

# BAL HARBOUR

- V I L L A G E -

Mayor Jeffrey P. Freimark  
Vice Mayor Seth E. Salver  
Councilman Alejandro Levy  
Councilman Buzzy Sklar  
Councilman David Wolf

Village Manager Jorge M. Gonzalez  
Village Clerk Dwight S. Danie  
Village Attorneys Weiss Serota  
Helfman Cole & Bierman, P.L.

## **Bal Harbour Village Council**

Regular Meeting Agenda

April 29, 2025

At 6:30 PM

Bal Harbour Village Hall • Council Chamber • 655 96th Street • Bal Harbour • Florida 33154

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*This meeting will be conducted in person. The meeting will also be broadcast on our website at <https://balharbourfl.gov/government/village-clerk/minutes-and-agendas/>. Members of the public are also encouraged to participate by email ([meetings@balharbourfl.gov](mailto:meetings@balharbourfl.gov)) or by telephone at 305-865-6449.*

*BHV Who We Are, Vision, Mission, Values / The Bal Harbour Experience  
[The Bal Harbour Experience.pdf](#)*

### **CALL TO ORDER/ PLEDGE OF ALLEGIANCE**

### **REQUESTS FOR ADDITIONS, WITHDRAWALS AND DEFERRALS**

### **PRESENTATIONS AND AWARDS**

- PA1** Proclamation Recognizing Israel's 77th Anniversary of Independence
- PA2** Proclamation Recognizing End Jew Hatred Day
- PA3** Proclamation Recognizing April as Autism Acceptance Month
- PA4** Presentation and Project Update on the Harding Avenue Realignment by Whiting-Turner Contracting
- PA5** Presentation of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2024

### **CONSENT AGENDA**

### **C6 - COUNCIL MINUTES**

- C6A** Approval of Minutes  
[VillageCouncil-RegularCouncilMeetingMinutes\\_March18\\_2025.pdf](#)

## C7 - CONSENT AGENDA RESOLUTIONS

**C7A** Resolution Approving Purchase for CAD System Upgrades and Disaster Recovery with Grant Funding

A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, APPROVING THE SOLE SOURCE PURCHASE AND EXECUTION OF AGREEMENTS WITH CENTRALSQUARE TECHNOLOGIES, LLC IN THE AMOUNT OF THIRTY-THREE THOUSAND ONE HUNDRED FIFTY DOLLARS (\$33,150) AND NEWCOM WIRELESS SERVICES, LLC IN THE AMOUNT OF FIFTY-NINE THOUSAND NINE HUNDRED DOLLARS AND EIGHTY CENTS (\$59,900.80), FOR A COMBINED TOTAL NOT TO EXCEED NINETY-THREE THOUSAND FIFTY DOLLARS AND EIGHTY CENTS (\$93,050.80), FOR THE MIGRATION, REHOSTING, AND DISASTER RECOVERY IMPLEMENTATION OF THE ONESOLUTION COMPUTER-AIDED DISPATCH (CAD) SYSTEM FOR THE POLICE DEPARTMENT; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

[Item Summary - Sole Source Technology Purchase ADA.pdf](#)

[Memorandum - Sole Source Technology Purchase ADA.pdf](#)

[Resolution - Sole Source Technology Purchase ADA.pdf](#)

[Attachment - CentralSquare Sole Source Letter ADA.pdf](#)

[Attachment - NewCom Neverfail Sole Source Letter ADA.pdf](#)

[Attachment - CentralSquare Agreement ADA.pdf](#)

[Attachment - Neverfail Quote ADA.pdf](#)

**C7B** Resolution Approving Installation of Electrical Infrastructure by Tirone Electric at the Eastern End of 96th Street

A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; RATIFYING THE ENGAGEMENT OF TIRONE ELECTRIC, INC. TO PROCURE AND INSTALL REQUIRED ELECTRICAL COMPONENTS TO RE-ESTABLISH ELECTRICAL SERVICE TO THE BEACH AREA PEDESTRIAN LIGHTING AND IRRIGATION SYSTEM, AS DETAILED WITHIN TIRONE ELECTRIC, INC, PROPOSAL NO. 6A24-165, IN THE AMOUNT NOT TO EXCEED EIGHTY-FIVE THOUSAND THREE HUNDRED EIGHTY-EIGHT DOLLARS (\$85,388), INCLUSIVE OF A TEN PERCENT (10%), CONTINGENCY ALLOCATION OF SEVEN THOUSAND SEVEN HUNDRED SIXTY THREE DOLLARS (\$7,763), ROUNDED UP TO THE NEAREST DOLLAR; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.

[Item Summary - Installation of Electrical Infrastructure by Tirone Electric ADA.pdf](#)

[Memorandum - Installation of Electrical Infrastructure by Tirone Electric ADA.pdf](#)

[Resolution - Installation of Electrical Infrastructure by Tirone Electric ADA.pdf](#)

[Attachment - Proposal 6A24-165 for Beach Front of 96th ADA.pdf](#)

## **R5 - ORDINANCES**

- R5A** Ordinance Amending Zoning Regulations and Procedures in Response to State Preemption (Second Reading)  
AN ORDINANCE OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING CHAPTER 8.5 "FLOOD DAMAGE PREVENTION", SECTION 8.5-2 "DEFINITIONS" OF THE CODE OF ORDINANCES; AMENDING CHAPTER 21 "ZONING", ARTICLES I - III TO AMEND DEFINITIONS, PROCEDURES, AND REGULATIONS RELATED TO HEIGHT; PROVIDING FOR CONFLICTS, SEVERABILITY, INCLUSION IN THE CODE, AND FOR AN EFFECTIVE DATE.  
[Item Summary - Zoning by Referendum ADA.pdf](#)  
[Memorandum - Zoning by Referendum ADA.pdf](#)  
[Ordinance - Zoning by Referendum ADA.pdf](#)  
[Attachment - Discussion January 13, 2025 ADA.pdf](#)  
[Attachment - Village Attorney Analysis ADA.pdf](#)  
[Attachment - Business Impact Statement - Zoning By Referendum ADA.pdf](#)

## **R7 - RESOLUTIONS**

- R7A** Resolution Accepting the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024  
A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024, RELATING TO THE ANNUAL AUDIT PERFORMED BY THE VILLAGE'S INDEPENDENT AUDITOR, RSM US LLP; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.  
[Item Summary - ACFR FYE 2024 ADA.pdf](#)  
[Memorandum - ACFR FYE 2024 ADA.pdf](#)  
[Resolution - ACFR FYE 2024 ADA.pdf](#)  
[Attachment - Exhibit A2 - ACFR - FYE 2024 ADA.pdf](#)
- R7B** Resolution Approving the Mid-Year Budget Amendment for Fiscal Year 2025  
A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING THE FISCAL YEAR 2024-25 BUDGET; PROVIDING FOR EXPENDITURE OF FUNDS; PROVIDING FOR AMENDMENTS; PROVIDING FOR CARRYOVER OF FUNDS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.  
[Item Summary - Mid-Year Budget Amendment ADA.pdf](#)  
[Memorandum - Mid-Year Budget Amendment ADA.pdf](#)  
[Resolution - Mid-Year Budget Amendment ADA.pdf](#)  
[Attachment - Exhibit A - Revenue & Exp Authority by Fund ADA.pdf](#)

- R7C** Resolution Authorizing Compliance with Federal Immigration Agreement  
A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; DIRECTING THE VILLAGE MANAGER TO EXECUTE A MEMORANDUM OF AGREEMENT WITH UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT (ICE), A COMPONENT OF THE DEPARTMENT OF HOMELAND SECURITY (DHS), RELATING TO THE PERFORMANCE OF CERTAIN IMMIGRATION ENFORCEMENT FUNCTIONS BY THE VILLAGE OF BAL HARBOUR POLICE DEPARTMENT; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

[Item Summary - Immigration Interlocal ADA.pdf](#)

[Memorandum - Immigration Interlocal ADA.pdf](#)

[Resolution - Immigration Interlocal ADA.pdf](#)

- R7D** Resolution Appointing Members to the Resort Tax Committee  
A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; APPOINTING MEMBERS TO THE TWO SEATS ON THE RESORT TAX COMMITTEE OCCUPIED BY ENTITIES THAT COLLECT THE RESORT TAX; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.

[Item Summary - RTC Collective Appointments ADA.pdf](#)

[Memorandum - RTC Collective Appointments ADA.pdf](#)

[Resolution - RTC Collectors Re-Appointments ADA.pdf](#)

## **R9 - NEW BUSINESS AND COUNCIL DISCUSSION**

- R9A** Discussion Item - Blood Donation Awareness & Emergency Preparedness Courses - Councilman Alejandro Levy

[Blood Donation Awareness & Emergency Preparedness Courses - Councilman Alejandro Levy ADA.pdf](#)

### **R9B - PUBLIC COMMENT**

## **R10 - VILLAGE MANAGER REPORT**

## **R11 - VILLAGE CLERK REPORT**

- R11A** Lobbyist Report

[R11A1\\_Lobbyist Registration Report as of April22\\_2025.pdf](#)

## **R12 - VILLAGE ATTORNEY REPORT**

- R12A** Village Attorney Report

[Monthly Attorney Report March 2025.pdf](#)

## **END OF REGULAR AGENDA**

## **ADJOURNMENT**



One or more members of any Village Committee/Board may attend this meeting of the Council and may discuss matters which may later come before their respective Boards/Committees. The New Business and Council Discussion Section includes a section for Public Comment. On public comment matters, any person is entitled to be heard by this Council on any matter; however, no action shall be taken by the Council on a matter of public comment, unless the item is specifically listed on the agenda, or is added to the agenda by Council action.

Any person who acts as a lobbyist, pursuant to Village Code Section 2-301 (Lobbyists), must register with the Village Clerk, prior to engaging in lobbying activities before Village staff, boards, committees, and/or the Village Council. A copy of the Ordinance is available in the Village Clerk's Office at Village Hall. If a person decides to appeal any decision made by the Village Council with respect to any matter considered at a meeting or hearing, that person will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

All persons who need assistance or special accommodations to participate in virtual meetings please contact the Village Clerk's Office (305-866-4633), not later than two business days prior to such proceeding. In accordance with the Americans with Disabilities Act of 1990, all persons who are disabled and who need special accommodations to participate in this proceeding because of that disability should contact the Village Clerk's Office (305-866-4633), not later than two business days prior to such proceeding. All Village Council meeting attendees, including Village staff and consultants, are subject to security screening utilizing a metal detector and/or wand, prior to entering the Council Chamber, Conference Room, or other meeting area located within Village Hall. This is for the safety of everyone. Thanks for your cooperation.



# BAL HARBOUR

- V I L L A G E -

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Councilman Alejandro Levy  
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Councilman David Wolf

Village Manager Jorge M. Gonzalez  
Village Clerk Dwight S. Danie  
Village Attorneys Weiss Serota  
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## Bal Harbour Village Council

Regular Meeting Minutes

March 18, 2025

At 6:30 PM

Bal Harbour Village Hall • Council Chamber • 655 96th Street • Bal Harbour • Florida 33154

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**CALL TO ORDER/ PLEDGE OF ALLEGIANCE-** Mayor Freimark called the meeting to order at 6:32.

The following were present:

Mayor Jeffrey P. Freimark  
Vice Mayor Seth E. Salver  
Councilman Alejandro Levy  
Councilman Buzzy Sklar  
Councilman David Wolf

Also present:

Jorge M. Gonzalez, Village Manager  
Dwight S. Danie, Village Clerk  
Susan Trevarthen, Village Attorney

The Pledge of Allegiance was led by Mayor Freimark.

## REQUESTS FOR ADDITIONS, WITHDRAWALS AND DEFERRALS

Mr. Gonzalez asked that a resolution regarding a traffic study be added to the Agenda as Item R7C to be considered following Agenda Item PA3.

## PRESENTATIONS AND AWARDS

### **PA1** Proclamation Recognizing Women's History Month

Mayor Freimark read a proclamation recognizing March 2025 as Women's History Month highlighting women's role in legal, social, and economic advancements, particularly in advocating for workplace protections and equal pay.

## **PA2** Proclamation Recognizing Colorectal Cancer Awareness Month

Mayor Freimark then read a proclamation presented in memory of the late Aventura Commissioner Michael Stern, who had championed colorectal cancer research and prevention, emphasizing the importance of increasing screening rates and education. He acknowledged Aventura Commissioner Amit Bloom who had spearheaded the awareness campaign but was unable to attend.

## **PA3** Presentation on Transportation and Traffic by Miami-Dade County Commissioner Micky Steinberg and Interim Public Works Director Josiel Ferrer-Diaz

Village Manager Jorge Gonzalez introduced the item saying that traffic has been a pressing issue for Bal Harbour and neighboring communities. He said that a joint meeting had recently taken place between Bal Harbour, Surfside, Bay Harbor Islands, FDOT, and the County, specifically addressing the intersection of 96th Street and Harding Avenue, emphasizing the need for a comprehensive traffic study. He then introduced Micky Steinberg, Miami-Dade County Commissioner, and Josiel Ferrer-Diaz, Interim Director of the Miami-Dade County Department of Transportation and Public Works.

Commissioner Steinberg thanked the Council and Mr. Gonzalez saying that she would be available for follow-up questions and that she hoped her office could help continue to find at resolution of the issue.

Mr. Ferrer-Diaz acknowledged the ongoing concern about traffic in the area saying that although the Florida Department of Transportation (FDOT) had implemented a project affecting the region, the County had been working to assess and mitigate the impacts of signalization on congestion. He said that an initial localized retiming study had been done around 96th Street, especially near the Bal Harbour Shops and Harding Avenue, and that while it had yielded some positive results, the data was limited.

He said that it was important to have a more holistic retiming study covering Harding Avenue, Collins Avenue, and 96th Street – from Haulover Inlet to Miami Beach. He said that coordinating traffic signals was both a science and an art, requiring a balance between vehicular traffic, pedestrians, and managing queues at intersections and side streets.

He added that a key complication in this area was the close spacing of traffic signals, which can result in uneven green cycles, giving drivers the perception that the signals aren't synchronized even though a green window technically exists. He explained that these overlapping cycles could disrupt coordination. He said the County was now developing time-of-day plans.

Mr. Ferrer-Diaz said that the County had already tested some queuing management” methods, which included shortening green times in select locations to improve overall traffic flow and that these tests had shown promising results. He said that he expected that the full report and analysis would be completed by mid-April and offered to return to the Council to present findings and next steps.

Vice Mayor Seth Salver asked when results would actually be seen by the public, to which Mr. Ferrer-Diaz said that the community should start seeing changes within a week and into April, as the implementation of the time-of-day signal adjustments would roll out progressively.

Councilman Wolf asked whether the scope of the study included the northern direction toward Sunny Isles Beach, to which Mr. Ferrer-Diaz said that both directions would be analyzed, and that the County was also looking into the timing at a new traffic light installed north of the bridge.

Councilman Buzzy Sklar asked how cooperative FDOT had been as a partner to which Mr. Ferrer-Diaz said that that while minor intersection tweaks could be managed directly by the County, more comprehensive timing changes must go through FDOT, as the state owns the corridors and infrastructure.

Councilman Alejandro Levy asked whether construction sites or police activity could disrupt signal coordination, to which Mr. Ferrer-Diaz said that private contractors do not have the authority to alter traffic signal timing, adding that sometimes construction cuts through pavement loops can be problematic. He said that police officers can manually override signals in an emergency.

Vice Mayor Salver asked whether A1A could be prioritized for the new smart signalization technology the County is planning to implement to which Mr. Ferrer-Diaz said that the A1A corridor, including the Bal Harbour area, is one of the first slated for the rollout.

Commissioner Steinberg said that her office was available to assist and encouraged all to contact either herself, or Margie Amador, her aide with questions or issues.

**PA4** Presentation by Whiting-Turner on Bal Harbour Shops Maintenance of Traffic (MOT)

This item was considered at 7:04 P.M. following Agenda Item R7C. Mr. Gonzalez introduced the representatives from Whiting-Turner, Henry Shawah, Jeff Bond, and Javar Pascoe, to present an overview of the upcoming Collins and Harding realignment project.

Mr. Shawah, Vice President at Whiting-Turner said that the project had undergone multiple revisions to refine the most efficient and safest approach to executing the work with

minimal disruption to the community. He said that the team had worked closely with FDOT, the Village, and law enforcement to ensure the process was as smooth and effective as possible.

Jeff Bond, Construction Superintendent, said that the Collins and Harding realignment project would span from 96th Street to 98th Street. He said that Miami-Dade Department of Transportation, FDOT, and the Bal Harbour Police Department had been involved in the planning process and that the primary goal of the project was to create a dedicated right-turn lane and a separate bicycle lane to improve traffic flow and pedestrian safety.

Javar Pascoe, Senior Field Engineer, described the phases of the construction plan.

He said that the first phase of work, Phase 1A, would focus on the curb reconstruction at 96th Street, extending up to the midpoint between 96th and 97th Street, to widen the road by approximately five feet to accommodate the new right-turn lane and bicycle lane.

He said Phase 1B, on the west side of the Collins in front of the Bal Harbour Shops, would include relocating the existing bus bay and mast arm, as well as installing new stormwater drainage structures.

He said Phase 1C would be one of the most complex due to the excavation work required for the installation of underground stormwater structures and would require a full closure of certain traffic lanes for 25 days, with an additional 10 days of nighttime-only closures.

He said Phase 1D involved work on the east side of Collins Avenue, including the construction of a new sidewalk and ADA-compliant pedestrian ramp at 97th Street, and the final phase would include milling and resurfacing.

Mr. Pascoe said construction activities would take place from Sunday evenings at 9:00 PM through Thursday mornings at 6:00 AM, with all work cleared by 5:00 AM to avoid interfering with morning traffic.

Councilman Sklar asked what the total duration of the work would be, to which Mr. Pascoe said that the first two phases would be completed within the same 15-day timeframe.

Councilman Wolf asked if the mast arm relocations would improve pedestrian visibility, to which Mr. Pascoe said that one of the relocations was designed to enhance sight lines for pedestrians crossing the street.

Councilman Sklar noted that pedestrians crossing the street should be able to see the traffic light to determine whether vehicles have a red or green signal. He said that, based on the current design, pedestrians crossing northbound at one of the new crosswalks would not have a direct view of the traffic signal, which he said posed a safety risk. Mr. Pascoe acknowledged the concern but stated that he did not have an immediate answer, as the design had been approved at an earlier stage, but agreed to take the concern back to the engineers for further evaluation.

Mayor Freimark asked whether representatives from Bal Harbour Shops were present in the room to respond to the concerns being raised saying that the project significantly impacted the community and that the Shops should have been represented at the meeting.

Councilman Wolf asked for the projected timeline for the project's completion, to which Mr. Pascoe said that the full construction timeline would be approximately 12 months, with substantial completion anticipated by the spring of 2026.

Mayor Freimark asked about construction restrictions on holidays, to which Mr. Pascoe said that the team would adhere to all established holiday work restrictions.

Mayor Freimark urged the construction team to take into account the feedback provided during the discussion and to return with answers on how pedestrian safety concerns could be addressed. He also requested ongoing updates as the project progressed to ensure that the Council and residents remained informed about construction activities and any necessary adjustments to the timeline. He suggested that the community be notified 10-14 days prior to the start of the Harding realignment project. He also said that someone from the Bal Harbor Shops management team should be present for any future presentations related to the Harding realignment project and that there should be a follow-up presentation on the total duration and flow of the Harding realignment project.

## **PA5** Presentation of the Police Department Annual Report

Mr. Gonzalez introduced the Police Department's bi-annual report as part of an ongoing commitment to transparency and community awareness around public safety.

Police Chief Raleigh Flowers said that his department evaluates safety in Bal Harbour through various indicators, including public perception, anecdotal feedback, workload data, and crime statistics. He noted that 99% of individuals surveyed at public events reported feeling safe in the Village, even at night. He shared several letters from residents and visitors that spoke about the professionalism and compassion of Bal Harbour officers.

Chief Flowers then presented policing data, indicating the department's proactive strategy. He said that in 2024, 91% of police activity was self-initiated, with officers routinely performing patrols, conducting security checks, and managing traffic enforcement without waiting for service calls, adding that this approach improves visibility and helps prevent crime.

He said that statistics showed that overall crime in Bal Harbour was down 20% from the previous year, violent crime held steady with just two reported incidents in both 2023 and 2024, property crimes dropped significantly—from 168 incidents to 121, arrests rose by 9.4%, signaling more active enforcement.

He said that in working with the Civic Association, officers conducted over 2,389 patrols and security checks in the Gated Residential community, resulting in a drop in property crimes and zero reported auto thefts.

Chief Flowers said that traffic enforcement continued to remain a high priority with officers focused on managing intersections to ease flow and maintain safety.

He said that in 2024, officers completed more than 2,500 hours of training in areas such as advanced report writing, marine patrols, and defensive tactics, and the department became the first agency in the region to implement a non-lethal Taser 10 device.

He described the Tip411 app that provide residents a method to report their concerns adding that his department continued to focus on community engagement, which also included hosting self-defense classes for women and State-wide autism awareness training—a program that has now reached over 40,000 officers across Florida.

Councilman Alejandro Levy spoke about his experience with the department's professionalism during an emergency.

Councilman Buzzy Sklar expressed his appreciation for the officers' work, crediting them with saving his life.

Councilman Wolf suggested there be more communications with Bal Harbour residents regarding the Tip411 app.

Vice Mayor Seth Salver and Mayor Jeffrey Freimark both praised the Chief and his department saying that public safety was key to Bal Harbour's character.

## **CONSENT AGENDA**

### **C6 - COUNCIL MINUTES**

- C6A** Approval of Minutes – January 13, 2025 and February 24, 2025 Village Council Regular Meeting Minutes.

### **C7 - RESOLUTIONS**

**MOTION: A Motion to approve the Consent Agenda was moved by Vice Mayor Seth E. Salver and seconded by Mayor Jeffrey P. Freimark.**

**VOTE: The Motion passed by unanimous voice vote (5-0).**



## **R5 - ORDINANCES**

**R5A** AN ORDINANCE OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING CHAPTER 8.5 "FLOOD DAMAGE PREVENTION", SECTION 8.5-2 "DEFINITIONS" OF THE CODE OF ORDINANCES; AMENDING CHAPTER 21 "ZONING", ARTICLES I - III TO AMEND DEFINITIONS, PROCEDURES, AND REGULATIONS RELATED TO HEIGHT; PROVIDING FOR CONFLICTS, SEVERABILITY, INCLUSION IN THE CODE, AND FOR AN EFFECTIVE DATE.

Mr. Gonzalez introduced the item saying that the proposed ordinance would amend the Village's zoning regulations in response to recent state legislative preemptions. He said that under Bal Harbour's current Village Charter, any changes to building height regulations require a public referendum, but that new State law now prohibits local governments from mandating voter referendums for zoning and land development regulation amendments. He stated that the ordinance under consideration aimed to establish alternative procedural safeguards to ensure public input and oversight while complying with the new State mandates.

He described the amendments that would require an initial Council discussion, a Local Planning Agency review before first reading, and a supermajority vote of approval at first and second reading.

Councilman Wolf asked if there was any way to challenge the State's preemption in that the current height restrictions were put into place to give residents control over development and the new law could have unintended consequences. Ms. Trevarthen said that local governments no longer had the authority to require a voter referendum and that failure to comply could expose the Village to legal challenges.

Councilman Sklar said that future Councils could approve height increases that were opposed by the community and asked if additional hurdles could be included such as requiring multiple public hearings or imposing stricter notification requirements for affected property owners. Mr. Gonzalez said that additional measures could be incorporated if they did not create legal vulnerabilities.

Vice Mayor Salver said that he supported the ordinance, adding that the Village needed to be proactive in educating residents about the changes through an outreach campaign. He asked if the Council could create a standing advisory committee focused on height and zoning. Mr. Gonzalez said that the Council could establish an advisory committee which could provide an additional layer of resident input.

Mayor Freimark said that he thought that the proposed ordinance was a reasonable compromise and agreed that communication with residents was essential. He suggested that the ordinance include requirements for advertising well in advance.

There were no comments from the public.

**MOTION: A motion to approve the ordinance on second reading was moved by Councilman Buzzy Sklar and seconded by Mayor Jeffrey P. Freimark.**

<b>ROLL CALL</b>	<b>VOTE</b>
Mayor Jeffrey P. Freimark	<b>Yes</b>
Vice Mayor Seth E. Salver	<b>Yes</b>
Councilman Alejandro Levy	<b>Yes</b>
Councilman Buzzy Sklar	<b>Yes</b>
Councilman David Wolf	<b>Yes</b>

**VOTE: The Motion passed by unanimous roll call vote (5-0).**

There was a general consensus from the Council for the Staff to explore further outreach efforts to inform residents about the changes and consider the feasibility of creating an advisory committee dedicated to height and zoning matters.

## **R7 - RESOLUTIONS**

**R7A** A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH WJ ARCHITECTS IN COLLABORATION WITH WOLFBURG ALVAREZ & PARTNERS FOR THE PROVISION OF ARCHITECTURAL, ENGINEERING, AND CONSTRUCTION ADMINISTRATION SERVICES FOR THE DESIGN AND DEVELOPMENT OF THE NEW BAL HARBOUR VILLAGE HALL, IN AN AMOUNT NOT TO EXCEED FOUR MILLION THREE HUNDRED FIFTY-ONE THOUSAND SIX HUNDRED EIGHTY-SEVEN DOLLARS (\$4,351,687), WHICH INCLUDES AN OWNER'S DESIGN CONTINGENCY; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.

Mr. Gonzalez introduced the item saying that at its February 24, 2025 meeting the Council raised concerns regarding change orders, cost guarantees, potential overruns and the responsibilities of the architectural firm in case of design errors.

Jason Jensen, Wannemacher Jensen Architects, said that while the firm's goal was to minimize change orders as much as possible, it was impossible to provide an absolute guarantee against them. He said that the contract required a minimum of \$1 million in liability insurance for errors and omissions, but his firm had increased that amount to \$5 million per occurrence, and that all subcontractors would also have insurance coverage.

Mr. Jensen provided a presentation highlighting his firm's history with resilient building design, noting his firm's expertise in designing structures that could endure severe weather conditions which he said was a crucial consideration for Bal Harbour Village Hall. He presented an analysis past projects, illustrating their performance in managing budgets and avoiding excessive change orders. He provided data showing that, on average, their completed projects ended up nearly 9% below the final approved budget, with

contingency savings returned to the municipalities. He also displayed examples of projects where no change orders had been required, and others where changes had been made but resulted in cost savings being returned to the client.

Mayor Freimark acknowledged that Jensen and his team had clearly heard the Council's concerns from previous meetings and had taken significant steps to address them.

Councilman Sklar expressed his satisfaction with the increased insurance coverage and other measures taken by the firm.

There were no comments from the public.

**MOTION: A Motion to approve the Resolution was moved by Mayor Jeffrey P. Freimark and seconded by Councilman Buzzy Sklar.**

**VOTE: The Motion passed by unanimous voice vote (5-0).**

**R7B** A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; ACCEPTING THE ANNUAL REPORT OF THE VILLAGE ATTORNEY AND APPROVING AN INCREASE IN COMPENSATION; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.

Mr. Gonzalez introduced the item saying that Ms. Trevarthen had submitted an annual report, met with Council members individually, and participated in discussions during the recent Council Retreat and highlighted her role in navigating complex and high-profile matters that had significant impacts on the Village.

Ms. Trevarthen said that Bal Harbour is one of the most active and legally complex municipalities for its size adding that 2024 had been particularly demanding, with the Village facing numerous legal challenges, including litigation over the Bal Harbour Shops, updates to zoning regulations due to state legislative preemptions, and ongoing contractual matters related to infrastructure projects. She expressed her confidence in her firm's ability to meet the Village's legal needs and reaffirmed her commitment to serving the Council and community.

Mayor Freimark said stating that there was a high degree of satisfaction with the responsive and thorough legal services provided to the Village. He also noted that concerns raised during the prior year's evaluation had been effectively addressed. He said that the Council had previously agreed to a 5% increase in the hourly rate for legal services while maintaining the fixed-fee component at its current level. He said that in addition to this adjustment, the Council had tasked him with negotiating an expansion of services included under the fixed-fee portion of the contract and that he had already begun these discussions with the Village Attorney and anticipated finalizing an agreement in the coming weeks.

There were no comments from the public.

**MOTION: A Motion to approve the Resolution was moved by Mayor Jeffrey P. Freimark and seconded by Vice Mayor Seth E. Salver.**

**VOTE: The Motion passed by unanimous voice vote (5-0).**

**R7C** A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; URGING A TEMPORARY CLOSURE OF THE 96<sup>th</sup> STREET & HARDING AVENUE CROSSWALK BY FLORIDA DEPARTMENT OF TRANSPORTATION; PROVIDING FOR IMPLEMENTATION, TRANSMITTAL, AND FOR AN EFFECTIVE DATE.

This item was considered at 6:57 P.M. following Agenda Item PA3. Mr. Gonzalez introduced the item saying that several years ago, FDOT had presented planned improvements to traffic along Collins and Harding Avenues which included re-establishing a crosswalk on the south side of the intersection of Harding and 96<sup>th</sup> Street, in Surfside. He said that although the Village had advised Surfside that the crosswalk had previously been removed for a reason and urged reconsideration, Surfside had insisted on including it in the project. He said that after the installation, traffic issues arose.

He said that FDOT has indicated they would consider removing the crosswalk if all three communities—Bay Harbor Islands, Surfside and Bal Harbour unanimously requested it. He said that Surfside previously passed a resolution for temporary closure and evaluation of its impact, to which Mayor Freimark added that the proposed test would be for a period of four months.

Councilman Sklar asked how the crosswalk would be closed, if signage would be removed and/or the lines would be painted over.

Mr. Gonzalez said that people may continue crossing even if the crosswalk is removed and that FDOT may cover pedestrian signals and paint over markings.

**MOTION: A Motion to approve the Resolution was moved by Vice Mayor Seth E. Salver and seconded by Councilman Buzzy Sklar.**

**VOTE: The Motion passed by unanimous voice vote (5-0).**

## **R9 - NEW BUSINESS AND COUNCIL DISCUSSION**

### **R9A - PUBLIC COMMENT**

Penny Sepler, 10275 Collins Avenue, said that people exiting the Bal Harbour Shops onto Collins Avenue, unless they are making a right turn, are significantly impacting traffic. She

then commended the Bal Harbour Police Department in their community outreach saying that they are incredible.

Mr. Gonzalez said that part of the work described earlier in the meeting would help to ameliorate the problem of traffic coming out of the Shops. He suggested exploring the installation of delineators along the lane at the Shops exit on Collins Avenue to improve traffic flow.

## **R10 - VILLAGE MANAGER REPORT**

Mr. Jorge Gonzalez provided an update on Live Local Act bills, House Bill 943 and Senate Bill 1730, that he said could significantly affect local governance and land use regulations.

He said that both contained provisions favoring developers in ways that could limit municipal authority in its ability to regulate development. He noted that the most concerning part of the House version was its intent to revert all local ordinances passed in the previous year, effectively invalidating regulations that municipalities like Bal Harbour had implemented in response to earlier preemptions.

He said that the Village had been actively working with lobbyists specifically focused on these legislative developments, and that he and other representatives of the Village had traveled to Tallahassee to meet with legislators and discuss their concerns, and he anticipated that further visits might be necessary. He urged Council members to raise awareness of these legislative issues whenever possible, emphasizing that advocacy efforts should extend beyond formal lobbying to include direct engagement with state representatives and other stakeholders.

He said the Village will continue to monitor and advocate against proposed legislative bills (House Bill 9943 and Senate Bill 1730) that could negatively impact local zoning regulations

## **R11 - VILLAGE CLERK REPORT**

### **R11A** Lobbyist Report

## **R12 - VILLAGE ATTORNEY REPORT**

### **R12A** Village Attorney Report

## **END OF REGULAR AGENDA**

**ADJOURNMENT-** The meeting was adjourned at 8:32 PM.



Attest:

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Dwight S. Danie, Village Clerk

Mayor Jeffrey P. Freimark

# BAL HARBOUR

- V I L L A G E -

## COUNCIL ITEM SUMMARY

### Condensed Title:

**A RESOLUTION APPROVING THE SOLE SOURCE PURCHASE AND EXECUTION OF AGREEMENTS WITH CENTRALSQUARE TECHNOLOGIES, LLC AND NEWCOM WIRELESS SERVICES, LLC FOR AN AMOUNT NOT TO EXCEED \$93,050.80 FOR THE MIGRATION, REHOSTING, AND DISASTER RECOVERY IMPLEMENTATION OF THE ONESOLUTION CAD SYSTEM.**

### Issue:

Shall the Village Council approve the sole source purchase and execution of agreements with CentralSquare Technologies, LLC and NEWCOM Wireless Services, LLC for the migration, rehosting, and disaster recovery implementation of the ONESolution CAD system?

### The Bal Harbour Experience:

☐ Beautiful Environment    ☒ Safety    ☒ Modernized Public Facilities/Infrastructure  
☐ Destination & Amenities    ☐ Unique & Elegant    ☒ Resiliency & Sustainable Community

### Item Summary / Recommendation:

To support the modernization and resiliency of the Police Department's Computer-Aided Dispatch (CAD) system, the Village is proceeding with two coordinated sole source purchases: (1) the rehosting of the ONESolution CAD system by CentralSquare Technologies, LLC, and (2) the implementation of the Neverfail disaster recovery platform through NEWCOM Wireless Services, LLC.

These purchases are part of the broader Emergency Operations Center (EOC) Fail Over Project. CentralSquare's scope was approved by the Florida Division of Emergency Management through a Sole Source Justification process under the Village's \$100,000 UASI grant. To date, \$78,581.68 of the grant has been used for Dell servers, equipment, and police radios, leaving a remaining balance of \$21,418.32 to be applied toward the CentralSquare purchase. The remaining cost, including the full amount for Neverfail, will be funded by the Village's General Fund. Approval of this Resolution will authorize the Village Manager to proceed with the purchases and execute all necessary agreements and documents, in an amount not to exceed \$93,050.80, to ensure continuity of public safety operations and strengthen the Village's emergency communications infrastructure.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS RESOLUTION.**

### Financial Information:

	Amount	Account	Account #
	\$93,050.80	Software Licensing & Maintenance	01-21-504691

### Sign off:

<b>Raleigh M. Flowers, Jr.</b>	<b>Chief Financial Officer</b>	<b>Village Manager</b>
<b>Chief of Police</b>	<b>Claudia Dixon</b>	<b>Jorge M. Gonzalez</b>



# BAL HARBOUR

- V I L L A G E -

## COUNCIL MEMORANDUM

TO: Honorable Mayor and Village Council

FROM: Jorge M. Gonzalez, Village Manager

DATE: April 29, 2025

SUBJECT: **A RESOLUTION APPROVING THE SOLE SOURCE PURCHASE AND EXECUTION OF AGREEMENTS WITH CENTRALSQUARE TECHNOLOGIES, LLC AND NEWCOM WIRELESS SERVICES, LLC FOR AN AMOUNT NOT TO EXCEED \$93,050.80 FOR THE MIGRATION, REHOSTING AND DISASTER RECOVERY IMPLEMENTATION OF THE ONESOLUTION CAD SYSTEM.**

### **ADMINISTRATIVE RECOMMENDATION**

I am recommending approval of this Resolution.

### **BACKGROUND**

On December 13, 2023, the Village executed an agreement with the City of Miami to accept financial assistance from the Miami Urban Area Security Initiative (UASI) Grant Program 2022. The UASI Grant Program is a federally funded initiative designed to enhance the capacity of high-threat urban areas to prevent, prepare for, respond to, and recover from acts of terrorism. Bal Harbour Village was selected to receive \$100,000 in support of its Emergency Operations Center (EOC) Fail Over Project, which aims to equip the Village with essential technology and infrastructure needed for high-threat and emergency situations.

This funding supports the acquisition of critical tools such as servers, radios, and law enforcement technology solutions that enhance continuity of operations in the event of a disruption or cyber event. The grant deadline is June 30, 2025, and all eligible procurements must be completed prior to that date in accordance with federal procurement standards.

### **ANALYSIS**

As part of the Emergency Operations Center (EOC) Fail Over Project, the Village is implementing two interdependent sole source purchases to modernize, secure, and harden the Police Department's mission-critical Computer-Aided Dispatch (CAD) system. These enhancements are designed to reduce system downtime, ensure continuity of emergency operations, and align with national best practices for public safety infrastructure resiliency.

1. **CentralSquare Technologies, LLC** - will perform the migration and rehosting of the ONESolution CAD system, which is the backbone of the Village's dispatch and law enforcement operations. The ONESolution platform is proprietary to CentralSquare and cannot be serviced or rehosted by any third party. This scope includes the transfer of all CAD system files, configurations, and operational data from legacy



infrastructure to newly acquired secure servers. The procurement has been formally approved by the Florida Division of Emergency Management under the UASI Sole Source Justification process. The total cost is \$33,150.

2. **NEWCOM Wireless Services, LLC** - will implement the Neverfail Continuous Availability disaster recovery solution, which is uniquely designed to support the ONESolution CAD environment. Neverfail ensures real-time system failover in the event of outages, hardware failure, or cyber-related disruptions, providing uninterrupted access to dispatch and records systems. The software is exclusively distributed to public safety agencies by NEWCOM, and its integration is essential to delivering the full functionality of the EOC Fail Over framework. The cost for this scope is \$59,900.80, which will be funded through the General Fund, as it is not grant-approved.

To date, \$78,581.68 of the \$100,000 UASI grant has been used to acquire Dell server infrastructure and police radios, forming the foundation for these system improvements. The remaining \$21,418.32 in grant funding will be applied toward the CentralSquare scope. The balance of the CentralSquare cost and the full cost of the Neverfail implementation will be supported by the General Fund.

### **THE BAL HARBOUR EXPERIENCE**

Investing in the modernization and resiliency of the Village's public safety systems directly supports the Village's core values of safety, preparedness, and technological excellence. The proposed CAD system upgrades and disaster recovery solution will enhance the Village's emergency response capabilities, ensure operational continuity during system failures or cyber threats, and position the EOC to better serve residents and the region in times of crisis. These enhancements reflect Bal Harbour's commitment to being a safe, secure, and resilient community.

### **CONCLUSION**

Based on my review, I am seeking Council approval of this Resolution, which authorizes the Village Manager to proceed with the sole source purchase and execution of agreements with CentralSquare Technologies, LLC and NEWCOM Wireless Services, LLC, for a combined amount not to exceed \$93,050.80. These purchases are critical components of the Emergency Operations Center Fail Over Project and represent a strategic investment in the Village's public safety and emergency preparedness infrastructure. I recommend approval of this Resolution.

### **Attachments:**

1. Attachment - CentralSquare Technologies: Quote Q-178210 and Sole Source Justification Letter
2. Attachment - NEWCOM Wireless Services: Neverfail Quote and Sole Source Letter
3. Attachment - CentralSquare Agreement
4. Attachment - Neverfail Quote

RESOLUTION NO. 2025-\_\_\_\_

A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, APPROVING THE SOLE SOURCE PURCHASE AND EXECUTION OF AGREEMENTS WITH CENTRALSQUARE TECHNOLOGIES, LLC IN THE AMOUNT OF THIRTY-THREE THOUSAND ONE HUNDRED FIFTY DOLLARS (\$33,150) AND NEWCOM WIRELESS SERVICES, LLC IN THE AMOUNT OF FIFTY-NINE THOUSAND NINE HUNDRED DOLLARS AND EIGHTY CENTS (\$59,900.80), FOR A COMBINED TOTAL NOT TO EXCEED NINETY-THREE THOUSAND FIFTY DOLLARS AND EIGHTY CENTS (\$93,050.80), FOR THE MIGRATION, REHOSTING, AND DISASTER RECOVERY IMPLEMENTATION OF THE ONESOLUTION COMPUTER-AIDED DISPATCH (CAD) SYSTEM FOR THE POLICE DEPARTMENT; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, the Bal Harbour Village Police Department utilizes the ONESolution Computer-Aided Dispatch (CAD) System, a mission-critical law enforcement software platform developed and maintained exclusively by CentralSquare Technologies, LLC; and

**WHEREAS**, the Police Department must rehost the ONESolution CAD System to upgraded servers running Windows Server 2016, partially funded through the Urban Areas Security Initiative (UASI) grant, to ensure secure and uninterrupted system operations; and

**WHEREAS**, in 2023, Bal Harbour Village was awarded a \$100,000 Urban Areas Security Initiative UASI grant to support its Emergency Operations Center (EOC) Failover Project, including the purchase of eligible technology such as servers and police radios, with a grant deadline of June 30, 2025, requiring all purchases to comply with federally approved procurement methods to ensure reimbursement; and

**WHEREAS**, the Village has received authorization from the State of Florida to proceed with the sole source purchase of the CentralSquare Technologies, LLC solution as proposed; and

**WHEREAS**, CentralSquare Technologies, LLC is the sole source provider authorized to perform the ONESolution CAD system migration and rehosting due to the

proprietary nature of the software, its architecture, and its licensing requirements; and

**WHEREAS,** to enhance the resiliency of the CAD system, the Village must also implement a high-availability disaster recovery solution compatible with the ONESolution platform, specifically the Neverfail Continuous Availability software; and

**WHEREAS,** Neverfail is solely manufactured by Neverfail, LLC and sold exclusively to public safety agencies through NEWCOM Wireless Services, LLC, which has submitted a sole source letter and a proposal for the required licensing, remote installation, and plugin subscriptions; and

**WHEREAS,** the combined products and services from CentralSquare Technologies, LLC and NEWCOM Wireless Services, LLC are critical to ensuring uninterrupted emergency response and communications operations for the Bal Harbour Village Police Department; and

**WHEREAS,** the total cost of these sole source purchases is \$93,050.80, which is necessary to maintain a secure, modern, and resilient public safety dispatch system; and

**WHEREAS,** the Village Council finds that approving the sole source purchase and execution of agreements with CentralSquare Technologies, LLC in the amount of \$33,150 and NEWCOM Wireless Services, LLC in the amount of \$59,900.80 is in the best interest of the Village.

**NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AS FOLLOWS:**

**Section 1. Recitals Adopted.** That the above stated recitals are hereby adopted and confirmed.

**Section 2. Sole Source Purchase and Agreements Approved.** That the sole source purchase and execution of agreements with CentralSquare Technologies, LLC in the amount of thirty-three thousand one hundred fifty dollars (\$33,150) and NEWCOM Wireless Services, LLC in the amount of fifty-nine thousand nine hundred dollars and eighty cents (\$59,900.80), for a combined total not to exceed ninety-three thousand fifty dollars and eighty cents (\$93,050.80), are hereby approved.

**Section 3. Implementation.** That the Village Manager is hereby authorized to take all actions necessary to implement the purposes of this Resolution.

**Section 4. Effective Date.** That this Resolution shall take effect immediately upon the adoption hereof.

PASSED AND ADOPTED this 29<sup>th</sup> day of April, 2025.



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Mayor Jeffrey P. Freimark

ATTEST:

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Dwight S. Danie, Village Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

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Village Attorney  
Weiss Serota Helfman Cole & Bierman P.L.

CentralSquare Technologies, LLC  
1000 Business Center Drive  
Lake Mary, FL 32746

January 9, 2025

Jose Lira  
Bal Harbour Village Police Department  
655 96th Street  
Bal Harbour, FL, 33154

Dear Jose Lira,

This letter is in response to Bal Harbour Village Police Department's request for a sole source letter from our company. This letter is to confirm that the ONESolution Sever Rehost Services Project Quoted on Q-178210 and ONESolution Software are sole source products, manufactured, sold, serviced, and distributed exclusively by CentralSquare Technologies, LLC (CentralSquare). These products must be purchased directly by institutions from CentralSquare at the address listed above. There are no agents or dealers authorized to resell these products. the ONESolution Sever Rehost Services Project Quoted on Q-178210 and ONESolution Software are sold only as a direct transaction between CentralSquare and end Clients.

Sincerely,



**Joe Beasley**  
Vice President of Sales, Public Safety & Justice  
CentralSquare Technologies, LLC



**SALES ORDER  
PURSUANT TO EXISTING AGREEMENT**

This Sales Order is intended as a binding Agreement between Bal Harbour Village Police Department, FL (“Customer”) and CentralSquare Technologies, LLC on behalf of itself and affiliates and subsidiaries including Superion, LLC; TriTech Software Systems; and CentralSquare Canada Software, Inc. (“CentralSquare”) and shall be effective as of the date of the last signature herein.

**Quote Number:** Q-178210 is attached to this Sales Order as Exhibit “A”. The Quote contains a description of all products and services sold pursuant to this Sales Order. The Quote is hereby incorporated by reference as a term of this Sales Order.

**Statement of Work.** Services for the products purchased under this Sales Order shall be governed by the Statement of Work document attached to this Sales Order as Exhibit “B”.

**Payment Terms.**

**Subscription**

100 % due on the Delivery Date\*

**Services**

50 % due on the Effective Date of this Sales Order

50 % due on the Completion of Services

**Third-Party**

100 % due on the Effective Date of this Sales Order

\*Delivery Date: For on-premise Solutions, Delivery shall be when CentralSquare delivers to Customer the initial copies of the Solutions outlined below in Exhibit A by whichever the following applies and occurs first (a) electronic delivery, by posting it on CentralSquare’s network for downloading, or similar suitable electronic file transfer method, or (b) physical shipment, such as on a disc or other suitable media transfer method, or (c) installation, or (d) delivery of managed services server. Physical shipment is on FOB - CentralSquare’s shipping point, and electronic delivery is at the time CentralSquare provides Customer with access to download the Solutions. For cloud-based Solutions Delivery shall be whichever the following applies and occurs first when Authorized Users have (a) received log-in access to the Solution or any module of the Solution or (b) received access to the Solution via a URL.

Subscription Access. If Customer is purchasing subscription software under this Sales Order, so long as Customer has paid the annual subscription fees and is current at all times with the subscription fees as stated herein, CentralSquare grants to Client a limited non-exclusive, non-transferable access to use the subscription software granted in this Sales Order. Customer understands and acknowledges no ownership or any form of intellectual property rights transfer under the terms of this Sales Order. Upon termination of this Sales Order or any subscriptions, (i) all rights granted herein shall terminate immediately and automatically upon the effective date of such termination; (ii) Customer’s right to the accessed software granted herein shall terminate; and (iii) Customer will cease using such software and at CentralSquare’s direction return or destroy the software and any supplemental confidential information or documentation. Customer shall maintain for a reasonable period, but in no event less than three (3) years after expiration or termination of this Sales Order, the systems, books and records necessary to accurately reflect compliance with software access and the use thereof. Upon request, and no more than once per year, Customer shall permit CentralSquare to audit Customer’s use of the software to monitor compliance. If an audit reveals that Customer has exceeded the restrictions on use or non-compliance with this Sales Order, Customer shall be responsible for the prompt payment by Customer to CentralSquare of any underpayment.

Payment due in full 30 days from date of invoice. Annual maintenance and Subscriptions renewals shall be due on the anniversary of the Delivery Date. Annual Maintenance and Subscription Fees are subject to increase as outlined in the Master Agreement.

**Master Agreement.** This Sales Order shall be governed by the terms and conditions of the existing Agreement between the parties (the “Master Agreement”). NO OTHER TERMS OR CONDITIONS OF THE MASTER AGREEMENT ARE NEGATED OR CHANGED AS A RESULT OF THIS DOCUMENT.

**Purchase Order.** Customer may provide CentralSquare with a valid purchase order, upon execution of this Sales Order. Notwithstanding anything to the contrary herein, purchase orders are to be used solely for Customer’s accounting purposes and any terms and conditions contained therein shall be deemed null and void with respect to the parties’ relationship and this Sales Order. Any such purchase order provided to CentralSquare shall in no way relieve Customer of any obligation entered into pursuant to this Sales Order including, but not limited to, its obligation to pay CentralSquare in a timely fashion.

**Acceptance of Order Terms.** By signing this Sales Order below, Customer represents and warrants that: (a) it has read and understands the Master Agreement and Quote that are incorporated by reference into this Sales Order and agrees to be bound by the terms thereof, and (b) it has full power and authority to accept this Sales Order.

CentralSquare Technologies, LLC	Bal Harbour Village Police Department
1000 Business Center Drive Lake Mary, FL 32746	655 96th Street Bal Harbour, FL 33154
By:	By:
Print Name:	Print Name:
Print Title:	Print Title:
Date Signed:	Date Signed:

## Exhibit A

### Quote

**Quote #:** Q-178210

**Primary Quoted Solution:** ONESolution PS

**Quote expires on:** September 22, 2025

**Quote prepared for:**

Jose Lira

Bal Harbour Village Police Department

655 96th Street

Bal Harbour, FL 33154

(305) 993-7403

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Thank you for your interest in CentralSquare. CentralSquare provides software that powers over 8,000 communities. More about our products can be found at [www.centalsquare.com](http://www.centalsquare.com).

### WHAT SERVICES ARE INCLUDED?

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DESCRIPTION	TOTAL
1. Public Safety Project Management Services - Fixed Fee	5,655.00
2. Public Safety Technical Services - Fixed Fee	27,495.00
<b>Services Total</b>	<b>33,150.00 USD</b>

### QUOTE SUMMARY

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<b>Services Subtotal</b>	<b>33,150.00 USD</b>
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**Quote Subtotal** 33,150.00 USD

**Quote Total** 33,150.00 USD

## WHAT ARE THE RECURRING FEES?

TYPE	AMOUNT
FIRST YEAR MAINTENANCE TOTAL	0.00
FIRST YEAR SUBSCRIPTION TOTAL	0.00

The amount totals for Maintenance and/or Subscription on this quote include only the first year of software use and maintenance.

This Quote is not intended to constitute a binding agreement. The terms herein shall only be effective once incorporated into a definitive written agreement with CentralSquare Technologies (including its subsidiaries) containing other customary commercial terms and signed by authorized representatives of both parties.

## BILLING INFORMATION

Fees will be payable within 30 days of invoicing.

Please note that the Unit Price shown above has been rounded to the nearest two decimal places for display purposes only. The actual price may include as many as five decimal places. For example, an actual price of \$21.37656 will be shown as a Unit Price of \$21.38. The Total for this quote has been calculated using the actual prices for the product and/or service, rather than the Unit Price displayed above.

Prices shown do not include any taxes that may apply. Any such taxes are the responsibility of Customer. This is not an invoice.

For customers based in the United States or Canada, any applicable taxes will be determined based on the laws and regulations of the taxing authority(ies) governing the "Ship To" location provided by Customer on the Quote Form.

## PURCHASE ORDER INFORMATION

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Is a Purchase Order (PO) required for the purchase or payment of the products on this Quote Form? (Customer to complete)

Yes [ ] No [ ]

Customer's purchase order terms will be governed by the parties' existing mutually executed agreement, or in the absence of such, are void and will have no legal effect.

PO Number:

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Initials:

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**EXHIBIT B**

**Statement of Work**  
(Attached)

Bal Harbour Village Police, FL: ONESolution: Rehost

The parties mutually agree and acknowledge this Summary of Services is a high-level overview of the project requested, not detailed requirements or designs of solution.

Date	Version	Details/Changes	Author
7/23/24	1.0	Initial SOS	W. Hayashi

#### Project Scheduling

Parties agree a schedule will be provided for services within **sixty days** from the execution of the applicable quote.

#### Change Requests

The parties may request a change to this summary of services, to increase hours or deliverables, through a written request to the CentralSquare project manager or resource.

#### Professional Services

Throughout the course of the project, CentralSquare will use several types of services (defined herein) to complete the necessary steps for successful deployment of the contracted services. The overall services aligned to implementation include Project Management, Consulting Services, Technical Services, Data Conversion Services, Training Services, and in some cases, Installation Services.

CentralSquare is not responsible for coordination, management, or covering the cost of any software, work, customization, coding or testing that is required to be performed by any third-party vendors engaged in the context of standard or custom interfaces, unless the work is defined under a Sub-Agreement with CentralSquare within the scope of this Agreement.

#### Business Hours

After-hours services will be performed for the Go-Live of the rehost. All other project services will be performed during normal business hours, defined as 8:00-5:00 PM Eastern Time.

#### CentralSquare Connectivity to On-Premises Systems

The BeyondTrust/Bomgar and/or SecureLink remote support solutions shall be the method of remote access to on-premises customer systems and/or data. These solutions meet all requirements as contained in Section 5.5.6 of the FBI CJIS Security Policy (Remote Access). Use of either of these solutions enables customer agencies to remain CJIS compliant for purposes of FBI and/or state regulatory agency audits.

In addition to the above, the PSJ ProSuite application utilizes SSH connectivity to maintain a persistent connection to the appliance/s. The 911 application utilizes Kaseya for application and/or support needs. These solutions are only utilized for these specific applications in addition to Bomgar and/or SecureLink.

#### Services Scope of Project

The project includes the following scope of services.

CentralSquare Technologies Professional Services proposes the following Technical Services related to the implementation of ONESolution Public Safety and Justice products outlined herein. Services include analysis, planning, business hours delivery and follow-up documentation for the component systems. Hardware, software licensing and installation and configuration of hardware shall be provided by the client or another third-party vendor and should satisfy the recommendations defined in the hardware specifications for Central Square applications.



Read this document carefully to confirm the work activities listed here are comprehensive, inclusive, and accurate for your project. Report discrepancies or questions to your Central Square account executive for revisions to this document and any associated quote for professional services.

**Rehost operations incur product downtime. It is the Customer's responsibility to ensure all relevant stakeholders are aware of the downtime requirements detailed below.**

The goal of Central Square is to minimize downtime for production systems. Estimates of downtime listed in this document are determined using typical averages and will vary based on customer environment and technologies available. Actual downtime may be significantly less or more than the estimates provided herein but will always be as short as possible for production systems. Please work with your assigned Technical Engineer from Central Square to address specific application priorities for your organization.

Central Square makes every effort to provide concise and complete and helpful information regarding the steps required for each migration and for third-party software and devices used with Central Square software solutions. This document may contain information regarding steps or actions that are covered in the scope of a typical migration, but which may not apply to your specific situation. You may also find information regarding compatibility and upgrade requirements for third-party software and/or hardware products used with our solutions. If these conditions apply to your environment, please pay special attention to these statements. We are happy to provide this information as a courtesy and work to provide the most up-to-date information available to us at the time but cannot accept responsibility for third party product compatibility.

The following Servers will be rehosted from their current Operating Systems and SQL Server Versions to the latest supported Operating Systems and SQL Server versions for the products.

**Note:** In some cases, SQL Server versions must match between certain server groups – example of these being SQL Replication partners, SQL Server versions per product across installed instances (i.e., Production and Test must match for refresh purposes), SQL Server versions for integrated products within a product line, SQL Cluster nodes:

### Detailed Outline

The technical services will include the following:

- Server Preparation – Third party vendors shall provide necessary hardware and software, including installation and configuration of such components prior to the scheduled date of delivery. The hardware environment must meet the specifications and services proposal data stated herein or incorporated by reference. The configuration shall present virtual machines running Windows 2016 or later Operating System for installation, configuration of Central Square software solutions.
- Preparation/Follow-up
  - Preparation
    - Validation of existing client services and systems in place.
    - Review and document current configuration for relevant systems.
    - Create execution plan.
    - Verification of valid domain credentials, access & functionality.
  - Follow up.
    - Review any unresolved issues.
    - Update CentralSquare documentation.



- CAD Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~4-8 hours
    - Copy production file share data to new production server.
    - Copy training file share data to new training server.
    - Export/Import share permissions.
    - Export/Import user permissions.
    - Execute required configuration changes for production.
    - Update configurations for training environment on separate servers.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support
- RMS Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~4-8 hours
    - Copy file share data to new server.
    - Export/Import share permissions.
    - Export/Import user permissions.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support
- Message Switch/Mobile Migration
  - Preparation
    - Configuration review, including file locations and network configuration for state connection.
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy switch configuration and files to new server.
    - Execute required configuration changes, including network routing configuration as needed.
    - Install Query Server & Mobile Data Service
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support



- Notes on Server Names and IP Addressing:
  - **NOTE:** If the new server's Name and IP will not match the old server's name and IP. This will require further configuration, and possible interface configuration, potentially including State interface requirements. Please note statement on State Connectivity below.
  - **NOTE:** For clients on Visual MCT changing the server's name and/or IP of the message switch may entail editing a hosts file on each MCT device, and possibly CAD and RMS workstations. This is the Customer's responsibility. CentralSquare can assist with the changes to servers.
  - **NOTE:** For clients on ONESolution MCT changing the server's name and/or IP of the message switch may entail editing a hosts file on CAD and RMS workstations. This is the Customer's responsibility. CentralSquare can assist with the changes to servers.
- Mobile Data Service Migration
  - Preparation
    - Data cleanup – identify and remove old software versions, unused temporary files, old backups, etc.
    - Review and document current service configuration.
    - Identify and document any configuration changes required.
    - Identify and document certificate requirements, where applicable
    - Verification of certificate availability, where applicable
    - Installation and configuration of MDS service
  - Migration
    - Estimated outage = ~2 hours
    - Copy configuration and files to new server.
    - Execute required configuration changes.
    - Validate application functionality (end user tests)
  - Post Migration
    - Troubleshoot any remaining migration related issues.
    - Document changes for client records and support.
- SQL Server and Application Database Migration
  - **NOTE:** If CAD and Records are both installed, and on separate database servers, the SQL versions must match for Personnel replication. If a CAD or Records database server is rehosted, the other database server must also be rehosted.
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
    - Document and replicate database permissions.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy data files to new SQL server for production.
    - Set security permissions.
    - Execute required configuration changes.
    - Configure and test database maintenance plans.
    - Set database recovery model and version.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues



- Validate scheduled function of database maintenance jobs.
- Documentation of changes in infrastructure for client records and support
- Data warehouse Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
    - Document and replicate database permissions.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy data files to new SQL server for production.
    - Set security permissions.
    - Execute required configuration changes.
    - Configure and test database maintenance plans.
    - Set database recovery model and version.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Validate scheduled function of database maintenance jobs.
    - Documentation of changes in infrastructure for client records and support
- P2C Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy files to new server.
    - Set security permissions.
    - Reconfigure scheduled jobs for synchronization of necessary files.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support
- Utility Server Setup/Configuration
  - Installation and configuration of base product installation on new server.
    - Configure CentralSquare applications on new utility server.
    - Verify application functionality and remote accessibility for support.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support





- P2P Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy files to new server.
    - Set security permissions.
    - Reconfigure scheduled jobs for synchronization of necessary files.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support
- ONESolution MCT Server Migration
  - Preparation
    - Data cleanup – old application versions, unused temporary files, old backup files, etc.
    - Review and document current configuration.
    - Identification and documentation of configuration changes required.
    - Installation and configuration of IIS
  - Migration
    - Estimated outage = ~2 hours
    - Copy configuration and files to new server.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshoot any remaining migration related issues.
    - Document changes for client records and support.
- Freedom Server Migration
  - Preparation
    - Data cleanup – old application versions, unused temporary files, old backup files, etc.
    - Review and document current configuration.
    - Identification and documentation of configuration changes required.
    - Installation and configuration of IIS
  - Migration
    - Estimated outage = ~2 hours
    - Copy configuration and files to new server.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshoot any remaining migration related issues.
    - Document changes for client records and support.



- CentralSquare Interfaces
  - Migration of CentralSquare interfaces
  - Post migration resolution and configuration updates as needed.
  - Client agency responsible for any 3<sup>rd</sup> party vendor engagement and resolution for non-CentralSquare interface migrations or configuration updates
- Training Environment
  - CAD and RMS are included in this migration plan.
- Neverfail Consult
  - Rehost to be completed and signed off prior to any new Neverfail implementation.
  - Client and/or Neverfail Professional Services to carry out the installation, configuration and testing of Neverfail.
  - CentralSquare to carry out Neverfail coordination and consultation for CentralSquare applications and servers (limited to providing technical information about the environment - which applications/services are running on which servers and which resources need to be protected.)
  - **NOTE: If Neverfail is used and changes are made to the system such as a Rehost, machine name or IP address changes etc. then if assistance is needed with the Neverfail application itself, it will involve either a separate Neverfail Professional Services Engagement purchased by the Client, or alternatively a CentralSquare Third Party engagement with a Neverfail partner, also purchased by the Client from CentralSquare. This Scope line item only covers CentralSquare Technical Services interaction with Neverfail Professional Services and/or Support.**
- After-Hours Go Live
  - The CentralSquare Installation Engineer will provide downtime work after normal local business hours.
    - After-hours will only be provided on the initial day of go-live.
  - CentralSquare Personnel to document and hand off system between regular hours staff and after-hours staff pre and post rehost to ensure continued project support.
  - Customer personnel to participate in after-hours work.
- FTO Migration – NOT SCOPED
- OpCenter Server Migration – NOT SCOPED
- Migration to new Active Directory Domain – NOT SCOPED
- Migration to new VLAN\Migration to new IP Addresses – NOT SCOPED
- Migrate to Clustered environment. – NOT SCOPED

## Additional Considerations

### Security Statement:

Windows Firewall is supported and can be enabled on servers as part of the project. CentralSquare will utilize exceptions to allow traffic between CentralSquare applications and databases. It is not recommended to rely solely on local firewalling for security. Enabling local firewalling should be discussed with the assigned project staff and can be implemented as part of the rehost project.



Windows UAC will be enabled by default on servers provided to CentralSquare for installation. Any changes to UAC settings to facilitate troubleshooting will be reversed when troubleshooting is complete, prior to Go Live.

The CentralSquare ONESolution product line has no reliance on the SQL “sa” user.

The CentralSquare ONESolution product line can make use of Windows Service accounts to enhance security. The use of Windows Service accounts should be discussed with the assigned project staff and can be implemented as part of the rehost project.

Dependencies for a successful engagement may include:

- **Statement on network throughput:** CentralSquare ONESolution desktop applications (CAD, RMS, JMS, MobLAN, CAD Status Monitor) require consistent 100mbps throughput between workstations and servers. This must be a constant throughput, not a burst or maximum attainable speed. CentralSquare recommends 4G or better wireless technology for ONESolution Mobile infrastructure (ONESolution MCT, ONESolution Freedom). ONESolution Visual MCT requires 3G or better. Network bandwidth should be measured with current loads and factored accordingly prior to any proposed increase in traffic or change in network infrastructure or carrier.
- State Connect connectivity with the new server system (and location as applicable) – Please ensure the state network is accessible to the new server intended to run the Message Switch application. Multi-homed configurations require static routes, other network configurations depend on infrastructure routing for successful state connectivity.
- Remote or physical site and system access
- Active Directory Domain level system authentication/access
- Access to IT and data management department personnel
- Changes to primary systems are typically performed offsite. For Onsite engagements travel costs are not included in the costs for professional services. Travel costs are billed as incurred, in accordance with the customers master agreement where applicable and in addition to the costs associated with professional services. Please ensure appropriate funding for travel as needed.
- Changes involving web-based applications are collaborative efforts between onsite engineers and remote staff dedicated to those applications

Migrations from Physical to Virtual Servers:

- Migrating from Physical servers to Virtual servers may entail the need for new hardware. Specifically:
  - Serial to IP Converter (Digi PortServer or similar) to connect the physical Serial cable for 911 phone systems to a virtual server for ANI/ALI interfaces or other Serial connections.
  - USB to IP Converter (Digi USBAnywhere or similar) for connection of USB dongles/modems (examples: ProQA dongle, Rip and Run Fax machines, Legacy Paging interfaces)
  - USB Modem – for Rip and Run and Paging

If you wish to purchase this hardware through CentralSquare communicate this to your Account Manager.



### Assumptions and Client Responsibilities

- Implementation will be carried out remotely during CentralSquare's regular business hours unless specifically noted in Services Scope. Services are offered for delivery during normal business hours. To ensure the success of every project and availability of support resources from Central Square and various third-party vendors, which vary from site to site, certain limitations are imposed, and a specific definition of business hours is defined. Services outside of normal business hours shall be scheduled between the hours of 5pm EST Monday and be completed no later than 5pm EST Thursday and will incur additional costs. Delivery of all services will be scheduled to avoid all client, Central Square and/or nationally recognized holidays.
- Client to supply hardware, virtualization software, Operating System licensing, SQL Server licensing and licensing of any other third-party hardware or software not specifically listed in the quote or Services Scope.
- Client to install hardware, create virtual machines and install Operating Systems unless specified as a CentralSquare or partner responsibility in the quote or Services Scope.
- Client will maintain remote connectivity to the site through CentralSquare's preferred remote connectivity solution.
- CentralSquare staff will be permitted console access to all servers.
- CentralSquare staff will be permitted SQL administrator access to all database instances.
- Client will adhere to minimum specifications and disk space recommendations and guidelines as documented in the CentralSquare documentation and the client-specific specifications documented by the CentralSquare project team as a project artefact.
- Client to ensure any client-installed third-party software (for example utilities for backups, antivirus) are certified to operate on the new operating system.
- The Client will be responsible for any physical connections to the servers such as serial interface connections.
- During the staging process no new builds or configuration changes are recommended in any environment to be rehosted. If necessary, changes are to be coordinated through the Project Manager as well as Client Support. Some changes may require a Change Order to the project.
- SQL Server replication is supported between SQL Servers within 2 major versions of publisher and subscriber. There is conflicting information available about compatibility and field experience has shown replication issues when there is even a small difference in SQL Server versions between publisher and subscriber(s). Therefore, it is recommended that all SQL Servers involved in replication topology should be upgraded/replaced at the same time to avoid compatibility and reliability issues related to employee replication and/or replication for data warehouse reporting.
- For customers using PageGate, version 8 or higher is required for compatibility with Windows Server 2016 and later. An upgrade to PageGate can be purchased directly through Notepage for existing clients.



January 14, 2025

Bal Harbour Police Department  
655 96th St  
Bal Harbour, FL 33154  
ATTN: Jose Lira, Systems Administrator

RE: SOLE SOURCE LETTER – Neverfail | Continuous Availability

Mr. Lira,

This letter is to confirm that Neverfail | Continuous Availability software is solely manufactured by Neverfail, LLC, and is sold and distributed by NEWCOM, headquartered at 575 Washington Street, Pembroke, MA 02359.

This product is defined as the supported product for disaster recovery and business continuity for the CentralSquare Technologies OneSolution product line and must be purchased directly by agencies from NEWCOM at the address listed above. There are no other agents or dealers authorized to represent this product aside from NEWCOM for Law Enforcement/Public safety.

If you desire additional information, do not hesitate to contact NEWCOM at any time or visit their website at [newcomglobal.com](http://newcomglobal.com). Thank you for your interest in our products.

A handwritten signature in dark ink, appearing to read "Dov Koplovsky", with a large, sweeping flourish extending to the right.

Dov Koplovsky, Owner and CEO  
NEWCOM Wireless Services, LLC

**NEVERFAIL**

Ship To Name Bal Harbour Villiage (FL)  
Ship To 9700 Collins Ave  
#280  
Bal Harbour, FL 33154  
Contact Name Jose Lira  
Phone (305) 793-7406  
Email lansight@balharbourfl.gov

Quote Number 00012786  
Quote Name Bal Harbour, FL - Disaster Recovery Solution  
2025 - 6 pairs DR  
Created Date 4/1/2025  
Expiration Date 5/15/2025  
Prepared By Keith Bumgarner  
Email keith.bumgarner@newcomglobal.com

**Terms**

Payment Terms Net 30  
Delivery via Email. Valid email address required.

INTERNATIONAL ORDERS:  
Payment required in advance of order processing. All funds payable  
in USD. Wire transfer instructions will be provided.

**Item Pricing**

Quantity	Product Code	Product	Product Description	Sales Price	Line Total
6.00	DR-T-BUN	Neverfail DR New License Bundle	Neverfail Disaster Recovery License Activation Fee Neverfail Engine DR Software Subscription (12 month) Neverfail Engine DR Remote Installation, Per Pair	\$8,456.80	\$50,740.80
1.00	DR-T-12-PLG-SQL	Neverfail Engine DR SQLPlugin	Engine DR (YEARLY) SQL Plugin Subscription - 1 Year of Plugin Subscription (HA Pair+WANSmart)	\$345.00	\$345.00
5.00	DRA-T-12-PLG-CS	Neverfail Engine DR CentralSquare Plugin	CentralSquare Plugin Subscription - 1 Year of Plugin Subscription (HA Pair + WANSmart)	\$1,349.00	\$6,745.00
1.00	DRA-T-12-PLG-IIS	Neverfail Engine DR IIS Plugin	IIS Plugin Subscription - 1 Year of Plugin Subscription (HA Pair + WANSmart)	\$345.00	\$345.00
5.00	DR-T-12-PLGFS	Neverfail Engine DR File Server Plugin	File Server Plugin Subscription - 1 Year of Plugin Subscription (HA Pair + WANSmart)	\$345.00	\$1,725.00
Subtotal					\$59,900.80
Total Price					\$59,900.80
Grand Total					\$59,900.80

If you would like to proceed with the order, please sign below and email/fax back to our office along with a purchase order. To accept this quotation, sign here and return: \_\_\_\_\_.





**SALES ORDER  
PURSUANT TO EXISTING AGREEMENT**

This Sales Order is intended as a binding Agreement between Bal Harbour Village Police Department, FL (“Customer”) and CentralSquare Technologies, LLC on behalf of itself and affiliates and subsidiaries including Superion, LLC; TriTech Software Systems; and CentralSquare Canada Software, Inc. (“CentralSquare”) and shall be effective as of the date of the last signature herein.

**Quote Number:** Q-178210 is attached to this Sales Order as Exhibit “A”. The Quote contains a description of all products and services sold pursuant to this Sales Order. The Quote is hereby incorporated by reference as a term of this Sales Order.

**Statement of Work.** Services for the products purchased under this Sales Order shall be governed by the Statement of Work document attached to this Sales Order as Exhibit “B”.

**Payment Terms.**

**Subscription**

100 % due on the Delivery Date\*

**Services**

50 % due on the Effective Date of this Sales Order

50 % due on the Completion of Services

**Third-Party**

100 % due on the Effective Date of this Sales Order

\*Delivery Date: For on-premise Solutions, Delivery shall be when CentralSquare delivers to Customer the initial copies of the Solutions outlined below in Exhibit A by whichever the following applies and occurs first (a) electronic delivery, by posting it on CentralSquare’s network for downloading, or similar suitable electronic file transfer method, or (b) physical shipment, such as on a disc or other suitable media transfer method, or (c) installation, or (d) delivery of managed services server. Physical shipment is on FOB - CentralSquare’s shipping point, and electronic delivery is at the time CentralSquare provides Customer with access to download the Solutions. For cloud-based Solutions Delivery shall be whichever the following applies and occurs first when Authorized Users have (a) received log-in access to the Solution or any module of the Solution or (b) received access to the Solution via a URL.

Subscription Access. If Customer is purchasing subscription software under this Sales Order, so long as Customer has paid the annual subscription fees and is current at all times with the subscription fees as stated herein, CentralSquare grants to Client a limited non-exclusive, non-transferable access to use the subscription software granted in this Sales Order. Customer understands and acknowledges no ownership or any form of intellectual property rights transfer under the terms of this Sales Order. Upon termination of this Sales Order or any subscriptions, (i) all rights granted herein shall terminate immediately and automatically upon the effective date of such termination; (ii) Customer’s right to the accessed software granted herein shall terminate; and (iii) Customer will cease using such software and at CentralSquare’s direction return or destroy the software and any supplemental confidential information or documentation. Customer shall maintain for a reasonable period, but in no event less than three (3) years after expiration or termination of this Sales Order, the systems, books and records necessary to accurately reflect compliance with software access and the use thereof. Upon request, and no more than once per year, Customer shall permit CentralSquare to audit Customer’s use of the software to monitor compliance. If an audit reveals that Customer has exceeded the restrictions on use or non-compliance with this Sales Order, Customer shall be responsible for the prompt payment by Customer to CentralSquare of any underpayment.

Payment due in full 30 days from date of invoice. Annual maintenance and Subscriptions renewals shall be due on the anniversary of the Delivery Date. Annual Maintenance and Subscription Fees are subject to increase as outlined in the Master Agreement.

**Master Agreement.** This Sales Order shall be governed by the terms and conditions of the existing Agreement between the parties (the “Master Agreement”). NO OTHER TERMS OR CONDITIONS OF THE MASTER AGREEMENT ARE NEGATED OR CHANGED AS A RESULT OF THIS DOCUMENT.

**Purchase Order.** Customer may provide CentralSquare with a valid purchase order, upon execution of this Sales Order. Notwithstanding anything to the contrary herein, purchase orders are to be used solely for Customer’s accounting purposes and any terms and conditions contained therein shall be deemed null and void with respect to the parties’ relationship and this Sales Order. Any such purchase order provided to CentralSquare shall in no way relieve Customer of any obligation entered into pursuant to this Sales Order including, but not limited to, its obligation to pay CentralSquare in a timely fashion.

**Acceptance of Order Terms.** By signing this Sales Order below, Customer represents and warrants that: (a) it has read and understands the Master Agreement and Quote that are incorporated by reference into this Sales Order and agrees to be bound by the terms thereof, and (b) it has full power and authority to accept this Sales Order.

CentralSquare Technologies, LLC	Bal Harbour Village Police Department
1000 Business Center Drive Lake Mary, FL 32746	655 96th Street Bal Harbour, FL 33154
By:	By:
Print Name:	Print Name:
Print Title:	Print Title:
Date Signed:	Date Signed:



## Exhibit A

### Quote

**Quote #:** Q-178210

**Primary Quoted Solution:** ONESolution PS

**Quote expires on:** September 22, 2025

**Quote prepared for:**

Jose Lira

Bal Harbour Village Police Department

655 96th Street

Bal Harbour, FL 33154

(305) 993-7403

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Thank you for your interest in CentralSquare. CentralSquare provides software that powers over 8,000 communities. More about our products can be found at [www.centalsquare.com](http://www.centalsquare.com).

### WHAT SERVICES ARE INCLUDED?

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DESCRIPTION	TOTAL
1. Public Safety Project Management Services - Fixed Fee	5,655.00
2. Public Safety Technical Services - Fixed Fee	27,495.00
<b>Services Total</b>	<b>33,150.00 USD</b>

### QUOTE SUMMARY

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<b>Services Subtotal</b>	<b>33,150.00 USD</b>
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**Quote Subtotal** 33,150.00 USD

**Quote Total** 33,150.00 USD

## WHAT ARE THE RECURRING FEES?

TYPE	AMOUNT
FIRST YEAR MAINTENANCE TOTAL	0.00
FIRST YEAR SUBSCRIPTION TOTAL	0.00

The amount totals for Maintenance and/or Subscription on this quote include only the first year of software use and maintenance.

This Quote is not intended to constitute a binding agreement. The terms herein shall only be effective once incorporated into a definitive written agreement with CentralSquare Technologies (including its subsidiaries) containing other customary commercial terms and signed by authorized representatives of both parties.

## BILLING INFORMATION

Fees will be payable within 30 days of invoicing.

Please note that the Unit Price shown above has been rounded to the nearest two decimal places for display purposes only. The actual price may include as many as five decimal places. For example, an actual price of \$21.37656 will be shown as a Unit Price of \$21.38. The Total for this quote has been calculated using the actual prices for the product and/or service, rather than the Unit Price displayed above.

Prices shown do not include any taxes that may apply. Any such taxes are the responsibility of Customer. This is not an invoice.

For customers based in the United States or Canada, any applicable taxes will be determined based on the laws and regulations of the taxing authority(ies) governing the "Ship To" location provided by Customer on the Quote Form.

## PURCHASE ORDER INFORMATION

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Is a Purchase Order (PO) required for the purchase or payment of the products on this Quote Form? (Customer to complete)

Yes [ ] No [ ]

Customer's purchase order terms will be governed by the parties' existing mutually executed agreement, or in the absence of such, are void and will have no legal effect.

PO Number:

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Initials:

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**EXHIBIT B**

**Statement of Work**  
(Attached)

Bal Harbour Village Police, FL: ONESolution: Rehost

The parties mutually agree and acknowledge this Summary of Services is a high-level overview of the project requested, not detailed requirements or designs of solution.

Date	Version	Details/Changes	Author
7/23/24	1.0	Initial SOS	W. Hayashi

#### Project Scheduling

Parties agree a schedule will be provided for services within **sixty days** from the execution of the applicable quote.

#### Change Requests

The parties may request a change to this summary of services, to increase hours or deliverables, through a written request to the CentralSquare project manager or resource.

#### Professional Services

Throughout the course of the project, CentralSquare will use several types of services (defined herein) to complete the necessary steps for successful deployment of the contracted services. The overall services aligned to implementation include Project Management, Consulting Services, Technical Services, Data Conversion Services, Training Services, and in some cases, Installation Services.

CentralSquare is not responsible for coordination, management, or covering the cost of any software, work, customization, coding or testing that is required to be performed by any third-party vendors engaged in the context of standard or custom interfaces, unless the work is defined under a Sub-Agreement with CentralSquare within the scope of this Agreement.

#### Business Hours

After-hours services will be performed for the Go-Live of the rehost. All other project services will be performed during normal business hours, defined as 8:00-5:00 PM Eastern Time.

#### CentralSquare Connectivity to On-Premises Systems

The BeyondTrust/Bomgar and/or SecureLink remote support solutions shall be the method of remote access to on-premises customer systems and/or data. These solutions meet all requirements as contained in Section 5.5.6 of the FBI CJIS Security Policy (Remote Access). Use of either of these solutions enables customer agencies to remain CJIS compliant for purposes of FBI and/or state regulatory agency audits.

In addition to the above, the PSJ ProSuite application utilizes SSH connectivity to maintain a persistent connection to the appliance/s. The 911 application utilizes Kaseya for application and/or support needs. These solutions are only utilized for these specific applications in addition to Bomgar and/or SecureLink.

#### Services Scope of Project

The project includes the following scope of services.

CentralSquare Technologies Professional Services proposes the following Technical Services related to the implementation of ONESolution Public Safety and Justice products outlined herein. Services include analysis, planning, business hours delivery and follow-up documentation for the component systems. Hardware, software licensing and installation and configuration of hardware shall be provided by the client or another third-party vendor and should satisfy the recommendations defined in the hardware specifications for Central Square applications.



Read this document carefully to confirm the work activities listed here are comprehensive, inclusive, and accurate for your project. Report discrepancies or questions to your Central Square account executive for revisions to this document and any associated quote for professional services.

**Rehost operations incur product downtime. It is the Customer's responsibility to ensure all relevant stakeholders are aware of the downtime requirements detailed below.**

The goal of Central Square is to minimize downtime for production systems. Estimates of downtime listed in this document are determined using typical averages and will vary based on customer environment and technologies available. Actual downtime may be significantly less or more than the estimates provided herein but will always be as short as possible for production systems. Please work with your assigned Technical Engineer from Central Square to address specific application priorities for your organization.

Central Square makes every effort to provide concise and complete and helpful information regarding the steps required for each migration and for third-party software and devices used with Central Square software solutions. This document may contain information regarding steps or actions that are covered in the scope of a typical migration, but which may not apply to your specific situation. You may also find information regarding compatibility and upgrade requirements for third-party software and/or hardware products used with our solutions. If these conditions apply to your environment, please pay special attention to these statements. We are happy to provide this information as a courtesy and work to provide the most up-to-date information available to us at the time but cannot accept responsibility for third party product compatibility.

The following Servers will be rehosted from their current Operating Systems and SQL Server Versions to the latest supported Operating Systems and SQL Server versions for the products.

**Note:** In some cases, SQL Server versions must match between certain server groups – example of these being SQL Replication partners, SQL Server versions per product across installed instances (i.e., Production and Test must match for refresh purposes), SQL Server versions for integrated products within a product line, SQL Cluster nodes:

### Detailed Outline

The technical services will include the following:

- Server Preparation – Third party vendors shall provide necessary hardware and software, including installation and configuration of such components prior to the scheduled date of delivery. The hardware environment must meet the specifications and services proposal data stated herein or incorporated by reference. The configuration shall present virtual machines running Windows 2016 or later Operating System for installation, configuration of Central Square software solutions.
- Preparation/Follow-up
  - Preparation
    - Validation of existing client services and systems in place.
    - Review and document current configuration for relevant systems.
    - Create execution plan.
    - Verification of valid domain credentials, access & functionality.
  - Follow up.
    - Review any unresolved issues.
    - Update CentralSquare documentation.



- CAD Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~4-8 hours
    - Copy production file share data to new production server.
    - Copy training file share data to new training server.
    - Export/Import share permissions.
    - Export/Import user permissions.
    - Execute required configuration changes for production.
    - Update configurations for training environment on separate servers.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support
- RMS Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~4-8 hours
    - Copy file share data to new server.
    - Export/Import share permissions.
    - Export/Import user permissions.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support
- Message Switch/Mobile Migration
  - Preparation
    - Configuration review, including file locations and network configuration for state connection.
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy switch configuration and files to new server.
    - Execute required configuration changes, including network routing configuration as needed.
    - Install Query Server & Mobile Data Service
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support



- Notes on Server Names and IP Addressing:
  - **NOTE:** If the new server's Name and IP will not match the old server's name and IP. This will require further configuration, and possible interface configuration, potentially including State interface requirements. Please note statement on State Connectivity below.
  - **NOTE:** For clients on Visual MCT changing the server's name and/or IP of the message switch may entail editing a hosts file on each MCT device, and possibly CAD and RMS workstations. This is the Customer's responsibility. CentralSquare can assist with the changes to servers.
  - **NOTE:** For clients on ONESolution MCT changing the server's name and/or IP of the message switch may entail editing a hosts file on CAD and RMS workstations. This is the Customer's responsibility. CentralSquare can assist with the changes to servers.
- Mobile Data Service Migration
  - Preparation
    - Data cleanup – identify and remove old software versions, unused temporary files, old backups, etc.
    - Review and document current service configuration.
    - Identify and document any configuration changes required.
    - Identify and document certificate requirements, where applicable
    - Verification of certificate availability, where applicable
    - Installation and configuration of MDS service
  - Migration
    - Estimated outage = ~2 hours
    - Copy configuration and files to new server.
    - Execute required configuration changes.
    - Validate application functionality (end user tests)
  - Post Migration
    - Troubleshoot any remaining migration related issues.
    - Document changes for client records and support.
- SQL Server and Application Database Migration
  - **NOTE:** If CAD and Records are both installed, and on separate database servers, the SQL versions must match for Personnel replication. If a CAD or Records database server is rehosted, the other database server must also be rehosted.
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
    - Document and replicate database permissions.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy data files to new SQL server for production.
    - Set security permissions.
    - Execute required configuration changes.
    - Configure and test database maintenance plans.
    - Set database recovery model and version.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues





- Validate scheduled function of database maintenance jobs.
- Documentation of changes in infrastructure for client records and support
- Data warehouse Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
    - Document and replicate database permissions.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy data files to new SQL server for production.
    - Set security permissions.
    - Execute required configuration changes.
    - Configure and test database maintenance plans.
    - Set database recovery model and version.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Validate scheduled function of database maintenance jobs.
    - Documentation of changes in infrastructure for client records and support
- P2C Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy files to new server.
    - Set security permissions.
    - Reconfigure scheduled jobs for synchronization of necessary files.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support
- Utility Server Setup/Configuration
  - Installation and configuration of base product installation on new server.
    - Configure CentralSquare applications on new utility server.
    - Verify application functionality and remote accessibility for support.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support



- P2P Migration
  - Preparation
    - Data cleanup– identify and remove old software versions, unused temporary files, old backups, etc.
    - Configuration review
    - Documentation of configuration changes needed.
  - Migration
    - Estimated outage = ~2-6 hours
    - Copy files to new server.
    - Set security permissions.
    - Reconfigure scheduled jobs for synchronization of necessary files.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshooting any remaining issues
    - Documentation of changes in infrastructure for client records and support
- ONESolution MCT Server Migration
  - Preparation
    - Data cleanup – old application versions, unused temporary files, old backup files, etc.
    - Review and document current configuration.
    - Identification and documentation of configuration changes required.
    - Installation and configuration of IIS
  - Migration
    - Estimated outage = ~2 hours
    - Copy configuration and files to new server.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshoot any remaining migration related issues.
    - Document changes for client records and support.
- Freedom Server Migration
  - Preparation
    - Data cleanup – old application versions, unused temporary files, old backup files, etc.
    - Review and document current configuration.
    - Identification and documentation of configuration changes required.
    - Installation and configuration of IIS
  - Migration
    - Estimated outage = ~2 hours
    - Copy configuration and files to new server.
    - Execute required configuration changes.
    - Validate application functionality.
  - Post Migration
    - Troubleshoot any remaining migration related issues.
    - Document changes for client records and support.



- CentralSquare Interfaces
  - Migration of CentralSquare interfaces
  - Post migration resolution and configuration updates as needed.
  - Client agency responsible for any 3<sup>rd</sup> party vendor engagement and resolution for non-CentralSquare interface migrations or configuration updates
- Training Environment
  - CAD and RMS are included in this migration plan.
- Neverfail Consult
  - Rehost to be completed and signed off prior to any new Neverfail implementation.
  - Client and/or Neverfail Professional Services to carry out the installation, configuration and testing of Neverfail.
  - CentralSquare to carry out Neverfail coordination and consultation for CentralSquare applications and servers (limited to providing technical information about the environment - which applications/services are running on which servers and which resources need to be protected.)
  - **NOTE: If Neverfail is used and changes are made to the system such as a Rehost, machine name or IP address changes etc. then if assistance is needed with the Neverfail application itself, it will involve either a separate Neverfail Professional Services Engagement purchased by the Client, or alternatively a CentralSquare Third Party engagement with a Neverfail partner, also purchased by the Client from CentralSquare. This Scope line item only covers CentralSquare Technical Services interaction with Neverfail Professional Services and/or Support.**
- After-Hours Go Live
  - The CentralSquare Installation Engineer will provide downtime work after normal local business hours.
    - After-hours will only be provided on the initial day of go-live.
  - CentralSquare Personnel to document and hand off system between regular hours staff and after-hours staff pre and post rehost to ensure continued project support.
  - Customer personnel to participate in after-hours work.
- FTO Migration – NOT SCOPED
- OpCenter Server Migration – NOT SCOPED
- Migration to new Active Directory Domain – NOT SCOPED
- Migration to new VLAN\Migration to new IP Addresses – NOT SCOPED
- Migrate to Clustered environment. – NOT SCOPED

## Additional Considerations

### Security Statement:

Windows Firewall is supported and can be enabled on servers as part of the project. CentralSquare will utilize exceptions to allow traffic between CentralSquare applications and databases. It is not recommended to rely solely on local firewalling for security. Enabling local firewalling should be discussed with the assigned project staff and can be implemented as part of the rehost project.



Windows UAC will be enabled by default on servers provided to CentralSquare for installation. Any changes to UAC settings to facilitate troubleshooting will be reversed when troubleshooting is complete, prior to Go Live.

The CentralSquare ONESolution product line has no reliance on the SQL “sa” user.

The CentralSquare ONESolution product line can make use of Windows Service accounts to enhance security. The use of Windows Service accounts should be discussed with the assigned project staff and can be implemented as part of the rehost project.

Dependencies for a successful engagement may include:

- **Statement on network throughput:** CentralSquare ONESolution desktop applications (CAD, RMS, JMS, MobLAN, CAD Status Monitor) require consistent 100mbps throughput between workstations and servers. This must be a constant throughput, not a burst or maximum attainable speed. CentralSquare recommends 4G or better wireless technology for ONESolution Mobile infrastructure (ONESolution MCT, ONESolution Freedom). ONESolution Visual MCT requires 3G or better. Network bandwidth should be measured with current loads and factored accordingly prior to any proposed increase in traffic or change in network infrastructure or carrier.
- State Connect connectivity with the new server system (and location as applicable) – Please ensure the state network is accessible to the new server intended to run the Message Switch application. Multi-homed configurations require static routes, other network configurations depend on infrastructure routing for successful state connectivity.
- Remote or physical site and system access
- Active Directory Domain level system authentication/access
- Access to IT and data management department personnel
- Changes to primary systems are typically performed offsite. For Onsite engagements travel costs are not included in the costs for professional services. Travel costs are billed as incurred, in accordance with the customers master agreement where applicable and in addition to the costs associated with professional services. Please ensure appropriate funding for travel as needed.
- Changes involving web-based applications are collaborative efforts between onsite engineers and remote staff dedicated to those applications

Migrations from Physical to Virtual Servers:

- Migrating from Physical servers to Virtual servers may entail the need for new hardware. Specifically:
  - Serial to IP Converter (Digi PortServer or similar) to connect the physical Serial cable for 911 phone systems to a virtual server for ANI/ALI interfaces or other Serial connections.
  - USB to IP Converter (Digi USBAnywhere or similar) for connection of USB dongles/modems (examples: ProQA dongle, Rip and Run Fax machines, Legacy Paging interfaces)
  - USB Modem – for Rip and Run and Paging

If you wish to purchase this hardware through CentralSquare communicate this to your Account Manager.



### Assumptions and Client Responsibilities

- Implementation will be carried out remotely during CentralSquare's regular business hours unless specifically noted in Services Scope. Services are offered for delivery during normal business hours. To ensure the success of every project and availability of support resources from Central Square and various third-party vendors, which vary from site to site, certain limitations are imposed, and a specific definition of business hours is defined. Services outside of normal business hours shall be scheduled between the hours of 5pm EST Monday and be completed no later than 5pm EST Thursday and will incur additional costs. Delivery of all services will be scheduled to avoid all client, Central Square and/or nationally recognized holidays.
- Client to supply hardware, virtualization software, Operating System licensing, SQL Server licensing and licensing of any other third-party hardware or software not specifically listed in the quote or Services Scope.
- Client to install hardware, create virtual machines and install Operating Systems unless specified as a CentralSquare or partner responsibility in the quote or Services Scope.
- Client will maintain remote connectivity to the site through CentralSquare's preferred remote connectivity solution.
- CentralSquare staff will be permitted console access to all servers.
- CentralSquare staff will be permitted SQL administrator access to all database instances.
- Client will adhere to minimum specifications and disk space recommendations and guidelines as documented in the CentralSquare documentation and the client-specific specifications documented by the CentralSquare project team as a project artefact.
- Client to ensure any client-installed third-party software (for example utilities for backups, antivirus) are certified to operate on the new operating system.
- The Client will be responsible for any physical connections to the servers such as serial interface connections.
- During the staging process no new builds or configuration changes are recommended in any environment to be rehosted. If necessary, changes are to be coordinated through the Project Manager as well as Client Support. Some changes may require a Change Order to the project.
- SQL Server replication is supported between SQL Servers within 2 major versions of publisher and subscriber. There is conflicting information available about compatibility and field experience has shown replication issues when there is even a small difference in SQL Server versions between publisher and subscriber(s). Therefore, it is recommended that all SQL Servers involved in replication topology should be upgraded/replaced at the same time to avoid compatibility and reliability issues related to employee replication and/or replication for data warehouse reporting.
- For customers using PageGate, version 8 or higher is required for compatibility with Windows Server 2016 and later. An upgrade to PageGate can be purchased directly through Notepage for existing clients.

**NEVERFAIL**

Ship To Name Bal Harbour Villiage (FL)  
Ship To 9700 Collins Ave  
#280  
Bal Harbour, FL 33154  
Contact Name Jose Lira  
Phone (305) 793-7406  
Email lansight@balharbourfl.gov

Quote Number 00012786  
Quote Name Bal Harbour, FL - Disaster Recovery Solution  
2025 - 6 pairs DR  
Created Date 4/1/2025  
Expiration Date 5/15/2025  
Prepared By Keith Bumgarner  
Email keith.bumgarner@newcomglobal.com

**Terms**

Payment Terms Net 30  
Delivery via Email. Valid email address required.

INTERNATIONAL ORDERS:  
Payment required in advance of order processing. All funds payable  
in USD. Wire transfer instructions will be provided.

**Item Pricing**

Quantity	Product Code	Product	Product Description	Sales Price	Line Total
6.00	DR-T-BUN	Neverfail DR New License Bundle	Neverfail Disaster Recovery License Activation Fee Neverfail Engine DR Software Subscription (12 month) Neverfail Engine DR Remote Installation, Per Pair	\$8,456.80	\$50,740.80
1.00	DR-T-12-PLG-SQL	Neverfail Engine DR SQLPlugin	Engine DR (YEARLY) SQL Plugin Subscription - 1 Year of Plugin Subscription (HA Pair+WANSmart)	\$345.00	\$345.00
5.00	DRA-T-12-PLG-CS	Neverfail Engine DR CentralSquare Plugin	CentralSquare Plugin Subscription - 1 Year of Plugin Subscription (HA Pair + WANSmart)	\$1,349.00	\$6,745.00
1.00	DRA-T-12-PLG-IIS	Neverfail Engine DR IIS Plugin	IIS Plugin Subscription - 1 Year of Plugin Subscription (HA Pair + WANSmart)	\$345.00	\$345.00
5.00	DR-T-12-PLGFS	Neverfail Engine DR File Server Plugin	File Server Plugin Subscription - 1 Year of Plugin Subscription (HA Pair + WANSmart)	\$345.00	\$1,725.00
Subtotal					\$59,900.80
Total Price					\$59,900.80
Grand Total					\$59,900.80

If you would like to proceed with the order, please sign below and email/fax back to our office along with a purchase order. To accept this quotation, sign here and return: \_\_\_\_\_.

# BAL HARBOUR

- V I L L A G E -

## COUNCIL ITEM SUMMARY

### Condensed Title:

A RESOLUTION RATIFYING THE ENGAGEMENT OF TIRONE ELECTRIC, INC. TO PROCURE AND INSTALL REQUIRED ELECTRICAL COMPONENTS TO RE-ESTABLISH ELECTRICAL SERVICE TO THE BEACH AREA PEDESTRIAN LIGHTING AND IRRIGATION SYSTEM, AS DETAILED WITHIN TIRONE ELECTRICAL, INC, PROPOSAL NO. 6A24-165, IN THE AMOUNT NOT TO EXCEED \$85,388, INCLUSIVE OF A 10% CONTINGENCY ALLOCATION \$7,763, ROUNDED UP TO THE NEAREST DOLLAR.

### Issue:

Should the Village Council ratify my actions to provide for expedited repairs to the Beach area electric power components installation?

### The Bal Harbour Experience:

☐ Beautiful Environment    ☒ Safety    ☒ Modernized Public Facilities/Infrastructure  
☐ Destination & Amenities    ☐ Unique & Elegant    ☐ Resiliency & Sustainable Community

### Item Summary / Recommendation:

The north side of the eastern 96th street end contains a Florida Power and Light (FPL), power transformer and Village electrical components which supply electrical power to the Beach area landscape irrigation pumps, timers, path pedestrian lighting and Special Events. These electrical components were installed over 20 years ago and the Public Works & Beautification Department has no record of extensive electrical repairs at this location. The Village electrical components necessary to operate the beach area pedestrian lighting and landscape irrigation control have been inspected and deemed degraded to the level that they now require replacement. Tirone Electric Inc., has submitted a requested Proposal No. 6A24-165 in the amount not to exceed \$85,388 inclusive of the applied 10% contingency of \$7,763 for unforeseen circumstances, rounded up to the nearest dollar, to conduct the envisioned electrical service work. Additionally, to expedite this action, I approved the Tirone proposal on April 17, 2025, and authorized this work to begin. Additionally, upon my approval, Tirone began repairs to provide a temporary power connection for the pedestrian lighting system, while the larger repair components and permits are obtained.

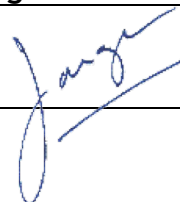
**THE ADMINISTRATION RECOMMENDS THE APPROVAL OF THIS RESOLUTION.**

### Financial Information:

	Amount	Account	Account #
	\$85,388	Maintenance of Jogging Path & Hard Pack	10-53-504604

### Sign off:

Director Public Works & Beautification Department	Chief Financial Officer	Village Manager
John Oldenburg	Claudia Dixon	Jorge M. Gonzalez



# BAL HARBOUR

- V I L L A G E -

## COUNCIL MEMORANDUM

TO: Honorable Mayor and Village Council

FROM: Jorge M. Gonzalez, Village Manager

DATE: April 29, 2025

SUBJECT: **A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; RATIFYING THE ENGAGEMENT OF TIRONE ELECTRIC, INC. TO PROCURE AND INSTALL REQUIRED ELECTRICAL COMPONENTS TO RE-ESTABLISH ELECTRICAL SERVICE TO THE BEACH AREA PEDESTRIAN LIGHTING AND IRRIGATION SYSTEM, AS DETAILED WITHIN TIRONE ELECTRICAL, INC, PROPOSAL NO. 6A24-165, IN THE AMOUNT NOT TO EXCEED EIGHTY-FIVE THOUSAND THREE HUNDRED EIGHTY-EIGHT DOLLARS (\$85,388), INCLUSIVE OF A TEN PERCENT (10%), CONTINGENCY ALLOCATION OF SEVEN THOUSAND SEVEN HUNDRED SIXTY THREE DOLLARS (\$7,763), ROUNDED UP TO THE NEAREST DOLLAR; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.**

### **ADMINISTRATIVE RECOMMENDATION**

I am recommending approval of this Resolution.

### **BACKGROUND**

The Bal Harbour Beach Jogging Path and Vehicle Access Road was completed as designed by the firm Bradshaw Gill in 2002. The designated jogging path is in the area between the western dune edge and planted vegetation belt eastward of the vehicular/bicycle path. This jogging path is restricted to pedestrians only and intersects the vehicle access road at several points. The vehicle access road is located to the east of Collins Avenue residential condominiums and hotels properties and provides access for service and emergency vehicles to the rear of these properties along the beach. Generally, the vehicle access road is open to Village maintenance staff, vendors, and first responders. The public also utilizes this access road daily to walk, ride bicycles, and walk dogs.

The north side of the eastern 96 street end contains a Florida Power and Light (FPL), power transformer and Village electrical components which supply electrical power to the Beach area landscape irrigation pumps, timers, path pedestrian lighting and Special Events.

On January 29, 2025, staff identified a complete power failure in this area and requested FPL to troubleshoot the 96 Street power transformer. After several visits by FPL crews to determine the cause of the power disruption, we received notice the last week of March that FPL determined that the power failure was due to the Village electrical components age and degradation, and that they require replacement.



Since the installation of the FPL transformer over twenty years (20) ago as part of the Bal Harbour Beach Jogging Path and Vehicle Access Road Project, The Public Works & Beautification Department has no record of extensive electrical repairs at this location.

### **ANALYSIS**

Subsequently, staff requested three proposals from local electrical services providers to conduct the identified repairs. Tirone Electric, Inc.,(Tirone), submitted Proposal No. 6A24-165 in the amount of \$77,625. Imperial Electrical, Inc. Imperial Electric and Thunder Electrical Contractors, Inc., did not submit proposals as of April 17, 2025.

During construction, professional report development and specialized utility maintenance activities, contingency funds are utilized as reserve monies used to cover unexpected costs which arise from unforeseen conditions. These funds are not allocated to any specific area of work and if they are not required, the funds are returned to the overall General Fund Budget at the completion of the work. To anticipate the cost of unforeseen conditions and additional meetings not accounted for within the proposals, it is appropriate to include a contingency of ten percent (10%) of the total cost, which equates in this instance to \$7,763 rounded up to the nearest dollar. Therefore, the total cost for Tirone to conduct the envisioned electrical service work inclusive of the contingency is \$85,388 rounded up to the nearest dollar.

Tirone Electric, Inc. proposes to furnish all necessary labor, tools, materials, and supervision for a complete and operational electrical installation to the Beach Front of 96 Street Power Infrastructure as detailed below and within their proposal.

### **Scope of Work**

1. Remove the corroded apparatus from the stand.
2. Provide and install a Meter Enclosure with new feeder's conductor back to FPL transformer.
3. Provide and install (3) Load Center (40 amp main) with new breakers matching the existing size(Stainless Steel)
4. Provide and install (1) 15 KVA and (2) 10 KVA transformers.
5. The existing stainless-steel apparatus that are in good condition is to remain.
6. Engineered design drawing for permitting process is included.
7. Provide and install all new Stainless-Steel Hardware and support stands.
8. All work to be performed during normal hours.
9. Permits and inspections fees are NOT included.
10. Any unforeseen or pre-existing conditions (Electrical Violations) that will alter the scope of work may result in an additional cost.
11. All work will be performed in a workmanlike manner per NEC (National Electrical Code) 110.12.
12. All labor is warranted for 12 months of installation.
13. Any damage due to Mother Nature or vandalism is not warranted.

Due to the age and condition of the electrical components, the new installation will require the new electrical components to meet the current State of Florida Building Code.

To expedite this action, I approved the Tirone proposal on April 17, 2025, and authorized this work to begin. Additionally, upon my approval, Tirone began repairs to provide a temporary power connection for the pedestrian lighting system. The larger repairs and component replacement will require longer lead times for equipment delivery, electrical drawings and a Building Department permit.

Also, prior to the Tirone authorization, Village Engineer of Record, Calvin Giordano and Associates (CGA), was tasked with the development of electrical drawings for this work. After the required components are installed, FPL will be scheduled to restore the power to the onsite transformer and resolve this issue.

### **THE BAL HARBOUR EXPERIENCE**

This action is aligned with the Village's stated mission through the *Bal Harbour Experience*. The replacement of faulty electrical components will restore power to the Bal Harbour Beach areas pedestrian lighting and irrigation. This action safeguards the health of the installed landscape and provides a safer recreational opportunity for pedestrians, cyclists, dog owners and joggers, which corresponds directly to the goals of Modernized Public Facilities and Infrastructure and Safety.

### **CONCLUSION**

The north side of the eastern 96 street end contains a Florida Power and Light (FPL), power transformer and Village electrical components which supply electrical power to the Beach area landscape irrigation pumps, timers, path pedestrian lighting and Special Events.

Since the installation of the FPL transformer over twenty years (20) ago, the Public Works & Beautification Department has no record of extensive electrical repairs at this location. After a power failure in this area, staff conducted inspections with FPL participation and determined these electrical components to be degraded to the level that the components now require replacement.

To expedite the repairs, I approved the Tirone proposal on April 17, 2025, and authorized this work to begin. Additionally, upon my approval, Tirone began repairs to provide a temporary power connection for the pedestrian lighting system, while the larger repairs and component replacement will follow after the needed equipment is delivered, and a Building Department permit is obtained

I am seeking your ratification of my actions to expedite these repairs and return power to the Beach Area pedestrian lighting, in the amount not to exceed \$85,388 inclusive of the applied 10% contingency, rounded up to the nearest dollar, to conduct the envisioned electrical service work.

### **Attachments:**

1. Tirone Electric, Inc., Proposal No. 6A24-165 dated April 04, 2025.

## RESOLUTION NO. 2025-

**A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; RATIFYING THE ENGAGEMENT OF TIRONE ELECTRIC, INC. TO PROCURE AND INSTALL REQUIRED ELECTRICAL COMPONENTS TO RE-ESTABLISH ELECTRICAL SERVICE TO THE BEACH AREA PEDESTRIAN LIGHTING AND IRRIGATION SYSTEM, AS DETAILED WITHIN TIRONE ELECTRICAL, INC, PROPOSAL NO. 6A24-165, IN THE AMOUNT NOT TO EXCEED EIGHTY-FIVE THOUSAND THREE HUNDRED EIGHTY-EIGHT DOLLARS (\$85,388), INCLUSIVE OF A TEN PERCENT (10%), CONTINGENCY ALLOCATION OF SEVEN THOUSAND SEVEN HUNDRED SIXTY THREE DOLLARS (\$7,763), ROUNDED UP TO THE NEAREST DOLLAR; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS,** The Bal Harbour Beach Jogging Path and Vehicle Access Road was completed as designed by the firm Bradshaw Gill in 2002; and

**WHEREAS,** the north side of the eastern 96<sup>th</sup> Street end contains a Florida Power and Light (FPL), power transformer and Village electrical components which supply electrical power to the Beach area landscape irrigation pumps, timers, path pedestrian lighting and Special Events; and

**WHEREAS,** on January 29, 2025, staff identified a complete power failure in this area and requested FPL to troubleshoot the 96<sup>th</sup> Street power transformer and the Village received notice the last week of March that FPL determined that the power failure was due to the Village electrical components age and degradation, requiring replacement; and

**WHEREAS,** subsequent to FPL's findings, Village staff requested three proposals from local electrical services providers to conduct the identified repairs and Tirone Electric, Inc., (Tirone), was the only company responding to the request; and

**WHEREAS,** given the dangers of not commencing the work immediately, the Village Manager approved the Tirone proposal on April 17, 2025, and authorized this work to begin; and

**WHEREAS,** this Council has determined that it is the best interest of the Village to ratify the Village Manager's actions to expedite these repairs and return power to the Beach Area pedestrian lighting, in the amount not to exceed \$85,388 inclusive of the applied 10%

contingency, rounded up to the nearest dollar, to conduct the envisioned electrical service work.

**NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AS FOLLOWS:**

**Section 1. Recitals Adopted.** That the above stated recitals are hereby adopted and confirmed.

**Section 2. Ratification Approved.** That the agreement with the Village Manager entered into with Tirone Electric for the envisioned electrical service work, not to exceed \$85,388, is hereby ratified.

**Section 3. Implementation.** That the Village Manager is hereby authorized to take all actions necessary to implement the purposes of this Resolution.

**Section 4. Effective Date.** That this Resolution shall take effect immediately upon the adoption hereof.

PASSED AND ADOPTED this 29<sup>th</sup> day of April 2025.



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Mayor Jeffrey P. Freimark

ATTEST:

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Dwight S. Danie, Village Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

---

Village Attorney  
Weiss Serota Helfman Cole & Bierman P.L.



3300 CORPORATE AVE  
SUITE 100  
WESTON, FL 33331  
MIAMI-DADE (305) 625-2600  
BROWARD (954) 989-7162  
FAX (954) 894-0334

EC0000345 / EC0003059

TIRONE-ELECTRIC.COM

April 04, 2025  
PROPOSAL  
6A24-165

c/o  
City of BAL HARBOUR  
655 96 STREET  
Bal HARBOUR, FL 33154

Requested by:  
Kenson Prudent  
[kprudent@balharbourfl.gov](mailto:kprudent@balharbourfl.gov)  
786-409-8780

Re: Beach Front of 96 Street Power Infrastructure Repairs(South Side and East Side(Beach Front  
In accordance with your request, Tirone Electric, Inc. proposes to furnish all necessary labor, tools, materials, and supervision for a complete and operational electrical installation to the above referenced project as per our on-site review and as per the following listed qualifications.

- 1) Remove the corroded apparatus from the stand.
- 2) Provide and install a Meter Enclosure with new feeder's conductor back to FPL transformer.
- 3) Provide and
- 4) Provide and install (3) Load Center (40 amp main) with new breakers matching the existing size(Stainless Steel)
- 5) Provide and install (1) 15 KVA and (2) 10KVA transformer.
- 6) The existing stainless-steel apparatus that are in good condition is to remain.
- 7) Engineered design drawing for permitting process is included.
- 8) Provide and install all new Stainless-Steel Hardware and support stands.
- 9) All work to be performed during normal hours.
- 10) Permits and inspections fees are NOT included.
- 11) Any unforeseen or pre-existing conditions (Electrical Violations) that will alter the scope of work may result in an additional cost.
- 12) All work will be performed in a workmanlike manner per NEC (National Electrical Code) 110.12.
- 13) All labor is warranted for 12 months of install. Any damage due to Mother Nature or vandalism is. Not warranted.

**Total cost for the mentioned project above is:**  
**Seventy-Seven Thousand Six Hundred Twenty-Five Dollars.....\$77,625..00**





3300 CORPORATE AVE  
SUITE 100  
WESTON, FL 33331  
MIAMI-DADE (305) 625-2600  
BROWARD (954) 989-7162  
FAX (954) 894-0334

EC0000345 / EC0003059

TIRONE-ELECTRIC.COM

***This proposal is valid for 30 days from the date above.***

***THERE WILL BE A 3% INCREASE IF CREDIT\DEBIT CARD IS USE AS A METHOD OF PAYMENT.***

***50% is due upon accepting. 50% is due upon completion.***

The above prices, specifications and conditions are accepted. Tirone Electric, Inc. is authorized to do the work as specified. Payments will be made as outlined above. In the event a lien or other legal measures are commended to secure payments on any portion of the contract sum, the prevailing party shall be entitled to receive all costs and reasonable attorney fees.

Signature  
Respectfully submitted,

Printed Name and Title

PO/Date

*John Oldenburg*

4/17/25

Levarado Bain

Project Manager



# BAL HARBOUR

- V I L L A G E -

## COUNCIL ITEM SUMMARY

### Condensed Title:

**AN ORDINANCE OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING CHAPTER 8.5 "FLOOD DAMAGE PREVENTION", SECTION 8.5-2 "DEFINITIONS" OF THE CODE OF ORDINANCES; AMENDING CHAPTER 21 "ZONING", ARTICLES I - III TO AMEND DEFINITIONS, PROCEDURES, AND REGULATIONS RELATED TO HEIGHT**

### Issue:

Should the Village Council amend Chapters 8.5 and 21 of the Code of Ordinances regarding building heights in the Village?

### The Bal Harbour Experience:

<input type="checkbox"/> Beautiful Environment	<input checked="" type="checkbox"/> Safety	<input checked="" type="checkbox"/> Modernized Public Facilities/Infrastructure
<input type="checkbox"/> Destination & Amenities	<input type="checkbox"/> Unique & Elegant	<input checked="" type="checkbox"/> Resiliency & Sustainable Community

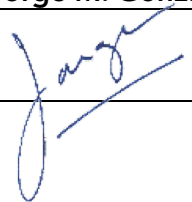
### Item Summary / Recommendation:

The proposed Ordinance addresses conflicts between the Village Charter and newly enacted state laws by amending Bal Harbour Village's height regulations and procedures. Due to recent legislative changes that arguably preempt the Village's ability to require voter referendums for land development regulation amendments, this Ordinance establishes alternative safeguards to ensure transparency, public participation, and thorough scrutiny in future height regulation changes. The Ordinance introduces several key provisions, including requiring that any proposed changes to height regulations be presented as a discussion item at a regularly scheduled Village Council meeting before initiating the statutory adoption process, ensuring that the public has an opportunity to provide input. Additionally, it mandates that the Local Planning Agency (LPA) hold a public hearing on any proposed height modifications prior to the first reading by the Village Council. To further strengthen oversight, the ordinance establishes a requirement for a supermajority (4/5) vote of the Village Council to approve any height regulation changes at both first and second readings.

Furthermore, the Ordinance revises the methodology for measuring building height, aligning it with the highest minimum elevation required by county, state, or federal law. This adjustment accounts for Base Flood Elevation and incorporates voluntary Freeboard allowances established by those laws, promoting resiliency and compliance with evolving floodplain regulations. Lastly, the ordinance establishes a uniform maximum height limit of 56 feet for municipal buildings, regardless of their zoning district or location. The Village Council unanimously approved the ordinance on first reading with a 5-0 vote at its March 18, 2025, meeting.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS ORDINANCE ON SECOND READING.**

### Sign off:

Village Attorney	Chief Financial Officer	Village Manager
Susan Trevarthen	Claudia Dixon	Jorge M. Gonzalez
		



# BAL HARBOUR

- V I L L A G E -

## MEMORANDUM

TO: Honorable Mayor and Village Council

FROM: Jorge M. Gonzalez, Village Manager

DATE: April 29, 2025

SUBJECT: **AN ORDINANCE OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING CHAPTER 8.5 "FLOOD DAMAGE PREVENTION", SECTION 8.5-2 "DEFINITIONS" OF THE CODE OF ORDINANCES; AMENDING CHAPTER 21 "ZONING", ARTICLES I - III TO AMEND DEFINITIONS, PROCEDURES, AND REGULATIONS RELATED TO HEIGHT; PROVIDING FOR CONFLICTS, SEVERABILITY, INCLUSION IN THE CODE, AND FOR AN EFFECTIVE DATE.**

### **ADMINISTRATIVE RECOMMENDATION**

I recommend the approval of this Ordinance on Second Reading. The Village Council unanimously approved the Ordinance on its first reading with a 5-0 vote during the meeting on March 18, 2025. This memorandum includes a Business Impact Statement for your reference. The Local Planning Agency (LPA) will evaluate the Ordinance at its meeting on April 29, 2025, as a separate agenda item.

### **BACKGROUND**

In recent sessions, the Florida State Legislature has enacted certain laws which have the effect of limiting or preempting local governments' land development regulation powers. Among the various laws, one specifically has the effect of preempting requirements for initiative or referendum in regard to land development regulations. In the past this has been described as "Zoning by Referendum." The attached analysis by the Bal Harbour Village Attorney examines the argument that the new law prevents the Village from seeking voter approval of future changes to the Village's height regulations in accordance with Section 80 of the Village Charter. The issue was discussed at the January 13, 2025 Council meeting, and the Administration identified that the legal analysis identifies an apparent conflict, and recommended that the conflict can and should be proactively resolved by Council action.

In light of the Village Attorney's analysis and the argument that Village Charter Section 80 conflicts with and therefore has been preempted by state law, the Village Council was recommended to consider amending its height regulations and definitions to provide greater protections that could substitute for the referendum requirement that has been preempted, and adopting an ordinance that creates a process for how it will consider



requests for future changes to the height standards of the zoning districts in the Code moving forward, which would provide clarity and certainty of process as follows:

1. Establish extraordinary measures requiring greater scrutiny and consideration before any future change to height regulations is approved. These may include:

- o Require a Discussion Item be placed and considered at a regularly scheduled Village Council meeting on any future such request before proceeding with the statutory process of adoption,

- Require that the Discussion Item allow for public comment?

- o Require that the legal public hearing by the Local Planning Agency (LPA) be held before the first reading by the Village Council,

- o Require a supermajority (4/5) vote of the Village Council to successfully enact any such legislation:

- Only at Second Hearing? or
  - Both First and Second Hearing?

2. Harmonize the method of measuring height with the minimum required elevation for finished floors to be consistent village wide, allowing for current and future FEMA flood map or other State and Federal requirements. (i.e. FEMA, Building Code, or other Base Flood Elevation standards, etc.)

3. Provide for a voluntary freeboard allowance of some specified maximum amount.

- o During the 2024 legislative session, the Florida Legislature considered a law mandating minimum floodplain requirements and for additional voluntary freeboard requirements adopted locally up to 10 feet. It is expected that this legislation will be considered again during the 2025 session with a good chance of success.<sup>1</sup>

4. Establish a universal height limit for municipal or institutional buildings, regardless of zoning district or location.

The Council discussed these recommendations at the January 13, 2025, Council Meeting and directed the Village Manager and Village Attorney to draft proposed text amendments for all of these proposed actions for consideration at a future Council meeting. The Council further discussed and refined its proposed course of action at the Village Council retreat in February 2025.

## **ANALYSIS**

This Ordinance has been developed based on feedback gathered during the Council meeting on January 13, 2025, and the Council Retreat. The Village Council unanimously

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<sup>1</sup> As of April 15, 2025, no bill has been filed in the current session of the Florida Legislature to establish a voluntary freeboard in state law. However, it is possible, and even likely, that such legislation will be adopted in the future, and this Ordinance automatically incorporates such future changes.

approved the Ordinance on first reading with a 5-0 vote at the March 18, 2025 meeting. For reference, a Business Impact Statement is included with this memorandum, and the Local Planning Agency (LPA) will evaluate the Ordinance at its meeting on April 29, 2025, as a separate agenda item.

The Ordinance amends Chapter 8.5 "Flood Damage Prevention" to provide for a maximum voluntary freeboard allowance at the level required by applicable county, state, or federal law, and implements this definition in Chapter 21 as follows:

**Sec. 8.5-2. - Definitions.**

(a) *Scope.* Unless otherwise expressly stated, the following words and terms shall, for the purposes of this chapter, have the meanings shown in this section.

\* \* \*

*Freeboard* means a factor of safety usually expressed in feet above a flood level for purposes of floodplain management. "Freeboard" tends to compensate for the many unknown factors that could contribute to flood heights greater than the height calculated for a selected size flood, such as wave action, bridge openings, and the hydrological effect of urbanization of the watershed. Freeboard results in significantly lower flood insurance rates due to lower flood risk. The Village's maximum voluntary freeboard is the amount required by applicable county, state, or federal law.

**Sec. 21-1. - Definitions and rules of construction.**

(c) The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \*

*Height of a Building or Structure* means the vertical distance from the highest minimum elevation provided by county, state, or federal law; the Base Flood Elevation plus any additional Freeboard, as defined in section 8.5-2. of the Village Code, average Street Grade to the highest point of the coping of a flat roof or to the average height of the highest gable of a pitch or hip roof. ~~Notwithstanding the foregoing, the height of Single-Family Dwellings may be measured from the highest minimum elevation provided by state or federal law; the Base Flood Elevation plus any additional Freeboard, as defined in section 8.5-2. of the Village Code.~~ Penthouses shall be considered in determining both the Height and the number of Stories of a Building. When a parapet wall is provided, the vertical distance shall be measured from the highest minimum elevation provided by county, state, or federal law; the Base Flood Elevation plus any additional Freeboard, as defined in section 8.5-2. of the Village Code, average Street Grade to the highest point of its parapet

wall. Parapet walls shall not exceed four feet in height as measured from the highest point of the roof to the highest point of the parapet wall.

It also amends Chapter 21 "Zoning", Article II "Administration" to establish extraordinary measures requiring greater public scrutiny and Council consensus before any future change to height regulations is approved, including the placement of a discussion item on an agenda of a regular Council meeting prior to starting the statutory adoption process for such changes, open to public comment; requiring that the Local Planning Agency (LPA) public hearing for such changes be held before the first reading by the Village Council; and requiring a supermajority of the Council (4/5 vote) to approve first and second reading of any such legislation, as follows:

**Sec. 21-56. Procedures for Amendments to the Village Code that Increase Developable Height.** The following extraordinary measures, to ensure greater public scrutiny and deliberation, shall be followed whenever the Village Council proposes to amend the Village Code or take other action that increases the height limit in any zoning district in the Village:

(a) A discussion item must be placed on an agenda of a regular Village Council meeting prior to starting the statutory notice and adoption process for such proposal, and the discussion item must include public comment;

(b) The Local Planning Agency (LPA) public hearing for such a proposal must be held before the first reading by the Village Council; and

(c) A supermajority of the Village Council (4/5 vote) is required to approve both first and second readings of any such legislation or action.

Finally, the Ordinance sets a maximum height limit for municipal buildings regardless of their location or zoning district, as follows:

**Sec. 21-79. Height Limit for Municipal Buildings.** A height limit of 56 feet applies to municipal buildings, regardless of their zoning district or location.

### ***THE BAL HARBOUR EXPERIENCE***

The Ordinance provides for a maximum level of voluntary freeboard, and allows for all uses to measure their height from the highest minimum elevation provided by county, state, or federal law, which supports the goal of Resiliency & Sustainable Community. It sets a maximum height for municipal structures, which supports the goal of Modernized Public Facilities/Infrastructure and Safety.

### **CONCLUSION**

The proposed Ordinance was drafted as requested by the Village Council, to resolve the conflict presented by the new statute that arguably prevents the Village from seeking voter approval of future changes to the Village's height regulations in accordance with Section 80 of the Village Charter.

The Ordinance amends the Village's height regulations and definitions to provide greater protections to substitute for the referendum requirement that has been preempted, and creates a process for how it will consider requests for future changes to the height standards of the zoning districts in the Code moving forward, which will provide clarity and certainty of process. It also sets a maximum height for municipal buildings. It is recommended that the Village Council adopt the proposed Ordinance on Second Reading.

**Attachments:**

1. Discussion Item - January 13, 2025
2. Village Attorney Analysis
3. Business Impact Statement

**ORDINANCE NO. 2025\_\_\_\_**

**AN ORDINANCE OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING CHAPTER 8.5 "FLOOD DAMAGE PREVENTION", SECTION 8.5-2 "DEFINITIONS" OF THE CODE OF ORDINANCES; AMENDING CHAPTER 21 "ZONING", ARTICLES I - III TO AMEND DEFINITIONS, PROCEDURES, AND REGULATIONS RELATED TO HEIGHT; PROVIDING FOR CONFLICTS, SEVERABILITY, INCLUSION IN THE CODE, AND FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Bal Harbour Village (the "Village") Council finds it periodically necessary to amend its Code of Ordinances (the "Village Code") in order to update regulations and procedures to implement municipal goals and objectives; and

**WHEREAS**, current Village regulations address the measurement of height, and for uses other than single family, require the measurement to begin from the average street grade of the adjacent road; and

**WHEREAS**, because the highest minimum elevation provided by applicable law is increasing with sea level rise and the related increase in the levels of groundwater in the Village, the practically available height for development is diminished by this method of measurement; and

**WHEREAS**, changing this approach to measurement of height in the Village and clarifying the maximum level of freeboard will increase the sustainability of development now and into the future, and allow reasonable developable use of the current height limits; and

**WHEREAS**, the Village Council seeks to amend Chapter 8.5 "Flood Damage Prevention" to provide for a maximum freeboard allowance at the level required by applicable county, state, or federal law; and

**WHEREAS**, the Village further seeks to amend Chapter 21 "Zoning", Article I "In General", Section 21-1 "Definitions and Rules of Construction" to amend the definitions and regulations applicable to the measurement of height of uses other than single family residential; and

**WHEREAS**, the Village Council further seeks to amend Chapter 21 “Zoning”, Article II “Administration” to establish extraordinary measures requiring greater public scrutiny and Council consensus before any future change to height regulations is approved, including the placement of a discussion item on an agenda of a regular Council meeting prior to starting the statutory adoption process for such changes, open to public comment; requiring that the Local Planning Agency (LPA) public hearing for such changes be held before the first reading by the Village Council; and requiring a supermajority of the Council (4/5 vote) to approve first and second reading of any such legislation; and

**WHEREAS**, the Village Council further seeks to amend Chapter 21 “Zoning”, Article III “District Regulations” to establish a height limit for municipal buildings that will apply to property regardless of zoning district or location; and

**WHEREAS**, the Administration recommended approval of this Ordinance in its report for the March 18, 2025 Village Council meeting; and

**WHEREAS**, the Village Council, sitting as the Local Planning Agency, has reviewed this Ordinance at a duly noticed public hearing in accordance with law on April \_\_, 2025, determined that this Ordinance is consistent with the Village’s Comprehensive Plan, and recommended approval; and

**WHEREAS**, the Village Council conducted a first and second reading of this Ordinance at duly noticed public hearings, as required by law, and after having received input from and participation by interested members of the public and staff, the Village Council has determined that this Ordinance is consistent with the Village’s Comprehensive Plan and in the best interest of the public health, safety and welfare.

**NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AS FOLLOWS:**

**Section 1. Recitals Adopted.** That the above-stated recitals are hereby adopted and confirmed.

**Section 2. Village Code Amended - Chapter 8.5.** That Chapter 8.5 “Flood Damage Prevention” of the Code of Bal Harbour Village, Florida, is hereby amended to

read as follows:<sup>1</sup>

## **CHAPTER 8-5. - FLOOD DAMAGE PREVENTION**

\* \* \*

### **Sec. 8.5-2. - Definitions.**

(a) *Scope.* Unless otherwise expressly stated, the following words and terms shall, for the purposes of this chapter, have the meanings shown in this section.

(b) *Terms defined in the FBC.* Where terms are not defined in this chapter and are defined in the FBC, such terms shall have the meanings ascribed to them in that code.

(c) *Terms not defined.* Where terms are not defined in this chapter or the FBC, such terms shall have ordinarily accepted meanings such as the context implies.

\* \* \*

*Freeboard* means a factor of safety usually expressed in feet above a flood level for purposes of floodplain management. "Freeboard" tends to compensate for the many unknown factors that could contribute to flood heights greater than the height calculated for a selected size flood, such as wave action, bridge openings, and the hydrological effect of urbanization of the watershed. Freeboard results in significantly lower flood insurance rates due to lower flood risk. The Village's maximum voluntary freeboard is the amount required by applicable county, state, or federal law.

\* \* \*

**Section 3. Village Code Amended - Chapter 21.** That Chapter 21 "Zoning" of the Code of Bal Harbour Village, Florida, is hereby amended to read as follows:

## **CHAPTER 21. - ZONING**

### **ARTICLE I. - IN GENERAL.**

#### **Sec. 21-1. - Definitions and rules of construction.**

(a) For the purpose of this chapter, which shall be known as the Zoning Ordinance of Bal Harbour Village, Florida, words used in the present tense include the future; the singular number includes the plural, and the plural the singular; the words "used for" include the

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<sup>1</sup> Additions to existing Village Code text are shown by underline; deletions from existing Village Code text are shown by ~~striketrough~~. Any changes between first and second reading are shown by highlighted double underline and ~~double striketrough~~ font.

meaning "designed for"; the word "structure" includes the word "building"; the word "shall" is mandatory and not directory; and the word "lot" includes the words "plot" and "tract".

(b) Words and terms not defined in this section shall be interpreted in accord with their normal dictionary meaning and customary usage.

(c) The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \*

*Height of a Building or Structure* means the vertical distance from the highest minimum elevation provided by county, state, or federal law; the Base Flood Elevation plus any additional Freeboard, as defined in section 8.5-2. of the Village Code, average Street Grade to the highest point of the coping of a flat roof or to the average height of the highest gable of a pitch or hip roof. ~~Notwithstanding the foregoing, the height of Single Family Dwellings may be measured from the highest minimum elevation provided by state or federal law; the Base Flood Elevation plus any additional Freeboard, as defined in section 8.5-2. of the Village Code.~~ Penthouses shall be considered in determining both the Height and the number of Stories of a Building. When a parapet wall is provided, the vertical distance shall be measured from the highest minimum elevation provided by county, state, or federal law; the Base Flood Elevation plus any additional Freeboard, as defined in section 8.5-2. of the Village Code, average Street Grade to the highest point of its parapet wall. Parapet walls shall not exceed four feet in height as measured from the highest point of the roof to the highest point of the parapet wall.

\* \* \*

## ARTICLE II. ADMINISTRATION

\* \* \*

### DIVISION 2. - AMENDMENTS; ZONING CHANGES; VARIANCES

**Sec. 21-56. Procedures for Amendments to the Village Code that Increase Developable Height.** The following extraordinary measures, to ensure greater public scrutiny and deliberation, shall be followed whenever the Village Council proposes to amend the Village Code or take other action that increases the height limit in any zoning district in the Village:

(a) A discussion item must be placed on an agenda of a regular Village Council meeting prior to starting the statutory notice and adoption process for such proposal, and the discussion item must include public comment;



(b) The Local Planning Agency (LPA) public hearing for such a proposal must be held before the first reading by the Village Council; and

(c) A supermajority of the Village Council (4/5 vote) is required to approve both first and second readings of any such legislation or action.

**Secs. 21-~~567~~–21-75. - Reserved.**

\* \* \*

### **ARTICLE III. DISTRICT REGULATIONS**

\* \* \*

**Sec. 21-79. Height Limit for Municipal Buildings.** A height limit of 56 feet applies to municipal buildings, regardless of their zoning district or location.

**Secs. 21-~~7980~~–21-95. - Reserved.**

**Section 4. Severability.** That the provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance and they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

**Section 5. Inclusion in the Code.** That it is the intention of the Village Council, and it is hereby ordained that this Ordinance shall become and be made a part of the Bal Harbour Village Code; that the sections of this Ordinance may be renumbered or relettered to accomplish such intention; and that the word "Ordinance" shall be changed to "Section" or other appropriate word.

**Section 6. Conflict.** That all Sections or parts of Sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions, or parts of resolutions, in conflict with this Ordinance are repealed to the extent of such conflict.

**Section 7.**    **Effective Date.**    That this Ordinance shall become effective upon adoption on second reading. This Ordinance shall apply only to building permits for which a process number is issued after the effective date of this Ordinance.

PASSED AND ADOPTED on first reading this 18<sup>th</sup> day of March, 2025.

PASSED AND ADOPTED on second reading this 29<sup>th</sup> day of April, 2025.



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Mayor Jeffrey P. Freimark

ATTEST:

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Dwight S. Danie, Village Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

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Village Attorney  
Weiss Serota Helfman Cole & Bierman P.L.

# BAL HARBOUR

- V I L L A G E -

## DISCUSSION ITEM

TO: Honorable Mayor and Village Council

FROM: Jorge M. Gonzalez, Village Manager

DATE: January 13, 2025

SUBJECT: **Discussion Regarding Impacts To The Village Charter Of State Preemptions (Zoning By Referendum)**

In recent sessions, the State Legislature has enacted certain laws which have the effect of limiting or preempting local governments' land development regulation powers. Among the various laws, one specifically has the effect of preempting requirements for initiative or referendum in regard to land development regulations. In the past this has been described as "Zoning by Referendum." The attached analysis by the Village Attorney examines the argument that the new law prevents the Village from seeking voter approval of future changes to the Village's height regulations in accordance with Section 80 of the Village Charter.

You will recall that this issue was previously discussed during the 2024 Village Council Retreat. At that time, we informed you of the legislation and our preliminary assessment of its impact on the Village charter. After some discussion and deliberation, the consensus of the council was to instruct the Village Attorney to further review the issue and provide a legal analysis of how the legislation specifically affects Bal Harbour Village.

In the intervening period, the Village also received correspondence from counsel for the Bal Harbour Shops, asserting arguments regarding the impact of this legislation on the Village Charter. Lastly, we have also conferred with counsel for other Bal Harbour Village property owners considering their property uses and the impacts of this legislation on their development plans.

The Village Attorney's research and analysis on this issue is attached for your review. The analysis identifies an apparent conflict that can and should be proactively resolved by Council action. This discussion item is presented to provide an opportunity for the Council to discuss the Village Attorney's analysis, ask pertinent questions and develop a consensus on a strategic path to move forward and give direction on the next appropriate steps to remedy the issues that have been identified.

### **Issues to Consider:**

In light of the Village Attorney's analysis and the argument that Village Charter Section 80 conflicts with and therefore has been preempted by state law, the Village Council may wish to consider amending its height regulations and definitions to provide greater protections that could substitute for the referendum requirement that has been preempted. The Council may wish to consider adopting an ordinance that creates a process for how it will

consider requests for future changes to the height standards moving forward, which would provide clarity and certainty of process.

It should be noted that a host of other land development regulations are currently under the Village Council control, subject to any superseding County, State or Federal requirements. In addition, prior to the enactment of Section 80 of the Village Charter in 2006, matters relating to building height were also under the purview and control of the Village Council. Given the preemption, the Council is now (again) the body that should rightly assert control over all land development regulations.

Given this new legislative preemption and in consideration that building height in the past received an additional level of review, it is prudent for the Council to consider an Ordinance to establish its intention and procedures moving forward. In doing so, and in addition to establishing a process, there are other height related items that the Council may wish to consider and codify as part of this deliberation:

1. Establish extraordinary measures requiring greater scrutiny and consideration before any future change to height regulations is approved. These may include:
  - o Require a Discussion Item be placed and considered at a regularly scheduled Village Council meeting on any future such request before proceeding with the statutory process of adoption,
    - Require that the Discussion Item allow for public comment?
  - o Require that the legal public hearing by the Local Planning Agency (LPA) be held before the first reading by the Village Council,
  - o Require a supermajority (4/5) vote of the Village Council to successfully enact any such legislation,
    - Only at Second Hearing? or
    - Both First and Second Hearing?
2. Harmonize the method of measuring height with the minimum required elevation for finished floors to be consistent village wide, allowing for current and future FEMA flood map or other State and Federal requirements. (I.e. FEMA, Building Code, or other Base Flood Elevation standards, etc.)
3. Provide for a voluntary freeboard allowance of some specified maximum amount,
  - o During the 2024 legislative session, the Florida Legislature considered a law mandating minimum floodplain requirements and for additional voluntary freeboard requirements adopted locally up to 10 feet. It is expected that this legislation will be considered again during the 2025 session with a good chance of success.
4. Establish a universal height limit for municipal or institutional buildings, regardless of zoning district or location,

It is recommended that the Council discuss this matter and give instruction to the Village Manager and Village Attorney to draft proposed text amendments consistent with your guidance for Council consideration at a future Village Council meeting.

**Attachments:** Village Attorney Analysis

# BAL HARBOUR

- V I L L A G E -

TO: Honorable Mayor and Village Council  
Jorge Gonzalez, Village Manager

FROM: Susan L. Trevarthen, Village Attorney *SLT*

DATE: January 13, 2025

SUBJECT: **Legal Analysis of Village Charter Requirements Regarding Building Height**

This memo analyzes the question of the height limits applicable to development in the Village. This issue was discussed by the Village Council at its 2024 Retreat, as it related to recent state legislation prohibiting voter referenda on land development regulations. The Village also received correspondence from counsel for the Bal Harbour Shops, asserting arguments regarding the impact of this legislation on the Village Charter. And the Village has also conferred with counsel for other property owners about this issue. The Village Manager will present his recommendations for action on this issue in a discussion item for the January 13, 2025 meeting.

In brief, this analysis concludes that there is a reasonable argument that Section 80 of the Village Charter conflicts with recent state legislation, and therefore can no longer be enforced. The memo sets forth the history of this charter section and of the state law surrounding such provisions, describes and responds to the analysis received, and provides guidance on how the Village might read this section going forward. In a separate memo, the Village Manager presents options for how to respond to this analysis.

## **BACKGROUND**

### **Village Charter Provisions re Height**

Adopted in 2006 by a referendum vote of the Village electors (and amended by the voters in 2020 to address the measurement of height for Single Family Dwellings), Section 80 of the Village Charter establishes the height limits in the Village as follows:

Building height allowed on any property shall not exceed the permitted height for that property set forth in the Village's comprehensive plan<sup>1</sup> or municipal code, in effect the date this amendment is approved, whichever provisions are most restrictive. Notwithstanding the foregoing, the height of single family dwellings may be measured from the highest minimum elevation provided by state or federal law. Unless otherwise specified in the comprehensive plan or municipal code in effect the date this amendment is approved, each building "story" shall mean 11 feet in height.

Village Charter, § 80.

Attempts to further amend this section were rejected by the voters, including one in 2021 brought forward by petition that provided greater height for the Bal Harbour Shops property, and one in 2023

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<sup>1</sup> The Village Comprehensive Plan does not regulate the height of development in the Village.

advanced by the Village Council to provide greater height for structures used for municipal purposes. See **Exhibit A**, Rejected Charter Amendments to Section 80.

What is the impact of having Section 80 in the Charter? Charters are created by vote of the electors, and may only be amended by similar vote of the electors. The Village Council lacks the power to directly amend the Charter without obtaining voter approval. See Section 166.031, Florida Statutes, in **Exhibit B**. Therefore, Village changes to Section 80, or to the 2006 height standards that Section 80 freezes in place, can only be accomplished with the approval of the electors.

All municipal charters are subject to the requirements of general law, which means that state statutes can override municipal charter requirements.<sup>2</sup>

### **Land Development Regulations re Height**

Part II of Chapter 163, Florida Statutes, the Community Planning Act, requires local governments to adopt comprehensive plans by ordinance, and to adopt implementing land development regulations into their local codes of ordinances. The statute generally defines land development regulations as “ordinances enacted by governing bodies for the regulation of any aspect of development and includes any local government zoning, rezoning, subdivision, building construction, or sign regulations or any other regulations controlling the development of land, except that this definition does not apply in s. 163.3213.”<sup>3</sup> Ordinances regulating height are components of local zoning codes that regulate development, and are therefore land development regulations.

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<sup>2</sup> **Section 166.021. Powers.**

(1) As provided in s. 2(b), Art. VIII of the State Constitution, **municipalities** shall have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and **may exercise any power for municipal purposes, except when expressly prohibited by law.**

(2) “Municipal purpose” means any activity or power which may be exercised by the state or its political subdivisions.

(3) The Legislature recognizes that pursuant to the grant of power set forth in s. 2(b), Art. VIII of the State Constitution, **the legislative body of each municipality has the power to enact legislation concerning any subject matter upon which the state Legislature may act, except:**

(a) The subjects of annexation, merger, and exercise of extraterritorial power, which require general or special law pursuant to s. 2(c), Art. VIII of the State Constitution;

(b) Any subject expressly prohibited by the constitution;

(c) **Any subject expressly preempted to state or county government by the constitution or by general law; and**

(d) Any subject preempted to a county pursuant to a county charter adopted under the authority of ss. 1(g), 3, and 6(e), Art. VIII of the State Constitution.

(4) The provisions of this section shall be so construed as to secure for municipalities the **broad exercise** of home rule powers granted by the constitution. It is the further intent of the Legislature to extend to municipalities **the exercise of powers for municipal governmental, corporate, or proprietary purposes not expressly prohibited** by the constitution, general or special law, or county charter and **to remove any limitations, judicially imposed or otherwise, on the exercise of home rule powers other than those so expressly prohibited.** . . .

<sup>3</sup> For purposes of substantially affected persons maintaining administrative actions to assure that land development regulations implement and are consistent with the local comprehensive plan, a land development regulation is defined in Section 163.3213(2)(b) as “an ordinance enacted by a local governing body for the regulation of any aspect of development, including a subdivision, building construction, landscaping, tree protection, or sign regulation or any other regulation concerning the development of land. This term shall include a general zoning code, but shall not include a zoning map, an action which results in zoning or rezoning of land, or any building construction standard adopted pursuant to and in compliance with the provisions of chapter 553 [Florida Building Code].

The Village Code of Ordinances, Chapter 21 “Zoning”, is the source of the Village’s height regulations, as limited by the Charter.

First, the Code supplies relevant definitions, as follows:

**Sec. 21-1. - Definitions and rules of construction.**

- (a) For the purpose of this chapter, which shall be known as the Zoning Ordinance of Bal Harbour Village, Florida, words used in the present tense include the future; the singular number includes the plural, and the plural the singular; the words "used for" include the meaning "designed for"; the word "structure" includes the word "building"; the word "shall" is mandatory and not directory; and the word "lot" includes the words "plot" and "tract".
- (b) Words and terms not defined in this section shall be interpreted in accord with their normal dictionary meaning and customary usage.
- (c) The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \*

*Height of a Building or Structure* means the vertical distance **from the average Street Grade** to the highest point of the coping of a flat roof or to the average height of the highest gable of a pitch or hip roof. Notwithstanding the foregoing, the height of Single-Family Dwellings may be measured from the highest minimum elevation provided by state or federal law; the Base Flood Elevation plus any additional Freeboard, as defined in section 8.5-2. of the Village Code.<sup>4</sup> Penthouses shall be considered in determining both the Height and the number of Stories of a Building. When a parapet wall is provided, the vertical distance shall be measured from the average Street Grade to the highest point of its parapet wall. Parapet walls shall not exceed four feet in height as measured from the highest point of the roof to the highest point of the parapet wall.

\* \* \*

*Penthouse* means any Structure above the main roof of a Building used for living, professional or business purposes. Penthouses may also be used for housing elevator machinery and water storage tanks. Penthouses, except when used for machinery or storage of water, are considered as an additional Story to the height of a Building and shall be considered in Height measurement.

\* \* \*

*Story* means that portion of a Building included between the upper surface of any floor and the upper surface of the floor next above, except that the topmost Story shall be that portion of a Building included between the upper surface of the topmost floor and the ceiling or roof above. If the finished floor level directly above a basement is more than six feet above Grade, such basement shall be considered a Story. For the purposes of Section 80 of the Village Charter, it is hereby specified that there shall be no limitation on the height of a building "story," so long as the overall height limits specified within this Code are not exceeded. It is the specific intent of the Village Council that the 11 foot story height limitation contained in Section 80 of the Charter shall not be applicable in any zoning district as it is the intention of the Council that the height of a story

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<sup>4</sup> This sentence was added to implement the 2020 Charter amendment, which added the following sentence to Section 80: “Notwithstanding the foregoing, the height of single family dwellings may be measured from the highest minimum elevation provided by state or federal law.”

shall be specified as "unlimited" so as to allow freedom of design for lofts, mezzanines, vaulted ceilings, lobbies, assembly areas, mechanical rooms or spaces, multi-story units or clerestory areas.

*Street* means a thoroughfare which affords the principal means of access to abutting Property.

*Street Grade* means the average elevation of the centerline of the abutting Street as measured at the crown of the road.

\* \* \*

It is important to note that the definition of Story in the Code was amended by the Village Council prior to the effectiveness of Section 80 of the Charter, and overrode the 11-foot story height limitation in Section 80.

Therefore, as frozen by the Charter, the Code provides that height on properties (that are not single family) must be measured from average street grade. Calculations of whether the standards for height and number of stories are met must include any penthouses, and an additional four feet is allowed for parapet walls. The height of stories is not limited to 11 feet, and is measured from the upper level of each floor to the upper level of the next floor. Basements are considered stories if the finished floor of the story above the basement level is more than 6 feet above grade. The height and story limits on development other than single family are as follows:

<b>Zoning Category</b>	<b>Height Limit (Feet)</b>	<b>Stories</b>
PC Private Club	35	2
RM-1 MF Residential	30	2
RM-2 MF Residential	30	2
RM-3 MF Residential	30	2
RM-4 MF Residential	35	2
RM-5 MF Residential	45	3
OF Ocean Front District	275 (25 more for nonhabitable roof features)	17 – additional stories controlled by front setback
B Business District	56	3
	Parking structures measured from surface parking level: 36 feet or 3 stories, or 56 feet or 5 stories with public hearing. Garage stories limited to 11.5 feet.	
	Up to 42,600 sq .ft. with a public hearing: 69 feet.	
	Stories limited to 19 feet	

### **The Bal Harbour Shops and Height**

This 16-acre property is designated Commercial COM on the Future Land Use Map of the Village's Comprehensive Plan. As noted above, the Plan does not regulate the height.

The property is zoned B Business, and therefore is limited by Section 21-318 of the Village Code to 56 feet in height and 5 stories with a public hearing, with a maximum story height of 19 feet, special height rules for parking garages, and the ability for up to 42,600 square feet to reach 69 feet with a public hearing.

In 2020, the Future of Bal Harbour committee collected petitions and qualified to place on a January 2021 ballot a proposal to change the height limits applicable to the Bal Harbour Shops property (the Special Business Improvement Area). The Shops indicated that the additional height was necessary to pursue a hotel and other development on their property, and the question proposed that the height limit for their property be set by the Village Council following a public hearing. The Village electors rejected this proposal. See **Exhibit A**. In January 2024, the Shops filed their Live Local Act development application, and



indicated that a key consideration in doing so was that this statute provides qualifying projects additional height for their property without approval of the Village electors or Village Council.

The Village amended the B District height requirement to acknowledge that it will follow the Live Local Act's height preemption for qualifying projects. Based on the Oceanfront OF zoning district, the only high-rise district in the Village Code, the height for such projects is limited to 275 feet with 25 additional feet available for nonhabitable roof features. The achievable height in stories is governed by the front setback; for each story over 17 stories, the setback from Collins Avenue must be increased. However, the Village denied the Live Local Act application, and found that it was not a qualifying project pursuant to state law. Litigation is pending regarding this issue.

### **Policy Issues with Inability of Village Council to Amend Height Regulations**

As the Village identified in its early efforts to develop a program for the new Village Hall, the fact that that the Village's height regulations require measurement from street grade rather than the highest minimum elevation pursuant to state or federal law poses a growing challenge to development in this era of sea level rise. As the minimum elevation rises while the street grade and maximum height standards remain fixed, the developable height effectively shrinks. Preliminary studies show that Village Hall could not have the programmatically required space and meet the Code height limitations. If the height were measured from the highest minimum elevation, the professional architects indicated that they could design a Village Hall that met the Village's program requirements. However, when this issue was presented to the electors in May 2023 by the Village Council (prior to the statute becoming effective July 1, 2023), they rejected the use of the highest minimum elevation to measure the height of structures used for municipal purposes. See **Exhibit A**.

More recently, another property owner has inquired about this height limit and how it impacts redevelopment of a parcel on the west side of Collins Avenue. All development in the Village that is not single family faces this measurement challenge under the Code's height measurement.

### **Letter from Bal Harbour Shops**

The Village received a letter from the attorneys for the Bal Harbour Shops, asserting that Village Charter Section 80 is no longer enforceable or valid because of the adoption of a statute by the Florida Legislature in 2023. See **Exhibit C**. Effective July 1, 2023, the new law created Section 163.3167(8)(b): "An initiative or referendum process in regard to any land development regulation is prohibited."

The letter argues that Section 80 conflicts with this statute by requiring voter approval to change the Village's height regulations in the Village Code, and therefore cannot be given effect. It further argues that the statute is retroactive in its effect and applies not just to prevent the adoption of future Charter requirements of this kind, but also to existing Charter provisions such as Section 80 of the Village Charter.

## **ANALYSIS**

### **Statutory Prohibitions of Various Land Use and Zoning Decisions by the Voters**

Chapter 2023-305, Laws of Florida, amended Section 163.3167's several prohibitions of voter approval requirements in relation to development to also prohibit "an initiative or referendum process in regard

to any land development regulation.”<sup>5</sup> Section 163.3167(8)(b) broadened the existing prohibitions of local referenda and initiatives regarding comprehensive plan amendments and development orders.

It is not possible to generalize the impact of this statute on all charters in the state; most of them are unique in their wording. If the charters specifically call for voter approval of zoning ordinances, that is more clearly prohibited by Section 163.3167(8)(b). The Village has interpreted the Charter very conservatively, and has chosen to go to the electors for approval of any change that even arguably impacted Section 80.

More specifically, the Village has interpreted Section 80 of the Charter not to require elector approval of changes to **the Code**. Rather, as demonstrated by the Village’s implementation of the 2020 amendment to the method of measuring height of single family structures, the electors were asked to approve an amendment to Section 80 authorizing this change. After the voters approved the amendment to Section 80, the Village Council then used its legislative powers to amend the Code consistent with the amended Section 80.

In contrast, Miami Beach has charter provisions that require voter approval prior to any increase to the "zoned floor area ratio" of any property within the City, and prior to enacting any Ordinance that reduces the powers and duties of the Historic Preservation Board, or creates less stringent historic preservation standards or regulations. See Miami Beach Charter Sections 1.03(c)<sup>6</sup> and 1.06<sup>7</sup>. Miami Beach concluded

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<sup>5</sup> Section 163.3167, Florida Statutes, provides in relevant part:

(8)(a) An initiative or referendum process in regard to any development order is prohibited.

(b) **An initiative or referendum process in regard to any land development regulation is prohibited.**

(c) An initiative or referendum process in regard to any local comprehensive plan amendment or map amendment is prohibited unless it is expressly authorized by specific language in a local government charter that was lawful and in effect on June 1, 2011. A general local government charter provision for an initiative or referendum process is not sufficient.

(d) A citizen-led county charter amendment that is not required to be approved by the board of county commissioners preempting any development order, land development regulation, comprehensive plan, or voluntary annexation is prohibited unless expressly authorized in a county charter that was lawful and in effect on January 1, 2024.

(e) It is the intent of the Legislature that initiative and referendum be prohibited in regard to any development order or land development regulation. It is the intent of the Legislature that initiative and referendum be prohibited in regard to any local comprehensive plan amendment or map amendment, except as specifically and narrowly allowed by paragraph (c). Therefore, **the prohibition on initiative and referendum stated in paragraphs (a) and (c) is remedial in nature and applies retroactively** to any initiative or referendum process commenced after June 1, 2011, and any such initiative or referendum process commenced or completed thereafter is deemed null and void and of no legal force and effect.

<sup>6</sup> “The floor area ratio of any property or street end within the City of Miami Beach shall not be increased by zoning, transfer, or any other means from its current zoned floor area ratio as it exists on the date of adoption of this Charter Amendment [November 7, 2001], including any limitations on floor area ratios which are in effect by virtue of development agreements through the full term of such agreements, unless any such increase in zoned floor area ratio for any such property shall first be approved by a vote of the electors of the City of Miami Beach.” In the June 30, 2023 memo, this provision was characterized as requiring a voter referendum prior to any **legislative** action that would result in an increase to a property’s zoned FAR as it existed on November 7, 2001. Examples of such legislative action were given, included Miami Beach seeking voter approval of the adoption of an ordinance creating an overlay zone with greater FAR, or of an amendment to the Code creating FAR incentives for properties meeting certain geographic or use criteria, rather than voter approval of changes to the Charter followed by City Commission enactment of ordinances to amend the Code.

<sup>7</sup> As characterized in the June 30, 2023 memo, Charter Section 1.06 requires voter approval prior to the adoption of any Ordinance which “reduces the powers and duties of the City’s Historic Preservation Board, or creates less stringent historic preservation standards or regulations . . . .” The memo noted that the City had never attempted to exercise this clause, and questions whether an amendment to the powers or duties of a land use board would satisfy the statutory definition of a “land development

that Section 163.3167(8)(b) prohibits certain portions of their charter requirements related to development and land use.<sup>8</sup> See Miami Beach City Attorney memo dated June 30, 2023, **Exhibit D**, correctly observing that “[t]he City Charter is not absolute, and a local ordinance or charter provision may not be construed in a manner that would conflict with State law. See *Sarasota Alliance for Fair Elections, Inc. v. Browning*, 28 So. 3d 880, 888 (Fla. 2010); see also *City of Miami Beach v. Rocio Corp.*, 404 So. 2d 1066, 1069 (Fla. 3d DCA 1981).” The memo also recognizes that the City could implement alternative protections related to FAR increases, by adopting a supermajority voting requirement when such increases are considered by the City Commission.

### **Shops Arguments on Impact of Statute**

Shops’ counsel argued that the Village Charter Section 80 was preempted by the adoption of Section 163.3167(8)(b). Counsel also argues that Section 163.3167(8)(b) is retroactive in its impact. Counsel points to the lack of a savings clause, while ignoring that Section 163.3167(8)(e) itself specifies that it is only retroactive as to subsections (a) and (c).

Characterizing the Shops’ goal as the construction of a hotel with a height in excess of that allowed by the B Business District, counsel correctly notes that “a referendum is required to amend or repeal the Charter Height Prohibition. See § 166.031(2), Fla. Stat. (charter amendments subject to a referendum of the electors).” They then conclude that “The practical and legal effect of the Charter Height Prohibition is to illegally require a referendum to amend the Charter for any land development regulation proposed to exceed the height limits set forth in the Charter Height Prohibition.”

Counsel continues:

As a result, the Charter Height Prohibition conflicts with the Referendum Prohibition and is invalid under Article VII, § 2(b) of the Florida Constitution, because, as the Florida Supreme Court has stated:

The critical phrase of article VIII, section 2(b)—“except as otherwise provided by law”—establishes the constitutional superiority of the Legislature’s power over municipal power. Accordingly, “[m]unicipal ordinances are inferior to laws of the state and must not conflict with any controlling provision of a statute.” *Thomas*, 614 So. 2d at 470. When a municipal “ordinance flies in the face of state law”—that is, cannot be reconciled with state law—the ordinance “cannot be sustained.” *Barragan*, 545 So. 2d at 255. Such “conflict preemption” comes into play “where the local enactment irreconcilably conflicts with or stands as an obstacle to the execution of the full purposes of the statute.” 5 McQuillin Mun. Corp. § 15:16 (3d ed. 2012).

*City of Palm Bay v. Wells Fargo Bank, N.A.*, 114 So. 3d 924, 928 (Fla. 2013). Under this doctrine, “an ordinance which supplements a statute’s restriction of rights may coexist with that statute, whereas an ordinance which countermands rights provided by statute must fail.” *Miami Beach v.*

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regulation.” In other words, the memo correctly recognizes that Section 163.3167(8)(b) only applies to land development regulations, not to all local enactments.

<sup>8</sup> The June 30, 2023 memo also concluded that other portions of the Charter requiring voter approval of zoning map amendments that were previously grandfathered by the statute based on their adoption prior to 2011 were **not** prohibited by Section 163.3167(8)(b): “Given that the New Law broadly prohibits a referendum on the adoption of a land development regulation, the foregoing interpretation as to map amendments may be subject to challenge. Any such challenge is one we would take on in good faith, as we will continue to give effect to the City Charter to the fullest extent permitted under State law.”

*Rocio Corp.*, 404 So. 2d 1066, 1070 (Fla. 3d DCA 1981) (internal citations omitted). “When the controlling law directs how a thing shall be done that is, in effect, a prohibition against its being done in any other way.” *Alsop v. Pierce*, 155 Fla. 185, 196, 19 So. 2d 799, 805-06 (1944). Moreover, a “city should not be permitted to do indirectly that which it cannot do directly.” *Barragan v. Miami*, 545 So. 2d 252, 255 (Fla. 1989) (Erllich, J., concurring).

The arguments based on *Palm Bay* can be distinguished, because a charter provision adopted by the voters is not a land development regulation adopted by the local governing body. See *Cocoa Beach*, below.

*Alsop* and *Barragan* are arguably more on point. While it predates home rule and the comprehensive planning statutes, one could argue under *Alsop* that Section 163.3167(8)(b) dictates how land development regulations must always be done, and is therefore effectively a prohibition on Charter provisions restricting the governing body from being able to amend its land development regulations by ordinance, without the vote of the people. And under *Barragan*, a worker compensation case, one could argue that Section 80 is accomplishing indirectly what cannot be achieved directly under Section 163.3167(8)(b).

Counsel attempts to address the distinction between a charter and a land development regulation by noting that general law can override municipal charters, a principle which is undoubtedly true. However, the argument ignores the substantive distinction between them, to conclude that the Charter provision violates Section 163.3167(8)(b) without actually demonstrating that the statute applies to Charter provisions:

“A local ordinance or charter provision that interferes with the operation of a statute “cannot coexist” with that statute.” *Emerson v. Hillsborough County*, 312 So. 3d 451, 457 (Fla. 2021) “A municipality may not adopt a law, whether a Charter section or an ordinance, that conflicts with a state statute.” *Mullen v. Bal Harbour Vill.*, 241 So. 3d 949, 956 (Fla. 3d DCA 2018) (proposed charter amendment conflict with the § 163.3167(8), Fla. Stat., prohibiting referenda for development orders and was therefore illegal).<sup>9</sup>

Counsel concludes that Section 80 is therefore void and unenforceable like the provisions of the Miami Beach charter, without analyzing the distinctions between the two charters.

Counsel also makes a larger argument that Section 80 violates not just Section 163.3167(8)(b), but also the overall Community Planning Act which, in their view, prohibits the implementation of comprehensive plans and the regulation of land use through local charters. They base this argument on the intent of the statute as well as the various statutory requirements to adopt comprehensive plans and implementing land development regulations, and infer that the statutory scheme cannot coexist with charter provisions addressing the topics of land development regulations.

First, § 163.3201, Fla. Stat., states:

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<sup>9</sup> In *Mullen*, the petitioners sought to amend the Village Charter in direct violation of a different provision of Section 163.3167(8), which clearly prohibits requirements for voter approval of development orders. The petitioners’ question called for a vote to be held before a development order could be approved by the Village Council, and did not add a substantive standard to the Charter like Section 80:

**Sec. 82. - Large scale commercial expansion.** Any proposed development plan for an existing commercial property that increases the existing commercial retail space by more than thirty (30) percent of the current amount of retail space, **must be submitted for approval to the electors in Bal Harbour Village and approved by a vote of at least sixty (60) percent of the Village electors voting on such referendum.**

It is the intent of this act that adopted comprehensive plans or elements thereof shall be implemented, in part, by the adoption and enforcement of appropriate local regulations on the development of lands and waters within an area. It is the intent of this act that the adoption and enforcement by a governing body of regulations for the development of land or the adoption and enforcement by a governing body of a land development code for an area shall be based on, be related to, and be a means of implementation for an adopted comprehensive plan as required by this act.

Second, pursuant to § 163.3167(1)(c), Fla. Stat., cities and counties must “implement adopted or amended comprehensive plans by the adoption of appropriate land development regulations or elements thereof.” In addition, § 163.3202, Fla. Stat., identifies the substantive requirements for land development regulations, which include “specific and detailed provisions necessary or desirable to implement the comprehensive plan.” Finally, § 163.3194(2), Fla. Stat., sets out procedures for adopting land development regulations and substantive standards to ensure they are consistent with the comprehensive plan.

If this were true, it begs the question of why the Florida Legislature felt it was necessary to continue amending Section 163.3167 over the past 15 years to gradually increase the scope of its prohibition of local referendum requirements. If the Community Planning Act preempted the field and provided the exclusive method of addressing comprehensive planning and land use regulations, there would be no need for these multiple, precise amendments. Moreover, if this were the case, why did the Shops themselves choose to go via petition to the electors for approval of an amendment to Section 80 in 2021, rather than arguing that Section 80 was preempted by the Community Planning Act?

Counsel also notes the existence of *Cocoa Beach*, but fails to explain why it does not require a conclusion that charter provisions are not land development regulations and therefore fall outside the scope of Section 163.3167(8)(b). Counsel recognizes that the case does not address their point, but then simply asserts that their view is correct:

Together, these statutes require the implementation of comprehensive plans through land development regulations. A charter provision is not a land development regulation. See *City of Cocoa Beach v. Vacation Beach, Inc.*, 852 So. 2d 358, 360 (Fla. 5th DCA 2003). In *Vacation Beach*, the court held that the failure to follow the statutory procedures in § 163.3194(2) did not render a charter amendment regulating land uses invalid. However, *Vacation Beach* did not address the larger question of whether regulating land use by charter conflicts with - and therefore violates - the intent, purpose, and requirements of §§ 163.3167, 163.3201, and 163.3194 that the comprehensive plan be implemented through land development regulations, to the exclusion of other regulatory mechanisms, including city and county charters. **The answer is clearly yes: the Community Planning Act leaves no room for regulating land use or implementing comprehensive plans through charters.** (emphasis added)

### **Is Section 80 void because it is in conflict with state law?**

The legal question is whether the unique wording of Section 80 of the Village Charter will be construed by a reviewing court to be in conflict with and therefore prohibited by Section 163.3167(8)(b). This is a novel question that has not been addressed by any reviewing court. If charters contain substantive regulations of land development, and do not create a referendum requirement to enact ordinances to amend the land development regulations in the zoning code, there is an argument that they are not directly addressed by Section 163.3167(8)(b). See *Cocoa Beach v. Vacation Beach, Inc.*, 852 So.2d 358, 360 (Fla.

5th DCA 2003) (“City is correct that neither charter amendment is a ‘land development regulation,’ which is defined as ‘an ordinance enacted by a local governing body ....”).<sup>10</sup>

The Village Charter does not direct the method of adoption of land development regulations, like some other charters do, but rather specifically sets the permissible height at the standards established in the zoning code as they existed at the time the Charter amendment was adopted, in 2006. In other words, it does not call for a vote of the electors before an ordinance can be enacted to implement a change to the zoning code. Rather, the standard exists in the Charter until the voters agree to amend the Charter. If such a Charter amendment is adopted, then the Village Council acts by ordinance to legislatively implement that change into the Village’s land development regulations in Chapter 21 of the Code of Ordinances, as was done in 2020.

An issue is whether Section 80 even limits the method of measuring the height limit, or if it only limits the numerical standards for height (e.g. “35 feet”) in the Code. Since the creation of Section 80, the Village has only changed its Code provisions regarding and definitions of height to acknowledge the clear preemption established by the Live Local Act for qualifying projects. The Village has not specifically considered whether only the numerical standards for floors, stories, penthouses, and other aspects of development are affected by Section 80, leaving the definitions of height open to Council action by ordinance without voter approval.

Another consideration is that the Council specifically asked the electors in 2020 and 2023 whether to alter the method of measurement for specific uses. In 2020, the electors agreed that single family development could base height measurements on flood elevation. But in 2023, the electors rejected applying a similar principle to municipal structures with a 55-foot cap. See **Exhibit A**.

### **1. Does Section 163.3167(8)(b) apply to Section 80?**

It can be argued that the prohibition in Section 163.3167(8)(b) reaches charter provisions as well as ordinances. First, Section 163.3167(8)(b) does not qualify the terms “initiative or referendum,” so these terms arguably encompass referenda that are used to approve charter provisions, as specifically provided by Section 166.031, Florida Statutes. Moreover, the language used in Section 163.3167(8)(b), “**in regard to any land development regulation,**” is broadening.<sup>11</sup> Thus, if a charter amendment relates to “any land development regulation,” then it falls within the scope of Section 163.3167(8)(b). Here, Section 80 on its face relates to “any land development regulation,” since it expressly addresses permitted height as “set forth in the Village’s . . . municipal code” in effect at the time of its adoption.

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<sup>10</sup> In *Cocoa Beach*, the court considered whether a charter amendment relating to maximum density and height, which provided that contrary ordinances were repealed, violated the procedural requirements in Section 163.3194(2), Florida Statutes, which required that “no land development regulation, land development code, or amendment thereto **shall be adopted by the governing body** until such regulation, code or amendment has been referred either to the local planning agency or to a separate land development regulation commission created pursuant to local ordinance.” 852 So. 2d at 359-60 (emphasis added). The court held that the requirement of referral to the LPA did not apply to the charter amendment at issue: while the charter amendment referenced land development regulations because it repealed (and, therefore, “amended”) contrary ones, because the charter amendment was adopted by referendum, it was not “adopted by the governing body.” *Id.* at 360.

<sup>11</sup> See *Ham v. Portfolio Recovery*, 308 So. 3d 942, 948 (Fla. 2020) (construing the term “with respect to” in Section 57.105, F.S., recognizing that it means “**with regard to or relation to,**” and that such terms are “**necessarily broader** than terms such as “based on,” “under” or “pursuant to,” and citing *Lamar, Archer & Confrin, LLP v. Appling*, 138 S. Ct. 1752, 1760 (2018) for the proposition that “[u]se of word ‘respecting’ in a legal context **generally has a broadening effect, ensuring that the scope of the provision covers not only its subject but also matters relating to that subject.**”) (emphasis added).



**2. Does Section 163.3167(8)(b) apply only to future votes of the electors to amend or repeal Section 80, or does it apply retroactively to Section 80 as it currently stands?**

Under Florida law, in the absence of clear intent to apply retroactively, statutes are presumed to apply prospectively only.<sup>12</sup> (On retroactivity, see below). Prospective application of Section 163.3167(8)(b) means that the Village electors cannot now modify or repeal Section 80; this creates a quandary because under Florida law, only the electors have the power to do so. See §166.031(1), Fla. Stat.<sup>13</sup>

There is some question, however, whether Section 163.3167(8)(b) reaches the existing Section 80 because, under ordinary rules of statutory construction, Chapter 2023-305, Laws of Florida, did not give Section 163.3167(8)(b) retroactive effect.<sup>14</sup> Unlike the prohibitions against initiatives and referenda “in regard to development orders” or “in regard to comprehensive plan or map amendments” in Section 163.3167(8)(a) and (c), Chapter 2023-305 did not expressly deem the results of past initiatives or referenda “in regard to any land development regulation” “null and void and of no legal force and effect.” Because the Legislature could have, but did not give retroactive effect to Section 163.3167(8)(b), the prohibition against initiatives and referenda “in regard to any land development regulation” would appear to apply prospectively only.<sup>15</sup>

If the Section 163.3167(8) prohibition has only a prospective effect, then the Legislature has permanently frozen Section 80, even though the electors would have understood in 2006 (and later, by their action in

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<sup>12</sup> See, e.g., *Young v. Altenhaus*, 472 So. 2d 1152, 1154 (Fla. 1985) (“In the absence of explicit legislative expression to the contrary, a substantive law is to be construed as having prospective effect only.”); see also *Old Port Cove Holdings, Inc. v. Old Port Condo. Ass’n, Inc.*, 986 So. 2d 1279, 1284 (Fla. 2008) (when considering whether a statute applies retroactively, courts apply a two-factor test: “(1) whether the statute itself expresses an intent that it apply retroactively; and, if so, (2) whether retroactive application is constitutional”).

<sup>13</sup> “Charters or charter provisions adopted or readopted subsequent to the adoption of the Municipal Home Rule Powers Act in 1973 ... may only be amended as provided in section 166.031, Florida Statutes.” FL AGO 2003-36 (Fla. A.G.), 2003 WL 21788973 (City charter could not be amended to provide that future amendments to the charter may be made by the city commission without referendum). However, see §166.031(5), Fla. Stat. (“A municipality may, by unanimous vote of the governing body, abolish municipal departments provided for in the municipal charter **and amend provisions or language out of the charter which has been judicially construed, either by judgment or by binding legal precedent from a decision of a court of last resort, to be contrary to either the State Constitution or Federal Constitution.**”) (emphasis added).

<sup>14</sup> Analysis of the legislative history further supports this conclusion. House Bill 41 eventually was laid on the table, and the companion Senate Bill 718 was adopted. The original HB 41 legislation included the prohibition in regard to land development regulations in subsection (8)(a), which would have made the new language subject to retroactivity. However, HB 41 was specifically amended in a strikethrough amendment to create the new subsection (8)(b), and a subsequent amendment eliminated the LDR prohibition from the retroactivity provision in (8)(e). SB 718 was then amended to include the new language from HB 41. See links below, which show the clear legislative intent:

<https://www.flsenate.gov/Session/Bill/2023/41/BillText/Filed/PDF>

<https://www.flsenate.gov/Session/Bill/2023/41/Amendment/424083/PDF> (strike all amendment)

<https://www.flsenate.gov/Session/Bill/2023/41/Amendment/828419/PDF> (amendment eliminating the LDR language from the retroactive provisions)

<https://www.flsenate.gov/Session/Bill/2023/718/Amendment/951112/PDF> (SB 718 amendment to be consistent with the new HB 41 language)

<sup>15</sup> See *Hassan v. State Farm Mutual Auto. Ins. Co.*, 674 So. 2d 106, 109 (Fla. 1996) (concerning retroactive application of legislation, where the legislature clearly expressed its intent that its amendment to subsection (10) of the statute was remedial and applied retroactively, and did not express that intention with respect to its amendment of subsection (6), subsection (6) had no retroactive application: “We agree with the district court that if the legislature had intended subsection (6) to apply retroactively, it would have so stated, as it did in connection with subsection (10).”)

2020) that they were voting for a freeze on height that they could modify by subsequent initiative or referendum vote in the future. Now, because of the action of the Florida Legislature adopting Section 163.3167(8)(b), they cannot do so.

### 3. Does the existing Section 80 conflict with Section 163.3167(8)(b)?

Where state law has not preempted the field completely, which is the case with land use and zoning regulation, cases focus on whether the local regulation and the state statute can coexist. In other words, does compliance with one require violation of the other? As stated in *Jass Properties, LLC v. City of N. Lauderdale*, 101 So. 3d 400, 402 (Fla. 4th DCA 2012):

“It is well settled that a municipality may not enact a local ordinance that conflicts with a state statute. See, e.g., *City of Kissimmee v. Fla. Retail Fed’n, Inc.*, 915 So.2d 205, 209 (Fla. 5th DCA 2005). To determine whether a conflict exists, a court must examine whether the two legislative enactments can coexist or “whether one must violate one provision in order to comply with the other.” *Sarasota Alliance for Fair Elections, Inc. v. Browning*, 28 So.3d 880, 888 (Fla. 2010) (quoting *Laborers’ Int’l Union of N. Am., Local 478 v. Burroughs*, 541 So.2d 1160, 1161 (Fla. 1989)); see also *City of Kissimmee*, 915 So.2d at 209. “Courts are therefore concerned with whether compliance with a [municipal] ordinance [r]equires a violation of a state statute or renders compliance with a state statute impossible.” *Jordan Chapel Freewill Baptist Church v. Dade Cnty.*, 334 So.2d 661, 664 (Fla. 3d DCA 1976). If so, then the type of direct conflict exists that invalidates the ordinance.”<sup>16</sup>

Conflict preemption has been broadly formulated by the Florida courts. As explained in *Masone v. City of Aventura*, 147 So. 3d 492, 495 (Fla. 2014):

Even “where concurrent state and municipal regulation is permitted because the state has not preemptively occupied a regulatory field, ‘a municipality’s concurrent legislation must not conflict with state law.’” *City of Palm Bay*, 114 So.3d at 928 (quoting *Thomas v. State*, 614 So.2d 468, 470 (Fla. 1993)). “Such ‘conflict preemption’ comes into play ‘where the local enactment irreconcilably conflicts with **or stands as an obstacle to the execution of the full purposes of the statute.**” *Id.* (quoting 5 McQuillin Mun. Corp. § 15:16 (3d ed. 2012)).

(Emphasis added). See also *City of Palm Bay v. Wells Fargo Bank*, 114 So. 3d 924 (Fla. 2013) (“When a municipal ‘ordinance flies in the face of state law’ – that is, cannot be reconciled with state law — the ordinance ‘cannot be sustained.’”)

Here, existing Section 80 arguably stands as an obstacle to “the execution of the full purposes” of Chapter 2023-305, the law that created Section 163.3167(8)(b). Although the Legislature specifically omitted Section 163.3167(8)(b) from its explicit statement of retroactivity in Chapter 2023-305, it nevertheless added the prohibition in (8)(b) to the statutory statement of legislative intent: “It is the intent of the Legislature that initiative and referendum be prohibited in regard to any development order **or land development regulation.**” (emphasis in original reflecting addition to statute); §163.3167(8)(e). The express and full purpose of Chapter 2023-305, to prohibit initiative and referendum control of land

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<sup>16</sup> See also *Mullen v. Bal Harbour Village*, 241 So. 3d 949, 956 (Fla. 3d DCA 2018) (citing *City of Palm Bay v. Wells Fargo Bank, N.A.*, 114 So. 3d 924, 929 (Fla. 2013); “A municipality may not adopt a law, whether a Charter section or an ordinance, that conflicts with a state statute,” and *Emerson v. Hillsborough Co.*, 312 So. 3d 451, 457 (Fla. 2021) (in the context of a county charter provision conflicting with a statute, stating: “A local ordinance or charter provision that interferes with the operation of a statute ‘cannot coexist’ with that statute.”)



development regulations, would be defeated if existing Section 80 were thought to have continued efficacy even though it is now frozen from future action by the electors by Section 163.3167(8)(b).

Finally and furthermore, it is arguably reasonable to conclude that Chapter 2023-305 frees the Village Council from the constraints of Section 80. If Section 80 were to remain in effect, the result might be unconstitutional. By Florida Constitution and statute, the Village's governing body enjoys broad municipal home rule powers. Art. VIII, § 2(b), Fla. Const.; §166.021, Fla. Stat.<sup>17</sup> These powers include power to legislate zoning.<sup>18</sup> Because the electorate may no longer adopt amendments to land development regulations by initiative or referendum, were the Village Council to be precluded from doing so using its legislative powers, the Village's municipal home rule power would be thwarted.

In addition, there can be no real debate that the Legislature otherwise **requires** municipalities to adopt zoning regulations. Section 163.3167(8)(b) and (e) should be read in harmony with a different provision of the same statute, Section 163.3167(1)(c), which provides that "[t]he several municipalities ... shall have the power and responsibility ... to implement adopted or amended comprehensive plans by the adoption of appropriate **land development regulations** or elements thereof." And, elsewhere of course, the Legislature recognizes the role of the Village Council, as the governing body of the municipality, to so legislate. See §163.3201, Fla. Stat. ("It is the intent of this act that the adoption and enforcement by a governing body of regulations for the development of land or the adoption and enforcement by a governing body of a land development code for an area shall be based on, be related to, and be a means of implementation for an adopted comprehensive plan as required by this act.")<sup>19</sup>

## Conclusion

For the reasons set forth above, there is a reasonable argument that Section 80 of the Village Charter conflicts with recent state legislation, and therefore can no longer be enforced. In a separate memo, the Village Manager presents options for how to respond to this analysis.

## Exhibits:

- A. Rejected Charter Amendments to Section 80
- B. Section 166.031, Florida Statutes
- C. Letter from Bal Harbour Shops Attorneys re Bal Harbour Charter Height Limit
- D. Miami Beach City Attorney Memo re Impact of Florida Senate Bill 718 on Referendum Requirements in City Charter

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<sup>17</sup> See §166.021(1), Fla. Stat. ("As provided in s. 2(b), Art. VIII of the State Constitution, municipalities shall have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law."); §166.021(4), Fla. Stat. ("The provisions of this section shall be so construed as to secure for municipalities the broad exercise of home rule powers granted by the constitution. It is the further intent of the Legislature to extend to municipalities the exercise of powers for municipal governmental, corporate, or proprietary purposes not expressly prohibited by the constitution, general or special law, or county charter and to remove any limitations, judicially imposed or otherwise, on the exercise of home rule powers other than those so expressly prohibited.")

<sup>18</sup> See, e.g., *Gulf & Eastern Dev. Corp. v. City of Fort Lauderdale*, 354 So. 2d 57 (Fla. 1978) ("Zoning is a legislative function which reposes ultimately in the governing authority of a municipality"); *S.A. Healy Co. v. Town of Highland Beach*, 355 So. 2d 813 (Fla. 4th DCA 1978) ("Florida courts have consistently upheld the police power of a municipality to adopt zoning regulations....")

<sup>19</sup> See also, e.g., §163.3202, Fla. Stat. (governing "land development regulations," requiring their adoption and enforcement (1), and specifying the role of "local governing body" and "local governing authority" and "local government" regarding the procedures).

**Exhibit A**  
**Rejected Charter Amendments to Section 80**  
**Bal Harbour Village Charter**

**January 26, 2021 vote on petition re Special Business Improvement Area**

The ballot question posed by the petition of the Future of Bal Harbour committee to the voters on January 26, 2021 was rejected by a vote of 703 against and 82 for the question, out of a total 2,139 registered voters:

**Charter Amendment to Section 80 Exempting Special Business Improvement Area (Council to Determine Building Height)**

The Village Charter was amended in 2006 prohibiting building height for any property from exceeding the permitted height set forth in the Village's comprehensive plan or municipal code as of November 7, 2006. Shall Section 80 of the Charter be amended, only as to the Special Business Improvement Area, to allow building height to exceed permitted height for that Area (currently 56' or 5 stories), subject to Council approval at public hearings?

The rejected Charter Amendment would have read as follows:

**Sec. 80 Building Height**

Building Height allowed on any property shall not exceed the permitted height for that property set forth in the Village's comprehensive plan or municipal code, in effect ~~the date this amendment is approved~~ on November 7, 2006 whichever provisions are most restrictive, except that the height of buildings or structures on property in the Special Business Improvement Area may exceed the permitted height set forth in the Village's comprehensive plan or municipal code subject to the Village Council approval at public hearings. Unless otherwise specified in the comprehensive plan or municipal code in effect ~~the date this amendment is approved~~ on November 7, 2006, each building "story" shall mean 11 feet in height.

**May 3, 2023 vote on Council question re municipal purposes**

The ballot question posed by the Village Council to the voters on May 3, 2023 was rejected by a vote of 149 against and 121 for the question, out of a total 2,019 registered voters:

**Measure Height of Single Family Dwellings from Base Flood Elevation**

Shall the Charter be amended to allow the height of structures that are used for municipal purposes to be measured from the highest minimum elevation required by state or federal law, not to exceed 55 feet?

The rejected Charter Amendment would have read as follows:

**Sec. 80. Building Height**

Building height allowed on any property shall not exceed the permitted height for that property set forth in the Village's comprehensive plan or municipal code, in effect the date this amendment is approved, whichever provisions are most restrictive Notwithstanding the foregoing:-

(a) the height of single family dwellings may be measured from the highest minimum elevation provided by state or federal law-, and

(b) the height of structures that are used for municipal purposes may be measured from the highest minimum elevation provided by state or federal law.

Unless otherwise specified in the comprehensive plan or municipal code in effect the date this amendment is approved, each building "story" shall mean 11 feet in height.

**Exhibit B**  
**Charter Amendment Statute**

**166.031 Charter amendments.—**

(1) The governing body of a municipality may, by ordinance, or the electors of a municipality may, by petition signed by 10 percent of the registered electors as of the last preceding municipal general election, submit to the electors of said municipality a proposed amendment to its charter, which amendment may be to any part or to all of said charter except that part describing the boundaries of such municipality. The governing body of the municipality shall place the proposed amendment contained in the ordinance or petition to a vote of the electors at the next general election held within the municipality or at a special election called for such purpose.

(2) Upon adoption of an amendment to the charter of a municipality by a majority of the electors voting in a referendum upon such amendment, the governing body of said municipality shall have the amendment incorporated into the charter and shall file the revised charter with the Department of State. All such amendments are effective on the date specified therein or as otherwise provided in the charter.

(3) A municipality may amend its charter pursuant to this section notwithstanding any charter provisions to the contrary. This section shall be supplemental to the provisions of all other laws relating to the amendment of municipal charters and is not intended to diminish any substantive or procedural power vested in any municipality by present law. A municipality may, by ordinance and without referendum, redefine its boundaries to include only those lands previously annexed and shall file said redefinition with the Department of State pursuant to the provisions of subsection (2).

(4) There shall be no restrictions by the municipality on any employee's or employee group's political activity, while not working, in any referendum changing employee rights.

(5) A municipality may, by unanimous vote of the governing body, abolish municipal departments provided for in the municipal charter and amend provisions or language out of the charter which has been judicially construed, either by judgment or by binding legal precedent from a decision of a court of last resort, to be contrary to either the State Constitution or Federal Constitution.

(6) Each municipality shall, by ordinance or charter provision, provide procedures for filling a vacancy in office caused by death, resignation, or removal from office. Such ordinance or charter provision shall also provide procedures for filling a vacancy in candidacy caused by death, withdrawal, or removal from the ballot of a qualified candidate following the end of the qualifying period which leaves fewer than two candidates for an office.

History.—s. 1, ch. 73-129; s. 1, ch. 86-95; s. 1, ch. 90-106; s. 43, ch. 90-315; s. 45, ch. 94-136.

September 10, 2024

**VIA HAND DELIVERY AND EMAIL**

The Honorable Mayor Jeffrey Freimark  
Jorge M. Gonzelez, Village Manager  
Susan Trevarthen, Village Attorney  
[jfreimark@balharbourfl.gov](mailto:jfreimark@balharbourfl.gov)  
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Bal Harbour Village  
655 96<sup>th</sup> Street  
Bal Harbour, FL 33154

**Re: Village Charter Section 80 is Invalid and Unenforceable Under Florida Law**

Dear Mayor Freimark, Mr. Gonzalez, and Ms. Trevarthen:

On behalf of our client, Whitman Family Development, LLC (“WFD”), the owner and operator of Bal Harbour Shops, we write to notify you of our position that § 80 of the Bal Harbour Village Charter (the “Charter Height Prohibition”) conflicts with Florida law and is therefore invalid and unenforceable because it subjects to a voter referendum any amendment to Village Code § 21-218 seeking an increase in building height.

The Charter Height Prohibition purports to prohibit amendments to the Village’s comprehensive plan and municipal code that would increase building height. Adopted in 2006 by a referendum vote of the Village electors, the Charter Height Prohibition states as follows:

Building height allowed on any property shall not exceed the permitted height for that property set forth in the Village's comprehensive plan or municipal code, in effect the date this amendment is approved, whichever provisions are most restrictive. Unless otherwise specified in the comprehensive plan or municipal code in effect the date this amendment is approved, each building "story" shall mean 11 feet in height.

Village Charter, § 80.

The Bal Harbour Shops property is designated “COM” in the Village Comprehensive Plan, or “Commercial” on the Village’s Future Land Use Map. The Village Comprehensive Plan does not impose a height limit on land designated Commercial.

Bal Harbour Shops is in the “B” zoning district established by the Village Code. The “municipal code” governing height in the “B” district in effect in 2006 stated:

Except as set forth herein, no Building or Structure in the B Business District shall exceed 56 feet or three Stories in Height, whichever is less. No Parking Structure shall exceed 56 feet or five Stories above the surface parking level in Height, whichever is less. Any Parking Structure which exceeds 36 feet or three Stories shall require a public hearing in accordance with the procedures set forth in Sections 21-51 and 21-52 and the standards set forth in Section 21-53(a). Notwithstanding any other limitation herein, for any assemblage of contiguous Lots now or hereafter owned by the same owner in the Business District which contains five or more contiguous acres, an area not to exceed 42,600 square feet thereof may, after a public hearing in accordance with the procedures set forth in Sections 21-51 and 21-52 and the standards set forth in Section 21-53(a), contain Structures not to exceed 69 feet in Height. Except as provided below, when a parapet wall is provided, the vertical distance shall be measured from the highest point of any street bounding the property to the highest point of the parapet wall. Parapet walls shall not exceed four feet in Height as measured from the highest point of the roof to the highest point of the parapet wall. Except as otherwise provided herein, a "Story" of a Structure shall be considered to be no greater than 19 feet in Height and a "Story" of a Parking Structure shall be considered to be no greater than 11 feet six inches in Height.

Code § 21-318 (2006).<sup>1</sup> Village Code § 21-318 constitutes a “land development regulation” as defined in § 163.3164, Florida Statutes.

In 2023, the Florida Legislature adopted Chapter 2023-305, a statute prohibiting referenda on land development regulations (the “Referendum Prohibition”). The Referendum Prohibition states:

An initiative or referendum process in regard to any land development regulation is prohibited.

§ 163.3167(8)(b), Fla. Stat. The Referendum Prohibition aligns with similar provisions in § 163.3167(8), Fla. Stat., that prohibit initiatives or referenda on development orders and comprehensive plan amendments “Whenever the legislature acts to supersede a local government's authority to enforce its ordinances, the effect is immediate and applies to both future and pending proceedings and present and past offenses.” *Metro. Dade County v. Chase Fed. Hous. Corp.*, 737 So. 2d 494, 504 (Fla. 1999). The Referendum Prohibition contains no “savings clause” for initiatives or referenda on land development regulations and therefore applies both prospectively and retroactively.

As you know, WFD wants to apply to amend Village Code § 1-318 for a hotel that exceeds the Charter Height Prohibition’s restrictions. Under Florida Law, a referendum is required to amend or repeal the Charter Height Prohibition. *See* § 166.031(2), Fla. Stat. (charter amendments

<sup>1</sup>A 2024 amendment to Code § 21-318 applies to projects proposed under the “Live Local Act.”

subject to a referendum of the electors). The practical and legal effect of the Charter Height Prohibition is to illegally require a referendum to amend the Charter for any land development regulation proposed to exceed the height limits set forth in the Charter Height Prohibition.

As a result, the Charter Height Prohibition conflicts with the Referendum Prohibition and is invalid under Article VII, § 2(b) of the Florida Constitution, because, as the Florida Supreme Court has stated:

The critical phrase of article VIII, section 2(b)—"except as otherwise provided by law"—establishes the constitutional superiority of the Legislature's power over municipal power. Accordingly, "[m]unicipal ordinances are inferior to laws of the state and must not conflict with any controlling provision of a statute." *Thomas*, 614 So. 2d at 470. When a municipal "ordinance flies in the face of state law"—that is, cannot be reconciled with state law—the ordinance "cannot be sustained." *Barragan*, 545 So. 2d at 255. Such "conflict preemption" comes into play "where the local enactment irreconcilably conflicts with or stands as an obstacle to the execution of the full purposes of the statute." 5 McQuillin Mun. Corp. § 15:16 (3d ed. 2012).

*City of Palm Bay v. Wells Fargo Bank, N.A.*, 114 So. 3d 924, 928 (Fla. 2013). Under this doctrine, "an ordinance which supplements a statute's restriction of rights may coexist with that statute, whereas an ordinance which countermands rights provided by statute must fail." *Miami Beach v. Rocio Corp.*, 404 So. 2d 1066, 1070 (Fla. 3d DCA 1981) (internal citations omitted). "When the controlling law directs how a thing shall be done that is, in effect, a prohibition against its being done in any other way." *Alsop v. Pierce*, 155 Fla. 185, 196, 19 So. 2d 799, 805-06 (1944). Moreover, a "city should not be permitted to do indirectly that which it cannot do directly." *Barragan v. Miami*, 545 So. 2d 252, 255 (Fla. 1989) (Erllich, J., concurring).

The above doctrine applies to Charter provisions, including the Charter Height Prohibition: "A local ordinance or charter provision that interferes with the operation of a statute "cannot coexist" with that statute." *Emerson v. Hillsborough County*, 312 So. 3d 451, 457 (Fla. 2021) "A municipality may not adopt a law, whether a Charter section or an ordinance, that conflicts with a state statute. *Mullen v. Bal Harbour Vill.*, 241 So. 3d 949, 956 (Fla. 3d DCA 2018) (proposed charter amendment conflict with the § 163.3167(8), Fla. Stat., prohibiting referenda for development orders and was therefore illegal).

Here, the Charter Height Prohibition directly countermands WFD's rights under the Referendum Prohibition because it directly conflicts with the Referendum Prohibition's plainly stated proscription against referenda for land development regulations. The Charter Height Prohibition is therefore void and unenforceable. The City of Miami Beach has reached the same conclusion regarding provisions of its charter purporting to require a referendum before amending zoning regulations to increase FAR.

Furthermore, the Charter Height Prohibition also conflicts with multiple provisions of the Community Planning Act, which, read together, prohibit the implementation of comprehensive plans and the regulation of land use through city or county charters.

First, § 163.3201, Fla. Stat., states:

It is the intent of this act that adopted comprehensive plans or elements thereof shall be implemented, in part, by the adoption and enforcement of appropriate local regulations on the development of lands and waters within an area. It is the intent of this act that the adoption and enforcement by a governing body of regulations for the development of land or the adoption and enforcement by a governing body of a land development code for an area shall be based on, be related to, and be a means of implementation for an adopted comprehensive plan as required by this act.

Second, pursuant to § 163.3167(1)(c), Fla. Stat., cities and counties must “implement adopted or amended comprehensive plans by the adoption of appropriate land development regulations or elements thereof.” In addition, § 163.3202, Fla. Stat., identifies the substantive requirements for land development regulations, which include “specific and detailed provisions necessary or desirable to implement the comprehensive plan.” Finally, § 163.3194(2), Fla. Stat., sets out procedures for adopting land development regulations and substantive standards to ensure they are consistent with the comprehensive plan.

Together, these statutes require the implementation of comprehensive plans through land development regulations. A charter provision is not a land development regulation. See *City of Cocoa Beach v. Vacation Beach, Inc.*, 852 So. 2d 358, 360 (Fla. 5th DCA 2003). In *Vacation Beach*, the court held that the failure to follow the statutory procedures in § 163.3194(2) did not render a charter amendment regulating land uses invalid. However, *Vacation Beach* did not address the larger question of whether regulating land use by charter conflicts with - and therefore violates - the intent, purpose, and requirements of §§ 163.3167, 163.3201, and 163.3194 that the comprehensive plan be implemented through land development regulations, to the exclusion of other regulatory mechanisms, including city and county charters. The answer is clearly yes: the Community Planning Act leaves no room for regulating land use or implementing comprehensive plans through charters.

We request the Village’s prompt response stating whether it agrees or disagrees with our position and legal analysis. We ask the Village to tell us if it will assert that the Charter Height Prohibition is valid and remains in effect should WFD apply to amend the current B district height limits.



Sincerely,

A handwritten signature in blue ink, appearing to read "John K. Shubin".

John K. Shubin, Esq.  
Ian E. DeMello, Esq.  
Robert K. Lincoln, Esq.  
For the firm

cc: Dwight Danie, Village Clerk, [ddanie@balharbourfl.gov](mailto:ddanie@balharbourfl.gov)  
Etan Mark, Esq., Village Special Counsel, [Etan@markmigdal.com](mailto:Etan@markmigdal.com)



# MIAMI BEACH

OFFICE OF THE CITY ATTORNEY

LTC# 300-2023

## LETTER TO COMMISSION

**TO:** Mayor Dan Gelber and Members of the City Commission

**FROM:** Rafael A. Paz, City Attorney



**DATE:** June 30, 2023

**SUBJECT:** Impact of Florida Senate Bill 718 on the Referendum Requirements in City Charter Sections 1.03(c) and 1.06

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The purpose of this Letter to Commission ("LTC") is to advise the City Commission of the impact of Senate Bill 718, which Governor Ron DeSantis signed into law on June 28, 2023 (the "New Law"). A copy of the New Law, which takes effect on July 1, 2023, is attached to this LTC. The New Law impacts the referendum requirements in the following City Charter provisions:

(1) Charter Section 1.03(c), which requires voter approval prior to any increase to the "zoned floor area ratio" of any property within the City, and

(2) Charter Section 1.06, which requires voter approval prior to enacting any Ordinance that reduces the powers and duties of the Historic Preservation Board, or creates less stringent historic preservation standards or regulations.

The New Law, which, in pertinent part, comes down to a single sentence, is plain and unambiguous in its simplicity:

**An initiative or referendum process in regard to any land development regulation is prohibited.**

See Sec. 163.3167(b), Fla. Stat. (2023).

***Under what circumstances is a referendum now prohibited?***

- As explained in this LTC, the New Law, as applied to the City, broadly prohibits a referendum process on any land development regulation that results in an FAR increase (except for a map amendment, i.e., rezoning), or creates a less stringent historic preservation standard or regulation. A referendum on a comprehensive plan amendment that increases FAR would also be prohibited under existing State law, as the City Charter contains no such requirement.

### ***Which referendum requirements in the City Charter remain enforceable?***

- Under State law, and given that Charter Section 1.03(c) was adopted prior to June 1, 2011, referendum approval is still required for any map amendment (or rezoning) that increases FAR.
- The New Law has no impact whatsoever on City Charter provisions requiring voter referendum approval for the sale or lease of certain City-owned property, including the referendum requirements set forth in Sections 1.03(b), 1.03(d), or 1.03(e) of the City Charter.<sup>1</sup>
- The New Law will also have no impact on the referendum requirement, approved by the voters in August 2022, for any vacation of a right-of-way that results in the aggregation of floor area across unified abutting parcels.

As the sale or lease of City property, or a vacation of a City right-of-way, is not accomplished via adoption of a land development regulation, the above-referenced Charter provisions, which involve the City's proprietary decisions regarding the *disposition* of City-owned property, are not impacted by the New Law, and remain fully enforceable.

## **I. SUMMARY OF EXISTING LAW**

### **A. City Charter Section 1.03(c), Requiring Voter Approval to Increase FAR**

Floor area ratio ("FAR") is the measure used by the City to regulate the overall size of a building. Floor area ratio is defined in the City's Resiliency Code as "the floor area of the building or buildings on any lot divided by the area of the lot." Generally speaking, the term "floor area" is defined as "the sum of the gross horizontal areas of the floors of a building or buildings . . .," subject to a list of enumerated exceptions. The Resiliency Code establishes a maximum FAR for each zoning district in Miami Beach.

In 1997, following a petition drive by an advocacy group known as "Save Miami Beach," the City's voters approved an amendment to the City Charter, requiring voter approval for future FAR increases—specifically, for any property "adjacent to the waterfront." See Resolution No. 97-22413. In 2003, the City's residents voted to expand the referendum requirement to include **all** property within the City's limits. See Resolution No. 2003-25441.

The current text of Charter Section 1.03(c) reads, in pertinent part, as follows:

The floor area ratio of any property or street end within the City of Miami Beach shall not be increased by zoning, transfer, or any other means from its current zoned floor area ratio as it exists on the date

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<sup>1</sup> For the sale or lease of 10 years or longer of any City property not specifically subject to a referendum requirement, the Charter, at Section 1.03(b)(4), requires approval by 4/7ths of the Planning Board and 6/7ths of the City Commission. This provision is also not impacted by the New Law.

Also not impacted is Charter Sec. 1.03(f), which requires 4/7ths approval of the Planning Board and 6/7ths approval of the City Commission for a management agreement or concession agreement, for a term of 10 years or longer, relating to City property.

of adoption of this Charter Amendment [November 7, 2001], including any limitations on floor area ratios which are in effect by virtue of development agreements through the full term of such agreements, unless any such increase in zoned floor area ratio for any such property shall first be approved by a vote of the electors of the City of Miami Beach.

Section 1.03(c) requires a voter referendum prior to any legislative action that would result in an increase to a property's zoned FAR as it existed on November 7, 2001. Since the initial adoption of the referendum requirement in 1997, the City has submitted a total of 12 proposed FAR increases to the voters. A summary of these measures is as follows:

- November 2022: Increase FAR to allow conversion of existing hotels in RPS-4 District in the South of Fifth neighborhood to residential use (approved by the voters)
- November 2022: Increase FAR to incentivize office/residential in the First Street Overlay, along 1st Street and Washington Avenue (approved by the voters)
- November 2022: Increase FAR for North Beach Oceanside Resort Overlay area (Deauville Hotel) (rejected by the voters)
- August 2022: Increase FAR to incentivize conversion of apartment hotels to residential use in RPS-1 and RPS-2 Districts in the South of Fifth neighborhood (approved by the voters)
- August 2022: Increase FAR in Alton Road Gateway Overlay to facilitate community health center (approved by the voters)
- November 2020: Increase FAR by allowing reconstruction of original floorplates in historic buildings (approved by the voters)
- November 2020: Increase FAR for Wolfsonian Arts District (approved by the voters)
- November 2020: Increase FAR by excluding certain areas of building from calculation of floor area (approved by the voters)
- November 2019: Increase FAR for CD-2 zoning districts along Washington Avenue and Alton Road (rejected by the voters)
- November 2019: Allow new floor area within historic buildings for adaptive reuse (rejected by the voters)
- November 2017: Increase FAR as part of rezoning the North Beach Town Center (approved by the voters)
- November 2015: Increase FAR for Ocean Terrace Overlay (rejected by the voters)

## B. The Community Planning Act (Chapter 163, Florida Statutes)

The Community Planning Act, formerly known as the Growth Management Act, governs the field of comprehensive planning and land development regulation by cities and counties throughout Florida. Among these provisions are certain restrictions on local initiatives or referenda concerning specified land use matters (also known as “zoning by referendum”). See Sec. 163.3167(8), Fla. Stat.

**The City Charter is not absolute, and a local ordinance or charter provision may not be construed in a manner that would conflict with State law.** See *Sarasota Alliance for Fair Elections, Inc. v. Browning*, 28 So. 3d 880, 888 (Fla. 2010); see also *City of Miami Beach v. Rocio Corp.*, 404 So. 2d 1066, 1069 (Fla. 3d DCA 1981). As City Attorneys have advised since at least 1997, the “zoning by referendum” provisions of the Community Planning Act restrict the application of the referendum requirement in Miami Beach Charter Section 1.03(c). The City may not call a referendum ostensibly required by the City Charter if the referendum would be prohibited by State law.

### 1. Initiative or Referendum on a Development Order

Even before the adoption of SB 718 this year, the “zoning by referendum” provisions of the Community Planning Act have limited the City’s authority to submit proposed FAR increases to the voters. Section 163.3167(8)(a), Florida Statutes, broadly prohibits “[a]n initiative or referendum process in regard to any development order.”<sup>2</sup> As applied to the City, a “development order” includes a building permit, design review approval (for properties outside of historic districts), Certificate of Appropriateness (for properties within local historic districts or individually designated historic sites), lot split approval, variance, Board of Adjustment order, or site-specific rezoning. **To hold a referendum on the City’s issuance on any of these approvals is strictly prohibited under existing provisions of the Community Planning Act.**

### 2. Initiative or Referendum on a Comprehensive Plan Amendment or Map Amendments (i.e. Rezoning)

The Community Planning Act also prohibits an initiative or referendum process “in regard to any local comprehensive plan amendment or map amendment.” However, the Act exempts, and specifically permits, a referendum process on a “local comprehensive plan amendment or map amendment” that is “expressly authorized by specific language in a local government charter that was lawful and in effect on June 1, 2011.” See Sec. 163.3167(8)(b), Fla. Stat.

The City Charter does not qualify for the exception as to comprehensive plan amendments, because the Charter does not contain any language requiring referendum approval for a comprehensive plan amendment. Therefore, the City is prohibited, under State law, from submitting a comprehensive plan amendment to the voters.

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<sup>2</sup> State law defines a “[d]evelopment order” as “any order granting, denying, or granting with conditions an application for a development permit.” “Development permit” is defined as “any building permit, zoning permit, subdivision approval, rezoning, certification, special exception, variance, or any other official action of local government having the effect of permitting the development of land.” Sec. 163.3164(15) and (16), Florida Statutes.

However, the City Charter does qualify for the exception as to **map amendments**. Charter Section 1.03(c) requires voter approval to increase FAR by “zoning” (i.e. by adoption of a map amendment or rezoning). By way of example, a map amendment to rezone a defined area of the City from RM-1 (with an FAR of 1.25) to RM-2 (with an FAR of 2.0) would require voter approval.

This particular provision has been in place since November 7, 2001, i.e. prior to the June 1, 2011 cutoff date in the statute. **Accordingly, Charter Section 1.03(c) qualifies for the exception in Section 163.3167(8)(b) and, therefore, the City’s referendum requirement remains enforceable, but solely as to map amendments or rezonings involving an increase in FAR.**

### **C. City Charter Section 1.06, relating to the Historic Preservation Board and the City’s Historic Preservation Ordinance**

Charter Section 1.06 requires voter approval prior to the adoption of any Ordinance which “reduces the powers and duties of the City’s Historic Preservation Board, or creates less stringent historic preservation standards or regulations . . . .” This provision was approved by the City’s voters on November 6, 2012, by a vote of 61.29%.

In the nearly 11 years since the adoption of this section, no measure has been submitted to the voters which would reduce the powers and duties of the HPB or create a less stringent historic preservation standard or regulation.

## **II. EFFECT OF SENATE BILL 718 ON THE CITY CHARTER**

### **A. Impact on Charter Section 1.03(c), relating to FAR Increases**

The New Law amends the Community Planning Act to provide that “[a]n initiative or referendum process in regard to any land development regulation is prohibited.”

“Land development regulations” are defined in Section 163.3164, Florida Statutes, as “ordinances enacted by governing bodies for the regulation of any aspect of development and includes any local government zoning, rezoning, subdivision, building construction, or sign regulations or any other regulations controlling the development of land, . . . .”

As summarized in Section I.A of this LTC, the vast majority of FAR increases submitted to the City’s voters since the adoption of Charter Sec. 1.03(c) have involved the enactment of a land development regulation (sometimes referred to informally as a “text amendment,” as opposed to a map amendment or rezoning).

#### **1. Overlays**

One example of an FAR increase effectuated through a land development regulation is the creation of an overlay. An overlay involves adopting narrowly tailored development standards for a defined geographic area, without changing the underlying zoning district classification, and accordingly, without changing any of the other requirements or allowances that apply to the zoning district. Examples include FAR incentives for the First Street Overlay (adopted in November 2022), the Alton Road Gateway Overlay (August 2022), and the Wolfsonian Arts District (adopted in November 2020). A referendum on the adoption of an overlay is now prohibited.



In contrast, a rezoning to a district with a greater FAR would generally permit more intense uses, increased density (regulated as dwelling units per acre) and increased building height. As explained in this LTC, a referendum on a rezoning that increases FAR remains required.

2. Specific, targeted incentives for specific uses, or developments meeting defined benchmarks

FAR increases implemented as land development regulations also include incentives for properties meeting certain geographic or use criteria (e.g., incentive for the conversion of existing hotels in the RPS-4 district to residential use, or conversion of apartment hotels in RPS-1 and RPS-2 to residential use).

To the extent that these overlays or targeted incentives have been effectuated as amendments to the City's land development regulations, the New Law, which prohibits a "referendum process in regard to any land development regulation," would now bar the City from submitting these measures, or any future similar measure, to the voters by referendum.

3. Map amendments or rezonings

However, the New Law leaves intact the exception for local charter provisions which, as of June 1, 2011, contain express language as to "map amendments." Therefore, to the extent a proposed map amendment would result in an FAR increase, the referendum requirement in Charter Section 1.03(c) would continue to apply.

As noted above, a rezoning to a more intense district classification not only involves an increase in FAR, but also an increase in intensity (including additional allowable uses) and density (regulated as dwelling units per acre). For instance, in 2017, the City's voters approved an FAR increase for the North Beach Town Center, which was effectuated as a rezoning of TC-1, TC-2, and TC-3 districts to the newly created TC-C, "Town Center Core" district. Because this measure was effectuated as a "map amendment," even after the adoption of SB 718, referendum approval would still be required for a similar measure.

Given that the New Law broadly prohibits a referendum on the adoption of a land development regulation, the foregoing interpretation as to map amendments may be subject to challenge. Any such challenge is one we would take on in good faith, as we will continue to give effect to the City Charter to the fullest extent permitted under State law. Specifically, based on the statutory exception set forth in Section 163.3167(8)(c), it is our opinion that the new provision in Section 163.3167(8)(b) does not preempt Charter Section 1.03(c) in its entirety, as the new prohibition in subsection 8(b) must be read *in pari materia* with the existing provisions of subsection (8)(c), which expressly permit a "referendum process in regard to any . . . map amendment" that is "expressly authorized by specific language in a local government charter that was lawful and in effect on June 1, 2011." The City Charter was adopted prior to 2011 and qualifies for this exception, and accordingly, referendum approval remains intact, but solely for any **map amendment** that would result in an increase to a property's zoned FAR.

**B. Impact on Charter Section 1.06, relating to Historic Preservation**

As the City's historic preservation standards and regulations meet the definition of "land development regulations" in Chapter 163, a referendum to adopt a less stringent amendment is now prohibited. However, with respect to the "powers and duties" of the HPB, the City Attorney's Office would need to carefully review any future amendment to determine whether a referendum

would be required, as an amendment to the powers or duties of a land use board is unlikely to satisfy the statutory definition of a “land development regulation.” To this end, it must be noted that not a single amendment to reduce the powers and duties of the HPB or create a less stringent historic preservation standard or regulation has been presented to the voters for consideration since this Charter requirement was adopted nearly 11 years ago. Accordingly, we will evaluate this issue further if the City Commission ever desires to enact any such ordinance.

At the request of Commissioner Steven Meiner and Commissioner Alex Fernandez, the City Commission has recently referred items to the Land Use and Sustainability Committee, Planning Board, and Charter Review Board to consider amending the Resiliency Code to require a 6/7ths vote prior to any future FAR increase. In light of these referrals, the City Commission may also wish to consider adopting a 6/7ths voting requirement for any Ordinance that would reduce the powers and duties of the HPB, or enact a less stringent historic preservation standard or regulation.

### III. CONCLUSION

The New Law further limits the City's authority to call a referendum on land use or zoning matters beyond existing provisions of the Community Planning Act, which prohibit an initiative or referendum on a development order and, as applied to the City, on a comprehensive plan amendment.

**Effective July 1, 2023, and except as specified herein, the City is barred from calling a referendum on any land development regulation, including a land development regulation that increases a property's FAR or creates a less stringent historic preservation standard or regulation.**

The New Law **does not**, however, render invalid the entirety of Sections 1.03(c) or 1.06 of the City Charter. Because Charter Section 1.03(c) has been in place since before June 1, 2011, referendum approval is **still required** for any map amendment (or rezoning) that would result in an increase to a property's zoned FAR. In addition, to the extent an amendment to the powers and duties of the HPB is not a land development regulation, then Charter Sec. 1.06 would still require voter approval. However, except in these two limited circumstances, the City Charter must yield to State law, and a referendum process in regard to a land development regulation is otherwise prohibited.

## CHAPTER 2023-305

### Committee Substitute for Committee Substitute for Senate Bill No. 718

An act relating to local government; amending s. 163.3167, F.S.; prohibiting an initiative or referendum process in regard to any land development regulation; reordering and amending s. 171.031, F.S.; defining the term “feasibility study”; amending s. 171.0413, F.S.; specifying the measurement of land during annexation procedures; amending s. 171.042, F.S.; replacing the term “report” with the term “feasibility study”; amending s. 171.051, F.S.; revising contraction procedures when qualified voters desire to be excluded from municipal boundaries; prohibiting contraction under certain circumstances; providing construction and applicability; amending s. 171.204, F.S.; conforming a cross-reference; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (8) of section 163.3167, Florida Statutes, is amended to read:

163.3167 Scope of act.—

(8)(a) An initiative or referendum process in regard to any development order is prohibited.

(b) An initiative or referendum process in regard to any land development regulation is prohibited.

(c)(b) An initiative or referendum process in regard to any local comprehensive plan amendment or map amendment is prohibited unless it is expressly authorized by specific language in a local government charter that was lawful and in effect on June 1, 2011. A general local government charter provision for an initiative or referendum process is not sufficient.

(d)(e) It is the intent of the Legislature that initiative and referendum be prohibited in regard to any development order or land development regulation. It is the intent of the Legislature that initiative and referendum be prohibited in regard to any local comprehensive plan amendment or map amendment, except as specifically and narrowly allowed by paragraph (c) ~~(b)~~. Therefore, the prohibition on initiative and referendum stated in paragraphs (a) and (c) ~~(b)~~ is remedial in nature and applies retroactively to any initiative or referendum process commenced after June 1, 2011, and any such initiative or referendum process commenced or completed thereafter is deemed null and void and of no legal force and effect.

Section 2. Section 171.031, Florida Statutes, is reordered and amended to read:



171.031 Definitions.—As used in this chapter, the following words and terms have the following meanings unless some other meaning is plainly indicated:

(1) “Annexation” means the adding of real property to the boundaries of an incorporated municipality, such addition making such real property in every way a part of the municipality.

(4)(2) “Contraction” means the reversion of real property within municipal boundaries to an unincorporated status.

(7)(3) “Municipality” means a municipality created pursuant to general or special law authorized or recognized pursuant to s. 2 or s. 6, Art. VIII of the State Constitution.

(8)(4) “Newspaper of general circulation” means a newspaper printed in the language most commonly spoken in the area within which it circulates, which is readily available for purchase by all inhabitants in its area of circulation, but does not include a newspaper intended primarily for members of a particular professional or occupational group, a newspaper whose primary function is to carry legal notices, or a newspaper that is given away primarily to distribute advertising.

(9)(5) “Parties affected” means any persons or firms owning property in, or residing in, either a municipality proposing annexation or contraction or owning property that is proposed for annexation to a municipality or any governmental unit with jurisdiction over such area.

(6) “Feasibility study” means an analysis conducted by qualified staff or consultants of the economic, market, technical, financial, and management feasibility of the proposed annexation or contraction, as applicable.

(10) “Qualified voter” means any person registered to vote in accordance with law.

(11)(7) “Sufficiency of petition” means the verification of the signatures and addresses of all signers of a petition with the voting list maintained by the county supervisor of elections and certification that the number of valid signatures represents the required percentage of the total number of qualified voters in the area affected by a proposed annexation.

(12)(8) “Urban in character” means an area used intensively for residential, urban recreational or conservation parklands, commercial, industrial, institutional, or governmental purposes or an area undergoing development for any of these purposes.

(14)(9) “Urban services” means any services offered by a municipality, either directly or by contract, to any of its present residents.

(13)(10) “Urban purposes” means that land is used intensively for residential, commercial, industrial, institutional, and governmental

purposes, including any parcels of land retained in their natural state or kept free of development as dedicated greenbelt areas.

~~(3)~~(11) “Contiguous” means that a substantial part of a boundary of the territory sought to be annexed by a municipality is coterminous with a part of the boundary of the municipality. The separation of the territory sought to be annexed from the annexing municipality by a publicly owned county park; a right-of-way for a highway, road, railroad, canal, or utility; or a body of water, watercourse, or other minor geographical division of a similar nature, running parallel with and between the territory sought to be annexed and the annexing municipality, ~~may shall~~ not prevent annexation under this act, provided the presence of such a division does not, as a practical matter, prevent the territory sought to be annexed and the annexing municipality from becoming a unified whole with respect to municipal services or prevent their inhabitants from fully associating and trading with each other, socially and economically. However, nothing in this subsection may herein shall be construed to allow local rights-of-way, utility easements, railroad rights-of-way, or like entities to be annexed in a corridor fashion to gain contiguity; and when any provision ~~or provisions~~ of any special law ~~prohibits or laws prohibit~~ the annexation of territory that is separated from the annexing municipality by a body of water or watercourse, then that law shall prevent annexation under this act.

~~(2)~~(12) “Compactness” means concentration of a piece of property in a single area and precludes any action which would create enclaves, pockets, or finger areas in serpentine patterns. Any annexation proceeding in any county in ~~this~~ the state must shall be designed in such a manner as to ensure that the area will be reasonably compact.

~~(5)~~(13) “Enclave” means:

(a) Any unincorporated improved or developed area that is enclosed within and bounded on all sides by a single municipality; or

(b) Any unincorporated improved or developed area that is enclosed within and bounded by a single municipality and a natural or manmade obstacle that allows the passage of vehicular traffic to that unincorporated area only through the municipality.

Section 3. Subsection (5) of section 171.0413, Florida Statutes, is amended to read:

171.0413 Annexation procedures.—Any municipality may annex contiguous, compact, unincorporated territory in the following manner:

(5) If more than 70 percent of the acres of land in an area proposed to be annexed is owned by individuals, corporations, or legal entities which are not registered electors of such area, such area may shall not be annexed unless the owners of more than 50 percent of the acres of land in such area consent to such annexation. Such consent must shall be obtained by the

parties proposing the annexation before ~~prior to~~ the referendum to be held on the annexation.

Section 4. Subsections (1) and (2) of section 171.042, Florida Statutes, are amended to read:

171.042 Prerequisites to annexation.—

(1) ~~Before~~ ~~Prior to~~ commencing the annexation procedures under s. 171.0413, the governing body of the municipality shall prepare a feasibility study report setting forth the plans to provide urban services to any area to be annexed, and the feasibility study must report ~~shall~~ include the following:

(a) A map or maps of the municipality and adjacent territory showing the present and proposed municipal boundaries, the present major trunk water mains and sewer interceptors and outfalls, the proposed extensions of such mains and outfalls, as required in paragraph (c), and the general land use pattern in the area to be annexed.

(b) A statement certifying that the area to be annexed meets the criteria in s. 171.043.

(c) A statement setting forth the plans of the municipality for extending to the area to be annexed each major municipal service performed within the municipality at the time of annexation. Specifically, such plans must ~~shall~~:

1. Provide for extending urban services except as otherwise provided in this subsection ~~herein~~ to the area to be annexed on the date of annexation on substantially the same basis and in the same manner as such services are provided within the rest of the municipality before ~~prior to~~ annexation.

2. Provide for the extension of existing municipal water and sewer services into the area to be annexed so that, when such services are provided, property owners in the area to be annexed will be able to secure public water and sewer service according to the policies in effect in such municipality for extending water and sewer lines to individual lots or subdivisions.

3. If extension of major trunk water mains and sewer mains into the area to be annexed is necessary, set forth a proposed timetable for construction of such mains as soon as possible following the effective date of annexation.

4. Set forth the method under which the municipality plans to finance extension of services into the area to be annexed.

(2) Not fewer than 15 days before ~~prior to~~ commencing the annexation procedures under s. 171.0413, the governing body of the municipality shall file a copy of the feasibility study report required by this section with the board of county commissioners of the county in which ~~wherein~~ the municipality is located. Failure to timely file the feasibility study report as required in this subsection may be the basis for a cause of action to invalidate ~~invalidating~~ the annexation.

Section 5. Subsections (2) and (4) of section 171.051, Florida Statutes, are amended, and subsection (11) is added to that section, to read:

171.051 Contraction procedures.—Any municipality may initiate the contraction of municipal boundaries in the following manner:

(2) A petition of 15 percent of the qualified voters in an area desiring to be excluded from the municipal boundaries, filed with the clerk of the municipal governing body, may propose such an ordinance. The municipality to which such petition is directed shall immediately undertake a feasibility study of the feasibility of such proposal and the governing body shall, within 6 months, evaluate the feasibility study of such proposal and either initiate proceedings under subsection (1) by introducing a contraction ordinance or reject the petition as a legislative decision, specifically stating the facts upon which the rejection is based.

(4) If, at the meeting held for the such purpose of considering the contraction ordinance introduced by the governing body, a petition is filed and signed by at least 15 percent of the qualified voters resident in the area proposed for contraction requesting a referendum on the question, the governing body shall, upon verification, paid for by the municipality, of the sufficiency of the petition, and before passing such ordinance, submit the question of contraction to a vote of the qualified voters of the area proposed for contraction, or the governing body may vote not to contract the municipal boundaries.

(11) If more than 70 percent of the acres of land in an area proposed to be contracted is owned by individuals, corporations, or legal entities that are not registered electors of such area, such area may not be contracted unless the owners of more than 50 percent of the acres of land in such area consent to such contraction.

Section 6. The amendments made by this act to s. 171.051, Florida Statutes, are intended to be prospective in nature and apply only to petitions filed on or after July 1, 2023.

Section 7. Section 171.204, Florida Statutes, is amended to read:

171.204 Prerequisites to annexation under this part.—The interlocal service boundary agreement may describe the character of land that may be annexed under this part and may provide that the restrictions on the character of land that may be annexed pursuant to part I are not restrictions on land that may be annexed pursuant to this part. As determined in the interlocal service boundary agreement, any character of land may be annexed, including, but not limited to, an annexation of land not contiguous to the boundaries of the annexing municipality, an annexation that creates an enclave, or an annexation where the annexed area is not reasonably compact; however, such area must be “urban in character” as defined in s. 171.031 ~~s. 171.031~~(8). The interlocal service boundary agreement may not allow for annexation of land within a municipality that is not a party to the

agreement or of land that is within another county. Before annexation of land that is not contiguous to the boundaries of the annexing municipality, an annexation that creates an enclave, or an annexation of land that is not currently served by water or sewer utilities, one of the following options must be followed:

(1) The municipality shall transmit a comprehensive plan amendment that proposes specific amendments relating to the property anticipated for annexation to the Department of Economic Opportunity for review under chapter 163. After considering the department's review, the municipality may approve the annexation and comprehensive plan amendment concurrently. The local government must adopt the annexation and the comprehensive plan amendment as separate and distinct actions but may take such actions at a single public hearing; or

(2) A municipality and county shall enter into a joint planning agreement under s. 163.3171, which is adopted into the municipal comprehensive plan. The joint planning agreement must identify the geographic areas anticipated for annexation, the future land uses that the municipality would seek to establish, necessary public facilities and services, including transportation and school facilities and how they will be provided, and natural resources, including surface water and groundwater resources, and how they will be protected. An amendment to the future land use map of a comprehensive plan which is consistent with the joint planning agreement must be considered a small scale amendment.

Section 8. This act shall take effect July 1, 2023.

Approved by the Governor June 28, 2023.

Filed in Office Secretary of State June 28, 2023.

# BAL HARBOUR

- V I L L A G E -

## BUSINESS IMPACT STATEMENT

### Proposed Ordinance Title:

**AN ORDINANCE OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING CHAPTER 8.5 "FLOOD DAMAGE PREVENTION", SECTION 8.5-2 "DEFINITIONS" OF THE CODE OF ORDINANCES; AMENDING CHAPTER 21 "ZONING", ARTICLES I - III TO AMEND DEFINITIONS, PROCEDURES, AND REGULATIONS RELATED TO HEIGHT; PROVIDING FOR CONFLICTS, SEVERABILITY, INCLUSION IN THE CODE, AND FOR AN EFFECTIVE DATE.**

### Summary of Proposed Ordinance and Statement of Purpose to be Served:

This Ordinance seeks to amend the Village Code to refine the regulations regarding height measurement and approval procedures for height increases. The key objectives of the ordinance are as follows:

**1. Ensure Consistency in Height Measurement:**

- Align the measurement of building height with the highest minimum elevation required by applicable county, state, or federal law.
- Define freeboard and establish a voluntary freeboard allowance at the level required by law.

**2. Implement Public Scrutiny and Council Oversight for Height Changes:**

- Require a discussion item at a regular Village Council meeting before any proposal to increase height moves forward.
- Require the Local Planning Agency (LPA) public hearing to be conducted before the first reading by the Village Council.
- Require a supermajority (4/5) vote of the Village Council to approve both first and second readings of height-related amendments.

**3. Establish Height Limits for Municipal Buildings:**

- Introduce a maximum height limit of 56 feet for municipal buildings, applicable regardless of zoning district or location.

These measures are designed to enhance transparency, maintain community engagement, and provide clear, consistent guidelines for future zoning and development decisions while ensuring alignment with state and federal regulations.

### Estimate of Direct Economic Impact on Private/For Profit Businesses:

- Estimate of Direct Business Compliance Costs:** There are no anticipated direct compliance costs.
- New Charges/Fees on Business Impacted:** The ordinance does not introduce new charges or fees for businesses.
- Estimate of Regulatory Cost:** The ordinance does not impose additional costs on the Village beyond administrative review and implementation.

### Good Faith Estimate of Number of Businesses Likely Impacted:

There are approximately 110 businesses within the Business District. There is no expectation that these businesses would be impacted by the changes proposed by this ordinance. While this ordinance is primarily focused on zoning procedures and municipal building regulations, it does provide cost-saving benefits for businesses and developers who may seek height-related modifications in the future. Businesses considering redevelopment or expansion stand to save both time and money under the new ordinance, as it replaces the costly and time-consuming referendum process with a more structured and efficient approval system, while still ensuring public and Council oversight for transparency.

# BAL HARBOUR

- V I L L A G E -

## COUNCIL ITEM SUMMARY

### Condensed Title:

**A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.**

### Issue:

Should the Village Council approve the Resolution accepting the Fiscal Year (FY) 2023-24 Annual Comprehensive Financial Report (ACFR)?

### The Bal Harbour Experience:

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Beautiful Environment                      | <input type="checkbox"/> Safety           | <input type="checkbox"/> Modernized Public Facilities/Infrastructure |
| <input type="checkbox"/> Destination & Amenities                    | <input type="checkbox"/> Unique & Elegant | <input type="checkbox"/> Resiliency & Sustainable Community          |
| <input checked="" type="checkbox"/> Other: <u>State Requirement</u> |   |  |

### Item Summary / Recommendation:

Florida Statutes Section 218.32 requires the books and records of the Village to be audited at the end of each Fiscal Year. RSM US LLP, the Village's independent auditors, performed the annual audit of the Village's financial records for the Fiscal Year ended September 30, 2024. The ACFR was prepared at the conclusion of the audit, and includes the basic financial statements, management discussion and analysis, and other financial reports compiled by Finance Department Staff. The Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2024 was produced after the completion of the audit for the fiscal year, and is transmitted to the Village Council for review and acceptance.


In addition, The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village, for its ACFR for the fiscal year ended September 30, 2023. This is the tenth consecutive year that the Village has achieved this prestigious award.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS RESOLUTION.**

### Financial Information:

	Amount	Account	Account #
	X	X	X

### Sign off:

	Chief Financial Officer	Village Manager
	Claudia Dixon	Jorge M. Gonzalez
		

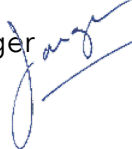


# BAL HARBOUR

- V I L L A G E -

## COUNCIL MEMORANDUM

TO: Honorable Mayor and Village Council

FROM: Jorge M. Gonzalez, Village Manager 

DATE: April 29, 2025

SUBJECT: **A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024, RELATING TO THE ANNUAL AUDIT PERFORMED BY THE VILLAGE'S INDEPENDENT AUDITOR, RSM US LLP; PROVIDING FOR AN EFFECTIVE DATE.**

### **ADMINISTRATIVE RECOMMENDATION**

I am recommending acceptance of the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended September 30, 2024.

### **BACKGROUND**

Florida Statutes Section 218.32 requires the books and records of the Village to be audited at the end of each Fiscal Year. RSM US LLP, the Village's independent auditors, performed the annual audit of the Village's financial records for the Fiscal Year ended September 30, 2024. The ACFR was prepared at the conclusion of the audit, and includes the basic financial statements, management discussion and analysis, and other financial reports compiled by the Village's Finance Department Staff. The ACFR also includes reports of the Village's independent certified public accountants and other compliance reports prepared by the Village's auditors. The ACFR for Fiscal Year ended September 30, 2024, is provided to you in electronic form for your review. The ACFR will also be available on the Village's Web Site at [www.balharbourfl.gov](http://www.balharbourfl.gov) once issued.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village, for its ACFR for the fiscal year ended September 30, 2023. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by a government and its financial management team. This is the tenth consecutive year that the Village has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both the generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



**THE BAL HARBOUR EXPERIENCE**

Florida Statutes Section 218.32 requires the books and records of the Village to be audited at the end of each Fiscal Year.

**CONCLUSION**

The Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2024 was produced after the completion of the audit for the fiscal year and is transmitted to the Village Council for review and acceptance.

Exhibit:

1. FYE 2024 Report to Village Council
2. FYE 2024 Annual Comprehensive Financial Report

RESOLUTION NO. 2025-\_\_\_\_

A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024, RELATING TO THE ANNUAL AUDIT PERFORMED BY THE VILLAGE'S INDEPENDENT AUDITOR, RSM US LLP; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, Section 218.32, Fla. Stat. requires an annual audit of the Village's books and records; and

**WHEREAS**, RSM US LLP, the Village's independent auditors, performed the annual audit of the Village's financial records for the Fiscal Year ended September 30, 2024; and

**WHEREAS**, the Village Council has received and reviewed the Village's Annual Comprehensive Financial Report (the "ACFR") for the Fiscal Year ended September 30, 2024, which includes the reports of independent certified public accountants and other reports on compliance prepared by RSM US LLP, as well as the report compiled by Village staff; and

**WHEREAS**, the Village Manager recommends acceptance of the ACFR for the Fiscal Year ended September 30, 2024; and

**WHEREAS**, the Village Council deems it to be in the best interest of the citizens and residents of Bal Harbour Village to accept the ACFR for the Fiscal Year ended September 30, 2024.

**NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AS FOLLOWS:**

**Section 1.**     **Recitals Adopted.** That the above stated recitals are hereby adopted and confirmed.

**Section 2.**     **ACFR Accepted.** That the ACFR for Fiscal Year ended September 30, 2024 is hereby accepted and the Village Manager is hereby authorized to forward the ACFR to the appropriate agencies.

**Section 3. Implementation.** That the Village Manager is hereby authorized to take all actions necessary to implement the purposes of this Resolution.

**Section 4. Effective Date.** That this Resolution shall take effect immediately upon the adoption hereof.

PASSED AND ADOPTED this 29<sup>th</sup> day of April, 2025.



\_\_\_\_\_  
Mayor Jeffrey P. Freimark

ATTEST:

\_\_\_\_\_  
Dwight S. Danie, Village Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

\_\_\_\_\_  
Village Attorney  
Weiss Serota Helfman Cole & Bierman P.L.





# BAL HARBOUR

- VILLAGE -

BAL HARBOUR VILLAGE, FLORIDA

655 96<sup>th</sup> STREET, BAL HARBOUR, FLORIDA 33154

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

**BAL HARBOUR VILLAGE, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Prepared by the Finance Department

# BAL HARBOUR VILLAGE, FLORIDA

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## **INTRODUCTORY SECTION**

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# BAL HARBOUR

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March 31, 2025

Honorable Mayor, Vice Mayor, Council Members,  
and Citizens of Bal Harbour Village, Florida

We are pleased to present the Annual Comprehensive Financial Report (“ACFR”) as of and for the fiscal year ended September 30, 2024, pursuant to Florida State law. An ACFR is a set of financial statements comprising the financial report of a state, municipal, or other governmental entity that complies with accounting requirements promulgated by the Governmental Accounting Standards Boards (GASB). The financial statements were audited by a firm of independent certified public accountants retained by the Village and paid from its public funds.

This report may be accessed via the internet at <http://www.balharbourfl.gov>.

We encourage you to thoroughly review this document and we welcome the opportunity to discuss some of the important items it addresses.

While financial activities are never an end unto themselves, their recording and presentation can give the encouraged and knowing reader great insight into the operations of a community. They can highlight both strengths and weaknesses and can illustrate the issues that are, at any time, being addressed by the local government.

This report consists of management’s representations concerning the finances of the Village. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect Village assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village’s financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of Bal Harbour Village**

The Village of Bal Harbour, Florida (the “Village”) is located on the northern tip of the barrier island commonly referred to as Miami Beach; it is the northern-most barrier island in a chain that extends south to Key West, Florida. A channel between the north end of Biscayne Bay and the Atlantic Ocean runs across the northern end of the Village. The main traffic corridor running through the Village is Collins Avenue, also demarked as Florida State Highway A1A.

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Occupying a land area of approximately 0.6 square miles, the Village population is 3,035 and has 219 active business licenses. The Village has one business-district, which houses the Bal Harbour Shops, an upscale, open-air shopping mall which has ranked first in the U.S. for decades in productivity based on sales per square foot. The remainder of the Village is high end, single family residential, and condominium or hotel use, a balance that establishes a high quality of life for families.

The Village was incorporated in 1946, with a master plan and a vision for the future. A Resort Tax was established creating a dedicated funding source derived from hotel and food and beverage purchases within the Village. The resort tax funds are used to maintain the aesthetics of the community and promote the Village as a premier tourist destination. This additional tax contributes to the ability of the Village to maintain one of the lowest property tax rates and overall taxing efforts among South Florida municipalities. This community has spent considerable sums maintaining the unique character of the Village. Our municipal boundaries are compactly defined and give the Village a true sense of place. The cachet that comes from being associated with the Village of Bal Harbour adds a premium to property tax values and the Village's relaunched marketing and renewed branding efforts are thought to pay dividends not only to commercial property owners, but also to residential property owners who enjoy a higher value for their property, and pay a lower tax rate than they would absent a resort tax.

Few changes have been made since the original planned development of the Village, however since 2012, redevelopment of existing oceanfront properties commenced and is underway. Redevelopment of the Bal Harbour Shops, approved in FY 2017, will add an additional 350,000 square feet of retail space, with a negotiated development agreement that calls for the development of a new waterfront park which will be completed early FY 2025 with partial developer funding, conveyance of property to the Village in FY 2022, and construction of a new Village Hall funded by the developer. This will add value to the Village's tax roll, new businesses to the community, an engaging waterfront venue, and a new Village Hall as the center of community life. In addition, the development agreement also includes revenue streams from leased property and parking surcharges. Receipt of revenue from leased property began in FY 2020; and receipt of revenue for parking surcharges began towards the latter part of FY 2022.

Additional capital improvements on the horizon include the Governmental reconstruction of the Harbour Front Park - Jetty-Cutwalk; the new Village Hall and the continued rehabilitation of the Village Utility Infrastructure. The capital improvements collectively enhance the favorable international image of the Village, and adds to the amenities offered to, and enjoyed by our residents and guests.

This financial report summarizes our current financial condition. It helps us to understand where we can go and what we can do in the future. Planning is the most important tool available to us and the Village's planning efforts include the allocation of financial resources, to sustain the Village into the future. Our ability to tax is limited. The opportunities provided to municipalities under Florida law are limited, so we must work within the framework we are provided. For the Village to succeed, we must continue to build and maintain value in what we have, in order to enhance services to our residents in a fiscally conservative manner and maximize our existing resources through thoughtful planning and allocation.

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## **Government Structure and Services Provided**

The Village exists as a Council-Manager form of municipal government. Under Florida law, Bal Harbour is considered a municipal corporation. The Village is governed by a Council of five (5) qualified persons, each of whom must be a registered voter residing within the limits of the Village for a period of at least one year immediately prior to their qualification. The Charter allows, and the Village Council has enacted, legislation requiring the creation of five (5) districts of nearly equal area and population. To qualify as a candidate for election, the person must reside within the district that he or she proposes to represent on the Council. Village registered voters elect each of the five Council Members without regard to districts. The Council elects one of its members as Mayor. The Mayor presides at the meetings of the Council. The Council also elects one of its members as a Vice Mayor who acts as Mayor during the absences or disability of the Mayor. The Council appoints the Village Manager and the Village Clerk. The Village Manager appoints Department Directors and administers the government of the Village. The Department Directors have the primary responsibility to hire and fire employees, however, the final decision ultimately rests with the Village Manager. The Village is organized into various Departments as shown in the organization chart on page xii.

**Village Manager's Office.** This Office is responsible for leadership and the overall management of the Village. Any policy that the Village Council wishes to be implemented becomes the responsibility of this Office. The Village Clerk reports to the Village Manager.

**Finance Department.** This Department is responsible for Financial and Budget Administration, Business and Tourism Taxes, Payroll, and Water & Sewer Utility Administration and Customer Service.

**Building Department.** This Department is responsible for Planning, Zoning, Land Use activities, Building Permits and Inspections.

**Police Department.** This Department is responsible for all aspects of Public Safety services, inclusive of Code Enforcement.

**Public Works and Beautification Department.** This Department combines the Public Works, Greenspace Management and compliance, Water & Sewer Utility Operations and capital management activities and is responsible for the Village's facilities and infrastructure maintenance, beach maintenance, solid waste and recycling and landscaping efforts.

**Recreation, Arts & Culture Department.** This Department is created to centralize recreation, arts & culture activities and services previously offered in other departments and expand upon them to meet the growing needs of the Village.

**Tourism Department.** This Department is responsible for the marketing and branding efforts of the Village and is the liaison for the Resort Tax Board.

**Capital Construction Department.** This Department is responsible for capital improvement (except the Utility Master Plan) administration of consulting services and construction contracts for the development of new construction projects, improvement of existing Village owned facilities as well as interdepartmental capital improvements.

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The departments provide residents and businesses with the full range of municipal services contemplated by state law or local charter. Services include police, culture, recreation, licensing and permitting, general administration and finance, water and sewer utilities, public works and maintenance, solid waste disposal and recycling, and code enforcement.

## **Accounting Controls and Budgetary Process**

Management of the Village is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Village internal controls include enhanced banking controls, proper segregation of duties between accounts payables, receivables and cash receipt processing, the timely reconciliation of banking and other activities, a Council approved process for management approval of any utility billing adjustments, and proper procedures to maintain an accurate listing of capital assets within an upgraded financial management system.

The annual budget serves as the foundation for the Village's financial planning and control. Departmental allocations are based on long range planning efforts in support of the Village's five key goals, capital and master planning efforts such as the Utility Master Plan. Village departments submit requests for appropriation to the Chief Financial Officer, these are incorporated with fixed annual inflationary costs to produce the preliminary base budget, prior to the presentation and setting of the preliminary millage by the Village Council in July of each year. The base budget is developed in collaboration with directors, these requests are used to assist the Village Manager in developing a Proposed Budget which depending on current year resources and resource allocation priorities, may include enhancements to current service levels or capital allocations. The Council is required to hold two public hearings on the Proposed Budget and to enact an Approved Budget as prescribed by the State of Florida mandated process by the new fiscal year in October.

The Village maintains budgetary controls for all of its funds except fiduciary funds. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the Village Council. Activities of the various funds are included in the annual budget. The legal level of control (such as, the level at which actual expenditures and transfers out cannot legally exceed the "budget" appropriations) is maintained at the department or fund level. The Village does not maintain an encumbrance accounting system. All unspent appropriations related to Capital Projects and Grants are generally re-appropriated as part of the following year's budget. Budget to actual comparisons demonstrate how the actual expenditures compare to both the original and final revised budgets.

As demonstrated by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

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## The Bal Harbour Experience

At the Village Council retreat in February 2024, the Council reaffirmed its commitment to our vision first established in 2019. Our vision for Bal Harbour Village is that we will be the safest residential community, with a beautiful environment and unparalleled destinations and amenities, providing uniqueness and elegance to ensure the highest quality of life for our residents, and with an unmatched experience for our visitors from around the world. This vision helps achieve our mission of delivering the Bal Harbour Experience - that distinctive feeling one experiences when living in or visiting our unique, elegant, curated and refined community.

The four elements which denote the essence of the Bal Harbour Experience are reflected as follows:



Beautiful Environment - Fusing casual elegance with tranquil coastal living presented through the lens of secluded beaches, lush landscaping, serene public spaces, well-detailed sidewalks and rights of way, and jogging paths incorporated into the native environment. These signature amenities reflect the standards the community expects and sets the tone which one recognizes upon arriving in Bal Harbour, and long to return to once gone.

Destination & Amenities - Elevated experiences and unhurried bliss are the distinctive hallmarks of our Village delivered through exquisite luxury hotels, inspiring culinary selections, and celebrated high-end shopping. A waterfront park, iconic Jetty, and our beautiful beaches add to the lure of our breathtaking setting.

Unique & Elegant - Residents and guests balance sun and sea drenched escapes with our curated events designed for discerning connoisseurs of all ages. Creative public art features, our acclaimed Museum Access Program featuring curated tours, culinary festivals, movies under the stars, and excursions to limited engagement events set our enclave apart in delivering a tranquil and refined lifestyle.

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Safety - Anchored by our focus on a Community Policing model, where our officers are staffed, trained and motivated to provide excellent service and safety to our residents and guests in a pleasant, engaging, and friendly manner. The visible presence of our officers, investment in state-of-the-art technology and incorporation of innovative policing strategies ensure that our community remains safe at all times, as well as a recognized leader and model in public safety.

Together, these elements define what makes our community so unique, distinctive, and such a desirable place to live, work, visit, and play in. Each of the four elements that contribute to the Bal Harbour Experience are primarily supported by a Village Department as follows:

- Beautiful Environment led by the Public Works and Beautification Department and supported by the Capital Improvement Projects.
- Destination & Amenities led by the Tourism Department and supported by the Recreation, Arts & Culture Department.
- Unique & Elegant led by the Recreation, Arts & Culture Department and supported by the Tourism Department.
- Safety led by the Police and Building Departments who each contribute to the promise of safety in our community.

Furthermore, these elements and the Vision for our Village rest on a foundation based on:

- Developing and maintaining well designed and modernized public facilities and infrastructure;
- Implementing smart policies and strategic solutions to address the challenges of today and to ensure that we remain a resilient and sustainable community able to protect our future; and
- Ensuring that both the perception and reality of safety in our community remains uncompromised.

## **Financial Policies and Planning**

At our annual Village Council retreats, we have an opportunity to revisit and discuss our priorities to ensure that they remain relevant. During this year's retreat, our review and prioritization exercise resulted in a reaffirmation of the order of importance of these priorities as in prior years.

Our priority areas of focus remain consistent with previous years and are ranked in the following order: (1) Safety, (2) Beautiful Environment, (3) Modernized Public Facilities and Infrastructure, (4) Resilient and Sustainable Community, (5) Destination and Amenities, and (6) Unique and Elegant.

These are the focus of our efforts and will continue to guide our funding priorities from year to year. Coupled with continued administrative improvements, we prioritize the initiatives most important to our Village Council and residents while keeping costs down consistent with revenue trends. In the past few years, we have embarked upon an ambitious capital project plan partially as a result of a policy to budget \$300 thousand toward these contributions on an annual basis, and a policy of allocating year end surplus (excess revenue over expenditure) in a proportionate manner to fund both undesignated fund balance and an assigned capital projects reserve. This practice ensures a "rainy day" fund, is available to the Village in the event of a dramatic downturn due to unforeseen fiscal conditions that could



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adversely affect our community and/or economy, and that funds are available for future capital projects. As a seaside, tourist-based community, Bal Harbour Village is especially vulnerable to the volatility of the tourist economy, as well as the annual threat of hurricanes and/or severe weather events.

To ensure the availability of funding for future capital needs, the Village has implemented:

- A policy to allocate fifty percent of excess revenue over expenditure at the close of each fiscal year to assigned fund balance for a Capital Projects Reserve,
- A policy to budget funds for future pay-as-you go capital projects on an annual basis;
- Continued the identification of alternative funding sources toward the completion of prioritized capital projects, and allocate Village funding in support of these initiatives;
- Competitive design and solicitation processes for the development of capital projects.

CIP accomplishments and initiatives for Fiscal Year 2024 are outlined below:

- New Waterfront Park - The New Waterfront Park project includes Community Center (12,163sf) playground, water feature/splashpad, landscape & hardscape. Community Center Concept design was developed through Community input and approved by Village Council in 2018. The New Waterfront Park project is expected to be completed in phases: Phase A includes a state-of-the-art community center with multi-purpose spaces that can be utilized for events and recreation programming, an indoor playground for toddlers, two outdoor playgrounds, a splash pad, fitness stations, a dock, basketball courts and an open lawn for play and performances. In December 2023 we proudly opened the doors to the Bal Harbour Waterfront Park. The Waterfront Park opened in a timely manner despite the lingering challenges from supply-chain issues. Phase B design and construction will proceed a few years later upon completion of the New Village Hall and demolition of the current Village Hall Building. The current preliminary concept proposes the ground floor as a parking area serving the park, with a second-floor open air basketball deck (or enclosed basketball/multipurpose recreation center). In addition, the design of the proper adaptive reuse of the current basketball court area is to be determined. The total projected cost for Phase A is estimated to be \$22.5 million, of which \$8.3 million is funded through developer contributions, grants and rental income.
- Harbour Front Park - Jetty-Cutwalk Project - This project (includes the area under the Haulover Bridge) will reconstruct the existing Jetty to enhance the aesthetics as a public space with design concepts to be developed with community involvement. The project is well underway and the contract management was awarded to Whiting Turner & Ebsary team at the July council meeting. This project is projected to award construction in Fiscal Year 2025. The total projected cost is estimated to be \$23.0 million, of which \$21.9 million will be funded through developer contributions, grants revenues and resort tax funds.
- Utility Master Plan (including Stormwater) - Rehabilitation of the Village infrastructure to include identified replacement of the Water, Sanitary Sewer and Stormwater systems, with remedial paving in affected areas. This is a multiphase project. Design and construction activities are ongoing. Various phases of the overall project are yet to be funded. The total projected costs committed to date is estimated to be \$43.3



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million, of which \$24.1 million will be funded through debt financing, grants revenues, and special assessment funding from the Security and Landscape area.

- Various machinery and equipment- Includes implementation costs for the building new software, vehicles and equipment.

Looking forward, major new capital initiatives to commence or continue in fiscal year 2025 include wrap-up of Phase A of the new Waterfront Park, construction award of the Harbour Front Park - Jetty-Cutwalk project, continued implementation of the Utility Master Plan, and planning efforts toward the New Village Hall. All told, the identified anticipated cost of these capital improvements total \$137.2 million, with funding identified for all but \$28.6 million of future year improvements, as summarized below. Approximately \$77.0 of the total project costs have been/or will be funded by debt, grants and developer contributions.

## FY 2025-2029 Capital Budget and 5-Year Capital Improvement Program

	Budget							
	Previous Years	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Future Years	Total
FUNDING SOURCE								
General Fund:								
Miami-Dade General Obligation Bond Fund	\$ 8,117,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,117,200
Developer Contributions - Bal Harbour Shops (PPS)	3,500,000	-	-	-	-	-	-	3,500,000
Developer Contributions - Bal Harbour Shops (Village Hall)	19,923,318	3,400,000	-	-	-	-	-	23,323,318
Developer Contributions - Bal Harbour Shops (Other)	2,000,000	-	-	-	500,000	-	-	2,500,000
Developer Contributions - Other	1,100,000	1,000,000	1,000,000	-	-	-	-	3,100,000
Suntrust/Truist Rent	2,353,999	733,172	744,170	755,333	766,662	778,162	-	6,131,498
Interlocal Contribution - Other	-	-	-	-	-	-	-	-
Miscellaneous Revenue - Grants	9,867,857	-	1,000,000	-	-	-	-	10,867,857
Budget Allocation	969,340	-	-	-	-	-	-	969,340
Appropriation of Fund Balance/Carryover	15,147,413	1,034,051	358,223	-	-	-	-	16,539,687
Village 2011 Bond Escrow Funds	368,933	-	-	-	-	-	-	368,933
Total General Fund	63,348,060	6,167,223	3,102,393	755,333	1,266,662	778,162	-	75,417,833
Resort Tax Fund:								
Appropriation of Fund Balance/Carryover	4,250,000	-	1,500,000	-	-	-	-	5,750,000
Total Resort Tax Fund	4,250,000	-	1,500,000	-	-	-	-	5,750,000
Utility Fund:								
Miami-Dade General Obligation Bond Funds	6,500,000	-	-	-	-	-	-	6,500,000
Developer Contributions - Oceana	950,000	-	-	-	-	-	-	950,000
Budget Allocation	2,221,800	-	-	-	-	-	-	2,221,800
Appropriation of Fund Balance/Carryover	3,625,660	1,200,000	-	-	-	-	-	4,825,660
Village 2011 Bond Escrow Funds	3,221,300	-	-	-	-	-	-	3,221,300
Village 2020 Utility Revenue Note	8,438,108	-	-	-	-	-	-	8,438,108
TBD - (Grants, Debt Issuance, etc.)	-	-	-	-	-	-	10,546,200	10,546,200
Total Utility Fund	24,956,868	1,200,000	-	-	-	-	10,546,200	36,703,068
Security and Landscape Aeesement Fund:								
Appropriation of Fund Balance/Carryover	1,302,000	-	-	-	-	-	-	1,302,000
Total Security and Landscape Aeesement Fund	1,302,000	-	-	-	-	-	-	1,302,000
TBD	300,000	-	(300,000)	-	-	6,050,000	12,000,000	18,050,000
TOTAL FUNDING SOURCE	\$ 94,156,928	\$ 7,367,223	\$ 4,302,393	\$ 755,333	\$ 1,266,662	\$ 6,828,162	\$ 22,546,200	\$ 137,222,901
EXPENDITURE BY PROJECT								
Parks and Public Spaces Operations Facility	\$ 3,164,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,164,704
Waterfront Park (Phase A)	21,156,869	1,372,223	-	-	-	-	-	22,529,092
Harbour Front Park - Jetty/Cutwalk	18,614,489	1,000,000	3,385,511	-	-	-	-	23,000,000
96th Street Plaza	3,100,000	3,400,000	-	16,823,318	-	-	-	23,323,318
New Village Hall	50,000	-	-	-	-	6,050,000	-	6,100,000
Waterfront Park (Phase B)	200,000	-	-	-	-	-	TBD	200,000
Collins Avenue Beautification	50,000	-	-	-	-	-	12,000,000	12,050,000
BeachSide Landscape	50,000	-	-	-	-	-	TBD	50,000
Utility Infrastructure - Sewer, Water and Stormwater Improvements	31,120,260	1,595,000	-	TBD	TBD	TBD	10,546,200	43,261,460
TBD:								
Use of Suntrust/Truist Funds	-	-	744,170	755,333	766,662	778,162	-	3,044,327
Use of Shop Funds	-	-	-	-	500,000	-	-	500,000
TOTAL EXPENDITURE	\$ 77,506,322	\$ 7,367,223	\$ 4,129,681	\$ 17,578,651	\$ 1,266,662	\$ 6,828,162	\$ 22,546,200	\$ 137,222,901

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## **Enterprise Operations**

Water and Wastewater services within the Village are provided as an enterprise operation, services are funded as payments for measurable water and wastewater services are consumed. Rates established as charges for services should sustain its operations and satisfy any related debt and funds costs associated with the Utility Master Plan. For the Village utility operations, water is purchased at a wholesale rate from the Miami-Dade County Water and Sewer Department (WASD) and the Village of Miami Beach applies a wholesale rate for Wastewater or sewer services which travels through their system for treatment at the Miami-Dade WASD Virginia Key plant. Wholesale water service is paid directly to Miami-Dade WASD, and wholesale sewer services are paid directly to the Village of Miami Beach by the Village, for this reason their rates directly affect the rates the Village charges to our customers.

## **Risk Management**

The goal of risk management is to qualify and quantify exposures that can weigh upon the Village's assets and to affect necessary action to eliminate and reduce losses within the Village. The Village is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Coverage is provided for general and auto liability, workers' compensation, excess liability, and health insurance through government risk pools and commercial insurance. Proper management and internal controls serve to minimize this risk.

## **Reporting Entity**

The activities included in our report are those over which the Village has the ultimate financial accountability, accompanied by the reporting information for the Village's General Employees' and Police Officers' Pension Plans. Activities for which the Village, as a "primary" government, is ultimately financially accountable have been presented within this report. No activity has been excluded, which would cause our financial statements to be misleading or incomplete. Certain activities are not included in this report because they do not meet the necessary criteria. For example, in Florida, school boards are independently elected and financially accountable for their finances. As such, the school board would present separate financial statements.

## **Acknowledgements and Other Information**

### ***Independent Audit***

State statutes require an annual audit by independent certified public accountants. Through the statutorily required competitive process, the Village selected the accounting firm, RSM US LLP, to conduct its annual audit. Auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* were used by the auditors in conducting the audit. The auditors' report on the basic financial statements and combining fund statements and schedules is included in the financial section of this report. The auditors' report on internal controls and compliance with applicable laws and regulations is included in a separate section.

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## **Reporting Achievement**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village, for its ACFR for the fiscal year ended September 30, 2023. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by a government and its financial management team. This is the tenth year that the Village has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both the generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgements**

The preparation of this report would not have been possible without the skill, effort and dedication of the entire staff of the Finance Department and the accounting firm, RSM US LLP. We wish to thank all the Village Departments for their assistance in providing the information necessary to prepare this report. Credit also must be given to the Mayor and Council members for their continued support for maintaining the highest standards of professionalism in the management of the Village, and to their appointees serving on the Village's Budget Advisory Committee and providing their guidance throughout the annual budget development process.

Respectfully Submitted



Claudia Dixon, CPA  
Chief Financial Officer



Jorge M. Gonzalez  
Village Manager

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## VILLAGE OFFICIALS

### **MAYOR**

Jeffrey P. Freimark

### **VICE MAYOR**

Seth E. Salver

### **COUNCIL MEMBERS**

Buzzy Sklar  
Alejandro Levy  
David Wolf

### **VILLAGE MANAGER**

Jorge M. Gonzalez

### **VILLAGE CLERK**

Dwight S. Danie

### **VILLAGE ATTORNEY**

Weiss Serota Helfman Cole &  
Bierman

### **CHIEF FINANCIAL OFFICER**

Claudia Dixon

### **CONTROLLER**

Tom Pham

### **BUDGET COMMITTEE**

Necca Logan, Chair  
Johnathan Kader  
Andrew Shechtel  
Raj Singh  
Raymond Slate

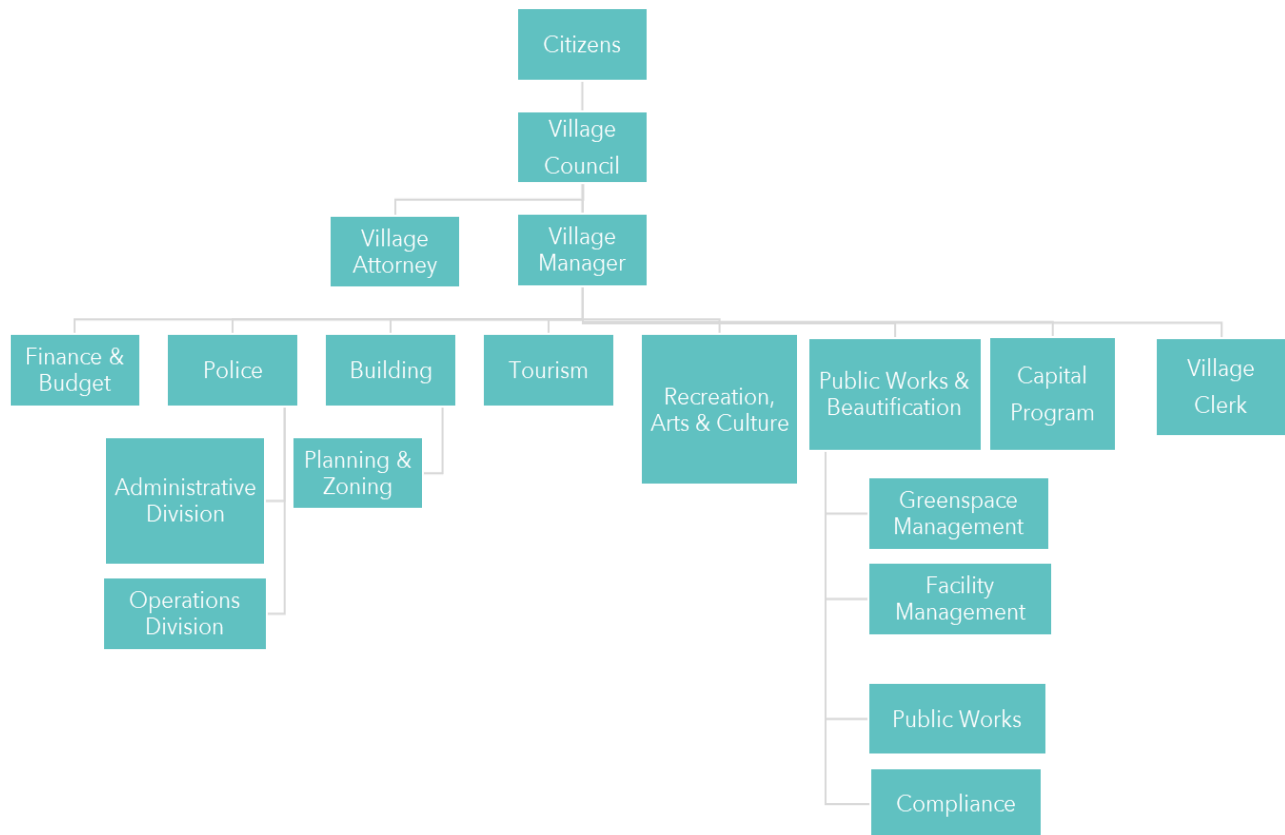
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## Bal Harbour Village Organization Chart



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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Village of Bal Harbour  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

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## Independent Auditor's Report

RSM US LLP

Honorable Mayor and Members of the Village Council  
Bal Harbour Village, Florida

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bal Harbour Village, Florida (the Village), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Bal Harbour Village Police Officers' Pension Plan, which represent 56%, 56% and 48%, respectively, of the assets, net position/fund balance, and revenues of the aggregate remaining fund information as of September 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Bal Harbour Village Police Officers' Pension Plan, is based solely on the report of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other post-employment benefits and pension related schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.

*RSM US LLP*

Fort Lauderdale, Florida  
March 31, 2025

# BAL HARBOUR

- VILLAGE -

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MD&A - UNAUDITED**

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# BAL HARBOUR

- VILLAGE -

## **MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**

The following narrative provides an overview of Bal Harbour Village, Florida, (the "Village") financial activities for the fiscal year ended September 30, 2024. This narrative should be read in conjunction with the letter of transmittal at the front of this report and the financial statements and accompanying notes which follow this section. Additional information is provided within this narrative and the accompanying required supplementary information and statistical sections of the financial statements.

### **Financial Highlights for Fiscal Year 2024**

- At the close of the fiscal year, the total assets and deferred outflows of the Village exceeded its liabilities and deferred inflows by \$187.2 million (*net position*), this reflects a 6.3% increase over the prior fiscal year. Of this amount, \$51.0 million (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors, reflecting a 7.4% increase over FY 2023. Unrestricted net position is comprised of \$44.9 million in governmental activities and \$6.1 million in business-type activities.
- At the close of the fiscal year, the total assets are \$213.9 million, reflecting a 4.3% increase, total liabilities are \$31.2 million, reflecting a decrease of 9.7% over the prior year, with deferred pension, post-employment and lease related inflows and outflows of resources resulting in a net of \$4.5 million deferred outflow of resources net of inflows.
- At the close of the fiscal year, the Village's governmental activities ended with a net position of \$155.2 million, and the business-type activities (*Water & Sewer Fund*) ended with a net position of \$32.0 million. The combined net position ending reflects an increase of \$11.2 million over 2023, comprised of \$5.7 million *attributable to cash and cash equivalents and investments*, \$11.7 million *in capital assets*, a decrease of \$3.3 million in liabilities, and a net decrease in pension and lease related deferred outflows of resources net of inflows of \$2.3 million.
- At year end, the change in net position of governmental activities totals \$9.9 million, the change is comprised of an increase of \$7.3 million in cash and cash equivalents & investments, an increase of \$10.0 million in capital assets, an decrease of \$1.0 million in lease and pension related deferred outflows net of inflows, and an decrease of \$.9 million in net pension liability and other post-employment benefit liabilities.
- At the close of the fiscal year, the Village governmental funds reported combined fund balances of \$74.5 million, an increase of \$9.6 million in comparison to the prior fiscal year. The *committed fund balance* of \$16.3 represents primarily the unused portion of funds received from Bal Harbour Shops for the future new Village Hall capital project. The *unassigned fund balance* is \$20.1 million, or 27.0% and 35.3% of the ending fund balance for governmental funds and general fund, respectively. This amount is available for spending at the Village's discretion.
- At the close of the fiscal year, governmental fund revenue increased by \$1.1 million to \$36.4 million. The increase is the result of an additional \$1.3 million in ad valorem tax and \$1.3 million in investment earnings receipts, offset by a current year a decrease of \$2.0 million in developer contributions which are non-recurring by nature.

- At the close of the fiscal year, ending net position for the water and sewer proprietary fund is \$32.0 million, reflecting a change in net position over 2023 of \$1.3 million. Unrestricted net position for the fund is \$6.0 million or 19.1% of total net position, which may be used to meet the Village's ongoing utility obligations to citizens and creditors.
- At the close of the fiscal year, ending net position for the Village's two Fiduciary Funds is \$61.6 million, an increase of \$11.4 million in comparison to fiscal year 2023. The increase is driven by an overall increase in the fair value of investments for fiduciary funds.

The Annual Comprehensive Financial Report (ACFR) consists of six parts – introductory section, management's discussion and analysis (this section), the basic financial statements, required supplementary information, combining statements for non-major governmental funds and statistical section.

Management's Discussion and Analysis (MD&A) is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (*beginning on page 4*).

## **Overview of the Financial Statements**

The financial statements focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

## **Government-wide Financial Statements**

The government-wide financial statements (*see pages 17 and 18*) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add up to a total for the primary government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. The two government-wide financial statements report the Village's net position and how they have changed. Net position—the difference between the Village's assets and deferred outflows and the Village's liabilities and deferred inflows—is one way to measure the Village's financial health and position.

The statement of activities (*see page 18*) is focused on both the gross and net cost of various activities (including governmental, component units and business-type) that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidies to various business-type activities and/or components.

The government activities reflect the Village's basic services, including general government, police, solid waste, roads and streets, recreation, arts & culture, and tourism. Property taxes, franchise and utility taxes, intergovernmental revenue, special assessments, and tourism revenue finance the majority of these services. The business-type activities reflect private sector type operations (Water and Sewer) where the fees for service typically cover all or most of the cost of operation, including depreciation.

## **Fund Financial Statements**

The Fund Financial Statement presentation focuses on major funds. The Government's major fund (*see pages 19 to 20*) presentation is presented on a sources and uses of liquid resource basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith (*beginning on page 101*).

The fund financial statements also allow the government to address its fiduciary (or trust) funds (*see pages 25 to 26*) by type (*employee retirement funds and custodial funds*). While these funds represent trust or custodial responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements and are not considered generally available to the Village to use for any other purpose.

While the business-type activity - Enterprise column on the business-type fund financial statements (*see pages 24 to 25*) is the same as the business-type activities column on the government-wide financial statement, the government major funds total (*page 21*) column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (*see pages 19 and 20*). The flow of current financial resources will reflect interfund transfers and other financial sources, as well as capital expenditures. The reconciliation will eliminate these transactions and incorporate the capital asset and long-term obligations into the government activities column (*in the government-wide statements*).

## **GOVERNMENT WIDE STATEMENTS**

The government-wide financial statements were designed so that the user can determine if the Village is in a better or worse financial condition from the prior year. Net position may serve, over time, as a useful indicator of the government's financial position. In the case of the Village, assets and deferred outflows exceeded its liabilities and deferred inflows on September 30, 2024 by \$187.2 million.

## Summary Statement of Net Position

The following table reflects the comparative condensed Statement of Net Position (*in thousands*):

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>		<u>Dollar</u>	<u>Percent</u>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>Change</b>	<b>Change</b>
Current and other assets	\$ 80,816	\$ 73,196	\$ 7,166	\$ 8,772	\$ 87,982	\$ 81,968	\$ 6,014	7.3%
Capital assets	92,636	91,426	33,258	31,612	125,894	123,038	2,856	2.3%
Total assets	173,452	164,622	40,424	40,384	213,876	205,006	8,870	4.3%
Deferred Outflows of Resources	6,962	10,139	188	334	7,150	10,473	(3,323)	-31.7%
Current and other liabilities	2,101	3,473	733	773	2,834	4,246	(1,412)	-33.3%
Non-current liabilities	20,502	21,174	7,842	9,091	28,344	30,265	(1,921)	-6.3%
Total liabilities	22,603	24,647	8,575	9,864	31,178	34,511	(3,333)	-9.7%
Deferred Inflows of Resources	2,608	4,793	-	101	2,608	4,894	(2,286)	-46.7%
Net investment in capital assets	92,208	89,456	25,925	23,002	118,133	112,458	5,675	5.0%
Restricted	18,036	16,074	-	-	18,036	16,074	1,962	12.2%
Unrestricted	44,950	39,791	6,112	7,751	51,062	47,542	3,520	7.4%
Total net position	\$ 155,194	\$ 145,321	\$ 32,037	\$ 30,753	\$ 187,231	\$ 176,074	\$ 11,157	6.3%

As summarized above, the statement of net position for the Village reflects an increase of \$11.2 million which is made up of a \$1.9 million increase to restricted net position primarily resulting from excess revenues over expenditures for the Resort Tax and Security District Funds; and a \$5.7 million in net investment in capital assets consisting primarily of the new Waterfront Park Construction Project costs; and the Utility Master Plan Project costs.

A large portion of the Village's net position reflects its investment in capital assets (e.g., land, building, and equipment) \$118.1 million. Net investment in capital assets is the portion of net position related to capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended debt proceeds. The Village uses these capital assets to provide service to the citizens; consequently, these assets are not available for future spending.

An additional portion of the Village's net position represents resources that are subject to external restrictions on how they may be used (restricted assets) amounting to \$18.0 million; for the Village these include Capital Projects to be funded by developer contributions, Tourism, Security District, and State Forfeiture funds.

The Unrestricted balance is intended to be a corporate style measurement of well-being (or a bottom line) for the Village and its related governmental and business-type activities. The unrestricted net position for the Village is \$51.0 million, with \$44.9 million for governmental activities and \$6.1 million for business-type activities. This is due to the results of current year operations.



The statement of net position ending for the Village in fiscal year 2024 is \$187.2 million, the most notable change is within net investment in capital assets of the Governmental Activities resulting from the capital investments in the new Waterfront Park and the Utility Master Plan projects.

## CURRENT YEAR IMPACTS

### Statement of Activities

The following schedule presents the comparative condensed Statement of Activities (in thousands):

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2024	2023	2024	2023	2024	2023		
Revenues:								
Program revenues:								
Charges for services	\$ 14,913	\$ 15,225	\$ 5,527	\$ 5,228	\$ 20,440	\$ 20,453	\$ (13)	-0.1%
Operating grants and contributions	170	144	-	-	170	144	26	18.1%
Capital grants and contributions	1,011	75	-	-	1,011	75	936	1248.0%
General revenue:								
Taxes	14,227	12,952	-	-	14,227	12,952	1,275	9.8%
Other	6,030	6,850	395	350	6,425	7,200	(775)	-10.8%
Total revenues	36,351	35,246	5,922	5,578	42,273	40,824	1,449	3.5%
Expenses:								
General government	8,280	5,180	-	-	8,280	5,180	3,100	59.8%
Public safety	9,547	10,014	-	-	9,547	10,014	(467)	-4.7%
Public works, solid waste and beautification	4,188	3,939	-	-	4,188	3,939	249	6.3%
Tourism	2,033	1,527	-	-	2,033	1,527	506	33.1%
Recreation, arts and culture	2,427	1,157	-	-	2,427	1,157	1,270	109.8%
Interest on long-term debt	3	8	-	-	3	8	(5)	-62.5%
Water and sewer	-	-	4,638	4,217	4,638	4,217	421	10.0%
Total expenses	26,478	21,825	4,638	4,217	31,116	26,042	5,074	19.5%
Changes in net position	9,873	13,421	1,284	1,361	11,157	14,782	(3,625)	-24.5%
Net position - beginning	145,321	131,900	30,753	29,392	176,074	161,292	14,782	9.2%
Net position - ending	\$ 155,194	\$ 145,321	\$ 32,037	\$ 30,753	\$ 187,231	\$ 176,074	\$ 11,157	6.3%

The statement of activities as presented in comparative fashion, more closely resembles the manner in which revenue and expenses are programmed for budget purposes and allocated for departmental and fund use.

### Governmental activities:

Governmental activities net position increased by \$9.8 million. Key elements of the change are as follows:

Governmental activities revenues consisted of program revenues of \$16.1 million which included grants and contributions of \$1.2 million; and general revenues of \$20.3 million for a total of \$36.4 million.

Property tax revenue for general purposes was \$12.0 million and represents 33.1% of total revenues. This was a slight increase of \$1.3 million or 11.9% from the prior year due to an overall increase in property tax values. Property taxes are levied by the Village based on the Miami-Dade County Property Appraisers determined property values in the Village. The Miami-Dade County Property Appraiser determined that certified taxable property

values in the Village increased from \$5.77 billion in 2022 to \$6.28 billion, an increase of 8.8%. The Village's operating millage rate for 2024 was 1.9654 mills same as prior year.

Charges for services which represent 41.0% of total revenues were \$14.9 million. This amount is a decrease of \$.3 million or 2.1% over the prior year. These charges at the government wide statement level are primarily derived from resort tax revenues, permits, licenses, fines, forfeitures and administrative fees from enterprise funds and some forms of intergovernmental revenues. Resort tax fees which represents 38.0% of charges for services was \$5.7 million, which is a decrease of \$0.1 million or 2.0% from the prior year. Resort tax is a 4% tax on the rent of a room or rooms in any hotel, motel, rooming house or apartment house and 2% on the total sales price of all food and beverage (including beer and wine sold at retail in any restaurant). Fluctuations in resort tax revenues are based on the fluctuations in the sales of the above items and vary from one year to another based on the economy.

Intergovernmental revenues totaled \$1.8 million for the year. Intergovernmental revenue increased by \$.9 million or 93.8% from the prior year. The revenues are derived from federal, state and county grantors for various Village initiatives, such as capital project and other grants.

Developer contributions decreased by \$2.0 million. This represents a reduction in prior year unrestricted developer contributions.

Unrestricted investment earnings increased by \$1.3 million as a result of more favorable conditions in the investment market.

Governmental activities expense consisted of functional expenses for the Village's general government, public safety, solid waste, Recreation, arts & culture, tourism development and interest on long-term debt. These functional expenses amounted to \$26.5 million. Significant portions of these expenses were in the public safety, general government and public works and beautification functions.

General government function expense was \$8.3 million and represents 31.3% of total expense and increased \$3.1 million compared to prior year. The Village's general government function includes Village council, the Village manager's office, the finance department, the building department, capital construction department, the Village attorney's office and other special projects.

Public safety function expense was \$9.5 million and represents 36.0% of total expenses. The Village's public safety function includes the personnel and operations for police. In addition, grant funded expenses for police and other public safety activities (inclusive of code enforcement) are reported under this category. Total public safety expenses decreased by \$.5 million or 4.7% from the prior year. The decrease in public safety expenditures is primarily related to decreased pension expenditures resulting from an increase in net investment income to the Police Pension Plan for the measurement date of September 30, 2023.

Recreation, arts & culture function expense was \$2.4 million and represents 9.1% of total expenses. This function was revitalized and reprogramed in FYE 2023 to centralize several activities and services which were previously offered through other Village Departments and expand upon and enhance those services to meet the growing needs of the Village.

Tourism development expense was \$2.0 million and represents 7.7% of total expenses. The tourism development services function includes programming of tourism activities with the objective to generate on-going and incremental resort tax funds to be used for increasing the quality of life, enhancement of Village assets, and the ongoing creation of advertising, marketing, public relations efforts, programs and events to promote tourism to Bal Harbour Village.

### **Business-type activities:**

The Water and Sewer fund had an increase in net position of \$1.3 million. Operating revenues increased by \$0.3 million or 5.4% and operating expenses increased by \$.4 million from the prior year. The monthly water and sewer rates include fees to cover debt service on \$7.3 million of the outstanding water and sewer revenue bond, note and lease payable. The water rate charged to Village customers is \$5.77 per 1,000 gallons consumed with a 3,000 gallon minimum monthly charge. The sewer rate charged to Village customers is \$10.28 per 1,000 gallons consumed with a 3,000 gallon minimum monthly charge.

### **Village Highlights**

The Village concluded fiscal year 2024 with an increase (\$3.5 million) to unrestricted net position ending at \$51.0 million, and an increase of total net position by 6.3% to \$187.2 million. During 2018, the Village negotiated the first amendment to the Bal Harbour Shops Development Agreement which advanced the timeline for developer proffered improvements and contributions resulting in approval for redevelopment of the entire Business District of the Village. The negotiated development agreement includes provisions for the planning of a new waterfront park, a new Village Hall constructed by the developer, recurring revenue streams from leased property, parking surcharges, and guarantees for ad valorem revenue in future years. The improvements associated with the Bal Harbour Shops redevelopment serve to solidify the Village's property values and prospective financial position.

During 2024, progress has been made on the Villages capital improvement projects, including the completion of the Bal Harbour Waterfront Park which provides a new community center and park amenities, such as a splash pad, kayak launch, playground, as well as the reconstruction of a seawall; the Jetty/96<sup>th</sup> Street-end construction project which is expected to be awarded in FYE 2025; and the continued implementation of the Utility Master Plan with improvements. These projects serve as a catalyst for improvements to Village infrastructure which will serve residents and visitors for the next 50 years.

## Normal Impacts

There are several basic (normal) impacts on revenues and expenses which could affect the Village as described below:

### Revenues

- **Overall Economic Condition.** This can reflect a declining, stable or growing economic environment and has a substantial impact on property, tourism, and other tax revenue as well as redevelopment efforts made by the development community. The Village is exposed to risks associated with tourism. Declines in tourism can adversely affect dollars available to the Village for marketing and parks, roads, and streets. Declines in tourism can result in reduced property values to the Village, which would result in lower property tax dollars. Likewise, a poor economy can also negatively impact the Village's property tax base. The Village has a handful of large properties that could stagnate or decline under certain economic conditions. The effect on the Village would be disproportionately leveraged. The Village has continued to experience redevelopment of its largest oceanfront properties, and plans for the redevelopment of the entire business district are moving through the approval process, with developer proffered donations of land, a new Village Hall, and future new revenue streams. Management believes the Village can weather most short-term economic scenarios as it did with Hurricane Irma, the 2017 Zika outbreak and with the COVID-19 pandemic. If this current period of economic growth should cease, the Village provides services and has planned for capital projects within its current fiscal resources as they are available and does not leverage new debt in order to accomplish operating strategic goals.
- **Increase/Decrease in Council Approved or State-Mandated Tax Rates and Assessments.** The Village Council can raise or lower its various tax rates and special assessment levels. These rates have a direct relationship to the Village's revenue streams. Volatility in tax rates can be detrimental to business owners and homeowners, making their properties less attractive to own. The Village has a stable taxation policy. The fiscal year 2024 millage rate of 1.9654 was maintained making it the eighth year in a row at an ad valorem tax rate which is the third lowest in Miami-Dade County, and well below the statutory cap of 10 mills.
- **Reliance upon Intergovernmental Revenue.** The Village received approximately \$1.8 million dollars in revenue from other governments during FY2024. Since the Village does not directly control the levy or collection of these revenues, it is exposed to the risk that those revenues will not grow or even be available in future years. The loss of these revenues would likely require the Village to raise more money through higher local taxing efforts or implement level of service adjustments. The Village has the capacity to raise its tax rates to more than offset the loss of these other governmental revenues.
- **Undiversified Tourism Tax Base.** Resort Tax Revenue decreased by \$0.1 million. The Village receives about 46.4% of its Tourism funding from one venue. The loss of the venue would significantly and adversely affect the operations of the Village's marketing and tourism efforts. The Village's finances are not totally dependent upon tourism, but anything that materially affects tourism, such as a severe recession or natural disaster, could adversely affect the Village's revenues and put pressure on the Village to levy higher tax rates. When tourism declines, commercial property values also tend to decline. The Resort Tax Funding allocated for beautification, greenspace, and other resort tax eligible activities such as special events and community activities is equivalent to an additional 0.54

mills, if the services and activities were funded within the General Fund through ad valorem revenue.

- **Limits on Annual Assessments for Homestead Properties.** Florida's Constitution restricts residential homestead assessment growth to 3% per year, or less, on each home that has a homestead exemption. Commercial properties are limited to a maximum 10% annual increase on their assessment, and they are not generally provided any exemptions from assessment. The Village is overwhelmingly residential in nature but is fortunate to have a number of residential units that are not subject to this annual limitation. Further, the value of the homes that are subject to the annual assessment cap is substantial and the Village does not suffer from a limited tax base growth to the extent other Florida municipalities might. However, the Village may be exposed to changes in the manner with which annual assessments are valued or the limit to which they may be taxed, or additional homestead exemptions granted by the legislature, but to a lesser degree than most municipal jurisdictions.

### **Expenses**

- Public Safety expenses account for about 38.7% of the Village's General Fund total expenditures. South Florida municipalities face constant pressure to remain competitive with the salary and benefits paid to sworn police personnel. The costs of maintaining competitive pay packages could have a growth rate that exceeds that of the revenue growth rate, resulting in pressure on the Village's budget. Additionally, the Village traditionally affords all civilian employees benefits similar in nature to those provided to Police employees.
- The Village provides water and sewer services to its residents and businesses. The Village buys water and transmits wastewater for further treatment under large-user agreements with other units of government. The Village cannot negotiate from a position of strength for these services and is largely at the mercy of the service provider. Increased operating costs, pass-through rate increases from wholesale service providers, combined with the additional debt service expense associated with capital improvements of our wholesale service providers, make additional rate increases likely for the foreseeable future.
- Solid Waste Disposal - The Village collects money from its property owners through special assessments to pay for the cost of collection and disposal of solid waste from its residents. The Village outsources its solid waste operation.
- Environmental Risks - The Village is located between an intracoastal waterway and the Atlantic Ocean and is exposed to significant risks caused by weather, particularly hurricanes. In addition to the potential damage to structures and infrastructure, substantial loss of beach can occur during hurricanes. Because a significant portion of the Village's attraction is its beachfront area, the loss of the beach, even if only temporary, could result in significant loss of revenue to the Village.

### **Current Year Impacts**

#### **Revenues**

Ad-valorem tax collections increased by \$1.3 million due to an increase property sales and new construction that occurred during Calendar 2022. Unrestricted investment earnings increased by \$1.3 million because of more favorable conditions in the investment market.

The Security District assessment rate decreased from \$4,000 to \$3,500 per single family resident unit to over the prior year in order to enhance services to the residents of the area. This resulted in an overall increase in special assessment revenue of \$246 thousand or 13.3%.

## **Expenses**

All of the Village's General Fund operating departments and activities concluded the fiscal year within budgeted appropriations, with expenditures less than budgeted. The Village continues to experience inflationary impacts for retirement and contractual related increases all while maintaining the provision of the current level of municipal services.

At the close of the fiscal year, the net pension liability for the Village is \$16.7 million for the 4 retirement plans and the excess benefit plan. This reflects a decrease of \$.9 million from the prior year. The annual required contribution for each year is an actuarial computation which provides a fixed input for annual expenditures for the General Employees' Pension Plan that value was \$1.7 million, and for the Police Officers' Pension Plan that value was \$1.4 million. Decreases to the actuarial required contribution for each Village Plan are due to adjusted rate of return assumptions, actual investment returns, Plan experience, salary increases, and mortality rates.

Other Post-Employment Benefits (OPEB) refers to the benefits, other than pensions, that state local government employees are eligible to receive as a part of their retirement benefits. OPEB, which, for the Village, are limited to healthcare costs, continue to increase. Under state law, the Village is required to allow its retirees to continue their health care coverage provided the retirees pay the full premium. This results in an "implied subsidy" to older participants with greater need. The Village also allows (through a collective bargaining agreement with its police officers) police retirees to receive a monthly health insurance stipend of \$350 until age 65 which can be used to pay for health insurance at the Village or outside. Effective October 16, 2021, the monthly amount is increased to \$450 for eligible police officers retiring after that date under provisions of normal retirement. An OPEB analysis was completed for 2024 indicating a liability of \$1.0 million, this is funded by the Village on a pay-as-you-go basis.

Increases in wholesale water and sewer rates from both Miami-Dade County, Florida and the City of Miami Beach, Florida resulted in increased expenses for the purchase of water and sewer service per 1,000/gallons, additional pass-through rate increases are anticipated in future years. Current employee and operating expenses and liabilities are allocated to the utility fund for work performed. Implementation of the Utility Master Plan capital project continued in fiscal year 2024, with the alternative approach of relining sewer pipes as opposed to excavation and replacement.

Management curbs expenditures consistent with revenue projections, when trends merit their delay or abatement.

## **THE VILLAGE FUNDS**

Through a disciplined approach to resource allocation, careful management practices and conservative fiscal policies, Bal Harbour Village continues to maintain a very strong financial position in all of our funds.

## **Governmental Funds**

As of the year end, the Governmental Funds (*as presented on the balance sheet*) reported total fund balance of \$74.5 million, with the General Fund ending balance of \$56.9 million. The Resort Tax Fund ended the year with \$13.6 million in fund balance, an increase of \$1.2 million in comparison to the prior year. Total Fund Balances are \$56.9 million for the General Fund, \$13.6 million for Resort Tax and \$3.9 million for non-major funds, these funds, include the Security District Fund, Federal Law Enforcement and the State Forfeiture Fund.

## **Enterprise Fund**

The Water and Sewer Fund net position at year end is \$32.0 million, an increase of \$1.3 million in comparison to fiscal year 2023. Capital Assets continued to see improvements made to the underground water and wastewater Utility Master Plan ongoing project, with the addition of \$2.2 million of improvements, increasing capital assets to \$33.3 million. Operating revenue increased by \$0.3 million over the prior year, and operating expense increased by \$0.4 million.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At the close of the fiscal year, governmental activities capital assets, net of depreciation is \$92.6 million, net capital assets for business-type activities are \$33.3 million, for a combined net book value of \$125.9 million in capital assets categorized as land, construction in progress, building, furniture and equipment, right-to-use assets and infrastructure which will be depreciated over time on the government-wide and proprietary financial statements.

For additional information on the Village's capital assets, see Note 5 beginning on page 49.

### **Long-Term Debt**

Long-term liabilities, which consist of a bond, note, leases, SBITA, compensated absences, pension and OPEB liabilities, decreased by \$1.9 million from the previous year for governmental and business-type activities combined. At the close of 2024, the Village had \$26.4 million in outstanding long-term obligations, of which \$2.4 million is due during fiscal year 2025. The ending balance is comprised of \$1.4 million from Revenue Bonds issued in 2010, \$5.9 million Utility Revenue Note issued in 2020, net pension liability for the Village's 4 retirement plans, the excess benefit plan and 1 other post-employment benefit liabilities comprise \$17.7 million, compensated absences comprise \$1.3 million, and right to use leases total \$88 thousand. The current year portion of all debt is budgeted within the 2024 operating budget of the Village.

For additional information on the Village's long-term debt, see Note 7 beginning on page 51.



## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Village, through disciplined approach to resource allocation, careful management practices and conservative fiscal policies, maintains a healthy financial position to provide the quality services deserved by our constituents.

The redevelopment plans for the Village's Business District and various residential projects enhanced the economic outlook for the Village. The property tax millage rate for fiscal year 2024 was maintained at 1.9654 mills per \$1,000 of assessed valuation.

In development of the current year's budget, the Village balanced Florida's limiting measures on residential property taxes which allow the exemption of the first \$25,000 of assessed values from taxation on homestead property. Further, homeowners over age 65 and who have income less than \$20,000 are able to avoid taxes on the next \$25,000 of assessed value. Florida's Constitution also limits the assessed value on homestead property to a maximum increase of 3% per year, or less if inflation is less. Commercial property is limited to a maximum 10% increase in assessed value per year. An additional \$25,000 exemption was approved in 2008; those impacts were evaluated for the Village and determined to be nominal in nature. Much of the condominium market in the Village does not have homestead exemption and thus enjoys a higher rate of growth. This too insulates the Village from substantial impacts resulting from future State Legislative proposals.

A recurring challenge for the Village is personnel benefit costs that outpace its tax base growth, excluding new construction. For this reason, the value added resulting from redevelopment within the Village is important and permits the Village to retain the third lowest operating millage rate in the County.

Redevelopment of the Business District properties works in conjunction with Village marketing efforts to increase the value of the Bal Harbour brand and The Bal Harbour Shops, as an international destination-shopping venue enhance the tax base of the Village. The Shops is the Village's largest commercial taxpayer and the businesses that locate within the Shops tend to have large retail inventories that are also taxed by the Village. The expansion plans of the Shops, approved in 2017 will increase the development by an additional 350,000 square feet to total 860,000 square feet. Estimated increased values associated with this expansion are appraised at a range of \$193 million to \$270 million upon completion, resulting in a significant increase in ad valorem tax revenue at any millage rate. For the year ended September 30, 2024, Bal Harbour Shops contributed 5.0% of ad valorem tax revenue; the ad valorem tax revenue increases will be substantial after project completion. In addition, the accompanying development agreement provides an estimated benefit in excess of \$123 million to the Village in the years to come.

Notwithstanding the recently approved expansion to The Shops, the Village's tax base is heavily weighted to the residential market and is not very diversified otherwise. This exposes the Village to the movements of fewer markets that can lead to more volatility in the tax base. This has sometimes been mitigated by the property tax base growth that can "recapture" limited tax base growth in prior years. Also, because Bal Harbour residential properties tend to be at the high end of the market, recoveries have historically been faster than for the residential market as a whole.



Water and sewer rates were adjusted to pass-through anticipated increases from our wholesale service providers, from \$5.48/1,000 to \$5.77/1,000 gallons of water consumed with a 3,000-gallon minimum monthly charge; wastewater rates increased from \$9.89/1,000 to \$10.28/1,000 gallons of wastewater consumed with a 3,000-gallon minimum monthly charge for sewer. The Village has continued the implementation of the Utility Master Plan infrastructure project, which when completed will result in renewed water, sewer, and stormwater infrastructure with a 30-year lifespan. Our Utility Infrastructure Improvement Project (UIIP) work continues to make progress. On the north end, this past year, all planned improvements inclusive of milling and paving were completed in the phases 3a, b, and c locations, with permit closeout actions in phase 3a, and c pending. In addition, water system service connections in the phase 5a, b and c locations were completed with curb/gutter work initiated and milling and paving to begin in early 2025 at the phase 5a locations. At the phase 6a, b locations, water service connections began at the start of FY 25 with curb/gutter and milling/paving anticipated to be completed prior to the end of FY 2025.

The phase 5b, c, and 7 stormwater conveyance and pump station upgrades are currently in the regulatory permitting phase and pre-construction procurement activities are anticipated to be conducted during the late spring of 2025, with construction actions to follow. And finally, our Public Works & Beautification staff all received new and continuing training this past year to maintain existing and newly constructed Village Facilities and Infrastructure, with courses and certifications related to safety, utilities, water delivery, and wastewater, sanitary and stormwater collections.

The Village benefitted from a beach renourishment truck project that widened the beaches throughout the Village in 2014 and a supplemental nourishment in 2019. The Village is currently coordinating with Miami-Dade County, the State of Florida and the United States Army Corps of Engineers to conduct a new beach nourishment of 220,000 cubic yards of sand during the summer of 2025. We continue our efforts to have renourishment plans included in the County's long-term plans to assist the Village in obtaining both County and State funding for these efforts in the future. This results in a positive impact on both tourism taxes and property values for the Village. Also, this year the vegetation of the beach/service path was adjusted to provide greater pedestrian access and install additional Seagrape trees to provide an expanded shade canopy in this area.

## **FINANCIAL CONTACT**

The Village's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Village's finances and to demonstrate the Village's accountability. If you have any questions about the report or need additional financial information, contact the Village's Chief Financial Officer at Village Hall located at 655 96<sup>th</sup> Street, Bal Harbour Village, Florida 33154, or call telephone (305) 866-4633.

# BAL HARBOUR

- VILLAGE -

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## **BASIC FINANCIAL STATEMENTS**

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# BAL HARBOUR

- VILLAGE -

# BAL HARBOUR VILLAGE, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Governmental Activities	Business- type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 38,228,553	\$ 4,411,252	\$ 42,639,805
Investments	37,841,558	1,753,475	39,595,033
Receivables, net	1,746,941	890,727	2,637,668
Lease receivable	2,418,956	-	2,418,956
Due from other governments	362,929	-	362,929
Prepaid expenses	208,362	-	208,362
Restricted assets:			
Cash – customer deposits	-	110,464	110,464
Capital assets not being depreciated	85,883,869	14,679,628	100,563,497
Capital assets being depreciated, net	6,751,864	18,578,641	25,330,505
Total assets	173,443,032	40,424,187	213,867,219
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related items	6,884,692	188,090	7,072,782
Other post-employment benefits related items	77,407	-	77,407
Total deferred outflows of resources	6,962,099	188,090	7,150,189
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	2,101,686	243,196	2,344,882
Due to other governments	-	380,144	380,144
Customer deposits	-	110,464	110,464
Unearned revenue	1,896,525	12,548	1,909,073
Non-current liabilities:			
Due within one year	1,050,080	1,303,597	2,353,677
Due in more than one year	301,341	6,087,066	6,388,407
Net pension liability – excess benefit plan	1,761,242	-	1,761,242
Net pension liability – defined benefit plans	14,507,324	438,783	14,946,107
Total other post-employment benefit liabilities			
due in more than one year	985,406	-	985,406
Total liabilities	22,603,604	8,575,798	31,179,402
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Lease related	2,363,897	-	2,363,897
Pension related items	243,618	-	243,618
Total deferred inflows of resources	2,607,515	-	2,607,515
<b><u>NET POSITION</u></b>			
Net investment in capital assets	92,208,068	25,924,814	118,132,882
Restricted for:			
Capital projects	500,000	-	500,000
Tourism development	13,597,202	-	13,597,202
State law enforcement	697,386	-	697,386
Security district	3,241,553	-	3,241,553
Unrestricted	44,949,803	6,111,665	51,061,468
Total net position	\$ 155,194,012	\$ 32,036,479	\$ 187,230,491

See Notes to Financial Statements.

# BAL HARBOUR VILLAGE, FLORIDA

## STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 8,278,892	\$ 7,930,137	\$ -	\$ 703,114	\$ 354,359	\$ -	\$ 354,359
Public safety	9,546,632	1,322,411	-	-	(8,224,221)	-	(8,224,221)
Solid waste	753,536	-	-	-	(753,536)	-	(753,536)
Public works & beautification	3,434,419	-	169,700	307,635	(2,957,084)	-	(2,957,084)
Recreation, arts & culture	2,427,150	-	-	-	(2,427,150)	-	(2,427,150)
Tourism development	2,033,052	5,659,962	-	-	3,626,910	-	3,626,910
Interest on long-term debt	2,895	-	-	-	(2,895)	-	(2,895)
Total governmental activities	26,476,576	14,912,510	169,700	1,010,749	(10,383,617)	-	(10,383,617)
Business-type activities:							
Water and sewer	4,638,737	5,527,438	-	-	-	888,701	888,701
Total business-type activities	4,638,737	5,527,438	-	-	-	888,701	888,701
Total	\$ 31,115,313	\$ 20,439,948	\$ 169,700	\$ 1,010,749	(10,383,617)	888,701	(9,494,916)
General revenues:							
Property taxes					11,976,316	-	11,976,316
Franchise fees based on gross receipts					873,987	-	873,987
Utility taxes					1,124,004	-	1,124,004
Communications services tax					252,276	-	252,276
Unrestricted developer contribution					1,000,000	-	1,000,000
Unrestricted intergovernmental revenue					667,245	-	667,245
Unrestricted investment earnings					3,540,017	395,332	3,935,349
Miscellaneous					822,782	-	822,782
Total general revenues					20,256,627	395,332	20,651,959
Change in net position					9,873,010	1,284,033	11,157,043
Net position, beginning					145,321,002	30,752,446	176,073,448
Net position, ending					\$ 155,194,012	\$ 32,036,479	\$ 187,230,491

See Notes to Financial Statements.

# BAL HARBOUR VILLAGE, FLORIDA

## BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General	Resort Tax	Aggregate Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 26,945,534	\$ 7,271,141	\$ 4,011,878	\$ 38,228,553
Investments	31,682,396	6,159,162	-	37,841,558
Receivables, net	1,350,560	394,874	1,507	1,746,941
Lease receivable	2,418,956	-	-	2,418,956
Due from other governments	351,379	-	11,550	362,929
Prepaid items	205,248	3,114	-	208,362
Total assets	<u>62,954,073</u>	<u>13,828,291</u>	<u>4,024,935</u>	<u>80,807,299</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,784,601	\$ 231,089	\$ 85,996	\$ 2,101,686
Unearned revenue	1,896,525	-	-	1,896,525
Total liabilities	<u>3,681,126</u>	<u>231,089</u>	<u>85,996</u>	<u>3,998,211</u>
<b>DEFERRED INFLOWS OR RESOURCES</b>				
Lease related	2,363,897	-	-	2,363,897
Total deferred inflows of resources	<u>2,363,897</u>	<u>-</u>	<u>-</u>	<u>2,363,897</u>
<b>Fund balances:</b>				
Non-Spendable - Prepays	205,248	3,114	-	208,362
Restricted:				
Capital projects	500,000	-	-	500,000
Tourism development	-	13,594,088	-	13,594,088
State and federal law enforcement	-	-	697,386	697,386
Security district	-	-	3,241,553	3,241,553
Committed:				
Capital projects	16,252,185	-	-	16,252,185
Assigned:				
Excess benefits plan	1,761,242	-	-	1,761,242
Other post-employment benefits and leave time	985,406	-	-	985,406
Red light camera claims	500,000	-	-	500,000
Building and zoning	500,000	-	-	500,000
Capital projects	16,126,575	-	-	16,126,575
Unassigned:				
General fund	20,078,394	-	-	20,078,394
Total fund balances	<u>56,909,050</u>	<u>13,597,202</u>	<u>3,938,939</u>	<u>74,445,191</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 62,954,073</u>	<u>\$ 13,828,291</u>	<u>\$ 4,024,935</u>	<u>\$ 80,807,299</u>
Total fund balances				\$ 74,445,191
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				92,635,733
Deferred outflows and inflows of resources related to pensions and OPEB are recorded in the statement of net position and not recognized under the modified accrual basis of accounting				6,718,481
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.				
Revenue bonds, leases and SBITAs				(131,572)
Compensated absences				(1,219,849)
Other post-employment benefits liabilities				(985,406)
Net pension liability				<u>(16,268,566)</u>
Net position of governmental activities				<u>\$ 155,194,012</u>

See Notes to Financial Statements.

# BAL HARBOUR VILLAGE, FLORIDA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General	Resort Tax	Aggregate Non-major Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes:				
Property	\$ 11,976,316	\$ -	\$ -	\$ 11,976,316
Other local taxes	2,250,267	-	-	2,250,267
Resort tax	-	5,659,962	-	5,659,962
Licenses and permits	3,823,269	-	257,836	4,081,105
Developer contribution	1,000,000	-	-	1,000,000
Fines and forfeitures	1,322,411	-	-	1,322,411
Charges for services	2,232,677	-	-	2,232,677
Special assessments	-	-	1,616,355	1,616,355
Intergovernmental	1,847,694	-	-	1,847,694
Investment earnings	2,831,062	583,230	125,725	3,540,017
Miscellaneous	806,353	25,185	-	831,538
Total revenues	28,090,049	6,268,377	1,999,916	36,358,342
<b>Expenditures:</b>				
Current:				
General government	7,001,523	-	934,439	7,935,962
Public safety	7,836,612	360,750	-	8,197,362
Solid waste	753,536	-	-	753,536
Public works & beautification	1,443,555	1,795,080	-	3,238,635
Recreation, arts and culture	1,434,833	990,065	-	2,424,898
Tourism development	-	1,962,802	-	1,962,802
Capital outlay	1,940,434	-	263,374	2,203,808
Debt Service:				
Principal	91,395	-	-	91,395
Interest	1,882	-	-	1,882
Total expenditures	20,503,770	5,108,697	1,197,813	26,810,280
	7,586,279	1,159,680	802,103	9,548,062
<b>Other financing sources:</b>				
Leases (as leasee)	85,523	-	-	85,523
Total other financing sources	85,523	-	-	85,523
<b>Net change in fund balances</b>	7,671,802	1,159,680	802,103	9,633,585
<b>Fund balances, beginning</b>	49,237,248	12,437,522	3,136,836	64,811,606
<b>Fund balances, ending</b>	\$ 56,909,050	\$ 13,597,202	\$ 3,938,939	\$ 74,445,191

See Notes to Financial Statements.



**BAL HARBOUR VILLAGE, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Amounts reported for governmental activities in the statement of activities  
are different because:

Net change in fund balances – total governmental funds	\$ 9,633,585
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Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated  
over their estimated useful lives and reported as depreciation expense

Depreciation expense	(804,272)
Expenditures for capital assets	2,023,511
Gain on sale of assets	(9,769)
Issuance of debt (lease)	(85,523)

Some expenses reported in the statement of activities do not require  
the use of current financial resources and, therefore, are not reported  
as expenditures in governmental funds:

Net pension liability – defined benefit plans	\$ 1,190,963	
Net pension liability – excess benefit plan	(346,470)	
Compensated absences	(142,526)	
Revenue bonds, SBITA and lease principal payments	91,395	
Total other post-employment benefits liabilities	<u>40,562</u>	833,924

Deferred outflow of resources and deferred inflow of resources related to pensions and OPEB are not recognized in the governmental funds	<u>(1,718,446)</u>
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Change in net position of governmental activities	<u><u>\$ 9,873,010</u></u>
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See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA****STATEMENT OF NET POSITION  
PROPRIETARY FUND**

SEPTEMBER 30, 2024

	<u>Water &amp; Sewer</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 4,411,252
Investments	1,753,475
Receivables, net	890,727
Restricted assets:	
Restricted Cash – customer deposits	110,464
Total current assets	<u>7,165,918</u>
Noncurrent assets:	
Capital assets not being depreciated	14,679,628
Capital assets being depreciated, net	<u>18,578,641</u>
Total noncurrent assets	<u>33,258,269</u>
Total assets	<u>40,424,187</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension related items	<u>188,090</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable and accrued liabilities	243,196
Due to other governments	380,144
Customer deposits	110,464
Unearned Revenue	12,548
Compensated absences	46,719
Bonds, notes, SBITA and leases payable	<u>1,256,878</u>
Total current liabilities	<u>2,049,949</u>
Noncurrent liabilities:	
Net pension liability	438,783
Compensated absences	13,862
Bonds, notes, SBITA and leases payable	<u>6,073,204</u>
Total noncurrent liabilities	<u>6,525,849</u>
Total liabilities	<u>8,575,798</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	25,924,814
Unrestricted	<u>6,111,665</u>
Total net position	<u>\$ 32,036,479</u>

See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

<b>Revenues</b>	<u>Water &amp; Sewer</u>
Operating revenues:	
Charges for sales and services:	
Water sales	\$ 2,796,625
Sewer sales	2,716,747
Fines and penalties	2,630
Miscellaneous	11,436
Total operating revenues	<u>5,527,438</u>
<b>Operating expenses:</b>	
Materials, supplies and administration	687,838
Wastewater treatment charges	1,240,571
Water purchases	1,057,307
Depreciation	539,749
Personnel services	977,525
Total operating expenses	<u>4,502,990</u>
Operating income	<u>1,024,448</u>
<b>Nonoperating revenues (expenses):</b>	
Interest income	395,332
Interest expense	(135,747)
Total nonoperating revenues (expenses)	<u>259,585</u>
<b>Change in net position</b>	1,284,033
Net position, beginning	30,752,446
Net position, ending	<u>\$ 32,036,479</u>

See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Water &amp; Sewer</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 5,507,076
Payments from other government	29,075
Payments to suppliers	(3,053,023)
Payments to employees	(940,674)
Net cash provided by operating activities	<u>1,542,454</u>
Cash flows from capital and related financing activities:	
Principal payments on bonds and leases	(1,241,324)
Purchase and construction of capital assets	(2,185,677)
Interest paid on capital debt	(135,747)
Net cash used in capital and related financing activities	<u>(3,562,748)</u>
Cash flows from investing activities:	
Interest received	395,332
Proceeds from sale of investments	833,849
Net cash provided by investing activities	<u>1,229,181</u>
Net decrease in cash and cash equivalents	(791,113)
Cash and cash equivalents, beginning	<u>5,312,829</u>
Cash and cash equivalents, ending	<u><u>\$ 4,521,716</u></u>
Cash and cash equivalents per statement of net position:	
Unrestricted	\$ 4,411,252
Restricted	110,464
	<u><u>\$ 4,521,716</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,024,448
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	539,749
Changes in operating assets, liabilities and deferred outflows/inflows:	
(Increase) decrease in:	
Receivables	(19,007)
Deferred outflows – pensions	146,063
Increase (decrease) in:	
Accounts payable and accrued liabilities	(67,307)
Due to other governments	29,075
Compensated absences	8,949
Customer deposits	(1,355)
Deferred inflows – pensions	(100,669)
Net pension liability	(17,492)
Net cash provided by operating activities	<u><u>\$ 1,542,454</u></u>
Noncash Investing, Capital and Financing Activities:	
Capital construction related liabilities	\$ 3,373

See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2024**

	Pension Trust Funds	Pending Forfeitures Custodial Fund
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ -	\$ 301,248
Investments:		
Money market mutual funds	1,002,042	-
Mutual funds	9,877,400	-
Bond index funds	5,917,888	-
U.S. Government obligations	6,148,961	-
Corporate bonds	2,739,616	-
Foreign bonds	175,000	-
Large cap equities	24,704,916	-
Real estate investments	3,221,458	-
Infrastructure investments	1,066,582	-
Foreign stock	6,340,304	-
Total investments	61,194,167	-
Accrued interest receivable	104,928	-
Contributions receivable	95,154	-
Prepaid expenses	4,334	-
Total assets	61,398,583	301,248
<b><u>LIABILITIES</u></b>		
Accounts payable and other liabilities	133,143	-
<b><u>NET POSITION</u></b>		
Net position restricted for pension benefits	61,265,440	-
Restricted for other governments	-	301,248
	61,265,440	301,248

See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Pension Trust Funds	Pending Forfeitures Custodial Fund
<b><u>ADDITIONS</u></b>		
Contributions:		
Village	\$ 3,045,521	\$ -
Employees	457,799	-
State	95,154	-
Total contributions	<u>3,598,474</u>	<u>-</u>
Investment income:		
Interest and dividends	1,238,352	-
Net appreciation in the fair value of investments	10,006,865	-
	<u>11,245,217</u>	<u>-</u>
Less investment expenses	(213,416)	-
Net investment income	<u>11,031,801</u>	<u>-</u>
Total additions	<u>14,630,275</u>	<u>-</u>
<b><u>DEDUCTIONS</u></b>		
Benefits payments	2,896,285	-
Lump sum DROP distributions	156,594	-
Administrative expenses	177,300	-
Total deductions	<u>3,230,179</u>	<u>-</u>
Change in net position	11,400,096	-
<b><u>Net position</u></b>		
Beginning	49,865,344	301,248
Ending	<u>\$ 61,265,440</u>	<u>\$ 301,248</u>

See Notes to Financial Statements.

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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# BAL HARBOUR

- VILLAGE -



# **BAL HARBOUR VILLAGE, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of Bal Harbour Village's (the Village) significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying basic financial statements.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the Village are described below:

#### ***A. Financial Reporting Entity***

The Charter of the Village of Bal Harbour, as enacted by Laws of Fla., 1947, Chapter 24386, and amended as authorized by state law and § 5.03 of the Home Rule Charter of Miami-Dade County, Florida. The Village, which was incorporated in August 1946, is located in Miami-Dade County, Florida. The Village operates under a Council-Manager form of government with the Mayor serving as the head of the government for all purposes and the Village Manager serving as the administrative official. The Village provides the following services: public safety (police), physical environment (refuse collection), transportation (maintenance of roads and streets), tourism development, special security district protection, water and sewer utilities, recreation arts & culture and general administrative services. Fire protection, education, hospital facilities and welfare services are provided by other units of local government whose activities are not included in the accompanying financial statements.

The accompanying financial statements include those of the Village and those of its fiduciary (pension trust) component units. Component units are legally separate organizations for which the Village is financially accountable or organizations that should be included in the Village's financial statements because of the nature and significance of their relationship with the Village. Additional information on all these legally separate entities can be found in the notes to the financial statements.

#### ***B. Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***B. Government-Wide and Fund Financial Statements*** (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major funds are aggregated and reported as other governmental funds.

#### ***C. Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements other than the fiduciary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers all revenues except grant revenues to be available if they are collected within 60 days after year end. Grant revenues are considered available if collected within six months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as required by accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, leases, other post-employment benefits and pension costs, are recorded when payment is due.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation** (Continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if received within the availability period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

The **general fund** is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The **resort tax special revenue fund** is used to account for proceeds of resort tax revenue sources that are legally restricted to expenditures for tourism development and beach restoration. Resort taxes are paid monthly by establishments doing business within the Village based on 4% of their revenues from hotel room rentals and 2% of food and beverage sales.

The Village also reports the following non-major government funds:

The **security district fund** accounts for the special assessments received from the property owners residing in the special district maintaining the security and common areas within the special district.

The **state law enforcement trust fund** accounts for the receipts of state forfeiture monies received through the participation in law enforcement cases resulting in the forfeiture of assets awarded by Florida courts. These funds can only be spent for police related activities, equipment and training and all expenditures are approved by Council.

The **federal law enforcement trust fund** accounts for the receipts of federal forfeiture monies received through the participation in law enforcement cases resulting in the forfeiture of assets awarded by Federal courts. These funds can only be spent for police related activities, equipment and training and all expenditures are approved by Council.

The Village also reports the following major proprietary fund:

The **water and sewer fund** is used to account for water and sewer utility operations, which are financed and operated in a manner similar to a private business enterprise. The intent of the Village is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation** (Continued)

Additionally, the Village reports the following fund types:

The **pension trust funds** are used to account for assets held by the Village's General Employees' Pension Trust and the Police Officers' Pension Trust. The assets of the funds are restricted to providing retirement and disability benefits to those qualified employees.

The **pending forfeitures custodial fund** is used to account for the receipts of federal and state forfeiture monies received through the participation in law enforcement cases resulting in the forfeiture of assets to the federal or state government. Money deposited in this fund and earnings on those deposits are not considered property of the Village until awarded to the Village by an order of the court. Therefore, monies are being held on behalf of other government agencies. Custodial funds are prepared under the economic resources measurement focus and the accrual basis of accounting. These funds cannot be used to support the Village's own programs, and therefore, are not reflected in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's water and sewer function and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues in the government-wide financial statements include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, whose purpose has not been restricted to a specific purpose.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*** (Continued)

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources include committed, assigned and unassigned amounts which are available and can be used for the intended purpose. When unrestricted resources are available for use, it is the Village's policy to use committed resources first, then assigned and then unassigned as they are needed.

For the fiscal year beginning October 1, 2023, the Village implemented the following GASB Statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections* improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which results in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information is provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements results in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. The adoption of GASB 100 did not impact the Village's financial position or results of operations.

The following GASB statements have been issued but are unadopted by the Village as of year-end:

- GASB Statement No. 101, *Compensated Absences* will through its unified recognition and remeasurement model, result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The statement will be effective for the Village with its year ending September 30, 2025.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures* establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The statement will be effective for the Village with its year ending September 30, 2025.
- The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024, aims to enhance the effectiveness of governmental financial reporting by making targeted improvements to key components, including Management's Discussion and Analysis (MD&A), presentation of proprietary fund statements, and budgetary comparison information. The statement will be effective for the Village with its year ending September 30, 2026.
- The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024, requires state and local governments to separately disclose information about specific types of capital assets, including lease assets, intangible right-to-use assets, subscription assets, and other intangible assets, as well as capital assets held for sale, to enhance financial reporting transparency and comparability. The statement will be effective for the Village with its year ending September 30, 2026.

The impact of the adoption of the above statements on the Village is not yet known.

#### **D. Cash, Cash Equivalents and Investments**

The Village's cash and cash equivalents include cash on hand, investments with the Florida PRIME administered by the State Board of Administration and short-term investments with original maturities of three months or less from the date of acquisition.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be categorized according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets; Level 3 inputs are significant unobservable inputs.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***D. Cash, Cash Equivalents and Investments*** (Continued)

Investments are reported at fair value which is the amount a financial instrument could be exchanged for in a current transaction between willing parties at the measurement date. Generally, these are quoted market prices. Investments, including restricted investments, consist of mutual funds, U.S. Government securities, corporate debt and equity securities, mortgage-backed securities, asset-backed securities and securities of governmental agencies unconditionally guaranteed by the U.S. Government. Investments with Florida PRIME are recorded at amortized costs.

Level 1 and 2 prices are obtained from third party pricing sources and each Plan custodian's bank as follows: Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes large cap domestic stocks, foreign stocks and mutual funds. Debt securities classified in Level 2 of the fair value hierarchy are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes U.S. government obligations, mortgage-backed and agency securities and corporate bonds. Alternative real-estate investments in the limited partnership are valued at NAV per share, as provided by the investment fund manager. The Plans are permitted to establish fair value of an investment in a nongovernmental entity that does not have readily determinable fair value by using the NAV per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed.

#### ***E. Receivables***

Receivables include amounts due from other governments and others for services provided by the Village. Receivables are recorded and revenues are recognized as earned or as specific expenditures/expenses are incurred. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

Water charges to customers are based on actual water consumption. The Village recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30th of each year.

#### ***F. Prepaids***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditure/expense when consumed (i.e., the consumption method), rather than when purchased in both the governmental and proprietary funds.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***G. Restricted Assets***

The use of certain assets is restricted by specific bond covenants and other legal requirements. Assets so designated are identified as restricted assets on the statements of net position. The Village reports customer water and sewer deposits as restricted assets.

#### ***H. Capital Assets***

Capital assets, which include land, property, plant, equipment, intangible right-to-use assets and SBITA, intangible (e.g., easement) and certain infrastructure assets (e.g., sidewalks and other similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the Proprietary Fund. Capital assets are defined by the government as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed or as they are otherwise acquired.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use intangible right-to-use assets, SBITA, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30
Improvements other than buildings	30
Public domain infrastructure	25-60
Water/sewer system	25-60
Furniture, fixtures and equipment and software	3-20
Right-to-use leased equipment	3-20
Subscription-Based Information Technology Arrangements	3-5

#### ***I. Compensated Absences***

It is the Village's policy to permit employees to accumulate earned, but unused vacation pay and comp-time benefits. Both are accrued when incurred in the government-wide and proprietary funds and reported as a liability. Compensated absences are reported in governmental funds only if they have matured.



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***J. Long-Term Obligations***

In the government-wide financial statements and in the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Issuance costs are expensed in the year of issuance, except for prepaid bond insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reporting as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures, except for prepaid bond insurance cost. Payments of principal and interest are also reported as expenditures.

#### ***K. Pensions***

The Village provides separate defined benefit pension plans for general employees and sworn police officer's hired before October 1, 2016. The Village provides retirement benefits to all full-time officer's sworn in after October 1, 2016 through the Florida Retirement System (FRS and HIS).

The Village also offers an optional deferred compensation plan created in accordance with Internal Revenue Code 457. In 2006, the Village established the Excess Benefit Plan, a qualified governmental excess benefit arrangement as defined in Section 415 of the Internal Revenue Code.

For the purposes of measuring the Village's share of the net pension liability, net pension asset, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, the Village uses information about the fiduciary net position of the Village's General Employees' Pension Plan, Police Officer's Pension Plan, Florida Retirement System (FRS) and Retiree Health Insurance Subsidy (HIS) (the Plans). Additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

#### ***L. Other Post-Employment Benefits (OPEB)***

The total OPEB liability, OPEB expense and deferred outflows and inflows of resources related to OPEB are measured and presented in accordance with the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Additional Information regarding the Village's OPEB liability can be found in Note 9.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***M. Deferred Outflows and Inflows of Resources***

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the consumption of net assets that applies to future periods and will be recognized as expenditures in the future period to which it applies. Currently, there is only deferred outflows related to pensions and OPEB in this category.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net assets that applies to future periods and will be recognized as revenue in the future period to which it applies. Currently, there are deferred inflows related to pensions and leases in this category.

#### ***N. Unearned Revenues***

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the governmental fund financial statements.

Unearned revenues in the government-wide and governmental funds financial statements at year end are for grant and resort tax revenue received in advance.

#### ***O. Fund Balance***

The Village reports the following fund balance classifications:

*Non-spendable fund balance.* Non-spendable fund balances are amounts that are: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

*Restricted fund balance.* Restricted fund balances are amounts that can be spent only for specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for the specific purposes determined by a formal action (Ordinance and Resolution have the same authority) of the Village Council, the Village's highest level of decision making authority. Commitments may be changed or lifted only by the Village Council taking the same formal action (Ordinance and Resolution) that imposed the constraint originally.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **O. Fund Balance** (Continued)

*Assigned fund balance.* Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. Intent is established by the Village Manager to which the Council has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. This balance includes: (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed; and (b) amounts in the General Fund that are intended to be used for a specific purpose.

Specific amounts that are not restricted or committed in a special revenue fund are assigned for specific purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Village itself.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The Village adopted a formal Fund Balance Policy that provided for definitions and classifications of fund balance. The policy also provides for certain non-spendable fund balance, restricted, committed, and assigned categories. Of particular note is the assigned fund balance for the Village's excess benefit plan and other postemployment benefits of \$1.8 million and \$1.0 million, respectively, in the General Fund; and \$16.1 million for future capital projects. Committed fund balance of \$16.3 million in the General Fund are primarily for the future new Village Hall capital project. A requirement to maintain a minimum unassigned General Fund balance of 33% of the subsequent year's General Fund budgeted operating expenditures exists, and the Village exceeded that goal with \$20.1 million or 95.3% of the General Fund fiscal year 2024 budgeted operating expenditures.

#### **P. Net Position**

The net position of the government-wide and the proprietary fund are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the Village's capital assets reduced by accumulated depreciation and any associated debt used to acquire or construct those capital assets.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net positions that do not meet the definition of either of the other two components.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **P. Net Position** (Continued)

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **Q. Leases and Subscription-Based Information Technology Arrangement (SBITA)**

##### **Leases**

The Village is a lessee for noncancellable lease of equipment. The Village recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Village recognizes lease liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a lease, the Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its estimated useful life or the lease term.

Key estimates and judgments related to leases and SBITA include how the Village determines (1) the discount rate it uses to discount the expected lease and SBITA payments to present value, (2) lease and SBITA term, and (3) lease and SBITA payments.

- The Village uses the interest rate charged by the vendor as the discount rate. When the interest rate charged is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease and SBITA term includes the noncancellable period of the lease and SBITA. Lease and SBITA payments included in the measurement of the lease and SBITA liability are composed of fixed payments and purchase option price that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Q. Leases** (Continued)

The Village is a lessor for a noncancellable lease of a building. The Village recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Village initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Village uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments due from the lessee.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **SBITA**

The Village has recorded SBITA assets and liabilities in accordance with GASB Statement No. 96 - *SBITA*. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract. The costs of normal maintenance and repairs that do not add to the values of the assets or materially extend the asset lives are not capitalized and are expensed as incurred. The Village monitors changes in circumstances that would require a remeasurement of its SBITAs and will do so if certain changes occur that would be expected to significantly affect the amount of the lease liability. SBITA assets are reported with other capital assets and SBITA lease liabilities are reported with long-term debt on the statement of net position.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***R. Use of Estimates***

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets/deferred outflows of resources, liabilities/deferred inflows of resources, and the disclosures of contingent balances as of the date of the financial statements, as well as revenue and expenses during the period reported. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

### NOTE 2. PROPERTY TAXES

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mills. The fiscal year 2024 millage rate assessed by the Village was 1.9654 mills.

The tax levy of the Village is established by the Village Council prior to October 1 each year and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County (the County), Miami-Dade County School Board and special taxing districts.

All property is reassessed according to its fair value as of January 1 each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes.

All real and tangible personal property taxes are due and payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. The County mails to each property owner on the assessment roll a notice of the taxes due and the County also collects the taxes for the Village. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by the County are provided for in the laws of Florida. There were no significant delinquent property taxes as of September 30, 2024, however the Village continues to experience the effects of the Value Adjustment Board's action on appealing assessment values, which directly impacts the collection of budgeted property tax revenue.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS

At September 30, 2024, cash and investments of the primary government and the fiduciary funds consisted of the following:

	<b>Balance</b>
<b>Primary Government</b>	
Cash and cash equivalents	\$ 42,758,941
Investments	39,595,033
Total cash, cash equivalents and investments	<u>\$ 82,353,974</u>
<b>Fiduciary Funds</b>	
Cash and cash equivalents	\$ 301,248
Investments	61,194,167
Total cash, cash equivalents and investments	<u>\$ 61,495,415</u>

#### **Deposits**

The carrying amounts of the Village's cash deposits were \$18,034,446 as of September 30, 2024. In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized.

#### **Investments - Other Than Pension Funds**

Village administration is authorized to invest in those instruments authorized by the Florida statutes, including the Florida PRIME administered by the Florida State Board of Administration (State Treasurer's Investment Pool); the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969; Security and Exchange Commission registered money market funds with the highest credit quality ratings from a nationally recognized rating agency; interest bearing time deposits or savings accounts in qualified public depositories (as defined in Section 280.02, Florida Statutes) and direct obligations of the U.S. Treasury.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

The State Board of Administration (SBA) administers the Florida PRIME, which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the SBA has adopted operating procedures which permits the use of money market funds in order to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Florida PRIME pool is operating in a manner consistent with SEC rules of 2a-7 funds. The investments in Florida PRIME are not insured by FDIC or any other governmental agency.

As of September 30, 2024, the Village had the following investments:

Investment Type	Fair Value	Weighted Average Duration (Years)	Credit Rating
Florida PRIME	\$ 14,245,601	0.20	AAAm
United States Treasury Notes	39,595,033	3.48	Aaa
Money market mutual funds	4,330,456	Daily	Aaa
Total	<u>\$ 58,171,090</u>		

Note: Florida PRIME and the money market mutual funds are included as cash equivalents in the financial statements.

As of September 30, 2024, the Village's investments were categorized as follows:

Investment Type	Amount	Level 1	Level 2
United States Treasury Notes	\$ 39,595,033	\$ -	\$ 39,595,033

Investments not at fair value:

Florida PRIME (Measured at NAV)	14,245,601
Money market mutual funds (measured at amortized cost)	4,330,456
	<u>\$ 58,171,090</u>



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

#### ***Interest Rate Risk***

The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2024, was 39 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The pool's guidelines allow for the purchase of only money-market assets at least 50% rated 'A-1+' by Standard & Poor's and no more than 50% rated 'A-1', such as U.S. Treasury and U.S. agency obligations, corporate obligations including commercial paper and asset backed commercial paper; municipal securities; bank obligations; and money-market mutual funds. In accordance with its investment policy, as a general rule the Village manages its exposure to declines in fair values by limiting the maximum maturity length of investments to three years. The years to maturity of each debt security held is disclosed previously in the notes to the financial statements.

#### ***Credit Risk***

The Village does not have an investment policy for credit risk. Village administration is authorized to invest in those instruments authorized by the Florida statutes, including the Florida PRIME administered by the Florida State Board of Administration (State Treasurer's Investment Pool). The credit rating of each debt security held, is disclosed previously in the notes to the financial statements.

#### ***Concentration of Credit Risk***

The Village structures its investment mix in a manner to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. As of September 30, 2024, other than US Treasury securities which are not considered to have concentration risk, the value (at the time a security is purchased) of each position held in any single issuer within the Village's portfolio is less than 5% of total Investments.

#### ***Custodial Credit Risk***

Custodial credit risk is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of an outside party. The Village requires that investments being held by a third-party custodian be properly designated as an asset of the Village and be held in the Village's name. The Village is in compliance with this policy at year end.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

#### ***Investments - General Employees' Pension Plan***

##### Policy

The Plan maintains a master custodial agreement whereby the investment securities are held in the plan's name by a financial institution acting as the Plan's agent.

The Board of Trustees of the Bal Harbour Village General Employees' Pension Plan & Trust (the Plan) adopted an amended Investment Policy on April 18, 2024. The Board of Trustees has opted to invest in index funds, actively managed hedge strategy & infrastructure mutual funds, and actively managed real estate fund with a 1933 Act Non-Traded Perpetual Life REIT structure. All of these investments are permitted in the Investment Policy Statement. The policy defines the scope of control of the Board, the investment objectives, performance measurements, investment and fiduciary standards, authorized investments, maturity and liquidity requirements, portfolio composition, risk and diversification, target asset mixes and permitted ranges, expected annual rates of return and other investment requirements.

The Plans' investments are categorized as follows according to the GASB 72 fair value level hierarchy as of September 30, 2024:

Investment Type	Balance	General Employees Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<b>Investment by Fair Value Level</b>				
Mutual funds:				
Bond index funds	\$ 5,917,888	\$ 5,917,888	\$ -	\$ -
Large cap domestic stock	12,524,688	12,524,688	-	-
Mutual funds	1,233,359	1,233,359	-	-
Foreign stocks	2,664,869	2,664,869	-	-
Foreign bonds	175,000	175,000	-	-
<b>Total Investments at Fair Value</b>	22,515,804	22,515,804	-	-
Investments not at Fair Value				
Real estate investments (measured at NAV)	887,174			
Infrastructure investments (measured at NAV)	1,066,582			
Money market funds (measured at amortized cost)	267,511			
<b>Total Investments</b>	<u>\$ 24,737,071</u>			

Alternative real-estate and infrastructure investments in the limited partnership are valued at NAV per share, as provided by the investment fund manager. The Plan is permitted to establish the fair value of an investment in a nongovernmental entity that does not have a readily determinable fair value by using the NAV per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

#### ***Investments - General Employees' Pension Plan*** (Continued)

The fair value of the Plan's investment in real-estate and infrastructure investments are measured using the NAV per share (or equivalent) valuation technique in accordance with GASB 72. The Plan's fair value of its investment in real-estate and infrastructure investments was \$887,174 and \$1,066,582, respectively, as of September 30, 2024, and there are no unfunded commitments. The Plan may request redemption of its holdings in the real estate fund monthly, provided the Plan has no unfunded commitments outstanding. The infrastructure fund redemptions can be requested daily.

The real-estate investment is a balanced portfolio of high-quality real estate assets spanning four major U.S. Property types. The objective of the Fund is to deliver consistent monthly income and capture long-term value appreciation across the portfolio.

The infrastructure investment is a balanced portfolio of U.S. and non-U.S. equity securities issued by infrastructure companies including utilities, pipelines, toll roads, airports, railroads, marine ports, telecommunications companies, and other infrastructure companies. The investment objective of the Fund is to seek to achieve total return through investments in these assets.

#### Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means managing its exposure to market value losses arising from changing interest rates. The portfolio's current fixed income exposure is through investments in mutual funds; however, the investment policy also permits use of separately managed accounts.

As of September 30, 2024, the Plan had the following fixed income investments and maturities:

	Fair Value	General Employees' Plan Investment Maturities (In Years)				More than 10 years
		Less Than 1	1-5	6-10		
Mutual funds:						
Bond index funds	\$ 5,917,888	\$ -	\$ 2,885,219	\$ 3,032,669	\$ -	
Foreign bonds	175,000	-	150,000	25,000	-	
<b>Total</b>	<b>\$ 6,092,888</b>	<b>\$ -</b>	<b>\$ 3,035,219</b>	<b>\$ 3,057,669</b>	<b>\$ -</b>	

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The majority (over 90%) of the portfolio's investments are in mutual funds. Therefore, the portfolio bears similar credit risk to the aggregate market.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

#### Concentration of Credit Risk

The majority (approximately 90%) of the portfolio's investments are in index mutual funds. Therefore, the majority of the portfolio represents the total diversification provided in the markets that the index funds mirror. The remaining approximately 10% of the portfolio is invested in alternative investment assets (hedge strategy, infrastructure, and real estate) that have lower correlations to the traditional equities & fixed income.

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. The Plan requires that investments being held by a third-party custodian be properly designated as an asset of the Plan and be held in the Plan's name.

#### ***Investments - Bal Harbour Police Officer's Pension Plan***

The Plan's investment policy establishes asset classes and stipulates the following maximum portfolio percentages as of September 30, 2024:

Authorized Investments	Allowable Range %	Target %
Domestic Equity	45% - 65%	50%
Fixed Income	10% - 35%	25%
Foreign Securities	5% - 15%	10%
Private Real Estate	0% - 20%	15%

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

The Plans' investments are categorized as follows according to the GASB 72 fair value level hierarchy as of September 30, 2024:

	Balance	Police Plan Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments by Fair Value Level</b>			
Fixed income securities:			
U.S. government obligations	\$ 6,148,961	\$ 3,933,204	\$ 2,215,757
Corporate bonds	2,739,616	-	2,739,616
<b>Total Fixed Income Securities</b>	8,888,577	3,933,204	4,955,373
Equity securities:			
Large cap domestic stock	12,180,228	12,180,228	-
Foreign stocks	3,675,435	3,675,435	-
Mutual Funds	8,644,042	8,644,042	-
Total Equity securities	24,499,705	24,499,705	-
<b>Total Investments at Fair Value</b>	33,388,282	28,432,909	4,955,373
Investments not at Fair Value			
Real estate investments (measured at NAV)	2,334,284		
Money market funds (measured at amortized cost)	734,530		
<b>Total Investments</b>	<u>\$ 36,457,096</u>		

#### Custodial Risk

Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of financial failure. The Plan maintains a master custodian agreement, whereby the investment securities are held by a financial institution acting as the Plan's agent. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts and in the name of the Plan.

#### Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments, as well as investments bond in mutual funds, external investment pools and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan's investment policy does not currently set a parameter on the duration of its fixed income securities. As of September 30, 2024, the Police Officer's Pension Plan had the following fixed income investments and maturities:

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More than 10 years
U.S. government obligations	\$ 6,148,961	\$ 124,376	\$ 3,113,609	\$ 695,219	\$ 2,215,757
Corporate bonds	2,739,616	-	1,218,950	1,197,156	323,510
<b>Total</b>	<u>\$ 8,888,577</u>	<u>\$ 124,376</u>	<u>\$ 4,332,559</u>	<u>\$ 1,892,375</u>	<u>\$ 2,539,267</u>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Police Officer's Pension Plan's investment policy limits fixed income investments to a rating no lower than Standard & Poor's BBB or Moody's Baa. This Plan's fixed income investments had the following Standard & Poor's or Moody's ratings:

Rating	Fair Value
AA+	\$ 6,148,961
A	116,600
A-	969,773
BBB+	898,020
BBB	755,223
	<u>\$ 8,888,577</u>

#### Concentration of Credit Risk

The Plans' investment policy stipulates that not more than 5% of Plan assets can be invested in the common stock of any one issuing company. As of September 30, 2024, the Plan is in compliance with the established investment policy.

### NOTE 4. RECEIVABLES AND LEASE RECEIVABLE

Receivables as of year-end for the government's individual major funds and non-major funds, including any applicable allowances for uncollectible accounts are as follows:

	Major Funds			Nonmajor	Total
	General Fund	Resort Tax Fund	Water and Sewer Fund	Funds	
Receivables:					
Taxes and assessments	\$ 962,353	\$ 394,874	\$ -	\$ 1,507	\$ 1,358,734
Accounts	388,207	-	890,727	-	1,278,934
Gross receivables	1,350,560	394,874	890,727	1,507	2,637,668
Less allowance for uncollectible	-	-	-	-	-
<b>Net receivables</b>	<b>\$ 1,350,560</b>	<b>\$ 394,874</b>	<b>\$ 890,727</b>	<b>\$ 1,507</b>	<b>\$ 2,637,668</b>

The Village is a lessor of commercial property. At September 30, 2024, the Village lease receivable was \$2.4 million and a deferred inflow of resources of \$2.4 million related to leases was reported.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

Capital asset activity for the governmental activities for the fiscal year ended September 30, 2024, follows:

<b>Governmental activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated:					
Land	\$ 32,028,959	\$ -	\$ -	\$ -	\$ 32,028,959
Land easements	29,000,000	-	-	-	29,000,000
Construction in progress	24,218,495	1,738,045	-	(1,101,630)	24,854,910
Total capital assets not being depreciated	85,247,454	1,738,045	-	(1,101,630)	85,883,869
Capital assets being depreciated:					
Buildings	4,762,910	-	-	150,055	4,912,965
Improvements other than buildings	3,074,109	-	-	207,623	3,281,732
Right-to-use leased asset	95,361	-	(15,844)	-	79,517
Furniture, fixtures and equipment	3,946,093	199,943	(96,753)	506,077	4,555,360
SBITA	28,645	85,523	-	237,875	352,043
Total capital assets being depreciated	11,907,118	285,466	(112,597)	1,101,630	13,181,617
Less accumulated depreciation for:					
Buildings	(1,789,965)	(137,058)	-	-	(1,927,023)
Improvements other than buildings	(1,539,930)	(117,302)	-	-	(1,657,232)
Right-to-use leased asset	(48,076)	(29,573)	15,844	-	(61,805)
Furniture, fixtures and equipment	(2,340,790)	(402,992)	86,984	-	(2,656,798)
SBITA	(9,548)	(117,347)	-	-	(126,895)
Total accumulated depreciation	(5,728,309)	(804,272)	102,828	-	(6,429,753)
Total capital assets being depreciated, net	6,178,809	(518,806)	(9,769)	1,101,630	6,751,864
<b>Governmental activities capital assets, net</b>	<b>\$ 91,426,263</b>	<b>\$ 1,219,239</b>	<b>\$ (9,769)</b>	<b>\$ -</b>	<b>\$ 92,635,733</b>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (Continued)

Capital asset activity for the business-type activities for the fiscal year ended September 30, 2024, follows:

<b>Business-type activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated:					
Land	\$ 6,545,190	\$ -	\$ -	\$ -	\$ 6,545,190
Construction in progress	6,033,416	2,101,022	-	-	8,134,438
Total capital assets not being depreciated	12,578,606	2,101,022	-	-	14,679,628
Capital assets being depreciated:					
Buildings	1,091,429	-	-	-	1,091,429
Furniture, fixtures and equipment	96,516	63,800	-	-	160,316
Water/sewer system	21,488,031	20,855	-	-	21,508,886
Right-to-use leased asset	24,455	-	-	-	24,455
Total capital assets being depreciated	22,700,431	84,655	-	-	22,785,086
Less accumulated depreciation for:					
Buildings	(59,120)	(27,287)	-	-	(86,407)
Furniture, fixtures and equipment	(51,309)	(11,580)	-	-	(62,889)
Water/sewer system	(3,544,759)	(495,128)	-	-	(4,039,887)
Right-to-use leased asset	(11,508)	(5,754)	-	-	(17,262)
Total accumulated depreciation	(3,666,696)	(539,749)	-	-	(4,206,445)
Total capital assets being depreciated, net	19,033,735	(455,094)	-	-	18,578,641
<b>Business-type activities capital assets, net</b>	<b>\$ 31,612,341</b>	<b>\$ 1,645,928</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,258,269</b>



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (Continued)

Depreciation expense for the fiscal year ended September 30, 2024, was charged to functions/programs as follows:

Governmental activities:

General government	\$ 367,633
Public safety	168,353
Road, streets, and parks	195,784
Recreation, arts & culture	2,252
Tourism development	70,250
Total depreciation expense - governmental activities	<u>\$ 804,272</u>

Business-type activities:

Water and sewer	<u>\$ 539,749</u>
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### NOTE 6. ADMINISTRATIVE CHARGES

The General Fund charges other funds an administrative charge for services provided during the year. Amounts charged to each fund for the fiscal year ended is presented below.

Resort Tax Fund	Security District Fund	Water and Sewer Fund	Total
\$ 40,000	\$ 45,000	\$ 70,000	\$ 155,000

### NOTE 7. LONG-TERM DEBT

On October 18, 2011, the Village issued the Capital Improvement Revenue Bonds, Series 2011 Bonds (Bonds) in the amount of \$10,000,000. 96.5% of this debt was allocated to the water and sewer fund and 3.5% was allocated to the governmental activities. The Bonds bear interest on the outstanding principal balance from their date of issuance payable semi-annually on each March 31, September 30 (the Interest Payment Dates) at an interest rate equal to 63% of the 10-Year H-15 Swap Index, plus 1.05% (the Fixed Rate). As used herein, "10-Year H-15 Swap Index" means the most recent rate designated as the 10-year interest rate swap rate under the H.15 Selected Interest Rates published by the Federal Reserve. The interest rate as of September 30, 2024 on the Bonds was 5.13%.

The Village pledged, assigned and granted a security interest in the Local Government Half-Cent Sales Tax, the Municipal Revenue Sharing and the Alcoholic Beverage License Tax Revenues in order to secure the principal of and interest on the Bonds. To the extent these revenues are insufficient to pay principal of and interest on the Bonds when due, the Village agrees to appropriate in its annual budget, if necessary, non-ad valorem revenues lawfully available in each fiscal year, amounts sufficient to pay the principal and interest due on the Bonds in accordance with the terms during such fiscal year.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (Continued)

On April 23, 2020, the Village issued the Series 2020 Utility Revenue Note in the amount of \$8,096,000. The Note bears interest on the outstanding principal balance from their date of issuances, payable semiannually on each March 31 and September 30 (the Interest Payment Dates) at an interest rate equal to 1.29% per annum. The Village pledged that it would charge such rates, fees and other charges of the Utility System to maintain Pledged Revenues equal to at least 1.10 times the Maximum Annual Debt Service on the Note and any other Utility System Parity Debt.

The debt outstanding at September 30, 2024, consist of the following:

Debt	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Service
Series 2011 Revenue Bond	To Fund Water and sewer projects	\$ 10,000,000	\$ 1,443,387	1.040%	\$ 753,289
Series 2020 Utility Note	To Fund Water and sewer projects	\$ 8,096,000	\$ 5,930,000	1.290%	\$ 636,285

The Villages bond and note are secured by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those liabilities as of September 30, 2024 are as follows:

#### Revenue Bond:

Current revenue pledged	\$434,316
Current debt service	\$753,289
Total future revenue pledged	\$1,497,615

Description of debt	Bal Harbour Village, Florida Capital Improvement Revenue Bonds, Series 2011
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Purpose of debt	To fund water and sewer projects
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Term of commitment	2011 - 2026
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Percentage of debt service to pledged revenue (current year)	173%
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# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (Continued)

#### Note Payable:

Current revenue pledged	\$1,024,448
Current debt service	\$635,497
Total future revenue pledged	\$6,358,847
Description of debt	Bal Harbour Village, Florida Series 2020 Utility Note
Purpose of debt	To fund water and sewer projects
Term of commitment	2011 – 2034
Percentage of debt service to pledged revenue (current year)	62%

Long-term liabilities activity for the fiscal year ended September 30, 2024, for governmental and business-type activities follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Revenue bonds - Direct placement	\$ 75,311	\$ -	\$ (24,793)	\$ 50,518	\$ 25,102
Obligations under leases and SBITA	62,133	85,523	(66,602)	81,054	52,775
Compensated absences	1,077,323	884,192	(741,666)	1,219,849	972,203
Total OPEB liability	1,025,968	53,598	(94,160)	985,406	77,407
Net pension liability - defined benefit plans	15,698,287		(1,190,963)	14,507,324	-
Net pension liability - excess benefit plan	1,414,772	275,633	70,837	1,761,242	-
<b>Total governmental activities, long-term liabilities</b>	<b>\$ 19,353,794</b>	<b>\$ 1,298,946</b>	<b>\$ (2,047,347)</b>	<b>\$ 18,605,393</b>	<b>\$ 1,127,487</b>
<b>Business-type activities:</b>					
Revenue bonds - Direct placement	\$ 2,076,435	\$ -	\$ (683,566)	\$ 1,392,869	\$ 692,109
Note payable - Direct placement	6,482,000	-	(552,000)	5,930,000	559,000
Obligations under leases	12,971	-	(5,758)	7,213	5,769
Compensated absences	51,632	32,812	(23,863)	60,581	46,719
Net pension liability - defined benefit plans	456,275	-	(17,492)	438,783	-
<b>Total business-type activities, long-term liabilities</b>	<b>\$ 9,079,313</b>	<b>\$ 32,812</b>	<b>\$ (1,282,679)</b>	<b>\$ 7,829,446</b>	<b>\$ 1,303,597</b>

The Village's outstanding revenue bonds contain a provision that in an event of default, outstanding amounts become immediately due if the Village is unable to make payment. The Village's outstanding note payable contains a provision that in the event of default, the interest rate shall be the then current interest rate on the Note at the time of the event of default plus 2%, provided such interest rate is not in excess of the maximum rate permitted by law.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (Continued)

For governmental activities, the general fund liquidates the compensated absences, leases, SBITAs, pensions, and other post-employment benefits liabilities.

The following is the summary of the annual debt service requirements to maturity:

#### Revenue Bond – Direct Placement:

Fiscal Years Ended September 30:	Principal	Interest	Total
2025	\$ 717,211	\$ 36,078	\$ 753,289
2026	726,176	18,150	744,326
	<u>\$ 1,443,387</u>	<u>\$ 54,228</u>	<u>\$ 1,497,615</u>

#### Note payable – Direct Placement:

Fiscal Years Ended September 30:	Principal	Interest	Total
2025	\$ 559,000	\$ 76,497	\$ 635,497
2026	567,000	69,285	636,285
2027	574,000	61,972	635,972
2028	581,000	54,567	635,567
2029	589,000	47,072	636,072
2030 – 2034	3,060,000	119,454	3,179,454
	<u>\$ 5,930,000</u>	<u>\$ 428,847</u>	<u>\$ 6,358,847</u>

The Village leases certain assets from various third parties. The assets leased include vehicles and equipment. Payments are generally fixed monthly with any related operating costs excluded from the lease liability. Lease asset activity of the Village is included in Note 5.

The Village obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed monthly.

The future principal and interest lease and SBITA liability balances as of September 30, 2024, were as follows:

Years Ending September 30:	Leases	SBITA	Total
2025	\$ 22,604	\$ 34,871	\$ 57,475
2026	2,778	28,482	31,260
Total lease and SBITA payments	25,382	63,353	88,735
Less amount representing interest	(107)	(361)	(468)
Lease and SBITA payable	<u>\$ 25,275</u>	<u>\$ 62,992</u>	<u>\$ 88,267</u>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS

#### A. DEFINED BENEFIT PLANS

The following brief descriptions of the Retirement Plans are provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

#### ***Summary of Significant Accounting Policies***

##### *Basis of Accounting*

The Plans' financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. Village contributions are recognized as revenue when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Interest and other income are recorded as earned and dividend income is recorded as of the ex-dividend date.

For the purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans.

##### *Plan Descriptions*

The Village, as a single employer, maintains two Public Employee Retirement Systems (PERS) defined benefit pension plans covering substantially all full-time employees and an unfunded excess benefits plan. On October 1, 1955, the Village established the Bal Harbour Village Employees' Pension Trust (General Employees' Plan). In fiscal year ended September 30, 2000, the police officers of the Village elected to form their own plan (Police Officer's Pension Plan) in order to continue receiving Section 185 monies from the State of Florida. The Police Officers' Pension Plan was effectively closed October 1, 2017, all full-time officers sworn in after that date are members of the FRS. To fund benefits owed by employment contracts that cannot be funded through either defined benefit plan, the Village also established the Bal Harbour Village Excess Benefit Plan (Excess Benefit Plan) in year 2006. The Excess Benefit Plan is not included in a trust.

The pension plans are considered to be part of the Village's financial reporting entity and are included in the Village's financial statements as pension trust funds. The Bal Harbour Police Officers' Pension Trust (Police Officer's Pension Plan) issues a publicly available financial report that includes the financial statements and required supplementary information. The report may be obtained by writing to the Plan Administrator at rickrivera@pensionfl.com or calling (786) 303-3488. The General Employees' Plan does not issue separate financial statements.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

The Police Officer's Pension Plan received a favorable IRS Determination on April 20, 2016, and subsequently on September 18, 2016, the General Employees' Plan received the same. This indicates that both Plans are designed and are currently being operated in compliance with the applicable sections of the Internal Revenue Code. Effective October 1, 2021, a new bargaining agreement was reached with the Police Benevolent Association (PBA).

The Excess Benefit Plan is a qualified governmental excess benefit plan established in accordance with Section 415 of the Internal Revenue Code. The purpose of this Plan is to provide retirement benefits to employees covered by either or both of the Village's defined benefit plans whose benefits are otherwise limited by IRC §415.

Plan membership consisted of the following. The most recent actuarial valuation date for the General Employees' Plan and Police Officer's Pension Plan is October 1, 2022 respectively, and the actuarial valuation date is September 30, 2024 for the Excess Benefit Plan:

	General	Police Officer's	Excess Benefit
Inactive plan members and beneficiaries currently receiving benefits	34	26	1
Inactive plan members entitled to but not yet receiving benefits	12	-	-
Active plan members	42	14	-
Total members	88	40	1

#### **General Employees' Plan**

The benefit provisions and all other requirements of the General Employees' Plan are established by Village Ordinance No. 447, as amended and restated on April 11, 2022, and are summarized as follows:

The Plan is administered by a Board of Trustees comprised of members of the Village Council and two General Employees.

#### **Vesting**

Benefits are fully vested after 10 years of credited service.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **General Employees' Plan (Continued)**

##### Eligibility for Participation

Full-time employees hired before May 1, 2022, are eligible for benefits under the plan after completing one year of continuous employment from the anniversary date of the Plan, which is October 1. Full-time employees hired on or after May 1, 2022 are eligible for benefits under the plan. Eligibility for benefits under the plan were extended to include the Village Manager who was serving on May 1<sup>st</sup>, 2022; and members of the Village Council serving on May 1<sup>st</sup>, 2022 and elected to council thereafter.

##### Eligibility for Retirement

The Plan provides for normal retirement as follows:

Full-time employees hired before May 1, 2022; and the Village Manager who is serving on May 1, 2022 following the earlier of:

- a) Age 57, regardless of credited service,
- b) Age 55, having completed 25 years of credited service or
- c) 30 years of credited service regardless of age.

Full-time employees hired on or after May 1, 2022 following the earlier of:

- a) Age 62, with 5 years of service, or
- b) Age 60 with 25 years of service.

Members of the Village Council serving on May 1<sup>st</sup>, 2022 and elected to council thereafter following the earlier of:

- a) Age 57, with 8 years of service, or
- b) 20 years of credited service regardless of age.

##### Annual Retirement Benefit

The monthly retirement benefit for full-time employees hired before May 1, 2022 is equal to 3% of final average compensation (FAC) (average of the highest 36 consecutive months of compensation, as defined, during the 10 years immediately preceding retirement or termination) times completed years and months of continuous employment. The monthly retirement benefit for full-time employees hired on or after May 1, 2022 is equal to 2.5% of FAC (average of the highest 60 consecutive months of compensation, as defined, during the 10 years immediately preceding retirement or termination) times completed years and months of continuous employment.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### General Employees' Plan (Continued)

The monthly retirement benefit for the Village Manager is equal to 8% of FAC times credited service up to 5 years after May 1, 2022; and 4% of FAC in excess of 5 years. The monthly retirement benefit for Council Members is equal to 4% of FAC times credited service, but not more than 48%, if retiring with less than 20 years of service. The benefit payable to any council member who completes 20 consecutive years of employment as a Council member shall be 50% of FAC in accordance with section 112.048, Florida Statutes.

#### Cost of Living Adjustment

Retired participants hired before May 1, 2022 and elected to council thereafter, except those who elect to take a lump sum distribution, will receive a 2.50% compounded annual COLA; commencing on the one-year anniversary of the retirement date or DROP entry, whichever occurs first and will continue to be paid each year thereafter. Retired full-time participants hired after May 1, 2022, except those who elect to take a lump sum distribution, will receive a 1.25% compounded annual COLA; commencing on the fifth-year anniversary of the retirement date or DROP entry, whichever occurs first and will continue to be paid each year thereafter. To receive the COLA an employee must be or become an active participant on or after March 21, 2006.

#### Target Asset Mix

The Policy establishes the following Target Asset Mix for the plan:

Asset Class	Target Allocation
Domestic Equity	50%
Domestic Bonds	25%
International Equity	10%
Other (FofHF, Infrastructure, Private Real Estate)	15%
	<u>100%</u>

#### Other Benefits

The system also provides for optional retirement benefits, early retirement, deferred retirement, disability retirement and death benefits.

#### Contributions and Funding Policy

Full-time employees are required to contribute 8% of their annual compensation, to be deposited each pay period. The Village is required to contribute the amount in excess of employee contributions to pay the annual pension cost. The pension board establishes the required employee contribution. There is no contribution requirement for the Village Manager nor Council Members. The required employer contribution is actuarially determined as of October 1 of each year. The required employer contribution for the fiscal year ended September 30, 2024 was \$1,746,181 and was 40.87% of covered-employee payroll.



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **General Employees' Plan** (Continued)

If any employee leaves covered employment or dies before ten years of credited service, accumulated employee contributions are refunded to the employee or the designated beneficiary.

#### **Rate of Return**

For the year ended September 30, 2024, the annual money-weighted rate of return on pension investments, net of pension plan investment income was 22.62%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the dollar-weighted rate of return (loss) calculation are determined on a monthly basis.

#### **Deferred Retirement Option Program**

The Plan has a Deferred Retirement Option Program (DROP) for participants who are eligible to receive normal retirement. Council Members do not participate in the DROP. Eligible members may apply to participate by applying to the Board. Upon a member's election to participate in the DROP, that member shall be considered retired. Monthly retirement benefits that would have been payable had the member retired without electing the DROP will be paid into the DROP and credited to the retired member who may not receive any of these amounts until they actually sever employment with the Village. Upon separation from service with the Village, the entire DROP balance is made to or for the benefit of the participant as a lump sum distribution. Payments into the DROP will earn the same return as earned by the remainder of the Plan assets or a fixed rate of 4% at the option of the participant. This option can be changed every year prior to December 1st for the following calendar year. If they do not make a choice, the default option is the fixed rate of 4%.

At September 30, 2024, there were 4 members who were enrolled under the DROP. The total liability for the members DROP account as of September 30, 2024 was \$397,285. This amount is included in the total investment balance and the net position presented on the statement of fiduciary net position.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **Police Officer's Pension Plan**

The Police Officer's Pension Plan was established to account for the pension for the Village's police officers. The Plan is considered part of the Village's financial reporting entity and is included in the Village's financial statements as a pension trust fund. Benefit and contribution provisions are established by Village ordinance and may be amended only by the Board of Trustees, subject to approval of the Village Council. The Plan was available to full-time sworn Police Officers from date of employment, including probationary period. Participation was mandatory as a condition of employment, except for the Police Chief, who may opt out. The Police Officers' Pension Plan was effectively closed December 1, 2016, all full-time officers sworn in after that date are members of the Florida Retirement System.

The Plan is administered by a Board of Trustees comprised of:

- a. Two Village residents appointed by the Village Council.
- b. Two Police Officers elected by a majority of Police Officers.
- c. A fifth member elected by the Board and appointed (as a ministerial duty) by the Village Council.

The benefit provisions and all other requirements of the Plan are established by Village Ordinance No. 474, as amended, and are summarized as follows:

#### **Contributions and Funding Policy**

Employees contribute 10% of their compensation. The Village is required to contribute the amount in excess of employee contributions to pay the annual pension cost. The Village Council, through establishment or modification of enabling legislation, establishes the required employee contribution. The required employer contribution, which is a percentage of annual covered payroll and includes amounts contributed by the State pursuant to Chapter 175, Florida Statutes, is actuarially determined as of October 1st of each year. The annual required employer contribution for the fiscal year ended September 30, 2024, was determined based on the October 1, 2021 actuarial valuation and was 91.68% of covered payroll. The employer and state contribution for the fiscal year ended September 30, 2024 was \$1,299,340 and \$95,154, respectively.

If any employee leaves covered employment or dies before ten years of credited service, accumulated employee contributions are refunded to the employee or the designated beneficiary.

#### **Benefits Provided**

The Plan provides retirement, termination, disability and death benefits.

#### **Normal Retirement**

Date: Earliest of age 55 and 10 years of Credited Service; age 57, regardless of service; or 20 years of Credited Service, regardless of age.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **Police Officer's Pension Plan (Continued)**

Benefit: 3.50% of final average compensation times years of credited service before September 21, 2015, plus 3.0% for each year on or after September 21, 2015.  
Minimum Benefit: \$25 per month.

#### Early Retirement

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit reduced 3.0% for each year that early retirement precedes normal retirement.

#### Vesting (Termination of Employment)

Less than 1 year: refund of member contributions, with 5.0% interest.

1-9 years: 10% of accrued pension for each complete year of service, payable at normal retirement, or a refund of contributions described above. 10 years or more: 100% of accrued pension payable at normal retirement date.

#### Disability

Eligibility: Total and permanent; medical proof required.

Service-connected benefit: Accrued benefit, but not less than 42% of average monthly compensation on date of disability.

Non-Service-Connected Benefit: Accrued benefit, but not less than 25% of average monthly compensation on date of disability.

#### Pre-Retirement Death Benefits

Service connected: 50% of base rate of pay on date of death, paid for 10 years.

Non-service connected: Accrued Benefit, actuarially reduced if early commencement, paid for 10 years.

Minimum benefit: Greater of actuarial equivalent of accrued benefit, or member's contributions.

#### Cost-of-Living Adjustment

Retirees who were actively employed on or after February 21, 2006 receive 2.5% annually, after one year of receiving benefits. Retirees who were actively employed after September 21, 2015 receive a 1.25% Cost-of-Living Adjustment, delayed for 5 years after retirement or entry into DROP.

#### Target Asset Mix

The policy establishes the following target asset mix for the Plan:

Asset Class	Target Allocation
Domestic Equity	50%
Domestic Bonds	25%
International Equity	10%
Other (FofHF, Infrastructure, Private Real Estate)	15%
Total	100%

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **Police Officer's Pension Plan (Continued)**

##### Rate of Return

For the year ended September 30, 2024, the annual money-weighted rate of return (loss) on pension investments, net of pension plan investment income, was 21.02%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the dollar-weighted rate of loss calculation are determined on a monthly basis.

##### Deferred Retirement Option Program (DROP)

Upon a member's election to participate in the DROP, that member shall cease to be a member of the Bal Harbour Village Police Officers' Pension Plan and shall be precluded from any additional benefits under the Plan; accordingly, that member shall be considered retired. Monthly retirement benefits that would have been payable had the member retired and elected to receive monthly pension payments will be paid into the DROP and credited to the retired member. Payments in the DROP are made monthly for the period the retired member participates in the DROP, up to a maximum of 60 months, an increase from prior maximum of 36 months. Payments into the DROP will earn the same return as earned by the remainder of the Plan assets. Employees also now have the option to select from either the rate of return of the portfolio or a fixed 4%. This can be changed every year prior to December 1 for the following calendar year. If they do not make a choice, the default is 4%. Upon termination of employment, participants in the DROP will receive the balance of their account either in a lump sum distribution or in any other form of payment selected by the participant, approved by the Board and conforming to applicable laws.

At September 30, 2024, there were 3 participants enrolled under the DROP. The DROP balance as of September 30, 2024 is \$371,781. The DROP investment assets are included in the total investment balance presented on the Statement of Fiduciary Net Position.

#### **Excess Benefit Plan**

##### Vesting

Benefits are fully vested immediately upon entry into the Plan.

##### Eligibility for Participation

Based upon employment contract language and participation in either or both defined benefit plans.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **Excess Benefit Plan** (Continued)

##### *Eligibility for Benefits Under the Plan*

A participant shall receive a benefit equal to the difference between the retirement allowance otherwise payable from either or both defined benefit plans prior to any reduction or limitation required by IRC §415 and the actual retirement allowance payable as limited by IRC §415. The benefit shall be subject to withholding for applicable state and federal taxes. The benefit shall be paid in accordance with the retirement payment option selected by the participant or beneficiary for the retirement otherwise payable by either or both defined benefit plans.

##### *Funding Policy*

To be qualified under IRC §415, Excess Benefits Plans, the Village cannot advance fund any benefit currently payable under the Plan and any assets held by the Plan during any year can only be used to pay for benefits coming due during the year or for expenses of the Plan during the year. Contributions by the Village are not allowed to accumulate from year-to-year for purposes of advance funding of any of the Plan's liabilities. Any assets, including all property rights and beneficial interests of the Plan remain the general, unpledged and unrestricted assets of the Plan and the Village. The interests of participants and their beneficiaries of the Plan are not senior to the claims of unsecured creditors of the Plan or the Village. The Village cannot restrict any assets, including cash, for the purpose of providing funding for these benefits. However, the Village has designated a portion of its General Fund's fund balance for the purpose of noting its intent to fund the benefits payable under the Plan. The Village has sufficient financial assets at year end, to pay the benefits payable under the Plan.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

In accordance with the requirements of GASB 68, 71, and 73, information about the Village's pension plans are included in this note and in the Required Supplementary Information (RSI) section following the notes to the basic financial statements.

#### Plan Financial Information

The actuarial valuation date for the General Employees' Plan and Police Officer's Pension Plan was October 1, 2022, with updated asset information as of September 30, 2023. The measurement date of the net pension liability for each plan was determined as of September 30, 2023. The actuarial valuation date for the Excess Benefit Plan was September 30, 2024, and the measurement date was September 30, 2024. The Required Supplementary Information section provides additional detailed information about actuarial methods and assumptions used to determine the contribution rates for each plan. In addition, a schedule of employer contributions for each plan and a schedule of total pension liability, plan fiduciary net position and the change in net pension liability for each plan is included herein.

#### Aggregate Information for all Pension Plans

Summarized aggregate information for the three single employer defined benefit plans follows:

	General Employees'	Police Officer's	Excess Benefit Plan
Total pension liability	\$ 26,524,173	\$ 35,626,767	\$ 1,761,242
Fiduciary net position	(19,211,126)	(30,654,218)	-
Net pension liability	<u>\$ 7,313,047</u>	<u>\$ 4,972,549</u>	<u>\$ 1,761,242</u>
Fiduciary net position as % of total pension liability	72.43%	86.04%	0.00%

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

The total pension liability was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

	<b>General Employees' Plan</b>	<b>Police Officer's Pension Plan</b>	<b>Excess Benefit Plan</b>
Valuation Date:	October 1, 2022	October 1, 2022	September 30, 2024
Measurement Date:	September 30, 2023	September 30, 2023	September 30, 2024
Inflation	2.50%	2.50%	2.50%
Annual Salary Increases	3.15% - 6.75%	4.5 - 15.0%	not applicable
Assumed Discount Rate	5.75%	7.00%	3.81%
Retirement Age	Experienced-based table of rates based on year of eligibility	Experience-based table of rates based on age and service.	not applicable
Mortality	The mortality rates are taken from the gender specific PUB-2010 Headcount Weighted Below Median Employee Tables (preretirement) and PUB-2010 Headcount Weighted Below Median Healthy Retiree Tables (post-retirement) set back one year for males with improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2022.	Mortality Tables for retirees and employees are the same as used by the Florida Retirement System (FRS) for its Special Risk Class in their July 1, 2022 actuarial valuation, described as Pub-2010 Headcount Weighted Safety Below Median Mortality Tables, set forward 1 year. Rates for beneficiaries are the same as for FRS Regular Class. Rates are generationally projected for all years after 2010 using SOA mortality improvement Scale MP-2018. These tables were adopted following an experience study published in 2019 covering the period July 1, 2013 through June 30, 2018.	Mortality rates are taken from the PUB-2010 Headcount-Weighted Mortality Tables issued by the Society of Actuaries set back 1 year for males with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. This is the same table as used by the Florida Retirement System (FRS) for Regular Class non K-12 Instructional members in their July 1, 2023 actuarial valuation.
Assumption Changes	None	None	For 2024, discount rate was changed from 4.63% as of 9/30/2023 to 3.81% as of 9/30/2024. Changes in future benefits payments were set to be the same as cost of living adjustment.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

*Long-Term Expected Rate of Return* - The long-term expected rate of return on pension plans investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation are summarized in the following tables:

<b>General Employees' Plan</b>		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50%	6.9%
Domestic Bonds	25%	1.4%
International Equity	10%	5.9%
Cash equivalents	0%	1.0%
Other (FofHF, Infrastructure, Private Real Estate)	15%	4.0%
	<u>100%</u>	
<b>Police Officer's Pension Plan</b>		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50%	6.9%
Domestic Bonds	25%	1.4%
International Equity	10%	5.9%
Other (FofHF, Infrastructure, Private Real Estate)	15%	4.0%
	<u>100%</u>	



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

*Discount rate:* A single discount rate of 7.0% and 5.75% were used to measure the total pension liability for the police and general employee pension trust plans, respectively. The single discount rates were based on the expected rate of return on pension plan investments of 7.0% and 5.75%, respectively. The projection of cash flows used to determine each single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position of the plans was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each plan.

The discount rate used to measure the excess benefit plan total pension liability was 3.81%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the excess benefit plan is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the Long-Term Municipal Bond Rate selected by the Village. The Fidelity Bond Index, general obligation, 20 years to maturity, mixed quality was adopted as the applicable municipal bond index rate.

*Sensitivity of the discount rate:* The sensitivity of the net pension liability to changes in the single discount rate for each plan follows. The following presents each plan's net pension liability, calculated using a single discount rate, as well as what each plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher than the current rate assumption.

<b><u>General Employees' Plan</u></b>	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	4.75%	5.75%	6.75%
Net Pension Liability	\$ 11,295,509	\$ 7,313,047	\$ 4,118,202
<b><u>Police Officer's Pension Plan</u></b>	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	6.00%	7.00%	8.00%
Net Pension Liability	\$ 9,198,912	\$ 4,972,549	\$ 1,817,041
<b><u>Excess Benefit Plan</u></b>	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	2.81%	3.81%	4.81%
Total Pension Liability	\$ 1,815,856	\$ 1,761,242	\$ 1,359,877

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*

For the year ended September 30, 2024, the Village recognized pension expenses (credits) of \$2,211,218, (\$1,290,701) and \$417,304, respectively, for its General Employees', Police and Excess Benefit Plans.

The Village reported deferred inflows and outflows of resources related to the Plans from the following sources:

Description	General Employees' Plan		Police Officer's Pension Plan	
	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources
Village contribution subsequent to measurement date	\$ 1,746,181	\$ -	\$ 1,394,494	\$ -
Differences between expected and actual experience	378,630	-	27,662	-
Net difference between projected and actual earnings on pension plan investments	1,010,026	-	1,146,084	-
	<u>\$ 3,134,837</u>	<u>\$ -</u>	<u>\$ 2,568,240</u>	<u>\$ -</u>

The deferred outflows of resources related to Village's contributions to the Plans subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years Ending September 30:	General Employees' Plan	Police Officer's Pension Plan
2025	\$ 449,129	\$ 198,613
2026	388,022	378,539
2027	732,308	801,777
2028	(180,803)	(205,183)
<b>Total</b>	<u>\$ 1,388,656</u>	<u>\$ 1,173,746</u>

The Excess Benefit Plan did not have any deferred inflow and outflows of resources as of year-end.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

Changes in the net pension liability for each Plan follows:

<b>General Employees' Plan</b>			
Increase (Decrease)			
Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	
(a)	(b)	(a) - (b)	
<b>Balance at September 30, 2023</b>			
<b>Changes for the year:</b>			
Service cost	1,319,594	-	1,319,594
Interest	1,444,872	-	1,444,872
Changes in benefit terms	-	-	-
Differences between expected and actual experience	482,834	-	482,834
Contributions - employer	-	1,470,323	(1,470,323)
Contributions - employee	-	241,386	(241,386)
Net investment income (loss)	-	1,883,350	(1,883,350)
Benefit payments, including refunds of employee contributions	(1,063,474)	(1,063,474)	-
Administrative expense	-	(56,226)	56,226
<b>Net changes</b>	<b>2,183,826</b>	<b>2,475,359</b>	<b>(291,533)</b>
<b>Balance at September 30, 2024</b>	<b>\$ 26,524,173</b>	<b>\$ 19,211,126</b>	<b>\$ 7,313,047</b>

<b>Police Officer's Pension Plan</b>			
Increase (Decrease)			
Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	
(a)	(b)	(a) - (b)	
<b>Balance at September 30, 2023</b>			
<b>Changes for the year:</b>			
Service cost	433,577	-	433,577
Interest	2,373,566	-	2,373,566
Differences between expected and actual experience	304,282	-	304,282
Contributions - employer	-	1,235,738	(1,235,738)
Contributions - employee	-	177,542	(177,542)
Contributions - State	-	86,396	(86,396)
Net investment income (loss)	-	2,981,280	(2,981,280)
Benefit payments, including refunds of employee contributions	(1,918,330)	(1,918,330)	-
Administrative expense	-	(103,144)	103,144
<b>Net changes</b>	<b>1,193,095</b>	<b>2,459,482</b>	<b>(1,266,387)</b>
<b>Balance at September 30, 2024</b>	<b>\$ 35,626,767</b>	<b>\$ 30,654,218</b>	<b>\$ 4,972,549</b>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

	<b><u>Excess Benefit Plan</u></b>
	<u>Increase (Decrease)</u>
	Total Pension
	Liability
<b>Balance at September 30, 2023</b>	<u>\$ 1,414,772</u>
<b>Changes for the year:</b>	
Interest	63,864
Differences between expected and actual experience	(14,446)
Assumption changes	367,889
Benefit payments, including refunds of employee contributions	<u>(70,837)</u>
Net changes	<u>346,470</u>
<b>Balance at September 30, 2024</b>	<u><u>\$ 1,761,242</u></u>

The schedule of changes in the net pension liability and related ratios and the schedule of contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the net pension liability, plan net position and contributions.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)** **Plan Reporting as Required by GASB 67 - General Employees' Plan**

The General Employees' Plan does not issue separate stand-alone financial statements; therefore, included below is the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as of and for the fiscal year ended September 30, 2024.

#### STATEMENT OF FIDUCIARY NET POSITION

##### ASSETS

##### Investments:

Money market funds	\$ 267,511
Mutual funds	1,233,359
U.S. government obligations	4,157,812
Corporate bonds	1,760,076
Foreign bonds	175,000
Large cap equities	12,524,688
Real estate investments	887,174
Infrastructure investments	1,066,582
Foreign stock	2,664,869
	<hr/>
	24,737,071
Prepaid expenses	4,334
Total assets	<hr/>
	24,741,405

##### Liabilities

Accounts payable	<hr/>
	22,430

##### NET POSITION

Net position restricted for pension benefits	<hr/>
	\$ 24,718,975

#### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

##### ADDITIONS

Village contributions	\$ 1,746,181
Employee contributions	305,688
Total contributions	<hr/>
	2,051,869
Investment income:	
Net investment income	<hr/>
	4,605,438
Total addition	<hr/>
	6,657,307

##### DEDUCTIONS

Benefits paid and lump sum drop distributions	1,083,002
Administrative expenses	66,456
Total deductions	<hr/>
	1,149,458
Change in net position	5,507,849
<u>Net position restricted for pension benefits</u>	
Beginning of year	<hr/>
	19,211,126
End of year	<hr/>
	\$ 24,718,975

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **Plan Reporting as Required by GASB 67 - General Employees' Plan (Continued)**

The following disclosures for the Village's General Employees' Plan are required by GASB Statement 67, *Financial Reporting for Pension Plans*. However, the balance of the Net Pension Liability is not required to be reported on the Village's financial statements until September 30, 2025.

Employees Covered by benefit terms: As of October 1, 2023, the plan had the following membership:

Inactive plan members and beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	<u>53</u>
Total members	<u><u>100</u></u>

#### **Net Pension Liability of the Village**

The components of the net General Employees' Plan liability of the Village as of September 30, 2024 (measurement date), were as follows:

Total pension liability	\$ 28,929,839
Fiduciary net position	<u>(24,718,975)</u>
Net pension liability	<u><u>\$ 4,210,864</u></u>

Fiduciary net position as % of total pension liability	85.44%
--	--------

*Actuarial assumptions:* The total General Employees' Plan liability was determined by an actuarial valuation as of October 1, 2023 with updated asset information as of September 30, 2024, using the following assumptions, applied to all prior period included in the measurement:

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### Plan Reporting as Required by GASB 67 - General Employees' Plan (Continued)

	General Employees' Plan
Valuation Date:	October 1, 2023
Measurement Date:	September 30, 2024
Inflation	2.50%
Annual Salary Increases	3.15% - 6.75%
Assumed Discount Rate	5.75%
Retirement Age	Experienced-based table of rates based on year of eligibility
Mortality	Sex distinct PUB-2010 Headcount Weighted Below Median Employee Tables for employees and PUB-2010 Headcount Weighted Below Median Retiree Tables for annuitants and beneficiaries. Rates for male participants are set back one year. Rates are generationally projected from 2010 using improvement scale MP 2018. These are the same rates as used by the Florida Retirement System (FRS), in their actuarial valuation as of July 1, 2022 for other than K-12 instructional Regular Class members.  For disabled retirees, the mortality table used was the PUB-2010 Headcount-Weighted General Disabled Retiree Tables with ages set forward 3 years for males and females.
Assumption Changes	None

The target asset allocation and best estimates of real rates of return for each major asset class as of September 30, 2024 (measurement date), are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50%	6.9%
Domestic Bonds	25%	1.4%
International Equity	10%	5.9%
Cash equivalents	0%	1.0%
Other (FofHF, Infrastructure, Private Real Estate)	15%	4.0%
	<u>100%</u>	

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### Plan Reporting as Required by GASB 67 - General Employees' Plan (Continued)

*Discount rate:* The discount used to measure the liability was 5.75%. The projection of cash flows used to determine each single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position of the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability of the plan.

*Sensitivity of the discount rate:* The following presents the plan's net pension liability, calculated using a single discount rate, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher than the current rate assumption.

	1% Decrease	Discount Rate	1% Increase
	4.75%	5.75%	6.75%
Net Pension Liability	\$ 8,764,296	\$ 4,210,864	\$ 959,302

### B. FLORIDA RETIREMENT SYSTEM (FRS and HIS)

The Village provides retirement benefits to sworn police officers hired after October 1, 2016 through the FRS and the HIS Plan.

#### **Florida Retirement System**

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. The Village participates in the FRS, which was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Health Insurance Subsidy Program, a cost-sharing multiple-employer defined benefit pension plan, for retired members of any state administered retirement system in paying the costs of health insurance.



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

#### Plan Description

The FRS is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class - Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) - Members in senior management level positions.
- Special Risk Class - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

All members enrolled in the FRS on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the FRS may include up to four years of credit for military service toward creditable service.

The FRS also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

#### FRS Retirement Benefits and Contributions

Benefits under the FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment and Retirement Age/Years of Service	% Value
Regular Class Members Initially Enrolled on or After July 1, 2011:	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or up to 34 years of service	1.63
Retirement at age 67 or up to 35 years of service	1.65
Retirement at age 68 or up to 36 years of service	1.68
Elected County Officers	3.33
Senior Management Service Class	2
Special Risk Regular:	
Service from December 1, 1970 through September 30, 1974	2
Service on and after October 1, 1974	3

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

As provided in Section 121.101, Florida Statutes, FRS members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions during the 2024 fiscal year were as follows:

Class	Percent of Gross Salary <sup>(2)</sup>	
	Employee	Employer <sup>(1)</sup>
FRS, Regular	3.00%	11.91%
FRS, Special Risk	3.00%	27.83%
FRS, Elected Council Officers	3.00%	57.00%
FRS, Senior Management Service	3.00%	31.57%

(1) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The Village's contributions to the FRS amounted to \$328,910 and employees' contributions amounted to \$32,683 for the fiscal year ended September 30, 2024.

#### *Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

On September 30, 2024, the Village reported a liability of \$2,246,973 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Village's proportionate share of the net pension liability was based on the Village's 2024 plan year contributions relative to the participating members. At June 30, 2024, the Village's proportionate share was 0.0058%. This is an increase of 0.00099 percentage points from its proportionate share measured at June 30, 2023.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

For the fiscal year ended September 30, 2024, the Village recognized pension expense of \$572,858 related to the Plan. In addition, the Village reported deferred outflows of resources related to pensions, from the following sources:

	<b>FRS</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 227,005	\$ -
Changes of Assumptions	307,968	-
Net difference between projected and actual earnings on FRS pension plan investments	-	149,345
Changes in proportion and differences between Village FRS contributions and proportionate share of contributions	582,035	44,371
Village FRS contributions subsequent to the measurement date	97,978	-
Total	<u>\$ 1,214,986</u>	<u>\$ 193,716</u>

The deferred outflows of resources totaling \$97,978, resulting from the Village's contributions to the FRS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:

2025	\$ 145,318
2026	498,297
2027	161,500
2028	79,955
2029	38,222
	<u>\$ 923,292</u>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. **EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

#### Actuarial Assumptions

The FRS actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2024, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.50% average, including inflation
Investment Rate of Return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table and varies by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

*Long-Term Expected Rate of Return* - The long-term expected rate of return on the Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

FRS				
Asset Class	Target Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate (property)	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investment	2.0%	6.6%	6.2%	8.7%
	<u>100.0%</u>			
Assumed inflation-mean			2.4%	1.5%

\*Note: As outlined in the FRS Pension Plan's investment policy

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

*Discount Rate* - The discount rate used to measure the net pension liability of the Plan was 6.70%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate is reviewed annually and set by mutual agreement between the Board of Trustees and its actuarial firm.

#### *Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following represents the Village's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Village's proportionate share of the net pension liability would be if it calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	<b>FRS</b>		
	1%		1%
	Decrease 5.70%	Discount Rate 6.70%	Increase 7.70%
Village's proportionate share of the FRS net pension liability	\$ 3,952,346	\$ 2,246,973	\$ 818,361

### **Retiree Health Insurance Subsidy Program (HIS)**

#### *Plan Description*

The Retiree Health Insurance Subsidy Program (HIS) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

#### *Benefits Provided*

For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Retiree Health Insurance Subsidy Program (HIS)** (Continued)

#### Contributions

The HIS is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2024, the HIS contribution rate was 2.00%. The Village contributed 100% of its statutorily required contributions for the current fiscal year. The HIS contributions are deposited in a separate trust fund from which payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Village's contributions to the HIS totaled \$23,339 for the fiscal year ended September 30, 2024.

#### Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, the Village reported a net pension liability of \$413,538 for its proportionate share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation date as of July 1, 2024. The Village's proportionate share of the net pension liability was based on the Village's 2024 plan year contributions relative to the 2024 plan year contributions of all participating members. At June 30, 2024, the Village's proportionate share was 0.0028%. This is an increase of 0.00029 percentage points from its proportionate share measured at June 30, 2023.

For the fiscal year ended September 30, 2024, the Village recognized pension expense of \$63,573 related to the HIS. In addition, the Village reported, deferred outflows of resources and deferred inflows of resources related to the HIS from the following sources:

	<b>HIS</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,993	\$ 794
Changes of assumptions	7,319	48,958
Net difference between projected and actual earnings on HIS pension plan investments	-	150
Changes in proportion and differences between Village HIS contributions and proportionate share of contributions	136,508	-
Village HIS contributions subsequent to the measurement date	6,899	-
Total	<u>\$ 154,719</u>	<u>\$ 49,902</u>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Retiree Health Insurance Subsidy Program (HIS)** (Continued)

The deferred outflows of resources totaling \$6,899, resulting from the Village's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:

2025	\$ 37,818
2026	25,057
2027	14,451
2028	12,835
2029	6,627
Thereafter	1,130
Total	<u>\$ 97,918</u>

#### Actuarial Assumptions

The HIS plan's actuarial valuation was determined using the following actuarial assumptions as of July 1, 2024, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases, average including inflation	3.50%
Investment Rate of Return	3.93%

Mortality rates were based on the PUB-2010 base table with Projection scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

*Discount Rate* - The discount rate used to measure the total pension liability for the HIS Plan was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued) **Retiree Health Insurance Subsidy Program (HIS)** (Continued)

#### Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Village's proportionate share of the net pension liability calculated using a discount rate of 3.93%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	HIS		
	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Village's proportionate share of the HIS net pension liability	\$ 470,760	\$ 413,538	\$ 366,035

#### Net Pension Liability, Deferred Inflow of Resources, and Deferred Outflow of Resources and pension expense

The following table summarizes the net pension liability, deferred inflow of resources, deferred outflow of resources and pension expense for each plan as previously disclosed in Note 8:

	Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources	Pension Expense (Credit)
General Employees' Pension Plan	\$ 7,313,047	\$ 3,134,837	\$ -	\$ 2,211,218
Police Pension Plan	4,972,549	2,568,240	-	(1,290,701)
Florida Retirement System (FRS plan)	2,246,973	1,214,986	193,716	572,858
Health Insurance Subsidy (HIS plan)	413,538	154,719	49,902	63,573
<b>Total - defined benefit plans</b>	<b>14,946,107</b>	<b>7,072,782</b>	<b>243,618</b>	<b>1,556,948</b>
Excess Benefit Plan	1,761,242	-	-	417,304
<b>Total</b>	<b>\$ 16,707,349</b>	<b>\$ 7,072,782</b>	<b>\$ 243,618</b>	<b>\$ 1,974,252</b>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS

#### Plan Description

The Village provides health insurance benefits to its retired employees through a single-employer plan that is administered by the Village. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the Village and eligible dependents, may continue to participate in the Village's fully-insured benefit plan for medical and prescription drug insurance coverage. The Village subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a retiree's lifetime (or until such time at which the retiree discontinues coverage under the Village sponsored plans, if earlier). Additionally, and as provided by a collective bargaining agreement, eligible retired sworn police officers from the Village receive a health stipend of \$350 per month until age of 65 which can be used to pay for health insurance at the Village or outside. Effective October 16, 2021 the monthly amount is increased to \$450 for eligible police officers retiring after that date under provisions of normal retirement. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The Plan may be amended or terminated by the Village if Florida law changes or if collective bargaining agreements are amended.

#### Funding Policy

Currently, the Village's Other Post-Employment Benefits (OPEB) plan is unfunded. That is, the Village Council has not established a separate trust fund or equivalent arrangement to advance-fund the obligation, presently the obligation is funded on a pay as you go basis.

For the fiscal year ended September 30, 2024, the Village provided required contributions of \$94,160 toward the annual OPEB cost, in the form of age adjusted premiums paid on behalf of retirees for the fully insured benefits and health stipend. If the Plan is amended or terminated by the Village because of Florida law changes, amendments to collective bargaining agreements, or other reasons, the Village may amend its funding system or its benefits. The funding percentage for each employee is 100% of the implied subsidy or 100% of the \$350 stipend until age 65 which can be used to pay for health insurance at the Village or outside. Effective October 16, 2021 the monthly amount was increased to \$450 for eligible police officers retiring after that date under provisions of normal retirement, as applicable.

Employees Covered by benefit terms, for the fiscal year ended September 30, 2024 and employee membership data related to the OPEB Plan is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees entitled to but not yet receiving benefit payments	58
Total	<u>70</u>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

#### *Total OPEB Liability*

The Village's total OPEB liability was measured as of September 30, 2023.

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of September 30, 2023 and rolled forward to the measurement date, using the following assumptions, applied to all prior periods included in the measurement:

Inflation rate	2.50%
Salary increases	6.00%
Discount rate	4.63%
Healthcare cost trend rates:	
Select rates	6.50% for FY beginning 2024, 6.25% for FY beginning 2025 and then gradually decreasing to an ultimate trend rate of 4.00%.

Mortality tables used in the July 1, 2023 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.

*Discount rate.* For OPEB plans that do not have assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Changes in assumptions and other inputs reflected in the schedule of changes in the Total OPEB Liability include:

- discount rate changed to 4.63% (from 4.40%)
- premiums were updated based on information provided
- updated healthcare cost trend rates as described above.

#### Benefit Changes:

The schedule of changes in the Total OPEB Liability reflects an increase in the stipend from \$350 per month to \$450 per month paid by the Village to eligible Police Officers retiring under provisions of normal retirement after October 16, 2021.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in Total OPEB Liability

	Total OPEB Liability
<b>Balance at September 30, 2023</b>	<b>\$ 1,025,968</b>
<b>Changes for the year:</b>	
Service cost	47,032
Interest	45,140
Changes of benefit terms	25,968
Differences between expected and actual experience	(94,447)
Change in assumptions	29,905
Benefit payments	(94,160)
Net changes	(40,562)
<b>Balance at September 30, 2024</b>	<b>\$ 985,406</b>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following table illustrates the impact of interest rate sensitivity on the total OPEB liability of the Village as of September 30, 2024:

	<b>1% Decrease 3.63%</b>	<b>Discount Rate 4.63%</b>	<b>1% Increase 5.63%</b>
Total OPEB Liability	\$ 1,049,117	\$ 985,406	\$ 926,217

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following table illustrates the impact of healthcare cost trend rate sensitivity on the total OPEB liability of the Village as of September 30, 2024:

	<b>Healthcare Cost</b>		
	<b>1% Decrease 5.5% down to 3.00%</b>	<b>Trend Rates 6.5% down to 4.00%</b>	<b>1% Increase 7.5% down to 5.00%</b>
Total OPEB Liability	\$ 939,089	\$ 985,406	\$ 1,037,468

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended September 30, 2024, the Village recognized a credit to expense of \$40,652. At September 30, 2024, the Village reported deferred outflows of resources related to the OPEB plan totaling \$77,407, resulting from Village contributions to the Plan subsequent to the measurement date. This amount will be recognized as a reduction of the OPEB liability for the fiscal year ending September 30, 2025.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 10. COMMITMENTS AND CONTINGENCIES

#### *Construction and Other Significant Commitments*

The Village has active Construction projects as of September 30, 2024. These projects include infrastructure redevelopment and improvement, water, wastewater and drainage projects. At year end, the Village's outstanding commitments related to these projects follows:

<b>Project</b>	<b>Spent to Date</b>	<b>Remaining Commitment</b>
Bal Harbour Haulover Inlet Jetty	\$ 1,748,000	\$ 12,483,000
Utility Master Plan - Stormwater	1,642,940	5,668,000
Utility Master Plan - Utility Fund	17,949,700	519,470
Utility Master Plan - Security and Landscape	241,720	1,060,280
Village Hall	18,010	3,082,000
	<u>\$ 21,600,370</u>	<u>\$ 22,812,750</u>

The projects listed above are being financed through debt, capital grant reimbursements, and from existing Village resources.

#### ***Litigation, Claims and Assessments***

In the normal course of business, the Village may be involved in pending or threatened litigation, claims or assessments. The Village's administration, the Village Council and legal counsel anticipate that any claims not covered by insurance or limited by state statute would not have a material adverse effect on the financial position of the Village.

#### ***Development Agreement***

In Fiscal Year 2017, the Village entered into a development agreement with Bal Harbour Shops. During Fiscal Year 2018, the Village negotiated the first amendment to the Bal Harbour Shops Development Agreement which advanced the timeline for developer proffered improvements and contributions resulting in approval for redevelopment of the entire Business District of the Village. The negotiated development agreement includes a new Village Hall funded by the developer, conveyance of property to the Village, funding for various Village capital projects, recurring revenue streams from leased property, parking surcharges, and guarantees for ad-valorem revenue in future years. The developer is entitled to retain up 50% of each quarterly payment of future parking surcharges, up to \$6 million, to offset the developer's contribution towards construction of the new Village Hall. The Village received \$292,258 in parking surcharge proceeds in fiscal year 2024.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 10. COMMITMENTS AND CONTINGENCIES

#### ***Grants***

Grant monies received and disbursed by the Village for specific purposes may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. The Village does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material effect on the financial position of the Village.

### NOTE 11. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Village carries commercial insurance. There were no reductions in insurance coverages from coverages in the prior year and there were no settlements that exceeded insurance coverages for each of the past three years.

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**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MD&A) - UNAUDITED**

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# BAL HARBOUR

- VILLAGE -



**BAL HARBOUR VILLAGE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE – UNAUDITED**  
**GENERAL FUND (BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes:				
Property	\$ 11,727,132	\$ 11,727,132	\$ 11,976,316	\$ 249,184
Other local taxes	2,129,553	2,129,553	2,250,267	120,714
Licenses and permits	3,312,539	3,312,539	3,823,269	510,730
Developer contribution	3,900,000.00	3,900,000.00	1,000,000	(2,900,000)
Fines and forfeitures	937,810	937,810	1,322,411	384,601
Charges for services	1,908,606	1,908,606	2,232,677	324,071
Intergovernmental	2,222,415	15,906,441	1,847,694	(14,058,747)
Investment earnings	250,000	750,000	2,831,062	2,081,062
Miscellaneous	724,182	794,182	891,876	97,694
Total revenues	<u>27,112,237</u>	<u>41,366,263</u>	<u>28,175,572</u>	<u>(13,190,691)</u>
Expenditures:				
Current:				
General government:				
Legislative	415,682	415,682	387,423	28,259
Executive	1,634,834	1,634,834	1,369,808	265,026
Finance	953,156	953,156	908,093	45,063
General government	5,191,049	5,191,049	955,318	4,235,731
Building department	2,208,097	2,266,410	1,861,586	404,824
Information technology	539,518	615,754	465,367	150,387
Capital construction	1,416,038	16,363,567	1,801,470	14,562,097
Legal	442,000	842,000	805,422	36,578
Total general government	<u>12,800,374</u>	<u>28,282,452</u>	<u>8,554,487</u>	<u>19,727,965</u>
Public safety	8,927,618	9,343,379	7,923,519	1,419,860
Public works & beautification	4,544,988	8,769,563	2,581,053	6,188,510
Recreation, arts and culture	1,412,756	1,487,020	1,444,711	42,309
Total expenditures	<u>27,685,736</u>	<u>47,882,414</u>	<u>20,503,770</u>	<u>27,378,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(573,499)</u>	<u>(6,516,151)</u>	<u>7,671,802</u>	<u>14,187,953</u>
Net change in fund balance	<u>\$ (573,499)</u>	<u>\$ (6,516,151)</u>	<u>\$ 7,671,802</u>	<u>\$ 14,187,953</u>

See notes to budgetary comparison schedules.

**BAL HARBOUR VILLAGE, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE – UNAUDITED  
RESORT TAX SPECIAL REVENUE FUND (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Resort tax	\$ 5,085,340	\$ 5,085,340	\$ 5,659,962	\$ 574,622
Investment earnings	75,000	330,000	583,230	253,230
Miscellaneous	25,000	25,000	25,185	185
Total revenues	5,185,340	5,440,340	6,268,377	828,037
Expenditures:				
Tourism & marketing	1,958,800	2,263,300	1,962,802	300,498
Beautification	2,001,800	2,039,000	1,795,080	243,920
Law enforcement	348,000	368,000	360,750	7,250
Recreation, arts & culture	1,121,800	1,121,800	990,065	131,735
Capital program	-	4,250,000	-	4,250,000
Total expenditures	5,430,400	10,042,100	5,108,697	4,933,403
Excess (deficiency) of revenues over (under) expenditures	(245,060)	(4,601,760)	1,159,680	5,761,440
Net change in fund balance	\$ (245,060)	\$ (4,601,760)	\$ 1,159,680	\$ 5,761,440

See notes to budgetary comparison schedules.

## **BAL HARBOUR VILLAGE, FLORIDA**

### **NOTE TO BUDGETARY COMPARISON SCHEDULES**

#### **NOTE 1. BUDGET AND BUDGETARY ACCOUNTING**

The Village legally adopts an annual budget for each of its funds, except for the State Law Enforcement Trust Fund and the Federal Law Enforcement Trust Fund. Of the major funds presented in a budget-to-actual format, only the general and resort tax special revenue funds have adopted budgets. The Village Manager may make transfers of appropriations within a department. Transfers of appropriations between departments and between funds require the approval of the Village Council. Therefore, the legal level of control for all funds is at the department or activity level.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) During July, the Village Manager submits to the Village Council a proposed operating and capital budget for the fiscal year beginning the following October 1st. The budget includes proposed revenues and expenditures with an explanation regarding each expenditure that is not of a routine nature.
- b) Two public hearings are conducted to obtain taxpayer and citizen comments.
- c) Prior to September 30th, the budget is legally enacted through passage of an ordinance or resolution.
- d) At the request of the Village Manager, the Council may, by resolution, transfer any unspent appropriated balance from one activity or department to another. This typically occurs as a mid-year budget amendment or end of year budget amendment.
- e) Budgeted amounts reflected in the accompanying financial statements are as originally adopted and as amended.
- f) Appropriations lapse at year-end, except grants and capital improvements which do not lapse at year-end and are only reported to the extent of revenues recognized, and expenditures incurred for the current year.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN YEARS

**BAL HARBOUR GENERAL EMPLOYEES' PENSION PLAN**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 1,534,209	\$ 1,319,594	\$ 812,433	\$ 914,119	\$ 656,197	\$ 547,042	\$ 511,875	\$ 397,466	\$ 389,223	\$ 283,241
Interest	1,582,221	1,444,872	1,322,540	1,251,834	1,192,594	1,121,125	997,443	941,414	946,114	842,798
Changes in benefit terms	-	-	205,037	-	-	-	-	-	-	-
Difference between actual and expected experience	372,238	482,834	295,697	811,023	(146,976)	232,029	524,845	392,032	(774,055)	97,731
Changes of assumptions	-	-	-	(570,329)	-	701,152	637,728	380,153	550,516	903,212
Benefit payments	(926,408)	(877,163)	(848,686)	(768,588)	(610,472)	(608,845)	(601,429)	(580,345)	(559,166)	(723,310)
Refunds	(156,594)	(186,311)	(118,575)	(414,725)	(65,172)	(25,800)	(55,304)	(91,020)	-	-
<b>Net Change in Total Pension Liability</b>	<b>2,405,666</b>	<b>2,183,826</b>	<b>1,668,446</b>	<b>1,223,334</b>	<b>1,026,171</b>	<b>1,966,703</b>	<b>2,015,158</b>	<b>1,439,700</b>	<b>552,632</b>	<b>1,403,672</b>
<b>Total Pension Liability – Beginning</b>	<b>26,524,173</b>	<b>24,340,347</b>	<b>22,671,901</b>	<b>21,448,567</b>	<b>20,422,396</b>	<b>18,455,693</b>	<b>16,440,535</b>	<b>15,000,835</b>	<b>14,448,203</b>	<b>13,044,531</b>
<b>Total Pension Liability – Ending (a)</b>	<b>28,929,839</b>	<b>26,524,173</b>	<b>24,340,347</b>	<b>22,671,901</b>	<b>21,448,567</b>	<b>20,422,396</b>	<b>18,455,693</b>	<b>16,440,535</b>	<b>15,000,835</b>	<b>14,448,203</b>
<b>Plan Fiduciary Net Position</b>										
Contributions – employer/state	\$ 1,746,181	\$ 1,470,323	\$ 1,295,078	\$ 1,068,711	\$ 1,052,612	\$ 957,499	\$ 793,089	\$ 745,642	\$ 622,677	\$ 565,619
Contributions – member	305,688	241,386	192,383	204,581	162,333	124,099	126,093	103,551	78,154	69,983
Net Investment income (loss)	4,605,438	1,883,350	(3,419,545)	3,350,705	1,071,430	569,622	964,907	1,252,600	995,129	(83,165)
Benefit payments	(926,408)	(877,163)	(848,686)	(768,588)	(610,472)	(608,845)	(601,429)	(580,345)	(559,166)	(723,310)
Refunds and lump sums	(156,594)	(186,311)	(118,575)	(414,725)	(65,172)	(25,800)	(55,304)	(91,020)	-	-
Administrative expense	(66,456)	(56,226)	(71,051)	(57,731)	(64,839)	(54,941)	(53,293)	(54,150)	(54,775)	(63,251)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>5,507,849</b>	<b>2,475,359</b>	<b>(2,970,396)</b>	<b>3,382,953</b>	<b>1,545,892</b>	<b>961,634</b>	<b>1,174,063</b>	<b>1,376,278</b>	<b>1,082,019</b>	<b>(234,124)</b>
<b>Plan Fiduciary Net Position – Beginning</b>	<b>19,211,126</b>	<b>16,735,767</b>	<b>19,706,163</b>	<b>16,323,210</b>	<b>14,777,318</b>	<b>13,815,684</b>	<b>12,641,621</b>	<b>11,265,343</b>	<b>10,183,324</b>	<b>10,417,448</b>
<b>Plan Fiduciary Net Position – Ending (b)</b>	<b>24,718,975</b>	<b>19,211,126</b>	<b>16,735,767</b>	<b>19,706,163</b>	<b>16,323,210</b>	<b>14,777,318</b>	<b>13,815,684</b>	<b>12,641,621</b>	<b>11,265,343</b>	<b>10,183,324</b>
Committed:										
<b>Net Pension Liability – Ending (a) – (b)</b>	<b>\$ 4,210,864</b>	<b>\$ 7,313,047</b>	<b>\$ 7,604,580</b>	<b>\$ 2,965,738</b>	<b>\$ 5,125,357</b>	<b>\$ 5,645,078</b>	<b>\$ 4,640,009</b>	<b>\$ 3,798,914</b>	<b>\$ 3,735,492</b>	<b>\$ 4,264,879</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.44%	72.43%	68.76%	86.92%	76.10%	72.36%	74.86%	76.89%	75.10%	70.48%
Covered-employee Payroll	\$ 4,272,100	\$ 3,448,325	\$ 2,371,363	\$ 2,557,263	\$ 2,029,163	\$ 1,551,238	\$ 1,576,163	\$ 1,332,178	\$ 1,251,987	\$ 1,360,903
Net Pension Liability as a Percentage of Covered-employee Payroll	98.57%	212.08%	320.68%	115.97%	252.58%	363.91%	294.39%	285.17%	298.37%	313.39%
Measurement Date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015

See Note 8 for further information.

This schedule is presented to illustrate the requirements of GASB 67 and GASB 68. The General Employees' Plan does not issue a stand-alone financial statement.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN YEARS

**BAL HARBOUR POLICE OFFICERS' PENSION PLAN**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 433,577	\$ 576,273	\$ 714,032	\$ 667,911	\$ 592,730	\$ 613,120	\$ 627,129	\$ 553,181	\$ 410,248	\$ 346,348
Interest	2,373,566	2,312,493	2,279,678	2,246,668	2,210,418	2,097,099	2,041,709	1,860,042	1,811,845	1,800,823
Change in excess state money	-	-	-	-	-	-	-	(20,337)	-	-
Changes of benefit terms	-	-	143,457	-	-	-	-	-	(673,655)	-
Differences between expected and actual experience	304,282	(39,233)	(157,031)	55,771	(597,774)	864,085	71,973	474,826	25,401	-
Changes of assumptions	-	-	589,671	(47,199)	818,183	801,021	-	935,656	-	-
	-	-	-	25,667	(9,660)	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,918,330)	(1,750,406)	(1,643,202)	(1,647,433)	(1,681,923)	(2,402,714)	(1,666,151)	(1,587,483)	(1,988,455)	(810,802)
<b>Net Change in Total Pension Liability</b>	1,193,095	1,099,127	1,926,605	1,301,385	1,331,974	1,972,611	1,074,660	2,215,885	(414,616)	1,336,369
<b>Total Pension Liability – Beginning</b>	34,433,672	33,334,545	31,407,940	30,106,555	28,774,581	26,801,970	25,727,310	23,511,425	23,926,041	22,589,672
<b>Total Pension Liability – Ending (a)</b>	35,626,767	34,433,672	33,334,545	31,407,940	30,106,555	28,774,581	26,801,970	25,727,310	23,511,425	23,926,041
<b>Plan Fiduciary Net Position</b>										
Contributions – employer	1,235,738	1,517,945	1,546,824	1,429,097	1,440,569	1,283,722	1,090,340	1,412,053	1,267,776	972,601
Contributions – state	86,396	138,864	67,689	67,617	60,588	105,199	-	48,213	48,213	44,490
Contributions – employee	177,542	207,133	216,191	209,654	204,080	197,911	209,065	207,719	173,806	133,415
Net investment income (loss)	2,981,280	(2,770,068)	4,064,363	2,858,469	1,331,926	2,674,490	1,967,324	1,378,398	349,967	1,966,648
Benefit payments, including refunds of member contributions	(1,918,330)	(1,750,406)	(1,643,202)	(1,647,433)	(1,691,583)	(2,402,714)	(1,666,151)	(1,587,483)	(1,988,455)	(810,802)
Administrative expense	(103,144)	(122,997)	(110,388)	(97,786)	(53,270)	(95,490)	(82,083)	(86,042)	(90,015)	(78,730)
<b>Net Change in Plan Fiduciary Net Position</b>	2,459,482	(2,779,529)	4,141,477	2,819,618	1,292,310	1,763,118	1,518,495	1,372,858	(238,708)	2,227,622
<b>Plan Fiduciary Net Position – Beginning</b>	28,194,736	30,974,265	26,832,788	24,013,170	22,720,860	20,957,742	19,439,247	18,066,389	18,305,097	16,077,475
<b>Plan Fiduciary Net Position – Ending (b)</b>	30,654,218	28,194,736	30,974,265	26,832,788	24,013,170	22,720,860	20,957,742	19,439,247	18,066,389	18,305,097
<b>Net Pension Liability – Ending (a) – (b)</b>	4,972,549	6,238,936	2,360,280	4,575,152	6,093,385	6,053,721	5,844,228	6,288,063	5,445,036	5,620,944
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.04%	81.88%	92.92%	85.43%	79.76%	78.96%	78.19%	75.56%	76.84%	76.51%
Covered-employee Payroll	\$ 1,775,415	\$ 2,071,335	\$ 2,161,913	\$ 2,096,536	\$ 2,040,801	\$ 1,979,108	\$ 2,090,649	\$ 2,077,194	\$ 2,168,613	\$ 1,334,157
Net Pension Liability as a Percentage of Covered-employee Payroll	280.08%	301.20%	109.18%	218.22%	298.58%	305.88%	279.54%	302.72%	251.08%	421.31%

See Note 8 for further information.

This schedule is presented to illustrate the requirements of GASB 68.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND RELATED RATIOS  
LAST EIGHT YEARS

**BAL HARBOUR VILLAGE EXCESS BENEFIT PLAN**

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>								
Interest on the total pension liability	\$ 63,864	\$ 62,256	\$ 46,424	\$ 52,267	\$ 52,077	\$ 60,210	\$ 59,631	\$ 56,322
Difference between actual and expected experience	(14,446)	18,583	(77,941)	(55,252)	(98,115)	14,829	10,635	1,860
Changes of assumptions	367,889	(46,411)	(605,138)	20,673	386,030	310,002	(140,081)	(134,713)
Benefit payments	(70,837)	(69,110)	(67,424)	(65,780)	(64,175)	(62,610)	(61,083)	(59,593)
Net Change in Total Pension Liability	346,470	(34,682)	(704,079)	(48,092)	275,817	322,431	(130,898)	(136,124)
Total Pension Liability - Beginning	1,414,772	1,449,454	2,153,533	2,201,625	1,925,808	1,603,377	1,734,275	1,870,399
Total Pension Liability - Ending	<u>\$ 1,761,242</u>	<u>\$ 1,414,772</u>	<u>\$ 1,449,454</u>	<u>\$ 2,153,533</u>	<u>\$ 2,201,625</u>	<u>\$ 1,925,808</u>	<u>\$ 1,603,377</u>	<u>\$ 1,734,275</u>
<b>Covered-employee Payroll</b>	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
<b>Total Pension Liability as a Percentage of Covered-employee Payroll</b>	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable

Assumption changes: Discount rate was changed from 4.63% as of 9/30/2023 to 3.81% as of 9/30/2024 due to changes in the Fidelity's "20-Year Municipal GO AA Index" between the measurement dates. Changes in future benefits payments were set to be the same as cost of living adjustment. See Note 8 for further information.

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years ended September 30, 2017 through 2024 are available. The Excess Benefit Plan does not issue stand-alone financial statements. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this plan

# BAL HARBOUR VILLAGE, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED SCHEDULES OF EMPLOYER CONTRIBUTIONS LAST TEN YEARS

<b>BAL HARBOUR GENERAL EMPLOYEES' PENSION PLAN</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,746,181	\$ 1,470,323	\$ 1,295,078	\$ 1,068,711	\$ 1,052,612	\$ 957,499	\$ 793,089	\$ 745,642	\$ 622,677	\$ 565,619
Contributions in Relation to the Actuarially Determined Contribution	1,746,181	1,470,323	1,295,078	1,068,711	1,052,612	957,499	793,089	745,642	622,677	565,619
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee Payroll	\$ 4,272,100	\$ 3,448,325	\$ 2,371,363	\$ 2,557,263	\$ 1,551,238	\$ 1,576,163	\$ 1,575,163	\$ 1,332,178	\$ 1,251,987	\$ 1,360,903
Contributions as a Percentage of Covered-Employee Payroll	40.87%	42.64%	54.61%	41.79%	67.86%	60.75%	50.35%	55.97%	49.74%	41.56%

### Notes to Schedule of Contributions

Valuation Date	October 1, 2022
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Closed, Level Percent of Pay Method
Remaining Amortization Period	20 years
Asset Valuation Method	5-year Smoothed Market Value: Difference between the expected and actual return on market value of assets phased in over a period of five (5) years (at the rate of 20% per year), adjusted to be no greater than 120% and no less than 80% of the fair market value
Inflation	2.25% per year
Salary Increases	Age-based salary increase table with values ranging from 3.15% - 6.75%, including inflation
Investment Rate of Return	5.75% per year compounded annually, net of investment expenses, including inflation
Retirement Age	Experience-based table of rates based on year of eligibility
Committed:	The mortality table for General Employees is the PUB-2010 Headcount Weighted Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Retiree Male Table (post-retirement) and the PUB- 2010 HeadcountWeighted Below Median Retiree Female Table (postretirement). These tables use ages set back one year for males and future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2022.

This schedule is presented to illustrate the requirements of GASB 68.

**BAL HARBOUR VILLAGE, FLORIDA**  
REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULES OF EMPLOYER CONTRIBUTIONS  
LAST TEN YEARS

**BAL HARBOUR POLICE OFFICERS' PENSION PLAN**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,380,084	\$ 1,322,134	\$ 1,591,232	\$ 1,616,888	\$ 1,484,107	\$ 1,489,108	\$ 1,388,921	\$ 1,340,039	\$ 1,231,003	\$ 1,284,001
Contributions in Relation to the Actuarially Determined Contribution	1,394,494	1,322,134	1,656,809	1,614,513	1,496,714	1,501,157	1,388,921	1,090,340	1,460,266	1,315,261
Contribution Deficiency (Excess)	\$ (14,410)	\$ -	\$ (65,577)	\$ 2,375	\$ (12,607)	\$ (12,049)	\$ -	\$ 249,699	\$ (229,263)	\$ (31,260)
Covered-employee Payroll	\$ 1,521,103	\$ 1,775,415	\$ 2,071,335	\$ 2,161,913	\$ 2,096,536	\$ 2,040,801	\$ 1,979,108	\$ 2,090,649	\$ 2,077,194	\$ 2,168,613
Contributions as a Percentage of Covered-employee Payroll	91.68%	74.47%	79.99%	74.68%	71.39%	73.56%	70.18%	52.15%	70.30%	60.65%

**Notes to Schedule of Contributions**

Valuation Date October 1, 2022

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry Age Normal Cost Method

Amortization Method Level Dollar, Closed

Remaining Amortization Period 20 years

Asset Valuation Method 5-year smoothed market

Inflation 2.5% per year

Salary Increases 4.5% to 15.0% depending on service, including inflation

Investment Rate of Return 7.00%

Cost-of-Living Adjustment 2.5% per year

Retirement Age Experience-based table of rates based on age and service.

Mortality Mortality Tables for retirees and employees are the same as used by the Florida Retirement System (FRS) for its Special Risk Class in their July 1, 2022 actuarial valuation, described as Pub-2010 Headcount Weighted Safety Below Median Mortality Tables, set forward 1 year. Rates for beneficiaries are the same as for FRS Regular Class. Rates are generationally projected for all years after 2010 using SOA mortality improvement Scale MP-2018. These tables were adopted following an experience study published in 2019 covering the period July 1, 2013 through June 30, 2018.

This schedule is presented to illustrate the requirements of GASB 68.



**BAL HARBOUR VILLAGE, FLORIDA**  
REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULES OF INVESTMENT RETURNS (LOSS)  
LAST TEN YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>BAL HARBOUR GENERAL EMPLOYEES' PENSION PLAN</b>										
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expense	22.62%	10.86%	16.37%	19.11%	7.17%	3.65%	6.89%	10.43%	9.90%	-0.87%
<b>BAL HARBOUR POLICE OFFICERS' PENSION PLAN</b>										
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expense	21.02%	10.59%	-8.85%	14.73%	5.76%	12.55%	12.32%	9.56%	7.42%	2.53%

This schedule is presented to illustrate the requirements of GASB 67.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
Schedule of Changes in the Total OPEB Liability  
LAST SEVEN YEARS

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service cost	\$ 47,032	\$ 63,681	\$ 86,133	\$ 78,851	\$ 60,262	\$ 60,520	\$ 61,563
Interest cost	45,140	26,349	35,282	38,931	47,718	44,190	39,361
Change in benefit terms	25,968	-	-	-	-	-	-
Differences between expected and actual experience	(94,447)	-	(191,402)	-	251,892	-	-
Changes in assumptions	29,905	(152,673)	(63,260)	29,973	(106,810)	(26,655)	(36,296)
Benefit payments	(94,160)	(101,707)	(108,542)	(104,947)	(98,795)	(90,177)	(51,268)
<b>Net change in total OPEB liability</b>	<b>(40,562)</b>	<b>(164,350)</b>	<b>(241,789)</b>	<b>42,808</b>	<b>154,267</b>	<b>(12,122)</b>	<b>13,360</b>
<b>Total OPEB Liability - beginning</b>	<b>1,025,968</b>	<b>1,190,318</b>	<b>1,432,107</b>	<b>1,389,299</b>	<b>1,235,032</b>	<b>1,247,154</b>	<b>1,233,794</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 985,406</b>	<b>\$ 1,025,968</b>	<b>\$ 1,190,318</b>	<b>\$ 1,432,107</b>	<b>\$ 1,389,299</b>	<b>\$ 1,235,032</b>	<b>\$ 1,247,154</b>
 <b>Covered-employee payroll</b>	 \$ 8,198,803	 \$ 7,609,241	 \$ 6,842,569	 \$ 6,640,185	 \$ 6,417,541	 \$ 5,974,274	 \$ 5,416,800
 <b>Total OPEB Liability as a percentage of covered-employee payroll</b>	 12%	 13%	 17%	 22%	 22%	 21%	 23%

Assumption changes: Changes in assumptions and other inputs reflected in the schedule of changes in the Total OPEB Liability include:

- discount rate changed to 4.63% (from 4.40%)
- premiums were updated based on information provided
- updated healthcare cost trend rates as described above.

Benefit Changes:

The schedule of changes in the Total OPEB Liability reflects an increase in the stipend from \$350 per month to \$450 per month paid by the Village to eligible Police Officers retiring under provisions of normal retirement after October 16, 2021.

This change is reflected in the Schedule of Changes in Total OPEB Liability. See Note 9 for further information.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan. The schedule is presented to illustrate the requirements of GASB 75. Currently, only data for the fiscal years 2018 through 2024 are available to be presented.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM PLANS  
LAST SEVEN YEARS

<b>Florida Retirement System</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Villages' proportion of the net pension liability	0.005808%	0.004818%	0.003625%	0.003183%	0.003659%	0.002846%	0.000583%
Village's proportionate share of the net pension liability	\$ 2,246,973	\$ 1,919,858	\$ 1,348,956	\$ 240,452	\$ 1,919,858	\$ 980,181	\$ 175,516
Village's covered-employee payroll	\$ 1,166,686	\$ 975,853	\$ 684,117	\$ 544,676	\$ 511,616	\$ 387,351	\$ 77,050
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	192.594494%	196.736382%	197.181960%	44.145878%	375.253706%	253.047236%	227.794938%
Plan fiduciary net position as a percentage of the total pension liability	83.700000%	82.380000%	82.890000%	96.400000%	78.850000%	82.610000%	84.260000%
<b>Health Insurance Subsidy Program</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Villages' proportion of the net pension liability	0.002757%	0.002463%	0.001877%	0.001539%	0.001474%	0.001152%	0.000236%
Village's proportionate share of the net pension liability	\$ 413,538	\$ 391,188	\$ 198,830	\$ 188,724	\$ 391,188	\$ 129,589	\$ 24,967
Village's covered-employee payroll	\$ 1,166,686	\$ 975,833	\$ 684,117	\$ 544,676	\$ 511,616	\$ 387,351	\$ 77,050
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.445527%	40.087597%	29.063742%	34.648855%	76.461252%	33.455187%	32.403634%
Plan fiduciary net position as a percentage of the total pension liability	4.800000%	4.120000%	4.810000%	3.560000%	3.000000%	2.630000%	2.150000%

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years presented are available.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULE OF VILLAGE CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PLANS  
LAST SEVEN YEARS

<b>Florida Retirement System</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 328,910	\$ 231,781	\$ 154,704	\$ 121,265	\$ 121,577	\$ 88,252	\$ 16,607
Contributions in relation to the contractually required contribution	(328,910)	(231,781)	(154,704)	(121,265)	(121,577)	(88,252)	(16,607)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Village's covered-employee payroll	\$ 1,230,640	\$ 1,021,698	\$ 748,354	\$ 602,638	\$ 509,007	\$ 443,167	\$ 136,738
Contributions as a percentage of covered-employee payroll	26.73%	22.69%	20.67%	20.12%	23.89%	19.91%	12.15%
<b>Health Insurance Subsidy Program</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 23,339	\$ 16,203	\$ 11,359	\$ 9,044	\$ 8,465	\$ 6,431	\$ 1,279
Contributions in relation to the contractually required contribution	(23,339)	(16,203)	(11,359)	(9,044)	(8,465)	(6,431)	(1,279)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Village's covered-employee payroll	\$ 1,230,640	\$ 1,021,698	\$ 748,354	\$ 602,638	\$ 509,007	\$ 443,167	\$ 136,738
Contributions as a percentage of covered-employee payroll	1.90%	1.59%	1.52%	1.50%	1.66%	1.45%	0.94%

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years presented are available.

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## **COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULE**

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# BAL HARBOUR

- VILLAGE -

**BAL HARBOUR VILLAGE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2024**

	State Law Enforcement Special Revenue	Federal Law Enforcement Special Revenue	Security District Special Revenue	Total Non-Major Governmental Funds
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 674,855	22,531	\$ 3,314,492	\$ 4,011,878
Receivables, net	-	-	1,507	1,507
Due from other governments	-	-	11,550	11,550
Total assets	674,855	22,531	3,327,549	4,024,935
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Accounts payable and accrued liabilities	-	-	85,996	85,996
<b><u>Fund balance:</u></b>				
Restricted:				
State and federal law enforcement	674,855	22,531	-	697,386
Security district	-	-	3,241,553	3,241,553
Total fund balances	674,855	22,531	3,241,553	3,938,939
Total liabilities and fund balances	\$ 674,855	\$ 22,531	\$ 3,327,549	\$ 4,024,935

**BAL HARBOUR VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	State Law Enforcement Special Revenue	Federal Law Enforcement Special Revenue	Security District Special Revenue	Total Non-Major Governmental Funds
Revenues:				
Special assessments	\$ -	\$ -	\$ 1,616,355	\$ 1,616,355
Licenses and permits	-	-	257,836	257,836
Investment earnings	725	-	125,000	125,725
Total revenues	<u>725</u>	<u>-</u>	<u>1,999,191</u>	<u>1,999,916</u>
Expenditures:				
General government	5,000	-	929,439	934,439
Capital outlay	1,322	-	262,052	263,374
Total expenditures	<u>6,322</u>	<u>-</u>	<u>1,191,491</u>	<u>1,197,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,597)</u>	<u>-</u>	<u>807,700</u>	<u>802,103</u>
Net change in fund balance	(5,597)	-	807,700	802,103
Fund balance, beginning	680,452	22,531	2,433,853	3,136,836
Fund balance, ending	<u>\$ 674,855</u>	<u>\$ 22,531</u>	<u>\$ 3,241,553</u>	<u>\$ 3,938,939</u>



**BAL HARBOUR VILLAGE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**SECURITY DISTRICT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Special assessments	\$ 1,596,200	\$ 1,596,200	\$ 1,616,355	\$ 20,155
Licenses and permits	50,000	50,000	257,836	207,836
Investment earnings	-	-	125,000	125,000
Total revenues	<u>1,646,200</u>	<u>1,646,200</u>	<u>1,999,191</u>	<u>352,991</u>
Expenditures:				
General government	1,218,350	1,218,350	929,439	288,911
Capital outlay	1,080,161	1,859,172	262,052	1,597,120
Total expenditures	<u>2,298,511</u>	<u>3,077,522</u>	<u>1,191,491</u>	<u>1,886,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(652,311)</u>	<u>(1,431,322)</u>	<u>807,700</u>	<u>2,239,022</u>
Net change in fund balance	<u>\$ (652,311)</u>	<u>\$ (1,431,322)</u>	<u>\$ 807,700</u>	<u>\$ 2,239,022</u>

**BAL HARBOUR VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**SEPTEMBER 30, 2024**

	General Employees Pension	Police Officers Pension	Totals
<b><u>ASSETS</u></b>			
Investments, at fair value:			
Money market funds	\$ 267,511	\$ 734,531	\$ 1,002,042
Mutual funds	1,233,359	8,644,041	9,877,400
Bond index funds	5,917,888	-	5,917,888
U.S. government obligations	-	6,148,961	6,148,961
Corporate bonds	-	2,739,616	2,739,616
Foreign bonds	175,000	-	175,000
Large cap equities	12,524,688	12,180,228	24,704,916
Real estate investments	887,174	2,334,284	3,221,458
Infrastructure investments	1,066,582	-	1,066,582
Foreign stock	2,664,869	3,675,435	6,340,304
Total investments	<u>24,737,071</u>	<u>36,457,096</u>	<u>61,194,167</u>
Accrued interest receivable	-	104,928	104,928
Contributions receivable	-	95,154	95,154
Prepaid expenses	4,334	-	4,334
Total assets	<u>24,741,405</u>	<u>36,657,178</u>	<u>61,398,583</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	<u>22,430</u>	<u>110,713</u>	<u>133,143</u>
<b><u>NET POSITION</u></b>			
Net position restricted for pension benefits	<u>\$ 24,718,975</u>	<u>\$ 36,546,465</u>	<u>\$ 61,265,440</u>

**BAL HARBOUR VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	General Employees Pension	Police Officers Pension	Totals
<b>ADDITIONS</b>			
Contributions:			
Village	\$ 1,746,181	\$ 1,299,340	\$ 3,045,521
Employees	305,688	152,111	457,799
State	-	95,154	95,154
Total Contributions	<u>2,051,869</u>	<u>1,546,605</u>	<u>3,598,474</u>
Investment income:			
Interest, dividends and other income	484,620	753,732	1,238,352
Net appreciation in the fair value of investments	<u>4,160,534</u>	<u>5,846,331</u>	<u>10,006,865</u>
	4,645,154	6,600,063	11,245,217
Less investment expenses	<u>(39,716)</u>	<u>(173,700)</u>	<u>(213,416)</u>
Net investment income	<u>4,605,438</u>	<u>6,426,363</u>	<u>11,031,801</u>
 Total additions	 <u>6,657,307</u>	 <u>7,972,968</u>	 <u>14,630,275</u>
<b>DEDUCTIONS</b>			
Benefits payments	926,408	1,969,877	2,896,285
Lump sum DROP distributions	156,594	-	156,594
Administrative expenses	<u>66,456</u>	<u>110,844</u>	<u>177,300</u>
Total deductions	<u>1,149,458</u>	<u>2,080,721</u>	<u>3,230,179</u>
 Change in net position	 5,507,849	 5,892,247	 11,400,096
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
Beginning	<u>19,211,126</u>	<u>30,654,218</u>	<u>49,865,344</u>
Ending	<u>\$ 24,718,975</u>	<u>\$ 36,546,465</u>	<u>\$ 61,265,440</u>

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## **STATISTICAL SECTION - UNAUDITED**

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## STATISTICAL SECTION

This part of Bal Harbour Village's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

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<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time. These schedules include:</i>	<b>107-111</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	<b>112-117</b>
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.</i>	<b>118-122</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i>	<b>123-124</b>
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	<b>125-126</b>

*Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements or annual comprehensive financial reports for the relevant year.*

# BAL HARBOUR

- VILLAGE -

## BAL HARBOUR VILLAGE, FLORIDA

### NET POSITION BY COMPONENT – UNAUDITED

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities:										
Net investment in capital assets	\$ 9,735,309	\$ 2,706,557	\$ 31,630,842	\$ 32,114,123	\$ 33,150,693	\$ 54,484,061	\$ 56,384,097	\$ 78,957,002	\$ 89,456,010	\$ 92,208,068
Restricted	5,659,681	5,112,055	5,035,027	5,156,817	9,635,715	10,125,644	10,912,192	13,061,321	16,074,358	18,036,141
Unrestricted	6,474,732	7,510,264	9,322,579	12,019,793	13,780,660	13,834,008	21,837,755	39,882,293	39,790,634	44,949,803
Total governmental activities net position	\$ 21,869,722	\$ 15,328,876	\$ 45,988,448	\$ 49,290,733	\$ 56,567,068	\$ 78,443,713	\$ 89,134,044	\$ 131,900,616	\$ 145,321,002	\$ 155,194,012
Business-type activities:										
Net Invested in capital assets	\$ 2,674,221	\$ 4,448,041	\$ 13,717,215	\$ 15,826,763	\$ 17,139,918	\$ 17,940,383	\$ 18,603,172	\$ 20,244,622	\$ 23,001,633	\$ 25,924,814
Unrestricted	8,372,874	8,356,699	9,802,290	8,711,616	10,143,185	10,473,847	10,188,810	9,148,166	7,750,813	6,111,665
Total business-type activities net position	\$ 11,047,095	\$ 12,804,740	\$ 23,519,505	\$ 24,538,379	\$ 27,283,103	\$ 28,414,230	\$ 28,791,982	\$ 29,392,788	\$ 30,752,446	\$ 32,036,479
Primary government:										
Net Invested in capital assets	\$ 12,409,530	\$ 7,154,598	\$ 45,348,057	\$ 47,940,886	\$ 50,290,811	\$ 72,424,444	\$ 74,987,269	\$ 99,201,624	\$ 112,457,643	\$ 118,132,882
Restricted	5,659,681	5,112,055	5,035,027	5,156,817	9,635,715	10,125,644	10,912,192	13,061,321	16,074,358	18,036,141
Unrestricted	14,847,606	15,896,963	19,124,869	20,731,409	23,923,845	24,307,855	32,026,565	49,030,459	47,541,447	51,061,468
Total primary government net position	\$ 32,916,817	\$ 28,163,616	\$ 69,507,953	\$ 73,829,112	\$ 83,850,371	\$ 106,857,943	\$ 117,926,026	\$ 161,293,404	\$ 176,073,448	\$ 187,230,491

# **BAL HARBOUR VILLAGE, FLORIDA**

CHANGES IN NET POSITION – UNAUDITED  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
General government	\$ 4,187,109	\$ 4,629,417	\$ 5,863,429	\$ 5,617,805	\$ 6,456,473	\$ 7,040,358	\$ 6,604,179	\$ 6,748,287	\$ 5,180,355	\$ 8,278,892
Public safety	6,161,865	6,605,925	6,064,111	6,568,155	6,635,010	8,227,790	7,026,299	4,934,100	10,013,843	9,546,632
Community services	1,881,892	1,963,975	2,081,680	2,193,271	2,539,431	2,264,482	2,018,345	2,037,813	5,095,973	6,615,105
Tourism development	3,523,612	3,479,071	3,351,037	3,629,100	3,539,890	2,304,237	1,879,376	3,477,619	1,527,281	2,033,052
Interest on long-term debt	-	-	-	-	-	-	-	3,757	8,111	2,895
Total government activities expenses	15,754,478	16,678,388	17,360,257	18,008,331	19,170,804	19,836,867	17,528,199	17,201,576	21,825,563	26,476,576
Business-type activities:										
Water and sewer	2,920,314	3,567,105	3,300,056	3,333,587	3,800,127	3,791,346	4,189,214	4,157,525	4,218,025	4,638,737
Total business-type activities	2,920,314	3,567,105	3,300,056	3,333,587	3,800,127	3,791,346	4,189,214	4,157,525	4,218,025	4,638,737
Total primary government expenses	18,674,792	20,245,493	20,660,313	21,341,918	22,970,931	23,628,213	21,717,413	21,359,101	26,043,588	31,115,313
Program revenues:										
Government activities:										
Charges for services:										
General government	3,048,718	2,645,886	3,510,905	4,392,385	3,996,536	4,448,128	5,546,973	6,450,109	8,279,914	7,930,137
Public safety	919,762	1,103,188	669,672	407,099	914,305	559,142	849,682	1,133,619	1,169,806	1,322,411
Community services	-	-	-	-	-	-	-	322,814	-	-
Operating grants and contributions	-	-	-	-	-	-	2,102,721	-	143,707	169,700
Capital grants and contributions	-	138,308	29,020,077	(20,077)	3,025,000	20,000,000	616,900	14,411,696	75,000	1,010,749
Total governmental activities and program revenues	3,968,480	3,887,382	33,200,654	4,779,407	7,935,841	25,007,270	9,116,276	22,318,238	9,668,427	10,432,997
Business-type activities:										
Charges for services										
Water and sewer	4,323,705	4,438,684	4,183,763	4,276,844	4,392,761	4,294,451	4,543,188	4,693,354	5,227,676	5,527,438
Capital grants and contributions	-	1,009,698	9,783,539	7,041	2,057,840	658,232	-	-	-	-
Total business-type activities program revenues	4,323,705	5,448,382	13,967,302	4,283,885	6,450,601	4,952,683	4,543,188	4,693,354	5,227,676	5,527,438
Total primary government program revenues	8,292,185	9,335,764	47,167,956	9,063,292	14,386,442	29,959,953	13,659,464	27,011,592	14,896,103	15,960,435

(Continued)

Committed:



# BAL HARBOUR VILLAGE, FLORIDA

CHANGES IN NET POSITION – UNAUDITED

(Continued)

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expense) revenue:										
Business type activities	1,403,391	1,881,277	10,667,246	950,298	2,650,474	1,161,337	353,974	535,829	1,009,651	888,701
Total primary government net expense	(10,382,607)	(10,909,729)	26,507,643	(12,278,626)	(8,584,489)	6,331,740	(8,057,949)	5,652,491	(11,147,485)	(15,154,878)
General revenues and other changes in net assets:										
Governmental activities										
Taxes:										
Ad-valorem taxes	7,591,502	7,193,763	8,195,619	10,010,648	10,139,283	10,258,510	9,824,672	9,769,187	10,707,645	11,976,316
Franchise fees based on gross receipts and utility taxes	1,513,181	1,528,901	1,590,867	1,601,350	1,613,151	1,518,958	1,587,850	1,793,918	1,992,170	1,997,991
Unrestricted intergovernmental revenue	631,608	629,457	731,511	756,387	1,012,413	1,083,278	888,970	887,173	987,177	919,521
Tourism tax	3,448,249	3,423,437	3,331,088	3,825,266	4,526,248	2,777,408	4,813,175	5,931,450	5,775,431	5,659,962
Unrestricted investment earnings	53,748	50,747	84,091	150,075	203,734	129,251	50,802	378,644	2,245,931	3,540,017
Miscellaneous	22,701	957,404	855,999	609,934	1,003,220	848,977	1,936,785	18,889,538	3,869,168	1,822,782
Transfers	60,000	-	-	18,722	13,449	89,660	-	-	-	-
Total governmental activities	13,320,989	13,783,709	14,789,175	16,972,382	18,511,498	16,706,042	19,102,254	37,649,910	25,577,522	25,916,589
Business-type activities										
Unrestricted investment earnings	22,461	19,205	47,519	87,298	107,699	59,450	23,778	64,977	350,007	395,332
Transfers	(60,000)	-	-	(18,722)	(13,449)	(89,660)	-	-	-	-
Total business-type activities	(37,539)	19,205	47,519	68,576	94,250	(30,210)	23,778	64,977	350,007	395,332
Total primary government	13,283,450	13,802,914	14,836,694	17,040,958	18,605,748	16,675,832	19,126,032	37,714,887	25,927,529	26,311,921
Change in net position										
Governmental activities	2,480,201	992,703	30,629,572	3,743,458	7,276,535	21,876,445	10,690,331	42,766,572	13,420,386	9,873,010
Business-type activities	1,162,238	1,900,482	10,714,765	1,018,874	2,744,724	1,131,127	377,752	600,806	1,359,658	1,284,033
Total primary government	\$ 3,642,439	\$ 2,893,185	\$ 41,344,337	\$ 4,762,332	\$ 10,021,259	\$ 23,007,572	\$ 11,068,083	\$ 43,367,378	\$ 14,780,044	\$ 11,157,043

# BAL HARBOUR VILLAGE, FLORIDA

## FUND BALANCES OF GOVERNMENTAL FUNDS – UNAUDITED

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Restricted	\$ 284,306	\$ 368,934	\$ 368,934	\$ 368,934	\$ 3,025,000	\$ 3,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Committed	-	-	-	-	-	-	-	14,956,228	15,404,915	16,252,185
Non-spendable	3,199	-	-	-	64,996	77,752	110,627	159,584	154,094	205,248
Assigned	3,839,071	5,155,978	5,634,930	6,309,833	9,493,556	12,700,628	22,520,890	18,168,600	15,063,017	19,873,223
Unassigned	12,090,936	10,960,921	12,890,324	15,247,427	15,216,033	14,037,405	12,149,328	15,426,172	18,115,222	20,078,394
Total general fund	<u>\$ 16,217,512</u>	<u>\$ 16,485,833</u>	<u>\$ 18,894,188</u>	<u>\$ 21,926,194</u>	<u>\$ 27,799,585</u>	<u>\$ 29,815,785</u>	<u>\$ 35,280,845</u>	<u>\$ 49,210,584</u>	<u>\$ 49,237,248</u>	<u>\$ 56,909,050</u>
All other government funds:										
Reserved, reported in:										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ 2,680	\$ 13,750	\$ -	\$ -	\$ 3,114
Assigned	-	-	-	-	-	-	-	-	-	-
Restricted:										
Tourism fund	3,262,914	3,090,456	3,110,249	3,318,691	4,737,680	5,291,064	8,225,088	10,731,699	12,437,522	13,594,088
Other governmental funds	2,112,461	2,021,599	1,924,778	1,868,126	1,869,535	1,834,400	2,173,354	2,377,019	3,136,836	3,938,939
Restricted	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 5,375,375</u>	<u>\$ 5,112,055</u>	<u>\$ 5,035,027</u>	<u>\$ 5,186,817</u>	<u>\$ 6,610,715</u>	<u>\$ 7,128,144</u>	<u>\$ 10,412,192</u>	<u>\$ 13,108,718</u>	<u>\$ 15,574,358</u>	<u>\$ 17,536,141</u>

\* Restricted Fund Balance includes Capital Projects, Tourism, State Law Enforcement, and Security Fund balances.

\*\*Assigned fund balance includes amounts for future capital projects (\$11.6M), post-employment benefits and pensions (\$2.4M), future claims (\$500k) and for building and zoning future costs (\$500k). Prior year balances primarily represent monies set aside for future capital projects; as well as post-employment benefits and pensions.

## BAL HARBOUR VILLAGE, FLORID

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS – UNAUDITED  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues:</b>										
Ad valorem taxes	\$ 7,591,502	\$ 7,193,763	\$ 8,195,619	\$ 10,010,648	\$ 10,139,283	\$ 10,258,510	\$ 9,824,672	\$ 9,769,187	\$ 10,707,645	\$ 11,976,316
Utility taxes and franchise fees	1,834,540	1,840,407	1,880,227	1,601,350	1,882,756	1,794,819	1,821,576	2,040,665	2,244,410	2,250,267
Licenses and permits	1,537,695	1,296,318	2,186,908	2,287,708	2,703,831	2,259,810	2,851,772	3,712,216	4,416,406	4,081,105
Special assessments	413,953	407,333	424,346	603,159	592,950	688,946	919,422	936,960	1,863,178	1,616,355
Intergovernmental	462,333	456,259	442,151	756,387	742,808	807,417	3,374,865	2,244,936	953,644	1,847,694
Charges for services	1,097,070	942,235	899,651	1,025,384	1,175,889	1,499,372	1,775,779	1,800,933	2,000,330	2,232,677
Tourist tax	3,448,249	3,423,437	3,331,088	3,825,266	4,526,248	2,777,408	4,813,175	5,931,450	5,775,431	5,659,962
Fines and forfeitures	915,108	1,101,657	663,240	383,907	914,305	554,154	849,682	1,133,619	1,139,698	1,322,411
Investment earnings	30,374	50,924	84,248	150,219	203,734	129,251	50,802	378,644	2,245,931	3,540,017
Developer contribution	662,463	834,922	840,852	500,000	3,525,000	459,011	1,139,456	18,056,228	3,005,000	1,000,000
Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous	50,729	123,836	21,422	132,982	503,220	394,954	797,329	833,310	889,708	831,538
<b>Total revenues</b>	<b>18,044,016</b>	<b>17,671,091</b>	<b>18,969,752</b>	<b>21,277,010</b>	<b>26,910,024</b>	<b>21,623,652</b>	<b>28,218,530</b>	<b>46,838,148</b>	<b>35,241,381</b>	<b>36,358,342</b>
<b>Expenditures:</b>										
General government	4,187,109	5,040,926	4,982,816	5,026,069	5,203,742	5,742,688	6,000,598	6,330,899	6,986,278	7,935,962
Public safety	6,110,890	6,484,618	5,929,379	6,140,275	6,596,510	6,999,460	7,286,884	7,191,216	7,511,217	8,197,362
Solid waste	610,333	615,626	613,849	610,507	682,978	697,872	695,588	718,066	748,468	753,536
Road and streets	924,503	977,257	948,261	1,154,994	1,290,374	1,112,096	1,099,784	1,102,699	3,009,325	3,238,635
Recreation, arts & culture	347,056	328,956	405,336	314,807	416,337	286,594	84,589	58,737	1,157,141	2,424,898
Tourism development	3,523,612	3,373,729	3,317,701	3,593,659	3,510,355	2,275,996	1,853,605	3,447,643	1,460,109	1,962,802
Capital outlay	50,975	362,101	31,581	627,704	1,807,579	1,966,352	2,405,753	11,371,017	11,833,506	2,203,808
<b>Debt service:</b>										
Principal	-	266,861	330,309	660,052	80,718	93,024	38,594	44,785	58,349	91,395
Interest	-	95,699	110,772	13,869	7,591	5,601	4,027	3,757	3,543	1,882
<b>Total expenditures</b>	<b>15,754,478</b>	<b>17,545,773</b>	<b>16,670,004</b>	<b>18,141,936</b>	<b>19,596,184</b>	<b>19,179,683</b>	<b>19,469,422</b>	<b>30,268,819</b>	<b>32,767,936</b>	<b>26,810,280</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>2,289,538</b>	<b>125,318</b>	<b>2,299,748</b>	<b>3,135,074</b>	<b>7,313,840</b>	<b>2,443,969</b>	<b>8,749,108</b>	<b>16,569,329</b>	<b>2,473,445</b>	<b>9,548,062</b>
<b>Other financing sources (uses):</b>										
C Bonds issued/ lease	-	29,527	31,581	-	-	-	-	59,936	18,859	85,523
Transfers in	125,000	314	-	18,722	13,449	89,600	-	-	-	-
Transfers out	(65,000)	(314)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>60,000</b>	<b>29,527</b>	<b>31,581</b>	<b>18,722</b>	<b>13,449</b>	<b>89,600</b>	<b>-</b>	<b>59,936</b>	<b>18,859</b>	<b>85,523</b>
<b>Net change in fund balance</b>	<b>\$ 2,349,538</b>	<b>\$ 154,845</b>	<b>\$ 2,331,329</b>	<b>\$ 3,153,796</b>	<b>\$ 7,327,289</b>	<b>\$ 2,533,569</b>	<b>\$ 8,749,108</b>	<b>\$ 16,629,265</b>	<b>\$ 2,492,304</b>	<b>\$ 9,633,585</b>
<b>Debt service expenditures as a % of noncapital expenditures</b>	<b>0.0%</b>	<b>2.2%</b>	<b>2.7%</b>	<b>4.0%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.4%</b>

**BAL HARBOUR VILLAGE, FLORIDA****GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE – UNAUDITED**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

Fiscal Year Ended September 30,	Tax Roll Year	Ad Valorem Taxes	Franchise Fees and Utility Taxes	Tourism Tax	Total
2015	2014	7,591,502	1,687,146	3,448,249	12,726,897
2016	2015	7,193,763	1,528,901	3,423,437	12,146,101
2017	2016	8,195,619	1,590,867	3,331,088	13,117,574
2018	2017	10,010,648	1,601,350	3,825,266	15,437,264
2019	2018	10,139,283	1,613,151	4,526,247	16,278,681
2020	2019	10,258,510	1,518,958	2,777,408	14,554,876
2021	2020	9,824,672	1,587,850	4,813,175	16,225,697
2022	2021	9,769,187	1,793,918	5,931,450	17,494,555
2023	2022	10,707,645	1,992,170	5,775,431	18,475,246
2024	2023	11,976,316	1,997,991	5,659,962	19,634,269

## BAL HARBOUR VILLAGE, FLORIDA

### GENERAL FUND GOVERNMENTAL REVENUES BY SOURCE – UNAUDITED LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Taxes	Inter- Governmental	Licenses and Permits	Charges for Service	Fines and Forfeitures	Investment Earnings	Other	Developer Contribution	Total
2015	9,278,648	462,333	1,537,695	992,051	915,108	22,221	45,798	662,463	13,916,317
2016	12,457,607	456,259	1,296,318	1,349,568	1,101,657	50,924	123,836	834,922	17,671,091
2017	13,406,934	442,151	2,186,908	1,323,997	663,240	84,248	21,422	840,852	18,969,752
2018	11,913,189	455,196	2,287,708	1,025,384	383,907	109,746	109,934	500,000	16,785,064
2019	12,022,039	742,808	2,703,831	1,175,889	914,305	148,867	125,042	3,525,000	21,357,781
2020	12,053,329	807,417	2,229,867	1,499,372	553,545	98,481	336,294	459,011	18,037,316
2021	11,646,248	3,374,865	2,787,470	1,775,779	849,682	40,941	771,060	1,139,456	22,385,501
2022	11,809,852	2,244,936	3,623,795	1,800,933	1,133,619	310,407	777,228	18,056,228	39,756,998
2023	12,952,055	953,644	4,215,547	2,000,330	1,139,698	1,756,643	830,421	3,005,000	26,853,338
2024	14,226,583	1,847,694	3,823,269	2,232,677	1,322,411	2,831,062	806,353	1,000,000	28,090,049

## BAL HARBOUR VILLAGE, FLORIDA

### TOTAL VALUE AND ESTIMATED ACTUAL ASSESSED VALUE OF TAXABLE PROPERTY - UNAUDITED LAST TEN CALENDAR YEARS

Calendar Year	Residential Property	Commercial Property	Personal Property	Other Property	Total Estimated Actual Value	Exemptions	Net Assessed Value	Total Direct Tax Rate (a)	Net Assessed Value as a Percentage of Estimated Actual Value
2015	3,389,022,070	532,009,772	75,795,113	-	3,996,826,955	42,378,896	3,954,448,059	2.0611	98.94%
2016	4,630,037,791	576,530,305	74,345,511	8,793,501	5,289,707,108	1,040,402,108	4,249,305,000	1.9654	80.33%
2017	4,887,875,474	549,764,276	85,089,223	13,079,086	5,535,808,059	1,102,076,500	4,433,731,559	1.9654	80.09%
2018	5,499,313,271	553,901,409	80,038,174	103,762,729	6,237,015,583	922,809,073	5,314,206,510	1.9654	85.20%
2019	5,418,035,388	601,166,952	84,448,270	63,952,817	6,167,603,427	668,781,338	5,498,822,089	1.9654	89.16%
2020	5,332,307,758	642,413,314	80,740,683	74,886,913	6,130,348,668	630,230,842	5,500,117,826	1.9654	89.72%
2021	4,901,373,815	639,222,999	79,630,705	83,869,382	5,704,096,901	427,106,395	5,276,990,506	1.9654	92.51%
2022	4,943,014,024	644,559,447	75,770,056	125,262,853	5,788,606,380	525,530,237	5,263,076,143	1.9654	90.92%
2023	5,619,165,383	804,786,659	85,946,837	168,164,818	6,678,063,697	903,861,821	5,774,201,876	1.9654	86.47%
2024	7,223,782,431	922,520,409	99,768,954	194,860,787	8,440,932,581	2,160,099,225	6,280,833,356	1.9654	74.41%

(a) Miami Dade Property Appraiser

Note: Property taxes are for a calendar year, while tax rates are for fiscal years.

Note: Total Values are compared to Assessed Values both provided by the Miami-Dade County Property Appraiser.

# BAL HARBOUR VILLAGE, FLORIDA

## PRINCIPAL PROPERTY ASSESSED VALUES - UNAUDITED

Fiscal Year 2023

	Market Assessed <u>Value</u>	Taxable Assessed <u>Value</u>	<u>Rank</u>	Percentage of Total Taxable <u>Assessed Value</u>
St. Regis Hotel and Condominiums (Seldar)	\$ 1,098,278,213	\$ 1,097,278,213	1	17.69%
Oceana	1,077,462,428	1,076,312,428	2	17.35%
One Bal Harbour /Ritz Carlton Complex	630,953,378	629,198,378	3	10.14%
Bal Harbour Shops Complex	311,767,865	311,767,865	4	5.03%
The Majestic Complex	310,470,716	308,240,716	6	4.97%
Balmoral Complex	290,694,949	286,874,949	5	4.62%
Bal Harbour Tower Complex	268,376,211	266,356,211	7	4.29%
Harbour House Complex	263,928,564	261,947,097	8	4.22%
Bal Harbour 101	223,652,345	220,707,345	9	3.56%
Bellini	186,643,355	185,338,355	10	2.99%
Total	\$ 4,662,228,024	\$ 4,644,021,557		74.86%

### Notes:

- The ten properties with the highest assessed values comprise 74.86% of the total taxable value for the Village as a whole.
- 35.04% of the percent of total taxable value for 2023, is within 2 of the 10 highest taxable value.
- Properties ranked #1 and #2 did not exist 10 years ago, this indicates significant assessed value growth due to oceanfront development within the Village, as these properties comprise just over half of the top 10 value for the Village.

**BAL HARBOUR VILLAGE, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS - UNAUDITED**  
**LAST TEN FISCAL YEARS**

Fiscal Years Ended September 30.	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of the Levy		Distribution of Prior Year Levy	Total Collections to Date	
	Gross Levy	Discount	Net Levy	Amount	Percentage of Levy		Amount	Percentage of Net Levy
2015	8,146,491	554,989	7,591,502	7,591,502	93.19%	221,412	7,812,914	95.91%
2016	8,351,584	1,161,483	7,190,101	7,190,101	86.09%	3,661	7,193,762	86.14%
2017	8,715,056	838,213	7,876,843	7,876,843	90.38%	318,776	8,195,619	94.04%
2018	10,444,541	522,227	9,922,314	9,656,475	92.45%	354,173	10,010,648	95.85%
2019	10,808,734	541,718	10,267,016	9,704,307	89.78%	434,976	10,139,283	93.81%
2020	10,599,003	329,568	10,269,435	9,869,362	93.12%	389,148	10,258,510	96.79%
2021	10,103,870	251,043	9,852,827	9,493,585	93.96%	331,087	9,824,672	97.24%
2022	10,166,564	339,717	9,826,847	9,514,720	93.59%	254,467	9,769,187	96.09%
2023	11,014,124	232,938	10,781,186	10,289,091	93.42%	418,554	10,707,645	97.22%
2024	12,374,630	647,498	11,727,132	11,552,109	93.35%	424,207	11,976,316	96.78%

*\*The 'Discount' increase since 2015 reflects Value Adjustment Board clearance of appeal backlogs, resulting in a compounding affects in the subsequent year. Per State TRIM requirements, the Village must budget Ad Valorem proceeds at 95%, Committed:*



# BAL HARBOUR VILLAGE, FLORIDA

PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS - UNAUDITED  
(Per \$1,000 of Taxable Value)  
LAST TEN FISCAL YEARS

		Direct Rate	Overlapping Rates												
		Village	School District		State				Miami-Dade County		Special Districts				
Fiscal Years Ended September 30,	Tax Roll Year	Operating and Total Millage	Operating Millage/Voted Operating	Debt Service Millage	Everglades Project	South Florida Water Management District	Okeechobee Basin	Florida Inland Navigation District	Operating Millage	Debt Service Millage	Children's Trust	Fire & Rescue	Fire Debt	Total Direct & Overlapping Rates	
2015	2014	2.0611	7.775	0.1990	0.0548	0.1577	0.1717	0.0345	4.6669	0.4500	0.5000	2.4207	0.0114	18.5028	
2016	2015	1.9654	7.413	0.1990	0.0506	0.1459	0.1586	0.0320	4.6669	0.4500	0.5000	2.4207	0.0086	18.0107	
2017	2016	1.9654	7.138	0.1840	0.0471	0.1359	0.1477	0.0320	4.6669	0.4000	0.5000	2.4207	0.0075	17.6452	
2018	2017	1.9654	6.774	0.2200	0.0441	0.1275	0.1384	0.0320	4.6669	0.4000	0.4673	2.4207	0.0075	17.2638	
2019	2018	1.9654	6.504	0.2290	0.0417	0.1209	0.1310	0.0320	4.6669	0.4644	0.4415	2.4207	-	17.0175	
2020	2019	1.9654	7.025	0.1230	0.0397	0.1152	0.1246	0.0320	4.6669	0.4780	0.4680	2.4207	-	17.4585	
2021	2020	1.9654	6.936	0.1930	0.038	0.1103	0.1192	0.0320	4.6669	0.4780	0.4507	2.4207	-	17.4102	
2022	2021	1.9654	6.829	0.1800	0.0365	0.1061	0.1146	0.0320	4.6669	0.5075	0.5000	2.4207	-	17.3587	
2023	2022	1.9654	6.424	0.1650	0.0327	0.0948	0.1026	0.0320	4.6202	0.4853	0.5000	2.3965	-	16.8185	
2024	2023	1.9654	6.566	0.1330	0.0327	0.0948	0.1026	0.0288	4.574	0.4355	0.5000	2.3965	-	16.8293	

Commit Miami-Dade County Property Appraiser's Office

# BAL HARBOUR VILLAGE, FLORIDA

## RATIOS OF OUTSTANDING DEBT BY TYPE - UNAUDITED LAST TEN FISCAL YEARS

Fiscal Years Ended September 30,	Governmental Activities			Business-type Activities			Total Primary Government	Per Capita Personal Income (1)	Percentage of Total Personal Income	Population	Net Debt per Capita
	General Obligation (GO) Bonds	Revenue Bonds	Leases and SBITA	Outstanding Non-GO Bonds	Note Payable	Leases and SBITA					
2015	-	281,240	1,228,329	7,231,514	-	41,873	8,782,956	52,081	5.86%	2,877	3,053
2016	-	240,499	1,110,950	6,630,895	-	27,923	8,010,267	52,081	5.66%	2,716	2,949
2017	-	217,770	780,795	6,004,248	-	47,414	7,050,227	53,856	4.82%	2,716	2,596
2018	-	194,758	143,935	5,369,769	-	37,199	5,745,661	53,856	3.40%	3,134	1,833
2019	-	171,458	86,517	4,727,363	-	27,421	5,012,759	57,585	2.86%	3,039	1,649
2020	-	147,867	17,084	4,076,926	8,096,000	16,509	12,354,386	69,567	2.04%	3,004	4,113
2021	-	123,982	2,375	3,418,360	7,565,000	2,374	11,112,091	69,567	5.16%	3,093	3,593
2022	-	99,798	77,136	2,751,564	7,027,000	18,718	9,974,216	89,702	3.66%	3,037	3,284
2023	-	75,311	62,133	2,076,435	6,482,000	12,971	8,708,850	101,899	2.84%	3,035	2,869
2024	-	50,518	81,054	1,392,869	5,930,000	7,213	7,461,654	116,504	2.11%	3,021	2,470

Notes: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

Committed:

# BAL HARBOUR VILLAGE, FLORIDA

## RATIOS OF BONDED DEBT OUTSTANDING - UNAUDITED LAST TEN FISCAL YEARS

Fiscal Years Ended September 30,	Gross Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Assessed Value of Taxable Property	Ratio of Net Bonded Debt to Assessed Value	Population	Net Bonded Debt per Capita (1)
2015	7,512,754	-	7,512,754	3,955,257,876	0.190%	2,877	2,611
2016	6,871,394	-	6,871,394	4,243,000,000	0.162%	2,716	2,530
2017	6,222,018	-	6,222,018	4,433,731,559	0.140%	2,716	2,291
2018	5,564,527	-	5,564,527	5,314,206,510	0.105%	3,314	1,679
2019	4,898,821	-	4,898,821	5,498,822,089	0.089%	3,039	1,612
2020	4,224,793	-	4,224,793	5,500,117,826	0.077%	3,004	1,406
2021	3,542,342	-	3,542,342	5,276,990,506	0.067%	3,093	1,145
2022	2,851,362	-	2,851,362	5,263,076,143	0.054%	3,037	939
2023	2,151,746	-	2,151,746	5,774,201,876	0.037%	3,035	709
2024	1,443,387	-	1,443,387	6,280,833,356	0.023%	3,021	478

(1) Population & Income Estimates from the 2023 US Census AmericanCommunity Survey.

## BAL HARBOUR VILLAGE, FLORIDA

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT – UNAUDITED SEPTEMBER 30, 2024

	Debt Outstanding	Percentage Applicable to Bal Harbour Village (1)	Share of Direct & Overlapping Debt
Jurisdiction			
Direct			
Bal Harbour Village	\$ 131,572	100.00%	\$ 131,572
Overlapping:			
Miami-Dade Board of County Commissioners (2)	20,388,432,000	1.48%	301,748,794
Miami-Dade County School Board (3)	3,119,262,000	1.23%	38,366,923
Subtotal, overlapping debt	23,507,694,000		340,115,716
Total direct and overlapping	<u>\$ 23,507,825,572</u>		<u>\$ 340,247,288</u>

#### Notes:

(1) Based on ratio of assessed taxable value obtained from Miami-Dade County Property Appraiser 2024 roll.

(2) Source: Miami-Dade County 2023 ACFR..

(3) Source: Miami-Dade County School Board 2024 ACFR.

The Town Charter does not establish a legal debt limit nor does the Florida Statutes impose a limit.

# **BAL HARBOUR VILLAGE, FLORIDA**

## **LEGAL DEBT MARGIN INFORMATION – UNAUDITED LAST TEN FISCAL YEARS**

Note: Neither the Village Charter nor State Law establish a legal debt margin.

**BAL HARBOUR VILLAGE, FLORIDA**  
**PLEDGED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

**CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2011 - UNAUDITED**

Fiscal Years Ended September 30:	Pledged Revenues	Additional Appropriated Revenues, Not From Ad Valorem, Water and Sewer System	Additional Appropriated Revenues, Not From Ad Valorem, General Fund	Total Revenue Pledged or Appropriated	Total Debt Service Required	Coverage	Required Coverage
2015	\$ 295,314	\$ -	\$ 837,058	\$ 1,132,372	\$ 837,058	1.35	0.00
2016	295,833	-	800,121	1,095,954	829,141	1.32	0.00
2017	290,807	-	792,386	1,083,193	821,126	1.32	0.00
2018	295,374	-	784,555	1,079,929	813,010	1.33	0.00
2019	315,888	-	776,625	1,092,513	804,793	1.36	0.00
2020	277,554	-	760,469	1,038,023	788,050	1.32	0.00
2021	326,136	-	752,238	1,078,374	779,521	1.38	0.00
2022	399,286	-	743,904	1,143,190	770,886	1.48	0.00
2023	447,574	-	735,467	1,183,041	762,142	1.55	0.00
2024	434,316	-	726,924	1,161,240	753,289	1.54	0.00

1. Pledged Revenues Include State Revenue Sharing, 1/2¢ Sales Tax Sharing, and Alcoholic Beverage License Shared Revenues.
2. To the extent pledged revenues are insufficient, the Village promises to budget and appropriate any difference.
3. The debt was originally issued for both Water and Sewer capital needs and General Fund capital needs.

# BAL HARBOUR VILLAGE, FLORIDA

## DEMOGRAPHIC AND ECONOMIC STATISTICS – UNAUDITED LAST TEN CALENDAR (OR FISCAL) YEARS

Calendar Year	Population		School Enrollment	Unemployment Rate	Personal Income (Expressed in Thousands)	
	Village	County			Total	Per Capita
		(a)	(b)	(c)	(d)	(e)
2015	2,877	2,693,117	349,152	6.2%	149,837,037	52,081
2016	2,716	2,700,794	355,269	5.2%	141,451,996	52,081
2017	2,716	2,727,606	356,086	4.6%	146,272,896	53,856
2018	3,134	2,751,796	418,498	4.7%	168,784,704	53,856
2019	3,134	2,761,581	350,040	3.2%	180,471,390	57,585
2020	3,004	2,716,940	347,069	9.7%	208,979,268	69,567
2021	3,093	2,701,767	334,400	4.9%	215,170,731	69,567
2022	3,037	2,662,777	329,337	2.3%	272,424,974	89,702
2023	3,035	2,673,837	335,725	2.5%	309,263,465	101,899
2023 (f)	3,021	2,774,841	337,112	2.9%	351,958,584	116,504

### Note:

- (a) Source: Bureau of Economic and Business Research, University of Florida
- (b) Source: Miami-Dade County Public Schools, Florida (county wide)
- (c) Source: U.S. Bureau of Labor Statistics
- (d) Source: U.S. Department of Labor – Annual Rate
- (e) Source U.S. Census American Community Survey – Fact Finder.
- (f) County population estimates updated from Census Quick – Facts, Village estimate from Beacon Council profile. Total Personal Income computed using population and per capita data.

**BAL HARBOUR VILLAGE, FLORIDA**  
**PRINCIPAL EMPLOYERS 2024 – UNAUDITED**

Employer	2024			2015		
	Employees	Rank	Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	34,765	1	2.49%	31,000	1	2.35%
Miami-Dade County	29,495	2	2.11%	24,692	2	1.87%
University of Miami, Inc	22,566	3	1.62%	13,864	5	1.05%
Federal Government	19,200	4	1.37%	19,300	3	1.47%
Florida State Gov't	17,100	5	1.22%	19,200	4	1.46%
Jackson Health System	14,249	6	1.02%	8,163	8	0.62%
Publix Supermarket	14,146	7	1.01%			0.00%
American Airlines	11,297	8	0.81%	11,773	7	0.89%
Amazon	7,583	9	0.54%			
Florida International University	6,597	10	0.47%	4,951	9	0.38%
Baptist Health Systems of South FL	-	-	-	13,369	6	1.02%
City of Miami	-	-	-	3,820	10	0.29%
Total Labor Force Employment	<u>1,396,943</u>		<u>12.67%</u>	<u>1,317,045</u>		

Source: The Beacon Council, Miami, Florida, Most recent data available.  
Miami-Dade County Comprehensive Financial Report 2014-15.  
Miami-Dade County Public Schools Statistical Highlights 2023-24.



**BAL HARBOUR VILLAGE, FLORIDA**
**OPERATING INDICATORS BY FUNCTION/PROGRAM – UNAUDITED  
LAST TEN FISCAL YEARS**

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
General government:										
Non-sworn personnel	48.5	48.5	49	49	53	53	54	56	89	64
Square miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles
Elections:										
Registered voters	1,724	1,612	1,732	1,855	1,855	1,426	2,139	2,207	2,194	2,012
Votes cast in last election	795	n/a	1,360	1,125	1,101	1,101	785	937	937	1,541
Ordinances prepared and adopted	8	6	8	11	14	9	8	5	8	11
Resolutions prepared and adopted	108	58	59	85	68	73	84	111	81	99
Commission minutes prepared/approved	15	15	15	15	13	12	14	13	13	13
Public safety:										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Sworn employees	25	25	25	25	24	24	25	27	26	28
Calls for service handled	5,822	7,373	7,628	6,554	7,239	2,913	2,976	3,073	3,074	3,821
Traffic accidents handled	268	171	168	136	136	123	150	182	152	155
Traffic citations/warnings issued	3,961	3,783	3,028	3,509	3,370	2,825	4,060	10,005	12,738	1,091
Part 1 crimes reported	110	95	87	82	90	99	121	139	170	185
Arrests	82	122	130	90	89	78	78	65	75	92
Building:										
Permits issued	1,149	951	1,101	1,416	1,382	1,007	1,283	1,474	1,572	1,235
Value of construction	\$ 320,670,729	\$ 44,154,727	\$ 69,946,011	\$ 62,116,337	\$ 95,880,509	\$ 112,808,867	\$ 86,901,861	\$ 121,713,950	\$ 133,825,763	\$ 239,979,811
Business tax receipts issued	253	194	277	291	251	221	208	257	219	199
Physical environment:										
Miles of streets	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles
Culture/recreation:										
Facilities	2	2	2	2	2	2	2	2	2	2
Park acreage	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	1.48

**Source:**

Various Village departments

Part 1 crimes include homicide, sex offenses, robbery, aggravated assault, burglary, larceny, arson and auto theft.

2016 personnel figures reflect all full-time positions not just those positions which are filled as reported in prior periods.

One single building applicaton comprises \$232,696,144 of the construction value for 2015.

**BAL HARBOUR VILLAGE, FLORIDA**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM – UNAUDITED

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities:										
General government:										
Miles of streets	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Square feet of buildings	21,200	21,200	21,200	21,200	26,818	26,818	17,286	17,286	17,286	17,286
Public safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Acres of parks	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	1.48
Number of parks	1	1	1	1	1	1	1	1	1	1
Acres of beaches	12.73	12.73	12.73	12.73	12.73	12.73	12.73	12.73	12.73	12.73

Source: Village of Bal Harbour, Florida

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## **REPORTING SECTION**

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# BAL HARBOUR

- VILLAGE -

**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With Government Auditing Standards**

RSM US LLP

**Independent Auditor's Report**

Honorable Mayor and Members of the Village Council  
Bal Harbour Village, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bal Harbour Village, Florida (the Village), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 31, 2025. Our report includes a reference to other auditors who audited the financial statements of the Bal Harbour Village Police Officers' Pension Plan. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM VS LLP*

Fort Lauderdale, Florida  
March 31, 2025

# BAL HARBOUR

- VILLAGE -

**Bal Harbour Village, Florida  
Management Letter in Accordance  
With Chapter 10.550, *Rules of the  
Florida Auditor General*, and  
Independent Accountant's Report  
on Compliance with Section 218.415,  
*Florida Statutes***

Fiscal Year Ended September 30, 2024



**Management Letter in Accordance With  
Chapter 10.550, Rules of the Florida Auditor General**

RSM US LLP

Honorable Mayor and Members of the Village Council  
Bal Harbour Village, Florida

**Report on the Financial Statements**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bal Harbour Village, Florida (the Village), as of and for the year ended September 30, 2024, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 31, 2025.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 31, 2025, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. In connection with our prior year audit, there were no findings or recommendations.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Village's financial statements.

**Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and to identify the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Village. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

***Special District Component Units***

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), *Florida Statutes*. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), *Florida Statutes*.

***Additional Matters***

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such matters.

***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor and Members of the Village Council and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM VS LLP*

Fort Lauderdale, Florida  
March 31, 2025

# BAL HARBOUR

- VILLAGE -

**Independent Accountant's Report  
on Compliance with Section 218.415, *Florida Statutes***

RSM US LLP

Honorable Mayor and Members of the Village Council  
Bal Harbour Village, Florida

We have examined Bal Harbour Village, Florida's (the Village) compliance with Section 218.415, *Florida Statutes, Local Government Investment Policies* (the specified requirements) during the period October 1, 2023 to September 30, 2024. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Village's compliance with specified requirements.

In our opinion, the Village complied, in all material respects, with the specified requirements during the period October 1, 2023 to September 30, 2024.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the Village Council and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

Fort Lauderdale, Florida  
March 31, 2025

# BAL HARBOUR

- VILLAGE -

## COUNCIL ITEM SUMMARY

### Condensed Title:

**A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING THE FISCAL YEAR 2024-25 BUDGET; PROVIDING FOR EXPENDITURE OF FUNDS; PROVIDING FOR AMENDMENTS; PROVIDING FOR CARRYOVER OF FUNDS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

### Issue:

Should the Village Council approve the resolution amending the FY 2024-25 Budget?

### The Bal Harbour Experience:

- |   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> Beautiful Environment   | <input checked="" type="checkbox"/> Safety           | <input checked="" type="checkbox"/> Modernized Public Facilities/Infrastructure |
| <input checked="" type="checkbox"/> Destination & Amenities | <input checked="" type="checkbox"/> Unique & Elegant | <input checked="" type="checkbox"/> Resiliency & Sustainable Community          |

### Item Summary / Recommendation:

FY 2024 ended with a surplus revenue over expenditure in the General Fund of \$7,671,800, in the Resort Tax Fund of \$1,159,680, in the Security & Landscape Assessment Fund of \$807,700, and in the Utility Fund of \$1,284,033.

The current FYE's budget is amended to carryforward the unspent appropriations related to Capital Projects and Grants. In addition, reserves are set-aside from the General Fund to support the Village Council's Capital Improvement Program; as well as other Programs (i.e., Fleet, Equipment and IT Replacement).


The action before you today is to amend the FYE 2025 Budget as well as to set-aside additional reserves as a result of the projected financial close-out of FYE 2024.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS RESOLUTION.**

### Financial Information:

	Amount	Account	Account #
	See Exhibit A		

### Sign off:

	Chief Financial Officer	Village Manager
	Claudia Dixon	Jorge M. Gonzalez
		

# BAL HARBOUR

- VILLAGE -

## COUNCIL MEMORANDUM

TO: Honorable Mayor and Village Council

FROM: Jorge M. Gonzalez, Village Manager

DATE: April 29, 2025

SUBJECT: **A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING THE FISCAL YEAR 2024-25 BUDGET; PROVIDING FOR EXPENDITURE OF FUNDS; PROVIDING FOR AMENDMENTS; PROVIDING FOR CARRYOVER OF FUNDS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

### **ADMINISTRATIVE RECOMMENDATION**

It is recommended the Village Council Approve the Resolution.

### **BACKGROUND**

The annual budget serves as the foundation for the Village's financial planning and control. Departmental allocations are based on long range planning efforts in support of the Village's Operating and 5 Year Capital Budget by building on the foundation we established together in the last several years and further cultivating the Bal Harbour experience. Village departments submit requests for appropriation to the Chief Financial Officer, these are incorporated with fixed annual inflationary costs to produce the preliminary base budget, prior to the presentation and setting of the preliminary millage by the Village Council in July of each year. The base budget is developed in collaboration with directors, these requests are used to assist the Village Manager in developing the Proposed Budget which depending on current year resources and resource allocation priorities, may include enhancements to current service levels or capital allocations. The Council is required to hold two public hearings on the Proposed Budget and to enact an Approved Budget as prescribed by the State of Florida's mandated process by the new fiscal year in October. The annual budget process commences at mid-year with the refining of current year projections, and carryforward requests.

The Village maintains budgetary controls for all of its funds except fiduciary and agency funds. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the Village Council. Activities of the various funds are included in the annual budget and are maintained at the department/fund level. Staff at all levels are tasked with managing their budgets to ensure that we implement the approved strategies and initiatives within the approved levels authorized by the Village Council. All unspent appropriations related to Capital Projects and Grants are generally re-appropriated as part of the following year's budget.

Throughout the year I monitor progress of activities, expenditures and revenues to maintain fiscally prudent and conservative practices. At the year end, final decisions are made on how to allocate excess revenues over expenditures to strategically move forward on the long-term Village vision.

## **END OF YEAR FY 2024 - FUND PERFORMANCE SNAPSHOT**

As a result of a disciplined approach to resource allocation, careful management practices and conservative fiscal policies, Bal Harbour Village continues to maintain a very strong financial position in all of our funds, all while implementing an ambitious recreational and capital plan. Like many organizations in both the public and private sectors, we faced challenges this year due to inflationary pressures—particularly in areas such as property insurance and contractual obligations. Additionally, maintaining our current level of municipal services has been impacted by the ongoing difficulties in securing contract labor. Notwithstanding, I am proud to report that on a budgetary basis the fiscal year 2023-24 (FY 2024) closes with a positive position in each of our funds as further described below.

### **GENERAL FUND**

The General Fund ended FY 2024 with a combined non-capital and capital total revenues in excess of total expenditures of \$7,671,800. The following tables reflect the General Fund Activity for FYE 2024 as a whole; as well as the Non-capital vs Capital activity.

<b>General Fund</b>					
<b>Total</b>	<b>FY Adopted 2024 Budget</b>	<b>FY Final 2024 Budget</b>	<b>FY 2024 Actual</b>	<b>Net Final Budget less Actual</b>	<b>% Difference</b>
<i>revenue</i>	27,112,237	41,366,263	28,175,570	(13,190,693)	-31.9%
<i>expenditure</i>	27,685,736	47,882,414	20,503,770	27,378,644	57.2%
<i>use of fund balance</i>	573,499	6,516,151	-	6,516,151	100.0%
<b><i>revenue in excess of expenditure</i></b>			<b>7,671,800</b>		

The General Fund's non-capital (excluding Capital Improvement Project revenue and expenditures) net surplus is approximately \$7.3 million. Non-capital revenue was \$25,734,000, which was \$4,744,566 or 22.7% in excess of the final budget. The increase primarily results from an increase in investment income of \$2.0 million, and an increase in Licenses and permits fees of \$0.5 million received that was not originally budgeted. Other revenue lines performed better than the budget as well. On the expenditure side, non-capital expenditures was \$18,414,000, which was \$2,575,434 or 12.3% less than the final budgeted expenditures. We continue to manage conservatively and control expenses

wherever possible, vacancy savings, pension cost and other related savings contributed to the expenditure line.

General Fund					
<b>Non-Capital Related</b>	FY Adopted 2024 Budget	FY Final 2024 Budget	FY 2024 Actual	Net Final Budget less Actual	% Difference
<i>revenue</i>	20,419,434	20,989,434	25,734,000	4,744,566	22.7%
<i>expenditure</i>	20,419,434	20,989,434	18,414,000	2,575,434	12.3%
<b><i>revenue in excess of expenditure</i></b>			<b>7,320,000</b>		

The Village's capital improvement projects are well underway as the final budget was \$26,893,000 in capital expenditures, which most notably included funding towards the the Harbour Front Park Jetty and new Village Hall Projects. For FYE 2024, funding for capital related expenditures was primarily from Fund Balance, reimbursement grants, as well as commercial rental income from the Truist parcel. Capital related expenditures totaled \$2,089,700 which is \$24,803,300 or 92.3% lower than the Final Budget. The Capital related budget includes policy related funding of reserves. Funding for the Harbour Front Park Jetty Project is primarily through grants on a reimbursement basis. Construction for the Harbour Front Park Jetty Project is expected to be awarded towards the latter part of FYE 2025. In accordance with our financial policies, unspent capital appropriations for ongoing projects are re-appropriated as part of the following year's budget.

General Fund					
<b>Capital Project Related</b>	FY Adopted 2024 Budget	FY Final 2024 Budget	FY 2024 Actual	Net Final Budget less Actual	% Difference
<i>revenue</i>	6,692,798	20,376,849	2,441,500	(17,935,349)	-88.1%
<i>expenditure</i>	7,266,297	26,893,000	2,089,700	24,803,300	92.3%
<i>use of fund balance</i>	573,499	6,516,151	-	6,516,151	100.0%
<b><i>revenue in excess of expenditure</i></b>			<b>351,800</b>		

#### RESORT TAX FUND

The Resort Tax Fund ended the fiscal year with a near record year of \$6,268,377 in revenue collections, and \$5,108,697 in combined (non-capital and capital) expenditures, generating revenue in excess of expenditures for the fund in the amount of \$1,159,680. Revenue collected was \$828,037 more than budgeted or 15.2%, non-capital expenditures incurred is \$426,668 less than budgeted or 7.7%. The capital related budgeted expenditures primarily reflects funding towards Harbour Front Park Jetty project. In accordance with our financial policies, unspent capital appropriations for ongoing projects are re-appropriated as part of the following year's budget.



As you are aware, Resort Tax is the most volatile revenue stream we have. As a fiscal policy, we budget revenue extremely conservatively to ensure that we do not face a circumstance where a material event such as a hurricane or other emergency occurs late in the fiscal year and adversely impacts our finances with no time to recover. At the same time, this strategy helps build the Resort Tax Fund Reserve, which is used for capital or other one-time, non-recurring investments in future years.

Resort Tax Fund	FY Adopted 2024 Budget	FY Final 2024 Budget	FY 2024 Actual	Net Final Budget less Actual	% Difference
revenue	5,185,340	5,440,340	6,268,377	828,037	15.2%
expenditure - non-capital	5,280,400	5,535,365	5,108,697	426,668	7.7%
expenditure - capital	150,000	4,506,735	-	4,506,735	100.0%
use of fund balance	245,060	4,601,760	-	4,601,760	100.0%
<b>revenue in excess of expenditure</b>			<b>1,159,680</b>		

#### SECURITY & LANDSCAPE ASSESSMENT FUND

The Security & Landscape Assessment Fund ended the fiscal year with \$1,999,191 in revenue collections, which was \$352,991 or 21.4% in excess of the final budget. This primarily resulted from construction fee receipts and investment earnings which are non-recurring in nature. Non-capital expenditures was \$929,439, which was \$288,191 or 23.7% less than budgeted. Unspent non-capital expenditures includes partial funding towards for the property management function which resides with the Bal Harbour Civic Association as well as funding for other projects. Capital related expenditures totaled \$262,052 which is \$1,597,120 lower than the Final Budget. Capital related expenditures includes funding for security enhancements; paving expenditures, and reserves. In accordance with our financial policies, unspent capital appropriations for ongoing projects are re-appropriated as part of the following year's budget.

Security & Landscape Assessment Fund	FY Adopted 2024 Budget	FY Final 2024 Budget	FY 2024 Actual	Net Final Budget less Actual	% Difference
revenue	1,646,200	1,646,200	1,999,191	352,991	21.4%
expenditure - non-capital	1,218,350	1,218,350	929,439	288,911	23.7%
expenditure - capital	1,080,161	1,859,172	262,052	1,597,120	85.9%
use of fund balance	652,311	1,431,322	-	1,431,322	100.0%
<b>revenue in excess of expenditure</b>			<b>807,700</b>		

# WATER & SEWER UTILITY FUND

The Water & Sewer Utility Fund ended the year on a Generally Accepted Accounting Principal (GAAP) basis with a surplus of total revenue in excess of expenditures of \$1,284,033.

The following tables are presented on a budgetary basis. The Water & Sewer Utility Fund ended the year on a budgetary basis with \$5,922,769 of Non-capital revenue which is \$330,785 more than the Adopted Budget; and \$4,638,736 on a budgetary basis in non-capital project related expenditures, which is \$730,368 lower than the Adopted Budget. In total, the non-capital project on a budgetary basis related revenue in excess of expenditure is \$1,284,033. Most of this amount goes toward paying off yearly debt obligations.

Capital projects consisted primarily of the Utility Master Plan Capital Project. Combined expenditures for these projects on a budgetary basis totaled \$2,187,851, which is \$516,620 lower than the Adopted Budget. In accordance with our financial policies, unspent capital appropriations for ongoing projects are re-appropriated as part of the following year's budget.

Water & Sewer Utility Fund				
Non-Capital Related	FY Amended 2024 Budget	FY 2024 Actual	Net Budget less Actual	% Difference
revenue	5,591,984	5,922,769	330,785	5.9%
expenditure	5,369,104	4,638,736	730,368	13.6%
revenue in excess of expenditure	(222,880)	1,284,033		
Capital Project Related	FY Adopted 2024 Budget	FY 2024 Actual	Net Budget less Actual	% Difference
expenditure (2)	2,704,471	2,187,851	516,620	19.1%
use of fund balance	2,481,591	-	2,481,591	100.0%
revenue in excess of expenditure	222,880	(2,187,851)		
Total	FY Adopted 2024 Budget	FY 2024 Actual	Net Budget less Actual	% Difference
revenue	5,591,984	5,922,769	330,785	5.9%
expenditure	8,073,575	6,826,587	1,246,988	15.4%
use of fund balance	2,481,591	-	2,481,591	100.0%
revenue in excess of expenditure (1)	-	(903,818)		
revenue in excess of expenditure (GAAP) = (1) + (2)		1,284,033		

## YEAR END CARRY FORWARD

With the close of FY 2014, I proposed, and the Village Council established the prudent practice of programming one-half of excess revenue at year end toward fund balance to grow our reserves, with a goal of maintaining a sizeable unassigned fund balance; and the other half would be designated toward a capital reserve fund balance for future capital projects. In recent years, we have designated larger portions to the capital reserve than required to build available funds for the CIP program projects.

## GENERAL FUND

Given the strong and stable financial position of the General Fund this year and the approval of the Village Council's Capital Improvement Program as a part of the FYE 2025 budget process, I propose we allocate \$2,500,000 of the excess General Fund surplus at year-end towards the Capital Projects Reserve. The remaining \$2,594,728 in surplus should be allocated to the Undesignated Fund Balance. The Village's internal policy is to maintain a minimum unassigned General Fund Balance of 75% of budgeted operating expenditures. With the proposed addition to the capital reserve below, we exceeded that goal with \$17.1 million or 81.0 % of the FYE 2024 budgeted operating expenditures.

<b>General Fund</b>	
<b>Revenue less Expenditure</b>	<b>\$ 7,671,800</b>
Addition to Reserve (Capital projects and Other) per Policy	(1,229,802)
Interest Income Earned on Village Hall Project Advanced Funds - per Policy	(847,270)
Addition to amounts setaside for Building and Zoning	<b>(500,000)</b>
<b>Remaining Balance</b>	<b>\$ 5,094,728</b>
Addition to Capital Reserve	2,500,000
Undesignated Fund Balance	2,594,728
<b>Remaining Balance</b>	<b>\$ -</b>

Additionally, in accordance with financial policies, the unspent capital appropriations for ongoing projects of \$22,030,117 will be re-appropriated as part of the following year's budget.

## RESORT TAX FUND

The excess revenue over expenditures this year of \$1,159,680, brings the Resort Tax Fund - Fund Balance to \$13,597,202 as of FYE 2024. As reflected in the 5-Year Capital Improvement Plan, the Harbour Front Park Jetty project is planned to be partially funded by the Resort Tax Fund. To date, \$5,283,950 of the Resort Tax Fund Balance has been designated for this project. The remaining FYE 2024 Resort Tax Fund balance net of the amounts set aside for capital projects; and future costs is \$8,313,252.

As you are aware, preliminary estimates from our contractor indicate an overall escalation in the projected costs for the Harbour Front Park Jetty project primarily due to an increase in the costs of labor and materials as well as the impact of tariffs. While a Guaranteed Maximum Price (GMP) has not yet been established, we are currently anticipating the need to cover any potential shortfall in funding, through various means including

potential additional contributions from the Resort Tax Fund. To the extent necessary, any additional funding requested will be presented to the Village Council in a budget amendment, at the time the construction contract is awarded.

Additionally, in accordance with financial policies, the unspent capital appropriations for ongoing projects of \$4,506,735 will be re-appropriated as part of the following year's budget.

#### SECURITY & LANDSCAPE ASSESSMENT FUND

In accordance with financial policies, the ongoing unspent capital appropriations of \$1,142,272 will be re-appropriated as part of the following year's budget. The remainder (inclusive of budgeted reserves) will be added to the Security & Landscape Assessment fund balance.

#### WATER & SEWER UTILITY FUND

In accordance with financial policies, the unspent capital appropriations for ongoing projects (budgetary basis) of \$516,620 will be re-appropriated as part of the following year's budget.

In addition, in anticipation of the award of Project 6A of the Utility Master Plan, a budget amendment in the amount of \$2 million is requested to cover costs associated with this project.

#### ***THE BAL HARBOUR EXPERIENCE***

This action is aligned with the Village's mission through The Bal Harbour Experience. Every element of the Bal Harbour Experience is funded in part through each respective Fund's resources and therefore are supported by this item.

#### **CONCLUSION**

FY 2024 closes with an overall positive performance for all funds. The actions recommended in this item are consistent with our established financial policies and continue our fiscally prudent practice and care with the use of public funds. Approval of this item will allow us to continue to develop and implement our ambitious capital program while delivering the level of service our community has grown to expect.

#### Attachments:

1. Exhibit A - Budget Summary

**RESOLUTION NO. 2025-\_\_\_\_**

**A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AMENDING THE FISCAL YEAR 2024-25 BUDGET; PROVIDING FOR EXPENDITURE OF FUNDS; PROVIDING FOR AMENDMENTS; PROVIDING FOR CARRYOVER OF FUNDS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Bal Harbour Village (the "Village") is a municipality located in Miami-Dade County, Florida; and

**WHEREAS**, the FY 2024-25 Budget (the "Budget") was adopted on September 17, 2024, after public hearings as required by Section 200.065, Florida Statutes; and

**WHEREAS**, the Village Council desires to amend the Budget as provided herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AS FOLLOWS:**

**Section 1. Recitals Adopted.** That the above recitals are true and correct and are incorporated herein by this reference.

**Section 2. Budget Amendment.** That the Budget is hereby amended (the "Amended Budget") as provided in the attached Exhibit "A", and such Amended Budget shall become effective immediately upon adoption and shall be applied retroactively as provided in Section 7 below.

**Section 3. Expenditure of funds.** That the Village Manager or his/her designee is authorized to expend or contract for expenditures of such funds as are necessary for the operation of the Village government in accordance with the Amended Budget, Village Charter, Village Code and Council authorizations, as applicable, including those funds from the Village's prior fiscal year (Fiscal Year 2023-24) which were not expended during that prior fiscal year and were carried over and may be used and expended during the Fiscal Year 2024-25. The Village Manager may transfer any unencumbered line item allocation of funds, or any portion thereof, to another line item classification within the same department.

**Section 4. Amendments.** That the Amended Budget may be further amended as provided by Sec. 166.241, Florida Statutes.

**Section 5. Conflicts.** That all sections or parts of sections of Village Resolutions that conflict with this Resolution are repealed to the extent of such conflict.

**Section 6. Severability.** That the provisions of this Resolution are deemed to be severable, and if any section, sentence, clause or phrase of this Resolution shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of the Resolution, but they shall remain in effect, it being the legislative intent that this Resolution shall stand notwithstanding the invalidity of any part.

**Section 7. Effective Date.** That this Resolution shall be effective immediately upon adoption, and shall be applied retroactively from and after October 1, 2024.

PASSED AND ADOPTED this 29<sup>th</sup> day of April, 2025.



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Mayor Jeffrey P. Freimark

ATTEST:

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Dwight S. Danie, Village Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

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Village Attorney  
Weiss Serota Helfman Cole & Bierman P.L.

**Resolution Exhibit A: Revenue & Expenditure Authority by Fund  
Total Revenue & Expenditure**

Rounded to '00s

	Original Appropriation	Amended Appropriation	PY Unspent Capital Carryforward	Additional	Appropriation through Mid- Year Amendment
<b>General Fund</b>					
Revenue	\$ 30,558,200	\$ 30,558,200	\$ 22,030,117	\$ -	\$ 52,588,317
Expenditure					
Legislative	428,900	428,900	-	-	428,900
Administration	1,781,500	1,781,500	-	-	1,781,500
Finance	1,022,400	1,022,400	-	-	1,022,400
General Government	3,305,600	3,305,600	-	-	3,305,600
Law Enforcement	9,268,700	9,268,700	595,084	26,000	9,889,784
Building and Permitting	2,419,500	2,419,500	-	-	2,419,500
Public Works & Beautification	3,197,200	3,197,200	5,705,215	-	8,902,415
Recreation, Arts & Culture	1,946,800	1,946,800	-	-	1,946,800
Information Technology	453,100	453,100	10,995	(26,000)	438,095
Capital Program	6,263,400	6,263,400	15,718,823	-	21,982,223
Legal Support Services	471,100	471,100	-	-	471,100
<b>General Fund Total</b>	<b>\$ 30,558,200</b>	<b>\$ 30,558,200</b>	<b>\$ 22,030,117</b>	<b>\$ -</b>	<b>\$ 52,588,317</b>
<b>Water &amp; Wastewater Utility Fund</b>					
Revenue	\$ 6,830,000	6,830,000	\$ 516,620	\$ 2,000,000	\$ 9,346,620
Expenditure					
Utility Operations	5,630,000	5,630,000	-	-	5,630,000
Capital Projects	1,200,000	1,200,000	516,620	2,000,000	3,716,620
<b>Water &amp; Wastewater Utility Fund Total</b>	<b>\$ 6,830,000</b>	<b>\$ 6,830,000</b>	<b>\$ 516,620</b>	<b>\$ 2,000,000</b>	<b>\$ 9,346,620</b>
<b>Resort Tax Fund</b>					
Revenue	\$ 5,860,000	\$ 5,860,000	\$ 4,506,735	\$ -	\$ 10,366,735
Expenditures					
Tourism & Marketing	2,066,100	2,066,100	219,488	-	2,285,588
Beautification/Greenspace	1,982,600	1,982,600	37,247	-	2,019,847
Law Enforcement	597,100	597,100	-	-	597,100
Recreation, Arts & Culture	1,214,200	1,214,200	4,250,000	-	5,464,200
<b>Resort Tax Fund Total</b>	<b>\$ 5,860,000</b>	<b>\$ 5,860,000</b>	<b>\$ 4,506,735</b>	<b>\$ -</b>	<b>\$ 10,366,735</b>
<b>Landscape &amp; Security Assessment Fund</b>					
Revenue	\$ 1,573,300	\$ 1,573,300	\$ 1,142,272	\$ -	\$ 2,715,572
Expenditures					
Landscape & Security Assessment Area	1,573,300	1,573,300	1,142,272	-	2,715,572
<b>Landscape &amp; Security Assessment Fund</b>	<b>\$ 1,573,300</b>	<b>\$ 1,573,300</b>	<b>\$ 1,142,272</b>	<b>\$ -</b>	<b>\$ 2,715,572</b>





# BAL HARBOUR

- V I L L A G E -

## COUNCIL ITEM SUMMARY

### Condensed Title:

**A RESOLUTION DIRECTING THE VILLAGE MANAGER TO EXECUTE A MEMORANDUM OF AGREEMENT WITH UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT (ICE), A COMPONENT OF THE DEPARTMENT OF HOMELAND SECURITY (DHS), RELATING TO THE PERFORMANCE OF CERTAIN IMMIGRATION ENFORCEMENT FUNCTIONS BY THE VILLAGE OF BAL HARBOUR POLICE DEPARTMENT.**

### Issue:

Shall the Village Council approve Immigration and Customs Enforcement (ICE) proposed Memorandum of Agreement (MOA) 287G encouraging local law enforcement agencies to support federal immigration enforcement and execute the MOA?

### The Bal Harbour Experience:

<input type="checkbox"/> Beautiful Environment	<input checked="" type="checkbox"/> Safety	<input type="checkbox"/> Modernized Public Facilities/Infrastructure
<input type="checkbox"/> Destination & Amenities	<input type="checkbox"/> Unique & Elegant	<input type="checkbox"/> Resiliency & Sustainable Community

### Item Summary / Recommendation:

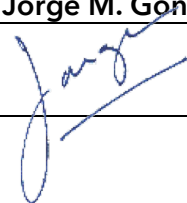
In response to the legislation enacted by the Florida State Legislature in the February 2025 special session, the Florida Police Chiefs Association and the Miami-Dade County Association of Chiefs of Police have circulated a proposed Memorandum of Agreement (MOA) 287G encouraging local law enforcement agencies to support federal immigration enforcement and execute the MOA with Immigration and Customs Enforcement (ICE). Section 4 of the Agreement delineates the Village's responsibilities, including the designation of authorized functions, nomination of personnel, training of personnel, and certification of the Village personnel as an official immigration officer. Several local jurisdictions, including the cities of North Bay Village, Doral, Hialeah, Miami Springs, West Miami, Coral Gables, Sweetwater and Sunny Isles Beach, as well as Miami-Dade Sheriff's Office and Florida International University have already executed the agreement with ICE.

Under the agreement, the Bal Harbour Police Department's role will remain reactive. Officers will not conduct proactive immigration enforcement or engage in random immigration status checks. Only if requested, and able to do so, the department will provide assistance consistent with the agreement.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS RESOLUTION.**

### Sign off:

<b>Raleigh M. Flowers, Jr.</b>	<b>Chief Financial Officer</b>	<b>Village Manager</b>
<b>Chief of Police</b>	<b>Claudia Dixon</b>	<b>Jorge M. Gonzalez</b>



# BAL HARBOUR

- V I L L A G E -

## COUNCIL MEMORANDUM

TO: Honorable Mayor and Village Council

FROM: Jorge M. Gonzalez, Village Manager

DATE: April 29, 2025

SUBJECT: **A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; DIRECTING THE VILLAGE MANAGER TO EXECUTE A MEMORANDUM OF AGREEMENT WITH UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT (ICE), A COMPONENT OF THE DEPARTMENT OF HOMELAND SECURITY (DHS), RELATING TO THE PERFORMANCE OF CERTAIN IMMIGRATION ENFORCEMENT FUNCTIONS BY THE VILLAGE OF BAL HARBOUR POLICE DEPARTMENT; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.**

### **ADMINISTRATIVE RECOMMENDATION**

It is recommended that the Village Council grant authority to the Village Manager to execute an agreement with the United States Immigration and Customs Enforcement (ICE), contingent upon the outcome of pending litigation regarding municipal participation under Florida's new immigration law.

### **BACKGROUND**

In response to the legislation enacted by the Florida State Legislature in the February 2025 special session, the Florida Police Chiefs Association and the Miami-Dade County Association of Chiefs of Police have circulated a proposed Memorandum of Agreement (MOA) 287G encouraging local law enforcement agencies to support federal immigration enforcement and execute the MOA with Immigration and Customs Enforcement (ICE). Section 4 of the Agreement delineates the Village's responsibilities, including the designation of authorized functions, nomination of personnel, training of personnel, and certification of the Village personnel as an official immigration officer.

Several local jurisdictions, including the cities of North Bay Village, Doral, Hialeah, Miami Springs, West Miami, Coral Gables, Sweetwater and Sunny Isles Beach, as well as Miami-Dade Sheriff's Office and Florida International University have already executed the agreement with ICE.

Currently, there is pending litigation filed by the City of South Miami asking the courts to declare whether the state law in fact requires municipalities to enter into such agreements, or if it only requires counties and other entities to do so according to its specific terms.

## **ANALYSIS**

The Chief of Police has expressed support for entering into the agreement, citing the department's ongoing collaboration with federal agencies such as U.S. Customs and Border Protection, particularly through Marine Patrol operations on the Intracoastal Waterways.

Under the agreement, the Bal Harbour Police Department's role will remain reactive. Officers will not conduct proactive immigration enforcement or engage in random immigration status checks. Only if requested, and able to do so, the department will provide assistance consistent with the agreement.

One of our officers currently serves part-time as a Task Force Officer (TFO) with the FBI Joint Terrorism Task Force (JTTF). This officer will be designated and trained as the department's liaison for ICE-related activities. When executing immigration enforcement functions under the agreement, the TFO will be exercising authority as a federal Task Force Officer—not in the capacity of a local police officer—thereby operating under federal jurisdiction and procedures.

The Chief has also consulted with the Village Attorneys regarding the legal implications of entering into or declining the agreement. Potential sanctions for non-compliance with the state law may include:

- Forfeiture of certain state and federal funding.
- Civil fines of up to \$5,000 against elected or appointed local government officials or administrative agency heads under whose jurisdiction a violation occurred; and
- Potential suspension from office.

These considerations were weighed as part of the recommendation to proceed with conditional approval.

## **THE BAL HARBOUR EXPERIENCE**

The approval of this interlocal agreement would meet *The Bal Harbour Experience* by enhancing *the public safety pillar*, by enhancing collaboration with our federal law enforcement partners.

## **CONCLUSION**

Staff recommend the Village Council authorize the Village Manager to execute the agreement with ICE, pending the resolution of the legal challenge currently before the courts. This approach allows the Village to remain compliant with evolving legal requirements while maintaining the flexibility to adjust based on the court's final court ruling regarding this issue.

## RESOLUTION NO. 2025-

**A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; DIRECTING THE VILLAGE MANAGER TO EXECUTE A MEMORANDUM OF AGREEMENT WITH UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT (ICE), A COMPONENT OF THE DEPARTMENT OF HOMELAND SECURITY (DHS), RELATING TO THE PERFORMANCE OF CERTAIN IMMIGRATION ENFORCEMENT FUNCTIONS BY THE VILLAGE OF BAL HARBOUR POLICE DEPARTMENT; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, on February 13, 2025, Governor Ron DeSantis signed two bills into law, Senate Bill 2-C and Senate Bill 4-C, which introduce a comprehensive set of mandates for Florida municipalities and law enforcement agencies regarding immigration enforcement and cooperation with federal authorities; and

**WHEREAS**, among other provisions, Senate Bill 2-C creates the Local Law Enforcement Immigration Grant Program with the State Board of Immigration Enforcement to award grants to support local law enforcement agencies in their cooperation and coordination with federal immigration agencies; and

**WHEREAS**, following the passage of the new laws, which became effective immediately, the Village of Bal Harbour (the "Village") Police Department received correspondence from the Florida Police Chiefs Association ("FPCA") seeking participation in the Memorandum of Agreement with the United States Immigration and Customs Enforcement ("ICE") to perform certain immigration enforcement functions (the "MOA"); and

**WHEREAS**, pursuant to Section 287(g) of the Immigration and Nationality Act ("INA"), codified as 8 U.S.C. Section 1357(g), as amended by the Homeland Security Act of 2002, Public Law 107-276, the Secretary of Homeland Security or designee, is authorized to enter into written agreements with a State or any political subdivision of the State so that qualified officers and employees can perform certain function of an immigration officer; and

**WHEREAS**, the MOA constitutes such a written agreement, setting forth the terms and

conditions pursuant to which selected participating personnel will be nominated, trained, and thereafter approved by ICE to perform certain functions of an immigration officer under the direction and supervision of ICE within the law enforcement agency's jurisdiction; and

**WHEREAS,** the Village Council desires to direct the Village Manager to execute the MOA with ICE; and

**WHEREAS,** the Village Council finds that this Resolution is in the best interest and welfare of the residents of the Village.

**NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AS FOLLOWS:**

**Section 1.**     **Recitals Adopted.** That the above stated recitals are hereby adopted and confirmed.

**Section 2.**     **Directive.** That the Village Council hereby directs the Village Manager to execute the MOA with ICE, provided, however, that execution of the MOA shall be contingent upon the outcome of the pending litigation involving the City of South Miami or any subsequent legal determination clarifying the obligations of municipalities under Senate Bill 2-C and related statutes.

**Section 3.**     **Implementation.** That the Village Manager and Chief of Police are hereby authorized to take all actions necessary to implement the purposes of this Resolution.

**Section 4.    Effective Date.** That this Resolution shall take effect immediately upon the adoption hereof.

PASSED AND ADOPTED this 29<sup>th</sup> day of April 2025.



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Mayor Jeffrey P. Freimark

ATTEST:

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Dwight S. Danie, Village Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

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Village Attorney  
Weiss Serota Helfman Cole & Bierman P.L.

# BAL HARBOUR

- V I L L A G E -

## COUNCIL ITEM SUMMARY

### Condensed Title:

**A RESOLUTION APPOINTING MEMBERS TO THE TWO SEATS ON THE RESORT TAX COMMITTEE OCCUPIED BY ENTITIES THAT COLLECT THE RESORT TAX; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.**

### Issue:

Shall the Village Council appoint Eugenia Dwyer, General Manager at The Ritz-Carlton Bal Harbour, Miami, and Beatriz Lobaton, Director of Luxury Leisure Sales at the St. Regis Bal Harbour Resort to the Resort Tax Committee's collective appointment seats?

### The Bal Harbour Experience:

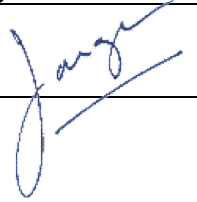
☒ Beautiful Environment    ☐ Safety    ☐ Modernized Public Facilities/Infrastructure  
☒ Destination & Amenities    ☒ Unique & Elegant    ☐ Resiliency & Sustainable Community

### Item Summary / Recommendation:

Per the Village's Code, the composition of the Village's Resort Tax Committee consists of seven (7) members. Each Member of the Village Council shall appoint one (1) member of the Committee. The remaining two (2) seats shall be filled by representatives of entities that collect the Village Resort Tax, who shall be selected by a majority vote of the Council. These two (2) seats are referred to as the "collector appointment" seats. At the December 17, 2024 Village Council meeting, the Village Council approved the re-appointment of Arianna Calcaterra, the Director of Marketing for the St. Regis Bal Harbour Resort, who had served on the RTC since July of 2022; and the appointment of Gabriel Fernandez, the General Manager of Carpaccio Restaurant in Bal Harbour Shops. Ms. Calcaterra is no longer with the St. Regis, so she is not eligible to serve on the RTC and Mr. Fernandez has opted not to serve on the RTC. Given that the "collector appointments" are both currently vacant, these two (2) seats need to be filled by representatives of entities that collect the Village Resort Tax. The recommended individuals are Eugenia Dwyer who serves as General Manager at The Ritz-Carlton Bal Harbour and Beatriz Lobaton who serves as the Director of Luxury Leisure Sales at the St. Regis Bal Harbour Resort.

**THE ADMINISTRATION RECOMMENDS THE APPROVAL OF THIS RESOLUTION.**

### Sign off:

<b>Village Clerk</b>		<b>Village Manager</b>
<b>Dwight S. Danie</b>		<b>Jorge M. Gonzalez</b>
		

# BAL HARBOUR

- V I L L A G E -

## COUNCIL MEMORANDUM

TO: Honorable Mayor and Village Council

FROM: Jorge M. Gonzalez, Village Manager

DATE: April 29, 2025

SUBJECT: **A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; APPOINTING MEMBERS TO THE TWO SEATS ON THE RESORT TAX COMMITTEE OCCUPIED BY ENTITIES THAT COLLECT THE RESORT TAX; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.**

### **ADMINISTRATIVE RECOMMENDATION**

I am recommending approval of this Resolution.

### **BACKGROUND**

Per the Village's Code, the composition of the Village's Resort Tax Committee shall consist of seven (7) members. Each of the seven (7) members shall be persons who either work or reside in Bal Harbour Village and have experience in tourism and/or tourism related activities. At least four (4) of the Committee Members shall be residents of the Village.

Each Member of the Village Council shall appoint one (1) member of the Resort Tax Committee (RTC). The remaining two (2) seats shall be filled by representatives of entities that collect the Village Resort Tax, who shall be selected by a majority vote of the Village Council. These two (2) seats are referred to as the "collector appointment" seats. At the December 17, 2024, Village Council meeting, the Village Council approved the re-appointment of Arianna Calcaterra, the Director of Marketing for the St. Regis Bal Harbour Resort, who had served on the RTC since July of 2022, and the appointment of Gabriel Fernandez, the General Manager of Carpaccio Restaurant in Bal Harbour Shops. Ms. Calcaterra is no longer with the St. Regis, so she is not eligible to serve on the RTC and Mr. Fernandez has opted not to serve on the RTC.

### **ANALYSIS**

Given that the "collector appointments" are both currently vacant, these two (2) seats need to be filled by representatives of entities that collect the Village Resort Tax. The recommended individuals are Eugenia Dwyer who serves as General Manager at The Ritz-Carlton Bal Harbour and Beatriz Lobaton who serves as the Director of Luxury Leisure Sales at the St. Regis Bal Harbour Resort.

Eugenia Dwyer is the General Manager at The Ritz-Carlton Bal Harbour, Miami. In this role, she oversees the operations and performance of this property. With more than 30 years of experience in hospitality management, Mrs. Dwyer previously served as General Manager



of Eden Roc & Nobu Miami Beach. She has also worked at The Westin Times Square, as well as Waldorf Astoria and W Hotels in New York City. While at the W, Ms. Dwyer and her team were recognized with a North American Excellence Award for the W Brand for two consecutive years - resulting from best-in-class results in market share, finances, guest and employee satisfaction, and workers' compensation initiatives. She also led Eventi (Kimpton Hotels) in New York City to hold a Top 20 NYC Trip Advisor rating, along with several "Best in the World" accolades including a No. 153 ranking out of all U.S. hotels by Conde Nast Traveler.

Beatriz Lobaton is the Director of Luxury Leisure Sales at the St. Regis Bal Harbour Resort, having been appointed to this position in April 2024. Previously, Ms. Lobaton served as the Marketing Director for the Ritz-Carlton South Beach and the Ritz-Carlton Bal Harbour from 2017 until her transition to the St. Regis Bal Harbour. She has served on Marriott International Luxury Brands Task Force for Latin America and has also held various marketing and sales positions with Trump International and Turnberry Associates, and with hotels in Vail, Colorado and Caracas, Venezuela.

Both Ms. Dwyer and Ms. Lobaton have demonstrated a commitment to Bal Harbour Village, and their expertise and insight in tourism will contribute to the Resort Tax Committee. In addition to having Ms. Dwyer and Ms. Lobaton serve as members of the RTC, it is recommended that they each have an alternate from their team who can serve as members in the event either of them is not able to attend a committee meeting.

### **THE BAL HARBOUR EXPERIENCE**

Resort Tax Committee Members provide input and guidance into the actions taken to ensure Bal Harbour remains a renowned, sought-after destination for both visitors and residents seeking unique and elegant amenities in a world-class beach-front setting

### **CONCLUSION**

It is recommended that the Village Council pass the Resolution to appoint Eugenia Dwyer and Beatriz Lobaton to the Village's Resort Tax Committee. In addition to having Ms. Dwyer and Ms. Lobaton serve as members of the RTC, it is recommended that they each have an alternate from their team who can serve as members in the event either of them is not able to attend a Resort Tax Committee meeting.

RESOLUTION NO. 2025-\_\_\_\_

**A RESOLUTION OF THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA; APPOINTING MEMBERS TO THE TWO SEATS ON THE RESORT TAX COMMITTEE OCCUPIED BY ENTITIES THAT COLLECT THE RESORT TAX; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Section 2-60 of the Bal Harbour Village Code of Ordinances (the "Village Code") establishes the Village's Resort Tax Committee, which is charged with the administration of portions of the Village Resort Tax (the "Committee"); and

**WHEREAS**, pursuant to Section 2-61 of the Village Code, the Committee shall consist of seven (7) members, with two of the seven members being representatives of entities that collect the Resort Tax (the "Collector Seats"); and

**WHEREAS**, the Collector Seats have been currently occupied by representatives from the St. Regis Bal Harbour Resort and Bal Harbour Shops Restaurants (Carpaccio); and

**WHEREAS**, the Collector Seats are filled by appointment of this Council; and

**WHEREAS**, the St. Regis Bal Harbour Resort has nominated Beatriz Lobaton who serves as Director of Luxury Leisure Sales; and

**WHEREAS**, the Ritz-Carlton Bal Harbour has nominated Eugenia Dwyer who serves as General Manager; and

**WHEREAS**, this Council desires to appoint Beatriz Lobaton and Eugenia Dwyer to fill the two Collector Seats.

**NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF BAL HARBOUR VILLAGE, FLORIDA, AS FOLLOWS:**

**Section 1.**      **Recitals Adopted.** That the above stated recitals are hereby adopted and confirmed.

**Section 2.**      **Appointment.** That in accordance with the provision of Section 2-61 of the Village Code, Beatriz Lobaton and Eugenia Dwyer are hereby appointed to the Resort Tax Committee.

**Section 3.**      **Implementation.** That the Village Manager is hereby authorized to take all actions necessary to implement the purpose of this Resolution.

**Section 4.**      **Effective Date.**    That this Resolution shall take effect immediately upon the adoption hereof.

PASSED AND ADOPTED on this 29<sup>th</sup> day of April, 2025



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Mayor Jeffrey P. Freimark

ATTEST:

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Dwight S. Danie, Village Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

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Village Attorney  
Weiss Serota Helfman Cole & Bierman P.L.



# BAL HARBOUR

- V I L L A G E -

## DISCUSSION ITEM

TO: Jorge M. Gonzalez, Village Manager

FROM: Alejandro Levy, Councilman

DATE: April 29, 2025

SUBJECT: **Discussion Regarding Blood Donation Awareness & Emergency Preparedness Courses**

Please place an item on the April 29, 2025, Village Council Meeting Agenda for a discussion regarding initiatives related to Summer Blood Donation Awareness & Emergency Preparedness Courses.



# BAL HARBOUR

- VILLAGE -

## MEMORANDUM

TO: Honorable Mayor and Council

FROM: Dwight S. Danie, Village Clerk 

DATE: April 22, 2025

RE: Lobbyist Registration Report

Name of Lobbyist	Principal Represented	Date Registered
Carter McDowell	LK Hotel, LLC	01/01/25
Nicholas Noto	Carlton Terrace Owner	01/15/25
Thomas Robertson	LK Hotel, LLC	01/15/25
Caroline Travis	Bal Harbour Shops LLC	01/16/25
Ivor Nicholas Massey	Bal Harbour Shops LLC	01/16/25
Benjamin Elias	Bal Harbour Shops LLC	01/16/25
Ian DeMello	Mathew Whitman Lazenby	01/22/25
John Shubin	Mathew Whitman Lazenby	01/22/25
Eitan Zimmerman	Bal Harbour Civic Association, Inc.	02/24/25
Rita Collins	Bal Harbour Civic Association, Inc.	02/24/25
Neca Logan	Bal Harbour Civic Association, Inc.	02/24/25





# BAL HARBOUR

- VILLAGE -

## MEMORANDUM

TO: Honorable Mayor and Council

FROM: Susan L. Trevarthen *SLT*

DATE: April 29, 2025

RE: Monthly Report of Village Attorney for March 2025 Activities

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Here is the monthly report on the Village Attorney's activities. While we attend to Village business and confer with Village officials continuously, this report highlights specific tasks and projects for the month. Please contact me or Robert Meyers if you have any questions about this report.

### **Retainer Services**

Within the fixed fee retainer in March 2025 (92), we completed our work for the March Council meeting agenda, attended that meeting, and began to review, advise, and prepare documents for agenda items for the April Council meeting. We attended the weekly staff meetings, and the monthly agenda review/after action meetings, and retreat after action.

Specific additional matters included:

- We conferred with staff and reviewed correspondence from Kimley-Horn engagement subcontractors.
- We reviewed and analyzed the utility consultant contract.
- We reviewed and analyzed procedures to change to an ARB approval, and advised on the ARB review process for B District development.
- We analyzed and communicated with staff and drafted an easement concerning a utility easement for 207 Bal Cross Drive
- We reviewed additional information and advised on finance inquiries.
- We conferred with staff and reviewed records for the status of building compliance by the Bal Harbour Manor, and met with staff re St Regis violations.
- We reviewed and analyzed recent case law on enforcement of land use regulations and state law preemption.
- We continued to work on an agreement and an easement with the One Bal Harbour.
- We continued to analyze proposed bills impacting the Live Local Act.
- We conferred with an attorney for a property owner re their inquiries.

- We continued to work with staff on analyzing and developing concepts for revision of the Village's stormwater and landscaping regulations to address Village needs and respond to County action.
- We analyzed and conferred with staff re immigration law changes and impact on municipalities.
- We reviewed and analyzed a proposed bill amending code enforcement inspection procedures.
- We reviewed and analyzed the proposed bill impacting the collection of tourist taxes.
- We prepared for and attended conference calls regarding the jetty project.
- We reviewed and analyzed correspondence concerning AI platforms systems and processes.

### **Additional Services**

For the Red Light Camera matter, we conferred with staff and drafted notice of dismissal of citation.

For the Security/Landscaping Assessment matter, we reviewed correspondence, conferred with Association counsel and engaged in follow-up regarding the MOU between the Association and FPL; and we conferred with staff and communicated with ORNA legal counsel concerning security guard services within the gated community.

For the Dade County PBA Collective Bargaining matter, we held conferences concerning continued bargaining and strategy; reviewed and responded to pension issues, including regarding ability of police officers to receive pension service credit for civilian service and service credits as general employees; and conferred with staff and communicated with counsel concerning a longevity pay grievance and arbitrator for same.

For the Zyscovich matter, we responded to client by analyzing issues related to liability, proper defendants, and nature of contract claims, and drafted complaint.

For the Bal Harbour Shops (Live Local Act) matter, we reviewed affidavits and correspondence, considered strategy, and conferred with the litigators.