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# **Town Council Budget Workshop Introduction**

Richard J. Lemack  
Town Administrator  
June 8, 2016



# FY 2017 Strategic and Budget Objectives

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- Fiscal Stability
- Continue to adjust Town service delivery levels to meet population growth
- Preserve and invest in recreational amenities
- Grant Assistance for Operating and Capital expenditures
- Recurring Funding source for CIP



# FY 2017 Budget Outlook

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- Reduction of the Operating Millage Rate
  - From 5.0819 to 5.0799
- Reduction of Debt Service Millage Rate
- Reduction of the Solid Waste Assessment offset by an increase in the Fire Assessment (\$23)
- No Use of General Fund Reserves
- Transfer of .1 mills for the Capital Improvement Program (CIP)



# Agenda

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- Focus on the General Fund
- Compare Original FY16 Budget to Proposed FY 17
  - Significant Changes – Revenue / Expenses
- Property Taxes
- General Fund Reserves
- Position Changes
- Debt Service
- Impact on Homeowner

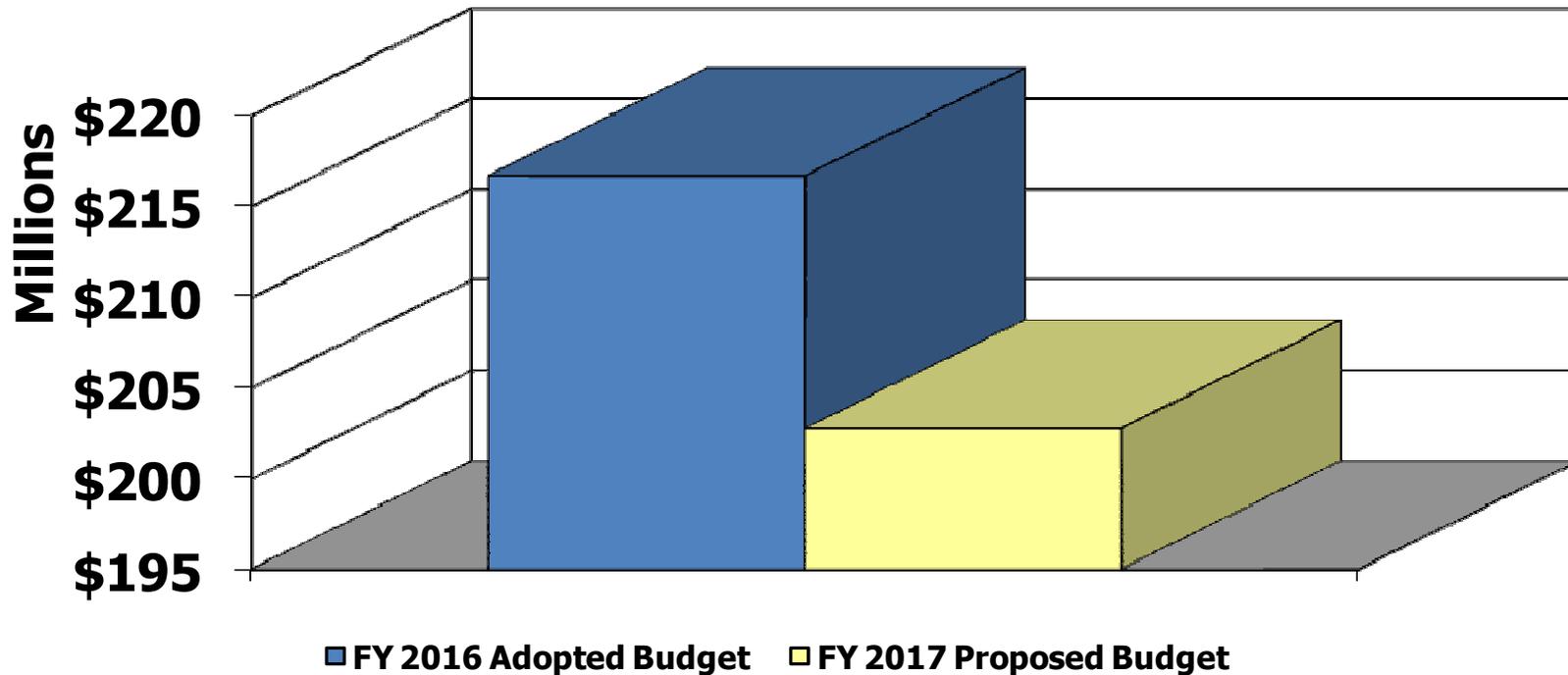


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# Town of Davie FY 2017 Budget



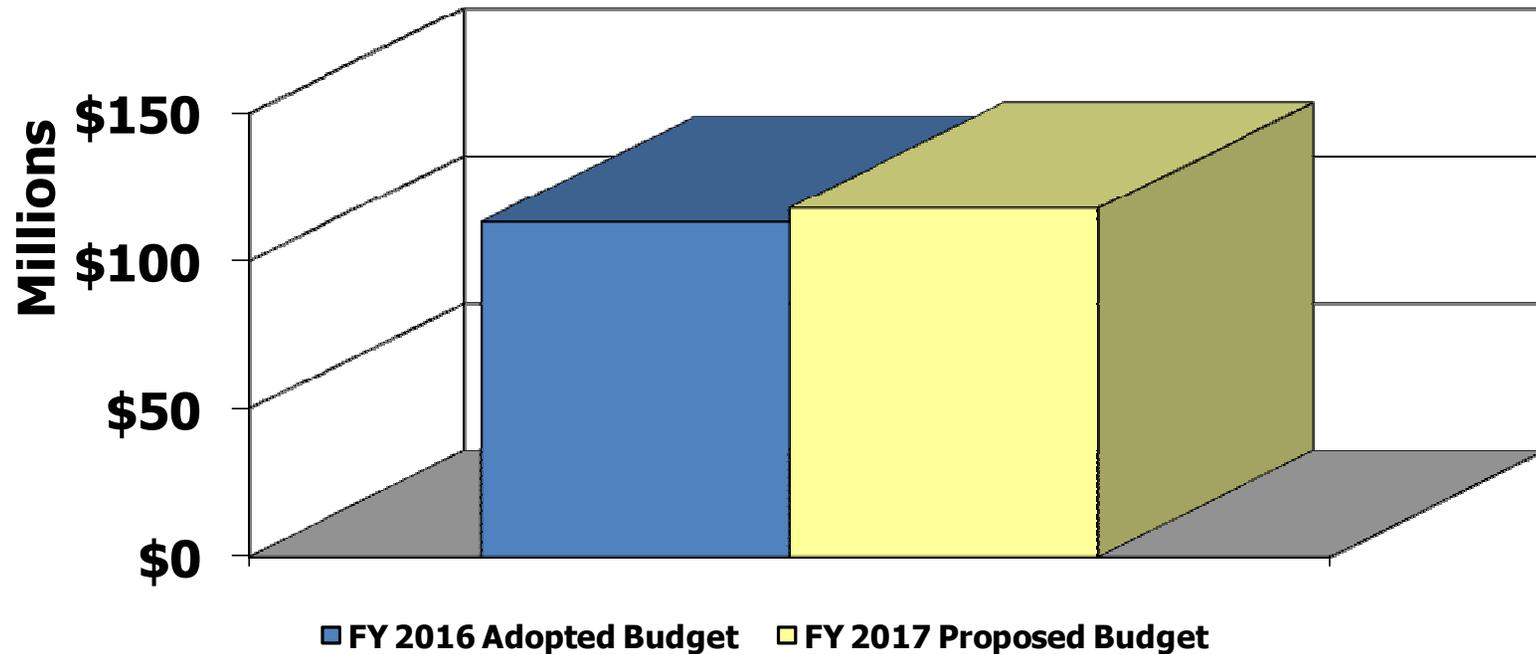
# Town of Davie Proposed Budget



Adopted FY 2016 Budget - \$216.7 Million  
Proposed FY 2017 Budget - \$202.8 Million  
Decrease of \$13.9 million, or 6.4%



# General Fund Proposed Budget



Adopted FY 2016 Budget - \$113.1 Million  
Proposed FY 2017 Budget - \$117.9 Million  
Increase of \$4.8 million or 4.2%



# FY 2017 Proposed Budget

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## General Fund Summary

FY2017 Projected Revenues	\$117,882,430
FY2017 Projected Expenditures:	- <u>\$ 117,882,430</u>
<b>Difference</b>	<b>\$0</b>



# FY 2017 Budgeted Revenues Compared to FY 2016 Budget

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- Ad Valorem – \$2.8 million Increase
- Fire Assessment – \$1.5 million Increase
- Recycling Revenue – \$442k Decrease
- FP&L Utility Tax & Franchise Fees – \$875k Increase
- State Revenue Sharing – \$214k Increase
- Half Cent Sales Tax – \$316k Increase



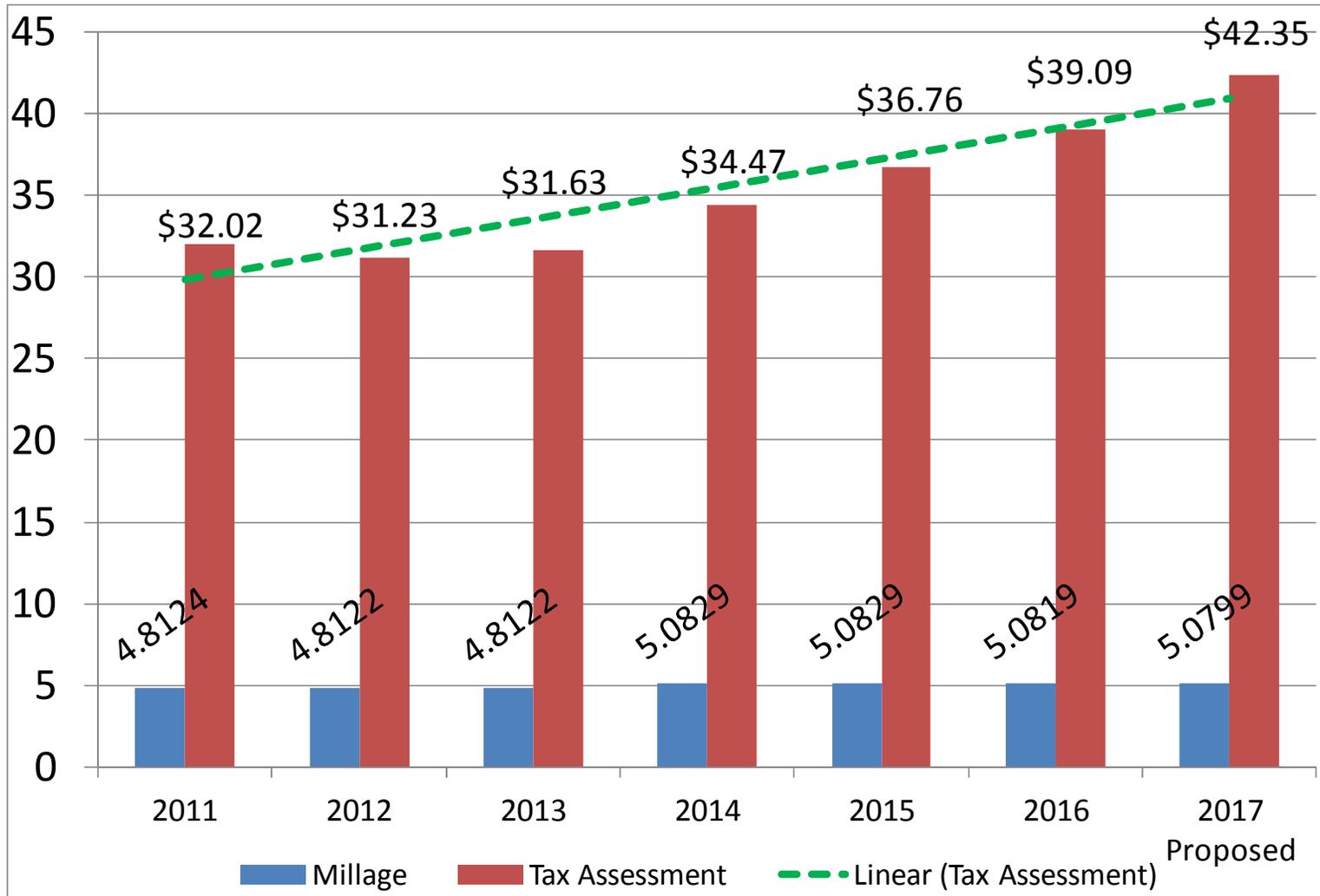
# FY 2017 Budgeted Revenues Compared to FY 2016 Budget

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- SWR Contractual Services – \$184k Increase
- PRCA Revenue – \$122k Increase
- Communications Services Taxes – \$166k Decrease
- Seminole Compact – \$225k Decrease
- Use of Reserves for CIP – \$990k Decrease



# Property Tax Assessment & Millage Rate Comparison (\$ millions)





# Millage Rate & Tax Assessment

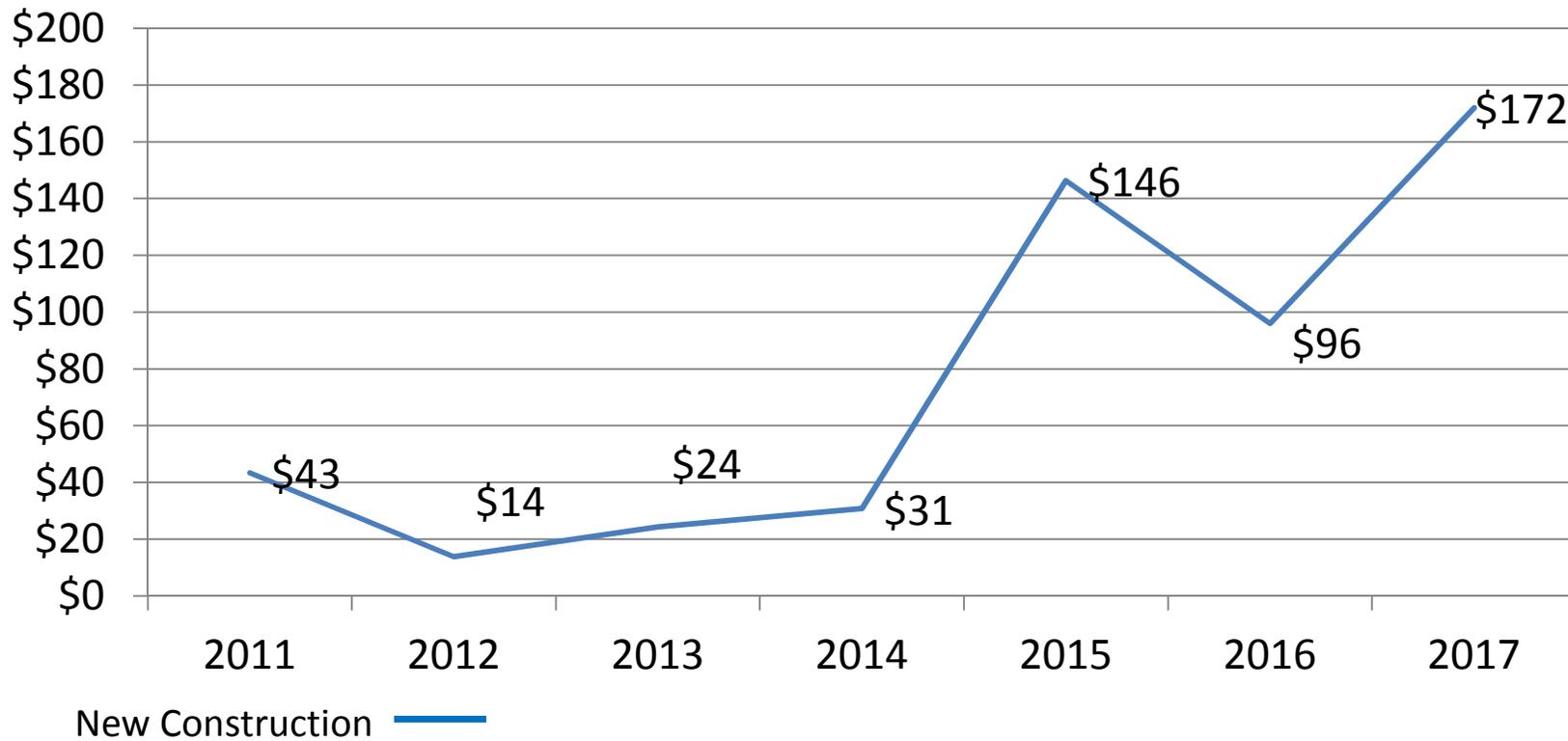
Fiscal Year	Millage	Gross Taxable Value	Tax Assessment
2006	5.1000	\$6,002,680,322	\$30,613,670
2007	4.9879	\$7,502,023,626	\$37,419,344
2008	4.1215	\$8,482,011,941	\$34,958,612
2009	4.2456	\$8,195,293,709	\$34,531,838
2010	4.8124	\$7,385,029,317	\$35,539,715
2011	4.8124	\$6,711,266,748	\$32,297,300
2012	4.8122	\$6,572,436,113	\$31,627,877
2013	4.8122	\$6,614,262,744	\$31,829,155
2014	5.0829	\$6,828,101,369	\$34,706,556
2015	5.0829	\$7,316,721,257	\$37,190,162
2016	5.0819	\$7,750,245,282	\$39,385,971
2017 Proposed	5.0799	\$8,337,136,696	\$42,351,821



# Economic Development

(\$ in millions)

## Taxable Value of New Construction





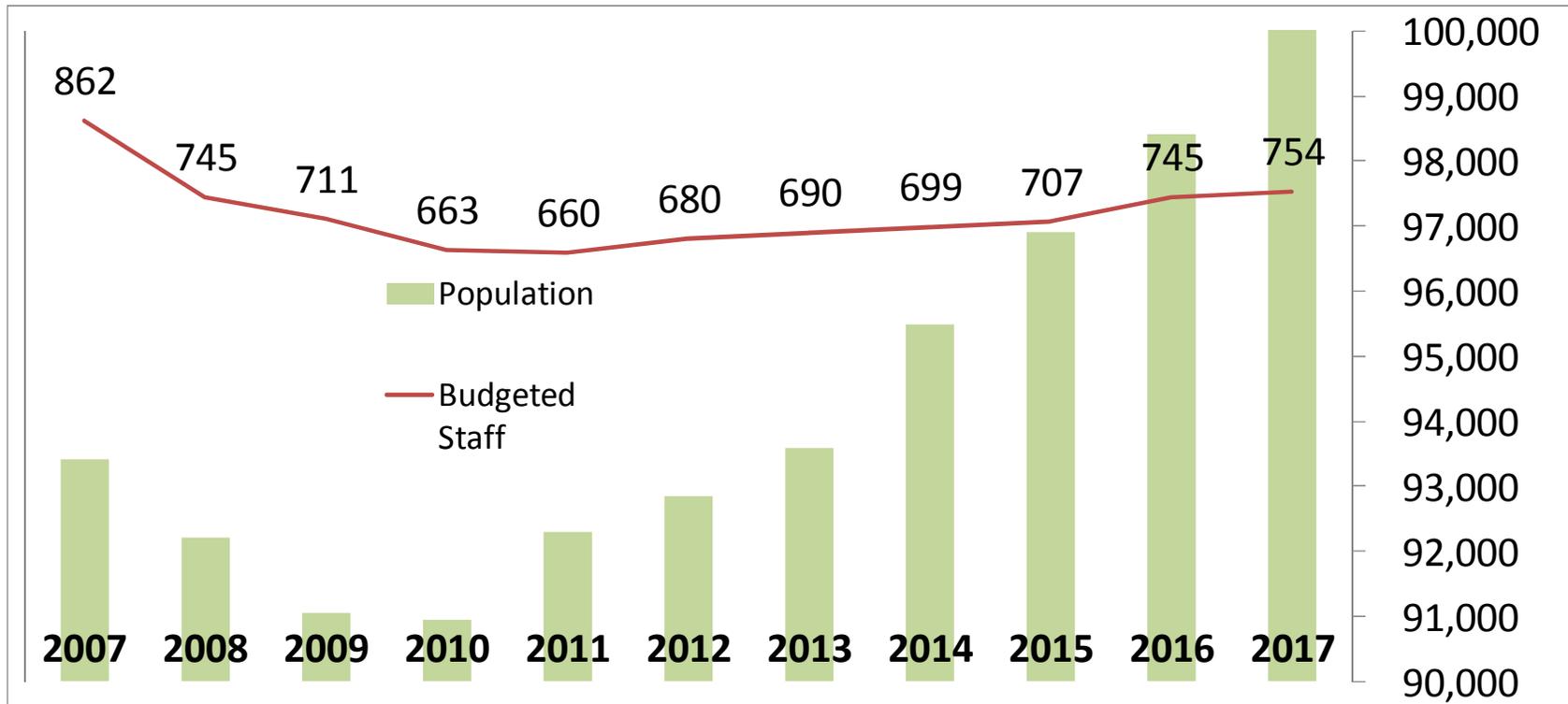
# Millage Rate Scenarios

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- **Proposed millage rate: 5.0799**
  - Allowable with 2/3 vote
  - Advertised tax increase
  - Estimated ad valorem revenue of \$40,234,230 (at 95% receipt rate)
- **Est. Rolled-back millage rate: 4.8018**
  - Allowable with simple majority vote
  - No advertised tax increase
  - Estimated ad valorem revenue decrease \$2,202,630 (at 95% receipt rate)
- **Est. Maximum majority vote millage rate: 4.9819**
  - Allowable with simple majority vote
  - Advertised tax increase
  - Estimated ad valorem revenue decrease \$776,187 (at 95% receipt rate)

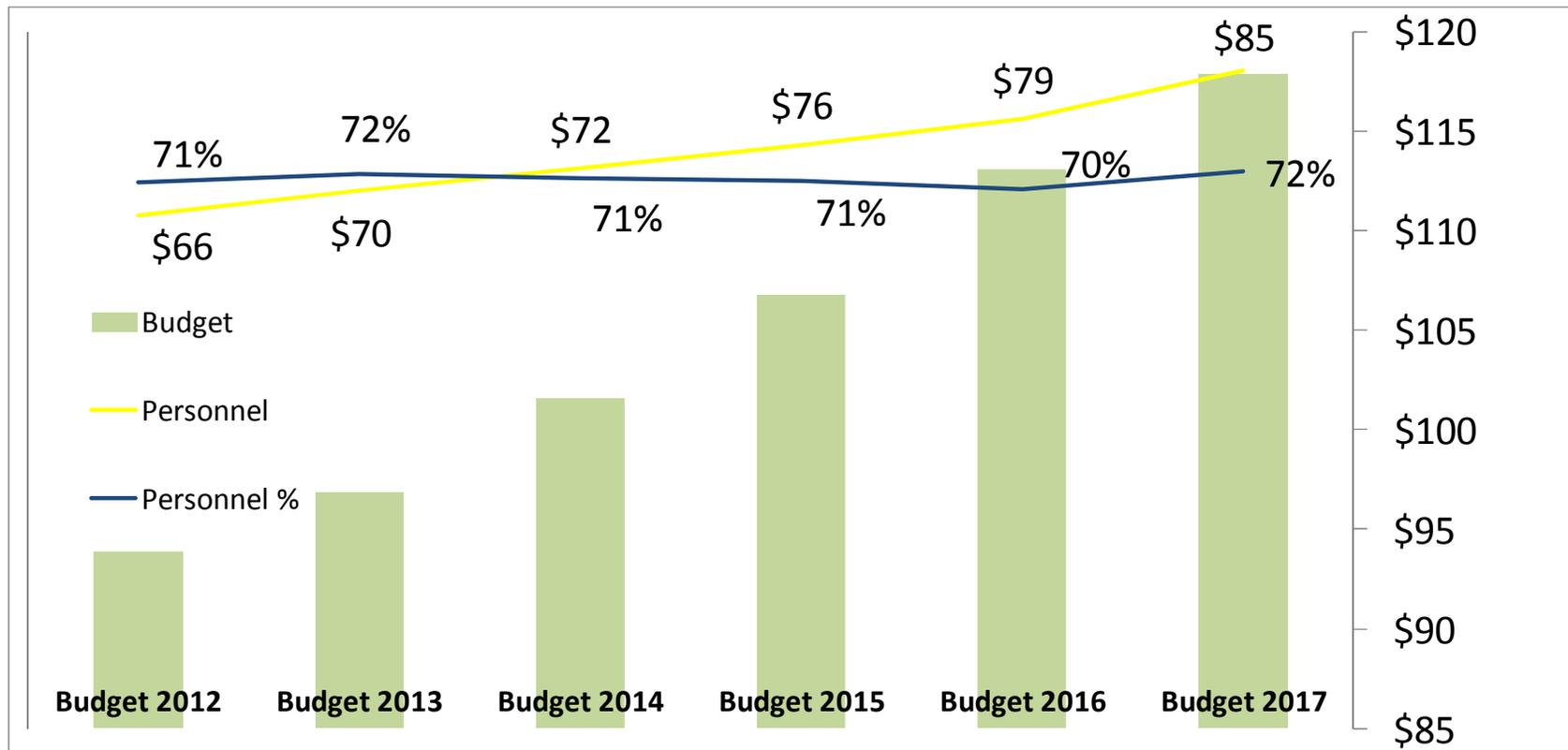


# Population to Staff





# General Fund Growth (in millions)





# Broward County Municipal Millage Rates

1	West Park	8.6500	17	Cooper City	5.9293
2	Lauderdale Lakes	8.5000	18	Plantation	5.9000
3	Pembroke Park	8.5000	19	Pembroke Pines	5.6368
4	Lauderhill	7.5898	20	Hallandale	5.1918
5	North Lauderdale	7.5000	21	Davie	5.0799
6	Sea Ranch	7.5000	22	Pompano Beach	4.9865
7	Hollywood	7.4479	23	Coral Springs	4.7982
8	Tamarac	7.2899	24	Lazy Lake	4.7931
9	Miramar	6.7654	25	SW Ranches	4.3354
10	Margate	6.3402	26	Fort Lauderdale	4.1193
11	Oakland Park	6.1995	27	Parkland	3.9870
12	Deerfield Beach	6.1949	28	Lauderdale by the Sea	3.7379
13	Coconut Creek	6.1803	29	Lighthouse Point	3.5893
14	Wilton Manors	6.0683	30	Hillsboro Beach	3.5000
15	Sunrise	6.0543	31	Weston	2.3900
16	Dania Beach	5.9998	32	Unincorporated	2.3353



# Broward County Residential Fire Assessment Rates

1	SW Ranches	\$439.02	14	Oakland Park	\$196.00
2	Lauderhill	\$438.00	15	Wilton Manors	\$195.54
3	Weston	\$408.23	16	Dania Beach	\$190.00
4	West Park	\$381.00	17	Unincorporated	\$190.00
5	Miramar	\$352.34	18	Davie	\$189.00
6	Lauderdale Lakes	\$292.60	19	North Lauderdale	\$178.00
7	Tamarac	\$265.00	20	Coconut Creek	\$177.79
8	Pembroke Pines	\$259.55	21	Deerfield Beach	\$175.00
9	Fort Lauderdale	\$225.00	22	Cooper City	\$161.28
10	Parkland	\$210.00	23	Coral Springs	\$147.00
11	Hollywood	\$209.00	24	Pompano Beach	\$134.00
12	Sunrise	\$199.50	25	Lauderdale by the Sea	\$123.50
13	Hallandale	\$198.00	26	Lighthouse Point	\$90.34



# FY 2017 Nonrecurring Revenue

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- One-time revenue sources - \$1.2 million
- General Fund Reserves - \$0

*Fiscal Stability*



# CIP Funding

## Fiscal Stability

- Facts
  - The Town formalized a partial funding source for CIP \$834k operating transfer for FY 2017 CIP
  - CIP has had several different funding options over the years (reserves, operating revenue, bonds, other funding sources)
- Issue
  - An aging infrastructure and a growing municipality
  - CIP needs are expected to continue to grow



# 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 2017 Proposed Budget - \$33.0 million

*Fiscal Stability*



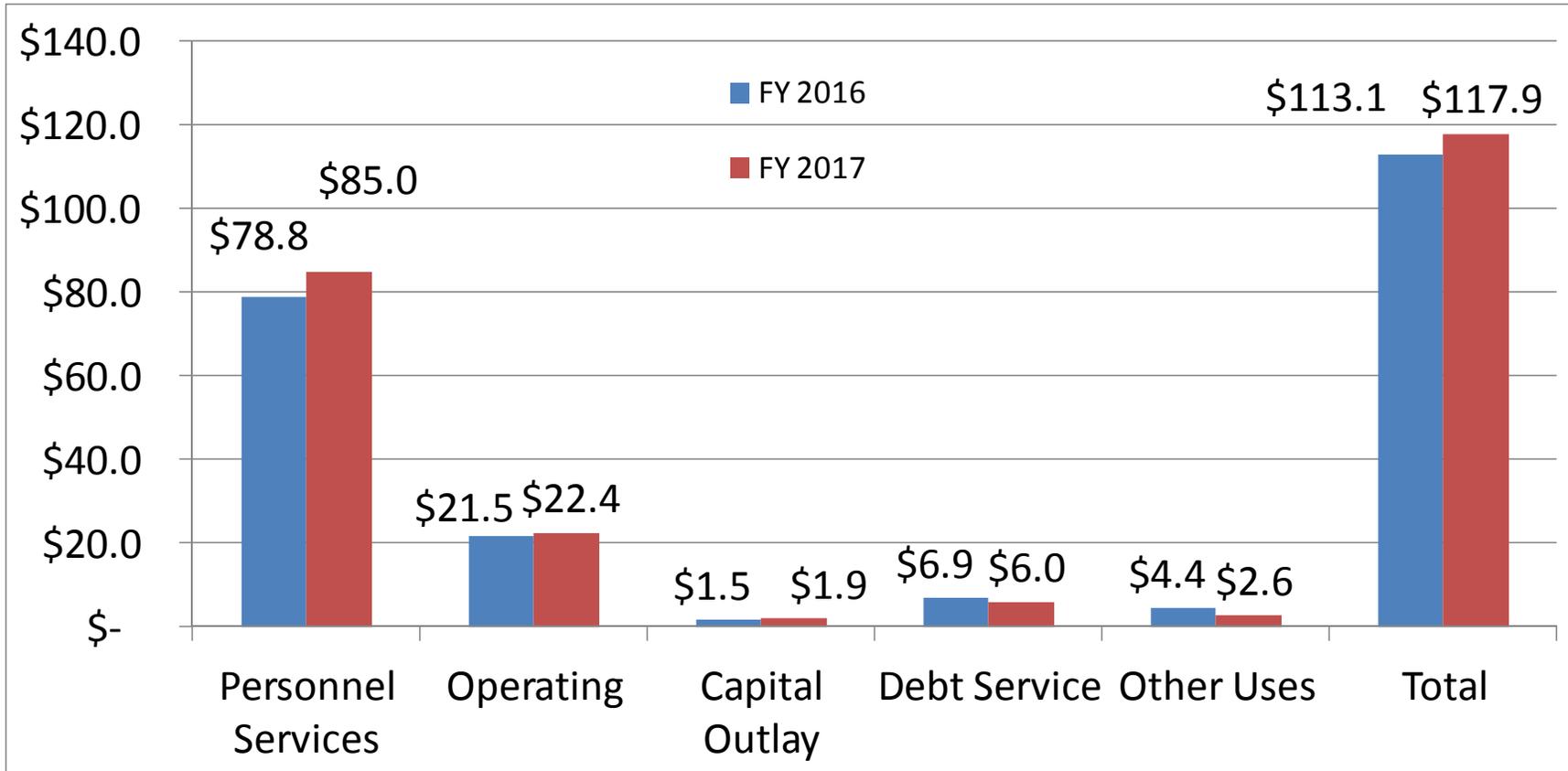
# General Fund Reserves

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- Significant pending items that may impact Reserves:
  - FEMA reimbursement
  - CIP Funding Source
  - Meeting Future Years emergency funding reserve requirement
  - Must consider FOP negotiations
  - Information Technology Needs



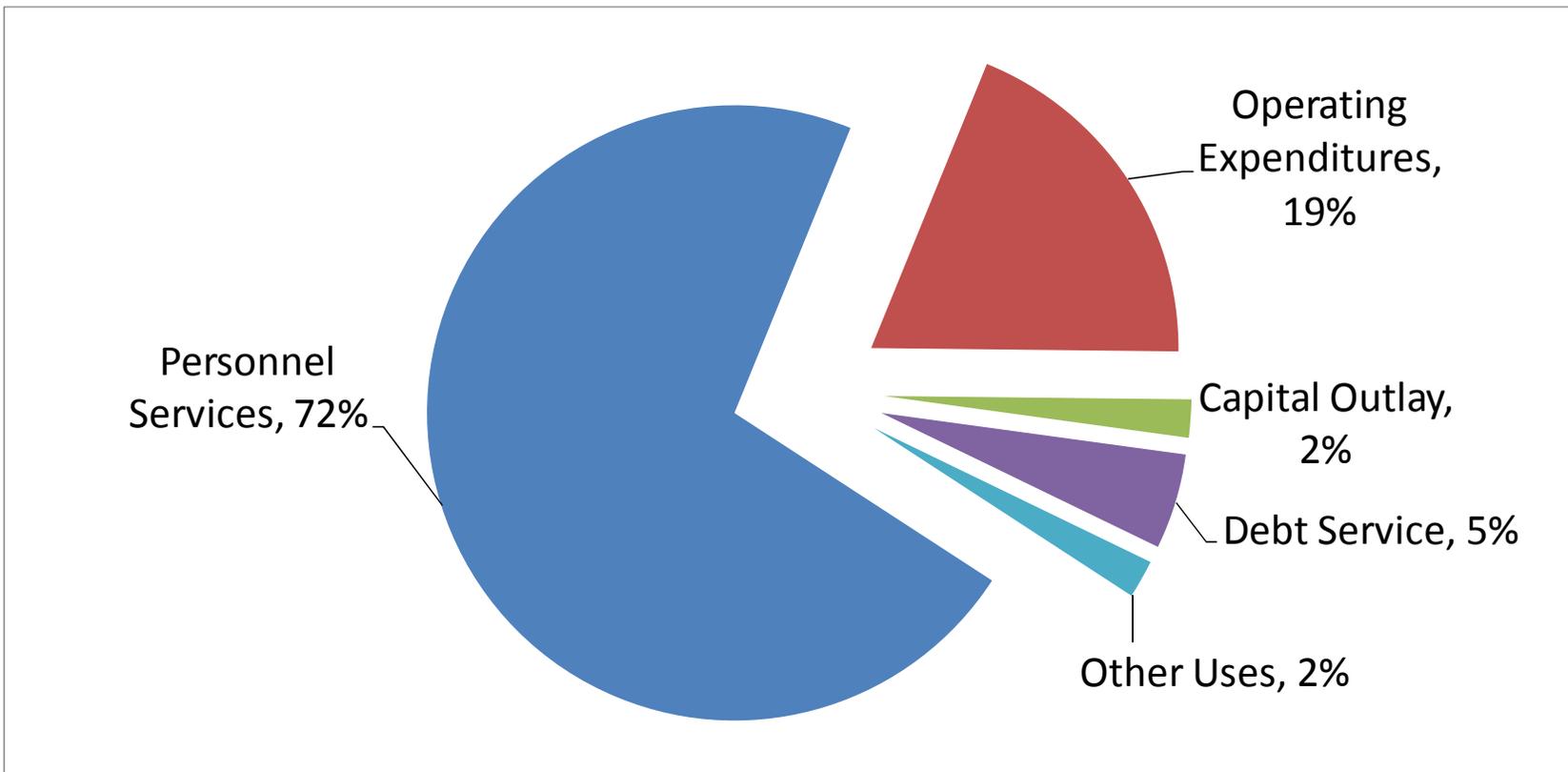
# General Fund Expenditures (in millions)



Adopted FY 2016 Budget - \$113.1 Million  
Proposed FY 2017 Budget - \$117.9 Million  
Increase of \$4.8 million or 4.2%

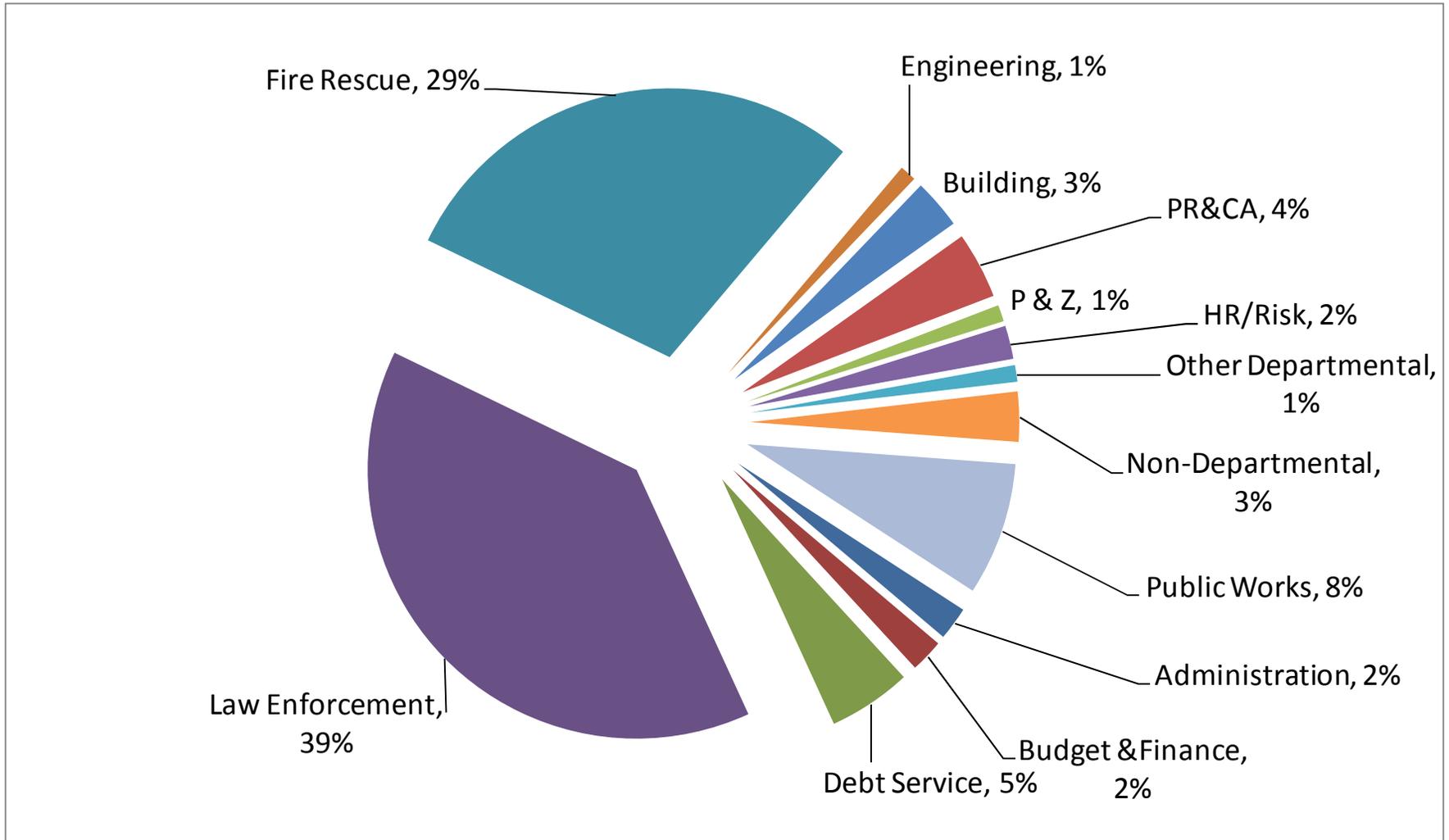


# Projected 2017 General Fund Expenditures by Category





# Projected 2017 General Fund Expenditures by Department





## Budgeted Expenditure Increases / Decreases by Department from FY 2016 to FY 2017

DEPARTMENT	FY 2016 Original	FY 2017 Proposed	Percent Increase/ Decrease
Administration	\$ 2,481,640	\$ 2,431,602	-2%
Town Attorney	485,052	451,380	-7%
Law Enforcement	44,582,217	45,874,446	3%
Fire Rescue	28,772,075	33,621,493	17%
Building	3,478,955	3,458,770	-1%
Engineering	1,272,796	1,259,584	-1%
Planning & Zoning	1,227,052	1,332,423	9%
Public Works	7,991,207	8,892,194	11%
Parks & Recreation	4,658,611	5,043,484	8%
Human Resources	984,250	1,038,032	5%
Risk Management	1,588,115	1,708,274	8%
Budget & Finance	1,859,867	2,086,452	12%
Town Clerk	571,165	598,539	5%
Community Services	365,205	481,009	32%
Debt Service	6,895,819	5,968,258	-13%
Non-Departmental	5,920,197	3,636,490	-39%
<b>EXPENDITURE TOTALS</b>	<b>\$113,134,223</b>	<b>\$117,882,430</b>	<b>4%</b>



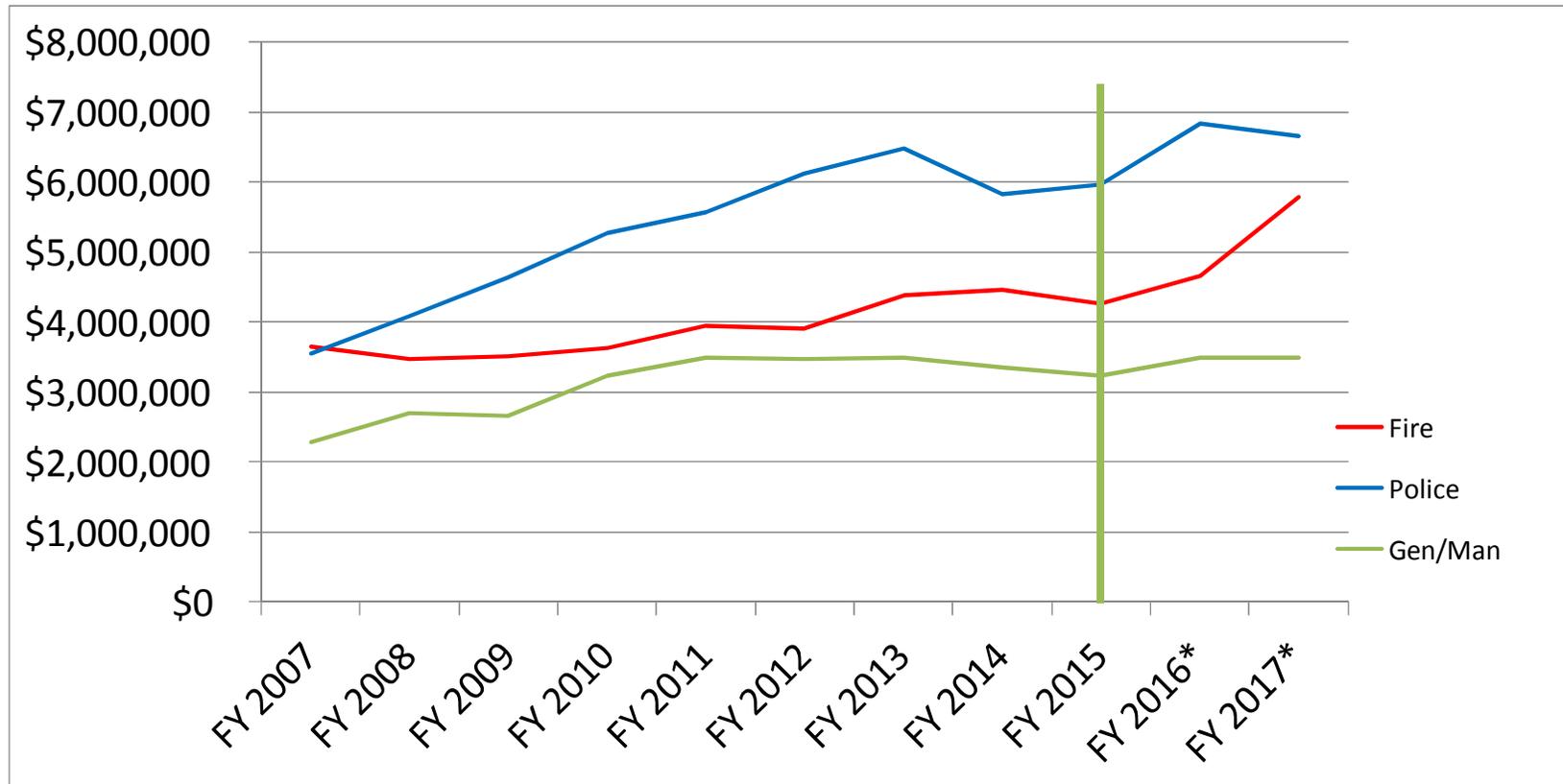
# Personnel Summary COLAs/Steps Budgeted for FY 2017 (all funds)

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- Fire (contractual) - \$1.1 million
  - 3.5% COLA in October 2016; 3.5% COLA in April 2017
  - 5%, 3.5% or 2.5% Step (anniversary date)
- Battalion Chiefs (contractual) – Step Increase - \$21k
- FOPA Civilian (contractual) - \$546k
  - 2.5% COLA in October 2016
  - 5% or 2.5% Step in October 2016
- Non-Represented Employees – \$308k
  - 3% COLA in April 2017
  - 2.5% Step in October 2016
- Police - \$143k
  - Step on anniversary date



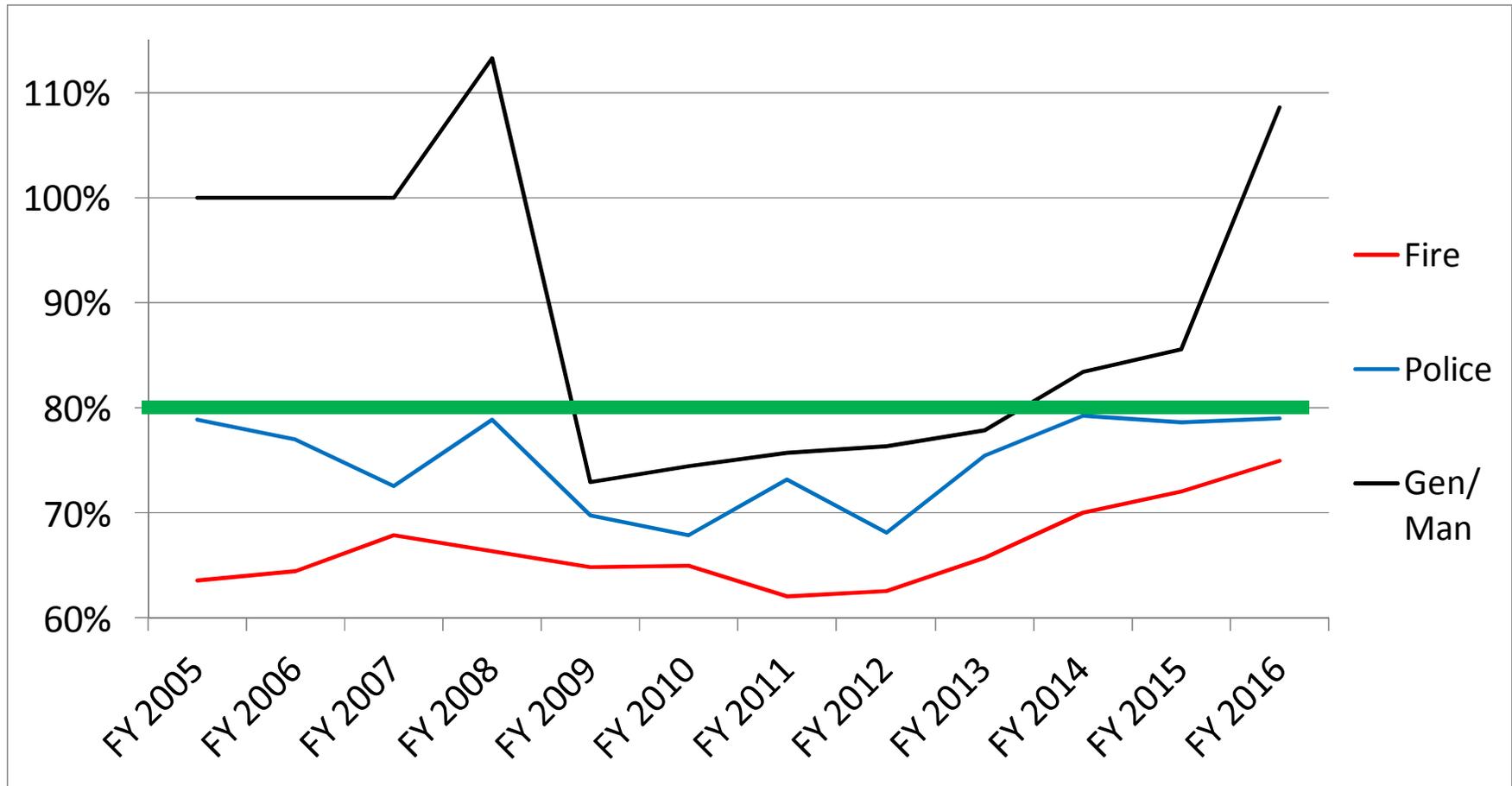
# Pension Costs (all funds)



\* Budgeted



# Pension Plans – Funding Level



Goal – 100% Funded; Benchmark – 80%



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# Position Changes



# Positions Added / Eliminated for FY 2017

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- Town Administrator Department
  - Add Fleet Manager
- Human Resources Department
  - Add Assistant Human Resources Director
  - Add Human Resources Manager
  - Add Human Resources Assistant
  - Eliminate Risk Manager
  - Eliminate Human Resources Analyst
  - Eliminate Assistant Risk Manager Coordinator
- Community Redevelopment Agency
  - Eliminate CRA Consultant PT



# Positions Added / Eliminated for FY 2017

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- Police Department
  - Add 1 full time and 1 part time Code Compliance Inspector (the part time will be for the CRA)
  - Add Records Manager
  - Add Police Sergeant
  - Add 2 Police Officers
- Fire
  - Add Assistant Fire Chief
- Utilities
  - Add Electro Technician
  - Add Utility Maintenance Mechanic
  - Eliminate Plant Operator I



# Positions Added / Eliminated for FY 2017

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- Information Technology Department
  - Add Secretary Confidential (part-time)
  - Add Desktop Support Coordinator
  - Eliminate Temporary GIS Manager
- Planning and Zoning
  - Add Code Compliance Inspector (BTR)
- Budget and Finance Department
  - Eliminate Temporary Procurement Manager



# Reclassifications – Budget Impact for FY 2017

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- Operations and Management Professional I to Assistant Parks Recreation and Cultural Arts Director (PRCA)
- Senior Operations Manager to Rec. Coordinator (PRCA)
- Crew Leader to Events Specialist (PRCA)
  
- Public Relations Assistant to Administrative Services Coordinator (TA)
  
- Attorney – Equity Adjustment (Town Attorney Office)



# Reclassifications – Budget Impact for FY 2017

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- 2 Maintenance Tech I to Maintenance Tech II (PW)
- Maintenance Tech I Will Call to Maint. Tech I Part-Time (PW)
- Operations Supervisor to Superintendent (PW)
- Network Support Technician to Desktop Support Coordinator (IT)
- Info Systems Specialist I to Help Desk Support Technician (IT)
- Regulatory Technician PT to Regulatory Technician FT (UT)
- 3 Plant Operator I to Plant Operator II (UT)



# Debt Service

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- Reduction of Debt Service
  - \$9.8 million General Obligation Bonds (Public Safety)
  - \$6 million Public Improvement Bonds (Town wide capital purchases)
- Results in a Reduction of Debt Service Millage Rate
  - Property Owners tax bills are reduced

*Fiscal Stability*



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# Impact on Property Owner



## Est. Property Tax Change in FY2017 for a Single Family Home with \$250,000 Assessed Value in FY2016

	FY2016	FY2017	Annual Variance
	Tax Bill	Est. Tax Bill	
Ad Valorem	\$1,016.38	\$1,024.87	\$8.49
Debt Service	\$143.14	\$125.06	(\$18.08)
Solid Waste Assessment	\$225.79	\$202.79	(\$23.00)
Fire Assessment	\$166.00	\$189.00	\$23.00
<b>Total Bill</b>	<b>\$1,551.31</b>	<b>\$1,541.72</b>	<b>(\$9.59)</b>

For Fiscal Year 2017, assume a .7% increase in assessed value.



## Est. Property Tax Change in FY2017 for a Single Family Home with \$500,000 Assessed Value in FY2016

	FY2016	FY2017	Annual Variance	Monthly Impact
	Tax Bill	Est. Tax Bill		
Ad Valorem	\$2,286.86	\$2,303.73	\$16.87	\$1.41
Debt Service	\$322.07	\$281.12	(\$40.95)	(\$3.41)
Solid Waste Assessment	\$225.79	\$202.79	(\$23.00)	(\$1.92)
Fire Assessment	\$166.00	\$189.00	\$23.00	\$1.92
<b>Total Bill</b>	<b>\$3,000.72</b>	<b>\$2,976.64</b>	<b>(\$24.08)</b>	<b>(\$2.01)</b>

For Fiscal Year 2017, assume a .7% 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
    - Debt Service
  - Fire and Solid Waste Assessments Revenue
  - State Related Revenues
  - Tax Increment Payment to CRA
  - Adjustments for Mounted Unit
- Other Funds
  - CRA Ad Valorem
  - Update CIP – Project Rollover



## Dates / Meetings

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- Next Budget Workshop
  - July 27 at 4:00pm
- Community Endowment / CIP
  - Community Endowment Workshop – August 3 at 5:00
  - CIP Workshop – August 3 at 5:30
- Special Assessment Hearing
  - September 14 at Noon
- Budget Hearings
  - September 7 & 21 at 5:01pm (coincide with Council meetings)