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## COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: July 29, 2020

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACTING IN ITS CAPACITY AS THE GOVERNING BODY OF THE BISCAYNE BEACH SECURITY GUARD SPECIAL TAXING DISTRICT, ADOPTING THE OPERATING BUDGET FOR THE BISCAYNE BEACH SECURITY GUARD SPECIAL TAXING DISTRICT FOR FISCAL YEAR 2021.**

### **ADMINISTRATION RECOMMENDATION**

Adopt the Resolution which establishes the operating budget for the Biscayne Beach Security Guard Special Taxing District for Fiscal Year 2021 in the amount of \$221,000, subject to adoption of the non-ad valorem assessment roll of \$2,188.12, per Residential Unit, for the cost of continued operation and maintenance of the Special Taxing District, including but not limited to the making of infrastructure and security improvements.

### **BACKGROUND**

In 1989, the Mayor and City Commission of the City of Miami Beach and the Miami-Dade County Board of County Commissioners approved the creation of a Special Taxing District pursuant to City Resolution No. 88-19368 and County Ordinance No. 89-126 to provide 24-hour security guard service to Biscayne Beach.

Pursuant to a Miami-Dade County Charter Amendment approved by the electorate on November 8, 2016, County Ordinance No. 16-14 was given effect which created a new Section 18-3.1 in the Miami-Dade County Code. This new County Code section provides, in part, that by joint resolutions of the Board of County Commissioners and the governing body of a municipality, the governing body of a municipality may be designated as the governing body of an existing Special Taxing District located entirely within the boundaries of such municipality, subject to a majority vote of the qualified electors residing in the Special Taxing District at an election called by and conducted as provided by the Board of County Commissioners and with the County Tax Collector and Property Appraiser would be needed to effectuate a transfer of control.

At the October 17, 2018 City Commission meeting, the Mayor and City Commission adopted Resolution No. 2018-30576 requesting the County to transfer control of the Special Taxing District from the Board of County Commissioners to the Mayor and City Commission of the City of Miami Beach, and to designate the Mayor and City Commission as the governing body of the Special Taxing District, subject to County approval and a majority vote of the qualified electors residing in the Special Taxing District. Subsequently, on March 13, 2019, the City Commission approved the

execution of an interlocal agreement to transfer control of the Special Taxing District from the County to the City in Resolution No. 2019-30749.

On June 4, 2019, the Miami-Dade County Board of County Commissioners passed and adopted Resolution No. R-588-19, which approved the interlocal agreement and the transfer of control of the Special Taxing District, subject to the City passing a Resolution ratifying and accepting the County's approval of the execution of an interlocal agreement.

In addition, on June 4, 2019, the County passed and adopted Resolution R-589-19, which called a special election for the Special Taxing District, and provided that the special election shall be held within the boundaries of the Special Taxing District, and set forth the ballot question to be presented for approval or disapproval by a mailed ballot and the noticing requirements and registration deadline, and provided that the special election shall be held on December 17, 2019 and that all marked ballots must be received by 7:00 p.m. on that day.

On December 17, 2019, the voters approved the transfer of control of the Special Taxing District to the City. As a result of this vote, and pursuant to the terms of the Transfer Agreement between the County and the City, the City became the governing body of the Special Taxing District twelve days after the favorable election pursuant to Section 102.168 of the Florida Statutes, as no contest of the election was filed.

On January 15, 2020, the City Commission passed and adopted Resolution No. 2020-31146 which ratified and accepted County Resolution No. R-588-19, approving the transfer of control of the Special Taxing District and the interlocal agreement. City Resolution No. 2020-31146 also ratified and accepted County Resolution No. R-589-19, which called for a special election in the Special Taxing District to seek approval or disapproval of a Resolution designating the City as the governing body of the Special Taxing District pursuant to Section 18-3.1 of the Code of Miami-Dade County.

The City of Miami Beach intends to use the uniform method for collecting non-ad valorem assessments for the provision of continued operation and maintenance of the Special Taxing District, including but not limited to, the making of infrastructure and security improvements as authorized by Section 197.3632, Florida Statutes, because this method will allow such special assessments to be collected annually, commencing for the fiscal year beginning October 1, 2020, in the same manner as provided for ad valorem taxes.

## **PROCEDURE**

The non-ad valorem assessment roll and operating budget for this Special Taxing District must be adopted in accordance with Florida Statutes. This procedure requires that this Resolution be considered immediately after the non-ad valorem assessment roll for the District has been adopted (see accompanying Non-Ad Valorem Assessment Roll agenda item for details).

## **ANALYSIS**

The FY 2021 budget for the Biscayne Beach Security Guard Special Taxing District, as reflected in Attachment A, is \$221,000, which represents a 21.8%, or \$61,610, decrease from the FY 2020 budget of \$282,610 adopted by Miami-Dade County and is comprised of the following line item expenditures:

Items Included in FY 2021 Expenditures	\$
Contracted Security Guard Services for District	181,500
Utilities (Water, Sewer, Storm Water, Electricity, Telephone)	6,000
Janitorial Services	1,200
Guardhouse Repairs and Maintenance	1,200
Contingencies (based on budgeted collection allowance)	3,000
OIG Set-aside (based on 0.5% of budgeted contracts)	1,000
Property Management Internal Service Charges	27,100
<b>Total</b>	<b>\$ 221,000</b>

In order to continue to provide the current level of security required by this Special Taxing District, the Administration recommends the proposed FY 2021 non-ad valorem assessment of \$2,188.12, per Residential Unit, for real property located within the boundaries of the Biscayne Beach Security Guard Special Taxing District commencing FY 2021, which will fund the FY 2021 budget for this Special Taxing District. This non-ad valorem assessment is \$545.08, or 19.9%, less than the non-ad valorem assessment adopted by Miami-Dade County for FY 2020 of \$2,733.20, per Residential Unit, and would generate proceeds of approximately \$221,000.

**CONCLUSION**

The City Commission, acting in its capacity as the governing body of the Biscayne Beach Security Guard Special Taxing District, should adopt the attached Resolution which adopts the FY 2021 operating budget of \$221,000 for the Biscayne Beach Security Guard Special Taxing District.

Attachment A – Biscayne Beach Budget

JLM/JW/TOS

# Attachment A

## FY 2021 Biscayne Beach Special Taxing District Budget

	FY 2017 Actuals (MIAMI-DADE COUNTY)	FY 2018 Actuals (MIAMI-DADE COUNTY)	FY 2019 Actuals (MIAMI-DADE COUNTY)	FY 2020 Budget (MIAMI-DADE COUNTY)	FY 2021 Budget (CITY OF MIAMI BEACH)	\$ Variance FY 2021 Budget vs FY 2020 Adopted	% Variance FY 2021 Budget vs FY 2020 Adopted
<b>REVENUES</b>							
Special Assessments	221,483	272,052	271,553	270,260	218,000	(52,260)	-19.3%
Special Assessment Collection Allowance	0	0	0	0	3,000	3,000	100.0%
Fund Balance/Retained Earnings	0	0	0	12,350	0	(12,350)	-100.0%
Interest/Other	243	1,131	2,585	0	0	0	0.0%
<b>Total</b>	<b>\$ 221,725</b>	<b>\$ 273,183</b>	<b>\$ 274,139</b>	<b>\$ 282,610</b>	<b>\$ 221,000</b>	<b>\$ (61,610)</b>	<b>-21.8%</b>
<b>EXPENDITURES</b>							
Personnel Services Expenditures	0	0	4,251	3,398	0	(3,398)	-100.0%
Utilities (Water, Sewer, Storm Water, Electricity) <sup>(1)</sup>	2,617	2,558	2,678	2,635	4,400	1,765	67.0%
Telephone	1,561	1,632	1,601	1,681	1,600	(81)	-4.8%
Janitorial Services <sup>(2)</sup>	984	1,205	1,286	1,267	1,200	(67)	-5.3%
Repairs & Maintenance <sup>(3)</sup>	5,009	2,522	3,555	13,032	1,200	(11,832)	-90.8%
Security Guard Services <sup>(4)</sup>	184,759	188,491	197,894	199,165	181,500	(17,665)	-8.9%
Advertising <sup>(5)</sup>	0	0	0	0	0	0	0.0%
Contingencies (based on collections allowance)	0	0	0	24,800	3,000	(21,800)	-87.9%
Property Mgt Internal Service Charges <sup>(6)</sup>	20,031	21,172	28,723	36,632	27,100	(9,532)	-26.0%
OIG Funding Set-Aside <sup>(7)</sup>	0	0	0	0	1,000	1,000	100.0%
<b>Total</b>	<b>\$ 214,961</b>	<b>\$ 217,581</b>	<b>\$ 239,988</b>	<b>\$ 282,610</b>	<b>\$ 221,000</b>	<b>\$ (61,610)</b>	<b>-21.8%</b>
<b>Surplus / (Shortfall)</b>	<b>\$ 6,765</b>	<b>\$ 55,602</b>	<b>\$ 34,151</b>	<b>\$ 0</b>	<b>\$ 0</b>		
<b>Number of Units (per Miami-Dade County Property Appraiser) <sup>(8)</sup></b>	<b>104.00</b>	<b>103.00</b>	<b>103.00</b>	<b>103.00</b>	<b>101.00</b>	<b>(2.00)</b>	<b>-1.9%</b>
<b>\$ Assessment Rate/Unit</b>	<b>\$ 2,215.51</b>	<b>\$ 2,715.51</b>	<b>\$ 2,733.20</b>	<b>\$ 2,733.20</b>	<b>\$ 2,188.12</b>	<b>\$ (545.08)</b>	<b>-19.9%</b>

**Footnotes:**

- <sup>(1)</sup> Utilities projections based on comparable Special Taxing District expenditures already managed by the City (Biscayne Point)
- <sup>(2)</sup> FY 2021 janitorial services based on proposed amendment to janitorial services agreement to include services at guardhouse at a rate of \$22.52/week (based on one hour of service per week)
- <sup>(3)</sup> FY 2021 repairs and maintenance budget based on unforeseen repairs and maintenance of equipment that may be necessary throughout the fiscal year
- <sup>(4)</sup> FY 2021 security guard services based on current hourly rate of \$20.71 for services provided 24 hours/day, 7 days/week
- <sup>(5)</sup> FY 2021 Advertising initially based on required noticing of transition of Special Taxing District from Miami-Dade County to the City of Miami Beach during FY 2020; projection based on actual costs incurred for transition of other Special Taxing District already managed by the City (Biscayne Point). On July 13, 2020, the City's Office of the City Attorney rendered an opinion that no public hearing would be necessary pursuant to Florida Statute, Section 197.3632(4)(a).
- <sup>(6)</sup> Includes approximately 16% of the split-funded Administrative Officer position and indirect costs associated with the operations of the special taxing district
- <sup>(7)</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>(8)</sup> Based on number of units provided by the Miami Dade Property Appraiser for FY 2021