



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

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: January 16, 2019

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE THIRD AMENDMENT TO THE CAPITAL BUDGET FOR FISCAL YEAR 2018/19.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

BACKGROUND

Planning for capital improvements is an ongoing process; as needs change within the City of Miami Beach ("the City"), capital programs and priorities must be adjusted accordingly. The Capital Improvement Plan ("CIP") serves as the primary planning tool for systematically identifying, prioritizing and assigning funds to critical City capital development, improvements and associated needs.

The City's CIP process begins in the spring when all departments are asked to prepare capital improvement updates and requests on the department's ongoing and proposed capital projects. Individual departments prepare submittals identifying potential funding sources and requesting commitment of funds for their respective projects.

The CIP is updated annually and submitted to the City Commission for adoption. The 2018/19 – 2022/23 Capital Improvement Plan and FY 2018/19 Capital Budget was adopted on September 26, 2018 by Resolution 2018-30515.

The First Amendment to the FY 2018/19 Capital Budget was approved on November 14, 2018 by Resolution 2018-30610. The Second Amendment to the FY 2018/19 Capital Budget was approved on December 12, 2018 by Resolution 2018-30649.

Section 166.241(4) (c.), Florida Statutes, requires that a municipality's budget amendment must be adopted in the same manner as the original budget. The Administration recommends adopting the Resolution for the Third Amendment to the FY 2018/19 Capital Budget.

THIRD AMENDMENT TO THE FY 2018/19 CAPITAL BUDGET

The Third Amendment to the FY 2018/19 Capital Budget totals an increase of \$448,225.00 and re-alignment of \$240,410.74 in order to provide additional funding for, and to reallocate funding between the following capital projects:

- 1. Sunset Islands 1 & 2 Guardhouse:** At the June 29, 2018 Finance and Citywide Projects Committee (“FCWPC”) meeting, the Committee recommended increasing funding for additional improvements associated with this project, in conjunction with the construction of a second guardhouse structure. These recommendations were subsequently approved by the City Commission on July 25, 2018.

Due to its increasingly worn condition, Sunset Islands 1 & 2 neighborhood homeowners association (HOA) requested construction modifications to their existing security guardhouse (kiosk), which is positioned at the entrance of the neighborhood. In order to initiate the procurement process, the HOA executed maintenance and funding agreements with the City. The project's enhancements entail, but are not limited to, the following deliverables: renovation of the existing guardhouse, including the restroom, cooling system, lighting, new roof; and the construction of a new Guard House Kiosk in the center of the entrance road (West 29th Street)' widening of the existing median, hardscape improvements and brick pavers, conduits for the HOA's security system, new security gates, landscaping, and irrigation system. The City has received a contribution of \$448,225 from the HOA towards the enhancement of this project.

This proposed budget amendment would appropriate the funds received from the HOA through the Capital Projects Financed by other Funds fund balance (Fund 301).

Prior Years' Appropriations	\$ 200,000.00
January 16, 2019 Budget Amendment	448,225.00
Proposed Total Appropriations	\$ 648,225.00

- 2. Public Works Facility Generator:** The City needs to install an emergency generator at the Public Works Yard. This project consists of one 600 kW Kohler generator, as well as a number of ancillary items such as an automatic transfer switch, an enclosure, a fuel system and a concrete base. Due to the 4 to 6-month lead time on generators of this magnitude, and in an effort to have it installed and properly working prior to hurricane season, the City utilized the IQC process as the purchase authority. On November 6, 2018, after negotiations, the Contractor submitted a bid proposal, utilizing the Catalog, in the amount of \$325,242.84 for the project. The project has a current available balance of \$174,149.86.

This amendment would allow for the additional funding needed to cover the proposed bid in addition to a 4% contingency. Funding for this proposed amendment would come from the transfer of funds previously appropriated to the projects outlined below:

- Storage Tank Replacement - \$95,699.87 – Capital Renewal & Replacement Fund 125 (Project has been completed with savings)

- Historic City Hall Booster Pump - \$28,106.00 – Capital Renewal & Replacement Fund 125 (Project has been completed with savings)
- Police Station Domestic Water Pump - \$34,445.87 – Capital Renewal & Replacement Fund 125 (Project has been completed, in conjunction with the Police Booster Pump project 69950, with savings)
- P.A.L. Building Exterior Paint - \$7,159.00 – Capital Renewal & Replacement Fund 125 (Project has been completed with savings)

Prior Years' Appropriations	\$ 195,314.00
January 16, 2019 Budget Amendment	165,410.74
Proposed Total Appropriations	\$ 360,724.74

- 3. South Pointe Park HVAC Replacement:** On December 20, 2018, the Property Management Department conducted a visual inspection of the Parks and Recreation building located at South Pointe Park. The air conditioning unit, due to both its location and use, has reached the end of its useful life. The unit will not be able to endure the demand for cooling during the upcoming summer months. The Capital Improvement Projects department (CIP) is currently working on two projects in the South Pointe area from which they have been able to identify savings for the replacement of the air conditioning unit.

This amendment would allow for the funding of this replacement in the amount of \$75,000.00. Funding for this proposed amendment would come from the transfer of funds previously appropriated to the projects outlined below:

- South Pointe Park Remediation – \$50,000.00 – South Pointe Capital Fund 389 (Possible project savings identified as CIP is in the process of finalizing the scope of work)
- South Pointe Miscellaneous Improvements – \$25,000.00 – South Pointe Renewal & Replacement Fund 126 (Possible project savings identified as CIP is in the process of finalizing the scope of work)

Prior Years' Appropriations	\$ 0.00
January 16, 2019 Budget Amendment	75,000.00
Proposed Total Appropriations	\$ 75,000.00