

POPULAR ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended
September 30, 2019

City of Miami Gardens, Florida

City of Miami Gardens

CITY OF MIAMI GARDENS, FLORIDA

CITY OFFICIALS

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2019

CITY COUNCIL

Oliver Gilbert III, Mayor
Rodney Harris, Vice Mayor
Erhabor Ighodaro, Ph.D., Council Member
Reggie Leon, Council Member
Lillie Odom, Council Member
Katrina Wilson, Council Member
David Williams Jr., Council Member

CITY MANAGER

Cameron D. Benson

CITY CLERK

Mario Bataille, CMC

CITY ATTORNEY

Sonja K. Dickens, Esq.

FINANCE DIRECTOR

Mirtha Dziedzic, CGFO

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About this Financial Report

The City of Miami Gardens is proud of its accomplishments over the past year. This is why we are equally proud to present our residents and businesses with the City's Tenth Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2019.

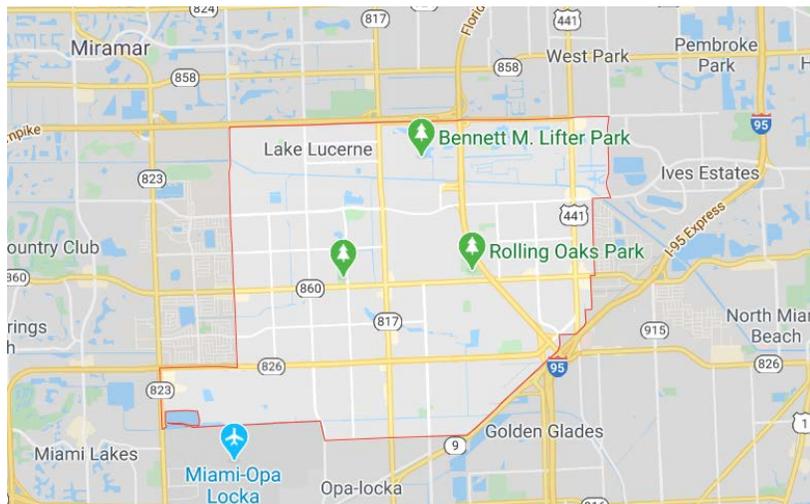
This report provides a summary of the City's major financial and non-financial accomplishments during fiscal year 2019. As stewards of your money, we believe that it is important to share this information with you so that you will have confidence that your elected officials and City staff are doing their best to make Miami Gardens a great place to live and work.

The PAFR is a summary of the financial activities of the City's governmental funds, and was drawn from information found in the 2019 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and includes financial statements audited by the City's independent auditor, Anthony Brunson, P.A. The financial amounts on pages 7 - 8 and page 11 - 12 are derived from the government-wide statements in the City's comprehensive annual financial report.

Unlike the CAFR, the PAFR is un-audited and presented on a non-GAAP basis. The GAAP basis presentation in the CAFR includes the presentation of individual funds, as well as full disclosure of all material events, financial and non-financial, in notes to the financial statements. Copies of the CAFR, PAFR, and the Financial Trends Reports are available for public viewing at City Hall and online at www.miamigardens-fl.gov.

Profile of the City

The City of Miami Gardens, Florida, was incorporated on May 13, 2003, as the 33rd municipality in Miami-Dade County and at a population of 114,284 is the County's third largest city after the City of Miami and Hialeah. Located in North-Central Miami-Dade County, it stretches from I-95 and NE 2nd Avenue on the East, to NW 47th and NW 57th Avenues on the West, and from the Broward County line on the North, to NW 151st Street on the South. The City comprises approximately 20 square miles.



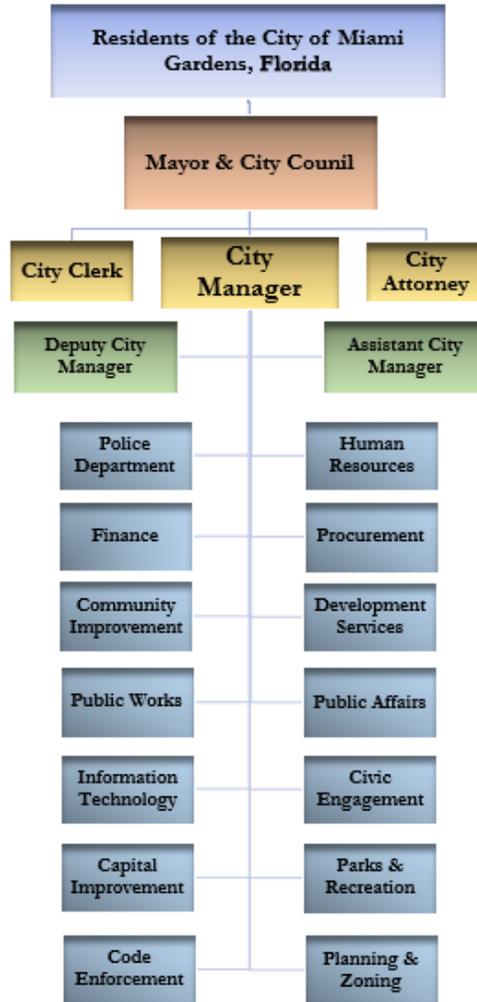
Miami Gardens is a solid, working and middle class community of unique diversity. It is the largest predominately African-American municipality in the State of Florida and boasts many Caribbean residents. It is the home to the Miami Dolphins and to Calder Casino. It has vibrant commercial corridors along the Palmetto Expressway serving as a central shopping district for furniture trade, and along North U.S. 441 serving the automobile trade.

The City is blessed with a central location being midway between the cities of Fort Lauderdale and Miami, and is traversed by I-95, the Palmetto Expressway and the Florida Turnpike. It has rail access through the

Florida East Coast Railway and the South Florida Tri-rail system. There are three high schools and two private universities located within the City’s boundary.

The City operates under the Mayor-Council-Manager form of government. Elected officials include the mayor and six council members. There are four members from individual resident districts, with the remaining two council members being elected at-large by citywide vote. The mayor is also elected at-large. The Council appoints the City Clerk, City Attorney and the City Manager who is responsible for implementing policies adopted by the City Council.

City of Miami Gardens
Organizational Chart



The City provides its residents with many municipal services. For public safety, this includes Police, School Crossing Guards, and Code Enforcement. Fire Services are provided by Miami-Dade County. The Public Works Department provides street maintenance, street beautification and drainage improvements. Other municipal services include planning and zoning services, building services, comprehensive land use and planning, recreational services, and other support services. The City has one enterprise fund, the Stormwater fund. All these services are under the supervision and leadership of the City Manager.

Accomplishments for Fiscal Year 2019

Some of the major accomplishments for the City that most affect City operations and levels of service to our residents are:

- Completion of Betty T Ferguson Recreation Center exterior/interior improvements: turf and track replacement, scoreboard, and select demolition Natorium.
- At North Dade Optimist Park completed shaded home side bleachers and visitor side bleachers and scoreboard.
- Opening of Buccaneer Park and Splash Pad on December 15, 2018.
- Completed a new playground and shade fabric at Lester Brown Park.
- Awarded \$17.9 million from the State for Hard Rock Bridges and Tunnels.
- Expanded the transit service to include a third route in the east section of the City increasing stops and decreasing waiting time. Also, improved the two (2) bus circulator routes with WIFI, People Counter, GPS Services, and information monitors.
- Completed five (5) of seven (7) phases of the Vista Verde Community Road and Drainage Improvement Projects.
- Award \$648,000 to construct the Westside Blueway Trail Phase II through FDOT.
- Police Department integrated current closed circuit television camera systems from City Hall, Public Safety Building and City Garage into the RTCC and established a plan to begin implementing longer operation hours with the goal of supplying a full operation of 24-hours a day, 7 days a week.
- The Victims Advocate Unit participated in a Domestic Violence Awareness event in the month of October, and hosted a Domestic Violence Sexual Assault of Greater Miami Meeting.
- Reduced vehicle burglaries by 10%.
- Parks & Recreation supported several special events including Community Halloween, Holiday Lighting, Heritage Bowl, Bid Whist and Spades, Memorial Day Breakfast, Athletic Tournaments, Easter Family Fun Day, July 4th, Mother's Day Event, Father Day Luncheon and the State of the City address, in addition they implemented a sponsorship program to supplement the costs of citywide special events. Additionally, Parks hosted eight (8) free Science, Technology, Engineering and Math (STEM) Saturday sessions.
- Parks established seven (7) new partnerships with Dibia Dreams, US soccer Foundation Soccer for Success, P-Swap, Red Cross Centennial Swim Campaign, Flippany, The Fountain, and Ted Lucas Foundation.
- Received from Government Finance Officers Association the Distinguished Budget Presentation Award and Certificate of Achievement for Excellence in Financial Reporting.

Accomplishments for Fiscal Year 2019 (Continued)

*Grand Opening
Buccaneer Park*



*Orange Bowl Media Center Upgrade
Maim Gardens Elementary School*



Accomplishments for Fiscal Year 2019 (Continued)

Neighborhood Stabilization Program Grant Before & After



Miami Gardens Events



Heritage Bowl

Accomplishments for Fiscal Year 2019 (Continued)



Fright Night



July Fourth Celebration

Accomplishments for Fiscal Year 2019 (Continued)



*Ground Breaking
Risco Park*



*Resurfacing Project
100 207th Street*

Financial Highlights

The financial summaries presented on Tables #1 and 2 are based upon a condensed view of the City's assets and liabilities for all funds as of September 30, 2019, the end of the City's fiscal year.

Table #1

Net Positions

As of September 30, 2019 and 2018				
(net of depreciation)				
	<i>2019</i>	<i>2018</i>	<i>\$ Increase (Decrease)</i>	<i>% Increase (Decrease)</i>
Current Assets	\$ 124,911,630	\$ 115,179,615	\$ 9,732,015	8.45%
Capital Assets	<u>326,128,004</u>	<u>317,353,281</u>	<u>8,774,723</u>	2.76%
Total Assets	451,039,634	432,532,896	18,506,738	4.28%
Deferred Outflow of Resources	25,500,681	22,934,148	2,566,533	11.19%
Long Term Liabilities	211,315,060	206,158,391	5,156,669	2.50%
Other Liabilities	<u>22,301,630</u>	<u>17,174,086</u>	<u>5,127,544</u>	29.86%
Total Liabilities	233,616,690	223,332,477	10,284,213	4.60%
Deferred Inflow of Resources	11,670,033	9,835,760	1,834,273	18.65%
Net Position	<u>\$ 231,253,592</u>	<u>\$ 222,298,807</u>	<u>\$ 8,954,785</u>	4.03%

Current Assets are highly liquid and include cash, investments and receivables. The current assets has an increase of 8.45%.

Capital Assets are the City's long term investments in land, buildings, equipment and machinery, infrastructure, and construction in progress. Capital assets are shown at their original cost less accumulated depreciation. The City uses these capital assets to provide services to the residents; consequently these assets are not available for future spending. Capital assets in the Governmental Activities (net of depreciation) increased from \$317.4 million in FY2018 to \$326.1 million in FY2019. This year's major capital asset additions before depreciation for the governmental activities equaled approximately \$24.4 million. The depreciation expense for FY 2019 is approximately \$16.7 million. The major additions include the following:

- \$14.2 million construction in progress for pedestrian bridge/tunnels
- \$6.5 million construction in progress for General Obligation bond parks improvement projects
- \$1.1 million in vehicle and equipment purchases, such as solar trailers and IT equipment
- \$ 2.0 million for infrastructure improvements such as road re-surfacing, sidewalks, bus shelters.

	Governmental Activities	Business-type Activities	Total
Land	\$ 31,464,806	\$ -	\$ 31,464,806
Art	232,472	-	232,472
Buildings	61,995,423	-	61,995,423
Equipment	3,487,723	1,023,366	4,511,089
Other Assets	438,435	-	438,435
Infrastructure	170,366,246	14,888,732	185,254,978
Improvement other than building	6,066,839	-	6,066,839
Construction-in-progress	<u>35,472,430</u>	<u>691,532</u>	<u>36,163,962</u>
	<u>\$ 309,524,374</u>	<u>\$ 16,603,630</u>	<u>\$ 326,128,004</u>

Financial Highlights (continued)

The business-type activities reported approximately \$24.1 million in capital asset before depreciation which is mainly for stormwater utility. After depreciation (decline of value over the estimated life of the assets) the value of capital assets in business-type activities is \$16.6 million.

Governmental Activities are mostly supported by taxes and intergovernmental revenues. Business type activities are those activities which primarily support themselves through user fees or other charges. The City of Miami Gardens has one business type fund, the Stormwater Fund. This fund relies on the stormwater assessments of \$72 per ERU (equivalent residential unit) per year to support the stormwater operations to avoid flooding during the rainy season.

Long term liabilities represent debt obligations of the City from long term financing or other liabilities due longer than one year such as pension and other post-employment costs. The proceeds of these debt issues are used to finance capital improvements. With the implementation of GASB 68 and 71, which required municipalities to recognize pension liabilities differently, and GASB 75, that did away with the Net OPEB Obligation requiring the full liability to be recognized immediately, the City's long term liabilities increased by 2.5%.

Net positions represent assets less liabilities. The largest portion of the City's Net Position reflects its net investment in capital assets (\$231.3 million). Although the City's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since capital assets themselves cannot be used to liquidate these liabilities. Of the City's total Net Position, unrestricted Net Position is (\$34.4 million) after accounting for compensated absences, depreciation expenses, pension liability, other post-employment obligations and accrued interest payable.

Table #2

Change in Net Position

For Fiscal Year Ended September 30, 2019, 2018				
	2019	2018	\$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Property Taxes	\$ 34,759,128	\$ 32,504,999	\$ 2,254,129	6.93%
Franchise fees	3,682,186	3,801,953	(119,767)	-3.15%
Utility Taxes	10,830,781	10,750,222	80,559	0.75%
Intergovernmental Revenue	20,471,779	20,364,978	106,801	0.52%
Misceallaneous	3,610,186	3,704,971	(94,785)	-2.56%
Investment Earnings	2,268,623	1,600,610	668,013	41.73%
Charges for Services	28,891,900	26,456,958	2,434,942	9.20%
Operating Grants	18,792,772	2,158,862	16,633,910	770.49%
Capital Grants	327,832	182,134	145,698	79.99%
Loss on sale of capital assets	-	-	-	-100.00%
Total Revenues	123,635,187	101,525,687	22,109,499	21.78%
Expenses:				
General Government	25,470,459	22,811,697	2,658,762	11.66%
Public Safety	51,502,510	41,203,580	10,298,930	25.00%
Public Works	18,494,408	16,656,467	1,837,941	11.03%
Recreation	7,727,705	6,149,189	1,578,516	25.67%
Economic & Physical Environment	1,221,889	843,430	378,459	44.87%
Human Services	699,832	148,373	551,459	371.67%
Stormwater	2,878,155	2,533,311	344,844	13.61%
Interest on long term debt	6,685,444	6,940,156	(254,712)	-3.67%
Total Expenses	114,680,402	97,286,203	17,394,199	17.88%
Change in Net Positions	8,954,785	4,239,484	4,715,301	111.22%
Net Position - Beginning	222,298,807	218,059,323	4,239,484	1.94%
Net Position - Ending	\$ 231,253,592	\$ 222,298,807	\$ 8,954,785	4.03%

Financial Highlights (continued)

Total revenues on table #2 increased 21.78% during FY2019. The increase is mostly attributed to the hard rock stadium pedestrian bridge/tunnels state grant. Decrease in franchise fee is attributed to lower fuel rate and consumption affecting the electric franchise fee. Better cash flow and higher interest rate attributed to increase in investment earnings. Higher Recreation revenues and off duty police services resulted in increase in the Charges of services. The City Council levied the same millage rate as FY 2018 and with increase in property value attributed to the increase in property taxes.

Total expenses on table #2 increased by 17.88%. All aspects of services increased filling vacant positions and implementation of a new department under General Government while increases in Public Safety is credited mostly to pension costs allocation between the two categories. Other additional remaining increases is attributed to depreciation expenses.

Types of Funds

Governmental Funds

- ***General Fund*** accounts for revenues and expenditures associated with the general operations of the City that are not required to be accounted for in separate funds.
- ***Special Revenue Funds*** account for proceeds of specific revenue sources that are legally restricted for specific purposes (e.g. streets and schools). The City of Miami Gardens has nine special revenue funds: Impact Fees, Community Development Block Grant, State Housing Initiative Partnership Grant, Development Services, Law Enforcement Trust Fund, Grant Fund, Brick Paver Fund, Special Taxing District Funds (19), and the Transportation Fund.
- ***Capital Projects Funds*** account for the financial resources used for the construction and/or acquisition of major capital facilities. The City has one capital projects fund.
- ***Debt Service Funds*** account for the financial resources used for the payment of principal and interest on all of the City's debt. The City has one debt service fund.

Enterprise Funds

Enterprise Funds account for activities the City operates similar to private businesses. The City of Miami Gardens has one enterprise fund for the fiscal year ending September 30, 2019, the Stormwater fund.

The PAFR will focus on the four major funds of most interest to citizens: the General Fund, Stormwater Fund, Transportation Fund, and the Capital Projects Fund.

General Fund

Fund Balance- Fund Balance is the excess of what the City owns (assets) over what the City owes (debts or liabilities). The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures that is approximately 17%. As of September 30, 2019, the City's unassigned general fund

Financial Highlights (continued)

balance, available sources of funds that are not subject to any constraints, is \$21.6 million, an increase of \$1.8 million. This represents 26.6% of the FY 2020 operating budget.

General Fund Revenues- Compared to the prior year, total General Fund revenues increased by \$2.82 million or 4.92% in fiscal year 2019. Property Taxes, Intergovernmental Revenue, Licenses & Permits, Interest Earnings and Fines and Forfeitures reflected the majority of the increase. The only decreases compared to FY 2018 is the franchise fee category attributed to electric franchise fees and other income.

Property Taxes attributed to 40% of the City’s total General Fund revenue sources for fiscal year 2019. Tables 3 and 4 below provide information of the City’s top taxpayers as well as top ten largest employers, to better acquaint the readers with the City’s source of ad valorem revenue

Table #3

Top Ten Taxpayers				
(amounts expressed in thousands)				
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Industry or Business Type</u>	<u>Rank</u>	<u>Total Assessed Valuation</u>
HARD ROCK STADIUM	276,862	Sports/Entertainment	1	7.7%
CALDER RACE COURSE, INC.	55,255	Sport/Entertainment	2	1.5%
WALMART STORES EAST LP	47,693	Retail	3	1.3%
MDH MIAMI SSIP LLC	42,911	Real Estate	4	1.2%
DORSAN DEVELOPMENT	39,993	Real Estate	5	1.1%
GARDENS AND 27 LLC	32,212	Real Estate	6	0.9%
491 UNITS MIAMI GARDENS INV.	27,300	Real Estate	7	0.8%
PARK PLAZA APARTMENT HOL	26,060	Real Estate	8	0.7%
CAPO & SONS CORP	25,760	Real Estate	9	0.7%
ADVENIR AT WALDEN LAKE	25,530	Real Estate	10	0.7%
	<u>\$ 599,576</u>			<u>16.7%</u>

Table #4

Top Ten Employers			
<u>EMPLOYER</u>	<u>EMPLOYEE</u>	<u>RANK</u>	<u>% OF TOTAL</u>
HARD ROCK STADIUM	1,512	1	29.66%
WALMART	914	2	17.93%
CITY OF MIAMI GARDENS	512	3	10.05%
UNITED AUTOMOBILE INSURANCE CO.	453	4	8.89%
ST THOMAS UNIVERSITY	323	5	6.34%
CALDER RACE TRACK	302	6	5.93%
US POST OFFICE	291	7	5.71%
LEHMAN DEALERSHIPS	279	8	5.47%
BRANDSMART USA	265	9	5.20%
FLORIDA MEMORIAL UNIVERSITY	246	10	4.83%
	<u>5,097</u>		<u>100.00%</u>

Financial Highlights (continued)

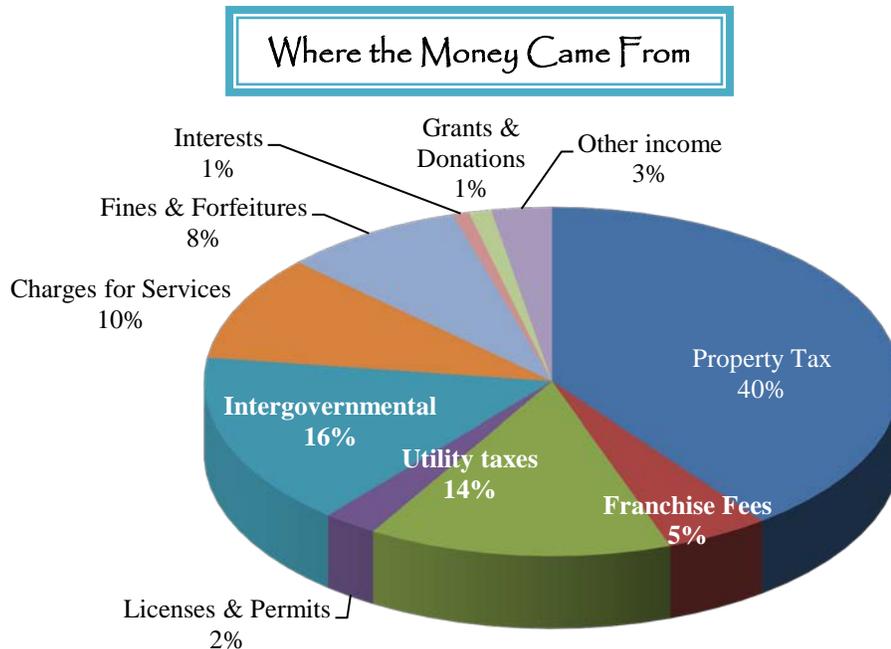
Table #5 (General Fund)

<i>Revenue by Types</i>						
	2019		2018		Variance	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property Tax	\$ 30,496,660	39.7%	\$ 28,224,880	38.5%	\$ 2,271,780	8.05%
Franchise Fees	3,682,186	4.8%	3,801,953	5.2%	(119,767)	-3.15%
Utility taxes	10,830,781	14.1%	10,750,222	14.7%	80,559	0.75%
Licenses & Permits	1,939,475	2.5%	1,800,264	2.5%	139,211	7.73%
Intergovernmental	12,336,319	16.1%	12,114,496	16.5%	221,823	1.83%
Charges for Services	7,523,947	9.8%	8,038,982	11.0%	(515,035)	-6.41%
Fines & Forfeitures	6,472,876	8.4%	5,123,160	7.0%	1,349,716	26.35%
Interests	580,914	0.8%	398,166	0.5%	182,748	45.90%
Grants & Donations	806,108	1.0%	743,405	1.0%	62,703	8.43%
Other income	2,158,561	2.8%	2,230,595	3.0%	(72,034)	-3.23%
TOTAL REVENUE	\$ 76,827,827	100.0%	\$ 73,226,123	100.0%	\$ 3,601,704	4.92%

The reasons for the major variances are as follows:

- Increase in property tax is attributed to Council adopting the same millage rate of 6.9363 for FY 2019 instead of the roll-back rate of 6.4244.
- Decrease in franchise fee is attributed to lower fuel costs and consumption for electric franchise fees.
- Increase in intergovernmental revenue is attributed to State Revenue Sharing.
- Increase in fines is attributed to revenues collected for Red Light cameras.
- Increase in grants is attributed to the funding for the Federal Hurricane Relief.
- Decrease in other income is attributed to insurance reimbursements and foreclosure property registry.
- Increase in Licenses & Permits is due to the increase in cost of services.

A breakdown of the composition of the revenues is provided below:



Financial Highlights (continued)

General Fund Expenditures

Table #6 shows that expenditures in the General Fund is \$7.8 million higher than FY 2018. General Government increase is due to City special events that are offset by a few sponsorships; a spike in health insurance: Fleet purchased new police vehicles, as well as an increase in repairing older vehicles, and Planning & Zoning hired in-house inspectors to eliminate outsourcing contractual services. Public Safety increased mainly by filling vacancies and Culture & Recreation increased due to opening and staffing new parks.

Table #6

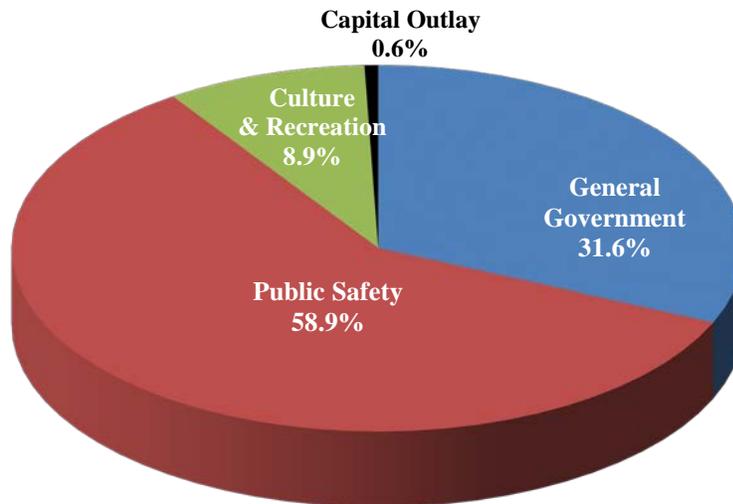
Expenditures by Categories

	2019		2018		Variance Amount	Variance Percent
	Amount	% of Total	Amount	% of Total		
General Government	\$ 22,159,426	32.47%	\$ 20,302,030	29.75%	\$ 1,857,396	9.15%
Public Safety	40,056,085	58.70%	35,237,563	51.64%	4,818,522	13.67%
Culture & Recreation	6,022,993	8.83%	4,877,663	7.15%	1,145,330	23.48%
TOTAL	\$ 68,238,504	100.00%	\$ 60,417,256	100.00%	\$ 7,821,248	12.95%

The City spent 59 cents of every dollar received in revenues on public safety costs (police, school crossing guards, and code enforcement) and approximately 9 cents on parks and recreation. This means that almost 68 cents of every dollar goes to cover the costs of providing these two direct services to our residents, while 32 cents goes to administration, special events, and internal services such as purchasing, fleet maintenance and information technology.

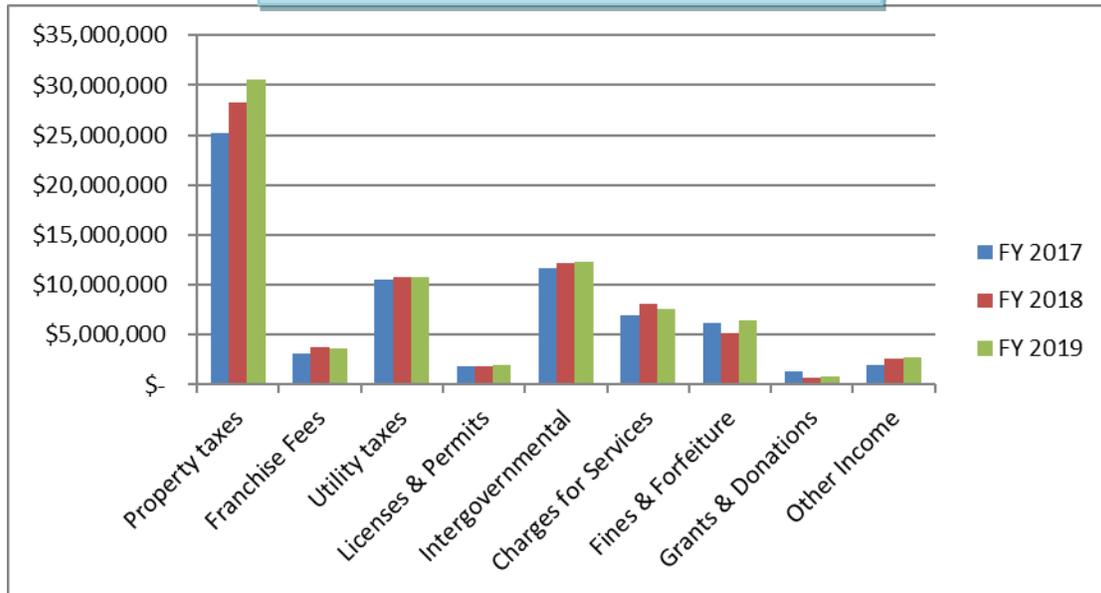
The following chart details the way resources from the General Fund were used:

How Was the Money Spent

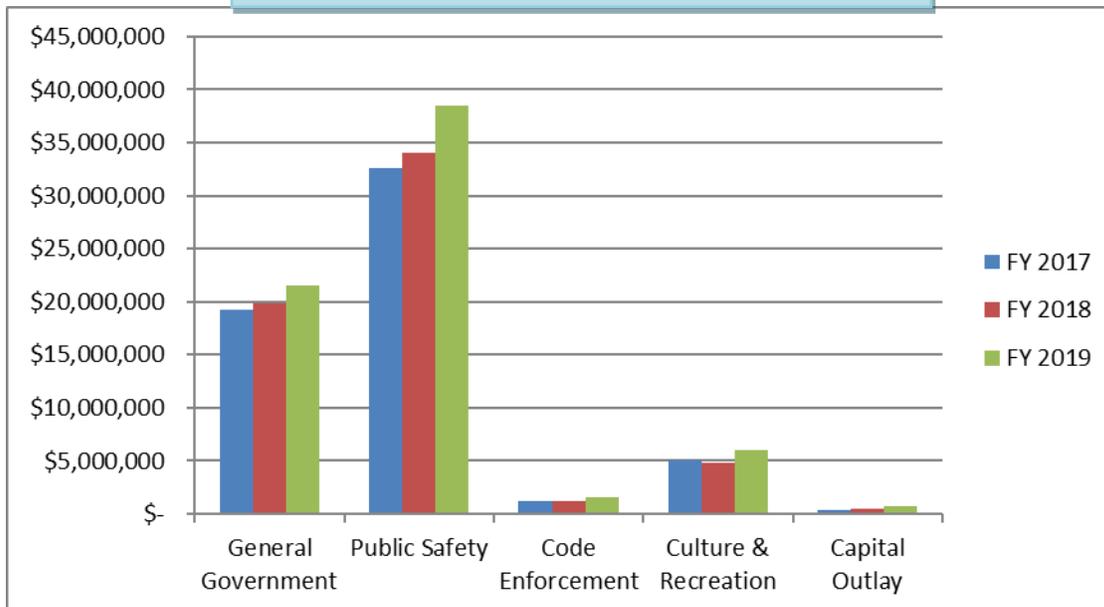


Financial Highlights (continued)

Three-Year Trend History of Revenue



Three-Year Trend History of Expenditures



Financial Highlights (continued)

Capital Projects Fund

Revenues for the City’s capital projects fund include grant revenue, rebate from Build America Bonds and transfers from the General Fund totaling \$2.2 million. The expenditures were \$7.2 million that includes a \$6.0 million transfer to the debt service fund. At the end of the fiscal year, the Capital Projects fund has a restricted fund balance of \$49.2 million mostly derived from the unspent bond proceeds. The Unassigned Fund Balance is \$402,885.

Transportation Fund

Revenues for the transportation fund were \$8.9 million, of which approximately \$8.0 million is derived from gas tax, CITT (Citizens Independent Transportation Trust) and State Revenue Sharing distribution. Expenditures were \$6.0 million that includes \$806,103 transfer to the Debt Service Fund. The expenditures are mainly used to maintain the City’s streets which include sidewalks and streets resurfacing and all beautification projects in our roadways. The restricted fund balance for 2019 year-end was \$17,759,048 compared to \$15,521,584 in FY 2018.

Stormwater Fund

The Stormwater fund is the City’s only enterprise fund. The City executed an interlocal agreement with Miami-Dade County in 2007 to take over operation of the system. Stormwater revenues for fiscal year 2019 were \$5.1 million and operating expenditures were \$2.7 million. This created operating income of \$2.4 million. After interest expense, transfer to General Fund and Transportation Fund for overhead costs, the ending unrestricted net position for fiscal year 2019 was \$5,933,163 compared to \$5,569,255 in FY 2018.

Long Term Liabilities

At year-end, the City had \$127.9 million in governmental activities debt outstanding. The outstanding debt for the business-type activities was \$5.3 million. The City issued a \$60 million General Obligation Bond in July 2014 approved by the voters. As of September 30, 2019, Moody’s and S&P have assigned underlying ratings of “A1”, and “A+” respectively to the General Obligation Bonds. These ratings indicate that the City is in a stable and satisfactory financial position. The remaining of the long-term liability are attributed to Pension, Other Post-Employment Benefits (OPEB) and Compensated Absences totaling \$86.5 million.

	Governmental Activities	Business-Type Activities	Total
Due to Miami-Dade County	\$ 2,972,775	\$ 5,269,973	\$ 8,242,748
Revenue Bond	15,141,607	-	15,141,607
Certification of Participations	46,660,000	-	46,660,000
Taxable Revenue Bond	5,180,440	-	5,180,440
General Obligation Bond	52,665,000	-	52,665,000
Pension Liability	70,704,195	567,172	71,271,367
OPEB Liability	5,735,795	65,832	5,801,627
Compensated Absences	9,371,695	54,087	9,425,782
	<u>\$ 208,431,507</u>	<u>\$ 5,957,064</u>	<u>\$ 214,388,571</u>

For the Future & Economic Outlook

Credit Ratings

Three major rating agencies evaluate thousands of issuers and their municipal bonds. The agencies are Moody's, Standard and Poor's (S&P), and Fitch Ratings that assign ratings. The objective of the rating agency is to assign a municipal bond credit rating to make it faster for market participants to evaluate risk. A bond's credit rating is the rating agency's opinion as to the creditworthiness of the bond's issuer. The table below shows bond credit ratings by the three national rating agencies: Moody's, Standard & Poor's, and Fitch Ratings.



In investment, the bond credit rating represents the credit worthiness of corporate or government bonds. It is not the same as an individual's credit score. The ratings are published by credit rating agencies and used by investment professionals to assess the likelihood the debt will be repaid. Credit rating is a highly concentrated industry with the "Big Three" credit rating agencies — Fitch Ratings, Moody's and Standard & Poor's (S&P) — controlling approximately 95% of the ratings business.

Moody's		S&P		Fitch		Equivalent to SVO Designations	Rating description	
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	NAIC		
Aaa	P-1	AAA	A-1	AAA	F1+	1	Prime	Investment-grade
Aa1		AA+		AA+				
Aa2		AA		AA				
Aa3		AA-		AA-				
A1		A+		A+				
A2	P-2	A	A-2	A	F2	2	Upper medium grade	Investment-grade
A3		A-		A-				
Baa1		BBB+		BBB+				
Baa2		BBB		BBB				
Baa3		BBB-		BBB-				
Ba1	P-3	BB+	B	BB+	B	3	Non-investment grade speculative	Investment-grade
Ba2		BB		BB				
Ba3		BB-		BB-				
B1		B+		B+				
B2		B		B				
B3	B-	B-	B-	4	Highly speculative			

Fiscal year 2020 will mark a successful year with the following projects to be accomplished:

- ✓ Complete Hard Rock Bridges and Tunnels prior to 2020 Super Bowl.
- ✓ Finish NW 27 Ave and NW 183 Street Landscaping Improvements that replaces old landscaping materials or landscaping destroyed by hurricane/traffic accidents.
- ✓ Begin numerous General Obligation bond parks improvement projects at Lester Park and Senior Family Center.
- ✓ Complete North Dade Optimist, Bunche Park, Norwood Park & Pool, and upgrades to Betty T. Ferguson Recreational Complex.
- ✓ Continue additional phases of Vista Verde, to date completed 5 of the 7 phases of the Vista Verde Community Road and Drainage Improvement Projects to increase existing or add new drainage systems and then re-surfacing the road(s).
- ✓ Complete sale of City owned 5-acre property and 35-acre economic development property to developer and pay off the debt.

In fiscal year 2009, the City was required to implement Statement 45 of the Governmental Accounting Standards Board. This statement required the City to recognize the future cost of OPEB. In fiscal year 2018, GASB 75 replaced GASB 45 improving the accounting and financial reporting by state and local governments for "other post-employment benefits" (OPEB). OPEB provides retirees and their dependents medical insurance even though the City does not pay for the premiums. The calculation by an independent actuary indicated the OPEB costs for FY 2019 is \$316,662 for retiree insurance. The City only funds the stipend costs for health insurance for retirees and for fiscal year 2019, the amount was \$143,806. The City's net change in the OPEB liability decreased by (\$3,375,476), bringing the total OPEB liability to \$5,180,627. This results in an increase of the City's net position.

For the Future & Economic Outlook (continued)

There are numerous commercial projects, such as The Oaks Enclave rental units, Gardens Promenade self-storage facility and the Dolphin Training Facility at Hard Rock Stadium that will increase the property value for the City in future years. Residential projects include Vista Lago multi-family residential development with a combination of 113 townhome units, 120 condominium units and 168 apartment units and Villages at Miami Gardens residential development with approximately 50 multi-family rental units designed in a two-story, townhome layout.

In FY 2009, the City purchased two pieces of economic development property. The sale for one of the parcels is completed. The City is currently under contract for the sale of the remaining 35-acre economic development land. Further, the City is also in negotiation of selling a 5-acre city owned property to a developer. The City will utilize the sale proceeds to pay off any existing loan on the properties and any additional proceeds from the sale of the land will be deposited to the City's Capital Fund balance.

For Fiscal Year 2020, the City adopted a millage rate of 6.9363, the same rate as FY 2019. State law requires municipalities to first consider adoption of the "rolled-back rate" which is the millage rate that would generate the same amount of property tax revenues as the prior year. Any rate above the "rolled-back rate" is considered by State law to be a tax increase. Although the City adopted the same millage rate as FY 2019, the City's total taxable value increased, thus resulting in a tax increase.

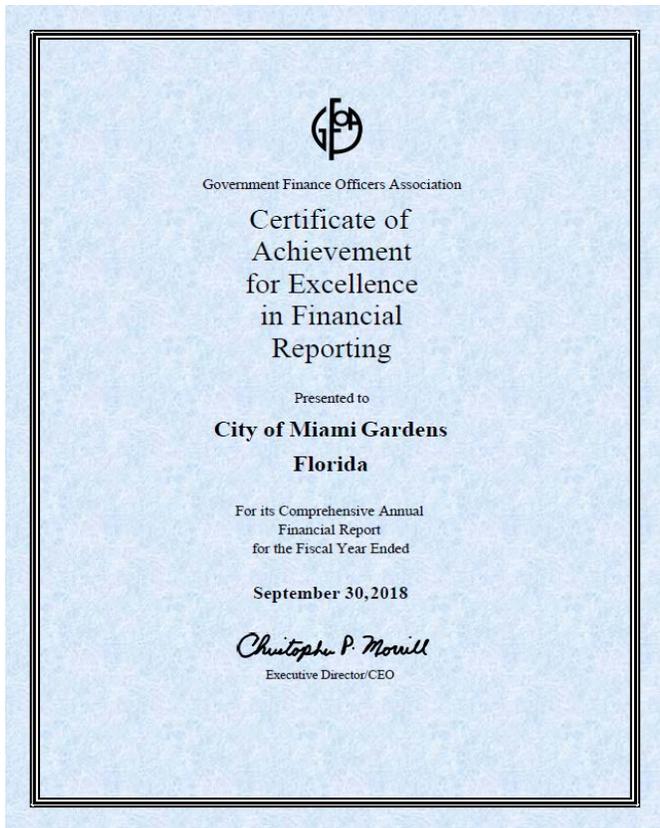
Some of the financing of the City Hall bond utilized Build America Bonds. The federal government has reduced the rebate of the Build America Bond, which increases the City's annual debt payments.

The Florida legislature continue to deliberate over proposed bills which may affect the City's future revenue or control such as eliminating the Red Light Camera Fines, and prohibiting local governments from adopting or imposing new regulations on a business, profession or occupation unless the regulation is expressly authorized by general law. There are also bills proposed to eviscerate local control over small cell antennas in the public right-of-way. The City and the Florida League of Cities will closely monitor these bills and the effect it may have on the City.

Awards and Acknowledgements

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Miami Gardens has received a Popular Award for the fiscal years ended 2007-2017. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



Further, GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miami Gardens for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. The City also received the Distinguished Budget Presentation Award for FY2019 budget, adding to fourteen (14) awards.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance department. Finally, we would also like to thank the various operating departments for their timely contributions in the writing of this report.

For more information on this report or the City's finances, please call the Finance Department at 305-622-8000.