



MIAMI BEACH

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

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September 27, 2012

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

I am pleased to transmit the Adopted Work Plan and Operating Budget for Fiscal Year (FY) 2012/13, commencing on October 1, 2012 and ending on September 30, 2013 (Adopted Work Plan and Budget), including the Adopted Work Plan, the Adopted Operating Budget, the Adopted Capital Budget, and the associated Capital Improvement Program for FY 2013/14 through FY 2016/17. The total Adopted General Fund Operating Budget is \$256,280,000, which is \$11.9 million or 4.9 percent more than the FY 2011/12 adopted budget of \$244,336,740.

Further, General Fund reserve levels as of September 30, 2011 for the 11 percent emergency reserve and the 6 percent contingency goal were a total of \$40.5 million. The 11 percent General Fund emergency reserve requirement for FY 2012/13, based on the adopted operating budget (net of capital transfers and reserves) is \$27.7 million. This results in \$12.8 million (or 5.1 percent) available for additional contingency, if there are no additional changes in fund balance, and no additional transfers made.

Budget Highlights

- ***The FY 2012/13 budget adds \$1 million in reductions and nearly \$3.8 million in employee givebacks to almost \$69 million in reductions in predominantly recurring expenditures over the last 5 years***
- ***General operating millage rate is reduced by .0746 mills (and more than .1000 mills since FY 2010/11), which together with the .0316 mills decline in debt service results in a total decline of .1062 mills***
- ***The adopted millage is 1.3 mills below FY 2006/07 when property values were at a similar level***
- ***The General Fund Operating budget is 8 percent more than in FY 2006/07, in spite of 15 percent growth in the Consumer Price Index (CPI) in a similar period, 126 percent growth in pension costs, and many new facilities and projects coming on line***
- ***General Fund enhancements of \$3.5 million provide improved services to the community providing a return to the community for the increase in property tax levy***

The City's Adopted Operating Budget in total for FY 2012/13 is \$440.6 million including the General Fund, General Obligation Debt Service, Enterprise Funds and Transfers to the Redevelopment District. This reflects an increase of \$16.6 million, 3.9 percent over the prior year total Adopted Operating Budget of \$424.1 million. In addition, the budget for Internal Service Funds, which are wholly supported by transfers from the General Fund, Enterprise Funds and the Redevelopment District, is \$59.3 million, an increase of \$5 million, or 9.3 percent, over the prior year total adopted operating budget of \$54.3 million.

The City of Miami Beach has experienced significant change in the last several years, due to changes in property tax legislation, property values that first increased and then declined, and increasing pension plan contributions due to the downturn in the investment market. Today, preliminary certified property values for FY 2012/13 are similar to FY 2006/07, \$23.1 billion versus \$22.7 billion.

Since their peak in FY 2007/08, property values Citywide have declined almost \$3.8 billion (approximately 14 percent) through FY 2012/13, 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.

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 which, together with pension cost increases, drove the need for an increase in the millage. FY 2012/13 preliminary certified 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 to bring the millage down to 5.6555.

In FY 2011/12 the City took its first step in that direction with a reduction in the millage rate of 0.0500 mills. The adopted millage rate for FY 2012/13 reduces the operating millage by an additional 0.0746 mills and a total reduction of 0.1062 mills including the reduction in debt service millage. The total operating millage reduction between FY 2010/11 and the adopted FY 2012/13 millage is 0.1246. Over two years, this reduction represents 22 percent of the goal to get back to a millage rate of 5.6555.

The Adopted Budget recommends a total combined millage rate for the City of Miami Beach of 6.3477, which is comprised of a general operating millage rate of 5.9826 (a decrease of 0.0746 mills), a General Fund Capital Renewal and Replacement operating millage of 0.1083, and a voted debt service millage rate of 0.2568 (a decrease of 0.0316 mills).

As shown in the table below, 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 millage rates declined approximately 2.8 mills. In FY 2007/08 alone, the millage rate declined by approximately 1.8000 mills, with annual savings to the average homesteaded property of over \$400.

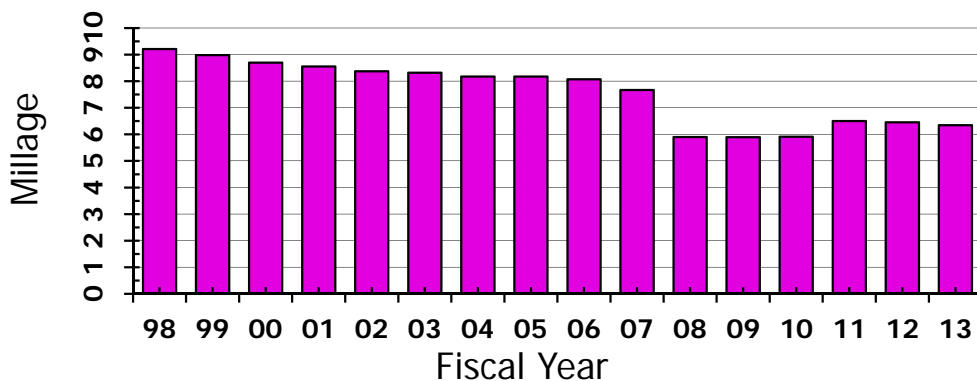
Property Value, Millage and Property Tax Levy

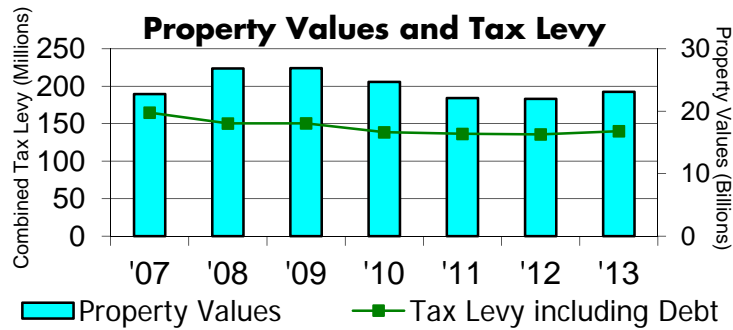
Budget Year	Taxable Property Values (billions)	Final/ Revised Taxable Value (billions)	Total Citywide Millage	General Fund/RDA Millage	Total including Debt	General Fund Total (including S. Pointe, and Renewal & Replcmnt)
FY1997/98	\$ 6.46	\$ 6.40	9.2100	7.4990	\$ 57.45	\$ 46.78
FY1998/99	6.97	6.87	8.9830	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	*	6.3477	6.0909	\$ 140.07	\$ 113.95

*Final/ revised taxable values for FY 2012/13 not available until July 2013.

Further, despite an increase of 0.56 mills in the operating tax rate in FY 2010/11, the City of Miami Beach’s combined millage rates today remain more than 2.3 mills lower, or 25 percent, than in 1999/00 and approximately 1.3 mills lower than in 2006/07 when property values were similar to today’s values. As a result, the adopted property tax levy is approximately \$28 million less in FY 2012/13 than it was in FY 2006/07.

Total Combined Millage





Today's General Fund Operating Budget also reflects greater diversification of revenues since FY 2006/07. The Adopted Work Plan and Budget includes \$39.5 million resort taxes and a \$7.2 million transfer of Parking Operations Fund year-end surplus as well as Parking Operations Fund reimbursements and right-of-way fees paid to the General Fund that total \$50.1 million; approximately 19.5 percent of the Adopted General Fund FY 2012/13 Budget. In large part due to these alternative sources, **property tax revenues represent less than half (44.7 percent) of the total funding for the General Fund budget**, as compared to 59 percent in FY 2006/07, a significant reduction over the past several years.

Between FY 2007/08 and FY 2011/12, the General Fund absorbed approximately \$42 million in reductions (almost 17 percent of the \$244 million FY 2011/12 General Fund budget) and reductions of approximately \$49 million and 256 positions across all funds. Combined with more than \$20 million in employee "givebacks" between FY 2009/10 and FY 2011/12, this represents almost \$69 million in combined "givebacks" and reductions over 5 years.

The FY 2012/13 budget adds \$1 million in efficiency reductions and includes nearly \$3.8 million in employee givebacks.

General Fund	Total 5-Year Reductions through FY 2011/12*		
	\$ Impacts	FT	PT
Public Safety	(\$7,635,095)	(69.0)	1.0
Operations	(\$5,805,867)	(61.0)	(23.0)
Administrative Support	(\$2,858,694)	(32.9)	1.0
Econ & Cultural Dev	(\$1,193,426)	(17.0)	-
Citywide	(\$1,467,642)	-	-
Subtotal	\$ (18,960,724)	(179.9)	(21.0)
Transfers	(\$22,848,966)	-	-
Total General Fund Reductions	\$ (41,809,690)	(179.9)	(21.0)
Internal Service Funds	(\$3,498,225)	(37.1)	-
Enterprise Funds	(\$3,333,021)	(39.0)	8.0
GRAND TOTAL REDUCTIONS	\$ (48,640,936)	(256.0)	(13.0)
Estimated Employee Givebacks	(\$20,349,360)		
GRAND TOTAL REDUCTIONS AND GIVEBACKS***	\$ (68,990,296)	(256.0)	(13.0)

* FY 2010/11 Budget included reductions for contracting out/converting positions to part-time, resulting in \$221,901 in department savings offset by increased contingency. These were not implemented and the FY 2010/11 Department budget has been adjusted to reflect the impact.

**The City Center RDA budget also included the reduction of 1 full time position as part of minimal service impact efficiencies (4 full time positions as part of Plan B were not implemented).

Of note, the FY 2012/13 adopted General Fund Budget is about \$20 million (8 percent) more than the FY 2006/07 budget, despite pension contribution increases of \$29 million during the same period. Inflation from October, 2006 through June, 2012, a similar period, was approximately 15 percent. This reflects a decrease across all other expenditures during that time, and even offsetting increases in health and salaries, a growing concern to us, as there is and should be a limit to the proportion of budget allocated to these costs. At this point, annual contributions to the City's two pension plans alone represent more than \$52 million (20 percent) of the total General Fund budget. As a result, pension reform continues to be a high priority for the City, with recommendations from the Budget Advisory Committee presented to the Commission on August 29, 2012. This timing allowed pension reform to be incorporated into the current set of contract negotiations.

FY 2012/13 ADOPTED WORK PLAN AND BUDGET OVERVIEW

As in past years, the Proposed Work Plan and Budget was developed through an intensive review process with our City Commission. Preliminary budget information was provided to the Commission at a Committee of the Whole meeting on July 6, 2012, where budget strategies and priorities were established. Additional budget briefings were held with the Finance and Citywide Projects Committee (FCWPC) on July 9, July 10, July 25, and August 22, 2012, including a discussion of capital project priorities, projected General Fund revenues and expenditures, proposed efficiencies, impacts of service level alternatives, potential revenue enhancements, and potential service enhancements.

At the time of adoption of the preliminary millage in July, it was estimated that the City's General Fund had a gap of \$4.4 million, an improved position from the estimated gap of \$5.4 million at the same time in the development of the FY 2011/12 budget. Between setting the preliminary millage in July and finalizing the Proposed Work Plan and Budget, as we committed to do, we refined our projections. Our revenues, in particular, tend to have greater fluctuations than expenditures, and we were conservative early in the process and refined these projections over the summer. Changes since July include increased revenue estimates (primarily building development process fees, and rents and leases, offset by decreased interest earnings). *As a result, the projected Current Service Level (CSL) gap was reduced to \$3.3 million as discussed at the August 22, 2012 meeting.*

At the August 22, 2012 FCWPC meeting, an approach to balance the General Fund budget was discussed. The approach to balance the General Fund Budget included \$3.2 million in employee givebacks; \$932,000 in efficiencies; bringing in an additional \$4 million in Resort Tax revenues to the General Fund to offset tourism-eligible expenditures, and modest increases in revenues. These were offset by \$100,000 in additions for living wage and operating costs associated with bringing capital projects on line; and \$2.2 million for various service enhancements – the majority of which was related to Police service enhancements (\$900,000) and Building Service enhancements (\$700,000 due to increased demand and offset by increased revenue); and a transfer of \$1.4 million to fund capital projects.

After the August 22, 2012 meeting with the Finance and Citywide committee, the operating budget continued to be refined. The following are significant changes that were incorporated:

- Based on the final valuation for the Fire and Police pension, the City's annual contribution for FY 2012/13 was reduced by approximately \$400,000 after the August 25, 2012 FCWPC meeting, as compared to the preliminary estimate initially received; resulting in a reduction of the pension allocation to Fire and Police. As a result, during the first public hearing the Commission directed the administration to return this savings to the taxpayers with a millage reduction rather than reduce employee givebacks.
- Two positions which had been recommended for conversion from classified positions (data entry clerk and administrative aide) to unclassified positions have been removed from the list of reductions as it was determined that the significant portion of the savings was due solely to the turnover in each of the positions.

Historically, the General Fund budget has increased between 6 percent and 8 percent annually, primarily due to increases in salary and benefit costs. In FY 2012/13, the \$11.9 million (4.9 percent) increase in expenditures includes a \$800,000 reserve be set aside for pension, including potential use in FY 2013/14, to help offset the loss of the carry forward of the FY 2012/13 one-time pension credit of \$2.2 million. Net of this reserve, the increase is \$11.1 million (4.3 percent), and is similarly driven by increases in salary and benefit costs (primarily pension and health).

Employee Givebacks

As noted above, a primary driver of increases between the FY 2011/12 adopted operating budget and the FY 2012/13 adopted operating budget are personnel costs increases, primarily increases in health insurance and pension costs. In the General Fund the estimated combined increase is approximately \$7.4 million in direct allocations to the General Fund as well as an additional Internal Service Fund charges which are due to pension and health increases in those funds. The increase citywide is \$9.1 million. The adopted employee givebacks of \$3.2 million are intended to partially offset the employee health and pension cost increase in the General Fund.

It should be noted that the FY 2012/13 Adopted Operating Budget assumes status quo for all bargaining agreements until new agreements are negotiated. As a result, the Adopted Operating Budget assumes no merit increases for the Communications Workers of America (CWA) bargaining unit. The impact of this is approximately \$183,000 of the \$3.2 million of employee givebacks in the General Fund noted above.

Efficiencies, Reductions and Revenue Enhancements

As with the preparation of budgets for the last five years, departments are continuing to analyze and present their budget from two perspectives: 1) reviewing for potential efficiencies, reorganizations to reduce cost, etc., without impacting services; and 2) performing a modified zero-based analysis of each department budget, identifying potential service reduction alternatives versus core functions. For each of the potential service reductions, departments provided the type of impact and the magnitude of the impact. Core functions were defined as those functions which, if cut, render it impossible for the department to provide basic service at a reasonable level.

In spite of the significant reductions in the General Fund over the last five years, we continue to be proactive in locating additional efficiencies in the General Fund. For FY 2012/13 \$900,000 of efficiencies are built into the adopted General Fund budget. However, the focus of the FY 2012/13 budget was to provide service enhancements in areas of need, rather than identify areas for reducing service levels.

Adopted revenue enhancements for FY 2012/13, projected to generate additional revenue totaling \$263,000, including Police Department false alarm fees, Fire Department transport fee increases to mirror the Miami-Dade charge rates, Parks and Recreation will increase pavilion rental rate fees, and Colony theater rental fees.

Service Enhancements

Service enhancements for FY 2012/13, at a cost of \$3.5 million in the General Fund, provide a return on value for the increased property tax levy. There is also \$200,000 in additions related to living wage increases and the operating cost of capital projects coming on-line, as well as \$1.8 million in service enhancements in other funds.

The \$3.5 million of enhancements in the General Fund provides for the following:

- Nearly \$1 million enhancements in the Police Department to address crime suppression and beach closure activities
- Over \$700,000 of the enhancements to add contract-based staffing to the Building Department to address increased activity in that area and ensure customer responsiveness, and more than offset by increased revenues related to this demand
- \$200,000 for strengthening internal controls
- \$200,000 for additional staff to help manage leases and rental contracts and monitor special events and concessions; as well as providing for grants, software and equipment needs at the Colony Theatre
- \$1.4 million for Pay-as-You Go funding of capital projects

Increased Use of Resort Taxes to offset Tourism Eligible Expenditures in the General Fund

Based on an outside consultant study conducted in 2010 using FY 2007/08 actual costs, it is estimated that there are approximately \$50.5 million in eligible resort tax expenditures in the General Fund.

These include expenses associated with police officers serving entertainment areas; a portion of fire rescue services from Fire Stations 1&2; ocean rescue services; enhanced code compliance provided to respond to evening entertainment area violations and staffing of special events; other code compliance activities in tourism and visitor related facilities/areas; Tourism and Culture Department and the Cultural Arts Council; museums and theaters (Garden Center, Bass Museum, and Colony Theater); golf courses (net of revenues); Memorial Day and other special event costs; homeless services; July 4th; Visitor Center funding; holiday lights; Jewish Museum; Miami Design Preservation

League (MDPL); Orange Bowl; monuments; etc. However, \$8.8 million of these costs were estimated as being addressed by dedicated funding for the South Pointe area pursuant to the Miami-Dade County Convention Development Tax inter-local agreement, thereby resulting in approximately \$41.7 million in eligible Resort Tax expenses in the General Fund

Based on FY 2011/12 resort tax collections to date, it is estimated that there will be an additional \$4 million available in resort tax collections to provide additional funding for these General Fund activities in FY 2012/13. The total adopted Resort Tax Fund transfer to the General Fund for FY 2012/13 is approximately \$31 million.

Use of One-Time Revenues

The City's policy regarding use of one-time revenues states that "The City of Miami Beach will use one-time, non-recurring revenue for capital expenditures or one-time expenditures and not subsidize recurring personnel, operations, and maintenance cost".

Similar to the FY 2010/11 and FY 2011/12 budgets, FY 2012/13 General Fund revenues reflect the use of \$3.4 million in prior year surplus (revenues in excess of expenditures) specifically set aside for this purpose Building Department reserves of \$1.5 million are also included. As noted above, the carry-forward of the savings from the \$2.2 million allocation of the one-time pension credit to the General Fund is also reflected as a one-time revenue for FY 2012/13. In total, the General Fund Operating Budget reflects a total of \$7.1 million in one-time revenues, offset by \$1.4 million proposed transfer to capital.

Use of Remaining Surplus

The FY 2012/13 budget includes the set aside of a reserve of \$800,000 for FY 2013/14 to help offset the loss of the one-time pension credit of \$2.2 million for FY 2012/13 that will not be available in FY 2013/14.

The \$800,000 million is the net surplus available after the recommended employee givebacks, efficiencies, additions and enhancements, and revenue increased incorporated into the FY 2012/13 General Fund adopted operating budget. The equivalent millage for \$800,000 million is 0.0443.

Exhibits A through E provide a summary of the efficiencies/reorganizations, service reductions, revenue enhancements, and service enhancements considered as part of the development of the adopted FY 2012/13 Work Plan and Budget. As a result of these initiatives, the adopted budget continues our focus on providing "value of services for tax dollars paid" by continuing to provide services to the community free of charge or at significantly reduced fees, including free arts and movies in the parks, free access to pools and youth centers, reduced fee recreation programming, enhancement maintenance of our newly renovated facilities, etc. – the services that our residents and businesses told us yet again are important to them during the 2012 Community Satisfaction Survey.

CONTINUE TO ADDRESS PRIORITIES IDENTIFIED BY THE COMMUNITY

In 2012, the City of Miami Beach conducted its fourth set of comprehensive statistically valid community satisfaction surveys. The Community Survey was designed to provide resident input on quality of life, city services, and taxes; and to identify key drivers for improvement.

Overall, when compared to the 2009 residential survey, the City remained stable in most of the areas measured. Residential respondents provided the highest positive ratings for the appearance and maintenance of the city's public buildings and public schools, the appearance of playgrounds and recreation programs. A record high 89 percent of residents rated Miami Beach excellent or good as a place to live and the standard of living outlook improved 80 percent in 2012 compared to 53 percent in 2009. Business results also remained stable in many of the survey items from the 2009 survey. Businesses continue to rate the City of Miami Beach as 'one of the best' or an 'above average place' to run a business. These results indicate a stable level of satisfaction with Quality of Life in Miami Beach and services provided by the City, although there is need for improvement in specific areas.

Detailed survey results are available on the City's website and in the Strategic Planning section of the FY 2012/13 Adopted Work Plan and Budget in Brief document.

CITYWIDE WORK PLAN

A summary of our Citywide Work Plan is attached (Exhibit F) for your review along with the highlights presented on the following pages.

CLEANER AND SAFER

Cleanliness of our City continues to be a priority for our residents and businesses. We will maintain expanded services that have been implemented in recent years. The City uses a quantitative index to assess the impact of these efforts and results have shown significant overall improvement. Between FY 2005/06 and FY 2011/12, 87.8 percent of public areas Citywide were rated as clean or very clean as compared to 65.2 percent in FY 2005/06. None-the-less, our residents continue to view cleanliness as an important service area, and in the 2012 survey, it was cited as the most important service to retain. As a result, no reductions in service levels are recommended in existing sanitation services, and additional funding is included for enhanced pressure cleaning on Lincoln Road, Washington Avenue, and Ocean Drive.

Provides funding for an enhanced level of pressure cleaning in the City's entertainment areas

The resident surveys in 2005, 2007, 2009, and 2012 confirmed that safety is one of the top quality of life factors for our residents and increasing the visibility of police in neighborhoods as one of the most important areas for the City to address to improve public safety. Recent trends reflect an increase in Part I crimes and in 2011 the City of Miami Beach experienced an increase (9 percent) in total violent crimes and non-violent crimes combined, when compared to 2010. Of

significance, however, while non-violent crimes (which include burglary, larceny and auto theft) increased 9.6 percent, violent crimes increased 2.6 percent. Despite the recent increase, there has been a 7 percent decline in total violent crimes and non-violent crimes since 2001 in spite of the 30 percent increase in daily population and special events since 2001. However, the Miami Beach crime rate is slightly below the latest total nationwide violent crimes and non-violent crimes reported by the FBI for the first six months of 2012 by 5.2 percent and 5.7 percent, respectively. Nationwide, violent crime declined by 6.4 percent and property crimes declined by 3.7 percent.

The Adopted Work Plan and Budget adds two ATV officers to the North area for working the night shift to enforce beach closures, four Police Officers in the South and Citywide to form an additional Crime Suppression team, six Police Officers in the South area for a walking beat along Washington Ave, one Detention Officer to augment current staffing levels, an enhancement to the Records Unit, and additional overtime for the Neighborhood Resource Officer Homeless Outreach Program. The Adopted Budget and Work Plan increases security coverage on Lincoln Road between the hours of 1 am and 6 am, allowing for 24 hour coverage between the security services and Police Officers.

**Adds 12
police officers
to the Work
Plan and
Budget**

MORE BEAUTIFUL AND VIBRANT; MATURE AND STABLE; UNIQUE HISTORIC AND URBAN ENVIRONMENT

The maintenance and appearance of our residential neighborhoods and business districts continues to be a priority, along with protecting the quality of life enjoyed by all members of our community. In addition to maintaining initiatives implemented in recent years, the Adopted Work Plan and budget converts a shared position in Real Estate, Housing and Community Development with the Tourism and Culture Department into two full-time positions to provide enhanced monitoring of concessions and special events. Funding is also provided through the Resort Tax fund to provide the enhanced level of staffing for Spring Break and Memorial Day as was implemented in FY 2011/12.

The Adopted Work Plan and Budget maintains \$219,000 in funding for reforestation, replacement of landscaping, pavers, up-lighting, etc. through the Capital Investment Upkeep Account.

The availability of quality recreation programs continues to be one of the highest priorities for our community. As a result, the Adopted Work Plan and Budget reflects no reductions in our offering of recreation programs. Successful recreation programs for teens and seniors also continue to be a priority, along with weekly classes in visual or performing arts in after school programs and summer camps

CULTURAL, ENTERTAINMENT AND TOURISM CAPITAL AND AN INTERNATIONAL CENTER FOR INNOVATION AND BUSINESS

The City's business and tourism sectors are an integral part of our City as reflected in our vision statement, and has demonstrated significant improvement over the last two years including record increases in Resort Taxes in the last two years, increases in Parking department revenues, and increases in Building development activity. In order to continue to enhance customer service in the Building Department, the Adopted Work Plan and Budget adds approximately \$700,000 in positions to the Building department in response to the increased activity. However, in order to remain flexible and responsive to changes in demand levels, these resources are added through contracted services rather than as full time positions. A condominium ombudsman function will also be created through the use of existing resources in the Building Department.

In addition, enhancements funded through the Resort Tax Fund intended to enhance economic development through tourism initiatives that include enhanced marketing for Washington Avenue marketing similar to other marketing initiatives currently funded through the Greater Miami Convention and Visitors Bureau for the City; funding for a grant to the FIU-Wolfsonian over two years to provide a master plan for the Museum site that will be used to access \$10 million in Miami-Dade County General Obligation Bond funding for expanding and revitalizing their facilities on Washington Avenue and Lennox Avenue, and funding for re-instatement of the Festival of the Arts in North Beach. Further, the Adopted Work Plan and Budget maintains funding through the Resort Tax Fund for tourism-related economic development activities in North Beach that were initiated in FY 2011/12.

WELL-IMPROVED INFRASTRUCTURE

The adopted Budget and Work Plan provides for continued improvements and maintenance of our facilities and neighborhoods infrastructure by appropriating \$1.2 million in our capital budget to address shortfalls in funding for the above ground portions of our neighborhood right of way projects (primarily for milling and resurfacing). Together with the transfer of \$1.4 million from the General Fund, \$2.7 million in pay-as you go funding is included in the Adopted FY 2012/13 budget to fund seawall repairs at Muss Park as well as the addition of a potential Kayak Launch at that facility (subject to community input), improvements to our Park facilities (irrigation at Fisher Park, Stillwater Park Sports Field, Crespi Park Field Renovation, Flamingo Park Madvac System, Tatum Park Outdoor Sand Volleyball) and the additional above ground funding for the following neighborhood projects:

- Bayshore Central Bid Pack A
- Bayshore, Lower North Bay Road Bid Pack B
- Bayshore Lake Pancoast Bid Pack C
- Bayshore Neighborhood Sunset Isles I and II
- Bayshore Neighborhood Sunset Isles III and IV

Funding for the Resort Tax dedicated to tourism-eligible quality of life projects and funding received through the Convention Development tax Inter-local Agreement with Miami-Dade County. These projects include:

- Middle Beach Recreation Corridor Phase II
- Baywalk Phase I
- Flamingo Park
- Par 3 Golf Course Master Plan
- 6th Street Restrooms
- North Shore Open Space Park Replacement Fitness Circuit/Trail
- Beach Access Gates
- Citywide Dune Restoration and Enhancement
- Alton Road Irrigation System from 5th Street to Michigan
- Collins Ave, 5th Street to Lincoln Rd.
- Citywide Dune Restoration and Enhancement

Further Enterprise and special revenue funds such as the Redevelopment Agency, South Pointe Capital, Convention Center, Parking and People's Transportation Tax (PTP) will provide funding for:

- Collins Park Parking Garage
- Collins Canal Enhancement Project
- Seawall – Botanical Garden/Collins Canal
- Lincoln Road Landscaping
- Aluminum Street Lighting Pole Replacement – City Center
- Beachwalk Lighting Retrofit
- Euclid Ave Improvements at Lincoln Rd
- Flamingo 6th Street ROW improvements
- South Pointe Pier
- South Point Park Playground Fence
- 54 Inch Diameter Sewer Main Rehabilitation, Alton South of 5th
- Convention Center – Replace various disconnects/bus ducts/electrical panels. Exhibit Hall Chairs, Ballroom C&D Carpet, and two 100 ton chilled water air handlers, interior bus ducts, C & D ballroom disconnects, chilled water valves.; and install ADA Automatic Doors,
- Sunset Harbor Parking Garage AIPP Funding
- Surface lots at Harding Ave & 71 St., North Shore Youth Center, 6972 Bay Drive, 7061 Bonita Drive, 4001 Prairie Avenue and Bass Museum Surface Lot
- Relocation of Parking Meter Sign and Shop to accommodate Relocation of the Property Management Facility
- License Plate Recognition Software for Parking Enforcement

- Continued Replacement of Master Meters and Revenue Control Equipment Upgrades
- Street Infrastructure Improvements – Crosswalks, Mast Arm Painting, Pedestrian Crossings, Speed Radar Units
- Additional Funding for the West Avenue Bridge

VALUE OF SERVICES FOR TAX DOLLARS PAID

As noted earlier, between FY 2007/08 and FY 2011/12, the General Fund absorbed more than \$42 million in reductions (almost 17 percent of the \$244 million FY 2011/12 General Fund budget) and reductions of approximately \$49 million and 256 positions across all funds.

Further, a total of approximately \$15 million in employee “givebacks” were achieved between FY 2009/10 and FY 2011/12, through a combination of freezing cost of living adjustments for all employees for two and one-half years, elimination of merit increases for all employee except members of the Fraternal Order of Police (FOP) and International Association of Firefighters (IAFF), increased contribution to pension for all employees except members of FOP and IAFF, pension plan changes for the Miami Beach Employees Retirement Plan, increased contributions for take-home vehicles by FOP members for 18 months, reduced holiday pay for IAFF members, and increased contributions to health insurance by members of the FOP and IAFF for 18 months. Combined with more than \$15 million in employee “givebacks” between FY 2009/10 and FY 2011/12, this represents almost \$69 million in combined “givebacks” and reductions over 5 years, with no significant impacts to the services provided to our community.

Although the economy appears to have stabilized, the impact of the recent recession impacted both property tax revenues as well as pension costs through FY 2012/13 and likely further into the future. Therefore, the City’s strategy continues to consider the long term financial sustainability of the City. Beginning with the development of the FY 2009/10 budget, a strategy was developed to address short-term, mid-term and long-term financial needs.

- Strategies to address short-term financial needs included ongoing efficiencies and wage concessions by employees.
- Mid-term financial sustainability was addressed by pension concessions from current employees in the Miami Beach Employees Retirement Plan
- Longer term financial sustainability is enhanced by the pension plan restructures that have been put in place for new employees in the Miami Beach Employee Retirement Plan. For example, for General Employees, the plan restructure adopted for new employees is projected by the City’s actuary to reduce the City’s annual required contribution by almost \$1 million in FY 2012/13, with additional reductions annually as the number of employees in the Miami Beach Employees Retirement Plan hired after October 1, 2010 continues to increase. Further, additional pension plan reform recommendations have been developed by the City’s Budget Advisory Committee for the Fire and Police Pension Plan which were presented to the City Commission on August 29, 2012.

All of the givebacks achieved, except the 18 month increased contribution to health by FOP and IAFF and the increased contributions for take-home vehicles by FOP members for 18 months, represent ongoing, recurring savings to the City and the employee givebacks contribute significantly towards the City's strategic goal (key intended outcome) to control payroll costs.

With the planned \$1 million in reductions and the nearly \$3.8 million in employee givebacks incorporated in the Adopted Work Plan and Budget for FY 2012/13, the 6 year total of reductions and employee givebacks is \$73.9 million.

General Fund	FY 2012/13 Adopted			6-Year Total		
	\$ Impacts	FT	PT	\$ Impacts	FT	PT
Public Safety	(\$136,000)	1.0	1.0	(\$7,771,095)	(68.0)	2.0
Operations	(135,000)	(3.0)	(4.0)	(5,940,867)	(64.0)	(27.0)
Administrative Support	(189,000)	(1.0)	-	(3,047,694)	(33.9)	1.0
Econ & Cultural Dev	-	-	-	(1,193,426)	(17.0)	-
Citywide	(152,000)	-	-	(1,619,642)	-	-
Subtotal	\$ (612,000)	(3.0)	(3.0)	\$(19,572,724)	(182.9)	(24.0)
Transfers	(320,000)	-	-	(23,168,966)	-	-
Total General Fund Reductions	\$ (932,000)	(3.0)	(3.0)	\$(42,741,690)	(182.9)	(24.0)
Internal Service Funds	-	-	-	(3,498,225)	(37.1)	-
Enterprise Funds	(196,000)	(12.0)	8.0	(3,529,021)	(51.0)	16.0
GRAND TOTAL REDUCTIONS	\$ (1,128,000)	(15.0)	5.0	\$(49,768,936)	(271.0)	(8.0)
Estimated Employee Givebacks*	(\$3,781,000)			(24,130,360)	-	-
GRAND TOTAL REDUCTIONS AND GIVEBACKS	\$ (4,909,000)	(15.0)	5.0	\$(73,899,296)	(271.0)	(8.0)

*Employee givebacks includes \$250,000 of no merit increases for the (CWA) bargaining unit.

Despite the dramatic impact of five years of reductions due to property tax reform exacerbated by a dramatic downturn in property values and dramatic increases in pension costs, the Adopted Work Plan and Budget preserves benefits specifically for City of Miami Beach residents, including:

- Our free "Culture in the Parks" series;
- Access to free cultural arts programs (theater, dance, music and visual arts) for children involved in after school and summer camps;
- Scholarship specialty camps in the summer, in addition to children participating in day camps; and programs for traveling athletic leagues.
- Free access to City pools on weekends and during non-programmed hours;
- Free general admission to our Youth Centers on weekends and during non-programmed hours;
- Free Learn-to-Swim programs for 3 to 4 year old residents;
- Reduced resident rates for recreation programs
- Free "family friendly" Movies in the Park;
- Free admission to museums on Miami Beach, including the Bass and Wolfsonian Museums every day and the Jewish Museum on Wednesdays, Fridays and Saturdays;

- Free access to the majority of our senior citizen programs and special populations programs, including several free dances that take place throughout the year;
- Free of charge play at the Par 3 golf course for all residents;
- Free crime analysis of residents' homes by our Police Department; and
- Free child safety seat checks by our Fire Department.

We have also prioritized Key Intended Outcomes to ensure the long-term sustainability of our City government, including improved communications with our residents, ensuring financial sustainability and ensuring that we have the best possible employees to deliver services to our community.

ENVIRONMENTAL SUSTAINABILITY, COMMUNICATIONS, CUSTOMER SERVICE AND INTERNAL SUPPORT FUNCTIONS

Regarding environmental sustainability, the City established a permanent committee in FY 2007/08 called the Sustainability Committee, with the objective of providing a mechanism to discuss green (environmental) issues of concern to the community. In FY 2011/12, based on recommendations from the Sustainability Committee, the City implemented a recycling ordinance. The FY 2012/13 budget includes funding for an intensive education and outreach campaign and after six months, beginning in January 2013, warnings will be issued. The sustainability Officer will be responsible for conducting outreach, recycling guidance, and if necessary, issue warnings. Once the recycling program has been implemented, the Sustainability Officer can address other sustainability issues (greening restaurants, etc.). Administration will go back to the Commission before issuing any fines. This enhancement has been funded from the Water Haulers Additional Services Public Benefit Fund.

To promote transparency of City operations and strengthen internal controls, the City has posted on-line all expenditures and Committee referrals and, in FY 2009/10, the City also began posting on-line Internal Audit and Performance Improvement reports. The Adopted Work Plan and Budget provides funding for initiative that will help strengthen our internal controls and help promote transparency, including funding for a review/audit of one area of the city's operations per year, beginning to restructure the Internal Affairs division in the Police Department with the conversion of a supervisor position to become permanently assigned to the division rather than rotating personnel for this position, and by providing Automated Vehicle Locator (AVL) technology in Parks and Recreation vehicles, additional Fire Department vehicles, and Public Works General Fund vehicles.

Revenue enhancement initiatives include the purchase of grants research software to be used by six city departments and the addition of a full-time leasing specialist to help manage leases in the City as lease revenues have grown from \$3.4 million to \$5.4 million in the last 3 years.

The Adopted Work Plan and Budget continues funding to enhance communications with our residents, enhance the availability of city services and processes that can be accessed and transacted via the internet, and preserve our technology infrastructure. To that end, the Adopted Work Plan and Budget continues to fund the City's MB Magazine, and MB TV.

Further, the Adopted Work Plan and Budget includes a \$400,000 transfer to the Information and Communications Technology Fund. Projects to be funded in FY 2012/13 include:

- Technology Enhancements for New Accela Permitting System: replaces or enhances the ticketing, queuing and calling system for the permit application and walk-thru plan review process. Includes portable printers for inspectors and Code Compliance Officers, a payment kiosk for the Code Compliance Division. Includes an improved plans management and tracking system and a mechanism to obtain feedback on the Accela Citizen Access portal.
- Enhancement to Eden Accounts Payable module: will allow documents to be attached to invoices providing easy access to backup information and eliminating the need for departments to maintain multiple copies of the same document. Upgrade of Automated Cleanliness Assessment: to streamline the workflow and process with a new user interface for field data collection, allowing direct data upload into the cleanliness database and generation of reports from the central database.
- Off-Duty Job Tracking Application replaces the existing outdated application at the Police Department with a program that can interface with the City's payroll system, which will streamline the process of processing off-duty pay.
- Development of Mobile Applications: recommended by the City focus group Technology Charette: for development of mobile applications such as Report It! And a parking application to locate garages with available parking.
- License Plate Recognition: (Funded by the Police confiscation Fund and the Parking Fund) includes the purchase of two mobile Automatic License Plate Reader systems to enhance public safety and crime prevention efforts. The Parking Department is pursuing the same technology for its parking payment system.
- Gated Revenue Control System Upgrade: (Funded by the Parking Fund) includes centralized processing of all data for the City's parking garages with a central monitoring station. The work will be completed in three phases.
- Master Meter Replacement: (Funded by the Parking Fund) will purchase and install 750 new multi space pay stations for on-street and off-street parking locations. This will replace 500 existing pay stations and expand the use of pay stations in Middle and North beach.
- There are other projects that do not require funding but are planned to be under development next year with in-house staffing resources: re-writing of the pending City Commission documents log and lobbyist and board and committee programs, in the Office of The City Clerk, complete a historic buildings database and GIS map and provide hotel and restaurant information for the Visitor and Convention Authority (VCA) for the development of a visitor information website and data aggregation portal.

In FY 2005/06, the City established a financial goal of funding at least 5 percent of the General Fund operating budget as transfers for capital projects and capital projects contingency. The purpose of this goal was multi-faceted:

1. To provide flexibility in the operating budget that would allow the budget to be reduced without impacting services during difficult economic times;
2. To ensure that the City funded needed upkeep on our General Fund facilities, and right-of-way landscaping, lighting, etc.

3. To provide a mechanism to address additional scope of small new projects prioritized by the community and the Commission instead of having to delay these for a larger General Obligation Bond issue; and
4. To provide contingency funding so that projects where bids were higher than budgeted did not have to be delayed, especially during a heated construction market where delays often lead to further increases in costs.

In recent years this funding was dramatically reduced due to funding constraints, and at the same time, reflecting declines in construction industry pricing in those years. The Adopted Work Plan and Budget incorporates an increase of 0.5 percent from 1 percent in FY 2011/12 bringing the total to almost 1.5 percent in FY 2012/13 for capital components.

GENERAL FUND FINANCIAL SUMMARY

The General Fund is the primary source of funding for the majority of City services. Revenues are derived from ad valorem property taxes, franchise and utility taxes, business license and permit fees, revenue sharing from various statewide taxes, user fees for services, fines, rents and concession fees and interest income. Additionally, intergovernmental revenues from Miami-Dade County and Resort Taxes contribute funding for tourist-related activities provided by General Fund departments.

The first step in preparing the FY 2012/13 budget was an evaluation of Current Service Level (CSL) revenues and expenditures. CSL revenues represent the amount of revenues that would be generated based on existing tax rate, fees and charges. CSL expenditures represent the expenditures associated with providing the same level of service next year as in the current budget year.

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 \$23.1 billion including \$96.9 million in new construction. The preliminary 2012 value represents an increase of \$1.1 billion or 5 percent more than the July 1, 2011 Certification of Taxable Value of \$22 billion and an increase of 5 percent excluding new construction.

The comparative assessed values for the Miami Beach Redevelopment Agency City Center redevelopment district increased from \$3.4 billion to \$3.6 billion, an increase of \$1.8 million or a 5 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 \$3.4 billion to \$3.6 billion, an increase of \$1.7 million, 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 \$15.1 billion to \$15.8 billion, an increase of \$7.4 million.

Citywide values excluding City Center increased from \$18.6 billion to \$19.5 billion, an increase of \$9.1 million or 5 percent. Values outside the City Center area determine General Fund revenues.

FY 2011/12 to FY 2012/13 COMPARATIVE ASSESSED VALUES (in billions)

	Jan. 1 2011 Value (in billions)				% Chg.	Jan. 1 2012 Value (in billions)	Change from 2011 Value	
	July 1, 2011 (For FY 2011/12 Budget)	July 1, 2012 Revised Value (For FY 2011/12)	Change in 2011 Values	As of July 1 2012 (For 2012/13 Budget)		\$ (in billions)	% Chg	
RDA – City Ctr	\$ 3.4234	\$ 3.1299	\$ (0.2935)	-9%	\$ 3.6087	\$ 0.1854	5%	
South Pointe*	3.4460	3.2393	(0.2067)	-6%	3.6181	0.1721	5%	
General Fund excl S Pte	15.1089	14.3860	(0.7229)	-5%	15.8455	0.7366	5%	
Total Citywide	\$ 21.9783	\$ 20.7552	\$ (1.2231)	-6%	\$ 23.0723	\$ 1.0940	5%	
Citywide Net of City Ctr	\$ 18.5549	\$ 17.6253	\$ (0.9296)	-5%	\$ 19.4636	\$ 0.9087	5%	

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

Value of One Mill

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.

Impacts of Declines in Property Values

The FY 2011/12 operating millage rate for general City operations was 6.1655. Based on the July 1, 2012 Certification of Taxable Value, 6.1655 mills would generate approximately \$135.1 million in general tax revenues, an increase of \$6.4 million over FY 2011/12 property tax revenues Citywide (General Fund, City Center RDA and the South Pointe area). The General Fund property tax revenues will increase by \$5.8 million, if the FY 2011/12 millage rate was 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.

State Legislated Operating Millage Requirements

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 percent 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 percent 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 percent 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.

Combining the Operating and Voted Debt Service Millage Levy

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. In the General Fund, 0.1083 mills of the total operating millage continues to be dedicated to renewal and replacement.

City of Miami Beach Millage Rates	FY 06/07	FY 11/12	FY 12/13	Inc/(Dec)	From FY11/12	From FY 06/07
Operating	7.1920	6.0572	5.9826	-0.0746		
Capital Renewal & Replacement	0.1820	0.1083	0.1083	0.0000		
Sub-total Operating Millage	7.3740	6.1655	6.0909	-0.0746	-1.2%	-17.4%
Debt Service	0.2990	0.2884	0.2568	-0.0316		
Total	7.6730	6.4539	6.3477	-0.1062	-1.6%	-17.3%

voted debt service millage is decreased by 0.0316 mills. This represents a total decrease of 0.1062 mills.

Impact on 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 percent), whichever is less. For 2011, the CPI has been determined to be 3.2 percent and therefore, the increase is capped at 3 percent 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.

Homesteaded Properties				
	FY 2011/12 (as of January 1 2011)*		with 3% CPI	
	Median	Average	Median	Average
Taxable Value	\$ 119,461	\$ 277,201	\$ 123,045	\$ 285,517
City of Miami Beach Taxes				
Operating	\$ 737	\$ 1,709	\$ 749	\$ 1,739
Voted Debt	34	71	32	73
Total Miami Beach	\$ 771	\$ 1,780	\$ 781	\$ 1,812
\$ Change in Taxes				
Operating			\$ 12	\$ 30
Voted Debt			(2)	2
Total Miami Beach			\$ 10	\$ 32

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

Overlapping Jurisdictional Operating and Debt Service Millages

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 tax rate decreased from 4.8050 mills to 4.7035 mills; the library tax rate decreased from 0.1795 mills to 0.1725 mills; and the debt service millage stayed the same at 0.2850 mills

The tax rate for the Miami-Dade School District is 7.9980; 0.0070 mills less than the prior year millage of 8.0050. The Children's Trust millage is maintained at 0.5000 mills. The adopted tax

rate for the South Florida Water Management District is 0.3676, 0.0252 mills lower than the last year. The adopted tax rate for the Florida Inland Navigation District is 0.0345, the same millage rate for the last 15 years.

With the Adopted 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 adopted millage decreases by the County, the County millage is 0.9115 mills less than their millage in FY 2006/07, as compared to the City's adopted 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 adopted 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. A summary of the tax rate changes is provided in the following table.

OVERLAPPING TAX MILLAGE	FY 06/07	FY 11/12	FY 12/13	Variance from 11/12	Variance from 06/07	% of FY 12/13 Total
City of Miami Beach Millage Rates						
Operating	7.1920	6.0572	5.9826	-0.0746	-1.2094	
Capital Renewal & Replacement	0.1820	0.1083	0.1083	0.0000	-0.0737	
Subtotal Operating Millage	7.3740	6.1655	6.0909	-0.0746	-1.2831	
Voted Debt Service	0.2990	0.2884	0.2568	-0.0316	-0.0422	
Total	7.6730	6.4539	6.3477	-0.1062	-1.3253	31%
Miami Dade County						
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	
Subtotal	6.3860	5.2695	5.1610	-0.1085	-1.2250	25%
School Board	8.1050	8.0050	7.9980	-0.0070	-0.1070	39%
Children's Trust	0.4220	0.5000	0.5000	0.0000	0.0780	2%
Other	0.7360	0.4708	0.4634	-0.0074	-0.2726	3%
Total	23.3220	20.6992	20.4701	-0.2291	-2.8519	100%

Impact of Combined Tax Rates of Overlapping Jurisdictions on Homesteaded properties need to update based on adopted millage rates

Applying the adopted millage rates to the median and average January 1, 2012 taxable values of \$119,461 and \$277,201, respectively, half of the homesteaded properties would pay approximately \$2,500 for all taxing jurisdictions combined, while the average taxes generated would be approximately \$5,844 per homesteaded property. Of these taxing jurisdictions, the highest component is the Miami-Dade School Board, at \$984 for a median value property, and \$2,284 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 adopted tax rates and potential changes from 2011 values.

Impact on Homesteaded Properties Assuming Changes in Taxable Value				
from January 1, 2012				
	FY 2011/12 (as of January 1 2011)		FY 2012/13 with 3% CPI	
	Median	Average	Median	Average
2010 Taxable Value	\$ 119,461	\$ 277,201	\$ 123,045	\$ 285,517
City of Miami Beach				
Operating	\$ 743	\$ 1,723	\$ 749	\$ 1,739
Voted Debt	\$ 34	\$ 80	\$ 32	73
Total Miami Beach	\$ 777	\$ 1,802	\$ 781	\$ 1,812
Miami Dade County	\$ 735	\$ 1,707	\$ 635	\$ 1,473
Schools	\$ 985	\$ 2,287	\$ 984	\$ 2,284
Other	\$ 138	\$ 321	\$ 119	\$ 275
Total	\$ 2,635	\$ 6,117	\$ 2,519	\$ 5,844
Change in Taxes				
City of Miami Beach				
Operating			\$ 6	\$ 16
Voted Debt			\$ (2)	\$ (7)
Total Miami Beach			\$ 4	\$ 10
Miami Dade County			\$ (100)	\$ (234)
Schools			\$ (1)	\$ (3)
Other			\$ (19)	\$ (46)
Total			\$ (116)	\$ (273)

As with the City of Miami Beach millage rates, impacts of the combined jurisdictional millage rates for non-homesteaded properties are based on the individual property values.

GENERAL FUND CURRENT SERVICE LEVEL INITIAL BUDGET GAP

General Fund Revenues

On the revenue side for FY 2012/13, based on the July 1, 2012 Certification of Taxable Value from the Miami-Dade County Property Appraiser, values of existing properties increased by 5 percent from the July 1, 2011 tax roll certification. This increase compares to taxable value increases of at least 8 percent per year from July 1, 2001 through July 1, 2007, but decreases of an average of 6.4 percent per year between FY 2008/09 and FY 2011/12.

In total, Current Service Level (CSL) revenues are expected to increase by \$8.4 million for FY 2012/13, principally due to an increase of \$4.3 million property tax as a result of higher property value, \$2.2 million in carry forward of a one-time pension credit from FY 2011/12 as well as \$3.3 million in increased licenses and permits revenue, reflecting the increases in building development activity. These increases are offset by decreases across a number of categories. These decrease include decreases in the following categories: other taxes due to declining telephone utility tax revenue, intergovernmental revenue due to trends in gas tax revenue and revenues received for 911 costs which have been moved to a separate fund, charges for services due to fire transport fees, fines & forfeits due to lower than expected red light camera revenue, investment interest due to market conditions, and decreases in the miscellaneous revenue category due to corporate sponsorship one-time signing bonus revenue in FY 2011/12.

The total CSL revenue estimate at this time is \$252.7 million, an increase of \$8.4 million from the FY 2011/12 adopted budget.

Revenues	FY 2011/12 Budget	FY 2012/13 CSL Budget	% of FY 2012/13 CSL	Inc/(Dec) over FY 2011/12 Total Budget
Operating Millage				
Property Tax Citywide ⁽¹⁾	98,198,923	102,042,000	40%	3,843,077
Property Tax South Pointe	10,439,424	10,850,000	4%	410,576
Capital Renewal/Replacement	1,755,752	1,825,000	1%	69,248
Normandy Shores	108,469	129,000	0%	20,531
Subtotal	110,502,568	114,846,000	45%	4,343,432
Other Taxes	24,278,385	24,023,000	1%	(255,385)
Licenses & Permits	17,074,053	20,328,000	8%	3,253,947
Intergovernmental Revenue	10,091,000	9,827,000	4%	(264,000)
Charges for Services	4,879,252	4,458,000	2%	(421,252)
Golf Courses	5,805,119	5,979,000	2%	173,881
Fines & Forfeits	2,574,000	2,192,000	1%	(382,000)
Interest	3,430,000	2,983,000	1%	(447,000)
Rents & Leases	6,034,143	6,439,000	3%	404,857
Miscellaneous	12,423,449	11,830,000	5%	(593,449)
Other- Resort Taxes	26,965,440	26,965,000	11%	(440)
Other - Reserves - Bldg Dept	1,546,709	1,500,000	1%	(46,709)
Other - parking Surplus Transfer	7,200,000	7,200,000	3%	-
OTHER - Prior Year Setaside	3,551,120	3,400,000	1%	(151,120)
Prior Yr Set Aside Pension Credit	-	2,210,000	1%	2,210,000
All Other	7,981,502	8,532,000	3%	550,498
subtotal	133,834,172	137,866,000	55%	4,031,828
Total	\$ 244,336,740	\$ 252,712,000	100%	\$ 8,375,260

⁽¹⁾ The 2012/13 current service level (CSL) revenue budget of \$102 million reflects a 0.0533 millage reduction over FY 2011/12 that was reflected in the July 2012 preliminary budget.

General Fund Expenditures

On the expenditure side, CSL expenditures typically have increased between 6 percent and 8 percent annually due to salary and benefit increases and other normal cost of living adjustments. In FY 2012/13, increases are estimated to result in an approximately \$11.2 million (4.6 percent) increase in expenditures, the majority of which is due to the following:

- A \$1.4 million increase to reflect previously bargained salary adjustments for employees, including the impact of 5 percent step increases for employees not at the maximum of their range in the FOP and IAFF bargaining units; and a maximum of 2 percent performance-based merit increase for employees in the Government Supervisor's Association (GSA) bargaining unit, the American Federation of State, County and Municipal Employees bargaining unit (AFSCME) and unclassified employees. There is no COLA included for any employees nor are there merits for CWA employees consistent with the status quo of their current agreement.
- A \$200,000 increase primarily due to Fire Department overtime cost, although the Fire Department overtime budget is projected at a level below prior year actual costs.
- A \$5.7 million increase in pension plan contribution costs which will be partially offset in FY 2011/12 by the carry forward of year end fund balance due to a one-time credit of \$2.2 million (\$2.5 million city wide), as well as \$100,000 increase in other pension costs.
- A \$1.6 million increase in health care costs which reflect both an anticipated 10 percent increase in health insurance costs as well as the impact of the expiration of the IAFF and FOP 5 percent of salaries to reduce city health costs.
- A \$300,000 increase in Other Benefits, primarily due to leave payouts associated with employees leaving employment with the City.
- A \$3.2 million Increase in Internal Service Fund charge-backs to Departments primarily due to similar increases in salary and pension costs as described above that are then charged back to the General Fund, as well as equivalent increases in health insurance costs for retirees, increases in Police liability claims and increases in debt service for fleet vehicles. It is important to note that fuel prices in FY 2012/13 are budgeted at current prices. Should prices increase further, the General Fund will need to fund these increases.
- A \$1.7 million decrease in other operating costs primarily due to the offsetting move of 911 expenditures to a separate fund, decreased rent as Fire Prevention is now in a city facility, decreased copier rental costs associated with the new contract, energy and maintenance savings anticipated from initiatives implemented by Amaresco, as well as continued refinement and efficiencies in operating needs.
- A \$300,000 increase in capital costs due to increased transfers to the Renewal and Replacement Fund as a result of the increased values and the dedicated millage, as well as increases in debt service resulting from off-setting debt related to the Amaresco initiative.

Expenditures	FY 2011/12 Budget	FY 2012/13 CSL Budget	% of FY 2012/13 CSL	Inc/(Dec) over FY 2011/12 Total Budget
Salaries	\$ 101,126,813	\$102,540,000	40.1%	\$ 1,413,187
Overtime/Other Wages	10,419,043	10,658,000	4.2%	238,957
Benefits				
Pension - F&P	35,602,142	38,532,000	15.1%	2,929,858
Pension - MBERP	10,964,684	13,756,000	5.4%	2,791,316
Other Pension Costs	5,802,867	5,913,000	2.3%	110,133
Health and Life	9,147,658	10,782,000	4.2%	1,634,342
Other Benefits	4,043,146	4,333,000	1.7%	289,854
Total Benefits	65,560,497	73,316,000	28.7%	7,755,503
Total Salary and Benefits	177,106,353	186,514,000	73.0%	9,407,647
Operating	26,983,687	25,300,000	9.9%	(1,683,687)
Internal Service Funds	36,131,881	39,312,000	15.4%	3,180,119
Capital & Debt	4,114,819	4,447,000	1.7%	332,181
Total	\$ 244,336,740	\$ 255,573,000	100%	\$ 11,236,260

The resulting gap between General Fund CSL expenditures and CSL revenues is approximately \$2.9 million.

It is important to note that operating costs are approximately \$1.7 million less than the FY 2011/12 budget, reflecting the continuation of various cost savings initiatives by the City such as re-bidding contracts, and careful review of department line item expenditures.

Together, salaries and fringe represent 73 percent of CSL costs, with salaries and pension representing approximately 67 percent of the total current service level (CSL) budget of \$255.6 million, (including the impacts of merit/steps increases, pension contributions, etc.)

APPROACHES TO BALANCE

Based on direction provided by the Finance and Citywide Projects Committee meetings in July and August 2012, the approximately \$2.9 million shortfall between Current Service Level revenues and expenditures has been addressed through employee givebacks of nearly \$3.8 million, which partially offsets the additional employee health and pension cost.

The total cost of additions and service enhancements in the General Fund (\$3.7 million) has been more than offset by departmental efficiencies, an additional resort tax transfer, and revenue enhancements, resulting in a surplus of \$800,000 to be used as a set aside for the FY 2013/14 budget, to offset the loss of the one-time carry forward of the \$2.2 million FY 2011/12 pension credit savings to FY 2012/13.

Approaches to Balance	
Proposed Current Service Level Budget	
Revenues	\$ 252,712,000
Expenditures	\$ 255,573,000
Net CSL Gap	\$ (2,861,000)
Employee Givebacks to Offset Increases in Health and Pension Costs	
<p>\$7.2 million in pension increases across all funds prior to a one time credit and \$5.7 million in the General Fund. \$1.9 million health increase citywide and \$1.6 million in the General Fund, including the \$.86 million impact of the expiration of the five percent of salaries giveback toward health insurance for Police and Fire</p>	
	(3,000,000)
General Fund Employee Givebacks	(3,000,000)
Potential Additional Changes in Expenditures	
Living Wage FY 2012/13 Increase	\$ 62,000
Landscape Maintenance Impact of New Capital Projects	81,000
Minimal Impact Reductions/Efficiencies	(932,000)
Additions and Enhancements	
Additional Building Positions in Response to Increased Demand	702,000
Enhancements for Police Services	947,000
Enhancements for Internal Affairs	50,000
Enhancements for Outside Audits	150,000
Other Service Enhancements	306,000
Transfer to Pay As You Go	1,400,000
General Fund Impact of Change to Health Insurance Start Date for New Employees	(24,000)
General Fund Impact of Internal Service Fund Enhancements	134,000
Impact of Efficiencies/Enhancements	\$ 2,876,000
Revised Net Gap	
\$ (2,737,000)	
Other Changes in Revenues	
Resort Tax - Transfer to GF	\$ 4,000,000
Revenue Enhancements	263,000
Reduction of Millage by 0.0213 (to reduce surplus)	(400,000)
Reduction of Building Development Permit Fees	(295,000)
	\$ 3,568,000
Total Net Surplus/Set Aside	
\$ 831,000	

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The resulting total Adopted General Fund Operating Budget for FY 2012/13 is \$256.3 million, which is \$11.9 million or 4.9 percent more than the FY 2011/12 Adopted Budget of \$244.3 million.

GENERAL FUND REVENUES	FY 2011/12 Adopted Budget (in millions)	FY 2012/13 Adopted Budget (in millions)	% of FY 2012/13 Adopted Budget	Change from FY 2011/12 Budget		
				In Millions	% Incr.	% of Incr.
Property Taxes	\$ 110.39	\$ 114.32	44.61%	\$ 3.92	3.55%	32.85%
Property Taxes - Normandy Shores	0.11	0.13	0.05%	0.02	18.93%	0.17%
Other Taxes	24.28	24.02	9.37%	(0.26)	-1.05%	-2.14%
Licenses & Permits	17.07	20.03	7.82%	2.96	17.33%	24.78%
Intergovernmental	10.09	9.83	3.83%	(0.26)	-2.62%	-2.21%
Charges For Services	10.68	10.67	4.16%	(0.02)	-0.15%	-0.14%
Fines and Forfeits	2.57	2.20	0.86%	(0.38)	-14.57%	-3.14%
Interest	3.43	2.98	1.16%	(0.45)	-13.03%	-3.74%
Rents and Leases	6.03	6.46	2.52%	0.43	7.12%	3.60%
Miscellaneous	12.42	11.83	4.62%	(0.59)	-4.78%	-4.97%
Resort Taxes	26.97	30.97	12.08%	4.00	14.83%	33.49%
Other	7.98	8.53	3.33%	0.55	6.90%	4.61%
Reserves - Bldg Dept	1.55	1.50	0.59%	(0.05)	-3.02%	-0.39%
Parking Surplus Transfer	7.20	7.20	2.81%	-	0.00%	0.00%
Prior year set aside	3.55	3.40	1.33%	(0.15)	-4.26%	-1.27%
Prior year set aside for Pension Credit		2.21	0.86%	2.21	0.00%	18.50%
Total	\$ 244.34	\$ 256.28	100.00%	\$ 11.94	4.89%	100.00%

GENERAL FUND EXPENDITURES	FY 2011/12 Adopted Budget (in millions)	FY 2012/13 Adopted Budget (in millions)	% of FY 2012/13 Adopted Budget	Change from FY 2011/12 Budget		
				In Millions	% Incr.	% of Incr.
Salaries	\$ 101.13	\$ 100.08	39.05%	\$ (1.04)	-1.03%	-8.74%
Overtime/Other Wages	10.42	10.39	4.05%	(0.03)	-0.26%	-0.23%
Subtotal Salaries	\$ 111.55	\$ 110.48	43.11%	\$ (1.07)	-0.96%	-8.97%
Benefits						
Pension - F&P	\$ 35.60	\$ 38.53	15.04%	\$ 2.93	8.23%	24.53%
Pension - MBERP	10.96	13.76	5.37%	2.79	25.46%	23.37%
Other Pension Costs	5.80	5.91	2.31%	0.11	1.90%	0.92%
Health and Life	9.15	10.88	4.24%	1.73	18.88%	14.46%
Other Benefits	4.04	4.34	1.69%	0.30	7.42%	2.51%
Subtotal Benefits	65.56	73.42	29%	7.86	11.99%	66%
Subtotal Salary and Benefits	\$ 177.11	\$ 183.89	71.76%	\$ 6.79	3.83%	56.83%
Operating	26.98	26.34	10.28%	(0.64)	-2.37%	-5.36%
Internal Service Funds	36.13	39.45	15.39%	3.31	9.17%	27.75%
Capital & Debt	4.11	5.77	2.25%	1.65	40.13%	13.83%
Set Aside for Future Year	-	0.83	0.32%	0.83	100.00%	6.96%
Total	\$ 244.34	\$ 256.28	100.00%	\$ 11.94	4.89%	100.00%

ENTERPRISE FUNDS

Enterprise Funds are comprised of Sanitation, Water, Sewer, Stormwater, Parking, and Convention Center Departments. The Adopted FY 2012/13 Enterprise Funds Budget is \$161.1 million. This represents a decrease of \$4.4 million (2.8 percent) from the FY 2011/12 budget of \$156.7 million, primarily due to:

- Increases in salary, pension and health cost similar to those described in the General Fund, although in the Sanitation Department Adopted Budget incorporated reduced personnel costs and increased use of temporaries based on historical information (\$2.1 million)
- Increases in Sewer treatment DERM fees charged by Miami-Dade County (\$4.6 million) – with associated increases in sewer revenues collected by the City
- Increases in funding for future renewal and replacement projects and equipment which is determined by prior year depreciation amounts (\$2.4 million)

These increases are offset by decreases in debt service payments by the Stormwater Fund (\$2 million) as the debt service for bonds sold in FY 2011/12 along with associated refinancing of existing bonds resulted in lower than budgeted debt service costs; reduced operating costs in the Convention Center offset by reduced revenues due to an accounting treatment change of electrical revenues (\$1.2 million); reduced funding needed to be transferred for the Stormwater Rate Stabilization Fund (\$1 million); and other miscellaneous reductions (\$300,000).

INTERNAL SERVICE FUNDS

Internal Service Funds are comprised of the Central Services, Fleet Management, Information Technology, Risk Management and Property Management Divisions. The Adopted FY 2012/13 Internal Service Fund budget is \$59.3 million. This represents an increase of \$5.0 million (9.3 percent) from the FY 2011/12 budget, primarily due to increases in salary, pension and health cost similar to those described in the General Fund as well as increases in Police liability claims (\$750,000), and debt service for replacement of vehicles and equipment (\$1.1 million). These costs are completely allocated to the General Fund and Enterprise Fund departments, and the Risk Management Fund reimburses the General Fund for the cost of legal services.

RESORT TAX BUDGET

The Adopted FY 2012/13 Resort Tax budget is \$54.2 million, an increase of \$6.6 million (14 percent) from FY 2011/12. This reflects the continued increase in resort tax revenues, consistent with other tourism indicators throughout the County, but especially in Miami Beach. Of the \$6.6 million increase:

- \$4 million is transferred to the General Fund for tourism-related services provided by General Fund departments for a total transfer of \$31 million.
- \$670,000 is used to increase funding for Memorial Day and Spring Break to levels deployed in FY 2011/12 as well as provide for enhanced holiday decorations
- \$56,000 is for the contractual CPI adjustment in the transfer to the Greater Miami Convention and Visitors Bureau, for a total of \$5.3 million.
- \$390,000 and \$300,000 are transferred for quality of life capital projects and the arts and the Miami Beach Visitors Convention Authority based on funding formulas, for a total of \$4.7 million and \$2.1 million, respectively.
- The Debt service is increased by \$380,000 from \$5.5 million to \$5.9 million, and administrative expense are increased by \$100,000.
- Further, \$100,000 continues to be funded for a Miami Beach marketing campaign and \$83,000 for tourism related economic development activities in North Beach and \$100,000 towards attracting a major event such as the Miss USA pageant. In addition \$148,000 was added in FY 2012/13 for a Washington Ave Tourism Enhancement Initiative, which includes \$75,000 for a grant to the FIU-Wolfsonian. The Resort Tax contingency budget totals \$480,000.

CONCLUSION

Although the development of our budget this year has been challenging, through rigorous review and good leadership, the Adopted Work Plan and Budget for FY 2012/13 is balanced and enables the City of Miami Beach to continue delivering outstanding, enhanced services to our residents, businesses and visitors, providing fee relief in our Enterprise Funds, and continuing structural enhancements to ensure the long-term sustainability of the City.

In summary, the Adopted FY 2012/13 General Fund operating budget maintains current service priorities for the community, despite property tax rates set at 1.3 mills (17 percent) lower than FY 2006/07. Further, I am also recommending keeping water, sewer, and stormwater rates flat, other than the sewer pass through for increases in the Miami-Dade County wholesale sewer rate.

ACKNOWLEDGEMENTS

The development of this year's Adopted Work Plan and Budget has challenged our City staff and the Commission as we sought to balance a budget in spite of high pension increases, particularly in the Fire and Police Pension system, as well as a significant increase in health insurance. I would like to thank Mayor Matti Herrera Bower and the Members of the Miami Beach City Commission

for your continued guidance, support and leadership with the budget process and in helping to accomplish so much on behalf of our residents and for the entire Miami Beach community. I would also like to recognize those bargaining units that previously agreed to employee "givebacks" so that we can begin to control personnel costs as well as our employees for their continued commitment to the City's mission of providing excellent public services and working so hard to help accomplish so many positive results that benefit the entire community despite the challenges and uncertainty of the past several months.

Finally, I would like to thank all staff from throughout the City who worked so hard to identify every opportunity for cost reductions in their departments, as well as itemize alternatives with a wide range of service impacts to meet the required cost reductions. I would particularly like to thank my Assistant City Managers, Chief Financial Officer, and all Department and Division Directors. I appreciate all of us working together towards a reduced budget that still allows us to accomplish our goals. In particular, I would like to recognize and thank Tim Finch, former Budget Officer; Victoria Kroger, current Budget Officer, Dr. Leslie Rosenfeld, Director of Organizational Development, Georgette Daniels, Glen Hall, Tameka Otto-Stewart, and Paula Rodriguez, Management and Budget Analysts; and Office Associate Jennifer White.

Respectfully submitted,



Kathie G. Brooks
Interim City Manager

ATTACHMENT A - FY 2012/13 BUDGET - PRIOR YEAR REDUCTIONS , ADOPTED & CSL REDUCTIONS

PRELIMINARY CSL INCLUDES																			
10% Increase in Health Insurance																			
Does not include increases to living wage																			
	5-Year Prior Reductions (Adjusted For FY 2010/11 PLAN B*)						FY 2011/12 Adopted Budget			PROPOSED FY 2012/13 CSL			Pension Allocation	Internal Service Allocations	CSL with Pension and Internal Service Allocations (rounded to the 000's)	Addtl. Efficiency Reorg. Etc.	Total	% of CSL	POS. Impacts
	\$ Impact/ % of Adjusted FY 2010/11 Budget		Positions/ % of Adjusted FY 2010/11 Budget			\$'s	FT	PT	\$'s	\$'s	% Chg	\$'s							
General Fund Prior to Pension and Internal Service Adjustments	\$'s	%	FT	PT	%	\$'s	FT	PT	\$'s	\$'s	%	\$'s	\$'s	\$'s	\$'s			FT	PT
Mayor & Commission	\$ (142,801)	-9%	-2.3	0.0	-13%	\$ 1,583,448	18.6	-	\$ 1,639,000	\$ 55,552	3.5%	\$ 23,028	\$ (4,889)	\$ 1,657,000	\$ -	\$ -	0.0%	0.0	0.0
City Manager	\$ (348,867)	-15%	-3.3	0.0	-34%	\$ 2,335,776	9.7	-	\$ 2,388,000	\$ 52,224	2.2%	\$ 46,115	\$ 29,558	\$ 2,464,000	\$ (132,000)	\$ (132,000)	-5.4%	0.0	0.0
Communications	\$ (367,859)	-42%	-4.0	0.0	-80%	\$ 909,730	5.0	-	\$ 913,000	\$ 3,270	0.4%	\$ 13,809	\$ (27,167)	\$ 899,000	\$ -	\$ -	0.0%	0.0	0.0
OBPI	\$ (298,449)	-16%	-3.0	0.0	-25%	\$ 1,917,136	12.0	-	\$ 1,951,000	\$ 33,864	1.8%	\$ 41,835	\$ 27,386	\$ 2,021,000	\$ -	\$ -	0.0%	0.0	0.0
Finance	\$ (588,321)	-14%	-10.0	0.0	-31%	\$ 4,275,284	32.5	-	\$ 4,255,000	\$ (20,284)	-0.5%	\$ 72,084	\$ 133,085	\$ 4,461,000	\$ -	\$ -	0.0%	0.0	0.0
Procurement	\$ (127,405)	-13%	-2.0	0.0	-22%	\$ 962,664	8.0	1.0	\$ 1,022,000	\$ 59,336	6.2%	\$ 51,182	\$ (631)	\$ 1,073,000	\$ -	\$ -	0.0%	0.0	0.0
Human Resources/Labor Relations	\$ (429,538)	-25%	-5.5	1.0	-29%	\$ 1,772,358	21.0	1.0	\$ 1,798,000	\$ 25,642	1.4%	\$ 28,625	\$ 16,228	\$ 1,843,000	\$ -	\$ -	0.0%	0.0	0.0
City Clerk	\$ (79,899)	-5%	-1.4	0.0	-15%	\$ 1,560,178	9.6	-	\$ 1,528,000	\$ (32,178)	-2.1%	\$ 22,708	\$ 20,589	\$ 1,572,000	\$ (57,000)	\$ (57,000)	-3.6%	-1.0	0.0
City Attorney	\$ (475,555)	-12%	-3.3	-1.0	-23%	\$ 4,159,498	18.7	-	\$ 4,204,000	\$ 44,502	1.1%	\$ 108,091	\$ 43,841	\$ 4,356,000	\$ -	\$ -	0.0%	0.0	0.0
Real Estate, Housing & Community Dev (incl. Community Services)	\$ (281,910)	-14%	-3.0	0.0	-30%	\$ 2,171,769	17.1	-	\$ 2,374,000	\$ 202,231	9.3%	\$ 97,352	\$ (32,918)	\$ 2,438,000	\$ -	\$ -	0.0%	0.0	0.0
Building	\$ (601,165)	-6%	-8.0	0.0	-11%	\$ 9,975,047	73.0	-	\$ 10,065,000	\$ 89,953	0.9%	\$ 197,755	\$ 87,406	\$ 10,350,000	\$ -	\$ -	0.0%	0.0	0.0
Planning	\$ (310,351)	-10%	-4.0	0.0	-16%	\$ 3,187,333	25.0	-	\$ 3,366,000	\$ 178,667	5.6%	\$ 74,951	\$ 9,520	\$ 3,451,000	\$ -	\$ -	0.0%	0.0	0.0
TCD	\$ (550,900)	-21%	-2.5	0.0	-19%	\$ 2,426,925	5.5	-	\$ -	\$ (2,426,925)	-100.0%	\$ (15,524)	\$ (35,645)	\$ (51,000)	\$ -	\$ -	0.0%	0.0	0.0
Code Compliance	\$ (843,827)	-20%	-13.0	3.0	-21%	\$ 4,355,491	37.0	2.0	\$ 4,454,000	\$ 98,509	2.3%	\$ 118,354	\$ 87,877	\$ 4,660,000	\$ -	\$ -	0.0%	0.0	0.0
Parks & Recreation (including Golf courses)	\$ (2,900,743)	-10%	-28.0	-26.0	-18%	\$ 28,092,835	173.0	134.0	\$ 27,856,000	\$ (236,835)	-0.8%	\$ 386,378	\$ 606,281	\$ 28,849,000	\$ (64,000)	\$ (64,000)	-0.2%	-2.0	-4.0
Public Works	\$ (1,446,535)	-23%	-17.5	0.0	-42%	\$ 6,378,093	41.4	-	\$ 6,373,000	\$ (5,093)	-0.1%	\$ 118,904	\$ 152,431	\$ 6,645,000	\$ (71,000)	\$ (71,000)	-1.1%	-1.0	0.0
CIP	\$ (63,863)	-1%	1.0	0.0	3%	\$ 4,744,094	38.0	-	\$ 4,699,000	\$ (45,094)	-1.0%	\$ 140,231	\$ 47,288	\$ 4,886,000	\$ -	\$ -	0.0%	0.0	0.0
Police	\$ (5,266,901)	-6%	-62.0	1.0	-12%	\$ 91,992,541	508.0	14.0	\$ 93,088,000	\$ 1,095,459	1.2%	\$ 1,647,946	\$ 719,287	\$ 95,455,000	\$ (136,000)	\$ (136,000)	-0.1%	1.0	1.0
Fire	\$ (2,368,194)	-4%	-7.0	0.0	-2%	\$ 58,942,391	303.0	48.0	\$ 59,866,000	\$ 923,609	1.6%	\$ 2,546,145	\$ 849,682	\$ 63,262,000	\$ -	\$ -	0.0%	0.0	0.0
Citywide	\$ (1,689,544)	-15%	0.0	0.0	0%	\$ 10,041,012	-	-	\$ 9,637,000	\$ (404,012)	-4.0%		\$ 457,491	\$ 10,092,000	\$ (152,000)	\$ (152,000)	-1.5%	0.0	0.0
Subtotal	\$ (19,182,627)	-8%	-179.9	-22.0	-13%	\$ 241,783,603	1356.0	200.0	\$ 241,476,000	\$ (307,603)	-0.1%	\$ 5,719,969	\$ 3,186,700	\$ 250,383,000	\$ (612,000)	\$ (612,000)	-0.3%	-3.0	-3.0
General Fund																			
Transfers	\$ -					\$ -			\$ -	\$ -									
Capital Reserve	\$ (2,500,000)					\$ -			\$ -	\$ -									
Pay-As-You-Go Capital	\$ (7,500,000)					\$ -			\$ -	\$ -									
Info & Comm. Tech Fund	\$ (714,115)					\$ 600,885			\$ 601,000	\$ 115	0.0%			\$ 601,000	\$ (320,000)	\$ (320,000)	-53.2%		
Capital Investment Upkeep Acct	\$ (1,618,000)					\$ 196,500			\$ 219,000	\$ 22,500	11.5%			\$ 219,000	\$ -	\$ -	0.0%		
Renewal and Replacement Fund	\$ (1,056,529)					\$ 1,755,752			\$ 1,859,000	\$ 103,248	5.9%			\$ 1,859,000	\$ -	\$ -	0.0%		
Homeowners Dividend	\$ (4,900,000)								\$ -	\$ -				\$ -	\$ -				
Transfer to Risk Fund	\$ (1,000,000)								\$ -	\$ -				\$ -	\$ -				
Transfer to 11% Reserve	\$ (3,338,419)								\$ -	\$ -				\$ -	\$ -				
PRELIMINARY PENSION INCREASE EST.																			
Fire & Police									\$ 2,929,000	\$ 2,929,000									
MBERP									\$ 2,791,000	\$ 2,791,000									
FY 2011/12 Credit (\$1.7M F&P, \$0.5M MBERP)									\$ -	\$ -									
INTERNAL SERVICE FUNDS INCREASE									\$ 3,187,000	\$ 3,187,000									
Total General Fund	\$ (41,809,690)	-18%	-179.9	-22.0	-13%	\$ 244,336,740	1356.0	200.0	\$ 253,062,000	\$ 8,725,260	3.6%	\$ 5,719,969	\$ 3,186,700	\$ 253,062,000	\$ (932,000)	\$ (932,000)	-0.4%	-3.0	-3.0

* Neighborhood Services Department was split into various functions and significantly reduced in FY 2007/08 - Chart reflects reductions as part of Code Compliance
** FY 2010/11 Budget included reductions for contracting out/converting positions to part-time, resulting in \$221,901 in department Plan B savings offset by increased contingency. These were not implemented and the FY 2010/11 Department budget have been adjusted to reflect the impact.

PRELIMINARY CSL INCLUDES																															
10% Increase in Health Insurance																															
Does not include increases to living wage																															
	5-Year Prior Reductions (Adjusted For FY 2010/11 PLAN B*)						PROPOSED FY 2012/13 CSL																								
	\$ Impact/ % of Adjusted FY 2010/11 Budget		Positions/ % of Adjusted FY 2010/11 Budget		FY 2011/12 Adopted Budget		CSL Budget Prior to Pension and Internal Service Adjustments (rounded to the 000's)			\$ change	% Chg	Pension Allocation	Internal Service Allocations	CSL with Pension and Internal Service Allocations (rounded to the 000's)		Addtl. Efficiency Reorg. Etc.	Total	% of CSL	POS. Impacts												
Internal Service Funds																															
Information Technology	\$	(1,421,977)	-10%	-10.0	0.0	-28%	\$	15,229,854	35.5		\$	16,157,000	\$	927,146	6.1%	\$	124,231	\$	-	\$	16,281,000	\$	-	\$	-	0.0%	0.0	0.0			
Risk Management	\$	(325,443)	-2%	-0.5	0.0	-7%	\$	21,750,296	6.7	-	\$	23,482,000	\$	1,731,704	8.0%	\$	12,362	\$	152	\$	23,494,000	\$	-	\$	-	0.0%	0.0	0.0			
Central Services	\$	(82,064)	-10%	-1.6	0.0	-36%	\$	886,490	4.4	-	\$	904,000	\$	17,510	2.0%	\$	9,390	\$	(7,207)	\$	906,000	\$	-	\$	-	0.0%	0.0	0.0			
Property Management - Non RDA	\$	(1,469,437)	-18%	-22.0	0.0	-50%	\$	8,234,369	44.0	-	\$	8,647,000	\$	412,631	5.0%	\$	90,458	\$	56,512	\$	8,794,000	\$	-	\$	-	0.0%	0.0	0.0			
Fleet Management	\$	(199,304)	-2%	-3.0	0.0	-14%	\$	8,179,436	20.0	2.0	\$	9,653,000	\$	1,473,564	18.0%	\$	59,893	\$	(12,474)	\$	9,700,000	\$	-	\$	-	0.0%	0.0	0.0			
PENSION INCREASE																															
MBERP (10% of \$3.6M Citywide)																															
												\$	297,000	\$	297,000																
INTERNAL SERVICE FUNDS INCREASE																															
												\$	37,000	\$	37,000																
ROUNDING																															
												\$	(2,000)	\$	(2,000)																
Total Internal Service Funds																															
	\$	(3,498,225)	-7%	-37.1	0.0	-41%	\$	54,280,445	110.6	2.0	\$	59,175,000	\$	4,896,555	12.6%	\$	296,334	\$	36,983	\$	59,175,000	\$	-	\$	-	0.0%	0.0	0.0			
SUB-TOTAL GENERAL FUND + INTERNALS																															
	\$	(45,307,915)	-16%	-217.0	-22.0	-15%	\$	298,617,185	1466.6	202.0	\$	312,237,000	\$	13,621,815	0.2%						3,223,683	\$	312,237,000	\$	(932,000)	\$	(932,000)	-0.3%	-3.0	-3.0	
Enterprise Funds																															
Convention Center	\$	(403,781)	-3%	0.5	0.0	25%	\$	13,478,680	2.50		\$	12,702,000	\$	(776,680)	-5.8%	\$	28,184	\$	4,958	\$	12,702,000	\$	-	\$	-	0.0%	0.0	0.0			
Water	\$	(654,713)	-2%	-17.0	0.0	-30%	\$	33,519,573	52.15	-	\$	33,555,000	\$	35,427	0.1%	\$	83,780	\$	280,923	\$	33,919,000	\$	-	\$	-	0.0%	0.0	0.0			
Sewer	\$	(232,969)	-1%	-7.0	0.0	-20%	\$	34,458,433	35.15	-	\$	37,323,000	\$	2,864,567	8.3%	\$	68,739	\$	(80,570)	\$	37,311,000	\$	(47,000)	\$	(47,000)	-0.1%	-1.0	0.0			
Stormwater	\$	(650,175)	-4%	-2.5	0.0	-11%	\$	14,586,215	21.30	-	\$	11,926,000	\$	(2,660,215)	-18.2%	\$	25,378	\$	10,521	\$	11,962,000	\$	-	\$	-	0.0%	0.0	0.0			
Sanitation	\$	(473,232)	-3%	-5.0	0.0	-3%	\$	15,929,943	179.00	-	\$	17,064,000	\$	1,134,057	7.1%	\$	295,632	\$	184,404	\$	17,544,000	\$	(111,000)	\$	(111,000)	-0.6%	-5.0	0.0			
Parking	\$	(918,151)	-2%	-8.0	8.0	0%	\$	44,720,629	116.00	21.00	\$	47,204,000	\$	2,483,371	5.6%	\$	273,997	\$	901,049	\$	47,204,000	\$	(38,000)	\$	(38,000)	-0.1%	-6.0	8.0			
PENSION INCREASE																															
MBERP (10% of \$3.6M Citywide)																															
												\$	776,000	\$	776,000																
INTERNAL SERVICE FUNDS INCREASE																															
												\$	1,302,000	\$	1,302,000																
RENEWAL & REPLACEMENT FUNDING																															
												\$	(1,210,000)	\$	(1,210,000)																
Total Enterprise Funds																															
	\$	(3,333,021)	-2%	-39.0	8.0	-8%	\$	156,693,473	406.1	21.0	\$	160,642,000	\$	3,080,527	2.8%	\$	775,710	\$	1,301,285	\$	160,642,000	\$	(196,000)	\$	(196,000)	-0.1%	-12.0	8.0			
GRAND TOTAL**																															
	\$	(48,640,936)	-11%	-256.0	-14.0	-13%	\$	455,310,658	1872.7	223.0	\$	472,879,000	\$	16,702,342	6.0%	\$	6,792,013	\$	4,524,968	\$	472,879,000	\$	(1,128,000)	\$	(1,128,000)	-0.2%	-15.0	5.0			

** In addition, in FY 2009/10 there are 23 Police and Property Management positions budgeted in the City Center RDA and 19.6 FT positions budgeted through grants and special revenue funds. The FY 2010/11 Proposed Budget for the RDA recommends reducing 1FT positions through efficiencies and 4 FT positions through PContracting Out as shown in Exhibits B - D.
**The City Center RDA budget also includes the reduction of 1 full time position as part of minimal service

ATTACHMENT B

POSITIVE IMPACT OR MINIMAL SERVICE IMPACT, EFFICIENCIES, ETC.

GENERAL FUND	Impact	Cumulative Dept. Impact	Position Impacts						
			Full Time	Part Time	Proj. Vacant	Filled	Mgt. & Admin	Non Mgt.	
Police									
Community Policing Reconfiguration- Eliminate 1 Police Commander in Technical Svcs plus 1 Administrative Aide I position in CID and replace with 3 Crime Analyst positions	(67,000)	(67,000)	1.0		1.0			(2.0)	3.0
Information Technology Enhancement- Add 1 Senior Systems Analyst, offset by \$80,000 reduction in overtime	(8,000)	(75,000)	1.0						1.0
Convert Emergency Manager from full-time to part-time effective 1/1/13 (filled Major position to be vacated 1/1/13)	(61,000)	(136,000)	(1.0)	1.0	(1.0)				
Parks & Recreation									
Eliminate (5) vacant positions (1 MSW I and 4 MSW II) for FY12 and utilize a portion of the funds, to obtain contractual professional irrigation services utilizing a contracted irrigation service provider for \$80,000. Assumes implementation October, 2013. Add list of positions	(43,000)	(43,000)	(2.0)	(3.0)	(5.0)				(5.0)
Eliminate (1) MSW III part-time	(21,000)	(64,000)		(1.0)					(1.0)
Public Works									
Eliminate 1 Street Operations Supervisor position	(71,000)	(71,000)	(1.0)		(1.0)				(1.0)
City Manager's Office									
Freeze one (1) Assistant City Manager (ACM) position and one (1) assistant for 6 months during interim transitional period - Assistant incumbent to be placed in existing vacancy	(132,000)	(132,000)							
City Clerk									
Transfer passport service function to the Customer Service Center eliminate 1 Office Associate II position	(57,000)	(57,000)	(1.0)				(1.0)		(1.0)
Citywide									
Replace CAC supplemental funding from General Fund with an increase in Quality of Life Funding (estimated increase of \$200,000 from FY12 to FY13)	(152,000)	(152,000)							
Total General Fund Without Transfers		\$ (612,000)	\$ (612,000)	(3.0)	(3.0)	(6.0)	(1.0)	(2.0)	(4.0)
Transfers									
Reduced funding for IT Technology projects based on department requests	(320,000)	\$ (320,000)							
Total General Fund		\$ (932,000)	\$ (932,000)	(3.0)	(3.0)	(6.0)	(1.0)	(2.0)	(4.0)
INTERNAL SERVICE FUNDS									
Risk Management -Insurance									
Implement a 90-day waiting period for newly hired unclassified employees enrolling in medical insurance plans this is the same as what currently exists for newly hired classified employees. (\$30,000)		\$ -							
Property Management									
Reclassify Data Entry Clerk position to Office Associate IV to increase efficiency by combining data entry duties and administrative support needed. (\$6,000)		\$ -							
Total Internal Services Funds		\$ -	\$ -						

			Position Impacts							
GENERAL FUND	Impact	Cumulative Dept. Impact	Full Time	Part Time	Proj. Vacant	Filled	Mgt. & Admin	Non Mgt.		
			Position Impacts							
ENTERPRISE FUNDS	Impact	Cumulative Dept. Impact	Full Time	Part Time	Proj. Vacant	Filled	Mgt. & Admin	Non Mgt.		
Sewer										
Eliminate 1 Assistant Pumping Mechanic	(47,000)	(47,000)	(1.0)					(1.0)		
Sanitation										
Eliminate 1 Vacant Waste Driver Supervisor	(49,000)	(49,000)	(1.0)		(1.0)			(1.0)		
Reclassify 1 Administrative Aide I and replace with an 4 Office Associate V to provide an enhanced level of Administrative support required by Division - (\$14,000)		(49,000)								
Outsource Maintenance of Beachfront restrooms - 2 MSW II and 2 MSW III (Sanitation)	\$ (62,000)	\$ (111,000)	(4.0)		(4.0)			(4.0)		
Parking										
SIGN SHOP & METER SHOP UNITS - Convert 1 Parking Operations Supervisor from full time to part time. No decrease in Level of Service	\$ (18,000)	\$ (18,000)	(1.0)	1.0						
SIGN SHOP & METER SHOP UNITS - Convert 1 full-time Meter Tech II and 1 full-time Meter Tech I TO 3 PT Meter Tech Is No decrease in Level of Service	\$ (4,000)	\$ (22,000)	(2.0)	3.0						
ENFORCEMENT - Convert 3 full-time Pkg Enforcement Specialist Is to 4 part-time Pkg Enforcement Specialist Is. No decrease in Level of Service	\$ (16,000)	\$ (38,000)	(3.0)	4.0						
Total Enterprise Funds			\$ (196,000)	\$ (196,000)	(12.0)	8.0	(5.0)	0.0	0.0	(6.0)
Grand Total			\$ (1,128,000)	\$ (1,128,000)	(15.0)	5.0	(11.0)	(1.0)	(2.0)	(10.0)
OTHER FUNDS										
OTHER FUNDS	Impact	Cumulative Dept. Impact								
Health Insurance Fund										
Implement a 90 day waiting period for newly hired unclassified employees enrolling in medical insurance plans this is the same as what currently exists for newly hired classified employees.	\$ (30,000)	\$ (30,000)								

**ATTACHMENT C
SERVICE ADJUSTMENTS**

GENERAL FUND	Impact	Cumulative Department Impact	Position Impacts					
			Full Time	Part Time	Proj. Vacant	Filled	Mgt & Admin	Non Mgt.
Police								
Eliminate 4 School Liaison Officers & 1 School Liaison Supervisor. These positions serve as liaisons to the public elementary and middle schools in Miami Beach. Elimination will result in no officers being assigned to the public schools in Miami Beach, which leads to a greater dissatisfaction from within the community. (\$228,000)		\$ -						
Eliminate one 1 Public Safety Specialist assigned to Criminal Investigation Division (CID)/Administration. The ability to review and enhance video from crime scenes will be impacted and may result in longer processing time. This will delay the solvability factors of certain types of crimes. (\$50,000)		\$ -						
Re-assign Officer assigned to the Police Athletic League and eliminate 4 vacant Officer position. The impact will be a loss in relationship with youth programs within the City (66,000).		\$ -						
Fire								
Reduce the Overtime Budgets (1210,1220) by amending the minimum staffing ordinance to set staffing levels to a minimum of 42 personnel when there are more than 3 unscheduled absences at the start of the shift. Note: There are no reductions to the number of firefighters assigned to shifts. Projection based on 07/08, 08/09 and 09/10 OT costs for 43rd and 44th person and shift strength of 184 (the same as the last three Fiscal Year). Annual estimated impact is \$800,000 but requires collective bargaining with the union. Implementation 7/1/12 is assumed.								
		PENDING STUDY AND CONTRACT NEGOTIATIONS						
Fire (Ocean Rescue)								
Reducing the Ocean Rescue Division schedule to better reflect usage		PENDING FURTHER EVALUTATION						
Total	\$ -	\$ -	-	-	-	-	-	-

**ATTACHMENT D
REVENUE ENHANCEMENTS**

	Fiscal Impact	Cumulative Department Impact	Cumulative Fund Impact
GENERAL FUND			
Police			
Charge for commercial false alarms consistent with Miami-Dade County which is to not start charging the \$100 penalty until the forth violation, and having it raise with additional violations and capped \$500.	\$ 7,000	\$ 7,000	\$ 7,000
Fire			
Increase Fire Transport Fees to Miami Dade County Levels for FY 12012/13 and add charges similar to Hialeah and Coral Gables			
SERVICES AND TRANSPORT	Miami Beach	Miami-Dade	
ADVANCED LIFE SUPPORT (ALS)	N/A	N/A	
ALS 1 TRANSPORT 1	\$600.00	\$800.00	
ALS 2 TRANSPORT 2	\$800.00	\$800.00	
SPECIALTY CARE TRANSPORT (ALS SCT)	\$0.00	\$900.00	
BASIC LIFE SUPPORT (BLS) TRANSPORT	\$500.00	\$800.00	
PROCEDURES AND EQUIPMENT			
BACKBOARD	\$25.00	\$25.00	
CARDIAC MONITORING	\$25.00	\$25.00	
CERVICAL COLLAR	\$25.00	\$25.00	
IV SOLUTIONS	\$25.00	\$25.00	
MILEAGE PER MILE OR FRACTION	\$10.00	\$15.00	
OXYGEN PER TANK OR FRACTION	\$30.00	\$30.00	
SPECIAL HANDLING (EXTRICATION, ETC.)		\$25.00	
<u>CARDIAC ARREST RATES</u>		Coral Gables/ Hialeah	
AUTO PULSE LIFE BANDS		\$175.00	
RESCUE POD		\$100.00	
DEFIBRILLATION PADS		\$100.00	
EZ-IO		\$100.00	
	\$ 192,000	\$ 192,000	\$ 199,000
Parks and Recreation			
Increase Staff Rental Rates. Example below show est. rental revenues collected in FY11 & compare them to est. proposed rates for the total est. increases in revenues. Staffing: \$63,000 est. collected in FY 11; Proposed 40% Increase (from \$25 to \$35 p/hr) in FY 13 is \$88,000. Difference (Est. Revenue Increase) = \$25,000	\$25,000	\$ 25,000	
Increase Resident Pavilion Rental Rates for 4 hour Rental, including Normandy Isle, Muss Park, Palm Island. Rental revenues collected in FY11 and compare them to est. proposed rates for the total estimated increases in revenues. Proposed increase from \$100 to \$125 in FY 13 \$1,000		\$ 25,000	
Proposed Increase in Resident North Shore Open Space Pavilion Rental Rates. Examples below show est. rental revenues collected in FY11 & compared to est. proposed rates for the total estimated increases in revenues. Pavilions: \$21,000 est. collected in FY 11; Proposed 100% Increase (from \$75 to \$125) in FY 13 is \$35,000. Difference (Est. Revenue Increase) = \$14,000	\$14,000	\$ 39,000	\$ 238,000
TCD			
Add a \$1 facility processing fee for all tickets at the Colony Theatre	\$ 5,000	\$ 5,000	POTENTIAL GENERAL FUND REVENUES
Establish a \$0.25 "comp" ticket order processing fee - \$3,000		\$ 5,000	
Co-produce events charging 30% of ticket sales rather than theatre and equipment rental	\$ 20,000	\$ 25,000	

ATTACHMENT E

ADDITIONS AND SERVICE ENHANCEMENTS	Fiscal Impact	Cumulative Impact	Positions	
			FT	PT
GENERAL FUND				
Potential Additions				
Living Wage - existing contracts with living wage	62,000	62,000		
Living wage - potential impact for expiration of current golf course management agreement (\$150,000 - pending contract negotiation/re-bid)	TBD	62,000		
Additions Since FY 2011/12 Budget				
Locations added to the Parks & Recreation's Greenspace Management Division's areas of responsibility after the completion of the budget process with additional costs identified at the following locations: CITYWIDE MOWING: • Dickens & Tatum Waterway 21 Bumpouts & Medians (CIP) - \$22,140 • Bonita Drive South - \$768 • North Shore Park & Youth Center (Sports Field) increase for Bermuda - \$34,001 • Miami Beach High School Swale, Dade Blvd N. to Par 3 - \$7,350 • Hibiscus Island Hurricane Evacuation Site - \$2,250 GROUNDS MAINTENANCE: • Flamingo Neighborhood Streetscape Swales & Bumpouts - \$3,500 • Washington Avenue Dog Park Increase - \$1,250 • Normandy Business District (FDOT/CIP) - \$3,000 • 71st Street Sidewalk Planters (FDOT/CIP) - \$6,000 In addition the following will be added to the RDA budget • Bass Museum (Renovated Site) CITY CENTER /RDA \$8,100 • Soundscape Park Special Events (additional service required to facilitate the 38 plus events held at this Park: Movies, Wallcasts, Opera Nights, etc) - \$19,200	81,000	81,000		
Total Additions	143,000	143,000		
Potential Enhancements				
Police				
position after 5 months in FY 2012/13 through attrition- currently the Police Department has one Lieutenant position underfilling a vacant Major position due to Reorganization -- when a Lieutenant position is vacated in February 2013, the Major position can be eliminated.	50,000	50,000		
Internal Affairs Reorganization - Adding 5 sworn investigators and 1 OAV. 1 Sergeant has already been assigned to the FBI. 1 Sergeant will be assigned to the Crime Suppression Team for the Entertainment District, 2 will be dedicated to Crime Investigations. These enhancements would be offset by the elimination of 1 Public Safety Specialist, as well as a \$79,000 reduction in overtime and 1 Sergeant would be eliminated through attrition before FY 2012/13 for a total of \$343,000		50,000		
Add 2 ATV Police Officers in the North area working 2200 to 0800 hours (10pm to 8am) to implement and enforce the beach closure. <i>This number has been refined to exclude new vehicles, fuel, maintenance and depreciation costs for the additional Police Department union positions being proposed, as they will not impact the FY 2012/13 budget. These vehicle costs of \$76,200 will impact subsequent years.</i>	165,000	215,000	2.0	
Team (Sergeant for the squad would be assigned from the IA reorg). This enhancement will be offset by the elimination of \$100,000 in overtime. <i>This number has been refined to exclude new vehicles, fuel, maintenance and depreciation costs for the additional Police Department union positions being proposed, as they will not impact the FY 2012/13 budget. These vehicle costs of \$152,400 will impact subsequent years.</i>	230,000	445,000	4.0	
Add 6 Police Officers in the South area for a walking beat along Washington Avenue.	461,000	906,000	6.0	
Add 1 Detention Officer to augment current staffing levels in all three shifts including weekends. <i>This number has been refined to exclude new vehicles, fuel, maintenance and depreciation costs for the additional Police Department union positions being proposed, as they will not impact the FY 2012/13 budget. These vehicle costs of \$38,100 will impact subsequent years.</i>	66,000	972,000	1.0	
Records Unit Enhancement - additional Records Technician and Data Entry Clerk will reduce the need for overtime in the unit by \$80,000.	5,000	977,000	2.0	
Outreach	20,000	997,000		
Fire/Ocean Rescue				
Conduct study to better determine beach usage by time of day, day of week and time of year in order to more efficiently allocate resources - \$25,000				

Building	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
Increase temporary labor to provide support in the violations section of department to become more proactive in addressing construction without permits and unsafe structures.	106,000	106,000		
demand	149,000	255,000		
Add plan review position to continue to evaluate where permit fees appear to be in excess of 10 percent of the job value - this position will be done on contract rather than hiring a full-time employee	149,000	404,000		
Add a contracted Sr. Mechanical inspector and a contracted Sr. Building inspector to respond to increasing demand - contracting these positions rather than hiring full time employees provides for improved flexibility in response to market demands	298,000	702,000		
REHCD				
Add a full-time Leasing Specialist	66,000	66,000	1.0	
Convert part-time position shared with TCD for field monitoring to a full time position in each department. Also impacts TCD - see below	12,000	78,000	1.0	(0.5)
TCD				
Convert part-time position shared with REHCD for field monitoring to a full time position in each department. Also impacts REHCD - see above	32,000	32,000	1.0	(0.5)
Installation of exterior lighting at the Colony Theater	15,000	47,000		
Purchase of cleaning equipment, carpet cleaner/extractor, wet-vac and burnisher for the Colony Theater which currently does not have its own equipment	4,000	51,000		
OBPI				
Utilize outside audit contractor to review/audit one area of the city's operations per year, CIP and Planning anticipated for FY 2013.	150,000	150,000		
Procure Grants research software (6 city departments; including 2 licenses for OBPI, and 1 for Community Services who also requested similar software) – (based on 3yr contract)	8,000	158,000		
City Manager's Office				
Community Outreach - Condominium Ombudsman - <u>reassign duties to utilize existing resources to provide service and carry out functions - \$71,000</u>		-		
Citywide				
Increased Transfer to Pay-As-You-Go Fund	1,400,000	1,400,000		
Reinstate Festival of the Arts	55,000	1,455,000		
Additional Information Technology Funding For Automated Vehicle Locator (AVL) technology in Parks and Recreation vehicles, additional Fire vehicles and Public Works General Fund vehicles	114,000	\$ 1,569,000		
Total General Fund Enhancements	\$ 3,555,000	\$3,555,000	18.0	(1.0)
Total General Fund	\$ 3,698,000		18.0	(1.0)
INTERNAL SERVICE FUNDS				
	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
Potential Additions				
Living Wage - existing contracts with living wage in Property Management	9,000	9,000		
Potential Enhancements				
Property Management				
Hand Sanitizers at City Facilities	\$ 29,000	29,000		
AVL Funding for Public Works Property Management Vehicles	30,000	59,000		
Information Technology				
Special Project Coordinator/Business Analyst to facilitate the review of business process requirement and data gathering for departments in order to identify technology improvements, focusing on customer solutions.	85,000	85,000	1.0	
Total Internal Service Funds	\$ 153,000	\$ 153,000	1.0	0.0

ENTERPRISE FUNDS	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
Potential Additions				
Living Wage - existing contracts with living wage in Public Works Stormwater, Sewer, Sanitation, Parking and Convention Center	253,000	253,000		
Potential Enhancements				
Sanitation				
Washington Avenue Tourism Enhancement Initiative - increased pressure cleaning from bi-weekly to weekly- (1 MSW I & 1 MSWII; includes \$34,000 for vehicle & equipment costs)	\$ 115,000	\$ 115,000	2.0	
Sewer				
AVL Funding for Public Works Sewer Vehicles	\$ 18,000	\$ 18,000		
Water				
AVL Funding for Public Works Water Vehicles	\$ 25,000	\$ 25,000		
Stormwater				
AVL Funding for Public Works Stormwater Vehicles	\$ 6,000	\$ 6,000		
Total Enterprise Funds				
	\$ 417,000	\$ 417,000	2.0	0.0

Grand Total All City Funds	\$ 4,268,000	\$ 570,000	21.0	(1.0)
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RDA	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
Potential Additions				
Living Wage - existing contracts with living wage	20,000	20,000		
Increase Security coverage on Lincoln Road between the hours of 1am-6am, allowing for 24 hour coverage between security and Police Officers.	35,000	55,000		
Addition of a Lincoln Road Mall Manager /"Point Person"- <u>reassign duties to utilize existing resources to provide service and carry out functions-</u> \$61,000		\$ 55,000		
Lincoln Road Tourism Enhancement Initiative - Increased pressure cleaning from bi-weekly to weekly- (1 MSW I & 1 MSWII; includes \$34,000 for vehicle & equipment costs)	101,000	\$ 156,000	2.0	
Locations added to the Parks & Recreation's Greenspace Management Division's areas of responsibility: In the RDA • Bass Museum (Renovated Site) CITY CENTER /RDA \$8,100 • Soundscape Park Special Events (additional service required to facilitate the 38 plus events held at this Park: Movies, Wallcasts, Opera Nights, etc) - \$19,200	28,000	\$ 83,000		
Total RDA	\$184,000	\$ 83,000	2.0	0.0

Resort Tax	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
Potential Additions				
Increased funding for Overtime for Spring Break and Memorial Day Weekend consistent with levels deployed in FY 2011/12	680,000	680,000		
Washington Avenue Tourism Enhancement Initiative - Marketing (\$73,000) and FIU-Wolfsonian (\$75,000 funded over 2 years)	148,000	\$ 828,000		
Enhance Holiday Decorations	40,000	\$ 868,000		
Sponsorship fee to help offset marketing and advertising expenses associated with the Ms. USA event. If the event that Ms. USA is not held in Miami Beach, this funding will be used for other events.	100,000	\$ 968,000		
Total Resort Tax	\$968,000	\$ 968,000	0.0	0.0

Special Revenue	Fiscal Impact	Cumulative Impact	Total	
			FT	PT
Potential Enhancements				
Sustainability Fund				
Enhance the environmental sustainability of the community through comprehensive citywide Recycling Program <ul style="list-style-type: none"> • First year includes an intensive education and outreach campaign and after six months, beginning January 2013, warnings will be issued • Sustainability Officer will be responsible for conducting outreach, recycling guidance, and if necessary, issue warnings, • Once the Recycling Program has been implemented, the Sustainability Officer can address other sustainability issues (greening restaurants, etc), • Administration will go back to Commission before issuing fines, • Enhancement funded from the Waste haulers Additional Services an Public Benefit Fund 	95,000	95,000	1.0	
Total Sustainability	\$95,000	\$95,000	1.0	0.0