



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

### ***MEMORANDUM***

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**To:** Honorable Mayor and Town Councilmembers

**From:** Edward Pidermann, Town Manager

**Subject:** FY 2019-20 Budget Message

**Date:** September 10, 2019

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#### **Recommendation**

It is recommended that Town Council approve the millage rate for Fiscal Year 2019-20 at 2.3127 mills, which is \$2.3127 per \$1,000 of assessed property value. This is the same millage rate as adopted for the prior year, and it remains one of the lowest millage rates in Miami-Dade County. The proposed millage rate is expected to yield \$7,394,424 in ad valorem revenue at 95% of value based on the July 1, 2019 estimated Property Tax Roll, as provided by Miami-Dade County Property Appraiser.

It is also recommended that Town Council adopt Fiscal Year 2019-20 Budget on First Reading of Ordinance, as proposed.

#### **Background**

As the Town enters a seventh year of economic 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, beautification projects and improved response times to requests for service through new technologies and process improvement.

The Town's economic development goal is to reinforce, strengthen and promote the livability and sustainability of our neighborhoods, commercial and industrial areas in the face of the current economic climate and changing needs of the population. As such, maintaining the Town's credit rating remains an important part of the Town's plan for sustainable recovery and prosperity. On May 15, 2018, Moody's Investor Service upgraded the Town's bond rating from 'Aa3' to 'Aa2'. Moody's, in commenting on the basis for upgrading the ratings noted that the Town benefits from low debt and pension burdens and a strong stable financial position. Additionally, in 2017, Fitch Ratings upgraded the special obligation bonds rating from 'AA' to 'AA+'. The upgrade focused

on the Town's solid revenue framework and expenditure flexibility, nominal fixed carrying costs and low long-term liability burden. The Town's financial position will continue to remain strong with continued development, and as property values increase and thereby generating more property tax revenues.

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 23<sup>rd</sup> Budget Workshop are a part of the Fiscal Year 2019-20 Business Plan and included in the Proposed Budget; however, several of these initiatives are currently unfunded due to the lack of available resources, which will be discussed later in this memorandum.

## **FY 2019-20 PROPOSED BUDGET**

The proposed budget is a deliberate balance of revenues and expenditures prepared in accordance with the State of Florida's Truth in Millage process and best serves the Town's prioritization for provision of core services and the Council's Strategic Plan Initiatives. It balances the Town's financial resources with current programming and service levels while maintaining a solid financial position. We were able to balance this fiscal year's budget with recurring revenues, expense savings, deferral of filling vacancies, reducing operational outlays, and transferring funds from fund balance and our capital project funds, which allow us to maintain the current level of services expected by our residents and the business community.

The total Budget for Fiscal Year 2019-20 including all Funds is \$46,128,404 as shown in the table below. This represents a decrease of \$4,077,476 or -9.82% as compared to Fiscal Year 2018-19 Adopted Budget, which is primarily attributed to less grants awarded, a decrease in general revenues, and building permits. The details of the decrease are discussed later in this memorandum.

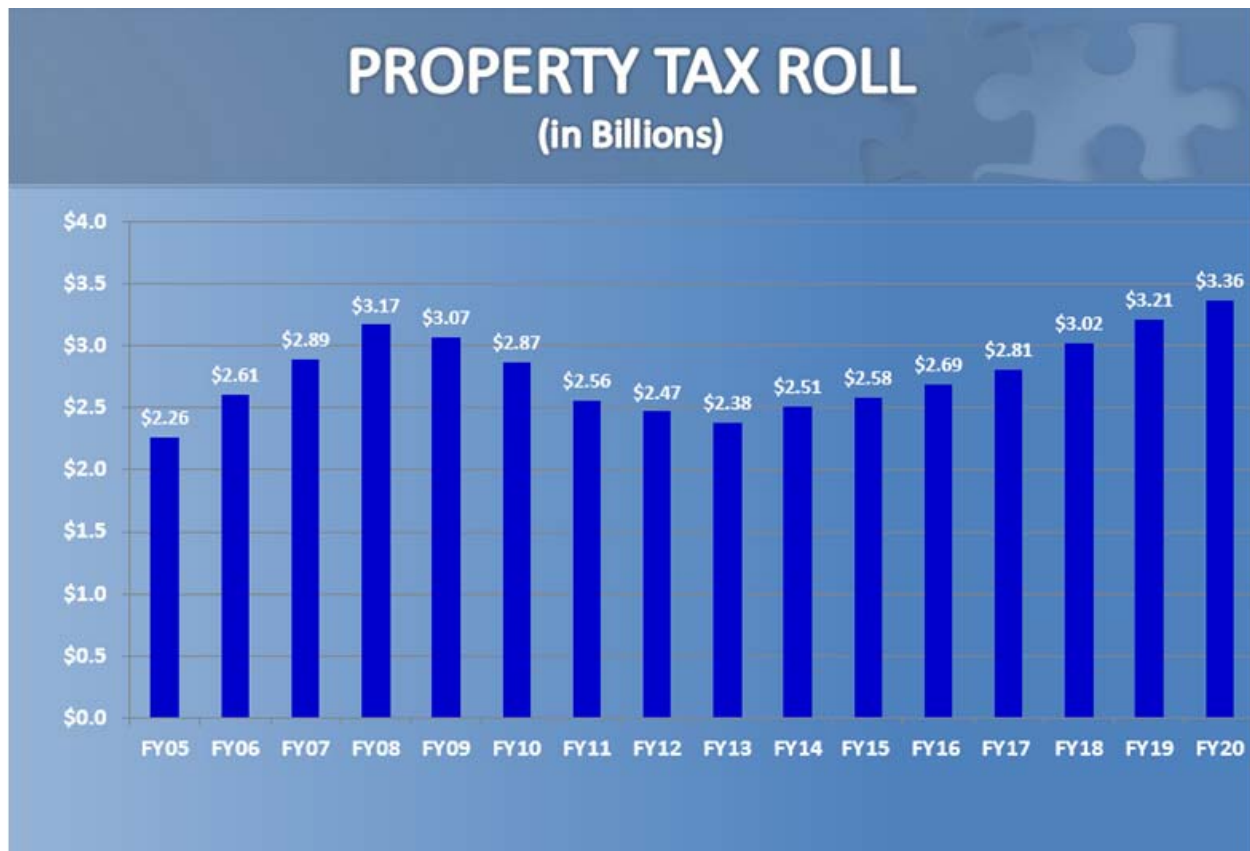
<b>BUDGET SUMMARY</b> <b>Town of Miami Lakes - FY2019-20</b> <b>THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE TOWN OF MIAMI LAKES ARE 3.2% LESS THAN LAST YEARS TOTAL OPERATING EXPENDITURES</b>								
<b>Millage per \$1,000</b> <b>General Fund Millage: 2.3127</b> <i>The General Fund Millage is 3.32 percent higher than the State defined Rolled Back Rate</i>								
ESTIMATED REVENUES	General Fund	Special Revenue Funds	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 = 2.3127	7,444,424	-	-	-	-	-	-	7,444,424
Non-Ad Valorem Assessment	-	1,607,670	-	-	-	-	-	1,607,670
Franchise Fees	390,000	-	-	-	-	-	-	390,000
Charges for Services	174,000	-	-	-	-	1,142,370	-	1,316,370
Utility Service Taxes	2,889,601	-	585,399	-	-	-	-	3,475,000
Intergovernmental Revenue	4,526,000	1,740,645	-	169,448	8,671,138	-	-	15,107,231
Licenses and Permits	424,500	2,271,084	-	-	-	-	-	2,695,584
Fines & Forfeitures	185,000	35,000	-	-	-	-	-	220,000
Loan Proceeds	-	-	-	-	-	-	-	-
Miscellaneous Revenue	132,650	90,000	-	-	25,000	5,000	-	252,650
<b>TOTAL SOURCES</b>	<b>16,166,175</b>	<b>5,744,399</b>	<b>585,399</b>	<b>169,448</b>	<b>8,696,138</b>	<b>1,147,370</b>	<b>-</b>	<b>32,508,929</b>
Transfers In	420,000	-	-	583,399	1,583,634	-	344,557	2,931,590
Fund Balances/Reserves/Net Assets	4,116,369	4,595,780	-	354,919	1,620,818	-	-	10,687,886
<b>TOTAL REVENUES, TRANSFERS &amp; BALANCES</b>	<b>20,702,544</b>	<b>10,340,179</b>	<b>585,399</b>	<b>1,107,766</b>	<b>11,900,590</b>	<b>1,147,370</b>	<b>344,557</b>	<b>46,128,404</b>
<b>ESTIMATED EXPENDITURES</b>								
General Government	2,600,458	0	2,000	-	-	-	206,734	2,809,192
Transportation	1,295,600	1,289,905	-	-	7,415,158	-	-	10,000,663
Public Safety	8,817,140	1,620,272	-	-	-	-	93,030	10,530,443
Parks, Recreation & Community Engagement	3,265,978	-	-	-	1,052,197	-	-	4,318,175
Physical Environment	0	0	-	-	2,839,907	896,530	-	3,736,437
Building, Code, Planning & Zoning	557,358	2,512,559	-	-	-	-	44,792	3,114,709
Debt Services	141,194	0	-	903,259	-	85,840	-	1,130,293
<b>TOTAL EXPENDITURES</b>	<b>16,677,728</b>	<b>5,422,737</b>	<b>2,000</b>	<b>903,259</b>	<b>11,307,262</b>	<b>982,370</b>	<b>344,557</b>	<b>35,639,912</b>
Transfers Out	299,764	1,338,426	583,399	-	420,000	165,000	-	2,806,590
Fund Balances/Reserves/Net Assets	3,725,052	3,579,016	-	204,507	173,328	-	-	7,681,903
<b>TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES AND BALANCES</b>	<b>20,702,544</b>	<b>10,340,179</b>	<b>585,399</b>	<b>1,107,766</b>	<b>11,900,590</b>	<b>1,147,370</b>	<b>344,557</b>	<b>46,128,404</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.								

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

### Property Tax Roll Value

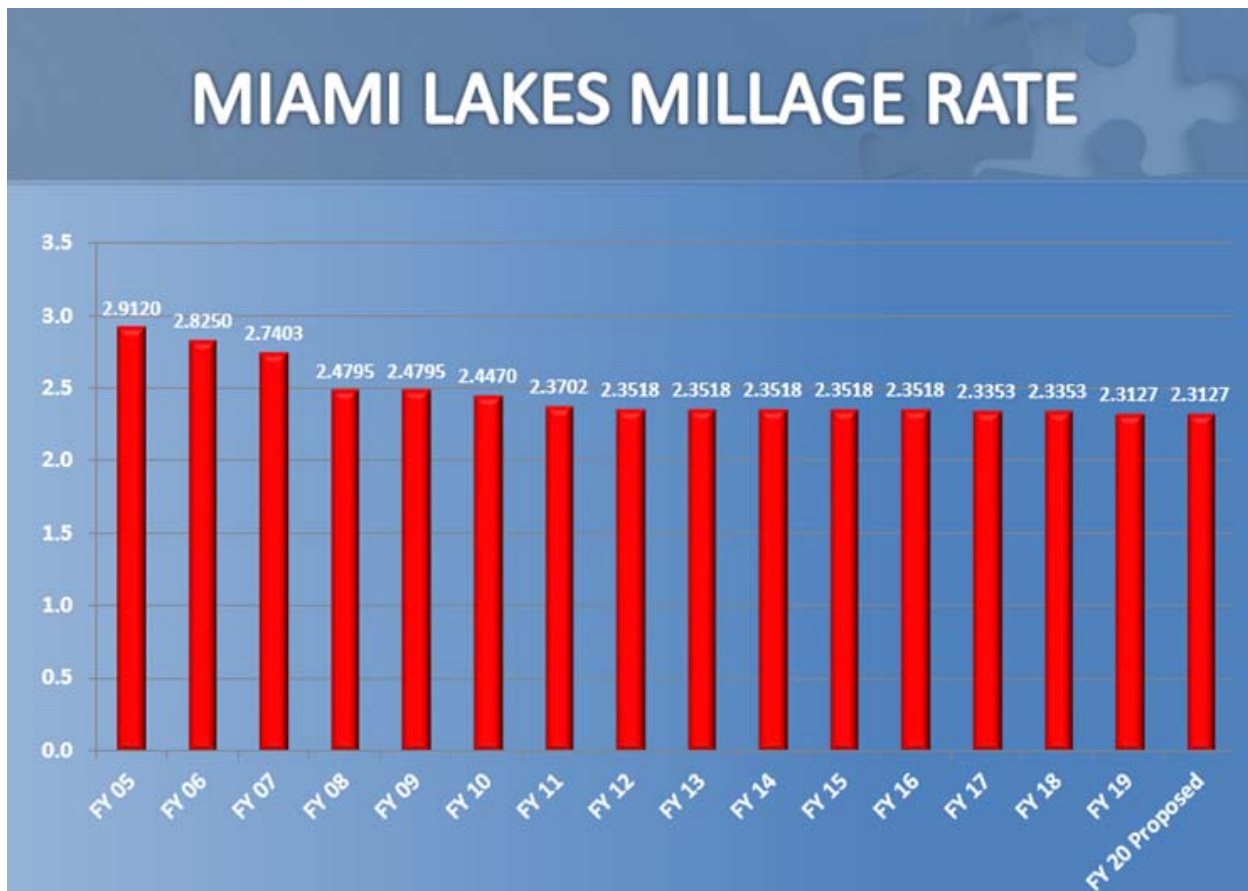
The estimated roll value from Miami-Dade County Property Appraiser on July 1, 2019 reflects a gross taxable value of \$3,365,592,016, which includes an increase of \$55,244,829 in new construction and improvements. As compared to the certified taxable value for the previous year of \$3,185,477,666, the July 1, 2019 figures shows an increase of \$180.1 million or 5.65%, a positive economic indicator of the continued increase in both residential and commercial property developments.

As seen in the graph below, Property Tax Roll value has been steadily on the rise since FY 2014 reflecting continuous economic recovery and growth, and in FY19 we surpassed the FY 2008 Property Tax Roll.



### Millage Rate

At the July 16, 2019 Town Council Meeting, the Council established the proposed millage rate 'cap' at 2.8899 mills, which is \$2.8899 per \$1,000 of assessed property value, via Resolution No. 19-1624. This is a 0.5772 or 29.85% increase from the prior fiscal year millage rate of 2.3127. In keeping the millage rate flat we will continue to be the sixth lowest millage rate among the thirty-five municipalities in Miami-Dade County, and well below the statutory limit of 10.0 mills. Since its first year of incorporation, the Town has steadily reduced the millage rate, and maintained the same low rate since 2012 for five consecutive years. In 2017, the millage rate was reduced to 2.3353 mills, and in 2019 was further reduced to an all-time low of 2.3127 the same as the current year's proposed rate. The Proposed Budget provides for no increase to the millage rate, remaining unchanged at 2.3127 mills for the second consecutive year.



### **Rolled-Back Rate**

Based on the proposed millage rate of 2.3127, the rolled-back rate for FY 2019 is 2.2252. The rolled-back rate would provide the same ad valorem tax revenue as was levied during the prior year exclusive of new construction and improvements. The proposed millage rate of 2.3127 is 3.92% higher than the current year aggregate rolled-back rate. The State Department of Revenue required methodology for calculating the rolled-back rate uses the roll value after the Value Adjustment Board action. The Town's prior year final gross taxable value is \$3,185,477,666 which is \$180.1 million less than the preliminary July 1 base roll figure of \$3,365,592,016. The rolled-back rate would generate \$278,805 less in ad valorem revenue as compared to the proposed rate of 2.3127.

### **Ad Valorem Revenue**

The FY 2019-20 Budget was developed using the proposed millage rate of 2.3127. This millage rate will generate property tax revenues or ad valorem (calculated at 95% for budget purposes) in the amount of \$7,394,424. The impact is approximately \$360,678 or 5.13% increase in ad valorem revenue for the General Fund.

## **II. FY 2019-20 BUDGET HIGHLIGHTS – BY FUND**

### **GENERAL FUND**

The FY 2019-20 Proposed General Fund Operating Budget totals \$20,702,544 and includes \$4,116,369 in unassigned fund balance which is discussed later in this memorandum. The General Fund Operating Budget is 35,639,912, an overall decrease of approximately \$1,181,853 or 3.21% as compared to the prior year's Adopted Budget. The Budget includes \$382,000 carry-over from the prior year which is allocated to re-program the litigation reserves (\$342,500) and a reserve for committees in the event donations are received to offset requested increases (\$40,000).

In addition to the core services, this year's budget provides funding for tree trimming to provide aesthetics, tree pruning along the Town's major corridors, additional mowing cycles on Palmetto Circle, parks grounds improvements, and reserves for litigation and committees' donations. The budget also accommodates increases to health insurance cost, as well as the increased cost of base police patrol services passed through our contract with Miami-Dade County.

A summary of the General Fund Budget is presented below comparing FY 2019-20 Proposed Budget to the FY 2018-19 Year-end Projection.

ACCOUNT NAME/DEPARTMENT	FY2017-18 ACTUALS	FY2018-19 AMENDED BUDGET	FY2018-19 YEAR-END PROJECTION	FY2019-20 PROPOSED BUDGET	VARIANCE - AMENDED VS PROPOSED	% CHANGE	VARIANCE YEAR-END PROJECTION VS PROPOSED	% CHANGE
<b>Revenues</b>								
Ad Valorem Taxes	\$6,753,219	\$7,111,200	\$7,183,890	\$7,444,424	\$333,224	4.69%	\$260,534	3.63%
Franchise Fees	\$1,272,507	\$1,275,000	\$1,130,788	\$390,000	(\$885,000)	-69.41%	(\$740,788)	-65.51%
Utility Service Tax	\$3,064,538	\$3,325,501	\$2,776,168	\$2,889,601	(\$435,900)	-13.11%	\$113,433	4.09%
Intergovernmental Revenues	\$4,414,968	\$4,522,810	\$4,512,330	\$4,526,000	\$3,190	0.07%	\$13,670	0.30%
Permits & Fees (Non-Building Dept.)	\$475,492	\$433,500	\$373,347	\$424,500	(\$9,000)	-2.08%	\$51,153	13.70%
Fines & Forfeitures	\$193,842	\$195,000	\$183,388	\$185,000	(\$10,000)	-5.13%	\$1,612	0.88%
Miscellaneous Revenues	\$373,609	\$421,707	\$324,617	\$306,650	(\$115,057)	-27.28%	(\$17,967)	-5.53%
<b>Sub-total Recurring Revenues</b>	<b>\$16,548,174</b>	<b>\$17,284,718</b>	<b>\$16,484,528</b>	<b>\$16,166,175</b>	<b>(\$1,118,543)</b>	<b>-6.47%</b>	<b>(\$318,353)</b>	<b>-1.93%</b>
Transfers In	0	\$0	\$0	\$420,000	\$420,000		\$420,000	
Prior Year Carry-Over Funds	27,890	\$1,275,000	\$1,275,000	\$773,817	(\$501,183)	-39.31%	(\$501,183)	-39.31%
<b>Sub-total Other Revenues</b>	<b>27,890</b>	<b>\$1,275,000</b>	<b>\$1,275,000</b>	<b>\$1,193,817</b>	<b>(\$81,183)</b>	<b>-6.37%</b>	<b>(\$81,183)</b>	<b>-6.37%</b>
<b>Total Revenues</b>	<b>16,576,064</b>	<b>\$18,559,718</b>	<b>\$17,759,528</b>	<b>\$17,359,992</b>	<b>(\$1,199,726)</b>	<b>-6.46%</b>	<b>(\$399,536)</b>	<b>-2.25%</b>
<b>Expenditures</b>								
Town Mayor & Council	357,897	\$393,607	361,877	\$339,608	(\$53,999)	-13.72%	(\$22,269)	-6.15%
Town Clerk	149,766	\$255,315	230,793	\$206,247	(\$49,068)	-19.22%	(\$24,546)	-10.64%
Town Attorney	321,685	\$255,000	253,439	\$200,000	(\$55,000)	-21.57%	(\$53,439)	-21.09%
Administration	1,994,136	\$2,101,257	1,877,267	1,854,603	(246,654)	-11.74%	(22,664)	-1.21%
Police & School Crossing Guards	8,224,739	\$8,616,691	8,781,718	8,817,140	200,449	2.33%	35,422	0.40%
Planning & Zoning	458,546	443,689	241,919	245,304	(198,385)	-44.71%	3,385	1.40%
Code Compliance	114,519	\$115,110	302,801	312,054	196,944	171.09%	9,253	3.06%
Parks & Recreation	2,396,426	\$2,569,060	2,531,083	2,737,055	167,994	6.54%	205,972	8.14%
Community Outreach & Engagement	522,441	\$620,687	357,192	\$344,823	(\$275,864)	-44.44%	(\$12,368)	-3.46%
Special Events - Committees	214,849	\$331,222	339,328	184,100	(147,122)	-44.42%	(155,228)	-45.75%
Public Works	962,576	\$1,270,006	\$1,088,593	\$1,295,600	\$25,594	2.02%	\$207,006	19.02%
QNIP	153,423	\$48,855	48,855	141,194	92,339	189.01%	92,339	189.01%
Non-Departmental	0	\$510,930	\$502,222	\$382,500	(\$128,430)	-25.14%	(\$119,722)	-23.84%
<b>Sub-total Expenditures</b>	<b>15,871,003</b>	<b>\$17,531,429</b>	<b>\$16,917,085</b>	<b>\$17,060,230</b>	<b>(\$471,199)</b>	<b>-2.69%</b>	<b>\$143,144</b>	<b>0.85%</b>
Transfers Out	0	\$1,028,289	\$1,039,311	\$299,764	(\$728,525)	-70.85%	(\$739,547)	-71.16%
<b>Total Expenditures</b>	<b>15,871,003</b>	<b>\$18,559,718</b>	<b>\$17,956,396</b>	<b>\$17,359,992</b>	<b>(\$1,199,726)</b>	<b>-6.46%</b>	<b>(\$596,403)</b>	<b>-3.32%</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ 705,060</b>	<b>\$0</b>	<b>(\$196,869)</b>	<b>\$0</b>	<b>(\$0)</b>		<b>\$196,867</b>	

## FACTORS AFFECTING FY 2019-20 PROPOSED BUDGET

### I. REVENUES

General Fund Revenues are primarily unrestricted in nature and fund a variety of services including town administration, police patrol, general public works, community outreach and parks services. Property Taxes remain the Town's largest revenue source, comprising 43% of FY2020 budgeted General Fund revenues, followed by Intergovernmental Revenues (i.e. Half-Cent Sales Tax, Communications Services Tax and State Revenue Sharing) at 26%, followed by Utility Services Taxes 17%, Other Revenues (7%), Miscellaneous Revenues (2%), Franchise Fees (2%), Licenses & Permits (2%) and Fines & Forfeitures (1%).



The total revenues available for allocation in FY20 General Fund Budget is \$17,359,992 including carryovers and transfers. As compared to the prior year's projections and as indicated in the chart above, this represents a decrease of approximately \$399,536 or 2.25%. The decrease is directly the result of the loss of the Miami Dade Franchise Fee agreement \$740,788 or -65.51%. Ad Valorem Taxes increased \$260,534 or 3.63%, Utility Services Taxes increased \$113,433 or 4.1%, and Intergovernmental Revenues had a modest increase of \$13,670, which is State estimated pass-through revenues.

## II. EXPENSES/SIGNIFICANT BUDGET CHANGES

The FY 2019-20 Proposed Expense Budget is \$596,403 or 3.32% less than the year-end projected expenses. This is a direct result of several austerity measures taken (\$548,406) in order to meet the revenue shortfall and maintain current service levels. This allows the Budget to provide for the increase in base police patrol services that is passed through the Town's contract with Miami-Dade County, as well as increases in the cost of providing services and maintenance of our infrastructure.

The significant changes affecting the Proposed Budget are described below:

- **Staffing** – The General Fund Budget includes 33.5 full-time equivalent positions, 7 part-time, 8 seasonal and 7 part-time seasonal positions. However, the Procurement Specialist and Capital Improvement's Manager positions will be unfunded and remain vacant in FY20 until funds become available. The deferment of filling these vacancies allowed for a total savings of \$168,256 to the General Fund Budget.

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 8.26% to 8.47% for regular employees as of July 1, 2019. The rate increase has no significant impact to the Budget.
- **Group Health Insurance** – Based on prior years' trend, we are anticipating a 20% increase in group health insurance premiums. 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 employee morale.
- **Police Services** – The Police Department's Budget of \$8,910,170 includes contracted police patrol services and the school crossing guards, and represents 51% of the General Fund operating budget, and an overall increase of approximately \$200,483 or 2.30% as compared to prior year Amended Budget. This is primarily a result of the union



negotiated agreement for Miami Dade Police Department that are passed through to the Town. The increased cost of the base police patrol services contract for FY 2020 is \$330,000.

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

POLICE PATROL SERVICES	FY 2017-18 ADOPTED BUDGET	FY 2018-19 AMENDED BUDGET	FY 2019-20 PROPOSED BUDGET	NET CHANGE	
- Police Salaries	\$4,462,451	\$4,590,800	\$4,722,257	\$131,457	2.86%
- Overtime	320,000	320,000	340,000	\$20,000	6.25%
- Social Security	275,252	308,000	290,008	(\$17,992)	-5.84%
- Retirement	1,053,719	1,118,000	1,086,783	(\$31,217)	-2.79%
- Group Health Insurance	637,500	714,000	714,000	\$0	0.00%
- Other fringe benefits	137,949	103,000	240,092	\$137,092	133.10%
<b>Total Personnel Services</b>	<b>6,886,871</b>	<b>7,153,800</b>	<b>7,393,140</b>	<b>\$239,340</b>	<b>3.35%</b>
<b>Fleet Maintenance &amp; Operations</b>	<b>539,878</b>	<b>473,400</b>	<b>534,498</b>	<b>\$61,098</b>	<b>12.91%</b>
<b>Insurance</b>	<b>282,900</b>	<b>266,100</b>	<b>279,300</b>	<b>\$13,200</b>	<b>4.96%</b>
<b>County Overhead Cost</b>	<b>436,351</b>	<b>479,700</b>	<b>496,062</b>	<b>\$16,362</b>	<b>3.41%</b>
<b>TOTAL PATROL SERVICES</b>	<b>\$8,146,000</b>	<b>\$8,373,000</b>	<b>\$8,703,000</b>	<b>\$330,000</b>	<b>3.94%</b>

- **Legal Fee Settlement/Reserves** – A reserve for the potential settlement of legal fees is included in Non-Departmental. This amount is the balance carried over from the prior year's reserve for legal fees (\$342,500).
- **Inter-fund Reimbursements** – During the normal course of business, the General Fund provides administrative, legal, accounting and technical support to the proprietary and special revenue funds. As such, these Funds reimburse the General Fund a percentage of total cost for services provided, which is shown as a reimbursement to salaries in Administration Department for transparency purposes. These include the Building Department (\$257,575), Stormwater Utility (\$76,948), CITT Peoples Transportation Plan (\$67,500) and the six Special Taxing Districts (\$140,188).
- **Committees** – The FY 2020 Budget provides for a total allocation of \$184,100. Committee budgets were presented to Council at the 2<sup>nd</sup> Budget Workshop held on July 8<sup>th</sup>, 2019 with justifications presented to the Council for their budget requests. However, the committee's budgets were reduced by \$47,750 during the budget process. It should be noted that \$40,000 is held in reserves in the Non-Departmental section of the budget in the event donations are received to offset the requested increases.

- **Transfers** - The Budget provides for the transfer of the Facilities Maintenance Fund (\$206,734) for the General Fund's portion of Government Center facility.

### III. FUND BALANCE

In accordance with the Town's audited financials as reported in the FY 2017-18 Comprehensive Annual Financial Report (CAFR), the General Fund unassigned fund balance at the beginning of FY 2019-20 is \$5,048,869. Council approved a carryforward budget transfer of \$1,275,000 surplus in FY 2018-2019. This decreased the General Fund's unassigned fund balance to an estimated \$3,773,869.

The FY 2019-20 Budget includes (\$342,500) carry-over from the prior year fund balance to re-program the litigation reserves, increasing the unassigned fund balance to \$4,116,369. Of the \$4,116,369 fund balance, \$431,317 will be utilized and appropriated in the General Fund Operating Revenue Budget as a reserve from fund balance in FY19-20, and \$500,00 is also earmarked for Hurricane Irma disallowance, leaving an unassigned fund balance of \$3,185,052.

The Town's reserve policy ordinance requires that we maintain 15% of budgeted general fund expenditures on hand as a reserve whenever possible. Given that, \$2,603,999 from the fund balance is required to remain as Reserves, which leaves the Town with an undesignated or unrestricted reserve of \$581,053.

### IV. UNFUNDED NEEDS/UNADDRESSED ITEMS

The FY 2019-20 Proposed General Fund Budget does not include funding for various projects and initiatives identified as priorities or are necessary for operational purposes. Staff has identified and assessed several items that need to be addressed to meet the recommended service level. In order to meet this level of service, it would cost an estimated \$2,279,900 annually; the budget provides for approximately 25% of this recommended amount. These items include streetlight improvement and maintenance, roadway resurfacing, tree trimming and installation, sidewalk, valley gutters, and potholes repairs. Other unfunded needs and unaddressed items include:

- **Sinking Fund- Facilities Renewal & Replacement Plan \$150,000** – The Town of Miami Lakes has made significant investments into our community with the construction of new facilities and or refurbished facilities, such as our community center, youth center, town hall and club house. Funding future renewal and replacement of these facilities is crucial. As such a sinking fund was created, in order to implement this program funding will be required annually.
- **Merit/Cost of Living - \$61,000** – As a result of salary surveys conducted in 2017, an employee retention plan was developed which provided for a 2% cost of living adjustment in 2017, 2018, and 2019. This year's budget does not include an across the board adjustment for additional compensation or cost of living increase.

- **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. The goal is to enhance the visual appearance of the neighborhood by removing invasive swale trees and installing native trees consistent with the Town’s Tree Management Plan. This project was funded for 3 consecutive years in FY17, FY18, FY19 from general funds (\$227,011) and grant awards (\$53,530) for the removal and replacement of 3/5 of the canopy. Additional funding is required at \$100,000 each year over the next 2 years to complete the program.
- **Implement Beautification Enhancements at Cul-de-sac-\$90,000** - The Beautification Master Plan has identified cul-de-sac’s located in residential neighborhoods with native plant material that are drought resistant. These cul-de-sacs currently exist in a variety of conditions from full sun, to full shade and many conditions in between with inadequate irrigation. The goal for this project is to beautify the cul-de-sacs to be more consistent and uniform with the Town’s landscape palette and Beautification Master Plan.
- **New Virtual Town Hall (website) \$60,000** – Funding is required to develop and brand Miamilakes-fl.gov as a technology hub for all digital services available to key stakeholders including businesses, residents, visitors, employees and government. This will encourage citizenship engagement, web traffic, social media engagement, reduce walk-in, phone calls and customer service hours.
- **Sustainability Action Plan \$50,000** – A sustainable city is one that builds economic, environmental, and social prosperity while ensuring it has essential resources for future generations. The goal is to reduce energy consumption, conserve resources, support economic growth and enhance quality of life. Funds are required to contract with a consultant to perform a sustainability study to taking steps towards a greener, more resilient and sustainable Miami Lakes.
- **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, use of technology, and safety. 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.

## **SPECIAL REVENUE FUNDS**

**Building Department Fund** – The Building Department’s FY20 Proposed Budget is \$4,038,442. This budget reflects a decrease in revenues of approximately \$626,561 or 13.43% as the new residential construction and development that began in FY 2016 has begun to taper off. Notwithstanding, construction and development continues to be steady and robust, and as such, we are anticipating \$1.2 million in revenues from building permit activities. The operating cost of the Building Department including staffing and inspections services is \$2,512,559, and a reimbursement of \$257,575 to the General Fund for administrative support. The Fund reflects a healthy fund balance of \$2,600,442.

**Impact Fees Fund** – This Fund includes parks, public safety and a contribution in lieu of road impact fees from new developments including Lucida Apartment Building and Alari Office Building. Revenues from these developments including carry-over from prior year and interest income are estimated at \$1,482,896 from parks impact fees, \$143,889 from public safety impact fees, and \$273,634 contribution from developer in lieu of road impact fees. The total FY 2019-20 Proposed Budget is \$1,900,419 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 Bridge Park (\$200,000 transfer to Capital Fund), license plate recognition software (\$143,889), and widening of NW67th Avenue (\$273,634). This Fund has a reserve of \$1,282,896.

**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 \$217,750 from Lucida Apartment Building & Alari Office Building development. Funds are to be transferred to the Capital Projects Fund for the construction of Business Park East (NW 60<sup>th</sup> Avenue-\$100,000). This Fund has \$117,750 in reserves.

**People’s Transportation Plan** – The total proposed budget for FY 2019-20 is \$1,305,000 and includes 80% share of revenues from the half-cent discretionary sales surtax (\$1,080,000), prior year carry-over funds (\$106,566) and interest income (\$10,000). 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 (\$250,000), funds for traffic studies as needed and other transportation related activities. A transfer of \$720,000 to the Capital Projects Fund is budgeted for NW 59 Avenue extension project (\$475,000) Royal Oaks drainage (\$125,000), 67<sup>th</sup> Avenue Widening (\$90,000) and 60<sup>th</sup> Avenue roadway improvement (\$30,000). This fund has no reserves.

**Transit** – The budget includes the 20% share of revenues from the half-cent discretionary sales surtax (\$270,000), Freebee Advertising (\$30,000) and prior year carry-over funds (\$93,371) for a total budget of \$393,371. These funds are restricted for transit operations and cover the full cost of operating the on-demand/flex route circulator service, and maintenance of 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 \$8,862.

**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 \$402,537, the Town will maintain the same level of service as the prior year with a reserve of \$11,892.

**Special Taxing Districts** – In 2014, Town residents who were living within special taxing districts in the Town of Miami Lakes expressed interest in transferring these services to the Town with the goal of receiving hometown services. On November 8, 2016, Miami-Dade County voters approved a Charter Amendment authorizing a municipality to act as the governing body for special taxing districts within their municipalities. Once the amendment was approved, the residents of six special taxing districts within the Town presented a petition to be transferred from the County, and the Town Council approved the request on September 5, 2017. On January 21, 2018, elections within the districts' boundaries were conducted via mail-in ballot. All six districts received a majority vote ratifying the transfer to the Town.

The Town organized public meetings with the resident of each district to discuss preferred level of services and the preliminary rates. Their recommendations are included in the Proposed Budget for Fiscal Year 2019-20.

### **DEBT SERVICE FUND**

The Debt Service Fund for FY 2019-20 includes the Series 2010, Special Obligation Bond interest payment (\$521,709), principal payment (\$380,000) and fees (\$1,550) for Government Center, which is funded by the Electric Utility Tax revenues of \$583,399 and Federal Direct Payment subsidy (interest reimbursement) estimated at \$169,448.

### **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. For FY 2019-20, investment in transportation projects represent \$7,415,158 or 63.10% of the Capital Improvement Program, followed by \$1,495,525 or 12.73% investment in parks and facilities improvements, and \$2,839,907 or 24.17% investment in stormwater improvements. The Capital Projects Budget totals \$11,750,590 and projects are grouped into the three categories as summarized below:

- **Parks and Facilities Improvements** - Parks capital improvements for FY 2019-20 total \$1,481,163 and include funds to begin construction on Bridge Park for the survey and design (\$200,000), MLOP Master Plan to complete the design and commence construction (\$514,197), MLOP Storage Facility to replace roof and air condition unit (188,000), Par 3 design for passive park use (\$150,000), and a reversal of funding for MLOP Masterplan

back to the General Fund (\$420,000). Funds are available from loan proceeds, grant award, Parks Impact Fees, and developer's contribution for parks improvement. Facilities improvements fund has a reserve of \$14,362, and parks has a reserve of \$8,966.

- **Transportation Improvements** – Revenue sources for transportation improvements include Local Option Gas Tax, FDOT Grants, County Investment Grant Program, Peoples' Transportation Plan (PTP 80%), Mobility Fees, Developer's Contribution in lieu of Road Impact Fees, Interest Income for a total of \$7,415,158. 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 (\$5,184,299), complete street implementation at Business Park East on NW 60<sup>th</sup> Avenue (\$812,914), construction of Safe Routes to School (\$847,330), Palmetto and NW 67<sup>th</sup> Avenue Widening (\$445,615), and a transfer to CIP Stormwater for Royal Oaks Drainage Project (125,000).
- **Stormwater Improvements** – Two major projects are budgeted for FY 2019-20: West Lake Roadway & Drainage Improvement- Phase III (\$1,920,000) and Royal Oaks Drainage & Roadway Improvement – Phase 1 (\$919,907). Revenue sources for these projects include a DHA/FEMA Grant, FDEP Grant, State of Florida legislative appropriation, Stormwater Utility Fees and PTP 80% funds.

### **STORMWATER UTILITY FUND**

Stormwater Utility fees for FY 2019-20 are essentially at the same level as the prior year. The Stormwater rate is \$4.50 per Equivalent Residential Unit (ERU) and has remained unchanged since the creation of the Utility. The Town anticipates receiving \$1,142,370 in Stormwater utility fees for FY 2019-20. Funds are appropriated for the Stormwater Rate study (\$40,300) to be conducted in FY19-20, and a transfer to the Capital Projects Fund (\$165,000) towards funding Royal Oaks Drainage Improvement project.

### **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 Department Fund. The FY 2019-20 Budget totals \$344,557.

### **Conclusion**

We are pleased to present a structurally balanced budget that provides a responsible allocation of public resources that maintains the Town of Miami Lakes as a safe, attractive and vibrant community. This budget 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, and the Town's

capital infrastructure must be maintained and improved. 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 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.