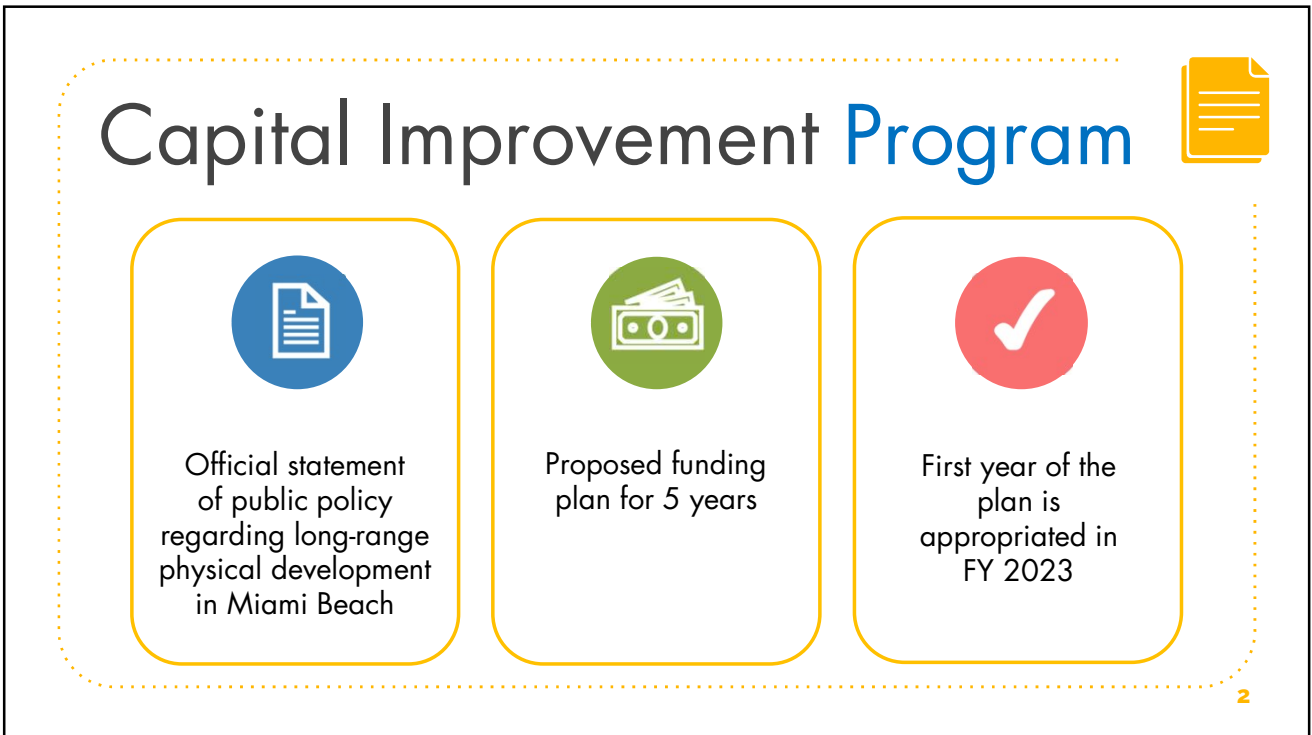


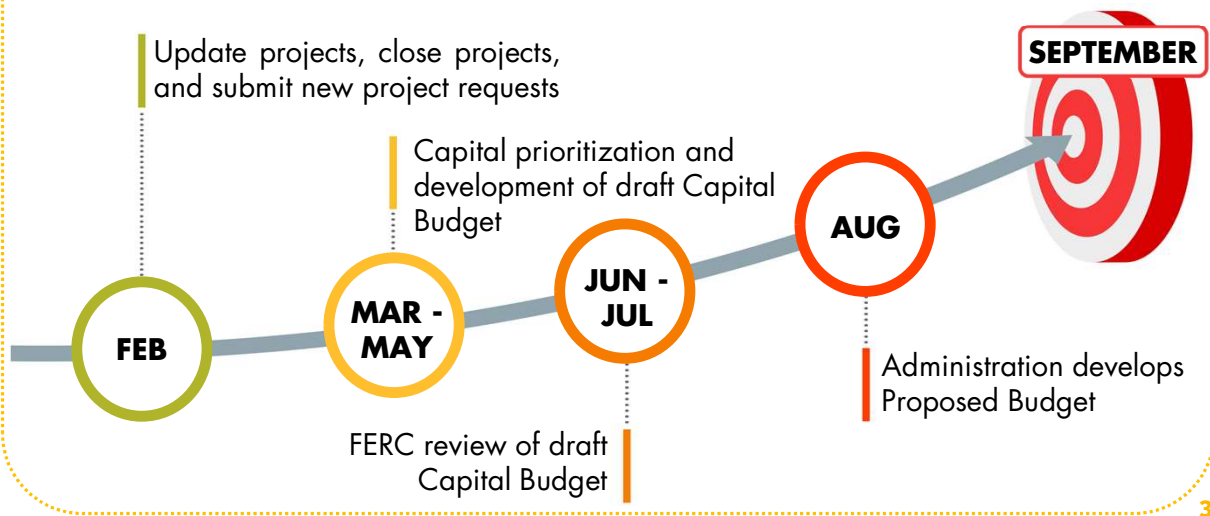


1



2

Budget Adoption Timeline



3

Capital Project Gaps



4

Capital Project Cost Increases

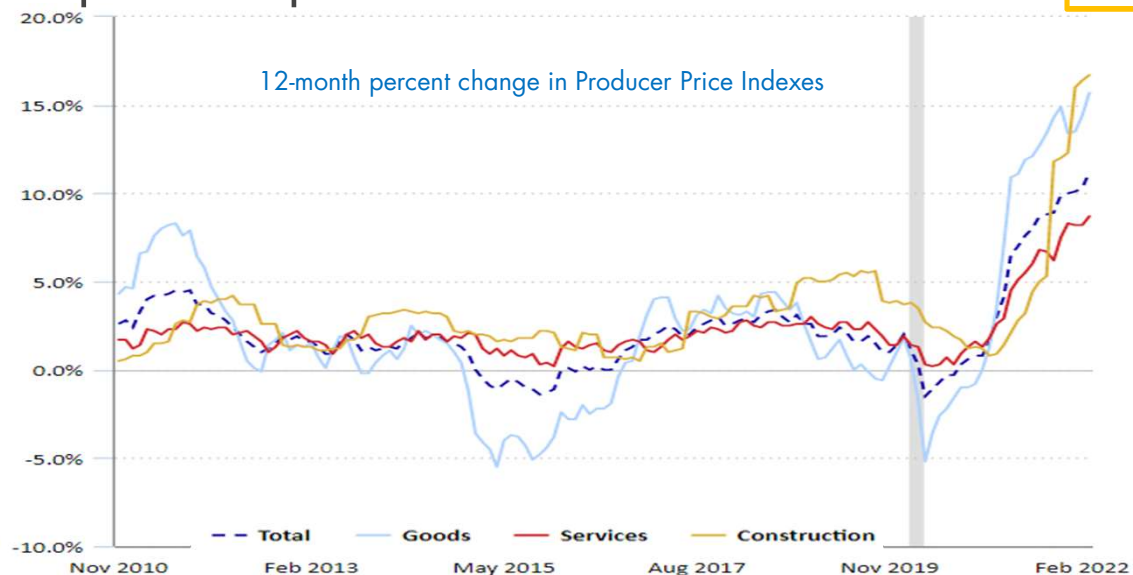


- COVID-19 has disrupted global supply chains resulting in a spike in prices that are dramatically impacting the City's capital project costs
 - Contractors are forced to build high contingencies to compensate for pricing of commodities, labor, transportation, fuel, etc.
 - Inability to commit to delivery schedules
 - Uncertainty regarding how long the impact will last
- Various cost impacts from scope changes, normal cost inflation, permitting delays, competition with private sector construction, etc.

5

5

Capital Project Cost Increases



6

6

Capital Project Cost Increases

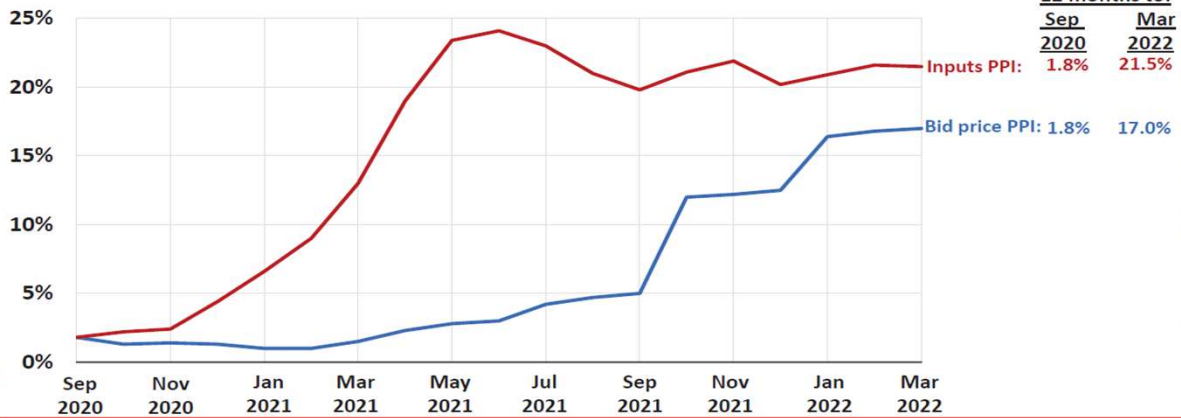


Change in prices for inputs to new nonresidential construction

Year-over-year change in PPIs, Sep 2020-Mar 2022, not seasonally adjusted



AGC
THE CONSTRUCTION
ASSOCIATION



1 | Source: Bureau of Labor Statistics, producer price indexes, www.bls.gov/ppi

©2022 The Associated General Contractors of America, Inc.

7

7

Potential Capital Project Gaps



GO Bond projects

Project	Budget	Description
72 nd Street Complex	\$101.7M	Pending final contract negotiations
Maurice Gibb Park	\$11.6M	Bids under review
Fire Station #1	\$18.4M	Updated cost estimate in late July; estimated \$1.8M needed to relocate childcare facility
NB Ocean Rescue Facility	\$7.0M (\$2M County)	TBD pending negotiations with County re: proposed scope change
Bayshore Park (Par 3)	\$23.1M	\$7.0M; bids due in August

8

8

Potential Capital Project Gaps



GO Bond projects continued

Project	Budget	Description
Marine Patrol	\$2.7M	\$3.4M; scope changed from renovation to new construction
Police Headquarters	\$10.0M	\$1.5M (after transferring savings from other Public Safety GO Bond Projects)
Skate Park	\$950K	\$1.5M; scope change for restrooms and lighting
Chase Ave & 34 th St Shared Use Path	\$1.3M	\$700K; DRB ordered change of materials from asphalt to concrete

9

9

Potential Capital Project Gaps



Other

Project	Budget	Description
Pine Tree Traffic Circle	\$1.1M (\$500K County)	Pending negotiations with County re: scope changes from resident input
Collins Park Rotunda	\$1.2M	\$1.2M; scope change to include external panel rehabilitation
Pride Park Screen Enclosures	Est. \$300K	\$1.2M; larger than originally anticipated and required per DRB order
Palm & Hibiscus Pump Station Driveways & Landscaping	\$300K	\$600K; added scope for maintenance driveways
North Shore Park Youth Center Restrooms	\$1.4M	\$312K

10

10

Potential New Capital Projects



Items	\$	Resolution # / Meeting
Commission Requests		
Citywide Interim Flooding Solutions (Hot Spots) – (\$25.8M over 6 years)	5,200,000	Commission Meeting Discussion - 4/6/22
Slow Streets 2.0 (option 2: \$2.7M)	1,200,000	Commission Meeting Discussion - 4/6/22
Pickleball & Padel Courts	1,230,000	Resolution # 2022-32106
Renovation of City Hall Restrooms	325,000	Resolution # 2022-32074
Henry Liebman Square Security Enhancements	114,000	PSNQOL – 5/18/22
Normandy Shores Rear Gate Security & Landscaping	112,000	FERC – 5/27/22
Acoustic System - UNIDAD	80,000	FERC – 4/29/22
Total	\$ 8,261,000	

11

11

Unfunded Projects



- Collins Park Cultural Facility: \$4.75M
- Byron Carlyle: \$15M to renovate, \$22M to reconstruct
- The Fillmore: \$23M to renovate
- Barclay: \$15 to \$20M
- Old Fire Station #1: \$6 to \$8M
- South Beach Promenade: \$25M

12

12

Unfunded Needs in Capital Plan



- Renewal & Replacement: \$12 million
- Pay-As-You-Go (PAYGO): \$143 million
- Transportation Projects: \$86 million
- Parking: \$6 million
- Water and Sewer: \$605 million
- Stormwater: \$740 million
- Other: \$6 million
- Total \$1.6 billion

13

13

Proposed Capital Budget Allocations



14

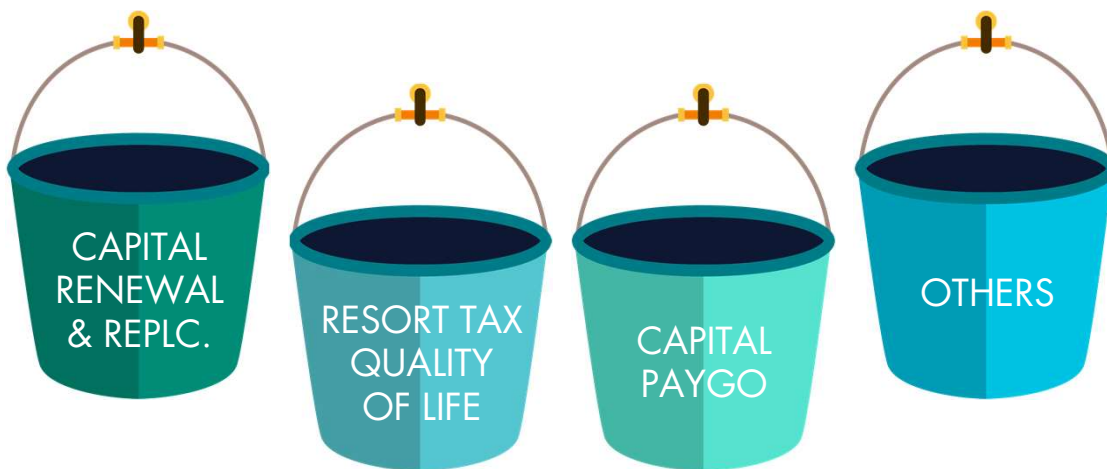
Allocation Strategy

- Fund only high priority projects in CRR and PAYGO
- Set aside majority of QOL funds to close project gaps
- Hold remaining Resiliency funding until funding for West Avenue is resolved
- Allocate other funds normally such as Parking, Transportation, Convention Center, Water & Sewer, and Stormwater

15

15

Capital Improvement Funding



16

16

FY 2023-2027 CIP by Funding Source



1. Organized by funding source
 - Capital Renewal & Replacement Fund (CRR)
 - Quality of Life Funds (QOL)
 - Pay-As-You-Go Fund (PAYGO)
 - Other Funds
2. Includes Administration's recommended FY 2023 funding (column highlighted in green)
3. Public Works critical needs projects shown in green font

17

17

Capital Renewal & Replacement Fund (CRR)



18

18

Capital Renewal & Replacement Fund



- Established in FY 2005
- Used exclusively to provide dedicated funding for renewal and replacement of City facilities and infrastructure for General Fund assets
- Funded by dedicated millage rate
 - Certified property values increased 11.2%

19

19

Operating Millage Rate



Fund	FY 2022	FY 2023	Var
General Fund	5.6636	5.6636	0.0000
Renewal & Replacement	0.0235	0.0235	0.0000
Pay-As-You-Go (PAYGO)	0.0755	0.0755	0.0000
Total Operating Millage Rate	5.7626	5.7626	0.0000

20

20

CRR Projects



Projects are listed on **pages 1-3** of Attachment A

- Requests prioritized using the following categories:
 - Critical to Continued Operations
 - Beyond Useful Life
 - Important for Continuation/Reliability

Projects recommended for funding total **\$913K**

- FY 2023 CRR millage rate generates **\$916K**
- Unfunded project requests total **\$7.2M**

Facility Condition Index (FCI) used to rank projects

21

21

Recommended Projects



Item	Project Name	\$
1	Scott Rakow Youth Center Structural Repairs	312,000
2	North Shore Community Center Window & Door Replacement (25% match)	140,000
3	Fire Station 3 – HVAC Renewal	92,000
4	MBFD Stations Security Upgrades	126,000
6	Boys & Girls Club Security Enclosure	27,000
7	Fire Station #2 Elevator Panel Replacement	57,000
8	NESS Fire Alarm Panel Renewal	61,000
9	Fire Station #4 Fire Alarm Renewal	98,000
Total (Unallocated = \$83,352)		\$913,000

22

22

Resort Tax Quality of Life Funds (QOL)



23

23

Resort Tax Fund Quality of Life (QOL)



QUALITY OF LIFE

Projects are listed on **pages 4-5** of Attachment A

- Generated from **1% Resort Tax** on room rents, which was approved by referendum on November 3, 1992
- Eligible uses: tourist-related capital projects
- Revenue amounts based on preliminary Resort Tax projections
 - Resort Taxes are projected at 1% more than FY 2022

60% - Transportation (Trolley System)

10% - Each zone within the City (North, Mid & South)

10% - Arts

24

24

Recommended Projects



Item	Quality of Life – North Beach	\$
118	Normandy Shores Golf Clubhouse Roof	184,000
Total (Unallocated = \$2.5 million)		\$ 184,000

Item	Quality of Life – Mid Beach	\$
131	Indian Creek Landscape Irrigation	1,084,000
Total (Unallocated = \$1.4 million)		\$1,084,000

25

25

Recommended Projects



Item	Quality of Life – South Beach	\$
141	Bass Museum Fire Alarm Replacement	276,000
142	Beach Showers at Lummus Park	171,000
Total (Unallocated = \$2.4 million)		\$447,000

- Unallocated amounts total **\$6.3 million**
- Proposed to be set aside to help address capital funding gaps

26

26



Pay-As-You-Go Fund (PAYGO)

27

27



Operating Millage Rate

PAY-AS-YOU-GO

Fund	FY 2022	FY 2023	Var
General Fund	5.6636	5.6636	0.0000
Renewal & Replacement (CRR)	0.0235	0.0235	0.0000
Pay-As-You-Go (PAYGO)	0.0755	0.0755	0.0000
Total Operating Millage Rate	5.7626	5.7626	0.0000

28

28

PAYGO Projects



Projects are listed on **pages 5-8** of Attachment A

- Ensures adequate, on-going reinvestment in capital, plant, and equipment
- No restrictions; used after all other funding sources exhausted
- Funded by dedicated millage rate
 - Preliminary property values increased 11.2%

Projects recommended for funding total **\$5.7M***

- FY 2023 PAYGO millage rate generates \$2.9M
- Unfunded project requests total \$33.2M

* Assumes \$3.0M transfer from FY 2022 year-end surplus to PAYGO to fund urgent capital project

29

29

Recommended Projects



Item	Project Name	\$
179	MB Police Garage Concrete Spalling	1,063,000
180	MBPD Main Roof Repairs	700,000
181	Fire Station #3 – Roof Renewal	228,000
185	Greenspace Facility Renovation	456,000
196	Citywide Bridges	3,000,000
216	ADA Pool Lifts Citywide	30,000
255	Miami Beach Mooring Field	227,000
Total (Unallocated = \$364,726)		\$5,704,000

* Assumes \$3.0M transfer from FY 2022 year-end surplus to PAYGO

30

30

Historic City Hall Renovations



- Recent leaks revealed major structural issues
 - Structural engineer inspected the 90-year-old building
 - Inspection revealed cracked floor slabs and vertical columns
 - Structurally safe, but key repairs need to be made as soon as possible
 - Estimated Cost: \$2M
- Recommendation is to increase PAYGO revenues by \$2M by realigning the FY 2023 reduction in the Debt Service millage to the PAYGO millage
 - PAYGO currently generates \$2.9M; was as high as \$7.5M in 2008
 - Would meaningfully increase capital funding available annually

31

31

Preliminary Millage Rate



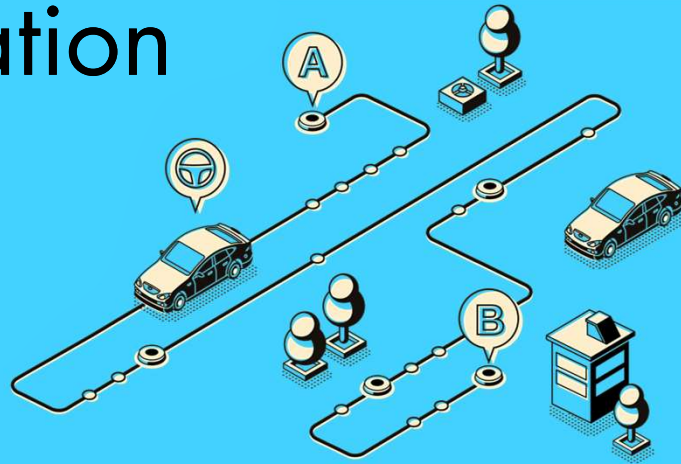
	FY 2022	FY 2023	Inc/(Dec)
General	5.6636	5.6636	0.0000
CRR	0.0235	0.0235	0.0000
PAYGO	0.0755	0.1284	0.0529
Total Operating	5.7626	5.8155	0.0485
Debt Service	0.2889	0.2360	(0.0529)
Total Combined	6.0515	6.0515	0.0000

- Debt service portion of the millage rate estimated to decrease to **0.2360 mills** per debt service schedule for 1st tranche of G.O. Bond Program
- Recommendation to increase PAYGO millage by reduction in debt service portion results in an additional **\$2 million**
- Proposed FY 2023 budget assumes no change in the total combined millage rate of **6.0515**
- City Commission will adopt maximum millage rate on July 20th

32

32

Transportation Funds



33

33

Recommended Projects



TRANSPORTATION

Item	Project Name	Fund	\$
305 350 351	Bicycle Lanes/Shared Use Path (split)	Transportation/ LOGT/PTP	1,635,000
306	Indian Creek Dr. Protected Bike Lane	Transportation	737,000
340	Orchard Park Traffic Calming	Concurrency Mitigation	1,474,000
345	10th St. Neighborhood Greenway	Concurrency Mitigation	233,000
346	West Avenue Bicycle Lanes Phase II	Concurrency Mitigation	534,000
348	South Pointe Drive Protected Bike Lanes	Concurrency Mitigation	161,000
Sub-Total			\$4,774,000

34

34

Recommended Projects

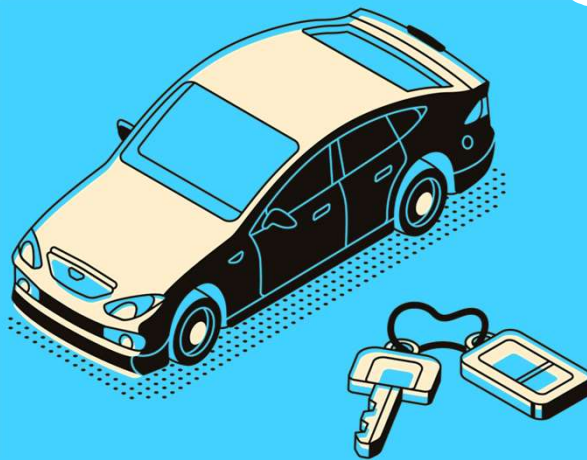


Item	Project Name	Fund	\$
349 362 366	South of 5 th Neigh. Traffic Calming (split)	South Pointe Operations/ RDA/Capital	1,092,743
352	51 st Street Neighborhood Greenway	PTP	160,000
353	Meridian Ave and Lincoln Lane Pedestrian Flashing Beacons	PTP	46,000
354	Hawthorne Ave Neighborhood Greenway	PTP	157,000
Sub-Total			\$1,455,743
Total			\$6,229,743

35

35

Parking Funds



36

36

PARKING

Recommended Projects



Project Name	Fund	\$
7th Street Garage – 7 projects	7th Street Garage	954,000
Anchor Garage – 5 projects	Anchor Garage	243,000
Penn Garage – 3 projects	Penn Garage	435,000
5th & Alton Garage – 4 projects	1997 Parking Bonds and Parking Capital	1,196,405
12th Street Garage – 7 projects	Parking Capital	332,000
Sunset Harbour Garage – 5 projects	2010 Parking Bonds and Parking Capital	777,000
Sub-Total		\$3,937,405

37

37

PARKING

Recommended Projects



Project Name	Fund	\$
1755 Garage – 3 projects	Parking Capital	447,000
17th Street Garage – 5 projects	Parking Capital	800,000
42nd Street Garage – 4 projects	Parking Capital	221,000
13th Street Garage – 2 projects	Parking Capital	76,000
Miscellaneous – 2 projects	Parking Capital	180,000
Sub-Total		\$1,724,000
Total		\$5,661,405

38

38

Resiliency Projects



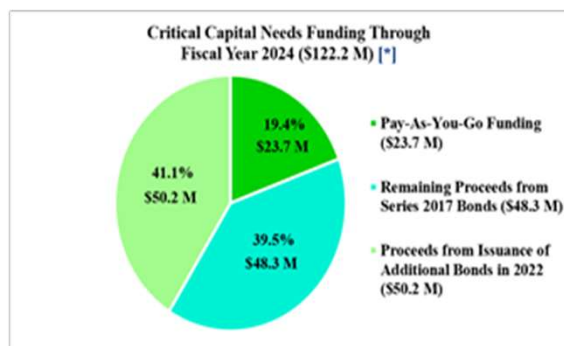
39

39

Critical Capital Needs Update



WATER & SEWER



- \$122 million of critical needs were identified in the 2019 Master Plan
- Commission approved a funding plan for the \$122 million in 2020
- Additional **\$35.8 million** request to complete all projects through Fiscal Year 2024

40

40

Critical Capital Needs Update



- 5-year schedule of rate increases approved in November 2020
- FY 2023 rate increase is 3.6%
- Bonds of approx. \$50 million will likely be issued in FY 2023

Fiscal Year	Rate Increase
FY 2021	0.0%
FY 2022	1.0%
FY 2023	3.6%
FY 2024	3.6%
FY 2025	3.7%

41

41

Recommended Projects



Item	Project Name	Fund	\$
372	Sewer Pump Station Odor Control	W&S Capital	850,000
373	Water & Wastewater Mains & Rehab	W&S Capital	6,382,000
382-386	Wastewater Manhole Rehabilitation (split)	Several	575,338
374	DERM & EPA Consent Decree	W&S Capital	2,800,000
375	PW Warehouse & Shops LED Retrofit	W&S Capital	74,000
376	PW Yard Warehouse LED Retrofit	W&S Capital	90,000
377	PW Yard Exterior Lights Renewal	W&S Capital	112,000
378	PW Yard Restroom Exhaust Renewal	W&S Capital	26,000
Total			\$10,909,338

42

42

Neighborhood Projects

Indian Creek

- Phase III – Project close to completion
- Seawall construction work – Ongoing – Fully Funded

First Street

- Estimated Cost: \$46 M (funded) + \$20 M (Grant) + \$5M (GO Bond)
- Next step: Design (Ongoing, design and permitting completion in 2024)

43

43

Neighborhood Projects

West Ave II

- Phase II – Funded \$105 M (Approved) + CO's, Harmonization, and Escalation (Unfunded)
- Contractor has requested termination

North Beach Town Center

- Estimated Cost: \$10 M (grant funded design) + \$4M (GO Bond – above ground) + \$115 M (unfunded)
- Next step: Design Negotiations (Ongoing)

Normandy Isles

- Estimated Cost: \$292M
- Project is currently unfunded
- Proposed CIP shows design commencing in FY 2026

44

44

Resiliency Fund Commitments



Resiliency Funds Available	\$ 57,176,165
Indian Creek Dr. Flooding Mitigation	(6,862,745)
Bayshore Park	(3,500,000)
FY 2022 Revenue	10,686,189
Updated Total Available for Appropriation	\$ 57,499,609
Appropriated Projects	
West Ave. Ph II Improvements	(15,000,000)
First Street Project	(19,224,594)
Funding for Seawalls in Capital Budget (25% funding of \$20 million)	(5,000,000)
\$666K to be appropriated to Resiliency Fund for 5 years (FY 2021, FY 2022, FY 2023)	(1,999,998)
Stormwater funding for Lincoln Road Project	(1,800,000)
Funding released from swapping funding in West Avenue Project	5,564,869
Available for Appropriation	\$ 20,039,886
Programmed Projects	
Funding for Seawalls in Capital Budget (25% funding of \$20 million)	(5,000,000)
\$666K to be appropriated to Resiliency Fund for 5 years (FY 2024 & FY 2025)	(1,333,332)
North Beach Town Center* (remainder of project to be funded by future rate increase)	(13,706,554)
Total	\$ -

Recommendations

- Hold \$14.5M of available funds pending West Avenue project
- Swap existing funding in West Avenue project to free up \$5.5M of Resiliency funds
- Total of **\$20M** available as needed

45

45

Other Funds



46

46

Recommended Projects

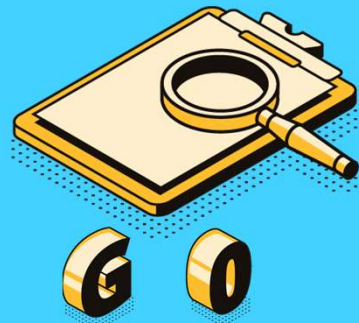


Project Name	\$
FY 2023 Vehicle/Equipment Replacement	7,279,000
Fleet & Facility Management – 6 projects	844,000
Convention Center – 11 projects	5,194,000
Miscellaneous – 10 projects	1,854,072
Total	\$15,171,072

47

47

General Obligation Bond



48

48

G.O. Bond Timeline



Capital Budget includes 5 years and Future

- Implementation plan revised during FY 2021 and reduced to 3 tranches from 4
- All Tranche 1 projects appropriated in FY 2019
- Tranche 2 projects shown in FY 2024
- Tranche 3 projects shown in Future

49

49

G.O. Bond – Funding Swap



Project Name	\$
GO#48 Police Headquarters Facility	1,073,272
GO#52 Normandy Isle Park LED Lighting	(502,405)
GO#47 71 St. Entrance Readers	(208,417)
GO#47 Julia Tuttle CSWY Readers	(110,814)
GO#52 Tatum Park LED Lighting	(99,240)
GO#47 MacArthur CSWY Readers	(55,095)
GO#52 Crespi Park LED Lighting	(45,218)
GO#52 Stillwater Park LED Lighting	(45,218)
GO#56 Beachwalk Cameras	(6,781)
GO#53 Portable Bollards	(84)
Total	\$0

50

50



Approach to Address Capital Project Gaps

51



Capital Project Gaps

- Anticipating most projects to come in over budget
- Currently difficult to quantify gap amounts
- Recommended approach is to set-aside funds to address gaps as construction costs for projects become known
- Administration will continue to update the proposed Capital Budget between now and adoption in September
- Post-budget adoption, gaps to be addressed through mid-year budget amendments

52

52

FY 2022 Q2 Reserves Update

General Fund		\$
Q2 Projected Reserve		\$96.1M
General Fund Reserve Policy (3 months)		\$88.5M
Above/(Below) Policy Goal		\$7.6M

2% Resort Tax Fund		\$
Q2 Projected Reserve		\$38.4M
Additional Revenue Since Q2 (April & May)		\$3.8M
2% Resort Tax Reserve Policy (6 months)		\$28.6M
Spring Break Programming – Set Aside		(\$3.2M)
Above/(Below) Policy Goal		\$10.4M

Recommended use of projected reserves

- Meet the reserve policy target amounts
- Set-aside \$3.2M of Resort Tax for Spring Break programming
- Transfer \$3.0M to PAYGO to fund urgent Capital Projects
- Set-aside remaining funds of **\$15.0M** for capital project gaps

53

53

Capital Project Funding Opportunities

- FY 2022 excess reserves in General Fund and Resort Tax Fund: **\$15.0M**
- Unallocated Quality of Life funds (tourism-related): **\$6.3M**
 - North Beach: \$2.5M
 - Mid Beach: \$1.4M
 - South Beach: \$2.4M
- Total of **\$21.3M** identified to date

54

54

Potential Capital Project Funding Opportunities



- Seagull Hotel street vacation: **\$7.4M**
 - First Payment – 30 days after HPB approval: \$750K
 - Second Payment – Prior to issuance of building permit: \$3.33M
 - Third Payment – Prior to issuance of TCO or CO (whichever is first): \$3.33M
- Sale of 2 vacant parcels identified by Facilities Management and CBRE's asset inventory study: **\$6.1M**
- Lincoln Lane Class A Office Space: **\$4.5M** (timing varies)
- Current NB Library Site: **TBD** pending RFP (subject to referendum)

55

55

Potential Capital Project Funding Opportunities



- Transportation Capital Initiative Project: **\$36.1M**

Fund	\$	\$
Concurrency Mitigation	5,160,000	Set aside for the City's grant match for the Julia Tuttle Bus Rapid Transit project
Resort Tax	9,900,000	Tourism-related expenditures only
Non-TIF RDA	8,000,000	RDA only
Anchor Garage	7,000,000	RDA only
Anchor Shops	6,000,000	RDA only
Total	\$36,060,000	

56

56

Next Steps



57

Next Steps



Finalize maximum
millage rates for
Property Appraiser
July 20th

FERC Budget
Briefing
Finalize Capital &
Operating Budgets
July 22nd

58

58

Next Steps



City Manager and OMB
finalize Proposed Budget
August

FIRST PUBLIC HEARING

- Adopt tentative millage rates
- Adopt tentative operating and capital budgets

September 14th

SECOND PUBLIC HEARING

- Adopt final millage rates
- Adopt final operating and capital budgets

September 28th

Beginning of
Fiscal Year 2023
October 1st

59

59



Thanks!

60

60