



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 Budget (1st Advertised Budget Hearing)

REQUEST

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CUTLER BAY, FLORIDA, ADOPTING THE TENTATIVE OPERATING AND CAPITAL OUTLAY BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018 PURSUANT TO FLORIDA STATUTES SECTION 200.065; AUTHORIZING THE TOWN MANAGER TO MAKE EXPENDITURES CONSISTENT THEREWITH AND AUTHORIZING THE TOWN MANAGER TO MAKE CERTAIN BUDGET AMENDMENTS WITHIN A DEPARTMENT PROVIDED THAT THE TOTAL OF THE APPROPRIATIONS IS NOT CHANGED; AND PROVIDING FOR AN EFFECTIVE DATE.

BACKGROUND AND ANALYSIS

Hurricane Irma made landfall in South Miami-Dade County on Sunday, September 10, 2017. In preparation for the impending natural disaster, 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. This State of Emergency was terminated on Monday, September 18, 2017. As you are aware, the Town was impacted by the Hurricane, and many of our residents are recovering. The Town Hall Building reopened for normal business on Monday, September 18, 2017.

As a result of the State of Emergency, I made the decision to cancel the 1st Budget Hearing originally 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 1st 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 1st 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 three (3) Council Budget Workshops: June 6th, July 10th and July 26th. 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 notice. The adopted ceiling mileage rate does not prevent the Council from adopting a lower rate during the Budget Hearing process.

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.

ACCOUNT DESCRIPTIONS

In order to provide a description of the line items identified in the Town's budget expenditure reports, below please find general definitions for several departmental account terms:

Professional Services - Services procured as independent professional assistance. Such services include, but are not limited to, legal, engineering, planning consultants, property management, architectural, lobbying, brokerage and appraisal.

Other Contractual Services - Services procured independently by contract or agreement with persons, firms, corporations or other type entities. Such services include, but are not limited to, IT support, landscape and roadway maintenance, Town sponsored events, permit and inspection services, and GIS consulting.





Travel & Per Diem - Includes the costs for travel, meals and lodging (when required) for attending Town sanctioned conferences and meetings. This category also includes the cost of the State of the Town event as well as the Town Council and Town Manager car/travel allowances.

Communications and Freight - Includes the costs of telecom and internet services, as well as postage and other courier costs. This category also includes the Town Council, Town Manager and Town Clerk cell phone costs.

Repairs and Maintenance - Includes the costs for the repair and maintenance of the Town's equipment and property that do not meet the threshold for capitalization under Generally Accepted Governmental Accounting Principles. This category also includes the costs of all maintenance and service contracts (for example, maintenance agreements related to the Town's phone system, postage meter, copiers and computer related systems).

Other Current Charges - Includes costs and current charges not otherwise classified in other accounting codes. This category includes, but is not limited to, property taxes on the Town Hall property, legal advertising, costs to process background checks, and bank and credit card processing fees.

Operating Supplies - Includes the cost of supplies consumed in the conduct of operations. This category includes items such as uniforms, cleaning supplies and chemicals, and miscellaneous other IT supplies and computer software.

Dues and Subscriptions - Includes the cost of membership and professional dues, professional publications, conference fees, and training and education.

Capital Outlay - Includes the acquisition or improvement of operating capital assets, defined by the Town as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. This category includes, but is not limited to, machinery, furniture and equipment, computer related assets, and building/property improvements meeting the aforementioned threshold criteria.

Contributions and Aid to Governmental Entities - Includes the cost of resources provided to other governmental entities. As relates to the Town, this category includes the amounts paid to Miami-Dade Schools pursuant to the Town's school initiative Interlocal agreement.

Detailed Expenditure Reports (*Attachment "B"*) per department provides the Council with the following comparative information:

- Adopted Fiscal Year 2016-17
- Actual Projection Fiscal Year 2016-17





- Proposed Fiscal Year 2017-18 (Millage Rate at 2.5199)
- *Net Change:*
 - Proposed July Workshop for Fiscal Year 2017-18 compared to Adopted Fiscal Year 2016-17
 - Net Change from July 10, 2017 Workshop and July 26, 2017 Workshop for Fiscal Year 2017-18

ATTACHMENTS

- Attachment “A” – 1st Budget Hearing Rescheduling Documentation
- Attachment “B” – Proposed Budget FY 2017-18 – Detailed Expenditures

