

Condensed Title:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING THE TENTATIVE AD VALOREM MILLAGE RATE OF 1.2687 MILLS FOR FISCAL YEAR (FY) 2013/14 FOR THE NORMANDY SHORES LOCAL GOVERNMENT DISTRICT, WHICH IS NINETEEN PERCENT (19.0%) MORE THAN THE "ROLLED-BACK" RATE OF 1.0664 MILLS SUBJECT TO A SECOND PUBLIC HEARING SCHEDULED ON MONDAY, SEPTEMBER 30, 2013 AT 5:02 P.M.

Key Intended Outcome Supported:

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

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

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

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

Issue:

Shall the Mayor and City Commission, acting in its capacity as the Board of Directors for the Normandy Shores Local Government Neighborhood Improvement District, adopt the attached resolution which sets the Tentative Ad Valorem Millage Rate; the Calculated Rolled-Back Rate; and sets the date, time and place for the second public hearing?

Item Summary/Recommendation:

The FY 2013/14 current service level budget is \$192,000, which is 2% (\$4,000) higher than the FY 2012/13 adopted budget. This is due primarily to the increasing cost of gate repairs and maintenance, based on the current year experience. The current design of the security gate has contributed to multiple repairs and increasing cost of maintenance and a \$3,000 increase is budgeted for FY 2013/14. The current service millage rate is 1.0826, a decrease of 0.0618 mills (5.4%) from the FY 2012/13 millage rate of 1.1444. The adoption of the current service level millage of 1.0826 would require a majority vote of the Commission.

The rolled-back rate is the millage rate required to produce the same level of property tax revenue on FY 2013/14 as anticipated to be collected in FY 2012/13 based on adjusted values as of July 1, 2013. The rolled-back rate is calculated at 1.0664 or 0.0780 mills less than the millage rate of 1.1444 adopted for FY 2012/13. The current service level millage rate is slightly higher than the rolled-back rate due to the \$4,000 increase in the projected FY 2013/14 expenses mentioned above.

The Normandy District Homeowners' Association has proposed an enhancement to the current service level budget of \$40,000 to fund one-time costs associated with redesigning the security gate and enhancing security camera equipment. The redesign of the gate is intended to resolve ongoing repair and maintenance issues related to the existing design. The enhanced security camera equipment is a police department recommendation that will help identify responsible vehicles to recoup funds from incidents of property damage claims. The proposed budget with enhancements also includes an offsetting \$7,000 savings to the projected repair and maintenance budget line item. This savings is anticipated due to the redesign of the gate project.

The proposed ad valorem millage recommended by the Administration is 1.2687 mills to provide the enhanced level of security requested by this district. The FY 2013/14 proposed millage rate is above the maximum millage rate of 1.1928 allowed to be adopted by a two-thirds vote, and will therefore require a unanimous vote.

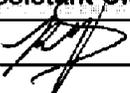
Advisory Board Recommendation:

Financial Information:

Source of Funds:	Amount	Account
1		
2		
Total		

City Clerk's Office Legislative Tracking:

Sign-Offs:

Department Director	Assistant City Manager	City Manager
		





MIAMI BEACH

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

COMMISSION MEMORANDUM

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

FROM: Jimmy L. Morales, City Manager

DATE: September 11, 2013

SUBJECT: **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING THE TENTATIVE AD VALOREM MILLAGE RATE OF 1.2687 MILLS FOR FISCAL YEAR (FY) 2013/14 FOR THE NORMANDY SHORES LOCAL GOVERNMENT DISTRICT, WHICH IS NINETEEN PERCENT (19.0%) MORE THAN THE "ROLLED-BACK" RATE OF 1.0664 MILLS SUBJECT TO A SECOND PUBLIC HEARING SCHEDULED ON MONDAY, SEPTEMBER 30, 2013 AT 5:02 P.M.**

ADMINISTRATION RECOMMENDATION

The Administration recommends that the Mayor and City Commission, acting in its capacity as the Board of Directors for the Normandy Shores Local Government Neighborhood Improvement District, adopt the attached resolution which authorizes the City Manager to transmit the following information to the Miami-Dade County Property Appraiser:

- 1) The tentatively adopted millage rate of the Normandy Shores Neighborhood Improvement District for FY 2013/14:

General Operating	1.2687 mills (1.1444) last year
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- 2) The tentatively adopted millage rate of 1.2687 mills is 19.0% more than the "Rolled-Back" Rate of 1.0664 mills
- 3) The second public hearing to consider the final Normandy Shores Neighborhood Improvement District operating millage rate and final budget for FY 2013/14 shall be held on Monday, September 30, 2013 at 5:02 P.M., in the City Commission Chambers, City Hall, 1700 Convention Center Drive, Miami Beach, Florida.

BACKGROUND

The Normandy Shores Local Government Neighborhood Improvement District, a dependent taxing district of its principal, the City of Miami Beach, was established in 1994 to provide continual 24-hour security to this gated community; FY 2013/14 represents its twentieth year of operation.

It was established by Ordinance 93-2881, and has the authority "to levy an ad-valorem tax on real and personal property of up to two mills, provided that no parcel of property will be assessed more than \$500 annually for such improvements". During FY 1998/99 the amount of annual funding to be provided by the City and the dependent status of the District were issues discussed by the Finance and Citywide Projects Committee. A determination was reached that the City would fund 35% of the annual cost of the operation of the community gate guard. This cost will eventually be funded from the golf course operation of the Normandy Shores Golf Course. It was further agreed that the City would continue to supplement the District at current levels until both issues were resolved. On August 29, 2002, the Administration met with the Normandy Shores Local Government Neighborhood Improvement District representatives and agreed to eliminate the \$500 cap on the highest valued home in the District. The enabling legislation was adopted by the Commission on September 25, 2002. This ensures that the City's contribution from the General Fund remains at 35% of the operating budget of the District.

PROCEDURE

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

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

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

ANALYSIS

On July 1, 2013, the City received the 2012 Certification of Taxable Value from the Property Appraiser's Office stating that the taxable value for Normandy Shores is \$121,339,865, which includes an increase of \$360,092 in new construction, renovation, etc. The preliminary value represents an increase of \$8,946,451 from the July 1, 2012 Certification of taxable Value of \$112,393,414 (7.9 percent) and an increase of 7.6 percent over 2012's July 2013 value of \$112,735,259. It is important to note that the January 1, 2012 tax roll for

Normandy Shores increased by almost \$342,000 (0.3%) between the July 1, 2012 valuation and the July 1, 2013.

Current Service Level Budget

The current service level budget reflects budget increases or decreases necessary to provide the current level of services in the coming year. The FY 2013/14 current service level budget is \$192,000, which is 2% (\$4,000) higher than the FY 2012/13 adopted budget. This is due primarily to the increasing cost of gate repairs and maintenance, based on the current year experience. The current design of the security gate has contributed to multiple repairs and increasing cost of maintenance and a \$3,000 increase is budgeted for FY 2013/14.

As a result of this increase in the current service level budget, the ad valorem millage to provide the current level of security required by this district is 1.0826 mills, which is 0.0618 mills (5.4%) lower than the FY 2012/13 adopted millage of 1.1444 due to a 7.9% increase in 2013 property values. This tax levy would generate proceeds of \$131,370.

The rolled-back rate is the millage rate required to produce the same level of property tax revenue on FY 2013/14 as collected in FY 2012/13. The rate is calculated as 1.0664, or 0.0780 mills less than the millage rate adopted for FY 2012/13. The rolled-back millage rate tax levy would generate proceeds of \$129,400. The difference between the current service level and rolled-back rate levy is \$1,970. The adoption of the current service level millage of 1.0826 would require a majority vote of the Commission.

Proposed FY 2013/14 Budget with Enhancements

The Normandy District Homeowners' Association has proposed an enhancement to the current service level budget of \$40,000 to fund one-time costs associated with redesigning the security gate and enhancing security camera equipment. The redesign of the gate is intended to resolve ongoing repair and maintenance issues related to the existing design. The enhanced security camera equipment is a police department recommendation that will help identify responsible vehicles to recoup funds from incidents of property damage claims. The proposed budget with enhancements also includes an offsetting \$7,000 savings to the projected repair and maintenance budget line item. This savings is anticipated due to the redesign of the gate project.

The proposed ad valorem millage recommended by the Administration is 1.2687 mills to provide the current level of service, plus one-time enhancement requested by the Homeowners' Association. This is 0.2023 mills more than the rolled-back rate of 1.0664. This tax levy will generate proceeds of \$154,000. In order to adopt this millage rate, this would require a unanimous vote by Commission.

The increase of 0.1243 mills from the prior year millage represents an annual increase of \$39.41 to the City average 2013 homesteaded property of \$317,086 taxable value for a total of approximately \$402 per year (\$33.50 per month).

The total operating expenditures to provide the current service level with the proposed enhancement is \$225,000 for FY 2013/14. The City of Miami Beach General Fund is required to provide 35% of the total operating expenditures (\$78,750), and the City has funded the 35% for each of the twenty years since the District was established. The amount provided by the General Fund for this purpose in FY 2012/13 was \$65,800. The \$225,000 in FY 2013/14 represents a \$37,000 increase (19.6%) from the FY 2012/13 budget of \$188,000, primarily due to the addition of \$40,000 of one-time funding for the construction of a new gate as well as security camera upgrades requested by the homeowners.

For the Normandy Shores taxing District, the value for each mill (\$1.00 of ad valorem tax for each \$1,000 of property value) is determined by the 2013 Certification of Taxable Value and has been set at \$121,340. 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 \$115,273. Accordingly, 1.2687 mills are required to generate \$146,250 in property tax revenues by the district.

The rolled-back rate is the millage rate required to produce the same level of property tax revenue on FY 2013/14 as collected in FY 2012/13. The rate is calculated as 1.0664, or 0.0780 mills less than the millage rate adopted for FY 2012/13.

Further, pursuant to State Statute, the City may elect to approve millage rates above the rolled-back rate up to the constitutional cap of 10 mills subject to the following votes by the Commission or referendum:

- Option I: A majority of the approval of the Commission Millage is required to approve a millage up to 1.0844 (equivalent to a 1.69% increase in Property Tax revenues). The 1.69% increase is the state per capita personal income gain for the prior calendar year.
- Option II: A two-thirds approval (5 of 7 votes) of the Commission is required to approve a millage up to 1.1928 (equivalent to a 10% increase in Property Tax revenues above Option I).
- Option III: A unanimous approval of the Commission or referendum is required to approve a millage above 1.1928 mills

The proposed rate of 1.2687 requires therefore unanimous approval (7 of 7 votes) of the Commission.

It must be noted that in accordance with State Statute, there is a 10 mill operating cap which cannot be exceeded without voter approval. Combining both millages from the dependent district (1.2687) and the principal taxing authority (6.1438) totals 7.4125 mills, which is **2.5875** mills less than the **10 mill cap**.

CONCLUSION

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


JLM: KGB/JW

**MIAMI BEACH
CITY OF MIAMI BEACH
NOTICE OF PUBLIC HEARINGS**

NOTICE IS HEREBY given that public hearings will be held by the Mayor and City Commission of the City of Miami Beach, Florida, in the City Commission Chambers, 3rd Floor, City Hall, 1700 Convention Center Drive, Miami Beach, Florida, on **Wednesday, September 11, 2013** to consider the following:

5:01 p.m.

The First Public Hearing Adopting The Proposed Millage Rates And Budgets For Fiscal Year (FY) 2013/14 For The City Of Miami Beach.

X

5:02 p.m.

The First Public Hearing Adopting The Proposed Millage Rate And Budget For Fiscal Year (FY) 2013/14 For The Normandy Shores Local Government Neighborhood Improvement District.

Inquiries may be directed to the Office of Budget and Performance Improvement (305) 673-7510.

INTERESTED PARTIES are invited to appear at this meeting, or be represented by an agent, or to express their views in writing addressed to the City Commission, c/o the City Clerk, 1700 Convention Center Drive, 1st Floor, City Hall, Miami Beach, Florida 33139. Copies of these items are available for public inspection during normal business hours in the City Clerk's Office, 1700 Convention Center Drive, 1st Floor, City Hall, Miami Beach, Florida 33139. This meeting may be continued, and under such circumstances, additional legal notice will not be provided.

Rafael E. Granado, City Clerk
City of Miami Beach

Pursuant to Section 286.0105, Fla. Stat., the City hereby advises the public that if a person decides to appeal any decision made by the City Commission with respect to any matter considered at its meeting or its hearing, such person must ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for the introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law.

To request this material in accessible format, sign language interpreters, information on access for persons with disabilities and/or any accommodation to review any document or participate in any City-sponsored proceeding, please contact us five days in advance at (305) 673-7411 (voice) or TTY users may also call the Florida Relay Service at 711.

Ad #797

MIAMI BEACH

CITY OF MIAMI BEACH

NOTICE OF PUBLIC HEARINGS

NOTICE IS HEREBY given that public hearings will be held by the Mayor and City Commission of the City of Miami Beach, Florida, in the Commission Chambers, 3rd Floor, City Hall, 1700 Convention Center Drive, Miami Beach, Florida, on **Wednesday, September 11, 2013** to consider the following:

5:01 p.m.

A Resolution Adopting: 1) The Tentative Ad Valorem Millage Of 5.6509 Mills For General Operating Purposes, Which Is Six And Eight-Tenth Percent (6.8%) More Than The "Rolled-Back" Rate Of 5.5156 Mills; And 2) The Debt Service Millage Rate Of 0.2529 Mills; Further Setting The Second Public Hearing To Consider The Millage Rate For Fiscal Year (FY) 2013/14, On Monday, September 30, 2013 At 5:01 p.m.

5:01 p.m.

A Resolution Adopting Tentative Budgets For The General, G.O. Debt Service, FDA Ad Valorem Taxes, Enterprise, And Internal Service Funds For Fiscal Year 2013/14 Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:01 p.m.

5:02 p.m.

A Resolution Of The Board Of Directors Of The Normandy Shores Local Government Neighborhood Improvement District Adopting The Tentative Ad Valorem Millage Of 1.2987 Mills For Fiscal Year (FY) 2013/14 For The Normandy Shores Local Government District, Which Is Nineteen Percent (19.0%) More Than The "Rolled-Back" Rate Of 1.0864 Mills Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:02 p.m.

5:02 p.m.

A Resolution Of The Board Of Directors Of The Normandy Shores Local Government Neighborhood Improvement District Adopting The Tentative Operating Budget For Fiscal Year (FY) 2013/14 Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:02 p.m.

5:03 p.m.

A Resolution Adopting The Tentative Capital Improvement Plan For Fiscal Years (FY) 2013/14-2017/18 And Adopting The City Of Miami Beach Tentative Capital Budget For (FY) 2013/14 Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:03 p.m.

5:03 p.m.

A Resolution Adopting Fiscal Year (FY) 2013/14 Tentative Budgets For Special Revenue Funds For Resort Tax; The 7th Street Parking Garage Operations; The 5th And Alton Parking Garage Operations; Art In Public Places (AIPP); Tourism And Hospitality Scholarship Program; Green Sustainability Funds; Waste Hauler Additional Services And Public Benefit Contribution Funds; Education Compact Funds; Red Light Camera Funds; And Emergency 911 Funds Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:03 p.m.

5:03 p.m.

A Resolution Authorizing The Tentative Appropriation Of \$1,200,000 From Fiscal Year 2013/14 People's Transportation Plan Funds And \$87,000 From Fiscal Year 2013/14 South Beach Congestion Mitigation Funds, To Fund The Tentative Operating Budget For The South Beach Local In Miami Beach; And Further The Tentative Appropriation Of \$301,000 From Fiscal Year 2013/14 People's Transportation Plan Funds For Administrative And Technical Operating Expenditures, As Part Of The Five Percent (5%) Allowable For Administrative Assistance And Technical Assistance Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:03 p.m.

5:03 p.m.

A Resolution Authorizing The Adoption Of The Miami Beach Cultural Arts Council's Fiscal Year 2013/14 Tentative Budget In The Amount Of \$1,470,000 Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:03 p.m.

5:03 p.m.

A Resolution Adopting And Appropriating Funds For The Fiscal Year 2013/14 Police Special Revenue Account Tentative Budget In The Amount Of \$75,000 For The Purchase Of Those Items Set Forth In Exhibit "A," And Such Account Funded By Unclaimed Evidence Currently Held In The Police Special Revenue Account Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:03 p.m.

5:03 p.m.

A Resolution Adopting And Appropriating Funds For The Police Certification Trust Fund Tentative Budget For Fiscal Year 2013/14 In The Amount Of \$724,000, To Be Funded From State Confiscated Funds In The Amount Of \$235,000 And Federal Justice Confiscated Funds In The Amount Of \$489,000, For The Appropriation And Expenditure Of Those Items Set Forth In Exhibit "A," Which Shall Be Funded Through The Police Certification Trust Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:03 p.m.

5:03 p.m.

A Resolution Adopting And Appropriating Funds For The Fiscal Year 2013/2014 Police Training & School Resources Fund Tentative Budget In The Amount Of \$35,000 Subject To A Second Public Hearing Scheduled On Monday, September 30, 2013 At 5:03 p.m.

Inquiries may be directed to the Office of Budget & Performance Improvement at (305) 673-7510.

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Rafael E. Ganado, City Clerk
City of Miami Beach

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Ad #804

RESOLUTION TO BE SUBMITTED