



FY 2023 Preliminary Operating Budget

Miami Beach

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Outline

- Property values update
- Balancing the General Fund
- Balancing Resort Tax Fund
- Other funds updates
- Next steps


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FY 2023 Property Values



Preliminary FY 2023 Property Values
from June 1st

Miami Beach's Preliminary Property Values:
9.2% increase

Normandy Shores	Miami-Dade County	Miami-Dade School Board
19.7% increase	10.2% increase	14.1% increase

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Certified FY 2023 Property Values from July 1st

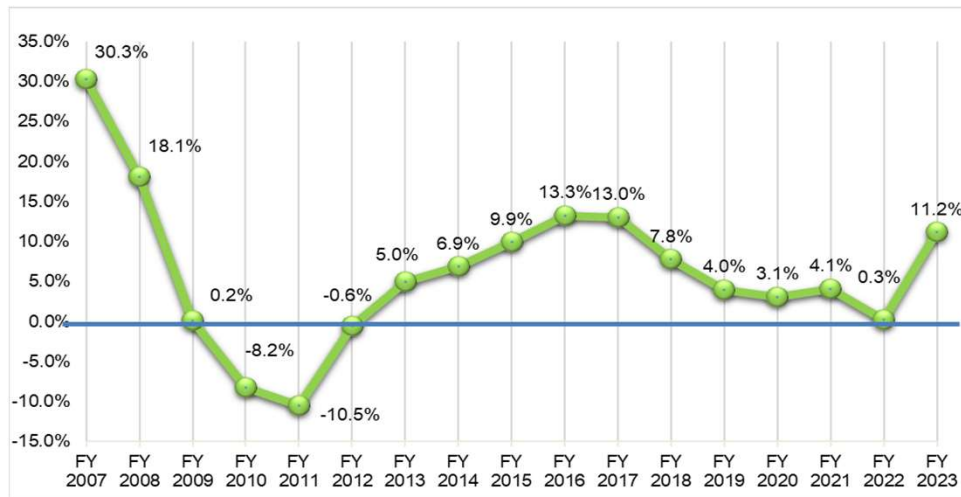
Miami Beach's Preliminary Property Values:
11.2% increase

Normandy Shores	Miami-Dade County	Miami-Dade School Board
22.8% increase	11.8% increase	17.1% increase

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Overall Property Value Trend



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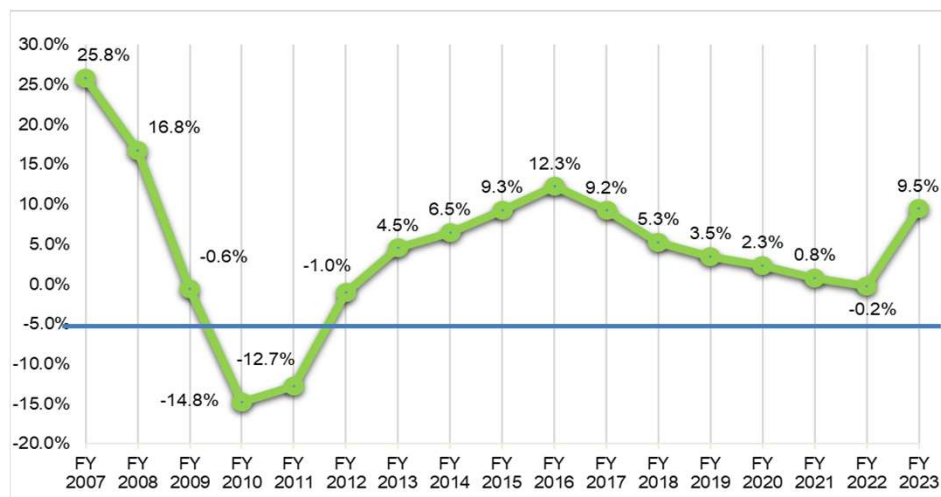
New Construction Trend



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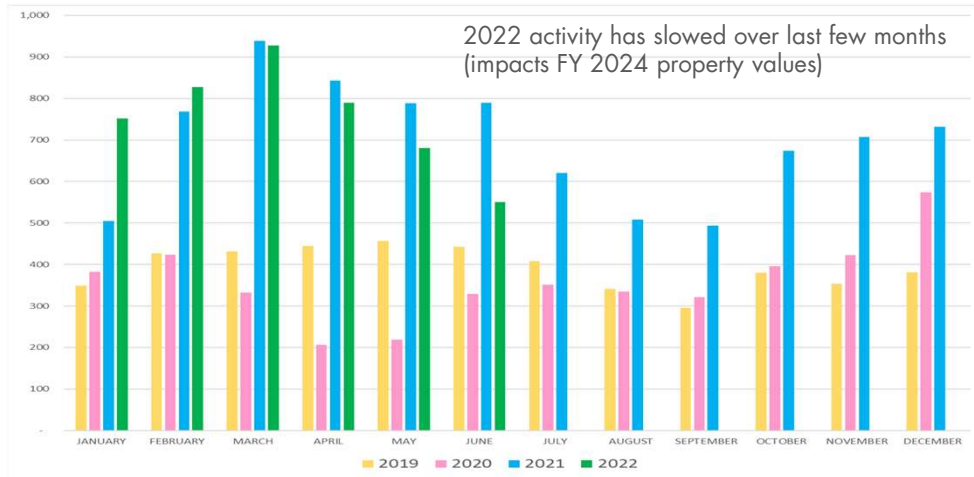
Existing Property Value Trend



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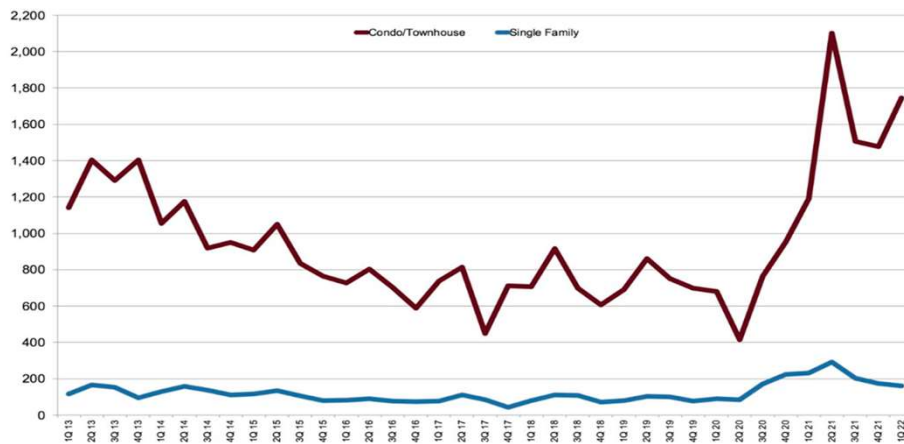
Lien Statements by Month



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Number of Sales by Property Type



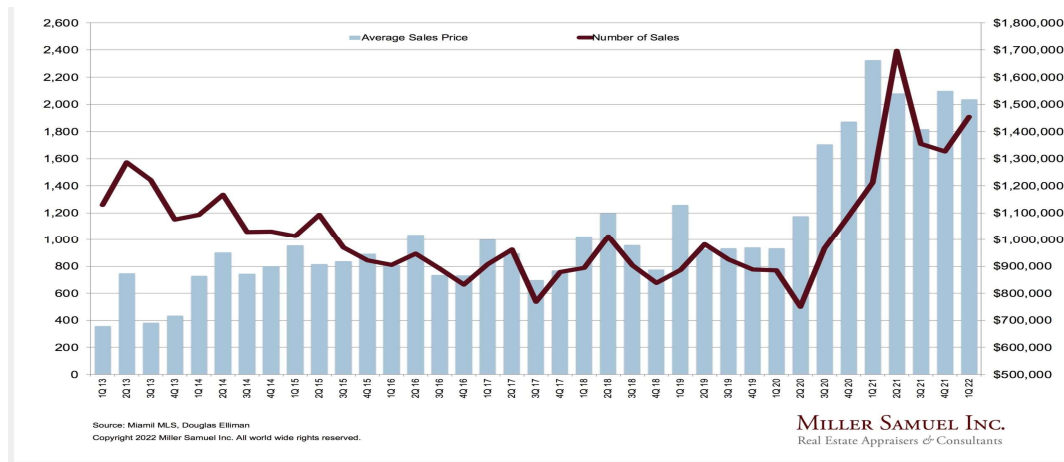
Source: Miami MLS, Douglas Elliman
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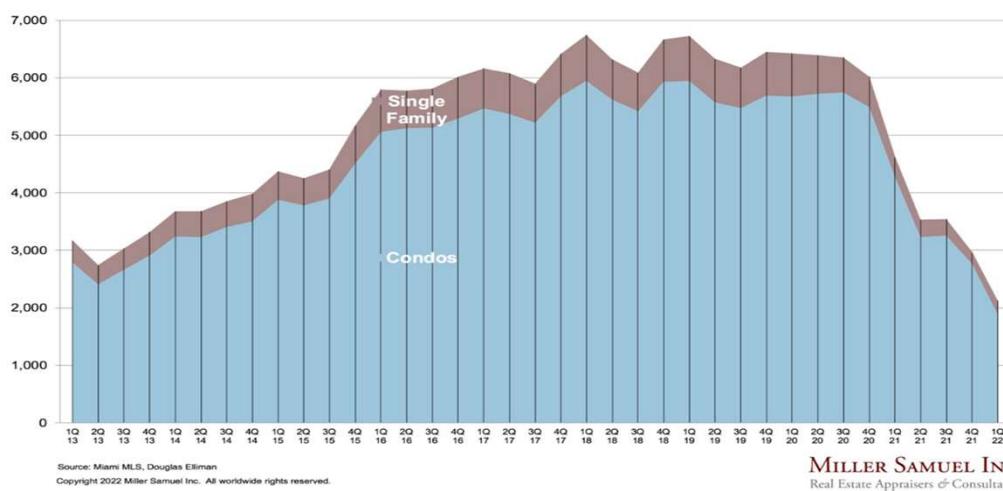
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Avg. Sales Price vs. Number of Sales



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Listing Inventory by Property Type



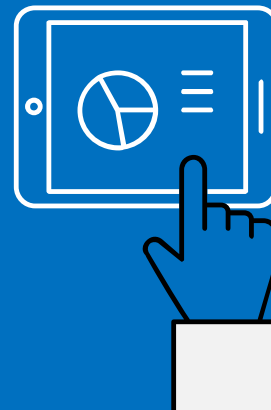
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Balancing the General Fund



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- The Preliminary budget represents the cost of providing the same level of service as in the prior fiscal year
- Provides the baseline of funding for the upcoming budget process to which enhancements and reductions are applied



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Assumptions

FY 2023 Preliminary General Fund Budget



1. Assumes no change in operating millage rate
2. Does not include any enhancements or reductions unless approved during FY 2022
3. Assumes 10% increase for health and life insurance (Actives and Retirees)
4. Assumes increase in Resort Tax contribution for Tourism-eligible expenditures in General Fund back to Pre-COVID amount of \$36.8 million
5. Includes average 0-3% Merit for Non-Police and Fire and 5% Step for Police and Fire
6. Includes 17 police officers previously added as one-time
7. Does not include impacts of pending Collective Bargaining Agreements

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FY 2023 Preliminary General Fund CSL Budget



Fiscal Year 2023

Revenues	\$ 353.1M
Expenditures	\$ 364.1M
Surplus / (Gap)	(\$11.0M)

Property Value Increase
Necessary to Balance: **5.5%**

Estimated 1% Increase
in Property Value: **\$2.0M**

Notes:

Includes making 17 police officers previously added as one-time permanent (\$2.3M)
Does not include impacts from CBA's currently under negotiation

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FY 2023 Preliminary General Fund CSL Budget

Based on July 1st Property Values

Fiscal Year 2023	\$
Revenues	\$ 378.4M
Expenditures	\$ 365.1M
Surplus / (Gap)	\$13.3M

Notes:

Includes making 17 police officers previously added as one-time permanent (\$2.3M)
Does not include impacts from CBA's currently under negotiation



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FY 2023 Preliminary General Fund Budget

Fiscal Year 2023	\$
CSL Surplus / (Gap)	\$13.3M
Proposed Enhancements*	(\$3.0M)
Collective Bargaining COLA's	(\$4.7M)
Collective Bargaining / Other **	(\$5.6M)
Surplus / (Gap)	\$0.0M

*\$7.0 million in recurring enhancements requested, of which \$3.0 million recommended for FY 2023

**Collective bargaining negotiations are ongoing and costs are TBD



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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

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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

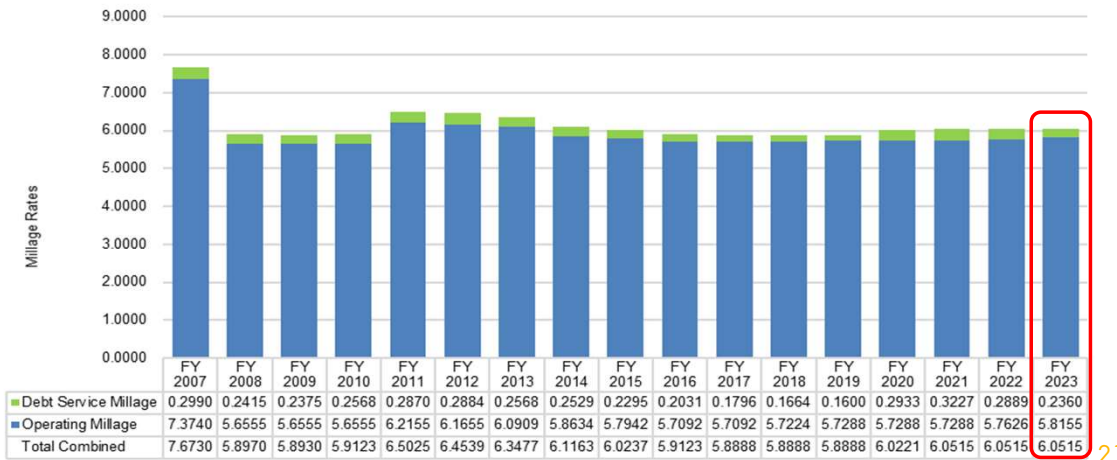
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Combined Millage



The current combined millage rate is **33%** less than in FY 1999 and **21%** less than in FY 2007



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General Fund Enhancements



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Police Enhanced Staffing



- The FY 2023 Proposed Budget includes permanently funding 17 temporary police officer positions that were added mid-year during FY 2021 on a one-time basis for a period of 3 years
- The cost impact is \$2.3 million

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Police Enhanced Staffing



- Smith & Wollensky lease agreement was approved by the voters on November, 2021
- FY 2023 Proposed Budget includes 2 police officers offset by incremental increases from lease revenue until FY 2025
 - 2 police officers previously added in FY 2022
 - 2 more anticipated in FY 2025 for a total of 6 police officers

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Police Marine Patrol



- Current staffing
 - Morning and afternoon shift with 6 officers and 1 sergeant
- Proposed staffing
 - Enhances both shifts with another 4 officers and 1 sergeant
 - Add 1 additional boat for a total of 6
 - Provides stronger waterway coverage from 9 am to 1 am, 7 days a week
- Propose allocating these 5 positions from the 17 positions added mid-year in FY 2021 for no additional recurring cost
 - One-time cost of \$155K for additional boat

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Homeless Outreach After Hours



- Contract for enhanced services with New Hope
 - Two teams of 2 to cover after hour shifts from 7 pm to 3 am, 7 days a week
 - Access to a recovery residence for up to 6 people
- Total cost of \$364K

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Park Rangers



- Propose providing additional coverage by converting 29 part-time park rangers to full-time over next 3 years
 - 10 in FY 2022, 10 in FY 2023, and 9 in FY 2024
 - Adds coverage on Ocean Drive
 - Adds coverage of the Beachwalk (46th to 79th Street)
 - Adds partial coverage for a Rover to North and South Beach Parks (7 hours a day each)
 - FY 2022 cost (pro-rated) = \$98K; annual cost = \$414K
 - FY 2023 cost = \$414K; FY 2024 cost = \$381K

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Rescue Unit & Boat Staffing



- Currently located in North Beach and staffed by a Rescue unit
 - Reactive only; Current fire boat pumping capacity is 1,250 GPM
- Proposed enhancement
 - Need for additional unit as MBFD currently not able to meet NFPA recommended minimum benchmarks for a second fire without mutual aid
 - Overall incidents have increased 32% since 2009; last unit added in FY 2016 for a current total of 13
 - Enhances capacity in North Beach by decoupling boat staffing from existing rescue unit
 - Move to Marine Patrol Facility in Maurice Gibb Park which is a more optimal coverage area

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Rescue Unit & Boat Staffing



- Proposed enhancement (*continued*)
 - Provides pro-active patrols to help enforce/report regulations and more effective collaboration with other agencies
 - New fire boat has pumping capacity of 5,000 GPM (4 times more)
 - Provides a mobile fire fighting platform to supplement shoreside operations and serve as a pumping base for additional water supply
 - Would add new SCUBA capability
 - Requires 14 new firefighter positions and reclassification of 3 current firefighter positions to captain
- Year 1 = \$418K (pro-rated at 3 months) and Year 2 = \$2.1M

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Other Enhancements



- City Clerk (split funded)
 - Additional clerk to address increase in special magistrate cases (\$34K)
- Code Compliance (cost offset by revenue)
 - Position to increase review and management of outdoor dining concession program (\$57K)
- Economic Development
 - Small business incubator to support early-stage companies (\$130K)
 - Groot Hospitality parking incentive approved by Commission on June 22nd (\$26K)
 - Commercial lease subsidy program to transition legal nonconforming uses (\$120K)

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Other Enhancements



- **Facilities & Fleet Management**
 - Additional position to monitor and enforce lease agreements (\$80K)
- **Finance**
 - Additional supervisor for the City's Customer Service Center (\$89K)
 - Consulting services for grant opportunities (\$150K)
- **Housing & Community Services**
 - Improve food accessibility for low-income residents (\$72K)
- **Organizational Development & Performance Initiatives**
 - CPA services to ensure grant compliance (\$10K)

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Other Enhancements



- **Parks & Recreation**
 - Enhance health and wellness initiatives (\$50K)
- **Police**
 - Additional crime scene tech and property & evidence tech to address increased workload (\$140K)
 - Enhance public safety with technology enhancements
 - Investigative support mapping software (\$20K)
 - Key data business intelligence platform (\$21K)
 - First alert real-time artificial intelligence platform (\$20K)
- **Public Works**
 - Add supervisor to better manage City's irrigation systems (\$65K)

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One-Time Enhancements



- **Citywide**
 - Feasibility report for construction of baywalk at Mount Sinai (\$250K)
- **Economic Development**
 - Marketing and public relations for business attraction and retention programs (\$160K)
 - Business relocation promotions at tradeshow and conferences (\$303K)
 - Business retention parking incentive program 3-year pilot (\$130K)
- **Environment & Sustainability**
 - Analysis to help determine cause of Park View water quality issues (\$500K)

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One-Time Enhancements



- **Parks & Recreation**
 - Incentivize large scale health and wellness event (\$500K)
- **Tourism & Culture**
 - Incorporate art into public infrastructure (\$50K)

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General Fund Reserves Update



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

Recommended use of projected reserves

- Meet the reserve policy target amounts
- Set-aside remaining funds of **\$7.6M** for capital project needs and funding gaps

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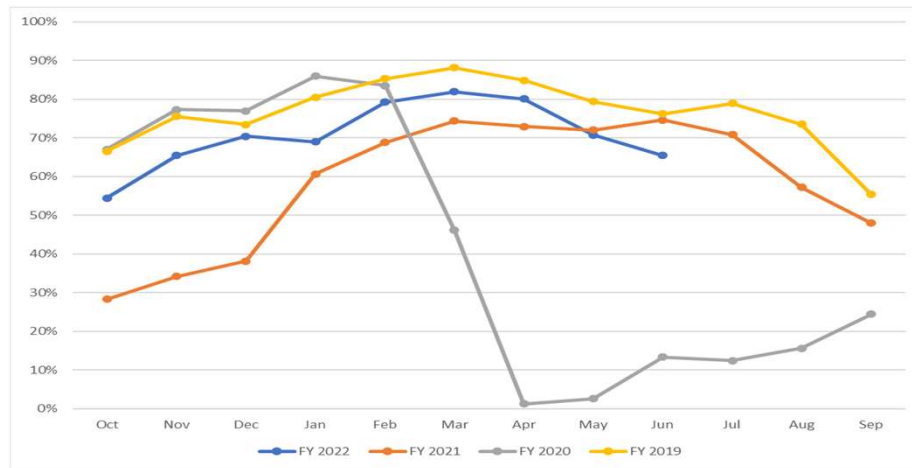
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Balancing Resort Tax Fund



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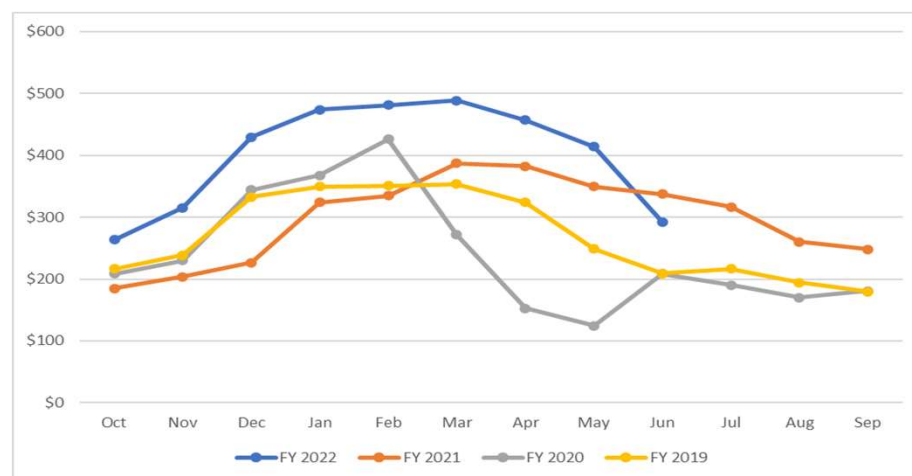
Resort Tax **Occupancy** (monthly)



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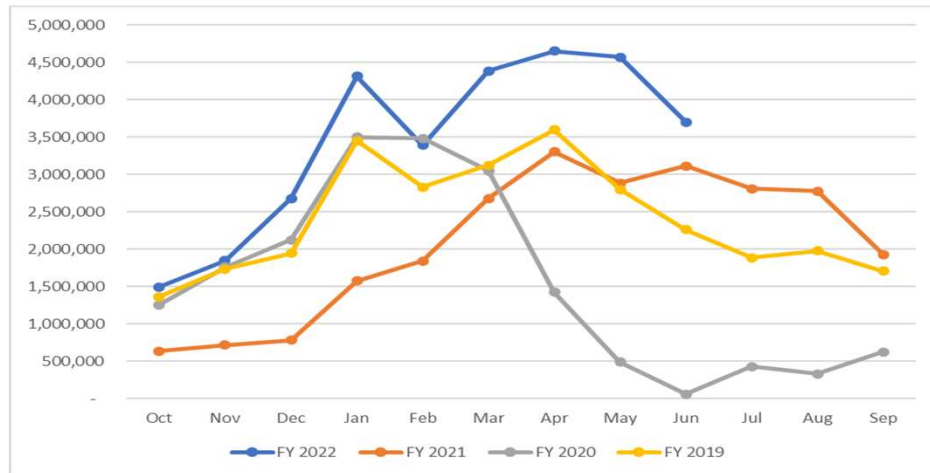
Resort Tax **Average Daily Rate** (monthly)



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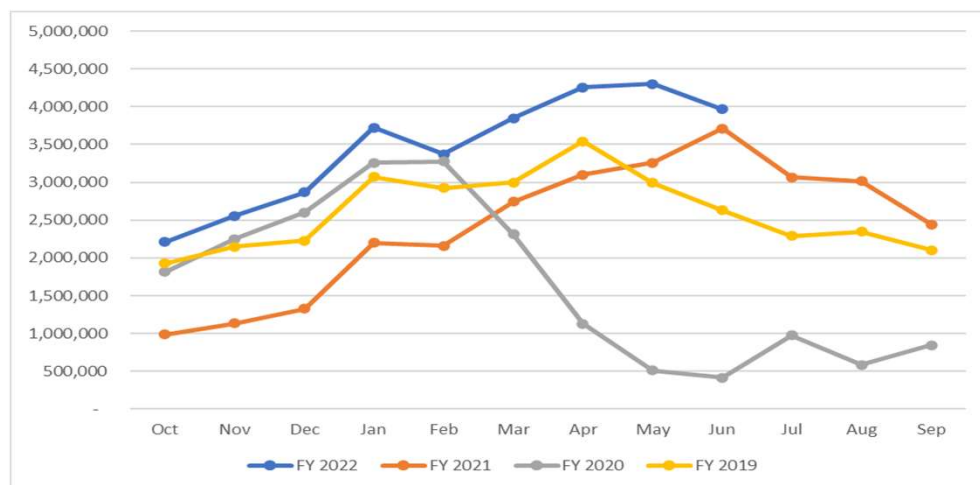
Resort Tax Rooms (monthly)



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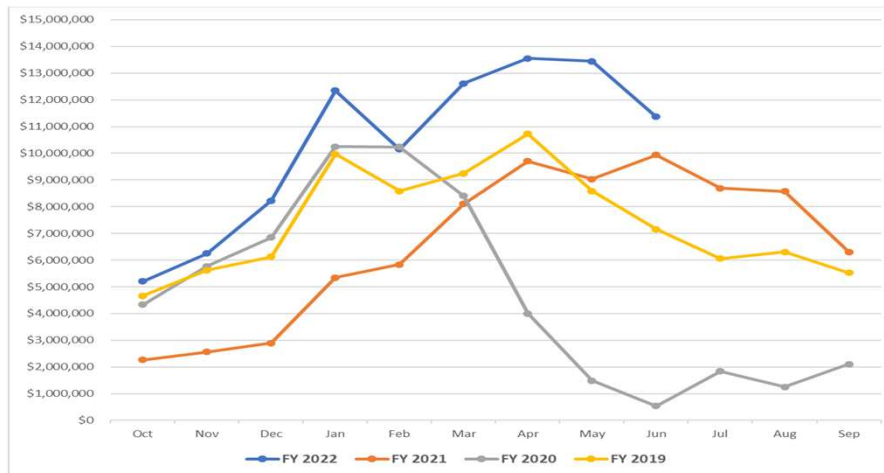
Resort Tax Food & Beverage (monthly)



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Total Resort Tax Collected (monthly)



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FY 2022 Resort Tax Projections



- FY 2022 Adopted Budget (\$75.3M)
 - \$13.3M less than FY 2019 (\$88.6M)
 - 85% of last normal year
- Updated FY 2022 projection for Q2 (\$105.2M)
 - \$16.6M more than FY 2019

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FY 2023 Resort Tax Projections



- Strong domestic travel has been driving the recovery
 - Pent up demand during COVID-19
 - Miami Beach as attractive outdoors destination
 - Uncertainty re: trend as other destinations open up
- Still recovering...
 - Conventions and meetings
 - Cruise industry
 - International travel
- Currently assuming 1% growth for FY 2023

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FY 2023 Preliminary 2% Resort Tax Fund CSL Budget



Fiscal Year 2023	\$
Revenues	\$ 75.0M
Expenditures	\$ 74.2M
Surplus / (Gap)	\$0.8M

Notes:

Includes \$3.2M programming costs for Spring Break from
FY 2022 Resort Tax surplus projected as of Q2

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FY 2023 Preliminary Resort Tax Fund Budget



Fiscal Year 2023	\$
CSL Surplus / (Gap)	\$778K
Proposed Enhancements	(\$398K)
Collective Bargaining COLA's	(\$52K)
<i>Collective Bargaining / Other *</i>	(\$328K)
Surplus / (Gap)	\$0.0M

■ Note: Collective bargaining negotiations are ongoing and costs are TBD

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Resort Tax Enhancements



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Spring Break Programming



- FY 2023 Proposed Budget includes one-time funding for Spring Break programming estimated at **\$3.2M**
- Enhanced police staffing for Spring Break estimated at **\$1.7M** is included in CSL
- Potential offsetting revenue from event sponsorships: **TBD**

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Code Staffing



- The FY 2023 Proposed Budget includes permanently funding 6 Code Officer positions in the ADCD and 3 for short-term rental enforcement that were added mid-year during FY 2021 on a one-time basis for a period of 3 years
- The cost impact is **\$602K**

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Other Enhancements



- **Parks & Recreation**
 - Add 2 family-friendly activations in Lummus Park (\$105K)
- **Tourism & Culture**
 - Position to address increased special event permits (\$57K)
 - City sponsorship of FTX Miami Grand Prix as approved at June 22nd Commission meeting (\$236K)
- **Public Works - Sanitation**
 - Enhance sanitation staffing for Beachwalk (\$117K)*

**Positions proposed to be budgeted in the Sanitation Fund and reimbursed by the Resort Tax Fund.*

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Resort Tax Reserves Update



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
- Set-aside remaining funds of **\$10.4M** for capital project needs and funding gaps

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Other Fund Updates



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Recurring Enhancements



- **City Clerk** (split funded)
 - Additional clerk to address increase in special master cases (\$23K)
- **Environment & Sustainability**
 - Address public safety concerns in the dune system (\$195K)
- **Facilities & Fleet Management**
 - Enhance iguana removal services (\$200K)
- **Fire**
 - Position to optimize computer and information systems (\$74K)

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Recurring Enhancements



- Information Technology

- Cyber incident response retainer services (\$100K)
- Cyber security system to validate file integrity and validity and enforce retention policies (\$300K)
- Contracted software developer to implement new digital services (\$200K)

- Public Works - Sanitation

- Additional sanitation staffing in North Beach (\$271K)

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Recurring Enhancements



- Tourism & Culture (CAC)

- Position to assist with production of special events (\$91K)
- Funding for 2 temporary art installations annually (\$200K)

- Transportation

- Increase frequency of trolley service from 30 minutes to 20 minutes (\$2.4M)

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One-Time Enhancements



- **Public Works - Water**
 - Implement federal mandate from EPA for lead and copper compliance (\$500K)

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2022 Community Survey Opportunities for Improvement



Opportunities for Improvement for Major Categories of City Services Importance-Satisfaction Analysis Miami Beach, Florida

Category of Service	Most Important %	Most Important Rank (out of 28)	Satisfaction %	Satisfaction Rank (out of 28)	Importance-Satisfaction Rating	I-S Rating Rank (out of 28)
High Priority (I-S = 0.10-0.20)						
Efforts to address homelessness	24.6%	7	20.4%	28	0.1958	1
Cleanliness of canals/waterways	26.8%	6	34.7%	27	0.1750	2
Condition of streets	29.9%	3	42.9%	23	0.1707	3
Cleanliness of streets in your neighborhood	41.2%	1	59.6%	18	0.1664	4
Efforts to manage stormwater drainage and flooding	21.9%	9	38.3%	24	0.1351	5
Condition of sidewalks (few or no cracks)	21.3%	10	37.9%	25	0.1323	6
Quality of Police services	38.0%	2	65.2%	15	0.1322	7
Availability of Police in your neighborhood	29.8%	4	62.2%	16	0.1126	8
Cleanliness of streets in business/commercial areas	21.0%	11	47.0%	22	0.1113	9

Among 28 major categories of city services that were assessed, the top 9 opportunities for improvement to enhance overall satisfaction with City services are listed above.

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2022 Community Survey Opportunities for Improvement



■ Quality and Availability of Police

- Permanently funding 17 temporary police officer positions that were added mid-year during FY 2021 on a one-time basis for a period of 3 years(\$2.3M)
- 2 new police officer positions from additional funding from Smith & Wollensky agreement in addition to 2 added last year for a total of 4 (\$336K)
- Marine patrol staff enhancement – realign 5 positions from the 17 previously added for ADCD (\$155K)
- Additional crime scene tech and property & evidence tech (\$140K)
- New innovative tech tools to improve policing (\$61K)

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2022 Community Survey Opportunities for Improvement



■ Efforts to Address Homelessness

- Contract for enhanced services with New Hope for two teams of 2 to cover after hour shifts from 7 pm to 3 am, 7 days a week and access to a recovery residence for up to 6 people (\$364K)

■ Cleanliness of Streets in Neighborhoods & Commercial Areas

- Enhance sanitation staffing for Beachwalk (\$117K)
- Additional sanitation staffing in North Beach (\$271K)
- During FY 2022, Sanitation has resumed providing services to Parking and Cleanliness Index is being re-implemented post-COVID

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Fight the Flood

Our Private Property Adaptation program is awarding up to **\$20,000** in matching funds for selected applicants to help analyze your property's flood risk and implement flood improvements.

Visit mbrisingabove.com/ppa to learn more.

All applications will be reviewed, evaluated, and prioritized according to available funds. Application does not guarantee funding. Property owners will be reimbursed for half of the program cost up to \$20,000. Qualifying low-to-moderate income households are not required to cover any program costs.

Goal: Incentivize resilient flood mitigation improvements for private properties

Funded through the Resilience Fund

\$3.3M over five-years (Resolution 2020-31504)

Overview:

- Residential (single and multi-family) and commercial property owners
- 50/50 matching grant
 - No match required for low-to-moderate income properties
- Competitive, reimbursement-based
- Phase 1: Assessment, Options, Estimates
- Phase 2: Construction

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North Beach Community Redevelopment Agency

NORTHBEACH
COMMUNITY REDEVELOPMENT AGENCY

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Certified FY 2023 Property Values from July 1st



Base Year (2021) Property Values: **\$1.42B**

Year 1 (2022) Property Values: **\$1.58B**

11.6% increase

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5 Year TIF Projections Combined City & County



Year 1	Year 2	Year 3	Year 4	Year 5	Total
\$1.04M	\$1.07M	\$1.10M	\$1.13M	\$1.17M	\$5.51M

Assumptions

- 3% growth in years 2 through 5
- No new major private development projects coming online

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North Beach CRA Budget



- FY2023 Initial Priorities: Beautification, Enhanced City Services, Arts and Culture Tourism and Branding, Small Business Development,
- During initial 5 years, approximately 50% of increment revenue should remain in the Trust Fund to be designated for future project(s) with significant redevelopment impact.

Fiscal Year 2023	\$
Revenues	\$1.04M
Expenditures	\$1.04M
Surplus / (Gap)	\$0

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North Beach CRA Funding Recommendations

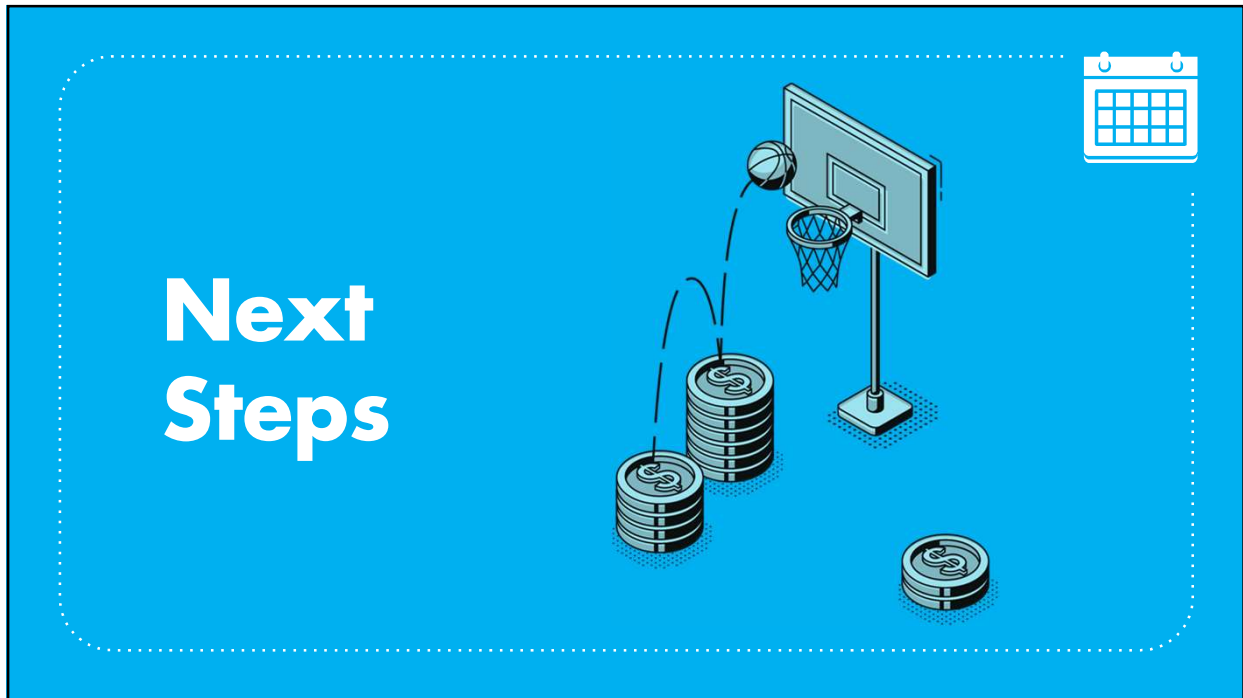


Fiscal Year 2023	\$
Revenues	\$1.04M
Expenditures	
Beautification (19.2%)	\$200K
Enhanced Services (18.8%)	\$196K
Arts and Culture (5.8%)	\$60K
Small Business Development (5.4%)	\$56K
Administration (2.4%)	\$25K
Project Set Aside (48.4%)	\$503K
Surplus / (Gap)	\$0

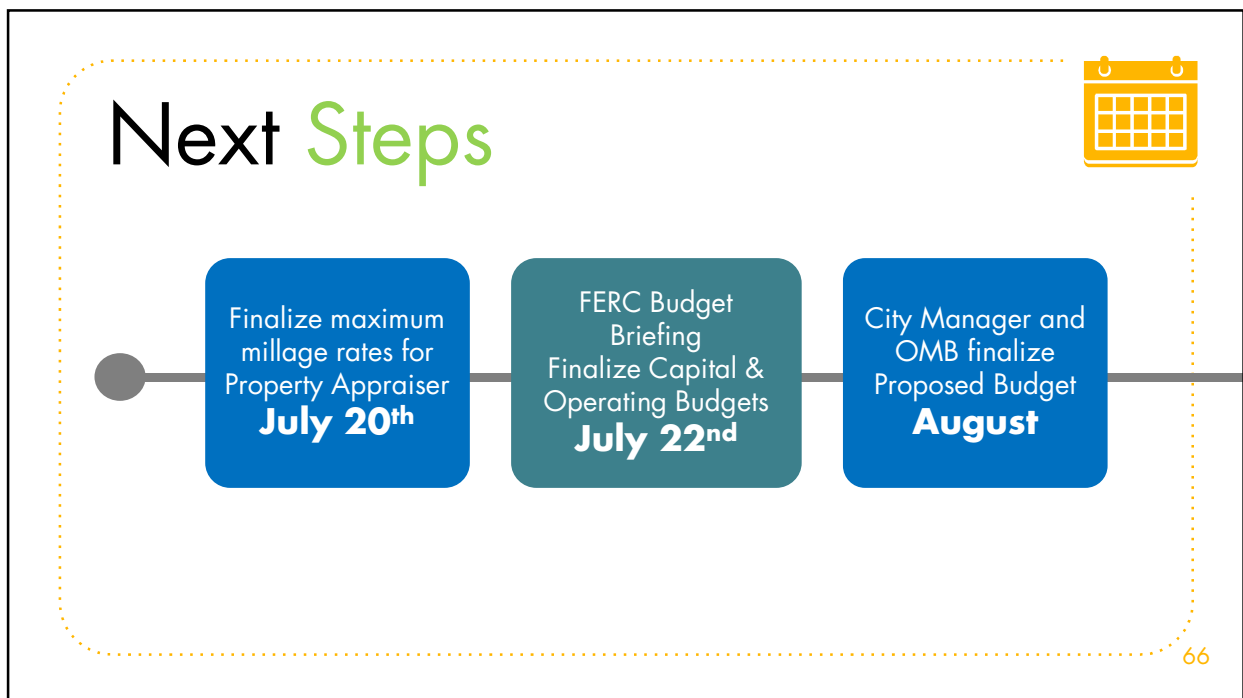
Add'l Priorities beyond FY2023: Affordable & Workforce Housing, Office Development, Infrastructure

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Next Steps



- 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

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Thanks!

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