>



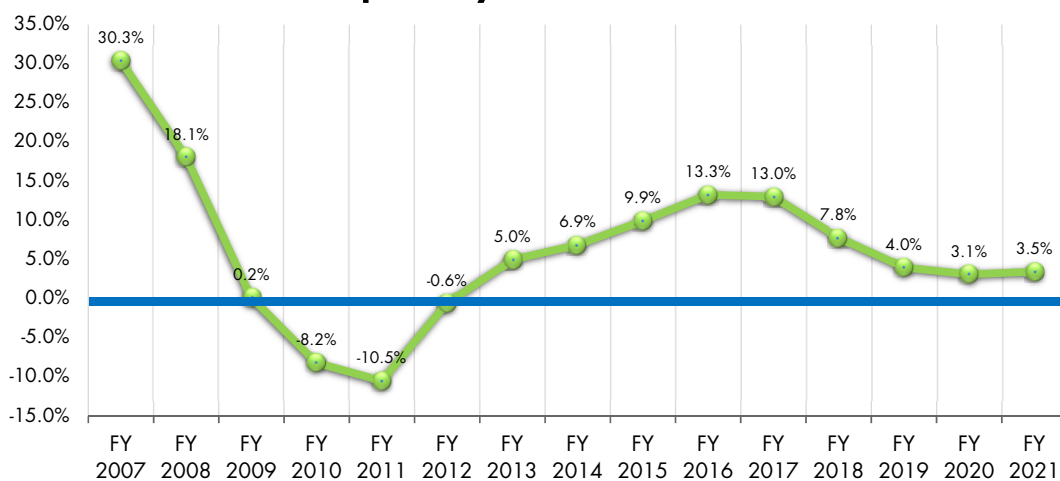
Miami Beach's Preliminary Property Values:  
**3.5% increase**

Normandy Shores	Miami-Dade County	Miami-Dade School Board
<b>5.5%</b>	<b>4.6%</b>	<b>3.3%</b>

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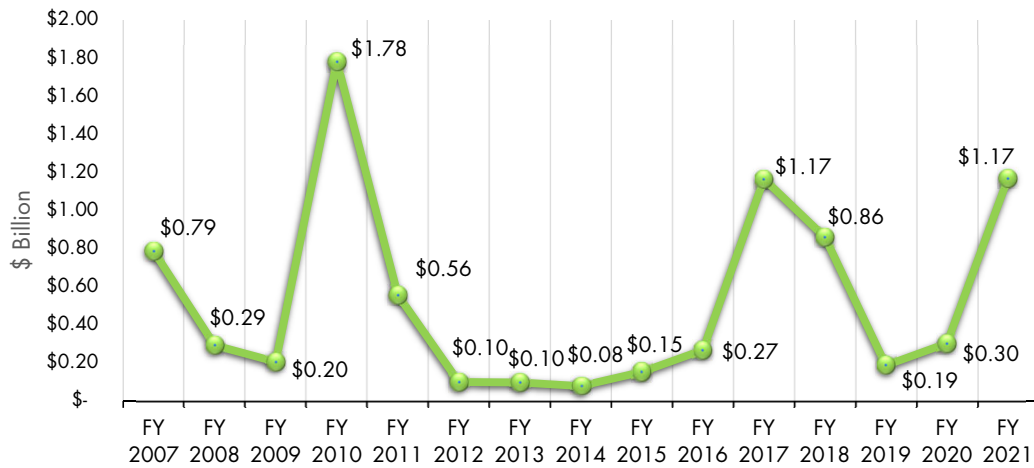
## Overall Property Value Trend



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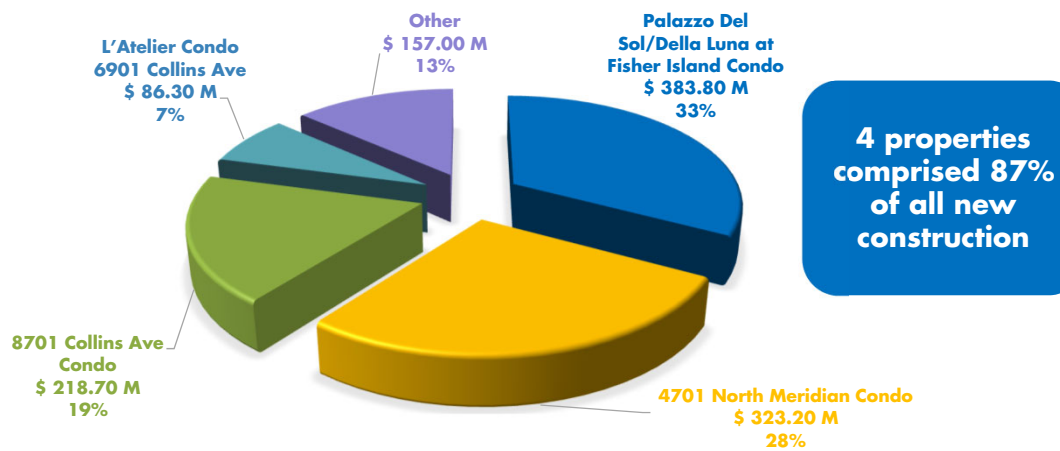
## New Construction Trend



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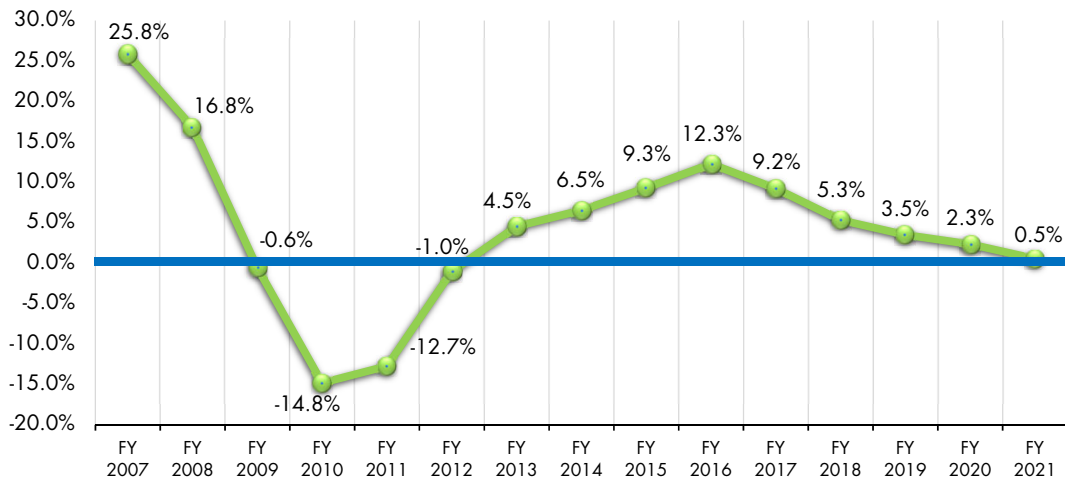
## FY 2020 New Construction



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## Existing Property Value Trend



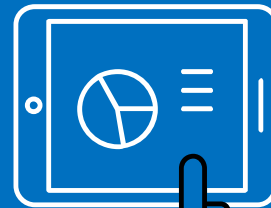
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## Preliminary FY 2021 General Fund Budget



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- The Preliminary budget represents the cost of providing the same level of service as in the prior fiscal year
- Provides the baseline of funding for the upcoming budget process to which enhancements and reductions are applied



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## Assumptions

# FY 2021 Preliminary General Fund Budget



1. Assumes \$1.2M reduction in transfer in from Parking Fund
2. Assumes \$4.4M use of RDA funds
3. Includes a \$3.3M reduction in Pension Bond Debt expenditure
4. Assumes \$3.7M reduction (10%) in transfer in from Resort Tax Fund
5. Includes the transfer of Building & OIG to stand-alone funds
6. Does not include any enhancements or reductions

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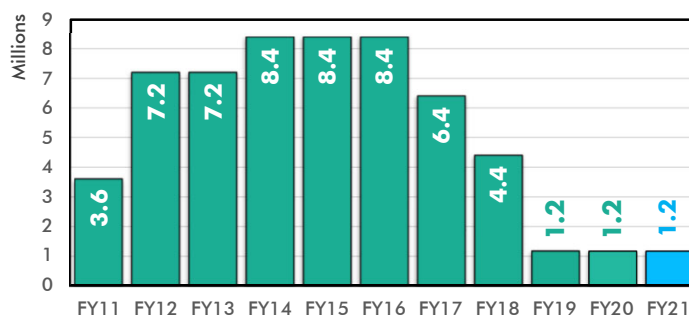
## Recommended Use of RDA Funds

- Parking/RDA annual transfer of \$4.4 million
- Offset by \$4.5 million of recurring Pension Bond Debt Service savings
  - \$3.3 million in FY 2021
  - \$1.2 million in FY 2022
- Free up RDA funds for one-time purposes through FY 2023
  - Offset a portion of the FY 2021 budget gap due to COVID
  - Assist with Fleet replacement costs
  - Address capital needs

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## Parking Transfer to General Fund



### Recommendation

- Eliminate transfer to the General Fund completely
- Reduce use of RDA Amendment proceeds over time in the General Fund

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## Original Planned Use of RDA Funds



Expenditure	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Replace Parking Fund Transfer to General Fund	\$ 4,414,000	\$ 3,400,000	\$ 2,400,000	\$ 1,400,000	\$0
Replace General Fund Fleet with Cash	1,067,000	2,276,000	3,491,000	4,713,000	\$0
<b>Total</b>	<b>\$5,481,000</b>	<b>\$ 5,676,000</b>	<b>\$ 5,891,000</b>	<b>\$ 6,113,000</b>	<b>\$0</b>

Funding from RDA to General Fund ends in [FY 2024](#) per 4<sup>th</sup> Amendment to agreement with County

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## General Fund Revenues



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## FY 2021 Revenue Variances



Revenue Budget Variances	\$
Property Tax Revenues	5,926,000
One-Time Use of Fund Balance in FY 2020	(2,378,000)
Transfer in from Resort Tax (based on 10% decrease)	(3,676,000)
Transfer in from Parking	(1,166,000)
Administrative Fees	444,000
Other Miscellaneous	371,000
<b>Sub-Total</b>	<b>(\$479,000)</b>
Transfer of Building to Stand-Alone Fund	(12,673,000)
Insourcing of Flamingo Park Tennis Center	1,104,000
<b>Sub-Total</b>	<b>(\$12,048,000)</b>
COVID-19 Related Revenues	(7,850,000)
<b>Total</b>	<b>(\$19,898,000)</b>

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## General Fund Expenditures



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## FY 2021 **Expenditure Variances**



<u>Expenditure</u> Budget Variances	\$
10% Increase in City's Health Insurance Contribution (Actives & Retirees)	3,320,000
Pension (Police & Fire 58%   MBERP 42%)	1,604,000
5% Step Increase for Police & Fire	1,581,000
Annualized Impacts of Collective Bargaining Agreements	1,527,000
Internal Service Charges	1,073,000
1% COLA for All Groups (except 2% for CWA)	899,000
2% Merit for All Groups Except Police & Fire	718,000
Other Miscellaneous	601,000
<b>Sub-Total</b>	<b>\$11,323,000</b>

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## FY 2021 **Expenditure Variances**



<u>Expenditure</u> Budget Variances	\$
<b>Sub-Total</b>	<b>\$11,323,000</b>
Transfer of Building to Stand-Alone Fund	(14,997,000)
One-Time Expenditures in FY 2020	(2,847,000)
Insourcing of Flamingo Park Tennis Center	1,146,000
Transfer of OIG to Stand-Alone Fund	(704,000)
<b>Total</b>	<b>(\$6,079,000)</b>

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## FY 2021 Preliminary General Fund Budget

Without  
Impact of  
COVID-19  
on Revenues



Fiscal Year 2021	\$
Total Decrease in Revenues	(\$12,048,000)
Total Decrease in Expenditures	(\$6,079,000)
<b>Surplus / (Gap)</b>	<b>(\$5,969,000)</b>

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## FY 2021 Preliminary General Fund Budget

Without  
Impact of  
COVID-19  
on Revenues



Fiscal Year 2021	\$
Total Decrease in Revenues	(\$12,048,000)
Total Decrease in Expenditures	(\$6,079,000)
<b>Surplus / (Gap)</b>	<b>(\$5,969,000)</b>

FY 2021 Property  
Value Increase:

**3.5%**

Value of 1%  
Property Values:

**\$2M**

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## FY 2021 Preliminary General Fund Budget



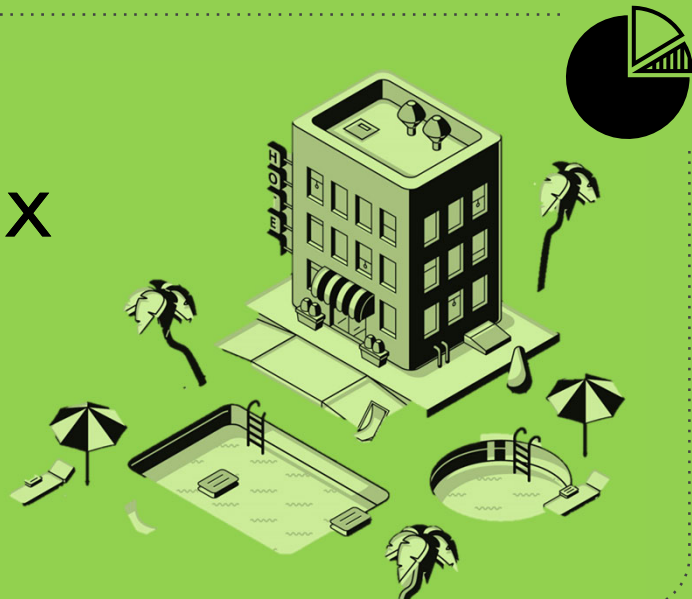
Fiscal Year 2021	\$
Total Decrease in Revenues	(\$12,048,000)
Total Decrease in Expenditures	(\$6,079,000)
<b>Surplus / (Gap)</b>	<b>(\$5,969,000)</b>
<b>Decrease in COVID-19 Revenues</b>	<b>(7,850,000)</b>
<b>Revised Surplus / (Gap)</b>	<b>(\$13,819,000)</b>

**Includes**  
Impact of  
COVID-19  
on Revenues

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## Resort Tax Fund



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## Resort Tax Revenue Impact



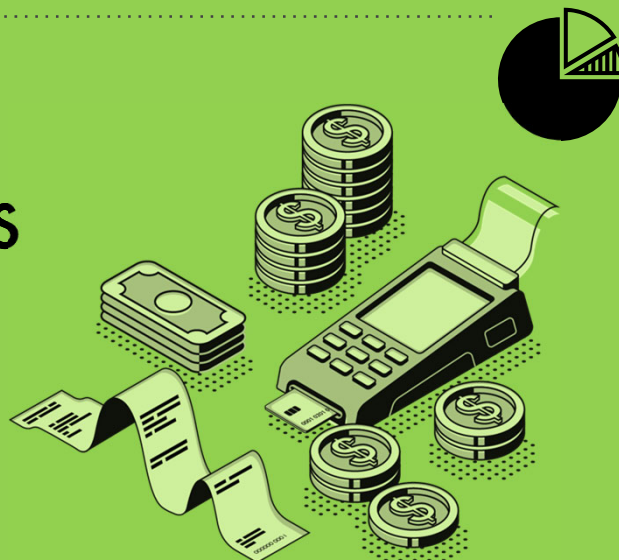
Scenario	\$
Optimistic	(\$18 million)
<b>Likely</b>	<b>(\$22 million)</b>
Conservative	(\$25 million)

**Preliminary revenue loss estimate compared to FY 2019**

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## Approaches to Balance



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## FY 2021 Budget Gap



	NON-COVID-19	COVID-19
General Fund	(\$6 million)	(\$13.8 million)
Resort Tax*	0	(\$18.3 million)
<b>Total</b>	<b>(\$6 million)</b>	<b>(\$32.1 million)</b>

\* Resort Tax gap reflects a 10% reduction in transfer to the General Fund of \$3.7 million

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## Approaches to Balance

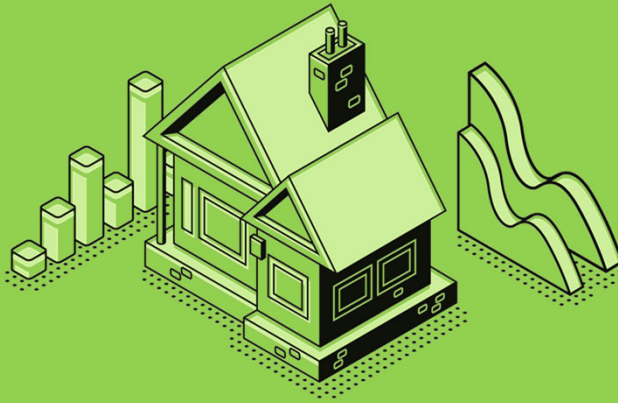


- COVID-19 Related Impact – **Temporary**
- Non-COVID-19 Related Impact – **Permanent**
- Proposed Balanced Budget will be presented at the July 17<sup>th</sup> Finance & Economic Resiliency Committee Budget Briefing

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# Proposed Millage Rate



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## Preliminary Millage Rate



	FY 2020	FY 2021	Inc/(Dec)
General	5.6298	5.6298	0.0000
CRR	0.2350	0.2350	0.0000
PAYGO	0.0755	0.0755	0.0000
<b>Total Operating</b>	<b>5.7288</b>	<b>5.7288</b>	<b>0.0000</b>
Debt Service*	0.2933	0.3247	0.0314
<b>Total Combined</b>	<b>6.0221</b>	<b>6.0535</b>	<b>0.0314</b>

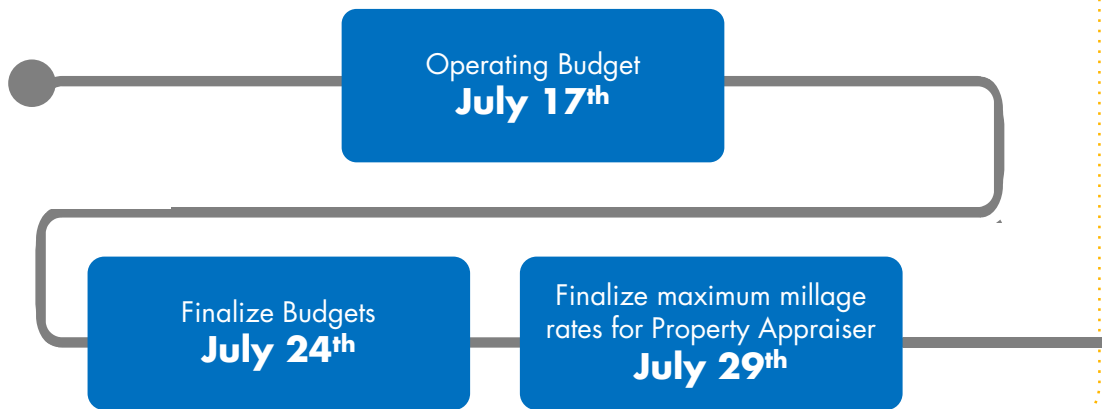
\*Will be updated with July 1 Property Values

- Preliminary FY 2021 budget assumes no change in the operating millage rate of **5.7288**
- Debt service portion of the millage rate estimated to increase to 0.3247 per debt service schedule for 1st tranche and future tranches of G.O. Bond Program
- Will adopt maximum millage rate on July 29<sup>th</sup>

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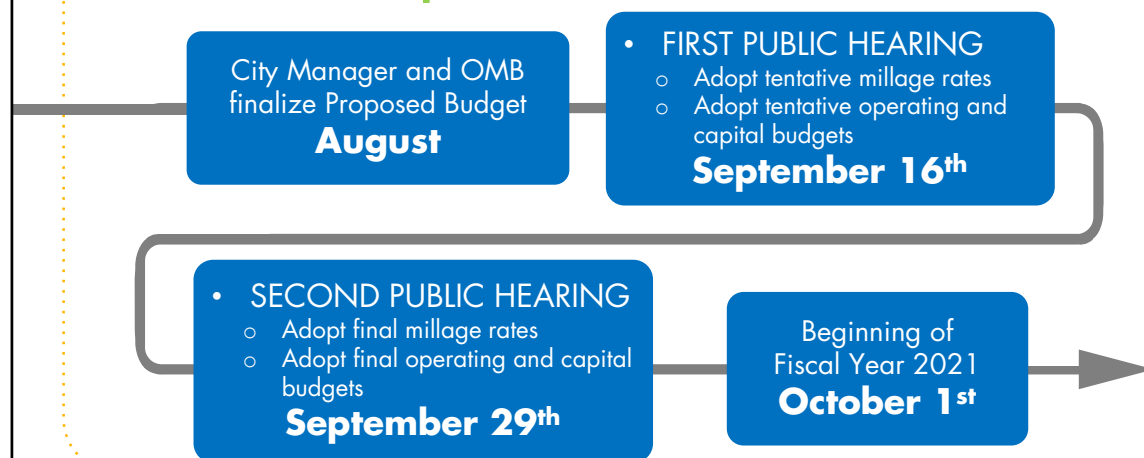
## Next Steps



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## Next Steps



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