

Condensed Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE TENTATIVE AD VALOREM MILLAGE OF 6.2155 MILLS FOR GENERAL OPERATING PURPOSES, WHICH IS FIVE AND THREE-TENTHS PERCENT (5.3%) MORE THAN THE "ROLLED-BACK" RATE OF 5.9029 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2884 MILLS; FURTHER SETTING THE SECOND PUBLIC HEARING TO CONSIDER THE MILLAGE RATE FOR FISCAL YEAR (FY) 2011/12, ON TUESDAY, SEPTEMBER 27, 2011 AT 5:01 P. M.

Key Intended Outcome Supported:

Minimize taxes; Control Costs of payroll including salary and fringes; ensure expenditure trends are sustainable over the long term; Improve the City's overall financial health and maintain overall bond rating; Increase community satisfaction with city services

Supporting Data (Surveys, Environmental Scan, etc.):

- In the 2009 survey, 65% of residents and 55% of businesses rated the value of city services for tax dollars paid as excellent or good, and higher (73.5% excellent or good) among those residents understanding that only a portion of their property tax bill goes to fund city services. Resident ratings improved 19% compared to 2007 and 15% compared to 2005. Business ratings remain steady compared to 2007, but improved by 14% compared to 2005.
- Over the last several years, the City of Miami Beach has adopted budgets that provided tax and fee relief while at the same time providing improving services that address community priorities (e.g. public safety, cleanliness, landscaping and beautification, recreation and cultural arts programming, renewal and replacement funding for our facilities, and building/development functions). In FY 2007/08 alone, the property tax rate declined by approximately 1.8 mills, with savings to the average property owner of over \$400. In addition, in FY 2005/06 and FY 2006/07, the City funded \$200 and \$300 "homeowner dividends" paid to homesteaded property owners in the City.
- However, recent years have been more challenging due to declines in property values and increasing costs, particularly pension costs. Since FY 2007/08, property values have declined \$4.9 billion, approximately 18 percent, despite almost \$3 billion in new construction added to the roll. Without the new construction, the decline in values would be even greater, at 29 percent. Outside the City Center RDA, which impacts General Fund Property Tax revenues, the decline in values is even more significant at 20 percent, even after new construction.
- The July 1, 2010 Certification of Taxable Value from the Miami-Dade County Property Appraiser reflects a more modest decline of \$0.1265 billion or 0.6 percent decline in property values, and a decline of 1.2 percent excluding new construction. The decline outside the City Center Redevelopment area which impacts General Fund property tax revenues was 0.8 percent.

Issue:

Shall the Mayor and City Commission adopt the resolution?

Item Summary/Recommendation:

The total proposed tentative operating millage is kept flat from FY 2010/11 at 6.2155 mills, including a general operating millage rate of 6.1072 and a General Fund Capital Renewal and Replacement millage of 0.1083. The voted debt service millage rate is increased from 0.2870 to 0.2884.

The administration is continuing to evaluate opportunities to further reduce the millage, with the potential for additional changes at the second public hearing on Tuesday September 27, 2011 -- for every \$180,000 reduction to the proposed FY 2011/12 General Fund budget, the FY 2011/12 millage can be reduced by 0.01 mills.

Advisory Board Recommendation:


Financial Information:

Source of Funds:	Amount	Account
1		
2		
OBPI	Total	

Financial Impact Summary: The combined millage rate overall remains approximately 2.2 mills lower than it was in FY 1999/00. In addition, the millage rate is approximately 1.2 mills lower than it was in FY 2006/07, when property values were similar to the July 1, 2011 certified **values resulting in a net tax levy reduction of \$29 million since FY 2006/07.**

City Clerk's Office Legislative Tracking:

Sign-Offs:

Department Director	Assistant City Manager	City Manager
		





MIAMI BEACH

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

COMMISSION MEMORANDUM

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

FROM: Jorge M. Gonzalez, City Manager

DATE: September 14, 2011

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE TENTATIVE AD VALOREM MILLAGE OF 6.2155 MILLS FOR GENERAL OPERATING PURPOSES, WHICH IS FIVE AND THREE-TENTHS PERCENT (5.3%) MORE THAN THE "ROLLED-BACK" RATE OF 5.9029 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2884 MILLS; FURTHER SETTING THE SECOND PUBLIC HEARING TO CONSIDER THE MILLAGE RATE FOR FISCAL YEAR (FY) 2011/12, ON TUESDAY, SEPTEMBER 27, 2011 AT 5:01 P. M.**

ADMINISTRATION RECOMMENDATION

The Administration recommends that the City Commission adopt the attached Resolution which sets the following:

1) Proposed Millage Rates for FY 2011/12:

General Operating	6.1072 mills
Capital Renewal & Replacement	<u>0.1083 mills</u>
Sub-Total Operating Millage	6.2155 mills (6.2155 FY 2010/11, 0.0 increase)
Voted Debt Service	<u>0.2884 mills (0.2870 FY 2010/11, 0.0014 increase)</u>
Total	6.5039 mills (6.5025 FY 2010/11, 0.0014 increase)

2) The tentatively adopted combined millage rate of 6.5039 mills is 0.0014 mills more than the 6.5025 combined millage rate for FY 2010/11. The tentatively adopted operating millage of 6.2155 mills for FY 2011/12 is 0.3126 mills more than the roll-back rate of 5.9029, and thus, the City is required to publish a Notice of Tax Increase.

3) The second public hearing to consider the final millage rates and budgets for FY 2011/12 shall be on Tuesday September 27, 2011 at 5:01 P.M., in the City Commission Chambers, City Hall, 1700 Convention Center Drive.

The rollback rate is the millage rate required to produce the same level of property tax revenues in FY 2011/12 as collected in FY 2010/11. The rollback rate is calculated by dividing the prior year property tax revenues by the current year property values, after new construction, major improvements, annexations, deletions and tax increment districts are removed from current year property values. It is important to note, that the January 1, 2010 tax roll Citywide declined by almost \$1.4 billion between the July 1, 2010 valuation and the July 1, 2011 valuation due to

appeals, adjustments, etc., which resulted in the FY 2011/12 "roll-back rate" being less than the FY 2010/11 current millage rate. The area outside of City Center RDA declined by almost \$1 billion.

While the administration is continuing to evaluate opportunities to further reduce the millage, it is recommended that the Mayor and Commission adopt the tentative operating and debt service millage rates, with the potential for additional changes at the second public hearing to consider the final millage rates for FY 2011/12 on Tuesday September 27, 2011. For every \$180,000 reduction to the proposed FY 2011/12 General Fund budget, the FY 2011/12 millage can be reduced by 0.01 mills.

Under the recently enacted State legislation, the City may elect to approve millage rates above the roll-back rate up to the constitutional cap of 10 mills subject to an extraordinary vote by the Commission or referendum:

- Option I: A majority of the approval of the Commission Millage is required to approve a millage up to 8.1906 (equivalent to a 0.55% increase in ad valorem proceeds allowed by a majority vote, net of the impact of the Tax Increment Districts). The adjustment of 0.55% reflects the statewide per capita personal income increase for the prior year
- Option II: A two-thirds approval (5 of 7 votes) of the Commission is required to approve a millage up to 9.0097 (equivalent to a 10% increase in the ad valorem revenues above Option I).
- Option III: A unanimous approval of the Commission or referendum is required to approve a millage above 9.0097 up to the 10 mill cap

PROCEDURE

Florida Statutes 200.065 requires that at the conclusion of the first public hearing on the proposed tax rate and budget, the City Commission proceed in the following specific manner:

1. Adopt a tentative ad valorem millage rate for FY 2011/12 operating purposes. This is accomplished by adopting a Resolution that includes the percentage increase or decrease over the "Rolled-back" rate; the required Debt Service millage rate; and, the date, time, and place of the second public hearing

State statute requires that only the title be read aloud.

2. Adopt a tentative general operating budget for FY 2011/12. Also included, are budgets for the Enterprise and Internal Service Funds. This is accomplished by adopting a companion Resolution. (See accompanying City Budget Agenda Item).

Both the millage and budget Resolutions must be adopted again after a second and final public hearing.

SUMMARY

The Administration is recommending a total combined millage rate for the City of Miami Beach of 6.5039. The total proposed operating millage remains at 6.2155 mills, including a general operating millage rate of 6.1072 and a General Fund Capital Renewal and Replacement millage of 0.1083. The proposed voted debt service millage rate is adjusted from 0.2870 to 0.2884, an increase of 0.0014 mills.

It is important to remember that in prior years, the City of Miami Beach significantly reduced tax rates as property values increased. Between FY 1999/00 and FY 2009/10, total combined City of Miami Beach property tax rates declined approximately 2.8 mills. In FY 2007/08 alone, the millage rate declined by approximately 1.8 mills, with annual savings to the average homesteaded property of over \$400. In addition, in FY 2005/06 and FY 2006/07 the City provided "homeowner dividends" of \$200 and \$300, respectively, to all homesteaded property owners in the City of Miami Beach. Further, the per capital tax levy was \$1,649 for FY 2006/07 as compared to an estimated \$1,276 for FY 2010/11, a decrease of \$374, per resident, or 23 percent. City of Miami Beach combined millage rates remain approximately 2.2 mills lower than in FY 1999/00 (25 percent), and approximately 1.2 mills lower than 2006/07 when property values were similar to today's values, resulting in a net tax levy reduction of approximately \$29 million.

Miami Beach continues to provide more direct value for tax dollars paid than many other taxing jurisdictions. For example, in FY 2009/10, the owner of an average value homesteaded property would have paid approximately \$1,700 in property taxes to the City; as compared to approximately \$4,000 to the County, the school board and other local taxing jurisdictions; approximately \$2,400 in sales taxes to the state; and approximately \$7,000 in income taxes to the Federal government.

ANALYSIS OF PROPERTY VALUES IN MIAMI BEACH

On July 1, 2011, the City received the "2011 Certification of Taxable Value" from the Property Appraiser's Office stating that the taxable value for the City of Miami Beach is \$21,978,289,928 including \$98,792,544 in new construction. The preliminary 2011 value represents a decrease of \$0.1265 billion or 0.6 percent less than the July 1, 2010 Certification of Taxable Value of \$22.1 billion, and a decline of 1.2 percent excluding new construction.

The comparative assessed values for the Miami Beach Redevelopment Agency City Center redevelopment district increased from \$3,404,963,718 to \$3,423,353,944, an increase of \$0.0184 billion or a 0.5 percent increase in values over 2010 certified values. In addition, assessed values within the geographic area formerly known as the South Pointe redevelopment district increased from \$3,324,165,654 to \$3,446,036,913, an increase of \$0.1219 billion, or a 3.7 percent increase in values over 2010 certified values. As a result, taxable values in the areas outside the City Center RDA/South Pointe area decreased by 1.7 percent, from \$15.3756 billion to \$15.1089 billion, a decrease of \$0.2667 billion.

COMPARATIVE ASSESSED VALUES (in billions)

	Jan. 1 2010 Value (in billions)			Jan. 1 2011 Value (in billions)	Change from 2010 Value (Budget)		% Change from Prior Year Revised Value
	As of July 1 2010 (For FY 2010/11 Budget)	Revised Value (For FY 2010/11 Projection)	Change in 2010 Values	As of July 1 2011 (For 2011/12 Budget)	\$ (in billions)	%	
RDA – City Ctr	\$ 3.4050	\$ 2.9780	\$ (0.4270)	\$ 3.4234	\$ 0.0184	0.5%	15.0%
South Pointe	3.3242	3.1138	(0.2104)	3.4460	\$ 0.1219	3.7%	10.7%
General Fund	15.3756	14.6281	(0.7476)	15.1089	\$ (0.2667)	-1.7%	3.3%
Total Citywide	\$ 22.1047	\$ 20.7198	\$ (1.3849)	\$ 21.9783	\$ (0.1265)	-0.6%	6.1%
Citywide Net of City Ctr	\$ 18.700	\$ 17.742	\$ (0.958)	\$ 18.555	\$ (0.1448)	-0.8%	4.6%

DETERMINING THE OPERATING MILLAGE LEVY

The first building block in developing a municipal budget is the establishment of the value of one mill of taxation, wherein the mill is defined as \$1.00 of ad valorem tax for each \$1,000 of property value. For the City of Miami Beach, this value for each mill is determined by the 2011 Certification of Taxable Value and has been set at \$21,978,290. Florida Statutes permit a discount of up to five percent for early payment discounts, delinquencies, etc. Therefore, the 95 percent value of the mill is \$20,879,376.

Impacts of Decline in Property Values

In FY 2010/11, the operating millage rate for general City operations was adopted at 6.2155. Based on the July 1, 2011 Certification of Taxable Value, 6.2155 mills would generate approximately \$129,775,762 in tax revenues, a decrease of \$746,668 over FY 2010/11 budgeted property tax revenues Citywide (General Fund, City Center RDA and the South Pointe area). The General Fund property tax revenues will decrease by \$0.85 million, if the FY 2010/11 millage rate is maintained.

Further, the January, 1 2010 tax roll Citywide declined by almost \$1.4. billion between the July 1, 2010 valuation and the July 1, 2011 valuation due to appeals, adjustments, etc., which resulted in the FY 2011/12 “roll-back rate” being less than the FY 2010/11 current millage rate. The area outside of City Center RDA declined by almost \$1 billion.

DETERMINING THE VOTED DEBT SERVICE MILLAGE LEVY (GENERAL OBLIGATION DEBT SERVICE FUND)

The general obligation debt service payment for FY 2011/12 is approximately \$6.02 million. Based on the July 1, 2011 Certified Taxable Value from the Property Appraiser, these bonds would require the levy of a voted debt service millage of 0.2884 mills. This represents an increase of 0.0014 mills.

COMBINING THE OPERATING AND VOTED DEBT SERVICE MILLAGE LEVIES

Illustrated below is a comparison of the combined millage rates and ad valorem revenues to the City of Miami Beach for FY 2010/11 (final) and FY 2011/12 (preliminary) including RDA. It is recommended that in the General Fund, 0.1083 mills of the total operating millage continue to be dedicated to renewal and replacement, resulting in approximately \$1.76 million in renewal and replacement funding.

City of Miami Beach Millage Rates	FY 06/07	FY 10/11	FY 11/12	Inc/(Dec)	% Inc/(Dec)	
					From FY10/11	From FY 06/07
Operating	7.1920	6.1072	6.1072	0.0000		
Capital Renewal & Replacement	0.1820	0.1083	0.1083	0.0000		
Sub-total Operating Millage	7.3740	6.2155	6.2155	0.0000	0.0%	-16%
Debt Service	0.2990	0.2870	0.2884	0.0014		
Total	7.6730	6.5025	6.5039	0.0014	0.0%	-15%

If these recommended millage rates are tentatively adopted, then the City of Miami Beach's total operating millage will remain unchanged from the current year, and the voted debt service millage will increase by 0.0014 mills.

CITY OF MIAMI BEACH MILLAGE LEVY IMPACT ON MIAMI BEACH PROPERTY OWNERS

Homesteaded Properties

Amendment 10 to the State Constitution took effect on January 1, 1995 and limited the increase in assessed value of homesteaded property to the percentage increase in the consumer price index (CPI) or three percent (3%), whichever is less. For 2010, the CPI has been determined to be 1.5 percent and therefore, the increase is capped at 1.5% for increased values as of January 1, 2011. The impact of the millage and the CPI adjustment to homesteaded properties will vary significantly based on how much below market value the property is assessed and the taxable value of the property. Properties assessed at market value will not be affected by the 1.5 percent CPI adjustment. As of the 2009 tax roll, the latest roll analyzed, 33 percent of properties were assessed at market value.

Overall, based on an analysis of the homesteaded properties in the 2010 tax roll (the latest available from the Miami-Dade County Property Appraiser at this time), the median value of homesteaded property in Miami Beach for 2011 (as of August 2010) was \$119,000, and the average \$271,000. Applying the decline to the market value of all existing homesteaded properties from the 2010 tax roll, and the 1.5 percent CPI adjustment, the impact of the millage rate adjustment to homesteaded properties would be as shown in the following table.

Homesteaded Properties								
	FY 2010/11 (as of January 1 2010)*		FY 2011/12 (as of January 1 2011)					
			with 0.6% Decline		with no change		with 1.5% CPI	
	Median	Average	Median	Average	Median	Average	Median	Average
Taxable Value	\$ 119,000	\$ 271,000	\$ 118,286	\$ 269,374	\$ 119,000	\$ 271,000	\$ 120,785	\$ 275,065
City of Miami Beach Taxes								
Operating	\$ 740	\$ 1,684	\$ 735	\$ 1,674	\$ 740	\$ 1,684	\$ 751	\$ 1,710
Voted Debt	34	78	34	78	34	78	35	79
Total Miami Beach	\$ 774	\$ 1,762	\$ 769	\$ 1,752	\$ 774	\$ 1,762	\$ 786	\$ 1,789
\$ Change in Taxes								
Operating			\$ (5)	\$ (10)	\$ -	\$ -	\$ 11	\$ 26
Voted Debt			-	-	-	-	1	1
Total Miami Beach			\$ (5)	\$ (10)	\$ -	\$ -	\$ 12	\$ 27

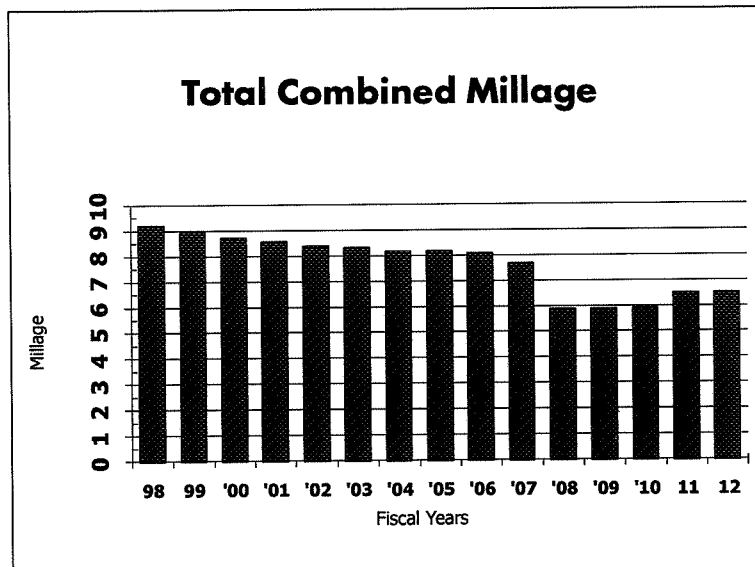
* Source: Miami-Dade County Property Appraiser File as of 8/17/10

Non-Homesteaded Properties

It is anticipated that, overall commercial properties, would reflect a decline based on the overall decline in the property values, although individual properties could vary significantly.

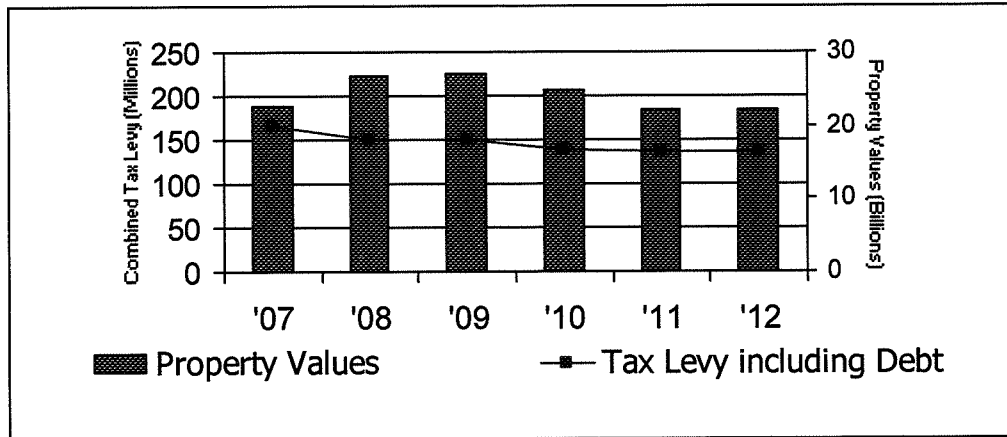
Historical Perspective

As stated earlier, in prior years, the City of Miami Beach significantly reduced tax rates as property values increased. Between FY 1999/00 and FY 2009/10, property tax rates declined approximately 2.8 mills. In FY 2007/08 alone, the property tax rate declined by approximately 1.8 mills, with annual savings to the average homesteaded property of over \$400. In addition, in FY 2005/06 and FY 2006/07, the City funded \$200 and \$300 "homeowner dividends" paid to homesteaded property owners in the City.



The combined millage rate overall remains approximately 2.2 mills lower than it was in FY 1999/00. In addition, the millage rate is almost 1.2 mills lower than it was in FY 2006/07, when property values were above the July 1, 2011 certified values. As a result, the proposed property tax levy is lower in FY 2011/12 than it was in FY 2006/07.

Property Values and Tax Levy



Property Values, Millage and Property Tax Levy

Budget Year	Taxable Property Values (billions)	Millage Rates		Budgeted Tax Levy (in millions)		Impact to a average value homesteaded property with CPI adjustment to assessed value	
		Total Citywide	General Fund/RDA Millage	Total including Debt	General Fund Total (including S. Pointe, and Renewal & Replacement)	Annual	Cumulative
FY1997/98	\$ 6.46	9.2100	7.4990	\$ 57.45	\$ 46.78		
FY1998/99	\$ 6.97	8.9830	7.4990	\$ 60.37	\$ 44.66		
FY1999/00	\$ 7.66	8.6980	7.4990	\$ 64.29	\$ 47.36		
FY2000/01	\$ 8.37	8.5550	7.3990	\$ 69.08	\$ 49.75		
FY2001/02	\$ 9.40	8.3760	7.2990	\$ 75.97	\$ 54.37		
FY2002/03	\$ 10.56	8.3220	7.2990	\$ 84.81	\$ 61.05		
FY2003/04	\$ 12.09	8.1730	7.2990	\$ 95.39	\$ 68.17		
FY2004/05	\$ 14.04	8.1730	7.4250	\$ 110.74	\$ 79.38		
FY2005/06	\$ 17.45	8.0730	7.4810	\$ 135.91	\$ 111.69		
FY2006/07	\$ 22.74	7.6730	7.3740	\$ 168.38	\$ 140.31		
FY2007/08	\$ 26.85	5.8970	5.6555	\$ 150.42	\$ 125.33	(\$436.00)	(\$436.00)
FY2008/09	\$ 26.90	5.8930	5.6555	\$ 150.59	\$ 125.94	(\$86.00)	(\$522.00)
FY2009/10	\$ 24.70	5.9123	5.6555	\$ 138.70	\$ 115.73	(\$80.00)	(\$602.00)
FY2010/11	\$ 22.10	6.5025	6.2155	\$ 136.55	\$ 112.14	\$221.00	(\$381.00)
FY2011/12	\$ 21.98	6.5039	6.2155	\$ 135.80	\$ 111.29	\$27.00	(\$354.00)

COMBINING JURISDICTIONAL OPERATING AND DEBT SERVICE MILLAGE LEVIES

City of Miami Beach property owners must also pay property taxes to Miami-Dade County, the Miami-Dade County School Board, the Children’s Trust, the South Florida Water Management District, and the Florida Inland Navigation District.

The countywide tax rate for Miami-Dade County is proposed to decrease from 5.4275 mills to 4.8050 mills; the library tax rate is proposed to decrease from 0.2840 mills to 0.1795 mills; and the debt service millage decreased from 0.4450 to 0.2850.

The proposed tax rate for the Miami-Dade School District is 8.0050; 0.2440 mills less than the prior year millage of 8.2490. The Children’s Trust millage is maintained at 0.5 mills. The proposed tax rate for the South Florida Water Management District is 0.4363; 0.1877 mills less than the prior year millage of 0.6240. The proposed tax rate for the Florida Inland Navigation District is 0.0345; unchanged from the FY 2010/11 millage.

A summary of the tax rate changes is provided in the following table.

OVERLAPPING TAX MILLAGE	FY 06/07	FY 10/11	FY 11/12	Variance from 10/11	Variance from 06/07	% of FY 11/12 Total
City of Miami Beach Millage Rates						
Operating	7.1920	6.1072	6.1072	0.0000	-1.0848	
Capital Renewal & Replacement	0.1820	0.1083	0.1083	0.0000	-0.0737	
Subtotal Operating Millage	7.3740	6.2155	6.2155	0.0000	-1.1585	
Voted Debt Service	0.2990	0.2870	0.2884	0.0014	-0.0106	
Total	7.6730	6.5025	6.5039	0.0014	-1.1691	31%
Miami Dade County						
Countywide	5.6150	5.4275	4.8050	-0.6225	-0.8100	
Library	0.4860	0.2840	0.1795	-0.1045	-0.3065	
Debt Service	0.2850	0.4450	0.2850	-0.1600	0.0000	
Subtotal	6.3860	6.1565	5.2695	-0.8870	-1.1165	25%
School Board	8.1050	8.2490	8.0050	-0.2440	-0.1000	39%
Children's Trust	0.4220	0.5000	0.5000	0.0000	0.0780	2%
Other	0.7360	0.6585	0.4708	-0.1877	-0.2652	3%
Total	23.3220	22.0665	20.7492	-1.3173	-2.5728	100%

With the Proposed millage rates for FY 2011/12, the Miami Beach portion of the FY 2011/12 tax bill is approximately 31 percent of the total bill. *Of note, even with the recently proposed millage decreases by the County, the County millage is 1.1 mill less than their millage in FY 2006/07, as compared to the City’s proposed millage which is 1.2 mills less than the City millage in FY 2006/07.* Further, the School Board millage is only minimally below the FY 2006/07 millage rate, despite the recently proposed decrease. The significant difference in the total overlapping millage rate is a direct result of the City’s effort to keep the millage rates as low as possible

Impact of Combined Tax Rates of Overlapping Jurisdictions on Homesteaded Properties

Applying the proposed millage rates to the median and average January 1, 2011 taxable values of \$119,461 and \$277,201, respectively, half of the homesteaded properties would pay less than \$2,478 for all taxing jurisdictions combined, while the average taxes generated would be approximately \$5,753 per homesteaded property. Of these taxing jurisdictions, the highest component is the Miami-Dade School Board, at \$956 for a median value property, and \$2,219 for an average valued property.

Homesteaded Properties Tax Levy Based on January 1, 2011 Values			
		Median	Average
Taxable Value	Millage	\$ 119,461	\$ 277,201
City of Miami Beach Taxes			
Operating	6.2155	\$ 743	\$ 1,723
Voted Debt	0.2884	34	80
Total Miami Beach	6.5039	\$ 777	\$ 1,803
Miami Dade County			
Countywide	4.8050	574	1,332
Library	0.1795	21	50
Debt Service	0.2850	34	79
Subtotal	5.2695	629	1,461
School Board			
School Board	8.0050	956	2,219
Children's Trust	0.5000	60	139
Other	0.4708	56	131
Total	20.7492	2,478	5,753

The following table provides examples of changes in property taxes for homesteaded properties as a result of these declines in values, using the proposed tax rates and potential changes from 2010 values.

Impact on Homesteaded Properties Assuming Changes in Taxable Value from January 1, 2010								
	FY 2010/11 (as of January 1 2010)*		FY 2011/12					
	Median	Average	with 0.6% Decline		with no change		with 1.5% CPI	
			Median	Average	Median	Average	Median	Average
Taxable Value	\$ 119,000	\$ 271,000	\$ 118,286	\$ 269,374	\$ 119,000	\$ 271,000	\$ 120,785	\$ 275,065
City of Miami Beach								
Operating	\$ 740	\$ 1,684	\$ 735	\$ 1,674	\$ 740	\$ 1,684	\$ 751	\$ 1,710
Voted Debt	\$ 34	\$ 78	\$ 34	\$ 78	\$ 34	\$ 78	\$ 35	\$ 79
Total Miami Beach	\$ 774	\$ 1,762	\$ 769	\$ 1,752	\$ 774	\$ 1,762	\$ 786	\$ 1,789
Miami Dade County								
Schools	\$ 733	\$ 1,668	\$ 623	\$ 1,419	\$ 627	\$ 1,428	\$ 636	\$ 1,449
Other	\$ 982	\$ 2,235	\$ 947	\$ 2,156	\$ 953	\$ 2,169	\$ 967	\$ 2,202
Total	\$ 138	\$ 314	\$ 115	\$ 262	\$ 116	\$ 263	\$ 117	\$ 267
Total	\$ 2,627	\$ 5,979	\$ 2,454	\$ 5,589	\$ 2,470	\$ 5,622	\$ 2,506	\$ 5,707
Change in Taxes								
City of Miami Beach								
Operating			\$ (5)	\$ (10)	\$ -	\$ (0)	\$ 11	\$ 26
Voted Debt			\$ (0)	\$ 0	\$ (0)	\$ 0	\$ 1	\$ 1
Total Miami Beach			\$ (5)	\$ (10)	\$ (0)	\$ (0)	\$ 12	\$ 27
Miami Dade County								
Schools			\$ (110)	\$ (249)	\$ (106)	\$ (240)	\$ (97)	\$ (219)
Other			\$ (35)	\$ (79)	\$ (29)	\$ (66)	\$ (15)	\$ (33)
Total			\$ (23)	\$ (52)	\$ (22)	\$ (51)	\$ (21)	\$ (47)
Total			\$ (173)	\$ (390)	\$ (157)	\$ (357)	\$ (121)	\$ (272)

As with the City of Miami Beach millage rates, impacts of the combined jurisdictional millage rates for non-homesteaded properties will likely reflect declines in property values, although individual properties may vary.

SECOND PUBLIC HEARING

The second public hearing on the tentatively adopted millage rate and budget for FY 2011/12 must be advertised no later than 15 days after the first public hearing. It is recommended that the second public hearing be set for Tuesday, September 27, 2011 at 5:01 P.M., in the City Commission Chambers, City Hall, 1700 Convention Center Drive.

CONCLUSION

The Administration recommends adoption of the attached Resolution which sets both tentative operating and debt service millage rates for FY 2011/12 and establishes a second public hearing to be held on Tuesday, September 27, 2011, at 5:01 P. M.

JMG:KGB:JC

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE TENTATIVE AD VALOREM MILLAGE OF 6.2155 MILLS FOR GENERAL OPERATING PURPOSES, WHICH IS FIVE AND THREE-TENTHS PERCENT (5.3%) MORE THAN THE "ROLLED-BACK" RATE OF 5.9029 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2884 MILLS; FURTHER SETTING THE SECOND PUBLIC HEARING TO CONSIDER THE MILLAGE RATE FOR FISCAL YEAR (FY) 2011/12, ON TUESDAY, SEPTEMBER 27, 2011 AT 5:01 P. M.

WHEREAS, on July 13, 2011, the City Commission following a duly noticed public hearing, adopted Resolution No. 2011-27699, which set the proposed general operating millage rates at 6.2155 mills (excluding debt service), the same level as FY 2010/11 for general operating purposes, and 0.2884 mills for debt service; and

WHEREAS, the City of Miami Beach significantly reduced tax rates as property values increased. Between FY 1999/00 and FY 2009/10, total combined City of Miami Beach property tax rates declined approximately 2.8 mills; and

WHEREAS, In FY 2007/08 alone, the millage rate declined by approximately 1.8 mills, with annual savings to the average homesteaded property of over \$400; and

WHEREAS, City of Miami Beach combined millage rates remain approximately 2.2 mills lower than in FY 1999/00 (25 percent), and approximately 1.2 mills lower than 2006/07 when property values were above today's values, resulting in a net tax levy reduction of approximately \$29 million; and

WHEREAS, the administration is continuing to evaluate opportunities to further reduce the millage, with the potential for additional changes at the second public hearing to consider the final millage rates for FY 2011/12 on Tuesday September 27, 2011; and

WHEREAS, For every \$180,000 reduction to the proposed FY 2011/12 General Fund budget, the FY 2011/12 millage can be reduced by 0.01 mills; and

WHEREAS, Section 200.065, Florida Statutes, requires that at the conclusion of the first public hearing on the City's proposed tax rate and budget, the City Commission: 1) adopt a tentative ad valorem millage rate for FY 2011/12 operating purposes; and 2) the required Debt Service millage rate; this is accomplished by adopting a Resolution that includes the percentage increase or decrease over the "rolled-back" rate; and

WHEREAS, at this time the Administration would recommend that the City Commission set the second and final public hearing to consider the aforesaid millage rates for FY 2011/12.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, as follows:

(1) Pursuant to Section 200.065, Florida Statutes, there is hereby levied a tax for FY 2011/12, on all taxable and non-exempt real and personal property located within the corporate limits of the City of Miami Beach, Florida, as follows:

- (a) For the purpose of operating the government of the City, the rate assigned amounts to 6.2155 mills. Also included are appropriate reserves and contingencies, which are not limited to reserves for tax discounts and abatements of uncollected taxes.

The millage rate reflected is five and three-tenths percent (5.3%) more than the "Rolled-back" rate of 5.9029 mills.

- (b) For the purpose of providing payment on the principal and interest portions of the General Obligation Bond Debt outstanding, the rate assigned amounts to 0.2884 mills.

(2) The tentative adopted millage rates for the City of Miami Beach, Florida for FY 2011/12 are subject to a second and final public hearing, herein set for and to be held at 5:01 p.m., Tuesday, September 27, 2011, in the City Commission Chambers, City Hall, 1700 Convention Center Drive, Miami Beach, Florida.

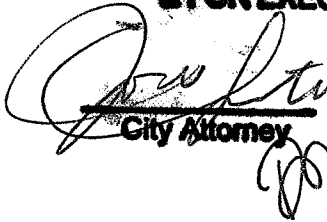
PASSED and ADOPTED this 14th day of September, 2011.

MAYOR

ATTEST:

CITY CLERK

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



City Attorney

9/7/11

Date



MIAMI BEACH

**CITY OF MIAMI BEACH
NOTICE OF PUBLIC HEARINGS**

NOTICE IS HEREBY given that public hearings will be held by the Mayor and City Commission of the City of Miami Beach, Florida, in the Commission Chambers, 3rd floor, City Hall, 1700 Convention Center Drive, Miami Beach, Florida, on **Wednesday, September 14th, 2011**, to consider the following:

5:01 p.m.

THE FIRST PUBLIC HEARING ADOPTING THE PROPOSED MILLAGE RATE AND BUDGET FOR FISCAL YEAR 2011/2012 FOR THE CITY OF MIAMI BEACH.

5:02 p.m.

THE FIRST PUBLIC HEARING ADOPTING THE PROPOSED MILLAGE RATE AND BUDGET FOR FISCAL YEAR 2011/2012 FOR THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT.

Inquiries may be directed to the Budget Office at (305) 673-7510.

INTERESTED PARTIES are invited to appear at this meeting, or be represented by an agent, or to express their views in writing addressed to the City Commission, c/o the City Clerk, 1700 Convention Center Drive, 1st Floor, City Hall, Miami Beach, Florida 33139. Copies of these ordinances are available for public inspection during normal business hours in the City Clerk's Office, 1700 Convention Center Drive, 1st Floor, City Hall, and Miami Beach, Florida 33139. This meeting may be continued and under such circumstances additional legal notice would not be provided.

Robert E. Parcher, City Clerk
City of Miami Beach

Pursuant to Section 286.0105, Fla. Stat., the City hereby advises the public that: if a person decides to appeal any decision made by the City Commission with respect to any matter considered at its meeting or its hearing, such person must ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for the introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law.

To request this material in accessible format, sign language interpreters, information on access for persons with disabilities, and/or any accommodation to review any document or participate in any city-sponsored proceeding, please contact (305) 604-2489 (voice), (305) 673-7218 (TTY) five days in advance to initiate your request. TTY users may also call 711 (Florida Relay Service) **Ad #661**

18NE | THURSDAY, AUGUST 25, 2011

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