

MIAMI BEACH

Finance and Citywide Projects Committee Meeting

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive
July 20, 2018 - 10:00 AM

Commissioner Ricky Arriola, Chair
Commissioner Mark Samuelian, Vice-Chair
Commissioner Micky Steinberg, Member
Commissioner John Elizabeth Aleman, Alternate

Visit us at www.miamibeachfl.gov for agendas and video streaming of City Commission Committee Meetings.

BUDGET BRIEFING: OLD BUSINESS

1. **FY 2019 PROPOSED OPERATING BUDGET AND MILLAGE RATE**

Office of Budget and Performance Improvement

2. **FY 2019 PROPOSED CAPITAL BUDGET**

Office of Budget and Performance Improvement

BUDGET BRIEFING: NEW BUSINESS

3. **DISCUSSION ON WATER AND SEWER UTILITY RATES**

Public Works

4. **DISCUSSION ON THE STORMWATER UTILITY RATES**

Public Works

5. **SANITATION FEE ADJUSTMENT**

Public Works

REGULAR AGENDA: NEW BUSINESS

6. **DISCUSSION TO CONSIDER THE AUDIT COMMITTEE MOTION REGARDING ADDING AN INSPECTOR GENERAL INTERNAL AUDIT FUNCTION POSITION**

June 6, 2018 - C4 B

Sponsored by Commissioner Alemán

Internal Audit

7. **DISCUSSION REGARDING INSTALLING A PERMANENT GENERATOR FOR PUMP STATIONS ON SUNSET ISLANDS 3 AND 4**

July 17, 2018 - C4 A

Sponsored by Commissioner Rosen Gonzalez

Public Works

DEFERRED ITEMS

8. **DISCUSSION REGARDING RECOMMENDATIONS OF THE BLUE RIBBON EMERGENCY RESPONSE COMMITTEE**

February 14, 2018 - R9 J

Sponsored by Commissioner Steinberg

Office of the City Manager

Status: Item deferred to the September 14, 2018 FCWPC meeting, pending revised resort tax reserve policy.

9. **DISCUSSION TO REVIEW STATUS, ISSUES, AND PLANS RELATED TO THE INDIAN CREEK DRIVE FLOODING MITIGATION**

March 7, 2018 - C4 F

Sponsored by Commission Samuelian

Public Works

Status: Item deferred to the July 27, 2018 FCWPC meeting, pending update.

10. **DISCUSSION REGARDING THE MIAMI BEACH ROWING CLUB LEASE**

June 6, 2018 - C4 E

Sponsored by Commissioner Arriola

Parks and Recreation

Status: Item deferred to the October 26, 2018 FCWPC meeting, per Miami Beach Rowing Club request.

11. **DISCUSSION REGARDING G.O. BOND**

January 17, 2018 - R9 J

Sponsored by Commissioner Arriola

Finance

Status: Item deferred to the September 14, 2018 FCWPC meeting.

12. **DISCUSSION REGARDING MOVING FORWARD WITH AN ART INSTALLATION THAT CELEBRATES DIVERSITY IN OUR COMMUNITY, AS REQUESTED BY THE LGBTQ ADVISORY COMMITTEE**

April 11, 2018 - C4 X

Sponsored by Commissioner Steinberg

Tourism, Culture, and Economic Development

Status: Item deferred to the October 26, 2018 FCWPC meeting, pending discussion at the NCAC.

13. **DISCUSSION REGARDING THE CREATION OF A CITY OFFICE OF INSPECTOR GENERAL**

December 13, 2017 - C4 Q

Sponsored by Mayor Gelber and Co-sponsored by all City Commissioners

Office of the City Attorney

Status: Item deferred to the September 14, 2018 FCWPC meeting, pending Audit Committee meeting.

14. **DISCUSSION TO REVIEW THE JULIA TUTTLE BUS RAPID TRANSIT DEMO PROJECT**

May 16, 2018 - C4 R

Sponsored by Commissioner Samuelian

Transportation

Status: Item deferred to the October 26, 2018 FCWPC meeting, pending quarterly report from Miami-Dade County on the progress of the new BERT service.

15. **DISCUSSION TO EXPLORE POTENTIAL PARTNERSHIP WITH CITYGRADER**

May 16, 2018 - C4 P

Sponsored by Vice-Mayor Samuelian

Communications/Information Technology

Status: Item deferred to the September 14, 2018 FCWPC meeting to provide update.

16. **DISCUSSION REGARDING THE FINANCIAL IMPACT OF MAINTAINING TREES LOCATED IN THE SWALE**

May 16, 2018 - C4 AA

Sponsored by Commissioner Arriola

Public Works

Status: Item deferred to the January 2019 FCWPC meeting, pending pilot study on sites and potential funding.

17. **DISCUSSION REGARDING PROGRAMMING THE RUE VENDOME PLAZA**

May 16, 2018 - C4 Y

Sponsored by Commissioner Arriola

Tourism, Culture, and Economic Development

Status: Item deferred to the July 27, 2018 FCWPC meeting, pending Matis Cohen's proposal.

18. **UPDATE ON ENERGОВ PERMITTING SYSTEM**

April 26, 2017 - C7 M

Information Technology

Status: Item deferred to the July 27, 2018 FCWPC meeting.

19. **DISCUSSION REGARDING THE FEES CHARGED TO DEVELOPERS TO APPEAR BEFORE THE CITY'S LAND USE BOARDS**

April 26, 2017 - C4 F

Sponsored by Commissioner Alemán

Planning

Status: Item deferred to the July 27, 2018 FCWPC meeting, pending analysis.

20. **DISCUSSION REGARDING THE TRACKING OF TOTAL SHORT TERM RENTAL VIOLATIONS IMPOSED AGAINST PROPERTY OWNERS**

October 31, 2017- C4 A

Sponsored by Commissioner Alemán

Finance/Code Compliance

Status: Item deferred to the July 27, 2018 FCWPC meeting, pending report.

21. **DISCUSSION REGARDING THE NORTH BEACH TOWN CENTER GARAGE**

April 11, 2018 - R7A

Office of the City Manager/Tourism, Culture, and Economic Development

Status: Deferred to the July 27, 2018 FCWPC meeting, per developer's request.

22. **DISCUSSION REGARDING THE FUTURE USE OF THE CORAL ROCK HOUSE, CONSISTING OF APPROXIMATELY 1,307 SQUARE FEET, LOCATED AT 1701 NORMANDY DRIVE**

April 11, 2018 - C4 A

Tourism, Culture and Economic Development

Status: Deferred to the September 14, 2018 FCWPC meeting, pending meeting with owner's representation.

23. **DISCUSSION REGARDING THE REVIEW AND REVISION OF THE CITY'S INVESTMENT POLICY**

May 16, 2018 - C4 E

Finance

Status: Item deferred to the September 14, 2018 FCWPC meeting, pending draft policy.

24. **DISCUSSION REGARDING LEVYING A VACANCY TAX ON EMPTY STOREFRONTS THROUGHOUT THE CITY OF MIAMI BEACH AS A WAY TO ENCOURAGE LANDLORDS TO KEEP THEIR RETAIL OR COMMERCIAL SPACE RENTED AND ACTIVE.**

April 11, 2018 - C4 J

Sponsored by Commissioner Arriola

Tourism, Culture, Economic Development

Status: Item deferred to the July 27, 2018 FCWPC meeting, pending further research.

25. **DISCUSSION TO EXPLORE DISCOUNTS FOR SHARED WORK SPACES IN ORDER TO ATTRACT ENTREPRENEURS AND SMALL BUSINESSES**

April 11, 2018 - C4 H

Sponsored by Vice-Mayor Samuelian

Tourism, Culture, Economic Development

- Status: Item deferred to the July 27, 2018 FCWPC meeting, pending further research.**
26. **DISCUSSION REGARDING ESTABLISHING A HISTORIC PRESERVATION FUND**
April 11, 2018 - C4O
Sponsored by Commissioner Arriola
Finance/Planning
Status: Item deferred to a future FCWPC meeting, pending Land Use Development Committee discussion.
27. **DISCUSSION REGARDING THE ISSUANCE OF A REQUEST FOR PROPOSALS (RFP) FOR FOOD TRAILERS TO BE LOCATED ON THE BEACHFRONT**
June 6, 2018 - C4 A
Tourism, Culture, and Economic Development
Status: Item to be heard at the July 27, 2018 FCWPC meeting.
28. **DISCUSSION REGARDING LOBBYIST REGISTRATION FEES REQUIRED FOR EMPLOYEES OF BUSINESSES, SUCH AS GENERAL MANAGERS TO APPEAR ON BEHALF OF BUSINESS OWNERS/PRINCIPALS**
June 6, 2018 - R5 J
Sponsored by Commissioner Arriola and Co-sponsored by Commissioners Alemán and Góngora
Office of the City Attorney
Status: Item to be heard at the July 27, 2018 FCWPC meeting.
29. **DISCUSSION REGARDING THE COSTS RELATED TO HAVING MIAMI BEACH COMMIT TO ENSURING THAT ALL GOVERNMENT BUILDINGS WILL BE POWERED BY 100% RENEWABLE ELECTRICITY**
May 17, 2017 - R9 AB
Sponsored by Commissioner Rosen Gonzalez
Environment & Sustainability/Property Management
Status: Item deferred to a future FCWPC meeting, pending direction from the Sustainability and Resiliency Committee.
30. **DISCUSSION TO CONSIDER REVISING THE "SPECIAL EVENT REQUIREMENTS AND GUIDELINES", BY AMENDING THE FOLLOWING SECTIONS: "MINIMUM REQUIREMENTS," "EXTERNAL REVIEW PROCEDURE," "BOOKING POLICY," "USE OF PUBLIC PROPERTY," "SPECIAL EVENT FEE SCHEDULE, AND "SPECIAL EVENT CLASS MATRIX", HEREBY PERMITTING AND RESTRICTING FURTHER USES ON PUBLIC PROPERTY AND RECONCILING SPECIAL EVENT FEES TO MATCH RECENT INCREASES ASSOCIATED WITH OTHER PUBLIC RENTAL USES**
October 18, 2017 - C4 F
Tourism, Culture, and Economic Development
Status: Item deferred to the September 14, 2018 FCWPC meeting, pending meeting with industry.
31. **DISCUSSION REGARDING THE PROJECT BUDGET AND SCOPE OF THE 72ND STREET CIVIC COMPLEX PROJECT**
January 17, 2018 - C4 D
Sponsored by Commissioner Alemán
Office of Capital Improvement Projects
Status: Item deferred to the September 14, 2018 FCWPC meeting, pending community outreach.
32. **DISCUSSION REGARDING STREAMLINING THE PROCUREMENT PROCESS**
June 27, 2018 - C4 A
Sponsored by Commissioner Arriola
Procurement
Status: Item deferred to the September 14, 2018 FCWPC meeting, pending meetings with Commission recommended by the Committee.

33. **DISCUSSION REGARDING CABLERUNNER AND ITS TECHNOLOGY**

February 14, 2018 - C4 V

Sponsored by Commissioner Alemán

Public Works

Status: Item deferred to the July 27, 2018 FCWPC meeting, per Commissioner Alemán's request in order for Cablerunner to participate in the discussion.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 20, 2018

SUBJECT: **FY 2019 PROPOSED OPERATING BUDGET AND MILLAGE RATE**

ATTACHMENTS:

Description	Type
☐ FY 2019 Proposed Operating Budget and Millage Rate Memo	Memo
☐ Attachment A - FY 2019 Proposed Revenue Enhancements	Other
☐ Attachment B - FY 2019 Proposed Service Reductions & Efficiencies	Other
☐ Attachment C - FY 2019 Proposed Enhancements	Other
☐ Attachment D - FY 2019 Proposed Revenue Reductions	Other
☐ Attachment E - Resolution 2006-26341	Resolution



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

COMMITTEE MEMORANDUM

TO: Members of the Finance & Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 20, 2018

SUBJECT: FISCAL YEAR (FY) 2019 PROPOSED OPERATING BUDGET AND MILLAGE RATE

The preliminary FY 2019 General Fund budget based on the preliminary June 1, 2018 property values reflected a revenue increase of \$7.8 million and expenditure increase of \$13.2 million for a net deficit of \$5.4 million.

The certified July 1, 2018 property values reflected an increase in new construction from \$97.0 million to \$186.1 million, which is a 91.9% increase over the June 1, 2018 preliminary values, and an overall increase in citywide values of 4.0%, which is a 0.6% increase over the preliminary June 1, 2018 values.

Based on the certified July 1, 2018 property values, revenues increased by \$968,000 resulting in a decrease in the net deficit to \$4.5 million. The Administration is recommending a combination of revenue adjustments, efficiencies and reductions, and enhancements to close the projected budget deficit, which would result in a balanced budget.

The total combined millage rate is proposed to remain the same at 5.8888 mills. Due to the 4.0% increase in certified property values for FY 2019, the debt service millage rate can be reduced by 0.0064 mills. This difference is proposed to be applied to the general operating millage rate, as approved at the June 8, 2018 and July 13, 2018 Finance and Citywide Projects Committee (FCWPC) Budget Briefings.

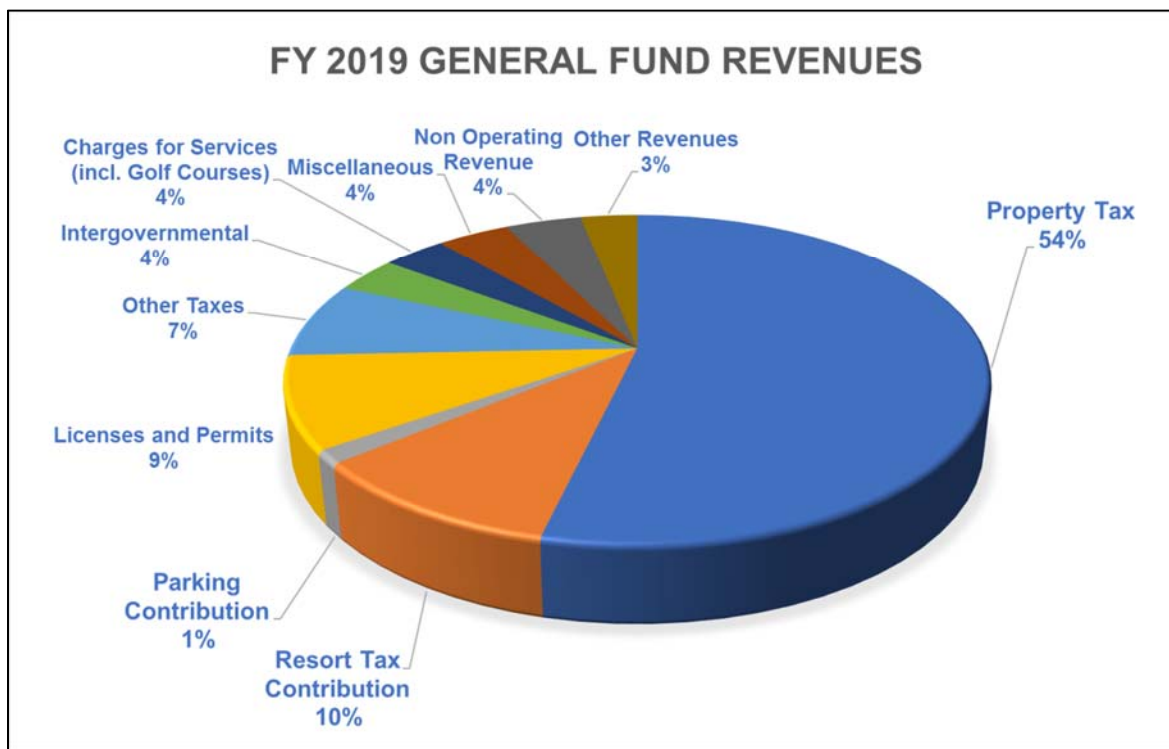
During the City Commission's Budget Workshop on May 24, 2018, and at the June 8, 2018 and July 13, 2018 FCWPC Budget Briefings, it was recommended that the annual transfer from the General Fund to the "Pay-As-You-Go" (PAYGO) capital fund be converted into a dedicated millage rate, which would allow for growth over time with property values. This proposed millage rate dedicated to funding General Fund capital projects would be entirely offset by a decrease in the City's general operating millage by the same rate.

At the July 25, 2018 City Commission meeting, the City Commission will set the proposed millage rate for the FY 2019 budget process in accordance with the State of Florida's Truth-in-Millage (TRIM) requirements.

GENERAL FUND CURRENT SERVICE LEVEL BUDGET UPDATE

At the May 24, 2018 Budget Workshop, and at the June 8, 2018 and July 13, 2018 FCWPC Budget Briefings, the City Commission was briefed regarding the preliminary FY 2019 General Fund budget. The preliminary budget represents the cost of providing the same level of services as in the prior year and serves as the baseline of funding for the budget process.

The Miami-Dade County Property Appraiser provided the 2018 certified property values on July 1, 2018. The 2018 certified property values increased approximately \$1.5 billion, or 4.0%, over the 2017 certified property values, which resulted in an increase of \$6.8 million in General Fund property tax revenues. Property taxes comprise approximately 54% of the total General Fund revenues and are a key driver of the proposed revenues.



Overall, FY 2019 revenues are estimated to increase \$8.8 million due to an increase of \$6.8 million in property tax revenues assuming the millage rate is kept the same and \$2.0 million increase in non-property tax revenues. These figures do not assume any change in contributions from the Resort Tax Fund or Parking Fund for FY 2019.

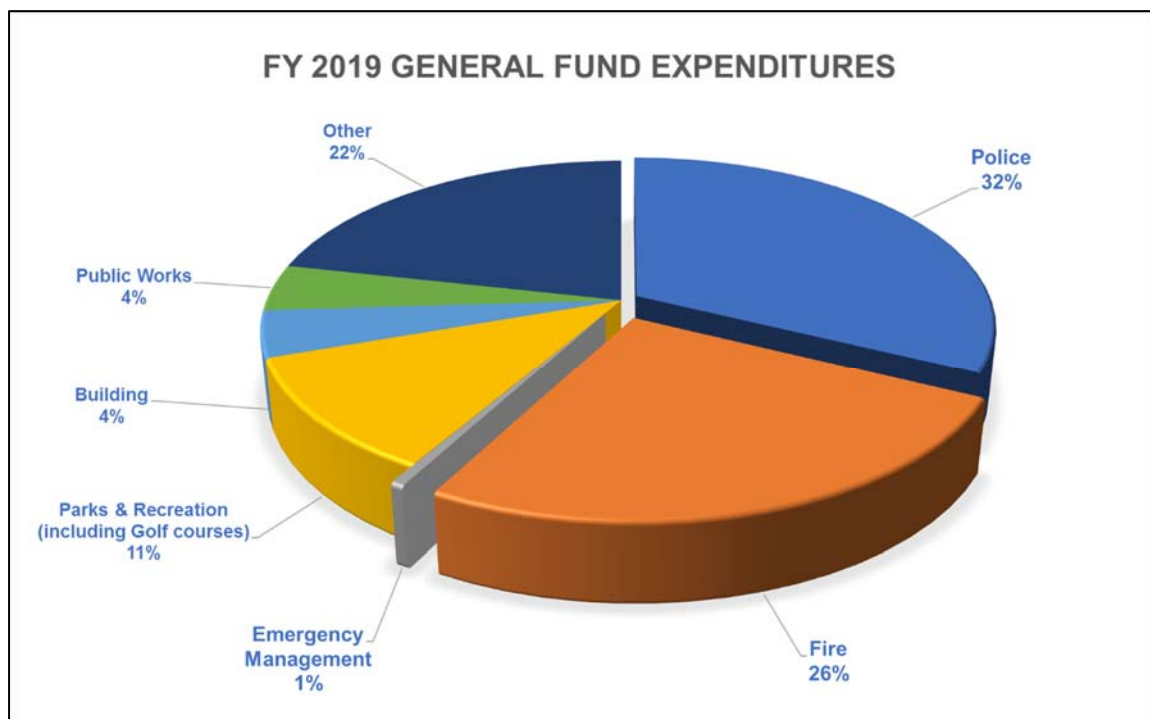
At the June 8, 2018 FCWPC 1st Budget Briefing, preliminary expenditures were estimated to increase \$13.2 million due to the following, of which the majority are contractually required:

- 0-3% merit pay for all groups, except Police and Fire: \$771,000
- 5% step for Police and Fire: \$1.5 million
- 1% Cost-of-Living Adjustment (COLA), effective April 1, 2019: \$680,000
- Increase in Police and Fire pension contributions of \$2.0 million attributed to an increase in the number of participants and pensionable payroll despite both pension boards voting to lower the investment rate assumption

- 15% increase in the City's portion of Medical and Dental premiums for active employees based on current claims experience: \$2.6 million
- 15% increase in the City's portion of Medical and Dental premiums for retirees based on current claims experience: \$2.2 million
- Increase in internal services chargebacks primarily due to an increase in Fleet Management debt service for replacement of General Fund vehicles and equipment: \$2.5 million
- Increase in S415 Excess Pension Plan contributions based on actuarial projections, which include additional members for FY 2019: \$300,000
- Increase in annual contribution to the Information Technology and Communications Fund (IT Tech) to provide funding for one-time technology and communications projects focused on effectively responding to the dynamic technology needs of the City: \$300,000

The preliminary FY 2019 budget also includes the annualized impact of the following additions that were approved by Commission mid-year in FY 2018:

- Elder Services / UNIDAD meals program: \$230,000
- UNIDAD North Beach Senior Center maintenance: \$76,000
- Increase in General Allowance for City Commission: \$57,000
- Educational Initiatives: \$99,000



FY 2019 expenditures do not assume any additional savings from potential efficiencies and/or reductions.

PROPOSED ADJUSTMENTS TO THE FY 2019 GENERAL FUND BUDGET

The FY 2019 General Fund budget, based on the certified July 1, 2018 property values, reflects a revenue increase of \$8.8 million and expenditure increase of \$13.3 million resulting in a net deficit of \$4.5 million.

At the July 13, 2018 FCWPC 2nd Budget Briefing, the Administration proposed a combination of revenue enhancements, revenue reductions, expenditure efficiencies and reductions, and expenditure enhancements, which, if approved, would have resulted in an unallocated surplus of \$97,000 as noted below.

Balancing Strategies	\$
July 1 Preliminary Deficit	(4,553,000)
Recommended Revenue Enhancements	1,386,000
Revenue Refinements	1,485,000
Other Expenditure Reductions	1,134,000
Recommended Reductions	1,533,000
Recommended Enhancements	(1,869,000)
Less One-time Enhancements	981,000
Surplus/ (Deficit)	97,000

Based on the direction given at the July 13, 2018 FCWPC 2nd Budget Briefing, the Administration has amended the proposed adjustments to the FY 2019 General Fund budget as noted below. These recommendations, if approved, would result in a balanced budget.

Balancing Strategies	\$
July 1 Preliminary Deficit	(4,553,000)
Recommended Revenue Enhancements	1,094,000
Revenue Refinements	1,485,000
Recommended Reductions	1,716,000
Recommended Enhancements	(1,981,000)
Transfer in from Parking	1,166,000
Less One-time Expenditures	1,073,000
Surplus/ (Deficit)	-

Recommended Revenue Enhancements – Attachment A (\$1,094,000)

Attachment A includes a listing of all revenue enhancements submitted by departments during the budget process, along with detailed descriptions, for FY 2019. The recommended General Fund revenue enhancements are the following:

- Increase in Golf Fees: \$265,000
- Increase in Police Off-Duty Administrative Fees: \$164,000

- Increase in Elevator Permit/Inspection Fees: \$236,000
- Increase in Public Works Elevator Lockbox Fees: \$11,000
- Increase in Sidewalk Café Permit Fees: \$358,000
- Increase in Food Truck Revenues (Pilot program for 1 truck for 6 months): \$60,000

Other Revenue Refinements (\$1,485,000)

In addition to the recommended revenue enhancements listed above for FY 2019, the Administration has further refined the FY 2019 revenue projections based on FY 2018 second quarter projected revenues. These adjustments have resulted in an increase of approximately \$1,485,000 in additional revenues projected for FY 2019, which primarily consist of the following:

- Increase in Resort Tax transfer to the General Fund: \$500,000
- Increase in projected Interest Income: \$500,000
- Increase in Code Compliance Violation revenues: \$250,000
- Increase in Fire-Ambulance Fees: \$250,000

Recommended Expenditure Reductions/Efficiencies – Attachment B (\$1,716,000)

Attachment B includes a listing of all proposed reductions/efficiencies submitted by departments during the budget process, which includes detailed descriptions, as well as those recommended by the Administration. Some significant reductions recommended include:

- Elimination of 5 full-time and 4 part-time vacant General Fund positions: \$469,000
- Elimination of the Rapid Response Team: \$147,000 (2 filled positions)
- Reduction of General Fund Contingency: \$332,000
- Elimination of one Assistant City Manager position once vacated: \$75,000 (pro-rated)
- Elimination of annual grant contribution to the Miami Design Preservation League per direction from the Finance and Citywide Projects Committee: \$23,000
- Other departmental operating reductions/efficiencies: \$660,000
- Transfer of contribution to Miami Beach Gay Pride Parade to Resort Tax Fund: \$10,000

Recommended Expenditure Enhancements – Attachment C (\$1,981,000)

Attachment C includes a listing of all enhancements requested by departments during the budget process, which includes detailed descriptions, as well as those recommended by the Administration. These recommended enhancements, which are recurring, include:

- Police Officers in Schools: \$871,000
This enhancement will add (1) Sergeant and (6) Police Officers to increase public safety in schools. The first-year cost of adding 1 Sergeant and 6 Police Officers to be assigned to the schools is \$1,063,000, which will be offset by the elimination of (5) Part Time School Liaison Officer positions in the amount of \$192,000, resulting in a net impact of \$871,000 in year 1, including one-time costs for equipment needed (vehicles, radios, etc.)
- Convert Part-time School Liaison Supervisor to Full-time \$34,000
The current role of a School Liaison Supervisor (SLS) is to oversee the School Liaison Officers (SLO) and School Crossing Guards (SCG). During the regular school year, this employee is required to be available to all part-time employees throughout the various

shifts. Supervision and evaluation of crossing guards is necessary at 6 schools in the City during early morning and afternoon hours, five days per week. If approved, this position will be assigned additional duties in support of the School Officer Program.

- Part-Time Education Compact Initiatives Coordinator position: \$45,000
With the increase in the education initiatives and number of initiatives supported by the City, the Department of Organizational Development and Performance Initiatives (ODPI) requires an individual to support Education Compact initiatives and other Commission priorities related to education. In addition, this part-time position will identify opportunities and gaps in services and programs which will prepare children and youths for their futures.
- Living Wage Increase (General Fund): \$89,000
Based on the Finance and Citywide Projects Committee's recommendation, approved by City Commission through Resolution No. 2018-30299 on May 16, 2018, this living wage enhancement would fund the previously approved phase-in approach of increasing the minimum living wage rate by \$0.56 per hour for FY 2019. The overall citywide impact of the proposed living wage increase for FY 2019 is projected to be \$504,000, of which \$89,000 is projected to impact the General Fund.
- Homeless Relocation Services: \$10,000
With this proposed increase in relocation funds, the Homeless Outreach Program will be able to reconnect up to an estimated 250 homeless clients with family living outside of Miami-Dade, Broward, Monroe and Palm Beach County per a motion approved by the Committee on the Homeless. This request received a favorable recommendation for funding from the Finance and Citywide Projects Committee at the July 13, 2018 FCWPC meeting.
- The Cat Network Program: \$10,000
The Cat Network Program is a spay/neuter program for surgeries, vaccines and wellness. This enhancement is to provide funding outside of the grant contribution for the trailer, septic tank, marketing, feeders, badges and other operating expenditures needed for the program to be successful. This request received a favorable recommendation for funding from the Finance and Citywide Projects Committee at the July 13, 2018 FCWPC meeting.

Parking Fund Transfer to the General Fund: \$1,166,000

As noted at the May 24, 2018 Commission Budget Workshop, and June 8, 2018 and July 13, 2018 FCWPC Budget Briefings, in order reduce the burden on the Parking Fund, the Administration's goal is to reduce the \$4.4 million subsidy from the Parking Fund to the General Fund during the FY 2019 budget development process.

Based on direction given at the July 13th FCWPC Budget Briefing, the Administration is recommending reducing the FY 2019 transfer from the Parking Fund to the General Fund from \$4.4 million to \$1,166,000, as well as increasing the transfer of funds released from the City Center Redevelopment Agency (RDA) Fund by \$4.4 million in FY 2019. These RDA funds became available through approval of the Fourth Amendment to the Interlocal Agreement between the City and Miami Dade County. The City's objective is to reduce the General Fund's reliance on this funding from the RDA over the next four years during each budget development cycle.

One-Time Expenditures (\$1,073,000)

Pursuant to Resolution No. 2006-26341 (Attachment E), the City can use one-time, non-recurring revenue for capital expenditures or one-time expenditures and not to subsidize recurring personnel, operational and maintenance costs.

In an effort to further make investments toward creating additional capacity and increasing efficiency in the future, the Administration is recommending funding the FY 2019 enhancements below, which are considered one-time in nature, utilizing fund balance in accordance with Resolution No. 2006-26341:

- First-Year Funding Bridge for Office of the Inspector General: \$484,000
The pro-rated cost of the Office of the Inspector General, if approved by the voters in November of 2018, is projected to be \$484,000 in its first year of operation (FY 2019). The intention is to fully fund this new office from a surcharge on City contracts, similar to Miami Dade County's surcharge. It is important to note that surcharge revenues, if approved by the City Commission, would apply to new contracts as they are re-awarded. As a result, the full \$1.0 million in revenues needed to fund the projected year-two costs, which are annualized, would not be realized until FY 2023. Funding the first-year cost as a one-time expenditure from fund balance would be the first step in the funding bridge towards FY 2023.
- Sunset Islands 3 & 4 Undergrounding Project Debt Service: \$212,000
To advance fund the Sunset Islands 3 & 4 Utility Improvement, as adopted by Resolution 2015-29180, \$1.5 million was borrowed from the General Fund as approved by Resolution No. 2016-29273. There is currently no 3rd party outstanding debt. Once the project is completed, the City will enter into a bank loan in order to reimburse itself from the proceeds of such loan for funds advanced by the General Fund. Pursuant to Resolution 2015-29180, Section 8, the City will start billing a Special Assessment once the Mayor and Commission adopt a Resolution accepting the improvements as completed. Shortly thereafter, the City will commence billing and collections of the Assessment. Assessment receipts will be used to pay the loan. The \$212,000 is budgeted in anticipation of project completion in FY 2019, which could result in a debt service payment before the Assessments are collected.
- Business Tax Receipt (BTR) Process Improvements: \$200,000
A subject matter expert would be retained to assess the City's Business Tax Receipt process and provide recommendations for improvement, which would be geared toward streamlining the BTR processes and increasing efficiency.
- Washington Avenue Master Plan: \$50,000
The Washington Avenue Master Plan would be developed to focus on improvements to increase vibrancy, lighting, and gathering points along the Washington Avenue corridor for both residents and visitors.
- Employee Innovation Academy: \$35,000
Employees at all levels would be educated on principles geared toward the elimination of waste, increased efficiency, improving processes, and ultimately creating a higher standard of government.

- Camillus House Pilot Project: \$92,000

This organization proposes conducting targeted street outreach to chronically homeless persons with mental illnesses to provide medication and engagement to enable shelter and housing placement for those served. This request was recommended by the Committee for Quality Education and received a favorable recommendation for funding from the Neighborhood and Community Affairs and Finance and Citywide Projects Committees.

Unallocated Funds

Some unfunded enhancement requests submitted during the budget process, which are included in Attachment C, consist of the following:

- Park Ranger Program Expansion: \$1.1 million
- Body Cameras for Park Rangers: \$44,000 (one-time) + \$29,000 (recurring)

OTHER FUNDS

2% Resort Tax Fund

At the May 24, 2018 Budget Workshop and July 13, 2018 FCWPC Budget Briefing, the City Commission was also briefed regarding the preliminary FY 2019 Resort Tax budget. Based on revenues collected as of May 2018, the projected Resort Tax surplus for FY 2019 was approximately \$2.8 million.

Resort Tax Fund	\$
Revenues	59,993,000
Expenditures	(57,210,000)
Surplus/ (Deficit)	2,783,000

At the July 13, 2018 FCWPC Budget Briefing, the Administration proposed a combination of revenue enhancements, expenditure reductions, and expenditure enhancements, which, if approved, would have resulted in a balanced budget.

Balancing Strategies	\$
Budget Surplus	2,783,000
Transfer to Sanitation Fund	(941,000)
Transfer to General Fund	(500,000)
Recommended Efficiency	48,000
Recommended Enhancements	(2,191,000)
Less One-Time Expenditures	801,000
Surplus/ (Deficit)	-

Based on the direction given at the July 13, 2018 FCWPC Budget Briefing, the Administration has amended the proposed adjustments to the FY 2019 Resort Tax Fund budget as indicated below. These recommendations, if approved, would result in a balanced budget.

Balancing Strategies	\$
Budget Surplus	2,783,000
Additional Transfer to Sanitation Fund	(941,000)
Additional Transfer to General Fund	(500,000)
Recommended Reductions/Efficiencies	121,000
Recommended Enhancements	(2,114,000)
Less One-Time Expenditures	651,000
Surplus/ (Deficit)	-

- Transfer to Sanitation Fund: \$941,000

During development of the FY 2018 budget, the Resort Tax Fund was unable to fund \$2.8 million of services provided by the Sanitation Fund. This proposed increase in funding is the first step towards the Resort Tax Fund increasing its contribution to fully cover costs for services provided by the Sanitation Fund.

- Transfer to General Fund: \$500,000

During development of the FY 2018 budget, the Resort Tax Fund was unable to fund \$2.6 million of services provided by the General Fund. The proposed increase in funding is the includes an increase of \$500,000, which is the first step towards the Resort Tax Fund increasing its contribution to fully cover the costs for services provided by the General Fund.

Recommended Reductions/Efficiencies – Attachment B (\$121,000)

Attachment B includes a listing of all proposed reductions/efficiencies submitted by departments during the budget process, which includes detailed descriptions, as well as those recommended by the Administration. For the Resort Tax Fund, the one recommended efficiency is the following:

- Elimination of Outside External Resort Tax Auditors and Replace with a Full-Time Tax Auditor Position: \$48,000
- Reduction of Resort Tax Contingency: \$73,000

Recommended Resort Tax Expenditure Enhancements – Attachment C (\$2,114,000)

Attachment C includes a listing of all enhancements requested by departments for the Resort Tax Fund during the budget process, which includes detailed descriptions, as well as those recommended by the Administration. The recommended enhancements, which are recurring, are the following:

- Police Overtime & Equipment for High Impact Periods: \$700,000
- Miami Beach Air & Sea Show: \$350,000
- Memorial Day Programming/Cultural Activation: \$100,000
- International Tennis Federation Sponsorship: \$100,000

- Additional Enhanced Holiday Lighting: \$140,000
- Miami Beach Gay Pride Parade: \$73,000

One-time Resort Tax Expenditures (\$651,000)

In addition, the following items below are also recommended that are one-time in nature, and as such, can be funded utilizing fund balance pursuant to Resolution No. 2006-26341 (Attachment E):

- Ocean Drive Off-Duty Program: \$151,000
- Super Bowl 2020: \$500,000

Unallocated Funds

Some unfunded Resort Tax enhancement requests submitted during the budget process, which are included in Attachment C, consist of the following:

- Miami Design Preservation League Art Deco Weekend: \$120,000 (\$100,000 funded from General Fund in FY 2018 as one-time)
- Increase of Bass Museum Management Agreement: \$234,000 (currently \$651,000)
- Increase of Colony Theater Management Agreement: \$330,000 (currently \$170,000)
- Increase of Byron Carlyle Theater Agreement: \$162,000 (currently \$48,000)

1% Resort Tax Fund Quality-of-Life Funding Allocations

As presented at the May 24, 2018 Commission Budget Workshop and July 13, 2018 FCWPC Budget Briefing, the Administration is recommending that the 1% Resort Tax Quality of Life funding allocation be modified in order further reduce the burden on the Parking Fund in FY 2019.

The current 1% Quality of Life bed tax, as adopted by Resolution No. 2015-28919, is to be used as follows: 45% allocated for Transportation initiatives in tourist-related areas; 15% allocated equally among North Beach, Middle Beach and South Beach for capital projects that enhance Miami Beach's tourist related areas; and 10% allocated to various arts and cultural programs.

Commencing FY 2019, the proposed allocation would increase the allocation for Transportation initiatives from 45% to 60% and decrease North Beach, Middle Beach, and South Beach capital from 15% to 10% each, which would reduce the Parking Fund's subsidy to the Transportation Fund. Based on revenues collected as of May 2018, the projected FY 2019 1% Resort Tax contribution for transportation initiatives would increase by approximately by \$2.2 million thereby reducing the Parking Fund subsidy to the Transportation Fund by the same amount.

FY19 PROJECTED (CURRENT)			FY19 PROJECTED (PROPOSED)			Prop vs Curr.
1% Bed Tax Revenue Allocation			1% Bed Tax Revenue Allocation			1% Allocation
Transportation	45%	6,483,000	Transportation	60%	8,643,000	2,160,000
NB - QOL	15%	2,161,000	NB - QOL	10%	1,441,000	(720,000)
MB - QOL	15%	2,161,000	MB - QOL	10%	1,441,000	(720,000)
SB - QOL	15%	2,161,000	SB - QOL	10%	1,441,000	(720,000)
Arts	10%	1,440,000	Arts	10%	1,440,000	-
Total	100%	14,406,000	Total	100%	14,406,000	-

Proposed Parking Rate Increases

As presented at the May 24, 2018 Commission Budget Workshop and July 13, 2018 FCWPC Budget Briefing, the Administration is recommending the following parking rate increases, commencing in FY 2019, to ensure adequate funding for future capital projects and renewal and replacement of existing Parking Department assets. These recommended rate increases are being made in conjunction with the recommended reduction in the FY 2019 transfer to the General Fund and modification of the 1% Resort Tax Quality-of-Life allocation commencing in FY 2019, as previously mentioned.

- Daily Space Rental Construction: \$224,000
This proposed modification would increase the construction daily space rental fee from \$25/day to \$35/day.
- Entertainment District Meter Hours (Ocean Drive to Washington Avenue and 5th to 15th Street): \$135,000
Currently, metered parking rates within the corridor of Ocean Drive to Washington Avenue and 5th to 15th Street are enforced from 9 am to 3 am. This proposed enhancement would increase the hours that these spaces are metered to 24 hours/day.
- 46th Street & Collins Avenue Parking Lot (P71): \$539,000
Currently, metered parking at the 46th Street & Collins Avenue Municipal Parking Lot (P71), Monday to Friday, from 8am to 6pm, is \$1/hour, while weekends is a flat rate of \$20 for visitors and \$6 for residents. This proposed enhancement would change the hourly rate to a flat rate of \$20 for visitors and \$6 for residents, 24 hours/day. This enhancement, if approved, would also generate an additional \$149,000 in expenditure savings from a reduction in meter attendant services since revenue collections will be 100% automated.
- Hostel/Bed & Breakfast Residential Zones: \$30,000
Currently, the annual residential parking permit rate is \$54.60. This proposed enhancement would replace the annual residential parking permit rate in the Hostel/Bed and Breakfast Residential Zones with the daily parking permit rate of \$3.00/day.

PROPOSED GENERAL FUND MILLAGE RATE

There are two main components to the City's total combined millage rate: the operating millage rate and the voted debt service millage rate. The operating millage rate, which is comprised of a general and a renewal and replacement millage, funds operating costs in the General Fund while the debt service millage rate funds debt service for previously issued General Obligation (G.O.) bonds. For FY 2019, the debt service payment is \$5.9 million, which requires the levy of a voted debt service millage rate of 0.1600 mills. The proposed FY 2019 debt service millage rate is 0.0064 mills less than the adopted FY 2018 debt service millage and this difference is proposed to be applied to the general operating millage rate, as approved by the FCWPC at the June 8, 2018 and July 13, 2018 Budget Briefings.

For FY 2019, as presented and recommended during the City Commission's Budget Workshop held on May 24, 2018, and approved by the FCWPC at the June 8, 2018 and July 13, 2018 Budget Briefings, the operating millage rate will be comprised of an additional millage rate for PAYGO capital funds, which will provide dedicated funding and allow for growth over time with property

FY 2019 Proposed Operating Budget Update and Proposed Millage Rate

July 20, 2018

Page 12

values. This additional dedicated millage rate, equivalent to \$2.4 million included in the proposed FY 2019 General Fund budget, will be offset entirely by a decrease in the City's operating millage. Overall, the City's total combined millage rate for FY 2019 is proposed to remain flat as reflected below:

	FY 2018 Adopted	FY 2019 Proposed	Variance	\$ Variance
General	5.6989	5.6298	(0.0691)	(2,196,490)
Renewal & Replacement	0.0235	0.0235	0.0000	0
Pay-Go	0.0000	0.0755	0.0755	2,400,000
General Operating Millage	5.7224	5.7288	0.0064	203,510
Debt Service	0.1664	0.1600	(0.0064)	(203,510)
Total Combined Millage	5.8888	5.8888	0.0000	0

By August 4, 2018, the City Manager will certify the proposed millage rate to the Miami Dade County Property Appraiser. The proposed millage rate will be included in the TRIM notices mailed by the Property Appraiser on August 24, 2018. The purpose of the TRIM notice is to notify property owners of how much their property taxes could potentially increase or decrease and which governmental entity is responsible for the taxes levied.

As such, the proposed millage rate effectively sets the "ceiling" for the millage rate during the budget process because it cannot be increased without sending out a new TRIM notice to all property owners in Miami Beach. However, millage rates can remain the same or be decreased throughout the remainder of the process until the final millage rates are adopted by the Commission at the second public hearing on September 26, 2018.

CONCLUSION

The proposed FY 2019 operating budget will be finalized at the 3rd FCWPC Budget Briefing on July 20, 2018. At the July 25, 2018 City Commission meeting, the City Commission will set the proposed millage rate for the FY 2019 budget process in accordance with the State of Florida's Truth-in-Millage (TRIM) requirements.

In September, two public hearings will be held in accordance with the State of Florida's TRIM requirements. The first public hearing scheduled on September 12, 2018 will be to adopt the proposed millage rates and budgets for FY 2019. The second public hearing scheduled on September 26, 2018 will be to adopt the final millage rates and budgets for FY 2019. Both public hearings, which will begin at 5:01 p.m., will be held in the City Commission Chambers at 1700 Convention Drive, 3rd Floor, Miami Beach, Florida 33139.

Attachment A – Proposed FY 2019 Revenue Enhancements
Attachment B – Proposed FY 2019 Service Reductions and Efficiencies
Attachment C – Proposed FY 2019 Enhancements
Attachment D – Proposed FY 2019 Revenue Reductions
Attachment E – Resolution 2006-26341

JLM/JW/TOS

ATTACHMENT A
PROPOSED FY 2018/19 REVENUE ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
PARKING								
Rate Change from Hourly to Daily Flat Rate, Monday to Friday, at 46th Street & Collins Avenue Municipal Parking Lot (P71)	Enterprise	\$539,000	\$539,000	\$539,000			Metered Parking Services	Currently, metered parking at the 46th Street & Collins Avenue Municipal Parking Lot (P71) Monday to Friday, from 8am to 6pm, is \$1/hr, while weekends is a flat rate of \$20/\$6 for residents. This enhancement request changes the hourly rate to a flat rate of \$20/\$6 for residents (24 hrs/day). This enhancement will also result in a \$149,000 expenditure savings from meter attendant services, as revenue collections will be 100% automated.
Construction Parking Daily Space Rental Fee (from \$25/day to \$35/day)	Enterprise	\$224,000	\$224,000	\$224,000			Permits	This enhancement request increases the daily space rental fee from \$25/day to \$35/day.
Increase Parking Meter Hours of Enforcement - Hours Entertainment District - Ocean Drive to Washington Ave & 5th to 15th (from 9am - 3am to 24 hours)	Enterprise	\$135,000	\$135,000	\$135,000			Metered Parking Services	Currently, metered parking rates for this corridor are enforced from 9am to 3am. This enhancement increases the hours that these spaces are metered to 24 hrs/day.
Hostel/Bed & Breakfast Residential Zones	Enterprise	\$30,000	\$30,000	\$30,000			Permits	Currently, the annual residential parking permit rate is \$54.60. This enhancement replaces the annual residential parking permit rate in the Hostel/Bed and Breakfast Residential Zones with the daily parking permit rate of \$3.
PARKS & RECREATION								
Parks Catch-up Increase in Programming Fees	General	\$352,000		\$352,000			Multiple Programs	Parks and Recreation fees were last increased in 2003. Since that year, the Consumer Price Index (CPI) has increased a total of 35.3% cumulatively. The Parks and Recreation Department has conducted a fee comparison study, which indicates that the City's current rates are well below comparable cities' rates. Therefore, the department is proposing a mid-range increase of 17.5%, which will bridge the gap in FY 2018/19 by generating an estimated \$352,000 in additional revenues (not inclusive of golf fees). Additionally, the department is recommending that fees be indexed to CPI annually moving forward.

ATTACHMENT A
PROPOSED FY 2018/19 REVENUE ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Increase in Miami Beach and Normandy Shores Golf Club Fees	General	\$265,000	\$265,000	\$265,000			Miami Beach Golf Club & Normandy Shores Golf Club	The recommended increase in golf fees being proposed for FY 2018/19 isn't a percentage increase across the board; however, the increases allow both clubs to remain competitive across the market, while continuing to offer reasonable rates for Miami Beach residents, South Florida Residents and visitors. The recommended increases in fees for membership due rates, non-resident rates, equipment rental rates, etc. are estimated to generate an additional \$230,000 for the Miami Beach Golf Club and \$35,000 for the Normandy Shores Golf Club.
POLICE								
Police Off-Duty Administrative Fee	General	\$164,000	\$164,000	\$164,000			Special Events/Off-Duty Unit	Increase in the Police Off-Duty Administrative Fee from current \$10 rate to \$12. This fee covers the administrative cost costs associated with the off-duty program. The rate was last increased on October 6, 2008
PUBLIC WORKS								
Elevator Inspection/Permit Fees	General	\$236,000	\$236,000	\$236,000			Elevator	Based on the last increase in fees, the Public Works Department is proposing a 20% across-the-board increase in elevator inspection and permit fees, except for those regulated by Florida State Statute, which would generate approximately \$236,000 in additional revenue.
Elevator Lockboxes	General	\$11,000	\$11,000	\$11,000			Elevator	Based on the last increase in fees, the Public Works Department is proposing an increase in elevator lockbox fees from the current rate of \$65.00 to \$100.00 commencing in FY 2018/19, which would generate approximately \$11,000 in additional revenue.

ATTACHMENT A
PROPOSED FY 2018/19 REVENUE ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Sidewalk Café Fees	General	\$358,000	\$358,000	\$358,000			Right-of-Way	Currently, the Public Works Department manages approximately 66,000 square feet of sidewalks available to be billed. This proposed enhancement would increase the sidewalk café fee from \$20 per sq/ft, which went in to effect October 1, 2011, to \$25 per sq/ft commencing in FY 2019 and generate approximately \$358,000 in additional revenue.
TOURISM, CULTURE & ECONOMIC DEVELOPMENT (TCED)								
Food Trailers (Pilot Program)	General	\$60,000	\$60,000	\$0			Management of City Real Estate Assets	Funding from pilot program for food trailers located seaward of upland hotels and condominiums as approved at the June 27, 2018 commission meeting. The pilot program provides that concessionaires pay the City \$10,000 per month for the six month pilot program. At this time, one operator, the W hotel, has decided to participate in the program.
Grand Total of Positions Recommended					0	0		

Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact
General Fund	\$1,446,000	\$1,094,000	\$1,386,000
	\$0	\$0	\$0
	\$1,446,000	\$1,094,000	\$1,386,000
Building	\$0	\$0	\$0
Internal Service	\$0	\$0	\$0
Resort Tax	\$0	\$0	\$0
RDA	\$0	\$0	\$0
Enterprise	\$928,000	\$928,000	\$928,000
Special Revenue	\$0	\$0	\$0

Internal Service impact (% based on FY 2018/19 Preliminary Allocations)

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
BUILDING								
Eliminate Four (4) Financial Analyst Positions (Filled Positions)	Building	\$267,000		\$272,000	4		Customer Service	Elimination of these positions will result in the Building department directly managing customer service calls with existing budgeted expenditures and positions within the department. Elimination of these positions would; however, have a direct impact on the Finance Department's Call Center, which is where these positions are assigned to since all customer service-related calls are answered by the Call Center. Despite the adverse impact to the Finance Department's Call Center operations, the department anticipates a higher level of service with an automated call system which would route callers directly to what they need for Building-related matters. The gross impact of the department's proposed reduction is \$351,000 in Year 1 and \$358,00 in Year 2 if all six positions, totaling 5.0 FTEs, were eliminated. Since two positions are split-funded with other departments though, the other departments would fully fund these two positions resulting in a net impact of \$267,000 in Year 1 and \$272,000 in Year 2.
Eliminate Two (2) Environmental Technician Positions (1 Filled Position, 1 Vacant Position)	Building	\$112,000		\$113,000	2		Environmental Resources Management	Elimination of these positions would impact services provided by the Environment and Sustainability Department since these individuals serve as the environmental inspectors who oversees the environmental compliance of all public and private construction projects in the field. They also conduct daily inspections of these construction sites to identify deficiencies and coordinate measures, proactively, with contractors to reduce the number of environmental violations issued by environmental agencies. Attendance at all public project progress meetings and regular environmental permit reviews also fall within the responsibilities of these positions. City notices and violations have decreased as a result of these positions.
Eliminate Receptionist Position (Vacant Position)	Building	\$58,000	\$58,000	\$59,000	1		Administration	Elimination of this position from the North Beach Office will save the Building Department since the 2 Permit Clerk positions assigned to The North Beach Office will divide the duties of this Receptionist position thus creating an efficiency with little to no impact to customer service operations.
CAPITAL IMPROVEMENT PROJECTS (CIP)								
Eliminate One (1) Field Inspector I Position (Vacant Position)	General	\$58,000		\$59,000	1		Quality Assurance/ Quality Control/ Inspections	Elimination of this position will impact the level of service of the Quality Assurance/Quality Control/ Inspections program in the CIP Department due to a reduction in the number of projects that could be implemented and a delay in the development of certain projects, especially if General Obligation (G.O.) Bond projects come online.

**ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES**

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate One (1) Office Associate V Position (Vacant Position)	General	\$65,000		\$66,000	1		Construction Management	Elimination of this position will impact the level of administrative support provided to employees within the Construction Management program of the CIP Department, thereby reducing the number of projects that could be implemented and delaying the completion of current projects.
Eliminate One (1) Capital Project Coordinator Position (Vacant Position)	General	\$108,000		\$110,000	1		Construction Management	Elimination of this position will impact the level of service which could be provided by the Construction Management program. There would be a reduction in the number of projects which could be implemented and a delay in the development of certain projects, especially if GO Bond projects come online.
CITY ATTORNEY								
Freeze One (1) Paralegal Position (Vacant Position)	General	\$68,000		\$0			Administration	This reduction would materially impact the City Attorney's Office ability to appropriately address the myriad number of legal issues and matters that emerge daily within the governmental operations of the City of Miami Beach. The City Attorney's Office would be compelled to reallocate its resources to those vital and essential matters that require the immediate attention of dedicated legal staff and assets, and therefore; other non-prioritized legal requests would be potentially, unnecessarily delayed pending the further allocation of legal staff to the matter.
Freeze One (1) Assistant City Attorney I Position (Vacant Position)	General	\$89,000		\$0			Administration	This reduction would materially impact the City Attorney's Office ability to appropriately address the myriad number of legal issues and matters that emerge daily within the governmental operations of the City of Miami Beach. The City Attorney's Office would be compelled to reallocate its resources to those vital and essential matters that require the immediate attention of dedicated legal staff and assets, and therefore; other non-prioritized legal requests would be potentially, unnecessarily delayed pending the further allocation of legal staff to the matter.
Reduce Professional Fees for Outside Counsel	General	\$120,000	\$50,000	\$50,000			Outside Labor Legal Counsel	A reduction in professional services fees will limit the City Attorney's utilization of outside counsel to handle complex matters.
Reduce Funding for Legal Fees	General	\$47,000		\$47,000			Outside Legal Counsel (Litigation)	A reduction in legal fees would impact possible future lawsuits, labor issues, and matters would take longer to resolve .
CITY CLERK								
Eliminate One (1) Special Master Clerk Position (Filled Position)	General	\$67,000		\$68,000	1		Special Master	Elimination of one Special Master Clerk position in the City Clerk's Office will result in: (1) a reduction in the number of Special Master hearings held from four times a month to two (2) times a month, and (2) compliance with the City Code within a reasonable time frame may be impacted, as hearings will be set further into the future.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate One (1) Central Service Technician Position (Filled Position)	Internal	\$63,000		\$65,000	1		Mail	Elimination of this position will result in the distribution of the existing workload to the remaining three (3) employees, which will result in significantly longer completion times for all Central Services projects and mail distribution to all departments.
CITY MANAGER								
Eliminate One (1) Part-Time Office Assistant Position (Vacant Position)	General	\$11,000	\$11,000	\$11,000		1	Administration	Elimination of this Part-Time Office Assistant position will adversely impact the City's commitment to the Best Buddies program.
Reduce Funding for Operating Expenditures (One-Time)	General	\$9,000		\$0			Administration	A reduction in operating expenditures will limit the resources available for operation of the City Manager's Office.
Eliminate Assistant City Manager Position once Vacated (Filled Position)	General	\$75,000	\$75,000	\$300,000	1		Administration	Elimination of this position, effective 07/01/2019, would result in the duties of this position being distributed amongst the remaining three Assistant City Manager positions in the City Manager's Office. The current incumbent is anticipated to retire during FY 2019. The Year 1 recommended reduction amount of \$76,000 reflects the retirement date of the current incumbent, which is anticipated to be July 1, 2019. Year 2 reflects the annualized cost of eliminating this position.
Rapid Response Team (Filled Positions)	General	\$147,000	\$147,000	\$149,000	2		Administration	Elimination of the Rapid Response Team within the City Manager's Office will result in much longer response times for calls regarding public safety and infrastructure issues within the City. The Rapid Response Team is responsible for ensuring that areas are within good conditions by regularly monitoring their status in the field. Without the Rapid Response Team, a gap in the maintenance of City property would be created, which would ultimately need to be assumed by another group.
CITYWIDE								
Eliminate Management Interns	General	\$43,000	\$43,000	\$43,000			Administration	In accordance with the hiring freeze implemented by the City Manager, the Management Internship program will be suspended until further notice. This proposed reduction reflects the elimination of the program, effective FY 2018/19.
Reduce General Fund Contingency	General	\$332,000	\$332,000	\$332,000			Citywide Contingency	This contingency account is used to fund unforeseen expenditures that may be incurred during the fiscal year. This reduction would reduce the amount available to \$1 million.
Reduce Resort Tax Fund Contingency	Resort Tax	\$73,000	\$73,000	\$73,000			Citywide Contingency	This contingency account is used to fund unforeseen expenditures that may be incurred during the fiscal year. This reduction would reduce the amount available to \$927,000.
Transfer Annual Miami Beach Gay Pride Contribution	General	\$10,000	\$10,000	\$10,000			Grants & Contributions	This reduction will transfer the City's annual contribution to Miami Beach Gay Pride from the City's General Fund to the Resort Tax Fund, which per direction from the Finance and Citywide Projects Committee meeting on July 13, 2018, is subsequently being submitted as enhancement request to increase funding in FY 2018/19 (one-time) from \$10,000 to \$73,000.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate Miami Design Preservation League (MDPL) Grant Contribution as recommended by the Finance and Citywide Projects Committee	General	\$23,000	\$23,000	\$23,000			Grants & Contributions	This reduction will eliminate the City's annual contribution to the Miami Design Preservation League (MDPL), as recommended by the Finance and Citywide Projects Committee, which in accordance with the grant agreement, is to be utilized by the grantee for online database "RuskinArc" software, student interns, project oversight, marketing and research.
CODE COMPLIANCE								
Eliminate Two Code Compliance Officer I Positions (Vacant Positions)	General	\$122,000	\$122,000	\$124,000	2		Field Operations	Elimination of two Code Compliance Officers could result in a negative impact to the timeliness of Code Compliance response to calls for service in the high demand Entertainment District, which primarily consists of noise complaints, sanitation issues, illegal vendors, sidewalk cafes, proactive inspections including Business Tax Receipt (BTR) inspections, alcohol sales, and property maintenance issues. The negative impact will be felt similarly Citywide in the reduction of timeliness of Code Compliance response to calls for service and proactive inspections such as those related to Zika prevention.
COMMUNICATIONS								
Eliminate One (1) Public Information Specialist (Filled Position)	General	\$101,000		\$103,000	1		Public Information	Elimination of this position would require other positions to assume the task of working with staff and the media to ensure that our residents are properly communicated with and the media receives proper responses and information on City related items, assistance in writing press releases, stories for the MB Magazine and coordinating items for the media in a reasonable time frame.
EMERGENCY MANAGEMENT								
Reduce Funding for Security Cameras Assessment and Crime Prevention Through Environmental Design (CEPTED) Program (Recurring)	General	\$25,000	\$25,000	\$25,000			Homeland Security	This efficiency reduces the CEPTED program at various City facilities. With the completion of the City Hall, North Shore Youth Center, and Scott Rakow Youth Center assessments, the Department of Emergency Management has determined that much of the remaining assessments can be accomplished by existing staff even though some facilities may require limited expert analysis to complete.
Emergency Management Department Re-organization (Recurring)	General	\$56,000	\$56,000	\$57,000			Multiple Programs	This efficiency is based on the reclassification of a Communications Manager position to an Emergency Management Technician position, in conjunction with the reclassification of an Executive Office Associate I position to an Office Associate IV position based on the current needs of the department.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
ENVIRONMENT & SUSTAINABILITY								
Reduce Funding for Citywide Dune Restoration (One-time)	General	\$18,000		\$0			Environmental Resources Management	This reduction towards citywide dune restoration will result in the restoration of fewer dune blocks in FY 2018/19. The blocks that are not restored within the coming fiscal year will need to be restored in a future fiscal year.
Reduce Funding for Citywide Reforestation Tree Planting and Pruning Services (One-time)	General	\$45,000		\$0			Environmental Resources Management	This reduction would impact the department's ability to effectively manage replanting throughout the City and would reduce the City's overall tree canopy coverage, making the City unable to maintain a resilient urban forest.
FINANCE								
Eliminate One (1) Financial Analyst I Position - Call Center (Filled Position)	General	\$96,000		\$98,000	1		Call Center & 305-604-CITY/ 350-673-7000	Elimination of this position would negatively impact service levels to the public by increasing call wait times, the number of calls going to voicemail, and the response time it would take to respond to those voicemails in the Finance Department's Call Center.
Eliminate One (1) Financial Analyst II Position - Accounts Payable (Filled Position)	General	\$73,000		\$74,000	1		Accounts Payable	Elimination of this position would negatively impact service levels provided to outside vendors and internal departments by increasing the average number of days for invoices to be paid from 20 to 30 days. The Prompt Payment Act requires payment within 30 days.
Eliminate One (1) Financial Analyst II Position - Accounting (Filled Position)	General	\$78,000		\$79,000	1		Accounting, Reconciliation, & Reporting	Elimination of this position would negatively impact service levels by increasing the average number of days to close the previous month from 10 days to 15 days. The average number of days after month end closure for the completion of bank reconciliations would also be increased from about 30 days to 45 days.
FIRE								
Reduce Funding for Printing	General	\$500	\$500	\$500			Multiple Programs	This budget is used for printing manuals and programs for Fire Department functions. The department is proposing a \$500 reduction from this budget and will work to completely eliminate printing.
Reduce Funding for Subscriptions	General	\$2,500	\$2,500	\$2,500			Multiple Programs	This budget is used for subscriptions of Fire Service related publications. The department is proposing a \$2,500 reduction from this budget by using available electronic options.
Reduce Funding for Rent-Building & Equipment	General	\$6,000	\$6,000	\$6,000			Multiple Programs	This budget is used for rental of Sharp copiers in the Public Safety Communications Unit. The department is proposing a \$6,000 reduction from this budget and will work with existing resources.
Reduce Funding for Temporary Labor	General	\$10,000	\$10,000	\$10,000			Multiple Programs	This budget is used for temporary labor. The department is proposing a \$10,000 cut from this budget and will work to staff with current employees.
Reduce Funding for Contracted Services - Repairs and Maintenance	General	\$15,000	\$15,000	\$15,000			Multiple Programs	The department is proposing a \$15,000 reduction from contracted services - repairs and maintenance and will work with existing resources.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Reduce Funding for Training & Awards	General	\$45,000	\$45,000	\$45,000			Multiple Programs	This budget is used for training & awards. The department is proposing a \$45,000 reduction from this budget and will utilize adjusted resources to further departmental training.
Reduce Funding for Uniforms	General	\$50,000	\$50,000	\$50,000			Multiple Programs	The department is proposing a \$50,000 reduction from this budget based on anticipated need for uniforms in accordance to the collective bargaining agreement.
Reduce Funding for Other Operating Expenditures	General	\$50,000	\$50,000	\$50,000			Multiple Programs	This budget is used for other operating expenditures. The department is proposing a \$50,000 reduction from this budget based being able to meet the department's operating needs with the adjusted resources.
Eliminate Quartermaster Position (Vacant Position)	General	\$60,000	\$60,000	\$61,000	1		Support Services & Training	Elimination of this position would result in the duties of this position being split among all divisions adversely impacting personnel assigned to the Support Services division, the Rescue division, and shift division chiefs, among other personnel. The Quartermaster position is a key position in the Fire Department that is responsible for the systematic receipt, storage, maintenance, and issuance of fire department related equipment and supplies. The Quartermaster is also responsible for maintaining the accountability of medical supplies and fire equipment.
FLEET MANAGEMENT								
Reduce Funding for Contract Maintenance	Internal	\$138,000		\$138,000			Administration	This reduction includes elimination of the car wash program (\$20,000) and the reduction of the amount of vehicles being tracked using AVL (Advanced Vehicle Locator) from 1,125 vehicles to 713 vehicles (approximately \$118,708). Ending car washing services will affect vehicle appearance and public perception. Reducing the amount of vehicles being monitored under the AVL program will affect accountability, efficiency, security, fuel cost, and customer service for those departments affected.
HOUSING & COMMUNITY SERVICES								
Reduce Funding for Overtime (One-time)	General	\$8,000		\$0			Homeless Services	The reduction will decrease the number of afterhours and cold weather placements performed during the year.
Reduce Funding for Police Shelter Beds (One-time)	General	\$22,000		\$0			Homeless Services	This reduction will limit the number of homeless individuals/families the Police Department will be able to place in shelter beds after hours.
Reduce Funding for Identification Replacements (One-time)	General	\$1,000		\$0			Homeless Services	This reduction will result in fewer homeless clients obtaining the tools necessary to leave homelessness.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate One (1) Case Worker II Position (Filled Position) and One (1) Case Worker Position (Filled Position)	General	\$132,000		\$134,000	2		Constituent Services and Elder Services	Elimination of a Case Worker and a Case Worker II position would have a huge impact on the level of service provided by the Community Services Division. An array of services will need to be reduced and/or discontinued such as community welfare checks, constituent services, yearly tax preparation, the food insecurity assistance program and emergency services. This reduction will also impact the ability of City residents to seek assistance in connecting to community services and supports, as well as staffing of the Coral Rock House not being feasible.
HUMAN RESOURCES								
Eliminate Assistant Human Resources Director Position (Vacant Position)	General	\$121,000	\$121,000	\$123,000	1		Compensation and Payroll	Defer hiring of a full time Human Resources Assistant Director position at a savings of approximately \$121,000 annually, including benefits. Not filling this position will backlog existing Human Resource functions.
INFORMATION TECHNOLOGY								
Defer PC Refresh Cycle (One-time)	Internal	\$403,000		\$0			Maintaining Business Operations	Deferring the PC Refresh Cycle for one year would result in savings realized only in FY 2018/19, as the replacement cost would need to be shifted to FY 2019/20, increasing the budget by a similar, if not, increased amount.
Reduce Funding for Storage Reserve (One-time)	Internal	\$180,000		\$0			Maintaining Business Operations	Reducing funding for data storage reserve would decrease the storage supply ratio against storage demand. This reduction is highly not recommended as it would need to be a calculated risk which could potentially have a large, negative impact on operations citywide.
INTERNAL AUDIT								
Reduce Funding for Outside External Resort Tax Auditors and Replace with a Full-Time Tax Auditor Position	Resort Tax	\$48,000	\$48,000	\$32,000	-1		Resort Tax	Since FY 2015/16, the Office of Internal Audit has budgeted \$125,000 to be disbursed to three external auditing companies for the completion of 50 annual Resort Tax audits. Despite more favorable payment terms under the current agreement, these companies have not used all of the allotted monies and have completed a relatively small number of audits (only 8 have been completed as of 07/09/18 for FY 2017/18). The addition of a full-time tax auditor position would result in more audits being conducted annually as current internal Resort Tax auditors complete approximately 50 per year and less late/incomplete audits as the external auditors tend to not as aggressively pursue auditees that don't respond timely. This proposed efficiency, despite a full-time position being added to the Office of Internal Audit, would result in a net savings to the budget if approved and an increased number of completed Resort Tax audits.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Reduce Funding for Professional Services	General	\$42,000		\$42,000			Internal Audit	The reduction of funding in professional services would reduce the budgeted amount to be utilized by the Citywide Fraud Risk Assessment. The external auditors scope of work would need to be reduced accordingly.
ORGANIZATIONAL DEVELOPMENT & PERFORMANCE INITIATIVES								
Eliminate Twelve (12) Undergraduate Internships and Ten (10) Graduate Internships (One-Time)	General	\$69,000	\$69,000	\$0			Education	In accordance with the hiring freeze implemented by the City Manager, the Graduate and Undergraduate Internship program will be suspended until further notice. This proposed reduction reflects the elimination of the program for FY 2018/19, excluding the cost for two graduate students who have already begun their year-long internships within FY 2017/18.
PARKING								
Reduce Funding for Outside Contract for Online Implementation and Paper Permit Cost by adding a Senior Systems Analyst Position	Enterprise	\$70,000	\$70,000	\$46,000	-1		Permits	This efficiency would eliminate current funding allocated for outside contracted personnel and create a new position within the Information Technology Department instead, which would be funded by the savings of the contracted personnel and include a more robust IT team supporting all parking-related software development and applications.
Reduction in Attendant Labor and Security Guard Costs associated with the Proposed Rate Change at the 46th & Collins Avenue Municipal Parking Lot (P71) from an hourly to daily flat rate, Monday to Friday	Enterprise	\$149,000	\$149,000	\$149,000			Meter Parking Services	This efficiency is part of a revenue enhancement that would result in savings in attendant labor and security guards at the 46th & Collins Avenue Municipal Parking Lot (P71). This efficiency is feasible only if the companion revenue enhancement proposed for FY 2018/19 is approved.
Eliminate Funding for Advertising	Enterprise	\$25,000		\$25,000			Administration	This reduction will completely eliminate funding for any advertising initiatives, eliminating the department's ability to promote new and/or existing programs.
Increase Spacing between Surface Lot and On-street Parking Pay Stations	Enterprise	\$123,000	\$123,000	\$123,000			Meter Parking Services	This reduction of 100 pay stations (from 853 to 753) would further transition usage from physical pay stations to mobile payment applications (Parkmobile). It would also result in reduced expenditures for collections, extended warranty, and wireless data, while still maintaining a pay station presence citywide.
Reduce Funding for Freight Loading Zone (FLZ) Police Overtime Hours	Enterprise	\$65,000		\$65,000			Enforcement	This reduction will further reduce funding for the Freight Loading Zone (FLZ) Program by \$65,000, leaving a balance of \$10,000, which may result in an increase in FLZ violations impacting the availability of FLZ spaces and traffic.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Reduce Funding for Temporary Labor	Enterprise	\$17,000		\$17,000			Administration	This reduction would decrease funding for the second temporary position to three (3) weeks, which is budgeted as a contingency in the event additional staffing is needed due to a special assignment or a staff members extended leave. Reducing this funding would limit the department's ability to maintain adequate staffing levels during a special assignment or while personnel are on extended leave.
Eliminate Two Parking Coin Room Positions (Filled Positions)	Enterprise	\$90,000	\$90,000	\$93,000	2		Meter Parking Services	With the implementation of Parkmobile and related increase in credit card use, there has been a significant decrease in the use of coins and notes. Since 2012, there has been a decrease of 84% in coins and a decrease of 31% in notes collected and counted in the coin room - overall cash collected decreased 50%. Currently, 78% of meter revenue is collected by credit card. Additionally, there has been a 18.7% reduction in the number of meter collections resulting in a decreased workload for this unit since their primary function is counting coins and notes.
PARKS & RECREATION								
Reduce Funding for Advertising	General	\$3,000	\$3,000	\$3,000			Administration	This budget is used for all creative advertising efforts in print and social media outlets for programming and events year-round. The department is proposing a \$3,000 reduction from this budget and will use current resources to fund these efforts.
Reduce Funding for Painting of Park Facilities	General	\$10,000	\$10,000	\$10,000			Park Facilities	This budget is used to for the painting of any park facility throughout the year. The department is proposing a \$10,000 reduction from this budget and will utilize other resources to provide the same level of service.
Reduce Funding for Locksmith Services	General	\$5,000	\$5,000	\$5,000			Park Facilities	This budget is used a majority of the time to replace broken and/or vandalized locks at the beachfront restrooms. The department is proposing a \$5,000 reduction to align with utilization.
Reduce Funding for Rental Equipment from Parks Maintenance	General	\$5,000	\$5,000	\$5,000			Parks Ground Maintenance	This budget is used for the rental of equipment such as sod cutters, bobcats, etc. for the Parks Maintenance Division to perform special projects. The department is proposing a \$5,000 reduction from this budget based on utilization.
Eliminate Safety Surface Maintenance and Repairs	General	\$50,000	\$50,000	\$50,000			Parks Facilities	This budget is used to perform regular maintenance to the playground safety surface on an annual basis, which will prevent constant Capital requests for replacement. The department is proposing a \$50,000 reduction from this budget and will utilize any realized savings in the coming year to perform required maintenance.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate 3 PT Municipal Service Worker Trainee Positions (Vacant Positions)	General	\$47,000	\$47,000	\$47,000		3	Parks Ground Maintenance	The Parks and Recreation Department is proposing the elimination of 3 Part-Time Municipal Service Worker Trainee positions for FY 2018/19 since these positions have been vacant and the department no longer finds these positions beneficial to servicing the public.
Freeze 3 PT Municipal Service Worker I Positions (Vacant Positions)	General	\$51,000	\$51,000	\$0			Parks Ground Maintenance	The Parks and Recreation Department is proposing freezing 3 Part-Time Municipal Service Worker I positions for FY 2018/19 since these positions have been vacant and the department is having a difficult time filling them due to failed background checks by previously selected applicants. The department can continue to temporarily provide current levels of services without these positions being filled for the time being.
PLANNING								
Eliminate Lunch for All Board Members during Land Use Board Hearings	General	\$4,000		\$4,000			Administration / Clerk of Boards	This reduction will eliminate lunches provided during Land Use Board meetings. This facilitates the continuation of the meetings by reducing time the meeting was paused.
Reduce Funding for Trainings & Awards	General	\$24,000		\$24,000			Multiple Programs	This reduction will adversely impact the department's ability to attend conferences related to Historic Preservation, Planning & Development, as well as seminars and workshops on Sea Level Rise and Resiliency.
Reduce Funding for Temporary Labor	General	\$4,000		\$4,000			Clerk of Boards / Administration	This reduction will result in delays in digitizing documents, which will cause interruptions to the review and analysis of previous development orders that is necessary to complete the evaluation of Land Use Board applications.
Reduce Funding for Overtime	General	\$15,000		\$15,000			Plans Review	Availability of expedited / after-hours review could be reduced and could affect this optional service which in effect extends staff's operating hours and allows permits to be evaluated after hours and during the weekends.
POLICE								
Eliminate PT Office Associate IV Position (Filled Position)	General	\$34,000	\$34,000	\$35,000		1	PIO/Communications	Elimination of this position will result in a variety of internal and external projects, programs and surveys being reduced and/or eliminated, which includes the design and production of social media, newsletters, print, and special events that showcase the Miami Beach Police Department (MBPD). This position also serves as a Public Information Officer for the MBPD.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
PROCUREMENT								
Eliminate One (1) Procurement Contract Analyst II Position (Vacant Position) and Supported Software	General	\$114,000		\$115,000	1		Technology and Systems	This position manages the Equal Benefits program, Local Workforce Participation, and compliance with the City's Living Wage law. To assist with these responsibilities, the City Commission approved the budget for the LCP Tracker program software. Due to the small size of the Procurement Department, and the fact that the department lost one position in the FY 2018 budget cycle, elimination of this position would result in the inability of the Procurement Department to implement the programs this position supports. Therefore, elimination of this position and the software would require eliminating enforcement of the Living Wage and Local Workforce Programs. It will also impact the ability of the City to enforce prevailing wages required on certain capital and grant funded construction projects.
PROPERTY MANAGEMENT								
Reduce Funding for Training	Internal	\$5,000		\$5,000			General Administration	This reduction will impact the department's ability to keep existing personnel up-to-date with the most recent skills applicable to their trades and will delay the recertification process for several personnel members that require certification for their specific trade.
Reduce Funding for Painting	Internal	\$38,000		\$38,000			Reduction of Painting	This reduction will negatively impact the Service Contract Maintenance and Repairs program by reducing the service level and efficiency of the Property Management Department. It would also reduce the City's ability to take care of routine and necessary painting citywide and would negatively impact the ability to remove graffiti from City property and ensure that all City facilities appear in good condition in accordance with the City's reputation as a world-class city.
Eliminate Contracted Repairs and Maintenance for Citywide Monuments	General	\$30,000		\$30,000			Contracted Repairs and Maintenance	This reduction will eliminate the budget for maintenance and repairs of monuments citywide. The City of Miami Beach has several distinct monuments and landmarks that add to the character and history of this vibrant City. This reduction would negatively impact the Property Management Department's ability to maintain these historic landmarks.
Reduce Funding for Janitorial Services	Internal	\$25,000		\$25,000			Multiple Programs	This reduction will reduce the level of service for janitorial services provided in City facilities, which will potentially have a negative impact on the City's ability to maintain its facilities exceptionally clean.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Reduce Funding for General Preventative Maintenance	Internal	\$39,000		\$39,000			Multiple Programs	This reduction will significantly reduce the level of service for general preventative maintenance services citywide and will impact the department's ability to efficiently and effectively carry out facility maintenance and operations, capital renewal and replacement projects, and space planning management. City facilities will not receive the level of preventative maintenance necessary to prevent future failures, thus increasing the likelihood of large expenditures in the future for replacement of failed units. General preventative maintenance is vital to the department's ability to ensure that all City facilities are operating at their full capacity.
Reduce Funding for General Repairs & Maintenance Materials	Internal	\$61,000		\$61,000			Multiple Programs	This reduction will impact the availability of general materials needed during routine repairs and maintenance, which will impact required maintenance for all existing City facilities. Due to the high-volume of use throughout the City for Grainger materials, a reduction will lead to inefficiencies resulting from longer lead-times for facilities maintenance and operations and repairs and maintenance materials programs.
Reduce Funding for HVAC Preventative Maintenance	Internal	\$40,000		\$40,000			Multiple Programs	This reduction will reduce the current level of service for HVAC maintenance required throughout City facilities. This reduction will negatively impact Service Contract Maintenance and Repairs as HVAC preventative maintenance is necessary to extend the useful life of current units. Further, the City runs the risk of routine failures and malfunctions of the HVAC units, thus resulting in future failures and complete replacement of these units, which are extremely costly.
Reduce Funding for Electrical Preventative Maintenance	Internal	\$70,000		\$70,000			Multiple Programs	Reduce the level of service for electrical maintenance needed for City facilities. This reduction is expected to negatively impact the efficiency and effectiveness of the Service Contract Maintenance and Repairs program. A reduction in electrical preventative maintenance would result in the City's inability to ensure the reliable maintenance of all electrical in City facilities. By reducing the amount allocated to electrical preventative maintenance, the electrical infrastructure has a reduced lifespan, thus requiring costly replacements sooner than anticipated.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
PUBLIC WORKS								
Eliminate One (1) Municipal Service Worker III (Vacant Position)	General	\$52,000	\$52,000	\$53,000	1		Contract Landscape Maintenance	This reduction will result in the limitation to dispatch and supervise several work crews to tackle various tasks simultaneously, and it places more responsibility on our sole Heavy Equipment Operator (HEO.). Unlike our MSW I & II, the MSW III personnel typically possess a Commercial Driver's License (CDL) and operates our heavy equipment (front-end loader, back-hoe, grapple-truck, Bobcat®, etc.) on special projects, emergency response, and the Landfall Team. The MSW III also provides direct supervision over work crews consisting of MSW I & II, and functions as a lead worker in all major landscape or irrigation projects.Since the MSW III position is a "promotion only" opportunity, the elimination of this intermediate "step" creates a void for current MSW II staff who need to gain the exposure, responsibility, and growth necessary to transition from MSW II to Supervisor (also a "promotional only" position.)
Reduce Greenspace Contract Maintenance	General	\$136,000	\$136,000	\$136,000			Contract Landscape Maintenance	This reduction will result in a significant increase in turf grass height (from 6" to 8") between services, a higher occurrence of weeds (especially during wetter months), landscape damage compounded over time due to a delayed remediation response (irrigation breaks, pest infestations, nutrient deficiencies), unsightly landscape issues (dead/missing shrubs, broken tree limbs, damaged sod remain unaddressed longer), extended maintenance times per site when a service does occur due to the amount of overgrowth between services, an increase in complaints and E-Gov requests regarding the City's perceived 'abandoned' appearance, and an overall diminished perception of the City being a clean and safe place.
Eliminate One (1) Civil Engineering III (Filled Position) and One (1) Civil Engineering II (Vacant Position)	General	\$207,000		\$211,000	2		Design Engineering	Elimination of these positions would halt 12 projects, place the Public Works Department out of compliance with Sewer System Evaluation Survey (SSES) standards and regulations, and adversely affect the progress of the following neighborhood improvement projects, among others: North Shore, SW 1st Street, and West Avenue.
Eliminate Two (2) Street Lighting Technician I Positions (Filled Positions)	General	\$137,000		\$139,000	2		Street Light Operating and Maintenance (O&M)	Elimination of these positions will significantly hinder the division's ability to provide timely customer service in the maintenance and repair of the City's street lighting infrastructure and the ability to complete citywide lighting improvements.
TOURISM, CULTURE, & ECONOMIC DEVELOPMENT								
Eliminate Arts in the Park & Soundscape Cinema Series	General	\$55,000		\$55,000			Cultural Program	This reduction eliminates cultural activation and programming at Soundscape Park, which attracts 8,000 residents and visitors annually.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate Redevelopment Specialist Position (Vacant Position)	General	\$79,000		\$84,000	1		Economic Development	This position provides significant administrative support to the Economic Development Division. If eliminated, the division and department overall will need to scale back on the many committee and liaison roles filled by this position.
Reduction of 6 Appraisals from Appraisal Contingency	General	\$30,000		\$30,000			Division of Real Estate	This reduction will result in the department having limited capability in completing real estate appraisals despite its extensive portfolio of managed property.
TRANSPORTATION								
Eliminate funding for Advertising	Special Revenue	\$27,000	\$27,000	\$27,000			Trolley Service	Given that citywide trolley service was established during FY 2017/18 and that neither route changes nor implementation of new routes is anticipated during FY 2018/19, advertising of trolley services is no longer necessary.
Eliminate funding for Trolley Service Promotional Items	Special Revenue	\$5,000	\$5,000	\$5,000			Trolley Service	Given that citywide trolley service was established during FY 2017/18 and the high ridership promotional materials can be eliminated.
Reduce Funding for Trolley Service Related Printing	Special Revenue	\$3,000	\$3,000	\$3,000			Trolley Service	Given that citywide trolley service was established during FY 2017/18 and that neither route changes nor implementation of new routes is anticipated during FY 2018/19, demand for brochures may be lower; therefore, this reduction will have a minimal impact on the printing of approximately 12,000 brochures on a monthly basis for trolley services.
Eliminate funding for Ciclovía	Special Revenue	\$124,000	\$124,000	\$124,000			Administration	As part of the FY 2016/17 adopted budget, the City Commission approved funding for Ciclovía as part of the Transportation Special Revenue Fund. (Resolution # 2016-29565). At the May 22, 2018 Neighborhoods and Community Affairs Committee meeting, the Committee approved a motion to no longer fund Ciclovía.
Reduce Funding for Traffic Operations Studies and Traffic Data Collection	Special Revenue	\$100,000		\$100,000			Traffic Operations	To improve response times on traffic engineering requests, the City proactively reviews traffic conditions, performing in-house traffic studies, and traffic signal retiming projects. Previously, these responsibilities were solely managed by the County; however, with the funding of this program, response times on many requests have been reduced from 4-8 months to 4 weeks.
Reduce Funding for Trolley Seat Cushions	Special Revenue	\$23,000		\$23,000			Trolley Service	The Transportation Department currently accounts for trolley seat cushion replacement on all 31 trolley vehicles. This service reduction would reduce the frequency of replacement/ number of vehicles on which cushions would be replaced to 21 trolleys annually, based on a recent evaluation of seat cushion conditions.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate Four Traffic Field Congestion Specialist Positions (Filled Positions)	Special Revenue	\$213,000		\$216,000	4		Multiple Programs	Elimination of Four (4) Traffic Congestion Field Specialists (Road Rangers) will shift funding to the Intelligent Transportation System (ITS)/Smart Parking System (SPS) Project, which is a priority project. Permanent implementation and operation of ITS/SPS will have more impact on travel time reductions, potentially reducing travel time by up to 22% along the City's major thoroughfares. Transportation Department staff has been actively working for 3 years to bring this initiative to fruition. Nearly \$1 million has been invested into procuring and launching this project, and the Administration is on the verge of executing a Design/Build/Operate/Maintain (DBOM) contract with the selected vendor.
Reduce Funding for Trolley Operations Scenarios:	Special Revenue	See below		See below			Trolley Service	While current trolley service operates 6AM-Midnight, Monday to Saturday, and 8AM-Midnight on Sundays, the following scenarios and cost impacts associated which each scenario are presented below, which range from \$186,628.90 to \$551,083.45, depending on the specific scenario.
Scenario A	Special Revenue	\$187,000		\$187,000			Trolley Service	This scenario would only modify Saturday service hours, which would be 8AM-Midnight (similar to Sunday), as compared to current 6AM-Midnight. Sunday service hours would remain as-is, from 8AM-Midnight.
Scenario B	Special Revenue	\$276,000		\$276,000			Trolley Service	This scenario would modify service hours, Monday to Saturday, from 18 hours per day to 17.5 hours per day. Sunday service would remain as-is, from 8AM-Midnight.
Scenario C	Special Revenue	\$417,000		\$417,000			Trolley Service	This scenario would modify service hours, Monday to Friday, from 18 hours per day to 17.5 hours per day and Saturday hours from 18 hours per day to 16 hours per day (8AM-Midnight). Sunday service would remain as-is, from 8AM-Midnight.

**ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES**

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Scenario D	Special Revenue	\$552,000		\$552,000			Trolley Service	This scenario would modify service hours, Monday to Saturday, from 18 hours per day to 17 hours per day. Sunday service would remain as-is, from 8AM-Midnight.
Grand Total of Positions Recommended					9	5		

Fund	Potential Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact
General Fund	\$3,612,000	\$1,716,000	\$3,422,000
	\$899,000	\$0	\$418,000
	\$4,511,000	\$1,716,000	\$3,840,000
Building	\$437,000	\$58,000	\$444,000
Internal Service	\$1,062,000	\$0	\$481,000
Resort Tax	\$121,000	\$121,000	\$105,000
RDA	\$0	\$0	\$0
Enterprise	\$539,000	\$432,000	\$518,000
Special Revenue	\$1,927,000	\$159,000	\$1,930,000

Internal Service impact (% based on FY 2018/19 Preliminary Allocations)

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
BUILDING								
Overfill (1) Chief Structural Engineer position (up to 2 years)	Building	\$123,000		\$151,000	1		Permitting	This enhancement is being requested to overfill an existing position in order to create a succession plan of the current Chief Structural Engineer, who is in the Deferred Retirement Option Plan ("DROP"). Once the incumbent completes the DROP, the additional position will be eliminated. Due to the limited pool of qualified applicants, the search could extend beyond a year.
Building Inspector Bicycle Program (One-time)	Building	\$5,000		\$0			Inspections	This enhancement would allow for the acquisition of bicycles which some Building Inspectors would utilize to conduct their routes. This initiative has a goal of promoting a greener environment by reducing the carbon footprint of the department's fleet and providing for healthier employees.
Building Department Hybrid Vehicles (One-time)	Building	\$54,000		\$0			Inspections	This enhancement would provide for the replacement of two (2) existing Building Department vehicles with CMAX Hybrid vehicles as part of the department's "green" initiative to promote a greener environment.
Living Wage Impact	Building	\$8,000	\$8,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
CAPITAL IMPROVEMENT PROJECTS (CIP)								
Living Wage Impact	General	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
CITY CLERK								
Living Wage Impact	Internal	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
CITY ATTORNEY								
Living Wage Impact	General	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2019.
CITYWIDE								
Center for Resiliency and Sustainability at the Miami Design Preservation League (One-time)	General	\$20,000		\$0			Administration	Funds education, advocacy and research between future goals of resiliency and sustainability solutions and historic resources.
University of Miami - HIV Wellnes/Prep Clinic (One-time)	General	\$250,000		\$0			Grants & Contributions	This enhancement is being requested as a continuation of the FY 2018 adopted enhancement to enhance public health by reducing HIV infection risk through support for the establishment and operational costs of a University of Miami Wellness/PrEP Clinic on Miami Beach.
Employee Innovation Academy (One-time)	General	\$35,000	\$35,000	\$0			Employee Costs	This enhancement is being requested for employees at all levels of the organization to be educated on the principles geared toward the elimination of waste, increased efficiency, improving processes, and ultimately creating a higher standard of government.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Additional Miami Beach Gay Pride Contribution (One-time)	Resort Tax	\$73,000	\$73,000	\$10,000			Grants & Contributions	Event organizers are requesting that the City assist with coverage of certain fees and costs which cannot legally be waived for the Miami Beach Gay Pride Parade, and would therefore require coverage from another area of City funds. The organization is requesting an increase in the City's contribution, which is recommended to be transferred from the General Fund to the Resort Tax Fund for FY 2018/19, from the current budgeted annual contribution of \$10,000 to \$73,000 for FY 2019.
CODE COMPLIANCE								
Increased Training for Certification and Professionalization of Code Compliance Staff	General	\$7,000		\$7,000			Field Operations	This enhancement is being requested to increase funding for training to coordinate additional and mandatory training to further professionalize Code Compliance Department personnel. The Code Compliance Department plans to continue to increase team building and strategy development to further professionalize the department, which will include occupational and behavioral assessments for talent development that will improve organizational performance.
COMMUNICATIONS								
Part-Time Visual Communications Specialist Position	General	\$41,000		\$42,000		1	Communications	This enhancement is being requested to create a new part-time position within the Communications Department to assist in meeting the increasing demands of the City for both graphic design and photography.
Partnership with CityGrader	General	\$25,000		\$25,000			Public Information	CityGrader is a simple and effective platform dedicated to increasing the quality and accountability of local governments through reviews and feedback that come directly from the public. Through the CityGrader platform, taxpayers play a meaningful role in making positive change in local government by increasing the quality and accountability of public employees. This enhancement request is being submitted per discussion from the June 29, 2018 Finance and Citywide Projects Committee meeting.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Living Wage Impact	General	\$16,000	\$16,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
ENVIRONMENT & SUSTAINABILITY								
Water & Energy Manager Position	General	\$95,000		\$112,000	1		Sustainability Division Management	With the creation of this position, the City of Miami Beach will be able to identify and implement water and energy conservation projects. The Water & Energy Manager will manage the city's water and energy data, recognizing inefficiencies which can be corrected to reduce energy consumption and save money.
Natural Resource Inventory Assessment (One-time)	General	\$75,000		\$0			Environmental Resources Management / Environmental Regulatory Compliance	A natural resource inventory assessment, which has never been done, will allow the city to identify current natural resource conditions and opportunities to create new habitats which can help to prevent a net loss of habitat citywide.
Pine Tree Drive Structural Pruning of Australian Pines	General	\$110,000		\$110,000			Reforestation Program	The Australian Pine trees along Pine Tree Drive have begun to show evidence of extensive decay. Structural pruning is needed to mitigate the risk and liability of potential total tree or scaffolding limb failure. Should this enhancement not receive funding, it will result in the removal of additional Australian Pine trees to reduce this potential risk.
FINANCE								
Call-Taker Position (for 305-604-City / 305-673-7000)	General	\$71,000		\$85,000	1		Call Center & 305-604-City / 305-673-7000	The Finance Customer Service Center has recently taken over answering phone calls, from the Department of Emergency, for 305-604-CITY and 305-673-7000 (main line). This addition of 224,000 phone calls annually, has stressed current service levels for the Call-Center, where there are currently only six call-takers budgeted to handle all of the City's incoming calls. Absorbing phone-calls for 306-604-CITY and 305-673-70000 has resulted in longer wait times for Finance, Parking, Building and Transportation phone customers; additional dropped calls; and more voicemail to follow-up with.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Business Tax Receipt (BTR) Process Improvement (One-time)	General	\$200,000	\$200,000	\$0			Business Tax Receipts, Certificates of Use, and Annual Fire Permits	This one-time enhancement request is being submitted to retain a subject matter expert that would assess the City's current business tax receipt process and provide recommendations for improvement, which would be geared toward streamlining the BTR processes and increasing efficiency.
Living Wage Impact	General	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
FIRE								
26th Street Lifeguard Tower Staffing (2 Lifeguard I Positions and 2 Lifeguard II Positions)	General	\$246,000		\$300,000	4		Ocean Rescue	This enhancement is being requested to properly staff the new Lifeguard Tower on 26th Street. By adding two (2) Lifeguards I and (2) Lifeguards II positions, this will allow for proper staffing without the need to incur overtime costs.
Year-Round Daylight Savings Staffing for Ocean Rescue	General	\$389,000		\$398,000			Ocean Rescue	As result of year-round Daylight Savings Time (DLS), the Ocean Rescue Lifeguard Towers will require extended hours of operations. The schedules will have to be changed from 5 - 8 hour days to 4 - 10 hour days to cover these extended hours. With the permanent DLS time change, there will be extended hours for residents and visitors to enjoy the City's beaches. Currently, under the 5/8 work week, the average cost to staff 36 Lifeguard Towers plus a Boat Mate, 12 Lifeguard II positions plus a Boat Captain, and 4 Zone Lieutenants is currently approximately \$328,000 per month. The same staffing for a 4/10 workweek would be currently approximately \$410,000 per month. The difference is \$82,000 x 3 months for an increased cost of \$246,000 annually. (\$260,000 with applicable COLA and merits included for FY 2018/19). Additionally, overtime costs would also increase by an additional \$120,000 (\$129,000 with applicable COLA and merits for FY 2018/19).

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Living Wage Impact	General	\$2,000	\$2,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
FLEET MANAGEMENT								
Six-post, 70,000 Lb. Mobile Lift	Internal	\$76,000		\$1,000			In-House Maintenance & Repair	The number, size, and operating weight of various classes of critical service equipment has grown as various programs and initiatives have been implemented to address citywide strategic priorities. This increasingly impacts Fleet's heavy-duty Shop 2, which is charged with servicing these vehicles using aging automotive lifts (>20 Yrs. old) that need to be upgraded to improve operating efficiency and better meet customer needs. Due to weight restrictions, some large trucks have to be unloaded / emptied at disposal sites by operators before they can be brought in for service. On several lifts, stop-gap measures, such as adding extensions, have been implemented to accommodate increased lengths of next generation equipment. The older lifts require more frequent repairs, impacting vehicle operating downtime and shop productivity overall.
Living Wage Impact	Internal	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
HOUSING & COMMUNITY SERVICES								
One (1) Homeless Outreach Coordinator Position and Two (2) Case Worker II Positions	General	\$211,000		\$249,000	3		Homeless Outreach and Shelter Beds	The Homeless Services Division handles the outreach, relocation, and shelter placement of homeless individuals and families on Miami Beach. The volume of homeless placements and relocations requires extended Homeless Outreach hours of services, which will require an additional Homeless Outreach Coordinator and two additional Case Worker II positions. With the creation of these three positions, the Homeless Outreach office can remain open until 9pm nightly, Monday through Friday.
Camillus House Pilot Project Targeting Chronically Mentally Ill Homeless Persons (One-time)	General	\$92,000	\$92,000	\$0			Homeless Outreach and Shelter Beds	Camillus House proposes conducting targeted street outreach to chronically homeless persons with mental illness to provide medication and engagement to enable shelter and housing placement for those served. This item is being submitted as an enhancement per the Committee for Quality Education which received a favorable recommendation for funding from the Neighborhood and Community Affairs Committee.
John Deere Gator Utility Vehicle	General	\$27,000		\$7,000			Homeless Outreach and Shelter Beds	This equipment will result in increased availability of the Homeless Outreach team by increasing service location coverage, otherwise unreachable by the Division's current outreach van.
Additional Funding for Homeless Relocation Services	General	\$10,000	\$10,000	\$10,000			Homeless Relocation	With the increase in relocation funds, the Homeless Outreach Program will be able to reconnect up to an estimated 250 additional homeless clients with family living outside of Miami-Dade, Broward, Monroe and Palm Beach County per a motion approved by the Committee on the Homeless.
HUMAN RESOURCES								
Living Wage Impact	General	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Living Wage Impact	Internal	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
INFORMATION TECHNOLOGY								
Website WordPress Consultant (One-time)	Internal	\$80,000		\$0			Maintaining Business Operations	This enhancement would improve and expand the functionality of the new City website by funding a Website WordPress Consultant. Additionally, the contracted employee could transfer their skills to current staff, allowing for future modifications to be made without the requirement of an outside professional contractor.
TeleStaff System Analyst Position	Internal	\$96,000		\$118,000	1		Maintaining Business Operations	The Human Resources Department has identified a concern with the current business process whereby each of the four Departments using TeleStaff can make modifications to pay codes that impact payroll and budget. Although these four departments have been directed to obtain approval before making such modifications, the Human Resources Department feels that there is the risk of mistakes, or intentional misuse, which can potentially go undetected. This single Information Technology role would validate that proposed changes from the four departments have been authorized and approved before implementing. The four departments would no longer be able to make these changes alone.
Renovate Current Datacenter Workspace (One-time)	Internal	\$25,000		\$0			Maintaining Business Operations	A renovation of the current Datacenter workspace would allow for a more efficient and productive work environment.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
OFFICE OF THE INSPECTOR GENERAL								
Office of the Inspector General (One-time)	General	\$484,000	\$484,000	\$1,100,000	5		Administration	Pursuant to Commission direction, and pending a referendum vote in November 2018, the Office of the Inspector General would act as another defense against fraud, waste, and abuse within the City's operations and projects. The office would function autonomously and independently, so as to be protected from any form of political influence while protecting the interest of the City's residents, visitors, and business owners. <i>Funding for this enhancement is contingent on City Commission's approval of a surcharge on future contracts, which would cover the cost of operating this new office.</i>
ORGANIZATIONAL DEVELOPMENT & PERFORMANCE INITIATIVES								
Part-Time Education Compact Initiatives Coordinator Position	General	\$45,000	\$45,000	\$45,000		1	Education	With the increase in education initiatives, the department requires an individual to support Education Compact Initiatives and other Commission priorities related to education. This part-time position will also identify opportunities and gaps in services/programs which will prepare children and youths for their futures. Based on its size, the number of initiatives supported by the City has stressed the workload of current staffing within the department.
Digital Citizen Coding Bootcamp	General	\$45,000		\$45,000			Education	This enhancement is being requested to provide a free technology boot camp for low to middle income residents, as well as business owners, interested in improving their technology skills. The program models a program currently available to the Liberty City community providing technical expertise, coding, and professional support to those interested in careers in technology industries. The cost of this enhancement is contingent upon the approval of the Part-Time Education Compact Initiatives Coordinator Position recommended. Without it, the cost of this item would increase to \$49,000 to cover additional personnel costs related to maintaining the program.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Youth Cyber Behavior & Safety Program	General	\$21,000		\$21,000			Education	This enhancement is being requested to partner with the Anti-Defamation League (ADL) to expand the current partnership to include a cyber-bullying program for both educators and students at each of the 7 public schools within the City of Miami Beach. One session can accommodate up to 30 students or educators and costs approximately \$1,500. School guidance counselors utilize a Common Sense Education Digital Citizenship program in grades K-12. Schools may earn the Digital Citizenship School Certification. Currently, Miami Beach Senior High has earned the Digital Citizenship School Certification. Other Miami Beach public schools have not earned or pursued this certificate.
PARKING								
Living Wage Impact	Enterprise	\$144,000	\$144,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
Living Wage Impact	Special Revenue	\$23,000	\$23,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
Living Wage Impact	RDA	\$45,000	\$45,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
PARKS & RECREATION								
Convention Center Park	Enterprise	\$482,000	\$432,000	\$1,461,000	3	0	Park Facilities	The Convention Center Park is anticipated to open July 2019. In order to provide a universal culture of high quality public safety and customer service, the Parks and Recreation Department is requesting 2 full-time Municipal Service Worker (MSW) II positions and 1 MSW I position based on the expected opening date of the park to adequately manage and maintain it. For FY 2019/20, the annualized costs of operations have been reflected in this request.
Additional Part-Time Inclusionary Aide I Positions	General	\$107,000		\$110,000		4	Special Populations Programs	This enhancement adds four (4) additional part-time, year-round Inclusionary Aide I positions to the Parks and Recreation Department. Currently, the department has 2 part-time, year-round, Inclusionary Aides and 22 Seasonal Inclusionary Aides. In order to meet the growing demand of children with Special Needs enrolling in programming, this enhancement is being requested. With this enhancement, the department can provide special needs children with year-round recreation programming, including much needed one-on-one attention with trained personnel.
Expansion of Park Ranger Area Patrols - Option 1	General	\$1,118,000		\$1,062,000	4	14	Park Ranger Program	At the direction of the City Commission, the Administration has been tasked with addressing concerns expressed by various members of the community over security and enforcement at some of the City's parks. The concerns have been focused on Collins Park, Soundscape Park, the South Pointe Park Pier, the Barry Kutun Boat Ramp in Maurice Gibbs Memorial Park, Polo Park, the baywalk and the beachwalk. The Administration has reviewed these concerns and subsequently explored viable and effective options to address the needs at each site. This enhancement provides the necessary level of coverage at each one of the previously mentioned sites to meet our existing security needs.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Expansion of Park Ranger Area Patrols - Option 2	General	\$200,000		\$194,000	0	4	Park Ranger Program	At the direction of the City Commission, the Administration has been tasked with addressing concerns expressed by various members of the community over security and enforcement at some of the City's parks. The concerns have been focused on various locations throughout the City with two being the Barry Kutun Boat Ramp in Maurice Gibbs Memorial Park, and the beachwalk. The Administration has reviewed these concerns and subsequently explored viable and effective options to address the needs at each site. The proposed enhancement provides the necessary level of coverage of 2 part-time Park Rangers at the Barry Kutun Boat Ramp in Maurice Gibbs Memorial Park that is currently being covered by overtime. The staffing would be from 11 am to 6 pm, 7 days per week with possible expansion of hours on the weekend. The other 2 additional part-time Park Rangers will be used to address the additional coverage needs of the Beachwalk.
North Convention Center Park	Enterprise	\$266,000		\$284,000	2	2	Park Ranger Program	In order to provide a universal culture of high quality public safety and customer service, the Parks and Recreation Department is requesting 2 full-time Park Rangers and 2 part-time Park Rangers for North Convention Center Park. that will be deployed daily, from 7:00 am to 10:30 pm.
Body Cameras for Park Rangers	General	\$44,000		\$29,000			Park Ranger Program	This enhancement provides for the purchase of body cameras for the City's Park Rangers. The program currently has (2) Full-time Park Ranger Supervisors, (11) Full-Time Park Rangers and (18) Part-Time Park Rangers. Implementation of body cameras will further enhance the safety of both park visitors and the Park Rangers since these cameras will serve as an invaluable tool in enforcement, prosecution, and employee training.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Body Cameras for Park Rangers	RDA	\$5,000		\$4,000			Park Ranger Program	This enhancement provides for the purchase of body cameras for the City's Park Rangers. The program currently has (2) Full-time Park Ranger Supervisors, (11) Full-Time Park Rangers and (18) Part-Time Park Rangers. Implementation of body cameras will further enhance the safety of both park visitors and the Park Rangers since these cameras will serve as an invaluable tool in enforcement, prosecution, and employee training.
South Pointe Park - Cutwalk/Government Cut Erosion Revetment (One-time)	General	\$200,000		\$0			Park Facilities	There is excessive erosion that has occurred along the cutwalk at South Pointe Park, which needs to be addressed. The City will engage a coastal engineering consultant to further evaluate the existing conditions, provide recommendations, obtain permits and prepare construction plans and specifications.
Scott Rakow Youth Center - Alarm & Intercom System (One-time)	General	\$20,000		\$0			Park Facilities	The Scott Rakow Youth Center does not currently have an intercom system and has an alarm system which requires improvement. This enhancement will provide for the addition of an intercom system and improvement of the alarm system, which will provide a safer facility to both residents and visitors.
New Game Room Equipment for Scott Rakow Youth Center (One-time)	General	\$21,000		\$8,000			Child Care, Summer Camps, and Teen Programs	The current game room equipment at the Scott Rakow Youth Center is dated and often broken. Despite the constant repairs, the equipment continuously breaks causing residents and visitors to often complain about the condition and downtime of the equipment, of which some have requested new updated equipment for the game room. This enhancement provides for the purchase of new game room equipment, including 4 pool tables, 2 air hockey tables and 4 arcade games that will be rented.
New Computers for Recreation Center Computer Labs (One-time)	General	\$30,000		\$0			Child Care, Summer Camps, Youth Programs, Seniors, and Teen Programs	The computers at the recreation center computer labs are outdated and not functioning efficiently after many repairs. These computers are used during after-school programming and summer camp programming, while also being available for public use (except for Flamingo Park). The Scott Rakow Youth Center does not currently have a computer lab and through this enhancement, one will be created. By replacing these computers, the Parks and Recreation Department expects the labs to be used more often since they will be more appealing and function more efficiently.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
ITF Tennis Tournaments	Resort Tax	\$138,000		\$138,000			North Shore Park Tennis Center, Flamingo Park Tennis Center	This enhancement entails funding two (2) upcoming international tennis tournaments at North Shore Park and Flamingo Park. The City hosted one ITF Tennis Tournament in November 2017 and was set to host one in April 2018. In order to have the courts equipped with LED lighting, the second tournament is being rescheduled for October 2018. Projected costs for this enhancement include staff overtime, facility/landscape preparation, a portable restroom/shower trailer, additional janitorial services for building restrooms, and other necessary supplies.
Bonded Aggregate for Beachwalk Tree Wells 14th to 22nd Street (One-time)	General	\$133,000		\$0			Beach Maintenance	This enhancement for bonded aggregate will fill and level off all tree wells on the beach walk between 14th and 22nd Street while allowing for proper irrigation, fertilization, and beach walk cleaning. There are eighty-three (83) tree wells on the beach walk, all of which pose a trip and fall hazard to walkers, joggers, cyclists, and other pedestrians. Proper installation of this bonded aggregate will level the grade of these wells and reduce any chance of an accident while allowing for proper irrigation, fertilization and beach walk cleaning.
Acquisition of the Shane Rowing Center Operations	General	\$100,000		\$100,000			Administration	Funds being requested for the City's acquisition of the Shane Rowing Center will be an estimated total of \$500,000 over the next 5 years. City staff is working with the Entity to determine the extent of capital needs, as well as the existing inventory. Currently, the City contributes \$85,000 annually to the Facility's adaptive rowing programs. Through the Entity's proposal, the first five years of the management agreement would cost the City an additional \$100,000 annually, plus insurance, maintenance and capital costs, all of which are yet to be determined.
Living Wage Impact	General	\$25,000	\$25,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
PLANNING								
Senior Planner	General	\$105,000		\$130,000	1		Plans Review	In order to reduce plan review time as quickly as possible, the department is requesting an enhancement of one additional experienced Senior Planner at a mid-range salary level that will possess a deep understanding and experience in the plans review process, and can immediately assist the department in reducing plan review time.
Planner	General	\$82,000		\$102,000	1		Plans Review	In order to reduce plan review time as quickly as possible, the department is requesting an enhancement of one additional experienced Planner position that possesses a thorough understanding and experience in the plans review process, and can immediately assist the department in reducing plan review time.
Temporary Labor	General	\$30,000		\$30,000			Administration/Clerk of Boards	This enhancement reflects the additional amount necessary for two temporary positions to avoid delays in digitizing documents that cause interruptions to the review and analysis of previous development orders which is necessary to complete the evaluation of Land Use Board applications.
Supplies IT	General	\$14,000		\$14,000			Multiple	This enhancement is to correctly reflect the amounts spent on licenses like Blue Beam, Adobe, CAD, etc. needed by Planning Department staff to complete daily tasks and also provides funding for Information Technology related hardware.
Living Wage Impact	General	\$2,000	\$2,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
POLICE								
Add 1 Sergeant & 6 Police Officer Positions and Eliminate 5 Part-Time School Liaison Officer Positions	General	\$871,000	\$871,000	\$675,000	7	-5	Operations	This enhancement will add (1) Sergeant and (6) Police Officers to increase public safety in schools. The first year cost of adding 1 Sergeant and 6 Police Officers to be assigned to the schools is \$1,063,000, which will be offset by the elimination of (5) Part Time School Liaison Officer positions in the amount of \$192,000, resulting in a net impact of \$871,000 in year 1, including one-time costs for equipment needed (vehicles, radios, etc.)
School Liaison Supervisor (Convert Part-Time Position to Full-Time Position)	General	\$34,000	\$34,000	\$50,000	1	-1	Operations	The role of a School Liaison Supervisor (SLS) is to oversee the School Liaison Officers (SLO) and School Crossing Guards (SCG). The SLOs and SCGs are employees who work based on the County school calendar year. During the regular school year, this employee is required to be available to all part-time employees throughout the various shifts. The SLS is required to prepare during the breaks (inclusive of winter, spring and summer break) staffing, lesson plans and other related assignments. Part of the SLS' summer break duties include, but are not limited to: ordering uniforms, equipment and assisting with MBPD summer camp. Supervision, evaluation, and attendance of crossing guards is necessary at 6 schools in the City during early morning and afternoon hours, five days per week. Additionally, this position will be assigned additional duties to be determined by Cmdr. Prieto in support of the School Officer Program.
Additional High Impact Overtime	Resort Tax	\$700,000	\$700,000	\$700,000			Operations	The Police Department is primarily responsible for ensuring public safety. Due to prior year and current year projections for overtime staffing, as well as increases in crowds during high impact periods, additional overtime staffing and equipment is necessary to continue to ensure the highest levels of safety.
Additional Regular Overtime	General	\$400,000		\$500,000			Operations	The Police Department is primarily responsible for ensuring public safety. Based on prior year trends in demand and usage of overtime, additional overtime is necessary in order for the Police Department to ensure public safety and mandatory staffing requirements.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
2 Crime Scene Technicians II Positions	General	\$153,000		\$187,000	2		Criminal Investigations Division	ANDE Rapid DNA is a cutting edge technology that the Police Department is prototyping, which produces profiles from crime scenes to solve crimes. Since the Police Department will lead the nation in creating new policies and standards, this new crime fighting tool will require an additional Crime Scene Technician II position dedicated to managing this new technology. In addition, the Crime Scene Unit is tasked with investigating crime scenes that produce forensics of evidentiary value. This task is conducted across all 3 patrol shifts and is in conjunction with CID operations. Crime scene technicians also investigate scenes where the City of Miami Beach has an MOU with adjoining jurisdictions. Due to this demand and other tasks creating a burden on the unit, a Crime Scene Technician II position is also being requested to reduce the burden on the Crime Scene Unit.
Property & Evidence Technician Position	Special Revenue	\$60,000	\$60,000	\$72,000	1		Criminal Investigations Division	The Body Worn Camera Unit (180 cameras) is tasked with reviewing videos, fulfilling public records requests, training and repairing / troubleshooting equipment. The cameras and the portable media players must be continuously updated with the latest software. The increased demand for public records requests has tripled within the last year and the Police Department plans to deploy another 120 cameras within the next few months which will certainly increase the number of public records requests. With all of these variables mentioned above, the unit is in need of another Property & Evidence Technician I position to assist with filling all of the public record requests and quality assurance reviews. This position was forecasted in 2014 as an eventual enhancement when the body camera project expanded and more staff support would become necessary. With the expansion of the Body-Worn Camera program to all remaining officers by June, 2018, this position is now essential and is being recommended as funded from the Red Light Camera Fund.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Part-Time Office Associate V Position	General	\$50,000		\$51,000		1	Chief's Office	Over the past several years, the Police Department's budget has been steadily increasing, and with its growth comes an increase in administrative duties. Most recently, the Police Department assumed security services responsibilities for the City with a budget of approximately \$4,000,000, which further affects the administrative duties of the Financial Management Unit. For the unit to function efficiently and effectively, the department is requesting a part-time Office Associate V position, which will alleviate the increase workload of the unit.
2 Office Associate V Positions - Backgrounds Investigators	General	\$99,000		\$99,000		2	Support Services	The Backgrounds Unit of the Police Department is tasked with conducting comprehensive background investigations of all new Police Department hires, both sworn and civilian. It is also responsible for conducting similar investigations for other departments to include Code Enforcement, Parks and Recreation, and the Fire Department's Public Safety Communications Unit. Hiring demands have increased significantly in all of these departments and the Backgrounds Unit has managed the volume of investigations in the current year with two additional, part-time, positions that are temporarily funded. Since demand for this work and special expertise will continue in the new fiscal year and for the foreseeable future, the Police Department is requesting that these two temporarily funded positions be funded on a permanent basis as part-time positions.
Account Clerk I Position	General	\$56,000		\$67,000	1		Support Services	The current structure of a payroll coordinator and a single support staff is insufficient to address the plethora of payroll issues that arise daily. Increasing the office personnel with the addition of another employee is critical. This is particularly important given the challenges presented by the City's transition from Eden to Munis. Such challenges have made it difficult for the unit to meet its responsibility of delivering efficient service to the City's largest department. It has also made it impossible for the coordinator to focus more on the management of the office.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Part-Time Office Associate III Position (Support Services)	General	\$34,000		\$35,000		1	Support Services	The position is needed to assist the current Office Associate V with the large volume of administrative responsibilities. The unit previously functioned with as many as three administrative people in past years. Despite the reduction in staffing, the administrative responsibilities of the OAV have steadily increased for a host of reasons to include an overall increase in sworn personnel.
Part-Time Office Associate III Position (Training)	General	\$34,000		\$35,000		1	Support Services	This position is necessary to assist the current Administrative Aide with the increasing volume of work. In previous years, when there was less focus and demand placed on training, there was a minimum of two administrative aides in the unit. A recent desk audit completed by the Human Resources Department supports this enhancement request.
Horizon Portable Traffic Signal (One-time)	General	\$120,000		\$0			Operations	In order to independently mitigate this issue ourselves without fully relying on Miami Dade Signs and Signals, the Police Department is requesting four Horizon Emergency SQ4 Portable Traffic Signals. In the case of a power outage (or as we are currently experiencing at Dade and West Avenue where an intersection was opened without any working traffic signals) a portable emergency signal is a necessity. A viable PTS system can be deployed for traffic emergencies.
Re-Key Entire Building (One-time)	General	\$120,000		\$0			Support Services	This would be a method to reorganize the key system and catalog master keys. The Police Department's current system has been in place since the inception of the building and has therefore gone through various stages of change resulting in mismatched and obsolete master and area keys. This will also allow stricter security and policy enforcement.
Additional Warehouse Space	General	\$160,000		\$160,000			Support Services	The Police Department has outgrown its existing warehouse space that is used to store evidence (vehicles, bicycles, parts, etc.) and oversized vehicles during hurricanes. The Police Department would also like to relocate storage containers from the Police Department parking garage to the storage facility, which would obviously require a larger space.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Ocean Drive - Tourist Oriented Policing Services (TOPS) Program (One-time)	Resort Tax	\$151,000	\$151,000	\$0			Operations	Per Resolution 2018-30316, the City partnered with the Ocean Drive Association to implement the Ocean Drive Tourist Oriented Policing Services (TOPS) Pilot Program for a 12 week period. This enhancement is being requested to continue the TOPS program for FY 2018/19 based on 40 weeks of services assuming costs will be split 60% Ocean Drive and 40% City, which will emphasize and enhance public safety for residents and visitors on Ocean Drive.
Living Wage Impact	General	\$16,000	\$16,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PROPERTY MANAGEMENT								
2 Part-Time Trades Workers I Positions	Internal	\$58,000		\$60,000		2	Multiple Programs	Currently, the department only has 16 skilled employees that perform a variety of maintenance functions throughout the City. In order to be more efficient and complete work orders in a timely manner, an increase in personnel is crucial.
2 Trades Worker I Positions	Internal	\$110,000		\$139,000	2		Multiple Programs	Currently, the department only has 16 skilled employees that perform a variety of maintenance functions throughout the City. In order to be more efficient and complete work orders in a timely manner, an increase in personnel is crucial.
Facility Zone Manager Position - Zone 6 Parks	Internal	\$79,000		\$101,000	1		General Administration	The oversight of maintenance and repair of the parks facilities is a heavy workload and requires a fulltime position to efficiently and effectively ensure the delivery of timely repairs and maintenance. As a City that prides itself on an unparalleled parks and recreation program, it is imperative that the facilities associated with these programs match the level of service the City provides through its programming.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Facility Zone Manager Position - Zone 7 Special Taxing Districts	Internal	\$79,000		\$101,000	1		General Administration	The City is seeing an increase in local communities coming together and requesting their inclusion in a special taxing district. Currently, the City manages the Normandy Shores Neighborhood Improvement District and beginning in FY 2018/19, the City will be responsible for managing the Biscayne Point Special Taxing District. It is anticipated that the number of districts managed by the City will continue to grow. Managing special taxing districts requires significant work and time and requires the need for a full-time position to ensure that these districts receive the level of service expected from the City.
Additional Temporary Labor	Internal	\$60,000		\$60,000			Multiple Programs	During High Impact Events, Special Events, and Hurricane Season, temporary labor is relied upon heavily to ensure that the City is adequately prepared. In the upcoming year, Property Management would like to utilize temporary labor to also augment weekend and night service and maintenance. This augmentation will help to ensure that there is always an adequate level of service without any down-time.
Chiller Preventative Maintenance	Internal	\$134,000		\$134,000			Multiple Programs	Chiller replacement for facilities can be costly, and in an effort to prevent total replacement of chiller units, a preventative maintenance program would ensure that units are functioning at full capacity and to the term of their life. Without a proper program to maintain the chillers citywide, the units will become faulty and replacement will come sooner than anticipated.
Accruent Capital Planning-VFA Facility Condition Reassessment (One-time)	Internal	\$214,000		\$0			Multiple Programs	This tool (FCA) provides Property Management with the most accurate information to ensure that all building are meeting a good or excellent rating, while also assisting the department is planning long-term projects. Every 5 years, a reassessment needs to be completed in order to ensure that the information in the database accurately reflects the physical state of the building. The 5 year reassessment is to be done in the upcoming fiscal year. As a tool that is used as a compass to guide the direction of the department, it is imperative that funding for this reassessment be received. This will ensure that City facilities are properly taken care of and available resources are allocated accordingly.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Holiday Lighting and Visual Décor	Resort Tax	\$365,000	\$140,000	\$140,000			Service Contract Maintenance and Contracted Repairs	This enhancement would allow the City to install additional custom made holiday lighting decor that illustrates the City's dedication to beauty and aesthetics per direction received from the Neighborhoods and Community Affairs Committee by adding holiday lighting on Lincoln Road, Convention Center Drive, Ocean Drive, etc.
Increase in Professional Services	Internal	\$60,000		\$60,000			Multiple Programs	This enhancement is being requested in order to expedite the permitting process for new projects and streamline the process of having accurate construction drawing for City assets by outsourcing the development of necessary construction drawings thereby allowing Property Management staff additional time to focus on the implementation and completion of projects instead.
Lincoln Road Halloween Event Public Safety Initiatives RDA	RDA	\$75,000		\$75,000			Lincoln Road Maintenance and Repairs	This enhancement would allow Property Management to provide the necessary services, materials and maintenance before, during and after the Halloween event on Lincoln Road.
Articulating Lift (One-time)	Internal	\$65,000		\$0			Facility Maintenance and Operations	An articulating lift is necessary in order for employees to perform repairs and maintenance in areas that are out of reach of the department's ladders. The articulating lift provides ease of maintenance for these areas and will provide expedited service since there will no longer be a lead time waiting on equipment in order to complete the repair.
Living Wage Impact	Internal	\$71,000	\$71,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
PUBLIC WORKS								
Cat Network Program	General	\$18,000	\$10,000	\$10,000			Cat Network Program	The Cat Network Program is a spay/neuter program for surgeries, vaccines and wellness. This enhancement is to provide funding outside of the grant contribution for the trailer, septic tank, marketing, feeders, badges and other operating expenditures needed for the program to be successful. The original requested enhancement of \$18,000 is being recommended, pursuant to the July 13, 2018 Finance and Citywide Projects Committee meeting, in the amount of \$10,000.
Planet On-Demand Imagery	General	\$26,000		\$26,000			Geographical Information Systems	This enhancement will provide for annual subscription of daily satellite imagery of the City from the planet scope constellation at 10 ft. spatial resolution, as well as weekly imagery during hurricane season at 2 ft. spatial resolution. Further, imagery will assist with tracking progressive change of the City's tree canopy, sand loss and water quality in Biscayne Bay, as well as monitoring algae blooms and major changes in land use.
City of Miami Beach Maintenance of All Trees and Palms throughout Right-of-Ways	General	\$1,139,000		\$1,139,000			Tree Maintenance	This enhancement is being requested to fund the annual costs associated with the contracted routine maintenance of all the trees and palms within the City's rights-of-way per direction received from the Sustainability Committee's March 14, 2018 meeting, which is based on a 'Hybrid' model, wherein a portion of the work will be performed by contractors, and the remaining portion is to be performed by Greenspace Management's internal tree trimming personnel.
SASE SC10E Gas Scarifier (One-time)	General	\$7,000		\$0			Streets Operating & Maintenance	This enhancement is being requested to purchase a Gas Scarifier machine with dust control vacuum. The department is tasked with the maintenance and repairs of the City's sidewalks, curbs and gutters. Acquisition of this equipment will improve productivity and efficiency, reduce the cost of sidewalk repairs by grinding and leveling sidewalks instead of replacing complete sidewalk panels and increase customer service.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Street Lighting Technician I Position	General	\$58,000		\$71,000	1		Street Light Operating & Maintenance	This enhancement is being requested to add a full time Street Lighting Technician I position for the purpose of maintaining the City's street lighting infrastructure. This position will be essential in order to effectively manage added work loads and lighting demands, as well as improve the department's ability to complete lighting improvement projects and provide quality customer service.
Model T-4 Walk Behind Chain Trencher (One-time)	General	\$4,000		\$0			Streets Operating & Maintenance	This enhancement is being requested to purchase a walk-behind chain trencher to help the division improve productivity and efficiency when digging trenches for conduit installations by reducing the cost of manual labor associated with hand digging.
Living Wage Impact	General	\$24,000	\$24,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PUBLIC WORKS - SEWER								
1 Ton F-350 Single Cab with Utility Box (One-time)	Enterprise	\$45,000		\$0			Sewer System Maint. & Repairs	This enhancement is being requested to purchase a pick-up truck with tool storage with the capability of towing large generators and pumps based on the department's current limitations towing essential machinery and equipment.
Living Wage Impact	Enterprise	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PUBLIC WORKS - STORM WATER								
Electrician Position	Enterprise	\$112,000		\$89,000	1		Storm water Pump Station Maint. & Repairs	This enhancement is being requested to add an additional position for the purpose of overseeing the ongoing and increasing electrical maintenance and repairs of the storm water pumps citywide.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Supervisor Position	Enterprise	\$99,000		\$79,000	1		Storm water System Maintenance	This enhancement is being requested to add an additional position for the purpose of overseeing the ongoing and increasing general maintenance and repairs of the storm water pumps citywide.
Two (2) Pumping Mechanic Positions	Enterprise	\$152,000		\$144,000	2		Storm water Pump Station Maint. & Repairs	This enhancement is being requested to add two additional positions for the purpose of ensuring the required and increasing general maintenance and repairs of the storm water pumps citywide.
Living Wage Impact	Enterprise	\$1,000	\$1,000	\$0	0		Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PUBLIC WORKS - WATER								
1 Ton F-550 Single Cab Dump Truck, Trailer, and Mini Excavator (One-time)	Enterprise	\$150,000		\$0			Water System Maintenance and Repair	This enhancement is being requested to purchase a pick-up truck, trailer, and mini excavator to improve efficiency and productivity. This equipment will allow personnel to access areas where larger equipment is unable to be utilized thereby eliminating the need for rental of emergency equipment and reducing necessary man-hours for hand digging.
Living Wage Impact	Enterprise	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PUBLIC WORKS - SANITATION								
One (1) Municipal Service Worker I Position & One (1) Municipal Service Worker II Position	Enterprise	\$157,000		\$109,000	2		Street Sweeping	This enhancement is being requested to increase cleanliness in the South of 5th area by including additional pressure washing of sidewalks in the South of 5th area along Ocean Drive, Collins Avenue, and Washington Avenue, among others.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Enhanced Levels of Cleanliness Service Options - Pressure Washing Beach walk	Enterprise	\$296,000		\$292,000	0.25		Cleanliness Index Program	Per direction from the Neighborhoods Committee meeting on May 22, 2018, this enhancement is being requested, including an additional Excellence Program Assessor to assist with the collection of data, to increase the frequency of pressure washing and cleaning on the beachwalk to address deterioration in both current cleanliness and survey results.
Enhanced Levels of Cleanliness Service Options - Pressure Washing Collins Avenue	Enterprise	\$636,000		\$632,000	0.25		Cleanliness Index Program	Per direction from the Neighborhoods Committee meeting on May 22, 2018, this enhancement is being requested, including an additional Excellence Program Assessor to assist with the collection of data, to increase the frequency of pressure washing and cleaning on Collins Avenue to address deterioration in both current cleanliness and survey results.
Enhanced Levels of Cleanliness Service Options - Litter	Enterprise	\$289,000		\$285,000	0.25		Cleanliness Index Program	Per direction from the Neighborhoods Committee meeting on May 22, 2018, this enhancement is being requested, including an additional Excellence Program Assessor to assist with the collection of data, to support a litter overnight crew for the South Beach Entertainment Area to address deterioration in both current cleanliness and survey results.
Enhanced Levels of Cleanliness Service Options - Pressure Washing Ocean Drive	Enterprise	\$137,000		\$133,000	0.25		Cleanliness Index Program	Per direction from the Neighborhoods Committee meeting on May 22, 2018, this enhancement is being requested, including an additional Excellence Program Assessor to assist with the collection of data, to increase the frequency of pressure washing and cleaning on Ocean Drive to address deterioration in both current cleanliness and survey results.
Living Wage Impact	Special Revenue	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Living Wage Impact	Enterprise	\$32,000	\$32,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
TOURISM, CULTURE & ECONOMIC DEVELOPMENT (TCED)								
Bass Museum Management Agreement	General	\$234,000		\$234,000			Bass Museum	This enhancement is being requested to increase the City's current management agreement with the Friends of the Bass Museum from \$651,000 to \$885,000 to address certain management & operational responsibilities of the Bass Museum.
Office Associate V Position - Events Liaison	Resort Tax	\$65,000		\$79,000	1		Special Events	This enhancement is being requested to increase the level of new Special Events review, production, management and execution by adding a dedicated full-time position to handle these tasks productively, efficiently, and effectively.
Colony Theatre Management Agreement-MIND	General	\$330,000		\$330,000			Cultural Affairs	As Miami New Drama continues to expand cultural offerings to residents and visitors, additional funding is necessary for administrative, programmatic and educational support. This venue continues to be the home of annual shows, including the Miami International Piano Festival, the Brazilian Film Festival, the Miami International Ballet Festival, South Beach Jazz Festival, Art Basel Miami Beach Film Screening, the American Black Film Festival and the Gay and Lesbian Film Festival. The original requested enhancement of \$330,000 is being recommended as being phased-in over three years at \$110,000 per year.
Miami Design Preservation League - Art Deco Weekend (One-time)	Resort Tax	\$120,000		\$0			Special Events	This enhancement is requested by the Miami Design Preservation League to offset fees and licenses paid to the City for Police, Fire, Parking, Sanitation, etc.
Art in Public Places	General	\$60,000		\$60,000			Art in Public Places	This enhancement is being requested for annual maintenance and conservation of the additional public art projects to include the Rehberger Lighthouse and Gate, the Perry sculpture, and Graham.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
International Tennis Federation (ITF) Sponsorship	Resort Tax	\$100,000	\$100,000	\$100,000			Special Events	The City made a three year initial commitment to sponsor the International Tennis Federation, and this enhancement represents the final (third year) installment. The tournaments attract several hundred international players, all of whom are booked into Miami Beach hotels, via the event organizer. The world-class level of tennis competition associated with this tournament elevates the City of Miami Beach as a sporting destination.
Miami Beach Air & Sea Show	Resort Tax	\$600,000	\$350,000	\$350,000			Special Events	This enhancement is being requested to provide a \$350,000 sponsorship for City services (Police, Fire, Sanitation, etc.) required during the event, as well as an additional \$250,000 for a concert component. The objective of this event is to honor the military and first responders during Memorial Day Weekend with an air and sea show comprised of premium aircraft flight demonstration and aquatic show with a concert component and ancillary activities such as entertainment, exhibits, souvenir sales, etc.
Super Bowl 2020 (One-time)	Resort Tax	\$500,000	\$500,000	\$0			Special Events	This enhancement is being requested for Super Bowl 2020 activities on Miami Beach, including major VIP and fan-based events at the Miami Beach Convention Center, as well as event activates throughout the City. The Super Bowl 2020 Committee requested further support of the 2020 edition of this major, high impact and revenue driving event to the City.
Memorial Day Weekend Cultural Activation	Resort Tax	\$100,000	\$100,000	\$100,000			Special Events	Cultural programming was suggested and curated by the Mayor's Blue Ribbon Panel on Memorial Day Weekend as a way to engage and entertain the City's many guests. This enhancement is being requested as approved and directed by the Mayor and City Commission.
Orange Bowl (One-time)	Resort Tax	\$150,000		\$0			Special Events	The Orange Bowl Committee recently requested support to expand and deepen its footprint in Miami Beach. This enhancement is being request to support the Orange Bowl while also maximizing the Miami Beach brand as a world-class destination.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
O'Cinema Management Agreement	General	\$150,000		\$150,000			Cultural Affairs	As part of a comprehensive strategy to incentivize local film in Miami Beach, the City of Miami Beach currently has an agreement with O'Cinema to operate the Byron-Carlyle Theater. As part of the City's current support, O'Cinema Management is seeking additional support of \$150,000 via this enhancement request for ongoing maintenance and repairs, as well as an annual subsidy to support and expand current programming in the theater. The current management agreement also stipulates that O'Cinema pay the City an annual minimum guarantee, as well as reimburse the City for 72% of the utility costs for the theater. This enhancement also requests, as a companion revenue reduction request, that the annual minimum guarantee and proportionate share of utility costs be reduced (submitted as revenue reduction request). Overall, the total recurring impact of the two requests is \$162,000, which is being recommended as being phased-in over three years.
Washington Avenue Master Plan (One-time)	General	\$50,000	\$50,000	\$0			Economic Development	This enhancement is being requested for a Washington Avenue design plan that would focus on improvements to increase vibrancy, lighting, and gathering points along the corridor for both residents and tourists.
TOURISM, CULTURE & ECONOMIC DEVELOPMENT - CONVENTION CENTER								
Convention Center Community Grand Opening & Gala (One-time)	Enterprise	\$250,000	\$250,000	\$0			Miami Beach Convention Center	This enhancement is being requested to support the Grand Opening and Community Open House event of the newly renovated Miami Beach Convention Center planned for January 2019 to showcase the newly expanded and renovated Convention Center as a world-class destination.
Convention Center Transportation Enhancement Package	Enterprise	\$360,000	\$360,000	\$360,000			Miami Beach Convention Center	This enhancement is being requested to support bookings of Priority 1 events at the newly renovated Convention Center by providing transportation from local hotels to and from the Convention Center for 9 Priority 1 events at approximately \$40,000 for each event.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
City of Miami Beach Hall of Fame Digital Display (One-time)	Enterprise	\$200,000	\$200,000	\$0			New Program (Hall of Fame)	This enhancement is being requested to create a City of Miami Beach Hall of Fame Digital Display to be located in the newly expanded and renovated Miami Beach Convention Center South Concourse per direction received from the City Commission at the July 26, 2017 meeting whereby the Neighborhood and Community Affairs Committee's recommendation was accepted to create a Selection Committee for the Miami Beach Hall of Fame, adopt criteria for Hall of Fame nominees, determine the method of display, and designate the Miami Beach Convention Center South Concourse wall as the location for this permanent installment.
Living Wage Impact	Enterprise	\$50,000	\$50,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
TRANSPORTATION								
Intelligent Transportation System and Smart Parking System Operations and Maintenance - Option 1	Special Revenue	\$315,000		\$1,350,000			Traffic Monitoring and Management/Intelligent Transportation Systems and Smart Parking Systems	This enhancement is being requested for operations and maintenance of the City's Intelligent Transportation Systems and Smart Parking Systems Project. Option 1 would allow the City to fully fund the operation and maintenance for Phases 1 and 2 and provide the leverage to the City to ensure the contractor complies with all established performance measures. Based on daily travel time data collected along major corridors as part of the Traffic Monitoring and Management Program, the permanent implementation and operation of ITS/SPS is anticipated to result in 22% travel time savings on average along major corridors. It is also important to highlight that ITS reduces travel times through work zones by 13% on average. This is crucial with planned reconstruction projects along many of the major corridors in the City.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Intelligent Transportation System and Smart Parking System Operations and Maintenance - Option 2	Special Revenue	\$250,000		\$1,100,000			Traffic Monitoring and Management/Intelligent Transportation Systems and Smart Parking Systems	This enhancement is being requested for operations and maintenance of the City's Intelligent Transportation Systems and Smart Parking Systems Project. Option 2 would require a reduction in performance measures for operations and maintenance, which may affect the ability to operate the system and utilize the network to its optimal conditions. Travel time savings under this Option would be adversely impacted as a result of the reduced coverage and maintenance. Furthermore, the City would have limited performance measures and penalties in order to reduce costs.
Intelligent Transportation System and Smart Parking System Operations and Maintenance - Option 3	Special Revenue	\$100,000	\$100,000	\$350,000			Traffic Monitoring and Management/Intelligent Transportation Systems and Smart Parking Systems	This enhancement is being requested for operations and maintenance of the City's Intelligent Transportation Systems and Smart Parking Systems Project. Under Option 3 the operations and maintenance of the project would be reduced significantly and the benefits over the No-Build Option would be limited. In addition, special events in the City would not be covered. No performance measures or penalties would be applicable under this scenario, thus impacting the benefit that this project can bring to the transportation network.
Transportation Demand Management Support	Special Revenue	\$20,000		\$20,000			Traffic Impact Study Reviews and Citywide Transportation Demand Management (TDM) Program Administration	This enhancement is being requested to fund assistance from South Florida Commuter Services for monitoring compliance of new and existing Transportation Demand Management Strategies. The TDM policy included in the Transportation Element of the City's 2025 Comprehensive Plan (Policy 6.2) directs staff to educate and encourage the development community to implement TDM strategies to improve mobility, reduce the need for parking, and improve the efficiency of the City's roadway network. On June 13, 2018, the LUDC approved a set of draft strategies, which will be presented to the City Commission for approval on July 25, 2018.

**ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS**

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Transit Subsidy for City Employees	Special Revenue	\$87,000	\$87,000	\$115,000			Citywide Trolley Service	This enhancement is being submitted per direction received from the June 29, 2018 Finance and Citywide Projects Committee meeting to explore subsidizing monthly transit passes for City employees who choose to use public transit to commute to work. The County's proposed Beach Express North Bus Express Rapid Transit (BERT) Demonstration service is anticipated to begin by the end of 2018. This enhancement will allow the City to encourage its employees who commute to use the BERT service, thereby reducing the number of private vehicles on City streets. The Year 1 cost is projected based on providing a monthly subsidy for transit passes (at a cost of \$95.65 each) to 100 employees for nine (9) months per the County's timeline of service commencement by the end of 2018. The Year 2 cost of \$115,000 is projected based on providing a monthly subsidy for transit passes to 100 employees for 12 months.
Living Wage Impact	Special Revenue	\$35,000	\$35,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
Grand Total of Positions Recommended					17	-5		

Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact
General Fund	\$8,999,000	\$1,920,000	\$8,214,000
	\$1,023,000	\$61,000	\$658,000
	\$10,022,000	\$1,981,000	\$8,872,000
Building	\$190,000	\$8,000	\$151,000
Internal Service	\$1,210,000	\$74,000	\$774,000
Resort Tax	\$3,062,000	\$2,114,000	\$1,617,000
RDA	\$125,000	\$45,000	\$79,000
Enterprise	\$3,860,000	\$1,471,000	\$3,868,000
Special Revenue	\$891,000	\$306,000	\$3,007,000

Internal Service impact (% based on FY 2018/19 Preliminary Allocations)

**ATTACHMENT D
PROPOSED FY 2018/19 REVENUE REDUCTIONS**

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
TOURISM, CULTURE, & ECONOMIC DEVELOPMENT								
O'Cinema Management Agreement	General	\$12,000		\$12,000			Cultural Affairs	As part of a comprehensive strategy to incentivize local film in Miami Beach, the City of Miami Beach currently has an agreement with O'Cinema to operate the Byron-Carlyle Theater. As part of the City's current support, O'Cinema Management is seeking additional support of \$150,000 via this enhancement request for ongoing maintenance and repairs, as well as an annual subsidy to support and expand current programming in the theater. The current management agreement also stipulates that O'Cinema pay the City an annual minimum guarantee, as well as reimburse the City for 72% of the utility costs for the theater. This enhancement also requests, as a companion revenue reduction request, that the annual minimum guarantee and proportionate share of utility costs be reduced (submitted as revenue reduction request). Overall, the total recurring impact of the two requests is \$162,000, which is being recommended as being phased-in over three years.
		Grand Total of Positions Recommended			0	0		

Fund	Potential Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact
General Fund	\$12,000	\$0	\$12,000
	\$0	\$0	\$0
	\$12,000	\$0	\$12,000
Building	\$0	\$0	\$0
Internal Service	\$0	\$0	\$0
Resort Tax	\$0	\$0	\$0
RDA	\$0	\$0	\$0
Enterprise	\$0	\$0	\$0
Special Revenue	\$0	\$0	\$0

Internal Service impact (% based on FY 2018/19 Preliminary Allocations)

ATTACHMENT E

RESOLUTION NO. 2006-26341

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING CITY OF MIAMI BEACH FINANCIAL POLICIES RELATING TO STABILIZATION FUNDS; FUND BALANCE; CONTINGENCY PLANNING AND CASH RESERVES; USE OF NON-RECURRING REVENUES; CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT; AND GUIDING THE DESIGN OF PROGRAMS AND SERVICES

WHEREAS, the City's Budget Advisory Committee (BAC), with support from the City Administration, has begun analyzing the City's existing financial policies, and recommended an initial set of additional financial policies for consideration by the City Commission; and

WHEREAS, the City has several existing formal financial policies that provide the framework for budget development and adoption and for financial management which are governed by Florida State Statute, the City Charter; and by prior adopted policies of the Mayor and City Commission; and

WHEREAS, the City also has several informal policies subject to implementation by the City administration; and


WHEREAS, the National Advisory Council on State and Local Budgeting and the Government Finance Officers Association recommends that jurisdictions establish and adopt policies to help frame resource allocation decisions, and to help guide service provision and capital asset acquisition, maintenance, replacement, and retirement.

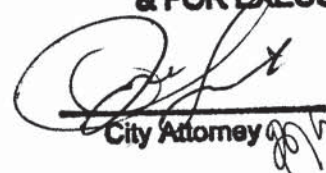
NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, hereby adopts the financial policies contained in Exhibit A: City of Miami Beach Financial Policies Relating to Stabilization Funds; Fund Balance; Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services.

PASSED AND ADOPTED THIS 21st DAY OF September 2006.

Attest:


CITY CLERK
Robert Parcher


Vice-Mayor Jerry Libbin

**AS TO
FORM & LANGUAGE
& FOR EXECUTION**

City Attorney
9/16/06
Date

ATTACHMENT E

EXHIBIT A

CITY OF MIAMI BEACH FINANCIAL POLICIES RELATING TO STABILIZATION FUNDS; FUND BALANCE; CONTINGENCY PLANNING AND CASH RESERVES; USE OF NON-RECURRING REVENUES; CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT; AND GUIDING THE DESIGN OF PROGRAMS AND SERVICES

Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves

1. The City of Miami Beach shall maintain the Emergency Reserve at eleven percent (11%) of the General Fund Operating Budget of the ensuing year (11% Emergency Reserve) for use as defined in resolution 98-22661.
2. The City of Miami Beach shall have a goal to also maintain a General Fund Reserve for Contingencies equal to at least six (6%) of the General Fund Operating Budget that, in combination with the 11% Emergency Reserve, represents two (2) months of the General Fund Operating Budget expenditures.
3. Said reserve shall be increased or decreased annually but shall be maintained at a minimum of six percent (6%) of the then existing General Fund Operating Budget.
4. If the General Fund Reserve for Contingencies level falls below the six percent (6%) level, a plan of action will be required to increase the reserves over three (3) to seven (7) years to at least six percent (6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the six percent (6%) level.
5. The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.
6. The City of Miami Beach shall have a goal of maintaining a reserve of one hundred percent (100%) of pending claims in the Risk Management Fund, and shall strive to fund two-thirds (2/3) of the estimated value of insurance claims incurred but not reported.

Use of Non-Recurring Revenues

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

ATTACHMENT E

Capital Asset Acquisition, Maintenance, Replacement and Retirement

1. The City shall maintain a dedicated portion of the operating millage for General Fund Capital Renewal and Replacement as defined in Resolution 2005-25832.
2. The City shall have a goal to fund for the following capital needs as a permanent part of the budget in an amount not less than five percent (5%) of the annual fiscal operating budget of the General Fund of the City:
 - **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
 - **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items for General Fund projects.
 - **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant and equipment, to avoid deferring capital needs until there is a major bond issue.
 - **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
 - **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City.
3. The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.
4. The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

Guiding the Design of Programs and Services

1. The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
2. Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
3. The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
4. Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than half of a percent (0.5%) of operating budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.

Condensed Title:

Resolution Adopting Financial Policies for the City of Miami Beach Relating to Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services.

Key Intended Outcome Supported:

Ensure expenditure trends are sustainable over the long term
Improve the City's overall financial Health and maintain overall bond rating

Issue:

Should the Commission adopt the proposed City of Miami Beach Financial Policies, as recommended by the Budget Advisory Committee?

Item Summary/Recommendation:

The City of Miami Beach's Strategic Plan includes Key Intended Outcomes to ensure the long-term sustainability of City government: Ensure expenditure trends are sustainable over the long term; and Improve overall financial health and maintain overall bond rating. A number of policies and structural changes have been implemented towards achieving these outcomes. One of the Citywide Initiatives adopted with the FY 2005/06 budget is the review and further enhancement of the City's financial policies.

Beginning in January 2006, the Budget Advisory Committee (BAC), with support from City administration, began the task of analyzing the City's existing policies, identifying best practices as recommended by the Government Finance Officer Association (GFOA), and reviewing policies of other highly-regarded municipalities. City staff also provided insight regarding rating agency considerations for improving the financial outlook for the City. For their initial set of recommendations, the BAC focused on the following policies: Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services. Additional policies may be considered in subsequent reviews.

These proposed policies were reviewed and approved by the Finance and Citywide Projects Committee at the July 6, 2006 Committee meeting and the City administration was directed to prepare a resolution for Commission consideration adopting policies similar to the recommendations of the Budget Advisory Committee.

The attached resolution adopts the policies recommended by the BAC with the minor revision clarifying the funding for General Fund renewal and replacement as a separate dedicated source of funding.

Advisory Board Recommendation:

Adopt the policies.

Financial Information:

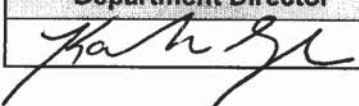
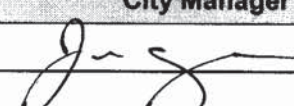
Source of Funds:	Amount	Account	Approved
1			
2			
Total			

Source of Funds: N/A
OBPI

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Sign-Offs:

Department Director	Assistant City Manager	City Manager
		




ATTACHMENT E



MIAMI BEACH

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

COMMISSION MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission
FROM: Jorge M. Gonzalez, City Manager 
DATE: September 21, 2006

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA ADOPTING CITY OF MIAMI BEACH FINANCIAL POLICIES RELATING TO STABILIZATION FUNDS, FUND BALANCE, CONTINGENCY PLANNING AND CASH RESERVES; USE OF NON-RECURRING REVENUES; CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT; AND GUIDING THE DESIGN OF PROGRAMS AND SERVICES**

ADMINISTRATION RECOMMENDATION

Adopt the resolution.

BACKGROUND

The City of Miami Beach's Strategic Plan includes Key Intended Outcomes to ensure the long-term sustainability of City government: Ensure expenditure trends are sustainable over the long term; and Improve overall financial health and maintain overall bond rating. A number of policies and structural changes have been implemented towards achieving these outcomes. One of the Citywide Initiatives adopted with the FY 2005/06 budget is the review and further enhancement of the City's financial policies.

Beginning in January 2006, the Budget Advisory Committee (BAC), with support from City administration, began the task of analyzing the City's existing policies, identifying best practices as recommended by the Government Finance Officer Association (GFOA), and reviewing policies of other highly-regarded municipalities. City staff also provided insight regarding rating agency considerations for improving their perspective on the financial outlook for the City.

EXISTING CITY POLICIES

The City has several existing formal and informal financial policies that provide the framework for budget development and adoption and for financial management. Many of these are formal policies governed by State Statute, City Charter, and by City of Miami Beach Commission resolution. Existing policies are summarized on the following page:

ATTACHMENT E

City Commission Memorandum
Resolution Adopting City of Miami Beach Financial Policies
September 21, 2006
Page 2

- The City's budget process, quarterly reporting requirements and requirement for a balanced budget are governed by Florida State Statute and by the City Charter
- Resolution 94-21258 adopted on July 27, 1994 requires review and reporting to the Miami Beach City Commission of adjustments and amendments to the City of Miami Beach annual budget for the purposes of conforming actual expenditures to the adopted budget at least once every quarter
- The City's power to borrow money, contract loans and issue bonds, notes and other obligations or evidences of indebtedness is provided by the Charter in accordance with Florida law and by the City Code
- Resolution 95-21726 on September 27, 1995 adopted an investment policy for the City of Miami Beach
- Resolution 95-21726 was amended by Resolution 97-22315 on March 5, 1997 to increase the number of authorized investment options and define the percentage of City funds which may be invested in said additional categories
- Resolution 2004-25456 adopted on January 14, 2004 authorized the administration to contract with MBIA Municipal Investors Service Corp for provision of Investment Advisory services to the City of Miami Beach to manage and direct the investment of excess funds in accordance with the City's investment objects set forth in the City of Miami Beach Investment Policy
- Resolution 96-2214 adopted on June 5, 1996 established a reserve fund to be maintained at a minimum of 11% of the General Fund Operating Budget of the ensuing year and established procedures for its use and replacement
- Resolution 96-2214 was amended by Resolution 98-22661 on February 18, 1998 to further safeguard and clarify the use of the emergency reserve funds
- Resolution 2002-24764 adopted on February 20, 2002 established a Capital Projects Reserve in the General Fund, and specified that when there exists an excess of General Fund revenues over expenditures ("earnings") that 50% of funds remaining, after funding the increase in the 11% Emergency Reserve for the ensuing year, be deposited in the Capital Reserve Fund
- Resolution 2004-25697 on September 4, 2004 established a capital renewal and replacement fund to provide a dedicated source of funding for City capital renewal and replacement projects that extend the useful life of General Fund assets, established a procedure for annual appropriation of funds, and established a procedure for their use
- Resolution 2004-25697 was amended by Resolution 2005-25832 on February 23, 2005 to establish more stringent criteria for the use of the General Fund Renewal and Replacement Fund

However, in addition to these formal policies, there are several informal policies subject to implementation by the City administration. The existing policies include:

ATTACHMENT E

City Commission Memorandum
Resolution Adopting City of Miami Beach Financial Policies
September 21, 2006
Page 3

- Balanced Budget Development and Adoption
- General Fund 11% Emergency Reserve
- Setting Fees & Charges
- Use of One-Time Revenues
- Contingency Planning and Budgeting
- Debt Policy
- Use of Plans Guiding the Design of Programs and Services (City's Excellence Model)
- Capital Asset Acquisition, Maintenance, Replacement, & Retirement

GFOA RECOMMENDED POLICIES

GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,500 GFOA members are dedicated to the sound management of government financial resources. In 1993, the Government Finance Officers Association (GFOA) Executive Board directed the Association's staff to work with the GFOA Standing Committees to develop a body of recommended practices in the functional areas of public finance to give GFOA members and other state and local governments more guidance on sound financial management practices. As part of this effort, in 1995, GFOA and seven other state and local government associations created the National Advisory Council on State and Local Budgeting (NACSLB) and charged it with developing a set of recommended budget practices in the area of state and local budgeting. In 1997 the NACSLB adopted a budgeting framework and recommended budget practices that were subsequently endorsed by GFOA.

The work of the NACSLB provides a framework for describing the overall budget process. The framework is organized around the four principles of the budget process:

- Principal 1: Establish Broad Goals to Guide Government Decision Making
 - Assess Community Needs, Priorities, Challenges and Opportunities
 - Identify Opportunities and Challenges for Government Services, Capital Assets, and Management
 - Develop and Disseminate Broad Goals
- Principle 2: Develop Approaches to Achieve Goals
 - Adopt Financial Policies
 - Develop Programmatic, Operating and Capital Policies and Plans
 - Develop Programs and Services That are Consistent with Policies and Plans
 - Develop Management Strategies
- Principle 3: Develop a Budget Consistent with Approaches to Achieve Goals
 - Develop a Process for Preparing and Adopting a Budget
 - Develop and Evaluate Financial Options
 - Make Choices Necessary to Adopt a Budget
- Principle 4: Evaluate Performance and Make Adjustments
 - Monitor, Measure, and Evaluate Performance
 - Make Adjustments as Needed

ATTACHMENT E

City Commission Memorandum
Resolution Adopting City of Miami Beach Financial Policies
September 21, 2006
Page 4

Each of these principles has additional elements that provide guidance for an effective budget process. Elements #4 and #5, of Principle 2, "Adopt Financial Policies" and "Develop Programmatic, Operating and Capital Policies and Plans", addresses the need for jurisdictions to establish policies to help frame resource allocation decisions and to help guide service provision and capital asset acquisition, maintenance, replacement, and retirement. GFOA recommends that policies in the following areas be developed by professional staff and formally adopted by the jurisdiction's governing board: Fees & Charges; Debt Issuance & Mgmt; Debt Level & Capacity; Use of One-time Revenues; Use of Unpredictable Revenues; Balancing the Operating Budget; Revenue Diversification; Contingency Planning; Plans to Guide the Design of Programs & Services; and Capital Asset Acquisition, Maintenance, Replacement, and Retirement.

REVIEW OF POLICIES FROM OTHER JURISDICTIONS

Governing Magazine, a periodical that focuses on governmental entities regularly rates select counties and municipalities for their financial management. This list was used to identify and select jurisdictions rated as "A" by Governing Magazine: Austin, Texas; Fairfax County, Virginia; City of Long Beach, California; Maricopa County, Arizona; Minneapolis, Minnesota; Orlando, Florida; Phoenix, Arizona; State of Utah; and Virginia Beach, Virginia. Municipalities such as El Paso, Texas and Village of Palos Park, Illinois were also reviewed as they were cited in examples from GFOA materials. Additionally, available policies from neighboring communities in Florida were obtained to provide additional insight: City of Coral Springs, Ft. Lauderdale, Miami-Dade County, and Hillsborough County.

BUDGET ADVISORY COMMITTEE PRELIMINARY RECOMMENDATIONS

For their initial set of recommendations, the BAC focused on the following policies: Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services (See Attachment). Additional policies may be considered in subsequent reviews.

BAC Recommendation: Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves

General Fund

The City of Miami Beach shall maintain the Emergency Reserve at 11% of the General Fund Operating Budget of the ensuing year (11% Emergency Reserve).

In addition, the City of Miami Beach shall have a goal to maintain a General Fund Reserve for Contingencies equal to 6% of the General Fund Operating Budget. In combination with the 11% of Emergency Reserve, this represents 2 months of the General Fund Operating Budget expenditures. If the Reserve for Contingencies level falls below the 6% level a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

ATTACHMENT E

City Commission Memorandum
Resolution Adopting City of Miami Beach Financial Policies
September 21, 2006
Page 5

Enterprise Funds

The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.

Risk Management Fund

The City of Miami Beach shall have a goal of maintaining a reserve of 100% of pending claims in the Risk Management Fund, and shall strive to fund 2/3 of the estimated value of insurance claims incurred but not reported.

BAC Recommendation: Use of Non-Recurring Revenues

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

BAC Recommendation: Capital Asset Acquisition, Maintenance, Replacement and Retirement

The City shall have a goal to fund at least 5% of the General Fund to fund the following capital needs as a permanent part of the budget:

- **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
- **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items for General Fund projects.
- **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant and equipment, to avoid deferring capital needs until there is a major bond issue.
- **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
- **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City.

The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.

The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

ATTACHMENT E

City Commission Memorandum
Resolution Adopting City of Miami Beach Financial Policies
September 21, 2006
Page 6

BAC Recommendation: Guiding the Design of Programs and Services

- The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
- Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
- The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
- Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than 0.5% of budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.

CONCLUSION

These policies align with the City's key intended outcomes to ensure expenditure trends that are sustainable over the long term; improve the City's overall financial health; and maintain the City's overall bond rating.

These proposed policies were reviewed and approved by the Finance and Citywide Projects Committee at the July 6, 2006 Committee meeting and the City administration was directed to prepare a resolution for Commission consideration adopting policies similar to the recommendations of the Budget Advisory Committee.

The attached resolution adopts the policies recommended by the BAC with the minor revision clarifying the funding for General Fund renewal and replacement as a separate dedicated source of funding.

Attachment



MIAMI BEACH

BUDGET ADVISORY COMMITTEE

**RECOMMENDED FINANCIAL
POLICIES**

May 2006
Revised

ATTACHMENT E

STABILIZATION FUNDS & FUND BALANCE, CONTINGENCY PLANNING AND CASH RESERVES

GFOA Recommendation

Practice: A government should develop policies to guide the creation, maintenance, and use of resources for financial stabilization purposes.

Rationale: Governments should maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Outputs: The policies should establish how and when a government builds up stabilization funds and should identify the purposes for which they may be used. Development of a policy on minimum and maximum reserve levels may be advisable. Policies on stabilization funds should be publicly available and summarized in materials used in budget preparation. They also should be identified in other government documents, including planning and management reports.

Notes: Stabilization funds are called by many names including rainy day funds, unreserved, undesignated fund balances, and contingency funds. These funds may be used at a government's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities. They provide flexibility to respond to unexpected opportunities that may help a government achieve its goals. Policies on the use of these funds may also be tied to an adverse change in economic indicators (such as declining employment or personal income) to ensure that the funds are not depleted before an emergency arises. The minimum and maximum amounts to be accumulated may be based on the types of revenue, the level of uncertainty associated with revenues, the condition of capital assets, or the government's level of security with its financial position. Stabilization funds may be constrained by state or local laws. Legally required reserves should be distinguished from discretionary reserves.

"How Much Unreserved Fund Balance for the Fund Balance Policy?"

A number of standards for size of unreserved fund balance in the general funds that have been cited over the years. GFOA recommends that general purpose governments, regardless of size, maintain unreserved fund balance in their general fund of no less than 5 to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures.

Bond raters and others often use the rule of thumb standard that calls for an unreserved fund balance in the general fund of 5 percent. Others argue that unreserved fund balance should be equal to no less than one month's operating expenditures (e.g., 8.3 percent). Still others argue for a broader range of one to three months of operating expenditures.

A government's particular situation may require levels of unreserved fund balance in the general significantly in excess of these recommended minimum levels. The most commonly

ATTACHMENT E

cited factor in greater unreserved fund balance size (general fund) is budget size. A government's unreserved fund balance should be inversely proportional to its total budget size. Smaller governments are more susceptible to economic changes and, therefore, require a larger unreserved fund balance.

Other factors cited for concern by GFOA include:

- Volatility of revenue structures (e.g. dependence on general sales tax, etc.)
- Diversification of revenue streams
- Ability to defer purchases
- Frequency of annual surpluses or deficits
- Stability of cash flows
- Economic sensitivity of expenditures

Current Conditions

General Fund Reserves

Pursuant to City Commission Resolution No. 96-22014 adopted June 5, 1996 and amended by Resolution No. 98-22661, the City is required to maintain a reserve at 11% of the General Fund Operating Budget of the ensuing year, and can only be used for defined public emergencies requiring a 5/7 vote rather than a majority of the Commission.

The FY 2005/06 Adopted General Fund Operating Budget is \$207,925,117. The 11% Emergency Reserve level for FY 05/06 \$ 22,547,282. The undesignated fund balance in the General Fund as of September 30, 2005, net of the 11% Emergency Reserve and capital reserve of \$3.7 million, was \$12.3 million or 6% of the Adopted General Fund Operating Budget.

Further, on an annual basis, since 2001, the City appropriates funding for General Fund Operating Contingency and an additional appropriation for unfunded projects at the City Manager's discretion.

Reserves in the Risk Management Fund

The total unpaid claims in the Risk Management Fund as of September 30, 2005, is \$18.3 million, this includes as estimate for claims incurred but not yet reported of \$10.1 million. The City reserves on an "occurrence" basis, reserving for anticipated and known claims when they occur, regardless of the ultimate date of payment or disposition. AS of September 30, 2005, the fund reflected a total net negative assets of \$11.1 million.

The FY 2005/06 budget includes an annual appropriation of \$1 million to reduce the deficit in the Risk Management Fund, with a plan to continue to reduce the deficit over time.

BAC Recommendation:

General Fund

The City of Miami Beach shall maintain the Emergency Reserve at 11% of the General Fund

ATTACHMENT E

Operating Budget of the ensuing year (11% Emergency Reserve), shall maintain the definition of a public emergency for which funds could and require a 5/7 vote for expenditures of such funds.

In addition, the City of Miami Beach shall have a goal to maintain a General Fund Reserve for Contingencies equal to 6% of the General Fund Operating Budget. In combination with the 11% pf Emergency Reserve, this represents 2 months of the General Fund Operating Budget expenditures. If the Reserve for Contingencies level falls below 6% level a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

Enterprise Funds

The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.

Risk Management Fund

The City of Miami Beach shall have a goal of maintaining a reserve of 100% of pending claims in the Risk Management Fund, and shall strive to fund 2/3 of the estimated value of insurance claims incurred but not reported.

ATTACHMENT E

USE OF NON-RECURRING/ONE-TIME REVENUES

GFOA Recommendation

Practice: A government should adopt a policy limiting the use of one-time revenues for ongoing expenditures.

Rationale: By definition, one-time revenues cannot be relied on in future budget periods. A policy on the use of one-time revenues provides guidance to minimize disruptive effects on services due to non-recurrence of these sources.

Outputs: One-time revenues and allowable uses for those revenues should be explicitly defined. The policy should be publicly discussed before adoption and should be readily available to stakeholders during the budget process. The policy, and compliance with it, should be reviewed periodically.

Notes: Examples of one-time revenues include: infrequent sales of government assets, bond refunding savings, infrequent revenues from development, and grants. These revenues may be available for more than one year (e.g., a three-year grant), but are expected to be non-recurring. Examples of expenditures for which a government may wish to use one-time revenues include startup costs, stabilization (e.g., to cover expenditures that temporarily exceed revenues), early debt retirement, and capital purchases. Uses that add to the ongoing expenditure base should be carefully reviewed and minimized, e.g., capital expenditures that significantly increase ongoing operating expenses without a sustainable and offsetting long-term revenue plan. Certain variable components of major revenue sources are similar to one-time revenue sources. While they may be addressed in a one-time revenue policy, they also may be considered separately.

An important subset of revenue diversification and stabilization policies is a use-of-one-time-revenue policy. The premise behind this type of policy is simple; the government should not use one-time revenues to fund ongoing expenditures. To do so might mean that the government would be unable to make up the gap created by the expiration of the one-time revenue in the next budget period, a situation that could lead to service cuts. The one-time revenue policy of the Village of Palos Park, Illinois, also states that use of one-time revenues will be limited to the purpose for which they were intended, or for a capital expenditure."

Current Conditions

The City of Miami Beach does not have a formal policy regarding use of non-recurring/one-time revenues, however, it has been an informal practice that these revenues shall be for capital or other one-time expenditures.

BAC Recommendation:

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

ATTACHMENT E

CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT

GFOA Recommendation:

Practice: A government should adopt policies and plans for capital asset acquisition, maintenance, replacement, and retirement.

Rationale: Policies and plans for acquisition, maintenance, replacement, and retirement of capital assets help ensure that needed capital assets or improvements receive appropriate consideration in the budget process and that older capital assets are considered for retirement or replacement. These policies and plans are necessary to help plan for large expenditures and to minimize deferred maintenance.

Outputs: Policies may address inventorying capital assets and evaluating their condition, criteria for acceptable condition, criteria for continued maintenance versus replacement or retirement of an existing asset, and identification of funding for adequate maintenance and scheduled replacement of capital assets. Plans should be developed to establish ongoing, multi-year replacement and renewal schedules, and should recognize the linkage of capital expenditures with the annual operating budget. Plans for addressing deferred maintenance may also be an output of this practice. Stakeholders should have an opportunity to provide input as capital asset policies and plans are formulated. Once adopted, the policies and plans should be made publicly available, particularly as set forth in budget, management, and planning documents. Policies and plans should be incorporated into decision making in the budget process.

Notes: Capital asset acquisition, maintenance, replacement, and retirement policies provide a basis for formulating long-range plans to address capital needs. These policies should be realistic if they are to be used in decision making. Information gathered through processes described in the practice entitled *Assess Capital Assets, and Identify Issues, Opportunities, and Challenges* can be helpful in formulating the policies and plans. When developing capital plans, maintenance of existing facilities, including deferred maintenance, should be considered along with new projects.

Current Conditions

Capital Renewal and Replacement – 0.182 mills (\$2,529,563) for the purpose of maintaining a restricted account for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired. The City of Miami Beach adopted Resolution No. 2004-25697 on September 28, 2004 to establish a restricted renewal and replacement account funded by dedicating a portion of the millage to projects in the City's General Fund facilities that extend the useful life or replace equipment whose life has expired. The dedicated millage and project specific appropriations from the fund are reviewed and approved each year by the City Commission as part of the budget process. Unused funds stay in the account until projects are completed or can be used for other projects subject to Commission approval. On February 23, 2005, the City Commission adopted Resolution No. 2005-25832 to establish more stringent criteria for the use of these funds by summarizing the criteria into three critical areas; include a preamble/whereas

ATTACHMENT E

clause pertaining to emergency use of funds; and provide a provision for emergency use of the funds.

Further, the City currently has no written policy but does fund the following in FY 2005/2006:

- **Capital Reserve Fund** – The Capital Reserve Fund has been established to provide funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items. Since FY 2005/06, this has been funded through an annual appropriation. Further, General Fund revenues in excess of expenditures at year-end were transferred to the Capital Reserve Fund at the end of FY 2004/05 and are anticipated to be transferred at the end of FY 2005/06. In addition to the \$3.7 million appropriated for the Capital Reserve Fund based on revenues in excess of expenditures at the end of FY 2004/05, in FY 2005/06 the City of Miami Beach appropriated \$2.5 million towards the Capital Reserve Fund contingency. The total in the Capital Reserve Fund is projected to be \$6.2 million by the end of FY 2005/06 less any needs that may occur throughout the year.
- **Pay-As-You-Go Capital Fund** - The City Commission approved the establishment of a Pay-As-You-Go Capital Fund that designates a certain portion of the operating budget to be re-invested in capital. This helps ensure adequate, on-going re-investment in capital plant and equipment, often called “Pay-As-You-Go” capital funding. Without a Pay-As-You-Go in a city’s capital budget, new General Fund projects that are needed from time-to-time often have to be deferred until the City goes out for a major bond issue. The Pay-As-You-Go Capital Fund is funded by the General Fund and, as such, excludes Enterprise Fund projects supported by revenue bonds (water, sewer, stormwater, etc.) \$5,000,000 was appropriated with project specific appropriations designated for the Miami Beach Golf Course Cart Barn, Technology Enhancements for the Normandy Park and Pool, Sidewalk and Street Restoration Citywide, FF&E for Fire Stations 2 & 4, Normandy Isle Neighborhoods Project, Flamingo Park Pool Deck Lighting, and Scott Rakow Youth Center Phase 2 project.
- **Capital Investment Upkeep Fund** - In FY 2005/06, the City Commission approved the establishment of a Capital Investment Upkeep Account that provides for the purpose of for the purpose of establishing and maintaining funding for General Fund non-facility related upkeep including landscaping, uplighting, pavers, etc. \$1,500,000 was appropriated and has been used to restore landscaping by the Julia Tuttle Interchange, 41 Street, Pinetree Park, etc.
- **Information & Communications Technology Fund** - In FY 2005/06 the City Commission has approved the establishment of a Information & Communications Technology Fund that provides for the purpose of for the purpose of establishing and maintaining funding for the procurement of new or enhanced information and technology needs of the City. \$1,000,000 was appropriated for funding projects such as the City’s WiFi project, a new Storage Area Network, Voice-Over Internet Protocol enhancements, Data Center Uninterrupted Power Supply, new staffing software for the Fire Department, Performance Management Software, and Code Compliance software.

The City’s total General Fund Operating Budget for FY 2005/06 is \$207.9 million. Excluding non-direct operating expenses for the Homeowners Dividend Fund (\$3.3 million) and the transfers to the General Fund Emergency Reserve (\$3.9 million), General Fund Capital Reserve (\$2.5 million), and General Fund Annual Operating Contingency (\$1 million), the total is \$197.2 million.

ATTACHMENT E

BAC Recommendation:

The City shall have a goal to fund at least 5% of the General Fund to fund the following capital needs as a permanent part of the budget:

- **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
- **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are overbudget, change orders, or other unforeseen items for General Fund projects.
- **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant, and equipment, to avoid deferring capital needs until there is a major bond issue, and to address:
 - unfunded new projects recommended or approved in concept by the Commission;
 - new or additional scope for previously funded projects;
 - additional funding needs for previously approved capital projects, i.e. cost increases associated with approved Basis of Design Reports (BODR's) that are identified prior to going out for bid, many of which are due to increased cost of construction (e.g., due to increases in the cost of concrete, high demand for construction services in the local area, etc.)
 - The Pay-As-You-Go Capital Fund is funded by the General Fund and, as such, shall exclude Enterprise Fund projects supported by revenue bonds (water, sewer, stormwater, etc.)
- **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
- **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City

The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.

The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

ATTACHMENT E

Guiding the Design of Programs and Services

GFOA Recommendations

Practice: A government should develop and adopt policies and plans to guide the design of specific programs and services.

Rationale: Service and program policies and plans translate broad goals into strategies for achieving goals. These policies and plans provide the basis for designing specific programs and services.

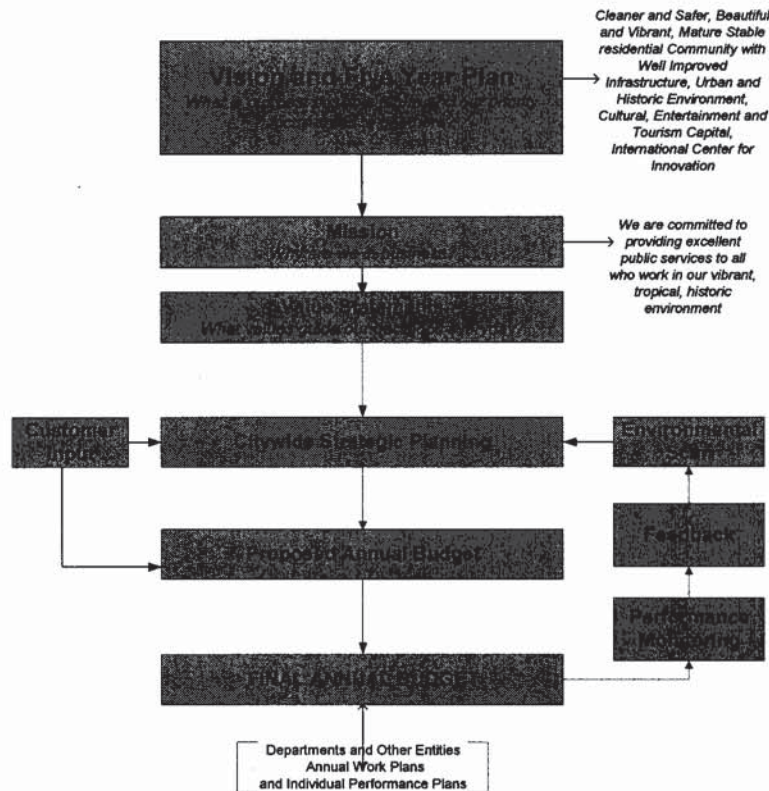
Outputs: Program and service policies and plans may address items such as: groups or populations to be served, service delivery issues, examples of possible programs, standards of performance (including level of service standards or other measures to gauge success), expected costs, time frames for achievement of goals, issues pertaining to organizational structure, and priorities for service provision. Policies and plans should be adopted by the governing body and made publicly available.

Notes: A clear, well-documented statement of policies and plans in broad program and service areas becomes particularly important when goals cross organizational and program lines. For example, a goal to revitalize the downtown or to promote rural development could result in multi-departmental programs addressing job creation, transportation, housing, and health care.

Current Conditions

Effective for the FY 2005/06 budget, the City implemented a new performance-based approach for allocating resources based on the City's Strategic Planning priorities and supporting department work plans in support of the City's Excellence model. The City's excellence model is a strategic measurement-based model for continuous improvement in the City. It is driven by the City's Vision, with priorities established at the strategic level based on customer input and environmental scan information. Broader Key Intended Outcomes are established as multi-year priorities, while more specific Citywide Initiatives are updated annually. Through the annual budget process, resources are allocated in support of these strategic priorities, and performance monitoring is used to track progress and make adjustments for further improvement.

ATTACHMENT E



A significant driver in developing Citywide priorities is the community input received through the community satisfaction surveys with residents, businesses and community organizations and focus groups. These provide an understanding of current satisfaction levels among community groups with the City of Miami Beach government and the services it provides; provide benchmarks to similar jurisdictions, and provide recommendations for improving satisfaction and quality of life, i.e. "key drivers for improving satisfaction". These results, along with an environmental scan of demographics, socio-economic data and department workload and performance measures; financial trends; and comparatives with other cities result in set of multi-year Key Intended Outcomes (KIOs) linked to the City's vision, and more specific annual Citywide Initiatives endorsed by the City Commission. Additional KIOs essential to the sustainability of City government are also identified supportive of the City's vision.

In addition to the identification of KIOs, the strategic planning process identifies measures to determine whether or not the City is successful in achieving the KIOs – "Key Performance Indicators" – as well as annual Citywide initiatives to help achieve each KIO.

The set of Citywide KIOs and Citywide Initiatives (updated annually) are used to guide departments as they analyzed existing services, and prepared their proposed work plans and budgets. Allocation of resources is based on enhancements developed to support each of the Citywide initiatives and Key Intended Outcomes.

ATTACHMENT E

BAC Recommendation:

- The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
- Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
- The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
- Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than 0.5% of budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 20, 2018

SUBJECT: FY 2019 PROPOSED CAPITAL BUDGET

ATTACHMENTS:

Description	Type
☐ FY 2019 Proposed Capital Budget	Memo
☐ CIP 5 Year 2019-2023 Program and Funding	Other

COMMITTEE MEMORANDUM

TO: Members of the Finance & Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 20, 2018

SUBJECT: FISCAL YEAR (FY) 2019 PROPOSED CAPITAL BUDGET

The FY 2019 Proposed Capital Budget was reviewed by the Finance and Citywide Projects Committee ("FCWPC") at the June 8, 2018 FCWPC 1st Budget Briefing and at the July 13, 2018 FCWPC 2nd Budget Briefing.

Attachment A contains a comprehensive funding summary of the Fiscal Years (FY) 2019-2023 Proposed Capital Improvement Program (CIP). The following is an update of changes made to the CIP based on direction given at the July 13th Budget Briefing.

South Beach Quality of Life Fund

- **Lummus Park Muscle Beach Upgrade (#87)** – This project was requested at \$100,000, and was added to the CIP per direction of the FCWPC on July 13, 2018. It is proposed to be split-funded between South Beach Quality of Life Capital Fund (with the remaining available balance of \$32,000) and the Pay As You Go Fund in the amount of \$68,000.

Pay As You Go ("PAYGO") Fund

- **Lummus Park Muscle Beach Upgrade (#124)** – As noted above, this project was requested at \$100,000. In order to fully fund this project, the unfunded portion of \$68,000 is proposed to be funded from the PAYGO fund.

ENTERPRISE PROJECTS

The following projects were approved for FY 2019 funding at the July 13, 2018 FCWPC meeting:

South Pointe RDA (Pre-Miami Dade County Interlocal Agreement Fund (MDC-ILA))

- **1st Street-Alton to Washington (#146)** – Proposed FY 2019 funding in the amount of \$1,000,000 through the transfer of funding from the **Flamingo 10G-6 Street ROW Improvements (#147)** project, which will be de-appropriated, and funded at a later time.

Water and Sewer Bond Fund

- **Scada and PLC Systems (#151)** – Proposed FY 2019 funding in the amount of \$1,512,500
- **Water Meter Replacement Program (#153)** – Proposed FY 2019 funding in the amount of \$2,000,000

Stormwater Bond Fund

- **Scada and PLC Systems (#154)** – Proposed FY 2019 funding in the amount of \$1,237,500

Stormwater/General Capital Projects – MDC ILA Fund

- **Orchard Park (#156)** – Proposed FY 2019 funding in the amount of \$250,000

CONCLUSION

The final FY 2019 Capital Budget will be adopted at the second Budget Hearing on September 26, 2018.

JLM/JW/TOS

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
125 CAPITAL RENEWAL & REPLACEMENT													
1	PMG003	777 BUILDING - CHILLER REPLACEMENT	-	-	-	80,000	80,000	-	-	-	-	-	80,000
2	PMG077	CITY HALL 40-YEAR STRUCTURAL RECERTIFICATION	-	-	-	100,000	100,000	-	-	-	-	-	100,000
3	PMG090	555 BUILDING IMPACT RESISTANT WINDOWS- Pending outcome of Convention Center hotel solicitation	-	-	-	300,000	300,000	-	-	-	-	-	300,000
4	PMG006	MBPD-COOLING TOWER BASE REPAIR	-	-	-	150,000	150,000	-	-	-	-	-	150,000
5	PMG095	UNIDAD ELEVATOR MODERNIZATION	-	-	-	70,000	70,000	-	-	-	-	-	70,000
6	PMG007	777 BUILDING-ROOF RESTORATION	-	-	-	90,000	90,000	-	-	-	-	-	90,000
7	PMG094	SOUTH SHORE COMMUNITY CENTER-BATHROOM AND KITCHEN UPGRADE	-	-	-	150,000	150,000	-	-	-	-	-	150,000
8	PMG048	555 BUILDING-ROOF RENEWAL- Pending outcome of Convention Center hotel solicitation	-	-	-	230,000	230,000	-	-	-	-	-	230,000
9	PMG008	SOUTH SHORE COMMUNITY CENTER-PLAYGROUND AREA TREE ROOT MITIGATION AND FLOORING REPLACEMENT (Additional Funding in Item: #103)	-	-	-	85,000	85,000	-	-	-	-	-	85,000
10	PMG063	FLEET MANAGEMENT - GENERATOR AND TRANSFER SWITCH	-	-	-	100,000	-	-	-	-	-	-	-
11	PMG009	UNIDAD BUILDING-ROOF REPLACEMENT	-	-	-	50,000	-	-	-	-	-	-	-
12	PMG018	FIRE STATION #2-A/C REPLACEMENT	-	-	-	105,000	-	-	-	-	-	-	-
13	PMG011	MBPD-CONDENSER LINES AND PUMPS REPLACEMENT	-	-	-	125,000	-	-	-	-	-	-	-
14	PMG020	MBPD-VAV INSTALLATION ON 2ND, 3RD, AND 4TH FLOORS	-	-	-	400,000	-	-	-	-	-	-	-
15	PMG016	MIAMI BEACH GOLF COURSE-A/C AND KITCHEN REFRIGERATION REPLACEMENT	-	-	-	50,000	-	-	-	-	-	-	-
16	PMG014	HISTORIC CITY HALL-VFD REPLACEMENT	-	-	-	200,000	-	-	-	-	-	-	-
17	PMG015	CITY HALL-GENERATOR REPLACEMENT	-	-	-	250,000	-	-	-	-	-	-	-
18	PMG026	CITY HALL-COOLING TOWER BASE REPLACEMENT	-	-	-	60,000	-	-	-	-	-	-	-
19	PMG081	555 RESTROOM RENOVATION	-	-	-	185,000	-	-	-	-	-	-	-
20	PMG051	UNIDAD BUILDING-DOOR RENEWAL	-	-	-	39,000	-	-	-	-	-	-	-
21	PMG017	UNIDAD BUILDING-WINDOW SEAL RENEWAL	-	-	-	40,000	-	-	-	-	-	-	-
22	PMG097	FIRE STATION #2 KITCHEN REPLACEMENT	-	-	-	35,000	-	-	-	-	-	-	-
23	PMG092	GARAGE DOOR UPGRADES AT FIRE STATION #2 AND FIRE STATION #4	-	-	-	180,000	-	-	-	-	-	-	-
24	PMG019	NORTH SHORE YOUTH CENTER-ROOFTOP A/C RENEWAL	-	-	-	152,000	-	-	-	-	-	-	-
25	PMG023	MBPD NORTH END SUB STATION-ROOF HARDENING	-	-	-	200,000	-	-	-	-	-	-	-
26	PMG028	CITY HALL-CHILLED AND CONDENSER PUMPS REPLACEMENT	-	-	-	50,000	-	-	-	-	-	-	-
27	PMG013	10TH STREET AUDITORIUM-LOUVER REPLACEMENT	-	-	-	50,000	-	-	-	-	-	-	-
28	PMG064	FLEET MANAGEMENT - FACILITY RENOVATION	-	-	-	375,000	-	-	-	-	-	-	-
29	PMG044	CITY HALL-EXTERIOR PAINTING	-	-	-	80,000	-	-	-	-	-	-	-
30	PMG025	CITY HALL-COOLING TOWER CONDENSER LINES REPLACEMENT	-	-	-	90,000	-	-	-	-	-	-	-
31	PMG029	CITY HALL-RESTROOM RENOVATION ON 1ST, 3RD, AND 4TH FLOORS	-	-	-	250,000	-	-	-	-	-	-	-
32	PMG030	SOUTH SHORE COMMUNITY CENTER-FRONT ENTRANCE ENHANCEMENT	-	-	-	385,000	-	-	-	-	-	-	-
33	PMG096	ALLISON BRIDGE RAILING PROJECT	-	-	-	45,000	-	-	-	-	-	-	-
34	PMG033	FIRE STATION #2 (ADMIN)-EXTERIOR PAINT AND LIGHTING RENEWAL	-	-	-	55,000	-	-	-	-	-	-	-
35	PMG041	SOUTH SHORE COMMUNITY CENTER-LIGHTING UPGRADE	-	-	-	160,000	-	-	-	-	-	-	-
36	PMG042	HISTORIC CITY HALL-EMERGENCY LIGHTS AND EXIT SIGN REPLACEMENT	-	-	-	28,000	-	-	-	-	-	-	-
37	PWK001	SECURITY SYSTEM UPGRADE-2100 MERIDIAN (GREENSPACE FACILITY)	-	-	-	65,000	-	-	-	-	-	-	-

Priority 1 - Deferred Maintenance

Priority 2 - Recommended based on asset life, not condition

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
38	PMG052	UNIDAD BUILDING-INTERIOR AND EXTERIOR PAINTING	-	-	-	89,000	-	-	-	-	-	-	-
39	PMG086	MBPD NORTH END SUB STATION-PARKING LOT DRAINAGE AND RESURFACING	-	-	-	230,000	-	-	-	-	-	-	-
40	PMG037	MBPD NORTH END SUB STATION-INTERIOR PAINTING AND FLOORING RENEWAL	-	-	-	234,000	-	-	-	-	-	-	-
41	PMG027	HISTORIC CITY HALL-ROOF ACCESS LADDER AND ROOF HATCH	-	-	-	100,000	-	-	-	-	-	-	-
42	PMG038	FIRE STATION #2-KITCHEN RENEWAL	-	-	-	42,000	-	Priority 3 - Customer/Department requests	-	-	-	-	-
43	PMG079	MBFD STATION SECURITY UPGRADES (CITYWIDE)	-	-	-	126,000	-		-	-	-	-	-
44	PMG035	CITY HALL-MAIN ENTRANCE PAVER REPLACEMENT	-	-	-	152,000	-		-	-	-	-	-
45	PMG080	1100 BLOCK OF LINCOLN RD STONE RESTORATION	-	-	-	368,000	-		-	-	-	-	-
46	60218	STORAGE TANK REPLACEMENT	-	200,000	200,000	-	-		-	-	-	-	-
Fund Total:			-	200,000	200,000	6,400,000	1,255,000	-	-	-	-	-	1,455,000
							125 Available Balance	507,000					
							FY19 Projected Revenue	748,000					
							Remaining Available Balance	0					
307 NB QUAL OF LIFE RESORT TAX 1%													
47	PKS010	NORMANDY SHORES TENNIS FACILITY FENCING REPLACEMENT	-	-	-	47,000	47,000	-	-	-	-	-	47,000
48	PKS011	NORTH SHORE BANDSHELL PLUMBING REPAIRS	-	-	-	30,000	30,000	-	-	-	-	-	30,000
49	PMG053	BEACHFRONT RESTROOMS-RENOVATIONS (Additional Funding in Items: #58, #72)	-	-	-	87,000	87,000	-	-	-	-	-	87,000
50	PMG078	BEACH SHOWER DRAINAGE SYSTEM PHASE II (Additional Funding in Items: #59, #80)	-	-	-	125,000	125,000	-	-	-	-	-	125,000
51	PWK003	NORTH BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS (Additional Funding in Item: #108)	-	-	-	57,000	57,000	-	-	-	-	-	57,000
52	PKS048	ALTOS DEL MAR PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	-	444,000	444,000
53	PKS049	ALLISON PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	586,500	-	586,500
54	20141	7300 DICKENS AVE L/SCAPE-IRRIGATION	-	-	-	-	-	-	37,000	-	-	-	37,000
55	20198	NORTH BEACH STREETSCAPE	-	-	550,000	-	-	550,000	8,800,000	-	-	-	9,350,000
56	22750	ALTOS DEL MAR PARK PLAYGROUND	1,000,000	-	-	350,000	350,000	-	-	-	-	-	1,350,000
Fund Total:			1,000,000	-	550,000	696,000	696,000	550,000	8,837,000	-	586,500	444,000	12,113,500
							307 Available Balance	-					
							FY19 Projected Revenue	860,000					
							Remaining Available Balance	164,000					
306 MB QUALITY OF LIFE RESO.TX 1%													
57	PKS008	MIAMI BEACH GOLF CLUB PRACTICE TEE RENOVATIONS AND ENLARGEMENT	-	-	-	124,000	124,000	-	-	-	-	-	124,000
58	PMG053	BEACHFRONT RESTROOMS-RENOVATIONS (Additional Funding in Items: #49, #72)	-	-	-	26,000	26,000	-	-	-	-	-	26,000
59	PMG078	BEACH SHOWER DRAINAGE SYSTEM PHASE II (Additional Funding in Items: #50, #80)	-	-	-	105,000	105,000	-	-	-	-	-	105,000
60	PMG084	41ST STREET BRIDGES (SR112) REPAIR AND RESTORATION	-	-	-	480,000	480,000	480,000	-	-	-	-	960,000
61	PMG091	BEACHWALK DRAINAGE - 24TH ST TO 46TH ST (Additional Funding in Item: #81)	-	-	-	100,000	100,000	-	-	-	-	-	100,000
62	PMG099	41ST STREET FOUNTAIN RESTORATION	-	-	-	82,000	82,000	-	-	-	-	-	82,000
63	PWK006	MIDDLE BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS (Additional Funding in Item: #109)	-	-	-	32,000	32,000	-	-	-	-	-	32,000
64	TCD002	SHORT-TERM 41ST STREET COMMITTEE RECOMMENDATIONS	-	-	-	100,000	100,000	-	-	-	-	-	100,000
65	PKS044	MIAMI BEACH GOLF CLUB DRIVING RANGE LIGHTING REPLACEMENT	-	-	-	-	-	80,000	-	-	-	-	80,000

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
66	PKS045	BEACHVIEW PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	511,000	-	-	-	511,000
67	PKS046	BEACHVIEW FITNESS COURSE REPLACEMENT	-	-	-	-	-	-	80,000	-	-	-	80,000
68	PKS047	INDIAN BEACH PLAYGROUND REPLACEMENT 2	-	-	-	-	-	-	-	-	545,100	-	545,100
Fund Total:			-	-	-	1,049,000	1,049,000	560,000	591,000	-	545,100	-	2,745,100
							306 Available Balance	483,000					
							FY19 Projected Revenue	1,439,000					
							Remaining Available Balance	873,000					
305 SB QUALITY OF LIFE REST.TAX 1%													
69	ENV008	DADE BOULEVARD PEDESTRIAN PATHWAY TREE ENHANCEMENTS (Tree Canopy Meridian Ave West to Islands)	-	-	-	-	-	225,000	-	-	-	-	225,000
70	PWK010	SOUTH BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS	-	-	-	280,000	-	-	-	-	-	-	-
71	PWK011	BAYWALK 10TH TO 12TH STREET	-	-	-	310,000	310,000	-	-	-	-	-	310,000
72	PMG053	BEACHFRONT RESTROOMS-RENOVATIONS (Additional Funding in Items: #49, #58)	-	-	-	45,000	45,000	-	-	-	-	-	45,000
73	PMG054	BASS MUSEUM - ROOF REPLACEMENT	-	-	-	397,000	397,000	-	-	-	-	-	397,000
74	PMG055	FILLMORE - MARQUEE / SIGNAGE REPLACEMENT	-	-	-	87,000	87,000	-	-	-	-	-	87,000
75	PMG057	FILLMORE - SITE LIGHTING RENOVATIONS - PHASE 2 (Additional Funding in Item: #136)	-	-	-	-	-	50,000	-	-	-	-	50,000
76	PMG058	BOTANICAL GARDENS - ROOF COATING AND REPAIRS	-	-	-	50,000	50,000	-	-	-	-	-	50,000
77	PMG059	BASS MUSEUM - FREIGHT ELEVATOR MODERNIZATION	-	-	-	100,000	100,000	-	-	-	-	-	100,000
78	PMG060	COLONY THEATER - SOUND AND VIDEO SYSTEM UPGRADE	-	-	-	95,000	-	-	-	-	-	-	-
79	PMG061	BASS MUSEUM - ADMINISTRATION OFFICE FLOORING REPLACEMENT	-	-	-	44,000	-	-	-	-	-	-	-
80	PMG078	BEACH SHOWER DRAINAGE SYSTEM PHASE II (Additional Funding in Items: #50, #59)	-	-	-	70,000	70,000	-	-	-	-	-	70,000
81	PMG091	BEACHWALK DRAINAGE - SOUTH POINTE PARK TO 23RD ST (Additional Funding in Item: #61)	-	-	-	300,000	220,000	-	-	-	-	-	220,000
82	PKS038	SOUTH POINTE PARK - FISHING PIER RAILING REPLACEMENT	-	-	-	-	-	500,000	-	-	-	-	500,000
83	PKS039	SOUTH POINTE PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	897,000	-	-	-	-	897,000
84	PKS040	SOUTH POINTE PARK SPLASH PAD SPRAYER SYSTEM AND SAFETY SURFACE REPLACEMENT	-	-	-	-	-	-	-	150,000	-	-	150,000
85	PKS041	FLAMINGO PARK, NORTH-SOUTH WALKWAY/PROMENADE REPLACEMENT	-	-	-	-	-	-	-	600,000	-	-	600,000
86	PKS042	LUMMUS PARK PLAYGROUND REPLACEMENT 2	-	-	-	-	-	-	-	-	317,500	-	317,500
87	20187	LUMMUS PARK MUSCLE BEACH UPGRADE (Additional Funding in Item: #124)	200,000	-	-	32,000	32,000	-	-	-	-	-	232,000
Fund Total:			200,000	-	-	1,810,000	1,311,000	1,672,000	-	750,000	317,500	-	4,250,500
							305 Available Balance	-					
							FY19 Projected Revenue	1,311,000					
							Remaining Available Balance	-					
302 PAY-AS-YOU-GO													
88	ENV001	ENERGY SUB-METERS INSTALLATION ON MUNICIPAL BLDGS	-	-	-	68,000	68,000	-	-	-	-	-	68,000
89	ENV002	FLEET MANAGEMENT FACILITY CONTAMINATION REMEDIATION	-	-	-	111,000	111,000	-	-	-	-	-	111,000
90	ENV003	INDIAN CREEK LIVING SHORELINE	-	-	-	139,000	30,000	939,000	-	-	-	-	969,000
91	ENV005	FLAMINGO NEIGHBORHOOD HURRICANE REFORESTATION	-	-	-	-	-	-	413,000	-	-	-	413,000
92	ENV006	NAUTILUS NEIGHBORHOOD HURRICANE REFORESTATION	-	-	-	660,000	-	-	-	-	-	-	-
93	ENV007	LAKE PANCOAST NEIGHBORHOOD HURRICANE REFORESTATION	-	-	-	-	-	165,000	-	-	-	-	165,000
94	ENV010	WATERWAY RESTORATION DREDGING (City-Owned Canals in North Beach)	-	-	-	127,000	-	1,650,000	-	-	-	-	1,650,000

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
95	FIR001	OUTDOOR TRAINING FACILITY (FIRE)	-	-	-	100,000	100,000	-	-	-	-	-	100,000
96	HCS001	BUILDOUT of 1701 4TH FLOOR FOR HOUSING PROGRAMS	-	-	-	100,000	100,000	-	-	-	-	-	100,000
97	PKS001	BELLE ISLE PARK BERMUDA GRASS INSTALLATION	-	-	-	40,000	40,000	-	-	-	-	-	40,000
98	PKS004	FLAMINGO PARK IRRIGATION AT BASEBALL FIELD	-	-	-	86,000	86,000	-	-	-	-	-	86,000
99	PKS015	PARK VIEW ISLAND ANNEX - DOG PARK	-	-	-	67,000	67,000	-	-	-	-	-	67,000
100	PKS023	FLAMINGO PARK BASEBALL OUTFIELD NETTING	-	-	-	129,000	129,000	-	-	-	-	-	129,000
101	PKS024	BUOY PARK REFORESTATION IMPROVEMENTS	-	-	-	150,000	150,000	-	-	-	-	-	150,000
102	PKS025	NORMANDY SHORES SHADE STRUCTURE	-	-	-	44,000	44,000	-	-	-	-	-	44,000
103	PMG008	SOUTH SHORE COMMUNITY CENTER-PLAYGROUND AREA TREE ROOT MITIGATION AND FLOORING REPLACEMENT (Additional Funding in Item: #9)	-	-	-	65,000	65,000	-	-	-	-	-	65,000
104	PMG010	1755 MERIDIAN-CHILLER REPLACEMENT	-	-	-	107,000	107,000	-	-	-	-	-	107,000
105	PMG089	SMART BUILDING AUTOMATION SYSTEM- LIGHTING & HVAC CONTROLS	-	-	-	100,000	-	-	-	-	-	-	-
106	PMG093	SMART CARD ACCESS SYSTEM-CITYWIDE - PHASE I	-	-	-	250,000	250,000	-	-	-	-	-	250,000
107	PMG098	CITY HALL ENERGY EFFICIENT BUILDING RETROFITS	-	-	-	156,000	156,000	-	-	-	-	-	156,000
108	PWK003	NORTH BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS (Additional Funding in Item: #51)	-	-	-	113,000	113,000	-	-	-	-	-	113,000
109	PWK006	MIDDLE BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS (Additional Funding in Item: #63)	-	-	-	94,000	94,000	-	-	-	-	-	94,000
110	PWK008	FLORIDA-FRIENDLY LANDSCAPE AND EDUCATIONAL GARDENS AT CITY HALL	-	-	-	77,000	-	-	-	-	-	-	-
111	PWK009	INDIAN CREEK LANDSCAPE & IRRIGATION DESIGN & INSTALLATION	-	-	-	473,000	473,000	-	-	-	-	-	473,000
112	PKS026	PARK RANGER HEADQUARTER RENOVATION (INCLUDING PERIMETER FENCE)	-	-	-	-	-	475,000	-	-	-	-	475,000
113	PKS027	NORMANDY SHORES GOLF CLUB-REPLACEMENT OF IRRIGATION AND DRAINAGE PUMPS	-	-	-	-	-	50,000	-	-	-	-	50,000
114	PKS028	NORTH SHORE PARK & YOUTH CENTER PLAYGROUND REPLACEMENT	-	-	-	-	-	450,000	-	-	-	-	450,000
115	PKS029	CITYWIDE PATH REPAIRS	-	-	-	-	-	50,000	50,000	50,000	50,000	-	200,000
116	PKS030	CITYWIDE COURT REPAIRS	-	-	-	-	-	150,000	130,000	130,000	138,000	-	548,000
117	PKS031	CITYWIDE FITNESS COURSE REPLACEMENT	-	-	-	-	-	212,000	170,000	80,000	-	-	462,000
118	PKS032	CITYWIDE RESTROOM IMPROVEMENTS (PAINTING INT/EXT & FIXTURE REPAIRS)	-	-	-	-	-	300,000	300,000	300,000	300,000	-	1,200,000
119	PKS033	FISHER PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	486,000	-	-	-	486,000
120	PKS034	CRESPI PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	276,000	-	276,000
121	PKS035	POLO PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	390,000	-	390,000
122	PKS036	STILLWATER PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	570,000	-	570,000
123	PKS037	TATUM PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	360,000	-	360,000
124	20187	LUMMUS PARK MUSCLE BEACH UPGRADE (Additional Funding in Item: #87)	-	-	-	68,000	68,000	-	-	-	-	-	68,000
125	20418	COLLINS PARK PERFORMING ARTS VENUE- ROTUNDA RESTROOMS- Pending FCWPC discussion	-	-	-	175,000	175,000	-	-	-	-	-	175,000
126	20237	FAC FAIRWAY PARK-DRAINAGE AND PLAYGROUND	1,181,000	91,000	-	670,000	-	-	-	-	-	-	1,272,000
127	20819	555 BUILDING REPLACEMENT	-	-	8,931,000	-	-	-	-	-	-	-	-
128	20918	BRITTANY BAY PARK (OVERLOOKS & LIVING SHORELINE)	-	772,000	-	471,000	471,000	-	-	-	-	-	1,243,000
129	21118	STILLWATER ENTRANCE SIGN	-	-	-	163,000	-	-	-	-	-	-	-
130	21660	PARKS MAINTENANCE FACILITY	-	-	-	-	-	1,989,000	-	-	-	-	1,989,000

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
131	23220	NORTH SHORE NEIGH. IMPROVEMENTS (SURVEYING COSTS) (Additional Funding in Items: #159, #196, #205)	-	-	-	150,000	150,000	-	-	-	-	-	150,000
132	60011	IRRIGATION SYSTEM MACARTHUR CAUSEWAY	-	-	-	-	-	-	-	28,000	-	-	28,000
Fund Total:			1,181,000	863,000	8,931,000	4,953,000	3,047,000	6,430,000	1,549,000	588,000	2,084,000	-	15,742,000
							302 Available Balance	-					
							FY19 Projected Revenue	2,370,000					
							FY19 Projected RDA Amendment	872,000					
							Remaining Available Balance	195,000					
142 7TH STREET GARAGE													
133	PMG069	7TH STREET GARAGE - DOOR REPLACEMENTS	-	-	-	50,000	50,000	-	-	-	-	-	50,000
Fund Total:			-	-	-	50,000	50,000	-	-	-	-	-	50,000
							142 Available Balance	2,022,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	1,972,000					
158 CONCURRENCY MITIGATION FUND													
134	28080	INTELLIGENT TRANSPORT SYSTEM	2,060,000	5,555,000	1,469,000	6,641,000	6,641,000	-	-	-	-	-	14,256,000
Fund Total:			2,060,000	5,555,000	1,469,000	6,641,000	6,641,000	-	-	-	-	-	14,256,000
							158 Available Balance	7,186,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	545,000					
164 RDA CITY CENTER RENEWAL & REPLACEMENT													
135	PMG056	COLONY THEATER - FIRE ALARM SYSTEM UPGRADE	-	-	-	78,000	78,000	-	-	-	-	-	78,000
136	PMG057	FILLMORE - SITE LIGHTING RENOVATIONS (Additional Funding in Item: #75)	-	-	-	60,000	60,000	-	-	-	-	-	60,000
Fund Total:			-	-	-	138,000	138,000	-	-	-	-	-	138,000
							164 Available Balance	138,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	-					
165 NON - TIF RDA FUND													
137	23270	CITY CENTER COMMERCIAL DISTRICT BPB (ROW & STREETSCAPE) (Additional Funding in Items: #144, #197, #206)	-	-	-	-	-	-	7,242,000	-	-	-	7,242,000
138	29300	LINCOLN RD LENOX TO COLLINS WITH SIDE STREETS (Additional Funding in Items: #145, #160, #207)	-	6,865,154	-	(6,865,154)	(6,865,154)	-	-	-	-	-	-
Fund Total:			-	6,865,154	-	(6,865,154)	(6,865,154)	-	7,242,000	-	-	-	7,242,000
							165 Available Balance	90,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	6,955,154					
171 LOCAL OPTION GAS TAX													
139	TRN011	SR A1A/COLLINS AVE INTERSECTION IMPROVEMENTS AT 36TH ST, 83RD ST, & 87TH ST	-	-	-	559,000	559,000	-	-	-	-	-	559,000
Fund Total:			-	-	-	559,000	559,000	-	-	-	-	-	559,000
							171 Available Balance	387,000					
							FY19 Projected Revenue	375,000					
							Remaining Available Balance	203,000					

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
187 HALF CENT TRANS. SURTAX COUNTY													
140	TRN001	ROYAL PALM AVENUE AND 46TH STREET TRAFFIC CIRCLE	-	-	-	107,000	107,000	-	-	-	-	-	107,000
141	TRN010	MERIDIAN AVENUE PEDESTRIAN CROSSING IMPROVEMENTS	-	-	-	410,000	410,000	-	-	-	-	-	410,000
142	27870	72ND STREET PROTECTED BIKE LANE	239,000	-	350,000	280,000	280,000	-	-	-	-	-	519,000
Fund Total:			239,000	-	350,000	797,000	797,000	-	-	-	-	-	1,036,000
187 Available Balance							797,000						
FY19 Projected Revenue							-						
Remaining Available Balance							-						
301 CAPITAL PROJECTS FINANCED BY OTHER FUNDS -8701 COLLINS AVENUE DEVELOPMENT AGREEMENT													
143	27950	NORTH BEACH OCEANSIDE PARK REDEVELOPMENT	650,000	4,060,000	5,000,000	-	3,750,000	1,250,000	-	-	-	-	9,710,000
Fund Total:			650,000	4,060,000	5,000,000	-	3,750,000	1,250,000	-	-	-	-	9,710,000
301 Available Balance							2,500,000						
FY19 Projected Revenue							1,250,000						
Remaining Available Balance							-						
365 CITY CENTER RDA CAPITAL FUND													
144	23270	CITY CENTER COMMERCIAL DISTRICT BPB (ROW & STREETSCAPE) (Additional Funding in Items: #137, #197, #206)	13,804,930	-	-	-	-	-	3,958,000	-	-	-	17,762,930
145	29300	LINCOLN RD LENOX TO COLLINS WITH SIDE STREETS (Additional Funding in Items: #138, #160, #207)	-	-	2,000,000	26,021,000	20,000,000	-	-	-	-	-	20,000,000
Fund Total:			13,804,930	-	2,000,000	26,021,000	20,000,000	-	3,958,000	-	-	-	37,762,930
365 Available Balance							4,277,000						
FY19 Projected Revenue							20,000,000						
Remaining Available Balance							4,277,000						
379 SOUTH POINTE RDA													
146	20587	1ST STREET-ALTON RD TO WASHINGTON (Additional Funding in Item: #192)	-	-	-	1,000,000	1,000,000	-	-	-	-	-	1,000,000
147	29860	FLAMINGO 10G-6 ST. ROW IMPROVEMENTS	3,501,399	-	-	(1,000,000)	(1,000,000)	-	-	-	-	-	2,501,399
Fund Total:			3,501,399	-	-	0	0	-	-	-	-	-	3,501,399
379 Available Balance							477,000						
FY19 Projected Revenue							-						
Remaining Available Balance							477,000						
418 WATER & SEWER PROJECTS FUNDED FROM OPERATIONS													
148	60419	DERM & EPA CONSENT DECREE (Sanitary Sewer Evaluation Survey) (Additional Funding in Item: #208)	-	-	400,000	-	400,000	-	-	-	-	-	400,000
149	61180	CITYWIDE W&S MAIN ASSESSMENT (Additional Funding in Item: #209)	-	-	800,000	-	-	-	-	-	-	-	-
Fund Total:			-	-	1,200,000	-	400,000	-	-	-	-	-	400,000
418 Available Balance							400,000						
FY19 Projected Revenue							-						
Remaining Available Balance							-						

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
419 2017 WATER & SEWER BONDS													
150	20422	FLAMINGO NEIGHBORHOOD (Additional Funding in Items: #157, #190, #200)	-	-	-	300,000	-	-	-	-	-	-	-
151	20719	SCADA AND PLC SYSTEMS (Additional Funding in Items: #154, #193)	-	-	1,512,500	-	1,512,500	-	-	-	-	-	1,512,500
152	23240	LA GORCE NEIGHBORHOOD IMPROVEMENTS (Additional Funding in Item: #155)	297,347	-	44,702,653	-	-	-	-	-	-	-	297,347
153	60319	WATER METER REPLACEMENT PROGRAM	-	-	250,000	1,750,000	2,000,000	-	-	-	-	-	2,000,000
Fund Total:			297,347	-	46,465,153	2,050,000	3,512,500	-	-	-	-	-	3,809,847
							419 Available Balance	49,362,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	45,849,500					
429 2017 STORMWATER BONDS													
154	20719	SCADA AND PLC SYSTEMS (Additional Funding in Items: #151, #193)	-	-	-	1,237,500	1,237,500	-	-	-	-	-	1,237,500
155	23240	LA GORCE NEIGHBORHOOD IMPROVEMENTS (Additional Funding in Item: #152)	-	-	20,000,000	20,000,000	-	-	-	-	-	-	-
Fund Total:			-	-	20,000,000	21,237,500	1,237,500	-	-	-	-	-	1,237,500
							429 Available Balance	40,784,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	39,546,500					
433/320 STORMWATER/GENERAL CAPITAL PROJECTS - MDC ILA													
156	PWK013	ORCHARD PARK (Additional Funding in Item: #183)	-	-	-	250,000	250,000	-	-	-	-	-	250,000
157	20422	FLAMINGO NEIGHBORHOOD (Additional Funding in Items: #150, #190, #200)	-	-	-	300,000	-	-	-	-	-	-	-
158	21220	INDIAN CREEK STREET DRAINAGE IMP.	-	-	-	1,500,000	1,500,000	-	-	-	-	-	1,500,000
159	23220	NORTH SHORE NEIGH. IMPROVEMENTS (SURVEYING COSTS) (Additional Funding in Items: #131, #196, #205)	-	-	-	450,000	450,000	-	-	-	-	-	450,000
160	29300	LINCOLN RD LENOX TO COLLINS WITH SIDE STREETS (Additional Funding in Items: #138, #145 #207)	-	-	5,035,000	-	-	-	-	-	-	-	-
Fund Total:			-	-	5,035,000	2,500,000	2,200,000	-	-	-	-	-	2,200,000
							320 Available Balance	22,315,000					
							433 Available Balance	11,574,000					
							FY19 Projected Revenue	19,359,000					
							Remaining Available Balance	51,048,000					
440 CONVENTION CENTER OPERATIONS/CONVENTION DEVELOPMENT TAX													
161	28170	CONVENTION CENTER PARK (ELECTRICAL & STRUCTURAL FOOTINGS ENHANCEMENTS)	-	-	-	1,500,000	1,500,000	-	-	-	-	-	1,500,000
162	TCD001	CARL FISHER CLUBHOUSE COMMERCIAL KITCHEN RENOVATION	-	-	-	244,950	244,950	-	-	-	-	-	244,950
Fund Total:			-	-	-	1,744,950	1,744,950	-	-	-	-	-	1,744,950
							440 Available Balance	5,594,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	3,849,050					
463 RDA- GARAGE FUND													
163	PMG073	16TH STREET GARAGE (ANCHOR) - PAINTING	-	-	-	100,000	100,000	-	-	-	-	-	100,000
Fund Total:			-	-	-	100,000	100,000	-	-	-	-	-	100,000
							463 Available Balance	2,371,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	2,271,000					

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
	467 PENN GARAGE FUND												
164	PMG062	PENN GARAGE - NEW LIGHTING DISPLAY	-	-	-	135,000	135,000	-	-	-	-	-	135,000
Fund Total:			-	-	-	135,000	135,000	-	-	-	-	-	135,000
467 Available Balance							1,009,000						
FY19 Projected Revenue							-						
Remaining Available Balance							874,000						
	480/490 PARKING CAPITAL												
165	PMG067	13TH STREET GARAGE - DOMESTIC WATER SYSTEM UPGRADE	-	-	-	33,000	33,000	-	-	-	-	-	33,000
166	PMG068	17TH STREET GARAGE - 1ST FLOOR OFFICE RENOVATION	-	-	-	45,000	45,000	-	-	-	-	-	45,000
167	PMG071	SURFACE LOTS (CITYWIDE) - LANDSCAPING IMPROVEMENTS	-	-	-	100,000	100,000	-	-	-	-	-	100,000
168	20031	NORTH BEACH PARKING GARAGE	-	-	-	-	-	-	-	-	-	10,000,000	10,000,000
169	29580	RENOVATE SURFACE LOT AT 6976 INDIAN CREEK DRIVE	-	-	-	191,000	191,000	-	-	-	-	-	191,000
170	20107	GARAGE AT P55 - 2660 COLLINS AVENUE	-	-	7,300,000	-	-	-	-	-	-	-	-
171	60119	17TH STREET PARKING GARAGE COATING	-	-	2,000,000	-	2,000,000	2,000,000	-	-	-	-	4,000,000
172	60120	13TH STREET PARKING GARAGE COATING	-	-	-	-	-	800,000	-	-	-	-	800,000
Fund Total:			-	-	9,300,000	369,000	2,369,000	2,800,000	-	-	-	10,000,000	15,169,000
490 Available Balance							7,367,000						
FY19 Projected Revenue							-						
Remaining Available Balance							4,998,000						
	510 FLEET MANAGEMENT FUND												
173	FLT001	¹ FY19 VEHICLE/EQUIPMENT REPLACEMENT	-	-	-	3,030,000	3,030,000	-	-	-	-	-	3,030,000
Fund Total:			-	-	-	3,030,000	3,030,000	-	-	-	-	-	3,030,000
510 Available Balance							-						
FY19 Projected Revenue							3,030,000						
Remaining Available Balance							-						
	550 COMMUNICATIONS FUND												
174	22018	FIBER COMMUNICATIONS INSALLATION (ALONG ALTON ROAD- MICHIGAN AVE TO 63RD STREET)	-	102,000	59,000	-	59,000	131,000	-	-	-	-	292,000
Fund Total:			-	102,000	59,000	-	59,000	131,000	-	-	-	-	292,000
550 Available Balance							456,000						
FY19 Projected Revenue							-						
Remaining Available Balance							397,000						
	Stormwater - Future Bonds												
175	PMG075	PUBLIC WORKS FACILITY - PUMP STATION BUILDING RENOVATION - 451 DADE BLVD (Additional Funding in Item: #198)	-	-	-	2,300,000	-	-	-	-	-	-	-
176	PWK014	ALLISON ISLAND NORTH	-	-	-	-	-	-	-	-	-	6,154,321	6,154,321
177	PWK015	BELLE ISLE	-	-	-	-	-	-	-	-	-	4,550,621	4,550,621
178	PWK016	BISCAYNE BEACH	-	-	-	-	-	-	-	-	-	20,445,421	20,445,421
179	PWK017	BISCAYNE POINT	-	-	-	-	-	-	-	-	-	13,266,321	13,266,321
180	PWK018	CENTRAL BAYSHORE	-	-	-	-	-	-	-	-	-	7,963,400	7,963,400
181	PWK019	INDIAN CREEK PARKWAY	-	-	-	-	-	-	-	-	-	9,217,121	9,217,121
182	PWK020	LA GORCE ISLAND	-	-	-	-	-	-	-	-	9,104,921	-	9,104,921
183	PWK013	ORCHARD PARK (Additional Funding in Item: #156)	-	-	-	-	-	5,000,000	-	-	-	8,688,421	13,688,421
184	PWK022	NORMANDY SHORES	-	-	-	-	-	-	-	-	-	29,147,027	29,147,027
185	PWK023	PARK VIEW ISLAND	-	-	-	-	-	-	-	-	-	4,759,121	4,759,121
186	PWK024	STAR ISLAND	-	-	-	-	-	-	-	-	-	6,032,621	6,032,621

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
187	PWK025	SUNSET ISLAND 1	-	-	-	-	-	-	-	5,319,421	-	-	5,319,421
188	PWK026	SUNSET ISLAND 2	-	-	-	-	-	-	-	7,446,121	-	-	7,446,121
189	PWK027	TOWN CENTER	-	-	-	-	-	20,110,421	-	-	-	-	20,110,421
190	20422	FLAMINGO NEIGHBORHOOD (Additional Funding in Items: #150, #157, #200)	-	-	-	-	-	-	-	111,708,242	-	-	111,708,242
191	20522	NAUTILUS NEIGHBORHOOD	-	-	-	250,000	-	-	-	29,236,421	-	-	29,236,421
192	20587	1ST STREET-ALTON RD TO WASHINGTON (Additional Funding in Item: #146)	-	-	-	-	-	24,070,741	-	-	-	-	24,070,741
193	20719	SCADA AND PLC SYSTEMS (Additional Funding in Items: #151, #154)	-	-	-	-	-	1,237,500	-	-	-	-	1,237,500
194	20922	NORMANDY ISLES DRAINAGE IMPROVEMENT	-	-	-	-	-	-	-	42,009,722	-	-	42,009,722
195	22418	MT. SINAI STORMWATER PUMP STATION (Additional Funding in Item: #204)	-	-	-	-	-	13,227,421	-	-	-	-	13,227,421
196	23220	NORTH SHORE NEIGH. IMPROVEMENTS (Additional Funding in Items: #131, #159, #205)	-	-	-	-	-	40,627,421	-	-	-	-	40,627,421
197	23270	CITY CENTER COMMERCIAL DISTRICT BPB (ROW & STREETSCAPE)(Additional Funding in Items: #137, #144, #206)	-	-	-	-	-	-	40,227,421	-	-	-	40,227,421
Fund Total:			-	-	-	2,550,000	-	104,273,504	40,227,421	195,719,927	9,104,921	110,224,395	459,550,168
Water & Sewer - Future Bonds/Future R&R Cash													
198	PMG075	PUBLIC WORKS FACILITY - PUMP STATION BUILDING RENOVATION - 451 DADE BLVD (Additional Funding in Item: #175)	-	-	-	2,300,000	-	-	-	-	-	-	-
199	PWK012	ALTON ROAD UTILITIES	-	-	-	-	-	-	-	9,000,000	-	-	9,000,000
200	20422	FLAMINGO NEIGHBORHOOD (Additional Funding in Items: #150, #157, #190)	-	-	-	-	-	-	-	20,000,000	-	-	20,000,000
201	20519	WATER AND SEWER ON VENETIAN BRIDGE	-	-	-	-	-	4,500,000	-	-	-	-	4,500,000
202	20619	WASTE WATER STATIONS REHABILITATION	-	-	-	-	-	4,500,000	-	-	-	-	4,500,000
203	21020	ALTON RD. WATER MAIN IMPROVEMENTS	-	-	-	-	-	9,000,000	-	-	-	-	9,000,000
204	22418	MT. SINAI STORMWATER PUMP STATION (Additional Funding in Item: #195)	-	-	-	-	-	5,000,000	-	-	-	-	5,000,000
205	23220	NORTH SHORE NEIGH. IMPROVEMENTS (Additional Funding in Items: #131, #159, #196)	-	-	-	-	-	-	15,000,000	-	-	-	15,000,000
206	23270	CITY CENTER COMMERCIAL DISTRICT BPB (ROW & STREETSCAPE) (Additional Funding in Items: #137, #144, #197)	-	-	-	-	-	-	5,600,000	5,600,000	-	-	11,200,000
207	29300	LINCOLN RD LENOX TO COLLINS WITH SIDESTREETS (Additional Funding in Items: #138, #145, #160)	-	-	-	-	-	2,000,000	-	-	-	-	2,000,000
208	60419	DERM & EPA CONSENT DECREE (Additional Funding in Item: #148)	-	-	-	-	-	400,000	-	-	-	-	400,000
209	61180	CITYWIDE W&S MAIN ASSESSMENT (Additional Funding in Item: #149)	-	-	-	-	-	800,000	-	-	-	-	800,000
Fund Total:			-	-	-	2,300,000	-	26,200,000	20,600,000	34,600,000	-	-	81,400,000
Future Funding Not Designated													
210	20021	INDIAN CREEK (3) PEDESTRIAN BRIDGES	-	-	-	-	-	-	-	-	-	595,000	595,000
211	20622	LINCOLN ROAD BAY TOWERS BAYWALK	-	-	-	-	-	-	-	-	-	1,778,000	1,778,000
Fund Total:			-	-	-	-	-	-	-	-	-	2,373,000	2,373,000
Grand Total:			22,933,676	17,645,154	100,559,153	78,265,296	47,215,796	143,866,504	83,004,421	231,657,927	12,638,021	123,041,395	682,002,894

FOOTNOTES:
 Unfunded FY 2019 requests will be programmed in future years
¹ FY 2019 vehicle/equipment replacement will be debt-funded

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 20, 2018

SUBJECT: **DISCUSSION ON WATER AND SEWER UTILITY RATES**

ANALYSIS:

The Water and Sanitary Sewer user rate components include a base facility charge, consumption charge, and wholesale purchase pass-through charges from Miami-Dade County Water and Sewer Department (WASD). The base facility charge serves as the monthly minimum service charge on each service, varying with the size of the meter installed. The consumption charge is calculated on metered water consumption. The wholesale purchase pass-through charges are designed to recover the cost of purchased potable water to the City and the sanitary sewer treatment and disposal services as provided by WASD.

The City of Miami Beach was recently notified by WASD that there would not be an increase on the wholesale sanitary sewer purchase pass-through charges for fiscal year 2018/2019.

The City was also notified by WASD of a planned decrease for wholesale water charge of \$0.0713 or 3.89% to begin October 1, 2018. This decrease will be reflected in wholesale purchase pass-through charges from WASD.

On September 27, 2016, City Commission approved Miami-Dade Water and Sewer Department (WASD) pass-through costs and automatic rate increases according to the Consumer Price Index (CPI) as identified in Ordinance 2016-4039. The base facility charge and the consumption charge will be increased for both water and sanitary sewer beginning October 1, 2018 in accordance with the Consumer Price Index (CPI) for the Miami-Fort Lauderdale-West Palm Beach as published by the Bureau of Labor Statistics effective for the month of April 2018 as compared with April of 2017. The CPI increased 3.5% for April 2018.

Operations and maintenance costs have remained within budget for 2017-2018, and revenues are expected to be sufficient for budgeted fiscal year 2018/2019. The existing water and sanitary sewer rate structure was designed to support the cost of the 2017 Water and Sewer bond issuance which was issued in December 2017. Therefore, it is not anticipated that the charges will need to be increased to fund the projected debt service.

Below is an illustration of a cost comparison from fiscal year 2018 and fiscal year 2019 for a single family residential home with a 3/4" water meter.

Sample Residential Water Bill with a 3/4" water meter consuming 7,000 gallons per month

	FY 18	FY 19
*Base Facility Charge	\$ 8.04	\$ 8.32
*Consumption Charge	6.51	6.72

WASD Pass-Through	14.28	13.65
Monthly Charge for Water Consumption	\$ 28.83	\$ 28.69

Sample Residential Sanitary Sewer Bill with a 3/4" water meter at 7,000 gallons per month

	FY 18	FY 19
*Base Facility Charge	\$ 8.69	\$ 8.99
*Consumption Charge	30.66	31.71
WASD Pass-Through	35.00	35.00
Monthly Usage Charge For Sanitary Sewer	\$ 74.35	\$ 75.70

*Subject to the CPI increase

CONCLUSION:

The Administration is presenting this information to the Finance and Citywide Committee in advance of the pending rate change for water and sewer customers.

ATTACHMENTS:

Description	Type
□ Memo to Commission - Sept. 27 2016	Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: September 27, 2016

5:10 p.m. Second Reading Public Hearing

SUBJECT: AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 110 OF THE CODE OF THE CITY OF MIAMI BEACH ENTITLED "UTILITIES," ARTICLE IV, ENTITLED "FEES, CHARGES, RATES AND BILLING PROCEDURE," AT SECTION 110-166, ENTITLED "SCHEDULE OF WATER RATES AND TAPPING CHARGES," AT SECTION 110-168, ENTITLED "SANITARY SEWER SERVICE CHARGE" ARE TO BE AMENDED; AND CREATING SECTION 110-171, ENTITLED "RATE INDEXING," IN ORDER TO ADJUST AND MODIFY HOW WATER AND SANITARY SEWER RATES ARE CALCULATED AND APPLIED; AND ALSO AMENDING APPENDIX A TO CHAPTER 110, ENTITLED "FEE SCHEDULE" TO INCREASE AND RESTRUCTURE THE WATER RATES AND SANITARY SEWER SERVICE CHARGES IMPOSED BY THE CITY PURSUANT TO SECTIONS 110-166, 110-168, AND 110-171; PROVIDING FOR CODIFICATION; REPEALER; SEVERABILITY; AND AN EFFECTIVE DATE.

RECOMMENDATION

The Administration recommends the City Commission adopt such rates to enable collecting revenues sufficient to cover the cost of operating, maintaining, repairing and financing the water and sewer enterprise funds. The Miami-Dade Water and Sewer Department (WASD) proposed a sewer rate increase to all wholesale customers of \$.1598 for sewer per 1000 gallons effective October 1, 2016. In order to further the City goal of sustainability, the Administration is recommending that we transition to a conservation rate structure consistent with the guidance and recommendations of the South Florida Water Management District and approving the Ordinance on Second Reading Public Hearing.

ANALYSIS

The City's utility rates for water and sanitary sewer services are structured to collect the necessary revenues to meet annual operating and maintenance costs of the infrastructure, to cover debt service for water and sewer bonds, to maintain adequate operating fund reserves, and, to pay Miami-Dade County for wholesale water purchased, the treatment of the City's sewage and other fees.

In general, the rates for water supply and sanitary sewer services are based on full cost recovery principles and consist of:

- Pass-through of the wholesale rate the City pays to Miami-Dade County for the purchase of potable water and treatment of sewage;
- Debt service for the Water and Sewer Revenue Bonds;
- Operating and maintenance costs for the water and sewer utility; 8 % fee of previous year total revenue paid to the Miami-Dade County Environmental Resource Management Department (DERM).

Public Resources Management Group, Inc. ("PRMG") was asked to evaluate the current rate structure and propose alternative (redesigned) rates as necessary to recover the costs of providing service given the target monthly user rate revenues for the Fiscal Year 2016/17 for consideration by the City Commission which will incentivize conservation of valuable water resources, meet industry standards regarding cost recovery/rate application to its customers, and maintain rate reasonableness among customers.

The Miami-Dade Water and Sewer Department has informed all wholesale customers that the proposed water rate for FY2016/17 will remain unchanged. WASD has also notified wholesale customers that their proposed sewer rate will be \$2.9477, an increase of \$0.1598 above the current rate of \$2.7879 per 1000 gallons. The cost of the proposed FY2016/17 sewer rate increase to Miami Beach is approximately \$2,926,000. The proposed WASD wholesale water and sewer rates are subject to approval by the Board of County Commissioners at their Public Budget Hearings, scheduled for September 8 and September 22, 2016.

Based on their review of the City's existing rates and projected rate revenues, billing statistics and operating costs, and understanding the City desire to enact a conservation rate, the recommended rate structure adjustments are listed below:

- A) Implementation of water and wastewater monthly base facility charges for the residential class.
- B) Implementation of water and wastewater monthly base facility charges for the general services class (commercial, master-metered residential, government, etc.) that increase based on meter size to recognize the diverse capacity (demand) characteristics among such customers which is consistent with utility rate structure norms and structures recommended by the Florida Public Service Commission (FPSC).
- C) Removal of the minimum water flow in the water minimum service charges to promote conservation and provide a pricing structure where water consumption charges are based solely on the amount of water a consumer uses:
- D) Implementation of tiered water rates to incentivize water conservation to those customers with discretionary water use (i.e., individually metered residential and irrigation customers); and
- E) Provide a cost recovery mechanism to promote long-term rate sustainability by the implementation of a purchased water and wastewater pass-through and price index rate adjustment.

Water Revenue Review and Recommendation

All operational expenditure increases related to the proposed cost of living adjustment to salaries, increased costs of health insurance and pension, and increases in other operating costs can be absorbed without the requirement to increase the water rate. PRMG is proposing to modify the monthly billing to consist of: i) a base facility charge which serves as the monthly minimum service charge on each service installed, based upon the size of the meter installed in accordance with the standards of the Public Works Department; ii) a water consumption charge; and iii) a purchased water pass-through adjustment rate to recover the cost of purchased water

as billed by the Miami-Dade Water and Sewer Department (WASD). The monthly water user rates charged for service have been proposed and may be adjusted from time to time.

PRMG also recommends that a monthly base facility charge be billed to all privately-owned fire protection systems and equipment connected to the city water system based on the size of the service line connecting the private system to the City's system. These systems provide fire protection and are not metered. The recommended monthly base facility charges are as follows:

Proposed Fire Protection Fees By Meter Size	
Base Facility Charge (per meter size)	Rate
2-inch	\$9.34
3-inch	17.18
4-inch	26.00
6-inch	50.50
8-inch	79.90
10-inch	114.20

The derivation of these charges are based on the methodology utilized by the Florida Public Service Commission (the "FPSC") in the regulation of private utilities that is often applied by public utilities in the State of Florida. In accordance with Section 25-30.465 of the Florida Administrative Code:

25-30.465 Private Fire Protection Rates.

The rate for private fire protection service shall be a charge based on the size of the connection rather than the number of fixtures connected. The rate shall be one-twelfth the current base facility charge of the utility's meter sizes, unless otherwise supported by the utility.

Sewer Revenue Review and Recommendation

A significant portion of the sewer rate revenue requirement consists of the WASD charges for sewer treatment which has increased by six percent or approximately \$3 million and DERM fees of approximately \$400,000. The debt service is also proposed to increase by \$2.5 million. Similar to the water rate, the revenue requirements will be met utilizing a base facility charge which will serve as the monthly minimum service charge, a consumption charge, and WASD pass through charges.

Based on the rate determination methodology established, PRMG also recommends the City should increase the wastewater wholesale rates charged to the Village of Bal Harbour, the Town of Bay Harbor Islands, and the Town of Surfside (collectively, the "Satellite Cities") from \$3.1050 to \$3.2705 per 1,000 gallons of service effective October 1, 2016.

Typical Proposed Rate Comparison

3/4"-Meter Residential Customer - Domestic

	Fiscal Year 2016	Fiscal Year 2017	Difference
Water Rates			
Minimum Service Charge / Base Facility Charge	\$22.15	\$7.82	

Consumption Charge per 1,000 Gallons			
0 to 4,000 Gallons	\$0.00	\$0.63	[1]
4,001 to 5,000 Gallons	0.00	1.42	[1]
5,001 to 8,000 Gallons	4.61	1.42	[1]
8,001 to 16,000 Gallons	4.61	2.21	[1]
16,001 to 24,000 Gallons	4.61	2.99	[1]
Over 24,000 Gallons	4.61	3.78	[1]
Purchased Water Pass-Through Rate per 1,000 Gallons (All Usage)		\$1.93	[1]

Wastewater Rates

Base Facility Charge	N/A	\$8.45	
Consumption Charge per 1,000 Gallons (All Flow)			
All Flow per 1,000 Gallons	\$8.23	\$4.26	[2]
Purchased Sewer Pass-Through Rate per 1,000 Gallons (All Flow)	N/A	\$4.76	[2]

Bill Comparison

Monthly Cost to 10,000 Gallon Customer			
Water	\$45.20	\$39.74	(\$5.46)
Wastewater	82.30	98.65	16.35
Combined	\$127.50	\$138.39	\$10.89
Monthly Cost to 5,000 Gallon Customer			
Water	\$22.15	\$21.41	(\$0.74)
Wastewater	41.15	53.55	12.40
Combined	\$63.30	\$74.96	\$11.66

Footnotes:

[1] The water consumption charge per 1,000 gallons and purchased water pass-through rate per 1,000 gallons are additive

[2] The wastewater consumption charge per 1,000 gallons and purchased sewer pass-through rate per 1,000 gallons are additive

CONCLUSION

The Administration recommends approving the Ordinance on Second Reading Public Hearing.

KEY INTENDED OUTCOMES SUPPORTED

Ensure Expenditure Trends Are Sustainable Over The Long Term

Legislative Tracking

Public Works

Sponsor

Commissioner Ricky Arriola

ATTACHMENTS:

Description

D Ordinance

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 20, 2018

SUBJECT: **DISCUSSION ON THE STORMWATER UTILITY RATES**

HISTORY:

At its April 23, 2014 meeting, the City Commission approved Resolution 2014-28580 accepting the recommendations of the Mayor's Blue Ribbon Panel on Flooding and Sea Rise to design and implement the upgrade of the City's storm drainage system to meet the new design criteria set by the City Commission with a potential estimated cost of \$400 million and with the completion time of 3 to 5 years.

At its May 20, 2014 meeting, the Finance and Citywide Projects Committee (FCWPC) presented the funding strategy for this program, and recommended the issuance of three separate \$100 million stormwater tranches. The first bond was issued in July, 2015, the second bond was issued in December, 2017 and the third bond issuance is anticipated in fiscal year 2022. The remainder of the required funds are being provided by the 2015 updated interlocal agreement between the City and Miami-Dade County regarding the former Convention Development Tax.

The Stormwater Utility has experienced annual increases in certain fixed costs. As a result, the City Commission adopted Ordinance 2017-4145 on October 18, 2017 to impose an automatic annual adjustment in the rates charged for services of the Stormwater Utility equal to the Consumer Price Index (CPI) published by the Bureau of Labor Statistics for the month of April 2017. The CPI as of April 2017 was 2.8%. As a result of the 2017 rate ordinance, the monthly rate for service from the Stormwater Utility was increased from \$22.67 to \$23.30 effective October 1, 2017.

ANALYSIS:

A feasibility study was completed by Public Resources Management Group in December 2017 for the issuance of the Stormwater Revenue and Refunding Bonds, Series 2017. In this rate study, projected revenues were based on a schedule of rates as adopted by City Commission on October 17, 2017. The application of the assumed rate indexing adjustment of 3.5% and an additional rate adjustment of approximately 19.7% anticipated to be effective October 1, 2018 would be necessary to provide sufficient revenues to meet the requirements for the issuance of the Series 2022 Bonds and to provide funding for future capital improvements. This equates to an equivalent residential unit adjustment to \$28.87 per month for fiscal year 18/19, a 23.20% increase. This rate increase will provide sufficient revenues in order to issue the Series 2022 bonds. Additional increases are not required for future years as a result of this borrowing.

Based on current estimates of revenues and the cost of improvements currently contemplated in the program, if the rate increase currently recommended to finance such improvements is not approved by the City Commission,

the City may have to delay or forego certain improvements or find alternative sources of funding to implement such improvements.

CONCLUSION:

The preceding is presented to the members of the Committee for information and discussion.

ATTACHMENTS:

Description		Type
<input type="checkbox"/>	Stormwater Financial Feasibility Report 12/07/2017	Other
<input type="checkbox"/>	Stormwater Project Map 2017	Other
<input type="checkbox"/>	Stormwater Master Plan	Other

CITY OF MIAMI BEACH, FLORIDA

MIAMI BEACH

FINANCIAL FEASIBILITY REPORT
for the Issuance of

**Stormwater Revenue and
Revenue Refunding Bonds, Series 2017**

December 7, 2017

Appendix C



Public Resources Management Group, Inc.

Utility, Rate, Financial and Management Consultants



Public Resources Management Group, Inc.

Utility, Rate, Financial and Management Consultants

December 7, 2017

Honorable Mayor and
Members of the City Commission
City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33129

Subject: **Financial Feasibility Report – City of Miami Beach, Florida
Stormwater Revenue and Revenue Refunding Bonds, Series 2017**

Ladies and Gentlemen:

Presented herein is the Financial Feasibility Report prepared by Public Resources Management Group, Inc. ("PRMG" and the "Feasibility Consultant") in its capacity as the feasibility consultant to the City of Miami Beach, Florida (the "City") for inclusion in the Official Statement that summarizes our analyses, studies and conclusions with regard to the proposal by the City to issue in the principal amount of approximately \$154,745,000 tax-exempt Stormwater Revenue and Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"). The City is expected to use the proceeds from the Series 2017 Bonds to: i) advance refund and defease approximately \$44,270,000 of the Stormwater Revenue Bonds, Series 2011A; ii) advance refund and defease approximately \$25,265,000 of the Stormwater Revenue Refunding Bonds, Series 2011B; iii) finance a portion of the costs of certain capital improvements currently contemplated as part of the City's multi-year program to improve and enhance the effectiveness and reliability of the City's stormwater utility system (the "System") (the "Series 2017 Project"); and iv) pay certain expenses related to the issuance and sale of the Series 2017 Bonds and the refunding of the Bonds to be refunded. This report recognizes only the effects of the portion of the Series 2017 Bonds associated with the financing of the Series 2017 Project. Should the City refund portions of the Stormwater Revenue Bonds, Series 2011A and the Stormwater Revenue Refunding Bonds, Series 2011B as mentioned above, the financial projections presented herein would be improved. For the purposes of this report, it has been assumed that the City will issue approximately \$87,650,000^[1] of tax-exempt Stormwater Revenue Bonds, Series 2017 (the "Series 2017 Revenue Bonds").

Capitalized undefined terms referenced in this letter shall have the meaning ascribed thereto in the Bond Resolution as defined hereinafter.

[1] Preliminary; as of November 20, 2017, assuming a 3.985500% All-In True Interest Cost ("TIC"), as provided by the City's Financial Advisor and is subject to change based on actual sale of the Series 2017 Bonds.

The primary purpose of this report is to provide information for parties reviewing the Official Statement associated with the issuance of the Series 2017 Bonds (the "Official Statement"). This report provides a summary of the financial projections of the System operations for the fiscal years ending September 30, 2018 through 2022 (the "Forecast Period") and the ability of the projected revenues derived from System operations to meet the forecasted expenditure and funding obligations of the System. The report includes, among other things, a presentation and discussion of: i) recent historical and projected billing determinants and customer growth for the System; ii) historical and projected System revenues; iii) the capital improvement needs anticipated to be financed by System operations, including the capital improvements to be financed by the Series 2017 Revenue Bonds, as well as other sources; and iv) the recent historical and projected financial operating results of the System. The projections of financial operating results include estimates of the System's ability to meet the rate covenant requirements of Resolution No. 2000-24127 adopted by the Commission of the City of Miami Beach, Florida (the "City Commission") on October 18, 2000 (the "Original Resolution" and as it may be further amended and supplemented from time to time, the "Bond Resolution"), authorizing the issuance of the Series 2017 Bonds. The financial projections were based on discussions with and information provided by the City; the financial advisor for the City, RBC Capital Markets, LLC (the "Financial Advisor"); the Consulting Engineer for the System, AECOM (the "Consulting Engineer"); as well as certain assumptions and analyses made by PRMG, as the Feasibility Consultant for the System. PRMG does not offer any opinion as to the condition of the System, compliance with regulations imposed by various agencies upon the System, or the estimated costs of the capital improvements anticipated to be funded during the Forecast Period. For additional information regarding a description of the facilities that comprise the System and the capital improvement projects, please refer to Appendix "B" – Engineer's Report attached to the Official Statement.

Findings and Conclusions

Based upon the principal considerations and assumptions and the results of our studies and analyses as summarized in this report, which should be read in its entirety and in conjunction with the following, we are of the opinion that:

1. The projected growth in customers of the System represents reasonable and attainable projections for the purposes of this report. It should be noted that the City's service territory is essentially built out, with very little opportunity for future growth. For the Forecast Period the Annual Compound Growth in Equivalent Residential Units ("ERU") is projected to be approximately 0.05% per year.
2. The projections of Revenues and Current Expenses, including the assumptions used to develop such projections, are reasonable for the purposes of this report. Such projections were based on historical trends in costs, Fiscal Year 2017 preliminary (unaudited) expenses, and budgeted Fiscal Year 2018 expenses as prepared and provided by the City, discussions with the City and its Consulting Engineers, and other industry sources.

3. The System revenues for the Forecast Period under the adopted rates contained in the City's Ordinance No. 2017-4145 and such rates as revised annually pursuant to Section 110-171 of Ordinance No. 2017-4145 (the "Rate Ordinance") and the anticipated rate adjustment assumed to be implemented for Fiscal Year 2019 should be sufficient to pay the projected Current Expenses, pay the estimated Principal and Interest Requirements on the Outstanding Bonds^[2] and anticipated Series 2017 Revenue Bonds coming due in such years.
4. Based on the financial information provided by the City, the Net Revenues of the System have historically (for the past five Fiscal Years ended September 30, 2017) and are projected for the Forecast Period to continue to be in compliance with the rate covenant contained in the Bond Resolution.
5. The existing rates for stormwater service are higher when compared to charges for similar service provided by other neighboring and coastal utilities located in Southeast Florida.

(Remainder of page intentionally left blank)

[2] The Outstanding Bonds include the: i) Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2; ii) Stormwater Revenue Bonds, Series 2011A; iii) Stormwater Revenue Refunding Bonds, Series 2011B; and iv) Stormwater Revenue Bonds, Series 2015.

Honorable Mayor and Members of the City Commission
City of Miami Beach
December 7, 2017
Page 4

The financial projections set forth herein associated with the issuance of the Series 2017 Revenue Bonds were based on discussions with and information provided by the City, the Financial Advisor for the City, and the Consulting Engineers as well as certain assumptions and analyses made by us with respect to such financial projections. The ability of the Net Revenues of the System to fund the Principal and Interest Requirements and comply with the rate covenant set forth in the Bond Resolution is subject to the assumptions and considerations identified herein, including information obtained during the preparation of this report and the projected operating results.

Respectfully submitted,

Public Resources Management Group, Inc.



Henry L. Thomas
Senior Vice President



K. Ryan Smith
Rate Consultant

HLT/dlc
Attachments

CITY OF MIAMI BEACH, FLORIDA
FINANCIAL FEASIBILITY REPORT
STORMWATER REVENUE AND REVENUE REFUNDING BONDS, SERIES 2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page No.</u>
Letter of Transmittal	
Table of Contents	i
List of Tables	iii
Introduction.....	1
General.....	4
General – The System.....	4
Stormwater System	4
Existing System Debt and Plan of Finance.....	6
System Rates and Charges	7
General	7
Stormwater Rates for Monthly Service.....	8
No Other Miscellaneous Fees or Charges.....	8
Rate Comparisons	8
Stormwater Customer Statistics	9
General	9
Revenue Forecast	11
Ten Largest Customers of System	12
Capital Improvement Program.....	12
Capital Improvement Program Summary	12
The Series 2017 Project	13
Funding Sources for Capital Improvement Program	14
Historical Operating Results	15
General	15
Summary of Historical Operating Results	16

CITY OF MIAMI BEACH, FLORIDA
FINANCIAL FEASIBILITY REPORT
STORMWATER REVENUE AND REVENUE REFUNDING BONDS, SERIES 2017

TABLE OF CONTENTS (cont'd.)

<u>Description</u>	<u>Page No.</u>
Additional Bonds Test	19
Projected Operating Results.....	20
General	20
Principal Considerations and Assumptions Regarding Projected Operating Results	21
Summary of Projected Operating Results	28
Conclusions	29

CITY OF MIAMI BEACH, FLORIDA
FINANCIAL FEASIBILITY REPORT
STORMWATER REVENUE AND REVENUE REFUNDING BONDS, SERIES 2017

LIST OF TABLES

Table No.	Description
1	Summary of Historical Stormwater Customer Statistical Information
2	Summary of Projected Customer Statistics and Forecast of Charges for Services (Rate) Revenues
3	Summary of Budgeted and Projected Operating Expenses
4	Calculation of Operating Expense Escalation Factors
5	Capital Improvement Program – Appropriations Basis
6	Summary of Capital Improvement Program – Spending Plan
7	Summary of Outstanding and Proposed Senior Lien Bonds – Principal and Interest Requirements
8	Calculation of Historical Operating Results and Debt Service Coverage
9	Calculation of Projected Operating Results and Debt Service Coverage
10	Calculation of Projected Fund Balances and Interest Income
11	Comparison of Monthly Residential Stormwater Service Charges

CITY OF MIAMI BEACH, FLORIDA
FINANCIAL FEASIBILITY REPORT
STORMWATER REVENUE AND REVENUE REFUNDING BONDS, SERIES 2017

INTRODUCTION

Presented herein is the Financial Feasibility Report prepared by Public Resources Management Group, Inc. ("PRMG" and the "Feasibility Consultant") in its capacity as the Feasibility Consultant to the City of Miami Beach, Florida (the "City") that summarizes our analyses, studies, and conclusions with regard to the proposal by the City to issue in the principal amount of approximately \$154,745,000 tax-exempt Stormwater Revenue and Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"). The City is expected to use the proceeds from the Series 2017 Bonds primarily to: i) advance refund and defease approximately \$44,270,000 of the Stormwater Revenue Bonds, Series 2011A; ii) advance refund and defease approximately \$25,265,000 of the Stormwater Revenue Refunding Bonds, Series 2011B; iii) finance a portion of the costs of certain capital improvements currently contemplated as part of the City's multi-year program to improve and enhance the effectiveness and reliability of the City's stormwater utility system (the "System"). This report recognizes only the effects of the portion of the Series 2017 Bonds associated with the financing of the Series 2017 Project (defined below). Should the City refund portions of the Stormwater Revenue Bonds, Series 2011A and the Stormwater Revenue Refunding Bonds, Series 2011B as mentioned above, the financial projections presented herein would be improved. For the purposes of this report, it has been assumed that the City will issue approximately \$87,650,000^[1] of tax-exempt Stormwater Revenue Bonds, Series 2017 (the "Series 2017 Revenue Bonds"). The Series 2017 Bonds are being issued under the authority of Resolution No. 2000-24127 as adopted by the Commission of the City of Miami Beach, Florida (the "City Commission") on October 18, 2000 (the "Original Resolution" and as it may be further amended and supplemented from time to time, the "Bond Resolution"). For a more complete description of the Bond Resolution, please refer to Appendix "E" – "The Resolution" in the Official Statement relating to the Series 2017 Bonds (the "Official Statement"). Capitalized, undefined terms used in this report shall have the meanings ascribed thereto in the Bond Resolution.

The City plans to issue the Series 2017 Revenue Bonds in order to finance a portion of the costs of certain capital improvements currently contemplated as part of the City's multi-year program to improve and enhance the effectiveness and reliability of the City's System (the "Series 2017 Project") and pay certain expenses related to the issuance and sale of the Series 2017 Revenue Bonds.

[1] Preliminary; as of November 20, 2017, assuming a 3.985500% All-In True Interest Cost ("TIC"), as provided by the City's Financial Advisor and is subject to change based on actual sale of the Series 2017 Bonds.

Payment of the Outstanding Bonds^[2], the Series 2017 Revenue Bonds, and any additional parity bonds issued by the City pursuant to the Bond Resolution on behalf of the System, together with interest thereon, shall be solely from, and secured equally by, a lien on the Net Revenues derived by the City from the operation of the System. Neither the credit nor taxing power of the City will be pledged for debt repayment of any bonds issued pursuant to the terms of the Bond Resolution.

The primary purpose of this report is to provide information for parties reviewing the Official Statement associated with the issuance of the Series 2017 Bonds. This report summarizes the Feasibility Consultant's findings including the following: i) financial projections of the System for the Fiscal Years ending September 30, 2018 through and including September 30, 2022 (the "Forecast Period"); ii) the ability of the revenues derived from the System operations to meet the estimated expenditure and funding obligations of the System; and iii) the anticipated ability of the System to meet the rate covenant requirements as described in the Bond Resolution in order to provide information for parties reviewing the Official Statement associated with the issuance of the Series 2017 Revenue Bonds. This report also presents the following as documented by the Feasibility Consultant: i) recent historical and projected equivalent residential units ("ERUs") for the System; ii) the schedule of currently effective and anticipated rates for stormwater service; iii) the capital improvement needs anticipated to be financed by the City from System operations, including the Series 2017 Project to be financed by the Series 2017 Revenue Bonds, as well as other capital improvements and funding sources; and iv) the recent historical and projected financial operating results of the System.

PRMG was responsible for the compilation of financial information and the preparation of the recent historical and projected financial results, including the projections of ERUs and System revenues, Current Expenses, and other components that comprise the projected operating results of the System. PRMG is a recognized utility management consulting firm that specializes in the development of rates, charges, and financial projections for publicly-owned and not-for-profit utility systems, primarily in Florida and the southeastern United States. The firm has been involved in numerous utility financings that have involved the preparation of financial forecasts on behalf of local governments and utility corporations in Florida that issue utility bonds secured for repayment solely by the revenues of such utility.

PRMG does not offer any opinion as to the condition of the System, the compliance with regulations promulgated and imposed by various agencies upon the operation or construction of the System, or the estimated cost of improvements funded from System operations as referenced in this report. For a discussion of the System facilities and conditions, reference is made to the report prepared by AECOM (the "Consulting Engineer") and dated December 4, 2017 that is included as Appendix "B" to the Official Statement (the "Engineer's Report").

In the preparation of this report, PRMG relied upon financial, statistical, and operational data provided by the City that has been derived from operating and financial reports and records prepared and provided by City management, including information contained in the

[2] The Outstanding Bonds include the: i) Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2; ii) Stormwater Revenue Bonds, Series 2011A; iii) Stormwater Revenue Refunding Bonds, Series 2011B; and iv) Stormwater Revenue Bonds, Series 2015.

Comprehensive Annual Financial Reports ("CAFR") prepared and provided by the City. We have relied on information provided by the City and other parties and, unless otherwise expressly indicated, have made no independent investigation or audit as to the validity, completeness, or accuracy of such information. PRMG has been furnished information and assumptions from the City and others including the estimated debt service requirements associated with the issuance of the Series 2017 Bonds by the City's financial advisor, RBC Capital Markets, LLC (the "Financial Advisor"), and certain information about the System from the City's Consulting Engineer. We have also utilized information obtained from other utility systems in Florida and other sources. PRMG believes the sources of such information, assumptions, and projections to be reasonable for the purposes of this report. The actual results achieved during the Forecast Period reflected in this report may vary from those projected and such variations could be material. Therefore, such projections and the underlying assumptions are subject to change and we can give no assurances that the projections will be realized. PRMG also relied upon certain assumptions regarding the timing and structure of the Series 2017 Bonds that will be secured for repayment from the Net Revenues of the System. These assumptions were provided by the City's Financial Advisor. The debt-related assumptions may vary from actual results and are subject to market conditions, as well as the City's credit rating at the time of issuance. In using the report prepared by PRMG, the City expressly acknowledges that PRMG is not a "Municipal Advisor" as defined under Section 15B(e)(4)(A) of the Exchange Act of 1934 as amended, and specially as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act and thus is not providing advice with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms and conditions and other similar matters concerning financial products or issues.

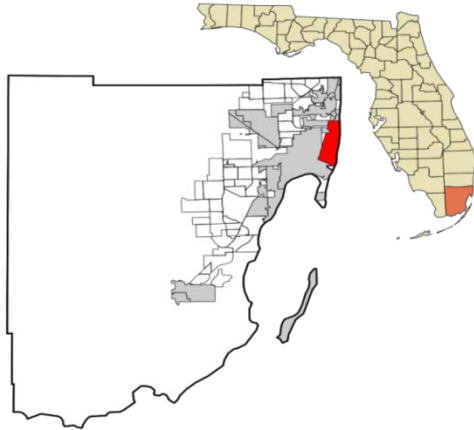
This report summarizes the results of our studies and analyses up to the date of this report. Prospective purchasers of the Series 2017 Bonds should not rely upon the information contained in this report for a current description of any matters set forth herein as of any date subsequent to the date of this report. Changed conditions occurring or becoming known after such date could affect the projections presented herein.

The remainder of this report provides: i) a general overview of the City and the System; ii) a summary of the existing rates for the System as approved by the City Commission and a planned rate adjustment in Fiscal Year 2019; iii) a discussion of the recent and projected customer billing statistics; iv) a presentation of the estimated funding program for the Capital Improvement Program for the System as identified by the City and its Consulting Engineers; v) a discussion of the projected System operating results for the Forecast Period, including a summary of all primary assumptions and analyses relied upon in the development of such projections and the ability of the estimated Net Revenues to meet the rate covenant requirements set forth in the Bond Resolution during the Forecast Period; vi) a summary of the cash reserves of the System at the end of each projected Fiscal Year of the Forecast Period by specific fund or account established by the Bond Resolution and the City; and vii) a summary of our conclusions based on the results of our analyses.

(Remainder of page intentionally left blank)

GENERAL

Figure 1:
Location of the City of Miami Beach, Florida



The City is a political subdivision of the State of Florida governed by the State Constitution and the general laws of the State of Florida, and was incorporated on March 26, 1915. The City occupies approximately 17.5 square miles and is located in the southeastern portion of the State in Miami-Dade County (the "County"). Based on information developed by the Bureau of Economic and Business Research, University of Florida ("BEBR") and published on the website of the State of Florida Office of Economic and Demographic Research (the "2016 BEBR Estimates"), the City had an estimated permanent population of approximately 92,797 people as of April 1, 2016. There are currently 34 municipalities in the County and the City ranks as the 4th largest municipality in the County in terms of population.

In addition to the City, the incorporated municipalities in the County include the county seat of Miami and the major cities of Hialeah and Miami Gardens. Among the sixty-seven counties of Florida, the County ranked first in terms of population in 2016. With a permanent population of approximately 2,700,794 estimated as of April 1, 2016, the County is the seventh highest populated county in the country according to the United States Census Bureau. The population for Miami-Dade County is projected by the Florida Legislative Office of Economics and Demographic Research to increase to approximately 2,832,036 people by the year 2020 (4.9% above 2016 estimates or 1.2% annually), 2,995,956 by the year 2025 (10.9% above 2016 estimates), and 3,155,342 by the year 2030 (16.8% above 2016 estimates). Population projections for individual municipalities were not published.

GENERAL – THE SYSTEM

Stormwater System

The City's Stormwater System is established as a utility enterprise fund, whereby the rates for service are intended to fund the operation, maintenance, construction, and administration of the System. The purpose of the System is to regulate, maintain, and manage stormwater run-off within the City.

The System was established to: 1) reduce undesirable stormwater impacts through stormwater run-off reduction; 2) maintain the integrity of the City's stormwater infrastructure; 3) plan for and implement future System improvements; and 4) ensure compliance with Federal and State stormwater management rules and regulations.

The City established the Stormwater Enterprise Fund to create a dedicated funding source to address stormwater management issues. The City bills stormwater rates on a monthly basis along with other utility charges. The City has completed a Stormwater Capital Improvement Program to identify stormwater issues in order to deal with tidal flooding among other issues. The current Capital Improvement Program has identified approximately \$352.8 million in Stormwater

System projects to be appropriated in the Fiscal Years 2018 through 2022. In addition the City's capital spending plan includes \$28.2 million of projects that have been appropriated and begun in prior years and are still under construction for a total amount of \$381 million. The projects consist of a series of major upgrades to the existing stormwater infrastructure located inside the City's jurisdictional boundaries.

The purpose of this feasibility report is to evaluate the sufficiency of the adopted and planned stormwater rates to recover the costs of operating the System and financing the Capital Improvement Program, which, in part, will be funded from the Series 2017 Bonds and allow the System to maintain compliance with the covenants of the Bond Resolution. The adopted and planned rates outlined in this report are intended to fund the capital projects along with the projected costs of operating the System through Fiscal Year 2022. These costs are referred to herein as the System revenue requirements.

The City bills for stormwater service on an ERU basis. An ERU is defined as the average impervious area of a single-family residential home or 791 square feet. For all non-residential properties, each property's impervious area is measured and then divided by 791 square feet to determine the equivalent residential units that are billed for that property. The existing monthly charge for stormwater service is \$23.30 per ERU.

The City adopted the Stormwater Rate Ordinance No. 2017-4145, which among other things, allows the City to adjust monthly user rates automatically in the future based on a price index factor in order to offset the effects of inflation on the cost of operating and maintaining the System. The price indexing factor utilized to adjust the rates annually shall be equal to Consumer Price Index (CPI) – All Urban Consumers, Miami-Fort Lauderdale (Series ID CUURA320SA0), as published by the Bureau of Labor Statistics as reported for the month of April of the current year compared to the index reported for the immediately preceding month of April. The price index factor that was calculated and applied for the rates in effect during Fiscal Year 2018 was 2.80%.

Additionally, the projected operating results presented in this report recognize a planned Fiscal Year 2019 rate adjustment that is needed to maintain compliance with the covenants of the Bond Resolutions which require that the Net Revenues of the System be equal to or greater than: i) one hundred and ten percent (110%) of the annual Principal and Interest Requirement (essentially an accrual of the senior lien debt service payments); ii) provide for 100% of deposits or amounts to be paid to the Reserve Account, Rate Stabilization Account, and Subordinate Indebtedness Account; and iii) provide additional funds available to fund additional future indebtedness currently anticipated to be issued in Fiscal Year 2022; and iv) provide additional annual cash flow to fund capital improvements. The purpose of the Series 2022 Bonds is to fund further stormwater infrastructure improvements in the Capital Improvement Program as set forth herein. Should the City elect to not implement the Fiscal Year 2019 rate adjustment, the City would still be in compliance with the covenants of the Bond Resolution, but would need to reevaluate compliance prior to the issuance of the Series 2022 Bonds. Such amounts are estimated based on information from the City's Financial Advisor, information included in the Engineer's Report and discussions with City staff and are subject to change with respect to both amount and start dates.

EXISTING SYSTEM DEBT AND PLAN OF FINANCE

The City has previously issued long-term debt to fund certain capital improvements to the System. As of September 30, 2017 (the most recently completed Fiscal Year for the City and for which the City has provided PRMG with preliminary operating results [unaudited]), the City had Bonds outstanding in the aggregate principal amount of \$181,255,000 that were issued pursuant to the terms and conditions of the Bond Resolution (the "Outstanding Bonds"), and which are secured by a senior lien pledge on the Net Revenues of the System. The City intends to use the proceeds of the Series 2017 Bonds to finance the cost of construction of the Series 2017 Project as discussed in the Engineer's Report, refund the Refunded Bonds, and pay certain expenses related to the issuance and sale of the Series 2017 Bonds and refunding the Refunded Bonds.

The following is a summary of the Outstanding Bonds for the System as of September 30, 2017:

Outstanding Bonds	As of September 30, 2017
Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2 (the "Series 2009 Bonds") [1]	\$7,190,000
Stormwater Revenue Bonds, Series 2011A (the "Series 2011A Bonds") [2]	49,055,000
Stormwater Revenue Refunding Bonds, Series 2011B (the "Series 2011B Bonds") [3]	25,855,000
Stormwater Revenue Bonds, Series 2015 (the "Series 2015 Bonds")	99,155,000
Total Outstanding Bonds	<u>\$181,255,000</u>

[1] The Series 2009 Bonds are currently outstanding in the aggregate principal amount of \$5,505,000 after December 1, 2017.

[2] Subject to market conditions at the time of pricing of the Series 2017 Bonds, \$44,270,000 of the Series 2011A Bonds are expected to be refunded upon issuance of the Series 2017 Bonds.

[3] Subject to market conditions at the time of pricing of the Series 2017 Bonds, \$25,265,000 of the Series 2011B Bonds are expected to be refunded upon issuance of the Series 2017 Bonds.

In addition to the Outstanding Bonds, the System has two (2) subordinate debts that are pledged for repayment from revenues of the System (the "Subordinate Obligations"). The Subordinate Obligations include: i) a loan with the City for the purchase of machinery and equipment; and ii) Clean Water State Revolving Fund ("SRF") loan SW131300 for surface water restoration projects. The following is a summary of the Subordinate Obligations as of September 30, 2017:

Subordinate Obligations	As of September 30, 2017
Equipment Loan (the "Equipment Loan")	\$38,650
Clean Water State Revolving Fund Loan SW131300 (the "SRF Loan")	5,233,113
Total Subordinate Obligations	<u>\$5,271,763</u>

It should be noted that since September 30, 2017, based on the total SRF loan approved, the amount of the Subordinate Obligations have increased. For the purposes of this report, it has been assumed that of the total amount of Subordinate Obligations will be \$38,650 and \$7,797,500 for the Equipment Loan and the SRF Loan, respectively.

For the purposes of this report and based on the direction of the City's Financial Advisor for the Series 2017 Revenue Bonds, it was assumed that the Series 2017 Revenue Bonds would have: i) an aggregate principal amount of approximately \$87,650,000; ii) an All-In True Interest Cost

(previously defined as "TIC") of 3.985500%; and iii) a delivery date of December 22, 2017. The following is a summary of the estimated sources and uses of the proceeds of the Series 2017 Bonds as provided by the City's Financial Advisor for the Series 2017 Bonds:

Summary of Estimated Series 2017 Revenue Bonds Sources and Uses of Funds [*]	
	Amount
Sources:	
Series 2017 Bond Proceeds – Par Amount	\$87,650,000
Premium	13,139,242
Total Sources of Funds	<u>\$100,789,242</u>
Uses of Funds:	
Deposit to Series 2017 Project Construction Account	\$100,000,000
Cost of Issuance	789,242
Total Uses of Funds	<u>\$100,789,242</u>

[*] Amounts provided by the City's Financial Advisor and are preliminary and subject to change based on the actual sale of the Series 2017 Bonds. Amounts shown reflect City Financial Advisor estimates as of November 20, 2017 and assumes a 3.985500% All-In TIC, which may be different based on actual sale of Series 2017 Bonds.

Additionally, this report assumes the issuance of additional senior lien bonds in order to fund capital improvements beginning in Fiscal Year 2022. For the purposes of this report and based on information provided by the City's Financial Advisor for the additional debt needs, it has been assumed that the City will issue Stormwater Revenue Bonds, Series 2022 (the "Series 2022 Bonds"). The Series 2022 Bonds assume: i) an aggregate principal amount of approximately \$96,920,000; ii) an All-In TIC of 6.063798%; and iii) a delivery date of August 1, 2022.

SYSTEM RATES AND CHARGES

General

The Bond Resolution authorizing the issuance of the Series 2017 Bonds contains a covenant that the City will establish rates such that:

"Net Revenues...will be sufficient to provide an amount in each Fiscal Year at least equal to one hundred ten per centum (110%) of the Principal and Interest Requirements for such Fiscal Year on account of the Bonds then Outstanding..."^[3]

The City further covenants that it will make revisions to the rates as necessary to ensure that the rate covenant requirements are continuously met.

[3] Reference derived from Article V, Section 502 of the Bond Resolution; for further information, reference "Appendix "E" The Resolution in the Official Statement for the Series 2017 Bonds.

Stormwater Rates for Monthly Service

The rates for monthly service are regulated or set by the City Commission and are not subject to regulation by any other jurisdiction. On October 17, 2017, the City Commission enacted Ordinance No. 2017-4145 that established the stormwater monthly user rates for the System (the "Rate Ordinance"). The adopted monthly rates as referenced in the Rate Ordinance include a service charge that is predicated on the number of ERUs for each parcel or property. The revenues derived from the application of the rates for monthly service has accounted for approximately 99% of the reported System Revenues, which include investment earnings on unrestricted fund balances but not funds where earnings are considered restricted (i.e., any Construction Fund balances) and realized gains from the sale of investments that are considered by the City as a component of the Revenues of the System during the Fiscal Year 2017. It should be noted that the System does not charge any other charges, deposits, or impact fees to customers beyond the monthly service charges.

The following is a summary of the existing adopted monthly rates per ERU for the System as contained in the Rate Ordinance.

	Monthly Stormwater Rate (per ERU)
Adopted Effective October 1, 2017	\$23.30

This report assumes that the City will adjust rates during Fiscal Year 2019 to provide additional funds available to fund additional future indebtedness currently anticipated to be issued in Fiscal Year 2022 and provide additional annual cash flow to fund capital improvements; currently this additional adjustment in Fiscal Year 2019 is assumed to be approximately 19.7%.

No Other Miscellaneous Fees or Charges

The Rate Ordinance does not include any additional fees, charges, deposits, or miscellaneous service charges. The City does not charge stormwater impact fees, which would recover the proportionate share of the cost for the stormwater infrastructure of the System associated with new development. While the imposition of impact fees is common in the state of Florida, typically stormwater utilities do not charge an impact fee to new connections.

Rate Comparisons

Table 11 at the end of this report provides a comparison of the monthly cost of providing stormwater service under the currently existing rates of the System. Also included on the comparison is the impervious surface area per ERU of other neighboring Florida utilities as of the billing month of August 2017. The monthly bills for the various Florida utilities used for the comparison are exclusive of local taxes. As can be seen in the comparisons, the rates charged by the City produce bills that are generally higher than the bills charged for similar service by other neighboring utilities. A summary of the comparison results as shown on Table 11 at the end of this report follows:

(Remainder of page intentionally left blank)

Comparison of Monthly Rates for Stormwater Service [1]

	Rate	Impervious Surface per ERU [2]
<u>City of Miami Beach:</u>		
Existing Rates Effective on October 1, 2017	\$23.30	791
<u>Surveyed Utilities:</u>		
City of Aventura	\$2.50	1,548
City of Boca Raton	3.22	2,837
City of Coral Gables	8.80	2,346
City of Delray Beach	5.33	2,502
City of Fort Lauderdale [3]	10.00	N/A
City of Hollywood	3.22	2,250
City of Homestead [4]	3.37	N/A
City of Miami	3.50	1,191
Miami Dade County	4.00	1,548
City of North Miami	6.19	1,760
Village of Pinecrest	10.00	1,548
City of Pompano Beach	4.21	2,880
City of West Palm Beach	13.57	2,171
<u>All Surveyed Florida Utilities:</u>		
Average	\$5.99	2,053

[1] Amounts based on rate survey of 13 neighboring utility systems as shown on Table 11 at the end of this report.

[2] Impervious Surface Area per ERU is based on the square footage designated by the municipality.

[3] The City of Fort Lauderdale charges residential customers with 3 or less units \$10.00 per month per unit.

[4] The City of Homestead charges residential customers a flat rate of \$3.37 per month.

STORMWATER CUSTOMER STATISTICS

General

This section of the report summarizes the recent trends in the stormwater system customer accounts and projected growth for the System (the "customer billing statistics"). The historical period reflected in this report covers the Fiscal Years ended September 30, 2013 through 2017 (the "Historical Period") and the projected or Forecast Period is for the Fiscal Years 2018 through 2022. Table 1 at the end of this report reflects the historical customer accounts as well as ERU for the System. Table 2 at the end of this report presents the projected customers or accounts, the corresponding ERUs by customer class, and the forecast of stormwater service charge revenues for the Forecast Period.

During Fiscal Year 2017, the City provided stormwater service to an average of 10,067 accounts, and 108,340 stormwater equivalent residential units ("ERU"). An ERU represents the effective impervious surface of a single-family residence and is defined as seven hundred and ninety one (791) square feet of the area covered by all impervious improvements. Use of the ERU methodology allows all accounts to be billed based on relative contribution to stormwater run-off, which recognizes that large, highly developed parcels (a commercial land use such as a mall and absent on-site retention and detention facilities) account for a greater amount of stormwater run-off when compared to a single-family residence. The associated ERUs assigned to all properties regardless of property or customer type are predicated on this impervious surface

relationship. Based on information provided by the City, a summary of the average number of customer accounts and associated ERUs by customer class being served by the Stormwater System for Fiscal Year 2017 is summarized below:

Stormwater System Average Monthly Billed Accounts and ERUs				
Fiscal Year 2017				
	Average Accounts		ERUs	
	Amount	Percent	Amount	Percent
Residential	5,764	57.26%	8,103	7.48%
Condo	953	9.47%	41,054	37.89%
Apartment	1,168	11.60%	14,630	13.50%
Duplex	17	0.17%	46	0.04%
Commercial	1,940	19.27%	28,978	26.75%
Hotel	181	1.80%	6,518	6.02%
City	44	0.43%	9,011	8.32%
Totals	10,067	100.00%	108,340	100.00%

As can be seen above, the single-family residential class represents approximately 57.3% of the total accounts served but only about 7.5% of the total ERUs served, whereas condos make up only 9.5% of the accounts and account for 37.9% of the ERUs of the System.

The following table shows the average annual customer accounts and average annual ERUs during the Historical Period, as can be seen the average annual growth in customer accounts is approximately 0.1% and the average annual growth in ERUs is approximately (0.07%). This low level of growth is indicative of the City's service area being essentially built-out with little available vacant properties that can be improved or developed.

Stormwater System Historical Customer Growth [*]		
Fiscal Year Ended September 30, (Historical)	Average Annual Accounts [2]	Average Annual ERUs [2]
2013	10,024	108,639
2014	10,032	108,951
2015	10,051	107,844
2016	10,070	108,500
2017	10,067	108,340
2013 to 2017	0.1%	(0.07%)

[*] Amounts shown derived from Table 1 at the end of the report.

For the Forecast Period it has been assumed that the average annual growth in customer accounts is estimated at approximately 0.1% per year and the average annual growth in ERUs is estimated at approximately 0.05% per year. This level of growth assumes average annual customer account growth of approximately twelve (12) accounts. Based on discussions with the City and review of recent historical trends, PRMG is of the opinion that this level of growth is conservative and attainable. The following is a summary of the projected stormwater customer accounts and ERUs served during the Forecast Period; this information is presented in detail on Table 2 at the end of this report:

Projected Stormwater Accounts and ERUs [*]

	2017		2018		2019		2020		2021		2022	
	Accounts	ERUs	Accounts	ERUs	Accounts	ERUs	Accounts	ERUs	Accounts	ERUs	Accounts	ERUs
Residential	5,764	8,103	5,774	8,113	5,784	8,123	5,794	8,133	5,804	8,143	5,814	8,153
Condo	953	41,054	953	41,054	953	41,054	953	41,054	953	41,054	953	41,054
Apartment	1,168	14,630	1,168	14,630	1,168	14,630	1,168	14,630	1,168	14,630	1,168	14,630
Duplex	17	46	17	46	17	46	17	46	17	46	17	46
Commercial	1,940	28,978	1,942	29,008	1,944	29,038	1,946	29,068	1,948	29,098	1,950	29,128
Hotel	181	6,518	181	6,518	181	6,518	181	6,518	181	6,518	181	6,518
City	44	9,011	44	9,011	44	9,011	44	9,011	44	9,011	44	9,011
Total	10,067	108,340	10,079	108,380	10,091	108,420	10,103	108,460	10,115	108,500	10,127	108,540

[*] Amounts shown derived from Table 2 at the end of this report.

For the Stormwater System, it is expected that the predominance of the growth will be for serving residential and commercial customers. Actual levels of customer account and ERU growth may vary from these projections if future redevelopment (i.e., residential single-family properties being converted to condos or apartments) occurs within the City's jurisdictional boundaries.

Revenue Forecast

As shown in the previous section and for the determination of projected revenues from stormwater utility service charges during the Forecast Period, in Fiscal Year 2017, the City implemented a thirty-six percent (36.0%) increase to stormwater utility service charges in order to provide additional revenues to fund System capital improvements funded by the anticipated issuance of the Series 2017 Bonds. With respect to the remainder of the Forecast Period for the projection of stormwater revenues, it was assumed that the level of ERUs currently served by the System would not increase significantly and that there would be no decline as a result of the implementation of the increased stormwater utility service charges. The stormwater ERU and revenue projections are shown below and on Table 2 at the end of this report served as the basis for the projection of financial operating results for the System over the Forecast Period.

Stormwater Utility Revenue Projection [1]

Fiscal Year Ended September 30, (Historical)	Average Annual ERUs	Existing Stormwater Utility Service Charge (Monthly)	Estimated Revenue
2018	108,380	\$23.30	\$30,133,813
2019 [2]	108,420	28.54	36,924,310
2020 [2]	108,460	29.34	37,973,334
2021 [2]	108,500	30.16	39,049,016
2022 [2]	108,540	31.00	40,151,385

[1] Amounts shown derived from Table 2 at the end of the report.

[2] Estimated Revenues shown reflect the application of annual rate indexing adjustments and the anticipated additional rate adjustment to become effective on October 1, 2018. It should be noted that except for adjustments resulting from annual rate indexing, the additional rate adjustment has not yet been approved by the City Commission.

As can be seen above the rate adjustment for Fiscal Year 2019 will produce approximately \$6.8 million dollars of additional System revenue that will be required to provide sufficient revenues available to meet the requirements of the System and meet the estimated debt service coverage

requirements associated with the issuance of the proposed Series 2022 Bonds and to fund other capital needs.

Ten Largest Customers of System

In order to provide additional information regarding the System's existing customer base, a summary of certain statistical information of the ten largest retail customers in Fiscal Year 2016 on the basis of revenue billed (pursuant to rates in effect for the System) has been presented based on information compiled by the City. It should be noted that PRMG, is not presenting this information for Fiscal Year 2017, since certain billing information was not yet available at the time of production of this report and Fiscal Year 2016 represents the most recently completed CAFR that was issued for the City. The top ten System customer accounts on a combined basis accounted for approximately fourteen and sixty-five one hundredths (14.65%) of the System's utility service charge revenue in Fiscal Year 2016 as shown in the following table.

Top Ten Stormwater System Retail Customers for Fiscal Year 2016 Based on Stormwater Utility Service Charge Revenue				
Customer Name	Customer Class	Equivalent Residential Units	Annual Rate Revenue [*]	Percent of Total Rate Revenue
Convention Center	City	3,764	\$752,951	3.48%
Metered Parking Division	City	3,100	620,124	2.87%
Mt Sinai Hospital	Commercial	2,453	490,698	2.27%
Fontainebleau Florida	Hotel	1,516	303,261	1.40%
Miami Beach Redevelopment	Commercial	1,277	255,451	1.18%
Deauville Hotel Condominiums	Condominium	1,164	232,847	1.08%
2201 Collins Fee LLC	Condominium	667	133,427	0.62%
Carillon South Joint	Condominium	652	130,426	0.60%
Triton Tower Condominiums	Condominium	630	126,025	0.58%
Decoplage Condominiums	Condominium	598	119,624	0.55%
Total of Ten Largest Users			\$3,164,833	14.65%
All Other System Retail Users			18,443,035	85.35%
Total Fiscal Year 2016 Billed Revenue – All Customer Accounts			\$21,607,868	100.00%

[*] Amounts shown reflect only revenue derived from the monthly stormwater utility service charges.

CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program Summary

The City has planned capital improvements associated with providing additional stormwater mitigation which includes repairs, replacements, and/or installation of curbs and gutters, reconstruction and/or raising of streets and sidewalks, installation of collection systems, catch basins and manholes, construction of pumping stations, installation of water quality treatment devices, and repairs or upgrades to existing outfalls. The Capital Improvement Program as set forth in this report includes a summary of project appropriations, as shown on Table 5, and associated project expenditures, as shown on Table 6, which reflects project spending curves. Out of a total capital improvement project appropriation of approximately \$381 million, as shown on Table 5, the projected expenditures for new projects during the Forecast Period, based on project spending curves, total \$352.8 million. This excludes the \$28.1 million in capital projects that were appropriated and started in prior Fiscal Years and are assumed to be completed

in Fiscal Year 2018. The cost of the capital improvements is based on capital plans prepared by the City as part of its ongoing Capital Improvement Program. A summary of the Capital Improvement Program project expenditure estimates by funding source for the Forecast Period is presented in the following table and shown in more detail on Table 6 at the end of this report. Based on the total project appropriations of approximately \$381.0 million, for the Forecast Period, approximately \$78.7 million of the capital project expenditures will be spent subsequent to the Forecast Period. The total amount of projects that are anticipated to be appropriated are shown on Table 5 along with the funding sources.

Summary of Capital Improvement Program Spending by Facility Function for the Forecast Period [1][2]							
	Fiscal Year Ending September 30,					Total for	Post [3]
	2018	2019	2020	2021	2022	Forecast Period	Forecast Period
Total Annual Capital Projects	\$69,252,199	\$58,646,832	\$59,225,978	\$41,960,466	\$73,198,162	\$302,283,637	\$78,674,987
Funding Sources:							
Operating Reserves	\$225,872	\$263,517	\$138,033	\$14,481,872	\$24,235,703	\$39,344,996	\$14,275,388
Prior Bond Proceeds	28,206,833	0	0	0	0	28,206,833	0
Series 2017 Bond Proceeds	40,819,495	42,112,081	17,068,424	0	0	100,000,000	0
Series 2022 Bond Proceeds	0	0	0	0	37,451,356	37,451,356	\$58,644,047
Miami-Dade County – TIF	0	16,271,234	42,019,522	27,478,595	11,511,103	97,280,453	5,755,551
Total Capital Funding	<u>\$69,252,199</u>	<u>\$58,646,832</u>	<u>\$59,225,978</u>	<u>\$41,960,466</u>	<u>\$73,198,162</u>	<u>\$302,283,637</u>	<u>\$78,674,987</u>

[1] Totals may not add due to rounding.

[2] Amounts shown derived from Table 6 at end of report; amounts reflect capital project spending and not when funds are appropriated for capital projects.

[3] Total amounts of projects to be funded by the proposed Series 2022 Bonds are \$96,095,403. However, the amount shown reflects Fiscal Year 2022 expenditures based on the spending curves provided by the City.

The Capital Improvement Program shown above is presented on a cash basis, which shows when the spending on such projects is expected to occur as compared to an appropriations basis in which the funds must be set aside at the onset of such project. This basis was utilized because the majority of the identified capital projects are estimated to take 24 to 48 months to complete. Additionally, for informational purposes, Table 5 at the end of this report presents the Capital Improvement Program on an appropriations basis. The appropriations basis Capital Improvement Program identified approximately \$381.0 million in capital projects to be appropriated during the Forecast Period, which includes projects started in prior Fiscal Years.

The Series 2017 Project

The City staff has identified for the Fiscal Year 2018 a total amount of capital expenditure appropriations of \$100,000,000 that will be funded from the issuance of the Series 2017 Bonds and are planned to be constructed in the next 36 months. The Series 2017 Project is a grouping of projects which, when combined with the remaining CIP and amounts funded from the proceeds of the Series 2015 Bonds, represents the City's total capital improvement needs to address tidal flooding and stormwater run-off mitigation issues. The capital projects anticipated to be funded from the proceeds of the Series 2017 Bonds include the following:

(Remainder of page intentionally left blank)

Summary of Series 2017 Project [*]	
Capital Project	Total Capital Cost
Indian Creek (FDOT)	\$5,500,000
West Avenue	37,583,744
South Pointe 1st Street	1,178,381
La Gorce / Lakeview	40,000,000
City Center	2,300,000
Sunset Island 3 & 4	2,343,000
Sunset Harbour	3,750,973
Palm and Hibiscus Islands	4,791,402
Central Bayshore South	1,065,000
Central Bayshore	250,000
SCADA and PLC Replacement	1,237,500
Total Series 2017 Project Expenditures	\$100,000,000

[*] Amounts shown provided by the City and represents estimated capital expenditures anticipated to be funded by the Series 2017 Revenue Bonds; such amounts could be modified by the City if capital expenditure priorities change.

For a more detailed description of the capital projects that comprise the Series 2017 Project, please refer to the Engineer's Report included in Appendix "B" in the Official Statement.

Funding Sources for Capital Improvement Program

As discussed above, and show on Tables 5 and Table 6 at the end of this report, the City has identified approximately \$352.8 million in capital requirements funds that will need to be appropriated for the Forecast Period (excludes remaining expenditures for capital projects that were initiated either during or prior to the Fiscal Year 2018; the available fund balance for such work in progress has also been adjusted to recognize the capital appropriations). The City has identified several funding sources for the construction of the above referenced capital projects. Based on an analysis of available funds to the City (e.g., Operating Reserves), the funding sources for the total appropriations-based Capital Improvement Program as assumed for the financial forecast is as follows:

(Remainder of page intentionally left blank)

**Summary of Appropriations Based Capital Funding Sources
for the Forecast Period (Dollars in 000s) [1]**

	Estimated Funding Source [2]	Percent
Series 2017 Bonds [3]	\$100,000	26.25%
Additional Parity Bonds – Series 2022 Bonds[4]	96,095	25.22%
Prior Bond Proceeds	28,207	7.40%
Available Operating Reserves [5]	53,620	14.08%
Tax Increment Financing [6]	103,036	27.05%
Total Estimated Funding Sources	<u>\$380,959</u>	<u>100.00%</u>

[1] Totals may not add due to rounding.

[2] Amounts derived from detailed Capital Improvement Program funding analysis assumed for the purposes of this report; amounts shown include use of available unrestricted funds at beginning of Forecast Period (i.e., October 1, 2017) as well as estimated deposits to such accounts during the Forecast Period from System operations and other sources. Amounts shown are in thousands of dollars (\$000s).

[3] Represents deposit to Series 2017 Construction Account from Series 2017 Revenue Bonds proceeds being issued for the funding of capital improvements on behalf of the System.

[4] Reflects proceeds from the anticipated issuance of additional parity bonds to finance capital projects as identified by the City.

[5] Reflects the use of System reserves earned in prior periods that represent available, unencumbered funds that are not restricted by the City or by resolution / law as to its use or purpose.

[6] Amounts shown represent funds derived from the proposed real estate tax assessment by Miami-Dade County, Florida on the real property located inside the jurisdictional boundaries of Miami-Dade County, Florida.

As can be seen above, approximately 14.08% of the capital program is anticipated by the City to be funded from internal sources (e.g., capital reserve accounts, rate revenues, and other sources). The remainder of the funding for the capital program is primarily associated with external funding sources which include the proceeds of the Series 2017 Bonds, additional bond proceeds (the Series 2022 Bonds), prior bond proceeds, and \$103,036,000 to be funded with tax increment funding anticipated to be available to the City in support of the capital program.

HISTORICAL OPERATING RESULTS

General

The historical operating results for the System are presented for the Fiscal Years ended September 30, 2013 through 2017 (previously defined as the "Historical Period"), and are shown in detail on Table 8 at the end of this report. The operating results for Fiscal Years 2013, 2014, 2015, and 2016 were prepared based on financial information compiled and provided by the City and information included in the CAFR as prepared by the management of the City for the respective fiscal years shown. Amounts shown for Fiscal Year 2017 were based on preliminary operating results as compiled by City staff, while such amounts have not been audited, they appear to be reasonable when compared with Fiscal Year 2016 results. The historical operating results have been presented in a manner consistent with the requirements of the Bond Resolution relative to the determination of Net Revenues of the System. Therefore, the amounts shown reflect certain differences in the presentation of the financial results when compared to the CAFR of the City. Specifically, these major differences include, but may not be limited to: i) Current Expenses do not include depreciation or amortization expenses or internal administrative (central service) charges; ii) interest income does not include earnings on the Construction Fund accounts, if any; and iii) exclusion of other revenues such as proceeds derived from the sale of System property.

Summary of Historical Operating Results

The historical operating results for the System are shown on Table 8 at the end of this report and are summarized as follows:

Summary of Historical System Operating Results and Debt Service Coverage

	Fiscal Year Ended September 30,				
	2013	2014	2015	2016	2017 [1]
Charges for Service [2]	\$11,671,714	\$11,659,582	\$21,258,353	\$21,490,894	\$28,570,734
Interest Income [3]	344,743	220,480	61,205	334,377	187,125
Other Operating Revenues [4]	0	0	0	0	0
Total Revenues	\$12,016,457	\$11,880,062	\$21,319,558	\$21,825,271	\$28,757,859
Current Expenses					
Personal Services [5]	\$1,709,332	\$2,296,788	\$2,559,349	\$2,831,997	\$3,224,137
Operating Supplies	49,114	3,011	17,860	22,703	43,015
Contractual Services	134,718	441,718	1,004,910	1,196,667	2,221,783
Utilities	60,567	69,343	131,791	222,053	288,323
Insurance	0	0	0	0	0
Internal Charges	936,189	357,511	359,129	425,571	436,128
Claims and Judgements	0	0	0	0	0
Other Operating	127,159	124,955	872,332	249,633	300,693
Administrative Fees [6]	584,000	637,000	658,000	798,000	798,000
Less Total Current Expenses	\$3,601,079	\$3,930,326	\$5,603,371	\$5,746,624	\$7,312,079
Net Revenues	\$8,415,378	\$7,949,736	\$15,716,187	\$16,078,647	\$21,445,780
Debt Service Coverage Test:					
Net Revenues	\$8,415,378	\$7,949,736	\$15,716,187	\$16,078,647	\$21,445,780
Principal and Interest Requirements	\$5,847,595	\$5,848,872	\$6,828,297	\$11,236,865	\$11,361,226
Calculated Coverage	144%	136%	230%	143%	189%
Minimum Required	110%	110%	110%	110%	110%

[1] Amounts shown based on preliminary operating results as prepared by City Staff for Fiscal Year 2017; certain adjustments may still be made as the City's external auditor completes their audit of the Comprehensive Annual Financial Report ("CAFR") for Fiscal Year 2017.

[2] Amounts shown are derived from Table 8 at the end of this report and are based on information in the CAFR for Fiscal Years 2013 through 2016 and preliminary information provided by City staff for Fiscal Year 2017 and other financial information provided by the City.

	2013	2014	2015	2016	2017
Revenues:					
Charges for Service	\$11,671,714	\$11,659,582	\$21,258,353	\$21,490,894	\$28,570,734
Permits, Rentals, and Other Revenues	0	55,717	0	0	0
Total Operating Revenues	\$11,671,714	\$11,715,299	\$21,258,353	\$21,490,894	\$28,570,734
FEMA Grant [b]	0	(55,717)	0	0	0
Charges for Service Recognized	\$11,671,714	\$11,659,582	\$21,258,353	\$21,490,894	\$28,570,734

[a] Amounts shown have been excluded from the calculation of debt service compliance since such amounts represent a reimbursement of Operating expenses from a prior period and should not be considered revenue for the current period.

[b] Amount shown has been excluded from the calculation of debt service compliance since such amounts represents a grant received from Federal Emergency Management Agency ("FEMA") for operating expenses associated with the hurricane Wilma event which occurred in 2006, since such event occurred in a prior period such amounts have been excluded from current period revenues.

Footnotes continued on following page.

(Remainder of page intentionally left blank)

Footnotes (cont'd.)

- [3] Amounts shown reflect interest income as reported in the CAFR for Fiscal Years 2013 through 2016 and preliminary information provided by City Staff for Fiscal Year 2017. Amounts shown were adjusted consistent with the definition set forth in the Bond Resolution.

	2013	2014	2015	2016	2017
Interest Income Reported	\$345,512	\$223,638	\$67,119	\$342,414	\$578,395
Adjustments					
Interest Income on Customer Deposits	0	0	0	0	0
Interest Income on Debt Service (430)	(611)	(2,815)	(2,192)	(1,529)	(1,527)
Interest Income on 2011 Bond Construction Fund (431)	(158)	(343)	(640)	(822)	(1,511)
Interest Income on 2015 Bond Construction Fund (432)	0	0	(3,082)	(5,686)	(388,232)
Interest Income Recognized:	<u>\$344,743</u>	<u>\$220,480</u>	<u>\$61,205</u>	<u>\$334,377</u>	<u>\$187,125</u>

- [4] Based on the definition of Revenues as set forth in the Bond Resolution the following Non-operating Revenues and Capital Contributions, as shown for Fiscal Years 2013 through 2016 in each year's CAFR and for Fiscal Year 2017 compiled from preliminary operating results provided by City Staff, have been excluded from the calculation of Revenues. The following has been assumed for Other Operating Revenues in the Calculation of Debt Service Coverage:

	2013	2014	2015	2016	2017
Non-operating Revenues and Capital Contributions per CAFR					
Gain (Loss) on Disposal of Assets	\$4,184	\$23,284	\$36,889	\$37,388	\$0
Unrealized Gains (Losses) on Investments	(171,778)	(81,605)	69,807	84,835	0
Capital Contributions	2,678	0	311	0	(420)
Total Non-operating Revenues and Capital Contributions per CAFR	<u>(\$164,916)</u>	<u>(\$58,321)</u>	<u>\$107,007</u>	<u>\$122,223</u>	<u>(\$420)</u>
Excluded Non-operating Revenues and Capital Contributions per CAFR					
Gain (Loss) on Disposal of Assets	(\$4,184)	(\$23,284)	(\$36,889)	(\$37,388)	\$0
Unrealized Gains (Losses) on Investments	171,778	81,605	(69,807)	(84,835)	0
Capital Contributions	(2,678)	0	(311)	0	420
Other Operating Revenues Recognized:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

- [5] The following adjustments have been made to personal services as reported in the CAFRs for Fiscal Years 2013 through 2016 and as reported in the preliminary operating results compiled by City Staff for Fiscal Year 2017: i) a contra-expense was recorded in Fiscal Year 2015 and 2016 to report the reduction in the long-term pension liability to account for reporting requirements for Governmental Accounting Standards Board ("GASB") Statement 68, this contra-expense has been removed for the calculation of Current Expenses; and ii) to reclassify transfers out pension funds. The Bond Resolution's definition of Current Expenses states "any reasonable payments to pension or retirement funds properly chargeable to the Stormwater Utility" shall be included as Current Expenses.

	2013	2014	2015	2016	2017
Personal Expenses	\$1,703,961	\$2,290,564	\$2,418,608	\$2,435,996	\$3,511,472
Adjustments:					
Change in Long Term Pension Liability (GASB 68 Actuarial Expense)	0	0	130,741	385,001	(298,335)
Transfer Out – Pension Obligations	5,371	6,224	10,000	11,000	11,000
Total Personal Expenses	<u>\$1,709,332</u>	<u>\$2,296,788</u>	<u>\$2,559,349</u>	<u>\$2,831,997</u>	<u>\$3,224,137</u>

- [6] The Bond Resolution's definition of Current Expenses states the Current Expenses shall not include "any administrative expenses payable to the City's General Fund". The following administrative expenses have been identified as being paid from the Stormwater Utility during the Historical Period. In accordance with the Bond Resolution such amounts that have been paid to the City's General Fund have been excluded from the calculation of Current Expenses. The Stormwater Utility has incurred transfers out to the Sanitation Fund (Fund 435) for administration of the Stormwater Utility; these transfers have been reclassified to Current Expenses. The following summarizes the Administrative Fees recognized in the calculation of Current Expenses.

	2013	2014	2015	2016	2017
Administrative Fees (to General Fund)	\$433,000	\$435,000	\$631,000	\$612,996	\$667,000
Transfers Out (to Sanitation Fund) for Administrative Fees	584,000	637,000	658,000	798,000	798,000
Total Administrative Fees	\$1,017,000	\$1,072,000	\$1,289,000	\$1,410,996	\$1,465,000
Less Administrative Fees Paid to General Fund	<u>(433,000)</u>	<u>(435,000)</u>	<u>(631,000)</u>	<u>(612,996)</u>	<u>(667,000)</u>
Administrative Fees Recognized as Current Expenses:	<u>\$584,000</u>	<u>\$637,000</u>	<u>\$658,000</u>	<u>\$798,000</u>	<u>\$798,000</u>

(Remainder of page intentionally left blank)

In the development of the historical operating results and evaluation of the debt service coverage test as shown above and in more detail on Table 8, several observations and information sources were recognized. The following is a summary of such observations and information sources.

1. The increase in charges for service revenues beginning in Fiscal Year 2015 was due to the implementation of increased monthly stormwater utility service charges as adopted and implemented by the City Commission as a part of Ordinance No. 2014-3894. This rate adjustment was adopted by the City Commission, among other things, to provide sufficient annual revenues to meet the requirements of the Bond Resolution associated with increases in the annual Principal and Interest Requirement associated with the issuance of the Stormwater Revenue Bonds, Series 2015 Bonds (the "Series 2015 Bonds") to fund capital improvements to the System's infrastructure.
2. On a combined basis, Current Expenses increased at a compound annual rate of approximately 20.37% from Fiscal Year 2013 to 2017. Personal Services and Contractual Services account for approximately 97% of the increases to Current Expenses from Fiscal Year 2013 to Fiscal Year 2017. This increase reflects the City's goal of achieving higher maintenance service levels provided to the customers of the Stormwater System.
3. During the Historical Period, the City issued the Series 2015 Bonds in the aggregate principal amount of \$99,590,000 in order to fund certain capital improvements of the System's infrastructure.

There were no subordinate lien bonds pledged from the Net Revenues of the System during the Historical Period. However, the City did execute an equipment capital lease between the City and SunTrust Equipment Finance and Leasing Corporation to finance several vehicles for the City, including for the System. This equipment lease is accounted for as a debt obligation in the City's General Fund and the pledge for repayment is from General Fund revenue sources. The System does transfer to the General Fund its proportionate share of the capital lease payment for the vehicles financed on behalf of the System and this payment has been recognized as a required transfer or payment from the System and would be made prior to the funding of any capital reinvestment requirements from operations.

4. The City currently charges the System administrative fees associated with those costs that are accounted for in the City's General Fund that are allocable to the operations and management of the System. Examples of such expenses would include, but not be limited to, City Manager and City Commission, purchasing, finance and accounting, human resources, and other related costs. Pursuant to the Bond Resolution, the administrative fees are not recognized as Current Expenses. Since such expenses are ongoing and payments are budgeted and made annually from System operations, such payments were also classified as a required transfer and would be made prior to the funding of any capital reinvestment requirements from operations.

(Remainder of page intentionally left blank)

ADDITIONAL BONDS TEST

Since the City is issuing additional indebtedness (the Series 2017 Bonds) on a parity basis with the Outstanding Bonds, the City must meet certain financial tests relative to the issuance of such parity bonds as defined in Section 209 of the Bond Resolution (the "Additional Bonds Test"). The Additional Bonds Test requirements as outlined in the Bond Resolution states that the Net Revenues, as may be adjusted as provided in the Bond Resolution (the "Adjusted Net Revenues"), of the System must comply with certain coverage requirements recognizing the Maximum Principal and Interest Requirements for the Outstanding and additional Series of parity bonds (the "Additional Bonds") for the Fiscal Year following the Fiscal Year in which the improvements to be financed by the Additional Bonds are completed or during any twelve consecutive months in the eighteen months immediately preceding the date of the issuance of the Additional Bonds. Specifically, the Bond Resolution provides that the Adjusted Net Revenues during the Test Period or the Measurement Period (each as hereinafter defined) must be at least equal to one hundred ten percent (110%) of the Maximum Principal and Interest Requirements on the Outstanding and Additional Bonds. For the purposes of the Additional Bonds Test, two tests were performed: i) a historic analysis based on the Fiscal Year 2017 preliminary reported results as compiled by City staff (the "Test Period"), which represents to the most recently completed fiscal year for the City as of the date of this report and occurred within the last 18 months and ii) a projected test based on estimated Fiscal Year 2020 results, which is the assumed Fiscal Year following the construction of the Series 2017 Project (the "Measurement Period").

The Bond Resolution does provide that adjustments to the Net Revenues can be made to reflect, among others, i) increases in rates, fees, rentals and other charges for the services furnished by the System if such increases had been implemented and in effect during such Test Period; and ii) the acquisition of any privately or publicly owned existing water and/or sewer system which became a part of the System if such existing system had been operated as part of the System during such Test Period or Measurement Period. Based on the provisions of the Bond Resolution, the following adjustments were made with respect to the determination of the Additional Bonds Test as reflected in this report for the Test Period and the Measurement Period calculations:

1. The Revenues were increased to reflect the application of the Fiscal Year 2018 rate adjustment of approximately 2.80%, which was adopted with Ordinance No. 2017-4145; this increased the stormwater service charge per ERU from \$22.67 to \$23.30.
2. The annual Principal and Interest Requirements for the Outstanding Bonds were adjusted to recognize the estimated Maximum Principal and Interest Requirements on such Outstanding Bonds, including the issuance of the Series 2017 Revenue Bonds, which were based on assumptions as provided by the City's Financial Advisor. The Fiscal Year of the Maximum Bond Service Requirement for the System was estimated to occur during Fiscal Year 2045 based on: i) the actual Principal and Interest Requirement schedule for the Outstanding Bonds; and ii) the estimated Principal and Interest Requirement schedule for the Series 2017 Revenue Bonds as provided by the City's Financial Advisor. It should be noted, that if the City elects to refund a portion of the Outstanding Bonds as is currently anticipated as a component of the issuance of the Series 2017 Bonds, the potential savings could result in a decreased Maximum Principal and Interest Requirement.

Based on our understanding of the Additional Bonds Test requirements as defined in the Bond Resolution, the Adjusted Net Revenues derived from System operations should be sufficient to meet the Additional Bonds Test requirements as shown as follows:

Estimated Additional Bonds Test [1]				
	Test Period – Twelve Months Ended September 30, 2017			Measurement Period – Fiscal Year 2020
	City-Reported Actual [2]	Adjustments	As Adjusted	As Projected [3]
Revenues:				
Charges for Service [4]	\$28,570,734	\$1,563,079	\$30,133,813	\$30,133,813
Unrestricted Interest Income [5]	187,125	0	187,125	187,125
Other Operating Revenues	0	0	0	0
Total Revenues	\$28,757,859	\$28,757,859	\$28,757,859	\$28,757,859
Current Expenses [6]	\$7,312,079	\$0	\$7,312,079	\$9,266,191
Net Revenues Available for Debt Service	\$21,445,780	\$1,559,171	\$23,008,859	\$21,054,746
Maximum Principal and Interest Requirements				
Maximum Principal and Interest Requirements [7]	\$11,361,226	\$5,461,974	\$16,823,200	\$16,823,200
Maximum Principal and Interest Requirement Coverage – Requirement	110%		110%	110%
Maximum Principal and Interest Requirement Coverage – Calculated	188%		137%	125%

[1] Historical information based on preliminary operating results provided by City Staff for Fiscal Year 2017.

[2] Amounts shown derived from Table 8 and are based on preliminary operating results provided by City Staff for Fiscal Year 2017 for the Test Period.

[3] In accordance with the Bond Resolution, the "Measurement Period" was recognized as the Fiscal Year following the Fiscal Year in which the improvements to be financed by the Additional Bonds are completed, which was assumed to be the Fiscal Year 2021.

[4] The Revenues were increased to reflect the application of the Fiscal Year 2018 rate adjustment of approximately 2.80%, which was adopted with Ordinance No. 2017-4145, which increased the stormwater service charge per ERU from \$22.67 to \$23.30.

[5] Amounts shown reflect interest income on unrestricted fund balances as defined in the Bond Resolution.

[6] Pursuant to the Bond Resolution, Current Expenses do not include depreciation or amortization expenses (non-cash expense) or any administrative expenses (considered as a required transfer) payable the General Fund.

[7] Adjustments reflect estimated increase to reflect the Maximum Principal and Interest Requirements upon the issuance of the Series 2017 Revenue Bonds. The Maximum Principal and Interest Requirements for the combined Bonds are estimated to occur in Fiscal Year 2045 based on information provided by the City's Financial Advisor.

As can be seen in the preceding table and recognizing the estimated Maximum Principal and Interest Requirements on the Outstanding Bonds and the Series 2017 Revenue Bonds as of the date of issuance of the Series 2017 Revenue Bonds, it is estimated that the City would meet the Additional Bonds Test requirements as defined in the Bond Resolution from the Adjusted Net Revenues of the System.

PROJECTED OPERATING RESULTS

General

Projections of the operating results of the System have been prepared for the five Fiscal Years 2018 through 2022 (previously defined as the "Forecast Period"). Projections were based on: i) the adopted Fiscal Year 2018 Budget for the System as provided by City staff; ii) preliminary Fiscal Year 2017 operating results as prepared by City staff, and other supporting financial information as reported by the City for the System; iii) discussions with City staff and its engineering consultants regarding current and future needs associated with capital improvements to the System; iv) information regarding the issuance of additional parity debt requirements as

provided by the City and the City's Financial Advisor; and vi) other information provided by the City and its consultants and advisors.

Presented on Table 9 at the end of this report are the financial projections prepared by PRMG for the System. The table includes annual projections of Revenues, Current Expenses, Principal, and Interest Requirements on the estimated Outstanding Bonds, the Series 2017 Revenue Bonds, and additional parity bonds (the Series 2022 Bonds) anticipated to be issued during the Forecast Period, and balances available for capital outlay and other purposes. Projected revenue includes those from System rates and interest income on the available funds derived from System operations. The projected revenue has been forecasted based on revenue anticipated to be derived from the existing and anticipated monthly stormwater utility rates of the System. The projected total Principal and Interest Requirement shown on Table 9 at the end of this report is subject to change based upon the actual terms of the sale of the Series 2017 Revenue Bonds.

Projected revenue for the System was based on historical growth coupled with information provided by the City relating to projected service area population and development within the System. The projected System revenue has been forecasted based on revenue anticipated to be derived from the adopted rates as reflected the Rate Ordinance (which includes automatic annual rate increases, based on the CPI), and the anticipated additional rate adjustment assumed in Fiscal Year 2019 to provide increased funds for capital projects of the System and to fund the issuance of the Series 2022 Bonds. Such increases, expressed as a percentage of System sales revenue, are projected as follows:

Estimated System Average Rate Percentage Adjustments [1]		
Fiscal Year	Stormwater System	Additional Revenue
2019 [2]	22.5%	\$6,790,497
2020	2.8%	\$1,049,024
2021	2.8%	\$1,075,682
2022	2.8%	\$1,102,369

[1] All rate adjustments are assumed to become effective with bills rendered on October 1st of each Fiscal Year.

[2] Reflects application of a 19.7% rate adjustment in addition to the assumed annual rate indexing adjustment; the 19.7% rate adjustment has not yet been adopted by the City.

Interest income has been estimated on cash (fund) balances estimated to be on deposit and available to the City during the Forecast Period. The projected Current Expenses were increased above current Fiscal Year 2017 estimates based on various factors such as projected expense increases due to inflation and changes in System operations associated with the Capital Improvement Program, and other factors.

Principal Considerations and Assumptions Regarding Projected Operating Results

In the preparation of this report and the conclusions that follow, we have made certain assumptions with respect to conditions that may occur in the future. While we believe the assumptions are reasonable for the purpose of this report, they are dependent upon future events and actual conditions may differ from those assumed. In addition, for our projections and estimates, we have used and relied upon certain information and assumptions provided to us or prepared by others, including: i) information and assumptions provided to us by the City

regarding historical financial information and historical customer and sales statistics; ii) information contained in the City's CAFR and other financial information provided by the City for the Historical Period; iii) assumptions provided by the Financial Advisor with respect to the issuance of the Series 2017 Bonds and the proposed Series 2022 Bonds for the Forecast Period; iv) information provided by the City's Consulting Engineer regarding the System; and v) information provided by the City and its Consulting Engineer with respect to the Capital Improvement Program of the System. While we believe use thereof to be reasonable for the purpose of this report, we offer no further assurances with respect thereto. To the extent that actual conditions differ from those assumed by us herein or from information or assumptions provided to us, or prepared by others, the actual results will vary from those estimated and projected herein.

In making the projections and estimates summarized in this report, the principal considerations and assumptions made by us and the principal information and assumptions provided to us or prepared by others include the following:

1. Projected revenues from current and anticipated rates were based on the schedule of rates as adopted by the City Commission on October 17, 2017 pursuant to Ordinance No. 2017-4145 (previously defined as the "Rate Ordinance"), the application of the assumed rate indexing adjustment, as delineated in Section No. 110-171 of the Rate Ordinance, and the application of an additional rate adjustment of approximately 19.7% the City also anticipates adopting effective October 1, 2018 to provide sufficient revenues to meet the requirements for the issuance of the Series 2022 Bonds and to provide funding for future capital improvements. The following is a summary of the additional stormwater system rate revenues associated with the anticipated rate adjustment recognized for Fiscal Year 2019 which does not include the effect of the assumed rate indexing adjustment:

Revenue from Additional System Rate Adjustment for Series 2022 Bonds and Additional Capital Needs [*]	
	<u>Effective October 1, 2018</u>
Rate Adjustment	19.70%
Rate Adjustment Status	Anticipated / Not Yet Adopted by City Commission
Additional Rate Revenue	<u>\$5,945,458</u>

[*] Amounts based on assumed increases in monthly stormwater utility service charges as billed by the City.

2. The financial projections do not include any other operating revenues associated with sale of scrap or surplus materials and other miscellaneous revenue. As has been discussed previously in this report, the System does not charge any other fees beyond the stormwater utility service. Additionally, while the System may realize additional revenues from the sales of scrap or surplus material from the implementation of the Capital Improvement Program, such amounts have not been included for the purposes of the projected operating results herein. If such revenues do materialize during the Forecast Period that would further enhance the operating results of the System.

3. The Fiscal Year 2018 Budget (the "Budget"), and actual Fiscal Year 2016 and 2017 operating results served as the primary baseline for the expenditure projections. The Budget represents the most recent financial plan for the System as approved by the City Commission. The Fiscal Year 2018 Budget was incorporated into the Fiscal Year 2018 component of the Current Expenses and served as the basis for the projections of the Current Expenses for the Forecast Period.
4. Projected System Current Expenses associated with the operation of the System have been escalated from Fiscal Year 2018 budgeted levels based upon several assumptions. A summary of Current Expenses for the Forecast Period is included on Table 3 at the end of this report, and the escalation references are shown in Table 4. These projected expenditures were escalated for the Forecast Period as follows:
 - a. The projected Current Expenses for the Fiscal Year 2018 were based upon the City's Operating Budget for such Fiscal Year that reflects the most recent annual financial projection of the System prepared by management. Such amounts were incorporated into the Fiscal Year 2018 component of the Forecast Period and were adjusted for other known or anticipated conditions and contingencies in developing the financial forecast included in this report.
 - b. The projected cost of personnel expenses (wages and salaries and associated benefits) were escalated above Fiscal Year 2018 budget estimates by 3.5% annually as discussed with the City staff to reflect increases due to inflation and allowances for salary adjustments, such as position changes of the existing personnel, merit increases, and cost of living adjustments. For the purposes of the projected operating results, it was assumed that all budgeted positions would be filled (no vacancies) for each respective full Fiscal Year, which is consistent with the City's budget process. However, it is anticipated that during the course of each respective Fiscal Year that vacancies may occur which could reduce the overall personnel costs actually paid by the City. Based on discussions with the City and recognizing the growth of the System, no additional personnel (net change in total employees associated with the System) were assumed for the Forecast Period.
 - c. Based on discussions with the City, the City has historically funded 100% of its annual required transfers for its Other Post Employment Benefit ("OPEB") liability, which as a result is required to be recognized in accordance with Governmental Accounting Standards Board Statement (previously defined as "GASB") No. 45, as well as its accrued liability for pensions, which is required to be recognized in accordance with GASB No. 68. The City anticipates that 100% of the required annual transfers will continue to be funded during the Forecast Period.
 - d. Materials and supplies expenses, other contractual services expenses, repair and maintenance expenses, and certain other operating expenses have been projected to increase in general from historical and current budgetary levels at an annual rate equal to inflation ranging from 1.0% to 5.0% based on the nature of the expenditure. These escalation factors were based, in part, on the Implicit GDP Deflator and the Consumer Price Index forecast prepared by the Congressional Budget Office, as contained in the

Economic and Budget Outlook dated August 2017 and recent operating expense trends.

- e. With respect to the projection of the cost for purchased power for the stormwater pumping facilities, such expenses were projected to increase during the Forecast Period based on: i) a review of historical costs and trends recently incurred by the City; ii) discussions with the City staff; and iii) the estimates contained in the 2018 Budget; and as shown on Table 3 at the end of this report. In addition to the growth of the System, an allowance for impacts of cost inflation was recognized for the Forecast Period. With respect to the cost of electricity, an inflationary adjustment equal to 3.00% was assumed, based on the twenty-year average change (1996-2016) in the Consumer Price Index for All South Urban Consumers for Electricity (CUSR0000SEFH01), as published by the Bureau of Labor Statistics.
- f. In the projection of the estimated expenditure requirements, a contingency allowance has been included in each year of the Forecast Period. The contingency allowance assumed for the development of the projected total expenditure needs of the System was based on one percent (1.0%) of the total System Current Expenses for each respective Fiscal Year of the Forecast Period. The allowance has been included as a component of Current Expenses in order to meet any unknown or unplanned expenses throughout each respective Fiscal Year. To the extent the contingency allowance is not required to pay for any Current Expenses or provide funds for ongoing System operations, such monies would accrue to the benefit of the System and could be used for other purposes, such as providing increased funds to finance renewals, replacements, and upgrades to the System over time or to increase cash reserve fund balances. The result of this contingency adjustment was to increase the Current Expenses by approximately \$284,000 for each Fiscal Year of the Forecast Period.
- g. An allowance for bad debt expenses has been made to recognize that a certain amount of revenues will be considered as uncollectible and written-off throughout the year, which is typical for a utility business enterprise. This expenditure item was included as a Current Expense and reflects an incremental adjustment to each year's expenses, and was estimated at 0.25% of rate revenue. The result of this expense adjustment was to increase annual Current Expenses by approximately \$87,000 during the Forecast Period.
- h. Although considered a System operating expense for financial reporting purposes, depreciation and amortization expenses have not been recognized as a component of the Current Expenses, consistent with the provisions of the Bond Resolution, since such amounts represent non-cash expenses.
- i. Included as an operating expense for financial reporting purposes are administrative expenses that represent certain costs accounted for in and payable to the City's General Fund, which supports the ongoing operations of the System. Such expenses include, but are not limited to, City management, financial accounting and reporting, human resources, purchasing, legal, and other service or cost categories. Although considered as an operating expense for financial reporting purposes, such expenses are not

considered as a Current Expense in accordance with the provisions of the Bond Resolution. For the purposes of the projected operating results, the administrative expenses were based on estimates contained in the Fiscal Year 2018 Budget and escalated for the remainder of the Forecast Period at approximately 2.4% annually. Such amounts were recognized as a required transfer for the determination of compliance with the flow of funds pursuant to the Bond Resolution since such costs are required by the City to be paid to the General Fund.

5. As previously discussed in this report and as restated below, the City had outstanding as of September 30, 2017 in the principal amount \$181,255,000 of Bonds issued pursuant to the Bond Resolution (previously defined as the "Outstanding Bonds") that were issued to finance capital improvements to the System and to refund prior Bonds issued for that purpose to achieve interest expense savings. Repayment of the Outstanding Bonds is from the Net Revenues derived from System operations.

Outstanding Bonds	As of September 30, 2017
Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2 (the "Series 2009 Bonds") [1]	\$7,190,000
Stormwater Revenue Bonds, Series 2011A (the "Series 2011A Bonds") [2]	49,055,000
Stormwater Revenue Refunding Bonds, Series 2011B (the "Series 2011B Bonds") [3]	25,855,000
Stormwater Revenue Bonds, Series 2015 (the "Series 2015 Bonds")	99,155,000
Total Outstanding Bonds	<u>\$181,255,000</u>

[1] The Series 2009 Bonds are currently outstanding in the aggregate principal amount of \$5,505,000 after December 1, 2017.

[2] Subject to market conditions at the time of pricing of the Series 2017 Bonds, \$44,270,000 of the Series 2011A Bonds are expected to be refunded upon issuance of the Series 2017 Bonds.

[3] Subject to market conditions at the time of pricing of the Series 2017 Bonds, \$25,265,000 of the Series 2011B Bonds are expected to be refunded upon issuance of the Series 2017 Bonds.

The Principal and Interest Requirement on the Outstanding Bonds included in this report for each year of the Forecast Period was based on the existing debt service schedule for each respective issue and are presented on a "gross" basis (i.e., not net of interest earnings on any debt service related funds or accounts). Furthermore, the amounts shown are based on the Principal and Interest Requirements (i.e., the monthly funding requirements (deposits from rates to the Debt Service Account – an accrual basis) as provided in the Bond Resolution.

6. In addition to the Outstanding Bonds, the System has two (2) subordinate debts that are pledged for repayment from revenues of the System (previously defined as the "Subordinate Obligations"). The Subordinate Obligations include: i) a loan with the City for the purchase of machinery and equipment; and ii) Clean Water SRF loan SW131300 for surface water restoration projects. The following is a summary of the Subordinate Obligations as of September 30, 2017:

Subordinate Obligations	As of September 30, 2017
Equipment Loan (the "Equipment Loan")	\$38,650
Clean Water State Revolving Fund Loan SW131300 (the "SRF Loan")	5,233,113
Total Subordinate Obligations	<u>\$5,271,763</u>

It should be noted that since September 30, 2017, based on the total SRF loan approved, the amount of the Subordinate Obligations have increased. For the purposes of this report, it has been assumed that the total amount of Subordinate Obligations will be \$38,650 and \$7,797,500 for the Equipment Loan and the SRF Loan, respectively.

7. The City plans to issue the tax-exempt Series 2017 Revenue Bonds on parity with then Outstanding Bonds for the primary purpose of financing certain capital improvements as discussed previously in this report. Based on the direction of the City's Financial Advisor for the Series 2017 Revenue Bonds, it was assumed that the Series 2017 Revenue Bonds would have: i) an aggregate principal amount of approximately \$87,650,000; ii) an All-In TIC of 3.985500%; and iii) a delivery date of December 21, 2017. The following is a summary of the estimated sources and uses of the proceeds of the Series 2017 Revenue Bonds as provided by the Financial Advisor for the Series 2017 Revenue Bonds:

Summary of Estimated Series 2017 Revenue Bonds Sources and Uses of Funds [*]	
Sources of Funds:	
Series 2017 Bond Proceeds – Par Amount	\$87,650,000
Premium	13,139,242
Total Sources of Funds	<u>\$100,789,242</u>
Uses of Funds:	
Deposit to Series 2017 Construction Account	\$100,000,000
Cost of Issuance	789,242
Total Uses of Funds	<u>\$100,789,242</u>

[*] Amounts provided by the City's Financial Advisor and are preliminary and subject to change based on the actual sale of the Series 2017 Revenue Bonds. Amounts shown reflect City Financial Advisor estimates as of November 20, 2017 and assumes a 3.985500% All-In TIC, which may be different based on actual sale of Series 2017 Bonds.

8. Based on the multi-year Capital Improvement Program and the corresponding plan of finance, as shown on Tables 5 and 6 at the end of this report, a portion of the projects in the Capital Improvement Program was assumed to be funded from the issuance of additional senior lien bonds (the Series 2022 Bonds) in Fiscal Year 2022. Based on information provided by the City's Financial Advisor for the additional debt needs, it has been assumed that the City would issue of the Stormwater Revenue Bonds, Series 2022 (previously defined as the "Series 2022 Bonds"). The Series 2022 Bonds assume: i) an aggregate principal amount of approximately \$96,920,000; ii) an All-In TIC of 6.063798%; and iii) a delivery date of August 1, 2022.
9. In accordance with normal utility operations and the flow of funds, as provided in the Bond Resolution that authorized the issuance of Outstanding Bonds and additional parity Bonds for the System, interest income has been recognized as an available revenue source to fund the annual expenditure needs and meet the Bond Resolution rate covenant requirements of the System. For the Forecast Period, interest income was based on the estimated balances held in the Enterprise Fund, Stormwater Revenue Bonds Debt Service Account, and the Subordinate Indebtedness Account, anticipated to be on deposit. For the purposes of estimating compliance with the covenants of the Bond Resolution, no interest income has been recognized on fund balances held in accounts, from the issuance of additional parity

bonds (Series 2015 Bonds, Series 2017 Bonds, and Series 2022 Bonds); should the City realize interest income from these fund balances, it would improve the operating results as compared to the amounts presented in this report. With respect to the evaluation of the compliance with the rate covenant described in the Bond Resolution, interest earned on those fund balances, which were available to meet total utility expenditures, was recognized. These fund balances included debt service funds and operating reserves. No earnings on the Construction Fund (established by each series of additional parity bonds issued by the City) were considered for the purposes of meeting the covenant requirements as described in the Bond Resolution.

In development of the estimated interest earnings for the Forecast Period, an average annual interest rate of 0.50% was applied to the estimated average fund balances in each account maintained by the City during the Forecast Period. This interest rate assumption is based on recent earnings performance results of the System and discussions with City staff. A summary of the interest earnings recognized in the financial forecast for each Fiscal Year as well as the estimated cash balances by individual fund or account is presented in Table 10 at the end of this report. The projected interest income recognized in the determination of Net Revenues for the Forecast Period is shown as follows:

Summary of Projected Interest Earnings – For the Forecast Period [1][2]					
	Fiscal Year Ending September 30,				
	2018	2019	2020	2021	2022
Unrestricted Interest Income:					
Enterprise Fund	\$121,942	\$162,153	\$219,835	\$247,534	\$219,372
Stormwater Revenue Bonds Debt Service Account	37,274	40,548	40,495	42,051	43,269
Subordinate Indebtedness Account	1,240	1,147	1,147	1,146	1,146
Total Interest Income	\$160,456	\$203,848	\$261,477	\$290,731	\$263,787

[1] Derived from Table 10 at the end of this report.

[2] Reflects earnings recognized in the development of Revenues.

10. The Capital Improvement Program and corresponding financing plan for the System was based on: i) the City's most recent multi-year Capital Improvement Program; ii) information provided by the City regarding the status of current and anticipated projects (appropriated in prior periods that are considered as active projects with expenditures occurring during the Forecast Period); and iii) discussions with the City and its Consulting Engineer. The Capital Improvement Program is summarized on Tables 5 and 6 at the end of this report. It should be noted that the City continues to redefine and adjust the program due to the changing capital requirements of the City and updates the program annually as part of the normal budget process.

The funding plan for the Capital Improvement Program was based on: i) the purpose of the expenditures; ii) available fund balances in accounts established by the City, which are available for capital projects; iii) the use of proceeds from the Series 2017 Revenue Bonds and the proposed additional parity bonds, the Series 2022 Bonds; and iv) tax increment financing on the real property as imposed by Miami-Dade County, Florida. The following is a summary of the cash expenditures associated with the Capital Improvement Program

recognized in the development of the projected operating results, which is shown in detail on Table 6 at the end of this report:

Summary of Capital Improvement Program by Funding Source for the Forecast Period [1][2]						
	Fiscal Year Ending September 30,					Total for Forecast Period
	2018	2019	2020	2021	2022	
Total Annual Capital Projects	\$69,252,199	\$58,646,832	\$59,225,978	\$41,960,466	\$73,198,162	\$302,283,637
Funding Sources:						
Operating Reserves	\$225,872	\$263,517	\$138,033	\$14,481,872	\$24,235,703	\$39,344,996
Prior Bond Proceeds	28,206,833	0	0	0	0	28,206,833
Series 2017 Revenue Bonds Proceeds	40,819,495	42,112,081	17,068,424	0	0	100,000,000
Series 2022 Bonds Proceeds [3]	0	0	0	0	37,451,356	37,451,356
Miami-Dade County – TIF	0	16,271,234	42,019,522	27,478,595	11,511,103	97,280,453
Total Capital Funding	\$69,252,199	\$58,646,832	\$59,225,978	\$41,960,466	\$73,198,162	\$302,283,637

[1] Totals may not add due to rounding.

[2] Amounts shown derived from Tables 5 and 6 at end of report; amounts reflect capital project spending and not when funds are appropriated for capital projects.

[3] Amounts shown reflect expenditures in Fiscal Year 2022 from the proceeds of the proposed Series 2022 Bonds.

Summary of Projected Operating Results

As shown on Table 9 at the end of this report and summarized as follows, projections have been prepared of the operating results for the System. Such projections were prepared in accordance with our understanding of the flow of funds prescribed by the Bond Resolution and the assumptions and considerations used in the projections as described above.

Summary of Projected System Operating Results and Debt Service Coverage [1]					
	Fiscal Year Ending September 30,				
	2018	2019	2020	2021	2022
Revenues [2]	\$30,294,269	\$37,128,158	\$38,804,411	\$40,520,004	\$42,249,222
Current Expenses [3]	\$8,669,835	\$8,734,305	\$8,996,197	\$9,266,191	\$9,544,544
Net Revenues	\$21,624,434	\$28,393,854	\$29,808,214	\$31,253,812	\$32,704,677
Debt Service Coverage Test [4]					
Net Revenues	\$21,624,434	\$28,393,854	\$29,808,214	\$31,253,812	\$32,704,677
Principal and Interest Requirements	14,909,534	16,219,005	16,197,927	16,820,552	17,307,665
Calculated Coverage	145%	175%	184%	186%	189%
Minimum Required	110%	110%	110%	110%	110%
Other Required Transfers	1,168,836	1,147,176	1,163,700	1,180,180	1,197,506
Amounts Available for Other System Purposes After Payment of Debt Service and Required Transfers [6]	\$5,546,065	\$11,027,672	\$12,446,586	\$13,253,080	\$14,199,506

[1] Amounts shown are derived from Table 9 at the end of this report.

[2] Amounts shown include additional rate revenues derived from the application of the anticipated rate adjustments. It should be noted that the additional rate adjustment of 19.7% for Fiscal Year 2019 has not yet been approved by the City Commission.

[3] Pursuant to the Bond Resolution, amounts shown do not include i) depreciation or amortization expenses that are considered as a non-cash expense; or ii) any administrative expenses payable to the General Fund.

[4] The Principal and Interest Requirements include the Outstanding Bonds, Series 2017 Revenue Bonds, and Series 2022 Bonds. Reference is made to the rate covenant as more fully described in Section 502 of the Bond Resolution (referred to as the "Rate Covenant").

[5] Other required transfers as defined in the Bond Resolution include any required transfers to the Reserve Account, Rate Stabilization Account, and Subordinated Indebtedness Account. For purposes of this report, the administrative fees not recognized as Current Expenses pursuant to the Bond Resolution were classified as required transfers.

[6] Represents amounts available for other System purposes such as future capital expenditures of the System.

CONCLUSIONS

Based upon the principal considerations and assumptions and the results of our studies and analyses, as summarized in this report, which should be read in its entirety in conjunction with the following, we are of the opinion that:

1. The projected growth in customers and usage of the System represents reasonable and attainable projections for the purposes of this report.
2. The projections of Revenues and Current Expenses represent reasonable projections for the purposes of this report. Such projections were based on historical trends in costs, the Fiscal Year 2018 Operating Budget as provided by the City, discussions with the City and its Consulting Engineers, and other industry sources.
3. The System revenues for the Forecast Period under the City approved rates contained in the City's Rate Ordinance and the rates based on the application of the rate indexing provision of the Rate Ordinance and the additional rate adjustment anticipated in Fiscal Year 2019 should be sufficient to pay the projected Current Expenses, pay the estimated Principal and Interest Requirements on the remaining Outstanding Bonds^[4] and anticipated Series 2017 Revenue Bonds coming due in such years, and make the projected deposits to the other accounts established by the Bond Resolution for the System.
4. Based on the financial information provided by the City and assumptions identified in this report, the Net Revenues of the System have historically (for the past five Fiscal Years ended September 30, 2017) and are projected for the Forecast Period to continue to be in compliance with the rate covenant contained in the Bond Resolution.
5. The existing monthly stormwater services charges are generally higher when compared to charges for similar service provided by other neighboring and coastal stormwater utilities located in Southeast Florida.

(Remainder of page intentionally left blank)

[4] The Outstanding Bonds include the: i) Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2; ii) Stormwater Revenue Bonds, Series 2011A; iii) Stormwater Revenue Refunding Bonds, Series 2011B; and iv) Stormwater Revenue Bonds, Series 2015.

CITY OF MIAMI BEACH, FLORIDA
FINANCIAL FEASIBILITY REPORT
STORMWATER REVENUE AND REVENUE REFUNDING BONDS, SERIES 2017

LIST OF TABLES

Table No.	Description
1	Summary of Historical Stormwater Customer Statistical Information
2	Summary of Projected Customer Statistics and Forecast of Charges for Services (Rate) Revenues
3	Summary of Budgeted and Projected Operating Expenses
4	Calculation of Operating Expense Escalation Factors
5	Capital Improvement Program – Appropriations Basis
6	Summary of Capital Improvement Program – Spending Plan
7	Summary of Outstanding and Proposed Senior Lien Bonds – Principal and Interest Requirements
8	Calculation of Historical Operating Results and Debt Service Coverage
9	Calculation of Projected Operating Results and Debt Service Coverage
10	Calculation of Projected Fund Balances and Interest Income
11	Comparison of Monthly Residential Stormwater Service Charges

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Historical Stormwater Customers Statistical Information

Line No	Description	Historical Fiscal Year Ending September 30,				
		2013	2014	2015	2016	2017
1	Residential Accounts	5,737	5,742	5,756	5,772	5,764
2	Residential ERUs [1]	8,076	8,083	8,016	8,152	8,103
3	ERU per Account	1.41	1.41	1.39	1.41	1.41
4	Condo Accounts	954	954	952	953	953
5	Condo ERUs [1]	41,296	41,581	41,010	41,078	41,054
6	ERU per Account	43.29	43.60	43.07	43.10	43.08
7	Apartment Accounts	1,165	1,166	1,165	1,168	1,168
8	Apartment ERUs [1]	14,747	14,742	14,553	14,651	14,630
9	ERU per Account	12.65	12.65	12.50	12.54	12.53
10	Duplex Accounts	17	17	17	17	17
11	Duplex ERUs [1]	48	49	47	46	46
12	ERU per Account	2.87	2.90	2.78	2.71	2.71
13	Commercial Accounts	1,932	1,934	1,936	1,934	1,940
14	Commercial ERUs [1]	29,072	29,065	28,706	29,020	28,978
15	ERU per Account	15.05	15.03	14.83	15.01	14.94
16	Hotel Accounts	181	181	182	182	181
17	Hotel ERUs [1]	6,453	6,486	6,500	6,542	6,518
18	ERU per Account	35.72	35.88	35.78	35.95	36.01
19	City Accounts	39	39	44	44	44
20	City ERUs [1]	8,946	8,946	9,011	9,011	9,011
21	ERU per Account	229.38	229.38	204.80	204.80	204.80
22	Total Accounts	10,024	10,032	10,051	10,070	10,067
23	Total ERUs [1]	108,639	108,951	107,844	108,500	108,340
24	ERU per Account	10.84	10.86	10.73	10.77	10.76

Footnote

- [1] An Equivalent Residential Usage Unit ("ERU") as defined in the City's Code of Ordinance, Chapter 110 Utilities Article III - Stormwater Utility, as the rate per 791 square feet of impervious surface area. Accordingly each residential dwelling unit is assigned one (1) ERU and all non-residential properties are assigned an ERU value based on that properties impervious area divided by 791 square feet.

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Projected Customer Statistics and Forecast of System Revenues

Line No	Description	Historical 2017 [1]	Fiscal Year Ending September 30,				
			2018	2019	2020	2021	2022
1	Utility Service Charge (Monthly) [2]	\$ 22.67	\$ 23.30	\$ 28.54	\$ 29.34	\$ 30.16	\$ 31.00
2	Residential Accounts	5,764	5,774	5,784	5,794	5,804	5,814
3	Account Growth	-	10	10	10	10	10
4	ERU Growth	-	10.00	10.00	10.00	10.00	10.00
5	Residential ERUs	8,103	8,113	8,123	8,133	8,143	8,153
6	Average ERUs Per Account	1.41	1.41	1.41	1.41	1.41	1.41
7	Residential Revenue	\$ 2,204,340	\$ 2,268,395	\$ 2,781,965	\$ 2,863,467	\$ 2,947,115	\$ 3,032,916
8	Condo Accounts	953	953	953	953	953	953
9	Account Growth	-	-	-	-	-	-
10	ERU Growth	-	-	-	-	-	-
11	Condo ERUs	41,054	41,054	41,054	41,054	41,054	41,054
12	Average ERUs Per Account	43.08	43.08	43.08	43.08	43.08	43.08
13	Condo Revenue	\$ 11,168,330	\$ 11,478,698	\$ 14,060,174	\$ 14,454,292	\$ 14,858,264	\$ 15,272,088
14	Apartment Accounts	1,168	1,168	1,168	1,168	1,168	1,168
15	Account Growth	-	-	-	-	-	-
16	ERU Growth	-	-	-	-	-	-
17	Apartment ERUs	14,630	14,630	14,630	14,630	14,630	14,630
18	Average ERUs Per Account	12.53	12.53	12.53	12.53	12.53	12.53
19	Apartment Revenue	\$ 3,979,945	\$ 4,090,548	\$ 5,010,482	\$ 5,150,930	\$ 5,294,890	\$ 5,442,360
20	Duplex Accounts	17	17	17	17	17	17
21	Account Growth	-	-	-	-	-	-
22	ERU Growth	-	-	-	-	-	-
23	Duplex ERUs	46	46	46	46	46	46
24	Average ERUs Per Account	2.71	2.71	2.71	2.71	2.71	2.71
25	Duplex Revenue	\$ 12,514	\$ 12,862	\$ 15,754	\$ 16,196	\$ 16,648	\$ 17,112
26	Commercial Accounts	1,940	1,942	1,944	1,946	1,948	1,950
27	Account Growth	-	2.00	2.00	2.00	2.00	2.00
28	ERU Growth	-	30.00	30.00	30.00	30.00	30.00
29	Duplex ERUs	28,978	29,008	29,038	29,068	29,098	29,128
30	Average ERUs Per Account	14.94	14.94	14.94	14.94	14.94	14.94
31	Commercial Revenue	\$ 7,883,175	\$ 8,110,637	\$ 9,944,934	\$ 10,234,261	\$ 10,531,148	\$ 10,835,616
32	Hotel Accounts	181	181	181	181	181	181
33	Account Growth	-	-	-	-	-	-
34	ERU Growth	-	-	-	-	-	-
35	Hotel ERUs	6,518	6,518	6,518	6,518	6,518	6,518
36	Average ERUs Per Account	36.01	36.01	36.01	36.01	36.01	36.01
37	Hotel Revenue	\$ 1,773,157	\$ 1,822,433	\$ 2,232,285	\$ 2,294,857	\$ 2,358,995	\$ 2,424,696
38	City Accounts	44	44	44	44	44	44
39	Account Growth	-	-	-	-	-	-
40	ERU Growth	-	-	-	-	-	-
41	City ERUs	9,011	9,011	9,011	9,011	9,011	9,011
42	Average ERUs Per Account	204.80	204.80	204.80	204.80	204.80	204.80
43	City Revenue	\$ 2,451,352	\$ 2,519,476	\$ 3,086,087	\$ 3,172,593	\$ 3,261,261	\$ 3,352,092
43	Adjustment - Percentage [3]	(0.56%)	(0.56%)	(0.56%)	(0.56%)	(0.56%)	(0.56%)
44	Adjustment - Dollars	\$ (164,599)	\$ (169,235)	\$ (207,372)	\$ (213,263)	\$ (219,304)	\$ (225,495)
Total System							
45	Accounts	10,067	10,079	10,091	10,103	10,115	10,127
46	Account Growth	-	12	12	12	12	12
47	ERU Growth	-	40.00	40.00	40.00	40.00	40.00
48	ERUs	108,340	108,380	108,420	108,460	108,500	108,540
49	ERU Growth	-	40	40	40	40	40
50	Average ERUs Per Account	10.76	10.75	10.74	10.74	10.73	10.72
51	Projected Charges for Service Revenue	\$ 29,308,215	\$ 30,133,813	\$ 36,924,310	\$ 37,973,334	\$ 39,049,016	\$ 40,151,385

Footnotes:

- [1] Fiscal Year 2017 Revenues based on 10 months of actual customer billing data and 2 month of estimated customer billing data. Effective October 1, 2016 the City's stormwater utility service charge increased from \$16.67 to \$22.67 per ERU, per Ordinance 2016-4040. Additionally, the Fiscal Year 2017 Revenue do not include adjustments for accounts receivables. Based on discussions with City Staff, the preliminary Charges for Services presented on Table 8, include an adjustment of approximately (\$737,481) to account for accounts receivables.

- [2] Amounts shown based on the application of rate indexing as adopted by the City in Ordinance No. 2017-4145 and the projected additional rate adjustment to provide revenues sufficient to meet the requirements of the Series 2022 Bonds and internally funded capital needs.

	2018	2019	2020	2021	2022
Projected Rate Indexing Adjustment (a)	2.80%	2.80%	2.80%	2.80%	2.80%
Additional Adjustment - Series 2022 Bonds / Capital Needs	0.00%	19.70%	0.00%	0.00%	0.00%
Total Adjustment	2.80%	22.50%	2.80%	2.80%	2.80%
Utility Service Charge (Monthly)	\$ 23.30	\$ 28.54	\$ 29.34	\$ 30.16	\$ 31.00

(a) Amounts shown based on Section 110-171 of the Rate Ordinance which allows for annual automatic adjustments based upon the Consumer Price Index - All Urban Consumers, Miami-Fort Lauderdale, as published by the Bureau of Labor Statistics as reported for the month of April of the current year.

- [3] Adjustment to calibrate customer billing information from the City's billing system as provided by the City Staff to the total revenue reported in the City's financial accounting system for Fiscal Year 2017.

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Budgeted and Projected Operating Expenses

Line No	Description	Adopted	Adjustments	Adjusted	Escalator	Fiscal Year Ending September 30,			
		2018		2018		2019	2020	2021	2022
Stormwater Expenses									
PERSONNEL SERVICES									
1	Salaries and Wages	\$ 2,077,000	\$ -	\$ 2,077,000	Labor	\$ 2,149,695	\$ 2,224,934	\$ 2,302,807	\$ 2,383,405
2	Shift Differential	1,000	-	1,000	Labor	1,035	1,071	1,109	1,148
3	Steeplejack	1,000	-	1,000	Labor	1,035	1,071	1,109	1,148
4	Overtime	151,000	-	151,000	Labor	156,285	161,755	167,416	173,276
5	Holiday Pay - Overtime	3,000	-	3,000	Labor	3,105	3,214	3,326	3,443
6	Work Above Classification	4,000	-	4,000	Labor	4,140	4,285	4,435	4,590
7	Allowances	97,000	-	97,000	Labor	100,395	103,909	107,546	111,310
8	Uniforms	19,000	-	19,000	Labor	19,665	20,353	21,066	21,803
9	Transfers-Pension Obligation	9,000	-	9,000	Labor	9,315	9,641	9,978	10,328
10	Retirement Contributions-Pension	598,000	-	598,000	Labor	618,930	640,593	663,013	686,219
11	Health & Life Insurance	241,000	-	241,000	Labor	249,435	258,165	267,201	276,553
12	Workmen's Compensation Pay	3,000	-	3,000	Labor	3,105	3,214	3,326	3,443
13	FICA	15,000	-	15,000	Labor	15,525	16,068	16,631	17,213
14	Social Security Medicare	33,000	-	33,000	Labor	34,155	35,350	36,588	37,868
15	FICA Alternative (457)	-	-	-	Labor	-	-	-	-
16	OPEB Contributions	10,000	-	10,000	Labor	10,350	10,712	11,087	11,475
17	OPEB Pay-As-You-Go	148,000	-	148,000	Labor	153,180	158,541	164,090	169,833
18	Employee Fringe Benefits	30,000	-	30,000	Labor	31,050	32,137	33,262	34,426
19	TOTAL PERSONNEL SERVICES	\$ 3,440,000	\$ -	\$ 3,440,000		\$ 3,560,400	\$ 3,685,014	\$ 3,813,989	\$ 3,947,479
OPERATING EXPENDITURES									
20	Temporary Labor	\$ 50,000	\$ -	\$ 50,000	ProfSvc	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275
21	Professional Services	452,000	-	452,000	ProfSvc	465,560	479,527	493,913	508,730
22	Bank Fees	100,000	-	100,000	ProfSvc	103,000	106,090	109,273	112,551
23	Electricity	350,000	-	350,000	Electric	360,500	371,315	382,454	393,928
24	Telephone	19,000	-	19,000	Utilities	19,618	20,255	20,913	21,593
25	Water	19,000	-	19,000	Utilities	19,618	20,255	20,913	21,593
26	Sewer	30,000	-	30,000	Utilities	30,975	31,982	33,021	34,094
27	Sanitation Fees	2,000	-	2,000	Utilities	2,065	2,132	2,201	2,273
28	Administration Fee	673,000	-	673,000	Inflation	688,479	705,002	721,923	739,249
29	Rent-Building & Equipment	274,000	-	274,000	Inflation	280,302	287,029	293,918	300,972
30	Hurricane Irma Debris Clean-Up	-	191,000	191,000	Eliminate	-	-	-	-
31	Contract Maintenance	1,615,000	-	1,615,000	Inflation	1,652,145	1,691,796	1,732,400	1,773,977
32	Stormwater	23,000	-	23,000	Utilities	23,748	24,519	25,316	26,139
33	Supplies-Information Technology	-	-	-	Inflation	-	-	-	-
34	Supplies-Office	6,000	-	6,000	Inflation	6,138	6,285	6,436	6,591
35	Contracted Services - Repairs and Maint.	311,000	-	311,000	Repair	323,440	336,378	349,833	363,826
36	Other Operating Expenditures	159,000	-	159,000	Inflation	162,657	166,561	170,558	174,652
37	Engine and Fuel Lubricants	8,000	-	8,000	Oil	8,400	8,820	9,261	9,724
38	Contingencies	371,000	(93,500)	277,500	Calculated	274,765	281,964	289,357	296,949
39	Bad Debt Expense	-	75,335	75,335	Calculated	92,311	94,933	97,623	100,378
40	Dues & Memberships	1,000	-	1,000	Inflation	1,023	1,048	1,073	1,098
41	Travel	-	-	-	Inflation	-	-	-	-
42	Training & Awards	17,000	-	17,000	Inflation	17,391	17,808	18,236	18,673
43	Funded Renewal & Replacement	1,456,000	(1,456,000)	-	Inflation	-	-	-	-
44	TOTAL OPERATING EXPENDITURES	\$ 5,936,000	\$ (1,283,165)	\$ 4,652,835		\$ 4,583,634	\$ 4,706,746	\$ 4,833,258	\$ 4,963,266
DEBT SERVICE									
45	Transfers Out	\$ 798,000	\$ -	\$ 798,000	Inflation	\$ 816,354	\$ 835,946	\$ 856,009	\$ 876,553
46	Transfers Out - Debt Service	3,000	(3,000)	-	Inflation	-	-	-	-
47	TOTAL DEBT SERVICE	\$ 801,000	\$ (3,000)	\$ 798,000		\$ 816,354	\$ 835,946	\$ 856,009	\$ 876,553
OTHER DEBT SERVICE									
48	Equipment Loan	\$ 39,000	\$ (39,000)	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
49	Debt Service 09	1,966,000	(1,966,000)	-	Inflation	-	-	-	-
50	Line of Credit Fees	75,000	(75,000)	-	Inflation	-	-	-	-
51	Debt Service-11 Additional Bonds	4,856,000	(4,856,000)	-	Inflation	-	-	-	-
52	Stormwater Bond Series 2015	4,549,000	(4,549,000)	-	Inflation	-	-	-	-
53	Stormwater Bond Series 2017	4,952,000	(4,952,000)	-	Inflation	-	-	-	-
54	State Revolving Fund	459,000	(459,000)	-	Inflation	-	-	-	-
55	Cost of Debt Issuance	-	-	-	Inflation	-	-	-	-
56	TOTAL OTHER DEBT SERVICE	\$ 16,896,000	\$ (16,896,000)	\$ -		\$ -	\$ -	\$ -	\$ -

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Budgeted and Projected Operating Expenses

Line No	Description	Adopted 2018	Adjustments	Adjusted 2018	Escalator	Fiscal Year Ending September 30,			
						2019	2020	2021	2022
	INTERNAL CHARGES								
57	Central Services-Internal Svc	\$ 1,000	\$ -	\$ 1,000	Inflation	\$ 1,023	\$ 1,048	\$ 1,073	\$ 1,098
58	Property Mgmt-Internal Svc	5,000	-	5,000	Inflation	5,115	5,238	5,363	5,492
59	Fleet Management-Internal Svc	65,000	-	65,000	Inflation	66,495	68,091	69,725	71,398
60	Self Insurance-Internal Svc	263,000	-	263,000	Inflation	269,049	275,506	282,118	288,889
61	Applications/Computer Hardware/Network	109,000	-	109,000	Inflation	111,507	114,183	116,924	119,730
62	Fleet Accidents - Internal Svc	9,000	-	9,000	Inflation	9,207	9,428	9,654	9,886
63	TOTAL INTERNAL CHARGES	\$ 452,000	\$ -	\$ 452,000		\$ 462,396	\$ 473,494	\$ 484,857	\$ 496,494
	CAPITAL EXPENDITURES								
64	Motor Vehicles	\$ -	\$ -	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
65	Machinery & Equipment	-	-	-	Inflation	-	-	-	-
66	Renovations	-	-	-	Inflation	-	-	-	-
67	TOTAL CAPITAL ACCOUNTS	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
68	TOTAL:	\$ 27,525,000	\$ (18,182,165)	\$ 9,342,835		\$ 9,422,784	\$ 9,701,200	\$ 9,988,114	\$ 10,283,793

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Operating Expense Escalation Factors

Line No.	Description	Escalation Reference	2019	2020	2021	2022
1	Constant	Constant	1.0000	1.0000	1.0000	1.0000
2	General Inflation [1]	Inflation	1.0230	1.0240	1.0240	1.0240
3	Professional Services	ProfSvc	1.0300	1.0300	1.0300	1.0300
4	Labor Escalator	Labor	1.0350	1.0350	1.0350	1.0350
5	Customer Acct. Growth + Inflation	Customers	1.0234	1.0244	1.0244	1.0244
6	Repair and Maintenance [2]	Repair	1.0400	1.0400	1.0400	1.0400
7	Gas & Oil [3]	Oil	1.0500	1.0500	1.0500	1.0500
8	Rate Revenue	Revenue	1.1839	1.0276	1.0275	1.0275
9	Electric	Electric	1.0300	1.0300	1.0300	1.0300
10	Utilities [4]	Utilities	1.0325	1.0325	1.0325	1.0325
11	Property Taxes	Property	1.0000	1.0000	1.0000	1.0000
12	Insurance Escalator	Insurance	1.1000	1.1000	1.1000	1.1000
13	Management Contract	Mgt Contract	1.0300	1.0300	1.0300	1.0300
14	Elimination Factor	Eliminate	0.0000	0.0000	0.0000	0.0000

Footnotes:

- [1] General Inflation based on the Consumer Price Index (CPI) as published by the Congressional Budget Office as of August 2017.
- [2] Repair and Maintenance based on the Engineering Construction Cost Index as published by the Engineering News Record (ENR) as of August 2017.
- [3] Gas & Oil based on the Fuel Oil index for all United States Cities Average as published by the Bureau of Labor Statistics as of August 2017.
- [4] Utilities is based on the Water, Sewer, and Trash Collection Services Index for all United States Cities Average as published by the Bureau of Labor Statistics as of August 2017.

**City of Miami Beach, Florida
Financial Feasibility Report**

Capital Improvement Program - Appropriations Basis

Line No	Description	Funding Source	Fiscal Year Ending September 30,					
			2018	2019	2020	2021	2022	Total
Stormwater Master Plan Program								
1	Indian Creek (FDOT)	2017Bonds	\$ 5,500,000	\$ -	\$ -	\$ -	\$ -	\$ 5,500,000
2	West Avenue	2017Bonds	37,583,744	-	-	-	-	37,583,744
3	South Pointe 1st Street	2017Bonds	1,178,381	-	-	-	-	1,178,381
4	South Pointe 1st Street	MDC-TIF	-	11,682,780	12,387,961	-	-	24,070,741
5	La Gorce / Lakeview	2017Bonds	40,000,000	-	-	-	-	40,000,000
6	La Gorce / Lakeview - 2nd Funding Source	OpRes	627,421	-	-	-	-	627,421
7	Middle North Bay Road & Mount Sinai Pump Station	MDC-TIF	-	13,227,421	-	-	-	13,227,421
8	North Shore	MDC-TIF	-	-	15,000,000	25,627,421	-	40,627,421
9	City Center	2017Bonds	2,300,000	-	-	-	-	2,300,000
10	City Center [1]	PriorDebt	5,170,000	-	-	-	-	5,170,000
11	City Center	OpRes	-	-	-	40,227,421	-	40,227,421
12	Flamingo Park	2022Bonds	-	-	-	-	55,854,121	55,854,121
13	Nautilus/Orchard Park	2022Bonds	-	-	-	-	19,236,421	19,236,421
14	Normandy Isle South	2022Bonds	-	-	-	-	21,004,861	21,004,861
15	Sunset Island 1&2	OpRes	-	-	-	-	12,765,542	12,765,542
16	Town Center	MDC-TIF	-	-	20,110,421	-	-	20,110,421
17	Lower North Bay Road [1]	PriorDebt	105,973	-	-	-	-	105,973
18	Venetian Islands [1]	PriorDebt	5,407,313	-	-	-	-	5,407,313
19	Sunset Island 3 & 4 [1]	PriorDebt	697,555	-	-	-	-	697,555
20	Sunset Island 3 & 4	2017Bonds	2,343,000	-	-	-	-	2,343,000
21	Sunset Harbour	2017Bonds	3,750,973	-	-	-	-	3,750,973
22	Palm & Hibiscus Islands [1]	PriorDebt	6,642,002	-	-	-	-	6,642,002
23	Palm & Hibiscus Islands	2017Bonds	4,791,402	-	-	-	-	4,791,402
24	Central Bayshore South [1]	PriorDebt	10,133,990	-	-	-	-	10,133,990
25	Central Bayshore South	2017Bonds	1,065,000	-	-	-	-	1,065,000
26	Central Bayshore [1]	PriorDebt	50,000	-	-	-	-	50,000
27	Central Bayshore	2017Bonds	250,000	-	-	-	-	250,000
28	SCADA and PLC Replacement (Stormwater Portion)	2017Bonds	1,237,500	-	-	-	-	1,237,500
29	Lincoln Road Washington Ave to Lenox	MDC-TIF	-	-	5,000,000	-	-	5,000,000
30	Total		\$ 128,834,254	\$ 24,910,201	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 380,958,624
Funding Sources								
31	Operating Reserves	OpRes	\$ 627,421	\$ -	\$ -	\$ 40,227,421	\$ 12,765,542	\$ 53,620,384
32	Prior Debt Proceeds	PriorDebt	28,206,833	-	-	-	-	28,206,833
33	Series 2017 Revenue Bonds	2017Bonds	100,000,000	-	-	-	-	100,000,000
34	Series 2022 Bonds	2022Bonds	-	-	-	-	96,095,403	96,095,403
35	Miami Dade County - Tax Increment Financing	MDC-TIF	-	24,910,201	52,498,382	25,627,421	-	103,036,004
36	Total		\$ 128,834,254	\$ 24,910,201	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 380,958,624

Footnotes:

- [1] Identifies capital projects which funds were appropriated for and construction was started in prior fiscal years. Amounts shown represent total encumbrances and remaining project budget as of September 30, 2017 (end of Fiscal Year 2017), for the purposes of this analysis, these amounts are considered to be fully spent in Fiscal Year 2018.

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Capital Improvement Program - Spending Plan [1]

Line No	Description	Funding Source	Fiscal Year Ending September 30,					
			2018	2019	2020	2021	2022	Total
Stormwater Master Plan Program								
1	Indian Creek (FDOT) [2]	2017Bonds	\$ 3,162,500	\$ 2,337,500	\$ -	\$ -	\$ -	\$ 5,500,000
2	West Avenue [2]	2017Bonds	13,530,148	15,785,172	8,268,424	-	-	37,583,744
3	South Pointe 1st Street [2]	2017Bonds	677,569	500,812	-	-	-	1,178,381
4	South Pointe 1st Street [2]	MDC-TIF	-	8,665,467	10,109,711	5,295,563	-	24,070,741
5	La Gorce / Lakeview [2]	2017Bonds	14,400,000	16,800,000	8,800,000	-	-	40,000,000
6	La Gorce / Lakeview - 2nd Funding Source [2]	OpRes	225,872	263,517	138,033	-	-	627,421
7	Middle North Bay Road & Mount Sinai Pump Station [2]	MDC-TIF	-	7,605,767	5,621,654	-	-	13,227,421
8	North Shore [3]	MDC-TIF	-	-	11,849,664	11,511,103	11,511,103	34,871,870
9	City Center [2]	2017Bonds	1,322,500	977,500	-	-	-	2,300,000
10	City Center [4]	PriorDebt	5,170,000	-	-	-	-	5,170,000
11	City Center [2]	OpRes	-	-	-	14,481,872	16,895,517	31,377,388
12	Flamingo Park [5]	2022Bonds	-	-	-	-	14,312,619	14,312,619
13	Nautilus/Orchard Park [2]	2022Bonds	-	-	-	-	11,060,942	11,060,942
14	Normandy Isle South [2]	2022Bonds	-	-	-	-	12,077,795	12,077,795
15	Sunset Island 1&2 [2]	OpRes	-	-	-	-	7,340,187	7,340,187
16	Town Center [2]	MDC-TIF	-	-	11,563,492	8,546,929	-	20,110,421
17	Lower North Bay Road [4]	PriorDebt	105,973	-	-	-	-	105,973
18	Venetian Islands [4]	PriorDebt	5,407,313	-	-	-	-	5,407,313
19	Sunset Island 3 & 4 [4]	PriorDebt	697,555	-	-	-	-	697,555
20	Sunset Island 3 & 4 [2]	2017Bonds	1,347,225	995,775	-	-	-	2,343,000
21	Sunset Harbour [2]	2017Bonds	2,156,809	1,594,164	-	-	-	3,750,973
22	Palm & Hibiscus Islands [4]	PriorDebt	6,642,002	-	-	-	-	6,642,002
23	Palm & Hibiscus Islands [2]	2017Bonds	2,755,056	2,036,346	-	-	-	4,791,402
24	Central Bayshore South [4]	PriorDebt	10,133,990	-	-	-	-	10,133,990
25	Central Bayshore South [2]	2017Bonds	612,375	452,625	-	-	-	1,065,000
26	Central Bayshore [2]	PriorDebt	50,000	-	-	-	-	50,000
27	Central Bayshore [2]	2017Bonds	143,750	106,250	-	-	-	250,000
28	SCADA and PLC Replacement (Stormwater Portion) [2]	2017Bonds	711,563	525,938	-	-	-	1,237,500
29	Lincoln Road Washington Ave to Lenox [2]	MDC-TIF	-	-	2,875,000	2,125,000	-	5,000,000
30	Total		\$69,252,199	\$58,646,832	\$59,225,978	\$41,960,466	\$73,198,162	\$302,283,637
Funding Sources								
31	Operating Reserves	OpRes	\$ 225,872	\$ 263,517	\$ 138,033	\$ 14,481,872	\$ 24,235,703	\$ 39,344,996
32	Prior Debt Proceeds	PriorDebt	28,206,833	-	-	-	-	28,206,833
33	Series 2017 Revenue Bonds	2017Bonds	40,819,495	42,112,081	17,068,424	-	-	100,000,000
34	Series 2022 Bonds [6]	2022Bonds	-	-	-	-	37,451,356	37,451,356
35	Miami Dade County - Tax Increment Financing [7]	MDC-TIF	-	16,271,234	42,019,522	27,478,595	11,511,103	97,280,453
36	Total		\$ 69,252,199	\$ 58,646,832	\$ 59,225,978	\$ 41,960,466	\$ 73,198,162	\$ 302,283,637

Footnotes:

- [1] Amounts shown based on the Capital Improvement Program shown on Table 5, which was based on identified capital needs of the System as indicated in the Engineer's Report, which is included in Appendix B of the Official Statement.
- [2] Amounts shown based on discussions with City staff and recognized the following assumptions: i) initial design / construction start date commencing with the onset of such fiscal year; ii) estimated project design lasting approximately six (6) months; iii) estimated project design cost equal to approximately fifteen percent (15.0%) of the total project cost; iv) estimated project construction time frame of approximately eighteen (18) months, commencing after project design is completed; and v) estimated project construction cost equal to approximately eighty-five percent (85.0%) of the total project cost.
- [3] Amounts shown based on discussions with City staff and recognized the following assumptions: i) initial design / construction start date commencing with the onset of such fiscal year; ii) estimated project design lasting approximately six (6) months; iii) estimated project design cost equal to approximately fifteen percent (15.0%) of the total project cost; iv) estimated project construction time frame of approximately twenty four (24) months, commencing after project design is completed; and v) estimated project construction cost equal to approximately eighty-five percent (85.0%) of the total project cost.
- [4] Identifies capital projects which funds were appropriated for and construction was started in prior fiscal years. Amounts shown represent total encumbrances and remaining project budget as of September 30, 2017 (end of Fiscal Year 2017), for the purposes of this analysis, these amounts are considered to be fully spent in Fiscal Year 2018.
- [5] Amounts shown based on discussions with City staff and recognized the following assumptions: i) initial design / construction start date commencing with the onset of such fiscal year; ii) estimated project design lasting approximately six (6) months; iii) estimated project design cost equal to approximately fifteen percent (15.0%) of the total project cost; iv) estimated project construction time frame of approximately forty eight (48) months, commencing after project design is completed; and v) estimated project construction cost equal to approximately eighty-five percent (85.0%) of the total project cost.
- [6] Amounts shown represent projects that are identified to be funded from the issuance of the proposed Series 2022 Bonds which are assumed to be additional senior lien bonds which will be issued on par with the Series 2017 Revenue Bonds of approximately \$96,095,403. The amount shown represents Fiscal Year 2022 spending, based on discussions with City staff.
- [7] Amounts shown represent projects that are identified to be funded from a tax increment financing assessments which will be assessed on the real property within Miami-Dade County, Florida (the "County"). The County will collect and distributed amounts collected to the City annually. Based on discussions with City staff, it has been assumed that sufficient funds will be available to fund the approximately \$103,741,185 of stormwater system projects.

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Outstanding and Proposed Senior Lien Bonds - Principal and Interest Requirements

Line No	Fiscal Year	Outstanding Bonds - Annual Debt Service Payments											
		Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2			Stormwater Revenue Bonds, Series 2011A			Stormwater Revenue Refunding Bonds, Series 2011B			Stormwater Revenue Bonds, Series 2015		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1	2018	\$ 1,685,000	\$ 280,916	\$ 1,965,916	\$ 1,110,000	\$ 2,384,496	\$ 3,494,496	\$ 140,000	\$ 1,218,700	\$ 1,358,700	\$ 445,000	\$ 4,102,019	\$ 4,547,019
2	2019	1,755,000	207,141	1,962,141	1,165,000	2,328,996	3,493,996	145,000	1,211,700	1,356,700	460,000	4,088,669	4,548,669
3	2020	1,835,000	127,463	1,962,463	1,225,000	2,270,746	3,495,746	150,000	1,207,350	1,357,350	475,000	4,074,869	4,549,869
4	2021	1,915,000	43,088	1,958,088	1,285,000	2,209,496	3,494,496	155,000	1,199,850	1,354,850	495,000	4,060,619	4,555,619
5	2022	-	-	-	1,350,000	2,145,246	3,495,246	2,295,000	1,192,100	3,487,100	330,000	4,050,719	4,380,719
6	2023	-	-	-	1,415,000	2,077,746	3,492,746	2,410,000	1,071,613	3,481,613	345,000	4,043,294	4,388,294
7	2024	-	-	-	1,490,000	2,003,459	3,493,459	2,540,000	945,088	3,485,088	350,000	4,034,669	4,384,669
8	2025	-	-	-	1,570,000	1,925,234	3,495,234	2,670,000	811,738	3,481,738	360,000	4,024,169	4,384,169
9	2026	-	-	-	1,650,000	1,842,809	3,492,809	2,810,000	671,563	3,481,563	375,000	4,013,369	4,388,369
10	2027	-	-	-	1,740,000	1,756,184	3,496,184	2,935,000	548,625	3,483,625	380,000	4,002,119	4,382,119
11	2028	-	-	-	1,810,000	1,684,409	3,494,409	3,065,000	420,219	3,485,219	395,000	3,990,244	4,385,244
12	2029	-	-	-	1,905,000	1,589,384	3,494,384	3,200,000	286,125	3,486,125	405,000	3,977,406	4,382,406
13	2030	-	-	-	1,990,000	1,506,040	3,496,040	3,340,000	146,125	3,486,125	420,000	3,963,738	4,383,738
14	2031	-	-	-	2,095,000	1,401,565	3,496,565	-	-	-	3,920,000	3,949,038	7,869,038
15	2032	-	-	-	2,185,000	1,307,290	3,492,290	-	-	-	4,060,000	3,811,838	7,871,838
16	2033	-	-	-	2,290,000	1,202,135	3,492,135	-	-	-	4,200,000	3,669,738	7,869,738
17	2034	-	-	-	2,400,000	1,091,925	3,491,925	-	-	-	4,355,000	3,517,488	7,872,488
18	2035	-	-	-	2,520,000	976,395	3,496,395	-	-	-	4,515,000	3,354,175	7,869,175
19	2036	-	-	-	2,640,000	855,075	3,495,075	-	-	-	4,695,000	3,172,363	7,867,363
20	2037	-	-	-	2,765,000	727,950	3,492,950	-	-	-	4,875,000	2,996,300	7,871,300
21	2038	-	-	-	2,900,000	595,700	3,495,700	-	-	-	5,115,000	2,752,550	7,867,550
22	2039	-	-	-	3,035,000	457,000	3,492,000	-	-	-	5,375,000	2,496,800	7,871,800
23	2040	-	-	-	3,185,000	311,838	3,496,838	-	-	-	5,640,000	2,228,050	7,868,050
24	2041	-	-	-	3,335,000	159,500	3,494,500	-	-	-	5,925,000	1,946,050	7,871,050
25	2042	-	-	-	-	-	-	-	-	-	9,715,000	1,649,800	11,364,800
26	2043	-	-	-	-	-	-	-	-	-	10,100,000	1,261,200	11,361,200
27	2044	-	-	-	-	-	-	-	-	-	10,505,000	857,200	11,362,200
28	2045	-	-	-	-	-	-	-	-	-	10,925,000	437,000	11,362,000
29	2046	-	-	-	-	-	-	-	-	-	-	-	-
30	2047	-	-	-	-	-	-	-	-	-	-	-	-
31	2048	-	-	-	-	-	-	-	-	-	-	-	-
32	2049	-	-	-	-	-	-	-	-	-	-	-	-
33	2050	-	-	-	-	-	-	-	-	-	-	-	-
34	2051	-	-	-	-	-	-	-	-	-	-	-	-
35	2052	-	-	-	-	-	-	-	-	-	-	-	-
36	2053	-	-	-	-	-	-	-	-	-	-	-	-
37	2054	-	-	-	-	-	-	-	-	-	-	-	-
38	2055	-	-	-	-	-	-	-	-	-	-	-	-
39	Total	\$ 7,190,000	\$ 658,607	\$ 7,848,607	\$ 49,055,000	\$ 34,810,618	\$ 83,865,618	\$ 25,855,000	\$ 10,930,796	\$ 36,785,796	\$ 99,155,000	\$ 90,525,488	\$ 189,680,488

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Outstanding and Proposed Senior Lien Bonds - Principal and Interest Requirements

Line No	Fiscal Year	Proposed Bonds - Annual Debt Service Payments						Total Outstanding and Proposed Bonds - Annual Debt Service Payments					
		Stormwater Revenue Bonds, Series 2017			Stormwater Revenue Bonds, Series 2022			Principal			Interest		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
40	2018	\$ 500,000	\$ 3,043,403	\$ 3,543,403	\$ -	\$ -	\$ -	\$ 3,880,000	\$ 11,029,534	\$ 14,909,534			
41	2019	500,000	4,357,500	4,857,500	-	-	-	4,025,000	12,194,005	16,219,005			
42	2020	500,000	4,332,500	4,832,500	-	-	-	4,185,000	12,012,927	16,197,927			
43	2021	1,150,000	4,307,500	5,457,500	-	-	-	5,000,000	11,820,552	16,820,552			
44	2022	1,210,000	4,250,000	5,460,000	-	484,600	484,600	5,185,000	12,122,665	17,307,665			
45	2023	1,270,000	4,189,500	5,459,500	25,000	5,815,200	5,840,200	5,465,000	17,197,353	22,662,353			
46	2024	1,330,000	4,126,000	5,456,000	30,000	5,813,700	5,843,700	5,740,000	16,922,916	22,662,916			
47	2025	1,400,000	4,059,500	5,459,500	30,000	5,811,900	5,841,900	6,030,000	16,632,541	22,662,541			
48	2026	1,470,000	3,989,500	5,459,500	30,000	5,810,100	5,840,100	6,335,000	16,327,341	22,662,341			
49	2027	1,545,000	3,916,000	5,461,000	30,000	5,808,300	5,838,300	6,630,000	16,031,228	22,661,228			
50	2028	1,615,000	3,838,750	5,453,750	35,000	5,806,500	5,841,500	6,920,000	15,740,122	22,660,122			
51	2029	1,700,000	3,758,000	5,458,000	35,000	5,804,400	5,839,400	7,245,000	15,415,315	22,660,315			
52	2030	1,780,000	3,673,000	5,453,000	40,000	5,802,300	5,842,300	7,570,000	15,091,203	22,661,203			
53	2031	1,870,000	3,584,000	5,454,000	45,000	5,799,900	5,844,900	7,930,000	14,734,503	22,664,503			
54	2032	1,965,000	3,490,500	5,455,500	45,000	5,797,200	5,842,200	8,255,000	14,406,828	22,661,828			
55	2033	2,065,000	3,392,250	5,457,250	50,000	5,794,500	5,844,500	8,605,000	14,058,623	22,663,623			
56	2034	2,165,000	3,289,000	5,454,000	50,000	5,791,500	5,841,500	8,970,000	13,689,913	22,659,913			
57	2035	2,275,000	3,180,750	5,455,750	55,000	5,788,500	5,843,500	9,365,000	13,299,820	22,664,820			
58	2036	2,390,000	3,067,000	5,457,000	60,000	5,785,200	5,845,200	9,785,000	12,879,638	22,664,638			
59	2037	2,510,000	2,947,500	5,457,500	60,000	5,781,600	5,841,600	10,210,000	12,453,350	22,663,350			
60	2038	2,635,000	2,822,000	5,457,000	65,000	5,778,000	5,843,000	10,715,000	11,948,250	22,663,250			
61	2039	2,765,000	2,690,250	5,455,250	70,000	5,774,100	5,844,100	11,245,000	11,418,150	22,663,150			
62	2040	2,905,000	2,552,000	5,457,000	70,000	5,769,900	5,839,900	11,800,000	10,861,788	22,661,788			
63	2041	3,050,000	2,406,750	5,456,750	75,000	5,765,700	5,840,700	12,385,000	10,278,000	22,663,000			
64	2042	3,200,000	2,254,250	5,454,250	80,000	5,761,200	5,841,200	12,995,000	9,665,250	22,660,250			
65	2043	3,365,000	2,094,250	5,459,250	85,000	5,756,400	5,841,400	13,550,000	9,111,850	22,661,850			
66	2044	3,535,000	1,926,000	5,461,000	90,000	5,751,300	5,841,300	14,130,000	8,534,500	22,664,500			
67	2045	3,710,000	1,749,250	5,459,250	95,000	5,745,900	5,840,900	14,730,000	7,932,150	22,662,150			
68	2046	15,255,000	1,563,750	16,818,750	105,000	5,740,200	5,845,200	15,360,000	7,303,950	22,663,950			
69	2047	16,020,000	801,000	16,821,000	105,000	5,733,900	5,838,900	16,125,000	6,534,900	22,659,900			
70	2048	-	-	-	16,935,000	5,727,600	22,662,600	16,935,000	5,727,600	22,662,600			
71	2049	-	-	-	17,950,000	4,711,500	22,661,500	17,950,000	4,711,500	22,661,500			
72	2050	-	-	-	19,025,000	3,634,500	22,659,500	19,025,000	3,634,500	22,659,500			
73	2051	-	-	-	20,170,000	2,493,000	22,663,000	20,170,000	2,493,000	22,663,000			
74	2052	-	-	-	21,380,000	1,282,800	22,662,800	21,380,000	1,282,800	22,662,800			
75	2053	-	-	-	-	-	-	-	-	-			
76	2054	-	-	-	-	-	-	-	-	-			
77	2055	-	-	-	-	-	-	-	-	-			
78	Total	\$ 87,650,000	\$ 95,651,653	\$ 183,301,653	\$ 96,920,000	\$ 162,921,400	\$ 259,841,400	\$ 365,825,000	\$ 395,498,561	\$ 761,323,561			

Table 7

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Outstanding and Proposed Senior Lien Bonds - Principal and Interest Requirements

Line No	Fiscal Year	Subordinate Obligation Debt Service - Annual Debt Service Payments						Total Subordinate		
		Equipment Loan			Clean Water State Revolving Loan - SW131300			Obligations - Annual Debt Service Payments		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
79	2018	\$ 36,810	\$ 1,024	\$ 37,834	\$ 338,443	\$ 119,559	\$ 458,002	\$ 375,253	\$ 120,583	\$ 495,836
80	2019	664	31	695	343,948	114,054	458,002	344,612	114,085	458,697
81	2020	677	18	695	349,542	108,460	458,002	350,219	108,478	458,697
82	2021	247	8	256	355,228	102,774	458,002	355,475	102,782	458,258
83	2022	252	3	256	361,006	96,996	458,002	361,258	96,999	458,258
84	2023	-	-	-	366,878	91,124	458,002	366,878	91,124	458,002
85	2024	-	-	-	372,846	85,156	458,002	372,846	85,156	458,002
86	2025	-	-	-	378,910	79,092	458,002	378,910	79,092	458,002
87	2026	-	-	-	385,073	72,929	458,002	385,073	72,929	458,002
88	2027	-	-	-	391,337	66,665	458,002	391,337	66,665	458,002
89	2028	-	-	-	397,702	60,300	458,002	397,702	60,300	458,002
90	2029	-	-	-	404,171	53,831	458,002	404,171	53,831	458,002
91	2030	-	-	-	410,745	47,257	458,002	410,745	47,257	458,002
92	2031	-	-	-	417,426	40,576	458,002	417,426	40,576	458,002
93	2032	-	-	-	424,216	33,786	458,002	424,216	33,786	458,002
94	2033	-	-	-	431,116	26,886	458,002	431,116	26,886	458,002
95	2034	-	-	-	438,128	19,874	458,002	438,128	19,874	458,002
96	2035	-	-	-	445,255	12,747	458,002	445,255	12,747	458,002
97	2036	-	-	-	452,504	5,505	458,009	452,504	5,505	458,009
98	2037	-	-	-	-	-	-	-	-	-
99	2038	-	-	-	-	-	-	-	-	-
100	2039	-	-	-	-	-	-	-	-	-
101	2040	-	-	-	-	-	-	-	-	-
102	2041	-	-	-	-	-	-	-	-	-
103	2042	-	-	-	-	-	-	-	-	-
104	2043	-	-	-	-	-	-	-	-	-
105	2044	-	-	-	-	-	-	-	-	-
106	2045	-	-	-	-	-	-	-	-	-
107	2046	-	-	-	-	-	-	-	-	-
108	2047	-	-	-	-	-	-	-	-	-
109	2048	-	-	-	-	-	-	-	-	-
110	2049	-	-	-	-	-	-	-	-	-
111	2050	-	-	-	-	-	-	-	-	-
112	2051	-	-	-	-	-	-	-	-	-
113	2052	-	-	-	-	-	-	-	-	-
114	2053	-	-	-	-	-	-	-	-	-
115	2054	-	-	-	-	-	-	-	-	-
116	2055	-	-	-	-	-	-	-	-	-
117	Total	\$ 38,650	\$ 1,085	\$ 39,736	\$ 7,464,474	\$ 1,237,571	\$ 8,702,045	\$ 7,503,124	\$ 1,238,656	\$ 8,741,781

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Historical Operating Results and Debt Service Coverage

Line No	Description	Fiscal Year Ending September 30,				
		2013	2014	2015	2016	2017 [1]
	Calculation of Net Revenues					
	Revenues					
1	Charges for Services [2]	\$ 11,671,714	\$ 11,659,582	\$ 21,258,353	\$ 21,490,894	\$ 28,570,734
2	Interest Income [3]	344,743	220,480	61,205	334,377	187,125
3	Other Operating Revenues [4]	-	-	-	-	-
4	Total Revenues	\$ 12,016,457	\$ 11,880,062	\$ 21,319,558	\$ 21,825,271	\$ 28,757,859
	Current (Operating) Expenses					
5	Personal Services [5]	\$ 1,709,332	\$ 2,296,788	\$ 2,559,349	\$ 2,831,997	\$ 3,224,137
6	Operating Supplies	49,114	3,011	17,860	22,703	43,015
7	Contractual Services [6]	134,718	441,718	1,004,910	1,196,667	2,221,783
8	Utilities	60,567	69,343	131,791	222,053	288,323
9	Insurance	-	-	-	-	-
10	Internal Charges	936,189	357,511	359,129	425,571	436,128
11	Claims and Judgements	-	-	-	-	-
12	Other Operating [7]	127,159	124,955	872,332	249,633	300,693
13	Administrative Fees [8]	584,000	637,000	658,000	798,000	798,000
14	Total Current (Operating) Expenses	\$ 3,601,079	\$ 3,930,326	\$ 5,603,371	\$ 5,746,624	\$ 7,312,079
15	Net Revenues	\$ 8,415,378	\$ 7,949,736	\$ 15,716,187	\$ 16,078,647	\$ 21,445,780
	Principal and Interest Requirements					
16	Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2	\$ 1,983,949	\$ 1,983,676	\$ 1,976,701	\$ 1,977,065	\$ 1,969,511
17	Stormwater Revenue Bonds, Series 2011A	2,507,496	2,507,496	3,492,496	3,493,096	3,492,096
18	Stormwater Revenue Refunding Bonds, Series 2011B	1,356,150	1,357,700	1,359,100	1,359,100	1,353,900
19	Stormwater Revenue Bonds, Series 2015	0	0	0	4,407,604	4,545,719
20	Total Principal and Interest Requirements	\$ 5,847,595	\$ 5,848,872	\$ 6,828,297	\$ 11,236,865	\$ 11,361,226
	Principal and Interest Requirement					
21	Coverage Ratio - Calculated	144%	136%	230%	143%	189%
22	Coverage Ratio - Required	110%	110%	110%	110%	110%
	Other Required Transfers [9]					
23	Administration Fee - Payable to General Fund	\$ (433,000)	\$ (435,000)	\$ (631,000)	\$ (612,996)	\$ (667,000)
23	Net Amount Available for Other System Purposes	\$ 2,134,783	\$ 1,665,864	\$ 8,256,890	\$ 4,228,786	\$ 9,417,554

Footnotes:

- [1] Amounts shown for Fiscal Year 2017 are based on preliminary operating results as compiled by City Staff, amounts may be adjusted based on the compilation of the financial statements performed by the City's external auditor.
- [2] Amounts shown reflect charges for service as reported in such years comprehensive annual financial report ("CAFR") for the Fiscal Years 2013 through 2016 and preliminary information provided by City Staff for Fiscal Year 2017. The Bond Resolution does not allow for contributions. For informational purposes the following was reported for contributions in the CAFR:
- | | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | | | | | |
| Charges for Services (a) | \$ 11,671,714 | \$ 11,659,582 | \$ 21,258,353 | \$ 21,490,894 | \$ 28,570,734 |
| Permits, Rental, and Other | - | 55,717 | - | - | - |
| Total Operating Revenues | \$ 11,671,714 | \$ 11,715,299 | \$ 21,258,353 | \$ 21,490,894 | \$ 28,570,734 |
| FEMA Grant (b) | - | (55,717) | - | - | - |
| Charges for Service Recognized | \$ 11,671,714 | \$ 11,659,582 | \$ 21,258,353 | \$ 21,490,894 | \$ 28,570,734 |
- (a) Effective October 1, 2014 the City's stormwater utility service charge increased from \$9.06 to \$16.67 per ERU.
- (b) Amounts shown has been excluded from the calculation of debt service coverage compliance since such amounts represents a grant received from Federal Emergency Management Agency (FEMA) for operating expenses associated with the hurricane Wilma event which occurred in 2006, since such event occurred in a prior period such amounts have been excluded from current period revenues.

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Historical Operating Results and Debt Service Coverage

Footnotes (Cont'd.):

- [3] Amounts shown reflect interest income as reported in the CAFR for Fiscal Years 2013 through 2016 and preliminary information provided by City Staff for Fiscal Year 2017. Amounts shown were adjusted consistent with the definition of Revenue set forth in the Bond Resolution.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Interest Income Reported	\$ 345,512	\$ 223,638	\$ 67,119	\$ 342,414	\$ 578,395
Adjustments:					
Interest Income on Customer Deposits (a)	-	-	-	-	-
Interest Income on Debt Service Fund (430)	(611)	(2,815)	(2,192)	(1,529)	(1,527)
Interest Income on 2011 Bond Construction Fund (431)	(158)	(343)	(640)	(822)	(1,511)
Interest Income on 2015 Bond Construction Fund (432)	-	-	(3,082)	(5,686)	(388,232)
Interest Income Recognized:	\$ 344,743	\$ 220,480	\$ 61,205	\$ 334,377	\$ 187,125

(a) Interest Income Reported on Funds held for customer's deposits includes both the interest income earned by the City and interest expense associated with interest paid to customers. For the purposes of the debt service coverage calculation such amounts have been excluded

- [4] Based on the definition of Revenues as set forth in the Bond Resolution the following Nonoperating Revenues and Capital Contributions as shown in each year's respective CAFR, as well as the preliminary results for Fiscal Year 2017 as provided by City Staff, have been excluded from the calculation of Revenues. The following has been assumed for Other Operating Revenues in the Calculation of Debt Service Coverage:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Nonoperating Revenues and Capital Contributions:					
Gain(Loss) on Disposal of Capital Assets	\$ 4,184	\$ 23,284	\$ 36,889	\$ 37,388	\$ -
Unrealized Gains (Losses) on Investments	(171,778)	(81,605)	69,807	84,835	-
Capital Contributions	2,678	-	311	-	(420)
Total Nonoperating Revenues and Capital Contributions:	\$ (164,916)	\$ (58,321)	\$ 107,007	\$ 122,223	\$ (420)
Excluded Nonoperating Revenues and Capital Contributions:					
Gain(Loss) on Disposal of Capital Assets	\$ (4,184)	\$ (23,284)	\$ (36,889)	\$ (37,388)	\$ -
Unrealized Gains (Losses) on Investments	171,778	81,605	(69,807)	(84,835)	-
Capital Contributions	(2,678)	-	(311)	-	420
Other Operating Revenues Recognized:	\$ -	\$ -	\$ -	\$ -	\$ -

- [5] The following adjustments have been made to personal services as reported in each respective year's CAFR, as well as preliminary results for Fiscal Year 2017 as provided by City Staff:
- i) a contra-expense was recorded in Fiscal Year 2015, 2016, and 2017 to report the change in the long term pension liability to meet reporting requirements for Governmental Accounting Standards Board ("GASB") Statement 68, this contra-expense has been removed for the calculation of Current Expenses; and ii) to reclassify transfers out pension funds. The Bond Resolution's definition of Current Expenses states "any reasonable payments to pension or retirement funds properly chargeable to the Stormwater Utility" shall be included as Current Expenses.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Personal Expenses	\$ 1,703,961	\$ 2,290,564	\$ 2,418,608	\$ 2,435,996	\$ 3,511,472
Adjustments:					
Change in Long Term Pension Liability (GASB 68 Actuarial Expense)	-	-	130,741	385,001	(298,335)
Transfer Out - Pension Obligations	5,371	6,224	10,000	11,000	11,000
Total Personal Expenses	\$ 1,709,332	\$ 2,296,788	\$ 2,559,349	\$ 2,831,997	\$ 3,224,137

- [6] The City began outsourcing outfall pipe cleaning and repair services in July 2014 (Fiscal Year 2014), and has continued to use the same contractor (Envirowaster Services Group) for this service for Fiscal Year 2015, 2016, and 2017. This operational change accounted for the majority of the increases to Contractual Services as compared to the prior historical fiscal years.

- [7] During Fiscal Year 2015 the City incurred non-recurring operating expenses associated with the expansion and additional construction of the System's pumping infrastructure.

- [8] The Bond Resolution's definition of Current expenses states the Current Expenses shall not include "any administrative expenses payable to the City's General Fund. The following administrative expenses have been identified as being paid from the Stormwater Utility during the Historical Period. In accordance with the Bond Resolution such amounts that have been paid to the City's General Fund have been excluded from the calculation of Current Expenses. The Stormwater Utility has incurred transfers out to the Sanitation Fund (Fund 435) for administration of the Stormwater Utility, these transfers have been reclassified to Current Expenses. The following summarizes the Administrative Fees recognized in the calculation of Current Expenses:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Administrative Fees (to General Fund)	\$ 433,000	\$ 435,000	\$ 631,000	\$ 612,996	\$ 667,000
Transfers Out (to Sanitation Fund) for Administrative Fees	584,000	637,000	658,000	798,000	798,000
Total Administrative Fees	\$ 1,017,000	\$ 1,072,000	\$ 1,289,000	\$ 1,410,996	\$ 1,465,000
Less Administrative Fees Paid to General Fund	(433,000)	(435,000)	(631,000)	(612,996)	(667,000)
Administrative Fees Recognized as Current Expenses:	\$ 584,000	\$ 637,000	\$ 658,000	\$ 798,000	\$ 798,000

- [9] Other required transfers as defined in the Bond Resolution include any required transfers to the Reserve Account, Rate Stabilization Account, and Subordinate Indebtedness Account.

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Projected Operating Results and Debt Service Coverage

Line No	Description	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022
	Calculation of Net Revenues					
	Revenues					
1	Charges for Services [1]	\$ 30,133,813	\$ 36,924,310	\$ 38,542,934	\$ 40,229,272	\$ 41,985,435
2	Interest Income [2]	160,456	203,848	261,477	290,731	263,787
3	Other Operating Revenues	-	-	-	-	-
4	Total Revenues	\$ 30,294,269	\$ 37,128,158	\$ 38,804,411	\$ 40,520,004	\$ 42,249,222
	Current (Operating) Expenses [3]					
5	Personal Services	\$ 3,440,000	\$ 3,560,400	\$ 3,685,014	\$ 3,813,989	\$ 3,947,479
6	Operating Supplies	31,000	31,929	32,914	33,933	34,988
7	Contractual Services	2,994,000	2,876,970	2,954,913	3,035,045	3,117,430
8	Utilities	443,000	456,523	470,458	484,820	499,620
9	Insurance	-	-	-	-	-
10	Internal Charges	452,000	462,396	473,494	484,857	496,494
11	Claims and Judgements	-	-	-	-	-
12	Other Operating	511,835	529,733	543,458	557,538	571,979
13	Administrative Fees [4]	798,000	816,354	835,946	856,009	876,553
14	Total Current (Operating) Expenses	\$ 8,669,835	\$ 8,734,305	\$ 8,996,197	\$ 9,266,191	\$ 9,544,544
15	Net Revenues	<u>\$ 21,624,434</u>	<u>\$ 28,393,854</u>	<u>\$ 29,808,214</u>	<u>\$ 31,253,812</u>	<u>\$ 32,704,677</u>
	Principal and Interest Requirements					
16	Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2	\$ 1,965,916	\$ 1,962,141	\$ 1,962,463	\$ 1,958,088	\$ -
17	Stormwater Revenue Bonds, Series 2011A [5]	3,494,496	3,493,996	3,495,746	3,494,496	3,495,246
18	Stormwater Revenue Refunding Bonds, Series 2011B [5]	1,358,700	1,356,700	1,357,350	1,354,850	3,487,100
19	Stormwater Revenue Bonds, Series 2015	4,547,019	4,548,669	4,549,869	4,555,619	4,380,719
20	Stormwater Revenue Bonds, Series 2017 [6]	3,543,403	4,857,500	4,832,500	5,457,500	5,460,000
21	Stormwater Revenue Bonds, Series 2022 [7]	0	0	0	0	484,600
22	Total Principal and Interest Requirements	\$ 14,909,534	\$ 16,219,005	\$ 16,197,927	\$ 16,820,552	\$ 17,307,665
	Principal and Interest Requirement					
23	Coverage Ratio - Calculated	145%	175%	184%	186%	189%
24	Coverage Ratio - Required	110%	110%	110%	110%	110%
25	Net Revenues After Principal and Interest Requirement [8]	\$ 5,223,947	\$ 10,552,948	\$ 11,990,494	\$ 12,751,205	\$ 13,666,246
	Other Required Transfers					
26	Payment for Equipment Loan	\$ 37,834	\$ 695	\$ 695	\$ 256	\$ 256
27	Clean Water State Revolving Loan - SW131300	458,002	458,002	458,002	458,002	458,002
28	Administration Fee - Payable to General Fund	673,000	688,479	705,002	721,923	739,249
29	Total Other Required Transfers	\$ 1,168,836	\$ 1,147,176	\$ 1,163,700	\$ 1,180,180	\$ 1,197,506
30	Net Amount Available for Other System Purposes	<u>\$ 5,546,065</u>	<u>\$ 11,027,672</u>	<u>\$ 12,446,586</u>	<u>\$ 13,253,080</u>	<u>\$ 14,199,506</u>

Footnotes:

[1] Amounts shown includes rate increases from the City's Rate Indexing section of the Rate Ordinance and an additional adjustment in Fiscal Year 2019 to fund the Series 2022 Bonds and other capital needs. As shown on Table 2.

[2] Amounts shown from information provided on Table 10.

[3] Amounts shown from information provided on Table 3.

Footnotes continued on page 2 of 2.

City of Miami Beach, Florida
Financial Feasibility Report

Calculation of Projected Operating Results and Debt Service Coverage

Footnotes: (cont'd.)

- [4] The Bond Resolution's definition of Current expenses states the Current Expenses shall not include "any administrative expenses payable to the City's General Fund. The following administrative expenses have been identified as being paid from the Stormwater Utility from the Operating Budget of the City. In accordance with the Bond Resolution such amounts that have been paid to the City's General Fund have been excluded from the calculation of Current Expenses. The Stormwater Utility has incurred transfers out to the Sanitation Fund (Fund 435) for administration of the Stormwater Utility, these transfers have been reclassified to Current Expenses. The following summarizes the Administrative Fees recognized in the calculation of Current Expenses:
- | | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Budget - Administrative Fees (to General Fund) | \$ 673,000 | \$ 688,479 | \$ 705,002 | \$ 721,923 | \$ 739,249 |
| Budget - Transfers Out (to Sanitation Fund) for Administrative Fees | 798,000 | 816,354 | 835,946 | 856,009 | 876,553 |
|
Total Administrative Fees |
\$ 1,471,000 |
\$ 1,504,833 |
\$ 1,540,949 |
\$ 1,577,932 |
\$ 1,615,802 |
| Less Administrative Fees Paid to General Fund | (673,000) | (688,479) | (705,002) | (721,923) | (739,249) |
| Administrative Fees Recognized as Current Expenses: | \$ 798,000 | \$ 816,354 | \$ 835,946 | \$ 856,009 | \$ 876,553 |
- [5] The City is expected to use a portion of the proceeds from the Series 2017 Bonds to: advance refund and defease approximately \$44,270,000 of the Stormwater Revenue Bonds, Series 2011A and approximately \$25,265,000 of the Stormwater Revenue Refunding Bonds, Series 2011B.
- [6] Amount shown associated with the debt service payments for the proposed Series 2017 Revenue Bonds provided by the City's Municipal Financial Advisor and recognize:
i) estimated delivery date of December 21, 2017; ii) All-In true interest cost ("TIC") of approximately 3.985500%; iii) par amount of bonds of approximately \$87,650,000; and iv) a thirty (30) year repayment schedule. This amount only recognizes the effects of the portion of the Series 2017 Bonds associated with the financing of the Series 2017 Project.
- [7] Amount shown associated with the debt service payments for the proposed Series 2022 Bonds provided by the City's Municipal Financial Advisor and recognize:
i) estimated delivery date of August 1, 2022; ii) All-In true interest cost ("TIC") of approximately 6.03798%; iii) par amount of bonds of approximately \$96,920,000; and iv) a thirty (30) year repayment schedule. It should be noted that the total Principal and Interest Requirement projected for the Series 2022 Bonds is approximately \$5,840,000 in Fiscal Year 2023.
- [8] Amount shown represents the Net Revenues remaining after the payment of the Principal and Interest Requirement and an allowance of ten percent (10%) for debt service coverage compliance, which is in compliance with the provisions of the Bond Resolution.

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Projected Fund Balances and Interest Income

		Fiscal Year Ending September 30,				
No.	Description	2018	2019	2020	2021	2022
<u>Year End Cash Balances Roll-Up</u>						
1	Enterprise Fund	\$ 27,048,541	\$ 37,812,696	\$ 50,121,250	\$ 48,892,458	\$ 38,856,261
2	Stormwater Revenue Bonds Debt Service Account	7,454,767	8,109,503	8,098,964	8,410,276	8,653,832
3	Redemption Account	0	0	0	0	0
4	Reserve Account	0	0	0	0	0
5	Rate Stabilization Account	8,889,419	8,889,419	8,889,419	8,889,419	8,889,419
6	Subordinate Indebtedness Account	247,918	229,349	229,349	229,129	229,129
7	Construction Account - Prior Construction	0	0	0	0	0
8	Construction Account - Series 2017 Revenue Bonds	59,180,505	17,068,424	0	0	0
9	Construction Account - Series 2022 Bonds	0	0	0	0	58,644,047
10	Total Ending Cash Balance	\$ 102,821,150	\$ 72,109,390	\$ 67,338,981	\$ 66,421,282	\$ 115,272,689
Enterprise Fund						
11	Beginning Balance	\$ 21,728,348	\$ 27,048,541	\$ 37,812,696	\$ 50,121,250	\$ 48,892,458
12	Transfer In - Revenue Requirements	5,546,065	11,027,672	12,446,586	13,253,080	14,199,506
13	Transfers Out - Capital Improvements	225,872	263,517	138,033	14,481,872	24,235,703
14	Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%
15	Interest Income	121,942	162,153	219,835	247,534	219,372
16	Ending Balance	27,048,541	37,812,696	50,121,250	48,892,458	38,856,261
17	Minimum Requirement: 60 Days of Current Expenses	1,425,178	1,435,776	1,478,827	1,523,210	1,568,966
18	Calculated Days of Available Cash (Current Expenses)	1,139	1,580	2,034	1,926	1,486
Stormwater Revenue Bonds Debt Service Account						
19	Annual Deposit to Account	\$ 14,909,534	\$ 16,219,005	\$ 16,197,927	\$ 16,820,552	\$ 17,307,665
20	Average Annual Balance	7,454,767	8,109,503	8,098,964	8,410,276	8,653,832
21	Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%
22	Interest Income	37,274	40,548	40,495	42,051	43,269
23	Recognition of Interest Earnings in Revenue Requirements	37,274	40,548	40,495	42,051	43,269
Redemption Account						
24	Beginning Balance [1]	\$ -	\$ -	\$ -	\$ -	\$ -
25	Transfers In - Enterprise Fund	0	0	0	0	0
26	Transfers In - R&R Fund	0	0	0	0	0
27	Transfers Out - Operating Reserves	0	0	0	0	0
28	Transfers Out - R&R Fund	0	0	0	0	0
29	Transfers In (Out)	0	0	0	0	0
30	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
31	Interest Income	0	0	0	0	0
32	Ending Balance	0	0	0	0	0
Reserve Account						
33	Beginning Balance [1]	\$ -	\$ -	\$ -	\$ -	\$ -
34	Transfers In - Operating Reserves	0	0	0	0	0
35	Transfers In - Stormwater Capital Fund	0	0	0	0	0
36	Transfers Out - Operating Reserves	0	0	0	0	0
37	Transfers Out - Stormwater Capital Fund	0	0	0	0	0
38	Transfers Out - Capital Improvements	0	0	0	0	0
39	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
40	Interest Income	0	0	0	0	0
41	Ending Balance	0	0	0	0	0

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Projected Fund Balances and Interest Income

		Fiscal Year Ending September 30,				
No.	Description	2018	2019	2020	2021	2022
Rate Stabilization Account						
42	Beginning Balance [1]	\$ 8,889,419	\$ 8,889,419	\$ 8,889,419	\$ 8,889,419	\$ 8,889,419
43	Transfers In - Operating Reserves	0	0	0	0	0
44	Transfers Out - Capital Improvements	0	0	0	0	0
45	Transfers Out - Operating Reserves	0	0	0	0	0
46	Transfers Out	0	0	0	0	0
47	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
48	Interest Income	0	0	0	0	0
49	Ending Balance	8,889,419	8,889,419	8,889,419	8,889,419	8,889,419
Subordinate Indebtedness Account						
50	Annual Deposit to Account	\$ 495,836	\$ 458,697	\$ 458,697	\$ 458,258	\$ 458,258
51	Average Annual Balance	247,918	229,349	229,349	229,129	229,129
52	Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%
53	Interest Income	1,240	1,147	1,147	1,146	1,146
Construction Account - Prior Construction						
54	Beginning Balance	\$ 28,206,833	\$ -	\$ -	\$ -	\$ -
55	Transfers In	0	0	0	0	0
56	Transfers Out	28,206,833	0	0	0	0
57	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
58	Interest Income	0	0	0	0	0
59	Ending Balance	0	0	0	0	0
Construction Account - Series 2017 Revenue Bonds						
60	Beginning Balance	\$ -	\$ 59,180,505	\$ 17,068,424	\$ -	\$ -
61	Transfers In	100,000,000	0	0	0	0
62	Transfers Out	40,819,495	42,112,081	17,068,424	0	0
63	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
64	Interest Income	0	0	0	0	0
65	Ending Balance	59,180,505	17,068,424	0	0	0
Construction Account - Series 2022 Bonds						
66	Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
67	Transfers In	0	0	0	0	96,095,403
68	Transfers Out	0	0	0	0	37,451,356
69	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
70	Interest Income	0	0	0	0	0
71	Ending Balance	0	0	0	0	58,644,047
Interest Income						
72	Unrestricted Interest Income	160,456	203,848	261,477	290,731	263,787
73	Restricted Interest Income	0	0	0	0	0
74	Total Interest Income	\$ 160,456	\$ 203,848	\$ 261,477	\$ 290,731	\$ 263,787

Table 11

City of Miami Beach, Florida
Financial Feasibility Report

Page 1 of 1

Comparison of Monthly Residential Stormwater Service Charges [1]

Line No.	Description	Monthly Stormwater Rate per ERU	Impervious Surface per ERU
City of Miami Beach			
1	Existing Rates as of October 1, 2017	\$23.30	791
<u>Other Florida Utilities</u>			
2	City of Aventura	\$2.50	1,548
3	City of Boca Raton	3.22	2,837
4	City of Coral Gables	8.80	2,346
5	City of Delray Beach	5.33	2,502
6	City of Fort Lauderdale	10.00	N/A
7	City of Hollywood	3.22	2,250
8	City of Homestead	3.37	N/A
9	City of Miami	3.50	1,191
10	Miami Dade County	4.00	1,548
11	City of North Miami	6.19	1,760
12	Village of Pinecrest	10.00	1,548
13	City of Pompano Beach	4.21	2,880
14	City of West Palm Beach	13.57	2,171
15	Other Utilities' Average	\$5.99	2,053

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect rates in effect August 2017 and are exclusive of taxes or franchise fees, if any. All rates are as reported by the respective local government.

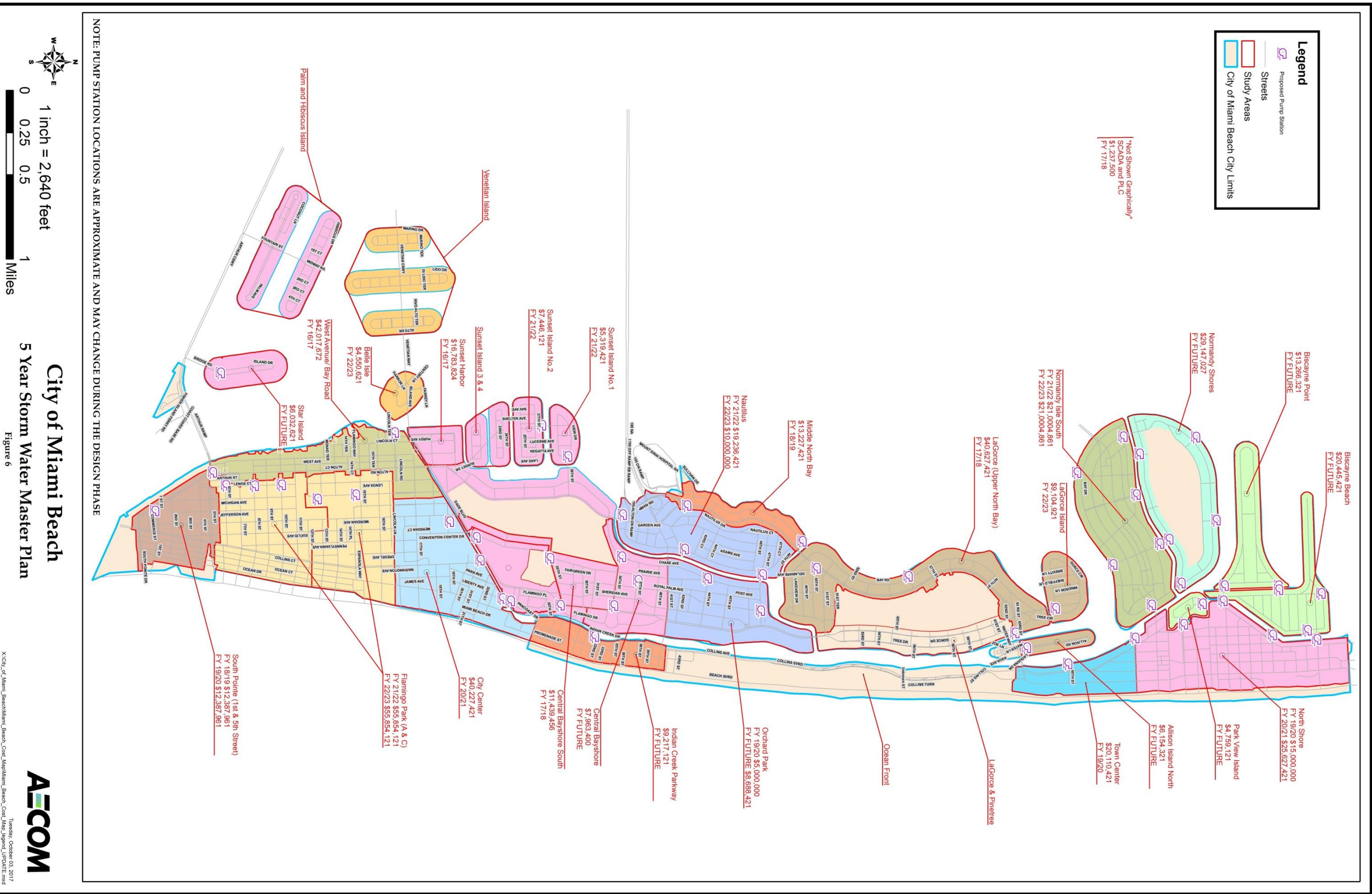




Figure 5: Proposed Stormwater Bond Projects

Location Name	Engineer Projected Cost	Appropriated or Spent Fund	Funds Required	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	Future	Sub-Total for Each Project
Allison Island North	\$ 6,154,321	\$ -	\$ 6,154,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,154,321	\$ 6,154,321
Belle Isle	\$ 4,550,621	\$ -	\$ 4,550,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,550,621	\$ 4,550,621
Biscayne Beach	\$ 20,445,421	\$ -	\$ 20,445,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,445,421	\$ 20,445,421
Biscayne Point	\$ 13,266,321	\$ -	\$ 13,266,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,266,321	\$ 13,266,321
Central Bayshore	\$ 8,213,400	\$ 250,000	\$ 7,963,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,963,400	\$ 7,963,400
Central Bayshore South	\$ 11,439,456	\$ 11,439,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Center	\$ 42,527,421	\$ 2,300,000	\$ 40,227,421	\$ -	\$ -	\$ -	\$ 40,227,421	\$ -	\$ -	\$ 40,227,421
Middle North Bay	\$ 13,227,421	\$ -	\$ 13,227,421		\$ 13,227,421	\$ -	\$ -	\$ -	\$ -	\$ 13,227,421
Nautilus	\$ 29,236,421	\$ -	\$ 29,236,421	\$ -	\$ -	\$ -	\$ -	\$ 19,236,421	\$ 10,000,000	\$ 29,236,421
Flamingo Park	\$ 119,208,242	\$ 7,500,000	\$ 111,708,242	\$ -	\$ -	\$ -	\$ -	\$ 55,854,121	\$ 55,854,121	\$ 111,708,242
Indian Creek Parkway	\$ 14,717,121	\$ 5,500,000	\$ 9,217,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,217,121	\$ 9,217,121
La Gorce (Upper North Bay)	\$ 40,627,421	\$ -	\$ 40,627,421	\$ 40,627,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,627,421
La Gorce Island	\$ 9,104,921	\$ -	\$ 9,104,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,104,921	\$ 9,104,921
Orchard Park	\$ 13,688,421	\$ -	\$ 13,688,421	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ 8,688,421	\$ 13,688,421
Normandy Isle South	\$ 42,009,721	\$ -	\$ 42,009,721	\$ -	\$ -	\$ -	\$ -	\$ 21,004,861	\$ 21,004,861	\$ 42,009,721
Normandy Shores	\$ 29,147,027	\$ -	\$ 29,147,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,147,027	\$ 29,147,027
North Shore	\$ 40,627,421	\$ -	\$ 40,627,421	\$ -	\$ -	\$ 15,000,000	\$ 25,627,421	\$ -	\$ -	\$ 40,627,421
Park View Island	\$ 4,759,121	\$ -	\$ 4,759,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,759,121	\$ 4,759,121
South Pointe (1st & 5th Street)	\$ 25,249,121	\$ 473,200	\$ 24,775,921	\$ -	\$ 12,387,961	\$ 12,387,961	\$ -	\$ -	\$ -	\$ 24,775,921
Star Island	\$ 6,032,621	\$ -	\$ 6,032,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,032,621	\$ 6,032,621
Sunset Harbour	\$ 16,783,824	\$ 16,783,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sunset Island #1	\$ 5,319,421	\$ -	\$ 5,319,421	\$ -	\$ -	\$ -	\$ -	\$ 5,319,421	\$ -	\$ 5,319,421
Sunset Island #2	\$ 7,446,121	\$ -	\$ 7,446,121	\$ -	\$ -	\$ -	\$ -	\$ 7,446,121	\$ -	\$ 7,446,121
Town Center	\$ 20,110,421	\$ -	\$ 20,110,421	\$ -	\$ -	\$ 20,110,421	\$ -	\$ -	\$ -	\$ 20,110,421
West Avenue/ Bay Road	\$ 42,017,672	\$ 42,017,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SCADA and PLC	\$ 1,237,500	\$ -	\$ 1,237,500	\$ 1,237,500	\$ -	\$ -	\$ -	\$ -		\$ 1,237,500
SUB-TOTAL	\$ 587,146,920	\$ 86,264,152	\$ 500,882,768	\$ 41,864,921	\$ 25,615,382	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 206,188,298	\$ 500,882,768
Under Construction / Completed										
Lower North Bay Road	\$ 5,025,128	\$ 5,025,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sunset Island 3 and 4	\$ 6,520,000	\$ 6,520,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Venetian Islands	\$ 20,516,285	\$ 20,516,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Palm & Hibiscus Islands	\$ 32,161,390	\$ 32,161,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central Bayshore Bid Pak A	\$ 2,815,776	\$ 2,815,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Citywide Tidal Flooding Mitigation - Ph 1	\$ 2,544,588	\$ 2,544,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Drainage Hot Spots	\$ 2,210,000	\$ 2,210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 658,940,087	\$ 158,057,319	\$ 500,882,768	\$ 41,864,921	\$ 25,615,382	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 206,188,298	\$ 500,882,768

Tranche #	Funding requirements
Tranche 2	\$ 41,864,921
Tranche 3	\$ 25,615,382
Tranche 3	\$ 78,125,803
Tranche 4	\$ 149,088,366
Future Revenue Stream	\$ 95,963,903
Future Revenue Stream	\$ 110,224,395



MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 20, 2018

SUBJECT: **SANITATION FEE ADJUSTMENT**

HISTORY:

On October 14, 2009, the City issued Request for Proposals No. 60-08/09 entitled, "Collection and Disposal of Residential Solid Waste, Yard Trash, Bulk Waste, and Operation of the City's Solid Waste Facility" (the RFP). The City entered into an agreement with Choice Environmental Services of Miami, Inc. on June 9, 2010. The City has exhausted the three (3) consecutive one-year renewal terms specified in the agreement which will terminate on August 31, 2018 and the current fee per unit for \$25.12 paid to the contractor.

On February 20, 2018 the City issued Request for Proposal No. 2018-024-WG for the Collection and Disposal of Residential Solid Waste, Yard Debris and Bulk Waste and Operation of the City's Green Waste Facility. The award of this solicitation will continue the service of the existing contract.

On October 9, 1991 the Mayor and City Commission adopted Ordinance Nos. 91-2758; 91-2759; 91-2760; and 91-2761, respectively providing for the granting of non-exclusive franchises waste haulers providing services to commercial and multi-family properties. On July 30, 2003, Resolution No 2003-25308 was passed and adopted which raised the franchise fee from fourteen (14%) percent of the franchisee's total monthly gross receipts for waste removal within the City of Miami Beach, to a fee of sixteen percent (16%) of receipts which was effective on October 1, 2003. On September 26, 2007, Resolution 2007-26658 was passed increasing the fee from sixteen (16%) percent to eighteen (18%) percent.

ANALYSIS:

RESIDENTIAL FEES:

There are currently two components to the Sanitation residential fee. The first is the contractual obligation to the waste haulers which is subject to a Consumer Price Indexing (CPI) capped at 3%. The second is a combination of City services which is currently a flat fee and recycling collection provided to residents which is a pass-through from Miami-Dade County which is also tied to CPI and capped at 3%.

The Sanitation Division pays \$3.52 for recycling under the Memorandum of Understanding to Interlocal Agreement between Miami-Dade County (County) and City of Miami Beach (City) for Inclusion in the Miami-Dade County Curbside Recycling Program (the Program) executed January 28, 2009. Under Section VI: Payments paragraph three states the following:

"During the first fiscal year (between October 1, 2008 and September 30, 2009) of this Interlocal Agreement and

annually thereafter through the final year of the Agreement, the unit prices paid by the Municipality to the County for the services to be provided will be adjusted by the percent change in the Consumer Price Index (CPI), All Urban Consumers, South Urban, All items, annual average during the previous Service Year, not to exceed three percent (3%) based on the change in such Index from October 1 through September 30 of the previous year. The source of the consumer price indices applied in the annual adjustment to the Collection Payment shall be the U. S. Bureau of Labor Statistics. Each adjustment shall be in effect for the following 12-month period. The Amount paid per Household shall be extended to all Households served based on the Household counts provided by the County in accordance with provisions of this Agreement.”

Since 2008 when the County began collecting single stream recyclables, the City has absorbed these costs from the City portion of the bill with no increase in price to residents during these tough economic times. Miami-Dade County is proposing a \$0.10 or 2.71% CPI increase to the recycling fee for the fiscal year 2019 which will increase the fee from \$3.52 per month per household to \$3.62 per month effective October 1, 2018. The Sanitation Division can no longer subsidize the recycling fee; and are requesting that the County recycling fee be passed onto the residential utility bill separately from waste service fee and the future City portion of the fees adjusted annually based upon the April CPI for Miami/Fort Lauderdale/West Palm Beach. The result is a rate increase of \$3.62 per month per household being proposed to sanitation fees for single family and multi-family residences. The following chart illustrates the difference in current and proposed fees charged to residents for solid waste services.

Single Family/Residential Unit						
	Monthly Fees	Recycling Fee	Total Monthly Fees	Annual Fees	# of Units	Estimated Yearly Revenue
Current Fee	\$ 41.56	\$ -	\$ 41.56	\$ 498.72	5530	\$ 2,757,922
Proposed Fee	\$ 41.56	\$ 3.62	\$ 45.18	\$ 542.16	5530	\$ 2,998,145
Multi-Family (8 units or less)						
	Monthly Fees	Recycling Fee	Total Monthly Fees	Annual Fees	# of Units	Estimated Yearly Revenue
Current Fee	\$ 37.13	\$ -	\$ 37.13	\$ 445.56	1343	\$ 598,387
Proposed Fee	\$ 37.13	\$ 3.62	\$ 40.75	\$ 489.00	1343	\$ 656,727

The City of Coral Gables and the Village of Key Biscayne provide a similar level of service as the City of Miami Beach. In comparison the City of Coral Gables charges an annual fee of \$750 and the Village of Key Biscayne’s annual fee \$645 as compared to the City of Miami Beach proposed annual fee of \$542.16. This increase keeps the City of Miami Beach fees below other municipalities as shown on the comparative annual fee chart below:

Municipalities	Annual Fee	Point of Service
Coral Gables	\$750.00	Backyard
Village Key Biscayne	\$645.00	Backyard
Miami Beach	\$542.16	Backyard (Proposed FY 19)
Miami Dade County	\$464.00	Curbside
Bal Harbour	\$457.20	Curbside
North Miami Beach	\$450.00	Curbside
City of Miami	\$380.00	Curbside
Hialeah	\$360.00	Curbside
North Miami	\$357.00	Curbside
Bay Harbor Island	\$273.60	Curbside

The Sanitation Division has a contractual obligation with Progressive Waste Solutions, Inc. to provide for residential waste service. The cost of this service to the City is currently \$25.12. The difference between the costs to provide the service for single family units, \$41.56 and the cost to the City, \$25.12 is \$16.44. This difference is used to fund litter control services, illegal dumping, pre/post storm related debris removal and administrative fees related to management of the contract and billings. The current cost to the City for residential waste services to multi-family dwellings with eight units or less is \$37.13. The difference between the cost to provide the service for multi-family dwellings, \$37.13 and the cost to the City \$25.12 is \$12.01 which is also used to fund litter control services, illegal dumping, pre/post storm debris removal and administrative fees related to management of the contract and billings.

The City is currently in the Request for Proposal (RFP) No. 2018-024-WC process with the three vendors that have responded to the inquiry. Bid proposal prices are subject to negotiation. The following rates have been proposed for single family and multi-family residences respectively:

Single Family				
	Bid Price per Unit	Recycling Fee	City Services	Total Proposed Fee
Waste Management	49.95	3.62	16.44	70.01
Progressive Waste	32.00	3.62	16.44	52.06
World Waste	27.80	3.62	16.44	47.86
Multi-Family				
	Bid Price per Unit	Recycling Fee	City Services	Total Proposed Fee
Waste Management	49.95	3.62	12.01	65.58
Progressive Waste	32.00	3.62	12.01	47.63
World Waste	27.80	3.62	12.01	43.43

Franchise Fees (Commercial):

The City Commission adopted Ordinance No. 90-2742 providing for Non-Exclusive Waste Contractor Franchise Agreements on October 1, 2003. Chapter 90 of the Miami Beach City Code, Section 90-221 provides for regulations, fees and procedures, and specifies that the City has the option of raising the franchise fee once yearly, said raises not to exceed two percent (2%). The last increase to the franchise fees per Resolution 2007-26658 increased the franchise fee from 16% to 18% effective October 1, 2007. This fee increase affects solid waste franchisees that provide service to commercial accounts and multi-family units.

Increasing the franchise fee from eighteen (18%) percent to twenty (20%) percent will generate additional revenue in the sanitation budget of approximately \$84,000.

Multiple municipalities were contacted regarding their franchise fee rates. The municipalities that responded are listed below. This increase keeps the City of Miami Beach fees at or below other municipalities as shown in the comparison fee chart provided:

Municipalities	Percentage
Hialeah	25%
Coral Gables	22%
North Miami	20%
North Miami Beach	20%
Miami Beach	20% (Proposed)

Increase the roll-off permit fee from 18% to 20%:

The City Commission adopted Ordinance No. 2008-3616 on September 17, 2008 amending the on-street and off street permit fee for roll-off waste containers serviced by licensed contractor's from 16% to 18% of the licensee's total monthly gross receipts. Currently the roll-off contractor's monthly gross receipts are approximately \$515,740. This equates to \$92,833 per month that the City is collecting on their monthly gross receipts.

Historically, the on-street and off-street permit fees for roll-off waste containers has been the same fee as the franchise fee charged to solid waste contractors. The fee increase will affect solid waste licensees that provide roll-off service to commercial and residential accounts. This fee has not been increased in 10 years. The additional revenue collected of approximately \$20,000 will assist in offsetting the Sanitation Division's operational deficit.

Franchise Fee			
	Franchise Fee	Proposed Increase	Total Percentage
Current	18%	2%	20%

The Administration proposes a cost recovery mechanism to promote long-term sustainability by the implementation of a direct pass-through of County and contractual services as well as implementation of a CPI adjustment on the City component of residential fees for single and multi-family units. This indexing would be automatically implemented to offset the effects of inflation on the cost of providing sanitation services.

CONCLUSION:

The Administration recommends the following:

- Pass-through of the recycling fee to the residents that has been previously subsidized by the City
- Pass-through of CPI from the residential waste hauler services
- Increase of the franchise fee by 2%
- Increase of the roll off fee by 2%
- Rate indexing tied to CPI for City Services

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 20, 2018

SUBJECT: **DISCUSSION TO CONSIDER THE AUDIT COMMITTEE MOTION REGARDING
ADDING AN INSPECTOR GENERAL INTERNAL AUDIT FUNCTION POSITION**

ANALYSIS:

Discussion at Committee.

ATTACHMENTS:

Description	Type
☐ Commission Referral C4 B	Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner John Elizabeth Aleman
DATE: June 6, 2018

SUBJECT: REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE TO
CONSIDER THE AUDIT COMMITTEE MOTION REGARDING ADDING AN
INSPECTOR GENERAL INTERNAL AUDIT FUNCTION POSITION.

ANALYSIS

Please place on the May 16, 2018 City Commission agenda, a referral to the Finance and Citywide Projects Committee to consider the Audit Committee motion communicated via LTC 248-2018 regarding the addition of an Inspector General internal audit function position.

At their May 2, 2018 Audit Committee meeting, the committee members passed the following motion:

1. Motion made by Ronald Starkman
Motion seconded by Deede Wheithorn

Motion Text:

Giving the emphasis on the elimination of fraud, waste, and abuse; in addition to the creation of the Inspector General function; and, after careful review of the risk assessment matrix, and current workload in the Internal Audit Department causes immediate concern, the Audit Committee strongly recommend that a minimum of one additional position be added to Internal Audit function to focus on contract compliance which should be revenue neutral to the City.

Motion Passage: Votes 5-0

For additional information, please contact my office at extension 6437.

Legislative Tracking

Commissioner John Elizabeth Aleman

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 20, 2018

SUBJECT: **DISCUSSION REGARDING INSTALLING A PERMANENT GENERATOR FOR
PUMP STATIONS ON SUNSET ISLANDS 3 AND 4**

ANALYSIS:

Discussion at Committee.

ATTACHMENTS:

Description	Type
☐ Commission Referral C4 A	Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner Kristen Rosen Gonzalez
DATE: July 17, 2018

SUBJECT: REFERRAL TO THE JULY 20, 2018 FINANCE AND CITYWIDE PROJECTS COMMITTEE, TO DISCUSS INSTALLING A PERMANENT GENERATOR FOR PUMP STATIONS ON SUNSET ISLANDS 3 AND 4.

RECOMMENDATION

Please place a referral to the July 20th Finance and Citywide Projects Committee, to discuss installing a permanent generator for the pump stations on Sunset Islands 3 and 4.

See email from Peter Luria and photo of flooding on Sunset Island 3 when the pumps are not working.

Legislative Tracking

Commissioner Kristen Rosen Gonzalez

ATTACHMENTS:

Description

- email
- photo

Cardillo, Lilia

From: Granado, Rafael
Sent: Monday, July 09, 2018 8:55 AM
To: Cardillo, Lilia
Subject: FW: Sunset Island 3 & 4: Permanent generator for each pump
Attachments: Mail delivery 1800 W 23 St.jpeg

MIAMIBEACH

Rafael E. Granado, Esq., City Clerk
OFFICE OF THE CITY CLERK
1700 Convention Center Drive, Miami Beach, FL 33139
Tel: 305.673.7411 rafaelgranado@miamibeachfl.gov

We are committed to providing excellent public service and safety to all who live, work and play in our vibrant, tropical, historic community.

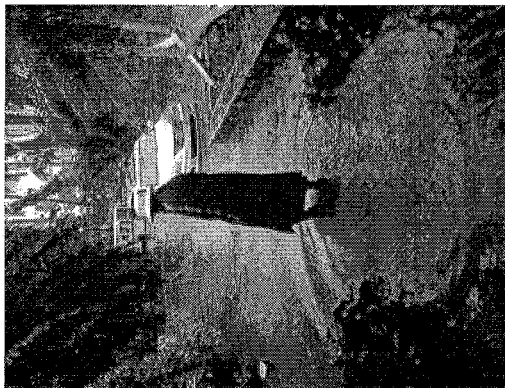
From: Rosen Gonzalez, Kristen
Sent: Sunday, July 08, 2018 7:05 PM
To: peter luria
Cc: Granado, Rafael
Subject: Re: Sunset Island 3 & 4: Permanent generator for each pump

Ralph, how can I get this agenda item into the budget meeting?

Kristen Rosen Gonzalez
305-965-4725

On Jul 2, 2018, at 9:44 AM, peter luria <peterpl@bellsouth.net> wrote:

As a follow-up to our discussion, attached are photos of flooding on Sunset Island 3 when the pumps aren't working.



<23 St Flooding.jpeg> <1800 W 23 St.jpeg>

Eric Carpenter recently told me that "installation of a permanent generator at each of the 3 pump stations at Palm & Hibiscus Islands" will be done as a change order to the infrastructure project rather than thru the G.O. Bond. That is same thing I suggest be done for Sunset Islands 3 & 4. We have two pump stations, one on each Island.

Please add it to the agenda for the July 25 Commission meeting. Thanks.

Best / Peter Luria

<IMG_0338.jpeg>

