

**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 6.1122 MILLS FOR GENERAL OPERATING PURPOSES, WHICH IS EIGHT AND EIGHT-TENTHS PERCENT (8.8%) MORE THAN THE "ROLLED-BACK" RATE OF 5.6184 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2568 MILLS; FURTHER SETTING THE SECOND PUBLIC HEARING TO CONSIDER THE MILLAGE RATE FOR FISCAL YEAR (FY) 2012/13, ON THURSDAY, SEPTEMBER 27, 2012 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.):**

- 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 very challenging due to declines in property values and increasing costs, particularly pension costs. Since FY 2007/08, property values have declined \$3.8 billion to the July 1, 2012 certified taxable value, a reduction of approximately 14 percent, despite about \$3 billion in new construction added to the roll. The July 1, 2012 Certification of Taxable Value from the Miami-Dade County Property Appraiser reflects an increase of 5% in property values for the City as a whole, 5.4% in the RDA and 4.9% outside of the RDA.

**Issue:**

Shall the Mayor and City Commission adopt the resolution?

**Item Summary/Recommendation:**

***The total proposed tentative operating millage is Reduced from FY 2011/12 at 6.1122 mills,*** including a general operating millage rate of 6.0039 and a General Fund Capital Renewal and Replacement millage of 0.1083. The voted debt service millage rate is increased from 0.2884 to 0.2568. The proposed millage provides funding for a \$1.1 million set aside for FY 2012/13 to offset the loss of a one-time carry forward of \$2.1 million in FY 2011/12 pension credit savings in the General Fund to FY 2012/13. This is equivalent to 0.0585 mills. In addition, the millage provides funding for \$3.5 million in service enhancements including Building Department staff due to increased demand, twelve Police Officers, additional Police overtime for homeless outreach, additional staffing for Police Records and Detention Center, increased internal controls, additional staff to manage a \$2 million growth in lease revenues over the last three years, and \$1.4 million transfer to capital pay-as-you-go projects. (equivalent to 0.1865 mills)

**Advisory Board Recommendation:**

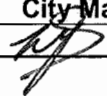
**Financial Information:**

Source of Funds:		Amount	Account
	1		
	2		
OBPI	Total		

**Financial Impact Summary:** The combined millage rate overall remains approximately 2.3 mills lower than it was in FY 1999/00. In addition, the millage rate is approximately 1.3 mills lower than it was in FY 2006/07, when property values were similar to the July 1, 2012 certified ***values resulting in a net tax levy reduction of \$27 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: Kathie G. Brooks, Interim City Manager

DATE: September 12, 2012

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE TENTATIVE AD VALOREM MILLAGE OF 6.1122 MILLS FOR GENERAL OPERATING PURPOSES, WHICH IS EIGHT AND EIGHT-TENTHS PERCENT (8.8%) MORE THAN THE "ROLLED-BACK" RATE OF 5.6184 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2568 MILLS; FURTHER SETTING THE SECOND PUBLIC HEARING TO CONSIDER THE MILLAGE RATE FOR FISCAL YEAR (FY) 2012/13, ON THURSDAY, SEPTEMBER 27, 2012 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	6.0039 mills
Capital Renewal & Replacement	<u>0.1083 mills</u>
Sub-Total Operating Millage	6.1122 mills (6.1655 FY 2011/12, 0.0533 decrease)
Voted Debt Service	<u>0.2568 mills</u> (0.2884 FY 2011/12, 0.0316 decrease)
Total	6.3690 mills (6.4539 FY 2011/12, 0.0849 decrease)
  
- 2) The tentatively adopted combined millage rate of 6.3690 mills is 0.0849 mills less than the 6.4539 combined millage rate for FY 2011/12. The tentatively adopted operating millage of 6.1122 mills for FY 2012/13 is 0.4938 mills more than the roll-back rate of 5.6184, 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 2012/13 shall be on Thursday September 27, 2012 at 5:01 P.M., in the City Commission Chambers, City Hall, 1700 Convention Center Drive.

The "Rolled-Back" millage rate for FY 2012/13 is the millage rate required to produce the same level of property tax revenues in the General Fund in FY 2012/13 as anticipated to be received in FY 2011/12. It is important to note, that the January 1, 2011 tax roll Citywide declined by \$1.2 billion (5.6%) between the July 1, 2011 valuation and the July 1, 2012 valuation due to appeals, adjustments, etc, which is part of the reason the FY 2012/13 "roll-back rate" is dramatically lower than the FY 2011/12 current millage rate and lower than it would be if the rollback rate was only

adjusted for the increase in revenues generated by higher property values. The area outside of City Center RDA, which impacts General Fund revenues, declined in value by almost \$1 billion during the same period of time.

The Administration is recommending a total combined millage rate for the City of Miami Beach of 6.3690. The total proposed operating millage decreases to 6.1122 mills, which includes a General Operating millage rate of 6.0039 and a General Fund Capital Renewal and Replacement millage of 0.1083. The proposed voted debt service millage rate is adjusted from 0.2884 to 0.2568, a decrease of 0.0316 mills.

The proposed millage provides funding to partially offset increases in employee health and pension costs as well as funding approximately \$3.5 million in enhancements.

### **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 2012/13 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 2012/13. 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**

In FY 2010/11 the city's approach to addressing the then deficit of \$32 million included a distribution of the shortfall between taxpayers and employees. Taxpayers had their tax rate increased from 5.6555 to 6.2155, an increase of 0.56 mills. The goal of the Commission has been to bring them back to that level as property values increase over time. It should be remembered that between FY 2009/10 and FY 2010/11 values declined by \$2.6 billion driving the need for an increase in the millage. FY 2012/13 values are still short of FY 2009/10 values by \$1.6 billion. As values approach FY 2009/10 values, through further increases in the future, this will provide the opportunity for further reductions in the millage.

In FY 2011/12 the City took its first step in that direction with a reduction in the millage rate of 0.05 mills. The proposed millage rate for FY 2012/13 reduces the operating millage by an additional 0.0533 mills and a total reduction of 0.0849 mills including the reduction in debt service millage. The total millage reduction over the two fiscal years is .0133 mills. Over two years, this reduction represents 18 percent of the goal to get back to a millage rate of 5.6555.

The proposed millage has been developed based on \$2.6 million in givebacks in the General Fund to partially offset \$5.7 million in pension and health increases. These givebacks will need to be negotiated with bargaining groups over the coming year. Further, the proposed millage incorporates a set aside of \$1.1 million for FY 2013/14 to partially offset the loss of a \$2 million one-time pension credit (\$2.5 million citywide) in FY 2012/13 that will not be available for FY 2013/14. Should this be used instead to further reduce the millage, it would result in a further reduction of .0585 mills.

The Administration is recommending a total combined millage rate for the City of Miami Beach of 6.3690. The total proposed operating millage declines to 6.1122 mills, including a general operating millage rate of 6.0039 and a General Fund Capital Renewal and Replacement millage of 0.1083. The proposed voted debt service millage rate is adjusted from 0.2884 to 0.2568, a decrease of 0.0316 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. Further, despite an increase of 0.56 mills in the operating tax rate in FY 2010/11, City of Miami Beach proposed combined millage rates today remain more than 2.3 mills lower than in FY 1999/00 (25 percent), and approximately 1.3 mills lower than 2007/08 when property values were above today's values.

### **ANALYSIS OF PROPERTY VALUES IN MIAMI BEACH**

On July 1, 2012, the City received the "2012 Certification of Taxable Value" from the Property Appraiser's Office stating that the taxable value for the City of Miami Beach is \$23,072,321,980 including \$96,864,874 in new construction. The preliminary 2012 value represents an increase of \$ 1.1 billion or 5.0 percent more than the July 1, 2011 Certification of Taxable Value of \$21,978,289,928 , and an increase of 5.0 percent excluding new construction.

The comparative assessed values for the Miami Beach Redevelopment Agency City Center redevelopment district increased from \$3,423,353,944 to \$3,608,718,451, an increase of \$185,364,507, or a 5.4 percent increase in values over 2011 certified values. In addition, assessed values within the geographic area formerly known as the South Pointe redevelopment district increased from \$3,446,036,913 to \$3,618,097,360, an increase of \$172,060,447, or a 5 percent increase in values over 2011 certified values. As a result, taxable values in the areas outside the City Center RDA/South Pointe area increased by 5 percent, from \$15.1089 billion to \$15.8455 billion, an increase of \$0.7366 billion.

Citywide values excluding City Center increased from \$18.555 billion to \$19.463 billion, an increase of \$0.9086 billion or 4.9 percent. Values outside the City Center area determine General Fund revenues.

COMPARATIVE ASSESSED VALUES (in billions)

	Jan. 1 2011 Value (in billions)				Jan. 1 2012 Value (in billions)	Change from 2011 Value (Budget)	
	As of July 1 2011 (For FY 2011/12 Budget)	Revised Value (For FY 2011/12 Projection)	Change in 2011 Values	% Chg.		As of July 1 2011 (For 2011/12 Budget)	\$ (in billions)
RDA – City Ctr	\$ 3.4233	\$ 3.1299	\$ (0.2934)	-9%	\$ 3.6087	\$ 0.1853	5.4%
South Pointe *	3.4460	3.2393	(0.2067)	-6%	3.6181	\$ 0.1721	5.0%
General Fund excl S.Pte	15.1090	14.3860	(0.7229)	-5%	15.8455	\$ 0.7366	4.9%
Total Citywide	\$ 21.9783	\$ 20.7552	\$ (1.2231)	-6%	\$ 23.0723	\$ 1.0940	5.0%
Citywide Net of City Ctr	\$ 18.5550	\$ 17.6253	\$ (0.930)	-5%	\$ 19.4636	\$ 0.9087	4.9%

\* Revised values for South Pointe not available, but are assumed to be impacted by the same percentage as citywide.

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 2012 Certification of Taxable Value and has been set at \$23,072,322. 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 \$21,918,706.

However, net of City Center RDA tax increment which represents the amount available to the General Fund, the 95 percent value of the mill is \$18,768,367,010.

IMPACTS OF DECLINE IN PROPERTY VALUES

In FY 2011/12, the operating millage rate for general City operations was adopted at 6.1655. Based on the July 1, 2012 Certification of Taxable Value, 6.1655 mills would generate approximately \$ 135,139,781 in general tax revenues, an increase of \$6,407,992 over FY 2011/12 budgeted property tax revenues Citywide (General Fund, City Center RDA and the South Pointe area). The General Fund property tax revenues will increase by \$5.76 million, if the FY 2011/12 millage rate is maintained.

Further, the January, 1 2011 tax roll Citywide declined by \$1.2 billion between the July 1, 2011 valuation and the July 1, 2012 valuation due to appeals, adjustments, etc., which is part of the reason that the FY 2012/13 “roll-back rate” is significantly less than the FY 2011/12 current millage rate. The area outside of City Center RDA declined by almost \$1 billion.

Further, pursuant to 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 the following votes by the Commission or referendum:

- Option I: A majority of the Commission is required to approve a millage up to 8.0844 (equivalent to 100.447% of prior year maximum ad valorem proceeds allowed by a majority

- vote, net of the impact of the Tax Increment Districts). The adjustment of 100.447% 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 8.8928 (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 8.8928 up to the 10 mill cap

**DETERMINING THE VOTED DEBT SERVICE MILLAGE LEVY**

The general obligation debt service payment for FY 2012/13 is approximately \$5.9 million. Based on the July 1, 2012 Certified Taxable Value from the Property Appraiser, these bonds would require the levy of a voted debt service millage of 0.2568 mills. This represents a decrease of 0.0316 mills.

**OPTIONS FOR REDUCING THE MILLAGE**

An analysis was performed to determine what the impact on property tax revenue would be with differing levels of millage reduction. The following table illustrates the corresponding millage rate for several scenarios: Scenario one reduces the additional property tax revenue by \$1 million, reduces the overall millage by approximately 0.5 mills.

	General Fund Millage Rate	Renewal & Replmnt Rate	Operating Millage Rate	Debt Millage Rate	Total Millage Rate	Change In Total Millage Rate	Impact To Average Homesteaded Property
Decrease of \$1 million from revenue at current millage rate	6.0039	0.1083	6.0622	0.2568	6.3190	(0.05)	(30)
State Defined Rollback rate	5.5101	0.1083	5.6184	0.2568	5.8752	(0.58)	(157)

The recommendation is to initially reduce the millage rate in accordance with Scenario one, which reduces the millage rate by .0849 with the possibility of further millage rate reductions to be determined before the budget is adopted.

**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 2011/12 (final) and FY 2012/13 (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 \$1.86 million in renewal and replacement funding.

City of Miami Beach Millage Rates	FY 06/07	FY 11/12	FY 12/13	Inc/(Dec)	% Inc/(Dec)	
					From FY11/12	From FY 06/07
Operating	7.1920	6.0572	6.0039	-0.0533		
Capital Renewal & Replacement	0.1820	0.1083	0.1083	0.0000		
<b>Sub-total Operating Millage</b>	<b>7.3740</b>	<b>6.1655</b>	<b>6.1122</b>	<b>-0.0533</b>	<b>-0.9%</b>	<b>-17%</b>
Debt Service	0.2990	0.2884	0.2568	-0.0316		
<b>Total</b>	<b>7.6730</b>	<b>6.4539</b>	<b>6.3690</b>	<b>-0.0849</b>	<b>-1.3%</b>	<b>-17%</b>

If the proposed millage rates are tentatively adopted, then the City of Miami Beach's total operating millage will decrease by .0533 from the current year, and the voted debt service millage will decrease by 0.0316 mills.

**IMPACT OF PROPOSED MILLAGE ON 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 2011, the CPI has been determined to be 3.2 percent and therefore, the increase is capped at 3% for increased values as of January 1, 2012.

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 2012 (as of August 2011) was \$119,461, and the average \$277,201. Applying the increase to the market value of all existing homesteaded properties from the 2011 tax roll, and the 3 percent CPI adjustment, the impact of the millage rate adjustment to homesteaded properties would be as shown in the following table.

<b>Homesteaded Properties</b>				
	<b>FY 2011/12 (as of January 1 2011)*</b>		<b>with 3% CPI</b>	
	<b>Median</b>	<b>Average</b>	<b>Median</b>	<b>Average</b>
<b>Taxable Value</b>	<b>\$ 119,461</b>	<b>\$ 277,201</b>	<b>\$ 123,045</b>	<b>\$ 285,517</b>
<b>City of Miami Beach Taxes</b>				
Operating	\$ 737	\$ 1,709	\$ 752	\$ 1,745
Voted Debt	34	71	32	73
<b>Total Miami Beach</b>	<b>\$ 771</b>	<b>\$ 1,780</b>	<b>\$ 784</b>	<b>\$ 1,818</b>
<b>\$ Change in Taxes</b>				
Operating			\$ 15	\$ 36
Voted Debt			(2)	2
<b>Total Miami Beach</b>			<b>\$ 13</b>	<b>\$ 38</b>

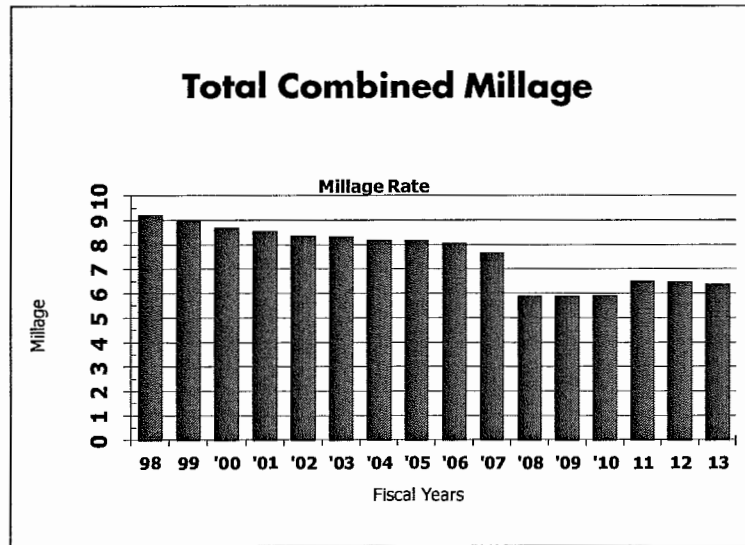
\* Source: Miami-Dade County Property Appraiser File as of 8/17/10

**Non-Homesteaded Properties**

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

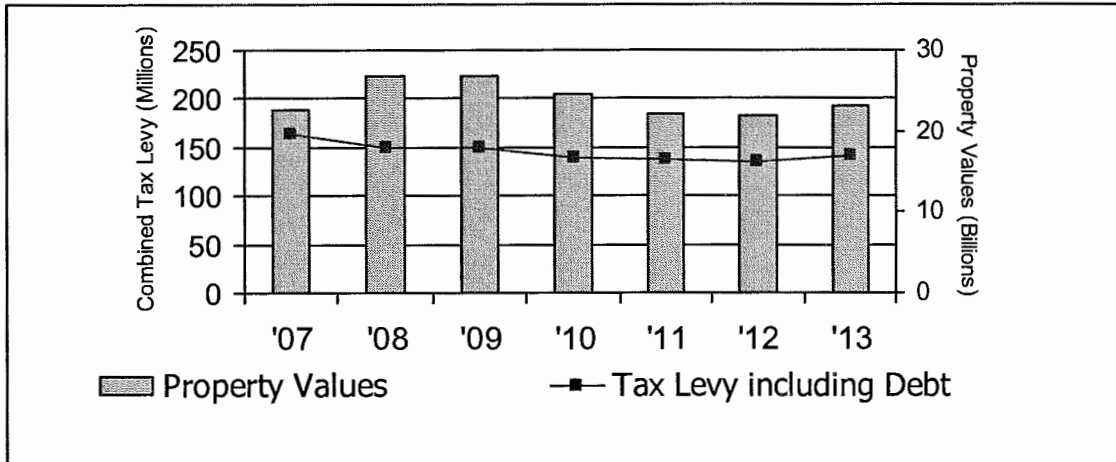
**Historical Perspective**

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, 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 2.3 mills lower than it was in FY 1999/00. In addition, the millage rate is almost 1.3 mills lower than it was in FY 2006/07, when property values were above the July 1, 2012 certified values. As a result, the proposed property tax levy is lower in FY 2012/13 than it was in FY 2006/07.

### Property Values and Tax Levy





**Property Value, Millage and Property Tax Levy**

Budget Year	Taxable Property Values (billions)	Final/ Revised Taxable Value (billions)	Millage Rates		Tax Levy (in millions)	
			Total Citywide Millage	General Fund/RDA Millage	Total including Debt	General Fund Total (including S. Pointe, and Renewal & Replcmnt)
FY1997/98	\$ 6.46	\$ 6.40	9.2100	7.4990	\$ 57.45	\$ 46.78
FY1998/99	6.97	\$ 6.87	8.9830	7.4990	\$ 60.37	\$ 44.66
FY1999/00	7.66	\$ 7.54	8.6980	7.4990	\$ 64.29	\$ 47.36
FY2000/01	8.37	\$ 8.22	8.5550	7.3990	\$ 69.08	\$ 49.75
FY2001/02	9.40	\$ 9.22	8.3760	7.2990	\$ 75.97	\$ 54.37
FY2002/03	10.56	\$ 10.41	8.3220	7.2990	\$ 84.81	\$ 61.05
FY2003/04	12.09	\$ 11.85	8.1730	7.2990	\$ 95.39	\$ 68.17
FY2004/05	14.04	\$ 13.86	8.1730	7.4250	\$ 110.74	\$ 79.38
FY2005/06	17.45	\$ 17.15	8.0730	7.4810	\$ 135.91	\$ 111.69
FY2006/07	22.74	\$ 22.26	7.6730	7.3740	\$ 168.38	\$ 140.31
FY2007/08	26.85	\$ 26.14	5.8970	5.6555	\$ 150.42	\$ 125.33
FY2008/09	26.90	\$ 25.89	5.8930	5.6555	\$ 150.59	\$ 125.94
FY2009/10	24.70	\$ 23.24	5.9123	5.6555	\$ 138.70	\$ 115.73
FY2010/11	22.10	\$ 20.97	6.5025	6.2155	\$ 136.55	\$ 112.14
FY2011/12	21.98	\$ 20.76	6.4539	6.1655	\$ 135.80	\$ 111.29
FY2012/13	23.10		6.3690	6.1122	\$ 140.91	\$ 114.72

The final millage column contains final property values except for FY 2011/12 which is not finalized yet.

**Overlapping 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 4.8050 mills to 4.7035 mills; the library tax rate is proposed to decrease from 0.1795 mills to 0.1725 mills; and the debt service millage stayed the same at 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 0.4289; which is the same as the current year. The proposed tax rate for the Florida Inland Navigation District is 0.0345; unchanged from the FY 2011/12 millage.

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

<b>OVERLAPPING TAX MILLAGE</b>	<b>FY 06/07</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>Variance from 11/12</b>	<b>Variance from 06/07</b>
<b>City of Miami Beach Millage Rates</b>					
Operating	7.1920	6.0572	6.0039	-0.0533	-1.1881
Capital Renewal & Replacement	0.1820	0.1083	0.1083	0.0000	-0.0737
<b>Subtotal Operating Millage</b>	<b>7.3740</b>	<b>6.1655</b>	<b>6.1122</b>	<b>-0.0533</b>	<b>-1.2618</b>
Voted Debt Service	0.2990	0.2884	0.2568	-0.0316	-0.0422
<b>Total</b>	<b>7.6730</b>	<b>6.4539</b>	<b>6.3690</b>	<b>-0.0849</b>	<b>-1.3040</b>
<b>Miami Dade County</b>					
Countywide	5.6150	4.8050	4.7035	-0.1015	-0.9115
Library	0.4860	0.1795	0.1725	-0.0070	-0.3135
Debt Service	0.2850	0.2850	0.2850	0.0000	0.0000
<b>Subtotal</b>	<b>6.3860</b>	<b>5.2695</b>	<b>5.1610</b>	<b>-0.1085</b>	<b>-1.2250</b>
<b>School Board</b>					
School Board	8.1050	8.0050	8.0040	-0.0010	-0.1010
Children's Trust	0.4220	0.5000	0.5000	0.0000	0.0780
Other	0.7360	0.4708	0.4634	-0.0074	-0.2726
<b>Total</b>	<b>23.3220</b>	<b>20.6992</b>	<b>20.4974</b>	<b>-0.2018</b>	<b>-2.8246</b>

With the Proposed millage rates for FY 2012/13, the Miami Beach portion of the FY 2012/13 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 1.2 mills less than their millage in FY 2006/07, as compared to the City's proposed millage which is 1.3 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.

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				
	FY 2011/12 (as of January 1 2011)*		FY 2012/13	
			with 3% CPI	
	Median	Average	Median	Average
<b>2010 Taxable Value</b>	<b>\$ 119,461</b>	<b>\$ 277,201</b>	<b>\$ 123,045</b>	<b>\$ 285,517</b>
City of Miami Beach				
Operating	\$ 743	\$ 1,723	\$ 752	\$ 1,745
Voted Debt	\$ 34	\$ 80	\$ 32	73
Total Miami Beach	\$ 777	\$ 1,802	\$ 784	\$ 1,818
Miami Dade County				
Schools	\$ 985	\$ 2,287	\$ 984	\$ 2,284
Other	\$ 138	\$ 321	\$ 119	\$ 275
Total	\$ 2,635	\$ 6,117	\$ 2,522	\$ 5,850
Change in Taxes				
City of Miami Beach				
Operating			\$ 9	\$ 22
Voted Debt			\$ (2)	\$ (7)
Total Miami Beach			\$ 7	\$ 16
Miami Dade County			\$ (100)	\$ (234)
Schools			\$ (1)	\$ (3)
Other			\$ (19)	\$ (46)
Total			\$ (113)	\$ (267)

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 2012/13 must be advertised no later than 15 days after the first public hearing. It is recommended that the second public hearing be set for Thursday, September 27, 2012 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 2012/13 and establishes a second public hearing to be held on Thursday, September 27, 2012, at 5:01 P. M.

KGB:TF

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 6.1122 MILLS FOR GENERAL OPERATING PURPOSES, WHICH IS EIGHT AND EIGHT-TENTHS PERCENT (8.8%) MORE THAN THE "ROLLED-BACK" RATE OF 5.6184 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2568 MILLS; FURTHER SETTING THE SECOND PUBLIC HEARING TO CONSIDER THE MILLAGE RATE FOR FISCAL YEAR (FY) 2012/13, ON THURSDAY, SEPTEMBER 27, 2012 AT 5:01 P.M.**

**WHEREAS**, the City of Miami Beach significantly reduced tax rates as property values increased. Between FY 1999/00 and FY 2011/12, total combined City of Miami Beach property tax rates declined approximately 2.2 mills despite an increase of 0.56 mills in FY 2010/11; 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 2.3 mills lower than in FY 1999/00 (25 percent), and approximately 1.3 mills lower than 2006/07 when property values were similar to today's values, resulting in a net tax levy reduction of approximately \$27 million; and

**WHEREAS**, the administration is continuing to evaluate opportunities to further reduce the millage, and

**WHEREAS**, on July 18, 2012, the City Commission following a duly noticed public hearing, adopted Resolution No. 2012-27960, which set the proposed general operating millage rates at 6.1122 mills (excluding debt service), a reduction of .0533 mills from the FY 2011/12 rate for general operating purposes, and 0.2568 mills for debt service; 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 2012/13 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 aforesated millage rates for FY 2012/13.

**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 6.1122 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 eight and eight-tenths percent (8.8%) more than the "Rolled-back" rate of 5.6184 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 0.2568 mills.

(2) The tentative adopted millage rates for the City of Miami Beach, Florida for FY 2012/13 are subject to a second and final public hearing, herein set for and to be held at 5:01 p.m., Thursday, September 27, 2012, in the City Commission Chambers, City Hall, 1700 Convention Center Drive, Miami Beach, Florida.

**PASSED and ADOPTED** this 12th day of September, 2012.

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

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

Paul Ogilvie      9/7/12  
\_\_\_\_\_  
**City Attorney**      **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 12, 2012**, to consider the following:

**5:01 p.m.**

THE FIRST PUBLIC HEARING ADOPTING THE PROPOSED MILLAGE RATES AND BUDGETS FOR FISCAL YEAR 2012/2013 FOR THE CITY OF MIAMI BEACH.

**5:02 p.m.**

THE FIRST PUBLIC HEARING ADOPTING THE PROPOSED MILLAGE RATE AND BUDGET FOR FISCAL YEAR 2012/2013 FOR THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT.

Inquiries may be directed to the Office of Budget and Performance Improvement (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 items are available for public inspection during normal business hours in the City Clerk's Office, 1700 Convention Center Drive, 1st Floor, City Hall, Miami Beach, Florida 33139. This meeting may be continued, and under such circumstances additional legal notice will not be provided.

Rafael E. Granado, 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 us five days in advance at (305) 673-7411(voice) or TTY users may also call the Florida Relay Service at 711.

**Ad #725**

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