



OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

Memorandum

To: Honorable Mayor and Town Council

From: Rafael G. Casals, ICMA-CM, CFM, Town Manager

Date: September 1, 2022

Re: Fiscal Year 2022-23 Proposed Budget
(3rd Budget Workshop)

Town of Cutler Bay Staff (the “Staff”) has worked diligently in order to provide the Town Council (the “Council”) with a preliminary 2022-23 budget for your review. The General Fund is the main operating fund of the Town and is the fund supported by ad valorem revenues, the millage rate for which will be determined by the Council during the upcoming Budget Hearings in September. Given the importance of the General Fund, Staff felt it prudent to devote the entire July 27, 2022 Workshop presentation to that fund. At this September 1, 2022 Budget Workshop, Staff is presenting an update to the General Fund budget as well as a first-time presentation of other funds (special revenue, capital projects and/or stormwater funds) for which formal budgets will be adopted. These other funds account for special projects, many of which I described to the Council during the July 20, 2022 Budget Visioning Workshop. These other fund types are not supported by ad valorem revenue, but rather by grants or other special, restricted revenues (such as ARPA and PTP funds).

On July 1, 2022, the Miami-Dade Property Appraiser certified to the Town of Cutler Bay (the “Town”) the taxable value of property within the Town’s boundaries to be used to establish its 2022 millage rate (for Fiscal Year 2022-23) and ad valorem tax budget. Under the TRIM statutes, the Town has thirty-five (35) days (i.e. on or before Thursday, August 4, 2022) to notify the Property Appraiser, on form DR-420 electronically filed on the eTRIM system, of the Town’s proposed millage rate and the date, time, and place of its first public Budget Hearing. In turn, the Property Appraiser will use that information on the TRIM notices it mails out to all taxpayers in late August. Based on the July 1, 2022, certification received from the Property Appraiser, the taxable value of property within the Town’s boundaries **increased** 11.85% since last year’s certification. While this increase is an average Town-wide increase, it should be noted that homesteaded properties are protected from large increases by the Save Our Home caps reflected in State law.

In late fiscal year 2020, the Town Council gave Staff authorization to move forward with a “Fund Balance Replenishment Plan” (the “Plan”), developed in coordination with Lourdes Abadin of Estrada Hinojosa (the “Financial Advisor”), to help the Town stabilize and begin to re-strengthen its fund balance reserves which had begun to deteriorate significantly in recent years due primarily to operating deficits, impacts from COVID-19, and the undertaking of substantial capital projects which have been funded to date in large part by the General Fund’s fund balance.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

This Plan was implemented over fiscal years 2021 and 2022, and resulted in the Town's General Fund's fund balance increasing from \$13.7 million September 30, 2020 to \$19.4 million at September 30, 2021 (of which \$18.8 million was classified as "unassigned" and available for appropriation by the Town Council for any legal purpose).

As we approach an upcoming General Obligation bond offering, it is more important than ever for the Town to maintain its renewed financial strength and not revert to using reserves to fund the operating budget. This will ensure that the Town can get and maintain a solid bond rating which will result in lower interest costs to the Town.

At the July 20, 2022 Regular Council Meeting, the Council adopted Resolution 22-63 which adopted a proposed millage rate of 2.9388 mills for Fiscal Year 2022-23 which will be utilized by the Property Appraiser for advertisement purposes. This millage rate represents the two-thirds vote maximum millage rate which the Town has historically used a "ceiling rate" since it allows for a lower rate to be adopted during the September budget hearings if desired. This rate is 16.74% greater than the rolled back rate of 2.5173 mills.

General Fund:

At the Council's direction at the July 27, 2022 Budget Workshop, the attached General Fund budget has been prepared using the current 2.8332 mill rate and it generates a budget surplus of \$173,197. For the most part, the attached General Fund budget maintains the levels of service comparable to the recent past. The Community Development Department reflects a full-time Building Inspector (a Building Official and a night/weekend Code Officer were budgeted last year and carry forward to this year's budget). These three department positions were filled during fiscal year 2022. The Parks Department reflects a full-time night/weekend Recreation Supervisor, a position created in fiscal year 2022 by conversion of a part-time staff to full-time. No other changes to Town or Police staffing levels are anticipated. Other significant changes in the General Fund departmental budgets are discussed in the attached "Attachment A - Proposed FY 2022-23 Budget - Executive Summary".

As noted above, it is important that the Town Council adopt a millage rate that is sufficient to provide revenues to cover budgeted General Fund expenditures and which avoids generating deficits that draw down fund balance further.

[SPACE LEFT INTENTIONALLY BLANK]





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

Other Funds:

The FY 2022-23 budget also includes various special revenue funds, a capital projects fund and a stormwater utility fund. These funds are used to account for planned projects using revenues from special/restricted sources, such as grants, including ARPA funds, impact fees, and PTP funds. Below is a “brief” summary of the planned projects for FY 2022-23:

Special Revenue Fund projects:

- Park programs – funded by The Children’s Trust and the Department of Juvenile Justice
- Transit – continuation of the Town circulator bus (PTP funds) as well as the Go Connect/On Demand service (FDOT grant and PTP funds)
- Transportation:
 - Continuation of the roadway resurfacing program (PTP funds)
 - Traffic calming projects (PTP funds)
 - Continuation of the Franjo Road JPA roadway project (County JPA and PTP funds)
 - Construction of a roundabout on S.W. 200 St & S.W. 103 Ave (FDOT grant and PTP funds)
- Sidewalks – continuation of the town-wide sidewalk repair/replacement program (gas taxes and ARPA funds) as well as construction of a sidewalk around, and a pad on, Lincoln City Park (Road Impact Fees and PTP funds)
- Park Lighting – LED lighting updates to various Town parks (ARPA funds)

Capital Projects-Parks project:

- Playground ground surfacing improvements at various Town parks (ARPA funds)

Stormwater Utility Fund:

- Continuation of the current level of service for maintenance of the stormwater system
- Completion of the Stormwater Master Plan update (ARPA funds)
- Design and/or construction of various drainage improvement projects:
 - Caribbean Blvd/SW 87 Ave to S.W. 184 St (FDOT grant and PTP funds)
 - Marlin Road Complete Streets (State Appropriation and FDOT TAP grant)
 - Lakes by the Bay area ARPA projects
 - Bel-Aire area ARPA projects
 - Saga Bay area ARPA projects
 - Cutler Ridge Pines ARPA project
 - S.W. 207 St & S.W. 85 Ave ARPA project
 - Completion of Saga Bay 1.7 project (FDEP grant and PTP funds)
 - Saga Bay 1.5 project (State Appropriation and PTP funds)
 - Whispering Pines Swale improvement project (PTP funds)
 - Canal Bank Stabilization project (ARPA funds)
 - S.W. 82 Ave Drainage project (FDOT grant and PTP funds)





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

For Fiscal Year 2022-23, the Budget Hearing dates adopted by Council on July 20, 2022 at the Regular Council Meeting (Resolution No. 22-63) are as follows:

DATE	TIME	PLACE
1 st Budget Hearing September 14, 2022 (Wednesday)	6:00 PM	Cutler Bay Town Hall Council Chambers 10720 Caribbean Boulevard Cutler Bay, Florida 33189
2 nd Budget Hearing September 28, 2022 (Wednesday)	6:00 PM	Cutler Bay Town Hall Council Chambers 10720 Caribbean Boulevard Cutler Bay, Florida 33189

Staff looks forward to discussing the above items with the Council at our 3rd Budget Workshop and to gain further insight from the Council as to the programs and initiatives it would like for Staff to incorporate into the upcoming Fiscal Year 2022-23 budget for the 1st Budget Hearing.

The Proposed FY 2022-23 Budget – Executive Summary ([*Attachment A*](#)) provides a written summary of the significant decreases/increases in departmental expenditure line items. The Proposed FY 2022-23 Budget – Fund Summaries and Department Expenditures ([*Attachment B*](#)) provides the Council with the following comparative information:

- Actual FY 2020-21
- Adopted FY 2021-22
- Projected Actual FY 2021-22
- Proposed FY 2022-23 (*based on Millage Rate at 2.8332 for the General Fund*)
- Net Change:
 - July 27, 2022 Workshop (Proposed FY 2022-23) compared to Adopted FY 2021-22
 - September 1, 2022 Workshop (Proposed FY 2022-23) compared to July 27, 2022 Workshop (Proposed FY 2022-23)

ATTACHMENT(S):

- Attachment A – Proposed FY 2022-23 Budget – Executive Summary
- Attachment B – Proposed FY 2022-23 Budget – Fund Summaries and Department Expenditures

