



# Town of Southwest Ranches, FL

Fiscal Year 2019/2020: July 25<sup>th</sup>, 2019 Council Meeting

Proposed Operating Millage	4.2125 mills
Proposed TSDOR Millage(6th FY)	0.4439 mills
Initial Fire Assessment	\$0.04 to \$20.14 decrease
Initial Solid Waste Assessment	\$21.77 to \$68.63 decrease

# Budget Process Calendar Of Events

- Thursday, July 25, 2019 (**TONIGHT**):
  - ✓ Preliminary Millage and Initial Fire/Solid Waste Assessment Adoption
  
- Tuesday, August 20, 2019 (**7 pm**):
  - FY 2019/2020 Proposed Budget Workshop
  
- Thursday, September 12, 2019 (**6 pm**):
  - First Public Hearing for Tentative Millage and Budget Adoption
  - Final Fire Protection and Solid Waste Special Assessment Adoption
  
- Saturday, Sept. 21 – Tuesday, Sept. 24, 2019:
  - Final Budget Advertised
  
- Thursday, September 26, 2019 (**6 pm**):
  - Second Public Hearing for Final Millage and Budget Adoption

# Summary

## FY 2019/2020 Proposed Rates and Fees Compared to FY 2018/2019

### Adopted FY 2019: Rate/Fee

- ▶ Operating Millage: 4.4969 mills
- ▶ TSDOR Millage: 0.3342 mills
- ▶ Total: 4.8311 mills
  
- ▶ Fire Assessment: \$25.16 increase (approx. 4.9% per residential dwelling unit) from FY 2018
  
- ▶ Solid Waste: \$159.34 increase or greater (overall average of an approx. 37% increase throughout all residential parcel lot sizes)

### Proposed FY 2020: Rate/Fee

- ▶ Operating Millage: 4.2125 mills
- ▶ TSDOR Millage: 0.4439 mills
- ▶ Total: 4.6564 mills  
(Net decrease of .1747 to Roll-Back Rate)
  
- ▶ Fire Assessment: **\$20.14 decrease** (approx. **3.7%** per residential dwelling unit) from FY 2019
  
- ▶ Solid Waste: **\$21.77 decrease** or greater (overall average of an approx. **5.4%** decrease throughout all residential parcel lot sizes)

# Ad valorem (Property Tax) Introduction

Market Value is what someone would be willing to pay to purchase a property. The assessed valuation, set by the Broward County Property Appraiser's Office, is an estimate of what that number might be as of January 1 of each year.

$$\begin{aligned} & \text{Assessed Valuation} \\ & \quad - \text{Exemptions} \\ & \quad \hline & = \text{Taxable Value} \end{aligned}$$

$$\begin{aligned} & \text{Taxable Value} \times \\ & \quad \text{Taxable Rate (Millage)} \\ & \quad \hline & = \text{Tax Levy} \end{aligned}$$

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

1. Current economic environment supports higher conservatively forecasted FY 2020 operating revenues (i.e. building, permitting & zoning as well as state revenue sharing).
2. Growth in net new taxable value of almost \$25 million (representing 1.64% of 5.39% in total Townwide growth)
3. Significant reduction (in excess of \$216k) in Legal Departmental budgeted expenditures (the prior year unused litigation provision retained within the general fund unassigned fund balance).
4. Lower debt interest expense due to Federal Reserve Bank lowering of interest rates as well as an overall lower outstanding principal balance.

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

5. No material impact in FY 2020 to the General Fund from Florida Statute 170.01(4) which granted a 100% Fire Assessment exemption to all vacant agricultural land in prior year.
6. Quality of life and level of service improvements: Millage funded Program Modifications are less in number and dollar scope.
7. Capital Improvement Projects (CIP's): Millage funded CIP's are also less in number and dollar scope.
8. The Transportation Fund annual operating deficit is 60% funded through its available restricted fund balance.

# *Program Modifications Funded (continued):*

- Town Hall Improved Security (\$6,000)



- Council Chambers Camera (\$10,000)

- Information Technology Replacement Program (\$10,500)



- Town of Southwest Ranches - 20<sup>th</sup> Anniversary Celebration (\$15,000)



- Town Hall Exterior Re-Painting (\$17,000)



- Website Redesign & ADA Compliance (\$17,500)

- Townwide Vehicle Replacement Program (\$17,500)





# *Program Modifications Funded (10 in total):*

- Volunteer Fire Department safety equipment:  
*(all no millage impact)*
  - Bunker Gear Replacement Program (\$2,808)
  - SCBA Mask Fit Certification Equipment (\$14,000)
  - Fire Apparatus Replacement Program (\$39,000)





# Five (5) Capital Improvement Projects Funded Include:

- Fire Wells Replacement and Installation *(no millage impact)*
- Progress on Frontier Trails Conservation Area
- Town Hall Complex Safety, Drainage, and Mitigation Improvements
- Transportation Projects: 1) Transportation Surface Drainage Ongoing Rehabilitation (TSDOR), 2) Drainage Improvements. **Reminder:** TSDOR expenses, however, require funding separate from the regular operating millage.



**SOUTHWEST RANCHES PROPOSED  
MILLAGE RATE FOR TRANSPORTATION  
SURFACE DRAINAGE ONGOING  
REHABILITATION (TSDOR). TSDOR  
CONSISTS PRIMARILY OF ROAD  
RESURFACING AND RESTORATION.**

Fiscal Year	CIP Cost	Net Millage Equivalent
FY 2019/2020	\$624,267  + <u>\$375,834</u> <u><u>\$1,000,101</u></u>	.4439 mills (vs. .3342 for \$450,000 in FY 2018/2019)  None (Carryover through transportation FB)

## Fiscal Year 2020 Millage Maximums and Related Information (Based on Certified Assessment Information)

Millage Name	Votes Required	Maximum Millage	Total Resulting Net Revenues	Net Revenue Change (from prior year adopted rate funding level)	FY 2020 levy increase on \$250,000 taxable value
FY 2019-2020 Proposed Rate (Town of SWR Operating 4.2125 + TSDOR .4439 Rates) Current Year Roll-Back Rate	3	4.6564	\$6,549,694	(\$245,733)	\$0*
Maximum Majority Vote	3	4.8143	\$6,771,796	(\$23,631)	\$39
FY 2018-2019 Adopted Rate (Town of SWR Operating 4.4969 + TSDOR .3342 Rates)	4	4.8311	\$6,795,427	\$0	\$44
Maximum Super Majority Rate	4	5.2957	\$7,448,934	\$653,507	\$160
Unanimous	5	10.0000	\$14,066,004	\$7,270,577	\$1,336

**NOTE:** \* Property owners without a change in net taxable value will receive a real cash reduction of 3.75% in their Town of Southwest Ranches portion of their tax bill due to the proposed reduction in the millage rate from 4.8311 to 4.6564.

# COMBINED RATE IMPACTS

## ▶ Operating Millage:

- ▶ The proposed rate for operating purposes (4.2125 mills) represents a .2844 millage and a \$173 **decrease** per \$250,000 of taxable value which covers funding for some new and/or ongoing program modifications and capital improvement projects.

## ▶ Transportation Surface Drainage Ongoing Rehabilitation (TSDOR):

- ▶ The proposed funded amount of \$624,267 is an increase from last fiscal year (\$450,000) and therefore represents an increase per \$250,000 of taxable value . The millage rate (.4439 mills) is a .1097 increase from the prior years adopted TSDOR millage rate due primarily to the fact of the increased funded amount. This represents a \$173 increase and when combined with the above operating millage results in a \$0 (zero) net change per \$250,000 of taxable value and a net **decrease** in millage of .1747 (roll back rate)

## ▶ Residential Fire Rates:

- ▶ The proposed rate would result in a \$20.14 **decrease** per residential dwelling unit.

## ▶ Solid Waste Rates:

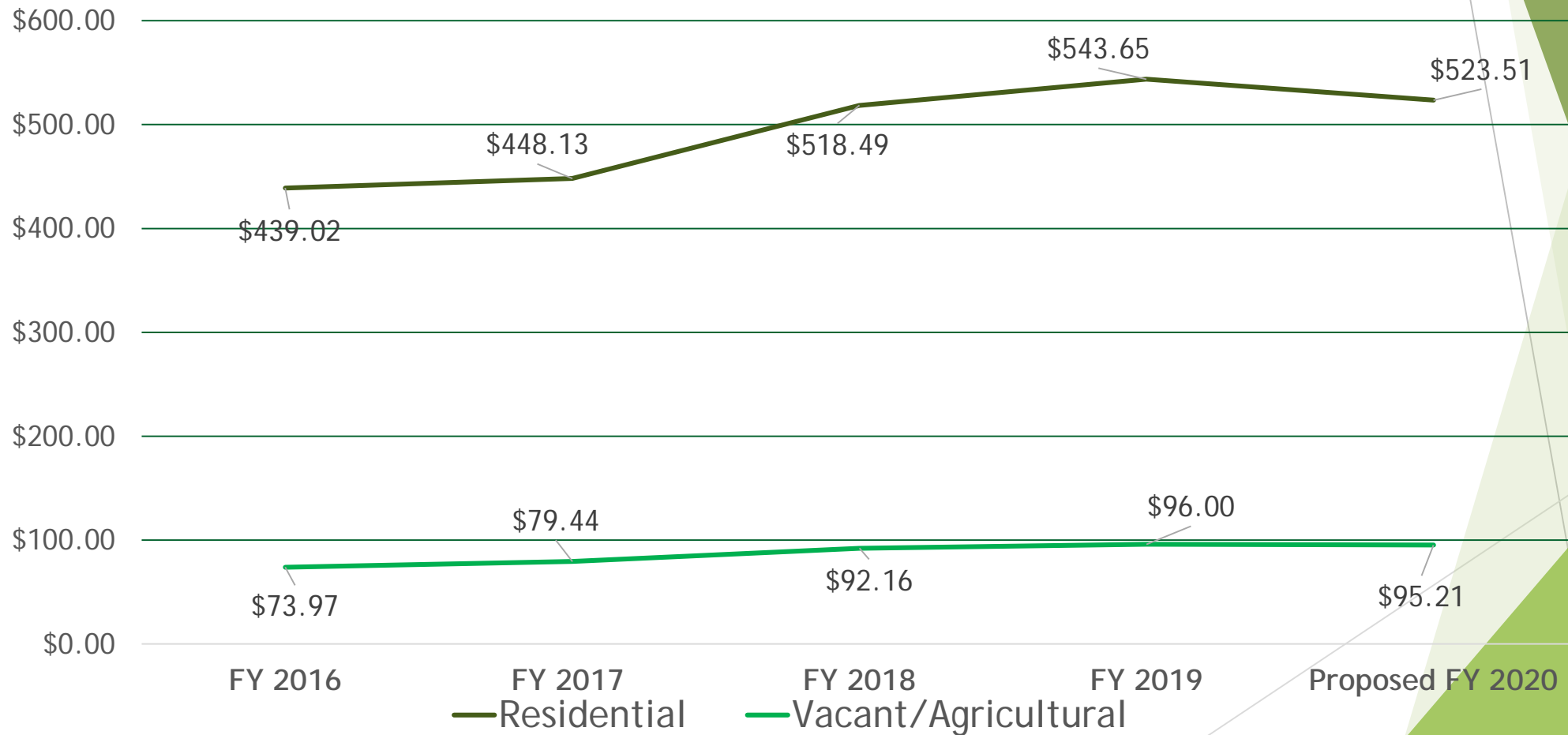
- ▶ The proposed rate structure reflects a **decrease** in all residential categories averaging 5.4% or \$21.77 to \$68.63, depending on parcel lot size square footage.

# Fire Assessment

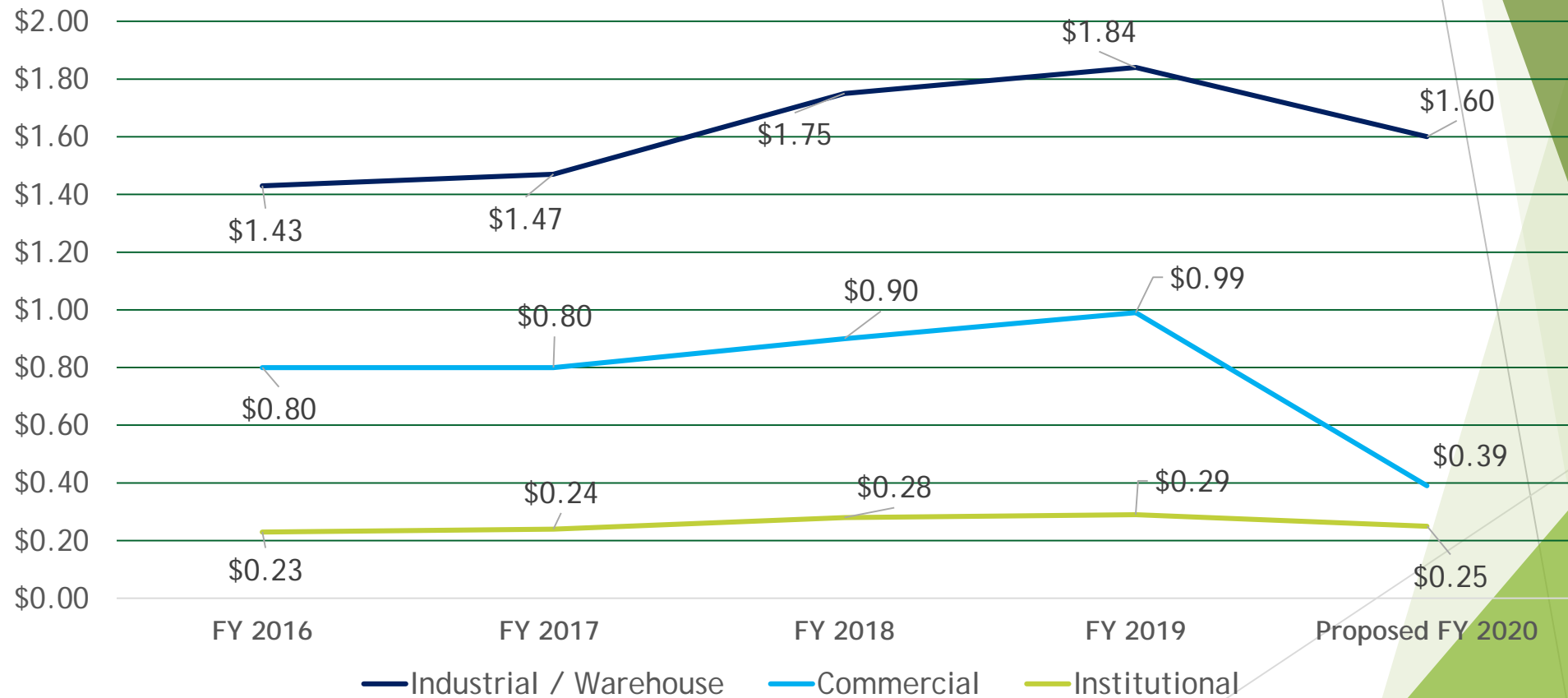
- ▶ This assessment is permitted by Florida Statute Chapters 166.021 and 166.041 and is adopted by Town Ordinance 2001-09.
- ▶ Ordinance 2001-09 requires that the annual rate be established each year.
- ▶ Eleven (11) homesteaded properties owned by total and permanent service-connected disabled U.S. veterans are proposed to be exempted tonight to Town Council. The Town impact resulting from adopting this 100% tax exemption (\$5,759) is absorbed within the General Fund.
- ▶ An initial resolution is needed tonight for the assessment to comply with Florida Statutes and use for Truth In Millage (TRIM) notices distributed by the Broward County Property Appraisers office.

# Fire Assessment Residential and Acreage Category Rates

## Four Year History and Proposed FY 2020



# Fire Assessment Rate: Per Square Foot Building Area by Category Four Year History and Proposed FY 2020





# Fire Assessment Impact(s)

- ▶ Residential: **\$20.14 decrease** (per dwelling unit)
- ▶ Vacant/Agricultural: **\$.79 decrease** (per acre)
- ▶ Industrial / Warehouse: **\$.24 decrease** (per square foot Bldg. area)
- ▶ Institutional: **\$.04 decrease** (per square foot Bldg. area)
- ▶ Commercial: **\$.60 decrease** (per square foot Bldg. area)

# Solid Waste (Garbage) Assessment

- ▶ Permitted by Florida Statute Chapters 197.3632.
- ▶ Annual rate establishment required by Town ordinance 2002-08.
- ▶ The only residential parcels proposed to be 50% exempted to Town Council tonight are eleven (11) homesteaded properties owned by total and permanent service-connected disabled U.S. veterans. The Town impact resulting from this 50% tax exemption (\$3,262) approximately is absorbed within the General Fund.
- ▶ Initial resolution is also needed tonight for the assessment to comply with Florida Statutes and use for Truth In Millage (TRIM) notices distributed by the Broward County Property Appraisers office.

# Proposed Solid Waste Rates for FY 19/20 (with changes from FY 18/19)

## Based On Consultant Study

Assessment Range	Lot Sq. Ft.		Number of Units in Range	Solid Waste Cost Per Unit	Bulk Waste Cost Per Unit	Total Proposed Rates FY 19/20	Total Assessed Rates FY 18/19	Difference: <b>decrease</b>
A	-	41,200	406	\$ 324.33	\$ 268.68	\$ 593.01	\$ 614.78	\$ 21.77
B	41,201	46,999	428	\$ 324.33	\$ 314.55	\$ 638.88	\$ 666.13	\$ 27.25
C	47,000	62,999	417	\$ 324.33	\$ 379.00	\$ 703.32	\$ 737.29	\$ 33.97
D	63,000	95,999	452	\$ 324.33	\$ 406.52	\$ 730.84	\$ 772.98	\$ 42.14
E	96,000	106,999	467	\$ 324.33	\$ 448.84	\$ 773.17	\$ 824.88	\$ 52.71
F	107,000	>107,000	440	\$ 324.33	\$ 555.41	\$ 879.74	\$ 948.37	\$ 68.63

# Solid Waste (SW) Impact

- ▶ For FY 2019/2020, we proudly propose a decrease in all residential categories averaging 5.4%, depending on parcel lot size square footage. This occurred due to successful Management and Legal negotiations obtaining a permanently reduced bulk disposal maximum generation factor from 4.67 to 3.73 tons per unit per year, which was partially offset by annual collection element contract adjustments. Additionally, it reflects Town Council policy of full cost recovery with no rate subsidy.
- ▶ Finally, it is important to note that the proposed FY 2020 rate for all ranges average higher than all the property rate ranges retroactive from FY 2012 by an overall average of less than 8% (or approximately a 1% increase annually per year over the past eight years)!



# Conclusion:

It is your Town Administrator's and Town Financial Administrator's recommendation that the Town Council of Southwest Ranches unanimously adopt the resolutions presented tonight setting the rate maximums which provide for:

- 1) Decreasing the Operating millage + Increasing the TSDOR millage to equal a net millage Decrease to equal the roll-back rate.
- 2) Decreasing Fire Assessment rates to property owners, and
- 3) Decreasing Solid Waste, Bulk and Recycling rates.

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