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# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Kathie G. Brooks, Interim City Manager

DATE: July 9, 2012

SUBJECT: Proposed FY 2012/13 Renewal and Replacement Projects

### Background

Prior to FY 2004/05, the City made significant investment in the routine maintenance of its assets as well as funding major capital projects, bringing on line miles of sidewalks and curbing; additional streetlights; new parks and park facilities, new Fire station facilities, etc. However, maintenance of the capital investments competed with general fund services and routine maintenance, with the result that funding levels did not provide for major capital renewal and replacement projects. As a result, these projects often were deferred many years beyond the useful life of the capital component requiring replacement or renewal, in some cases until the point where an entire capital project is required for major improvements.

To ensure that renewal and replacement of General Fund assets are funded and addressed when needed, in FY 2004/05, the City of Miami Beach established a dedicated millage for renewal and replacement funding to be used for capital projects that extend the useful life of the City's General Fund assets to be used exclusively to provide for renewal and replacement of capital items related to our facilities and infrastructure over and above routine maintenance. The following restrictions regarding the fund were established at the time that the dedicated funding was created:

- Projects must meet the following criteria for funding:
  - Projects that extend the useful life of a City of Miami Beach general fund asset by at least 5 years with a threshold value of at least \$25,000; for example the replacement a major component of the asset such as roofs, HVAC systems, electrical systems, fire alarm systems, sprinkler systems that due to significant deterioration would constrain the remaining useful life of the asset, OR
  - Projects that significantly reduce future maintenance cost over the remaining life of the asset providing for a reduction in future maintenance costs that are greater than the cost of the project.
- The Mayor and Commission may authorize additional uses of the funds for unforeseen or unanticipated events affecting life, health, property or public safety subject to a five-sevenths (5/7) vote.
- Appropriation of project specific expenditures from the General Fund Capital Renewal and Replacement Fund shall be included in the City Manager's annual proposed budget, to be

approved by the Mayor and City Commission annually during the City's second public hearing on the budget.

- Interest earnings that accrue in the General Fund Capital Renewal and Replacement Fund shall be included in the appropriation for the Fund in the following fiscal year.
- Changes among project specific appropriations may be authorized by the City Manager to the extent that no new projects be added and the total annual allocation is not exceeded.
- During a fiscal year, changes to the total allocation and changes to the list of projects to be funded from the General Fund Capital Renewal and Replacement Fund shall require prior approval and authorization by a majority of the City Commission. Excess project specific appropriations not required will be available for re-appropriation the following year.
- Project specific appropriations that are not expended in a given fiscal year shall remain in the General Fund Capital Renewal and Replacement Fund for the life of the project

At the same time, the City established a systematic approach to identify renewal and replacement needs. City facilities are inspected at least once every five years to determine current renewal and replacement needs as well as projected replacement dates for all of the major Building components. A Facility Condition Index Rating (FCI) is assigned to each facility based on the total value of existing requirements divided by the current replacement value of the building. Based on industry standards ratings are assigned as follows:

- 0.00 to 0.10            Excellent
- 0.11 to 0.21            Good
- 0.122 to 0.32          Fair
- Greater than 0.33      Poor

### **FY 2012/13 Proposed Renewal and Replacement Projects**

Attachment 1 provides the proposed project specific appropriations for FY 2012/13 for all Funds, including the General Fund Capital Renewal and Replacement Fund.

The current dedicated millage of 0.1083 mills (as of FY 2011/12) is projected to generate \$1,859,000 for the General Fund Capital Renewal and Replacement Fund based on the July 1 values. In addition, based on the ongoing review of projects funded in prior years, approximately \$600,000 is available as renewal & Replacement Fund Balance as of 9/30/11 for funding General Fund renewal and replacement projects, resulting in a total of \$2,459,000 available for funding FY 2012/13 General Fund renewal and replacement projects.

It is important to note that approximately \$4 million in additional projects have been identified that could be upgraded, if additional funding were available.

Based on the review of funding needs over the next 5 years, we have identified an additional approximately \$11.4 million in General Fund major facility components that may need to be replaced. Together with the \$4 million not recommended for funding in FY 2012/13, this results in approximately \$15.4 million to be addressed between FY 2013/14 and FY 2016/17, an average of \$3.8 million per year. However, each year the list of projects are re-reviewed before finalizing for that year's proposed budget, and projects are often removed because either they may have been addressed through other capital improvement projects, or despite the useful life indications, the maintenance costs may not warrant replacement. Further, based on a review of components required to solely to maintain the facilities in either "Excellent" or "Good" status, conducted in FY 2010/11, the General Fund Capital Renewal and Replacement Fund needs decrease to between \$2 million and \$2.5 million per year, similar to the proposed FY 2012/13 funding level.

With the exception of Parking, funding needs in the Enterprise Funds are projected to be less than \$100,000 per year, including funding for FY 2012/13. Proposed Parking renewal and replacement projects for FY 2012/13 total \$566,905. Renewal and replacement projects for FY 2013/14 through FY 2016/17 are estimated at \$4,302,937, for an average of approximately \$1,075,000 per year. The 7<sup>th</sup> Street Parking Garage Fund, which is separate because of bond requirements, has FY 2012/13 renewal and replacement needs totaling \$236,500. These funds are anticipated to have sufficient available funding for the FY 2012/13 proposed renewal and replacement projects.

Fleet Management FY 2012/13 renewal and replacement projects total \$82,804. Renewal and replacement projects for FY 2013/14 through FY 2016/17 are estimated at \$509,509, for an average of approximately \$127,000 per year.

The City Center RDA FY 2012/13 renewal and replacement projects total \$219,373, with an additional \$485,488 for Miami City Ballet. Renewal and replacement projects for FY 2013/14 through FY 2016/17 are estimated at \$1,565,545, for an average of approximately \$391,000 per year. The Anchor Shops and Parking Garage Fund, which are separate because it is not part of the Tax increment funding of the RDA, has FY 2012/13 renewal and replacement needs totaling \$539,660.

## **Conclusion**

The City administration is recommending funding for proposed FY 2012/13 Renewal and Replacement projects as shown in Attachment 1.

Attachment

FY 13 CAPITAL RENEWAL & REPLACEMENT OVER \$25,000 - BY PRIORITY				PRIORITY CATEGORIES: (LS) Life Safety (CO) Critical to Continued Operations (PD) Prevent Additional Damage to City (UL) Beyond Useful Life (ES) Energy Savings		
No.	Previous Year Ranking	Asset	Project	Category	Over \$25k	Cumulative Over 25k
1		FIRE STATION 1	EXHAUST FANS - Replace deteriorate; aged exhaust fan systems	LS/UL	\$44,590	\$44,590
2		HISTORIC CITY HALL	ELEVATOR RENEWAL - Renew elevator controls in 2 elevators to assure continued, uninterrupted operations	LS/UL/CO	\$269,500	\$314,090
3	43	CITY HALL	FIRE ALARM SYSTEM - Replace aged fire alarm system	LS/UL/CO	\$314,325	\$628,415
4		MARINE PATROL	EMERGENCY GENERATOR - Replace building generator	LS/CO/UL	\$64,515	\$692,930
5	26	FILLMORE	EXTERIOR LIGHTING REPLACEMENT Repair / replace exterior lighting.	LS/UL/ES	\$27,390	\$720,320
6	70	FIRE STATION 1	GENERATOR REPLACEMENT - Replace aged generator.	LS/CO	\$98,450	\$818,770
7		CITY HALL	EMERGENCY LIGHTING SYSTEM - Replace battery pack emergency lighting.	LS/UL/CO	\$353,650	\$1,172,420
8		FIRE STATION 2	REROOF Replace roof over east wing to prevent leaks and further damage	CO/PD	\$184,800	\$1,357,220
9		CITY HALL	CARPET REPLACEMENT - Replace carpet that is aged and deteriorated throughout the Finance Dept.	CO/UL	\$31,075	\$1,388,295
10		FLAMINGO POOL	LAP POOL RENEWAL - Re-grout, replace ceramic tile and seal to preserve integrity and extend useful life	CO/UL	\$93,500	\$1,481,795
11	48	HISTORIC CITY HALL	TILE ROOFING REPLACEMENT - Replace terra cotta and clay tile roofing due to tile damage on lower mansard and upper level.	PD	\$53,647	\$1,535,442
12	45	POLICE STATION	FLOOR COVERING REPLACEMENT - Phase 1 The carpet in some areas of the building is stained, worn or frayed, and	UL	\$71,500	\$1,606,942
13		COLONY THEATER	EXTERIOR WATER SEAL & PAINT- Seal & paint exterior walls to prevent water intrusion	CO / PD	\$71,500	\$1,678,442
15	61	NORTH SHORE YOUTH CENTER	ROOF REPLACEMENT Replace leaking roofing along parapet wall due to age.	PD/UL	\$54,958	\$1,733,400
16	62	NORTH SHORE YOUTH CENTER	HVAC, DUCTING & OUTSIDE AIR INTAKE REPLACEMENT Replace terminal and package units on rooftop and replace ducting and	CO/UL	\$97,130	\$1,830,530
17		NORTH SHORE PARK YOUTH	RESURFACING DETERIORATED WOOD FLOORS -Resurfacing the wood floors within the community center	CO/UL	\$25,600	\$1,856,130
18		555, 777, 21ST REC CTR	WIND RETROFIT PROJECT - will wind retrofit to various locations: 555bldg, 777bldg, 21st CC -(\$690,491 being funded from FEMA grant.)	PD/UL/ES	\$591,462	\$2,447,591
<b>TOTAL</b>						<b>\$2,447,591</b>

ENTERPRISE FUNDS - PARKING	Previous Year Ranking	Asset	Project	Category	Over 25k	Cumulative Over 25k
19		13TH STREET PARKING GARAGE	FIRE ALARM REPLACEMENT - Replace fire alarm to comply with code requirements.	LS/CO/UL	\$46,580	\$46,580
20		13TH STREET PARKING GARAGE	ELEVATORS REPLACEMENT - Replace 2 elevators due to age	CO/UL	\$184,800	\$231,380
21		17TH STREET PARKING GARAGE	REPLACE SPALLING CONCRETE ON INTERIOR OF GARAGE Replace elevator due to age.	CO/UL	\$86,295	\$317,675
22	86	13TH STREET PARKING GARAGE	CONCRETE PAVING REPLACEMENT Replace aged concrete paving.	CO/UL	\$126,655	\$444,330
23	87	13TH STREET PARKING GARAGE	EXTERIOR GLASS BLOCK WINDOWS REPLACEMENT Replace aged glass block exterior windows.	PD/UL	\$69,378	\$513,708
24		12TH STREET PARKING GARAGE	EXTERIOR DOOR REPLACEMENT - Replace deteriorated doors.	CO/UL	\$53,197	\$566,905
<b>TOTAL</b>						<b>\$566,905</b>

7th Street Parking Garage	Previous Year Ranking	Asset	Project	Category	Over 25k	Cumulative Over 25k
25		7TH STREET PARKING GARAGE	ELEVATOR REPLACEMENT - Replace elevator due to age.	LS	\$236,500	\$236,500
<b>TOTAL</b>						<b>\$236,500</b>

ENTERPRISE FUNDS - SANITATION	Previous Year Ranking	Asset	Project	Category	Over 25k	Cumulative Over 25k
26	133	RESEAL / PAINT EXTERIOR	EXTERIOR SEALING AND PAINT to include new parapet wall flashings to stop and prevent continuation of moisture intrusion Split 1/3 Sanitation 2/3 Fleet	CO/UL/PD	\$64,163	\$64,163
27		REPLACE A/C	REPLACE A/C unit due to age and high repair costs	CO/UL	\$26,235	\$90,398
<b>TOTAL</b>						<b>\$90,398</b>

ENTERPRISE FUNDS - FLEET	Previous Year Ranking	Asset	Project	Category	Over 25k	Cumulative Over 25k
28	127	FLEET MANAGEMENT SHOP 1	ELECTRICAL SERVICE AND DISTRIBUTION REPLACEMENT Replace aged electrical distribution system	LS/UL	\$45,816	\$45,816
29	128	FLEET MANAGEMENT SHOP 1	RECIRCULATION FAN & EXHAUST FANS REPLACEMENT. Replace aged circulation and exhaust fans	LS/UL	\$36,988	\$82,804
<b>TOTAL</b>						<b>\$82,804</b>

RDA FUND	Previous Year Ranking	Asset	Project	Category	Over 25k	Cumulative Over 25k
30		CARL FISHER CLUBHOUSE	ROOF REPLACEMENT - Replace deteriorated/leaking tile roof on Clubhouse and Theater.	CO/UL/PD	\$105,600	\$105,600
31		CARL FISHER CLUBHOUSE	REPLACE GUTTER & DOWN SPOUT SYSTEMS Replace required do to extreme deterioration	CO/PD/UL	\$25,795	\$131,395
32	111	BASS MUSEUM	WEATHER SEAL & PAINT EXTERIOR Paint and waterproof the full exterior of the Building	PD	\$27,478	\$158,873
33		LINCOLN ROAD	UPLIGHTING REPLACEMENT To replace and upgrade the uplighting at the 1100 block of Lincoln Road, which would include new conduits, wiring and LED lamps for approximately 50 uplight fixtures.	ES/UL	\$60,500	\$219,373
<b>TOTAL</b>						<b>\$219,373</b>

RDA PARKING - ANCHOR GARAGE	Previous Year Ranking	Asset	Project	Category	Over 25k	Cumulative Over 25k
34		ANCHOR GARAGE	ELEVATOR REPLACEMENT/REFURBISH Replace /refurbish elevators as needed due to age and extreme maintenance costs.	LS/CO/UL	\$357,995	\$357,995
<b>TOTAL</b>						<b>\$357,995</b>

ANCHOR GARAGE SHOPS FUND	Previous Year Ranking	Asset	Project	Category	Over 25k	Cumulative Over 25k
35		ANCHOR GARAGE SHOPS	ROOF/ FLASHING REPLACEMENT Replace/re-flash roof over retail shops	CO/PD/UL	\$95,645	\$95,645
36		ANCHOR GARAGE SHOPS	A/C REPLACEMENT replace 7 rooftop units and renew ducting & flashings on A/C units that service retail spaces	CO/PD/UL	\$88,020	\$181,665
<b>TOTAL</b>						<b>\$181,665</b>

MIAMI CITY BALLET	Previous Year Ranking	Asset	Project	Category	Over 25k	Cumulative Over 25k
37	113	MIAMI CITY BALLET	EMERGENCY LIGHT REPLACEMENT Repair emergency lights due to age	LS	\$52,863	\$52,863
38	114	MIAMI CITY BALLET	FIRE ALARM SYSTEM REPLACEMENT Repair the fire alarm system due to age	LS	\$245,260	\$298,123
39		MIAMI CITY BALLET	WINDOW REPLACEMENT Replace window walls on 2nd floor due to extreme moisture intrusion	CO/UL/PD	\$86,491	\$434,613
40		MIAMI CITY BALLET	EXTERIOR CONCRETE RESTORATION Repair replace as needed deteriorated concrete on the exterior	CO/UL/PD	\$50,875	\$485,488
<b>TOTAL</b>						<b>\$485,488</b>

GRAND TOTAL

\$4,668,719