



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

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: June 23, 2021

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE FIFTH AMENDMENT TO THE CAPITAL BUDGET FOR FISCAL YEAR 2021 AS SET FORTH IN ATTACHMENTS A, "PROJECTS"; B, "SOURCE OF FUNDS"; AND C "PROGRAMS."**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

STRATEGIC PLAN SUPPORTED

Organizational Innovation – Ensure strong fiscal stewardship

BACKGROUND

Planning for capital improvements is an ongoing process; as needs change within the City of Miami Beach ("the City"), capital programs and priorities must be adjusted accordingly. The Capital Improvement Plan ("CIP") serves as the primary planning tool for systematically identifying, prioritizing, and assigning funds to critical City capital development, improvements, and associated needs.

The City's CIP process begins in the spring when all departments are asked to prepare capital improvement updates and requests on the department's ongoing and proposed capital projects. Individual departments prepare submittals identifying potential funding sources and requesting commitment of funds for their respective projects.

The CIP is updated annually and submitted to the City Commission for adoption. The 2021 – 2025 Capital Improvement Plan and FY 2021 Capital Budget was adopted on September 29, 2020 by Resolution No. 2020-31431.

The First Amendment to the FY 2021 Capital Budget was adopted on November 18, 2020 by Resolution No. 2020-31498.

The Second Amendment to the FY 2021 Capital Budget was adopted on January 13, 2021 by Resolution No. 2021-31556.

The Third Amendment to the FY 2021 Capital Budget was adopted on March 17, 2021 by Resolution No. 2021-31647.

The Fourth Amendment to the FY 2021 Capital Budget was adopted on May 12, 2021 by Resolution No. 2021-31706.

Section 166.241(4) (c.), Florida Statutes, requires that a municipality's budget amendment must be adopted in the same manner as the original budget.

FIFTH AMENDMENT TO THE FY 2021 CAPITAL BUDGET

The Fifth Amendment to the FY 2021 Capital Budget reflects an overall increase of \$15,000,000.00 for the following capital project:

- 1. West Avenue Phase II:** At the February 10, 2021 City Commission meeting, the Commission accepted the Finance and Economic Resiliency Committee's recommendation to provide additional funding from the City's Resiliency fund for City's storm water projects, inclusive of the North and South West Avenue Phase II improvements project, through resolution 2021-31571.

The additional funding for this project will provide for additional water quality treatment wells to the proposed storm water treatment system as required by the county's RER department; increased construction costs associated with upgrading the 10 year storm water criteria; additional costs associated with the directive from the City Commission to relocate the water treatment system from Lincoln Road to 1671 West Avenue (City Parking Lot P24) with the discharge outfall at 17th street, per Resolution 2020-31472, option 3A; increase in construction commodities by 3.6% from December 2019 through February 2021 according to the Producer Price Index sponsored by the U.S. Bureau of Labor Statistics; and increases in pricing for lumber and steel, as much as 17% and 6%, respectively. The additional cost being requested for commodities and labor escalation accommodates the anticipated material and labor price increases associated with future market conditions throughout the project's schedule to its new anticipated completion date. This project requires additional funding, in the amount of \$15,000,000.00.

Funding for this amendment would come from the Resiliency (Fund 112) fund balance, which is has a current available balance of \$46.8 million. If this budget amendment is approved, the available balance would decrease to \$31.8 million. As previously discussed, there is a planned use of \$20.0 million of these funds for the First Street project. If those funds are set aside, the remaining available balance in this fund would be \$11.8 million. In addition, it is estimated that \$11 million in FY 2022 revenues will be added to this fund balance next fiscal year, which would result in an overall available balance of \$22.8 million.

Prior Years' Appropriations	\$ 90,140,819.00
June 23, 2021 Budget Amendment	15,000,000.00
Proposed Total Appropriations	\$ 105,140,819.00

CONCLUSION

The Administration recommends that the Mayor and City Commission adopt the Fifth Amendment to the FY 2021 Capital Budget.

ATH/JW/TOS