



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

COMMISSION MEMORANDUM

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

FROM: Alina T. Hudak, City Manager

DATE: September 27, 2023

SUBJECT: **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING THE FINAL OPERATING BUDGET FOR FISCAL YEAR 2024.**

STRATEGIC PLAN SUPPORTED

Organizational Innovation – Ensure strong fiscal stewardship

ADMINISTRATION RECOMMENDATION

Adopt the Resolution which establishes the final operating budget for the Normandy Shores Local Government Neighborhood Improvement District (“District”) for Fiscal Year (FY) 2024 in the amount of \$316,000.

BACKGROUND

The Normandy Shores Local Government Neighborhood Improvement District, which is a dependent taxing district of its principal, the City of Miami Beach, was established in 1994 to provide continual 24-hour security to this gated community. FY 2024 represents its thirtieth year of operation.

The District was established by Ordinance No. 93-2881 and has the authority “to levy an ad-valorem tax on real and personal property of up to two mills, provided that no parcel of property will be assessed more than \$500 annually for such improvements.”

On September 11, 1997, Resolution No. 97-22522 adopted the District’s Tentative FY 1998 millage rate. The accompanying memorandum noted that the City had been funding the gap between the revenues generated from the ad valorem taxes and the budget, that the City could not continue to subsidize this budget and that the District should be self-sustaining. This memorandum also noted that Resolution No. 97-22487 included the City Commission’s direction to the City Clerk to take such steps as may be necessary to hold a special referendum for the purpose of authorizing special assessments to raise \$41,915 for operating purposes within the District for FY 1998.

On September 23, 1998, Resolution No. 98-22902 adopted the District’s FY 1999 budget. The accompanying memorandum noted that the City had been funding the gap between the revenues generated from the ad valorem taxes and the budget and that a determination was reached that the City would fund 35% of the annual cost of the community guard gate. It also stated that the cost

would eventually be funded by the golf course and that the City Attorney's Office would review the issue of the dependent status of the District, and the City would continue supplementing the budget at current levels until both issues are resolved.

On September 25, 2002, Ordinance No. 2002-3380 adopted the removal of the \$500 annual cap per parcel. The accompanying memorandum noted that the City's 35% contribution would be maintained.

In 2015, as part of a "clean up" Ordinance to repeal three other safe neighborhood districts that were no longer active, the Mayor and City Commission enacted Ordinance No. 2015-3928. With respect to the Normandy Shores District, because the prior versions of the ordinance had not been codified as part of the consolidated legislation of the City, the 2015 Ordinance sought to codify the legislation, but in doing so, inadvertently re-adopted the original 1993 Ordinance that included an ad valorem cap of \$500 per property and not the correct, most recent, version of the legislation, the 2002 Ordinance, which deleted the cap of \$500 per property.

In order to correct the inadvertent error in the 2015 Ordinance and eliminate the \$500 per property cap, as intended since 2002, the Mayor and City Commission adopted Ordinance No. 2020-4386 on December 9, 2020.

On July 28, 2021, the City Commission, based on the recommendation of the Finance and Economic Resiliency Committee at its July 31, 2021 meeting, approved Resolution No. 2021-31819 eliminating the City's 35% subsidy, while continuing to fund 50% of the total cost of the security rover for the District and Normandy Shores golf course.

Since then, the annual budget for the Normandy Shores Local Government Neighborhood Improvement District has been funded through a dedicated ad valorem tax levied on property within the District with the City continuing to fund 50% of the total cost of the security rover for the District and Normandy Shores golf course.

PROCEDURE

The operating millage and budget for this dependent taxing district must be adopted in accordance with Florida Statutes. This procedure requires that this Resolution be considered immediately after the final millage for the District has been adopted (see accompanying District Millage agenda item for details).

NORMANDY SHORES BUDGET

The FY 2024 budget for the District, as summarized below and further detailed in Attachment A, is \$316,000, which is an increase of \$34,000, or 12.1%, from the adopted FY 2023 budget of \$282,000.

Expenditures in FY 2024 Budget	\$
Contracted Security Services for Guardhouse and 50% of Rover	227,000
Gate Maintenance and Repairs	40,500
Set-aside for Renewal and Replacement of Capital Assets	20,000
Guardhouse Utilities and Janitorial Services	11,000
Set-aside for Reserve for Future Projects	10,000
South Gate Entrance Project (One-Time)	6,000
OIG Internal Service Charges	1,000
Other Miscellaneous Operating Expenditures	500
Total	\$316,000

To provide the current level of security required in the District an ad valorem millage of 0.8468 mills, which was approved by the Normandy Shores Homeowners' Association, is recommended by the Administration for FY 2024. This levy will generate tax proceeds of \$332,611, which will be budgeted at approximately 95.0%, or \$315,980 (rounded to \$316,000), to account for early payment discounts, delinquencies, etc. and will fund the FY 2024 budget for the District that includes a project for the south gate entrance that was requested by the Normandy Shores Homeowners' Association.

CONCLUSION

The City Commission, acting in its capacity as the Board of Directors of the Normandy Shores Local Government Neighborhood Improvement District, should adopt the attached Resolution which establishes the final operating budget of \$316,000 for the Normandy Shores Local Government Neighborhood Improvement District for FY 2024.

Attachment A – FY 2024 Normandy Shores Budget

ATH/JDG/TOS

ATTACHMENT A

FY 2024 Normandy Shores District Budget							
	FY 2020 Actuals	FY 2021 Actuals ⁽¹⁾	FY 2022 Actuals ⁽²⁾	FY 2023 Adopted Budget	FY 2024 Proposed	\$ Variance FY 2024 Proposed vs FY 2023 Adopted	% Variance FY 2024 Proposed vs FY 2023 Adopted
REVENUES							
Residents	173,550	17,900	252,000	282,000	316,000	34,000	12.1%
City	93,450	93,100	0	0	0	0	0.0%
Restitutions ⁽³⁾	1,662	1,677	3,740	0	0	0	0.0%
Miscellaneous/Interest	1,131	80	0	0	0	0	0.0%
Total	\$ 269,793	\$ 112,757	\$ 255,740	\$ 282,000	\$ 316,000	\$ 34,000	12.1%
EXPENDITURES							
Internal Service - Security Guard Services ⁽⁴⁾	217,000	210,000	214,000	214,000	227,000	13,000	6.1%
Janitorial Services	3,892	3,877	3,907	4,000	4,000	0	0.0%
Gate Repairs (AAA Repairs)	31,099	24,291	37,073	20,500	35,500	15,000	73.2%
Other Repairs and Maintenance	0	0	0	5,000	5,000	0	0.0%
Internal Service - OIG Set-Aside ⁽⁵⁾	0	0	1,000	1,000	1,000	0	0.0%
Utilities (Electricity & Telephone) ⁽⁶⁾	5,835	5,655	6,666	7,000	7,000	0	0.0%
RFID System	42,199	0	0	0	0	0	0.0%
LPR Camera System	0	35,554	0	0	0	0	0.0%
South Entrance Gate Project	0	0	0	0	6,000	6,000	100.0%
Renewal & Replacement Set-Aside ⁽⁷⁾	0	0	0	20,000	20,000	0	0.0%
Other Expenditures ⁽⁸⁾	936	4,367	1,117	500	500	0	0.0%
Transfer to Reserve ⁽⁹⁾	0	0	0	10,000	10,000	0	0.0%
Total	\$ 300,961	\$ 283,744	\$ 263,763	\$ 282,000	\$ 316,000	\$ 34,000	12.1%
Surplus / (Shortfall)	\$ (31,168)	\$ (170,987)	\$ (8,023)	\$ 0	\$ 0	\$ 0	
REQUIRED MILLAGE	0.8161	0.0773	1.0659	0.9717	0.8468	(0.1249)	-12.9%

Footnotes:

⁽¹⁾ The FY 2021 millage and budget was adopted to comply with the \$500 cap codified on the levy of property taxes per parcel for operations of the Normandy Shores Local Government Neighborhood Improvement District, which resulted in a significant reduction in revenue of \$155,000 based on the decrease in the FY 2021 millage rate from the proposed millage of 0.7497 mills to 0.0773 mills. To offset the reduction in revenue in FY 2021, available fund balance projected in the Normandy Shores Fund of \$135,000 was appropriated, the budget reduced by \$20,000, and the City's original 35.0% subsidy of \$93,100 was maintained for FY 2021.

⁽²⁾ Effective FY 2022, the City Commission adopted Ordinance 2020-4236 eliminating the \$500 per parcel cap and Resolution No. 2021-31819 eliminating the City's annual subsidy of 35.0% for operations of the Normandy Shores Local Government Neighborhood Improvement District, while maintaining the City's 50.0% contribution towards the cost of the security rover.

⁽³⁾ Per the Facilities and Fleet Management Department, additional necessary gate repairs were funded outside of the District's operating budget and restitutions totaling \$8,828.56 that were collected during FY 2022 for applicable gate repairs was reimbursed to the funding source used to fund these gate repairs.

⁽⁴⁾ FY 2024 security guard costs are based on current year projections for security guard services per the Facilities and Fleet Management Department, which include the cost of the security rover and golf cart rental that is split-funded between the Normandy Shores (50%) District and the City (50%), plus applicable citywide increase in living wage of 3% proposed for FY 2024.

⁽⁵⁾ Based on the Office of the Inspector General's FY 2024 budget and internal services allocations for FY 2024.

⁽⁶⁾ Utilities for FY 2024 based on current year projections.

⁽⁷⁾ FY 2024 Renewal and Replacement Set-Aside based on Adopted FY 2023 set-aside for future renewal and replacement funding.

⁽⁸⁾ Other Expenditures for FY 2024 based on annual Special Taxing District state fee paid to the Department of Economic Opportunity.

⁽⁹⁾ FY 2024 Transfer to Reserve based on Adopted FY 2023 Transfer to Reserve to be used for future needs.

⁽¹⁰⁾ FY 2024 property values based on Certified values received July 1, 2023 from Miami-Dade County Property Appraiser