



Town of Southwest Ranches, FL

Fiscal Year 2019 /2020

**Proposed Budget-Special Meeting (formally
Workshop): Town Hall Council Chambers
Tuesday, August 20, 2019 @ 7:00pm**

Budget Process Calendar Of Events

- Thursday, July 25, 2019:
 - ✓ Preliminary Millage and Initial Fire/Solid Waste Assessment Adoption

- Tuesday, August 20, 2019 (**7 pm**) (**TONIGHT**):
 - ✓ FY 2019/2020 Proposed Budget Special Meeting

- Thursday, September 12, 2019 (**6 pm**):
 - First Public Hearing for Tentative Millage and Budget Adoption
 - Final Fire Protection and Solid Waste Special Assessment Adoption

- Saturday, Sept. 21 – Tuesday, Sept. 24, 2019:
 - Final Budget Advertised

- Thursday, September 26, 2019 (**6 pm**):
 - Second Public Hearing for Final Millage and Budget Adoption

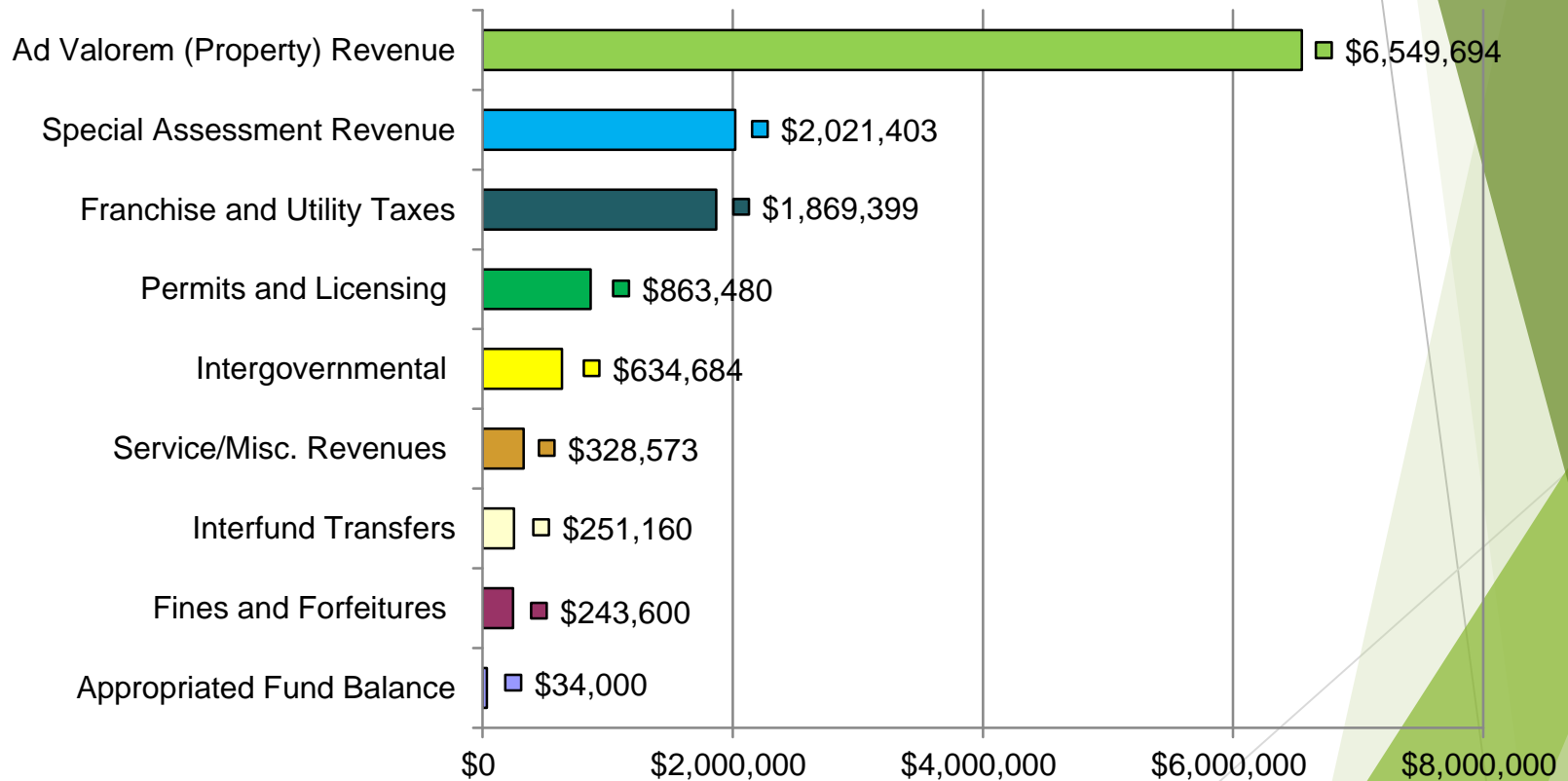


Town Council
Doug McKay, Mayor
Gary Jablonski, Vice Mayor
Bob Hartmann, Council Member
Freddy Fisikelli, Council Member
Denise “Dee” Schroeder, Council Member

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 2019/2020 budget Total General Fund Revenues: \$12,795,993

Where do the funds come from?

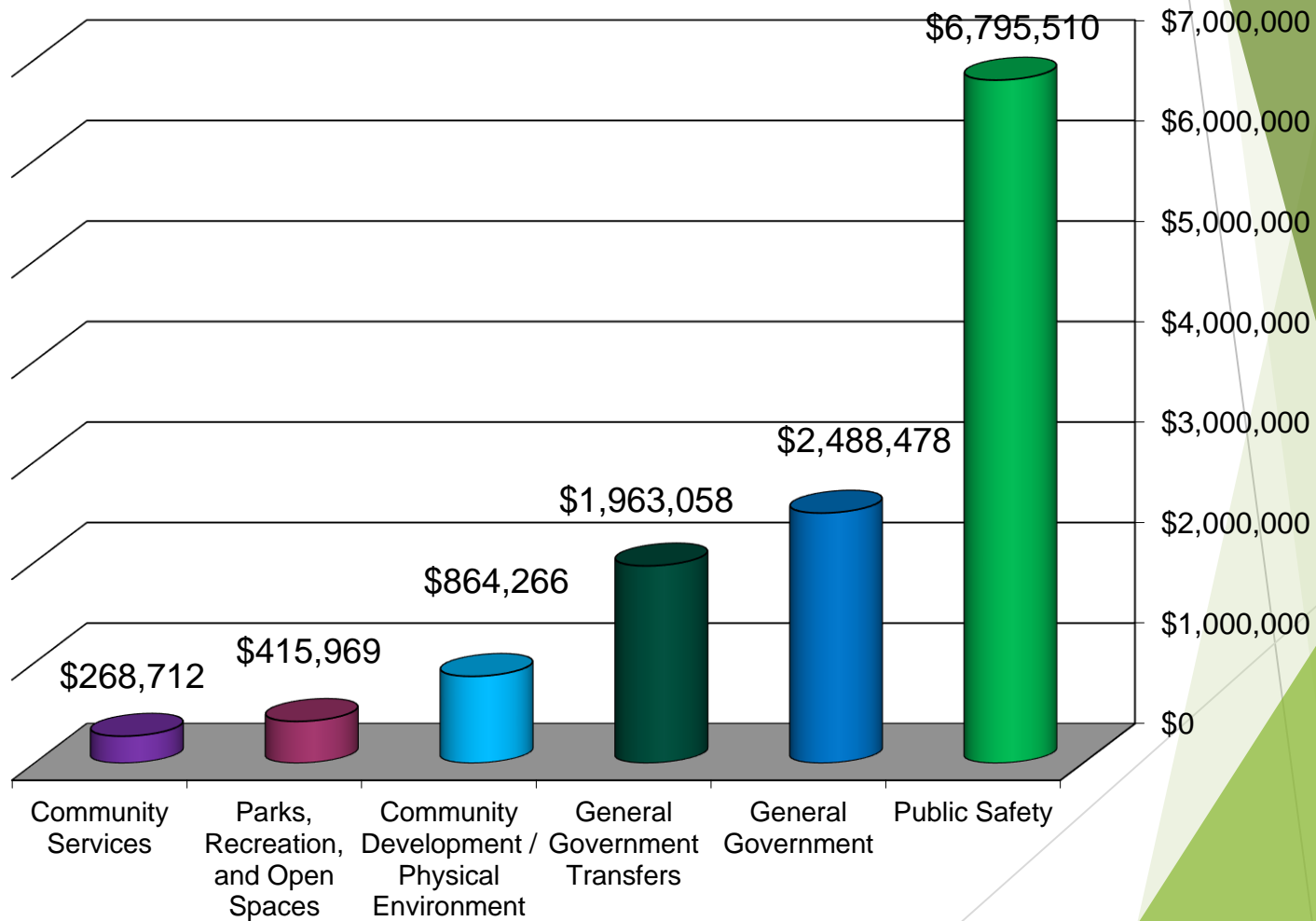


Southwest Ranches

Proposed FY 2019/2020 budget

Total General Fund Expenditures by Function: \$12,795,993

Where Do The Funds Go?



Summary

FY 2019/2020 Proposed Rates and Fees Compared to FY 2018/2019

Adopted FY 2019:Rate/Fee

- ▶ Operating Millage: 4.4969 mills
- ▶ TSDOR Millage: 0.3342 mills
- ▶ Total: 4.8311 mills

▶ Fire Assessment: \$25.16 increase (approx. 4.9% per residential dwelling unit) from FY 2018

▶ Solid Waste: \$159.34 increase or greater (overall average of an approx. 37% increase throughout all residential parcel lot sizes)

Proposed FY 2020:Rate/Fee

- ▶ Operating Millage: 4.2125 mills
- ▶ TSDOR Millage: 0.4439 mills
- ▶ Total: 4.6564 mills

(Net decrease of .1747 to Roll-Back Rate)

▶ Fire Assessment: \$20.14 decrease (approx. 3.7% per residential dwelling unit) from FY 2019

▶ Solid Waste: \$21.77 decrease or greater (overall average of an approx. 5.4% decrease throughout all residential parcel lot sizes)

COMBINED RATE IMPACTS

▶ Operating Millage:

- ▶ The proposed rate for operating purposes (4.2125 mills) represents a .2844 millage and a \$173 **decrease** per \$250,000 of taxable value which covers funding for some new and/or ongoing program modifications and capital improvement projects.

▶ Transportation Surface Drainage Ongoing Rehabilitation (TSDOR):

- ▶ The proposed funded amount of \$624,267 is an increase from last fiscal year (\$450,000) and therefore represents an increase per \$250,000 of taxable value . The millage rate (.4439 mills) is a .1097 increase from the prior years adopted TSDOR millage rate due primarily to the fact of the increased funded amount. This represents a \$173 increase and when combined with the above operating millage results in a \$0 (zero) net change per \$250,000 of taxable value and a net **decrease** in millage of .1747 (roll back rate)

▶ Residential Fire Rates:

- ▶ The proposed rate would result in a \$20.14 **decrease** per residential dwelling unit.

▶ Solid Waste Rates:

- ▶ The proposed rate structure reflects a **decrease** in all residential categories averaging 5.4% or \$21.77 to \$68.63, depending on parcel lot size square footage.

Property Tax / Millage

1. Millage proposed for TSDOR
2. Municipal Rates Compared

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

Fiscal Year	CIP Cost	Net Millage Equivalent
FY 2019/2020	\$624,267 + \$375,834 <u>\$1,000,101</u>	.4439 mills (vs. .3342 for \$450,000 in FY 2018/2019) None (Carryover through transportation FB)

*How a **Decrease** in Millage is Proposed?*

1. Current economic environment supports higher conservatively forecasted FY 2020 operating revenues (i.e. building, permitting & zoning as well as state revenue sharing).
2. Growth in net new taxable value of almost \$25 million (representing 1.64% of 5.39% in total Townwide growth).
3. Significant reduction (in excess of \$216k) in Legal Departmental budgeted expenditures.
4. Lower debt interest expense due to Federal Reserve Bank lowering of interest rates as well as an overall lower outstanding principal balance.

How a Decrease in Millage is Proposed? (continued)

5. No material impact in FY 2020 to the General Fund from Florida Statute 170.01(4) which granted a 100% Fire Assessment exemption to all vacant agricultural land in prior year.
6. Quality of life and level of service improvements: Millage funded Program Modifications are less in number and dollar scope.
7. Capital Improvement Projects (CIP's): Millage funded CIP's are also less in number and dollar scope.
8. The Transportation Fund annual operating deficit is 60% funded through its available restricted fund balance.

MILLAGE COMPARISON NARRATIVE:

Currently, (FY 2019) Southwest Ranches (Operating Millage plus TSDOR Millage) is the 8th lowest combined operating and debt millage rate in Broward County (excluding Unincorporated Broward County).

The Proposed FY 2020 Millage Rate, including TSDOR, favorably moves the relative position of SWR to 7th lowest of 31 Municipalities.

Accordingly, the relative position of Southwest Ranches among Broward County Municipalities still remains approximately within the upper 25th percentile (22.58%). Twenty-four Municipalities (77.42%) are proposing millage rates higher than SWR for Fiscal Year 2019 – 2020.

Municipal Millage Rate Comparisons
(ranked by FY 2020 PROPOSED COMBINED MILLAGES)

	Municipality	FY 19 Actual Operating and Debt Millage	FY 20 Proposed Operating and Debt Millage
1	Weston	3.3464	3.3464
2	Hillsboro Beach	3.5000	3.5000
3	Lauderdale-By-The-Sea	3.5989	3.5989
4	Lighthouse Point	3.7623	4.1713
5	Ft Lauderdale	4.1833	4.3566
6	Parkland	4.4000	4.4000
7	Southwest Ranches	4.8311	4.6564
8	Lazy Lake	4.7940	4.7940
9	Pompano Beach	5.6024	5.6326
10	Davie	6.0121	5.9123
11	Oakland Park	5.9985	6.0880
12	Pembroke Pines	6.1419	6.1200
13	Coral Springs	6.1384	6.1266
14	Dania Beach	6.1758	6.1688
15	Plantation	6.2622	6.2364
16	Wilton Manors	6.4298	6.2536

Municipal Millage Rate Comparisons
(ranked by FY 2020 PROPOSED COMBINED MILLAGES)

	Municipality	FY 19 Actual Operating and Debt Millage	FY 20 Proposed Operating and Debt Millage
17	Sunrise	6.3550	6.3402
18	Deerfield Beach	6.5007	6.3560
19	Coconut Creek	6.5378	6.5378
20	Cooper City	7.2343	6.9258
21	Miramar	7.1172	7.1172
22	Sea Ranch Lakes	7.2500	7.2500
23	Tamarac	7.2899	7.2899
24	No. Lauderdale	7.4000	7.4000
25	Margate	7.0593	7.7666
26	Hallandale Beach	6.7353	7.8236
27	Hollywood	7.6992	7.9750
28	Pembroke Park	8.5000	8.5000
29	West Park	8.6500	8.5500
30	Lauderdale Lakes	9.6950	9.6950
31	Lauderhill	9.9362	10.8398

Fire Assessment (Introduction):

Note: the 3-step assessment methodology is unchanged from the prior year (2011 Consultant study)

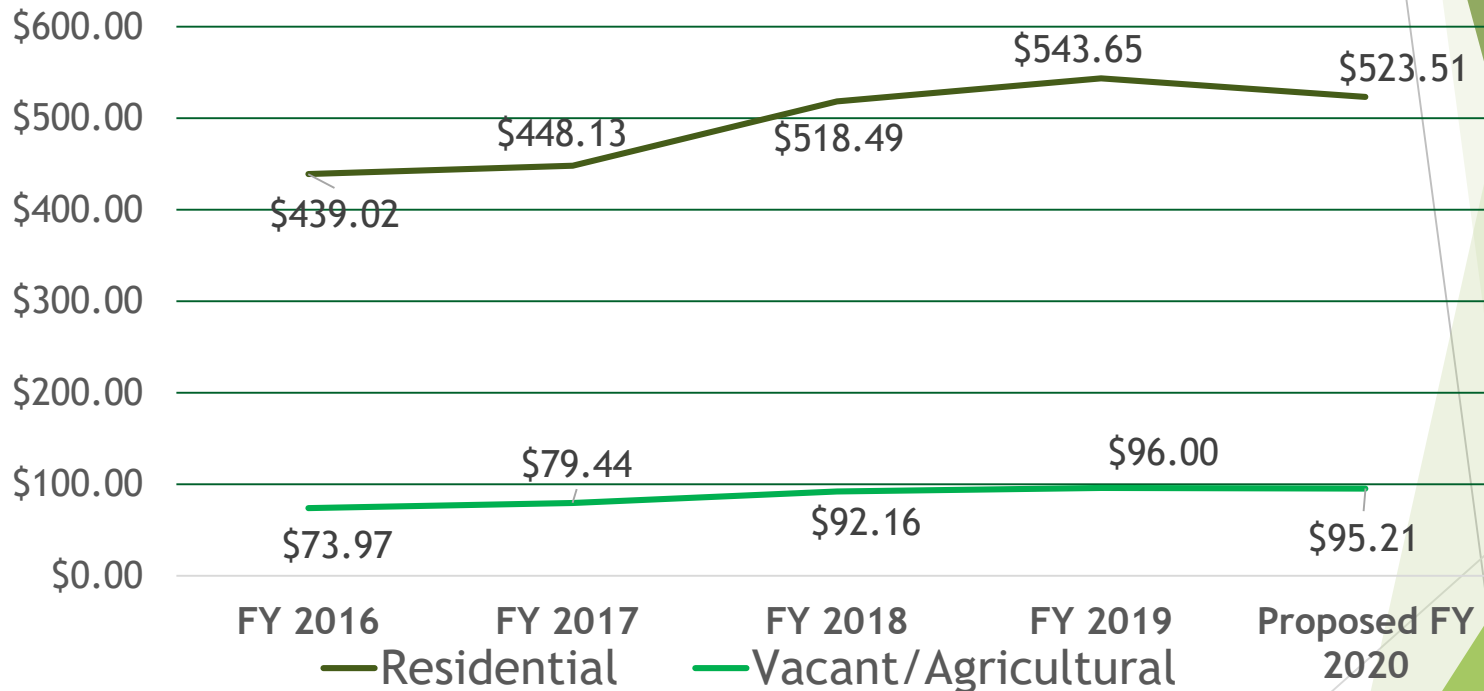
Proposed and Actual Rates (History) by Category

Municipal Rates Compared

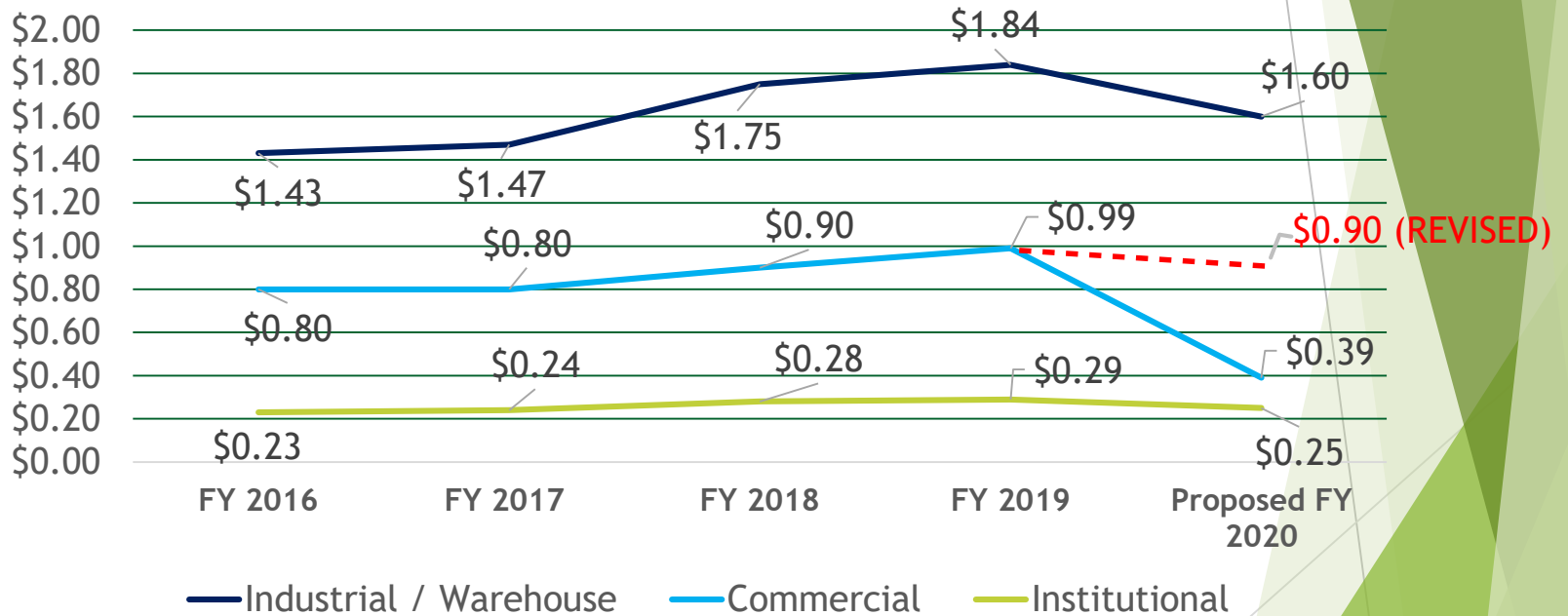
Fire Assessment (Background)

- ▶ 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.

Fire Assessment Residential and Acreage Category Rates Four Year History and Proposed FY 2020



Fire Assessment Rate: Per Square Foot Building Area by Category Four Year History and Proposed FY 2020



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. 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, Sunrise has indicated that their proposed Fire assessment represents only 70% of full cost recovery.
- ❖ Therefore, Municipalities with an unchanged assessment are likely subsidizing fire operations (in the case of shortfall) or utilizing fund balance to fund their Fire capital projects.
- ❖ Southwest Ranches proposes a **decrease** of 3.7% (\$20.14 per residential dwelling unit - RDU).

Municipal Residential Fire Rates compared (rank based by FY 2020 Proposed fee)

		FY 2019 Actuals	FY 2020 Proposed	% Change: Increase
1	Southwest Ranches	\$543.65	\$523.51	-3.70%
2	Lauderhill	\$488.00	\$488.00	0.00%
3	Weston	\$448.21	\$472.76	5.48%
4	West Park	\$447.86	\$469.35	4.80%
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	Ft Lauderdale	\$256.00	\$311.00	21.48%
9	Margate	\$300.00	\$300.00	0.00%
10	Hollywood	\$285.00	\$285.00	0.00%
11	Pembroke Pines	\$271.75	\$282.38	3.91%
12	Hallandale Beach	\$251.11	\$265.06	5.56%
13	Parkland	\$250.00	\$250.00	0.00%
14	Deerfield Beach	\$175.00	\$235.00	34.29%

Municipal Residential Fire Rates Compared (con't) (rank based by FY 2020 Proposed fee)

		FY 2019 Actuals	FY 2020 Proposed	% Change: Increase
15	Sunrise	\$209.50	\$229.50	9.55%
16	N Lauderdale	\$215.00	\$228.00	6.05%
17	Coral Springs	\$200.00	\$227.82	13.91%
18	Dania Beach	\$223.75	\$223.75	0.00%
19	Pompano Beach	\$210.00	\$220.00	4.76%
20	Wilton Manors	\$219.24	\$216.13	-1.42%
21	Davie	\$206.00	\$206.00	0.00%
22	Oakland Park	\$199.00	\$199.00	0.00%
23	Coconut Creek	\$181.35	\$186.79	3.00%
24	Cooper City	\$161.28	\$161.28	0.00%
25	Lighthouse Point	\$134.50	\$134.50	0.00%
26	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 19/20 (with changes from FY 18/19)

Based On Consultant Study

Assessment Range	Lot Sq. Ft.		Number of Units in Range	Solid Waste Cost Per Unit	Bulk Waste Cost Per Unit	Total Proposed Rates FY 19/20	Total Assessed Rates FY 18/19	Difference: (decrease)
A	-	41,200	406	\$ 324.33	\$ 268.68	\$ 593.01	\$ 614.78	(\$21.77)
B	41,201	46,999	428	\$ 324.33	\$ 314.55	\$ 638.88	\$ 666.13	(\$27.25)
C	47,000	62,999	417	\$ 324.33	\$ 379.00	\$ 703.32	\$ 737.29	(\$33.97)
D	63,000	95,999	452	\$ 324.33	\$ 406.52	\$ 730.84	\$ 772.98	(\$42.14)
E	96,000	106,999	467	\$ 324.33	\$ 448.84	\$ 773.17	\$ 824.88	(\$51.71)
F	107,000	>107,000	440	\$ 324.33	\$ 555.41	\$ 879.74	\$ 948.37	(\$68.63)

Solid Waste (SW) Impact

- ▶ For FY 2019/2020, we proudly propose a decrease in all residential categories averaging 5.4%, depending on parcel lot size square footage. 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 per year, which was partially offset by annual collection element contract adjustments. Additionally, it reflects a Town Council policy of full cost recovery.
- ▶ Finally, it is important to note that the proposed FY 2020 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 only a 1% increase annually per year over the past eight years)!

Notes on the FY 2020 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

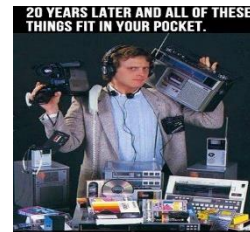
Program Modifications Funded (10 in total):

- Town Hall Improved Security (\$6,000)



- Council Chambers Camera (\$10,000)

- Information Technology Replacement Program (\$10,500)



- Town of Southwest Ranches - 20th Anniversary Celebration (\$15,000)



- Town Hall Exterior Re-Painting (\$17,000)



- Website Redesign & ADA Compliance (\$17,500)

- Townwide Vehicle Replacement Program (\$17,500)



Program Modifications Funded (continued):

➤ Volunteer Fire Department safety equipment:
(all have no millage impact)

- Bunker Gear Replacement Program (\$2,808)
- SCBA Mask Fit Certification Equipment (\$14,000)
- ~~Fire Apparatus Replacement Program~~ Fire Protection Rate Assessment Study (revised) (\$39,000)



Five (5) Capital Improvement Projects Funded Include:

- Fire Wells Replacement and Installation *(no millage impact)*
- Progress on Frontier Trails Conservation Area
- Town Hall Complex Safety, Drainage, and Mitigation Improvements
- Transportation Projects: 1) Transportation Surface Drainage Ongoing Rehabilitation (TSDOR), 2) Drainage Improvements. **Reminder:** TSDOR expenses, however, require funding separate from the regular operating millage.



Questions, Comments and Direction From Town Council

