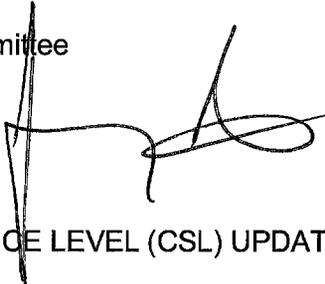


MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager 

DATE: August 21, 2013

SUBJECT: GENERAL FUND CURRENT SERVICE LEVEL (CSL) UPDATE

CURRENT SERVICE LEVEL BUDGET AS OF JULY 8, 2013

On the revenue side for FY 2013/14, based on the July 1, 2013 Certification of Taxable Value from the Miami-Dade County Property Appraiser, values of existing properties increased by 6.9 percent from the July 1, 2012 tax roll certification.

In total, revenues are expected to increase by \$6.1 million for FY 2013/14 principally due to increased property tax as a result of higher property values as well as increased licenses and permits revenue offset by decreases across a number of categories. Property taxes are projected to increase \$7.6 million due to a 6.7 percent increase in taxable values, once City Center Redevelopment Area (RDA) tax increment revenues are excluded. Licenses and permits increased \$2.4 million with the majority coming from increases in Building Department revenues and Rents and Leases are projected to be \$0.55 million over the FY 2012/13 budget.

These revenue increases were offset by \$2.5 million revenue decreases in other categories including other taxes due to declining telephone utility tax revenue and lower than budgeted electric franchise fee revenue in FY 2012/13, lower than budgeted fines & forfeits, and a decrease in investment interest due to market conditions.

Further, CSL revenues reflect the use of \$2.7 million in prior year surplus specifically set aside for this purpose and \$0.8 million set aside to offset pension increases (a decline from the \$3.4 million and \$2.2 million, respectively, set aside for FY 2012/13), along with \$7.2 million in prior year Parking Fund operating surplus and Building Department reserves of \$1.5 million are also included.

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. However, FY 2013/14, increases are estimated to result in an approximately \$11.0 million (4.3 percent) increase in expenditures, similar to the FY 2012/13 CSL increase of 4.6 percent.

The resulting gap between General Fund CSL expenditures and CSL revenues as of the July 8, 2013 meeting was \$4,920,000.

CHANGES TO CURRENT SERVICE LEVEL BUDGET SINCE JULY 8, 2013

At their July 17, 2013 meeting, the Commission voted to reduce the millage rate by 0.20 mills. This resulted in a reduction of property tax revenue of \$4,004,000. Other General Fund revenues have been adjusted to reflect 3rd Quarter actuals in FY 2012/13 that impact projections for FY 2013/14, resulting in an overall increase of \$1,761,000. Expenditure adjustments since July 8th total \$142,000 and include items such as updates to internal service fund charges, administration fees, distribution of pension costs, and further refinements to salaries.

Other expenditure changes from the July 17, 2013 Commission meeting include impacts from union agreements totaling \$4,635,000 to the General Fund. Implementation of pension changes for current and future employees result in savings of \$5,664,000 to the General Fund (CWA \$120,000, IAFF \$2,152,000 and FOP \$3,392,000). CWA impacts for three percent merit eligibility, eleven percent extension of the salary range for Lifeguard II and Lieutenants, changes to holiday pay and increase of union time bank hour resulting in \$507,000 increase in salaries, and a \$30,000 increase for reinstated shift differential. IAFF impacts for increase on-call supplement for Fire Investigators and PIO's, and increase paramedic recertification pay resulting in an increase in salaries of \$57,000 and increase of \$80,000 in capital and debt for take-home vehicle assignments. FOP impacts for implementation of voluntary annual physical fitness assessment incentive resulting in an increase in benefits of \$355,000.

The resulting gap between General Fund CSL expenditures and CSL revenues reflecting changes made since the July 8, 2013 meeting is \$2,457,000.

Attachment

JLM: JW



**FY 2013/14 GENERAL FUND CURRENT SERVICE LEVEL BUDGET
PRELIMINARY ESTIMATE WITH JULY 1 VALUES**

GENERAL FUND REVENUES

CARRYFORWARD TO OFFSET PENSION COSTS LOSS of \$2.2M CARRYFORWARD IN FY 2012/13 - FY 2013/14 \$831,000
OTHER CARRYOVER FROM PRIOR YEAR DECREASED FROM \$3.4 MILLION to \$2.7 MILLION

	FY 2012/13 Adopted Budget	FY 2013/14 Prelim. Est. as of July 1 - Current Millage	\$ Change from Budget	% Change from Budget
GENERAL FUND REVENUES				
Property Taxes	\$114,317,000	\$ 121,965,000	\$ 7,648,000	6.7%
Property Taxes - Normandy Shores	129,000	147,000	18,000	14%
Other Taxes	24,023,000	22,207,000	(1,816,000)	-8%
Licenses & Permits	20,033,000	22,421,000	2,388,000	12%
Intergovernmental	9,827,000	9,907,000	80,000	1%
Charges For Services	10,668,000	10,629,000	(39,000)	0%
Fines and Forfeits	2,199,000	2,019,000	(180,000)	-8%
Interest	2,983,000	2,477,000	(506,000)	-17%
Rents and Leases	6,464,000	7,014,000	550,000	9%
Miscellaneous	11,830,000	11,903,000	73,000	1%
Resort Taxes	30,965,000	30,965,000	-	0%
Other Non-Operating Revenues	8,532,000	8,532,000	-	0%
Reserves - Bldg Dept	1,500,000	1,500,000	-	0%
Parking Surplus Transfer	7,200,000	7,200,000	-	0%
Prior year set aside	3,400,000	2,700,000	(700,000)	-21%
Prior year set aside for Pension	2,210,000	831,000	(1,379,000)	-62%
Total	\$ 256,280,000	\$ 262,417,000	\$ 6,137,000	2%

	FY 2013/14 - Preliminary Millage	\$ Change from July 1	% Change from July 1
	\$ 117,961,000	\$ (4,004,000)	-3.3%
	147,000	-	0.0%
	21,921,000	(286,000)	-1.3%
	23,149,000	728,000	3.2%
	10,214,000	307,000	3.1%
	10,315,000	(314,000)	-3.0%
	2,519,000	500,000	24.8%
	2,921,000	444,000	17.9%
	6,945,000	(69,000)	-1.0%
	12,299,000	396,000	3.3%
	30,965,000	-	0.0%
	8,516,000	(16,000)	-0.2%
	1,500,000	-	0.0%
	7,200,000	-	0.0%
	2,700,000	-	0.0%
	831,000	-	0.0%
	\$ 260,103,000	\$ (2,314,000)	-0.9%

GENERAL FUND EXPENDITURES

COLA 0%
MERIT (ASFCME, GSA, CWA, UNCLASSIFEDS, OTHERS) 2% Max
STEP (IAFF & FOP) 5% To Max of Ranges
PENSION COSTS - GF INCREASE IMPACT
FY 2012/13 ARC Estimate
HEALTH & LIFE INS 10% Increase from FY 2012/13 projected

	FY 2012/13 Budget	FY 2013/14 Prelim. Est. as of July 1	\$ Change from Budget	% Change from Budget
Salaries	\$ 100,083,000	\$ 102,685,000	\$ 2,602,000	3%
Overtime/Other Wages	\$ 10,392,000	\$ 11,218,000	\$ 826,000	8%
Benefits				
Pension - F&P	\$ 38,532,000	\$ 40,688,000	\$ 2,156,000	6%
Pension - MBERP	13,756,000	17,106,000	3,350,000	24%
Other Pension Costs	5,913,000	5,917,000	4,000	0%
Health and Life	10,875,000	11,067,000	192,000	2%
Other Benefits	4,343,000	4,368,000	25,000	1%
Total Benefits	\$ 73,419,000	\$ 79,146,000	\$ 5,727,000	8%
Total Salary and Benefits	\$ 183,894,000	\$ 193,049,000	\$ 9,155,000	5%
Operating	\$ 26,343,000	\$ 27,269,000	\$ 926,000	4%
Internal Service Funds	39,446,000	41,220,000	1,774,000	4%
Capital & Debt	5,766,000	5,799,000	33,000	1%
Set Aside for Future Year	831,000	(831,000)	(831,000)	-100%
Total	\$ 256,280,000	\$ 267,337,000	\$ 11,057,000	4%
Net Revenues Less Expenditures	\$ -	\$ (4,920,000)	\$ (4,920,000)	

Adjustments to CSL	FY 2013/14 Revised Est. as of August 21	Union Impact	FY 2012/13 Prelim. Est. as of August 21	\$ Change from July 1	% Change from July 1
\$ (120,000)	\$ 102,565,000	\$ 564,000	\$ 103,129,000	\$ 444,000	0.4%
\$ -	\$ 11,218,000	\$ 30,000	\$ 11,248,000	\$ 30,000	0.3%
\$ (66,000)	\$ 40,622,000	\$ (5,544,000)	\$ 35,078,000	\$ (5,610,000)	-13.8%
404,000	17,510,000	\$ (120,000)	\$ 17,390,000	284,000	1.7%
-	5,917,000	-	5,917,000	-	0.0%
-	16,696,000	-	16,696,000	5,629,000	50.9%
-	4,368,000	355,000	4,723,000	355,000	8.1%
\$ 338,000	\$ 85,113,000	\$ (5,309,000)	\$ 79,804,000	\$ 658,000	0.8%
\$ 218,000	\$ 198,896,000	\$ (4,715,000)	\$ 194,181,000	\$ 1,132,000	0.6%
\$ 32,000	\$ 27,301,000	-	27,301,000	\$ 32,000	0.1%
(325,000)	35,266,000	-	35,266,000	\$ (5,954,000)	-14.4%
(67,000)	5,732,000	80,000	5,812,000	\$ 13,000	0.2%
				\$ -	
\$ (142,000)	\$ 267,195,000	\$ (4,635,000)	\$ 262,560,000	\$ (4,777,000)	-1.8%
\$ 142,000	\$ (267,195,000)	\$ 4,635,000	\$ (2,457,000)	\$ 2,463,000	