

# MESSAGE FROM THE CITY MANAGER

## ALINA T. HUDAK

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October 1, 2023

Honorable Mayor and Members of the City Commission:

Our local economy continues to experience a robust recovery with property values increasing by 10.8%. This is the second consecutive year we have experienced a double-digit increase in property values in our recent history, in addition to the City's highest ever resort tax collections. While it remains unclear how long this economic trajectory will continue, the City's financial position remains strong. Although the property values have increased, these additional resources are needed to meet the continuing impact of the highest inflation in over 40 years, which has also resulted in funding gaps for many of our critical capital projects.

The Adopted Fiscal Year (FY) 2024 Budget includes several enhancements that directly respond to resident feedback and Commission priorities that emphasize public safety, homelessness, and cleanliness. It also addresses more recent concerns regarding traffic in the City.

This budget includes funding for ten additional full-time positions to assist with mitigating traffic congestion on major corridors during peak hours, funding for a water taxi subsidy pilot program, and funding for a traffic signal optimization pilot project. To enhance public safety and address homelessness throughout the City, including the Beachwalk and our parks, the budget includes an additional Homeless Outreach Team comprised of four full-time positions, an additional nine full-time Park Ranger positions, and the conversion of nine existing part-time Park Ranger positions to full time. The latter is part of an enhancement that was approved last year to convert 29 part-time Park Rangers to full-time status over three years. In order to provide enhanced public safety staffing during the peak period of March 2024, this budget also includes funding to implement an alpha/bravo police staffing schedule on the second and third weeks of that month.

To address cleanliness, funding for temporary contracted services is being added for Sanitation to maintain enhanced late-night cleanliness services in the Art Deco Cultural District (ADCD) and during special events that have increased in number compared to previous years.

This budget also includes an additional full-time Ombudsman position to assist residents in navigating the City's permitting process, as well as funding of the City's General Fund for vehicles that are scheduled for replacement using cash instead of financing with debt to reduce the City's future borrowing costs and funding for the continuation of several economic development initiatives. To conclude, this budget includes funding additions of our General Fund reserves and funding for additional capital needs.

I am pleased to report that we have the highest reserve levels in the City's history in our General and Resort Tax funds. Our General Fund Reserves — or rainy-day funds — are at \$95.7 million, which is the equivalent of three months of reserves based on the Adopted FY 2023 General Fund Budget. In the Resort Tax Fund, our reserves are at \$37.9 million, which is the equivalent of six months of reserves based on the Adopted FY 2023 2% Resort Tax Fund Budget. Over and above these levels based on current year projections, we have identified additional excess amounts that are recommended to be redirected to address funding gaps in some of our capital projects due to inflation and project cost escalations. Due to the successful management of our reserves and strategic budget balancing plans, the City has been able to maintain its AA+ General Obligation (G.O.) Bond credit rating.



# CITY MANAGER'S MESSAGE

## MESSAGE FROM THE CITY MANAGER CONT'D

I hereby transmit the Adopted Work Plan and Operating Budget for FY 2024, commencing on October 1, 2023 and ending on September 30, 2024, including the Adopted Work Plan and Operating Budget, the Adopted Capital Budget and the associated Capital Improvement Plan (CIP) for FY 2024 through FY 2028.

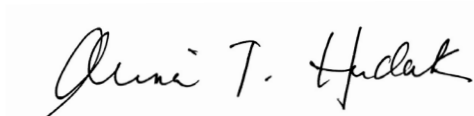
The City's Adopted FY 2024 Operating Budget totals \$829.1 million, which includes the General Fund, G.O. Debt Service, Enterprise Funds, Special Revenue Funds and the City's transfers to the Redevelopment Districts. This amount is net of Interfund Transfers. The total Adopted FY 2024 General Fund Operating Budget is \$427.6 million, which is approximately \$45.0 million, or 11.8%, more than the Adopted FY 2023 General Fund Operating Budget of \$382.6 million. This amount reflects the increase in property values, increased revenues from Resort Taxes and other sources of revenues, and numerous enhancements.

As in past years, the Adopted Work Plan and Budget was developed through an intensive and extensive review process with our City Commission. Budget information was provided at the Commission Budget Workshop on May 11, 2023, budget briefings to the Finance and Economic Resiliency Committee (FERC) on June 29 and July 21, 2023, and at the two public hearings on September 13 and September 27, 2023. I am confident this budget will enable the City to continue delivering outstanding services to our residents, businesses, and visitors as we also ensure our long-term sustainability.

I would like to thank the Mayor 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 (BAC) and Chairperson Mojdeh Khagan as well as all City staff who worked diligently over the last year to respond to changes in priorities from the City Commission. I would particularly like to thank my Deputy City Manager, Assistant City Managers, and all department and division directors. I appreciate all of us working together toward a balanced budget that will continue to improve our community. In addition, I would like to recognize and thank Jason Greene, CFO; Tameka Otto Stewart, Budget Director; Richard Ajami, Budget Officer; Ayanna DaCosta-Earle and Kyle Teijeiro, Senior Management and Budget Analysts; Isadora Gonzalez and Yelina Iglesias, Management and Budget Analysts, along with Daniela Martinez, Office Associate V.

Respectfully submitted,



Alina T Hudak  
City Manager