



# Town of Southwest Ranches, FL

Fiscal Year 2020 /2021

Proposed Budget Workshop  
Town Hall Council Chambers  
Tuesday, August 18, 2020 @ 7:00pm

# Budget Process Calendar Of Events

- Thursday, July 30, 2020:
  - ✓ Preliminary Millage and Initial Fire/Solid Waste Assessment Adoption
  
- Tuesday, August 18, 2020 **(7 pm) (TONIGHT)**:
  - ✓ FY 2020/2021 Proposed Budget Special Meeting
  
- Monday, September 14, 2020 **(6:00 pm)**:
  - First Public Hearing for Tentative Millage and Budget Adoption
  - Final Fire Protection and Solid Waste Special Assessment Adoption
  
- Saturday, Sept. 19 – Tuesday, Sept. 22, 2020:
  - Final Budget Advertised
  
- Thursday, September 24, 2020 **(6 pm)**:
  - Second Public Hearing for Final Millage and Budget Adoption



*Town Council*

Doug McKay, *Mayor*

Denise “Dee” Schroeder, *Vice Mayor*

Delsa Amundson, *Council Member*

Bob Hartmann, *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 2020/2021 budget  
Total General Fund Revenues by Function: \$13,620,860

Where Do The Funds Come From?

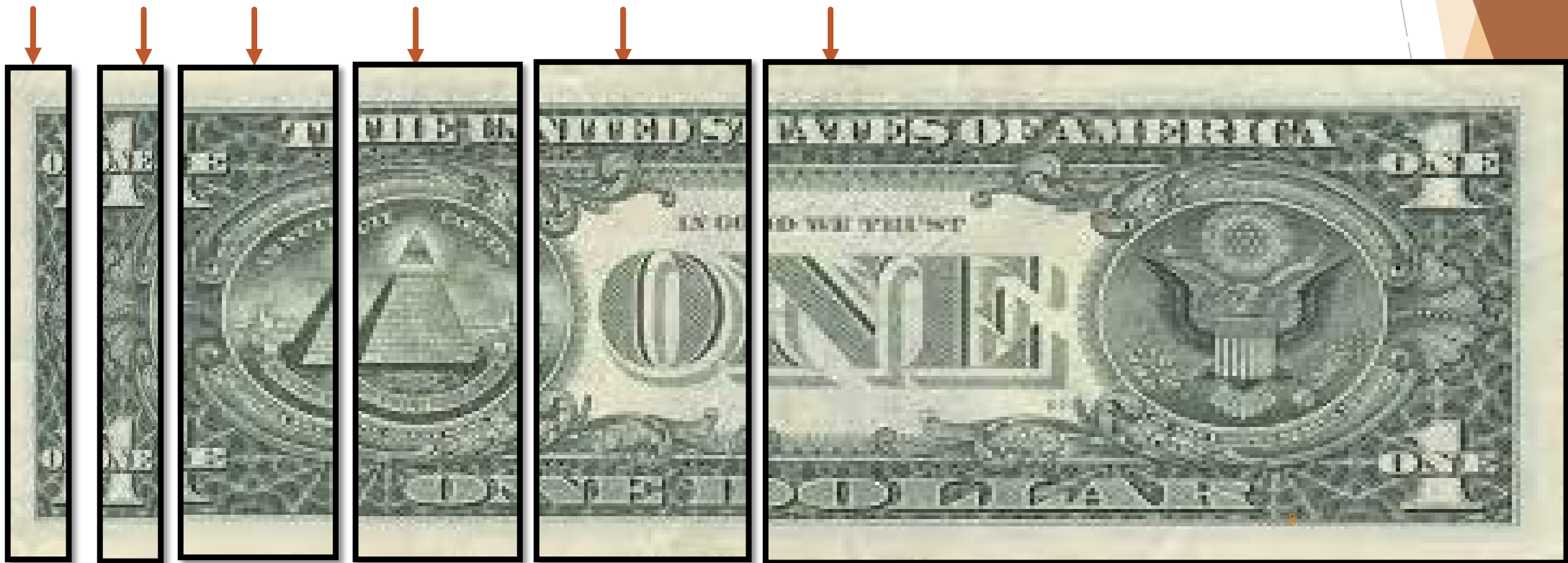
Other Services	Inter-Governmental	Permits and Licensing	Franchise & Utility Taxes	Special Assessment Revenue	Ad Valorem Property Tax
\$799,149	\$480,114	\$1,183,663	\$1,849,926	\$2,686,284	\$6,621,724
(5%)	(3%)	(9%)	(14%)	(20%)	(49%)



Southwest Ranches  
Proposed FY 2020/2021 budget  
Total General Fund Expenditures by Function: \$13,620,860

**Where Do The Funds Go?**

Community & Open Services	Parks Recreation Spaces	Physical Environment	Governmental Transfers	General Government	Public Safety
\$280,751 (2%)	\$450,097 (3%)	\$1,125,016 (8%)	\$1,812,305 (14%)	\$2,831,997 (21%)	\$7,120,694 (52%)



# Summary

## FY 2020/2021 Initial Rates and Fees Compared to FY 2019/2020

### Adopted FY 2020: Rate/Fee

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

### Initial FY 2021: Rate/Fee

- Operating Millage: 4.4558 mills
  - TSDOR Millage: 0.0000 mills
  - Total: 4.4558 mills  
(Net decrease of 0.2006 to equal the Roll-Back Rate)
- 
- Fire Assessment: \$105.63 increase (approximately 20% per residential unit) from FY 2020
  - Solid Waste: No change throughout all residential parcel lot sizes

# COMBINED RATE IMPACTS

- ▶ Operating & TSDOR Millage:
  - ▶ The total initial rate for operating & TSDOR purposes (4.4558 mills) represents a 0.2006 millage **decrease** and a \$0 (zero) change per \$250,000 of taxable value which covers funding for some new and/or ongoing program modifications and capital improvement projects. NOTE: Property owners without a change in net taxable value will receive a real cash reduction of 4.3% in their tax bill.
- ▶ Residential Fire Rates:
  - ▶ The proposed rate would result in a \$105.63 increase per residential dwelling unit.
- ▶ Solid Waste Rates:
  - ▶ No changes in total rates to all residential parcel lot sizes.

# Property Tax / Millage

1. How a **Decrease** is proposed
2. Municipal Rates Compared



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

1. Transportation Surface Drainage Ongoing Rehabilitation (TSDOR) project is eligible for Mobility Advancement Program (f/k/a Transportation Surtax) awards therefore not requiring funding strictly via millage for the upcoming Fiscal Year.
2. Current economic environment, due to Covid-19 pandemic, supports a reduced millage.
3. Growth in net new taxable value of almost \$32 million (representing over 33% of 6.58% in total Townwide growth-a new record!)
4. Lower debt interest expense due to FEMA and FDEM reimbursement for both Hurricanes Irma and Dorian allowing for full pay off of existing emergency line of credit.

## *How a **Decrease** in Millage is Proposed? (continued)*

5. A newly adopted Fire Assessment methodology study reduced the allocable cost impact to the general fund.
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.

## MILLAGE COMPARISON NARRATIVE:

Currently, (FY 2020) Southwest Ranches (Operating Millage plus TSDOR Millage) is the 7<sup>th</sup> lowest combined operating and debt millage rate in Broward County (excluding Unincorporated Broward County).

The Initial FY 2021 Millage Rate retains the relative position of SWR to 7<sup>th</sup> lowest of 31 Municipalities.

Accordingly, the relative position of Southwest Ranches among Broward County Municipalities still remains approximately within the upper 25<sup>th</sup> percentile (22.58%). Twenty-four Municipalities (77.42%) are proposing millage rates higher than SWR for Fiscal Year 2020 – 2021.

**Municipal Millage Rate Comparisons**  
*(ranked by FY 2021 INITIAL COMBINED MILLAGES)*

Rank	Municipality	FY 20 Actual Operating and Debt millage	FY 21 Initial Operating and Debt millage
1	Weston	3.3464	3.3464
2	Hillsboro Beach	3.5000	3.5000
3	Lauderdale-By-The-Sea	3.5000	3.5000
4	Lighthouse Point	4.1713	4.1439
5	Ft Lauderdale	4.3443	4.3411
6	Parkland	4.4000	4.4000
7	<b>Southwest Ranches</b>	<b>4.6564</b>	<b>4.4558</b>
8	Lazy Lake	4.7940	4.7940
9	Pompano Beach	5.6326	5.6069
10	Deerfield Beach	6.3560	5.9812
11	Coral Springs	6.1266	6.1144
12	Dania Beach	6.1688	6.1600
13	Wilton Manors	6.2536	6.1796
14	Plantation	6.2364	6.2195
15	Davie	5.9123	6.2546
16	Oakland Park	6.0880	6.4099

**Municipal Millage Rate Comparisons**  
*(ranked by FY 2021 INITIAL COMBINED MILLAGES)*

Rank	Municipality	FY 20 Actual Operating and Debt millage	FY 21 Initial Operating and Debt millage
17	Sunrise	6.3402	6.4819
18	Coconut Creek	6.5378	6.5378
19	Pembroke Pines	6.1200	6.5425
20	Cooper City	6.8102	6.8102
21	Miramar	7.1172	7.1172
22	Sea Ranch Lakes	7.2500	7.2500
23	Tamarac	7.2899	7.2899
24	N Lauderdale	7.4000	7.4000
25	Hallandale Beach	7.4162	7.5522
26	Margate	7.7666	7.7383
27	Hollywood	7.9226	7.9226
28	Pembroke Park	8.5000	8.5000
29	West Park	8.5000	8.5000
30	Lauderdale Lakes	9.6950	9.6950
31	Lauderhill	10.8398	10.7898

# Fire Assessment (Introduction):

Note: the Fire assessment methodology has been updated from the prior year with Community input (2020 Consultant study)

Proposed and Actual Rates (History) by Category

Municipal Rates Compared

# Fire Assessment (Background)

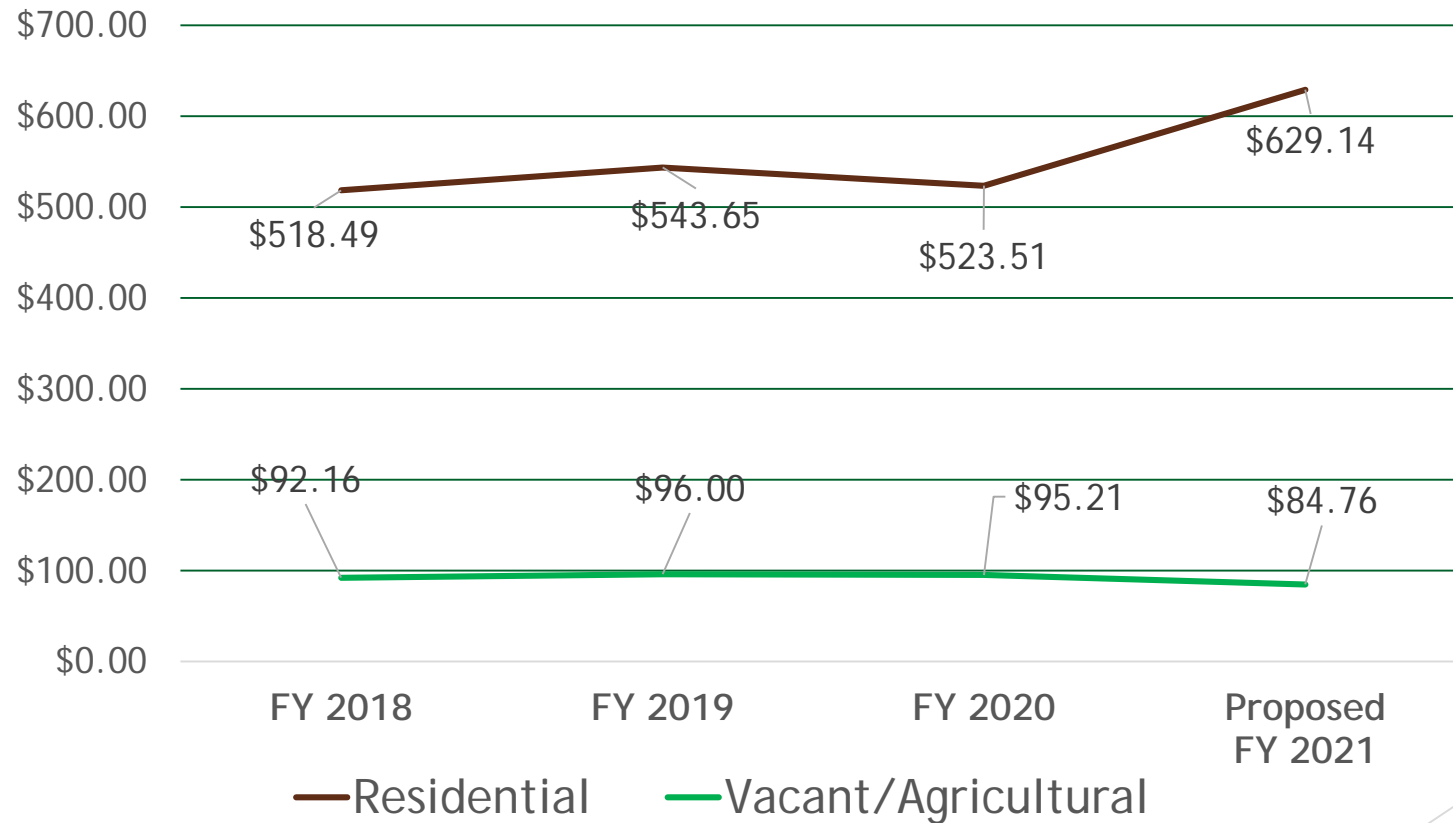
- ▶ This assessment is permitted by Florida Statute Chapters 166.021 and 166.041 and is adopted by Town Ordinance 2001-09.
- ▶ Ordinance 2001-09 requires that the annual rate be established each fiscal year.
- Resolution 2020-045 adopted a new fire assessment methodology impacting all categories due to changes in allocable fire protection costs and from the most recent 5-years of response data.

# Fire Assessment Impact(s)

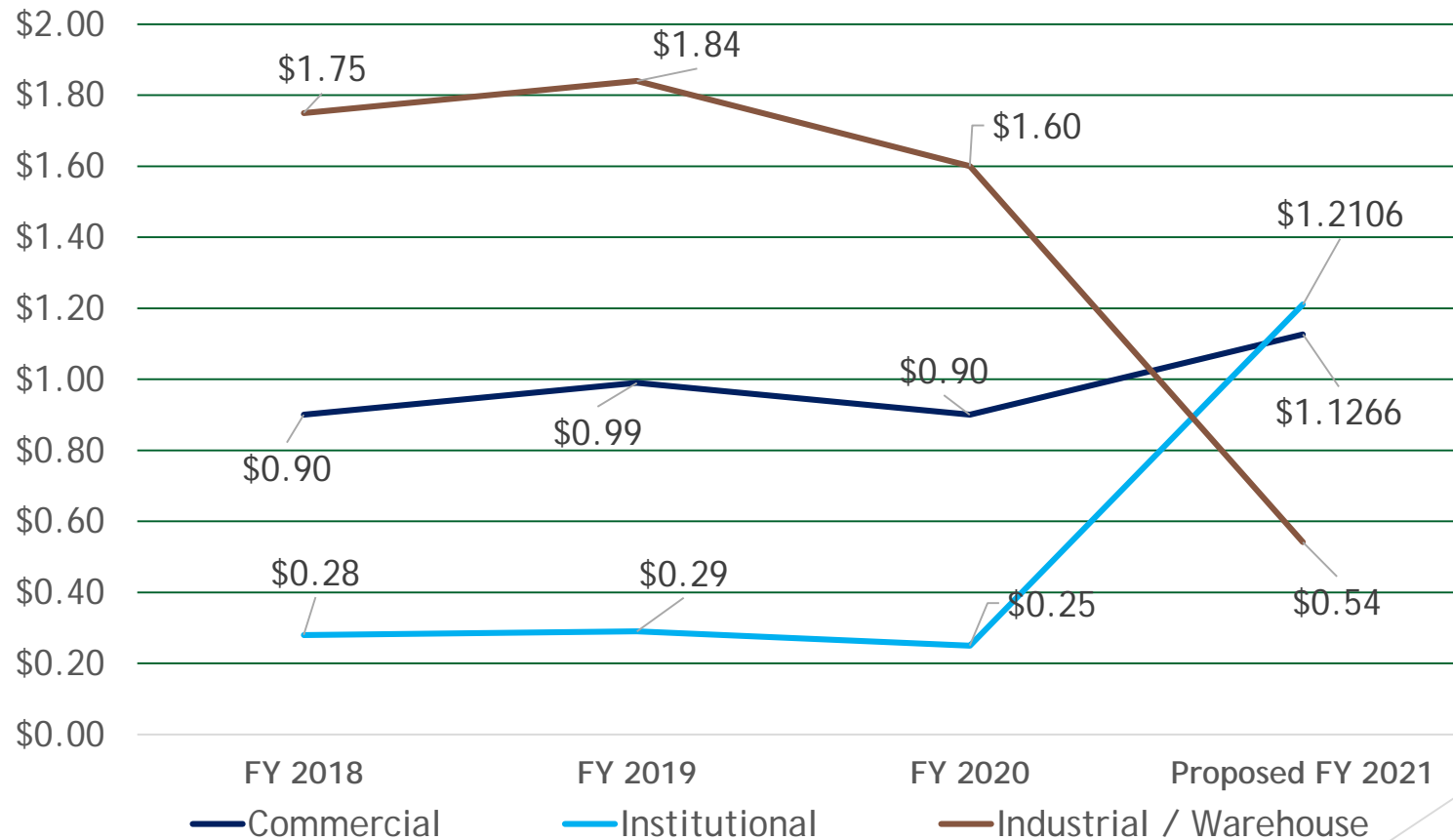
- ▶ Residential: \$105.63 increase (per dwelling unit)
- ▶ Acreage: (\$10.45) decrease (per acre)
- ▶ Warehouse/Industrial: (\$1.0583) decrease (per square foot Bldg. area)
- ▶ Institutional: \$0.9606 increase (per square foot Bldg. area)
- ▶ Commercial: \$0.2266 increase (per square foot Bldg. area)



# Fire Assessment Residential and Acreage Category Rates Three Year History and Proposed FY 2021



# Fire Assessment Rate: Per Square Foot Building Area by Category Three Year History and Proposed FY 2021



## 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, Sunrise and Cooper City has indicated that their initial Fire assessment represents only 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 20% (\$105.63 per residential unit).

**Municipal Residential Fire Rates compared**  
**(rank based FY 2021 Proposed fee)**

Rank	Municipalities	FY 2020 Actuals	FY 2021 Proposed	% Change: Increase
1	Southwest Ranches	\$523.51	\$629.14	20.18%
2	Weston	\$472.76	\$549.54	16.24%
3	Lauderhill	\$488.00	\$534.00	9.43%
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	\$282.38	\$325.89	15.41%
9	Ft Lauderdale	\$311.00	\$311.00	0.00%
10	Wilton Manors	\$216.13	\$293.06	35.59%
11	Hollywood	\$285.00	\$285.00	0.00%
12	Hallandale Beach	\$265.06	\$265.06	0.00%
13	Cooper City	\$161.28	\$262.83	62.97%
14	Parkland	\$250.00	\$250.00	0.00%

**Municipal Residential Fire Rates Compared (con't)**  
**(rank based FY 2021 Proposed fee)**

Rank	Municipality	FY 2020 Actuals	FY 2021 Proposed	% Change: Increase
15	Dania Beach	\$223.75	\$240.95	7.69%
16	Deerfield Beach	\$235.00	\$235.00	0.00%
17	Coral Springs	\$227.82	\$234.00	2.71%
18	N Lauderdale	\$228.00	\$233.00	2.19%
19	Sunrise	\$229.50	\$229.50	0.00%
20	Pompano Beach	\$220.00	\$220.00	0.00%
21	Davie	\$206.00	\$206.00	0.00%
22	Oakland Park	\$199.00	\$199.00	0.00%
23	Coconut Creek	\$186.79	\$196.13	5.00%
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.

## Initial Solid Waste Rates for FY 20/21 (with no change from FY 19/20)

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 Initial Rates FY 20/21	Total Assessed Rates FY 19/20	Difference: Increase (Decrease)
A	-	41,200	406	\$ 324.33	\$ 268.68	\$ 593.01	\$ 593.01	\$ -
B	41,201	46,999	429	\$ 324.33	\$ 314.55	\$ 638.88	\$ 638.88	\$ -
C	47,000	62,999	418	\$ 324.33	\$ 379.00	\$ 703.33	\$ 703.33	\$ -
D	63,000	95,999	457	\$ 324.33	\$ 406.52	\$ 730.85	\$ 730.85	\$ -
E	96,000	106,999	473	\$ 324.33	\$ 448.84	\$ 773.17	\$ 773.17	\$ -
F	107,000	>107,000	446	\$ 324.33	\$ 555.41	\$ 879.74	\$ 879.74	\$ -



# Solid Waste (SW) Impact

- ▶ For FY 2020/2021, 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. While, the annual collection element contract adjustments consisting of 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 2021 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 less than a 1% increase annually per year over the past nine years)!

# Notes on the FY 2021 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:*

- Website Redesign & ADA Compliance (\$20,500)
- Council Chambers Camera (\$20,000)
- Townwide Vehicle Replacement Program (\$17,500)
- Town Hall Exterior Re-Painting (\$17,000)
- Town of Southwest Ranches - 20<sup>th</sup> Anniversary Celebration (\$15,000)
- Townwide Parks Maintenance & Exterior Building Painting (\$14,670)
- Comprehensive Plan Update: Data, Inventory & Analysis (\$10,000)



## *Program Modifications Funded (12 in total):*

- School zone Flashing Beacon Replacement (\$9,000)
- Volunteer Fire Department safety equipment:  
*(all no millage impact)*
  - Fire Apparatus Replacement Program (\$39,000)
  - Fire AED Replacement Program (\$12,000)
  - Fire Hose Replacement Program (\$5,400)
  - Bunker Gear Replacement Program (\$2,808)



## Seven (7) Capital Improvement Projects Funded Include:

- Fire Wells Replacement and Installation  
*(no millage impact)*
- Fire Safety Modular Protective Awnings  
*(no millage impact)*
- Progress on Frontier Trails Conservation Area  
*(no millage impact)*
- Town Hall Complex Safety, Drainage, and Mitigation Improvements *(no millage impact)*
- Transportation Projects:
  - Drainage Improvement Project
  - Drainage Improvement- Surtax Project  
*(no millage impact)*
  - Pavement Striping & Marking



*Possible modifications based on Council concerns expressed at the July 30, 2020 initial rate setting Council meeting.*



# Rate(s) Adjustment Funding Options (Inflows)

- ▶ Unappropriated Budget funding availability derived from setting the initial millage at the roll-back rate of 4.4558 (vs. 4.2125 as originally proposed): **\$361,565**
- ▶ FY 2021 Debt Service provision for commencement of repayment of principal from our 2015 Land acquisition. The FY 2022-2031 annual budget impact is approximately \$500,000 (of \$7,750,000 in outstanding debt) **\$397,012**
- ▶ Total funds available in FY 2021 Budget for re-appropriation: **\$758,577**

## *FY 21 Budget Re-appropriation Options: (Outflows)*

1. Further reduce the millage rate below the Roll-Back rate.
2. Subsidize the Fire Assessment via the general fund. This will result in a policy direction change from 100% full-cost recovery.
3. Retain the Debt Service Provision at a lower dollar amount.
4. Provide funding for Capital Improvement projects (CIP's) originally proposed as not funded. The not funded CIP's represent eleven projects totaling \$7,609,971.
5. Provide funding for Program Modifications (PM's) originally proposed as not funded. The not funded millage PM's represent ten projects totaling \$417,179.
6. Lastly, any residual unappropriated will increase the unassigned General Fund Fund Balance (a/k/a reserves).

# *Option 1*

## *(reduce millage):*

To further reduce the millage rate below the Roll-Back rate a one thousand (.0001) net mill change requires \$148.61. Therefore,

- a) To reduce the 4.4558 to 4.4000 requires approximately \$82,925
- b) To reduce the 4.4558 to 4.3500 requires approximately \$157,230
- c) To reduce the 4.4558 to 4.3000 requires approximately \$231,535
- d) To reduce the 4.4558 to 4.2500 requires approximately \$305,840
- e) To reduce the 4.4558 to 4.2125 requires approximately \$361,565

## *Option 2*

### *(GF Subsidize the Fire Assessment):*

For a fair and equitable assessment, the General Fund subsidy amount deviates from past policy of full cost recovery and must be shared throughout all property categories.

For example, pursuant to the new methodology study, the residential apportionment is 56.08%. Therefore,

- a) To reduce the residential rate from \$629.14 to \$576.39 (**\$52.75**) requires \$248,700. ( $\$52.75 \times \#2,644 \text{ units} / 56.08\%$ ).
- b) To reduce the residential rate from \$629.14 to \$550.00 (**\$79.14**) requires \$373,121. ( $\$79.14 \times \#2,644 \text{ units} / 56.08\%$ ).
- c) To reduce the residential rate from \$629.14 to \$523.51 (**\$105.63**) requires \$498,013. ( $\$105.63 \times \#2,644 \text{ units} / 56.08\%$ ).

## ***Option 3*** ***(Retain a Debt Service Provision at a reduced amount):***

Currently, it is projected at the end of FY 2021 there will be approximately \$600,000 in assigned debt service fund balance available for appropriation for subsequent years. Any reduction in the FY 2021 budget provision above \$100,000 will negatively impact millage for FY 2022 (\$600,000 - \$500,000 FY 2022 principal required on the 2015 Land Acquisition).

## Option 4

*(Capital Improvement Projects Not Funded Include\*):*

Department	Project Name	Total FY 2021 Project Amount
Parks and Open Space	PROS Playground Surfacing Conversion	\$ 154,160
Parks and Open Space	Country Estates Park	\$ 150,000
Parks and Open Space	PROS Entranceway Signage	\$ 60,000
Parks and Open Space	Southwest Meadows Sanctuary Park	\$ 50,000
Parks and Open Space	Calusa Corners Park	\$ 50,000
Parks and Open Space	Sunshine Ranches Equestrian Park Playground Rehabilitation	\$ 32,125
Parks and Open Space	Country Estates Park Ballfield Improvement	\$ 31,726
<b>Capital Projects Fund Total</b>	<b>Total</b>	<b>\$ 528,011</b>
Transportation	Transportation Surface & Drainage Ongoing Rehabilitation (TSDOR)	\$ 869,960
Transportation	Guardrails Installation Project	\$ 390,000
<b>Transportation Fund Total</b>	<b>Total</b>	<b>\$ 1,259,960</b>
<b>All Funds</b>	<b>Total</b>	<b>\$ 1,787,971</b>

**\*Note:** The above Not Funded does not include an anticipated expenditure of approximately \$422k for Street Lighting in FY's 2022-2024 or \$5.4 million in FY 2025 for a Public Safety Facility.

## Option 5 (Program Modifications Not Funded):

<b>Not Funded Millage</b>	<b>Cost</b>	<b>Millage Equivalent, if applicable</b>
Transportation Fund: Stormwater Master Plan	<u>\$125,000</u>	0.0841
Right of Way: Increased Level of Service	<u>\$52,339</u>	0.0352
Transportation: TSDOR Plan Update	<u>\$50,000</u>	0.0336
Records Coordinator	<u>\$45,000</u>	0.0302
Griffin Road-West Median Replanting	<u>\$43,465</u>	0.2920
Rolling Oaks Passive Open Space Park Wetland Improvement	<u>\$33,920</u>	0.0228
Townwide Parks Increased Maintenance Level	<u>\$25,699</u>	0.0172
Playground Equipment Maintenance Service	<u>\$18,000</u>	0.0121
Sign Code Overhaul	<u>\$12,000</u>	0.0080
PT Customer Service Staff Increase	<u>\$11,756</u>	0.0079
Sub-total	<b><u>\$417,179</u></b>	

# Questions, Comments and Direction From Town Council

