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# **Town Council Budget Workshop Introduction**

Richard J. Lemack  
Town Administrator  
June 13, 2018



# FY 2019 Strategic and Budget Objectives

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- Fiscal Stability
- Transformative Redevelopment
- Embracing the Technology Movement



# FY 2019 Budget Outlook

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- Operating Millage Rate Increase to Meet the Public Safety Needs of the Community
  - School Resource Officers
  - Third Person on a Rescue
  - Public Safety Master Plan



# FY 2019 Budget Outlook

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- 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)



# Agenda

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- Focus on the General Fund
- Significant Changes in Revenue from FY18 to FY19
- Property Taxes / Fire Assessment
- CIP Funding
- General Fund Reserves
- General Fund Expenditures
- Personnel and Pension
- Debt Service
- Homeowner's Property Tax Bill
- Next Steps
- Upcoming Dates and Meetings

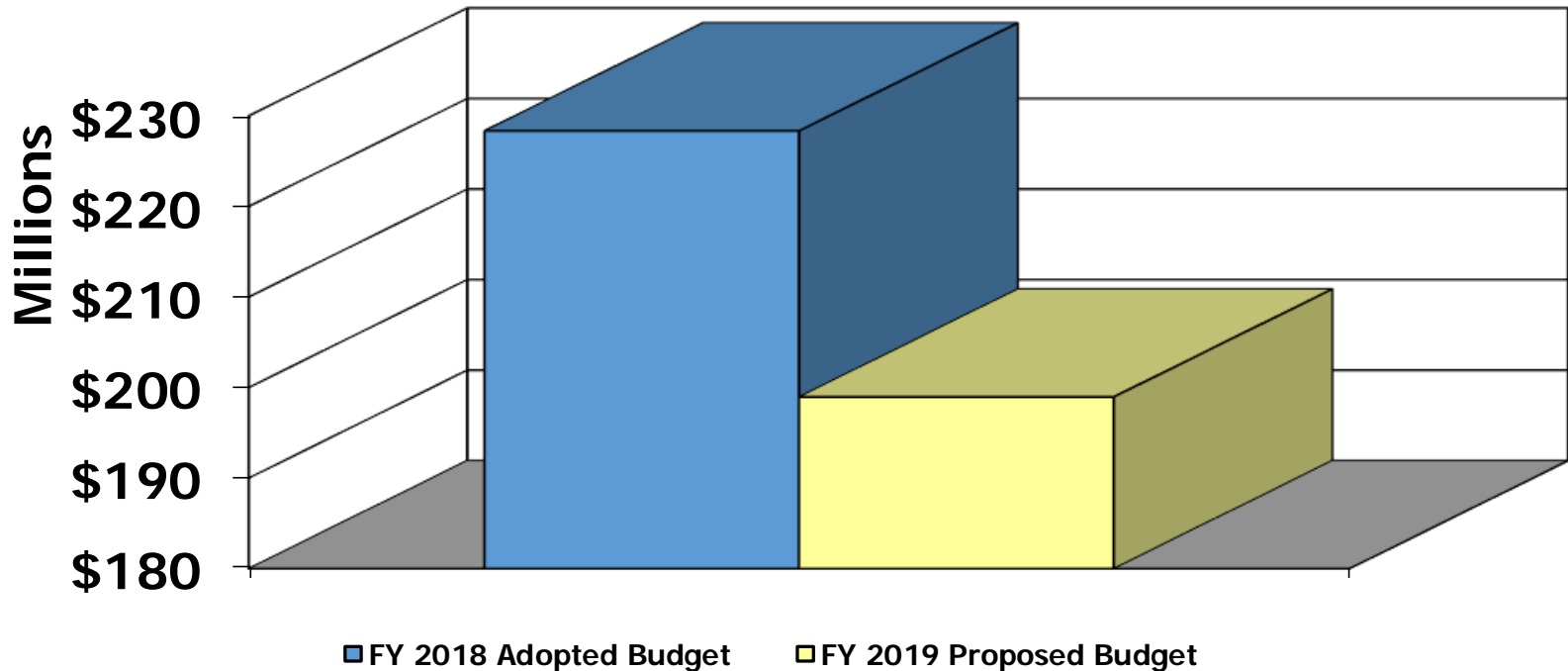


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# **Town of Davie FY 2019 Budget**



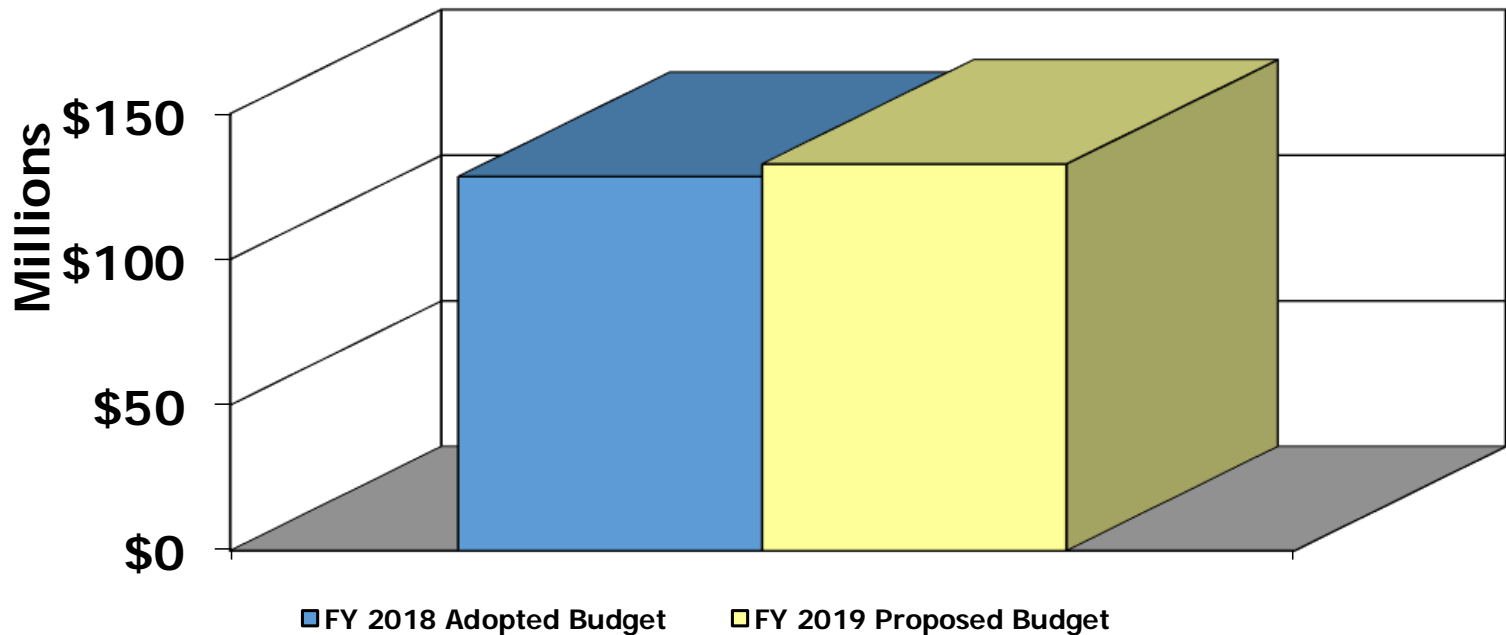
# Town of Davie Proposed Budget



Adopted FY 2018 Budget - \$228.3 Million  
Proposed FY 2019 Budget - \$199.0 Million  
Decrease of \$29.3 million, or 12.9%



# General Fund Proposed Budget



Adopted FY 2018 Budget - \$128.43 Million  
Proposed FY 2019 Budget - \$132.74 Million  
Increase of \$4.31 million or 3.4%





# FY 2019 Proposed Budget

## General Fund Summary

FY2019 Projected Revenues	\$132,742,306
FY2019 Projected Expenditures:	- <u>\$ 132,742,306</u>
<b>Surplus/Deficit</b>	<b>(\$0)</b>



## FY 2019 Budgeted Revenues Compared to Original FY 2018 Budget

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- Ad Valorem: \$5.8 million Increase
- Debt Service: \$1.0 million Decrease
- FP&L Utility Service Tax: \$470k Increase
- FP&L Franchise Fee: \$522k Increase
- Building Permits: \$750k Decrease
- Engineering Permits: \$525k Increase



# FY 2019 Budgeted Revenues Compared to FY 2018 Budget

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- Communications Services Taxes: \$204k Decrease
- Fire Assessment: \$662k Increase
- Waste Management Com. Franch. Fees: \$275k Increase
- Half Cent Sales Tax: \$372k Increase
- State Revenue Sharing: \$216k Increase
- Sun Bergeron JV Disposal Rev. Sharing: \$301k Decrease



# FY 2019 Budgeted Revenues Compared to FY 2018 Budget

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- NSU Contract: \$219k Increase
- SWR Contractual Services: \$204k Increase
- Use of Reserves:
  - Building Division: \$735k Increase
  - CIP: \$1.6 million Decrease



# Millage Rate & Tax Assessment

Fiscal Year	Millage	Gross Taxable Value	Tax Assessment
2007	4.9879	\$7,502,023,626	\$37,419,344
2008	4.1215	\$8,482,011,941	\$34,958,612
2009	4.2456	\$8,133,559,067	\$34,531,838
2010	4.8124	\$7,299,500,821	\$35,128,118
2011	4.8124	\$6,653,602,018	\$32,019,794
2012	4.8122	\$6,490,052,863	\$31,231,432
2013	4.8122	\$6,573,376,427	\$31,632,402
2014	5.0829	\$6,781,196,317	\$34,468,143
2015	5.0829	\$7,232,699,561	\$36,763,089
2016	5.0819	\$7,692,303,132	\$39,091,515
2017	5.0799	\$8,333,481,733	\$42,333,254
2018	5.3220	\$9,014,692,414	\$47,976,193
2019 Proposed	5.6270	\$9,674,939,083	\$54,440,882



# Millage Rate Scenarios

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- **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)



# Broward County Municipal Millage Rates

1	West Park	8.6500	17	Wilton Manors	5.9837
2	Lauderdale Lakes	8.5000	18	Coral Springs	5.8732
3	Pembroke Park	8.5000	19	Plantation	5.7500
4	Lauderhill	7.5898	20	Pembroke Pines	5.6736
5	Sea Ranch	7.5000	21	Davie	5.6270
6	Hollywood	7.4479	22	Hallandale	5.3093
7	North Lauderdale	7.4000	23	Pompano Beach	4.9865
8	Tamarac	7.2899	24	Lazy Lake	4.7931
9	Cooper City	7.1347	25	SW Ranches	4.4629
10	Miramar	6.7654	26	Fort Lauderdale	4.1193
11	Coconut Creek	6.5378	27	Parkland	3.9780
12	Margate	6.5183	28	Lauderdale by the Sea	3.5989
13	Oakland Park	6.0985	29	Light House Point	3.5893
14	Deerfield Beach	6.0981	30	Hillsboro Beach	3.5000
15	Sunrise	6.0543	31	Weston	2.3900
16	Dania Beach	5.9988	32	Unincorporated	2.3353



# Broward County Residential Fire Assessment Rates

1	Southwest Ranches	\$518.49
2	Lauderhill	\$460.00
3	West Park	\$447.86
4	Weston	\$433.97
5	Miramar	\$372.84
6	Tamarac	\$350.00
7	Lauderdale Lakes	\$321.00
8	Margate	\$300.00
9	Pembroke Pines	\$271.48
10	Fort Lauderdale	\$256.00
11	Dania Beach	\$223.75
12	Hollywood	\$222.00
13	Parkland	\$220.00
14	North Lauderdale	\$215.00

15	Wilton Manors	\$214.72
16	Sunrise	\$209.50
17	Davie	\$206.00
18	Oakland Park	\$199.00
19	Hallandale Beach	\$198.00
20	Unincorporated	\$190.00
21	Coral Springs	\$180.00
22	Coconut Creek	\$177.79
23	Deerfield Beach	\$175.00
24	Pompano Beach	\$163.00
25	Cooper City	\$161.28
26	Lauderdale by the Sea	\$129.85
27	Lighthouse Point	\$120.34





# CIP Funding

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- 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

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- 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



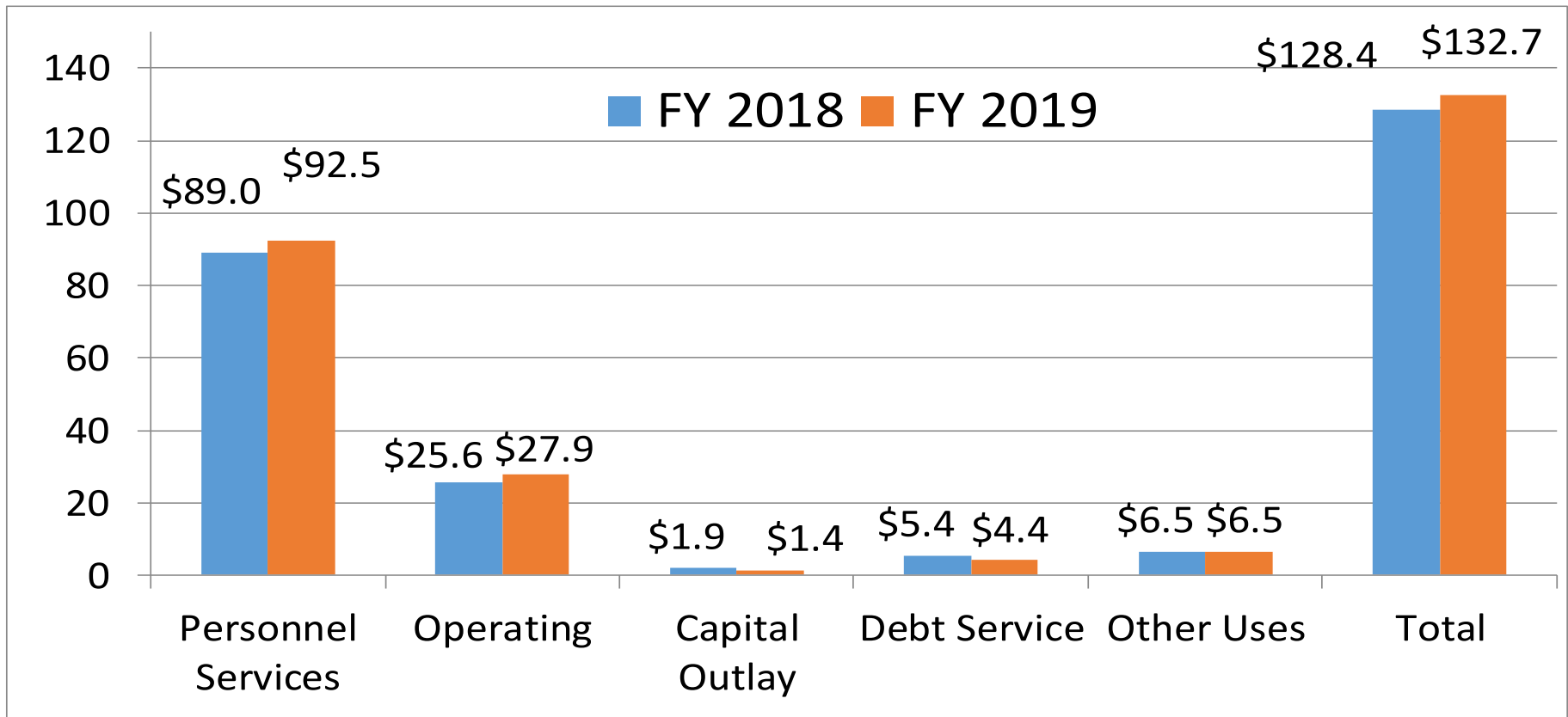
# General Fund Reserves

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- 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



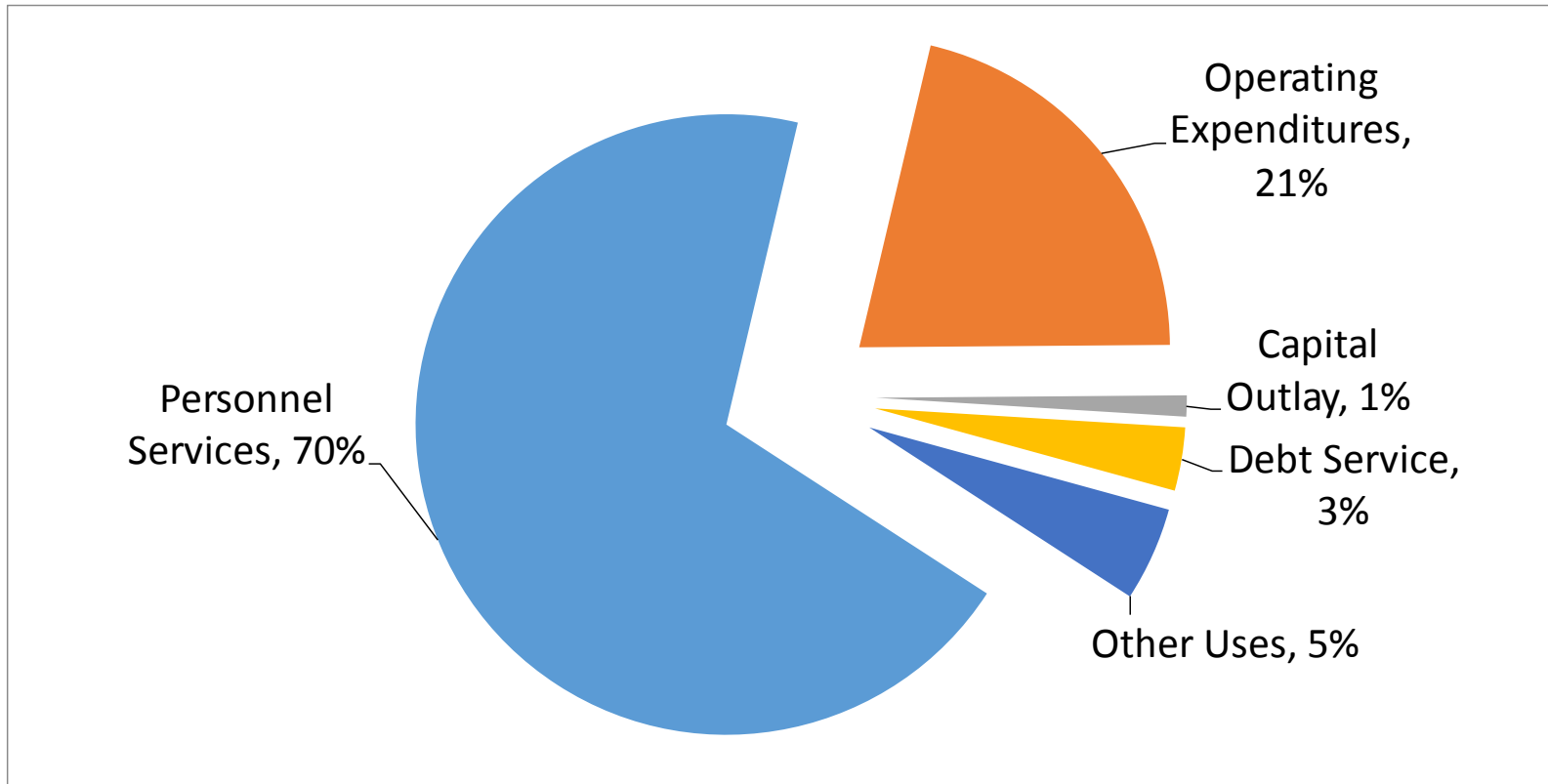
# General Fund Expenditures (in millions)



Adopted FY 2018 Budget - \$128.4 Million  
Proposed FY 2019 Budget - \$132.7 Million  
Increase of \$4.3 million or 3.3%

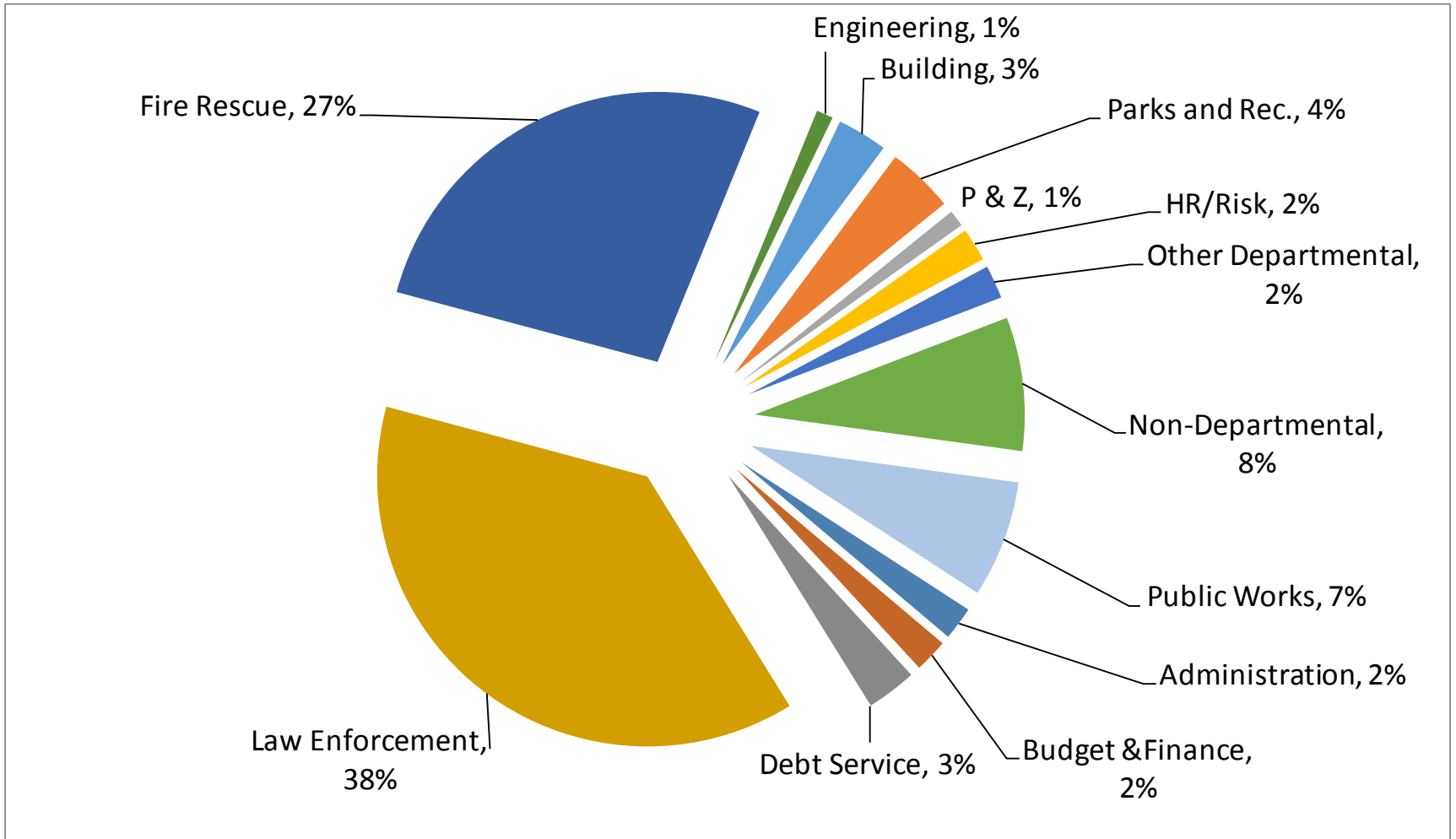


# Projected 2019 General Fund Expenditures by Category





# Projected 2019 General Fund Expenditures by Department





# Budgeted Expenditure Increases / Decreases by Department from FY 2018 to FY 2019

DEPARTMENT	FY 2018 Original	FY 2019 Proposed	Percent Increase/ Decrease
Town Administrator	\$ 2,810,169	\$ 2,856,587	2%
Town Attorney	428,364	457,852	6%
Law Enforcement	48,772,830	51,053,388	4%
Fire Rescue	34,378,982	35,698,558	4%
Building Division	4,533,355	4,534,407	0%
Engineering Division	1,390,444	1,579,148	12%
Planning & Zoning Division	1,495,366	1,512,664	1%
Public Works	9,398,070	9,347,101	-1%
Parks, Rec. & Cultural Arts	5,360,284	5,197,338	-3%
Human Resources	1,105,896	1,022,828	-8%
Risk Management	1,703,865	1,776,614	4%
Budget & Finance	2,443,233	2,447,448	0%
Town Clerk	638,892	670,722	5%
Community Services Div.	250,170	279,495	10%
Debt Service	5,404,168	4,405,159	-23%
Non-Departmental	8,312,340	9,902,997	19%
<b>EXPENDITURE TOTALS</b>	<b>\$ 128,426,428</b>	<b>\$ 132,742,306</b>	<b>3%</b>



# Personnel Summary COLAs/Steps Budgeted for FY 2019 (all funds)

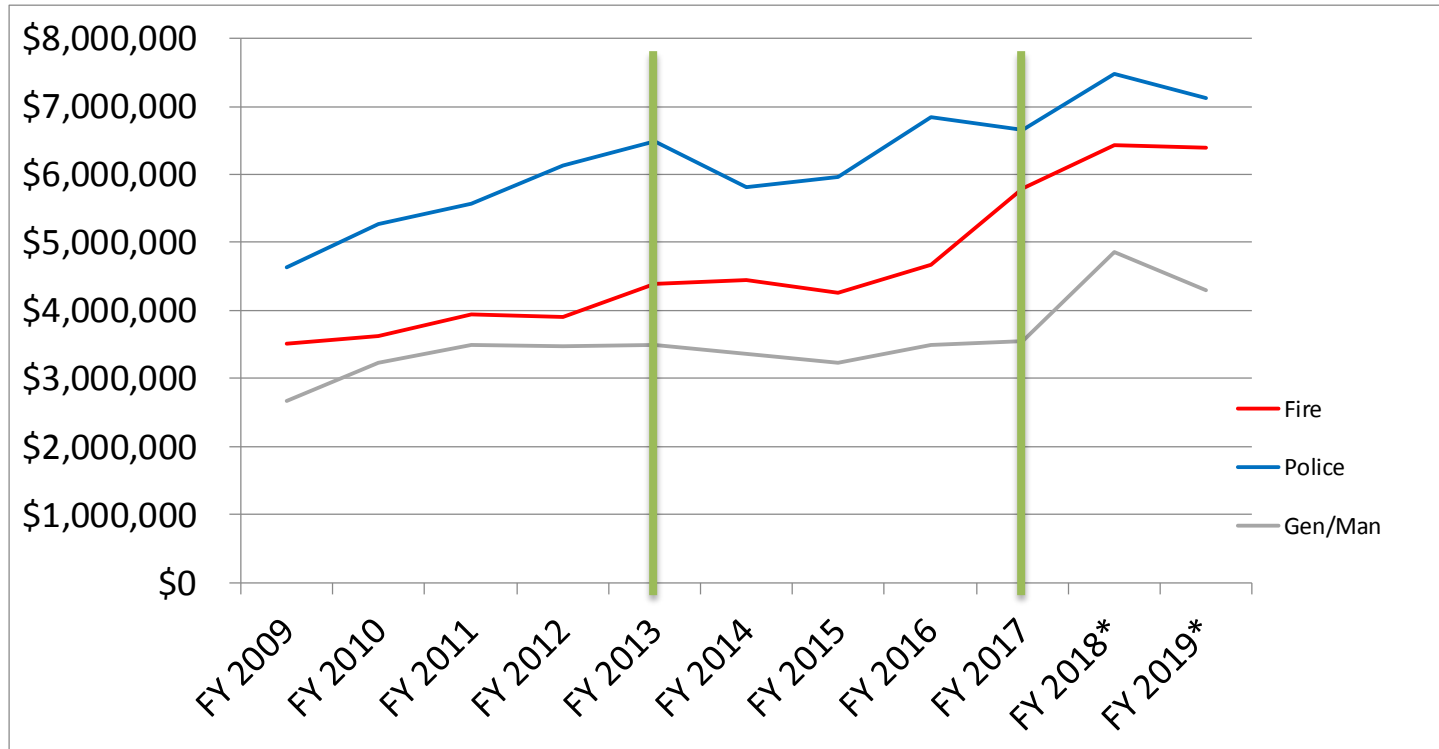
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- FOPA Civilian - \$0k
  - Under contract negotiations
- Police (contractual) - \$1.1 million
  - 2% COLA in October 2018; 1.5% COLA in April 2019
  - Step on anniversary date
- Fire - \$152k
  - Step on anniversary date
  - Finalizing proposed contract
- Battalion Chiefs - \$27k
  - Step in October
  - Finalizing proposed contract
- Non-Represented Employees – \$0





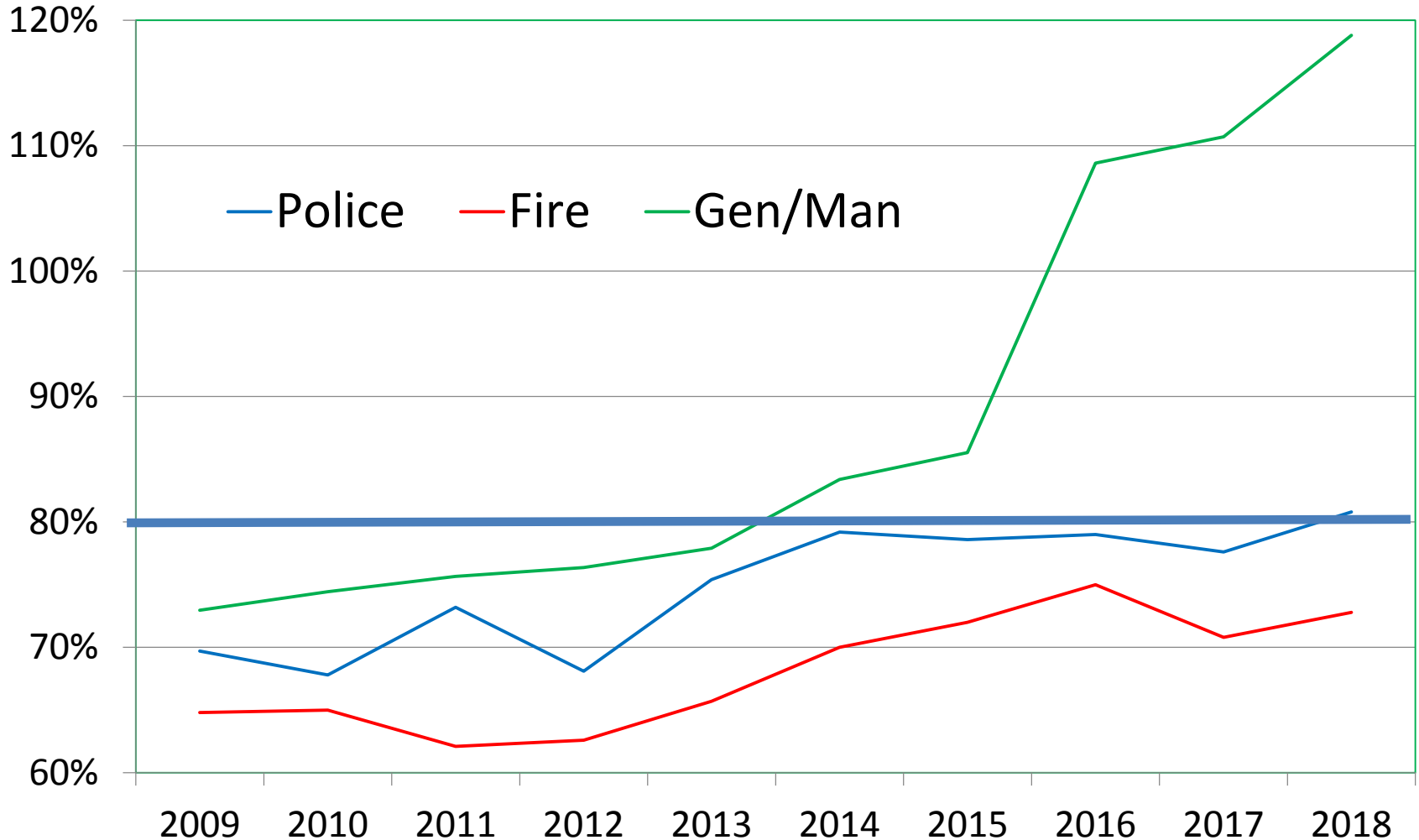
# Pension Costs (all funds)



\* Budgeted



# Funding Level



Goal – 100% Funded; Benchmark – 80%



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# Organization and Position Changes



# Positions Adjustments for FY 2019

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- 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



# Positions Adjustments for FY 2019

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- 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



# Positions Adjustments for FY 2018

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- Information Technology Department
  - Reclassify Database Analyst to IT System & Support Analyst
- Parks, Recreation & Cultural Arts Department
  - Add 2 Part Time Will Call Pool Lifeguards



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# Homeowner's Property Tax Bill



# Debt Service – General Obligation (G.O.)

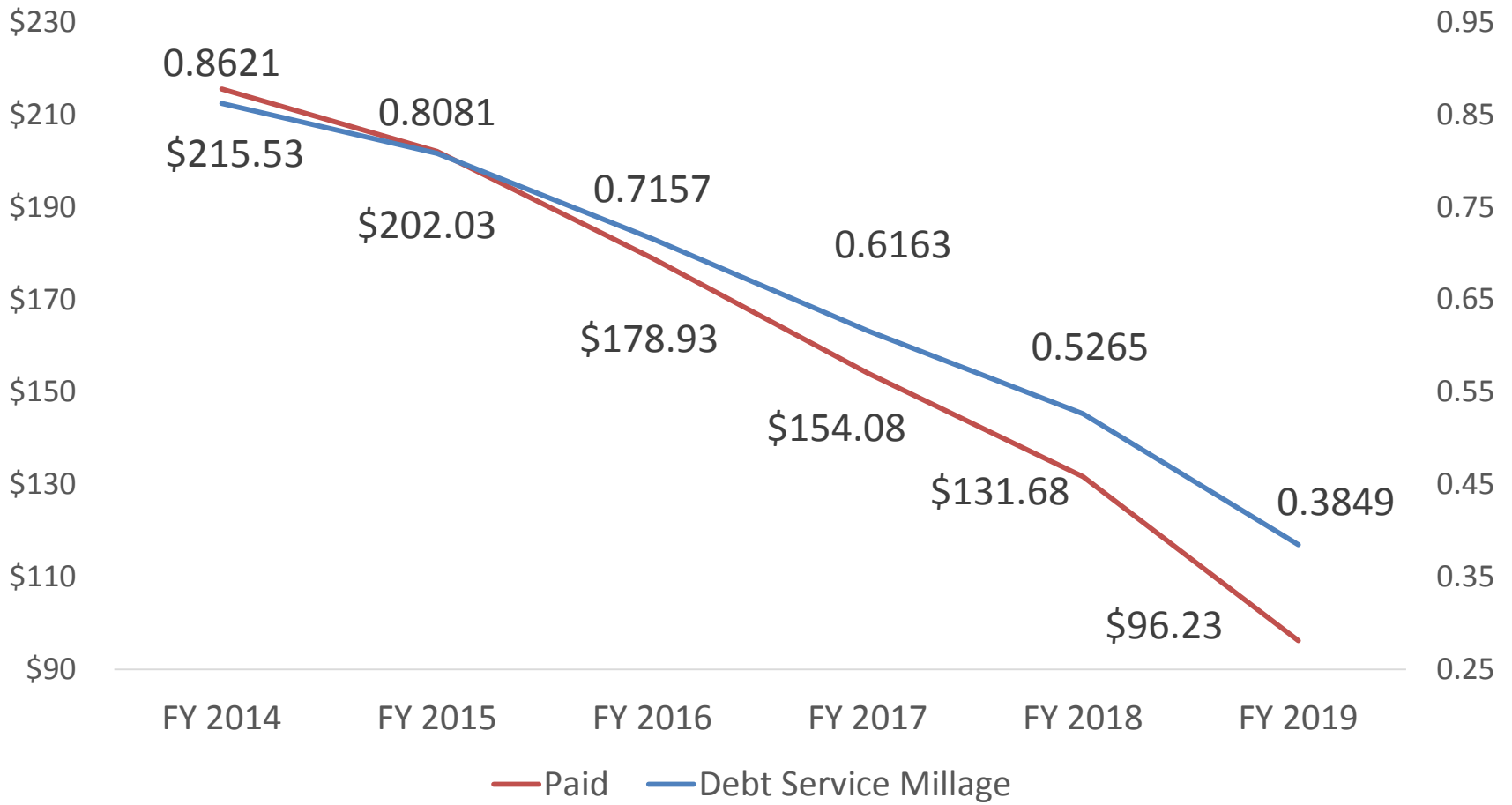
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- Reduction of G.O. Debt Service
  - From FY 2016 to FY 2018: Reduced by \$712k
    - \$9.8 million General Obligation Bonds (Public Safety)
  - From FY 2018 to FY 2019: Reduced by \$1 million
    - \$10 million General Obligation Bonds (Parks and Rec)
- Results in a Reduction of Debt Service Millage Rate
  - Property Owners tax bills are reduced





# General Obligation Debt Service Savings





# Est. Property Tax Change in FY2019 for a Single Family Home with \$250,000 Assessed Value in FY2018

	FY2018	FY2019	Annual Variance	Monthly Impact
	Tax Bill	Est. Tax Bill		
Ad Valorem	\$1,064.40	\$1,154.94	\$90.54	\$7.55
Debt Service	\$105.30	\$79.00	(\$26.30)	(\$2.19)
Solid Waste Assessment	\$207.54	\$207.54	\$0.00	\$0.00
Fire Assessment	\$196.00	\$206.00	\$10.00	\$0.83
<b>Total Bill</b>	<b>\$1,573.24</b>	<b>\$1,647.48</b>	<b>\$74.24</b>	<b>\$6.19</b>

For Fiscal Year 2019, assume a 2.1% increase in assessed value.



# Potential Adjustments for the July Workshop

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- General Fund
  - Ad Valorem for July 1<sup>st</sup> Certification
    - Operating / Voted Debt
  - Fire and Solid Waste Assessments
  - State Related Revenues
  - Tax Increment Payment to CRA
  - Adjustments IAFF/BC Potential Contract
- All Funds
  - CRA Ad Valorem
  - Water and Sewer Operating Revenue
  - CIP Project Rollovers
  - Fuel and Electric



# Alternative Revenue Sources – Public Safety Initiative

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- SAFER Grant – Application filed for 6 new positions - \$1.4 million
  
- Broward County Schools – Applications filed for 6 additional SROs - \$285k



# Dates / Meetings

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- 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)