



## ***TOWN OF MIAMI LAKES***

### ***MEMORANDUM***

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**To:** Honorable Mayor and Town Councilmembers

**From:** Alex Rey, Town Manager

**Subject:** FY 2017-18 Budget Message

**Date:** September 5, 2017

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#### **Recommendation**

It is recommended that Town Council adopt the millage rate for Fiscal Year 2017-18 at 2.3353 mills, which is \$2.3353 per \$1,000 of assessed property value. This is the same millage rate as adopted for the prior year, and remains one of the lowest millage rates in Miami-Dade County. The proposed millage rate is expected to yield \$6,694,100 in ad valorem revenue at 95% of value based on the July 1, 2017 estimated Property Tax Roll, as provided by Miami-Dade County Property Appraiser.

It is also recommended that Town Council adopt the Fiscal Year 2017-18 Budget as proposed on First Reading.

#### **Background**

As the Town enters a fifth year of economic recovery and growth attributed to increasing property values and new development, the positive effects of prudent financial decisions over the last few years have allowed us to invest in new community facilities, stormwater infrastructure improvements, enhanced communication and transparency, police resources to accommodate a growing population, reduce traffic at troubled spots, beautification projects and improved response times to requests for service through new technologies and process improvement.

In November 2015, the Town adopted a 2025 Strategic Plan that outlines six goal areas including enhanced mobility, beautification, economic development, sustainability, communication and innovation/technology. Each goal area is supported by Objectives as adopted by the Town Council. Staff has developed specific Initiatives with supporting work plans to accomplish the Goals and Objectives provided for in the 2025 Strategic Plan. Several components of the plan require funding from the General Fund, including beautification and communication initiatives.

Specific initiatives discussed at the May 16 workshop are a part of the Fiscal Year 2017-18 Business Plan and included in the Fiscal Year 2017-18 Proposed Budget; however, several of these initiatives are currently un-funded to accommodate the impact of the police budget increase.

While the current and projected development projects bode well for the Town's future economic stability, the expanding service areas and population increase will place greater demand on services provided by the Town, and accordingly, will have a significant impact on personnel, contract services, operational, and infrastructure costs.

### FY 2017-18 PROPOSED BUDGET

The total Proposed Budget for Fiscal Year 2017-18 including all funds is \$41,516,100, as shown in the table below. This represents an increase of \$2,948,395 or 7.6% as compared to Fiscal Year 2016-17 Amended Budget, of which approximately \$1,832,000 relates to increase in building permitting activities, \$954,000 in impact fees, and the remaining \$162,395 across the various funds. The details of the difference are discussed later in this memorandum.

<b>BUDGET SUMMARY</b>								
<b>Town of Miami Lakes - FY2017-18</b>								
<b>Millage per \$1,000</b>								
<b>General Fund Millage: 2.3353</b>								
<i>The General Fund Millage is 8.07 percent higher than the State defined Rolled Back Rate</i>								
<b>ESTIMATED REVENUES</b>	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Electric Utility Tax Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Stormwater Utility Fund</b>	<b>Internal Service Fund</b>	<b>Total All Funds</b>
Ad Valorem Taxes: Millage per \$1,000 = 2.3353	6,694,100	-	-	-	-	-	-	6,694,100
Franchise Fees	925,000	-	-	-	-	-	-	925,000
Charges for Services	-	-	-	-	-	1,100,000	-	1,100,000
Utility Service Tax	3,309,213	-	373,321	-	-	-	-	3,682,534
Intergovernmental Revenue	4,511,100	1,588,572	-	178,728	2,534,133	-	-	8,812,533
Licenses and Permits	470,000	5,498,576	-	-	-	-	-	5,968,576
Fines & Forfeitures	200,000	65,000	-	-	-	-	-	265,000
Miscellaneous Revenue	248,784	292,200	-	-	25,000	32,000	-	597,984
<b>TOTAL SOURCES</b>	<b>16,358,197</b>	<b>7,444,348</b>	<b>373,321</b>	<b>178,728</b>	<b>2,559,133</b>	<b>1,132,000</b>	<b>-</b>	<b>28,045,727</b>
Transfers In	-	-	-	371,321	2,738,934	-	314,249	3,424,504
Fund Balances/Reserves/Net Assets	3,384,807	3,739,340	-	-	2,633,573	288,148	-	10,045,968
<b>TOTAL REVENUES, TRANSFERS &amp; BALANCES</b>	<b>19,743,004</b>	<b>11,183,688</b>	<b>373,321</b>	<b>550,049</b>	<b>7,931,640</b>	<b>1,420,148</b>	<b>314,249</b>	<b>41,516,100</b>
<b>ESTIMATED EXPENDITURES</b>								
General Government	2,750,552	-	2,000	-	175,000	-	188,550	3,116,101
Transportation	1,102,685	1,436,037	-	-	4,252,281	-	-	6,791,003
Public Safety	8,249,727	-	-	-	-	-	84,847	8,334,574
Parks, Recreation & Culture	3,323,194	-	-	-	1,430,000	-	-	4,753,194
Physical Environment	-	-	-	-	1,975,440	1,165,404	-	3,140,844
Building, Zoning, Planning & Dev.	495,220	1,892,256	-	-	-	-	40,852	2,428,328
Debt Services	153,423	-	-	550,049	-	83,842	-	787,314
<b>TOTAL EXPENDITURES</b>	<b>16,074,800</b>	<b>3,328,293</b>	<b>2,000</b>	<b>550,049</b>	<b>7,832,721</b>	<b>1,249,246</b>	<b>314,249</b>	<b>29,351,358</b>
Transfers Out	273,397	2,629,786	371,321	-	-	150,000	-	3,424,504
Fund Balances/Reserves/Net Assets	3,394,807	5,225,609	-	-	98,919	20,902	-	8,740,237
<b>TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES AND BALANCES</b>	<b>19,743,004</b>	<b>11,183,688</b>	<b>373,321</b>	<b>550,049</b>	<b>7,931,640</b>	<b>1,420,148</b>	<b>314,249</b>	<b>41,516,100</b>
THE TENTATIVE, ADOPTED, AND/OR FINAL BUDGETS ARE ON FILE IN THE OFFICE OF THE TOWN CLERK, 6601 MAIN STREET, MIAMI LAKES, FLORIDA 33014 AS A PUBLIC RECORD.								

The Budget proved at the onset to be challenging due to increases in contractual services for police patrol, facility maintenance and group health insurance costs, offset by minimal increases in revenues. We were able to balance the budget with recurring revenues and expense savings which allow us to maintain the current level of services expected by our residents and the

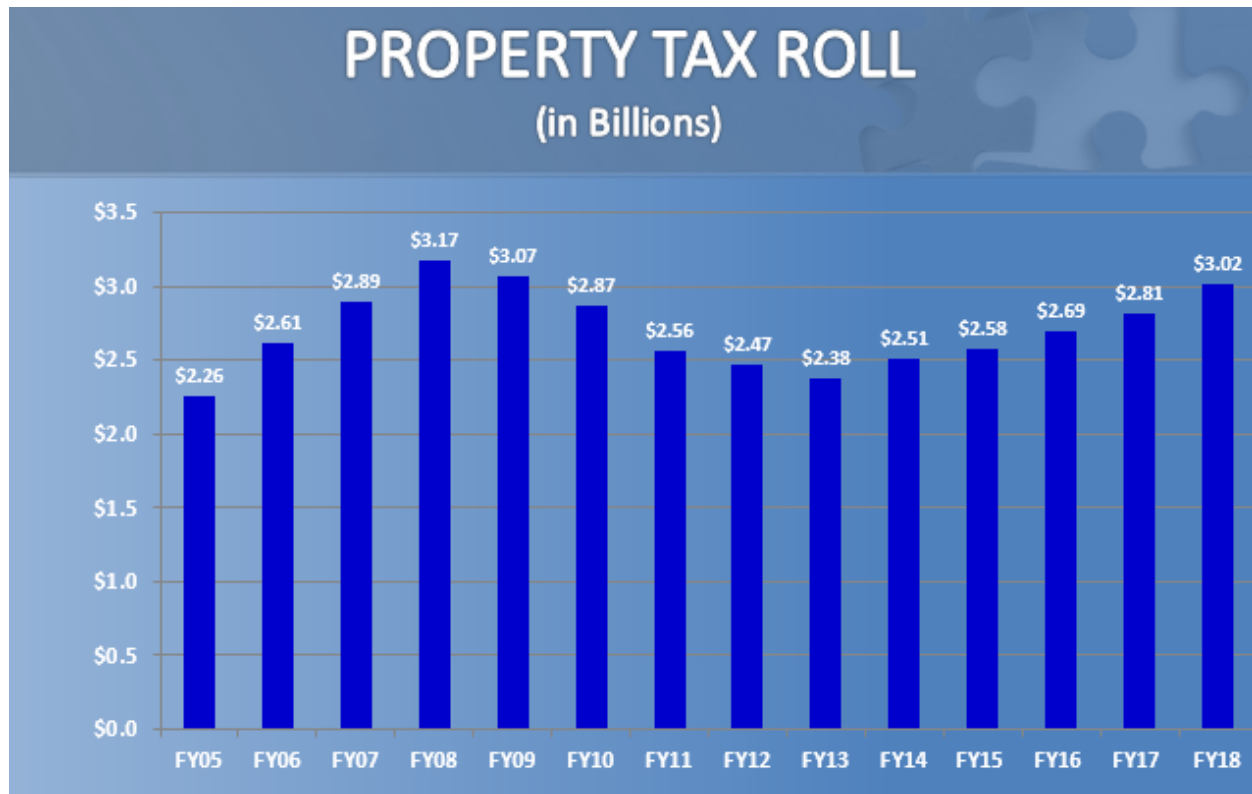
business community. This, however, eliminated much of the flexibility we were hoping to accomplish with the implementation of our 2025 Strategic Plan Goals and Initiatives. As a result, there are several items that are currently not funded that will be discussed later in this memorandum.

## I. TAX ROLL, MILLAGE RATE, AND AD VALOREM REVENUE

### Property Tax Roll Value

The estimated roll value from Miami-Dade County Property Appraiser on July 1, 2017 reflects a gross taxable value of \$3,017,332,354, which includes an increase of \$13,870,920 in new construction and improvements. As compared to the certified taxable value for the previous year of \$2,809,602,232, the July 1, 2017 figures shows an increase of \$207.7 million or 7.4%. While the increase in roll value is healthy, it shows that over the last five years the Town has been able to hold its value but we are still below the peak level in 2008.

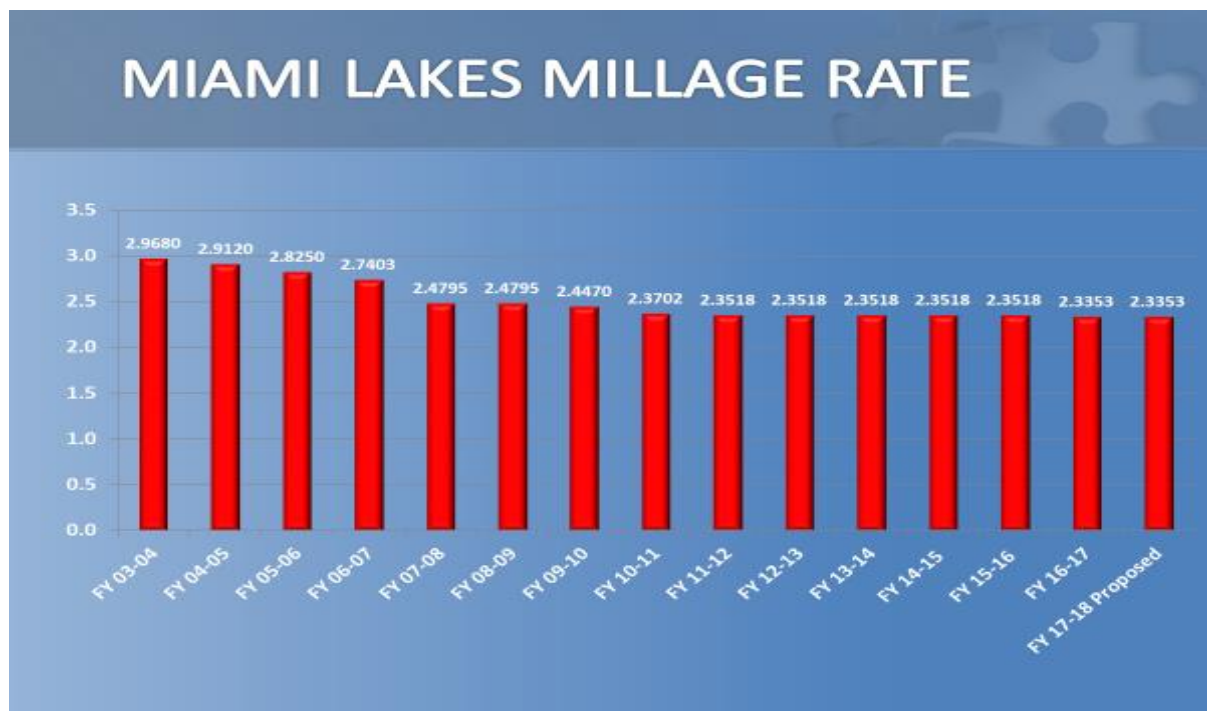
As seen in the graph below, Property Tax Roll value has been steadily on the rise since FY 2012-13, thus reflecting signs of continuous economic recovery and growth.



### **Millage Rate**

At the July 25, 2017 Town Council Meeting, the Council established the proposed millage rate “cap” at 2.3353 mills, which is \$2.3353 per \$1,000 of assessed property value, via Resolution No. 17-1464. This is the same rate as the prior fiscal year and is the sixth lowest millage rate among the thirty-four municipalities in Miami-Dade County. The Town has steadily reduced its millage since its first year of incorporation. Since 2012, the Town maintained the same low rate for five consecutive years, to an all-time low rate of 2.3353 for the current year and as proposed for FY 18.

The chart below depicts the Millage Rate since the Town’s incorporation.



### **Rolled-Back Rate**

Based on the proposed millage rate of 2.3353, the rolled-back rate for FY18 is 2.1610. This rate, calculated as required by the State Department of Revenue, will provide the same ad valorem tax revenue as levied during the prior year exclusive of new construction and improvements. The proposed millage rate of 2.3353 is 8.07% higher than the current year aggregate rolled-back rate. The state required methodology for calculating the rolled-back rate uses the roll value after the Value Adjustment Board action. The Town’s final gross taxable value is \$2,779,313,541 which is

\$30.3 million less than the preliminary July 1 base roll figure of \$2,809,602,232. The rolled-back rate would generate \$499,625 less in ad valorem revenue as compared to the proposed rate of 2.3353.

### **Ad Valorem Revenue**

The FY 2017-18 Budget was developed using the proposed millage rate of 2.3353. This millage rate will generate property tax revenue or ad valorem (calculated at 95% for budget purposes) in the amount of \$6,694,100. The impact is approximately \$460,000 increase in ad valorem revenue for the General Fund.

## **II. FY 2017-18 BUDGET HIGHLIGHTS – BY FUND**

### **GENERAL FUND**

Within the last five years the economy has continued to improve. The Town is experiencing the impact of the increased taxable values, some increases in revenue streams offset by other major revenue decreases and the increasing cost of operations.

The operating revenues available for allocation in the General Fund for FY 2017-18 is \$16,358,197, an increase of \$666,715 or 4.3% as compared to the prior year's Amended Budget. The Budget includes \$500,000 carry-over from the prior year which is allocated for litigation reserves, for a total General Fund Operating Budget of \$16,858,197. This excludes the remaining unassigned fund balance which is discussed later in this memorandum. A summary of the General Fund's operating revenues and expenditures is presented in the chart below.

The increase to the FY18 Operating Revenue Budget is primarily due to taxable value increase effect on Ad Valorem Property Tax (\$460,000) and Utility Services Tax (\$359,000), offset by a decrease in FPL Franchise Fees (-\$275,000). The estimates for Intergovernmental revenues including State Revenue Sharing, Half-Cent Sales Tax, Communications Services Tax and the various other revenue sources also reflect a slight increase for FY18.

**TOWN OF MIAMI LAKES**  
**GENERAL FUND SUMMARY**

ACCOUNT NAME/DEPARTMENT	FY2015-16 ACTUALS	FY2016-17 ADOPTED BUDGET	FY2016-17 AMENDED BUDGET	FY2017-18 PROPOSED BUDGET	\$ CHANGE INCR/(DECR)	% CHANGE
<b>Revenues</b>						
Ad Valorem Taxes	\$ 5,967,817	\$ 6,234,000	\$ 6,234,000	\$ 6,694,100	\$ 460,101	7.4%
Franchise Fees	1,179,362	1,200,000	1,200,000	925,000	(275,000)	-22.9%
Utility Service Tax	2,957,322	2,950,000	2,950,000	3,309,213	359,213	12.2%
Intergovernmental Revenues	4,381,501	4,498,151	4,498,151	4,511,100	12,949	0.3%
Permits & Fees (Non-Building Dept.)	1,879,259	418,750	418,750	470,000	51,250	12.2%
Fines & Forfeitures	284,054	173,500	173,500	200,000	26,500	15.3%
Miscellaneous Revenues	2,097,490	201,784	217,082	248,784	31,702	14.6%
Sub-total Recurring Revenues	18,746,804	15,676,185	15,691,483	16,358,197	666,715	4.3%
Interfund Transfers	-	111,416	111,416	-	(111,416)	-100.0%
Prior Year Carry-Over Funds	-	-	1,399,523	500,000	(899,523)	-64.3%
Sub-total Other Revenues	-	111,416	1,510,939	500,000	(1,010,939)	-66.9%
<b>Total Revenues</b>	<b>18,746,804</b>	<b>15,787,601</b>	<b>17,202,422</b>	<b>16,858,197</b>	<b>(344,224)</b>	<b>-2.0%</b>
<b>Expenditures</b>						
Town Mayor & Council	323,930	326,326	345,626	369,979	24,353	7.5%
Town Clerk	195,678	223,597	221,297	167,620	(53,677)	-24.0%
Town Attorney	410,545	235,000	669,000	230,000	(439,000)	-186.8%
Administration	3,843,657	1,971,279	2,146,851	1,992,953	(153,898)	-7.8%
Police and School Crossing Guards	6,899,817	7,712,869	7,688,344	8,249,727	561,383	7.3%
Planning and Code Compliance	616,911	489,761	496,437	374,688	(121,748)	-24.9%
Zoning	1,016,766	117,905	118,455	120,532	2,078	1.8%
Parks & Community Services	-	2,402,795	2,451,787	2,496,966	45,179	1.9%
Community Engagement & Outreach	-	560,084	566,883	598,378	31,495	5.6%
Special Events - Committees	189,458	211,750	235,778	227,850	(7,928)	-3.7%
Public Works	994,472	1,104,317	1,134,430	1,102,685	(31,745)	-2.9%
QNIP	153,423	153,423	153,423	153,423	-	0.0%
Non-Departmental	1,206,705	-	311,443	500,000	188,557	0.0%
Sub-total Expenditures	18,536,650	15,509,104	16,539,753	16,584,800	45,047	0.3%
Transfers Out	-	278,497	662,669	273,397	(389,272)	-139.8%
<b>Total Expenditures</b>	<b>18,536,650</b>	<b>15,787,601</b>	<b>17,202,422</b>	<b>16,858,197</b>	<b>(344,225)</b>	<b>-2.2%</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 210,155	\$ (0)	\$ (0)	\$ 0	\$ 0	0.0%

**EXPENSES/SIGNIFICANT BUDGET CHANGES**

As compared to FY 2016-17 Amended Budget **excluding** \$1.4 million in carryover funds for litigation fees and reserve (\$624,000), beautification projects and parks improvements (\$362,300), employee retention and training (\$158,300), miscellaneous projects (\$134,000) and reserves (\$121,400), FY 2017-18 Proposed Expense Budget reflects an increase of approximately \$1,055,298

or 7% of which \$555,298 is attributed to operating expenses (police) and \$500,000 for litigation reserves. The significant changes affecting the Proposed Budget are described below:

- **Merit and Cost of Living Increases** - Salary surveys indicate that we are not staying competitive with our peers. As a result, an Employee Retention Plan was developed, elements of which includes a 2% bonus or across the board cost of living adjustment effective March 2018 for approximately \$52,328.
- **Staffing** - The General Fund Budget includes thirty-one full-time, four part-time, eight seasonal and seven part-time seasonal positions. As compared to the current year's staff complement, we have converted a part-time contractual (ICA) Code Officer position to a full-time employee Code Supervisor; partially fund the Code Manager position in the Building Department Fund; and converted the Business Operations Supervisor and Planning Technician positions to independent contractors (ICA). The net effect of these changes to the General Fund is a decrease of 1.5 full time equivalency.

In keeping with the business model of the Town, we continue to maintain a small professional staff with core competencies in specialized areas and contract out many of the service delivery functions when it provides long-term savings to do so.

- **FRS Contribution** – The Florida Retirement System employer contribution rate increased slightly from 7.52% to 7.92% for regular employees as of July 1, 2017. The rate increase has no significant impact to the Budget. (\$15,300)
- **Group Health Insurance** – Based on prior years' trend, we are anticipating a 12% increase in group health insurance premium. In keeping with the Employee Retention Program, the Town has implemented various wellness activities with the goal of reducing health care premium cost and improving morale. (\$37,250)
- **Election Cost**– Funding is provided for the cost of piggy-backing on the County's general election for Seat 3. (\$15,000)
- **Police Services** – The Police Department's Budget which includes contracted police patrol services and the school crossing guards represents 51% of the Town's total General Fund Budget, and an overall increase of approximately \$646,230 or 8.4%. This is primarily a result of the union negotiated agreement for Miami Dade Police Department that are passed through to the Town, as well as full funding of two additional officers that were approved for hire in the latter part of FY 2017. The increased cost of the base police patrol services contract is approximately \$390,000 and the increase due to the two additional officers added in the FY 17 budget is approximately \$250,000.



The chart below is a summary of net change for Police Patrol Services:

<b>POLICE PATROL SERVICES</b>	<b>FY 2016-17 ADOPTED BUDGET</b>	<b>FY 2017-18 PROPOSED BUDGET</b>	<b>NET CHANGE</b>
Police Salaries	\$4,167,216	\$4,462,451	\$295,235 7%
Overtime	350,000	320,000	(30,000) -9%
Social Security	258,367	275,252	16,885 7%
Retirement	946,034	1,053,719	107,685 11%
Group Health Insurance	567,817	637,500	69,683 12%
Other fringe benefits	91,660	137,949	46,289 51%
<b>Total Personnel Services</b>	<b>6,381,095</b>	<b>6,886,871</b>	<b>505,776 8%</b>
<b>Fleet Maintenance and Operations</b>	<b>474,820</b>	<b>541,036</b>	<b>66,216 14%</b>
<b>Insurance</b>	<b>226,035</b>	<b>282,900</b>	<b>56,865 25%</b>
<b>County Overhead Cost</b>	<b>422,792</b>	<b>435,193</b>	<b>12,401 3%</b>
<b>TOTAL PATROL SERVICES</b>	<b>\$7,504,742</b>	<b>\$8,146,000</b>	<b>\$641,258 9%</b>

- **Legal Fee Settlement/Reserves** – A reserve for the potential settlement of legal fees in the case of Michael Pizzi vs Town of Miami Lakes is included in the budget in Non-Departmental (\$500,000).
- **Tree Trimming Contractual Services** – The budget provides for the anticipated increase in tree trimming contract to increase the level of service to provide aesthetics tree pruning along the major corridors on an annual basis. This will result in an increase of approximately \$65,000.
- **Inter-fund Reimbursements** – During the normal course of business, the General Fund provides administrative, legal, accounting and technical support to the Building Department and Stormwater Utility. As such, these proprietary funds will reimburse the General Fund at 10% of total cost for services provided. (Building Department \$175,000 and Stormwater Utility \$123,000)
- **Committees** – The Committees' total budgets are proposed at \$227,850, an increase of \$16,100 as requested by the following Committees: Cultural Affairs -\$250; Economic Development \$4,000; Elderly Affairs \$1,000; Neighborhood Improvement \$6,350; Public



Safety \$600; Veterans' Committee \$400 and Youth Activity Task Force \$4,000. Justification for their budgets were presented at the 2nd Budget Workshop on July 11, 2017.

- **Transfers** - The Proposed General Fund Budget does not include any transfers for one-time expenses or capital projects.
- **Fund Balance** - In accordance with the Town's audited financials as reported in the FY 2015-16 Comprehensive Annual Financial Report (CAFR), the General Fund unassigned fund balance at the beginning of FY 2016-17 was \$4,553,946. Of this amount, \$269,616 represents the opening balance for the Building Department Fund which was created at the beginning of the year. During the year, Council approved transfers from the General Fund balance totaling \$1,399,523: these include a reserve for Legal Fees (\$624,000), Parks improvements and beautification projects (\$362,300); employee retention plan and training (\$158,300), projects that were not completed in the prior year (\$133,480) and an unassigned surplus (\$121,443). This reduced the fund balance to \$2,884,807.

At the end of the current year, operations are estimated to result in a surplus of approximately \$500,000 mostly from not spending the litigation reserve and the settlement with the insurance company for reimbursement of Pizzi-related costs and settlement expenses, we are recommending that the litigation reserve be reprogrammed in FY 2017-18. This increases the Fund Balance to \$3,384,807. Of this amount, \$2,453,730 or 15% of the FY 2017-18 Proposed General Fund Operating Budget is required to remain as reserves, and \$500,000 allocated for litigation reserves. This leaves the Town with an undesignated or unrestricted reserve of \$431,077.

#### **UNFUNDED NEEDS/UNADDRESSED ITEMS - \$275,000**

The FY 2017-18 Proposed General Fund Budget does not include funding for various projects and initiatives identified as priorities or are necessary for operational purposes.

- **West Lakes Neighborhood Reforestation Program \$100,000** – The Beautification Master Plan has identified trees per street for reforestation in the West Lakes neighborhood for a total of \$500,000 phased over a 5-year period. Funds were appropriated in FY17 for the removal and replacement of 1/5 of the canopy. Additional funding is required at \$100,000 each year over the next 4 years to complete the program.
- **Healthy Miami Lakes Master Plan \$25,000** - One of the goals of the 2025- Strategic Master Plan is to improve the health and vitality of residents of all ages through sports and wellness. Funding is required to contract with a consultant to develop a master plan for the entire community to include seniors, special needs and young adults.

- **Smart Cities Strategic Road Map \$25,000** – A goal of the 2025 Strategic Master Plan is for the Town to achieve national recognition as a model town for creativity, education, innovation and use of technology. The Town Council agrees by way of Resolution 17-1441 approved in May 2017 that it is in the best interest of the Town to pursue and develop a Smart Cities Strategic Road Map that will allow the Town to develop policy, and identify potential public and private funding opportunities for these initiatives. Funds are required to contract with a consultant to develop this road map.
- **Facilities Renewal and Replacement Plan \$125,000 (annually)** – With the construction of the new facilities and improvements to parks facilities and structures, staff has developed a renewal and replacement work plan to fund a long-term renewal and replacement schedule for major repairs and enhancements. If we implement this program, funding will be required annually.

### **SPECIAL REVENUE FUNDS**

**Building Department Fund** – The Building Department’s FY18 Proposed Budget is \$4,477,443. This budget reflects an increase in revenues, staffing and contractual services to support new residential construction and development that began in FY 2016 and is expected to continue through to FY 2018. The annual operating cost of the Building Department is \$1,933,108, and \$2,544,335 remains in contingency.

**Impact Fees Fund** – This Fund includes parks, public safety and a contribution in lieu of road impact fees from new developments including Senior Village, Town Center, Lucida and Loch Ness Gardens. Revenues from these developments including carry-over from prior year and interest income are estimated at \$2,636,936 from parks impact fees, \$485,338 from public safety impact fees, and \$408,069 contribution from developer in lieu of road impact fees. The total FY 2017-18 Proposed Budget is \$3,530,343 and can only be used to fund the cost of additional capital resources required to maintain and accommodate projected population growth due to new development. Funds are allocated for MLOP Master Plan Implementation (\$900,000), widening of NW 67 Avenue (\$408,069), purchase Pocket Parks furniture (\$65,000), Optimist Clubhouse art in Public Spaces (\$30,000), additional funding for emergency generator (\$30,865), and redevelop the SW parcel of Royal Oaks Park (\$30,000). This Fund has a reserve of \$2,066,409.

**Mobility Fee Trust Account Fund** – Per Ordinance #16-192, the mobility fee is restricted for infrastructure capital improvements and improving the multimodal network included in the Town’s Capital Improvement Element (CIE) of the Comprehensive Plan. Revenues are estimated at \$382,252 from Lucida, Loch Ness and Chrysler Garage developments, a carryforward fund balance of \$195,656, totaling \$577,908 for FY 2017-18. Funds are transferred to the Capital Projects

Fund for the design services for Business Park East and Main Street East improvements. This Fund has a reserve of \$277,908.

**People's Transportation Plan** – The total proposed budget for FY 2017-18 is \$1,408,781 and includes 80% share of revenues from the half-cent discretionary sales surtax (\$975,000), prior year carry-over funds (\$429,281) and interest income (\$4,500). The budget provides for staffing at 50% of cost to manage the programs for planning, mobility and implementation of the Transportation Summit initiatives. The budget also includes funding for street lighting utilities and its maintenance (\$332,000), the on-demand Moover service (\$79,500), funds for traffic studies as needed and other transportation related activities. A transfer of \$825,000 to the Capital Projects Fund is budgeted for NW 59 Avenue extension project (\$775,000) and bike path striping at NW 89 Avenue and Commerce Way (\$50,000). This fund has \$10,029 in reserves.

**Transit** – The total proposed budget for FY 2017-18 is \$498,977 and includes 20% share of revenues from the half-cent discretionary sales surtax (\$240,000) and prior year carry-over funds (\$258,877). These funds are restricted for transit operations, and cover the full cost of operations, maintenance and marketing of the Town's Moover services, bus shelters and bus stop signs. Staffing is funded at 50% of cost to manage the program, transit and traffic issues. This fund has a reserve of \$26,928.

**Transportation Gas Tax Fund** – Funding is restricted for transportation related activities that include sidewalk replacement, pothole repairs, pressure cleaning of the rights of ways, road striping and signs, etc. At the proposed budget of \$390,336, the Town will maintain the same level of service as the prior year. This fund has no reserves.

#### **DEBT SERVICE FUND**

The Debt Service Fund for FY 2017-18 now only includes the Series 2010, Special Obligation Bond interest payment (\$548,499) and fees (\$1,550) for Government Center, which is funded by the Electric Utility Tax revenues of \$371,321 and Federal Direct Payment (interest reimbursement) estimated at \$178,728.

#### **CAPITAL PROJECTS FUND**

The Five-Year Capital Improvement Program aligns with the Town's 2025 Strategic Plan. Mobility remains the Town's #1 strategic goal. In the FY 2017-18 Proposed Budget, investment in transportation projects represent 54% of the Capital Improvement Program, followed by 26% investment in stormwater improvements, 18% in parks and beautification, and 2% for the

emergency generator at Government Center. The Capital Projects Budget for FY 2017-18 totals \$7,931,640 and projects are grouped according to the four categories as summarized below:

- **Facilities and Equipment Improvements** - Funds are allocated from public safety impact fees for the purchase and installation of a portable emergency generator at Government Center (\$175,000).
- **Parks Improvements** - Parks capital improvements for FY 2017-18 total \$1,430,000 and include funds to complete the design and begin implementation of MLOP Master Plan (\$1,000,000); replace roof and air condition unit at MLOP Storage Facility (80,000); impact resistance windows and doors at Mary Collins Community Center (\$75,000); year 2 of 3 funding for new park furniture throughout the Town's pocket parks (\$65,000) and Art in Public Spaces for the new constructed Optimist Clubhouse (\$30,000). Funds are also allocated for Par 3 Park design (\$150,000) and to redevelop the SW vacant parcel at Royal Oaks Park for passive community use (\$30,000).
- **Transportation Improvements** – Revenue sources for transportation improvements include Local Option Gas Tax, FDOT Grants, Peoples' Transportation Plan (PTP 80%), Mobility Fees, Developer's Contribution in lieu of Road Impact Fees, Interest Income and a carryforward fund balance for transportation improvements, totaling \$4,252,281. This amount is appropriated among various projects including NW 59<sup>th</sup> Avenue Extension that includes the Public Works Storage Yard and the Boat Yard (\$775,000), the roadway component of the roadway and drainage improvements at Lake Sarah (\$590,960), construction of Safe Routes to School (\$580,000), milling and resurfacing of Miami Lakeway South between NE 67 Avenue and Lake Candlewood Court (\$193,252), on-road bike path striping at NW 89 Avenue and the school (\$50,000) and traffic calming devices (\$25,000).

The Mobility Fee is specifically being utilized for the design of the underpass bridges at NW 146<sup>th</sup> Street and the Palmetto, and NW 160<sup>th</sup> Street and the Palmetto (330,000). Also, Mobility Fees in the amount of \$300,000 in conjunction with \$1.0M FDOT TAP Grant awarded to the Town is allocated for design and construction of Business Park East (\$650,000) and Main Street East (\$650,000) complete streets implementation projects.

Palmetto and NW 67 Avenue Widening Project is funded by Town Center Developer's Contribution in lieu of Road Impact Fees (\$408,069).

- **Stormwater Improvements** – Two major projects are budgeted for FY 2017-18: the drainage portion of the roadway and drainage project at Lake Sarah (\$1,107,440), and Phase II of the Canal Bank Stabilization project (\$868,000) on NW 170<sup>th</sup> Street, from the eastern property line of 7831 NW 169 Terrace continuing westbound for approximately

3,200 linear feet. Both projects commenced in the prior year and is expected to be completed in FY18. Revenue sources for these projects include an FDEP Grant, State of Florida legislative appropriation, Stormwater Utility Fees and a carryforward fund balance for stormwater improvements. The sub-fund has a contingency of \$98,920.

### **STORMWATER UTILITY FUND**

Stormwater Utility fees for FY 2017-18 are essentially at the same level as the prior year. The Budget totals \$1,420,148 and includes an appropriation to conduct lake quality assessments (\$50,000), update the Stormwater Master Plan (\$30,000), acquire an asset management software (\$60,000). A transfer to the Capital Projects Fund (\$150,000) is budgeted for partial funding of the drainage portion of Lake Sarah improvements.

### **FACILITY MAINTENANCE FUND**

This internal service fund captures all costs associated with the operations, maintenance and repairs of the Town's Government Center. The cost of centralized services is allocated among the General Fund's Administration and Police Departments, and the Building Fund. The FY 18 Budget totals \$314,249.

### **Conclusion**

We are pleased to present a structurally balanced budget that adequately provides for the operational needs of the Town with no increase to the millage rate, notwithstanding the cost of doing business continues to increase, public safety, healthcare, construction and maintenance services continue to rise.

Various projects and initiatives identified as priorities are unfunded (\$275,000) in the Proposed Budget. There are challenges expected in the coming years and we will need to foster a climate that promotes economic development as well as explore new innovative business practices and revenue initiatives beyond ad valorem to be able to accomplish the goals set forth by the 2025 Strategic Plan. As such, we remain committed to managing our resources in a financially stable manner and continue to offer exceptional quality of service to our residents.