



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

COMMISSION MEMORANDUM

TO: Honorable Mayor Steven Meiner and Members of the City Commission

FROM: Rickelle Williams, Interim City Manager

DATE: July 24, 2024

SUBJECT: **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT SETTING 1) THE PROPOSED GENERAL OPERATING MILLAGE RATE FOR THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT; 2) THE CALCULATED “ROLLED-BACK” RATE; AND 3) THE DATE, TIME, AND PLACE OF THE FIRST PUBLIC HEARING TO CONSIDER THE OPERATING MILLAGE RATE AND BUDGET FOR FISCAL YEAR 2025; AND, FURTHER, AUTHORIZING THE CITY MANAGER TO TRANSMIT THIS INFORMATION TO THE MIAMI-DADE COUNTY PROPERTY APPRAISER IN THE FORM REQUIRED BY SECTION 200.065, FLORIDA STATUTES**

STRATEGIC PLAN SUPPORTED

Organizational Innovation – Ensure strong fiscal stewardship

ADMINISTRATION RECOMMENDATION

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

- 1) Proposed Normandy Shores Local Government Neighborhood Improvement District Operating Millage Rate for Fiscal Year (FY) 2025:

General Operating	0.7789 mills (<u>0.0679 mills less than prior year</u>)
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- 2) “Rolled-Back” Rate (Truth-in-Millage) 0.7387 mills
- 3) The first public hearing to consider the millage rate and budget proposed for FY 2025 for the Normandy Shores Local Government Neighborhood Improvement District shall be held on Monday, September 16, 2024, at 5:02 p.m., in the City Commission Chambers at 1700 Convention Center Drive, 3rd Floor, Miami Beach, Florida 33139.

BACKGROUND

The Normandy Shores Local Government Neighborhood Improvement District, which is a dependent taxing district of its principal taxing authority, the City of Miami Beach, was established in 1994 to provide continuous 24-hour security to this gated community. FY 2025 represents its thirty first (31st) year of operation.

The Normandy Shores Local Government Neighborhood Improvement District was officially established by Ordinance No. 93-2881 with the authority "to levy an ad-valorem tax on real and personal property of up to two (2) mills, provided that no parcel of property will be assessed more than \$500 annually for such improvements."

On September 23, 1998, Resolution No. 98-22902 adopted the Normandy Shores Local Government Neighborhood Improvement District's FY 1999 budget. The accompanying memorandum noted that a determination was reached that the City would fund 35% of the annual cost of the community guard gate. It also stated that this cost would eventually be funded by the Normandy Shores Golf Course, the City Attorney's Office would review the issue of the dependent status of the Normandy Shores Local Government Neighborhood Improvement District, and the City would continue supplementing the budget at current levels until both issues were resolved.

On September 25, 2002, Ordinance No. 2002-3380 adopted the removal of the \$500 annual cap per parcel. The accompanying memorandum noted that the City's 35% contribution would be maintained.

In 2015, as part of a "clean up" Ordinance to repeal three other safe neighborhood districts that were no longer active, the Mayor and City Commission adopted Ordinance No. 2015-3928. With respect to the Normandy Shores Local Government Neighborhood Improvement District, because the prior versions of the Ordinance had not been codified, the 2015 Ordinance sought to codify the legislation that had been previously adopted. However, in so doing, the legislation codified the original 1993 Ordinance that included an ad valorem cap of \$500 per property instead of the updated 2002 Ordinance that had removed the cap of \$500 per property.

In order to correct the inadvertent error in the 2015 Ordinance and eliminate the \$500 per property cap, as intended since 2002, the Mayor and City Commission adopted Ordinance No. 2020-4386 on December 9, 2020.

On July 28, 2021, the City Commission, based on the recommendation of the Finance and Economic Resiliency Committee at its July 31, 2021 meeting, adopted Resolution No. 2021-31819 eliminating the City's 35% subsidy, while continuing to fund 50% of the total cost of the security rover for the District and Normandy Shores Golf Course.

Since then, the annual budget for the Normandy Shores Local Government Neighborhood Improvement District has been fully funded through a dedicated ad valorem tax levied on property within the Normandy Shores Local Government Neighborhood Improvement District to provide continuous 24-hour security to this gated community with the City continuing to fund 50% of the total cost of the security rover shared between the Normandy Shores Local Government Neighborhood Improvement District and the Normandy Shores Golf Course.

NORMANDY SHORES PROPERTY VALUES

On July 1, 2024, the City received the 2024 Certified Taxable Values from the Miami-Dade County Property Appraiser for the Normandy Shores Local Government Neighborhood Improvement District indicating that the overall taxable property values increased approximately \$55.8 million, or 14.2%, from the 2023 Certified Taxable Values of \$392.8 million to the 2024 Certified Taxable Values of \$448.6 million, which is comprised of a \$50.7 million, or 12.9%, increase in the District’s existing values and a \$5.1 million increase in new construction values.

	July 2023 Certified	July 2024 Certified	\$ Change	% Change
Property Values:				
Existing Values	\$392,785,688	\$443,527,813	\$50,742,125	12.9%
New Construction	-	5,135,349	5,135,349	100.0%
Total Normandy Shores	\$392,785,688	\$448,663,162	\$55,877,474	14.2%

PROPOSED MILLAGE & BUDGET

Based on the 2024 Certified Taxable Values for the Normandy Shores Local Government Neighborhood Improvement District, the ad valorem millage proposed for FY 2025 for the Normandy Shores Local Government Neighborhood Improvement District, which was approved by the Normandy Shores Homeowners’ Association and is recommended by the Administration for FY 2025, is 0.7789 mills. The millage proposed for FY 2025 is 0.0679 mills, or 8.0%, less than the millage rate adopted for FY 2024 of 0.8468 mills. The proposed levy would generate property tax revenues of \$349,464, which will be budgeted at approximately 95.0%, or \$331,991 (rounded to \$332,000), to account for early payment discounts, delinquencies, etc. and will fund the FY 2025 budget proposed for the Normandy Shores Local Government Neighborhood Improvement District.

	FY 2024 Adopted	FY 2025 Proposed	Inc / (Dec)
Normandy Shores Millage	0.8468	0.7789	(0.0679)
Property Tax Revenues	\$316,000	\$332,000	\$16,000

The proposed Normandy Shores Local Government Neighborhood Improvement District budget for FY 2025, as summarized below, is \$336,000, which reflects an increase of \$20,000, or 6.3%, from the adopted FY 2024 budget of \$316,000.

Expenditures in FY 2025 Budget	\$
Contracted Security Guard Services for Guardhouse and 50% of Rover	\$237,100
Gate and Guardhouse Maintenance/Repairs	40,100
Set-aside for Renewal and Replacement of Capital Assets	20,000
CMB Internal Service Charges and Fees	17,000
Guardhouse Utilities	7,300
Set-aside for Reserve for Future Projects	5,000
Guardhouse Technology Upgrades	5,000
Guardhouse Janitorial Services	4,000
Other Miscellaneous Operating Expenditures	500
Total	\$336,000

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, including dependent taxing districts like the Normandy Shores Local Government Neighborhood Improvement District, in setting its millage (property tax) rates. Like its principal taxing authority, the City of Miami Beach, the Normandy Shores Local Government Neighborhood Improvement District is also required to advise the Miami-Dade County Property Appraiser within 35 days from receipt of the “Certification of Taxable Value” (received July 1, 2024) of the proposed operating millage rate, the calculated “rolled-back” rate and the date, time, and place of the first public hearing to consider the proposed operating millage rate and budget for FY 2025.

Maximum Millage Determination

The millage rate proposed for the Normandy Shores Local Government Neighborhood Improvement District is 0.7789 mills for FY 2025. Based on the 2024 Certified Taxable Values received from the Miami-Dade County Property Appraiser on July 1, 2024, the proposed levy of 0.7789 mills would generate approximately \$332,000 in property tax revenues for the Normandy Shores Local Government Neighborhood Improvement District, which is an increase of \$16,000 over the budgeted FY 2024 property tax revenues of \$316,000.

Adoption of the FY 2025 millage rate of 0.7789 mills proposed for the Normandy Shores Local Government Neighborhood Improvement District, therefore, requires a majority approval (4 of 7 votes) by the Mayor and City Commission per 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 millage rates proposed 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.

After setting the proposed millage rate for FY 2025, the Mayor and City Commission, acting in its capacity as the Board of Directors of the Normandy Shores Local Government Neighborhood

Improvement District, may, at any time prior to final adoption, lower the proposed millage rate throughout the remainder of the budget development process until the final millage rate is adopted by the Mayor and City Commission at the second public hearing scheduled to be held on Wednesday, September 25, 2024, at 5:02 p.m.

First Public Hearing

The first public hearing on the Normandy Shores Local Government Neighborhood Improvement District operating millage rate and budget proposed for FY 2025 must be held no later than 80 days, or earlier than 65 days, from the start of the TRIM calendar (July 1st). Other requirements are:

1. The public hearing cannot be scheduled on a Sunday or on those days utilized by Miami-Dade County or the Miami-Dade County School Board for their public hearings
2. The public hearing must be held after 5:00 P.M., if on a day other than Saturday
3. The public hearing must be held immediately following discussion and adoption on the tentative millage and budget of its principal taxing authority, the City of Miami Beach

Based on these requirements, the first public hearing must be held between September 3, 2024 and September 18, 2024. The following dates are unavailable for the following reasons:

September 5 th	Miami-Dade County 1 st Public Hearing
September 8 th and 15 th	Sundays
September 11 th	Miami-Dade County School Board 2 nd Public Hearing

Of the remaining days available, it is recommended that the first public hearing be held on Monday, September 16, 2024, at 5:02 P.M., in the City Commission Chambers at 1700 Convention Center Drive, 3rd Floor, Miami Beach, Florida 33139.

Second Public Hearing

The second public hearing to adopt the final FY 2025 operating millage rate and budget for the Normandy Shores Local Government Neighborhood Improvement District must be held no later than 100 days, or earlier than 97 days, from the start of the TRIM calendar (July 1st). In addition, it must be advertised no later than 15 days after the first public hearing and must be held two (2) to five (5) days after the advertisement appears in the newspaper.

For this reason, the second public hearing is recommended to be held on Wednesday, September 25, 2024, at 5:02 p.m., in the City Commission Chambers at 1700 Convention Center Drive, 3rd Floor, Miami Beach, Florida 33139.

CONCLUSION

The Administration recommends that the Mayor and City Commission, acting in its capacity as the Board of Directors of the Normandy Shores Local Government Neighborhood Improvement District, adopt the attached Resolution authorizing the City Manager to transmit the proposed operating millage rate, the calculated "rolled-back" rate, and the date, time, and place of the first public hearing to consider the proposed millage rate and budget for FY 2025 for the Normandy Shores Local Government Neighborhood Improvement District to the Miami-Dade County Property Appraiser.

FY 2025 Normandy Shores Proposed Millage Rate

July 24, 2024

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