



Town of Southwest Ranches, FL

Fiscal Year 2021 /2022

**Proposed Budget Workshop
Town Hall Council Chambers
Tuesday, August 17, 2021 @ 7:00pm**

Budget Process Calendar Of Events

- Thursday, July 29, 2021:
 - ✓ Preliminary Millage and Initial Fire/Solid Waste Assessment Adoption

- Tuesday, August 17, 2021 (**7 pm**) (**TONIGHT**):
 - ✓ FY 2021/2022 Proposed Budget Workshop

- Monday, September 13, 2021 (**6:00 pm**):
 - First Public Hearing for Tentative Millage and Budget Adoption
 - Final Fire Protection and Solid Waste Special Assessment Adoption

- Saturday, Sept. 18 – Tuesday, Sept. 21, 2021:
 - Final Budget Advertised

- Thursday, September 23, 2021 (**6 pm**):
 - Second Public Hearing for Final Millage and Budget Adoption



Town Council

Steve Breitkreuz, Mayor

Bob Hartmann, Vice Mayor

Jim Albritton, Council Member

David S. Kuczenski, Council Member

Gary Jablonski, Council Member

Town Administration

Andrew D. Berns, MPA, Town Administrator

Russell C. Muniz, MBA, MPA, MMC, Assistant Town Administrator/Town Clerk

Keith M. Poliakoff, JD, Town Attorney

Martin D. Sherwood, CPA, CGMA, CGFO, Town Financial Administrator

Southwest Ranches
Proposed FY 2021/2022 Budget
Total General Fund Revenues by Function: \$14,636,611

Where Do The Funds Come From?



Southwest Ranches
Proposed FY 2021/2022 Budget
Total General Fund Expenditures by Function: \$ 14,636,611

Where Do The Funds Go?



Summary

FY 2021/2022 Proposed Rates and Fees Compared to FY 2020/2021

Adopted FY 2021: Rate/Fee

- Operating Millage: 4.2500 mills
- TSDOR Millage: 0.0000 mills
- Total: 4.2500 mills
- (decrease of 0.4064 to total mills from FY 20)

- Fire Assessment: \$105.63 increase (approximately 20% per residential dwelling unit) from FY 2020

- Solid Waste: No change throughout all residential parcel lot sizes

Proposed FY 2022: Rate/Fee

- Operating Millage: 4.2500 mills
- TSDOR Millage: 0.0000 mills
- Total: 4.2500 mills
(No change to total millage rate)

- Fire Assessment: \$135.30 increase (approximately 21% per residential dwelling unit) from FY 2021

- Solid Waste: No change throughout all residential parcel lot sizes (Third consecutive year of no increase in rates)

Property Tax / Millage

1. Millage Rate Impact: No Change Proposed
2. Municipal Rates Compared

MILLAGE RATE IMPACT

▶ Operating & TSDOR Millage:

- ▶ The total proposed rate for Operating & TSDOR purposes (4.2500 mills) represents no change in millage and a \$50 increase per \$250,000 of taxable value which covers funding for some new and/or ongoing program modifications as well as critical capital improvement projects. **However, eligible “Save our Homes” exemption property owners change in net taxable value will not exceed 1.4%.**

How a “No Change” in Town Millage is Proposed?

1. Current economic environment: Due to Covid-19 pandemic & alleged transitory inflation per the Federal Reserve supports no change to the millage rate.
2. Growth in net new taxable value of almost \$51 million (representing over 38% of 8.54% in total Townwide growth-also a new record!)
3. Transportation Surface Drainage Ongoing Rehabilitation (TSDOR: Surtax) projects continue to be eligible for Mobility Advancement Program awards therefore not requiring funding primarily via millage for the upcoming Fiscal Year.
4. Transportation Surface Drainage Ongoing Rehabilitation (TSDOR: Non-Surtax) utilizing a portion of its existing committed fund balance in lieu of millage funding.

How a “No Change” in Town Millage is Proposed? (continued)

5. Total reduction of the prior years Debt Service provision enabling its appropriation within the General Fund.
6. Significant Grant funding obtained and proposed budgeted with minimal Town matching required.
7. Anticipated continuance of heightened Building/Permitting/Zoning(non-advalorem) activity offsetting a millage (advalorem) impact.

MILLAGE COMPARISON NARRATIVE:

Currently, (FY 2021) Southwest Ranches (Operating Millage plus TSDOR Millage) is the 5th lowest total combined operating and debt millage rate among Broward County municipalities.

The Initial FY 2022 Millage Rate retains the relative position of SWR to 5th lowest of 31 municipalities.

Accordingly, the relative position of Southwest Ranches among Broward County municipalities still remains within approximately the upper 16th percentile (16.13%). Twenty-six municipalities (83.87%) are proposing total millage rates higher than SWR for Fiscal Year 2021 – 2022.

Municipal Millage Rate Comparisons
(ranked by FY 2022 PROPOSED COMBINED MILLAGES)

	Municipality	FY 21 Actual Operating and Debt Millage	FY 22 Proposed Operating and Debt Millage
1	Weston	3.3464	3.3464
2	Lauderdale-By-The-Sea	3.5000	3.3923
3	Hillsboro Beach	3.5000	3.5000
4	Lighthouse Point	4.1439	4.1105
5	Southwest Ranches	4.2500	4.2500
6	Parkland	4.2979	4.2979
7	Ft Lauderdale	4.3411	4.3806
8	Davie	5.8836	5.8561
9	Pompano Beach	5.6069	5.8916
10	Pembroke Pines	6.1009	6.0849
11	Cooper City	6.2280	6.1250
12	Wilton Manors	6.1602	6.1419
12	Dania Beach	6.1618	6.1439
14	Plantation	6.2195	6.2007
15	Deerfield Beach	6.3560	6.3125
16	Oakland Park	6.4099	6.4088

Municipal Millage Rate Comparisons
(ranked by FY 2022 PROPOSED COMBINED MILLAGES)

	Municipality	FY 21 Actual Operating and Debt Millage	FY 22 Proposed Operating and Debt Millage
17	Coconut Creek	6.5378	6.4463
18	Coral Springs	6.1144	6.4535
19	Sunrise	6.4819	6.4609
20	Lazy Lake	4.7940	6.5000
21	Miramar	7.1172	7.1172
22	Sea Ranch Lakes	7.2500	7.2500
23	Tamarac	7.2899	7.2899
24	North Lauderdale	7.4000	7.4000
25	Hallandale Beach	7.5522	7.5377
26	Margate	7.7383	7.7145
27	Hollywood	7.8966	7.8966
28	Pembroke Park	8.5000	8.5000
29	West Park	8.5000	8.5000
30	Lauderdale Lakes	9.6950	9.6950
31	Lauderhill	10.2898	10.1842

Fire Assessment (Introduction):

Note: the Fire assessment methodology has been updated from the prior year with Council and Community input (2021 Consultant study)

Proposed and Actual Rates (History) by Category

Municipal Rates Compared

Fire Assessment (Background)

- ▶ 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 fiscal year.
- ▶ Resolution 2021-066 adopted a new fire assessment methodology impacting all categories due to changes in allocable fire protection costs and from the most recent 5-years rolling average of response data. And, it combined/blended the Commercial/Institutional/Warehouse & Industrial categories.

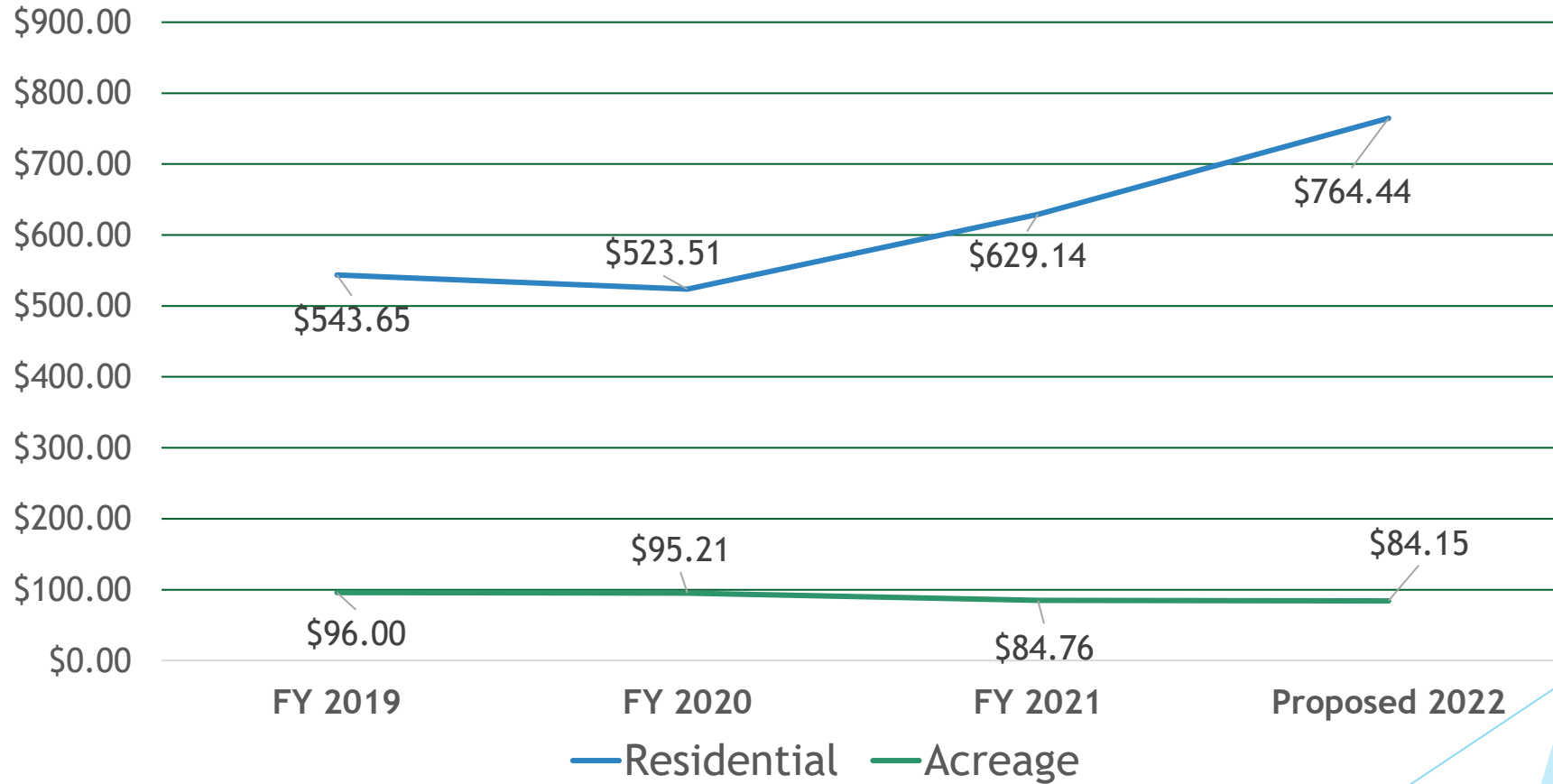
Fire Assessment Impact(s)

- ▶ Residential: \$135.30 increase (per dwelling unit). This increased proposed rate is primarily the result of increased fire protection response/utilization.
- ▶ Acreage: **(\$0.61) decrease** (per acre)

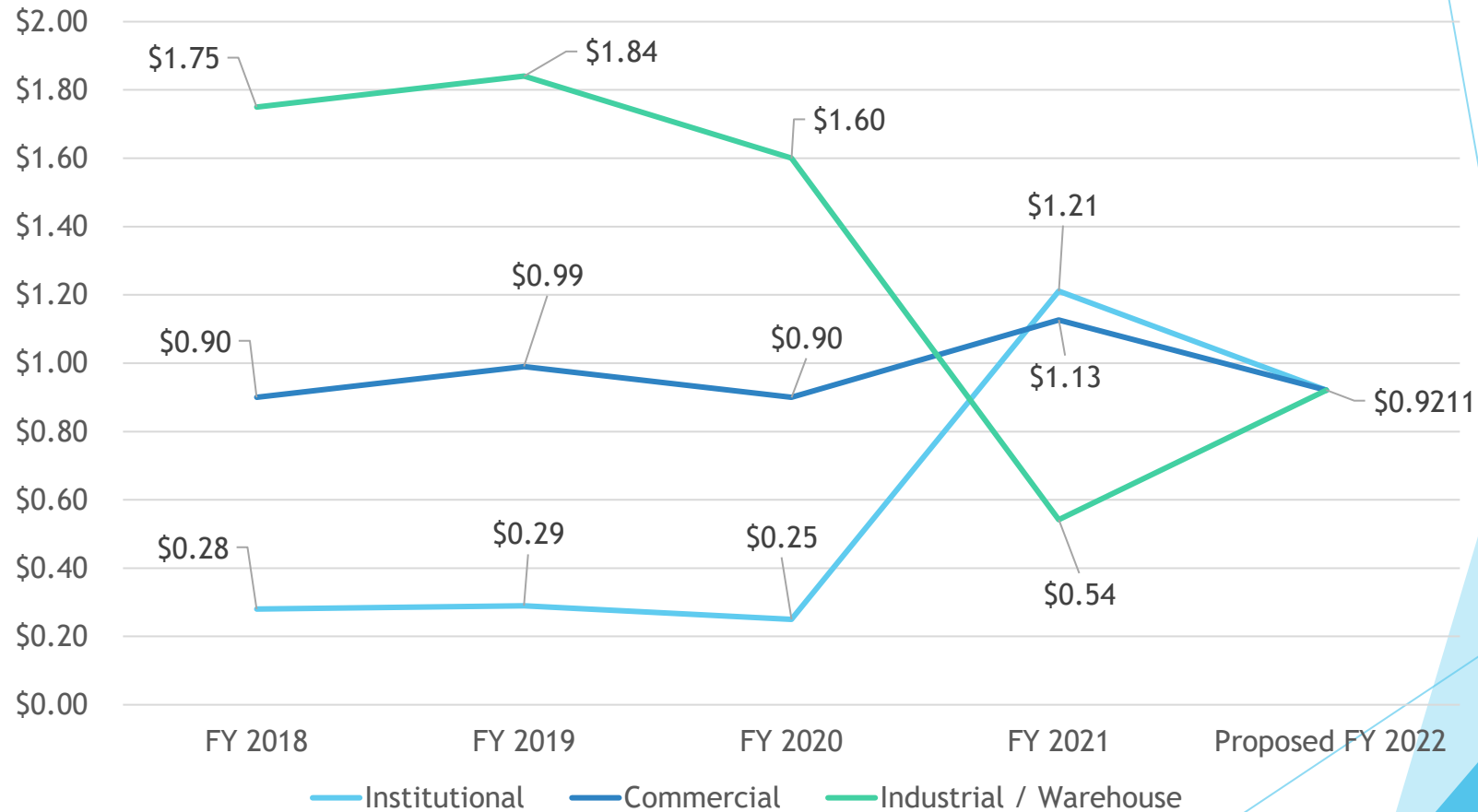
NEW 2021 COMBINED/BLENDED Methodology (a/k/a “Combined Non-Residential”):

- ▶ Commercial: **(\$0.2055) decrease** (per square foot Bldg. area)
- ▶ Institutional: **(\$0.2895) decrease** (per square foot Bldg. area)
- ▶ Warehouse/Industrial: \$0.3794 increase (per square foot Bldg. area)

Fire Assessment Residential and Acreage Category Rates Three Year History and Proposed FY 2022



Fire Assessment Rate: Per Square Foot Building Area by Category Three Year History and Proposed FY 2022



Changes in Call Distribution: FY 2021 vs FY 2022

	5-year rolling average 2015-2019	5-year rolling average 2016-2020	Percent Change
Commercial	12.70%	7.85%	-38.18%
Institutional	22.49%	20.25%	-9.97%
Acreage	5.47%	4.96%	-9.35%
Residential/Other	56.08%	65.29%	16.42%
Warehouse/Industrial	2.28%	0.83%	-63.75%
Government - Exempt	0.91%	0.83%	-9.18%
	<hr/> 100%	<hr/> 100%	

Broward County Municipal COMPARISONS - Residential Fire Assessments Explained:

- ❖ A number of municipalities subsidize fire protection assessment costs with property tax (General Fund) revenue. Actually, several do not even assess a fire protection assessment and therefore fund 100% from their General Fund. Current SWR policy does not subsidize any fire protection costs from its General Fund.
- ❖ The numbers provided to the Broward County Property Appraiser and provided here for service cost comparisons are not truly reflective of 100% full cost recovery for Fire Protection. For example, Davie, Sunrise and Cooper City has indicated that their initial Fire assessment represents only 50%, 70% and 75%, respectively of full cost recovery.
- ❖ Therefore, Municipalities with an unchanged assessment are likely subsidizing fire operations (in the case of shortfall) or utilizing General Fund fund balance to fund their Fire capital projects.
- ❖ Southwest Ranches initially adopted an increase of approximately 21% (\$105.63 per residential unit).

Municipal Residential Fire Rates compared (rank-based on FY 2022 Proposed fee)

Rank	Municipalities	FY 2021 Actuals	FY 2022 Proposed	% Change: Increase
1	Southwest Ranches	\$629.14	\$764.44	21.49%
2	Weston	\$549.54	\$568.08	3.37%
3	Lauderhill	\$534.00	\$576.00	7.87%
4	West Park	\$469.35	\$469.35	0.00%
5	Miramar	\$398.23	\$398.23	0.00%
6	Tamarac	\$350.00	\$350.00	0.00%
7	Lauderdale Lakes	\$333.84	\$333.84	0.00%
8	Pembroke Pines	\$312.32	\$312.32	0.00%
9	Ft Lauderdale	\$311.00	\$311.00	0.00%
10	Wilton Manors	\$260.88	\$267.36	2.48%
11	Hollywood	\$285.00	\$299.00	4.91%
12	Hallandale Beach	\$265.06	\$265.06	0.00%
13	Cooper City	\$227.79	\$267.17	17.20%
14	Parkland	\$250.00	\$250.00	0.00%

Municipal Residential Fire Rates Compared (con't)
(rank-based on FY 2022 Proposed fee)

Rank	Municipality	FY 2021 Actuals	FY 2022 Proposed	% Change: Increase
15	Dania Beach	\$240.95	\$267.94	11.20%
16	Deerfield Beach	\$235.00	\$235.00	0.00%
17	Coral Springs	\$234.00	\$249.72	6.72%
18	N Lauderdale	\$233.00	\$229.00	-1.72%
19	Sunrise	\$229.50	\$249.50	8.71%
20	Pompano Beach	\$220.00	\$220.00	0.00%
21	Davie	\$206.00	\$206.00	0.00%
22	Oakland Park	\$199.00	\$251.00	26.13%
23	Coconut Creek	\$196.13	\$245.16	25.00%
24	Lighthouse Point	\$134.50	\$134.50	0.00%
25	Lauderdale-By-The-Sea	\$129.85	\$129.85	0.00%

Solid Waste Rate Assessment (Introduction):

1. Assessment legal requirements
2. Comparisons to prior year

Solid Waste (Garbage) Assessment (Background):

- ▶ Permitted by Florida Statute Chapters 197.3632.
- ▶ Annual rate establishment required by Town Ordinance 2002-08.

Proposed Solid Waste Rates for FY 21/22 (with no changes from FY 20/21)

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 21/22	Total Assessed Rates FY 20/21	Difference: Increase (Decrease)
A	-	41,200	409	\$ 322.86	\$ 270.15	\$ 593.01	\$ 593.01	\$ 0.00
B	41,201	46,999	436	\$ 322.86	\$ 316.02	\$ 638.88	\$ 638.88	\$ 0.00
C	47,000	62,999	419	\$ 322.86	\$ 380.47	\$ 703.33	\$ 703.33	\$ 0.00
D	63,000	95,999	471	\$ 322.86	\$ 407.99	\$ 730.85	\$ 730.85	\$ 0.00
E	96,000	106,999	474	\$ 322.86	\$ 450.31	\$ 773.17	\$ 773.17	\$ 0.00
F	107,000	>107,000	447	\$ 322.86	\$ 556.88	\$ 879.74	\$ 879.74	\$ 0.00

Solid Waste (SW) Impact

- ▶ For FY 2021/2022, we proudly propose no changes in all residential categories. This occurred due to successful Management and Legal negotiations obtaining a permanently reduced bulk disposal maximum generation factor from 4.67 to 3.73 tons per unit in the prior year and a fixed contractual residential disposal rate while the annual collection element contract adjustments consisting of both CPI and fuel indices primarily offset each other. Additionally, it reflects Town Council policy of full cost recovery with no rate subsidy.
- ▶ Finally, it is important to note that the proposed FY 2022 rate for all ranges average higher than all the property rate ranges retroactive from FY 2012 by an overall average of less than 8% (or .08% increase annually per year over the past ten years)!

Notes on the FY 2022 Proposed Budget Book

- Budget Transparency
- Funded Programs and Projects

Proposed Budget Documentation Notes:

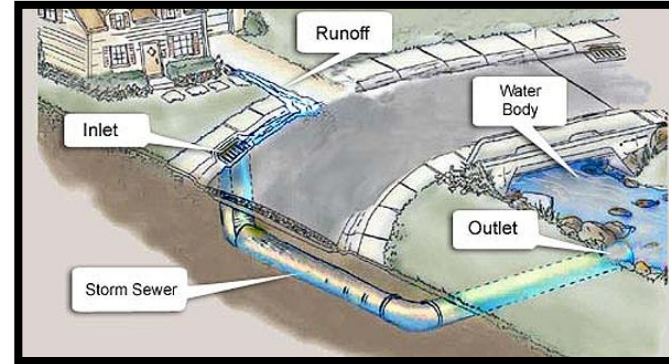
- Council Policy Focused Document with input from all Town Council Advisory Boards
- Transparency: Restricted, Committed, Assigned, and Unassigned Fund Balances pursuant to GASB #54 are disclosed for all funds
- Departmental Descriptions/Services, Accomplishments, Goals and Objectives
- Departmental & Fund Histories

Proposed Budget Documentation Notes (continued):

- Explanation of material Budget Changes (a/k/a “Variance Analysis”)
- Detailed Program Modifications which highlight proposed customer service level changes
- Detailed Capital Improvements & 5-Year Capital Improvement Program (CIP)
- Glossary and Fund Descriptions

Program Modifications Funded(12 in total):

- ▶ Stormwater Master Plan(\$250,000 - **no millage impact**)
- ▶ Engineering Inspector (\$73,556)
- ▶ Records & Administrative Coordinator(\$55,400)
- ▶ Transportation Fund: TSDOR Plan Update(\$50,000)
- ▶ Rolling Oaks Wetland improvement (\$37,040 - **no millage impact**)
- ▶ Townwide Vehicle Replacement Program (\$17,500)
- ▶ PT Customer Service Administrative Asst (\$16,794)
- ▶ Town of Southwest Ranches - 20th Anniversary REBOOT Celebration (\$15,000 - **no millage impact**)
- ▶ Comprehensive Plan Update: Data, Inventory & Analysis (\$10,000)



Program Modifications Funded (12 in total):

- Volunteer Fire Department safety equipment:
(all no millage impact)
 - Fire Apparatus Replacement Program (\$55,500)
 - Fire Hose Replacement Program (\$11,100)
 - Bunker Gear Replacement Program (\$3,808)



Nine (9) Capital Improvement Projects Funded Include:

- Fire Wells Replacement and Installation (\$30,000 - ***no millage impact***)
- Fire Safety Apparatus Protective Awnings (\$21,298 - ***no millage impact***)
- Town Hall Complex Safety, Drainage, and Mitigation Improvements (\$180,000 - ***no millage impact***)
- Southwest Meadows Sanctuary Park (\$60,000 - ***no millage impact***)
- Calusa Corners Park (\$27,450 - ***no millage impact***)
- Transportation Projects:
 - Surface & Drainage Ongoing Rehabilitation TSDOR Surtax (\$1,960,210 - ***no millage impact***)
 - Drainage Improvement Projects: Non-Surtax (\$1,305,824)
 - Surface & Drainage Ongoing Rehabilitation TSDOR Non-Surtax (\$83,790 - ***no millage impact***)
 - Pavement Striping & Marking (\$14,265 - ***no millage impact***)



Possible modifications based on Council concerns expressed at the July 29, 2021 initial rate setting Council meeting.

Rate(s) Adjustment Funding Options (Inflows)

- ▶ Deferral of one Transportation Drainage Capital Improvement Project: SW 185th Way and SW 63rd. Funding is appropriated \$400,000 from millage and \$250,000 from unassigned General Fund Fund Balance (reserves) **\$650,000**
 - ❖ We have recently applied for Surtax Funding for this project.
 - ❖ We can add this project to our State appropriation request.
 - ❖ We could “partially” fund this project over multiple fiscal years.
- ▶ Total funds available in FY 2022 Budget for reappropriation **\$650,000**

FY 22 Budget Reappropriation Options: ***(Outflows)***

1. Subsidize the Fire Assessment via the General Fund as a one-time adjustment.
2. Provide funding for Capital Improvement projects (CIP's) originally proposed as not funded. The not funded CIP's represent seven projects totaling \$17,927,041.
3. Provide funding for Program Modifications (PM's) originally proposed as not funded. The not funded millage PM's represent six projects totaling \$231,317.
4. Reduce the millage rate below the proposed rate. NOTE: GFOA policy does not recommend utilizing unassigned General Fund Fund Balance for recurring operational needs.
5. Lastly, any residual unappropriated dollars will increase the unassigned General Fund Fund Balance (a/k/a reserves).

Outflow Option 1

(GF Subsidize the Fire Assessment):

For a fair and equitable fire protection assessment, the General Fund subsidy amount must be shared throughout all property categories.

For example, pursuant to our methodology study, the residential apportionment is 65.30%. Therefore,

- a) To reduce the residential rate from \$764.44 to \$629.14 (or **\$135.30**) requires \$556,730.
- b) To reduce the residential rate from \$764.44 to \$667.23 (or **\$97.21**) requires \$400,000.
- c) To reduce the residential rate from \$764.44 to \$715.84 (or **\$48.60**) requires \$200,000.

Outflow Option 2

(Capital Improvement Projects Not Funded Include*):

Department	Project Name	Total FY 2022 Project Amount
Parks and Open Space	Country Estates Park	\$ 150,000
Parks and Open Space	PROS Entranceway Signage	\$ 60,000
Parks and Open Space	Frontier Trails Conservation Area	\$ 60,000
Capital Projects Fund Total	Total	\$ 270,000
Transportation	Guardrails Installation Project	\$ 390,000
Transportation Fund Total	Total	\$ 390,000
All Funds	Total	\$ 660,000

***Note:** The above Not Funded does not include an anticipated expenditure of approximately \$422k for Street Lighting in FY's 2023-2025 or \$5.4 million and \$4.6 million in FY 2026 for a Public Safety Facility and Drainage Improvement projects: Surtax, respectively. Narrative explanation for this project is provided among the Not Funded Capital Improvement Projects.

Outflow Option 3

(Program Modifications Not Funded):

<i>Not Funded Millage</i>	Cost	Millage Equivalent, if applicable
Public Works Administrative Assistant	<u>\$50,414</u>	0.0315
Townwide Parks Increased Maintenance Level	<u>\$25,699</u>	0.0160
Playground Equipment Maintenance Service	<u>\$18,000</u>	0.0112
Sign Code Overhaul	<u>\$12,000</u>	0.0075
Sub-total	<u>\$106,113</u>	
<i>Not Funded Fire Assessment</i>		
Volunteer FD - Self-Contained Breathing Apparatus	<u>\$117,704</u>	N/A
Volunteer FD - Protective Ballistic Gear	<u>\$7,500</u>	N/A
Sub-total	<u>\$125,204</u>	
Grand Total Not Funded	<u>\$231,317</u>	

Outflow Option 5 *(reduce millage):*

To further reduce the millage rate below the proposed rate a one thousand (.0001) net mill change requires \$160.00. Therefore, to reduce the proposed 4.2500 to 4.0504 (the roll-back rate) requires approximately \$319,266.

However, to reiterate, per Government Finance Officers Association (GFOA) policy it is not advisable to ever utilize unassigned General Fund Fund Balance (reserves) for recurring operational needs.

Questions, Comments and Direction From Town Council

