

MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members
FROM: Rickelle Williams, Interim City Manager
DATE: July 12, 2024
SUBJECT: Fiscal Year 2025 Millage Rate and Operating Budget

The preliminary budget for the City of Miami Beach represents the cost of providing the same level of services as in the prior fiscal year and serves as the baseline of funding for the annual budget development process.

The General Fund is the primary source of funding for many City services that are provided such as Police and Fire, as well as Parks and Recreation, Public Works, Code Compliance, among other services. Revenues that fund these services and the various other City services in the General Fund are comprised of ad valorem property taxes, franchise and utility taxes, business license and permit fees, revenue sharing from various statewide taxes, intergovernmental revenues from Miami-Dade County, user fees for services, fines, rents and concession fees, and interest income. Additionally, the City's 2% Resort Tax Fund contributes funding annually for tourism-related services provided by General Fund departments.

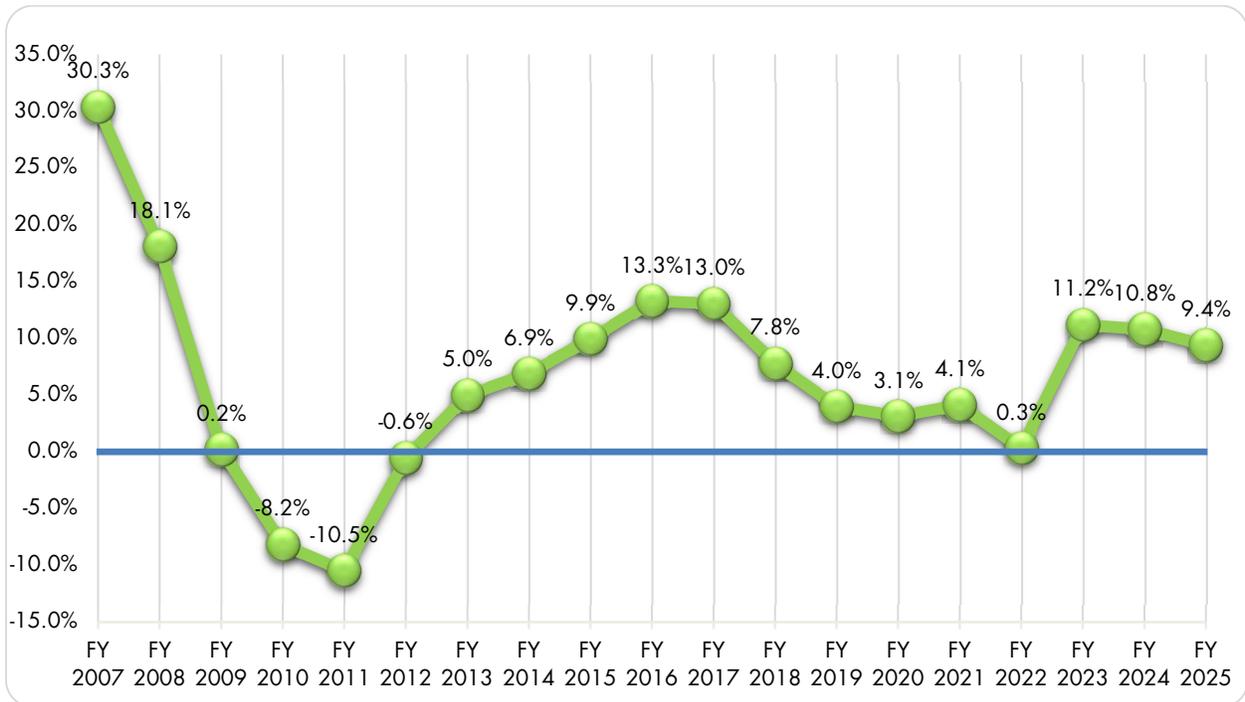
PROPERTY VALUES

As detailed in the Letter to Commission (LTC #273-2024) dated July 2, 2024, and summarized below, the City's overall taxable property values based on the 2024 Certified Taxable Values provided by the Miami-Dade County Property Appraiser on July 1, 2024 increased by approximately \$4.8 billion, or 9.4%, from the 2023 Certified Taxable Values of \$51.6 billion to the 2024 Certified Taxable Values of \$56.4 billion. Within the overall increase, however, property values in the City Center Redevelopment Area and the North Beach Community Redevelopment Area increased by 8.4% and 6.6%, respectively, compared to the previous year.

| | July 2023 Certified | July 2024 Certified | \$ Change | % Change |
|--|-------------------------|-------------------------|------------------------|-------------|
| Property Values: | | | | |
| Existing Values | \$51,560,772,230 | \$56,099,794,992 | \$4,539,022,762 | 8.8% |
| New Construction | - | 297,152,107 | 297,152,107 | 100.0% |
| Total | \$51,560,772,230 | \$56,396,947,099 | \$4,836,174,869 | 9.4% |
| City Center Redevelopment Area | \$6,188,026,922 | \$6,709,447,439 | \$521,420,517 | 8.4% |
| North Beach Community Redevelopment Area | 1,730,558,116 | 1,844,424,002 | 113,865,886 | 6.6% |
| Total (Net of RDA & CRA) | \$43,642,187,192 | \$47,843,075,658 | \$4,200,888,466 | 9.6% |

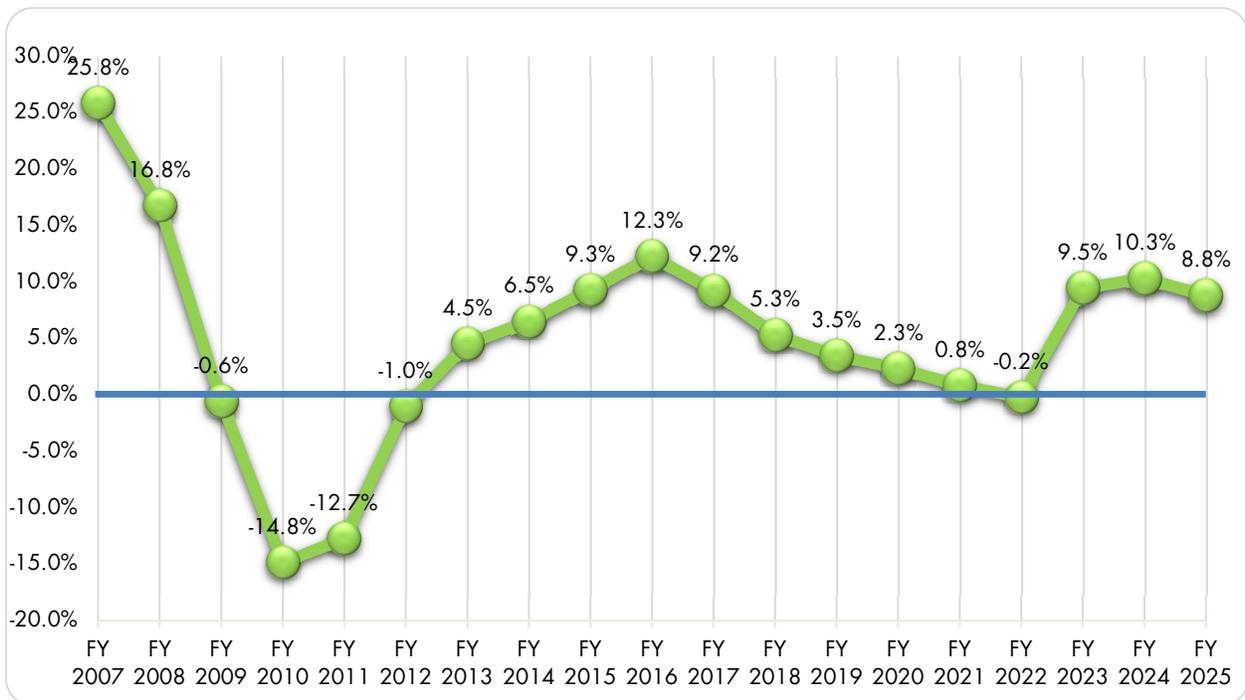
It is important to note that while the City's overall taxable values increased by \$4.8 billion, or 9.4%, compared to the previous year, overall taxable property values within the City since FY 2023 have been increasing at a diminishing rate, as reflected in the overall property value trend chart below.

Overall Property Value Trend



The overall increase in values of \$4.8 billion, or 9.4%, is comprised of a \$4.5 billion, or 8.8%, increase in existing values and a \$0.3 billion increase in new construction values.

Existing Property Value Trend



New Construction Value Trend



MILLAGE RATE

There are two (2) main components to the City’s Total Combined millage rate, which are the General Operating millage rate and the voted debt service millage rate. The General Operating millage rate, which is comprised of a General, Capital Renewal and Replacement (CRR), and Capital Pay-As-You-Go (PayGo) millage, funds General Fund operating and capital expenditures, while the voted debt service millage rate funds the annual debt service for outstanding General Obligation (G.O.) bonds.

The Proposed General Operating millage rate for Fiscal Year (FY) 2025 of 5.8522 mills provides funding to offset increases in personnel costs, such as the annual required pension contributions, a five (5) percent (%) step increase for all Fraternal Order of Police (FOP) and International Association of Fire Fighters (IAFF) positions and a 0-3% performance-based merit increase for all other positions, an increase in the City’s health insurance premiums for active employees and retirees, as well as increases in other General Fund operating expenditures and dedicated funding for General Fund capital projects.

The voted debt service millage rate provides dedicated funding for the annual debt service associated with the City’s outstanding G.O. Bonds. For FY 2025, this represents the annual debt service for the first tranche (Series 2019) of the G.O. Bonds approved by the voters on November 6, 2018, and the annual debt service for the first tranche (Series 2023 A&B) of the Arts and Culture G.O. Bonds approved by the voters on November 8, 2022. Based on the 2024 Certified Taxable Property Values, the debt service payments totaling approximately \$16.3 million in FY 2025 require the levy of a voted debt service millage rate of 0.2959 mills for FY 2025, which is 0.0367 mills less than the adopted FY 2024 voted debt service millage rate of 0.3326 mills.

Unfunded Capital Needs

As presented at the Finance and Economic Resiliency Committee (FERC) Budget Briefing on June 21, 2024, the City's Preliminary FY 2025-2029 Capital Improvement Plan (CIP) reflected approximately \$1.2 billion of unfunded capital project needs over the next five (5) years.

As a result, and in an effort to meet the City Commission's goal of funding 5% of the annual General Fund operating budget for capital needs in accordance with Resolution No. 2006-26341, the Administration recommended the following, which was accepted by the FERC at the June 21, 2024 Budget Briefing:

1. Dedicated CRR Millage Adjustment

Realign the reduction in the required voted debt service millage rate in FY 2025 of 0.0285 mills, which was updated based on the 2024 Certified Taxable Values as of July 1, 2024, to the dedicated CRR millage rate. This realignment would result in an estimated additional increase in dedicated CRR funding of approximately \$1.4 million in FY 2025.

2. General Fund Interest Income for Capital Projects

Allocate 25%, or approximately \$2.0 million, of the total projected FY 2025 interest income in the General Fund for one-time capital expenditures. Using General Fund interest income for one-time expenditures is a prudent financial strategy for local governments, particularly given the volatility of interest rates. Interest rates can fluctuate significantly due to economic conditions, monetary policy, and market forces. Relying on interest income for recurring expenditures is risky, as a decline in rates could lead to a shortfall in expected revenues and cause an unexpected deficit. By using interest income for one-time expenditures, the City would avoid creating budget gaps, if interest income decreases.

In addition, based on the finalization of the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2023 (FY 2023), approximately \$0.4 million in prior year fund balance in the General Obligation (G.O.) Debt Service Fund is available for appropriation. The Administration is recommending that this available funding be appropriated in FY 2025, which would further reduce the voted debt service millage for FY 2025 by 0.0082 mills from 0.3041 mills to 0.2959 mills and realign this additional decrease in the voted debt service millage to the dedicated CRR millage. This would result in an estimated additional increase in dedicated CRR funding of approximately \$0.4 million to fund the most critical unfunded capital renewal and replacement projects to extend the useful life of the City's facilities.

The Total Combined millage rate for FY 2025 would remain flat at 6.1481 mills, as summarized in the table below, if the recommendations above are approved.

Furthermore, this would move the budget closer to the City Commission's goal of funding 5% of the annual General Fund operating budget for capital needs, **from approximately \$11.3 million, or 2.6%, to \$15.1 million, or 3.4%**, of the FY 2025 General Fund budget. With these additional capital dollars, the Administration would recommend funding the most critical unfunded capital projects to extend the useful life of the City's facilities.

| | FY 2024 Adopted | FY 2025 Proposed | Increase/ (Decrease) |
|--|--------------------|---------------------|-------------------------|
| General | 5.6636 | 5.6636 | 0.0000 |
| Capital Renewal & Replacement (CRR) | 0.0499 | 0.0866 | 0.0367 |
| Capital Pay-As-You-Go (PayGo) | 0.1020 | 0.1020 | 0.0000 |
| Total General Operating Millage | 5.8155 | 5.8522 | 0.0367 |
| Voted Debt Service | 0.3326 | 0.2959 | (0.0367) |
| Total Combined Millage | 6.1481 | 6.1481 | 0.0000 |

COLLECTIVE BARGAINING UPDATE

The Administration is in the process of negotiating with the City’s five (5) collective bargaining units as all their agreements will expire on September 30, 2024, with the exception of American Federation of State, County, and Municipal Employees (AFSCME), which expires on April 30, 2025. Agreements are generally negotiated for a three-year period. For this round, those years are FY 2025, FY 2026, and FY 2027, with the exception of AFSCME. The five (5) unions are:

1. American Federation of State, County, and Municipal Employees (AFSCME)
2. Communication Workers of America (CWA)
3. Fraternal Order of Police (FOP)
4. Government Supervisors Association of Florida (GSA)
5. International Association of Fire Fighters (IAFF)

The City’s goals for these negotiations are to provide fair and sustainable wage increases, incentivize positions and assignments to improve retention and recruitment, manage labor and pension costs for short and long-term sustainability, avoid new and/or increased specialty and incentive pays, and reach a fair labor agreement with each union reflective of items of importance to both the City and to that union.

To date, the Administration has held eight (8) negotiation sessions with its unions. Proposals that have been received from the bargaining units have been cost-significant, given the impact of recent inflation and optimism regarding current property values and resort taxes, which is not representative of future trends.

The Administration has not reached tentative agreements with any of the bargaining units. As such, negotiations are ongoing with the goal that tentative agreements will be reached in the next few weeks and months. As each tentative Collective Bargaining Agreement (CBA) is finalized, it is subject to voter approval by union membership and then taken to City Commission for approval. As more information becomes available over time, the Administration will continue to update and refine the related cost projections for the FY 2025 budget.

GENERAL FUND BUDGET

At the FY 2025 Commission Budget Retreat on May 20, 2024, the Mayor and City Commission were briefed regarding the Preliminary FY 2025 General Fund budget.

FY 2025 Millage Rate and Operating Budget

July 12, 2024

Page 6

| General Fund | FY 2024 Adopted | FY 2025 Preliminary May 20 th Retreat | \$ Variance |
|----------------------|-----------------|---|-------------|
| Revenues | \$427,648,000 | \$431,243,000 | \$3,595,000 |
| Expenditures | 427,648,000 | 437,783,000 | 10,135,000 |
| Surplus/(Gap) | \$- | (\$6,540,000) | |

Preliminary FY 2025 General Fund revenues were projected to increase by approximately \$3.6 million, or 0.8%, compared to the adopted FY 2024 General Fund budget while Preliminary FY 2025 General Fund expenditures were projected to increase by approximately \$10.1 million, or 2.4%, compared to the adopted FY 2024 General Fund budget.

The tables below, which were presented at the May 20, 2024 Commission Budget Retreat, outlined the major FY 2024 to FY 2025 General Fund revenue and expenditure variances.

| \$ Variances in General Fund Revenues from FY 2024 Adopted to FY 2025 Preliminary* | \$ |
|--|----------------------|
| FY 2024 Adopted | \$427,648,000 |
| Increase in General Fund Franchise and Utility Tax revenues from electricity, gas, etc.* | 3,719,000 |
| Increase in General Fund revenues from Fines and Violations, Rents and Leases, and Interest Income* | 2,916,000 |
| Increase in Other Miscellaneous General Fund revenues from Intergovernmental Revenues, Charges for Services, etc.* | 2,463,000 |
| Increase in General Fund Licenses and Permit revenues from Fire, Planning, Public Works, and Finance* | 1,960,000 |
| Preliminary decrease in Contribution from 2% Resort Tax Fund for Tourism-Eligible Expenditures based on Preliminary 2% Resort Tax Projections (Based on January 2024 study \$186.5 million in tourism-eligible expenditures in General Fund) | (3,264,000) |
| Decrease in Use of Prior Year Fund Balance based on approved one-time expenditures budgeted in FY 2024 | (4,199,000) |
| FY 2025 Preliminary | \$431,243,000 |
| \$ Revenue Variance | \$3,595,000 |

*Based on prior year trends and current year projections

| \$ Variances in General Fund Expenditures from FY 2024 Adopted to FY 2025 Preliminary | \$ |
|---|----------------------|
| FY 2024 Adopted | \$427,648,000 |
| Police/Fire Pension Impact (Gen Fund Portion) | 5,154,000 |
| 5% Step for Police/Fire and 0-3% Merit for Non-Fire/Police | 2,821,000 |
| 10% Increase in City's Premium for Health Insurance – Actives and Retirees | 2,722,000 |
| General Employee (MBERP) Pension Impact (Gen Fund Portion) | 2,585,000 |
| Recommended Set-aside of Projected Miami Beach and Normandy Shores Golf Course Surplus for MB Golf Course Project | 1,694,000 |
| Additional Public Safety Overtime (incl. applicable Step and Merit increases budgeted in FY 2025) | 1,591,000 |
| Increases in Other Operating Expenditures based on anticipated departmental needs | 893,000 |
| Expenditures Approved/Added by City Commission Mid-Year of FY 2024 | 511,000 |
| Estimated Internal Services Expenditures Impact | (1,127,000) |
| Decrease in Transfer to Pay-As-You-Go Capital (PayGo) based on one-time expenditures budgeted in FY 2024 | (6,709,000) |
| FY 2025 Preliminary | \$437,783,000 |
| \$ Expenditure Variance | \$10,135,000 |

At the June 21, 2024 FERC Budget Briefing, the Preliminary FY 2025 General Fund budget, which was updated to include the City's projected overall increase in General Fund property tax revenues of \$21.1 million for operating purposes, \$0.4 million for Pay-As-You-Go (PayGo) capital funding, and \$0.2 million for CRR funding based on the 2024 Estimated Taxable Values provided by the Miami-Dade County Property Appraiser on May 31, 2024, was presented by the Administration.

| General Fund | FY 2025 Preliminary Budget Retreat | FY 2025 Preliminary Based on June 1st Values | \$ Change |
|----------------------|---|--|---------------------|
| Revenues | \$431,243,000 | \$452,958,000 | \$21,715,000 |
| Expenditures | 437,783,000 | 438,351,000 | 568,000 |
| Surplus/(Gap) | (\$6,540,000) | \$14,607,000 | \$21,147,000 |

On July 1, 2024, the City received the 2024 Certified Taxable Property Values from the Miami-Dade County Property Appraiser reflecting that the City's overall taxable property values increased an additional 0.6% over the 2024 Estimated Taxable Property Values increase of 8.8% that was provided by the Miami-Dade County Property Appraiser on May 31, 2024 and presented by the Administration at the June 21, 2024 FERC Budget Briefing.

This represents an incremental increase of approximately \$2.0 million in projected General Fund property tax revenues over the General Fund property tax revenue projections that were based on the 2024 Estimated Taxable Values. This is comprised of an additional \$1.8 million for

operating purposes, \$33,000 for PayGo capital funding, and \$106,000 for CRR funding for FY 2025.

In addition, since the June 21, 2024 FERC Budget Briefing, the Administration has further refined the General Fund budget based on items that were approved at the June 26, 2024 City Commission meeting and other adjustments to the FY 2025 General Fund budget totaling approximately \$0.3 million that are detailed below.

1. Additional Dedicated CRR Millage Adjustment

Based on the finalization of the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2023 (FY 2023), approximately \$0.4 million in prior year fund balance in the General Obligation (G.O.) Debt Service Fund is available for appropriation. The Administration is recommending that this available funding be appropriated in FY 2025, which would further reduce the voted debt service millage for FY 2025 by 0.0082 mills from 0.3041 mills to 0.2959 mills and realign this additional decrease in the voted debt service millage to the dedicated CRR millage. This would result in an estimated additional increase in dedicated CRR funding of approximately \$0.4 million to fund the most critical unfunded capital renewal and replacement projects to extend the useful life of the City's facilities.

2. Other Expenditure Adjustments

- Two (2) additional Commissioner Aides, as adopted by the City Commission on June 26, 2024 – \$240,000
- Miscellaneous Police and Parks and Recreation expenditure adjustments – \$42,000

These adjustments, combined with the recommendations that were made by the Administration and accepted by the FERC at the June 21, 2024 FERC Budget Briefing to realign the reduction in the voted debt service millage rate in FY 2025 to the dedicated CRR millage rate and allocate 25%, or approximately \$2.0 million, of the total projected FY 2025 interest income in the General Fund for one-time CRR capital expenditures would result in a Preliminary FY 2025 General Fund surplus of approximately \$16.2 million.

| General Fund | FY 2025 Based on July 1 st Values |
|----------------------|---|
| Revenues | \$456,592,000 |
| Expenditures | 440,427,000 |
| Surplus/(Gap) | \$16,163,000 |

Approach to Balance

To balance the Preliminary FY 2025 General Fund budget, the Administration is recommending a combination of expenditure enhancements and reductions/efficiencies, as well as expenditure refinements, which if approved by the FERC, would result in a balanced General Fund budget for FY 2025.

| FY 2025 General Fund Balancing Strategies | \$ |
|---|---------------------|
| Preliminary Surplus/(Gap) | \$16,163,000 |
| Recommended “One-Time” Expenditure Enhancements/Reductions | (2,694,000) |
| Recommended Recurring Expenditure Enhancements/Reductions | (4,557,000) |
| Remaining Surplus/(Gap) | \$8,912,000 |
| Expenditure Refinements (Capital Needs/Collective Bargaining Set aside) | (8,912,000) |
| Net Surplus/(Gap) | \$- |

Recommended “One-Time” Expenditure Enhancements/Reductions – Attachment A – (\$2,694,000)

After an extensive review of the enhancements requested by departments, requests originating from the City’s various Commission Committees, and direction provided by the City Commission, Attachment A reflects a listing of all FY 2025 expenditure enhancements/reductions with detailed descriptions. The one-time enhancements/reductions summarized below reflect those currently recommended for funding in FY 2025 from the General Fund.

Police High Visibility Overtime: (\$1,900,000)

In response to the heightened concerns following the attacks against Israel on October 7, 2023, the Miami Beach Police Department (MBPD) initiated a high-visibility detail aimed at ensuring the safety of local residents, businesses, and religious institutions. This overtime detail addresses the concerns expressed by community members, elected officials, and religious leaders regarding the potential for localized attacks and/or criminal activities targeting individuals of the specific religious faith.

Given the ongoing nature of the potential threat, the overtime detail was extended. As this need was unforeseen, the expenses associated with this detail were not budgeted for initially. Therefore, it is imperative that additional funding be secured to sustain at levels determined by the Police Department for this initiative in the upcoming fiscal year.

Educational Enhancements for Additional Services and Equipment: (\$394,000)

One-time funding totaling \$393,163, as discussed and recommended by the Finance and Economic Resiliency Committee (FERC) at its March 22, 2024 meeting and adopted by the City Commission on May 15, 2024, through Resolution No. 2024-33016, for STEM equipment, STEAM+ and International Baccalaureate (IB) program services, Stop-the-Bleed kits, and virtual tour services pertaining to the anticipated addition of various educational initiatives at the following seven (7) private/charter schools with active memberships on the Quality Education Committee:

1. Lehrman Community Day School - \$45,833
2. Yeshiva Elementary School - \$47,433
3. Temple Beth Sholom Innovation School - \$45,833
4. Mechina of South Florida High School - \$49,466
5. Hebrew Academy Miami - \$51,266
6. Mater Beach Academy - \$104,166
7. The Montessori Academy at St. John's - \$49,166

This enhancement request, if approved, would be budgeted in the Education Compact Fund and funded through a transfer from the General Fund.

Purchase of Four (4) Specialized Pressure Washing Machines: (\$200,000)

This one-time enhancement request is for the purchase of four (4) specialized pressure washing machines for park facilities. The purchase of these rideable specialized pressure washing machines will increase the speed in which staff will be able to service parks.

This request is an alternative to the recurring request submitted by the Parks and Recreation Department, which is to contract out pressure washing services for parks facilities, plus four (4) additional full-time positions requested to enhance litter control, cleaning in the parks, and other parks services citywide. If the request to contract out pressure washing services is recommended, this request is to be withdrawn.

Feasibility Study for a Compacted Sand Path East of Dunes: (\$100,000)

Feasibility analysis to potentially pursue creating a compacted sand path east of the dune system for pedestrians which would require permitting and approvals from the State of Florida, as discussed and recommended by the Public Safety and Neighborhood Quality of Life Committee (PSNQLC) at its February 14, 2024 meeting and adopted by the City Commission on April 3, 2024, through Resolution No. 2024-33000.

Small Business Grants: (\$100,000)

Grants offered to Miami Beach small businesses experiencing economic hardship to support and service the small business community with practical and attainable access to capital to bridge short-term financial gaps, as discussed and recommended by the Finance and Economic Resiliency Committee (FERC) at its June 28, 2024 meeting.

These grants, which would be offered in increments of up to \$5,000 per business, would provide critical assistance to small businesses across the City, facilitating the urgent deployment of capital and support to help these businesses not just preserve during the slower economic seasons, but sustain throughout the year.

Recommended Recurring Expenditure Enhancements/Reductions – Attachment A – (\$4,557,000)

Similar to the one-time expenditure enhancements/reductions, Attachment A also reflects a listing of all recurring FY 2025 expenditure enhancements/reductions with detailed descriptions. The recurring enhancements/reductions summarized below reflect those currently recommended for funding in FY 2025 from the General Fund.

Additional Transfer to PayGo Capital based on Projected General Fund Interest Income: (\$2,043,000)

Using General Fund interest income for one-time expenditures is a prudent financial strategy for local governments, particularly given the volatility of interest rates. Interest rates can fluctuate significantly due to economic conditions, monetary policy, and market forces. Relying on interest income for recurring expenditures is risky, as a decline in rates could lead to a decline in expected revenues and cause an unexpected shortfall. By using interest income for one-time expenditures, the City would avoid creating budget gaps, if interest income decreases.

As a result, the City Administration recommends allocating 25% of the projected FY 2025 interest income in the General Fund (approx. \$8.2 million) to be transferred for one-time

capital expenditures, with a 5% increase each fiscal year thereafter. Based on the FY 2025 projections, this would equate to approximately \$2.0 million. The percentage will be increased by 5% in each subsequent fiscal year.

Additional Full-Time Non-Sworn Positions (4) for Real Time Intelligence Center: (\$325,000)

This request for four (4) additional non-sworn full-time Real Time Crime Specialist positions will increase the operational hours of the Real Time Intelligence Center (RTIC). The current staffing level, which includes two full-time positions, provides for one shift, from 11 am to 7 pm. This enhancement will extend operations to two shifts, from 6 am to 4 pm and 3 pm to 1 am, 7 days a week. In addition, this increased staffing level will allow for up to 24-hour coverage during high-impact periods.

This request is being submitted by the Police Department for consideration in the FY 2025 budget based on direction from the City Commission at the January 31, 2024 City Commission meeting, through Resolution No. 2024-32894, as well as discussed and recommended by the Finance and Economic Resiliency Committee (FERC) at its May 24, 2024 meeting.

Full-Time Emergency Management Fire Division Chief Position: (\$247,000)

Currently, the Deputy Fire Chief of Operations is supervising seven (7) Division Chiefs and five major programs, which has reached the limit of span of control and is hampering efficiency. This includes overseeing Domestic Preparedness & Homeland Security and managing the City of Miami Beach's Emergency Operations Center (EOC), which was previously supervised by an Emergency Management Director position that was eliminated when these operations were transitioned over to the Fire Department.

Adding a full-time Emergency Management Fire Division Chief is crucial to effectively managing these programs, ensuring comprehensive oversight, and maintaining high operational standards across all departments that will lead to continuity and improved service delivery and enhanced disaster management capabilities. This position will oversee and manage the City of Miami Beach Emergency Operations Center (EOC), disaster preparedness, recovery, and mitigation efforts citywide, as well as response of the Special Operations Teams, Marine Operations, SWAT Medics, the Florida FEMA Urban Search and Rescue Team, and FEMA reimbursement programs.

Educational Initiatives Enhancements: (\$224,000)

Recurring funding totaling \$189,252, as discussed and recommended by the Finance and Economic Resiliency Committee (FERC) at its March 22, 2024 meeting and adopted by the City Commission on May 15, 2024, through Resolution No. 2024-33016, for educational initiatives/programs such as the math and reading interventionist programs at the following seven (7) private/charter schools with active memberships on the Quality Education Committee:

1. Lehrman Community Day School - \$28,725.75
2. Yeshiva Elementary School - \$20,840.25
3. Temple Beth Shalom Innovation School - \$10,326.25
4. Mechina of South Florida High School - \$6,946.75
5. Hebrew Academy Miami - \$41,868.25
6. Mater Beach Academy - \$73,785.75
7. The Montessori Academy at St. John's - \$6,759.00

This request also includes one (1) full-time Education Compact Coordinator position totaling \$84,748 (incl. salaries and benefits) needed to develop, implement, and manage these initiatives/programs, which is partially offset based on the proposed re-alignment of \$50,000 allocated for the STEAM program to be used to fund this position. This enhancement request, if approved, would be budgeted in the Education Compact Fund and funded through a transfer from the General Fund.

Full-Time Municipal Service Worker (MSW) II Positions (4) for the Parks Division: (\$224,000)

As Parks services and demand continues to grow and in response to the Resident Survey results pertaining to cleanliness, the requests for the rapid delivery of services and turnaround times increases. This enhancement is to facilitate this through the addition of four (4) full-time Municipal Service Worker II (MSW II) positions for the north and south ends of the City. These positions would provide litter control services, cleaning in the parks, and other parks services citywide.

Area Managers: (\$212,000)

During the FY 2024 budget process, the concept and idea of Area Managers with a distinct focus on specific geographic areas of the City was raised for consideration, which the City Commission did not proceed with at that time. This request is being revisited and the concept is proposed to be implemented as part of the FY 2025 budget.

The recommendation is to add one (1) full-time Area Manager and two (2) part-time Cleanliness Assessors that will conduct four (4) assessments per block per year, which amounts to a total of approximately 9,600 block assessments per year throughout North, Middle, and South Beach. This option can yield between 128-160 hours weekly of block condition assessments (observations) as compared to 21-24 hours for three area managers weekly. That equates to 32-40 four-hour shifts per week, with one car available.

This is in addition to the staffing resources already dedicated to the revitalized Cleanliness Index initiative that was recently re-started that assesses the level of cleanliness throughout the city and reports issue to departments. This enhancement would allow for additional assessments and primarily have the staff be responsible for ensuring that found deficiencies are not only forwarded to the relevant department but followed-up on through corrective action.

Miami-Dade County Crime Lab Staffing: (\$200,000)

This enhancement would provide funding for the employment of two (2) Criminologist Technicians in the Miami-Dade County Crime Lab for the purpose of processing marijuana and other illegal controlled substances, as discussed and adopted by the City Commission on January 31, 2024, through Resolution No. 2024-32900.

Contracted Bus Services for After-School Program Pick-ups: (\$175,000)

Through this enhancement, the Parks and Recreation Department can provide children with dedicated school bus routes, which operate Monday through Friday. The primary issue currently being faced is the persistent difficulty in securing and retaining qualified bus drivers with the necessary Commercial Driver's Licenses (CDLs). The shortage of skilled personnel has reached a critical point, threatening the consistent provision of transportation services for our participants. Additionally, the frequency of employee callouts has further exacerbated staffing challenges. These unforeseen absences strain the existing workforce and compromise the reliability of the school bus route, impacting the punctuality and safety of participants who commute to our after-school programs.

Preventative Maintenance for Aquatic Facilities: (\$120,000)

Currently, the Parks and Recreation Department does not have an established preventative maintenance plan for the City's pool pump rooms and equipment at each aquatic facility. This request is for the establishment of a preventative maintenance plan. Having dedicated funding for this plan will support troubleshooting and diagnostics, while providing essential repairs, which will decrease the need for emergency repairs and allow the aquatics division to properly plan and budget for any equipment replacements over time.

Additional Full-Time Assistant City Attorney II Position for Municipal Prosecution Program: (\$115,000)

The City, by and through the City Attorney's Office and its two (2) Municipal Prosecutors, currently prosecutes criminal defendants arrested by the Miami Beach Police Department when any defendant is solely arrested for one (1) or more criminal City Ordinance violations. In addition to the many varied criminal City Ordinance violations for which a defendant can be arrested (including several offenses that have been added within the last year), the Mayor and City Commission have also adopted seven (7) State law violations, by specific reference, thereby making those seven (7) State law offenses also arrestable pursuant to the City Code (and thereby prosecuted by the City's Municipal Prosecutors, and not by the State Attorney's Office).

Since May 1, 2022, the City's Municipal Prosecutors have handled approximately 950 cases (and the vast majority of cases require multiple court appearances, along with work in between court appearances) prior to a final disposition (i.e., plea, trial, sentencing, etc.) being reached.

From January 1, 2024 - June 30, 2024, the two (2) Municipal Prosecutors have handled approximately 317 cases, as compared to 198 cases handled during the same period of the previous year. Moreover, it is anticipated that the caseload will continue to grow for the reasons stated herein.

Camillus House Health Concern Initiative: (\$100,000)

On July 26, 2023, the Mayor and City Commission approved the one-time reallocation of \$100,000 of unexpended FY 2023 funds originally allocated to the Camillus House Lazarus Program to Camillus House Health Concern, through Resolution No. 2023-32693. Camillus House Health Concern provides specialized medical outreach to persons experiencing homelessness. On October 20, 2023, the City executed a services agreement with Camillus Health Concern for specialized medical outreach to persons experiencing homelessness. The vendor conducts weekly visits to persons identified by the Homeless Outreach Services team and provides a variety of medical services, which have resulted in positive engagements. In response to the Resident Survey results pertaining to homelessness concerns in the city, this enhancement will allow the city to continue with both general health and mental health services for the homeless.

The program is currently funded as a pilot and the Administration recommends renewing the program agreement.

Full-Time Human Resources Records Technician Position: (\$76,000)

This request is for a full-time Human Resources Records Technician position that will be responsible for managing a records program for the Human Resources Department, including the retention, storage and maintenance of records, and development of records management procedures to ensure that the Human Resources Department keeps current with state laws governing public records.

Additional Funding - Rock Ensemble: (\$70,000)

Young Musicians Unite (YMU) provided a proposal for a Miami Beach Rock Ensemble as an afterschool enrichment through the City's current free afterschool enrichment program, which would include accessibility to charter and private schools. This request for support from YMU for a Miami Beach Rock Ensemble afterschool program is for the following schools, as discussed and recommended by the Finance and Economic Resiliency Committee (FERC) at its April 19, 2024 meeting and adopted by the City Commission on May 15, 2024, through Resolution No. 2024-33017.

1. Miami Beach Fienberg Fisher K-8 - \$25,000
2. Miami Beach Nautilus Middle - \$25,000
3. Miami Beach Sr. High - \$20,000 (in addition to the \$30,000 already budgeted)

This enhancement request, if approved, would be budgeted in the Education Compact Fund and funded through a transfer from the General Fund.

Additional Funding - Pre-K Scholarships Lottery Program: (\$57,000)

Increase funding for Pre-K Scholarships Lottery Program by an additional \$57,000 for FY 2025, as adopted by the City Commission at its December 13, 2023 meeting, through Resolution No. 2023-32862, which amended Resolution No. 2021-31935 to increase the number of Pre-K scholarships by 19 to a total number 177 and recommended the consideration of an additional \$57,000 as part of the FY 2025 budget process for the 2025-2026 school year and each year thereafter.

This enhancement request, if approved, would be budgeted in the Education Compact Fund and funded through a transfer from the General Fund.

Additional Funding - State Lobbyist Services: (\$54,000)

Additional funding for State Lobbyist services to advocate for the City during the 2025 Florida Legislative Session, as discussed and recommended by the Finance and Economic Resiliency Committee (FERC) at its April 19, 2024 meeting and adopted by the City Commission on May 15, 2024, through Resolution No. 2024-33025.

Miami Beach Police Department (MBPD) LGBTQ Outreach Initiatives: (\$54,000)

This request is to allocate dedicated funding in the Miami Beach Police Department's annual budget for LGBTQ outreach initiatives, comprised of educational and promotional items, trainings and conferences, personnel, hospitality, and community events and programs, as discussed and recommended by the Finance and Economic Resiliency Committee (FERC) at its June 28, 2024 meeting.

It is, however, recommended that the annual allocation recommended by the FERC remain the same due to potential fluctuations in annual property values and other General Fund revenues that are impacted by economic and market conditions.

Request to Reclassify Existing Full-Time Assistant City Clerk Positions: (\$50,000)

There is a salary grade discrepancy between the current classification of the Assistant City Clerk position and other Assistant Director roles within our City. As observed, all other Assistant Director positions within the City are classified at u27. However, the Assistant City Clerk position stands as the singular Assistant Departmental directory role currently classified as u23. The responsibilities, duties, and scope of work of the Assistant City Clerk position closely align with those of the Assistant Director roles, warranting a reconsideration of its classification to be more in line with the established u27 classification and upgrade the u23 paygrade to a u26 paygrade. This would ensure equitable alignment with other roles of similar responsibilities within the Clerk's department. To note, the Records Manager reports to the Assistant City Clerks, but the Records Manager and the Assistant City Clerk share the same paygrade of u23.

Body Cameras for Homeless Program Operations: (\$38,000)

The Miami Beach Police Department recently negotiated an agreement for body-worn cameras and ancillary equipment. In response to the Resident Survey results pertaining to homelessness concerns in the city, this enhancement would fund three (3) body-worn cameras to be utilized by the Homeless Outreach Division while transporting persons experiencing homelessness in City vehicles.

Part-Time Office Associate IV Position: (\$39,000)

Although existing staff resources have initially absorbed the Sister Cities Program transition during FY 2024 as a result of Ordinance No. 2024-4599 that was adopted by the City Commission on March 13, 2024, due to the anticipated level of increased Sister Cities engagement and the limited staffing resources within the Economic Development Department, an additional Office Associate IV Part-Time position is being requested. This addition would assist in balancing the needs of the Economic Development Department overall, which would allow existing staff to fully take on the Sister Cities Program without weakening productivity and continuity of existing programs and services in the Economic Development Department. In addition, this position will provide auxiliary assistance with the department's multiple programs that promote business expansion, attraction and retention.

Additional Funding - Film Incentive Program: (\$33,000)

Joint efforts are being led through a partnership between the Miami-Dade County Film Office, the Greater Miami Convention and Visitors Bureau (GMCVB), and the City of Miami Beach Tourism and Culture Department to promote and incentivize film productions to return to the South Florida area. Prospective filmmakers can combine the City's film incentive with the County's new film incentive, aiding our goal of attracting film production to South Florida, and Miami Beach specifically. As a result, this request is to increase funding for the Film Incentive Program from \$67,000 to \$100,000.

Additional Funding - Sister Cities: (\$15,000)

To provide greater transparency and direct control of the Sister Cities Program, on February 23, 2024, the Finance and Economic Resiliency Committee (FERC) recommended re-establishing the City's Administration of the Sister Cities Program with oversight by a Council appointed by the Mayor and City Commission, and with the City Administration, via the Economic Development Department, providing program support and serving as liaison to the council, which was adopted by the City Commission on March 13, 2024, through Ordinance No. 2024-4599.

The Sister Cities Program has had an annual City allocation of \$25,000 to cover related expenses (travel costs, lodging, food & beverage, etc.) for delegation visits. Though not all Sister Cities are routinely active, it is anticipated that as existing Sister Cities and elected officials become more engaged in a meaningful and methodical manner, more activity and costs will be generated. An additional \$15,000 toward the Sister Cities Program budget, as recommended by the FERC on February 23, 2024, would better align with the forecasted level of activity and estimated costs.

Additional Funding - Beachfront Café Assessments (Café Index): (\$4,000)

This request seeks additional funding to support the inclusion of forty (40) more cafes currently in operation along public beachfront properties. Generally, this program aims to enhance the quality of outdoor dining for the City's residents and visitors. The Cafe Index provides valuable data to ensure that all assessed cafes align with the City's vision of being cleaner, safer, more beautiful, and vibrant. It also ensures that these cafes are operated and maintained at the highest level of service and quality, fitting for a recognized world-class international resort destination like the City. At the request of Public Works, the addition of these cafes will allow assessors to better evaluate compliance with the City's standards outlined in the outdoor dining concession program. This enhancement covers an additional 40 beachfront cafe assessments at a rate of \$100 for each assessment one time per year.

Estimated Impact of Recommended Internal Service Fund Department Enhancements on the General Fund: (\$82,000)

For FY 2025, there are several expenditure enhancements recommended for the City's various Internal Service Fund Departments, such as the Information Technology Department and Risk Management Division of the Human Resources Department. The amount reflected of \$82,000 represents the portion of the total expenditure enhancements recommended for the Internal Service Fund Departments for FY 2025 that is estimated to impact the General Fund budget since a large part of each Internal Service Fund Departments' total operating budget is charged back to other City departments and funds based on services provided. This figure will be further refined once the FY 2025 operating budgets are finalized, and Internal Service Department allocations are completed.

Expenditure Refinements – (\$8,912,000)

Unfunded Capital Needs/Collective Bargaining Agreements

The City's Preliminary FY 2025-2029 Capital Improvement Plan (CIP) reflects approximately \$1.2 billion of unfunded capital project needs over the next five (5) years. Per Resolution No. 2006-2634, which was adopted by the City Commission on September 21, 2006, the City shall have a goal to fund not less than 5% of the annual fiscal operating budget of the General Fund for capital needs as a permanent part of the annual fiscal operating budget of the General Fund.

Attachment A includes an unfunded enhancement request to fund this goal, with an estimated amount needed of \$10.6 million. The Administration recommends allocating a portion of the remaining surplus fund to capital funds, in order to move closer to attaining this 5% goal.

As previously mentioned, the Administration is still negotiating with the City's collective bargaining units as all their agreements will expire on September 30, 2024, except AFSCME that expires on April 30, 2025.

The proposals that have been received from the bargaining units have been cost-significant, given the impact of recent inflation and optimism regarding current property values and resort taxes. The Administration has not reached tentative agreements and continues to negotiate with the bargaining units with the hope of reaching tentative agreements in the next few weeks and months.

As more information becomes available, the Administration will continue to update and refine the related cost projections for the FY 2025 budget. As a result, it is recommended that the remaining FY 2025 General Fund surplus of approximately \$8.9 million be set aside for unfunded capital needs and collective bargaining.

Balancing Summary

The above-mentioned recommendations, if approved by the FERC, would result in a balanced General Fund budget for FY 2025.

| FY 2025 General Fund Balancing Strategies | \$ |
|---|---------------------|
| Preliminary Surplus/(Gap) | \$16,163,000 |
| Recommended “One-Time” Expenditure Enhancements/Reductions | (2,694,000) |
| Recommended Recurring Expenditure Enhancements/Reductions | (4,557,000) |
| Remaining Surplus/(Gap) | \$8,912,000 |
| Expenditure Refinements (Capital Funding/Collective Bargaining) | (8,912,000) |
| Net Surplus/(Gap) | \$- |

GENERAL FUND RESERVES

The City’s General Fund reserve as of September 30, 2023 is \$106.9 million, or 25.0%, which equals 3 months of reserves based on the adopted FY 2024 General Fund budget. The reserve policy for the General Fund is a required 2 months and a goal of 3 months pursuant to Resolution No. 2019-30954 that was adopted by the City Commission on September 11, 2019.

Currently, the Administration is recommending partially funding this reserve requirement/goal with approximately \$3.1 million in the FY 2025 budget with additional funding requirements for the City’s General Fund reserves based on the FY 2025 budget to be evaluated as part of the year-end process for FY 2024.

RESORT TAX BUDGET

The Resort Tax budget consists of three (3) main components: (1) a 2% Resort Tax comprised of a 2% Bed Tax and 2% Food & Beverage Tax; (2) a 1% Bed Tax for Quality of Life (QOL) capital projects, transportation initiatives, and arts and culture; and (3) a 1% Bed Tax dedicated to the repayment of outstanding debt service for Resort Tax bonds issued as part of the most recent Convention Center renovation and expansion project, as well as funding for renewal and replacement of Convention Center assets.

At the FY 2025 Commission Budget Retreat on May 20, 2024 and June 21, 2024 FERC Budget Briefing, the Mayor and City Commission were also briefed regarding the Preliminary FY 2025 2% Resort Tax budget. Based on actual 2% Resort Tax collections as of March 2024, which

FY 2025 Millage Rate and Operating Budget

July 12, 2024

Page 18

assume FY 2025 Resort Tax collections to remain flat over FY 2024 projections and the offsetting expenditure adjustments that were presented at the May 20, 2024 Commission Budget Retreat and June 21, 2024 FERC Budget Briefing, the Preliminary FY 2025 2% Resort Tax budget remains balanced.

| 2% Resort Tax | FY 2024 Adopted | FY 2025 Preliminary | \$ Variance |
|----------------------|------------------------|----------------------------|--------------------|
| Revenues | \$80,214,000 | \$75,615,000 | (\$4,599,000) |
| Expenditures | 80,214,000 | 75,615,000 | (4,599,000) |
| Surplus/(Gap) | \$- | \$- | |

Preliminary FY 2025 2% Resort Tax revenues were estimated to decrease by approximately \$4.6 million, or 5.7%, compared to the adopted FY 2024 2% Resort Tax budget while Preliminary FY 2025 2% Resort Tax expenditures were also estimated to decrease by approximately \$4.6 million, or 5.7%, compared to the adopted FY 2024 2% Resort Tax budget.

The tables below outlined the major adopted FY 2024 to FY 2025 2% Resort Tax revenue and expenditure variances.

| \$ Variances in 2% Resort Tax Revenues from FY 2024 Adopted to FY 2025 Preliminary | \$ |
|--|----------------------|
| FY 2024 Adopted | \$80,214,000 |
| Decrease in 2% Resort Tax Collections based on projected FY 2024 2% collections (projected FY 2024 2% collections based on actual collections through March 2024 with revenues projected through September 2024 at approx. 95% of FY 2023 collections) | (3,174,000) |
| Decrease in Use of Prior Year 2% Resort Tax Fund Balance based on approved one-time expenditures budgeted in FY 2024 | (1,756,000) |
| Increase in Interest Income and Other Miscellaneous 2% Resort Tax revenues (Filing Fees, Registration Fees, etc.) based on prior year trends and current year projections | 331,000 |
| FY 2025 Preliminary | \$75,615,000 |
| \$ Revenue Variance | (\$4,599,000) |

| \$ Variances in 2% Resort Tax Expenditures from FY 2024 Adopted to FY 2025 Preliminary | \$ |
|---|----------------------|
| FY 2024 Adopted | \$80,214,000 |
| Decrease in General Fund Contribution from \$46.1 million to \$42.8 million for Tourism-Eligible Expenditures based on Preliminary 2% Resort Tax Projections (Based on January 2024 study \$186.5 million in tourism-eligible expenditures in General Fund) | (3,264,000) |
| Decrease in Sanitation Fund Contribution from \$3.2 million to \$2.1 million for Sanitation Services Provided in Tourism-Areas (Based on January 2024 study \$2.1 million in services provided) | (1,097,000) |
| Decrease in GMCVB and VCA Contributions based on current agreement and legislated formula | (459,000) |
| Increase in American Black Film Festival Sponsorship from \$97,000 to \$200,000 for FY 2025 and FY 2026 per Resolution No. 2023-32822 adopted during FY 2024 | 103,000 |
| Increase in Personnel Expenditures based on budgeted increases in personnel costs for FY 2025 (avg. 0-3% Merit, 10% increase in Health and Life, etc.) | 85,000 |
| Increase in Other Miscellaneous 2% Resort Tax operating expenditures | 33,000 |
| FY 2025 Preliminary | \$75,615,000 |
| \$ Expenditure Variance | (\$4,599,000) |

As a result of the 2% Resort Tax revenue decrease projected based on current year projections and offsetting 2% Resort Tax expenditure adjustments that were presented at the FY 2025 Commission Budget Retreat on May 20, 2024 and June 21, 2024 FERC Budget Briefing, the Administration is not recommending any expenditure enhancements and reductions/efficiencies, which if approved by the FERC, would result in a balanced 2% Resort Tax budget for FY 2025.

| % Resort Tax | FY 2025 Proposed |
|----------------------|-------------------------|
| Revenues | \$75,615,000 |
| Expenditures | 75,615,000 |
| Surplus/(Gap) | \$- |

RESORT TAX RESERVES

The City's Resort Tax reserve as of September 30, 2023 is \$40.1 million, or 50.0%, which equals 6 months of reserves based on the adopted FY 2024 2% Resort Tax budget. The reserve policy for the 2% Resort Tax Fund is a minimum of 2 months and a goal of 6 months pursuant to Resolution No. 2019-30664 that was adopted by the City Commission on January 16, 2019.

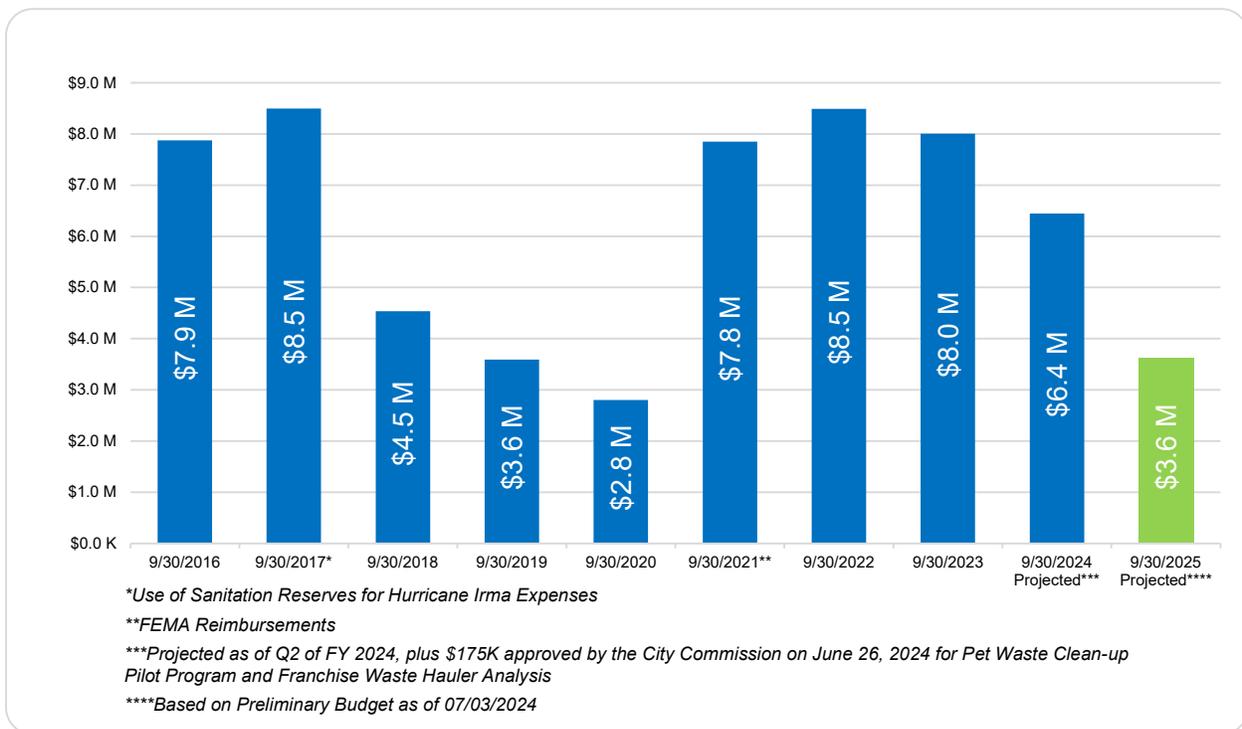
Additional funding requirements for the City's Resort Tax reserves based on the FY 2025 budget will be evaluated as part of the year-end process for FY 2024.

SANITATION FUND

The City accounts for those goods and services provided by a particular department to external users for which a fee is charged as Enterprise Funds. The City’s Sanitation Fund is one of the funds, among others, that comprise this category of Proprietary Funds.

Over the last several years, the Sanitation Fund has had a structural imbalance whereby the fees charged to users and revenues collected are not sufficient to cover the costs for services being provided by Sanitation. In FY 2020, as part of the budget development process, the Administration performed a Zero-Based Budget (ZBB) exercise for the Sanitation Fund to identify multiple expenditure and revenue options to close the structural imbalance, of which only certain items were approved by the Mayor and City Commission.

Current Available Sanitation Fund Balance Trend



At the FY 2025 Commission Budget Retreat on May 20, 2024, the Sanitation Fund budget for FY 2025 was also highlighted and presented to the Mayor and City Commission. The Administration also presented a series of potential balancing options, both immediate/short-term and longer-term, at the FY 2025 Commission Budget Retreat on May 20, 2024, to address the imbalance in the Sanitation Fund. These options were as follows:

Immediate/Short-Term

1. Increase Roll Off Franchise Fees by 2-4% (from 20% to 22-24%)
2. Modify Roll Off Franchise Fees Ordinance to include all debris removal options excluding small renovations
3. Pass through recycling fees charged by Miami-Dade County for weekly recycling services provided to single family homes

Longer-Term

4. Increase the Franchise Fees or City Service Fees in the new commercial/multi-family waste agreement

As reflected in the summary below, the Preliminary Sanitation Fund budget for FY 2025 has a structural imbalance of approximately \$2.8 million, prior to any enhancements and reductions/efficiencies being considered.

| Sanitation Fund | FY 2025 Preliminary |
|----------------------|----------------------|
| Revenues | \$23,471,500 |
| Expenditures | 26,298,000 |
| Surplus/(Gap) | (\$2,826,500) |

Attachment A reflects a listing of all one-time and recurring FY 2025 expenditure enhancements/reductions with detailed descriptions. The recurring enhancements/reductions listed below reflect those currently recommended for funding in FY 2025 from the Sanitation Fund.

Additional Funding for Clean-up and Maintenance of the City's Waterways: (\$289,000)

This request aims to increase funding in the Sanitation Fund to support an enhanced level of service for routine and emergency cleanup across approximately 60 miles of waterways surrounding the City, which totals about 3,000 acres of canals, basins, and water passages, as discussed and recommended by the Finance and Economic Resiliency Committee (FERC) at its May 24, 2024 meeting and adopted by the City Commission on June 26, 2024.

The proposed service expansion includes the removal of organic materials and increasing cleanup frequency to five days per week. This enhanced service level would raise the annual costs from around \$231,000 to \$520,000 requiring an additional \$289,000 annually to support this service enhancement.

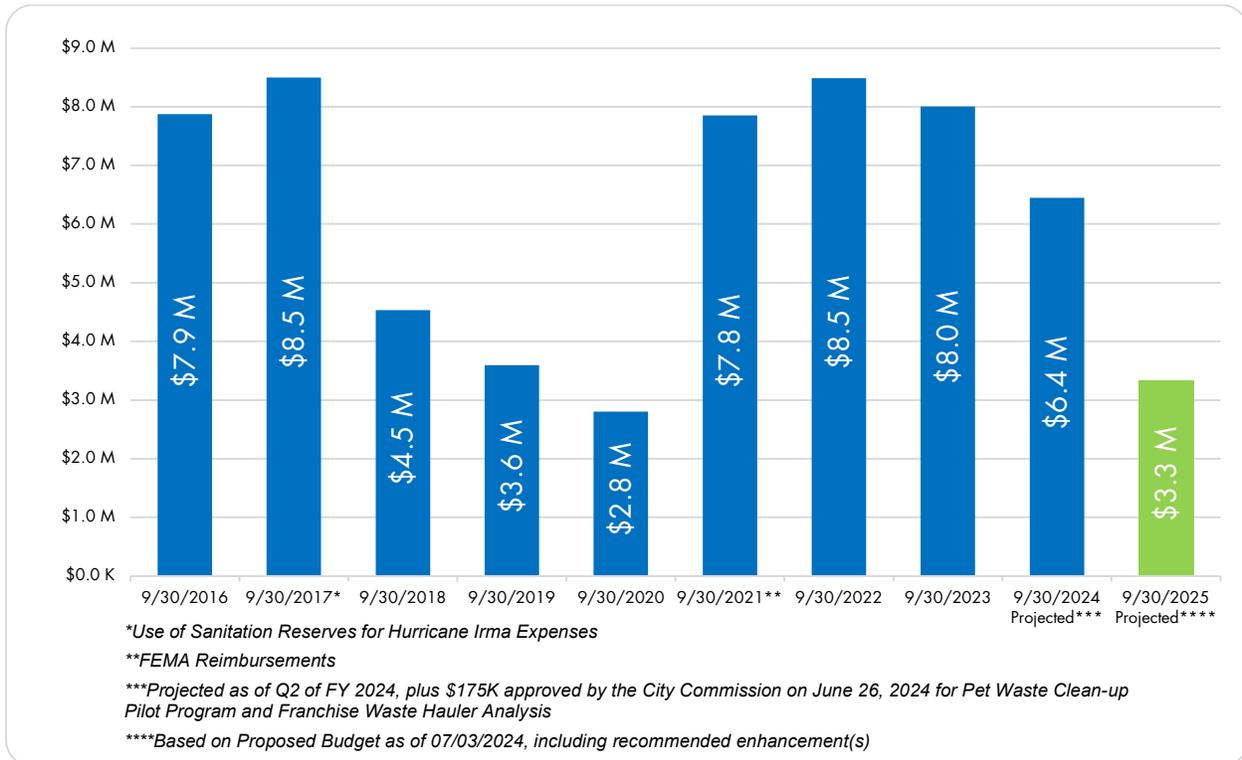
The above-mentioned recommendation, if approved by the FERC, would result in a \$3.1 million gap in the Sanitation Fund for FY 2025 that would have to be funded from available Sanitation fund balance.

| Sanitation Fund | FY 2025 Preliminary |
|----------------------|----------------------|
| Revenues | \$23,471,500 |
| Expenditures | 26,587,000 |
| Surplus/(Gap) | (\$3,115,500) |

As of the fiscal year ending September 30, 2023 (FY 2023), there is approximately \$8.0 million available for appropriation in the Sanitation Fund. Based on current year projections as of the second quarter, which include several initiatives/programs that have been approved by the Mayor and City Commission mid-year to be funded from Sanitation's fund balance and the FY 2025 Sanitation Fund budget, the table below shows the Sanitation Fund's projected fund balance as of FY 2025, should the recommendations above be approved by the FERC.

For these reasons, it is recommended that the potential balancing options, both immediate/short-term and longer-term, presented by the Administration at the FY 2025 Commission Budget Retreat on May 20, 2024, be considered/approved by the Mayor and City Commission.

Updated Available Sanitation Fund Balance Trend



TRUTH-IN-MILLAGE PROCESS

Florida Statute 200.065, entitled "Method of Fixing Millage," establishes specific guidelines that must be used by all local government entities in setting millage (property tax) rates. Under the Statute, the City is required, within 35 days of receipt of the "Certification of Taxable Value" (received July 1, 2024), to advise the Miami-Dade County Property Appraiser of the proposed Total General Operating millage rate, the calculated "rolled-back" rate and the date, time, and place of the first public hearing to consider the proposed millage rates and budgets for FY 2025. The required voted debt service millage rate must also be set at the same time as the Total General Operating millage rate.

At the July 24, 2024 City Commission meeting, the Mayor and City Commission will set the proposed millage rates for the FY 2025 budget process in accordance with the State of Florida's Truth-in-Millage (TRIM) requirements.

By August 4, 2024, taxing authorities are required to certify the proposed millage rates to the Miami-Dade County Property Appraiser. The proposed millage rates will be included in the TRIM notices that will be mailed by the Property Appraiser by August 24, 2024. The purpose of the TRIM notice is to notify property owners of how much their property taxes could potentially increase or decrease, and which governmental entity is responsible for the taxes levied.

The proposed millage rates effectively set the “ceiling” for the millage rates during the budget process because they cannot be increased without sending out a new TRIM notice to all property owners in Miami Beach. However, the millage rates can remain the same or be decreased throughout the remainder of the FY 2025 budget process until the final millage rates are adopted by the Mayor and City Commission at the second public hearing currently scheduled to be held on September 25, 2024, at 5:01 p.m.

CONCLUSION

On July 19, 2024, a 3rd FERC Budget Briefing will be held to finalize the FY 2025 budgets, if necessary.

At the July 24, 2024 City Commission meeting, the Mayor and City Commission will set the proposed millage rates for the FY 2025 budget process in accordance with the State of Florida’s TRIM requirements.

In September, two public hearings will be held per the State of Florida’s TRIM requirements. The first public hearing currently scheduled on September 16, 2024 will be to adopt the tentative millage rates and budgets for FY 2025. The second public hearing currently scheduled on September 25, 2024 will be to adopt the final millage rates and budgets for FY 2025, including the final budgets for the City Center Redevelopment Area and North Beach Community Redevelopment Area. Both public hearings, which will begin at 5:01 p.m., will be held in the City’s Commission Chambers at 1700 Convention Drive, 3rd Floor, Miami Beach, Florida 33139.

Attachment A – FY 2025 One-Time Expenditure Enhancements and Reductions/Efficiencies
Attachment A – FY 2025 Recurring Expenditure Enhancements and Reductions/Efficiencies

RW/JDG/TOS/RA