

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING TENTATIVE BUDGETS FOR THE GENERAL, G.O. DEBT SERVICE, RDA AD VALOREM TAXES, ENTERPRISE, INTERNAL SERVICE, AND SPECIAL REVENUE FUNDS FOR FISCAL YEAR 2018/19 SUBJECT TO A SECOND PUBLIC HEARING SCHEDULED ON WEDNESDAY, SEPTEMBER 26, 2018, AT 5:01 P.M.**

**WHEREAS**, the City Manager's total proposed Fiscal Year (FY) 2018/19 operating budget, net of transfers and Internal Service Funds, is \$630,852,000 including the General, General Obligation (G.O.) Debt Service, RDA Ad Valorem Taxes, Enterprise, and Special Revenue Funds, as shown in Composite Exhibit "A"; and

**WHEREAS**, the proposed General Fund operating budget totals \$345,145,000; and

**WHEREAS**, the proposed budgets for the Enterprise Funds total \$209,999,000; and

**WHEREAS**, the proposed budgets for Internal Service Funds, which are wholly supported by transfers from the General Fund, Enterprise Funds, the Redevelopment District, and Special Revenue Funds, total \$96,338,000; and

**WHEREAS**, the proposed budgets for the Special Revenue Funds total \$114,512,000; and

**WHEREAS**, the current 1% Resort Tax Quality of Life bed tax, as adopted by Resolution No. 2015-28919, is approved to be used as follows: 45% allocated for Transportation initiatives in tourist-related areas; 15% allocated equally among North Beach, Middle Beach and South Beach for capital projects that enhance Miami Beach's tourist related areas; and 10% allocated to various arts and cultural programs; and

**WHEREAS**, the FY 2018/19 budget accepts the recommendation of the Finance and Citywide Projects Committee regarding the proposed reallocation of 1% Resort Tax Quality of Life funding, commencing FY 2018/19, to be amended to increase the allocation for Transportation initiatives from 45% to 60% and decrease North Beach, Middle Beach, and South Beach Quality of Life capital from 15% to 10% each; and

**WHEREAS**, in order to utilize the use of prior year fund balance to fund recurring costs in the FY 2018/19 budgets for the Sanitation, Medical and Dental, and Convention Center Funds, the Mayor and City Commission would need to waive the City's established policy of not utilizing one-time, non-recurring revenue to subsidize recurring personnel, operating, and maintenance costs; and

**WHEREAS**, Section 932.7055 of the Florida Statutes sets forth the purpose and procedures to be utilized for the appropriation and expenditures of the Police Confiscated Trust Fund; and

**WHEREAS**, the proceeds and interest earned from the Police Confiscated Trust Fund are authorized to be used for crime prevention, safe neighborhoods, drug abuse education and prevention programs, or for other law enforcement purposes; and

**WHEREAS**, the Chief of Police is authorized to expend these funds following a request to the City of Miami Beach Commission, and only upon appropriation to the Miami Beach Police Department by the City of Miami Beach Commission; and

**WHEREAS**, the Chief of Police of the City of Miami Beach has submitted a written certification (attached as Exhibit "B") which states that this request complies with the provisions of Section 932.7055 of the Florida Statutes and the Guide to Equitable Sharing of Federally Forfeited Property for Local Law Enforcement Agencies; and

**WHEREAS**, the Police Confiscation Trust Fund budgets for FY 2018/19 in the amount of \$246,000 shall be funded from State Confiscation Funds in the amount of \$56,000 and Federal Treasury and Justice Confiscation Funds in the amount of \$190,000, as reflected in the attached Exhibit "B"; and

**WHEREAS**, funds in the amount of \$246,000 are available in the Police Confiscated Trust Funds; and

**WHEREAS**, the City of Miami Beach is authorized to assess \$2.00 from court costs for criminal proceedings for expenditures for Criminal Justice Education degree programs and training courses for officers and support personnel of the Miami Beach Police Department pursuant to Section 938.15 of the Florida Statutes; and

**WHEREAS**, the Police Training and School Resources Fund is currently funded with the assessed criminal justice education expenditures for the City of Miami Beach pursuant to Section 938.15 of the Florida Statutes, in the amount of \$25,000, as reflected in the attached Exhibit "C"; and

**WHEREAS**, the Chief of Police of the City of Miami Beach has submitted a written certification (attached as Exhibit "C") which states that this request complies with the provisions of Sections 938.15 and 943.25 of the Florida Statutes and the guidelines established by the Division of Criminal Justice Standards and Training; and

**WHEREAS**, the City of Miami Beach Police Department intends to utilize the \$25,000 for those purposes as authorized pursuant to Section 938.15 of the Florida for education degree programs and training courses for officers and support personnel of the Miami Beach Police Department; and

**WHEREAS**, Section 705.105 of the Florida Statutes sets forth the procedure for unclaimed evidence which is in the custody of the Miami Beach Police Department and permanently vests in the Miami Beach Police Department sixty (60) days after the conclusion of the criminal proceeding; and

**WHEREAS**, \$32,000 has been in the custody of the Miami Beach Police Department Property and Evidence Unit in excess of the statutory period set forth in Section 705.105 of the Florida Statutes; and

**WHEREAS**, said funds have vested permanently in the Miami Beach Police Department, and have now been placed in the Police Unclaimed Property Account, as provided by Resolution No. 90-19931, adopted on March 7, 1990; and

**WHEREAS**, the Miami Beach Police Department seeks to purchase those items identified in the attached Exhibit "D" with funds in the Unclaimed Property Account Fund; and

**WHEREAS**, the Miami Beach Cultural Arts Council (CAC) was established by the Mayor and City Commission on March 5, 1997; and

**WHEREAS**, the mission of the CAC is to develop, coordinate, and promote the visual and performing arts in the City of Miami Beach for the enjoyment, education, cultural enrichment, and benefit of the residents of, and visitors to, the City of Miami Beach; and

**WHEREAS**, the Mayor and City Commission adopted the Cultural Arts Master Plan on June 3, 1998, identifying the following program areas for the CAC: cultural arts grants; marketing; facilities; advocacy and planning; and revenue development; and

**WHEREAS**, pursuant to its enabling legislation, the CAC's budget for each fiscal year shall be adopted by the Mayor and City Commission; and

**WHEREAS**, accordingly, the CAC recommends a \$1,481,000 budget allocation for FY 2018/19 to continue implementation of its programs; and

**WHEREAS**, from January 2018 through July 2018, the Cultural Affairs staff and CAC conducted its application and review process for its FY 2018/19 Cultural Arts Grant Programs; and

**WHEREAS**, grants panelists, comprised of the CAC members, yielded 44 viable applications; and

**WHEREAS**, the CAC, at its regular meeting on July 12, 2018, reviewed the grant panelists' recommendations and unanimously supported the recommended Cultural Arts awards totaling \$850,000 for FY 2018/19, as more specifically identified in the "Proposed FY 2018/19 Funding" column on Exhibit "E," attached hereto; and

**WHEREAS**, the City Manager has reviewed the recommended Cultural Arts awards and concurs with same; and

**WHEREAS**, the Miami Beach Visitor and Convention Authority (MBVCA) was created pursuant to Chapter 67-930 of the Laws of Florida, and Sections 102-246 through 102-254 of the Code of the City of Miami Beach; and

**WHEREAS**, pursuant to its enabling legislation, the MBVCA's budget for each fiscal year shall be presented to the Mayor and Commission; and

**WHEREAS**, the MBVCA has recommended approval of the proposed work plan and budget for FY 2018/19, in the amount of \$3,062,000, to continue implementation of its programs as shown in Exhibit "F."

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA,** that the Mayor and City Commission of the City of Miami Beach, Florida hereby adopt the tentative budgets for the General, G.O. Debt Service, RDA Ad Valorem Taxes, Enterprise, Internal Service, and Special Revenue Funds for Fiscal Year 2018/19 as shown in Composite Exhibit "A" (Total Revenues and Expenditures by Fund and Department), Exhibit "B" (Confiscated Trust Funds), Exhibit "C" (Police Training & School Resources Fund), Exhibit "D" (Police Unclaimed Property Account), Exhibit "E" (Cultural Arts Council Grants), and Exhibit "F" (MBVCA), subject to a second public hearing scheduled on Wednesday, September 26, 2018, at 5:01 p.m., and waive the City's policy of not utilizing one-time, non-recurring revenue to subsidize recurring personnel, operating and maintenance costs for the Sanitation, Medical and Dental, and Convention Center Funds for FY 2018/19, as well as accept the recommendation of the Finance and Citywide Projects Committee regarding the proposed reallocation of 1% Resort Tax Quality of Life funding, commencing FY 2018/19, to be amended to increase the allocation for Transportation initiatives from 45% to 60% and decrease North Beach, Middle Beach, and South Beach Quality of Life capital from 15% to 10% each.

**PASSED AND ADOPTED** this 12<sup>th</sup> day of September, 2018.

**ATTEST:**

\_\_\_\_\_  
Dan Gelber, Mayor

\_\_\_\_\_  
Rafael E. Granado, City Clerk

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

Rafael E. Granado  
City Attorney

9-5-18  
Date

**COMPOSITE EXHIBIT A**  
**REVENUE SUMMARY BY FUND AND MAJOR CATEGORY**  
**Fiscal Year 2018/19**

FUNCTION/DEPARTMENT	GENERAL	G.O. DEBT SERVICE	RDA	ENTERPRISE	SPECIAL REVENUES	TOTALS	INTERNAL SERVICE
<b>GENERAL OPERATING REVENUES</b>							
Ad Valorem Taxes	\$ 179,020,000					\$ 179,020,000	
Ad Valorem- Capital Renewal & Repl.	748,000					748,000	
Ad Valorem- Pay-As-You-Capital	2,400,000					2,400,000	
Ad Valorem- Normandy Shores	165,000					165,000	
Other Taxes	25,262,000					25,262,000	
Licenses and Permits	31,454,000					31,454,000	
Intergovernmental	12,115,000					12,115,000	
Charges for Services	12,503,000					12,503,000	
Fines & Forfeits	1,860,000					1,860,000	
Interest Earnings	3,617,000					3,617,000	
Rents & Leases	5,899,000					5,899,000	
Miscellaneous	13,616,000					13,616,000	
Resort Tax Contribution	35,836,000					35,836,000	
Other Non-Operating Revenue	20,650,000					20,650,000	
<b>Sub-Total</b>	<b>\$ 345,145,000</b>					<b>\$ 345,145,000</b>	
<b>G.O. DEBT SERVICE FUND</b>							
Ad Valorem Taxes		\$ 5,911,000				\$ 5,911,000	
<b>Sub-Total</b>							
<b>FUND TOTAL</b>	<b>\$ 345,145,000</b>	<b>\$ 5,911,000</b>				<b>\$ 351,056,000</b>	
<b>RDA FUND-CITY TIF Only</b>							
<b>AD VALOREM TAXES</b>							
Property Taxes- RDA City Center (net)			\$ 29,299,000			\$ 29,299,000	
<b>ENTERPRISE FUNDS</b>							
Convention Center				19,374,000			
Parking				53,609,000			
Sanitation				22,392,000			
Sewer Operations				50,679,000			
Storm Water				29,390,000			
Water Operations				34,555,000			
<b>FUND TOTAL</b>				<b>\$ 209,999,000</b>		<b>\$ 209,999,000</b>	
<b>INTERNAL SERVICE FUNDS</b>							
Central Services							1,101,000
Fleet Management							11,492,000
Information Technology							16,614,000
Property Management							9,733,000
Risk Management							19,460,000
Medical & Dental Insurance							37,938,000
<b>FUND TOTAL</b>							<b>\$ 96,338,000</b>
<b>SPECIAL REVENUE FUNDS</b>							
Education Compact					352,000		
Resort Tax					89,464,000		
Tourism & Hospitality Scholarships					174,000		
Cultural Arts Council					1,481,000		
Sustainability					355,000		
Waste Haulers					71,000		
Normandy Shores					253,000		
Biscayne Point					251,000		
5th & Alton Garage					632,000		
7th St. Garage					3,085,000		
Transportation					11,324,000		
Tree Preservation					99,000		
Commemorative Tree Trust Fund					10,000		
People's Transportation Plan					4,003,000		
Police Confiscations - Federal					190,000		
Police Confiscations - State					56,000		
Police Crash Report Sales					25,000		
Police Unclaimed Property					32,000		
Police Training					25,000		
Red Light Camera					1,316,000		
Residential Housing					737,000		
E-911					217,000		
Information & Technology Tech					300,000		
Adopt-A-Bench					60,000		
<b>FUND TOTAL</b>					<b>\$ 114,512,000</b>	<b>\$ 114,512,000</b>	
<b>TOTAL ALL FUNDS</b>	<b>\$ 345,145,000</b>	<b>\$ 5,911,000</b>	<b>\$ 29,299,000</b>	<b>\$ 209,999,000</b>	<b>\$ 114,512,000</b>	<b>\$ 704,866,000</b>	<b>\$ 96,338,000</b>
Less Transfers						(74,014,000)	
<b>GRAND TOTAL - ALL FUNDS</b>						<b>\$ 630,852,000</b>	

**COMPOSITE EXHIBIT A**  
**TOTAL EXPENDITURES BY FUND AND DEPARTMENT**  
**Fiscal Year 2018/19**

FUNCTION/DEPARTMENT	GENERAL	G.O. DEBT SERVICE	RDA	ENTERPRISE	SPECIAL REVENUES	TOTALS	INTERNAL SERVICE
<b>MAYOR &amp; COMMISSION</b>	\$ 2,416,000					\$ 2,416,000	
<b>ADMINISTRATIVE SUPPORT SERVICES</b>						\$ 31,044,000	
CITY MANAGER	4,129,000						
COMMUNICATIONS	2,339,000						
BUDGET & PERFORMANCE IMPROV	1,875,000						
INTERNAL AUDIT	832,000						
INSPECTOR GENERAL	484,000						
ORG DEV & PERFORMANCE INITIATIVES	893,000						
Education Compact					352,000		
FINANCE	6,714,000						
PROCUREMENT	2,550,000						
INFORMATION TECHNOLOGY							16,614,000
IT Tech					300,000		
HUMAN RESOURCES/LABOR RELATIONS	3,003,000						
Risk Management							19,460,000
Medical & Dental Insurance							37,938,000
CITY CLERK	1,755,000						
Central Services							1,101,000
CITY ATTORNEY	5,818,000						
<b>ECONOMIC DEV. &amp; CULTURAL ARTS</b>						\$ 142,142,000	
Economic Development							
HOUSING & COMM. DEVELOPMENT	3,624,000						
Residential Housing					737,000		
BUILDING	15,303,000						
ENVIRONMENT & SUSTAINABILITY	1,462,000						
Tree Preservation					99,000		
Commemorative Tree Trust Fund					10,000		
Sustainability					355,000		
PLANNING	4,686,000						
Cultural Arts							
TOURISM & CULTURAL & ECON. DEV.	5,373,000						
Convention Center				19,374,000			
Resort Tax					89,464,000		
Tourism & Hospitality Scholarships					174,000		
Cultural Arts Council					1,481,000		
<b>OPERATIONS</b>						\$ 275,650,000	
CODE COMPLIANCE	6,215,000						
PARKS & RECREATION	38,728,000						
Adopt-A-Bench					60,000		
PROPERTY MANAGEMENT							9,733,000
Normandy Shores					253,000		
Biscayne Point					251,000		
PUBLIC WORKS	15,176,000						
Sanitation				22,392,000			
Sewer				50,679,000			
Stormwater				29,390,000			
Water				34,555,000			
Waste Haulers					71,000		
CAPITAL IMPROVEMENT PROJECTS	5,227,000						
PARKING				53,609,000			
5th & Alton Garage					632,000		
7th Street Garage					3,085,000		
FLEET MANAGEMENT							11,492,000
TRANSPORTATION					11,324,000		
People's Transportation Plan					4,003,000		
<b>PUBLIC SAFETY</b>						\$ 203,254,000	
POLICE	112,094,000						
Police Confiscations - Federal					190,000		
Police Confiscations - State					56,000		
Police Unclaimed Property					32,000		
Police Training					25,000		
Police Crash Report Sales					25,000		
Red Light Camera					1,316,000		
FIRE	87,604,000						
E-911					217,000		
EMERGENCY MANAGEMENT	1,695,000						

**COMPOSITE EXHIBIT A**  
**TOTAL EXPENDITURES BY FUND AND DEPARTMENT**  
**Fiscal Year 2018/19**

FUNCTION/DEPARTMENT	GENERAL	G.O. DEBT SERVICE	RDA	ENTERPRISE	SPECIAL REVENUES	TOTALS	INTERNAL SERVICE
<b>CITYWIDE ACCOUNTS</b>						<b>\$ 11,702,000</b>	
CITYWIDE ACCTS	10,399,000						
CITYWIDE ACCTS-Normandy Shores	253,000						
CITYWIDE ACCTS-Operating Contingency	1,050,000						
Transfers						<b>\$ 3,448,000</b>	
Capital Investment Upkeep Fund	0						
Info & Comm Technology Fund	300,000						
Building Reserve	0						
Pay-As-You-Go Capital	2,400,000						
Capital Renewal & Replacement	748,000						
<b>G.O. DEBT SERVICE</b>		5,911,000				<b>\$ 5,911,000</b>	
<b>RDA-City TIF Transfer only</b>							
City Center			29,299,000			<b>\$ 29,299,000</b>	
<b>TOTAL - ALL FUNDS</b>	<b>\$ 345,145,000</b>	<b>\$ 5,911,000</b>	<b>\$ 29,299,000</b>	<b>\$ 209,999,000</b>	<b>\$ 114,512,000</b>	<b>\$ 704,866,000</b>	<b>\$ 96,338,000</b>
Less Transfers						(74,014,000)	
<b>GRAND TOTAL - ALL FUNDS</b>						<b>\$ 630,852,000</b>	

**EXHIBIT B**

**Miami Beach Police Department  
Confiscations - Federal & State Funds  
FY 2018/19 Proposed Budget**

**Federal Funds (603):**

	<b>FY 2018/19 Proposed Budget</b>
Organizational Development Travel & Off-site Testing	\$ 70,000
Bulletproof Vest Partnership	\$ 70,000
Training Supplement to LETTF	50,000
<b>Total Federal Funds (603)</b>	<b>\$ 190,000</b>

**State Funds (607):**

	<b>FY 2018/19 Proposed Budget</b>
Costs connected with the prosecution/processing of forfeitures.	\$ 20,000
Crime Prevention initiatives & School Liaison Projects	15,000
AR Rifle Program/initiative- City's match for reimbursement of rifles at \$500.	15,000
25% of State Funds collected in FY16 to be used for drug abuse treatment, drug and crime prevention education and non-profit community based programs.	6,000
<b>Total State Funds (607)</b>	<b>\$ 56,000</b>

<b>Total Federal &amp; State Funds</b>	<b>\$ 246,000</b>
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## **EXHIBIT B**

### **CERTIFICATION**

I, Daniel J. Oates, Chief of Police, City of Miami Beach, do hereby certify that the aforementioned proposed request for expenditures from the City of Miami Beach Police Confiscation Trust Fund, for the FY 2018/19 fiscal year providing funds for expenditures, complies with the provisions of Section 932.7055(4) (a), Florida Statutes, and the Guide to Equitable Sharing of Federally Forfeited Property for Law Enforcement Agencies.

  
\_\_\_\_\_  
Daniel J. Oates  
Chief of Police  
Miami Beach Police Department

  
\_\_\_\_\_  
Date

## EXHIBIT C

### Miami Beach Police Department Police Training and School Resources Fund FY 2018/19 Proposed Budget

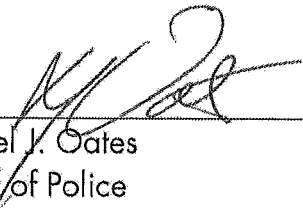
#### **Police Training and School Resources Funds (608):**

	<b>FY 2018/19 Proposed Budget</b>
Education of police personnel at various schools, conferences, and workshops, as well as training and operational supplies	\$ 25,000
<b>Total Funds</b>	<b>\$ 25,000</b>

## **EXHIBIT C**

### **CERTIFICATION**

I, Daniel J. Oates, Chief of Police, City of Miami Beach, do hereby certify that the aforementioned proposed request for expenditures from the City of Miami Beach Police Training & School Resources Fund, for the FY 2018/19 fiscal year, to provide funds for the education of police personnel at various schools, conferences, and workshops and for the purchase of training and operational supplies, is in accordance with the guidelines established by the Division of Criminal Justice Standards and Training, as provided by Section 938.15 and 943.25, Florida Statutes.

  
\_\_\_\_\_  
Daniel J. Oates  
Chief of Police  
Miami Beach Police Department

8/29/18

  
\_\_\_\_\_  
Date

## EXHIBIT D

### Miami Beach Police Department Unclaimed Property Account FY 2018/19 Proposed Budget

#### **Special Revenue Funds:**

	<b>FY 2018/19 Proposed Budget</b>
Community Activities	\$ 22,000
Law Enforcement Equipment and Supplies	5,000
Facilities Maintenance	5,000
<b>Total Funds</b>	<b>\$ 32,000</b>

**EXHIBIT E**  
**Cultural Arts Council Grants**

<b>Miami Beach Cultural Anchors</b>	<b>Proposed FY 2018/19 Funding</b>
Florida International University- Miami Beach Urban Studios	\$27,600
Florida International University- Wolfsonian	\$31,500
Florida International University-Jewish Museum of Florida	\$26,400
Friends of the Bass Museum, Inc.	\$29,750
Friends of the Miami-Dade Public Library, Inc.	\$22,250
Miami Beach Film Society (Miami Beach Cinematheque)	\$21,750
Miami Beach Garden Conservancy	\$21,750
Miami City Ballet	\$31,150
Miami New Drama (Miami Theater Hub, Inc.)	\$26,400
New World Symphony	\$31,500
South Florida Art Center	\$25,800
The Holocaust Memorial Committee, Inc.	\$27,300
The Rhythm Foundation, Inc.	\$27,600
<b>SUBTOTAL</b>	<b>\$350,750</b>

<b>Miami Beach Cultural Presenters</b>	<b>Proposed FY 2018/19 Funding</b>
<b>FILM</b>	
Center for the Advancement of Jewish Education (CAJE)	\$19,298
Inffinito Art & Cultural Foundation, Inc. (Brazilian Film Festival)	\$18,882
Italian Film Festival ( Cinema Italy)	\$10,333
Miami Gay and Lesbian Film Festival, Inc.	\$19,298
<b>SUBTOTAL</b>	<b>\$67,811</b>
<b>MULTIDISCIPLINARY</b>	
FUNDARTE, Inc.	\$18,675
MDC Live Arts	\$17,638
Miami Light Project	\$7,221
National Foundation for the Advancement in the Arts, Inc. (Young Arts)	\$19,715
University of Wynwood, Inc. (O, Miami)	\$17,728
<b>SUBTOTAL</b>	<b>\$80,977</b>
<b>THEATER</b>	
Fantasy Theater Factory	\$17,372
Juggerknot Theater Company	\$18,053
<b>SUBTOTAL</b>	<b>\$35,425</b>
<b>VISUAL ARTS</b>	
Bas Fisher Invitational, Inc.	\$17,845
Edge Zones	\$10,085
South Florida Composer Alliance	\$20,916
<b>SUBTOTAL</b>	<b>\$48,846</b>
<b>OPERA</b>	
Florida Opera Prima, Inc.	\$13,612
<b>SUBTOTAL</b>	<b>\$13,612</b>
<b>DANCE</b>	
Ballet Flamenco La Rosa, Inc.	\$17,845
Cuban Classical Ballet of Miami Corp.	\$17,638
Miami Hispanic Ballet Corp.	\$18,260
Peter London Global Dance Company, Inc.	\$10,832
Siempre Flamenco, Inc.	\$10,583
The Dance NOW! Ensemble, Inc.	\$22,410
<b>SUBTOTAL</b>	<b>\$97,568</b>
<b>MUSIC</b>	
Burkertfest Miami, Inc.	\$6,640
Community Arts and Culture, Inc.	\$17,638
Global Arts Project	\$22,161
Miami Children's Chorus, Inc.	\$7,304
Miami Music Festival	\$10,707
Nu Deco Ensemble, Inc.	\$23,500
Orchestra Miami	\$10,458
Patrons of Exceptional Artists, Inc.	\$18,468
Seraphic Fire	\$18,675
South Beach Chamber Ensemble, Inc.	\$8,964
<b>SUBTOTAL</b>	<b>\$144,515</b>
<b>SUBTOTAL</b>	<b>\$488,754</b>
Contribution for VCA/CAC Cultural Tourism Grant	\$10,496
<b>TOTAL</b>	<b>\$850,000</b>

## **EXHIBIT F**

### **ADMINISTRATION RECOMMENDATION**

Adopt the Budget

### **ANALYSIS**

#### **BACKGROUND**

The Miami Beach Visitor and Convention Authority (MBVCA) was created and exists pursuant to Chapter 67-930 of the Laws of Florida and Sections 102-246 through, and including 102-254 of the Code of the City of Miami Beach (CMB).

According to Sec. 102-251, the MBVCA is to take "all necessary and proper action to promote the tourist industry for the city, including but not restricted to causing expert studies to be made, promotional programs, the recommendations and development of tourist attractions and facilities within the city, and to carry out programs of information, special events, convention sales and marketing, advertising designed to attract tourists, visitors and other interested persons." The MBVCA also has the duty of making all necessary rules and regulations for the efficient operations of the authority.

The MBVCA is a seven-member authority. Each member is appointed by the City of Miami Beach Commission, with the goal of encouraging, developing and promoting the image of Miami Beach locally, nationally and internationally as a vibrant community and tourist destination. To this end, the MBVCA strategically focuses its funding investments in a balanced manner, fostering outstanding existing programs, stimulating new activities, and encouraging partnerships. The MBVCA is committed to a careful, long-term plan for allocation of resources to build the uniqueness of Miami Beach as one of the world's greatest communities and tourism destinations.

A budget revenue projection is provided to the MBVCA by the City of Miami Beach's Budget Office annually based on 5% of the 2% Resort Tax, less 4% for administrative allowance. On an annual basis the MBVCA must provide the City with a budget, on City forms, based on this projection as outlined in Sec. 102-252, before October 1<sup>st</sup>.

The MBVCA normally budgets funding below the City's projection, as the collection of funds can differ substantially from projection, such as the result of unanticipated problems like an airline strike, terrorism, economic issues or storms. In 2008, revenue collections came in \$48,000 under estimated projection, and in 2001 the revenue collection was down approximately \$300,000 from projection. When and if there are unallocated funds remaining at the end of the budget year, those funds are either rolled over and allocated in the next budget year, or retained in MBVCA accounts for future reserves, endowment funding, to address any funding reductions in future years. In 2001, by statute, the MBVCA began investing into the creation on an endowment fund.

The MBVCA is required by law to maintain reserve bank accounts in approved public depositories, with sufficient reserves to cover one year of funding, which it does. Reserves are maintained to pay grant recipients (contracted) for the previous program funding cycle, and to ensure that sufficient funds can be invested to stimulate tourism in the future. The level of reserves was modified in 2011 in order to maximize the value and impact of tourism directed funds.

The MBVCA submits an annual Program of Work to the CMB as required by Sec. 102-281.

#### **FY 2017/18 REVIEW/TOURISM ADVANCEMENT PROGRAM (TAP)**

The MBVCA Tourism Advancement Program (TAP) was established to promote Miami Beach as a sophisticated tourist destination by increasing the number of visitors; through enhancement of visitors' experiences; through the allocation of funds granted to events or programs that bring visitors to the CMB and strengthen the CMB brand. In fiscal year 2017/18, the MBVCA funded the TAP in seven categories, including: Development Opportunities, Initiatives, Major One Time Special Event, Special Events Recurring, Special Projects, Special Projects Recurring, and Tourism Partnerships. In 2017, the MBVCA continued to fund projects, utilizing funds

## EXHIBIT F

rolled over from several years past.

A total of \$1,278,750 was awarded in FY 2017/18, compared to \$1,528,850 in FY 2016/17. The decrease in awards reflects rescinded events, due to non-compliance or cancellation, and repeat events that could not meet the grant application criteria, and; therefore, could not apply.

Grants funded in partnership with the CMB are critical, branded tourism-related programs, such as the South Beach Wine & Food Festival and UNTITLED. Art Fair Miami Beach, both examples of events whose beginnings in Miami Beach stem from grants provided by the MBVCA; events that could easily be recruited by other destinations.

### **FY 2018/19 TOURISM ADVANCEMENT PROGRAM**

The MBVCA strategically focuses funding to maximize tourism and brand, to improve Miami Beach by focusing on events and projects that generate significant publicity, strengthen brand and increase tourism (generating critical resort taxes for Miami Beach). The Board pays significant attention to marquee events.

#### *Review process:*

For over a decade, the MBVCA has used a multi-level review process for its grant program and the process is reviewed annually. The process includes a mandatory pre-proposal staff conference regarding MBVCA policies and procedures and TAP. During the interview, MBVCA administration advises each potential applicant regarding the eligibility and appropriateness of the proposed project and determines the grant category best suited to the potential applicant. Once it is determined that the project is eligible, the MBVCA administration provides further detail, including required attachments and relevant meeting dates and deadlines and access to the online Application Portal. The applicant is provided with an overview of the application submission process. All applications are submitted through the online Application Portal in a multi-step format. All grant formats and policies are available on the MBVCA website. By Florida law, all MBVCA meetings are advertised and open to the public; all records are public records.

Annually, the MBVCA Board reviews and refines grant guidelines with respect to efficacy and effectiveness. In FY 2012/13, the MBVCA implemented changes to its funding caps and declining scale. The new declining scale and funding caps allowed the MBVCA to diversify their funding into other areas and initiatives as requested by the City administration and/or the Board. In FY 2017/18 the MBVCA voted to maintain the criteria in place for the Major One Time Special Event and Special Events Recurring grant categories requiring a total of 350 hotel room nights to be contracted, along with the 1,000,000 contracted media impressions. The viewership criteria remained at 1,000,000. The grant criteria guidelines were further defined for clarity and accuracy, requiring fully executed contracts to be submitted prior to proceeding with the next step in the application process. The application requires contract confirmation for hotel room blocks; media contract agreements, and/or broadcast/cable/TV contracts to in order to proceed with the grant submission. The data must be confirmed before and after funding is awarded. Grant applicants must meet two of the three criteria in place for each of the MBVCA grant categories. MBVCA grants are paid upon performance; therefore, grantees are required to provide post-performance reports in the form of reservation or pick up reports from Miami Beach hotels; impressions reports garnered from the organization's PR Firm, or accompanied by 3<sup>rd</sup> party confirmation from a media monitoring/press clipping service such as BurrellesLuce to prove media impressions, and a broadcast post performance report from a third party reporting delivery of Adult 18+ and Households (HH) in Thousands (000) from Nielsen, Over The Top (OTT), or Comscore/Rentrak for viewership. The defined criteria and specific post-performance reporting structure will be further defined and continued in FY 2018/19.

The MBVCA guidelines and application process place emphasis on defining and measuring the economic impact of each event, as well as considering the impact and value of marketing, publicity, and television origination/viewership. Questions concerning the economic impact of the program, including requiring an

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explanation of various aspects of the marketing plan, and how the numbers of hotel room nights are calculated and where they are contracted, are also required as part of the application. The event's or organization's publicity plan, community and residential involvement, and/or special residents' considerations must also be provided. Standardized recap sheets and point systems have been developed to give each applicant a score that rates potential success. In 2016/17, a revamped point system was implemented to be more closely aligned with the MBVCA's grant criteria and will continue to be utilized in FY 2018/19. Using this tool, the MBVCA can better evaluate the applicant's long-term commitment to the community; commitment to brand enhancement; value to tourism, and economic impact. The MBVCA votes on each specific and individual grant, and evaluates the grant request, funds available and possible extenuating circumstances after a formal presentation is made by the grant applicant. A question and answer period follows, with further discussion as needed.

### RECURRING PROJECTS:

The MBVCA has a current policy in place to fund recurring projects on a declining scale. The declining scale encourages recurring events to recruit corporate and private sponsorship and; therefore, not solely rely on MBVCA funds as a means of sustaining the event year after year. The award category establishes funding caps for recurring events, funding that can be reduced based on the maximum request for the specific grant category. Below is the current scale, implemented in FY 2012/13; applicable to non and for profit agencies. The declining scale will remain in place for FY 2018/19.

Year 1	Initial Grant Award
Year 2	No more than 80% of Eligible Request
Year 3	No more than 70% of Eligible Request
Year 4	No more than 60% of Eligible Request
Year 5	New Cycle Begins

### CATEGORIES:

TAP funds are currently awarded in nine categories, including: Cultural Tourism, Development Opportunities, Film Incentive, Initiatives, Major One Time Special Event, Special Events Recurring, Special Projects, Special Projects Recurring, and Tourism Partnerships. The MBVCA has developed pre-eligibility criteria for grants within these categories. The criteria allow staff to determine eligibility and the appropriate grant category. Applicants must meet two of three of the criteria noted

Grant Category	Contracted Hotel Room Nights	Contracted Media Impressions	Contracted Television and/or Cable Broadcast
Initiatives*	N/A	N/A	N/A
Cultural Tourism	250	750,000	1,000,000
Development Opportunities	75	200,000	500,000
Film Incentive**	250	N/A	N/A
Major One Time Special Event	350	1,000,000	1,000,000
Special Events Recurring	350	1,000,000	1,000,000
Special Projects	2,500	250,000,000	15,000,000
Special Projects Recurring	2,500	250,000,000	15,000,000
Tourism Partnerships	200	500,000	5,000 (visitors/attendees/participants)

\* Initiatives are specifically targeted towards organizations chosen by the MBVCA to carry out the designated initiative

\*\* Specific requirements are in place for the Film Incentive Grant Program.



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### Budget

*Budget (TAP) FY 2018/19:*

The MBVCA has budgeted \$1,883,500 for FY 2018/19 for its Tourism Advancement Program which reflects 62% of the total budget. This grant funding reflects an increase of \$183,000 from FY 2017/18. This increase is due to an increase in the amount requested from some repeat applicants being moved to the top of declining scale as well as the revitalization of the Cultural Tourism Grant and the Film Incentive Program.

- The *Tourism Partnerships* category is budgeted at \$120,000, reflecting 4% of the total budget for FY 2018/19. The category currently includes applicants at the maximum request cap of \$30,000. Four applications are anticipated to be received.
- The *Major One Time Special Event* category, representing 4% of the total budget, is budgeted at \$135,000 in FY 2018/19, which reflects a 25% decrease from FY 2017/18. The MBVCA expects three new events to apply at a maximum request of \$45,000. The MBVCA works tirelessly to stimulate and recruit new events and is willing and prepared to fund valuable tourism and brand related events. In fact, the MBVCA works with all partners, city leadership and media to solicit appropriate new projects. New applicants are expected to include the ITF (Juniors) Tennis Tournament, and two additional projects.
- The *Special Events Recurring* category, reflecting 25% of the total budget, has been calculated at \$768,000 for FY 2018/19 based on the established declining scale and the number of applicants anticipated to return.
- The *Special Projects* category is budgeted at \$180,000 with two applicants expected at the maximum request of \$90,000 representing 6% of the total budget.
- The *Special Projects Recurring* category is budgeted at \$280,500 and represents 9% of the total budget. Anticipated applicants include the Orange Bowl Marketing Campaign; Lifetime Miami Marathon, Half Marathon, and Tropical 5K; the Food Network & Cooking Channel South Beach Wine & Food Festival; Swim Fashion Week Miami Beach Paraiso; and Winter Music Conference. These events, recruited and sustained by the MBVCA, are all marquee events and annually fill the City's hotel rooms.
- The *Development Opportunities* category is budgeted at \$60,000 for FY 2018/19, representing 2% of the budget; in anticipation of 2 applicants at the maximum request of \$30,000 each.
- The *Film Incentive* category is budgeted at \$250,000 for FY 2018/19 representing 8% of the budget.
- The *Cultural Tourism* category is budgeted at \$90,000 for FY 2018/19 representing 3% of the budget in anticipation of 3 new applicants.

### Destination Marketing

The Destination Marketing allocation reflects a 4% of the total budget for FY 2018/19. This allocation provides for the additional placement of stories and press releases on the PR Newswire as well as the continuation of our Blogger Program that will be implemented in FY 2018/19. The MBVCA is also partnering with the CMB on an Israeli travel promotion through ad placements in various media outlets.

### Initiatives

The MBVCA expects to support new initiatives in FY 2018/19. Strategic plans, goals and initiatives are developed through consultation, the result of ongoing communications with the Mayor, Commission and City Administration. One of these initiatives includes the continuation of the Forbes Travel Guide Hospitality Training and the implementation of the webinar based on the live training sessions; both offered free of charge to Miami Beach hospitality employees. The live training sessions will be offered 3 times a year with the webinar offered year-round to ensure all Miami Beach hospitality employees benefit from this valuable training.

Another initiative is the Miami Beach Visual Memoirs Project that was started in 2011/12 to record, catalogue and warehouse personal and eyewitness accounts of the history of the City of Miami Beach. The deliverables

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included a recorded detailed history of Miami Beach through personal interviews, creating collateral materials about the history of Miami Beach and identifying comprehensive exhibit concepts that can be implemented to execute a comprehensive visual memoir library and promotional campaign.

The Miami Design Preservation League (MDPL) in partnership with Close-Up Productions has conducted a total of 108 interviews to date. Other components of this initiative, include an exhibit opened to the public daily for its initial run from mid-October through late November 2012, free of charge from 10:00am until 4:30pm and reopened during Art Deco Weekend 2013. The documentary played on a loop in the lecture hall portion of the Art Deco Welcome Center. Seating was also placed near the screen and accommodated approximately 25 people at a time with standing room in the back.

An educational component was developed for FY 2012/13 that included a video and teacher guide for Miami Beach Middle Schools.

In FY 2013/14, the videos were prepared for archival as part of a statewide university consortium. MDPL also collaborated with various institutions to create links to the online materials.

In FY 2015/16, MDPL developed a digital promotional portal showcasing the video archive with links highlighting other Miami Beach historical resources, housed at institutions in Miami Beach and Miami Dade County. The "Windows on Miami Beach" portal generated local interest and support through school contests and online displays created by students and joint curating displays by portal partners; offered daily and weekly calendars of partners' events; developed social media linkages that drove people to the new website and its resources; provided easier access to the interviews, educational videos and curricula produced by the Visual Memoirs Project; increased patronization of museums and historic sites on Miami Beach, and promoted Miami Beach as a tourist destination through historic and artistic connections.

In FY 2016/17, the project developed a video on Barbara Baer Capitman, "Barbara's Crusade", that premiered during Art Deco 2017. In addition, the project's website, miamibeachvisualmemoirs.com, was rebuilt for new and readily expandable internet access. The Project stored archives stored through of FIU's Digital Archive continued to expand through full-length interviews in an effort to stimulate interest in Miami Beach's history and historic venues. The social media exposure also increased attracting nearly 500 followers on their Facebook page. An additional 15 interviews were scheduled with full transcripts, while completing an additional 25 transcripts from past interviews. The ON-MiamiBeach.com Portal added a separate "Learning and Teaching" section that included links to current videos and mini co-curations and videos about Miami Beach by the portal partners and students.

In 2017/18, the project continued to enhance its community and visitor awareness of the Portal through partner organizations' cross-promotional efforts and increased social media integration. A new set of interviews also took place expected to augment the existing database. In addition, an architectural discussion was mounted at the Wolfsonian Museum during Art Deco Weekend that included leading architects discussing preservation architecture and the combining of styles within the expansion on Miami Beach.

The Initiatives category is budgeted for FY 2018/19 at \$121,000, representing 4% of the total budget.

### **Public Relations Initiative**

In FY 2013/14, the MBVCA issued a Request for Qualifications (RFQ) for a P.R. agency of record to enhance Miami Beach's image, after their initial Request for Proposals (RFP) issued in FY 2011/12. The MBVCA selected Hill & Knowlton/SAMCOR (H+K) to support the MBVCA efforts by continuing to increase brand awareness through strategic media outreach to consumer and travel trades, major event recruitment, and business and corporate communications programs. There is an allotment of \$250,000, representing 8% of the total budget, towards this effort.

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The current contract with H+K runs through September 30, 2018 in FY 2017/18. Objectives include increased public relations or tourism related activities in CMB, recruitment of new events and meetings, and improvement of CMB global reputation. CMB leaders have been active participants in planning and in oversight. H+K has an extensive presence in the US and internationally. The agency's ability to network and leverage its global relationships is crucial to the growth of the 'Miami Beach' brand.

H+K created and distributed a total of 15 press releases and pitches during their first year as agency of record, garnering 3,416,581,560 media impressions and 12 press releases during their second year, generating 3,913,341,910 media impressions. In their third year, H+K generated 2,783,369,818 media impressions through the issuance of 12 press releases and a Harris Poll Survey that was conducted to determine why people visit Miami Beach. During their fourth year, H+K developed and released a total of 12 press releases and 1 pitch, generating a total of 1,492,734,059 media impressions, valued at \$15,615,214.75. During its fifth year H+K wrote and released 12 press releases, generating 1,410,465,887 media impressions, valued at \$15,638,438.52. During its sixth year, a total of 15 press releases were written and distributed, generating 1,272,729,422 impressions valued at \$14,353,222.76. Finally, during their seventh and most recent year, a total of 15 press releases and 1 Audio News Release (ANR) were distributed generating 1,302,477,118 impressions valued at \$1,583,728.46.

### IT Development

The MBVCA wishes to provide visitors with timely and relevant information about the City of Miami Beach, its public and private attractions, services, hotels, businesses, and events in order to enhance visitors' (and residents') experiences. Visitors to Miami Beach - all visitors worldwide - are increasingly using technology to navigate cities or make decisions about leisure experiences, dining, parking, entertainment and travel in general. Worldwide, technology is king. Many visitors already use the free Miami Beach Wi-Fi service, CMBWiFi, to access the information they need at select public locations around town.

Miami Beach visitors and residents are using smartphones and tablets to communicate and acquire information to make these kinds of decisions on-the-go. It is now critical for these visitors and residents to have access to mobile applications (Apps) that can help them obtain the information they need to make timely and informed decisions. A new version of the App, Miami Beach Information (MBI), was released in fiscal year 2015/16 for both Android and iOS platforms. The latest version of MBI included new and exciting features for the end-user. The newest features included a side-swipe feature; listing the information in an A-Z format; the addition of new categories were added that included Shopping, Nightlife, Art & Culture, and Restaurants, and the creation of "My Miami Beach" section where users can add events, photos, and itineraries as they navigate the App. In addition, the App features a "Deals" section that has special promotional rates or offers developed by MBVCA grantees. This cross promotional effort increases the number of downloads the App receives, while also assisting with the promotion of MBVCA-funded events. The promotions in the "Deals" section were also posted to the various MBVCA social media pages such as Facebook, Twitter, and Instagram. The App has now been downloaded over 12,000 times since 2015, across both mobile platforms. Approximately half of all downloads come from European users seeking to learn about Miami Beach. The first version of the App was released in FY 2013/14.

The MBVCA's preliminary review of opportunities and needs was initiated in spring 2011 in consultation with area experts, and subsequent to a public meeting sponsored by the MBVCA, as a situational analysis. The MBVCA released an RFP in January 2012 and awarded a one year contract to Just Program LLC dba Solodev on May 22, 2012. The purpose of the RFP was to develop a Miami Beach-focused web-based digital content management system (CMS) and modifiable database to support 3<sup>rd</sup> party mobile applications via an application programming interface (API).

Currently, the API is fully functional with 250 different categories of businesses, each averaging 90 different services and amenities. Web and App developers are able to use these attributes to create new and exciting experiences for their end-users. A fully functional mobile App for the MBVCA API for both iPhone and Android platforms is also available, free of charge.

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We have allocated \$30,000 or 1% of the overall budget in FY 2018/19 towards IT development, to add additional categories to expand the API database to include local non-business information that can be useful in App development such as beach access roads, public restrooms, and lifeguard stands. A total of \$10,000 has been allotted to market and promote the API/App to App developers in FY 2018/19, representing less than 1% of the total budget.

### **Research and Development**

The MBVCA will develop a strategic list of major events worldwide as the result of ongoing communications and consulting with all partners. We expect to investigate some of these events with the goal of the development of a new major event for the destination. The MBVCA has budgeted \$5,000 of the total towards this effort.

### **Projected Cash Flow Reserve**

The MBVCA has budgeted \$2,000 of the total budget, for cash flow reserve in FY 2018/19. The City of Miami Beach allots resort tax payments to the MBVCA a month after its collection; therefore, as a fiscal responsibility, the MBVCA has built in a projected cash flow reserve to its budget to ensure that all grants awarded will have the necessary funds to be reimbursed upon proper request and documentation.

### **Administration and Overhead**

The MBVCA's administration and benefits costs are budgeted at \$420,000 for FY 2018/19. This figure represents 14% of the total budget. The overhead allocation is budgeted at \$215,500 which reflects 7% of the overall budget. The increase from FY 2017/18 is attributed to the cloud information hosting and redundancy, the addition of office security measures and staffing a full office. The total administration and overhead is 21% of the total budget.

### **Rollover**

A total of \$200,000 will be rolled over from FY 2017/18 into the FY 2018/19 MBVCA budget to fund special projects. This rollover of funds is primarily from the grants that were either not awarded and/or were rescinded for noncompliance.

### **CONCLUSION**

At their July 24, 2018 meeting, the MBVCA Board recommended the Mayor and City Commission adopt the MBVCA Budget for FY 2018/19 in the amount of \$3,062,000 as reflected in the following table.

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## MIAMI BEACH VISITOR AND CONVENTION AUTHORITY FY 2018/19

		ADOPTED BUDGET	PROPOSED		
		FY 2017/18	FY 2018/19	VARIANCE	
REVENUES					
	Unrestricted				
	Rollover	\$ 200,000	\$ 200,000	\$ -	0.0%
	Projected Resort Tax	\$ 2,708,000	\$ 2,862,000	\$ 154,000	5.7%
	TOTAL REVENUES	\$ 2,908,000	\$ 3,062,000	\$ 154,000	5.3%
EXPENDITURES					
	Administration & Benefits	\$ 415,500	\$ 420,000	\$ 4,500	1.1%
	Operating Expenses	\$ 215,000	\$ 215,500	\$ 500	0.2%
	Capital	\$ 5,000	\$ 5,000	\$ -	0.0%
	Total Administration	\$ 635,500	\$ 640,500	\$ 5,000	0.8%
GRANTS - Tourism Advancement Program					
	Tourism Partnerships	\$ 120,000	\$ 120,000	\$ -	0.0%
	Major One Time Special Event	\$ 180,000	\$ 135,000	\$ (45,000)	(25.0%)
	Special Events Recurring	\$ 896,000	\$ 768,000	\$ (128,000)	(14.3%)
	Special Projects	\$ 180,000	\$ 180,000	\$ -	0.0%
	Special Projects Recurring	\$ 314,500	\$ 280,500	\$ (34,000)	(10.8%)
	Cultural Tourism	\$ -	\$ 90,000	\$ 90,000	100%
	Film Incentive		\$ 250,000	\$ 250,000	100%
	Development Opportunities	\$ 10,000	\$ 60,000	\$ 50,000	100%
	Total Tourism Adv. Program	\$ 1,700,500	\$ 1,883,500	\$ 183,000	10.8%
Marketing/PR/Technology					
	Marketing/Communications and PR	\$ 250,000	\$ 250,000	\$ -	0.0%
	APP Marketing	\$ 10,000	\$ 10,000	\$ -	0.0%
	IT Development	\$ 30,000	\$ 30,000	\$ -	0.0%
	Total	\$ 290,000	\$ 290,000	\$ -	0.0%
Other					
	Destination Marketing	\$ 135,000	\$ 120,000	\$ (15,000)	(11.1%)
	Initiatives	\$ 140,000	\$ 121,000	\$ (19,000)	(13.6%)
	R&D	\$ 5,000	\$ 5,000	\$ -	0.0%
	Projected Cash Flow Reserve	\$ 2,000	\$ 2,000	\$ -	0.0%
	Total Other	\$ 282,000	\$ 248,000	\$ (34,000)	(12.1%)
	TOTAL	\$ 2,908,000	\$ 3,062,000	\$ 154,000	5.3%