



Office of the Town Manager

Rafael G. Casals, ICMA-CM, CFM
Town Manager

MEMORANDUM

To: Honorable Mayor and Town Council

From: Rafael G. Casals, ICMA-CM, CFM, Town Manager

Date: July 29, 2019

Re: Fiscal Year 2019-20 Proposed General Fund and Special Revenue Budgets
(2nd Budget Workshop)

Town Staff has worked diligently in order to provide the Council with a preliminary 2019-20 fiscal year budget for your initial review. In the past, Council Members have expressed interest in discussing the upcoming year's budget earlier in the process and prior to the scheduled Budget Hearings. Last year's proposed budget was presented to the Council in July and we were happy to provide this year's initial proposal earlier, in June.

The Town Council held its First Budget Workshop on June 27, 2019, at which time Town staff provided Detailed Budget Summaries for dissemination. Below are the dates and times of our scheduled Budget Hearings, which the Town Council adopted (via Resolution No. 19-53) during our July 17, 2019 Regular Council Meeting.

DATE	TIME	PLACE
1 st Budget Hearing September 10, 2019 (Tuesday)	7:00 PM	Cutler Bay Town Hall Council Chambers 10720 Caribbean Boulevard
2 nd Budget Hearing September 24, 2019 (Tuesday)	7:00 PM	Cutler Bay Town Hall Council Chambers 10720 Caribbean Boulevard

The fiscal year 2019-20 proposed General Fund budget is based on a millage rate of **2.4323** mills, the rate currently in effect for FY 2018-19.

One particular financial trend, which I must advise the Council on, is the actual "dips" into our Fund Reserves in recent years. As shown below, while the Town "dipped" (i.e., ran a deficit) for fiscal years 2015, 2016 and 2017, it was much less than anticipated (i.e., the "budgeted dip") as Town Staff was able to navigate the Town's operations to a large extent to minimize the impact (although fiscal year 2017 did include the costs associated with the Hurricane Irma event which was beyond the control of Staff).





	Budgeted Dip	Actual Dip	
FY 2014-15	(3,445,772)	(865,675)	} <u>Cumulative</u> (3,047,581)
FY 2015-16	(3,786,628)	(403,166)	
FY 2016-17	(3,461,737)	(1,778,740)	
FY 2017-18	(4,411,581)	617,680	SURPLUS
FY 2018-19	(2,926,802)	To Be Determined	

In FY 2017-18, the Town experienced a positive gain (“surplus”) in our Fund Balance in the amount of \$617,680, which reversed three consecutive years in which the Town experienced deficits (i.e., uses of “reserves”).

Town Staff has identified several items for the Council to consider. The items include, but are not limited to:

- The July 1, 2019 Certified Property Value Estimate from the Property Appraiser reflects an approximate **5.27% increase** in property values for 2019 (down slightly from the June 1, 2019 “Preliminary” estimate of **5.57% increase**).
- Unless directed otherwise by the Town Council, Town Staff currently anticipates no change in full-time Town staffing nor any changes to Police staffing levels.

While Town Staff continues to anticipate budgeting in order to maintain the current levels of service in our FY 2019-20 budget, we are anticipating budgeting for some of the following significant initiatives:

- **General Government:**
 - Retain a marketing consultant to assist with the 2020 Census
 - Work with the newly hired Financial Advisor to develop strategies related to the issues surrounding the Town Hall Property Land Swap Project and related debt service
- **Parks & Recreation Department:**
 - Provide for inspection and maintenance of park recreational facilities, including playgrounds and shade structures
 - Provide for increased Town sponsored events as well as increased summer camp and adult/senior activity programs
- **Public Works Department:**
 - Implement a new landscape maintenance services contract
 - Continue the Town-wide sidewalk repair/replacement program utilizing Local Option Gas Taxes





- **Finance:**

- Implement and maintain an online payment system for receivables (burglar alarms) and licensing (local business tax receipts)

The proposed initiatives listed above are aligned with the Town's 2014-19 Strategic Master Plan, adopted via Resolution #14-71 in October 2014. This "living work in progress" guides the Town's actions needed to achieve our mission, vision and goals.

Town Staff looks forward to discussing the above items with the Town Council at our Second Budget Workshop and to gain further insight from the Town Council as to the programs and initiatives it would like for Town Staff to incorporate into the upcoming 2019-20 fiscal year budget. Any changes requested by the Council during this Workshop will be incorporated in the budget prepared for the First Budget Hearing on September 10, 2019.

The Executive Summary (*Attachment "A"*) provides a written summary of the significant decreases/increases in General Fund departmental expenditure line items. The General Fund Summary and Department Expenditure Reports (*Attachment "B"*) provides the Council with the following information regarding departmental expenditures:

- Actual Fiscal Year 2017-18
- Adopted Fiscal Year 2018-19
- Actual Projection Fiscal Year 2018-19
- Proposed Fiscal Year 2019-20 (*based on Millage Rate of 2.4323*)
- *Net Change:*
 - In addition, the preliminary budgets for the Special Revenue Funds, the Capital Projects (Parks) Fund and the Stormwater Fund are attached for your review (*Attachment "B"*). These funds are supported with non-ad valorem funding, such as grants, impact fees and other restricted revenue sources, and have no impact on the millage rate adopted.
 - Proposed Fiscal Year 2019-20 (June 27, 2019 Workshop) compared to Adopted Fiscal Year 2018-19
 - Proposed Fiscal Year 2019-20 (July 29, 2019 Workshop) compared to Proposed Fiscal Year 2019-20 (June 27, 2019 Workshop)

ATTACHMENTS

- Attachment "A" – Proposed Budget FY 2019-20 – Executive Summary
- Attachment "B" – Proposed Budget FY 2019-20 – General Fund Summary and Detailed Expenditures

