



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

## COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy Morales, City Manager

DATE: July 29, 2020

SUBJECT: **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT SETTING 1) THE PROPOSED GENERAL OPERATING MILLAGE RATE FOR THE NORMANDY SHORES NEIGHBORHOOD IMPROVEMENT DISTRICT; 2) THE CALCULATED “ROLLED-BACK” RATE; AND, 3) THE DATE, TIME, AND PLACE OF THE FIRST PUBLIC HEARING TO CONSIDER THE OPERATING MILLAGE RATE AND BUDGET FOR FISCAL YEAR 2021; AND, FURTHER, AUTHORIZING THE CITY MANAGER TO TRANSMIT THIS INFORMATION TO THE MIAMI-DADE COUNTY PROPERTY APPRAISER IN THE FORM REQUIRED BY SECTION 200.065, FLORIDA STATUTES**

### ADMINISTRATION RECOMMENDATION

The Administration recommends that the Mayor and City Commission, acting in its capacity as the Board of Directors for the Normandy Shores Local Government Neighborhood Improvement District, adopt the attached Resolution authorizing the City Manager to transmit the following information to the Miami-Dade County Property Appraiser:

- 1) Proposed Normandy Shores Local Government Neighborhood Improvement District Operating Millage Rate for FY 2021:
 

General Operating	0.7497 mills (0.0664 decrease from last year)
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- 2) “Rolled-Back” Rate (Truth-in-Millage) 0.7666 mills
- 3) The first public hearing on the Proposed Normandy Shores Local Government Neighborhood Improvement District operating millage rate and budget for FY 2021 shall be held on Wednesday, September 16, 2020, at 5:02 p.m., in the City Commission Chambers at 1700 Convention Center Drive, 3rd Floor, Miami Beach, Florida 33139.

In the event that Executive Order 20-26, (recently extended by Executive Order 20-150) that suspended any Florida Statute that requires a quorum to be present in person or requires a local government body to meet at a specific public place and authorized local government bodies to utilize communications media technology, such as telephonic and video conferencing, as provided in section 120.54(5)(b)2., Florida Statutes is extended, the **September 16, 2020** City of Miami Beach Commission Meeting will be held as a **Virtual Meeting** with the Mayor, Commissioners, and City staff participating through video conferencing. The Virtual City Commission Meeting

will be broadcast live on Miami Beach TV (MBTV), viewable on the City's website at <https://www.miamibeachfl.gov/government/mbtv/>, as well as on Atlantic Broadband Cable channel 660, AT&T U-verse channel 99, Hotwire Communications channel 395, and ROKU device on PEG.TV channel, and on social media at [facebook.com/cityofmiamibeach](https://www.facebook.com/cityofmiamibeach). To participate or provide comments, the public may join the virtual meeting at: <https://us02web.zoom.us/j/85224811868> or via telephone at: 1.312.626.6799 (U.S.) or 888.475.4499 (Toll Free). The Webinar ID is: 852 2481 1868. Members of the public wanting to speak on an item during the Virtual City Commission Meeting, must click the "raise hand" icon if using the Zoom app or press \*9 on the telephone to raise their hand.

## **BACKGROUND**

The Normandy Shores Local Government Neighborhood Improvement District, which is a dependent taxing district of its principal, the City of Miami Beach, was established in 1994 to provide continual 24-hour security to this gated community; FY 2021 represents its twenty-seventh year of operation.

The District was established by Ordinance 93-2881 and has the authority *"to levy an ad-valorem tax on real and personal property of up to two mills, provided that no parcel of property will be assessed more than \$500 annually for such improvements"*. During FY 1999, the amount of annual funding to be provided by the City and the dependent status of the District were issues discussed by the Finance and Economic Resiliency Committee (FERC). A determination was reached that the City would fund 35% percent of the annual cost of the operation of the community gate guard. This cost will eventually be funded from the golf course operation of the Normandy Shores Golf Course. It was further agreed that the City would continue to supplement the District at current levels until both issues were resolved. On August 29, 2002, the Administration met with Normandy Shores Local Government Neighborhood Improvement District representatives and agreed to eliminate the \$500 cap on the highest valued home in the District. This enabling legislation was adopted by the City Commission on September 25, 2002 and ensures that the City's contribution from the General Fund remains at 35 percent of the operating budget for the District.

## **ANALYSIS**

On July 1, 2020, the City received the 2020 Certification of Taxable Value from the Miami-Dade County Property Appraiser indicating that the taxable value for the Normandy Shores Local Government Neighborhood Improvement District was \$242.8 million, including \$9.5 million of new construction. Overall, this represents an increase of approximately \$19.1 million, or 8.5 percent, over the 2019 Certification of Taxable Value of \$223.7 million provided by the Miami-Dade County Property Appraiser as of July 1, 2019. It is important to note that the final 2019 tax roll for the Normandy Shores Local Government Neighborhood Improvement District of \$219.1 million is approximately \$4.6 million, or 2.0 percent, lower than the 2019 Certification of Taxable Value due to appeals, adjustments, etc.

*FY 2021 Normandy Shores Proposed Millage Rate*

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	July 2019 Certified	July 2020 Certified	\$ Change
Property Assessment			
Existing Values	219,807,591	233,297,993	13,490,402
New Construction	3,896,854	9,459,518	5,562,664
Total Normandy Shores	223,704,445	242,757,511	19,053,066

**PROPOSED BUDGET & MILLAGE**

The Normandy Shores Local Government Neighborhood Improvement District budget proposed for FY 2021, as reflected in Attachment A, is \$269,000, which reflects a decrease of \$28,000, or 9.4 percent, from the adopted FY 2020 budget and is comprised of the following line-items:

Items Included in Preliminary FY 2021 Expenditures	\$
Contracted Security Guard Services for Guardhouse and Rover	212,000
Gate Maintenance and Repairs	25,000
Project to Modify and Widen the Two Entry Lanes at the Biarritz Guard House Entrance	20,000
Utilities	7,000
Guardhouse Janitorial Services	4,000
OIG Set-aside (based on 0.5% of Contracts Budgeted)	1,000
<b>Total</b>	<b>\$269,000</b>

The proposed ad valorem millage, which was approved by the Normandy Shores Homeowners' Association on July 13, 2020, and is recommended by the Administration for FY 2021, is 0.7497 mills, which is 0.0664 mills, or 8.1 percent, less than the adopted FY 2020 millage rate of 0.8161 mills. Based on the 2020 Certification of Taxable Value provided by the Miami-Dade Property Appraiser as of July 1, 2020, this proposed tax levy would generate proceeds of \$181,995, which will be budgeted at approximately 95.0 percent, or \$172,900, to account for early payment discounts, delinquencies, etc. This millage rate will fund the proposed FY 2021 budget summarized above for the District, including \$20,000 to modify and widen the two entry lanes at the Biarritz guard house entrance as requested by the Homeowners' Association for FY 2021.

**Statutory Requirement**

Florida Statute 200.065, entitled "Method of Fixing Millage," establishes specific guidelines that must be used by all local government entities, including dependent taxing districts like Normandy Shores in setting its millage (property tax) rates. Not unlike its principal taxing authority (City of Miami Beach), Normandy Shores is also required to transmit within 35 days from receipt of the Certification of Taxable Value (received July 1, 2020), to the Miami-Dade County Property Appraiser, a proposed operating millage rate, the calculated "rolled-back" rate and the date, time,

and place of the first public hearing to consider the proposed operating millage rate and budget for FY 2021.

The “rolled-back” rate is the millage rate required to produce the same level of property tax revenue in FY 2021 as collected in FY 2020. The rate is calculated at 0.7666 mills, which is 0.0495 mills less than the millage rate of 0.8161 adopted for FY 2020. The “rolled-back” millage rate tax levy would generate proceeds of \$186,098. The difference between the proposed millage rate for FY 2021 and the “rolled-back” rate levy is \$4,103.

After setting the proposed operating millage rate for Normandy Shores, the City Commission may, at any time prior to the final adoption, lower the millage rate; however, any increase above the proposed rate of 0.7497 mills for FY 2021, if adopted, would require an expensive mailing and advertising process to each property owner in the Normandy Shores Local Government Neighborhood Improvement District. Therefore, this proposed millage rate is viewed as the ceiling.

Further, per State Statute, the City may elect to approve millage rates above the “rolled-back” rate up to the constitutional cap of 10 mills, subject to the following votes by the Commission or referendum:

- Option I: A majority approval of the Commission is required to approve a millage up to 0.8659 mills (equivalent to a 3.22 percent increase in Property Tax revenues). The 1.0322 increase is the State per capita personal income gain for the prior calendar year.
- Option II: A two-thirds approval (5 of 7 votes) of the Commission is required to approve a millage up to 0.9525 mills (equivalent to a 10 percent increase in Property Tax revenues above Option I).
- Option III: A unanimous approval of the Commission or referendum is required to approve a millage above 0.9525 mills.

Adoption of the proposed FY 2021 millage rate of 0.7497 mills for the Normandy Shores Local Government Neighborhood Improvement District would, therefore, require a majority approval (4 of 7 votes) by the City Commission per the State of Florida’s Truth-in-Millage (TRIM) requirements.

### **First Public Hearing**

The first public hearing on the proposed operating millage rate and budget for FY 2021 must be held no later than 80 days, or earlier than 65 days, from the start of the TRIM calendar (July 1st). Other guidelines are: 1) The public hearing cannot be scheduled on a Sunday or on those days utilized by Miami-Dade County or the Miami-Dade County School Board for their public hearing; 2) If on a day other than Saturday, it must be held after 5:00 P.M.; and, 3) Must be held immediately following discussion of the tentative millage and budget of its principal taxing authority (City of Miami Beach).

Based on these guidelines, the first hearing must be held between September 3, 2020 and September 18, 2020. The following dates are unavailable for the following reasons:

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September 6 and 13	Sundays
September 3	Miami-Dade County 1 <sup>st</sup> Public Hearing
September 9	Miami-Dade County School Board 2 <sup>nd</sup> Public Hearing

Of the remaining days available, it is recommended that the first public hearing be held on Wednesday, September 16, 2020, at 5:02 P.M., in the City Commission Chambers at 1700 Convention Center Drive, 3<sup>rd</sup> Floor, Miami Beach, Florida 33139, immediately following the City of Miami Beach's public hearing.

In the event that Executive Order 20-26, (recently extended by Executive Order 20-150) that suspended any Florida Statute that requires a quorum to be present in person or requires a local government body to meet at a specific public place and authorized Local government bodies to utilize communications media technology, such as telephonic and video conferencing, as provided in section 120.54(5)(b)2., Florida Statutes is extended, the **September 16, 2020** City of Miami Beach Commission Meeting will be held as a **Virtual Meeting** with the Mayor, Commissioners, and City staff participating through video conferencing. The Virtual City Commission Meeting will be broadcast live on Miami Beach TV (MBTV), viewable on the City's website at <https://www.miamibeachfl.gov/government/mbtv/>, as well as on Atlantic Broadband Cable channel 660, AT&T U-verse channel 99, Hotwire Communications channel 395, and ROKU device on PEG.TV channel, and on social media at [facebook.com/cityofmiamibeach](https://www.facebook.com/cityofmiamibeach). To participate or provide comments, the public may join the virtual meeting at: <https://us02web.zoom.us/j/85224811868> or via telephone at: 1.312.626.6799 (U.S.) or 888.475.4499 (Toll Free). The Webinar ID is: 852 2481 1868. Members of the public wanting to speak on an item during the Virtual City Commission Meeting, must click the "raise hand" icon if using the Zoom app or press \*9 on the telephone to raise their hand.

Attachment A – FY 2021 Proposed Normandy Shores Budget

JLM/JW/TOS

## ATTACHMENT A

<b>FY 2021 Normandy Shores District Budget</b>							
	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Adopted Budget	FY 2021 Proposed Budget	\$ Variance FY 2021 Proposed vs FY 2020 Adopted	% Variance FY 2021 Proposed vs FY 2020 Adopted
<b>REVENUES</b>							
Residents 65%	167,050	180,050	164,450	174,000	172,900	(1,100)	-0.6%
City 35%	89,950	96,950	88,550	93,000	93,100	100	0.1%
Restitutions	1,876	6,207	595	0	0	0	0.0%
Miscellaneous	0	176	1,408	0	3,000	3,000	100.0%
Fund Balance/Retained Earnings	0	0	0	30,000	0	(30,000)	-100.0%
<b>Total</b>	<b>\$ 258,876</b>	<b>\$ 283,383</b>	<b>\$ 255,003</b>	<b>\$ 297,000</b>	<b>\$ 269,000</b>	<b>\$ (28,000)</b>	<b>-9.4%</b>
<b>EXPENDITURES</b>							
Security Guard Services <sup>(1)</sup>	176,000	210,000	210,000	204,000	212,000	8,000	3.9%
Janitorial Services	0	0	1,067	4,000	4,000	0	0.0%
Gate Repairs (AAA Repairs)	20,878	22,428	19,170	25,000	20,000	(5,000)	-20.0%
Internal Service - Other Repairs	2,663	0	0	5,000	5,000	0	0.0%
Internal Service - OIG Set-Aside <sup>(2)</sup>	0	0	0	0	1,000	1,000	100.0%
Utilities (Electricity & telephone) <sup>(3)</sup>	1,386	1,260	1,723	2,000	7,000	5,000	250.0%
Video Camera System Upgrade	0	0	0	30,000	0	(30,000)	-100.0%
AED Guardhouse Defibrillator	0	1,404	0	0	0	0	0.0%
Other Expenditures <sup>(4)</sup>	225	16,400	5,957	27,000	20,000	(7,000)	-25.9%
<b>Total</b>	<b>\$ 201,152</b>	<b>\$ 251,493</b>	<b>\$ 237,917</b>	<b>\$ 297,000</b>	<b>\$ 269,000</b>	<b>\$ (28,000)</b>	<b>-9.4%</b>
<b>Surplus / (Gap)</b>	<b>\$ 57,724</b>	<b>\$ 31,890</b>	<b>\$ 17,086</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>REQUIRED MILLAGE</b>	<b>1.0093</b>	<b>0.9564</b>	<b>0.8161</b>	<b>0.8161</b>	<b>0.7497</b>	<b>(0.0664)</b>	<b>-8.1%</b>
Existing Values	173,001,492	196,441,992	209,647,105	219,807,591	233,297,993	13,490,402	6.1%
New Construction	3,058,319	1,719,766	2,458,268	3,896,854	9,459,518	5,562,664	142.7%
<b>Total</b>	<b>176,059,811</b>	<b>198,161,758</b>	<b>212,105,373</b>	<b>223,704,445</b>	<b>242,757,511</b>	<b>19,053,066</b>	<b>8.5%</b>
Value of 1 Mill	176,060	198,162	212,105	223,704	242,758	19,053	8.5%
95% of 1 Mill	167,257	188,254	201,500	212,519	230,620	18,100	8.5%

**Footnotes:**

<sup>(1)</sup> FY 2021 security guard services based on current hourly rate of \$20.71 for services provided 24 hours/day, 7 days/week, for guardhouse, plus 24.5 hours a week for a security rover and \$2,400 fee for rental of a golf cart (the hourly rate is subject to change for living wage if adopted by the City Commission for FY 2021). The cost of the roving guard and rental of golf cart is split funded between Normandy Shores (50%) via Prop Mgmt. chargeback and the Normandy Shores Golf Course (50%). The increase in security guard services is due to a \$0.63 increase in the contracted hourly rate.

<sup>(2)</sup> Set-aside for OIG Funding based on 0.5% of budgeted contracts in accordance with Ordinance 2020-4325 adopted by the City Commission on January 15, 2020

<sup>(3)</sup> Increase to utilities projections based on new telephone line and internet in the guardhouse (\$365 a month for internet and \$25 a month for the land line)

<sup>(4)</sup> FY 2021 Operating Expenditures of \$20,000 based on Normandy Shores Homeowners' Association request for project to modify and widen the two entry lanes at the Biarritz guard house entrance