

MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager



DATE: JULY 13, 2016

SUBJECT: REPORT OF THE FINANCE AND CITYWIDE PROJECTS
COMMITTEE (FINANCE) MEETING ON JUNE 06, 2016

The agenda is as follows:

BUDGET BRIEFING:

NEW BUSINESS

1. General Fund CSL Update and Proposed Millage Rate

ACTION

The preliminary Current Service Level (CSL) based on June 1st property values has a revenue increase of \$17.8 million and an expenditure increase of \$13.5 million for a net surplus of \$4.3 million. The CSL will be updated again following the distribution of the certified taxable values by the Property Appraiser on July 1st. At the July 13th, 2016 Commission meeting, the Commission will set the proposed millage rate for the FY 2016/17 budget process per the State's Truth-in-Millage (TRIM) requirements.

2. Review of Light Rail/Modern Street Car Project

ACTION

Funds from available balances as of September 30th 2015 were identified for capital Milestone Payments for the Project. Resort Tax, City Center RDA Non Tax Increment funds, and Transportation Concurrency Management Funds were identified as having funds available for appropriation that were eligible for this use. The impacts of the following capital appropriations on other potential projects to be funded will be presented to the Finance and Citywide Projects Committee as part of the prioritization of capital projects:

Agenda Item C6B
Date 7-13-16

Resort Tax 2%	\$ 10.0 million
City Center Parking Garage/Shops Surplus Funds*	13.0 million
City Center RDA Other Non-Tax Increment Funds*	8.0 million
Transportation Concurrency Management Funds	5.0 million
Total	\$ 36.0 million
* These funds are not tax increment funds and are not part of the interlocal agreement with Miami Dade County, however, they must be used for portions of the project within the City Center RDA	

In addition, the following revenue streams were identified as possible sources to address the annual Availability Payment.

Resort Tax 2%	\$ 1.5 million
Resort Tax 1% - South Beach Quality of Life Funds	1.0 million
People's Transportation Tax (PTP) Funds	3.0 million
Total	\$ 5.5 million

State and County funding has been assumed at the level that would typically be provided for this type of project at the same level they would provide had the Project achieved Federal funding (25% each), and as allowed under State law for capital costs.

State (Phase 1: 12.5%; Phase 2: up to 50% to average at 25%)	\$ 96.88 million
County 25%	96.88 million
Total	\$ 193.76 million

There remains a gap between \$2 million and \$18 million per year, depending on the implementation of special assessments and partial use of funds currently committed to the RDA once the RDA expires. Tolls on key roads that provide transportation onto Miami Beach can be considered to provide annual funding for the Project.

The resiliency-related scope of work is estimated at \$25 million and is proposed to be funded from the \$14 million in Storm water proceeds in 2018 and \$11 million in 2014 Miami-Dade County Interlocal agreement funds to be received in 2017.

3. Review of Proposed Capital Budget

ACTION

Renewal & Replacement is funded by dedicated millage rate:

General Fund	5.6009 mills
Renewal & Replacement	0.1083 mills
Operating Millage Rate	5.7092 mills

- Millage rate generated \$2.7 million in FY 2015/16
- FY 2016/17 assumes \$3 million in revenue generation
- Project requests total \$8.3 million

The proposed project specific appropriations for FY 2016/17 for all Funds, including the General Fund Capital Renewal and Replacement Fund are as follows:

The current dedicated millage of 0.1083 mills (as of FY 2015/16) is estimated to generate \$3,053,235 for the General Fund Capital Renewal and Replacement Fund based on a preliminary 13.5 percent increase in property values. This amount will be updated once final property values are received from the Property Appraiser on July 1st. Revenue of \$3,591,324 is available for funding FY 2016/17 General Fund renewal and replacement projects, as compared to \$8,319,043 requested in projects. At this time, \$2,073,672 of projects are recommended with the remaining amount of \$1,517,562 still available for appropriation.

The updated information was provided to the Commission at the meeting. The funds listed below also have recommended renewal and replacement projects and are anticipated to have sufficient available funding for the projects.

- Parking fund - Capital Renewal and Replacement > \$25,000: eleven projects totaling \$2,311,341
- RDA fund - Capital Renewal and Replacement > \$25,000: six projects totaling \$1,240,000

The Committee noted the following items:

Police Facilities

- Police Station Building
 - New Generator: \$425,000
 - Emergency battery pack Light Renewal \$72,000

General Facilities

- 777 Building – Elastomeric Coating renewal: \$85,500
- Bass Museum – Fire Alarm System: \$167,000

Fire Facilities

- Fire Station #2 – Fire Alarm System: \$113,000
- Fire Station #3 – Emergency Power System : \$99,000
- Fire Station #1 – F2020 - Hazardous Components: \$44,000

Park Facilities

- Scott Rakow
 - Security System: \$57,000
 - Aluminum Windows: \$446,000
 - Fire Alarm System: \$180,000
- South Shore Community Center
 - Switch Gear: \$41,000
 - Electrical Distribution Renewal: \$160,000
 - Fire Alarm Systems: \$112,000

Funding for the Information Communications Technology Projects funded from the General Fund for the FY 2016/17 proposed projects total \$534,000 to be funded by a transfer of \$395,000 (same amount as FY 2015/16) from the General Fund to the Information & Communications Technology Fund and the remaining balance of \$139,000 will be funded by fund balance. Below is a summary of the proposed projects.

- Centralized Video Storage Solution: \$169,000
- Control Room SD & HD Upgrade - Storage Additions: \$120,000
- Miami Beach Rising Above Web Portal: \$120,000
- Parks & Recreation Software: \$75,000
- Audit Management Software: \$39,000
- Power Document Management Software: \$11,000

Convention Center: The total funding of \$603.3 million for the project is broken down as follows:

- County G.O. Bonds previously appropriated \$54.4 million
- 1% Resort Tax Bonds: \$216.6 million
- RDA Bonds: \$267.5 million
- Parking Bonds: \$64.8 million

City Center RDA: The RDA extension agreement with the County in FY 2014/15 extends the RDA through 2044 and eliminated funding for additional capital projects in future out years. The net surplus funds after operating expenses are to be used to cover debt service payments for the Convention Center bonds.

South Pointe Capital: County agreement payment schedule assumes 3.5 percent increase in taxable value. Funds are earmarked for Stormwater projects.

FY 2016	188,000
FY 2017	5,319,000
FY 2018	15,056,000
FY 2019	11,862,000
FY 2020	7,419,000
FY 2021	15,633,000
FY 2022	5,975,000

Quality of Life Funds: Funded by 1 percent Resort Tax revenues and are earmarked for tourism-related projects covering 3 geographic areas: North, Mid, South beaches (15% or \$2,085,000 each). Also includes allocations for Arts (10% or \$1,391,000) and Transportation (45% or \$6,256,000) projects for a total of \$13,902,000.

North Beach proposed projects:

- Rue Vendome Public Plaza; \$1,000,000
- Allison Park: redesign; \$832,000
- North Shore Tennis Center Proshop/Office; \$512,000
- Street Lighting Improvements; \$333,000
- Kayak Launch Docks; \$275,000
- Lifeguard Stands replacement; \$240,000
- North Beach Streetscape: pilot project; \$230,000
- 81st Street Bridge: pedestrian area; \$150,000
- North Shore Tennis Court: sounds barrier walls; \$125,000
- Bonita Drive: street end improvements; \$100,000
- Collins & Harding Avenue: alleyway reconstruction; \$100,000
- North Beach Bridges: painting and lighting; \$60,000
- North Shore Park Playground: safety surface; \$47,000
- Standardized Park benches, picnic tables and trash receptacles; \$27,000
- 71st Eastern Street End: improvement design study; \$25,000

Mid Beach proposed projects:

- Middle Beach Recreation Corridor: phase III; \$2,200,000
- Muss Park Facility; \$1,400,000
- Lifeguard Stands replacement; \$240,000
- Indian Beach Playground Replacement; \$229,000
- Miami Beach Golf Course: golf cart staging area enhancement; \$65,000
- Miami Beach Golf Course: front end loader; \$49,000
- Standardized Park benches, picnic tables and trash receptacles; \$30,000

South Beach proposed projects:

- Española Way Conversion between Washington; \$1,978,813
- Lifeguard Stands replacement; \$720,000
- Ocean Drive Extended Sidewalk Projects; \$405,000
- Street Lighting Improvements; \$333,000
- South Beach Pedestrian Priority Zones; \$300,000
- Maurice Gibb Park: floating dock; \$177,000
- Lummus Park Muscle Beach Upgrade; \$125,000
- Botanical Gardens: additional new lighting; \$30,000
- Standardized Park benches, picnic tables and trash receptacles; \$28,000

The People's Transportation Plan was imposed in 2002 and is funded by the Half-Cent Transit sales tax where 20 percent of proceeds are distributed directly to municipalities on a pro-rata basis. Funds are used for local transportation and transit projects. A minimum of 20% of the City's PTP share must be allocated for transit. In FY 2015/16 PTP funding was projected to be \$3.89 million which is used to operate the South Beach Local, North and Mid Beach Trolleys. \$930,000 from fund balance is proposed for the following projects:

- West Avenue Protected Bike Lanes; \$530,000
- 72nd Street Protected Bike Lane; \$200,000
- 73rd Street Protected Bike Lanes; \$200,000

A breakdown of projects funded by other funds includes:

- Art in Public Places
 - AIPP Convention Center Renovation; \$6.25 million
- Concurrency Mitigation
 - Light Rail/Modern Streetcar; \$5 million
- Parking Impact Fees
 - Parking Garage Washington & 10th; \$4.2 million
 - New Garage 2660 Collins Ave; \$630,000
- Resort Tax Fund (2%)
 - Light Rail/Modern Streetcar; \$10 million
- Non-TIF RDA
 - Light Rail/Modern Streetcar; \$8 million
 - City Center Resiliency Enhancement; \$1 million
- RDA – Garage Funds
 - Light Rail/Modern Streetcar; \$7 million
- RDA – Anchor Shops
 - Light Rail/Modern Streetcar; \$6 million
- Programming to expend General Obligation (GO) bond fund balances
 - 2003 Parks & Beaches

- Park View Islands; \$197,838 (reassigned from PAYGO)
- 2003 G.O. Bonds – Neighborhood Improvements
 - Central Bayshore – South; \$576,000
 - Two Way Conv of 42nd St - Sheridan Ave to Pinetree; \$510,000
 - Bayshore Neighborhood - Bid Pack A; \$173,738 (reassigned from PAYGO)
 - 42nd Street Green Bicycle Lanes Painting / Striping; \$150,000
 - Bay Drive Neighborhood Greenway; \$100,000

Pay-As-You-Go (PAYGO): Funded from the General Fund at \$2.4 million annually (allocation was increased from \$1.4 million to \$2.4 million in FY 2015/16) and was previously funded at as high as \$7.5 million.. PAYGO ensures adequate on-going reinvestment in capital plant and equipment, has no restrictions and is used after all other funding sources exhausted.

Recommended project highlights:

- Aluminum Street lighting Pole Replacement: \$1,000,000
- Fairway Park: \$1,000,000
- Soundscape Park Concession: \$800,000
- Citywide Park Irrigation System Upgrade: \$170,000
- Office of Communications Remodel: \$150,000
- Ocean Rescue 79st Sub Headquarters Trailer Replacement: \$150,000
- Neighborhood Basketball Court Renovation: \$67,000
- Sky Watch Tower Refurbish: \$61,000
- Neighborhood Tennis Court Renovations: \$39,000
- Palm Island Tennis Court Fencing: \$32,000

Need for additional PAYGO funding continues as neighborhood improvement projects costs have increased over time, stormwater projects are generating needs for above ground projects for lighting, landscaping, sidewalks, signage, traffic markings. Additionally, Lighting and Crime Prevention through Environmental Design (CPTED) improvements in non-tourist areas (park projects in non-tourist areas, seawalls) will have funding needs.

4. Proposed Uses of Law Enforcement Trust Funds

ACTION

The September 30, 2015 available balances, net of FY 2015/16 appropriations and revenue collections are approximately \$387,000 in Federal Funds and \$545,000 in State Funds. Of these available balances, the FY 2016/17 request from Federal funds totals \$215,000 and \$87,000 from State funds for a total of \$302,000.

The City administration is recommending funding for proposed FY 2016/17 uses of Law Enforcement Trust Funds as shown below:

Proposed use of Federal Funds:	
Organizational Development Travel & Off-site testing	\$ 70,000
Training Supplement to supplement LETTF	70,000
Bulletproof Vest Partnership	50,000
Graffiti eradication through Teen Job Corp.	25,000
Gym Equipment	-
Total Funds	\$ 215,000
Proposed use of State Funds:	
Costs connected with the prosecution/processing of forfeitures.	20,000
Crime Prevention initiatives & School Liaison Projects	20,000
AR Rifle Program/initiative- City's match for reimbursement of rifles at \$500.	15,000
15% of State Funds collected in FY15 to be used for drug abuse treatment, drug and crime prevention education and non- profit community based programs.	22,000
Gym Equipment	10,000
Total Funds	\$ 87,000