

**RESOLUTION NO.        2021-31856**

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE TENTATIVE AD VALOREM MILLAGE OF 5.7626 MILLS FOR FISCAL YEAR 2022 FOR GENERAL OPERATING PURPOSES, WHICH IS THREE AND SEVEN TENTHS PERCENT (3.7%) MORE THAN THE "ROLLED-BACK" RATE OF 5.5571 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2889 MILLS, SUBJECT TO A SECOND PUBLIC HEARING TO CONSIDER THE MILLAGE RATE FOR FISCAL YEAR 2022 ON THURSDAY, SEPTEMBER 30, 2021, AT 5:01 P.M.**

**WHEREAS**, on July 28, 2021, the Mayor and City Commission adopted Resolution No. 2021-31818, which set the proposed Fiscal Year (FY) 2022 general operating millage rate at 5.7626 mills (excluding debt service) for general operating purposes, which is an increase of 0.0338 mills above the adopted FY 2021 general operating millage rate of 5.7288 mills, and 0.2889 mills for debt service, which is a decrease of 0.0338 mills from the adopted FY 2021 debt service millage rate of 0.3227 mills and is necessary to fund the required debt service for outstanding General Obligation Bonds, including the first tranche of the General Obligation Bonds issued by the City in 2019, following the voter referendum approval of the City's General Obligation Bond program on November 6, 2018; and

**WHEREAS**, the proposed FY 2022 general operating millage rate of 5.7626 mills is comprised of a General millage rate of 5.6636 mills that funds operating costs in the General Fund, a Capital Renewal and Replacement (CRR) millage rate of 0.0235 mills that provides a dedicated source of funding for renewal and replacement projects that extend the useful life of General Fund capital assets, and a Capital Pay-As-You-Go (PayGo) millage rate of 0.0755 mills that provides a dedicated source of funding for General Fund capital projects; and

**WHEREAS**, Section 200.065, Florida Statutes, requires that at the conclusion of the first public hearing on the City's proposed tax rate and budget, the City Commission: 1) adopt a tentative ad valorem millage rate for FY 2022 general operating purposes; and 2) adopt the required debt service millage rate for FY 2022; this is accomplished by adopting a Resolution which includes the percentage increase or decrease over the "rolled-back" rate; and

**WHEREAS**, at this time, the Administration recommends that the City Commission set the second and final public hearing to consider the aforementioned millage rates for FY 2022.

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

(1) Pursuant to Section 200.065, Florida Statutes, there is hereby levied a tax for FY 2022 on all taxable and non-exempt real and personal property located within the corporate limits of the City of Miami Beach, Florida, as follows:

- (a) For the purpose of operating the government of the City, the rate assigned amounts to 5.7626 mills. Also included are appropriate reserves and contingencies, which are not limited to reserves for tax discounts and abatements of uncollected taxes.

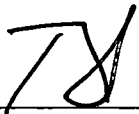
The millage rate reflected is three and seven-tenths percent (3.7%) more than the "Rolled-back" rate of 5.5571 mills.

(b) For the purpose of providing payment on the principal and interest portions of outstanding General Obligation Bond Debt and miscellaneous debt service expenditures, the rate assigned amounts to 0.2889 mills.

(2) The tentative adopted millage rates for the City of Miami Beach, Florida for FY 2022 are subject to a second and final public hearing, herein set for and to be held on Thursday, September 30, 2021, at 5:01 P.M., in the City Commission Chambers, City Hall, 1700 Convention Center Drive, 3rd Floor, Miami Beach, Florida 33139.

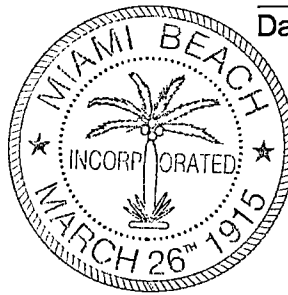
**PASSED AND ADOPTED** this 17th day of September 2021.

**ATTEST:**



Rafael E. Granado, City Clerk

SEP 22 2021



Dan Gelber, Mayor

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION



City Attorney

PAZ

9-8-21

Date

# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission  
FROM: Alina T. Hudak, City Manager  
DATE: September 17, 2021

5:01 p.m. First Reading Public Hearing

SUBJECT: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE TENTATIVE AD VALOREM MILLAGE OF 5.7626 MILLS FOR FISCAL YEAR 2022 FOR GENERAL OPERATING PURPOSES, WHICH IS THREE AND SEVEN TENTHS PERCENT (3.7%) MORE THAN THE "ROLLED-BACK" RATE OF 5.5571 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2889 MILLS, SUBJECT TO A SECOND PUBLIC HEARING TO CONSIDER THE MILLAGE RATE FOR FISCAL YEAR 2022 ON THURSDAY, SEPTEMBER 30, 2021, AT 5:01 P.M.

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### RECOMMENDATION

See attached Memorandum.

### 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

### ATTACHMENTS:

#### **Description**

- Memo - FY 2022 Millage

▫ Resolution

# 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: September 17, 2021

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE TENTATIVE AD VALOREM MILLAGE OF 5.7626 MILLS FOR FISCAL YEAR 2022 FOR GENERAL OPERATING PURPOSES, WHICH IS THREE AND SEVEN TENTHS PERCENT (3.7%) MORE THAN THE "ROLLED-BACK" RATE OF 5.5571 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2889 MILLS, SUBJECT TO A SECOND PUBLIC HEARING TO CONSIDER THE MILLAGE RATE FOR FISCAL YEAR 2022 ON THURSDAY, SEPTEMBER 30, 2021, AT 5:01 P.M.**

### STRATEGIC PLAN SUPPORTED

Organizational Innovation – Ensure strong fiscal stewardship

### ADMINISTRATION RECOMMENDATION

The Administration recommends that the Mayor and City Commission adopt the attached Resolution which authorizes the City Manager to transmit the following information to the Miami-Dade County Property Appraiser:

1) Proposed Millage Rates for Fiscal Year (FY) 2022:

General Millage	5.6636 mills
Capital Renewal & Replacement Millage	0.0235 mills
Pay-As-You-Go (PayGo) Millage	<u>0.0755 mills</u>
Total General Operating Millage	5.7626 mills
Voted Debt Service Millage	<u>0.2889 mills</u>
Total Combined Millage	6.0515 mills (same as last year)

- 2) The tentatively adopted total combined millage rate of 6.0515 mills for FY 2022 reflects no change compared to total combined millage rate of 6.0515 adopted for FY 2021. The tentatively adopted total operating millage rate of 5.7626 for FY 2022 is 0.2055 mills, or 3.7 percent (%), more than the "rolled-back" rate of 5.5571. As a result, the City is required to publish a Notice of Proposed Tax Increase in accordance with the State of Florida's Truth in Millage (TRIM) requirements.
- 3) The second public hearing to consider the final millage rates and budgets for FY 2022 shall be held on Thursday, September 30, 2021 at 5:01 P.M.

The “rolled-back” millage rate for FY 2022 is the millage rate required to produce the same level of property tax revenues in the General Fund for FY 2022 as anticipated to be received in FY 2021. It is important to note that the overall January 1, 2020 citywide tax roll decreased by approximately \$1.1 billion between the July 1, 2020 certified valuation and the final July 1, 2021 valuation due to appeals, adjustments, etc., which is primarily the reason the FY 2022 “rolled-back” rate is 0.1717 mills less than the FY 2021 Total General Operating millage rate of 5.7288 mills and is lower than it would have been if the “rolled-back” rate was only adjusted for the increase in revenues generated by higher property values. The area outside of the City Center Redevelopment Area (RDA), which directly impacts General Fund revenues, decreased in value by approximately \$875.6 million during the same period.

**PROCEDURE**

Florida Statutes, Section 200.065, requires that at the conclusion of the first public hearing on the proposed tax rate and budget, the City Commission proceed in the following specific manner:

1. Adopt a tentative ad valorem millage rate for FY 2022 general operating purposes. This is accomplished by adopting a Resolution which includes the percentage increase or decrease over the "rolled-back" rate; the required debt service millage rate; and, the date, time, and place of the second public hearing

**State statute requires that only the title be read aloud.**

2. Adopt a tentative general operating budget for FY 2022, which also includes budgets for Enterprise, Internal Service, Special Revenue, G.O. Bond Debt Service Funds, as well as the City Tax Increment Financing (TIF) portion of the City Center RDA. This is accomplished by adopting a companion Resolution (see accompanying City Budget Agenda Item).

Both the millage and budget Resolutions must be adopted again after a second and final public hearing.

**ANALYSIS OF PROPERTY VALUES IN MIAMI BEACH**

On June 1, 2021, the City received the 2021 Estimated Taxable Values from the Miami-Dade County Property Appraiser indicating that the overall taxable value for the City of Miami Beach was approximately \$41.6 billion, including \$147.0 million in new construction. Overall, this represented a \$94.0 million, or 0.2%, decrease in values from the 2020 Certification of Taxable Value provided by the Miami-Dade County Property Appraiser on July 1, 2020.

	July 2020 Certified	June 2021 Estimated	\$ Change
<b>Property Assessment</b>			
Existing Values	41,742,998,986	41,502,000,000	(240,998,986)
New Construction	0	147,000,000	147,000,000
<b>Total Citywide</b>	<b>41,742,998,986</b>	<b>41,649,000,000</b>	<b>(93,998,986)</b>
City Center RDA	6,204,385,940	6,191,977,168	(12,408,772)
Citywide Total - Net of City Center RDA	35,538,613,046	35,457,022,832	(81,590,214)
<b>Property Tax Revenue Projection</b>	<b>196,617,000</b>	<b>196,169,000</b>	<b>(448,000)</b>

On July 1, 2021, the City received the 2021 Certification of Taxable Value from the Miami-Dade County Property Appraiser indicating that the overall taxable value for the City of Miami Beach was approximately \$41.9 billion, including \$215.6 million in new construction. Overall, this represents a \$217.7 million, or 0.5%, increase in values from the 2021 Estimated Taxable Values provided by the Miami-Dade County Property Appraiser on June 1, 2021.

The estimated property tax revenue projections as of June 1, 2021 assumed property values within the City Center RDA would decrease by approximately 0.2% over the certified July 1, 2020 values based on historical trends. Based on the certified July 1, 2021 values provided by the Miami-Dade County Property Appraiser, property values within the City Center Redevelopment Agency (RDA) actually decreased by approximately \$226.5 million, or 3.7%, from the certified July 1, 2020 values. This reduction in the RDA property values resulted in a \$1.1 million increase in citywide General Fund property tax revenues over the preliminary property tax revenues projected as of June 1, 2021.

	June 2021 Estimated	July 2021 Certified	\$ Change
<b>Property Assessment</b>			
Existing Values	41,502,000,000	41,651,084,940	149,084,940
New Construction	147,000,000	215,589,854	68,589,854
<b>Total Citywide</b>	<b>41,649,000,000</b>	<b>41,866,674,794</b>	<b>217,674,794</b>
City Center RDA	6,191,977,168	5,977,864,104	(214,113,064)
Citywide Total - Net of City Center RDA	35,457,022,832	35,888,810,690	431,787,858
<b>Property Tax Revenue Projection</b>	<b>196,169,000</b>	<b>198,461,000</b>	<b>2,292,000</b>
Realign reduction in Debt Service millage rate to Operating millage rate			1,171,000
<b>Revised Property Tax Revenue Projection</b>			<b>3,463,000</b>

### **DETERMINING THE VOTED DEBT SERVICE MILLAGE LEVY**

For FY 2022, the total required debt service payment is approximately \$11.5 million, which is comprised of remaining debt service on the City's outstanding 2011 G.O. Bonds of \$2.4 million plus \$9.1 million attributed to the first tranche of the G.O. Bonds approved by the voters November 6, 2018, requires the levy of a Voted Debt Service millage rate of 0.2889 mills. The FY 2022 Voted Debt Service millage rate is 0.0338 mills less than the Voted Debt Service millage rate adopted in FY 2021 of 0.3227 mills, which is proposed to be applied to the General Operating millage rate as recommended by the Administration and approved by the Finance and Economic Resiliency Committee (FERC) at its July 16, 2021 and July 23, 2021 Budget Briefings.

	FY 2021 Adopted	FY 2022 Proposed	Increase/ (Decrease)
General	5.6298	5.6636	0.0338
Capital Renewal & Replacement	0.0235	0.0235	0.0000
Pay-As-You-Go (PayGo)	0.0755	0.0755	0.0000
<b>Total General Operating Millage</b>	<b>5.7288</b>	<b>5.7626</b>	<b>0.0338</b>
Debt Service	0.3227	0.2889	(0.0338)
<b>Total Combined Millage</b>	<b>6.0515</b>	<b>6.0515</b>	<b>0.0000</b>

**IMPACT OF PROPOSED MILLAGE LEVY IMPACT 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, 2021, the median value of homesteaded property in Miami Beach is \$220,738 while the average is \$569,192. The impact of the City’s proposed FY 2022 Total Combined millage rate of 6.0515 mills on the median homesteaded property within the City of Miami Beach would be an increase of \$49 while the impact to the average value homesteaded property within the City of Miami Beach would be an increase of \$144 as summarized in the table below.

Homesteaded Properties				
	FY 2021		FY 2022	
	Median**	Average**	Median**	Average**
<b>Preliminary Taxable Value**</b>	<b>\$ 212,696</b>	<b>\$ 545,281</b>	<b>\$ 220,738</b>	<b>\$ 569,192</b>
<b>City of Miami Beach</b>				
Operating	\$ 1,218	\$ 3,124	\$ 1,272	\$ 3,280
Voted Debt	69	176	64	164
<b>Total Miami Beach</b>	<b>\$ 1,287</b>	<b>\$ 3,300</b>	<b>\$ 1,336</b>	<b>\$ 3,444</b>
<b>\$ Change in Taxes</b>				
Operating			\$ 54	\$ 156
Voted Debt			(5)	(12)
<b>Total Miami Beach</b>			<b>\$ 49</b>	<b>\$ 144</b>
**Source: Miami-Dade County Property Appraiser's – 2020 and 2021-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 0.3%, 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. For FY 2022, these taxing authorities represent 68.7% of a Miami Beach property owner’s tax bill.



The proposed FY 2022 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 millage increased by 0.0295 mills from 0.4780 to 0.5075 mills. The tax rate for the Miami-Dade School District decreased by 0.1200 mills from 7.1290 to 7.0090 mills. The Children's Trust tax rate increased by 0.0493 mills from 0.4507 to 0.5000 mills. Combined, the millage rates for the South Florida Water Management District, Okeechobee Basin, Everglades Project, and Florida Inland Navigational District remained flat at 0.2995 mills.

With the proposed rates for FY 2022, the Miami Beach portion of the tax bill is approximately 31.3% of the total tax bill. It is important to note that Miami-Dade County's total FY 2022 millage rate of 5.4584 mills is 0.9276 mills, or 14.5%, less than Miami-Dade County's total FY 2007 millage rate of 6.3860 mills, as compared to the City's total FY 2022 millage rate of 6.0515 mills that is 1.6215 mills, or 21.1%, less than the City's total FY 2007 millage rate of 7.6730 mills. Further, the FY 2022 School Board millage of 7.0090 mills is 1.0960 mills less than 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 2021	FY 2022	Variance from FY 2007	Variance from FY 2021	% of FY 2022 Total
<b>City of Miami Beach</b>							
General Operating	7.1920	30.8%	5.6298	5.6636	(1.5284)	0.0338	29.3%
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%
<b>Operating Millage</b>	<b>7.3740</b>	<b>31.6%</b>	<b>5.7288</b>	<b>5.7626</b>	<b>(1.6114)</b>	<b>0.0338</b>	<b>29.8%</b>
Voted Debt Service	0.2990	1.3%	0.3227	0.2889	(0.0101)	(0.0338)	1.5%
<b>Subtotal</b>	<b>7.6730</b>	<b>32.9%</b>	<b>6.0515</b>	<b>6.0515</b>	<b>(1.6215)</b>	<b>0.0000</b>	<b>31.3%</b>
<b>Miami Dade County</b>							
Countywide	5.6150	24.1%	4.6669	4.6669	(0.9481)	0.0000	24.2%
Library	0.4860	2.1%	0.2840	0.2840	(0.2020)	0.0000	1.5%
Debt Service	0.2850	1.2%	0.4780	0.5075	0.2225	0.0295	2.6%
<b>Subtotal</b>	<b>6.3860</b>	<b>27.4%</b>	<b>5.4289</b>	<b>5.4584</b>	<b>(0.9276)</b>	<b>0.0295</b>	<b>28.3%</b>
<b>School Board</b>	<b>8.1050</b>	<b>34.8%</b>	<b>7.1290</b>	<b>7.0090</b>	<b>(1.0960)</b>	<b>(0.1200)</b>	<b>36.3%</b>
Children's Trust	0.4223	1.8%	0.4507	0.5000	0.0777	0.0493	2.6%
Other	0.7355	3.2%	0.2995	0.2995	(0.4360)	0.0000	1.6%
<b>Total</b>	<b>23.3220</b>	<b>100.0%</b>	<b>19.3596</b>	<b>19.3184</b>	<b>(4.0034)</b>	<b>(0.0412)</b>	<b>100.0%</b>

**IMPACT OF COMBINED TAX RATES OF OVERLAPPING JURISDICTIONS ON HOMESTEADED PROPERTIES**

The City of Miami Beach's preliminary 2021 median and average homesteaded residential taxable values are \$220,738 and \$569,192, respectively. Applying the total combined millage rates proposed for FY 2022 to the median and average taxable values results in a property tax increase of approximately \$146 for the median and \$439 for the average homesteaded residential tax bill in the City of Miami Beach.

Median properties would pay approximately \$4,264 per homesteaded property for all taxing jurisdictions combined, while the property taxes for average homesteaded residential properties would be approximately \$10,995 per homesteaded property. Of these taxing jurisdictions, the highest component is the Miami-Dade School Board at \$1,547 for a median valued homesteaded property and \$3,989 for an average valued homesteaded property in the City of Miami Beach.

The following table provides a summary of changes in the property taxes levied for homesteaded properties using the tax rates proposed for FY 2022 by jurisdiction.

Impact on Homesteaded Properties				
	FY 2021		FY 2022	
	Median**	Average**	Median**	Average**
<b>Preliminary Taxable Value**</b>	<b>\$212,696</b>	<b>\$545,281</b>	<b>\$220,738</b>	<b>\$569,192</b>
City of Miami Beach				
Operating	\$1,218	\$3,124	\$1,272	\$3,280
Voted Debt	69	176	64	164
<b>Total Miami Beach</b>	<b>\$1,287</b>	<b>\$3,300</b>	<b>\$1,336</b>	<b>\$3,444</b>
Miami Dade County	1,155	2,960	1,205	3,107
Schools	1,516	3,887	1,547	3,989
Other	160	409	176	455
<b>Total Combined</b>	<b>\$4,118</b>	<b>\$10,556</b>	<b>\$4,264</b>	<b>\$10,995</b>
<u>Change in Taxes</u>				
City of Miami Beach				
Operating			\$54	\$156
Voted Debt			(5)	(12)
<b>Total Miami Beach</b>			<b>\$49</b>	<b>\$144</b>
Miami Dade County			50	147
Schools			31	102
Other			16	46
<b>Total Combined</b>			<b>\$146</b>	<b>\$ 439</b>
**Source: Miami-Dade County Property Appraiser's – 2020 and 2021- Preliminary Average-Median-Homestead-Residential-Values files				

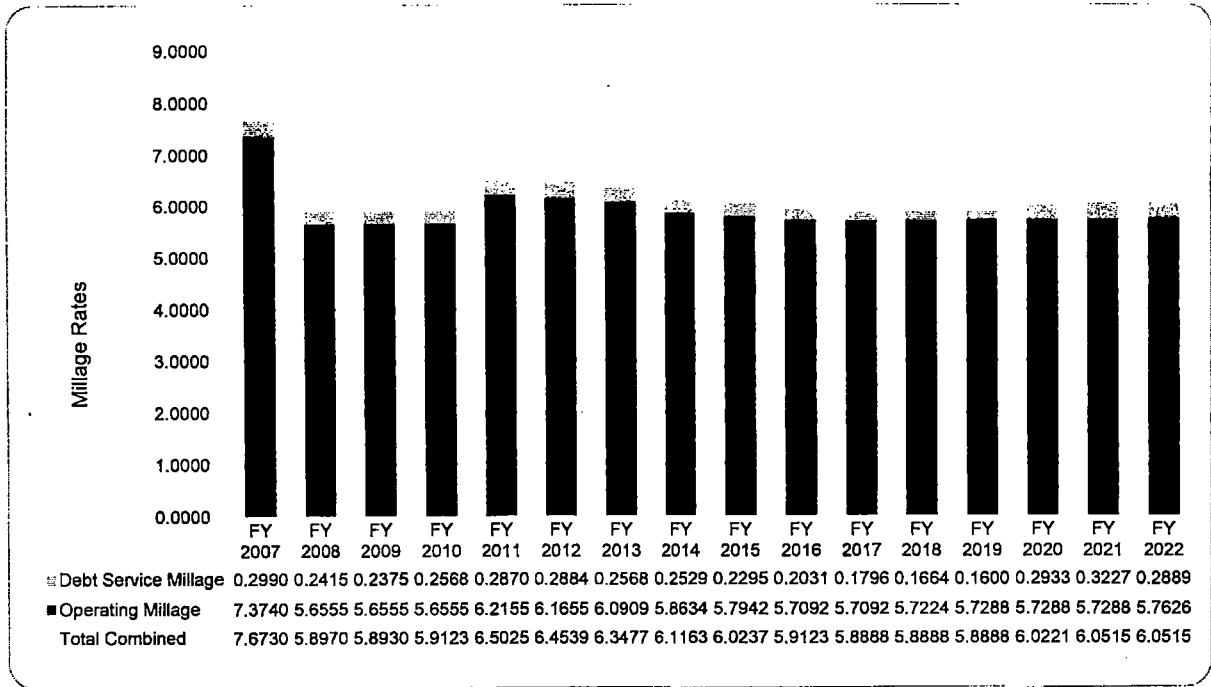
As with the City of Miami Beach millage rates, impacts of the combined jurisdictional millage rates for non-homesteaded properties are based on the individual property values.

### Historical Perspective

It is important to note that in prior years, the City of Miami Beach significantly reduced tax rates as property values increased. 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 were solely attributed to the G.O. Bond Program approved by the voters on November 6, 2018. For FY 2022, the City's Total Combined millage rate is proposed to remain flat at 6.0515 mills from the Total Combined millage rate adopted for FY 2021.

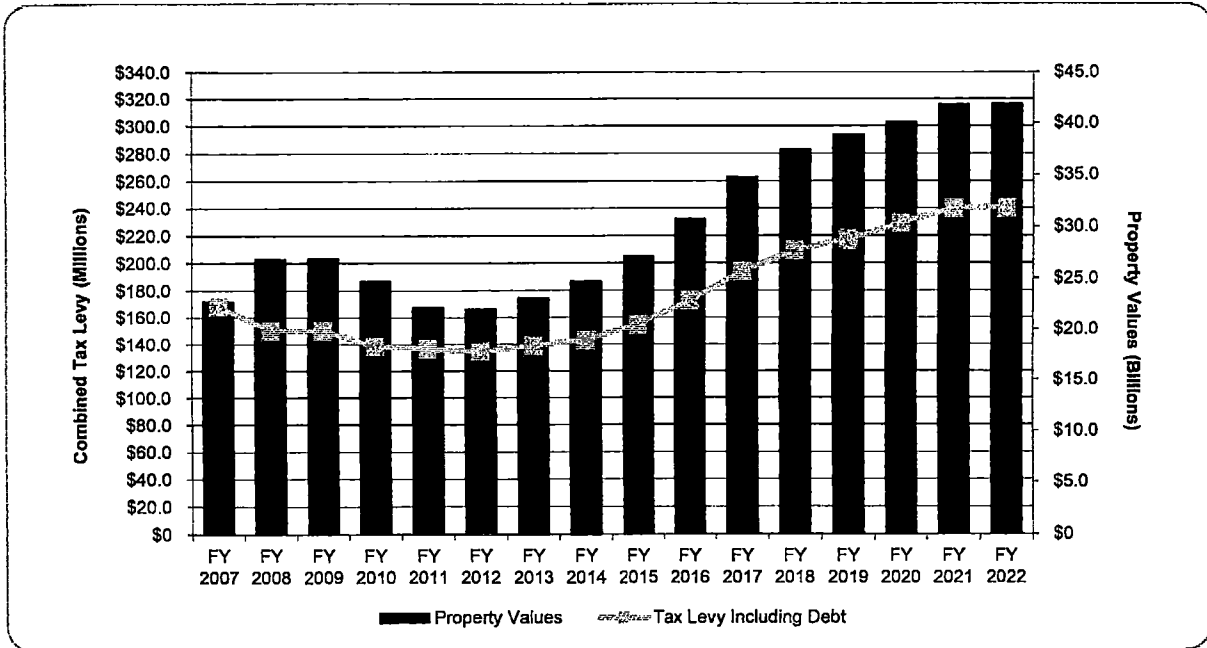
**Millage Rate History**



**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 to reduce the burden on the Parking Enterprise Fund and City Center RDA Fund. Consistent with this strategy, as part of the FY 2022 budget, the subsidies from the Parking Enterprise and City Center RDA Funds to the General Fund have been eliminated and the Administration recommends that this continues in subsequent years.

**Property Values and Tax Levy Trend**



**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, 2021), 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 2022. 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 2022 millage rate, the Mayor and City Commission may, at any time prior to final adoption, lower the proposed millage rates. However, increasing the proposed millage rate may only be accomplished by completing an expensive mailing and advertising process to every property owner in the City of Miami Beach. The City's proposed millage rates, as well as those of other taxing authorities, will be included in the Truth-in-Millage (TRIM) statement sent to each property owner in the City of Miami Beach by the Miami Dade County Property Appraiser.

**MAXIMUM MILLAGE DETERMINATION**

As presented at the July 16, 2021 Finance and Economic Resiliency Committee (FERC) Budget Briefing, the FY 2022 Total General Operating millage rate is proposed at 5.7626 mills, which reflects an adjustment of 0.0338 mills based on the realignment of the FY 2022 debt service millage reduction of 0.0338 mills, as recommended by the Administration and approved by the FERC on July 16, 2021. Based on the July 1, 2021 Certification of Taxable Value received from the Miami-Dade County Property Appraiser, the levy of 5.7626 mills would generate

approximately \$199.6 million in General Fund property tax revenues, which is an increase of approximately \$3.0 million over the FY 2021 budgeted property tax revenues Citywide (net of the City Center RDA).

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 6.4355 (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 Mayor and City Commission is required to approve a millage up to 7.0791 mills (equivalent to a 10% 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 7.0791 mills.

Adoption of the proposed Total General Operating millage rate of 5.7626 mills for FY 2022 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.

## **SECOND PUBLIC HEARING**

The second public hearing on the tentatively adopted millage rate and budget for FY 2022 must be advertised no later than 15 days after the first public hearing. It is recommended that the second public hearing be set for Thursday, September 30, 2021, at 5:01 P.M., in the City Commission Chambers, City Hall, 1700 Convention Center Drive, 3<sup>rd</sup> Floor, Miami Beach, Florida 33139.

## **CONCLUSION**

The Administration recommends adoption of the attached Resolution, which sets both the tentative total general operating and voted debt service millage rates for FY 2022 at 5.7626 mills and 0.2889 mills, respectively, and sets the date, time, and place of the second public hearing to be held on Thursday, September 30, 2021, at 5:01 P.M.

ATH/JW/TOS