



TOWN OF CUTLER BAY
Proposed Operating & Capital Budget
For Fiscal Year Ended
September 30, 2012

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INTRODUCTION AND MANAGER'S MESSAGE



MESSAGE FROM THE TOWN MANAGER

August 30, 2011

Dear Mayor MacDougal, Town Council, residents and community members:

The purpose of this letter is to provide the Council with a framework for future budget decisions and provide the Council with an overview of the budget for Fiscal Year 2011-2012.

The 2011-2012 certified property tax roll for Cutler Bay reflects an approximate .6% decline in town-wide property values from the previous year (this compounds the approximate 23% decline last year and a 20% decline in the 2009-10 tax year). At its July meeting the Town Council established the millage ceiling rate of 2.8031 mils but subsequently it reduced the tax rate to its current level. Currently the tax rate for Cutler Bay is **2.5888 mils per \$1,000** one of the lowest rates in the County. The percentages above are an "average" of all affected properties in the Town. Some property values will have declined more than those percentages and some by less (or, in the case of long-time homesteaded properties, may have actually increased due to how the Save Our Homes amendment works).

Budget preparation

The value of the certified tax roll for FY 2011-2012 was released by the County on July 1 and was a total of almost .6% lower than the prior year. Although it represents a decrease in revenues it is an indication that the real estate market and values and therefore potentially our entire economy may be starting a rebound.

The attached budget provides the continuation of the core FY 2010-11 budget as the base for the budget for FY 2011-12 and the following budget presentation highlights the primary changes to the budget to indicate new funding levels.

BACKGROUND

At this time five years ago, the Town was operating out of the unfinished conference room space on the south side of the Town Hall building. There were a total of four employees, including the Town Manager and the Town Clerk. We have grown substantially since that time in order to provide proper services to the community with the critical support of the Mayor and Council. We are very proud to have held the Administrative staff to only **29**. As a result we have kept expenditures for staffing extremely low while still providing outstanding services for our residents. In fact we have the best ratio of staff to residents of any municipality in Miami-Dade County. By recent calculations, we serve many more residents per staff member by over 54 percent and in most cases; other cities have an average of 5-10 staff members more than we do to serve the same number of residents. In other words, the Cutler Bay taxpayers pay over 54 percent less for staff on a per capita basis than any other city in the county. We deeply appreciate your continued support and respect.

Yet once again, in the past 12 months, we have been at the forefront of several issues, some of which have gained us significant statewide favorable attention and respect including the Mayor realizing the concept of Property Assessed Clean Energy (PACE) within Cutler Bay, forming a PACE district to be populated with nearby cities.

Additional significant events this year include:

- Completion of the 50 acre Lakes by the Bay Park at no cost to Cutler Bay taxpayers is scheduled for December. Initial work has already been completed on field construction for three baseball/softball fields and two soccer/football fields that includes an under drainage system, irrigation, lighting, fencing, etc.; a field

center building including restrooms, concessions and storage; an exercise course; parking lot; landscaping and park amenities using County funding,

- Crime Reduction: A year-to-date comparison of June 2010 versus June 2011 shows that crime has been significantly reduced by 9%.
- Received a State of Florida Energy Office grant to create an Economic Energy Zone Business Attraction Implementation Plan for green businesses.
- Successfully completed the review process for FEMA's Community Rating System (CRS) – Flood Insurance Discount Program which awarded the Town a Class "6" rating that resulted in all of the properties located in the Town's Special Flood Hazard Area with a twenty percent insurance premium discount.
- Completion of a bike path through the Town
- Renovation of our new building to house our own Town Council meetings and a new Police Headquarters
- Bel Aire Park improvements were completed including the relocation, re-grading and re-sodding of the football field, new irrigation system, new sports field lighting, new bleachers and playground equipment.
- Saga Lake Park improvements were completed and include a newly sodded practice baseball and soccer field, irrigation system, a picnic pavilion, improved walking path with exercise equipment, park amenities and additional landscaping.
- Saga Bay Park improvements were completed including a new playground with shade covering, refurbishing of two existing tennis courts and installing two new tennis courts, lighting all four courts, a new restroom building, and a new parking lot.

Through the coordinated effort of our dedicated Department Directors and their staffs, we have served the community in an exemplary manner. We currently have only **29** full time positions working in the administration and **51** sworn police officers with six support personnel (including one vacant position) to manage the responsibilities of demands of 10 square miles and over 40,000 residents. The parks programs employ some 30 to 40 part-time employees each year to meet the needs of our summer and after school programs.

In FY 2010-11, the Town has been awarded grants totaling approximately \$355,000. These grants have been budgeted for use in FY 2011-12 and include a Federal stimulus grant for lighting renovation at the Cutler Bay Town Center building (approximately \$153,000), renewal of the grant for The Children's Trust program (approximately \$112,000), and two grants totaling approximately \$90,000 for park improvements.

Additionally, approximately \$17 million from the Board of County Commissioners' Public Transportation Program (PTP) has been awarded to the Town for roadway improvements to Caribbean Boulevard and Old Cutler Road. The construction of the Old Cutler Road improvements will begin in late 2011 and the planning for the Caribbean Blvd. project began this year. Both roadway projects will be under construction in the coming fiscal year. They will increase safety, expedite traffic and beautify our Town. This effort was finalized this year after several years of negotiations with the County and warding off the attempt of other municipalities to reduce our funding for these projects.

THE PRESENT AND THE FUTURE

The Town is in excellent financial condition despite the economic devastation of the last three years. Since the beginning of my administration I have fought to establish a very conservative approach in financing, accounting and budgeting which has resulted in placing our Town in a very secure financial position and the envy of other less fortunate communities. In fact, in a verbatim extract from our most recent independent auditors statement, they present the following financial highlights:

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at September 30, 2010 by \$58 million (net assets). Of this amount, approximately \$15.7 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$2.6 million from the total net assets balance at September 30, 2009 (as adjusted). The net increase results primarily from the Town's fiscal year 2010 operations (\$6.8 million) offset by the adjustment (\$4.2 million) of the prior year's ending net asset balance to restate the balance to reflect the Town's pro-rate share of the QNIP bonds that the Town agreed to pay as a condition of incorporation (see additional details in footnote XII in the accompanying notes to financial statements).
- As of September 30, 2010, the Town's governmental funds reported combined ending fund balances of \$19.4 million, an increase of \$5.1 million from the September 30, 2009 balances, due primarily to

the Town's current operations during the fiscal year, increased by proceeds from debt issuance and transfers in, and offset by capital expenditures, debt service and transfers out. This combined fund balance represents 128% of combined governmental fund operating expenditures (excluding capital outlay).

- At September 30, 2010, unreserved fund balance for the General Fund was \$14.7 million, or 64% of total General Fund expenditures, versus \$12.1 million and 85%, respectively, at September 30, 2009. The \$2.6 million increase in unreserved fund balance is a positive indicator of improved financial health of the Town.
- In the last quarter of fiscal 2008, Miami-Dade County (the "County") transferred the stormwater utility operation within the Town's boundaries to the Town. The Town is recording the activity of this operation (a business type activity) in an enterprise fund. In fiscal 2010, the stormwater utility generated approximately \$982,000 in revenues against \$660,000 in expenses that contributed \$322,000 towards the utility's \$1.1 million increase in net assets. The other components of the fiscal 2010 increase in net assets include a capital contribution of approximately \$365,000 relating to stormwater infrastructure under construction, as well as \$3,000 in interest income and transfers totaling \$409,000.
- Of the unreserved fund balance of the General Fund at September 30, 2010, \$3.8 million has been designated by management, and approved by Council, for contingencies and other operating emergencies.

Since the inception of the Town, the Town Manager has enacted practices and an environmentally friendly ethic as an essential component of the fabric of the Town's development. Although there are many ways to achieve green goals it is beneficial to gain the endorsement of a non-interested un-biased third party that the policies and practices taken by a government are in-fact effective and valid towards the goal of environmental sustainability. The Florida Green Building Coalition was established for this purpose, as the US Green Building Council's LEED standards do not reflect Florida's unique climate and its unique and mandatory Building Code.

Therefore, as part of the Town's commitment to "Going Green", it was important to obtain certification as local green government from the Florida Green Building Coalition (FGBC) for environmental stewardship, in order to gain recognition and publicity as well as function efficiently and reduce costs while at the same time contribute to the environment.

The FGBC application was comprehensive consisting of 19 sections organized in terms of Departmental functions covering areas such as Administration, Building, Parks, Human Resources and Planning and Zoning to name a few. The application evaluates subjects such as "in-house" environmental practices, incentives and ordinances to foster green practices and educational activities to improve the environment. After a long, creative and very detailed application process, the Town received notification on November 19th, 2009, that it had received Silver level of the FGBC's Green Local Government Designation.

The first and only such awardee in Miami-Dade County, Cutler Bay is extremely proud to be one of the few local governments in the State of Florida to have achieved this certification, especially considering our youthful age as a municipality. We appreciate the leadership and foresight of the Mayor and Town Council in approving the resources necessary for the accomplishment of this prestigious achievement.

The Town of Cutler Bay was in a rapid growth rate in terms of services it provides but this has slowed somewhat due to the economic recession. The community demands services in excess of those formerly delivered (or not) by the County in a more rapid and responsive manor than the County. With each passing month, the Town is more able to deliver more service, which is primarily limited by the town's budget constraints.

We are exceptionally proud of the many seemingly insignificant steps that we take each year that ultimately lead to a much higher quality of life. To this point I note that Town employee awareness has been raised to ensure that environmentally safe products shall be used whenever practicable. The Town is committed to environmentally preferred procurement and shall help to promote the use of recycled products by publicizing the Town's purchasing policy whenever possible.

At any given time, residents can see the Department's Neighborhood Enhancement Action Team (NEAT) removing litter from the swales, fixing damaged street signs, repairing potholes, removing illegal signs placed on the swale, and painting over graffiti just to name a few daily tasks which continue to improve the Town's community image.

REVENUE PROJECTIONS

GENERAL FUND REVENUES

Revenues in all municipalities typically increase and, at times, decrease, depending upon their respective sources and the impact of various sectors of the economy and the legislature's changing philosophies on those sources. The Town's most significant revenue, ad valorem or property taxes, is also typically the revenue with the most significant change from year to year. The legislature's adoption of the "property tax relief" legislation and the approval of the property tax constitutional amendments in recent years, in addition to the end of the real estate "bubble", and general decline in our nation's current economy, has resulted in a reduction in our ad valorem revenues, as well as other revenue streams. Our ad valorem revenue accounts for roughly one-third of our yearly operating revenue stream or roughly forty of our yearly non-fee based recurring operating revenues.

An article in the Miami Herald stated that the first time that taxable property values in Miami-Dade County have dropped more than they did in 1993 in the aftermath of Hurricane Andrew was during Fiscal Year 2008-09. That drop in 1993 was 2.9 percent. Two years ago, the Cutler Bay reduction in taxable property value was over 19 percent. That is the virtual equivalent of 6 Hurricane Andrews occurring at once. Last year FY 2010-11, we were hit with yet another record-breaking drop in ad valorem revenues of 22.7 percent. These reductions are cumulative so taken with the current years drop in values; Cutler Bay has lost approximately 50% of its ad valorem revenue and cumulative property value in just 3 years. We are clearly experiencing an economic disaster. However, all indications are that the residential market has hit bottom and many new housing projects are now progressing in Cutler Bay. These new projects will soon bring us new revenues in addition to the existing properties, which will soon regain value.

OTHER REVENUES

Other significant operating revenue categories are currently expected to remain flat or increase somewhat. Local Government Half-Cent Sales Taxes, State Revenue Sharing, Judgments and Fines and other licenses and registrations (local business tax receipts, burglar alarms and solid waste franchises) are projected to remain flat this coming year. Electrical Franchise Fees are expected to decrease, approximately \$250,000 or 18 percent from last year's budgeted amount.

The Town must rely on estimates from both Florida Power & Light and Miami-Dade County for utility tax revenues. Due to these estimates, the FY 2011-12 utility taxes are budgeted at \$90,000 or 5 percent less than the prior year budget.

THE SAVE OUR HOMES EFFECT

As stated earlier, the FY 2011-12 certified property tax roll for Cutler Bay reflects an approximate .6% decline in Town-wide property values from the previous year. By default, that percentage is an "average". Some properties will have declined more than that amount and some by less (or, in the case of long-time homesteaded properties, may have actually increased due to the effects of the Save Our Homes amendment).

The Save Our Homes (SOH) amendment, which took effect in the mid-1990's, had the effect of limiting the annual increase in the assessed value of homesteaded properties to 3% or the national consumer price index, whichever is less. As a result, long-time homesteaded property owners benefited from years of skyrocketing home values by paying less than a similar but non-homesteaded property owner would have paid in property taxes versus newer home purchasers due to the SOH limits on increases in assessed values. Thus many property owners have had the benefit of artificially low tax levies than other property owners.

The FY 2009-10 property tax valuation performed by the Property Appraiser was the first year in which property values dropped for Cutler Bay and in virtually every other municipality in South Florida. This drop in property values now reveals the "other side" of SOH in which long-time homesteaded properties can now actually see their assessed values increase by virtue of State Law, even as property market values drop, if the valuation of that individual property is still below market value. Conversely, recent homesteaded purchasers who have not had the benefit of long-term accumulation of SOH benefits, and non-homesteaded properties, will most likely see assessed values decrease.

DOUBLE HOMESTEAD EXEMPTION

On January 29, 2008 voters in Florida voted for a new property tax reform amendment. Previously, homeowners could receive a \$25,000 exemption on their primary residence, which meant the homeowner, doesn't pay property taxes on the first \$25,000 of the just value of the property. The new amendment increased the exemption as follows: Homeowners can receive an additional \$25,000 homestead exemption for the value of homesteads above \$50,000. The new exemption has had a devastating impact on ad valorem revenues statewide as it essentially doubles the

previous amount of property value, which may not be taxed, and therefore those revenues, which previously were received for services, are no longer available.

MILLAGE CAP ESTABLISHED

The Property Appraiser will mail required notices to all property owners in August, using proposed tax rates adopted by all taxing authorities in Miami-Dade County. Thus, the millage rate of 2.8031 set at the July Council meeting will be used in the notice and will be the amount of Cutler Bay property taxes that appears on the tax bill unless changed by the Town Council. The millage rate (Cutler Bays' share) is typically approximates only 10 percent or so of the total yearly tax bill.

SPECIAL REVENUE FUNDS

The Special Revenue Fund budget reflects the restricted monies collected by the Town for impact fees and various local option gas taxes received from the State that must be used for prescribed purposes.

CAPITAL PROJECTS FUND

This fund reflects the major Capital Improvement Projects. Funds from various sources are aligned with the specific projects found in the Capital budget.

CARRYOVER AND RESERVES

Due to management efficiencies, Cutler Bay has achieved an exemplary record of coming in under budget. Carryover is the balance of estimated unreserved fund balance remaining at year-end that is carried forward into the new fiscal year and available for appropriation by the Council. Although, from an accounting point of view, carryover is a balance sheet item and is not included in a profit and loss statement, in governmental budgets 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 beginning in November.

There are a number of reasons that the Town has modified its reserves and reserve policies. A review of the Government Finance Officers Association, Best Practice: Appropriate Level of Unrestricted Fund Balance in the General Fund, has a recommendation on that point. Below is a quote from that article:

In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

- *The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);*
- *Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);*
- *The potential drain upon general fund resources from other funds as well as the availability of resources from other funds (i.e., deficits in other funds may require that a higher level of unrestricted fund balance be maintained in the general fund, just as, the availability of resources in other funds may reduce the amount of unrestricted fund balance needed in the general fund);*
- *Liquidity (i.e., a disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained); and*
- *Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose.*

There are a number of reserves that are part of the operation budget. The Town strives to maintain prudent reserves, establishing funds for contingencies and emergency situations, as well as for the impact of revenue reforms on the stability of the Town's operating budget and for other items such as grant matches. The budget document will detail the

various general fund reserves and their uses subsequent to policy set by the Council.

RESERVE FUNDS

- **Emergency Contingency (\$3,800,000 budgeted)**

Funding Rationale: The reserve reflects the Town's historical Emergency Contingency Fund. .

Uses/Restrictions: This reserve should be restricted by ordinance to mitigate revenue shortfalls or excess expenditures due to a catastrophic event that is declared an emergency.

- **Revenue Stabilization (\$225,000 budgeted)**

Funding Rationale: This reserve was initially established to mitigate the risk of reduced property tax and other revenues in general. Rebuilding this fund is critical as it is the primary source used in balancing the FY 2010-11 budget request.

Uses/Restrictions: These funds are restricted to uses related to impacts caused by reduced tax revenues.

- **Grant Match Reserve (\$280,000 budgeted)**

Funding Rationale: The targeted amount represents budgeted grant match reserve funding, which has been adequately projected based on realistic grant funding opportunities.

Uses/Restrictions: These funds are set aside as a cash match for grant opportunities. It is beneficial in the application process for the Town to have funds that are readily identifiable as a cash match.

- **Insurance Reserve (\$1,000,000 budgeted)**

Funding Rationale: The reserve is intended to fully meet potential insurance claim deductibles.

Uses/Restrictions: This reserve is prudent given the uncertainty in circumstances that would require the contribution of insurance deductibles such as a major hurricane.

- **Tax Equalization Reserve (\$225,000 budgeted)**

Funding Rationale: Non-property tax revenue is a major portion of the Town's revenue base. The targeted amount should equal at a minimum, 20% of budgeted non-property tax revenues.

Uses/Restrictions: These funds can bridge the gap between the state's fiscal year end and the Town's fiscal year end (3 month gap) in the event of significant state budget reductions.

- **Building Capital Reserve Fund (\$750,000 budgeted)**

Funding Rationale: The reserve target amount is based on early estimates to build out portions of the building for tenants and other operational issues relating to the Cutler Bay Town Center building.

Uses/Restrictions: These funds are to be used specifically to address the build out costs for new tenants; building hardening and security, and to fund unanticipated major repairs.

- **Building: Operating Reserve (\$1,000,000 budgeted)**

Funding Rationale: The target amount approximates one year's full debt service payments, plus an amount no less than 20% of the operating expense budget or annual rent from the largest tenant whichever is greater.

Uses/Restrictions: This reserve is to fund operating needs for the first few years of experience with Town Hall including such variables as brokerage fees for leasing and tenant construction management and to compensate for lost rent revenue in the event of vacancies. Once the Town has a few years of experience, the target amount can be revisited.

- **Building Loan Requirements, restricted (\$2,550,000 budgeted)**

Funding Rationale: Currently, there is a requirement set by the bank loan documents that the Town set aside up to \$2.8 million in a depository relationship account with TD Bank as a condition of the building purchase loan. This amount is equal to approximately 20% of the maximum outstanding loan balance, which will reduce over time as loan payments are made.

Uses/Restrictions: These funds are deemed restricted due to loan documents.

BUDGET RECOMMENDATIONS FOR FY 2011-12

The paragraphs and schedules below provide more detailed descriptions of the material changes from budget year to budget year.

GENERAL FUND EXPENDITURES

At its July Meeting the Council adopted the ceiling rate of 2.8031 mills per \$1,000. However, the staff was instructed to use the current millage rate of 2.5888 and limited funds from our substantial reserve accounts to fund the proposed budget without raising the tax rate, while leaving the difference between the two rates available for issues relating to the acquisition, construction or operation of a charter school.

Across all departments we have held the health insurance to a slight increase for a slightly less robust program, adjusted for the FRS deduction passed by the Legislature and accounted for COLA for Councilmembers and employees as established by US department of Labor Statistics. We continue the policy of not funding employees other than cell phones other than the 6 in the Police Department due to there not being any other way to provide them with these necessary communication devices. Councilmembers will continue to have cell phone and iPad charges paid for by the Town.

The merit increases so critical to each employee's paycheck in many prior budgets is not included in the proposed budget for any employee once again this year. While this is expected to be detrimental for continued retention and attraction of high quality employees, it is a necessary statement of budgetary reality for the current year, however I believe that some merit increase will be necessary next year to ensure the retention of high quality staff.

The "proposed" budget document for the first public budget hearing in September was based on the Council recommended millage rate of 2.5888, as discussed in the August 22, 2011 Budget Workshop. This millage rate is also the Town's current millage rate which was adopted at last year's second public budget hearing on September 22, 2010.

The average taxable home value in Cutler Bay in 2010 was \$78,291 (prior to Value Adjustment Board changes); this property owner would have paid Cutler Bay \$203 in property taxes and paid \$1,370 in County and School taxes for a total of \$1,573.

The average taxable home value in Cutler Bay for 2011 is estimated at \$78,255. At the tentative millage rate originally set by the Council (2.8031 mills), this property would be responsible for Cutler Bay property taxes of \$219 and have \$1,270 in County and School taxes, based on their respective tentative rates, for a total of \$1,489. This would have represented a combined savings of \$84, or approximately 5.3 percent, over 2010.

At the millage rate set by the Council for first Budget Public Hearing (2.5888), this property would be responsible for Cutler Bay property taxes of \$203 and for \$1,270 in County and School taxes for a total of \$1,473. This would be a \$100 **reduction** from last year's combined property tax bill or a **6.4 percent reduction**.

REVENUE REDUCTION VS. SERVICE REDUCTION

These are clearly extraordinary financial times that require extraordinary leadership and extraordinary courage. As always, we will endeavor to continue to provide the levels of services our community expects and deserves, with ever more limited resources available for this purpose.

Significant challenges in addressing service priorities and requirements, which were the primary reasons for incorporating the Town of Cutler Bay, will remain. Not adequately or responsibly funding the budget by ensuring sufficient revenues would counteract the benefit the Town has gained by removing ourselves from the County's apparent lack of services. The public services that our community relies upon each day cannot be reduced to make up the difference without serious service level consequences.

Given the current economy, especially the reeling real estate market, we continue to face monumental funding shortfalls as we develop the proposed budget and this situation may continue into our next fiscal year. There is a great challenge in this temporary downturn: providing the community the upgraded services that they expected when they voted for incorporation, while remaining considerate of the wishes of those who hope to keep taxes low. We are in the continuing our experience in the "perfect economic storm". This economic downturn is resulting in plummeting home values, caused in part by the passage of the homestead exemption increase and the portability of homestead values, and when combined with reduction in State revenues it is certainly a very difficult period. However, the significant challenges in addressing service priorities and requirements, which were the primary reasons for incorporating the Town of Cutler Bay, remain. Courage, vision and

leadership will help us weather this storm and we will be better and stronger for the future as we take advantage of the unique opportunities that we encounter.

FY 2011-12 PROPOSED BUDGET

Following Council direction, the general budget priorities for FY 2011-12 are:

- To maintain and enhance current levels of service especially our excellent police service, to the extent possible due to the current economic and revenue challenges;
- Provide responsibly funded reserve funds for hurricane and other unique responsibilities, opportunities and emergencies;
- To continue the direction of conservative financial policies and judicious management efficiencies;
- Plan and fund future capital improvements and authorize funds to achieve improvements;
- Continue operation of a Stormwater Utility; and
- To hold the tax rate as low as possible while maintaining an acceptable level of service to the community

Because of the property tax relief initiatives that have been adopted in the past several years, and the global economic situation, the development of the FY 2011-12 Budget was a challenge. The revenue losses due to the ad valorem revenue reductions, as well as the voter approved increase of the homestead exemption from \$25,000 to \$50,000 have been staggering.

The FY 2011-12 Proposed Budget is balanced at \$41.8 million, of which \$27.9 million represents the direct operating budget, \$10.1 million represents Special Revenue budgets, \$1.1 million is funding for capital projects, and \$2.7 million relates to the Stormwater Utility Fund budget.

It is evident that because of our focus on “results-oriented” management practices, we were able to make some adjustments reasonably and rationally without drastic cuts in services, although significant budget reductions still occur due to the magnitude of the revenue reductions. Of our current **29** full time, non-Council, non-police employees, six are either Department Directors or work directly for the Council. Of the remaining 23, nineteen earn less than \$50,000 per year. The total yearly salary line

item for general revenue based positions excluding the same positions as above is approximately \$695,000. This amount is only 2.5 percent of our general operating budget. No other city in the county has fewer staff per resident than Cutler Bay.

During the budget development process, we focused on Council priorities, departmental goals and citizen needs and utilized the Strategic Plan, developed and adopted in 2006, to determine to which objectives revenues should be focused. The goals and objectives for each department are highlighted at the beginning of each respective section.

In creating this budget we focused high priority on maintaining our public safety resources intact with no law enforcement staffing cuts, improving our public transportation infrastructure, implementing environmental "green" initiatives and addressing the services that mean so much to our community. A Budget workshop was held in August, where budget policies and priorities were clarified to provide guidance in developing the Proposed Budget.

Below in subsequent sections are the budget summaries for each of the Town's Departments. We offer this as a guide to the Council for their deliberations and subsequent general direction to the Manager in drafting the Public Hearing version of the budget for Fiscal Year 2011-12. The paragraphs and schedules below provide more detailed descriptions of the material changes from budget year to budget year.

Despite the challenges we encountered in balancing the needs for services against the desire of property owners for lower taxes, we continued to maintain basic levels of reserves for our various critical financial responsibilities.

RESERVES

The budget includes a number of different general fund reserves. Based on the Government Finance Officer's Association (GFOA) recommended practices, we strive to maintain an unreserved fund balance of at least 10-15 percent of the operating expenditures of the General Fund. The GFOA makes no specific comment about "contingency reserves," but Cutler Bay has gone further in making this a designated unreserved fund balance, which we call the "contingencies and emergencies" reserve, and exceeding the GFOA's relative recommended level of unreserved fund balance.

SPECIAL REVENUE FUND REVENUES (NOT AD VALOREM TAXES)

The following summarizes the increases and decreases of the various special purpose revenues in this fund. Local Option gas tax revenues are expected to decrease slightly for the coming budget year, and are projected at, \$181K. The \$1.7 million carryover consists primarily of revenues collected from prior years (primarily impact fees and unexpended gas taxes) and held for appropriation once sufficient funding levels and planning is complete. Expenditure of a portion of this carryover is planned for FY 2011-12 on various Public Works projects.

For the most part, the Special Revenue Fund expenditures are transfers to the General Fund for specific activities and projects (building and zoning activities and public works projects) and the transfer of funds to the Capital Fund for specific capital projects described below.

CAPITAL PROJECTS FUND

In FY 2007-08, the Town established a Capital Fund wherein major capital improvement projects are budgeted. Revenues are aligned to specific projects. The budget provides for the completion of work on the new Lakes By The Bay Park project (\$860,000), adding a new playground to that park (\$132,000), and making improvements to a new wetlands park (\$150,000). Reserves of approximately, \$15,000 are also provided for any project related contingencies that may arise. Project revenue sources for the above include grants from various grants, as well as funding provided by the County relative to the new Lakes By The Bay Park transfer to the Town. Town funds, from park impact fees, are provided where needed for grant matches.

ACCOMPLISHMENTS

I have attached to this budget, as Appendix D, an abbreviated list of accomplishments achieved through the budget direction and policy set by the Council in last year's budget. I am certain that this is the type of progress that was envisioned by the voters when they chose incorporation of Cutler Bay.

CONCLUSION

These are clearly extraordinary times that require extraordinary leadership and extraordinary courage. We thank the Mayor and Town Council for having those qualities, as we believe they have been reflected in this budget. It is essential to continue building our reserve accounts for a

multitude of reasons. As always, your staff will endeavor to continue to provide the levels of services our community is entitled to, with even more limited resources available for this purpose. We are grateful for your continued contributions to the budget development process. The confidence you hold in your staff makes it possible for us to provide the results our community deserves and expects. By working together we have once again been able to craft a budget that addresses the priorities you have created for our community.

SUMMARY

With the exception of new items added by the Council such as Lakes by the Bay Park, Cutler Bay Town Center Building, the 97th Ave Linear park and the Bird Sanctuary, we have reduced the Town-wide overall general fund approximately 3.5 percent or \$930,000. Some services will be reduced and we will lose the ability to take advantage of some opportunities, but we will continue to deliver the best services possible under these difficult circumstances.

Sincerely,

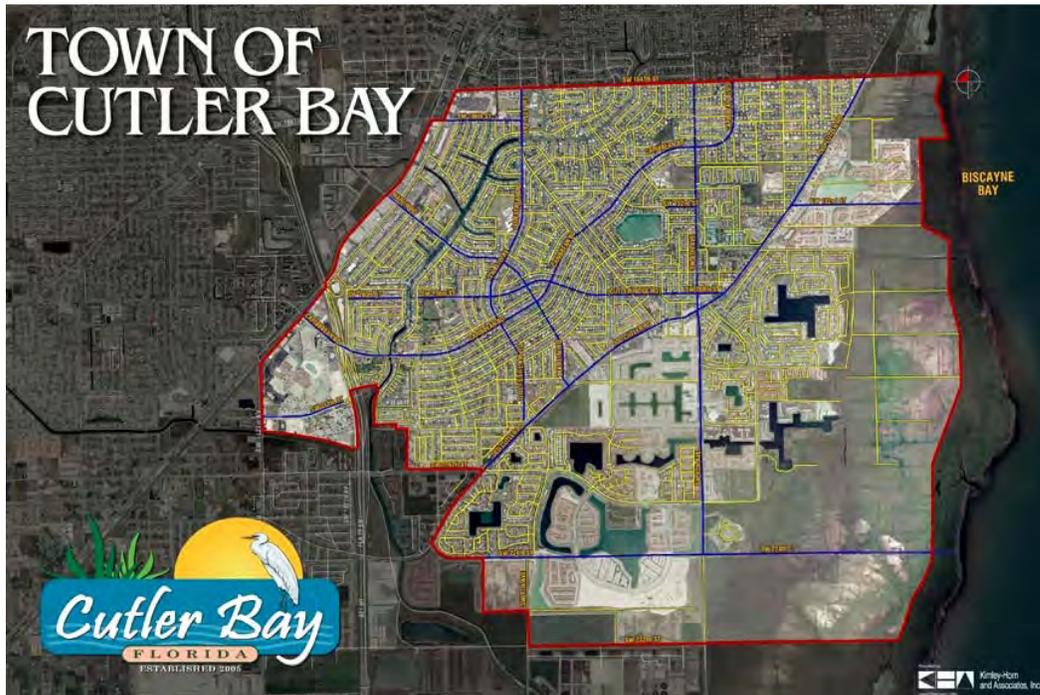
A handwritten signature in black ink, appearing to be 'SA', with a long horizontal flourish extending to the right.

Steven Alexander
Town Manager

TOWN PROFILE

The Town of Cutler Bay was formed in November 2005 and is the newest incorporated municipality in Miami-Dade County. The Town operates under a Council-Manager form of government in which the Town elects five council members, one of whom is the Mayor. Except for the initial election and terms of office specified in the Town Charter, Councilmembers are elected for four year terms. The Town Council determines the policies that guide the Town's operations and hiring a Town Manager to implement and administer these policies on a full-time basis. The Town of Cutler Bay provides a full range of municipal services including police, parks and recreation facilities, building and zoning, planning, code enforcement, and public works. The Town has been successful in providing a high quality of life for its residents, by enhancing the level of services being offered.

The Town is bordered on the north by the Village of Palmetto Bay and on all remaining sides by unincorporated Miami-Dade and the communities of West Perrine, South Miami Heights, and Goulds. The Town limits are generally SW 184th Street (Eureka Drive) on the north, the US 1 Busway on the west, SW 232rd Street on the south, and Biscayne Bay National Park on the east, forming a Town of approximately 10 square miles. The following is an aerial map of the Town and its boundary (outlined in red):



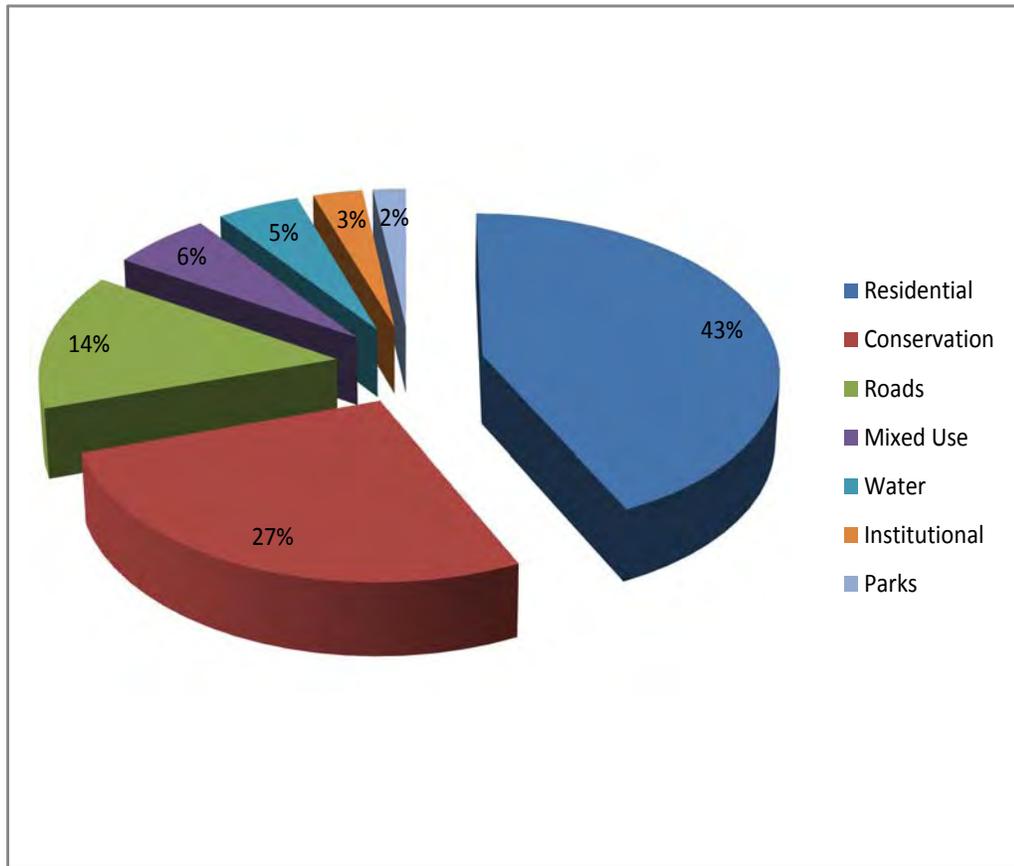
Demographics

Current population estimates from the University of Florida, which provides the official population figures as used by the State of Florida, indicate an estimated 40,286 residents. At incorporation, the Cutler Bay area population was estimated at approximately 32,000 residents indicating a 26 percent growth rate since incorporation. Estimates of future growth indicate a population of 55,000 by 2020.

The Town is a dynamic community that includes a diversified mix of single and multi-family, residential, commercial, and public uses. The Town is characterized by established and developing residential communities and commercial development along US-1 and Old Cutler Road.

Figure 1 below represents the Town's land uses by broad categories based on the acreage.

Figure 1. Land Uses – Town of Cutler Bay, 2011



Park & Recreational Facilities

The Town operates and maintains eight park facilities within the Town boundaries. They include:

- Cutler Ridge Park & Pool
- Bel-Aire Park
- Franjo Park
- Lincoln City Park
- Saga Bay Park
- Saga Lake Park
- Whispering Pines Park
- Lakes By The Bay Park

Public Schools

Eight public schools in the Miami-Dade Public School system are located in Cutler Bay. They are:

Bel-Aire Elementary
Cutler Ridge Elementary
Gulfstream Elementary
Dr. Edward L. Whigham Elementary
Whispering Pines Elementary
Centennial Middle School
Cutler Ridge Middle School
Dr. Edward L. Whigham PLC-E

Economic Development

The Town is proactively seeking economic development opportunities through direct communication with national and local businesses, and participation in local economic development organizations to promote the area's friendly business environment, economic amenities, and viable infrastructure. In FY 2010-11, the Town committed approximately \$10.0 million in park improvements, roads, storm water system, and upgrade of government facilities to support a sustainable economic development program for the area. The Town is also working with adjoining municipalities to implement the "Green Corridor and PACE (Property Assessed Clean Energy) program. The intent of the PACE Program is to enable property owners to borrow money to buy solar panels, wind generators, insulation or shutters for their home. This initiative will provide market opportunities for local vendors, specializing in the development, distribution and installation of energy efficient technology that meets the requirement of the PACE Program. In FY 2010-11, the State of Florida Energy Office awarded the Town two major grants to support its energy efficiency practices and development of an Economic Energy Zone Business Attraction Implementation Plan. The intent of this plan is to identify regulatory and financial incentives to attract new and existing green businesses to the designated economic energy zone. In FY 2010-11, the Town continued to adopt policies and cost-effective initiatives in support of our local businesses community to ensure a sustainable business environment. The Town Council supports these economic development initiatives through creation of new zoning and development regulations which streamline growth complimentary to Town planning efforts for an economically sound, aesthetically pleasing growth pattern that considers

all the impacts of growth on residents and businesses and encourages sustainable "green" developments.

Five major, planned projects will spur the development and redevelopment of the Town Center and adjoining commercial areas:

- Old Cutler Road neighborhood center
- Construction of new restaurants on the US 1 Corridor
- Southland Mall/Town Center planning area
- US 1 Corridor
- 216 Commercial Center

Prior to the Town's existence, the community participated in the Urban Center District and Old Cutler Road charrette planning efforts. The Town is positioned to guide the development and enhancement of the Old Cutler Road area through planned public improvements and the County has initiated the revitalization and growth of the Urban Center District. Figure 2 below is a representation of the landscaping and other public improvements that are proposed for Old Cutler Road and are included in the Capital Improvement Budget.

In FY 2010-11, there were no major changes to the current land use distribution, in comparison, to prior years. A significant percentage of the Town's land (forty-nine percent) is classified in the broad categories of residential and commercial land use. There is no acreage in the Town of Cutler Bay that is classified as industrial. This land use profile is similar to that of nearby cities in that they are mostly comprised of residential properties relative to commercial, office and institutional uses.

In FY 2010-11, the South Dade Performing Arts Center, a \$44 million project funded by tourism tax money, County bonds and state grants was successfully completed. This state-of-the-art building is designed to seat nearly 1,000 people in the main hall and will have an outdoor canal-side amphitheater. The South Dade hall occupies six acres next to the South Miami-Dade Government Center at Southwest 107th Avenue and SW 211th Street. Town and County planners feel that the Arts Center will work as a catalyst for the continuing redevelopment of this important area. The Town's administration continues to promote this area as an ideal location for businesses that can complement the existing commercial base already established in the general area.

Through the charrette planning processes, the community has envisioned an urban village around the cultural center and the Southland Mall area. Master plans tie in the County regional library, the South Dade

Government Center and the Mall, and add housing, restaurants and local retail. Already built and operating is the new, state-of-the-art Mercedes Benz automobile dealership, indicating economic and market trends will continue upward.

The US 1 Corridor is a 130 acre commercial mixed use corridor encompassing both US 1 and the busway. Through a charrette planning process, the community has envisioned a redevelopment build-out scenario that will not just transform the experience of the passer-by but also that of the entire community. The plan embodies the best urban planning practices guided by the principles of New Urbanism.

In FY 2010-11, the Town sponsored a series of educational initiatives to build a public high school to expand the educational opportunities available to our residents. One of the initiatives was the creation of the "Charter School Advisory Committee" to study the possibility of establishing a charter school in the Town of Cutler Bay. The development of a high school (public school and/or charter school) in the Town will enhance the educational opportunities available to our residents and will serve as another tool to attract new businesses and their employees to the area. In addition, the Town is also actively engaged in supporting the Miami-Dade School Board in their collaborative efforts with Miami-Dade County to bring a Magnet School to the area. This important initiative would further revitalize a critical area in our quickly growing Town.

Through support for the major projects and proactive groups and ongoing charrette planning sessions, the Town continues to guide and enhance development opportunities.

Figure 2. Charrette Rendering – Old Cutler Road Improvements



TOWN GOVERNANCE PHILOSOPHY

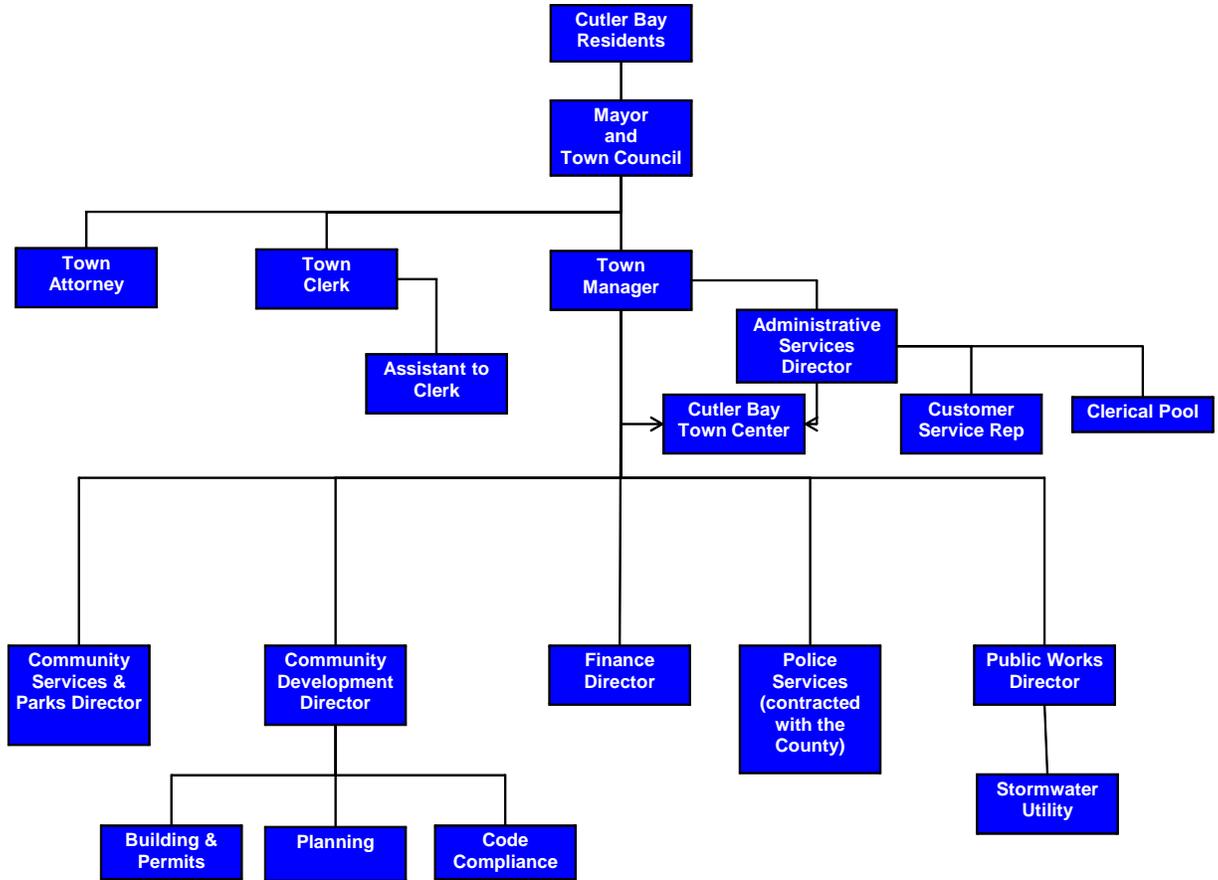
The Town's organizational chart reflects the Town's philosophy:

"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".

Organizational Chart

The organizational chart changed slightly since last year's budget. Department directors have been in place since October 2007, other positions have been filled and much was accomplished on behalf of Cutler Bay residents. Figure 3, below is a graphic of the organizational chart.

Figure 3. Town of Cutler Bay Organizational Chart



A limited number of Town employees function in the various departments to provide superior services to residents and visitors. Currently, the Town has 34 full-time positions (including five elected officials) and 57 contracted police services positions (including one vacant position). In addition, approximately 30 part-time and temporary personnel are added in the summer months to staff parks programs. Appendix A lists the current number of positions by department and positions adopted for FY 2011-12.

Strategic Plan

The Town's Strategic Plan is a guide for the Council and the Manager and sets many goals as distinguished from requirements. A set of strategic

goals were formed as a result of citizen based planning efforts in 2006. The initiatives are implemented, funded and tracked as part of the Town's ongoing business planning process. For reference, the nine goals and recent action steps are provided in Appendix B. This budget is designed to address each of the specific goals of the strategic plan.

Town Mission Statement

The Town's Mission Statement is at the heart of actions by the Mayor, Council Members, Town Manager and Town staff. The Mission Statement is below.

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.



TOWN LEADERSHIP

TOWN COUNCIL



Mayor Edward MacDougall was elected as Mayor of the Town in November 2010. He is the CEO and owner of ChoiceOne Network, a holding company for several companies that operate within the real estate, finance, property/casualty and title insurance market. MacDougall has headed the company, which has locations in Cutler Bay and Palmetto Bay, since 1981. He has also served as an adjunct professor in the Math Department at Miami-Dade College.

MacDougall retired from the Miami-Dade Police Department as a sergeant, having been an officer for 11 years. During his police career, he had served as a patrol man, undercover narcotics officer, motorcycle officer and burglary detective. MacDougall is a Vietnam combat veteran who also served as Vice Chair of the Cutler Ridge area Municipal Advisory Committee. A third-generation Miami-Dade County resident, MacDougall is married to his wife Bobbi and has two children and four grandchildren.

Vice Mayor Ernie Sochin has lived in Cutler Bay with his wife Rhoda since 1968. Rhoda works full time as a circulation manager for a local magazine circulation company. He still works part time in the electronic distribution field doing merchandising, advertising websites and selection of new merchandise for a national distributor, as well as writing a regular column for a national trade magazine. Many still remember him from his days as a Radio Talk Show Host on WIOD, WINZ, WFTL and WSBH, as well as appearing as a guest on many other shows. He was also seen on local Dade County TV Cable Tap, produced by Miami Springs TV Productions.

Councilmember Peggy Bell has served as Cutler Bay's first councilwoman for the past four years. A resident of Cutler Bay for over 25 years, Peggy

has been married to her husband for thirty years and they have a teenage son. She is office manager of Bell's Tree Farm, a family business. After college she worked for the State of California Department of Transportation in planning and bidding. She relocated to Florida to work for Eastern Airlines, Pan Am, and as consultant on two start up airlines. She was a founding member of the Cutler Ridge Area Steering Committee and co-founded United Citizens of Cutler Bay. A former PTSA president and 4H leader, she holds a Florida realtor license and serves as director on several boards.

Councilmember Mary Ann Mixon has been a resident of Cutler Bay for eight years. Born in Pensacola, Florida, Mary Ann moved to Miami during her teen years. She attended Coral Gables Senior High and went on to earn her Bachelor's Degree from the University of Miami.

In 2009, Mary Ann worked for the Town of Cutler Bay as their Special Projects Coordinator (a position made possible through a one-year grant appropriation from the State of Florida Department of Environmental Protection (FDEP). During her year with the town, she developed the town's Facility Recycling Program; implemented Environmentally Preferable Purchasing (EPP), helped developed and launched the town's "Going Green" website, designed and implemented an educational recycling awareness outreach program, and wrote several state and federal grants. Her efforts also helped the town to achieve a "Silver" Green City Certification from the Florida Green Building Coalition.

Active in her community, Mary Ann has volunteered for Habitat for Humanity in the Greater Miami Blitz Build and has participated in Miami-Dade's Baynanza, the Biscayne Bay Clean-Up day. For the last seven years, she has been a volunteer for the Miami Billfish Tournament which raises money and awareness for Marine Conservation and Education. Mary Ann is a member of Fairchild Palms, a young professionals' volunteer group of the Fairchild Tropical Botanic Garden. The money raised from Fairchild Palm events supports the Fairchild Challenge, a South Florida-based environmental education and conservation program credited for leading a green movement in schools worldwide. Additionally, she has volunteered at The Saga Bay Park Clean-Up and at Cutler Bay's Arbor Day events.

Mary Ann is an ardent animal lover with a tendency to rescue every animal in need. She is a major advocate for low-cost spaying and neutering and has donated much of her time and effort to help provide

this valuable service. In her spare time, she enjoys boating, gardening and spending time with family and friends.

Councilmember Sue Ellen Loyzelle is a South Floridian native born in Hollywood and raised in Pembroke Pines. In 1986, she relocated to South Miami-Dade and has been a resident of the Cutler Bay area for over 17 years. Sue received her Bachelor of Arts in Leisure Service Administration at Florida's St. Leo College in 1984.

Sue has been employed by the YMCA of Greater Miami for over 22 years currently serving as director of grants. Prior to that, she was the executive director for the Homestead Family YMCA.

Ms. Loyzelle has served the community for over 20 years through her long standing involvement with the Kiwanis, serving as past president, board member and various committee chairs. During her membership with the Kiwanis Club of Homestead/South Miami-Dade from 1990 to 1996 and Kiwanis Club of Miami from 1997 to present, she was instrumental in the planning and implementation of the annual Kiwanis Fishing Tournament. The Tournament raised a significant amount of money that was distributed to organizations throughout the community.

Sue is currently a member of Leadership Miami, an annual program sponsored by the Greater Miami Chamber of Commerce, which offers opportunities to meet Miami's leaders and to share intensive learning experiences. The program provides an opportunity for its members to focus on community issues, in an effort to make Miami-Dade County a better place to live. The program's main message – contribution through service to your community – is one that she takes to heart and applies to her commitment to the Cutler Bay community.

With her love of animals and in her spare time, Sue enjoys training her Border Collie, "Mystic", and her Australian Shepard, "Cypress", in frisbee and agility, in the hopes of having both compete in the near future. As Cutler Bay's newly appointed Council Member, Sue is looking forward to working with the residents to manage growth and to continue improving the quality of life.

Sue Loyzelle's career and community involvement have centered on the principles of duty, commitment, and the creation of opportunity through education, as well as service. It is these guiding principles that she continues to apply on a daily basis, as she serves the community of Cutler Bay.

CHARTER STAFF



Steven J. Alexander, Town Manager



Mitchell Bierman, Town Attorney (Weiss Serota)



Esther Coulson, Town Clerk

TOWN OF CUTLER BAY OPERATING & CAPITAL BUDGET

FISCAL YEAR ENDING SEPTEMBER 30, 2012

ANNUAL BUDGET PROCEDURES

The annual budget procedures the Town follows are a result of the requirements of Florida Statute Chapter 200.65 known as TRIM (truth in millage) and the Town Charter.

Truth In Millage:

The Town is required to hold two public hearings for adoption of a property tax rate and budget. The first public hearing is advertised by the Property Appraiser mailing to each property owner a TRIM notice. In addition to notification of this first public hearing, the TRIM notice contains the following information:

1. Prior year millage rate.
2. Current year proposed millage rate.
3. Current year rolled-back rate.
4. The date, time and meeting place of the Tentative Budget Hearing.

The second public hearing is advertised by means of a newspaper advertisement. Accompanying this advertisement is a summary of the revenues and expenditures contained within the budget tentatively approved at the first public hearing.

The Town Charter:

Section 3.3 (5) requires the Town Manager to prepare and submit to the Council a proposed annual budget and capital program.

Section 4.5 sets the criteria for the adoption of the budget as follows:

4.5 (A) Balanced Budget. Each annual budget adopted by the Council shall be a balanced budget and adopted in accordance with Florida law.

4.5 (B) Budget Adoption. The Council shall by resolution adopt the annual budget within the time prescribed by general law, after having had two (2) public hearings. If it fails to adopt the annual budget by this

date, the Council may by resolution direct that the amounts appropriated for current operations for the current fiscal year shall be deemed adopted for the ensuing fiscal year for a period of fifteen (15) days and renewed by resolution each fifteen (15) days, with all items in it prorated accordingly, until such time as the Council adopts an annual budget for the ensuing fiscal year. A resolution adopting an annual budget shall constitute appropriation of the amounts specified therein.

4.5 (C) Specific Appropriation. The budget shall be specific as to the nature of each category of appropriations therein. The Town Manager may recommend for approval by the Council one or more contingency accounts to be used for unanticipated items of expense which were not included in the budget as original items of expenditure. The Town Manager may recommend for approval by the Council one or more reserve accounts to be used for items of expense which might require multiple years of budgeting in order to fulfill the original designation of funds.

4.5 (D) Notice and Hearing. The Council shall publish the general summary of the budget and a notice of public hearing as prescribed by general law.

Section 4.6 defines the fiscal year as follows:

The fiscal year of the Town government shall begin on the first day of October and shall end on the last day of September of the following calendar year. Such fiscal year shall also constitute the annual budget and accounting year.

Section 4.7 describes the circumstances under which the budget may be adjusted.

4.7 (A) Supplemental Appropriations. If, during any fiscal year, revenues in excess of those estimated in the annual budget are available for appropriation, the Council may by resolution after a public hearing make supplemental appropriations for the fiscal year up to the amount of such excess.

4.7 (B) Reduction of Appropriations. If, at any time during the fiscal year, it appears probable to the Town Manager that the revenues available will be insufficient to meet the amount appropriated, s/he shall report in writing to the Council immediately upon discovery, indicating the estimated amount of the deficit, and his/her recommendations as to the

remedial action to be taken. The Council shall then take such action as it deems appropriate to prevent any deficit spending.

BUDGET CALENDAR

June	Department Directors submit budget requests and capital improvements are reviewed.
July	Tentative Budget is prepared by Town Manager.
July 1	Certification of Taxable Value by the County.
July 26	Maximum millage rate adopted.
August 4	Notify the Property Appraiser of Proposed Millage Rate.
August 22	Budget Workshop.
August 24	TRIM notices are mailed by County.
September 6	1st Budget hearing.
September 20	2nd Budget hearing and adoption of Budget and final millage rate.
September 23	Deadline for notifying Property Appraiser and the Tax Collector.
October 20	Certify compliance with Chapter 200, F.S. to the Florida Department of Revenue.

BUDGET AND ACCOUNTING BASIS

The basic building block of governmental finance is the "fund". Generally Accepted Accounting Principles (GAAP) provides the following definition of a fund:

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific

activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Town of Cutler Bay uses various funds to account for its activities, including the General Fund, various Special Revenue and Capital Projects Funds, and a Stormwater Utility Fund. The General Fund or Operating Fund, as it is generally referred to, accounts for traditional governmental services such as Police, Park and Recreation and the administrative departments. Revenues such as property taxes, State taxes, and charges for services are also recorded in the General Fund. The General Fund is one of the funds for which a budget is adopted and the budgetary level of control is at the Department level.

Special Revenue Funds are used to account for revenues or grants that are for a specific purpose. The Town is currently using these funds to account for transportation and stormwater projects, as well as after school care programs for children, all of which are primarily supported by grants.

The Town Capital Projects Fund is used to account for significant park related acquisition and improvements, as well as to account for a planned roadway improvement project. A capital outlay (expenditure) is an asset which has a value of \$1,000 or more (\$10,000 or more in the case of infrastructure type assets), and has a useful economic life of more than one year (five years or more in the case of an infrastructure type asset); 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.

The Town uses the modified accrual basis for both budgeting and accounting. The modified accrual basis is the recognition of revenues when they become available and measurable. Expenditures are recognized in the period goods and services are received or when liabilities have been incurred. Fund Balance is any excess of assets over liabilities for a fund. A negative fund balance is sometimes called a deficit.

BUDGET OVERVIEW, POLICIES & REVENUES



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 BUDGET IS A SPENDING POLICY

The approved budget document is actually a spending policy created through recommendations by the Town Manager to the Town Council, which is the only body that can make it law, 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 FY 2011-12 fiscal year, the Council and the Town Manager have engaged in an ongoing dialogue about Town services and have engaged the community through the comprehensive plan process and other community workshops. Additionally, the Town Council meets each year with the Town Manager in a budget workshop to clearly state their budgetary instructions in advance of formal budget presentation. The Town Manager and his team built the budget based on this prior

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

information and shaped it to meet the goals, objectives and strategies expressed by the Town Council who represent the interests of all of the Town's residents and businesses.

Efficient local police presence, acquiring park space, caring for our newly acquired infrastructure, and fair code compliance are ongoing priorities for the Town of Cutler Bay. The Proposed FY 2011-12 Budget addresses those priorities and also continues to deliver public works, parks, community development and other Town services at a level determined by budgetary restraints. All available services have finally been transitioned from Miami-Dade County to the Town as well as the transfer of infrastructure assets. This was done ahead of the schedule of other new municipalities in Miami-Dade County which demonstrates the aggressive negotiations and successful strategies employed by the administration to provide improved services to the community.

BUDGET CALENDAR

The budget process is driven by certain key dates as established by Florida Statutes. The Budget Calendar below notes the milestone dates along with actions specific to the Town of Cutler Bay.

June 1 – Miami-Dade County Property Appraiser releases a preliminary tax roll value for each taxing district, including the Town of Cutler Bay.

July 1 – Miami-Dade County Property Appraiser certifies the taxable value of real property and personal property for the Town of Cutler Bay. This year's certified roll reflected a decrease in property tax valuations of **0.6 percent** from \$1.745 billion for FY 2009-10 to \$1.735 billion for FY 2011-12.

Mid-July - Town Council adopted the proposed millage rate (the rate which is multiplied by the property tax roll to generate the funding level for the ad valorem revenues). The proposed millage rate (2.8031) 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 set the Town's preliminary tax rate at the statutorily computed maximum millage rate to allow the Town Council maximum flexibility during the budget deliberation process. This proposed rate is not necessarily the final rate to be adopted by the Town Council. The final rate will be adopted after two public hearing are held in September 2011.

Notwithstanding the foregoing, the schedules herein are based on the FY 2010-11 adopted millage rate of 2.5888.

The legislature's adoption of the "property tax relief" legislation and the approval of the property tax constitutional amendments in recent years, in addition to the end of the real estate "bubble", and general decline in our nation's current economy, has created an environment where the impacts of the Town's, and other taxing district's, tax rate will have varying impacts on individual properties.

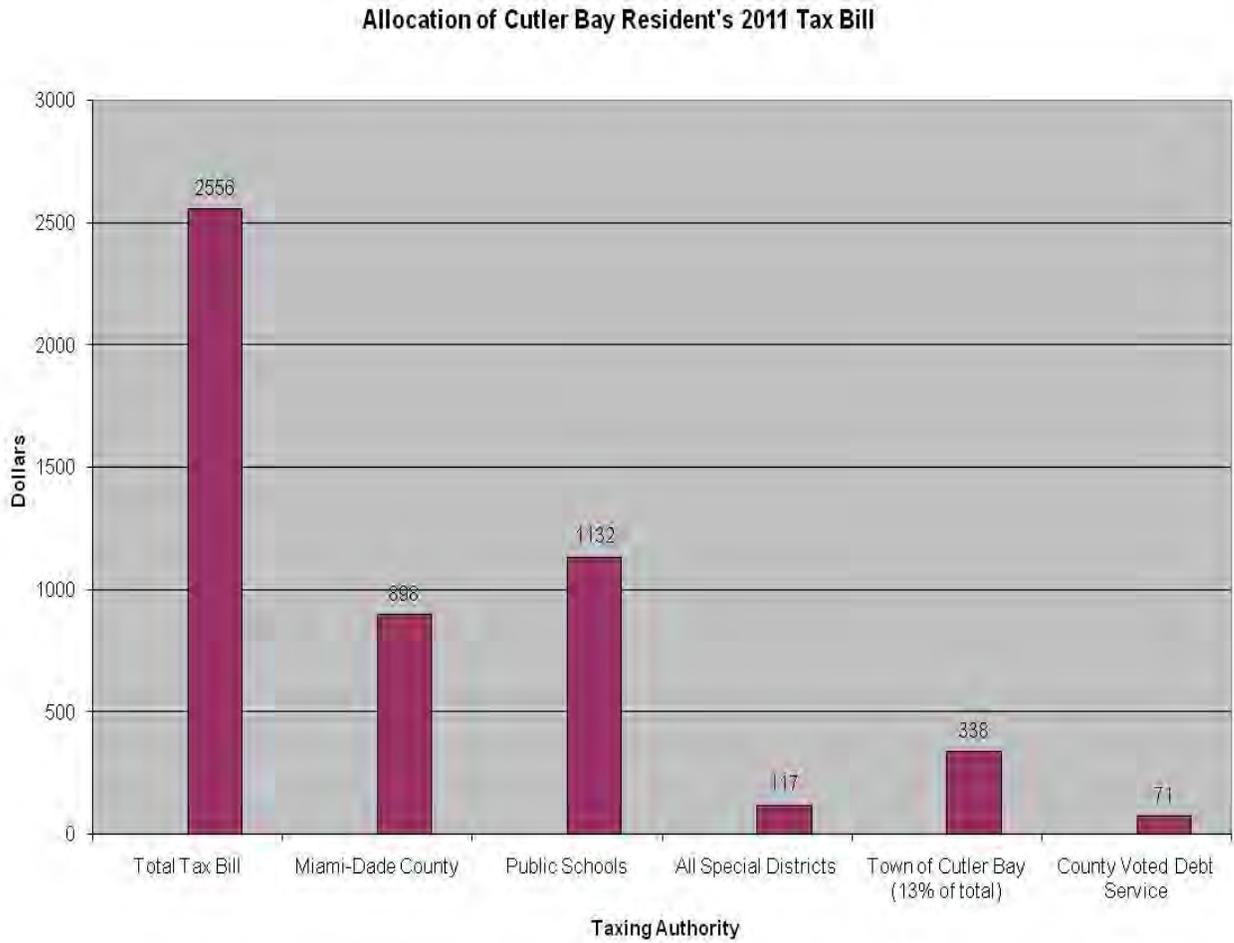
The Save Our Homes (SOH) amendment which took effect in the mid-1990's had the effect of limiting the annual increase in the assessed value of homesteaded properties to 3% or the national consumer price index, whichever is less.

As a result, long-time homesteaded property owners benefited from years of skyrocketing home values by paying relatively less property taxes versus newer home purchasers due to the SOH limits on increases in assessed values.

The 2009 property tax valuation performed by the property appraiser was the first year in which property values dropped for Cutler Bay. 2010 saw another significant decline in Town property values, followed by the current year's decline of less than 1 percent. These drops in property values now brings to fore the "other side" of SOH in which long-time homesteaded properties can now actually see their assessed values increase, even as property market values drop, even if that valuation is still below market value.

Figure 5 on the second following page, is a copy of an actual tax notice of a Cutler Bay resident who purchased their home in 2005. Figure 4 on the next page below is a graphic representation of where the tax dollars go.

Figure 4. Allocation of Cutler Bay Resident's FY11-12 Taxes



Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

Figure 5. TRIM Notice



Office of the Property Appraiser
111 NW 1 Street, Suite 710
Miami, Florida 33128-1984

NOTICE OF PROPOSED PROPERTY TAXES AND
PROPOSED OR ADOPTED NON-AD VALOREM ASSESSMENTS
MIAMI-DADE COUNTY TAXING AUTHORITIES

**DO NOT PAY
THIS IS NOT A BILL**

[REDACTED]
[REDACTED]
[REDACTED]
MIAMI, FL 33190-1277

FOLIO: [REDACTED]
MILLAGE CODE: [REDACTED]

PROPERTY ADDRESS:
[REDACTED]

LEGAL DESCRIPTION:
[REDACTED]

TAXING AUTHORITIES								
TAX INFORMATION	COLUMN 1 Last Year's Taxable Value	COLUMN 2		COLUMN 3 Current Taxable Value	COLUMN 4 If NO Budget Change is Adopted		COLUMN 5 If Proposed Budget Change is Adopted	
		Last Year's Tax Rate (millage)	Your Property Taxes Last Year		Tax Rate (millage)	Taxes	Tax Rate (millage)	Taxes
MIAMI-DADE COUNTY:								
Countywide	120,739	5.4275	655.31	120,739	5.3600	647.16	4.8050	580.15
Fire Rescue	120,739	2.5753	310.94	120,739	2.5632	309.48	2.4496	295.76
Library	120,739	0.2840	34.29	120,739	0.2799	33.79	0.1795	21.67
PUBLIC SCHOOLS:								
By State Law	145,739	5.6160	818.47	145,739	5.5461	808.28	5.6930	829.69
By Local Board	145,739	2.2480	327.62	145,739	2.2200	323.54	2.0720	301.97
MUNICIPAL:								
Cutler Bay	120,739	2.5888	312.57	120,739	2.5344	306.00	2.8031	338.44
WATER MANAGEMENT:								
SFWM District	120,739	0.5346	64.55	120,739	0.5451	65.81	0.3739	45.14
Everglades CP	120,739	0.0894	10.79	120,739	0.0910	10.99	0.0624	7.53
INDEPENDENT DISTRICT:								
F.I.N.D.	120,739	0.0345	4.17	120,739	0.0356	4.30	0.0345	4.17
Children's Trust	120,739	0.5000	60.37	120,739	0.4925	59.46	0.5000	60.37
VOTER APPROVED DEBT PAYMENTS:								
County Debt	120,739	0.4450	53.73	120,739	0.2850	34.41	0.2850	34.41
School Debt	145,739	0.3850	56.11	145,739	0.2400	34.98	0.2400	34.98
County Fire Debt	120,739	0.0200	2.41	120,739	0.0131	1.58	0.0131	1.58
TOTAL AD VALOREM PROPERTY TAXES			2,711.33			2,639.78		2,555.86
TOTAL AD VALOREM AND NON-AD VALOREM PROPERTY TAXES			4,285.78			4,306.12		4,222.20
HEARING INFORMATION	The Taxing Authorities which levy property taxes against your property will soon hold Public Hearings to adopt budgets and tax rates for the next year. The purpose of the Public Hearings is to receive opinions from the general public and to answer questions on the proposed tax change and budget Prior To Taking Final Action. Each Taxing Authority may Amend OR Alter its proposals at the hearing.							
TAXING AUTHORITY	PUBLIC HEARING DATE, LOCATION AND TIME							

FINANCIAL POLICIES

As part of the FY 2007-08 budget process, the Council adopted the policies enumerated below as part of the budget ordinance. Having a set of policies to guide our financial operations is especially important in light of the possible limitations on property tax revenues that have occurred the past few years.

Operating Budget Policies

1. A goal of the budget is to include contingency and cash reserves totaling at least two months operating costs.
2. All new programs or service expansions shall be considered in light of the above goal, and unless demanded by an emergency, will not be implemented without an identified source of revenue or other service adjustments so as to maintain adequate reserves.

Capital Budget Policies

1. The Town will develop a five-year capital plan identifying revenues and expenditures for each capital project.
2. The capital plan will take into account needed equipment replacement and renovation based on useful life, infrastructure maintenance, population changes, service gaps, and information technology.
3. Priority will be given to projects that are necessary for health, life, and safety and those that reduce operating costs.
4. Capital projects shall be defined as those that have a life expectancy of five years and that cost \$10,000 or more.
5. The first year of the five-year plan will be used as the basis for the annual capital budget, and the development of the capital budget and the operating budget shall be coordinated.
6. The Town will use the most appropriate funding mechanism to pay for capital projects and will seek a mixture of pay-as-you-go and financings.

7. The term of any financings shall be consistent with the life expectancy of the capital project.
8. Pursuant to state law, financings will not be used for operating purposes except as permitted for cash flow before tax receipts are received.

Revenue Policies

1. The Town will review all fees and charges as part of the annual budget process.
2. The Town will develop a mix of revenue sources to provide a diversified and stable revenue structure.
3. All revenues, excluding unreserved fund balance carryover and guaranteed revenues, will be budgeted at a maximum of 95 percent of expected values to allow for fluctuations in collections without affecting planned services.

Cash Management Policies

1. All funds will be deposited within 24 hours of receipt and, to the extent possible, by 2:00 p.m. on the day of receipt.
2. All funds will be invested in instruments consistent with those allowed by State law for county and municipal investments so as not to jeopardize the principal.

Financial Reporting Policies

1. An independent audit will be performed annually.
2. All annual financial reports will be in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).

TOWN OF CUTLER BAY BUDGETED FUNDS

GENERAL FUND

General Fund Revenues

The Town's General Fund receives the majority of the Town's operating revenues and accounts for the majority of the Town's expenditures for services. General Fund revenues are primarily unrestricted in nature and fund a variety of services including police patrol, general public works, town administration, and parks services.

The six major general fund revenues, other than carryover and transfers, are:

- ad valorem or property taxes,
- utility taxes,
- local government half cent sales taxes,
- state revenue sharing
- communications services taxes, and
- electrical franchise fees.

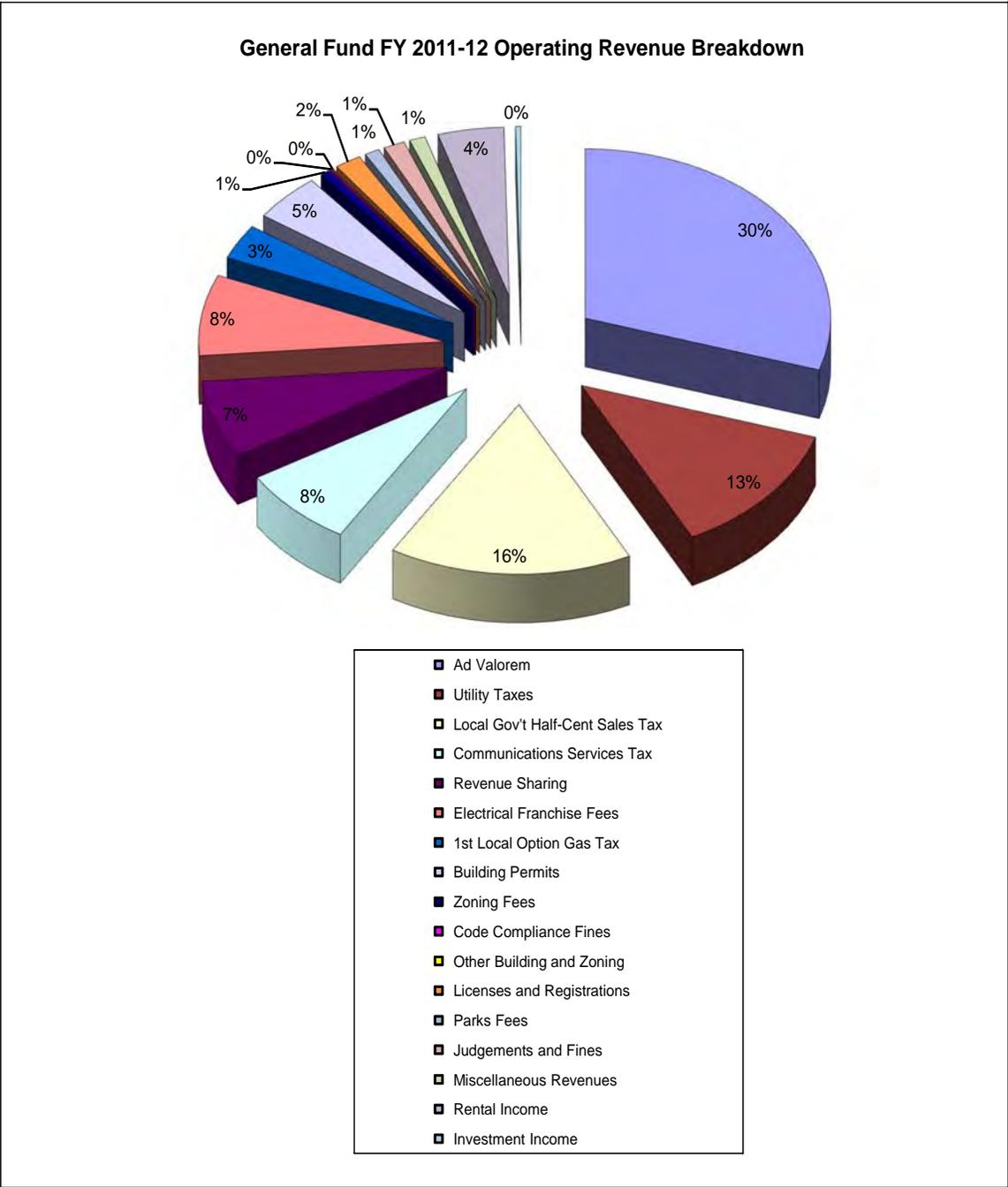
Other revenues include the local business tax receipts, solid waste franchise fees, burglar alarm registrations and fines, building permits and related zoning and code enforcement fees, park user fees, commercial rentals from the Cutler Bay Town Center, interest earnings, and carryover, among others. The accompanying chart reflects the percentages of each revenue source as part of the adopted \$27.9 million General Fund Operating Budget for FY 2011-12. 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. As in FY 2010-11, this Budget primarily budgets revenues at 95 percent of the FY 2011-12 estimate, unless otherwise indicated at a more conservative rate.

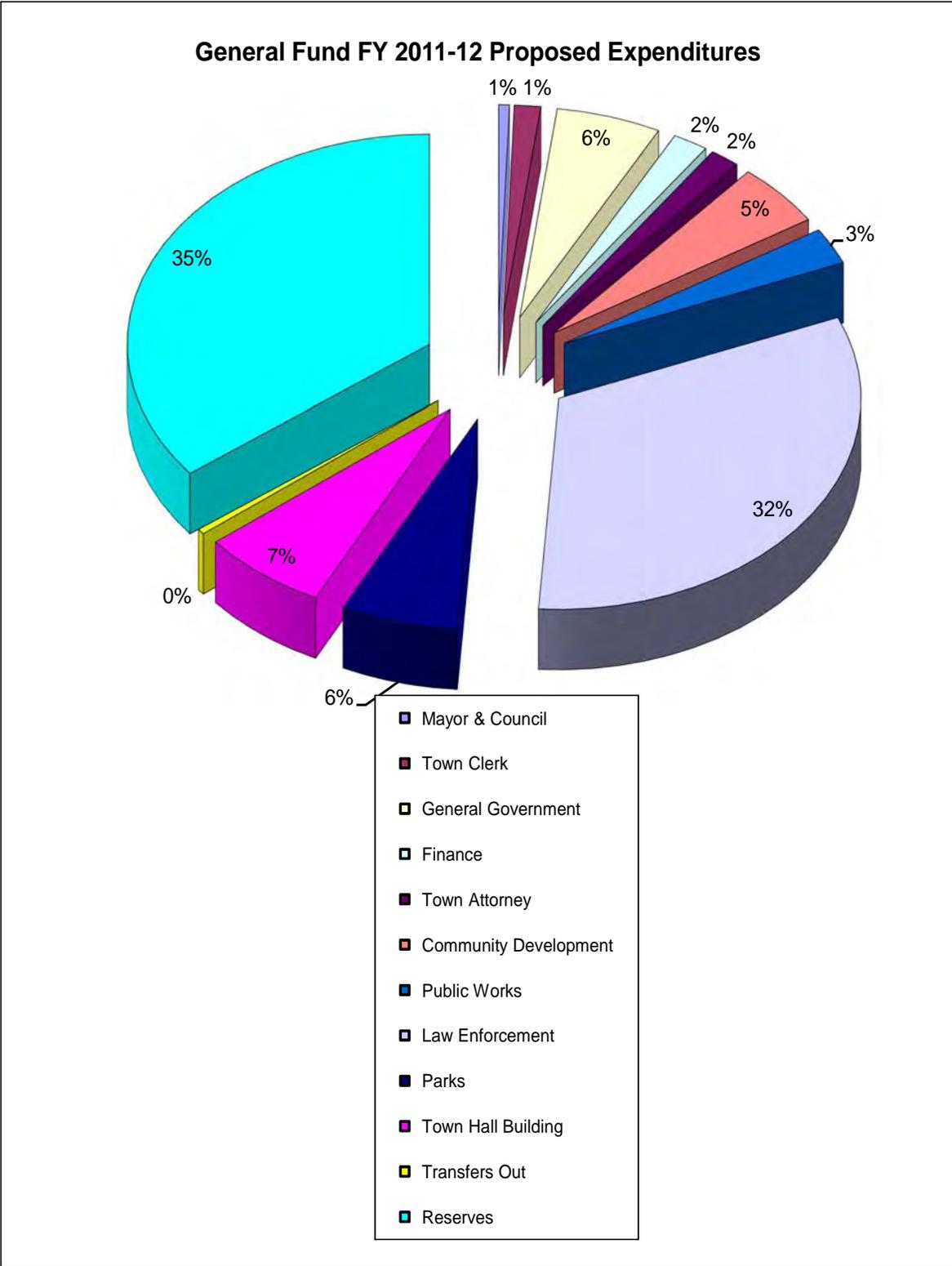
The following summarizes the Town's General Fund:

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

General Fund
Summary

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
REVENUES:				
Ad Valorem	6,599,152	5,448,770	4,292,819	4,266,516
Utility Taxes	2,186,688	2,379,305	1,890,000	1,800,000
Local Gov't Half-Cent Sales Tax	2,307,713	2,276,976	2,202,062	2,282,005
Communications Services Tax	1,815,460	1,265,559	1,102,705	1,090,796
Revenue Sharing	1,000,816	1,019,149	1,040,309	1,060,458
Electrical Franchise Fees	1,625,066	1,669,404	1,350,000	1,100,000
1st Local Option Gas Tax	505,526	510,765	489,654	476,812
Building Permits	486,898	676,075	465,000	650,000
Zoning Fees	56,174	136,637	70,000	90,000
Code Compliance Fines	14,900	15,150	55,000	15,000
Other Building and Zoning	54,270	57,644	40,000	10,000
Licenses and Registrations	384,237	431,910	200,000	250,000
Parks Fees	140,853	151,123	160,000	140,000
Judgements and Fines	295,294	301,581	200,000	200,000
Miscellaneous Revenues	167,167	339,877	178,000	150,000
Rental Income	0	280,313	990,000	620,000
Investment Income	167,731	90,649	50,000	50,000
	<u>17,807,945</u>	<u>17,050,887</u>	<u>14,775,549</u>	<u>14,251,587</u>
Sub-total	17,807,945	17,050,887	14,775,549	14,251,587
Transfers In	11,000	0	754,000	320,000
Debt Proceeds	0	9,120,000		
Carryover	8,958,420	12,384,803	12,046,476	13,323,157
	<u>8,958,420</u>	<u>12,384,803</u>	<u>12,046,476</u>	<u>13,323,157</u>
Total	<u><u>26,777,365</u></u>	<u><u>38,555,690</u></u>	<u><u>27,576,025</u></u>	<u><u>27,894,744</u></u>
EXPENDITURES:				
Mayor & Council	128,119	139,206	155,935	160,530
Town Clerk	168,600	166,288	274,674	393,104
General Government	1,524,067	1,499,293	1,476,096	1,566,536
Finance	444,490	416,069	468,022	527,793
Town Attorney	485,462	417,455	450,000	450,000
Community Development	1,440,738	1,466,309	1,216,834	1,347,179
Public Works	900,864	1,145,241	841,558	781,042
Law Enforcement	7,861,451	7,440,693	8,453,395	9,019,306
Parks	1,294,671	1,237,642	1,335,150	1,746,335
Town Hall Building	0	9,033,604	990,000	1,897,407
Transfers Out	144,100	571,917	989,000	113,855
Reserves - Contingency reserve	3,690,000	3,800,000	3,800,000	3,800,000
Revenue Stabilization reserve	0	0	225,000	225,000
Grant Match Reserves	0	0	250,000	280,000
Insurance contingencies	0	0	1,000,000	1,000,000
Tax Equalization reserve	0	0	225,000	225,000
Building Capital reserve	0	0	1,000,000	750,000
Building Operating reserve	0	0	1,500,000	1,000,000
Restricted Building Loan reserve	0	0	2,800,000	2,550,000
Other reserves	0	0	125,361	61,657
	<u>18,082,562</u>	<u>27,333,717</u>		
Fund Balance, reserved for Prepays (actual)	271,536	318,729		
Fund Balance, unreserved/undesignated (actual)	8,423,267	10,903,244		
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Total	<u><u>26,777,365</u></u>	<u><u>38,555,690</u></u>	<u><u>27,576,025</u></u>	<u><u>27,894,744</u></u>





GENERAL FUND REVENUE SOURCE DESCRIPTIONS

The following sections describe in more detail each of the major revenue sources of the General Fund.

AD VALOREM OR PROPERTY TAXES

Ad valorem (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. On July 1st, the County Property Appraiser delivered the Certified Adjusted Taxable Value to the Town for use in the FY 2011-12 budget. The assessed value of all taxable properties minus homestead and other exemptions for the Town is \$1,734,807,493. That amount is 0.6 percent less than the taxable value in FY 2010-11. \$16.8 million of the current year assessed value results from new construction, which helped offset a potentially worse decline in assessed value.

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, certain special assessments, such as that for solid waste disposal, fire and library services (which are 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, while the market value of a property may increase or stay the same, 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. Passage of Amendment 1 in January 2008 by the

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

Florida electorate provides for additional homestead exemptions, portability and other various changes which impact the taxable value of property.

The Town Council determines the number of mills to be applied to the assessed taxable value. For example, one mill change applied to the FY 2011-12 Certified Tax Value of \$1,734,807,493 produces a tax difference of \$1,734,807.

The Town's Proposed Budget reflects a millage rate of 2.5888 mills, which is the rate currently in effect for the Town. This millage rate (i.e. 2.5888 mills) generates ad valorem taxes for all taxable properties in town in the amount of **\$4.266 million** (based on the 95% budget factor).

Utility Taxes

Utility service taxes are levied on consumer consumption of utility services provided within the Town. Utilities on which the tax is levied include electricity, gas, and water and sewer services. The utility tax budget is based on large part from information we can obtain from the County as well as our limited historical experience. The County is estimating utility tax revenues to be flat or slightly down versus amounts from FY 2010-11, as a result of minimal growth and negative economic conditions.

The recommended FY 2011-12 budget for utility taxes, **\$1.8 million** (based on 90 percent of the projected revenue) was estimated from the history of collections and the outlook for the upcoming year.

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 Town Manager recommends budgeting at 90% of the State estimate as a more conservative approach, given that the State has had several estimate downgrades over the past two years as a result of the sluggish economy. For budget purposes, the proposed budget amount so estimated is **\$2.282 million**.

State Municipal Revenue Sharing

The State's Municipal Revenue Sharing Trust Fund receives roughly thirty percent of its revenue from gas taxes and the balance from sales taxes. The portion attributable to gas taxes is limited in use to transportation related activities, including transportation related public safety activities. Revenue Sharing is distributed to eligible municipalities by a formula based on municipal population, municipal sales tax collections and municipality's relative ability to raise revenue (a complex, multistep calculation based on a municipality's per capita property values and population in relation to statewide values).

As noted previously, the State's revenue estimates have been reduced over the past year or so. Accordingly, the Town Manager recommends budgeting at 90% of the State estimate as a more conservative approach, yielding a FY 2010-11 budget estimate for State Revenue Sharing of approximately **\$1.06 million**.

Communications Service 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) applied to all services generated in the jurisdiction. Each service provider is required to pay the taxes to the State, which is responsible for distributing the taxes to the jurisdictions and for monitoring and auditing the collections.

Pursuant to state law, Cutler Bay notified the State of its tax rate, and collections began for the benefit of the Town in January 2007. Prior to that time, the tax collected in the geographic area of the Town was credited to the County. In accordance with an interlocal agreement with the County, the County paid the Town's share of the Communications Services Tax to the Town. As with the other State derived revenues, the Town Manager is recommending budgeting at 90% of the State estimate as a more conservative approach. This yields budgeted revenue from the Communications Services Tax of approximately **\$1.09 million**.

FPL Franchise Fee

The FPL franchise fee is a levy of Florida Power and Light (FPL) for the use of right-of-way in 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 entire geographic area of the County, of which Cutler Bay is a subset, 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 Cutler Bay its share of the franchise revenue paid to the County. That payment is made in August or September of each year after FPL provides the County with the information necessary to make the distribution to the municipalities without FPL franchise agreements of their own.

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. Because the annual payment depends on electrical usage and offsetting adjustments, it is very difficult to project the annual payment. Further, due to a 2010 fuel rate adjustment by FPL, the actual payments in FY 2010-11 was approximately \$1.2 million, which was approximately \$450,000 less than received in FY 2009-10.

As discussed above, the franchise fee is based in large part on electricity usage. While we anticipate usage in FY 2011-12 to be flat, of slightly down, versus FY 2010-11, the Town Manager recommends budgeting at approximately 90% of FY 2010-11 projected amounts as a conservative approach. As a result, the budget for franchise fee revenue is recommended at **\$1.1 million**.

Local Option Gas Taxes

The Town receives a share of two Local Option Gas Taxes imposed by the County, of which the Six-Cent Local Option Gas Tax (**\$476,000**) is eligible to meet qualified General Fund expenditures.

The proceeds 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 Enforcement Fines

The Town receives revenues from fines from code violators. It is recommended that for FY 2010-11 any such revenue be used to fund the enforcement efforts. Estimated revenues are **\$15,000**.

Building and Zoning Fees

Building permitting and inspection functions and zoning activities are projected to be self-supporting from their own revenues projected at **\$750,000**. Because permit fees (**\$650,000**) are fees and not taxes or fines, they are limited in use to the cost associated with building and zoning activities and these revenues may not be used for general operations. Thirty percent (30%) of the permit fee revenue will be used to fund Town salaries and expenses directly related to the activity and the remaining seventy percent (70%) is paid to the contracted vendor for services.

Town Hall Building Rentals

During June 2010, the Town acquired the commercial office building in which it was renting its Town Hall facilities. The building is now known as the Cutler Bay Town Center. The Town is currently in the process of making improvements to the building, some of which include the newly constructed Council chambers and meeting facility. These improvements will be completed in stages during FY 2011-12.

A substantial portion of the building remains a commercial office building which is leased out to tenants. For FY 2011-12, the Town anticipates rental income generated from this activity to be approximately **\$620,000**.

Other Fees, Interest and Miscellaneous

This category of revenue sources includes local business tax receipts, burglar alarm registrations, solid waste franchise fees, interest earned on cash held in bank accounts, alcoholic beverage taxes and any other minor revenue source for the Town. Each significant revenue is described below.

Licenses and Registrations: The County and Cutler Bay require all businesses to obtain a countywide local business tax receipt and a municipal local business tax receipt in order to operate within the Town. Countywide license fees are shared with cities based on a formula that includes population. The Town also requires that burglar alarms installed and operating within the Town be registered and provides for various penalties for noncompliance and response to false alarms. The Town also enacted an ordinance for solid waste disposal providers to apply for a non-exclusive franchise to operate within the Town to help defray costs of environmental, code enforcement and road impacts of waste hauling. The recommended budget for these categories is **\$250,000**.

Parks Services Fees: Parks operations will generate user fees. The budget for those fees is approximately **\$140,000**.

Interest Earned: The Town invests its available cash in instruments allowed by state law. The interest earnings on investments accruing to the General Fund are budgeted at **\$50,000**.

Miscellaneous Revenues: Other General Fund revenues, such as fines and forfeitures, which include the municipal portion of the fines imposed for traffic and other violations, lien searches, school crossing guard revenues and other small, miscellaneous revenues. The budget for those revenues is **\$350,000**.

Transfers from Special Revenue Funds

Certain revenues are recorded in Special Revenue accounts as they are generally restricted as to use for certain specified types of items. When such eligible use items arise, those funds are transferred to the General Fund for expenditure. In FY 2011-12, such transfers are budgeted at **\$320,000** and include \$150,000 of local option gas taxes transferred for expenditure on sidewalk repair projects and \$170,000 of police impact fees transferred for expenditure on police vehicles.

Prior Year Carryover and Reserves

Carryover is the balance of estimated unreserved fund balance remaining at year-end that is carried forward into the new fiscal year and available for appropriation by the Council. Although, from an accounting point of view, carryover is a balance sheet item and is not included in a

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

profit and loss statement, in governmental budgets 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 beginning in November.

Also, having an adequate carryover is a sign of fiscal health reviewed by financial rating agencies. Carryover should never be treated as a recurring revenue source available for on-going operating expenses. Thus, it is recommended that the cash carryover be used to fund the various reserves as follows:

Reserve Balances for FY 2011-2012

Contingency reserve	\$3,800,000
Revenue Stabilization reserve	225,000
Grant Match Reserves	280,000
Insurance contingencies	1,000,000
Tax equalization reserve	225,000
Building: capital reserve	750,000
Building: operating reserve	1,000,000
Restricted building loan requirement	2,550,000
Other reserves	<u>61,657</u>
	<u><u>\$9,891,657</u></u>

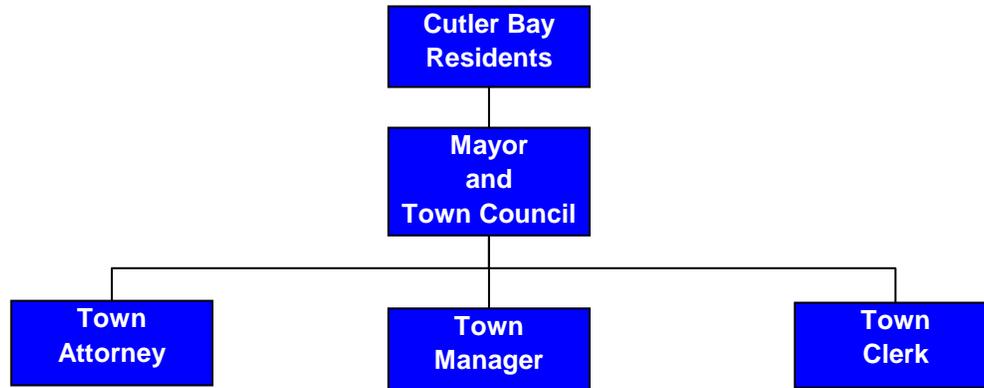
GENERAL FUND EXPENDITURES AND OPERATIONS



General Fund Expenditures – Summary

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
EXPENDITURES:				
Mayor & Council	128,119	139,206	155,935	160,530
Town Clerk	168,600	166,288	274,674	393,104
General Government	1,524,067	1,499,293	1,476,096	1,566,536
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Law Enforcement	7,861,451	7,440,693	8,453,395	9,019,306
Parks	1,294,671	1,237,642	1,335,150	1,746,335
Town Hall Building	0	9,033,604	990,000	1,897,407
Transfers Out	144,100	571,917	989,000	113,855
Reserves - Contingency reserve	3,690,000	3,800,000	3,800,000	3,800,000
Revenue Stabilization reserve	0	0	225,000	225,000
Grant Match Reserves	0	0	250,000	280,000
Insurance contingencies	0	0	1,000,000	1,000,000
Tax Equalization reserve	0	0	225,000	225,000
Building Capital reserve	0	0	1,000,000	750,000
Building Operating reserve	0	0	1,500,000	1,000,000
Restricted Building Loan reserve	0	0	2,800,000	2,550,000
Other reserves	0	0	125,361	61,657
	<u>18,082,562</u>	<u>27,333,717</u>		
Fund Balance, reserved for Prepaids (actual)	271,536	318,729		
Fund Balance, unreserved/undesignated (actual)	<u>8,423,267</u>	<u>10,903,244</u>		
Total	<u><u>26,777,365</u></u>	<u><u>38,555,690</u></u>	<u><u>27,576,025</u></u>	<u><u>27,894,744</u></u>

MAYOR AND COUNCIL



Over the past decade, the Cutler Bay community participated in a number of planning processes that captured a unique vision for future development and improvements. Through the efforts of the Town's Mayor and Council over the past year, ordinances were enacted that move the Town closer to that vision. The Council crafted legislation that enables specific development outcomes through various zoning codes and design standards for the Town. The Council has also adopted innovative legislation relating to large commercial developments and full disclosure of developers. This legislation has been widely identified as groundbreaking and very favorable to residents and has been copied in several local municipalities in the area.

The Council has set significant funding and direction to continue a "green" or sustainability program for helping Cutler Bay become even more environmentally responsible. Additionally, through the Council's leadership the Town established two moratoriums to prevent the building of homes or businesses that are not environmentally friendly until the town adopts regulations to clarify standards for such "green" building practices. This too is ground breaking and has not been accomplished by any other local government perhaps in the nation; and many other issues intended to improve the quality of life in Cutler Bay.

Most notably this year the Council has provided staff resources and great leadership in establishing the framework for the first multi-governmental Property Assessed Clean Energy (PACE) with an expert management team which will enable several Miami-Dade municipalities to join the District for the purpose of providing a funding source for their residents to

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

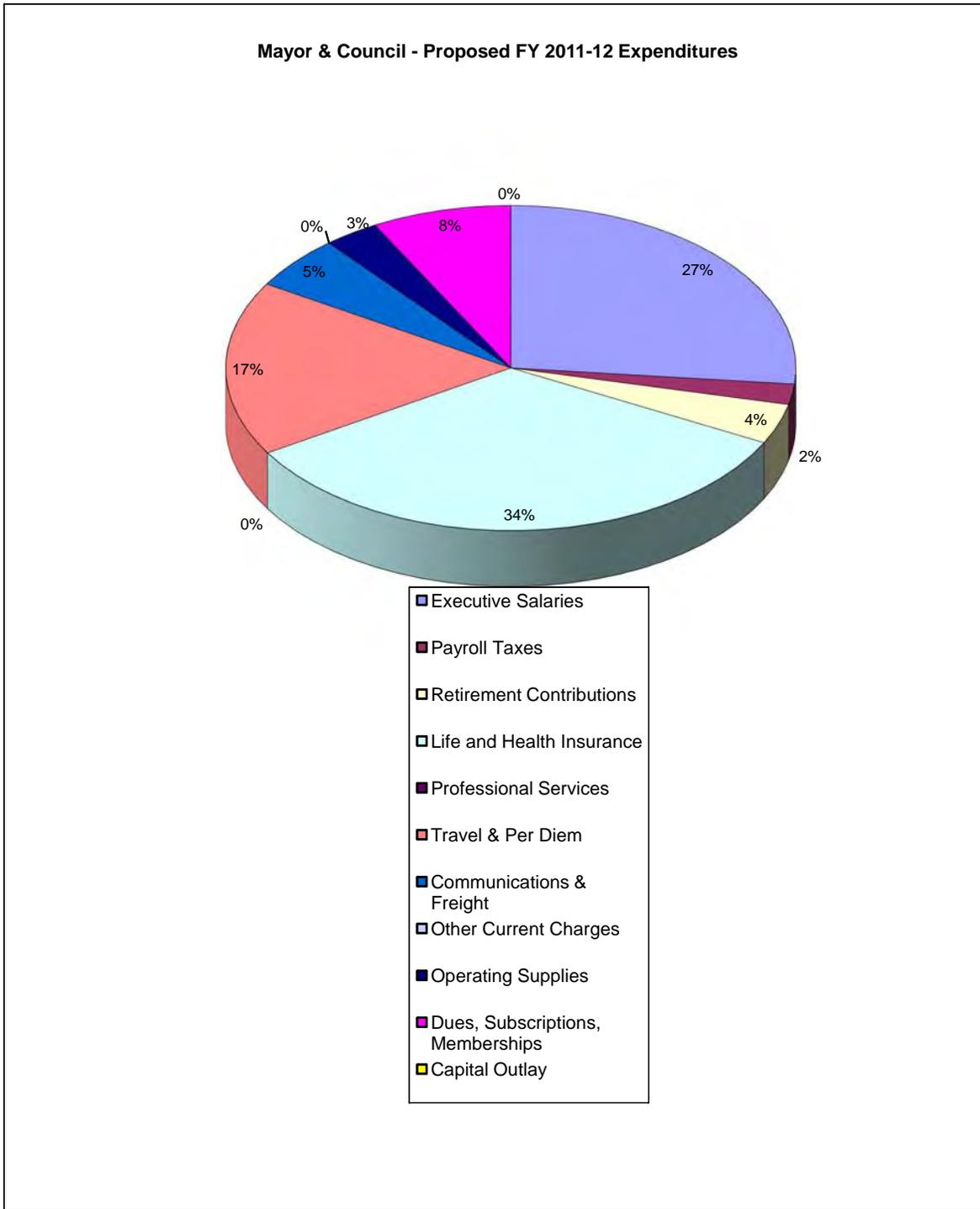
be able to afford installing clean energy systems on their homes and businesses. Once again Cutler Bay is in the leadership with regard to the environment.

The Council has also begun to deliberate the strengths, benefits and costs of establishing a high school within the boundaries of Cutler Bay. This effort has included the creative approach of applying for a municipal Charter School, which would likely be managed by a professional academic management company at the direction and supervision of the Town Council with the assistance of a formal group of community members and parents.

The following summarizes the Mayor and Council department budget for FY 2011-12:

MAYOR & COUNCIL

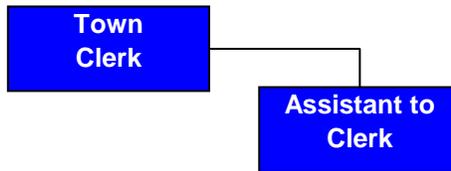
Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Executive Salaries	39,687	39,580	39,846	42,683
Payroll Taxes	2,881	3,408	3,048	3,265
Retirement Contributions	6,560	6,750	9,961	6,402
Life and Health Insurance	36,761	42,879	51,000	54,000
Professional Services	0	0	0	0
Travel & Per Diem	25,346	27,688	27,900	27,900
Communications & Freight	7,412	7,080	7,080	8,580
Other Current Charges	0	0	0	0
Operating Supplies	564	1,626	5,000	5,000
Dues, Subscriptions, Memberships	8,908	6,905	12,100	12,700
Capital Outlay	0	3,290	0	0
	<u>128,119</u>	<u>139,206</u>	<u>155,935</u>	<u>160,530</u>



Budget to Budget Comparison:

FY 2010-11: \$155,935 FY 2011-12: \$160,530 Change: + 2.9%

TOWN CLERK



FUNCTION

The Town Clerk is a Charter official and reports to the Town Council and as such the Clerk provides corporate secretarial services for the Town Council, the Local Planning Agency, and the municipal corporation. The Town Clerk is responsible for giving notice of public meetings and maintaining an accurate record of all proceedings. In addition, the Town Clerk serves as the Financial Disclosure Coordinator with the Florida Commission on Ethics; serves as the Records Management Liaison with the Florida Department of State; and maintains custody of Town records including agreements, contracts, ordinances, resolutions, and proclamations. The Clerk is the custodian of the Town seal and serves as the Supervisor of Elections for Cutler Bay. The Town Clerk also provides minor secretarial and staffing functions for the Mayor and Town Council. The Clerk's office also acts as the Coordinator for the official website for the Town.

GOALS

- Complete and distribute Town Council and Local Planning Agency meeting agendas in a timely manner.
- Create and maintain accurate summary minutes of all meetings held by the Town Council in its legislative and in its quasi-judicial capacity.
- Complete an accurate summary and distribute all incomplete town council workshop minutes from 2006 to 2010.
- Continue to compile and update the registry of ordinances and resolutions, and post them on the website within the required deadline of 30 days.

- Initiate the codification process of the Town's ordinances, including publication of the Town's Code on the website.
- Ensure that the Town's requirements for advisory committees are met, and that the attendance records and contact information for those committees are up-to-date.
- Ensure that the Town's policies and procedures for advisory committees are made available to every member, and a concise and comprehensive town committee handbook is made available and posted on the website.
- Prepare a conflict of interest questionnaire form and instructions for town vendors.
- Improve the records management system by locating missing and properly filing misfiled records.
- Improve the existing document imaging system to enhance or enable electronic access to records, and provide for the inclusion of applicable exhibits with ordinances and resolutions passed by the Council within ten days of passage for posting on the website.
- Revitalize the Town website to increase communication.

OBJECTIVES

- Administer the publication of the Town Charter and Code.
- Implement and maintain a user-friendly records management system in order to provide public records in a timely and reasonable manner.
- Act as the records custodian for the Town and disseminate information to the public as necessary.
- Advertise and post all notices of public proceedings as required by law; in addition, provide appropriate updates to the Town website for use by the public.
- Assist with the promotion support of annual Town events through advertising and publishing on website.

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

- Provide timely information to other organizations, agencies, Town residents, and the general public.
- In addition to archived minutes, maintain searchable and electronic permanent records of legislation when passed by the Council for inclusion on the website.
- Supervise the activity leading up to forthcoming elections; implement electronic filing for candidates, and provide a history of election statistics and results on the website.
- Provide a right of access to Government in-the Sunshine meetings and records made or received in connection with Town's official business and fulfill timely and reasonably public records upon request through coordination with various municipal agencies, and publish or post agendas in advance.
- Disseminate to the Town Council, Manager, and Attorney, compile and assemble the Council agenda for distribution in accordance to the Town's established guidelines.
- Continue with an organized public records management system with the ability to access readily available records in a timely manner; provide assistance to town agencies concerning records management, and implement the records minimum retention requirements and destruction process annually required by the state to determine the feasibility of off-site storage; thus, reducing costs.
- Maintain a user-friendly website that is easily manageable to access information which reflects the Town's adopted goals.
- Timely and accurately publish all legally required and/or courtesy notices of Town meetings and/or functions.
- Schedule conferences, briefings, and public appearances for most Town Officials.
- Continue to provide public records through coordination with the Managers office in order to ensure that records are timely and reasonably provided.
- Publish twelve (12) E-briefs, an electronic newsletter with Town updates, per year.

Significant budget changes in the FY 2011-12 budget include the following:

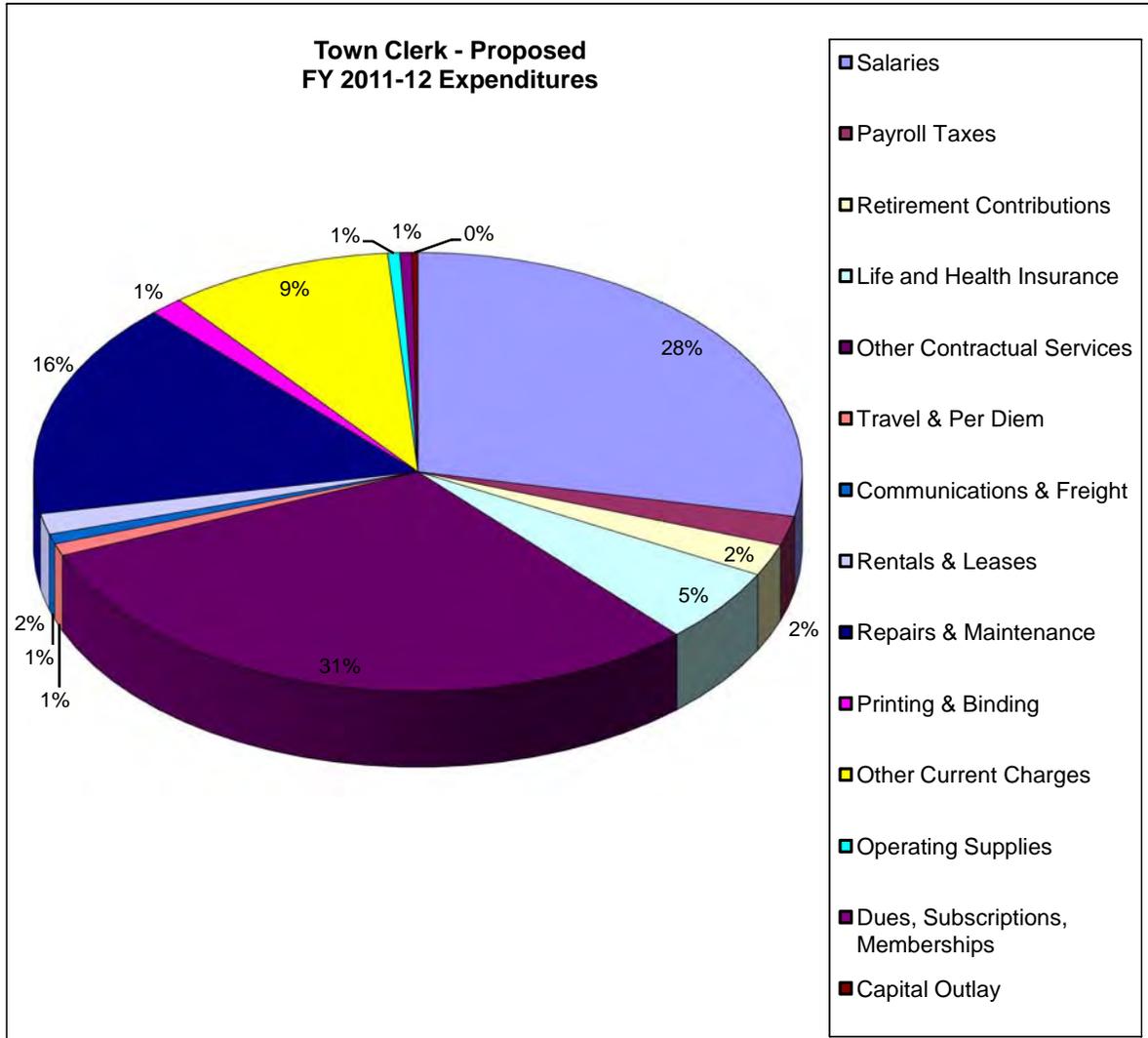
- **Other Contractual Services** includes \$60,000 for codification of the Town’s ordinances and \$60,000 for a special election for a Charter School referendum.
- **Rentals & Leases** decreased due to no longer renting out the County library for public meetings.
- **Repairs and Maintenance** increased primarily due to the provision of a new Town web site offering increased functionality to the public.
- **Printing & Binding** decreased as a result of the elimination of paper agenda production.

The following summarizes the Town Clerk department budget for FY 2011-12:

TOWN CLERK

Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Salaries	87,146	82,332	90,282	111,073
Payroll Taxes	6,638	6,356	6,907	8,497
Retirement Contributions	10,494	10,256	14,415	9,204
Life and Health Insurance	16,760	17,845	20,400	21,600
Other Contractual Services	5,444	4,853	60,000	120,000
Travel & Per Diem	2,602	1,251	3,500	3,500
Communications & Freight	2,429	2,742	2,600	2,900
Rentals & Leases	4,475	6,800	8,800	6,000
Repairs & Maintenance	6,149	3,107	18,300	62,860
Printing & Binding	825	169	7,500	5,500
Other Current Charges	20,271	27,540	37,000	37,000
Operating Supplies	1,722	1,943	2,000	2,000
Dues, Subscriptions, Memberships	2,264	1,094	1,970	1,970
Capital Outlay	1,381	0	1,000	1,000
	<u>168,600</u>	<u>166,288</u>	<u>274,674</u>	<u>393,104</u>

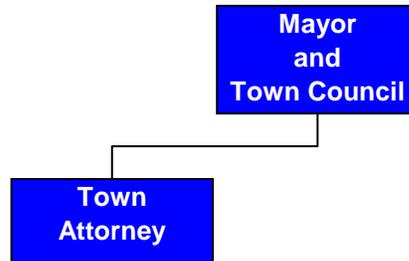
Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget



Budget to Budget Comparison:

FY 2010-11: \$274,674 FY 2011-12: \$393,104 Change: + 43%

TOWN ATTORNEY



FUNCTION

The Town Attorney is appointed by the Town Council in accordance with the Town Charter. The Town Attorney prepares or reviews ordinances, resolutions, contracts, bonds and other written instruments as directed and endorses approval of the documents as to legal sufficiency, form, language and execution thereof. When required by Council, the Town Attorney prosecutes and defends, for and on behalf of the Town, all complaints, suits, and controversies. The Town Attorney provides legal advice and consults with the Council on legislative, quasi-judicial, administrative, proprietary, employment and other governmental matters. In addition, the Town Attorney attends meetings, prepares the initial city code, renders legal opinions, negotiates interlocal government agreements with Miami-Dade County as required under Article IX of the Town Charter, and assists in securing revenues from taxes, fees, fines and forfeitures.

GOALS

- Endeavor to always provide the highest quality legal services to the Town while maintaining a relatively low cost for such quality services.
- Vigorously maintain professional independent judgment and adhere to a high standard of ethics.
- Ensure that the legal process remains apolitical and provide the Town with clear and useful legal advice. In providing legal advice, the main objectives shall be to aid the Town in accomplishing its legitimate objectives and to avoid legal consequences.
- Assist the Town in implementing the ordinances, resolutions, contracts, and interlocal agreements necessary to assist the Town Manager in the daily operations, functions, tax base, and code of ordinances for

the Town, including a land development code tailored to the needs of the Town.

OBJECTIVES

- Continue to provide assistance with the final adoption of the land development code for the remaining areas of the Town.
- Assist the Town in the negotiation and preparation of all agreements, contracts, grant applications, bonding and other applications as required by the Town.
- Finalize all ordinances, agreements, and resolutions necessary for the operation of all Town departments.
- Work with staff to finalize all park projects including architectural, and construction contracts and final development of the projects.
- Assist departments in uniformly coordinating inspections and enforcement of all Town ordinances relating to rights-of-way, storm water, and code compliance.
- Continue service as the District Counsel for the PACE Green Corridor

The following summarizes the Town Attorney department budget for FY 2011-12:

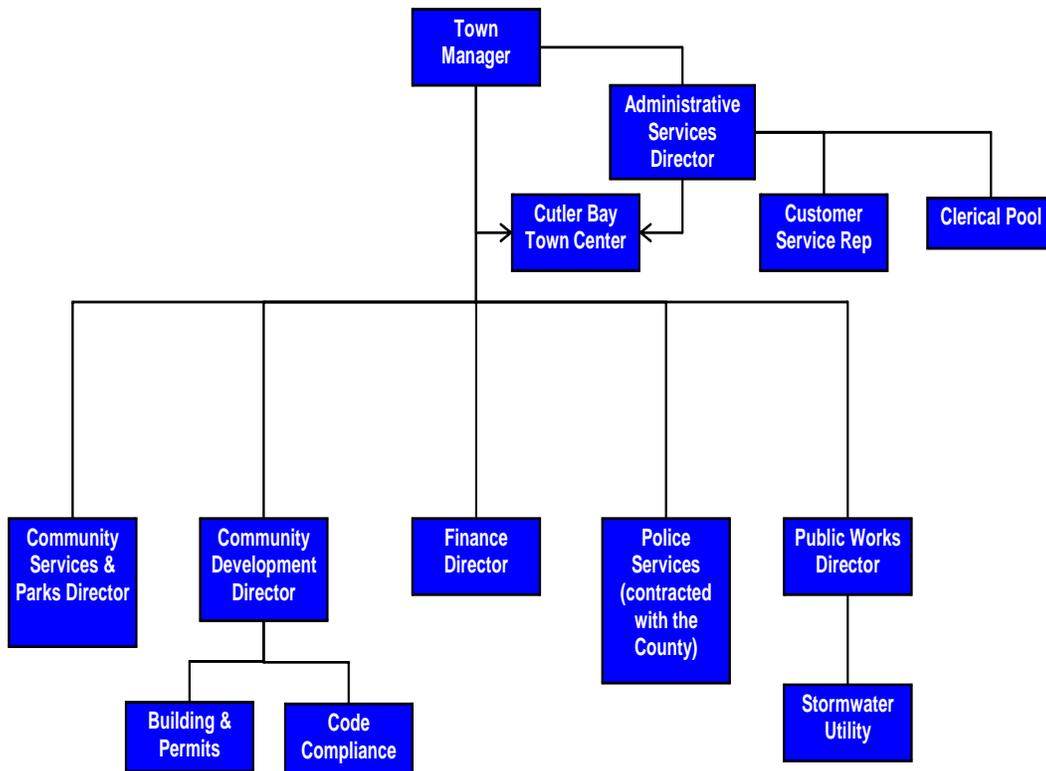
TOWN ATTORNEY

Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Professional Services	<u>485,462</u>	<u>417,455</u>	<u>450,000</u>	<u>450,000</u>

Budget to Budget Comparison:

FY 2010-11: \$450,000 FY 2011-12: \$450,000 Change: 0%

GENERAL GOVERNMENT



FUNCTION

The Cutler Bay Town Council selects a Town Manager who serves as the Chief Executive Officer and Administrative Officer of the Town. The Town Manager is selected on the basis of administrative and executive qualifications. The Town Manager's duties are defined in the Town Charter.

The Charter of Cutler Bay as determined by a vote of the residents chose a Council-Manager form of government. The Council-Manager plan is a system of local government that combines the strong political leadership of elected officials in the form of a Council or other governing body, with the strong managerial experience of an appointed local government manager. The plan establishes a representative system where all power is concentrated in the elected council as a whole and where the Council

hires a professionally trained manager to oversee the delivery of public services.

In Council-Manager government, council members are the leaders and policy makers in the community elected to represent various segments of the community and to concentrate on policy issues that are responsive to citizens' needs and wishes. The Manager is appointed by Council to carry out policy and ensure that the entire community is being served in the same way a CEO is chosen by a Board of Directors in a private corporation.

The Manager's Function

The Manager is hired to serve the Council and the community and to bring to the local government the benefits of training and experience in administering local government projects and programs on behalf of the governing body. Essentially functioning as the Town's CEO, the Manager prepares a recommended budget for the council's consideration. He also recruits, hires, and supervises the government's staff; serves as the Council's chief adviser; and carries out the Council's policies. Council members and citizens count on the manager to provide complete and objective information, pros and cons of alternatives, and long-term consequences.

The Town Manager provides direction and general management to the overall efforts of the administration and operation of the municipal functions for the Town of Cutler Bay. He receives assignments by vote of the Town Council. He initiates assignments in accordance with the Town Charter and the municipal code requirements. He creates assignments in accordance with the general needs and services of the Town. He reviews and edits reports and statements prepared for the attention of the Town Council.

Leadership is an interpersonal influence directed toward the achievement of a goal or goals and it deals with change, inspiration, motivation, and influence. Since leadership involves the exercise of influence by one person over others, the quality of leadership exhibited by a Town Manager is a critical factor in determining the success of a municipality.

There has been very little turnover among personnel in Cutler Bay. Such a low turnover rate serves the town well, as there is little to no cost for employment advertisements, in addition to insuring high productivity by not having to spend time training new employees. The operative management style and the example set for the department heads is primarily the reason for this retention among the staff. All employees know

that there is an "open-door" policy and the Manager is readily available to offer advice and support, in addition to encouraging and demanding courteous and fair treatment to all.

The Town Manager is responsible for the hiring and termination of all Town employees, including the Chief of Police. The General Government office holds all functions that are applied or have purview across all administrative functions. Accordingly, the Administrative Services Director, who performs the Human Resources functions for the Town is within this department. Additionally our purchasing ordinance and procedures are under the purview of this office and has a mission to raise Town employee awareness to ensure that environmentally safe products shall be used whenever practicable.

The Town is committed to environmentally preferred procurement and shall help to promote the use of recycled products by publicizing the Town's purchasing policy whenever possible. The Town is also committed to the Florida Green Building Coalition Standards for purchasing and residential and non-residential (commercial) development. Town administration promotes the implementation of positive environmental stewardship initiatives in the department and by encouraging employee involvement and recognition to help keep the environment a safe place for all.

Due to their broad impact, QNIP payments are included in the General Government budget. The Town is obligated to pay its portion of QNIP bonds. The QNIP program (Quality Neighborhood Improvement Program) focuses on infrastructure needs in neighborhoods. It includes construction and repair of sidewalks, local and major drainage improvements, road resurfacing and park facility improvements. The County provides the repayment amounts based on a formula. QNIP payments are budgeted at \$400,000 for FY 2011-12.

GOALS

- Establish a municipal environment that promotes efficiency and excellence in community service through the retention of qualified employees and contracting of specialized consultants
- Ensure the highest degree of customer service and assistance to all Town residents and visitors
- Provide strategic direction to all Town departments and consultants promoting the directives of the Council and focusing on sound fiscal management

- Ensure that Town-wide capital projects are completed as scheduled and on budget
- Collaborate with county and other municipal governments on initiatives that promote the priorities of the Town
- Secure higher levels of funding for Town-wide projects
- Maintain open lines of communication with the Town Council concerning all Town projects
- Additional goals:
- Continue to enhance the police leadership with highly qualified, experienced individuals committed to excellence, individuals who will be reviewed by the Manager prior to hiring;
- Help create the management tools to enable Cutler Bay to achieve one of the lowest crime rates the county;
- Create an environment wherein our Town's administration continue to have the reputation of being a welcoming place where courteous, friendly employees treat all with dignity and politeness and are at the same time helpful and open;
- Continue updating an employee manual to communicate standards, including a high ethical standard and a very dedicated work ethic that provides guidance on various aspects of employment.
- Continue our non-smoking policy which has continued to the benefit of our staff and sets a precedent in South Florida, as we have created a drug free and tobacco free working environment- one of the first in the nation;
- Continue to maximize experience and professional relationships that we have established with various legislators and other leaders, which has benefited the Town by our ability to be able to meet with those individuals and helped them understand our concerns and be sympathetic to the issue at hand;
- Continue our incredible record of fiscal responsibility by finishing each year under budget in every budgetary department (FY 2006 through FY2010), with the only exception being the Law Department over which is not under direct control of the administration, proving that budgetary assumptions by staff continue to be sound and well educated;
- Continue to maximize our relationship with the County, which, among other great benefits, has resulted in the funding of two major roadway projects equaling funds that would have otherwise taken some 20 years of revenue to fund. This and several other road projects was done at no cost to our residents;
- Continue the development of the Town's own Stormwater Utility, which further moves control from the county to the town and its residents resulting in a more local and immediate response to various

issues. Further enhancement of this authority will allow the Town to move forward with plans for significant roadway and drainage improvements.

- We will continue to ensure that all individuals who enter Town Hall or who seek information in any other manner, receive quick, honest and helpful responses;
- We will continue to make every effort to inform our residents of the town's actions and have offered opportunities to interact with the Town;
- Continue to work to attract more businesses into the area, such as restaurants;
- Continue to revise and refresh our emergency operation plan on an ongoing basis;
- Continue the enhancement of not only an Emergency Operating Center, but a backup Emergency Operating Center;
- Continue to identify and budget for our growing responsibilities, in order to provide the greatest level of efficiency, surety and security for the funds of our residents;
- Continue our record of the full year audit being timely completed and the Auditor (a CPA firm) issuing an unqualified report, which is the highest comment given in such audits;
- Continue to update the Town's Accounting Policies and Procedures manual and set of Financial Policies;
- Continue our successful efforts to secure grants
- Continue our building of an unreserved/undesignated fund balance so that we comply with or exceed the GFOA guidelines.
- Manage our real property assets in a professional, environmentally sustainable and economically sound manner.

OBJECTIVES

- Recruit qualified personnel and minimize turnover rates of existing employees through policies and practices that create a safe, productive and rewarding place to work
- Maintain a skilled polite and friendly workforce by offering competitive benefits and providing opportunities and training for professional development
- Hold staff meetings as required to provide and receive open communications

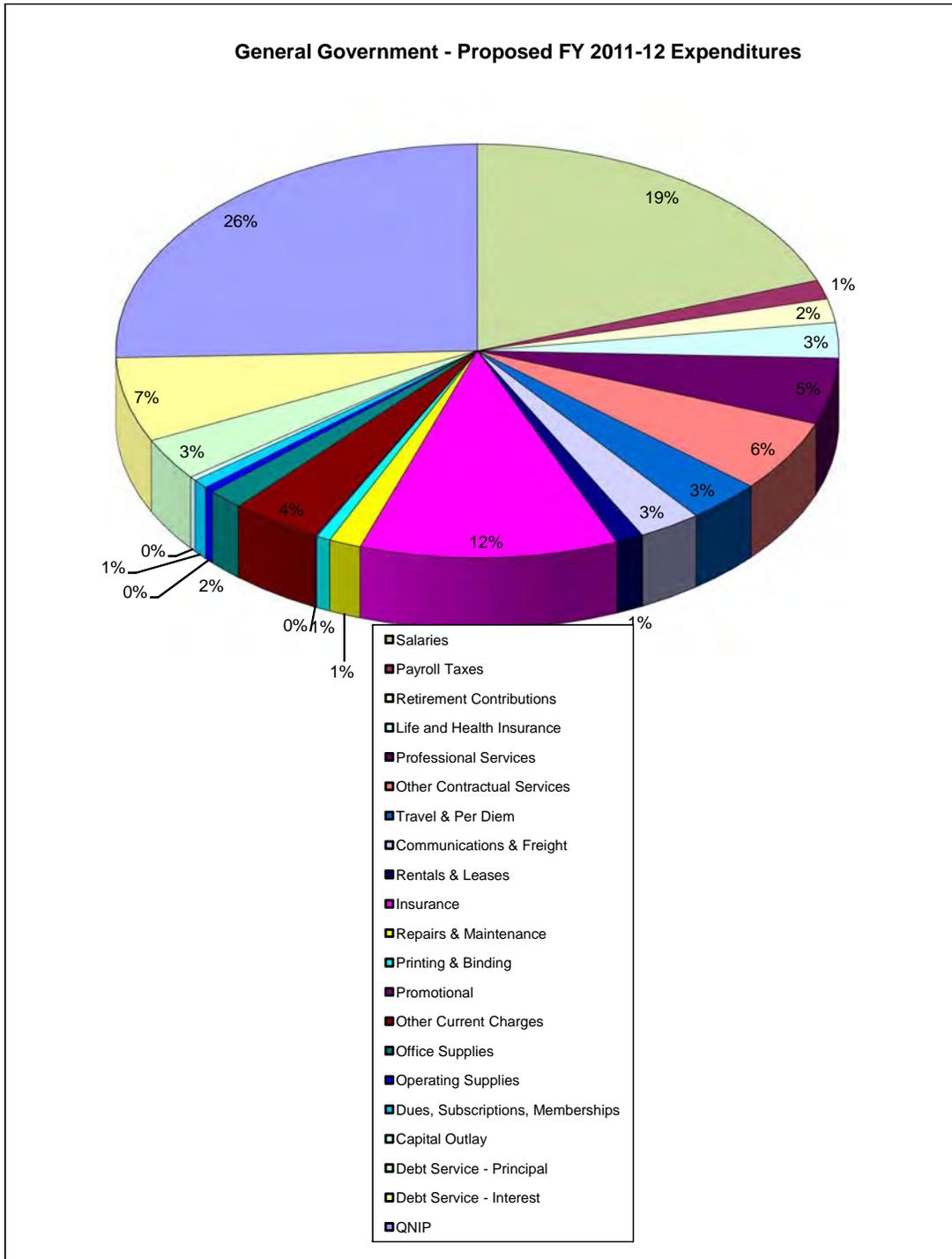
Significant budget changes in the FY 2011-12 budget include the following:

- **Professional Services** decreased as a result of reduced Federal lobbyist expense.
- **Other Contractual Services** increased approximately \$9,000 and includes approximately \$80,000 for the Town's IT support functions, a \$3,000 increase from the prior year. In addition to the aforementioned increase in IT support, the budget reflects \$5,000 for a grant research system that will enable the Town to more easily locate grant opportunities.
- **Communications and Freight** has decreased primarily as a result of reduced postage and phone service costs.
- **Rentals and Leases** has decreased primarily as a result of the payoff of telecommunications equipment and a vehicle lease.
- **Repairs & Maintenance** has decreased primarily as a result of the elimination of maintenance contracts on software products no longer used by the Town.
- **Other Current Charges** has increased as a result of provision for credit card processing fees.
- **Capital Outlay** has decreased due to reduced need to replace computers and other related equipment.
- **Debt Service** has increased reflecting principal payments due on the financing for the land parcel adjacent to Town Hall, as well as increased interest payments on that loan and provision for possible interest on a line of credit.

The following summarizes the General Government department budget for FY 2011-12:

GENERAL GOVERNMENT

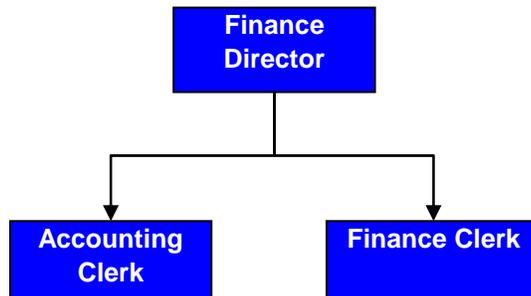
Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Salaries	300,152	273,752	281,586	304,875
Payroll Taxes	19,340	17,628	21,541	23,323
Retirement Contributions	34,921	33,362	43,476	29,095
Life and Health Insurance	28,174	26,502	40,800	43,200
Professional Services	95,148	131,975	135,000	81,000
Other Contractual Services	195,723	180,757	78,800	87,800
Travel & Per Diem	25,212	23,940	52,900	52,000
Communications & Freight	34,139	38,458	50,258	43,858
Rentals & Leases	127,905	79,869	29,200	19,400
Insurance	149,433	134,046	182,000	181,000
Repairs & Maintenance	30,526	27,412	34,890	22,490
Printing & Binding	13,475	3,911	10,000	10,000
Promotional	0	1,335	6,400	1,500
Other Current Charges	23,248	41,767	54,850	63,600
Office Supplies	9,419	8,292	25,000	25,000
Operating Supplies	10,234	7,956	6,000	7,000
Dues, Subscriptions, Memberships	6,594	9,240	11,195	11,195
Capital Outlay	40,062	75,384	12,200	5,000
Debt Service - Principal	0	0	0	51,800
Debt Service - Interest	0	2,858	0	103,400
QNIP	380,362	380,849	400,000	400,000
	<u>1,524,067</u>	<u>1,499,293</u>	<u>1,476,096</u>	<u>1,566,536</u>



Budget to Budget Comparison:

FY 2010-11: \$1,476,096 FY 2011-12: \$1,566,536 Change: + 6.1%

FINANCE



FUNCTION

The Finance Department reports to the Town Manager and is responsible for the administration of the Town's financial and fiscal affairs. This includes accounting practices, financial planning and analysis, audit coordination, processing and recording of daily fiscal activities in accordance with generally accepted governmental accounting principles, budget coordination and monitoring, preparation of financial reports, and providing support on fiscal and financial matters.

The Finance Director's Office oversees the accounting and finance systems for the Town and has guided the Town through its first five comprehensive external financial audits. In each of its audits, the Town received "unqualified" audit opinions from the auditors, which is the highest level of assurance opinion an auditor provides, and there were no findings of a negative nature that would impede the Town's ability to conduct government business. The Town's Comprehensive Annual Financial Report (CAFR) for fiscal year 2010 has been submitted to the Government Finance Officers Association (GFOA) for consideration of its annual award for excellence in financial reporting. The Town received the prestigious GFOA award for its fiscal year 2007, 2008 and 2009 CAFRs and fully anticipates receiving the award for the fiscal year 2010 CAFR.

The Finance Director monitors expenditures and receipt of revenues from fee collections as well as revenues derived from the Federal, State, special districts and through Miami-Dade County and through grants from a great variety of sources. The office is responsible to collect and properly account for the local business tax receipts, and receipts generated from the burglar alarm and solid waste franchise fee ordinances. The Finance

Director is also responsible for payroll processing and assisting with related Human Resources functions.

The Finance Department operates under the management and leadership of the Finance Director and is comprised of the Finance Director, an Accounting Clerk and a Finance Clerk.

GOALS

- Ensure proper implementation of financial and accounting practices for the effective and efficient use of the Town's financial resources.
- Maintain proper accountability over the Town's financial resources.
- Prepare timely financial reports on the Town's financial condition.
- Incorporate new software program into all applicable facets of the Town's functions.
- Prepare a grant monitoring and tracking system.

OBJECTIVES

- Maintain the Town's excellent financial condition with conservative fiscal policies and redundant practices and authorizations.
- Secure the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the Town's annual Comprehensive Annual Financial Report.
- Complete the deployment of the enterprise resource planning system during fiscal year 2012.

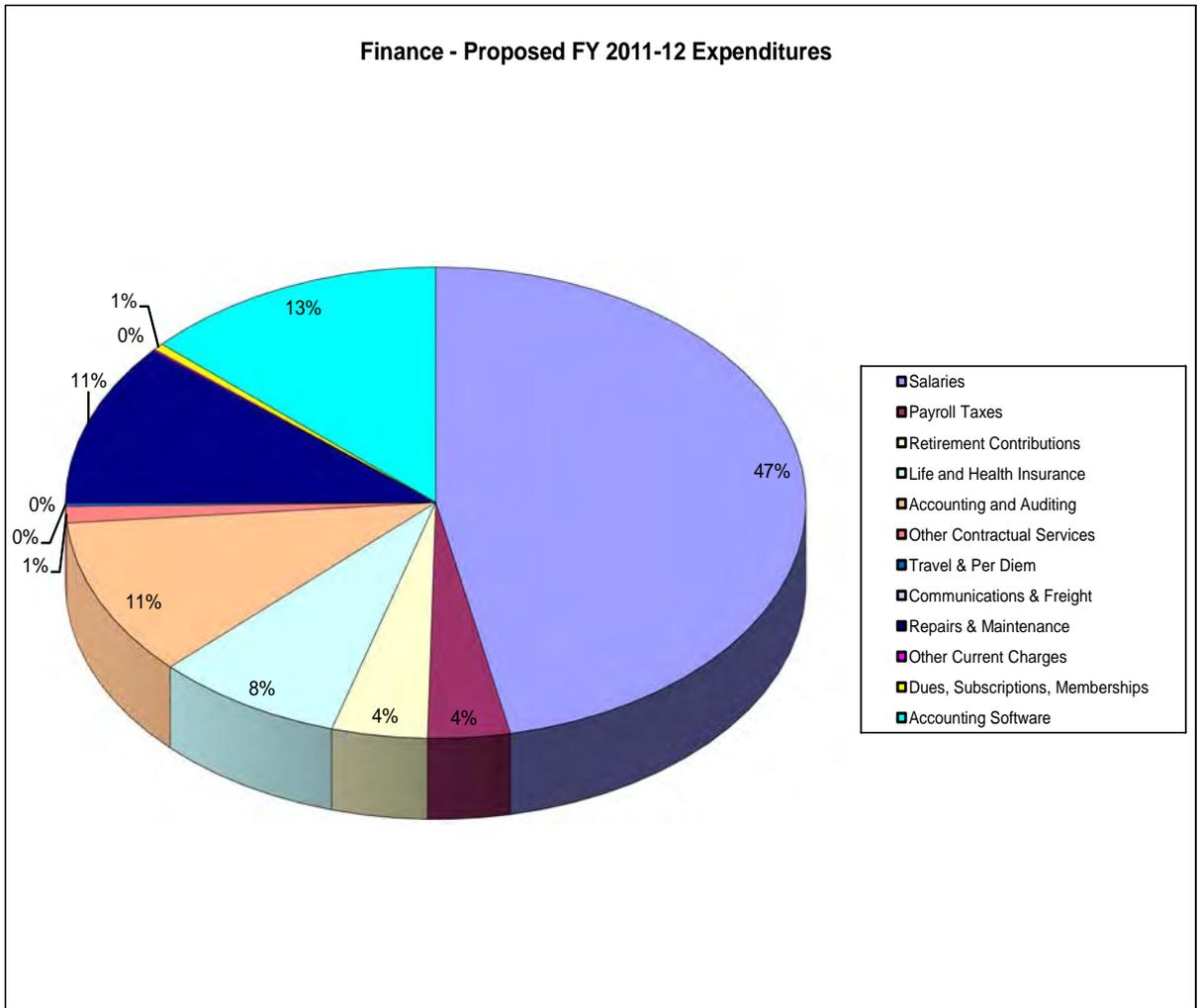
Significant budget changes in the FY 2011-12 budget include the following:

- The budget provides for the valuation of the Town's stormwater utility assets required under governmental accounting standards.
- Provide for the completion of the installation and maintenance of the town-wide accounting software system.
- **Salaries** increased primarily from the inclusion of an additional staff person charged solely with acting as a supervisor over the financial aspects of the Charter School created by the Town.

The following summarizes the Finance department budget for FY 2011-12:

FINANCE

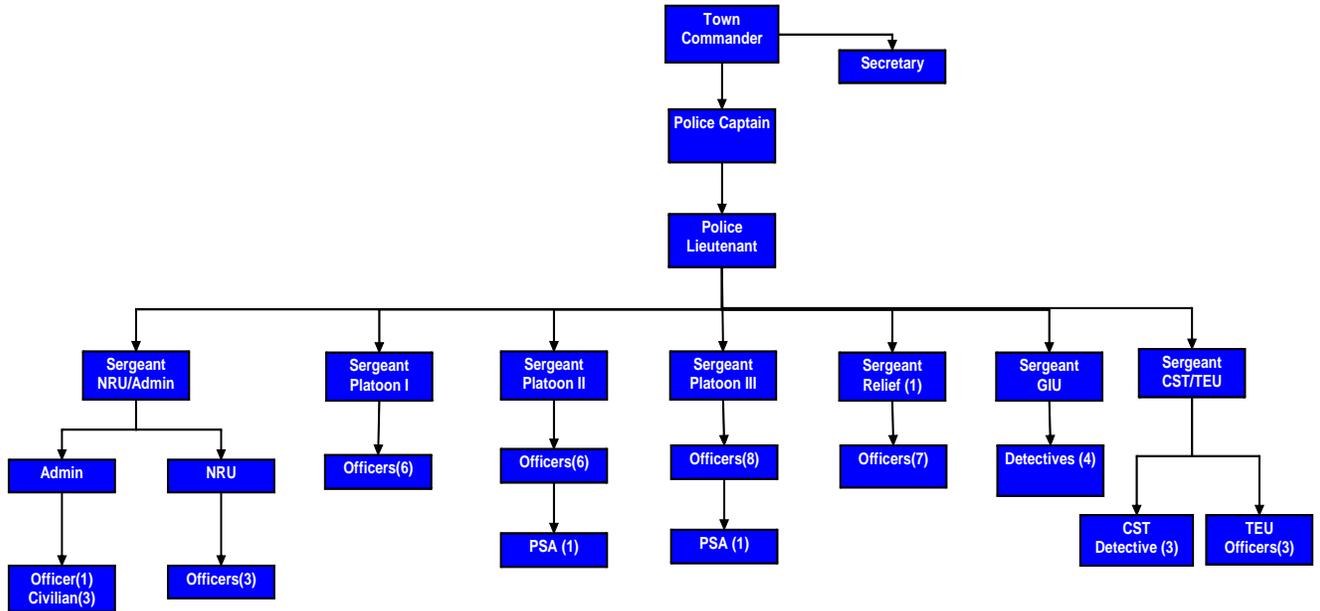
Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Salaries	180,241	178,612	182,387	246,873
Payroll Taxes	13,618	13,441	13,953	18,886
Retirement Contributions	21,186	21,707	28,282	22,034
Life and Health Insurance	25,230	26,394	30,600	43,200
Accounting and Auditing	31,695	26,935	57,500	57,500
Other Contractual Services	4,487	4,181	6,000	6,000
Travel & Per Diem	200	154	1,200	1,200
Communications & Freight	843	775	0	0
Repairs & Maintenance	0	940	45,000	59,000
Other Current Charges	142	0	600	600
Dues, Subscriptions, Memberships	2,694	1,879	2,500	2,500
Accounting Software	164,154	141,052	100,000	70,000
	<u>444,490</u>	<u>416,069</u>	<u>468,022</u>	<u>527,793</u>



Budget to Budget Comparison:

FY 2010-11: \$468,022 FY 2011-12: \$527,793 Change: + 12.8%

POLICE SERVICES



FUNCTION

The Police Department was established through an interlocal agreement between the Town of Cutler Bay (TCB) and Miami-Dade County and began its operations with the Town on August 2006. Charged with the primary responsibility to protect, the Department is fully committed to ensuring the safety and well being of the Cutler Bay community, emphasizing community-oriented policing and traffic safety. The Department is responsible for maintaining order and providing for the safe and expeditious flow of traffic, both from residents and visitors, upholding the professional values of integrity, respect, service, and fairness. The Town Commander, a Major in the Miami-Dade Police Force, oversees the daily operations and day-to-day administration of the Department.

Current (FY 2010-2011) staffing includes 51 sworn employees, and five non-sworn employees for a total of 56 Full-time positions. One full time Town of Cutler Bay civilian position supplements the administrative work of the Department.

Due to the current economic and employment situation our city, state and country face, we can expect a steadily increasing rise in robberies, burglaries, domestic assaults, frauds, and theft crimes. During times of economic distress, crime, drug use, mental health issues, and depression tend to become more prevalent.

With the current Police workforce, the Department has been able to target specific crime trends and continues to provide the appropriate level of service to the Town's residents, despite the influences of the current economic conditions.

Crime Reduction: A year-to-date comparison of June 2010 versus June 2011 shows that crime has been significantly reduced by 9%.

Officers assigned to the Town have taken ownership of their assigned community, creating bonds with the residents and businesses. One of the priorities for the Town has been traffic safety. The Town's stepped up enforcement of speed limits resulted in three percent fewer traffic crashes, as compared to the previous year which was also down six percent from 2009. Reducing accidents translates to economic savings such as insurance rates, but more importantly, it saves lives.

The Police Department participates with the Miami-Dade Narcotics Unit and has identified and taken action against multiple locations that were the source of illegal substances. Additionally, officers regularly attend training that ranges from robbery intervention training to cybercrime training.

GOALS

- Increase the visibility and police involvement within the community.
- The Town of Cutler Bay will be purchasing five marked Police vehicles thought the use of impact Fees; thereby, allowing for a reduction of five marked vehicles from the Police Fleet. This enables the savings of taxpayer's money for this ongoing expense.
- Continue and broaden traditional policing while embracing the Community-Oriented Policing concept.
- Identify hazardous street intersections where traffic collisions are occurring.

OBJECTIVES

- Increase the utilization of Traffic enforcement, directed patrol and other non-traditional patrol methods.
- Provide proactive involvement with the community.
- Facilitate officers to become more familiar with the residents of their community and their police related concerns.
- Officers distribute information cards indicating safety tips and suggest ways to make the resident's home or business safer.
- Upon recognizing hazardous intersections, the unit will seek voluntary compliance with traffic laws through education and enforcement in an effort to reduce the frequency of traffic collisions and number of injuries.

Significant budget changes in the FY 2011-12 budget include the following:

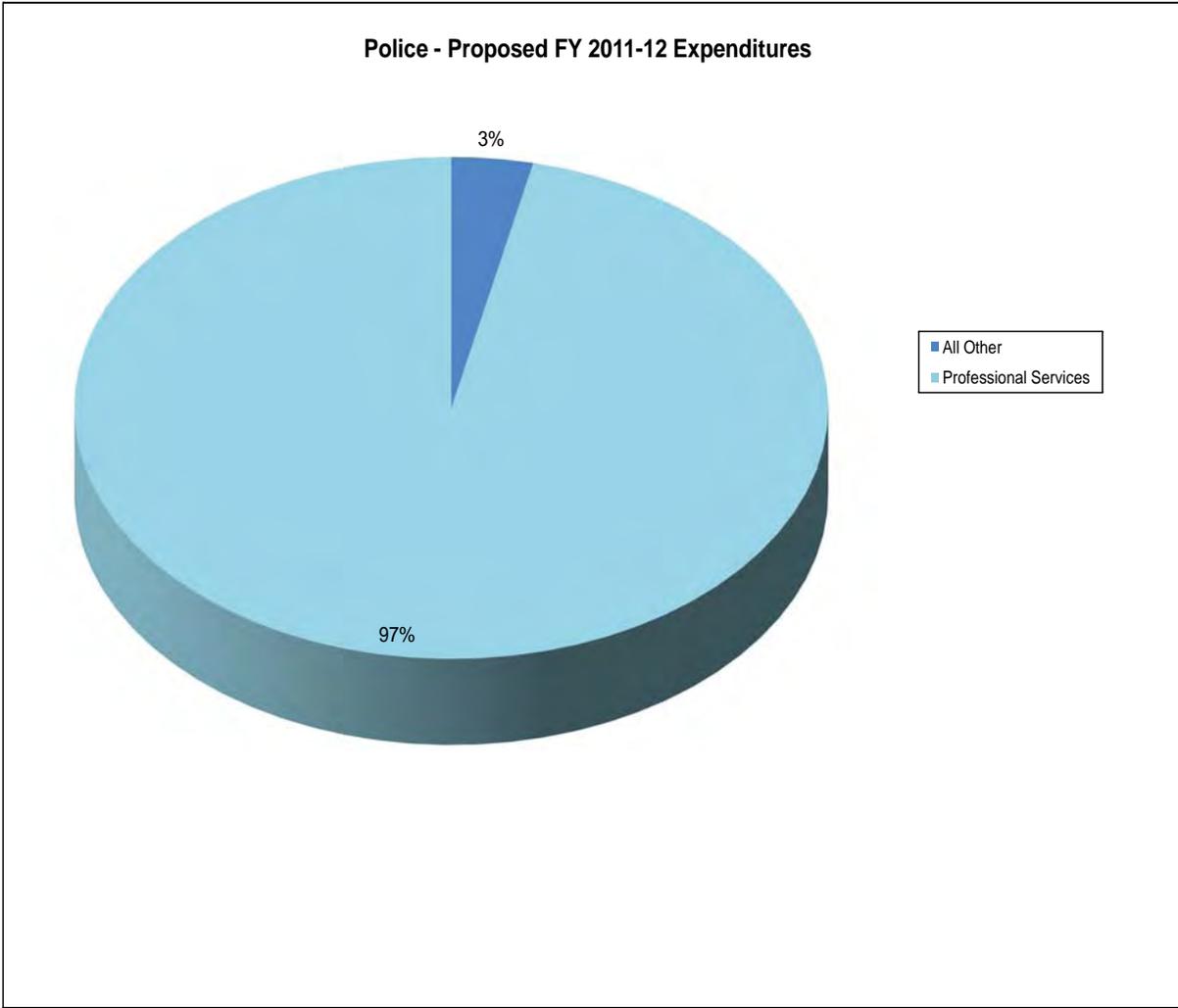
- **Professional Services** increased \$369,000 primarily as a result of scheduled increases called for in the police contract with the County as well as with State mandated retirement contribution rates.
- **Repairs and Maintenance** increased by \$5,000 to provide for vehicle maintenance.
- **Operating Supplies - Fuel** increased by \$20,000 to reflect fuel for purchased vehicles.
- **Capital Outlay - Vehicles** has increased due to the planned purchase of five vehicles with the use of police impact fees (transferred from the Special Revenue Fund).

The following summarizes the Police department budget for FY 2011-12:

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

POLICE

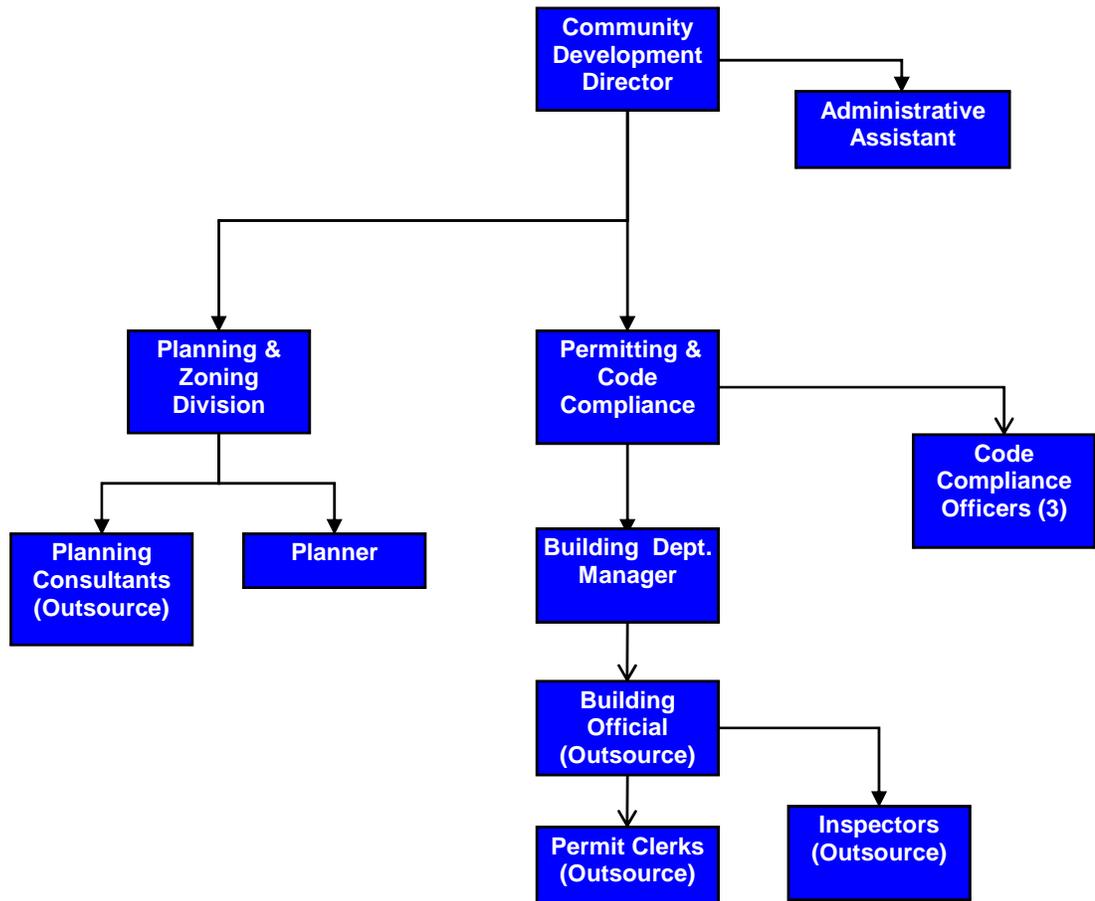
Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Salaries	25,068	25,028	24,960	26,737
Payroll Taxes	1,822	1,789	1,909	2,045
Retirement Contributions	2,469	2,534	2,995	2,139
Life and Health Insurance	7,313	8,344	10,200	10,800
Professional Services	7,693,199	7,337,317	8,334,931	8,704,185
Communications & Freight	5,830	6,727	6,500	7,200
Rentals & Leases	65,902	44,415	2,400	2,400
Repairs & Maintenance	5,152	4,766	6,400	11,400
Printing & Binding	8,119	1,618	5,000	5,000
Other Current Charges	1,984	375	1,000	1,000
Office Supplies	12,708	4,426	22,600	22,600
Operating Supplies	7,669	3,354	24,500	23,800
Operating Supplies - Fuel	0	0	0	20,000
Capital Outlay	24,216	0	10,000	10,000
Capital Outlay - Vehicles	0	0	0	170,000
	<u>7,861,451</u>	<u>7,440,693</u>	<u>8,453,395</u>	<u>9,019,306</u>



Budget to Budget Comparison:

FY 2010-11: \$8,453,395 FY 2011-12: \$9,019,306 Change: +6.7%

COMMUNITY DEVELOPMENT



FUNCTION

The Department of Community Development is comprised of three divisions, Planning and Zoning, Code Compliance, and Building Services. The Department is comprised of a Director, an Administrative Assistant, Town Planner, Building and Code Compliance Manager, and three Code Compliance Officers.

The Planning and Zoning Division is responsible for providing technically sound and professional recommendations to ensure strict adherence to the Town's Land Development Code, Growth Management Plan, and other concurrency regulations.

The Code Compliance Division is responsible for educating the public on the Town's code enforcement regulations and enforcing those regulations

in our residential, commercial, and mixed use areas. The Building Services Division has the responsibility of implementing federal, state and local building laws through the supervision of construction activities and acceptance of building permit applications. Building service activities are contracted through a private provider under which 30 percent of the fees collected are retained by the Town to offset supervision and support costs.

Planning and Zoning Efforts. Planning and Zoning completed mandated amendments to the Town's Growth Management Plan ("GMP") and instituted strategies designed to create a more sustainable development pattern for the community. Departmental efforts continue to focus on strategies and activities to "green" the town and preserve sensitive areas and wetlands. The department crafted "green" development requirements for the design, construction, and maintenance of public and private properties which further promote a sustainable future.

We are in the final stages of adopting the Town's first Land Development Regulations (LDRs) whose goal is compact design and sustainable standards. The department is anticipating new development requests subsequent to zoning workshops, charrettes, and other planning efforts accomplished over the past year.

The department is responsible for consistently enforcing compliance with the Town Code. The Planning and Zoning staff provides zoning plan review, zoning information and interpretations, and assists in analysis and preparation of recommendations to the Town Council on public hearing items related to development activities.

Building Services. The Town contracts with a private provider for Building Permitting processes. Under the agreement, building permit fees are shared with the contractor, with 30 percent of the fees collected retained by the Town to offset supervision and other support costs. During the past year, the Town implemented a more sophisticated permit and inspection module to increase efficiency in the processing of permits and inspections. The new system allows the Department to keep track of permit activity, inspections and contractor registration more efficiently.

The new system has the capability to provide citizens web access, and enable them to schedule inspections as well as view the results of their inspections. This feature will be implemented within the next year.

Code Compliance. Compliance with Town and County codes is a high priority for residents and management. The code compliance officers

answer complaints to insure that local codes are obeyed. The division enforces adopted Town ordinances pertaining to code enforcement, zoning violations, nuisance codes, mowing overgrown lots, water restrictions, local business tax receipts, etc. Enforcement activities involve field inspections and presentation of appealed cases before a Hearing Officer.

While the objective is to achieve compliance without fines or other penalties, fees are assessed for violations once several opportunities for compliance have been exhausted. Code compliance fees are used to help fund the enforcement efforts.

Efforts will be undertaken to expand more public outreach activities. Code Officers continue to be cross-trained to serve as back-up staffing in other areas and assist our residents during emergencies by learning disaster protocols and CPR.

GOALS

PLANNING AND ZONING

- Complete the adoption and implementation of a new set of Town Land Development Regulations
- Minor amendments and continued implementation of the Growth Management Plan
- Administer zoning regulations and processes in accordance with the Land Development Code
- Continue implementation of approved charrettes and overlay zoning criteria
- Zoning district regulation
- Zoning Workshop coordination
- Implement the "Green" Building Regulations
- Continue to administer the permit process for special events and garage sales
- Continue to monitor monthly update process of the GIS for property and ownership information to provide current and accurate property data
- Continue development of GIS improvements for Town needs including adding updated flood information, code enforcement actions, and zoning map information at the parcel level
- Provide public outreach activities regarding sustainability, green corridor, and land development implementation.

CODE COMPLIANCE

- Respond to code complaints expeditiously
- Obtain code compliance through a progressive system of enforcement actions beginning with non-punitive voluntary compliance
- Carry out focused code initiatives to address special issues within neighborhoods including overgrown lots, junk vehicles, home offices, property registration, etc.
- Implement code compliance policies set by the Town Council as specific topics impacting the town including SFWMD water restrictions
- Continue the Special Master hearing process for appeals to code citations
- Continue to educate residential and commercial property owners on code requirements through staff produced articles and brochures
- Promote professional development of code compliance officers
- Maintain professional certifications and continue cross training of officers

BUILDING SERVICES

- Ensure that laws and regulations governing the industry are implemented consistently and uniformly throughout the Town
- Improve service delivery systems for residents, businesses and trade representatives
- Facilitate public access to information concerning the building and permitting laws and processes
- Improve the storage and retrieval process of building plans for ease of access
- Promote and implement "Green" building initiatives in accordance with Town policies

OBJECTIVES

PLANNING & ZONING

- Adopt and implement the Land Development Code
- Process zoning applications for public hearing within 60 days of receipt of complete application materials
- Process administrative adjustment applications within 15 days
- Process administrative site plan review applications, required for projects within the US 1 Corridor, Old Cutler Road Overlay area and Town Center areas, within 7 days
- Issue garage sale permits on the same day as received
- Update GIS property data bases every 30 days
- Prepare GIS maps, atlases and mailing labels within 2 days of request

- Provide planning and zoning information to property owners and developers within 2 days of request
- Update the web page to include significant draft documents and new land development code chapters including a web page section for upcoming projects
- Provide professional development opportunities to staff
- Scan planning and zoning files for easy access, printing, and storage.

CODE COMPLIANCE

- Perform code inspections within 2 days of receipt of a complaint
- Issue citations for 100% of water restriction violations observed by police or code officers
- Develop 30-day action plans for focused neighborhood code initiatives, when requested and/or identified
- Process appeals before the special master within 60 days of receipt
- Prepare case briefs for up to 25 cases per month before the Special Master
- Create informative brochures to assist in ongoing education within 10 days of adoption of a new code or regulation that impacts property owners
- Obtain Florida Association of Code Enforcement (FACE) certification for 100% of code officers
- Obtain code compliance rate of 90%

BUILDING SERVICES

- Provide quick, efficient, and friendly processing of permit applications
- Provide access to permit information and status via the Town website and provide general information to the public concerning the building process
- Enhance customer service by providing expedited walk-thru permit service
- Continue to scan all building plans for easy access, printing and storage

Significant budget changes in the FY 2011-12 budget include the following:

- **Other Contractual Services** are primarily services performed by the Town's Building & Permitting consultants which share revenues from such activities with the Town. The FY 2011-12 budget reflects \$455,000 for these services, an approximate \$130,000 increase from the prior year due to higher anticipated building permitting revenues expected to be shared.

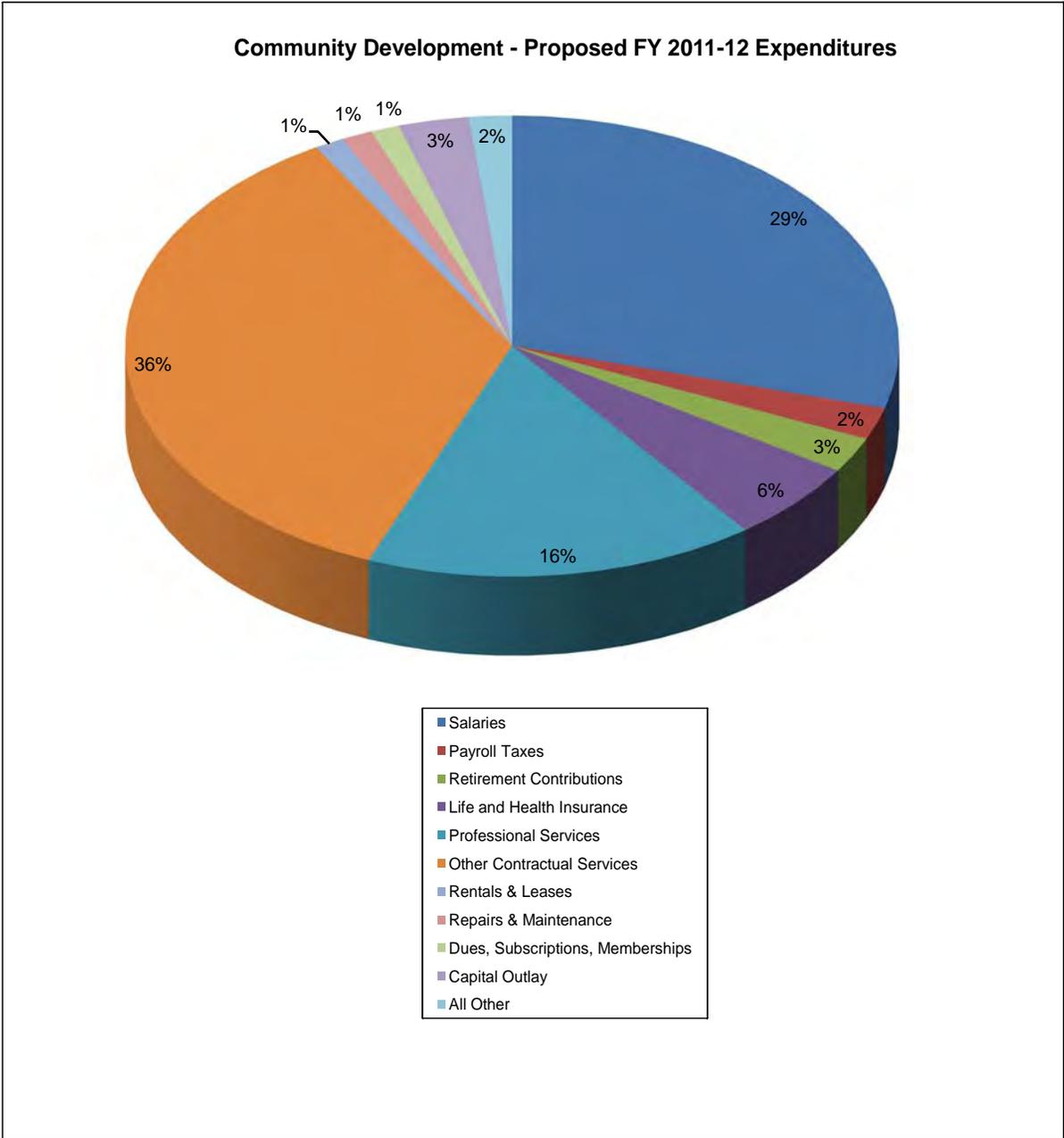
Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

- **Rentals and Leases** has decreased primarily due to the payoff of certain leased vehicles.
- **Repairs & Maintenance** decreased primarily as a result of the elimination of maintenance contracts on software products no longer used by the Town.
- **Capital Outlay** increased as a result of inclusion of \$32,000 to provide for a computerized Geographical Information System ("GIS") which will enable staff to "track by computerized mapping" various infrastructure and other items around Town.

The following summarizes the Community Development department budget for FY 2011-12:

COMMUNITY DEVELOPMENT

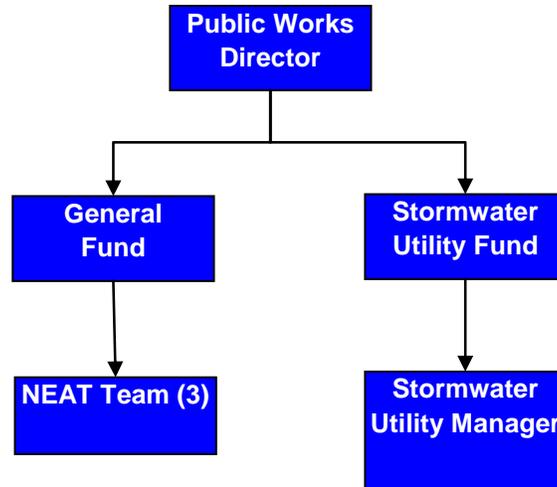
Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Salaries	447,279	430,897	394,749	395,566
Payroll Taxes	35,091	33,014	30,198	30,261
Retirement Contributions	53,942	52,098	54,086	33,552
Life and Health Insurance	66,457	74,017	71,400	75,600
Professional Services	323,109	233,282	220,000	220,000
Court Reporter Service	0	0	800	800
Other Contractual Services	382,834	518,485	344,700	478,200
Travel & Per Diem	7,502	4,317	3,500	3,500
Communications & Freight	11,415	11,497	6,000	6,000
Rentals & Leases	84,195	68,196	33,300	16,500
Repairs & Maintenance	5,454	6,259	21,400	17,500
Printing & Binding	3,055	665	1,500	1,500
Other Current Charges	973	0	1,000	1,000
Office Supplies	3,831	5,569	5,000	5,000
Operating Supplies	2,552	2,749	500	1,500
Operating Supplies - Fuel	3,744	4,541	5,000	5,000
Dues, Subscriptions, Memberships	6,759	6,884	16,200	16,200
Capital Outlay	2,546	13,840	7,500	39,500
	<u>1,440,738</u>	<u>1,466,310</u>	<u>1,216,834</u>	<u>1,347,179</u>



Budget to Budget Comparison:

FY 2010-11: \$1,216,834 FY 2011-12: \$1,347,179 Change: + 10.7%

PUBLIC WORKS



FUNCTION

The Public Works Department provides management and maintenance of the Town's infrastructure, including locally owned roads, sidewalks, stormwater utility system, Town owned fleet, street signs, landscaped swale areas and various Capital Improvement Projects. Additionally, the Department is responsible for planning and implementation of various street beautification projects, graffiti abatement, landscape maintenance, litter removal activities, maintenance of bus benches & shelters and coordination with other State and County agencies.

The Public Works Department is comprised of a core staff, which includes: Director, and three (3) Neighborhood Enhancement Action Team (N.E.A.T) members. Additionally, there are four (4) highly-qualified Professional Engineering Consulting Firms which support the daily and long range planning functions for the Department on a revolving basis.

The Public Works Department is committed to provide effective management, construction, and maintenance of Town owned infrastructure and facilities, while maintaining the highest level of customer service and professionalism in support of our strategic goals and objectives defined in the Town's adopted Strategic Plan. Additionally, the Public Works Department serves to protect the health, safety and welfare

of residents through the development, application and enforcement of sound engineering standards and practices.

GOALS

Personnel

- To provide an effective open communication process between our residents, the business community and our professional staff.
- Continue professional development of Department personnel, in order to better serve our residents.
- Continue to maintain the "Core" personnel which are seen and known throughout the community.
- Continue to provide the "highest" level of service to all our residents.

Roadway and Sidewalk Improvements

- Maintain Town owned roadways for safe vehicular and public travel in accordance with the Town's adopted Sidewalk & Roadway Assessment Master Plan. Complete resurfacing of Town owned roadways in accord with the Town's adopted Resurfacing Program.
- Maintain Town owned sidewalks, ADA ramps, and curbing to further enhance and encourage the usage by both pedestrians and cyclists.
- Continue to improve the efficient and safe movement of vehicles, bicyclists and pedestrians within the Town through the use of traffic engineering studies, design, installation, maintenance and operation of traffic control devices.
- Continue to coordinate intersection improvement projects with the following Agencies: Florida Department of Transportation, Miami-Dade Public Works Department, and the Florida Turnpike Authority.
- Continue to timely repair Town owned sidewalks.

Stormwater Improvement Projects

- Continue to implement capital improvement projects in accordance with the Town's adopted Storm Water Master Plan. The Master Plan focused, in great detail, seventeen (17) separate drainage sub-basins throughout the Town and made recommendations in priority order for the repair rehabilitation and construction of systems necessary to decrease flooding in our community. The Master Plan will continue to be aggressively utilized to obtain both State & Federal grants, to improve the water quality.

- Continue bi-weekly Street Sweeping Program of Town owned roads thereby reducing pollution and eliminating many causes of flooding.
- Continue to routine cleaning/maintenance of all stormwater drainage structures, located along Town owned roadways.
- Continue the on-going coordination efforts with South Florida Water Management District and Miami-Dade County Canal Maintenance Department, in order to maintain the waterways clear of any debris.

Right-of-Way Enhancements

- Continue to coordinate and manage available resources to enhance the aesthetics of the Town's residential neighborhoods, while strengthening the infrastructure where needed.
- Continue the Town's daily litter removal program.
- Continue the Town's daily removal of "illegally" placed signs along the right-of-ways.
- Continue the Town's daily removal / painting over of graffiti.
- Implementation/Coordination of the Town's Tree Planting Program, as per the adopted Street Tree Master Plan.
- Continue to maintain a "high" level of service during monthly mowing cycles.

OBJECTIVES

Personnel / Administration

- Conduct weekly staff meetings to identify & discuss residents' concerns and suggestions to our service level(s)
- Continue to attend Professional Development training courses throughout the year.
- Complete detailed Annual employee performance reviews, to discuss any concerns.
- Respond to resident's assistance, complaints, and comments in a timely manner.
- Represent the Town at various agency meetings and civic groups (i.e., Florida Department of Transportation, Federal Emergency Management Administration, Florida Stormwater Association, Board of County Commissioners, and American Public Works Association).
- Assure compliance with Public Works standards and code requirements.
- Provide management and oversight of Capital Improvement Projects in a professional, comprehensive, efficient, and cost effective manner.
- Continue to provide an "open-door" policy to all residents and staff.

Roadway and Sidewalk Improvements

- Implement a pavement and sidewalk work management database system, in order to utilize as a planning tool for future safety and improvement projects.
- Continue to replace, and repair sidewalks near schools and recreational facilities according to the sidewalk's overall condition.
- Implement improvements identified in the Town's adopted Sidewalk & Roadway Assessment Master Plan in order to encourage installation of missing sidewalks sections and pedestrian connections throughout the Town.
- Perform visual inspection of Town owned roads/sidewalks on a daily basis.
- Implement the findings of the Town's Transportation Master Plan. Improve vehicular and pedestrian safety on all Town roads, around schools and parks.
- Review and update Transportation Master Plan to reflect changing land use development patterns and related transportation system demands.
- Complete requests for neighborhood traffic engineering studies.
- Continue to install emergency transfer switches at "key" intersections.
- Coordinate the replacement of damaged/faded regulatory and warning street signs through Miami-Dade County Public Works Department.
- Continue the installation of thermo-stripping Stop Bars in residential areas.
- Continue the installation of ADA sidewalk ramps, throughout residential neighborhoods, as identified in the Sidewalk Master Plan.

Stormwater Improvement Projects

- Complete the construction: Drainage Improvements within residential neighborhoods, as identified in the Town's adopted Stormwater Master Plan.
- Coordinate the Design and Construction with Miami-Dade County Public Works Department and South Florida Water Management staff on the construction of Caribbean Boulevard Bridge Improvement Project.
- Continue to perform bi-weekly street sweeping cycles.
- Perform a complete Assets inventory of the Stormwater Utility System.
- Continue to perform regularly scheduled maintenance to the Stormwater System, to include drainage structures and outfalls.

- Analyze and maximize the billable revenue billed to property owners based on actual property size and total impervious surface area contained within the property.
- Continue to monitor any new Legislation that will affect the water quality standards through the South Florida Water Management District and Florida Department of Environmental Protection.
- Continue to Stormwater maintenance program to meet the annual requirements of the National Pollutant Discharge Elimination System (NPDES) operating permit.
- Continue to coordinate the maintenance of Town owned canal system.
- Continue "activities" from the Town's Class "6" FEMA Community Rating System (CRS), which include outreach programs to repetitive loss properties located with the Special Flood Hazard(s) area.

Right-of-way Enhancements

- Replace damaged street signs within forty-eight hours.
- Develop and implement landscape and signage improvement plan on main transportation corridors within the Town inclusive of County and State owned roadways.
- Maintain the existing Town monument entry signage free of weeds and graffiti.
- Implement a rotating maintenance schedule to include mowing, weed cutting, and herbicide application of non-landscaped areas in a manner that will maintain their appearance.
- Perform landscape maintenance and the mowing of medians, right-of-ways, swales and continue to plant trees as prioritized in the Street Tree Master Plan
- Provide safe clearance of unsightly debris for pedestrians and motorists on Town owned right-of-ways and coordinate with Miami-Dade County Public Works Dept.
- Perform daily litter removal throughout the Town.
- Coordinate the removal of "illegal" dumping with Miami-Dade Solid Waste Dept.
- Continue removal of "illegally" placed signage on swales, trees, and right-of-ways.
- Perform daily removal of graffiti on Town owned infrastructure.
- Maintain all bus benches and shelters free of graffiti, litter, and weeds.
- Proactively repair potholes, on a daily basis, on all Town owned roadways.
- Proactively remove any shopping cart(s) from Town owned roadways.
- Maintain a clear visibility of all regulatory street signs on all roads.

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- Continue to coordinate with Miami-Dade County's Animal Services Department on the removal of dead and stray animals within the Town.
- Continue to monitor the operation of traffic signals within the Town and coordinate any repairs with Miami-Dade Traffic & Signals Department.

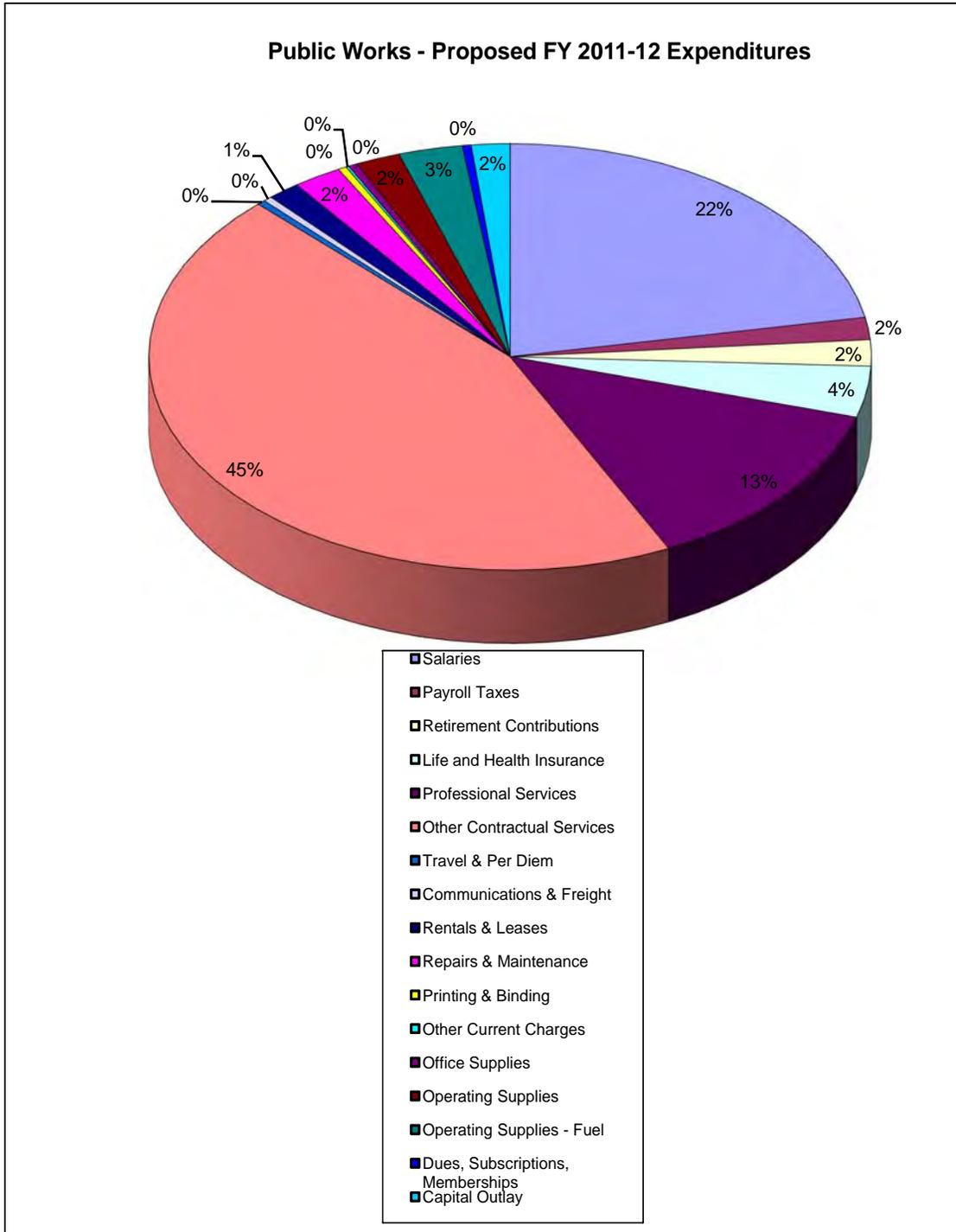
Significant budget changes in the FY 2011-12 budget include the following:

- **Professional Services** decreased \$44,000 reflecting reduced utilization of general engineering services and maintenance projects.
- **Other Contractual Services** includes \$50,000 for roadside maintenance, \$150,000 for sidewalk repairs, and \$145,000 for right-of-way maintenance. Overall, the FY 2011-12 Other Contractual Services budget represents a \$25,000 **increase** from the prior year reflecting increased right-of-way maintenance.
- **Rentals and Leases** has decreased primarily due to the payoff of certain leased vehicles.
- **Capital Outlay** has decreased \$14,000 reflecting elimination of additional intersection generator connections.

The following summarizes the Public Works department budget for FY 2011-12:

PUBLIC WORKS

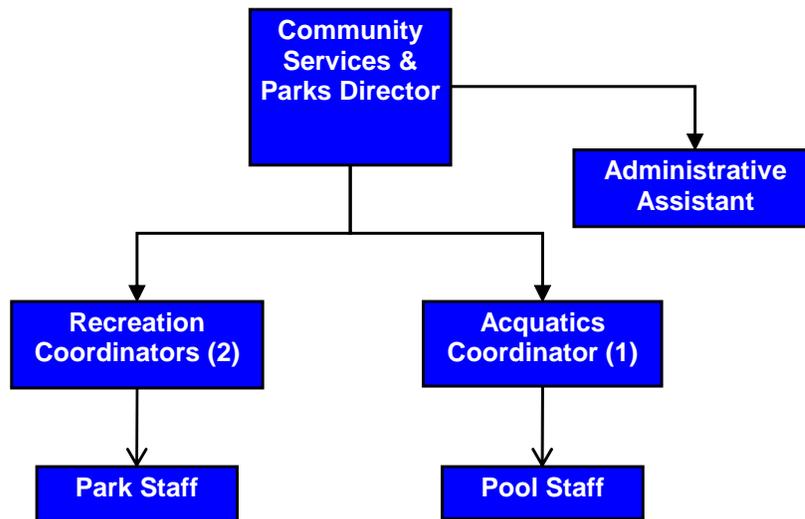
Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Salaries	203,222	184,278	164,454	172,121
Payroll Taxes	18,560	14,927	12,581	13,167
Retirement Contributions	26,636	23,529	24,563	15,494
Life and Health Insurance	30,774	28,646	28,560	30,240
Professional Services	103,014	43,766	147,000	103,000
Other Contractual Services	434,282	778,092	326,000	351,000
Travel & Per Diem	1,144	1,386	5,900	2,850
Communications & Freight	5,029	5,014	500	3,120
Rentals & Leases	13,277	27,398	31,000	11,400
Repairs & Maintenance	14,392	12,008	22,000	17,000
Printing & Binding	2,152	1,134	4,000	3,000
Other Current Charges	78	25	1,000	1,000
Office Supplies	2,786	1,745	3,200	3,200
Operating Supplies	8,375	9,481	15,500	15,500
Operating Supplies - Fuel	11,811	11,004	23,400	22,400
Dues, Subscriptions, Memberships	1,033	604	4,800	3,050
Capital Outlay	24,299	2,204	27,100	13,500
	<u>900,864</u>	<u>1,145,241</u>	<u>841,558</u>	<u>781,042</u>



Budget to Budget Comparison:

FY 2010-11: \$841,558 FY 2011-12: \$781,042 Change: - 7.2%

COMMUNITY SERVICES AND PARKS



FUNCTION

The Community Services and Parks Department is responsible for the maintenance and programming of all of the Town's parks and recreational facilities and for conducting year-round programs, seasonal programs and special events. The Department coordinates with local youth and adult leagues and organizations in providing year-round athletic programs for Town residents. The Department acts as a liaison for and coordinates the efforts of the Town Council-appointed Parks and Recreation Advisory Committee. The Department also writes and, when successful, administers grants for park improvements and programming.

The Department staff consists of six full-time employees - the Parks and Recreation Director, an Administrative Assistant, two Recreation Coordinators, an Aquatics Coordinator and one Park Service Aide. Full-time staffing is supplemented by additional part-time Park Services Aides and part-time Pool Lifeguards. For summer programs, the Town employs additional temporary Park Services Aides and Lifeguards. In addition, a grant which was just renewed from The Children's Trust, provides funding for one full-time Outreach Worker and three part-time Park Service Aides to supplement the Town's After School Program activities at Cutler Ridge Park.

The Town's eight parks are categorized as mini, neighborhood or community parks. The Town has four neighborhood parks - Bel Air Park, Franjo Park, Saga Bay Park and Saga Lake Park. There are two mini-parks - Lincoln City Park and Whispering Pines Park. The Town has two community parks - Cutler Ridge Park and Lakes by the Bay Park which is due to open in the fall of 2011.

The development of Lakes by the Bay Park is being funded through park impact fees, the Miami-Dade County Safe Neighborhood Parks Bond program and the Miami-Dade County Building Better Communities General Obligation Bond program. The total amount that is allocated for the first phase of development is \$8.6 million. The first phase of improvements will include three baseball/softball fields, two soccer/football fields, a field house building (restrooms/concession/storage), paved parking, walkways, irrigation and infrastructure elements including electric, water, sewer, drainage, etc. to make the park a fully-functional facility. An additional \$287,400 has been budgeted this fiscal year for the operation and (contractual) maintenance of the 49.3 acre active and passive areas of this new park including funding for two additional part-time employees to staff Lakes By the Bay Park during peak operating hours on weeknights and weekends.

The proposed 2011-2012 fiscal year budget anticipates that the Town's Parks and Recreation Department will assume the responsibility for the maintenance and operation of the following two additional park facilities:

- Lakes by the Bay Linear Park – This linear park in the Lakes By the Bay community runs parallel to SW 97th Avenue between SW 216th Street and SW 224th Street, and is currently owned and maintained by the Lakes By the Bay South Community Development District. This facility will add valuable open passive recreation space to the Town's inventory of parks. A total of \$25,900 has been included in the 2011-2012 budget for annual maintenance of this additional park space.
- Cutler Bay Wetlands – This ±53 acre parcel located south of SW 224th Street and west of SW 97th Avenue is a wetland mitigation area currently owned and maintained by the Lennar Corporation (the developer of the Lakes By the Bay community). Originally established as a mitigation area, the wetland has become very popular with many species of native and migratory shore birds and therefore birding enthusiasts from as far as other countries. More than 160 different species of birds have been spotted at the Cutler Bay Wetlands in the past several years. The Town is working with the assistance of the Lennar Corporation and the South Florida Water Management District in acquiring the wetlands to be transferred to the Town to be included in its inventory of parks and open space. The acquisition will give the Town one of the more diverse inventories of parks in Miami-Dade County. A total of \$24,000 has been

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

included in this budget for annual maintenance requirements for this wetland area.

The Parks and Recreation Department anticipates conducting the following Town-wide special events during the 2011-2012 fiscal year:

- Halloween Haunted with an approximate budget of \$2,500
- Lakes By the Bay Park Dedication with an approximate budget of \$35,000
- Three Movie Nights with an approximate budget of \$1,500
- A Chili Day in Cutler Bay with an approximate budget of \$2,200
- Easter Egg Hunt with an approximate budget of \$1,800
- Fourth of July Parade & Community Celebration with an approximate budget of \$3,000
- Fourth of July Fireworks with a budget of \$3,000
- Cutler Bay Open Golf Tournament with an approximate budget of \$1,000

The Department anticipates receiving approximately \$5,000 in sponsorships that will offset some of the costs of these special events.

GOALS

- Implement additional Town-wide special events programs in order to increase park awareness within the community.
- Select and work with individuals and organizations to provide outstanding youth and adult sports leagues, and a variety of active and passive activities for all ages.
- Continue to explore grant opportunities for the acquisition and/or development of additional park areas and facilities.
- Continue to seek sponsorships and donations for programming, special events and enhancement of parks.

OBJECTIVES

- Work with the Parks and Recreation Advisory Committee in coordinating new community events in the Town during the fiscal year.
- Work with private instructors to implement additional adult and senior recreational activities at Cutler Ridge Park.
- Submit grant applications to the US Fish and Wildlife Service for funding for enhancements to the Cutler Bay Wetlands; and to KaBOOM! for the installation of playground equipment at Lakes By the Bay Park.
- Increase sponsorship of Town-run special events by 25% over the previous year.

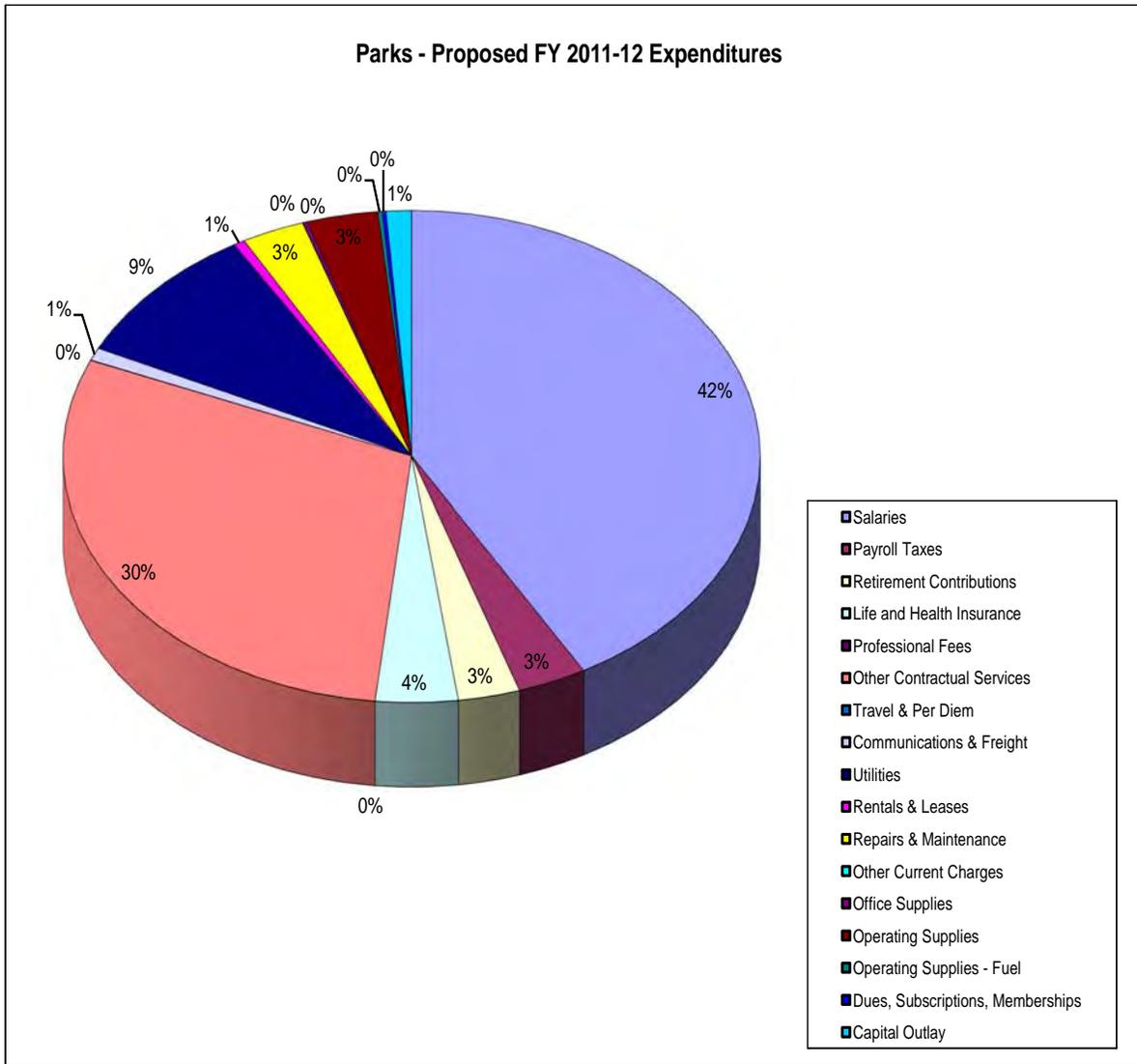
Significant budget changes in the FY 2011-12 budget include the following:

- **Other Contractual Services** increased \$250,000 due primarily to the addition of three (3) new parks (a \$215,000 increase), an additional \$23,700 budgeted for tree trimming, an additional \$10,000 budgeted for Town Sponsored Events (\$45,000 total) and \$1,400 budgeted for the audit required by The Children's Trust.
- **Communications & Freight** increased primarily as a result of telephone service budgeted for the new Lakes By The Bay park.
- **Utilities** increased primarily as a result of utility services budgeted for the three new parks.
- **Rentals and Leases** decreased primarily as a result of the payoff of a leased vehicle.
- **Repairs & Maintenance and Operating Supplies** increased as a result of amounts budgeted for the three new parks.
- **Capital Outlay** increased primarily due to budgeting for a utility vehicle at the new Lakes By The Bay park.

The following summarizes the Parks department budget for FY 2011-12:

PARKS & RECREATION

Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Salaries	550,849	561,419	650,898	729,869
Payroll Taxes	41,676	42,953	49,794	55,835
Retirement Contributions	48,430	51,349	69,368	50,031
Life and Health Insurance	50,768	55,424	62,900	66,600
Professional Fees	26,079	0	0	0
Other Contractual Services	310,912	307,167	268,500	518,500
Travel & Per Diem	2,155	0	750	500
Communications & Freight	9,478	8,201	7,600	14,500
Utilities	89,612	68,594	102,000	162,000
Rentals & Leases	9,431	6,043	12,800	9,100
Repairs & Maintenance	24,142	24,975	41,050	50,900
Other Current Charges	41	91	500	500
Office Supplies	1,983	2,416	4,000	3,000
Operating Supplies	39,832	38,796	48,000	58,000
Operating Supplies - Fuel	1,386	2,154	4,000	3,500
Dues, Subscriptions, Memberships	254	882	2,990	3,000
Capital Outlay	87,643	67,178	10,000	20,500
	<u>1,294,671</u>	<u>1,237,642</u>	<u>1,335,150</u>	<u>1,746,335</u>



Budget to Budget Comparison:

FY 2010-11: \$1,335,150 FY 2011-12: \$1,746,335 Change: + 30.8%

CUTLER BAY TOWN CENTER BUILDING

FUNCTION

On June 15th, 2010 the Town purchased an office building where Town's Administrative offices have been established since 2006. All of the Town's services are provided with the exception of parks, from the building. The building is a six (6) story commercial office building, which was originally built in 1987 and was completely renovated in 1993, as a result of hurricane Andrew. The 74,475 square feet, building is comprised of tenants offering a wide range of services, such as: a laboratory corporation, State of Florida Representative Bullard's office, children development programs, homecare services and an inventory company. The Town offers existing and potential tenants a, full-service building which includes a full-time building maintenance crew, cleaning services, utilities (such as water, electric, cable, and emergency generator) and landscaping.

GOALS

The future will bring some change to the Town Hall building. In addition, and in keeping with the Town's "green" initiative, we will be making some future improvements to the building to improve the energy efficiency and sustainability of the building.

- Enhance the lighting of the entire building to include common areas, interior of the suites and stairways
- Renovate the main lobby area to include new flooring, paint and signage
- Improve the curb appeal of the building to include new landscaping.
- Seal coat the parking lot to enhance the striping of the parking stalls to better indicate handicap and stroller parking
- Replace existing elevators
- Renovate the common areas between the third and sixth floors to include renovated restrooms, paint and carpet.
- Continue to switch-out old light fixtures with energy efficient models
- Install a new building directory sign and tenant suite plates with a modern design

OBJECTIVES

The Town will continue to be responsible for the maintenance of the Building for its private business tenants. This added responsibility will incur

some additional experience by the Town but the economics of the building ownership will be a very clear asset to the residents.

- Maintain an excellent level of service for our tenants
- Reduce the carbon footprint of the building to the extent practicable given budget constraints
- Manage the asset in the most cost efficient manner
- Continue to monitor and find ways that are cost effective for proper maintenance of the building

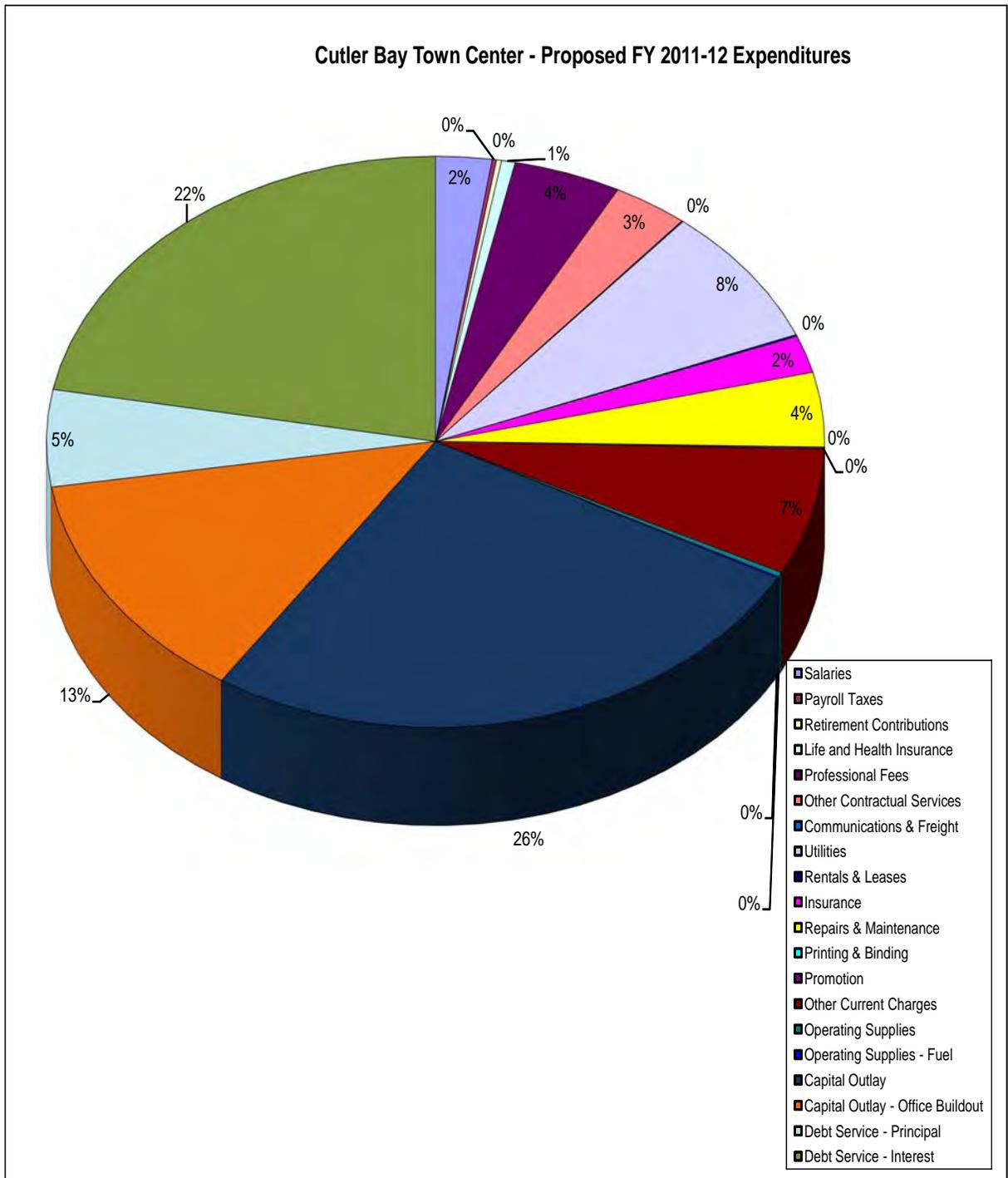
Significant budget changes in the FY 2011-12 budget include the following:

- **Professional Services** increased \$40,000 to allow for the payment of realtor commissions as building space is leased.
- **Other Contractual Services** decreased \$20,000 reflecting the lower cost of the recently bid and negotiated building cleaning contract.
- **Other Current Charges** increased \$20,000 to better reflect property taxes on the building and to provide for other miscellaneous charges that arise during the year not chargeable to other specific line items.
- **Capital Outlay** is budgeted at \$500,000 to reflect estimated completion of the building improvements authorized by Council in the previous budget year which had not been completed by the end of that year.
- **Capital Outlay – Office Buildout** is budgeted at \$250,000 to allow for buildout of tenant suites as office space is leased out.
- **Debt Service** reflects anticipated payment of principal and interest on the building acquisition and improvement loans.

The following summarizes the Cutler Bay Town Center building department budget for FY 2011-12:

CUTLER BAY TOWN CENTER

Category	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Salaries	0	0	45,000	44,278
Payroll Taxes	0	0	3,443	3,387
Retirement Contributions	0	0	5,400	3,942
Life and Health Insurance	0	0	10,200	10,800
Professional Fees	0	0	45,000	85,000
Other Contractual Services	0	22,235	80,000	60,000
Communications & Freight	0	1,214	1,000	1,000
Utilities	0	35,040	150,000	150,000
Rentals & Leases	0	0	2,000	2,000
Insurance	0	12,456	40,000	40,000
Repairs & Maintenance	0	14,946	80,000	80,000
Printing & Binding	0	15	457	500
Promotion	0	0	5,000	2,000
Other Current Charges	0	39,360	95,000	135,000
Operating Supplies	0	1,453	5,000	5,000
Operating Supplies - Fuel	0	0	2,500	1,500
Capital Outlay	0	8,819,732	0	500,000
Capital Outlay - Office Buildout	0	0	0	250,000
Debt Service - Principal	0	0	0	104,000
Debt Service - Interest	0	87,153	420,000	419,000
	<u>0</u>	<u>9,033,604</u>	<u>990,000</u>	<u>1,897,407</u>



Budget to Budget Comparison:

FY 2010-11: \$990,000 FY 2011-12: \$1,897,407 Change: + 91.7%

RESERVES

The relatively short budget history and the uncertainty of the impact of tax reforms suggest that it is essential to continue to budget and fund a number of reserves. The adopted FY 2011-12 budget continues the prior year's policy of funding these reserves. The Town is continuing its policy to set aside funds to meet contingencies, as well as to provide the ability to match grant awards should the need arise. The following details the reserves set aside in the FY 2011-12 budget:

Reserve Balances for FY 2011-2012

Contingency reserve	\$3,800,000
Revenue Stabilization reserve	225,000
Grant Match Reserves	280,000
Insurance contingencies	1,000,000
Tax equalization reserve	225,000
Building: capital reserve	750,000
Building: operating reserve	1,000,000
Restricted building loan requirement	2,550,000
Other reserves	<u>61,657</u>
	<u><u>\$9,891,657</u></u>

SPECIAL REVENUE FUND



SPECIAL REVENUE FUND REVENUES

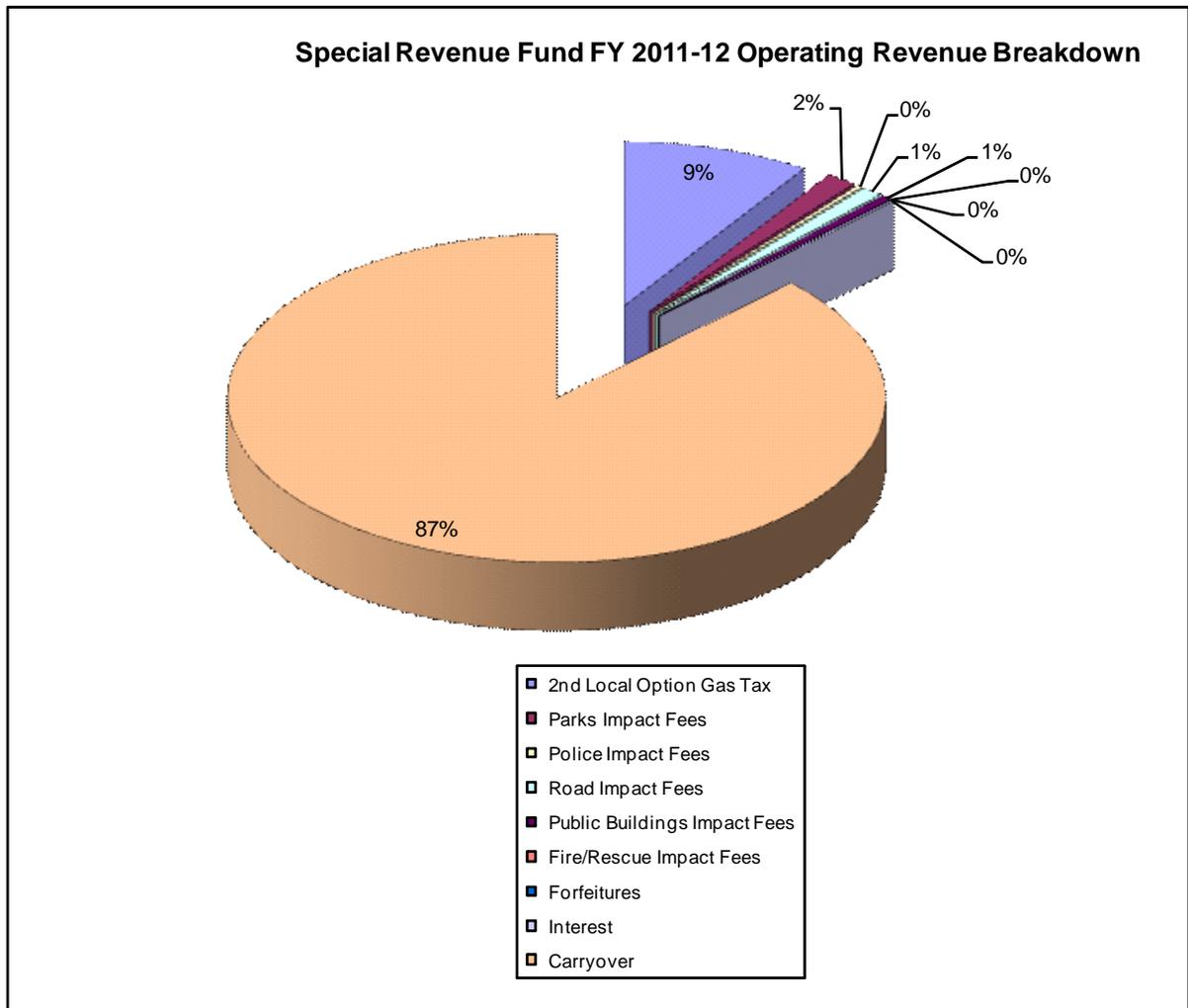
Special revenues are segregated from the General Fund revenues in the budget and, in some cases, from an accounting standpoint due to restrictions on fund uses. Examples of such revenues include Town's share of the County's 2nd Local Option Gas Taxes, grants and impact fees. Impact fees are paid on new 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 for projects to relieve stress, associated with development, on infrastructure.

The following summarizes the Town's anticipated Special Revenue Fund revenues:

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

Special Revenue Fund
Summary

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
REVENUES:				
2nd Local Option Gas Tax	196,359	195,373	189,393	181,952
Parks Impact Fees	26,152	122,437	18,000	30,000
Police Impact Fees	20,155	10,582	7,000	5,000
Road Impact Fees	0	47,602	25,000	20,000
Public Buildings Impact Fees	0	21,679	15,000	10,000
Fire/Rescue Impact Fees	0	0	0	0
Forfeitures	0	0	0	0
Interest	26,417	10,650	3,300	3,000
Carryover	1,614,519	1,872,602	1,435,603	1,727,335
	<u>1,883,602</u>	<u>2,280,925</u>	<u>1,693,296</u>	<u>1,977,287</u>
EXPENDITURES:				
Transfers Out	11,000	446,058	874,000	891,000
Reserves:				
Police	209,330	221,316	222,130	60,416
Parks	736,833	647,163	508,334	434,831
Roads	0	47,616	45,000	80,602
Public Works	926,439	897,084	20,332	471,759
Public Buildings	0	21,688	23,500	38,679
Fire/Rescue	0	0	0	0
	<u>1,883,602</u>	<u>2,280,925</u>	<u>1,693,296</u>	<u>1,977,287</u>



Local Option Gas Taxes

The Town receives a share of two Local Option Gas Taxes imposed by the County, of which the Five-Cent Capital Improvement Local Option Gas Tax (of which only three cents is levied (**\$181,000**)) is accounted for in the Special Revenue fund.

The money received from the Five-Cent Capital Improvement Local Option Gas Tax may be used to meet the requirements of the capital improvements element of the Comprehensive Development Master 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.

Impact Fees

On October 21, 2009, the Town Council adopted Ordinance 09-15 which imposes new impact fees within the Town. These fees relate to Parks, Police, Public Buildings, Roads (Town roads only), and Fire Rescue facilities. These new fees became effective on November 14, 2009. Simultaneously with enactment, the Ordinance repealed Chapter 33H Park Impact Fee Ordinance and Chapter 33I Police Services Impact Fee Ordinance of the Town Code of Ordinances in their entirety.

Impact fees are assessed on new development and represent the developers' contribution of their fair share of the cost of capital improvements necessitated by growth caused by such new development.

The five different impact fee types are held in separate, interest bearing bank accounts and use of these funds is restricted as per the Ordinance (i.e. generally expenditures that are capital in nature). For FY 2011-12, impact fees are budgeted as follows:

Parks impact fees	\$ 30,000
Police impact fees	\$ 5,000
Roads impact fees	\$ 20,000
Public Buildings impact fees	\$ 10,000
Fire/Rescue impact fees	\$ -0-

Special Revenue Fund Carryover

The Special Revenue Fund's carryover for FY 2011-12 is budgeted at **\$1.7 million**. Special revenues funds are restricted to specific uses. The Town has planned a number of projects that will utilize and/or program special revenue funds for FY 2011-12. However, it is typical that the Special Revenue Fund will carry forward unexpended impact fees and capital local option gas taxes, as well as grant revenues, that may span more than one fiscal year.

Unexpended local option gas taxes and impact fees carried forward for current and future year projects, as well as grant funds, represent most of

the growth in the Special Revenue Fund. For the most part, these funds are restricted in their use and must be carefully monitored to assure proper and timely expenditure.

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

**SPECIAL REVENUE FUND
PROJECTS SUMMARY**

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
<i>Federal Stimulus Projects:</i>				
Revenues:				
ARRA-Transportation	0	661,438	0	0
ARRA-Transit (thru Miami-Dade)	0	0	418,028	418,028
Transfer In	0	30,562	0	0
	<u>0</u>	<u>692,000</u>	<u>418,028</u>	<u>418,028</u>
Expenditures:				
Operating costs - ARRA Transportation	0	692,000	0	0
ARRA Transit	0	0	418,028	418,028
	<u>0</u>	<u>692,000</u>	<u>418,028</u>	<u>418,028</u>
<i>JPA - Old Cutler Road</i>				
Revenues:				
County funding	0	452,394	4,250,000	4,250,000
Transfer In	0	0	231,000	231,000
	<u>0</u>	<u>452,394</u>	<u>4,481,000</u>	<u>4,481,000</u>
Expenditures:				
Operating costs	0	452,394	4,481,000	4,481,000
	<u>0</u>	<u>452,394</u>	<u>4,481,000</u>	<u>4,481,000</u>
<i>JPA - Caribbean Blvd</i>				
Revenues:				
County funding	0	0	2,695,546	2,695,546
Transfer In	0	0	148,000	148,000
	<u>0</u>	<u>0</u>	<u>2,843,546</u>	<u>2,843,546</u>
Expenditures:				
Operating costs	0	0	2,843,546	2,843,546
	<u>0</u>	<u>0</u>	<u>2,843,546</u>	<u>2,843,546</u>
<i>ARRA - Lighting Grant</i>				
Revenues:				
ARRA Grant	0	0	0	152,800
Grant Match	0	0	0	113,855
	<u>0</u>	<u>0</u>	<u>0</u>	<u>266,655</u>
Expenditures:				
Salaries and benefits	0	0	0	34,579
Contractual services	0	0	0	227,367
Equipment	0	0	0	4,709
	<u>0</u>	<u>0</u>	<u>0</u>	<u>266,655</u>

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

**SPECIAL REVENUE FUND
PROJECTS SUMMARY
CONTINUED**

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
<i>Green Traffic Circle</i>				
Revenues:				
Federal Grant	0	0	2,400,000	0
Transfer In	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>0</u>
Expenditures:				
Operating costs	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>0</u>
<i>Bicycle Path Master Plan</i>				
Revenues:				
MPO Grant	0	0	40,000	0
Transfer In	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>
Expenditures:				
Operating costs	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>
<i>Children's Trust</i>				
Revenues:				
After School Program Grant	<u>85,684</u>	<u>76,061</u>	<u>96,209</u>	<u>111,761</u>
Expenditures:				
Children's Trust Program Costs	<u>85,684</u>	<u>76,061</u>	<u>96,209</u>	<u>111,761</u>

These various projects are accounted for using special revenue funds. These projects are funded from revenues that require specific uses. The Town has budgeted several revenue sources under this category in FY 2011-12 and has recently been awarded several grants that are will be accounted for in these type funds.

Special Revenue Funds are established in this budget for transportation/roadway related projects, as well as for After School Program projects, all of which are being funded in substantial part by grants.

Transportation Projects

The FY 2011-12 budget reflects \$418,000 of transit projects being funded by the Federal Stimulus legislation (*American Recovery and Reinvestment Act of 2009*), primarily for the purchase of a Town circulator bus. The budget also reflects the commencement of work along Old Cutler Road and along Caribbean Boulevard being funded by Miami-Dade County and being managed by the Town pursuant to a Joint Project Agreement with the County. The FY 2011-12 budget reflects \$7.3 million related to these two roadway projects.

The Town has also been awarded a grant (approximately \$153,000) for a lighting project at the Cutler Bay Town Center. This project is estimated to cost \$266,000.

After School Program

The Town's agreement with the Children's Trust to provide after school care for children has been renewed and the funding level is \$111,000.

TOWN CAPITAL PROJECTS FUND BUDGET



Overview

The Capital Projects Fund Budget is to provide a balanced fiscal plan for non-operating projects or purchases, such as construction projects, major equipment purchases, or infrastructure improvements. The capital cost of a project includes all manpower, implementation costs, and capital costs required to fully implement the project.

The Capital Budget represents the expenditures that the Town will incur in the current fiscal year. Projects may be one year or more likely are multi-year projects that are part of the multi-year Capital Improvement Plan. The Town's Capital Improvement Plan serves the dual role of a planning document for future year expenditures and a component of the Growth Management Plan.

The FY 2011-12 proposed budget includes \$860,000 in monies from the County to complete the Lakes By The Bay park. Additionally, the budget reflects playground improvements at the new Lakes By The Bay park, funded in part by a grant and part by the Town (from park impact fees).

Additionally, the Town anticipates taking control of a wetlands designated area in Cutler Bay which will become a Town park and bird sanctuary. The budget reflects \$150,000 of improvements to this new park, funded equally by a grant and by a Town match (from park impact fees).

The Capital Projects Fund budget is summarized as follows:

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

CAPITAL PROJECTS FUND
PARKS
PROJECT SUMMARY

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Cutler Bay Wetlands Improvements:				
Revenues:				
Grants - N. American Wetlands Conservation	0	0	0	75,000
Grant match	<u>0</u>	<u>0</u>	<u>0</u>	<u>75,000</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>
Expenditures:				
Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>
Lakes By The Bay Park Improvements:				
Revenues:				
County	0	0	0	860,000
SNP	0	0	742,500	0
Impact Fees	0	3,357,500	0	0
Interest	0	7,164	9,000	0
Carryover	<u>0</u>	<u>0</u>	<u>2,364,500</u>	<u>0</u>
	<u>0</u>	<u>3,364,664</u>	<u>3,116,000</u>	<u>860,000</u>
Expenditures:				
Improvements	0	848,470	3,116,000	860,000
Reserves	<u>0</u>	<u>2,516,194</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>3,364,664</u>	<u>3,116,000</u>	<u>860,000</u>
Lakes By The Bay Park Playground:				
Revenues:				
Grants - KaBoom!	0	0	0	15,000
Grant match	<u>0</u>	<u>0</u>	<u>0</u>	<u>117,000</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>132,000</u>
Expenditures:				
Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>132,000</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>132,000</u>
Bel Aire Park Improvements:				
Revenues:				
Transfers In (park impact fees)	0	179,345	0	0
Grant - SNP	<u>0</u>	<u>85,178</u>	<u>179,345</u>	<u>0</u>
	<u>0</u>	<u>264,523</u>	<u>179,345</u>	<u>0</u>
Expenditures:				
Improvements	<u>0</u>	<u>264,523</u>	<u>179,345</u>	<u>0</u>

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

CAPITAL PROJECTS FUND
PARKS
PROJECT SUMMARY
(CONTINUED)

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Saga Lake Park Improvements:				
Revenues:				
Transfers In (park impact fees)	0	37,858	0	0
Grant - SNP	0	0	113,155	0
	<u>0</u>	<u>37,858</u>	<u>113,155</u>	<u>0</u>
Expenditures:				
Improvements	0	37,858	113,155	0
	<u>0</u>	<u>37,858</u>	<u>113,155</u>	<u>0</u>
Saga Bay Park Improvements:				
Revenues:				
Grants - FRDAP	0	3,441	0	0
State 1839A	0	2,805	200,000	0
Transfer In	0	132,695	0	0
	<u>0</u>	<u>138,941</u>	<u>200,000</u>	<u>0</u>
Expenditures:				
Improvements	0	138,941	200,000	0
Carryover	0	0	0	0
	<u>0</u>	<u>138,941</u>	<u>200,000</u>	<u>0</u>
Other Park Projects:				
Revenues:				
Grants	518,972	155,715	0	0
Transfers In	45,032	0	0	0
Interest	3,232	0	0	0
Carryover	416,031	15,276	15,276	15,276
	<u>983,267</u>	<u>170,991</u>	<u>15,276</u>	<u>15,276</u>
Expenditures:				
Improvements	967,991	155,715	0	0
Reserves	15,276	15,276	15,276	15,276
	<u>983,267</u>	<u>170,991</u>	<u>15,276</u>	<u>15,276</u>

STORMWATER UTILITY FUND BUDGET



Overview

During July 2008, in accordance with a transfer approved by the County, the Town took operational control over the stormwater utility function within the Town's boundaries. As such, the stormwater related revenues paid by Cutler Bay residents on their County water bill will flow through to the Town, after deduction of County administrative costs and bond debt service, and be used to pay the expenses to carry out the stormwater related activities.

In taking over the stormwater functions within the Town, the Town Council kept the utility billing rate the same as it was when under County control. This activity is projected to be self-sufficient as the anticipated revenues **(\$990,000)** plus accumulated earnings are projected to cover anticipated expenditures. The revenues were estimated from projections provided by the County Water & Sewer Department.

The following summarizes the anticipated activity in the Stormwater Utility fund for FY 2011-12:

Town of Cutler Bay FY 2011-12 Proposed Operating & Capital Budget

**STORMWATER UTILITY FUND
SUMMARY**

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12
Revenues:				
Stormwater Billings	986,119	981,683	1,000,000	990,000
Non-operating revenues and capital contributions	<u>155,276</u>	<u>367,797</u>	<u>0</u>	<u>0</u>
Total revenues	1,141,395	1,349,480	1,000,000	990,000
Transfers In	81,338	408,660	0	0
Balance Brought Forward	<u>84,567</u>	<u>722,324</u>	<u>722,324</u>	<u>1,675,000</u>
	<u><u>1,307,300</u></u>	<u><u>2,480,464</u></u>	<u><u>1,722,324</u></u>	<u><u>2,665,000</u></u>
Expenses:				
Salaries and benefits	68,221	130,914	194,318	198,312
Operating expenses	322,511	334,292	827,700	1,169,700
Capital outlay	0	0	10,000	10,000
Debt service	<u>194,244</u>	<u>194,280</u>	<u>194,400</u>	<u>194,400</u>
Total Expenses	584,976	659,486	1,226,418	1,572,412
Net Assets:				
Invested in capital assets	235,923	990,840	0	1,000,000
Unrestricted	<u>486,401</u>	<u>830,138</u>	<u>495,906</u>	<u>92,588</u>
	<u><u>1,307,300</u></u>	<u><u>2,480,464</u></u>	<u><u>1,722,324</u></u>	<u><u>2,665,000</u></u>

TOWN OF CUTLER BAY

FY 2011-12 PROPOSED OPERATING & CAPITAL BUDGET

APPENDIX A

FULL TIME POSITIONS BY DEPARTMENT

APPENDIX A**Full Time Positions By Department FY10-11 and FY11-12**

<u>Department</u>	<u>Current FY10-11</u>	<u>Net Position Changes</u>	<u>Proposed FY11-12</u>
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General Fund:

Mayor and Council	5	0	5
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Town Clerk	2	0	2
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Town Attorney	0	0	0
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General Government	4	0	4
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Finance	3	1	4
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Community Development	7	0	7
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Public Works	4	0	4
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Police (clerical staff)	1	0	1
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Community Services and Parks	6	0	6
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Town Hall Building	1	0	1
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Total Full-Time Staff Positions	28	1	29
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Stormwater Fund	1	0	1
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Police Services * (via contract with Miami-Dade County)	57	0	57
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* - includes 1 vacant position

TOWN OF CUTLER BAY

**FY 2011-12
PROPOSED OPERATING & CAPITAL BUDGET**

APPENDIX B

TOWN STRATEGIC PLAN SUMMARY

**TO BE PUBLISHED WITH THE
ADOPTED BUDGET BOOK**

TOWN OF CUTLER BAY

FY 2011-12 PROPOSED OPERATING & CAPITAL BUDGET

APPENDIX C

GLOSSARY

APPENDIX C
Glossary

Adopted Budget	The proposed budget as 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 Truth 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 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).

TOWN OF CUTLER BAY

**FY 2011-12
PROPOSED OPERATING & CAPITAL BUDGET**

APPENDIX D

ACCOMPLISHMENTS

**TO BE PUBLISHED WITH THE
ADOPTED BUDGET BOOK**