

**RESOLUTION NO. 2021-31819**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT SETTING 1) THE PROPOSED GENERAL OPERATING MILLAGE RATE FOR THE NORMANDY SHORES NEIGHBORHOOD IMPROVEMENT DISTRICT; 2) THE CALCULATED "ROLLED-BACK" RATE; AND, 3) THE DATE, TIME, AND PLACE OF THE FIRST PUBLIC HEARING TO CONSIDER THE OPERATING MILLAGE RATE AND BUDGET FOR FISCAL YEAR 2022; AND, FURTHER, AUTHORIZING THE CITY MANAGER TO TRANSMIT THIS INFORMATION TO THE MIAMI-DADE COUNTY PROPERTY APPRAISER IN THE FORM REQUIRED BY SECTION 200.065, FLORIDA STATUTES.**

**WHEREAS**, Section 200.065, Florida Statutes, has specified the method by which municipalities may set the operating millage rate and adopt an annual budget for dependent taxing districts; and

**WHEREAS**, the July 1, 2021 Certification of Taxable Value from the Miami-Dade County Property Appraiser for the Normandy Shores Neighborhood Improvement District reflects an overall increase of approximately \$6.1 million, or 2.5 percent (%), in property tax values over the July 1, 2020 Certification of Taxable Value from the Miami-Dade County Property Appraiser for the Normandy Shores Neighborhood Improvement District; and

**WHEREAS**, the Mayor and City Commission of the City of Miami Beach, acting in its capacity as the Board of Directors of the Normandy Shores Local Government Neighborhood Improvement District, propose that the District's General Operating millage rate be set at 1.0659 mills for Fiscal Year (FY) 2022 and that the "Rolled-Back" rate be set at 0.0755 mills; and

**WHEREAS**, the City of Miami Beach is required to advise the Miami-Dade County Property Appraiser of the Proposed Normandy Shores Local Government Neighborhood Improvement District Operating Millage Rate, the "Rolled-Back" rate, and the date, time, and place of the first public hearing.

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION, ACTING IN ITS CAPACITY AS THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT**, that the following recommendations of the Administration be and are hereby ratified for transmittal to the Miami-Dade County Property Appraiser, as specified in Section 200.065, Florida Statutes:

- 1) Proposed Normandy Shores Local Government Neighborhood Improvement District Operating Millage Rate for FY 2022:

General Operating	1.0659 mills
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- 2) "Rolled-Back" Rate                      0.0755 mills

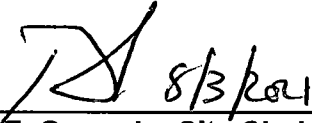
- 3) The first public hearing on the Proposed Normandy Shores Local Government Neighborhood Improvement District operating millage rate and budget for FY 2022 shall be held on Friday, September 17, 2021, at 5:02 p.m., in the City Commission Chambers at 1700 Convention Center Drive, 3<sup>rd</sup> Floor, Miami Beach, Florida 33139.

**PASSED and ADOPTED** this 28<sup>th</sup> day of July, 2021.

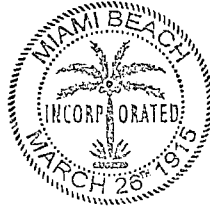
**ATTEST:**



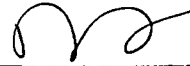
**Dan Gelber, Mayor**



**Rafael E. Granado, City Clerk**



APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION



City Attorney

7-23-21

Date

PAZ

# MIAMI BEACH

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

## COMMISSION MEMORANDUM

TO: Honorable Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager 

DATE: July 28, 2021

SUBJECT: **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT SETTING 1) THE PROPOSED GENERAL OPERATING MILLAGE RATE FOR THE NORMANDY SHORES NEIGHBORHOOD IMPROVEMENT DISTRICT; 2) THE CALCULATED "ROLLED-BACK" RATE; AND, 3) THE DATE, TIME, AND PLACE OF THE FIRST PUBLIC HEARING TO CONSIDER THE OPERATING MILLAGE RATE AND BUDGET FOR FISCAL YEAR 2022; AND, FURTHER, AUTHORIZING THE CITY MANAGER TO TRANSMIT THIS INFORMATION TO THE MIAMI-DADE COUNTY PROPERTY APPRAISER IN THE FORM REQUIRED BY SECTION 200.065, FLORIDA STATUTES**

### STRATEGIC PLAN SUPPORTED

Organizational Innovation – Ensure strong fiscal stewardship

### ADMINISTRATION RECOMMENDATION

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

- 1) Proposed Normandy Shores Local Government Neighborhood Improvement District Operating Millage Rate for Fiscal Year (FY) 2022:

General Operating	1.0659 mills
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- 2) "Rolled-Back" Rate (Truth-in-Millage) 0.0755 mills
- 3) The first public hearing on the Proposed Normandy Shores Local Government Neighborhood Improvement District operating millage rate and budget for FY 2022 shall be held on Friday, September 17, 2021, at 5:02 p.m., in the City Commission Chambers at 1700 Convention Center Drive, 3rd Floor, Miami Beach, Florida 33139.

### BACKGROUND

The Normandy Shores Local Government Neighborhood Improvement District, which is a dependent taxing district of its principal, the City of Miami Beach, was established in 1994 to provide continual 24-hour security to this gated community; FY 2022 represents its twenty-eighth year of operation.

The District was established by Ordinance 93-2881 and has the authority "to levy an ad-valorem tax on real and personal property of up to two mills, provided that no parcel of property will be assessed more than \$500 annually for such improvements."

On September 11, 1997, Resolution 97-22522 adopted the District's Tentative FY 1998 millage rate. The accompanying memorandum noted that the City had been funding the gap between the revenues generated from the ad valorem taxes and the budget, that the City could not continue to subsidize this budget and that the District should be self-sustaining. This memorandum also noted that Resolution 97-22487 included the City Commission's direction to the City Clerk to take such steps as may be necessary to hold a special referendum for the purpose of authorizing special assessments to raise \$41,915 for operating purposes within the District for FY 1998.

On September 23, 1998, Resolution 98-22902 adopted the District's FY 1999 budget. The accompanying memorandum noted that the City had been funding the gap between the revenues generated from the ad valorem taxes and the budget and that a determination was reached that the City would fund 35% of the annual cost of the community guard gate. It also stated that the cost would eventually be funded by the golf course and that the City Attorney's Office would review the issue of the dependent status of the District, and the City would continue supplementing the budget at current levels until both issues are resolved.

On September 25, 2002, Ordinance 2002-3380 adopted the removal of the \$500 annual cap per parcel. The accompanying memorandum noted that the City's 35% contribution will be maintained.

In 2015, as part of a "clean up" Ordinance to repeal three other safe neighborhood districts that were no longer active, the Mayor and City Commission enacted Ordinance 2015-3928. With respect to the Normandy Shores District, because the prior versions of the ordinance had not been codified as part of the consolidated legislation of the City, the 2015 Ordinance sought to codify the legislation, but in so doing, inadvertently re-adopted the original 1993 Ordinance - which included an ad valorem cap of \$500 per property - and not the correct, and most recent, version of the legislation, the 2002 Ordinance, which deleted the cap of \$500 per property.

In order to correct the inadvertent error in the 2015 Ordinance and eliminate the \$500 per property cap, as intended since 2002, the Mayor and City Commission adopted Ordinance 2020-4386 on December 9, 2020.

The City's legal opinion is that none of the enabling legislation for the Normandy Shores Local Government Neighborhood Improvement District, codifies an obligation for the City to continue to fund up to 35% of the District's annual budget, and as such, is not a binding contribution.

### **JULY 23<sup>rd</sup> FERC BUDGET BRIEFING**

At the July 23, 2021 FERC meeting, the Committee recommended the elimination of the 35% subsidy totaling \$91,700, while maintaining the City's 50% contribution, or \$30,000, toward the total cost of \$60,000 for the security rover.

### **ANALYSIS**

On July 1, 2021, the City received the 2021 Certification of Taxable Value from the Miami-Dade County Property Appraiser for the Normandy Shores Local Government Neighborhood

Improvement District indicating that the taxable value was approximately \$248.9 million, including \$3.8 million of new construction. Overall, this represents an increase of approximately \$6.1 million, or 2.5 percent (%), over the 2020 Certification of Taxable Value of \$242.8 million provided by the Miami-Dade County Property Appraiser as of July 1, 2020 for the Normandy Shores Local Government Neighborhood Improvement District. It is important to note that the final 2020 tax roll for the Normandy Shores Local Government Neighborhood Improvement District of \$239.4 million is approximately \$3.4 million, or 1.4%, lower than the 2020 Certification of Taxable Value due to appeals, adjustments, etc.

	July 2020 Certified	July 2021 Certified	\$ Change
Property Assessment			
Existing Values	242,757,511	245,073,256	2,315,745
New Construction	0	3,782,998	3,782,998
<b>Total Normandy Shores</b>	<b>242,757,511</b>	<b>248,856,254</b>	<b>6,098,743</b>

### **PROPOSED BUDGET & MILLAGE**

The Normandy Shores Local Government Neighborhood Improvement District budget proposed for FY 2022, as reflected in Attachment A, is \$252,000, which is an increase of \$3,000, or 1.2%, from the adopted FY 2021 budget and is comprised of the following line-items:

Items Included in Preliminary FY 2022 Expenditures	\$
Contracted Security Guard Services for Guardhouse and 50% of Rover	214,000
Gate Maintenance and Repairs	24,000
Utilities	7,000
Guardhouse Janitorial Services	4,000
Other Miscellaneous Operating Expenditures	2,000
OIG Set-aside	1,000
<b>Total</b>	<b>\$252,000</b>

The proposed FY 2022 ad valorem millage rate, based on the recommendation of the FERC at its July 23, 2021 meeting, is 1.0659 mills, which is 0.9886 mills more than the adopted FY 2021 millage rate of 0.0773 mills. This increase is primarily due to the 2015 "clean-up" Ordinance that inadvertently re-adopted the original 1993 Ordinance that included an ad valorem cap of \$500 per property instead of the 2002 Ordinance that removed the cap of \$500 per property, and the elimination of the City's 35% subsidy.

Based on the 2021 Certification of Taxable Value for the Normandy Shores Local Government Neighborhood Improvement District provided by the Miami-Dade Property Appraiser as of July 1, 2021, this proposed tax levy would generate proceeds of \$265,256, which will be budgeted at approximately 95.0%, or \$251,993 (rounded to \$252,000), to account for early payment discounts, delinquencies, etc. This millage rate will fund the proposed FY 2022 budget summarized above for the District, with no City subsidy.

## **Statutory Requirement**

Florida Statute 200.065, entitled "Method of Fixing Millage," establishes specific guidelines that must be used by all local government entities, including dependent taxing districts like Normandy Shores in setting its millage (property tax) rates. Not unlike its principal taxing authority (City of Miami Beach), Normandy Shores is also required to transmit within 35 days from receipt of the Certification of Taxable Value (received July 1, 2021), to the Miami-Dade County Property Appraiser, a proposed operating millage rate, the calculated "rolled-back" rate and the date, time, and place of the first public hearing to consider the proposed operating millage rate and budget for FY 2022.

The "rolled-back" rate is the millage rate required to produce the same level of property tax revenue in FY 2022 as collected in FY 2021. The rate is calculated at 0.0755 mills, which is 0.0018 mills less than the millage rate of 0.0773 adopted for FY 2021. The "rolled-back" millage rate tax levy would generate proceeds of \$18,789. The difference between the proposed millage rate for FY 2022 and the "rolled-back" rate levy is \$246,467.

After setting the proposed operating millage rate for the Normandy Shores Local Government Neighborhood Improvement District, the City Commission may, at any time prior to the final adoption, lower the proposed millage rate. However, any increase above the proposed rate of 1.0659 mills for FY 2022, if adopted, would require an expensive mailing and advertising process to each property owner in the Normandy Shores Local Government Neighborhood Improvement District. Therefore, this proposed millage rate is viewed as the ceiling.

Further, per 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 Commission is required to approve a millage up to 0.8833 mills (equivalent to a 4.43% increase in Property Tax revenues). The 1.0443 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 Commission is required to approve a millage up to 0.9716 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 0.9716 mills.

Adoption of the proposed FY 2022 millage rate of 1.0659 mills for the Normandy Shores Local Government Neighborhood Improvement District would, therefore, require a unanimous approval (7 of 7 votes) by the City Commission per the State of Florida's Truth-in-Millage (TRIM) requirements.

## **First Public Hearing**

The first public hearing on the proposed operating millage rate and budget for FY 2022 must be held no later than 80 days, or earlier than 65 days, from the start of the TRIM calendar (July 1st). Other guidelines are: 1) The public hearing cannot be scheduled on a Sunday or on those days utilized by Miami-Dade County or the Miami-Dade County School Board for their public hearing;

2) If on a day other than Saturday, it must be held after 5:00 P.M.; and, 3) Must be held immediately following discussion of the tentative millage and budget of its principal taxing authority (City of Miami Beach).

Based on these guidelines, the first public hearing must be held between September 3, 2021 and September 18, 2021. The following dates are unavailable for the following reasons:

September 5 and 12	Sundays
September 9	Miami-Dade County School Board 2 <sup>nd</sup> Public Hearing
September 14	Miami-Dade County 1 <sup>st</sup> Public Hearing

Of the remaining days available, it is recommended that the first public hearing be held on Friday, September 17, 2021, at 5:02 P.M., in the City Commission Chambers at 1700 Convention Center Drive, 3<sup>rd</sup> Floor, Miami Beach, Florida 33139.

Attachment A – FY 2022 Proposed Normandy Shores Budget

ATH/JW/TOS

# ATTACHMENT A

## FY 2022 Normandy Shores District Budget

	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget	FY 2022 Proposed Budget	\$ Variance FY 2022 Budget vs FY 2021 Adopted	% Variance FY 2022 Budget vs FY 2021 Adopted
<b>REVENUES</b>							
Residents 65%	180,050	164,450	173,550	17,900	252,000	234,100	1307.8%
City 35%	96,950	88,550	93,450	93,100	0	(93,100)	-100.0%
Restitutions	6,207	595	1,662	0	0	0	0.0%
Miscellaneous/Interest	176	1,408	1,131	3,000	0	(3,000)	-100.0%
Fund Balance/Retained Earnings <sup>(1)</sup>	0	0	0	135,000	0	(135,000)	-100.0%
<b>Total</b>	<b>\$ 283,383</b>	<b>\$ 255,003</b>	<b>\$ 269,793</b>	<b>\$ 249,000</b>	<b>\$ 252,000</b>	<b>\$ 3,000</b>	<b>1.2%</b>
<b>EXPENDITURES</b>							
Security Guard Services <sup>(2)</sup>	210,000	210,000	217,000	210,000	214,000	4,000	1.9%
Janitorial Services	0	1,067	3,892	4,000	4,000	0	0.0%
Gate Repairs (AAA Repairs)	22,428	19,170	31,099	20,000	20,000	0	0.0%
Internal Service - Other Repairs	0	0	0	5,000	4,000	(1,000)	-20.0%
Internal Service - OIG Set-Aside <sup>(3)</sup>	0	0	0	1,000	1,000	0	0.0%
Utilities (Electricity & Telephone) <sup>(4)</sup>	1,260	1,723	5,835	7,000	7,000	0	0.0%
RFID System	0	0	42,200	0	0	0	0.0%
Video Camera System Upgrade	0	0	0	0	0	0	0.0%
AED Guardhouse Defibrillator	1,404	0	0	0	0	0	0.0%
Other Expenditures <sup>(5)</sup>	16,400	5,957	936	2,000	2,000	0	0.0%
<b>Total</b>	<b>\$ 251,493</b>	<b>\$ 237,917</b>	<b>\$ 300,961</b>	<b>\$ 249,000</b>	<b>\$ 252,000</b>	<b>\$ 3,000</b>	<b>1.2%</b>
<b>Surplus / (Shortfall)</b>	<b>\$ 31,890</b>	<b>\$ 17,086</b>	<b>\$ (31,168)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>

<b>REQUIRED MILLAGE</b>	<b>0.9564</b>	<b>0.8161</b>	<b>0.8161</b>	<b>0.0773</b>	<b>1.0659</b>	<b>0.9886</b>	<b>1279.8%</b>
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Existing Values	196,441,992	209,647,105	219,807,591	233,297,993	245,073,256	11,775,263	5.0%
New Construction	1,719,766	2,458,268	3,896,854	9,459,518	3,782,998	(5,676,520)	-60.0%
<b>Total</b>	<b>198,161,758</b>	<b>212,105,373</b>	<b>223,704,445</b>	<b>242,757,511</b>	<b>248,856,254</b>	<b>6,098,743</b>	<b>2.5%</b>

Value of 1 Mill	198,162	212,105	223,704	242,758	248,856	6,099	2.5%
95% of 1 Mill	188,254	201,500	212,519	230,620	236,413	5,794	2.5%

**Footnotes:**

- <sup>(1)</sup> FY 2021 Adopted Budget was based on a one-time use of fund balance for operations of the district
- <sup>(2)</sup> FY 2022 security guard services based on current hourly rate of \$21.03 for services provided 24 hours/day, 7 days/week, for guardhouse, plus 49 hours a week for a security rover at \$21.03 per hour and \$5,760 fee for rental of a golf cart (the hourly rate is subject to change for living wage if adopted by the City Commission for FY 2022). The cost of the roving guard and rental of golf cart is split-funded between Normandy Shores (50%) via Prop Mgmt. chargeback and the Normandy Shores Golf Course (50%). The increase in security guard services is due to an increase of \$0.32 in the contracted hourly rate and an increase of \$480 for the golf cart rental rate.
- <sup>(3)</sup> Set-aside for OIG Funding based on 0.5% of budgeted contracts in accordance with Ordinance 2020-4325 adopted by the City Commission on January 15, 2020 to be finalized once FY 2022 OIG budget is finalized
- <sup>(4)</sup> Utility costs based on FY 2021 actuals to date, plus projected increase of 1.1% for CPI in accordance with the City's utility fee rates
- <sup>(5)</sup> Other Expenditures includes the annual Special Taxing District state fee paid to the Department of Economic Opportunity and funding for repairs and maintenance. The concrete island project included in the FY 2022 Preliminary Budget, in the amount of \$10,000, was subsequently withdrawn based on the 6/17/2021 Normandy Shores Local Government Improvement Board Meeting



# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission  
FROM: Alina T. Hudak, City Manager  
DATE: July 28, 2021

SUBJECT: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT SETTING 1) THE PROPOSED GENERAL OPERATING MILLAGE RATE FOR THE NORMANDY SHORES NEIGHBORHOOD IMPROVEMENT DISTRICT; 2) THE CALCULATED "ROLLED-BACK" RATE; AND, 3) THE DATE, TIME, AND PLACE OF THE FIRST PUBLIC HEARING TO CONSIDER THE OPERATING MILLAGE RATE AND BUDGET FOR FISCAL YEAR 2022; AND, FURTHER, AUTHORIZING THE CITY MANAGER TO TRANSMIT THIS INFORMATION TO THE MIAMI-DADE COUNTY PROPERTY APPRAISER IN THE FORM REQUIRED BY SECTION 200.065, FLORIDA STATUTES.

**(ITEM TO BE SUBMITTED IN SUPPLEMENTAL)**

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### **SUPPORTING SURVEY DATA**

N/A

### **Applicable Area**

Citywide

**Is this a "Residents Right to Know" item, pursuant to City Code Section 2-14?**

Yes

**Does this item utilize G.O. Bond Funds?**

No

### **Strategic Connection**

Organizational Innovation - Ensure strong fiscal stewardship.

### **Legislative Tracking**

Office of Management and Budget

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