

R7 D A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES
LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING
THE FINAL OPERATING BUDGET FOR FISCAL YEAR 2025.

Applicable Area:



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: September 25, 2024 5:02 p.m. Second Reading Public Hearing

TITLE: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING THE FINAL OPERATING BUDGET FOR FISCAL YEAR 2025.

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 ("District"), adopt the attached Resolution which establishes the final operating budget for the District for Fiscal Year (FY) 2025 in the amount of \$336,000.

The first public hearing to adopt the District's tentative operating millage rate and budget for FY 2025 was held on Monday, September 16, 2024. The operating budget reflected herein is that which was tentatively adopted at the first public hearing.

BACKGROUND/HISTORY

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 twenty-four (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 properties 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.

ANALYSIS

The operating millage rate and budget for this dependent taxing district must be adopted in accordance with Florida Statutes. This procedure requires that this Resolution be considered immediately after the final millage rate for the District has been adopted (see accompanying Normandy Shores Local Government Neighborhood Improvement District Millage agenda item for details).

NORMANDY SHORES BUDGET

The Normandy Shores Local Government Neighborhood Improvement District budget for FY 2025, as summarized below and further detailed in Attachment A, is \$336,000. The FY 2025 budget, which was approved by the Normandy Shores Homeowners' Association and is recommended by the Administration, reflects an increase of \$20,000, or 6.3%, from the adopted FY 2024 budget of \$316,000 and includes \$5,000 for one-time guardhouse technology upgrades that were requested by the District in FY 2025.

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

To provide the level of services, as well as one-time guardhouse technology upgrades, that were requested and approved by the District for FY 2025, an ad valorem millage rate of 0.7789 mills is

necessary for FY 2025. This levy, based on the District's certified values that were provided by the Miami-Dade County Property Appraiser on July 1, 2024, will 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. This millage rate, in combination with other miscellaneous revenues projected totaling \$4,000, will fund the budget for the District that totals \$336,000 for FY 2025.

On September 16, 2024, the Mayor and City Commission tentatively adopted the operating millage rate of 0.7789 mills and operating budget of \$336,000 for the District for FY 2025.

FISCAL IMPACT STATEMENT

See information provided above.

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

See information provided above.

CONCLUSION

The Mayor and City Commission, acting in its capacity as the Board of Directors of the Normandy Shores Local Government Neighborhood Improvement District, should adopt the attached Resolution which establishes the final operating budget of \$336,000 for the Normandy Shores Local Government Neighborhood Improvement District for FY 2025.

Attachment A – FY 2025 Normandy Shores Budget

EC/JDG/TOS/RA

Applicable Area

Citywide

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

Yes

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

Management and Budget

Sponsor(s)

Co-sponsor(s)

Condensed Title

5:02 p.m. 2nd Rdg, Adopt Final Operating Budget for Normandy Shores Gov. OMB

ATTACHMENT A

FY 2025 Normandy Shores District Budget							
	FY 2021 Actuals ⁽¹⁾	FY 2022 Actuals ⁽²⁾	FY 2023 Actuals	FY 2024 Adopted Budget	FY 2025 Proposed Budget	\$ Variance FY 2025 Proposed vs FY 2024 Adopted	% Variance FY 2025 Proposed vs FY 2024 Adopted
REVENUES							
Residents	\$ 17,900	\$ 252,000	\$ 282,000	\$ 316,000	\$ 332,000	\$ 16,000	5.1%
City	93,100	-	-	-	-	-	0.0%
Restitutions	1,677	3,740	5,632	-	-	-	0.0%
Miscellaneous/Interest Income	80	-	-	-	4,000	4,000	100.0%
Total	\$ 112,757	\$ 255,740	\$ 287,632	\$ 316,000	\$ 336,000	\$ 20,000	6.3%
EXPENDITURES							
Security Guard Services ⁽³⁾	\$ 210,000	\$ 214,000	\$ 214,000	\$ 227,000	\$ 237,100	\$ 10,100	4.4%
Janitorial Services	3,877	3,907	3,982	4,000	4,000	-	0.0%
Gate Repairs (AAA Repairs)	28,458	37,989	34,420	35,500	35,100	(400)	-1.1%
Other Repairs and Maintenance	-	-	8,350	5,000	5,000	-	0.0%
Facilities Management Internal Service Charges ⁽⁴⁾	-	-	-	-	16,000	16,000	100.0%
Internal Service - OIG Set-Aside ⁽⁵⁾	-	-	1,000	1,000	1,000	-	0.0%
Utilities (Electricity & Telephone) ⁽⁶⁾	5,655	-	6,948	7,000	7,300	300	4.3%
Guardhouse Technology Upgrades (One-Time)	-	-	-	-	5,000	5,000	100.0%
RFID Reader System (One-Time)	-	-	10,958	-	-	-	0.0%
LPR Camera System (One-Time)	35,554	-	-	-	-	-	0.0%
South Entrance Gate Project (One-Time)	-	-	-	6,000	-	(6,000)	-100.0%
Renewal & Replacement Set-Aside ⁽⁷⁾	-	-	-	20,000	20,000	-	0.0%
Other Operating Expenditures ⁽⁸⁾	200	200	175	500	500	-	0.0%
Transfer to Reserve ⁽⁹⁾	-	-	-	10,000	5,000	(5,000)	-50.0%
Total	\$ 283,744	\$ 256,096	\$ 279,833	\$ 316,000	\$ 336,000	\$ 20,000	6.3%
Surplus / (Shortfall)	\$ (170,987)	\$ (356)	\$ 7,799	\$ -	\$ -	\$ -	
REQUIRED MILLAGE	0.0773	1.0659	0.9717	0.8468	0.7789	(0.0679)	-8.0%

Footnotes:

⁽¹⁾ The FY 2021 millage and budget was adopted to comply with the \$500 cap codified on the levy of property taxes per parcel for operations of the Normandy Shores Local Government Neighborhood Improvement District, which resulted in a significant reduction in revenue of \$155,000 based on the decrease in the FY 2021 millage rate from the proposed millage of 0.7497 mills to 0.0773 mills. To offset the reduction in revenue in FY 2021, available fund balance projected in the Normandy Shores Fund of \$135,000 was appropriated, the budget reduced by \$20,000, and the City's original 35.0% subsidy of \$93,100 was maintained for FY 2021.

⁽²⁾ Effective FY 2022, the City Commission adopted Ordinance 2020-4236 eliminating the \$500 per parcel cap and Resolution No. 2021-31819 eliminating the City's annual subsidy of 35.0% for operations of the Normandy Shores Local Government Neighborhood Improvement District, while maintaining the City's 50.0% contribution towards the cost of the security rover.

⁽³⁾ FY 2025 security guard costs are based on anticipated annual hours provided by Facilities Management with the new hourly rates inclusive of the recent 5% increase for security guard services, which include the cost of the security rover and golf cart rental that is split-funded between the Normandy Shores (50%) District and the City (50%).

⁽⁴⁾ Includes approximately 12.25% of the split-funded full-time Administrative Officer position in the Facilities and Fleet Management Department responsible for the daily operations of the Normandy Shores District, which includes a 2.0% merit, 0.0% COLA, a 10% increase in Health and Life Insurance over FY 2024 projections, and proportionate share of pension costs for portion of full-time Administrative Officer position funded. In addition, indirect costs for services provided by the City associated with the operations of the Normandy Shores District are included based on an updated Full Cost Allocation Plan Study that was completed by a third-party consultant during FY 2024 based on FY 2023 expenses.

⁽⁵⁾ Based on the Office of the Inspector General's FY 2025 budget and internal services allocations for FY 2025.

⁽⁶⁾ Utilities for FY 2025 based on FY 2023 actuals and the FY 2024 average monthly invoices.

⁽⁷⁾ FY 2025 Renewal and Replacement Set-Aside based on FY 2024 adopted budget.

⁽⁸⁾ Other Expenditures for FY 2025 based on annual Special Taxing District state fee paid to the Department of Economic Opportunity.

⁽⁹⁾ FY 2025 Transfer to Reserve based on HOA request.

⁽¹⁰⁾ FY 2025 property values based on 2024 Certified values received from the Miami-Dade County Property Appraiser on July 1, 2024.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING THE FINAL OPERATING BUDGET FOR FISCAL YEAR 2025.

WHEREAS, for the purpose of providing security services within the Normandy Shores neighborhood area, the Mayor and City Commission adopted Ordinance No. 93-2881 on October 20, 1993, which authorized the creation of the Normandy Shores Local Government Neighborhood Improvement District ("District"); and

WHEREAS, for the purpose of providing security services within the District, a final budget has been developed to fund projected Fiscal Year (FY) 2025 operating expenditures; and

WHEREAS, on September 16, 2024, pursuant to Section 200.065, Florida Statutes, the Mayor and City Commission, acting as the Board of Directors of the District, held its first duly noticed public hearing to consider the tentative ad valorem millage and operating budget for FY 2025 for the District; and

WHEREAS, at the first public hearing on September 16, 2024, in accordance with Section 200.065, Florida Statutes, the Mayor and City Commission, acting as the Board of Directors of the District, tentatively adopted the operating budget of \$336,000 for the District for FY 2025.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT that, following a duly noticed public hearing on September 25, 2024, the Mayor and City Commission, acting as the Board of Directors of the District, hereby adopts the final operating budget for the District for FY 2025, as summarized below:

Revenues

Ad Valorem Tax	\$332,000
Miscellaneous/Interest Income	4,000
Total	\$336,000

Expenditures

Contracted Security Guard Services	\$237,100
Security Gate and Guardhouse Maintenance/Repairs	40,100
Set-aside for Renewal and Replacement of Capital Assets	20,000
City of Miami Beach Internal Service Charges and Fees	17,000
Guardhouse Utilities (Electricity, Telephone, etc.)	7,300
Set-aside for Reserves for Future Projects	5,000
Guardhouse Technology Upgrades (One-Time)	5,000
Guardhouse Janitorial Services	4,000
Other Miscellaneous Operating Expenditures	500
Total	\$336,000

PASSED AND ADOPTED this ____ day of _____, 2024.

ATTEST:

Secretary to the District

Chairperson of the District

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

9/18/2024

Date