



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: September 29, 2020

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE FINAL BUDGETS FOR THE GENERAL, G.O. DEBT SERVICE, RDA AD VALOREM TAXES, ENTERPRISE, INTERNAL SERVICE, AND SPECIAL REVENUE FUNDS FOR FISCAL YEAR 2021**

### **ADMINISTRATION RECOMMENDATION**

The Administration recommends that the City Commission adopt the attached Resolution which establishes the final budgets for the General, G.O. Debt Service, RDA Ad Valorem Taxes, Enterprise, Internal Service, and Special Revenue Funds for Fiscal Year (FY) 2021.

### **PROCEDURE**

As outlined in the companion General Operating Millage Agenda Item, Section 200.065, Florida Statutes, specifies the manner in which budgets are adopted. First, the final millage rate for both the general operating and debt service is adopted, then immediately thereafter, the final budgets by fund are adopted. The attached Resolution adopting the final budgets for the General, G.O. Debt Service, RDA Ad Valorem Taxes, Enterprise, Internal Service, and Special Revenue Funds for FY 2021 is, therefore, presented to you at this time for adoption.

### **FINANCIAL IMPACT OF COVID-19**

On March 1, 2020, the Governor issued an Executive Order directing the Surgeon General of the State of Florida to issue a public health emergency, and in response to the pandemic outbreak of COVID-19, the Governor declared a State of Emergency on March 9, 2020. In direct response to the first confirmed case of COVID-19 in Miami-Dade County on March 11, 2020, the Miami-Dade County Mayor declared a State of Emergency for Miami-Dade County. The City Manager declared a State of Emergency in the City of Miami Beach on March 12, 2020. Subsequently, both the County and the City issued various Emergency Orders temporarily closing public and private facilities, including the temporary closure of all non-essential retail and commercial establishments and identifying essential retail and commercial businesses which may remain open. These actions have greatly limited the amount of economic activity taking place in the City of Miami Beach and continue to result in significant impacts to the City's finances.

In response to the projected revenue losses through the end of the fiscal year, the Administration presented the City's budget-balancing plan to the Finance and Economic Resiliency Committee

(FERC) on April 17, 2020. These plans emphasized cost reductions as much as possible, including a reduction in capital expenditures, and judiciously using reserves to make up the difference.

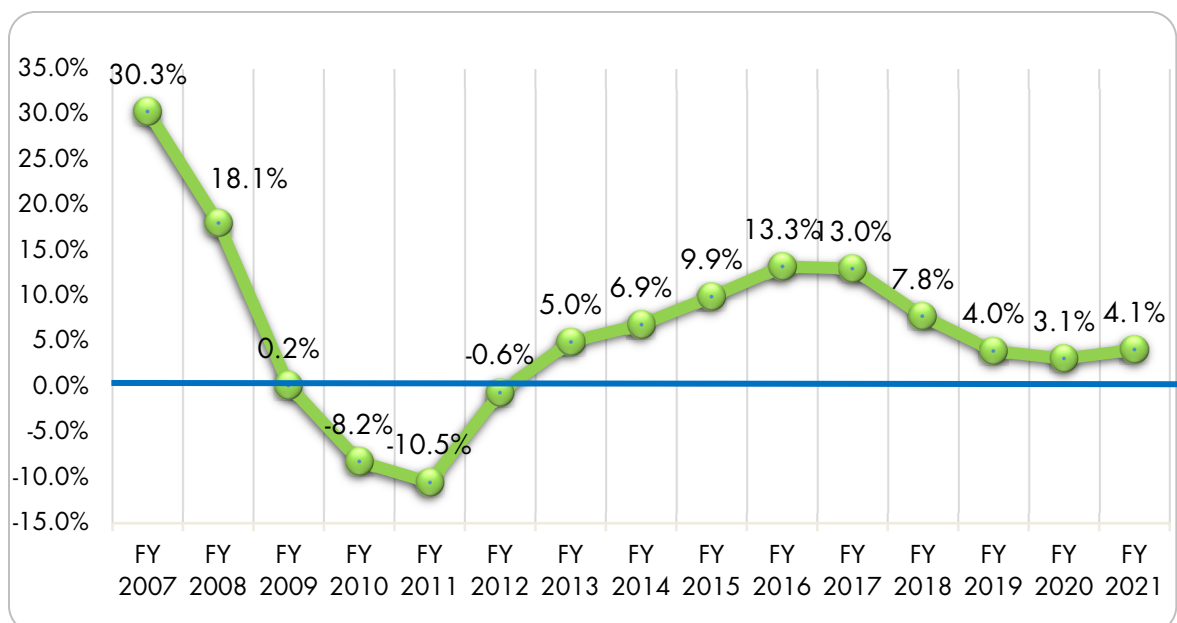
The chart below summarizes the total projected gap between the General Fund and Resort Tax Fund Preliminary FY 2021 Budgets, as presented at the June 16, 2020 FERC meeting.

|              | NON-COVID-19           | COVID-19                |
|--------------|------------------------|-------------------------|
| General Fund | (\$6.0 million)        | (\$13.8 million)        |
| Resort Tax   | 0                      | (\$18.3 million)        |
| <b>Total</b> | <b>(\$6.0 million)</b> | <b>(\$32.1 million)</b> |

### **PROPERTY VALUES UPDATE**

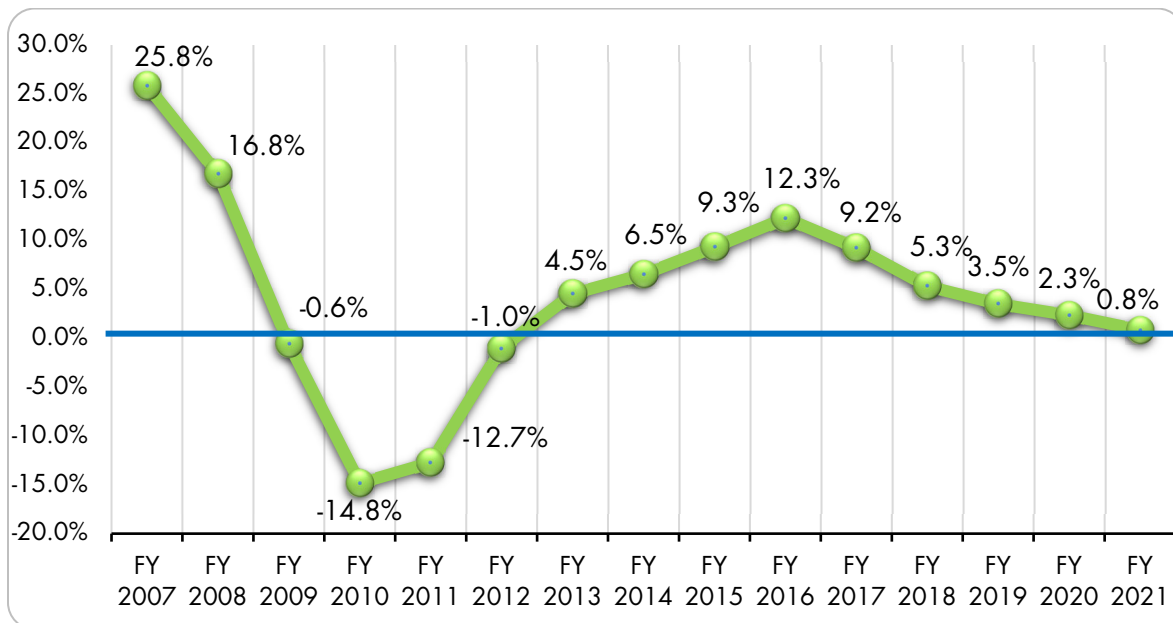
On July 1, 2020, the City received the 2020 Estimated Taxable Values from the Miami-Dade County Property Appraiser indicating that the overall taxable value for the City of Miami Beach was \$41.7 billion, including \$1.3 billion in new construction. Overall, this represents a 4.1 percent increase in values from the 2019 Certification of Taxable Value provided by the Miami-Dade County Property Appraiser on July 1, 2019.

**Overall Property Value Trend**



It is important to note that while the City's overall values increased by 4.1 percent, existing property values increased by 0.8 percent. Additionally, of the \$1.3 billion in new construction values, 77 percent was generated by 4 properties.

### Existing Property Value Trend



The Preliminary FY 2021 General Fund budget based on the 2020 Estimated Taxable Values as of June 1, 2020 provided by the Miami-Dade Property Appraiser's Office reflected a revenue increase of \$5.9 million, or 3.2 percent. The 2020 Certified Taxable Values provided by the Miami-Dade County Property Appraiser's Office as of July 1, 2020 reflect an increase in values of \$258 million, or 0.6 percent, compared to the 2020 Estimated Taxable Values provided by the Miami-Dade County Property Appraiser's Office as of June 1, 2020, for an overall increase in citywide General Fund property tax revenues of \$3.3 million. Of this increase, \$1.4 million was due to the increase in property values.

In addition, the preliminary property tax revenue projections as of June 1, 2020 assumed property values within the City Center RDA would increase by approximately 5.0 percent over the certified July 1, 2019 values based on historical trends. However, based on the certified July 1, 2020 values provided by the Miami-Dade County Property Appraiser's Office, property values within the City Center Redevelopment Agency (RDA) decreased by approximately \$54.0 million, or 0.9 percent, from the certified July 1, 2019 values. This reduction in the RDA's property value resulted in a \$1.9 million increase in citywide General Fund property tax revenues over the revenues projected as of June 1, 2020.

| Citywide General Fund Revenues                           | \$ Change          |
|--|--------------------|
| Increase Due to July 2020 Property Value Increase        | 1,404,000          |
| Increase Due to July 2020 RDA Property Value Decrease    | 1,898,000          |
| <b>Total Increase in Property Tax Revenue Projection</b> | <b>\$3,302,000</b> |

|   | June 2020<br>Preliminary | July 2020<br>Certified | \$<br>Change  |
|---|--------------------------|------------------------|---------------|
| Property Assessment                     |                          |                        |               |
| Property Values                         | 41,485,000,000           | 41,742,998,986         | 257,998,986   |
| City Center RDA                         | 6,571,291,425            | 6,204,385,940          | (366,905,485) |
| Citywide Total - Net of City Center RDA | 34,913,708,575           | 35,538,613,046         | 624,904,471   |
| Property Tax Revenue Projection         | 193,315,000              | 196,617,000            | 3,302,000     |

## **GENERAL FUND BUDGET DEVELOPMENT**

As in past years, the Proposed Work Plan and Budget was developed through an intensive review process with our City Commission. Extensive preliminary budget information was provided in meetings with the Finance and Economic Resiliency Committee on June 16, July 17, and July 24, 2020.

The General Fund is the primary source of funding for many City services. Revenues are derived from ad valorem property taxes, franchise and utility taxes, business license and permit fees, revenue sharing from various statewide taxes, user fees for services, fines, rents and concession fees, and interest income. Additionally, intergovernmental revenues from Miami-Dade County and Resort Tax contribute funding for tourist-related activities provided by General Fund departments.

At the June 16, 2020 Finance and Economic Resiliency Committee (FERC) 1<sup>st</sup> Budget Briefing, the Mayor and City Commission were briefed regarding the Preliminary FY 2021 General Fund budget, including the projected impact of COVID-19 on the City's revenues. The preliminary budget represents the cost of providing the same level of services as in the prior year and serves as the baseline of funding for the annual budget development process.

Based on the 2020 Certified Taxable Values provided by the Miami-Dade County Property Appraiser's Office as of July 1, 2020, citywide values increased approximately \$1.6 billion, or 4.1%, over the 2019 Certified Taxable Values, which resulted in an increase of \$9.2 million in General Fund property tax revenues. Property taxes comprise approximately 60.1% of total FY 2021 General Fund revenues and are a key driver of the proposed revenues.

At the July 17, 2020 FERC meeting, the Administration identified a combination of revenue and expenditure refinements, expenditure reductions/efficiencies, and expenditure enhancements, including those recommended due to the projected impact of COVID-19 on the City's revenues. These recommendations, if approved by the Committee, would have resulted in a proposed unallocated General Fund surplus of \$2,000,000.

| FY 2021 Balancing Strategies                                    | \$                    |
|---|-----------------------|
| Preliminary Non-COVID-19 Surplus/(Gap) based on July 1st Values | (2,725,000)           |
| Projected Impact of COVID-19 on General Fund Revenues           | (7,850,000)           |
| <b>Total Surplus/(Gap)</b>                                      | <b>(\$10,575,000)</b> |
| Recurring Revenue Refinements                                   | 941,000               |
| Recurring Expenditure Refinements                               | 841,000               |
| Recurring Expenditure Reductions/Efficiencies                   | 2,984,000             |
| Recurring Expenditure Enhancements                              | (41,000)              |
| Use of General Fund Reserves due to COVID-19                    | 10,000,000            |
| Reduction in Resort Tax Contribution due to COVID-19            | (14,875,000)          |
| Transfer from City Center RDA for COVID-19                      | 3,295,000             |
| One-Time Expenditure Reductions due to COVID-19                 | 9,430,000             |
| <b>Net</b>  | <b>\$2,000,000</b>    |

Based on direction received from the FERC on July 17, 2020 and July 24, 2020, the changes below were incorporated into the Proposed General Fund Operating Budget, which, if approved, would have resulted in a balanced budget for FY 2021.

| FY 2021 Balancing Strategies   | \$                 |
|--|--------------------|
| <b>Preliminary Surplus/(Gap) as of July 24, 2020 FERC Meeting</b>  | <b>\$2,000,000</b> |
| Reduction in use of General Fund Reserve   | (2,000,000)        |
| Reimbursement from Miami-Dade County Public Schools for Police Officers in Schools based on Addendum to Current Agreement for 2021 School Year | 281,000            |
| Additional Funding for Cat Trap, Vaccinate, Neuter & Release Program   | (10,000)           |
| Adjustment for FY 2021 Living Wage Enhancement   | 22,000             |
| Additional FY 2021 General Fund Operating Contingency  | (293,000)          |
| <b>Net</b>   | <b>\$0</b>         |

The Committee accepted the Administration's recommendations as summarized above.

### Adjustments Subsequent to Budget Briefings

Over the summer recess, the Administration further refined the FY 2021 Proposed budget based on recommendations from the Budget Briefings, updated FY 2020 third quarter projections, and

refinements to recommended enhancements. These adjustments are based on the changes below.

Revenue Refinements – (\$510,000)

- Finalization of calculation of General Fund Administrative Fees – (\$510,000)

Expenditure Refinements – (\$594,000)

- Reduction in the Internal Service Department Chargebacks based on finalization of the FY 2021 Internal Service Department Budgets – (\$542,000)
- Increase in General Fund contribution to Office of Inspector General (OIG) Fund based on finalization of the FY 2021 OIG budget – \$30,000
- Reduction in Transfer to Normandy Shores based on Final FY 2021 Budget – (\$3,000)
- Increase for Miami Beach Efforts & Small Business Support Strategic Campaign – \$11,000
- Reduction in the set-aside for General Fund Contingency – (\$90,000)

Recurring Expenditure Enhancements – \$27,000

- On July 29, 2020, the City Commission adopted Resolution 2020-31374 authorizing the Miami Beach Police Department to proceed with development of a Public Safety Citizens on Patrol. Volunteer Program, which also approved funding for the creation of this program – \$27,000

Recurring Expenditure Efficiencies/Reductions – \$57,000

- As part of the balancing plan presented at the July 17, 2020 2<sup>nd</sup> FERC Budget Briefing, it was recommended that the full-time Program Supervisor position in the Office of Organizational Development & Performance Initiatives be eliminated in FY 2021. However, based on organizational changes recommended by the Administration, at the July 24, 2020 FERC 3<sup>rd</sup> Budget Briefing, the Administration recommended that the Program Supervisor position not be eliminated in FY 2021.

## **First Public Hearing**

At the first public hearing held on September 16, 2020, the Administration presented the proposed FY 2021 budget to the Mayor and City Commission. As a result of the ongoing expressed concern regarding the recommended budget reductions necessary to right-size the Parking Department due to the impact of COVID-19 and ride-sharing services and the impact of these reductions to a number of employees, primarily in Parking Enforcement, the Mayor and City Commission directed the Administration to phase-in the recommended right-sizing reductions in the Parking Department over up to a 12 month period and to utilize additional General Fund reserves to offset the impact of the approved phase-in approach. The Administration originally estimated that the fiscal impact of this approach would be \$500,000, which has been included in the Proposed Operating Budget.

## **Update on Parking Positions**

As of September 24, 2020, 22 Parking employees have accepted new positions in other departments, 4 have refused, and 14 are pending responses. The combined fiscal impact of the 18 positions that have not accepted positions or are pending responses is estimated at \$1,279,000. This will result in an increase in the use of General Fund Reserves by \$779,000

(from \$500,000 to \$1,279,000).

It is important to note that because the City Commission tentatively adopted the General Fund budget of \$328,079,000 at the first public hearing on September 16, 2020, the proposed changes to the budget as outlined above, will need to be amended on the floor at the second public hearing on September 29, 2020. As a result, the memo and resolution for this item remain consistent with the budget tentatively adopted at the first public hearing on September 16, 2020.

### **Adjustments Subsequent to First Public Hearing**

Subsequent to the first public hearing on September 16, 2020, the Administration received 5 one-time enhancement requests totaling \$378,000 for consideration and potential funding at the second public hearing on September 29, 2020. The requests are summarized below.

- \$200,000 for the creation of a Miami Beach Artist-in-Residence program which addresses the need to activate empty spaces in Miami Beach commercial districts by attracting, retaining, and supporting the revitalization of the artistic community
- \$60,000 contribution to the Miami Beach Senior High Parent Teacher Student Association (PTSA) for the renovation of the school courtyard
- \$60,000 for a reimbursement program to restaurants for delivery services
- \$33,000 for fencing and landscaping at the school playfield area, basketball courts, and parking lot at Miami Beach Senior High School to provide community access on Sundays (additional days to be discussed during quarterly scheduled meetings)
- \$25,000 for fencing and security cameras at Miami Beach South Pointe Elementary to provide access to the outdoor basketball courts for community use during weekends and potentially non-school days

It is important to note that at the first public hearing on September 16, 2020, the Administration presented a balanced FY 2021 General Fund budget, as amended, which included the proposed use of \$8.5 million of General Fund reserves. Therefore, any additional funding proposed by the Mayor and City Commission to be used for the enhancement requests summarized above would require an increase in the proposed use of General Fund reserves for FY 2021.

### **Finance & Economic Resiliency Committee**

At the FERC meeting on September 23, 2020 an important legal issue was discussed that impacts the proposed millage rate for the Normandy Shores Neighborhood Improvement District. During the legal review of legislation governing the City's 35% subsidy to the district, it was discovered that the \$500 cap on the highest valued home in the District is still legally in place. In 2015, the City Commission adopted ordinance 2015-3928 which repealed 3 neighborhood districts that were no longer active and re-adopted the legislation for the Normandy Shores District because the original ordinance was never codified in the City Code. However, that ordinance mistakenly adopted the 1993 version that included the \$500 cap and not the intended 2002 version that eliminated the cap. As a result, the City Commission will not be able to adopt the millage rate of 0.7497 that was tentatively adopted at the first public hearing on September 16, 2020. Instead, the millage rate will need to be significantly decreased to 0.0773 mills in order to comply with the \$500 cap. This will result in a \$155,000 loss of revenue from property tax revenue to the District, and a resulting \$155,000 reduction in the Operating Budget.

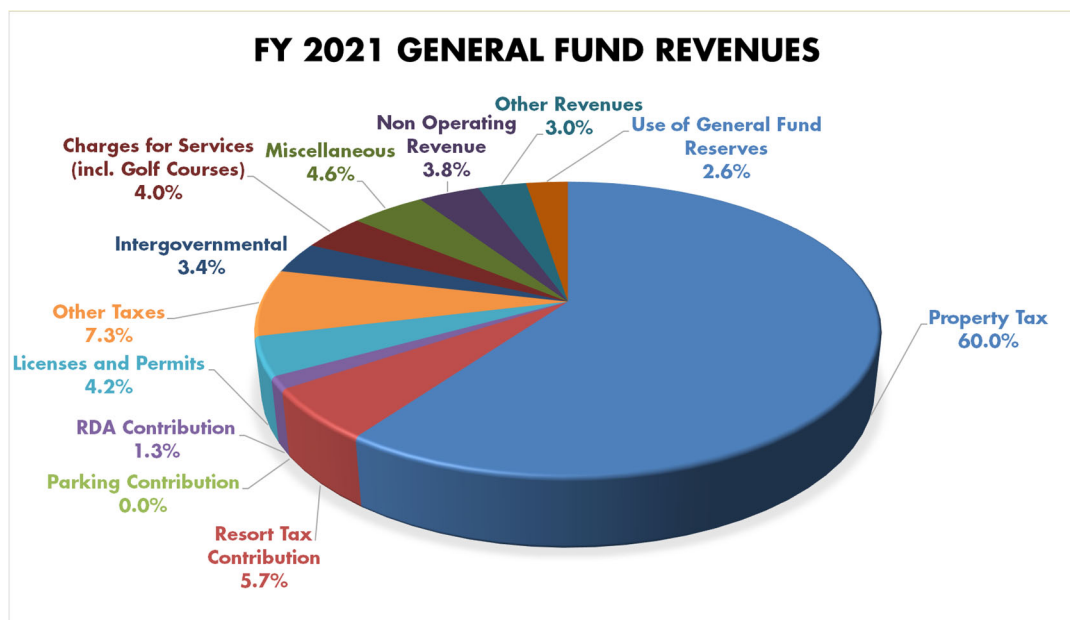
The FERC agreed with the staff recommended approach to balance the proposed FY 2021 budget for the Normandy Shores District, which included the use of \$118,000 of Normandy Shores' Fund Balance reserves; a \$20,000 reduction in the Normandy Shores FY 2021 Proposed Budget and the use of anticipated Normandy Shores FY2020 savings to add to available fund balance. The FERC also chose not to reduce the proposed City subsidy of \$93,100 to the district at this time and instead revisit it before the FY 2022 budget development process.

### **FY 2021 GENERAL FUND BUDGET**

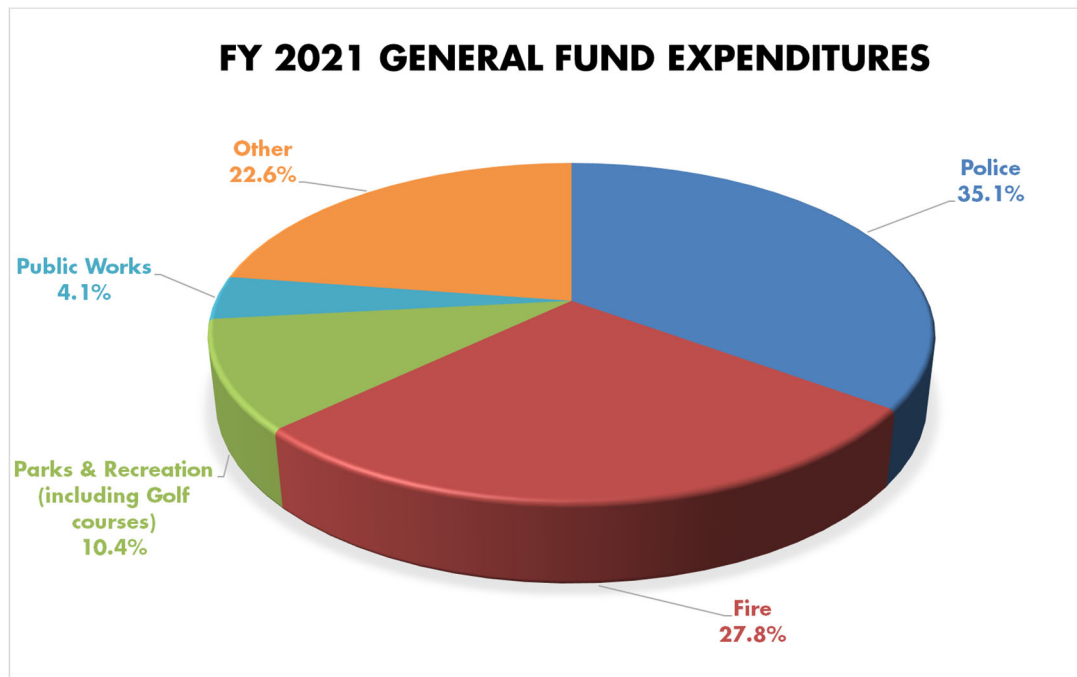
Based on the direction given at the various Budget Briefings during the summer, the budget adjustments made over the summer recess, and direction given by the Mayor and Commission at the first public hearing on September 16, 2020, the Administration proposes the FY 2021 General Fund budget as noted below, which, if approved, will result in a **balanced budget**.

| September 29, 2020 Proposed Budget | \$          |
|------------------------------------|-------------|
| Revenues                           | 328,079,000 |
| Expenditures                       | 328,079,000 |
| <b>Surplus / (Gap)</b>             | <b>\$ 0</b> |

The charts below reflect the major revenue and expenditure categories of the Proposed FY 2021 General Fund budget.







**Attachment A – Recommended Expenditure Reductions/Efficiencies – (\$2,810,000)**

Attachment A reflects a listing of all recommended FY 2021 service reductions and efficiencies with detailed descriptions, which are summarized below:

| FY 2021 Reductions/Efficiencies  | \$ Year 1          | Full-Time Positions |
|--|--------------------|---------------------|
| Efficiency in Renegotiated Contract Savings from Grounds Maintenance, Parks Landscape, Body Camera, etc.                     | 1,361,000          | 0.00                |
| Efficiency in Proposed Police Staffing Plan Changes  | 795,000            | 0.00                |
| Efficiency in Elimination of Fleet Management Director and Conversion of 2 Admin Positions into 1 Admin Position (Int Svcs.) | 199,000*           | 0.00                |
| Efficiency in Elimination of Assistant Environment & Sustainability Director Position  | 136,000            | 1.00                |
| Efficiency in Civilianization of (2) Sworn Positions to Civilian Positions   | 120,000            | 0.00                |
| Efficiency in Elimination of Emergency Management Specialist Position  | 101,000            | 1.00                |
| Efficiency in Elimination of Financial Analyst II Position   | 91,000             | 1.00                |
| Efficiency in Elimination of Legislative Manager Position  | 86,000             | 1.00                |
| Efficiency in Elimination of Safety Officer Position (Int Svcs.)   | 39,000*            | 0.00                |
| Impact of Reallocating Portion of Senior Capital Projects Coordinator Position from Parking to CIP                           | (118,000)          | (0.75)              |
| <b>Total</b>   | <b>\$2,810,000</b> | <b>3.25</b>         |

\* Estimated savings from Internal Service Fund Reductions

**Attachment A – Recommended “One-Time” Expenditure Reductions/Efficiencies – (\$9,430,000)**

Attachment A also reflects a listing of all recommended “one-time” FY 2021 service reductions and efficiencies to offset the projected impact of COVID-19 on the City’s revenues, including detailed descriptions, which are summarized below:

| FY 2021 Reductions/Efficiencies                               | \$<br>Year 1       | Full-Time<br>Positions |
|---|--------------------|------------------------|
| Decrease in Lifeguard Hours and Boat expenditures             | 329,000            | 0.00                   |
| Up to Five Furlough Days for All Groups based on Salary Tiers | 1,757,000          | 0.00                   |
| Travel and Training Freeze                                    | 430,000            | 0.00                   |
| Non-Essential Tuition Reimbursement Freeze                    | 115,000            | 0.00                   |
| Hiring Freeze   | 2,799,000          | 0.00                   |
| Freeze on Non-Essential Expenditures                          | 4,000,000          | 0.00                   |
| <b>Total</b>  | <b>\$9,430,000</b> | <b>0.00</b>            |

**Attachment B – Recommended Expenditure Enhancements – \$110,000**

Attachment B reflects a listing of all recommended FY 2021 expenditure enhancements, which are detailed below:

- Living Wage – \$19,000  
This enhancement increases the total minimum living wage rate from \$15.00 per hour including health benefits to \$15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.
- Public Safety Citizens on Patrol Volunteer Program – \$27,000  
This enhancement is to establish a Public Safety Citizens on Patrol Volunteer Program to meet the changing needs of the community and further promote an enhancement of the City's Community Policing philosophy by having members of the new program assist in patrolling neighborhoods, parks, schools, and commercial areas as additional eyes in public spaces throughout the City in accordance with Resolution 2020-31374 adopted by the City Commission on July 29, 2020.
- Trap, Neuter, Vaccinate, and Release (TVNR) Program – \$10,000  
This enhancement is to allocate additional funding of \$10,000 to continue the Trap, Neuter, Vaccinate, and Release (TVNR) Program for FY 2021 based on direction from the Finance and Economic Resiliency Committee at its July 17, 2020 meeting.
- General Fund Impact of Recommended Internal Service Fund Enhancements – \$54,000  
This enhancement will fund the estimated General Fund impact of the proposed enhancements on the FY 2021 Internal Service Funds. Internal Service Fund budgets are completely allocated to the General, Enterprise, and Special Revenue Funds.

## **USE OF RESERVES**

As noted at the June 16, 2020 FERC meeting, the General Fund reserve balance is approximately \$80.6 million, or 23.3%, as of September 30, 2019. The projected use of this balance during FY 2020 (excluding COVID-19 related expenses that are considered reimbursable) is \$2.8 million. If the City Commission approves the General Fund's budget balancing recommendations outlined by the Administration for FY 2021, including the additional \$1,341,000 proposed to be transferred to the Parking Enterprise Fund per direction from the Mayor and City Commission on September 16, 2020, the remaining General Fund reserve balance would be \$69.3 million, or 19.8%. This balance would still exceed the minimum 17.0% General Fund unrestricted budgetary fund balance recommended by the Government Finance Officers Association (GFOA).

|  | General Fund Reserve Amount |
|--|-----------------------------|
| Current Reserve (as of FYE 09/30/2019) | \$80.6 million              |
| Use of Reserve in FY 2020              | (\$2.8 million)             |
| Proposed Use of Reserve in FY 2021     | (\$8.5 million)             |
| <b>Remaining Reserve</b>               | <b>\$69.3 million</b>       |

It is important to note that at the first public hearing on September 16, 2020, the Administration presented a balanced General Fund budget, as amended, which included the proposed use of \$8.5 million of General Fund reserves for FY 2021. Therefore, any additional funding proposed by the Mayor and City Commission to be used for the enhancement requests summarized above would require an increase in the proposed use of General Fund reserves for FY 2021 as noted below.

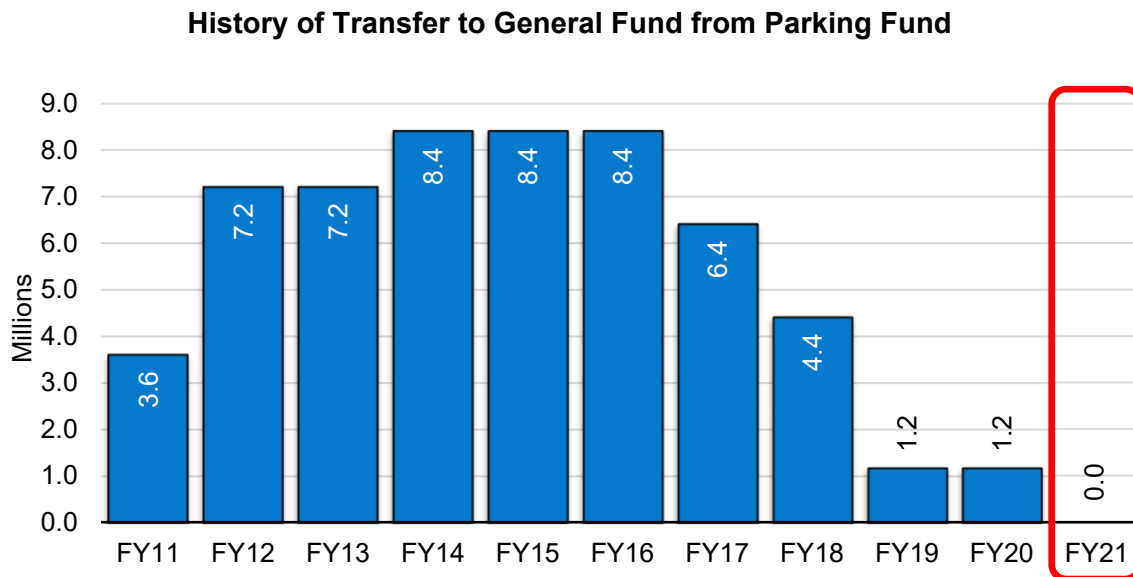
|   | General Fund Reserve Amount |
|---|-----------------------------|
| Current Reserve (as of FYE 09/30/2019)              | \$80.6 million              |
| Use of Reserve in FY 2020                           | (\$2.8 million)             |
| Proposed Use of Reserve in FY 2021                  | (\$8.5 million)             |
| <b>Remaining Reserve</b>                            | <b>\$69.3 million</b>       |
| Additional Use of Reserve in FY 2021 for Parking    | (\$0.8 million)             |
| <b>Remaining Reserve</b>                            | <b>\$68.5 million</b>       |
| Additional Use of Reserve for One-Time Enhancements | (\$0.3 million)             |
| <b>Remaining Reserve</b>                            | <b>\$68.2 million</b>       |

## **PARKING & RDA FUND TRANSFERS TO THE GENERAL FUND**

The Proposed FY 2021 General Fund budget includes a \$3.3 million decrease in Pension Debt expenditures that resulted from the planned retirement of the City's Pension Debt in FY 2021. Additionally, FY 2022's budget will recognize an additional \$1.2 million savings as there will be no further Pension Debt expenditures, which represents \$4.5 million of recurring savings in the

operating budget.

It is important to note that the Administration's long-term objective has been to reduce the subsidy from the Parking Enterprise Fund to the General Fund in order to reduce the burden on the Parking Enterprise Fund. Consistent with this strategy, and due to the significant reduction in revenues being experienced by the Parking Fund resulting from COVID-19, the Proposed FY 2021 budget includes the elimination of this \$1.2 million transfer to the General Fund in FY 2021.



Similarly, the Administration's objective has been to reduce the General Fund's reliance on the transfer from the City Center Redevelopment Agency (RDA) Fund, which became available through approval of the Fourth Amendment to the Interlocal Agreement between the City of Miami Beach, the Miami Beach Redevelopment Agency, and Miami Dade County. Like the Parking Enterprise Fund, the City's long-term objective is to reduce the General Fund's reliance on this one-time source of funding from the RDA, which ends in FY 2024.

#### Recommended Use of RDA Funds

| Expenditure  | FY 2021             | FY 2022             | FY 2023             | FY 2024    |
|--|---------------------|---------------------|---------------------|------------|
| Transfer to General Fund for COVID-19 impact                       | 3,295,000           | 0                   | 0                   | 0          |
| Transfer to General Fund to replace parking transfer until FY 2022 | 1,119,000           | 0                   | 0                   | 0          |
| Fleet Replacement & Capital Needs                                  | 1,152,000           | 5,775,000           | 5,994,000           | 0          |
| <b>Total</b>   | <b>\$ 5,566,000</b> | <b>\$ 5,775,000</b> | <b>\$ 5,994,000</b> | <b>\$0</b> |

To eliminate the City's reliance on Parking Funds and RDA one-time funds, the Proposed FY 2021 budget includes offsetting the savings from the Pension Debt against the reduction in transfer from the RDA, which would release the RDA funds to be utilized for one-time purposes in the budget through FY 2023.

### **Use of Resort Taxes to offset Tourism Eligible Expenditures in the General Fund**

Based on an outside consultant study conducted in FY 2020 using actual expenses for FY 2019, the study estimated that there are approximately \$151.5 million in eligible Resort Tax expenditures in the General Fund.

These include expenditures associated with police officers serving entertainment areas; a portion of fire rescue services from Fire Stations 1 & 2; ocean rescue services; enhanced code compliance provided to respond to evening entertainment area violations and staffing of special events; other code compliance activities in tourism and visitor related facilities/areas; operations of the Tourism and Culture Department and the Cultural Arts Council; museums and theaters (Garden Center, Bass Museum, and Colony Theater); golf courses (net of revenues); Memorial Day and other special event costs; homeless services; July 4<sup>th</sup>; Visitor Center funding; holiday lighting; Jewish Museum; Miami Design Preservation League (MDPL); etc.

Due to the projected impact of COVID-19 on the City's Resort Tax revenues for FY 2021, the total Proposed Resort Tax Fund transfer to the General Fund for FY 2021 is \$18.6 million, which is approximately a \$18.1 million, or 49.3%, decrease from the FY 2020 transfer of \$36.8 million. Although the uncertainty of when the economy will return to normalcy still remains, it is anticipated that FY 2022 Resort Tax revenues transferred to the General Fund will return to a level that is closer to historical actuals (approximately 90% of the FY 2020 budget).

### **2% RESORT TAX FUND**

At the June 16, 2020 and July 17, 2020 FERC Budget Briefings, the Mayor and City Commission were also briefed regarding the Preliminary FY 2021 Resort Tax budget.

|                      | <b>FY 2020<br/>Adopted</b> | <b>FY 2021<br/>Preliminary</b> | <b>\$<br/>Variance</b> | <b>%<br/>Variance</b> |
|----------------------|----------------------------|--------------------------------|------------------------|-----------------------|
| Revenues             | 64,177,000                 | 46,102,000                     | (18,075,000)           | (28.2%)               |
| Expenditures         | 64,177,000                 | 57,862,000                     | (6,315,000)            | (9.8%)                |
| <b>Surplus/(Gap)</b> | <b>\$0</b>                 | <b>(\$11,760,000)</b>          |                        |                       |

Based on actual collections as of May 2020, the projected 2% Resort Tax gap for FY 2021 is approximately \$11.8 million. This assumes that, as time elapses, 2% Resort Tax revenues will gradually rebound from the impact of COVID-19 during FY 2020 and continue into FY 2021. For FY 2021, the assumptions utilized by the Administration project that the City will collect, on average, approximately 75% of the revenues that would have been collected without the impact of COVID-19 based on prior year trends.

### Approach to Balance

As a result of the preliminary \$11.8 million gap projected for FY 2021, the Administration recommended the following expenditure refinements, service reductions/efficiencies, and one-time expenditure enhancements, which if approved by the Committee, would have resulted in a balanced Resort Tax budget.

| FY 2021 Balancing Strategies                    | \$                    |
|---|-----------------------|
| <b>Preliminary Surplus/(Gap)</b>                | <b>(\$11,760,000)</b> |
| Expenditure Refinements                         | 8,963,000             |
| Recommended Reductions/Efficiencies             | 3,697,000             |
| Recommended "One-Time" Expenditure Enhancements | (900,000)             |
| <b>Net</b>                                      | <b>\$ 0</b>           |

The Committee accepted the Administration's recommendations as summarized above.

### Adjustments Subsequent to Budget Briefings

Over the summer recess, the Administration further refined the FY 2021 Proposed budget based on refinements to projected FY 2021 expenditures. These adjustments are comprised of the changes below.

#### Expenditure Refinements – \$12,000

- Increase in the Internal Service Department Chargebacks based on finalization of the FY 2021 Internal Service Department Budgets – \$15,000
- Reduction in the Administrative Fees paid to the General Fund based on the Final FY 2021 Resort Tax budget – (\$230,000)
- Increase in Resort Tax Contribution to Offset Decrease in Administrative Fees paid to General Fund based on Final FY 2021 Resort Tax budget – \$227,000

#### Recurring Expenditure Efficiencies/Reductions – (\$12,000)

- Reduction in FY 2021 contribution to the Miami Beach Visitors and Convention Authority based on the VCA's proposed FY 2021 budget – (\$12,000)

### **FY 2021 2% RESORT TAX BUDGET**

Based on the direction given at the various Budget Briefings during the summer, and the budget adjustments made over the summer recess summarized above, the Administration proposes the FY 2021 Resort Tax budget as noted below, which, if approved, will result in a **balanced budget**.

| September 16, 2020 Proposed Budget | \$          |
|------------------------------------|-------------|
| 2% Revenues                        | 46,102,000  |
| 2% Expenditures                    | 46,102,000  |
| <b>Surplus / (Gap)</b>             | <b>\$ 0</b> |

**Attachment A – Recommended “One-Time” Expenditure Reductions/Efficiencies – (\$3,709,000)**

Attachment A reflects a listing of all recommended “one-time” FY 2021 service reductions and efficiencies with detailed descriptions for the 2% Resort Tax Fund, which are summarized below:

| FY 2021 Reductions/Efficiencies   | \$ Year 1          | Full-Time Positions |
|---|--------------------|---------------------|
| Greater Miami Convention and Visitors Bureau (GMCVB) Contract Savings from One-Year Agreement | 2,600,000          | 0.00                |
| Miami Beach VCA 50% Reduction based on Negotiated Agreement                                   | 1,087,000          | 0.00                |
| Up to Five Furlough Days for All Groups based on Salary Tiers                                 | 22,000             | 0.00                |
| <b>Total</b>  | <b>\$3,709,000</b> | <b>0.00</b>         |

**Attachment B – Recommended “One-Time” Resort Tax Enhancements – \$900,000**

In addition, the following Resort Tax item, which is considered a “one-time” enhancement, is being recommended for funding in FY 2021:

- Police Services-National College Football Championship – \$900,000  
This enhancement request is to fund necessary overtime, rentals, security guards, and equipment to provide comprehensive police services and resources for the 2021 National College Football Championship. The request amount is based on experience with past Super Bowls, Memorial Day, Spring Break and other high-impact events.

Overall, the total FY 2021 Resort Tax budget is \$69.3 million, which is a decrease of \$24.3 million, or 26.0%, from the adopted FY 2020 budget. This decrease assumes that, as time elapses, 2% Resort Tax revenues will gradually rebound from the impact of COVID-19 during FY 2020 and continue into FY 2021. For FY 2021, the assumptions utilized by the Administration project that the City will collect, on average, approximately 75% of the revenues that would have been collected without the impact of COVID-19 based on prior year trends. The FY 2021 Resort Tax budget includes:

- \$18,639,000 (decrease of \$18,118,000 from FY 2020) provided to the General Fund to support continuing tourism eligible expenditures such as Code enforcement, cleanliness, the Park Ranger program, homelessness at Lummus Park, increased support for the

Miami Beach Botanical Gardens and the City's cultural facilities, public safety programs such as Ocean Rescue, Police services on Lincoln Road, Ocean Drive/Lummus Park, Collins Avenue, Washington Avenue, ATV officers, Boardwalk security, special traffic enforcement and staffing during high impact periods. Funding also supports Code Compliance enforcement in the entertainment areas, a portion of the operational costs of the Tourism and Culture Department and Economic Development Department, and a portion of the management agreements for operations of the Bass Museum, Colony Theatre, and Byron Carlyle Theatre.

- \$5,780,000 (increase of \$3,241,000 over FY 2020) contribution to the Sanitation Fund for cleaning services provided throughout the entertainment areas. This includes a one-time transfer of \$2,758,000 in FY 2021 for prior year Sanitation Fund services provided throughout the City's tourism areas.
- \$4,527,000 (decrease of \$2,600,000 over FY 2020) contribution to the Greater Miami Convention and Visitors Bureau (GMCVB) based on an amended agreement with the GMCVB for one year to assist the City with the projected loss of Resort Tax revenue during FY 2021 due to the impact of COVID-19.
- \$4,323,000 (one-time increase of \$900,000 for the College Football National Championship 2021) for enhancing City services, inclusive of Goodwill Ambassadors, during high impact periods such as Memorial Day, July 4th, Spring Break, and Art Basel.
- \$1,075,000 contribution to the Miami Beach Visitor and Convention Authority (VCA) based on an updated legislated contribution formula for one year to assist the City with the projected loss of resort tax revenue during FY 2021. The VCA will receive 2.5% instead of 5.0% of 2% Resort Tax collections, net of the 4% allowance, for FY 2021.
- \$1,000,000 (year six of a fifteen-year annual grant) contribution to Mount Sinai Medical Center to fund the design and construction of a new emergency room facility. It is important to note that the FY 2020 contribution was deferred to a subsequent fiscal year as part of the City's COVID-19 balancing plan.
- \$1,000,000 (increase of \$793,000 over FY 2020) in contingency for unforeseen expenditures incurred during FY 2021.
- \$500,000 (decrease of \$175,000 over FY 2020) for enhanced holiday decorations throughout the City's tourism areas.
- \$542,000 to support the initiative to provide better service by adding attendants to the beachfront restrooms in Lummus Park and 21st street on weekends, holidays, and during high impact periods.
- \$350,000 contribution to partially offset expenditures for the Miami Beach Air and Sea Show.
- \$200,000 to continue the local Miami Beach marketing campaign, which is matched with funds from the Greater Miami Convention and Visitors Bureau (GMCVB), the Miami Beach Visitor and Convention Authority (VCA), and the Cultural Arts Council (CAC).



- \$188,000 sponsorship to Miami Beach Pride for the annual Pride festival, which includes \$25,000 for rental of a Ferris wheel.
- \$151,000 City subsidy for the Ocean Drive Tourist Oriented Policing Services Off-Duty Police program.
- \$150,000 sponsorship to the Orange Bowl Committee to expand and deepen the Committee's footprint in Miami Beach for the College Football National Championship to be held in Miami in 2021.
- \$135,000 for Memorial Day weekend cultural activation events.
- \$100,000 contribution to partially offset expenditures for the Miami Design Preservation League – Art Deco Weekend
- \$100,000 to provide funding for activation of cultural programming to increase the City's portfolio of free arts and cultural events throughout the City.
- \$100,000 contribution towards the July 4th fireworks event in North Beach.
- \$82,000 allocated for professional consulting fees (\$61,000) and annual audit services (\$21,000).
- \$49,500 for continuation of the Enhanced Secret Shopper Program
- \$36,000 for the painting of lifeguard stands on the beach every other year so that they are on a constant painting cycle instead of an ad-hoc or as-needed basis.
- \$25,000 for completion of an updated Resort Tax Cost Allocation Study
- \$10,771,000 for North, Middle, and South Beach Quality of Life (QOL) Capital Projects that enhance Miami Beach's tourist related areas, plus continued support of transportation initiatives and various arts and cultural programs based on the following allocation adopted by the City Commission commencing FY 2019: Transportation – 60%, North Beach (QOL) – 10%, Middle Beach (QOL) – 10%, South Beach (QOL) – 10%, Arts – 10%.
- \$10,771,000 for debt service associated with the Resort Tax revenue bonds issued in 2015 for the expansion and renovation of the Miami Beach Convention Center and Convention Center Renewal and Replacement projects in accordance with Resolution 2012-27902. Due to the impact of COVID-19 on the City's Resort Tax revenues, an additional \$1,686,000 is budgeted in the 2% Resort Tax Fund for coverage of the required FY 2021 debt service.

## **FY 2021 ENTERPRISE FUND BUDGETS**

Enterprise Funds are comprised of Sanitation, Water and Sewer, Storm Water, Parking, Convention Center, and Building Departments. The FY 2021 Enterprise Funds Budget is \$217.8 million. This represents a decrease of \$11.5 million, or 5.0%, from the FY 2020 budget of \$229.3 million, primarily due to the following:

- Water reflects an overall decrease of \$1.4 million, or 3.8%, primarily due to the elimination of one-time expenditure enhancements budgeted in FY 2020, as well as a reduction in the budgeted set-aside for renewal and replacement of Water assets that is based on projected revenues in excess of expenditures. These decreases are, however, partially offset by increases in operating expenditures and expenditure enhancements recommended for FY 2021, as outlined in Attachment B.
- Sewer reflects an overall decrease of \$3.2 million, or 6.1%, primarily due to the elimination of one-time expenditure enhancements budgeted in FY 2020, as well as a reduction in the budgeted set-aside for renewal and replacement of Sewer assets and transfers to reserves that are based on projected revenues in excess of expenditures. These decreases are, however, partially offset by increases in operating expenditures and expenditure enhancements recommended for FY 2021, as outlined in Attachment B.
- Storm Water reflects an overall decrease of \$839,000, or 2.6%, primarily due to the elimination of one-time expenditure enhancements budgeted in FY 2020, as well as a reduction in the budgeted set-aside for renewal and replacement of Storm Water assets, which is partially offset by increases in operating expenditures and expenditure enhancements recommended for FY 2021, as outlined in Attachment B.

## **PARKING FUND**

As a result of the significant decline in Parking revenues due to COVID-19 restrictions, the Preliminary FY 2021 Parking Fund budget reflected a gap of \$13.8 million, as discussed at the July 17, 2020 FERC meeting. This gap assumed that there would be no transfer to the General Fund and no transfer to the Transportation Fund from the Parking Fund.

## **Recommended Reductions in the Parking Fund**

At the Finance & Economic Resiliency Committee meetings on July 17 and July 24, 2020, the Committee was briefed on the recommended budget reductions necessary to right-size the Parking Department. Although recognizing the financial need for the recommended changes, the Committee expressed concern regarding the impact to a significant number of employees, especially in parking enforcement. As a result, the Committee requested that the Administration review the recommendation to determine if there is any way to help mitigate the impact to the affected employees, especially given the economic impacts from COVID-19.

Following the meeting, the Administration engaged the Human Resources Department to determine the potential to place the full-time positions that were either proposed for elimination or to be converted to part-time positions. The analysis showed that due to the high number of currently vacant positions from the hiring freeze enacted in March, all full-time employees impacted by the proposed reductions including those in the Parking Department, will be offered a

full-time position with the City, based on their individual skills and abilities and willingness to accept different work in another department. The full-time parking staff that do not choose to accept alternative work would have an opportunity to stay in Parking, but on a part-time basis.

In the Parking Department, this means that all 8 filled full-time positions proposed for elimination and all 32 filled full-time positions proposed to be converted to part-time would have an opportunity to continue their service to the City by accepting full-time positions in other departments.

In addition, by avoiding the conversion of full-time positions to part-time, many of the current 16 filled part-time positions would no longer be proposed for elimination as they could serve as part of the in-house component of the new 50% in-house and 50% contract model proposed for parking enforcement.

| <b>ALL PARKING</b>          | Full-Time |        | Part-Time |        |
|-----------------------------|-----------|--------|-----------|--------|
|                             | Filled    | Vacant | Filled    | Vacant |
| Eliminated positions        | 8         | 6      | 16        | 10     |
| Convert from FT to PT       | 32        | 1      | -         | -      |
|                             |           |        |           |        |
| <b>Enforcement only</b>     | Full-Time |        | Part-Time |        |
|                             | Filled    | Vacant | Filled    | Vacant |
| Eliminated positions        | -         | -      | 16        | 10     |
| Convert from FT to PT       | 32        | 1      | -         | -      |
|                             |           |        |           |        |
| <b>Non-Enforcement only</b> | Full-Time |        | Part-Time |        |
|                             | Filled    | Vacant | Filled    | Vacant |
| Eliminated positions        | 8         | 6      | -         | -      |
|                             |           |        |           |        |

### First Public Hearing

At the first public hearing held on September 16, 2020, the Administration presented the proposed FY 2021 budget to the Mayor and City Commission. As a result of the ongoing expressed concern regarding the recommended budget reductions necessary to right-size the Parking Department due to the impact of COVID-19 and ride-sharing services and the impact of these reductions to a number of employees, primarily in Parking Enforcement, the Mayor and City Commission directed the Administration to phase-in the recommended right-sizing reductions in the Parking Department over up to a 12 month period and to utilize additional General Fund reserves to offset the impact of the approved phase-in approach. The Administration originally estimated that the fiscal impact of this approach would be \$500,000, which had been built into today's Proposed Operating Budget.

### Update on Parking Positions

As of September 24, 2020, 22 Parking employees have accepted new positions in other departments, 4 have refused, and 14 are pending responses. The combined fiscal impact of the 18 positions that have not accepted positions or are pending responses is estimated at \$1,279,000. This will result in an increase in the use of General Fund Reserves by \$779,000 (from \$500,000 to \$1,279,000).

It is important to note that because the City Commission tentatively adopted the Parking Fund budget of \$36,847,000 at the first public hearing on September 16, 2020, the proposed changes to the budget as outlined above, will need to be amended on the floor at the second public hearing on September 29, 2020. As a result, the memo and resolution for this item remain consistent with the budget tentatively adopted at the first public hearing on September 16, 2020.

## **SANITATION FUND**

During the development of the FY 2020 budget, the Administration conducted a Zero-Based budget exercise for the Sanitation Fund, which has been structurally imbalanced for a few years. The City Commission adopted several recommendations that helped close a portion of the imbalance, but two are still pending. The first is the implementation of the Alternate Side Parking (ASP) program with an estimated savings of \$228,000. This program has been placed on hold as a result of the COVID-19 pandemic due to neighborhood parking impacts. The second item is the pending implementation of the recycling fee pass-through from Miami-Dade County, which would generate \$231,000 of revenue.

A significant impact affecting the Sanitation Fund for the FY 2021 budget is the loss of \$1.5 million of revenue from the Parking Fund. As part of the Parking Fund's budget balancing plan, Parking will pay only the actual cost of the positions providing sanitation services and potentially transition to a private service provider at some point during the fiscal year. As a result, Sanitation has identified \$1.2 million of reductions that will help address the \$1.5 million impact from Parking as noted below and detailed in Attachment A.

| <b>FY 2021 Reductions/Efficiencies</b>  | <b>\$<br/>Year 1</b> | <b>Full-Time<br/>Positions</b> |
|---|----------------------|--------------------------------|
| Eliminate 11 Full-Time Sanitation Positions   | 559,000              | 11.00                          |
| Efficiency in Reduction of Temporary Labor Used to Provide Sanitation Services                | 506,000              | 0.00                           |
| Efficiency in Reduction of Sanitation Operating Expenditures including the Big Belly contract | 145,000              | 0.00                           |
| Up to Five Furlough Days for All Groups based on Salary Tiers                                 | 44,000               | 0.00                           |
| <b>Total</b>  | <b>\$1,254,000</b>   | <b>11.00</b>                   |

It is important to note that these reductions may result in decreased response times to service requests in areas such as RDA, NBRC, and the MXE and lower cleanliness scores. To address the remainder of the Parking impact, additional efficiencies and cost saving opportunities will continue and be evaluated over the next 3 to 6 months.

## **CONVENTION CENTER FUND**

As a result of the cancelation of events at the Convention Center and the creation of the Alternate Care Facility due to COVID-19, the Preliminary FY 2021 Convention Center Fund budget reflects a gap of \$5.6 million.

The Administration's recommended adjustments, which are necessary to respond to the decline in Convention Center revenues, would result in a balanced budget if approved by the City Commission and are outlined in Attachment A.

### **Use of Convention Center Fund Reserves**

At the Finance & Economic Resiliency Committee meetings on July 17, 2020, the Committee was briefed on the amount of reserves projected to be used during FY 2020 and FY 2021 in the Convention Center Fund. The third quarter analysis showed that although the reserve at the end of FY 2019 totaled \$12.9 million, that \$1.9 million is projected to be used during FY 2020 and \$5.1 million during FY 2021 to balance the budget due to the significant impact of COVID-19 to events in the Convention Center.

The Committee expressed concern given the slow pace of recovery from COVID-19 that contingency planning should take place given that there is a reasonable likelihood that additional currently scheduled events may be canceled or rescheduled.

Following the meeting, staff met with Spectra, the operator of the Convention Center, and determined that 17 events with a net revenue of \$1.7 million would be at risk if events were not able to be held during the first quarter (October through December 2020). Of the \$1.7 million, half of the amount would be attributable to Art Basel (room rental is at \$750,000). Spectra confirmed that they have a contingency plan to cut expenses that could offset the potential loss of \$1.7 million of net revenue. The expense reductions include \$1.1 million in personnel cost savings (frozen positions, furloughed positions, no merit/COLA) and 600,000 in operational savings (reduction in capital expenses and various other areas).

For the second quarter (January through March), Spectra has identified 24 events with a net revenue of \$2.2 million that would be at risk if they have to be canceled or rescheduled. The capacity for Spectra to make additional reductions would be reduced in the second quarter to approximately \$700,000 given the expense reductions that would be needed to offset the potential loss in the first quarter. As a result, it is likely that approximately \$1.5 million of revenue is at risk would have to come from the use of additional Convention Center reserves over and above the \$5.1 million assumed in the FY 2021 Budget.

## **FY 2021 INTERNAL SERVICE FUND BUDGETS**

Internal Service Funds are comprised of Central Services, Fleet Management, Information Technology, Risk Management, Medical and Dental, Property Management, and Office of the Inspector General. The FY 2021 budgets for Internal Service Funds is \$107.0 million, which is an increase of \$8.1 million, or 8.2%, over the FY 2020 budget.

A major driver of the FY 2021 budget increase is a \$2.9 million, or 7.7%, increase in the Medical and Dental Fund budgets based primarily on a projected increase in paid medical and prescription claims based on FY 2020 third quarter actuarial projections and claims experience.

Another significant driver of the FY 2021 budget increase is a \$2.8 million, or 14.2%, increase in the Risk Management Fund budget primarily due to an increase in premiums across all lines of insurance projected for FY 2021, as well as projected claims based on FY 2020 third quarter actuarial projections.

It is important to note that prior to FY 2021, the Office of the Inspector General was included in the budget as a General Fund entity. Beginning in FY 2021, this \$1.5 million budget is included as an Internal Service Fund.

Internal Service costs are completely allocated to the General Fund and Enterprise Fund departments, as well as Special Revenue Funds. The Risk Management Fund, however, reimburses the General Fund for the cost of legal services provided.

## **TRANSPORTATION FUND**

As a result of the significant decline in Resort Tax and Parking revenues due to COVID-19, the Preliminary FY 2021 Transportation Fund budget reflected a gap of \$4.7 million, which included a \$2.37 million reduction in revenues from the 1% Resort Tax Fund and a \$981,000 decrease in the transfer from the Parking Fund (as noted above in the Parking balancing plan).

The Administration's recommended adjustments, which are necessary to respond to the decline in Resort Tax and Parking revenues, would result in a balanced budget if approved by the City Commission, and include adjustments to trolley services as noted below, as well as other budget adjustments as outlined further in detail in Attachments A and B.

### **Trolley Service**

The recommended balancing plan assumes that a modified trolley service will be reinstated with an adjusted level of service as outlined in the table below. It is important to note that trolley vehicle assignment, service frequency, and service hours will be subject to change based on demand and the service levels could be increased incrementally, depending on budget availability. It also includes the operation of the Middle Beach Freebee at the service level approved by the City Commission, as well as the costs for cleaning and sanitizing the vehicles. The Administration is currently pursuing dedicated Freebee service for seniors.

|           | Current<br>Level of Service | Proposed<br>Level of Service                                      |
|-----------|-----------------------------|---|
| Hours     | 18<br>(8 am to 12 am)       | 12-14<br>(8 am to 9 pm)   |
| Vehicles  | 25                          | 15  |
| Routes    | All                         | Eliminate 11 <sup>th</sup> Street Loop;<br>Modify Belle Isle Loop |
| Frequency | 20 minutes                  | 30 minutes  |

## **USE OF ONE-TIME REVENUES FOR RECURRING EXPENDITURES**

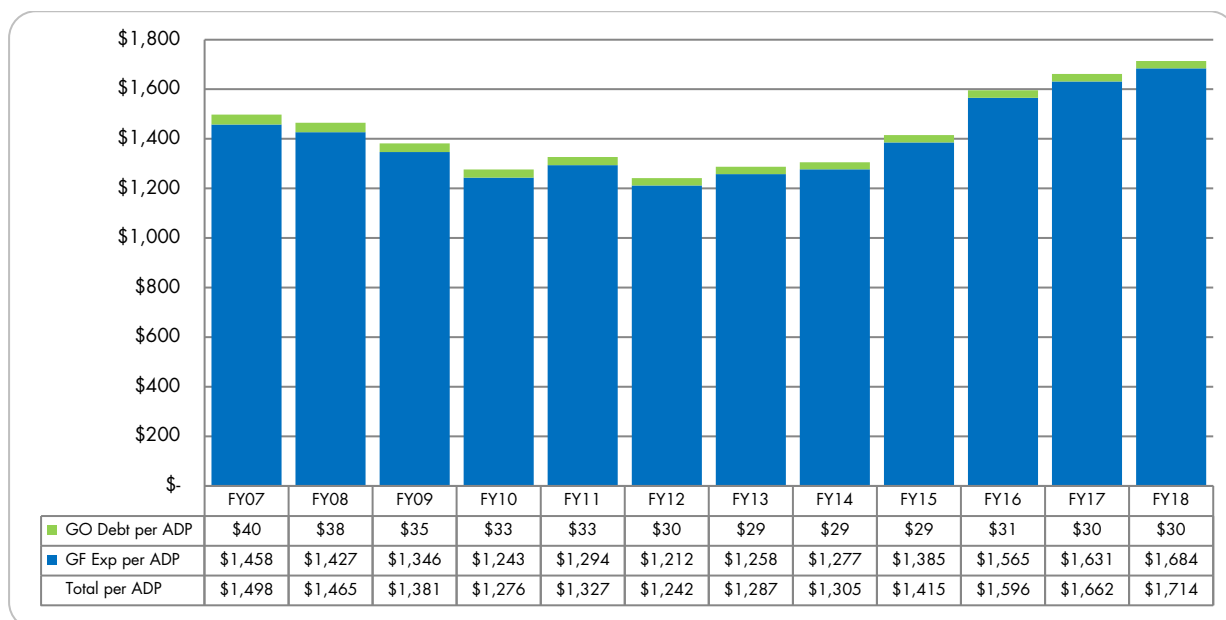
The City's current policy regarding the use of one-time revenues states that "the City of Miami Beach will use one-time, non-recurring revenue for capital expenditures or one-time expenditures and not subsidize recurring personnel, operations, and maintenance cost." Due to the projected impact of COVID-19 on the City's revenues, the FY 2021 budgets for the General Fund, Building Fund, and Convention Center Fund require the use of fund balance for recurring FY 2021 operating expenditures as set forth in the budget balancing plans presented at the FERC Budget Briefings.

As a result, it is recommended that the Mayor and City Commission waive this policy, as adopted by Resolution No. 2006-26341, providing for the one-time use of fund balance for the FY 2021 General Fund, Building Fund, and Convention Center Fund. During the upcoming fiscal year, the Administration will continue to explore and recommend further actions to ensure that these funds move toward being structurally balanced.

## **BUDGET AND POSITION TRENDS**

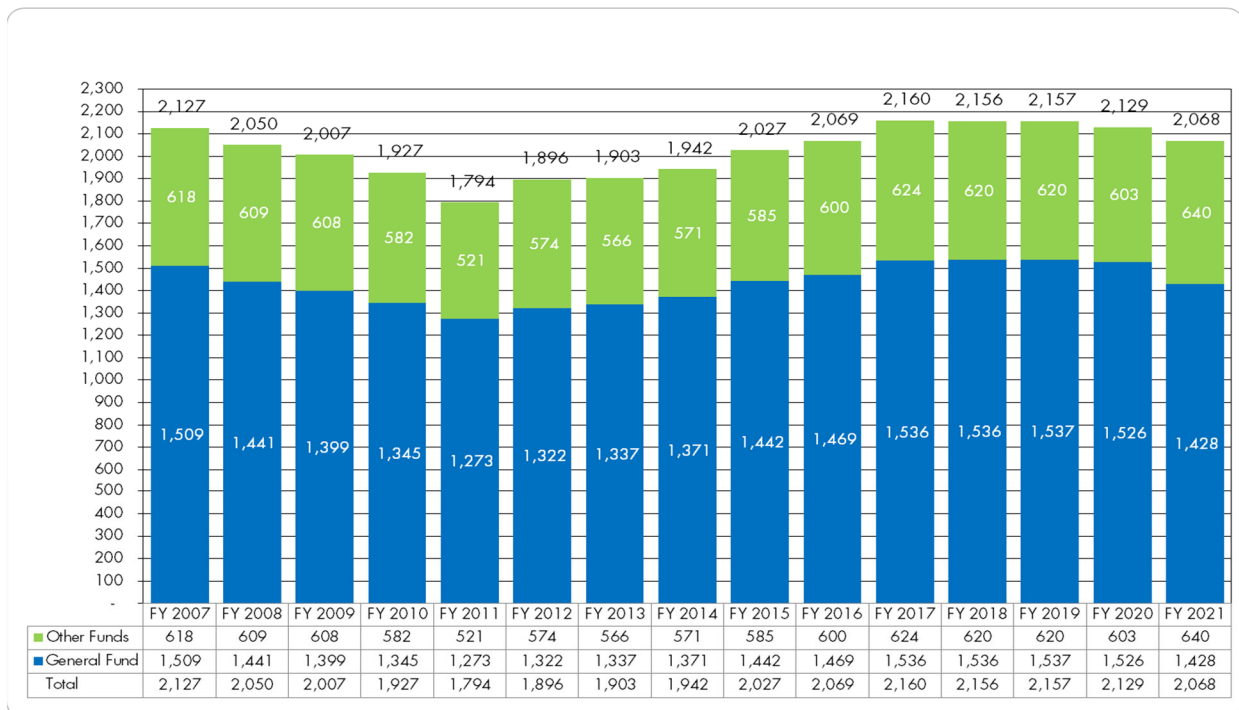
The Current Economic Conditions Report (Environmental Scan) prepared by BusinessFlare Economic Development Solutions in October 2019 shows that the average daily population in the City has grown from 163,062 in 2007 to 196,483 in 2018, which is approximately 20.5%. Having 20.5% more people in the City over the last eleven years, without a proportional increase in the budget, can impact the level of services provided over time. The chart below reflects the General Fund budget and General Obligation Bond Debt Service budget divided by the Average Daily Population (ADP) from FY 2007 to FY 2018. The chart shows that the General Fund Budget per ADP has increased by approximately 1.2% each year since FY 2007.

**General Fund and G.O. Debt by Average Daily Population FY 2007 – FY 2018**



Despite the 20.5% growth in ADP and tourism, the City's position count is 2.8%, or 59 positions, less in FY 2021 than in FY 2007, as reflected in the chart below. The overall position count in FY 2021 is 2.9%, or 61 positions, less than in FY 2020. The FY 2021 position count assumes the Administration's original recommended position reductions, which may be adjusted at the second public hearing, based on Commission direction regarding the Parking position reductions.

**Position Count FY 2007 - FY 2021**



## **CORONA VIRUS RELIEF FUND**

Miami-Dade County has received an allocation from the Coronavirus Relief Fund (CRF) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. \$100 million of that funding is being allocated for an award program for local municipalities. Of the \$100 million, \$75 million is for operational costs and \$25 million for new municipal programs.

Funds from this program may only be used to (1) cover costs that are necessary expenditures incurred due to the public health emergency with respect to COVID-19, (2) were not accounted for in the budget most recently approved as of March 27, 2020, and (3) were incurred during the period of March 1, 2020 through December 30, 2020. The County will consider reimbursement for COVID-19 related and incurred operating expenses, as well as certain new programs proposed by municipalities.

The following are not eligible under the program: (1) equipment and capital expenses; (2) loss of revenue; (3) utility payment forgiveness.



Examples of eligible costs for the \$75 million program include:

- Costs to enable remote work
- FEMA cost share (the 12.5% local cost component of FEMA PA)
- Personnel costs for hours dedicated to mitigating or responding to COVID-19
- Contact tracing
- Public health
- Expenses to facilitate compliance with public health precautions

Examples of eligible costs for the \$25 million program include:

- Rental and mortgage assistance programs
- Job training
- Childcare
- Small business grants for business interruption

The City of Miami Beach has executed an interlocal agreement with the County and as of September 8<sup>th</sup> has submitted approximately \$13.8 million of year-to-date expenditures for potential reimbursement. Between now and December, additional COVID-19 related costs are estimated to be incurred that may also be eligible for reimbursement. Funding awards are pending, and periodic updates will be provided to the City Commission as to the status of these funds.

Any funds received from the program would be one-time in nature and the Administration's recommendation would be to restore all reserve amounts in the General Fund and Resort Tax Fund that have been or will be used to balance the FY 2020 and FY 2021 budgets. Please note that virtually all the COVID-19 related expenses have been incurred in the General Fund and reserves in both funds have been used to cover budget shortfalls from the economic impact of COVID-19. Any funds over and above that amount are recommended to be put towards the General Fund reserve goal of 3 months, or 25% of total revenue, and/or the Resort Tax reserve goal of 6 months, or 50% of the 2% Resort Tax.

## **CONCLUSION**

The Administration recommends adoption of the attached Resolution which adopts the final budgets for the General, G.O. Debt Service, RDA Ad Valorem Taxes, Enterprise, Internal Service, and Special Revenue Funds budgets for FY 2021.

Attachment A – FY 2021 “One-Time” Service Reductions and Efficiencies

Attachment A – FY 2021 “Recurring” Service Reductions and Efficiencies

Attachment B – FY 2021 “One-Time” Service Enhancements

Attachment B – FY 2021 “Recurring” Service Enhancements

JLM/JW/TOS

**ATTACHMENT A**  
**FY 2021 ONE-TIME EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction | Fund             | Requested Efficiency/<br>Reduction | Recommended Efficiency/<br>Reduction | Year 2 Impact | Positions |    | Program           | Description  |
|----------------------|------------------|------------------------------------|--------------------------------------|---------------|-----------|----|-------------------|--|
|                      |                  |                                    |                                      |               | FT        | PT |                   |  |
| CITYWIDE             |                  |                                    |                                      |               |           |    |                   |  |
| Citywide Furloughs   | General Fund     | \$1,757,000                        | \$1,757,000                          | \$0           |           |    | Multiple Programs | Furlough days for all employees in all bargaining units using a tiered approach based on employee salary:<br>Employees earning \$50,000 and less - 1 day<br>Employees earning between \$50,001 and \$60,000 - 2 days<br>Employees earning between \$60,001 and \$70,000 - 3 days<br>Employees earning between \$70,001 and \$80,000 - 4 days<br>Employees earning greater than \$80,000 - 5 days |
| Citywide Furloughs   | Internal Service | \$150,000                          | \$150,000                            | \$0           |           |    | Multiple Programs | Furlough days for all employees in all bargaining units using a tiered approach based on employee salary:<br>Employees earning \$50,000 and less - 1 day<br>Employees earning between \$50,001 and \$60,000 - 2 days<br>Employees earning between \$60,001 and \$70,000 - 3 days<br>Employees earning between \$70,001 and \$80,000 - 4 days<br>Employees earning greater than \$80,000 - 5 days |
| Citywide Furloughs   | Resort Tax       | \$22,000                           | \$22,000                             | \$0           |           |    | Multiple Programs | Furlough days for all employees in all bargaining units using a tiered approach based on employee salary:<br>Employees earning \$50,000 and less - 1 day<br>Employees earning between \$50,001 and \$60,000 - 2 days<br>Employees earning between \$60,001 and \$70,000 - 3 days<br>Employees earning between \$70,001 and \$80,000 - 4 days<br>Employees earning greater than \$80,000 - 5 days |
| Citywide Furloughs   | RDA              | \$33,000                           | \$33,000                             | \$0           |           |    | Multiple Programs | Furlough days for all employees in all bargaining units using a tiered approach based on employee salary:<br>Employees earning \$50,000 and less - 1 day<br>Employees earning between \$50,001 and \$60,000 - 2 days<br>Employees earning between \$60,001 and \$70,000 - 3 days<br>Employees earning between \$70,001 and \$80,000 - 4 days<br>Employees earning greater than \$80,000 - 5 days |
| Citywide Furloughs   | Enterprise       | \$310,000                          | \$310,000                            | \$0           |           |    | Multiple Programs | Furlough days for all employees in all bargaining units using a tiered approach based on employee salary:<br>Employees earning \$50,000 and less - 1 day<br>Employees earning between \$50,001 and \$60,000 - 2 days<br>Employees earning between \$60,001 and \$70,000 - 3 days<br>Employees earning between \$70,001 and \$80,000 - 4 days<br>Employees earning greater than \$80,000 - 5 days |

**ATTACHMENT A**  
**FY 2021 ONE-TIME EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction                       | Fund            | Requested Efficiency/Reduction | Recommended Efficiency/Reduction | Year 2 Impact | Positions |    | Program           | Description  |
|--|-----------------|--------------------------------|----------------------------------|---------------|-----------|----|-------------------|--|
|  |                 |                                |                                  |               | FT        | PT |                   |  |
| Citywide Furloughs                         | Special Revenue | \$26,000                       | \$26,000                         | \$0           |           |    | Multiple Programs | Furlough days for all employees in all bargaining units using a tiered approach based on employee salary:<br>Employees earning \$50,000 and less - 1 day<br>Employees earning between \$50,001 and \$60,000 - 2 days<br>Employees earning between \$60,001 and \$70,000 - 3 days<br>Employees earning between \$70,001 and \$80,000 - 4 days<br>Employees earning greater than \$80,000 - 5 days |
| Citywide Travel and Training Freeze        | General Fund    | \$430,000                      | \$430,000                        | \$0           |           |    | Multiple Programs | Freeze 80% of expenditures budgeted for training and travel  |
| Non-Essential Tuition Reimbursement Freeze | General Fund    | \$115,000                      | \$115,000                        | \$0           |           |    | Multiple Programs | Freeze expenditure budgeted for non-essential tuition reimbursement  |
| Citywide Hiring Freeze                     | General Fund    | \$2,799,000                    | \$2,799,000                      | \$0           |           |    | Multiple Programs | Freeze vacant positions included in the budget, allowing for the flexibility to fill critical positions on an as-needed basis  |
| Freeze on Non-Essential Expenditures       | General Fund    | \$4,000,000                    | \$4,000,000                      | \$0           |           |    | Multiple Programs | Freeze budget for non-essential expenditures while the uncertainty of revenues persists  |
| <b>FIRE</b>                                |                 |                                |                                  |               |           |    |                   |  |
| Lifeguard and Boat Savings                 | General Fund    | \$329,000                      | \$329,000                        | \$0           |           |    | Ocean Rescue      | To reflect impact of COVID-19, temporarily reduce lifeguard hours during non-peak times and use of Ocean Rescue boat to weekends and special events.   |

**ATTACHMENT A**  
**FY 2021 ONE-TIME EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction   | Fund       | Requested Efficiency/<br>Reduction | Recommended Efficiency/<br>Reduction | Year 2 Impact | Positions |    | Program  | Description   |
|--|------------|------------------------------------|--------------------------------------|---------------|-----------|----|--|---|
|  |            |                                    |                                      |               | FT        | PT |  |   |
| TOURISM & CULTURE  |            |                                    |                                      |               |           |    |  |   |
| Greater Miami Convention and Visitors Bureau Agreement (GMCVB) | Resort Tax | \$2,600,000                        | \$2,600,000                          | \$0           |           |    | Resort Tax - GMCVB                             | Amended agreement with the GMCVB for one year to assist the City absorb the projected loss of resort tax revenue during FY 2021 due to the impact of COVID-19. Instead of a flat baseline fee with an incentive fee, the GMCVB will receive 10.5% from the proceeds of the 2% Resort Tax. This methodology will generate an estimated savings of \$2.6 million in FY 2021 based on the most current Resort Tax projections. Converting the base fee into a percentage also provides downside protection to the City if the collections from the 2% Resort Tax come in below projection. This methodology allows the City to better manage the uncertainties related to the financial impact of COVID-19 in FY 2021. |
| Miami Beach Visitor and Convention Authority (VCA) Agreement   | Resort Tax | \$1,087,000                        | \$1,087,000                          | \$0           |           |    | Miami Beach Visitor's and Convention Authority | Revised VCA agreement for one year to assist the City absorb the projected loss of resort tax revenue during FY 2021. The VCA will receive 2.5% instead of the 5% required in the City Charter from the proceeds of the 2% Resort Tax.  |
| Grand Total of Positions Recommended                           |            |                                    |                                      |               | 0         | 0  |  |   |

| <b>ONE-TIME</b>  |                                       |   |                      |
|------------------|---------------------------------------|---|----------------------|
| <b>Fund</b>      | <b>Requested Efficiency/Reduction</b> | <b>Recommended Efficiency/Reduction</b> | <b>Year 2 Impact</b> |
| General Fund     | \$9,430,000                           | \$9,430,000                             | \$0                  |
|                  | \$104,000                             | \$104,000                               | \$0                  |
|                  | <b>\$9,534,000</b>                    | <b>\$9,534,000</b>                      | <b>\$0</b>           |
| Internal Service | \$150,000                             | \$150,000                               | \$0                  |
| Resort Tax       | \$3,709,000                           | \$3,709,000                             | \$0                  |
| RDA              | \$33,000                              | \$33,000                                | \$0                  |
| Enterprise       | \$310,000                             | \$310,000                               | \$0                  |
| Special Revenue  | \$26,000                              | \$26,000                                | \$0                  |

*Internal Service impact (% based on FY 2020 Preliminary Allocations)*

**ATTACHMENT A**  
**FY 2021 RECURRING EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction  | Fund         | Requested Efficiency/Reduction | Recommended Efficiency/Reduction | Year 2 Impact | Positions |    | Program                 | Description   |
|---|--------------|--------------------------------|----------------------------------|---------------|-----------|----|-------------------------|---|
|   |              |                                |                                  |               | FT        | PT |                         |   |
| CAPITAL IMPROVEMENT PROJECTS (CIP)  |              |                                |                                  |               |           |    |                         |   |
| Impact of Reallocating Portion of Senior Capital Projects Coordinator Position from Parking Enterprise Fund | General Fund | -\$118,000                     | -\$118,000                       | -\$152,000    | -1        |    | Construction Management | Reduce cost burden to the Parking Fund by reallocating a portion of a Senior Capital Projects Coordinator position to the General Fund.                         |
| CODE COMPLIANCE   |              |                                |                                  |               |           |    |                         |   |
| Renegotiated Contract Savings - Body Camera Agreement   | General Fund | \$6,000                        | \$6,000                          | \$6,000       |           |    | Multiple Programs       | Savings from renegotiation of body camera contract.   |
| ENVIRONMENT & SUSTAINABILITY  |              |                                |                                  |               |           |    |                         |   |
| Full-Time Assistant Environment & Sustainability Director Position (Vacant)                                 | General Fund | \$136,000                      | \$136,000                        | \$178,000     | 1         |    | Administration          | The tasks of the eliminated Assistant Director position will be distributed among the remaining staff in the department to minimize the impact to operations.   |
| FINANCE   |              |                                |                                  |               |           |    |                         |   |
| Full-Time Financial Analyst II Position (Filled)  | General Fund | \$91,000                       | \$91,000                         | \$116,000     | 1         |    | Off-Duty Police         | The tasks of the eliminated Financial Analyst II position will be distributed among the remaining staff in the department to minimize the impact to operations. |
| FIRE  |              |                                |                                  |               |           |    |                         |   |
| Full-Time Emergency Specialist Position (Filled)  | General Fund | \$101,000                      | \$101,000                        | \$132,000     | 1         |    | Multiple Programs       | The tasks of the eliminated Emergency Specialist position will be distributed among the remaining staff in the department to minimize the impact to operations. |
| Renegotiated Contract Savings - Body Camera Agreement   | General Fund | \$1,000                        | \$1,000                          | \$1,000       |           |    | Prevention              | Savings from renegotiation of body camera contract.   |

**ATTACHMENT A**  
**FY 2021 RECURRING EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction  | Fund             | Requested Efficiency/Reduction | Recommended Efficiency/Reduction | Year 2 Impact | Positions |    | Program              | Description   |
|---|------------------|--------------------------------|----------------------------------|---------------|-----------|----|----------------------|---|
|   |                  |                                |                                  |               | FT        | PT |                      |   |
| FLEET MANAGEMENT  |                  |                                |                                  |               |           |    |                      |   |
| Full-Time Fleet Management Director Position (Filled)   | Internal Service | \$215,000                      | \$215,000                        | \$280,000     | 1         |    | Administration       | Elimination of Director position from consolidation of the Fleet Management department to a division in the Property Management department.   |
| Convert Full-Time Office Associate IV Position (Vacant) to Senior Administrative Manager Position         | Internal Service | -\$27,000                      | -\$27,000                        | -\$35,000     |           |    | Administration       | Reclassification of an Office Associate IV position to a Senior Administrative Manager position to effectively absorb workload from position reductions associated with the consolidation of the Fleet Management department to a division in the Property Management department. |
| Eliminate Full-Time Office Associate IV Position (Filled)   | Internal Service | \$70,000                       | \$70,000                         | \$90,000      | 1         |    | Administration       | Elimination of Office Associate IV position from consolidation of the Fleet Management department to a division in the Property Management department.  |
| HUMAN RESOURCES/LABOR RELATIONS   |                  |                                |                                  |               |           |    |                      |   |
| Full-Time Safety Officer Position (Filled)  | Internal Service | \$80,000                       | \$80,000                         | \$105,000     | 1         |    | Safety               | The tasks of the eliminated Safety Officer position will be distributed among the remaining staff in the department to minimize the impact to operations.   |
| Renegotiated Contract Savings - Humana & Corvel   | Internal Service | \$72,000                       | \$72,000                         | \$72,000      |           |    | Multiple Programs    | Savings from renegotiation of Humana (Wellness) and Corvel (Workers Compensation) contracts for several programs.   |
| OFFICE OF THE CITY MANAGER  |                  |                                |                                  |               |           |    |                      |   |
| Full-Time Legislative Manager Position (Filled)   | General Fund     | \$86,000                       | \$86,000                         | \$111,000     | 1         |    | Multiple Programs    | The tasks of the eliminated Legislative Manager position will be distributed among the remaining staff in the department to minimize the impact to operations.  |
| OFFICE OF THE INSPECTOR GENERAL   |                  |                                |                                  |               |           |    |                      |   |
| Impact of Reallocating Portion of Deputy Chief Auditor and Auditor Positions from Parking Enterprise Fund | Internal Service | -\$69,000                      | -\$69,000                        | -\$92,000     | -1        |    | OIG - Internal Audit | Reduce cost burden to the Parking Fund by reallocating a portion of a Deputy Chief Auditor and Auditor position to the new Inspector General Fund.  |

**ATTACHMENT A**  
**FY 2021 RECURRING EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction   | Fund            | Requested Efficiency/Reduction | Recommended Efficiency/Reduction | Year 2 Impact | Positions |    | Program     | Description   |
|--|-----------------|--------------------------------|----------------------------------|---------------|-----------|----|-------------|---|
|  |                 |                                |                                  |               | FT        | PT |             |   |
| PARKING  |                 |                                |                                  |               |           |    |             |   |
| Parking Initiative #1 - Remove All On-street (curbside) and Off-street (lots) Parking Pay Stations | Enterprise      | \$1,691,000                    | \$1,691,000                      | \$1,772,000   | 4         |    | Meters      | The Parking department currently has approximately 704 parking pay stations for on-street and off-street metered parking. This reduction would remove all on-street (curbside) and off-street (lots) parking pay stations thus providing for the phone application (Parkmobile) as the only Parking payment option (Touchless Parking Payment Option). In addition, it includes the elimination of four full-time positions that maintain the pay stations, as well as repurposing of other Parking positions to performance maintenance in the City's garages.   |
| Parking Initiative #1 - Remove All On-street (curbside) and Off-street (lots) Parking Pay Stations | Special Revenue | \$80,000                       | \$80,000                         | \$80,000      |           |    | Meters      | The Parking department currently has approximately 704 parking pay stations for on-street and off-street metered parking. This reduction would remove all on-street (curbside) and off-street (lots) parking pay stations thus providing for the phone application (Parkmobile) as the only Parking payment option (Touchless Parking Payment Option).  |
| Parking Initiative #1 - Remove All On-street (curbside) and Off-street (lots) Parking Pay Stations | RDA             | \$198,000                      | \$198,000                        | \$198,000     |           |    | Meters      | The Parking department currently has approximately 704 parking pay stations for on-street and off-street metered parking. This reduction would remove all on-street (curbside) and off-street (lots) parking pay stations thus providing for the phone application (Parkmobile) as the only Parking payment option (Touchless Parking Payment Option).  |
| Parking Initiative #2 - Reduce Parking Enforcement Operations                                      | Enterprise      | \$1,166,000                    | \$1,166,000                      | \$1,786,000   | 33        | -7 | Enforcement | Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce Parking enforcement operations. This proposed reduction changes the status of 28 full-time Parking Enforcement Specialist positions and 5 full-time Dispatcher positions to part-time status, and eliminates 22 part-time Parking Enforcement Specialist positions and 4 part-time Parking Dispatcher positions that are proposed to be replaced with an outside contracted services provider. This change would result in a model where 50% of enforcement is in-house, with the remainder contracted out to provide additional flexibility and resiliency to deal with high impact events and occasional shocks resulting in revenue downturns (COVID-19, Zika, hurricanes, etc.) |

**ATTACHMENT A**  
**FY 2021 RECURRING EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction   | Fund            | Requested Efficiency/Reduction | Recommended Efficiency/Reduction | Year 2 Impact | Positions |    | Program           | Description  |
|--|-----------------|--------------------------------|----------------------------------|---------------|-----------|----|-------------------|--|
|  |                 |                                |                                  |               | FT        | PT |                   |  |
| Parking Initiative #3 - Eliminate/Transfer Costs for Other Department Positions Funded by Parking        | Enterprise      | \$509,000                      | \$509,000                        | \$663,000     | 6         |    | Multiple Programs | The Parking Department has historically funded positions in other departments due to the demand and support required for parking operations. Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. For this reason, this proposed reduction would eliminate three positions funded by Parking for the Finance Department and one position funded by Parking for Property Management, as well as transfer a portion of one position funded by Parking for the Office of Capital Improvement Projects (CIP) to CIP and two positions partially funded by Parking for the Office of the Inspector General (OIG) to the OIG's office. |
| Parking Initiative #4A - Eliminate/Reduce Parking Operations Services and Activities                     | Enterprise      | \$1,163,000                    | \$1,163,000                      | \$1,165,000   |           |    | Multiple Programs | Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce Parking services and activities related to the maintenance and operation of the City's municipal garages and lots.   |
| Parking Initiative #4B - Grounds Maintenance Agreement   | Enterprise      | \$277,000                      | \$277,000                        | \$277,000     |           |    | Multiple Programs | Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce the level of services for grounds maintenance in the City's parking facilities from 36 to 24, as well as recognize the projected savings from the new Greenspace Management cost proposal anticipated to be implemented in FY 2021.  |
| Parking Initiative #4B - Grounds Maintenance Agreement (7th Street Garage Fund)                          | Special Revenue | \$80,000                       | \$80,000                         | \$80,000      |           |    | Multiple Programs | Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce the level of services for grounds maintenance in the City's parking facilities from 36 to 24, as well as recognize the projected savings from the new Greenspace Management cost proposal anticipated to be implemented in FY 2021.  |
| Parking Initiative #4B - Grounds Maintenance Agreement (RDA Anchor and Pennsylvania Avenue Garage Funds) | RDA             | \$11,000                       | \$11,000                         | \$11,000      |           |    | Multiple Programs | Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce the level of services for grounds maintenance in the City's parking facilities from 36 to 24, as well as recognize the projected savings from the new Greenspace Management cost proposal anticipated to be implemented in FY 2021.  |



**ATTACHMENT A**  
**FY 2021 RECURRING EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction  | Fund         | Requested Efficiency/Reduction | Recommended Efficiency/Reduction | Year 2 Impact | Positions |    | Program                   | Description   |
|---|--------------|--------------------------------|----------------------------------|---------------|-----------|----|---------------------------|---|
|   |              |                                |                                  |               | FT        | PT |                           |   |
| Parking Initiative #4C - Reduce Sanitation Level of Services and Outsource Functions  | Enterprise   | \$556,000                      | \$556,000                        | \$297,000     |           |    | Multiple Programs         | Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce the level of Sanitation services utilized by the Parking Department for the first quarter of FY 2021 while the procurement process for an outside contractor is taking place. Subsequent to completion of the procurement process, an outside contractor is anticipated to be used by Parking for Sanitation services at 80% of prior year service levels beginning in the second quarter of FY 2021. |
| Parking Initiative #5 - Reduce Parking Positions due to Reduction of Services and Activity/Utilization in Municipal Garages | Enterprise   | \$500,000                      | \$500,000                        | \$650,000     | 6         |    | Multiple Programs         | Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. This reduction would eliminate 6 operational and administrative positions and convert the two Assistant Parking Director positions to a Senior Parking Operations Manager and Contract Compliance Administrator.   |
| <b>PARKS &amp; RECREATION</b>   |              |                                |                                  |               |           |    |                           |   |
| Renegotiated Contract Savings - Parks Landscape Agreement   | General Fund | \$500,000                      | \$500,000                        | \$500,000     |           |    | Parks Grounds Maintenance | Savings from renegotiation of grounds maintenance contract.   |
| <b>POLICE</b>   |              |                                |                                  |               |           |    |                           |   |
| Civilianization of Police Positions   | General Fund | \$120,000                      | \$120,000                        | \$247,000     |           |    | Multiple Programs         | This reduction reflects the cost impact from civilianization of two sworn positions in the Technical Services division. An additional five positions are also being considered for civilianization over the next 12 to 18 months.   |
| Police Staffing Plan Changes  | General Fund | \$795,000                      | \$795,000                        | \$795,000     |           |    | Multiple Programs         | Savings from less overtime due to staffing plan changes which include adding more officers to the daily staffing configuration.   |
| Renegotiated Contract Savings - Body Camera Agreement   | General Fund | \$59,000                       | \$59,000                         | \$59,000      |           |    | Multiple Programs         | Savings from renegotiation of body camera contract.   |

**ATTACHMENT A**  
**FY 2021 RECURRING EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction   | Fund         | Requested Efficiency/Reduction | Recommended Efficiency/Reduction | Year 2 Impact | Positions |    | Program                        | Description   |
|--|--------------|--------------------------------|----------------------------------|---------------|-----------|----|--------------------------------|---|
|  |              |                                |                                  |               | FT        | PT |                                |   |
| PUBLIC WORKS   |              |                                |                                  |               |           |    |                                |   |
| Renegotiated Contract Savings - Greenspace Maintenance Agreement | General Fund | \$795,000                      | \$795,000                        | \$795,000     |           |    | Contract Landscape Maintenance | Savings from renegotiation of grounds maintenance contract.   |
| PUBLIC WORKS - SANITATION  |              |                                |                                  |               |           |    |                                |   |
| Eliminate (11) Full-Time Sanitation Positions                    | Enterprise   | \$559,000                      | \$559,000                        | \$719,000     | 11        |    | Multiple Programs              | Due to a permanent reduction of \$1.5 million of revenue from the Parking Fund, this reduction will eliminate 11 Sanitation positions in the Sanitation Fund, which is comprised of (2) Heavy Equipment Operator I positions; (1) Municipal Service Worker III position; (5) Municipal Service Worker II positions; and (3) Municipal Service Worker I positions. This reduction may result in decreased response time to service requests in areas such as RDA, NBRC & MXE and lower cleanliness scores. |
| Reduce Sanitation Temporary Labor                                | Enterprise   | \$506,000                      | \$506,000                        | \$506,000     |           |    | Multiple Programs              | Due to a permanent reduction of \$1.5 million of revenue from the Parking Fund, this reduction reduce temporary labor which may result in decreased response time to service requests in areas such as RDA, NBRC & MXE and lower cleanliness scores.  |
| Reduce Sanitation Operating Expenditures                         | Enterprise   | \$145,000                      | \$145,000                        | \$145,000     |           |    | Multiple Programs              | Due to a permanent reduction of \$1.5 million of revenue from the Parking Fund, this reduction would eliminate the Big Belly contract along with other miscellaneous reductions.  |

**ATTACHMENT A**  
**FY 2021 RECURRING EFFICIENCIES AND REDUCTIONS**

| Efficiency/Reduction   | Fund            | Requested Efficiency/Reduction       | Recommended Efficiency/Reduction | Year 2 Impact | Positions |    | Program           | Description   |
|--|-----------------|--------------------------------------|----------------------------------|---------------|-----------|----|-------------------|---|
|  |                 |                                      |                                  |               | FT        | PT |                   |   |
| TRANSPORTATION   |                 |                                      |                                  |               |           |    |                   |   |
| Eliminate Full-Time Office Associate IV Position (Filled)                                    | Special Revenue | \$73,000                             | \$73,000                         | \$95,000      | 1         |    | Multiple Programs | Due to a permanent reduction of revenue from the Parking Fund and a significant loss of Resort Tax revenue from the impact of COVID-19, the Transportation Department will eliminate an Office Associate IV position. The tasks of the eliminated position will be distributed among the remaining staff in the department to minimize the impact to operations.  |
| Eliminate Full-Time Transportation Manager (Filled)  | Special Revenue | \$147,000                            | \$147,000                        | \$191,000     | 1         |    | Multiple Programs | Due to a permanent reduction of revenue from the Parking Fund and a significant loss of Resort Tax revenue from the impact of COVID-19, the Transportation Department will eliminate a Transportation Manager position. The tasks of the eliminated position will be distributed among the remaining staff in the department to minimize the impact to operations.  |
| Convert Full-Time Transportation Analyst Position (Vacant) to Senior Transportation Position | Special Revenue | -\$27,000                            | -\$27,000                        | -\$36,000     |           |    | Multiple Programs | Reclassification of a Transportation Analyst position to a Senior Transportation position to effectively absorb workload from two position reductions.  |
| Trolley Operations   | Special Revenue | \$5,526,000                          | \$5,526,000                      | \$5,526,000   |           |    | Multiple Programs | Due to a permanent reduction of revenue from the Parking Fund and significant loss of Resort Tax revenue from the impact of COVID-19, the Transportation Department will be reducing the service level of the trolley program as follows: from 18 hours of service to 12-14; 25 vehicles to 15; frequency of 20 minutes to 30 minutes; and elimination of the 11th Street Loop and modification of the Belle Isle stop. |
|  |                 | Grand Total of Positions Recommended |                                  |               | 67        | -7 |                   |   |

| RECURRING        |                                |                                  |                    |   |
|------------------|--------------------------------|----------------------------------|--------------------|---|
| Fund             | Requested Efficiency/Reduction | Recommended Efficiency/Reduction | Year 2 Impact      |   |
| General Fund     | \$2,572,000                    | \$2,572,000                      | \$2,805,000        | <i>Internal Service impact (% based on FY 2020 Preliminary Allocations)</i> |
|                  | \$238,000                      | \$238,000                        | \$293,000          |   |
|                  | <b>\$2,810,000</b>             | <b>\$2,810,000</b>               | <b>\$3,098,000</b> |   |
| Internal Service | \$341,000                      | \$341,000                        | \$420,000          |   |
| Resort Tax       | \$0                            | \$0                              | \$0                |   |
| RDA              | \$209,000                      | \$209,000                        | \$209,000          |   |
| Enterprise       | \$7,072,000                    | \$7,072,000                      | \$7,980,000        |   |
| Special Revenue  | \$5,879,000                    | \$5,879,000                      | \$5,936,000        |   |

**ATTACHMENT B**  
**FY 2021 ONE-TIME ENHANCEMENTS**

| Enhancement  | Fund         | Requested Enhancement | Recommended Enhancement | Year 2 Impact | Positions |    | Program                 | Description   |
|--|--------------|-----------------------|-------------------------|---------------|-----------|----|-------------------------|---|
|  |              |                       |                         |               | FT        | PT |                         |   |
| ORGANIZATIONAL DEVELOPMENT PERFORMANCE INITIATIVES       |              |                       |                         |               |           |    |                         |   |
| Early Childcare Pilot Program <b>(One-Time)</b>          | General Fund | \$0                   | \$0                     | \$250,000     |           |    | Education Initiatives   | This enhancement commits to funding \$250,000 for a pilot program for early childcare pre-kindergarten stipend for the 2021-22 school year, which would require funding to be appropriated as part of the City's FY 2022 budget.  |
| POLICE   |              |                       |                         |               |           |    |                         |   |
| College Football Playoff Championship <b>(One-Time)</b>  | Resort Tax   | \$900,000             | \$900,000               | \$0           |           |    | Resort Tax              | This enhancement request is to fund necessary overtime, rentals, security guards, and equipment to provide comprehensive police services and resources for the 2021 National College Football Championship. The request amount is based on experience with past Super Bowls, Memorial Day, Spring Break and other high-impact events.   |
| PUBLIC WORKS DEPARTMENT - STORM WATER                    |              |                       |                         |               |           |    |                         |   |
| Temporary Pumps <b>(One-Time)</b>                        | Enterprise   | \$418,000             | \$418,000               | \$0           |           |    | Storm water Maintenance | This enhancement request is to increase funding for rental of temporary pumps and accessories to fulfill the City Commission's request to increase deployment of portable temporary pumps during King Tides, Hurricane Season, and rain events. The amount requested is for the deployment of 14 temporary pumps for six (6) months. This is being submitted as a one-time request for FY 2021. The need for temporary pumps will be reevaluated as part of the FY 2022 budget process. |
| Storm Water System Maintenance Backlog <b>(One-Time)</b> | Enterprise   | \$400,000             | \$400,000               | \$0           |           |    | Storm water Maintenance | This enhancement request is to increase funding to address the backlog of maintenance for 48 existing injection wells to improve drainage and decrease flooding throughout the City.  |

**ATTACHMENT B**  
**FY 2021 ONE-TIME ENHANCEMENTS**

| Enhancement  | Fund            | Requested Enhancement | Recommended Enhancement | Year 2 Impact | Positions |    | Program                  | Description   |
|--|-----------------|-----------------------|-------------------------|---------------|-----------|----|--------------------------|---|
|  |                 |                       |                         |               | FT        | PT |                          |   |
| PUBLIC WORKS DEPARTMENT - WATER  |                 |                       |                         |               |           |    |                          |   |
| Fire Hydrant Density Evaluation<br><b>(One-Time)</b>                               | Enterprise      | \$150,000             | \$150,000               | \$0           |           |    | Water System Management  | This enhancement request is for the evaluation of the fire hydrants throughout the City's the water system, which serve as an essential part of the firefighting process, as they allow firefighters to access a steady flow water supply during emergency operations.  |
| Water Fuel Tank<br><b>(One-Time)</b>   | Enterprise      | \$51,000              | \$51,000                | \$0           |           |    | Water System Maintenance | This enhancement request is to upgrade the City's infrastructure by replacing old diesel tanks that are corroding and inefficient so that they are compliant with the Miami-Dade County Department of Regulatory and Economic Resources (DERM).   |
| TOURISM & CULTURE  |                 |                       |                         |               |           |    |                          |   |
| Additional COVID-19 Relief Funding for Cultural Organizations<br><b>(One-Time)</b> | Special Revenue | \$500,000             | \$500,000               | \$0           |           |    | Grants Program           | This enhancement allocates an additional \$1.0 million of Cultural Arts Council (CAC) reserve in the FY 2021 budget to provide additional funding relief to Cultural Organizations in the City of Miami Beach impacted by COVID-19 as recommended by the CAC and supported by the City Administration. \$500,000 is recommended for appropriation at the commencement of FY 2021 with the remaining \$500,000 balance to be appropriated mid-year of FY 2021. |
| Grand Total of Positions Recommended   |                 |                       |                         |               | 0         | 0  |                          |   |

| <b>ONE-TIME</b>  |                              |                                |                      |
|------------------|------------------------------|--------------------------------|----------------------|
| <b>Fund</b>      | <b>Requested Enhancement</b> | <b>Recommended Enhancement</b> | <b>Year 2 Impact</b> |
| General Fund     | \$0                          | \$0                            | \$250,000            |
|                  | \$0                          | \$0                            | \$0                  |
|                  | <b>\$0</b>                   | <b>\$0</b>                     | <b>\$250,000</b>     |
| Internal Service | \$0                          | \$0                            | \$0                  |
| Resort Tax       | \$900,000                    | \$900,000                      | \$0                  |
| RDA              | \$0                          | \$0                            | \$0                  |
| Enterprise       | \$1,019,000                  | \$1,019,000                    | \$0                  |
| Special Revenue  | \$500,000                    | \$500,000                      | \$0                  |

Internal Service impact (% based on FY 2020 Preliminary Allocations)

**ATTACHMENT B**  
**FY 2021 RECURRING ENHANCEMENTS**

| Enhancement  | Fund             | Requested Enhancement | Recommended Enhancement | Year 2 Impact | Positions |    | Program                  | Description  |
|--|------------------|-----------------------|-------------------------|---------------|-----------|----|--------------------------|--|
|  |                  |                       |                         |               | FT        | PT |                          |  |
| CITYWIDE   |                  |                       |                         |               |           |    |                          |  |
| Living Wage  | General Fund     | \$19,000              | \$19,000                | \$0           |           |    | Multiple Programs        | This enhancement increases the total minimum living wage rate from \$15.00 per hour including health benefits to \$15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.   |
| Living Wage  | Internal Service | \$9,000               | \$9,000                 | \$0           |           |    | Multiple Programs        | This enhancement increases the total minimum living wage rate from \$15.00 per hour including health benefits to \$15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.   |
| Living Wage  | RDA              | \$6,000               | \$6,000                 | \$0           |           |    | Multiple Programs        | This enhancement increases the total minimum living wage rate from \$15.00 per hour including health benefits to \$15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.   |
| Living Wage  | Enterprise       | \$60,000              | \$60,000                | \$0           |           |    | Multiple Programs        | This enhancement increases the total minimum living wage rate from \$15.00 per hour including health benefits to \$15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.   |
| Living Wage  | Special Revenue  | \$30,000              | \$30,000                | \$0           |           |    | Multiple Programs        | This enhancement increases the total minimum living wage rate from \$15.00 per hour including health benefits to \$15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.   |
| POLICE   |                  |                       |                         |               |           |    |                          |  |
| Public Safety Citizens on Patrol Volunteer Program | General Fund     | \$27,000              | \$27,000                | \$27,000      |           |    | Multiple Programs        | This enhancement is to establish a Public Safety Citizens on Patrol Volunteer Program to meet the changing needs of the community and further promote an enhancement of the City's Community Policing philosophy by having members of the new program assist in patrolling neighborhoods, parks, schools, and commercial areas as additional eyes in public spaces throughout the City.  |
| PROPERTY MANAGEMENT                                |                  |                       |                         |               |           |    |                          |  |
| Full-Time Admin Officer Position                   | Internal Service | \$69,000              | \$69,000                | \$88,000      | 1         |    | Special Taxing Districts | <p>This enhancement request is for the addition of a full-time Admin Officer position in the Property Management Department to: (1) manage the day to day operations of the City's current Special Taxing District, as well as the additional two that will be transferred effective FY 2021 from Miami-Dade County; and (2) enhance property maintenance and services of the City's assets.</p> <p><u>It is proposed that this full-time position be split funded as follows: 50% Property Management and 50% split evenly between the 3 Special Taxing Districts</u></p> |

**ATTACHMENT B**  
**FY 2021 RECURRING ENHANCEMENTS**

| Enhancement   | Fund         | Requested Enhancement | Recommended Enhancement | Year 2 Impact | Positions |    | Program                      | Description  |
|---|--------------|-----------------------|-------------------------|---------------|-----------|----|------------------------------|--|
|   |              |                       |                         |               | FT        | PT |                              |  |
| PUBLIC WORKS GENERAL FUND                           |              |                       |                         |               |           |    |                              |  |
| Trap, Neuter, Vaccinate, and Release (TVNR) Program | General Fund | \$10,000              | \$10,000                | \$10,000      |           |    | Cat Network                  | This enhancement is to allocate additional funding of \$10,000 to continue the Trap, Neuter, Vaccinate, and Release (TVNR) Program for FY 2021 based on direction from the Finance and Economic Resiliency Committee at its July 17, 2020 meeting.   |
| PUBLIC WORKS DEPARTMENT - SEWER                     |              |                       |                         |               |           |    |                              |  |
| Sewer Pump Emergency Maintenance                    | Enterprise   | \$200,000             | \$200,000               | \$200,000     |           |    | Sewer Maintenance Management | This enhancement request is to enhance emergency maintenance and repairs for sewer pumping stations to address unplanned issues such as sewer main breaks for the City's aging sewer infrastructure system.  |
| SSES Cycle III, Phase I, II, & III Consent Decree   | Enterprise   | \$400,000             | \$400,000               | \$400,000     |           |    | Sewer System Maintenance     | This enhancement request is for the Sewer System Evaluation Survey (SSES) program. SSES is a EPA issued Consent Decree program with requirements as outlined in Miami-Dade Code Chapter 24 for all private and publicly operated Volume Sewer Customers to aim to eliminate or reduce I&I. SSES requirements are part of Domestic Wastewater Annual Operating Permit. Failure to comply with code will result in system failures (sewer system overflow, I&I); the system in moratorium status; and civil &/or criminal penalties per Domestic Wastewater Annual Operating Permit. |
| Grand Total of Positions Recommended                |              |                       |                         |               | 1         | 0  |                              |  |

| RECURRING        |                       |                         |                 |
|------------------|-----------------------|-------------------------|-----------------|
| Fund             | Requested Enhancement | Recommended Enhancement | Year 2 Impact   |
| General Fund     | \$56,000              | \$56,000                | \$37,000        |
|                  | \$54,000              | \$54,000                | \$61,000        |
|                  | <b>\$110,000</b>      | <b>\$110,000</b>        | <b>\$98,000</b> |
| Internal Service | \$78,000              | \$78,000                | \$88,000        |
| Resort Tax       | \$0                   | \$0                     | \$0             |
| RDA              | \$6,000               | \$6,000                 | \$0             |
| Enterprise       | \$660,000             | \$660,000               | \$600,000       |
| Special Revenue  | \$30,000              | \$30,000                | \$0             |

Internal Service impact (% based on FY 2020 Preliminary Allocations)