



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: April 28, 2023

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE SIXTH AMENDMENT TO THE GENERAL FUND, ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS, AND SPECIAL REVENUE FUNDS BUDGETS FOR FISCAL YEAR 2023 AS SET FORTH IN THIS RESOLUTION AND IN THE ATTACHED EXHIBIT "A."**

### **ADMINISTRATION RECOMMENDATION**

Adopt the Resolution.

### **STRATEGIC PLAN SUPPORTED**

Organizational Innovation – Ensure strong fiscal stewardship

### **BACKGROUND**

The budgets for the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds for Fiscal Year 2023 were adopted by the Mayor and City Commission on September 28, 2022, through Resolution No. 2022-32334.

The First Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on October 26, 2022, through Resolution No. 2022-32382.

The Second Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on November 30, 2022, through Resolution No. 2022-32419.

The Third Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on February 1, 2023, through Resolution No. 2023-32481.

The Fourth Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on February 22, 2023, through Resolution No. 2023-32511.

The Fifth Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on March 27, 2023, through Resolution No. 2023-32546.

## **ANALYSIS**

Based on the preliminary FY 2023 first quarter revenue and expenditure projections through September 30, 2023, which were distributed on February 8, 2023 via Letter to Commission (LTC) 061-2023, the General Fund was projected to have a surplus of approximately \$8.0 million.

It is important to note that the City's adopted FY 2023 - FY 2027 Capital Improvement Plan (CIP) identified a total of approximately \$1.6 billion in unfunded capital project needs over the next five years. Further, the City's adopted financial policies regarding the Capital Reserve Fund and Capital Funding (see below) support additional funding for these unfunded capital projects.

- Resolution No. 2002-24764 requires that at least 50% of annual General Fund revenues in excess of expenditures be transferred to the Capital Reserve Fund.
  - This policy requirement amounts to \$4.0 million based on the first quarter projected surplus.
- Resolution No. 2006-26341 established a goal of funding at least 5% of the General Fund budget for capital needs. In recent years, this policy has not been met. In FY 2023, approximately 1.5% (\$5.9 million) of the budget was transferred to Capital Reserve and Pay-as-you-go to fund Capital needs. Had this been funded at the recommended 5%, the transfer should have totaled approximately \$19.0 million.
  - This policy requirement is short by \$13.1 million.
- Resolution No. 2006-26341 also requires that one-time revenues shall be used for capital expenditures or one-time expenditures, rather than funding recurring programs.

As a result, the City Administration is recommending setting aside as much of the projected surplus as possible for capital funding and priority initiatives that will have significant funding impacts to be comprehensively evaluated for funding as part of the FY 2024 budget development process.

## **GENERAL FUND**

### **Citywide Grants and Contributions**

At its February 1, 2023 meeting, members of the City Commission brought forth and approved grants to two organizations, to be utilized for purposes specified in each of the Resolutions that were adopted. These grants, which are further detailed below, were not considered as part of the City's overall operating budget that was approved for FY 2023 and, as such, require the appropriation of funding mid-year in the FY 2023 operating budget to fund.

1. \$25,000 grant to the Captain Hyman P. Galbut Jewish Learning Center Chabad to be strictly used towards secular programming and services (Resolution No. 2023-32472)
2. \$72,500 (rounded to \$73,000 for budget amendment) grant to the Miami Beach ERUV Council, Inc. to offset costs related to the maintenance and repairs of the portions of the ERUV line located on the City's public right of ways in furtherance of the City's interest in ensuring the safety of structures installed on the public right of way (Resolution No. 2023-32476)

Further, at its February 22, 2023 meeting, members of the City Commission brought forth and approved additional grants and contributions to various organizations and institutions to be utilized for purposes specified in each of the Resolutions that were adopted. Similar to those that were approved on February 1, 2023, these additional grants and donations were not considered as part of the City's overall operating budget for FY 2023 that was approved and, as such, require the appropriation of funding mid-year in the FY 2023 operating budget to fund.

1. \$25,000 to the Normandy Fountain Business Association for Normandy Fountain programming (Resolution No. 2023-32499)
2. \$15,000 to Volunteercleanup.org, which is a project by Miami-Dade Coastal Cleanup, Inc., in support of its programming efforts to keep Miami Beach and its natural habitats free of garbage and harmful pollutants (Resolution No. 2023-32500)
3. \$15,000 to Clean Miami Beach, Inc., in support of its programming efforts to keep Miami Beach and its natural habitats free of garbage and harmful pollutants (Resolution No. 2023-32501)
4. \$15,000 towards the production of the Hispanic Heritage Festival to be held by Almodóvar Música, LLC on September 15, 2023 at the Miami Beach Bandshell (Resolution No. 2023-32502)
5. \$10,000 to the Miami Beach Life-Safety Institute of Fire & EMS to be used for its Cadet Program, Miami Beach Fire Rescue Cadet Post #1510 (Resolution No. 2023-32503)
6. \$25,000 to Temple Moses to be strictly used towards secular programming and services (Resolution No. 2023-32505)

At the March 27, 2023 City Commission meeting, the City Commission adopted Resolution No. 2023-32545 on consent, authorizing the City Manager to engage a consultant, for a fee not to exceed \$25,000, to assist the City with exploring all available options for the City to partner with the School Board of Miami-Dade County to assume some portion of deferred maintenance and security functions for the benefit of public schools located in the City of Miami Beach.

At the March 31, 2023 Finance and Economic Resiliency Committee (FERC) meeting, an item that was referred by the City Commission at its February 22, 2023 meeting to provide a grant in the amount of \$75,000 in FY 2023, \$25,000 in FY 2024 and \$25,000 in FY 2025 to the Save Foundation, Inc., a non-for-profit corporation, for the development and implementation of a social media campaign for LGBTQ youth impacted by the "parental rights in education" Bill, widely known as the "Don't Say Gay" Bill, was discussed. Based on discussion and direction from the FERC, this item was referred to the City Commission for consideration with a favorable recommendation.

### **Homeless Outreach Enhanced Services**

The Office of Housing and Community Services' Homeless Outreach team currently operates from 7:30 a.m. to 4:00 p.m., Monday through Friday and contracts with New Hope C.O.R.P.S. (New Hope) to provide specialized outreach services seven (7) days a week, from 7:00 p.m. to 3:00 a.m. The current hours of operation leave a gap in services that are being provided to the community.

To immediately address this gap, while simultaneously addressing concerns related to homeless persons needing services on weekends and high-impact events, the City Administration is recommending that two existing budgeted part-time positions in the Office of Housing and Community Services be converted to two full-time positions and two full-time positions be added to the Office of Housing and Community Services. This would create an additional Homeless Outreach team that will be composed of three full-time Case Worker II positions and one full-time Lead Case Worker position. With this new team, the goal would be to extend hours of operation on Thursdays and Fridays and to provide services on Saturdays and Sundays from 7:30 a.m. to 4:00 p.m.

The total projected cost for this additional Homeless Outreach team, including salaries, fringe benefits, and equipment for FY 2023, is approximately \$91,000 (pro-rated for 5 months). If this proposed budget amendment is approved, the annualized projected cost of approximately \$238,000 will be included as part of the department's overall operating budget for FY 2024.

### **Prime Government Legislative Management Platform**

At the October 26, 2022 City Commission meeting, the Mayor and City Commission adopted Resolution No. 2022-32339 accepting the recommendation of the City Manager pursuant to Request For Proposals No 2022-056-WG to negotiate with Prime Government Solutions, Inc., the top-ranked proposer, to provide the City with a web solution to process agenda items and archive past agenda meetings and legal minutes with a live video stream. The Prime Government solution will also allow the City to track the legislative history of any item from its origin to its conclusion, as well as an item-specific area to see the full legislative history and activities for each item. It can also identify item sponsorship/co-sponsorship and indexing services, create an agenda item and the Resolution simultaneously, offers a Community Engagement feature, and searchable captions/transcripts.

The Office of the City Clerk, the City Administration, and the Office of the City Attorney recently successfully negotiated an agreement with Prime Government Solutions, Inc.; however, the costs are not included in the current FY 2023 operating budget. As a result, a mid-year budget amendment is necessary to fund the implementation of this new solution, which is approximately \$148,000 in Year 1 (FY 2023) and is comprised of a one-time fee of approximately \$25,000 plus an annual fee of approximately \$123,000. The annual fee will increase by 3% annually and be requested annually as part of the normal budget cycle.

### **General Fund Summary**

Based on the preliminary first quarter actuals for FY 2023 with revenue and expenditure projections through September 30, 2023 that were distributed on February 8, 2023 via Letter to Commission (LTC) 061-2023, the City Administration is recommending that \$542,000 of the remaining surplus that was originally projected in the General Fund for FY 2023 as of the first quarter be appropriated and/or re-aligned within the current General Fund operating budget to fund the proposed amendments detailed above.

If this proposed budget amendment is approved, the table below outlines the updated use of the projected \$8 million General Fund surplus that was projected as of the first quarter of FY 2023.

<b>General Fund</b>	<b>FY 2023</b>
<b>Projected FY 2023 Surplus as of Q1 (LTC 061-2023)</b>	<b>\$7,970,000</b>
<i>Commission Approved FY 2023 Mid-Year Appropriations:</i>	
<i>Arts and Culture Bond Underwriter and Issuance Costs</i>	(1,500,000)
<i>Additional Costs for Refurbishment of Fire Boat</i>	(233,000)
<i>Additional Costs for Commission Chambers Renovation</i>	(1,100,000)
<b>Total Appropriations (4th Operating Budget Amendment)</b>	<b>(\$2,833,000)</b>
<b>Revised FY 2023 General Fund Surplus</b>	<b>\$5,137,000</b>
<i>Proposed Amendment for:</i>	
<i>Approved Grants and Contributions</i>	(303,000)
<i>Homeless Outreach Enhanced Services</i>	(91,000)
<i>Prime Government Legislative Management Platform</i>	(148,000)
<b>Total Proposed (6<sup>th</sup> Operating Budget Amendment)</b>	<b>(\$542,000)</b>
<b>Remaining Balance</b> <i>(Recommended to be Allocated for Capital Project Gaps)</i>	<b>\$4,595,000</b>

## **OTHER FUNDS**

### **Residential Housing Program**

The Office of Housing and Community Services' Residential Housing Program currently manages 89 affordable housing units that are situated within five multi-family properties located throughout the City. These properties, which are required to comply with local, state, and federal regulations and affordable housing guidelines, generate revenues from rents that are collected and utilized to provide quality housing for low-income tenants.

The London House is located at 1965-1975 Washington Avenue, and consists of two buildings, with a total of 24 units. The 1975 building consists of 18 units and the 1965 building consists of six units. The roofs for both buildings need repairs and the City Administration would like to be proactive in addressing these repairs before the upcoming hurricane season.

In addition, the flooring in the six units at the 1965 Washington Avenue building have been impacted by repeated water intrusion from damaged HVAC units, that are currently being replaced, resulting in damage to the carpet flooring. The carpets in these vacant units need to be replaced with laminate flooring before the units can be rented.

For this reason, this proposed amendment recommends the appropriation of \$100,000 from the London House's prior year fund balance to fund these roof and flooring repairs that have been identified.

## **CONCLUSION**

The Administration recommends that the Mayor and City Commission adopt the Sixth Amendment to the General Fund, Enterprise Fund, Internal Service Fund, and Special Revenue Fund budgets for FY 2023 described herein and further detailed in the attached Exhibit "A."

ATH/JG/TOS

**Exhibit "A"**

GENERAL FUND	FY 2023 Amended Budget	6th Budget Amendment	FY 2023 Revised Budget
<b>REVENUES</b>			
<b>Operating Revenues</b>			
Ad Valorem Taxes	\$ 220,605,000		\$ 220,605,000
Ad Valorem- Capital Renewal & Repl.	\$ 1,944,000		\$ 1,944,000
Ad Valorem- Pay-As-You-Capital	\$ 3,974,000		\$ 3,974,000
Ad Valorem- Normandy Shores	\$ 282,000		\$ 282,000
Other Taxes	\$ 26,560,000	100,000	\$ 26,660,000
Licenses and Permits	\$ 18,790,000	53,000	\$ 18,843,000
Intergovernmental	\$ 14,175,000	50,000	\$ 14,225,000
Charges for Services	\$ 15,022,000		\$ 15,022,000
Fines & Forfeits	\$ 1,264,000		\$ 1,264,000
Interest Earnings	\$ 5,577,000		\$ 5,577,000
Rents & Leases	\$ 6,967,000	100,000	\$ 7,067,000
Miscellaneous	\$ 15,753,000		\$ 15,753,000
Resort Tax Contribution	\$ 39,227,000		\$ 39,227,000
Other Non-Operating Revenue	\$ 13,905,000		\$ 13,905,000
Use of General Fund Reserves/Prior Year Surplus	\$ 16,239,000		\$ 16,239,000
<b>Total General Fund</b>	<b>\$ 400,284,000</b>	<b>\$ 303,000</b>	<b>\$ 400,587,000</b>
<b>APPROPRIATIONS</b>			
<b>Department</b>			
Mayor and Commission	\$ 2,809,000		\$ 2,809,000
City Manager	\$ 4,290,000		\$ 4,290,000
Marketing and Communications	\$ 2,983,000		\$ 2,983,000
Office of Management and Budget	\$ 1,678,000		\$ 1,678,000
Org. Dev Performance Initiatives	\$ 3,321,000	25,000	\$ 3,346,000
Finance	\$ 8,042,000		\$ 8,042,000
Procurement	\$ 3,101,000		\$ 3,101,000
Human Resources/Labor Relations	\$ 3,124,000		\$ 3,124,000
City Clerk	\$ 1,933,000	148,000	\$ 2,081,000
City Attorney	\$ 7,654,000		\$ 7,654,000
Housing & Community Services	\$ 6,057,000	91,000	\$ 6,148,000
Planning	\$ 6,074,000		\$ 6,074,000
Environment & Sustainability	\$ 2,386,000		\$ 2,386,000
Tourism and Culture	\$ 3,661,000		\$ 3,661,000
Economic Development	\$ 2,993,000		\$ 2,993,000
Code Compliance	\$ 6,886,000		\$ 6,886,000
Parks & Recreation (incl. Golf Courses)	\$ 44,084,000	(148,000)	\$ 43,936,000
Property Management General Fund	\$ 3,848,000		\$ 3,848,000
Public Works	\$ 17,112,000	(91,000)	\$ 17,021,000
Capital Improvement Projects	\$ 6,003,000		\$ 6,003,000
Police	\$ 133,070,000		\$ 133,070,000
Fire	\$ 102,036,000		\$ 102,036,000
Citywide (incl. Operating Contingency)	\$ 19,539,000	278,000	\$ 19,817,000
<b>Subtotal General Fund</b>	<b>\$ 392,684,000</b>	<b>\$ 303,000</b>	<b>\$ 392,987,000</b>
<b>TRANSFERS</b>			
Normandy Shores	\$ 282,000		\$ 282,000
Pay-As-You-Go Capital Fund	\$ 3,974,000		\$ 3,974,000
Info & Comm Technology Fund	\$ 300,000		\$ 300,000
Capital Reserve Fund	\$ 1,100,000		\$ 1,100,000
Capital Renewal & Replacement	\$ 1,944,000		\$ 1,944,000
<b>Subtotal Transfers</b>	<b>\$ 7,600,000</b>	<b>\$ 0</b>	<b>\$ 7,600,000</b>
<b>Total General Fund</b>	<b>\$ 400,284,000</b>	<b>\$ 303,000</b>	<b>\$ 400,587,000</b>

**Exhibit "A"**

ENTERPRISE FUNDS	FY 2023 Amended Budget	6th Budget Amendment	FY 2023 Revised Budget
<b>REVENUE/APPROPRIATIONS</b>			
Building	\$ 18,090,000		\$ 18,090,000
Convention Center	\$ 29,607,000		\$ 29,607,000
Water	\$ 39,932,000		\$ 39,932,000
Sewer	\$ 59,180,000		\$ 59,180,000
Stormwater	\$ 36,030,000		\$ 36,030,000
Sanitation	\$ 24,821,000		\$ 24,821,000
Parking	\$ 47,458,000		\$ 47,458,000
<b>Total Enterprise Funds</b>	<b>\$ 255,118,000</b>	<b>\$ 0</b>	<b>\$ 255,118,000</b>

INTERNAL SERVICE FUNDS	FY 2023 Amended Budget	6th Budget Amendment	FY 2023 Revised Budget
<b>REVENUE/APPROPRIATIONS</b>			
Information Technology	\$ 20,694,000		\$ 20,694,000
Risk Management	\$ 24,862,000		\$ 24,862,000
Central Services	\$ 1,064,000		\$ 1,064,000
Office of Inspector General	\$ 2,180,000		\$ 2,180,000
Property Management	\$ 12,849,000		\$ 12,849,000
Fleet Management	\$ 24,928,000		\$ 24,928,000
Medical and Dental Insurance	\$ 46,159,000		\$ 46,159,000
<b>Total Internal Service Funds</b>	<b>\$ 132,736,000</b>	<b>\$ 0</b>	<b>\$ 132,736,000</b>

SPECIAL REVENUE FUNDS	FY 2023 Amended Budget	6th Budget Amendment	FY 2023 Revised Budget
<b>REVENUE/APPROPRIATIONS</b>			
Education Compact	\$ 155,000		\$ 155,000
IT Technology Fund	\$ 582,000		\$ 582,000
Residential Housing	\$ 1,029,000	100,000	\$ 1,129,000
Sustainability	\$ 1,082,000		\$ 1,082,000
Tree Preservation Fund	\$ 282,000		\$ 282,000
Commemorative Tree Trust Fund	\$ 4,000		\$ 4,000
Resort Tax	\$ 111,313,000		\$ 111,313,000
Tourism and Hospitality Scholarships	\$ 81,000		\$ 81,000
Cultural Arts Council	\$ 2,990,000		\$ 2,990,000
Waste Haulers	\$ 109,000		\$ 109,000
Normandy Shores	\$ 282,000		\$ 282,000
Biscayne Point Special Taxing District	\$ 230,000		\$ 230,000
Allison Island Special Taxing District	\$ 244,000		\$ 244,000
Biscayne Beach Special Taxing District	\$ 234,000		\$ 234,000
5th & Alton Garage	\$ 844,000		\$ 844,000
7th Street Garage	\$ 3,213,000		\$ 3,213,000
Transportation Fund	\$ 14,294,000		\$ 14,294,000
People's Transportation Plan	\$ 4,227,000		\$ 4,227,000
Police Confiscation Fund - Federal	\$ 90,000		\$ 90,000
Police Confiscation Fund - State	\$ 66,000		\$ 66,000
Police Unclaimed Property	\$ 15,000		\$ 15,000
Police Crash Report Sales	\$ 116,000		\$ 116,000
Police Training Fund	\$ 67,000		\$ 67,000
Red Light Camera Fund	\$ 1,216,000		\$ 1,216,000
E-911 Fund	\$ 767,000		\$ 767,000
Art in Public Places (AIPP)	\$ 202,000		\$ 202,000
Beachfront Concession Initiatives	\$ 116,000		\$ 116,000
Beach Renourishment	\$ 1,564,000		\$ 1,564,000
Resiliency Fund	\$ 1,974,000		\$ 1,974,000
Sustainability and Resiliency	\$ 194,000		\$ 194,000
Biscayne Bay Protection Trust Fund	\$ 6,000		\$ 6,000
Adopt-A-Bench Program	\$ 20,000		\$ 20,000
<b>Total Special Revenue Funds</b>	<b>\$ 147,608,000</b>	<b>\$ 100,000</b>	<b>\$ 147,708,000</b>