

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ESTABLISHING A CAPITAL RENEWAL AND REPLACEMENT FUND TO PROVIDE A DEDICATED SOURCE OF FUNDING FOR CITY CAPITAL RENEWAL AND REPLACEMENT PROJECTS THAT EXTEND THE USEFUL LIFE OF GENERAL FUND ASSETS; ESTABLISHING A PROCEDURE FOR ANNUAL APPROPRIATION OF FUNDS; ESTABLISHING A PROCEDURE FOR THEIR USE; AND ADOPTING THE FISCAL YEAR (FY) 2004/05 BUDGET FOR THE FUND, IN THE AMOUNT OF \$1,347,070.**

**WHEREAS**, the City has a significant infrastructure investment that includes 322 buildings, structures and facilities; 472 acres of recreational open space; over 25 miles of inland canals, oceanfront beaches, City-owned seawalls; and 140 miles of paved streets; with associated swales landscaped medians, street and landscape lights, and curbs and gutters; and

**WHEREAS**, despite \$27.4 million budgeted in the Fiscal Year (FY) 2004/05 General Fund Operating Budget for general ongoing maintenance, as well as \$4.25 million in potential funding from the proposed Miami-Dade County General Obligation Bond issue for Old City Hall; the Sixth Street Community Center; Flagler Monument; and Scott Rakow Youth Center improvements (carpets, ADA, pressure cleaning, ceiling tile, electrical, A/C), there remains \$1,816,000 in immediate renewal and replacement needs without funding; and

**WHEREAS**, the City is procuring a consultant to develop a proactive schedule of renewal and replacement needs for the City's existing infrastructure that will require additional funding in future years; and

**WHEREAS**, as a result of the City's ongoing \$400 million Capital Improvement Program, there will be a significant additional increase in renewal and replacement needs; and

**WHEREAS**, annual capital renewal and replacement needs compete for General Fund resources with other needs, such as public safety, with the result that capital renewal and replacement needs may be deferred; and

**WHEREAS**, bond rating agencies, (Fitch, Moody's, and Standard & Poor's) view renewal and replacement policies as a significant criteria in assessing a government's credit worthiness; and

**WHEREAS**, the Mayor and City Commission recognize the need to establish a dedicated source of funding to ensure annual renewal and replacement of the City's General Fund capital assets on an ongoing basis; and

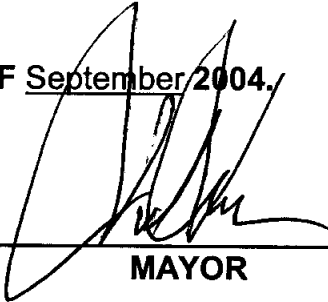
**WHEREAS**, on September 9 2004, the Mayor and City Commission tentatively adopted the proposed millage rate of 7.425 mills, which included 0.126 mills dedicated for capital renewal and replacement.

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, as follows:

1. A permanent Capital Renewal and Replacement Fund is hereby established to be used for capital projects that extend the useful life of the City's General Fund assets.
2. The Capital Renewal and Replacement Fund shall be funded annually, commencing in Fiscal Year 2004/05, through a transfer from the General Fund.
3. The initial annual transfer from the General Fund to the Capital Renewal and Replacement Fund, for Fiscal Year 2004/05, shall be the amount of \$1,347,070.
4. In subsequent fiscal years, the Fund will be increased by, at a minimum, the amount which would represent the value of the debt service millage reduction resulting from growth in the assessment value of the tax base. It is expected that this increase should not result in a total combined millage rate greater than in the preceding fiscal year.
5. Appropriation of project specific expenditures from the Capital Renewal and Replacement Fund shall be included in the City Manager's annual proposed budget, and shall be adopted by the Mayor and City Commission annually during the City's second public hearing on the budget.
6. 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.
7. 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.
8. Changes to project specific appropriations may be authorized by the City Manager to the extent needed to replace \$4.25 million in potential funding from the proposed Miami-Dade County General Obligation Bond issue for Old City Hall; Sixth Street Community Center; Flagler Monument; and Scott Rakow Youth Center improvements.
9. 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.

10. 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.
11. The City of Miami Beach hereby adopts the FY 2004/05 Capital Renewal and Replacement Fund Budget, in the amount of \$1,347,070, as provided in Attachment A.


PASSED AND ADOPTED THIS 28th DAY OF September 2004.

  
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MAYOR

Attest:

  
\_\_\_\_\_  
CITY CLERK

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

  
\_\_\_\_\_  
City Attorney

9-22-04  
Date