



Town of Miami Lakes Memorandum

To: Honorable Mayor and Councilmembers

From: Edward Pidermann, Town Manager

Subject: Budget Amendment FY2019-20 – 1st Reading

Date: February 18, 2020

Recommendation:

Approve amendment to the FY 2019-20 Budget to carry over the prior year's estimated surplus to fund the following: (1) projects that were budgeted and commenced in the prior year but not completed, and (2) allocate funds for one-time operating and/or capital improvement expenditures. In addition, this budget amendment recognizes grants awarded to the Town, as well as donations received for specific Town events.

All carryforward amendments are summarized in red and all line item adjustments are summarized in blue as show in Exhibit A.

Background:

GENERAL FUND – CARRYFORWARD

The unrestricted General Fund Balance at the beginning of FY 2018-19 was \$5,048,869 per the audited financials. During the budget process, Council approved the transfer of \$506,000 from fund balance. This amount included \$400,000 for litigation reserve that was not utilized, \$24,000 for various committees unused balances, and \$82,000 for projects that were not completed within the fiscal year. In addition, \$769,000 was transferred during the carryforward amendment of which \$684,445 was utilized to fund capital projects and \$84,555 for operational expenses for a total amount of \$1,275,000. This reduced the fund balance to \$3,773,869, of this amount \$500,000 is currently earmarked for Hurricane Irma disallowances.

At the end of FY2018-19, operations are estimated to result in a net deficit of \$785,833. However, as a result of the \$1,275,000 fund balance transfer during the year, there will be a budget surplus of \$489,167. From the net surplus \$342,500 was already approved through the budget adoption process for the litigation/settlement reserve. With the remaining \$146,667 staff is proposing to carryforward and appropriate funds as follows:

1. Donations - \$25,013

At the Mayors Annual Gala donations were received by individuals and the local business community to benefit the Special Needs Advisory Board in order to fund specific events and enhance certain programs and activities.

2. Balances from projects that commenced but were not completed - \$17,203

- Asset Management Software - \$7,252
- ADA Doors at Mary Collins Community Center \$3,150
- Mayor's Gala Donation for Special Needs Advisory Board - \$6,801

Of the \$146,667 carryforward balance \$42,216 was used to complete prior year projects which are mentioned above, and the remaining **\$104,451** will be utilized to fund operations and security enhancements which are detailed below.

3. Restore items eliminated from the Budget - \$46,451

During the FY2019-20 budget process, items were reduced or eliminated to accommodate the loss of the Franchise Fee revenue. Staff is proposing to restore the following items:

- Travel & per diem expenses for administrative staff (\$6,476)
- Lobbyist services (\$24,000)
- Subscriptions & memberships (\$5,500)
- Administrative staff training and education (\$6,475)
- Mayor and Council training and education (\$4,000)

4. Professional Services - \$23,000

For additional services for the bond counsel related to the natural disaster line of credit.

5. Security Enhancements at Government Center - \$35,000

Installation of card readers access control for elevators and second floor glass entry door at Town Hall. These funds will be transferred into the Capital Projects Fund.

If approved this will increase the General Fund budget from \$17,359,992 to \$17,506,659.

***NOTE:** All carryforward amendments are summarized in red in Exhibit A.*

FY2019-20 GENERAL FUND BUDGET ADJUSTMENTS

In addition to the above-mentioned carryforward amendment staff is also proposing several other budget revisions.

During the budget process, health insurance was budgeted with a 20% increase due to a high utilization rate at the time. In prior year a 15% increase was budgeted, however rates came in at 18%. To remain conservative a 20% increase was accounted for based on prior year. Despite having this high utilization from catastrophic claims, our broker and Town staff were able to negotiate a lower rate of 5%. Negotiations concluded at the end of October after the FY2019-20 budget had already been adopted. Due to our positive history and commitment to wellness, this anomalous 5% rate resulted in an estimated \$71,000 savings to the General Fund. Staff is currently exploring the option of changing the renewal plan year with our current provider from December-November to August-July so that negotiations may conclude prior to the budget adoption. This may be an impassable request to our provider, nonetheless staff will continue to be proactive and explore all options that may benefit our Town.

The total estimated health insurance savings is \$108,000, of that amount staff is proposing to appropriate the \$71,000 in the general fund as follows:

- On July 25th the Town's refuse and recycling contract went out to bid and the lowest bidder was selected. On December 12, 2019 the contract was executed with the new vendor, which significantly increased the refuse and recycling budget by approximately \$24,500. Of the above-mentioned savings staff is proposing to utilize a portion to fund the contract increase. The \$24,500 would be allocated as follows:
 - Royal Oaks Park -\$5,600
 - Picnic Park East - \$3,600
 - Picnic Park West -\$7,000
 - Miami Lakes Optimist Park -\$8,300
- The Town Manager is also proposing to utilize the additional savings of \$46,500 to provide Town staff with a 3% cost of living adjustment commencing on April 1, 2020. Had this cost of living adjustment commenced on October 1, 2020 the impact would have been a 1.5% adjustment, however due to the mid-year start the proposal is 3%. Please note that this proposal excludes the Town Manager.

COST OF LIVING ADJUSTMENT				
GENERAL FUND	SALARIES	PAYROLL TAXES	RETIREMENT CONTRIBUTIONS	TOTAL
Adopted Budget	\$2,637,418	\$205,415	\$253,712	\$3,096,545
TOTAL GF 3% COLA	\$39,561	\$3,081	\$3,806	\$46,448

The consumer price index is a monthly measurement of U.S. prices for household goods and services. It reports and measures inflation and deflation, which is one of the greatest threats to a healthy economy. If income does not keep pace with rising prices the cost of living increase as well. The below chart reflects the historical data for The Town of Miami Lakes cost of living adjustments (COLA) as compared to the consumer price index (CPI-U/Miami-Ft. Lauderdale-West Palm Beach).

Fiscal Year	Council Approved COLA	Consumer Price Index as of 8/31
2014-2015	0	2.40%
2015-2016	0	1.30%
2016-2017	2%	1.60%
2017-2018	2%	2.30%
2018-2019	2.30%	3.60%
2019-2020	0	1.90%

Other adjustments to the general fund include \$3,000 for display monitors for public safety personnel to monitor traffic cameras and \$7,500 to fund the replacement of a control panel at Miami Lakes Optimist Park. These Funds are transferred from various line items within the respective department. In addition, \$10,000 is also being transferred to be reflected in the newly created account for the Special Needs Advisory Board.

NOTE: All line item adjustments are summarized in blue in Exhibit A.

SPECIAL REVENUE FUNDS

Transportation Gas Tax

This budget amendment carries forward the balance of \$42,608 which will be allocated to the following:

- For roadway striping & sign replacement -\$10,000
- Road system maintenance and repairs-\$32,608

This adjustment will increase the Transportation Gas Tax budget from \$402,537 to \$445,145

Transit (PTP 20%)

This budget amendment carries forward the balance of \$8,687 which will be allocated for bus shelter maintenance and repairs. This adjustment will increase the Transit budget from \$393,371 to \$402,058. In addition, \$3,313 will be transferred from contingency reserve line item to the bus shelter maintenance and repair line item.

Tree Ordinance-Black Olive Removal Program

This budget amendment carries forward the balance of \$52,614 and will be allocated to the black olive tree program line item. This adjustment increases the Tree Ordinance Program budget from \$37,370 to \$89,984. These funds will be utilized for the West Lakes Reforestation Phase 4 Project.

Peoples Transportation Plan (PTP 80%)

This budget amendment carries forward the balance of \$60,516 which will be allocated to the following:

- Professional services required for the Transportation Manager vacancy - \$5,000
- Street lighting repair & maintenance-\$12,000
- Contingency reserves-\$43,516

This adjustment will increase the Peoples Transportation Plan (PTP 80%) budget from \$1,196,565 to \$1,257,081.

Mobility Fee Trust Account Fund

This budget amendment carries forward a balance of \$126,163 which will be allocated to contingency reserves for future projects. This increases the Mobility Fee Trust Account Fund from \$217,750 to \$343,913.

Special Revenues-Other

This budget amendment carries forward a balance of \$399,885, due to new revenue sources in lieu of Large Park (\$199,885) and in lieu of Greenway (\$200,000) from the Lucida development that was received in FY2018-19. These funds will be allocated to contingency reserves for future projects. This increases the Special Revenues-Other Fund from \$300,000 to \$699,885.

IMPACT FEE FUNDS

This budget amendment carries forward a fund balance of \$327,034 and re-budgets \$86,620 for adaptive signalization. These funds will be allocated as follows:

- Parks Improvement Impact Fee will carry forward a balance of \$80,119 and will be allocated to contingency reserve for future projects. This increases the Parks Improvement budget from \$240,691 to \$320,810.
- Parks Open Space Impact Fee will carry forward a balance of \$205,988. Of this amount \$130,898 will be reserved for future projects and the remaining \$75,090 will be transferred to the Parks Capital Projects fund to complete Bree's Courtyard and the 170th Greenway Trail Park. This increases the Parks Open Space budget from \$1,242,205 to \$1,448,193.
- Public Safety Impact Fees will carry forward a balance of \$40,927. Of this balance \$15,927 will be allocated towards the installation and purchase of license plate recognition software and the remaining \$25,000 will be transferred to the Facilities Capital Project fund in order to fund security enhancements

for Police personnel at Government Center. This increases the Public Safety Impact Fees budget from \$143,889 to \$184,816.

- Road Impact Fees has no fund balance however, this budget amendment increases (\$86,620) the revenue and expense budgets to include the remainder of the contribution in-lieu of road impact fee (50%) to complete the Adaptive Signalization project. This increases the Road Impact Fees budget from \$273,634 to \$360,254.

If this approved this amendment will increase the total Impact Fee Fund budget from \$1,900,419 to \$2,314,073.

BUILDING DEPARTMENT FUND

This budget amendment carries forward a balance of \$93,525 and will be allocated to contingency reserve. This increases the Building department fund from \$4,038,442 to \$4,131,967.

As mentioned earlier in this memorandum the Town Manager is proposing to utilize health insurance savings to fund a cost of living adjustment for all Town staff. If approved the impact would be \$23,450 for the Special Revenue Fund which includes Transit (\$700), PTP 80% (\$700) and Building (\$22,050). The health insurance savings for this fund is approximately \$31,268.

COST OF LIVING ADJUSTMENT				
SPECIAL REVENUE FUND	SALARIES	PAYROLL TAXES	RETIREMENT CONTRIBUTIONS	TOTAL
Adopted Budget	\$1,345,929	\$103,470	\$113,944	\$1,563,343
TOTAL SPECIAL REVENUE 3% COLA	\$20,189	\$1,552	\$1,709	\$23,450

Neighborhood Service Districts formally known as Special Taxing Districts

This budget amendment carries forward a balance of \$65,048 for all districts and will be allocated as follows:

1. Miami Lakes Section One carries forward a balance of \$23,464 which will be allocated as follows:
 - Security Guard holiday pay adjustment \$2,046
 - Contingency reserve \$21,418.
2. Loch Lomond carries forward a balance of \$9,757 which will be allocated as follows:
 - Security guard holiday pay adjustment \$5,412.
 - Contingency reserve \$4,345.
3. Royal Oaks Section One carries forward a balance of \$16,082 which will be allocated as follows:
 - Security guard holiday pay adjustment \$4,534
 - Contingency reserve \$11,548
4. Royal Oaks East carries forward a balance of \$15,277 which will be allocated as follows:
 - Security guard holiday pay adjustment \$4,534
 - Contingency reserve \$10,743
5. Lake Patricia assumed a carryforward balance of \$3,535 however an adjustment of -\$112 reduced the budget balance to \$3,423. This will reduce the contingency reserve budget by \$112.
6. Lake Hilda carries forward a balance of \$580 which will be allocated to contingency reserve.

If approved this will increase the Neighborhood Service Districts budget from \$1,739,778 to \$1,804,826.

CAPITAL PROJECTS FUND

At the beginning of FY 2018-19, the Capital Projects Fund had \$1,374,174 available to fund capital improvements throughout the Town, as per the audited financials. During the year, the Fund received \$3,862,451 in inter-governmental revenues, grant reimbursements, and inter-fund transfers to fund additional capital improvements. Approximately \$2,859,492 was spent on completing or substantially completing budgeted projects. The completed projects include Phase 3 of West Lakes neighborhood reforestation, Royal Oaks Park field lighting retrofit, Mary Collins Community Center playground renovations, pocket parks furniture, Windmill Gate Road improvements, and Miami Lakeway South street resurfacing.

The FY 2019-20 Adopted Budget, however, assumed a net carry-forward of \$1,470,818 for those projects that were not completed in FY 2019. This budget amendment adjusts the carry-forward amount for the difference of \$906,316 and re-appropriates the remaining balances for these projects. The carryforward amount of \$906,316, interfund transfer of \$221,710 and grant revenues of \$89,980 which will be discussed later in this memorandum, increases the FY 2019-20 Capital Projects Fund Budget from \$11,625,590 to \$12,843,595.

- Facilities & Equipment will carry forward a balance of \$2,618 which will be appropriated to Infrastructure for security enhancements. Additionally, a transfer of \$35,000 from General Fund and \$25,000 from Public Safety Impact Fees will be allocated to the infrastructure line item for security enhancements at Town Hall and the Police personnel parking lot. The contingency reserve (\$14,362) will also be transferred into the infrastructure line item to completely fund these security enhancements at Government Center. This increases the Facilities & Equipment sub-fund budget from \$14,362 to \$76,980.
- Parks Improvements assumed a carryforward balance of \$1,281,163 however an adjustment of \$170,731 is required to reduce the carry forward amount to \$1,110,432. We also anticipated to receive \$200,000 from the Florida Department of Agriculture for the Royal Oaks LED retrofit lighting grant, however since the funds were not received in FY2018-19 we will re-budget the funds into FY2019-20. In addition, a total of \$75,090 will be transferred from Parks Open Space Impact fee into the Parks Capital Projects Fund in order to complete the 170th Greenway Trail Park and Bree's Courtyard. The funds will be allocated as follows:
 - 170th Greenway Trail - \$60,000
 - Bree's Courtyard - \$15,090
 - Contingency reserve - \$2,985
 - MLOP Master Plan - \$2,663
 - MLOP Works of Art - \$12,085
 - Mini Parks Machinery & Equipment- \$11,536

This increases the Parks Capital Fund budget from \$1,481,163 to \$1,585,522.

- Transportation Improvements Fund carries forward a balance of \$688,348 and will be allocated as follows:
 - Safe Routes to School - \$191,680
 - Business Park East (60TH Avenue) - \$432,764
 - 67th Avenue Widening - \$13,237
 - Contingency Reserve - \$50,667

Additionally, the Town received \$25,000 in grant revenues for the MiGlo Walking and Bike Trail and an interfund transfer of \$86,620 is to include the remainder of the contribution in-lieu of road impact fee to complete the Adaptive Signalization project. This budget amendment increases the Transportation Improvement budget from \$7,290,158 to \$8,090,126.

- Stormwater Improvements will carry forward a balance of \$386,081. The FY2019-20 adopted budget assumed grant revenues would be received in the current fiscal year however grant revenues came in prior year. The Canal Stabilization (-\$370) and Royal Oaks Drainage (-\$134,650) adjustments are to properly reflect grant funds. The allocations for the Stormwater Improvement Fund will be as follows:
 - West Lakes Drainage- \$22,470
 - Adjust Royal Oaks Drainage - -\$71,789
 - Canal Stabilization Phase 2 -\$288,067
 - Contingency Reserve -\$12,313

This budget amendment increases the Stormwater Improvement Fund from \$2,839,907 to \$3,090,968.

STORMWATER UTILITY FUND

The Asset Management Software that was budgeted in the previous fiscal year is approximately 75% complete. This budget amendment carries forward a balance of \$10,912 which will be allocated as follows:

- Software – Project Balance for Asset Management - \$10,112
- Remote Access Data Plan - \$500
- Machinery and Equipment - \$300

This budget increases the Stormwater Utility Fund budget from \$1,147,370 to \$1,158,282.

As mentioned earlier in this memorandum the Town Manager is proposing to utilize health insurance savings to fund a cost of living adjustment. If approved the impact would be \$3,100 for the Stormwater Utility Fund. The health insurance saving for this fund is approximately \$3,619.

COST OF LIVING ADJUSTMENT				
STORMWATER UTILITY FUND	SALARIES	PAYROLL TAXES	RETIREMENT CONTRIBUTIONS	TOTAL
Adopted Budget	\$177,956	\$13,614	\$15,085	\$206,655
TOTAL STORMWATER 3% COLA	\$2,669	\$204	\$226	\$3,100

INTERNAL SERVICE FUND

The Internal Service Fund (Facilities Maintenance Fund) has no fund balance however, as mentioned earlier in this memorandum the Town Manager is proposing to utilize health insurance savings to fund a cost of living adjustment. If approved the impact would be \$1,219 to this fund. The health insurance savings is approximately \$1,910.

COST OF LIVING ADJUSTMENT				
INTERNAL SERVICE FUND	SALARIES	PAYROLL TAXES	RETIREMENT CONTRIBUTIONS	TOTAL
Adopted Budget	\$70,000	\$5,355	\$5,934	\$81,289
TOTAL INTERNAL SERVICE 3% COLA	\$1,050	\$80	\$89	\$1,219

Attachments:

Ordinance

Exhibit A – FY 2019-20 Amended Budget

