



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: Raul J. Aguila, Interim City Manager

DATE: January 13, 2021

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE SECOND AMENDMENT TO THE GENERAL FUND, ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS, AND SPECIAL REVENUE FUNDS BUDGETS FOR FISCAL YEAR 2021 AS SET FORTH IN THIS RESOLUTION AND IN THE ATTACHED EXHIBIT "A."**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

STRATEGIC PLAN SUPPORTED

Organizational Innovation – Ensure strong fiscal stewardship

ANALYSIS

The budgets for the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds for Fiscal Year (FY) 2021 were adopted by the Mayor and City Commission on September 29, 2020, through Resolution No. 2020-31428.

The First Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2021 was adopted by the Mayor and City Commission on November 18, 2020, through Resolution No. 2020-31497.

Section 166.241(4)(c), Florida Statutes, requires that a municipality's budget amendment must be adopted in the same manner as its original budget.

LUMMUS PARK ARTISANAL MARKET

As discussed at the October 19, 2020 and November 6, 2020 Neighborhood and Quality of Life Committee meetings, the City will relaunch and manage the operation of an artisan and product market in Lummus Park in early 2021. The market will be a free weekend market featuring curated artistic goods, services, and organic produce year-round. Previously managed by a 3rd party, the management of the market will now be a joint effort between the Tourism and Culture and Property Management Departments. These departments will lead the daily management of the vendors and assets, with additional support provided by the Parks and Recreation, Police, and Sanitation Departments. The mission of the market is to engage residents, tourists, and visitors, with a welcoming, fun, and safe place to shop and connect.

The City will, at a minimum, allow 30 vendors to activate Lummus Park between 13th & 14th Streets initially. Thereafter, 10 additional vendors will activate from 5th to 6th Street. The placement of the vendors will be curated to allow for a variety of homemade, local, and artistic items. Likewise, adequate social distancing and masks will be required. Handwashing stations and restrooms will be available adjacent to the market, providing a clean and healthy destination. Each vendor will be provided an aesthetically pleasing white 3-sided tent, anchors to stabilize the tents, and an onsite market manager and security. The City will actively market and promote the market and vendors on City communications channels. Small family friendly entertainment (such as solo musicians, caricatures, bubbles, poetry, etc.) will be scheduled to further engage the community.

The initial relaunch vendor fee is set at a low \$75 per tent per vendor, which will hopefully assist those smaller vendors that have been affected by COVID-19. The plan is to start small and build a reputation for maintaining a curated high-quality market that offers respectful and responsive customer service to an exceptional group of vendors. Once the market is operating at 100% capacity, we expect to raise the fee to \$100+ during high visitor/tourist season with a minimum \$100 fee during low visitor/tourist season.

This proposed amendment would appropriate \$214,000 in the General Fund for the relaunch and management of the operations of this market in Lummus Park and will provide for the one-time initial start-up costs of approximately \$52,000, which includes equipment, as well as recurring operating costs of approximately \$162,000 that have been pro-rated through the end of Fiscal Year 2021 and includes police services, support staff (existing City personnel), supplies, and marketing. These expenditures, including the one-time start-up costs for FY 2021, are projected to be partially offset by \$189,000 in revenues from the vendor fee proposed to be initially set at \$75 per tent per vendor, which will result in a projected year one shortfall of \$25,000 that is primarily attributed to the one-time initial start-up costs and proposed to be funded from General Fund fund balance.

It is important to note that although expenditures are projected to exceed revenues in the first year of operations due to the one-time initial start-up costs, as the market and pool of vendors continues to grow in subsequent years, it is projected the City could potentially yield increased revenues, which will allow for reinvestment into the market, as well as the cultural programming of Lummus Park and other citywide cultural programming.

	FY 2021 (Pro-Rated)	FY 2022 (Annualized)
Revenues:		
Vendor Fees	189,000	336,000
Total Revenue	\$ 189,000	\$ 336,000
Expenditures:		
Police Services	73,000	97,000
Support Personnel (Existing)	52,000	80,000
Cleaning and Supplies	0	5,000
Marketing and Website Maintenance	22,000	37,000
Operating Contingency (10%)	15,000	22,000
Total Expenditures (Recurring)	\$ 162,000	\$ 241,000
Surplus/(Shortfall)	\$ 27,000	\$ 95,000
One-Time Start-Up Costs:		
Equipment	52,000	0
Total Expenditures (One-Time)	\$ 52,000	\$ 0
Surplus/(Shortfall) incl. One-Time Start-Up Costs	\$ (25,000)	\$ 95,000

CONCLUSION

The Administration recommends that the Mayor and City Commission adopt the Second Amendment to the General Fund, Enterprise Fund, Internal Service Fund, and Special Revenue Fund budgets for FY 2021 as described herein and further detailed in the attached Exhibit "A."

RJA/JW/TOS

Exhibit "A"

GENERAL FUND	FY 2021 Amended Budget	2nd Budget Amendment	FY 2021 Revised Budget
REVENUES			
Operating Revenues			
Ad Valorem Taxes	\$ 193,218,000		\$ 193,218,000
Ad Valorem - Capital Renewal & Replacement	\$ 807,000		\$ 807,000
Ad Valorem - Pay-As-You-Go Capital	\$ 2,592,000		\$ 2,592,000
Ad Valorem - Normandy Shores	\$ 18,000		\$ 18,000
Other Taxes	\$ 24,083,000		\$ 24,083,000
Licenses and Permits	\$ 13,925,000		\$ 13,925,000
Intergovernmental	\$ 11,254,000		\$ 11,254,000
Charges for Services	\$ 13,061,000		\$ 13,061,000
Fines and Forfeits	\$ 1,069,000		\$ 1,069,000
Interest Earnings	\$ 2,769,000		\$ 2,769,000
Rents and Leases	\$ 5,954,000	189,000	\$ 6,143,000
Miscellaneous	\$ 15,125,000		\$ 15,125,000
Resort Tax Contribution	\$ 18,639,000		\$ 18,639,000
Other Non-Operating Revenue	\$ 32,633,000	25,000	\$ 32,658,000
Total General Fund	\$ 335,147,000	\$ 214,000	\$ 335,361,000

	FY 2021 Amended Budget	2nd Budget Amendment	FY 2021 Revised Budget
APPROPRIATIONS			
Department			
Mayor and Commission	\$ 2,517,000		\$ 2,517,000
City Manager	\$ 4,798,000		\$ 4,798,000
Marketing and Communications	\$ 2,221,000		\$ 2,221,000
Office of Management and Budget	\$ 1,466,000		\$ 1,466,000
Org. Dev Performance Initiatives	\$ 1,119,000		\$ 1,119,000
Finance	\$ 6,358,000		\$ 6,358,000
Procurement	\$ 2,705,000		\$ 2,705,000
Human Resources/Labor Relations	\$ 2,794,000		\$ 2,794,000
City Clerk	\$ 1,844,000		\$ 1,844,000
City Attorney	\$ 6,150,000		\$ 6,150,000
Housing & Community Services	\$ 3,887,000		\$ 3,887,000
Planning	\$ 6,095,000		\$ 6,095,000
Environment & Sustainability	\$ 1,248,000		\$ 1,248,000
Tourism and Culture	\$ 3,242,000	214,000	\$ 3,456,000
Economic Development	\$ 1,372,000		\$ 1,372,000
Code Compliance	\$ 6,477,000		\$ 6,477,000
Parks & Recreation (incl. Golf Courses)	\$ 34,283,000		\$ 34,283,000
Property Management	\$ 2,054,000		\$ 2,054,000
Public Works	\$ 13,577,000		\$ 13,577,000
Capital Improvement Projects	\$ 5,551,000		\$ 5,551,000
Police	\$ 115,642,000		\$ 115,642,000
Fire	\$ 91,890,000		\$ 91,890,000
Citywide (incl. Operating Contingency)	\$ 15,940,000		\$ 15,940,000
Subtotal General Fund	\$ 333,230,000	\$ 214,000	\$ 333,444,000

TRANSFERS			
Normandy Shores	\$ 111,000		\$ 111,000
Capital Renewal & Replacement	\$ 43,000		\$ 43,000
Info & Comm Technology Fund	\$ 300,000		\$ 300,000
Pay-As-You-Go Capital Fund	\$ 252,000		\$ 252,000
Parking Fund	\$ 1,211,000		\$ 1,211,000
Subtotal Transfers	\$ 1,917,000	\$ 0	\$ 1,917,000

Total General Fund	\$ 335,147,000	\$ 214,000	\$ 335,361,000
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Exhibit "A"

ENTERPRISE FUNDS	FY 2021 Amended Budget	2nd Budget Amendment	FY 2021 Revised Budget
REVENUE/APPROPRIATIONS			
Building	\$ 16,756,000		\$ 16,756,000
Convention Center	\$ 30,707,000		\$ 30,707,000
Water	\$ 38,058,000		\$ 38,058,000
Sewer	\$ 50,397,000		\$ 50,397,000
Stormwater	\$ 32,830,000		\$ 32,830,000
Sanitation	\$ 22,580,000		\$ 22,580,000
Parking	\$ 37,646,000		\$ 37,646,000
Total Enterprise Funds	\$ 228,974,000	\$ 0	\$ 228,974,000

INTERNAL SERVICE FUNDS	FY 2021 Amended Budget	2nd Budget Amendment	FY 2021 Revised Budget
REVENUE/APPROPRIATIONS			
Information Technology	\$ 18,286,000		\$ 18,286,000
Risk Management	\$ 22,535,000		\$ 22,535,000
Central Services	\$ 1,052,000		\$ 1,052,000
Office of Inspector General	\$ 2,027,000		\$ 2,027,000
Property Management	\$ 11,715,000		\$ 11,715,000
Fleet Management	\$ 15,088,000		\$ 15,088,000
Medical and Dental Insurance	\$ 40,258,000		\$ 40,258,000
Total Internal Service Funds	\$ 110,961,000	\$ 0	\$ 110,961,000

SPECIAL REVENUE FUNDS	FY 2021 Amended Budget	2nd Budget Amendment	FY 2021 Revised Budget
REVENUE/APPROPRIATIONS			
Education Compact	\$ 641,000		\$ 641,000
IT Technology Fund	\$ 2,034,000		\$ 2,034,000
Residential Housing	\$ 813,000		\$ 813,000
Sustainability	\$ 958,000		\$ 958,000
Tree Preservation Fund	\$ 105,000		\$ 105,000
Commemorative Tree Trust Fund	\$ 3,000		\$ 3,000
Resort Tax	\$ 69,533,000		\$ 69,533,000
Tourism and Hospitality Scholarships	\$ 80,000		\$ 80,000
Cultural Arts Council	\$ 2,633,000		\$ 2,633,000
Waste Haulers	\$ 111,000		\$ 111,000
Normandy Shores	\$ 287,000		\$ 287,000
Biscayne Point Special Taxing District	\$ 221,000		\$ 221,000
Allison Island Special Taxing District	\$ 221,000		\$ 221,000
Biscayne Beach Special Taxing District	\$ 221,000		\$ 221,000
5th & Alton Garage	\$ 643,000		\$ 643,000
7th Street Garage	\$ 2,049,000		\$ 2,049,000
Transportation Fund	\$ 8,883,000		\$ 8,883,000
People's Transportation Plan	\$ 4,239,000		\$ 4,239,000
Police Confiscation Fund - Federal	\$ 130,000		\$ 130,000
Police Confiscation Fund - State	\$ 164,000		\$ 164,000
Police Unclaimed Property	\$ 29,000		\$ 29,000
Police Crash Report Sales	\$ 25,000		\$ 25,000
Police Training Fund	\$ 25,000		\$ 25,000
Red Light Camera Fund	\$ 1,407,000		\$ 1,407,000
E-911 Fund	\$ 669,000		\$ 669,000
Art in Public Places (AIPP)	\$ 21,000		\$ 21,000
Beachfront Concession Initiatives	\$ 74,000		\$ 74,000
Beach Renourishment	\$ 1,575,000		\$ 1,575,000
Adopt-A-Bench Program	\$ 20,000		\$ 20,000
Off-Duty Services Fund	\$ 200,000		\$ 200,000
Total Special Revenue Funds	\$ 98,014,000	\$ 0	\$ 98,014,000