

March 25, 2016



INTRODUCTION

The purpose of this analysis is to review previously completed budgetary projections for the potential municipal incorporation of the South A community. The firm of PMG Associates, Inc. (PMGA), under contract to Miami-Dade County, has performed this review.

The proposed budget was prepared by the South A Municipal Advisory Committee (MAC), which is an organization established by the Miami-Dade Board of County Commissioners (BCC) to examine issues at the community level and make recommendations for consideration by the BCC. This review represents a third-party examination of the revenues and expenditures of the potential municipality and, where determined necessary, revises the budget for further discussion.

The budget was initially submitted in December of 2015. The document was prepared using data provided by County Departments and review of comparable municipalities in Miami-Dade County.

The Office of Management and Budget (OMB) also prepared a document, “*Estimated Impact on UMSA Budget*”. This report was based on the Miami-Dade FY 2014-2015 budget. Figures from this report were used in both the MAC budget and in PMGA’s review.

The MAC budget served as the basis for the third-party review, with verification of the amounts used in the Pro Forma as the essential element of the analysis.

REVENUE

Revenue sources for any municipality are those established by State Law and the Miami-Dade County Charter. Municipalities have been granted the ability to raise funds from a variety of sources based on a Benefit/Cost scenario. The State Imposed Fees are a sharing of funds collected by the State of Florida and remitted to counties and municipalities to provide services to the public. These sources are typically allocated based on population.

The list of revenue sources used in this analysis is provided in Table 1 along with the authority for the imposition of charges and fees.

A description of the individual sources and the rationale for the estimate of the amount follows.

TABLE 1
REVENUE SOURCES

Authority	Revenue Source
State Constitution	Ad Valorem Taxes
State Imposed Fees	State Revenue Sharing
	½ Cent Sales Tax
Home Rule	Franchise Fees
	Utility Tax
Local Approved Sources	Communications Service Tax
	Business Use Tax
	Building Permit Fees
	Intergovernmental Transfers
	Charges for Services
	Fines and Forfeitures
	Stormwater Fees
	Gas Tax
	Other Revenues

Source: Local Government Financial Information Handbook – 2013

A review of comparable revenue sources follows.

Ad Valorem Taxes

Ad Valorem Taxes are the basic revenue source for local government and are imposed on the Taxable Value of the Real Property and Personal Property as determined by the Property Appraiser in each County. Taxable Value is defined as the Total Assessed Value less any Exemptions (such as Save Our Homes, Elderly, Disabled, etc.). Taxable Value figures for the South A area were provided by the Miami-Dade County Property Appraiser and reflect the most recent figures.

Taxes for this category are imposed as a Millage Rate, which is expressed as a whole number. A mill is defined as the amount per \$1,000 that is used to calculate taxes on property. The method for determining the taxes generated from property within the jurisdiction of the municipality is to divide the total Taxable Value by \$1,000 and multiply by the approved Millage Rate.

The proposed Millage Rate used in this analysis is 1.9283, same as the current Millage Rate for the unincorporated area of Miami-Dade County. This means residents would not see their property taxes change if the MAC area were to incorporate.

The Millage Rate of 1.9283 on the \$4,760,210,726 value of real and tangible property (at 95% collection rate) generates Ad Valorem Taxes of \$8,720,159.

Franchise Fees/Utility Taxes/Communication Service Tax

Franchise Fees and Utility Taxes are generally defined as the payment for the right to provide utility service to an area. Miami-Dade County allows any MAC area that incorporates to retain these revenue sources. The local government will be required to impose a rate to be attached to the use of Electric, Natural Gas, Water and other services. The Franchise Fee rate in Florida has a maximum of 6% of the usage charges, while Utility Taxes are capped at 10%.

The Communication Service Tax is applied to the use of any communication device registered to a user at an address within the jurisdiction. The local portion of the Communications services tax applies to telecommunications, video and related services. This definition includes voice, data, audio, video, or any other information or signals, transmitted by any medium, including:

- Land Line Telephone
- Cellular Telephones
- Satellite Telephones
- Cable Television Service
- Satellite Television Service
- Internet Service
- Tablets
- Any other service that uses airwaves, cable or other interconnected devices

Revenue from this source has had significant expansion annually since more devices are available and in use each year. Many households have multiple devices and will pay a fee on the usage rate of each device.

The governing body of the jurisdiction must establish a rate applied to the usage charges, with the typical rate in Miami-Dade County of 5.72% (the rate applied by Miami-Dade County in the unincorporated area). The highest rate charged in the area is 6.72% (Medley).

All of these fees and taxes are applicable to businesses as well.

MAC estimates

Franchise Fees:	\$ 3,576,203
Utility Taxes:	\$13,303,220 (including Communication Service Tax)

OMB estimates

Franchise Fees:	\$ 2,609,095
Utility Taxes:	\$ 7,330,154
Communication Service Tax:	\$ 3,715,389

Below is a table comparing the proposed MAC to four existing municipalities. These comparisons were selected due to their similar population size. In addition to adjusting revenues to a per capita basis, consideration was given regarding the recency of incorporation and mean household income of the comparisons.

	South A	Hialeah	Miami Gardens	Palmetto Bay	Miami Lakes
2014 population	127,267	235,563	112,265	24,513	30,791
Franchise Fees	\$3,576,203 (proposed)	\$18,205,866	\$3,048,633	\$1,225,000	\$1,160,066
Utility Taxes (including Communication Service Tax)	\$13,303,220 (proposed)	\$24,220,000	\$10,398,000	\$3,543,045	\$4,130,152
FF per person	\$28.10	\$77.29	\$27.16	\$49.97	\$37.68
UT per person (including CST)	\$104.53	\$102.82	\$92.62	\$144.54	\$134.14

As seen in the above table, the average Franchise Fee in the four comparison municipalities is \$48.03. If we consider Hialeah to be an outlier, the average of the other three comparison municipalities falls to \$38.27. PMGA believes this to be a reasonable estimate, and will use that per capita figure, multiplied by the population to arrive at an estimate of \$4,870,508. The average of the four comparison municipalities for Utility Taxes and Communication Service Tax is \$118.53. If we consider Palmetto Bay to be an outlier, the average falls to \$109.86. PMGA prefers to use the more conservative figure for the South A estimate. Using a per capita figure of \$109.86, PMGA estimates Utility Taxes including Communication will be \$13,981,553.

PMGA estimate

Franchise Fees: \$ 4,870,508
 Utility Taxes: \$13,981,553 (including Communication Service Tax)

Business Use Tax

This fee (formerly known as the Occupational License) is imposed on the owners of any business enterprise located within the boundaries of the municipality. The rates are established by the governing body and typically are based on the type of business activity performed. More intensive uses usually receive a higher fee.

The estimate for this source was taken from the budget review by OMB and is placed at \$416,163. The South A area has a total of 3,824 businesses (Claritas). The following table shows the proposed figures for South A and four comparison municipalities.

	South A	Homestead	Hialeah	Miami Gardens	Palmetto Bay	Miami Lakes
2015 number of businesses	3,824	1,500	8,484	2,430	1,101	1,902
Business Use Tax	\$416,163 (proposed)	\$396,550	\$3,043,124	\$960,000	\$50,000	\$104,423
Tax per business	\$35.23 (proposed)	\$264.37	\$358.69	\$403.29	\$45.41	\$54.90

As seen in the table above, South A has per business figure lower than comparable municipalities. The average of the five comparison municipalities is \$225.33. Multiplying that figure by the number of business in South A gives a figure of \$861,662. PMGA will use this figure in our analysis

Most of the businesses in the area are in Retail, Professional, Health Related industries and Construction.

Building Permit Fees

Local governments impose a fee for obtaining permits to construct or modify a structure in the jurisdiction. Under State law, these fees cannot be higher than the cost associated with providing the service, including any Administrative Costs. The MAC budget estimates expenses to be \$283,805. PMGA finds the MAC estimate for Building Permit Fees to be reasonable.

Other Licenses/Fees/Permits

Special events, use of municipal property and other activities also generate funds for a governmental jurisdiction.

The estimate for this source was taken from the budget review of other municipalities in South Florida that are similar in size to the proposed municipality. This review reveals that the revenue in this category for the other municipalities ranges from \$23,000 to \$250,000. The estimate for South A includes a line item for Alcoholic Beverage Licenses, at \$22,908. PMGA finds the MAC estimate for this revenue source to be reasonable.

State Shared Revenues/ ½ Cent Sales Tax

State Shared Revenues are funds allocated each year into a fund for distribution to the local entities. There is no set amount. However, the State of Florida attempts to provide at least the same amount as the previous year.

The ½ Cent Sales Tax is not revenue generated at the local level, but rather ½ Cent of the 6% Sales Tax collected throughout the State. These funds are placed in a fund and reallocated to the local jurisdictions in a manner similar to the State Shared Revenues. These funds are allocated to municipalities based on population.

Estimates for these figures were provided by the MAC. The figures provided by the MAC were then compared to three comparable municipalities. The results are found in the table below.

MAC estimates

State Shared Revenue (SSR): \$3,554,567
 ½ Cent Sales Tax (SST): \$8,795,422

	South A	Homestead	Hialeah	Miami Gardens	Palmetto Bay	Miami Lakes
2014 population	127,267	65,524	235,563	112,265	24,513	30,791
State Shared Revenue	\$3,554,567 (proposed)	2,110,383	8,527,350	2,728,756	\$418,162	\$811,930
1/2 cent sales tax	\$8,795,422 (proposed)	4,564,392	16,355,645	8,014,226	\$1,740,000	\$2,145,349
SSR per person	\$27.93	\$32.21	\$36.20	\$24.31	\$17.06	\$26.37
SST per person	\$69.11	\$69.66	\$69.43	\$71.39	\$70.98	\$69.67

As seen in table, State Shared Revenue and State Sales Tax estimates by the South A MAC are comparable to similar municipalities. The average for the five comparable municipalities is \$27.23 per person for State Shared Revenue, and \$70.23 per person for State Sales Tax. PMGA finds that the estimates from the MAC are reasonable.

Intergovernmental/Charges for Service/Fines and Forfeitures/Other Revenues

These sources comprise transfers from other jurisdictions, traffic fines, code enforcement charges and other miscellaneous items.

The estimates for these sources were taken from the budget review of other municipalities in Miami-Dade County and the amounts listed below are reasonable.

Charges for Service:	\$749,603
Fines and Forfeitures:	\$1,272,670
Other Revenues:	\$0

Stormwater Fees

These sources represent the funds from the levy of a Stormwater Fee for all properties in the jurisdiction. The funds are transferred to Miami-Dade County, which is responsible for the maintenance of the drainage facilities. The fee actually represents a “Pass-through” of funds for services provided. It should be noted that it is not required for a new municipality to collect stormwater fees, they can opt to remain on the County system.

No estimate for Stormwater Fees was supplied by the MAC. It is possible that the fees may be paid directly to the County and by-pass the new municipality. Miami Gardens is a good comparison in this case. With a population of 112,265, Miami Gardens had expected revenue of \$3.58 million in FY15. PMGA will use that as an estimate for South A. Since the amount is included in both revenue and expenditures, the amount has a net sum of \$0.

<u>Revenue Projection</u>
\$3,580,000

<u>Associated Expenditures</u>
\$3,580,000

Gas Tax

Miami-Dade County generates funds through a local Gas Tax, which is then allocated to the municipalities. The allocation is based on population and amount of lane miles within the jurisdiction.

The funds raised by this source are restricted for the improvement of roads and transportation systems in the jurisdiction. The expenditure section will include an amount identical to the revenue generated.

Again, PMGA will use the Miami Gardens figure of \$580,000 as an estimate. This figure is added to both the revenues and expenditures.

<u>Revenue Projection</u>
\$580,000

<u>Associated Expenditures</u>
\$580,000

Parks and Recreation

South A is home to 34 parks currently funded by UMSA. It is believed that 27 of the parks would be transferred to the new municipality if incorporated. While these parks will have revenue, these will only offset expenditures by the parks, and are dealt with in the Parks and Recreation Expenditures portion of this report. See page 13 of this report for more details.

Interest

The MAC estimate includes \$148,902 in interest revenue, based on an allocation of \$1.17 per person. PMGA find this figure to be reasonable.

Total Revenue

The estimate of revenue from all sources totals \$47,421,759 and is represented in Table 2. The figure is an increase of \$6,578,137 (16.1%) from the MAC 2015 report.

TABLE 2
SUMMARY OF REVENUES

Category	MAC Amount	PMGA Amount
Ad Valorem	\$ 8,720,159	\$ 8,720,159
Franchise Fees	\$ 3,576,203	\$ 4,870,508
Utility Taxes	\$13,303,220	\$13,981,553
Business Use Tax	\$ 416,163	\$ 861,662
Building Permit Fees	\$ 283,805	\$ 283,805
Other Licenses/Fees/Permits	\$ 22,908	\$ 22,908
State Shared Revenue	\$ 3,554,567	\$ 3,554,567
1/2 Cent Sales Tax	\$ 8,795,422	\$ 8,795,422
Communication Service Tax	(included in Utility)	(included in Utility)
Intergovernmental	\$ 0	\$ 0
Charges for Service	\$ 749,603	\$ 749,603
Fines and Forfeiture	\$ 1,272,670	\$ 1,272,670
Other Revenues	\$ 0	\$ 0
Stormwater	\$ 0	\$ 3,580,000
Gas Tax	\$ 0	\$ 580,000
Interest	\$ 148,902	\$ 148,902
Total	\$40,843,622	\$47,421,759

OTHER TAXES NOT PAYABLE TO THE NEW MUNICIPALITY

Property Owners in the proposed incorporation area will also pay taxes to authorities other than the new municipality. The establishment of a new municipality will not impact the power of these agencies to impose taxes. Incorporation of South A will not impact these taxes. Levies include:

- County-wide Ad Valorem Tax by Miami-Dade County
- Fire District Tax
- Library Tax
- Special Districts Tax (Water Management, Florida Inland Navigation, Children's Trust etc.)

Property Owners in the South A area will no longer be required to pay the UMSA Unincorporated Area Tax from Miami-Dade County, if the area incorporates. The Property Owners will be required to pay the Ad Valorem rate imposed by the new municipality.

EXPENDITURES

Expenditures for the municipality were determined by analysis by various County Departments as well as examination of other municipal budgets. The expenditure estimate was based on personnel levels, equipment and operational costs.

City Council

The MAC estimate for the City Council used the current Miami Gardens council expenditure of \$537,770 and includes costs associated with a seven person council. PMGA finds this figure to be reasonable.

MAC Estimate - \$537,770

City Manager

The estimate for this department includes staffing level of four and a half (Manager, Assistant Manager, Communications Manager, Administrative Aide, and Part-time TV and Camera Technician). This figure should include fringe and operating costs. The MAC estimate for the City manager used the current Palmetto Bay expenditure of \$485,226. PMGA finds this figure to be reasonable.

MAC Estimate - \$485,226

City Clerk

This department has a staff of four (Clerk, Deputy Clerk, Administrative Specialist, and Record Management Supervisor) and includes operating costs as well as records retention, mailing costs, advertising and other expenses. The MAC estimates expenditures of \$589,582. PMGA finds this figure to be reasonable.

MAC Estimate - \$589,582

Building

The MAC assumes staffing of three (Building Official, Assistant to the Official, and Receptionist). The proposed budget for this is \$283,805. This is equal to the proposed Building Department revenue. PMGA finds the revenue and expenditure in this line item reasonable.

Total cost Building Planning, and Zoning - \$283,805

Finance

The estimate for this department includes a staff of six to complete the accounts receivable, accounts payable and coordination of collection and disbursement of funds. PMGA finds this figure to be reasonable.

MAC Estimate - \$462,488

Human Resources

The estimate for this department includes a staff of five for the recruitment and retention of employees, administration of compensation and benefits and employee relations. PMGA finds this figure to be reasonable.

MAC Estimate - \$613,952

City Attorney

The MAC estimate for this department includes a City Attorney and two support staff. PMGA finds this figure to be reasonable.

MAC Estimate - \$558,694

Planning and Zoning

The MAC estimate for the Planning and Zoning Division includes a staff of eight. PMGA finds this figure to be reasonable.

MAC Estimate - \$562,757

Public Works

The MAC estimate for the Public Works Division includes a staff of five. PMGA finds this figure to be reasonable.

MAC Estimate - \$1,380,528

Police

This figure is provided by Miami-Dade County and is based on previous experience. This figure is assumed to be a given and was not examined by PMGA.

Total Cost Police - \$28,099,206

Code Enforcement

The MAC estimate for Code Enforcement includes seven Code Enforcement Officers and a support staff of one. PMGA finds this figure to be reasonable.

MAC Estimate - \$852,956

Parks and Recreation

As stated before, the proposed MAC area has 34 Parks, of which 27 would transfer to the municipality if incorporated. Revenue from those parks will be used to offset the cost of running the parks. The Office of Management and Budget estimates that net expenditure of the Parks and Recreation Department will be \$2.9 million. PMGA finds this figure to be reasonable.

MAC Estimate - \$2,920,100

Purchasing

The MAC estimate for the Public Works Division includes a staff of four. PMGA finds this figure to be reasonable.

MAC Estimate - \$300,000

Information Technology

The MAC estimate for the Information Technology Department includes a staff of six. PMGA finds this figure to be reasonable.

MAC Estimate - \$892,063

General Services Administration

This figure includes office rent and supplies, utilities and maintenance, other expenses for general government, policy formation/internal support, and general services. PMGA finds this figure to be reasonable.

MAC Estimate - \$1,270,943

Stormwater/Utility/Transportation

The expenditures for these categories equal the revenue generated. Estimations for these line items are explained under the revenues section of this report. PMGA finds the revenue and expenditure in these line items to be reasonable.

Category	Revenue	Expenditures
Stormwater Fees	\$3,580,000	\$3,580,000
Transportation Revenue	\$580,000	\$580,000

QNIP

Representing the share of the new municipality of the debt incurred by Miami-Dade County, the figure provided by the MAC is \$1,033,552. This is the same figure provided by the Office of Management and Budget. PMGA finds this figure to be reasonable.

Total Expenditures

Total expenditures equal \$45,003,622, which is an increase of \$4,160,000 (10.2%) over the amount in the MAC report. The amounts are found in Table 3.

TABLE 3
ESTIMATED EXPENDITURES

Category	MAC Amount	PMGA Amount
City Council	\$ 537,770	\$ 537,770
Office of City Manager	\$ 485,226	\$ 485,226
Office of City Clerk	\$ 589,582	\$ 589,582
Building	\$ 283,805	\$ 283,805
Finance Department	\$ 462,488	\$ 462,488
Human Resources	\$ 613,952	\$ 613,952
City Attorney	\$ 558,694	\$ 558,694
Planning and Zoning	\$ 562,757	\$ 562,757
Public Works	\$ 1,380,528	\$ 1,380,528
Police Department	\$28,099,206	\$28,099,206
Code Enforcement	\$ 852,956	\$ 852,956
Parks and Recreation Department	\$ 2,920,100	\$ 2,920,100
Purchasing	\$ 300,000	\$ 300,000
Information Technology	\$ 892,063	\$ 892,063
General Services	\$ 1,270,943	\$ 1,270,943
Stormwater Utility Fund	\$ 0	\$ 3,580,000
Total Transportation Fund	\$ 0	\$ 580,000
QNIP (Debt and pay-as you-go)	\$ 1,033,552	\$ 1,033,552
Total	\$40,843,622	\$45,003,622

NET OPERATIONSReserve/Surplus

The MAC budget had revenues of \$40,843,622 and expenditures of \$40,843,622 with no line item in the budget for a reserve.

The result of the analysis provided in this report is an overall surplus (Revenues less Expenditures) of \$2,418,137, or 5.4%. The addition of a surplus is due to the increased revenue projections, which are based on the higher projections by PMGA Franchise Fees and Business Use Tax.

The surplus amount is important due to the fact that the revenue sources may be late in reaching the full amount. One example is that the coding for the Franchise Fees, Utility Taxes and Communications Service Taxes must be changed to the new jurisdiction. At times, the adjustment to the programming of the utility companies is not completely accurate resulting in a loss of revenue to the new jurisdiction. Other revenues may also be slow in collection.

One way for the new municipality to improve the collection of the fees and taxes from the use of utility services is to engage a firm that specializes in reviewing the allocation process of these fees. The firm usually operates on a commission basis and typically improves the revenue stream of the municipality.

Another use of the surplus funds is for capital improvements and expenditures that may be necessary. This action may reduce costs in the future.

The municipality should maintain a contingency fund for special and/or emergency needs. Setting this amount at 5% to 10% of the budget makes wise fiscal sense. It is not necessary to add 5% to 10% each and every year. Instead the municipality should maintain a balance in the fund equal to the specified amount.

Category	MAC Report	Third-Party Report
Revenue	\$40,843,622	\$47,421,759
Expenditures	\$40,843,622	\$45,003,622
Surplus	\$0	\$2,418,137
Percentage	0.0%	5.4%

CONCLUSION

The South A area can succeed financially as a new municipality without changing the Ad Valorem Tax Rate that currently exists for the UMSA area of Miami-Dade County. This millage rate, as well as other revenues, will generate sufficient funds to apply for operating expenditures and result in an adequate surplus to be added to Reserves.

The conclusion is also based on the establishment of a budget that provides the current level of service received by Property Owners from Miami-Dade County. The budget does not consider increases in services.

The analysis conducted by PMG Associates, Inc. (PMGA) differs from the budget prepared by the MAC in several instances:

- The Third Party review did not agree with the estimates of the Franchise Fees and Utility Tax projections as expressed by the MAC. However, the estimates of these revenue sources in the review in combination varied slightly from those in the MAC budget.
- There is a significant increase in the amount of Business Use Tax in the Third Party Review.
- Stormwater Fees and Gas Tax revenue should be included. However, these revenue sources must be offset with increased Expenditures and the result is a net financial position of \$0.
- There was no Contingency offered in the MAC budget. After adjustments in the Third Party Review, a Contingency of \$2.4 million is generated and should be placed in an Unrestricted Reserve Fund.
- Any municipality should retain an Unrestricted Reserve of between 5% and 10% of Expenditures for Contingencies. Often called a “Rainy Day Fund”, this amount does not need to be funded in its entirety in the first few years of a municipality’s existence. However there should be a plan to fully fund this reserve over time. The Unrestricted Reserve Fund in the PMGA analysis is 7.8%, which is an appropriate initial amount.

PMG Associates, Inc. finds the budget prepared by the MAC to be reasonable and indicates a solid financial position.

APPENDIX

Reference Materials



The SOUTH A Area Revenues and Expenditures Analysis (Executive Summary)
FINAL REPORT AND PRO FORMA – DECEMBER 2015

General Information

This is the first report generated for the South A area. The population for the South A Area as of November 2013 was 127,267 residents. The UMSA Millage is currently 1.9283 and has been at the same rate since 2013. The 2015 Preliminary Tax Roll in the area is \$4,760,210,726. In order to develop the revenue and expenditures for the Pro Forma, budgets from three different cities were considered. Budgets for the Cities of North Miami and Miami Gardens were analyzed and considered in this study because their budgets were similar in certain aspects with the area in consideration (population and per Capita Taxable Value). Another budget also considered was the budget for the Village of Palmetto Bay. Even though this is a more affluent neighborhood, it is a new city and some of the expenditures and revenues were similar when compared to a per-person expense and revenue.

This report is intended to inform interested parties how the city would be organized and the services it could provide.

Revenues	Assumptions	Proposed South MAC Area Analysis (2015)
Ad Valorem Taxes	Allocation based on tax roll and Millage	\$8,720,159
Franchise Fees	Allocation based on \$28.10 per person	\$3,576,203
Utility Taxes (including Communications Service Tax)	Allocation based on \$104.53 per person	\$13,303,220
Fines and Forfeitures	Allocation based on \$10.00 per person	\$1,272,670
Licenses and Permits	Allocation based on \$3.27 per person	\$416,163
Sales Tax	Allocation based on \$69.11 per person	\$8,795,422
Interest	Allocation based on \$1.17 per person	\$148,902
Alcoholic Beverage License	Allocation based on \$0.18 per person	\$22,908
State Revenue Sharing	Allocation based on \$27.93 per person	\$3,554,567
Building Permits	Allocation based on \$2.23 per person	\$283,805
Charges for Services	Allocation based on \$5.89 per person	\$749,603
Total Revenues		\$40,843,622

Note: Budget only includes operating type expenses. No capital is included as part of this analysis.

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The SOUTH A Area Revenues and Expenditures Analysis (Executive Summary)
FINAL REPORT AND PRO FORMA – DECEMBER 2015

Expenditures	Assumptions	Proposed South MAC Area Analysis (2015)
City Council	MG Budget	\$537,770
City Manager	Palmetto Bay Budget	\$485,226
City Clerk	MG, CNM and PB Avg.	\$589,582
Building Official		\$283,805
Finance	Palmetto Bay Budget	\$462,488
Human Resources	Average of three cities	\$613,952
City Attorney	MG Budget	\$558,694
Planning and Zoning	Average of three cities	\$562,757
Public Works	MG Budget	\$1,380,528
Police	Provided by MDCPD	\$28,099,206
Code Enforcement	North Miami Budget	\$852,956
Parks & Recreation	Provided by MDCP&RD	\$2,920,100
Purchasing	Miami Gardens Budget	\$300,000
Information Technology	CNM Budget	\$892,063
General Services Administration	Palmetto Bay Budget	\$1,270,943
QNIP (Pay-as-you-go)		\$1,033,552
Total Expenditures		\$40,843,622

Note: Budget only includes operating type expenses. No capital is included as part of this analysis.

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Impact to the
Unincorporated Municipal Service Area

South MAC A

Based on FY 2014-15 Budget	Incorporation Assumptions	
Property Tax Revenue	Allocation based on tax roll & millage	\$7,970,000
Franchise Fees	Allocated based on tax roll/population	\$2,609,095
Sales Tax	Allocation based on \$66.94 per person	\$8,519,191
Utility Taxes	Allocated based on tax roll/population	\$7,330,154
Communications Tax	Allocated based on tax roll/population	\$3,715,389
Alcoholic Beverage License	Allocation based on \$0.24 per person	\$29,719
Occupational License	Allocation based on \$1.47 per person	\$187,319
Interest	Allocation based on .08% of total revenue	\$24,374
Miscellaneous Revenues	Allocation based on \$0.83 per person	\$106,042
Revenue to UMSA		\$30,491,283
Cost of Providing UMSA Services		
Police Department		\$26,033,177
UMSA Police Budget (without specialized)		
Park and Recreation Dept	Based on cost of parks	\$2,920,100
Public Works		
Centerline Miles	Centerline miles times cost per lane mile	\$327,630
Planning, Code Compliance and Non-Departmental	Direct cost times 7.0%	\$ 2,049,664
QINIP (pay-as-you-go)	Utility Taxes as a % of debt service 14.1%	\$ 1,033,552
Policy Formulation/Internal Support	Direct cost times 5.2%	\$ 1,522,607
Cost of Providing UMSA Services		\$ 33,886,730
Net to UMSA		(\$3,395,447)
1. Does not include gas tax funded projects 2. Does not include canal maintenance revenues or expenses 3. Does not include proprietary activities: Building, Zoning, Solid Waste 4. Does not include Fire and Library Districts 5. Revenues are based on allocations not actuals Disclaimer: These calculations do not represent a projected or suggested municipal budget. They indicate only the fiscal impact of this area's incorporation on the remaining UMSA.		
2014 Taxable Property Rolls		\$4,350,437,326
2014 Area Population		127,267
2014 UMSA Population		1,130,543
2014-15 UMSA Millage		1.9283
Patrollable Sq. Miles - UMSA		207.90
Total Calls For Service - UMSA CY 2013		644,218
Part 1 Crimes - UMSA 2013		50,027
Part 2 Crimes - UMSA 2013		23,401
Patrollable Sq. Miles - Study Area		24.09
Total Calls for Service - Study Area		66,865
Part 1 Crimes - Study Area		5,326
Part 2 Crimes - Study Area		2,547
Cost per Centerline Mile		\$1,745
Number of Centerline Miles		187.7
Per Capita Taxable Value		\$34,183.55