



## Office of the Town Manager

Rafael G. Casals  
Town Manager

# MEMORANDUM

To: Honorable Mayor and Town Council

From: Rafael G. Casals, Town Manager

Date: September 21, 2017

Re: Fiscal Year 2017-18 Tentative Millage Rate (1<sup>st</sup> Advertised Budget Hearing)

## REQUEST

**A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CUTLER BAY, FLORIDA, ADOPTING THE TENTATIVE MILLAGE RATE OF THE TOWN OF CUTLER BAY FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018 PURSUANT TO FLORIDA STATUTES SECTION 200.065; AND PROVIDING FOR AN EFFECTIVE DATE.**

## BACKGROUND AND ANALYSIS

Hurricane Irma became a threat to South Florida as it was expected to become a major hurricane by landfall. A State of Emergency was then declared by Florida Governor Rick Scott, Executive Order No. 17-235 on September 4, 2017 and Miami-Dade County Mayor Carlos Gimenez declared a State of Emergency on September 5, 2017. Pursuant to Chapter 12, Article II, Sec. 12-23 of the Town Code, I then declared a State of Emergency for the Town of Cutler Bay on September 6, 2017.

Due to the impending landfall of Hurricane Irma, I made the decision to cancel the 1<sup>st</sup> Budget Hearing scheduled on Wednesday, September 13, 2017. As per the guidance memorandum issued on September 6, 2017 by the Department of Revenue, Taxing Jurisdictions who cancel a Hearing must follow posting requirements as outlined in Executive Order No. 17-235. The Notice of Cancellation for the 1<sup>st</sup> Budget Hearing was then posted on the entrance of Town Hall and Council Chambers, on the Town's website and emailed to over 1,000 eNotification subscribers. Subsequently, the Notice of Rescheduling for the 1<sup>st</sup> Budget Hearing to be on Thursday, September 21, 2017 was posted in the same locations, as well as advertised in The Miami Herald. Please see *Attachment "A"* for all rescheduling documentation discussed.

Please find attached the updated *tentative* Fiscal Year 2017-18 budget, which includes the changes to both revenues and expenditures and items discussed during our three (3) Council Budget Workshops: June 6<sup>th</sup>, July 10<sup>th</sup> and July 26<sup>th</sup>. The *tentative* budget was developed using the proposed mileage rate of **2.5199 mills ("ceiling" rate adopted via Resolution**





**No. 17-60).** The 2.5199 mill rate represents the statutorily computed two-thirds vote maximum millage rate that the Council has in previous years adopted as a ceiling rate for purposes of the Property Appraiser's Truth in Millage (TRIM) advertising notices. The adopted ceiling millage rate does not prevent the Council from adopting a lower rate during our Advertised Budget Hearings.

As per State TRIM Notice Law, the Council adopted a higher "ceiling" millage rate of **2.5199** mills for TRIM advertisement purposes (*via* Resolution 17-60). All Property owners received their individual notices which clearly illustrated both the "ceiling" millage rate (2.5199 mills) AND the lower "rollback" millage rate (2.2217 mills) for comparison purposes. The "rollback" millage rate is defined as: the millage rate necessary to raise the same amount of Ad Valorem tax revenue as the previous fiscal year, excluding taxes from new construction. The "rollback" millage rate will not result in an increase of municipal taxes to the Town's property owners.

As previously discussed during our July Council Budget Workshops, the July 1, 2017 property values of the Town, as certified by the Property Appraiser's Office, **increased 6.1%** from the July 1, 2016 certified property values. The increase in property values take into account several factors, one of which is the positive impacts resulting from the Town Council's policy decisions and improvements to our existing infrastructure.

The Executive Summary & Department Worksheets (*Attachment "B"*) includes changes to our projected Revenues/Expenditures and items discussed during the Town Council's June and July Budget Workshops. Additionally, the Executive Summary provides the Council a report per Department of the Town's budget, highlighting some of the significant changes and items for the upcoming 2017-18 Fiscal Year.

The tentative budget presented to the Council on September 21, 2017 reflects the following changes from our July 26<sup>th</sup> third Budget Workshop that were discussed with the Council at that Workshop:

**General Fund:**

- **Increased** Ad Valorem revenues (approximate \$291,000 increase) to reflect the "ceiling" millage rate.
- **Reduced** Communications Services Tax (approximate \$19,000 decrease) based on Department of Revenues estimates.
- **Reduced** FPL Franchise Fees (\$100,000 decrease) based on actual collections for 2017.
- **Increased** grant revenue (\$15,000) to reflect an AARP grant award.
- Town Clerk – **Decreased** Other Contractual Services (\$45,000 decrease) by eliminating a Records Retention Consultant.





- General Government – Decreased departmental expenditures by approximately \$225,000, primarily by reducing Other Contractual Services by \$148,100 (eliminated the PIO Consultant and reduced amounts budgeted for property appraisals and IT related projects). Other significant reductions were achieved in several other budget line items as a result of working with the Town’s new IT vendor to streamline projects in the upcoming year.
- Finance – deferred various software implementations and eliminated \$15,000 from the budget.
- Community Development – Decreased departmental expenditures by approximately \$58,000, primarily by decreasing budgeted amounts for Professional Services by \$32,000 (eliminated Economic Development & Marketing study and further reduced budget for Green Master plan), decreasing Other Contractual Services by \$10,000 (eliminated GIS consulting services and reduced document scanning services), and decreasing Capital Outlay by \$16,000 (eliminated computer upgrades and reduced software enhancement projects).
- Public Works – Decreased departmental expenditures by approximately \$29,000, primarily by reducing Professional Services (eliminated neighborhood traffic studies and reduced right of way permitting services) and Other Contractual Services (eliminated holiday lighting and reduced amounts budgeted for landscape replacement). Also reduced amounts for operating supplies and median beautification projects and tool/equipment replacement.
- Police – Reduced departmental expenditures by approximately \$144,000 reflecting deferral of the Police Station Specialist position and reduction of amounts budgeted for School Crossing Guards.
- Parks – The primary change in this department was a \$5,000 decrease in Capital Outlay resulting from moving a budgeted project forward to FY 2016-17 (\$20,000 decrease), offset by adding a new project funded with an AARP grant (\$15,000 increase).
- CBTC – Reduced departmental expenditures by \$260,000, primarily as a result of reducing Capital Outlay by \$257,000 as certain projects were re-evaluated and reduced in scope for FY 2017-18.

#### **Special Revenue – Manta Drive Sidewalk:**

- Decreased expenditures, and related transfer in from the CITT Fund, by approximately \$28,000 as a result of a more precise engineering estimate obtained for the project.





## **ATTACHMENTS**

- Attachment “A” – 1<sup>st</sup> Budget Hearing Rescheduling Documentation
- Attachment “B” – Proposed Budget FY 2017-18- Executive Summary

