MESSAGE FROM THE CITY MANAGER

JIMMY L. MORALES

October 1, 2020

Honorable Mayor Dan Gelber and Members of the City Commission:

This is not a typical budget year in the City of Miami Beach or anywhere else for that matter. The COVID-19 pandemic which has now been impacting us for over six months has touched and transformed nearly every aspect of life, not the least of which is the operation and financing of a city government. The City of Miami Beach was and continues to be particularly impacted since we are far more dependent on revenue sources (e.g. resort taxes and parking revenues) that fluctuate drastically during serious economic downturns and/or natural disasters. COVID-19 required us to make timely revisions and adjustments to our FY 2020 budget so that we could continue to operate and meet our financial obligations through September 30th of this year. I appreciate your leadership and support in implementing the tough decisions to maintain a balanced budget during the current fiscal year. And I appreciate all the hard work and sacrifices made by our employees during this time.

My team and I had hoped that the pandemic would be mostly behind us by the time we held our first public hearing for the FY 2021 budget. Unfortunately, on the contrary, we now know that the pandemic is likely to be with us through next spring (if not longer) and that the economic effects of the pandemic may continue well beyond that, and in some cases we have been forever impacted by society's response to the virus. As such, we have had to make assumptions and estimates about this year and years beyond as we formulated a budget that is achievable in FY 2021 and represents a realistic platform going forward in future fiscal years. Sadly, we do not have a crystal ball, so we have had to pursue a more conservative approach.

In that spirit, I hereby transmit the Adopted Work Plan and Operating Budget for FY 2021, commencing on October 1, 2020 and ending on September 30, 2021, including the Adopted Work Plan, the Adopted Operating Budget, the Adopted Capital Budget, and the associated Capital Improvement Plan for FY 2021 through FY 2025.

The total Adopted General Fund Operating Budget is $329.0 million, which is $21.1 million or 6.0 percent less than the FY 2020 Adopted Budget of $350.1 million. This reduction in the General Fund budget is the result of the transfer of the Office of the Inspector General ($1.5 million) and the Building Department ($16.6 million) to non-General Fund departments, as well as the City's response to the fiscal impact of COVID-19 on our finances, as noted in further details below.

On September 11, 2019, the Mayor and City Commission adopted the Administration's recommendation, through Resolution 2019-30954, which addresses the City's exposure to weather events and dependence on volatile Resort Tax revenues to help ensure continuity of operations during emergencies and maintain or improve the City's credit ratings. The September 30, 2019 General Fund available balance of $80.6 million is equivalent to approximately 23.3 percent of the ensuing year's budget.

As a result of the impact of COVID-19 on the City's finances, the FY 2020 projections estimate the use of $2.8 million of reserves (excluding COVID-19 related expenses that are considered reimbursable) and the Adopted FY 2021 budget is balanced using $9.6 million of reserves. The resulting remaining General Fund reserve balance is estimated at $68.2 million, or 19.5%. This balance still exceeds the minimum 17.0% General Fund unrestricted budgetary fund balance recommended by the Government Finance Officers Association (GFOA).

BUDGET HIGHLIGHTS

- The Adopted operating millage rate of 5.7288 remains the same as last year
- The overall full-time position count is 42 less than in FY 2007, and is 44 positions less than in FY 2020
- The FY 2021 General Fund budget includes $2.8 million of recurring reductions as well as $56,000 of recurring service enhancements including $27,000 to support the Public Safety Citizens on Patrol Volunteer Program
- The FY 2021 budget includes a one-time enhancement of $900,000 for the 2021 National College Football Championship event

MESSAGE FROM THE CITY MANAGER CONT'D

The City's Adopted FY 2021 Operating Budget, in total, is $627.1 million (6.3% lower than last year) including the General Fund, General Obligation Debt Service, Enterprise Funds, Special Revenue Funds and the City's transfer to the Redevelopment District. This amount is net of Internal Service Funds and Interfund Transfers.

As in past years, the Adopted Work Plan and Budget was developed through an intensive review process with our City Commission. Preliminary budget information was provided at budget briefings to the Finance and Economic Resiliency Committee (the "Committee") on June 16, July 17, and July 24, 2020.

FINANCIAL IMPACT OF COVID-19

On March 1, 2020, the Governor issued an Executive Order directing the Surgeon General of the State of Florida to issue a public health emergency, and in response to the pandemic outbreak of COVID-19, the Governor declared a State of Emergency on March 9, 2020. In direct response to the first confirmed case of COVID-19 in Miami-Dade County on March 11, 2020, the Miami-Dade County Mayor declared a State of Emergency for Miami-Dade County. The City Manager declared a State of Emergency in the City of Miami Beach on March 12, 2020. Subsequently, both the County and the City issued various Emergency Orders temporarily closing public and private facilities, including the temporary closure of all non-essential retail and commercial establishments and identifying essential retail and commercial businesses which may remain open. These actions have greatly limited the amount of economic activity taking place in the City of Miami Beach and continue to result in significant impacts to the City's finances.

In response to the projected revenue losses through the end of the fiscal year (FY), the Administration presented the City's budget-balancing plan to the Finance and Economic Resiliency Committee (FERC) on April 17, 2020. These plans emphasized cost reductions as much as possible, including a reduction in capital expenditures, and judiciously using reserves to make up the difference.

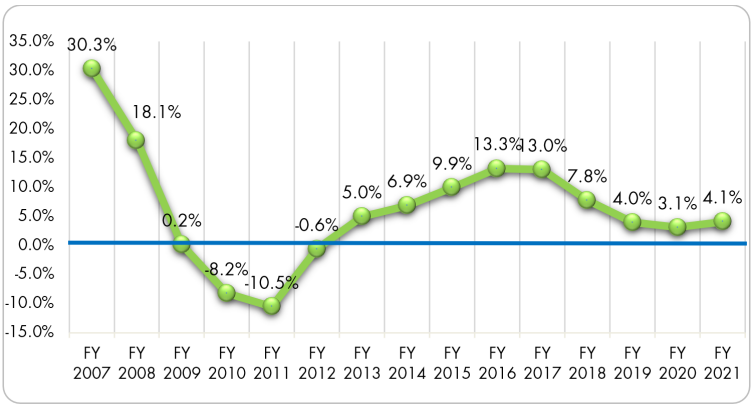
The chart below summarizes the total projected gap between the General Fund and Resort Tax Fund Preliminary FY 2021 Budgets, as presented at the June 16, 2020 FERC meeting.

	NON-COVID-19	COVID-19
General Fund	($6.0 million)	($13.8 million)
Resort Tax	0	($18.3 million)
Total	**($6.0 million)**	**($32.1 million)**

PROPERTY VALUES UPDATE

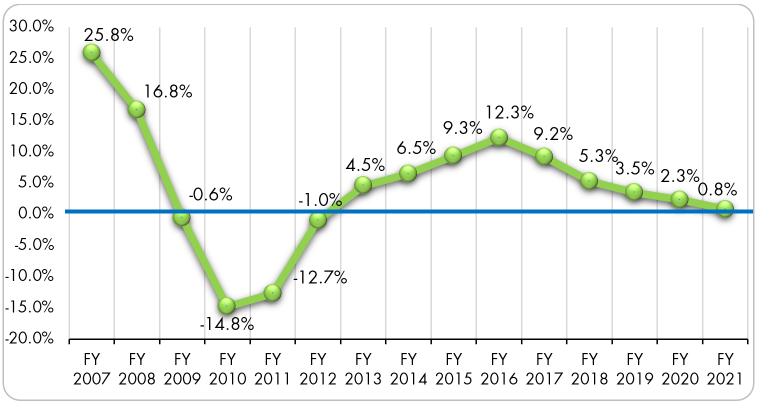
On July 1, 2020, the City received the 2020 Estimated Taxable Values from the Miami-Dade County Property Appraiser indicating that the overall taxable value for the City of Miami Beach was $41.7 billion, including $1.3 billion in new construction. Overall, this represented a 4.1 percent increase in values from the 2019 Certification of Taxable Value provided by the Miami-Dade County Property Appraiser on July 1, 2019.

Overall Property Value Trend



It is important to note that while the City's overall values increased by 4.1 percent, existing property values increased by 0.8 percent. Additionally, of the $1.3 billion in new construction values, 77 percent was generated by 4 properties.

Existing Property Value Trend



PROPERTY VALUES UPDATE CONT'D

The Preliminary FY 2021 General Fund budget based on the 2020 Estimated Taxable Values as of June 1, 2020 provided by the Miami-Dade Property Appraiser's Office reflected a revenue increase of $5.9 million, or 3.2 percent. The 2020 Certified Taxable Values provided by the Miami-Dade County Property Appraiser's Office as of July 1, 2020 reflected an increase in values of $258 million, or 0.6 percent, compared to the 2020 Estimated Taxable Values provided by the Miami-Dade County Property Appraiser's Office as of June 1, 2020, for an overall increase in citywide General Fund property tax revenues of $3.3 million. Of this increase, $1.4 million was due to the increase in property values.

In addition, the preliminary property tax revenue projections as of June 1, 2020 assumed property values within the City Center RDA would increase by approximately 5.0 percent over the certified July 1, 2019 values based on historical trends. However, based on the certified July 1, 2020 values provided by the Miami-Dade County Property Appraiser's Office, property values within the City Center Redevelopment Agency (RDA) decreased by approximately $54.0 million, or 0.9 percent, from the certified July 1, 2019 values. This reduction in the RDA's property value resulted in a $1.9 million increase in citywide General Fund property tax revenues over the revenues projected as of June 1, 2020.

Citywide General Fund Revenues	$ Change
Increase Due to July 2020 Property Value Increase	1,404,000
Increase Due to July 2020 RDA Property Value Decrease	1,898,000
Total Increase in Property Tax Revenue Projection	**$3,302,000**

	June 2020 Preliminary	July 2020 Certified	$ Change
Property Assessment			
Property Values	41,485,000,000	41,742,998,986	257,998,986
City Center RDA	6,571,291,425	6,204,385,940	(366,905,485)
Citywide Total - Net of City Center RDA	34,913,708,575	35,538,613,046	624,904,471
Property Tax Revenue Projection	193,315,000	196,617,000	3,302,000

As in past years, the Adopted Work Plan and Budget was developed through an intensive review process with our City Commission. Extensive preliminary budget information was provided in meetings with the Finance and Economic Resiliency Committee on June 16, July 17, and July 24, 2020.

The General Fund is the primary source of funding for many City services. Revenues are derived from ad valorem property taxes, franchise and utility taxes, business license and permit fees, revenue sharing from various statewide taxes, user fees for services, fines, rents and concession fees, and interest income. Additionally, intergovernmental revenues from Miami-Dade County and Resort Tax contribute funding for tourist-related activities provided by General Fund departments.

At the June 16, 2020 Finance and Economic Resiliency Committee (FERC) 1st Budget Briefing, the Mayor and City Commission were briefed regarding the Preliminary FY 2021 General Fund budget, including the projected impact of COVID-19 on the City's revenues. The preliminary budget represents the cost of providing the same level of services as in the prior year and serves as the baseline of funding for the annual budget development process.

Based on the 2020 Certified Taxable Values provided by the Miami-Dade County Property Appraiser's Office as of July 1, 2020, citywide values increased approximately $1.6 billion, or 4.1%, over the 2019 Certified Taxable Values, which resulted in an increase of $9.2 million in General Fund property tax revenues. Property taxes comprise approximately 60.1% of total FY 2021 General Fund revenues and are a key driver of the adopted revenues.

PROPERTY VALUES UPDATE CONT'D

At the July 17, 2020 FERC meeting, the Administration identified a combination of revenue and expenditure refinements, expenditure reductions/efficiencies, and expenditure enhancements, including those recommended due to the projected impact of COVID-19 on the City's revenues. These recommendations, if approved by the Committee, would have resulted in an unallocated General Fund surplus of $2,000,000.

FY 2021 Balancing Strategies	$
Preliminary Non-COVID-19 Surplus/(Gap) based on July 1st Values	(2,725,000)
Projected Impact of COVID-19 on General Fund Revenues	(7,850,000)
Total Surplus/(Gap)	**($10,575,000)**
Recurring Revenue Refinements	941,000
Recurring Expenditure Refinements	841,000
Recurring Expenditure Reductions/Efficiencies	2,984,000
Recurring Expenditure Enhancements	(41,000)
Use of General Fund Reserves due to COVID-19	10,000,000
Reduction in Resort Tax Contribution due to COVID-19	(14,875,000)
Transfer from City Center RDA for COVID-19	3,295,000
One-Time Expenditure Reductions due to COVID-19	9,430,000
Net	**$2,000,000**

Based on direction received from the FERC on July 17, 2020 and July 24, 2020, the changes below were incorporated into the General Fund Operating Budget, which, if approved, would have resulted in a balanced budget for FY 2021.

FY 2021 Balancing Strategies	$
Preliminary Surplus/(Gap) as of July 24, 2020 FERC Meeting	**$2,000,000**
Reduction in use of General Fund Reserve	(2,000,000)
Reimbursement from Miami-Dade County Public Schools for Police Officers in Schools based on Addendum to Current Agreement for 2021 School Year	281,000
Additional Funding for Cat Trap, Vaccinate, Neuter & Release Program	(10,000)
Adjustment for FY 2021 Living Wage Enhancement	22,000
Additional FY 2021 General Fund Operating Contingency	(293,000)
Net	**$0**

The Committee accepted the Administration's recommendations as summarized above.

ADJUSTMENTS SUBSEQUENT TO BUDGET BRIEFINGS

Over the summer recess, the Administration further refined the FY 2021 budget based on recommendations from the Budget Briefings, updated FY 2020 third quarter projections, and refinements to recommended enhancements. These adjustments were based on the changes below.

Revenue Refinements – ($510,000)

- Finalization of calculation of General Fund Administrative Fees – ($510,000)

Expenditure Refinements – ($594,000)

- Reduction in the Internal Service Department Chargebacks based on finalization of the FY 2021 Internal Service Department Budgets – ($542,000)
- Increase in General Fund contribution to Office of Inspector General (OIG) Fund based on finalization of the FY 2021 OIG budget – $30,000
- Reduction in Transfer to Normandy Shores based on Final FY 2021 Budget – ($3,000)
- Increase for Miami Beach Efforts & Small Business Support Strategic Campaign – $11,000
- Reduction in the set-aside for General Fund Contingency – ($90,000)

Recurring Expenditure Enhancements – $27,000

- On July 29, 2020, the City Commission adopted Resolution 2020-31374 authorizing the Miami Beach Police Department to proceed with development of a Public Safety Citizens on Patrol. Volunteer Program, which also approved funding for the creation of this program – $27,000

Recurring Expenditure Efficiencies/Reductions – $57,000

- As part of the balancing plan presented at the July 17, 2020 2nd FERC Budget Briefing, it was recommended that the full-time Program Supervisor position in the Office of Organizational Development & Performance Initiatives be eliminated in FY 2021. However, based on organizational changes recommended by the Administration, at the July 24, 2020 FERC 3rd Budget Briefing, the Administration recommended that the Program Supervisor position not be eliminated in FY 2021.

FIRST PUBLIC HEARING

At the first public hearing held on September 16, 2020, the Administration presented the proposed FY 2021 budget to the Mayor and City Commission. As a result of the ongoing expressed concern regarding the recommended budget reductions necessary to right-size the Parking Department due to the impact of COVID-19 and ride-sharing services and the impact of these reductions to a number of employees, primarily in Parking Enforcement, the Mayor and City Commission directed the Administration to phase-in the recommended right-sizing reductions in the Parking Department over up to a 12 month period and to utilize additional General Fund reserves to offset the impact of the approved phase-in approach. The Administration originally estimated that the fiscal impact of this approach would be $500,000, which was included in the Proposed Operating Budget.

UPDATE ON PARKING POSITIONS

As of September 24, 2020, 23 Parking employees had accepted new positions in other departments, 12 had refused, and 5 were pending responses. The combined fiscal impact of allowing these 17 employees who had not accepted positions or were pending responses to remain in the Parking Department during FY 2021 resulted in an increase in the use of General Fund Reserves by an additional $711,000, for a total of $1,211,000.

ADJUSTMENTS SUBSEQUENT TO FIRST PUBLIC HEARING

Subsequent to the first public hearing on September 16, 2020, the Administration received five one-time enhancement requests totaling $378,000 for consideration and potential funding at the second public hearing on September 29, 2020. The requests are summarized below.

- $200,000 for the creation of a Miami Beach Artist-in-Residence program which addresses the need to activate empty spaces in Miami Beach commercial districts by attracting, retaining, and supporting the revitalization of the artistic community
- $60,000 contribution to the Miami Beach Senior High Parent Teacher Student Association (PTSA) for the renovation of the school courtyard
- $60,000 for a reimbursement program to restaurants for delivery services
- $33,000 for fencing and landscaping at the school playfield area, basketball courts, and parking lot at Miami Beach Senior High School to provide community access on Sundays (additional days to be discussed during quarterly scheduled meetings)
- $25,000 for fencing and security cameras at Miami Beach South Pointe Elementary to provide access to the outdoor basketball courts for community use during weekends and potentially non-school days

FINANCE & ECONOMIC RESILIENCY COMMITTEE

At the FERC meeting on September 23, 2020 an important legal issue was discussed that impacts the proposed millage rate for the Normandy Shores Neighborhood Improvement District. During the legal review of legislation governing the City's 35% subsidy to the district, it was discovered that the $500 cap on the highest valued home in the District is still legally in place. In 2015, the City Commission adopted ordinance 2015-3928 which repealed 3 neighborhood districts that were no longer active and re-adopted the legislation for the Normandy Shores District because the original ordinance was never codified in the City Code. However, that ordinance mistakenly adopted the 1993 version that included the $500 cap and not the intended 2002 version that eliminated the cap. As a result, the City Commission will not be able to adopt the millage rate of 0.7497 that was tentatively adopted at the first public hearing on September 16, 2020. Instead, the millage rate will need to be significantly decreased to 0.0773 mills in order to comply with the $500 cap. This will result in a $155,000 loss of revenue from property tax revenue to the District, and a resulting $155,000 reduction in the Operating Budget.

The FERC agreed with the staff-recommended approach to balance the proposed FY 2021 budget for the Normandy Shores District, which included the use of $118,000 of Normandy Shores' Fund Balance reserves; a $20,000 reduction in the Normandy Shores FY 2021 Proposed Budget and the use of anticipated Normandy Shores FY2020 savings to add to available fund balance. The FERC also chose not to reduce the proposed City subsidy of $93,100 to the district at this time and instead revisit it before the FY 2022 budget development process.

SECOND PUBLIC HEARING

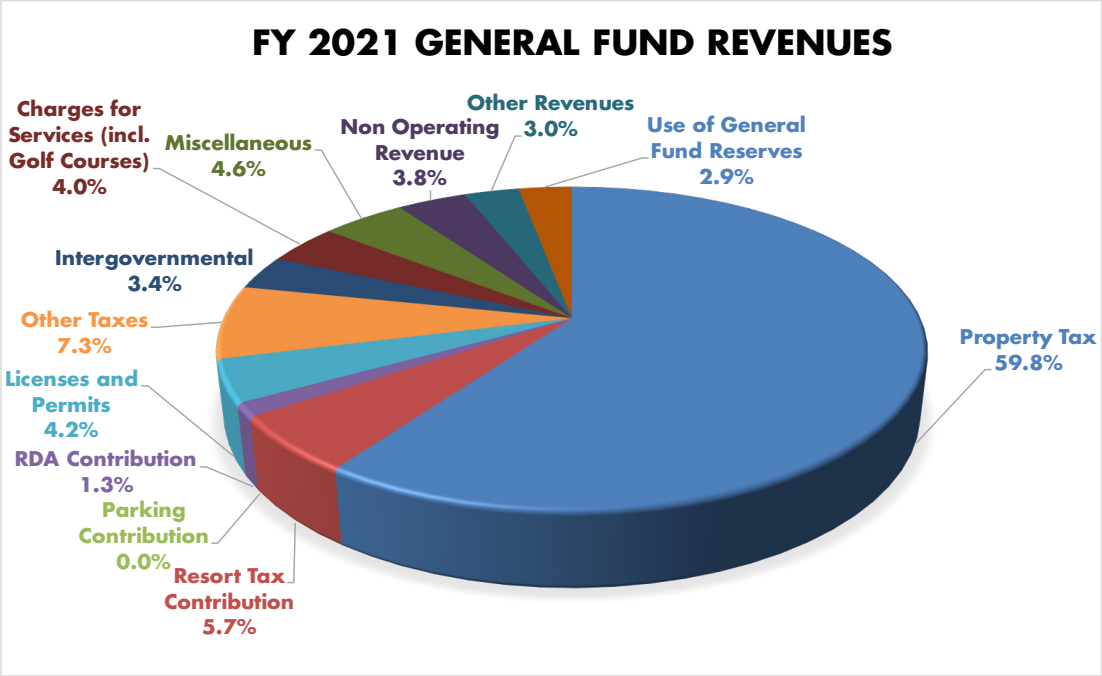
At the second public hearing held on Spetember 29, 2020, the City Commission voted to approve the six one-time budget adjustments noted above, to be funded by a $1,589,000 increase in the use of General Fund Reserves. The City Commisison also approved the adjustment to the Normandy Shores District's FY 2021 Budget and Millage rate, as recommended by the FERC, and also approved an additional $10,000 to be funded from General Fund reserves to provide targeted outreach on recommended masks for school use as recommended by the Quality of Education Committee.

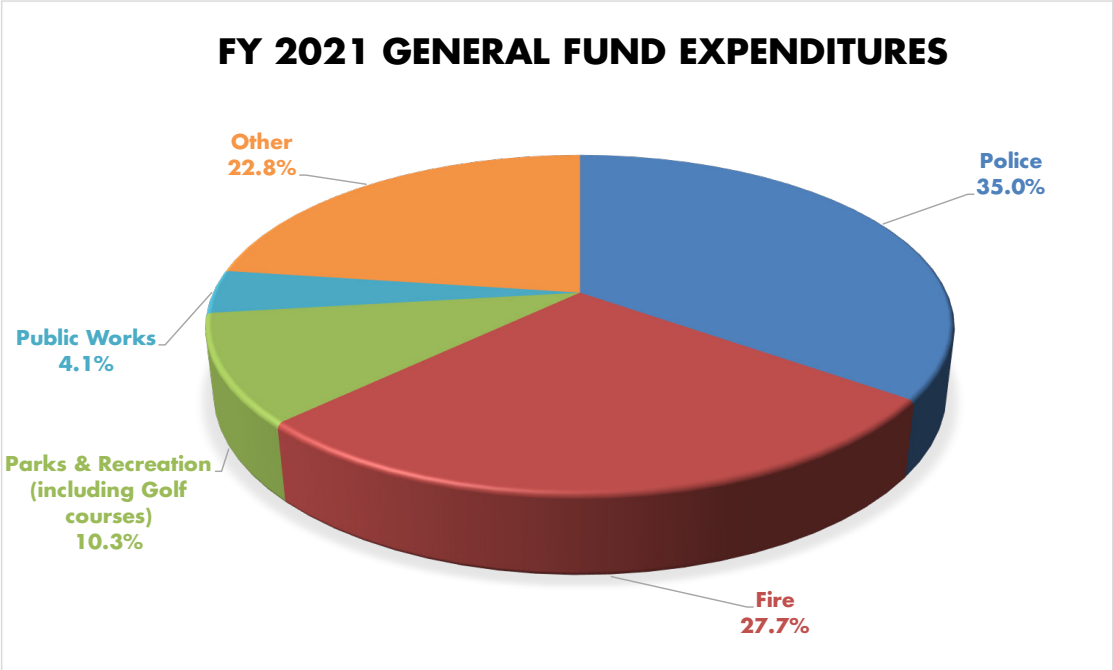
ADOPTED FY 2021 GENERAL FUND BUDGET

Based on the direction given at the various Budget Briefings during the summer, budget adjustments made over the summer recess, and budget adjustments made at the first and second public hearings based on direction received, the Administration proposes the FY 2021 General Fund budget as adopted at the second public hearing on September 29, 2020.

September 29, 2020 Budget	$
Revenues	329,023,000
Expenditures	329,023,000
Surplus / (Gap)	**$ 0**

The charts below reflect the major revenue and expenditure categories of the FY 2021 General Fund budget.





ADOPTED FY 2021 GENERAL FUND BUDGET CONT'D

Attachment A – Recommended Expenditure Reductions/Efficiencies – ($2,810,000)

Attachment A reflects a listing of all recommended FY 2021 service reductions and efficiencies with detailed descriptions, which are summarized below:

FY 2021 Reductions/Efficiencies	$ Year 1	Full-Time Positions
Efficiency in Renegotiated Contract Savings from Grounds Maintenance, Parks Landscape, Body Camera, etc.	1,361,000	0.00
Efficiency in Proposed Police Staffing Plan Changes	795,000	0.00
Efficiency in Elimination of Fleet Management Director and Conversion of 2 Admin Positions into 1 Admin Position (Int Svcs.)	199,000*	0.00
Efficiency in Elimination of Assistant Environment & Sustainability Director Position	136,000	1.00
Efficiency in Civilianization of (2) Sworn Positions to Civilian Positions	120,000	0.00
Efficiency in Elimination of Emergency Management Specialist Position	101,000	1.00
Efficiency in Elimination of Financial Analyst II Position	91,000	1.00
Efficiency in Elimination of Legislative Manager Position	86,000	1.00
Efficiency in Elimination of Safety Officer Position (Int Svcs.)	39,000*	0.00
Impact of Reallocating Portion of Senior Capital Projects Coordinator Position from Parking to CIP	(118,000)	(0.75)
Total	**$2,810,000**	**3.25**

* Estimated savings from Internal Service Fund Reductions

Attachment A – Recommended "One-Time" Expenditure Reductions/Efficiencies – ($9,534,000)

Attachment A also reflects a listing of all recommended "one-time" FY 2021 service reductions and efficiencies to offset the projected impact of COVID-19 on the City's revenues, including detailed descriptions, which are summarized below:

FY 2021 Reductions/Efficiencies	$ Year 1	Full-Time Positions
Decrease in Lifeguard Hours and Boat expenditures	329,000	0.00
Up to Five Furlough Days for All Groups based on Salary Tiers	1,861,000*	0.00
Travel and Training Freeze	430,000	0.00
Non-Essential Tuition Reimbursement Freeze	115,000	0.00
Hiring Freeze	2,799,000	0.00
Freeze on Non-Essential Expenditures	4,000,000	0.00
Total	**$9,534,000**	**0.00**

*Includes estimated savings from furloughs in Internal Service Funds

ADOPTED FY 2021 GENERAL FUND BUDGET CONT'D

Attachment B – Recommended "One-Time" Enhancements – $388,000

Attachment B reflects a listing of all recommended "one-time" FY 2021 expenditure enhancements, which are detailed below:

- Miami Beach Artist-in-Residence Program - $200,000
  This enhancement creates a Miami Beach Artist-in-Residence program which addresses the need to activate empty spaces in Miami Beach commercial districts by attracting, retaining, and supporting the revitalization of the artistic community.

- Miami Beach Senior High Parent Teacher Student Association Contribution - $60,000
  This enhancement funds a contributuin to the Miami Beach Senior High Parent Teacher Student Association for the renovation of the school's courtyard.

- Restauraunt Reimbursement Program - $60,000
  This enhancement funds a reimbursement program to restaurants for delivery services.

- Miami Beach Senior High Fencing and Landscaping - $33,000
  This enhancement funds fencing and landscaping at the playfield area, basketball courts and parking lot at Miami Beach Senior High School to provide community access on Sundays.

- Miami Beach South Pointe Elementary School Fencing and Security Cameras - $25,000
  This enhancement funds fencing and security cameras at the Miami Beach South Pointe Elementary School to provide access to the outdoor basketball courts for community use during weekends and potentially non-school days.

- Targeted Outreach on Masks for School Use - $10,000
  This enhancement request is to fund targeted outreach on recommended masks for school use as recommended by the Quality of Education Committee.

Attachment B – Recommended Expenditure Enhancements – $110,000

Attachment B reflects a listing of all recommended FY 2021 expenditure enhancements, which are detailed below:

- Living Wage – $19,000
  This enhancement increases the total minimum living wage rate from $15.00 per hour including health benefits to $15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.

- Public Safety Citizens on Patrol Volunteer Program – $27,000
  This enhancement is to establish a Public Safety Citizens on Patrol Volunteer Program to meet the changing needs of the community and further promote an enhancement of the City's Community Policing philosophy by having members of the new program assist in patrolling neighborhoods, parks, schools, and commercial areas as additional eyes in public spaces throughout the City in accordance with Resolution 2020-31374 adopted by the City Commission on July 29, 2020.

- Trap, Neuter, Vaccinate, and Release (TVNR) Program – $10,000
  This enhancement is to allocate additional funding of $10,000 to continue the Trap, Neuter, Vaccinate, and Release (TVNR) Program for FY 2021 based on direction from the Finance and Economic Resiliency Committee at its July 17, 2020 meeting.

- General Fund Impact of Recommended Internal Service Fund Enhancements – $54,000
  This enhancement will fund the estimated General Fund impact of the proposed enhancements on the FY 2021 Internal Service Funds. Internal Service Fund budgets are completely allocated to the General, Enterprise, and Special Revenue Funds.

USE OF RESERVES

As noted at the June 16, 2020 FERC meeting, the General Fund reserve balance is approximately $80.6 million, or 23.3%, as of September 30, 2019. The projected use of this balance during FY 2020 (excluding COVID-19 related expenses that are considered reimbursable) is $2.8 million. Based on the adopted FY 2021 budget approved by the Mayor and City Commission, the remaining General Fund reserve balance would be $68.2 million, or 19.5%. This balance would still exceed the minimum 17.0% General Fund unrestricted budgetary fund balance recommended by the Government Finance Officers Association (GFOA).

	General Fund Reserve Amount
Current Reserve (as of FYE 09/30/2019)	$80.6 million
Use of Reserve in FY 2020	($2.8 million)
Use of Reserve in FY 2021	($9.6 million)
Remaining Reserve	**$68.2 million**

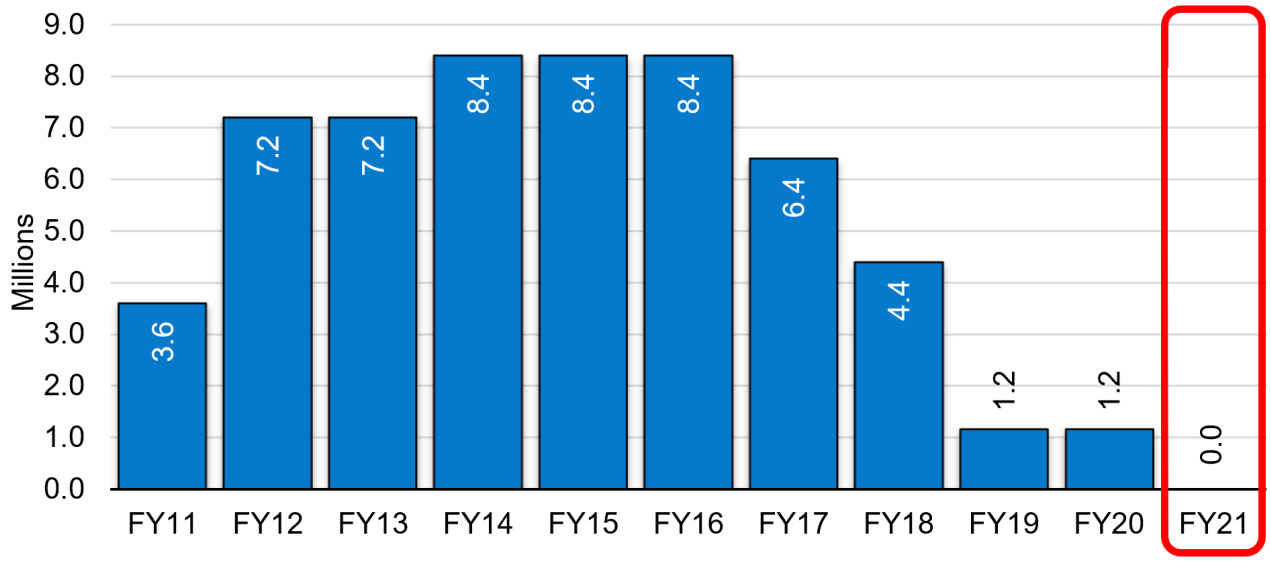
PARKING & RDA FUND TRANSFERS TO THE GENERAL FUND

The Adopted FY 2021 General Fund budget includes a $3.3 million decrease in Pension Debt expenditures that resulted from the planned retirement of the City's Pension Debt in FY 2021. Additionally, FY 2022's budget will recognize an additional $1.2 million savings as there will be no further Pension Debt expenditures, which represents $4.5 million of recurring savings in the operating budget.

ADOPTED FY 2021 GENERAL FUND BUDGET CONT'D

It is important to note that the Administration's long-term objective has been to reduce the subsidy from the Parking Enterprise Fund to the General Fund in order reduce the burden on the Parking Enterprise Fund. Consistent with this strategy, and due to the significant reduction in revenues being experienced by the Parking Fund resulting from COVID-19, the Adopted FY 2021 budget includes the elimination of this $1.2 million transfer to the General Fund in FY 2021.

History of Transfer to General Fund from Parking Fund



Similarly, the Administration's objective has been to reduce the General Fund's reliance on the transfer from the City Center Redevelopment Agency (RDA) Fund, which became available through approval of the Fourth Amendment to the Interlocal Agreement between the City of Miami Beach, the Miami Beach Redevelopment Agency, and Miami Dade County. Like the Parking Enterprise Fund, the City's long-term objective is to reduce the General Fund's reliance on this one-time source of funding from the RDA, which ends in FY 2024.

Expenditure	FY 2021	FY 2022	FY 2023	FY 2024
Transfer to General Fund for COVID-19 impact	3,295,000	0	0	0
Transfer to General Fund to replace parking transfer until FY 2022	1,119,000	0	0	0
Fleet Replacement & Capital Needs	1,152,000	5,775,000	5,994,000	0
Total	**$ 5,566,000**	**$ 5,775,000**	**$ 5,994,000**	**$0**

To eliminate the City's reliance on Parking Funds and RDA one-time funds, the Adopted FY 2021 budget includes offsetting the savings from the Pension Debt against the reduction in transfer from the RDA, which would release the RDA funds to be utilized for one-time purposes in the budget through FY 2023.

ADOPTED FY 2021 GENERAL FUND BUDGET CONT'D

Use of Resort Taxes to offset Tourism Eligible Expenditures in the General Fund

Based on an outside consultant study conducted in FY 2020 using actual expenses for FY 2019, the study estimated that there are approximately $151.5 million in eligible Resort Tax expenditures in the General Fund.

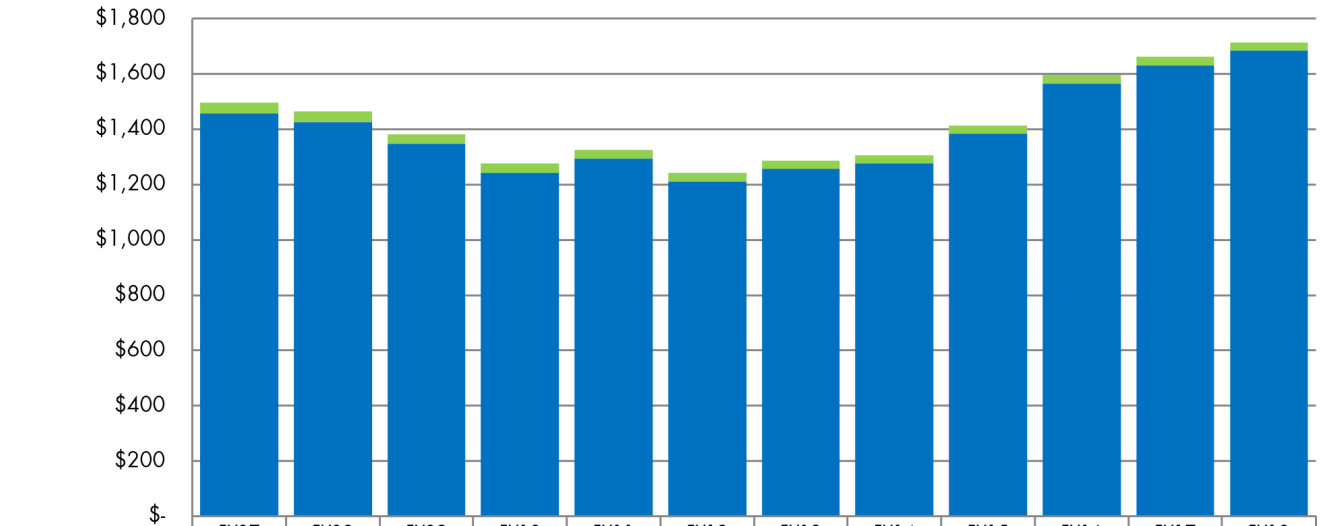
These include expenditures associated with police officers serving entertainment areas; a portion of fire rescue services from Fire Stations 1 & 2; ocean rescue services; enhanced code compliance provided to respond to evening entertainment area violations and staffing of special events; other code compliance activities in tourism and visitor related facilities/areas; operations of the Tourism and Culture Department and the Cultural Arts Council; museums and theaters (Garden Center, Bass Museum, and Colony Theater); golf courses (net of revenues); Memorial Day and other special event costs; homeless services; July 4th; Visitor Center funding; holiday lighting; Jewish Museum; Miami Design Preservation League (MDPL); etc.

Due to the projected impact of COVID-19 on the City's Resort Tax revenues for FY 2021, the total Adopted Resort Tax Fund transfer to the General Fund for FY 2021 is $18.6 million, which is approximately a $18.1 million, or 49.3%, decrease from the FY 2020 transfer of $36.8 million. Although the uncertainty of when the economy will return to normalcy still remains, it is anticipated that FY 2022 Resort Tax revenues transferred to the General Fund will return to a level that is closer to historical actuals (approximately 90% of the FY 2020 budget).

BUDGET AND POSITION TRENDS

The Current Economic Conditions Report (Environmental Scan) prepared by BusinessFlare Economic Development Solutions in October 2019 shows that the average daily population in the City has grown from 163,062 in 2007 to 196,483 in 2018, which is approximately 20.5%. Having 20.5% more people in the City over the last eleven years, without a proportional increase in the budget, can impact the level of services provided over time. The chart below reflects the General Fund budget and General Obligation Bond Debt Service budget divided by the Average Daily Population (ADP) from FY 2007 to FY 2018. The chart shows that the General Fund Budget per ADP has increased by approximately 1.2% each year since FY 2007.

General Fund and G.O. Debt by Average Daily Population FY 2007 – FY 2018

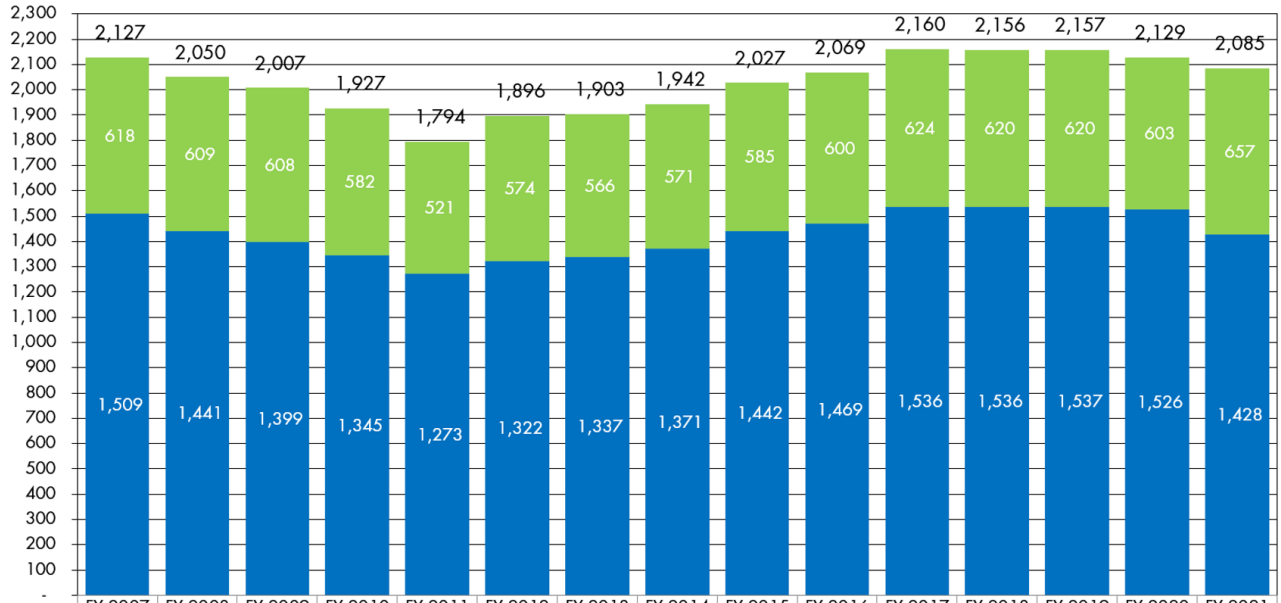


	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
GO Debt per ADP	$40	$38	$35	$33	$33	$30	$29	$29	$29	$31	$30	$30
GF Exp per ADP	$1,458	$1,427	$1,346	$1,243	$1,294	$1,212	$1,258	$1,277	$1,385	$1,565	$1,631	$1,684
Total per ADP	$1,498	$1,465	$1,381	$1,276	$1,327	$1,242	$1,287	$1,305	$1,415	$1,596	$1,662	$1,714

BUDGET AND POSITION TRENDS CONT'D

Despite the 20.5% growth in ADP and tourism, the City's position count is 2.0%, or 42 positions, less in FY 2021 than in FY 2007, as reflected in the chart below. The overall position count in FY 2021 is 2.1%, or 44 positions, less than in FY 2020.

Position Count FY 2007 - FY 2021



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Other Funds	618	609	608	582	521	574	566	571	585	600	624	620	620	603	657
General Fund	1,509	1,441	1,399	1,345	1,273	1,322	1,337	1,371	1,442	1,469	1,536	1,536	1,537	1,526	1,428
Total	2,127	2,050	2,007	1,927	1,794	1,896	1,903	1,942	2,027	2,069	2,160	2,156	2,157	2,129	2,085

ANALYSIS OF PROPERTY VALUES IN MIAMI BEACH

On July 1, 2020, the City received the 2020 Certification of Taxable Value from the Miami-Dade County Property Appraiser indicating that the overall taxable value for the City of Miami Beach was $41.7 billion, including $1.3 billion in new construction. Overall, this represented a 4.1% increase in values from the 2019 Certification of Taxable Value provided by the Miami-Dade County Property Appraiser on July 1, 2019.

	July 2019 Certified	July 2020 Certified	$ Change
Property Assessment			
Property Values	40,098,892,459	41,742,998,986	1,644,106,527
City Center RDA	6,258,372,786	6,204,385,940	(53,986,846)
Citywide Total - Net of City Center RDA	33,840,519,673	35,538,613,046	1,698,093,373
Property Tax Revenue Projection	187,389,000	196,617,000	9,228,000

ANALYSIS OF PROPERTY VALUES IN MIAMI BEACH CONT'D

Further, the following table shows the difference between the 2020 Certification of Taxable Value from the Miami-Dade Property Appraiser as of July 1, 2020 and the 2020 Estimated Taxable Value as of June 1, 2020 provided by the Miami-Dade County Property Appraiser.

	June 2020 Preliminary	July 2020 Certified	$ Change
Property Assessment			
Property Values	41,485,000,000	41,742,998,986	257,998,986
City Center RDA	6,571,291,425	6,204,385,940	(366,905,485)
Citywide Total - Net of City Center RDA	34,913,708,575	35,538,613,046	624,904,471
Property Tax Revenue Projection	193,315,000	196,617,000	3,302,000

Preliminary property tax revenue projections as of June 1, 2020 assumed property values within the City Center RDA would increase by approximately 5.0% over the 2019 Certification of Taxable Value based on historical trends. However, based on the 2020 Certification of Taxable Value provided by the Miami-Dade County Property Appraiser's Office as of July 1, 2020, property values within the City Center RDA decreased 0.9%, thereby increasing citywide General Fund property tax revenues by a greater percentage than originally projected as of June 1, 2020.

Lastly, citywide taxable values, excluding the City Center RDA district as of July 1, 2020, increased from $33.8 billion to $35.5 billion, which is an increase of approximately $1.7 billion, or 5.0%, over the 2019 Certification of Taxable Value provided by the Miami-Dade Property Appraiser.

	January 1, 2019 Value (in billions)				January 1, 2020 Value (in billions)		
	July 1, 2019 (FY2020 Budget)	Revised Value (FY2020 Proj.)	Change in 2019 Values	% Chg.	July 1, 2020 (FY2021 Budget)	$ Change (in billions)	% Chg.
Total Citywide	40.099	39.311	(0.788)	-2.0%	41.743	1.644	4.1%
City Center RDA	6.258	6.016	(0.242)	-3.9%	6.204	(0.054)	-0.9%
Citywide - Net of City Center RDA	33.841	33.294	(0.546)	-1.6%	35.539	1.698	5.0%

DETERMINING THE VOTED DEBT SERVICE MILLAGE LEVY

On November 6, 2018, the City of Miami Beach voters approved the issuance of a $439 million G.O. Bond to fund a total of 57 capital projects citywide, ranging from vertical construction, roadwork, park constructions and renovations, technology implementation, renewals and repairs, and underground infrastructure work. The required FY 2021 Voted Debt Service millage rate provides for the funding of the first tranche, totaling $153 million, of the $439 million G.O. Bond program through the assessment, levy, and collection of ad-valorem tax on all property within the City and the full faith, credit, and taxing power of the City pledged to the payment of the principal and interest on the bonds issued as part of the voter-approved G.O. Bond Program.

For FY 2021, the total required debt service payment is $12.8 million, which requires the levy of a Voted Debt Service millage rate of 0.3227 mills. The FY 2021 Voted Debt Service millage rate is 0.0294 mills more than the Adopted FY 2020 Voted Debt Service millage rate of 0.2933. The required $12.8 million payment for FY 2021 is comprised of remaining debt service required for the City's outstanding 2011 G.O. Bonds of $2.3 million, plus $10.5 million attributed to the G.O. Bond Program that was approved by the voters in 2018.

IMPACT OF ADOPTED MILLAGE LEVY ON PROPERTY OWNERS

Homesteaded Properties

In 1992, voters approved an amendment to the Florida Constitution known as Amendment 10, also known as Save Our Homes (SOH). SOH is an assessment limitation, or "cap", on increases in the assessed value of a homestead residence. Those increases are limited to 3.0% or the percent change in the CPI (Consumer Price Index), whichever is less. The "cap" goes into effect beginning the year after a homestead exemption is granted.

Based on property values as of July 1, 2020, the median value of homesteaded property in Miami Beach is $212,696 while the average is $545,281. The impact of the City's adopted FY 2021 Total Combined millage rate of 6.0515 mills on the median homesteaded property within the City would be an increase of $110 while the impact to the average value homesteaded property within the City would be an increase of $286 as summarized in the table below.

Homesteaded Properties				
	FY 2020		FY 2021	
	Median**	Average**	Median**	Average**
Preliminary Taxable Value**	**$ 195,522**	**$500,407**	**$ 212,696**	**$ 545,281**
City of Miami Beach				
Operating	$ 1,120	$ 2,867	$ 1,218	$ 3,124
Voted Debt	57	147	69	176
Total Miami Beach	**$ 1,177**	**$ 3,014**	**$ 1,287**	**$ 3,300**
$ Change in Taxes				
Operating			**$ 98**	**$ 257**
Voted Debt			**12**	**29**
Total Miami Beach			**$ 110**	**$ 286**
**Source: Miami-Dade County Property Appraiser's – 2019 and 2020- Preliminary Average-Median-Homestead-Residential-Values files				

Impact on Non-Homesteaded Properties

The annual increase in market value of a non-homesteaded property is capped at 10.0% (does not apply to school millage rates). While the citywide average increase in property values is 4.1%, the property value of individual properties may increase up to, but not more than 10.0% (excluding the school millage portion of the property tax bill). However, an individual property owner may see a higher than 10.0% increase if there is a change in ownership of a capped property resulting in a reset of the cap. Another potential factor, if applicable, would be the value of new construction which can contribute to a property value increase of higher than 10.0%.

OVERLAPPING JURISDICTIONAL OPERATING AND DEBT SERVICE MILLAGE RATES

City of Miami Beach property owners must also pay property taxes to Miami-Dade County, the Miami-Dade County School Board, the Children's Trust, the South Florida Water Management District, Okeechobee Basin, Everglades Project, and the Florida Inland Navigational District. These taxing authorities represent 68.7% of a Miami Beach property owner's tax bill.

The adopted FY 2021 countywide tax rate for Miami-Dade County remained flat at 4.6669 mills; the library tax rate also remained flat at 0.2840 mills; and the debt service remained flat at 0.4780 mills. The tax rate for the Miami-Dade School District decreased by 0.0190 mills to 7.1290 mills. The Children's Trust tax rate decreased by 0.0173 mills to 0.4507 mills. Combined, the millage rates for the South Florida Water Management District, Okeechobee Basin, Everglades Project, and Florida Inland Navigational District decreased by 0.0120 mills to 0.2995 mills.

OVERLAPPING JURISDICTIONAL OPERATING AND DEBT SERVICE MILLAGE RATES CONT'D

With the adopted rates for FY 2021, the Miami Beach portion of the tax bill is approximately 31.3% of the total tax bill. It is important to note that the FY 2021 Countywide millage rate is 0.9571 mills, or 15.0%, less than the Countywide millage in FY 2007, as compared to the City's FY 2021 millage rate that is 1.6215 mills, or 21.1%, less than the City's FY 2007 millage. Further, the School Board millage is 0.9760 mills below the FY 2007 School Board millage of 8.1050 mills. The significant difference in the total overlapping millage rate is a direct result of the City's continuing effort to keep millage rates as low as possible. A summary of the rate changes is provided in the following table.

OVERLAPPING TAX MILLAGE	FY 2007	% of FY 2007 Total	FY 2020	FY 2021	Variance from FY 2007	Variance from FY 2020	% of FY 2021 Total
City of Miami Beach							
General Operating	7.1920	30.8%	5.6298	5.6298	(1.5622)	0.0000	29.1%
Renewal & Replacement	0.1820	0.8%	0.0235	0.0235	(0.1585)	0.0000	0.1%
Pay-As-You-Go Capital	0.0000	0.0%	0.0755	0.0755	0.0755	0.0000	0.4%
Operating Millage	**7.3740**	**31.6%**	**5.7288**	**5.7288**	**(1.6452)**	**0.0000**	**29.6%**
Voted Debt Service	0.2990	1.3%	0.2933	0.3227	0.0237	0.0294	1.7%
Subtotal	**7.6730**	**32.9%**	**6.0221**	**6.0515**	**(1.6215)**	**0.0294**	**31.3%**
Miami Dade County							
Countywide	5.6150	24.1%	4.6669	4.6669	(0.9481)	0.0000	24.1%
Library	0.4860	2.1%	0.2840	0.2840	(0.2020)	0.0000	1.5%
Debt Service	0.2850	1.2%	0.4780	0.4780	0.1930	0.0000	2.5%
Subtotal	**6.3860**	**27.4%**	**5.4289**	**5.4289**	**(0.9571)**	**0.0000**	**28.0%**
School Board	**8.1050**	**34.8%**	**7.1480**	**7.1290**	**(0.9760)**	**(0.0190)**	**36.8%**
Children's Trust	0.4220	1.8%	0.4680	0.4507	0.0287	(0.0173)	**2.3%**
Other	0.7360	3.2%	0.3115	0.2995	(0.4365)	(0.0120)	**1.5%**
Total	**23.3220**	**100.0%**	**19.3785**	**19.3596**	**(3.9624)**	**(0.0189)**	**100.0%**

IMPACT OF COMBINED TAX RATES OF OVERLAPPING JURISDICTIONS ON HOMESTEADED PROPERTIES

The City of Miami Beach's preliminary 2019 median and average homesteaded residential taxable values are $195,522 and $500,407 respectively. Applying the total combined millage rates adopted for FY 2020 to the median and average taxable values results in a property tax increase of approximately $135 for the median and $413 for the average homesteaded residential tax bill in the City of Miami Beach.

Median properties would pay approximately $3,788 for all taxing jurisdictions combined, while the property taxes generated for average homesteaded residential properties would be approximately $9,698 per homesteaded property. Of these taxing jurisdictions, the highest component is the Miami-Dade School Board at $1,398 for a median valued homesteaded property and $3,577 for an average valued homesteaded property.

The following table provides examples of changes in the property taxes levied for homesteaded properties using the tax rates adopted for FY 2020.

Impact on Homesteaded Properties				
	FY 2020		FY 2021	
	Median**	Average**	Median**	Average**
Preliminary Taxable Value**	**$ 195,522**	**$ 500,407**	**$212,696**	**$545,281**
City of Miami Beach				
Operating	$ 1,120	$ 2,867	$1,218	$3,124
Voted Debt	57	147	69	176
Total Miami Beach	**$ 1,177**	**$ 3,014**	**$1,287**	**$3,300**
Miami Dade County	1,061	2,717	1,155	2,960
Schools	1,398	3,577	1,516	3,887
Other	152	390	160	409
Total Combined	**$3,788**	**$9,698**	**$4,118**	**$10,556**
Change in Taxes				
City of Miami Beach				
Operating			$ 98	$ 257
Voted Debt			12	29
Total Miami Beach			**$ 110**	**$ 286**
Miami Dade County			94	243
Schools			118	310
Other			8	19
Total Combined			**$ 330**	**$ 858**

**Source: Miami-Dade County Property Appraiser's – 2019 and 2020- Preliminary Average-Median-Homestead-Residential-Values files

As with the City of Miami Beach millage rates, impacts of the combined jurisdictional millage rates for non-homesteaded properties are based on the individual property values.

HISTORICAL PERSPECTIVE

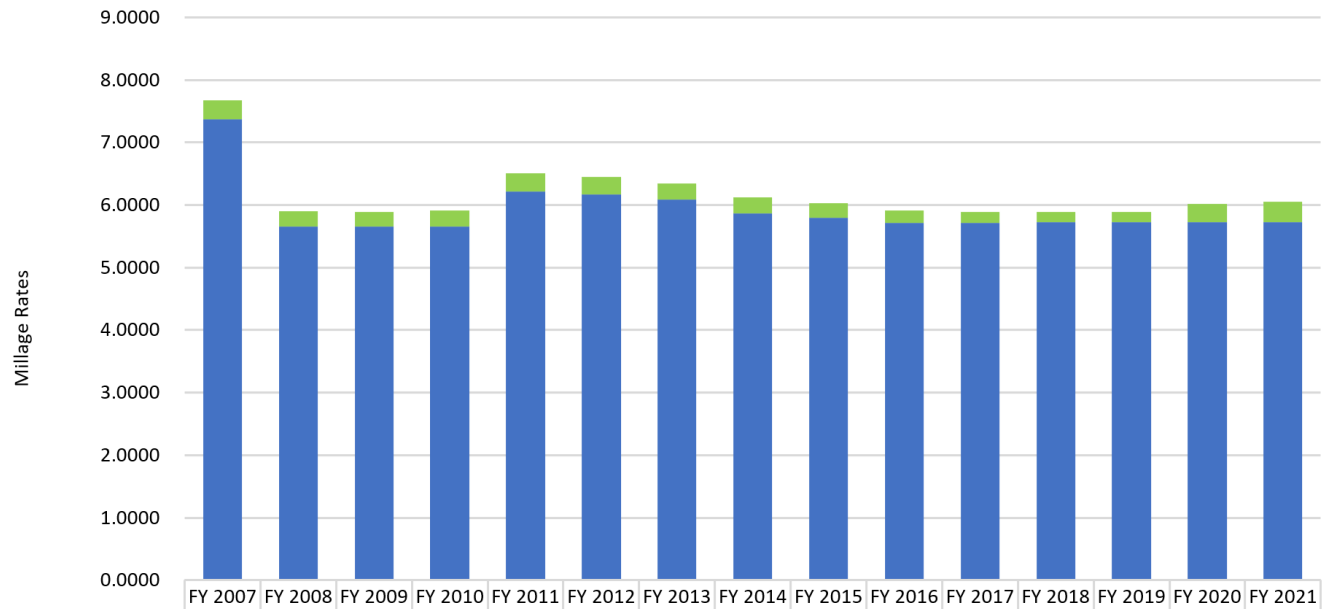
It is important to note that in prior years, the City of Miami Beach significantly reduced tax rates as property values increased. Between FY 2000 and FY 2010, property tax rates declined approximately 2.8 mills. In FY 2008 alone, the property tax rate declined by approximately 1.8 mills with annual savings to the average homesteaded property of over $400. In addition, in FY 2006 and FY 2007, the City funded $200 and $300 homeowner dividends paid to homesteaded property owners in the City. The City's Total Combined millage rates for FY 2017, FY 2018, and FY 2019 were the lowest it has been in at least 20 years. For FY 2020 and FY 2021, the slight increases in the Total Combined millage rates are solely attributed to the approved G.O. Bond Program approved by the voters on November 6, 2018.

Taxable Values Chart	Taxable Property Values (billions)	Final/ Revised Taxable Values (billions)	Millage Rates		Tax Levy (in millions)	
			Total Combined Citywide Millage	General Fund/RDA Operating Millage	Total Tax Levy including Debt	General Fund Total (including S. Pointe, Capital Renewal & Repl. & PayGo)
FY 1998	$ 6.46	$ 6.40	9.2100	7.4990	$ 57.45	$ 46.78
FY 1999	$ 6.97	$ 6.87	8.9830	7.4990	$ 60.37	$ 44.66
FY 2000	$ 7.66	$ 7.54	8.6980	7.4990	$ 64.29	$ 47.36
FY 2001	$ 8.37	$ 8.22	8.5550	7.3990	$ 69.08	$ 49.75
FY 2002	$ 9.40	$ 9.22	8.3760	7.2990	$ 75.97	$ 54.37
FY 2003	$ 10.56	$ 10.41	8.3220	7.2990	$ 84.81	$ 61.05
FY 2004	$ 12.09	$ 11.85	8.1730	7.2990	$ 95.39	$ 68.17
FY 2005	$ 14.04	$ 13.86	8.1730	7.4250	$ 110.74	$ 79.38
FY 2006	$ 17.45	$ 17.15	8.0730	7.4810	$ 135.91	$ 111.69
FY 2007	$ 22.74	$ 22.26	7.6730	7.3740	$ 168.38	$ 140.31
FY 2008	$ 26.85	$ 26.14	5.8970	5.6555	$ 150.42	$ 125.33
FY 2009	$ 26.90	$ 25.89	5.8930	5.6555	$ 150.59	$ 125.94
FY 2010	$ 24.70	$ 23.24	5.9123	5.6555	$ 138.70	$ 115.73
FY 2011	$ 22.10	$ 20.97	6.5025	6.2155	$ 136.55	$ 112.14
FY 2012	$ 21.98	$ 20.75	6.4539	6.1655	$ 134.75	$ 111.29
FY 2013	$ 23.07	$ 22.02	6.3477	6.0909	$ 139.10	$ 114.32
FY 2014	$ 24.66	$ 23.64	6.1163	5.8634	$ 143.26	$ 117.41
FY 2015	$ 27.10	$ 26.27	6.0237	5.7942	$ 155.10	$ 127.76
FY 2016	$ 30.70	$ 29.92	5.9123	5.7092	$ 172.42	$ 143.16
FY 2017	$ 34.70	$ 33.99	5.8888	5.7092	$ 194.11	$ 160.78
FY 2018	$ 37.39	$ 36.63	5.8888	5.7224	$ 209.21	$ 175.36
FY 2019	$ 38.88	$ 38.19	5.8888	5.7288	$ 217.51	$ 182.16
FY 2020	$ 40.10	$ 39.31	6.0221	5.7288	$ 229.41	$ 187.39
FY 2021	$ 41.74	*	6.0515	5.7288	$ 239.98	$ 196.62

**Data not available until next calendar year*

HISTORICAL PERSPECTIVE CONT'D

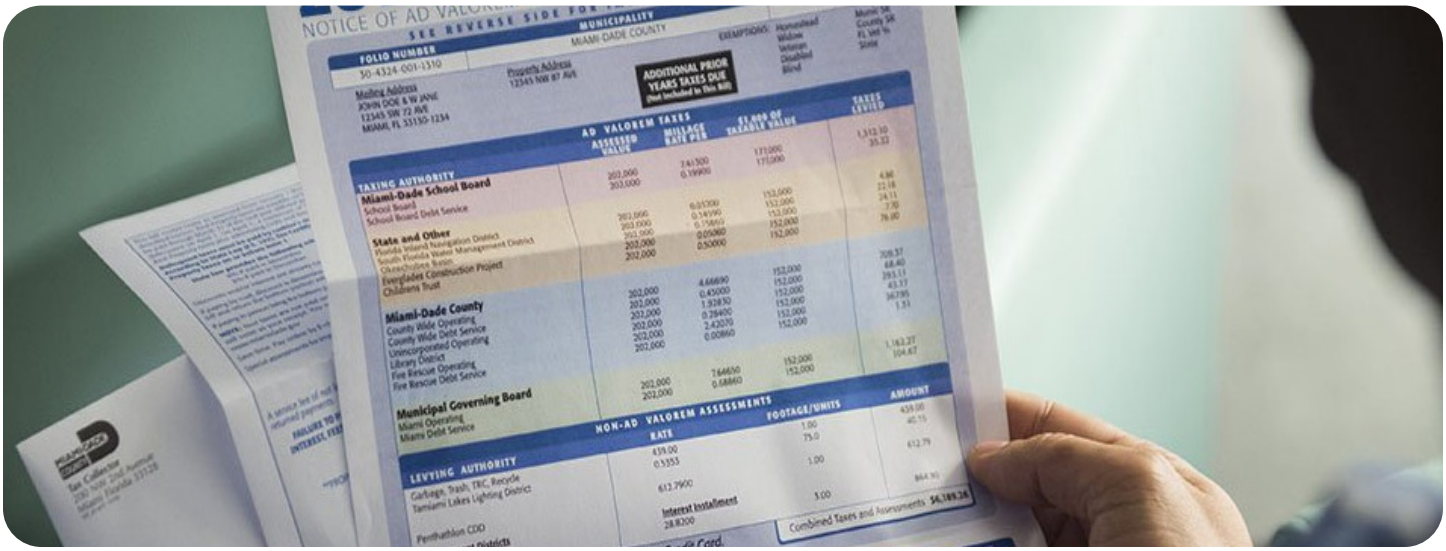
Total Combined Millage Rates



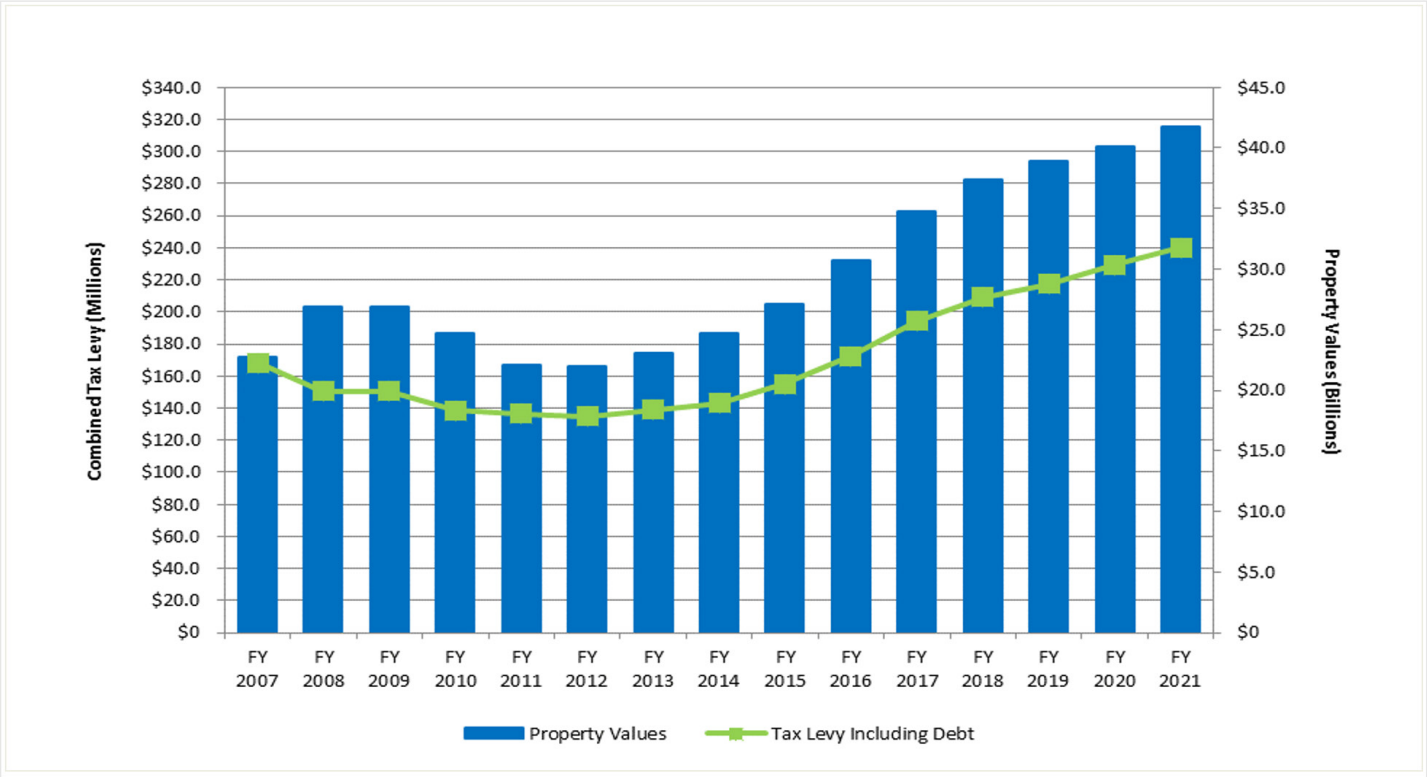
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Debt Service Millage	0.2990	0.2415	0.2375	0.2568	0.2870	0.2884	0.2568	0.2529	0.2295	0.2031	0.1796	0.1664	0.1600	0.2933	0.3227
Operating Millage	7.3740	5.6555	5.6555	5.6555	6.2155	6.1655	6.0909	5.8634	5.7942	5.7092	5.7092	5.7224	5.7288	5.7288	5.7288
Total Combined	7.6730	5.8970	5.8930	5.9123	6.5025	6.4539	6.3477	6.1163	6.0237	5.9123	5.8888	5.8888	5.8888	6.0221	6.0515

Property Values and Tax Levy

The General Fund operating budget reflects a greater diversification of revenues since FY 2007. The City Administration's long-term objective has been to reduce the subsidies from the Parking Enterprise Fund and the City Center RDA Fund to the General Fund in order reduce the burden on the Parking Enterprise Fund and City Center RDA Fund. Consistent with this strategy, and due to the significant reduction in revenues being experienced resulting from COVID-19, the Administration recommends the elimination of the $1.2 million transfer from the Parking Enterprise Fund to the General Fund in FY 2021 while the City Center RDA subsidy is recommended to remain the same as FY 2020 at $4.4 million to partially offset the decrease in General Fund revenues impacted by COVID-19.



HISTORICAL PERSPECTIVE CONT'D



STATUTORY REQUIREMENTS

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 Florida Statute, the City is required, within 35 days of receipt of the "Certification of Taxable Value" (received July 1, 2020), 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 2021. The required Voted Debt Service millage rate must also be set at the same time as the total general operating millage rate.

After setting the proposed FY 2021 millage rate, the Mayor and City Commission may, at any time prior to the final adoption, lower the rates by adjusting priorities. However, increasing the millage rate may only be accomplished by an expensive mailing and advertising process to every property owner on Miami Beach. The City's proposed operating millage rate as well as that of other taxing authorities will be included in the Truth-in-Millage (TRIM) statement sent to each property owner in the City.

MAXIMUM MILLAGE DETERMINATION

As presented at the June 16, 2020, July 17, 2020 and July 24, 2020 Finance and Economic Resiliency Committee (FERC) Budget Briefings, the FY 2021 Total General Operating millage rate is proposed at 5.7288 mills, which reflects no change from the prior year Adopted FY 2020 Total General Operating millage rate. Based on the July 1, 2020 Certification of Taxable Value received from the Miami-Dade County Property Appraiser, the levy of 5.7288 mills would generate approximately $196.6 million in General Fund property tax revenues, which is an increase of approximately $9.2 million over the FY 2020 budgeted property tax revenues Citywide (net of the City Center RDA).

MAXIMUM MILLAGE DETERMINATION CONT'D

	July 2019 Certified	July 2020 Certified
Property Assessment		
Existing Values	39,796,383,821	40,429,722,472
New Construction	302,508,638	1,313,276,514
Total Citywide	40,098,892,459	41,742,998,986
City Center RDA	6,258,372,786	6,204,385,940
Citywide Total - Net of City Center RDA	33,840,519,673	35,538,613,046
Property Tax Revenue Projection	187,389,000	196,617,000
Property Tax Revenue Projection Variance		**9,228,000**

Further, pursuant to State Statute, the City may elect to approve millage rates above the "rolled-back" rate up to the constitutional cap of 10 mills, subject to the following votes by the Commission or referendum:

- Option I: A majority approval of the Mayor and City Commission is required to approve a millage up to 6.2694 mills (equivalent to a 3.22% increase in Property Tax revenues). The 1.0322 increase is the State per capita personal income gain for the prior calendar year.

- Option II: A two-thirds approval (5 of 7 votes) of the Mayor and City Commission is required to approve a millage up to 6.8963 mills (equivalent to a 10.0% increase in Property Tax revenues above Option I).

- Option III: A unanimous approval of the Commission or referendum is required to approve a millage above 6.8693 mills.

Adoption of the total general operating millage rate of 5.7288 mills proposed for FY 2021 would, therefore, require a majority approval (4 of 7 votes) by the Mayor and City Commission per the State of Florida's Truth-in-Millage (TRIM) requirements.

ENTERPRISE FUNDS

Enterprise Funds are comprised of Sanitation, Water and Sewer, Storm Water, Parking, Convention Center, and Building Departments. The FY 2021 Enterprise Funds Budget is $218.5 million. This represents a decrease of $10.8 million, or 4.7%, from the FY 2020 budget of $229.3 million, primarily due to the following:

- Water reflects an overall decrease of $1.4 million, or 3.8%, primarily due to the elimination of one-time expenditure enhancements budgeted in FY 2020, as well as a reduction in the budgeted set-aside for renewal and replacement of Water assets that is based on projected revenues in excess of expenditures. These decreases are, however, partially offset by increases in operating expenditures and expenditure enhancements recommended for FY 2021, as outlined in Attachment B.

- Sewer reflects an overall decrease of $3.2 million, or 6.1%, primarily due to the elimination of one-time expenditure enhancements budgeted in FY 2020, as well as a reduction in the budgeted set-aside for renewal and replacement of Sewer assets and transfers to reserves that are based on projected revenues in excess of expenditures. These decreases are, however, partially offset by increases in operating expenditures and expenditure enhancements recommended for FY 2021, as outlined in Attachment B.

- Storm Water reflects an overall decrease of $839,000, or 2.6%, primarily due to the elimination of one-time expenditure enhancements budgeted in FY 2020, as well as a reduction in the budgeted set-aside for renewal and replacement of Storm Water assets, which is partially offset by increases in operating expenditures and expenditure enhancements recommended for FY 2021, as outlined in Attachment B.

PARKING FUND

As a result of the significant decline in Parking revenues due to COVID-19 restrictions, the Preliminary FY 2021 Parking Fund budget reflected a gap of $13.8 million, as discussed at the July 17, 2020 FERC meeting. This gap assumed that there would be no transfer to the General Fund and no transfer to the Transportation Fund from the Parking Fund.

Recommended Reductions in the Parking Fund

At the Finance & Economic Resiliency Committee meetings on July 17th and July 24th, the Committee was briefed on the recommended budget reductions necessary to right-size the Parking Department. Although recognizing the financial need for the recommended changes, the Committee expressed concern regarding the impact to a significant number of employees, especially in parking enforcement. As a result, the Committee requested that the Administration review the recommendation to determine if there is any way to help mitigate the impact to the affected employees, especially given the economic impacts from COVID-19.

Following the meeting, the Administration engaged the Human Resources Department to determine the potential to place the full-time positions that were either proposed for elimination or to be converted to part-time positions. The analysis showed that due to the high number of currently vacant positions from the hiring freeze enacted in March, all full-time employees impacted by the proposed reductions including those in the Parking Department, will be offered a full-time position with the City, based on their individual skills and abilities and willingness to accept different work in another department. The full-time parking staff that do not choose to accept alternative work would have an opportunity to stay in Parking, but on a part-time basis.

In the Parking Department, this means that all 8 filled full-time positions proposed for elimination and all 32 filled full-time positions proposed to be converted to part-time would have an opportunity to continue their service to the City by accepting full-time positions in other departments.

In addition, by avoiding the conversion of full-time positions to part-time, many of the current 16 filled part-time positions would no longer be proposed for elimination as they could serve as part of the in-house component of the new 50% in-house and 50% contract model proposed for parking enforcement.

ALL PARKING	Full-Time		Part-Time	
	Filled	Vacant	Filled	Vacant
Eliminated positions	8	6	16	10
Convert from FT to PT	32	1	-	-
Enforcement only	Full-Time		Part-Time	
	Filled	Vacant	Filled	Vacant
Eliminated positions	-	-	16	10
Convert from FT to PT	32	1	-	-
Non-Enforcement only	Full-Time		Part-Time	
	Filled	Vacant	Filled	Vacant
Eliminated positions	8	6	-	-

PARKING FUND CONT'D

Update on Parking Positions

As of September 24, 2020, 23 Parking employees had accepted new positions in other departments, 12 had refused, and 5 were pending responses. The combined fiscal impact of allowing these 17 employees who had not accepted positions or were pending responses to remain in the Parking Department during FY 2021resulted in an increase in the use of General Fund Reserves by $1,211,000. As noted above, at the September 29, 2020 budget hearing, the City Commission voted to amend the FY 2021 operating budget to include funding to allow for these 17 employees to remain in the Parking Department during FY 2021.

All Parking	Full-Time		Part-Time	
	Filled	Vacant	Filled	Vacant
Eliminated	8	6	16	10
Converted from FT to PT	15	1	-	-
Enforcement	Full-Time		Part-Time	
	Filled	Vacant	Filled	Vacant
Eliminated	-	-	16	10
Converted from FT to PT	15	1	-	-
Non-Enforcement	Full-Time		Part-Time	
	Filled	Vacant	Filled	Vacant
Eliminated	8	6	-	-

SANITATION FUND

During the development of the FY 2020 budget, the Administration conducted a Zero-Based budget exercise for the Sanitation Fund, which has been structurally imbalanced for a few years. The City Commission adopted several recommendations that helped close a portion of the imbalance, but two are still pending. The first is the implementation of the Alternate Side Parking (ASP) program with an estimated savings of $228,000. This program has been placed on hold as a result of the COVID-19 pandemic due to neighborhood parking impacts. The second item is the pending implementation of the recycling fee pass-through from Miami-Dade County, which would generate $231,000 of revenue.

A significant impact affecting the Sanitation Fund for the FY 2021 budget is the loss of $1.5 million of revenue from the Parking Fund. As part of the Parking Fund's budget balancing plan, Parking will pay only the actual cost of the positions providing sanitation services and potentially transition to a private service provider at some point during the fiscal year. As a result, Sanitation has identified $1.2 million of reductions that will help address the $1.5 million impact from Parking as noted below and detailed in Attachment A.

SANITATION FUND CONT'D

FY 2021 Reductions/Efficiencies	$ Year 1	Full-Time Positions
Eliminate 11 Full-Time Sanitation Positions	559,000	11.00
Efficiency in Reduction of Temporary Labor Used to Provide Sanitation Services	506,000	0.00
Efficiency in Reduction of Sanitation Operating Expenditures including the Big Belly contract	145,000	0.00
Up to Five Furlough Days for All Groups based on Salary Tiers	44,000	0.00
Total	**$1,254,000**	**11.00**

It is important to note that these reductions may result in decreased response times to service requests in areas such as RDA, NBRC, and the MXE and lower cleanliness scores. To address the remainder of the Parking impact, additional efficiencies and cost saving opportunities will continue and be evaluated over the next 3 to 6 months.

CONVENTION CENTER FUND

As a result of the cancelation of events at the Convention Center and the creation of the Alternate Care Facility due to COVID-19, the Preliminary FY 2021 Convention Center Fund budget reflects a gap of $5.6 million.

The Administration's recommended adjustments, which are necessary to respond to the decline in Convention Center revenues, would result in a balanced budget if approved by the City Commission and are outlined in Attachment A.

Use of Convention Center Fund Reserves

At the Finance & Economic Resiliency Committee meetings on July 17th, the Committee was briefed on the amount of reserves projected to be used during FY 2020 and FY 2021 in the Convention Center Fund. The third quarter analysis showed that although the reserve at the end of FY 2019 totaled $12.9 million, that $1.9 million is projected to be used during FY 2020 and $5.1 million during FY 2021 to balance the budget due to the significant impact of COVID-19 to events in the Convention Center.

The Committee expressed concern given the slow pace of recovery from COVID-19 that contingency planning should take place given that there is a reasonable likelihood that additional currently scheduled events may be canceled or rescheduled.

Following the meeting, staff met with Spectra, the operator of the Convention Center, and determined that 17 events with a net revenue of $1.7 million would be at risk if events were not able to be held during the first quarter (October through December 2020).

CONVENTION CENTER FUND CONT'D

Of the $1.7 million, half of the amount would be attributable to Art Basel (room rental is at $750,000). Spectra confirmed that they have a contingency plan to cut expenses that could offset the potential loss of $1.7 million of net revenue. The expense reductions include $1.1 million in personnel cost savings (frozen positions, furloughed positions, no merit/COLA) and 600,000 in operational savings (reduction in capital expenses and various other areas).

For the second quarter (January through March), Spectra has identified 24 events with a net revenue of $2.2 million that would be at risk if they have to be canceled or rescheduled. The capacity for Spectra to make additional reductions would be reduced in the second quarter to approximately $700,000 given the expense reductions that would be needed to offset the potential loss in the first quarter. As a result, it is likely that approximately $1.5 million of revenue is at risk would have to come from the use of additional Convention Center reserves over and above the $5.1 million assumed in the FY 2021 Budget.

INTERNAL SERVICE FUNDS

Internal Service Funds are comprised of Central Services, Fleet Management, Information Technology, Risk Management, Medical and Dental, Property Management, and Office of the Inspector General. The FY 2021 budgets for Internal Service Funds is $107.0 million, which is an increase of $8.1 million, or 8.2%, over the FY 2020 budget.

A major driver of the FY 2021 budget increase is a $2.9 million, or 7.7%, increase in the Medical and Dental Fund budgets based primarily on a projected increase in paid medical and prescription claims based on FY 2020 third quarter actuarial projections and claims experience.

Another significant driver of the FY 2021 budget increase is a $2.8 million, or 14.2%, increase in the Risk Management Fund budget primarily due to an increase in premiums across all lines of insurance projected for FY 2021, as well as projected claims based on FY 2020 third quarter actuarial projections.

It is important to note that prior to FY 2021, the Office of the Inspector General was included in the budget as a General Fund entity. Beginning in FY 2021, this $1.5 million budget is included as an Internal Service Fund.

Internal Service costs are completely allocated to the General Fund and Enterprise Fund departments, as well as Special Revenue Funds. The Risk Management Fund, however, reimburses the General Fund for the cost of legal services provided.

TRANSPORTATION FUND

As a result of the significant decline in Resort Tax and Parking revenues due to COVID-19, the Preliminary FY 2021 Transportation Fund budget reflected a gap of $4.7 million, which included a $2.37 million reduction in revenues from the 1% Resort Tax Fund and a $981,000 decrease in the transfer from the Parking Fund (as noted above in the Parking balancing plan).

The Administration's recommended adjustments, which are necessary to respond to the decline in Resort Tax and Parking revenues, would result in a balanced budget if approved by the City Commission, and include adjustments to trolley services as noted below, as well as other budget adjustments as outlined further in detail in Attachments A and B.

Trolley Service

The recommended balancing plan assumes that a modified trolley service will be reinstated with an adjusted level of service as outlined in the table below. It is important to note that trolley vehicle assignment, service frequency, and service hours will be subject to change based on demand and the service levels could be increased incrementally, depending on budget availability. It also includes the operation of the Middle Beach Freebee at the service level approved by the City Commission, as well as the costs for cleaning and sanitizing the vehicles. The Administration is currently pursuing dedicated Freebee service for seniors.

	Current Level of Service	Proposed Level of Service
Hours	18 (8 am to 12 am)	12-14 (8 am to 9 pm)
Vehicles	25	15
Routes	All	Eliminate 11th Street Loop; Modify Belle Isle Loop
Frequency	20 minutes	30 minutes

USE OF ONE-TIME REVENUES FOR RECURRING EXPENDITURES

The City's current policy regarding the use of one-time revenues states that "the City of Miami Beach will use one-time, non-recurring revenue for capital expenditures or one-time expenditures and not subsidize recurring personnel, operations, and maintenance cost." Due to the projected impact of COVID-19 on the City's revenues, the FY 2021 budgets for the General Fund, Building Fund, and Convention Center Fund require the use of fund balance for recurring FY 2021 operating expenditures as set forth in the budget balancing plans presented at the FERC Budget Briefings.

As a result, it is recommended that the Mayor and City Commission waive this policy, as adopted by Resolution No. 2006-26341, providing for the one-time use of fund balance for the FY 2021 General Fund, Building Fund, and Convention Center Fund. During the upcoming fiscal year, the Administration will continue to explore and recommend further actions to ensure that these funds move toward being structurally balanced.

RESORT TAX FUND

At the June 16, 2020 and July 17, 2020 FERC Budget Briefings, the Mayor and City Commission were also briefed regarding the Preliminary FY 2021 Resort Tax budget.

	FY 2020 Adopted	FY 2021 Adopted	$ Variance	% Variance
Revenues	64,177,000	46,102,000	(18,075,000)	(28.2%)
Expenditures	64,177,000	57,862,000	(6,315,000)	(9.8%)
Surplus/(Gap)	**$0**	**($11,760,000)**		

Based on actual collections as of May 2020, the projected 2% Resort Tax gap for FY 2021 is approximately $11.8 million. This assumes that, as time elapses, 2% Resort Tax revenues will gradually rebound from the impact of COVID-19 during FY 2020 and continue into FY 2021. For FY 2021, the assumptions utilized by the Administration project that the City will collect, on average, approximately 75% of the revenues that would have been collected without the impact of COVID-19 based on prior year trends.

Approach to Balance

As a result of the preliminary $11.8 million gap projected for FY 2021, the Administration recommended the following expenditure refinements, service reductions/efficiencies, and one-time expenditure enhancements, which if approved by the Committee, would have resulted in a balanced Resort Tax budget.

FY 2021 Balancing Strategies	$
Preliminary Surplus/(Gap)	**($11,760,000)**
Expenditure Refinements	8,963,000
Recommended Reductions/Efficiencies	3,697,000
Recommended "One-Time" Expenditure Enhancements	(900,000)
Net	**$ 0**

The Committee accepted the Administration's recommendations as summarized above.

Adjustments Subsequent to Budget Briefings

Over the summer recess, the Administration further refined the FY 2021 Proposed budget based on refinements to projected FY 2021 expenditures. These adjustments are comprised of the changes below.

Expenditure Refinements – $12,000

- Increase in the Internal Service Department Chargebacks based on finalization of the FY 2021 Internal Service Department Budgets – $15,000
- Reduction in the Administrative Fees paid to the General Fund based on the Final FY 2021 Resort Tax budget – ($230,000)
- Increase in Resort Tax Contribution to Offset Decrease in Administrative Fees paid to General Fund based on Final FY 2021 Resort Tax budget – $227,000

Recurring Expenditure Efficiencies/Reductions – ($12,000)

- Reduction in FY 2021 contribution to the Miami Beach Visitors and Convention Authority based on the VCA's proposed FY 2021 budget – ($12,000)

ADOPTED FY 2021
2% RESORT TAX BUDGET

Based on the direction given at the various Budget Briefings during the summer, and the budget adjustments made over the summer recess summarized above, the Administration proposes the FY 2021 Resort Tax budget as noted below, which, if approved, will result in a **balanced budget.**

September 29, 2020 Budget	$
2% Revenues	46,102,000
2% Expenditures	46,102,000
Surplus / (Gap)	**$ 0**

Attachment A – Recommended "One-Time" Expenditure Reductions/Efficiencies – ($3,709,000)

Attachment A reflects a listing of all recommended "one-time" FY 2021 service reductions and efficiencies with detailed descriptions for the 2% Resort Tax Fund, which are summarized below:

FY 2021 Reductions/Efficiencies	$ Year 1	Full-Time Positions
Greater Miami Convention and Visitors Bureau (GMCVB) Contract Savings from One-Year Agreement	2,600,000	0.00
Miami Beach VCA 50% Reduction based on Negotiated Agreement	1,087,000	0.00
Up to Five Furlough Days for All Groups based on Salary Tiers	22,000	0.00
Total	**$3,709,000**	**0.00**

Attachment B – Recommended "One-Time" Resort Tax Enhancements – $900,000

In addition, the following Resort Tax item, which is considered a "one-time" enhancement, is being recommended for funding in FY 2021:

- Police Services-National College Football Championship – $900,000
  This enhancement request is to fund necessary overtime, rentals, security guards, and equipment to provide comprehensive police services and resources for the 2021 National College Football Championship. The request amount is based on experience with past Super Bowls, Memorial Day, Spring Break and other high-impact events.

Overall, the total FY 2021 Resort Tax budget is $69.3 million, which is a decrease of $24.3 million, or 26.0%, from the adopted FY 2020 budget. This decrease assumes that, as time elapses, 2% Resort Tax revenues will gradually rebound from the impact of COVID-19 during FY 2020 and continue into FY 2021. For FY 2021, the assumptions utilized by the Administration project that the City will collect, on average, approximately 75% of the revenues that would have been collected without the impact of COVID-19 based on prior year trends. The FY 2021 Resort Tax budget includes:

- $18,639,000 (decrease of $18,118,000 from FY 2020) provided to the General Fund to support continuing tourism eligible expenditures such as Code enforcement, cleanliness, the Park Ranger program, homelessness at Lummus Park, increased support for the Miami Beach Botanical Gardens and the City's cultural facilities, public safety programs such as Ocean Rescue, Police services on Lincoln Road, Ocean Drive/Lummus Park, Collins Avenue, Washington Avenue, ATV officers, Boardwalk security, special traffic enforcement and staffing during high impact periods. Funding also supports Code Compliance enforcement in the entertainment areas, a portion of the operational costs of the Tourism and Culture Department and Economic Development Department, and a portion of the management agreements for operations of the Bass Museum, Colony Theatre, and Byron Carlyle Theatre.

ADOPTED FY 2021
2% RESORT TAX BUDGET CONT'D

- $5,780,000 (increase of $3,241,000 over FY 2020) contribution to the Sanitation Fund for cleaning services provided throughout the entertainment areas. This includes a one-time transfer of $2,758,000 in FY 2021 for prior year Sanitation Fund services provided throughout the City's tourism areas.

- $4,527,000 (decrease of $2,600,000 over FY 2020) contribution to the Greater Miami Convention and Visitors Bureau (GMCVB) based on an amended agreement with the GMCVB for one year to assist the City with the projected loss of Resort Tax revenue during FY 2021 due to the impact of COVID-19.

- $4,323,000 (decrease of $630,000 over FY 2020) for enhancing City services, inclusive of Goodwill Ambassadors, during high impact periods such as Memorial Day, July 4th, Spring Break, and Art Basel. This includes a one-time enhancement of $900,000 for the 2021 College Football National Championship.

- $1,075,000 (decrease of $1,865,000 over FY 2020) contribution to the Miami Beach Visitor and Convention Authority (VCA) based on an updated legislated contribution formula for one year to assist the City with the projected decrease in Resort Tax revenue during FY 2021 from COVID-19. The VCA will receive 2.5% instead of 5.0% of 2% Resort Tax collections, net of the 4% allowance, for FY 2021.

- $1,000,000 (year six of a fifteen-year annual grant) contribution to Mount Sinai Medical Center to fund the design and construction of a new emergency room facility. It is important to note that the FY 2020 contribution was deferred to a subsequent fiscal year as part of the City's COVID-19 balancing plan.

- $1,000,000 (increase of $793,000 over FY 2020) in contingency for unforeseen expenditures incurred during FY 2021.

- $500,000 (decrease of $175,000 over FY 2020) for enhanced holiday decorations throughout the City's tourism areas.

- $542,000 to support the initiative to provide better service by adding attendants to the beachfront restrooms in Lummus Park and 21st street on weekends, holidays, and during high impact periods.

- $350,000 contribution to partially offset expenditures for the Miami Beach Air and Sea Show.

- $200,000 to continue the local Miami Beach marketing campaign, which is matched with funds from the Greater Miami Convention and Visitors Bureau (GMCVB), the Miami Beach Visitor and Convention Authority (VCA), and the Cultural Arts Council (CAC).

- $188,000 sponsorship to Miami Beach Pride for the annual Pride festival, which includes $25,000 for rental of a Ferris wheel.

- $151,000 City subsidy for the Ocean Drive Tourist Oriented Policing Services Off-Duty Police program.

- $150,000 sponsorship to the Orange Bowl Committee to expand and deepen the Committee's footprint in Miami Beach for the College Football National Championship to be held in Miami in 2021.

- $135,000 for Memorial Day weekend cultural activation events.

- $100,000 contribution to partially offset expenditures for the Miami Design Preservation League – Art Deco Weekend

- $100,000 for activation of cultural programming to increase the City's portfolio of free arts and cultural events throughout the City.

- $100,000 contribution towards the July 4th fireworks event in North Beach.

- $100,000 for cultural activation in Lummus Park.

- $82,000 allocated for professional consulting fees ($61,000) and annual audit services ($21,000).

- $49,500 for continuation of the Enhanced Secret Shopper Program

- $36,000 for the painting of lifeguard stands on the beach every other year so that they are on a constant painting cycle instead of an ad-hoc or as-needed basis.

ADOPTED FY 2021
2% RESORT TAX BUDGET CONT'D

- $25,000 for completion of an updated Resort Tax Cost Allocation Study

- $10,771,000 for North, Middle, and South Beach Quality of Life (QOL) Capital Projects that enhance Miami Beach's tourist related areas, plus continued support of transportation initiatives and various arts and cultural programs based on the following allocation adopted by the City Commission commencing FY 2019: Transportation – 60%, North Beach (QOL) – 10%, Middle Beach (QOL) – 10%, South Beach (QOL) – 10%, Arts – 10%.

- $12,457,000 for debt service associated with the Resort Tax revenue bonds issued in 2015 for the expansion and renovation of the Miami Beach Convention Center and Convention Center Renewal and Replacement projects in accordance with Resolution 2012-27902. It is important to note that due to the impact of COVID-19 on the City's Resort Tax revenues, an additional $1,686,000 contribution is budgeted from the 2% Resort Tax Fund for required FY 2021 debt service coverage.

CAPITAL BUDGET

The City's annual Capital Budget contains capital project commitments appropriated for Fiscal Year 2021. Preparation of the Capital Budget occurred simultaneously with the development of the FY 2021 – FY 2025 Capital Improvement Plan and FY 2021 Operating Budget.
The Adopted Capital Budget for FY 2021 totals $60.2 million and will be appropriated on October 1, 2020. Projects will address many needs in different areas of the City including: neighborhood enhancements such as, landscaping, reforestation, transportation enhancements; bridge restoration; water, sewer, and drainage system improvements; park construction, renovation and upgrades; parking lot and garage renovation, construction/renovation of public facilities; and vehicle replacement.

For a detailed listing of all capital projects and additional information, please refer to Capital and Debt Section in the Adopted FY 2021 Budget document.

GENERAL OBLIGATION BOND PROJECTS

On November 6, 2018, the citizens of the City of Miami Beach voted in favor of issuing $439 million in general obligation bonds ("G.O. Bonds") to:

- Improve the City's police, fire, and public safety facilities, in addition to equipment, technology, and lighting to improve security throughout the City
- Improve the City's parks, recreational and cultural facilities, inclusive of playgrounds, baywalks, beachwalks, waterways, landscaping, equipment, lighting, security, and parking related to such facilities
- Improve the City's neighborhoods and infrastructure, including stormwater and flooding mitigation projects, sidewalk and street renovation and repairs, protected bicycle lanes, pedestrian paths, landscaping, and lighting

At the March 4, 2019 G.O. Bond workshop, the City Commission reviewed the proposed G.O. Bond Implementation Plan, which outlines the sequencing of the 57 approved projects. At the March 13, 2019 Commission Meeting, the City Commission approved the G.O. Bond execution plan for the first tranche and authorized the issuance of General Obligation Bonds, Series 2019, for the funding of these projects. The fourth amendment to the FY 2019 Capital Budget, which was approved at this meeting, allowed for the expedited funding of seven of these approved first tranche projects in the amount of $19,760,000.

At the April 10, 2019 Commission Meeting, the City Commission approved the funding of the remaining $131,379,000 of tranche 1 projects, for a total of $151,139,000, as summarized below.

- 19 Parks projects totaling $86,733,000
- 11 Public Safety projects totaling $36,406,000
- 8 Neighborhood/Infrastructure projects totaling $28,000,000

In an effort to increase transparency and to provide detailed information on the G.O. Bond program, the City recently launched a robust website which provides a wealth of information on the status of each project, including an interactive dashboard that provides real-time information at users' fingertips. For more information, go to https://www.gombinfo.com/.

CORONAVIRUS RELIEF FUND

Miami-Dade County has received an allocation from the Coronavirus Relief Fund (CRF) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. $100 million of that funding is being allocated for an award program for local municipalities. Of the $100 million, $75 million is for operational costs and $25 million for new municipal programs.

Funds from this program may only be used to (1) cover costs that are necessary expenditures incurred due to the public health emergency with respect to COVID-19, (2) were not accounted for in the budget most recently approved as of March 27, 2020, and (3) were incurred during the period of March 1, 2020 through December 30, 2020. The County will consider reimbursement for COVID-19 related and incurred operating expenses, as well as certain new programs proposed by municipalities.

The following are not eligible under the program: (1) equipment and capital expenses; (2) loss of revenue; (3) utility payment forgiveness.

Examples of eligible costs for the $75 million program include:

- Costs to enable remote work
- FEMA cost share (the 12.5% local cost component of FEMA PA)
- Personnel costs for hours dedicated to mitigating or responding to COVID-19
- Contact tracing
- Public health
- Expenses to facilitate compliance with public health precautions

Examples of eligible costs for the $25 million program include:

- Rental and mortgage assistance programs
- Job training
- Childcare
- Small business grants for business interruption

The City of Miami Beach has executed an interlocal agreement with the County and as of September 8th has submitted approximately $13.8 million of year-to-date expenditures for potential reimbursement. Between now and December, additional COVID-19 related costs are estimated to be incurred that may also be eligible for reimbursement. Funding awards are pending, and periodic updates will be provided to the City Commission as to the status of these funds.

Any funds received from the program would be one-time in nature and the Administration's recommendation would be to restore all reserve amounts in the General Fund and Resort Tax Fund that have been or will be used to balance the FY 2020 and FY 2021 budgets. In addition, given the uncertainty regarding the pace of recovery for Resort Tax revenue, it may be necessary to use more of the General Fund reserve than originally planned.

Please note that virtually all of the COVID-19 related expenses have been incurred in the General Fund and Resort Tax and reserves in both funds have been used to cover budget shortfalls from the economic impact of COVID-19. Any funds over and above the amount necessary to restore all reserves used to balance the budget are recommended to be put towards the General Fund reserve goal of 3 months, or 25% of total revenue, and/or the Resort Tax reserve goal of 6 months, or 50% of the 2% Resort Tax.

FUTURE OUTLOOK

Each year, the Administration prepares a five-year financial forecast which presents estimated information based on past, current and projected financial conditions, using assumptions about economic conditions, and future spending scenarios. This analysis is included in the annual budget document and helps to identify future revenue and expenditure trends that may have an immediate or long-term influence on government policies, strategic goals, and community services. The forecast is an integral part of the annual budget process; and allows for improved decision-making in maintaining fiscal discipline and delivering essential community services.

Challenges

Throughout the past three budget development cycles, the discussion focused on the need to recognize the impact of the slow-down in the City's property value increase and resulting property tax revenues, exacerbated by annual growth in operating expenditures due to contractually required payroll costs, and enhanced levels of services.

Other conditions which could present further challenges to future budgets include:

- Fiscal Impact of COVID-19 on the City's finances
- Slow recovery in tourism
- Declining growth rate of property values
- Potential downward property value adjustment of commercial properties
- Softening of the condominium real estate market
- Declining rate of parking utilization trend
- Increases in operating and maintenance expenditures related to the G.O. Bond projects
- Increasing cost of health insurance

In response to these challenges, the Administration is exploring various options including new revenue sources, aligning future expenditures to the programs which support the City's strategic plan and aggressively pursuing long-term cost saving opportunities. The fourth year of program budget development will continue to be refined to increase the usefulness of this tool. In addition, the innovative use of zero-based budgeting will be expanded to help identify efficiencies in operating departments.

Opportunities

- The full impact of the newly reimagined Miami Beach Convention Center was expected to be recognized during FY 2020 and FY 2021. This new, world-class, venue represents a critical revenue stream for the City of Miami Beach, as well as a tourism and destination attraction, and will attract high-quality events that measurably benefit the City, its residents, visitors, and businesses alike. It is expected that when the economy returns to normalcy, the fiscal impacts of the renovated Center will be realized. Based on future forecasts, this is not likely to be realized until the second half of FY 2021 or possibly even into FY 2022.

- In July 2018, the City Commission approved a development and lease agreement for the 2.6-acre property at the northeast corner of 17 Street and Convention Center Drive. On November 6, 2018, voters approved the construction and operation of an 800-room hotel and related facilities, including and up to 52,000 square feet of accessory retail and restaurant facilities for the public. Once completed, the Convention Center hotel will help attract even more high-quality events that would measurably benefit the City, its residents, visitors, and businesses alike. Given the current uncertain economic conditions in the hospitality industry and the financial markets, however, we do not know as of today when construction of the hotel will commence and, therefore, when the hotel will open for business.

CONCLUSION

Through rigorous review and proper planning, the Adopted Work Plan and Budget for FY 2021 is balanced and enables the City of Miami Beach to continue delivering outstanding services to our residents, businesses and visitors and continuing structural enhancements to ensure the long-term sustainability of the City.

The Adopted operating millage rate of 5.7288 mills remains the same as last year and the voted debt millage rate of 0.3227 mills is the required rate to cover the cost of the voter-approved General Obligation Bonds. The FY 2021 Budget includes reductions which further streamline government operations and service level enhancements that address high priority needs of the City.

ACKNOWLEDGMENTS

I would like to thank Mayor Dan Gelber and the Members of the Miami Beach City Commission for your continued guidance, support and leadership with the budget process and in helping to accomplish so much on behalf of our residents and for the entire Miami Beach community.

I would also like to thank the Budget Advisory Committee and its Chairperson, Ronald Starkman, as well as all staff from throughout the City who worked hard over the last year to respond to changes in priorities from the City Commission. I would particularly like to thank my Assistant City Managers and all Department and Division Directors. I appreciate all of us working together towards developing a balanced budget that will help improve our community. In particular, I would like to recognize and thank John Woodruff, CFO; Tameka Otto Stewart, Budget Director; Richard Ajami, Budget Officer; Ayanna DaCosta-Earle, Fernando Pestana and Pedro De Faria; Senior Management and Budget Analysts; Damaris Lozano and Girlande Bertrand, Management and Budget Analysts; and Francis Frances, Executive Office Associate II.

Respectfully Submitted,

Jimmy L. Morales
City Manager

ATTACHMENT A
FY 2021 **ONE-TIME** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
CITYWIDE								
Citywide Furloughs	General Fund	$1,757,000	$1,757,000	$0			Multiple Programs	Furlough days for all employees in all bargaining units using a tiered approach based on employee salary: Employees earning $50,000 and less - 1 day Employees earning between $50,001 and $60,000 - 2 days Employees earning between $60,001 and $70,000 - 3 days Employees earning between $70,001 and $80,000 - 4 days Employees earning greater than $80,000 - 5 days
Citywide Furloughs	Internal Service	$150,000	$150,000	$0			Multiple Programs	Furlough days for all employees in all bargaining units using a tiered approach based on employee salary: Employees earning $50,000 and less - 1 day Employees earning between $50,001 and $60,000 - 2 days Employees earning between $60,001 and $70,000 - 3 days Employees earning between $70,001 and $80,000 - 4 days Employees earning greater than $80,000 - 5 days
Citywide Furloughs	Resort Tax	$22,000	$22,000	$0			Multiple Programs	Furlough days for all employees in all bargaining units using a tiered approach based on employee salary: Employees earning $50,000 and less - 1 day Employees earning between $50,001 and $60,000 - 2 days Employees earning between $60,001 and $70,000 - 3 days Employees earning between $70,001 and $80,000 - 4 days Employees earning greater than $80,000 - 5 days
Citywide Furloughs	RDA	$33,000	$33,000	$0			Multiple Programs	Furlough days for all employees in all bargaining units using a tiered approach based on employee salary: Employees earning $50,000 and less - 1 day Employees earning between $50,001 and $60,000 - 2 days Employees earning between $60,001 and $70,000 - 3 days Employees earning between $70,001 and $80,000 - 4 days Employees earning greater than $80,000 - 5 days
Citywide Furloughs	Enterprise	$310,000	$310,000	$0			Multiple Programs	Furlough days for all employees in all bargaining units using a tiered approach based on employee salary: Employees earning $50,000 and less - 1 day Employees earning between $50,001 and $60,000 - 2 days Employees earning between $60,001 and $70,000 - 3 days Employees earning between $70,001 and $80,000 - 4 days Employees earning greater than $80,000 - 5 days

ATTACHMENT A
FY 2021 **ONE-TIME** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Citywide Furloughs	Special Revenue	$26,000	$26,000	$0			Multiple Programs	Furlough days for all employees in all bargaining units using a tiered approach based on employee salary: Employees earning $50,000 and less - 1 day Employees earning between $50,001 and $60,000 - 2 days Employees earning between $60,001 and $70,000 - 3 days Employees earning between $70,001 and $80,000 - 4 days Employees earning greater than $80,000 - 5 days
Citywide Travel and Training Freeze	General Fund	$430,000	$430,000	$0			Multiple Programs	Freeze 80% of expenditures budgeted for training and travel
Non-Essential Tuition Reimbursement Freeze	General Fund	$115,000	$115,000	$0			Multiple Programs	Freeze expenditure budgeted for non-essential tuition reimbursement
Citywide Hiring Freeze	General Fund	$2,799,000	$2,799,000	$0			Multiple Programs	Freeze vacant positions included in the budget, allowing for the flexibility to fill critical positions on an as-needed basis
Freeze on Non-Essential Expenditures	General Fund	$4,000,000	$4,000,000	$0			Multiple Programs	Freeze budget for non-essential expenditures while the uncertainty of revenues persists
FIRE								
Lifeguard and Boat Savings	General Fund	$329,000	$329,000	$0			Ocean Rescue	To reflect impact of COVID-19, temporarily reduce lifeguard hours during non-peak times and use of Ocean Rescue boat to weekends and special events.

ATTACHMENT A
FY 2021 **ONE-TIME** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
TOURISM & CULTURE								
Greater Miami Convention and Visitors Bureau Agreement (GMCVB)	Resort Tax	$2,600,000	$2,600,000	$0			Resort Tax - GMCVB	Amended agreement with the GMCVB for one year to assist the City absorb the projected loss of resort tax revenue during FY 2021 due to the impact of COVID-19. Instead of a flat baseline fee with an incentive fee, the GMCVB will receive 10.5% from the proceeds of the 2% Resort Tax. This methodology will generate an estimated savings of $2.6 million in FY 2021 based on the most current Resort Tax projections. Converting the base fee into a percentage also provides downside protection to the City if the collections from the 2% Resort Tax come in below projection. This methodology allows the City to better manage the uncertainties related to the financial impact of COVID-19 in FY 2021.
Miami Beach Visitor and Convention Authority (VCA) Agreement	Resort Tax	$1,087,000	$1,087,000	$0			Miami Beach Visitor's and Convention Authority	Revised VCA agreement for one year to assist the City absorb the projected loss of resort tax revenue during FY 2021. The VCA will receive 2.5% instead of the 5% required in the City Charter from the proceeds of the 2% Resort Tax.
Grand Total of Positions Recommended					**0**	**0**		

ONE-TIME			
Fund	**Requested Efficiency/ Reduction**	**Recommended Efficiency/ Reduction**	**Year 2 Impact**
General Fund	$9,430,000	$9,430,000	$0
	$104,000	$104,000	$0
	$9,534,000	**$9,534,000**	**$0**
Internal Service	$150,000	$150,000	$0
Resort Tax	$3,709,000	$3,709,000	$0
RDA	$33,000	$33,000	$0
Enterprise	$310,000	$310,000	$0
Special Revenue	$26,000	$26,000	$0

Internal Service impact (% based on FY 2020 Preliminary Allocations)

ATTACHMENT A
FY 2021 **RECURRING** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
CAPITAL IMPROVEMENT PROJECTS (CIP)								
Impact of Reallocating Portion of Senior Capital Projects Coordinator Position from Parking Enterprise Fund	General Fund	-$118,000	-$118,000	-$152,000	-1		Construction Management	Reduce cost burden to the Parking Fund by reallocating a portion of a Senior Capital Projects Coordinator position to the General Fund.
CODE COMPLIANCE								
Renegotiated Contract Savings - Body Camera Agreement	General Fund	$6,000	$6,000	$6,000			Multiple Programs	Savings from renegotiation of body camera contract.
ENVIRONMENT & SUSTAINABILITY								
Full-Time Assistant Environment & Sustainability Director Position (Vacant)	General Fund	$136,000	$136,000	$178,000	1		Administration	The tasks of the eliminated Assistant Director position will be distributed among the remaining staff in the department to minimize the impact to operations.
FINANCE								
Full-Time Financial Analyst II Position (Filled)	General Fund	$91,000	$91,000	$116,000	1		Off-Duty Police	The tasks of the eliminated Financial Analyst II position will be distributed among the remaining staff in the department to minimize the impact to operations.
FIRE								
Full-Time Emergency Specialist Position (Filled)	General Fund	$101,000	$101,000	$132,000	1		Multiple Programs	The tasks of the eliminated Emergency Specialist position will be distributed among the remaining staff in the department to minimize the impact to operations.
Renegotiated Contract Savings - Body Camera Agreement	General Fund	$1,000	$1,000	$1,000			Prevention	Savings from renegotiation of body camera contract.

ATTACHMENT A
FY 2021 **RECURRING** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
FLEET MANAGEMENT								
Full-Time Fleet Management Director Position (Filled)	Internal Service	$215,000	$215,000	$280,000	1		Administration	Elimination of Director position from consolidation of the Fleet Management department to a division in the Property Management department.
Convert Full-Time Office Associate IV Position (Vacant) to Senior Administrative Manager Position	Internal Service	-$27,000	-$27,000	-$35,000			Administration	Reclassification of an Office Associate IV position to a Senior Administrative Manager position to effectively absorb workload from position reductions associated with the consolidation of the Fleet Management department to a division in the Property Management department.
Eliminate Full-Time Office Associate IV Position (Filled)	Internal Service	$70,000	$70,000	$90,000	1		Administration	Elimination of Office Associate IV position from consolidation of the Fleet Management department to a division in the Property Management department.
HUMAN RESOURCES/LABOR RELATIONS								
Full-Time Safety Officer Position (Filled)	Internal Service	$80,000	$80,000	$105,000	1		Safety	The tasks of the eliminated Safety Officer position will be distributed among the remaining staff in the department to minimize the impact to operations.
Renegotiated Contract Savings - Humana & Corvel	Internal Service	$72,000	$72,000	$72,000			Multiple Programs	Savings from renegotiation of Humana (Wellness) and Corvel (Workers Compensation) contracts for several programs.
OFFICE OF THE CITY MANAGER								
Full-Time Legislative Manager Position (Filled)	General Fund	$86,000	$86,000	$111,000	1		Multiple Programs	The tasks of the eliminated Legislative Manager position will be distributed among the remaining staff in the department to minimize the impact to operations.

ATTACHMENT A
FY 2021 **RECURRING** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
OFFICE OF THE INSPECTOR GENERAL								
Impact of Reallocating Portion of Deputy Chief Auditor and Auditor Positions from Parking Enterprise Fund	Internal Service	-$69,000	-$69,000	-$92,000	-1		OIG - Internal Audit	Reduce cost burden to the Parking Fund by reallocating a portion of a Deputy Chief Auditor and Auditor position to the new Inspector General Fund.
PARKING								
Parking Initiative #1 - Remove All On-street (curbside) and Off-street (lots) Parking Pay Stations	Enterprise	$1,691,000	$1,691,000	$1,772,000	4		Meters	The Parking department currently has approximately 704 parking pay stations for on-street and off-street metered parking. This reduction would remove all on-street (curbside) and off-street (lots) parking pay stations thus providing for the phone application (Parkmobile) as the only Parking payment option (Touchless Parking Payment Option). In addition, it includes the elimination of four full-time positions that maintain the pay stations, as well as repurposing of other Parking positions to performance maintenance in the City's garages.
Parking Initiative #1 - Remove All On-street (curbside) and Off-street (lots) Parking Pay Stations	Special Revenue	$80,000	$80,000	$80,000			Meters	The Parking department currently has approximately 704 parking pay stations for on-street and off-street metered parking. This reduction would remove all on-street (curbside) and off-street (lots) parking pay stations thus providing for the phone application (Parkmobile) as the only Parking payment option (Touchless Parking Payment Option).
Parking Initiative #1 - Remove All On-street (curbside) and Off-street (lots) Parking Pay Stations	RDA	$198,000	$198,000	$198,000			Meters	The Parking department currently has approximately 704 parking pay stations for on-street and off-street metered parking. This reduction would remove all on-street (curbside) and off-street (lots) parking pay stations thus providing for the phone application (Parkmobile) as the only Parking payment option (Touchless Parking Payment Option).

ATTACHMENT A
FY 2021 **RECURRING** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Parking Initiative #2 - Right-Size Parking Enforcement Operations	Enterprise	$772,000	$772,000	$954,000	16	-3	Enforcement	Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would right-size Parking enforcement operations by changing the status of 13 full-time Parking Enforcement Specialist positions and 3 full-time Dispatcher positions to part-time status, which will provide additional flexibility and resiliency to deal with high impact events and occasional economic shocks resulting in revenue downturns (COVID-19, hurricanes, etc.)
Parking Initiative #3 - Eliminate/Transfer Costs for Other Department Positions Funded by Parking	Enterprise	$509,000	$509,000	$663,000	6		Multiple Programs	The Parking Department has historically funded positions in other departments due to the demand and support required for parking operations. Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. For this reason, this proposed reduction would eliminate three positions funded by Parking for the Finance Department and one position funded by Parking for Property Management, as well as transfer a portion of one position funded by Parking for the Office of Capital Improvement Projects (CIP) to CIP and two positions partially funded by Parking for the Office of the Inspector General (OIG) to the OIG's office.
Parking Initiative #4A - Eliminate/Reduce Parking Operations Services and Activities	Enterprise	$1,163,000	$1,163,000	$1,165,000			Multiple Programs	Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce Parking services and activities related to the maintenance and operation of the City's municipal garages and lots.
Parking Initiative #4B - Grounds Maintenance Agreement	Enterprise	$277,000	$277,000	$277,000			Multiple Programs	Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce the level of services for grounds maintenance in the City's parking facilities from 36 to 24, as well as recognize the projected savings from the new Greenspace Management cost proposal anticipated to be implemented in FY 2021.

ATTACHMENT A
FY 2021 **RECURRING** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Parking Initiative #4B - Grounds Maintenance Agreement (7th Street Garage Fund)	Special Revenue	$80,000	$80,000	$80,000			Multiple Programs	Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce the level of services for grounds maintenance in the City's parking facilities from 36 to 24, as well as recognize the projected savings from the new Greenspace Management cost proposal anticipated to be implemented in FY 2021.
Parking Initiative #4B - Grounds Maintenance Agreement (RDA Anchor and Pennsylvania Avenue Garage Funds)	RDA	$11,000	$11,000	$11,000			Multiple Programs	Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce the level of services for grounds maintenance in the City's parking facilities from 36 to 24, as well as recognize the projected savings from the new Greenspace Management cost proposal anticipated to be implemented in FY 2021.
Parking Initiative #4C - Reduce Sanitation Level of Services and Outsource Functions	Enterprise	$556,000	$556,000	$297,000			Multiple Programs	Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. As a result, this reduction would reduce the level of Sanitation services utilized by the Parking Department for the first quarter of FY 2021 while the procurement process for an outside contractor is taking place. Subsequent to completion of the procurement process, an outside contractor is anticipated to be used by Parking for Sanitation services at 80% of prior year service levels beginning in the second quarter of FY 2021.
Parking Initiative #5 - Reduce Parking Positions due to Reduction of Services and Activity/Utilization in Municipal Garages	Enterprise	$500,000	$500,000	$650,000	6		Multiple Programs	Due to the reduction in demand for parking and the recent pandemic, the Parking Department has been forced to scale back projects and reduce services. This reduction would eliminate 6 operational and administrative positions and convert the two Assistant Parking Director positions to a Senior Parking Operations Manager and Contract Compliance Administrator.

ATTACHMENT A
FY 2021 **RECURRING** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
PARKS & RECREATION								
Renegotiated Contract Savings - Parks Landscape Agreement	General Fund	$500,000	$500,000	$500,000			Parks Grounds Maintenance	Savings from renegotiation of grounds maintenance contract.
POLICE								
Civilianization of Police Positions	General Fund	$120,000	$120,000	$247,000			Multiple Programs	This reduction reflects the cost impact from civilianization of two sworn positions in the Technical Services division. An additional five positions are also being considered for civilianization over the next 12 to 18 months.
Police Staffing Plan Changes	General Fund	$795,000	$795,000	$795,000			Multiple Programs	Savings from less overtime due to staffing plan changes which include adding more officers to the daily staffing configuration.
Renegotiated Contract Savings - Body Camera Agreement	General Fund	$59,000	$59,000	$59,000			Multiple Programs	Savings from renegotiation of body camera contract.
PUBLIC WORKS								
Renegotiated Contract Savings - Greenspace Maintenance Agreement	General Fund	$795,000	$795,000	$795,000			Contract Landscape Maintenance	Savings from renegotiation of grounds maintenance contract.

ATTACHMENT A
FY 2021 **RECURRING** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
PUBLIC WORKS - SANITATION								
Eliminate (11) Full-Time Sanitation Positions	Enterprise	$559,000	$559,000	$719,000	11		Multiple Programs	Due to a permanent reduction of $1.5 million of revenue from the Parking Fund, this reduction will eliminate 11 Sanitation positions in the Sanitation Fund, which is comprised of (2) Heavy Equipment Operator I positions; (1) Municipal Service Worker III position; (5) Municipal Service Worker II positions; and (3) Municipal Service Worker I positions. This reduction may result in decreased response time to service requests in areas such as RDA, NBRC & MXE and lower cleanliness scores.
Reduce Sanitation Temporary Labor	Enterprise	$506,000	$506,000	$506,000			Multiple Programs	Due to a permanent reduction of $1.5 million of revenue from the Parking Fund, this reduction reduce temporary labor which may result in decreased response time to service requests in areas such as RDA, NBRC & MXE and lower cleanliness scores.
Reduce Sanitation Operating Expenditures	Enterprise	$145,000	$145,000	$145,000			Multiple Programs	Due to a permanent reduction of $1.5 million of revenue from the Parking Fund, this reduction would eliminate the Big Belly contract along with other miscellaneous reductions.

ATTACHMENT A
FY 2021 **RECURRING** EFFICIENCIES AND REDUCTIONS

Efficiency/Reduction	Fund	Requested Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
TRANSPORTATION								
Eliminate Full-Time Office Associate IV Position (Filled)	Special Revenue	$73,000	$73,000	$95,000	1		Multiple Programs	Due to a permanent reduction of revenue from the Parking Fund and a significant loss of Resort Tax revenue from the impact of COVID-19, the Transportation Department will eliminate an Office Associate IV position. The tasks of the eliminated position will be distributed among the remaining staff in the department to minimize the impact to operations.
Eliminate Full-Time Transportation Manager (Filled)	Special Revenue	$147,000	$147,000	$191,000	1		Multiple Programs	Due to a permanent reduction of revenue from the Parking Fund and a significant loss of Resort Tax revenue from the impact of COVID-19, the Transportation Department will eliminate a Transportation Manager position. The tasks of the eliminated position will be distributed among the remaining staff in the department to minimize the impact to operations.
Convert Full-Time Transportation Analyst Position (Vacant) to Senior Transportation Position	Special Revenue	-$27,000	-$27,000	-$36,000			Multiple Programs	Reclassification of a Transportation Analyst position to a Senior Transportation position to effectively absorb workload from two position reductions.
Trolley Operations	Special Revenue	$5,526,000	$5,526,000	$5,526,000			Multiple Programs	Due to a permanent reduction of revenue from the Parking Fund and significant loss of Resort Tax revenue from the impact of COVID-19, the Transportation Department will be reducing the service level of the trolley program as follows: from 18 hours of service to 12-14; 25 vehicles to 15; frequency of 20 minutes to 30 minutes; and elimination of the 11th Street Loop and modification of the Belle Isle stop.
		Grand Total of Positions Recommended			**50**	**-3**		

RECURRING			
Fund	**Requested Efficiency/ Reduction**	**Recommended Efficiency/ Reduction**	**Year 2 Impact**
General Fund	$2,572,000	$2,572,000	$2,805,000
	$238,000	$238,000	$293,000
	$2,810,000	**$2,810,000**	**$3,098,000**
Internal Service	$341,000	$341,000	$420,000
Resort Tax	$0	$0	$0
RDA	$209,000	$209,000	$209,000
Enterprise	$6,678,000	$6,678,000	$7,148,000
Special Revenue	$5,879,000	$5,879,000	$5,936,000

Internal Service impact (% based on FY 2020 Preliminary Allocations)

MIAMIBEACH

ATTACHMENT B
FY 2021 **ONE-TIME** ENHANCEMENTS

Enhancement	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
CITYWIDE								
Miami Beach Art-in-Resilience Program **(One-Time)**	General Fund	$200,000	$200,000	$0				This enhancement request is to fund the creation of a Miami Beach Artist-in-Residence program which addresses the need to activate empty spaces in Miami Beach commercial districts by attracting, retaining, and supporting the revitalization of the artistic community.
Miami Beach Senior High Courtyard Renovation **(One-Time)**	General Fund	$60,000	$60,000	$0				This enhancement request is to fund a contribution to the Miami Beach Senior High Parent Teacher Student Association (PTSA) for the renovation of the school courtyard.
Restaurant Reimbursement Program **(One-Time)**	General Fund	$60,000	$60,000	$0				This enhancement request is to fund a reimbursement program to restaurants for delivery services.
Miami Beach High Fencing & Landscaping **(One-Time)**	General Fund	$33,000	$33,000	$0				This enhancement request is to fund fencing and landscaping at the school playfield area, basketball courts, and parking lot at Miami Beach Senior High School to provide community access on Sundays (additional days to be discussed during quarterly scheduled meetings).
Miami Beach South Pointe Elementary Fencing and Security Cameras **(One-Time)**	General Fund	$25,000	$25,000	$0				This enhancement request is to fund fencing and security cameras at Miami Beach South Pointe Elementary to provide access to the outdoor basketball courts for community use during weekends and potentially non-school days.
Targeted Outreach on Masks for School Use **(One-Time)**	General Fund	$10,000	$10,000	$0				This enhancement request is to fund targeted outreach on recommended mask for school use as recommended by the Quality of Education Committee.
ORGANIZATIONAL DEVELOPMENT PERFORMANCE INITIATIVES								
Early Childcare Pilot Program **(One-Time)**	General Fund	$0	$0	$250,000			Education Initiatives	This enhancement commits to funding $250,000 for a pilot program for early childcare pre-kindergarten stipend for the 2021-22 school year, which would require funding to be appropriated as part of the City's FY 2022 budget.

ATTACHMENT B
FY 2021 **ONE-TIME** ENHANCEMENTS

Enhancement	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
POLICE								
College Football Playoff Championship **(One-Time)**	Resort Tax	$900,000	$900,000	$0			Resort Tax	This enhancement request is to fund necessary overtime, rentals, security guards, and equipment to provide comprehensive police services and resources for the 2021 National College Football Championship. The request amount is based on experience with past Super Bowls, Memorial Day, Spring Break and other high-impact events.
PUBLIC WORKS DEPARTMENT - STORM WATER								
Temporary Pumps **(One-Time)**	Enterprise	$418,000	$418,000	$0			Storm water Maintenance	This enhancement request is to increase funding for rental of temporary pumps and accessories to fulfill the City Commission's request to increase deployment of portable temporary pumps during King Tides, Hurricane Season, and rain events. The amount requested is for the deployment of 14 temporary pumps for six (6) months. This is being submitted as a one-time request for FY 2021. The need for temporary pumps will be revaluated as part of the FY 2022 budget process.
Storm Water System Maintenance Backlog **(One-Time)**	Enterprise	$400,000	$400,000	$0			Storm water Maintenance	This enhancement request is to increase funding to address the backlog of maintenance for 48 existing injection wells to improve drainage and decrease flooding throughout the City.

ATTACHMENT B
FY 2021 **ONE-TIME** ENHANCEMENTS

Enhancement	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions FT	Positions PT	Program	Description
PUBLIC WORKS DEPARTMENT - WATER								
Fire Hydrant Density Evaluation **(One-Time)**	Enterprise	$150,000	$150,000	$0			Water System Management	This enhancement request is for the evaluation of the fire hydrants throughout the City's the water system, which serve as an essential part of the firefighting process, as they allow firefighters to access a steady flow water supply during emergency operations.
Water Fuel Tank **(One-Time)**	Enterprise	$51,000	$51,000	$0			Water System Maintenance	This enhancement request is to upgrade the City's infrastructure by replacing old diesel tanks that are corroding and inefficient so that they are compliant with the Miami-Dade County Department of Regulatory and Economic Resources (DERM).
TOURISM & CULTURE								
Additional COVID-19 Relief Funding for Cultural Organizations **(One-Time)**	Special Revenue	$500,000	$500,000	$0			Grants Program	This enhancement allocates an additional $1.0 million of Cultural Arts Council (CAC) reserve in the FY 2021 budget to provide additional funding relief to Cultural Organizations in the City of Miami Beach impacted by COVID-19 as recommended by the CAC and supported by the City Administration. $500,000 is recommended for appropriation at the commencement of FY 2021 with the remaining $500,000 balance to be appropriated mid-year of FY 2021.
Grand Total of Positions Recommended					**0**	**0**		

ONE-TIME			
Fund	**Requested Enhancement**	**Recommended Enhancement**	**Year 2 Impact**
General Fund	$388,000	$388,000	$250,000
	$0	$0	$0
	$388,000	**$388,000**	**$250,000**
Internal Service	$0	$0	$0
Resort Tax	$900,000	$900,000	$0
RDA	$0	$0	$0
Enterprise	$1,019,000	$1,019,000	$0
Special Revenue	$500,000	$500,000	$0

Internal Service impact (% based on FY 2020 Preliminary Allocations)

ATTACHMENT B
FY 2021 **RECURRING** ENHANCEMENTS

Enhancement	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
CITYWIDE								
Living Wage	General Fund	$19,000	$19,000	$0				This enhancement increases the total minimum living wage rate from $15.00 per hour including health benefits to $15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.
Living Wage	Internal Service	$9,000	$9,000	$0				This enhancement increases the total minimum living wage rate from $15.00 per hour including health benefits to $15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.
Living Wage	RDA	$6,000	$6,000	$0				This enhancement increases the total minimum living wage rate from $15.00 per hour including health benefits to $15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.
Living Wage	Enterprise	$60,000	$60,000	$0				This enhancement increases the total minimum living wage rate from $15.00 per hour including health benefits to $15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.
Living Wage	Special Revenue	$30,000	$30,000	$0				This enhancement increases the total minimum living wage rate from $15.00 per hour including health benefits to $15.15 per hour including health benefits, effective January 1, 2021. The proposed increase is comprised of a 1% increase in the living wage rate and 1% increase in the health benefits rate.
POLICE								
Public Safety Citizens on Patrol Volunteer Program	General Fund	$27,000	$27,000	$27,000			Multiple Programs	This enhancement is to establish a Public Safety Citizens on Patrol Volunteer Program to meet the changing needs of the community and further promote an enhancement of the City's Community Policing philosophy by having members of the new program assist in patrolling neighborhoods, parks, schools, and commercial areas as additional eyes in public spaces throughout the City.

ATTACHMENT B
FY 2021 **RECURRING** ENHANCEMENTS

Enhancement	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions FT	Positions PT	Program	Description
PROPERTY MANAGEMENT								
Full-Time Admin Officer Position	Internal Service	$69,000	$69,000	$88,000	1		Special Taxing Districts	This enhancement request is for the addition of a full-time Admin Officer position in the Property Management Department to: (1) manage the day to day operations of the City's current Special Taxing District, as well as the additional two that will be transferred effective FY 2021 from Miami-Dade County; and (2) enhance property maintenance and services of the City's assets. It is proposed that this full-time position be split funded as follows: 50% Property Management and 50% split evenly between the 3 Special Taxing Districts
PUBLIC WORKS GENERAL FUND								
Trap, Neuter, Vaccinate, and Release (TVNR) Program	General Fund	$10,000	$10,000	$10,000			Cat Network	This enhancement is to allocate additional funding of $10,000 to continue the Trap, Neuter, Vaccinate, and Release (TVNR) Program for FY 2021 based on direction from the Finance and Economic Resiliency Committee at its July 17, 2020 meeting.
PUBLIC WORKS DEPARTMENT - SEWER								
Sewer Pump Emergency Maintenance	Enterprise	$200,000	$200,000	$200,000			Sewer Maintenance Management	This enhancement request is to enhance emergency maintenance and repairs for sewer pumping stations to address unplanned issues such as sewer main breaks for the City's aging sewer infrastructure system.
SSES Cycle III, Phase I, II, & III Consent Decree	Enterprise	$400,000	$400,000	$400,000			Sewer System Maintenance	This enhancement request is for the Sewer System Evaluation Survey (SSES) program. SSES is a EPA issued Consent Decree program with requirements as outlined in Miami-Dade Code Chapter 24 for all private and publicly operated Volume Sewer Customers to aim to eliminate or reduce I&I. SSES requirements are part of Domestic Wastewater Annual Operating Permit. Failure to comply with code will result in system failures (sewer system overflow, I&I); the system in moratorium status; and civil &/or criminal penalties.
Grand Total of Positions Recommended					**1**	**0**		

RECURRING			
Fund	**Requested Enhancement**	**Recommended Enhancement**	**Year 2 Impact**
General Fund	$56,000	$56,000	$37,000
	$54,000	$54,000	$61,000
	$110,000	**$110,000**	**$98,000**
Internal Service	$78,000	$78,000	$88,000
Resort Tax	$0	$0	$0
RDA	$6,000	$6,000	$0
Enterprise	$660,000	$660,000	$600,000
Special Revenue	$30,000	$30,000	$0

Internal Service impact (% based on FY 2020 Preliminary Allocations)

MIAMIBEACH

ATTACHMENT C
MIAMI BEACH POLICE DEPARTMENT
CONFISCATIONS - FEDERAL & STATE FUNDS
FY 2021 ADOPTED BUDGET

Federal Funds (603):

	FY 2021 Adopted Budget
Organizational Development Travel & Off-site Testing	$ 70,000
Bulletproof Vest Partnership	60,000
Total Federal Funds (603)	**$ 130,000**

State Funds (607):

	FY 2021 Adopted Budget
Costs connected with the prosecution/processing of forfeitures	$ 18,000
Crime Prevention initiatives & School Liaison Projects	15,000
AR Rifle Program/initiative- City's match for reimbursement of rifles at $500	15,000
Drug abuse treatment, drug and crime prevention education, and non-profit community based programs	32,500
Departmental training	83,500
Total State Funds (607)	**$ 164,000**

Total Federal & State Funds	**$ 294,000**

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