

**TOWN OF DAVIE  
BUDGET WORKSHOP MEETING  
JUNE 13, 2018**

**1. PLEDGE OF ALLEGIANCE**

The meeting was called to order at 4:05 p.m. and was followed by the Pledge of Allegiance.

**2. ROLL CALL**

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

**3. BUDGET**

Mr. Lemack explained that the recent demand for school resource officers (SROs) as well as the additional need for fire and rescue staff led to the need for a public safety study to ensure the Town could meet service needs. This, coupled with unanticipated events, such as Hurricane Irma and the projected ad valorem revenue reduction from a proposed referendum to increase the “Save Our Homes” exemption, presented a challenge to meet the Town’s service needs with current existing revenue.

Mr. Lemack recalled that at the Council’s Vision and Goal Setting Session, the Council discussed how to meet the Town’s service needs and replenish the Town’s reserves. It was discussed that some of the Town’s needs would be met for 2018, however, funding would be exhausted at the end of fiscal year 2018. This resulted in a need to identify funding for fiscal year 2019. Mr. Lemack stated the public was very supportive of their public safety initiatives. He reported they used an increase in the ad valorem in order to balance the budget and fulfill their public safety commitments.

Mr. Lemack discussed the 2019 Budget Objectives:

- Fiscal Stability
- Transformative Redevelopment
- Embracing the Technology Movement

2019 Budget Outlook:

- Operating Millage Rate Increase to Meet the Public Safety Needs of the Community
  - School Resource Officers (13)
  - Third Person on a Rescue at Fire Station 38
  - Public Safety Master Plan
- Replenish Emergency Reserves (Hurricane Irma)
- Compensation Study
- Reduction of Debt Service Millage Rate
- Fire Assessment Rate Increase
  - Capital Purchase
- \$2 Million for the Capital Improvement Program (CIP)

William Ackerman, Budget and Finance Director, outlined the critical components of the 2019 budget.

- Proposed FY 2019 Budget - \$199 Million Decrease of \$29.3 million, or 12.9%
- General Fund: \$132.74 Million, an increase of \$4.31 million or 3.4%

Comparison of 2018/2019 Budget Revenues

- Ad Valorem: \$5.8 million Increase
- Debt Service: \$1 million Decrease
- FP&L Utility Service Tax: \$470k Increase

- FP&L Franchise Fees: \$522k Increase
- Building Permits: \$750k Decrease
- Engineering Permits: \$525k Increase
- Communications Services Taxes: \$204k Decrease
- Fire Assessment: \$622k Increase
- Waste Management Franchise Fees: \$275k Increase
- Half Cent Sales Tax: \$372k Increase
- State Revenue Sharing: \$216k Increase
- Sun Bergeron JV Disposal Revenue Sharing: 301k Decrease
- NSU Contract: \$219k Increase
- SWR Contractual Services: \$204k Increase
- Use of Reserves:
  - Building Division: 735k Increase
  - CIP: \$1.6 million Decrease

Mr. Ackerman described the rise in taxable values, tax assessments and millage rates since 2008. He then delineated their three possible millage rate scenarios:

- Proposed millage rate/Max. supermajority vote: 5.6270
  - Allowable with 2/3 vote
  - Advertised tax increase
  - Estimated ad valorem revenue of \$51.7 million (at 95% receipt rate)
- Est. Rolled-back millage rate: 5.0413
  - Allowable with simple majority vote
  - No advertised tax increase
  - Estimated ad valorem revenue decrease \$5.4 million (at 95% receipt rate)
- Est. Maximum majority vote millage rate: 5.1154
  - Allowable with simple majority vote
  - Advertised tax increase
  - Estimated ad valorem revenue decrease \$4.7 million (at 95% receipt rate)

Mr. Ackerman noted that for a full-service municipality, the Town's millage rate and fire assessment fees were very good.

Mr. Ackerman discussed CIP Funding

- Additional \$25k Homestead Exemption
  - Impact FY 2020 Budget
  - Reduce Ad Valorem by Approximately \$2 million
- FY 2018 and FY 2019
  - Increased millage rate
  - Use \$2 million per year for critical Capital Improvement Projects
    - FY 2018 Projects—Road Resurfacing, SW Master Plan Improvements, Traffic Calming Devices and Guardrail Installation
    - FY 2019 Projects—Road Resurfacing and SW Master Plan Improvements
- FY 2020 Use \$2 million to fund ongoing operations

General Fund Reserves

- Town Resolution to maintain:
  - Emergency reserve amount equal to 25% of the General Fund Budget
  - Future unanticipated expenditures (i.e. infrastructure, equipment or multiple hurricanes/disasters) reserve amount up to 3% of the General Fund Budget
- 28% of FY 2019 Proposed Budget -\$37.2 million
- Hurricane Irma

- Estimated Cost -\$14 million
- FEMA/State Reimbursement –Approximately \$9 million
- The Town would need to replenish \$5 million
- Town Resolution further states:
  - The Town will make every effort to replenish this reserve over a 5 year period beginning with the completion of recovery from the event for which the reserve funds were used
- Replenish \$1 million per year for 5 years
  - FY 2019 Budget includes \$1 million going to Emergency Reserves

Mr. Ackerman described projected expenditures by category and departments and remarked there was a 3.3% increase in overall expenditures. He compared the expenditure increases and decreases from 2018 to 2019. He summarized the personnel COLA and step increases budgeted for 2019. Mr. Ackerman stated they anticipated a \$1 million decrease in overall pension expenses due to good performance of the plans and positive actuarial results. The funding level of pensions continued to improve.

Mr. Lemack reviewed changes to the organizational chart and position adjustments for FY 2019 which included a net increase of 25 positions:

- Human Resources Department
  - Reclassify HR Manager to Risk Manager
  - Eliminate Human Resources Manager
  - Reclassify 2 HR Assistants to HR Technicians
  - Add File Clerk PT
- Engineering Division
  - Add Engineering Inspector
- Police Department
  - Add 4 Police Officers
  - Add 1 Sergeant
  - Add 10 Police Office Reserves
  - Add Contracted School Resource Officer
  - Eliminate Community Service Aide (SWR)
- Fire
  - Add 3 Firefighter/Paramedics
  - Add 3 Fire Driver Engineers
  - Add Finance Clerk I, Part-Time
- Information Technology Department
  - Reclassify Database Analyst to IT System & Support Analyst
- Parks, Recreation & Cultural Arts Department
  - Add 2 Part Time Will Call Pool Lifeguards

Mr. Ackerman described the impact on the homeowner: there would be a \$1 million decrease in the debt service since 2018 and he pointed out the steady decrease in debt service millage since 2014. He outlined the change in property taxes for a single-family home worth \$250,000. Ad valorem taxes would increase by \$90.54 and debt service would decrease by \$26.30, for a net increase of \$74.24. At the July workshop, they would consider potential adjustments, including alternative revenue sources for the public safety initiative for which they had already applied.

Mr. Ackerman announced future meeting dates:

- Next Budget Workshop
  - July 25 at 4:00pm
- Community Endowment / CIP–CIP Workshop

- August 1 at 4:00
- Community Endowment Workshop –August 1 at 4:30
- Special Assessment Hearing
  - September 12 at Noon
- Budget Hearings
  - September 6 & 17 at 5:15pm (coincide with Council meetings)

Councilmember Starkey asked about the lack of estimates for impact fees. Mr. Ackerman explained that they could not project impact fees because they could not budget them until they were collected. He further explained that they never budgeted for forfeiture revenue because they did not know what would come in, but he did anticipate receiving forfeiture funds in 2019.

Vice Mayor Caletka was especially pleased at the reduction in debt millage. He asked about the duties of SROs in summer and Chief Dunn explained that three officers staffed the Boys and Girls Clubs and the PAL. They would also use the officers to target high-burglary areas of the Town and shift coverage.

Mayor Paul appreciated how much work went into crafting the Town’s budget and thanked staff for their work.

**4. ADJOURNMENT**

There being no further business to discuss and no objections, the meeting was adjourned at 4:55 p.m.

Approved \_\_\_\_\_

\_\_\_\_\_  
Mayor/Councilmember

\_\_\_\_\_  
Town Clerk