



# Town of Southwest Ranches, FL

Fiscal Year 2017/2018: July 27<sup>th</sup>, 2017 Council Meeting

<b>Proposed Operating Millage</b>	<b>4.3801 mills</b>
<b>Proposed TSDOR Millage(4th FY)</b>	<b>0.3804 mills</b>
<b>Initial Fire Assessment</b>	<b>\$0.04 to \$70.36 increase</b>
<b>Initial Solid Waste Assessment</b>	<b>\$65.79 to \$173.59 increase</b>

# Budget Process Calendar Of Events

- Thursday, July 27, 2017 (**TONIGHT**):
  - ✓ Preliminary Millage and Initial Fire/Solid Waste Assessment Adoption
  
- Tuesday, August 22, 2017 (**7 pm**):
  - FY 2017/2018 Proposed Budget Workshop
  
- Wednesday, September 13, 2017 (**6 pm**):
  - First Public Hearing for Tentative Millage and Budget Adoption
  - Final Fire Protection and Solid Waste Special Assessment Adoption
  
- Saturday, Sept. 23 – Tuesday, Sept. 26, 2017:
  - Final Budget Advertised
  
- Thursday, September 28, 2017 (**6 pm**):
  - Second Public Hearing for Final Millage and Budget Adoption

# Summary of FY 2017/2018 Proposed Rates and Fees Compared to FY 2016/2017

## Adopted FY 2017: Rate/Fee

- ▶ Operating Millage: 4.0579 mills
- ▶ TSDOR Millage: 0.4050 mills
- ▶ Fire Assessment: \$9.11 increase (approx. 2% per residential dwelling unit) from FY 2016
- ▶ Solid Waste: Stable Rates - No Change from FY 2016

## Proposed FY 2018: Rate/Fee

- ▶ Operating Millage: 4.3801 mills
- ▶ TSDOR Millage: 0.3804 mills
- ▶ Fire Assessment: \$70.36 increase (approx. 16% per residential dwelling unit) from FY 2017
- ▶ Solid Waste: \$65.79 or greater (overall average of an approx. 25% increase throughout all residential parcel lot sizes)

# Ad valorem (Property Tax) Introduction

Market Value is what someone would be willing to pay to purchase a property. The assessed valuation, set by the Broward County Property Appraiser's Office, is an estimate of what that number might be as of January 1 of each year.

$$\begin{aligned} &\text{Assessed Valuation} \\ &\quad - \text{Exemptions} \\ &\quad \hline &= \text{Taxable Value} \end{aligned}$$

$$\begin{aligned} &\text{Taxable Value} \times \\ &\quad \hline &\text{Taxable Rate (Millage)} \\ &= \text{Tax Levy} \end{aligned}$$

# ***Why an increase is needed in Millage?***

- ▶ **New Public Safety Services Contract**
- ▶ **Quality of life and level of service improvements: Program Modifications**
- ▶ **Capital Improvement Projects**
- ▶ **Normal inflation/Cost of Living Adj. (e.g. 3.11% Florida per capita change in personal income)**

# Public Safety Services Contract Impact

- ▶ Previous contract expired and after extensive contacts and negotiation resulted in significant increases for this basic but essential local governmental service.
- ▶ For example: Police Services FY 2018 impact on General Fund = \$258,223 increase;
- ▶ Maximum probable income from Towns net new taxable value increase ( $\$16,128$  per mill  $\times$  4.4629 - utilizing the FY 2017 rate) = \$71,978;
- ▶ Minimum probable deficit for the police services portion alone as applied to the Towns net new taxable value increase without a rate adjustment for FY 2018 = **(\$186,245)**.

# ***Program Modifications Funded (11 in total):***

- Volunteer Fire Department safety equipment:

Officer Car Replacement-  
170,000 existing mileage  
(\$38,447),

Master Deck Hose Gun  
Replacement (\$4,296),

Communication Equipment  
Replacement/Upgrade  
(\$74,188),

Bunker Gear Replacement  
(\$1,308),

Self-contained Breathing Apparatus Replacement (\$77,929 -  
net of anticipated Grant proceeds).





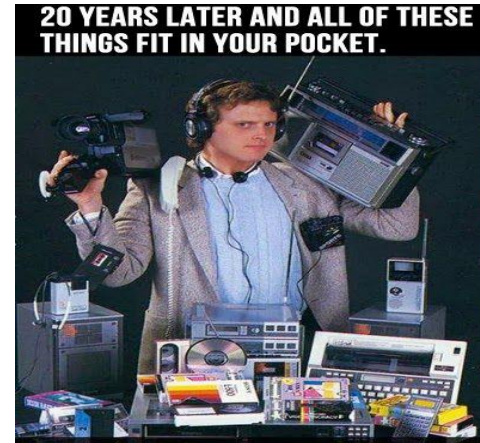
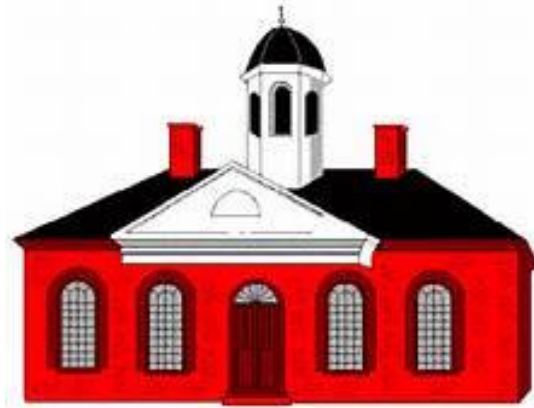
# *Program Modifications Funded (continued):*

➤ Technology Replacement Program (\$23,500)

➤ Quality of Life/Service Improvements:

Town Hall Exterior Painting (\$17,500) and Town Hall Council Chamber Floor Replacement (\$15,000)

PROS Playground Equipment Maintenance (\$36,000)





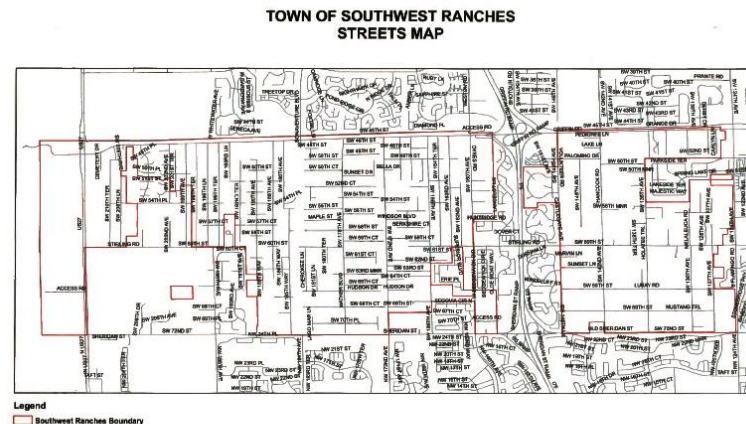
# Program Modifications Funded (continued):

## ➤ Planning Improvements:

Stormwater Master Plan  
(\$50,000)

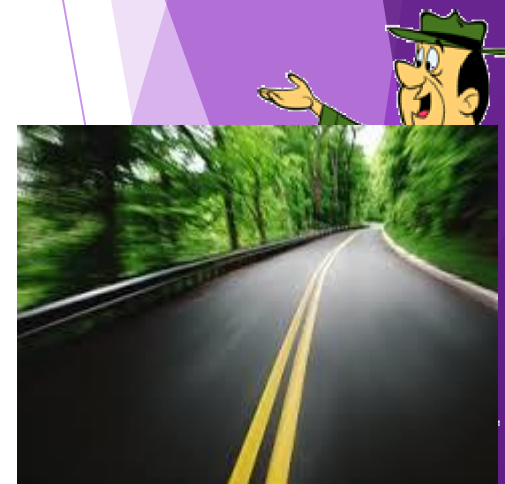


Comprehensive Plan  
Update: Data, Inventory  
and Analysis (\$20,000  
total - \$10,000 funded in  
FY 2018)



# 12 Capital Improvement Projects Funded Include:

- Fire Wells Replacement and Installation and new Public Safety - Fire Rescue Modular Facilities
- Progress on Frontier Trails Conservation Area, Calusa Corners Park, Country Estates Park, Sunshine Ranches Equestrian Park, and new Parks, Recreation and Open Space (PROS) Entranceway Signage.
- Town Hall Complex Safety, Lightning, and Drainage Improvements
- And numerous Transportation Projects, such as: 1) Transportation Surface Drainage Ongoing Rehabilitation (TSDOR), 2) Guardrail Installation, 3) Drainage Improvements, and 4) Pavement Striping and Markers Program. **Reminder:** TSDOR expenses, however, require funding separate from the regular operating millage.



**SOUTHWEST RANCHES PROPOSED  
MILLAGE RATE FOR TRANSPORTATION  
SURFACE DRAINAGE ONGOING  
REHABILITATION (TSDOR). TSDOR  
CONSISTS PRIMARILY OF ROAD  
RESURFACING AND RESTORATION**

Fiscal Year	Millage Cost	Net Millage Equivalent
FY 2017/2018	\$495,000	.3804 mills  (vs. .4050 in FY 2016/2017)

Note: This is a \$990,000 project for FY 2018, but \$495,000 is funded from the Transportation Fund fund balance carryover, which does not impact the proposed FY 2018 millage rate.

**Fiscal Year 2018 Millage Maximums and Related Information  
(Based on Certified Assessment Information)**

Millage Name	Votes Required	Maximum Millage	Total Resulting Net Revenues	Net Revenue Change (from proposed funding level)	FY 2018 levy increase on \$250,000 taxable value
Current Year Roll-Back Rate	3	4.1972	\$5,462,099	(\$733,060)	\$0
Maximum Majority Vote	3	4.3277	\$5,631,927	(\$563,232)	\$33
FY 2016-2017 Adopted Rate (Town of SWR Operating 4.0579 + TSDOR .4050 Rates)	4	4.4629	\$5,807,872	(\$387,287)	\$66
<b>FY 2017-2018 Proposed Rate (Town of SWR Operating 4.3801 + TSDOR .3804 Rates)</b>					
<b>Maximum Super Majority Rate</b>	4	4.7605	\$6,195,159	\$0	\$141
Unanimous	5	10.0000	\$13,013,673	\$6,818,514	\$1,451

# COMBINED RATE IMPACTS

## ▶ Operating Millage:

- ▶ The proposed rate for operating purposes (4.3801 mills) represents a .2976 millage and a \$141 increase per \$250,000 of taxable value which primarily covers significant increases in Public Safety Services as well as funding for new and/or ongoing program modifications and capital improvement projects.

## ▶ Transportation Surface Drainage Ongoing Rehabilitation (TSDOR):

- ▶ The proposed funded amount is the same from last fiscal year (\$495,000) and therefore represents no increase per \$250,000 of taxable value. The millage rate (.3804 mills) is a decrease from the prior years adopted TSDOR millage rate due to the fact the Town experienced a rise in overall taxable value.

## ▶ Residential Fire Rates:

- ▶ The proposed rate would result in a \$70.36 increase per residential dwelling unit.

## ▶ Solid Waste Rates:

- ▶ The proposed rate structure reflects a new collections, disposal and recycling contract with the impact similar to that of Public Safety Services. Therefore, these rates require an increase of \$65.79 or more depending upon lot square footage.

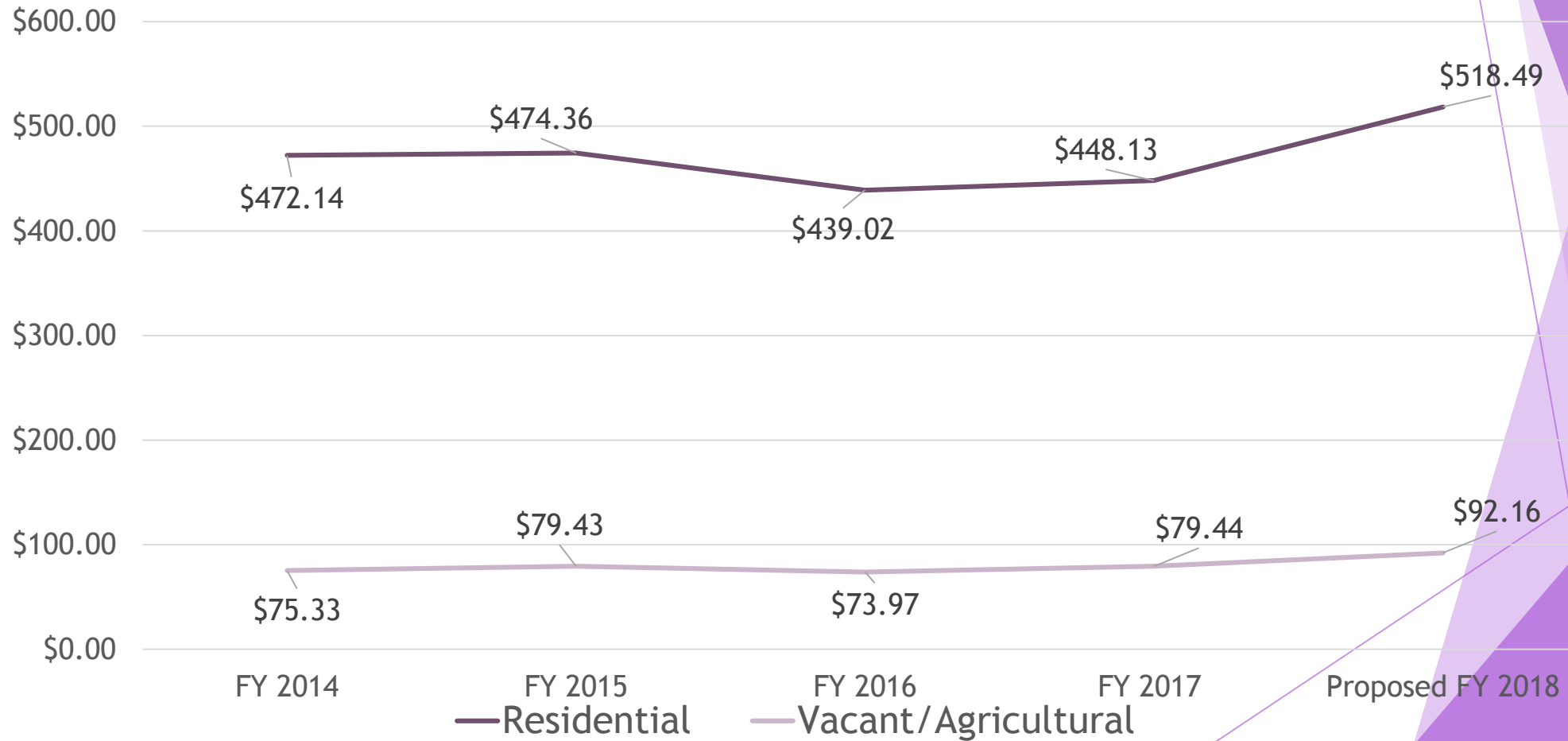
# Fire Assessment

- ▶ This assessment is permitted by Florida Statute Chapters 166.021 and 166.041 and is adopted by Town Ordinance 2001-09.
- ▶ Ordinance 2001-09 requires that the annual rate be established each year.
- ▶ The only parcels exempted are seven (7) homesteaded properties owned by 100% disabled U.S. veterans. The \$3,629 impact resulting from this tax exemption is absorbed within the General Fund.
- ▶ An initial resolution is needed tonight for the assessment to comply with Florida Statutes and use for Truth In Millage (TRIM) notices distributed by the Broward County Property Appraisers office.

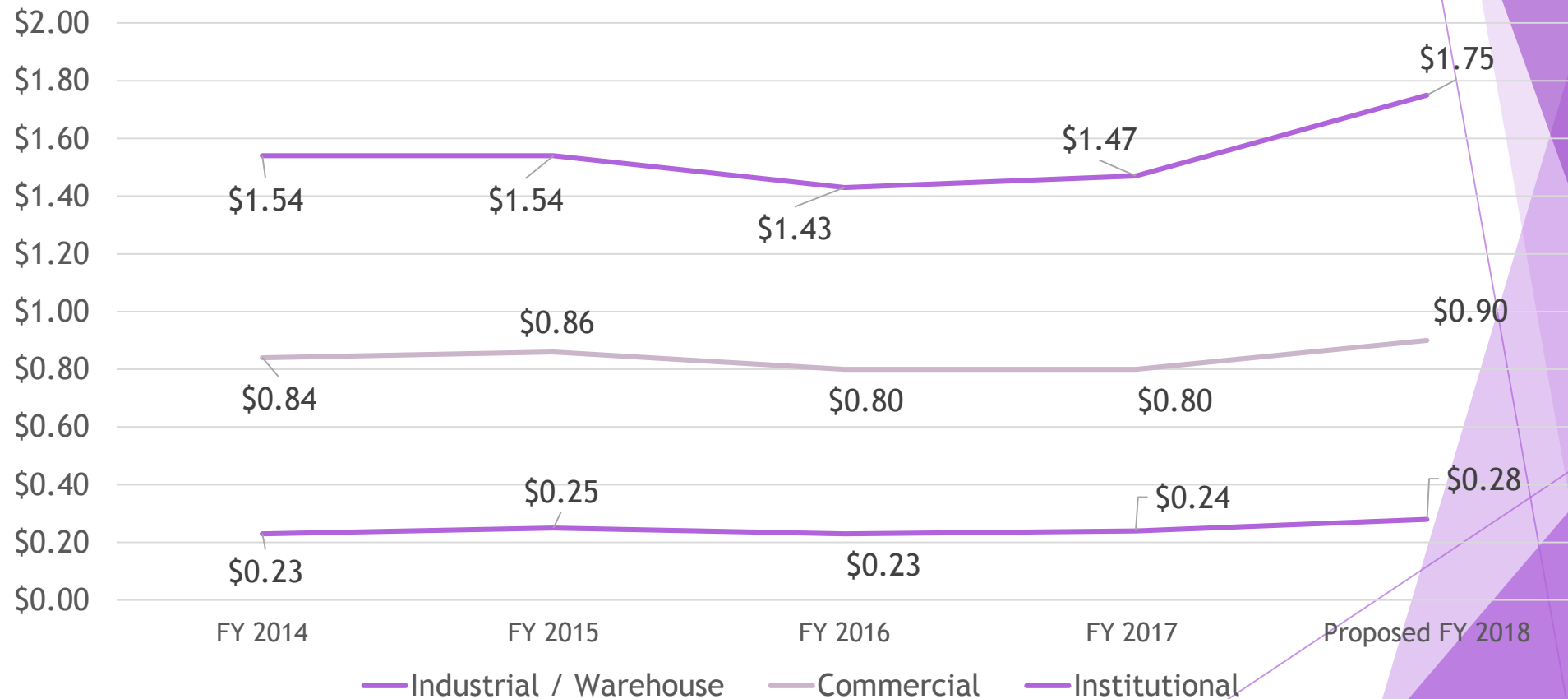


# Fire Assessment Residential and Acreage Category Rates

## Four Year History and Proposed FY 2018



# Fire Assessment Rate: Per Square Foot Building Area by Category Four Year History and Proposed FY 2018



# Fire Assessment Impact(s)

- ▶ Residential: \$70.36 increase (per dwelling unit)
- ▶ Vacant/Agricultural: \$12.72 increase (per acre)
- ▶ Industrial / Warehouse: \$.28 increase (per square foot Bldg. area)
- ▶ Institutional: \$.04 increase (per square foot Bldg. area)
- ▶ Commercial: \$.10 increase (per square foot Bldg. area)

# Solid Waste (Garbage) Assessment

- ▶ Permitted by Florida Statute Chapters 197.3632.
- ▶ Annual rate establishment required by Town ordinance 2002-08.
- ▶ Initial resolution is also needed tonight for the assessment to comply with Florida Statutes and use for Truth In Millage (TRIM) notices distributed by the Broward County Property Appraisers office.

# Proposed Solid Waste Rates for FY 17/18 (with changes from FY 16/17)

Based On Consultant Study

Assessment	Lot Sq. Ft. Range		Number of Units in Range	Solid Waste Cost Per Unit	Bulk Waste Cost Per Unit	Total Proposed Rates FY 17/18	Total Assessed Rates FY 16/17	Difference: Increase
A	-	41,200	405	\$ 250.10	\$ 205.34	\$ 455.44	\$ 389.65	\$ 65.79
B	41,201	46,999	423	\$ 250.10	\$ 240.98	\$ 491.08	\$ 409.45	\$ 81.62
C	47,000	62,999	411	\$ 250.10	\$ 291.87	\$ 541.97	\$ 433.30	\$ 108.66
D	63,000	95,999	446	\$ 250.10	\$ 314.37	\$ 564.47	\$ 445.84	\$ 118.63
E	96,000	106,999	452	\$ 250.10	\$ 355.37	\$ 605.47	\$ 469.34	\$ 136.13
F	107,000	>107,000	431	\$ 250.10	\$ 433.50	\$ 683.60	\$ 510.01	\$ 173.59

# Solid Waste (SW) Impact

- ▶ Over the past five years (FY 2013-2017) the solid waste collection rate has decreased by nearly 35%. The contractual agreement which allowed for those reductions reached the end of its term.
- ▶ After going to bid, establishing numerous contacts, and substantial negotiation, the lowest responsive and responsible bidder required significant cost of service increases (73%) to offer the services.
- ▶ With the utilization of \$300,894 in SW Fund net position, the FY 2018 proposed average increase is approx. 25% and "*smoothed*" over all property categories. Residential rates would only increase by approximately 17% for a lot square footage of up to #41,200.
- ▶ Finally, it is important to note that the proposed FY 2018 rate ranges remain lower than all the property rate ranges retroactive from FY 2012 by an overall average of 16.6%!





# Conclusion:

It is your Town Administrator's and Town Financial Administrator's recommendation that the Town Council of Southwest Ranches adopt the resolutions presented tonight setting the rate maximums which provide for:

- 1) increasing the Operating millage,
- 2) decreasing the TSDOR millage,
- 3) increasing Fire Assessment rates to property owners, and
- 4) "Smoothing" Solid Waste/Recycling rates closer to market through a graduated rate increase.