

Town of Cutler Bay

Adopted

OPERATING AND CAPITAL BUDGET

FY 07-08



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## **INTRODUCTION AND MANAGER'S MESSAGE**



### **Message from the Town Manager**

Dear Honorable Mayor Vrooman, Town Council and Residents:

As we approach the end of the Town's first fiscal year, I am somewhat astonished at our accomplishments. When we were preparing the budget last summer, there were only two employees, besides the Town Manager and Town Clerk, and we were operating out of an unimproved office space on the south side of our building. We have come a long way.

I deeply appreciate the opportunity to serve as the first Town Manager for the Town of Cutler Bay. I have thoroughly enjoyed the support that I have had from the Council and the approximately 40,000 residents. Together we have met many challenges and exceeded the expectations of what many thought should be. Indeed, people who once admittedly had opposed incorporation of the town and worked against its birth have increasingly gone on the record to say they were wrong and support the Town in its future growth.

### ***Accomplishments***

During this period of time we have passed many milestones and established many precedents and are currently in the process of creating the first Town Comprehensive Plan.

The following is an abbreviated list of this year's accomplishments of this office.

- Hired the Town's excellent, skilled and ethical Police Chief and a complete staff of highly-trained, committed and experienced police officers and detectives;
- Hired a complete staff of highly-trained, committed and experienced department heads (Parks, Public Works, Planning and Finance) and their staff;



- Created an employee manual to communicate standards, including a high ethical standard and a very dedicated work ethic that provides guidance on certain aspects of employment. Our staff non-smoking policy has continued to the benefit of our staff and sets a precedent in South Florida;
- Provided a Town Hall and team of highly skilled employees who convey class and dignity while being open, courteous and friendly to all;
- Completed plans and supervised the full build-out of a very user-friendly and efficient suite of offices. Additionally, we ensured that all work spaces were appropriately furnished, equipped and wired and provided significant security measures for the computerized information and for our employees' service to the residents;
- Lead a team that negotiated a major precedent-setting agreement with Miami-Dade County to accept the County parks only after the results of the Town-managed environmental and risk evaluations determined that the parks were free of that type of liability;
- We persuaded the County to provide the town \$1 million in cash up front for contingencies such as hurricanes. This has never been done before by any other new city;
- Through creative procurement efforts, we received several surplus vehicles from Miami-Dade County and the Miami-Dade County School Board resulting in a savings of thousands of dollars for our budget;
- Cutler Bay conceived of and initiated the legislative amendment that ensured that all new municipalities in the State are exempt from the property tax cuts created by the special session of the legislature for up to five years. The legislature agreed with our assertion that new cities need the ability to generate the infrastructure and fund resources necessary to provide adequate services for the residents which would be virtually impossible with the imposition of the tax cuts;
- Utilizing sound and conservative fiscal management, we avoided having to rely upon advantages negotiated in the Master Interlocal Agreement with the County and created a budget that was built substantially on educated assumptions of required funding levels (due to lack of substantial prior year expenditure records)



but **finished the year under budget in every department**, proving that the assumptions were sound;

- Even though fiscally prudent budgeting and frugal management resulted in surplus funds, which could be budgeted in the coming year, substantial funds are being recommended to increase the contingency funds in continuation of the rationale that new municipalities need to gather significant resources to be able to properly fund projects that are expected by a municipality with a population of 40,000;
- We successfully negotiated a grant from the Water Management District to replace the \$200,000, which was lost to Governor Bush's veto of similar funding from last year's legislative appropriations bill;
- After one full year, many community observers have praised the efficiency and speed of accomplishing goals set by the Council and the management itself;
- Successfully held the first Town celebration with a significant attendance; created a summer school program; removed well over 45 tons of garbage and debris on our roadways; created the ordinances for two new zoning overlays based on two charrettes;
- Wrote the first draft of a comprehensive plan and not only created a strategic plan with the critical assistance of our community but addressed at least 14 of its goals in timely order; created a disaster preparedness plan, and, identified not only an Emergency Operating Center but a backup Emergency Operating Center;
- Provided absolute and measurable proof that we can quickly and efficiently respond in an emergency as was demonstrated during a recent tornado;
- Promptly responded to citizen and Council requests for additional information outlets to keep the residents better informed of our efforts to bring them services;
- Created innovative approaches to our relationship with the County, which has resulted in new street signs being placed on our streets after being illegible since Hurricane Andrew in 1992. This was done at no cost to our residents;
- Met with the Publisher of the Miami Herald and his top editorial staff to ensure that the Town's media coverage by the Herald's Reporters would be accurate and



unbiased. Initiated a marketing drive with the Miami Herald to reevaluate the market in Cutler Bay relative to assisting us bring more businesses into the area, such as restaurants;

***Optimizing Access*** Throughout the year's journey of hiring the Town's police chief, patrol officers, other directors and staff, we have kept the focus on providing access to Town management and providing excellent service. The first goal in the Town's Strategic Plan is to optimize access to Town officials and to provide consistent and updated information regarding the status of the Town.

Community outreach and involvement are a priority in Cutler Bay. Our employees interact with citizens in a number of forums including Parks programs, permitting activities, homeowner and patrol officer meetings, complaint resolution, special committees and Town meetings. Town residents and visitors are always welcome and are encouraged to participate in Council meetings and workshops.

The Town website includes a portal for residents to file complaints and know that they will receive attention and resolution. In addition, the website provides information regarding services, a calendar of meetings and events, and the ability to contact the Mayor, Council, Manager, Clerk and Town Attorney via e-mail. Of course, residents can contact the Town with issues and concerns by phone or by attending any of a number of meetings.

***Transition to Town-Based Services***

The Town has completed the transition of a number of services from County to Town control. Parks Services, Public Works, Planning and Zoning, were successfully transitioned to the Town. The transition involves extensive negotiations with the County and complex Interlocal agreements to safeguard the Town's current and future interests.

The Agreement to transfer local roadways to the Town is in the final negotiations and we should take possession of our roads before the end of the calendar year. This is the last significant service issues to be resolved between the County and the Town. Completion of these transfers will allow the Town to move forward with plans for roadway improvements.

***Other Accomplishments***

In addition to the initiation of various services, there were a number of noteworthy accomplishments during the last fiscal year. The Town completed its first financial audit and was given a clean audit. Business tax/occupational license, certificate of occupancy and burglar alarm registration processes were initiated. The Town website was upgraded and a complaint resolution service was added to increase the opportunity and expedite communication between residents



and their government.

The Town experienced a mini-tornado and responded with excellent timeliness and form to assist residents with debris removal. We are well aware of the probability of a major hurricane striking our Town and have launched a number of emergency preparedness projects. The Town is ready to provide generators as needed either before or after a disaster; we secured a stock pile of temporary stop signs for traffic control after an emergency event, an emergency operation plan has been created and is being revised on an ongoing basis and the Town Council attended a special class on disaster response and incident command. The Town's emergency operations plan will address the effective and safe use of volunteers and the Town's Community Emergency Response or CERT Team.

***Initiatives for  
Coming Fiscal  
Year***

We anticipate that the coming fiscal year will be as busy and productive as the current year. In January the voters of Florida will decide on a very important tax proposal to change the Constitution of our State. This will be followed by a legislative session that will assuredly re-address Florida's entire tax system and may perhaps result in fiscal difficulties for our Town's future. Early in the fiscal year, the Town will enter its first Charter Revision process. In March 2008, the Town will hold elections for a council seat and the Vice Mayor's seat.

The implementation of new initiatives in our Parks and Public Works improvements are major additions for the new fiscal year. The completion of various assessments and master plans will determine the plan and needs for significant future years improvement in our parks and our infrastructure.

In the coming year, the Town will complete the initial planning needed to create our own Stormwater Utility. The County evaluates certain criteria such as completing a master plan prior to granting the request to create the utility and thereby further separate our fortunes from the County. By establishing a Town Stormwater Utility, the Town will receive Stormwater utility fees directly and can direct the use of the funds for drainage improvements within the Town as determined by the planning being done this year.

The Town Manager has strongly recommended to the Council to continue building financial reserves that will allow significant improvements in the Town at some future date. We will also build prudent reserves to provide the resources necessary to help our citizens and businesses recover from disasters such as hurricanes.



***Charter Budget Requirement***

The Town Charter calls for the Manager is to submit the proposed Operating and Capital Budgets for all funds for the fiscal year beginning October 1 of each new fiscal year. This document represents that proposal and is for the review and consideration of the Council. The final budget for FY07-08 will be adopted by Ordinance by the Council following two special public hearings. We anticipate that the budget will be revised before the final budget adoption as revenues and expenditures are refined and to reflect any changes directed by the Town Council.

The budget philosophy is based on the conservative fiscal approach of the Mayor, Council and the Town Manager. In particular, revenues are budgeted at 95 percent of their estimates that are based on extensive research. That means that even though a particular source of funding may produce \$100.00 of revenue to the Town, the budget will only plan for \$95.00 of income thus leaving a minimum of 5 percent for any shortfall in that revenue stream.

***Tax Reform and Revenue Issues***

In June 2007, the Florida Legislature passed property tax reforms that have a significant impact on most local governments. However, the legislation specifically exempts municipalities that were incorporated within the past five years. The exemption allows Cutler Bay to build the City's services and infrastructure for the next few years before the Town will have to implement the specific revenue rollback provisions.

The June 2007 legislation also includes amendments to the Florida Constitution that are related to "super" homestead exemptions. These amendments require 60 percent voter approval and are scheduled for consideration in the January 2008 elections.

Many of Florida's residential owners who have filed for the homestead exemption, may receive a better benefit through the existing Save Our Homes provisions and vote against the Constitutional Amendments.

The impact of the amendment is extraordinarily difficult to assess but it will cause significant reductions to the Town's budget without further action by the Town. In the interim, the Town will plan operational and financial contingencies accordingly in a fiscally responsible way.

In addition to the property tax reforms that will have an impact on future revenues, the State of Florida has been re-estimating its sale tax revenues. State economists recently warned that revenues will fall short by over a billion dollars by the 2008-2009 State fiscal year, primarily due to lower sales tax collections. Ultimately, state shortfalls impact the Town



through lower state revenue sharing and other sales tax related revenues. Due to the uncertainty of lower current revenue estimates as well as the certainty of future rollback provisions, this proposed FY07-08 budget includes extraordinary reserves to mitigate the impacts.

Notwithstanding the exemption won in the Special Session in 2007, the Town's FY07-08 budget includes a property tax reform reserve to mitigate possible future impacts if the Constitutional Revision on Property Taxes passes in January. The reserve allows for the continuation of essential public services in future years. **I recommend that the Town continue to contribute to this reserve at least in every fiscal year leading up to FY11/12 when the exemption passed last legislative session expires and the rollback will be applied to the Town's budget.**

I want to take this opportunity to thank Mayor Vrooman and the Council Members for their continued confidence in me as the first Town Manager for this new and excellent Town. I also thank those that helped create this budget including Dr. David Morris, Diana Gonzalez and Dianne Wright who have assisted our Finance Director Robert Daddario and I with the budget preparation.

I look forward to the coming year and the challenges of continuing the rapid and high quality growth of a new and exciting organization from the ground up. With the leadership of the Town Council and support of the residents, the Town of Cutler Bay can reach its full potential of excellent service to the community.

Respectfully,



Steven J. 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 is bordered on the north by the Town 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 184<sup>th</sup> Street (Eureka Drive) on the north, the US 1 Busway on the west, SW 232<sup>rd</sup> Street on the south, and Biscayne Bay National Park on the east, forming a Town of approximately 10 square



miles.

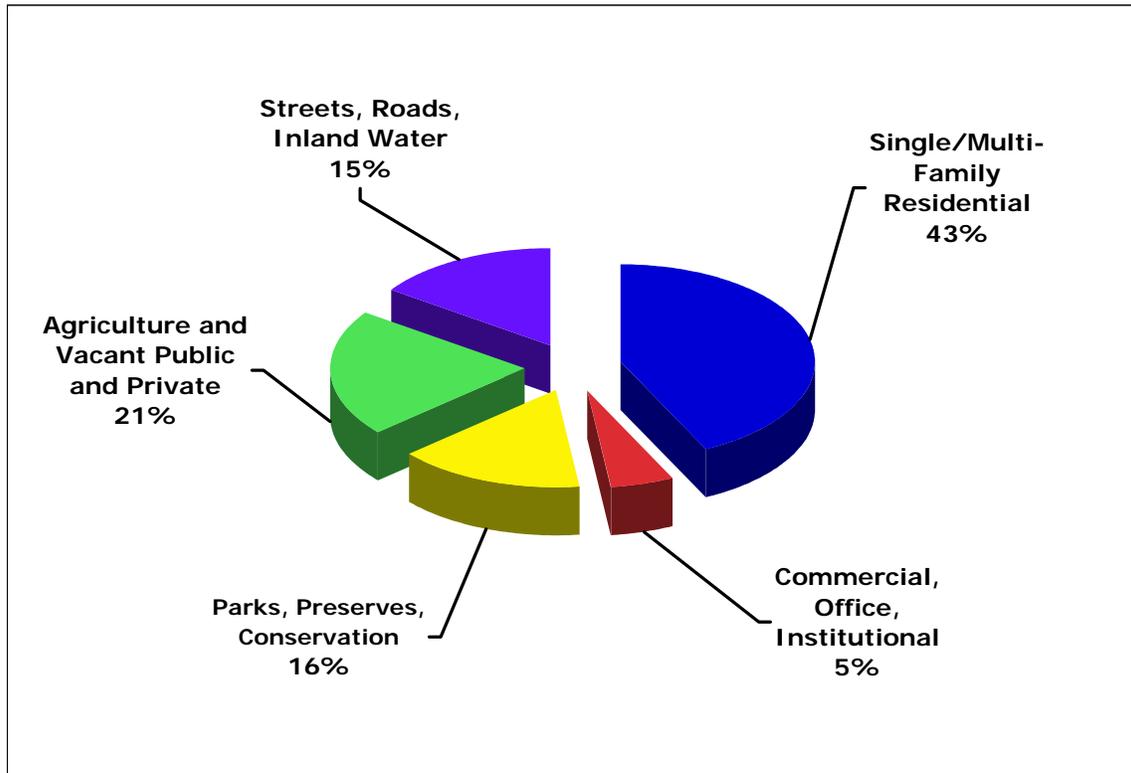
**Demographics**

Current population estimates from the University of Florida, which provides the official population figures as used by the State of Florida, indicate an estimated 40,468 residents. Population estimates developed by Miami-Dade County showed a population for 2006 of 37,103 persons. At incorporation, the Cutler Bay area population was estimated at approximately 32,000 residents indicating a 16 percent growth rate between 2005 and 2006. Best 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. In 2006, there were approximately 13,539 residential units (single and multi-family dwellings) and 131 commercial/industrial units in the Town. 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, 2006



***Economic  
Development***

The Town proactively seeks economic development opportunities and is actively engage with Vision 20/20, a group of committed individuals working to bring attention to the South Dade communities. The Town Council has adopted new zoning and development regulations that streamline growth complimentary to Town planning efforts for an economically sound based growth pattern that considers all the impacts of growth on its residents and businesses.

Three major ongoing projects will spur the development of the Town Center and nearby areas:

- Old Cutler Road business district,
- South Dade Performing Arts Center, and
- Southland Mall/Town Center planning area.

Prior to the Town's existence, the community participated in the 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. Figure 2 on the next page is a representation of the landscaping and other public improvements that are proposed for the Old Cutler Road and area included in the FY07-08 Capital Improvement Budget.

Forty-eight percent of the Town's land 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 nearby cities in that there they are mostly comprised of residential properties relative to commercial, office and institutional uses.

The South Dade Performing Arts Center, a \$44 million project funded by tourism tax money, County bonds and state grants, is expected to be completed in late 2007. The building, designed by Arquitectonica, will 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 211th Street. Town and County planners feel that the Center will work as a catalyst for the continuing redevelopment of this important area.

The third major redevelopment project is across from the South Dade Performing Arts Center. 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. In this area, a vital link is the planned eight-story Harmony mixed-use development. This project, which will have retail, office and residential uses,



brings the vision of building a village center closer to reality.

The Town is 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 new possibility 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**

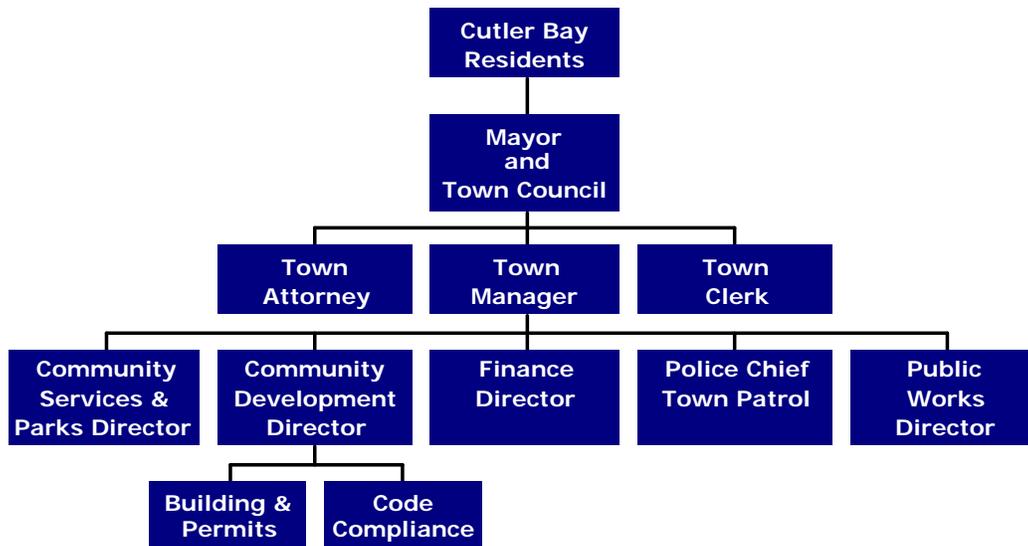
The Town's organizational chart reflects the Town's philosophy:

*"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 did not change configuration since last year's budget. The chart, published in last year's budget, was at that time, a plan — now it's a reality. 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. In FY06-07, the Town has 28 full-time positions (including five elected officials) and 48 contracted police services positions. In addition, part-time and temporary personnel are added in the summer months to staff parks programs. Appendix A lists the current number of position by department and proposed position for FY07-08.



***Strategic Plan***

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

***Town Mission Statement***

The Town's Mission Statement is at the heart of actions by the Mayor, Council Members, the 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.*



## **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 FY07-08 fiscal year, the Council and the Town Manager have engaged in an ongoing dialogue about Town services and have engaged the community through the strategic planning process and other community workshops. The Town Manager and his team built the budget based on this prior information and shaped it to meet the goals, objectives and strategies expressed by the Town Council who represent the interests of all of the Town's residents and businesses.

Increased local police presence, purchasing park space, beginning to care for our newly acquired infrastructure, and more fair code compliance are ongoing priorities for the Town of Cutler Bay. The Proposed FY07-08 Budget addresses those priorities and also continues to deliver public works, parks, community development and other Town services at a high



level of excellence. Most services have been transitioned from Miami-Dade County to the Town and now, the final asset transfers are taking place during the upcoming fiscal year. This is ahead of the schedule of some other new municipalities in Miami-Dade County.

***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.

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 an increase in property tax valuations of nearly 26 percent from \$2.230 billion for FY06-07 to \$2.808 billion for FY07-08.

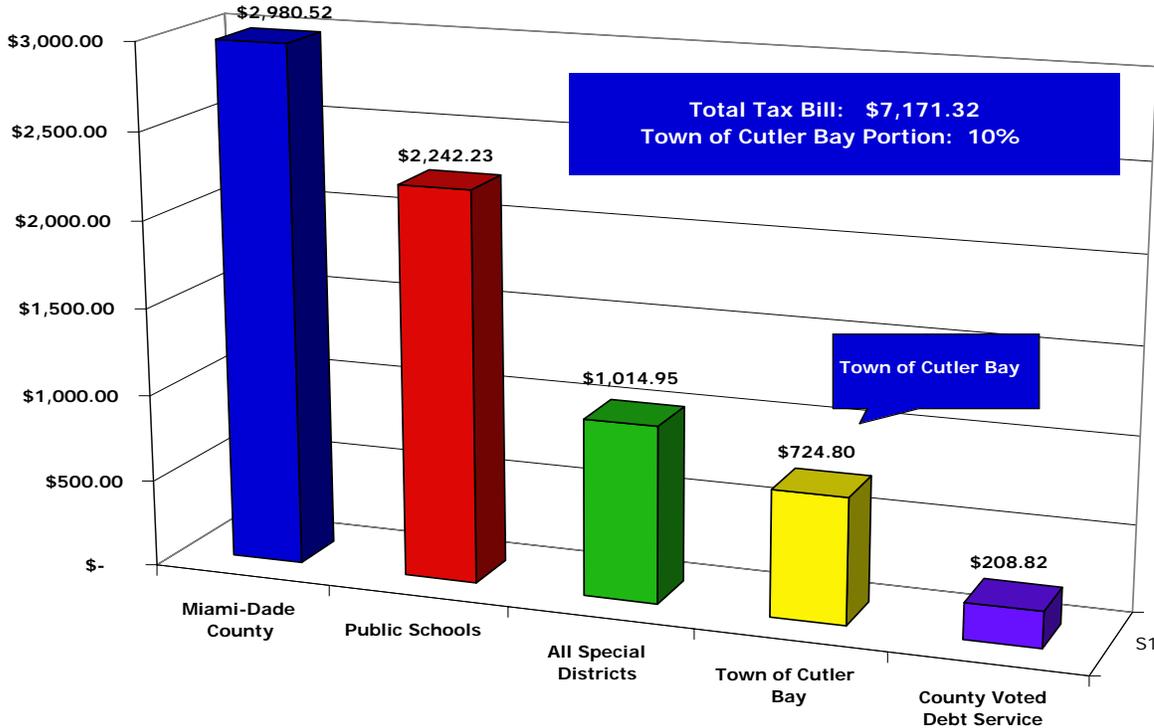
Mid-July - Town Council adopted the proposed millage rate (the rate which is multiplied times the property tax roll to generate the funding level for the ad valorem revenues. The proposed millage rate (2.447) is used by the County Property Appraiser to calculate proposed property taxes in the notice mailed by Miami-Dade County to meet provisions of the Florida TRIM (Truth in Millage) statute.

As recommended by the Town Manager, the Cutler Bay Town Council members voted not to increase the Town's tax rate leaving it the same as the prior year (the same as before incorporation) when they approved a tax rate for FY07-08 of 2.447 mils, (or \$2.447 for every \$1,000 of taxable property). We believe that virtually all residents of Cutler Bay who have homesteaded properties will in fact have a reduction in their tax bill in Cutler Bay due to the change to legislation during the Special legislative Session of 2007. Florida's Constitution limits the appraised value of a homestead to an increase of only three percent a year.

Figure 4 on page 16 below is a graphic representation of where the tax dollars go for a Cutler Bay resident who purchased their home in 2005. The house is appraised for \$321,200. After deducting \$25,000 for homestead exemption, the taxable value is \$296,200. The total proposed tax bill for this resident is \$7,171.32 of which Cutler Bay is \$724.80. Figure 5 on page 17, is a copy of the actual tax notice.



Figure 4. Allocation of Cutler Bay Resident's FY07-08 Taxes



The Town of Cutler Bay portion is \$724.80 or 10 percent of the total bill.

**Financial Policies**

Fiscal policies regarding the independent audit and debt management are included in the Town's Charter. It is strongly recommended that the Council hereby adopt this the following additional fiscal policies as part of the budget ordinance this year. During the course of the year, staff will develop these policies in greater detail and bring them forward for your consideration and approval, so that a fully robust set of detailed policies will be completed before the FY08-09 budget is prepared. Having a set of policies to guide our financial operations is especially important in light of the possible limitations on property tax revenues that may occur for FY08-09. The relevant policies are identified below for Council's consideration.



**TOWN OF CUTLER BAY FY07-08 ADOPTED OPERATING & CAPITAL BUDGET**

MIAMI-DADE DEPARTMENT OF PROPERTY APPRAISAL 05  
 111 NW 1 STREET SUITE 710  
 MIAMI, FLORIDA 33128-1984

**NOTICE OF PROPOSED  
 PROPERTY TAXES  
 AND PROPOSED OR ADOPTED  
 NON-AD VALOREM ASSESSMENTS  
 DO NOT PAY  
 THIS IS NOT A BILL**

R/E FOLIO: 36  
 MILLAGE CODE: 3600

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 these 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.

05

LAKES BY THE BAY

MIAMI FL  
 33190-1277

Property Addr:

Taxing Authority	Your property taxes last year	Your taxes this year if proposed budget change is made	Your taxes this year if no budget change is made	A public hearing on the proposed taxes and budget will be held:	
County	2,579.90	2,980.52	3,107.66	9/06, 5:01 PM, COMMISSION CHAMBERS 111 NW 1 ST, MIAMI, FL (786) 331-5321	
Lakes by the Bay S.	694.78	694.78	694.78		
Public Schools: By State Law	1,482.78	1,455.82	1,283.20	9/05, 6:00 PM, SCHOOL BOARD AUDITORIUM 1450 NE 2 AVE, MIAMI, FL (305) 995-1226	
By Local Board	795.30	786.41	688.25		
Cutler Bay	724.80	724.80	635.23	9/17, 7:00 PM, SO DADE REGIONAL LIBRARY 10750 SW 211 ST, 2ND FL (305) 234-4262	
Water Management District Everglades CP	176.83 29.62	158.38 26.48	163.30 27.31	9/12, 5:15 PM, SFWM DIST AUDITORIUM 3301 GUN CLUB RD, B1, WPB (561) 682-2095	
Independent Special Districts* F.I.N.O. Children's Trust	11.40 125.09	10.22 125.09	9.86 108.32	9/05, 6:00 PM, COMM CTR, 56 N BROADWAY ST FELLSHERE, FL (561) 627-3386 9/10, 5:01 PM, MIAMI SCIENCE MUSEUM 3280 S MIAMI AV, MIAMI, FL (305) 571-5700	
Voter Approved* Debt Payments County School Fire	84.42 122.63 12.44	84.42 111.96 12.44	84.42 111.96 12.44	REFER TO COUNTY PUBLIC HEARING ABOVE. REFER TO PUBLIC SCHOOL HEARING ABOVE. REFER TO COUNTY PUBLIC HEARING ABOVE.	
<b>Total Property Taxes</b>	<b>6,839.99</b>	<b>7,171.32</b>	<b>6,926.73</b>		
	<b>COLUMN 1*</b>	<b>COLUMN 2*</b>	<b>COLUMN 3*</b>	<b>* SEE REVERSE SIDE FOR EXPLANATIONS.</b>	
Your property value last year: 2006	Market Value 321,200	Assessed Value 321,200	Exemptions 25,000	Taxable Value 296,200	
Your property value this year: 2007	321,200	321,200	25,000	296,200	
<b>PROPOSED OR ADOPTED NON-AD VALOREM ASSESSMENTS</b>					
Laying Authority	Purpose of Assessment		Units	Rate	Assessment
LAKES BY THE BAY S.	COMMUNITY DEV. DIST. (954) 721-8681		694.78	1.0000	694.78
MIAMI-DADE COUNTY	SOLID WASTE (786) 331-5321		1.00	439.0000	439.00
MIAMI-DADE COUNTY	GUARD DISTRICT (786) 469-2041		1.00	276.6700	276.67
MIAMI-DADE COUNTY	LIGHTING DISTRICT (786) 469-2041		50.00	2.8190	140.95
Total (This amount is included in Total Property Taxes above)					<b>1,551.40</b>

- If you feel the market value of your property is inaccurate or does not reflect fair market value, or if you are entitled to an exemption that is not reflected above, contact your county property appraiser at: (786) 331-5321 111 NW 1 STREET 8TH FLOOR (8:30 AM TO 4:30 PM)
- If the property appraiser's office is unable to resolve the matter as to market value or an exemption, you may file a petition for adjustment with the Value Adjustment Board; petition forms are available from the county property appraiser and must be filed on or before: SEPT. 20, 2007
- Your final tax bill may contain non-ad valorem assessments which may not be reflected on this notice such as assessments for roads, drainage, garbage, fire, lighting, water, sewer, or other governmental services and facilities which may be levied by your county, city, or any special district.

**The Town of Cutler Bay is \$724.80 or 10 percent of the total bill.**



***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 \$50,000 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 with each other.
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 cash carryover and guaranteed revenues, will be budgeted at 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 by 2:00 p.m. on the day of receipt to the extent possible.



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).

**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:

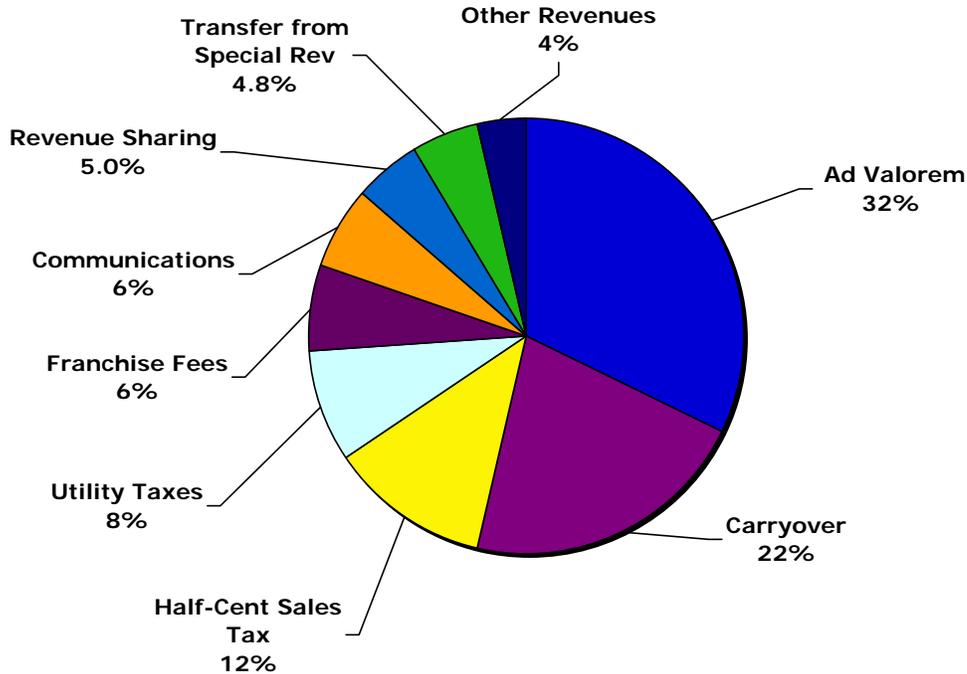
- ad valorem or property taxes,
- utility taxes,
- local government half cent sales taxes,
- state revenue sharing,
- communications services taxes, and
- electrical franchise fees.

Other revenues include the occupational license taxes, interest earnings, and carryover, among others. The accompanying chart reflects the percentages of each revenue source as part of the proposed \$20.301 million proposed Operating Budget for FY07-08. 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 FY06-07, this Budget also budgets revenues at 95 percent of the FY07-08 estimate resulting in a total cushion being built into our projected income.

Figure 6 below shows the Operating Revenues as percentage of the total.



Figure 6. General Fund Operating Revenues



Ad valorem or property taxes are typically the predominant operating revenues for municipal governments.

**Budget to Budget** FY06-07: \$16,260,893 FY07-08: \$20,301,340 + 25%

**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 1<sup>st</sup>, the County Property Appraiser delivered the Certified Adjusted Taxable Value to the Town for use in the FY07-08 budget. The assessed value less homestead and other exemptions for the Town is \$2,808,566,478. That amount is 26 percent larger than the taxable value (after adjustments by the Value Adjustment Board) in FY06-07. Of that increase, \$263 million, or almost 46 percent, is the result of new construction.

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

The Town Council will determine the number of mills to be applied to the assessed taxable value. For example, one mill applied to the FY07-08 Certified Tax Value of \$2,808,566,478 produces a tax levy of \$2,808,566.

During a special session in June, the State Legislature adopted various limitations on property taxes for FY07-08. However, the Legislature recognized the unique situation of new municipalities and did not limit the ability of such municipalities to increase the millage rate. The Town's Proposed Budget recommends a millage rate of 2.447 mills, the same millage as levied by the Town in FY06-07. That rate was used to calculate the municipal tax levy in the Notice of Proposed Property Taxes that was mailed to each property owner in August. Should this millage rate be adopted at the final budget hearing on September 24, 2007, ad valorem taxes will total **\$6.529 million** (based on the 95% budget factor).

***Utility Taxes***

Utility service taxes are levied on consumer consumption of utility services provided in the Town. Utilities on which the tax is levied include electricity, gas, and water and sewer services. As noted in the FY06-07 Proposed Budget, prior to incorporation, utility taxes for the geographic area of the Town were not segregated from the total utility taxes collected by the County, so there is no readily available history of utility taxes for the Town. The FY06-07 utility tax budget was based on estimated collections for the



town and assumed the same growth rate as used by the County. Those estimates were high. In addition, Florida Power and Light reduced its rates by approximately 4.5 percent in January 2007, thereby reducing the base upon which the electrical utility tax is collected. Therefore, utility tax collections in FY06-07 were less than budgeted.

The recommended FY07-08 budget for utility taxes, **\$1.670 million** (based on 95 percent of the projected revenue) was estimated from the history of collections in FY06-07 with adjustments for growth in population and electrical use and for the January 2007 rate adjustment.

***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 budget (**\$2.423 million**) is recommended at 95 percent of the State's estimate for FY07-08.

Subsequent to the adoption of the State budget, the State's Department of Revenue has estimated that the State's sales tax collections will be as much as \$1.5 billion less than anticipated, and a special session of the legislature has been called for September to adjust the State budget. Unless further adjustments are made by the State in its estimates, it is projected that the five percent adjustment will account for any shortfalls in sales tax collections.

***State Municipal  
Revenue Sharing***

The State's Municipal Revenue Sharing Trust Fund receives about one-third of its revenue from gas taxes and the balance from sales taxes. The portion attributable to gas taxes is limited in use to transportation related activities, including transportation related public safety activities. Revenue Sharing is distributed to eligible municipalities by a formula based on population, sales tax collections, and the ability to raise revenues.

The Proposed FY06-07 Budget was annualized to the State's July to June estimate for distribution to the Town. However, actual collections were less than budgeted for two reasons. First, the State's sales tax collections for FY06-07 were less than anticipated, and the Trust Fund did not have as much funds as expected. In addition, we have learned in our discussions with the Department of Revenue that the FY06-07 estimate for Cutler Bay was affected further because the sales tax shortfall was amplified for new municipalities due to certain guaranteed allocations for existing municipalities



throughout the State.

As noted previously, the State anticipates sales tax collections to be relatively flat in FY07-08, and gas taxes to grow slowly. However, State law provides an adjustment for municipalities that received the Local Government Half-Cent Sales Tax in the prior fiscal year. The FY07-08 estimate for State Revenue Sharing remains close to the actual amount collected in FY06-07 and is budgeted at **\$1.020 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. Because of delays by service providers in associating collections to the Town, the County continues to receive a portion of the Town's taxes and, the Town and the County are working together so that the County will continue to forward those payments to the Town. The budgeted revenue from the Communications Services Tax is **\$1.278 million** in accordance with State projections.

While the Town and County are not authorized under State law to audit the service providers to assure that they are crediting the tax collections to the correct jurisdiction, we have taken several steps to try to rectify the situation. First, we have notified the State that providers are continuing to pay to the County taxes that should be credited to the Town. We have requested a list of companies that provide services within the Town, and we are sending them notifications of the Town's boundaries and reminding them that all accounts within our boundaries should be adjusted.

***FPL Franchise Fee***

The FPL franchise fee is a charge to 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 geographic area of Cutler Bay, the Town cannot collect the FPL franchise fee directly. Instead, the FPL



payment to the County includes the franchise fees paid by electricity users in the Town. The County has agreed to pay 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. Actual payments in FY06-07 were \$366,000 more than budgeted.

As discussed above, FPL reduced its rates in January 2007, approximately 4.5 percent, which has a direct effect on the franchise fee receipts. It is expected that through population change and electrical use growth, the franchise would have grown by three percent from the current year receipts. After combining the expected growth with the rate reduction and adjusting to 95 percent of the estimate, the budget for franchise fee revenue is recommended at **\$1.285 million**.

***Other Fees,  
Interest and  
Miscellaneous***

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

Occupational License Fees: The County and Cutler Bay require all businesses to obtain a countywide occupational license and a municipal occupational license in order to operate within the Town. Countywide license fees are shared with cities based on a formula that includes population. The recommended budget for this tax is **\$100,000**.

Parks Services Fees: Parks operations will generate user fees. The budget for those fees is **\$172,000**.

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 **\$192,000**.

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, are budgeted at **\$200,000**. Other miscellaneous revenues are budgeted at **\$80,000**.



Transfers from Special Revenue Funds: Certain costs in the General Fund, such as Public Works and Building and Permitting projects and overhead, are reimbursed from special revenue funds through a transfer to the General Fund. In FY07-08, such transfers are budgeted at **\$983,000**.

***Prior Year Carryover***

Carryover is the balance of unexpended funds remaining at year-end that are carried forward into the new fiscal year. Although, from an accounting point of view, carryover is a balance sheet item and is not included in a profit and loss statement, carryover is included as part of the budget. Having sufficient cash carryover is critical to a municipality because it provides the necessary cash flow before property taxes are received by the Town at winter time. Also, having an adequate carryover is a sign of fiscal health reviewed by financial rating agencies. On the other hand, carryover should not be treated as a recurring revenue source available for on-going operating expenses. Thus, it is recommended that the cash carryover be used to fund the various reserves as follows:

Contingency Reserve	\$1,485,338
Energy/Insurance Reserve	100,000
Grant Match Reserve	325,000
Prior Year Encumbrance Reserve	100,000
Wage Adjustment Reserve	200,000
Tax Equalization/Revenue Reserve	700,000
Future Expenditure Reserve	800,000
Property Tax Reform Reserve	1,000,000
Total	\$4,710,338

**Special Revenues 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 code enforcement fines, building and permit fees, the Town's share of the County's 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.

***Local Option Gas Taxes***

The Town receives a share of two Local Option Gas Taxes imposed by the County: the Five-Cent Capital Improvement



Local Option Gas Tax (of which only three cents is levied (**\$184,000**) and the Six-Cent Local Option Gas Tax (**\$491,400**).

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

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 FY07-08 any such revenue be used to fund the enforcement program and not be made part of the general fund. Any excess revenue above the cost of enforcement may be used for general operations. Estimated revenues are **\$6,000**.

***Building and  
Zoning Fees***

Building permitting and inspection functions and zoning activities are projected to be self-supporting from their own revenues projected at **\$626,700**. Because permit fees (\$521,360) are fees and not taxes or fines, they are limited in use to the cost associated with building and zoning activities revenues may not be used for general operations. Twenty percent of the permit fee revenue will be used to fund Town salaries and expenses directly related to the activity and the remaining 80 percent is paid to the contracted vendor for services.

***Impact Fees-Parks***

Developers are assessed impact fees under Miami-Dade County Ordinance No. 90-59 to provide for public parks, open space, and recreation facilities to serve adequately the demands of new residential development.

Park impact fee funds and related interest earnings (budgeted at **\$583,000**) are limited in their use to the "financing of park acquisition, park expansion, park improvements to real property, capital facilities (including start-up equipment and technology), or for principal and interest payment (including sinking fund payments) on bonds or other borrowed revenues" and are restricted for use within the designated district from which they are collected.

The Town is entitled to collect any impact fees associated with development within the Town limits and must use those



funds within the time and use constraints prescribed in the Miami-Dade County Park Impact Fee Ordinance.

***Impact Fees-Police***

Police Impact Fees are collected under Miami-Dade County Ordinance No. 90-31 with the purpose of providing additional capital resources for adequate police protection for the existing population and to accommodate projected population due to new development.

Police Impact Fees (budgeted at **\$283,600**) can be used for the acquisition of capital equipment for police services including the acquisition of systems, tools and machines that allow police service tasks to be performed in amore efficient manner. "

***Impact Fees-Road***

Road Impact Fees are may be used for construction or expansion of roadways due to the impact of development. They may not be used for routine road maintenance. Road Impact Fees are budgeted at **\$329,200**.

***Stormwater Utility Fees and Grants***

Under the provisions of the Florida Air and Water Pollution Control Act (F.S. 403.0891) local governments are required to develop stormwater management programs. Miami-Dade County enacted a countywide stormwater utility ordinance in June 1991, and assesses and collects the Stormwater Utility Fee pursuant to that ordinance. Once established, the Town's utility will keep a distinct budget, which will be approved by the Town Council. Stormwater Utility fees are budgeted at **\$200,000** for the last quarter of FY07-08 when we anticipate the Utility initiation. The Town has received grants from the South Florida Water Management District (SFWMD) and the Florida Department of Environmental Protection (FDEP) of **\$200,000** each. \$70,000 of the SFWMD grant was expended in FY 06-07 and \$130,000 carries forward to FY 07-08. Those grants will be used to complete the required Stormwater Master Plan and to initially fund infrastructure projects deemed as priority by the plan.

***Other Grants***

In addition to the Stormwater grants described above, other other grants are awarded or are pending for FY07-08. The grants listed below will be managed by the Town's Police Department.

- The Edward Memorial Byrne State and Local Law Enforcement Assistance Grant (**\$6,866**) will fund partnerships with other local law enforcement agencies with the purpose of creating safer communities.
- A Children's Trust Seatbelt Safety Grant (**\$15,000**) will fund police overtime for officers to conduct seatbelt checks and to purchase child safety seats.

The third grant is a multi-year grant to be managed by the



Community Service and Parks Department. Only this grant is included in the budgeted line items as it is in the process of final contract process with the State of Florida.

- The Children's Trust After School Program provides **\$111,000** each of three years for a total of \$333,000 over the life of the grant. The grant funds community outreach, field trips, and program enhancements and is coordinated with other service providers in the South Dade area.

The Town has over \$500,000 of grant applications that are pending action by various entities. As grants are awarded, the Council will take action on them individually in the coming year.

***Special Revenue  
Fund Carryover***

Special revenue funds carryover for FY07-08 is budgeted at **\$1.7 million**. Special revenues funds are restricted to specific uses. In the prior fiscal year, the Town was not in the position to expend impact fees or portions of the gas taxes. Therefore restricted use revenues were accrued and carried forward. The Town has planned a number of capital projects that will utilize and/or program special revenue funds for FY07-08. However, it is typical that the Special Revenue Fund will carry forward unexpended impact fees as well as grant revenues that may span more than one fiscal year.

***Budget to Budget  
Comparison***

Special revenue funds have more than doubled since the prior fiscal year budget. Impact fees, new grants and funds carried forward for current and future year projects 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. Special Revenue funds are detailed in the Summary of Funds section.



## **TOWN GENERAL FUND OPERATIONS**



### **Mayor and Council**

Over the past decade, the Cutler Bay community participated in a number of charrette planning processes that captured a unique vision for future development. 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 Urban Center District. The Council also adopted innovative legislation relating to large commercial developments and full disclosure by 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. Additionally, the Council placed a moratorium on development orders and permits on Old Cutler Road while the Council develops design standards for that charrette area.

Increased citizen involvement was the focus of the Town's first Zoning Workshop in April 2007. This unique process facilitated one-on-one discussions between developers and residents prior to zoning hearings.

When property tax reform measures were first proposed in Tallahassee, the Town of Cutler Bay's unique position as a "new town" was not addressed. The Town Manager, Mayor and Council were very active in discussions and proposals, which resulted in a positive outcome for the Town. The Mayor and Council members represented the Town at a number of meetings in Tallahassee regarding the Town's standing on the property tax reform issues.

The Mayor and Town Council's budget for FY07-08 increases less than 3 percent from the prior year. The most significant change is the addition of \$15,000 to cover the cost Charter Review as required by the Charter.



**Budget to Budget Comparison** FY06-07: \$151,375 FY07-08: \$155,673 Change: +3 %

### **Town Clerk**

The Town Clerk is responsible for maintaining the official records of Council and other public meetings, producing agendas and public notices. The Clerk maintains other official documents for meetings including historical archives and maintains files for codification purposes. The Clerk has been responsible for implementing the occupational license and burglar alarm ordinances. In the FY07-08 budget, that function will be transferred to the Finance Director where it is more appropriate. The FY07-08 budget includes the costs of the upcoming Council election, increased costs for legal advertisement associated with the Comprehensive Development Master Plan and other planning advertisements.

**Budget to Budget Comparison** FY06-07 \$218,851 FY07-08 \$232,995 Change: +6.5 %

### **Town Attorney**

The Town contracts for professional legal services with a law firm that specializes in municipal law. The Town is assigned one lawyer who handles a heavy workload as is very common with new municipalities, but the services of other lawyers in the firm are available, if needed. Ongoing efforts include the development of over 25 zoning ordinances and charrette enabling legislation, as well as participation in various aspects of planning processes. The Town experienced no lawsuits in the past fiscal year. The Town Attorney assists with the Town's transition to full governance through the completion of Interlocal agreements with Miami-Dade.

The Town Attorney is expected and is on track to spend less than the current year budget for that office and there is no increase in the budget for FY06-07 to FY07-08.

**Budget to Budget Comparison** FY06-07 \$360,000 FY07-08 \$360,000 Change: 0%

### **General Government**

The General Government budget is comprised of the Town Manager's Office and the Finance Director's office. These offices implement the key administrative processes that allow the Town to function as a municipal entity.



***Town Manager***

The Town Manager functions as the chief operating officer of the Town. In the past year, his office has implemented the citizen complaint process both through the Town website and via phone calls. Over 528 cases have been processed during the year. Each call or inquiry is assigned a number and is tracked through to resolution when the case is then closed. The Town relies on its employees as well as residents and visitors to forward code violations and service issues to the Town.

The Town Manager's Office is comprised of the Town Manager, two executive assistants.

***Finance Director***

In this past year, the Finance Director's Office set up the accounting and finance systems for the Town and guided the Town through its first comprehensive external financial audit. The Town received an "unqualified" audit opinion, which is desirable and means that there were no findings of a negative nature that would impede the Town's ability to conduct government business. The Finance Director monitors expenditures and receipt of revenues from both fee collections as well as revenues derived from the State and through Miami-Dade County. The office is responsible to collect and properly account for the burglar alarm ordinance and occupational license fees. In an effort to improve performance in the coming fiscal year, one position will be added to the Finance Director's Office and all administrative functions associated with the burglar alarm ordinance and occupational licenses will be transferred to Finance. The Finance Director is also responsible for payroll and related Human Resources functions.

The Finance Director's Office is currently comprised of the Finance Director and one accounting clerk. The budget for FY07-08 includes the addition of one assistant to handle burglar alarm and occupational license noticing and collections.

QNIP payments are included in the General Government budget. The Town is obligated to pay its portion of the County 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 provide the repayment amounts based on a formula. QNIP payments have escalated dramatically from the FY06-07 budget of \$257,565 to \$425,000 for FY07-08.

The FY07-08 budget reflects the allocation of office rent, and support personnel to the respective departments, the elimination of start up costs from the current fiscal year and pools worker's compensation charges for all Town employees in General Government.



**Budget to Budget Comparison** FY06-07: \$2,243,539 FY07-08: \$2,214,954 - 1.3%

## **Police Services**

The Town is extremely proud of its Police Department. Start-up began in August 2007 with the Town Manager's selection and appointment of Captain Pichardo as the Town's Police "Chief". Through a contract with Miami-Dade County, officers agree to work exclusively in the Town of Cutler Bay. Initial staffing included 36 uniformed personnel and by mid-September, an additional four sworn personnel will be added to the Town's Police Services.

Town Police Services is comprised of the contracted employees (43 sworn employees, and five non-sworn employees) for a total of 48 full-time positions. Part-time positions supplement the administrative work of the Department. The addition of three patrol officer positions is proposed for FY07-08 bringing the department total to 51 full-time positions.

### **Patrol Services**

The FY07-08 Proposed Budget recommends three additional police officers through the contract with Miami-Dade County. The budget also calls for the purchase of four unmarked vehicles for surveillance purposes. The unmarked vehicles will be funded from Police Impact Fees. By purchasing the vehicles rather than leasing from the County, the Town avoids the unnecessary County charges of \$6,000 per year per vehicle and the Town benefits from owning the vehicles outright. This is a direct saving of budget funds due to the creative fiscally conservative philosophy of the Town Manager, Mayor and Council.

The use of radar trailers for speed control has proven effective. Speeding is a major source of accidents in our Town and clearly the way to protect our citizens is to reduce speeding. The Town Manager proposes to purchase two radar trailers for the Police Department at a cost of \$9,000 each to continue this effective program.

### **Crime Reduction**

The efforts of the Town's Police Services resulted in dramatic change in crime statistics. Over the past 11 months, crime within Cutler Bay was reduced across the board.

The Town has the lowest crime rate in comparison to other areas patrolled by Miami-Dade County. Since August 2006 when the Town started its own Police Department, **crime was reduced by an astounding 20 percent.**



Cities adjacent to the Town and the surrounding unincorporated area have not fared as well and have experienced increasing crime rates of between 12 to 18 percent.

***Community Programs***

Police Services operates a number of programs that are designed to involve the officers with the community. The Neighborhood Resource Unit conducts ongoing events such as child fingerprinting. In partnership with the Town's Parks Services Department, Officer Friendly attends camp programs throughout the summer. The Unit conducts crime prevention seminars and provides flyers wherever the public congregates. Officers patrol the Town and let the residents know they are in the area by leaving **"While You Were Out"** door hangers.

One of the priorities for the Town has been enforcement of auto moving violations. The Town's stepped up enforcement of speed limits resulted in 12 percent fewer traffic crashes compared to prior years. Reducing accidents translates to economic savings, but, more importantly, it saves life and limb.

The Police Department participates with the Miami-Dade Narcotics Unit and has identified and taken action against over 28 locations within the Town that were the source of illegal substances. Officers regularly attend training that ranges from robbery intervention training to cybercrime training.

The FY07-08 contract with Miami-Dade County includes three specific functions of law enforcement activity: patrol services (\$6.6 million), specialized police services (\$736,000), and crossing guard services (\$213,500).

The budget proposes the addition of three patrol officer positions and also reflects the allocation of office rent, administrative support personnel and a transfer of Police Impact Fees to purchase four unmarked vehicles for surveillance.

***Budget to Budget*** FY06-07: \$6,652,339 FY07-08: \$7,889,946 +18.6%

**Community Development**

The Community Development Department manages four important and related Town functions: 1) development and maintenance of the Town's Comprehensive Development Master Plan, the CDMP, 2) developing and recommending zoning ordinances and regulations that implement the framework of the CDMP, and 3) review of building plans and issuance of building permits that comply with the building and zoning codes and ultimately uphold the vision of the CDMP and 4) code compliance which attempts to encourage compliance with various Town laws to improve the quality of life for our residents and visitors.



The Department is comprised of the Community Development Department Director, an administrative assistant and three code compliance officers. The addition of one full-time planner, a building supervisor and one code enforcement officer are proposed for FY07-08 for a total of eight full-time employees.

***Planning Efforts***

The CDMP is a required document for all cities and counties in the State of Florida. It is the framework to implement the Town's vision for development and to assure that the appropriate infrastructure and services are in place either prior to, or concurrently with, development projects. The Town's first CDMP will be completed and considered by the Town Council by the end of FY07-08.

One of the elements of the CDMP is a Capital Plan that is a multi-year plan and budget for major improvement projects. The Capital Budget in the FY07-08 Proposed Budget reflects the plan in the CDMP.

In the past year, the Town also completed the Old Cutler Road Charrette planning efforts and enacted the zoning controls for that area. Non-residential design standards for the entire Town were developed and adopted by Council and zoning for the Urban Center District (Southland Mall area) was completed.

***Zoning and Building Permits***

On October 4, 2006, the Town assumed the zoning and permitting processes from the County. Since that date, the Town has issued 2,270 building permits. Residents and contractors now obtain their permits at the Cutler Bay Town offices.

The Town contracts with a private provider for Zoning and Permit processes. Under the first year agreement, the company retained 100 percent of building fees to fund their operational expenses. In this second year of the contract, the General fund will receive to 20 percent of the fees collected to offset supervision and other support costs.

***Code Compliance***

Compliance with Town and County codes is a high priority for residents and Town Management. Three code compliance officers answer complaints and generally see that the codes are obeyed. While the objective is to achieve compliance, fees are assessed for violations once all other avenues for compliance have been exhausted. Code compliance fees accrue to the general fund.

The Department proposes to add one code compliance officer in the FY07-08 bringing the total to four officers. Other additions to the budget include a full-time planner position, a building supervisor position, the allocation of administrative support and rent to the Department, software to better track building and zoning finances and geographic information systems (GIS)



mapping software and hardware. The FY07-08 budget reflects reductions in Professional Services that are no longer needed for master planning efforts and a reduced estimate of the activity for Building and Zoning services provided via contract provider.

***Budget to Budget Comparison*** FY06-07: \$2,560,011 FY07-08: \$1,670,128 -34%

## **Public Works**

Public Works is responsible for the maintenance of roads, sidewalks, public areas, beautification projects and the construction oversight of capital improvement projects. The Department responds to a variety of requests and complaints from citizens through the Town's website and phone contact. The Department strives to resolve the complaints in a timely manner and does not close a case without a reasonable resolution.

The Department is comprised of the Public Works Director, an administrative assistant and three maintenance workers. No additional positions are requested for FY07-08.

## ***Maintenance Services***

The Town's three maintenance workers are referred to as the NEAT Team (Neighborhood Enhancement Action Team). They perform maintenance-type activities throughout the Town including removing litter, signs and shopping carts from swale areas, removing graffiti from public property, replacing street signs and repairing potholes. The NEAT team has picked up approximately 45 tons of debris from Town roadway and they were an integral part of the debris removal and emergency procedures during the recent tornado.

The County refuses to transfer the responsibility for all engineering on roadway including replacing stop and traffic control signs, which reduces the Town's ability to immediately resolve some issues. Town employees and residents are vigilant about reporting missing and damaged signs to the County. The Town maintains a number of temporary stop signs that can be quickly placed when traffic lights do not function or stop signs are damaged.

## ***Emergency Response***

The Public Works Director is designated as the Town's emergency manager in the event of natural or other disasters. The Director along with other Town staff including the Town Manager, the Mayor and Town Council completed National Incident Management System (NIMS) training and are working on an emergency operations plan tailored to the Town's specific needs and characteristics.



Public Works is responsible for clearing debris from roads and rights of way after a storm. The Town has secured contracts with two debris-haulers, as well as contracts for emergency generators, tower lights and chainsaws in the event of a major storm.

***Transfer of Roads***

The Town anticipates that the transfer of local roads from County control to Town control will be completed by the end of 2007. Certain roadways such as SW 87<sup>th</sup> Avenue, US 1, SW 216<sup>th</sup> Street and Old Cutler Road will remain completely under County control. The County maintains those roads and the Town can perform only minimal maintenance and improvements. For the roads that are transferred to the Town, the Town can provide landscaping, stripping, pavement overlay, and other road maintenance and improvements.

***Assessments and Plans***

In the current fiscal year, the Department is conducting a series of assessments that will be the foundation for future roadway, sidewalk, traffic control and landscaping improvement plans. The assessment and master plans include:

- Transit Master Plan
- Road assessment (to include road surface, stripping and sign assessment)
- Sidewalk Assessments
- Stormwater Master Plan
- Beautification Master Plan

Throughout the Town, there are a number of missing or faded street name signs that have been in poor condition since Hurricane Andrew in 1992. Public Works is conducting an assessment of the street signs. The County has agreed to provide the signs and the Town is continuing to install them as we can receive them from the County.

***Stormwater Utility***

By creating a Stormwater Utility, the Town can receive Stormwater fees and the Council can direct the use of the funds to drainage projects within the Town. In order to create the utility, the Town must complete a Stormwater Utility Master Plan, which is a specialized plan that must meet certain criteria. In FY06-07, the Town received a grant in the amount of \$200,000 to create this Master Plan and the Public Works Department is assisting with the Plan development. Because \$130,000 remains in the grant, the amount will be budgeted in Special Revenue Fund for FY07-08. An additional grant from the State of Florida, Environmental Protection Department (\$200,000) provides funding for initial stormwater related infrastructure projects. The Town anticipates that the Stormwater utility can be established by the last quarter of the FY07-08.



The FY07-08 budget for the Department reflects the allocation of administrative support and rent, substantial increases to engage professional services for various assessment and master plans, increased road maintenance supplies, vehicle fuel and maintenance costs and construction costs. The budget increases reflect a higher level of activity in the Department as roadways are transferred and improvements are programmed. There are no new personnel requested for the coming year.

***Budget to Budget Comparison*** FY06-07: \$725,428 FY07-08: \$1,151,145 +59%

### **Community Services and Parks**

The Community Service and Parks Department is responsible to maintain all Town parks and conduct ongoing and seasonal programs. The Department recommends major improvements to the parks to enhance and sustain them. In January 2007, the Town took over maintenance of seven parks from the County and operated under a permit. The Town anticipates the complete transfer of the parks deeds to the Town by the end of 2007.

The Department is comprised of the Parks Director, an administrative assistant, two recreational coordinators and an aquatics coordinator. Staffing is supplemented with additional part-time parks services aides. For summer programs, the Town employs a number of part-time, temporary parks services aides and lifeguards. The FY07-08 budget proposes the conversion of one part-time position to full-time, thereby increasing the total number of position to six.

#### ***Town Parks***

The seven parks within the Town are categorized as neighborhood, mini or community parks. The four neighborhood parks are Bel Air Park, Franjo Road Park, Saga Bay Park and Saga Bay Lakes Park. The two mini-parks are the Lincoln City Park and the Whispering Pines Park. The Town has one community park, the Cutler Ridge Park.

The Department has several parks improvements planned for the coming fiscal year. The projects are described in the Capital Budget portion of this budget document.

The FY07-08 budget reflects the conversion of one part-time position to full-time, the allocation of administration support and rent to the Department and signs for each of the Town's seven parks. The budget also reflects the reduction in maintenance costs as the Town assumes this function from the County and employs it's own contractors for the service.

***Budget to Budget*** FY06-07: \$1,262,304 FY07-08: \$1,371,161 +9%



*Comparison*

**Reserves**

The relatively short budget history and the uncertainty of the impact of tax reforms suggest that it is prudent to continue to budget and fund a number of reserves. The proposed FY07-08 budget continues the prior year's policy of funding these reserves. The two largest reserves are the contingency reserve (\$1.5 million) and the Property Tax Reform Reserve (\$1.0 million). There are a number of different reserves and that are detailed below.

Contingency Reserve	\$1,485,338
Energy/Insurance Reserve	100,000
Grant Match Reserve	325,000
Prior Year Encumbrance Reserve	100,000
Wage Adjustment Reserve	200,000
Tax Equalization/Revenue Reserve	700,000
Future Expenditure Reserve	800,000
Property Tax Reform Reserve	1,000,000
Total	\$4,710,338



## **TOWN SPECIAL REVENUE FUND OPERATIONS**



### **Special Fund Projects**

The Special Revenue Fund accounts for project funded from revenues that require specific uses. The Town received several revenues under in category in FY06-07 and has recently been awarded several grants that are accounted for in this fund.

Reserves hold the funds for specific projects as a number of capital assessments are being completed.

Additions to the Special Revenue Fund are new grants for Stormwater related projects as well as a number of other smaller grants. The Town is completing a number of assessments and Master Plans and will begin to program the funds that were carried forward from the prior year.

### ***Transportation Fund Projects***

The State statutes restrict the uses of Transportation Fund revenues. In FY06-07, the Town began to use the transportation funds on roadway projects. The Comprehensive Development Master Plan and other roadway assessments and master plans will direct the use of funds for projects in FY07-08 and future years.

### ***Building, Zoning, Compliance Fees***

The Special Revenue Fund accounts for the Building and Zoning and Code Compliance fees. These fees are used to fund the Building, Zoning and permitting processes that are provided by a private vendor as well as the oversight and planning activities of Town staff. It is appropriate and good fiscal management that the fees be accounted for in the Special Revenue Fund in order to clearly segregate the funds.

### ***Impact Fee Projects***

Impact fees are paid by develops to mitigate the strain on infrastructure as a result of the development. In FY06-07, the Town received Impact fees for Police and Parks. The Town will receive Impact Fees for Roads as soon as the



transfer of local roads from the County to the Town is completed.

***Grants***

Grants are accounted for in the Special Revenue Fund in order to segregate the use of the funds and facilitate frequent reporting. Grants have been received for the Town to implement a Stormwater Utility and several other grants were obtained for various projects.

***Budget to Budget Comparison***

FY06-07: \$2,767,936    FY07-08: \$4,851,467    +75%



## **TOWN CAPITAL FUND BUDGET**



### **Overview**

The Capital Fund Budget is a new component of the Town's FY07-08 budget, the purpose of which is to provide a balanced fiscal plan for non-operating projects or purchases, such as construction projects, major equipment purchases, or infrastructure improvements. To be deemed "capital", equipment and infrastructure must have a useful life of more than five years and have a total cost that exceeds \$50,000. 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 Multi-Year Capital Improvement Plan is currently under development and will be presented to the Council by the end of the fiscal year. The Town's Capital Improvement Plan serves the dual role of a planning document for future year expenditures and a component of the Comprehensive Development Master Plan (CDMP).

The FY07-08 proposed budget includes a transfer from the General Fund of \$545,000 and a transfer of \$555,800 from the Special Revenue Fund to fund current and future capital projects.



## **FY07-08 Projects**

The following projects are planned for FY07-08. These same projects are also included in the Capital Improvement element of the Town's draft Comprehensive Development Master Plan.

### ***Police Patrol Cars***

Police Impact Fee funds (\$138,000) will be transferred to the Police Department to fund the purchase of four unmarked police vehicles for surveillance purposes and two radar trailers. The purchase will be complete by the end of FY07-08.

### ***Generator Set Up for Town Hall***

The Town is currently evaluating the feasibility of installing an emergency generator at the Town Hall. In order to carry out this evaluation, it is necessary to install a new electrical meter for the Town Hall and a transfer switch. The total cost of this project is estimated at \$50,000 and will be funded by the General Fund.

### ***Parks "School Property" Improvements***

Three improvement projects are planned for the School Property, which is located at between two section of Cutler Ridge Park. The planned improvements will provide new turf (\$75,000), athletic field lighting (\$150,000), and a new parking lot (\$188,000) for a total cost of \$413,000.

The improvements are funded by a combination of County Safe Neighborhood Parks (SNP) Bond funds and Quality Neighborhood Improvement Program (QNIP) funds.

### ***Cutler Ridge Park and Pool***

Extensive improvements to the Cutler Ridge Park and Pool are planned for the coming fiscal year. The park improvements include installation of a shade structure over the playground, installation of a Vita Course around the perimeter of the park, construction of a new pavilion, installation of new and upgraded landscaping, a breezeway that will be enclosed for use as an Emergency Operations Center and renovation of the existing water tower support building. The pool improvements include enlarging the deck, providing covered seating, repairing leaks in the structure and deck furnishings.

FY07-08 project costs are budgeted at \$330,000 for the park and \$430,000 for the pool and should be completed within FY07-08.

The project is funded by a combination of County Safe Neighborhood Parks (SNP) Bond funds, Quality Neighborhood Improvement Program (QNIP) funds and General Funds in the amount of \$145,000.

### ***216<sup>th</sup> Street Park Property Acquisition***

This important purchase is planned for the coming fiscal year. Costs for the project will include land acquisition, required appraisals, legal and other associated fees. The property is 1.69 acres and is adjacent to Lincoln Park on SW 216<sup>th</sup> Street and Old Cutler Road.



FY07-08 project costs are budgeted at \$1,215,800 and should be completed in FY07-08.

The project is funded by Parks Impact Fees, County Safe Neighborhood Parks (SNP) Bond funds, general funds and Quality Neighborhood Improvement Program (QNIP) funds. A grant will be filed with the State of Florida for Florida Recreation Development Assistance Grant (FRDAP) in the amount of \$200,000. If this grant is awarded no general funds may need to be spent on this project.

***Town-wide Parks Master Plan***

The purpose of the master plan will be to identified areas of the city that need additional park facilities and to determine the proper type of parks and park programming that the Town needs to support. FY07-08 project costs are budgeted in the general fund at \$70,000 and should be completed in FY07-08.

***Park Signage***

The Town will install park identification signage at the seven parks that are currently managed by the Town. Funding for this project will also include the park signage for the SW 216 Street Property should it be acquired. FY07-08 project costs are budgeted at \$30,000 in the general fund and should be completed in FY07-08.

**Future Projects**

As part of the ongoing capital development process, the Town has identified future projects in the Comprehensive Development Master Plan that we hope will be acquired and/or developed over the next five fiscal years. The Town intends to apply for State grant funds to supplement project revenues as projects move forward. A Capital Projects reserve is also proposed and will supplement project In the event the State grant or other funds are not sufficient for the various projects.



## **SUMMARY OF FUNDS**



### **General, Special Revenue and Capital Funds**

Consolidated Summaries are provided for each of the Town's funds on the next few pages. The presentation indicates all funds that support the activities and departments of the specific fund. Carryover and interfund transfers are included.



**Consolidated Budget**  
**General Fund**

	<b>Budget FY06-07</b>	<b>Adopted Budget FY07-08</b>
<b><u>Revenues</u></b>		
Ad Valorem	\$ 5,267,000	\$ 6,528,934
Utility Taxes (Electric, Gas and Water)	\$ 2,249,000	\$ 1,670,000
Local Government Half Cent Sales Tax	\$ 2,158,000	\$ 2,422,873
Communications Service Tax	\$ 1,454,000	\$ 1,278,427
State Municipal Revenue Sharing	\$ 1,278,000	\$ 1,020,000
FPL Franchise Fee	\$ 1,007,000	\$ 1,285,000
Occupational Licenses, Alarm Fees	\$ 100,000	\$ 100,000
Parks Fees	\$ 126,400	\$ 171,515
Judgements and Fines	\$ 125,000	\$ 200,000
Miscellaneous Revenues	\$ -	\$ 80,000
Interest Income	\$ 75,000	\$ 192,000
Transfer from Special Revenues	\$ 1,576,000	\$ 982,987
Carryover from Prior Year	\$ 845,493	\$ 4,369,604
<b>Total Operating Revenues</b>	<b>\$ 16,260,893</b>	<b>\$ 20,301,340</b>
<b><u>Expenditures</u></b>		
Mayor and Council	\$ 151,375	\$ 155,673
Town Clerk	\$ 218,851	\$ 232,995
Town Attorney	\$ 360,000	\$ 360,000
General Government	\$ 2,243,539	\$ 2,214,954
Police Services	\$ 6,652,339	\$ 7,889,946
Community Development	\$ 2,560,011	\$ 1,670,128
Public Works	\$ 725,428	\$ 1,151,145
Community Services and Parks	\$ 1,262,304	\$ 1,371,161
Contingency Reserve	\$ 1,000,000	\$ 1,485,338
Energy and Insurance Reserve	\$ 100,000	\$ 100,000
Grant Match Reserve	\$ 250,000	\$ 325,000
Reserve for Prior Year Encumbrances	\$ 50,000	\$ 100,000
Reserve for Wage Adjustments	\$ 100,000	\$ 200,000
Tax Equalization/Revenue Reserve	\$ 87,046	\$ 700,000
Reserve for Future Expenditures	\$ 500,000	\$ 800,000
Property Tax Reform Reserve	\$ -	\$ 1,000,000
Transfer to Capital Fund	\$ -	\$ 545,000
<b>Total Operating Expenses</b>	<b>\$ 16,260,893</b>	<b>\$ 20,301,340</b>



<b>Special Revenue Fund</b>		
	<b>Budget FY06-07</b>	<b>Adopted Budget FY07-08</b>
<b><u>Revenues</u></b>		
1st Local Option Gas Tax	\$ 490,000	\$ 491,406
2nd Local Option Gas Tax	\$ 184,000	\$ 183,881
<b>Subtotal Gas Taxes</b>	<b>\$ 674,000</b>	<b>\$ 675,287</b>
Code Compliance Fines	\$ -	\$ 6,044
<b>Subtotal Code Compliance Fines</b>	<b>\$ -</b>	<b>\$ 6,044</b>
Building Permit Fees	\$ 1,476,000	\$ 521,360
Zoning Fees	\$ -	\$ 100,378
Other Building/Zoning Fees	\$ -	\$ 5,000
<b>Subtotal Building/Zoning Fees</b>	<b>\$ 1,476,000</b>	<b>\$ 626,738</b>
Police Impact Fees	\$ 114,271	\$ 283,617
Parks Impact Fees	\$ 503,665	\$ 583,000
Road Impact Fees	\$ -	\$ 329,213
<b>Subtotal Impact Fees</b>	<b>\$ 617,936</b>	<b>\$ 1,195,830</b>
Stormwater Utility Fees	\$ -	\$ 200,000
SFWMMD Stormwater Plan Grant	\$ -	\$ 130,000
Florida DEP Grant	\$ -	\$ 200,000
<b>Subtotal Stormwater Fees/Grants</b>	<b>\$ -</b>	<b>\$ 530,000</b>
After School Program Grant	\$ -	\$ 111,258
<b>Subtotal Other Grants</b>	<b>\$ -</b>	<b>\$ 111,258</b>
Carryover	\$ -	\$ 1,706,310
<b>Total Revenues</b>	<b>\$ 2,767,936</b>	<b>\$ 4,851,467</b>
<b><u>Expenditures</u></b>		
Professional Fees - Stormwater	\$ -	\$ 130,000
Children's Trust Programs	\$ -	\$ 111,258
<b>Operating Funds</b>		<b>\$ 241,258</b>
Transfer to Police from Impact Fees	\$ -	\$ 138,000
Transfer to B&Z from Permit	\$ 1,476,000	\$ 626,738
Transfer to Public Works from Gas Tax	\$ 100,000	\$ 218,249
<b>Total Transfers to General Fund</b>	<b>\$ 1,576,000</b>	<b>\$ 982,987</b>
Transfer to Parks Project (from Impact	\$ -	\$ 555,800
<b>Total Transfer to Capital Fund</b>	<b>\$ -</b>	<b>\$ 555,800</b>
Future Police Impact Fee Projects	\$ 114,271	\$ 291,980
Future Parks Impact Fee Projects	\$ 503,665	\$ 590,001
Future Road Impact Fee Projects	\$ -	\$ 329,213
Future Public Works (Gas Taxes)	\$ 574,000	\$ 1,435,787
Future Building and Zoning Projects	\$ -	\$ 14,441
Stormwater Future Projects	\$ -	\$ 400,000
Law Enforcement (Forfeitures)	\$ -	\$ 10,000
Reserve for Future Projects	\$ 1,191,936	\$ 3,071,422
<b>Total Expenditures</b>	<b>\$ 2,767,936</b>	<b>\$ 4,851,467</b>



<b>Capital Fund</b>	
<b>FY07-08 CAPITAL FUND PROJECTS</b>	<b>Adopted Budget FY07-08</b>
<b>Parks "School Property" Improvements</b>	
<b>Project Revenues</b>	
Safe Neighborhood Parks Program (SNP)	\$ 210,000
Quality Neighborhood Improvement Program (QNIP)	\$ 203,000
<b>Project Revenues</b>	<b>\$ 413,000</b>
<b>Project Expenditures</b>	<b>\$ 413,000</b>
<b>Cutler Ridge Park Improvements</b>	
<b>Project Revenues</b>	
Grant Match (Transfer from General Fund)	\$ 75,000
Safe Neighborhood Parks Program (SNP)	\$ 75,000
Quality Neighborhood Improvement Program (QNIP)	\$ 110,000
Transfer from General Fund	\$ 70,000
<b>Project Revenues</b>	<b>\$ 330,000</b>
<b>Project Expenditures</b>	<b>\$ 330,000</b>
<b>Cutler Ridge Pool Improvements</b>	
<b>Project Revenues</b>	
Safe Neighborhood Parks Program (SNP)	\$ 430,000
<b>Project Revenues</b>	<b>\$ 430,000</b>
<b>Project Expenditures</b>	<b>\$ 430,000</b>
<b>216th Street Park Property Acquisition</b>	
<b>Project Revenues</b>	
Safe Neighborhood Parks Program (SNP)	\$ 200,000
Quality Neighborhood Improvement Program (QNIP)	\$ 210,000
Park Impact Fees(Transfer from Special Rev. Fund)	\$ 555,800
General Fund (pending FRDAP Grant)	\$ 200,000
Transfer from General Fund	\$ 50,000
<b>Project Revenues</b>	<b>\$ 1,215,800</b>
<b>Project Expenditures</b>	<b>\$ 1,215,800</b>
<b>Reserves</b>	
<b>Transfer from General Fund</b>	<b>\$ 350,000</b>
<b>Contingency Reserves</b>	<b>\$ 350,000</b>



**APPENDIX A**  
**Full Time Positions By Department FY06-07 and FY07-08**

<u>Department</u>	<u>Current</u> <u>FY06-07</u>	<u>Proposed</u> <u>Positions</u>	<u>Adopted</u> <u>FY07-08</u>
Mayor and Council	5	0	5
Town Clerk	1	0	1
Town Attorney	0	0	0
General Government	6	1	7
Community Development	5	3	8
Public Works	5	0	5
Community Services and Parks	6	0	6
<b>Total Full-Time Positions</b>	<b>28</b>	<b>4</b>	<b>32</b>
<b>Police Services</b> (via contract with Miami-Dade County)	48	3	51

**APPENDIX B**  
**Town Strategic Plan Summary**

**Goal 1.1**

The town of Cutler Bay will be recognized by its residents and others as a community that optimizes access to its officials and to information concerning the status of the Town and its activities.

**Actions**

The Planning Department has provided notices and meeting announcements for the "Calendar of Meetings and Events" posted on the Town website. Major efforts such as the Old Cutler Road Charette have also been posted. The Planning Department has adopted a standard to reply to all inquires within 24 hours.

**Goal 1.2**

The employees of Cutler Bay will provide responsive courteous service to residents, the business community and other individuals with whom they interact.

**Actions**

The Planning Department has conducted staff meetings to train staff in the use of positive word response and customer service.

**Goal 2.1**

The Town of Cutler Bay will be a financially responsible and accountable community.

**Action**

The Planning Department has assisted in applications for transportation planning funded through the Unified Work Program for Miami-Dade Planning Organizations and has also assisted the Parks and Recreation Department in preparing applications for acquisition of open space grants.

**Goal 3.1**

The Town of Cutler Bay will provide the infrastructure needed to meet current and emerging needs of the community.

**Actions**

The Comprehensive Development Master Plan process currently under way will provide an inventory of all capital assets. The Plan will provide the Town with a first year Capital Budget and a five year Capital Program. The Planning Department also participates in selecting a consultant that will conduct the Town Stormwater Master Plan.

**Goal 3.2**

The growth and development of Cutler Bay will be managed to be consistent with the needs and desires of its residents.

**Actions**

The Comprehensive Development Master Plan process is under way and the initial draft will be completed this summer. Meetings have been conducted with Advisory Committees, Town Council members and the public in a workshop.

**Goal 4.1**

Enhance the attractiveness and viability of Cutler Bay as a business location.

**Actions**

A focused charrette approach is included in the Comprehensive Development Master Plan process. In addition, Planning staff have attended Town of Cutler Bay Chamber meetings and met with the Chamber staff.

**Goal 5.1**

Cutler Bay will be recognized as a Town where people prefer to live, and whose residents feel a strong sense of Town identify and pride.

**Actions**

The Comprehensive Development Master Plan will produce a bike way plan for the Town. It will also identify areas for additional parks and facilities.

**Goal 6.2**

The Town will provide high levels of disaster (hurricane, flood, etc.) planning, response and recovery services to residents and businesses in our community.

**Actions**

Planning Department staff is working on a draft operational plan for Emergency Planning. The effort will include methods of disseminating disaster information. Disaster planning will be included in the Conservation and Disaster Planning Element of the Comprehensive Development Master Plan.

**Goal 6.3**

Optimize the smooth flow of traffic through the Town of Cutler Bay by minimizing traffic congestion and maximizing the capability of our local roadways.

**Actions**

Planning staff and Town consultants attend MPO meetings and monitor MPO programs. Staff also has assisted in preparing MPO grant funding. The Planning staff has also worked with the Elderly Transportation Advisory Committee. The Committee's results will be presented to the Town Council.

**Goal 7.1**

The Town of Cutler Bay will develop parks, recreational facilities and recreational programs to meet the current and emerging needs of resident of all ages.

**Actions**

The Parks and Recreation Advisory Committee has completed an evaluation of funding available for improvements to Cutler Ridge Park and has developed a priority list for improvements to be made through anticipated bond fund proceeds from Miami-Dade County. The Department is pursuing the acquisition of additional park space through the enforcement of concurrency requirements. The Department has begun to coordinate community events and is planning additional special events to be conducted year-round. We were successful in recruiting four corporate sponsors and received private donations for the Town's Founder's Day celebration, and will continue to seek sponsorship for future events.

**Goal 8.1**

The Town of Cutler Bay will develop a code and code enforcement policies that reflect the needs views, and values of its residents.

**Actions**

The Town has adopted the Miami-Dade code of ordinance and 20 local ordinances to improve on the standards within that code. The code will be completely revised following the completion of the Comprehensive Development Master Plan.

**Goal 8.2**

To protect residents of Cutler Bay by assuming responsibility from the County for administering the Florida Building Code Plan Review, Permitting and inspection.

**Actions**

The Planning staff has solicited input from other jurisdictions to implement the Building Permit system and has implemented a computer-aided record system, MAIS, for managing permit records. Additionally, staff has developed an approach for digital record keeping of plan sets.

**Goal 9.1**

Develop the Town of Cutler Bay into a model community for the condition of its road, street lighting, storm drainage facilities, swale maintenance, sidewalks, etc.

**Actions**

The Public Works Department is in the process of selecting an engineering consultant. Once a final selection is completed, the firm will be issued a work authorization to develop and implement a multi-year plan for road resurfacing, pot holes, shoulders, sidewalks, curb and gutters, signage, drainage, swales, lighting, etc. The Town has also received a \$200,000 grant from the South Florida Water management District for the development of a Stormwater Master Plan.

**Mayor and Council**

<u>Category</u>	<u>Budget FY06-07</u>	<u>Adopted Budget FY07-08</u>
Compensation per Charter	\$ 36,000	\$ 37,440
Payroll Taxes and Benefits	\$ 53,935	\$ 51,053
Professional Services	\$ -	\$ 15,000
Travel & Per Diem	\$ 36,810	\$ 33,400
Communications & Freight	\$ 8,040	\$ 7,080
Operating Supplies	\$ 5,000	\$ 5,000
Dues, Subscriptions, Memberships	\$ 7,090	\$ 4,700
Capital Outlay	\$ 4,500	\$ 2,000
<b>Total Mayor and Council</b>	<b>\$ 151,375</b>	<b>\$ 155,673</b>

**Town Clerk**

<u>Category</u>	<u>Budget FY06-07</u>	<u>Adopted Budget FY07-08</u>
Salaries	\$ 55,000	\$ 54,600
Payroll Taxes and Benefits	\$ 20,776	\$ 19,740
Other Contractual Services	\$ 30,000	\$ 40,000
Travel & Per Diem	\$ 2,200	\$ 2,000
Communications & Freight	\$ 1,440	\$ 1,740
Rentals & Leases	\$ 24,800	\$ 13,700
Repairs & Maintenance	\$ 3,000	\$ 7,920
Printing & Binding	\$ 17,000	\$ 13,200
Other Current Charges	\$ 52,200	\$ 73,600
Operating Supplies	\$ 5,000	\$ 5,500
Dues, Subscriptions, Memberships	\$ 4,400	\$ 995
Capital Outlay	\$ 3,035	\$ -
<b>Total Town Clerk</b>	<b>\$ 218,851</b>	<b>\$ 232,995</b>

**Town Attorney**

<u>Category</u>	<u>Budget FY06-07</u>	<u>Adopted Budget FY07-08</u>
Professional Services	\$ 360,000	\$ 360,000
<b>Total Town Attorney</b>	<b>\$ 360,000</b>	<b>\$ 360,000</b>

**General Government**

<u>Category</u>	<u>Budget FY06-07</u>	<u>Adopted Budget FY07-08</u>
Salaries	\$ 516,000	\$ 460,121
Payroll Taxes and Benefits	\$ 179,017	\$ 199,680
Professional Services	\$ 230,400	\$ 130,000
Accounting and Auditing	\$ 102,000	\$ 58,000
Other Contractual Services	\$ 135,580	\$ 206,600
Travel & Per Diem	\$ 36,380	\$ 46,650
Communications & Freight	\$ 83,620	\$ 94,840
Rentals & Leases	\$ 197,359	\$ 146,140
Insurance	\$ 156,000	\$ 191,500
Repairs & Maintenance	\$ 1,500	\$ 28,800
Printing & Binding	\$ 20,000	\$ 10,000
Promotional	\$ 24,500	\$ 16,000
Other Current Charges	\$ 6,200	\$ 15,200
Office Supplies	\$ 24,000	\$ 24,000
Operating Supplies	\$ 10,000	\$ 10,000
Operating Supplies - Fuel	\$ -	\$ 3,000
Dues, Subscriptions, Memberships	\$ 4,918	\$ 18,423
Capital Outlay	\$ 124,500	\$ 11,000
Vehicles	\$ 14,000	\$ -
Accounting Software	\$ 100,000	\$ 110,000
Office Buildout	\$ 20,000	\$ 10,000
QNIP Payment to County	\$ 257,565	\$ 425,000
<b>Total General Government</b>	<b>\$ 2,243,539</b>	<b>\$ 2,214,954</b>

**Police Services**

<u>Category</u>	<u>Budget FY06-07</u>	<u>Adopted Budget FY07-08</u>
Salaries	\$ 35,100	\$ 47,250
Payroll Taxes and Benefits	\$ 2,910	\$ 8,269
Professional Services	\$ 6,483,598	\$ 7,549,847
Communications & Freight	\$ 10,080	\$ 11,840
Rentals & Leases	\$ 13,944	\$ 69,040
Insurance	\$ 12,000	\$ -
Repairs & Maintenance	\$ 18,000	\$ 4,700
Printing & Binding	\$ 10,000	\$ 5,000
Other Current Charges	\$ -	\$ 1,000
Office Supplies	\$ 10,000	\$ 25,000
Operating Supplies	\$ 11,440	\$ 21,500
Capital Outlay	\$ 45,267	\$ 26,500
Vehicles	\$ -	\$ 120,000
<b>Total Police Services</b>	<b>\$ 6,652,339</b>	<b>\$ 7,889,946</b>

**Community Development**

<u>Category</u>	<u>Budget FY06-07</u>	<u>Adopted Budget FY07-08</u>
Salaries	\$ 215,000	\$ 453,740
Payroll Taxes and Benefits	\$ 105,069	\$ 150,777
Professional Services	\$ 703,000	\$ 400,000
Court Reporter Service	\$ 2,000	\$ 500
Other Contractual Services	\$ 1,481,000	\$ 434,591
Travel & Per Diem	\$ 2,000	\$ 3,500
Communications & Freight	\$ 1,440	\$ 8,000
Rentals & Leases	\$ -	\$ 69,900
Repairs & Maintenance	\$ 2,700	\$ 7,900
Printing & Binding	\$ 10,000	\$ 5,000
Other Current Charges	\$ -	\$ 1,000
Office Supplies	\$ -	\$ 7,700
Operating Supplies	\$ 1,350	\$ 1,500
Operating Supplies - Fuel	\$ 18,750	\$ 22,300
Dues, Subscriptions, Memberships	\$ -	\$ 5,000
Capital Outlay	\$ 17,702	\$ 48,720
Accounting Software	\$ -	\$ 40,000
Office Buildout	\$ -	\$ 10,000
<b>Total Community Development</b>	<b>\$ 2,560,011</b>	<b>\$ 1,670,128</b>

**Public Works**

<u>Category</u>	<u>Budget FY06-07</u>	<u>Adopted Budget FY07-08</u>
Salaries	\$ 195,000	\$ 239,151
Payroll Taxes and Benefits	\$ 87,988	\$ 86,994
Professional Services	\$ 40,000	\$ 198,000
Other Contractual Services	\$ 100,000	\$ 314,800
Travel & Per Diem	\$ -	\$ 8,200
Communications & Freight	\$ 5,440	\$ 3,300
Rentals & Leases	\$ 20,000	\$ 36,000
Insurance	\$ 12,000	\$ -
Repairs & Maintenance	\$ 20,000	\$ 64,250
Printing & Binding	\$ 5,000	\$ 4,000
Other Current Charges	\$ -	\$ 1,000
Office Supplies	\$ 5,000	\$ 3,200
Operating Supplies	\$ 15,000	\$ 12,500
Operating Supplies - Fuel	\$ 5,000	\$ 31,150
Dues, Subscriptions, Memberships	\$ -	\$ 4,200
Capital Outlay	\$ 215,000	\$ 144,400
<b>Total Public Works</b>	<b>\$ 725,428</b>	<b>\$ 1,151,145</b>

**Community Services and Parks**

<u>Category</u>	<u>Budget FY06-07</u>	<u>Proposed Budget FY07-08</u>
Salaries	\$ 505,560	\$ 610,065
Payroll Taxes	\$ 144,211	\$ 148,725
Professional Fees	\$ -	\$ 75,000
Other Contractual Services	\$ 433,333	\$ 325,000
Communications & Freight	\$ 4,440	\$ 10,300
Utilities	\$ 45,240	\$ 101,471
Rentals & Leases	\$ 4,360	\$ 9,000
Repairs & Maintenance	\$ 71,160	\$ 2,100
Other Current Charges	\$ -	\$ 2,000
Office Supplies	\$ 15,000	\$ 10,000
Operating Supplies	\$ 39,000	\$ 44,800
Dues, Subscriptions, Memberships	\$ -	\$ 700
Capital Outlay	\$ -	\$ 32,000
<b>Total Community Services/Parks</b>	<b>\$ 1,262,304</b>	<b>\$ 1,371,161</b>

**APPENDIX D  
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 the unincorporated municipal services area (UMSA). Pursuant to the state constitution UMSA is treated by the state as a municipality.
- Unappropriated Not obligated for specific purposes.
- Unencumbered The portion of an allotment not yet expended or encumbered.
- User Fees Charges for expenses incurred when services are provided to an individual or groups and not the community at large. Effective utilization of user fees depends on identifying specific beneficiaries of services and then determining the full cost of the service they are consuming (e.g. building inspections).