



## Town of Miami Lakes Memorandum

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**To:** Honorable Mayor & Councilmembers

**From:** Edward Pidermann, Town Manager

**Subject:** Special Taxing District - Special Rules

**Date:** January 21, 2020

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### **Recommendation:**

It is recommended that the Town Council authorize the Town Manager to take all necessary steps to create special rules for Special Taxing Districts that incorporates existing committee rules and establishes special taxing district rules aimed at producing a reduction and maintenance of special taxing district budgetary contingency reserves of no more than 15% effective October 1, 2020, and the creation of straw ballot polling prior to the funding of special taxing district capital improvement project exceeding 15% of a special taxing district's operating budget.

### **Background:**

#### Contingency Reserves:

At the November 12<sup>th</sup>, 2019 Council Meeting, Town Council Member Collazo presented a new business item aimed at streamlining and providing fiscal efficiency to all Special Taxing Districts by capping budgetary contingency reserves at 15%. During deliberations on the item, the Town Council discussed Miami-Dade County's auditory finding regarding the appropriate, best-practice contingency budgetary reserves for Special Taxing Districts to be no more than 10%.

This fiscal year, there are currently three (3) Districts which are within the 15% cap and three that are at 20% or above. The specific relevant information for each of the district's contingency reserves is outlined in chart below:

<u>District Name</u>	<u>District Type</u>	<u>FY 20 Reserve Amounts</u>	<u>Current Percentage</u>
Miami Lakes Section One	Security Guard	\$48,695	21%
Loch Lomond	Security Guard	\$28,933	7%
Royal Oaks Section One	Security Guard	\$48,963	12%
Royal Oaks East	Security Guard	\$66,899	15%
Lake Patricia	Lake Maintenance	\$4,207	28%
Lake Hilda	Lake Maintenance	\$7,559	54%

Notwithstanding the County's finding, the Town Council found that the contingency budgetary reserves for the Special Taxing District should mirror the Town's own policy of 15% reserve. Accordingly, the Town Council moved a measure to require 15% reserves across all Special Taxing Districts located within the Town.

### **Straw Ballot Polling for Capital Improvements**

During the November 2019 Town Council Meeting, Town Councilman Collazo presented an item aimed at providing greater Special Taxing District resident input prior to the allocation of moneys for capital improvements that exceed 15% of budgeted funds. The Town Council found that this measure would provide greater transparency for use of budgetary funds for Capital Improvements.

Accordingly, upon adoption of the 2019-20 budget, the Town allocated funds for general advertisements and printing which will be utilized for the straw ballot polling. This polling is necessary in order to provide feedback and direction to each Special Taxing District Advisory Board (Advisory Board) to determine right track/wrong track. Utilizing the same ballot to add any future capital improvements would allow the Town to gauge the desire for specific Capital Projects within the District all the meanwhile giving proper notice to residents about future projects.

The intent of the proposed rule would be to establish a threshold of 15% or more that would trigger the need for a straw ballot question with regards to any capital improvements within a District.

\*The specific relevant information for each of the district's possible 15% straw ballot threshold is outlined in chart below:

<u>District Name</u>	<u>District Type</u>	<u>*FY 20 Operating Budget</u>	<u>Proposed 15% Threshold Amounts</u>
Miami Lakes Section One	Security Guard	\$226,319	\$33,948
Loch Lomond	Security Guard	\$422,130	\$63,320
Royal Oaks Section One	Security Guard	\$415,095	\$62,264
Royal Oaks East	Security Guard	\$441,777	\$66,267
Lake Patricia	Lake Maintenance	\$15,270	\$2,291
Lake Hilda	Lake Maintenance	\$13,931	\$2,090

*\*Please note example provided above is only a snapshot of current year budget. Amounts are subject to change each fiscal year depending on prior year budget carry-over funds, if any. Amounts will be evaluated each budget year to determine if Special Assessments will be changed and/or applied to a specific Capital Improvement Project that has been approved by the District.*

Attachments:  
Resolution