



MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: March 21, 2014

This shall serve as written notice that a meeting of the Finance and Citywide Projects Committee has been scheduled for March 21, 2014, at 2:00 P.M. in the Commission Chambers.

The agenda is as follows:

NEW BUSINESS

1. Discussion regarding proposed City Wide survey of Single Family Home Districts in order to determine the number of architecturally significant homes in the City (*July 19, 2013 Commission Item C4M)(157)*

Thomas Mooney – Planning Director

2. Discussion to support Miami-Dade County Public Schools Spanish Foreign Language initiative in which all Miami Beach Feeder Schools offer Spanish Foreign Language tracks to enable all interested Miami Beach students to take Spanish for High School credit in all Miami Beach Middle Schools and High Schools (Nautilus Middle, Feinberg Fisher K8, and Ruth K. Broad Bay Harbor K8) (*September 11, 2013 Commission Item R90)(157)*

Leslie Rosenfeld – Chief Learning and Development Officer

3. Discussion that looks into what occurs with our MBPD retired police dogs and to discuss possible allocation of funding for their medical needs (*October 16, 2013 Commission Item R90)(178)*

Raymond Martinez – Police Chief

4. Discussion regarding the Budget Advisory Committee's (BAC) Recommendation for a City Resort Tax Reserve Policy (As Described in LTC No. 422-2013 Budget Advisory Committee Motion) (*December 11, 2013 Commission Item R9H)(182)*

John Woodruff – Budget and Performance Improvement Director

**5. Discussion regarding Stormwater Future Bonds and Proposed Rates
(185)**

Patricia Walker – Chief Financial Officer

Finance and Citywide Projects Committee Meetings for 2014:

April 18, 2014

May 16, 2014

June 20, 2014

July 18, 2014

August 13, 2014

September 25, 2014

October 17, 2014

November 12, 2014

December 12, 2014

PENDING ITEMS: REFER TO ATTACHMENT 1

PDW/rs/kd

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Cc. Mayor and Members of the City Commission
Management Team

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COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: March 21, 2014

SUBJECT: **DISCUSSION REGARDING PROPOSED CITY WIDE SURVEY OF SINGLE FAMILY HOME DISTRICTS IN ORDER TO DETERMINE THE NUMBER OF ARCHITECTURALLY SIGNIFICANT HOMES IN THE CITY.**

BACKGROUND

On January 15, 2013, the Historic Preservation Board adopted a Resolution urging the Mayor and City Commission to consider having the Administration undertake a comprehensive citywide survey of all single family residences, including the documentation of their architectural characteristics and a summary of the significance of each residence, for the purpose of creating a comprehensive single family residence database.

On June 12, 2013, the Land Use and Development Committee recommended that the City Commission refer this proposal regarding a citywide survey of single family homes to the Finance and Citywide Projects Committee. On July 19, 2013, the City Commission referred a discussion item to the Finance and Citywide Projects Committee, regarding a citywide survey of single family homes.

On January 30, 2014, the Finance and Citywide Projects Committee discussed the item and continued the matter to a future meeting.

ANALYSIS

Over the past few years, staff has seen a significant increase in the number of total demolition requests for architecturally significant single family homes. In 2013 alone, demolition requests for 32 pre-1942 architecturally significant homes have been submitted to the Design Review Board. In 2012 there were 20 requests for total demolition and new construction, while only 21 such requests were submitted over the 7 year period from 2005 thru 2011, as shown below:

Year:	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Total Demolition proposed:	32	20	3	4	0	5	1	4	4

There are different methods to address this policy issue. One is to evaluate and consider the historic designation of individual single family homes and single family districts. This particular option, though, is highly time consuming and would require months, if not years, of study, discussion and resources, simply given the quantity of single family homes that would likely be eligible for designation.

A survey of the City's existing single family homes would be required in order to identify and evaluate residences that may potentially be eligible for individual historic designation or as 'Contributing' structures within an historic district. The total cost for such a

comprehensive survey can vary greatly, depending on the number of properties surveyed and the level of detail provided in the survey. The Administration has identified 3 potential different levels of surveys, as summarized below:

- Level One Survey:
 - A basic “windshield” type survey, with limited photographs taken from the street sufficient to record the primary façade(s) of the structure, original building permit information with date of permit, architect, builder, applicant/original owner, and also the style of the structure in conformance with the stylistic definitions customarily used in Miami Beach (if a style is discernible).
- Level Two Survey:
 - A survey which includes all of the elements in the aforementioned Level One survey and also requires access to the site and includes additional images and information, such as available microfiche of original plans, later major alterations/additions, current exterior design integrity of the original structure, and the observed general condition of the structure.
- Level Three Survey:
 - A comprehensive survey which, in addition to the elements of a Level Two survey, incorporates further analytical information, such as significant original exterior architectural features/materials which help define the style and/or period of construction and significance, contextual relationship with other structures in the immediate neighborhood area, and a preliminary opinion of whether the structure would satisfy 1) the City’s evaluation criteria for “architectural significance”, and 2) whether the structure would satisfy the City’s evaluation criteria for historic designation.

The Administration would suggest that any survey of the City’s single family homes be based upon prioritization of the levels of risk of total or near total loss and replacement of the existing homes. There are approximately 5,000 single family residences located within the city. Approximately 1,850 of the homes are located on waterfront lots. Planning Department staff has noted over the past year a significant increase in the number of applications to demolish and replace existing single family homes located on waterfront properties. Of the fifty-two (52) Design Review Board applications for the total demolition of pre-1942 architecturally significant homes in the past two years, thirty-two (32) homes were located on waterfront lots, which is approximately 62% of those applications. This trend represents a potential significant loss of the City’s signature architecturally significant waterfront residences.

Consequently, the Administration has determined that the greatest risk of loss of our existing single family residential building stock is along the City’s waterfronts, and the highest priority for survey and documentation for existing single family homes is along the City’s waterfronts. These areas include all of the Sunset Islands, the Venetian Islands, Star, Palm and Hibiscus Islands and La Gorce and Allison Islands, as well as properties located along the western side of North Bay Road, the eastern side of Pinetree Drive north of 41st Street, Flamingo Drive, and along the shorelines of Normandy Isles, Biscayne Point and Stillwater Point. Most recently this trend is beginning to continue into the North Beach residential single family communities along the waterfront.

The Administration would recommend that waterfront properties be the first and highest priority area identified for survey and that the initial survey should be a Level One survey, as specified above. This would require the survey of approximately 1865 properties and would yield a very important initial database enabling staff to evaluate which of these homes would satisfy the criteria for 1) individual historic designation as rare examples of their periods and style, 2) homes that would satisfy the criteria for historic designation as 'Contributing' structures within a locally designated historic district, and/or 3) which homes would satisfy the evaluation criteria at the lower standard of 'Architectural Significance' homes which would not be individually historically designated.

Based upon discussions with individuals who have done recent surveys of single family homes in the South Florida area, Planning Department staff believes there is a reasonable chance that a Level One, 'windshield' type, survey could be accomplished at a cost of approximately \$100 per property. This figure could vary however, dependent upon the number of properties to be surveyed, as well as the solicitation of three independent bids based upon a minimum number of properties to be surveyed. At a cost of \$100 per property, the cost of surveying 1,850 single family homes could be anticipated at being \$185,000. The Administration would recommend that this initial survey, as well as any later surveys, be coordinated and supervised by the Planning Department.

Upon the completion of the first phase of a survey of single family homes on waterfront parcels the Administration would recommend that a second phase survey be undertaken to include all inland properties located on the Sunset Islands, the Venetian Islands, Star, Palm and Hibiscus Islands and La Gorce and Allison Islands. These properties also seem to be commanding a higher level of attention recently in the real estate sector. The Administration believes these homes would be the second level of survey priority.

Upon the completion of the second phase, the Administration would recommend a third phase to include all inland properties along North Bay Road, Pinetree Drive, Flamingo Drive, and Alton Road south of 63rd Street.

Finally, the fourth survey phase should include all single family waterfront properties located in North Beach which, while currently lagging behind the development of the lower islands and North Bay Road will likely soon become the focus of real estate redevelopment as a consequence of their spectacular waterfront views, as well as a significant reduction in the availability of single family home waterfront sites south of 63rd Street.

The Administration has not yet had the opportunity to calculate the number of homes that would be surveyed in phases two, three or four, but believes it is first appropriate to receive policy guidance from the Finance and Citywide Projects Committee regarding the phase one survey.

ADMINISTRATION RECOMMENDATION

The Administration recommends that the Finance and Citywide Projects Committee provide appropriate policy direction.

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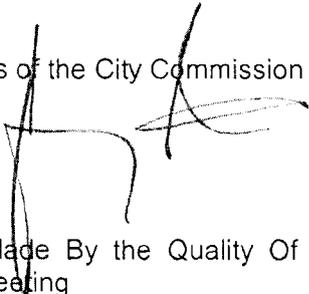
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FINANCE & CITYWIDE PROJECTS COMMITTEE MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission
FROM: Jimmy L. Morales, City Manager 
DATE: March 21, 2014
SUBJECT: Discussion Regarding Motion Made By the Quality Of Education Committee During The August Meeting

On January 30, 2014, Commissioner Steinberg requested the motion made by the Committee for Quality Education regarding the offering of Spanish (foreign language) for high school credit at the Middle School level be referred to the Finance and Citywide Projects Committee (Item R90) to discuss consideration of the request to strengthen Education Compact activities as they relate to enhanced learning opportunities for our youth.

The Committee for Quality Education made the following motion at the August 27, 2013, meeting regarding foreign language for high school credit in our public middle schools:

The Committee for Quality Education requests the Mayor and Commission support Miami-Dade County Public Schools' Spanish (foreign language) initiative in which all Miami Beach feeder schools offer Spanish (foreign language) tracks which will enable all interested Miami Beach students to take Spanish for high school credit in all Miami Beach middle schools/high school (Nautilus Middle, Fienberg Fisher K-8, and Ruth K. Broad Bay Harbor K-8).

Below are the two prior motions made by the City's Committee for Quality Education (QEC) regarding the absence of foreign language classes for high school credit at our two International Baccalaureate (IB) Middle Year Program (MYP) schools: Nautilus Middle and Fienberg Fisher K-8 Center. These motions were made because every other IB MYP in Miami-Dade County Public Schools (M-DCPS) offers foreign language for high school credit as an available class in the Middle School and K-8 Programs.

Below is the original motion made at the February 26, 2013 meeting:

The Committee for Quality Education requests the Mayor and Commission re-visit the Committee's recommendation issued at our meeting dated September 24, 2012; supporting the implementation of foreign language classes for high school credit at Nautilus Middle School and Fienberg-Fisher K-8 Center comparable to every other International Baccalaureate (IB) Middle Year Program (MYP) school in Miami-Dade County Public Schools.

Below is the original motion made at the September 24, 2012 meeting:

The Committee for Quality Education requests the Mayor and Commission strongly support the implementation of foreign language classes for high school credit at Nautilus Middle School and Fienberg-Fisher K-8 Center comparable to every other IB MYP school in Miami-

Dade County Public Schools. The intent of this request is to allow children at both schools the opportunity to obtain high school credit in a foreign language class while in middle school, with the option of taking an Advanced Placement class by the 8th grade year. Implementation would be as follows:

- 2012-13 school year – foreign language high school credit level 1
- 2013-14 school year – foreign language high school credit level 1 and level 2
- 2014-15 school year – foreign language advanced placement class high school and college credit

The below chart provides specific information on high school credit foreign language classes offered by a 'live' instructor at all IB MYP schools in M-DCPS as of August 2013.

IB/IS MYP & K-8 Middle Schools High School Course Offerings (X) as of August 2013 Foreign Language						
Middle School or K-8 Center	Spanish 1	Spanish 2	Spanish 3 / AP	French 1	French 2	Italian 1, 2, 3
North Miami	X			X		
Ponce de Leon	X	X	X	X	X	X
North Dade	X	X		X	X	
Homestead	X			X		
Herbert Ammons K-8	X	X		X	X	
Ada Merritt K-8	X	X	X			
Frank C. Martin K-8	X			X		
Coral Way K-8	X	X	X			
Carver	X	X	X	X	X	X
Nautilus	X Course added 8/19/13					
Fienberg-Fisher						

As mentioned in the QEC motions above, our youth will benefit from the opportunity to obtain high school credit in foreign language classes while in middle school, with the option of taking an Advance Placement class by the 8th grade year. As a community with over 53% of the population identified as Hispanic, our youth are ready, willing, and able, to enroll in a high school level foreign language class. Additionally, completion of the high school foreign language requirement in advance of high school will allow more Miami Beach youth the option to select the IB Diploma Program as a graduation option.

An email was sent to Superintendent Alberto Carvalho on April 16, 2013, requesting the opportunity to discuss the lack of foreign languages for high school credit at Miami Beach public middle schools and K-8 Centers, similar to other IB MYP schools throughout the County. Following this email, MDCPS advertised the offering of a 'live' Spanish 1 for high school credit course at Nautilus Middle School for the 2013-14 school year. As of March 2014, there are currently two (2) Spanish 1 for high school credit courses taught by a 'live' instructor at Nautilus for sixth and seventh graders. Eighth grade students have the option to take a Spanish 1 for high school credit through Florida Virtual School.

Administration recommends that the City Commission consider a resolution supporting the motions made by the Committee for Quality Education.

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MIAMI BEACH

OFFICE OF THE CITY MANAGER

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee
FROM: Jimmy L. Morales, City Manager
DATE: March 21, 2014
SUBJECT: PROPOSED RESERVE POLICY FOR RESORT TAX FUND

BACKGROUND

The City of Miami Beach is at risk for unexpected declines in resort tax revenue. Resort Taxes are a relatively volatile funding source as tourism is vulnerable to sudden changes in economic conditions. In addition, the Resort Tax Fund currently transfers \$32.9 million to the General Fund to cover eligible tourism-related expenditures. This increases the risk factor as any significant negative impacts to resort tax revenues will impact programs and services in both the Resort Tax Fund as well as the General Fund. It is prudent and fiscally responsible to create a sufficient reserve to insure against fluctuations in cash flow.

The City does not currently have a formal reserve policy for the Resort Tax Fund. In practice, the City has maintained two months of operating expenses (net of debt service and transfers) as an informal reserve policy. Two months of operating expenses is a low reserve amount for this fund as debt service and transfers are a significant portion of overall expenditures.

In Letter to Commission (LTC) number 422-2013, the Budget Advisory Committee (BAC) requested that the Mayor and Commission support the BAC's recommendation for a proposed reserve policy for the Resort Tax Fund.

The BAC recommends the following reserve policy for the 2% Resort Tax Fund (Fund 160):

1. The City of Miami Beach shall maintain a minimum reserve in the Resort Tax Fund of two months of total revenue of the resort tax and shall have a goal of maintaining a minimum reserve equal to six months of total revenue of the resort tax.
2. Said goal of six months of total revenue of the resort tax shall be established within the timeframe of ten years effective as of October 1, 2014.
3. A permanent contingency reserve is hereby established in an amount not less than two months of total revenues of the annual fiscal budget in the Resort Tax Fund to be held for use in a public emergency if and when an emergency affecting life, health, property, public safety, or a significant economic impact on resort tax collections, and the expenditure of such funds is authorized by a five-sevenths (5/7) vote of the City Commission.

FINANCE & CITYWIDE PROJECTS COMMITTEE

Proposed Reserve Policy for Resort Tax Fund

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4. Said contingency reserve shall be increased or decreased annually but shall be maintained at a minimum amount of two months of total revenues of the then existing Resort Tax Fund Budget.
5. Prior to any expenditures from this reserve, the Mayor and City Commission must declare an emergency affecting life, health, property, public safety, or a significant economic impact on resort tax collections, and authorize said expenditures by a five-sevenths (5/7) vote. The Administration is directed to restore the reserve to its aforementioned level in an amount of not less than five hundred thousand dollars (\$500,000) annually, by an amendment to the Adopted Resort Tax Fund Budget.

ANALYSIS

The Government Finance Officers Association (GFOA) recommends a minimal reserve policy of two months of operating expenses or two months of total revenues. The GFOA recommends that in establishing a policy governing the appropriate level of reserves, a government should consider a variety of factors including:

- The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of reserves may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile)
- The fund's perceived exposure significant one-time outlays (e.g., disasters, immediate capital needs, etc.)
- The potential drain upon general fund resources from other funds as well as the availability of resources in other funds

The proposed reserve policy proposes to set a floor reserve of at least two months of total revenue of the Resort Tax Fund. Based on the net cash available as of 9/30/13, the fund currently meets the minimum reserve requirement of two months of total revenue in the policy. The goal would be to increase the reserve to six months of total revenues over the period of the next ten years or sooner.

Preliminary Net Cash Available as of 9/30/13*	\$10,942,051
Reserve equal to 2 months of total revenues	\$7,946,833
Reserve equal to 3 months of total revenues	\$11,920,250
Reserve equal to 4 months of total revenues	\$15,893,667
Reserve equal to 5 months of total revenues	\$19,867,083
Reserve equal to 6 months of total revenues	\$23,840,500

Note: Actual net cash available as of 9/30/13 will not be available until the City's Comprehensive Annual Financial Report (CAFR) is completed in May.

CONCLUSION

The proposed reserve policy for the Resort Tax Fund addresses the volatility of this key funding source to minimize potential future negative impacts from unforeseen events. The policy would help ensure continuity of operations in both the Resort Tax Fund and the General Fund and maintain or improve the City's credit ratings. Administration recommends adoption of the BAC's proposed reserve policy for the Resort Tax Fund.

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