



Town of Miami Lakes Memorandum

To: Honorable Mayor and Councilmembers

From: Edward Pidermann, Town Manager

Subject: Budget Line Item Transfers FY2019-20

Date: March 9, 2020

Recommendation

Approve the transfer of unencumbered appropriation balance or portion thereof between classifications within an office, department or fund.

The proposed line item modifications are described below and summarized in Exhibit A.

Background

In FY2018-19 health insurance was budgeted with a 15% increase, however rates came in at 18%. To remain conservative a 20% increase was accounted for during the FY2019-20 budget process. In addition to prior year experience, a higher utilization rate due to catastrophic claims warranted this increase. Despite the above-mentioned details our broker and Town staff were able to negotiate a lower rate of 5%, thus reducing the increase by 15%. Due to our positive history and commitment to wellness, this anomalous 5% rate resulted in an estimated \$108,000 savings to all funds. 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.

GENERAL FUND

The estimated health insurance savings to the General Fund is approximately \$71,000, staff is proposing to appropriate the funds as follows:

1. 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. If approved 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 \$46,500 from the health insurance savings to provide Town staff with a 3% cost of living adjustment effective April 1, 2020. 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 for 6 months	\$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 increases 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 being reallocated from the Elderly Affairs Committee to be reflected in the newly created account for the Special Needs Advisory Board.

SPECIAL REVENUE FUNDS

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. The health insurance savings for the Special Revenue Fund is approximately \$31,268. If approved the impact would be \$23,450 which includes Transit (\$700), PTP 80% (\$700) and Building (\$22,050).

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 SRF 3% COLA for 6 months	\$20,189	\$1,552	\$1,709	\$23,450

Transit (PTP 20%)

If approved a transfer of \$3,313 is needed from the contingency reserve line item to the bus shelter maintenance and repair line item.

CAPITAL PROJECTS FUND

Facilities & Equipment

If approved a line item transfer of \$14,362 from to contingency reserve is needed in order to fund the security enhancements for the police personnel parking lot at Government Center.

STORMWATER UTILITY FUND

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

COST OF LIVING ADJUSTMENT				
STORMWATER UTILITY FUND	SALARIES	PAYROLL TAXES	RETIREMENT CONTRIBUTIONS	TOTAL
Adopted Budget	\$177,956	\$13,614	\$15,085	\$206,655
TOTAL SWF 3% COLA for 6 months	\$2,669	\$204	\$226	\$3,100

INTERNAL SERVICE FUND

As mentioned earlier in this memorandum the Town Manager is proposing to utilize health insurance savings to fund a cost of living adjustment. The health insurance savings is approximately \$1,910, if approved the impact would be \$1,219 to this fund.

COST OF LIVING ADJUSTMENT				
INTERNAL SERVICE FUND	SALARIES	PAYROLL TAXES	RETIREMENT CONTRIBUTIONS	TOTAL
Adopted Budget	\$70,000	\$5,355	\$5,934	\$81,289
TOTAL ISF 3% COLA for 6 months	\$1,050	\$80	\$89	\$1,219

Attachments:

Resolution

Exhibit A – FY 2019-20 Budget Line Item Transfers