

**Condensed Title:**

A resolution of the Board Of Directors of The Normandy Shores Local Government Neighborhood Improvement District adopting the final Ad Valorem Millage Rate Of 1.1444 Mills For The Normandy Shores Neighborhood Improvement District, which is thirteen and seven-tenth (13.7%) more than the "rolled-back" rate of 1.0063 mills.

**Key Intended Outcome Supported:**

Increase visibility of police; Maintain crime rates at or below national trends.

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

In 2009 Community Survey, both residents and businesses reported the following areas for the City to address in an effort to improve public safety:

- Preventing crime (Residents: 44.9%, Business: 43.9%)

**Issue:**

Shall the Mayor and City Commission, acting in its capacity as the Board of Directors for the Normandy Shores Local Government Neighborhood Improvement District, adopt the attached resolution which sets the final Ad Valorem Millage Rate?

**Item Summary/Recommendation:**

The proposed ad valorem millage recommended by the Administration is 1.1444 mills to provide the current level of security required by this district. For the Normandy Shores taxing District, the value for each mill (\$1.00 of ad valorem tax for each \$1,000 of property value) is determined by the 2012 Certification of Taxable Value and has been set at \$112,393. 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 \$106,773. The 1.1444 mills will generate proceeds of \$122,200, 65 percent of the proposed district budget. In addition, the City of Miami Beach General Fund is required to provide 35% of the total operating expenditures (\$65,800). The City has funded the 35% for each of the nineteen years since the District was established.

The increase of 0.0509 mills from the prior year millage represents an annual increase of \$14.53 to the City average 2012 homesteaded property of \$285,517 taxable value (estimate based on Ad Valorem Assessment Roll as of January, 2011), which is due to maintenance of homeowner-requested cameras and security gates, the estimated impact of the living wage ordinance on the security contract expenses, and Property Management charges primarily due to personnel increases. The total levy to the average homeowner is \$327 per year (\$27 per month).

The first public hearing on the tentative District millage rate and budget for FY 2012/13 was held on September 12, 2012. The millage rates presented herein are those which were tentatively adopted at the end of the first public hearing held on that day. The FY 2012/13 proposed millage rate is above the maximum millage rate of 1.0513 allowed to be adopted by a majority vote, and will therefore require a 5/7 vote.

**Advisory Board Recommendation:**

**Financial Information:**

Source of Funds:		Amount	Account	Approved
	1			
N/A	2			
OBPI	Total			

**Financial Impact Summary:**

**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 27, 2012

**SUBJECT: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING THE FINAL AD VALOREM MILLAGE OF 1.1444 MILLS FOR FISCAL YEAR (FY) 2012/13 FOR THE NORMANDY SHORES LOCAL GOVERNMENT DISTRICT, WHICH IS THIRTEEN AND SEVEN-TENTH PERCENT (13.7%) MORE THAN THE "ROLLED-BACK" RATE OF 1.0063 MILLS.**

### ADMINISTRATION RECOMMENDATION

The Administration recommends that the Mayor and City Commission, acting in its capacity as the Board of Directors for the Normandy Shores Local Government Neighborhood Improvement District, adopt the attached resolution which sets the following:

- 1) The final adopted millage rate of the Normandy Shores Neighborhood Improvement District for FY 2012/13:

General Operating 1.1444 mills (1.0935 mills last year)

- 2) The final adopted millage rate of 1.1444 mills is 13.7% more than the "Rolled-Back" Rate of 1.0063 mills

The first public hearing on the tentative District millage rate and budget for FY 2012/13 was held on September 12, 2012. The millage rates presented herein are those which were tentatively adopted at the end of the first public hearing held on that day.

### BACKGROUND

The Normandy Shores Local Government Neighborhood Improvement District (the District), a dependent taxing district of its principal, the City of Miami Beach, was established in 1994 to provide continual 24-hour security to this gated community; FY 2012/13 represents its nineteenth year of operation.

The District was established by Ordinance 93-2881, and has the authority "to levy an ad-valorem tax on real and personal property of up to two mills, provided that no parcel of property will be assessed more than \$500 annually for such improvements". During FY 1998/99 the amount of annual funding to be provided by the City and the dependent status of the District were issues discussed by the Finance and Citywide Projects Committee. A

determination was reached that the City would fund 35% of the annual cost of the operation of the community gate guard. This cost will eventually be funded from the golf course operation of the Normandy Shores Golf Course. It was further agreed that the City would continue to supplement the District at current levels until the Golf Course assumes the cost. On August 29, 2002, the Administration met with the Normandy Shores Local Government Neighborhood Improvement District representatives and agreed to eliminate the \$500 cap on the highest valued home in the District. The enabling legislation was adopted by the Commission on September 25, 2002. This ensures that the City's contribution from the General Fund remains at 35% of the operating budget of the District.

### **PROCEDURE**

The operating millage and budget for this dependent special taxing district must be adopted in accordance with Florida Statutes. This procedure requires that this Resolution be considered immediately after the millage and budget of the principal taxing authority, i.e., City of Miami Beach.

It also prescribes that a tentative millage be adopted first. This is accomplished by adopting a Resolution which states the percent increase or decrease over the "Rolled-back" rate, and the date, time, and place of the second public hearing scheduled to adopt the final millage. Following this, another Resolution which tentatively adopts the Normandy Shores District operating budget must be approved. (See accompanying District Budget Agenda item for details).

The statute requires the name of the taxing authority, the rolled-back rate, the percentage increase, and the millage rate be publicly announced before adoption of the millage resolution.

### **ANALYSIS**

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 Normandy Shores is \$112,393,414, which includes a reduction of \$283,196 for construction, renovation, etc. The preliminary value represents an increase of \$7,981,561 from the July 1, 2011 Certification of Taxable Value of \$104,411,853 (7.6 percent) and an increase of 8.4 percent over 2011's July 2011 value of \$103,688,864.

The proposed ad valorem millage recommended by the Administration is 1.1444 mills to provide the current level of security required by this district. This tax levy will generate proceeds of \$122,200. The increase of 0.0509 mills from the prior year millage, due to maintenance of homeowner-requested cameras and security gates, the estimated impact of the living wage ordinance on the security contract expenses, and Property Management charges primarily due to personnel increases, represents an annual increase of \$14.53 to the City average 2012 homesteaded property of \$285,517 taxable value (estimate based on Ad Valorem Assessment Roll as of January, 2011), and a total of approximately \$327 per year (\$27 per month).

For the Normandy Shores taxing District, the value for each mill (\$1.00 of ad valorem tax for each \$1,000 of property value) is determined by the 2012 Certification of Taxable Value and has been set at \$112,393. 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

\$106,773. The required millage without the homeowner-requested additional security camera maintenance and the living wage increase is 1.0592 (0.0343 mills below the FY 2011/12 rate). The proposed millage of 1.1444 is required to generate \$122,200 in property tax revenues by the district.

The rolled-back rate is the millage rate required to produce the same level of property tax revenue in FY 2012/13 as collected in FY 2011/12. The rate is calculated as 1.0063 or 0.0872 mills less than the millage rate adopted for FY 2011/12.

Further, pursuant to State Statute, 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 approval of the Commission Millage is required to approve a millage up to 1.0513 (equivalent to a 4.47% increase in Property Tax revenues). The 4.47% increase is the state per capita personal income gain for the prior calendar year.
- Option II: A two-thirds approval (5 of 7 votes) of the Commission is required to approve a millage up to 1.1564 (equivalent to a 10% increase in Property Tax revenues above Option I).
- Option III: A unanimous approval of the Commission or referendum is required to approve a millage above 1.1564 mills

The proposed rate of 1.1444 requires therefore a two-thirds approval (5 of 7 votes) of the Commission.

It must be noted that in accordance with State Statute, there is a 10 mill operating cap which cannot be exceeded without voter approval. Combining both millages from the dependent district (1.1444) and the principal taxing authority (6.0909) totals **7.2353** mills, which is **2.7647** mills less than the **10 mill cap**.

The first public hearing on the tentative District millage rate and budget for FY 2012/13 was held on September 12, 2011. The millage rates presented herein are those which were tentatively adopted at the end of the first public hearing held on that day.

### **CONCLUSION**

The City Commission, acting in its capacity as the Board of Directors of the District, should adopt the attached Resolution which establishes a final millage.



# MIAMI BEACH

## CITY OF MIAMI BEACH NOTICE OF A SPECIAL CITY COMMISSION MEETING AND PUBLIC HEARINGS

**NOTICE IS HEREBY** given that a Special Commission Meeting regarding the Second Public Hearings to consider the adoption of the Millage Rate and Budget for FY 2012/2013 will be held by the City Commission of the City of Miami Beach, Florida, on **Thursday, September 27, 2012**, commencing at **5:00 p.m.**, in the Commission Chambers, 3rd Floor, City Hall, 1700 Convention Center Drive, Miami Beach, Florida.

**5:01 p.m.**

THE SECOND PUBLIC HEARING TO CONSIDER THE ADOPTION OF THE MILLAGE RATES AND BUDGETS FOR FISCAL YEAR (FY) 2012/2013 FOR THE CITY OF MIAMI BEACH.

**5:02 p.m.**

THE SECOND PUBLIC HEARING TO CONSIDER THE ADOPTION OF THE OPERATING MILLAGE RATE AND BUDGET FOR FISCAL YEAR (FY) 2012/2013 FOR THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT.

In addition, the City Commission may be discussing other City related business at this meeting.

Inquiries concerning this meeting should be directed to the Office of Budget and Performance Improvement 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 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.

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 # 726