



OFFICE OF THE TOWN CLERK

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05/30/2019

**NOTICE OF TOWN COUNCIL
WORKSHOP
FY 2020 FIRST BUDGET WORKSHOP
JUNE 5, 2019
4:00 P.M.**

***** AGENDA *****

**Location: Town Hall Council Chambers
6591 Orange Drive, Davie, FL 33314**

A Workshop Meeting of the Town Council of the Town of Davie, Florida will be held on Wednesday, June 5, 2019 at 4:00 p.m. in the Council Chambers, 6591 Orange Drive, Davie, Florida. The topic of the workshop is FY 2020 First Budget Workshop.

By: Evelyn Roig
Town Clerk

ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THIS BOARD OR COMMITTEE WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING OR HEARING WILL NEED A RECORD OF THE PROCEEDINGS, AND, FOR SUCH PURPOSES, MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS MADE.

Persons with disabilities requiring accommodations in order to participate should contact the Town Clerk at 797-1023 at least five business days prior to the meeting to request such accommodation. If you are hearing or speech impaired, please contact the Florida Relay Service by using the following numbers: 1-800-955-8770 (voice) or 1-800-955-8771 (TDD).



**TOWN OF DAVIE
FIRST BUDGET WORKSHOP
JUNE 5, 2019**

1. PLEDGE OF ALLEGIANCE

The meeting was called to order at 4:00 p.m. and was followed by the Pledge of Allegiance.

2. ROLL CALL

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

3. BUDGET

Mr. Lemack provided a brief explanation to the public on the methodology for the budgetary process of Fiscal Year (FY) 2020 that led to the workshop. He stated that the Town grew steadily and with population growth there were additional demand for services which resulted in a need to expand the workforce to provide those services. Mr. Lemack also advised that the Town's infrastructure continued to age and was in need of maintenance and repair. He stated that the budget maintained an emphasis on the capital improvement program in order to address numerous projects across the community. Mr. Lemack advised the Town Council that what they were seeing was a balanced budget, maintaining the operating millage rate and fire assessment fee while reducing the debt service millage rate. Mr. Lemack stated, as discussed at the Vision and Goal Setting Session, the Town expected an increase in the solid waste assessment due to the end of the subsidy and consumer price index increases.

Mr. Lemack highlighted:

FY 2020 Budget Objectives which were established at the Council's Vision and Goal Setting Session:

- Fiscal Stability
- Transformative Redevelopment
- Embracing the Technology Movement

Reviewed FY 2020 Budget Outlook:

- Operating Millage Rate - unchanged
- Fire Assessment - unchanged
 - Capital Purchase - Fire Engine
- Solid Waste Assessment - estimated \$18.26 increase
- Replenish Emergency Reserves (Hurricane Irma)
- Reduction of Debt Service Millage Rate

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- \$3.3 Million for the Capital Improvement Program (CIP) and Stormwater Program
- Public Safety Master Plan - in progress

William Ackerman, Budget and Finance Director, outlined the critical components of the 2020 budget.

Comparison of 2018/2019 Budget Revenues:

- Ad Valorem Operating: \$3.4 million Increase
- Debt Service: \$.7 million Decrease
- Building Permits: \$750k Increase
- Engineering Permits: \$200k Decrease
- Fire Assessment: \$198k Increase
- Southwest Ranches Contractual Services: \$266k Increase
- Waste Management. Comm. Franchise Fees: \$160k Inc.
- Federal Grants: \$266k Increase
- Mass Transit Grant (surtax): \$404k Increase
- SFEC Pass Through: \$165k Increase
- Investment/Interest Earnings: \$847k Increase
- Use of Reserves:
 - Tree Preservation: \$260k
 - Building Reserves: \$822k

Mr. Ackerman described the increase in taxable values, tax assessments and millage rates. Mr. Ackerman explained that there was a proposed increase in staff for FY 2020 in order to meet the needs of the growing population. Mr. Ackerman stated since FY 2011, staff increased by 143 positions which is about 22% with a population increase of about 15%.

Mr. Ackerman outlined three possible millage rate scenarios:

- Proposed millage rate: 5.6270
 - Allowable with 2/3 vote
 - Advertised tax increase
 - Estimated ad valorem rev. of \$55.1 million (at 95% receipt rate)
- Est. Rolled-back millage rate: 5.3399
 - Allowable with simple majority vote
 - No advertised tax increase
 - Estimated ad valorem revenue decrease \$2.8 million (at 95% receipt rate)
- Est. Maximum majority vote millage rate: 5.5210
 - Allowable with simple majority vote
 - Advertised tax increase
 - Estimated ad valorem revenue decrease \$1.0 million (at 95% receipt rate)

Mr. Ackerman discussed the CIP Funding:

- Additional \$25k Homestead Exemption
 - Not approved by the voters
 - Estimated impact - \$2 million

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Mr. Ackerman advised that in preparation for the additional Homestead Exemption the Town increased the millage rate for 2018 and 2019 which generated an extra \$2 million for each year. The Town utilized this money for various projects.

- FY 2018 and FY 2019
 - Increased millage rate
 - Funded \$2 million per year for Capital Improvement Projects (CIP)
 - FY 2018 Projects – Road Resurfacing, Stormwater Improvements, Traffic Calming Devices, & Guardrail Installation
 - FY 2019 Projects – Road Resurfacing, Stormwater Improvements, PD Generator, PD air conditioning, and Fire Station Renovations
 - For Fiscal Year 2020 the Town plans to keep the same millage rate and use \$2.8 million to fund needed CIP such as
 - Failing infrastructure, continued growth, increased maintenance, finish working projects (Van Kirk)

Mr. Ackerman discussed General Fund Reserves

- Town Resolution stated the Town must 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
 - Emergency Reserve - 25% of FY 2019 Original Budget - \$33.3 million
- Emergency Reserve projected as of September 30, 2019 - \$21.0 million
- Hurricane Irma
 - Estimated Cost - \$13 - \$14 million
 - FEMA/State Reimbursement – Approximately \$9 million
 - The Town would need to replenish \$5 million
- Town Resolution further states:
 - The Town will make every effort to replenish this reserve over a 5 year period beginning with the completion of recovery from the event for which the reserve funds were used
 - Replenish \$1 million per year for 5 years
 - FY 2020 Budget includes \$1 million going to Emergency Reserves (year 2)

Mr. Ackerman explained projected expenditures. Mr. Ackerman he advised that the Fiscal Year 2020 budget had increased from 133.4 million to \$139.00 million, an increase of \$5.6 million or 4.2% from the previous fiscal year. The budget increased as a result of personnel increases and operating expenditures increases. The increases for personnel included an addition seventeen positions as well as some changes to contractual items from collective bargaining agreements and increased healthcare costs.

Mr. Ackerman reviewed the Fiscal Year 2020 budgeted expenditures compared to original Fiscal Year 2019 Budget:

- Information Technology Charges: \$482k increase
- Vehicle Usage Charges: Increase \$237k
- Stormwater Repairs, Maintenance and System Infrastructure: \$400k
- Contractual Services: \$1.1 million increase – including \$100k for stormwater program

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- Contractual Maintenance: \$325k increase
- Grant Expenses: \$313k increase
- Debt Service: \$755k decrease
- CRA Tax Increment: \$220k increase
- Solid Waste Assessment Subsidy: \$238k decrease
- Health Insurance: \$733k increase
- Transfer to CIP: \$892k decrease

Personnel Summary COLAs/Steps Budgeted for FY 2020 (all funds)

- Fire - \$502k increase
 - Step on anniversary date
 - 3% COLA in April 2020
- Battalion Chiefs - \$52k increase
 - Step in October
 - 3% COLA in April 2020
- FOPA Civilian - \$0
 - Under contract negotiations
- Police - \$0
 - Under contract negotiations
- Non-Represented Employees - \$0

Mr. Ackerman explained that for the last three groups no funding was included in the payroll budget. He advised that once contracts were put in place adjustments would be made accordingly. Mr. Ackerman reviewed the pension costs for FY 2020 and advised that all groups, with the exception of the fire pension, were funded at or above the 80% recommended mark.

Mr. Lemack reviewed changes to the organizational chart and position adjustments for FY 2020 which included:

- Police Department
 - Add 4 Captains
 - Eliminate 3 Majors
 - Add Code Compliance Inspector
 - Eliminate Code Compliance Inspector PT
 - Add 3 Police Officers
 - Add Public Relations Coordinator
 - Add Chief Landscape Inspector
 - Add Background Investigator PT
- Fire
 - Add 4 Fire Captains
 - Eliminate 4 Firefighter/Paramedics
- Community Redevelopment Agency (CRA)
 - Eliminate Project Manager
 - Add Maintenance Tech II (report to Public Works)
 - Add Public Relations Assistant PT (with Administration)
- Administration
 - Add Public Relations Assistant PT

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- Town Attorney's Office
 - Add Town Attorney (temporary)
- Public Works and Capital Projects
 - Add Maintenance Tech II
 - Add Stormwater Coordinator
- Parks, Recreation & Cultural Arts Department
 - Add Operations Supervisor
 - Eliminate Recreational Leader
 - Add 2 Part Time Regular Pool Lifeguards
- Information Technology Department
 - Add Senior Network Administrator
 - Add GIS Analyst
 - Reclassify Network Administrator to Senior Network Administrator
- Community Services Division
 - Add Neighborhood Resource Specialist
- Human Resources Department
 - Eliminate File Clerk PT
 - Add HR Assistant PT
 - Reclassify HR Managers
- Budget and Finance Department
 - Eliminate Deputy Budget and Finance Director
 - Add Assistant Budget and Finance Director
 - Add Controller
 - Reclassify Customer Relations Supervisor to Customer Relations Manager
 - Reclassify Payroll Supervisor to Payroll Manager
 - Reclassify Finance Coordinator
 - Eliminate Accounting Manager (temporary)
- Building Division
 - Add Permit Examiner
 - Add Structural Inspector
- Engineering Division
 - Eliminate Chief Engineering Inspector
 - Add Project Manager
 - Eliminate Engineering Inspector
- Planning and Zoning Division
 - Eliminate Chief Landscape Inspector
- Utilities Department
 - Reclassify Lift Station Operator 1 to a Lift Station Operator 2
 - Reclassify 2 Plant Operator 1 to Plant Operator 2
 - Reclassify Utilities Field Tech Trainee to Utilities Field Tech 1
- Town Clerk's Office
 - Add File Clerk (Confidential) PT
 - Reclassify Deputy Town Clerk to Assistant Town Clerk

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Mr. Ackerman explained General Obligation Bonds which were paid directly by the taxpayer. Mr. Ackerman described what the Town used the bonds for:

- Reduction of G.O. Debt Service
 - FY 2015 - FY 2020
 - \$2.96 million reduction of debt service
 - Debt Service completed on 4 General Obligation Bonds
 - FY 2020 - \$747k Reduction
 - Results in a Reduction of Debt Service Millage Rate
 - Property Owners tax bills are reduced

Mr. Ackerman reviewed the estimated property tax change in FY 2020 for a single-family home with \$300,000 Assessed Value. In FY 2020 the property owner will see a 1.9% increase in assessed value. Mr. Ackerman advised the increase to the solid waste assessment is due to contractual obligations which resulted in an increase of \$18.26.

Mr. Ackerman discussed potential adjustments for the July workshop:

- General Fund
 - Ad Valorem for July 1st Certification
 - Operating / Voted Debt
 - Fire and Solid Waste Assessments
 - State Related Revenues
 - Tax Increment Payment to CRA
 - Collective Bargaining Agreements:
 - FOPA - General Employees
 - FOP - Police
 - Unfunded Mandates - Firefighter Cancer Bill
- All Funds
 - CRA Ad Valorem
 - Water and Sewer Operating Revenue
 - CIP Project Rollovers
 - Fuel, Electric and Vehicle Usage
 - Golf Fund

Mr. Ackerman announced future meeting dates:

- Next Budget Workshop
 - July 31 at 4:00pm
- CIP Workshop
 - July 31 at 5:00pm
- Community Endowment Workshop
 - August 7 at 5:00pm
- Special Assessment Hearing
 - September 12 at Noon
- Budget Hearings
 - September 5 & 18 at 5:15pm (coincide with Council meetings)

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Councilmember Caletka commented that he would like to see all the open positions in the police department filled as soon as possible.

Councilmember Starkey thanked staff for a great job and their work on the budget.

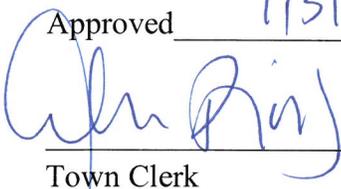
Mayor Paul stated she was happy to see the work that was done to come up with a balanced budget. She stated that she understood more items would come back for the July workshop. Mayor Paul stated that the budget with the minimal amount of money reflected allowed for extra cushion which allowed the Town to be proactive on the Town's infrastructure needs.

Mayor Paul stated she had three items she was interested in seeing in the budget. The first item was for the Town to look at alternative organic solutions to use in place of chemical solutions for the maintenance of public spaces. Mayor Paul also wanted to include the bicycle event between the Police Department and the Parks Recreational Cultural Arts Department and maybe the Broward Metropolitan Planning Organization. Lastly, Mayor Paul stated she did not support two projects on listed on the bottom of page 67 (Vixens Night Club expansion and Walmart Fuel Facility addition). Mayor Paul stated the Town should not rely on permits as revenue on projects that the Town had not seen or approved. Mr. Lemack assured Mayor Paul the adjustments would be made.

Councilmember Caletka advised that if all went well he would be elected the next Chair of the Broward Metropolitan Planning Organization (MPO) and would work on the projects Mayor Paul requested. Councilmember Caletka advised he was happy with how the stormwater efforts worked out, it showed if there was a need the Town had the ability to fund the projects.

4. ADJOURNMENT

There being no further business to discuss and no objections, the meeting was adjourned at 4:53 p.m.

Approved 7/31/2019

Town Clerk


Mayor/Councilmember