

The SOUTH A Area Revenues and Expenditures Analysis (Executive Summary)
FINAL REPORT AND PRO FORMA – DECEMBER 2015

General Information

This is the first report generated for the South A area. The population for the South A Area as of November 2013 was 127,267 residents. The UMSA Millage is currently 1.9283 and has been at the same rate since 2013. The 2015 Preliminary Tax Roll in the area is \$4,760,210,726. In order to develop the revenue and expenditures for the Pro Forma, budgets from three different cities were considered. Budgets for the Cities of North Miami and Miami Gardens were analyzed and considered in this study because their budgets were similar in certain aspects with the area in consideration (population and per Capita Taxable Value). Another budget also considered was the budget for the Village of Palmetto Bay. Even though this is a more affluent neighborhood, it is a new city and some of the expenditures and revenues were similar when compared to a per-person expense and revenue.

This report is intended to inform interested parties how the city would be organized and the services it could provide.

| Revenues | Assumptions | Proposed South MAC Area Analysis (2015) |
|--|--|--|
| Ad Valorem Taxes | Allocation based on tax roll and Millage | \$8,720,159 |
| Franchise Fees | Allocation based on \$28.10 per person | \$3,576,203 |
| Utility Taxes (including Communications Service Tax) | Allocation based on \$104.53 per person | \$13,303,220 |
| Fines and Forfeitures | Allocation based on \$10.00 per person | \$1,272,670 |
| Licenses and Permits | Allocation based on \$3.27 per person | \$416,163 |
| Sales Tax | Allocation based on \$69.11 per person | \$8,795,422 |
| Interest | Allocation based on \$1.17 per person | \$148,902 |
| Alcoholic Beverage License | Allocation based on \$0.18 per person | \$22,908 |
| State Revenue Sharing | Allocation based on \$27.93 per person | \$3,554,567 |
| Building Permits | Allocation based on \$2.23 per person | \$283,805 |
| Charges for Services | Allocation based on \$5.89 per person | \$749,603 |
| Total Revenues | | \$40,843,622 |

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| Expenditures | Assumptions | Proposed South MAC Area Analysis (2015) |
|---------------------------------|-------------------------|--|
| City Council | MG Budget | \$537,770 |
| City Manager | Palmetto Bay Budget | \$485,226 |
| City Clerk | MG, CNM and PB Avg. | \$589,582 |
| Building Official | | \$283,805 |
| Finance | Palmetto Bay Budget | \$462,488 |
| Human Resources | Average of three cities | \$613,952 |
| City Attorney | MG Budget | \$558,694 |
| Planning and Zoning | Average of three cities | \$562,757 |
| Public Works | MG Budget | \$1,380,528 |
| Police | Provided by MDCPD | \$28,099,206 |
| Code Enforcement | North Miami Budget | \$852,956 |
| Parks & Recreation | Provided by MDCP&RD | \$2,920,100 |
| Purchasing | Miami Gardens Budget | \$300,000 |
| Information Technology | CNM Budget | \$892,063 |
| General Services Administration | Palmetto Bay Budget | \$1,270,943 |
| QNIP (Pay-as-you-go) | | \$1,033,552 |
| Total Expenditures | | \$40,843,622 |

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Interim and Transition Period

Should a new municipality is incorporated in Miami-Dade County, then the new City will enter into an “Interlocal Agreement” or contract. This contract will provide information on the services, the levels and costs of such services to be provided by the County to the new City for an “Interim Period” (six months after incorporation). Once the new municipality government has had the opportunity to set its priorities, the County and new municipality will enter into a separate “transition agreement”. This second agreement will provide information on a committed transition schedule through which the municipality will assume responsibility for delivering municipal services with the exception of local patrol and specialized police, library, solid waste collection and disposal, and fire-rescue services. The delivery of the municipal services will be a decision for the City’s elected officials.

REVENUES

Ad Valorem Taxes

Ad Valorem Taxes is a tax levied on the assessed value of real estate and personal property. This tax is also known as property tax. In FY 2015-16 the County levied 1.9283 mills in the Unincorporated Municipal Service Area (UMSA). This revenue is calculated by using 95 percent of the taxable value in the area (per State Statute) multiplied by 1.9283 mills. Municipalities may levy up to 10 Mills for municipal purposes pursuant to 200.071, F.S. The value provided by the Office of Budget and Management based on current tax roll (2015 Preliminary Tax Roll) of \$4,760,210,726 and Millage is \$8,720,159.

Franchise Fees

Franchise fees are locally levied taxes designed to compensate the municipality for allowing private utility businesses to use the City’s rights-of-way to conduct their business. Currently there is only a Franchise for Electricity in UMSA, municipalities may create other franchises such as gas and towing. The franchise fee allocated at \$28.10 per person is based on a per person average franchise fees for the City of Miami Gardens and the Village of Palmetto Bay and then multiplying it by the area’s population for total revenue of \$3,576,203.

Utility Taxes

Utility taxes are paid by the utility customer as a percentage of their bill for using the various utilities services – water, sewer, electric and communications. These taxes are collected by other local governments and remitted to the Municipality. The allocation of \$104.53 per person is based on the as per person average utility taxes for the Cities of Miami Gardens and North Miami and the Village of Palmetto Bay and then multiplying it by the area’s population for a total revenue of \$13,303,220.

Fines and Forfeitures

Fines and forfeitures are comprised of fines to include code enforcement and police type forfeitures. The allocation of \$10.00 per person is based on the as per person average fines and forfeitures for the Cities of Miami Gardens and North Miami and the Village of Palmetto Bay and then multiplying it by the area’s population for a total revenue of \$1,272,670.

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Licenses and Permits

The County requires all businesses to obtain a countywide local business tax license and a municipal license (including UMSA) in order to operate a business. Countywide license fees are shared with municipalities based on a formula that includes population. The new City will also collect a municipal local business tax license fee equal to that previously paid the County. The allocation of \$3.27 per person is based on the as per person average Licenses and Permits for the Cities of Miami Gardens and North Miami and the Village of Palmetto Bay and then multiplying it by the area's population for a total revenue of \$416,163.

Sales Tax

State sales tax is a revenue source distributed by the State to municipalities and UMSA. This program distributes net sales tax revenue to local governments that meet the requirements pursuant to s. 218.63 F.S. and s. 218.23 F.S. This amount is calculated by taking the budgeted amount and dividing it by the population in UMSA, then multiplying it by the population in the area. This is the same method the State uses to disburse the sales tax. The allocation of \$69.11 per person is based on the as per person average of Sales Taxes for the Cities of Miami Gardens and North Miami and the Village of Palmetto Bay and then multiplying it by the area's population for a total revenue of \$8,795,422.

Interest

Interest is the amount of interest earns on investments. The allocation of \$1.17 per person is based on the as per person average of Interest for the Cities of Miami Gardens and North Miami and the Village of Palmetto Bay and then multiplying it by the area's population for a total revenue of \$148,902.

Alcoholic Beverage License

The alcoholic beverage license fee is collected by the State from local businesses and distributed to the municipalities and UMSA. The allocation of \$0.18 per person is based on the as per person average of Sales Taxes for the Cities of Miami Gardens and North Miami and the Village of Palmetto Bay, then multiplying it by the area's population for a total revenue of \$22,908.

State Revenue Sharing

Created by the State of Florida to ensure revenue parity among local governments statewide, State Revenue Sharing is comprised of various State-collected revenues including a portion of the State's sales and gas taxes. The allocation of \$27.93 per person is based on the as per person average of Sales Taxes for the Cities of Miami Gardens and North Miami and the Village of Palmetto Bay, then multiplying it by the area's population for a total revenue of \$3,554,567.

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EXPENDITURES

City Council

The South MAC A area City Council could consist of a Mayor and six elected Council Members. For purposes of this analysis \$537,770 has been allocated to this section to cover costs associated with staff and other office expenses.

Office of the City Manager

The City Manager would be the chief administrator of the City and would insure the proper implementation of the laws, policies, provisions of the City and acts of the Council through the administration of all departments, divisions and agencies of the City government. The City Manager would be nominated by the Mayor and confirmed by a majority vote of the City Council. The City Manager would be responsible for the appointment, supervision and removal of all City employees with the exception of the City Clerk and the City Attorney who are appointed by the Council. In addition, the City Manager would submit a proposed annual budget, capital improvement program and comprehensive annual financial report to the City Council.

The personnel proposed for this office includes: Manager, Assistant City Manager, Communications Manager, Administrative Aide and Part-time TV and Camera Technician. The proposed budget for this office is \$485,226 which includes salaries, fringes and office expenses.

City Clerk

The City Clerk would be the secretary for the City Council, the Local Planning, the Planning Board, and the municipal corporation. The City Clerk would be nominated by the Mayor and confirmed by the majority vote of the City Council. The City Clerk is responsible for giving notice of public meetings and maintaining an accurate record of all proceedings. In addition, the City Clerk would serve as the Financial Disclosure Coordinator with the Florida Commission on Ethics; and also serves as the Records Management Liaison with the Florida Department of State; and would maintain custody of City records including agreements, contracts, ordinances, resolutions and proclamations. The personnel proposed for this office includes: Clerk, Deputy City Clerk, Administrative Specialist and Record Management Supervisor. The proposed budget for this office is \$589,582 which includes salaries, fringes and office expenses.

Building Official

The building official would be responsible for administering the State of Florida Building Code. The personnel proposed for this office includes: Building Official, Assistant to the Building Official and Receptionist. The proposed budget for this office is \$283,805.

Finance

The finance department would be the central fiscal control and accounting body of the City government. The Finance Director would serve as the Chief Financial Officer for the City. The Department will deal with the daily finance/accounting activities including payroll,

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accounts payable, account receivable, revenue collection, cash management, debt management, risk management, purchasing and financial reports. The finance Director provides vital support in the development of the Comprehensive Annual Financial Report and the Annual Budget and Capital Program. The personnel proposed for this office includes: Finance Director, Assistance Finance Director, Accountant III, Accountant II, Accountant I and Cashier. The proposed budget for this office is \$462,488.

Human Resources

The Department of Human Resources functions as an administrative and advisory department concerning matters related to personnel. The Department is primarily responsible for the recruitment and retention of qualified employees, the administration of compensation and benefits, training and professional development, employee relations, and compliance with regulatory state and federal laws related to labor. The personnel proposed for this office includes: Director, Assistant to the Director, Personnel Specialist, Confidential Secretary and Clerical Technician. The proposed budget for this office is \$613,952.

City Attorney

The City Attorney would provide legal support and opinions to the City Council, City Manager, Department Directors and advisory boards on all legal issues affecting the City. This office may assist the City Clerk with the drafting of resolutions and ordinances. The City Attorney is responsible for drafting and reviewing agreements, contracts and leases. The City Attorney may defend and persecute cases involving the City. The personnel proposed for this office includes: City attorney, assistant City Attorney and Legal Assistant. The proposed budget for this office is \$558,694.

Planning and Zoning

The Planning & Zoning Division would be responsible for providing technical and professional recommendations to ensure strict adherence to the City's Comprehensive Plan, Land Development Code, and any other concurrency regulations. The goal of the Planning and Zoning Division would be to ensure that the planning and zoning needs of residents are met in a timely and efficient manner through a cost-effective process. The personnel proposed for this Division includes: Comprehensive Plan and Development Director, City Planner, Economic Development Manager, Zoning Administrator, Senior Planning Technician and Comprehensive Development and Planning Technician. The proposed budget for this office is \$562,757.

Public Works

The Public Works Department would provide construction support, management and maintenance of the City's infrastructure, including streets, trees, sidewalks and storm drains; vehicles and equipment; street name signs and traffic calming. Additionally, the Department would oversee street beautification projects, graffiti abatement, stormwater activities, facility maintenance, and provides public transportation services. The personnel proposed for this office includes: Director, Assistant to Public Director, Operations Manager, Grant/Contracts Administrator, Infrastructure Coordinator. The proposed

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budget for this office is \$1,380,528.

Police

Police Services will be provided by Miami-Dade County for the first three years of incorporation. The proposed figure used in this report provided by the MDCPD is to provide the minimum of service for the South MAC A area. The proposed personnel to service the area includes: Major, Captain, 6 Lieutenants, 14 Sergeants, 4 Detective Unit Sergeants, 137 Officers and 17 Detectives. The proposed budget will be \$28,099,206.

Code Enforcement

The Code Enforcement Division would be responsible for educating the public on the City's code regulations and enforcing those regulations in the utmost professional manner. The overall goal of this division would be to ensure the safety, health and welfare of each resident and neighborhood in a responsible and professionally sensitive manner. The proposed personnel includes: 7 Code Enforcement Officers and administrative Specialist. The proposed budget will be \$852,956 inclusive of salary, fringes and other expenses such as vehicles.

Parks and Recreation

The Department of Parks and Recreation would be responsible for the planning, organizing, supervising, directing and administering of all activities related to parks and recreation, special events and community outreach programs. Parks and Recreation would be responsible for developing innovative partnerships for park programming activities by focusing on collaborations with community and civic groups as well as our local schools. Currently the area has a total of 34 Park Facilities of which 7 are of regional significance and they would not be transferred to the new City. These are: Black Creek, Gold Coast Railroad Museum, Larry and Penny Thompson, Nixon Smiley Pineland, North South Trail, Southridge Park and Zoo Miami. The new City would take the responsibility for the maintenance and operation of the additional 27 parks. These 27 parks are a combination of community, neighborhood and mini-park facilities. Nine (9) of the 27 parks are currently staffed by the Parks Department or a contracted community based organization (CBO). The proposed budget for this Division is \$2,920,100.

Purchasing

The Purchasing Division would support the City's operations with an uninterrupted flow of materials and services, promoting a sincere commitment to provide customer friendly service to all departments. The proposed personnel for this Division includes: Director, 2 buyers and purchasing assistant. The proposed budget for this Division is \$300,000.

Information Technology

The Information Technology Department would provide sound, secure and stable infrastructure allowing for the smooth flow of communications and information. The proposed personnel for this Department includes: Director, Network Administrator, Network Specialist, Webmaster, IT Analyst and Switchboard Operator. The proposed budget for this department is \$892,063.

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General Services Administration

The General Services Administration section of the budget provides an expenditure detail for a variety of items of a general nature. These are items that are not applicable to other specific sections or departments, but are rather applicable to general City functions. Items in this section include rent, utilities, printing, electricity, water, and any other expenses of general nature. The proposed budget for this department is \$1,270,943.

QNIP

The Quality Neighborhood Improvement Program (QNIP) was a bond issued for UMSA to improve sidewalks, roads, parks, etc. The revenues pledged for the debt service were utility taxes. When the area incorporated it will be responsible for a share of the debt service based on the utility tax revenues attributable to the area. The payment is estimated at \$1,033,552.