

**TOWN OF DAVIE
BUDGET WORKSHOP MEETING
JULY 26, 2017**

1. PLEDGE OF ALLEGIANCE

The meeting was called to order at 4:03 p.m. and was followed by the Pledge of Allegiance.

2. ROLL CALL

Present at the meeting were Mayor Paul, Vice-Mayor Luis and Councilmembers Caletka, Hattan and Starkey. Also present were Deputy Town Administrator Lewis, Assistant Town Administrator Holste, Town Attorney Rayson and Deputy Town Clerk Esquenazi recording the meeting.

3. BUDGET

Mr. Lewis announced that they had a balanced budget to present. They had also prepared an alternate plan that incorporated the proposed additional \$25,000 homestead exemption, in the event that it passed. Mr. Lewis reported they would also maintain a healthy reserve.

Mr. Lewis provided an update on the vision and goal setting session:

They were examining options for the following:

- Research opportunities and financial costs for portable flooring for the Davie Arena
- Negotiate the Sun Bergeron solid waste disposal agreement for five years
- Hire a collection agency to collect outstanding utility balances
- Craft an ordinance that will require utility accounts to be registered under the owner/landlord name

The following were in progress:

- Initiate RFP process for advanced metering infrastructure (to replace the current Automatic Meter Reading)
- Solicit an engineering firm to develop and update the utility master plan
- Issue cell tower RFP
- Amend the local road master plan to require 80-foot ROW on Orange Drive
- Amend the local road master plan for Davie Road to reflect 104-foot ROW
- Add Davie Road Phase 4 to the Capital Improvement Program (CIP) and seek grants for design and construction
- Modify fee schedules to reflect funding the existing fire plans review/inspections positions through the Building Division
- Extend the Red Light Traffic Safety program
 - Cost neutrality
 - No use of sworn officers
 - Enhance video system for criminal investigations

The following were on hold:

- Initiate non-exclusive permit agreement with Philips Telecommunications

Mr. Lewis provided a recap of the June 7, 2017 Budget Workshop:

- General fund budget shortfall was \$1.3M
- Town Council inquiries:
 - Travel & memberships - increased from \$7K to \$17K for FY18
 - Police staffing - retain status quo from first workshop
 - Stormwater assessment: added \$45K to complete the study
 - Discretionary spending: policy amendment inclusive of increasing annual allocation from \$50 to \$100; no budget increase

The 2018 Budget Outlook:

- Balanced general fund
- Slight operating millage rate reduction (before consideration of the additional homestead exemption)
- Reduction of debt service millage rate
- Increased fire assessment
- Increased solid waste assessment
- Currently excludes transfer of .1 mills for the (CIP)

Mr. Lewis explained that they had eliminated the budget shortfall by utilizing some of the advanced contributions in the police and fire pension plan; utilizing Florida Statute, Chapter 185 monies; reducing general fund expenditures and increasing the fire assessment.

Bill Ackerman, Budget and Finance Director, outlined the components of the 2018 budget.

- Proposed FY 2018 budget - \$198.6 million, decrease of \$32.1 million, or 14.1% (not including water and sewer capital projects and other projects)
- General fund: \$123.7 million, an increase of \$2.5 million or 2.1%

General fund revenue changes:

- Ad valorem: \$395,000 Increase
- Fire assessment: \$111,000 increase
- Intergovernmental and tax revenue:
 - Increase state shared revenue by \$97,000
 - Decreased half-cent sales tax by \$41,000
 - Increased communication services tax by \$188,000
- Increased general fund reserves for DROP frontloading by \$110,000
- Increased FPL utility tax by \$70,000
- Added AFG Wellness grant of \$97,000

General fund expenditure changes:

- Reduced police/fire pension exp. mortality table impact
 - Police by \$547k
 - Fire by \$594k
- Reduced net police pension expenses by \$437k
- Reduced court time in PD by \$100k
- Reduced OT in PD by \$200k
- Eliminated FOP sick and holiday cash-ins by \$1.1 million
- Reduced payroll due to CDBG funding by \$97k
- Added tuition reimbursement PD by \$15k
- Added FOP retirees health fund by \$200k
- Added FOP holiday pay by \$179k
- Increased FOP frontloading by \$110k
- Increased FOP assignment pays by \$27k
- Added to stormwater assessment methodology study - \$45k
- Increased fire grant expenditure by \$107k
- Increased tax increment payment to CRA \$143k
- Increased contingency \$527k

Mr. Ackerman explained payroll changes since the June workshop:

- Police -\$1.6 million
 - 3% COLA for FY 2017 plus 1.5% in October and 1.5% in April of FY 2018 -\$1.4 million
 - Step for FY 2018 -\$179k
- Fire -\$115k
 - Step increases

- Non-represented employees –\$414k
 - 3% COLA -\$290k
 - Step -\$124k

(*pending contract approval)

Mr. Ackerman delineated three possible millage rate scenarios:

- Proposed millage rate: 5.0798
 - Allowable with 2/3 vote
 - Advertised tax increase
 - Estimated ad valorem revenue of \$43.8 million (at 95% receipt rate)
- Estimated rolled-back millage rate: 4.7706
 - Allowable with simple majority vote
 - No advertised tax increase
 - Estimated ad valorem revenue decrease \$2.7 million (at 95% receipt rate)
- Estimated maximum majority vote millage rate: 4.9190
 - Allowable with simple majority vote
 - Advertised tax increase
 - Estimated ad valorem revenue decrease \$1.4 million (at 95% receipt rate)

Mr. Ackerman compared their use of non-recurring revenue and reserves since 2014. He stated they had struggled funding CIP and they would discuss this at the workshop the following week.

Mr. Ackerman described the impact on the homeowner: He outlined the change in property taxes for a single-family home worth \$250,000. The solid waste assessment would increase by \$15.18; the fire assessment would increase \$7.00; the debt service millage would decrease \$15.20 and the millage would increase \$26.65, for a net increase of \$33.62.

Mr. Ackerman reported the FY 2018 water and sewer fund budget would decrease \$12 million from FY 2017. Water rates would increase 2.8%.

Mr. Ackerman reported the FY 2018 Community Redevelopment Agency fund budget would decrease \$9.6 million from FY 2017.

Mr. Ackerman informed council that they would need to make adjustments at the budget hearings regarding:

- CIP project rollovers and FY 2018 CIP projects
- Use of reserves and other funding sources for FY 2018 CIP
- Community endowment
- Utilities & fleet
 - Electric
 - Fuel
 - Water
 - Fleet Charges
- Intergovernmental revenue (if State gives any updates)
- Payroll changes

Mr. Lewis stated in the future, they must bear the following in mind:

- Solid waste franchise loss of potential revenue for manufactured / mobile homes -\$150k
- Demolished property (fire assessment/ad valorem loss)
- Economic uncertainty
- Continued reduction in communication services taxes
- Increased collective bargaining costs
- Continued loss of Seminole Compact Revenue
- Infrastructure demands
 - Lack of consistent CIP funding source
- Loss of one-time revenue sources
- Possible \$25k additional homestead exemption - \$2 million

If the additional homestead exemption was approved, Mr. Lewis presented a possible millage rate scenario to make up for the \$2 million loss:

- Proposed millage rate: 5.3220
 - Allowable with 2/3 vote
 - Advertised tax increase
 - Estimated ad valorem revenue of \$45.9 million (at 95% receipt rate)

The rolled-back millage rate and majority vote maximum millage rate would not change. The impact of the higher millage rate would be an additional increase of \$50.00 in property taxes for a home worth \$250,000.

Future meeting dates:

- Community Endowment/CIP
 - CIP Workshop - August 2 at 5:00
 - Community Endowment Workshop - August 2 at 5:45
- Special Assessment Hearing
 - September 13 at 4:30
- Budget Hearings
 - September 13 & 27 at 5:15pm (coincide with Council meetings)

Mayor Paul agreed with the changes regarding travel and organizations. She reported she had been participating in discussions regarding reinstating the Broward League of Mayors, which was essential because of their shared infrastructure needs.

Councilmember Starkey said there was a lot of discussion regarding the additional homestead exemption, which would probably pass. Some State legislators had also indicated they would “restrict any kind of modifications happening after that goes into effect to prevent municipalities from raising their millage rate.” In anticipation of this, several larger municipalities had begun increasing their millage rates now to bridge the gap. Mayor Paul noted there had been cries for flood prevention improvement and road improvements so it was prudent to maintain their ability to obtain the additional funds this would require. Council agreed.

4. ADJOURNMENT

There being no further business to discuss and no objections, the meeting was adjourned at 4:57 p.m.

Approved _____

Mayor/Councilmember

Town Clerk