

*Biscayne Gardens MAC Area Revenues and Expenditures Analysis
Final Report & Pro Forma – September 23, 2014*

*Proposed Biscayne Gardens Incorporated Area
MAC Report On:*

*Final Report & Pro Forma On Revenues and Expenditures
And
Municipal Structure & Costs Analysis*

September 23, 2014

Summary Edition Of Final Report

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Executive Summary

The following "Final Report" represents the projected revenues & expenditures and municipal structure and costs for the proposed Biscayne Gardens Incorporated Area. This Final Report is based on (1) a prior report dated July 26, 2004 originally prepared for the Cutler Ridge MAC relative to the proposed Cutler Ridge Incorporated Area; (2) the Biscayne Gardens Preliminary Pro Forma On Revenues & Expenditures And Municipal Structure & Cost Analysis dated May 22, 2008 (for F/Y 2009); (3) OMB at MAC Meeting of September 24, 2013 and after providing updating revenue estimates for F/Y 2014 for the Biscayne Gardens MAC Area plus certain 2013 estimated revenue sharing figures from the FL-Dept. of Revenue; and (4) Projected budget figures and revenue projections and forecasts relative to the same revenue and expenditures categories for Fiscal 2014 as set forth in the February 25, 2014 Draft Pro Forma adjusted for results of a Third-Party Review presented to the MAC August 26, 2014. The aforementioned Item (1) was used as a preliminary and prospective guide for the proposed Biscayne Gardens Incorporated Area because the proposed Cutler Ridge Incorporated Area appeared to be similar in some key aspects to the proposed Biscayne Gardens Incorporated Area, particularly in population size, land area and residential character of the community. This is intended only as a guide to pro forma and estimate possible revenues and expenses. Where believed appropriated pro forma figures have been adjusted for prospective differences that are expected to occur in expenses, particularly relative to the difference in level of existing development. The proposed Biscayne Gardens Incorporated Area is known to be near 98% built out, whereas the proposed Cutler Ridge Incorporated Area has substantial open area under development on its south and southwest side. This **Final Report** is intended to serve several purposes. As a **policy document**, this report serves to inform the reader about the **organization**, how the **departments** may be **organized** and the **services** the new Town could provide. As a **financial plan**, the data details the costs associated with providing **municipal services** and how the **services** could be **funded**. Specific expenditures may not be incurred during the first two years of the municipal incorporation.

This Final Report presents a consolidated picture of the total revenue and expenditures for the General Fund, Stormwater Utility Fund, and Transportation Fund. The operation of each fund is accounted for through a set of self-balancing accounts that comprise each fund's revenues and expenditures and as such are revenue neutral to the other aspects of operating as a municipality.

The Final Report is a result of a detailed review of the Cutler Ridge Incorporated Area Report, which contained comparable municipal government annual budgets in the State of Florida, 2002 Local Government Financial Handbook, Florida League of Cities Salaries Handbook, and Miami Dade County documents and is believed to be comparable to the proposed Biscayne Gardens Incorporated Area. This "final analysis" was prepared by members of the Biscayne Gardens MAC based in part on information provided by Miami-Dade County OSBM staff, the 2013 Local Government Financial Information Handbook and a Third-Party Reviewer (Consultant to OMB).

The report identifies a **total of \$11,759,700 in revenues**. **Expenditures**, including transfers out, are **projected to be \$11,190,400**. These projections **suggest a budget surplus of \$569,300** at the end of the proposed municipality's fiscal year. These figures include provision for first year start up and working capital (surplus): based on an **Ad Valorem Property Tax rate of 4.0 mills**.

Revenues	County Draft	Proposed (F/Y)	
Total of Change Over 3-years From F/Y2007 **	Analysis based on 2003 - 04 Budget or Cutler Ridge Est.	Biscayne Gardens Incorporated Area Analysis (2006)	(2014)
Ad Valorem (Property) Taxes (o) (2013 @ 4.0mills; 2006 @ 2.47mills)	\$1,831,000	\$2,212,000	\$2,799,000
Franchise Fees (o)	755,000	807,000	832,300
Utility Taxes (o)	1,491,000	1,591,000	1,674,400
Communications Services Tax (o)	1,200,000	1,281,000	1,304,000

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Revenues Total of Change Over 3-years From F/Y2007 **	County Draft Analysis based on 2003 - 04 Budget or Cutler Ridge Est.	Proposed (F/Y) Biscayne Gardens Incorporated Area Analysis (2006) (2014)	
Occupational License Taxes (o)	106,000	117,000	58,000
Building Permit Fees (a) (o)	187,000	205,000	136,000
Other Licenses, Fees and Permits (a)	<u>195,000</u>	<u>215,000</u>	<u>144,000</u>
Sub-total Direct Revenue Source	<u>\$5,765,000</u>	<u>\$6,428,000</u>	<u>\$6,947,700</u>
Intergovernmental Revenues			
Alcoholic Beverage Licenses(a)	\$ 7,000	\$ 8,000	\$ 8,000
State Revenue Sharing (a)* (r)	794,000	873,000	1,139,000
Local Gov. ½ cent Sales Tax (r)	<u>1,626,000</u>	<u>1,793,000</u>	<u>2,256,000</u>
Sub-total Intergovernmental Rev.	<u>\$2,427,000</u>	<u>\$2,674,000</u>	<u>\$3,403,000</u>
Charges for Services			
Photocopy Fees, etc. (a)	\$ 5,000	\$ 6,000	\$ 6,000
Sub-total Charges for Services	<u>\$ 5,000</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>
Fines and Forfeitures			
Violations-Local Ordinance (a)	\$ 171,000	\$ 188,000	\$ 188,000
Sub-total Fines and Forfeitures	<u>\$ 171,000</u>	<u>\$ 188,000</u>	<u>\$ 188,000</u>
Other Revenues			
Interest Earnings (o)	\$ 38,000	\$ 42,000	\$ 5,000
Misc. Revenues (o)	<u>27,000</u>	<u>30,000</u>	<u>50,000</u>
Sub-total Other Revenues	<u>\$ 65,000</u>	<u>\$ 72,000</u>	<u>\$ 55,000</u>
Stormwater Utility Fees (a) (= CR)	<u>\$ 688,000</u>	<u>\$ 688,000</u>	<u>\$ 688,000</u>
Local Option Gas Taxes			
Local Option Gas Tax (6%) (a)*	\$ 409,000 *	\$ 450,000	*\$ 342,000
New Loc Op Gas Tax (3%) (a)*	<u>160,000</u> *	<u>176,000</u>	<u>* 130,000</u>
Sub-total Local Option Gas Taxes*	<u>\$ 569,000</u>	<u>\$ 626,000</u>	<u>\$ 472,000</u>
Total All Funds Revenues	\$9,690,000	\$10,682,000	\$11,759,700

Expenditures (Note: Used Cutler Ridge MAC budget) (for 2006 adjusted as indicated below.)	County Draft Analysis or Comparative Basis or Assumption	Proposed (F/Y) Biscayne Gardens Incorporated Area Analysis (2006) (2014)	
General Fund			
Town Council		\$ 10,000	\$ 60,000
Office of the Town Manager		303,900	392,100
Office of the Town Clerk		248,200	321,400
Office of the Town Attorney		150,000	180,000

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Expenditures (Note: Used Cutler Ridge MAC budget) (for 2006 adjusted as indicated below.)	County Draft Analysis or Comparative Basis or Assumption	Proposed (F/Y) Biscayne Gardens Incorporated Area Analysis	
		(2006)	(2014)
General Government		710,300	1,153,700
Finance Department		214,400	299,600
Police Department (R + S&O)		5,648,000	5,495,500
Building and Planning Dept (c)	Service level = CR	723,300	938,300
Public Works Department	Built off CR estimate	437,400	588,800
Parks and Recreation Dept (e)	Based on CR est.	142,900	333,000
	Built off CR estimate	<u>142,900</u>	<u>333,000</u>
Total General Fund		<u>\$ 8,588,400</u>	<u>\$ 9,762,400</u>
Other Funds			
Total Stormwater Utility Fund	Same as CR	\$ 688,000	\$ 688,000
Total Transportation Fund *		* 932,000	* 472,000
QNIP (Debt and pay-as you-go) (e)		<u>107,000</u>	<u>268,000</u>
Total Other Funds		<u>\$ 1,727,000</u>	<u>\$ 1,428,000</u>
Total All Funds Expenditures		\$10,315,400	\$11,190,400
Total All Funds Balance		\$ +366,600	\$ + 569,300

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Note (Group) A (as to Fiscal 2006 Figures)

- (a) Indicates no County figure provided for Fiscal 2006, therefore used Cutler Ridge MAC (CR) figure in County column then extrapolated based on larger population for Biscayne Garden (BG) MAC area.
- (b) Indicates used "80%" of County cost figure.
- (c) Indicates used "80%" of Cutler Ridge budget figure.
- (d) Calculated at "67%" of Cutler Ridge budget figure.
- (e) Calculated at "50%" of Cutler Ridge budget figure.

Note (Group) B (FY 2006 based on CR allocation)

* Portion of funds required to be spent on Transportation:	<u>2006</u>	<u>2014</u>
35% of State Revenue Sharing (2013 dropped allocation) on \$873,000 =	\$306,000	\$ 0
100% of Local Option Gas Tax (6%) =	450,000	342,000
100% of New Local Option Gas Tax (3%) =	<u>176,000</u>	<u>130,000</u>
Total of Transportation Funds Projected	\$932,000	\$ 472,000

- (i) Allocation to "Professional Services" (Engineering) calculated at 10% on total expenditures
- (ii) Allocation to "Road Maintenance" calculated at 25% of total funds

Note (Group) C

- (o) Office of Strategic Business Management (OSBM) provided projections/allocations of F/Y 2007 Revenues for line items marked (o)
- (r) State of Florida – Dept of Revenue, Chief Economist Provided F/Y 2008 and 2014 projections for line items marked (r)

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Interim and Transition Period

If a new municipality is incorporated in Miami-Dade County, then the new Town enters into an “Interlocal Agreement” or contract, to clarify and agree on the municipal services and the levels and cost of said services to be provided to the Town by the County for an “Interim Period” (first six months after incorporation). After the municipal government has had an opportunity to set its priorities, the county and new municipality will enter into a separate **transition agreement**. In that second agreement, the parties will commit to a transition schedule through which the municipality will assume responsibility for delivering municipal services. Except for the delivery of local patrol and specialized police, library, solid waste collection and disposal, and fire-rescue services, the new city will responsible for delivering all municipal services. The delivery of those services is a decision for the Town’s elected officials to make.

Typical Organizational Chart

