

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE & CITYWIDE PROJECTS COMMITTEE AT ITS NOVEMBER 30, 2018 MEETING AND ADOPTING THE RESORT TAX RESERVE POLICY, AS SET FORTH IN THE ATTACHED EXHIBIT A, WHICH SHALL REPLACE AND SUPERCEDE THE RESORT TAX POLICY SET FORTH IN RESOLUTION NO. 2014-28543, AND WHICH IS CONSISTENT WITH RECOMMENDATIONS OF THE MAYOR'S BLUE RIBBON EMERGENCY RESPONSE COMMITTEE AND THE CITY'S BUDGET ADVISORY COMMITTEE.

WHEREAS, the Mayor and City Commission recognize the necessity to adequately provide the resources to operate the City in the event of a catastrophe; and

WHEREAS, such resources can be provided by the establishment of a permanent reserve for such contingencies; and

WHEREAS, the Mayor's Blue Ribbon Emergency Response Committee (BRERC) and the City's Budget Advisory Committee (BAC), with support from the City Administration, has recommended the revision of the existing financial policy, set forth in Resolution No. 2014-28543, for the establishment of a reserve in the Resort Tax Fund; and

WHEREAS, the National Advisory Council on State and Local Budgeting and the Government Finance Officers Association recommends that jurisdictions establish a policy governing the appropriate level of reserves for key funds; and

WHEREAS, the Finance and Citywide Projects Committee (FCWPC) met on November 30, 2018, and recommended that the City Commission revise the existing City of Miami Beach financial policy for the establishment of a reserve in the Resort Tax Fund; and

WHEREAS, consistent with recommendations of the FCWPC, the BAC, and the BRERC, the Financial Policy for the Establishment of a Reserve in the Resort Tax Fund, as set forth in Exhibit A, should be adopted and should replace and supercede the Resort Tax Reserve Policy set forth in Resolution No. 2014-28543.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, that the Mayor and City Commission hereby accept the recommendation of the Finance and Citywide Projects Committee at its November 30, 2018 meeting and hereby adopt the Resort Tax Reserve Policy, as set forth in the attached Exhibit A, which shall replace and supercede the Resort Tax Policy set forth in Resolution No. 2014-28543, and which is consistent with the recommendations of the Mayor's Blue Ribbon Emergency Response Committee and the Budget Advisory Committee.

PASSED AND ADOPTED this 16th day of January, 2019.

ATTEST:

Rafael E. Granado, City Clerk

Dan Gelber, Mayor

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

Rafael E. Granado

City Attorney

1-10-19

Date

EXHIBIT A

CITY OF MIAMI BEACH FINANCIAL POLICY FOR THE ESTABLISHMENT OF A RESERVE IN THE RESORT TAX FUND

1. The City of Miami Beach shall maintain a minimum reserve in the Resort Tax Fund (Fund 160) of two months of total revenue of the 2% resort tax and shall have a goal of maintaining a minimum reserve equal to six months of total revenue of the 2% resort tax.
2. Said goal of six months of total revenue of the 2% resort tax shall be established within the timeframe of ten years effective as of October 1, 2019.
3. A permanent contingency reserve is hereby established in an amount not less than two months of total revenue of the 2% resort tax in the Resort Tax Fund to be held for use in a public emergency if and when an emergency affecting life, health, property, public safety, or a significant economic impact on resort tax collections, and the expenditure of such funds is authorized by a five-sevenths (5/7) vote of the City Commission.
4. Said contingency reserve shall be increased or decreased annually, but shall be maintained at a minimum amount of two months of total revenue of the 2% resort tax of the then existing Resort Tax Fund Budget.
5. As the reserve level increases over time to meet the six month goal, the minimum required 2% Resort Tax reserve will increase above the initial two months, as a moving floor, beginning an attainment of the remaining target. For example, once the reserve attains the four month target at the end of a fiscal year, the minimum reserve would increase to three months and so on, until the six month minimum reserve is achieved.
6. Prior to any expenditures from this reserve, the Mayor and City Commission must declare an emergency affecting life, health, property, public safety, or a significant economic impact on resort tax collections, and authorize said expenditures by a five-sevenths (5/7) vote. The Administration is directed to restore the reserve to its aforementioned level in an amount of not less than five hundred thousand dollars (\$500,000) annually, by an amendment to the Adopted Resort Tax Fund Budget.