Annual Budget
Fiscal Year 2012

Town of Davie, Florida

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Councilmember Bryan Caletka and Vice Mayor Caryl Hattan

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COUNCILMEMBERS

Bryan Caletka
District 1

Vice Mayor
Caryl Hattan
District 2

Susan Starkey
District 3

Marlon Luis
District 4

August 31, 2011

Dear Mayor, Vice Mayor and Councilmembers:

The Proposed Fiscal Year 2012 Operating Budget for the Town of Davie is hereby submitted for your consideration. The Fiscal Year 2012 proposed budget is $238,580,197 for all funds; an increase of 25% compared to the original Fiscal Year 2011 Adopted Budget of $191,488,635.

The effects of the recent recession are still evident as the Town's primary revenue source, property taxes, continues to be affected by the real estate market. According to the Broward County Property Appraiser's Office, the Town of Davie experienced a 1.2% decrease in gross taxable value; $6,572,436,113 as of July 1, 2011 compared to $6,653,602,018 for the prior year. Based on the proposed millage rate of 4.8122 for Fiscal Year 2012, approximately $31,627,877 would be generated in property tax revenue compared to $32,019,794 for Fiscal Year 2011 with an adopted millage rate of 4.8124. Of note, the loss in gross taxable value from tax year 2009 to 2010 was 8.8%. Arguably, there is a direct correlation to foreclosure activity within the Town of Davie; in 2009, there were 396 foreclosures, 535 during 2010 and 178 for 2011 through July 1, 2011.

In tax year 2009, the Town of Davie experienced $98,079,053 in new taxable value to the tax roll, which was due primarily to the issuance of 533 certificates of occupancy, with notable projects such as the Bill Seidle Commercial Building, the Wolf in the Woods Commercial Building and the Sheridan House Commercial Building. For tax year 2010, the amount was $43,427,154 and due primarily to issuance of 442 certificates of occupancy with some notable projects including West Port Business Park commercial building, Pelican shops at Davie LLC commercial building, and Jedco Inc. commercial building. The tax 2011 amount fell to $13,791,070, when only 169 certificates of occupancy were issued.

The Community Redevelopment Agency (CRA) continues to experience losses in property value. As of July 1, 2011, the taxable value for the CRA is approximately $382,439,390, compared to $408,569,150 for the prior year, which is essentially a 6.4% decrease. From tax year 2009 to 2010, the loss was 17.08%. The CRA is in the process of finalizing the *Town of Davie Community Redevelopment Agency Redevelopment Plan*, which is expected to trigger growth and development opportunities throughout the CRA District and surrounding communities.

Town Council has made a number of adjustments in response to these tough economic times. With Florida's unemployment rate continually hovering around 10%, consumer spending has decreased, which has invariably affected State shared revenues, such as sales tax. In general, all revenue sources have been negatively affected. As such, staff has been asked to lower overtime time costs where applicable, to seek lower costs from vendors, and to consolidate functions allowing vacant positions to be eliminated or converted to part-time.

Despite the current economic environment, the Town of Davie has made a commitment to continue providing quality core services for residents. The Fiscal Year 2012 Proposed Operating Budget is highlighted by the following:

- ✓ Reduced Millage Rate;
- ✓ Reduced Voted Debt Millage Rate;
- ✓ Reduced Solid Waste Assessment;
- ✓ No Fire Assessment Increase;
- ✓ No use of General Fund Undesignated Reserves (except for the FY 2012 CIP);
- ✓ No Layoffs; and
- ✓ No Reduction of Services.

While we were fortunate to achieve the above for Fiscal Year 2012, there are a number of challenges expected in the coming years. Hence, an emphasis has been made regarding the following priorities going forward:

Fiscal/Operations Accountability

Moving forward, each Fiscal Year Operating Budget process will be inclusive of a 5-Year Financial Forecast for the various operating funds, which will ensure better preparation for any perceived financial uncertainty. The same will be applied to our Capital Improvement Plan as long-term financial planning will better prepare us for the multitude of public/private development expected in the coming years. Councilmembers will be provided quarterly reports on the financial status of the Town's operating funds. Also, a number of proposed changes will be proposed relative to our Purchasing Code in order to streamline

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processes and decrease administrative costs for the Towns numerous solicitations.

Economic Development

Continued efforts are needed to grow the Town's tax base, and this is especially critical given property tax is the General Fund's primary revenue source. In order to avoid tax base stagnation, we must increase the capacity of communities by enhancing their quality of life and preparing the communities for sustainable economic growth. The appropriate staff has been appointed to explore a number of avenues for economic development opportunities. This is inclusive of working with Community Redevelopment Agency.

Overall Infrastructure Demands

The prospect of future development and redevelopment of our neighborhoods and commercial nodes makes investment in our public infrastructure essential. This will serve as part of the solution in attracting quality development and investment in our neighborhoods, particularly in and around the Downtown area. Moreover, this investment will serve as a business incentive for additional tax revenues to our Town; quality infrastructure will allow for an easier transformation of substandard lands and facilities into revenue generators for the future and provide an overall tax break to our residents and businesses. Thus, the infrastructure investment to be made over the next several years is vital to the future of our Town.

Budget Process

The Town of Davie kicked off its Fiscal Year 2012 budget process on February 16, 2011, with a Goal Setting Session between staff and Council. Within this session, Council was advised preliminary budget projections for Fiscal Year 2012 had indicated a shortfall in excess of $4 million. However, even prior to kicking off the Fiscal Year 2012 Budget process, the projected deficit increased to as high as $5.5 million.

In March 2011, all Department directors and the Town Administrator's Office initiated efforts to reducing expenses and researching new revenue sources. All Department budgets were submitted by mid-April. In May, more adjustments were made to Department budgets resulting in a reduction of the deficit by approximately $2 million.

Based on a number of initiatives and updated revenue projections from the State and the Property Appraiser's Office, the Town presented to Council a balanced budget for the first Budget Workshop on June 14, 2011. The Fiscal Year 2012 Proposed General Fund Operating Budget does include utilizing one-time revenue sources of approximately $3.6 million. After receiving recommendations from the Town Council,

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staff updated the budget and continued to look for additional savings. Departments have updated their budget narratives and organization charts to properly reflect Council's direction. The Town subsequently had two additional Budget Workshops, July 27, 2011 and August 17, 2011, during which Council provided their input and direction to staff.

Proposed Fiscal Year 2012 Budget in Brief

The initial General Fund budget gap for Fiscal Year 2012 was an estimated $5.5 million. Staff was tasked to evaluate and provide recommendations to allow for reducing the projected deficit. A number of initiatives were implemented.

Consolidation of Functions/Positions

The Town reviewed vacant positions in an attempt to improve overall efficiencies. Based on this review, the following vacant positions were eliminated for FY 2012: Public Information Officer, Property Clerk, Fire Rescue Aide, Maintenance Tech 1, Maintenance Tech 1 PT and Project Manager. The elimination of the above positions saved the Town approximately $440,000.

In addition, the Town took some vacant positions and either converted or reclassified those positions. The purpose of these conversions or reclassifications was to save money and to increase efficiency. For example, in order to have an additional presence on the streets, the Police Department eliminated a vacant Major position and replaced it with a Police Officer. In conjunction with eliminating the Major position, the Police Department will be promoting three (3) Lieutenants to Captains positions to promote development within the Department. Also, the Town reclassified a Fire Support Services Manager to a Fire Support Services Coordinator. The Town reclassified a Public Works Operations Supervisor to an Equipment Operator and a Parks and Recreation Administrative Secretary to a Secretary Part Time. Lastly, in the Community Redevelopment Agency, although currently filled, the Town has eliminated a Planner III position. Overall, conversion and reclassification changes resulted in savings of approximately $215,000.

Revenue Initiatives

Within the General Fund, there are some divisions that generate revenue and should be self-sufficient. Therefore, those divisions should be paying their fair share to the General Fund for services rendered by other Town support departments. For example, the Building Division should be paying the cost of getting items on the Council Agenda or the cost of processing payroll for the Building Division. The Engineering Division and the Community Redevelopment Agency should also be paying for their costs. Therefore, the Town developed a cost allocation plan that properly charges these

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types of functions to self-sustaining departments. The total revenue generated for FY 2012 will be over $745,000 and includes some charge backs from previous years ($429,000). The Town already receives an administrative fee from the Water and Sewer Fund, which increased by approximately $245,000 for FY 2012.

The Town also used $2.5 million of one-time revenue sources from the Vehicle Maintenance Fund ($1.0 million) and the Self-Insurance Fund ($1.5 million) to balance the General Fund for FY 2012. It is important to note that in the Vehicle Maintenance Fund the Town considerably reduced the amount of vehicles to purchase for FY 2012, compared to previous years.

Expenditure Initiatives

Inclusive in the initial $5.5 million deficit were COLA and/or step increases for the Executive, Management, Non-Represented and Fire Union employees. These salary increases were subsequently removed from the budget. Additionally, Public Works was able to reduce its Contractual Maintenance account by approximately $200,000. This cut should not impact the services offered to the residents of the Town.

Increases in expenditures are due to a variety of reasons. For example, payroll and payroll related expenditures increased due to the general employees union contract (FOPA) and the police union contract (FOP). Also, pension expenses are anticipated to increase by approximately $900,000. Fiscal Year 2012 also will be the first time the Town budgets for accruals cash-in for Police and Fire personnel. The approximate cost is $900,000.

General Fund

The General Fund is the largest fund. By definition, all services not specifically funded by other sources, such as the Water and Sewer Funds or the Golf Fund, are funded by the General fund. The General Fund is the Town's primary operating fund, and as such, it supports services within the Town such as the Town Council, Town Administration, Police, Fire, Public Works, Special Events and Cultural Arts, Parks and Recreation, Planning and Zoning, Debt Service, Budget and Finance, Human Resources/Risk Management, Town Clerk, Town Attorney, Building (self-sufficient), Engineering (self-sufficient), and Housing and Community Development. In addition, the General Fund is responsible for major transfers to fund Technology Information Management Systems, Self Insurance (health and workers compensation) and Vehicle Maintenance on behalf of the Town.

The Fiscal Year 2012 Proposed General Fund Budget totals $93,874,287, an increase of $2.7 million or $3% compared to the original Fiscal Year 2011 adopted budget amount of $91,179,886. The increase is due primarily to payroll and related payroll

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expenditures. Contractually, the represented general employees and the police union employees will be receiving a step or cost of living adjustment increase for Fiscal Year 2012. Also, as noted above under Expenditure Initiatives, Fiscal Year 2012 will be the first time the Town budgets for accruals cash-in for Police and Fire personnel.

Other Funds

Town services such as water and sewer services, self-insurance and golf operations management are budgeted within other funds and are significant in the overall operation of the Town. Other funds the Town maintains include the following: Community Redevelopment Agency, Community Development Block Grant, Impact Fees (Fire, Police, General Government and Parks and Open Space), Forfeiture, Community Endowment, Capital Projects, Vehicle Maintenance, Technology and Information Management and Building Maintenance.

Water and Wastewater Funds

The purpose of the Water and Sewer Funds are to provide water and wastewater management services to the citizens in the Town's water district. For Fiscal Year 2012, these funds total $87.0 million, an increase of $24.8 million, or 40% compared to the original Fiscal Year 2011 Adopted Budget. This increase is due largely to the capital expenditures associated with the construction of the new Water and Sewer Facility. The estimated time of the completion of the new Water and Sewer Facility is summer of 2013.

During Fiscal Year 2007, the Town hired a consultant to review the Town's water and sewer rate structure. Their review determined that the Town had an aging water plant that would not be able to handle future capacity for the Regional Activity Center and the Transit Oriented Corridor. In order to fund a new water plant and to add capacity to the Town's system, the consultant strongly recommended that the Town must significantly increase rates. The Town implemented the new water and sewer rate structure in January 2008, which will lead to water and sewer operating revenues keeping pace with the water and sewer operating expenses. This Council approved rate structure, which includes increased rates through December 2012, also will assist the Town in the future to meet its debt service coverage ratio requirements. The next rate increase is scheduled for October 1, 2011 and is 9% for water and 16% for wastewater.

Golf Fund

The Golf Fund provides for the financial activity associated with golf operations. The golf operations have been contracted with a management company that is in charge of the everyday operations of the golf course. The management company is responsible for paying all of the expenses related to running the golf course and for collecting the

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revenue related to running the golf course. Based on the contract between the Town and the management company, the Town generates revenue from the management company.

Self Insurance Fund

The Self-Insurance Fund provides a central risk financing mechanism and self-insurance reserve for the payment of claims related to workers' compensation and employee benefits such as health and disability insurance. The Fund is administered by the Human Resources Department which is also responsible for securing third-party administrators for the management of claims. In Fiscal Year 2012, appropriations for this fund total $11.2 million, an increase of $.9 million or 11% compared to the Fiscal Year 2011 Adopted Budget. The primary reason for the increase is the $1.5 million transfer to the General Fund.

Conclusion

For Fiscal Year 2012, the Town of Davie was successful in addressing its financial challenges by proactively engaging staff and soliciting input and direction from Town Council ensuring the budget deficit was responsibly eliminated.

Services will continue to be provided at a high level to our residents; however, a review of the overall structure of our operation will be ongoing in order to evaluate and rethink the way we do business. With the uncertainty of the economic climate, the growth in expenses may outpace revenues, which is due primarily to the stagnation in revenues and personnel contractual obligations.

Finally, my thanks to the Mayor and Councilmembers for their leadership and forethought in ensuring the Town continues to assess and implement a progressive approach to superior fiscal management.

Respectfully Submitted,

Richard J. Lemack
Town Administrator

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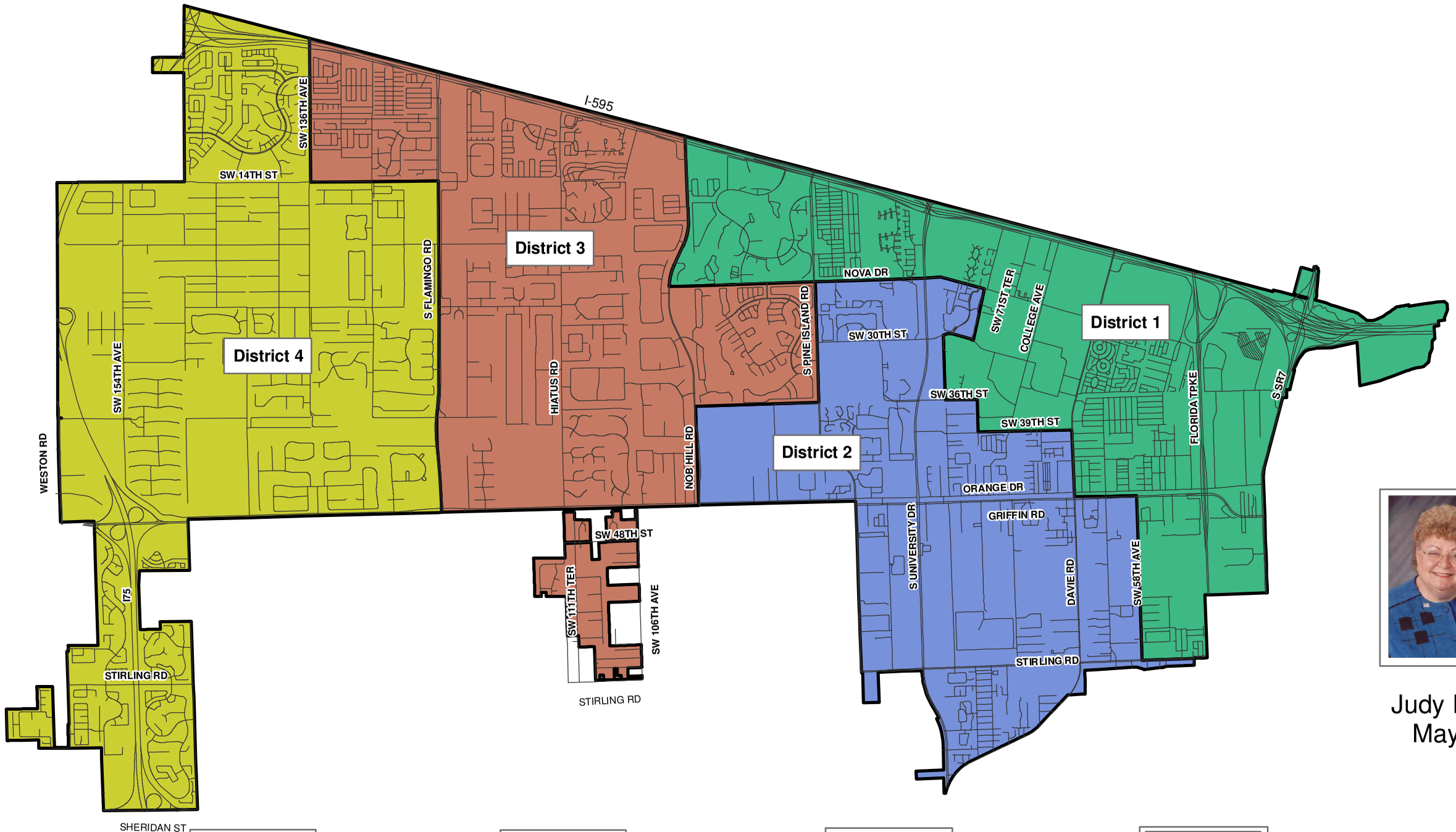
Town of Davie

Council District Map



Judy Paul
Mayor

LEGEND

Council Districts

- District 1 Bryan Caletka
- District 2 Caryl Casey-Hattan
- District 3 Susan Starkey
- District 4 Marlon Luis

Mayor - Judy Paul

Marlon Luis
District 4

Susan Starkey
District 3

Caryl Casey-Hattan
District 2

Bryan Caletka
District 1

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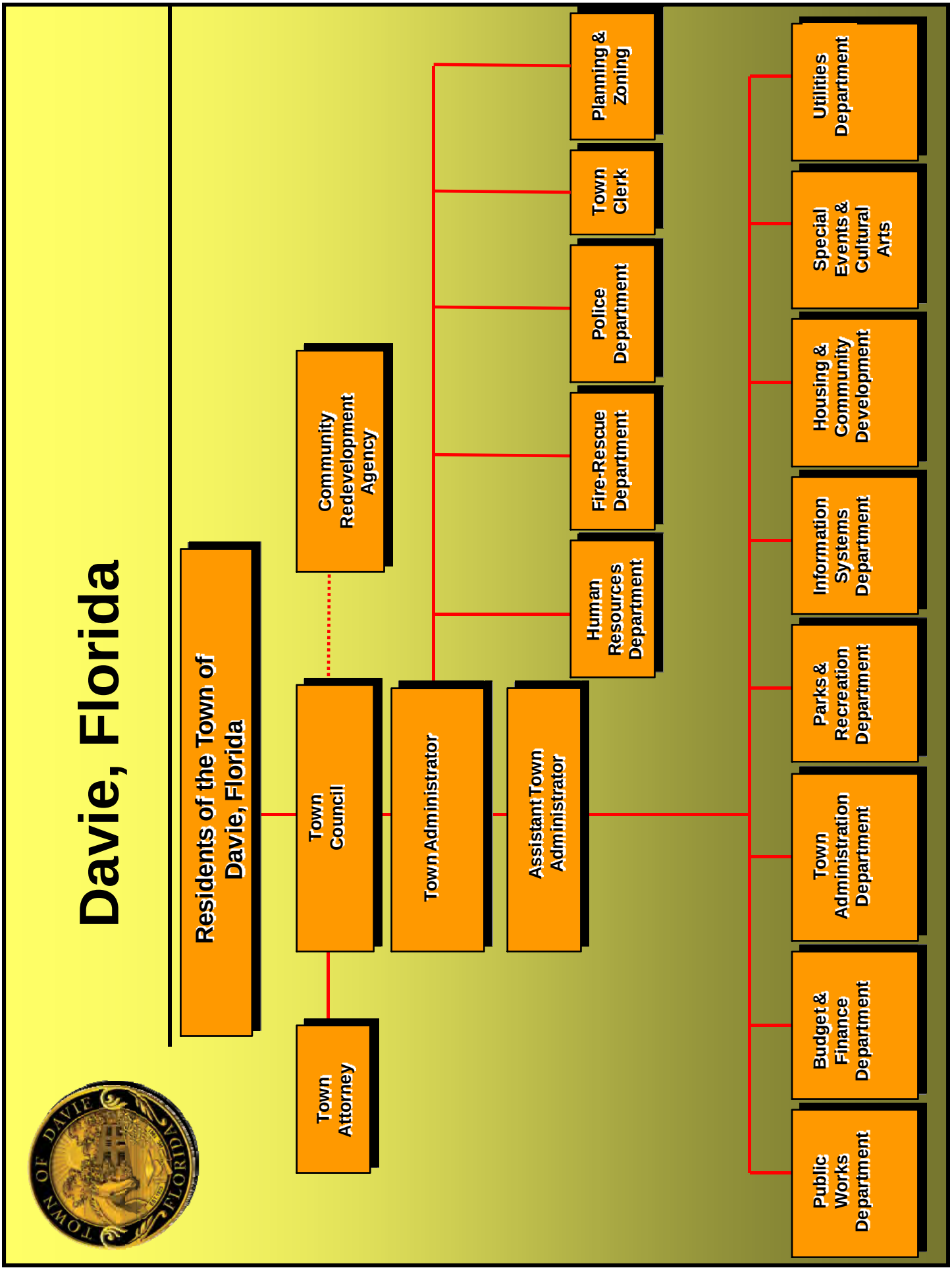
Prepared by the Town of Davie
GIS Division,
Prepared by I. DeGroot
May 4, 2010

Davie, Florida



LONG TERM PLANNING

Following a two year process, the Town of Davie adopted its first ever strategic plan on November 17, 2010. With this plan, the Town determined its Mission, Purpose, Values, and the Strategic Priorities to be pursued from 2010-2012. These items are summarized in the chart below. Business and marketing plans also were developed and approved for every department.

The Town's Strategic Plan will be updated in calendar year 2013, while the departmental business plans will be updated annually. A copy of each department's goals, objectives and key performance indicators (KPIs) from the Strategic Plan can be found in the Appendix of this publication. Departments will begin their first full fiscal year measuring their KPIs in FY 2012.

TOWN OF DAVIE

Strategic Plan

MISSION STATEMENT

The Town of Davie strives to be the preeminent community in South Florida to live, work, learn, and play while treasuring our preserved natural settings.

PURPOSE STATEMENT

To provide leadership and excellent, customer-driven services to our diverse community with integrity and respect.

VALUES

- Customer Driven
- Respect
- Integrity
- Excellence
- Leadership

STRATEGIC PRIORITIES

1. Commitment to Customer Satisfaction
2. Dedication to Excellence in Service Delivery
3. Respecting and Promoting Diverse and Sustainable Community and Neighborhood Values with consideration of our historic roots
4. Creating an Environment that is Conducive to Innovation, Creativity, and Collaboration
5. Nurturing the health, safety, and welfare of the community

BUDGET CALENDAR

START

January: Revenue estimating begins. Budget Calendar & Instructions are drafted.

February: Town Council holds annual Vision & Goal Setting Session. Payroll estimating begins. Request forms distributed to Departments for technology, fleet, and position changes.

March: Budget kickoff held. Instructions, calendar and draft payroll projection are distributed to Directors. Departments submit fleet, technology and position requests. Budgets for Town-wide expenses are developed & distributed.

April: Departments submit budget requests. Finance reviews & analyzes requests, revises payroll, updates revenue projections, and prepares the combined budget for submission to the Town Administrator.

May: Town Administrator meets with Department Directors to review the requested budget. Finance revises draft budget. Updated budget provided to the Town Administrator for consideration.

June: Property Appraiser delivers estimate of taxable values. Departments prepare budget narratives. Town Administrator submits the proposed budget to the Town Council. First budget workshop is held.

July: Property Appraiser certifies taxable value of the Town. State provides intergovernmental revenue estimates. Second budget workshop is held. Capital Budget is adopted. Preliminary special assessments rates and millage rate are determined for placement on TRIM Notice.

August: Third Budget Workshop is held. Final revisions are made to the draft budget. Town Administrator submits the Budget Message & recommended Budget to the Town Council.

September: Budget is legally adopted by ordinance following two public hearings.

Prior to October 1: Budget is loaded into the accounting system and placed on Town's website.

October 1: Adopted budget goes into effect. Finance certifies TRIM compliance to State of Florida.

BUDGET PROCESS

Developing the Budget

The annual budgeting process starts in early January when the Budget & Finance Department estimates revenues for the next fiscal year and drafts the budget calendar and budget instructions. In February, the Town Council conducts its annual Goal Setting Session and provides direction on budget priorities. The Finance Department prepares payroll and revenue projections and drafts budgets for town-wide costs, such as fuel, electric, water, fleet maintenance and insurance.

In March, the budget process officially begins for the departments with the "Budget Kickoff Meeting." The Budget & Finance Department and Town Administration provide the departments with an overview of the budget picture and discuss the budget guidelines for the year. Departments are given the budget calendar, written budget instructions, payroll estimates and other cost estimates. Training is also provided on budget entry into the Annual Budget Processing module.

Each department then prepares and submits its proposed budget comprised of the following elements:

- Revenue and expenditure projections by program/division and line item;
- Budget Narrative describing budget highlights and including Key Performance Indicators;
- Organizational Chart;
- Fleet related requests;
- Technology related requests;
- Position related requests; and
- Education, training and travel requests.

In May, the requested budgets are reviewed by the Budget & Finance Department for accuracy, completeness and form and a budget package is prepared for the Town Administrator. Department Directors then meet individually with the Town Administrator and the Budget & Finance Department to discuss their proposed budget. Per the Town Administrator's direction, the Budget & Finance Department revises the budget as necessary.

The draft operating budget is prepared and distributed to the Town Council in early June in preparation for the first Budget Workshop. Following the workshop, the budget is updated per Council's programmatic direction and to incorporate all other necessary revisions to the projected revenues and expenditures.

In July, the Town Council approves the proposed millage rate and the preliminary assessment rates for two non-ad valorem assessments that will appear on the Truth in Millage (TRIM) Notice. The TRIM Notice is mailed to all property owners in August to inform them of the proposed tax rates, tax amounts, and budget hearing dates related to their property.

Two additional Town Council Budget Workshops are held in July and August respectively, with updated budgets prepared before and after each session. The Town Council additionally conducts a separate workshop to determine donations that will be made to nonprofit organizations through the Community Endowment Fund.

Adopting the Budget

By Florida Statute, the Town must adopt its millage rate and operating budget for the fiscal year after holding two public hearings during the month of September. The first of these hearings is advertised to property owners via the TRIM notice. The second hearing and the tentative budget are advertised in the newspaper 2 to 5 days before the hearing. The budget becomes effective on October 1st.

Amending the Adopted Budget

The Town's Charter and State law allow changes to the adopted budget at any time throughout the fiscal year and up to 60 days after fiscal year end. These changes include budget transfers, which reallocate

already appropriated dollars within the same fund without increasing or decreasing the fund's total budget, and budget amendments, which increase or decrease the total budget of a fund.

Per the Town's Charter, intradepartmental budget transfers $1,000 and under may be approved by the Town Administrator and carried out by the Budget & Finance Department. Budget transfers exceeding $1,000, budget transfers between departments in the same fund, and all budget amendments may occur only upon approval by the Town Council. The level of budgetary control is established at the department level.

To amend the adopted budget, department directors submit a request to the Budget & Finance Director. The request is reviewed for correctness and budget availability, and then provided to the Town Administrator for approval to move forward, or denial. If necessary, the Budget & Finance Director submits all pending departmental requests as a unified request to the Town Council for approval. The request includes a description of all transfers and amendments for both revenues and expenditures. Such requests are specified by fund, and also by department, if appropriate. At a regularly scheduled meeting of the Town Council, budget transfers may be approved by resolution. Budget amendments require an ordinance with two public hearings.

Budget Monitoring

The budget is monitored monthly by the Budget & Finance Department to track variances between the actual and budgeted amounts, to identify trends, and to estimate end-of-year results. Monthly budget reports are distributed to all departments and the Town Administrator. Departments may be required to submit budget transfer or amendment requests to accommodate significant variances. A summary of each monthly report is posted on the Town's website for public access.

At the end of each quarter, a thorough review of year-to-date actuals and projections for end-of-year results are conducted. Particular attention is given to the General Fund. The Budget & Finance Department composes a written report and submits it to the Town Administrator, Town Council and to the public via the Town's website.

In addition to monthly analysis, the Budget & Finance Department monitors the budget on a near daily basis. Such activities involve position control, reviewing all payments for sufficient budget and documentation, monitoring requests to fill vacant positions, and tracking Council meeting agenda for items with budget impacts

Capital Budget Process

Capital expenditures include money spent to acquire, construct or upgrade physical assets such as buildings, infrastructure, machinery/equipment and land. Each year, Department Directors submit plans and cost estimates for necessary capital improvements, which are combined to form the draft Five-Year Capital Improvement Plan (CIP). Funding sources for each project must be identified, and departments also must identify the ongoing operating budget impact of their projects.

Projects in the CIP are separate from capital outlay expenditures which may be included in the annual operating budget and which are approved in the budget development process previously described. Capital expenditures in the annual operating budget are generally for acquisition or improvements with a cost of less than $5,000 and an expected life of five or more years. Exceptions to this general policy are grant-funded projects, which often exceed the $5,000 threshold, can be completed within the fiscal year, and are included in the operating budget. Capital projects exceeding $5,000 and an expected life of five years or more are generally budgeted in the CIP.

Per the Town's Charter, the CIP must be submitted to the Town Council at least three months prior to the final date for submission of the annual budget and shall be adopted by resolution at the first meeting in June. The first year of the adopted CIP is considered the Capital Budget. Development, monitoring and tracking of the CIP is currently the responsibility of the Town Administrator's Department.

Following CIP adoption, the proposed Annual Budget is revised to accommodate projects included in the appropriated funds, as well as any other budget impacts such as an appropriation of fund balance and inter-fund transfers.

The total dollar amount budgeted for capital expenditures in the Annual Budget, including both capital outlay expenditures and CIP projects in the appropriated funds, may be found for all funds in the summary table "Appropriations by Fund & Expenditure Type" located in the Budget Summary tab of this publication. More specifically, they can be found by individual account in the appropriations data provided at the fund/department/division level. The adopted 5-Year CIP for FY 2012-2016 can be found in the Appendix of this book.

FUND STRUCTURE

As a municipal corporation, the Town's finances and budget are comprised as a collection of smaller, separate entities known as funds. Funds are the control structures that ensure that public monies are spent only for those purposes authorized and within the limits authorized.

Each fund is a distinct financial entity with its own revenues and expenditures, and each fund is classified according to the type of activity that is involved in the fund. Fund types include:

- ✓ *Governmental Funds* – includes the General Fund, Capital Project Funds, and Special Revenue Funds;
- ✓ *Propriety Funds* – includes Enterprise Funds and Internal Service Funds; and
- ✓ *Fiduciary Funds* – includes funds used to account for assets held in a trustee or agency capacity for others, such as pension funds.

The following is a description of the budgeted funds of the Town.

Governmental Funds

General Fund (001) – The General Fund is the general operating fund of the Town. This fund incorporates a broad range of services, such as police, fire rescue, public works, parks and recreation, building, engineering and the Town's administrative functions. General tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenses, fixed charges, and capital improvement costs not paid through other funds are paid from this fund.

Capital Projects Funds (300 & 310) – The Capital Projects Funds are used for the acquisition of fixed assets and the construction of major capital projects not being financed by proprietary or other such funds. Most projects in these funds are financed by the General Fund or long-term debt issues, which are repaid by the recurring operating revenues in the General Fund. Improvements made through this fund are approved in the Town's five-year capital program and generally have no regard for fiscal periods. These funds are not included in the operating budget adopted in September, but are included in the Town's financial statements.

<u>Special Revenue Funds:</u>

Special revenue funds are used to account for specific revenue sources that are restricted to expenditures for specific purposes. Dedicated operations that cover only a substantial portion of their costs by user fees and charges, and therefore require ongoing operating subsidies, will be classified as special revenue funds.

Community Redevelopment Agency Fund (100) – The Community Redevelopment Agency (CRA) Fund accounts for the activities of the Town's Community Redevelopment Agency, a blended component unit of the Town.

Community Development Block Grant Fund (110) – The Community Development Block Grant Fund (CDBG) accounts for the activities of the Town's grants received from the U.S. Department of Housing and Urban Development.

Parks & Open Space Impact Fees Fund (120) – The Parks and Open Space Impact Fees Fund accounts for the activities of the Town's impact fees received for its parks and recreational facilities.

Fire Impact Fees Fund (130) – The Fire Impact Fees Fund accounts for the activities of the Town's impact fees relating to the provision of fire and rescue services.

Police Impact Fees Fund (140) – The Police Impact Fees Fund accounts for the activities of the Town's impact fees relating to the provision of law enforcement services.

General Government Impact Fees Fund (150) – The General Government Impact Fees Fund accounts for the activities of the Town's impact fees relating to general governmental services.

Forfeiture Fund (160) – The Forfeiture Fund is used to track the revenue and expenses from State and Federal forfeitures that the Town receives from various law enforcement agencies.

Community Endowment Fund (180) – The Community Endowment Fund was established with a residual equity transfer from a terminated General Employees' Pension Plan. The funds are to be applied to unfunded liabilities, to other liabilities of the Town as may from time to time need funding, to projects or programs that need capital creation that will be repaid over time, or to projects or programs that are in the community chest of charities or goodwill and which have one-time needs.

Proprietary Funds

Enterprise Funds:

Enterprise funds are used to account for those activities where the costs are expected to be funded by user fees and charges.

Water & Sewer Fund (400) – The Water and Sewer Fund accounts for the operations of the water and sewer utility system. The cost of operating the water and sewer system is recovered almost entirely by user charges. Tax dollars are not permanently used in this fund. The acquisition, maintenance, and improvement of the physical plant facilities are financed from existing cash resources, issuance of revenue bonds and state or federal grants.

Water & Sewer Capital Projects Fund (410) – The Water and Sewer Capital Projects Fund accounts for bond revenues and expenditures related to the construction of the Town's new water and sewer treatment plant.

Golf Fund (470) – The Golf Fund accounts for all financial activities associated with the Town's new golf facility, which was acquired in 2011.

Internal Services Funds:

Internal Service Funds are used to account for the cost of providing specific goods or services to Town departments where those services can reasonably be apportioned to the users on a cost-reimbursement basis.

Vehicle Maintenance Fund (500) – The Vehicle Maintenance Fund accumulates the cost of operating the central garage facility for vehicle and equipment maintenance. The cost allocation utilized provides for capital accumulation for the purpose of replacement vehicles. Costs of operating vehicles (replacement reserve, insurance, maintenance, etc.) are established as a monthly rental rate per class of vehicle and the user department is charged for each vehicle it uses.

Self Insurance Fund (510) – The Self Insurance Fund accounts for and finances the Town's insured and uninsured risks of loss related to worker's compensation and employee health benefits.

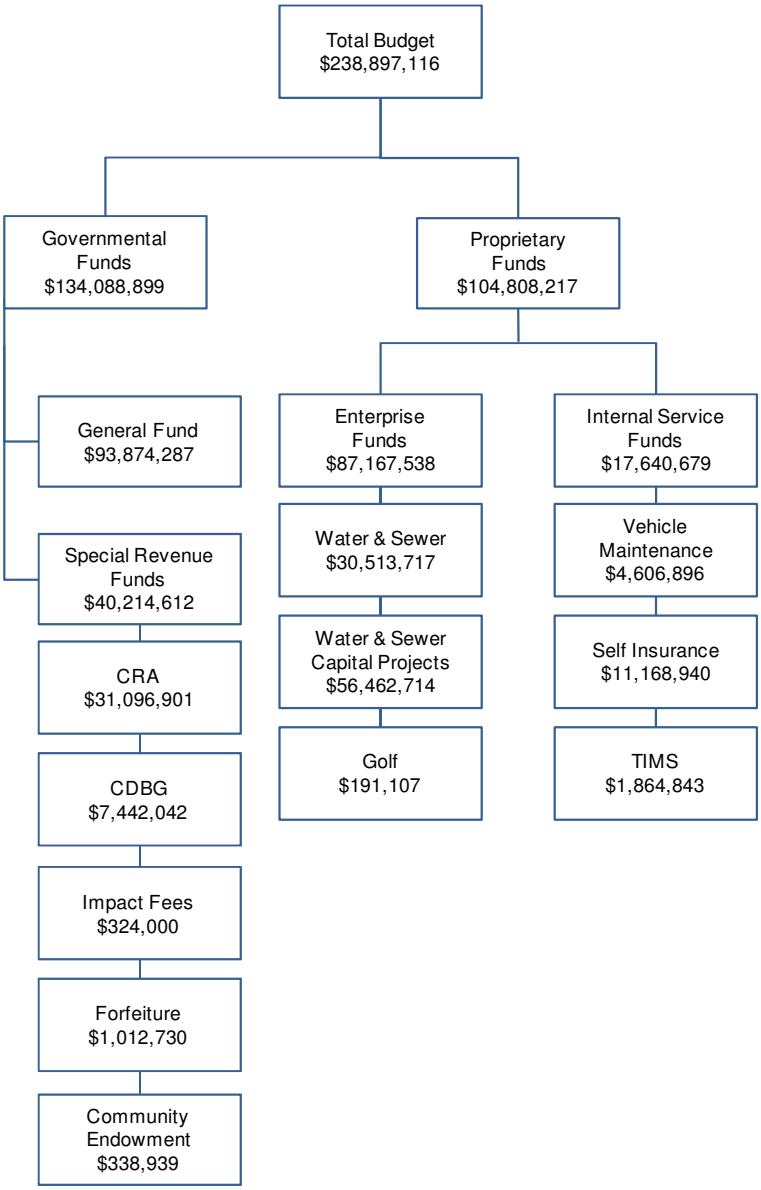
Technology & Information Management Systems Fund (520) – The Technology and Information Management Systems (TIMS) Fund accumulates the cost of providing technology equipment, networks, software and support. The cost allocation utilized provides for operation costs of the TIMS department and for capital accumulation for the purpose of equipment replacement.

Fiduciary Funds & Funds Excluded from the Adopted Budget

In addition to the Capital Projects Funds previously mentioned, the Town has other funds that appear in its audited financial statements, but which are not included in this budget document. These non-budgeted funds include the Town's Fiduciary Funds, which are used to account for assets held by the government in a trustee capacity. Such funds include:

- Police Employees Pension Trust Fund;
- Firefighters Pension Fund;
- Management & General Employees Defined Benefit Plan Fund;
- Money Purchase Plan Fund; and
- Other Post Employment Benefits (OPEB) Fund.

Fund Structure



FINANCIAL POLICIES

The Town of Davie Financial Policies set forth the basic framework for the overall fiscal management of the Town. These policies represent a foundation, provide guidelines for evaluating both current activities and proposals for future programs, and assist the Town Council and the Town Administrator in making decisions. A complete copy of the Town of Davie Financial Policies can be found in the Appendix. Below is a summary of some of those policies.

Basis of Accounting & Basis of Budgeting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Revenues are recorded when susceptible to accrual, both measurable and available. Expenditures are recorded when a liability is incurred. At year-end, open encumbrance balances lapse, excluding those in the Capital Projects Funds. The basis of budgeting for these funds is the same as the basis of accounting used in the Town's audited financial statements.

All enterprise and internal service funds are accounted for using the accrual basis of accounting and the economic resources measurement focus. Revenues are recognized when earned and expenses are recognized when a liability is incurred. The basis of budgeting for these funds is the same as the basis of accounting used in the Town's audited financial statements. The following are budgeting exceptions to the accrual basis of accounting for the Town's proprietary funds:

- Capital outlays are budgeted as expenditures rather than depreciating them;
- Proceeds from the issuance of debt are considered to be revenues, not an increase in liabilities.

The Town shall maintain its accounting records in accordance with accounting principles generally accepted in the United States of America (GAAP), applied to governmental units as promulgated by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the Uniform Accounting System prescribed by the Florida Department of Financial Services.

Budget Policies

The annual budget shall be adopted in September of each year following two public hearings. The budget shall coincide with the fiscal year, commencing on October 1 and ending on September 30.

The budget is adopted by Fund and must be balanced. A balanced budget is defined as current revenues will be sufficient to support current expenditures.

The budget shall be in such format as to allow correlation with the costs reported in the Town's Comprehensive Annual Financial Report (CAFR). Detailed estimates are provided by account at the division or program level, summarized by department, then summarized and adopted by fund.

The annual operating budget should balance the public service needs of the community with the fiscal capabilities of the Town. New programs or changes in policies that would require the expenditure of additional operating funds will be funded either through a reduction in programs of lower priority or through adjustments to rates, service charges or taxes. Requests for new programs or policies or changes to existing ones will be accompanied by an analysis of the short and long-term impact on the operational budget caused by such changed or new program or policy.

In no event will the Town levy ad valorem taxes against real property and tangible personal property in excess of 10 mills, except for voted debt levies.

Budgets and expenditures for the Town are under Town Council appropriation control. The level of budgetary control is established at the department level.

The adopted budget can be amended at any time throughout the fiscal year and up to 60 days after fiscal year end. Intradepartmental budget transfers under $1,000 may be approved by the Town Administrator. Budget transfers exceeding $1,000, budget transfers between departments and all budget amendments may occur only upon approval by the Town Council.

Capital Budget

The Town shall prepare and implement a five-year Capital Improvement Program (CIP), consistent with State requirements, the Town Charter and the Comprehensive Plan. Capital expenditures include money spent to acquire or upgrade physical assets (i.e. buildings, infrastructure, machinery, land).

Per the Town Charter, the Town Administrator shall submit the proposed CIP to the Town Council at least three (3) months prior to the final date for submission of the annual budget and no later than June 30.

The projects and project funding for the first year of the CIP, also known as the "Capital Budget," must be specifically identified and approved by Town Council. Revenue sources for the first year of the CIP shall be based on conservative assumptions of dedicated revenue sources.

Estimated budget requirements for capital projects shall include all costs reasonably associated with the completion of the project and the ongoing operating budget impact.

Revenue Policies

Revenue projections will be based on an analysis of historical trends and reasonable assumptions made on a conservative basis of future conditions. The operating budget of the General Fund will be prepared based on 95% of the certified taxable value of the property tax roll and conservative estimates of other sources of General Fund revenue.

The Town will not use long-term debt to finance expenditures required for operations.

One-time revenues will be applied toward one-time expenditures to the extent feasible. The Town will avoid using temporary revenues to fund mainstream services. Ongoing revenues should be equal to or should exceed ongoing expenditures.

A diversified and stable revenue system will be maintained to shelter the government from short-run fluctuations in any one revenue source.

Unless otherwise stated explicitly by the Town Council, the Town will not earmark discretionary revenues for specific purposes

The Town may charge the direct beneficiaries of Town services the full cost of providing those services based on comparative studies of other public and private sector entities and other considerations, such as public health and safety or ability to pay. The amount of a fee should not exceed the overall cost of providing the facility, infrastructure or service for which the fee is imposed. In calculating a cost, direct and indirect costs may be included. Service costs may be recalculated periodically, and fees will be adjusted accordingly.

Any inter-fund loan must be supported by a fiscally sound source of funds available for repayment.

Expenditure Policies

It is unlawful for the Town to expend or contract for the expenditures of more than the amount budgeted in any fund's annual appropriation for any fiscal year. An exception may be made for multi-year construction contracts where funding has been approved in the five-year Capital Improvements Program and sufficient monies are available in the current year's budget to meet the progress payments within the current fiscal year.

Contractual obligations required by labor agreements and compensation plans for employees will be included in the budget, dependent upon available funds.

Normal maintenance requirements necessary to sustain the basic asset value of fixed assets will be included in the expenditure budget of the proper operating fund.

Capital will be provided for major improvements and automation of services based on multiple-year planning and appropriate cost-benefit analyses. Future capital improvement requirements and equipment replacement will be included in operating plans or in the CIP. The annual amount set aside to provide reserves for future capital requirements will be tailored to the needs of the specific operation, if not established by bond resolution, and will be above the normal fund balance.

Fixed Assets Policies

The Town shall maintain its capital and non-capital asset records in accordance with the policy and procedures set forth by the Budget and Finance Director. The Town's Asset Inventory will be updated annually.

Individual assets costing $1,000 or more shall be capitalized.

Normal maintenance requirements necessary to sustain the basic asset value will be included in the expenditure budget of the proper operating fund.

Fund Balance Policies

An adequate fund balance should be maintained for fiscal management purposes and to ensure that funds are available to provide citizens with services and assistance following a natural disaster or during an economic crisis, to meet required bond covenants, to meet legal requirements, and to provide a safety net for unexpected expenses.

Fund balance is the difference between a fund's current assets and its current liabilities.

The balances of each fund will be maintained by using a conservative approach in estimating revenues and by ensuring expenditures do not exceed appropriations.

The Town shall maintain an Unreserved Undesignated (Stabilization) General Fund balance equivalent to 25% of General Fund operating revenues. Excess funds beyond the reserve level shall be secondly placed into the Designated for Future Capital Improvement fund balance until the funds contained therein reach 25% of General Fund Operating Revenues. Amounts above these amounts may be designated within the unrestricted fund balance or net assets for non-recurring purposes as approved by Town Council.

As a general rule, operating budgets will be balanced using current year revenues to finance current year expenditures. Fund balances and stabilization funds shall not normally be budgeted as a resource to support routine annual operating expenses.

Balances exceeding the policy targets may be budgeted judiciously at the Town's discretion as a resource to support capital projects, to address temporary cash flow shortages, for emergencies, for debt service, for unanticipated economic downturns, for sudden and severe decreases in locally collected revenues, for extraordinary and unexpected major capital maintenance needs on a non-recurring basis, and/or for other specific one-time purposes, as designated.

The entire fund balance of the CRA Fund shall be appropriated each year as required by Florida law.

Any anticipated deficit of operating expenditures over revenues at year-end will be provided for in the current year's budget amendment process through fund balance/net asset appropriations.

Enterprise Fund Policies

Enterprise funds will be used to account for those activities where the costs are expected to be funded by user fees and charges.

Service charges, rent and fee structures will be established to ensure recovery of all direct and indirect costs.

Enterprise funds capital improvements may be funded from operating revenue or unrestricted net assets, the sale of revenue bonds, loans, special assessments and grants. Enterprise Funds should be able to produce sufficient revenue from service charges to fully recover all direct operating costs and overhead, plus provide for debt service and major capital outlay.

The expenditure requirements of the operating enterprise funds will include all expenses of the operations, as well as debt payments for interest.

Enterprise operating funds will pay the General Fund for their proportionate share of the cost of general administrative departments.

Internal Service Fund Policies

The Internal Service Funds will be used to account for the cost of providing specific goods or services to Town departments where those services can reasonably be apportioned to the users on a cost-reimbursement basis.

Charges to departments for internal services rendered will be sufficient to cover the total cost of performing services on an efficient basis.

Rates or rate schedules for such charges shall be prepared. Replacement of equipment, including considerations for inflation, will be included in the cost of furnishing services.

Lease purchase or borrowing of funds will be considered appropriate only if it involves a major conversion from which the cost saving benefits will accrue in future years during the useful life of assets acquired by such methods.

Investment Policies

The investment of Town funds shall be controlled by the Town's Investment Policy as approved in Resolution 2003-070. The highest priority for the investment program is safety of principal, followed by maintenance of liquidity and return on investment.

Bond or loan proceeds for construction funds are to be held in a qualified financial institution separate from the Town's operating accounts.

Arbitrage restricted bond proceeds for construction funds may be held in a separate account and earn applicable interest income and investment income, as guided by the Town's Investment Policy.

Debt Policies

The Town will not use long-term debt to finance expenditures required for operations.

A policy of full disclosure will be followed in all financial reports and official statements for debt.

In no event will the Town levy ad valorem taxes against real property and tangible personal property in excess of 10 mills, except for voted debt levies, as limited by Section 200.081 Florida Statutes.

General capital improvements, or those improvements not related to municipally-owned enterprises, may be funded from General Fund revenues or fund balances, the sale of revenue bonds or general obligation bonds/loans, special revenues, special assessments and grants.

Enterprise funds' capital improvements may be funded from operating revenue or unrestricted net assets, the sale of revenue bonds, loans, special assessments and grants. Enterprise Funds should be able to produce sufficient revenue from service charges to fully recover all direct operating costs and overhead,

plus provide for debt service and major capital outlay. The expenditure requirements of the enterprise operating funds will include all expenses of the operations, as well as any debt payments for interest.

Debt Limits

The general obligation (GO) debt limit is 10% of the total assessed taxable value of the Town. This type of debt is also referred to as voted debt. In no event will the Town levy ad valorem taxes against real property and tangible personal property in excess of 10 mills, except for voted debt levies, as limited by Section 200.081 Florida Statutes.

The sale of revenue bonds for capital improvements will be limited to that amount which can be supported from the pledge of the specific revenue.

The sale of revenue bonds for enterprise funds will be limited to that amount which can be supported from user fees generated, or combination of other revenues.

- For FY 2012, the GO debt limit is calculated as .10 x $6,572,436,113 = $657,243,611.
- For FY 2012, GO debt service totals $5,537,917.
- For FY 2012, the millage rate for GO debt service is .7885 mills.

Debt Financing

Consistent with IRS regulations, debt repayment will not exceed the average life of improvements.

Long Term Debt: Annual debt service payments will be level over the life of a bond issue, unless fiscal or other constraints dictate an alternative approach. A policy of full disclosure will be followed in all financial reports and official statements for debt.

Medium Term Debt: Lease-purchase agreements, bonds, loans, or other debt instruments may be used as a medium-term (3-10 years) method of borrowing for the financing of vehicles, specialized types of equipment, or other capital improvements. The equipment or improvement must have an expected life of more than three years. The Town will determine and utilize the least costly financing methods available. Such debt arrangements will be repaid within the expected life of the equipment or improvement acquired.

Short Term Debt: Short-Term borrowing may be utilized as temporary funding for anticipated tax revenue, grant payments and bond proceeds, or for other expected revenues. Anticipated funding is defined as an assured revenue source with the anticipated amount based on conservative estimates. Such borrowing may utilize a short-term note maturing before the end of the current appropriation period. Other short-term debt, such as tax-exempt commercial paper, bond anticipation notes or tax anticipation notes, may be used when it provides immediate financing and an interest advantage, or delays long-term debt until market conditions are more favorable. The Town will determine and utilize the least costly method for short-term borrowing. Short-term debt may be refunded in accordance with applicable Federal laws.

Bond Ratings

The Town shall periodically review actions possible to maintain or improve its bond ratings. The Town shall maintain good communications with bond rating agencies about its financial condition. A policy of full disclosure will be followed in all financial reports and official statements for debt.

Davie at a glance

- *Established 1925*
- *Incorporated 1961*
- *Land Area in Miles: 35.59*
- *Five-member Town Council, nonpartisan, an at-large Mayor and four Councilmembers elected by districts*
- *Town Administrator appointed by the Town Council*

Demographics

Population

1980	20,515
1990	47,143
2000	75,720
2011	92,146
Median Age	37.3
Number of Households (Amer. Com Survey)	34,893
Median Household Income (Amer. Com Survey)	$57,400

Racial Composition

White	51%
Hispanic	29%
African American	8%
Asian American	5%
Other	7%

Education

Number of Public Schools	**11**
Elementary	7
Middle School	2
High School	2
Number of Private Schools (K-12)	**16**

Accredited Higher Education Institutions **7**

- Nova Southeastern University (NSU)
- Florida Atlantic University (FAU)
- University of Florida (UF)
- Broward College (BC)
- McFatter Vocational
- Broward County Fire Academy
- Police Academy (located at BC)

Economics

Property Tax Millage Rate	
Operating Millage Rate	4.8122
Voter Approved Debt	0.7885
Total	5.6007
Bond Ratings	
Moody's Investors Services	A2/A1
Standard and Poors	A+
Fitch Rating Services	A/A

Police

Sworn Police Officers	172

Fire Rescue

Certified Firefighters	136

Total Town Staff

Full-Time	598
Part-Time	63
Mayor & Town Council	5
Total Budgeted Positions	666

Parks, Open Space & Recreational Facilities

Number of Town-owned Park Sites	45
Acreage Total (Town)	989
County/State-owned Parks in Davie	5
Acreage Total (County/State)	928
Park Attendance	325,000
Sports Programs (Participants)	7,000
Summer Camp	400
Aquatics Program Participants	1,700
Multipurpose Open Gym Usage	5,000
Athletic Field Rentals	550
Meeting Room Rentals	550
Shelter Rentals	360
Volunteer Hours	70,000

Public Works

Roadways Maintained in Miles	304
Paved Rec. Trails Maintained in Miles	135
Equestrian Trails	86
Parks & Open Space Maintained	47
Structures Maintained (243,392 sq. ft.)	222
Drainage Structures Maintained	2,691
Street Lamps	3,684
Sports Lights	1,000
Irrigation Systems	31

Utility District

Size in square miles (approximately)	12
Miles of Water Lines	161
Fire Hydrants	1,100
Miles Gravity Sewer Mains	71
Miles Force Main Piping	26
Manholes	1,658
Lift Stations	62
Water Treatment Capacity	5.5 MGD*
Wastewater Treatment Capacity	5.0 MGD*
Average Water Flow	4.2 MGD*
Average Wastewater Flow	3.5 MGD*
Number of Accounts	9,805
Population	33,229

*MGD = Million Gallons per Day

SHORT HISTORY

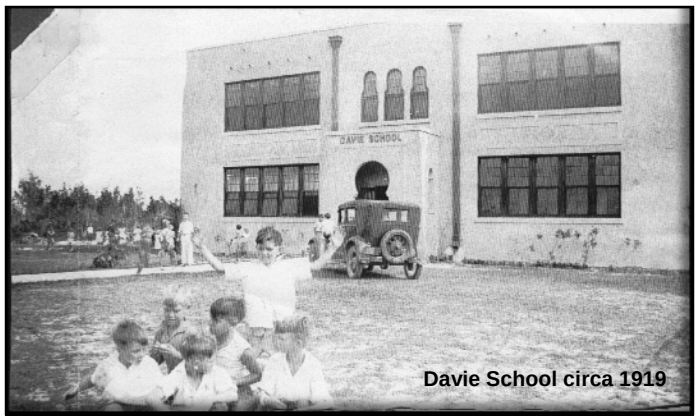
Lawrence Hotel - the oldest building still standing. Located on Griffin Road west of Davie Road

Archaeological records of human settlement in Davie date to 1000 B.C.E. when the ancient Tequesta Indians lived on a string of islands in the Everglades west of Fort Lauderdale. In the 19th Century, these islands became some of the first permanent settlement sites of the Seminole Indians. U.S. Military expeditions of the islands in 1841 documented three villages, dancing grounds, crops and "an immense number of fleas, cockroaches and mosquitoes."

In 1905, Florida Governor Napolean Broward called for a giant "land reclamation project" that would aggressively drain portions of the Everglades and reclaim that land for agriculture. In 1906, Robert Parsell (R.P.) Davie, a Colorado developer, bought about 27,000 acres from the State. Other developers did likewise. Construction of irrigation and drainage canals was begun and smaller parcels of land began to be sold to persons all over the country who responded to Davie's ads for the "First Improved Town in the Everglades."

Permanent settlers began to arrive in the area around 1909 from Michigan, Kentucky, Illinois and the Panama Canal Zone. At that time, the area could still only be accessed by boat on the New River from Fort Lauderdale. A rock road wouldn't be built until 1917. Finding the frontier terrain and its problems similar to the canal zone, the pioneers named the swampy area Zona. Around 1910, R.P. Davie and the Everglades Sugar & Land Company built a school in Zona. In 1916, the people of the town renamed the town "Davie" after him in recognition of the school and other services. In 1918, the school was replaced by a two story permanent structure named Davie School. This school is now recognized as the first permanent school in the Everglades and is listed on the National Register of Historic Places.

In 1925, the agricultural-based Town of Davie was officially incorporated, but was subsequently dissolved as a municipal corporation by the State of Florida when local residents failed to adopt the necessary taxing powers. The hurricane of 1926 caused massive flooding and destroyed much of the area, but by 1928 the settlers again had homes, productive farms, a school, a church, and a general store including a dock and ice house. Irrigation and drainage canals had improved the terrain, and though there were as yet few roads connecting Davie with the outside world, mail and supplies came in weekly by boat.

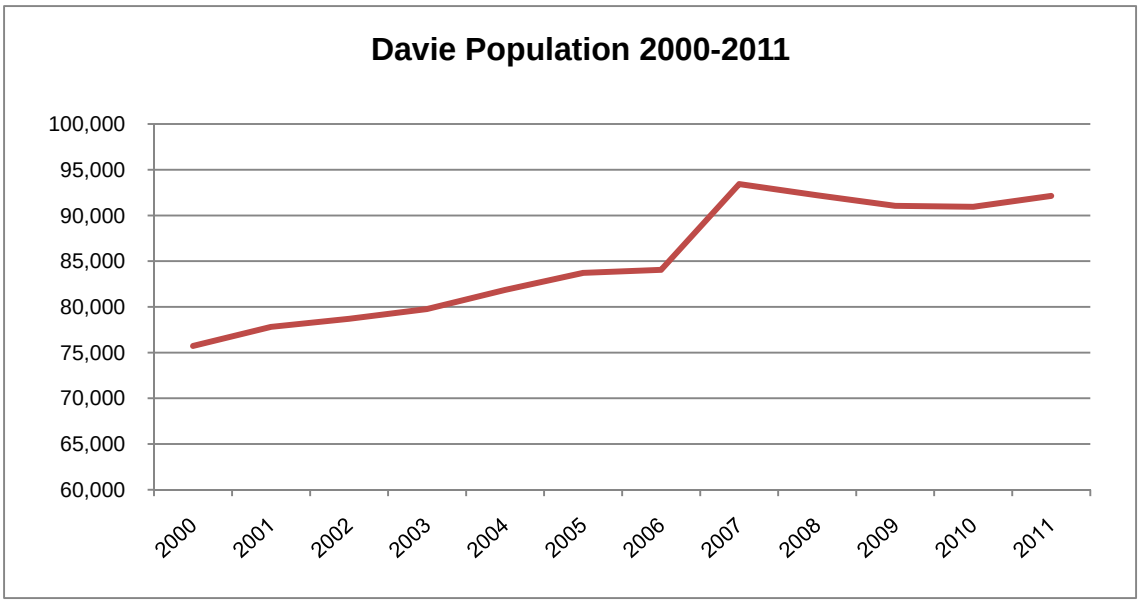


Davie School circa 1919

Throughout the next three decades, Davie continued to develop as an agricultural community known for its orange groves, vegetables, cattle farms, horses and rodeo. During the Second World War, Davie was home to the Navy's flight training base located at Forman Field.

The Town of Davie was reincorporated in 1961, and largely remained an agricultural community until the 1990s. The Town has experienced significant economic growth and a 22% increase in population since 2000 alone, but has slowed significantly over the last few years due to the economic recession and collapse of the housing market. Data from 2011 released by the State's Bureau of Economic and Business Research indicates that the Town has great diversity in its 92,000 residents. Part of the growth over the last decade is a result of annexations that increased the Town's population by over 10,000 residents. Recent declines were due to the closing of a mobile home park in the downtown area.

Under Florida law, Davie is considered a Municipal Corporation, and the Town exists as a Council-Administrator form of municipal government. The Mayor is elected by all registered voters of the Town, while the four Council members are elected only by the registered voters of a specific district. The Mayor serves as chairperson of public meetings and executes certain documents authorized by charter, ordinance, or resolution. Each elected official serves a three-year term of office. The Council appoints the Town Administrator, the Town Attorney, and confirms the Town Administrator's appointment of the Town Clerk. The Town Administrator appoints Department Directors. The Department Directors have the primary responsibility to hire and fire employees, however, the final decision ultimately rests with the Town Administrator.

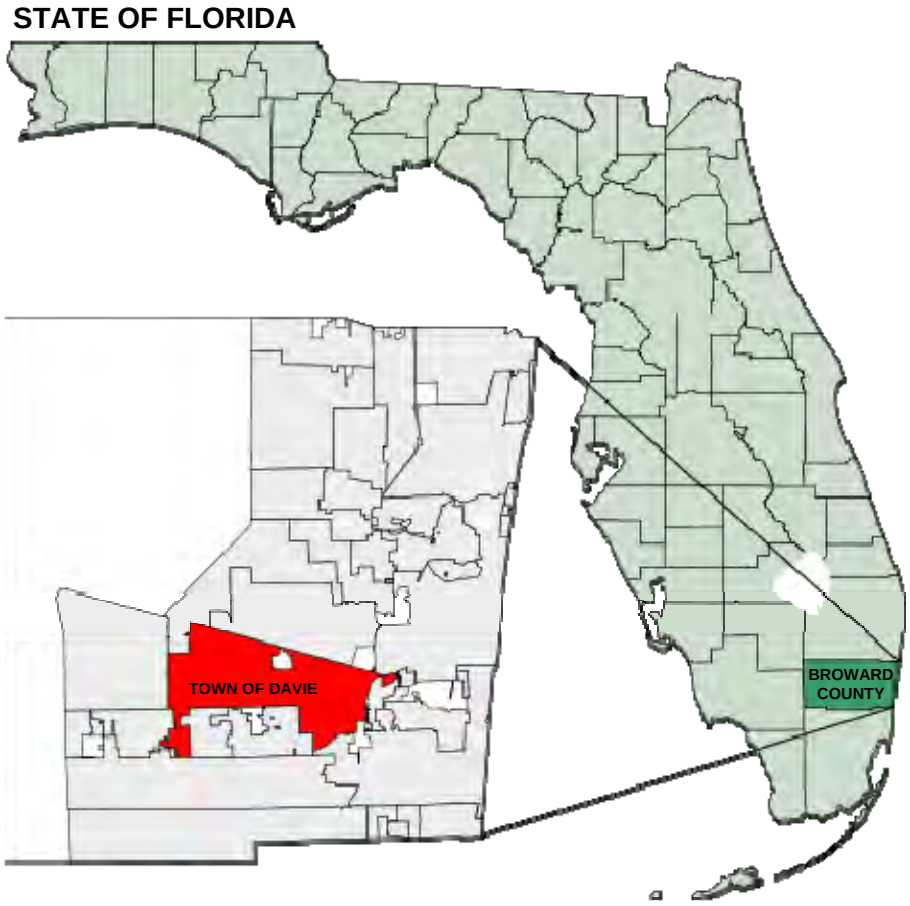


The Town's rapid growth has been accompanied by a tremendous effort to provide for land preservation. Davie implemented the State's first open space program, has acquired a considerable amount of land and developed connecting trails between its parks and open space areas. Horseback riding, bicycling, and hiking have all become favorite Davie pastimes. The Town currently has 45 parks and 5 County parks totaling 928 acres and more than 220 miles of trails. Joint land preservation efforts by Davie, the County and the State have yielded extraordinary benefits that complement the Town's own efforts; a recent result of this effort would be 118 acre Van Kirk Parcel and the 54 acre Davie Farm Park site.

Davie is proud and fortunate to include the South Florida Education Center (SFEC) – the largest higher education center in the State. Home to Nova Southeastern University (NSU) and satellites of five other colleges, much expansion has been seen during the past five years, particularly on the NSU campus. The Miami Dolphins training camp, NSU Medical School, Law School, School of Dentistry, Research Library, and the Huizenga Graduate School of Business have brought new interest to the lands surrounding the campus. Other college and university campus facilities exist, are under construction, or are planned by the University of Florida, Florida Atlantic University, Florida International University, McFatter Technical School and Broward College. It is estimated that 40,000 students and faculty a day visit all of these facilities.

Location

While part of the greater Fort Lauderdale metropolitan area, the Town has maintained much of its pioneering heritage, rustic, and rural lifestyle. Agriculture, though still present and important to the Town, is giving way to higher education facilities and research and development centers. The Town has grown to over 35.6 square miles. The Town's Open Space and Recreational programs were the first of their kind in Florida, and they are a source of great civic pride. With modern port facilities and a world-class airport only moments away and linked by several interstate and toll highways, the Town has proven to be a mecca for individuals and businesses wishing to be part of the growing South Florida community. Only twenty minutes from downtown Miami, and less than half that to Fort Lauderdale, Davie has capitalized on its central and important location.



The Town of Davie is centrally located within Broward County, approximately five (5) miles from the Atlantic Ocean, five (5) miles from the Florida Everglades Conservation Areas, and approximately sixteen (16) miles from both Miami and Boca Raton. The Town, a true transit municipality, neighbors municipalities to the north, which include Plantation and Sunrise. Adjacent to the south is Cooper City, Hollywood and Pembroke Pines. The City of Weston lies along the western Towns limits. Unincorporated Broward County and Dania adjoin to the east of the Town.

BUDGET OVERVIEW

Budget in Brief

The Fiscal Year 2012 budget for the Town of Davie was adopted on September 21, 2011. The budget was adopted following four workshops and two public hearings.

As a municipal corporation, the Town's budget is comprised as a collection of smaller, separate entities known as funds. Each fund is a distinct financial entity with its own revenues and expenditures. Additional information about the Town's funds may be found in the "Fund Structure" section of this publication. For FY 2012, the budgeted funds include:

- General Fund;
- CRA Fund;
- CDBG Fund;
- Parks & Open Space Impact Fees Fund;
- Fire Impact Fees Fund;
- Police Impact Fees Fund;
- General Government Impact Fees Fund;
- Forfeiture Fund;
- Community Endowment Fund;
- Water & Sewer Fund;
- Water & Sewer Capital Projects Fund;
- Golf Fund;
- Vehicle Maintenance Fund;
- Self Insurance Fund;
- Technology Information Management Fund.

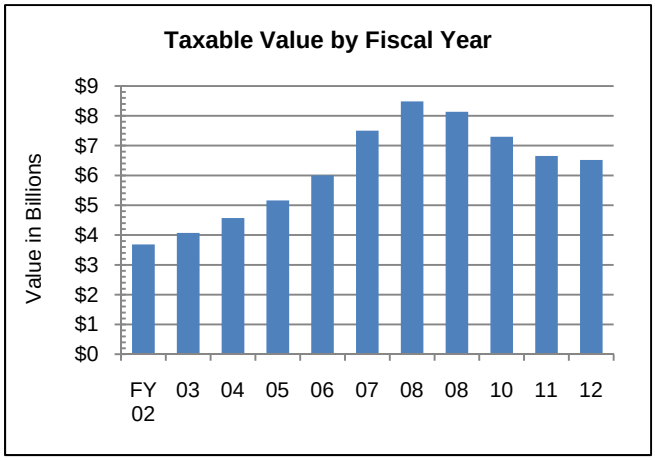
The FY 2012 Budget for the above funds totals $238,897,116. This represents an increase of $47,408,481, or 24.8%, compared to the FY 2011 Original Budget. This increase is nearly entirely due to the more than $63 Million of bond-funded projects in the CRA Fund and the Water & Sewer Capital Projects Fund. High expenditure rates for these funds are anticipated to continue through FY 2013 and then should decrease substantially for FY 2014 as projects are completed. The budget of the Town's primary operating fund, the General Fund, increased by 3% for FY 2012.

The FY 2012 budget is balanced and reflects the 2010-2012 Strategic Plan and departmental business plans that were adopted by the Town Council in November 2010.

Significant Budget Items & Trends

Some notable features of the FY 2012 budget include:

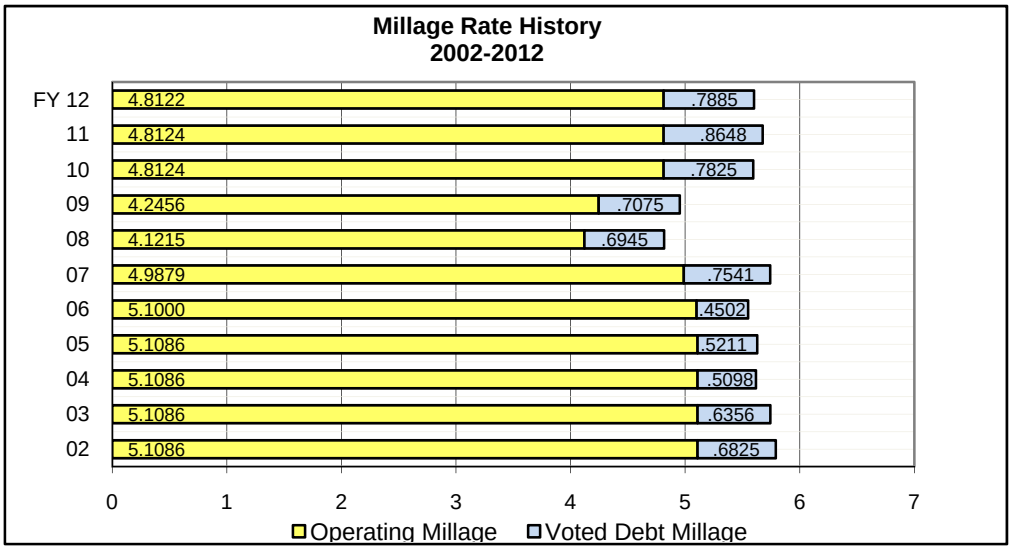
- The taxable value of the Town decreased by $136,252,872, or 2%, from the prior year. This is the fourth straight year for declines in the tax base. Since FY 2008, the taxable value of the Town has declined by 23%.



- Despite the drop in taxable value, the operating millage rate will decrease from 4.8124 mills per $1,000 of assessed value in FY 2011 to 4.8122 mills in FY 2012. The FY 2012 millage rate is 1.1% less than the "rolled-back" rate of 4.8656 mills, or the millage rate that would allow the Town to collect the same amount of revenue in FY 2012 as it did in FY 2011.

- The voter-approved debt service millage rate will decrease from .8648 mills in FY 2011 to .7885 mills in FY 2012. This decrease was achieved through the appropriation of $614,500 from the General Fund's "Reserve for Voted Debt Service" to use toward the necessary general obligation debt service for the fiscal year.

- The combined general operating and voted debt service millage rate is $5.6007 per $1,000 of assessed value, a decrease of $.0765 mills, or 1.3%, from the prior year.



- There is no change in the rates charged for the Fire Assessment. A single family residence will continue to pay $130 per year.

- The Solid Waste Service Assessment will decrease by $65.14. Each residential unit will pay $266.50 for the year, compared to $331.64 last year.

- There will be no reduction in services provided.

- Approximately $2.5 Million is budgeted as one-time transfers from the Self Insurance Fund and the Vehicle Maintenance Fund to the General Fund to support operating costs.

- Approximately $1.17 Million is appropriated from the General Fund's fund balance to support projects in the FY 2012 Capital Improvements Plan (CIP).

- Water and Sewer fees will increase by approximately 16% combined.

- Construction costs of the new water and sewer plant are budgeted at $50 Million for FY 2012. Total cost of the plant and its related infrastructure is estimated at $120 Million, making it the largest capital project in the Town's history. Interest payments on bonds issued to fund the project will cost more than $6 Million in FY 2012, compared to $3 Million in FY 2011.

- Bond-funded capital projects in the Community Redevelopment Agency Fund are budgeted at just over $13 Million in FY 2012. Debt service for the bonds will exceed $1.7 Million in FY 2012, compared to $878,160 in FY 2011.

Personal Services

- Total full-time positions budgeted in all funds for Fiscal Year 2012 is 598. Part-time and seasonal positions comprise another 63 positions. These figures compare to 600 full-time and 55 part-time and/or seasonal positions included in the FY 2011 Budget. Part time positions budgeted for the Mayor and four members of the Town Council remains consistent at 5.

- The Town has 169 fewer budgeted positions in FY 2012 than it did in FY 2004, a 20% decrease in the workforce.

- Payroll cost increases for FY 2012 are largely driven by salary increases approved for employees in the police and general employee's collective bargaining units. In addition, for the first time, the Town has budgeted for the cash-in of sick and vacation accruals that are permitted under the police and fire collective bargaining agreements.

Operating Expenditures

- Operating costs were largely held flat for FY 2012.

- Increases for fuel, communications and some utilities will be experienced, as will increases for various legal and actuary services.

Capital Improvements

- The Town adopted its 5-Year Capital Improvements Plan for FY 2012-2016 on July 27, 2011. The CIP Summary can be found in the Appendix of this budget document. Appropriations made in the Town's Capital Projects Funds (Fund 300 and Fund 310) as part of the CIP are not included in the Town's annual operating budget. CIP appropriations for the CRA and Water & Sewer Funds are included in the annual budget.

- Capital expenditures in the adopted budget total $81,879,265, of which $78,005,553 (95%) are in the Water & Sewer Funds and the CRA Fund. Construction of the new water & water reclamation facility alone comprises $50,000,000 of the budgeted total.