

C7 I A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO REFER THE MIAMI BEACH COMPREHENSIVE FINANCIAL POLICIES TO THE BUDGET ADVISORY COMMITTEE FOR REVIEW AND ANALYSIS.

Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: June 25, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO REFER THE MIAMI BEACH COMPREHENSIVE FINANCIAL POLICIES TO THE BUDGET ADVISORY COMMITTEE FOR REVIEW AND ANALYSIS.

RECOMMENDATION

The City Administration ("Administration") recommends that the Commission accepts the Finance and Economic Resiliency Committee's ("FERC" or "Committee") recommendation to a request of a referral of the Miami Beach Comprehensive Financial Policies to the Budget Advisory Committee along with an analysis of total compensation as a percentage of the General Fund budget and to return to FERC for further discussion.

BACKGROUND/HISTORY

On October 30, 2024, the Mayor and City Commission ("City Commission") referred Item C40 to the FERC, to discuss the creation of a Comprehensive Financial Policy for the City of Miami Beach.

On June 4, 2025, the FERC recommended the item return to Commission to consider a request of a referral of the Miami Beach Comprehensive Financial Policies to the Budget Advisory Committee along with an analysis of total compensation as a percentage of the General Fund budget and to return to FERC for further discussion. As part of the discussion at FERC, it was recommended that a policy be added to have all impact fees periodically reviewed by the Administration. That recommendation is included in the attached version of the policies.

ANALYSIS

The Government Finance Officers Association (GFOA) strongly advocates for the adoption of formalized financial policies, recognizing their critical role in supporting strategic and sustainable financial management. By implementing comprehensive written policies, governments can enhance fiscal discipline, ensure consistency in decision-making, and position themselves for long-term success. These policies serve as a robust framework to guide financial practices providing a clear roadmap that empower governments to:

- Institutionalize good financial management practices - Formal policies usually outlive their creators, and, thus, promote stability and continuity. They also prevent the need to re-invent responses to recurring issues.
- Clarify and crystallize strategic intent for financial management - Financial policies define a shared understanding of how the organization will develop its financial practices and manage its resources to provide the best value to the community.

- Define boundaries - Financial policies define limits on the actions staff may take. The policy framework provides the boundaries within which staff can innovate in order to realize the organization's strategic intent.
- Support good bond ratings and thereby reduce the cost of borrowing.
- Promote long-term and strategic thinking - The strategic intent articulated by many financial policies necessarily demands a long-term perspective from the organization.
- Manage risks to financial condition - A key component of governance accountability is not to incur excessive risk in the pursuit of public goals. Financial policies identify important risks to financial condition.
- Comply with established public management best practices - The Government Finance Officers Association (GFOA), through its officially adopted Best Practices endorsement of National Advisory Council on State and Local Budgeting (NACSLB) budget practices and the GFOA Distinguished Budget Presentation Award Program, has recognized financial policies as an essential part of public financial management.

Over time, the City Commission has adopted numerous resolutions to establish guidance on critical financial policies, addressing areas such as capital reserves, fund balance management, allocation of nonrecurring revenues, utilization of annual surpluses, and funding strategies for capital projects. Certain policies, such as the application of General Fund interest earnings toward capital projects, have been embedded within annual budget resolutions. Recognizing the need for a more cohesive and efficient approach, the Administration recommends consolidating all previously issued Commission directives on financial policies into a single, comprehensive framework. This consolidation will streamline policy implementation, enhance transparency, and ensure alignment with the City's long-term financial goals.

The following is a list of Commission resolutions that were used as the framework for the recommended set of Financial Policies:

1. Resolution #94-21258 – Conforming Actual Budget Expenditures to the Adopted Budget
2. Resolution #96-22014 – Establishing of a Permanent Reserve for Contingencies in the General Fund
3. Resolution #98-22661 – Establishing of Permanent Reserve for Contingencies in the General Fund (Amended)
4. Resolution #2002-24764 – Capital Reserve Policy
5. Resolution #2004-25697 – Establishing a Capital Renewal and Replacement Fund
6. Resolution #2005-25832 – Establishing a Capital Renewal and Replacement Fund (Amended)
7. Resolution #2006-26341 – Stabilization Funds, Fund Balance, Contingency Planning and Cash Reserves, Use of Non-Recurring Revenues, and Capital Asset Acquisition, Maintenance, and Replacement
8. Resolution #2014-28543 – Establishing of a Reserve in the Resort Tax Fund
9. Resolution #2016-29500 – Use of lump sum payments
10. Resolution #2018-30429 – Establishing a Capital Pay-As-You-Go (PAYGO) Fund
11. Resolution #2019-30664 – Establishing of a Reserve in the Resort Tax Fund (Amended)
12. Resolution #2019-30954 – Updated General Fund Reserve Policy
13. Resolution #2023-32647 – Recommendation to Commission on Recurring Grants every 3 years
14. Resolution #2024-33340 – Updated General Fund Reserve Emergency Policy

Fiscal Responsibility Measures

On March 19, 2025, the City Commission approved a resolution, agenda item C7 AH, which directs the City Manager to work with the Chief Financial Officer to identify areas for possible implementation of fiscal responsibility measures that would allow for a more sustainable financial expenditure trajectory for the City without impacting the critical services provided to the community and to present at FERC as part of the City of Miami Beach Comprehensive Financial Policies.

Regarding fiscal responsibility and strategic budgeting, a pragmatic approach could involve a combination of strategic expenditure reductions, revenue optimizations, and cost-containment measures. Noting that recurring items impact the FY 2026 budget and one-time items reduce how much the City can transfer to support capital projects at year end.

The Commission could consider options such as:

- Transferring all or a percentage of projected surplus dollars (during the budget development process) over and above the Current Service Level (“CSL”) budget to support capital projects until the City can meet the 5% annual funding for capital needs goal and/or budgeting for addition to reserves based on increase in the General Fund budget
- Enact legislation regarding adding expenditures that will have a fiscal impact outside of the annual budget process, with a requirement for a strategic discussion of what program(s) could be eliminated/reduced, or new revenues generated to support anything approved mid-year, unless the City meets the 5% annual funding for capital needs goal, requires FERC review, and/or requires a super-majority vote
- Require special event fee waivers and certain sponsorships to be for no more than three (3) years, unless the event is scheduled during off-peak season
- Prioritize core services and programs and assess which programs or expenditures could be eliminated or scaled back

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate? (FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

CONCLUSION

The City Administration (“Administration”) recommends that the Commission accepts the Finance and Economic Resiliency Committee’s (“FERC” or “Committee”) recommendation to a request of a referral of the Miami Beach Comprehensive Financial Policies to the Budget Advisory Committee along with an analysis of total compensation as a percentage of the General Fund budget and to return to FERC for further discussion.

Applicable Area

Citywide

Is this a “Residents Right to Know” item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Finance

Sponsor(s)

Commissioner Joseph Magazine

Co-sponsor(s)

Condensed Title

Accept Recom/Refer to BAC - Miami Beach Comprehensive Financial Policies. (Magazine) FN

Previous Action (For City Clerk Use Only)

EXHIBIT A

CITY OF MIAMI BEACH COMPREHENSIVE FINANCIAL POLICIES

The City of Miami Beach acknowledges that a primary factor to the long-term sound financial management of its finances is the adoption of formal financial policies that govern the financial management and creditworthiness of the City. This view is supported by bond rating agencies, residents, and the Government Finance Officers Association (GFOA). The following Comprehensive Financial Policies are primarily intended to safeguard the financial resources of the City.

General Fund Balance/Contingency Planning

1. The City of Miami Beach shall maintain the General Fund Emergency Reserve at two (2) months of total expenditures of the General Fund Operating Budget of the ensuing fiscal year for use as defined below.
 - Prior to any expenditures from this reserve, the Mayor and City Commission must declare an emergency affecting life, health, property, or public safety and authorize said expenditures by a six-sevenths (6/7) vote. After any expenditure from said reserve, all reimbursements from State and Federal Agencies for emergency relief are to be redeposited into such reserve. Any amounts disbursed which are not recovered from governmental agencies shall be appropriated from Unassigned Fund Balances of the General Fund to restore the Emergency Reserve to its then established level.
 - If there is an insufficient Unassigned Fund Balance to restore said reserve to its then established level, the Administration is directed to restore the reserve to its appropriate level by transferring available General Fund revenues in excess of expenditures at fiscal year-end and/or with a partial replenishment to be spread over no more than four (4) budget years.
2. The City of Miami Beach shall have a goal to also maintain a General Fund Contingency Reserve equal to one (1) month of the General Fund Operating Budget that, in combination with the Emergency Reserve, represents three (3) months or twenty-five percent (25%) of the General Fund Operating Budget expenditures for the ensuing fiscal year.
 - Said Contingency Reserve shall be increased or decreased annually, based on the ensuing fiscal year's adopted budget. This does not preclude the Commission from utilizing the Contingency Reserve during the fiscal year. In the event that this reserve falls below the goal, the City shall restore the Contingency Reserve through various methods including using fiscal year-end General Fund surplus, a prior fiscal year surplus over the required goal identified through annual external audit, or through the ensuing fiscal year's surplus over the Current Service Level (CSL) budget.
 - If there is an insufficient Unassigned Fund Balance to restore said reserve to its then established level, the Administration is directed to restore the reserve to its appropriate level by transferring available General Fund revenues in excess

of expenditures at fiscal year-end and/or with a partial replenishment to be spread over no more than four (4) budget years.

Resort Tax Fund Balance/Contingency Planning

1. The City of Miami Beach shall maintain a minimum Resort Tax Emergency Reserve in the 2% Resort Tax Fund of two (2) months of total expenditures of the ensuing fiscal year for use as defined below.
 - 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 appropriate level by transferring available 2% Resort Tax revenues in excess of expenditures at fiscal year-end and/or with a partial replenishment to be spread over no more than within four (4) budget years.
 - Said Emergency Reserve shall be increased or decreased annually, based on the ensuing fiscal year's adopted budget, but shall be maintained at a minimum amount of two (2) months of total revenue of the 2% Resort Tax of the then existing Resort Tax Fund Budget.
2. The City of Miami Beach shall have a goal to also maintain a Resort Tax Contingency Reserve equal to four (4) months of the Resort Tax Operating Budget that, in combination with the Resort Tax Emergency Reserve, represents six (6) months or fifty percent (50%) of the 2% Resort Tax Operating Budget expenditures for the ensuing fiscal year.
 - Said Resort Tax Contingency Reserve shall be increased or decreased, based on the ensuing fiscal year's adopted budget, annually:

Other Fund Balance/Contingency Planning

1. The City of Miami Beach shall have a goal to develop and maintain appropriate levels of operating and capital reserves in the applicable Enterprise, Internal Services, and Special Revenues Funds.
2. The City of Miami Beach shall have a goal of maintaining a reserve of one hundred percent (100%) of pending claims in the Risk Management Fund and shall strive to fund two-thirds (2/3) of the estimated value of insurance claims incurred but not reported.

Use of Non-Recurring Revenues - (All Funds)

The City of Miami Beach will use one-time, non-recurring revenue for capital expenditures and/or one-time expenditures and not subsidize recurring personnel, operations, and maintenance costs.

Use of Lump Sum Payments

The City of Miami Beach will allocate twenty percent (20%) of any one-time, unrestricted cash payment of \$500,000 or more received by the City—such as proceeds from lease renegotiations, legal settlements, audit findings, or other lump sum payments. These funds will be deposited into a designated trust fund to be used for capital expenses or other one-time costs related to

transportation, excluding reasonable transaction-related expenses and any other outstanding obligations directly associated with the original payment.

Capital Asset Acquisition and Renewal and Replacement (R&R)

1. **Capital Budget Policy** - The City staff will prepare a five-year capital expenditure and funding plan (the "Capital Improvement Plan") for all relevant funds each fiscal year.

The first year of the Capital Improvement Plan will constitute the budget for the respective fiscal year. Annually and as part of the Capital Improvement Plan development process, the City staff will prioritize the budget expenditures recognizing the following criteria:

- Regulatory compliance
- Safety
- Criticality of asset renewal and replacement
- Efficiencies in joint project construction with other public agencies
- Availability of funding sources including grants, affordability, and other factors prescribed from time to time
- Impact to the City's resiliency efforts
- Expansion/New Facilities

2. **Capital Renewal and Replacement Fund** - The City shall maintain a dedicated portion of the operating millage for General Fund Capital Renewal and Replacement, which shall be used for capital projects that extend the useful life of the City's General Fund capital assets and shall be limited to projects defined as follows:

- Projects that extend the useful life of an asset by at least 5 years with a threshold value of at least \$25,000; for example the replacement of a major component of the asset such as roofs, HVAC systems, electrical systems, fire alarm systems, sprinkler systems that due to significant deterioration would constrain the remaining useful life of the capital asset or projects that significantly reduce future maintenance cost over the remaining life of the asset in an amount that is greater than the renewal and replacement costs of the project.
- The Mayor and Commission may authorize additional uses of the funds for unforeseen or unanticipated events affecting life, health, property, or public safety subject to a five-sevenths (5/7) vote.
- Appropriation of project specific expenditures from the Capital Renewal and Replacement Fund shall be included in the City Manager's annual budget based on an annual recommendation of the City Manager or his/her designee regarding range of asset life extended; identification of fully depreciated or deteriorated components of City assets; inventory requirements for large capital components of assets; or reduction in maintenance costs over the remaining life of the asset.

- Appropriation of project specific expenditures shall be adopted by the Mayor and City Commission.
- Interest earnings that accrue in the Capital Renewal and Replacement Fund shall be included in the appropriation for the Fund in the following fiscal year.
- Changes among project specific appropriations may be authorized by the City Manager to the extent that no new projects be added, and the total annual allocation is not exceeded.
- During a fiscal year, changes to the total allocation and changes to the list of projects to be funded from the Capital Renewal and Replacement Fund shall require prior approval and authorization by a majority of the City Commission. Excess project specific appropriations not required will be available for re-appropriation the following year.
- Project specific appropriations that are not expended in a given fiscal year shall remain in the Capital Renewal and Replacement Fund for the life of the project.

3. **Pay-As-You-Go Capital Fund** - The City shall maintain a dedicated portion of the operating millage for Pay-As-You-Go Capital, which will provide dedicated funding for General Fund capital projects and allow for growth over time with property values.

- Appropriation of project specific expenditures shall be adopted by the Mayor and City Commission.
- Interest earnings that accrue in the Pay-As-You-Go Capital Fund shall be included in the appropriation for the Fund in the following fiscal year.
- Changes among project specific appropriations may be authorized by the City Manager to the extent that no new projects be added, and the total annual allocation is not exceeded.
- During a fiscal year, changes to the total allocation and changes to the list of projects to be funded from the Pay-As-You-Go Capital Fund shall require prior approval and authorization by a majority of the City Commission. Excess project specific appropriations not required will be available for re-appropriation the following year.
- Project specific appropriations that are not expended in a given fiscal year shall remain in the Pay-As-You-Go Capital Fund for the life of the project.

4. **5% Annual Funding for Capital Needs** - The City shall have a goal to fund for the following capital needs as a permanent part of the budget, in an amount not less than five percent (5%) of the annual fiscal operating budget of the General Fund of the City:

- **Capital Renewal and Replacement Fund** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
- **Capital Reserve Fund** - to help ensure adequate funding related to previously

approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items for General Fund projects.

- **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant and equipment and avoid deferring capital needs until there is a major bond issue.
 - **Information and Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City.
5. **Use of General Fund Fiscal Year End Surplus** – After fully funding the General Fund reserve goals, the City shall transfer to the Capital Reserve Fund 50% of the annual General Fund revenues in excess of expenditures with the remaining 50% to be transferred to either the Capital Renewal and Replacement Fund or Pay-As-You-Go Capital Fund.
 6. **General Fund Interest Income for Capital Projects** – The City shall allocate twenty-five percent (25%) of the total projected interest income in the General Fund, starting in FY 2025, for one-time capital expenditures. The City shall have a goal to increase this percentage by five (5) additional percent each subsequent fiscal year.
 7. **Review of Impact Fees** – The City shall periodically review all impact fees to ensure that the fees are equitable, reflect current economic conditions, and adequately fund the necessary infrastructure improvements, as applicable. This review process will include an analysis of the impact fees' effectiveness in achieving the City's goals, consideration of any changes in development patterns, and adjustments based on inflation and other relevant factors.

Enterprise Fund Policies (excluding Building Fund)

The primary objectives of these following Enterprise Fund financial policies are:

- To maintain strong operations and maintenance programs and provide the necessary funds to finance priority and ongoing capital projects in order to deliver high-quality utility services.
 - To have available funds and access to financial resources to be able to quickly respond to unplanned Capital Improvement Plan projects, emergencies, catastrophic, and Force Majeure Incidents and to allow for the continued ability to provide utility services.
 - To maintain strong financial conditions aimed at preserving and enhancing the Enterprise Fund's credit ratings to minimize capital project financing costs and to promote long-term system sustainability.
 - To maintain reasonable and justified levels of rates and fees over the long run in accordance with good business practices.
1. **Credit Rating Policy (Water, Sewer, and Stormwater Funds)** - The City shall strive to maintain financial performance for the Water, Sewer, and Stormwater Funds consistent with that of utilities with an uninsured bond rating of "AA" or better. A higher credit rating can result in lower borrowing costs and lower rates over the long term for the benefit of the

customers of the systems.

2. **Operating Reserve Policy** - The City will establish and maintain cash-funded Operating Reserves for the Enterprise Funds to provide adequate levels of working capital to i) mitigate current and future risks regarding revenue shortfalls and unanticipated expenses; and ii) ensure stable services and rates.
 - The City will maintain a minimum unencumbered and unrestricted Operating Reserve balance equal to three (3) months or twenty five percent (25%) of the current fiscal year budgeted operating expenses (the Operating Reserve Target).
 - If the Operating Reserve unrestricted balance at the end of the preceding fiscal year is less than the Operating Reserve Target, the City will develop a plan to re-establish the operating reserves over a period not to exceed three (3) fiscal years.
3. **Renewal & Replacement Reserve Policy** - The City will establish and maintain for the Enterprise Funds an ongoing cash-funded Renewal & Replacement fund for renewals, replacements, and Capital Improvements.
 - The City will maintain for the funds a minimum unappropriated and unencumbered Renewal & Replacement Reserve equal to the prior year's annual depreciation expense plus ten percent (10%) (the Renewal & Replacement Reserve Target).
 - The Renewal & Replacement Reserve will be in addition to the funds held on deposit for purposes of maintaining a minimum Operating Reserve. It is contemplated that the monies on deposit that are included as a component of the Renewal & Replacement Reserve may be expended on renewals, replacements, and Capital Improvements to meet the overall financial objectives and funding needs of the Enterprise Fund.
 - The balances established in this reserve are to:
 - Mitigate risks regarding planned and unanticipated renewals, replacements, and capital expenditures, or increases in materials, labor, or other costs from ongoing or planned projects.
 - Provide for changes in expenditure priorities resulting in the advancement or addition of certain projects.
 - Promote the availability of funds for renewals, replacements, and capital reinvestment for the existing infrastructure, with the intent to limit outages and inability to provide service from equipment or infrastructure failures or because of Force Majeure incidents due to weather events and other occurrences.
 - Ensure reliable service and ameliorate the effects to monthly service rates from unanticipated costs.
 - If the Renewal & Replacement Reserve balance at the end of the preceding fiscal year is less than the Renewal & Replacement Reserve Target, the City will develop a plan to re-establish the Renewal & Replacement Reserve in an amount equal to the Renewal & Replacement Reserve Target over a period not to exceed

three (3) fiscal years. Compliance with the re-establishment of the Renewal & Replacement Reserve Target may not be achieved through the deferral of maintenance and/or identified capital reinvestment.

4. **Operating Budget Policy** - The annual operating budget for each Enterprise Fund will:

- Be structurally balanced, with revenues sufficient to meet expenses (those that are ongoing in nature).
- Reflect rates set at levels intended to support the direct and indirect costs of the systems, with the intent to provide the lowest reasonable rates over time, not necessarily the lowest fees and user charges during the current or budget fiscal year, and at a level necessary to ensure the adequate maintenance and operations of the systems.
- Reflect these financial policies and include amounts necessary to maintain the required operating and capital reserves.

5. **Rate and Financial Plan Review Policy (Water, Sewer, and Stormwater Funds)** - The City staff will use a formal forecasting and expenditure monitoring process in the evaluation of the financial positions of the Water, Sewer, and Stormwater Funds.

- These processes are intended to: i) minimize financing costs through proper planning for Renewal & Replacement and Capital Improvement spending and financing needs; ii) obtain formal endorsement by the City Commission for long-term financial needs and sources of financing; and iii) maintain or strengthen the credit ratings of the Water, Sewer, and Stormwater Funds.
- The City shall perform a formal rate study at least once every five years, and the City shall adopt a five-year schedule of rates, fees, and charges based on the results of the rate study.
- As part of the annual financial planning process, the City staff will prepare multi-year operating and capital budgets to ensure rates are sufficient to meet the needs of the utilities.
- The Water, Sewer, and Stormwater Funds will be run in a business-like manner. Rates and fees will be set to ensure the full recovery of the Water, Sewer, and Stormwater Funds operating and capital expenditures. This practice will ensure that the Water, Sewer, and Stormwater Funds has reduced financial risk and will meet Federal, State, and local regulations as well as service area demands.

Guiding the Design of Programs and Services

1. Budgeting - Grants

- The Administration shall identify all City Commission sponsored grants which contemplate recurring funding to the grantees as a separate line item in the proposed Operating Budget and/or budget presentations made to the City Commission as part of the annual budget process.
- The Administration shall review and make recommendations to the City

Commission on recurring grants every three (3) years, to allow for periodic review and approval of all Commission-sponsored initiatives or grant programs which involve recurring funding and thereby ensure that recurring grants align with the City Commission's evolving budget priorities.

2. Budgeting – Quarterly review

- The Administration shall review and report to the City Commission of adjustments and amendments to the City of Miami Beach Annual Operating Budget for purposes of conforming actual budget expenditures to the adopted budget and shall occur at least once every fiscal quarter.
3. The City of Miami Beach shall create a strategic plan that identifies multi-year strategic priorities with corresponding result measures for each priority.
 4. Annually, or as needed, the City of Miami Beach shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
 5. The budget process and format should be performance-based and focused on Key Intended Outcomes and performance measures.
 6. Any new initiatives that are not identified in the strategic plan that are greater than 0.5% of budget for the fund impacted per year, or cumulatively, must be first considered as part of the City's annual strategic planning or budget process to develop initiatives.

Debt Management Policy

1. **Ethics Requirements** – City staff, the City Commission, consultants, and underwriters shall be familiar with and adhere to the laws of the State of Florida, and the requirements of Municipal Securities Rulemaking Board (MSRB), as applicable. All debt financing participants shall always maintain the highest standards of professional conduct. There shall be no conflict of interest between the City and any debt-financing participant.

2. **Debt Issuance**

- The City will utilize its various consultants to determine the amount, timing, and structure of a debt issuance. These professional consultants may include but not be limited to registered financial advisors, bond and disclosure counsel, rate consultants, and general engineering consultants. All such consultants shall provide the City with their relevant written professional opinions as to the projected cost of proposed capital projects and maintenance, the expected revenue to be generated by such projects, and the expected cost of financing such projects along with legal opinions as to the disclosure, authorization, and tax exemption of all such debt issuance.
- Debt repayments should not extend beyond the useful life of the asset financed or 30 years, whichever is less.
- Short-Term Financing - The City may elect to issue short-term financing vehicles such as a line of credit or commercial paper as a bridge for an anticipated funding

gap. However, the City will not use short-term borrowing to finance operating needs.

3. Refundings and Defeasance

- Bond refunding of outstanding debt may be pursued when a threshold of Net Present Value (NPV) savings is greater than or equal to five percent (5%). NPV savings shall be calculated using the aggregate amount of savings on a refunding transaction taking into consideration the time value of money and net of all costs of issuance. The City's financial advisor must confirm the calculation that the NPV savings meets the threshold requirement as defined in this paragraph.
- However, a determination that a bond refunding meets the minimum NPV savings threshold will not necessarily result in the City refunding any bond series.

4. Disclosures

- The CFO will coordinate for the City, through a third-party service, annual disclosure filings, as well as other disclosures.
- The City will not disseminate any financial information to any investor or investors where such information is not readily available to all investors. However, general financial information disseminated by the City via means such as the City's web site is for general informational purposes only and is not intended by the City to be relied upon by others for investment purposes.



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Eric Carpenter, City Manager
DATE: October 30, 2024
TITLE: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS A CITY OF MIAMI BEACH COMPREHENSIVE FINANCIAL POLICY.

RECOMMENDATION

The Administration recommends approving a referral to the Finance & Economic Resiliency Committee to discuss the creation of a Comprehensive Financial Policy.

BACKGROUND/HISTORY

Over the years the Commission has passed various resolutions providing direction on various financial policies on topics including but not limited to capital reserves, fund balances, use of non-recurring revenues, use of annual surpluses, and funding for capital projects. Some financial policies have been included in annual budget resolutions such as use of General Fund interest earning towards capital projects. The Administration believes it is in the best interest of the City to consolidate all prior Commission direction on financial policies into one comprehensive financial policy.

ANALYSIS

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate?
(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

N/A

CONCLUSION

Applicable Area

Citywide

**Is this a “Residents Right to Know” item,
pursuant to City Code Section 2-17?**

No

**Is this item related to a G.O. Bond
Project?**

No

**Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481,
includes a principal engaged in lobbying?**

If so, specify the name of lobbyist(s) and principal(s):

Department

Finance

Sponsor(s)

Commissioner Joseph Magazine

Co-sponsor(s)

Condensed Title

Ref: FERC - City of Miami Beach Comprehensive Financial Policy. (Magazine) FN

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE, AT ITS JUNE 4, 2025 MEETING, TO REFER THE MIAMI BEACH COMPREHENSIVE FINANCIAL POLICIES TO THE BUDGET ADVISORY COMMITTEE FOR REVIEW AND ANALYSIS.

WHEREAS, on October 30, 2024, the Mayor and City Commission referred Item C40 to the Finance and Economic Resiliency Committee (FERC) to discuss the creation of a Comprehensive Financial Policy for the City of Miami Beach; and

WHEREAS, the Government Finance Officers Association (GFOA) strongly advocates for the adoption of formalized financial policies, recognizing their critical role in supporting strategic and sustainable financial management; and

WHEREAS, the City Administration recommends consolidating all previously issued Commission directives on financial policies into a single, comprehensive framework to streamline policy implementation, enhance transparency, and ensure alignment with the City's long-term financial goals; and

WHEREAS, on June 4, 2025, the FERC recommended that the item return to the full City Commission to consider a request for a referral of the Miami Beach Comprehensive Financial Policies to the Budget Advisory Committee, along with an analysis of total compensation as a percentage of the General Fund budget.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby approve the recommendation of the Finance and Economic Resiliency Committee, at its June 4, 2025 meeting, to refer the Miami Beach Comprehensive Financial Policies to the Budget Advisory Committee for review and analysis.

PASSED AND ADOPTED this ____ day of June 2025.

ATTEST:

Steven Meiner, Mayor

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

6/16/2025

Date