

TOWN OF DAVIE
BUDGET WORKSHOP
JULY 17, 2013

1. PLEDGE OF ALLEGIANCE

The meeting was called to order at 3:05 p.m. and was followed by the Pledge of Allegiance.

2. ROLL CALL

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

3. PUBLIC HEARING

Mr. Lemack reported that they had been able to make adjustments to reduce the millage from the previously presented 5.17 mils without using General Fund Reserves and maintaining the 25% Fund Balance policy but they would still use non-recurring revenue sources.

Mr. Lemack reported the follow components had remained unchanged since the previous workshop:

- No Reduction of Services
- No Layoffs
- Reduction and consolidation of work force
- Reduced Use of Nonrecurring Revenue
- Increased Use of a Blended Model to Offer Services (contractual and employees)
- Fire Assessment Increase which is Offset by a Solid Waste Assessment Decrease
- Proposed Millage Rate Increase
- Maintaining our 25% Policy for General Fund Reserves

Mr. Lemack said Council had requested staff review several items at the previous workshop:

- Building Permit Revenue
- Reviewed FP&L Franchise Fees
- Alarm Registrations and Violations
- Transfer From Vehicle Maintenance Fund - Reduce Number of Vehicles Purchased
- Reduce Office Supplies
- Reduction in Contractual Services for Facilities Maintenance

Mr. Lemack reported that the result of making these changes was a net revenue increase of \$306,000. The General Fund deficit had been reduced to \$1.88 million, requiring a 5.1132 millage rate. Mr. Lemack had identified an additional \$190,000 savings, allowing him to propose a millage of 5.0829. He stated they would still have a \$1.5 million potential carry-over deficit, but he was hopeful that the Town's growth and economic recovery would assist in overcoming the carry-over deficit.

Mr. Ackerman reported the overall budget would decrease from the previous year by \$31.5 million or 15% which was mainly attributable to the completion of the water/sewer plant this year. He described the evolution of the budget deficit from \$7.9 million in April to \$1.9 million at present. Items contributing to this change included the following:

- Increased Ad Valorem by \$123k
- Increased Fire Assessment by \$279k

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- Reduced Communications Service Tax by \$169k
- Eliminate Carry Forward of Waste Management FY 2013 Loyalty Payment of \$500k
- Increased Alarm Registrations and Violations by \$55k
- Added Revenue from the CRA, Utilities, Building and Engineering to partially fund the Town's new In-House Attorney Function for \$49k
- Added a Transfer In from Vehicle Maintenance Fund for \$250k
- Added the CRA Policing Program Revenue for \$326k

Mr. Ackerman described the scenarios for the current, rollback and the maximum majority vote millage rate:

- Current millage rate: 4.8122
 - Allowable with simple majority vote
 - Advertised tax increase
 - Estimated ad valorem revenue of \$31,215,280 (at 95% receipt rate)
- Rolled-back millage rate: 4.8081
 - Allowable with simple majority Vote
 - No advertised tax increase
 - Estimated ad valorem revenue decrease \$25,745 (at 95% receipt rate)
- Maximum majority vote millage rate: 5.5279
 - Allowable with simple majority vote
 - Advertised tax increase
 - Estimated ad valorem revenue increase \$4,494,089 (at 95% receipt rate)

Mr. Ackerman explained that since 2008 the Town had lost \$2 billion in taxable value. He stated that the Town had not raised the millage or fire assessment since 2010, but had maintained a high level of service to residents despite the reduction of staff by 21%. He also stated that no-recurring revenue use was a long-term solution and that it was important to maximize revenue sources and minimize expenditures.

Mr. Ackerman said if they adopted the 5.0829 rate, a homeowner with a \$200,000 home would experience a \$58 increase; with a \$600,000 home the increase would be \$102. They proposed a decrease in the solid waste assessment of \$36.83 with an increase in fire assessment of \$36.00 resulting in a net \$2.1 million revenue increase for the Town.

Mr. Ackerman stated the non-recurring revenue sources were:

- General Fund Carry Over - \$1,290,887
 - Resource Recovery Board for CIP - \$1,290,887
- One Time Revenue - \$1,520,483
 - Waste Management Loyalty Payment - \$500,000
 - COPS Grant Extension - \$196,000
 - Transfer in from Self-Insurance Fund - \$574,483
 - Transfer in from Vehicle Maintenance Fund - \$250,000
- Total nonrecurring for operations - \$1,520,483

Mr. Ackerman explained that the overall, the increase in expenditures was in personnel. Notable changes included:

- Increased Payment to CRA for Tax Increment Payment by \$106k

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- Increased Town Attorney Budget by \$77k (offset by approximately \$50k revenue)
- Reduced Janitorial Expenses by \$59k
- Reduced Office Supply Expenditures by 5% or \$13k
- Revise Budget Assistant PT Position to Budget and Revenue Specialist - \$20k

Mr. Ackerman reported the Town had subsidized the debt service millage for two year and this would discontinue in 2014, which would show an increase in the debt millage of .8621. This would result in a homeowner with a \$200,000 home experiencing an \$8 increase; with a \$600,000 home the increase would be \$26. Total increases including ad valorem, Solid Waste Assessment and debt millage would be \$57.06 on a \$200,000 home.

Regarding the water and sewer fund, Mr. Ackerman anticipated a slight increase in water and sewer rates in 2014. Overall, the Fund would decrease by \$4.8 million. Mr. Ackerman anticipated the Water and Sewer Capital Fund would go away in the near future since the project was almost complete. The Golf Fund, as budgeted for 2014, would break even next year.

Mr. Ackerman related the following meeting dates: CIP/Community Endowment Workshop on August 7 at 4:00; Special Assessments Hearing on September 12 at Noon; First Budget Hearing on September 3 at 5:01; Second budget Hearing on September 18 at 5:30.

Mayor Paul acknowledged the difficulty of raising the millage rate, and pointed out they had maintained services with fewer staff. She thanked staff for finding additional cuts.

Councilmember Starkey thanked staff for all their work. She said residents she had spoken to were torn about an increase in millage versus a reduction of services. She agreed there was no choice but to raise the millage rate.

Vice-Mayor Caletka stated he opposed the proposed millage rate, and noted that some of the suggestions he had made regarding revenues that had not been acted upon. He felt he could not justify to the public that every step possible had been taken.

4. ADJOURNMENT

There being no further business to discuss and no objections, the meeting was adjourned at 3:44 p.m.

Approved _____

Mayor/Councilmember

Town Clerk