Revenue Generation/ Cost Savings Workshop

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Introduction

- **Results:**
  - Departments presented at least (90) recommendations for consideration
    - **Revenue Enhancements (54)**
      - Short Term – 8
      - Intermediate Term – 27
      - Long-Term – 19
    - **Cost Savings (36)**
      - Short Term – 4
      - Intermediate Term – 21
      - Long-Term – 11
- All recommendations are not included in the presentation
- Presentation will focus on the most feasible short-term and intermediate term recommendations (can be done in next year)

Meeting Agenda

- **Challenge**: Amendment 3 – General Fund
- **Where we are**: discussion of major revenue sources
- **Potential Opportunities – Revenue:** Fees, Fines, and Cost Recovery; New Services; Monetizing Assets, Property, and Infrastructure
- **Potential Opportunities – Cost Savings:** Operational Efficiency, Workforce and Program Cost Controls
- **Additional Recommendations**
- **Questions & Discussion**

Challenge

CITY RESPONSE TO CONSTITUTIONAL AMENDMENT 3

Amendment 3: Projected General Fund Revenue Loss Impacts



Year 1: $5.6M



Year 2: $9.2M



Future Years

Challenge: projected revenue impacts – Amendment 3

Proportional Reductions - by Department

Department	FY 2026-27 Budget	% of budget	Shortfall	Reduction	Revised Budget
Mayor & Council	1,443,633	2%		(95,000)	1,348,633
City Attorney	1,500,000	2%		(98,000)	1,402,000
City Manager	903,868	1%		(59,000)	844,868
City Clerk	1,167,422	1%		(76,000)	1,091,422
Planning and Zoning	2,607,590	3%		(171,000)	2,436,590
Finance & Budget	3,640,812	4%		(238,000)	3,402,812
General Services	5,384,591	6%		(353,000)	5,031,591
Procurement & Contracts	2,286,072	3%		(150,000)	2,136,072
Code Compliance	2,400,789	3%		(157,000)	2,243,789
General Administration	8,925,239	10%		(584,000)	8,341,239
Police	43,580,392	51%		(2,853,000)	40,727,392
Public Works	2,379,798	3%		(156,000)	2,223,798
Parks	7,996,844	9%		(524,000)	7,472,844
Human Resources	1,313,798	2%		(86,000)	1,227,798
Total	**85,530,848**	**100%**	**5,600,000**	**(5,600,000)**	**79,930,848**
Transfers					
Taxable Transp. Sys Revenue Bonds	400,000			-	
Transfer to Electric Utility Fund	1,000,000			-	
Transfer to Building Services Fund	904,000			-	
Transfer to CIP Fund	6,209,295			-	
Total	**94,044,143**			**-**	

Departmental reductions are calculated by dividing the total shortfall ($5.6 million) by total budget (without transfers) $85.531 million – 6.55% reduction in all departments.

Challenge: projected revenue impacts – Amendment 3

Proportional Reductions - by Department (excluding Police)

Department	FY 2026-27 Budget	% of budget	Shortfall	% without PD	Reduction	Revised Budget
Mayor & Council	1,443,633	2%		3%	(193,000)	1,250,633
City Attorney	1,500,000	2%		4%	(200,000)	1,300,000
City Manager	903,868	1%		2%	(121,000)	782,868
City Clerk	1,167,422	1%		3%	(156,000)	1,011,422
Planning and Zoning	2,607,590	3%		6%	(348,000)	2,259,590
Finance & Budget	3,640,812	4%		9%	(486,000)	3,154,812
General Services	5,384,591	6%		13%	(719,000)	4,665,591
Procurement & Contracts	2,286,072	3%		5%	(305,000)	1,981,072
Code Compliance	2,400,789	3%		6%	(320,000)	2,080,789
General Administration	8,925,239	10%		21%	(1,191,000)	7,734,239
Police	43,580,392	51%			-	43,580,392
Public Works	2,379,798	3%		6%	(318,000)	2,061,798
Parks	7,996,844	9%		19%	(1,068,000)	6,928,844
Human Resources	1,313,798	2%		3%	(175,000)	1,138,798
Total	**85,530,848**	**100%**	**5,600,000**	**100%**	**(5,600,000)**	**79,930,848**

Transfers		
Taxable Transp. Sys Revenue Bonds	400,000	-
Transfer to Electric Utility Fund	1,000,000	-
Transfer to Building Services Fund	904,000	-
Transfer to CIP Fund	6,209,295	-
Total	**94,044,143**	**-**

Reduction is calculated by subtracting Police Budget ($43.580 million) from total without transfers ($85.531 million) – and multiplying each department's % of the remaining budget by the shortfall amount. Approx 13.3% reductions in each department.

Your Ad Valorem Tax Dollar



Miami-Dade School Board, **$0.35**

Miami-Dade County, **$0.34**

City of Homestead, **$0.28**

State and Other, **$0.03**

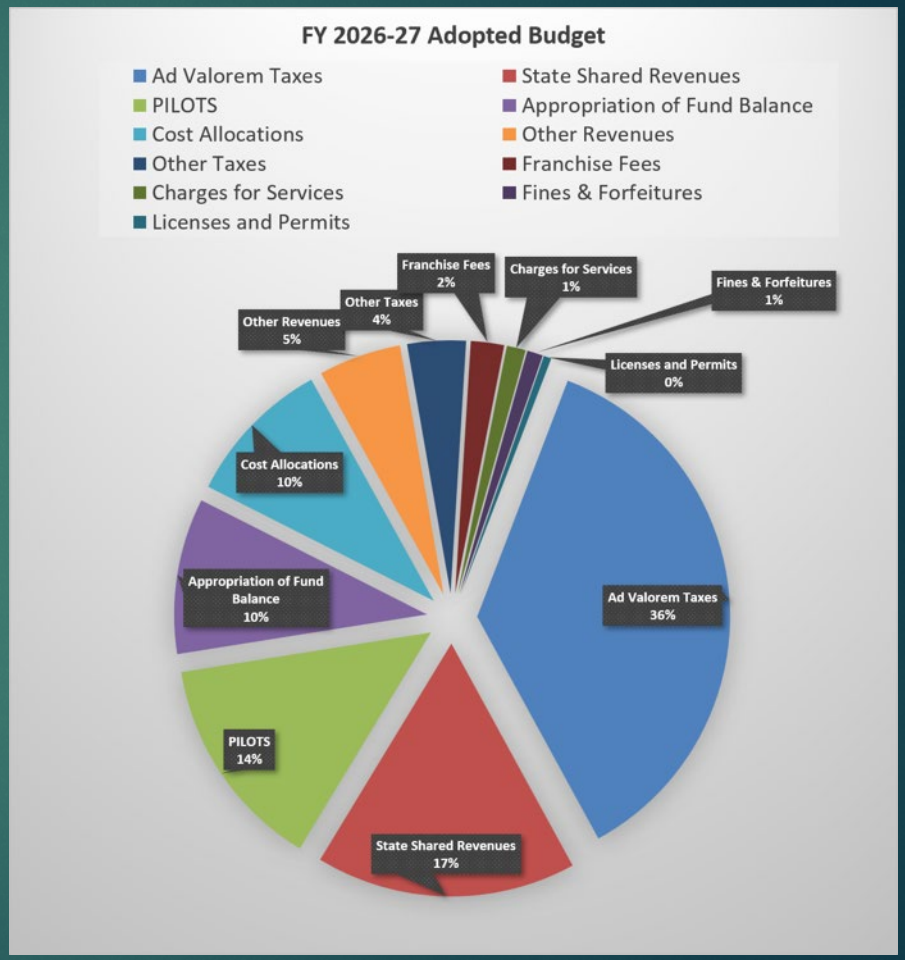
For every $1.00 paid in Property Taxes by City of Homestead residents, only 28 cents is reserved for the City of Homestead operations.

Where We Are:

General Fund Revenue
FY 2026-27 Adopted Budget

- **Ad Valorem Taxes** - $34.051 million – **(36%)**
- **State Shared Revenues** - $15.656 million – **(17%)**
- **Payments in Lieu of Taxes (PILOTS)** - $12.976 million – **(14%)**
- **Appropriation of Fund Balance (FB)** - $9.373 million **(10%)**
- **Cost Allocations** - $8.932 million – **(10%)**
- **Other Revenues** - $4.975 million – **(5%)**
- **Other Taxes** - $3.518 million – **(4%)**
- **Franchise Fees** - $2.000 million – **(2%)**
- **Charges for Services** - $1.144 million – **(1%)**
- **Fines & Forfeitures** - $951,000 - **(1%)**
- **Licenses & Permits** - $464,000 – **(1%)**

- **Total Budget - $94.044 million**
  - **(No FB) Budget - $84.671 million**



Where We Are: General Fund Revenue FY 2026-27 Adopted Budget

- Approximately **55%** of the General Fund revenue comes from reserves, Enterprise Funds or outside of the City
  - **22%** of Budgeted Revenues are received from outside of the City
    - State Shared Revenues - $15.4 million / Excise Taxes - $3.3 million / Utility Service Tax - $2.0 million
  - **10%** of budgeted revenues are non-recurring
    - General Fund Balance - $9.3 million
  - **23%** of budgeted revenues come from Enterprise Funds
    - Cost Allocation - $8.9 million/Transfer Fees - $8.4 million/PILOTS - $4.6 million.



Where We Are:
General Fund Revenue FY 2026-27 Adopted Budget

- The remaining **45%** of the General Fund revenue comes from direct policy decisions from Council
  - **36.5%** of the remaining revenues are Ad Valorem Taxes and are directly tied to the City's millage/tax rate.
  - The remaining **8.5%** of revenues consist of Fines and Forfeitures, Charges for Services, Licenses and Permits.



Potential Opportunities: Revenue Enhancement



Fees, Fines, Cost Recovery, and Taxes



New Services, Programming, and Business Partnerships



Monetizing Assets and Infrastructure

Fees and Fines

Revenue Enhancements

- **Increase to the City's Operating Millage Rate**
  - To completely cover the estimated **$5.6 million in revenue loss**, the **millage rate would need to increase from 5.9604 to 6.9407**
    - Difference is 0.9803 mills – 16.45% increase
  - To completely cover the estimated **$9.2 million in revenue loss** for Year 2, the **millage rate would need to increase from 6.9407 to 8.5511**
    - Difference is 1.6105 mills – 23.2% increase
  - **Millage adjustment values**
    - 0.75 mills = $4,284,000 to the General Fund
    - 1.0 mill = $5,713,000 to the General Fund
    - 1.5 mills = $8,569,000 to the General Fund
    - 2.0 mills = $11,426,000 to the General Fund

Fees and Fines

Revenue Enhancements

- **Total Projected Revenue - $579,000 +**

- **On-Street/Off-Street Paid Parking Management and Enforcement**
  - Conservative - $126,000 (minimum expected annual return)
  - **Moderate Scenario - $210,000 (most likely outcome)****
  - Aggressive - $294,000 (high-end potential)
  - Note: Applicable to Downtown Homestead Only in Year 1

- **Customer Service**
  - Late Charge Increase – applying a 1.5% monthly late payment charge. **Potential Revenue - $369,000** (Net due to costs associated with implementation)

Fees and Fines

Revenue Enhancements

- **Total Projected Revenue - $345,000 +**
- **Police**
  - Rollkall Off-Duty service vehicle/admin fees - there is a required $10.00 vehicle fee per vehicle per detail, as well as a $5.00 per officer, per hour administrative fee on every off-duty detail worked. **Underway.**
    Projected Revenue - $160,000
  - **Reinstate Red Light Camera Program:** this will be only on State and County Roads within city limits - **TBD**
- **Solid Waste**
  - **Franchise Fees:** - **TBD**
  - Implement Contamination Fees for recycling to offset contamination costs($25 fee/ 5 houses per week) – **Potential Revenue - $5,000**
  - Increase Delivery Fee and Retrieval (Pull) Rates for Industrial Roll Offs to be consistent with average market rate – **Potential Revenue - $140,000**
  - Implement Overfilled Dumpster and Roll Off Container Fees consistent with private haulers – **Projected Revenue - $40,000**
- **Branding and Naming Rights – Existing City Facilities**
  - Harris Field Park - **TBD**
  - Old City Hall Park - **TBD**

Monetizing Assets, Property and Infrastructure

Revenue Enhancements

- **Total Projected Revenue $50,000 +**
- **Energy**
  - **Fiber Strand Leasing** - Lease excess "dark fiber" capacity on HPS poles to 5G cellular providers and ISPs for backhaul. **Projected Revenue - $50,000**
- **Procurement & Contracts**
  - **Filing Fees & Administrative Fees for bid protests** – Establish contract threshold **- TBD**
  - **Vendor Rebates** – reach out to existing high-spend contract vendors to determine if any of them offer rebates **- TBD**

Monetizing Assets, Property and Infrastructure

Revenue Enhancements

- **Utility Fees – subject to rate study**
- **Utility Franchises**
  - Water and Sewer, or transfer to County
  - Electric Power Plant
- **Energy hosting:** lease space for solar arrays systems on city-owned land, buildings and facilities rooftops (and may sell power back to the grid).
- **Telecommunications Towers:** Lease of city-owned land for recurring revenue
- **Municipal User Fees:** Annualized COLA adjustment of rental fees by YSO and other users of city Parks space, facilities, and amenities

New Services, Programming, Business Partnerships

Revenue Enhancements

- **Total Projected Revenue - $203,000**
- **CMO – Communications:**
  - Fee-based production services (video packages, photography packages) for City supported nonprofits, advisory boards, local civic organizations, tourism partners – **Projected Revenue - $66,000**.
  - Add sponsored segments in our platforms such as newsletters, social media, website homepage, and Community calendar featured listings – **Projected Revenue - $60,000.**
- **Customer Service**
  - Offer vendor advertising through inserts included in Homestead Public Service (HPS) utility bills – **Projected Revenue - $57,000.**
- **Finance & Budget**
  - Advertising opportunities on all appropriate city vehicles (non-Police related)
- **Parks, Recreation, and Open Spaces (PROS)**
  - Food trucks in City Parks - Establish a program to allow rotating food trucks in certain parks for $100 per day minimum. Parks can include Mayor Roscoe Warren Municipal Park, James Archer Smith Park, Losner Park and Roby George Park – **Projected Revenue - $10,000.**

Fees and Fines

Revenue Enhancements

- **Total Projected Revenue - $19,000 + +**

- **Parks, Recreation, and Open Spaces**
  - Increasing facility fees to match other municipalities and establishing a higher non-resident fee. **Complete. New Fee Schedule Adopted May/June 2026. - TBD**
- **Code Compliance**
  - Special Magistrate Administrative Hearing Fee – adjust from $80.00 to 125.00 to better align with neighboring jurisdictions and offset Special Magistrate compensation and administrative costs. **Potential Revenue: $12,000**
  - Special Assessment (Abatement) Administrative Fee – Establish a $100 administrative processing fee for all Code Compliance abatement cases that proceed to special assessment.
    Potential Revenue : $3,000
  - Lien Mitigation Application Fee – Establish a $200 non-refundable administrative application fee for property owners seeking lien mitigation review. **Potential Revenue - $4,000**

New Services, Programming, Business Partnerships

Revenue Enhancements

- **Parks, Recreation, and Open Spaces (PROS)**
  - New City-led community programming – events such as "Father-Daughter Dance", "Mother-Son Dance", and/or "Parents Date Night Out"
  - Dog Grooming at Dog Parks – establish a program to allow for rotating mobile dog groomers to set up at dog parks for $100 per day. **Projected Revenue - $10,000**
  - Specialty Fitness and Recreation Programs – establish a pool of specialty fitness instructors for recreational activities and place a 70/30 split on revenue contracts – City would schedule and register the program attendees and pay instructors per contracted amounts.

Potential Opportunities: Cost Savings

- Operational Efficiencies
- Workforce, Staffing, and Program Cost Controls
- Contracts and Infrastructure

Operational Efficiency

- **Total Projected Savings - $13,000 +**
- **City Clerk's Office**
  - Eliminate printed agenda books to reduce recurring costs on paper, copies, and personnel overtime. **Projected Savings - $11,000**
- **Code Compliance**
  - Special Magistrate Hearings – adjust the hearing time from 2:00pm to 9:30am to reduce likelihood of hearings extending beyond business hours and avoid overtime costs. **Projected Savings - $2,000**
  - Adjust frequency of Special Magistrate Hearings – reduce the number of hearings from 24 annually to 12 annually. Expected reduction in expenditures
- **Development Services**
  - Noticing requirements – access whether the city could adopt an ordinance for digital noticing requirements for quasi judicial items
- **Procurement & Contracts**
  - Hybrid work schedules – less use of supplies, electricity, water, garbage, rotational use of office space to avoid building expansions

Workforce, Staffing & Program Cost Controls

- **Total Projected Savings: $585,000 +**
- **Human Resources**
  - **Citywide Overtime Analysis** - Conduct a comprehensive review of departmental overtime usage to identify trends, root causes, and opportunities for cost control.
  - **Dependent Insurance Coverage Audit** – conduct an eligibility audit to ensure that only eligible dependents are enrolled in the City's health insurance plan.
  - **Increase Employee Insurance Contributions. Projected Savings – $585,000**
    - Employee - $20/week (Currently $10.00)
    - Employee & Spouse – $50/week (Currently $25.00)
    - Employee & Children – $75/week (Currently $50.00)
    - Employee & Family – $100/week (Currently $50.00)
  - **Early Retirement Incentive Plan** – offer early retirement incentive for general employee pension and Police Pension participants. General Employees (60) – offer a buyout – move police to FRS and offer early retirement. - TBD

Contracts & Infrastructure

- **Total Projected Savings: $15,000 +**
- **City Clerk's Office**
  - Certified mail costs – evaluate alternative mailing solutions, bulk pricing, electronic return receipts options to reduce postage costs while remaining compliant with legal requirements - **TBD**
  - **Clerk's Services** – update of fees - **TBD**
- **Human Resources**
  - Pre-employment screenings – once the employee clinic becomes operational, pre-employment screenings for general employees will be performed onsite through the clinic. **Projected Savings - $15,000**
- **Innovation & Technology**
  - Review of telecommunication and connectivity services to identify (if applicable) inactive, unused, or outdated telecommunication circuits. - **TBD**
- **Public Works**
  - Advertisements on assets in the city: - **TBD**
    - On Miami-Dade County Bus shelters along Campbell Drive
    - Water Tower sponsorship advertisements
    - Freebee and Trolley advertisements
    - Bench dedications
    - City Bus and Trolley Shelters

Additional Considerations

- **Increased contributions to General Fund from Enterprise Funds**
  - Consider increasing Payments in Lieu of Taxes (PILOTs) or Transfer Fee contributions to the General Fund
  - Cost Allocation study is in the works with Maximus – FY 2027-28 Budget
- **Licensing, Fees and Fines:**
  - **Intellectual property:** Create official merchandise licensing programs to monetize city logos, historical marks, and symbols on apparel and souvenirs.
  - **Service fee audits:** Regularly benchmark and update permitting, zoning, and utility user fees to reflect the true cost of service delivery based on COLA.

Projected Revenues	
Fees, Fines, Cost Recovery, Taxes	943,000.00
New Services, Programming, and Business Partnerships	203,000.00
Monetizing Assets, Property and Infrastructure	50,000.00
Total - Projected Revenues	**1,196,000.00**
Projected Savings	
Operational Efficiency	13,000.00
Workforce, Staffing, and Program Cost Controls	585,000.00
Contracts and Infrastructure	15,000.00
Total - Projected Savings	**613,000.00**
Total Net Impact	**1,809,000.00**
Short and Intermediate Term Recommendations	

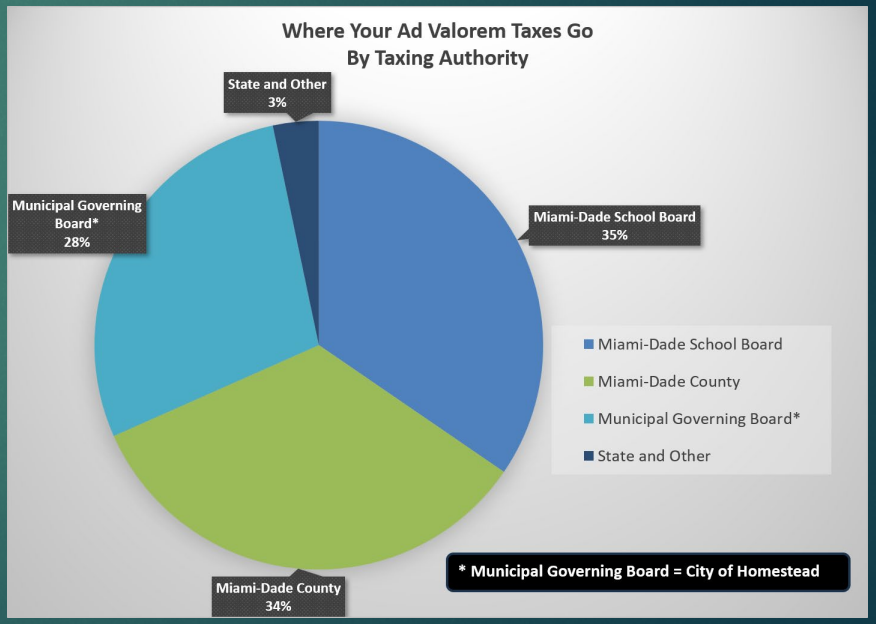
Summary

Your Ad Valorem Tax Dollar



Miami-Dade School Board, **$0.35** | Miami-Dade County, **$0.34** | City of Homestead, **$0.28** | State and Other, **$0.03**

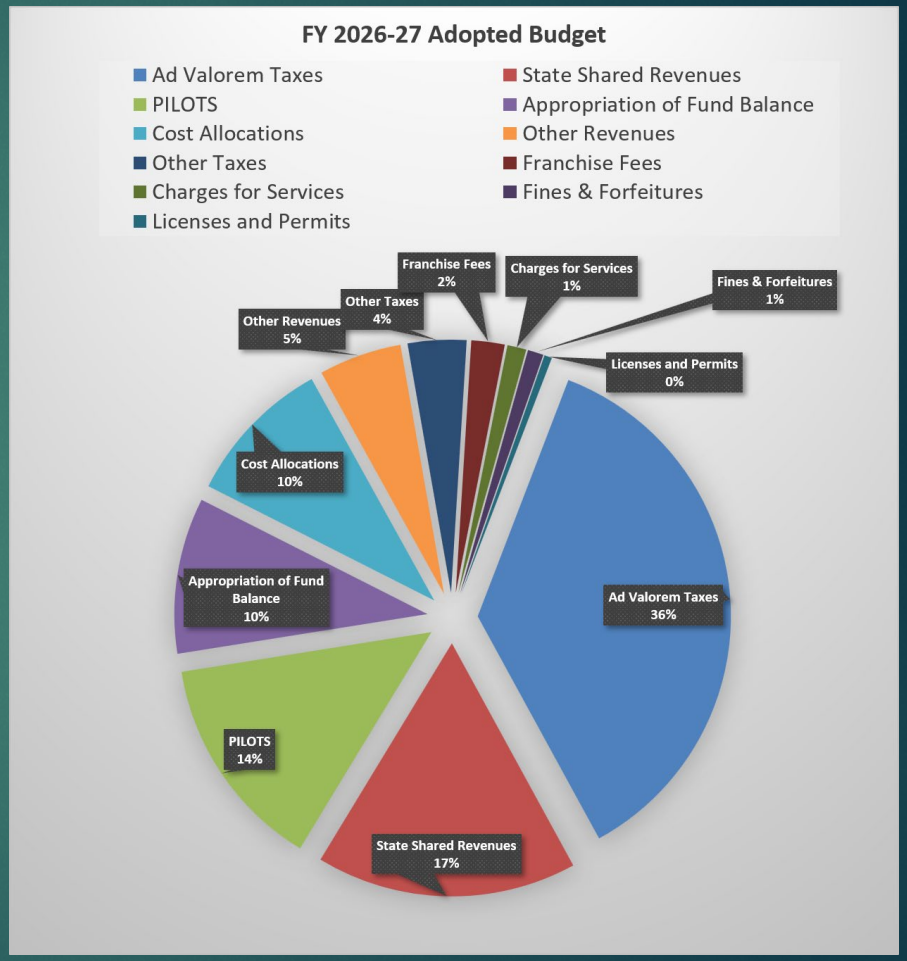
Taxing Authority	Cents		Tax Levy	% of total Tax
Miami-Dade School Board	$	0.35	1,364.21	35%
Miami-Dade County	$	0.34	1,334.72	34%
City of Homestead	$	0.28	1,118.71	28%
State and Other	$	0.03	130.25	3%
Total - Ad Valorem Taxes	**$**	**1.00**	**3,947.88**	**100%**
Based on a Property with Taxable Value of $205,670 (school board) and $180,670 for other taxing authorities)				



The average homesteaded property in the City of Homestead has a taxable value of $180,670 as of July 1, 2026.

Challenge: projected revenue impacts – Amendment 3

- Amendment 3 –
  - **Year 1 - $5.6 million reduction in General Fund Revenue (FY 2027-28)**
  - Year 2 - $9.2 million reduction in General Fund Revenue (FY 2028-29)
- Impact would be reflected in the FY 2027-28 budget preparation process.
- The loss of revenues in the General Fund for Year 1 would be the equivalent to a **6% reduction in all General Fund Budgets** (including Police). **6.55% reduction - $5.6 million**.



CAR 5279 - Exhibit 1

2024		MUNICIPAL REVENUE SHARING	COMM SERVICES TAX	HALF CENT SALES TAX
	Budget	4,908,960	1,783,324	8,117,984
	Actuals	5,057,082	1,836,634	8,534,276
	Diff	**(148,122)**	**(53,310)**	**(416,292)**

2025		MUNICIPAL REVENUE SHARING	COMM SERVICES TAX	HALF CENT SALES TAX
	Budget	4,969,627	1,896,061	8,548,631
	Actuals	5,061,577	1,973,102	8,475,907
	Diff	**(91,950)**	**(77,041)**	**72,724**

2026		MUNICIPAL REVENUE SHARING	COMM SERVICES TAX	HALF CENT SALES TAX
	Budget	5,106,802	1,964,532	8,653,071
	Actuals	4,859,557	1,938,886	8,086,841
	Diff	**247,245**	**25,646**	**566,230**
2026 Shortfall		**839,121**		
FY 2027 Budget		**5,038,914**	**2,011,846**	**8,339,963**

Declining trend in actual collections year after year.

Challenge: reductions in other revenue categories – **Intergovernmental Revenue**



Discussion and Questions



Next Steps



THANK YOU!