



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

COMMISSION MEMORANDUM

TO: Honorable Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: June 28, 2023

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE SEVENTH AMENDMENT TO THE GENERAL FUND, ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS, AND SPECIAL REVENUE FUNDS BUDGETS FOR FISCAL YEAR 2023 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

BACKGROUND

The budgets for the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds for Fiscal Year 2023 were adopted by the Mayor and City Commission on September 28, 2022, through Resolution No. 2022-32334.

The First Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on October 26, 2022, through Resolution No. 2022-32382.

The Second Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on November 30, 2022, through Resolution No. 2022-32419.

The Third Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on February 1, 2023, through Resolution No. 2023-32481.

The Fourth Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on February 22, 2023, through Resolution No. 2023-32511.

The Fifth Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on March 27, 2023, through Resolution No. 2023-32546.

The Sixth Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2023 was adopted by the Mayor and City Commission on April 28, 2023, through Resolution No. 2023-32590.

ANALYSIS

Based on the FY 2023 second quarter analysis with revenue and expenditure projections through September 30, 2023, which was distributed on May 25, 2023 via Letter to Commission (LTC) 243-2023, the General Fund is projected to have a surplus of approximately \$11.3 million of which approximately \$5.6 million has already been appropriated or set-aside.

The preliminary FY 2024-2028 Capital Improvement Plan (CIP), as summarized by the City Administration during the FY 2024 budget development process to date, reflects approximately \$1.1 billion in capital project needs over the next five years. In addition, based on the City's adopted financial policies regarding the Capital Reserve Fund and Capital funding, the City Administration is also recommending that funds be set aside for evaluation through the FY 2024 budget process.

As a result, the City Administration is recommending holding aside as much of the \$11.3 million General Fund surplus as possible for capital funding needs. There have been several priority initiatives identified by both the City Commission and City Administration that have significant funding impacts. To the extent possible, it is recommended that requests, especially those with recurring impacts, be evaluated for funding as part of the FY 2024 budget development process.

However, there are certain needs for priority initiatives for which the City Administration is recommending funding at this time, as well as unbudgeted grants and contributions that were recommended by the Finance and Economic Resiliency Committee (FERC) for funding in the current year for the City Commission's consideration.

GENERAL FUND

Police Traffic Management

On April 21, 2023, an item that was referred by the City Commission at its February 22, 2023 meeting to the FERC to direct the City Administration to identify and plan for the deployment of additional law enforcement officers or traffic control officers to direct traffic and operate traffic control devices on major corridors in the City during the peak hours of traffic congestion.

To immediately address the increasing need for traffic mitigation, the City Administration is recommending the addition of 10 full-time Public Safety Specialist positions in the Police Department, which would supplement the existing 5 full-time budgeted positions. Understanding that traffic issues are cyclical, adding these 10 full-time positions would provide the Police Department with the resources necessary to address traffic related issues, while still having the flexibility for these employees to do much more. These employees would be tasked with deploying to traffic "hotspots" throughout the City to provide traffic direction during high-traffic volume scenarios to clear the congestion and increase traffic flow, allowing for optimum passage based on traffic volume being encountered in real-time.

In addition, these employees would take the place of sworn Police Officers currently being used to address traffic related issues. Every non-hazardous call for service, report written, or non-injury vehicle accident investigated by one of these full-time Public Safety Specialist positions proposed, releases a sworn Police Officer to address other crime related activity in the City.

The total projected cost for these additional 10 non-sworn Public Safety Specialist positions, including salaries, fringe benefits, and equipment for FY 2023 is approximately \$467,000 (pro-rated for 3 months). If this proposed budget amendment is approved, the annualized projected cost of approximately \$790,000 will be included as part of the Police Department's overall operating budget proposed for FY 2024.

City Center Area Park Rangers

At the April 28, 2023 City Commission meeting, the Mayor and City Commission discussed the homeless situation in several of the City's parks situated within the City Center area such as Collins Park, Soundscape Park, Collins Canal Park, and Pride Park and directed the City Administration to bring back recommendations on how to address the situation.

As part of the City's efforts to address the homeless situation in these parks and increase the City's public safety presence, the City Administration is recommending the addition of 4 full-time Park Ranger positions in the Parks and Recreation Department.

The total projected cost for these additional 4 full-time Park Ranger positions, including salaries, fringe benefits, and equipment for FY 2023 is approximately \$131,000 (pro-rated for 3 months). If this proposed budget amendment is approved, the annualized projected cost of approximately \$362,000 will be included as part of the Parks and Recreation Department's overall operating budget proposed for FY 2024.

Citywide Grants and Contributions

On April 21, 2023, an item that was referred by the City Commission at its February 22, 2023 meeting to the FERC to discuss the previous funding allocation and review funding levels going forward to support the Miami Beach Police Athletic League's (PAL) Counselor-in-Training (CIT) teen summer work program was discussed.

The PAL works closely with the City to hire teenagers, ages 14-16, as a pathway to become youth counselors during the summer months. Currently, \$67,000 has been allocated in the current fiscal year budget for this program; however, the PAL's goal is to hire an additional 15 counselors bringing the total to 40. Based on an analysis that was completed by the PAL, an additional \$50,700 (rounded up to \$51,000 for budget) was requested by the PAL to fund hiring of an additional 15 counselors for the summer work program.

On May 24, 2023, an item that was referred by the City Commission at its December 14, 2022 meeting to the FERC to discuss a \$10,000 grant for Miami Beach Feinberg Fisher K-8 after-school enrollment was discussed.

The funding requested would support free after school art classes at Miami Beach Feinberg Fisher K-8 Center to promote the use of recycled materials and help students learn about environmental conservation such as reducing their environmental footprint and promoting sustainable behaviors that include energy and water conservation, waste reduction, and recycling.

Based on the discussions that took place at the April 21, 2023 and May 24, 2023 FERC meetings and direction provided to the City Administration, both requests for funding were referred to the City Commission for consideration with favorable recommendations.

General Fund Summary

Based on the FY 2023 second quarter analysis with revenue and expenditure projections through September 30, 2023 that was distributed on May 25, 2023 via Letter to Commission (LTC) 243-2023, the City Administration is recommending that \$659,000 of the remaining surplus that was projected in the General Fund for FY 2023 as of the second quarter be appropriated in the General Fund operating budget to fund the proposed amendments detailed above.

If this proposed budget amendment is approved, the table below outlines the updated use of the projected \$11.3 million General Fund surplus that was projected as of the second quarter of FY 2023.

| General Fund | FY 2023 |
|---|---------------------|
| Projected FY 2023 Surplus as of Q2 (LTC 061-2023) | \$11,289,000 |
| Appropriations Approved by Commission to Date | (4,650,000) |
| Additional Homeless Trust Set-aside | (1,000,000) |
| Revised FY 2023 General Fund Surplus | \$5,639,000 |
| Proposed Amendment for: | |
| <i>Police Positions (10) for Traffic Management</i> | (467,000) |
| <i>Additional Park Rangers (4) for City Center Area</i> | (131,000) |
| <i>Additional PAL Contribution for Counselor-in-Training Program</i> | (51,000) |
| <i>Feinberg Fisher K-8 Grant for After-School Enrollment</i> | (10,000) |
| Total Proposed (7th Operating Budget Amendment) | (\$659,000) |
| Remaining Balance <i>(Recommended to be Allocated for Capital Project Gaps)</i> | \$4,980,000 |

OTHER FUNDS

Miami City Ballet

Pursuant to the current management agreement with the City, the Miami City Ballet contributes funding on a recurring basis to the City to pay for facility repairs. In addition, the City may reimburse the Miami City Ballet for capital and/or maintenance expenses that may be incurred by the Miami City Ballet.

The Miami City Ballet was awarded a grant by the State of Florida for repairs to the facility, which required a \$2 match for every \$1 of State grant funding. Per the restrictive covenant (grant agreement), \$234,000 was committed as a City match.

On May 20, 2020, the Mayor and City Commission adopted Resolution No. 2020-31277, approving the commitment of \$234,000 in matching funds for the same project. These funds included revenues collected by the City from the Miami City Ballet.

As a result, this proposed amendment recommends the appropriation of \$234,000 of prior year fund balance in the Miami City Ballet Fund from revenues that have been collected by the City from the Miami City Ballet pursuant to the current management agreement to reimburse the Miami City Ballet for repairs and capital expenses incurred that are related to the match for the grant funded projects.

CONCLUSION

The Administration recommends that the Mayor and City Commission adopt the Seventh Amendment to the General Fund, Enterprise Fund, Internal Service Fund, and Special Revenue Fund budgets for FY 2023 described herein and further detailed in the attached Exhibit "A."

ATH/JG/TOS

Exhibit "A"

| GENERAL FUND | FY 2023 Amended Budget | 7th Budget Amendment | FY 2023 Revised Budget |
|---|---------------------------|-------------------------|---------------------------|
| REVENUES | | | |
| Operating Revenues | | | |
| Ad Valorem Taxes | \$ 220,605,000 | | \$ 220,605,000 |
| Ad Valorem- Capital Renewal & Repl. | \$ 1,944,000 | | \$ 1,944,000 |
| Ad Valorem- Pay-As-You-Capital | \$ 3,974,000 | | \$ 3,974,000 |
| Ad Valorem- Normandy Shores | \$ 282,000 | | \$ 282,000 |
| Other Taxes | \$ 26,660,000 | | \$ 26,660,000 |
| Licenses and Permits | \$ 18,843,000 | | \$ 18,843,000 |
| Intergovernmental | \$ 14,225,000 | | \$ 14,225,000 |
| Charges for Services | \$ 15,022,000 | 659,000 | \$ 15,681,000 |
| Fines & Forfeits | \$ 1,264,000 | | \$ 1,264,000 |
| Interest Earnings | \$ 5,577,000 | | \$ 5,577,000 |
| Rents & Leases | \$ 7,067,000 | | \$ 7,067,000 |
| Miscellaneous | \$ 15,753,000 | | \$ 15,753,000 |
| Resort Tax Contribution | \$ 39,227,000 | | \$ 39,227,000 |
| Other Non-Operating Revenue | \$ 13,905,000 | | \$ 13,905,000 |
| Use of General Fund Reserves/Prior Year Surplus | \$ 16,239,000 | | \$ 16,239,000 |
| Total General Fund | \$ 400,587,000 | \$ 659,000 | \$ 401,246,000 |
| | | | |
| | FY 2023 Amended Budget | 7th Budget Amendment | FY 2023 Revised Budget |
| APPROPRIATIONS | | | |
| Department | | | |
| Mayor and Commission | \$ 2,809,000 | | \$ 2,809,000 |
| City Manager | \$ 4,290,000 | | \$ 4,290,000 |
| Marketing and Communications | \$ 2,983,000 | | \$ 2,983,000 |
| Office of Management and Budget | \$ 1,678,000 | | \$ 1,678,000 |
| Org. Dev Performance Initiatives | \$ 3,346,000 | 10,000 | \$ 3,356,000 |
| Finance | \$ 8,042,000 | | \$ 8,042,000 |
| Procurement | \$ 3,101,000 | | \$ 3,101,000 |
| Human Resources/Labor Relations | \$ 3,124,000 | | \$ 3,124,000 |
| City Clerk | \$ 2,081,000 | | \$ 2,081,000 |
| City Attorney | \$ 7,654,000 | | \$ 7,654,000 |
| Housing & Community Services | \$ 6,148,000 | | \$ 6,148,000 |
| Planning | \$ 6,074,000 | | \$ 6,074,000 |
| Environment & Sustainability | \$ 2,386,000 | | \$ 2,386,000 |
| Tourism and Culture | \$ 3,661,000 | | \$ 3,661,000 |
| Economic Development | \$ 2,993,000 | | \$ 2,993,000 |
| Code Compliance | \$ 6,886,000 | | \$ 6,886,000 |
| Parks & Recreation (incl. Golf Courses) | \$ 43,936,000 | 131,000 | \$ 44,067,000 |
| Property Management General Fund | \$ 3,848,000 | | \$ 3,848,000 |
| Public Works | \$ 17,021,000 | | \$ 17,021,000 |
| Capital Improvement Projects | \$ 6,003,000 | | \$ 6,003,000 |
| Police | \$ 133,070,000 | 518,000 | \$ 133,588,000 |
| Fire | \$ 102,036,000 | | \$ 102,036,000 |
| Citywide (incl. Operating Contingency) | \$ 19,817,000 | | \$ 19,817,000 |
| Subtotal General Fund | \$ 392,987,000 | \$ 659,000 | \$ 393,646,000 |
| | | | |
| TRANSFERS | | | |
| Normandy Shores | \$ 282,000 | | \$ 282,000 |
| Pay-As-You-Go Capital Fund | \$ 3,974,000 | | \$ 3,974,000 |
| Info & Comm Technology Fund | \$ 300,000 | | \$ 300,000 |
| Capital Reserve Fund | \$ 1,100,000 | | \$ 1,100,000 |
| Capital Renewal & Replacement | \$ 1,944,000 | | \$ 1,944,000 |
| Subtotal Transfers | \$ 7,600,000 | \$ 0 | \$ 7,600,000 |
| | | | |
| Total General Fund | \$ 400,587,000 | \$ 659,000 | \$ 401,246,000 |

Exhibit "A"

| ENTERPRISE FUNDS | FY 2023 | 7th Budget | FY 2023 |
|-------------------------------|-----------------------|-------------|-----------------------|
| | Amended Budget | Amendment | Revised Budget |
| REVENUE/APPROPRIATIONS | | | |
| Building | \$ 18,090,000 | | \$ 18,090,000 |
| Convention Center | \$ 29,607,000 | | \$ 29,607,000 |
| Water | \$ 39,932,000 | | \$ 39,932,000 |
| Sewer | \$ 59,180,000 | | \$ 59,180,000 |
| Stormwater | \$ 36,030,000 | | \$ 36,030,000 |
| Sanitation | \$ 24,821,000 | | \$ 24,821,000 |
| Parking | \$ 47,458,000 | | \$ 47,458,000 |
| Total Enterprise Funds | \$ 255,118,000 | \$ 0 | \$ 255,118,000 |

| INTERNAL SERVICE FUNDS | FY 2023 | 7th Budget | FY 2023 |
|-------------------------------------|-----------------------|-------------|-----------------------|
| | Amended Budget | Amendment | Revised Budget |
| REVENUE/APPROPRIATIONS | | | |
| Information Technology | \$ 20,694,000 | | \$ 20,694,000 |
| Risk Management | \$ 24,862,000 | | \$ 24,862,000 |
| Central Services | \$ 1,064,000 | | \$ 1,064,000 |
| Office of Inspector General | \$ 2,180,000 | | \$ 2,180,000 |
| Property Management | \$ 12,849,000 | | \$ 12,849,000 |
| Fleet Management | \$ 24,928,000 | | \$ 24,928,000 |
| Medical and Dental Insurance | \$ 46,159,000 | | \$ 46,159,000 |
| Total Internal Service Funds | \$ 132,736,000 | \$ 0 | \$ 132,736,000 |

| SPECIAL REVENUE FUNDS | FY 2023 | 7th Budget | FY 2023 |
|--|-----------------------|-------------------|-----------------------|
| | Amended Budget | Amendment | Revised Budget |
| REVENUE/APPROPRIATIONS | | | |
| Education Compact | \$ 155,000 | | \$ 155,000 |
| IT Technology Fund | \$ 582,000 | | \$ 582,000 |
| Residential Housing | \$ 1,129,000 | | \$ 1,129,000 |
| Sustainability | \$ 1,082,000 | | \$ 1,082,000 |
| Tree Preservation Fund | \$ 282,000 | | \$ 282,000 |
| Commemorative Tree Trust Fund | \$ 4,000 | | \$ 4,000 |
| Resort Tax | \$ 111,313,000 | | \$ 111,313,000 |
| Tourism and Hospitality Scholarships | \$ 81,000 | | \$ 81,000 |
| Cultural Arts Council | \$ 2,990,000 | | \$ 2,990,000 |
| Waste Haulers | \$ 109,000 | | \$ 109,000 |
| Normandy Shores | \$ 282,000 | | \$ 282,000 |
| Biscayne Point Special Taxing District | \$ 230,000 | | \$ 230,000 |
| Allison Island Special Taxing District | \$ 244,000 | | \$ 244,000 |
| Biscayne Beach Special Taxing District | \$ 234,000 | | \$ 234,000 |
| 5th & Alton Garage | \$ 844,000 | | \$ 844,000 |
| 7th Street Garage | \$ 3,213,000 | | \$ 3,213,000 |
| Transportation Fund | \$ 14,294,000 | | \$ 14,294,000 |
| People's Transportation Plan | \$ 4,227,000 | | \$ 4,227,000 |
| Police Confiscation Fund - Federal | \$ 90,000 | | \$ 90,000 |
| Police Confiscation Fund - State | \$ 66,000 | | \$ 66,000 |
| Police Unclaimed Property | \$ 15,000 | | \$ 15,000 |
| Police Crash Report Sales | \$ 116,000 | | \$ 116,000 |
| Police Training Fund | \$ 67,000 | | \$ 67,000 |
| Red Light Camera Fund | \$ 1,216,000 | | \$ 1,216,000 |
| E-911 Fund | \$ 767,000 | | \$ 767,000 |
| Art in Public Places (AIPP) | \$ 202,000 | | \$ 202,000 |
| Beachfront Concession Initiatives | \$ 116,000 | | \$ 116,000 |
| Beach Renourishment | \$ 1,564,000 | | \$ 1,564,000 |
| Resiliency Fund | \$ 1,974,000 | | \$ 1,974,000 |
| Sustainability and Resiliency | \$ 194,000 | | \$ 194,000 |
| Biscayne Bay Protection Trust Fund | \$ 6,000 | | \$ 6,000 |
| Adopt-A-Bench Program | \$ 20,000 | | \$ 20,000 |
| Miami City Ballet | \$ 0 | 234,000 | \$ 234,000 |
| Total Special Revenue Funds | \$ 147,708,000 | \$ 234,000 | \$ 147,942,000 |