

**CITY OF COOPER CITY
CITY COMMISSION MEETING MINUTES
BUDGET WORKSHOP
JULY 12, 2016
6:30 PM**

1. PLEDGE OF ALLEGIANCE

Mayor Ross opened the meeting at 6:30 PM and led the assembly in the Pledge of Allegiance. A moment of silence was observed for the horrific event that unfolded in Dallas.

2. ROLL CALL

Present were Commissioners Green, Curran, Sims, and Mayor Ross. Commissioner Mallozzi was absent.

3. AGENDA CONCERNS

None.

4. BUDGET DISCUSSION

City Manager Loucks opened with an overview of the 2016-2017 proposed budget. He explained that the General Fund has maintained its low millage rate by relying upon accumulated reserve funds and that the increases in reserves have been used to fund capital projects.

It is recommended that the operating millage rate be increased by the decrease in the debt service millage (0.0054) and by an additional 0.4500 to fully fund the second Rescue Unit, for a total proposed millage rate of 6.5272.

The proposed budget reflects two added positions, a Utilities Mechanic and a Technician for the Information Technology Division.

The funds for the Optimist program were addressed and it was determined that the City Manager, the Public Works Director, and the Recreation Director should review the resolution regarding funding provided to the Optimist program.

The decision was made that the July 13, 2016 Budget Meeting was not needed.

5. ADJOURNMENT

The meeting was adjourned at 7:35 PM.



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MEMORANDUM

TO: Mayor & Commissioners
FROM: Bruce D. Loucks, City Manager
DATE: July 1, 2016
RE: Budget Workshop FY2016-2017

On July 12th and 13th there are two Budget Workshops scheduled. On July 26th, a Commission Meeting has been scheduled to adopt millage rates and assessments.

Budget Workshop and Meetings

At the first Budget Workshop, prior to reviewing budget issues, citizen input will be taken regarding budget issues and concerns. The second workshop, if needed, will continue with addressing questions and concerns from the first workshop.

The July 26th Commission Meeting will follow regular Commission Meeting procedures.

Budget Overviews

As reflected in the Budget Message, the 2016-2017 Budget was developed with a focus on continued services and project development. Revenue impacts are:

The City will provide for fire services funded partially by a special assessment of \$161.28 (residential rate) which reflects no increase for the past three years.

The Water and Sewer rates will increase in accordance with City policy from the most recent CPI. Last year, the Storm Water Assessment was increased for residential users from \$14.40 annually to \$35.16 annually. This level of funding will provide for continued maintenance of the storm water system and for capital expenditures in the western portion of the City.

The Storage Lot Fund budget reflects an increase in revenues from a fee increase. A 30% increase in rates will be necessary to fund the budget, as there are no reserves available.

General Fund Reserves

As discussed over the past years, the City’s strategy for the General Fund has been to maintain its historically low millage rates by relying upon accumulated reserve funds. The following table reflects the status of the reserves. As reflected in the table, reserves have increased in the past two years. These increases are being used to fund capital projects.

	Beginning Reserves	% of General/ Building Fund Expenditures
FY 2009-2010	\$12 million	48%
FY 2010-2011	\$9.6 million	38%
FY 2011-2012	\$8.1 million	31%
FY 2012-2013	\$7.3 million	31%
FY 2013-2014	\$7.7 million	26%
FY 2014-2015	\$8.4 million	32%
FY 2015-2016	\$8.6 million	26%
FY 2016-2017	\$9.5 million	26%

At the end of FY2016-2017 the ending reserves are expected to be \$6 million. Reserves are being used in the Building and Inspection Services Fund, in the General Fund for capital projects and the 2nd Rescue unit.

Fund Balances/Retained Earnings

As reflected in the FY2015 audit, the City had \$25.9 million of reserves available at September 30, 2015. The following table reflects those funds and their uses.

<u>Governmental Funds</u>	<u>Fund Balance</u>	<u>Retained Earnings</u>
General/Building	\$ 8,683,936	Being used to fund operations and capital projects
Road & Bridge	99,077	Being used to fund street and road maintenance
Police Confiscation	225,255	Restricted to allowable uses
Debt Service	89,645	Cash flow for October payments
Capital Projects	4,539,601	Being used to fund Capital Projects
Total	<u>\$13,635,514</u>	
<u>Enterprise Funds</u>		
Parking Lot	\$ 21,430	Being used to fund improvements
Water and Sewer	11,826,108	Funding for Capital Projects and debt
Stormwater	417,846	Restricted to allowable uses
Total	<u>\$12,265,384</u>	
Total All Funds	<u><u>\$25,900,898</u></u>	

Millage Rates

The proposed budget reflects no overall millage rate increase. The current and proposed millage rates are reflected below.

	Current <u>FY2015-2016</u>	Adjusted <u>FY2016-2017</u>	Proposed <u>FY2016-2017</u>
General Fund (Operating Millage)	5.7293	5.7347	5.7347
Debt Fund (Debt Millage)	0.1479	0.1425	0.1425
Total	5.8772	5.8772	5.8772
General Fund (2nd Rescue Unit)	0.2000	0.2000	0.2000
Recommend increase for 2nd Rescue Unit	0	0	0.4500
Total Citywide	6.0772	6.0772	6.5272

It is recommended that the proposed decrease in the debt service millage be applied to the operating millage for the General Fund. There would be no overall increase to the total City millage and would provide an additional \$14,200 in funding to the General Fund.

In last year's budget, the cost of the 2nd Rescue Unit was funded through a millage increase of .2000 mills \$500,000 and budget reductions \$720,000. In the proposed budget the funding for the 2nd Rescue Unit is through the current millage (.2000) and a reduction of fund balance (\$1,215,000). As budget reductions represent one-time savings, it is recommended that the millage be increased by 0.45 mills (\$1.2 million) to ensure a sustained funding for the 2nd Rescue Unit.

Municipal Surtax

As you are aware, the Municipal Surtax will be on the November ballot. No revenues from the surtax are reflected in the proposed budget. If the ballot measure is approved, the budget can be amended for the additional revenue, which would be received beginning in January 2017.

Capital Projects

Capital Projects for the City are funded as part of the governmental funds (Budget Book pages 105 & 115) and the Utility Funds (Budget Book page 179). The Utility projects are funded from Water and Sewer revenues. The government fund projects are funded from impact fees, grants and property taxes, from the General Fund.

<u>General Government</u>	<u>FY 2016-17 Budget</u>
1. Street sweeping	\$ 20,000
2. Pressure clean sidewalks Citywide	80,000
3. Tree trimming	250,000
4. Street resurfacing	210,000
5. Sidewalk repair	175,000
Total Road & Bridge Fund	\$ 735,000

6. Mobile stage	105,000
7. City Hall parking lot	90,000
8. Design Public Works administration building	30,000
9. Reroof Pool & Tennis Center	100,000
10. Public Works & Recreation storage buildings	187,000
11. Replace fencing at parks	90,000
12. Replace benches, tables and trash receptacles at neighborhood parks	20,000
13. Replace Flamingo Park irrigation system	30,000
14. Replace playground and exercise equipment at parks	143,000
15. Nature surface trails	150,000
16. Replace lighting at Sports Complex	460,000
17. City Hall renovations	162,000
18. Community Center windows & doors replacement	40,000
19. Pool & Tennis Center Renovations	400,000
20. Paved surface trails	400,000
Total Capital Projects Fund	\$2,407,000
Total General Government	\$3,142,000

Utilities

21. Replace steel tank	1,000,000
22. Gravity sewer rehabilitation	310,000
23. Rehabilitate lift station	400,000
24. Storage building	325,000
Total Utilities	\$ 2,035,000
Total All Projects	5,177,000

Storm Water Fund

In the Storm Water Fund, the current rates are sufficient to fund approximately 70% of the proposed operating expenses, with the balance funded by \$86,000 from reserves.

The design for the remediation of storm water impacts in the western portion of the City has been completed. The total cost of the project will be \$1.6 million.

Additional Staff

The proposed budget reflects 2 additional positions. The first position is a Utilities Mechanic. This position is being added due to an increased need for field maintenance and repair due to Monterra and other developments. The second position will be a Technician for the Information Technology division. Currently, we only have one employee in that division and the workload has increased as well as the need for more availability of coverage.

Additional Information

The following tables will be discussed at the Budget Workshops.

Page 6 - General Fund Millage Rate

Page 7 - Property Tax Revenues

Page 8 - Property Tax Assessed Value

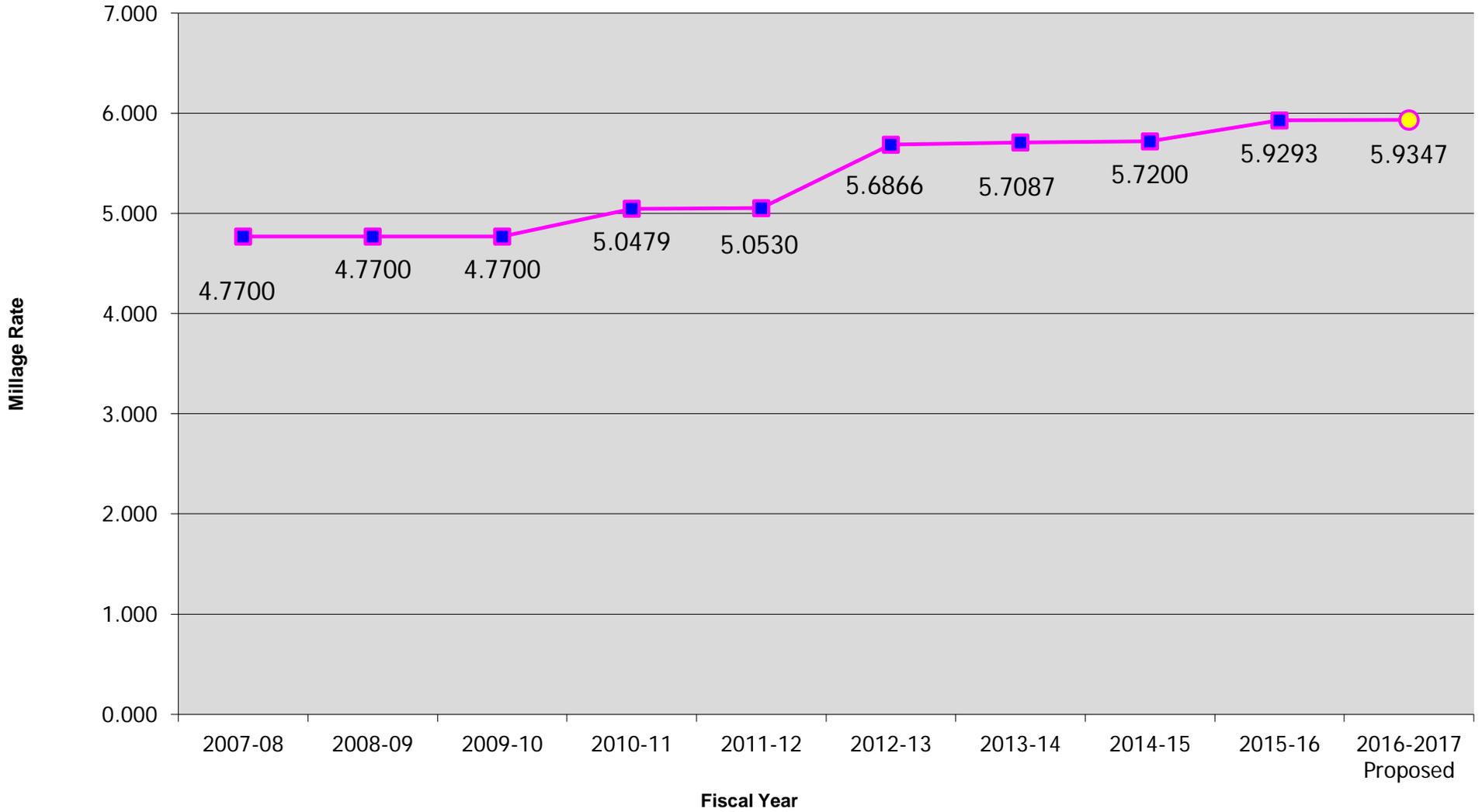
Page 9 - Water & Sewer Fund Revenues and Expenses

Page 10 - General and Building Inspection Service Funds Revenues & Expenditures

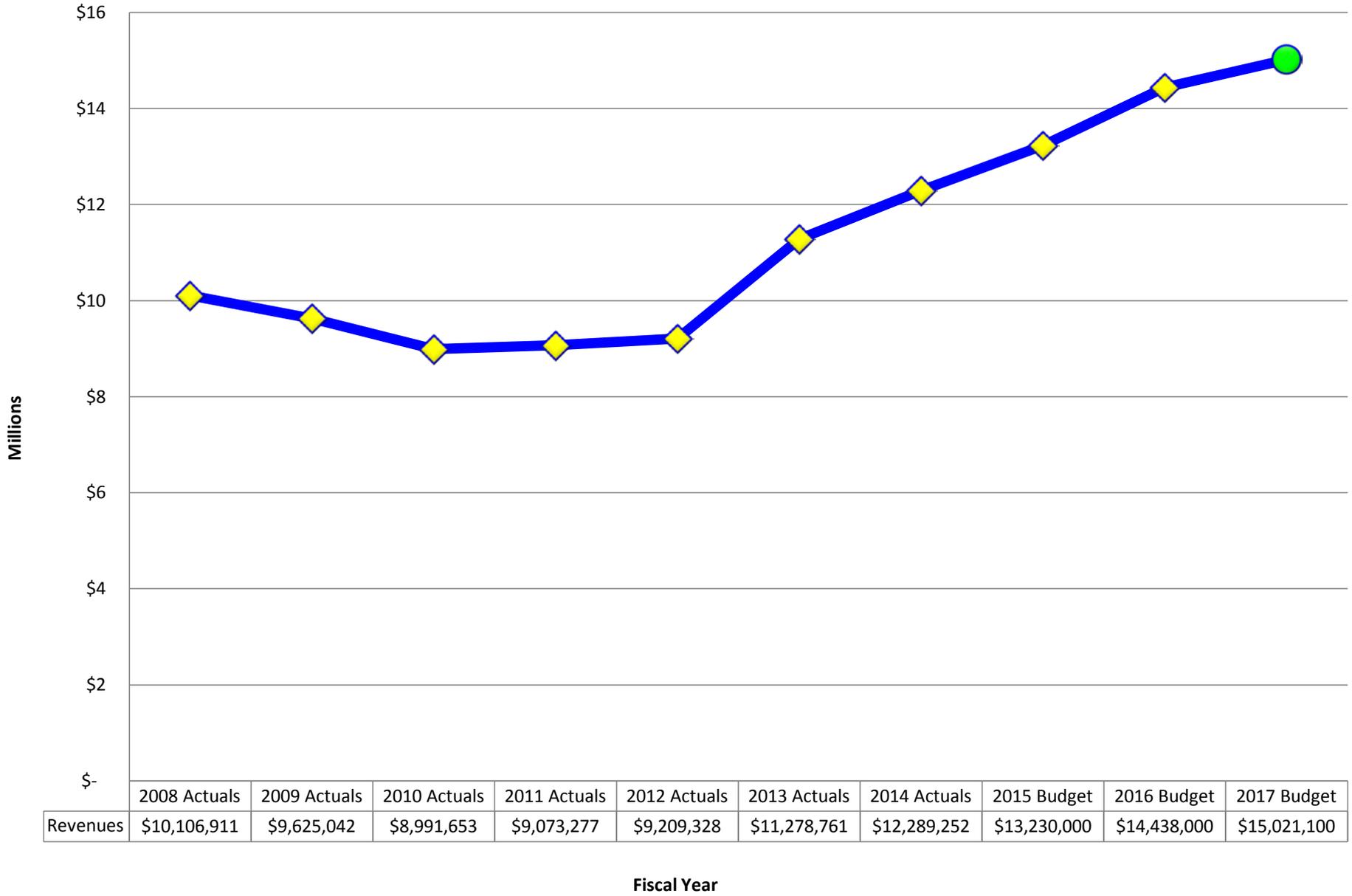
Page 11 – General Government Expenditures

Cc: David Wolpin, City Attorney
Departmental Directors

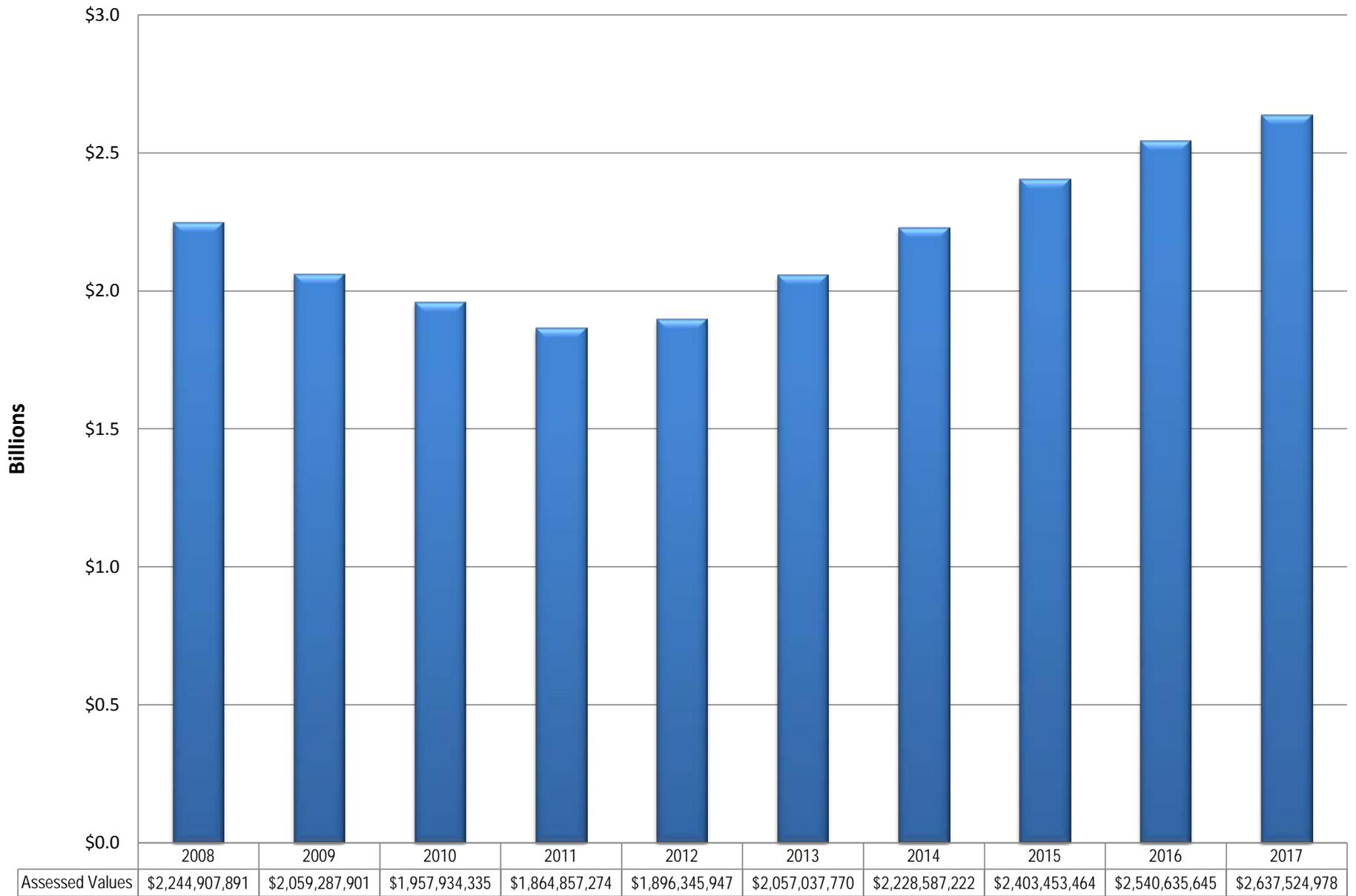
Operating Millage Rates



Property Tax Revenues

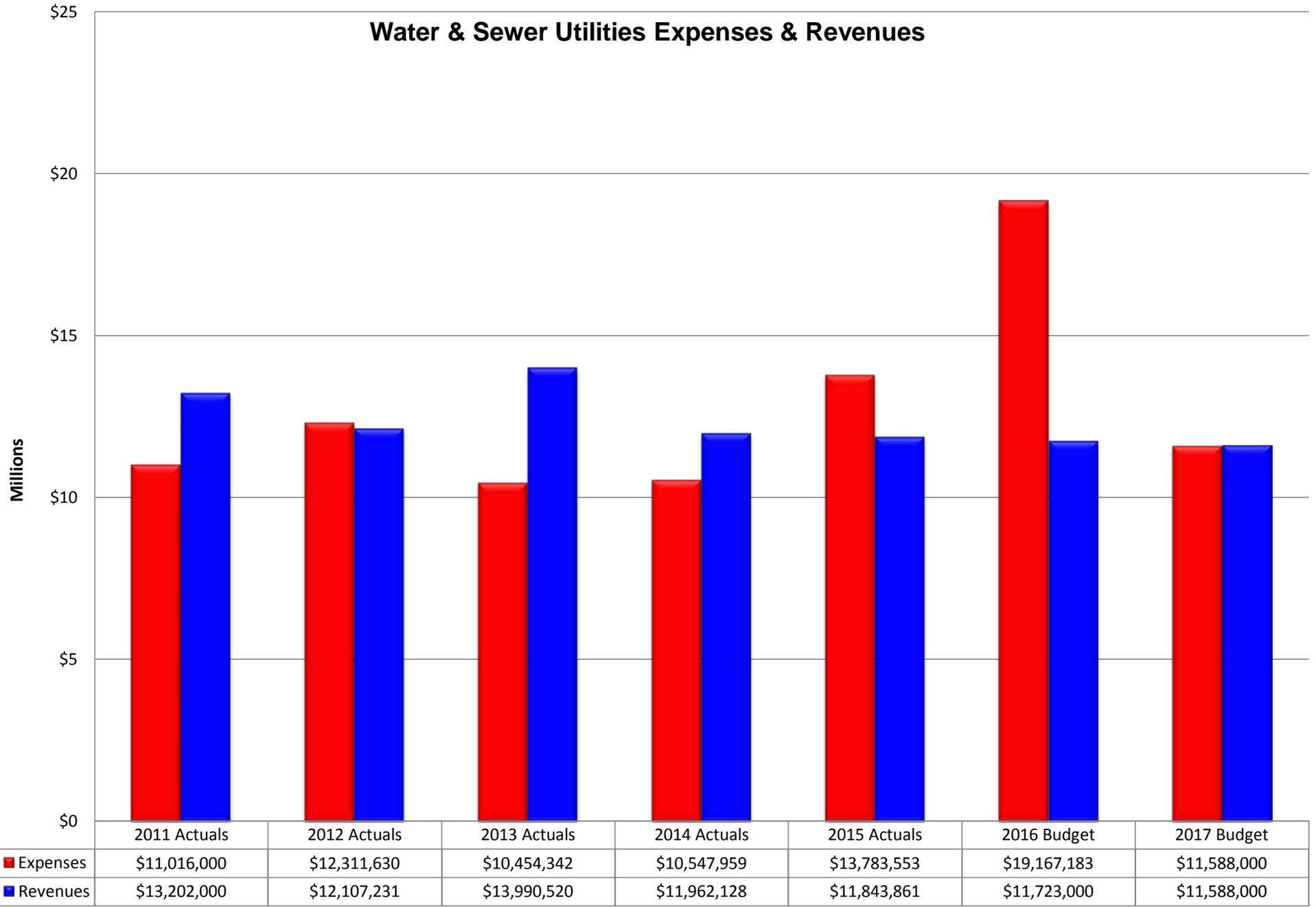


Property Tax Assessed Values



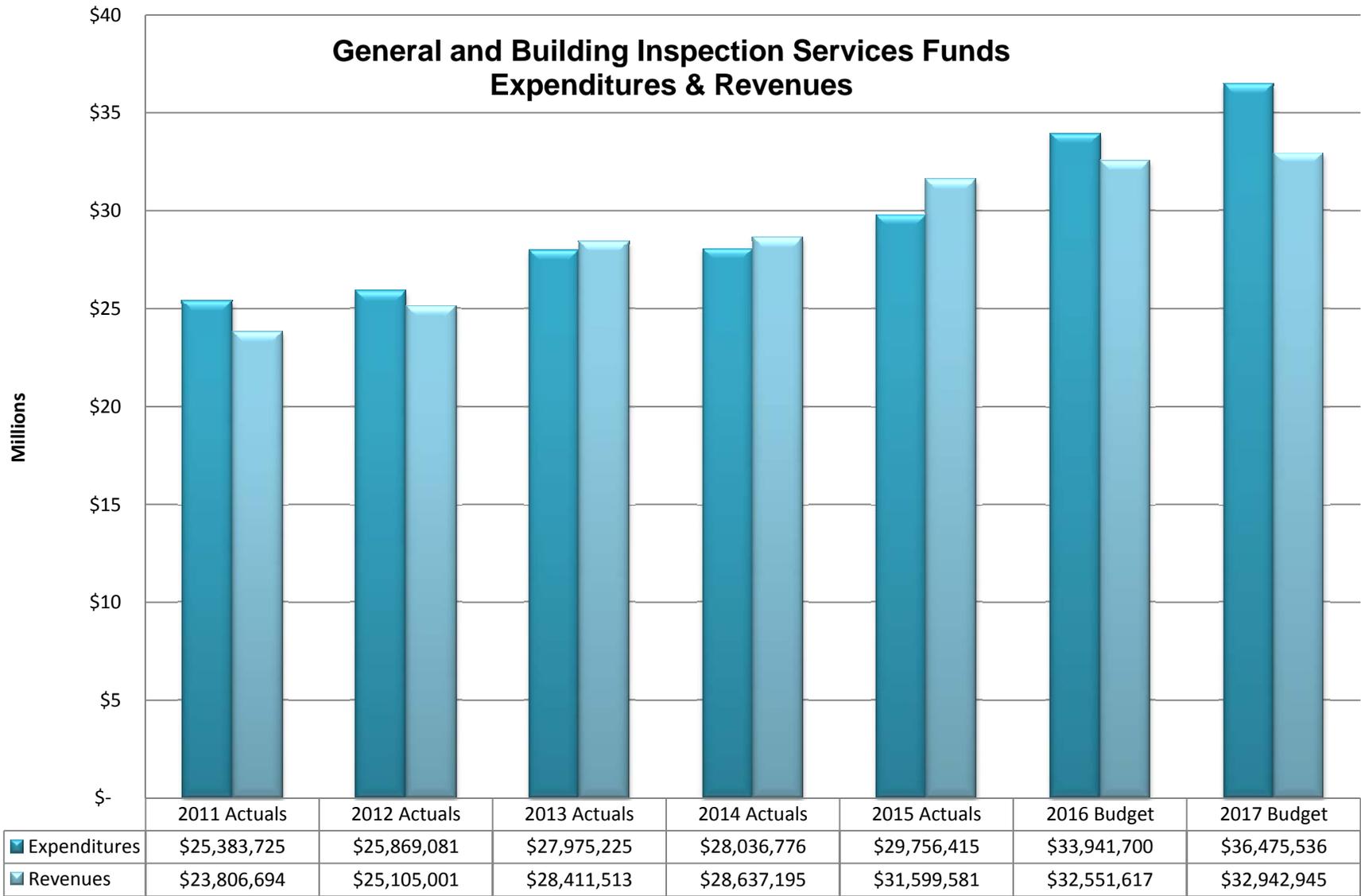
Fiscal Year

Water & Sewer Utilities Expenses & Revenues



Fiscal Year

General and Building Inspection Services Funds Expenditures & Revenues



Fiscal Year

General Government Expenditures

