

TOWN HALL MEETING

CITY OF NORTH MIAMI BEACH

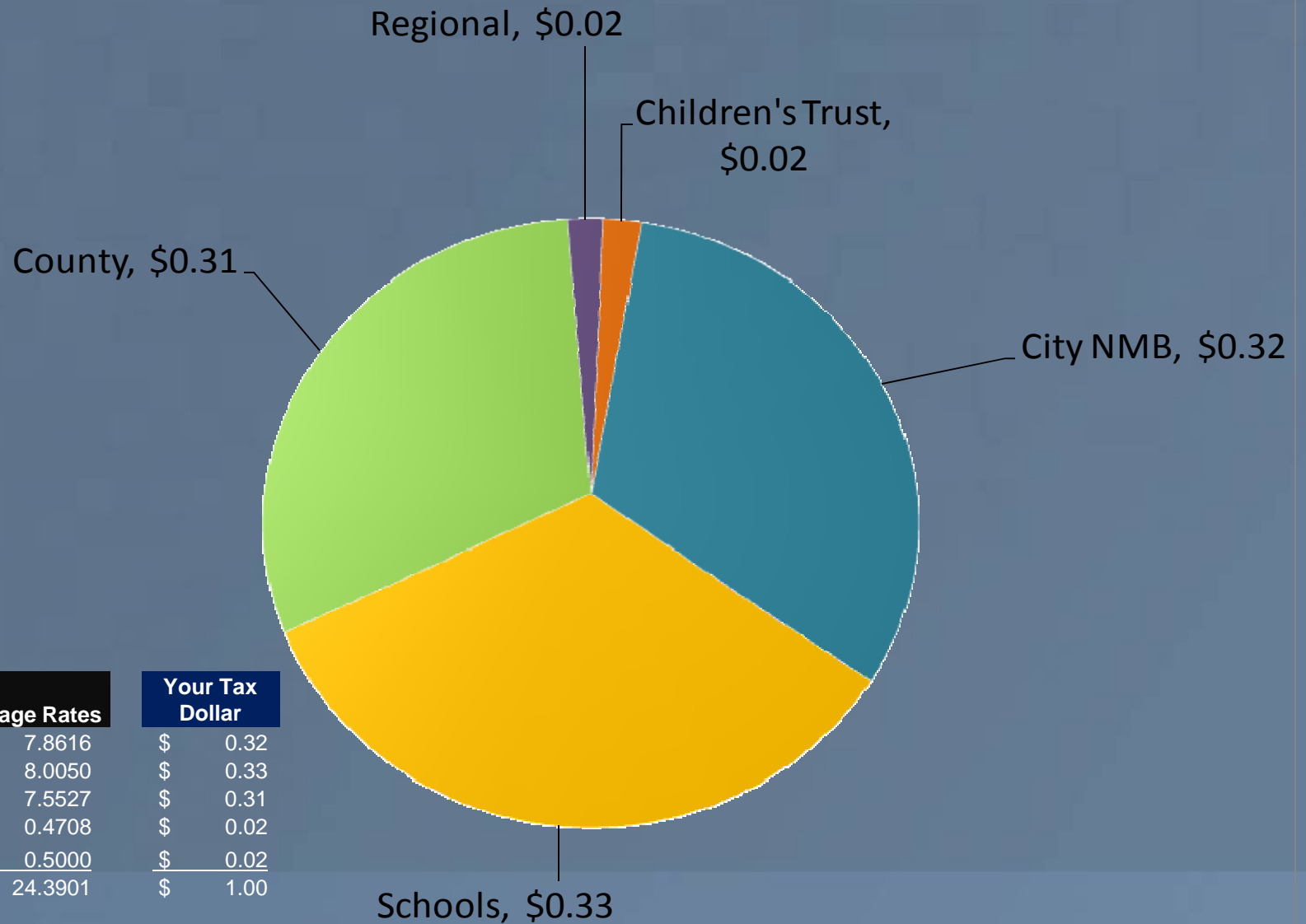
FISCAL YEAR
2011 - 2012

August 31, 2011



Mayor George Vallejo

Your Tax Dollar Distribution



2012 Summary Millage Rates

City NMB	7.8616	\$	0.32
Schools	8.0050	\$	0.33
County	7.5527	\$	0.31
Regional	0.4708	\$	0.02
Children's Trust	0.5000	\$	0.02
	24.3901	\$	1.00

Your Tax Dollar

	\$	0.32
	\$	0.33
	\$	0.31
	\$	0.02
	\$	0.02
	\$	1.00

Demographic & Economic Statistics

<u>Year</u>	<u>Population</u> ⁽¹⁾	<u>Personal Income</u> ⁽¹⁾ (in Thousands)	<u>Per Capita Personal Income</u> ⁽²⁾	<u>Median Age</u> ⁽²⁾	<u>Unemployment Rate</u> ⁽³⁾
2001	40,538	1,720,514	42,442	34.5	7.5%
2002	40,264	1,708,885	42,442	34.5	8.0%
2003	39,805	1,689,404	42,442	34.5	7.3%
2004	39,348	1,670,008	42,442	34.5	6.7%
2005	38,977	1,654,262	42,442	34.5	5.1%
2006	38,436	1,631,301	42,442	34.5	4.5%
2007	37,932	1,609,910	42,442	34.5	4.8%
2008	37,997	1,612,669	42,442	36.9	6.1%
2009	42,000	1,782,000	42,000	37.0	10.7%
2010	41,254	1,629,000	39,483	34.5	13.0%

Note: Population information is based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average.

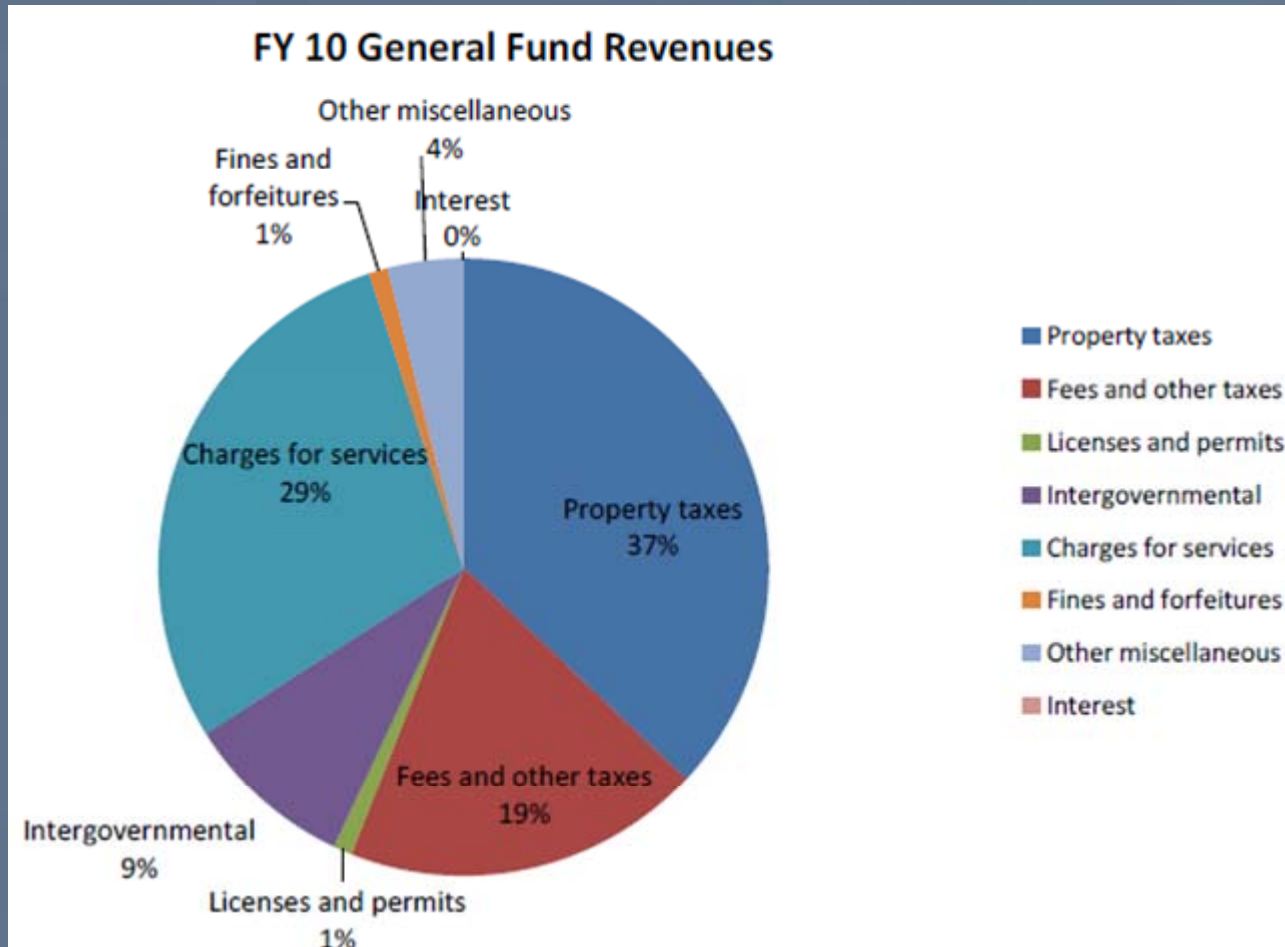
Sources:

(1) *United States Census Bureau (for years 2001 through 2007). Estimated by City of North Miami Beach Economic Development (for years 2003 to 2008)*

(2) *United States Census Bureau*

(3) *U.S. Department of Labor*

Prior Year General Fund Revenues

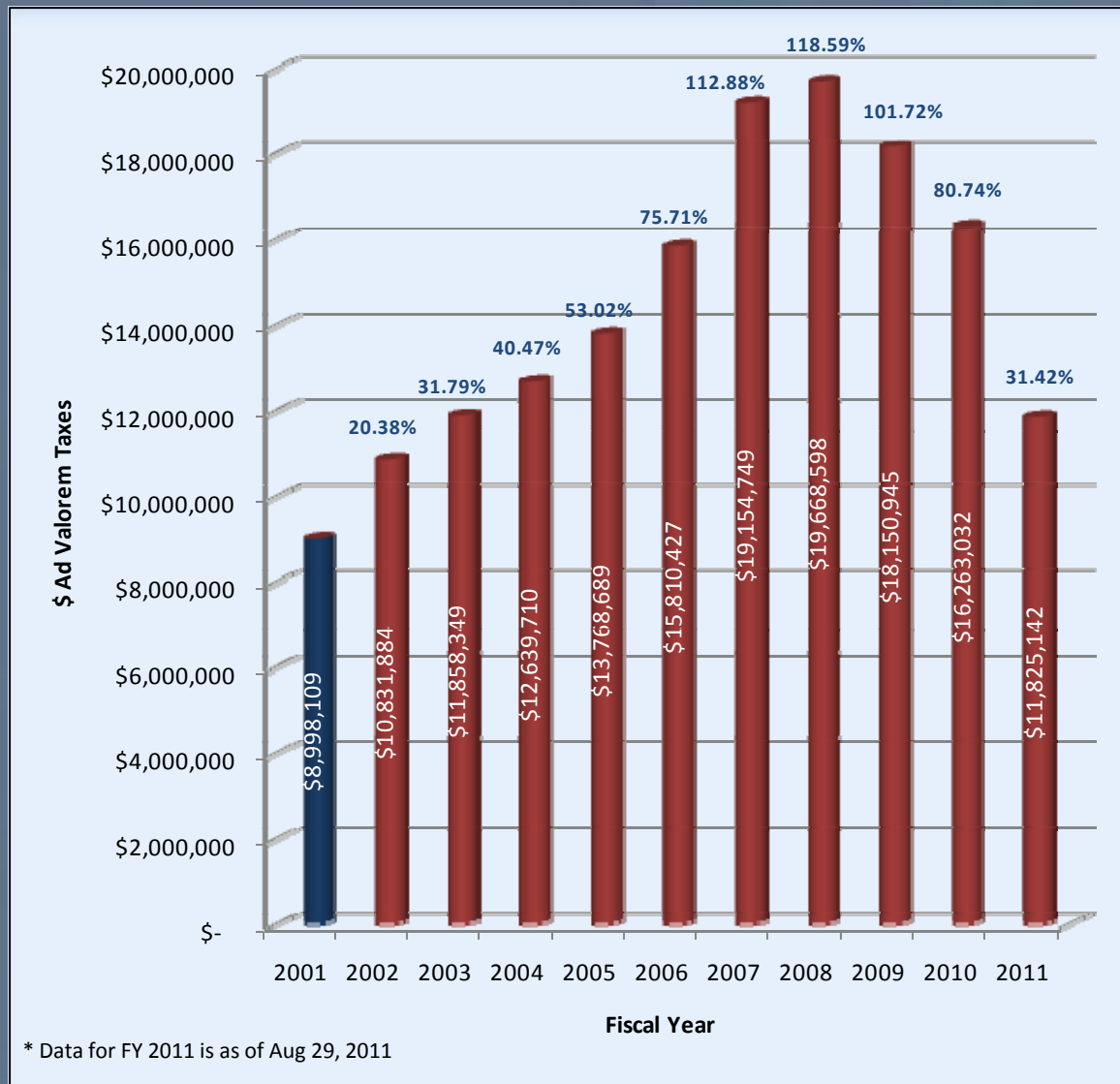


Proposed FY 2012 Taxes

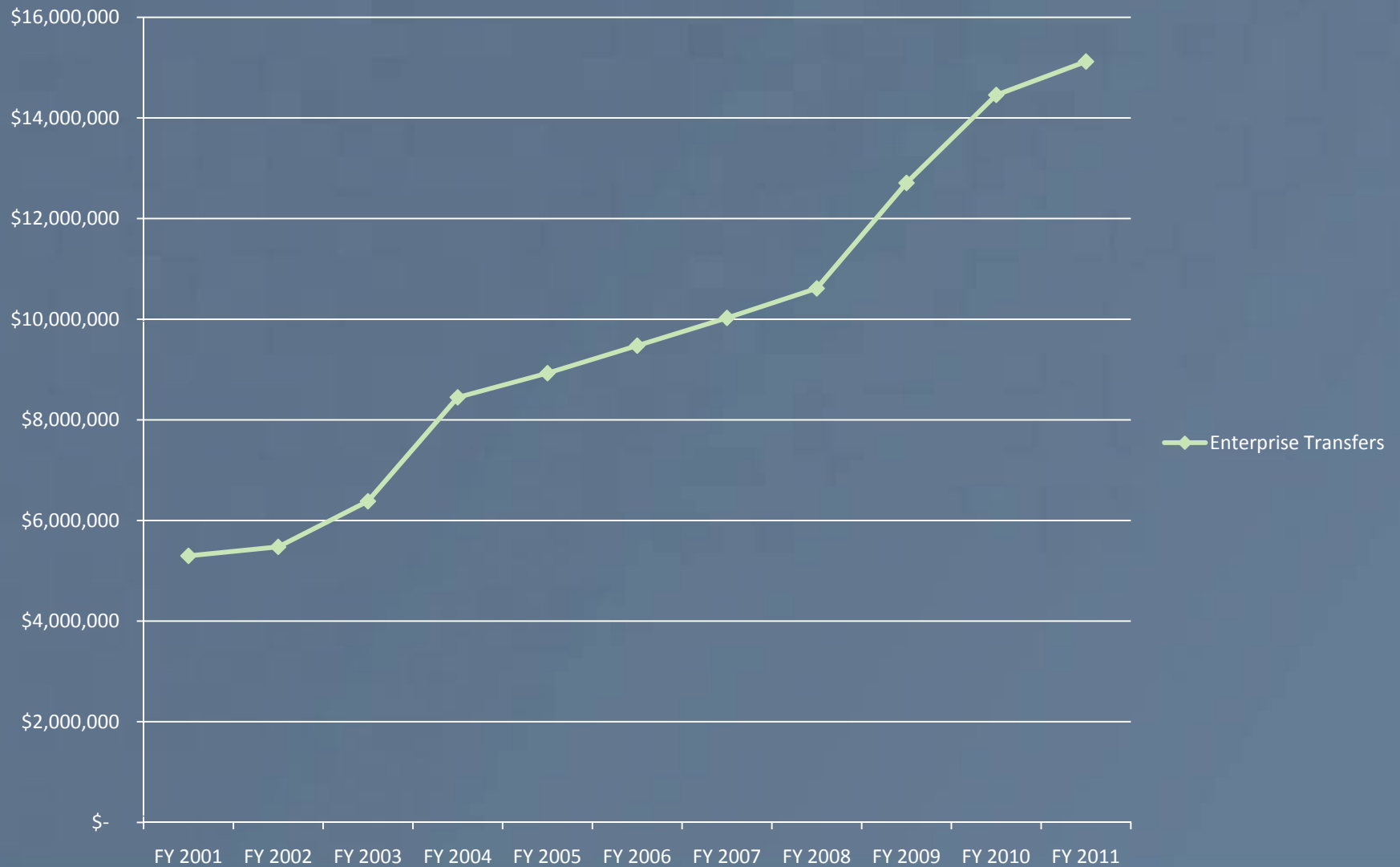
2012 TAX ROLL - TAXABLE VALUE RANGES			PROPOSED FY 2012 TAXES					
Range of Taxable values	Total Parcels	Percent of Total	Operating 6.6036	Debt Service 1.2580	Total NMB Taxes	Percent of Total	Minimum Tax	Maximum Tax
\$0.00	590	4.4%	\$ -	\$ -	\$ -	0.0%	\$0.00	
\$1 - \$12,500	740	5.5%	\$ 27,910.21	\$ 5,316.96	\$ 33,227.17	0.3%	\$ 0.31	\$ 97.95
\$12,501 - \$25,000	2,208	16.3%	\$ 337,182.48	\$ 64,233.96	\$ 401,416.44	3.2%	\$ 98.35	\$ 196.54
\$25,001 - \$100,000	7,219	53.3%	\$ 2,519,128.52	\$ 479,899.60	\$ 2,999,028.12	23.6%	\$ 196.55	\$ 786.15
\$100,001 - \$250,000	1,786	13.2%	\$ 1,710,501.56	\$ 325,854.10	\$ 2,036,355.66	16.0%	\$ 786.23	\$ 1,961.86
\$250,001 - \$500,000	469	3.5%	\$ 1,083,580.59	\$ 206,424.39	\$ 1,290,004.98	10.1%	\$ 1,966.15	\$ 3,929.63
\$500,001 - \$750,000	194	1.4%	\$ 775,790.51	\$ 147,789.80	\$ 923,580.31	7.3%	\$ 3,939.65	\$ 5,886.66
\$750,001 - \$1,000,000	100	0.7%	\$ 564,444.32	\$ 107,527.88	\$ 671,972.20	5.3%	\$ 5,902.57	\$ 7,836.99
over \$1,000,000	213	1.6%	\$ 3,651,846.79	\$ 695,684.64	\$ 4,347,531.43	34.2%	\$ 7,871.29	\$ 231,131.04
0701-Debt only land	17	<u>0.1%</u>	\$ -	\$ 6,756.07	\$ 6,756.07	<u>0.1%</u>	\$ -	\$ 1,288.50
GRAND TOTAL	13,536	100.0%	\$10,670,384.98	\$2,039,487.40	\$12,709,872.38	100.0%		

Based on 2011 Tax Roll Data provided by Miami-Dade County Property Appraiser

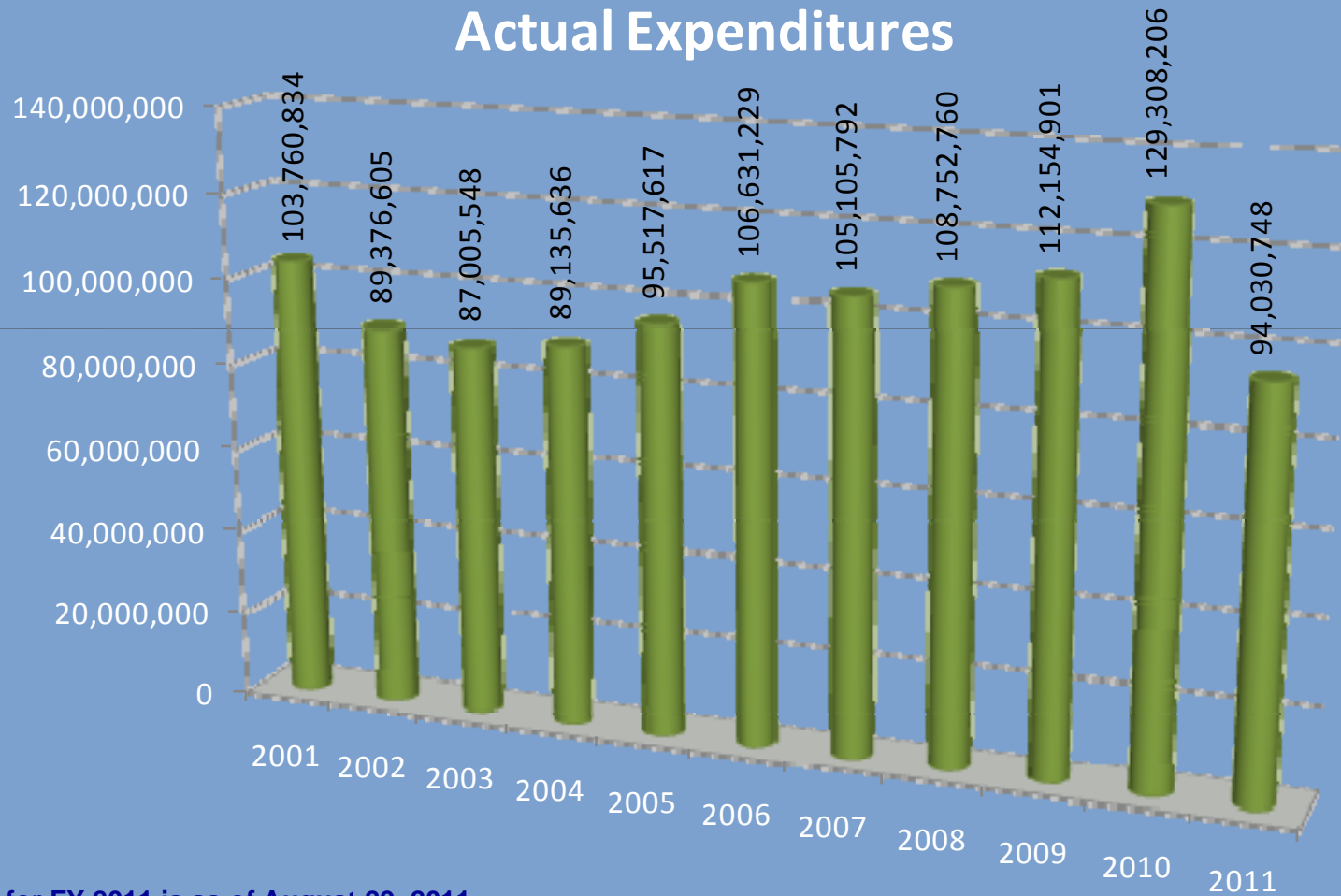
Ad Valorem Taxes Over the Years



Transfers from Enterprise Funds



City's Budget Over Time



* Data for FY 2011 is as of August 29, 2011

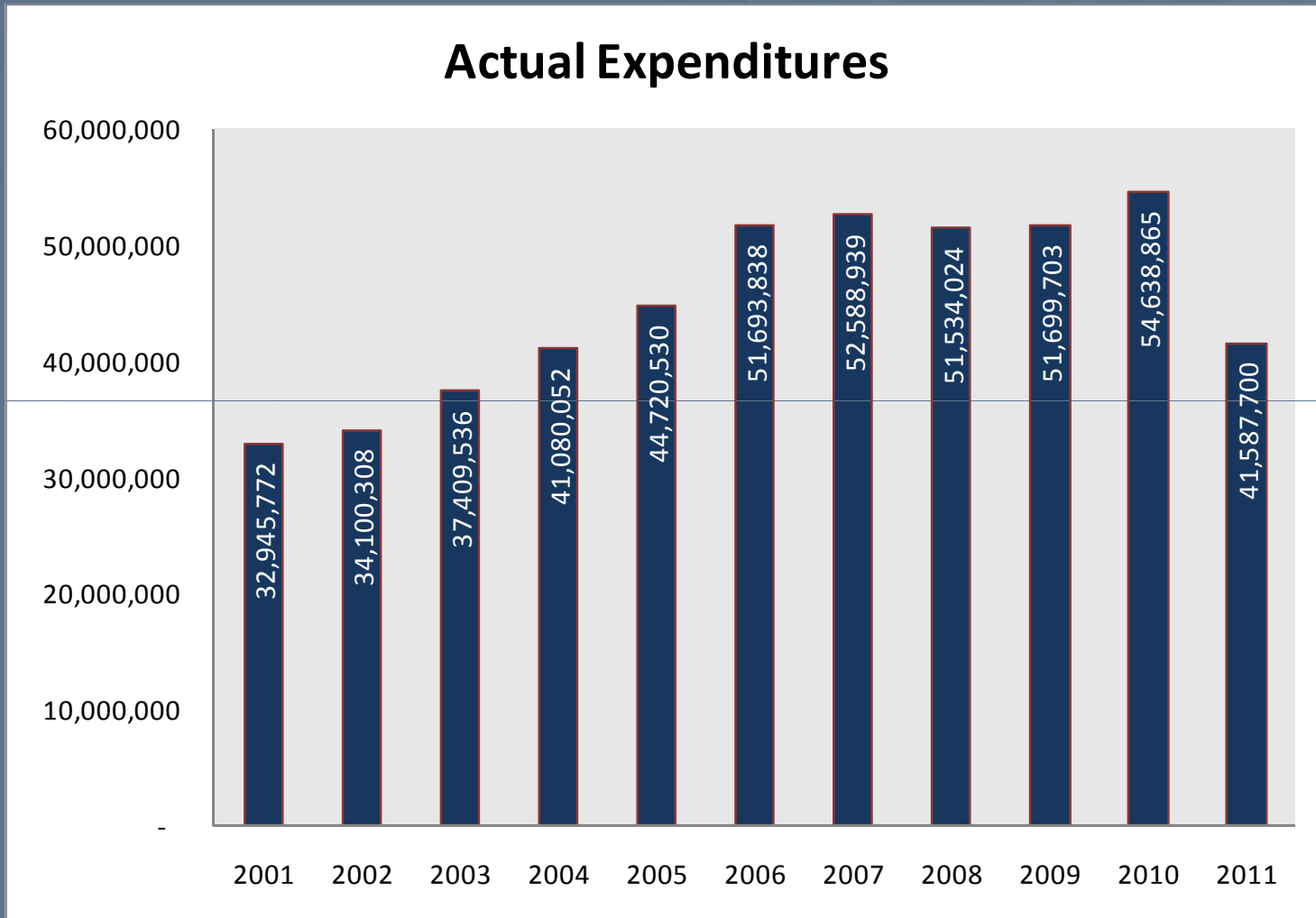
12 yrs History of Tax Millage Rate

Tax Roll	Fiscal Year	City of NMB		Schools		Regional			County-wide				Other	Total Millage
		Operating	Debt Svc	Operating	Debt Svc	Envir. Proj	SFWMMD	FIND	Operating	Debt Svc	Fire & Rescue	Fire Debt	Children's Trust	
2000	2001	7.5000	0.8960	8.7020	0.9150	0.1000	0.5970	0.0410	5.7510	0.6520	2.6830	0.0690	-	27.9060
2001	2002	7.5000	1.7903	8.5280	0.8480	0.1000	0.5970	0.0385	5.7130	0.5520	2.6830	0.0690	-	28.4188
2002	2003	7.5000	1.5948	8.4820	0.7700	0.1000	0.5970	0.0385	5.8890	0.3900	2.5820	0.0790	-	28.0223
2003	2004	7.5000	1.3957	8.4180	0.6820	0.1000	0.5970	0.0385	5.9690	0.2850	2.5820	0.0790	0.5000	28.1462
2004	2005	7.5000	1.2812	8.0900	0.5970	0.1000	0.5970	0.0385	5.9350	0.2850	2.5920	0.0690	0.4442	27.5289
2005	2006	7.5000	1.1084	7.9470	0.4910	0.1000	0.5970	0.0385	5.8350	0.2850	2.6090	0.0520	0.4288	26.9917
2006	2007	7.5000	0.9085	7.6910	0.4140	0.1000	0.5970	0.0385	5.6150	0.2850	2.6090	0.0420	0.4223	26.2223
2007	2008	6.6905	0.7889	7.5700	0.3780	0.0894	0.5346	0.0345	4.5796	0.2850	2.2067	0.0420	0.4223	23.6215
2008	2009	6.6236	0.8139	7.5330	0.2640	0.0894	0.5346	0.0345	4.8379	0.2850	2.1851	0.0420	0.4212	23.6642
2009	2010	6.6136	0.9595	7.6980	0.2970	0.0894	0.5346	0.0345	4.8379	0.2850	2.1851	0.0420	0.5000	24.0766
2010	2011	6.6036	1.2060	7.8640	0.3850	0.0894	0.5346	0.0345	5.4275	0.4450	2.5753	0.0200	0.5000	25.6849

Proposed Rates:

2011	2012	6.6036	1.2580	7.7650	0.2400	0.0624	0.3739	0.0345	4.8050	0.2850	2.4496	0.0131	0.5000	24.3901
2011	2012	8.4197	1.2580	7.7650	0.2400	0.0624	0.3739	0.0345	4.8050	0.2850	2.4496	0.0131	0.5000	26.2062

General Fund Expenditure Path



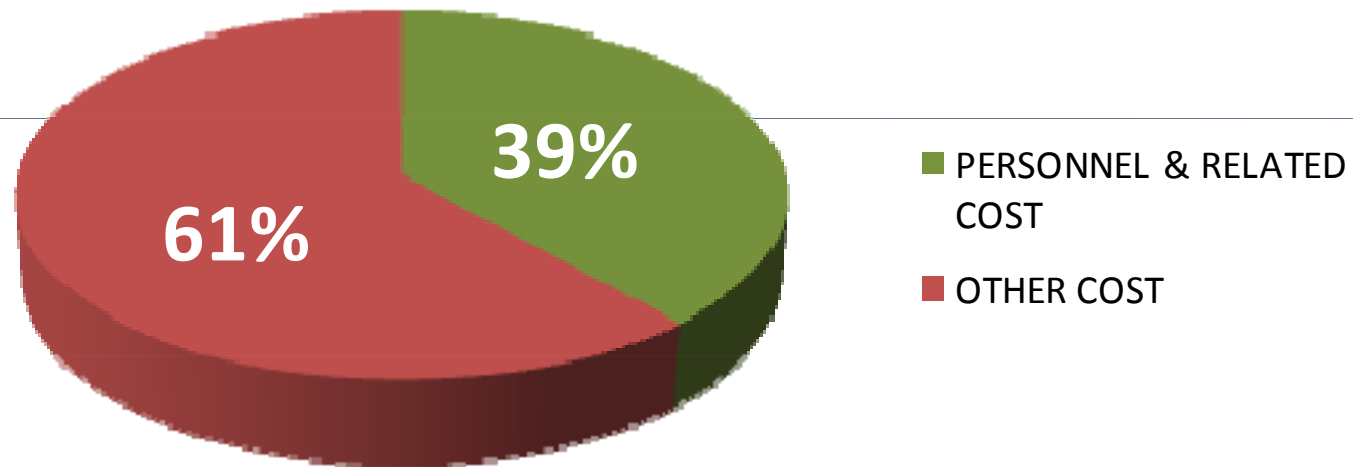
* Data for FY 2011 is as of August 29, 2011

Total # of FT Regular Employees



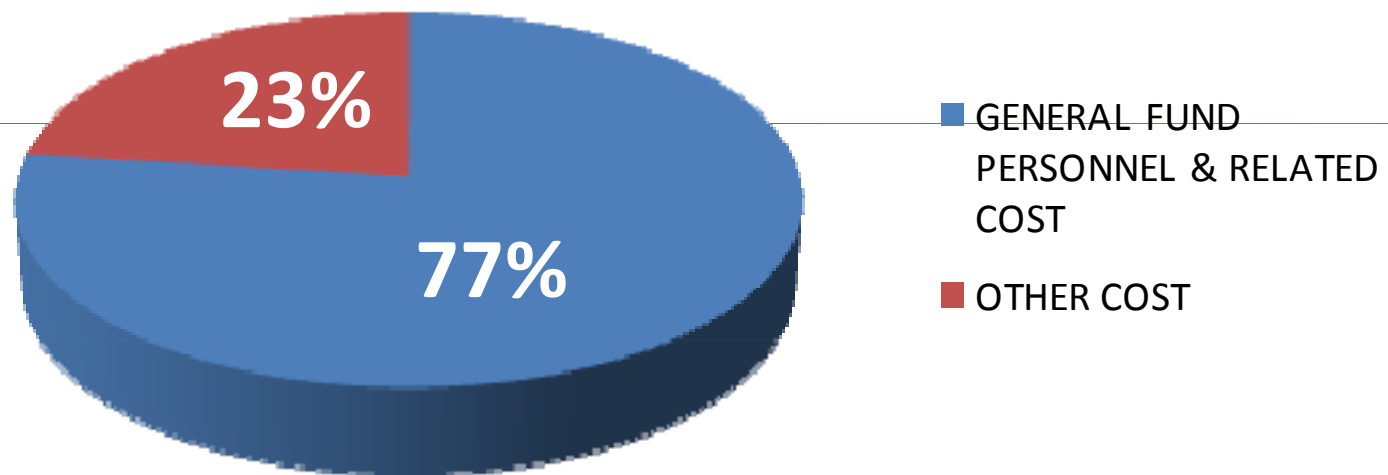
Regular Employees Definition: Filled and vacant non-sworn officers positions.
Total FY 2011 budgeted positions = 507 (392 Regular Employees + 115 sworn officers).

Fiscal Year 2012 Budget/ Payroll Cost



CITY WIDE BUDGET	BUDGET AMOUNT	%
PERSONNEL & RELATED COST	43,133,226	39%
OTHER COST	68,786,862	61%
TOTAL BUDGET FY 2012	111,920,088	100%

General Fund Budget / Payroll Cost



GENERAL FUND BUDGET	BUDGET AMOUNT	%
GENERAL FUND PERSONNEL & RELATED COST	28,569,250	77%
OTHER COST	8,569,690	23%
GENERAL FUND BUDGET	37,138,940	100%

Payroll Cost (Salary + Benefits)

\$ Average = \$ 88,388

\$ Median = \$ 70,457

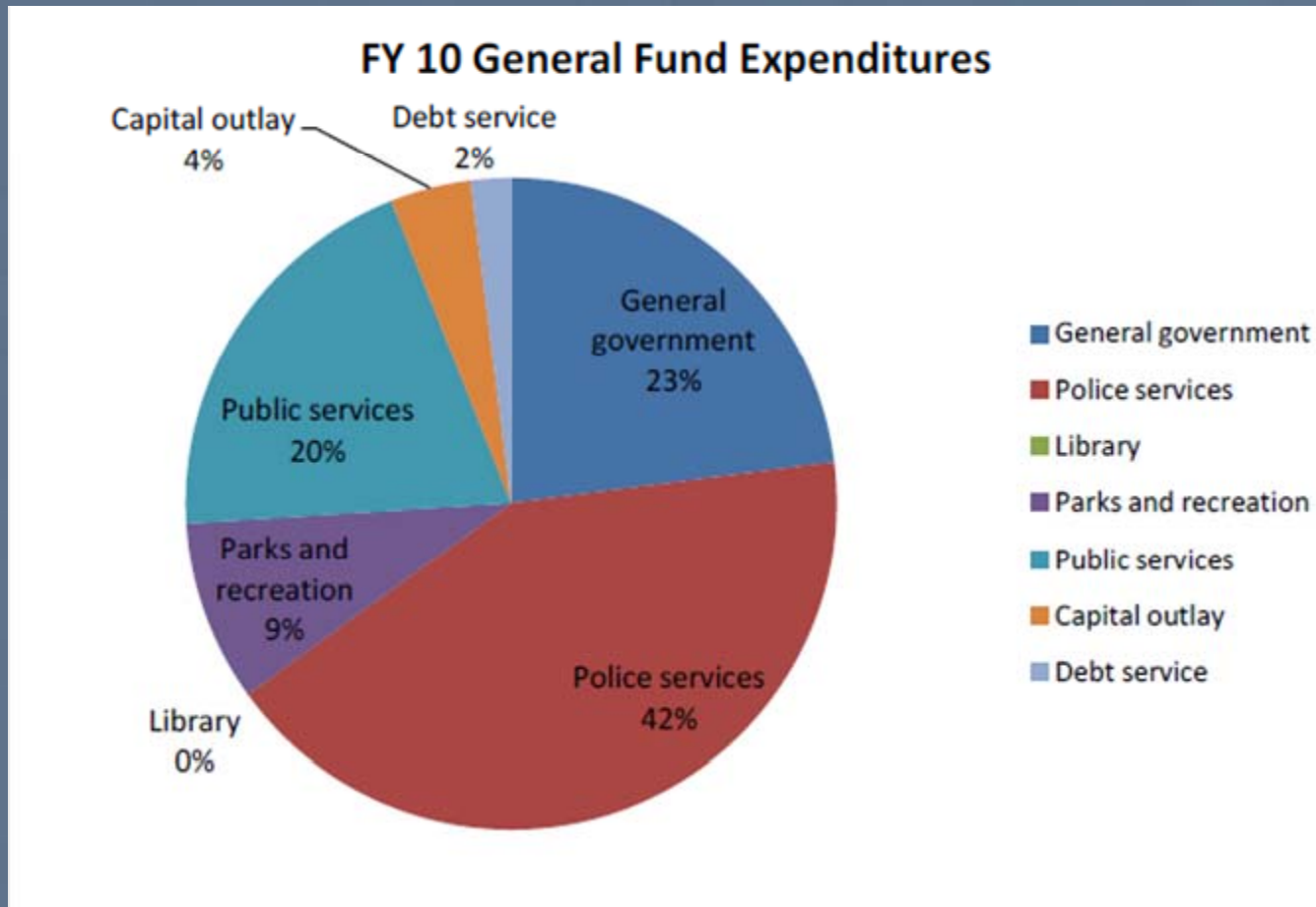
Payroll Cost Full Timers (Salary + Benefits)



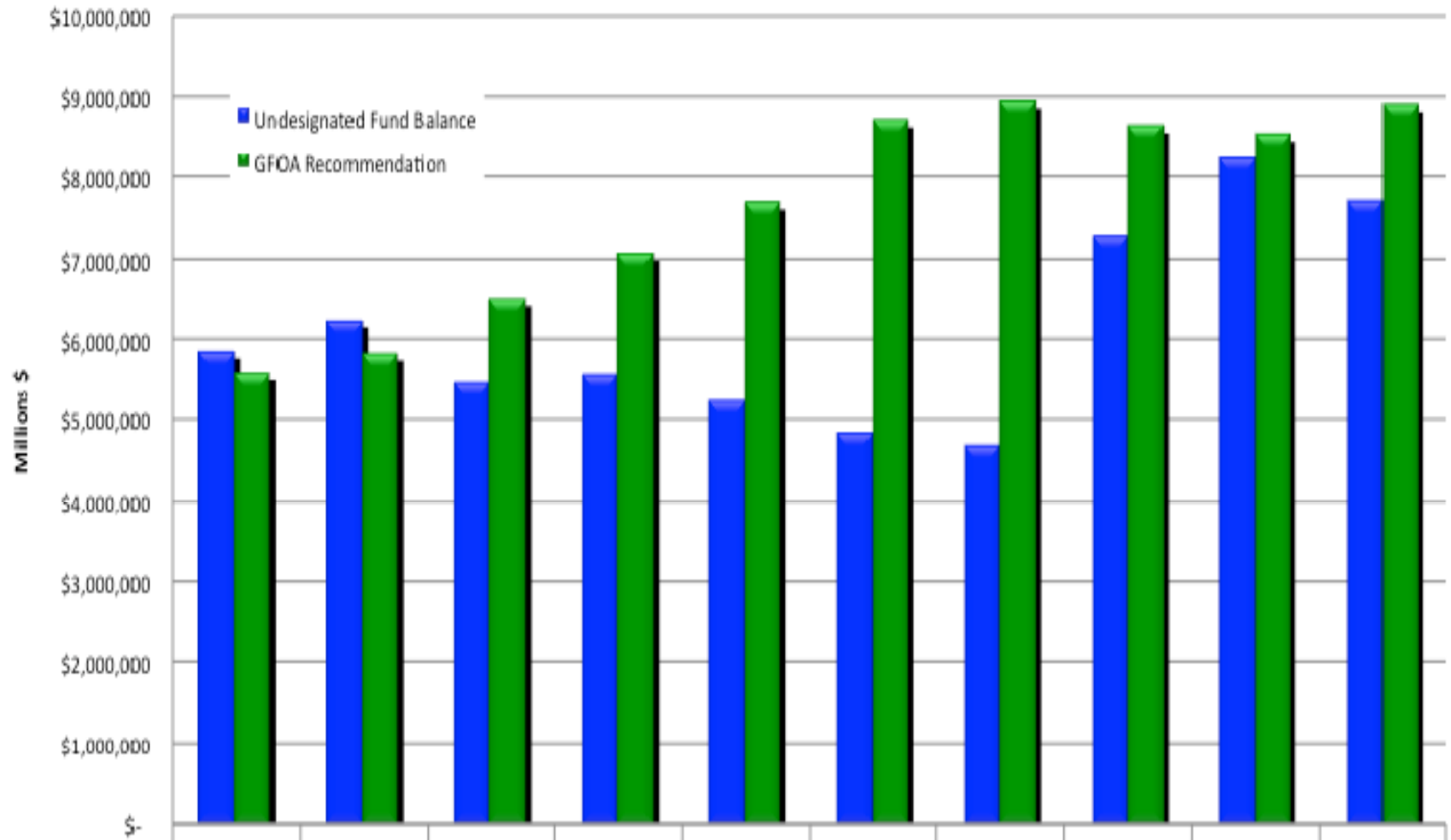
263 + 82 + 143 employees = 488 employees.

Total budgeted positions in FY 2011 = 507 (488 filled positions + 19 vacancies)

Prior Year General Fund Expenditures

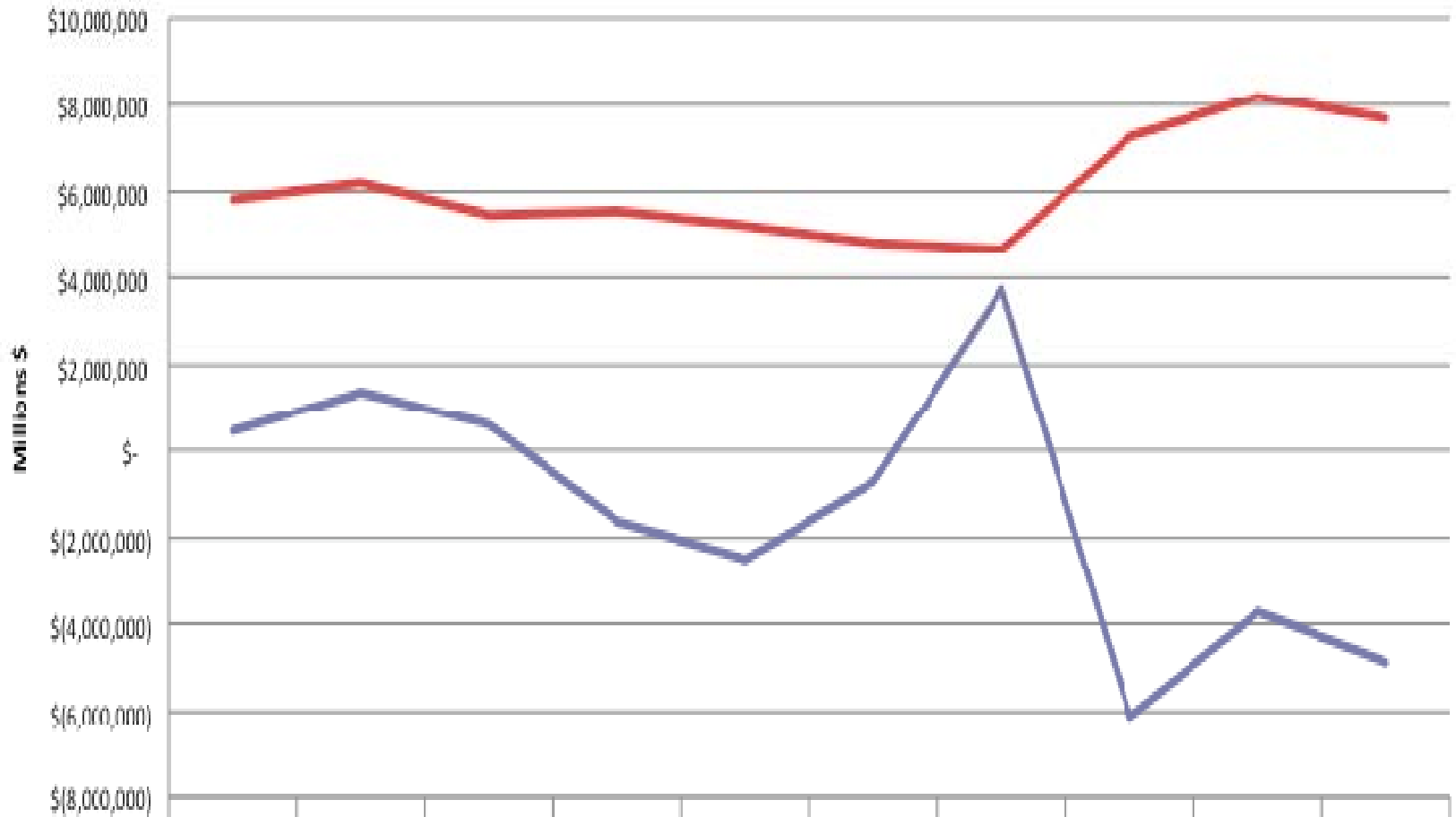


General Fund: Fund Balance Over the Past 10 Years vs. GFOA Best Practice Recommendation



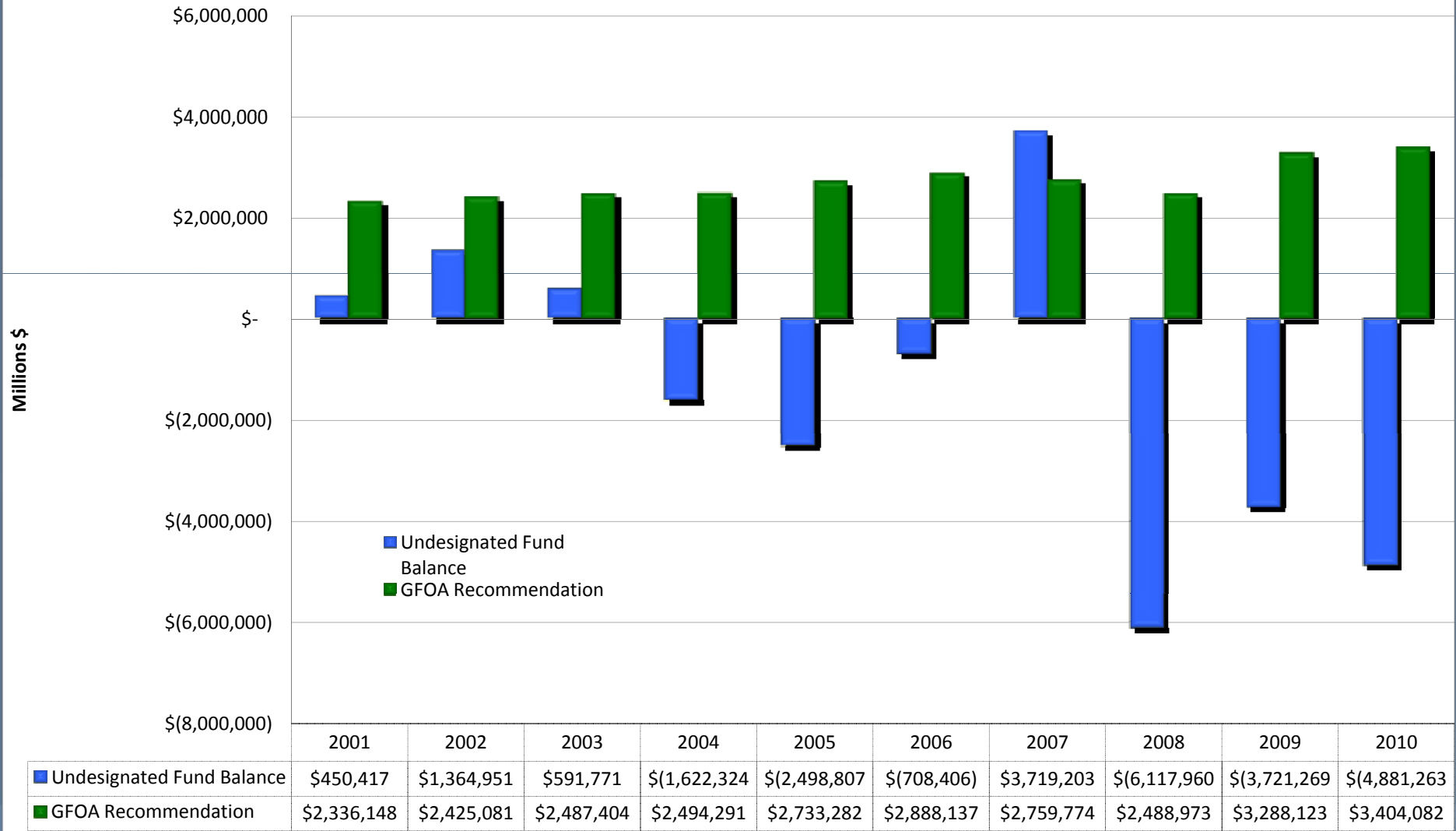
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Undesignated Fund Balance	\$5,826,490	\$6,203,704	\$5,461,775	\$5,555,143	\$5,217,339	\$4,821,988	\$4,673,022	\$7,259,281	\$8,203,805	\$7,681,733
GFOA Recommendation	\$5,567,620	\$5,802,567	\$6,467,495	\$7,042,333	\$7,660,858	\$8,688,601	\$8,918,051	\$8,617,990	\$8,515,843	\$8,874,048

Unrestricted Fund Balances Over the Past 10 Years



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund Unrestricted Fund Balance	\$5,826,490	\$6,203,704	\$5,461,775	\$5,555,143	\$5,217,339	\$4,821,988	\$4,673,022	\$7,259,281	\$8,203,805	\$7,681,733
Water Fund Unrestricted Net Assets	\$450,417	\$1,364,951	\$591,771	\$(1,612,324)	\$(2,498,807)	\$(708,406)	\$3,719,203	\$(6,117,960)	\$(3,721,269)	\$(4,881,263)

Water Fund: Unrestricted Net Assets Over the Past 10 Years vs. GFOA Best Practice Recommendation

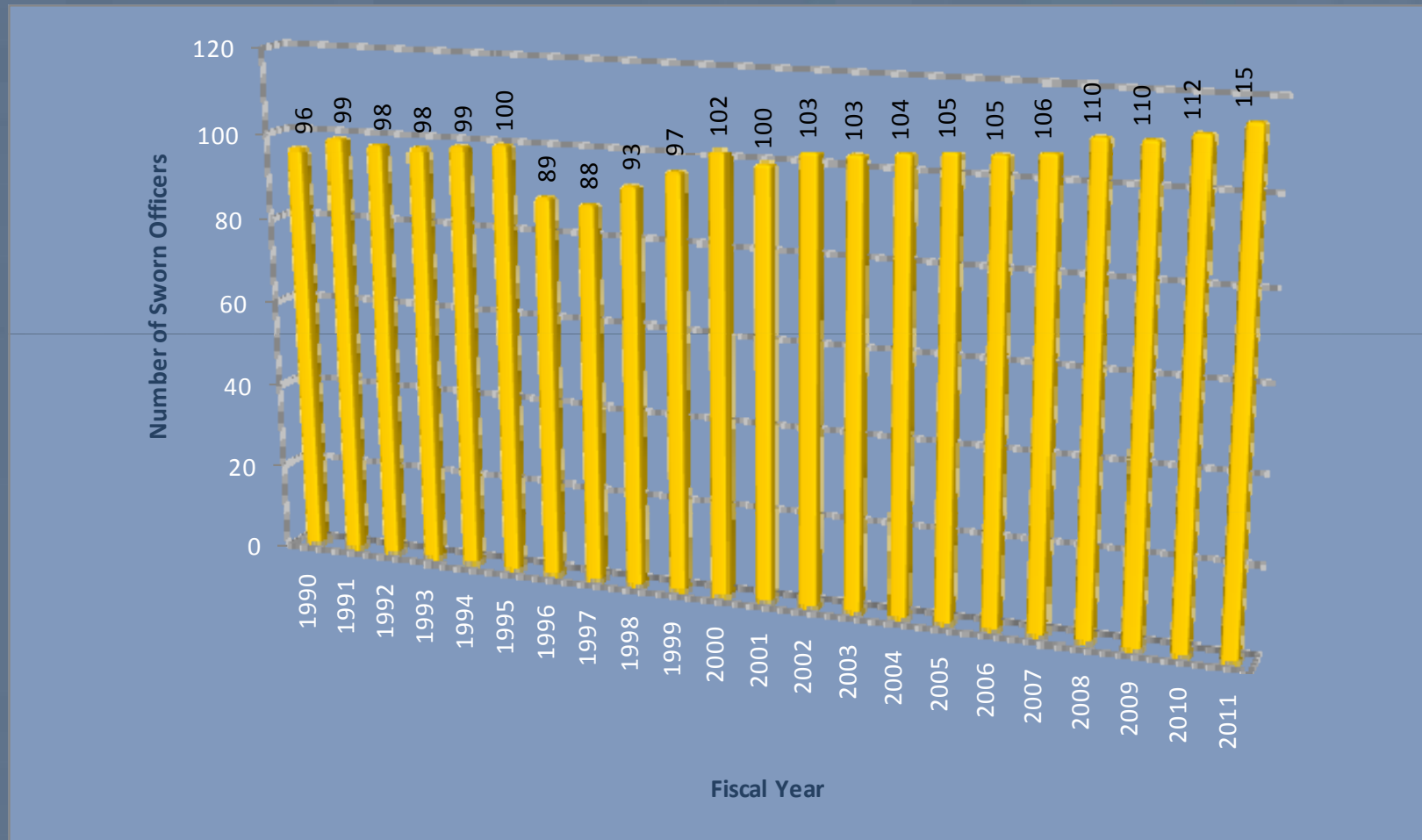


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
■ Undesignated Fund Balance	\$450,417	\$1,364,951	\$591,771	\$(1,622,324)	\$(2,498,807)	\$(708,406)	\$3,719,203	\$(6,117,960)	\$(3,721,269)	\$(4,881,263)
■ GFOA Recommendation	\$2,336,148	\$2,425,081	\$2,487,404	\$2,494,291	\$2,733,282	\$2,888,137	\$2,759,774	\$2,488,973	\$3,288,123	\$3,404,082

Citywide Vehicle Count (434)



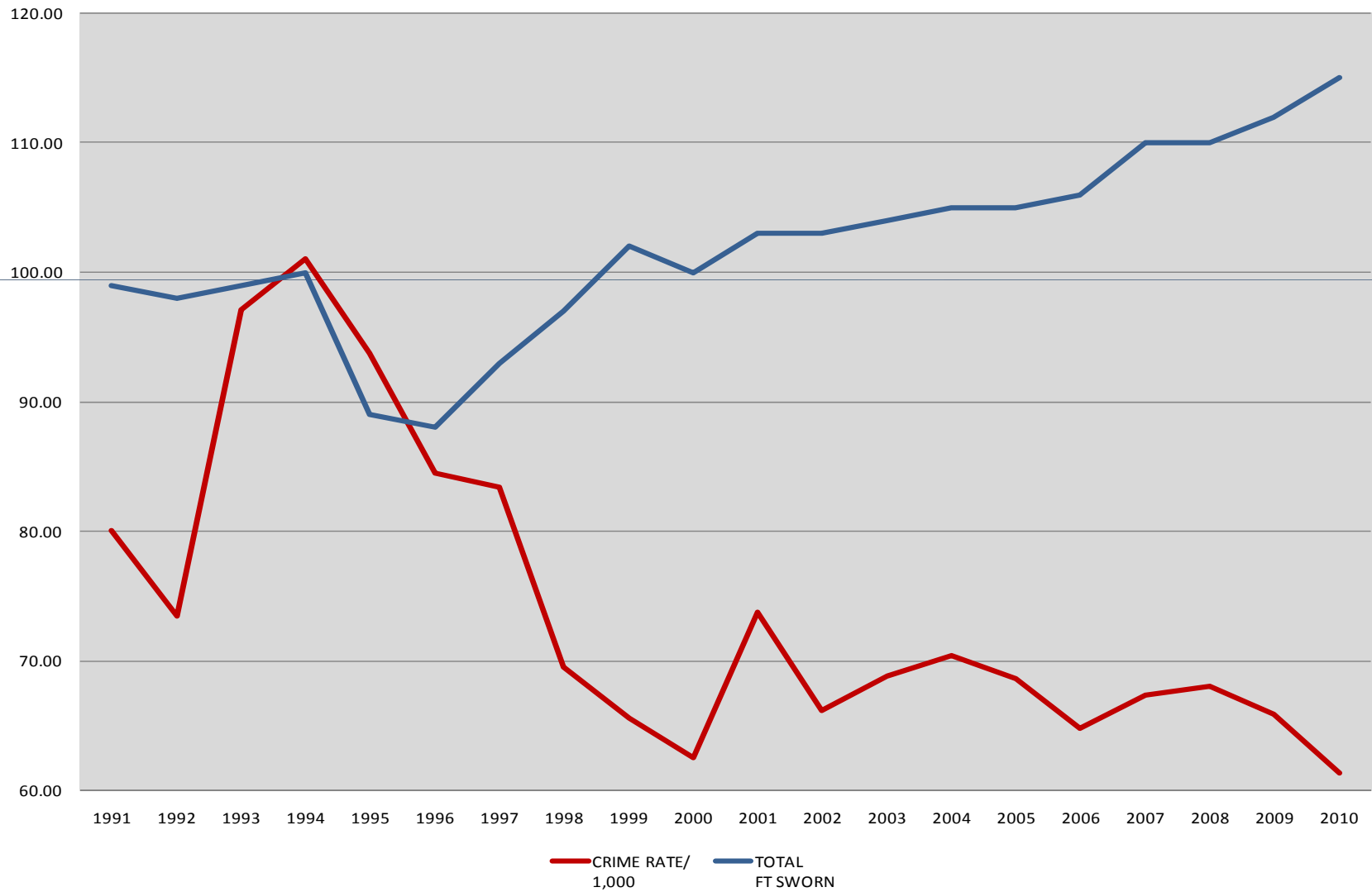
Total # of Sworn Officers



Sworn Officers Definition: Includes sworn officers positions only.
Total FY 2011 budgeted positions = 507 (392 Regular Employees + 115 sworn officers).

Crime Rate Statistics

Note: "Crime Rate per 1,000" refers to the number of part 1 offenses, reported to FDLE for UCR, per number of reported residents, multiplied by 1,000. This line depicts the increases and decreases in crime rate over the specified time frame and should not be confused with the number of incidents reported.



NMB Credit Rating Downgraded

“The rating downgrade reflects the depletion of the water system liquidity despite multiple years of double-digit rate hikes, leaving the system with zero cash as of fiscal 2010.”

Fitch Ratings, July 18, 2011 NMB's Credit Rating Downgraded from A+ to AA-

Infrastructure Needs

	<u>Miles of Infrastructure</u>	<u>Repair Miles Needed</u>	<u>Cost per Mile</u>	<u>Investment Needed</u>
Water	550	155	\$343,200	\$53,196,000
Waste Water	109	58	\$264,000	\$15,312,000

Water: Utility has water mains ranging from 2” to 48” with 28% of the pipes in “poor condition”.

Waste Water: Utility has force main and gravity lines with 53% of pipes in “poor condition”. Low-interest loan exists for repair/replacement 25% of pipes.

Leave Liability

- Annual Leave = \$ 2,224,249
- Sick Leave = \$ 2,719,459

TOTAL = \$ 4,943,708

* Liability Information is as of Aug 31, 2011

Leave Liability Cost per Property

Total Liability = \$ 4,943,708

2011 number of properties = 13,536

Liability Price Tag per Property

\$4,943,708 / 13,536 = \$ 365

NMB PENSION PLANS

A diagram of a stool with a dark blue background. The stool has a dark blue oval seat and three dark blue legs. The seat is labeled 'NMB PENSION PLANS'. The left leg is labeled 'Employee Contribution', the middle leg is labeled 'Market Returns', and the right leg is labeled 'City Contribution'. All text is in a yellow, sans-serif font.

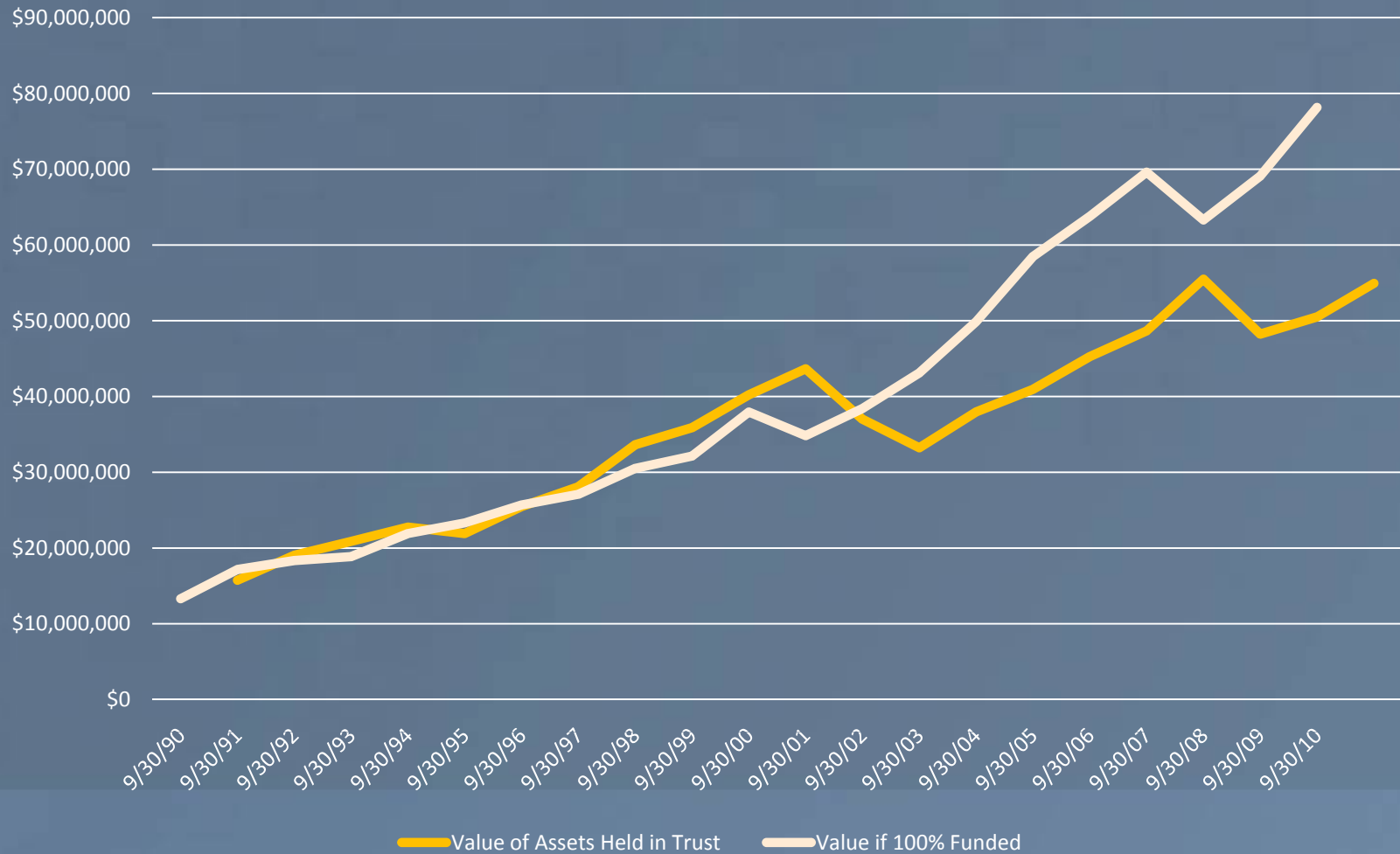
Employee Contribution

Market Returns

City Contribution

General Employees Pension 100% Funded - Assets = UAAL

Chart Title

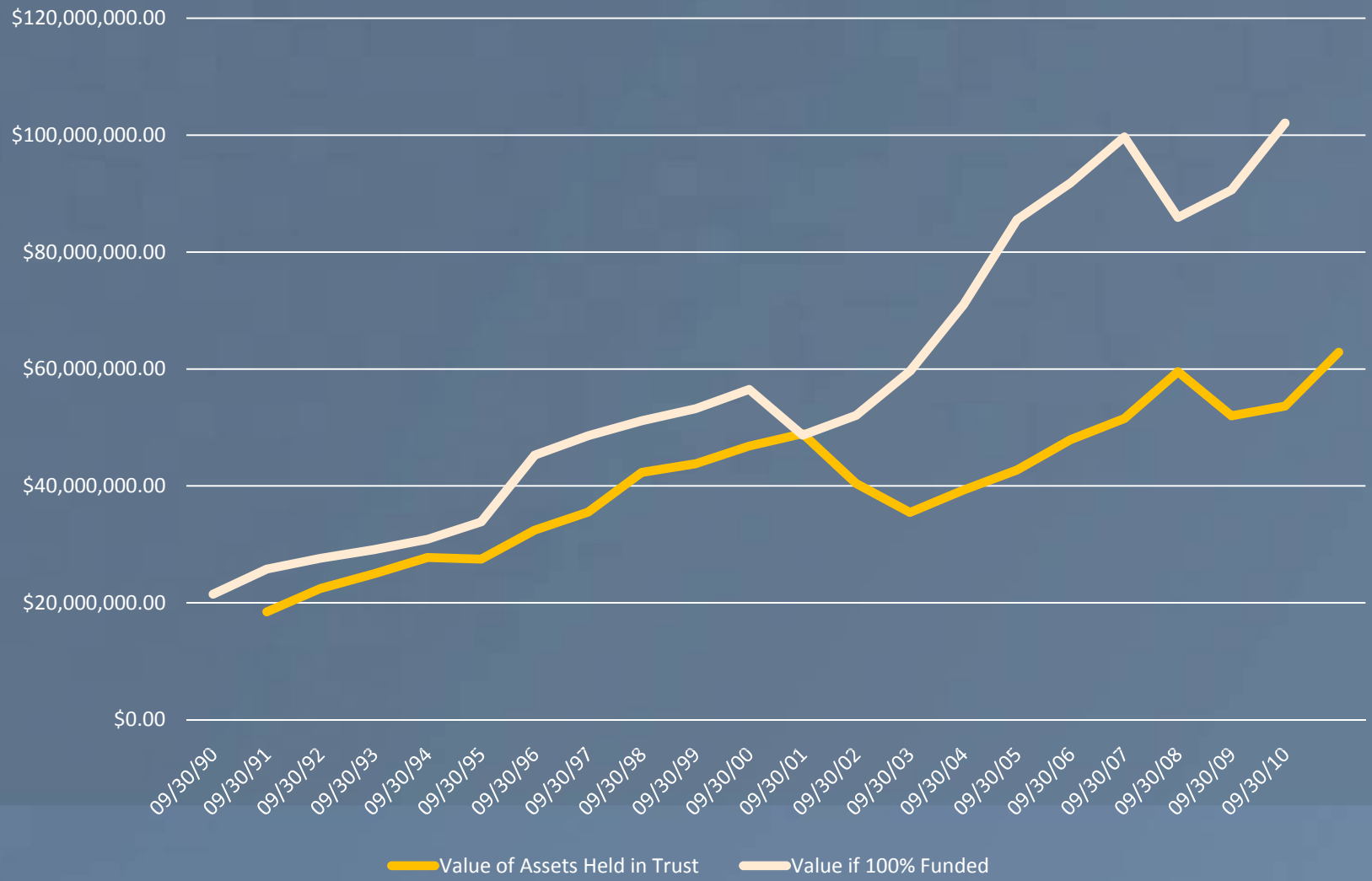


Pension Statistics

GENERAL EMPLOYEES PENSION PLAN									
ANNUAL ACTUARIAL VALUATION FUNDING - 9/30/1990 thru 9/30/2010									
Valuation Date	Value of Assets Held in Trust	Fiscal Yr Investment Returns	Funded Ratio	Income Sources				UAAL	
				City Contribution	Employee Contributions	Investment Income	Total Contributions/Investment Income	Value if 100% Funded	Unfunded Accrued Actuarial Liability
09/30/90	15,738,070	2.10%	118.3%	349,000	336,367	463,692	1,149,059	13,303,525	(2,434,545)
09/30/91	19,056,288	22.20%	111.0%	401,459	336,489	3,473,124	4,211,072	17,167,827	(1,888,461)
09/30/92	20,878,835	11.90%	113.8%	234,808	360,715	2,251,053	2,846,576	18,346,955	(2,531,880)
09/30/93	22,762,431	11.70%	120.7%	222,624	358,538	2,418,044	2,999,206	18,858,684	(3,903,747)
09/30/94	21,909,390	-0.80%	100.0%	109,396	357,215	(169,096)	297,515	21,909,390	0
09/30/95	25,473,714	18.30%	109.3%	344,348	358,078	3,963,124	4,665,550	23,306,234	(2,167,480)
09/30/96	28,098,799	13.60%	109.4%	274,533	365,210	3,231,890	3,871,633	25,684,460	(2,414,339)
09/30/97	33,630,134	24.20%	124.1%	349,350	371,603	6,483,768	7,204,721	27,099,222	(6,530,912)
09/30/98	35,879,488	9.30%	117.6%	411,522	411,522	3,088,416	3,911,460	30,507,175	(5,372,313)
09/30/99	40,229,429	13.70%	125.2%	533,119	545,770	4,890,162	5,969,051	32,132,132	(8,097,297)
09/30/00	43,650,926	9.80%	115.0%	576,257	599,825	3,911,806	5,087,888	37,957,327	(5,693,599)
09/30/01	36,985,239	-13.60%	106.2%	634,989	639,170	(6,056,705)	-4,782,546	34,826,025	(2,159,214)
09/30/02	33,227,025	-9.00%	86.5%	701,935	707,765	(3,304,193)	-1,894,493	38,412,746	5,185,721
09/30/03	37,965,575	13.30%	88.1%	1,547,537	799,182	4,432,244	6,778,963	43,093,729	5,128,154
09/30/04	40,942,016	7.00%	82.1%	1,694,679	851,458	2,671,345	5,217,482	49,868,473	8,926,457
09/30/05	45,265,708	10.40%	77.4%	1,738,722	863,779	4,266,228	6,868,729	58,482,827	13,217,119
09/30/06	48,663,270	7.20%	76.3%	1,858,727	898,852	3,273,184	6,030,763	63,778,860	15,115,590
09/30/07	55,479,766	13.60%	79.7%	2,133,251	900,620	6,613,064	9,646,935	69,610,748	14,130,982
09/30/08	48,230,393	-13.80%	76.2%	2,333,440	1,054,435	(7,677,326)	-4,289,451	63,294,479	15,064,086
09/30/09	50,510,463	5.29%	73.1%	2,122,612	924,190	2,543,346	5,590,148	69,097,761	18,587,298
9/30/2010	54,938,172	10.28%	70.3%	2,649,170	964,773	5,197,693	8,811,636	78,148,182	23,210,010
21 Year Total Income				\$21,221,478	\$13,005,556	\$45,964,863	\$80,191,897		
21 Year Average % of Total Income				26%	16%	57%	100%		

Source: Actuarial Reports

Police and Fire Pension 100% Funded - Assets = UAAL



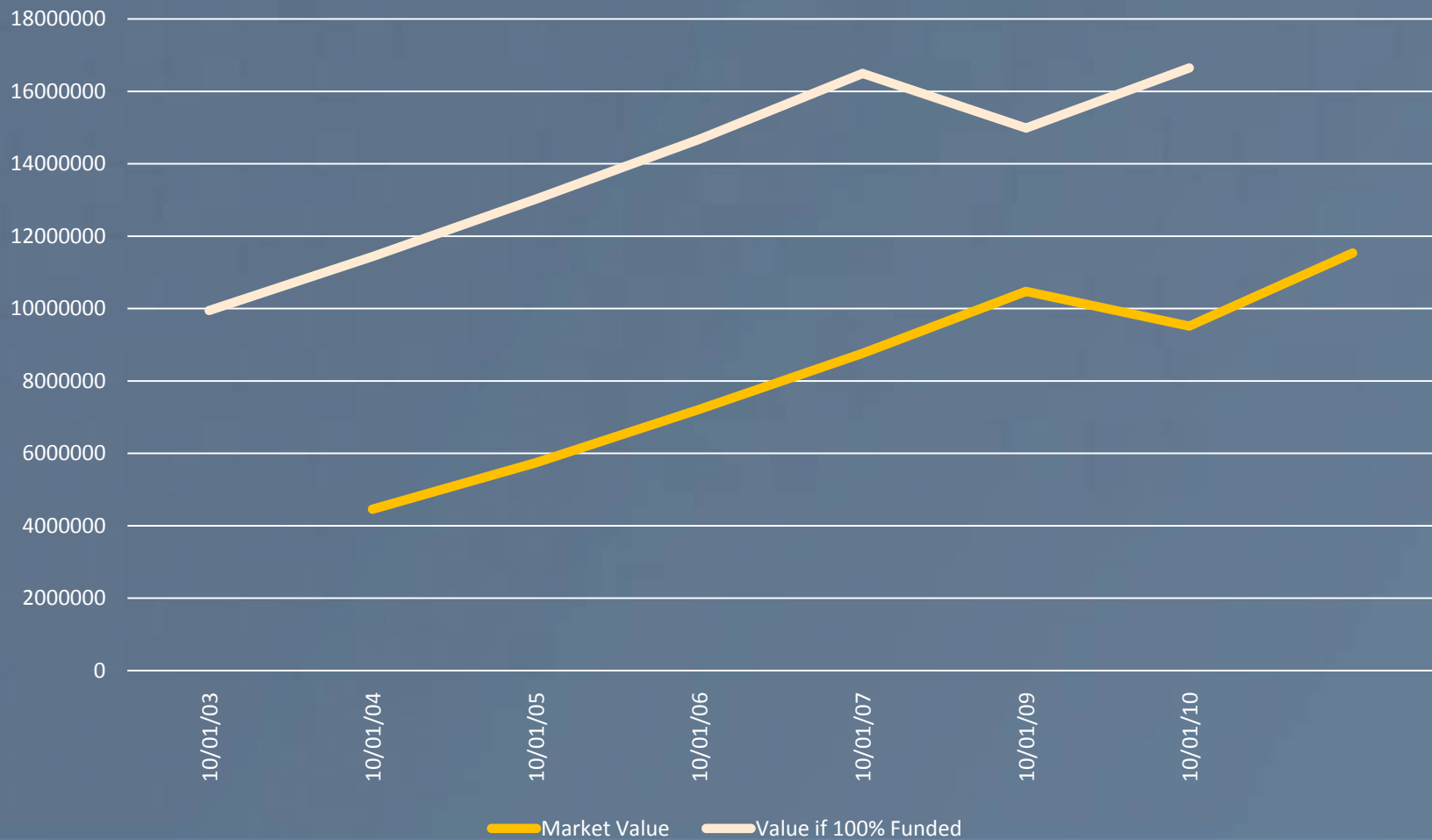
Pension Statistics

POLICE & FIRE PENSION PLAN										
ANNUAL ACTUARIAL VALUATION FUNDING - 9/30/1990 thru 9/30/2010										
Valuation Date	Value of Assets Held in Trust	Fiscal Yr Investment Returns	Funded Ratio	Income Sources					UAAL	
				City Contribution	Employee Contributions	Investment Income	State Contributions	Total Contributions/Investment Income	Value if 100% Funded	Unfunded Accrued Actuarial Liability
09/30/90	18,457,607	4.00%	85.9%	409,301	315,726	756,572	327,718	1,809,317	21,487,319	3,029,712
09/30/91	22,449,296	20.50%	87.1%	495,432	382,190	3,807,271	338,902	5,023,795	25,774,163	3,324,867
09/30/92	24,977,988	12.20%	90.4%	455,043	381,776	2,724,340	325,482	3,886,641	27,630,518	2,652,530
09/30/93	27,766,593	11.70%	95.4%	630,690	399,828	2,918,768	317,365	4,266,651	29,105,443	1,338,850
09/30/94	27,477,671	-0.20%	89.0%	586,787	419,639	(50,947)	349,842	1,305,321	30,873,788	3,396,117
09/30/95	32,451,086	18.00%	95.9%	744,937	451,518	4,944,828	357,737	6,499,020	33,838,463	1,387,377
09/30/96	35,543,329	14.10%	78.5%	469,137	403,778	4,261,038	402,626	5,536,579	45,278,126	9,734,797
09/30/97	42,327,953	23.90%	87.1%	1,005,280	453,249	8,072,081	538,202	10,068,812	48,596,961	6,269,008
09/30/98	43,794,692	11.90%	85.6%	1,139,000	406,981	4,634,640	443,265	6,623,886	51,162,023	7,367,331
09/30/99	46,825,304	14.00%	88.0%	1,003,000	886,643	5,697,948	416,619	8,004,210	53,210,573	6,385,269
09/30/00	48,928,298	9.00%	86.6%	1,000,000	542,342	3,931,243	447,733	5,921,318	56,499,189	7,570,891
09/30/01	40,412,623	-13.80%	83.0%	1,128,814	532,791	(6,634,239)	226,942	-4,745,692	48,689,907	8,277,284
09/30/02	35,460,153	-8.50%	68.1%	1,300,000	596,354	(3,383,945)	237,243	-1,250,348	52,070,709	16,610,556
09/30/03	39,297,064	12.90%	65.9%	1,900,000	811,065	4,523,428	401,821	7,636,314	59,631,357	20,334,293
09/30/04	42,741,475	7.50%	60.2%	2,740,000	1,350,871	2,967,092	503,782	7,561,745	70,999,128	28,257,653
09/30/05	47,915,078	10.80%	56.0%	2,586,679	1,407,230	4,627,074	562,038	9,183,021	85,562,639	37,647,561
09/30/06	51,526,542	6.96%	56.1%	3,315,767	1,338,648	3,342,628	515,447	8,512,490	91,847,668	40,321,126
09/30/07	59,522,031	13.93%	59.7%	3,656,025	1,313,333	7,231,599	568,850	12,769,807	99,701,894	40,179,863
09/30/08	51,978,183	-14.86%	60.5%	4,338,288	1,179,175	(8,965,682)	759,296	-2,688,923	85,914,352	33,936,169
09/30/09	53,640,052	2.47%	59.2%	4,561,594	995,210	1,351,516	536,174	7,444,494	90,608,196	36,968,144
09/30/10	62,884,072	10.15%	61.6%	7,571,660	1,224,972	5,630,089	547,235	14,973,956	102,084,532	39,200,460
21 Year Total Income				41,037,434	15,793,319	52,387,342	9,124,319	118,342,414		
21 Year Average Percentage of Total Income				35%	13%	44%	8%	100%		

Source: Actuarial Reports

Management Pension

100% Funded - Assets = UAAL



Pension Statistics

MANAGEMENT PENSION PLAN										
ANNUAL ACTUARIAL VALUATION FUNDING - 10/01/2002 thru 10//2011										
Valuation Date	Fiscal Year Effected	Market Value	Fiscal Yr Investment Returns	Funded Ratio	Income Sources				UAAL	
					City Contribution	Employee Contributions	Investment Income	Total Contributions/ Investment Income	Value if 100% Funded	Unfunded Accrued Actuarial Liability
	2/20/03	Contributed from Employee/Employer ICMA Investments					3,676,585	3,676,585		
10/01/02	03/04		6.80%		519,217	374,274	337,916	1,231,407		
10/01/03	04/05	\$ 4,456,320	9.68%	44.8%	614,486	305,623	598,293	1,518,402	\$9,947,143	\$5,490,823
10/01/04	05/06	\$ 5,741,331	7.52%	50.2%	661,587	423,396	578,926	1,663,909	\$11,436,914	\$5,695,583
10/01/05	06/07	\$ 7,214,997	12.04%	55.4%	532,254	306,673	1,092,288	1,931,215	\$13,023,460	\$5,808,463
10/01/06	07/08	\$ 8,761,749	-13.03%	59.7%	546,410	227,778	(1,391,889)	-617,701	\$14,676,296	\$5,914,547
10/01/07	08/09	\$ 10,474,548	2.06%	63.5%	615,071	231,524	193,321	1,039,916	\$16,495,351	\$6,020,803
10/01/09	10/11	\$ 9,515,098	8.79%	63.5%	1,559,617	459,302	902,736	2,921,655	\$14,984,406	\$5,469,308
10/01/10	11/12	\$ 11,532,009		69.3%	1,307,724	242,182			\$16,647,913	\$5,115,904
Year Total Income					\$5,048,642	\$2,328,570	\$5,988,176	\$13,365,388		
Average Percentage of Total Income					38%	17%	45%	100%		

Unfunded Accrued Actuarial Liability (UAAL)

**General
Employees
Pension Plan
UAAL
\$23,210,010**

**Police and Fire
Pension Plan
UAAL
\$39,200,460**

**Management
Pension Plan
UAAL
\$5,115,904**

**Total UAAL = \$67,526,374
Liability per property = \$4,989**

* UAALs as of September 30, 2010

Where the \$7.5 Million came from?

Here is how we started:

- Incorrect assumptions for FY 2011 Budget (approx. \$1.7 million)
 - Police OT short \$600,000
 - Public Services Fuel Short by \$350,000
 - Beautification short \$200,000 for field maintenance
 - CIP Increased \$600,000
- Conservative Initial Revenue Forecast (\$1.5)
 - Ad Valorem assumed decrease of \$1 Million
 - Carry forward from prior year decrease of \$500,000
- Preserve Water Fund Reserves (\$4.5 Million)
 - Setting aside needed reserves in water fund (\$3 Million)
 - Revenue adjustment for Meter Reading Transfer (\$1.5Million)

What are our options?

- Raise Taxes and/or Fees
- Reduce Services
- Lower personnel/operating costs

Initiatives for the Future

ERP System

Improve Business
Climate

Pension Reform

Annexation

Reduce Fees

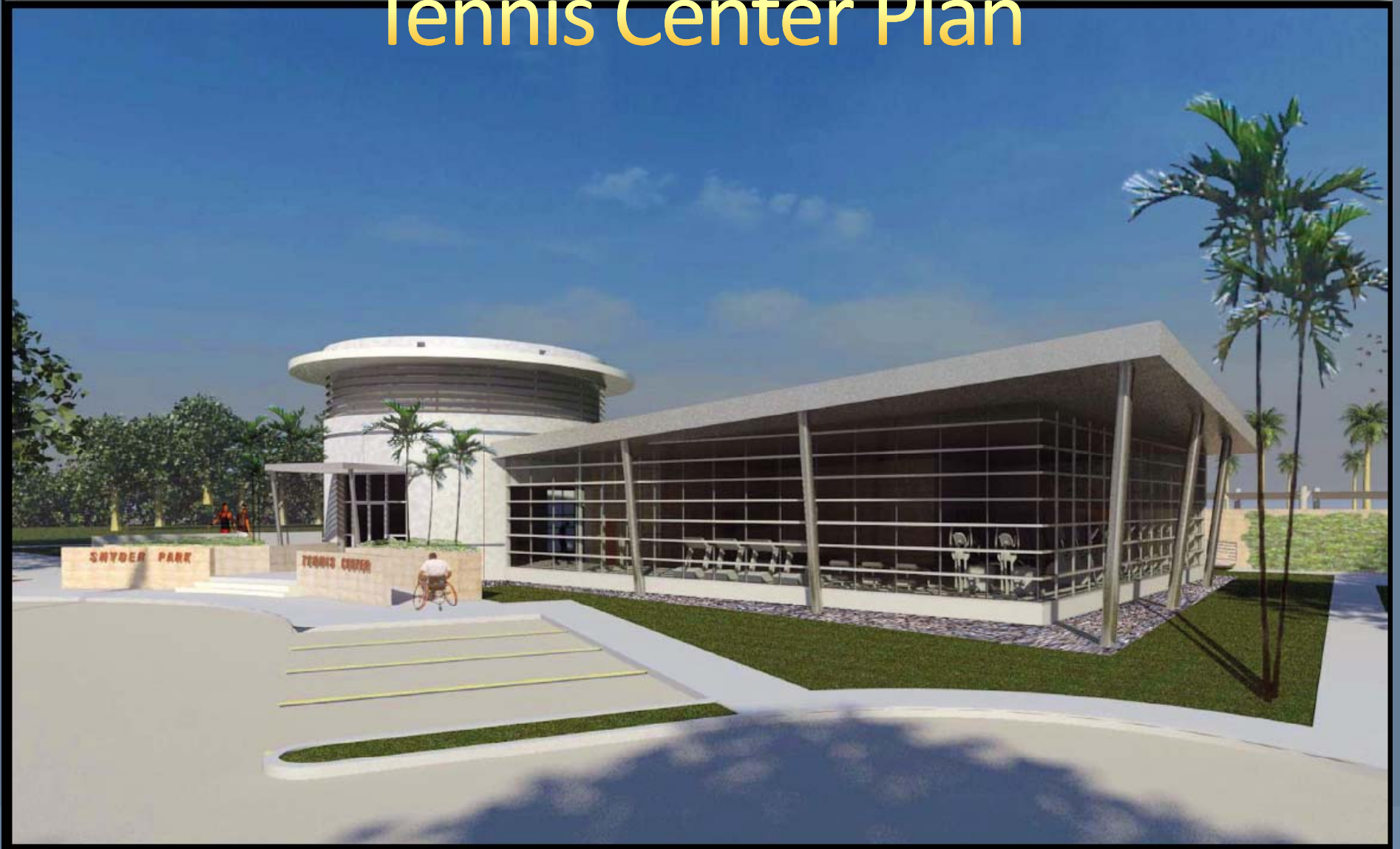
Parks

Pay Down Debt

Uleta Community Center



Judge Arthur I. Snyder Tennis Center Plan



Washington Park Conceptual Plan



WASHINGTON PARK

FEBRUARY 5, 2010

North Miami Beach, Florida



TAYLOR PARK



Get Involved, Stay Informed

Thank you!