



# Town of Southwest Ranches, FL

Fiscal Year 2020/2021: July 30<sup>th</sup>, 2020 Council Meeting

<b>Proposed Operating Millage</b>	<b>4.2125 mills</b>
<b>Proposed TSDOR Millage (7th FY)</b>	<b>0.0000 mills</b>
<b>Initial Fire Assessment</b>	<b>Rate change depends on Category</b>
<b>Initial Solid Waste Assessment</b>	<b>No Changes to all rates</b>

# Budget Process Calendar Of Events

- Thursday, July 30, 2020 (**TONIGHT**):
  - ✓ Preliminary Millage and Initial Fire/Solid Waste Assessment Adoption
  
- Tuesday, August 18, 2020 (**7 pm**):
  - FY 2020/2021 Proposed Budget Workshop
  
- Monday, September 14, 2020 (**6 pm**):
  - First Public Hearing for Tentative Millage and Budget Adoption
  - Final Fire Protection and Solid Waste Special Assessment Adoption
  
- Saturday, Sept. 19 – Tuesday, Sept. 22, 2020:
  - Final Budget Advertised
  
- Thursday, September 24, 2020 (**6 pm**):
  - Second Public Hearing for Final Millage and Budget Adoption

# Summary

## FY 2020/2021 Proposed Rates and Fees Compared to FY2019/2020

### Adopted FY2020: Rate/Fee

- Operating Millage: 4.2125 mills
  - TSDOR Millage: 0.4439 mills
  - Total: 4.6564 mills
- 
- 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)

### Proposed FY 2021: Rate/Fee

- Operating Millage: 4.2125 mills
  - TSDOR Millage: 0.0000 mills
  - Total: 4.2125 mills  
(Net decrease of 0.4439 to equal 5.46% lower than Roll-Back Rate)
- 
- Fire Assessment: \$105.63 increase (approximately 20% per residential dwelling unit) from FY 2020
  - Solid Waste: No change 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.

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



$$\begin{aligned} &\text{Taxable Value} \times \\ &\quad \frac{\text{Taxable Rate (Millage)}}{1000} \\ &= \text{Tax Levy} \end{aligned}$$

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

1. Transportation Surface Drainage Ongoing Rehabilitation (TSDOR) project is eligible for Mobility Advancement Program (f/k/a Transportation Surtax) awards therefore not requiring funding strictly via millage for the upcoming Fiscal Year.
2. Current economic environment, due to Covid-19 pandemic, supports a reduced millage below the “roll-back” rate.
3. Growth in net new taxable value of almost \$32 million (representing over 33% of 6.58% in total Townwide growth-a new record!)
4. Lower debt interest expense due to FEMA and FDEM reimbursement for both Hurricanes Irma and Dorian allowing for full pay off of existing emergency line of credit.

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

5. A newly adopted Fire Assessment methodology study reduced the allocable cost impact to the general fund.
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.

## ***Program Modifications Funded:***

- Website Redesign & ADA Compliance (\$20,500)
- Council Chambers Camera (\$20,000)
- Townwide Vehicle Replacement Program (\$17,500)
- Town Hall Exterior Re-Painting (\$17,000)
- Town of Southwest Ranches - 20<sup>th</sup> Anniversary Celebration (\$15,000)
- Townwide Parks Maintenance & Exterior Building Painting (\$14,670)
- Comprehensive Plan Update: Data, Inventory & Analysis (\$10,000)



## ***Program Modifications Funded (12 in total):***

- School zone Flashing Beacon Replacement (\$9,000)
- Volunteer Fire Department safety equipment:  
*(all no millage impact)*
  - Fire Apparatus Replacement Program (\$39,000)
  - Fire AED Replacement Program (\$12,000)
  - Fire Hose Replacement Program (\$5,400)
  - Bunker Gear Replacement Program (\$2,808)





# Seven (7) Capital Improvement Projects Funded Include:

- Fire Wells Replacement and Installation  
*(no millage impact)*
- Fire Safety Modular Protective Awnings  
*(no millage impact)*
- Progress on Frontier Trails Conservation Area  
*(no millage impact)*
- Town Hall Complex Safety, Drainage, and Mitigation Improvements *(no millage impact)*
- Transportation Projects:
  - Drainage Improvement Project
  - Drainage Improvement- Surtax Project  
*(no millage impact)*
  - Pavement Striping & Marking



## Fiscal Year 2021 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 2021 levy increase (decrease) per \$250,000 of taxable value
<b>FY 2020-2021 Proposed Rate</b> (Town of SWR Operating 4.2125 + TSDOR .0000 Rates)	3	4.2125	\$6,260,159	(\$659,676)	(\$61)
Current Year Roll-Back Rate (Town of SWR Operating 4.4558 + TSDOR .0000 Rates)	3	4.4558	\$6,621,724	(\$298,110)	\$0
<b>FY 2019-2020 Adopted Rate</b> (Town of SWR Operating 4.2125 + TSDOR .4439 Rates)	3	4.6564	\$6,919,834	\$0	\$50
Maximum Majority Vote	3	4.7552	\$7,066,660	\$146,826	\$75
Maximum Super Majority Rate	4	5.2307	\$7,773,296	\$853,462	\$194
Unanimous (Maximum)	5	10.0000	\$14,860,910	\$7,941,076	\$1,386

**NOTE:** \* Property owners without a change in net taxable value will receive a real cash reduction of 9.53% in their Town of Southwest Ranches portion of their tax bill due to the proposed reduction in the millage rate from 4.6564 to 4.2125.

# COMBINED RATE IMPACTS

## ▶ Operating & TSDOR Millage:

- ▶ The total proposed rate for operating & TSDOR purposes (4.2125 mills) represents a 0.4439 millage and a \$61 **decrease** per \$250,000 of taxable value which covers funding for some new and/or ongoing program modifications and capital improvement projects. Property owners without a change in net taxable value will receive a real cash reduction of 9.53% in their tax bill.

## ▶ Residential Fire Rates:

- ▶ The proposed rate would result in a \$105.63 increase per residential dwelling unit.

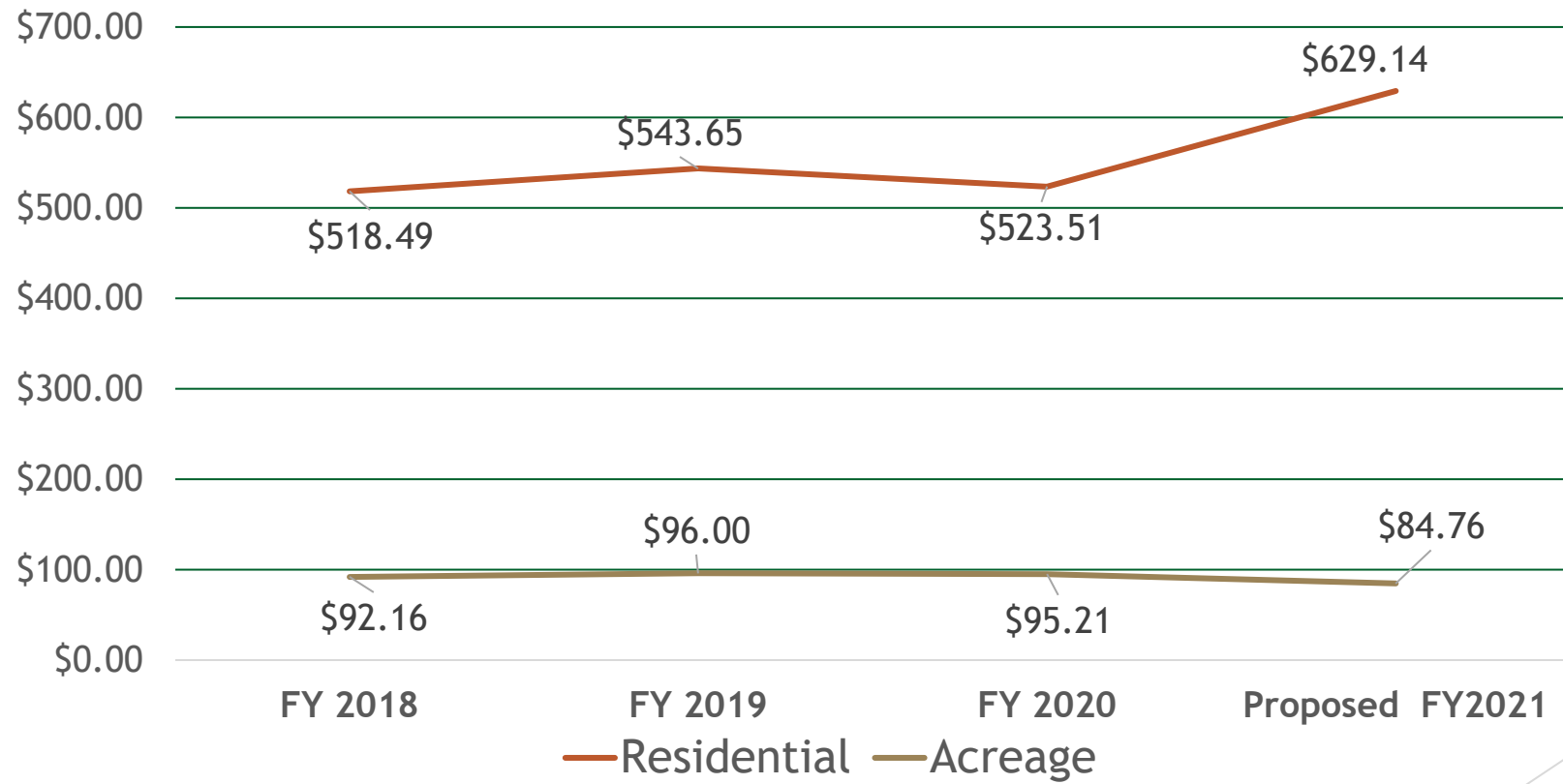
## ▶ Solid Waste Rates:

- ▶ No changes in total rates to all residential parcel lot sizes.

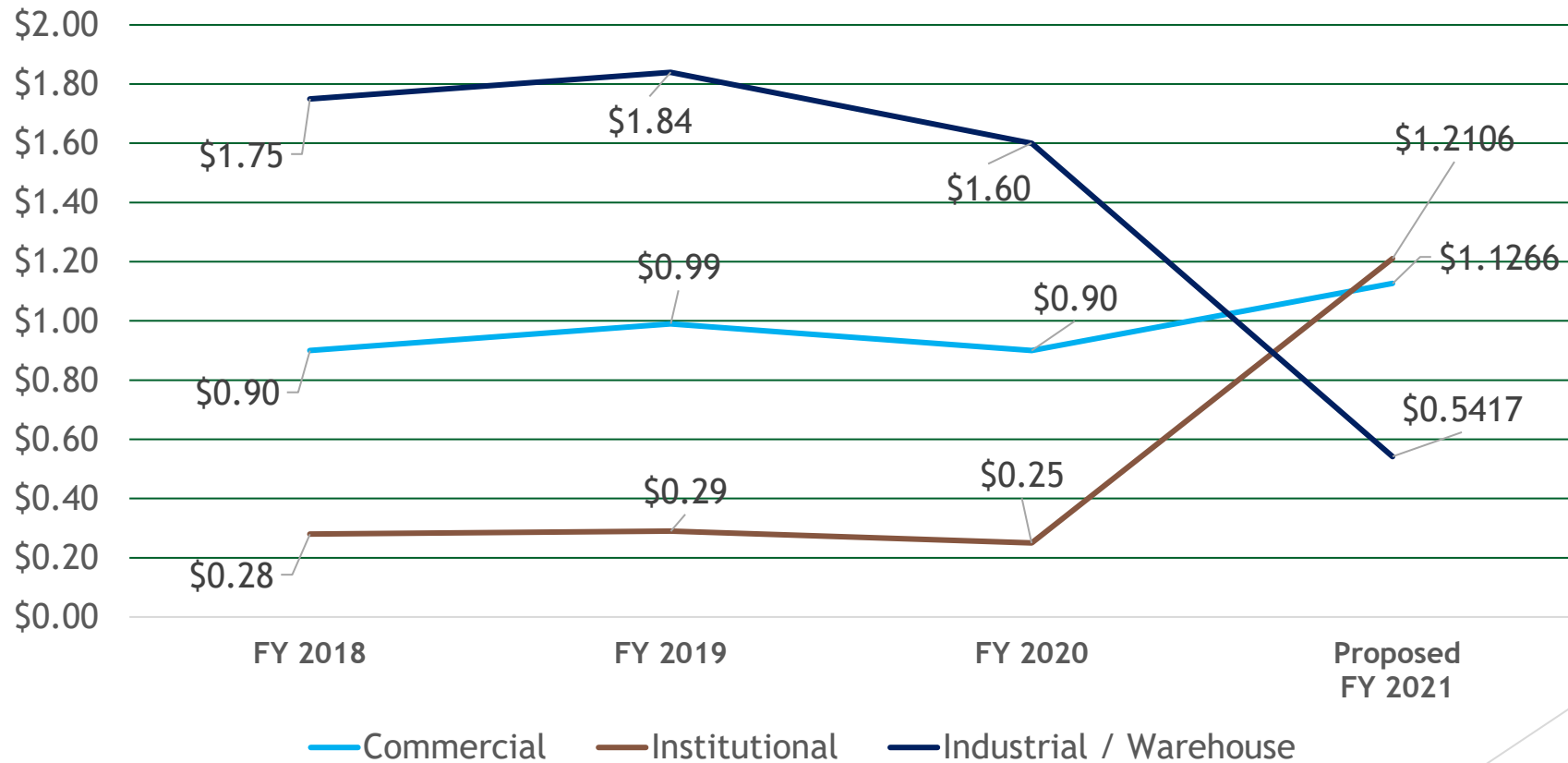
# Fire Assessment

- ▶ 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.
- ▶ Resolution 2020-045 adopted a new fire assessment methodology impacting all categories due to allocable fire protection costs and from the most recent 5-years of response data.
- ▶ 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 (\$6,921) 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 Three Year History and Proposed FY 2021



# Fire Assessment Rate: Per Square Foot Building Area by Category Three Year History and Proposed FY 2021



# Fire Assessment Impact(s)

- ▶ Residential: \$105.63 increase (per dwelling unit)
- ▶ Acreage: **(\$10.45) decrease** (per acre)
- ▶ Warehouse/Industrial: **(\$1.0583) decrease** (per square foot Bldg. area)
- ▶ Institutional: \$0.9606 increase (per square foot Bldg. area)
- ▶ Commercial: \$0.2266 increase (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 20/21 (with changes from FY 19/20)

Based On Consultant Study								
Assessment	Lot Sq. Ft. Range		Number of Units in Range	Solid Waste Cost Per Unit	Bulk Waste Cost Per Unit	Total Proposed Rates FY 20/21	Total Assessed Rates FY 19/20	Difference: Increase (Decrease)
A	-	41,200	406	\$ 324.33	\$ 268.68	\$ 593.01	\$ 593.01	\$ -
B	41,201	46,999	429	\$ 324.33	\$ 314.55	\$ 638.88	\$ 638.88	\$ -
C	47,000	62,999	418	\$ 324.33	\$ 379.00	\$ 703.33	\$ 703.33	\$ -
D	63,000	95,999	457	\$ 324.33	\$ 406.52	\$ 730.85	\$ 730.85	\$ -
E	96,000	106,999	473	\$ 324.33	\$ 448.84	\$ 773.17	\$ 773.17	\$ -
F	107,000	>107,000	446	\$ 324.33	\$ 555.41	\$ 879.74	\$ 879.74	\$ -

# Solid Waste (SW) Impact

- ▶ For FY 2020/2021, we proudly propose no changes in all residential categories. 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 in the prior year. While, the annual collection element contract adjustments consisting of CPI and fuel indices primarily offset each other. Additionally, it reflects Town Council policy of full cost recovery with no rate subsidy.
- ▶ Finally, it is important to note that the proposed FY 2021 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 less than a 1% increase annually per year over the past nine 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 total Operating millage + TSDOR millage to equal a net millage decrease to equal a rate 5.46% lower than the roll-back rate.
- 2) Changes in Fire Assessment rates to property owners depending on category, and
- 3) No changes to Solid Waste, Bulk and Recycling rates.