

**Condensed Title:**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING THE FINAL AD VALOREM MILLAGE RATE OF 1.2687 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.

**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 Final Ad Valorem Millage Rate?

**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 first public hearing on the District's tentative millage rate and budget for FY 2013/14 was held on September 11, 2013. The millage rate presented herein is that which was tentatively adopted at the end of the first public hearing held on that day. The FY 2013/14 proposed millage rate is 1.2687 mills, which 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.

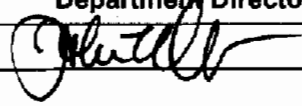
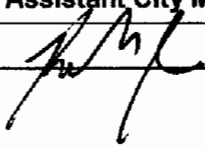
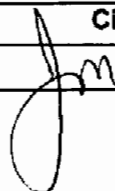
**Advisory Board Recommendation:**

**Financial Information:**

Source of Funds:		Amount	Account
 OBPI	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 30, 2013

SUBJECT: **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING THE FINAL AD VALOREM MILLAGE RATE OF 1.2687 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.**

### 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 final 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 final adopted millage rate of 1.2687 mills is 19.0% more than the "Rolled-Back" Rate of 1.0664 mills

The first public hearing on the tentative District millage rate and budget for FY 2013/14 was held on September 11, 2013. The millage rate herein is that which was tentatively adopted at the end of the first public hearing on that day.

### 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 final millage be adopted first. This is accomplished by adopting a Resolution which states the percent increase or decrease over the "Rolled-back" rate, the percentage increase, and the millage rate be publicly announced before adoption of the millage resolution. Following this, another Resolution which adopts the final Normandy Shores District operating budget must be approved. (See accompanying District Budget Agenda item for details).

### **ANALYSIS**

On July 1, 2013, the City received the January 1, 2013 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**.

The first public hearing on the tentative District millage rate and budget for FY 2013/14 was held on September 11, 2013. The millage rate presented herein is that which was tentatively adopted at the end of the first public hearing on that day.

## CONCLUSION

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

JLM: KGB/JW

## MIAMI BEACH

## CITY OF MIAMI BEACH

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

**NOTICE IS HEREBY** given that a Special Commission Meeting regarding the Second Public Hearings to consider the adoption of the Millage Rate and Budget for FY 2013/2014 will be held by the City Commission of the City of Miami Beach, Florida, on **Monday, September 30, 2013**, commencing at **5:00 p.m.**, in the Commission Chambers, 3rd Floor, City Hall, 1700 Convention Center Drive, Miami Beach, Florida to consider the following:

**5:01 p.m.**

A Resolution Adopting: 1) The Final Ad Valorem Millage Of 5.8909 Mills For General Operating Purposes, Which Is Six And Eight-Tenth Percent (6.8%) More Than The "Rolled-Back" Rate Of 5.5158 Mills; And 2) The Debt Service Millage Rate Of 0.2529 Mills for Fiscal Year (FY) 2013/14.

**5:01 p.m.**

A Resolution Adopting Final Budgets For The General, G.O. Debt Service, RDA Ad Valorem Taxes, Enterprise, And Internal Service Funds For Fiscal Year (FY) 2013/14.

**5:02 p.m.**

A Resolution Of The Board Of Directors Of The Normandy Shores Local Government Neighborhood Improvement District Adopting The Final Ad Valorem Millage 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.

**5:02 p.m.**

A Resolution Of The Board Of Directors Of The Normandy Shores Local Government Neighborhood Improvement District Adopting The Final Operating Budget For Fiscal Year (FY) 2013/14.

**5:03 p.m.**

A Resolution Adopting The Final Capital Improvement Plan For Fiscal Years (FY) 2013/14-2017/18 And Adopting The Final Capital Budget For FY 2013/14.

**5:03 p.m.**

A Resolution Adopting Fiscal Year (FY) 2013/14 Final 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.

**5:03 p.m.**

A Resolution Adopting The Final Budget Of \$1,200,000 From Fiscal Year (FY) 2013/14 People's Transportation Plan (PTP) Funds And \$87,000 From (FY) 2013/14 South Beach Concurrency Mitigation Funds, To Fund The Final Operating Budget For The South Beach Local In Miami Beach; And Further Adopting The Final Budget Of \$301,000 From FY 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.

**5:03 p.m.**

A Resolution Authorizing The Adoption Of The Miami Beach Cultural Arts Council's Fiscal Year (FY) 2013/14 Final Budget In The Amount Of \$1,470,000.

**5:03 p.m.**

A Resolution Adopting The Fiscal Year (FY) 2013/14 Police Special Revenue Account Final 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.

**5:03 p.m.**

A Resolution Adopting The Police Confiscation Trust Fund Final Budget For Fiscal Year (FY) 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 Confiscation Trust.

**5:03 p.m.**

A Resolution Adopting The Fiscal Year (FY) 2013/2014 Police Training & School Resources Fund Final Budget In The Amount Of \$35,000.

**5:03 p.m.**

Resolution Adopting The Second Amendment To The General Fund, Enterprise, Internal Service Fund, And Special Revenue Fund Budgets For Fiscal Year (FY) 2012/13.

**5:03 p.m.**

A Resolution Adopting And Appropriating The Fourth Amendment To The Police Confiscation Trust Budget For Fiscal Year 2012/2013 In The Amount Of \$10,000, To Be Funded From The Proceeds Of State Confiscated Funds, For The Appropriation And Expenditure Of Those Items Set Forth In Exhibit "A," Which Shall Be Funded Through The Police Confiscation Trust Fund.

**5:04 p.m.**

1. Ordinance Amending Chapter 50 Of The City Of Miami Beach Code, Entitled "Fire Prevention And Protection," By Amending Section 50-4 Thereof, Entitled "Enforcement By Fire Inspectors; Notice Of Violation," To Add Citations And Implement New Fine Schedule Related To Fire Code Violations; By Amending Section 50-5 Thereof, Entitled "Annual Fire Prevention And Fire Safety Inspection Permit" To Include The Night Inspection Fee Previously Adopted Under Section 102.379 Of The City Code.

2. Ordinance Amending Chapter 102 Of The Code Of The City Of Miami Beach, Entitled "Taxation," By Deleting The Nightclub Fee Set Forth In Section 102.379, Entitled "Schedule Of Taxes, Effective October 1, 2009".

**5:04 p.m.**

Ordinance Amending Chapter 50 Of The Code Of The City Of Miami Beach, Entitled "Fire Prevention And Protection," By Creating Section 50-8 Thereof, To Be Entitled "Fire Alarms, Regulations, Penalties, Enforcement" To Establish Requirements And Fines For False Fire Alarms.

**5:04 p.m.**

An Ordinance Amending Appendix A, Entitled "Fee Schedule" For Subsection (A) Of Section 110-168, Entitled "Sanitary Sewer Service Charge," Of Chapter 110 Of The Miami Beach City Code, Entitled "Utilities," Article IV, Entitled "Fees, Charges, Rates And Billing Procedure"; Division 2 Thereof, Entitled "Rates, Fees And Charges," To Increase The Sanitary Sewer Service Charge Imposed By The City.

**5:04 p.m.**

Ordinance Amending Part I, Subpart B, Article IX, Related Special Acts, Of The Miami Beach City Code Entitled "Pension System For Disability And Retirement Of Members Of Police And Fire Departments"; Implementing Provisions Of The 2012-2015 Collective Bargaining Agreements Between The City And Fire Fighters Of Miami Beach, IAFF Local 1510, And Miami Beach Fraternal Order Of Police, William Nichols Lodge No. 8; Amending Section 62 Entitled "Definitions"; Amending Section 63 Entitled "Source Of Monies For Fund; Computation Of Liability; Use And Investment Of Fund"; Amending Section 65 Entitled "Computation Of Creditable Service; Service Record"; Amending Section 66 Entitled "Service And Disability Benefits Generally"; Amending Section 67 Entitled "Cost Of Living Adjustment"; Amending Section 69 Entitled "Deferred Retirement Option Plan"; Amending Section 82 Entitled "Military Service"; Creating A New Section 88 Entitled "Benefits For Members Hired On Or After September 30, 2013.

**RESOLUTION TO BE SUBMITTED**

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