



# Town of Cutler Bay

Adopted Budget  
Fiscal Year 2012-13



"Our mission is to make Cutler Bay a beautiful, safe and friendly Town that encourages its residents and business leaders to actively and proudly participate in our ongoing efforts to enhance and sustain the Town's image, sense of identity and quality of life."

Adopted Millage Rate 2.5702

## TABLE OF CONTENTS

<b><u>INTRODUCTION AND MANAGER’S MESSAGE</u></b> .....	<b>2</b>
MESSAGE FROM THE TOWN MANAGER .....	2
TOWN PROFILE.....	18
TOWN GOVERNANCE PHILOSOPHY .....	24
ANNUAL BUDGET PROCEDURES .....	32
BUDGET CALENDAR AND BUDGET AND ACCOUNTING BASIS .....	34
<b><u>BUDGET OVERVIEW, POLICIES &amp; REVENUES</u></b> .....	<b>36</b>
OVERVIEW.....	36
FINANCIAL POLICIES .....	41
<b><u>TOWN GENERAL FUND</u></b> .....	<b>43</b>
GENERAL FUND SUMMARY.....	43
GENERAL FUND REVENUES .....	47
GENERAL FUND EXPENDITURES & OPERATIONS.....	54
MAYOR AND COUNCIL .....	55
TOWN CLERK .....	58
TOWN ATTORNEY .....	63
GENERAL GOVERNMENT.....	65
FINANCE .....	72
POLICE SERVICES .....	76
COMMUNITY DEVELOPMENT .....	81
PUBLIC WORKS .....	89
COMMUNITY SERVICES AND PARKS .....	96
CUTLER BAY TOWN CENTER BUILDING .....	101
RESERVES.....	105
<u>TOWN SPECIAL REVENUE FUND OPERATIONS</u> .....	106
SPECIAL REVENUE FUND PROJECTS.....	110
<b><u>TOWN CAPITAL PROJECTS FUND BUDGET</u></b> .....	<b>114</b>
OVERVIEW.....	114
FY12-13 PROJECTS .....	115
<b><u>STORMWATER UTILITY FUND BUDGET</u></b> .....	<b>116</b>
OVERVIEW.....	117

### **APPENDICES:**

- A) FULL-TIME POSITIONS BY DEPARTMENT, GENERAL FUND, FY11-12 AND FY12-13
- B) GLOSSARY

## Introduction and Town Manager's Message



October 1, 2012

Dear Mayor & Council Members, Residents and Community Members:

The purpose of this letter is to provide the Council with a framework for future budget decisions and provide the Council with an overview of the budget for Fiscal Year 2012-13.

The 2012-13 certified property tax roll for Cutler Bay reflects an approximate 1.7% decline in town-wide property values from the previous year, this is the fourth consecutive year of declining property values. While the 2009-10 and 2010-11 tax years resulted in declines of approximately 20% and 23% respectively, the declines in the past two years have been modest and may indicate that a bottom has been reached in our Town's real estate market (FY 2011-12: -0.6% FY 2012-13: -1.7%). Additional evidence of this can be seen by renewed building permit activity for both residential and commercial development(s).

At its July 18, 2012 Budget Workshop Meeting, the Town Council established the millage rate "cap" at **2.9394 mils**. During the first Budget Public Hearing, which was held on September 10, 2012, the Town Council adopted a "tentative" millage rate "cap" of **2.800 mils**. During the second Budget Public Hearing, which was held on September 24, 2012, the Town Council adopted the "final" millage rate of **2.5702 mils** and that rate was used to build the budget contained herein. The final budget contemplates "dipping" into the Town's reserves to balance the budget (\$2.07 million). We understand that many other governments are funding portions of their budgets out of reserve accounts during these very challenging economic times; however, continued reliance on reserve accounts for nonrecurring items is not advised.

## **BACKGROUND**

We have grown substantially since our incorporation (2005), in order to provide proper services to the community with the critical support of the Mayor and Council. We are very proud to have held the Administrative core staff to only **27** full time positions. As a result we have kept expenditures for staffing extremely low while, continuing to provide "outstanding" services to all our residents and business owners.

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

Additional significant events this year include:

- **PTP (People's Transportation Plan)** - In February 2012, the Town entered into an Interlocal Agreement with Miami-Dade County to allow the Town to receive funds from the County Charter Transit System Surtax (the "surtax"). This surtax was authorized in 2002 and is shared by the County (80%) and the incorporated municipalities (20%).

Municipalities incorporated after enactment of the surtax, including the Town, were excluded from the revenue sharing. However, the County entered into this Interlocal Agreement with the Town which will provide funding to the Town from the County's share of the revenues until such time as a new Interlocal Agreement is executed between the County and all of the participating municipalities.

Pursuant to a "Most Favored Nation" clause in the Town's Agreement with the County, and as a result of the County's settlement with two other municipalities who, filed lawsuits which resulted in more favorable terms. The Town received not only payments for fiscal year 2012 and going forward, but also will received a lump sum payment for estimated revenues from the past two fiscal years. The lump sum payment for the prior two fiscal years received by the Town totaled approximately \$2.5 million.

The surtax is restricted as to use and will be accounted for in a Special Revenue Fund. On an annual basis, at least 20% of the surtax proceeds must be spent on Transit related items. The remaining portion may be spent on Transportation related items.

- **“New” Cutler Bay High School** - In May 2012, the Town entered into an Interlocal Agreement with the Miami-Dade County School Board to provide for the establishment of three choice Academies of study at the existing Town school (Centennial Middle School) which will bring to the Town its first ever High School level curriculum. The programs include newly created studies based on a Cambridge Curriculum, iPrep Academy, as well as an expansion of an existing Environmental Sciences magnet program (COAST).
- **“New” Municipal Circulator Bus** – On September 5, 2012, the Town launched the operation of its Town-wide circulator bus which, was purchased with Federal Stimulus Grant funds. The bus is being operated by Miami-Dade Transit on behalf of the Town and the operation will be fully paid for through the Town’s share of PTP transit surtax funds. Also, since the circulator bus will be operated by the County’s Transit Department, there is the additional benefit to Town residents that the Town’s circulator bus will also connect to the County’s entire transit system (Bus-Way, Metro-Rail, and Tri-Rail services).
- **“New” Lakes-by-the-Bay Park** - Completion of the 50 acre Lakes by the Bay Park at no cost to Cutler Bay taxpayers. The park opened in December 2011 and consists of: three baseball/softball fields and two soccer/football fields that includes an under drainage system, irrigation, lighting, fencing, etc.; a field center building including restrooms, concessions and storage; an exercise course; parking lot; landscaping and park amenities using County funding,
- **Police Department Crime Reduction** - A year-to-date comparison of July 2011 versus July 2012 shows that crime has been significantly reduced by **12%**.
- **National Flood Insurance Program (NFIP)** - Successfully completed the review process for FEMA’s Community Rating System (CRS) – Flood Insurance Discount Program which awarded the Town a Class “6” rating that resulted in all of the properties located in the Town’s Special Flood Hazard Area with a twenty percent insurance premium discount.

Additionally, approximately \$17 million from the Board of County Commissioners’ Public Transportation Program (PTP) has been awarded to the Town for roadway improvements to both Old Cutler Road and Caribbean Boulevard projects. The constructions of the Old Cutler Road

improvements are well underway and scheduled for completion in FY 2012-13. The "Planning Phase" for the Caribbean Blvd. project began last fiscal year and construction should commence in FY 2012-13. Both roadway projects will increase safety, expedite traffic and beautify two major roadways within our Town. This effort was finalized after several years of negotiations with the County's Public Works Department.

Through the coordinated effort of our dedicated Department Directors and their staffs, we have served the community in an exemplary manner. We currently have only **27** full time positions working in the administration and **50** sworn police officers with six support personnel (including one vacant position) to manage the responsibilities of demands of 10 square miles and over 41,411 residents. The parks programs employ some 30 to 40 part-time employees each year, to meet the needs of our summer and after school programs.

### THE PRESENT AND THE FUTURE

Since the Town's inception, we have established a very conservative approach in financing, accounting and budgeting which has resulted in placing our Town in a very secure financial position. The Town is in excellent financial condition despite the economic devastation of the last four years.

The following is an extract from our 2011 year Comprehensive Annual Financial Report (CAFR):

### FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at September 30, 2011 by \$65 million (net assets). Of this amount, approximately \$17.2 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$4.95 million from the total net assets balance at September 30, 2010 (as adjusted). The net increase results primarily from the Town's fiscal year 2011 operations (\$4.68 million) in addition to an adjustment (\$271,000) to reflect reduction of the principal balance on the Town's pro-rata share of

the QNIP bonds that the Town agreed to pay as a condition of incorporation. The County refinanced those bonds during 2011 and the refinancing impacted the Town's pro-rate share.

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

- As of September 30, 2011, the Town's governmental funds reported combined ending fund balances of \$19.56 million, an increase of \$170,800 from the September 30, 2010 balances, due primarily to the Town's current operations during the fiscal year, increased by proceeds from debt issuance and transfers in, and offset by capital expenditures, debt service and transfers out. This combined fund balance represents **135%** of combined governmental fund operating expenditures (excluding Capital Outlay).
- At September 30, 2011, unassigned fund balance for the General Fund was \$12.5 million, or 70% of total General Fund expenditures, versus \$10.9 million and 47%, respectively, at September 30, 2010. The \$1.6 million increase in unassigned fund balance is a positive indicator of improved financial health of the Town.
- In the last quarter of fiscal 2008, Miami-Dade County transferred the stormwater utility operation within the Town's boundaries to the Town. The Town is recording the activity of this operation (a business type activity) in an enterprise fund. In fiscal 2011, the stormwater utility's net assets decreased by approximately \$11,800 which resulted primarily from an operating loss of approximately \$131,100 generated from approximately \$988,800 in revenues against \$1,119,900 in expenses, including \$163,400 in depreciation (a non-cash expense). The other components of the fiscal 2011 decrease in net assets include capital contributions of approximately \$100,800 relating to stormwater infrastructure under construction, as well as \$18,500 in interest income and transfers.
- At September 30, 2011, \$3.8 million of the General Fund's fund balance is classified as "Committed" by management, and approved by Council, for contingencies and other operating emergencies.

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

The Town is extremely proud to be one of the few local governments in the State of Florida to have achieved the Florida Green Building Coalition (FGBC) "Silver" certification, especially considering our youthful age as a municipality. We appreciate the leadership and foresight of the Mayor and Town Council in approving the resources necessary for the accomplishment of this prestigious achievement.

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

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

### **REVENUE PROJECTIONS**

#### GENERAL FUND REVENUES

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

#### OTHER REVENUES

We are budgeting an increase in overall General Fund operating revenues. State estimated pass-through revenues for Local Government Half-Cent Sales Taxes, State Revenue Sharing, Communications Services Tax and Local Option Gas Taxes are currently expected to increase versus prior year budget amounts. Judgments and Fines are projected to be higher than the prior year budget resulting from incorporation of red light

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

camera violation revenues into the budget. Other licenses and registrations (local business tax receipts, burglar alarms and solid waste franchises) are projected to remain flat this coming year (versus the prior year budget). Electrical Franchise Fees are budgeted higher than the prior year budget as a result of better than anticipated actual receipts in FY 2011-12.

The Town must rely on estimates from both Florida Power & Light and Miami-Dade County for utility tax revenues. Due to these estimates, the FY 2012-13 utility taxes are budgeted at \$385,000 or 21 percent more than the prior year budget.

### THE SAVE OUR HOMES EFFECT

As stated earlier, the FY 2012-13 certified property tax roll for Cutler Bay reflects an approximate 1.7% decline in Town-wide property values from the previous year. By default, that percentage is an "average". Some properties will have declined more than that amount and some by less (or, in the case of long-time homesteaded properties, may have actually increased due to the effects of the Save Our Homes amendment).

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

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

### DOUBLE HOMESTEAD EXEMPTION

On January 29, 2008 voters in Florida voted for a new property tax reform amendment. Previously, homeowners could receive a \$25,000 exemption on their primary residence, which meant the homeowner, doesn't pay property taxes on the first \$25,000 of the just value of the property. The new amendment increased the exemption as follows: Homeowners can receive an additional \$25,000 homestead exemption for the value of homesteads above \$50,000. The new exemption has had a devastating impact on ad valorem revenues statewide as it essentially doubles the previous amount of property value, which may not be taxed, and therefore those revenues, which previously were received for services, are no longer available.

### MILLAGE CAP ESTABLISHED

The Property Appraiser mailed the required Notices to all property owners in August, using proposed tax rates adopted by all taxing authorities in Miami-Dade County. Thus, the millage rate of 2.9394 set at the July 18, 2012 Council Budget Workshop (Resolution #12-34) was used in the Notice(s) and would be the amount of Cutler Bay property taxes that appears on the tax bill unless changed by the Town Council. The millage rate (Cutler Bays' share) typically approximates only 10 percent or so of the total yearly tax bill. At its first Budget Public Hearing on September 10, 2012, the Town Council set a "tentative" millage rate of 2.8000 mills that served as the "cap" going into the second scheduled Budget Public Hearing. At the second scheduled Budget Public Hearing, which was held on September 24, 2012, the Town Council adopted the "final" millage rate of 2.5702 mills (Resolution # 12-48). The "final" adopted millage rate was utilized by Town staff to develop the 2012-13 Operating & Capital Budgets contained herein.

### SPECIAL REVENUE FUNDS

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

### CAPITAL PROJECTS FUND

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

CARRYOVER and RESERVES

Carryover is the balance of estimated unreserved fund balance remaining at year-end that is carried forward into the new fiscal year and available for appropriation by the Council. Although, from an accounting point of view, carryover is a balance sheet item and is not included in a profit and loss statement, in governmental budgets carryover is included as part of the budget. Having sufficient cash carryover is critical to a municipality because it provides the necessary cash flow before property taxes are collected beginning in November.

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

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

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

There are a number of reserves that are part of the Operation Budget. The Town strives to maintain prudent reserves, establishing funds for contingencies and emergency situations, as well as for the impact of revenue reforms on the stability of the Town's operating budget and for other items such as grant matches. The budget document will detail the various general fund reserves and their uses subsequent to policy set by the Town Council.

## RESERVE FUNDS

- **Emergency Contingency (\$5,450,000 budgeted)**

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

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

- **Revenue Stabilization (\$300,000 budgeted)**

*Funding Rationale:* This reserve was initially established to mitigate the risk of reduced property tax and other revenues in general.

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

- **Grant Match Reserve (\$200,000 budgeted)**

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

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

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

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

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

- **Tax Equalization Reserve (\$300,000 budgeted)**

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

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

- **Building Capital Reserve Fund (\$1,500,000 budgeted)**

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

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

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

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

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

- **Building Loan Requirements, restricted (\$3,060,700 budgeted)**

*Funding Rationale:* Currently, there is a requirement set by the bank loan documents that the Town set aside up to \$3.06 million in a depository relationship account with TD Bank, as a condition of the building purchase loan. This amount is equal to approximately 20% of the maximum outstanding loan balance, which will reduce over time as loan principal payments are made.

*Uses/Restrictions:* These funds are deemed "Restricted" due to existing loan(s) Agreement(s).

- **Education Initiative (\$300,000 budgeted)**

*Funding Rationale:* Amount due, as a result of the Town's Interlocal Agreement with the Miami Dade County School Board to provide high school operations in existing school(s). In partnering with the School Board, the Town contribute's funds to the effort and the amount provided in reserve is an estimate of the amount needed to satisfy debt service on any debt financing secured for such purpose.

*Uses/Restrictions:* These funds are to be used solely for the education initiative's approved by the Town Council.

## BUDGET RECOMMENDATIONS FOR FY 2012-13

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

### GENERAL FUND EXPENDITURES

At its July 18, 2012 Budget Workshop, the Council adopted the proposed ceiling rate of 2.9394 mils per \$1,000. At its first Budget Public Hearing on September 10, 2012, the Town Council set a "tentative" millage rate of 2.8000 mils that served as the "cap" going into the second Budget Public Hearing. As a result of the second scheduled Budget Public Hearing, which was held on September 24, 2012, the Town Council adopted the "final" mileage rate of 2.5702 mils. The "final" adopted mileage rate was utilized by Town staff to develop the 2012-13 Operating & Capital Budgets contained herein.

Across all Departments we have implemented a new health insurance plan that resulted in significant savings to the Town for a slightly less robust program, adjusted for the FRS deduction passed by the Legislature and accounted for the Town Charter requirement regarding Consumer Price Index (CPI) changes, as established by US Department of Labor Statistics, for Councilmembers as well as employees. Additionally, for FY 2012-13 we have established merit "pools" in each Department from which employee's merit based pay adjustments can be made, if warranted. It has been four years since such merit based pay adjustments were offered to employees. Councilmembers will continue to have cell phone and iPad charges paid for by the Town.

LOAN MODIFICATIONS

Town staff successfully negotiated with our current lender, and subsequently, the Town Council approved the modifications during a Special Council meeting held September 10, 2012. The debt service required under the loan facilities in FY 2012-13 will be substantially less, as a result of the new loan modifications, than that required under the original loan terms. Additionally, Town staff has separately negotiated a financing facility with the lender to provide for our Community wide school initiative with Miami-Dade County Public Schools, also approved by the Town Council on September 10, 2012.

The budget schedules included in this final budget reflect the debt service changes as discussed in the preceding paragraph. Budgeted debt service for FY 2012-13 is **decreased** by approximately **\$882,000** from the amounts previously provided that would have been required under the original loan terms.

The average taxable home value in Cutler Bay in 2011 was \$78,255 (prior to Value Adjustment Board changes); this property owner would have paid Cutler Bay \$201 in property taxes and paid \$1,307 in County, School and other taxes for a total of \$1,508.

The average taxable home value in Cutler Bay for 2012 is estimated at \$77,355. At the final millage rate adopted by the Council on September 24, 2012 (2.57020 mills), this property would be responsible for Cutler Bay property taxes of \$199 and have \$1,283 in County, School and other taxes, based on their respective tentative rates, for a total of \$1,482, a slight decrease from the prior year.

REVENUE REDUCTION VS. SERVICE REDUCTION

These are clearly extraordinary financial times that require extraordinary leadership and extraordinary courage. We will continue to provide "high" levels of services to our community.

Significant challenges in addressing service priorities and requirements, which were the primary reasons for incorporating the Town will remain. The public services that our community relies upon each day, cannot be reduced to make up the difference without serious service level consequences.

## FY 2012-13 ADOPTED BUDGET

Following Council direction, the general budget priorities for FY 2012-13 are:

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

Because of the property tax relief initiatives that have been adopted in the past several years, and the global economic situation, the development of the FY 2012-13 Budget was a "challenge." The revenue losses due to the Ad Valorem revenue reductions, as well as the voter approved increase of the homestead exemption from \$25,000 to \$50,000 have been staggering.

The FY 2012-13 Adopted Budget is balanced at \$52.9 million, of which approximately \$31 million represents the General Fund budget, \$17 million represents Special Revenue budgets, \$15,000 represents the Capital Projects Fund budget, and \$4.90 million relates to the Stormwater Utility Fund budget.

It is evident that because of our focus on "results-oriented" management practices, we were able to make some adjustments reasonably and rationally without drastic reduction in existing service levels, although significant budget reductions still occur due to the magnitude of the revenue reductions. Of our current **27** full time, non-Council, non-police employees, six are either Department Directors or work directly for the Council. Of the remaining 21, nineteen earn less than \$50,000 per year. The total yearly salary line item for general revenue based positions excluding the same positions as above is approximately \$719,000. This amount is only 2.3 percent of our general operating budget. No other municipality in the Miami-Dade County has fewer staff per resident than our Town.

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

In creating this budget we focused high priority on maintaining our public safety resources intact with no law enforcement staffing cuts, improving our public transportation infrastructure, implementing environmental "green" initiatives and addressing the services that mean so much to our community.

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

#### RESERVES

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

#### SPECIAL REVENUE FUND REVENUES (NOT AD VALOREM TAXES)

The following summarizes the increases and decreases of the various special purpose revenues in this fund. Local Option gas tax revenues are expected to increase slightly for the coming budget year, and are projected at, \$194K. The \$1.9 million carryover consists primarily of revenues collected from prior years (primarily impact fees and unexpended gas taxes) and held for appropriation once sufficient funding levels and planning is complete. Expenditure of a portion of this carryover is planned for FY 2012-13 on various Public Works projects.

For the most part, the Special Revenue Fund expenditures are transfers to the General Fund for specific activities and projects (Building and Zoning activities and Public Works projects) and the transfer of funds to the Capital Fund for specific capital projects described below.

CAPITAL PROJECTS FUND

In FY 2007-08, the Town established a Capital Projects Fund wherein major capital improvement projects are budgeted. Revenues are aligned to specific projects. The FY 2011-12 budget included completion of significant Town projects, including completion of the 50 acre park known as Lakes by-the-Bay Park, along with playground improvements at the park.

No additional capital projects are contemplated in the FY 2012-13 budget.

CONCLUSION

These are clearly extraordinary times that require extraordinary leadership and extraordinary courage. We thank the Mayor and Council for having those qualities, as we believe they have been reflected in this final budget. It is essential to continue building our reserve accounts for a multitude of reasons. As always, your staff will endeavor to continue to provide the levels of services our community is entitled to, with even more limited resources available for this purpose. We are grateful for your continued contributions to the budget development process. The confidence you hold in your staff makes it possible for us to provide the results our community deserves and expects. By working together we have once again been able to craft a budget that addresses the priorities you have created for our community.

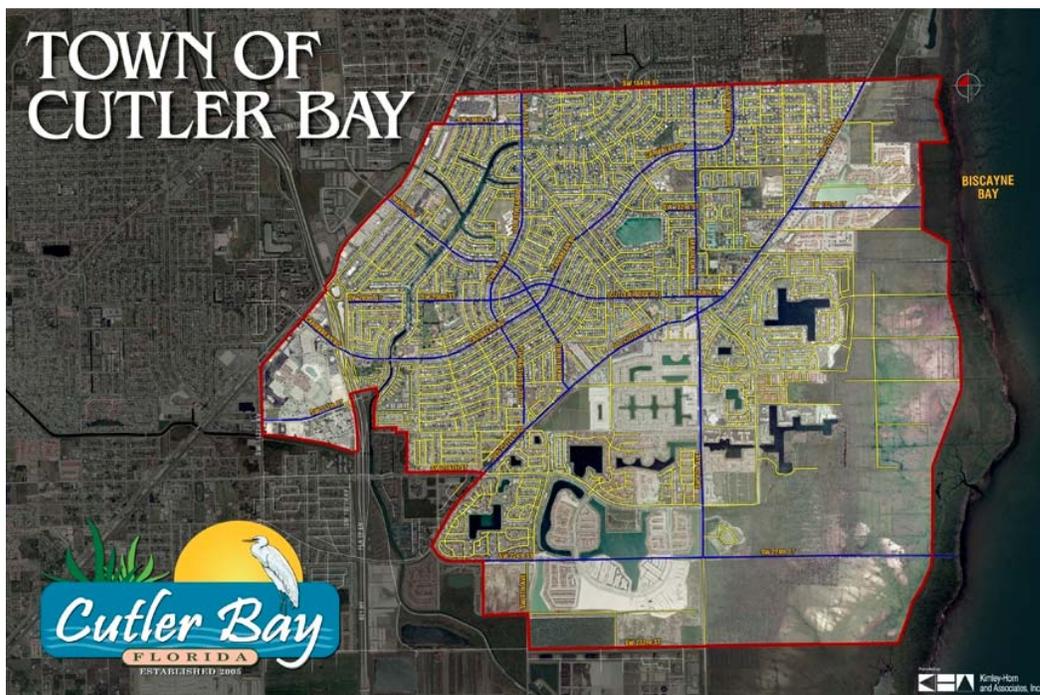
Respectfully submitted,

Rafael G. Casals, CFM  
Interim Town Manager

## TOWN PROFILE

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

The Town is bordered on the north by the Village of Palmetto Bay and on all remaining sides by unincorporated Miami-Dade and the communities of West Perrine, South Miami Heights, and Goulds. The Town limits are generally SW 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. The following is an aerial map of the Town and its boundary (outlined in red):



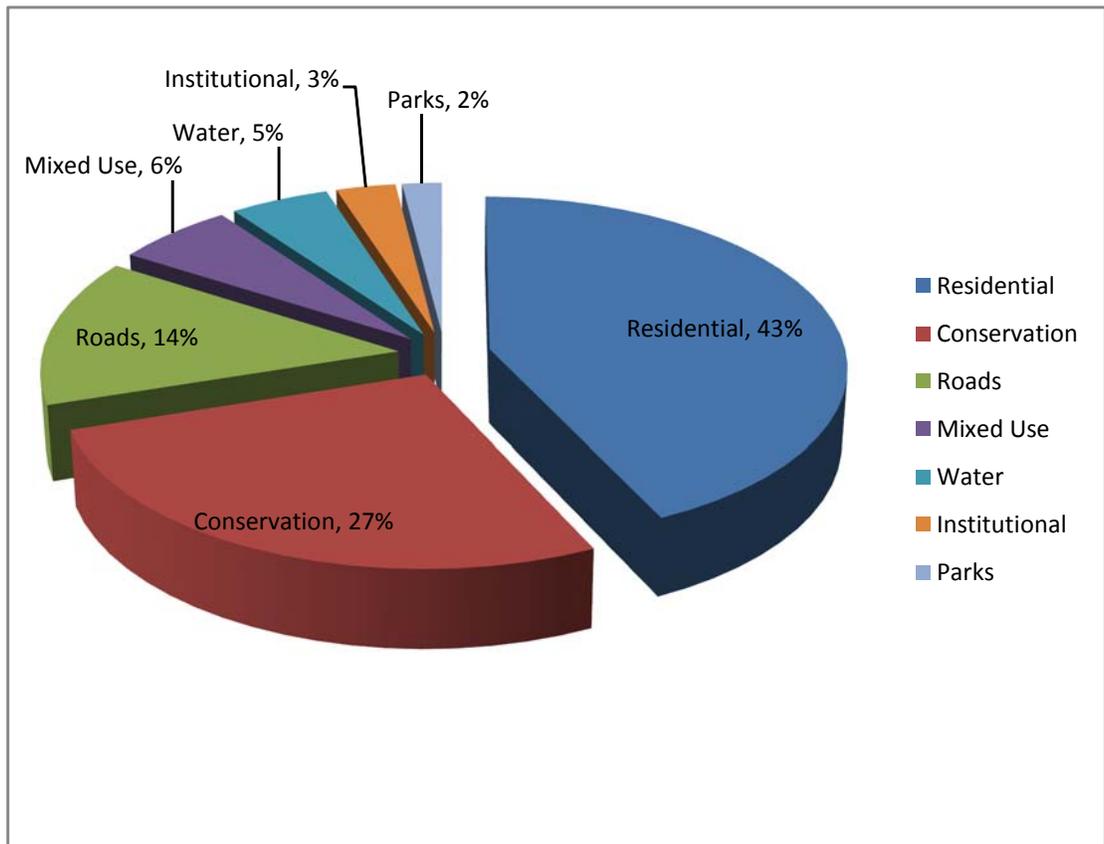
**DEMOGRAPHICS**

Current population estimates from the University of Florida, which provides the official population figures as used by the State of Florida, indicate an estimated 41,411 residents. At the time of incorporation, the Cutler Bay area population was estimated at approximately 32,000 residents indicating a 27 percent growth rate since incorporation. Estimates of future growth indicate a population of 55,000 by 2020.

The Town is a dynamic community that includes a diversified mix of single and multi-family, residential, commercial, and public uses. The Town is characterized by established and developing residential communities and commercial development along both 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, 2012**



PARK & RECREATIONAL FACILITIES

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

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

PUBLIC SCHOOLS

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

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

In May 2012, the Town entered into an Interlocal Agreement with the Miami-Dade County School Board to provide for the establishment of three choice academies of study at the existing (Centennial Middle School) which, will bring to the Town its first ever high school level curriculum. The programs include newly created studies based on a Cambridge Curriculum, iPrep Academy, as well as an expansion of an existing Environmental Sciences magnet program (COAST).

ECONOMIC DEVELOPMENT

The Town is proactively seeking economic development opportunities through direct communication with national and local businesses, and participation in local economic development organizations to promote the area's friendly business environment, economic amenities, and viable infrastructure. In FY 2011-12, the Town committed approximately \$11.4 million in park improvements, roads, storm water system, and upgrade of government facilities, and the opening of a "new" public high school to support a sustainable economic development growth and educational opportunities for the residents of Cutler Bay and surrounding communities.

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

The Town has worked with adjoining municipalities to implement the "Green" Corridor and PACE (Property Assessed Clean Energy) program. The intent of the PACE Program is to enable property owners to borrow money to buy solar panels, wind generators, insulation or shutters for their home. This initiative will provide market opportunities for local vendors, specializing in the development, distribution and installation of energy efficient technology that meets the requirement of the PACE Program.

In FY 2011-12, the Town continued to adopt policies and cost-effective initiatives in support of our local business community to ensure a sustainable business environment. The Town Council supports these economic development initiatives through the adoption of the new land development regulation and zoning map. The purpose of these standards is to provide minimum regulations to ensure that future growth is an integral part of a community of functional neighborhoods, retail and commercial centers; increases collective security and community identity to promote civic awareness and responsibility; and enhances the quality of life for the entire Town to ensure the greatest possible economic and social benefits for all residents.

In FY 2011-12 and through the second (2) quarter of FY 2012-13, the Town will have approximately 342 new residential units and 137 apartment units built in 59.64 acres located primarily in Lakes-by-the-Bay Community. The anticipated assessed value of this residential development is approximately \$66.5 million, which represents more than \$100,000 in new municipal property taxes. During the same period, three (3) major commercial developments will come on line in the Town with the potential for generating more than 200 new jobs in the Town. One of the commercial developments is the Olive Garden Restaurant located in an out parcel on the Southland Mall. This development is located within the boundaries of the South Dade "Brownfield" area. A "Brownfield" area site is defined by the U.S. Environmental Protection Agency (EPA) a contiguous area of one or more Brownfield sites, some of which may not be contaminated, and which has been designated by a local government by resolution. "Brownfield" area site is defined as real property for which its expansion, redevelopment, or reuse may be complicated by actual or perceived environmental contamination.)

As a result, Olive Garden will receive approximately \$2,000 in financial incentive for each employee from the State's Brownfield Redevelopment Bonus Refund for a period of five (5) years, as long as, they generate 80 new jobs, contribute to the community more than \$4.5 million in new capital investment, and meet other agreed to with the State Department

of Economic Opportunity. Another development of great importance to the Town is the construction of Cutler Bay Center, an apartment building

for senior citizens to be located adjacent to the South Dade Performing Arts Center and within walking distance to the Southland Mall. This state-of-the-art development will provide senior citizens in our community with an opportunity to stay in the area in a residential complex that will provide a variety of amenities

In FY 2011-12, there were no major changes to the current land use distribution, in comparison, to prior years. A significant percentage of the Town's land (forty-nine percent) is classified in the broad categories of residential and mixed land use. Currently, there are no acreage in the Town of Cutler Bay that is classified as "Industrial." This land use profile is similar to that of nearby municipalities in that, the land uses are mostly comprised of residential properties relative to commercial, office and institutional uses.

In FY 2011-12, the South Dade Performing Arts Center, a \$44 million project funded by mostly tourism tax money, County bonds and State grants has become one of the corner stone of the Town's cultural venue. This state-of-the-art building is designed to seat nearly 1,000 people has hosted cultural events and musical performances that have attracted local, national and international talent to Cutler Bay and South Dade. The South Dade hall occupies six acres next to the South Miami-Dade Government Center. Both Town and County planners feel that the Arts Center will work as a catalyst for the continuing redevelopment of this important area.

Through the Charrette Planning processes, the community has envisioned an urban village around the cultural center and the Southland Mall area. Master plans tie in the County regional library, the South Dade Government Center and the Mall, and add housing, restaurants and local retail. Already built and operating is the new, state-of-the-art Mercedes Benz automobile dealership, indicating economic and market trends will continue upward.

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

Through support for the major projects, implementation of the new Land Development Regulations, support for sustainable development, protection of our natural resources, cooperation with our regional partners, development financial and regulatory incentives the Town should continue to be one of the most desire communities in Miami-Dade County for businesses to relocate and for developers to build communities that enhances the quality of life of our residents.

Figure 2. **Charrette Rendering – Old Cutler Road Improvements**



TOWN GOVERNANCE PHILOSOPHY

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

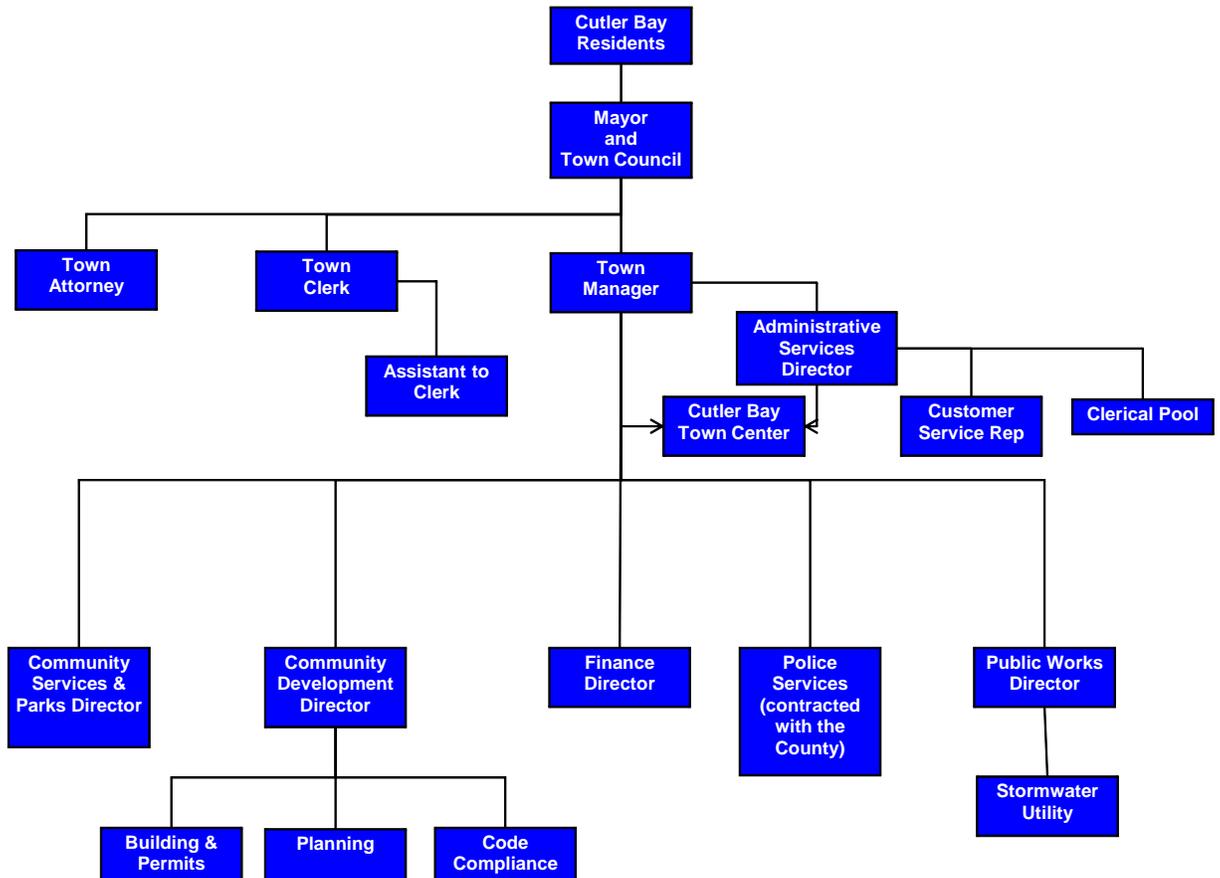
*"To develop a fiscally efficient government with a highly qualified core staff and use private sector contractor to maximum benefit. However, when citizen contact is a critical component of our service, Town employees may, in fact, provide the best level of service possible".*

ORGANIZATIONAL CHART

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

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Figure 3. Town of Cutler Bay Organizational Chart



A limited number of Town employees function in the various departments to provide superior services to residents and visitors. Currently, the Town has 27 full-time positions (excluding five elected officials, and one full time staff member in the Stormwater Utility Fund) and 56 contracted police services positions (including one vacant position). In addition, approximately 30 to 40 part-time and temporary personnel are added in the summer months to staff parks programs. Appendix A lists the current number of full time positions by department and positions proposed for FY 2012-13.

STRATEGIC PLAN

The Town's Strategic Plan is a guide for the Council and the Manager and sets many goals as distinguished from requirements. A set of strategic goals were formed as a result of citizen based planning efforts in 2006. The initiatives are implemented, funded and tracked as part of the Town's ongoing business planning process. This budget is designed to address each of the specific goals of the strategic plan.

TOWN COUNCIL'S COMMITMENT TO THE COMMUNITY

The Mayor and Town Council are driven by the following Statement:

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



## TOWN LEADERSHIP

### TOWN COUNCIL



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

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

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

[Councilmember Peggy Bell](#) is the senior member of the Council, having served Cutler Bay since its inception in 2005. A resident of Cutler Bay since 1984, married to her husband Martin for thirty two years, they have a son

attending college at Florida Atlantic University. Councilmember Bell is Office Manager of "Bell's Tree Farm," a family business. After college, Councilmember Bell worked for the State of California Department of Transportation in planning and bidding highway projects. In 1976, while working for Eastern Airlines, Councilmember Bell relocated to the Cutler Bay area. After 15 years with Eastern Airlines, Councilmember Bell continued to work in the airline industry, first with Pan Am World Airways, then as an Airline Consultant for two startup airlines.

Councilmember Bell was a founding member of the Cutler Ridge Area Steering Committee, serving as its Secretary and co-founded United Citizens of Cutler Bay. A former PTSA President and 4H President, Councilmember Bell holds a Florida Realtor License and serves as a Vice President and Officer on several boards of directors.

Councilmember Bell has served as Council Liaison on several Citizen Advisory Committees, including Parks and Recreation, a Standing Committee formed in 2006. During her first term, Councilmember Bell committed to providing for as much park-land and open space as possible; playing an instrumental role in acquiring Lakes by the Bay Park.

Listed among Councilmember Bell's priorities on the Council is managing growth, promoting local businesses, and providing a safe environment for all, while honoring her commitment to the residents to keep taxes low. Now, in her second term, Councilmember Bell continues to dedicate her time on the Council to improving the "quality of life" for Cutler Bay residents.

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

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

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

Councilmember Mixon is a passionate animal lover with a tendency to rescue every animal in need. Councilmember Mixon is a major advocate for low-cost spaying and neutering and has donated much of her time and effort to help provide this valuable service. In her spare time, she enjoys boating, gardening and spending time with family and friends.

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

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

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

Councilmember Loyzelle is currently a member of Leadership Miami, an annual program sponsored by the Greater Miami Chamber of Commerce, which offers opportunities to meet Miami's leaders and to

share intensive learning experiences. The program provides an opportunity for its members to focus on community issues, in an effort to make Miami-Dade County a better place to live. The program's main message – contribution through service to your community – is one that she takes to heart and applies to her commitment to the Cutler Bay community.

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

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

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CHARTER STAFF



**Rafael G. Casals, CFM  
Interim Town Manager**



**Mitchell Bierman,  
Town Attorney (Weiss Serota Helfman  
Pastoriza Cole & Boniske)**



**Debra E. Eastman, MMC  
Town Clerk**

## TOWN OF CUTLER BAY OPERATING & CAPITAL BUDGET

FISCAL YEAR ENDING SEPTEMBER 30, 2013

### ANNUAL BUDGET PROCEDURES

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

#### TRUTH IN MILLAGE:

The Town is required to hold two public hearings for adoption of a property tax rate and budget. The first public hearing is advertised by the Property Appraiser mailing to each property owner a TRIM notice (September 10, 2012 at 7:00PM). In addition to notification of this first public hearing, the TRIM notice contains the following information:

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

The second public hearing is advertised by means of a newspaper advertisement (September 24, 2012 at 7:00PM). Accompanying this advertisement is a summary of the revenues and expenditures contained within the budget tentatively approved at the first public hearing.

#### THE TOWN CHARTER:

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

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

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

4.5 (B) Budget Adoption. The Council shall by resolution adopt the annual budget within the time prescribed by general law, after having had two (2) public hearings. If it fails to adopt the annual budget by this date, the Council may by resolution direct that the amounts appropriated for current operations for the current fiscal year shall be deemed adopted for the ensuing fiscal year for a period of fifteen (15) days and renewed by

resolution each fifteen (15) days, with all items in it prorated accordingly, until such time as the Council adopts an annual budget for the ensuing fiscal year. A resolution adopting an annual budget shall constitute appropriation of the amounts specified therein.

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

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

**SECTION 4.6 DEFINES THE FISCAL YEAR AS FOLLOWS:**

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

**SECTION 4.7 DESCRIBES THE CIRCUMSTANCES UNDER WHICH THE BUDGET MAY BE ADJUSTED.**

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

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

2012 BUDGET ACTIVITIES CALENDAR

- June** Department Directors submit budget requests and capital improvements are reviewed.
- June 29** Certification of Taxable Value by the County.
- July** Tentative Budget is prepared by Town Manager.
- July 18** Maximum millage rate adopted via Resolution #12-34. Proposed rate adopted at 2.9394 mils.
- August 3** Notify the Property Appraiser of Adopted millage Rate.
- August 30** Town Council Budget Workshop held at 7:00PM (Town Hall)
- August 24** Town Council TRIM notices are mailed by County.
- September 10** 1st Budget hearing Scheduled for 7:00PM (Town Hall)  
"Tentative" Millage Rate adopted at 2.8000 mils.
- September 24** 2nd Budget hearing Scheduled for 7:00pm (Town Hall)  
"Final" Millage Rate adopted at 2.5702 mils.
- September 27** Deadline for notifying Property Appraiser and the Tax Collector. Task Completed
- October 24** Certify compliance with Chapter 200, F.S. to the Florida Department of Revenue. Task Completed

BUDGET AND ACCOUNTING BASIS

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

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

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

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

## BUDGET OVERVIEW, POLICIES & REVENUES



### OVERVIEW

A budget is a financial plan that allocates resources to deliver priority services, facilities and equipment. Budgeting is a complex process that results in a budget document, an accounting ledger, a spending plan and a system to review progress in meeting goals and to define and quantify new and updated goals.

### THE BUDGET IS A SPENDING POLICY

The approved budget document is actually a spending policy created through recommendations by the Town Manager to the Town Council, which is the only body that can make it law, and is intended to authorize the Town Manager to make certain expenditures in order to accomplish the goals established by the Council. Certain steps are common to sound budget processes:

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

For the FY 2012-13 fiscal year, the Council and the Town Manager have engaged in an ongoing dialogue regarding Town services and have engaged the community through the comprehensive plan process and other community workshops. Additionally, the Town Council meets each year with the Town Manager in a budget workshop (held on August 30, 2012) to clearly state their budgetary instructions in advance of formal budget presentation. The Town Manager and his professional staff build 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.

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

Efficient local police presence, acquiring park space, caring for our newly acquired infrastructure, and fair code compliance are ongoing priorities for the Town of Cutler Bay. The final FY 2012-13 Budget addresses those priorities and also continues to deliver public works, parks, community development and other Town services at a level determined by budgetary restraints. All available services have finally been transitioned from Miami-Dade County to the Town as well as the transfer of infrastructure assets. This was done ahead of the schedule of other new municipalities in Miami-Dade County which demonstrates the aggressive negotiations and successful strategies employed by the administration to provide improved services to the community.

### BUDGET ACTIVITIES CALENDAR

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

**June 1, 2012** – Miami-Dade County Property Appraiser releases a preliminary tax roll value for each taxing district, including the Town of Cutler Bay.

**June 29, 2012** – Miami-Dade County Property Appraiser certifies the taxable value of real property and personal property for the Town of Cutler Bay. This year's certified roll reflected a decrease in property tax valuations of **1.7** percent from \$1.735 billion for FY 2011-12 to \$1.705 billion for FY 2012-13.

**July 18, 2012** - Town Council adopted the adopted millage rate via Resolution #12-34 (the rate which is multiplied by the property tax roll to generate the funding level for the ad valorem revenues). The adopted millage rate (2.9394) 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.

**September 10, 2012** – Town Council adopted the “tentative” millage rate, during this First Public Budget Workshop. The “tentative” millage rate “cap” was set at **2.8000** mills.

**September 24, 2012** –Town Council adopted the “final” millage rate, during the Second Public Budget Workshop. The “final” millage rate was set at 2.5702 mills. This budget book was developed utilizing the “final” millage rate of **2.5702** mills.

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

As recommended by the Town Manager, the Cutler Bay Town Council members voted to set the Town's preliminary tax rate at the statutorily computed maximum millage rate to allow the Town Council maximum flexibility during the budget deliberation process. That proposed rate was not the final rate adopted by the Town Council. The final millage rate was adopted after two (2) public hearings held in September 2012.

- **1<sup>st</sup> Hearing: September 10, 2012, 7:00 PM** – Town Hall Council Chamber

*The Council adopted a tentative millage rate of 2.8000 mils*

- **2<sup>nd</sup> Hearing: September 24, 2012, 7:00 PM** – Town Hall Council Chamber

*The Council adopted a final millage rate of 2.5702 mils. The schedules herein are based on the FY 2012-13 final millage rate of 2.5702 mils.*

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

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

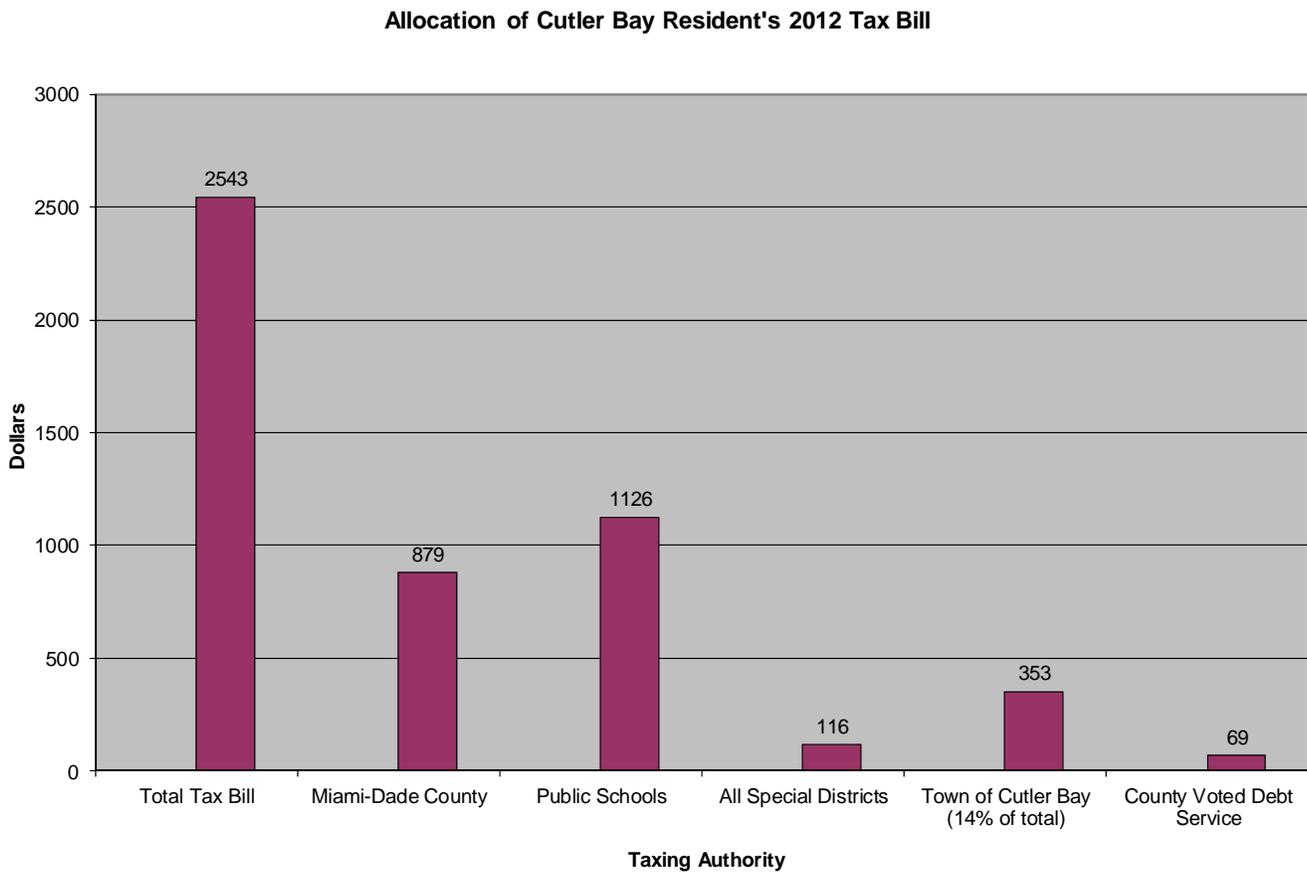
As a result, long-time homesteaded property owners benefited from years of skyrocketing home values by paying relatively less property taxes versus newer home purchasers due to the SOH limits on increases in assessed values.

The 2009 property tax valuation performed by the property appraiser was the first year in which property values dropped for Cutler Bay. Both 2010 and 2011 saw other significant declines in Town property values, followed by the current year's decline of less than 1.7 percent. These drops in property values now brings to fore the "other side" of SOH in which long-time homesteaded properties can now actually see their assessed values increase, even as property market values drop, even if that valuation is still below market value.

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

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

Figure 4. Allocation of Cutler Bay Resident's FY12-13 Taxes



Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

Figure 5. TRIM Notice

TAXING AUTHORITIES								
TAX INFORMATION	COLUMN 1	COLUMN 2		COLUMN 3	COLUMN 4 If NO Budget Change is Adopted		COLUMN 5 If Proposed Budget Change is Adopted	
TAXING AUTHORITY	Last Year's Taxable Value	Last Year's Tax Rate (millage)	Your Property Taxes Last Year	Current Taxable Value	Tax Rate (millage)	Taxes	Tax Rate (millage)	Taxes
<b>MIAMI-DADE COUNTY:</b>								
Countywide	120,739	4.8050	580.15	119,999	4.4902	538.82	4.7035	564.42
Fire Rescue	120,739	2.4496	295.76	119,999	2.3473	281.67	2.4496	293.95
Library	120,739	0.1795	21.67	119,999	0.1696	20.35	0.1725	20.70
<b>PUBLIC SCHOOLS:</b>								
By State Law	145,739	5.6950	829.69	144,999	5.3253	772.16	5.5570	805.76
By Local Board	145,739	2.0720	301.97	144,999	1.9382	261.04	2.2080	320.16
<b>MUNICIPAL:</b>								
Cutler Bay	120,739	2.5702	310.32	119,999	2.5579	306.95	2.9394	352.73
<b>WATER MANAGEMENT:</b>								
SFMM District	120,739	0.3739	45.14	119,999	0.3676	44.11	0.3676	44.11
Everglades CP	120,739	0.0624	7.53	119,999	0.0613	7.36	0.0613	7.36
<b>INDEPENDENT DISTRICT:</b>								
F.I.N.D.	120,739	0.0345	4.17	119,999	0.0341	4.09	0.0345	4.14
Children's Trust	120,739	0.5000	60.37	119,999	0.4721	56.65	0.5000	60.00
<b>VOTER APPROVED DEBT PAYMENTS:</b>								
County Debt	120,739	0.2850	34.41	119,999	0.2850	34.20	0.2850	34.20
School Debt	145,739	0.2400	34.98	144,999	0.2330	33.78	0.2330	33.78
County Fire Debt	120,739	0.0131	1.58	119,999	0.0131	1.57	0.0131	1.57
<b>TOTAL AD VALOREM PROPERTY TAXES</b>			2,527.74			2,382.75		2,542.88

## FINANCIAL POLICIES

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

### OPERATING BUDGET POLICIES

- A goal of the budget is to include contingency and cash reserves totaling at least two months operating costs.
- 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

The Town will develop a five-year capital plan identifying revenues and expenditures for each capital project.

- 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.
- Priority will be given to projects that are necessary for health, life, and safety and those that reduce operating costs.
- Capital projects shall be defined as those that have a life expectancy of five years and that cost \$10,000 or more.
- 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.
- 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.
- The term of any financings shall be consistent with the life expectancy of the capital project.

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

- 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

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

### CASH MANAGEMENT POLICIES

- All funds will be deposited within 24 hours of receipt and, to the extent possible, by 2:00 p.m. on the day of receipt.
- 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

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

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## TOWN OF CUTLER BAY BUDGETED FUNDS

### GENERAL FUND

#### GENERAL FUND SUMMARY

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 (6) major general fund revenues, other than carryover and transfers, are:

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

Other revenues include the local business tax receipts, solid waste franchise fees, burglar alarm registrations and fines, building permits and related zoning and code enforcement fees, park user fees, commercial rentals from the Cutler Bay Town Center, interest earnings, and carryover, among others. The accompanying chart reflects the percentages of each revenue source as part of the proposed \$31 million General Fund Operating Budget for FY 2012-13. State law requires counties but not municipalities to budget revenues at 95 percent of projected values. That requirement helps assure that actual revenues, which generally depend on next year's economy, will meet budgeted targets and cover expenses. As in FY 2011-12, revenues are budgeted at 95 percent of the FY 2012-13 revenue estimate, unless otherwise indicated at a more conservative rate.

"Carryover" (i.e. reserves from FY 2011-12 rolling into the FY 2012-13 budget) is projected at \$15.2 million. That's approximately \$5.2 million better than expected as a result of a history of prudent financial management by staff and not dipping into reserves to the extent budgeted.

The actual carryover from FY 2010-11 into FY 2011-12 was \$3 million better than expected. That year we budgeted to use (i.e., dip into) reserves, but we actually achieved an approximate \$1.6 million surplus. Also, we are only projecting to "dip into" FY 2011-12 reserves by \$1.1 million, versus the \$3.3 million dip that was budgeted, resulting in a savings of \$2.2 million.

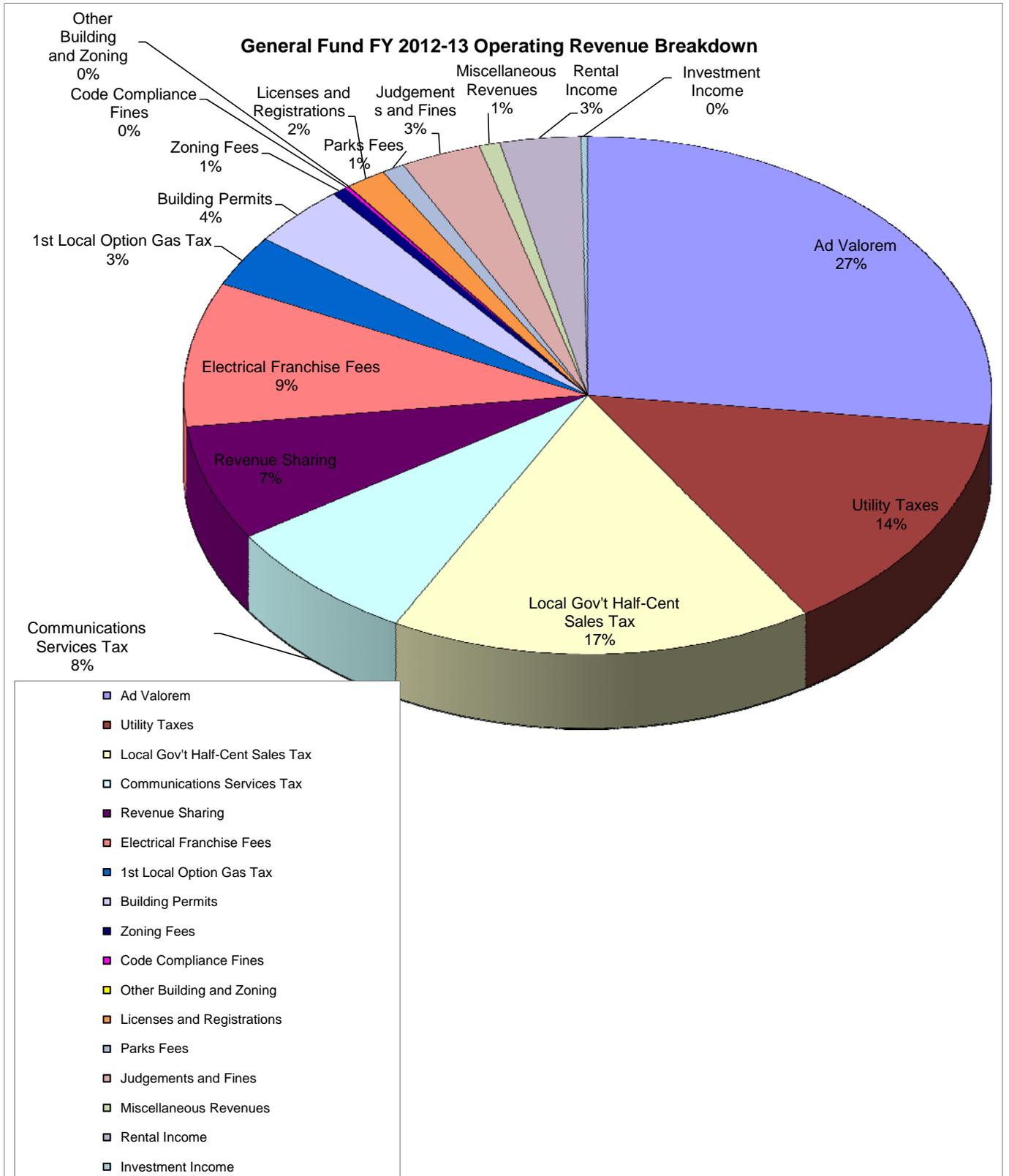
Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

The following summarizes the Town's General Fund:

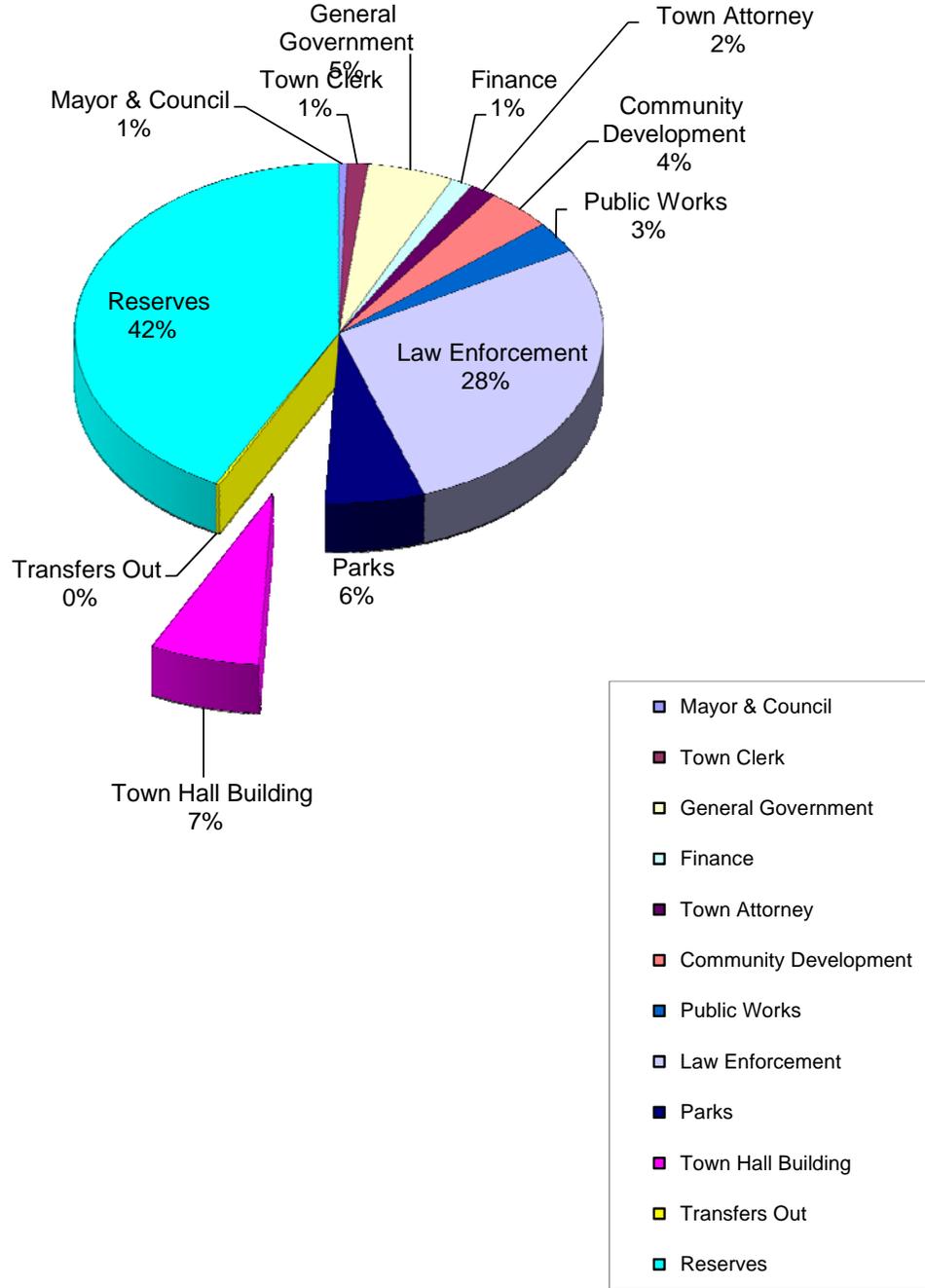
General Fund  
Summary

	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
<b>REVENUES:</b>						
Ad Valorem	6,599,152	5,448,770	4,215,773	4,235,862	4,200,000	4,164,257
Utility Taxes	2,186,688	2,379,305	2,412,904	1,800,000	2,250,000	2,185,000
Local Gov't Half-Cent Sales Tax	2,307,713	2,276,976	2,528,780	2,282,005	2,550,000	2,626,974
Communications Services Tax	1,815,460	1,265,559	1,217,327	1,090,796	1,250,000	1,234,347
Revenue Sharing	1,000,816	1,019,149	1,099,905	1,060,458	1,100,000	1,122,455
Electrical Franchise Fees	1,625,066	1,669,404	1,219,797	1,100,000	1,400,000	1,400,000
1st Local Option Gas Tax	505,526	510,765	538,168	476,812	500,000	501,267
Building Permits	486,898	676,075	679,280	650,000	720,000	600,000
Zoning Fees	56,174	136,637	108,898	90,000	120,000	90,000
Code Compliance Fines	14,900	15,150	25,590	15,000	50,000	25,000
Other Building and Zoning	54,270	57,644	60,038	10,000	5,000	5,000
Licenses and Registrations	384,237	431,910	390,703	250,000	325,000	250,000
Parks Fees	140,853	151,123	175,779	140,000	150,000	140,000
Judgements and Fines	295,294	301,581	267,707	200,000	500,000	500,000
Miscellaneous Revenues	167,167	339,877	182,419	150,000	240,000	130,000
Rental Income	0	280,313	752,571	620,000	475,000	500,000
Investment Income	167,731	90,649	55,831	50,000	40,000	40,000
Sub-total	17,807,945	17,050,887	15,931,470	14,220,933	15,875,000	15,514,300
Transfers In	11,000	0	5,390	320,000	150,000	300,000
Debt Proceeds	0	9,120,000	3,605,122	0	2,578,000	0
Carryover	8,958,420	12,384,803	15,021,973	13,323,157	16,300,000	15,183,477
<b>Total</b>	<b>26,777,365</b>	<b>38,555,690</b>	<b>34,563,955</b>	<b>27,864,090</b>	<b>34,903,000</b>	<b>30,997,777</b>
<b>EXPENDITURES:</b>						
Mayor & Council	128,119	139,206	152,887	160,530	151,883	151,408
Town Clerk	168,600	166,288	208,906	358,669	196,900	396,840
General Government	1,524,067	1,499,293	3,207,167	1,566,536	4,476,500	1,630,614
Finance	444,490	416,069	382,540	457,433	373,400	412,640
Town Attorney	485,462	417,455	440,857	450,000	500,000	500,000
Community Development	1,440,738	1,466,309	1,192,223	1,347,179	1,255,300	1,239,103
Public Works	900,864	1,145,241	638,757	781,042	727,700	929,270
Law Enforcement	7,861,451	7,440,693	8,015,575	8,923,845	8,740,240	8,616,804
Parks	1,294,671	1,237,642	1,213,066	1,746,335	1,711,300	1,866,705
Town Hall Building	0	9,033,604	2,519,025	1,897,407	1,501,300	2,074,955
Transfers Out	144,100	571,917	35,132	113,855	85,000	68,000
Reserves - Contingency reserve	3,690,000	3,800,000	3,800,000	3,800,000	3,800,000	5,450,000
Revenue Stabilization reserve	0	0	0	225,000	225,000	300,000
Grant Match Reserves	0	0	0	280,000	280,000	200,000
Insurance contingencies	0	0	0	1,000,000	1,000,000	1,000,000
Tax Equalization reserve	0	0	0	225,000	225,000	300,000
Building Capital reserve	0	0	0	750,000	750,000	1,500,000
Building Operating reserve	0	0	0	1,000,000	1,000,000	1,000,000
Restricted Building Loan reserve	0	0	0	2,550,000	2,550,000	3,060,700
Education Initiative reserve	0	0	0	231,000	0	300,000
Other reserves	0	0	0	259	5,353,477	738
Fund Balance, reserved for Prepays (actual)	18,082,562	27,333,717	21,806,135			
Fund Balance, unreserved/undesignated (actual)	271,536	318,729	234,197			
	8,423,267	10,903,244	12,523,623			
<b>Total</b>	<b>26,777,365</b>	<b>38,555,690</b>	<b>34,563,955</b>	<b>27,864,090</b>	<b>34,903,000</b>	<b>30,997,777</b>

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget



### General Fund FY 2012-13 Adopted Expenditures



GENERAL FUND REVENUE SOURCE DESCRIPTIONS

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

AD VALOREM OR PROPERTY TAXES

Ad Valorem (at value) taxes represent a levy on assessed real and personal property. Ad valorem taxes are known as property taxes, and the property tax levy generally is the single largest revenue source for municipalities. On July 1<sup>st</sup>, 2012, the County Property Appraiser delivered the Certified Adjusted Taxable Value to the Town for use in the FY 2012-13 budget. The assessed value of all taxable properties minus homestead and other exemptions for the Town is **\$1,705,481,398.** That amount is 1.7 percent less than the taxable value in FY 2011-12. \$11.5 million of the current year assessed value results from new construction, which helped offset a potentially worse decline in assessed value.

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

The County Property Appraiser bases the taxable value on the "market value" of property in accordance with State law. The assessed value of a piece of property may differ from the market value. For example, while the market value of a property may increase or stay the same, Amendment 10 to the Florida Constitution limited the growth in assessed value for properties with homestead exemption to three percent or the growth in the consumer price index, whichever is lower. The taxable value may differ from the assessed value. Properties eligible for homestead exemption have the taxable value reduced by up to \$25,000. Eligible persons may also receive the Senior Homestead Exemption of an additional \$25,000. Other exemptions include those for disabled veterans, widows, and widowers. Passage of Amendment #1 in January 2008 by the Florida electorate provides for additional homestead exemptions, portability and other various changes which impact the taxable value of property.

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

The Town Council determines the number of mills to be applied to the assessed taxable value. For example, a one mil change applied to the FY 2012-13 Certified Tax Value of \$1,705,481,398 generates an additional \$1,705,481 of gross property tax revenue.

The Town's Adopted Budget reflects a millage rate of **2.57020** mills, as set by the Town Council at the second Budget Public Hearing on September 24, 2012. This millage rate generates ad valorem taxes for all taxable properties in Town in the amount of **\$4.164 million** (based on the 95% budget factor).

### UTILITY TAXES

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

The recommended FY 2012-13 budget for utility taxes, **\$2.185 million** was estimated from the history of collections and the outlook for the upcoming year.

### LOCAL GOVERNMENT HALF CENT SALES TAX

In 1982, the State approved the sharing of approximately one-half cent of the six-cent sales tax with the counties and municipalities in the State that meet certain requirements. The distribution to the geographic area of each county is based on the sales tax collected by the state in that county. The allocation to county government and the municipalities in each county is made on the basis of each jurisdiction's population. The State provides revenue estimates for each jurisdiction. For budget purposes, the final budget amount so estimated is **\$2.627 million**.

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STATE MUNICIPAL REVENUE SHARING

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

The State's revenue sharing estimates seem to have been stabilized over the past year or so. Accordingly, the Town Manager recommends budgeting at 95% of the State estimate, yielding a FY 2012-13 budget estimate for State Revenue Sharing of approximately **\$1.122 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. The Town Manager is recommending budgeting revenue from the Communications Services Tax at approximately **\$1.234 million**.

FPL FRANCHISE FEE

The FPL franchise fee is a levy of Florida Power and Light (FPL) for the use of right-of-way in the County. The County and the utility entered into a thirty-year franchise fee contract in the early 1990s. That contract requires FPL to pay the County six percent of its revenue less certain adjustments for taxes and fees paid by FPL. Because the contract with the County covers the entire geographic area of the County, of which Cutler Bay is a subset, the Town cannot collect the FPL franchise fee directly. Instead, the FPL payment to the County includes the franchise fees paid by electricity users in the Town. The County has agreed to pay Cutler Bay its

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

share of the franchise revenue paid to the County. That payment is made in August or September of each year after FPL provides the County with the information necessary to make the distribution to the municipalities without FPL franchise agreements of their own.

Unlike the franchise agreements with other jurisdictions, which are paid monthly in arrears, the FPL franchise agreement with the County requires a single annual payment, which is made in advance of FPL recouping its cost from its ratepayers. That single payment is made on July 1 of each year. Because the annual payment depends on electrical usage and offsetting adjustments, it is very difficult to project the annual payment. Further, due to a 2010 fuel rate adjustment by FPL, the actual payments in FY 2010-11 was approximately \$1.2 million, which was approximately \$450,000 less than received in FY 2009-10. The amount received in FY 2011-12 was approximately \$1.4 million.

As discussed above, the franchise fee is based in large part on electricity usage. While we anticipate usage in FY 2012-13 to be flat, or slightly up, versus FY 2011-12, the Town Manager recommends budgeting at a conservative level for this category and, as a result, the budget for franchise fee revenue is recommended at **\$1.4 million**.

### LOCAL OPTION GAS TAXES

The Town receives a share of two Local Option Gas Taxes imposed by the County, of which the Six-Cent Local Option Gas Tax (**\$501,000**) is eligible to meet qualified General Fund expenditures. The proceeds from the Six-Cent Local Option Gas Tax may be used for transportation expenditures including roadway maintenance and equipment and the structures for storing such equipment; drainage, street lighting, signs, signals, markings; traffic engineering; and debt service.

### CODE ENFORCEMENT FINES

The Town receives revenues from fines from code violators. It is recommended that for FY 2012-13 any such revenue be used to fund the enforcement efforts. Estimated revenues are **\$25,000**.

### BUILDING AND ZONING FEES

Building permitting and inspection functions and zoning activities are projected to be self-supporting from their own revenues projected at **\$695,000**. Because permit fees (**\$600,000**) are fees and not taxes or fines, they are limited in use to the cost associated with building and zoning activities and these revenues may not be used for general operations. Thirty percent (30%) of the permit fee revenue will be used to fund Town

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

salaries and expenses directly related to the activity and the remaining seventy percent (70%) is paid to the contracted vendor for services.

### TOWN HALL BUILDING RENTALS

During June 2010, the Town acquired the commercial office building in which it was renting its Town Hall facilities. The building is now known as the Cutler Bay Town Center. The Town is currently in the process of making improvements to the building, some of which include the newly constructed Council chambers and meeting facility. These improvements will be completed in stages during FY 2011-12 and FY 2012-13.

A substantial portion of the building remains a commercial office building which is leased out to tenants. For FY 2012-13, the Town anticipates rental income generated from this activity to be approximately **\$500,000**.

### OTHER FEES, INTEREST AND MISCELLANEOUS

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

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

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

**Interest Earned:** The Town invests its available cash in instruments allowed by state law. The interest earnings on investments accruing to the General Fund are budgeted at **\$40,000**.

**Miscellaneous Revenues:** Other General Fund revenues, such as fines and forfeitures, which include the municipal portion of the fines imposed for traffic and other violations, lien searches, school crossing guard revenues

and other small, miscellaneous revenues. The budget for those revenues is **\$630,000**.

#### TRANSFERS FROM SPECIAL REVENUE FUNDS

Certain revenues are recorded in Special Revenue accounts as they are generally restricted as to use for certain specified types of items. When such eligible use items arise, those funds are transferred to the General Fund for expenditure. In FY 2012-13, such transfers are budgeted at **\$300,000**, representing local option gas taxes transferred for expenditure on sidewalk repair.

#### PRIOR YEAR CARRYOVER AND RESERVES

"Carryover" is the balance of estimated unreserved fund balance remaining at year-end that is carried forward into the new fiscal year and available for appropriation by the Council. The carryover into FY 2012-13 is estimated as **\$15.2 million**. Although, from an accounting point of view, carryover is a balance sheet item and is not included in a profit and loss statement, in governmental budgets carryover is included as part of the budget. Having sufficient cash carryover is critical to a municipality because it provides the necessary cash flow before property taxes are collected beginning in November.

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

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## Reserve Balances for FY 2012-2013

Contingency reserve	\$5,450,000
Revenue Stabilization reserve	300,000
Grant Match Reserves	200,000
Insurance contingencies	1,000,000
Tax equalization reserve	300,000
Building: capital reserve	1,500,000
Building: operating reserve	1,000,000
Restricted building loan requirement	3,060,700
Education initiative reserve	300,000
Other reserves	738
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	\$13,111,438
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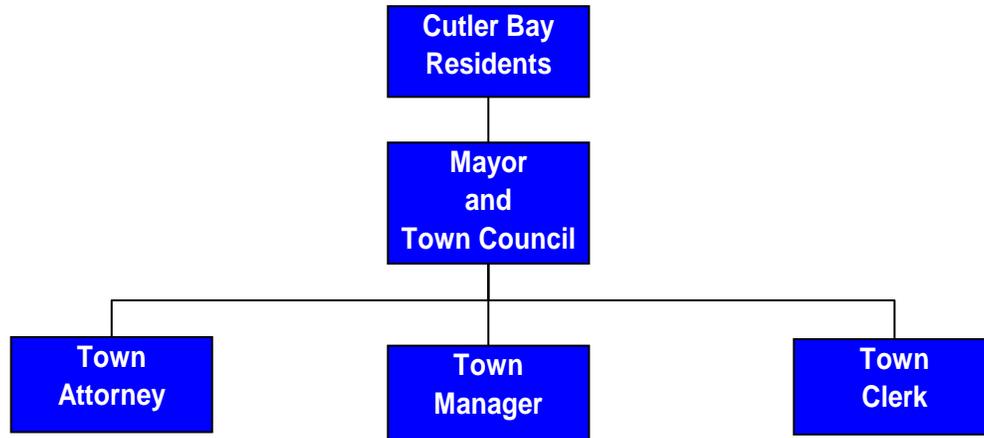
## GENERAL FUND EXPENDITURES AND OPERATIONS



### General Fund Expenditures – Summary

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
<b>EXPENDITURES:</b>						
Mayor & Council	128,119	139,206	155,935	160,530	151,883	151,408
Town Clerk	168,600	166,288	274,674	358,669	196,900	396,840
General Government	1,524,067	1,499,293	1,476,096	1,566,536	4,476,500	1,630,614
Finance	444,490	416,069	468,022	457,433	373,400	412,640
Town Attorney	485,462	417,455	450,000	450,000	500,000	500,000
Community Development	1,440,738	1,466,309	1,216,834	1,347,179	1,255,300	1,239,103
Public Works	900,864	1,145,241	841,558	781,042	727,700	929,270
Law Enforcement	7,861,451	7,440,693	8,453,395	8,923,845	8,740,240	8,616,804
Parks	1,294,671	1,237,642	1,335,150	1,746,335	1,711,300	1,866,705
Town Hall Building	0	9,033,604	990,000	1,897,407	1,501,300	2,074,955
Transfers Out	144,100	571,917	989,000	113,855	85,000	68,000
Reserves - Contingency reserve	3,690,000	3,800,000	3,800,000	3,800,000	3,800,000	5,450,000
Revenue Stabilization reserve	0	0	225,000	225,000	225,000	300,000
Grant Match Reserves	0	0	250,000	280,000	280,000	200,000
Insurance contingencies	0	0	1,000,000	1,000,000	1,000,000	1,000,000
Tax Equalization reserve	0	0	225,000	225,000	225,000	300,000
Building Capital reserve	0	0	1,000,000	750,000	750,000	1,500,000
Building Operating reserve	0	0	1,500,000	1,000,000	1,000,000	1,000,000
Restricted Building Loan reserve	0	0	2,800,000	2,550,000	2,550,000	3,060,700
Education Initiative reserve	0	0	0	231,000	0	300,000
Other reserves	0	0	125,361	259	5,353,477	738
Fund Balance, reserved for Prepays (actual)	18,082,562	27,333,717				
Fund Balance, unreserved/undesignated (actual)	271,536	318,729				
	<u>8,423,267</u>	<u>10,903,244</u>				
<b>Total</b>	<u>26,777,365</u>	<u>38,555,690</u>	<u>27,576,025</u>	<u>27,864,090</u>	<u>34,903,000</u>	<u>30,997,777</u>

## MAYOR AND COUNCIL



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

Most notably this year the Council has provided staff resources and great leadership in establishing the framework for the first multi-governmental Property Assessed Clean Energy (PACE) with an expert management team which will enable several Miami-Dade municipalities to join the District for the purpose of providing a funding source for their residents to be able to afford installing clean energy systems on their homes and businesses. Once again Cutler Bay is in the leadership with regard to the environment.

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

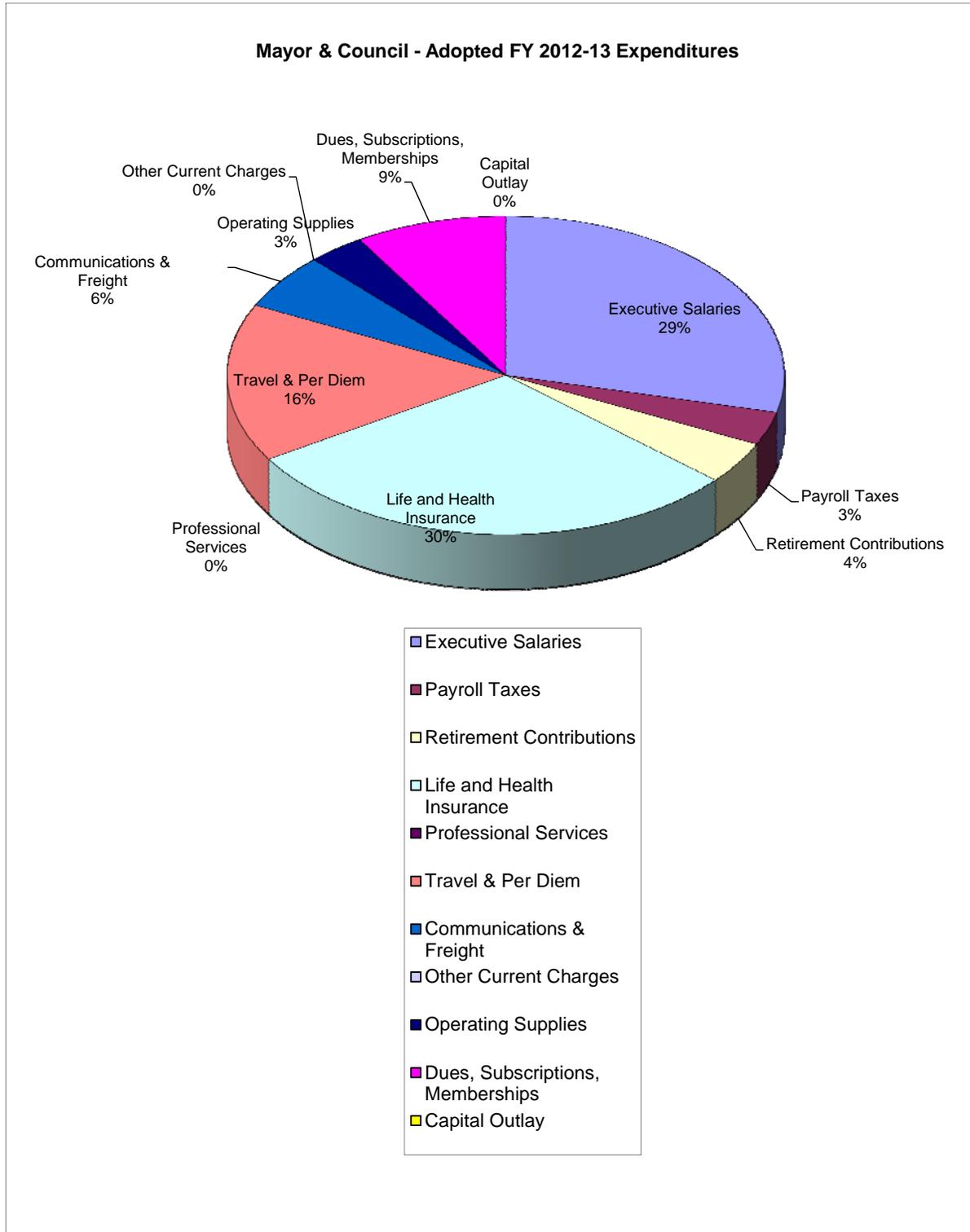
The following summarizes the Mayor and Council department budget for FY 2012-13:

MAYOR & COUNCIL

Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Executive Salaries	39,687	39,580	39,182	42,683	42,683	43,536
Payroll Taxes	2,881	3,408	3,240	3,265	4,400	5,112
Retirement Contributions	6,560	6,750	6,556	6,402	5,100	6,530
Life and Health Insurance	36,761	42,879	43,999	54,000	48,000	45,000
Professional Services	0	0	0	0	0	0
Travel & Per Diem	25,346	27,688	28,869	27,900	27,000	24,350
Communications & Freight	7,412	7,080	7,616	8,580	8,500	8,580
Other Current Charges	0	0	0	0	0	0
Operating Supplies	564	1,626	10,115	5,000	3,500	5,000
Dues, Subscriptions, Memberships	8,908	6,905	12,495	12,700	12,700	13,300
Capital Outlay	0	3,290	815	0	0	0
	<u>128,119</u>	<u>139,206</u>	<u>152,887</u>	<u>160,530</u>	<u>151,883</u>	<u>151,408</u>

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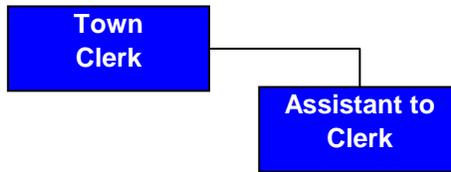
Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget



**BUDGET TO BUDGET COMPARISON:**

***FY 2011-12: \$160,530    FY 2012-13: \$151,408    Change: -5.7%***

## TOWN CLERK



### FUNCTION

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

### GOALS

- Complete and distribute Town Council and Local Planning Agency meeting agendas in a timely manner.
- Create and maintain accurate summary minutes of all meetings held by the Town Council in its legislative and in its quasi-judicial capacity.
- Complete an accurate summary and distribute all incomplete Town Council workshop minutes.
- Continue to compile and update the registry of ordinances and resolutions, and post them on the website within the required deadline of 30 days.
- Initiate the codification process of the Town's ordinances, including publication of the Town's Code on the website.
- Ensure that the Town's requirements for advisory committees are met, and that the attendance records and contact information for those committees are up-to-date.

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

### OBJECTIVES

- Administer the publication of the Town Charter and Code.
- Implement and maintain a user-friendly records management system in order to provide public records in a timely and reasonable manner.
- Act as the records custodian for the Town and disseminate information to the public as necessary.
- Advertise and post all notices of public proceedings as required by law; in addition, provide appropriate updates to the Town website for use by the public.
- Assist with the promotion support of annual Town events through advertising and publishing on website.
- Provide timely information to other organizations, agencies, Town residents, and the general public.
- In addition to archived minutes, maintain searchable and electronic permanent records of legislation when passed by the Council for inclusion on the website.
- Supervise the activity leading up to forthcoming elections; implement electronic filing for candidates, and provide a history of election statistics and results on the website.
- Provide a right of access to Government in-the Sunshine meetings and records made or received in connection with Town's official business and fulfill timely and reasonably public records upon request through coordination with various municipal agencies, and publish or post agendas in advance.
- Disseminate to the Town Council, Manager, and Attorney, compile and assemble the Council agenda for distribution in accordance to the Town's established guidelines.

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

- Continue with an organized public records management system with the ability to access readily available records in a timely manner; provide assistance to town agencies concerning records management, and implement the records minimum retention requirements and destruction process annually required by the state to determine the feasibility of off-site storage; thus, reducing costs.
- Maintain a user-friendly website that is easily manageable to access information which reflects the Town's adopted goals.
- Timely and accurately publish all legally required and/or courtesy notices of Town meetings and/or functions.
- Schedule conferences, briefings, and public appearances for most Town Officials.
- Continue to provide public records through coordination with the Managers office in order to ensure that records are timely and reasonably provided.

**Significant budget changes in the FY 2012-13 budget include the following:**

- **Other Contractual Services:** includes \$30,000 for codification of the Town's ordinances and \$60,000 for the 2012 General election.
- **Repairs and Maintenance:** decreased primarily due to the provision of a new Town web site offering implemented at a better than expected cost.
- **Capital Outlay:** increased due to the provision to provide streamed video of the Town Council meetings from the Council chambers.

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Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

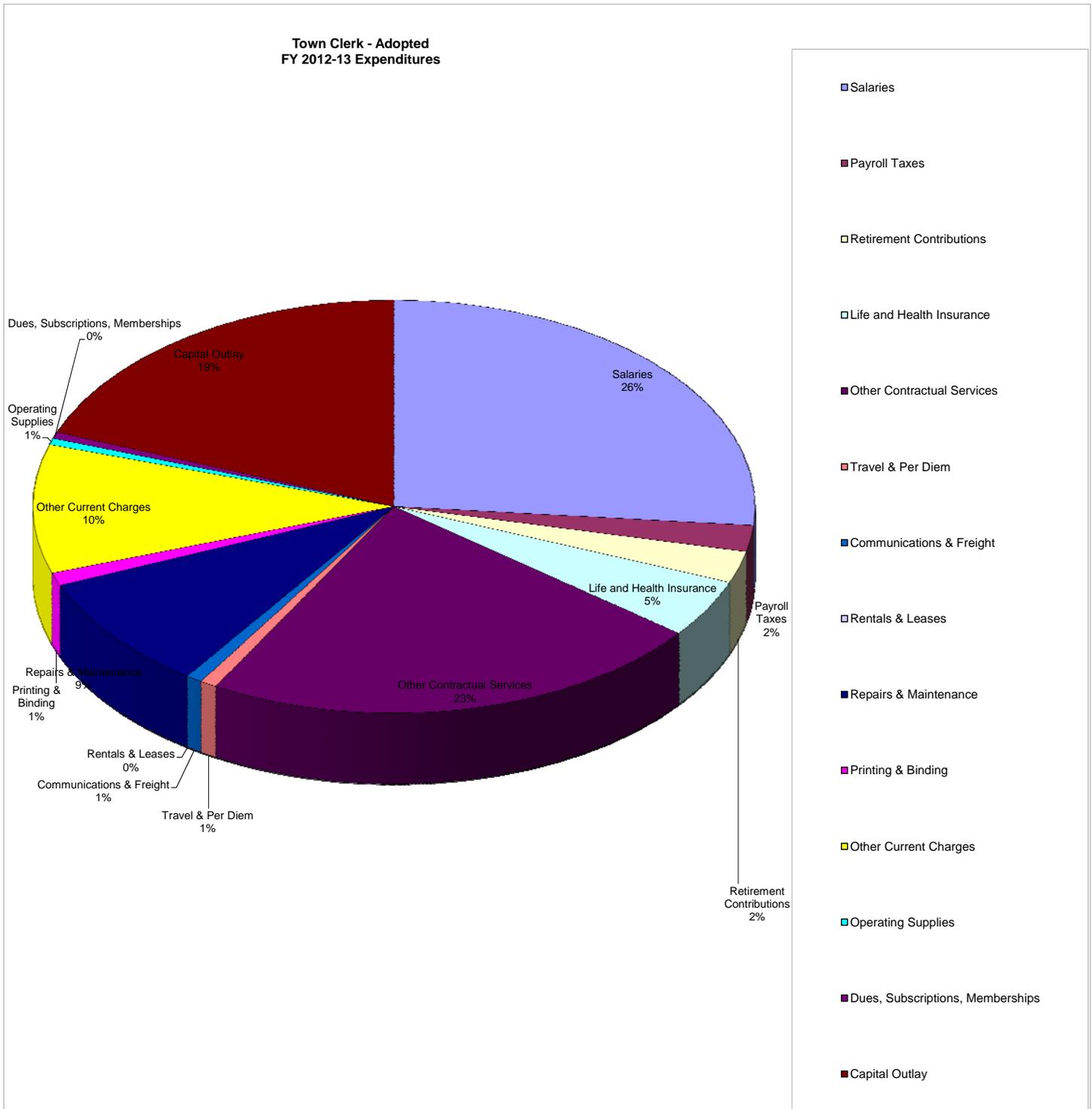
The following summarizes the Town Clerk department budget for FY 2012-13:

**TOWN CLERK**

Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Salaries	87,146	82,332	91,041	98,593	80,000	105,000
Payroll Taxes	6,638	6,356	6,392	7,542	5,500	8,170
Retirement Contributions	10,494	10,256	10,308	9,204	6,000	9,800
Life and Health Insurance	16,760	17,845	18,971	21,600	15,000	18,000
Other Contractual Services	5,444	4,853	28,817	99,000	15,000	90,000
Travel & Per Diem	2,602	1,251	3,265	3,500	2,000	3,000
Communications & Freight	2,429	2,742	1,486	2,900	2,000	2,900
Rentals & Leases	4,475	6,800	6,460	6,000	6,000	0
Repairs & Maintenance	6,149	3,107	4,508	62,860	20,000	36,000
Printing & Binding	825	169	543	5,500	3,000	4,000
Other Current Charges	20,271	27,540	32,380	37,000	37,000	40,000
Operating Supplies	1,722	1,943	2,038	2,000	2,500	2,000
Dues, Subscriptions, Memberships	2,264	1,094	2,697	1,970	1,900	1,970
Capital Outlay	1,381	0	0	1,000	1,000	76,000
	<u>168,600</u>	<u>166,288</u>	<u>208,906</u>	<u>358,669</u>	<u>196,900</u>	<u>396,840</u>

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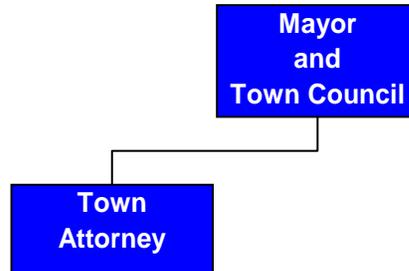
Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget



**BUDGET TO BUDGET COMPARISON:**

***FY 2011-12: \$358,669 FY 2012-13: \$396,840 Change: +10.6%***

## TOWN ATTORNEY



### FUNCTION

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

### GOALS

- Endeavor to always provide the highest quality legal services to the Town while maintaining a relatively low cost for such quality services.
- Vigorously maintain professional independent judgment and adhere to a high standard of ethics.
- Ensure that the legal process remains apolitical and provide the Town with clear and useful legal advice. In providing legal advice, the main objectives shall be to aid the Town in accomplishing its legitimate objectives and to avoid legal consequences.

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

- Assist the Town in implementing the ordinances, resolutions, contracts, and Interlocal agreements necessary to assist the Town Manager in the daily operations, functions, tax base, and code of ordinances for the Town, including a land development code tailored to the needs of the Town.

OBJECTIVES

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

The following summarizes the Town Attorney department budget for FY 2012-13:

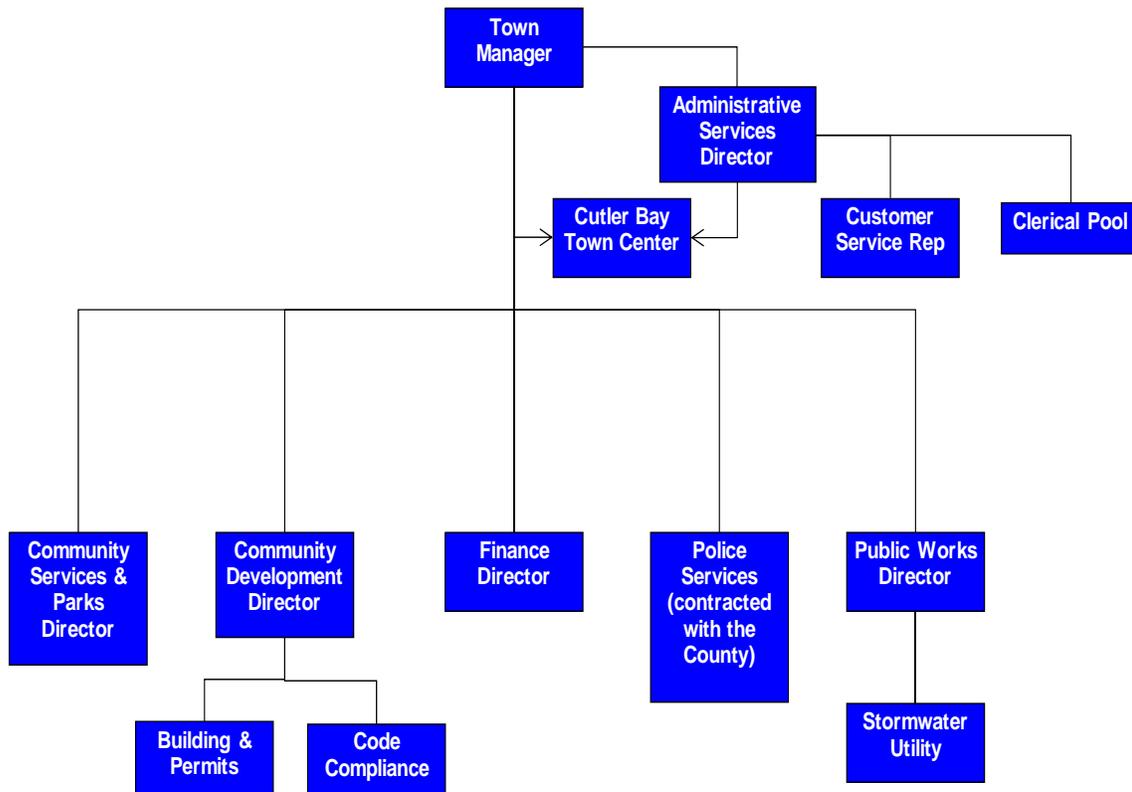
**TOWN ATTORNEY**

Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Professional Services	485,462	417,455	440,857	450,000	500,000	450,000
Litigation Contingencies	0	0	0	0	0	50,000
	<u>485,462</u>	<u>417,455</u>	<u>440,857</u>	<u>450,000</u>	<u>500,000</u>	<u>500,000</u>

**BUDGET TO BUDGET COMPARISON:**

***FY 2011-12: \$450,000    FY 2012-13: \$500,000    Change: +11.1%***

## GENERAL GOVERNMENT



## FUNCTION

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

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

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

**THE TOWN MANAGER'S FUNCTION:**

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

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

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

There has been very little turnover among personnel in Cutler Bay. Such a low turnover rate serves the town well, as there is little to no cost for employment advertisements, in addition to insuring high productivity by not having to spend time training new employees. The operative management style and the example set for the department heads is primarily the reason for this retention among the staff. All employees know that there is an "open-door" policy and the Manager is readily available to offer advice and support, in addition to encouraging and demanding courteous and fair treatment to all.

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

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

Due to their broad impact, QNIP payments are included in the General Government budget. The Town is obligated to pay its portion of QNIP bonds. The QNIP program (Quality Neighborhood Improvement Program) focuses on infrastructure needs in neighborhoods. It includes construction and repair of sidewalks, local and major drainage improvements, road resurfacing and park facility improvements. The County provides the repayment amounts based on a formula. QNIP payments are budgeted at \$375,000 for FY 2012-13.

### GOALS

- Establish a municipal environment that promotes efficiency and excellence in community service through the retention of qualified employees and contracting of specialized consultants;
- Ensure the highest degree of customer service and assistance to all Town residents and visitors;
- Provide strategic direction to all Town departments and consultants promoting the directives of the Council and focusing on sound fiscal management;
- Ensure that Town-wide capital projects are completed as scheduled and on budget;
- Collaborate with county and other municipal governments on initiatives that promote the priorities of the Town;
- Secure higher levels of funding for Town-wide projects;

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

- Maintain open lines of communication with the Town Council concerning all Town projects;
- Continue to enhance the police leadership with highly qualified, experienced individuals committed to excellence, individuals who will be reviewed by the Manager prior to hiring;
- Help create the management tools to enable Cutler Bay to achieve one of the lowest crime rates the county;
- Create an environment wherein our Town's administration continue to have the reputation of being a welcoming place where courteous, friendly employees treat all with dignity and politeness and are at the same time helpful and open;
- Continue updating an employee manual to communicate standards, including a high ethical standard and a very dedicated work ethic that provides guidance on various aspects of employment;
- Continue our non-smoking policy which has continued to the benefit of our staff and sets a precedent in South Florida, as we have created a drug free and tobacco free working environment- one of the first in the nation;
- Continue to maximize experience and professional relationships that we have established with various legislators and other leaders, which has benefited the Town by our ability to be able to meet with those individuals and helped them understand our concerns and be sympathetic to the issue at hand;
- Continue our incredible record of fiscal responsibility by finishing each year under budget in every budgetary department (FY 2006 through FY2011), with the only exception being the Law Department over which is not under direct control of the administration, proving that budgetary assumptions by staff continue to be sound and well educated;
- Continue to maximize our relationship with the County, which, among other great benefits, has resulted in the funding of two major roadway projects equaling funds that would have otherwise taken some twenty (20) years of revenue to fund. This and several other road projects was done at no cost to our residents;
- Continue the development of the Town's own Stormwater Utility, which further moves control from the county to the town and its residents resulting in a more local and immediate response to various issues. Further enhancement of this authority will allow the Town to move forward with plans for significant roadway and drainage improvements.
- Continue to ensure that all individuals who enter Town Hall or who seek information in any other manner, receive quick, honest and helpful responses;

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

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

### OBJECTIVES

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

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**Significant budget changes in the FY 2012-13 budget include the following:**

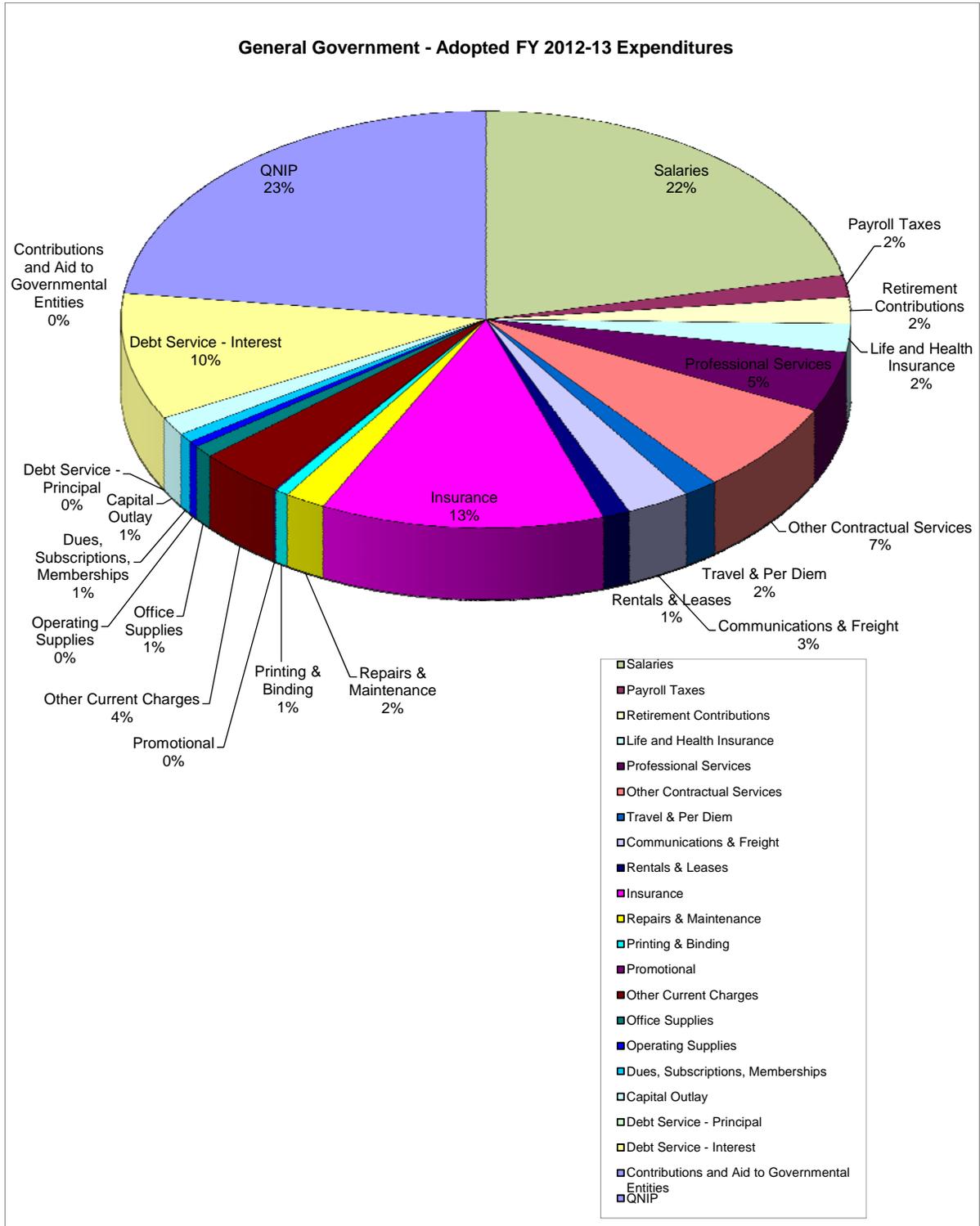
- **Salaries and benefits:** provides for a part-time grant writer position at an approximate cost of \$40,000 for combined salary and benefits.
- **Other Contractual Services:** increased primarily for an additional \$17,500 of IT related expenses and approximately \$9,500 for the provision of a Senior Services Survey and mailing.
- **Travel & Per Diem:** decreased due to planned reduced travel for conventions, legislative sessions and other miscellaneous items.
- **Debt Service:** reflects the loan modifications of the land parcel loan as well as debt service on the school initiative loan, and provision for possible interest on a line of credit.

The following summarizes the General Government department budget for FY 2012-13:

## GENERAL GOVERNMENT

Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Salaries	300,152	273,752	264,271	304,875	465,000	352,142
Payroll Taxes	19,340	17,628	16,221	23,323	25,000	27,673
Retirement Contributions	34,921	33,362	29,944	29,095	20,000	33,175
Life and Health Insurance	28,174	26,502	30,361	43,200	39,000	36,000
Professional Services	95,148	131,975	131,609	81,000	85,000	76,000
Other Contractual Services	195,723	180,757	114,303	87,800	145,000	114,800
Travel & Per Diem	25,212	23,940	17,399	52,000	20,000	24,700
Communications & Freight	34,139	38,458	34,277	43,858	35,000	46,258
Rentals & Leases	127,905	79,869	7,255	19,400	15,000	19,400
Insurance	149,433	134,046	128,139	181,000	160,000	205,000
Repairs & Maintenance	30,526	27,412	16,882	22,490	20,000	29,340
Printing & Binding	13,475	3,911	3,326	10,000	10,000	10,000
Promotional	0	1,335	0	1,500	0	1,500
Other Current Charges	23,248	41,767	69,611	63,600	45,000	61,600
Office Supplies	9,419	8,292	6,534	25,000	15,000	15,000
Operating Supplies	10,234	7,956	8,515	7,000	7,500	7,700
Dues, Subscriptions, Memberships	6,594	9,240	6,290	11,195	9,000	11,426
Capital Outlay	40,062	75,384	1,875,830	5,000	336,000	23,400
Debt Service - Principal	0	0	7,005	51,800	0	0
Debt Service - Interest	0	2,858	57,902	103,400	75,000	160,500
Contributions and Aid to Governmental Entities	0	0	0	0	2,750,000	0
QNIP	380,362	380,849	381,493	400,000	200,000	375,000
	1,524,067	1,499,293	3,207,167	1,566,536	4,476,500	1,630,614

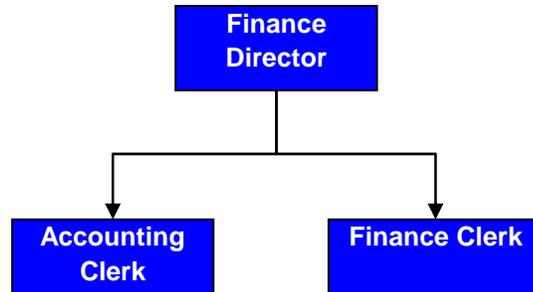
Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget



**BUDGET TO BUDGET COMPARISON:**

***FY 2011-12: \$1,566,536 FY 2012-13: \$1,630,614 Change: +4.1%***

## FINANCE



## FUNCTION

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

The Finance Director's Office oversees the accounting and finance systems for the Town and has guided the Town through its first six comprehensive external financial audits. In each of its audits, the Town received "unqualified" audit opinions from the auditors, which is the highest level of assurance opinion an auditor provides, and there were no findings of a negative nature that would impede the Town's ability to conduct government business. The Town's Comprehensive Annual Financial Report (CAFR) for fiscal year 2011 has been submitted to the Government Finance Officers Association (GFOA) for consideration of its annual award for excellence in financial reporting. The Town received the prestigious GFOA award for its fiscal year 2007, 2008, 2009 and 2010 CAFRs and fully anticipates receiving the award for the fiscal year 2011 CAFR.

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

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

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

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

### GOALS

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

### OBJECTIVES

- Maintain the Town's excellent financial condition with conservative fiscal policies and redundant practices and authorizations.
- Secure the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the Town's annual Comprehensive Annual Financial Report.
- Complete the deployment of the enterprise resource planning system during fiscal year 2013.

### Significant budget changes in the FY 2012-13 budget include the following:

- The budget provides for the audit of the Town's financial statements in accordance with governmental accounting standards and as required by the Town Charter.
- Provides \$50,000 for the completion of the installation of the town-wide accounting software system and approximately \$62,000 for maintenance thereof.

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

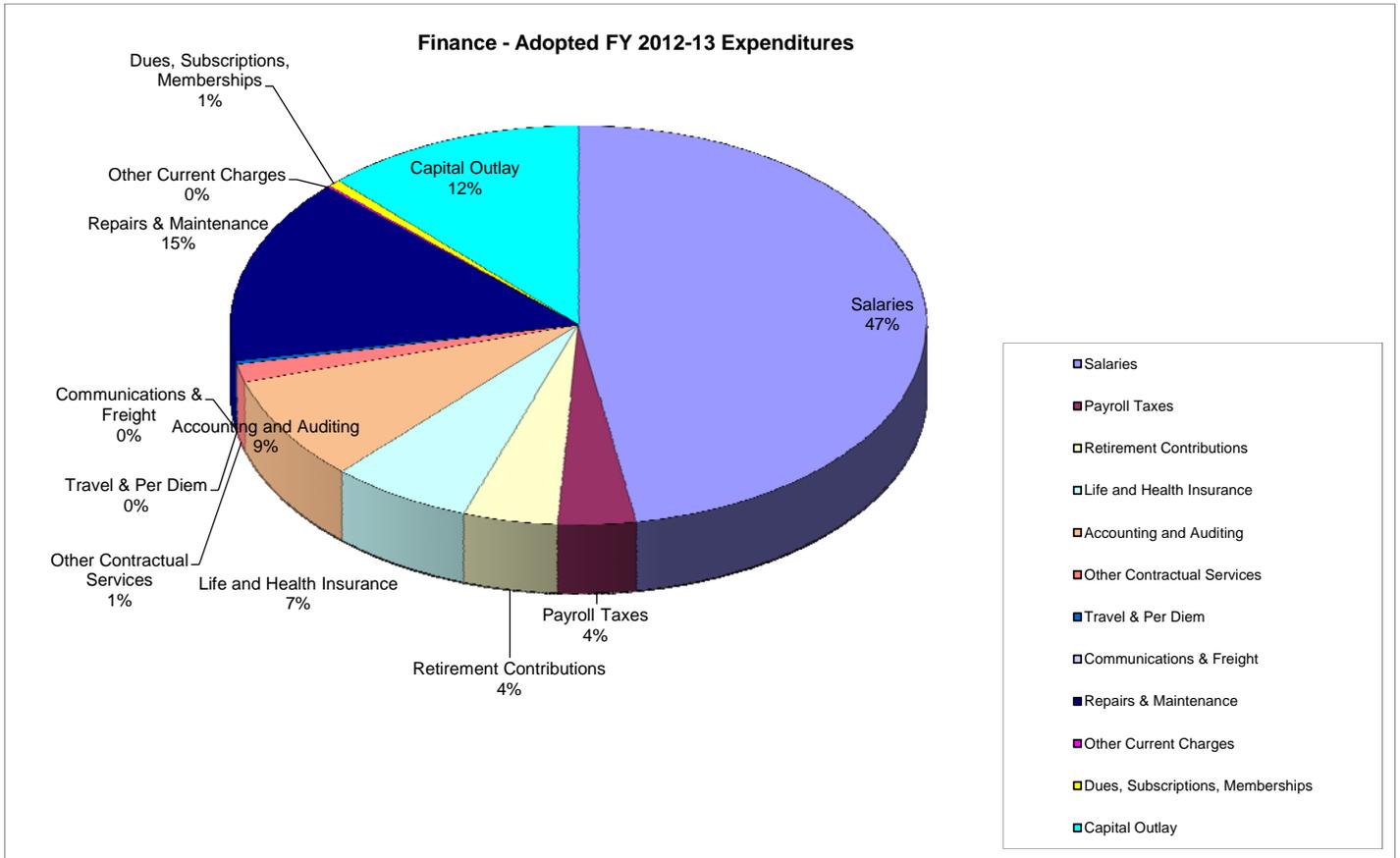
The following summarizes the Finance department budget for FY 2012-13:

FINANCE

Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Salaries	180,241	178,612	183,304	195,373	198,000	195,389
Payroll Taxes	13,618	13,441	13,818	14,946	14,900	14,947
Retirement Contributions	21,186	21,707	20,277	17,914	14,000	18,054
Life and Health Insurance	25,230	26,394	30,217	32,400	32,000	27,000
Accounting and Auditing	31,695	26,935	29,935	57,500	40,000	35,000
Other Contractual Services	4,487	4,181	4,261	6,000	6,000	6,000
Travel & Per Diem	200	154	196	1,200	500	1,200
Communications & Freight	843	775	18	0	0	0
Repairs & Maintenance	0	940	27,239	59,000	50,000	61,950
Other Current Charges	142	0	108	600	500	600
Dues, Subscriptions, Memberships	2,694	1,879	2,481	2,500	2,500	2,500
Capital Outlay	164,154	141,052	70,686	70,000	15,000	50,000
	<u>444,490</u>	<u>416,069</u>	<u>382,540</u>	<u>457,433</u>	<u>373,400</u>	<u>412,640</u>

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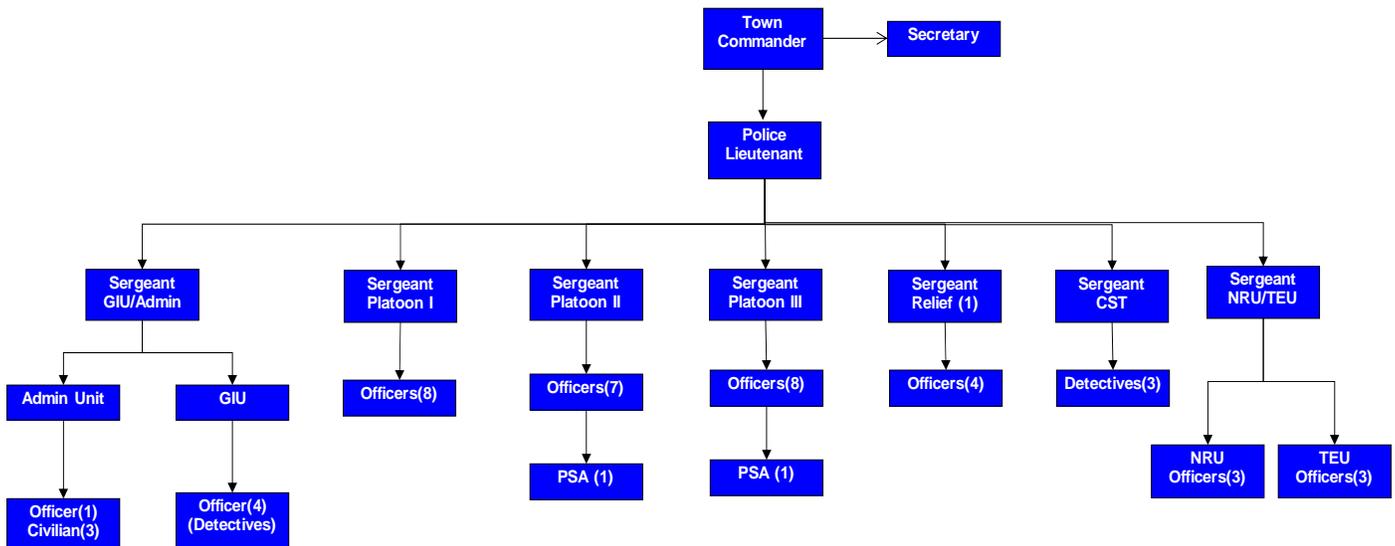
Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget



**BUDGET TO BUDGET COMPARISON:**

***FY 2011-12: \$457,433    FY 2012-13: \$412,640    Change: -9.8%***

## POLICE SERVICES



## FUNCTION

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

Current (FY 2011-2012) staffing includes 50 sworn employees, and five non-sworn employees for a total of 55 Full-time positions (Currently one vacant non-sworn position). One full time Town of Cutler Bay civilian position supplements the administrative work of the Department.

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

**Crime Reduction:** A year-to-date comparison of June 2011 versus June 2012 shows that crime rate has been significantly reduced by 15.18%.

Officers assigned to the Town have taken ownership of their assigned community, creating bonds with the residents and businesses. One of the priorities for the Town has been traffic safety. The Town's increased focus on the enforcement of speed limits and various other traffic laws has resulted in a notable decline in the number of crashes. There has been a 5% reduction in traffic crashes as compared to the previous year, which was also down 3% from 2010. Traffic crash reductions not only save lives, but it also correlated to economic savings when insurance rates are lowered, vehicle repairs are diminished and police, fire and medical resources are available for deployment to other tasks.

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

#### GOALS

- Increase the visibility and police involvement within the community.
- Continue and broaden traditional policing while embracing the Community-Oriented Policing concept.
- Identify hazardous street intersections where traffic collisions are occurring.

#### OBJECTIVES

- Increase the utilization of Traffic enforcement, directed patrol and other non-traditional patrol methods.
- Provide proactive involvement with the community.
- Create pedestrian safety initiatives.
- Ensure that officers become more familiar with the residents of their community and their police related needs and concerns.
- Officers distribute information cards indicating safety tips and suggest ways to make the resident's home and/or business safer.
- Deployment of a dual pronged approach to ensure compliance with traffic laws through education and enforcement actions in an effort to reduce the frequency of traffic collisions and injuries to persons.
- Create and execute innovative crime prevention operations utilizing the newly acquired Rapid ID devices.
- Design and implement a General Investigations Unit (GIU) led initiative whereby pawnshops and secondhand dealers will be

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

systematically inspected. Identify, seize and return all stolen property to its rightful owner and develop criminal intelligence that will aid in the arrest and prosecution of burglars, robbers and thieves.

**Significant budget changes in the FY 2012-13 budget include the following:**

- **Professional Services:** decreased \$412,000 primarily as a result of lower costs negotiated between the County and the Miami-Dade Police union which are passed along to the Town as part of its contracted cost for police services.
- **Repairs and Maintenance:** decreased by \$5,000 reflecting elimination to provide for vehicle maintenance.
- **Operating Supplies – Fuel:** decreased by \$20,000 to reflect elimination to provide fuel for purchased vehicles.
- **Capital Outlay – Vehicles:** has decreased due to no planned vehicle purchases.

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Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

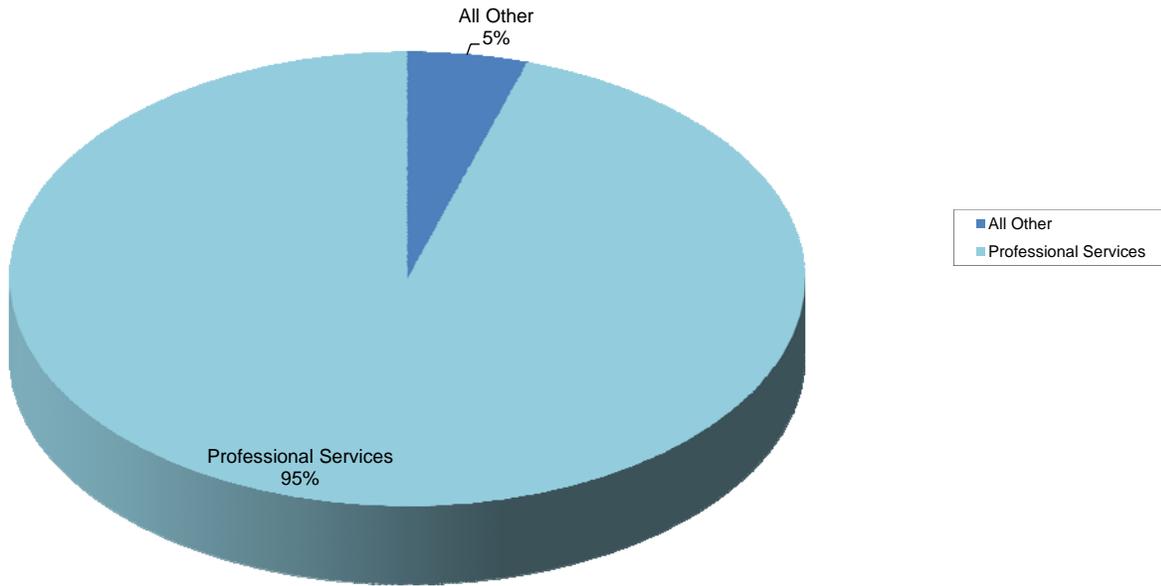
The following summarizes the Police department budget for FY 2012-13:

**POLICE**

Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Salaries	25,068	25,028	25,087	26,737	27,000	28,363
Payroll Taxes	1,822	1,789	1,793	2,045	2,040	2,170
Retirement Contributions	2,469	2,534	2,313	2,139	1,800	2,269
Life and Health Insurance	7,313	8,344	9,555	10,800	10,800	9,000
Professional Services	7,693,199	7,337,317	7,914,022	8,608,724	8,200,000	8,196,602
Communications & Freight	5,830	6,727	6,566	7,200	7,200	7,200
Rentals & Leases	65,902	44,415	2,340	2,400	2,400	2,400
Repairs & Maintenance	5,152	4,766	8,279	11,400	11,000	6,400
Printing & Binding	8,119	1,618	3,547	5,000	2,500	5,000
Other Current Charges	1,984	375	23,255	1,000	280,000	301,000
Office Supplies	12,708	4,426	6,052	22,600	12,000	22,600
Operating Supplies	7,669	3,354	4,727	23,800	23,500	23,800
Operating Supplies - Fuel	0	0	0	20,000	0	0
Capital Outlay	24,216	0	8,039	10,000	10,000	10,000
Capital Outlay - Vehicles	0	0	0	170,000	150,000	0
	<u>7,861,451</u>	<u>7,440,693</u>	<u>8,015,575</u>	<u>8,923,845</u>	<u>8,740,240</u>	<u>8,616,804</u>

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**Police - Adopted FY 2012-13 Expenditures**

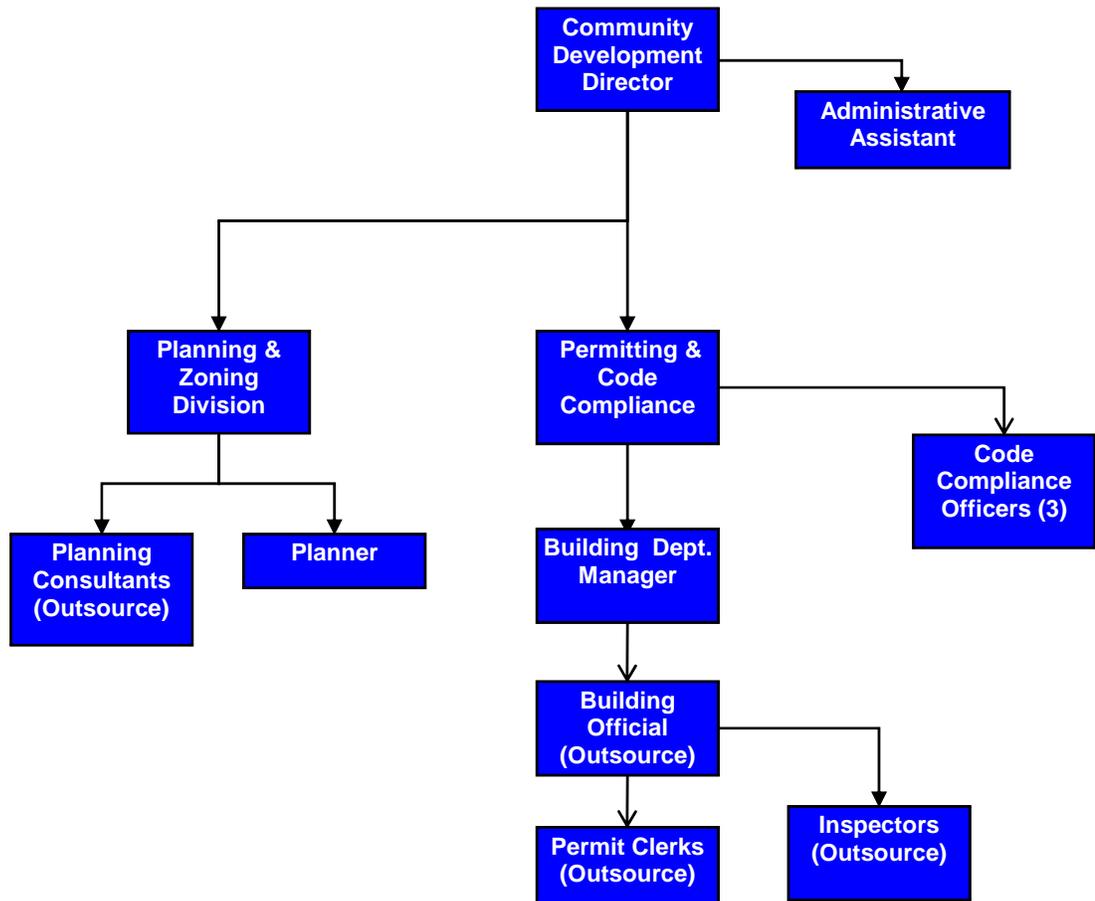


**BUDGET TO BUDGET COMPARISON:**

***FY 2011-12: \$8,923,845    FY 2012-13: \$8,616,804    Change: -3.4%***

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## COMMUNITY DEVELOPMENT



### FUNCTION

The Department of Community Development is comprised of three (3) divisions, Planning and Zoning, Code Compliance, and Building Services. The Department is comprised of a Director, an Administrative Assistant, an Town Planner, Building and Code Compliance Manager, and three Code Compliance Officers.

The Planning and Zoning Division is responsible for the implementation of the Town's Land Development Code, Growth Management Plan, and other concurrency regulations.

The Code Compliance Division is responsible for educating the public on the Town's code enforcement regulations and enforcing those regulations in our residential, commercial, and mixed use areas. The Building Services Division has the responsibility of implementing federal, state and local building laws through the supervision of construction activities and acceptance of building permit applications. Building service activities are

contracted through a private provider under which thirty percent (30%) of the permit fees collected are retained by the Town to offset supervision and support costs.

### PLANNING AND ZONING DIVISION EFFORTS

Planning and Zoning Division is responsible for consistently enforcing compliance with the Town Growth Management Plan (GMP) and Land Development Regulations (LDRs). The staff provides zoning plan review, zoning information and interpretations, and assists in analysis and preparation of recommendations to the Town Council on public hearing items related to development activities. In FY 11-12, the Division evaluated and process over forty (40) development or zoning applications of which more thirty-five (35) percent required Town Council review and approval.

One of the major accomplishments of this Division in FY 11-12 is the adoption of the Town's first Land Development Regulations and several large-scale amendments to the Future Land Use Map (FLUM) of the Town's Growth Management Plan. The Town LDRs is a user friendly document that is clear and easy to interpret. The LDRs has simplified the internal review process for all development projects submitted to the Town by residents or private developers. The proposed LDRs include fifteen (15) articles, definitions, diagrams and the proposed zoning map. The purpose of the LDRs is to provide the necessary regulations and standards to protect the public health, safety, and general welfare; facilitate the safe and orderly growth of our neighborhoods, retail and commercial centers; and foster civic beauty by improving the appearance, character and economic value of the Town in a manner consistent with the goals, objectives and policies adopted in the Growth Management Plan. The LDRs also include the Town's official zoning map depicting the location of each zoning district within the jurisdictional boundaries of our Town. The intent of the proposed large-scale amendments to the Town's FLUM is to accurately reflect the potential future land use of the locations for which the amendments were proposed.

The Division continues to institute strategies designed to create a more sustainable development pattern for the community. Departmental efforts are focused on strategies and activities to "Green" the Town and preserve sensitive areas and wetlands. The department crafted "Green" development requirements for the design, construction, and maintenance of public and private properties which further promote a sustainable future. These requirements have been adopted by new residential and commercial projects in the Town.

BUILDING SERVICES

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

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

CODE COMPLIANCE

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

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

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

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## GOALS

### PLANNING AND ZONING

- Implementation of the new Land Development Regulations
- Implementation of the large-scale amendments to the Future Land Use Map of the Town Growth Management Plan
- Administer zoning regulations and processes in accordance with the newly adopted LDRs
- Continue to promote the Town's Brownfield Areas for commercial development
  
- Coordinate future development in the Town's Brownfield Areas with private and public economic development entities such as the Beacon Council, Enterprise Florida and the State of Florida Department of Economic Opportunities
- Promote economic and regulatory initiatives that will result in the creation of at least 200 new permanent jobs in the Town.
- Work with residents, interested stakeholders and developers to assist them with the application of the new LDRs standards
- Promote commercial developments that are compatible with the Town vision
- Implementation of the new zoning map and district regulations
- Zoning Workshop coordination
- Continue to implement the "Green" Building Regulations
- Continue to administer the permit process for special events and garage sales
- Continue to monitor monthly update process of the GIS for property and ownership information to provide current and accurate property data
- Continue development of GIS improvements for Town needs including adding updated flood information, code enforcement actions, and zoning map information at the parcel level
- Provide public outreach activities regarding sustainability, green corridor, and land development implementation.

### CODE COMPLIANCE

- Respond to code complaints expeditiously
- Obtain code compliance through a progressive system of enforcement actions beginning with non-punitive voluntary compliance
- Carry out focused code initiatives to address special issues within neighborhoods including overgrown lots, junk vehicles, home offices, property registration, etc.

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

- Implement code compliance policies set by the Town Council as specific topics impacting the town including SFWMD water restrictions
- Continue the Special Master hearing process for appeals to code citations
- Continue to educate residential and commercial property owners on code requirements through staff produced articles and brochures
- Promote professional development of code compliance officers
- Maintain professional certifications and continue cross training of officers

### BUILDING SERVICES

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

### OBJECTIVES

### PLANNING & ZONING

- Development information literature to explain the new LDRs requirements and standards
- Work directly with residences, interested stakeholders and developers to answer questions and/or concerns regarding the new LDRs
- Revise the new LDRs at least twice per year for the first three (3) years to ensure clarity and consistency with changing conditions in the Town and the adopted Growth Management Plan
- Process zoning applications for public hearing within sixty (60) days of receipt of complete application materials
- Process administrative adjustment applications within 15 days
- Process administrative site plan review applications, required for projects within the US 1 Corridor, Old Cutler Road and Town Center areas, within seven (7) days
- Issue garage sale permits on the same day as received
- Update GIS property data bases every thirty (30) days
- Prepare GIS maps, atlases and mailing labels within two (2) days of request
- Provide planning and zoning information to property owners and developers within two (2) days of request

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

- Update the web page to include significant planning documents, revisions to the LDRs, and amendments to the FLUM and Growth Management Plan
- Provide professional development opportunities to staff
- Scan planning and zoning files for easy access, printing, and storage.

### CODE COMPLIANCE

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

### BUILDING SERVICES

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

### Significant budget changes in the FY 2012-13 budget include the following:

- **Salaries and benefits:** increased primarily due to the creation of a part-time clerical assistant position.
- **Professional Services:** decreased primarily to less anticipated need for such services.
- **Other Contractual Services:** are primarily services performed by the Town's Building & Permitting consultants which share revenues from such activities with the Town. The FY 2012-13 budget reflects \$420,000

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

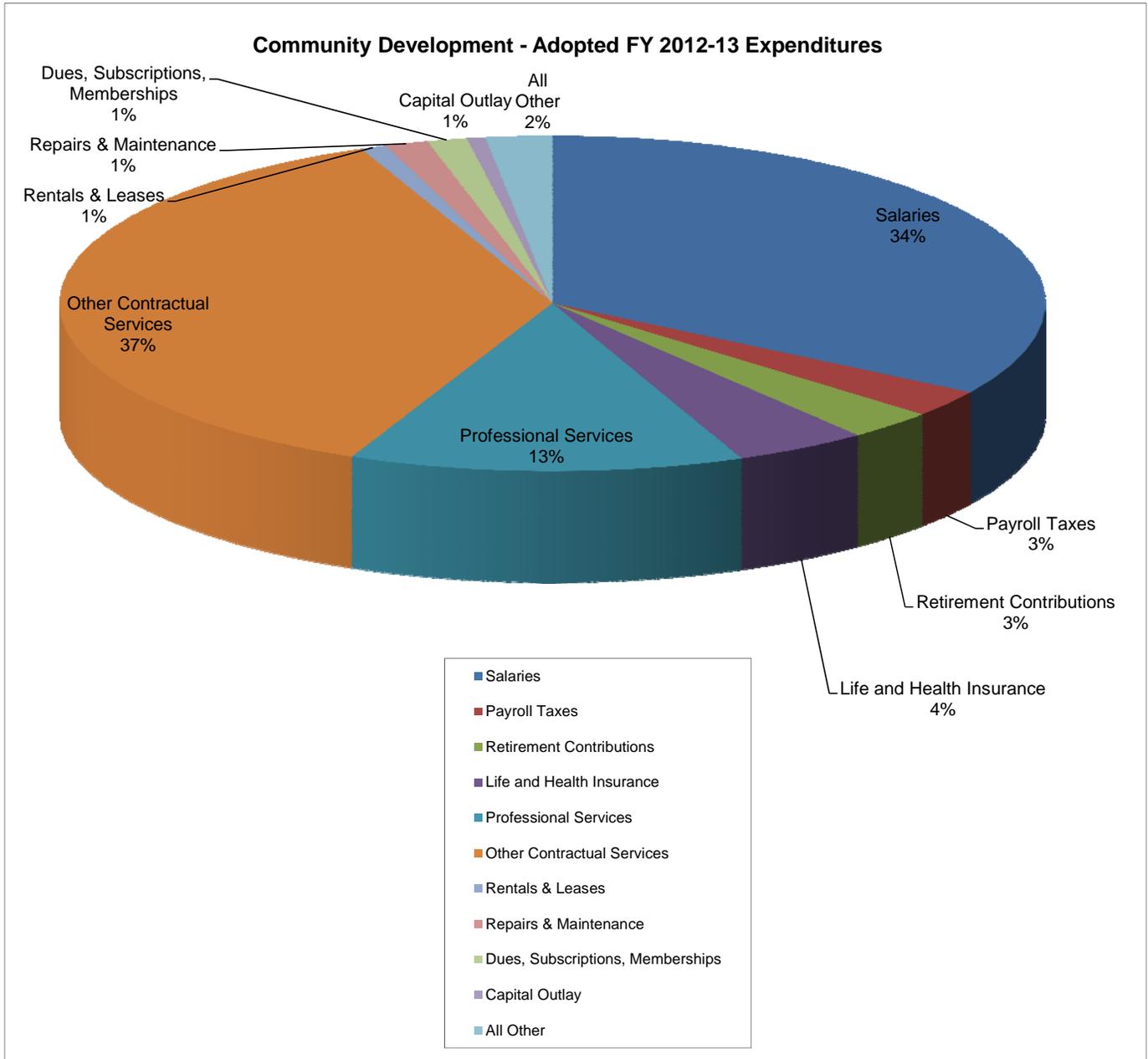
for these services, an approximate \$35,000 decrease from the prior year due to less anticipated building permitting revenues expected to be shared, offset by \$15,000 provided for GIS related services.

- **Rentals and Leases:** has decreased primarily due to reduced leased vehicles payments.
- **Capital Outlay:** decreased as a result of elimination of \$32,000 to provide for a computerized Geographical Information System (“GIS”) which will enable staff to “track by computerized mapping” various infrastructure and other items around Town.

The following summarizes the Community Development department budget for FY 2012-13:

COMMUNITY DEVELOPMENT

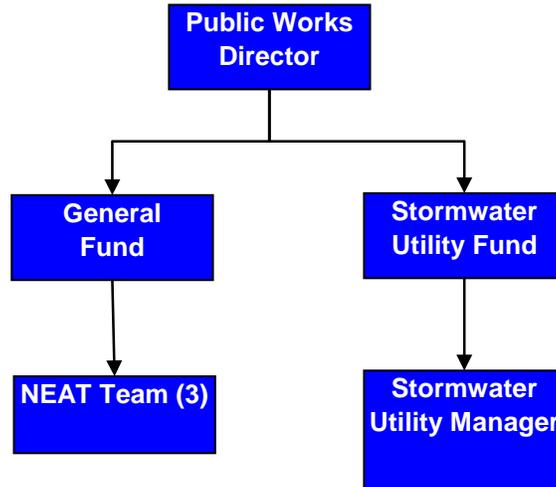
Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Salaries	447,279	430,897	366,845	395,566	370,000	420,303
Payroll Taxes	35,091	33,014	27,850	30,261	30,000	32,153
Retirement Contributions	53,942	52,098	36,053	33,552	25,000	35,647
Life and Health Insurance	66,457	74,017	65,930	75,600	70,000	54,000
Professional Services	323,109	233,282	144,568	220,000	170,000	160,000
Court Reporter Service	0	0	0	800	800	800
Other Contractual Services	382,834	518,485	502,970	478,200	530,000	458,200
Travel & Per Diem	7,502	4,317	1,435	3,500	2,000	3,500
Communications & Freight	11,415	11,497	1,778	6,000	3,500	6,000
Rentals & Leases	84,195	68,196	27,621	16,500	15,000	10,500
Repairs & Maintenance	5,454	6,259	3,114	17,500	10,000	17,500
Printing & Binding	3,055	665	658	1,500	1,000	2,500
Other Current Charges	973	0	0	1,000	1,000	1,000
Office Supplies	3,831	5,569	3,070	5,000	5,000	5,000
Operating Supplies	2,552	2,749	936	1,500	2,000	3,300
Operating Supplies - Fuel	3,744	4,541	4,207	5,000	5,000	5,000
Dues, Subscriptions, Memberships	6,759	6,884	3,008	16,200	10,000	16,200
Capital Outlay	2,546	13,840	2,180	39,500	5,000	7,500
	<u>1,440,738</u>	<u>1,466,310</u>	<u>1,192,223</u>	<u>1,347,179</u>	<u>1,255,300</u>	<u>1,239,103</u>



**BUDGET TO BUDGET COMPARISON:**

***FY 2011-12: \$1,347,179 FY 2012-13: \$1,239,103 Change: -8.0%***

## PUBLIC WORKS



## FUNCTION

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

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

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

## GOALS

### PERSONNEL

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

### ROADWAY AND SIDEWALK IMPROVEMENTS

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

### STORMWATER IMPROVEMENT PROJECTS

- Continue to implement capital improvement projects in accordance with the Town's adopted Storm Water Master Plan. The Master Plan focused, in great detail, seventeen (17) separate drainage sub-basins throughout the Town and made recommendations in priority order for the repair rehabilitation and construction of systems necessary to decrease flooding in our community. The Master Plan will continue to be aggressively utilized to obtain both State & Federal grants, to improve the water quality
- Continue bi-weekly Street Sweeping Program of Town owned roads thereby reducing pollution and eliminating many causes of flooding
- Continue to routine cleaning/maintenance of all stormwater drainage structures, located along Town owned roadways
- Continue the on-going coordination efforts with South Florida Water Management District and Miami-Dade County Canal Maintenance Department, in order to maintain the waterways clear of any debris

RIGHT- OF- WAY ENHANCEMENTS

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

OBJECTIVES

PERSONNEL / ADMINISTRATION

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

ROADWAY AND SIDEWALK IMPROVEMENTS

- Implement a pavement and sidewalk work management database system, in order to utilize as a planning tool for future safety and improvement projects.
- Continue to replace, and repair sidewalks near schools and recreational facilities according to the sidewalk's overall condition.
- Implement improvements identified in the Town's adopted Sidewalk & Roadway Assessment Master Plan in order to encourage

installation of missing sidewalks sections and pedestrian connections throughout the Town.

- Perform visual inspection of Town owned roads/sidewalks on a daily basis.
- Implement the findings of the Town's Transportation Master Plan. Improve vehicular and pedestrian safety on all Town roads, around schools and parks.
- Review and update Transportation Master Plan to reflect changing land use development patterns and related transportation system demands.
- Complete requests for neighborhood traffic engineering studies.
- Continue to install emergency transfer switches at "key" intersections
- Coordinate the replacement of damaged/faded regulatory and warning street signs through Miami-Dade County Public Works Department
- Continue the installation of thermo-striping Stop Bars in residential areas
- Continue the installation of ADA sidewalk ramps, throughout residential neighborhoods, as identified in the Sidewalk Master Plan

#### STORMWATER IMPROVEMENT PROJECTS

- Complete the construction: Drainage Improvements within residential neighborhoods, as identified in the Town's adopted Stormwater Master Plan
- Coordinate the Design and Construction with Miami-Dade County Public Works Department and South Florida Water Management staff on the construction of Caribbean Boulevard Bridge Improvement Project
- Continue to perform bi-weekly street sweeping cycles
- Continue to perform regularly scheduled maintenance to the Stormwater System, to include drainage structures and outfalls
- Analyze and maximize the billable revenue billed to property owners based on actual property size and total impervious surface area contained within the property
- Continue to monitor any new Legislation that will affect the water quality standards through the South Florida Water Management District and Florida Department of Environmental Protection
- Continue to Stormwater maintenance program to meet the annual requirements of the National Pollutant Discharge Elimination System (NPDES) operating permit
- Continue to coordinate the maintenance of Town owned canal system

- Continue “activities” from the Town’s Class “6” FEMA Community Rating System (CRS), which include outreach programs to repetitive loss properties located with the Special Flood Hazard(s) area

#### RIGHT-OF-WAY ENHANCEMENTS

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

**Significant budget changes in the FY 2012-13 budget include the following:**

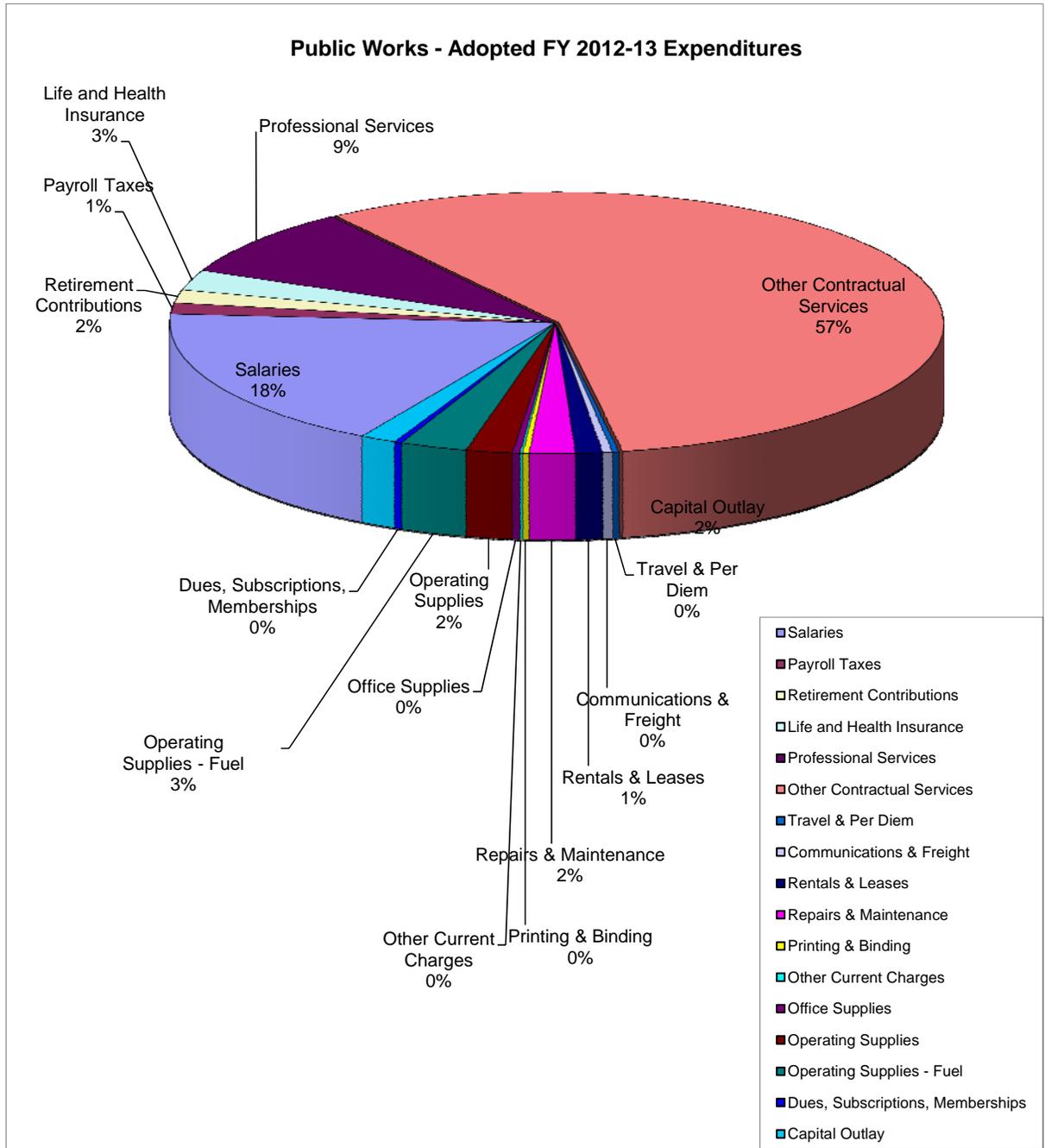
- **Professional Services:** decreased \$23,000 reflecting reduced utilization of general engineering services and maintenance projects.
- **Other Contractual Services:** includes \$30,000 for roadside maintenance, \$300,000 for sidewalk repairs (funded by: Local Option Gas Tax), and \$195,000 for right-of-way maintenance. Overall, the FY 2011-12 Other Contractual Services budget represents an \$180,000 **increase** from the prior year primarily reflecting increased sidewalk repairs.

The following summarizes the Public Works department budget for FY 2012-13:

**PUBLIC WORKS**

Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Salaries	203,222	184,278	161,374	172,121	170,000	165,112
Payroll Taxes	18,560	14,927	11,543	13,167	12,000	12,631
Retirement Contributions	26,636	23,529	17,302	15,494	10,000	14,907
Life and Health Insurance	30,774	28,646	25,944	30,240	30,200	23,400
Professional Services	103,014	43,766	12,291	103,000	75,000	80,000
Other Contractual Services	434,282	778,092	338,035	351,000	350,000	531,000
Travel & Per Diem	1,144	1,386	1,059	2,850	2,000	2,500
Communications & Freight	5,029	5,014	897	3,120	3,000	3,820
Rentals & Leases	13,277	27,398	16,028	11,400	7,500	10,500
Repairs & Maintenance	14,392	12,008	16,210	17,000	17,000	17,800
Printing & Binding	2,152	1,134	156	3,000	2,000	2,500
Other Current Charges	78	25	268	1,000	1,000	1,000
Office Supplies	2,786	1,745	1,330	3,200	2,500	3,000
Operating Supplies	8,375	9,481	7,375	15,500	15,000	18,000
Operating Supplies - Fuel	11,811	11,004	13,822	22,400	17,500	26,100
Dues, Subscriptions, Memberships	1,033	604	2,281	3,050	3,000	2,900
Capital Outlay	24,299	2,204	12,842	13,500	10,000	14,100
	<u>900,864</u>	<u>1,145,241</u>	<u>638,757</u>	<u>781,042</u>	<u>727,700</u>	<u>929,270</u>

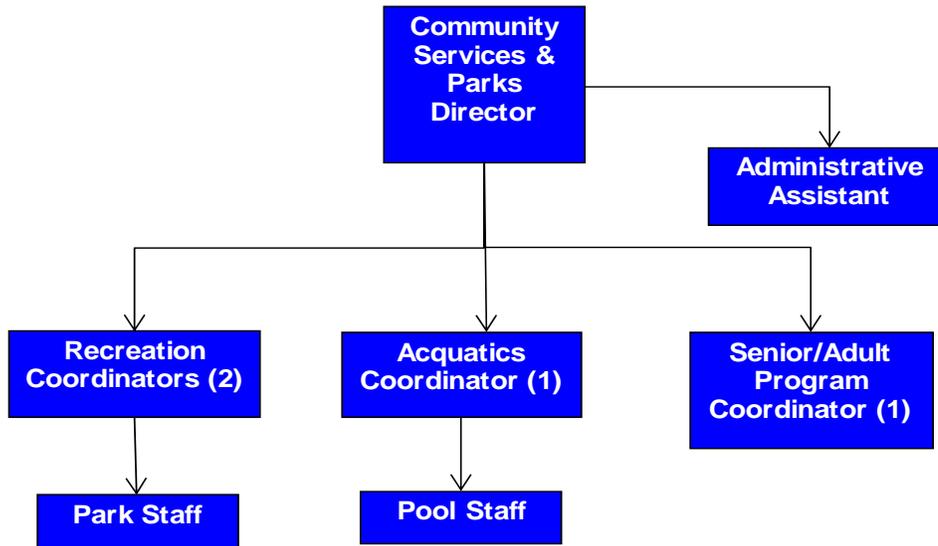
Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget



**BUDGET TO BUDGET COMPARISON:**

***FY 2011-12: \$781,042 FY 2012-13: \$929,270 Change: +18.9%***

## COMMUNITY SERVICES AND PARKS



### FUNCTION

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

The Department staff consists of six (6) full-time employees - the Parks and Recreation Director, an Administrative Assistant, two (2) Recreation Coordinators, an Aquatics Coordinator and one (1) Park Service Aide. Full-time staffing is supplemented by additional part-time Park Services Aides and part-time Pool Lifeguards. For summer programs, the Town employs additional temporary Park Services Aides and Lifeguards. In addition, a grant from The Children's Trust provides funding for one full-time Outreach Worker and four part-time Park Service Aides to supplement the Town's After School Program activities at Cutler Ridge Park. Additional funding is provided in this year's budget to include an

additional Recreation Coordinator to provide additional programming and special events for adult and senior residents in our Town.

The Town's eight (8) parks are categorized as mini, neighborhood or community parks. The Town has four (4) neighborhood parks - Bel Air Park, Franjo Park, Saga Bay Park and Saga Lake Park. There are two (2) mini-parks - Lincoln City Park and Whispering Pines Park. The Town has two (2) community parks - Cutler Ridge Park and Lakes By the Bay Park which opened in December 2011.

The final 2012-2013 fiscal year budget anticipates that the Town's Parks and Recreation Department will assume the responsibility for the maintenance and operation of the following two additional park facilities:

- Lakes by the Bay Linear Park – This linear park in the Lakes By the Bay community runs parallel to SW 97<sup>th</sup> Avenue between SW 216<sup>th</sup> Street and SW 224<sup>th</sup> Street, and is currently owned and maintained by the Lakes By the Bay South Community Development District. This facility will add valuable open passive recreation space to the Town's inventory of parks. A total of \$28,900 has been included in the 2012-2013 budget for annual maintenance of this additional park space.
- Cutler Bay Wetlands – This ±53 acre parcel located south of SW 224<sup>th</sup> Street and west of SW 97<sup>th</sup> Avenue is a wetland mitigation area currently owned and maintained by the Lennar Corporation (the developer of the Lakes By the Bay community). Once established as a mitigation area, the wetland has become very popular with many species of native and migratory shore birds. More than 160 different species of birds have been spotted at the Cutler Bay Wetlands in the past several years. The Town is working with both Lennar Corporation and South Florida Water Management District in acquiring the wetlands to be transferred to the Town to be included in its inventory of parks and open space. The acquisition will give the Town one of the more diverse inventories of parks in Miami-Dade County. A total of \$24,000 has been included in this budget for annual mitigation requirements for this proposed wetland area.

The Parks and Recreation Department anticipates conducting the following Town-wide special events during the 2012-2013 fiscal year:

- Halloween Haunted with an approximate budget of \$2,500
- Three Movie Nights with an approximate budget of \$2,000
- A Chili Day in Cutler Bay chili competition with an approximate budget of \$3,500

## Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

- Easter Egg Hunt with an approximate budget of \$1,800
- Fourth of July Parade & Community Celebration with an approximate budget of \$5,000 (funded in 2011-2012 through the Miami-Dade County Department of Cultural Affairs)
- Fourth of July Fireworks with a budget of \$3,000
- Cutler Bay Open Golf Tournament with an approximate budget of \$1,000
- The Rib Ticklers Ball BBQ competition with an approximate budget of \$3,500
- Annual Harvest Bike Ride Event with an approximate budget of \$1,500

The Department anticipates receiving approximately \$5,000 in sponsorships that will offset some of the costs of the above stated Special Events.

### GOALS

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

### OBJECTIVES

- Work with the Parks and Recreation Advisory Committee and Communities for a Lifetime Committee in coordinating new community events in the Town during the fiscal year.
- Work with private instructors to implement additional adult and senior recreational activities at Cutler Ridge Park.
- Submit grant applications to various agencies for funding for enhancements to the Cutler Bay Wetlands.
- Increase sponsorship of Town-run special events by twenty-five (25%) over the previous year.

**Significant budget changes in the FY 2012-13 budget include the following:**

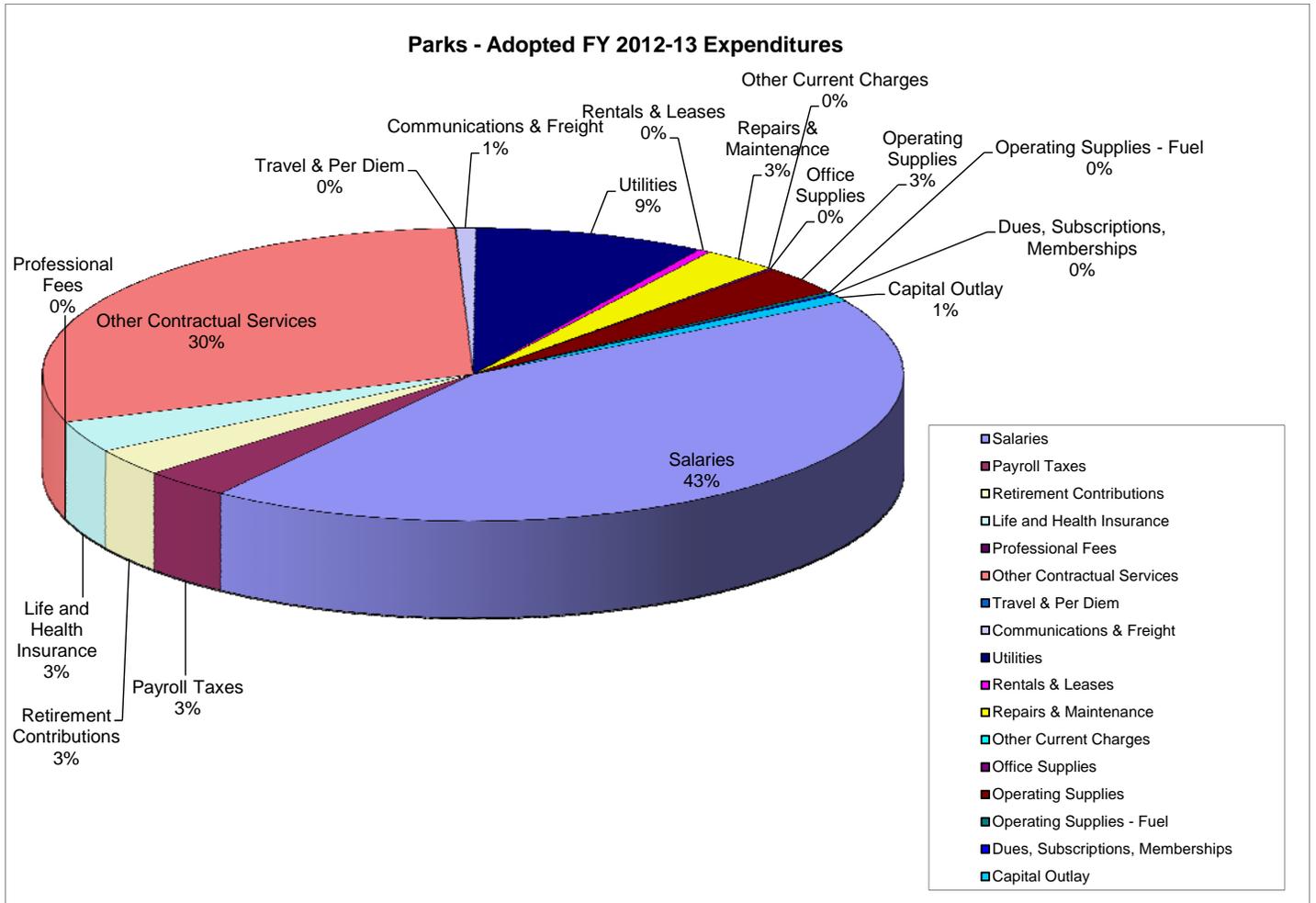
- **Other Contractual Services:** reflects landscape maintenance costs and the Town’s parks, including the newly acquired “linear” park and the to be acquired Wetlands park. The budget also provides for Town Sponsored Events (\$45,000 total) and \$1,400 for the audit required by The Children’s Trust Grant. Also included is \$25,000 for the Founder’s Day event and \$10,000 for adult/senior programming.
- The budget also provides for an additional Recreation Coordinator specifically for Adult/Senior programs.

The following summarizes the Parks department budget for FY 2012-13:

**PARKS & RECREATION**

Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Salaries	550,849	561,419	572,285	729,869	700,000	807,851
Payroll Taxes	41,676	42,953	44,571	55,835	52,000	61,801
Retirement Contributions	48,430	51,349	44,791	50,031	35,000	56,153
Life and Health Insurance	50,768	55,424	61,204	66,600	65,000	64,500
Professional Fees	26,079	0	0	0	0	0
Other Contractual Services	310,912	307,167	283,834	518,500	510,000	552,900
Travel & Per Diem	2,155	0	0	500	800	500
Communications & Freight	9,478	8,201	8,194	14,500	14,500	14,000
Utilities	89,612	68,594	90,033	162,000	162,000	162,000
Rentals & Leases	9,431	6,043	7,536	9,100	9,000	8,700
Repairs & Maintenance	24,142	24,975	26,748	50,900	40,000	52,900
Other Current Charges	41	91	461	500	1,000	500
Office Supplies	1,983	2,416	1,591	3,000	3,000	3,000
Operating Supplies	39,832	38,796	34,672	58,000	55,000	59,650
Operating Supplies - Fuel	1,386	2,154	4,264	3,500	6,500	4,700
Dues, Subscriptions, Memberships	254	882	1,345	3,000	2,500	2,550
Capital Outlay	87,643	67,178	31,537	20,500	55,000	15,000
	<u>1,294,671</u>	<u>1,237,642</u>	<u>1,213,066</u>	<u>1,746,335</u>	<u>1,711,300</u>	<u>1,866,705</u>

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget



**BUDGET TO BUDGET COMPARISON:**

***FY 2011-12: \$1,746,335 FY 2012-13: \$1,866,705 Change: +6.9%***

## CUTLER BAY TOWN CENTER BUILDING

### FUNCTION

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

### ACCOMPLISHMENTS

The Cutler Bay Town Center has undergone several improvements:

- Enhanced the lighting of the entire building which includes common areas, interior of the suites and stairways
- Improved curb appeal with new landscaping in the courtyard
- Sealed pavers in the courtyard using in house staff
- Painted entire west stairwell including floor, fire sprinkler pipes, ceiling and walls, using in house staff
- Removed wall paper from first floor walls, resurfaced and painted, using in house staff
- Sealed the parking lot and re-stripped the parking stalls which included the handicap and stroller parking
- Installed new building directory signs
- Installed new tenant suite plates for existing tenants
- Sealed windows on the SE and SW areas of the building
- Installed software for existing HVAC system to have control on computer system

## GOALS

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

- Improve the appeal of the building to include new additional landscaping
- Replace and/or repair existing elevators
- Renovate the common areas between the third and sixth floors to include new paint and carpet

## OBJECTIVES

The Town will continue to be responsible for the maintenance of the Building for its private business tenants. This added responsibility will incur some additional expense by the Town but the economics of the building ownership will be a very clear asset to the residents.

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

### Significant budget changes in the FY 2012-13 budget include the following:

- **Staffing:** The budget provides for a full-time maintenance worker, with related benefits.
- **Capital Outlay:** is budgeted at \$700,000 to reflect estimated completion of the building improvements authorized by Council in the previous budget year which had not been completed by the end of that year, as well as to complete necessary generator upgrades.
- **Capital Outlay - Office Build-Out:** Office build out is budgeted at \$250,000 to allow for build out of tenant suites as office space is leased out.
- **Debt Service:** reflects anticipated payment of interest on the building acquisition and improvement loans under the terms of the loan modifications.

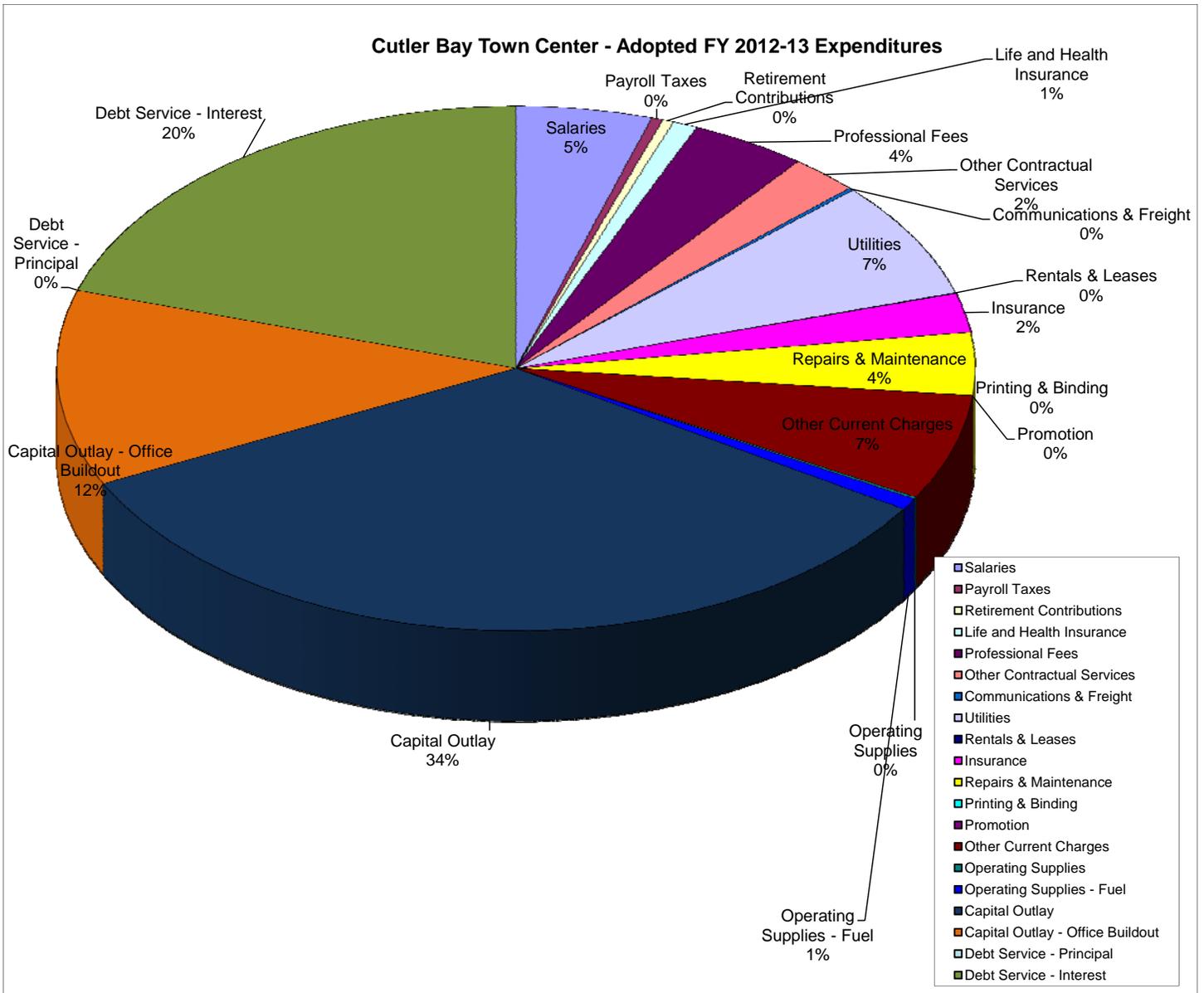
Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

The following summarizes the Cutler Bay Town Center building department budget for FY 2012-13:

## CUTLER BAY TOWN CENTER

Category	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Projected Actual FY 2011-12	Adopted FY 2012-13
Salaries	0	0	54,865	44,278	82,000	99,170
Payroll Taxes	0	0	4,181	3,387	6,500	8,351
Retirement Contributions	0	0	4,954	3,942	4,500	8,134
Life and Health Insurance	0	0	5,690	10,800	10,800	18,000
Professional Fees	0	0	142,754	85,000	50,000	85,000
Other Contractual Services	0	22,235	58,833	60,000	60,000	50,000
Communications & Freight	0	1,214	2,823	1,000	3,000	3,500
Utilities	0	35,040	108,737	150,000	135,000	150,000
Rentals & Leases	0	0	0	2,000	1,000	1,000
Insurance	0	12,456	38,176	40,000	45,000	50,000
Repairs & Maintenance	0	14,946	100,533	80,000	95,000	80,000
Printing & Binding	0	15	482	500	500	200
Promotion	0	0	0	2,000	0	0
Other Current Charges	0	39,360	68,963	135,000	135,000	135,000
Operating Supplies	0	1,453	7,193	5,000	3,000	2,500
Operating Supplies - Fuel	0	0	1,536	1,500	1,000	15,000
Capital Outlay	0	8,819,732	1,520,103	500,000	250,000	700,000
Capital Outlay - Office Buildout	0	0	0	250,000	200,000	250,000
Debt Service - Principal	0	0	0	104,000	0	0
Debt Service - Interest	0	87,153	399,202	419,000	419,000	419,100
	<u>0</u>	<u>9,033,604</u>	<u>2,519,025</u>	<u>1,897,407</u>	<u>1,501,300</u>	<u>2,074,955</u>

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget



**BUDGET TO BUDGET COMPARISON:**

**FY 2011-12: \$1,897,407 FY 2012-13: \$2,074,955 Change: + 9.4%**

## RESERVES

The relatively short budget history and the uncertainty of the impact of tax reforms suggest that it is essential to continue to budget and fund a number of reserves. The adopted FY 2012-13 budget continues the prior year's policy of funding these reserves. The Town is continuing its policy to set aside funds to meet contingencies, as well as to provide the ability to match grant awards should the need arise. The following details the reserves set aside in the FY 2012-13 budget:

### Reserve Balances for FY 2012-2013

Contingency reserve	\$5,450,000
Revenue Stabilization reserve	300,000
Grant Match Reserves	200,000
Insurance contingencies	1,000,000
Tax equalization reserve	300,000
Building: capital reserve	1,500,000
Building: operating reserve	1,000,000
Restricted building loan requirement	3,060,700
Education initiative reserve	300,000
Other reserves	738
	<hr/>
	\$13,111,438
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## SPECIAL REVENUE FUND



### SPECIAL REVENUE FUND REVENUES

Special revenues are segregated from the General Fund revenues in the budget and, in some cases, from an accounting standpoint due to restrictions on fund uses. Examples of such revenues include Town's share of the County's 2<sup>nd</sup> 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.

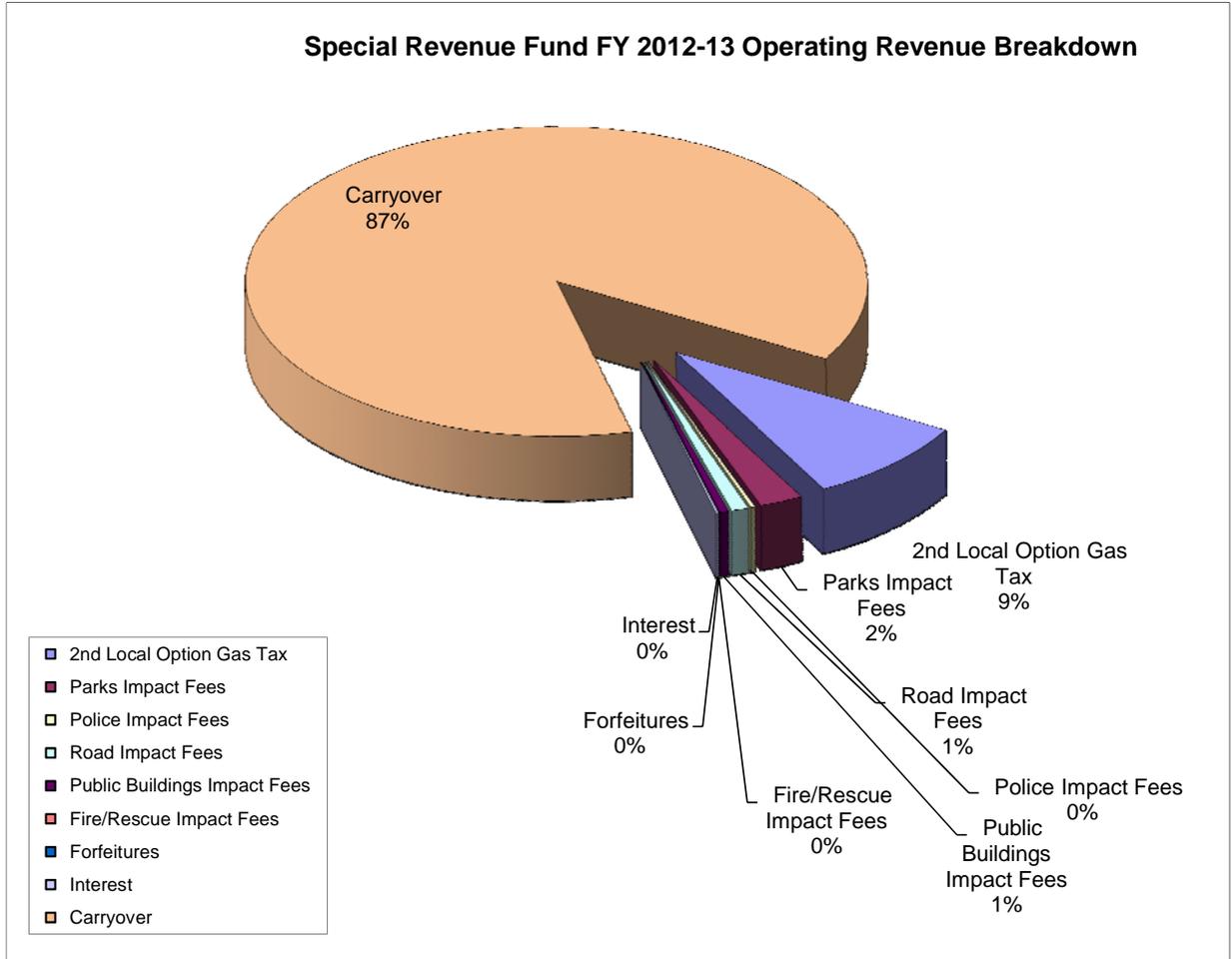
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Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

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

Special Revenue Fund  
Summary

	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Adopted FY 2012-13
<b>REVENUES:</b>					
2nd Local Option Gas Tax	196,359	195,373	209,151	181,952	194,667
Parks Impact Fees	26,152	122,437	130,960	30,000	50,000
Police Impact Fees	20,155	10,582	9,112	5,000	5,000
Road Impact Fees	0	47,602	32,377	20,000	20,000
Public Buildings Impact Fees	0	21,679	18,223	10,000	10,000
Fire/Rescue Impact Fees	0	0	0	0	0
Forfeitures	0	0	0	0	0
Interest	26,417	10,650	4,815	3,000	3,000
Carryover	1,614,519	1,872,602	1,834,867	1,727,335	1,928,944
	<u>1,883,602</u>	<u>2,280,925</u>	<u>2,239,505</u>	<u>1,977,287</u>	<u>2,211,611</u>
<b>EXPENDITURES:</b>					
Transfers Out	11,000	446,058	358,560	891,000	634,440
<b>Reserves:</b>					
Police	209,330	221,316	225,606	60,416	90,206
Parks	736,833	647,163	640,026	434,831	633,726
Roads	0	47,616	80,040	80,602	127,040
Public Works	926,439	897,084	895,335	471,759	658,261
Public Buildings	0	21,688	39,938	38,679	67,938
Fire/Rescue	0	0	0	0	0
	<u>1,883,602</u>	<u>2,280,925</u>	<u>2,239,505</u>	<u>1,977,287</u>	<u>2,211,611</u>



**LOCAL OPTION GAS TAXES**

The Town receives a share of two Local Option Gas Taxes imposed by the County, of which the Five-Cent Capital Improvement Local Option Gas Tax (of which only three cents is levied **(\$194,000)** is accounted for in the Special Revenue fund.

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

IMPACT FEES

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

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

The five different impact fee types are held in separate, interest bearing bank accounts and use of these funds is restricted as per the Ordinance (i.e. generally expenditures that are capital in nature). For FY 2012-13, impact fees are budgeted as follows:

Parks impact fees	\$ 50,000
Police impact fees	\$ 5,000
Roads impact fees	\$ 20,000
Public Buildings impact fees	\$ 10,000
Fire/Rescue impact fees	\$ -0-

SPECIAL REVENUE FUND CARRYOVER

The Special Revenue Fund's carryover for FY 2012-13 is budgeted at **\$1.9 million**. Special revenues funds are restricted to specific uses. The Town has planned a number of projects that will utilize and/or program special revenue funds for FY 2012-13. However, it is typical that the Special Revenue Fund will carry forward unexpended impact fees and capital local option gas taxes, as well as grant revenues, that may span more than one fiscal year.

Unexpended Local Option Gas Taxes and Impact Fees carried forward for current and future year projects represent most of the growth in the Special Revenue Fund. For the most part, these funds are restricted in their use and must be carefully monitored to assure proper and timely expenditure.

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

**Special Revenue Fund  
Projects Summary**

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Adopted FY 2011-12	Adopted FY 2012-13
<b><u>JPA - Old Cutler Road Improvements</u></b>					
Revenues:					
County funding	0	452,394	4,250,000	4,250,000	5,542,000
Transfer In	0	0	231,000	231,000	1,191,000
	<u>0</u>	<u>452,394</u>	<u>4,481,000</u>	<u>4,481,000</u>	<u>6,733,000</u>
Expenditures:					
Operating costs	0	452,394	4,481,000	4,481,000	6,733,000
	<u>0</u>	<u>452,394</u>	<u>4,481,000</u>	<u>4,481,000</u>	<u>6,733,000</u>
<b><u>JPA - Caribbean Blvd Improvements</u></b>					
Revenues:					
County funding	0	0	2,695,546	2,695,546	2,903,546
Transfer In	0	0	148,000	148,000	159,440
	<u>0</u>	<u>0</u>	<u>2,843,546</u>	<u>2,843,546</u>	<u>3,062,986</u>
Expenditures:					
Operating costs	0	0	2,843,546	2,843,546	3,062,986
	<u>0</u>	<u>0</u>	<u>2,843,546</u>	<u>2,843,546</u>	<u>3,062,986</u>
<b><u>PTP - People's Transportation Plan "Surtax"</u></b>					
Revenues:					
CITT Surtax	0	0	0	0	1,300,000
Carryover	0	0	0	0	3,425,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,725,000</u>
Expenditures:					
Salaries and benefits	0	0	0	0	16,619
Professional fees	0	0	0	0	35,000
Transportation	0	0	0	0	988,381
Transit	0	0	0	0	260,000
Transfers out	0	0	0	0	1,016,000
Carryover	0	0	0	0	2,409,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,725,000</u>

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

**Special Revenue Fund  
Projects Summary  
continued**

	Actual FY 2008-09	Actual FY 2009-10	Adopted FY 2010-11	Adopted FY 2011-12	Adopted FY 2012-13
<b><u>SW 216 Street/SW 97 Ave Traffic Circle</u></b>					
Revenues:					
Contribution	0	0	0	0	0
Carryover	0	0	0	0	204,486
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>204,486</u>
Expenditures:					
Operating costs	0	0	0	0	204,486
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>204,486</u>
<b><u>Children's Trust</u></b>					
Revenues:					
After School Program Grant	85,684	76,061	96,209	111,761	111,759
	<u>85,684</u>	<u>76,061</u>	<u>96,209</u>	<u>111,761</u>	<u>111,759</u>
Expenditures:					
Children's Trust Program Costs	85,684	76,061	96,209	111,761	111,759
	<u>85,684</u>	<u>76,061</u>	<u>96,209</u>	<u>111,761</u>	<u>111,759</u>
<b><u>Federal Stimulus Projects (Completed)</u></b>					
Revenues:					
ARRA-Transportation	0	661,438	0	0	0
ARRA-Transit (thru Miami-Dade)	0	0	418,028	418,028	0
Transfer In	0	30,562	0	0	0
	<u>0</u>	<u>692,000</u>	<u>418,028</u>	<u>418,028</u>	<u>0</u>
Expenditures:					
Operating costs - ARRA Transportation	0	692,000	0	0	0
ARRA Transit	0	0	418,028	418,028	0
	<u>0</u>	<u>692,000</u>	<u>418,028</u>	<u>418,028</u>	<u>0</u>
<b><u>ARRA - Town Hall Lighting Grant (Completed)</u></b>					
Revenues:					
ARRA Grant	0	0	0	152,800	0
Grant Match	0	0	0	113,855	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>266,655</u>	<u>0</u>
Expenditures:					
Salaries and benefits	0	0	0	34,579	0
Contractual services	0	0	0	227,367	0
Equipment	0	0	0	4,709	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>266,655</u>	<u>0</u>

These various projects are accounted for using special revenue funds. These projects are funded from revenues that require specific uses. The Town has budgeted several revenue sources under this category in FY 2012-13 and, relative to The Children's Trust, has recently been awarded a grant that will be accounted for in this type fund.

Special Revenue Funds are established in this budget for transportation/roadway and transit related projects, as well as for After School Program projects, all of which are being funded in substantial part by pass-through funding, including grants and contributions.

### TRANSPORTATION PROJECTS

The FY 2012-13 budget reflects the completion of roadway improvements along both Old Cutler Road and Caribbean Boulevard which are being funded by Miami-Dade County and being managed by the Town pursuant to a Joint Project Agreement (JPA) with the County. The FY 2012-13 budget reflects \$9.8 million related to these two roadway projects.

The Town has received funding from a Developer to install a traffic circle at the intersection of SW 216 Street and SW 97 Avenue, as well as funding from the same Developer to complete roadway and drainage improvements on SW 97 Avenue (the drainage project will be accounted for in the Stormwater Utility Fund).

### PTP – PEOPLE'S TRANSPORTATION PLAN

In February 2012, the Town entered into an Interlocal agreement with Miami-Dade County to allow the Town to receive funds from the County Charter Transit System Surtax (the "surtax"). This surtax was authorized in 2002 and is shared by the County eighty percent (80%) and the incorporated municipalities twenty percent (20%).

Municipalities incorporated after enactment of the surtax, including the Town, were excluded from the revenue sharing. However, the County entered into this Interlocal agreement with the Town which will provide funding to the Town from the County's share of the revenues until such time as a new Interlocal agreement is executed between the County and all of the participating municipalities.

Pursuant to a "most favored nation" clause in the Town's agreement with the County, and as a result of the County's settlement with two other municipalities who filed lawsuits which resulted in more favorable terms, the Town is to receive not only payments for fiscal year 2012 and going forward, but also will receive a lump sum payment for estimated revenues

from the prior two years. The lump sum payment for the prior two years received by the Town was approximately \$2.5 million.

The surtax is restricted as to use and will be accounted for in a special revenue fund. On an annual basis, at least twenty percent (20%) of the surtax proceeds must be spent on transit related items. The remaining portion may be spent on transportation related items.

#### **AFTER SCHOOL PROGRAM**

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

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## TOWN CAPITAL PROJECTS FUND BUDGET



### OVERVIEW

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

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

The FY 2011-12 budget included completion of significant Town projects, including completion of the 50 acre park known as Lakes-by-the-Bay Park, along with playground improvements at that park.

No additional capital projects are contemplated in the FY 2012-13 budget.

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

**Capital Projects Fund  
Parks  
Project Summary**

	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Adopted FY 2012-13
<b>Other Park Projects:</b>					
Revenues:					
Grants	518,972	155,715	0	0	0
Transfers In	45,032	0	0	0	0
Interest	3,232	0	0	0	0
Carryover	<u>416,031</u>	<u>15,276</u>	<u>15,276</u>	<u>15,276</u>	<u>15,276</u>
	<u><u>983,267</u></u>	<u><u>170,991</u></u>	<u><u>15,276</u></u>	<u><u>15,276</u></u>	<u><u>15,276</u></u>
Expenditures:					
Improvements	967,991	155,715	0	0	0
Reserves	<u>15,276</u>	<u>15,276</u>	<u>15,276</u>	<u>15,276</u>	<u>15,276</u>
	<u><u>983,267</u></u>	<u><u>170,991</u></u>	<u><u>15,276</u></u>	<u><u>15,276</u></u>	<u><u>15,276</u></u>

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## STORMWATER UTILITY FUND BUDGET



### OVERVIEW

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

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

Additionally, the FY 2012-13 budget provides for a drainage improvement along SW 97 Avenue south of SW 216 Street which is fully funded by and executed development order.

The Town has also received a State of Florida grant (\$50,000) to complete a Flood Plain study. The Town is contributing \$68,000 towards the total \$118,000 cost of the study. This study will help the Town earn "points" towards further improving the Town's community rating under FEMA's community rating system (currently a class "6"). The higher the rating the Town can achieve will result in Town residents being able to get further discounts on their flood insurance policies.

Town of Cutler Bay FY 2012-13 ADOPTED Operating & Capital Budget

The following summarizes the anticipated activity in the Stormwater Utility fund for FY 2012-13:

**Stormwater Utility Fund  
Summary**

	Actual FY 2008-09	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Adopted FY 2012-13
<b>Revenues:</b>					
Stormwater Billings	986,119	981,683	988,796	990,000	990,000
Grants	0	0	0	0	50,000
Non-operating revenues and capital contributions	<u>155,276</u>	<u>367,797</u>	<u>102,326</u>	<u>0</u>	<u>0</u>
Total revenues	1,141,395	1,349,480	1,091,122	990,000	1,040,000
Transfers In	81,338	408,660	16,982	0	68,000
Balance Brought Forward	84,567	722,324	1,820,978	1,675,000	3,794,973
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>2,058,893</u>	<u>0</u>	<u>0</u>
	<u>1,307,300</u>	<u>2,480,464</u>	<u>4,987,975</u>	<u>2,665,000</u>	<u>4,902,973</u>
<b>Expenses:</b>					
Salaries and benefits	68,221	130,914	185,378	198,312	234,262
Operating expenses	322,511	334,292	819,805	1,169,700	1,186,150
Capital outlay	0	0	0	10,000	10,000
Debt service	<u>194,244</u>	<u>194,280</u>	<u>114,686</u>	<u>194,400</u>	<u>108,000</u>
Total Expenses	584,976	659,486	1,119,869	1,572,412	1,538,412
<b>Net Assets:</b>					
Invested in capital assets	235,923	990,840	3,103,107	1,000,000	3,205,000
Unrestricted	<u>486,401</u>	<u>830,138</u>	<u>764,999</u>	<u>92,588</u>	<u>159,561</u>
	<u>1,307,300</u>	<u>2,480,464</u>	<u>4,987,975</u>	<u>2,665,000</u>	<u>4,902,973</u>

# **TOWN OF CUTLER BAY**

**FY 2012-13  
ADOPTED  
(TOWN RESOLUTION # 12-49)  
OPERATING & CAPITAL BUDGET**

## **APPENDIX A**

**FULL TIME POSITIONS BY DEPARTMENT**

## Appendix A

### Full Time Positions By Department FY11-12 and FY12-13

<u>Department</u>	<u>Current FY11-12</u>	<u>Net Position Changes</u>	<u>Adopted FY12-13</u>
<b>General Fund:</b>			
Mayor and Council	5	0	5
Town Clerk	2	0	2
Town Attorney	0	0	0
General Government	4	0	4
Finance	3	0	3
Community Development	6	0	6
Public Works	4	0	4
Police (clerical staff)	1	0	1
Community Services and Parks	6	1	7
Town Hall Building	1	1	2
<b>Total Full-Time Staff Positions</b>	<b>27</b>	<b>2</b>	<b>29</b>
<b>Stormwater Fund</b>	1	0	1
<b>Police Services *</b> (via contract with Miami-Dade County)	56	0	56
* - includes 1 vacant position			

# **TOWN OF CUTLER BAY**

**FY 2012-13  
ADOPTED BUDGET  
(TOWN RESOLUTION # 12-49)**

## **APPENDIX B**

### **GLOSSARY**

**TOWN OF CUTLER BAY FY 2012-13 ADOPTED OPERATING & CAPITAL  
BUDGET**

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**APPENDIX B  
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.

**TOWN OF CUTLER BAY FY 2012-13 ADOPTED OPERATING & CAPITAL  
BUDGET**

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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.

**TOWN OF CUTLER BAY FY 2012-13 ADOPTED OPERATING & CAPITAL  
BUDGET**

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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.

**TOWN OF CUTLER BAY FY 2012-13 ADOPTED OPERATING & CAPITAL  
BUDGET**

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