



September 23, 2008

Dear Mayor and Council:

I am pleased to provide you with the fiscal year 2009 proposed budget for tonight's final hearing. The budget includes the General Fund (\$54.9 million), the Water Fund (\$28.2 million), and the Sewer Fund (\$7.1 million) as well as many single purpose funds.

Miami-Dade County held its final budget hearing on September 18, 2008 and the County has provided us with the latest known property data and millage rates. Based on an average assessed value of \$122,637, the County calculates that the average North Miami Beach resident will save \$134 in County taxes and \$159 in City taxes for a total reduction of \$293 in property taxes this year.

Additionally, Commissioner Sally Heyman has confirmed that the County will continue to provide an outreach facility in our City. This will minimize the impact to our residents and reduce the frequency that they will need to travel downtown while they conduct business with the County. We are grateful to Commissioner Heyman for her support and efforts on our behalf.

The State of Florida's economists and revenue projectors provided estimated amounts for the City's portion of state shared revenue. While it is hoped that the economy improves, we have used the State's conservative amounts in preparing the City's fiscal year 2009 budget. The Finance Department staff is currently verifying the addresses in the State's database to ensure that all possible taxes for the City are allocated to the City of North Miami Beach.

Staff has also started implementing new items from the C.A.R.E. program. I am pleased to inform you that the Building Division will now accept credit

and debit card payments for permits fees. The City's web based electronic payment system is currently on-line. Additionally, Library patrons may pay their fines and lost book fees by using a debit or credit card.

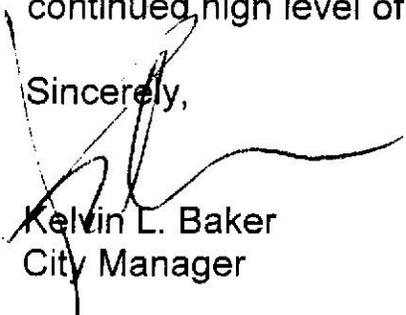
Plans are in process for the installation of a mini banking center in the City Hall lobby. The RFP for a City Hall café is being prepared.

Since the first budget hearing held on September 9, 2008, I have been in contact with each council member to address your remaining concerns. I have also taken into consideration the comments and concerns raised at the first hearing. The three changes that I propose for tonight's final hearing are as follows:

1. A \$12,000 reduction in the Police Department budget to cut coffee costs more than one-half and remove the purchase of water line item.
2. A \$76,273 increase in the Library budget for one additional full time position and additional hours available for part time employees. The Library will now be opened 51 hours per week Monday through Saturday.
3. A reduction of \$64,273 in the Administrative Services budget by delaying by six months the hiring of a vacant position.

I have made a sincere effort to prepare what I feel is a reasonable budget, that is consistent with good management practices, providing for a continued high level of service to the citizens of North Miami Beach.

Sincerely,



Kelvin L. Baker  
City Manager