



MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: September 9, 2009

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF JULY 6, 2009.**

OLD BUSINESS

NEW BUSINESS

1. Prioritization of Capital Projects

ACTION

The Committee recommends not funding the Pay-As-You-Go Capital fund for FY 2009/10.

The Committee recommended the projects listed for FY 2009/10 with the following changes:

- Office of Budget & Performance Improvement (OBPI) to include in FY 2009/10 Capital Budget the reprogramming of up to \$1 million in Capital Reserve Funds (CR) to be used for Pay-As-You-Go Capital (PG)
- Parks & Recreation to spread the restorative tree well treatments over several years doing the minimal in FY 2009/10 – to be funded from North Beach Quality of Life (NB QOL)

For Example

- FY 09/10 Collins to Dickens North side
- FY 2010/11 Collins to Dickens South side
- Public Works (PW)/Construction In Progress (CIP) to further reduce funding requirements for the Obelisk stabilization – to be funded from PG (reprogrammed from CR)
- CIP to add a project for West Avenue Baywalk with funding amount TBD – either as a new project or by amending the existing Baywalk project

Agenda Item C6B

Date 9-9-09

- **OBPI to include the following projects as funded for FY 2009/10**
 - **Bridge Light (77th Street/Hawthorne Ave) – to be funded from NB QOL**
 - **Mid-Beach Community Garden – to be funded from PG (reprogrammed from CR)**
 - **North Shore Open Space Park – Dog Park Annex – to be funded from NB QOL**
 - **Fisher Park Tot Lot and Play Ground Structure – to be funded from Mid Beach Quality of Life (MB QOL)**
 - **Normandy Shores Park Tot-lot Playground and Shade Structure – to be funded from PG (reprogrammed from CR)**
- **OBPI to fund the following projects in FY 2010/11 and beyond**
 - **Par 3 Golf Course – to be funded from MDC CDT/RT (approx. \$4 million per year available)**
 - **Lummus Park/Serpentine Walkway (CIP to try to re-engineer to reduce additional funding need of \$1.8 million – to be funded from MDC CDT/RT (approx. \$4 million per year available)**
 - **Fitness Course Lummus Park – to be funded from MDC CDT/RT (approx. \$4 million per year available)**
- **OBPI/PW to rename all seawall projects so that they begin with “Seawall” and automatically group together**
- **OBPI to fund Convention Center projects in priority order subject to projected availability of funds from FY 2008/09 year-end**
- **CIP/Economic Development/RDA to accelerate North Beach Parking Garage as part of the anticipated Parking Bond issue**

City Manager Jorge Gonzalez presented.

July 1st certified tax roll resulted in an overall citywide property value decrease of 14.8%. When offset with new taxable value, new construction, the overall tax value decrease is 8.2%.

The expected revenue as of May was approximately \$232 million and current service level expenditures of approximately \$245.9 million, leaving a shortfall of approximately \$13.7 million not including the property tax impact. The additional property tax impact is approximately \$10.2 million of revenue that won't be realized this year. Therefore the total shortfall is approximately \$24 million.

In looking at the current service levels, \$3.8 million dollars in savings has been identified and \$1 million in potential revised current service levels that can be applied to the \$24 million shortfall. As a result, the “working gap” is approximately \$19.1 million.

Commissioner Jerry Libbin asked for a detailed schedule of the revised customer service level revenues (\$3.8M) and potential revised customer service level revenue (\$1M).

City Manager Jorge Gonzalez went over the potential funding sources and their balances as of October 1, 2008. The sources include Pay-As-You-Go Capital (PG), Quality of Life (QOL), Parks & Beaches Go Interest (Go-P&B), Parks Go Interest (Go-P), Neighborhoods Go Interest (Go-N), Fire Go, and Miami-Dade County Interlocal Funds committed to CDT/RT Capital Projects. Commissioner Libbin asked if the balances of

the Quality of Life funds would increase throughout the year. City Manager Jorge Gonzalez stated that approximately an additional \$800,000 per area could be added to the QOL fund balances, assuming there is no decline in resort tax, which would bring the total QOL balance to approximately \$5.3 million.

Commissioner Deede Weithorn asked if the interest fund (Go-P&B, Go-P, and Go-N) balances a stable amount. City Manager Jorge Gonzalez stated that the amount would change only by the amount of interest earned.

City Manager Jorge Gonzalez stated that in addition to the funds previously mentioned, there is approximately \$10 million in a Capital Reserve fund. The intended use for this fund was to bridge the gap between the rise in cost and the budgeted amount. This was done so as to not delay a project once the bids came in, if they were higher than anticipated but still within the margin. City Manager Jorge Gonzalez also stated that it is anticipated that \$2.5 million will be added to the Capital Reserve in FY 2009/10.

Commissioner Saul Gross asked what happens to the savings realized in projects as costs decrease. City Manager Jorge Gonzalez replied that the savings are reappropriated to other projects. Discussion ensued.

City Manager Jorge Gonzalez presented the FY 2008/09 additional funding needs for existing funded projects, other planned projects not in adopted CIP and the potential FY 2009/10 funding sources. Conversation ensued.

City Manager Jorge Gonzalez then presented the future unfunded projects in the adopted Capital Improvement Plan, proposed new projects, and the potential FY 2009/10 funding sources. Commissioners Weithorn and Libbin asked that the Mid-Beach Community Garden and North Shore Open Space Park-Dog Park Annex be funded. Commissioner Victor Diaz asked that the West Avenue Baywalk be added to the future unfunded projects in adopted CIP list.

Commissioner Libbin asked that the Committee recommend eliminating the Pay-As-You-Go Capital (PG) for the FY 2009/10 Budget and for the things deemed necessary & vital to do, the City which has previously used the PG fund, will consider funding the project(s) from the Capital Reserve. Discussion ensued.

The Committee recommended the projects listed for FY 2009/10 with the following changes:

- Office of Budget & Performance Improvement (OBPI) to include in FY 2009/10 Capital Budget the reprogramming of up to \$1 million in Capital Reserve Funds (CR) to be used for Pay-As-You-Go Capital (PG)
- P&R to spread the restorative tree well treatments over several years doing the minimal in FY 2009/10 – fund from North Beach Quality of Life (NB QOL)

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- OBPI/PW to rename all seawall projects so that they begin with “Seawall” and automatically group together
- OBPI to fund Convention Center projects in priority order subject to projected availability of funds from FY 2008/09 year-end
- CIP/Economic Development/RDA to accelerate North Beach Parking Garage as part of the anticipated Parking Bond issue