

Town of Cutler Bay



SOUTH MIAMI-DADE CULTURAL CENTER

**Adopted
Operating Budget
Fiscal Year 2006-07**

TOWN COUNCIL

Paul Vrooman
Mayor

Edward MacDougall
Vice Mayor

Tim Meerbott
Councilmember Seat 1

Ernest Sochin
Councilmember Seat 2

Peggy Bell
Councilmember Seat 3

TOWN OFFICIALS

Steven J. Alexander
Town Manager

Weiss Serota Helfman Pastoriza Cole & Boniske, P.A.
Town Attorneys

Erika Gonzalez-Santamaria
Town Clerk

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INTRODUCTION AND MANAGER'S MESSAGE



CIVIC PLAZA — OLD CUTLER
CHARRETTE RENDERING

Town History

The first non-native American resident of the area was Dr. Henry Perrine, who in 1838, received land grants from the Territory of Florida and the US Congress. Seminole Indian conflicts, pressure from homesteaders and efforts by railroad land companies make for a rich and colorful area history over the next century and a half.

In January 2005, the residents of the area voted to incorporate. After months of work, the Town Charter was approved on November 8th and was effective the next day making the Town of Cutler Bay the youngest incorporated place in the State of Florida.

The Town's first Mayor, John F. Cosgrove, a former Florida State Legislator for over 25 years, was elected in January 2006 and on February 2nd, the Mayor and Town Council Members were sworn into office. On April 19, 2006, Mayor John Cosgrove tragically died while on vacation with his daughter. Due to the untimely passing of our first Mayor, we had to establish a process and take nominations for a new Vice Mayor. Pursuant to the Charter, Vice Mayor Paul Vrooman became the new Mayor and Edward P. MacDougall was voted by the Council to fill the position of Vice Mayor. Therefore,

Town History
(continued)

the current Town Council Members are as follows:

- Paul Vrooman, Mayor,
- Edward P. MacDougall, Vice Mayor,
- Tim Meerbott, Council Member, District 1,
- Ernie Sochin, Council Member, District 2, and
- Peggy Bell, Council Member, District 3.

The Town successfully accomplished two financial milestones this year – the County-Town Master Interlocal Agreement was completed in less time than in any other new municipality in the last ten years in Miami-Dade County. The Master Interlocal Agreement is the document that shapes the transition of services and sets the Town's financial stage. Of particular note in the Agreement are financial safeguard provisions for the Town in the event a major hurricane or other catastrophic event creates a hardship. The second milestone is the completion of two Operating Budgets: the Interim Budget and the first full fiscal year budget (FY2006-07).

The Interim Budget was created to provide a spending plan for the Town during the transition period when the County was still providing services while the Town Administration was being formed.

FY2005-06 Interim Budget negotiations with the County and the preparation of the Town's first Interim Budget, which covers the partial year from November 2005 to September 30, 2006, required an immense amount of detailed work and time. The Interim Budget is simply a financial guide, as, pursuant to the Town's Charter provisions, virtually all of the expenditures were controlled by the County for this first partial year.

Our Town Manager and the budget and accounting team spent hours working with State Department of Revenue officials, as well as County budget officials, to further clarify the Town's rightful revenues. Factors that we verified, which contribute to the revenue estimate changes, include: updated population figures for Cutler Bay, recent sales tax updates, better estimates from FPL and the County regarding electrical franchise fees, review and recalculation of revenue sharing funds, and comparison of revenue collections to similar municipalities.

We expect that, as we are primarily working from estimates provided by the County, variations in both revenues and expenses may occur throughout our first full fiscal year but we remain vigilant to minimize any surprises. We are confident in the budget, as we have had an expert team review all of our revenue refinements with the County Office of Strategic Business Management (budget office). In addition, senior managers in that office have agreed with our top consultant, Dr. David Morris, the former County Budget

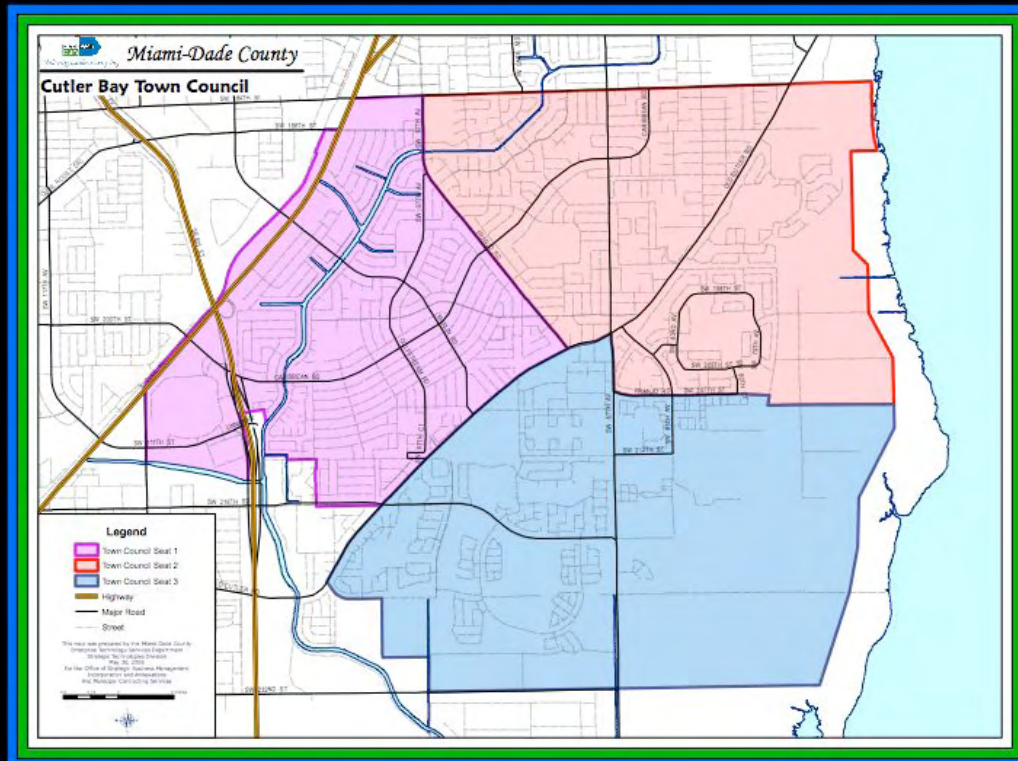
Town History (continued)

Director for over 20 years.

The current revenue estimates for our budget are approximately \$16.261 million including some funds that are restricted to being spent on certain items. We anticipate taking over most municipal functions from the County on October 1, 2006; however, some will occur over time as our new leadership team needs to be involved in planning and executing the smooth transition of services and property from County to Town control. This budget document outlines and authorizes the spending authority and plan for the Town's first full fiscal year from October 1, 2006 through September 30, 2007.

Town Facts and Demographics

Town limits generally encompass the following: on the North, SW 184th Street (Eureka Drive), on the West, east of the Busway to the coast, and to the South, north of 232nd St., and on the East, the Biscayne Bay National Park, forming a Town of approximately 10 square miles. Below is a map of the Town.



**Town Facts and
Demographics
(continued)**

The Town's population exceeds 37,000 people and the Town is predominantly residential in nature. The table below includes facts that we will follow for trends and patterns in the future.

Population	37,000
# Residential Units	13,539
# Commercial/Industrial Units	131
# Parks	7

**Message from
the Town
Manager**

Dear Honorable Mayor Vrooman and Town Council:

I am thrilled to have the opportunity to present the first full year budget for the Town of Cutler Bay. Since coming to Cutler Bay at the inaugural meeting of the Town Council, I have been working on identifying each and every revenue source possible for our new Town. We have held planning sessions with the Town Council, its residents, businesses and other interested parties to gain the broadest possible perspective on how to form this budget. I guided the negotiation of a series of Interlocal Agreements with Miami-Dade County for the transition of municipal services and their improvement by the Town.

In accordance with the Charter of the Town of Cutler Bay, I am pleased to submit the Town Manager's recommended budget for FY2006-07 to begin on October 1, 2006. Thanks to the commitment and leadership of the Mayor Cosgrove, Mayor Vrooman and each Council Member, much has been accomplished since our citizens voted to incorporate just nine months ago.

This past year was one of hard work, excitement, progress, and sadness. The sudden and untimely loss of our first Mayor and phenomenal community leader, John Cosgrove, stunned the community. His energy and commitment are sorely missed. Each accomplishment is truly shared with him in mind as the Town fulfills its potential as a beautiful and lively place to live and work.

After John's death, Paul Vrooman, the former Vice Mayor, was appointed Mayor and Ed MacDougall was elected to fill the position of Vice Mayor. The Town moved forward in an orderly and deliberate fashion. The residents, neighbors, businesses and I owe Mayor Vrooman and the Council great thanks and admiration for their leadership, understanding, strength and perseverance in this difficult time.

Early Council decisions put the Town on sound footing. The Council was organized into several temporary committees thereby allowing for focused attention on the issues of the budding government. The Town is indebted to Palmetto Bay Town

Message from
the Town
Manager
(continued)

Manager, Charles Scurr, and Palmetto Bay Town Clerk, Meighan Pier, both of whom provided assistance to the Town in its early days. During that same period, I also assisted the Town and in March 2006, I was honored that the Council appointed me Interim Town Manager.

During the next few months I led a series of negotiations on behalf of the Town with Miami-Dade County staff, to establish the Town's budget and cash projections. Additionally, several meetings with residents and Council Members established priorities and numerous deadlines. The 180-day report submitted to the Council in July 2006, provides the details for many of these activities.

In July, the Town completed negotiations and approved the Master Interlocal Agreement with Miami-Dade County in record time. The Master Interlocal Agreement is the main blueprint for the transition of services from Miami-Dade County to the Town. The Master Interlocal also validates the revenue and expenditure details that establish the financial starting point for the Town's operations.

Over the summer, a series of Strategic Planning workshops were held for the community-at-large, and the business community. Additionally, a session is planned for the Town's children. The Town also adopted a general philosophy, a mission statement and determined the initial Town functions: Local Police Patrol, Community Development, Community Services and Parks, Public Works, Finance and Administration, Town Attorney, Town Clerk, and General Government.

On behalf of the Town I led a team that negotiated several items which provides the Town with financial and operational safeguards in the coming year, including:

- Early transfer of excess revenues prior to the current fiscal year end (September 30, 2006) and prior to final reconciliation with the County of such revenues and expenditures;
- Advances of Ad Valorem revenue for FY2006-07 to prevent cash flow shortage issues;
- The ability to request additional revenue advances from the County in the event of cash shortfalls during the initial four months of FY 2006-07;
- Cash advances from the County potentially in the amount of several millions of dollars in the event of a catastrophic occurrence that requires extraordinary and immediate cash flow.

The Town's Interim Budget for the partial fiscal year from November 2005 to September 2006 estimated a year-end balance or carryover

Message from
the Town
Manager
(continued)

of \$274,265. The Interim Budget is a preliminary financial guide and we expect revenues and expenses to fluctuate due to the fact that the County had control of our budget and revenue streams. Even though the County controlled most of the expenditures for this first partial year, we have continued to refine revenue and expenditure estimates for the FY2005-06 budget, and as a result, the current estimate of year-end carryover is projected to be \$845,493. The FY2005-06 year-end carryover is the beginning balance for the FY2006-07 budget.

The change in the FY2005-06 carryover estimate is due to ongoing refinement of revenues, county charges, and current Town expenses. Only after the County completes reconciliation of its FY2005-06 expenditures (sometime this fall), will the Town be able to determine with certainty the FY2005-06 charges for County services, the final year-end revenues and therefore the actual starting carryover into FY2006-07.

Expenses and revenues will be finalized through a very detailed reconciliation process between Miami-Dade County and the Town's staff. Just as the Interim Budget was a spending plan, the FY2006-07 budget is a plan for the first full fiscal year.

The FY2006-07 Adopted Operating Budget includes \$16.261 million in expenditures including some funds that have restricted uses. The budget reflects that the Town is planning to assume responsibility for most municipal functions from the County on October 1, 2006. The budget also includes a number of start-up, one-time expenses associated with, office space build-out and furnishing, equipment and vehicle purchases. In addition, there are a number of reserves set aside for service improvements to be determined as the year moves forward and there is a clearer picture of the Town's specific needs.

Beginning on August 28, 2006, residents saw their own Police Officers begin patrolling within the Town, patrol cars with the Town emblem. Officers will soon be moving into their permanent facilities at Town Hall. In August and September, Town Hall was the site of an intensive program of Police orientation and training to familiarize our new police officers with the Town. The community greeted this event with great enthusiasm and volunteers brought in food and drinks for all of the officers for the entire week. I would like to take this opportunity on behalf of Commander Pichardo and his troops, to extend heartfelt thanks for this showing of support.

The general philosophy of the Town administration is to develop a fiscally efficient government with a small highly qualified core staff and use private sector contractors to maximum benefit. Proper and professional supervision and management is necessary regardless

Message from
the Town
Manager
(continued)

of whether those Town services are provided by Town employees, under contract with the County or through private service providers.

There are certain positions that I believe are essential to have on Town staff to oversee their respective areas of responsibility. These management positions include the functions of a Town Planner, a Town Building Official, a Public Works Director, Finance Director and a Director of Parks and Recreation.

All of these positions are funded in the adopted budget. Recruitment efforts and advertisements have been completed; and, in many cases, selected job candidates are currently in salary negotiations with Town staff. It is expected that these important positions will be filled by the beginning of the fiscal year or during the first quarter of the new budget, subject to successful background checks and drug testing, and, of course, budget approval. Sufficient funds have been budgeted to provide necessary administrative support for each office.

In the coming year, the Town will provide code compliance services, building department services, parks services, planning and zoning, and public works services. It is exciting and fulfilling to see the provision of high quality Town services becoming a reality.

The future for Cutler Bay is bright. Town management and the Town Council will continue to listen to residents' concerns and needs, and use sound judgment and organization to deliver excellent services.

This budget document describes each revenue source and the basis for our estimates of these sources. It also explains the services the Town will provide, the anticipated costs and planned transition from County-provided to Town-provided services.

The coming year will be extraordinarily busy. We will soon be hiring a Finance Director, Community Services and Parks Director, Community Development Director and Public Works Director. Building and permitting services and code compliance services are important functions that will be initiated early in our establishment of services as they are clear priorities of the community.

In the Town Services and Expenditures section of this book, you will find detailed information about services. Summary line item budgets are found in the Appendix Section and include the most significant specific items within a budget category for that service. I intend for this budget presentation format to communicate our budget plan to every reader.

Message from
the Town
Manager
(continued)

I invite everyone to review in detail my recommended expenditures. I believe that you will find them to be conservative, reasonable and appropriate. Any budgeted expenditures approved by the Council that are not spent specifically for the purposes outlined in this budget will be carried forward to fund the next Town Council approved annual budget unless re-appropriated by the Town Council at an advertised public meeting.

I worked especially hard to establish a contingency fund that is higher proportionally than Miami-Dade County and many other local municipalities.

This budget remains the official statement of a spending plan based on priorities set by the Town Council on behalf of the residents of the Town of Cutler Bay. We will provide excellence in an efficient, well planned, caring governmental structure. These are the public's funds for the provision of public services and my staff and I are proud and excited to be the first team to be called Town of Cutler Bay public servants. Our goal is to make the Council, residents, visitors and businesses of Cutler Bay refer to their government and its services with great pride.

I want to take this opportunity to thank Mayor Vrooman and the Council Members for their confidence in me by naming me the first Town Manager for this new and excellent Town in July of this year. I also thank those that helped create this budget including Irwin Williams, CPA, and the Government Services Group consulting team, including Merrett Stierheim, Dr. David Morris, and Dianne Wright who have assisted me with the budget preparation and the Town Strategic planning process.

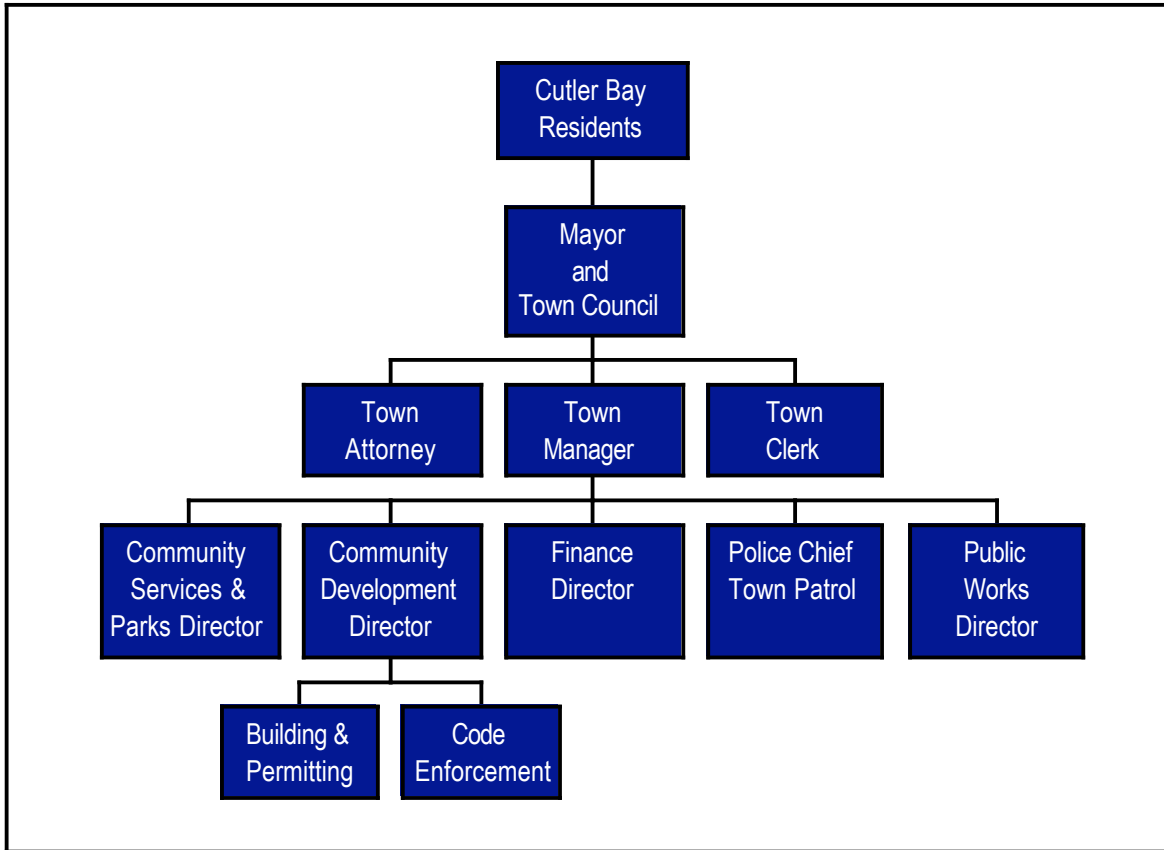
I look forward to the coming year and the challenges of growing a new and exciting organization from the ground up. With the leadership of the Town Council and support of the residents, the Town of Cutler Bay can reach its full potential.

Respectfully,

A handwritten signature in black ink, appearing to be 'SJA', followed by a horizontal line extending to the right.

Steven J. Alexander
Town Manager

**Organizational
Chart**



**Strategic
Planning
Process**

As the Town began its first budget process, the Council took the opportunity to listen to the residents and build consensus with them through a strategic planning process. The process allows the community to set forth a clear vision for the future and establish a solid foundation for the development of major policies, business processes and organization structure.

The Council held a series of Town Hall meetings and will continue throughout the summer to gather ideas and priorities from residents and business people concerning Town services. The Town's Strategic Plan will serve as a blueprint for the level and quality of municipal services for the next five years. It will also serve as a guideline for the preparation of annual budgets, and for evaluating management performance.

Town Philosophy

The general philosophy of the Town is to develop a fiscally efficient government with a highly qualified core staff and use private sector contractors to maximum benefit. However, when citizen contact is a critical component of our service, Town employees may, in fact,

provide the best level of service possible.

**Town Mission
Statement**

In early May, the Town Manager organized a visioning workshop for the Town's newly elected officials so that they could have a chance to discuss, in a public forum, a broad range of issues to be faced by the Town. One of the outcomes of this very productive Council Workshop was the following mission statement for Cutler Bay:

The Town Council will work to make Cutler Bay an excellent place to live, work and play. Cutler Bay's government will be creative, responsive and respectful in providing innovative and cost effective services to the community.

BUDGET OVERVIEW



OLD CUTLER ROAD
CHARRETTE RENDERING

Overview

A budget is a financial plan that allocates resources to deliver priority services, facilities and equipment. Budgeting is a complex process that results in a budget document, an accounting ledger, a spending plan and a system to review progress in meeting goals and to define and quantify new and updated goals. The approved budget document is actually a spending policy created by the Town Council and is intended to authorize the Town Manager to make certain expenditures in order to accomplish the goals established by the Council. Certain steps are common to sound budget processes:

- Policy development
- Financial planning
- Service or operations planning
- Communications

For the FY2006-07 fiscal year, the Council and the Town Manager have engaged in an ongoing dialogue about Town services and have engaged the community through the strategic planning process and other community workshops. The Town Manager and his team built the budget based on this prior information and shaped it to meet the goals, objectives and strategies expressed by the Town Council and its residents.

Increased local police presence (an estimated four-fold increase in the actual police presence in our Town) and stepped up code compliance are two high priorities for the Town of Cutler Bay. The Proposed FY2006-07 Budget addresses those priorities and also delivers public works, parks, community development and other Town services at a high level of excellence. Services are being transitioned from Miami-Dade County to the Town in an orderly yet expeditious fashion. Virtually all of the services will be initiated with Town personnel within the first quarter of the fiscal year.

Because this is the first year that the Town will have a budget independent of the County, revenues and expenditures are estimated in an exceptionally conservative manner. Also a prudent contingency reserve is created herein to provide resources in the event of an emergency or revenue shortfall.

**Budget
Process and
Schedule**

The first step of the Town's first budget process was to establish an Interim Budget and validate Town revenues for the first partial year as a municipality. In June, the Town Council passed the Interim FY2005-06 Budget, which included an estimated fiscal year-end balance of \$274,265.

The next steps were to: 1) determine the schedule for the transition of services from Miami-Dade County to the Town, 2) determine the level of services to be provided, and 3) refine estimates of revenues

Budget Process
and Schedule
(continued)

available to provide Town services.

To assist in determining service levels and service priorities, the Town began a strategic planning process that allowed for public input on services and the overall Town mission. The Town Manager used input from various sources including the strategic planning workshops to develop a budget that reflects the wishes of the community and is fiscally responsible.

On July 1, 2006, the Miami-Dade County Property Appraiser certified the taxable value of real property and personal property for the Town of Cutler Bay. The certified roll reflected an increase in property tax valuations of nearly 31 percent from \$1.721 billion for FY2005-06 to \$2.266 billion for FY2006-07.

On July 18th the Town Council adopted the proposed millage rate (the rate which is multiplied times the property tax roll). The proposed millage rate (2.447) is used by the County Property Appraiser to calculate proposed property taxes in the notice mailed by Miami-Dade County to meet provisions of the Florida TRIM (Truth in Millage) statute.

As recommended by the Town Manager, the Cutler Bay Town Council members voted to leave the town's tax rate the same as before incorporation when they recently approved a tax rate for FY2006-07 fiscal year of 2.447 mills, (or \$2.447 for every \$1,000 of taxable property). That is the same rate for municipal services charged by Miami-Dade County prior to incorporation. Because property values have recently been appreciating, homeowners may still see an increase in their actual tax bill because the tax rate will be applied to property that is worth more as it increases in value. Florida's constitution limits the appraised value of a homestead to an increase of only three percent a year.

Under the proposed rate, a resident with a home appraised by Miami-Dade County at \$500,000 and the standard \$25,000 Homestead Exemption would pay \$1,140 in property taxes to Cutler Bay. (That figure does not include state or school district taxes, among other items that also appear on a homeowner's tax bill.)

The final tax rate for Cutler Bay and this budget was considered for final approval and the public gave input at two hearings in September. Under state law, the Town Council can decrease the rate at the final budget hearing but cannot raise it. We have been able to keep the tax rate the same as it was in the County before Cutler Bay's incorporation as a new town.

Pursuant to state law, the Town must hold two public hearings on the proposed budget and property tax (or ad valorem) rate prior to

Budget Process and Schedule (continued) October 1, the beginning of the new fiscal year. The Town's public hearings were held September 6th and September 19th. The Council adopted the operating budget and the property tax millage at the second meeting. On October 1, 2006, the Town will begin its first full fiscal year of municipal operations.

TOWN REVENUES



PUBLIC PLAZA
CHARRETTE RENDERING

General Fund The Town's General Fund receives the majority of the Town's operating revenues and accounts for majority of the Town's expenditures for services. General Fund revenues are primarily unrestricted in nature and fund variety of Town services including police patrol, general public works, parks services, and Town governance and management. Certain revenues, or special revenues, such as gas tax and impact fee revenues, are not included in the General Fund as their uses are restricted.

The five major General Fund revenues are:

- Ad Valorem or property taxes,
- Utility taxes,
- Local government half cent sales tax,

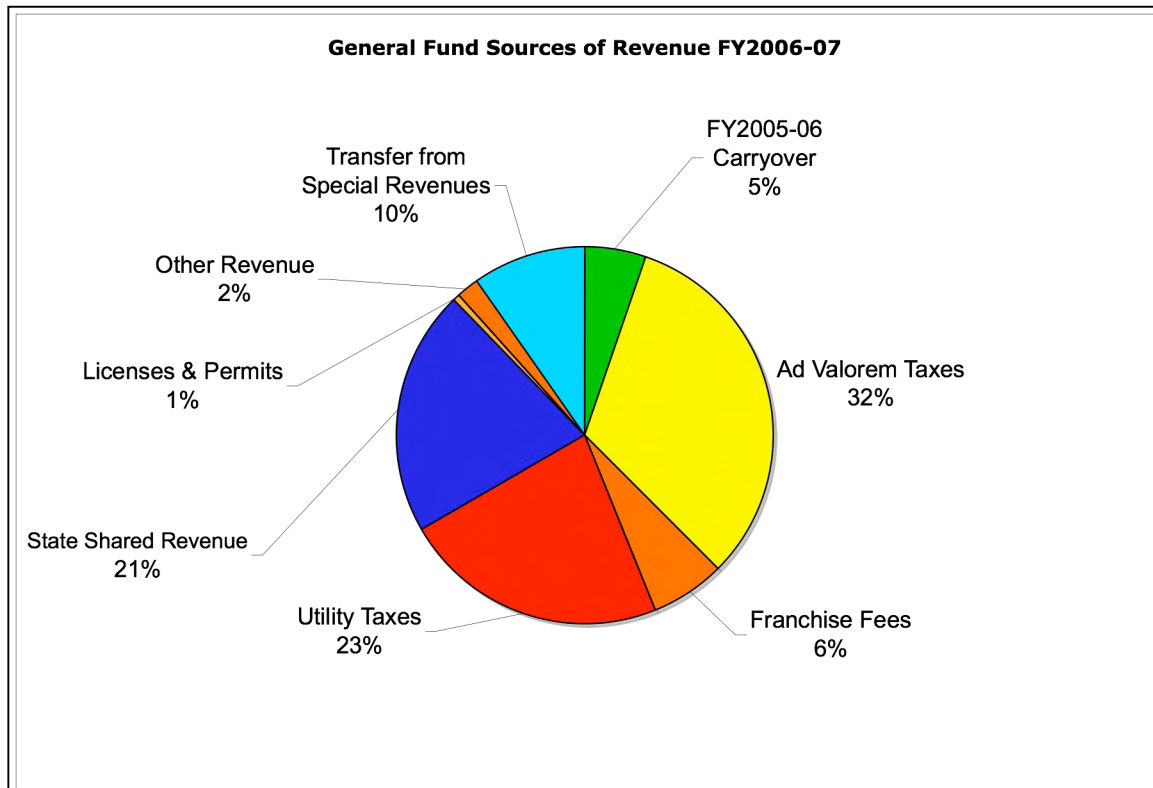
TOWN OF CUTLER BAY FY2006-07 ADOPTED OPERATING BUDGET

General Fund
(continued)

- Communications services tax, and
- State revenue sharing.

Other revenues include the FPL franchise fee, occupational license taxes, interest earnings, and carryover among others. The accompanying chart reflects the percentages of each revenue source as part of the overall Operating Budget, which totals \$16.261 million for FY2006-07.

State law requires counties but not municipalities to budget revenues at 95 percent of projected values. That requirement helps assure that actual revenues, which generally depend on next year's economy, will meet budgeted targets and cover expenses. This first year's Budget follows the prudent practice of budgeting revenues at 95 percent.



Sources of
General Fund
Revenues

The chart above depicts the FY2006-07 revenue sources as a percent of the whole. Ad Valorem, or property tax, is the largest of the municipal revenues; sales taxes, franchise fees and communications services fees are the next largest contributors to the Town's General Fund budget.

Description of Revenues Below is a description of the Town's General Fund revenue sources including a brief discussion about how estimates were derived.

Ad Valorem or Property Taxes *Ad Valorem* (which translates to 'at value') taxes represent a levy on assessed real and personal property. Ad Valorem taxes are known as property taxes, and the property tax levy generally is the single largest revenue source for municipalities. By June 1st of each year, the County Property Appraiser provides estimates of the taxable values for budgeting purposes. The estimate for the Town of Cutler Bay was \$2.15 billion. On July 1st the County Property Appraiser delivered the Certified Taxable Value to the Town for use in the FY2006-07 budget. The assessed value less homestead and other exemptions for the Town is \$2,265,704,036.

The change in taxable value from FY2005-06 to FY2006-07 represents a 31 percent increase. New construction alone accounted for growth of 12.5 percent. We do not expect this level of new construction to continue and therefore the amount of increase in ad valorem revenue growth will not be as great in future years.

The amount of property taxes paid by a property owner depends on the taxable value of the property and on the millage rate (measured in dollars per \$1,000 of value) approved by the governing body of each taxing authority. The property tax levy is the product of the taxable value of property multiplied by the millage rate. Property in Cutler Bay is subject to the Town's municipal property taxes as well as those of the County, School Board, and various special taxing authorities, such as the South Florida Water Management District. In addition to property taxes, certain special assessments, such as that for solid waste disposal which is set and levied by the County, are on the tax bill of affected properties.

The County Property Appraiser bases the taxable value on the market value of property in accordance with state law. The assessed value of a piece of property may differ from the market value. For example, Amendment 10 to the Florida Constitution, limited the growth in assessed value for properties with homestead exemption, to three percent or the growth in the consumer price index, whichever is lower. The taxable value may differ from the assessed value. Properties eligible for homestead exemption have the taxable value reduced by up to \$25,000. Eligible persons may also receive the Senior Homestead Exemption of an additional \$25,000. Other exemptions include those for disabled veterans, widows, and widowers.

The Town Council will determine the number of *mills* to be applied to the assessed taxable value. For example, one mill applied to the

Ad Valorem or Property Taxes (continued)	FY2006-07 Certified Tax Value of \$2,265,704,036 produces a tax levy of \$2,265,704. The Town Council adopted a millage rate of 2.447 mills, the same millage as levied by the County on Cutler Bay residents (property in the Unincorporated Municipal Service Area), and the same rate as paid on property in FY2005-06. On July 18th, the Council adopted that very low rate as the Proposed Millage Rate. The Proposed Millage Rate was used to calculate the municipal tax levy by the County Property Appraiser in the Notice of Proposed Property Taxes that is mailed to each property owner in August. This same millage rate was adopted at the final budget hearing on September 19. Therefore, the budgeted revenue for Ad Valorem taxes will total \$5.267 million.
Utility Taxes	Utility service taxes are levied on consumer consumption of utility services provided in the Town. The Town has adopted the same rates as levied by the County: ten percent. Utilities on which the tax is levied include electricity, gas, and water and sewer services. While there is little data, (due to the fact that the County never tracked this separately within our boundaries) regarding the historical growth in utility taxes in Cutler Bay, historically utility taxes increase as the result of inflation on utility charges and growth in population. The tax on electricity provides the majority of the revenue from the utility tax. Although electricity rates have increased to the consumer, the increase has generally been as the result of fuel adjustment charges, which, pursuant to state law, are exempt from utility taxes. The recommended budget amount for utility taxes is based on the historical growth in population (three percent), and the total recommended budgeted revenue (based on 95 percent of the projected revenue) is \$2.249 million.
Local Government Half Cent Sales Tax	In 1982, the state approved the sharing of approximately one-half cent of the six-cent sales tax with the counties and municipalities in the state that meet certain requirements. The distribution to the geographic area of each county is based on the sales tax collected by the state in that county. The allocation to county government and the municipalities in each county is made on the basis of each jurisdiction's population. The state provides revenue estimates for each jurisdiction; the estimate for FY2006-07 for Cutler Bay is \$2.263 million, of which \$2.150 million is budgeted revenue (95 percent of the projected revenue).
Communications Services Tax	Several years ago, the state standardized the collection of utility taxes and franchise fees on communication services, including telephone service and cable television. Each jurisdiction approved a tax rate (5.22 percent for Cutler Bay, the same as for

Communications Services Tax (continued) the unincorporated area of the County) applied to all services generated in the city. Each service provider is required to pay the taxes to the state which is responsible for distributing the taxes back to the jurisdictions and for monitoring and auditing the collections.

Pursuant to state law, Cutler Bay has notified the state of its tax rate, and collections will begin for the benefit of the town in January 2007. Service providers will pay the taxes collected in January to the state in February, and the state will make the first direct payment to the Town in March 2007. Prior to that time, the tax collected in the geographic area of the Town is being credited to the County. In accordance with an Interlocal Agreement between the Town and Miami-Dade County, the County is paying the Town's share of the Communications Services Tax back to the Town, and will continue to do so until payments are made directly to the Town. Because of possible delays by service providers in properly allocating collections to the Town, the County will be requested to pay any such difference to the Town. The budgeted revenue from the Communications Services Tax is \$1.454 million.

State Municipal Revenue Sharing The State's Municipal Revenue Sharing Trust Fund receives about one-third of its revenue from gas taxes and the balance from sales taxes. The portion attributable to gas taxes is limited in use (expenditure) for transportation related activities, including transportation related public safety activities. Revenue sharing is distributed to eligible municipalities by a formula based on population, sales tax collections, and the ability to raise revenues. Cutler Bay became eligible for State Revenue Sharing in July 2006. It should receive three payments by the end of this fiscal year.

The Proposed FY2006-07 Budget annualizes the State's July to June estimate. The budgeted revenue for State Revenue Sharing is \$1.278 million.

FPL Franchise Fees The FPL franchise fee is a charge to Florida Power and Light (FPL) for the use of right-of-way within the County. The County and the utility entered into a thirty-year franchise fee contract in the early 1990s. That contract requires FPL to pay the County six percent of its revenue less certain adjustments for taxes and fees paid by FPL. Because the contract with the County covers the geographic area of Cutler Bay, the Town cannot collect the FPL franchise fee directly. Instead, the FPL payment to the County includes the franchise fees paid by electricity users in the Town. The County has agreed to pay each municipality, which doesn't have its own franchise agreement, its proportionate share of the franchise revenue. That payment is made in August or September of each year after FPL provides the County with the information necessary to make the distribution.

FPL Franchise
Fees
(continued)

Unlike the franchise agreements with other jurisdictions, which are paid monthly in arrears, the FPL franchise agreement with the County requires a single annual payment, which is made in advance of FPL recouping its cost from its ratepayers. That single payment is made on July 1 of each year. Also, the franchise fee is based on gross revenues, including fuel adjustment surcharges. Because the annual payment depends on electrical usage and offsetting adjustments, it is very difficult to project the annual payment. After discussions with the staff of the County's Office of Strategic Business Management, it is recommended that the FPL franchise payment for FY2006-07 be budgeted as revenue at \$1.007 million.

Other Fees,
Interest and
Miscellaneous
Sources

This category of revenue sources includes Occupational License Fees, interest earned on cash held in bank accounts, alcoholic beverage taxes, prior year balance or carryover and any other minor revenue source for the Town. Each revenue source is described below.

Occupational License Fees: The County and each municipality, including the unincorporated area, require all businesses to obtain countywide and municipal occupational licenses in order to operate within the County limits. Countywide license fees are shared with municipalities based on a formula that includes population. The County will not collect occupational licenses on behalf of municipalities, therefore the Town must initiate a billing and collection process for its own occupational license. The Proposed FY2006-07 Budget anticipates some delay and possible reduction in Town occupational license collections based on the start-up experience of other new municipalities. The recommended budgeted revenue figure for the total occupation tax is \$100,000.

Parks Services Fees: Parks operations will generate user fees. Based on the experience of the County and using conservative estimates, the budget for Parks Fees is \$126,400 for FY2006-07.

Interest Earned: The County allocated interest earned on revenues collected and held on behalf of the Town for the first partial year. Interest is budgeted and projected for FY2006-07 earnings on cash held in Town accounts. The proposed budget includes an estimate of \$75,000 in interest earnings.

Miscellaneous Revenues: This includes revenues such as fines and forfeitures, which includes the municipal portion of the fines imposed for traffic and other violations. Total miscellaneous revenues, based on per capita estimates from other new municipalities, are budgeted at \$125,000.

Prior Year Carryover: Carryover is the balance of unexpended

Other Fees,
Interest and
Miscellaneous
Sources
(continued)

funds remaining at year-end that are carried forward into the next fiscal year. Although, from an accounting point of view, carryover is a balance sheet item and is not included in a profit and loss statement, carryover is included as part of the budget. Having sufficient cash carryover is critical to a municipality because it provides the necessary cash flow before property taxes are collected in November. Also, having an adequate carryover is a sign of fiscal health reviewed by financial rating agencies. On the other hand, carryover should not be treated as a recurring revenue source available for on-going operating expenses. Thus, as discussed below, it is recommended that the cash carryover (projected at \$845,493) be used to fund the Contingency Reserve.

**Special
Revenue
Funds**

Special revenues are segregated from the General Fund Revenues in this presentation and in some cases from an accounting standpoint due to restrictions on fund uses. Examples of such revenues include code enforcement fines, building and permit fees, and the Town's share of the County's Local Option Gas Taxes. Impact fees are paid on new construction. State law, County ordinances, and case law strictly limit the use of impact fees. Impact fees may not be used for routine operations, but are limited to capital costs associated with projects to relieve stress on infrastructure associated with development.

Local Option
Gas Taxes

The Town receives a share of two Local Option Gas Taxes imposed by the County: the Five-Cent Capital Improvement Local Option Gas Tax (of which only three cents is levied; \$184,000) and the Six-Cent Local Option Gas Tax (\$490,000).

The money received from the Capital Improvement Local Option Gas Tax may be used to meet the requirements of the capital improvements element of the Comprehensive Development Plan to meet immediate transportation problems and for other transportation related expenditures including the construction, reconstruction, or resurfacing of roads. Expenditures for routine maintenance of roads are not an allowed expense.

The proceeds (\$490,000) from the Six-Cent Local Option Gas Tax may be used for transportation expenditures including roadway maintenance and equipment and the structures for storing such equipment; drainage, street lighting, signs, signals, markings; traffic engineering; and debt service.

Code
Compliance
Fines

As the Town takes over its own code compliance activities, it will receive revenues from fines from code violators. It is recommended that for FY2006-07 any such revenue be used to fund the compliance program and not be made part of the General Fund. However, any revenues collected over the cost of operations may

Code Compliance Fines (continued)	be used for general operations. Revenue will be estimated for Code Compliance once the Town has experience and a better understanding of enforcement activity.
Building and Permit Fees	Building permitting and inspection functions and zoning activities are projected to be self-supporting from their own revenues projected at \$1,476,000. Because these revenue sources are fees and not taxes or fines, they are limited in use to the cost associated with building and zoning activities. Any excess revenues may not be used for general operations.
Impact Fees - Parks	Developers are assessed impact fees under Miami-Dade County Ordinance No. 90-59 to provide for public parks open space and recreation facilities to adequately serve the impacts and demands of new residential development. Park impact fee funds and any interest earnings (projected at \$503,665) are limited in their use to the “financing of park acquisition, park expansion, park improvements to real property, capital facilities (including start-up equipment and technology), or for principal and interest payments (including sinking fund payments) on bonds or other borrowed revenues” and are restricted for use within the designated district from which they were collected. The Town is entitled to collect any impact fees associated with development within the Town limits and must use these funds within the time and use constraints prescribed in the Miami-Dade County Park Impact Fee Ordinance.
Impact Fees – Police	Police Impact Fees (projected at \$114,271) are collected under Miami-Dade County Ordinance No. 90-31 with the purpose of providing additional <u>capital</u> resources for adequate police protection for the existing population and to accommodate projected population due to new development. Police impact fees can be used for “acquisition of capital equipment for police services including the acquisition of systems, tools and machines that allow police service tasks to be performed in a more efficient manner”. Further review of the Miami-Dade County Police Impact Fee ordinance and applications is needed to determine if the Town can apply impact fee funds to the purchase of police vehicle and equipment for added police patrol positions included in the Town’s Patrol Services contract with Miami-Dade County.
Stormwater Utilities	Under the provisions of the Florida Air and Water Pollution Control Act (F.S. 403.0891) local governments are required to develop stormwater management programs. Miami-Dade County enacted a

Stormwater Utilities (continued)	countywide stormwater utility ordinance in June 1991 and assesses and collects the Stormwater Utility Fee pursuant to that ordinance. Should the Town adopt its own ordinance, the Town will collect the fees and will be obligated to develop a Stormwater Master Plan and construct stormwater facilities as needed. This Utility will keep a distinct budget which will be approved by the Town Council.
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TOWN SERVICES AND EXPENDITURES



TOWN HOUSES ALONG OLD CUTLER ROAD
CHARRETTE RENDERING

Mayor and Council

The Mayor and Council's budget accounts for \$151,375 or one percent of the budget and provides for stipends and benefits as prescribed in the Charter and as provided by the Council. Only a fraction of this expense is 'salary' and the remainder is essential to provide the means and tools for the Council to meet the Town's business needs in their official capacity as heads of this government.

Town Clerk

The Town's full-time Town Clerk is responsible for maintaining a record of Council and other public meetings, producing agendas and other documents for meetings and maintenance of files for codification purposes. The FY2006-07 budget accounts for

Town Clerk
(continued) \$218,851 or a little more than one percent of the budget. It includes the full-year's cost estimates associated with Council meetings, zoning meetings, production of the Land Development Regulations (LDR), conversion of the County municipal code for the Town, and the September Vice Mayor's election for which payment will be made in FY2006-07.

Funds have been allocated to provide for the state-of-the-art digital imaging system so that the Town can begin as soon as possible, to meet the spirit of the Charter which in essence calls for a high technology approach to government, to include the goal of approaching a 'paperless' filing system for most documents. This office will also manage public records requests and will assist in website design and cash transactions.

Town Attorney The Town contracts for legal services rather than hiring an in-house attorney/employee. The Town Attorney accounts for almost \$360,000 or two percent of the budget and is a function provided by the law firm of Weiss, Serota, et al, who bills at a special reduced rate for the Town of Cutler Bay. While not under the direct supervision of the Town Manager, the expenditures of the Attorney's office are contained within the administratively managed budget. An estimate of their expected financial requirement is presented herein; however, due to the variability of issues that may beset a new municipality, it is uncertain that this planed expenditure level can be maintained.

General Government The General Government budget of \$1,985,973 represents 12 percent of the budget and includes the Town Manger and Town management staff and operating costs associated with the Town.

The Town Managers Office will encompass most of the costs not directly associated with an individual budget category or Department. This Office will also include a position to focus on human resource and clerical staffing supervision in addition to other duties. We are planning to have five administrative assistants who will provide clerical and other duties for the Department Directors. These employees will initially be working in a pool system so that each individual is cross-trained and has an opportunity to be part of every component of the general administration.

Additionally, due to the demands of time and myriad of responsibilities, there will also be an assistant to the Manager to help establish a rapid response team to respond to the many requests, questions and various needs of our residents. This system will track such requests and make continued contact through a computer based tracking system to provide a significant and personal response to each such citizen inquiry. This position will also assist in coordinating scheduling, purchasing and other

General
Government
(continued)

logistical management issues.

Financial management is also a function of General Government. The future for this essential function is to continue the establishment of very sound documentable and fiscally conservative accounting procedures and practices to safeguard the residents funds both in terms of good accounting procedures and efficient use of funds. Independent audits will be performed each year to ensure that the appropriate safeguards exist and are being utilized as prudent accounting practices and principals dictate. Quarterly financial reports will also be provided to the Council and made available to the public.

Operating costs for General Government include rent for Town Hall and associated equipment and maintenance contracts, accounting, auditing, and other contractual services; insurance, newsletter and website development; cost for compliance with National Incident Management System (NIMS); and Town related travel costs.

The build-out of Town Hall offices including telephones, copiers, furniture and computer networking and equipment for Town Hall is included in the General Government budget.

**Police
Services**

Captain Richard Pichardo was selected by the Town Manager, pursuant to the Charter, as the first Police Chief or Commander of the Town of Cutler Bay. Reporting to the Town Manager, he commands the Town's Police Unit being staffed, under contract, by the Miami-Dade Police Department. Full-scale police operations began as of August 28, 2006.

Officers will work exclusively within the boundaries of the Town and will continue to wear their Miami-Dade Police Department uniforms but with a distinctive patch identifying them as the Town's local Police force.

Forty-one percent of the Town's budget (\$6,652,339) will provide for greatly enhanced and expanded police protection and related services for our citizens. This public safety appropriation remains directly responsive to those citizens who supported the incorporation of Cutler Bay and the importance that they put on increased public safety services. The recommended police staffing level will provide to our citizens at least four times more police protection than they received prior to incorporation with no increase in the local tax rate.

The Town Charter provides that Cutler Bay must contract with Miami-Dade County for police services for the first three years following incorporation. The recommended budget provides for a substantial increase in the number of sworn officers assigned within

**Police Services
(continued)**

the corporate limits of Cutler Bay. In addition to the recommended minimum level of police staffing for which we initially contracted with the County, we have recommended significantly higher police services within this budget. This increase in police manpower and service, along with providing for school crossing guards, will result in an immediate and meaningful change in the lives of our residents and the Town's business community. In fact, the level of police protection will have been increased fourfold above the level that existed prior to incorporation. This vital service will be provided by a force of 36 sworn officers and 4 support personnel at an annual budgeted expense of \$5.7 million. As successfully negotiated in our Interlocal Agreement, Cutler Bay will receive a reduction in the County overhead expense upon relocating the officers to Town Hall.

The portion of State Revenue Sharing (\$446,000) limited to transportation activities will assist in the funding of transportation related enforcement activities undertaken by the police.

The Town also contracts with Miami-Dade County for Specialized Police Services that include homicide, robbery, sexual crimes and narcotics investigations. The Town is charged a minimum level service charge and a calculation for annual payments is based on a three-year average of the Town's specialized police's workload levels. Subsequent to our entering into negotiations with the Miami-Dade Police Department, the County has agreed to change its policy concerning payment for specialized police services for Local Patrol Services. Charges to Cutler Bay will be phased out over the next three fiscal years beginning in FY2006-07. The Town's estimated payment for FY2006-07 specialized services will be \$559,107 or \$255,387 less than originally estimated.

**Community
Development**

The Community Development Department, which includes the offices of our Town Planning Director, the Town Building Official, three code enforcement officers, other support staff and related costs as well as funding for other important programs will require \$2,560,010 or 16 percent of the recommended budget.

The Director of Community Development will supervise the Building Official, building inspectors and three code compliance officers. During the strategic planning process, planning and code compliance were consistent priorities among our citizens. The Director of Community Development will also serve as the Town Planner, and will professionally assist the Town Council and Town Manager with zoning and platting issues as well as the Town's continued focus on planning and charrette studies.

The Town Building Official is a legal necessity and will be financially supported from permit fees. The Town Council has awarded a contract for building plan review, permitting and inspection services

Community
Development
(continued)

from a private service provider (CSA). The Director of Community Development will have direct supervision responsibilities and manage the contract with the service provider for plan review, permitting and inspections. In the interim, the County Building Department will continue to provide services until the Town is ready and staffed to assume that responsibility. I anticipate the assumption of these responsibilities and initiation of these services to Cutler Bay on October 2, 2006.

Public Works

The Public Works Department accounts for almost \$725,427 or four percent of the budget. Our Public Works Department will initially consist of a Department Director and up to three general laborers. Due to the extremely high cost of providing a full service Public Works Department, which would necessitate the acquisition of a very expensive fleet of heavy equipment, our plan is to outsource to the private sector, a significant portion of the work for this Department. The Director of Public Works will be responsible for supervising and assigning duties to the laborers.

Additionally, the Director will oversee all work performed by the contractors to insure that projects fall within or exceed established specifications. The Director will assist with projects that require expenditures from specific revenue streams, such as stormwater utility and a roadway maintenance contract.

We have proposed three general labor positions who will perform relatively minor maintenance-type activities around our Town so that we can have an instantaneous response to urgent matters such as removing a refrigerator left on the roadway, trimming a dangerously hanging tree limb or replacing a road sign which has been moved or destroyed. These issues will be addressed immediately by these important Town personnel.

**Community
Services &
Parks**

Our Community Services Department includes the parks and recreation programs and requires \$1,262,304 or eight percent of the recommended annual budget. The Town has seven parks of substantial size in its jurisdiction, which will be transferred from the County to the Town early in the Fall quarter. Due to the complex nature of the required Interlocal Agreement to transfer the real estate, we are going to very deliberately negotiate with the County after the Community Services Department Director has had an opportunity to fully assess become familiar with the parks, their equipment and operations.

The Town has a great future with its parks. However, there are needs, both in terms of more efficient use and better management of its existing parks, and the need for new park and recreation opportunities for its residents. Our mission this year is to improve upon the excellent services established by the County and to

Community Services & Parks (continued) position the Town to move our parks to the next level in terms of quality of experience and ability to enjoy the great outdoors in a clean, safe and educational setting.

**Contingency
& Other
Reserves**

As discussed above, it is recommended that the carryover from FY2005-06 be budgeted as part of a Contingency Fund for the Town. The reserve (\$1 million) represents six percent of the General Fund. It is suggested that the Contingency Fund be limited in use to offset costs associated with natural or other emergencies and to offset any revenue shortfalls that occur during the year that otherwise would require the reduction of services. This is particularly imperative for a new Town that lacks historical experience as background for revenue estimates.

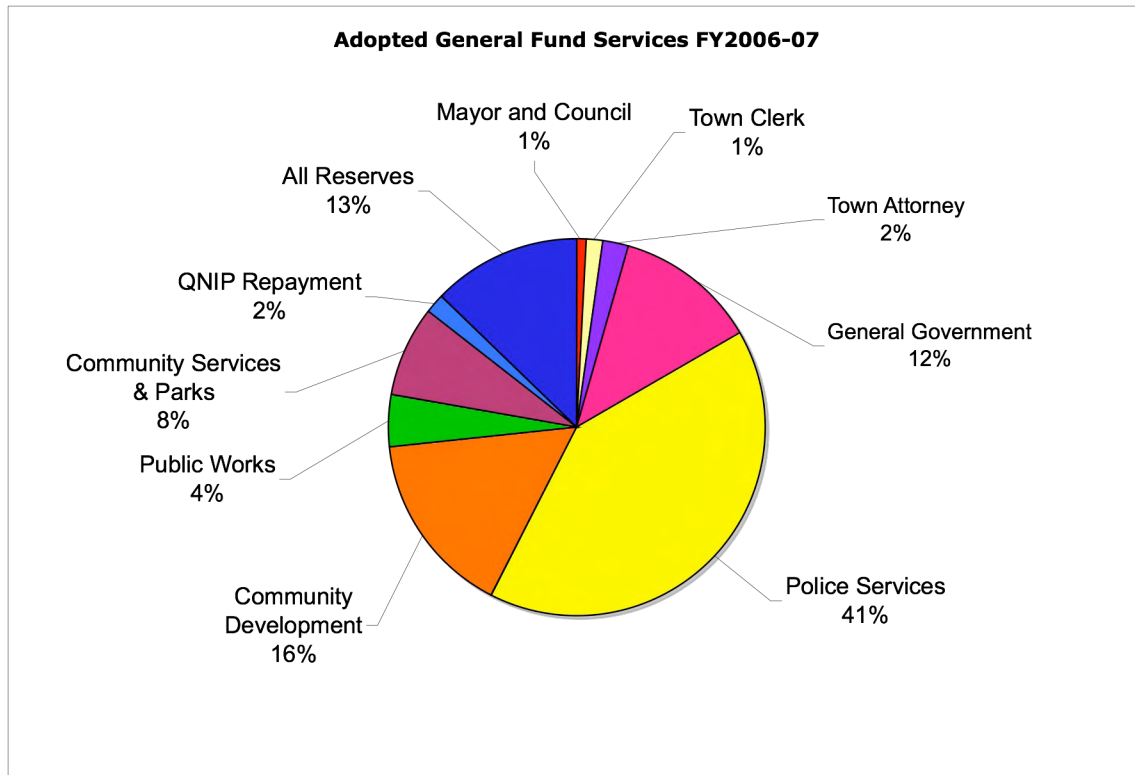
In the near future, I will recommend to the Mayor and Council a formal procedure outlining the circumstances and constraints on the use of Contingency Funds. There should be a permanent reserve that will, if not used, be carried forward each year into future budgets; and, if used, will be replenished. All reserve funds and large balances will be invested in government securities or other highly secure investments.

Additional reserve funds are included in the recommended budget primarily due to lack of historical data and uncertainties regarding future energy costs and insurance increases. The contingency reserve and other reserves total \$2.087 million and represent 13 percent of the budget.

**County
Provided
Services**

Most services will be transferred to Town management by October 1, 2006. However, Specialized Police Services, the payment of debt service on the Quality Neighborhood Improvement Program (QNIP) bonds will continue to be charged to the Town. These charges are accounted for as separate line items in the Operating Budget.

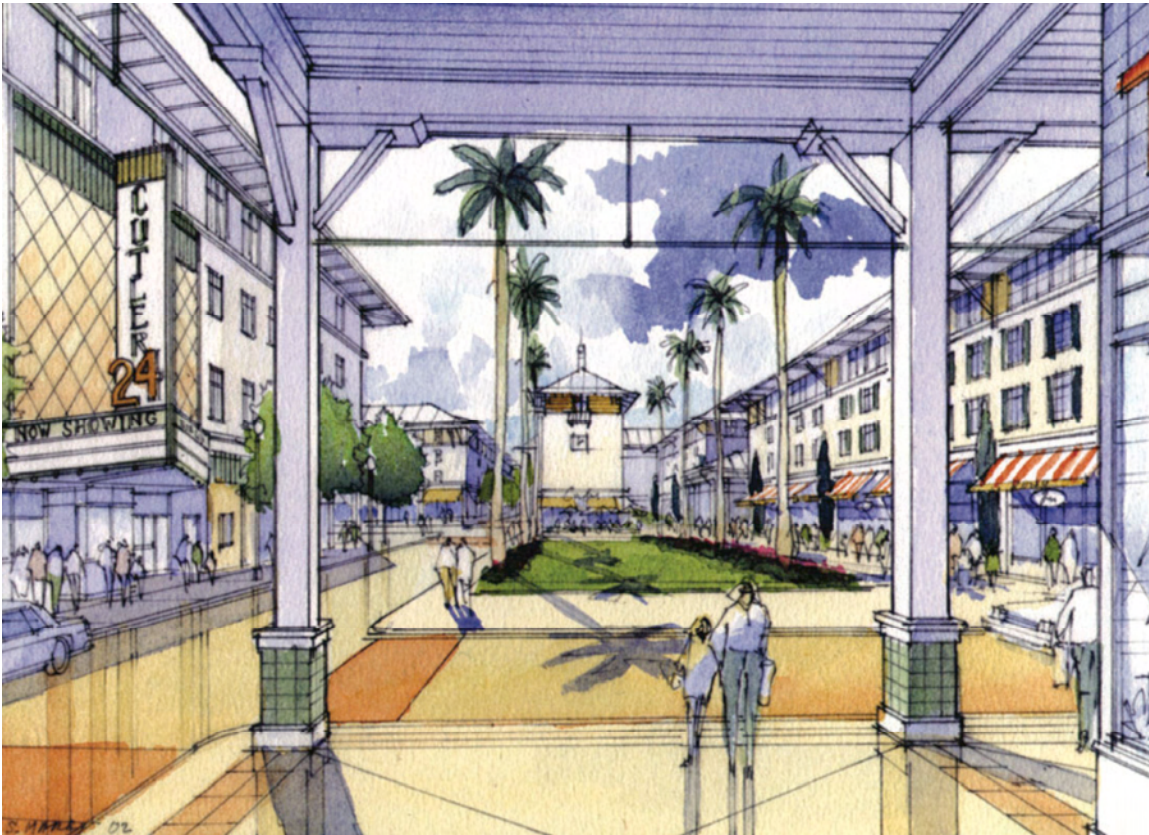
Town Services The chart below reflects the cost of General Fund, Town and County provided services.



Town Services
(continued)

Police Services account for the largest percent of the Town Budget (41 percent) and Community Development is the second largest service (16 percent). All reserves including the contingency reserve account for 13 percent of the budget. It is particularly important that the Town maintains adequate reserves in its first year of operations in order to respond to uncertainties in revenue streams, service activity as well as economic issues such as a fuel and insurance increases.

SPECIAL FUND EXPENDITURES



SOUTHLAND MALL
CHARRETTE RENDERINGS

Special Fund Projects

The Special Revenue Fund accounts for projects funded from revenues that require specific uses. The Town currently receives several revenues under this category. Future special revenues may include specific grant funding and Stormwater Master Plan funding. The current Special Fund expenditures are described below.

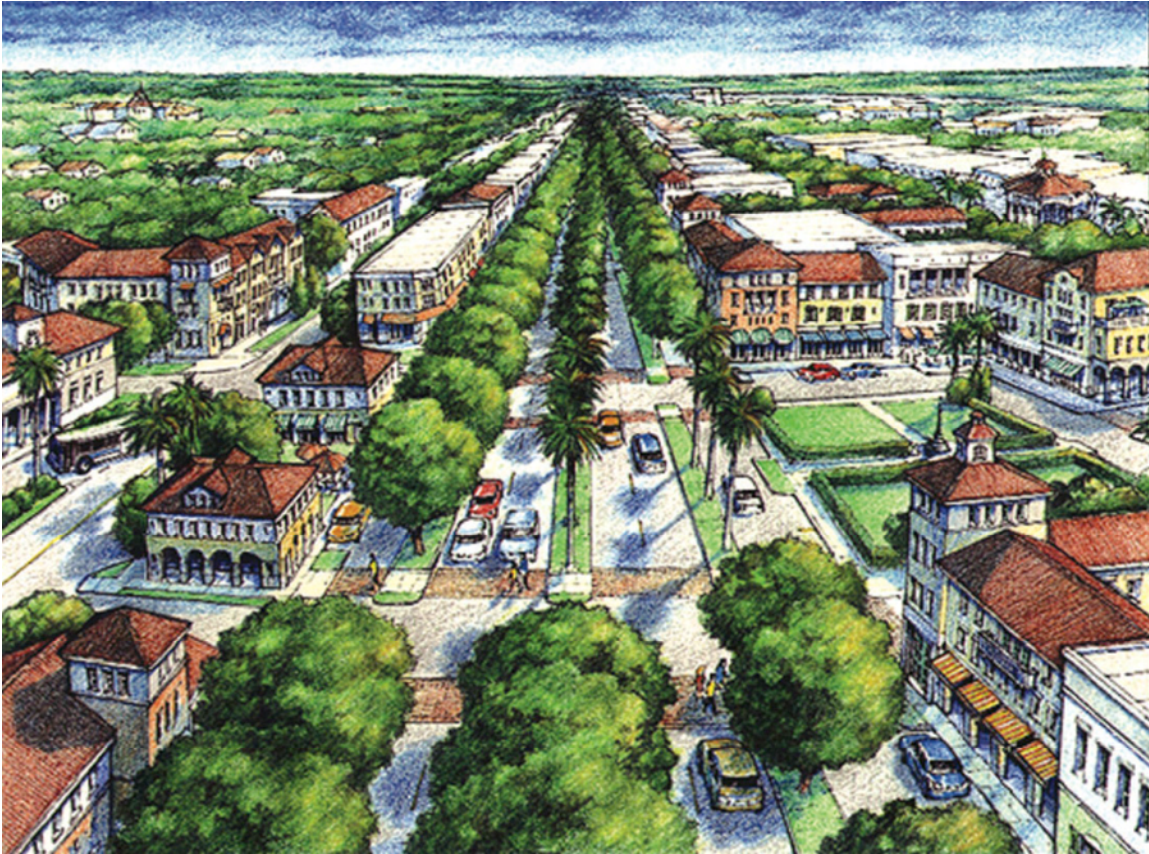
Transportation Fund Projects

The State statutes restrict the uses of Transportation Fund revenues. During FY2006-07, the Town Council and Town Manager will develop a Capital Improvement Plan (CIP) that meets the revenue requirements and provides for transportation-related improvements.

Impact Fee Projects

As discussed above, impact fees are paid by developers to mitigate the strain on infrastructure as a result of the development. The Town receives police and parks and recreation impact fees. We will develop a Capital Improvement Plan (CIP) for the Council's consideration that will set forth priorities for the use of these fee-based revenues.

SUMMARY OF FUNDS



US-1 LOOKING SOUTH
CHARRETTE RENDERING

Consolidated Budget: General Fund

Below is the Consolidated General Fund Budget. The FY2005-06 column matches the FY2005-06 Interim Budget Ordinance passed by the Town Council. This presentation typically indicates all funds that will be utilized to support general funded activities and departments. Carryover from the prior year is included. In addition, any transfers of funds in from Special Revenues Funds that will support general funds activities such as Public Works are included.

The adopted budget for FY2006-07 totals \$16.261 million. This amount includes \$2.087 million in all reserve funds and \$1,576,000 transferred from Special Revenue Funds to support specific functions.

A similar presentation of the Special Revenue Funds follows.

Consolidated Budget General Fund

	Budget FY2005-06 (Partial Year)	Adopted Budget FY2006-07
Revenues		
FY2005-06 Carryover	\$ -	\$ 845,493
Ad Valorem Taxes	\$ 3,591,935	\$ 5,267,000
Franchise Fees	\$ 839,185	\$ 1,007,000
Utility Taxes	\$ 3,025,539	\$ 3,703,000
State Shared Revenues	\$ 1,891,084	\$ 3,436,000
Licenses & Permits	\$ 109,811	\$ 100,000
Other Revenue	\$ 43,902	\$ 326,400
Transfer in From Special Revenues	\$ 369,000	\$ 1,576,000
Total Operating Revenues	\$ 9,870,456	\$ 16,260,893
Expenditures		
Cost of County Provided Services FY2005-06)	\$ 7,744,743	\$ -
Mayor and Council	\$ 111,305	\$ 151,375
Town Clerk	\$ 83,041	\$ 218,851
Town Attorney	\$ 258,512	\$ 360,000
General Government	\$ 608,174	\$ 1,985,973
Police Services	\$ 154,456	\$ 6,652,339
Community Development	\$ 460,809	\$ 2,560,010
Public Works	\$ 60,151	\$ 725,427
Community Services & Parks	\$ 15,000	\$ 1,262,304
QNIP Repayment	\$ -	\$ 257,565
Contingency Reserve	\$ -	\$ 1,000,000
Energy and Insurance Reserve	\$ -	\$ 100,000
Grant Match Reserve	\$ -	\$ 250,000
Reserve for Prior Year Encumbrances	\$ -	\$ 50,000
Reserve for Wage Adjustments	\$ 100,000	\$ 100,000
Tax Equalization & Revenue Reserve	\$ -	\$ 87,049
Reserve for Future Expenditures	\$ -	\$ 500,000
Total Town Provided Services/Expenses	\$ 9,596,191	\$ 16,260,893
Year-End Balance to Carry Forward to Next Year	\$ 274,265	\$ -

**Special
Revenue Fund
Summary**

The Special Revenue fund is also presented in a consolidated fashion. Special Revenues are restricted in their use and are therefore accounted for in a separate fund. Planning for the majority of these revenues will occur in the coming fiscal year and additional trend data will be gathered during that time for better estimates during the year.

The Special Revenue Fund totals \$2.768 million of which \$1.576 million will be transferred to the general fund to offset expenditures for building permit and roadway maintenance activities.

Special Revenue Fund Summary

	Budget FY2005-06 (Partial Year)	Adopted Budget FY2006-07
<u>Revenues</u>		
Police Impact Fees	\$ 75,778	\$ 114,271
Park Impact Fees	\$ 311,128	\$ 503,665
Local Option Gas Tax-County-5 cent	\$ 156,669	\$ 184,000
Local option Gas Tax-Town-6 cent	\$ 399,987	\$ 490,000
Building Permits	\$ 369,000	\$ 1,476,000
Total Revenues	\$ 1,312,562	\$2,767,936
<u>Expenditures</u>		
Reserve for Future Police Impact Fees	\$ 75,778	\$ 114,271
Reserve for Future Park Impact Fees	\$ 311,128	\$ 503,665
Reserve for County Public Works Projects	\$ 156,669	\$ 184,000
Reserve For Future Public Works Projects	\$ 399,987	\$ 390,000
Transfer to General Fund	\$ 369,000	\$ 1,576,000
Total Expenditures	\$ 1,312,562	\$ 2,767,936

APPENDIX A

General Fund Revenues

Category	Budgeted FY2005-06 (Partial Year)	Adopted Budget FY2006-07
Ad Valorem		
Ad Valorem	\$ 3,591,935	\$ 5,267,000
Total Ad Valorem	\$ 3,591,935	\$ 5,267,000
Franchise Fees		
Electricity-Franchise Fees	\$ 839,185	\$ 1,007,000
Total Franchise Fees	\$ 839,185	\$ 1,007,000
Utility Taxes		
Electricity, Gas and Water Utility	\$ 1,864,121	\$ 2,249,000
Simplified Communications Tax	\$ 1,161,418	\$ 1,454,000
Total Utility Taxes	\$ 3,025,539	\$ 3,703,000
Shared Revenues		
State Revenue Sharing	\$ 259,407	\$ 1,278,000
Half-Cent Sales Tax	\$ 1,626,000	\$ 2,150,000
Alcoholic Beverage Licenses	\$ 6,037	\$ 8,000
Total Shared Revenues	\$ 1,891,444	\$ 3,436,000
Licenses & Permits		
Occupational Licenses	\$ 109,811	\$ 100,000
Total Licenses and Permits	\$ 109,811	\$ 100,000
Charges for Services		
Judgments and Fines	\$ -	\$ -
School Crossing Guards	\$ -	\$ -

General Fund Revenues (cont'd)

Category	Budgeted FY2005-06 (Partial Year)	Adopted Budget FY2006-07
Charges for Services		
Other Income	\$ 1,007	\$ 125,000
Interest Income	\$ 42,895	\$ 75,000
Parks Revenues	\$ -	\$ 126,400
Total Other Revenues	\$ 43,902	\$ 326,400
FY2005-06 Carryover		
Total FY2005-06 Carryover	\$ 146,611	\$ 845,493
Interfund Transfers		
Transfer from Special Revenues	\$ 369,000	\$ 1,576,000
Total Interfund Transfers	\$ 369,000	\$ 1,576,000
Total Revenues	\$ 10,017,427	\$ 16,260,893

APPENDIX B**Department Line Item Budgets****Mayor and Council**

<u>Category</u>	<u>Adopted Budget FY2006-07</u>
Charter Compensation	\$36,000
Payroll Taxes	\$2,754
Retirement Contributions	\$5,951
Life and Health Insurance	\$45,000
Workers' Compensation	\$230
Travel & Per Diem	\$36,810
Communications and Freight Services	\$8,040
Rentals & Leases	\$0
Operating Supplies	\$5,000
Dues, Subscriptions, Memberships	\$7,090
Capital Outlay	\$4,500
Total Mayor & Council	\$151,375

Town Clerk

<u>Category</u>	<u>Adopted Budget FY2006-07</u>
Town Clerk	\$55,000
Payroll Taxes	\$4,208
Retirement Contributions	\$7,216
Health and Life Insurance	\$9,000
Workers' Compensation Insurance	\$352
Municipal Elections	\$30,000
Travel & Per Diem	\$2,200
Communication and Freight Services	\$1,440
Rentals	\$24,800
Repairs & Maintenance	\$3,000
Printing & Binding	\$17,000
Communication for the Deaf	\$7,200
Legal Advertising	\$45,000
Operating Supplies	\$5,000
Dues, Subscriptions, Memberships	\$4,400
Capital Outlay	\$3,035
Total Town Clerk	\$218,851

Town Attorney

<u>Category</u>	<u>Adopted Budget FY2006-07</u>
Town Attorney Agreement	\$360,000
Other Legal Fees	\$0
Total Town Attorney	\$360,000

General Government

<u>Category</u>	<u>Adopted Budget FY2006-07</u>
Administrative Services Director	\$0
Custodian	\$0
Payroll Taxes	\$0
Retirement Contributions	\$0
Health and Life Insurance	\$0
Workers Comp Insurance	\$0
Town Manager Salary	\$135,000
Executive Assistants Salary	\$96,000
Finance Admin Manager	\$90,000
Clerical Positions	\$195,000
Payroll Taxes	\$39,473
Retirement Contributions-Sr. Mmgt	\$17,712
Retirement Contributions	\$37,529
Life & Health Insurance-Sr Mmgt	\$9,000
Life & Health Insurance	\$72,000
Workers Comp Insurance-Sr Mmgt	\$3,302
Professional Services	\$230,400
Accounting and Auditing	\$102,000
Other Contractual Services	\$135,580
Travel & Per Diem	\$36,380
Communications and Freight Services	\$83,620
Rentals & Leases	\$197,359
Insurance	\$156,000
Repairs & Maintenance	\$1,500
Printing and Binding	\$20,000
Promotional Activities	\$24,500
Other Current Charges	\$6,200
Office Supplies	\$24,000
Operating Supplies	\$10,000
Dues & Memberships	\$4,918
Equipment & Furniture	\$124,500
Town Manager SUV	\$14,000
Accounting Software/Licenses/Permits Software	\$100,000
Office Build Out	\$20,000
Total General Government	\$1,985,973

Police Services

<u>Category</u>	<u>Adopted Budget FY2006-07</u>
Salaries-Part-time	35,100
FICA/Med	2,685
Workers Compensation	225
Local Patrol	5,718,706
Police Specialized Services	559,107
Police Optional	205,785
Communications & Freight	10,080
Office Furniture Lease Payment	13,944
Insurance	12,000
Repairs & Maintenance	18,000
Printing & Binding	10,000
Office Supplies	10,000
Operating Supplies	11,440
Capital Outlay	45,267
Total Police	6,652,339

Community Development

<u>Category</u>	<u>Adopted Budget FY2006-07</u>
Director	\$95,000
Code Enforcers (3)	\$120,000
Payroll Taxes	\$16,447
Retirement Contributions	\$26,864
Health & Life Insurance	\$36,000
Workers Comp Insurance	\$25,757
Professional Services	\$703,000
Court Reporter Services	\$2,000
Other Contractual Services	\$1,481,000
Travel & Per Diem	\$2,000
Communications & Telephone	\$1,440
Repairs Maintenance - Other	\$2,700
Printing & Binding	\$10,000
Other Current Charges	\$0
Operating Supplies - Fuel	\$18,750
Operating Supplies - Other	\$1,350
Capital Outlay-Vehicles	\$14,667
Capital Outlay - Machinery & Equipment	\$3,035
Total Community Development	\$2,560,010

Public Works

<u>Category</u>	<u>Adopted Budget FY2006-07</u>
Public Works Director	\$90,000
Laborers (3)	\$105,000
Payroll Taxes	\$14,917
Retirement	\$24,408
Health & Life Insurance	\$36,000
Workers Comp. Insurance	\$12,662
Other Professional Services	\$40,000
Other Contractual Services	\$100,000
Communications & Telephone	\$5,440
Rental & Leases	\$20,000
Insurance	\$12,000
Repairs & Maintenance - Vehicles	\$20,000
Printing & Binding	\$5,000
Office Supplies	\$5,000
Operating Supplies	\$15,000
Operating Supplies - Trucks	\$5,000
Monument & Stop Signs	\$205,000
Vehicles - Public Works	\$10,000
	\$0
Total Public Works	\$725,427

Community Services & Parks

<u>Category</u>	<u>Adopted Budget FY2006-07</u>
Director	\$80,000
Recreation Coordinators	\$100,000
Part-Time Employees	\$325,560
Payroll Taxes	\$38,675
Retirement Contributions	\$20,346
Health & Life Insurance	\$27,000
Workers Comp Insurance	\$58,190
Other Contractual Services	\$433,333
Telephone & Communication	\$4,440
Water & Electricity	\$45,240
Rentals & Leases	\$4,360
Repairs & Maintenance	\$71,160
Office Supplies	\$15,000
Operating Supplies	\$39,000
Total Community Service & Parks	\$1,262,304

APPENDIX C

Glossary

Adopted Budget	The proposed budget as initially formally approved by the Town Council.
Amended Budget	The adopted budget as formally adjusted by the Town Council.
Appropriation	A specific amount of money authorized by the Town Council for the purchase of goods or services.
Assessed Property Value	The value set upon real estate or other property by the County Property Appraiser before reductions associated with applicable exemptions, such as homestead exemption. Pursuant to Amendment 10 of the State Constitution, annual growth in assessed value on property with homestead exemption is limited to three percent or the growth in the consumer price index, whichever is lower. The limitation does not apply to new construction on the property or when property is sold, at which time the assessed value becomes the market value pursuant to state law.
Balanced Budget	A budget in which planned funds or revenues available are equal to fund planned expenditures. In Florida, it is a requirement that the budget adopted by the Town Council be balanced.
Budget	A fiscal plan of programs, services, and construction projects expected to be carried out, funded within available revenues within a specific period of time, usually the 12 months of the fiscal year.
Budget Ordinance	The schedule of revenues and expenditures for the upcoming fiscal year by fund, which is adopted by the Town Council each year.
Capital Outlay	Fixed assets, which have a value to \$1,000 or more and have a useful economic lifetime of more than one year; or assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.
Cash Carryover	Unexpended funds that remain at the end of the fiscal year and that may be used in the next fiscal year.
Contingency	An appropriation of funds available to cover unforeseen events that occur during the fiscal year. These funds, if not used, lapse at year-end. The contingency fund is not the same as fund balance.

Debt Service	The payment of principal and interest on borrowed funds such as bonds. In Florida, governments may not borrow for operating purposes. All financings must be for capital.
Deficit	The excess of liability over assets (or expenditures over revenues) in a fund over an accounting period. Deficit spending is not permitted in Florida.
Encumbrances	Obligations incurred in the form of orders, contracts and similar items that will become payable when goods are delivered or services rendered.
Expenditures	The disbursement of appropriated funds to purchase goods and/or service.
Fiscal Year	A yearly accounting period without relationship to the calendar year. The Town's fiscal year is from October 1 to September 30.
FTE	Full-time Equivalent – A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts. Funds are established to attain certain objectives or to simply segregate activities. An example is the Transportation Fund.
Fund Balance	The excess or deficit of assets over liabilities in a fund. The Fund Balance is not the same as cash carryover.
General Fund	A governmental fund established to account for resources and uses of general operating function of the Town. Resources are, in the majority, provided by taxes.
Grant	A contribution by one governmental unit to another unit. The contribution is usually made to aid in the support of a specified function.
Impact Fee	A fee charged on new development to finance infrastructure such as roads, parks, schools, fire and police facilities, or other capital purchases required to offset the effects of development and increased congestion.
Infrastructure	Public domain fixed assets including roads, bridges, curbs, gutters, sidewalks, drainage systems, and lighting systems.
Interlocal Agreement	A contractual agreement between two or more governmental entities.

Mill of Tax	A taxation unit equal to one dollar of tax obligation for every \$1,000 of taxable valuation of property. One mill levied on a property valued at \$200,000 would produce a tax levy of \$200.
Millage Rate	The total tax obligation per \$1,000 of assessed valuation of property.
Operating Budget	A budget for general revenues and expenditures such as salaries, utilities, and supplies.
Projections	Estimates of anticipated revenues, expenditures, or other quantitative data for specific time periods, usually fiscal years.
Property Tax	A tax levied on the assessed value of real and personal property. This tax is also known as Ad Valorem tax.
QNIP	A County program that focuses on infrastructure needs neighborhoods. It includes construction and repair of sidewalks, local and major drainage improvements, road resurfacing and park facility improvements.
Rollback Millage Rate	The millage rate necessary to raise the same amount of Ad Valorem tax revenue as the previous year, excluding taxes from new construction.
Stormwater Utilities Fee	Under the provisions of the Florida Air and Water Pollution Control Act (F.S. 403.0891) local governments are required to develop stormwater management programs. The Act permitted local jurisdictions to create stormwater utilities and to charge a fee to fund the operations of the utility.
Tax Base	Total assessed valuation of real property within municipal limits.
Tax Levy	The total amount to be raised by a tax.
Tax Rate (Property)	The amount of tax levied for each \$1,000 of taxable valuation. The Property Tax Rate is the same as the millage rate.
Taxable Value	The assessed value of property less homestead and other exemptions, if applicable.
TRIM	The Florida Trust in Millage Act (F.S. 200.065) serves to formalize the property tax levying process by requiring a specific method of tax rate calculation, form of notice, public hearing requirements and advertisement specifications prior to the adoption of a budget and millage rate.

UMSA	Unincorporated Municipal Service Area – The area of Dade County that is not formed as a city or municipality but that receives municipal-like services from Miami-Dade County. The area is taxed exclusively for these services through a millage applied only to the unincorporated municipal services area (UMSA). Pursuant to the state constitution UMSA is treated by the state as a municipality.
Unappropriated	Not obligated for specific purposes.
Unencumbered	The portion of an allotment not yet expended or encumbered.
User Fees	Charges for expenses incurred when services are provided to an individual or groups and not the community at large. Effective utilization of user fees depends on identifying specific beneficiaries of services and then determining the full cost of the service they are consuming (e.g. building inspections).