



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

## COMMISSION MEMORANDUM

TO: Honorable Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: September 9, 2021

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACTING IN ITS CAPACITY AS THE GOVERNING BODY OF THE BISCAYNE BEACH SECURITY GUARD SPECIAL TAXING DISTRICT, ADOPTING THE OPERATING BUDGET FOR THE BISCAYNE BEACH SECURITY GUARD SPECIAL TAXING DISTRICT FOR FISCAL YEAR 2022.**

### **STRATEGIC PLAN SUPPORTED**

Organizational Innovation – Ensure strong fiscal stewardship

### **ADMINISTRATION RECOMMENDATION**

Adopt the Resolution which establishes the operating budget for the Biscayne Beach Security Guard Special Taxing District for Fiscal Year 2022 in the amount of \$232,000, subject to adoption of the Non-Ad Valorem assessment roll of \$2,226.60, per Residential Unit, for the cost of continued operation and maintenance of the Special Taxing District, including but not limited to the making of infrastructure and security improvements.

### **BACKGROUND**

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

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

At the October 17, 2018 City Commission meeting, the Mayor and City Commission adopted Resolution No. 2018-30576 requesting the County to transfer control of the Special Taxing District

from the Board of County Commissioners to the Mayor and City Commission of the City of Miami Beach, and to designate the Mayor and City Commission as the governing body of the Special Taxing District, subject to County approval and a majority vote of the qualified electors residing in the Special Taxing District. Subsequently, on March 13, 2019, the City Commission approved the execution of an interlocal agreement to transfer control of the Special Taxing District from the County to the City in Resolution No. 2019-30749.

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

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

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

On January 15, 2020, the City Commission passed and adopted Resolution No. 2020-31146 which ratified and accepted County Resolution No. R-588-19, approving the transfer of control of the Special Taxing District and the interlocal agreement. City Resolution No. 2020-31146 also ratified and accepted County Resolution No. R-589-19, which called for a special election in the Special Taxing District to seek approval or disapproval of a Resolution designating the City as the governing body of the Special Taxing District pursuant to Section 18-3.1 of the Code of Miami-Dade County. FY 2022 represents the second year of the City acting as the governing body of the Biscayne Beach Security Guard Special Taxing District.

The City of Miami Beach intends to use the uniform method for collecting Non-Ad Valorem assessments for the provision of continued operation and maintenance of the Special Taxing District, including but not limited to, the making of infrastructure and security improvements as authorized by Section 197.3632, Florida Statutes, because this method will allow such special assessments to be collected annually, commencing for the fiscal year beginning October 1, 2021, in the same manner as provided for ad valorem taxes.

## **PROCEDURE**

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

**ANALYSIS**

The FY 2022 budget for the Biscayne Beach Security Guard Special Taxing District, as reflected in Attachment A, is \$232,000, which represents a 5.0%, or \$11,000, increase from the FY 2021 budget of \$221,000 adopted by the City and is comprised of the following line- item expenditures:

Items Included in FY 2022 Expenditures	\$
Contracted Security Guard Services for District	190,200
Utilities (Water, Sewer, Storm Water, Electricity, Telephone)	8,500
Janitorial Services	1,200
Guardhouse Repairs and Maintenance	2,400
Contingencies (based on budgeted collection allowance)	2,500
OIG Internal Service Charges	1,000
Property Management Internal Service Charges	20,200
Roofing Repairs Project (funded by fund balance)	3,500
Guardhouse LVT Flooring Project (funded by fund balance)	2,500
<b>Total</b>	<b>\$ 232,000</b>

In order to continue to provide the current level of security required by this Special Taxing District, the Administration recommends the proposed FY 2022 Non-Ad Valorem assessment of \$2,226.60, per Residential Unit, for real property located within the boundaries of the Biscayne Beach Security Guard Special Taxing District commencing FY 2022, which will fund the FY 2022 budget for this Special Taxing District. This Non-Ad Valorem assessment is \$38.48, or 1.8%, more than the Non-Ad Valorem assessment adopted by the City for FY 2021 of \$2,188.12, per Residential Unit, and would generate proceeds of approximately \$226,000. The remainder of the budget (\$6,000 for a roofing repairs project and a Guardhouse LVT Flooring project requested by the District) will be funded using available fund balance.

**CONCLUSION**

The City Commission, acting in its capacity as the governing body of the Biscayne Beach Security Guard Special Taxing District, should adopt the attached Resolution which adopts the FY 2022 operating budget of \$232,000 for the Biscayne Beach Security Guard Special Taxing District.

Attachment A – Biscayne Beach Budget

ATH/JW/TOS

# ATTACHMENT A

<b>FY 2022 Biscayne Beach Special Taxing District Budget</b>							
	FY 2018 Actuals (MIAMI-DADE COUNTY)	FY 2019 Actuals (MIAMI-DADE COUNTY)	FY 2020 Actuals (MIAMI-DADE COUNTY)	FY 2021 Adopted Budget (CITY OF MIAMI BEACH)	FY 2022 Budget (CITY OF MIAMI BEACH)	\$ Variance FY 2022 Budget vs FY 2021 Adopted	% Variance FY 2022 Budget vs FY 2021 Adopted
<b>REVENUES</b>							
Special Assessments	272,052	271,553	271,593	218,000	223,500	5,500	2.5%
Special Assessment Collection Allowance	0	0	0	3,000	2,500	(500)	-16.7%
Fund Balance/Retained Earnings	0	0	0	0	6,000	6,000	100.0%
Interest/Other	1,131	2,585	104,471	0	0	0	0.0%
<b>Total</b>	<b>\$ 273,183</b>	<b>\$ 274,139</b>	<b>\$ 376,064</b>	<b>\$ 221,000</b>	<b>\$ 232,000</b>	<b>\$ 11,000</b>	<b>5.0%</b>
<b>EXPENDITURES</b>							
Personnel Services Expenditures	0	4,251	4,912	0	0	0	0.0%
Utilities (Water, Sewer, Storm Water, Electricity) <sup>(1)</sup>	2,558	2,678	2,411	4,400	6,700	2,300	52.3%
Telephone	1,632	1,601	1,661	1,600	1,800	200	12.5%
Janitorial Services <sup>(2)</sup>	1,205	1,286	1,277	1,200	1,200	0	0.0%
Repairs & Maintenance <sup>(3)</sup>	2,522	3,555	2,030	1,200	8,400	7,200	600.0%
Security Guard Services <sup>(4)</sup>	188,491	197,894	197,343	181,500	190,200	8,700	4.8%
Advertising <sup>(5)</sup>	0	0	0	0	0	0	0.0%
Contingencies (based on collections allowance)	0	0	0	3,000	2,500	(500)	-16.7%
Property Management Internal Service Charges <sup>(5)</sup>	21,172	28,723	19,263	27,100	20,200	(6,900)	-25.5%
OIG Internal Service Charges <sup>(6)</sup>	0	0	0	1,000	1,000	0	0.0%
<b>Total</b>	<b>\$ 217,581</b>	<b>\$ 239,988</b>	<b>\$ 228,897</b>	<b>\$ 221,000</b>	<b>\$ 232,000</b>	<b>\$ 11,000</b>	<b>5.0%</b>
<b>Surplus / (Shortfall)</b>	<b>\$ 55,602</b>	<b>\$ 34,151</b>	<b>\$ 147,167</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>Number of Units (per Miami-Dade County Property Appraiser) <sup>(7)</sup></b>	<b>103.00</b>	<b>103.00</b>	<b>103.00</b>	<b>101.00</b>	<b>101.50</b>	<b>0.50</b>	<b>0.5%</b>
<b>\$ Assessment Rate/Unit</b>	<b>\$ 2,715.51</b>	<b>\$ 2,733.20</b>	<b>\$ 2,733.20</b>	<b>\$ 2,188.12</b>	<b>\$ 2,226.60</b>	<b>\$ 38.48</b>	<b>1.8%</b>

**Footnotes:**

<sup>(1)</sup> Utility costs based on FY 2021 actuals to date, plus projected increase of 1.1% for CPI in accordance with the City's utility fee rates

<sup>(2)</sup> FY 2022 janitorial services based on current agreement to include services at guardhouse at a rate of \$22.52/week (based on one hour of service per week)

<sup>(3)</sup> FY 2022 repairs and maintenance budget based on \$2,400 for unforeseen repairs and maintenance of equipment that may be necessary throughout the fiscal year plus \$6,000 for two projects requested by the District for FY 2022 (\$3,246 for Roofing Repairs and \$2,412.14 for LVT Flooring in Guardhouse) proposed to be funded from the District's fund balance

<sup>(4)</sup> FY 2022 security guard services based on an increase in the hourly rate for the Level 5 guard from \$23.88 to \$24.14 per hour to provide coverage 40 hours per week, as well as an increase in the hourly rate for the Level 1 guard from \$20.71 to \$21.03 per hour to provide coverage 128 hours per week (the hourly rate is subject to change for living wage if adopted by the City Commission for FY 2022)

<sup>(5)</sup> Includes approximately 16% of the split-funded Administrative Officer position and indirect costs associated with the operations of the Special Taxing District based on a Full Cost Allocation Study completed by a third-party consultant - 1.13% of Adjusted Budget. This includes a 2.0% merit and a 10% increase over the FY 2021 projection for Health and Life Insurance, as well as proportionate share of pension costs for portion of full-time Administrative Officer position funded by Special Taxing District

<sup>(6)</sup> OIG Internal Service charge based on FY 2022 allocations

<sup>(7)</sup> Based on the annual unit counts received from the Miami Dade County Property Appraiser