



TOWN OF MIAMI LAKES

MEMORANDUM

To: Honorable Mayor and Town Council

From: Alex Rey, Town Manager

Subject: FY 2016-17 Budget Message

Date: September 6, 2016

Recommendation

It is recommended that Town Council adopt the millage rate for Fiscal Year 2016-17 at 2.3518 mills, which is \$2.3518 per \$1,000 of assessed property value. This is the same millage rate as adopted for the prior year and one of the lowest millage rates in Miami-Dade County. The proposed millage rate is expected to yield \$6,278,000 in ad valorem revenue at 95% of value based on the July 1, 2016 estimated Property Tax Roll, as provided by Miami-Dade County Property Appraiser.

It is also recommended that Town Council adopt the Fiscal Year 2016-17 Budget as proposed on first reading.

Background

Over the last two years, that Town has invested in new community facilities, stormwater infrastructure improvements, police resources to reduce traffic at troubled spots, beautification projects, enhanced communication and transparency, and improved response times to requests for service through new technologies and process improvement.

In November 2015 the Town adopted the 2025 Strategic Plan that outlines six goal areas: enhanced mobility, beautification, economic development, sustainability, communication and innovation/use of technology. Each goal area is supported by a handful of objectives as adopted by the Town Council. Staff has identified approximately 140 initiatives and are developing supporting work plans to accomplish the goals and objectives provided for in the 2025 Strategic Plan. Strategic Plan implementation updates will be provided throughout the year; however, the Proposed Budget includes funding for many of these initiatives including transportation projects, beautification projects and lake quality assessment amongst others.

At the first budget workshop on July 11, 2016, staff presented over \$1.8 million of unfunded projects based on prior Council directives, operational needs and the 2025 Strategic Plan. The Town Council ranked the priority of the unfunded projects as follows:

ITEM/PROJECT	TOWN COST FY 2016-17	RANK
2 Police Officers	\$292,670	1
West Lakes Neighborhood Reforestation Program	\$100,000	2
Removal and Replacement of Black Olive Trees	\$85,000	3
Beautification: NW 67th Avenue and 138th Street	\$200,000	4
Senior and Adult Programming	\$10,000	5
Litigation Reserves	\$500,000	6
Beautification: 154th Street corridor	\$200,000	6
Beautification: NW 87th Avenue and 170th Street	\$25,000	8
Beautification: NW 67th Avenue and Palmetto	\$100,000	9
Annual Trimming of Palm Trees	\$37,000	10
Beautification: NW 87th Avenue and 138th Street	\$100,000	11
Youth Programming	\$35,000	12
Update Tree Inventory	\$25,000	12
Removal of Invasive and Hazardous Trees	\$10,000	12
Irrigation and Sod Replacement at Major Corridors	\$30,000	15
Model Town: Procure Open Data System	\$12,000	16
On Demand Sunday Service	\$12,000	17
Program for high school students	\$17,500	18
Hurricane Preparedness	\$5,000	19
Communication: Create a Citizen's Academy	\$17,500	20
Backpack Drive	\$5,000	21
Health & Vitality (ED): Develop Healthy TML Master Plan	\$50,000	22
TOTAL	\$1,868,670	

A two day publicly noticed Zero Based Budget Workshop was held at Government Center on Saturday, August 20, 2016 and Sunday, August 21, 2016. Department Directors presented an overview of the services and functions provided by their respective departments and each employee's role within their department. Each budget line item was provided for review and discussion.

In order to accommodate the highest priorities, and following discussions held during the zero based budget discussion, we are recommending the following changes to the Proposed Budget:

- West Lakes Neighborhood Reforestation Program will be funded by using the police impact fee to fund the generator at Town Hall, thus freeing up previously allocated general fund monies (\$100,000) which are being transferred into the Capital Budget for this purpose.
- Black Olive Removal Program is being funded at \$11,416 from the General Fund and \$17,391 in carry-over funds and new revenues in that sub-fund.
- Police Services – Two Police Officers are being requested to meet the anticipated increase in demand for services based on the Town’s expected population growth due to new development on the west side of Town. The additional officers would increase staffing from 45 to 47 sworn personnel. The Town has also applied for a COPS grant in the amount of \$250,000 to help fund these services over the next three years.
- As a result of this workshop, several expenditures were discussed and are being recommended for reduction: US Conference of Mayors membership (\$3,500), Miami Dade County League of Cities membership (\$3,100), the Miami Dade County League of Cities Gala (\$2,000) and the Miami Lakes Chamber of Commerce Business Expo (\$7,000); and, in addition, \$25,000 from the Special Revenue Fund Developer Contribution for Education (Dunwoody Lakes Lennar Development) was transferred in to the General Fund to offset the Education Advisory Board’s budget. These funds are restricted to benefit the schools impacted by the development which include Barbara Goleman and Bob Graham Elementary. The reduction in expenditures and funds made available through the transfer of Special Revenue funds afforded the Town two additional police officers effective August, 2017. **(partially funded at \$40,600 effective August 1, 2017)**
- Senior and adult programming will added as a “Pay for Play” at no additional cost to the Town
- Additionally, upon careful review of all of our staffing needs, I am recommending the addition of a Senior Planner to concentrate on transportation and transit-related projects. This position will be funded using restricted Transportation and Transit funding.

I. FY 2016-2017 PROPOSED BUDGET

The total Proposed Budget for Fiscal Year 2016-17 including all funds is \$32,293,589, as shown in the table below. This represents a decrease of \$6,037,297 or 15.75% as compared to the FY 2015-16 Amended Budget; the details of the difference are discussed later in this memorandum. This chart excludes the unbudgeted General Fund balance of approximately \$3.7 million.

BUDGET SUMMARY Town of Miami Lakes - FY2016-17								
Millage per \$1,000 General Fund Millage: 2.3518 <i>The General Fund Millage is 5.97 percent higher than the State defined Rolled Back Rate</i>								
ESTIMATED REVENUES	General Fund	Special Revenue Funds	Electric Utility Tax Revenue Fund	Debt Service Fund	Capital Projects Fund	Stormwater Utility Fund	Internal Service Fund	Total All Funds
Ad Valorem Taxes: Millage per \$1,000 = 2.3518	6,278,000	-	-	-	-	-	-	6,278,000
Franchise Fees	1,200,000	-	-	-	-	-	-	1,200,000
Charges for Services	-	-	-	-	-	1,050,000	-	1,050,000
Utility Service Tax	2,950,000	-	370,000	-	-	-	-	3,320,000
Intergovernmental Revenue	4,498,151	1,580,500	-	178,920	1,182,580	-	-	7,440,151
Licenses and Permits	418,750	2,576,000	-	-	-	-	-	2,994,750
Fines & Forfeitures	173,500	45,000	-	-	-	-	-	218,500
Miscellaneous Revenue	201,784	130,000	-	-	-	32,000	-	363,784
TOTAL SOURCES	15,720,185	4,331,500	370,000	178,920	1,182,580	1,082,000	-	22,865,185
Transfers In	136,416	11,416	-	369,579	2,180,243	-	278,469	2,976,123
Fund Balances/Reserves/Net Assets	-	4,032,844	61,692	-	1,811,680	546,065	-	6,452,281
TOTAL REVENUES, TRANSFERS & BALANCE	15,856,601	8,375,760	431,692	548,499	5,174,503	1,628,065	278,469	32,293,589
ESTIMATED EXPENDITURES								
General Government	2,788,675	-	3,550	-	174,765	-	278,469	3,245,459
Transportation	1,181,071	1,405,911	-	-	2,240,244	-	-	4,827,225
Public Safety	7,637,683	-	-	-	-	-	-	7,637,683
Parks, Recreation & Culture	3,199,401	28,807	-	-	650,000	-	-	3,878,208
Physical Environment	-	-	-	-	1,869,490	870,446	-	2,739,936
Building, Zoning, Planning & Dev.	532,665	1,352,298	-	-	-	-	-	1,884,964
Debt Services	153,423	-	-	548,499	-	83,000	-	784,922
TOTAL EXPENDITURES	15,492,917	2,787,016	3,550	548,499	4,934,499	953,446	278,469	24,998,396
Transfers Out	353,684	1,672,477	369,579	-	111,416	468,967	-	2,976,123
Fund Balances/Reserves/Net Assets	10,000	3,916,267	58,563	-	128,588	205,652	-	4,319,070
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES AND BALANCES	15,856,601	8,375,760	431,692	548,499	5,174,503	1,628,065	278,469	32,293,589
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.								

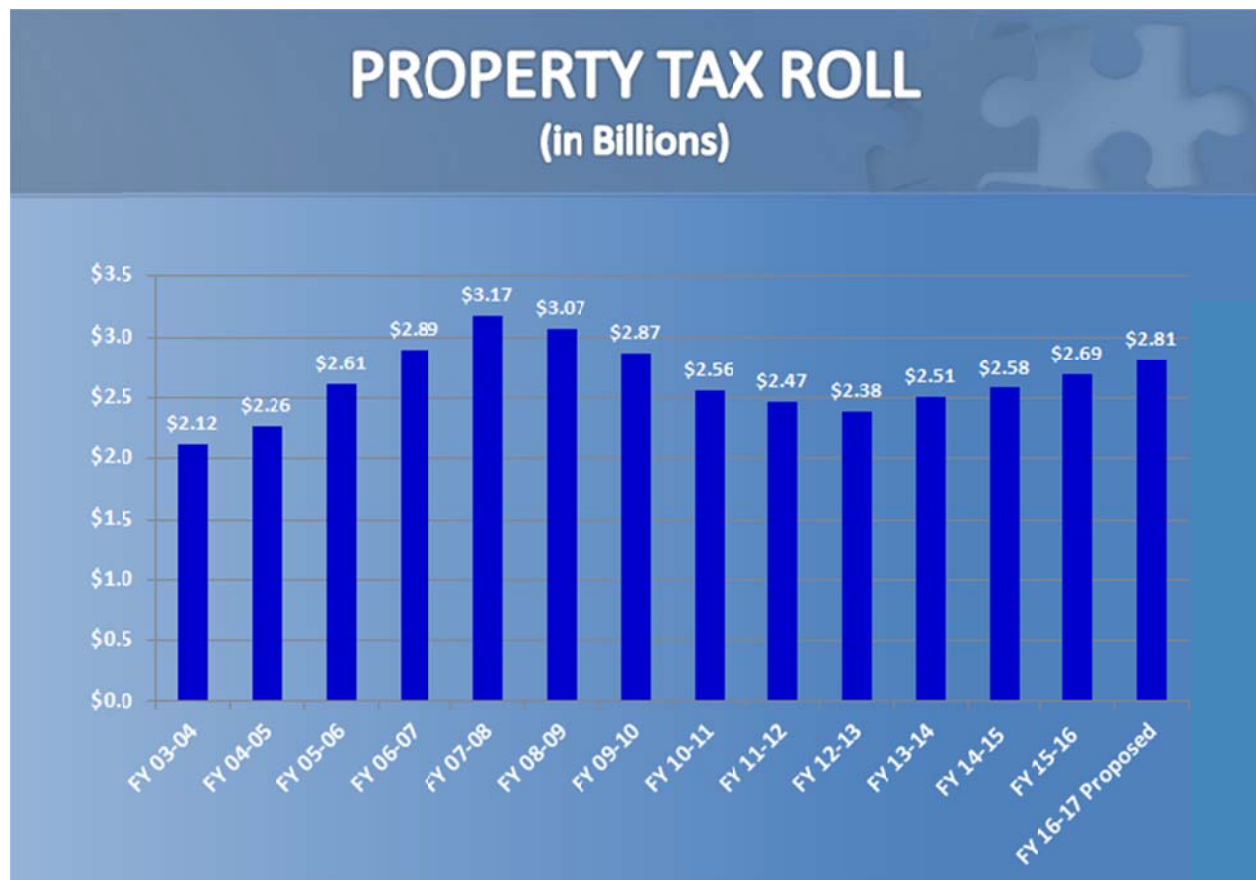
The Budget proved at the onset to be challenging due to increases in contractual services for police, general elections, and grounds, rights-of-way and facility maintenance, and group health insurance cost offset by minimal increases in revenues. This eliminated much of the flexibility we were hoping to have, and as a result, there are several items that remain unfunded that will be discussed later in this memorandum. Albeit, the budget provides for the continuation of core services that the residents and businesses have come to expect and deserve; enhancement to some services levels including additional overtime for Police Officers to mitigate traffic issues in the Town; and the implementation of the 2025 Strategic Plan.

II. TAX ROLL, MILLAGE RATE, AND AD VALOREM REVENUE

PROPERTY TAX ROLL

The tax roll for the Town of Miami Lakes as certified by the Miami-Dade County Property Appraiser on July 1, 2016 reflects a gross taxable value of \$2,809,602,232, which includes an increase of \$18,421,999 in new construction and improvements. As compared to the certified taxable value for the previous year of \$2,691,096,427, the July 1, 2016 figures reflect an increase in taxable value of \$118.5 million or 4.4%. While the increase in roll value is modest, it shows that over the last five years the Town has been able to hold its value. It is therefore important that we continue to invest in the Town's infrastructure and beautification to make Miami Lakes a desirable place to be.

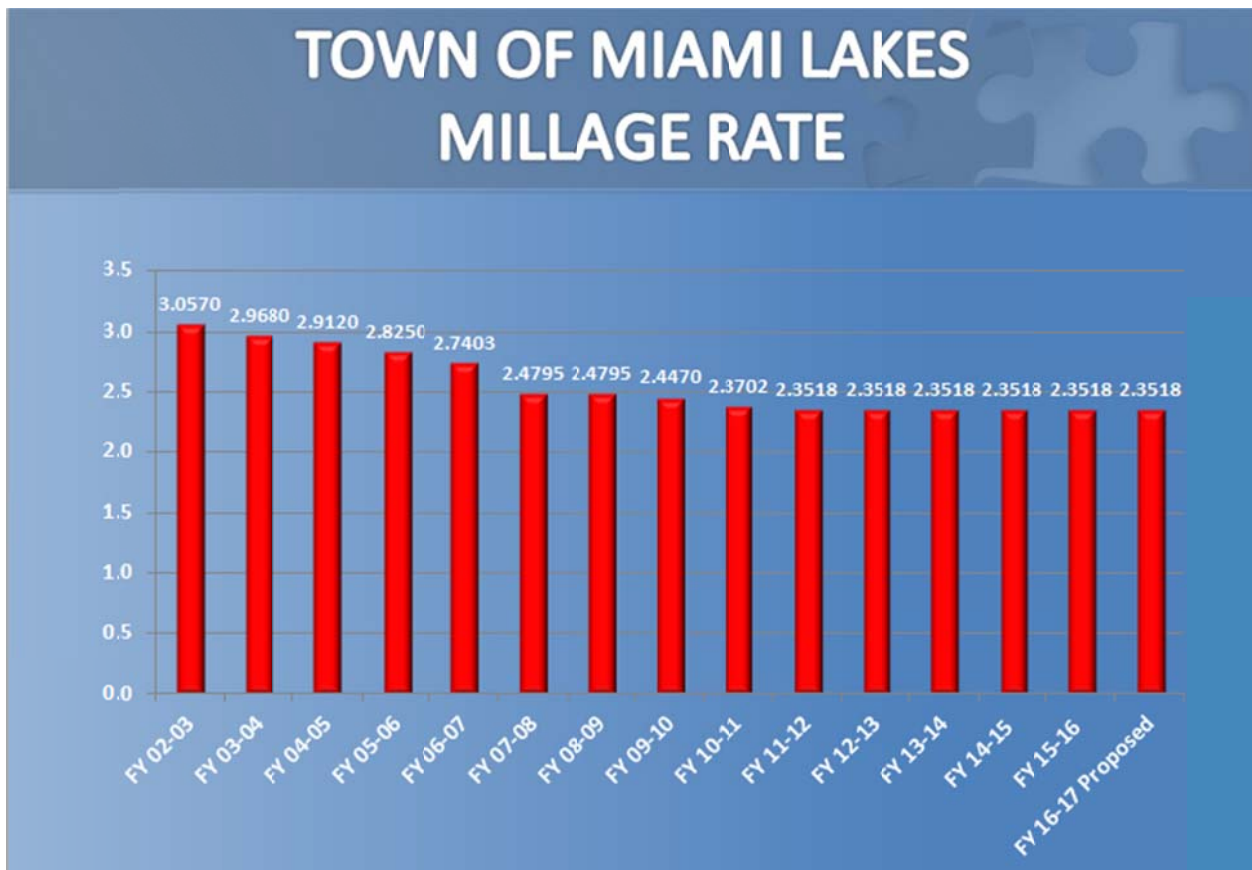
As seen in the graph below, Property Tax Roll value has been steadily on the rise since FY 2012-13, thus reflecting signs of continuous economic recovery and growth.



MILLAGE RATE

At the July 26, 2016 Town Council Meeting, the Council established the proposed millage rate “cap” at 2.3518 mills, which is \$2.3518 per \$1,000 of assessed property value, via Resolution #16-1395. This is same rate as the prior fiscal year and is the fifth lowest millage rate in Miami-Dade County as compared to other 2016 municipal rates. The Town has steadily reduced its millage since its first year of incorporation and has maintained the same low rate since 2012 for six consecutive years in spite of declining tax roll values for several years. The reduction in millage rate from 3.057 to 2.3518 represents an overall reduction of 0.7052 mills or 23%.

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



Rolled-Back Rate

The rolled-back rate for FY 2016-17 is 2.2194. 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 2.3518 is 5.97% higher than the current year aggregate rolled-back rate. The State-required

methodology for calculating the rolled-back rate uses the roll value after Value Adjustment Board action. For the Town, the final gross taxable value is \$2,634,079,123, which is \$57 million less than the preliminary July 1 base roll figure of \$2,691,096,427. The rolled-back rate would yield \$354,150 less in ad valorem revenue as compared to the proposed rate of 2.3518.

It is worth noting that the calculation of the rolled-back rate does not take into account the current rate of change to the Consumer Price Index (CPI) for all goods which is 1.30% from FY 2015 to FY 2016. Additionally, the calculation does not take into account the normal increase in operating costs driven by the CPI.

AD VALOREM REVENUE

The FY 2016-17 Proposed Budget was developed using the proposed millage rate of 2.3518. This millage rate generates property tax revenue or ad valorem (calculated at 95% for budget purposes) in the amount of \$6,278,000 to the General Fund. The impact is approximately a \$265,000 increase in ad valorem revenue for FY 2016-17.

III. FY 2016-17 BUDGET HIGHLIGHTS – BY FUND

GENERAL FUND

Within the last three years the economy has improved, but the Town continues to experience the impact of the Town's taxable values, revenue streams and the increasing cost of operations. Revenues have finally begun to show a slight turnaround, particularly in the area of property taxes which is a direct result of the increase in property values. Revenues from the State, utility taxes, permits, fines, and user fees have shown modest increases; offset by increases in contractual services. The General Fund Operating Budget totals \$15,856,601 or 20% less than the prior year's Amended Budget. This is primarily due to the separation of all building permit activity from the General Fund. Building permit-related revenues and expenditures for FY 2016-17 are now accounted for in a Special Revenue Fund, the newly created Building Department Fund. The decrease is also due to a one-time payment in FY 2015-16 from the Dunnwoody Lake developers for reimbursement of the 154 Street Roadway Expansion Project.

A summary of the revenues and expenditures is provided in the chart on the following page, followed by an explanation of the major impacts to revenues and expenditures. The FY 2016-17 Preliminary Change compares FY 2015-16 Projection to FY 2016-17 Proposed Budget.

FY2016-17 Proposed Budget
September 6, 2016

ACCOUNT NAME/DEPARTMENT	FY2013-14 ACTUALS	FY2014-15 ACTUALS	FY2015-16 AMENDED BUDGET	FY2015-16 PROJECTION	FY2016-17 PROPOSED BUDGET	FY2016-17 PRELIMINARY CHANGE
Revenues						
Ad Valorem Taxes	\$ 5,525,235	\$ 5,784,851	\$ 6,013,000	\$ 5,938,769	\$ 6,278,000	\$ 339,231
Franchise Fees	1,147,889	1,160,066	1,250,000	1,179,362	1,200,000	20,638
Utility Service Tax	2,880,433	2,856,736	2,780,000	2,918,799	2,950,000	31,201
Intergovernmental Revenues	4,811,885	4,415,277	4,606,101	4,471,318	4,498,151	26,833
Permits & Fees	1,467,849	1,312,020	1,451,200	1,583,357	418,750	(1,164,607)
Fines & Forfeitures	260,566	312,466	203,709	268,002	173,500	(94,502)
Miscellaneous Revenues	167,619	253,029	250,550	231,498	201,784	(29,714)
Sub-total Recurring Revenues	16,261,476	16,094,445	16,554,560	16,591,105	15,720,185	(870,919)
Developer's Reimbursement	-	-	1,828,227	1,828,987	-	(1,828,987)
Transfers In	-	15,161	-	-	136,416	136,416
Prior Year Carry-Over Funds	-	-	1,504,340	1,504,340	-	(1,504,340)
Sub-total Other Revenues	-	15,161	3,332,567	3,333,327	136,416	(3,196,911)
Total Revenues	16,261,476	16,109,606	19,887,127	19,924,432	15,856,601	(4,067,830)
Expenditures						
Town Mayor & Council	354,820	412,723	371,220	334,997	344,126	9,129
Town Clerk	197,819	216,272	252,827	213,600	223,597	9,997
Town Attorney	259,207	639,965	433,000	407,730	235,000	(172,730)
Administration	2,007,743	1,966,093	2,330,295	2,257,529	1,995,953	(261,577)
Police	6,410,777	6,898,462	7,348,813	7,123,682	7,637,683	514,001
Town Neighborhood Services/Planning	791,995	724,685	606,658	625,400	489,761	(135,640)
Building	960,710	1,073,750	1,185,568	1,066,062	117,905	(948,158)
Community & Leisure Services	2,388,991	2,604,733	2,822,814	2,852,375	-	(2,852,375)
Parks & Community Services	-	-	-	-	2,410,568	2,410,568
Community Engagement & Outreach	-	-	-	-	595,684	595,684
Special Events - Committees	142,065	169,219	213,745	213,745	193,150	(20,595)
Public Works	1,063,290	956,670	1,109,299	1,139,133	1,106,071	(33,063)
QNIP	153,423	153,423	153,423	153,423	153,423	-
Non-Departmental	66,447	-	1,334,500	1,206,705	-	(1,206,705)
Sub-total Expenditures	14,797,286	15,815,995	18,162,163	17,594,382	15,502,917	(2,091,465)
Transfers Out	752,364	623,000	1,724,964	1,727,223	353,684	(1,373,540)
Total Expenditures	15,549,650	16,438,995	19,887,127	19,321,605	15,856,601	(3,465,004)
Excess (Deficiency) of Revenues over Expenditures	\$ 711,826	\$ (329,389)	\$ -	\$ 602,826	\$ -	(602,826)

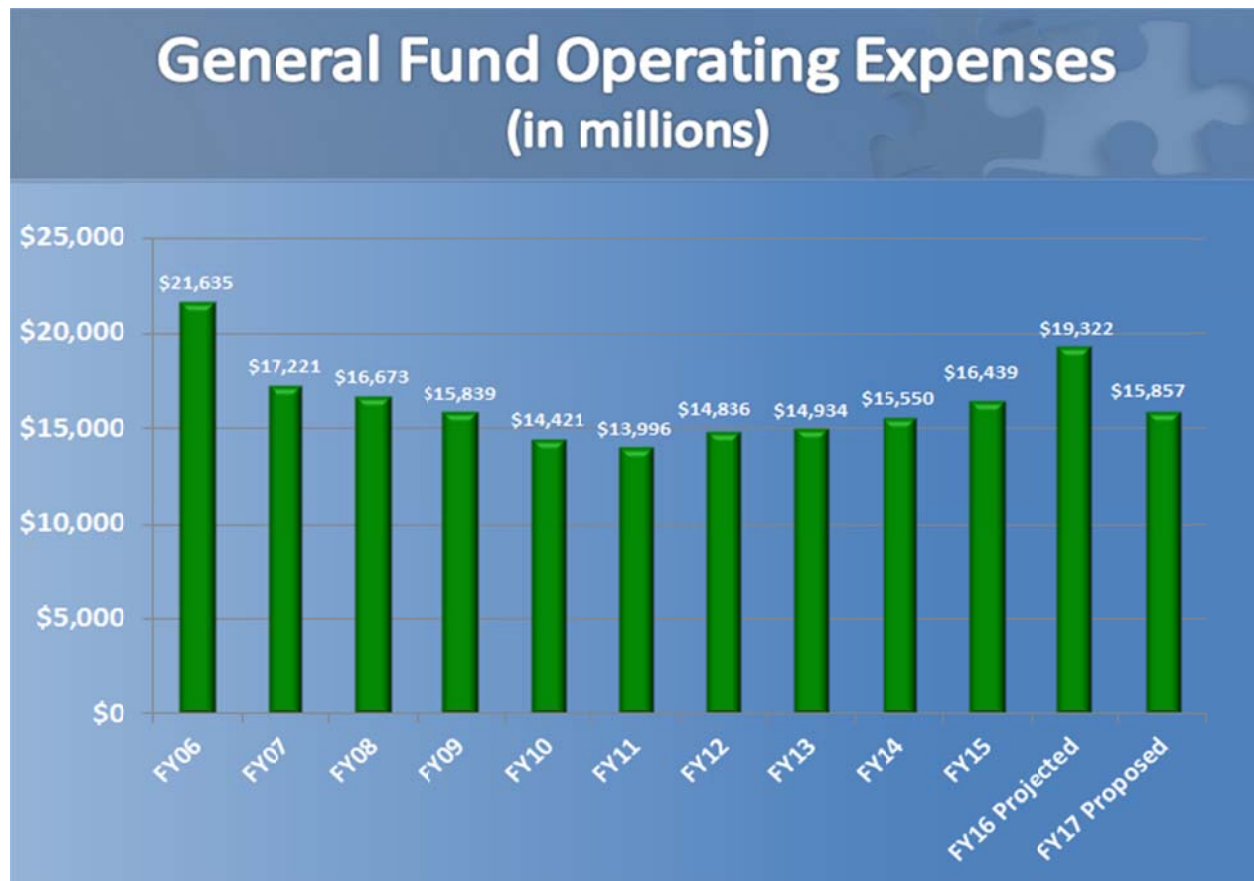
- Property Taxes remain the primary source of funding for all Town services and show an increase of approximately \$339,000 over the prior year projected revenues. Revenues are also derived from franchise fees, utility taxes, State Revenue Sharing, Half-Cent Sales Tax, Communication Services Taxes, business licenses, user fees for services, fines, and interest income which in total, nets to approximately \$79,000 in additional revenues for FY 2016-17.
- Subsequent to the July 11, 2016 Budget Workshop, the State posted estimated Communication Services Tax revenues to Miami Lakes to be approximately \$100,000

less than the Town's Proposed Budget assumes. The reduction is attributed to a refund claim from ATT Mobility for internet access charges; most jurisdictions will be affected by this unanticipated reduction in revenue. The formal, written notification from the State that misallocations have occurred will be sent on or about November 15, 2016. At this point, we are recommending to leave the revenue at the same level as in the FY 2016-17 Proposed Budget.

- The Lien Amnesty Program implemented in 2015 was very successful in achieving compliance for outstanding code cases. The Program ended in the first quarter of FY 2015-16 and as a result, we will no longer see those one time revenues in an amount of approximately \$70,000.
- As previously mentioned, the building permit activity has been transferred out of the General Fund and a new Building Department Fund was created to account for all related revenues and expenditures. As such, the Building Department Fund will reimburse the General Fund \$125,360 for administrative support provided by the General Fund.

EXPENSES/SIGNIFICANT BUDGET CHANGES

As indicated in the chart below, the Town has significantly reduced expenses over the last ten years from a high of \$21,634,500 in 2006 to a projected FY 2016-17 Expense Budget of \$15,856,601. As compared to FY 2015-16 Projected Expenses **excluding** carryover funds for projects (\$600,000), developer's reimbursement of Series 2013 Loan (\$1.7M) and the Building permit activity expenses (\$1.2M), the FY 2016-17 Proposed Expense Budget reflects an increase of approximately \$391,000 or 3%. Significant changes affecting the Proposed Budget are described on the following pages:



- **Merit and Cost of Living Increases** - Salary surveys indicate that we are not staying competitive with our peers and most other municipalities have proposed a merit and cost of living adjustment (COLA) for FY 2016-17. The Proposed Budget includes an across the board 2% COLA effective April 2017 for approximately \$25,000.
- **Staffing** The Proposed General Fund Budget includes thirty-two full-time positions, three part-time positions, eight seasonal positions and seven part-time seasonal positions. This is less eight positions that have been transferred to the Building Fund and one position to the Facility Maintenance Fund. In addition, we have converted two part-time positions (Receptionist in Administration and Leisure Services Specialist in Community Services) to one full-time position, Recreation Assistant. Additionally, the part time Accounting Technician in Finance was converted to full time status to manage the prompt payment of invoices pursuant to the Prompt Payment Act. These conversions essentially only increased the budget by one part-time position.

In keeping with the business model of the Town, we continue to maintain a small professional staff with core competencies in critical service delivery areas. The Town contracts many of the service delivery functions when it is more efficient and provides long-term savings.

- **FRS Contribution** – The Florida Retirement System contribution rate increased slightly from 7.26% to 7.52% for regular employees as of July 1, 2016. The rate increase has no significant impact to the Budget.
- **Group Health Insurance** – Based on prior years' trend, we have included a 15% increase for group health insurance. The Town has implemented various wellness activities with the goal of reducing health care premium cost and improving morale. (\$94,000)
- **General Election** – Funding for the cost of the general election of the mayoral seat, seats 1, 3, and 5 is estimated at \$15,000 and \$45,000 for run-off election, if needed. (\$60,000)
- **Police Services** – Contractual services for police patrol reflects an increase of 7% as compared to FY 2016 year-end projection. This is as a result of the settlement agreement between the County and the Police Benevolent Association that includes a 4% COLA effective October 2016 (\$176,900), significant increase to the group health insurance (\$96,000), merit increase (\$107,750), and fleet maintenance and operations (\$65,000). In addition, an allocation for overtime and fringe (\$65,110) to mitigate traffic issues within the Town of Miami Lakes. (\$510,760)
- **Grounds Maintenance Contractual Services** – Several rights-of-way and landscape maintenance contracts are expiring and will be rebid in FY 2017. It is expected that contract pricing for these services will increase due to market changes driven by increased labor and material costs, and construction demand. (\$73,550)
- **Committees** - The total Committees' Budgets for FY 2016-17 have been set at \$193,150, \$7,000 less than the last two year's adopted budgets. Justification for the Committees' budgets was presented at the 1st Budget Workshop on July 11, 2016. The Cultural Affairs Committee and the Youth Activities Task Force requested an increase of \$7,700 and \$3,900, respectively; these amounts are not funded at this time.
- **Transfers** - The FY 2016-17 Proposed General Fund Budget includes interfund transfers for the following: West Lake Neighborhood Reforestation Program (\$100,000), Black Olive Tree Removal Program (\$11,416) and the General's Fund's portion of Government Center facility maintenance (\$242,268). (\$353,684)
- **Fund Balance** In accordance with the Town's audited financials as reported in the FY 2014-15 Comprehensive Annual Financial Report (CAFR), the General Fund Balance at the beginning of FY 2015-16 was \$4,566,497. During the year, Council approved transfers from the Fund Balance totaling \$1,504,340: FEMA reimbursement (\$747,000), Legal Fees (\$250,000), Special Election Mail Ballot (\$75,000), Public Officials Insurance

increase (\$50,000), Litigation Reserves (\$300,000) and other project related expenses (\$82,340). This reduced the fund balance to \$3,062,157.

At the end of FY 2015-16, our operations are estimated to result in a surplus of approximately \$602,826, thus increasing the Fund Balance to \$3,664,983. Of this amount, \$2,378,490 or 15% of the General Fund Operating Budget is required to remain as a Reserve which leaves the Town with an undesignated or unrestricted reserve of \$1,286,493. As discussed at the Zero Based Budget Workshop, staff will try to complete routine maintenance and improvements at Mary Collins Community Center and the Miami Lakes Optimist Park (MLOP) Marina and storage facilities using the current year's surplus. A final carryforward budget amendment will be presented to Council this winter for approval.

SPECIAL REVENUE FUNDS

BUILDING DEPARTMENT FUND - The FY 2016-17 newly created Building Fund Proposed Budget is \$2,645,508. 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 FY 2016-17 annual operating cost of the Building Department is \$1,388,499, and \$1,257,009 remains in contingency.

IMPACT FEES FUND – This fund includes both parks and public safety impact fees used to fund the cost of additional capital resources required to maintain and accommodate projected population growth due to new development. Revenues from the development of the Dunnwoody Lake property and Downtown Development Projects are estimated at \$2,454,456 from parks impact fees, and \$436,801 from public safety impact fees. The total FY 2016-17 Proposed Budget is \$2,576,412. Funds are allocated for MLOP Master Plan Implementation (\$100,000), upgrade MLOP Marina and storage facility (\$220,000), purchase park furniture for the pocket parks (\$50,000), and purchase and installation of an emergency generator with enclosure at Government Center. This fund has a reserve of \$2,056,412.

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 \$50,000 and a carryforward fund balance of \$650,000, totaling FY 2016-17 Budget of \$700,000. Funds are transferred to the Capital Projects Fund for the Adaptive Signalization Program (\$360,000) and design of two underpass bridges at NW 146th Street and NW 159th Street (\$340,000). Funds will be transferred from the Mobility Fee Trust Account to the Capital Projects Fund as projects are identified. No expenditures come from the Trust Account. This fund has no reserves in the FY 2016-17 Proposed Budget.

PEOPLES' TRANSPORTATION PLAN – The total proposed budget for FY2016-17 is \$1,090,216 and includes 80% share of revenues from the half-cent discretionary sales surtax (\$925,000) and prior year carry-over funds (\$165,216). 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 (\$390,000), funds for traffic studies as needed, and for transportation related improvement projects (\$391,276). This fund has \$88,859 in reserves.

TRANSIT – The total proposed budget for FY2016-17 is \$747,853 and includes 20% share of revenues from the half-cent discretionary sales surtax (\$230,000) and prior year carry-over funds (\$517,853). These funds are restricted for transit operations, and cover the full cost of operations, maintenance and marketing of the Town's Moover services and bus shelters. Staffing is also funded at 50% of cost to manage the program, transit and traffic issues. This fund has a reserve of \$377,523.

TRANSPORTATION GAS TAX FUND – Funding is restricted for transportation related activities that include sidewalk replacement, pothole repairs, pressure cleaning of the rights of ways, etc. At the proposed budget of \$425,000, the Town will maintain the same level of service as the prior year. This fund has no reserves.

DEBT SERVICE FUND

As per Agreement for the development of Dunnwoody Lake, in May 2016 the developer reimbursed the Town \$1,828,734 for the total cost of the 154th Street Roadway Expansion Project, including design, construction, engineering services, landscaping, loan issuance, interest, permits and management services. The Town in turn paid in full the Series 2013, Special Obligation Note that was used to finance this project.

The Debt Service Fund for FY 2016-17 now only includes the Series 2010, Special Obligation Bond payment of \$548,499 for Government Center, which is funded by the Electric Utility Tax revenues of \$369,579 and Federal Direct Payment (interest reimbursement) estimated at \$178,920.

CAPITAL PROJECTS FUND

The Five-Year Capital Improvement Program aligns with the Town's 2025 Strategic Plan. Mobility is the Town's #1 strategic goal. In the FY 2016-17 Proposed Budget, investment in transportation projects represent 43% of the Capital Improvement Program, followed by 36% investment in stormwater improvements, 15% in parks and beautification, and 6% for the

emergency generator at Government Center. The Capital Projects Budget for FY 2016-17 totals \$5,174,503 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 an emergency generator and enclosure at Government Center (\$174,765).
- **Parks Improvements** - Parks capital improvements for FY 2016-17 total \$778,588 which includes \$128,588 in reserves that is earmarked as the Town's match should the Town be awarded the FDOT Beautification Grant that we are expecting to apply for. The budget also provides for improvements to the Mary Collins Community Center (\$155,000), Miami Lakes Optimist Park Marina and Storage Facility (\$220,000), new park furniture throughout the Town's pocket parks, and West Lake Neighborhood Reforestation (\$100,000). In addition, funds are allocated to complete the design for implementation of MLOP Master Plan (\$100,000) and to develop an inter-local agreement between the Town and City of Hialeah for the Bridge Park (\$25,000).
- **Transportation Improvements** – Revenue sources for transportation improvements include Local Option Gas Tax, an MPO Grant, Peoples' Transportation Plan (PTP 80%), Mobility Fees and a carryforward fund balance for transportation improvements, totaling \$2,240,244. This amount is appropriated for intersection improvements at Windmill Gate Road and the Palmetto (\$350,000), the roadway component of the roadway and drainage improvements at Lake Sarah (\$170,660) and the roadway component of the Hutchinson Road improvement (\$74,750), to construct a northbound right turn lane at NW 154th Street and NW 77th Court (\$130,000), and widening of NW 164th Street and NW 87th Avenue (\$18,500).

The Mobility Fee is specifically being utilized for the design of the underpass bridge NW 146th Street and the Palmetto, and NW 160th Street and the Palmetto (\$340,000), as well as the implementation of the new, state-of-the-art Adaptive Signalization Program (\$360,000) to improve traffic flow and roadway conditions on NW 154th Street. Consistent with the Mobility Fee Trust Fund section on page 12, Mobility Fees will be transferred to the Capital Fund as specific projects are ready to be designed or constructed. The Five-Year Capital Improvement Plan does not reflect any transfers from the Mobility Fee Fund in Fiscal Years 2018 through 2021 at this time. Planning staff will be working on evaluating, prioritizing and strategically planning for the implementation of the Mobility Fee eligible projects with the support of the new Senior Planner addressed on page 3.

Two TAP Grants for roadway construction totaling \$1.6M were awarded to the Town for construction work to commence in FY 2018. This budget provides for the design of these projects (\$190,000). Additionally, funds are allocated for design work of the

Complete Streets Policy and Implementation Plan (\$50,000) through the MPO grant. Partial funding in the amount of \$556,334 has been allocated for NW 59th Avenue extension that includes the Public Works Storage Yard and the Boat Yard.

- **Stormwater Improvements** – Two major and one minor stormwater projects are budgeted for FY 2016-17 totaling \$1,869,490. These include the drainage portion of the roadway and drainage projects at Lake Sarah (\$1,150,740) and Hutchinson Road (\$40,250), and the Canal Bank Stabilization project along Golden Glades and Peter's Pike canals (\$678,500). 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.

STORMWATER UTILITY FUND

As compared to the prior year, the Town anticipates receiving an additional \$100,000 in stormwater utility fees as a result of an audit conducted by the Town, where several addresses were not being billed for stormwater. The Stormwater Budget totals \$1,628,065 and includes an appropriation to conduct lake quality assessments (\$50,000), update the Stormwater Master Plan (\$30,000), and per Resolution #16-1365, reimburse Miami-Dade County for canal dredging at NW 57th Avenue over a period of ten years (\$15,000).

FACILITIES MAINTENANCE FUND

This newly created 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 proposed budget totals \$278,469.

Conclusion

While we were able to present a structurally balanced budget with no millage increase, the potential reduction in Communications Services Tax and the open liability claim for legal fees in excess of \$2 million, leaves us with very limited flexibility in the coming year. As concluded at the Zero Based Budget Workshop, every line item in the FY 2016-17 Proposed Budget is appropriately allocated to deliver the FY 2015-16 level of service.

As we develop the implementation work plans for the 2025 Strategic Plan, in light of the operational and maintenance needs of the two new facilities (Clubhouse and Youth Center), as well as the new facilities identified in the Strategic Plan (i.e. Senior Centers and Par 3), staff is developing a Long Term Financial Plan. The objective of this financial planning exercise is to

align projected revenues over the next ten years with real cost estimates for the specific projects identified in the Plan. We hope that we can develop all the proposed capital assets and implement the 2025 Strategic Plan without having to raise the millage.