



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

COMMITTEE MEMORANDUM

TO: Members of the Finance and Economic Resiliency Committee

FROM: Alina T. Hudak City Manager

DATE: March 30, 2022

SUBJECT: **CITY'S COMPREHENSIVE CAPITAL PLANNING OVERVIEW**

HISTORY

At the December 8, 2021 Commission meeting, the City Commission approved Resolution No. 2021-31961 (Attachment A) directing the Administration to include a Comprehensive Capital Planning Overview in any discussions pertaining to any General Obligation Bond issuance for Arts and Culture capital projects, consisting of an itemized list of all City capital improvement projects (whether such projects are currently funded or unfunded), including, but not limited to, the City's water and sewer system, stormwater system, public seawalls, and other resiliency capital projects, neighborhood improvement projects, and other projects requiring additional funding such as the Police Headquarters, or Fire Station #1, among others. This list would provide the City Commission with a holistic, macro view of the City's current and future capital needs, with such overview listing each project, the anticipated expenditures for each project by year, and the proposed and potential sources of funding for each project.

The resolution also directed that the results be referred to the Finance and Economic Resiliency Committee and noted that the itemized list of all proposed Capital Improvement Projects should exclude arts and culture establishments since the Administration is already compiling this list in a separate process.

ANALYSIS

The City's Capital Improvement Plan (CIP) is a financing and construction/ acquisition plan for projects that require significant capital investment. The CIP, which is updated annually and submitted to the City Commission for adoption, specifies and describes the City's capital project schedules and priorities for the five years immediately following the Commission's adoption. In addition, the first year of the plan outlines the funding appropriated in the annual Capital Budget.

The Office of Management and Budget (OMB) commenced the development of the FY 2023- FY 2027 Capital Improvement Plan in January with a series of budget meetings with all stakeholder departments. In prior years, the emphasis was placed on balancing the upcoming year's budget (in this year's case, the FY 2023 requests) while the remaining four years of the five-year plan were programmed to be discussed and analyzed in detail in future years.

ENHANCED CAPITAL BUDGET PROCESS

In order to prepare a more robust, comprehensive, and forward-looking CIP, OMB has directed each department to employ a more holistic approach to developing this year's capital budget requests, and to also prioritize projects strategically to meet their department's needs over the next five years and beyond.

OMB is in the process of reviewing these requests in preparation for the Commission Budget Retreat that is scheduled for May 20, 2022.

Once the comprehensive CIP is compiled, OMB will be enhancing the Capital Budget process by:

- Including revenue projections over the five-year plan
- Recommending a balanced five-year plan (as opposed to a balanced one-year plan)
- Moving all un-funded project requests to a separate list

These documents will contain:

- An itemized list of all proposed projects
- The anticipated expenditures for each project by year and proposed funding sources

CONCLUSION

The preliminary balanced CIP and "unfunded" project list will provide a holistic macro view of the City's current and future capital needs that will be shared with the City Commission for further input at the Commission Budget Retreat scheduled on May 20, 2022.

Finally, it is important to note that as directed by the City Commission, these documents will exclude the enhanced capital requests for arts and culture establishments, since the Administration is already compiling this list through a separate process.

Attachment A - Resolution No. 2021-31961

AH/JW/TOS