



V I L L A G E O F K E Y B I S C A Y N E

Office of the Village Manager

Village Council

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Village Manager

Andrea Agha

To: Honorable Mayor and Village Council members
From: Andrea Agha, Village Manager
Subject: FY2018-19 Tentative Millage, Proposed General Fund Budget and Capital Budgets and Setting Budget Hearing Dates
Date: September 11, 2018

Recommendation

It is recommended that Village Council approve a tentative millage rate of 3.0000 mills for Fiscal Year 2018-19, which is \$3.0000 per \$1,000 of assessed property value. This is the same as the millage rate adopted for the current year. The tentative millage rate is expected to yield \$24,317,983 in ad valorem revenue at 95% collection rate based on the July 1, 2018 certified Property Tax Roll, as provided by Miami-Dade County Property Appraiser.

For the first time in eight years, Village property values have decreased. The Miami-Dade County Property Appraiser certified a gross taxable value of \$8,532,625,700, representing a 1.32% decrease or \$325,311 of reduced ad valorem revenue.

In conjunction with the proposed millage rate, this resolution submits a summary of the highlights to the FY 2018-19 Proposed General Fund Budget which include revenues the Village expects to receive and corresponding expenditures.

This resolution also sets the budget hearing dates for the Village. Florida Statute requires local governments to hold two public budget hearings and precludes municipalities from conducting these hearings on the same day as Miami-Dade County School Board (July 25th and September 5th) and Miami-Dade County (September 6th and September 20th). The Village's First Budget Hearing is set for **Tuesday, September 11, 2018 at 6:00 p.m.**, and the Second Budget Hearing on **Tuesday, September 25, 2018 at 6:00 p.m.** in Village Council Chambers, 560 Crandon Boulevard, 1st floor.

Background

To present a balanced General Fund Budget and continue to fund the 5-Year Capital Improvement Plan, operating costs have been evaluated and prioritized to best serve the needs and areas of priorities to the residents and Council. Since the publicly noticed budget workshops on June 26, 2018 I have had discussions with Councilmembers regarding Council priorities. The significant initiatives and projects that require detailed workplans, funding strategies and performance measures include utility undergrounding, stormwater infrastructure, beach renourishment, strategic plan/sea level rise adaption plan and sustainability plan, and investments in culture/ the library/art facilities and programming.

The FY19 Proposed Budget allocates funds for the planning phases of the utility undergrounding project, beach renourishment and the strategic planning process including adaptation and sustainability planning. A comprehensive funding strategy for the implementation of the Stormwater Master Plan will be presented to Council after Village staff verifies that the Master Plan adequately provides for the level of service the

Village expects. Alternatively, staff will propose revised Stormwater mitigation strategies that meet the level of service standards the community desires. Alternatives would be provided with supporting engineering cost estimates and professional recommendations on how to proceed. The expansion of intellectual, cultural and artistic facilities or activities will be contemplated in the strategic planning process. I am recommending that a full update of the Strategic Plan be completed in FY19 and I am budgeting \$50,000 for consultant support to facilitate the process.

The Village's economic development over the years has allowed us to invest in the expansion of educational and community facilities, acquire land for parks and recreation, enhanced landscaping, maintain the beach re-nourishment project, and improve playing fields to accommodate a growing vibrant population.

The Village's credit rating remains an important part of the Village's long sustained prosperity. In 2011 Moody's Investor Service upgraded the Village's bond rating from 'Aa2' to 'Aa1' noting the Village's strong and improving financial position, affluent tax base and manageable debt position. Furthermore, in 2014, Standard & Poor's raised the Village's rating from 'AA' to 'AAA' based on a very strong economy, conservative management conditions, robust budgetary performance, fund balance reserves and ample capital market access to provide for any necessary liquidity.

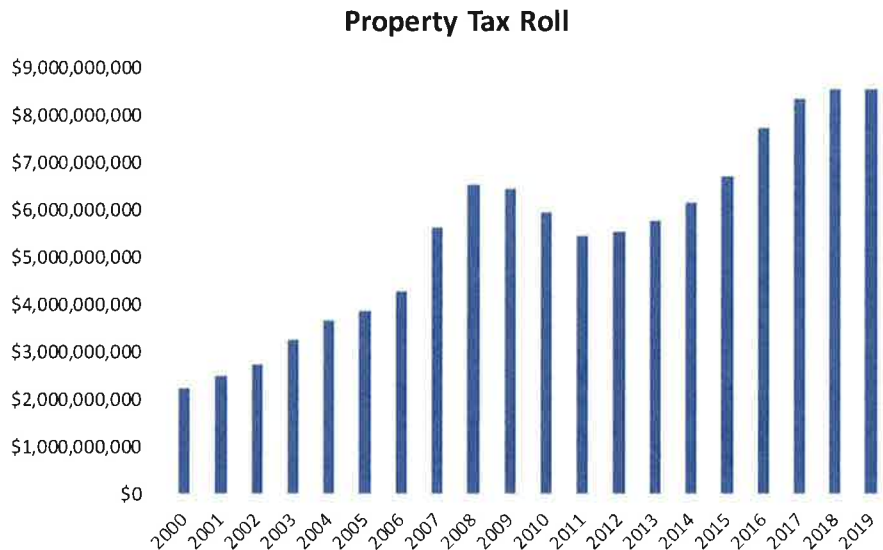
With prudent financial oversight, accurate forecasting and diminishing long term debt, the Village's financial position can continue to remain sound despite future challenges. One new challenge facing Florida municipalities is the proposed constitutional amendment (House Joint Resolution) HJR 7105 which will be placed on the November 8, 2018 ballot which, if approved, would create an additional \$25,000 exemption for homestead properties with assessed values over \$125,000. The estimated revenue loss to the Village of Key Biscayne would be approximately \$208,000 in Fiscal Year 2020.

In May 2013, the Village adopted a Strategic Plan that outlines three goal areas: good government, perpetual stewardship, and strong infrastructure. Each goal area or vision is driven by Objectives as adopted by the Village Council. Staff is developing specific initiatives with supporting implementation and funding plans to accomplish the Goals and Objectives outlined in the Strategic Plan.

Property Tax Roll Value

The estimated roll value from Miami-Dade County Property Appraiser on July 1, 2018 reflects a gross taxable value of \$8,532,625,700. Compared to the certified taxable value for the previous year of \$8,646,769,884 the July 1, 2018 figures shows a decrease of \$114,144,184 million in assessed values.

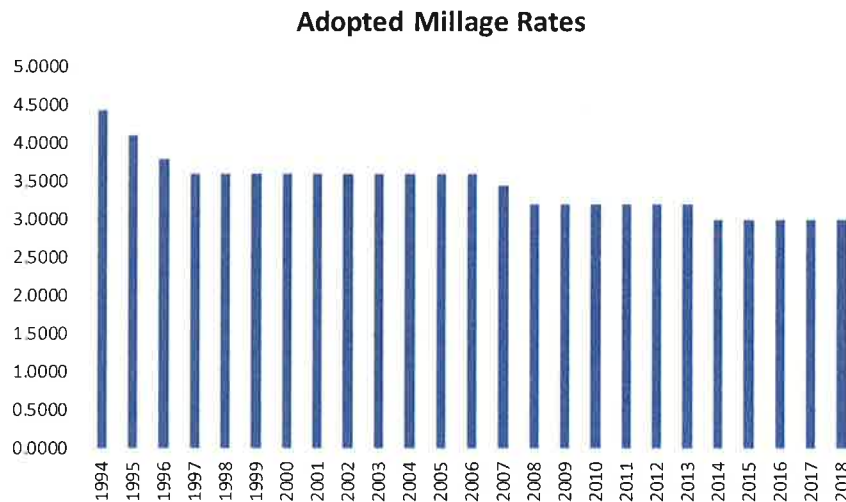
As seen in the graph below, Property Tax Roll value had been steadily on the rise since FY2011 reflecting continuous economic recovery and growth.



Millage Rate

The Village's current year adopted millage rate is currently the lowest millage rate among the thirty-five municipalities in Miami-Dade County including fire service, and well below the statutory limit of 10.0 mills. Since its first year of incorporation, the Village averaged a millage rate of 3.4420, and was able to maintain the rate of 3.2000 since 2008 for six consecutive years. In 2014, the millage rate was further reduced to an all-time low of 3.0000 mills, the same as the current year's rate. For FY2018-19, the Proposed Budget provides for maintaining the 3.000 millage rate which is the minimum rate to qualify for State Revenue Sharing.

The chart below depicts the Millage Rate since the Village's incorporation.



Rolled-Forward Rate

Based on the proposed millage rate of 3.0000, the rolled-forward rate for FY2019 is 3.0196. The rolled-forward rate would provide the same ad valorem tax revenue as was levied during the prior year exclusive of new construction and improvements. The proposed millage rate of 3.000 is 0.65% lower than the current year aggregate rolled-back rate. The State Department of Revenue required methodology for calculating the rolled-forward rate uses the roll value after the Value Adjustment Board action. The rolled-forward rate would generate \$158,877 more in ad valorem revenue as compared to the proposed rate of 3.0000.

Ad Valorem Revenue

The FY2018-19 Budget was developed using the proposed millage rate of 3.000. This millage rate will generate property tax revenues or ad valorem (calculated at 95% for budget purposes) in the amount of \$24,317,983. The impact is approximately \$325,311 or -1% decrease in ad valorem revenue for the General Fund.

Sample Tax Bill

Taxing Authority	Proposed Millage Rate	Taxable Value			
		\$360,501	\$560,000	\$1,371,919	\$2,256,610
MDC School Board - oper	6.5040	\$2,280	\$3,577	\$8,923	\$14,677
MDC School Board - debt	0.2290	\$80	\$126	\$314	\$517
So FL Water Mgmt District	0.1209	\$42	\$66	\$166	\$273
Everglades Construction Project	0.0417	\$15	\$23	\$57	\$94
Okeechobee Basin	0.1310	\$46	\$72	\$180	\$296
FL Inland Navigation District	0.0320	\$11	\$18	\$44	\$72
MDC County - operation	4.6669	\$1,636	\$2,567	\$0	\$10,531
MDC County - debt	0.4644	\$163	\$255	\$637	\$1,048
MDC County - library	0.2840	\$100	\$156	\$390	\$641
Children's Trust	0.4415	\$155	\$243	\$606	\$996
Village of Key Biscayne	3.0000	\$1,052	\$1,650	\$4,116	\$6,770
Totals	15.9154	\$5,578	\$8,753	\$15,432	\$35,915

FY 2018-19 PROPOSED GENERAL FUND BUDGET

The proposed budget is a deliberate balance of revenues and expenditures prepared in accordance with the State of Florida's Truth in Millage process and best serves the Village's prioritization for provision of core services and the Council's Strategic Plan Initiatives. It balances the Village's financial resources with current programming and service levels while maintaining a solid financial position. We were able to balance this fiscal year's budget with recurring revenues and expense savings which allow us to maintain the current level of services expected by our residents. The total FY19 Proposed General Fund Budget is \$34,525,506 an overall increase of \$246,412 or 0.72% as compared to the prior year's Adopted Budget mainly due to projected increases in Licenses & Permits and Franchise Fees Revenues.

In addition to core services, this year's budget provides backing for beach renourishment consultants, enhanced public safety in schools, funding of the 5-year Capital Improvement Plan, and costs dictated by the recently ratified collective bargaining agreements.

A summary of the General Fund Budget is presented below.

Village of Key Biscayne
Proposed General Fund Budget
Consolidated Summary
Fiscal Year 2019

	FY2016	FY2017	FY2018	FY2019	variance	
	Actual	Actual	Adopted	Proposed	dollar	%
Revenues						
Ad-Valorem Taxes	\$22,249,642	\$24,202,255	\$24,643,294	\$24,317,983	(\$325,311)	-1%
Utility Taxes	\$2,007,095	\$2,110,495	\$1,965,000	\$1,955,000	(\$10,000)	-1%
Communication Services Tax	\$753,385	\$698,927	\$715,000	\$735,426	\$20,426	3%
Licenses & Permits	\$2,480,357	\$1,238,921	\$1,430,000	\$1,982,500	\$552,500	39%
Franchise Fees	\$603,889	\$479,194	\$475,000	\$600,000	\$125,000	26%
State Shared Revenue	\$1,340,530	\$1,297,690	\$1,335,000	\$1,400,897	\$65,897	5%
Local Shared Revenue	\$88,296	\$95,830	\$32,000	\$40,000	\$8,000	25%
Service Charges	\$3,221,928	\$3,324,763	\$3,400,300	\$3,316,700	(\$83,600)	-2%
Fines & Forfeitures	\$392,763	\$302,137	\$225,000	\$110,000	(\$115,000)	-51%
Other Revenue	\$39,274	\$2,114,959	\$28,500	\$37,000	\$8,500	30%
Interest Income	\$102,945	\$78,324	\$30,000	\$30,000	\$0	0%
Total Revenues	\$33,280,104	\$35,943,495	\$34,279,094	\$34,525,506	\$246,412	1%
Expenditures						
Council	\$261,048	\$182,593	\$199,355	\$401,550	\$202,195	101%
Manager	\$1,896,734	\$1,894,047	\$1,937,105	\$2,151,529	\$214,424	11%
Clerk	\$334,402	\$364,645	\$426,148	\$407,926	(\$18,222)	-4%
Attorney	\$1,072,473	\$641,483	\$1,210,000	\$775,000	(\$435,000)	-36%
Debt Service	\$3,557,696	\$3,350,278	\$4,249,255	\$4,175,764	(\$73,491)	-2%
Building Division	\$1,459,894	\$1,703,227	\$1,673,244	\$1,781,238	\$107,994	6%
Planning, Zoning & Code	\$491,239	\$555,252	\$630,042	\$735,460	\$105,418	17%
Police	\$5,852,248	\$6,571,671	\$7,214,923	\$7,816,758	\$601,836	8%
Fire Rescue	\$6,935,659	\$6,935,659	\$7,243,172	\$8,040,586	\$797,414	11%
Public Works	\$1,881,068	\$2,680,738	\$2,356,493	\$2,364,299	\$7,806	0%
Parks & Recreation	\$1,199,245	\$1,390,644	\$1,549,794	\$1,674,985	\$125,190	8%
Community Center	\$2,736,148	\$2,746,366	\$2,794,236	\$2,882,684	\$88,448	3%
Athletic Division	\$797,639	\$913,566	\$882,494	\$879,272	(\$3,222)	0%
Total Expenditures	\$28,475,491	\$29,930,167	\$32,366,261	\$34,087,051	\$1,720,790	5%
Excess Revenue s/(Expenditures)	\$4,804,613	\$6,013,327	\$1,912,833	\$438,456		
Other Source s/(Uses)						
Building Inspection Reserves	\$797,920	(\$1,100,372)	(\$453,242)	\$0		
Parks & Rec Open Space Lands Trust	\$0	\$244,868	\$246,433	\$243,180		
Capital Improvement Fund	\$4,260,203	\$2,267,543	\$2,119,642	\$195,275		
Excess Revenue s/(Expenditures)	(\$253,510)	\$4,601,288	\$0	\$0		

FACTORS AFFECTING FY 2018-19 PROPOSED BUDGET

I. REVENUES

General Fund Revenues are primarily unrestricted in nature and fund a variety of services including Village administration, debt service, planning and zoning, public safety, public works, and parks & recreation. Ad Valorem Taxes remain the Village's largest revenue source, comprising 70% of 2019 budgeted General Fund revenues, followed by Community Center related service charges (i.e. membership fees, course revenues, and sports programs) at 10%, Intergovernmental Revenues (i.e. Half-Cent Sales Tax, Communications Services Tax and State Revenue Sharing) at 6%, Permits and Utility Service Taxes both at 11.4%, FPL Franchise Fees 1.74%, and the remainder 0.63% comes from Local Shared Revenues, Fines and Forfeitures and other miscellaneous revenues.

The total revenues available for allocation in FY19 General Fund Budget is \$34,525,506 which represents an increase of approximately \$246,412 or 0.72% as compared to FYE18 adopted revenues. This increase is primarily to Licensing and Permits that have been adjusted as recommended by the recent rate study are projected to and generate an additional \$552,500 or 39%, offset by a decrease in Fines and Forfeitures of \$115,000 or 51% and a decrease in Service Charge for Field Usage of \$105,000. All other revenue categories are expected to remain relatively the same.

BUILDING PERMIT FEES

The Village contracted JRD & Associates, Inc. (JRD) to conduct a permit fee analysis to examine and assess permit fees and to evaluate the actual cost of the services provided by the Building, Zoning, and Planning (BZP), Public Works (PW), and Fire departments. In developing the recommended permit fees, the following three factors were considered (1) Cost recovery: ensure that the fees charged recover the fully burdened costs of the services provided. These costs include all operational (discretionary and nondiscretionary) and indirect support costs (incurred by other departments supporting permit-related services). (2) Conciseness: ease for both the customer and the Village to determine the permit fees. (3) Building reserve amount - amount of revenue required to ensure the Village can maintain its level and quality of permit-related services in the future. Resolution 2018-13 adopted the new building permit fee schedule. The FY19 building permit revenue should offset expenditures under the new fee schedule. We will be developing budget projection systems to more accurately forecast revenues based on development activity and the volume of workload.

FRANCHISE FEES

In 1989 MDC enacted Ordinance 89-81 granting a nonexclusive electric franchise to FPL that enabled the County to charge residents a contractual amount in exchange for its agreement to not form an electric utility for the term of the franchise. In 2007 the Village approved an interlocal agreement with MDC to provide for payment to the Village of a portion of franchise fees remitted by FPL to the County for rights to utilize public right-of-way located within the Village. The methodology used to calculate the Village's portion is based on 6% of FPL gross revenues attributable to service provided within corporate limits, less property tax paid by FPL, less property taxes related to countywide and regional operations and debt service. The interlocal agreement expires in FY2020. The Franchise Fees for FY2019 increased by \$125,000. Miami Dade County makes the calculations and provides the revenue proposed revenue amount.

II. EXPENSES/SIGNIFICANT BUDGET CHANGES

The FY19 Proposed Expense Budget is \$34,087,051 or 5% more than the prior year's adopted expenses.

The significant changes affecting the Proposed Budget are described below:

PERSONNEL

The General Fund Budget includes 130 full-time equivalent positions, 56 part-time, and 10 part-time seasonal positions. When compared to the current year, the total FTE count remained the same. Significant personnel related expenditures are summarized below.

- **Merit and Cost of Living Increases** – As a result of the ratified collective bargaining agreements, for Fiscal Year 2019, on October 1st employees will receive a cost of living increase equal to the change in the CPI for All Urban Consumers for the Miami-Fort Lauderdale Area. In this case, the change to the Consumer Price Index equals 3.50%. Additionally, General Employees within the salary range of their respective position are eligible to receive a 4% merit increase on their anniversary date. Public Safety (police and fire rescue) salary increases will follow the incorporated 10-step pay plan based on their position. Step progression is based on incrementations of 5%. Furthermore, all employees are eligible to receive a lump sum performance-based bonus of up to 4% upon the completion of 15 years of service and each year thereafter. (\$809,740)
- **Health Insurance** - Health Insurance premium costs reflect a 7.2% increase based upon a recommendation from our Health Insurance Broker of Record Services, National Marketing Group. The Village will remain with its current provider due to offering the most favorable renewal. (7.2%)
- **Pension Contributions** – The Police Officers' and Firefighters' employer pension contribution rates increased significantly from 13.60% to 16.96% for police officers' and 5.47% to 15.29% for firefighters'. Contributions are calculated on base wages and incentive pay. (\$ (\$1,202,218)
- **Collective Bargaining Agreements** – On June 25, 2018, the Village Council approved the Collective Bargaining Agreements for the Police and Fire Rescue. The fiscal impact on the FY 2019 is \$933,691. This amount includes a 3.5% COLA, Longevity Bonuses and pension fund increases that are part of the respective CBA's. The impact on the FY2018 budget from the recently ratified collective bargaining agreements was approximately \$99,591. (\$933,691)

LEVEL OF SERVICE ENHANCEMENTS

- **Maintenance of Fields** - This line item has increased by 17% due to additional maintenance of the fields. At the completion of the artificial turf project, Bermuda grass was installed in the areas surrounding the newly installed artificial turf. This area is maintained by the parks department. (\$140,000)
- **Concert Series** - This function has been separated from Special Events General as this series has expanded since it was formed seven (7) years ago. Concerts are planned by Winter Concert Advisory Committee. New concerts included in the FY19 Proposed Budget include seven concerts including the New World Symphony, the Miami International Piano Festival and Seraphic Fire. (\$35,000)
- **Building Credit Card Merchant Services** – The department has begun to accept credit cards for payment therefore needs to budget credit card merchant fees. Staff is assessing the opportunity to recapture the cost of this convenience. (\$15,600)
- **MAST Academy Address Verification Program** – Increase in Education Initiatives line item due to Address Verification Program that was adopted by Council on May 24, 2018 for the 2018-2019 school year. (\$32,000)
- **Maintenance of 401 Hampton Park** – As of October 1, 2018, the Village will begin to maintain the pocket park located at 401 Hampton Road. Due to the species planted in the park it requires is specialized maintenance. (\$25,000)
- **Community Rating System** - The CRS is a voluntary, incentive-based rating program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements. The Village has participated in the CRS program since 1998 and currently holds a Class 7 rating that provides a 15% flood insurance premium discount to all flood insurance policy holders in the community. Continued participation requires annual submittal of a report that describes activities the Village continues to perform to reduce flood losses in the

community. Participating communities have the opportunity to improve CRS ratings and increase flood insurance premium savings every five years. A class rating improvement requires that compliance efforts are expanded during this period, often at additional cost. Programs are evaluated during Federal Emergency Management Agency (FEMA) site visits. The Village's visit is scheduled for this November. (\$55,000)

OPERATIONAL EFFICIENCIES

- **Communications** – The FY19 Proposed Budget includes an allocation for information technology infrastructure and services across all departments. The aggregate of IT infrastructure and services line items in each department include Voice Over Internet Protocol (VOIP) and telephone service (\$96,000), cell phone service (\$77,000), cable (\$16,000), internet (\$27,000), web hosting (\$6,000) and Microsoft hosting (\$15,000). (\$237,000)

The remaining allocation in the communications line items will be dedicated to enhancing our community engagement and outreach, revamping the Village website, implementing a citizen relationship management tool and developing a Communications Strategy. The communications function will be centralized, and resources will be reallocated to ensure timely, accurate and consistent messaging to bolster the Village's brand and keep residents well informed. (\$162,000)

- **Digitization** – The Building Department is in the second year of digitizing all its permit files. This will allow for better efficiencies and record retention of plans. The Village will begin to digitize other departments in the near future. FY19 funding will complete the digitization of the Building records only. (\$45,000)
- **Comprehensive Plan Amendment Professional Services** – The Village submitted the EAR report to the State which was accepted on June 29, 2018 giving the Village one-year from that date to complete the Comprehensive Plan Amendments. The increase to professional services is for the completion of the Comprehensive Plan Amendments. (\$55,000)
- **Asset Management Tracking** – The Public Works Department will start to implement asset tracking of the Village infrastructure with the acquisition of asset management tracking software. Initial software will come from the Capital Fund. (\$35,000)

OTHER HIGHLIGHTS

- **Legal Counsel- Special Counsel** – The line item was reduced by \$625,000 due to the conclusion of the case against the Miami Marine Stadium.
- **Debt Service** – The Village has a total outstanding debt service (principal and interest) of approximately \$37.2 million consisting of \$32.8 principal and \$4.4 million of future interest payments. The outstanding principal is composed of the following revenue pledges: \$23.8 mill (72%) are backed by a Covenant to Annually Budget and Appropriate (CBA), \$5.7 million (17.3%) are backed by Stormwater Utility Fees, \$3.1 million (9.54%) is backed by Transportation Tax Revenues, \$143.5 thousand (.44%) State Revenue Sharing, and \$66,281 (.20%) Non Ad Valorem Short Term Revenues Leases. The annual cumulative debt service payments are currently approximately \$5.2 million and scheduled to drop to approximately \$4.3 million in FYE 2021, further to \$2.8 mill in 2022 and diminish over time as loan agreements mature. Currently under the debt cap, the Village has debt capacity of \$66.3 million (FY 2019). A few of the Village's outstanding debt agreements include MADS or Additional Bonds test covenants, which can be dealt with thru various alternatives when structuring any additional borrowings.

- **Community Partners/Committees** – The FY2019 Budget provides for a total allocation of \$306,000 to various community partners and committees within the Village, as follows:

- Art in Public Places -	\$ 35,000
- Youth Engagement -	\$ 4,500
- Historical Society -	\$ 15,000
- Chamber of Commerce -	\$ 77,500
- KB Community Foundation	\$125,000
- Trap Neuter Release Program -	\$ 15,000
- Active Seniors on the Key Program -	\$ 34,000

III. FUND BALANCE

In accordance with the Village's audited financials as reported in the FY 2016-17 Comprehensive Annual Financial Report (CAFR), the Village, by its charter cannot have any unassigned fund balance. Criteria had been established allowing fund balance to be reported into specifically defined classifications based primarily on the specific purpose for which amounts may be spent. Therefore, many of the committed and assigned balances are established to fund current operations such as Working Capital. Below are the current classifications and balances as of September 30, 2017:

Fund Balance Classifications

Non-spendable

Prepays	\$598,248
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Assigned

Compensated Absences	\$671,118
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Fire Rescue Transport Fees	\$1,807,614
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Working Capital (surplus)	\$15,592,089
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Committed

Emergencies	\$4,000,000
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Labor Negotiations	\$90,000
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Open Space Land Trust	\$6,136,726
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Restricted

Building Inspections	\$1,159,189
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Fire Code Violations	\$369,322
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Fire Grant Revenue (UASI)	\$53,326
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Law Enforcement Seizures	\$368,754
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	<u>\$30,846,386</u>
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Hurricane Irma

On September 10, 2017, Hurricane Irma hit South Florida. As a result of the damages sustained by the storm, the Village has spent approximately \$2,588,304 in hurricane recovery expenses. This amount includes hurricane preparation, debris removal, infrastructure repairs and various hurricane recovery expenses. The Village has submitted all claims to the Federal Emergency Management Agency (FEMA) and is working diligently to receive as much reimbursement of these expenditures allowed under FEMA guidelines. The Village's expects to be reimbursed approximately \$2M.

IV. OTHER FUNDS

TRANSPORTATION SPECIAL REVENUE FUND

The Transportation Special Revenue Fund was established to account for the construction and future maintenance of the Village roadways. County bridge toll revenues and local option gas tax revenues fund debt service which is set to expire in FY21. The transportation surtax funds the "Freebee on Demand" and the "Freebee Circulator". CITT funding will become available in November 2018 for the On-Demand service. The Village will use toll revenue to cover the On-Demand service in October 2018.

The Village issued \$2,808,952 of Transportation Tax Revenue Refunding Bonds, Series 2011 to refund the Transportation Tax Revenue Bonds, Series 2005. The bonds mature in July of 2025 and bear an annual fixed interest rate of 2.42%. The annual debt service is paid for by restricted revenues. The Series 2011 Transportation Bonds have been amortized over time and currently have principal outstanding of less than \$1.7 million.

STORMWATER FUND

Pursuant to Chapter 166 and section 403 of the Florida Statutes, the Village of Key Biscayne ("Village") is authorized to construct, operate, and maintain stormwater management systems and to establish just and equitable rates, fees and charges for the services and facilities provided by the stormwater system. The Stormwater Enterprise Fund was established in 1993. A stormwater fee of \$8.90/month/ERU (is Equivalent Residential Unit) rate is billed along with the utility bill according to the following ERU structure: multi-family residential= 1 ERU, single-family residential= 1.5 ERU, and commercial/other= 1 ERU per 1,083 square feet of impervious area.

The FY19 Proposed Budget for the Stormwater Utility Fund is \$991,555. At the current Stormwater fee, the Village can provide a maintenance cycle at a rate of 30%. Per Council directive, the Village will be assessing the Stormwater fee in the coming year. A detailed analysis and recommendation will be presented to Council to address the Stormwater system needs, a funding strategy and proposed timelines to implement the recommendation.

In order to combat sea level rise and flooding, the Village recently completed an update to Stormwater Master Plan (SWMP). The SWMP addresses improvements necessary to reduce repetitive loss claims and enhance the level of service of Village maintained infrastructure. SWMP recommends two-tiered approach to enhance level of service:

- Tier I Infrastructure Improvements: Tier I improvements comprised of mitigating and reducing the impacts resulting from consistent tidal fluctuations. These improvements comprised of implementing a strategy to relieve the Village of high tide ponding conditions that occur predominately on the west side of the Village. On June 28, 2016, the Village Council authorized a Capital Improvement Project to implement Tier I improvements. The cost of the project was \$733,079 and completed in March 2018.
- Tier II Infrastructure Improvements: Tier II encompass the implementation of stormwater capital projects village-wide with the objective of improving conditions currently experienced after rainfall events. These improvements involve retrofitting and rehabilitation of existing infrastructure and proposing new including catch basins, larger pipes, pollution control boxes, backflow preventers, gravity recharge wells, and injection wells. It is estimated that the Implementation of Tier II will cost approximately \$25 million over next 10 years.

The Village has been a co-permittee with Miami-Dade County for the National Pollution Discharge Elimination System (NPDES) since 1993. NPDES regulates stormwater discharges from three potential resources: Municipal Separate Storm Sewer Systems (MS4), construction activities, and industrial activities. The Village participates in the water monitoring and best management practices as required by the NPDES MS4 Operating Permit. This permitting mechanism is designed to prevent stormwater runoff from washing harmful pollutants into local surface waters.

SOLID WASTE FUND

The Village maintains a Solid Waste Fund to account for its solid waste collections and operations. Residents in single family homes or duplexes receive two pickups of household garbage per week and once a month bulk waste pick up from Waste Management, the Village's solid waste contractor. Collection revenue is based upon service to 1,280 dwellings at a fee of \$645 per year or \$825,600 which provides for the solid waste contract, administrative fees for in-house printing and mailing, and a lockbox service provided by BB&T which simplifies the collection and processing of account receivables. Staff will be auditing the Village's collection rate on outstanding accounts in the upcoming Fiscal Year.

FIVE (5) YEAR CAPITAL IMPROVEMENT PLAN

Pursuant to Village Charter Section 3.03 (5) and the Master Plan Section VIII, a five-year (5) Capital Improvement Program is developed and updated annually including funding sources. The Plan is a multi-year financial plan for the acquisition, expansion or rehabilitation of infrastructure, capital assets, or productive capacity of Village services.

The FY19 Budget includes funding for projects that have already been authorized by Council or are required to maintain level of service standards and routine operations. The strategic planning exercise will help the Village more clearly define capital improvement project scopes, prioritization and project sequencing. With this information, we can develop detailed workplans and funding strategies to present to Council.

PROJECTS

1. **Undergrounding:** The Underground Utility Task Force Committee was established by Village Council via Ordinance 2017-5 on June 13, 2017. According to the Ordinance, the jurisdiction of the Committee shall be advisory to the Council and shall include identifying issues relating to underground utilities and recommend solutions; investigating and reviewing possibilities of underground utilities throughout the Village; and studying and recommending solutions to other issues referred to the Committee from time-to-time by the Village Council or Village Manager. On August 30, 2017, the Village Council selected Kimley Horn to provide General Engineering Services for the Village-Wide Undergrounding project. Kimley Horn is currently working with the Underground Utility Task Force on the Master Plan for the project. The Master Plan is estimated to be completed in October of 2018. (\$491,436)
2. **Beach Renourishment:** Beach preservation, maintenance and dune vegetation have been short-term and long-term goal of the Village Council since incorporation in 1991. The Village is currently working with a team of consultants to help the Village's shoreline in the Dade County Beach Erosion Control and Hurricane Protection Project. Reauthorization of the project with Key Biscayne as a participant will provide an efficient and effective protection from sea level rise, hurricane damage, and natural erosion. In addition, the Village is requesting to participate in Section 111 of the Continuing authorities Program, which authorizes the Army Corps to initiate projects that could mitigate shoreline damage based by federal navigation work. The Village's position is that the coastal inlet constructed by the U.S. Army Corps of Engineers in 1904 acts as a barrier to the natural sand drift, which negatively affects our beaches. (\$190,000)
3. **Parking lot acquisition:** After lengthy discussion at the Board of County Commissioners meeting on September 5, 2018, the item to acquire the parking lot behind Village Hall was withdrawn. Village staff will continue to work toward an agreement with Miami Dade County on the conveyance. (\$1,500,000)
4. **Safe Routes to School:** In September of 2015, the Village was awarded \$83,735.00 in Fiscal Year 2018 for the design of the Safe Routes to School program. The Village was awarded \$753,000 for construction of the project in Fiscal Year 2020. The SRTS program will improve crosswalks leading to the school, install sidewalks throughout various streets that lead to the K-8 School and improve parking around the school. (\$945,000)

5. **Renewal and Replacement Plans:** Renewal and Replacement Program includes plans for facilities, equipment, fleet, street lights, trees/landscaping and information technology are being evaluated and verified for all the departments. The Capital Improvement Plan will normalize the cost of implementation of the renewal and replacement plans to provide an adequate and consistent investment in the Program to ensure the long-term maintenance of the Village's assets. (\$TBD)
6. **Community Center Expansion:** On February 21, 2017 the Village Council passed resolution 2017-18 authorizing the Village Manager to enter into an agreement with Ballard & King for recreation facility planning and operation consulting services relating to the Phase 3 expansion of the Village's Community Center. On April 10, 2018 the Village Council passed resolution 2018-14 authorizing the Village Manager to enter into an agreement with Currie Sowards Aguila Architects for the conceptual design of Phase 3 Community Center expansion. In the coming months the conceptual plans will be provided to the Village Council for comments. Once a conceptual plan has been approved these CIP funds will be used for the sight plan approval and preparation of bid, permit and constructions documents. (\$975,000)
7. **Installation of Field and Court Lighting at the K-8 School:** On June 25, 2018 the Village Council passed resolution 2018-34 authorizing the capital expenditure of \$332,500 for the purchase and installation of the field and court lighting at the K-8 School. On July 11, 2018 Village, MDCPS facilities department, and Musco Lighting representatives met to review the project. Subsequently, the Village provided the additional information requested by MDCPS for their internal review. MDCPS has completed their internal review and an on-site meeting is being scheduled. (\$332,500)
8. **MAST Academy Turf Replacement:** On September 3, 2013 the Village passed resolution 2013-31 entering into a Joint Use Agreement (JUA) with Miami-Dade County Public Schools (Board) for the shared use, maintenance, and operation of the recreational fields at MAST Academy. The field has a useful life expectancy estimated at between eight (8) and ten (10) years. This CIP line item will insure that the Village has the necessary funding required to replace the fields as early as August of the 2021. Section 13.9 of the JUA states that mutually agreed upon capitol replacements will be reimbursed by the Board to the Village after the work in completed. The Village will seek at fifty percent reimbursement prior to initiating the project. (\$625,000)
9. **530 Crandon Park Construction:** On June 13, 2017 the Village moved to authorize the Village Manager to enter into an agreement with Calvin, Giordano and Associates for the design of a park located at 530 Crandon Boulevard. The CIP funding is consistent construction cost estimate provided by CGA.
10. **Mashta Bridge:** The Mashta Bridge was constructed in 2005. In November of 2016, the Village received an engineering report by the Department of Transportation outlining various maintenance and repairs items for the bridge. Prior to this, only minor repairs have been done since construction, such as replacement of railings and repairs to pavers. (\$700,000)
11. **Dune Restoration:** This is an ongoing maintenance needed to preserve the Dune System. A yearly inspection is done to identify removal of exotic vegetative species and areas in need of replanting. Native species such as Sea Oats are planted for their large and deep roots that contains sand and prevents erosion. Last inspection was done after Irma and various areas were identified in need of sand. Beach Engineering Consultant is to coordinate the replenishing of sand before replanting can occur. The annual inspections also identify zones that may be affected by the regular maintenance of the adjacent beachfront properties. (\$100,000)

V. CONCLUSION

The development of the General Fund Budget was a challenging task, but we are pleased to present a structurally balanced budget that provides a responsible allocation of public resources that maintains the Village of Key Biscayne as a safe beautiful and vibrant community. This budget adequately provides for the operational needs of the Village, notwithstanding, the cost of doing business continues to increase, the needs for public safety, healthcare, construction and maintenance services continue to rise, and the Village's infrastructure must be maintained. There are challenges expected in the coming years and we strive to foster a climate that promotes economic development as well as explore new revenue initiatives beyond ad valorem to be able to accomplish the goals set forth by the residents and Village Council.