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## COMMISSION MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: September 27, 2016

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) 2016/17.**

### **ADMINISTRATION RECOMMENDATION**

Adopt the Resolution which establishes the final operating budget for the Normandy Shores Local Government Neighborhood Improvement District for FY 2016/17 in the amount of \$257,000.

### **BACKGROUND**

The Normandy Shores Local Government Neighborhood Improvement District (the District), 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 2016/17 represents its twenty-third 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 gate guard. This cost will eventually be funded from the golf course operation of the Normandy Shores Golf Course. It was further agreed that the City would continue to supplement the District at current levels until the Golf Course assumes this cost. 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 of 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 total operating expenditures to provide the final budget to this district is \$257,000 for FY 2016/17. The City of Miami Beach General Fund is required to provide 35% of the total operating expenditures (\$88,000), and the City has funded the 35% for each of the twenty-two years since the District was established. The amount provided by the General Fund for this purpose in FY 2015/16 was \$79,000.

The final FY 2016/17 current service level budget is \$257,000. This budget includes line items which were requested and approved by the Normandy District Homeowners' Association on August 22, 2016: \$171,000 for security services, \$35,000 for maintenance services, and \$51,000 for other repairs including replacement of the video system, guardhouse canopy, vehicular bollard installation, and lighting improvements. The budget is \$31,000 (13.7 percent) higher than the FY 2015/16 adopted budget.

The \$88,000 impact to the General Fund from the FY 2016/17 final budget is \$9,000 (11.4%) more than the FY 2015/16 adopted budget impact of \$79,000.

To provide the current level of security required by this district, the Administration recommends the final ad valorem millage of 1.0093 mills. This tax levy will generate proceeds of \$169,000. The millage is equivalent to the prior year millage and represents an annual increase of \$46.00 to the City average 2016 homesteaded property of \$386,468 taxable value applying a 0.7% CPI increase over FY 2015/16 average property values of \$386,782.

The final operating budget for the District is as follows:

<u>Revenues</u>	
Ad Valorem Tax	\$ 169,000
City's General Fund	<u>88,000</u>
<b>Total</b>	<b>\$ 257,000</b>
 <u>Expenses</u>	
Security Service	\$ 171,000
Maintenance	35,000
Video System	21,000
Guardhouse canopy, bollards, lighting	<u>30,000</u>
<b>Total</b>	<b>\$ 257,000</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 \$257,000.

JLM/CGR