



MIAMI BEACH

OFFICE OF THE CITY MANAGER
NO. LTC # 188-2010

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LETTER TO COMMISSION

TO: Mayor Matti Herrera Bower and Members of the City Commission
FROM: Jorge M. Gonzalez, City Manager
DATE: July 1, 2010
SUBJECT: Revenue Enhancement Study

The Purpose of this LTC is to transmit to the Mayor and Commission the finding of the Revenue Enhancement Study conducted by Willdan Financial Services, Inc ("Willdan").

BACKGROUND

On October 14, 2009, the Mayor and City Commission approved the issuance of Request for proposals (RFP) No. 12-09/10, for General Fund Revenue Enhancement Study. The purpose of study was to conduct an inventory of City General Fund revenue sources (with the exception of property taxes and building development process related fees); a comparison with other national and local entities; identification of areas where the City is below market; recommended areas where there is the potential to generate additional revenues; and cost analyses for any recommended increases to cost-based fees, if desired by the City. To allow a reasonable timeframe for incorporation of the results in the FY 2010/11 proposed city budget, results were required by mid calendar year 2010.

Willdan was selected to perform this study. Willdan has provided comprehensive and integrated solutions to cities, counties, special districts in more than 35 states with similar studies performed in several Florida municipalities. In addition, Willdan collaborated and utilized the service of the Rose Institute. With more than 25 years of extensive survey experience, the Rose Institute, with extensive experience surveying municipal taxes and fees, conducted all aspect of the survey process, including background research, sampling size, collection of date, analysis of results, and conclusions regarding gathered data.

FINDINGS

The attached memoranda provide 1) a summary of current City of Miami Beach General Fund Revenue sources, and 2) an inventory of revenue sources and associated fee levels, rental rates, etc. from other municipalities and applicable jurisdictions as compared to City of Miami Beach General Fund revenue sources.

The revenue sources identified by Willdan as potential revenue enhancement sources include the following:

Potential Revenue Enhancement Opportunities:

- Increase Resort Tax on Transient Rentals from 3 to 4 %
- Special Assessment for Fire Protection Services
- Review Status and Use of General Fund Properties by the Parking Fund
- Contracting Services with Other Municipalities
- Special Event Permits
- Sale of Water and Sewer Utility Systems to the County
- Regionalization of Lifeguard Services
- Beachfront Concession Fees
- Increase Fees for the 19% CPI increase since 2003 per resolution 2003-2529
- Utilize Safe Neighborhoods Districts to levy up to 2 mills
- Local Improvement Districts for Capital Projects
- Update Existing Impact and Assessment Fees
- New Impact Fees for Capital Projects - Transportation, Police, Fire, Parks and Recreation

Potential Fee Increases where Fees are Lower than Other Jurisdictions

- Fire Rescue Transport Fees
- Police Finger Printing Fees
- Off-duty Police and Fire Fees
- Hazardous Material Permit and Placard Fee
- Pool Fees (Residents, and Non-Resident Toddlers/ Season Passes)
- Tennis Fees (Adults/Junior Residents, Junior Non-Residents, Hourly Rates)
- Copying Fees
- Dishonored Check Fees
- Traffic and Parking Fines
- Fines for Multiple False Alarms
- Requests for Appeals to Special Master
- Peddler Permits
- Police Towing Fees
- Newsrack Permit Renewal Fees

Other Potential Revenue Enhancements Discussed in the Study:

- Finance - Garage Sales Permits and For Sale Sign Permits
- City Clerk - Minimum Fees for Public Records Requests
- City Clerk - Notary Service Fees
- Charging for copies of Personal documents (less than 5 copies currently free)
- TCD - Late Fee for Special Events
- TCD - Wedding Fee
- TCD - Film and Pint Fee increases
- Parking - Parking Rates
- Parking - Valet rates
- REHCD - City Air rights (e.g. Cell Phone Towers)
- Communications - Increase MB Magazine Advertising Fees
- Communications - Expand Sponsorship Program
- Code - increase lien fees and expedited lien fees
- Parks and Recreation - After Schools Programs, Summer Day Camp, and Specialty Camps
- Planning - Increase Historic Home Designation Fee
- Planning - Hourly consultant Fee

While we will be discussing revenues at our next Finance & Citywide Project Committee meeting during the budget process, it is my recommendation that we continue to review these, but not count on them for the purposes of the FY 2010/11 budget process.