



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

## COMMISSION MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: September 25, 2017

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 (FY) 2017/18.**

### **ADMINISTRATION RECOMMENDATION**

Adopt the Resolution which establishes the final operating budget for the Normandy Shores Local Government Neighborhood Improvement District for FY 2017/18 in the amount of \$277,000.

### **BACKGROUND**

The Normandy Shores Local Government Neighborhood Improvement District, a dependent taxing district of its principal, the City of Miami Beach, was established in 1994 to provide continuous 24-hour security to this gated community; FY 2017/18 represents its twenty-fourth year of operation.

The District was established by Ordinance 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*". During FY 1998/99, the amount of annual funding to be provided by the City and the dependent status of the District were issues discussed by the Finance and Citywide Projects Committee. A determination was reached that the City would fund 35% of the annual cost of the operation of the community guardhouse. The cost would eventually be funded from the operations of the Normandy Shores Golf Course. It was further agreed that the City would continue to supplement the District at current levels until both issues were resolved. On August 29, 2002, the Administration met with the Normandy Shores Local Government Neighborhood Improvement District representatives and agreed to eliminate the \$500 cap on the highest valued home in the District. The enabling legislation was adopted by the Commission on September 25, 2002. This ensures that the City's contribution from the General Fund remains at 35% of the operating budget for the District.

### **PROCEDURE**

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

**ANALYSIS**

The final FY 2017/18 budget is \$277,000. This budget includes line items which were requested and approved by the Normandy District Homeowners' Association on July 6, 2017: \$198,000 for security services, \$32,000 for vehicular bollards, signs and lighting, \$32,000 for other repairs and utility costs, \$10,000 for video equipment, \$3,000 for janitorial services and \$2,000 for an AED Defibrillator. The budget is \$20,000 (7.8 percent) higher than the FY 2016/17 adopted budget.

The City of Miami Beach General Fund is required to provide 35% of the total operating expenditures (\$96,000), and the City has funded the 35% for each of the twenty-three years since the District was established. The amount provided by the General Fund for this purpose in FY 2016/17 was \$88,000.

The \$96,000 impact to the General Fund from the FY 2017/18 proposed budget is \$8,000 (9.1%) more than the FY 2016/17 adopted budget impact of \$88,000.

To provide the current level of security required by this District, the Administration recommends the final ad valorem millage of 0.9564 mills. This tax levy will generate proceeds of \$181,000. The final millage rate is 0.0529 mills lower than the prior year adopted millage rate of 1.0093. This represents an annual decrease in tax of approximately \$14.00 to the City average 2017 homesteaded property of \$436,830 taxable value applying a 2.1% CPI increase over FY 2016/17 average property values of \$427,845.

On September 18, 2017, the Mayor and City Commission adopted the tentative operating budget for the District in the amount of \$277,000 and the tentative operating millage rate of 0.9564 mills.

The final operating budget for the District is as follows:

<u>Revenues</u>	
Ad Valorem Tax	\$ 181,000
City's General Fund	<u>96,000</u>
<b>Total</b>	<b>\$ 277,000</b>
 <u>Expenditures</u>	
Security Service	\$ 198,000
Maintenance	35,000
Video System	10,000
Defibrillator	2,000
Signs, bollards, lighting	<u>32,000</u>
<b>Total</b>	<b>\$ 277,000</b>

**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 a final operating budget of \$277,000.

JLM/JW/TOS