

BAL HARBOUR

- VILLAGE -



PROPOSED OPERATING BUDGET & CAPITAL PLAN

FISCAL YEAR 2016-17

PROPOSED OPERATING & CAPITAL BUDGET
FISCAL YEAR 2016-17

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BAL HARBOUR

- V I L L A G E -

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BAL HARBOUR

- V I L L A G E -

September 13, 2016

Honorable Mayor Packer and Members of the Village Council:

I am pleased to present to you the Proposed Operating and Capital Budget for Fiscal Year (FY) 2016-17 commencing on October 1, 2016 and ending on September 30, 2017 for Bal Harbour Village. This document outlines the third budget I have developed since becoming your Village Manager, and it remains my goal to provide you as much information as possible about our Village's finances, as well as our Administration's plans and expected accomplishments during the next fiscal year. It is my duty to focus on continuously assessing the organization to determine where, if any, additional resources are needed for the effective operation of the Village, as well as where additional efficiencies can be realized. This assessment is an ongoing process, as we continue to strive to identify and implement opportunities for further improvement and expanded service.

Bal Harbour Village has three (3) primary funds used to operate the Village: General Fund (GF), Resort Tax Fund (RTF), and Water & Wastewater Utility Fund (WWUF). The total Proposed Budget for all funds is \$26,880,300 (including a Capital Improvement Program allocation of \$4,000,000). Earlier this year, the Village Council agreed to extend the Residential Gated Community Assessment for three (3) additional years. Those expenses (\$602,900) are not included in the above total, but are part of our overall activity.

The FY 2016-17 Proposed Budget includes a recommended millage rate of 1.9654, which is a **4.64% reduction** from 2014, and the same rate as the current year. Since 2004, the Village has experienced a **cumulative 32.27% millage rate decrease**. In addition to the continued advancement of the Utility Infrastructure Master Plan Capital Improvement Project, a few enhancements are proposed this year to improve our Village Hall and our Utility operational compliance. The overall budget was developed with an eye towards improved operational effectiveness and efficiency for the Village, and was developed in collaboration with the Budget Advisory Committee. The BAC met several times over the past few months to discuss and make recommendations for the Proposed Budget. The enhancements proposed total \$967,300, of which \$563,000 are for Village Hall improvements which shall be reimbursed by Miami-Dade County General Obligation Bond (G.O.B.) Funds secured by the Village, a net increase of \$20,600, funded by the Utility Fund for necessary compliance activities. In addition, a Capital Projects Reserve allocation of \$383,700 is provided for seawall repairs at the Village's park and \$332,000 is provided for an improved deck installation at the Jetty.

The following is a breakdown of the allocations proposed for FY 2016-17 by distinct Fund:

- General Fund: \$14,767,000
- Resort Tax Fund \$ 3,706,000
- Water and Wastewater Fund \$ 7,804,500

BUDGET DEVELOPMENT GOALS

In developing the proposed budget, we continue to focus on the following five (5) key goals, which have guided my Administration for the last (3) three years:

- Enhance community policing strategies and accountability;
- Improve and beautify our public spaces;
- Invest in our Information Technology;
- Expand our communication with our residents and visitors; and,
- Establish sustainable fiscal policies and plan for future capital investments.

When I became your Village Manager, I began an assessment of existing services, processes, and resources within the Village, and evaluated service delivery levels to identify opportunities for improvement. During my first year, the focus was on dealing with Department of Justice (DOJ) matters; filling key positions within the administration; and commencing operational evaluations. In year two, I was able to develop my first budget representing resource allocation priorities for the Village. Operational improvements began with increased maintenance cycles and enhanced aesthetics of public spaces; police visibility increased with bicycle patrols and the implementation of a community-policing model Villagewide; and a much-needed plan for information technology improvements was developed and adopted. Multiple years of financial reporting was made current as were the implementation of improved financial controls, fund accounting practices were corrected; the long awaited Utility Master Plan was adopted with commencement of design; and the development of a new Village brand and marketing initiative was underway.

In my third year, and the adoption of the current year budget (FY 2015-16), the focus was to build upon base technology improvements with the implementation of an upgraded financial management system and the rollout of a completely restructured utility system, the launch of the Village's mobile application, and the upcoming launch of the Village's new website. Improved communication to our residents and visitors commenced through now monthly newsletters, other communication methods, and the commencement of the production of new and improved beach signage furthering our new Village branding message. Enhanced customer service and accountability was achieved through restructuring our Building Department from a contracted service delivery model to a hybrid model with a Building Official as a Village employee and contracted tradespersons.

At the department level, efforts are ongoing and reflected in the service levels represented in the FY 2016-17 Proposed Budget, where we will continue to build upon the foundation established in the past few years to advance our five (5) goals.

ENHANCING COMMUNITY POLICING AND ACCOUNTABILITY

During Fiscal Year 2015-16, the Bal Harbour Police Department (BHPD) refocused its mission toward a community policing model, which is centered on increasing police visibility through innovative directed patrol activities, and improved its readiness for extreme events. As part of this effort, the BHPD initiated the following activities:

- Established pedestrian safety programs;
- Expanded high visibility patrol through bicycle and golf cart deployment; and,
- Improved active shooter response capabilities with specialized training and equipment.

The continued expansion of community policing efforts provides a greater level of public safety services to residents, businesses and visitors alike. An emphasis on pedestrian safety resulted in the installation of high intensity flashing lights at crosswalks and routine deployment of pedestrian safety details during peak pedestrian periods. These details, in addition to golf cart deployment and the bicycle patrol program foster positive citizen relations through increased contact between the community and police officers, are the realization of the vision and hard work of our of our Police Chief Mark N. Overton in restoring the public's trust in our Police Department.

Training all officers to respond to an active shooter situation with specialized tactics and equipment, and the addition of an explosive detection canine to our police force ensured Village preparedness to effectively respond and neutralize incidents of this kind that we hope we will never happen here or anywhere. In addition, other initiatives included communication with residents increased using our Wireless Emergency Notification System (WENS); an identity theft awareness seminar for residents, and quarterly crime prevention awareness meetings with the retail managers within the Bal Harbour Shops.

IMPROVING AND BEAUTIFYING OUR PUBLIC SPACES

The Parks and Public Spaces Department has enhanced service levels through increased routine maintenance, and improved the overall aesthetic of our existing facilities. The implementation of a hardscape cleaning and maintenance plan and advancing the restoration of our public areas has resulted in a consistently improved appearance of the Village for residents and visitors by the Parks and Public Spaces Department in the following ways:

- Increased service levels of street sweeping by 60%;
- Beach sand raking is now conducted daily year round;
- Improved the beach access path with 520 tons of new coquina, and installed 34 Medjool palms;
- Facility maintenance and aesthetics were improved by painting the seawall at the Cut-walk/Jetty, redesigning the area under and along the bridge near the Jetty, upgrading the bollard lighting Villagewide, and the installation of 40 new dog waste stations, trash receptacles, and a bike rack along the beach;
- Infrastructure improvements were advanced through the selection of a contractor and commencement of construction on the Utility Master Plan, and the Village utility meter and pump station system was upgraded through systematic assessment to improve accuracy and efficiency of water and wastewater delivery and removal;
- Purchase and Launch of the new Bal Harbour Shuttle.

INVESTING IN INFORMATION TECHNOLOGY

We continue making advancements in upgrading our Information Technology (IT) at Village Hall as part of the Information Technology Master Plan. As part of this plan, a number of major improvements were undertaken and completed in FY 2015-16.

With the deployment of the Village's new branding, the first phase of the website redesign project also commenced this fiscal year. Aside from integrating the new branding look and feel, the redesigned website will provide greater access to Village information in a user-friendly manner. Moreover, the new site will offer residents the ability to pay for their utility bill online, and future enhancements to online services. The new site is expected to go live in the early part of the new fiscal year.

The IT Master Plan is based on a needs assessment of IT infrastructure necessary to implement future enhancements to the Village's e-government capabilities, such as solutions to more effectively communicate with residents and other stakeholders, facilitate online transactions, as well as improve Village operations through software business solutions. These improvements and systems will allow for greater accountability and efficiency in operations, and provide improved customer service, enabling the Village to bring our organization's capabilities in line with industry best practices. As part of our plan, several accomplishments were reached. These include full transition to voice-over-internet-protocol (VoIP) telecommunications system, resulting in a significant reduction in recurring communications expenses. Upgrades to the audio-visual technology in Council Chambers to enhance room acoustics and the overall quality of Council meeting web and television broadcasts. The launch of the My Bal Harbour Mobile App, making it easier for residents and visitors to pay for parking, submit service requests, and explore the Village; and the Bal Harbour Express Bus Tracker function giving residents access to real-time shuttle bus location and arrival information.

EXPANDING OUR COMMUNICATIONS WITH OUR RESIDENTS AND VISITORS

We have made great strides to ensure that our communication with our residents, businesses and visitors is clear and continuous.

As Bal Harbour Village continues its vibrant growth and recognition as a world-class global destination, the Village updated its brand identity in 2015 to reflect our evolving image. The creation and design of our new brand identity has unified all our communication products with a comprehensive message that strategically represents the Village at all levels. Included in the new brand identity was the design of a new logo for the Village. This new logo is now used in all our communication efforts at the local, national and international levels.

The primary methods of communication with our residents includes the monthly newsletter, mailing of postcards for special upcoming events, the My Bal Harbour mobile Application (App), the Wireless Emergency Notification System (WENS), e-mails, and our social media outlets (Facebook and Twitter).

After a several year hiatus, the Village newsletter was reintroduced in the summer of 2015 and began to be published quarterly. Since January 2016 the Newsletter has been published monthly in an effort to provide more continuous information to our residents. Each edition includes a cover story highlighting a new initiative taking place in Bal Harbour Village, a general message, recent Village Council action, a summary of recent events which have taken place in the Village, upcoming special events, and a calendar of all upcoming meetings taking place in the Village. The monthly newsletter is mailed to all Bal Harbour Village residents using a new delivery method through the United States Postal Service which has greatly improved the delivery of all mailed items.

Postcards are created for all upcoming events - particularly our Unscripted Bal Harbour Art Access Program events - and mailed to all Bal Harbour Village residents providing greater detail about the event. This is in addition to the information about these special events which are also include in the newsletter, so these postcards reinforce the message which has already been communicated previously and serves as a reminder about the event.

Also in January 2016, the My Bal Harbour Application (App) was launched. This mobile app enables users to make service requests and access Village information anywhere and at any time, seven days a week and 24 hours a day. Easily downloaded to a smart phone, the My Bal Harbour app allows users to submit requests and photos, track previous requests, receive notifications and important alerts, find local stores and restaurants, and even pay for parking. Additional services include listings of scheduled events, accessing Village meetings and posted agendas and sending emails or calling Village officials.

The Wireless Emergency Notification System (WENS), is a fast and reliable web-based system that allows the Bal Harbour Village to make emergency as well as public interest and awareness notifications to all subscribers. In the event of an emergency Village personnel may promptly communicate advisories and directions to all residents who have opted to receive the messages. WENS has the capability to send messages via landlines, voice and SMS alerts to cellphones and emails accounts. Aside from emergency notifications, other interesting alerts sent via WENS are traffic alerts, severe weather alerts via NOAA, special events and public meeting notifications. The subscriber may elect one method of communication or opt to receive the alerts via several means.

Our e-mail distribution list continues to grow and includes over 600 subscribers. E-mail messages are sent to provide public notices about upcoming meetings and special events as well as meeting agendas for all Village Council and Committee meetings. In addition, the number of subscribers to our social media outlets (Facebook and Twitter) continues to grow as well and serves as yet another tool in allowing us to deliver our message to an even broader audience.

Our communication efforts with our visitors continues to grow as well. Through our advertising, marketing and public relations efforts, our focus is to position Bal Harbour Village as the premier luxury and lifestyle destination worldwide to continue to re-invest and support the Village by attracting tourism, generating business, creating awareness and building equity for the destination. The goal being that this investment will translate into continued and incremental funds, to be used for increasing the quality of life, beautification maintenance and enhancements, and the ongoing creation of programs and events, all in Bal Harbour Village.

Our advertising efforts are critical in bringing attention to Bal Harbour and in promoting and attracting tourism to our destination. In 2015, Chandelier Creative, which had been selected by the Village to create and design a new creative advertising campaign and brand assets for the Village, finalized the new Village logo and all accompanying creatives and collaterals. As a result, as part of the Village's rebranding efforts, all new and expanded creative and collateral materials have been developed. The Village's all new and rebranded tourism related advertising campaign was approved by the Resort Tax Committee and launched in the Fall 2015 with an updated international media strategy plan. In conjunction with the rebranding efforts, the new Village logo has replaced the old and a style guide is in place and serves as a guide for all communication tools and materials used by the Village. Our Public Relations efforts are geared toward generating more news worthy attention and media hits for Bal Harbour, and to help build brand equity for Bal Harbour Village.

ESTABLISHING SUSTAINABLE FISCAL POLICIES AND PLANNING FOR FUTURE CAPITAL INVESTMENTS

Safeguarding the fiscal integrity of the Village and ensuring the functionality of our infrastructure is a daily priority -one that is not so noticeable when all is going right - but typically engenders unfavorable attention when it goes wrong. To this end, we continue our efforts to establish appropriate controls and further improve the processes of the pasts.

The upgrade of the Village financial management and utility billing system improved system functionality and staff efficiency in analyzing and interacting with data, enabling staff for the first time to generate functional reports and consumption data at both the account and meter device level. This provided a significant advancement from a system environment, which previously offered only single data point snapshots and static copies of reports. These new capabilities and staffing modifications brought to light longstanding utility system and billing deficiencies that were corrected through the creation of clear operational processes and procedures, inventorying and assessing devices, reducing human error by increasing radio meter read capabilities to 89% of devices in the system from 60% and decreasing meter reading field time from ten days per month down to two.

After approval through collective bargaining negotiations, Village payroll processing was brought in line with nationwide standards, correcting the previous practice of advancing payment to employees prior to the full completion of a pay period to now processing payroll in arrears. This reduces the occurrence of payroll adjustment following a pay period, the potential for errors, and confines payroll processing timeframes to one week per payroll processed as opposed to one and one-half weeks. Also achieved through collective bargaining negotiations, the Police Officers' Pension Plan was closed to new participants and a reduction in cost of living adjustments (COLA) from 2.5% to 1.5% per year for future retirees under the Plan were ratified. With future employees joining the Florida Retirement Systems (FRS), and cost of living adjustments reduced by one-percent, the long-term liabilities of the Village are significantly diminished. Both the General Employees' Pension and Police Officers' Pension Plans achieved the long awaited favorable letter of determination from the Internal Revenue Service (IRS) this year; a process commenced in 2009. The Village also achieved the Government Financial Officers' Association Excellence in Financial Reporting Award for our Comprehensive Annual Financial Report.

ENSURING A RESILIENT BUILDING DEPARTMENT WITH FAIR FEES

In continuing the restructuring of the Building and Permitting Department, FY 2017 provides an opportunity to rectify the permitting fee revenue imbalance to more closely match the demand and needs from Village residents. Building and permitting functions in Bal Harbour have not historically been self-supported by the fees collected, leading to a dependency on General Fund dollars. Over the last five fiscal years, the General Fund has subsidized the functions in excess of \$400,000. While in some years

during periods of high construction activity there was a surplus, on average, approximately \$81,000 per year have been needed to fully fund these operations. Further, the expenses for these services, as well as their service delivery, were not aggregated into one operating department. As of this fiscal year, an "in-house" Building Official was hired in lieu of the previous contracted arrangement. In addition, the permitting functions have been centralized into one department. The proposed Building & Permitting Department budget of \$797,000 is \$218,000 less than FY 2015, and \$105,000 less than FY 2014 actual expense, through the hybrid service delivery model of Village staff and contracted specialized services.

Following a Village Council discussion, we analyzed historical Building Department permitting data in regards to the fees collected and the level of work performed. (i.e. number of permits issued). Specifically, the data was analyzed by district, by type of work, and by building code review.

In summary, the analysis yielded three key observations:

- Single-family permits fees were the highest by district, followed by Business and Multi-family/Oceanfront with the overall average building permit cost being \$625.
- An analysis of the number of permits and percent of permit fees collected reveals past activity is overwhelmingly in remodeling (painting, flooring, and minor work) at 91%, with only nine-percent issued for new construction.
- New single-family homes have the greatest discrepancy between the permit fee collected and the number of permits issued.

From these observations, it is evident that reformulating the permitting fee structure will lead to a more consistent and equitable outcome for all residents, regardless of building type.

CORRECTING A FEE IMBALANCE

In attempting to correct the fee imbalance, several permit fee arrangements were considered, namely exploring increase in all permit fees and variations on a million-dollar threshold. When applied to the historical data for comparison, the Department found that adopting a revised fee structure with an increased base permit fee/million-dollar threshold would better fit permit demand.

The proposed fee structure for the Building Department increase the minimum permit fee to \$150; all work up to one million dollars is calculated at 2% and everything exceeding one million dollars is left at 1%.

This structure not only fully funds the costs of the Building Department and development functions, but also enhances the Village's ability to handle building activity fluctuations during the inevitable downturns in the market. In years where there is unusually high building activity, these fees will guarantee that inspections can be completed and projects closed out while crossing over fiscal years.

CAPITAL OUTLAY FOR FY 2017

For the last two (2) fiscal years, the Village has implemented a policy to allocate fifty percent of excess revenue over expenditure at the close of each fiscal year to assigned fund balance for a Capital Projects Reserve. In FY 2015, this resulted in the addition of \$1.15 million for future purposes. At the same time, the Village managed to increase its unassigned fund balance to close to 92% of operating (non-capital) expenses or close to 12-months of operating reserves, by programming utility related debt service payments to the utility and continued correction of fund accounting practices, and the addition of non-recurring revenue.

Construction on the Utility Master Plan to improve the Village's seventy-year-old water and wastewater infrastructure finally began in 2016, six (6) years after the Village borrowed \$10 million for its completion. In a few short years, a master plan was developed and adopted; design and engineering completed, and construction began. State Appropriations, Miami-Dade County General Obligation Bond, and Developer Contribution funds were secured to advance the Village's single largest capital undertaking; the Utility Master Plan Project. In total, funding secured under my tenure provides \$8,045,000 toward the repair and replacement of the Village underground infrastructure with the total project cost estimated at \$28.8million. These three (3) allocations of funds are essentially enough to cover the current estimated costs of the sewer portion of the Utility Master Plan, meaning that we are able to fully fund the complete replacement of our sewer utility with entirely non-local funds, and more importantly, with no additional cost to the users. This allows for the advancement of this capital project with a minimal fiscal impact to residents.

Complimentary to these actions and incorporated into the Proposed FY 2016-17 Operating Budget are the continuation of Capital Reserve funding for future capital projects in the amount of \$200,000 per year, similar to the replacement funding provided for information technology with \$100,000 allocated for next fiscal year. This allows for a process to set aside earmarked funds for specific future capital needs such as repairs to Village Hall, the Parks and Public Spaces Operations Facility, restoration of the Jetty, or the seawall. In addition, a budgeted contingency for the General, Resort Tax and Utility Funds of two-percent (2%) of the prior year operating budget is continued to ensure funding capacity for unforeseen circumstances that may emerge throughout the fiscal year. The actions taken throughout the budget development process serve to establish prudent fiscal policy that we will continue to expand upon in the coming years.

FACTORS AFFECTING FY 2016-17 BUDGET

In developing a budget, we must look at available revenues, expected expenses, potential enhancements, and opportunities for cost savings or efficiencies. By setting an appropriate millage ceiling, we established the first parameter in the development of the FY 2016-17 Operating Budget. It is important to set a level that offers appropriate opportunities to make prudent choices leading to the adoption of the final budget.

The Miami-Dade County Property Appraiser provides municipalities with a certification of Assessment Roll Values for the upcoming fiscal year on July 1st of each year. Pursuant to Florida Statutes (F.S) 200.065, within thirty-five (35) days of certification of value, each taxing authority shall advise the Property Appraiser of its proposed millage rate, of its rolled-back rate, and of the date, time, and place at which its first public budget hearing will be held to consider the proposed millage rate and tentative budget. At the July 19, 2016 Village Council meeting, the Council set the tentative millage rate, the first step to formally adopting a budget, was set at 1.9654 mills, consistent with the current fiscal year rate. The Public Budget Hearing Dates were set for Tuesday, September 13, 2016 and the second public hearing for Tuesday, September 20, 2016.

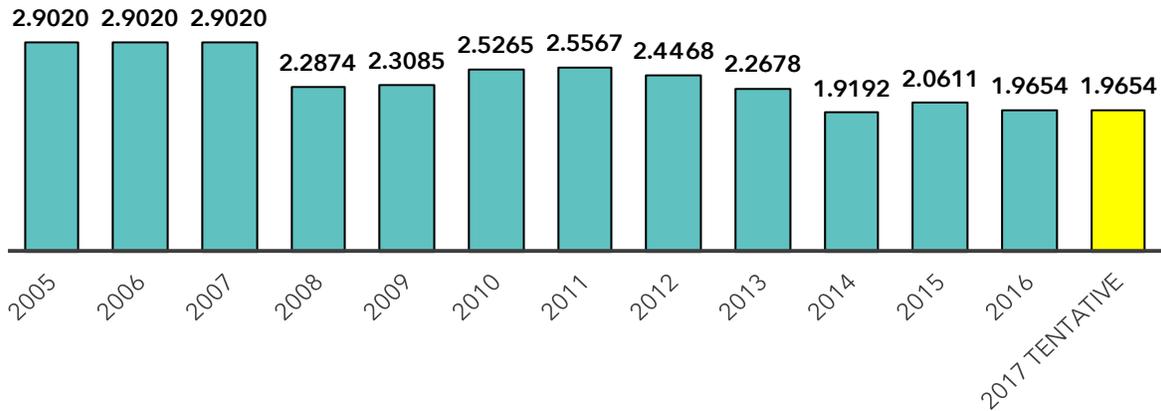
TAX ROLL, MILLAGE RATE, AD VALOREM REVENUE, AND ROLLED-BACK RATE

The tax roll certified by the Miami-Dade County Property Appraiser on July 1, 2016 is \$4,433,731,559, which includes an increase of \$984,500 in new construction and improvements. At the current and proposed tentative millage rate of 1.9654 mills, and calculated at 95% of the certified adjusted taxable value as required per F.S. 200.065(1)(a)1, the ad valorem revenue generated is \$8,278,400, resulting in an increase of approximately \$344,348, of tax revenue Villagewide over current year ad valorem budgeted revenue of \$7,934,100.

PROPOSED MILLAGE RATE HISTORY & ANALYSIS

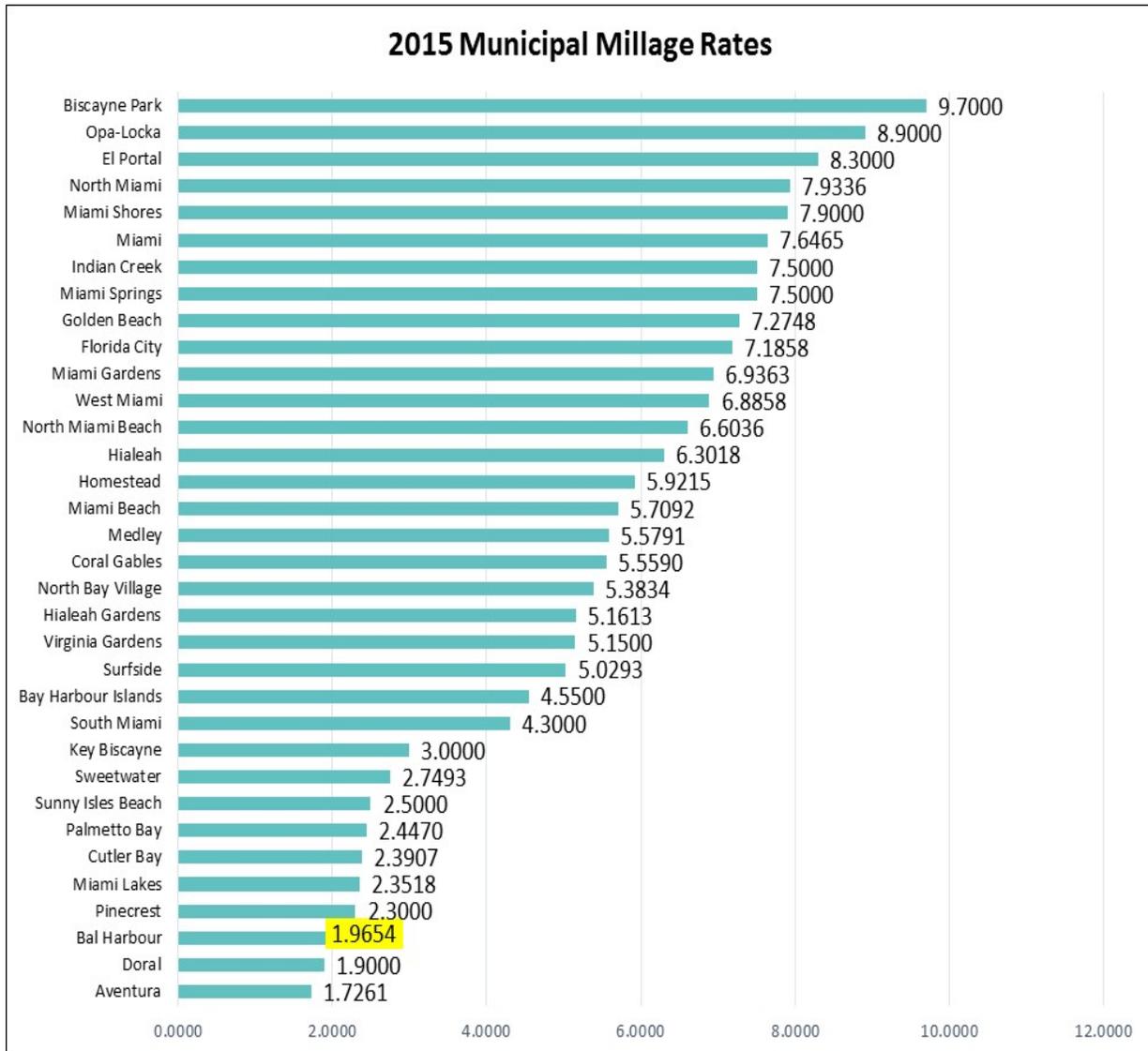
Over the past eight (8) years the millage rate for the Village has dropped significantly, by 32.27% from a high of 2.9020 mills to the current low of 1.9654 mills for the current and proposed tentative millage rate for FY 2016-17 resulting in no proposed millage adjustment for the upcoming fiscal year. The following chart reflects the millage rates from FY 2005 through the proposed FY 2017:

Bal Harbour Village Millage



Currently, the FY 2015-16 millage rate of 1.9654 mills is the third lowest millage rate in Miami-Dade County as compared to other municipal rates. Bal Harbour Village is the only long established municipality within the grouping of the lowest eight millage rates for Miami-Dade County cities, meaning it is the only full service municipality with legacy expenses to maintain such a low millage rate. This is accomplished through fiscally prudent service delivery mechanisms.

The following chart reflects the 2015 adopted millage rates for Miami-Dade County municipalities:



It is recommended that Village Council re-affirm their action taken at the July 19, 2016 Council meeting and set the millage rate for FY 2016-17, at 1.9654 mills, a rate that is \$1.9654 per \$1,000 of assessed property value. The proposed tentative millage rate, calculated at 95% for budget purposes, and based upon the July 1, 2016 estimated adjusted Taxable Value as provided by the Miami-Dade County Property Appraiser is anticipated to yield \$8.278 million, respectively for FY 2016-17.

The recommended FY 2016-17 proposed tentative millage rate outlined for consideration by the Village Council allows the Village to retain a historically very low rate, while providing for funding of anticipated inflationary impacts for continued service levels and modest enhancements.

By setting an appropriate millage rate we establish the primary parameter in the development of the FY 2016-17 Operating Budget. It is important to set a millage rate that allows for the continued advancement of our five (5) budget development goals and allocating resources in a strategic manner with an emphasis on results-oriented management practices. The Proposed FY 2016-17 Operating and Capital Budget does just that, by building on the foundation we established together in the last few years.

BUDGET ADVISORY COMMITTEE REVIEW PROCESS & RECOMMENDATION

The Bal Harbour Village Budget Advisory Committee (BAC) was established to assist with budget development and with the development of fiscal policy. The existing Budget Advisory Committee as appointed by Village Council, began meeting earlier this year to review the development of the Proposed Budget for FY 2016-17, and to provide recommendations for the Village Council's consideration. The Committee reviewed end of year FY2015, and mid-year FY2016 amendments and projections, and line items of each of the Village departments. At their June 20, 2016 meeting, the BAC completed their review of General Fund operating departments and provided a recommendation that the Council set a preliminary millage rate of 1.9654 mills, which is consistent with the Administration's current recommendation and the current fiscal year millage rate.

The Committee evaluated and provided advisory recommendations on the tentative millage rate; heard from department directors about their evolving operations and operating needs; evaluated Village revenue sources and revenues; recommended an adjustment to water and wastewater rates sufficient to pass through both Miami-Dade County's and the City of Miami Beach's rate increases; recommended an amended building and permitting rate structure; and suggested a five-percent increase to Local Business Tax rates.

IMPACT OF PROPOSED MILLAGE TO VILLAGE HOMESTEAD EXEMPT PROPERTY OWNERS

For the 2015 Tax Roll, the median assessed homestead exempt property value for the Village is \$487,000. This is a value at which there are as many properties with an assessed value above this amount as there are below it. The impact of the preliminary proposed millage rate of 1.9654 mills to the median assessed property value for the Village is approximately \$957 per year per homeowner. For the Village, the value of the average homestead exempt property is approximately \$843,000; the impact of the proposed millage rate is approximately \$1,658 per year per home with the average assessed value.

ROLLED-BACK RATE

The rolled-back rate for FY 2016-17 is 1.7635 mills. The rolled-back rate, calculated as required by the Florida State Department of Revenue will provide the same ad valorem

tax revenue as levied during the prior year exclusive of new construction and improvements. The preliminary proposed millage rate of 1.9654 mills is 11.45% higher than the current year aggregate rolled-back rate. The state required methodology for calculating the rolled-back rate requires the use of the current year gross roll value.

With the FY 2017 budget development, I continue the current focus on moving the Village forward with respect to service delivery, technology, and infrastructure improvements; accompanied by the appropriate level of internal controls. All well-managed organizations have a plan, and the budget is the story of what our Village plans to do, the services we plan to provide for the next twelve (12) months, and what we will work toward achieving in the coming years. Village Departments will continue to refine their operational priorities with an emphasis on efficiency, service delivery, and accountability improvements, while also addressing the smaller things that mean so much to our residents and community.

OTHER FACTORS AFFECTING FY 2016-17 BUDGET

GENERAL FUND EXPENSE

In developing the Proposed Budget, we assessed available revenues, expected expenses, potential enhancements, and opportunities for cost savings or efficiencies.

The Proposed General Fund Budget incorporates the funding for operating departments and activities within the proposed FY 2016-17 expenditures of (base budget \$13,820,700; inclusive of enhancements \$14,767,000) at the proposed millage rate of 1.9654 mills. This provides funding for existing service levels the Village residents have become accustomed to, and a three-percent (3%) cost of living adjustment (COLA) for existing employees to be implemented October 1, 2016 to all employees in the Village.

INFLATIONARY IMPACTS

The Proposed Budget incorporates cost escalations for retirement expenses based on the actuarial valuations of our two plans, health benefits, liability insurance, and anticipated payouts for retiring employees, increased expenses totaling \$318,400 within the FY 2016-17 Proposed Budget. In addition, the Proposed Budget includes increased expense due to necessary one-time equipment replacement and additional overtime for our Police Department totaling \$161,000. The impact of these increases was offset by an excess of \$172,200 in reductions, which were largely identified within the Parks and Information Technology Activities. The total net change from the FY 2015-16 Adopted Budget to the FY 2016-17 Proposed Base Budget is \$435,600, as summarized in the table below:

FY 2016-17 PROPOSED GENERAL FUND OPERATING BUDGET		
FY 2016-17 Revenue at Tentative Millage (1.9654 mills)	\$	13,820,300
FY 2015-16 Adopted General Fund Budget (1.9654 mills)	\$	13,572,572
CHANGES IN PROPOSED BUDGET FROM FY 2014-15 ADOPTED BUDGET		
Retirement Increase (ARC)	232,000	
Health Benefits	26,130	
Police Overtime Increase	45,000	
PD Capital	116,000	
Payouts for Retirees	60,253	
		479,383
Less Reductions	(231,654)	
Total Change to FY 2016-17 Budget		247,728
FY 2016-17 General Fund Preliminary Base Budget	\$	13,820,300
FY 2016-17 General Fund Preliminary Operating Revenue	\$	13,820,300
Revenue Less Expense		-

WATER & WASTEWATER UTILITY FUND AND RATES

Water and Wastewater services within the Village are provided as an enterprise operation, services are funded as payments for measurable water and wastewater services are consumed. Rates established as charges for services should sustain its operations and satisfy any related debt. Historically this has not been the case for Bal Harbour, as Utility operations were subsidized by the General Fund, this practice is no longer used.

Since September of 2015 Village staff has addressed utility and utility billing issues dating back many years. Staffing changes were made to improve operations, and protocols established to capture accurate data going forward. Finance and utility billing software was upgraded enabling analysis of consumption and billing data and the diagnosis of issues, and proactive notification to customers of potential leaks. Proper training was provided for the use of the software, and for the reading of meters. A partnership of shared responsibility has been forged between Parks and Public Spaces and Finance staff resulting in a functional system which will continue to improve. The result of these efforts are an entirely restructured utility billing system.

As a result our system has evolved from 40% of all meter devices requiring a manual read now to 11%; improving accuracy and staff efficiency. Fiscal year to date

comparisons of billed services reflect an increase of 19% over FY 2015, and for collected or receipted payments a 17% increase over FY 2015.

Water and wastewater rates for the Village are presently at \$4.78/1,000 gallons of water consumed with a 3,000 gallon minimum monthly charge for Water and \$8.06/1,000 gallons of water consumed with a 3,000 gallon minimum monthly charge for Wastewater.

For the Village utility operations, water is purchased at a wholesale rate from the Miami-Dade County Water and Sewer Department (MDWASD) and we are charged a wholesale rate for MDWASD to process our wastewater. Additionally the City of Miami Beach (CMB) applies a rate for wastewater which passes through their system as it ultimately travels to the MDWASD plant at Virginia Key.

The MDWASD has incorporated a rate increase in their proposed FY 2017 Budget, due to projected operating expenses, increased reserve requirements, and debt service payments for necessary capital projects. The FY 2017 proposed budget increases from WASD are 5.73%, or 0.1598 cents for wastewater, there is no proposed increase for water. We are charged by the City of Miami Beach for wastewater services, proposed 5.33% on the rate per 1,000 gallons and 1.86% on the surcharge for FY 2017. To absorb or pass-through the proposed rate increase, the Proposed Budget for the Bal Harbour Utility incorporates a 2.13% wastewater adjustment, as summarized below:

Miami-Dade County Wastewater Wholesale Rates			
	2015-16	2016-17	Pct. Change
Rate per 1,000 gallons	\$2.7879	\$2.9477	5.73%
City of Miami Beach Wastewater Wholesale Rates			
Rate per 1,000 gallons	\$3.1050	\$3.3196	6.91%
Surcharge	\$0.3168	\$0.3227	1.86%
Bal Harbour Wastewater Wholesale Rates			
Wastewater passthrough adjustment	\$8.06	\$8.28	2.74%

The MDWASD wholesale water rate remains the same as the current year, and we do not anticipate an increase from the City of Miami Beach. As a result we propose no changes to our water rates for FY 2017.

The proposed wastewater rate increase was reviewed and accepted by the Village Budget Advisory Committee.

NON-RECURRING REVENUE

Recurring and non-recurring are two broad classifications applied to revenue. Recurring revenue, are from sources, which can be anticipated year over year, examples of these are ad valorem taxes, state revenue sources, and fees or charges for service. Non-recurring revenue are those which cannot be anticipated in future years, examples of these for the Village are single year funding allocations from other agencies i.e. State Appropriations, bond proceeds, and fund balance allocations.

The FY 2016-17 includes non-recurring revenue in the amount of \$5,435,300. The overwhelming majority of this revenue is included in the Water and Wastewater Utility Fund for capital improvements included in the Utility Master Plan for the Village. Within other funds, allocations of fund balance are utilized for discrete expenditures that are not operational in nature. The non-recurring revenue sources incorporated into the Proposed Budget are \$312,700 of carry forward revenue for the Resort Tax Fund, a Fund Balance and Capital Projects Reserve allocation of \$946,700 for the General Fund, and \$4,000,000 of debt proceeds for the Water & Wastewater Utility for the implementation of the Utility Master Plan Project. Both the Utility and General Fund allocations for Village Hall improvements totaling \$4,563,000, are subject to reimbursement from Miami-Dade County General Obligation Bond Funds.

RESORT TAX

Bal Harbour Village is one of only three (3) Miami-Dade County municipalities, along with the City of Miami Beach and the Town of Surfside, to levy a resort tax, and in doing so takes advantage of the benefits derived from this revenue source. This includes the reinvestment in the promotion of tourism and enhancing tourist eligible activities throughout the Village as well as efforts related to the beautification and maintenance of the Village in areas visited by tourist.

Bal Harbour Village levies a Resort Tax of four (4) percent of the amount received on the occupancy of a room in any hotel, motel, or apartment house. In addition, it levies a two (2) percent of such retail sales of all items of food or beverages, alcoholic or otherwise, sold at retail for consumption on the premises, at any place of business within the Village. Both these levies are consistent with Part I, Chapter 212, of Florida Statutes.

The FY 2016-17 Proposed Budget for Resort Tax includes \$1,674,560 (45.31%) for Tourism related activities, \$222,950 for Special Events and Community Activities (6.03%), and \$1,798,500 (48.66%) for Beautification and Greenspace Maintenance and other Resort Tax Eligible expenses. The total proposed fund allocation is \$3,696,000, which includes Tourism and Marketing Services, and Landscape and Beautification activities within the public areas of the Village. For the FY 2016-17 Proposed Budget, the Resort Tax Funding allocated for the Beautification Greenspace, and other resort tax eligible activities, such as Special Events and Community Activities is equivalent to

approximately 0.41 mills or for the fund as a whole 0.83 mills, if the services and activities were funded within the General Fund through ad valorem revenue.

As a result of a strong dollar, and a competitive high-end market, and travel concerns due to the Zika Virus, Resort Tax revenue projections reflect a downward trend in the current fiscal year, and into FY 2016-17. The current year revenue projection is \$275,000 less than anticipated at budget adoption, resulting in a slight structural imbalance of operating revenue over operating expense. This coupled with the programming of fund balance or carryforward revenue for one-time or ongoing projects through the last few years calls for a restructuring of the fund and possible additional service level adjustments as we move forward through FY 2016-17 . The Proposed Budget as presented already reflects reductions on an equitable basis to both the Tourism and Beautification activities within the fund. Tourism related Proposed Budget reductions total \$120,000, and Beautification reductions total \$120,000; these provide total operating reductions of \$240,000 for the fund as summarized below:

PROPOSED SERVICE REDUCTIONS to the FY 2016-17 PROPOSED BUDGET	
Resort Tax	
1 Art Chat/ 1 Art Tour	\$8,000
NYE Fireworks	25,000
PR Services & 1/2 year of United Kingdom	67,000
Bal Harbour Sales Manager Retreat	20,000
<i>Subtotal Tourism</i>	<i>\$120,000</i>
Beach Ranger	80,000
Sand by Pass Permitting	40,000
<i>Subtotal Beautification</i>	<i>\$120,000</i>
Total Proposed Resort Tax Fund Enhancements	\$240,000

The reduction of one art chat and one art tour and New Year's fireworks display are within Special Events and Programs. The reduced deployment of Public Relations services and phased expansion of services into the United Kingdom still provide a modified structure for the Village's marketing lineup, but for only half of the fiscal year. The Bal Harbour Sales Manager Retreat was a recurring expense in prior fiscal years, which is now postponed for another year. The Beach Ranger was a position added in FY 2015-16, but never filled, the cost for this position is eliminated from the Proposed Budget, as is funding for the sand-by-pass project due to delays in advancement with Miami-Dade County's procurement process these are not needed in the upcoming fiscal year.

The current fiscal year includes a fund balance allocation of \$350,000, for the Destination Fashion Donation (\$100,000), and the Village's 70th Anniversary Celebration (\$250,000). Accordingly, the use of fund balance in the FY 2016-17 Proposed Budget is less than the two prior fiscal year budgets, yet allocated to mitigate the further service level reductions as a result of the current revenue downturn.

ENHANCEMENTS

Four enhancements are incorporated within the Proposed FY 2016-17 Operating Budget one for Village Hall improvements and one for a Utility Compliance Coordinator. Advancing \$563,000 of fund balance revenue from the General Fund is proposed for Village Hall renovations including painting and flooring, air conditioning upgrades, the installation of hurricane impact windows, security enhancements, and the repair of termite damage. Also due is the 40-year recertification for Village Hall, funds will be used for this process and the balance used to address the findings resulting from the recertification. Miami-Dade County General Obligation Bond funds are committed for these much needed improvements to our Village Hall; an interlocal agreement will be advanced to Council in October to formalize the agreement, for the reimbursement of these expenses with GOB funds up to 1-year prior to execution of the agreement.

PROPOSED ENHANCEMENTS to the FY 2016-17 PROPOSED BUDGET		
Utility Fund		
Utility Compliance Officer	<i>net increase</i>	\$20,600
Total Proposed Utility Fund Enhancements		\$20,600
General Fund for Village Hall (General Obligation Bond)		
Impact Windows		\$62,000
HVAC		34,000
Termite Repairs		42,900
Painting/Flooring		25,000
Security Enhancements		30,300
40 Year Recertification		15,000
Balance to Recertification Findings		353,800
Proposed General Fund GOB Enhancements		\$563,000
Capital Projects Reserve Allocation		
Seawall Repairs & Dock BHV Park		\$51,700
Jetty: Surface & Cool Deck Installation		332,000
Total Capital Projects Reserve Enhancements		\$383,700
Total FY 2017 Proposed Enhancements		\$967,300

Many advances were made to our Village utility in the past year that will continue into FY 2017. The addition of one-Utility Compliance & Training Coordinator position is proposed to establish an internal skill set to meet the expanded compliance reporting requirements mandated by Miami-Dade County's 2012 Consent Decree agreement with the Federal Environmental Protection Agency. Historically these non-engineering services were completed by the Village Engineers at an hourly rate, however the required compliance training of staff, and the full complement of compliance reporting was completed inconsistently. The volume of new reporting and training requirements as a result of the consent decree and our experience with the Village utility in the past year, bring to light the need to add a full time employee dedicated to these activities to ensure the Village Utility provides service with appropriately trained staff while complying with mandated regulations. The total expense for the position is \$129,600; however, the net cost to the Village in FY 2017 is only \$20,600, due to the reduction of contracted service expenses to the Village. The Bal Harbour Village Utility system is essentially a \$5,000,000 per year business enterprise. It should be run efficiently, and have adequate dedicated staff resources to ensure proper and compliant operations.

In 2014, the seawall behind Bal Harbour Park was inspected to determine the cause of the settling of a section of pedestrian pavers installed along the seawall within the Park. It was determined that the grout seams between several of the seawall panels was deteriorated and required repair. This work requires the removal of the pavers and excavation of the soil behind the seawall to access the panels, re-grouting of the seams installation of a soil barrier and resetting of the pavers. The preliminary estimate for this work is \$51,700.

The pedestrian walking surface of the Haulover Cut Jetty has deteriorated over the course of several years and it is now uneven in several locations. Additionally, numerous cracks have occurred to the surface which also create an uneven walking surface. Both issues contribute to the overall poor appearance of this pedestrian walking area. The preliminary estimate includes the cost to repair the uneven areas and cracks on the surface of the Jetty, surface preparation and installation of a non-slip covering on the top of the Jetty to create a uniform surface to beautify the appearance of the Jetty and provide users with an improved walking experience. The preliminary estimate for this work is \$332,000.

ACKNOWLEDGMENTS

I would like to thank Mayor Packer and the Members of the Village Council for their continued guidance, support and leadership with our budget process and in helping to accomplish so much on behalf of our residents and the entire Bal Harbour Village community. In addition, I would like to thank the Village's Budget Advisory Committee chaired by Raj Singh and Members Jose Biton, Barbara Swartz, and David Geula for their time, efforts and thoughtful guidance in the preparation and input to the FY 2016-17 Proposed Operating and Capital Budget, as well as to the residents who

participated in these public meetings. I would also like to thank Village staff, particularly our department directors, who worked so hard to identify every opportunity for improved service delivery. I appreciate all of us working together to accomplish our goals and continue making Bal Harbour Village an even better place to live, work, play and visit.

Respectfully submitted,


Jorge M. Gonzalez
Village Manager

BAL HARBOUR

- VILLAGE -

OVERVIEW

Bal Harbour Village remains a pristine community, a carefully designed haven for the very best in residential living and upscale tourism. With elegant homes and condominiums, elite shops and exquisitely manicured roadways, the Village is widely recognized as the jewel in the crown of South Florida's communities - a model for the good life.

The "dream village" that founder Robert C. Graham envisioned so many years ago continues to prosper and thrive today. The vision for this subtropical paradise began in 1929 when Miami Beach Heights, a Detroit-based real estate development corporation purchased the raw land. Headed by industrialist Graham with associates Carl Fisher and Walter O. Briggs, Miami Beach Heights began the task of crafting a new community. Perhaps most significantly, they hired one of the leading urban planning firms of the twentieth century - Harland Bartholomew & Associates - to design the Village. Bal Harbour and Coral Gables are the only Miami-Dade municipalities that were built with a fully conceived master plan in place.

From the beginning, the Village was envisioned as a modern community that would maintain exceptionally high standards, provide superior services and foster civic pride.

From the very beginning, Village founders thoughtfully master-planned this model community and it has evolved into an internationally renowned place to live and visit. As stated by founder Robert Graham more than sixty years ago, "We have only one objective. We want to make this Village, with its unusual advantages of ocean and bay and South Florida climate, a lovely place to live."



OVERVIEW

Government Structure

The Village of Bal Harbour has a “council-manager” form of government.

The Bal Harbour Village Council is made up of the Mayor and four Councilmembers. The Mayor presides over Council meetings and is considered the Village’s representative locally, nationally, and internationally. The Mayor and Councilmembers set policy for the village. Setting policy means making decisions about what is allowed and what is not allowed in the Village, about what services need to be provided to the residents, businesses and visitors, and about how to solve problems that concern citizens.

The Village Council appoints the Village Manager to manage the day-to-day operations of the Village. The Village Manager works closely with the Mayor and Councilmembers to provide Village services and pass ordinances that are important to residents. With the assistance of his executive management team, the Village Manager oversees the Village’s departments and major Village functions.

Financial Structure

The following details the Bal Harbour Village Fund Structure, describing the various funds and providing information regarding appropriations, or spending authority, within those funds. A fund is a set of self-balancing accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives, as required by special regulations, restrictions, or limitations. Bal Harbour Village’s funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Only governmental funds and proprietary funds are appropriated as part of the annual budget. The budget resolution that is presented to the Council in September for the two public budget hearings follows this fund structure.

Governmental Funds

Governmental funds account for most of the Village’s basic services. Taxes, intergovernmental revenues, and charges for services, principally support the activities reported in this fund. The General Fund is the Village’s primary operating fund. It is used to account for the financial resources of the general government and operating departments except those required to be accounted for in another fund. Within the general fund, the operating budget separates expenditures by departments and operational activities. The separation provides accountability for directors to manage and monitor their departmental expenditures and also to track expenditures at the more discrete activity level. Proposed General Fund Budget for FY 2016-17, reflects a decrease of 2.65% over the current fiscal year budget. These expenditures include public safety, parks and open space, building and permitting, and administrative activities.

OVERVIEW

Proprietary Funds

Proprietary funds are those funds where the Village charges a user fee in order to recover costs; they are used to finance and account for the acquisition, operation, and maintenance of facilities and services that are intended to be entirely or predominantly self-supporting through the collection of charges from external customers. The Village has two proprietary funds, the Water & Wastewater Utility Fund and the Security and Landscape Assessment Fund.

The Water & Wastewater Utility Fund captures the fees for service and expense, related debt, and capital projects associated with operations of the utility. The FY 2016-17 Proposed Budget for the Water & Wastewater Utility Fund includes a pass-through rate increase for sewer as a result of increases from our wholesale service providers.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trust for a specific purpose. The Village currently has forfeiture moneys from prior fiscal years held in restricted funds. The use of these funds must follow an approval process required by State Statute with subsequent approval by the Village Council. In addition, the Village has two pension related fiduciary funds for the General Employee and Police Pensions.

What Is A Budget?

An annual budget is a financial, operating, and capital plan for the coming fiscal year. It provides an outline of service levels provided to the citizen, and public capital investments in the community, for use by both our customers and the village. Bal Harbour Village's Proposed Budget for FY 2016-17 is a tool that serves five purposes:

- **Planning:** The budget process is an annual plan for management of the Village to coordinate and schedule program and services to address the Village's priorities.
- **Prioritization:** Village resources that address needs identified by the Mayor, Councilmembers, and residents, are prioritized through this process.
- **Information:** The Proposed Budget document is the primary way for the Village to explain to the public what it intends to do with the taxes and fees it collects. Through the document, the public can see how and where tax dollars and other revenues raised by the Village will be spent.
- **Evaluation:** The budget is used to help determine how well services are provided and how successful the Village is in meeting the community's needs.
- **Accountability:** The budget is a tool for legally authorizing public expenditures and to account for and control the use of public resources.

OVERVIEW

The Fiscal Year 2016-17 Proposed Operating and Capital Budget for Bal Harbour Village, Florida is intended to serve as a policy guide, a financial plan, and a means of communication.

The annual budget is determined for a fiscal year, which is the twelve-month cycle that comprises the jurisdiction's reporting period. The State of Florida and certain Federal programs have different fiscal years than the Village. The Village's fiscal year starts on October 1 and ends September 30 of the following year.

This Proposed Budget is for the period October 01, 2016 to September 30, 2017 and is shown as either 'FY 2016-17' or 'FY 2017'.

Property Taxes

Millage Rates

The millage rate is the tax rate that is applied to property values to generate the revenue needed to pay for services proposed and adopted in the budget. A mill is a rate of tax equal to \$1 for each \$1,000 of assessed taxable property value. If a piece of property has a taxable value of \$100,000 and the millage rate is 1, the property owner would pay \$100 in taxes. The rolled-back rate, calculated as required by the State Department of Revenue will provide the same ad valorem tax revenue as levied during the prior year exclusive of new construction and improvements. Overall, the proposed millage rate is 11.45 percent above the state defined aggregate rolled-back rate. The tentative operating millage rate for FY 2016-17 is 1.9654 mills, is the same as the current year millage rate and still among the three lowest of Miami-Dade County municipalities.

Setting the Millage Rate

Each year, the Proposed Budget is developed with millage rates necessary to fund the property tax supported portion of the budget. At its July meeting, the Council must determine the millage rates that will be used for the tax notices mailed to all property owners in August. The tax notices also referred to as TRIM notices; TRIM stands for Truth In Millage. The tax rates that are on the notices property owners receive in August represent the ceiling of the rates that can be approved by the Council at the September budget hearings, unless additional notices are sent to all property tax payers. Because re-noticing all taxpayers is difficult and expensive, the tax rates included in the TRIM notices are considered the ceiling.

Several years ago, the State Legislature approved legislation intended to provide tax relief to the citizens of Florida. In addition to requirements to lower the tax rates themselves for one fiscal year, it instituted new definition and voting requirements that apply to governing boards when setting millage rates. Already established was the State defined rolled-back millage rate which is the millage rate that, when applied to the tax roll for the new year, excluding the value of new construction and any dedicated increment value, would allow the taxing authority to raise the same amount

OVERVIEW

of property tax revenue for the new budget as it estimates to receive in the current year. Section 200.065 of State Statutes outlines this rate, known as the “no tax increase” rate because it allows the entity to generate the same property tax revenue from year to year, adjusted only by any new properties that may have been placed on the property tax roll. Because it does not take into account value adjustments for properties already on the property tax roll, the rolled-back rate does not take into account inflationary growth in the Village. The current year rolled-back rate for the Village is 1.7635.

The State has defined the highest millage rate that may be levied with a simple majority vote of the governing body known as the maximum millage rate. This rate is the rolled-back rate, adjusted for the growth in per capita personal income in Florida (1.0375). Beginning in FY 2009/10, the maximum millage rate is based on the rolled-back rate (the rate that generates the same property tax revenue) assuming the maximum millage rate had been adopted for the prior year and then adjusted for growth in per capita Florida personal income, whether or not the maximum millage rate had been adopted in the prior year. In other words, if the millage rate that was adopted was higher than the calculated maximum millage rate, that rate is the cap. If a millage rate below the maximum millage rate is adopted, an adjustment is made to credit the revenue that was lost because a rate below the maximum millage rate was adopted. The formulas used to calculate the various millage rates is promulgated by the Florida Department of Revenue.

The Council may adopt a rate that is higher than the state-defined maximum millage rate. State law provides that a millage rate of up to 110 percent of the calculated maximum millage rate may be adopted if approved by a two-thirds vote of the governing body of the Village. A millage rate higher than 110 percent may be adopted by unanimous vote or a three-fourths vote if the governing body has nine or more members. The penalty for violating these standards is the loss of state revenue from the local government half-cent sales tax for a period of twelve months.

OVERVIEW

Additional Property Tax Legislation

Amendment 10 to the State Constitution from 1992, also known as Save Our Homes limits the growth in assessed value of residential properties with a homestead exemption to the lesser of the growth in the Consumer Price Index or three percent. Adjustments for Amendment 10 have resulted in a disparity for assessed values among homestead exempt properties with long standing owners and non-homestead exempt properties or those which have changed hands in recent years.

The State Constitution allows an exemption of up to \$50,000 for homesteaded properties and caps the assessment value increase for non-homestead properties at ten percent. There is also an exemption of \$25,000 for tangible personal property (TPP), which is usually the equipment and other assets of a business.

Calculation of Property Taxes

There are four factors for calculating the amount of property tax assessed on property:

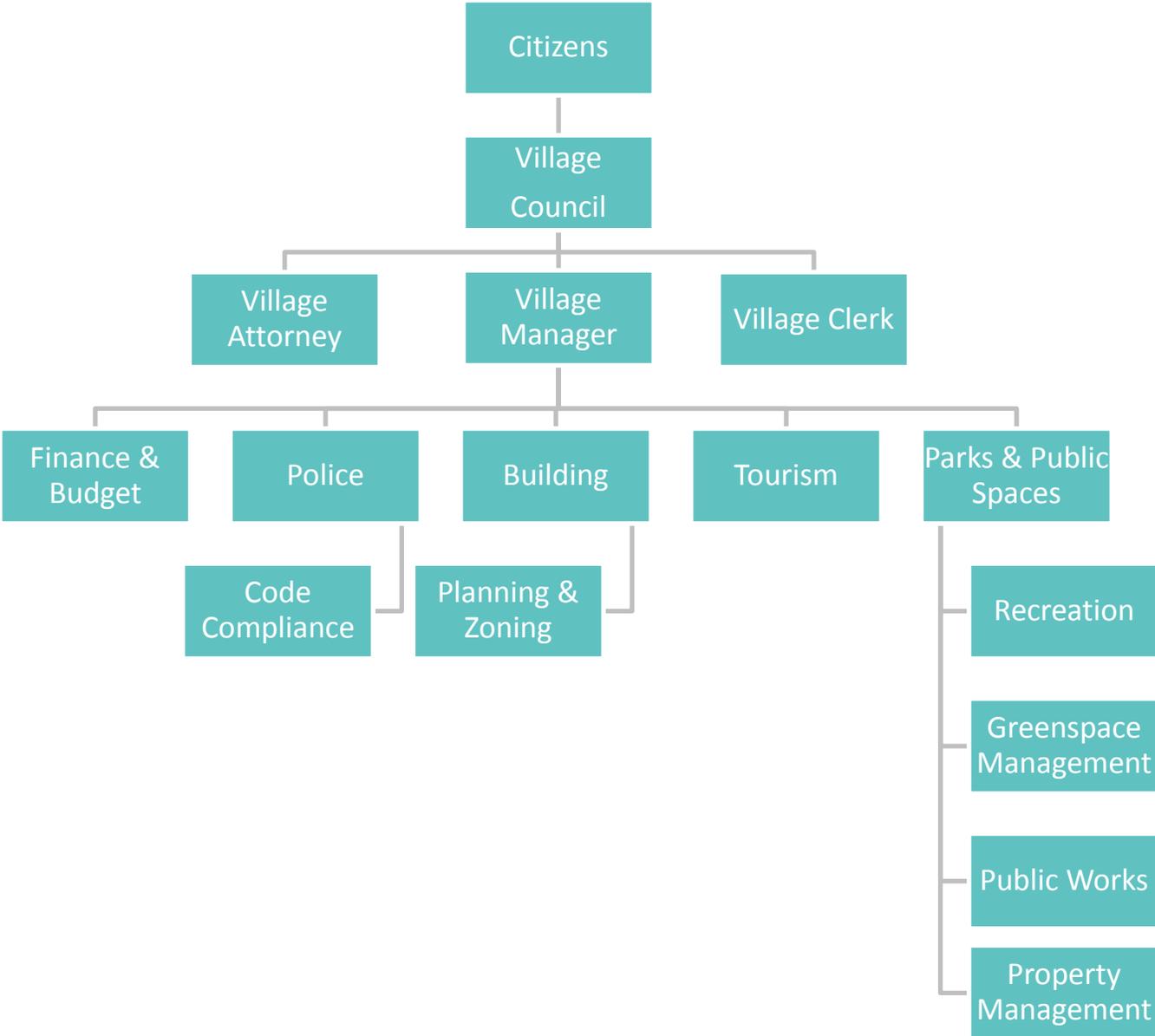
1. The assessed value of the property;
2. Adjustments for Amendment 10 of the Florida Constitution, if applicable this amendment limits the growth in assessed value of residential properties with a homestead exemption to the lesser of the growth in the Consumer Price Index (CPI) or three percent;
3. The amount of value that is not subject to taxes (e.g., the \$50,000 homestead exemption and the additional homestead exemption for senior citizens who meet income criteria, the \$25,000 exemption for personal property); and
4. The millage rate, established according to state law restrictions.

According to state law, the County Property Appraiser determines the market value of each property in Bal Harbour Village as of January 1 each year. Then Amendment 10 adjustments are applied to find the assessed value. Finally, appropriate exemptions are applied to reach the taxable value. The taxable value is then multiplied by the millage rates set by the Council in September to determine the amount of property taxes that must be paid for the property in November.

The Village levies a municipal millage rate and a solid waste assessment, and security and landscape assessment, these items appear on the tax notice for the Village along with County, School Board, and Special District taxes.

FUNCTIONAL TABLE OF ORGANIZATION
FISCAL YEAR 2016-17

BAL HARBOUR
- V I L L A G E -



BAL HARBOUR

- V I L L A G E -

FY 2016-17 Proposed Operating & Capital Budget

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget
GENERAL FUND						
REVENUE						
Ad Valorem Taxes	6,578,310	6,705,250	\$ 7,370,090	\$ 7,934,005	\$ 8,278,400	4.34%
Delinquent Ad Valorem Taxes	218,692	76,387	221,412	0	0	
Utility Service Tax	817,850	890,629	864,939	811,529	865,000	6.59%
Franchise Fee	684,688	890,629	696,975	747,391	698,600	-6.53%
Intergovernmental Revenue	682,122	1,057,524	768,865	763,664	719,200	-5.83%
Permits & Licenses	1,004,409	1,610,080	1,714,049	1,453,474	1,411,800	-2.87%
Fines & Forfeitures	541,563	587,810	612,607	529,162	558,300	5.51%
Miscellaneous	373,897	611,204	595,902	711,088	633,600	-10.90%
Solid Waste Assessments	643,124	629,838	630,305	622,260	655,500	5.34%
Subtotal Operating Revenue	11,544,654	13,059,351	13,475,145	13,572,572	13,820,300	1.83%
Fund Balance-Capital Projects Reserve			1,078,000	1,595,627	946,700	-40.67%
TOTAL GENERAL FUND REVENUE	11,544,654	13,059,351	\$ 14,553,145	\$ 15,168,199	\$ 14,767,000	-2.65%

FY 2016-17 Proposed Operating & Capital Budget

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget
GENERAL FUND						
LEGISLATIVE						
Salaries & Benefits	48,360	49,250	41,229	65,223	68,000	4.33%
Other Operating	68,480	21,181	34,317	409,100	109,100	-73.33%
Operating Capital				0	0	
TOTAL LEGISLATIVE	116,840	70,431	75,546	474,323	177,100	-62.65%
ADMINISTRATION						
Salaries & Benefits	951,859	812,942	850,399	1,006,549	1,003,700	-0.28%
Other Operating	104,292	69,290	79,465	169,300	131,400	-22.39%
Operating Capital				0	0	
TOTAL ADMINISTRATION	1,056,151	882,232	929,863	1,175,849	1,135,100	-3.46%
FINANCE						
Salaries & Benefits	267,600	349,905	436,630	468,805	481,000	2.61%
Other Operating	195,893	163,345	82,176	163,505	156,900	-4.04%
Operating Capital				0	0	
TOTAL FINANCE	463,493	513,249	518,806	632,310	637,900	0.89%
GENERAL GOVERNMENT						
Salaries & Benefits	74,395	163,948	228,221	171,287	191,000	11.51%
Other Operating	727,047	682,397	459,940	880,794	1,108,400	25.84%
Operating Capital	0	0	1,050,000	1,109,302	200,000	-81.97%
TOTAL GENERAL GOVERNMENT	801,442	846,344	1,738,162	2,161,384	1,499,400	-30.63%
LAW ENFORCEMENT						
Salaries & Benefits	\$4,329,208	\$4,625,376	\$5,000,129	\$5,586,927	\$5,471,800	-2.06%
Other Operating	995,119	921,001	1,042,947	902,890	953,400	5.60%
Operating Capital				0	116,000	
TOTAL LAW ENFORCEMENT	\$5,324,327	\$5,546,377	\$6,043,076	\$6,489,817	\$6,541,200	0.79%
BUILDING						
Salaries & Benefits	152,845	164,166	93,451	384,369	410,400	6.77%
Other Operating	454,418	705,891	660,551	163,420	393,000	140.48%
Operating Capital				0	0	
TOTAL BUILDING	607,263	870,057	754,002	547,789	803,400	46.66%
PARKS AND PUBLIC SPACES DEPARTMENT						
PUBLIC WORKS						
Salaries & Benefits	393,049	450,575	350,918	212,626	220,400	3.67%
Other Operating	1,039,758	1,158,877	1,242,108	1,504,777	2,272,600	51.03%
Operating Capital	6,055			0	0	
TOTAL PUBLIC WORKS	1,438,861	1,609,452	1,593,026	1,717,403	2,493,000	45.16%
PARKS & RECREATION						
Salaries & Benefits	248,286	282,200	247,932	256,204	260,200	1.55%
Other Operating	83,456	107,460	99,129	199,550	200,600	0.50%
Operating Capital	0	0		62,000	0	-100.00%
TOTAL PARKS & RECREATION	331,742	389,660	347,061	517,754	460,700	-11.01%
INFORMATION TECHNOLOGY						
Salaries & Benefits	0	0	0	0	0	
Other Operating	0	0	128,109	285,111	227,000	-20.39%
Operating Capital	0	0	170,603	600,987	361,800	-39.79%
TOTAL INFORMATION TECHNOLOGY			298,713	886,098	588,800	-33.55%
LEGAL SUPPORT SERVICES (General Fund only)						
Salaries & Benefits	0	0	0	0	0	
Other Operating	416,256	381,619	399,013	430,179	430,200	0.00%
Operating Capital				0	0	
TOTAL LEGAL SUPPORT SERVICES	416,256	381,619	399,013	430,179	430,200	0.00%
GENERAL FUND TOTAL	10,556,375	11,109,421	12,697,269	15,032,905	14,767,000	

FY 2016-17 Proposed Operating & Capital Budget

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget
RESORT TAX FUND						
REVENUE						
Operating Revenue	3,259,931	3,558,593	3,530,930	3,600,000	3,393,400	-5.74%
Carryforward/ Fund Balance			164,458	476,325	312,700	-34.36%
Capital & Operating Revenue	3,259,931	3,558,593	3,695,388	4,076,326	3,706,000	-9.08%
TOURISM						
Salaries & Benefits	237,321	251,548	191,457	242,124	259,100	7.00%
Other Operating	1,769,561	1,362,560	1,370,351	1,569,654	1,631,300	3.93%
Operating Capital	0	0	189,900	291,275	0	-100.00%
TOURISM TOTAL	2,006,882	1,614,108	1,751,708	2,103,052	1,890,400	-10.11%
BEAUTIFICATION/ GREENSPACE /OTHER RESORT TAX ELIGIBLE						
Salaries & Benefits	246,011	279,079	323,327	415,366	361,500	-12.97%
Other Operating	809,888	1,033,577	1,478,578	1,557,907	1,444,500	-7.28%
Operating Capital	0	0	0	0	9,700	
BEAUTIFICATION TOTAL	1,055,899	1,312,656	1,801,905	1,973,273	1,815,700	-7.99%
RESORT TAX FUND TOTAL	3,062,782	2,926,764	3,553,613	4,076,326	3,706,000	-9.08%

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget
WATER & WASTEWATER UTILITY FUND						
REVENUE						
Operating Revenue	3,371,644	3,552,719	3,805,864	4,289,937	5,180,700	20.76%
Debt Proceeds (Capital)	259,480	1,675,000	0	3,460,867	4,000,000	15.58%
Inergovernmental Revenue/ CO	0	0	540,303	5,863,936	0	-100.00%
Carryforward					0	
Capital & Operating Revenue	3,631,124	5,227,719	4,346,166	13,614,740	9,180,700	-32.57%
WATER & WASTEWATER UTILITY						
Salaries & Benefits	107,103	104,975	204,971	388,110	494,200	27.35%
Other Operating	2,458,394	3,097,877	3,624,561	4,013,827	3,310,200	-17.53%
UTILITY OPERATIONS TOTAL	2,565,497	3,202,852	3,829,532	4,401,937	3,804,500	-13.57%
Capital Projects	0	939,451	276,832	9,085,000	4,000,000	-55.97%
UTILITY FUND TOTAL	2,565,497	4,142,303	4,106,364	13,486,937	7,804,500	-42.13%

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget
LANDSCAPE & SECURITY ASSESSMENT FUND						
REVENUE						
Operating Revenue	964,248	665,668	523,421	468,041	426,900	-8.79%
Fund Balance			11,796	135,608	175,900	
Capital & Operating Revenue	964,248	665,668	535,217	603,649	602,800	-0.13%
LANDSCAPE & SECURITY ASSESSMENT AREA EXPENSE						
Salaries & Benefits	0	7,761	15,342	28,370	33,400	
Other Operating	425,534	459,667	519,875	575,279	569,400	-1.02%
L & S ASSESSMENT TOTAL	425,534	467,427	535,217	603,650	602,800	-0.13%

BAL HARBOUR

- V I L L A G E -

FISCAL YEAR 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

FY 2016-17 PROPOSED GENERAL FUND OPERATING BUDGET		
FY 2016-17 Revenue at Tentative Millage (1.9654 mills)	\$	13,820,300
FY 2015-16 Adopted General Fund Budget (1.9654 mills)	\$	13,572,572
CHANGES IN PROPOSED BUDGET FROM FY 2014-15 ADOPTED BUDGET		
Retirement Increase (ARC)	232,000	
Health Benefits	26,130	
Police Overtime Increase	45,000	
PD Capital	116,000	
Payouts for Retirees	60,253	
		479,383
<i>Less Reductions</i>	<i>(231,654)</i>	
Total Change to FY 2016-17 Budget		247,728
FY 2016-17 General Fund Preliminary Base Budget	\$	13,820,300
FY 2016-17 General Fund Preliminary Operating Revenue	\$	13,820,300
Revenue Less Expense		-
PROPOSED ENHANCEMENTS to the FY 2016-17 BASE BUDGET		
Village Hall Improvements (<i>GOB reimbursement</i>)		\$563,000
Seawall & Dock Repairs: Bal Harbour Park		\$51,700
Surface & Cool Deck Installation: Jetty		<u>\$332,000</u>
Total Proposed Enhancements	\$	946,700
FY 2015-16 Proposed General Fund Budget	\$	14,767,000
Fund Balance / Capital Projects Reserve Funds		946,700
Revenue Less Expense		-

BAL HARBOUR

- VILLAGE -

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

The Millage and Budget Resolutions are the legislation approved by the Village Council to adopt the annual budget. The attachment to the Resolutions, which establishes the expenditure authority by department and by fund, are included in this document. There are seven (7) pieces of legislation associated with the adoption of the Proposed Budget. The following are presented to the Village Council for adoption:

- Resolutions delineating the millage rate, revenues and expenditures for the Village departments and funds;
- Resolution establishing solid waste service assessments;
- Resolution establishing the assessment rate for security and landscape services within the gated residential section;
- Resolution establishing Water & Wastewater rates for the Village Utility;
- Ordinance establishing Local Business Tax Rates and,
- Resolution adopting a comprehensive fee schedule for the Village.

Discussion of the millage rate must be the first substantive action taken at the public hearings.

As you know, Bal Harbour Village has three (3) primary funds used for Village operations - the General Fund, the Resort Tax Fund, and the Water and Wastewater Utility Fund. The Proposed General Fund Base Budget for FY 2016-17 is \$13,820,300, inclusive of proposed enhancements the General Fund budget is \$14,767,000, which is a decrease of more than two percent over the FY 2015-16 Budget. The Resort Tax Fund budget is \$3,706,000, which is a decrease of nine percent over the FY 2015-16 Budget. The Water and Wastewater Utility Fund is \$7,804,500, which is a forty-two percent decrease over the FY 2015-16 Budget, as a result of programming of less capital expenditures than the prior fiscal year. As a result of wholesale rate increases from our water and wastewater service providers, Utility Operations reflect a three percent increase in operating expenses. To fund the wastewater portion of the ongoing Utility Master Plan Project, we successfully obtained \$6,500,000 from Miami-Dade County Building Better Communities General Obligation Funds (BBC GOB), as well as a State Appropriation of \$600,000, and negotiated an additional \$950,000 developer contribution for the project, proportionate amounts of these funds will be programmed as needed throughout the duration of the project in the coming years.

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

REVENUES

Municipalities within the State of Florida are entitled by law to collect revenues for eligible public purposes. Municipalities generate their revenue from a combination of sources including fees and charges, property taxes, state shared revenue and specifically authorized taxes. A summary of primary General Fund revenue sources is provided below.

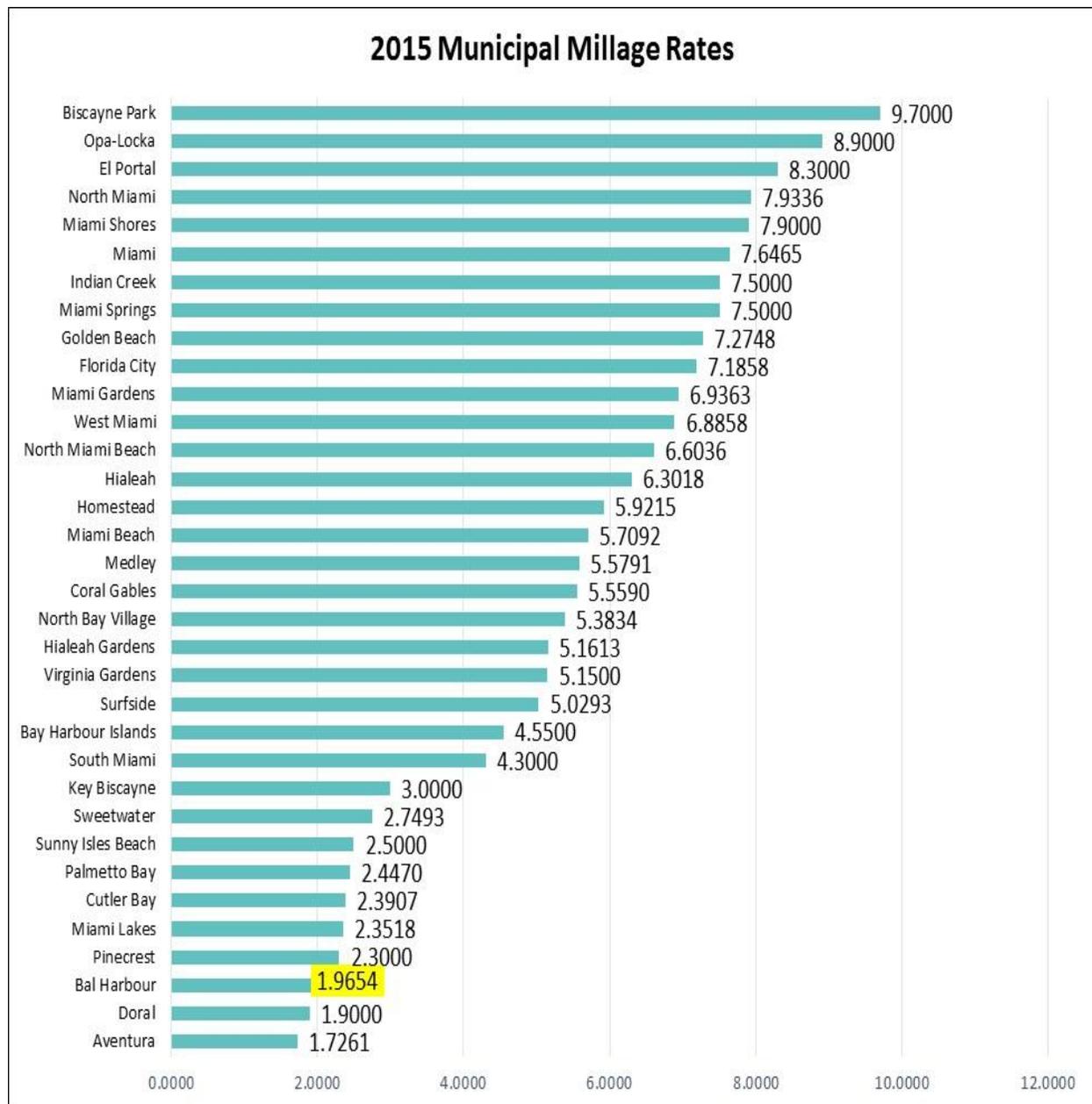
AD VALOREM TAXES

Ad valorem tax or "property tax" is a major source of revenue for local governments in Florida. "Ad valorem" is Latin for "the value of." Ad valorem taxes constituted 30 percent of total county revenue, and 15 percent of total municipal revenues. This makes it by far the largest single source of general revenue for general-purpose governments in Florida. The property tax is a limited revenue source. The Florida Constitution caps the millage rate assessed against the value of property at 10 mills per taxing entity. That is, taxing units are prohibited from levying more than \$10 in taxes per \$1,000 of taxable value on properties they tax, without obtaining voter approval. FY 2014 revenues were \$6,705,250, FY 2015 are \$7,370,000, and FY 2106 is projected at \$7,190,000 as a result of Value Adjustment Board proceedings resulting in a \$744,000 impact to the Village.

The anticipated revenue for the FY 2016-17 Proposed Budget are \$8,278,353, derived from a tentative millage rate of 1.9654 mills. While it is likely additional impacts resulting from future Value Adjustment Board action will result in FY 2017, the State Statutes require ad valorem revenue are budgeted at 95%.

Bal Harbour Village's millage rate is the third lowest in Miami-Dade County out of all 34 municipalities, and the lowest municipality that is not newly-incorporated. This means that Bal Harbour Village is the only municipality within the seven with the lowest millage rates, that is a full service municipality with legacy related expenses such as pensions; all others were incorporated in 2000 or later.

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET



PRELIMINARY TAX ROLL

By law, the Property Appraiser is required to give a “preliminary certification” of the tax roll by June 1 of each year. The “final” certification by the Property Appraiser is due by July 1 of each year. Each jurisdiction is then required to set a “tentative” millage no later than July 31 of each year. Finally, a “final” millage is set by the Village Council after two public meetings held in September of each year.

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

The tax roll certified by the Miami-Dade County Property Appraiser on July 01, 2016 is \$4,433,731,559, which includes an increase of \$984,500 in new construction and improvements. At the current and proposed tentative millage rate of 1.9654 mills, and calculated at 95% of the adjusted taxable value certified as required per F.S. 200.065(1)(a)1, the ad valorem revenue generated is \$8,278,353, resulting in an increase of approximately \$344,348, of tax revenue village-wide over current year ad valorem budgeted revenue of \$7,934,005.

STATE PASS THROUGH REVENUE

Sales and Option Taxes, State Revenue Sharing, and Communications Service Taxes are received by the Village through the State of Florida, overall these revenues showed a slight decline during FY 2015, with a similar trend continuing in FY 2016 in the same direction. Estimates for these revenues are provided by the Florida Department of Revenue, FY 2017 values are based upon prior year actuals, and the FY 2016 projections, combined with current market trends within key industries.

LOCAL GOVERNMENT HALF-CENT SALES TAX PROGRAM

Authorized in 1982, the program generates the largest amount of revenue for local governments among the state-shared revenue sources currently authorized by the Legislature. It distributes a portion of state sales tax revenue via three separate distributions to eligible county or municipal governments.

Additionally, the program distributes a portion of communications services tax revenue to eligible fiscally constrained counties. Allocation formulas serve as the basis for these separate distributions. The program's primary purpose is to provide relief from ad valorem and utility taxes in addition to providing counties and municipalities with revenues for local programs. FY 2014 revenues were \$228,900, and FY 2015 revenue is \$217,800, FY 2016 projections are \$218,200, FY 2017 revenue is anticipated at 209,900.

LOCAL OPTION SALES TAX

Seven different types of local discretionary sales surtaxes (also referred to as local option sales taxes) are currently authorized in law and represent potential revenue sources for county and municipal governments and school districts. The local discretionary sales surtaxes apply to all transactions subject to the state tax imposed on sales, use, services, rentals, admissions, and other authorized transactions, and communications. FY 2013 revenues were \$115,500, FY 2014 revenues were \$170,200, FY 2015 revenue is projected at \$173,500, FY 2016 projections are \$144,500, and FY 2017 revenue is anticipated at \$142,700.

REVENUE SHARING

The Florida Revenue Sharing Act of 1972, codified as Part II of Chapter 218, Florida Statutes, was an attempt by the Florida Legislature to ensure a minimum level of revenue parity across municipalities and counties. Provisions in the enacting legislation created separate revenue sharing trust funds for municipalities and

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

counties, identified appropriate revenue sources, specified formulas for redistribution and listed eligibility requirements. Subsequent changes have not resulted in major revisions to the overall program. Changes have centered on the expansion of county bonding capacity and changes in the revenue sources and tax rates.

The current Municipal Revenue Sharing Trust Fund includes three sources for municipalities: 1.3409 percent of net sales and use tax collections, the state-levied one-cent municipal gas tax collections, and 12.5 percent of the state alternative fuel user decal fee collections. FY 2014 revenues were \$66,900, FY 2015 revenue is \$71,250, FY 2016 projections are \$64,260, and FY 2017 revenue is anticipated at \$72,000.

PUBLIC SERVICE OR UTILITY TAX

Section 166.231(1)(a), Florida Statutes, provides that a municipality may levy a tax, not to exceed 10 percent, on the purchase of electricity, metered or bottled gas (natural liquefied petroleum gas or manufactured), and water service. This tax is often referred to as a "utility tax." The tax shall be levied only upon purchases within the municipality. FY 2014 revenues were \$890,600, and FY 2015 is \$850,100, FY 2016 projections are \$865,500, and FY 2017 revenue is anticipated at \$850,000.

COMMUNICATIONS SERVICES TAX

In 2000, the Florida Legislature created the Communications Services Tax. This legislation created a new simplified tax structure for communications services which is codified in Chapter 202, Florida Statutes.

Municipalities and charter counties are authorized to levy a tax up to 5.1 percent on the transmission of voice, data, audio, video or other information services, including cable services. In addition, municipalities are authorized to levy an additional surcharge up to 0.12 percent to cover the costs of permitting activity within public rights of way. Please note that some cities' rates are higher due to a revenue-neutral conversion rate enacted by the Legislature for this law FY 2014 revenues are \$341,300, and FY 2015 revenue is projected at \$321,400, FY 2016 projections are \$314,100, and FY 2017 revenue is anticipated at \$288,700.

FRANCHISE FEES

A "franchise fee" is often confused with a public service or utility tax. There is, however, a very clear distinction. A franchise fee is a negotiated fee to a company or utility for the use of municipal rights of way (for their poles, lines, pipes, etc.), and could include the value of the right for the utility to be the exclusive provider of its services within a specified area. It is charged directly to the utility and payable to the municipal governing body by the utility as a cost of doing business. It cannot be a direct charge to the customers of the utility, but it appears to be done so due to a Florida Public Service Commission rule. FY 2014 revenues were \$809,100, and FY 2015 revenue is \$664,700, FY 2016 projections are \$646,100, and FY 2017 revenue is anticipated at \$665,100.

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

BEVERAGE LICENSE TAX

Various alcoholic beverage license taxes are levied on manufacturers, distributors, vendors, and sales agents of alcoholic beverages in Florida. The tax is administered, collected, enforced, and distributed back to the local governments by the Division of Alcoholic Beverages and Tobacco within the Florida Department of Business and Professional Regulation. Proceeds from the license tax fees are deposited into the Alcoholic Beverage and Tobacco Trust Fund, which is subject to the 7.3 percent General Revenue Service Charge.

From the alcoholic beverage license tax proceeds collected within an incorporated municipality, 38 percent is returned to the appropriate municipal officer. An authorized use of the proceeds is not specified in the statutes. FY 2014 revenue is \$7,300, FY 2015 revenue is \$6,300, FY 2016 projections are \$6,000, and FY 2017 revenue is anticipated at \$6,000.

FINES AND FORFEITURES

This revenue source includes receipts from fines and penalties imposed for the commission of statutory offenses, violation of legal administrative rules and regulations, and for neglect of official duty.

Fines include, but are not limited to, court fines, violations of municipal ordinances, pollution control violations, animal control fines and library fines. Forfeitures include revenues resulting from confiscation of deposits or bonds held as performance guarantees, and proceeds from the sale of contraband property seized by law enforcement agencies. FY 2014 revenue is \$587,800, FY 2015 is \$529,200, FY 2016 projection is \$634,400, and FY 2017 revenue is anticipated at \$558,300.

INVESTMENT INCOME

Revenues derived from the investment of cash receipts and idle funds are an important source of revenue. Many local governments in Florida are recognizing the importance of establishing effective investment policies and cash management programs.

The 1995 Florida Legislature, also recognizing this critical need of state and local governments, enacted Chapter 95-194, Laws of Florida. This act creates the state investment policy for public funds and provides its applicability to the state, local governments, and public officers. This act also creates the "State Investment Policy Committee" and provides for its duties in recommending changes to the state investment policy and its duties in reviewing investments and vendors of investments eligible for receiving public funds.

Section 166.261, Florida Statutes, is amended by this legislation to prescribe the duties of municipalities with respect to investment funds: "The governing body of each municipality shall invest and reinvest any surplus funds in its control or possession in accordance with the state investment policy for public funds." The term "surplus funds" is redefined as "funds in any general or special account or fund of the

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

municipality, held or controlled by the governing body of the municipality, which funds are not reasonably contemplated to be needed to meet current expenses”.

This law further requires that all municipalities shall adopt written investment policies by October 1, 1995 or a municipality’s investments must be limited to certain categories of investments authorized by statute. FY 2014 revenue is \$23,800, and FY 2015 is \$22,200, FY 2016 and 2017 projections are consistent with current trends at \$20,500.

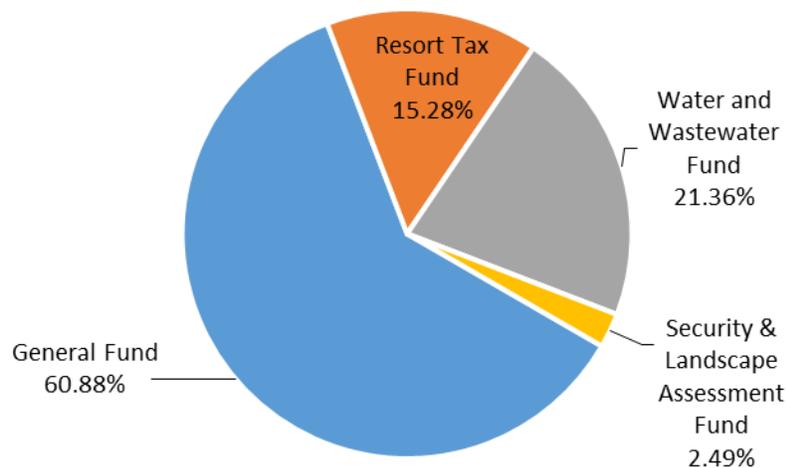
REVENUE SUMMARY ALL FUNDS

All operating revenues by Fund are summarized in the chart below for five fiscal years. Total FY 2016-17 proposed operating revenue for the three primary funds is \$24,256,500. The General Fund comprises sixty percent of revenue, twenty-two percent is the Water and Wastewater Utility Fund revenue, and just under fifteen percent is the Resort Tax Fund revenue.

Operating Revenue Summary by Fund						
	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget	% of Total Revenue
General Fund	\$11,544,654	\$13,059,351	\$14,553,145	\$15,168,199	\$14,767,000	61%
Resort Tax Fund	3,259,931	3,558,593	3,530,930	4,076,326	3,706,000	15%
Water and Wastewater Fund	3,371,644	3,552,719	3,805,864	4,289,937	5,180,700	21%
Security & Landscape Assessment	\$ 964,248	\$ 665,668	\$ 535,217	\$ 603,649	\$602,800	2%

The Security and Landscape Assessment Fund is over two percent of revenue at \$602,800.

Percentage of Total Operating Revenue by Fund

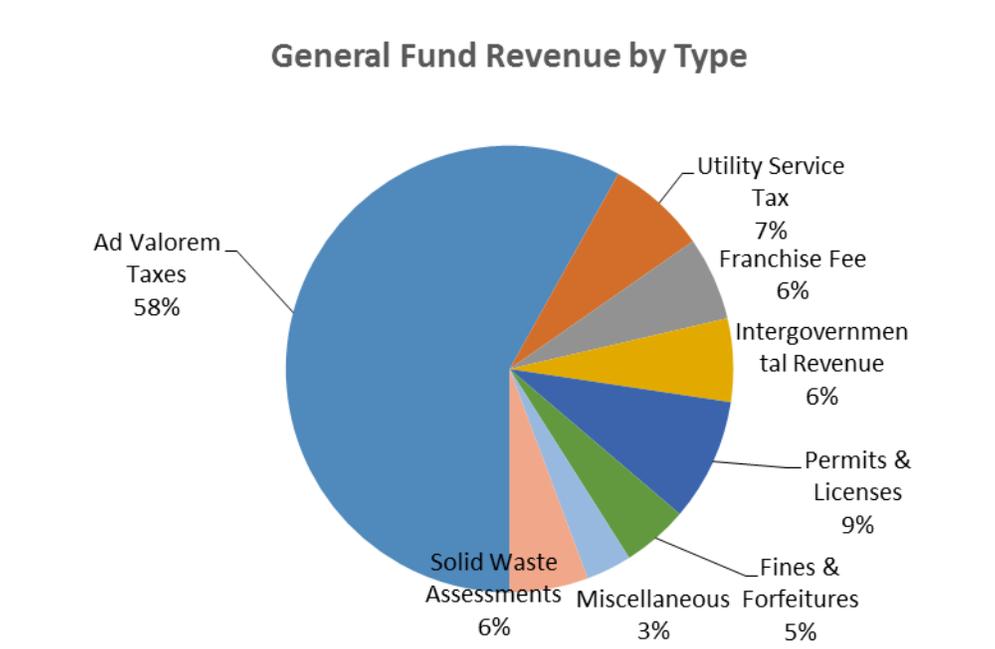


FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

The largest source of General Fund Revenues is property taxes at fifty-nine percent, followed by State pass through revenue, Utility Tax, Franchise Fees, and Intergovernmental revenue comprising a total of sixteen and one half percent at \$2,282,800. All other revenue sources comprise single digit percentages, with Licenses and Permits as the next highest percentage at eleven percent. These include Local Business Tax and Building Permit revenue, anticipated at \$1.4 million for FY 2016-17. Assessments include revenue collected for residential solid waste collection services at five percent of total General Fund revenue at \$655,500 for FY 2016-17. Miscellaneous revenue are those which are not otherwise categorized for financial reporting purposes, these include interest earnings, lobbyist registration fees, parking meter collections, and administrative service charges, for the Village these comprise four and one-half percent of total General Fund revenue at \$633,500 largely due to the collection of police off-duty and retiree health pass through revenue within this category (\$362,500). Fine and Forfeitures include traffic related fines and judgments, code enforcement and burglar alarm fines, and red light camera fines, these comprise four percent of General Fund revenue at \$558,300 for FY 2016-17.

	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget
GENERAL FUND				
REVENUE				
Ad Valorem Taxes	\$ 7,370,090	\$ 7,934,005	\$ 8,278,400	4%
Delinquent Ad Valorem Taxes	221,412	0	0	0%
Utility Service Tax	864,939	811,529	865,000	7%
Franchise Fee	696,975	747,391	698,600	-7%
Intergovernmental Revenue	768,865	763,664	719,200	-6%
Permits & Licenses	1,714,049	1,453,474	1,411,800	-3%
Fines & Forfeitures	612,607	529,162	558,300	6%
Miscellaneous	595,902	711,088	633,600	-11%
Solid Waste Assessments	630,305	622,260	655,500	5%
Subtotal Operating Revenue	13,475,145	13,572,572	13,820,300	2%

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET



Recurring and non-recurring are two broad classifications applied to revenue. Recurring revenue, are from sources which can be anticipated year over year, examples of these are ad valorem taxes, state revenue sources, and fees or charges for service. Non-recurring revenue are those which cannot be anticipated in future years, examples of these for the Village are proceeds from developer agreements, the programming of prior year fund balance, single year funding allocations from other agencies, and debt proceeds. These are typically used for capital projects and non-operating purposes.

The FY 2016-17 Proposed Budget includes non-recurring revenue in the amount of \$5,435,300. The overwhelming majority of this revenue is included in the Water and Wastewater Utility Fund and is programmed to fund the implementation of the major capital improvements included in the Utility Master Plan for the Village, at \$4,000,000, comprised of 2010 Village issued debt proceeds. The non-recurring revenue incorporated into the Resort Tax Fund FY 2016-17 is \$312,700 of carry forward revenue from the prior fiscal year, less than programmed in prior fiscal years. For the General Fund, fund balance in the amount of \$563,000 is allocated for Village Hall improvements, which will be reimbursed through Miami-Dade County General Obligation Bond funds; and a \$383,700 allocation from Capital Projects Reserve Funds for Seawall and Dock repairs at Bal Harbour Park, and the Resurfacing and Installation of a "Cool" Deck on the Jetty as enhancements to the Proposed FY 2016-17 Proposed Budget.

The FY 2016-17 Proposed Budget for the Security and Landscape Assessment Fund includes \$175,900, of non-recurring fund balance revenue to provide planned services in the coming fiscal year as a supplement to assessment revenue. Proposed assessment rates maintain the reductions approved in FY 2014-15, and the current

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

fiscal year at \$1,802 for each Single Family Residential Unit, half that number, \$901, for each Unimproved Property and \$7,208 for each Private Recreational Facility as opposed to \$2,616.15 for each Single Family Residential Unit, \$1,308.08 for each Unimproved Property, and \$10,464.60 for each Private Recreational Facility. This is the third fiscal year the programming fund balance for operating purposes is purposely allocated for this fund, in order to reduce reserves and assist with the transition to a private home owner's association.

Fees and Charges

The evaluation of fees and service charges, provides an opportunity to ensure those that use services pay for the cost of service provision. Efforts have begun to collect and evaluate existing fees for service within the Village, a comprehensive fee schedule accompanies the proposed budget for adoption with the FY 2016-17 Proposed Budget. This will serve to codify existing fees, so they are clearly identified for customers and staff alike. In this manner the schedule can be re-evaluated each Fiscal Year throughout the budget development and adoption process. This provides an opportunity, if so desired, to limit the proportionate share of revenue generated from property taxes. Some of the proposed changes will require code amendments in the coming months and are not a factor in balancing the proposed budget.

Water & Wastewater Utility Fund Rates and Adjustments

Water and Wastewater services within the Village are provided as an enterprise operation, through the Utility within the Parks and Open Space Department. Services are funded as payments for measurable water and wastewater services are consumed. Pursuant to Chapter 180, Florida Statutes, municipalities are authorized to establish just and equitable rates to be paid for the use of the utility. Rates established as charges for services should sustain its operations and satisfy any related debt.

For the Village utility operations, water is purchased at a wholesale rate from the Miami-Dade County Water and Sewer Department (MDWASD) for water and the City of Miami Beach (CMB) applies a wholesale rate for wastewater which passes through their system as it ultimately travels to the MDWASD plant at Virginia Key.

The MDWASD has incorporated a rate increase in their proposed FY 2017 Budget, due to projected operating expenses, increased reserve requirements, and debt service payments for necessary capital projects. The FY 2017 proposed budget increases from MDWASD are 5.73%, or 0.1598 cents for wastewater, there is no proposed increase for water. We are charged by the City of Miami Beach for wastewater services, proposed 5.33% on the rate per 1,000 gallons and 1.86% on the surcharge for FY 2017. To absorb or pass-through the proposed rate increase, the Proposed Budget for the Bal Harbour Utility incorporates a 2.13% wastewater adjustment, as summarized below

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

Miami-Dade County Wastewater Wholesale Rates			
	2015-16	2016-17	Percent Change
Rate per 1,000 gallons	\$2.7879	\$2.9477	5.73%
City of Miami Beach Wastewater Wholesale Rates			
Rate per 1,000 gallons	\$3.1050	\$3.2705	5.33%
Surcharge	\$0.3168	\$0.3227	1.86%
Bal Harbour Wastewater Wholesale Rates			
Wastewater passthrough adjustment	\$8.06	\$8.23	2.13%

Water and wastewater rates for the Village are presently at \$4.78/1,000 gallons of water consumed with a 3,000 gallon minimum monthly charge for Water and \$8.06/1,000 gallons of water consumed with a 3,000 gallon minimum monthly charge for Waste Water. The Proposed Budget does not include a rate adjustment for Water. It does incorporate a 2.13% rate adjustment for Waste Water to \$8.23/1,000 gallons of water consumed with a 3,000 gallon minimum monthly charge, as a pass-through rate increase from our wholesale service providers.

Proposed Bal Harbour Utility Rates			
	FY 2016 Rates	FY 2017 Proposed Rate	Percentage Increase
Water	\$4.78	\$4.78	0%
Wastewater	\$8.06	\$8.23	2.13%

Customers received notification of proposed rate increases in conjunction with their August utility billing statements from the Village.

The Village adopted a Master Plan to govern necessary utility improvements to our aged infrastructure with an anticipated cost of at least \$26 million.

Utility Master Plan Infrastructure Projects	
Project Description	Total Cost Estimate
Water Distribution Improvements	\$ 5,718,747
Sanitary Sewer Collection System Improvements	5,819,126
Stormwater Collection System Improvements	6,721,430
Gated Residential Section Roadway Reconstruction/Concrete Valley Gutter	7,752,544
Total Cost of Future Proposed Utility Infrastructure Projects	\$ 26,011,847

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

It is important to note that in the last twelve months, we have been able to identify \$8,050,000 in new funding for this project. Absent these efforts, sewer rates would have necessitated a significant rate increase. The balance of the Utility Master Plan capital improvements which still require funding identification or financing is \$7.9 million.

Bal Harbour Utility Master Plan Funding to Date	
Utility Infrastructure Projects	\$ 26,011,847
Bal Harbour Village 2011 Capital Improvements Bonds	10,000,000
2014 State Appropriation for Sewer Improvements	600,000
Miami-Dade County BBC GOB Funds for Sewer Improvements	6,500,000
Consultatio Contribution for Phase I Sewer	950,000
Subtotal Funding	\$ 18,050,000
Net to be Financed	\$ 7,961,847

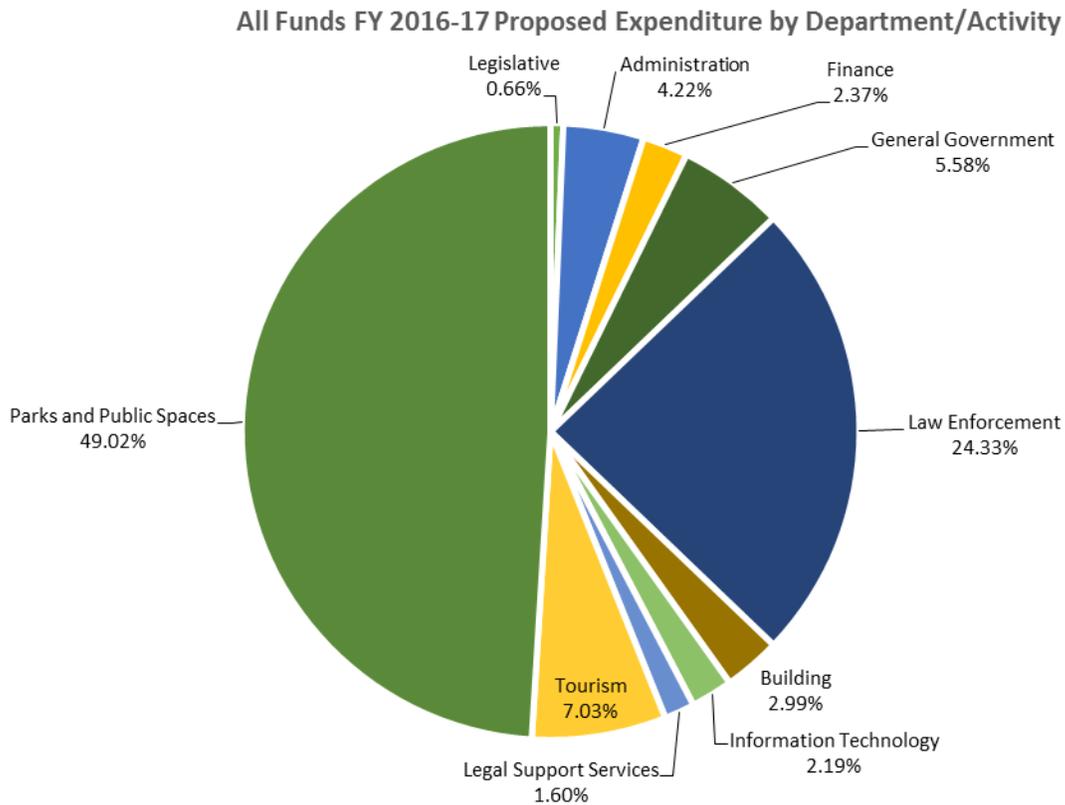
EXPENDITURES

EXPENDITURE SUMMARY

FY 2016-17 proposed expenditure by Department or Activity for all funds totals \$26,880,300. Forty-seven percent (or \$13,176,800) is within the Parks and Public Spaces Department, which is comprised of the Public Works, Parks & Recreation, Utility, Beautification, and Security & Landscape activities for the Village, across all funds. Law Enforcement comprises twenty-four percent or \$6,541,200 of expenditures followed by single digit allocations for the remainder of departments and activities.

All Funds FY 2016-17 Proposed Expenditure by Department/ Activity	
Legislative	\$ 177,100
Administration	1,135,100
Finance	637,900
General Government	1,499,400
Law Enforcement	6,541,200
Building	803,400
Information Technology	588,800
Legal Support Services	430,200
Tourism	1,890,400
Parks and Public Spaces	13,176,800
TOTAL ALL FUNDS	\$ 26,880,300

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

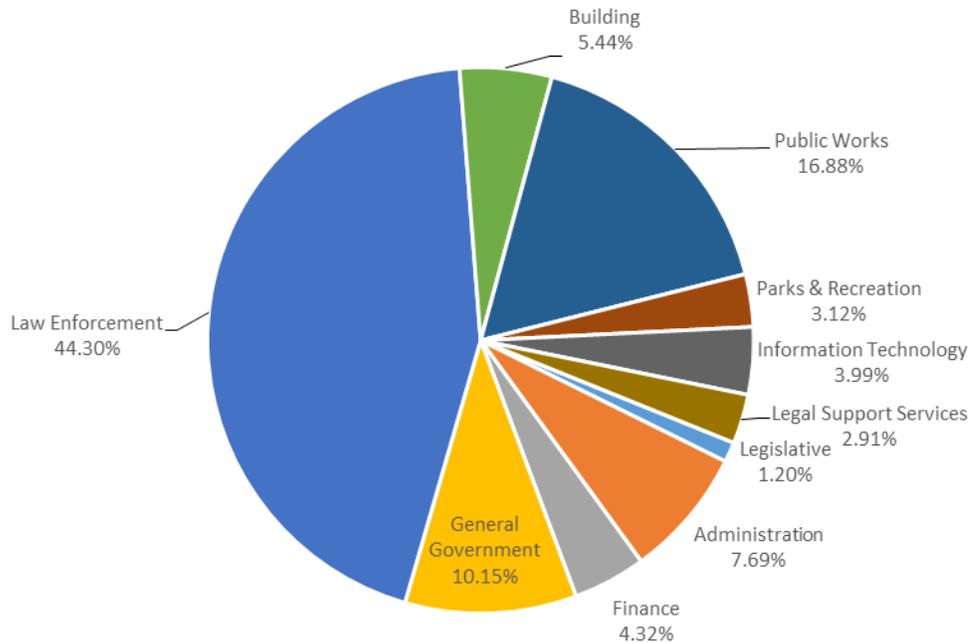


In contrast, the General Fund FY 2016-17 proposed expenditures are allocated as follows: forty-three percent are Law Enforcement, twenty percent for Parks and Public Spaces including the Public Works and Parks & Recreation activities, ten percent for General Government, followed by single digit percentages for the remaining activities.

General Fund FY 2016-17 Proposed Expenditure by Department/ Activity	
Legislative	\$ 177,100
Administration	1,135,100
Finance	637,900
General Government	1,499,400
Law Enforcement	6,541,200
Building	803,400
Public Works	2,493,000
Parks & Recreation	460,700
Information Technology	588,800
Legal Support Services	430,200
TOTAL GENERAL FUND	\$ 14,766,800

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

General Fund FY 2016/17 Proposed Expenditure by Department/Activity



GENERAL FUND

The FY 2016-17 Proposed Budget incorporates additional expenditures due to inflationary impacts within retirement, liability and health insurance, pay outs, cost of living adjustments, and collective bargaining required payments totaling \$460,000. These include increases to Village Health Insurance \$26,700, Retirement related increases of \$232,000, the inclusion of payouts and retiree expenses of \$60,300, police overtime, and equipment replacement expense increases \$161,000. The impact of these increases were offset by reductions in excess of \$231,000 in order to balance the proposed budget within in existing resources. The reductions were largely identified within the public works and parks activities within operating expenses. These changes bring the General Fund FY 2016-17 Base Budget to \$13,820,300, excluding proposed capital enhancements.

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

FY 2016-17 PROPOSED GENERAL FUND OPERATING BUDGET		
FY 2016-17 Revenue at Tentative Millage (1.9654 mills)	\$	13,820,300
FY 2015-16 Adopted General Fund Budget (1.9654 mills)	\$	13,572,572
CHANGES IN PROPOSED BUDGET FROM FY 2014-15 ADOPTED BUDGET		
Retirement Increase (ARC)	232,000	
Health Benefits	26,130	
Police Overtime Increase	45,000	
PD Capital	116,000	
Payouts for Retirees	60,253	
		479,383
Less Reductions	(231,654)	
Total Change to FY 2016-17 Budget		247,728
FY 2016-17 General Fund Preliminary Base Budget	\$	13,820,300
FY 2016-17 General Fund Preliminary Operating Revenue	\$	13,820,300
Revenue Less Expense		-

To develop the FY 2016-17 Proposed Budget, staff conducted an assessment of existing services, processes, and resources. Current service delivery levels were evaluated and opportunities for improvement and cost savings were identified. While efforts in this regard continue, proposed enhancements were identified for our Village Hall, Park Seawall, and Jetty surface. An allocation of \$563,000 in General Fund prior year proceeds is programmed for improvements to our Village Hall and to provide for the required 40-year recertification process, and to address any findings, these funds are subject to reimbursement with Miami-Dade County General Obligation Bond Funds. The seawall behind Bal Harbour Park is in need of repairs to address settling along the mainland side, Capital Project Reserve funds are allocated for this effort in the amount of \$51,700. The walking surface of the Haulover Cut Jetty has deteriorated creating an unsightly appearance, and allocation of Capital Project Reserve funds in the amount of \$332,000, for repair to the uneven areas and installation of a "cool" deck surface.

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

PROPOSED ENHANCEMENTS to the FY 2016-17 PROPOSED BUDGET		
Utility Fund		
Utility Compliance Officer	<i>net increase</i>	\$20,600
Total Proposed Utility Fund Enhancements		\$20,600
General Fund for Village Hall (General Obligation Bond (GOB))		
Impact Windows		\$62,000
HVAC		34,000
Termite Repairs		42,900
Painting/Flooring		25,000
Security Enhancements		30,300
40 Year Recertification		15,000
Balance to Recertification Findings		353,800
Proposed General Fund GOB Enhancements		\$563,000
Capital Projects Reserve Allocation		
Seawall Repairs & Dock BHV Park		\$51,700
Jetty: Surface & Cool Deck Installation		332,000
Total Capital Projects Reserve Enhancements		\$383,700
Total FY 2017 Proposed Enhancements		\$967,300

In total the Proposed Enhancements to the FY 2017 Budget comprise \$946,700 of Fund Balance and Capital Projects Reserve funding. The inclusion of the proposed enhancements to the General Fund base budget brings the proposed operating expense for the Fund to \$14,767,000, as summarized below.

PROPOSED ENHANCEMENTS to the FY 2016-17 BASE BUDGET	
Village Hall Improvements (<i>GOB reimbursement</i>)	\$563,000
Seawall & Dock Repairs: Bal Harbour Park	51,700
Surface & Cool Deck Installation: Jetty	<u>\$332,000</u>
Total Proposed Enhancements	\$ 946,700
FY 2015-16 Proposed General Fund Budget	\$ 14,766,963
Fund Balance/ Capital Projects Reserve Funds	\$ 946,700
Revenue Less Expense	-

These enhancements were recommended by the Budget Advisory Committee meeting at their August 29th, 2016 meeting.

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

SUMMARY OF ALL FUNDS

Bal Harbour has three primary Funds used for operating the Village, the General Fund, the Resort Tax Fund, and the Water & Wastewater Utility Fund. The FY 2016-17 Proposed Operating and Capital Budget includes decreases over the FY 2015-16 Budget. There is a 2.6% decrease to the General Fund from the current year budget at \$14,766,900, a 9.08% decrease in Resort Tax funding for Tourism and Beautification and Greenspace maintenance at an amount of \$3,706,000, and a 0.42% decrease to the Water and Wastewater Utility Fund at \$8,573,900. In addition, there is also a Security and Landscape Assessment Fund, and a Forfeiture Fund, which are restricted in use. The Security and Landscape Assessment Fund includes a slight decrease with funding at \$602,800.

	FY 2015 Actual	FY 2016 Adopted Budget	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget
GENERAL FUND	12,697,269	13,437,278	15,032,905	14,767,000	-2%
RESORT TAX FUND	3,553,613	3,934,551	4,076,326	3,706,000	-9%
UTILITY FUND	4,106,364	13,374,937	13,486,937	7,804,500	-42%
LANDSCAPE & SECURITY FUND	535,217	603,650	603,650	602,800	0%
TOTAL ALL FUNDS	20,892,462	31,350,416	33,199,818	26,880,300	-19%

Water & Wastewater Utility Fund

The non-recurring revenue within the Water & Wastewater Utility are \$4,000,000, from 2010 Debt Proceeds. Due to the programming of capital expenditures into the Utility Fund for the implementation and construction of the Utility Master Plan Capital Project, the Water & Wastewater Utility comprises a significant percentage of total Village expenditures by fund for FY 2016-17.

Operating expenditure increases to the Utility are due to the appropriate allocation of personnel expenses to the Utility Fund for utility work performed (\$106,100), and the addition of a Utility Compliance Coordinator position (*net \$20,600*) offset by reduction to contractual engineering expenses. Increased operating expenses as a result of higher bulk sewer treatment cost from both Miami-Dade County Water and Sewer and the City of Miami Beach are offset by reductions to contractual operating expenses and the need for emergency repairs with the construction of the Utility Master Plan project, and further mitigated by a pass-through rate increase.

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

	FY 2015 Actual	FY 2016 Adopted Budget	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget as Amended
WATER & WASTEWATER UTILITY FUND					
Salaries & Benefits	\$ 204,971	\$ 326,110	\$ 388,110	\$ 494,200	27%
Other Operating	3,624,561	3,963,827	4,013,827	3,310,200	-18%
UTILITY OPERATIONS TOTAL	\$ 3,829,532	\$ 4,289,937	\$ 4,401,937	\$ 3,804,500	-14%
Capital Projects	276,832	9,085,000	9,085,000	4,000,000	-56%
UTILITY FUND TOTAL	\$ 4,106,364	\$ 13,374,937	\$ 13,486,937	\$ 7,804,500	-42%

Resort Tax Fund

FY 2016-17 proposed expenditures for the Resort Tax Fund reflect an overall decrease of 9.08% from the FY 2015-16 budget. The Proposed Budget includes \$312,700 of FY 2016 carry forward revenue less than the prior fiscal year. Funded are ongoing Tourism, Marketing, and Beautification efforts to enhance the overall appeal of the Village as premier destination. Proportionate reductions were identified from both the Tourism and Beautification activities to mirror similar current year reductions in revenue, which are anticipated into FY 2017.

	FY 2015 Actual	FY 2016 Adopted Budget	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget as Amended
RESORT TAX FUND					
TOURISM					
Salaries & Benefits	\$ 191,457	\$ 242,124	\$ 242,124	\$ 259,100	7.00%
Other Operating	1,370,351	1,569,654	1,569,654	1,631,300	3.93%
Operating Capital	189,900	200,000	291,275	0	-100.00%
TOTAL	\$ 1,751,708	\$ 2,011,777	\$ 2,103,052	\$ 1,890,400	-10.11%
				0	
BEAUTIFICATION/ GREENSPACE /OTHER RESORT TAX ELIGIBLE					
Salaries & Benefits	323,327	415,366	415,366	361,500	-12.97%
Other Operating	1,478,578	1,507,407	1,557,907	1,444,500	-7.28%
Operating Capital	0	0	0	9,700	
TOTAL	\$ 1,801,905	\$ 1,922,773	\$ 1,973,273	\$ 1,815,700	-7.99%
RESORT TAX FUND TOTAL	\$ 3,553,613	\$ 3,934,551	\$ 4,076,326	\$ 3,706,000	-9.08%

FY 2016-17 PROPOSED OPERATING & CAPITAL BUDGET

Landscape & Security Assessment Fund

	FY 2015 Actual	FY 2016 Adopted Budget	FY 2016 Budget	FY 2017 Proposed Budget	% Change from FY 2016 Budget as Amended
Capital & Operating Revenue	535,217	603,649	603,649	602,800	0%
LANDSCAPE & SECURITY ASSESSMENT FUND					
Salaries & Benefits	\$ 15,342	\$ 28,370	\$ 28,370	\$ 33,400	18%
Other Operating	519,875	575,279	575,279	569,400	-1%
L & S ASSESSMENT TOTAL	\$ 535,217	\$ 603,650	\$ 603,650	\$ 602,800	0%

The FY 2016-17 Proposed Budget for the Security and landscape Assessment Fund reflects a slight reduction over the current year, and does not include the security improvement fee on building permits with the gated area. The Proposed Budget was prepared based on the rates of \$1,802 for each Single Family Residential Unit, half that number, \$901, for each Unimproved Property and \$7,208 for each Private Recreational Facility a continuation of the assessment rate reductions approved in FY 2014-15 and continued in the current year. For the third year in a row, a fund balance allocation is programmed to offset operating expenses.

BAL HARBOUR

- VILLAGE -

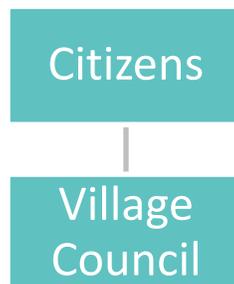
LEGISLATIVE

DESCRIPTION

The Bal Harbour Village Council is made up of the Mayor and four Councilmembers. The Mayor presides over Council meetings and is considered the Village's representative locally, nationally and internationally. The Mayor and Councilmembers set policy for the Village. Setting policy means making decisions about what is allowed and what is not allowed in the Village, about what services need to be provided to the residents, businesses and visitors, and about how to solve problems that concern citizens.

As elected officials, the Mayor and Councilmembers respond to citizens who seek their assistance in matters involving the governance and operation of the Bal Harbour Village. Through the enactment of ordinances and resolutions, the review and approval of contracts, and proclamations, the Village Council works to improve the quality of life, economic development, and enhanced communication between Village government and the community.

FUNCTIONAL TABLE OF ORGANIZATION



LEGISLATIVE

FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
GENERAL FUND					
LEGISLATIVE					
Salaries & Benefits	48,360	49,250	41,229	65,223	68,000
Other Operating	68,480	21,181	34,317	409,100	109,100
Operating Capital				0	0
TOTAL LEGISLATIVE	116,840	70,431	75,546	474,323	177,100

BUDGET HIGHLIGHTS

- The Proposed Budget reflects the full funding of Special Master services for red light camera and code enforcement hearings consistent with historical actual expenses.
- The Proposed Budget includes full funding of health insurance coverage for the five elected officials at Point of Service level coverage; if officials opt not to avail themselves of the insurance, funds will not be spent.
- The Proposed Budget does not include funding for Outside Legal Services.

BAL HARBOUR

- VILLAGE -

ADMINISTRATION

DESCRIPTION

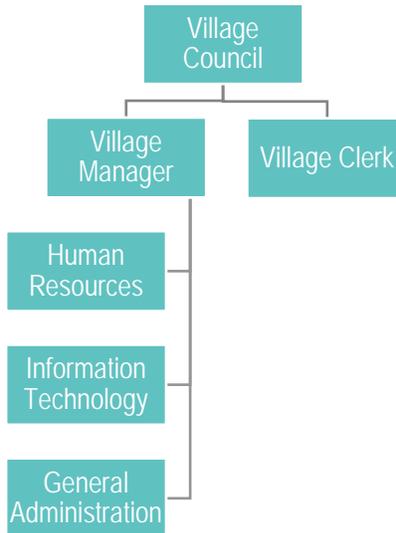
The Village Manager is appointed by the Village Council, and vested with the responsibility to ensure that policies, directives, resolutions, and ordinances adopted by the Village Council are enforced and implemented. As the Village Chief Executive Officer, the Village Manager is responsible for providing executive-level leadership, vision, and guidance to the organization, providing recommendations to the Village Council and implementing policy directives in an efficient and effective manner. In addition, the Village Manager is responsible for the daily operations of the Village, preparing and administering the budget, planning the development of the Village, supervising Village employees, interacting with citizen groups and businesses, and is otherwise responsible for the health, safety, and welfare of the residents, members of the business community, and the visitors to the Village.

The Administration operating budget includes the following functions:

- Human Resources, which is responsible for personnel, recruitment, benefits, compensation, risk management and labor relations.
- General Administration, which encompasses activities related to the coordination and supervision of day-to-day operations of the Village administration, including contract management, records management, agenda coordination, and information technology, among others.
- The Village Clerk is appointed by the Village Council and serves as the secretary and custodian of the Village Seal, compiling official Village Council committee agendas and minutes, and serving as the facilitator in providing public records and information expeditiously to the Village Council, the public, Village staff and other governmental agencies.

ADMINISTRATION

FUNCTIONAL TABLE OF ORGANIZATION



FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
GENERAL FUND					
ADMINISTRATION					
Salaries & Benefits	951,859	812,942	850,399	1,006,549	1,003,700
Other Operating	104,292	69,290	79,465	169,300	131,400
Operating Capital				0	0
TOTAL ADMINISTRATION	1,056,151	882,232	929,863	1,175,849	1,135,100

SIGNIFICANT ACCOMPLISHMENTS

- Prepared and transmitted 228 Letters to Council providing transparency and general information.
- Launched My Bal Harbour Mobile App, making it easier for residents and visitors to pay for parking, submit service requests, and explore the Village.
- Achieved the Government Finance Officer Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Village's Comprehensive Annual Financial Report.
- Implemented a reorganization of the Building and Permitting Department and completed a comprehensive rate study.
- Initiated the construction portion of the Phase One Sanitary Sewer/Pump Station Project.

ADMINISTRATION

SIGNIFICANT ACCOMPLISHMENTS (CONT'D)

- Launched Bal Harbour Express Bus Tracker and mobile App giving residents access to real-time shuttle bus location and arrival information, and re-launched Bal Harbour Express shuttle service with a newly purchased bus.
- Launched a new advertising campaign and Branding initiative with the new Bal Harbour Village logo.

Village Clerk

- Recruited and hired the seventh successive Deputy Clerk of Bal Harbour to primarily function as the Village Records Management Liaison Officer to the Division of Library and Information Services
- Implemented a Public Records Request Policy and Request Tracking System and processed 182 Public Records Requests, and 183 Lien Searches; a single request alone required the review of over 28,000 pages of public records.
- Prepared 46 Council/Board/Committee agenda packets and 54 Council/Board/Committee minutes, 33 proclamations, awards, certificates.
- Prepared the 2016 Election Packet for Candidates and Committees and conducted the Police Pension Board Election.
- Contributed to Village Government transparency by:
 - Updating Clerk's Page making it easier to access the Village archives, meeting agendas and minutes, elections documents, and information regarding public records requests, business tax receipts, and lobbyist registration;
 - Implementing the bookmarking of video recordings of public meetings making it easier to locate and listen to agenda items;
 - Transmitting regular email blasts and web-site announcements for Village-related public meeting and events; and
 - Purchasing, installing and implementing an updated audiovisual system for the Council Chamber.

BAL HARBOUR

- V I L L A G E -

FINANCE & BUDGET

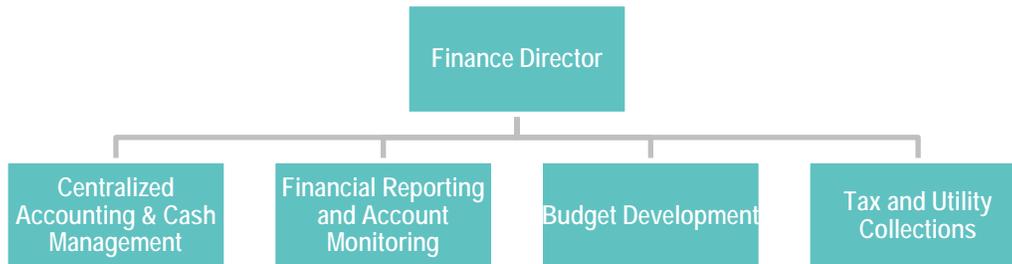
DESCRIPTION

As a part of Administration, the Finance Department delivers financial services for sound management decision-making and is responsible for centralized accounting, cash management, financial and debt management, tax and utility collections, and preparation of the annual budget.

The Finance Department provides fiscal and accounting controls over resources by processing vendor payments and payroll checks, maintaining the Village's general ledger system, and issuance of financial reports.

The Finance Department serves all Village departments, as well as those entities conducting financial transactions with the Village including Water and Wastewater Utility customers, Local Business Tax and Resort Tax customers. The Department prepares non-ad valorem special assessment rolls, issues and collects local business tax receipts, and resort taxes, issues timely financial statements and quarterly and annual compliance documents for funding partners, in addition to managing and monitoring all fiscal resources.

FUNCTIONAL TABLE OF ORGANIZATION



FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
GENERAL FUND					
FINANCE					
Salaries & Benefits	267,600	349,905	436,630	468,805	481,000
Other Operating	195,893	163,345	82,176	163,505	156,900
Operating Capital				0	0
TOTAL FINANCE	463,493	513,249	518,806	632,310	637,900

FINANCE & BUDGET

SIGNIFICANT ACCOMPLISHMENTS

- Implemented a complete upgrade and restructuring of the Village's financial management and utility billing system;
- Worked with field operations of the Village Water & Wastewater Utility within the Parks and Public Spaces and Finance Departments, to correct longstanding utility system and billing deficiencies and accomplished the following:
 - Updated utility route sequencing, to improve automated reading of meter devices;
 - Conducted an inventory and assessment to compare field meter data to system data for improved accuracy;
 - Updated and applied a uniform rate structure consistent with Council adopted resolutions;
 - Increased the accuracy of meter reads through the use of radio-read, handheld technology by decreasing the number of meters requiring a manual read from 40% to 11%, through the installation of new meter devices, antennae, and registers;
 - Establishing clear operating protocol and processes to ensure clear communication between field and office staff, and the use of proscribed forms to capture accurate data going forward;
 - Reduced monthly staff time for meter reading from ten-days, down to two days per month.
 - Ensured consistent knowledge on how to read and interpret meter reads.
- Prepared a modification to the Village Code, approved by Council, to provide the Village Manager the authority to evaluate and address in a customer oriented manner billing adjustment requests, and if appropriate, issue a credit
- Implemented a barcode reader for efficient and accurate processing of utility bills.
- Initiated a process to provide the daily reconciliation of accounts, and timely monthly bank reconciliations within the financial management and electronic banking systems.
- Modified payroll processing to pay employees in arrears, correcting the previous practice of advancing payment to employees prior to the full completion of a pay period.
- Established payroll procedures to ensure proper termination of employees prior to cashing out leave balances to ensure accurate workers compensation audit results in future years.
- Achieved a favorable letter of determination for both the General Employees' and Police Officers' Pension Plans from the Internal Revenue Service, a process commended in 2009.
- Facilitated the increase of the General Fund unassigned fund balance to \$12.1 million or 92% of operating expenditures for FY 2015, just less than 12-months' worth of operating reserves, while still contributing to the capital projects reserve funds.

FINANCE & BUDGET

SIGNIFICANT ACCOMPLISHMENTS (CONT'D)

- Implemented staffing changes to improve operations and recruited an Accountant with extensive government accounting, and technology experience to serve as the Village Controller;
- Worked with Miami-Dade County to achieve a \$563,000 allocation of General Obligation Bond Funds for Village Hall improvements, and reported monthly on the progress of sewer improvements for the \$6,500,000 GOB allocation for the Utility Master Plan.
- Drew down \$444,000 in State Appropriations for the Utility Master Plan project.
- Established centralized cash receipts processing for all transactions.
- Continued the correction of fund related expenditures to ensure proprietary funds are self-supporting.
- Continued for the second year, a practice of booking and following up on receivables Village-wide, resulting in the collection of past due revenue in excess of half a million dollars.
- Timely submitted quarterly reports to funding agencies, and issued Comprehensive Annual Financial Statements.
- Issued 272 of BTRs, generating \$718,900 in general revenue to the Village; and advanced a five-percent rate increase for Village Council approval.
- Conducted 216 Lien searches generating \$ 13,900 in general revenue to the Village.
- Awarded the Government Finance Officer Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Village's FY 2013-14 Comprehensive Annual Financial Report.
- Completed timely filing of the FY 2014-15 Annual Financial Report with the State of Florida Department of Finance.
- Completed the timely filing of the FY 2014-15 Annual Audit Report with the State of Florida Auditor General's Office.
- Issued monthly check by date reports which allows the public to view all vendor payments, and wire transfers.
- Prepared the annual operating and capital budget in compliance with State Laws, and monitors progress throughout the year.
- Prepared the non-ad valorem assessment rolls in compliance with State Laws to facilitate the collection by Miami-Dade County.
- Administered the General Employees' Pension Plan achieving a favorable letter of determination for the Plan, timely issuance of cost of living adjustments to retirees, the processing of employees into DROP, and the separation and cashing out of employees through 2015.

BUDGET HIGHLIGHT

- The Proposed Budget includes \$52,000 of salary funding for direct Finance staff work on the Water and Wastewater Utility system from the Utility Fund.

BAL HARBOUR

- V I L L A G E -

INFORMATION TECHNOLOGY

DESCRIPTION

As a part of Administration, Information Technology supports all aspects of the Village operations and is dedicated to providing sound, secure and stable infrastructure allowing for the smooth flow of communications and information.

Prior to May 2014, information technology services for the Village were based on an on-demand technical support model, which provided network support, on demand end user support, email management, as well as completing the purchase and installation of any hardware and software required for the Village's daily business operations. At the May 13, 2014 Council Meeting, an agreement with Calvin Giordano and Associates (CGA) was approved to transition the Village's information technology services, which would provide a greater level of service and support to internal stakeholders, as well as evaluate the Village's information technology infrastructure and capacity.

A thorough analysis of the Village's existing information technology (IT) environment, IT infrastructure, redundant back up services and security standards was completed by CGA as part of their first year services. As a result of this assessment, an IT Strategic Plan and Multi-Year Capital Plan has been developed in order to address vulnerabilities identified, as well as recommended upgrades to the Village's technology infrastructure to support the day-to-day operations of the Village; these improvements are near completion.

FUNCTION TABLE OF ORGANIZATION



INFORMATION TECHNOLOGY

FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
INFORMATION TECHNOLOGY					
Salaries & Benefits	0	0	0	0	0
Other Operating	0	0	128,109	285,111	227,000
Operating Capital	0	0	170,603	600,987	361,800
TOTAL INFORMATION TECHNOLOGY			298,713	886,098	588,800

SIGNIFICANT ACCOMPLISHMENTS

- Completed a full network redesign and separation of the Police server as required by the Florida Department of Law Enforcement (FDLE) audit.
- Replaced 26 obsolete computers Village-wide with new leased desktops and laptops.
- Implemented Virtual Private Network (VPN) access for Police personnel as well as Village, which allows employees to securely access the Village network remotely.
- Consolidated the Village's multiple e-mail domains by transitioning to new .GOV domain, which is the federally approved e-mail domain for government entities.
- Installed a new Village server and backup server in order to ensure appropriate capacity and continuity of operations.
- Completed full transition to voice-over-internet-protocol (VoIP) telecommunications system, resulting in a reduction in recurring communications expenses.
- Replaced 26 obsolete Police laptops with new ruggedized mobile data units configured to meet Computer Aided Dispatch (CAD) system requirements.
- Realized significant cost-savings in mobile carrier expenses by switching to a more cost-effective and reliable cell phone carrier.
- Developed a technology-based Emergency Back-up Plan to ensure continuity of information system services during and after an emergency or disaster.
- Upgraded audio-visual technology in the Council Chambers to enhance room acoustics and the overall quality of Council meeting web and television broadcasts.
- Initiated the implementation process for a new cloud-based permitting and code enforcement software.
- Implemented an offsite server back-up protocol.

INFORMATION TECHNOLOGY

SIGNIFICANT ACCOMPLISHMENTS (CONT'D)

- Launched My Bal Harbour Mobile App, making it easier for residents and visitors to pay for parking, submit service requests, and explore the Village.
- Launched Bal Harbour Express Bus Tracker and mobile app giving residents access to real-time shuttle bus location and arrival information.
- Launched Phase One of Village website redesign.

BUDGET HIGHLIGHTS

- The Proposed Budget includes funding for the continued implementation of the Information Technology Master Plan to provide a more efficient operating environment for staff.

BAL HARBOUR

- V I L L A G E -

LEGAL SUPPORT SERVICES

DESCRIPTION

Village legal services are provided by Weiss Serota Helfman, Pastoriza, Cole and Boniske, P.L., a full service municipal law firm (the "Firm"). The Firm has served as Village Attorney for more than 20 years, providing guidance to the Village Council, its advisory committees and Village staff on a wide array of legal matters in order to ensure that the various laws, rules and requirements of the local, state and federal governments are understood and followed by the Village. While the legal services required by the Village vary slightly from time to time, the Firm employs attorneys with expertise in each area of the law that has been or may be required. In recent years, the Firm's attorneys have provided legal services to the Village in the following areas:

- Labor and Employment
- Real Estate
- Finance
- Land Use & Zoning
- Code Enforcement
- Compliance with State and County Ethics Requirements
- Procurement / Contract Administration
- Police Department Procedure
- Tourism
- Drafting Ordinances and Resolutions
- Contract Review

Funding for legal support services is shared by all funds based upon the nature of the work performed, at \$430,200 the General Fund has the largest share of the total annual expense. Base legal fees are \$480,000, for FY2017, additional fees are incurred for cost recovery and litigation activities.

FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
LEGAL SUPPORT SERVICES (All Funds)					
Salaries & Benefits	0	0	0	0	0
Other Operating	636,612	446,836	511,040	480,000	480,000
Operating Capital				0	0
TOTAL	636,612	446,836	511,040	480,000	480,000

BAL HARBOUR

- V I L L A G E -

GENERAL GOVERNMENT

DESCRIPTION

The General Government activity has historically included expenses which were not uniquely attributable to a specific operating department. Beginning with the current fiscal year, presented the development of this activity is refined to exclude facility maintenance and transit operating related expenses, which are now reflected within the Parks and Open Spaces Department. The Village Receptionist, was historically located within this activity, but has been included as a part of Administration. In addition, expense related to payouts for retiring employees, excess benefit plan expenses, cost of living adjustment (COLA) for employees, and the establishment of a capital projects reserve are included within this activity.

FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
GENERAL GOVERNMENT					
Salaries & Benefits	74,395	163,948	228,221	171,287	191,000
Other Operating	727,047	682,397	459,940	880,794	1,108,400
Operating Capital	0	0	1,050,000	1,109,302	200,000
TOTAL GENERAL GOVERNMENT	801,442	846,344	1,738,162	2,161,384	1,499,400

BUDGET HIGHLIGHTS

- The Proposed Budget includes funding for Excess Benefit Plan expenses for former Village Manager (\$70,950), which historically was reflected only in liability accounts.
- The Proposed Budget includes funding for potential payouts for the separation of tenured employees during the coming fiscal year (\$115,000), and COBRA related insurance expense for retirees, which are offset by participant payments (\$67,000).
- The Proposed Budget includes a three percent cost of living adjustment (COLA) for employees for allocation in October (\$140,100), a Capital Projects Reserve (\$200,000) for use toward future capital projects, and a general contingency line item at two percent (\$303,000).

BAL HARBOUR

- V I L L A G E -

POLICE DEPARTMENT

DESCRIPTION

The Bal Harbour Police Department (BHPD) came into existence in 1946 when the Village was incorporated. The BHPD provides public safety services to Village residents, visitors and businesses based on a community policing philosophy. The BHPD is comprised of two main functions - Operations and Administration. The police department is currently budgeted for 37 full-time positions.

Operations Division

The Operations Division is the most visible representative of Village services, with 24 full-time sworn personnel and 3 civilian staff members. This Division is responsible for high profile, proactive public safety and crime prevention patrol functions including:

- Directed Patrol (including bike patrol, golf cart, ATV, and beach patrol)
- Marine Patrol
- Traffic Enforcement
- Code Enforcement

In addition, this Division is responsible for reactive public safety services, such as responding to calls for service, as well as the investigation of any crimes, which occur within the Bal Harbour Village jurisdiction. A summary of primary activities includes:

- Criminal incident investigative follow up
- Prosecution of cases via the Criminal Justice System
- Tracking crime trends and Uniform Crime Reporting (UCR) to the State of Florida
- Arrest and Search Warrant Affidavit Coordination and Verification

Administration

The Police Administration, which includes the Office of the Chief of Police, is responsible for the fulfillment of the mission of the BHPD by providing leadership, and the establishment of the managerial functions of planning, organizing, motivating, controlling, disciplining and coordinating the subordinate members of the police department, inclusive of:

- Budget monitoring and fiscal management
- Personnel management consistent with Fair Labor Standards/Collective Bargaining Agreement/State Law Enforcement Standards
- Media Relations
- Mutual aid coordination with local, state and federal law enforcement agencies

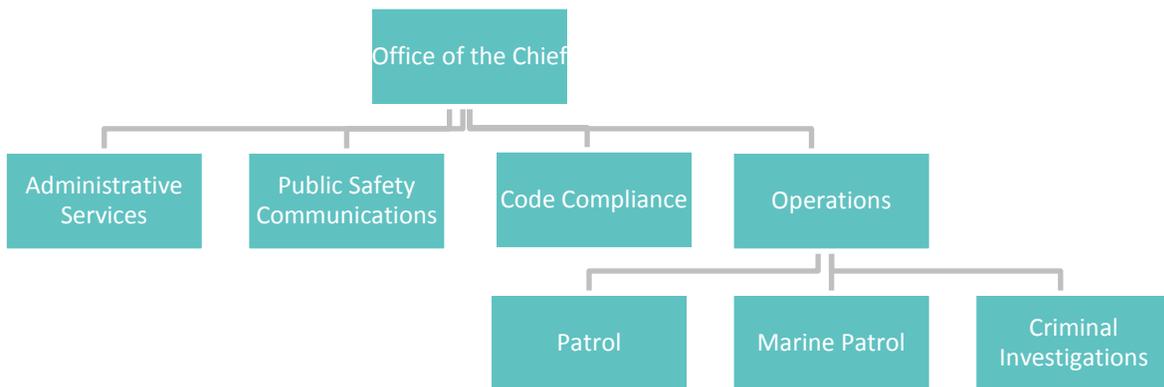
POLICE DEPARTMENT

- Establishment of policies, protocols and regulations to complete the Police Department's service mission within the guidelines of State procedural law and substantive law.

Support functions and departmental logistics also form part of the Police Administration functions, including:

- Emergency Communications (9-1-1 radio communications service)
- Sworn mandatory training, such as firearms and tactics, as well as ensuring that sworn officers receive necessary legal updates (i.e., new State statutes, procedural law updates and changes, etc.)
- Fleet Management
- Equipment inventory and maintenance
- Property and Evidence Management
- Off Duty and Special Event Police Service Coordination
- Internal Affairs and Personnel Compliance
- Major Event Coordination and Operational Response
- Beach Access Permitting

FUNCTIONAL TABLE OF ORGANIZATION



POLICE DEPARTMENT

FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
LAW ENFORCEMENT					
Salaries & Benefits	\$4,329,208	\$4,625,376	\$5,000,129	\$5,586,927	\$5,471,800
Other Operating	995,119	921,001	1,042,947	902,890	953,400
Operating Capital				0	116,000
TOTAL LAW ENFORCEMENT	\$5,324,327	\$5,546,377	\$6,043,076	\$6,489,817	\$6,541,200

SIGNIFICANT ACCOMPLISHMENTS

- Initiated pedestrian safety programs such as crosswalk safety details, and the installation of enhanced crosswalk identification and lane delineators at Founder's Circle.
- Expanded the department's efforts toward a Community Policing Model, with emphasis on high visibility patrol, traffic enforcement and positive citizen police relations through the Bicycle Patrol Program and Police Golf Cart Program.
- Improved the department's capabilities in "Response to an Active Shooter Situation" by providing all officers with specialized training, tactics, and equipment.
- Updated the comprehensive Critical Incident Operational Plan, with input and coordination from the Miami-Dade Office of Emergency Management, local businesses and residents.
- Hired two (2) Police Officers to replace vacancies caused by the retirement of personnel, ensuring a consistent level of service.
- Promoted a new Corporal and Sergeant to maintain a consistent level of supervision and accountability on all shifts.
- Expanded the police department's "Less than Lethal" use of force options by adding sock-shot-rounds to the police department's arsenal.
- Updated the warning flag system and added live preservation devices "Resq Disc" on the beach at key locations and inside all Police vehicles.
- Enhanced our Homeland Security stance by joining the FBI's Anti-Terrorism Officer Program and through the acquisition, training, and deployment of an Explosive Detection Canine.
- Conducted an Identity Theft Awareness Seminar for local residents on March 22, 2016.

POLICE DEPARTMENT

- Purchased crime scene processing kits and trained civilian employees in the skills and techniques of crime scene processing adding to the departments capabilities and services.
- Expanded our crime prevention tips advertisement and public relations via Social Media and the Village's monthly newsletter.
- Expanded Code Enforcement by hiring an additional code enforcement officer and reconfigured the unit to enhance service accountability and supervision.
- Established Quarterly crime prevention and awareness meetings with the Retail Managers of the businesses located within the Bal Harbour Shops.
- Created and implemented a WENS special notifications protocol to initiate a door lock-down and shelter in place procedure in the event of an active shooter or similar emergency within the Bal Harbour Shops.
- Initiated Critical Incident Management Training for all BHPD supervisors.

BUDGET HIGHLIGHTS

- The Proposed Budget includes required collective bargain related expenses including Supervisor Pay, Night Differential, Education Pay, Performance Bonus, Anniversary and Step Increases (\$118,400).
- The Proposed Budget includes life scans for health screening of employees for \$380 each.
- The Proposed Budget includes \$116,000 for equipment replacement for police operations including Boat Engines (\$59,000), Live Scan Fingerprinting Machine (\$16,000) as required by FDLE, new Radars (\$20,000), and new Radios (\$20,000).
- The Proposed Budget includes additional funding for police overtime expenses for holiday and special duty deployments (\$45,000).

BAL HARBOUR

- V I L L A G E -

BUILDING DEPARTMENT

DESCRIPTION

The Building Department is responsible for Enforcing the Florida Building Code, Village Ordinances, and Miami-Dade County Ordinances. Historically, the Village has contracted out its Building Department. On March 01, 2013, CAP Government (CAP) was contracted to provide these Services. A combination of Village and CAP employees work together to provide permitting and inspections to Village residents as governed by the Florida Building Code.

The Building Department is self-funded through permit fees as required by Florida Statute, and is specifically, per the Florida Building Code required to:

- Enforce the Florida Building Code.
- Coordinate with outside departments including Fire, DERM, Public Works, and Utilities.
- Perform Building, Mechanical, Electrical, Plumbing and Structural plan review.
- Performs inspections for all Building Code disciplines.
- Issue Certificates of Completion and Occupancy.

The unique needs of the Village's Building Department necessitates additional responsibilities. Some of the additional work unique to this Village includes:

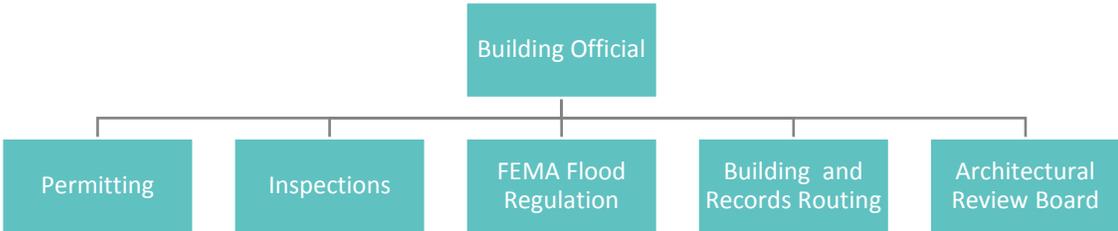
- Review of all plans prior to submittal to Architectural Review Board (ARB).
- Verification of compliance with the Zoning and appearance ordinances.
- Writing recommendations and presents monthly to the ARB.
- Enforcing ARB Certificates of Appropriateness through construction completion.
- Performing Zoning reviews.
- Administering the Community Rating System to ensure residents receive maximum discount for flood insurance.
- Representing the Village in Local Mitigation Strategy Groups.
- Participating in ISO's Building Code Effectiveness Grading Schedule which is used to develop insurance rates for individual properties.
- Implementing a standardized permitting system through development of a standard operating manual and standardization of forms and letters.

BUILDING DEPARTMENT

FISCAL ENVIRONMENT

Services provided by the Building and Zoning Department are supported through revenue generated by the issuance of construction permits. The issuance of permits is mandated by the Florida Building Code, which also authorizes each municipality to set the fees for the construction permits. The Village of Bal Harbour’s fees are regulated by Chapter 6, Article II of the Code of Ordinances. The fee is set at one percent the value of the construction costs, with a minimum permit fee of \$100. It appears that this has not been updated since the 1970’s. For this reason a comprehensive fee study was undertaken within the current fiscal year and changes were proposed to create a self-sustaining Building and Permitting Department, with a minimum permit fee at \$150.00 and two-percent construction cost on the first million dollars of construction value, and one-percent thereafter.

FUNCTION TABLE OF ORGANIZATION



FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
BUILDING					
Salaries & Benefits	152,845	164,166	93,451	384,369	410,400
Other Operating	454,418	705,891	660,551	163,420	393,000
Operating Capital				0	0
TOTAL BUILDING	607,263	870,057	754,002	547,789	803,400

BUILDING DEPARTMENT

SIGNIFICANT ACCOMPLISHMENTS

- Trained clerks on procedure for consistent file preparation, filing, and archiving of permit documents.
- Created an Excel database in order to facilitate sorting and finding archived, electronic documents.
- Updated building department operations manual.
- Organized hundreds of files in the electronic permitting system (Energov).
- Recommended a system for the Village permitting software, and commended implementation.
- Recommended zoning code updates, edits, clarifications, corrections to the Village Planner.
- Reviewed all Village properties for compliance with 40/10/10 year re-certifications.
- Created a spreadsheet to track and notice overdue properties, noticing 25 properties due for recertification in the process.
- Prepared five-year recertification report for participation in the Community Rating System.
- Completed a comprehensive evaluation of building and permitting activity and fees, resulting in options to end the General Fund subsidy to the Department and create a self-sustaining Building and Permitting function for the Village.

BUDGET HIGHLIGHTS

- The Proposed Budget incorporates funding for an in-house Building Official, two permit Clerks, and a part-time Clerical position, and contracted expenditures for inspections, and specialized trades as an optimal model for service delivery.
- The Proposed Budget aggregates all building and permitting related expenses into the singular department, inclusive of engineering, planning, and zoning contractual permitting related expenses.

BAL HARBOUR

- V I L L A G E -

PARKS AND PUBLIC SPACES DEPARTMENT

DESCRIPTION

The Parks and Public Spaces Department, is comprised of four (4) areas of focus; Public Works, Facilities, Recreation and Greenspace Management. The Department provides public right-of-way and infrastructure repair and maintenance services, landscape design and maintenance, as well as recreation program management, utilizing a staff of twelve (12) full-time and five (5) part-time employees, along with various contracted service providers. Each unit provides services, which support the infrastructure needs, beautification and upkeep of public spaces and community recreation programming. Additionally, the Department provides management and support for all Village conducted Capital Improvement Projects

Public Works

The Public Works Unit is charged with providing maintenance, repair, and operation of Village infrastructure, including:

- Water, sewer and storm water utility systems
- Street and landscape up lighting
- Street furniture and signage
- Pedestrian walkways and surfaces
- Residential solid waste services
- Transit services
- Fleet management and
- Park maintenance

The Public Works Unit is also accountable for Village cleanliness, and is responsible for managing the Solid Waste Collection and Disposal Program. Additionally, the review of all landscape plans submitted for permitting to the Building Department and post construction landscape installation inspections is completed by the Public Works Unit.

Facilities

The Facilities Unit is responsible for the maintenance, repair, and operation of Village buildings and equipment at the following sites;

- Village Hall
- The Police Department
- The Recreation Center
- Bal Harbour Park
- The Public Works Operations Warehouse

PARKS AND PUBLIC SPACES DEPARTMENT

Additionally, the Facilities Unit provides oversight for the Village fleet maintenance program along with the administration of the contractor-provided Bal Harbour shuttle service.

Recreation

The Recreation Unit is tasked with providing recreational and leisure programs and services for children, adults and seniors in our community through the use of Village Park and adjacent Recreation Center. Additionally, recreation staff develop and produce several community focused special events during the year to provide additional recreational opportunities for our residents such as:

- Labor Day "Summer Seaside Fair"
- Snow Fest
- School's Out Celebration
- End of Summer Last Fling
- Seasonal Monthly Excursion Trips to local area attractions

Greenspace Management Program

The Greenspace Management Program is responsible for the grounds maintenance and appearance of the Village, including:

- All building grounds
- Park and Village-controlled medians, swales, and landscape areas (including the beach and the gated residential section)
- The management of the urban forestry program for the Village

FISCAL ENVIRONMENT

Services provided by the Parks and Public Spaces Department are supported through several funding sources, including the General Fund, for Public Works and Parks and Recreation activities, the Water & Sewer Fund for Utility activities, the Resort Tax Fund for greenspace and beautification activities, and dollars from the Gated Residential Section Special Assessment. A breakdown of services funded through each fund is provided below:

General Fund

Facilities Maintenance

This provides funds for the operation of all Village-owned buildings, such as Village Hall and the Public Works Facility. Expenditures include on-going contractual services, such as air conditioning, pest control, elevator and copier services, along with the janitorial contract. In addition, other operational supplies used to maintain Village Hall, Police Department Administration and Public Works buildings are supported through this fund. Additionally, the Pooper Scooper (Dog Waste) Bag Program and landscape maintenance contract for Village Hall and the adjacent parking lot is budgeted within this fund.

PARKS AND PUBLIC SPACES DEPARTMENT

Public Works

This unit performs activities such as the maintenance of the storm drains, solid waste and recycling collection contract, equipment and vehicle rentals/leases and repairs, maintenance of the street sweeper and grapple truck, maintenance of street lights, storm drainage pump station in the residential area, transit services, management of residential solid waste service, and the maintenance of Florida Department of Transportation (FDOT) storm pumps for 96th Street. Operating supplies, signs and posts are also budgeted as part of this fund.

Recreation

This unit performs the operations and maintenance of Bal Harbour Park and Recreation Center. All staffing and operational costs including the two (2) full-time, five (5) part-time employees, the grounds, play equipment and water feature included within the unit.

The Water & Wastewater Utility Fund

This fund supports the operation and maintenance of the infrastructure, which distributes potable water to residents and businesses; collects, pumps, and transmits wastewater to the County treatment facilities. The activities funded in this area include:

- Professional engineering services
- Utility locates
- Water testing
- Maintenance of sewer station pumps
- Wet wells and generators
- Meter installation and service
- Fire hydrant and water/sewer mains service
- Capital projects relating to the Utility
- Regulatory compliance
- Staff training for utility operations

Resort Tax Fund/ Beautification and Maintenance

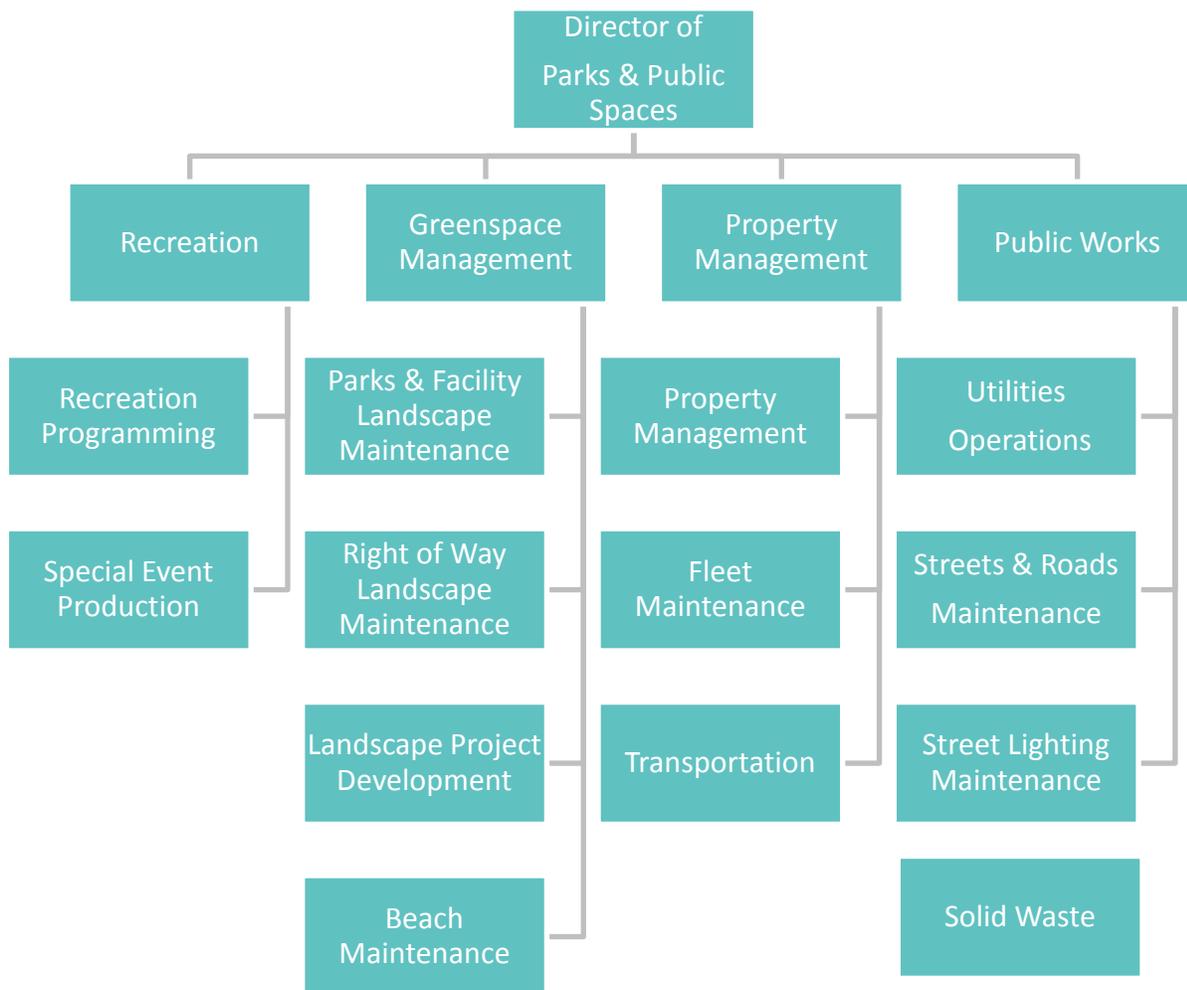
This fund, through Resort Tax Collections, supports the operations for greenspace, beautification, and other Resort Tax eligible activities. All operations related to the purchasing and maintenance of landscaping and irrigation systems on Collins Avenue, 96th Street, and on the Beach. The costs for the maintenance of the bus stops, landscaping lights, signs, buoys, emergency life rings, warning flags, holiday decorations, bollard lights along the jogging path, benches/trash receptacles are also budgeted within this fund.

PARKS AND PUBLIC SPACES DEPARTMENT

Landscape & Security Assessment Fund

The assessment provides the funding necessary for landscape maintenance services through a contracted provider for all the green space within the gated community, which is not privately maintained.

FUNCTIONAL TABLE OF ORGANIZATION



PARKS AND PUBLIC SPACES DEPARTMENT

FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
GENERAL FUND					
PARKS AND PUBLIC SPACES DEPARTMENT					
PUBLIC WORKS					
Salaries & Benefits	393,049	450,575	350,918	212,626	220,400
Other Operating	1,039,758	1,158,877	1,242,108	1,504,777	2,272,600
Operating Capital	6,055			0	0
TOTAL PUBLIC WORKS	1,438,861	1,609,452	1,593,026	1,717,403	2,493,000
PARKS & RECREATION					
Salaries & Benefits	248,286	282,200	247,932	256,204	260,200
Other Operating	83,456	107,460	99,129	199,550	200,600
Operating Capital	0	0		62,000	0
TOTAL PARKS & RECREATION	331,742	389,660	347,061	517,754	460,700
RESORT TAX FUND					
BEAUTIFICATION/ GREENSPACE /OTHER RESORT TAX ELIGIBLE					
Salaries & Benefits	246,011	279,079	323,327	415,366	361,500
Other Operating	809,888	1,033,577	1,478,578	1,557,907	1,444,500
Operating Capital	0	0	0	0	9,700
BEAUTIFICATION TOTAL	1,055,899	1,312,656	1,801,905	1,973,273	1,815,700
WATER & WASTEWATER UTILITY FUND					
REVENUE					
Operating Revenue	3,371,644	3,552,719	3,805,864	4,289,937	5,180,700
Debt Proceeds (Capital)	259,480	1,675,000	0	3,460,867	4,000,000
Inergovernmental Revenue/ CO	0	0	540,303	5,863,936	0
Capital & Operating Revenue	3,631,124	5,227,719	4,346,166	13,614,740	9,180,700
WATER & WASTEWATER UTILITY					
Salaries & Benefits	107,103	104,975	204,971	388,110	494,200
Other Operating	2,458,394	3,097,877	3,624,561	4,013,827	3,310,200
UTILITY OPERATIONS TOTAL	2,565,497	3,202,852	3,829,532	4,401,937	3,804,500
Capital Projects	0	939,451	276,832	9,085,000	4,000,000
UTILITY FUND TOTAL	2,565,497	4,142,303	4,106,364	13,486,937	7,804,500
LANDSCAPE & SECURITY ASSESSMENT FUND					
REVENUE					
Operating Revenue	964,248	665,668	523,421	468,041	426,900
Fund Balance			11,796	135,608	175,900
Capital & Operating Revenue	964,248	665,668	535,217	603,649	602,800
LANDSCAPE & SECURITY ASSESSMENT AREA EXPENSE					
Salaries & Benefits	0	7,761	15,342	28,370	33,400
Other Operating	425,534	459,667	519,875	575,279	569,400
L & S ASSESSMENT TOTAL	425,534	467,427	535,217	603,650	602,800
TOTAL PARKS AND PUBLIC SPACES DEPARTMENT					13,176,800

PARKS AND PUBLIC SPACES DEPARTMENT

SIGNIFICANT ACCOMPLISHMENTS

Public Works

- Initiated the construction portion of the Phase One Sanitary Sewer/Pump Station Project.
- Initiated the design of the Secondary Sewer Project.
- Completed the design procurement and installation of a new billing sanitary flow meter at Sanitary Sewer Pump Station Number Two (PS2).
- Replaced one hundred and eighty-six (186) faulty water meters Village wide, reducing read failure rates from forty percent (40%) to eleven percent (11%) utilizing warranted replacement parts for a majority of the repairs/replacements.
- Initiated the cross connection control backflow monitoring program Village-wide
- Initiated automated sanitary pump station pump run time reading capture with electronic reporting for the two sanitary pump stations.
- Upgraded the instrumentation devices at Pump Station Number Two (PS2)
- Completed over \$ 110,000 worth of utility system restorative, maintenance and emergency work Village-wide.
- Drafted and executed an Owners Representative Agreement to protect the Village interests during large construction related activities.
- Conducted one hundred and ten (110) water service valve exercises
- Conducted maintenance flushing for eighty-two (82) fire hydrants Village-wide
- Conducted three hundred and seventy (370) storm drain inspections
- Performed maintenance cleaning and clearing for twenty percent (20%) of the Village storm water catch basins.
- Coordinated with the Miami Dade County Water and Sewer Department to replace the faulty main water service meters that capture the volume of water supplied to the Village.
- Relocated the remaining Ocean side residential buildings water meters above ground and removed old water meters
- Installed a new antenna system to capture radio volume readings for the deduct meters on top of the Ocean side residential buildings.
- Reduced the time for Village water service meter readings for billing from ten (10) days monthly to two (2) days monthly.
- Repaired and restored to operation, the Storm Water Pump Station on Harbour Way
- Outsourced the maintenance/repair of our storm-water and sanitary sewer pump stations to a local company with a 2-hour emergency response time.
- Enhanced the catch basin inlet on Bal Bay Dr.
- Added a drainage structure at the eastern terminus of 96 Street.

PARKS AND PUBLIC SPACES DEPARTMENT

SIGNIFICANT ACCOMPLISHMENTS (CONT'D)

- Enacted a public education campaign for waste disposal and recycling by placing guideline stickers for waste/recycling on receptacles and completed an informational mailer to residents.
- Hosted a hazardous, household chemical collection event on July 24, 2016.
- Reduced solid waste collection complaints by 80%.
- Reduced replacement garbage/recycling can request turnaround time from two (2) days to the same business day.
- Purchased three (3) towable two (2) yard waste containers to increase frequency and expedite service to our Bal Harbour Beach waste receptacles.
- Led the Village's response to mitigate Zika and minimize mosquitoes.

Greenspace Management

- Initiated a Street Sweeping agreement and increased service levels by sixty percent (60%) providing service from three (3) times weekly to five (5) times weekly.
- Finalized the Million Orchid agreement and held a ceremonial planting event on August 31, 2016.
- Completed the beach shower installation at 96th street in cooperation with the Town of Surfside and Bay Harbor Islands.
- Renovated the landscape at the Founders Circle and Pump Station Number Two (PS 2) sites.
- Completed the installation/relocation of thirty four (34) replacement Medjool Date Palms started in 2015, on Collins Ave and 96 Street.
- Increased Bal Harbour Beach sand sifting/dressing frequency from five (5) days per week seasonally to once a day year round.
- Renovated the Bal Harbour Beach bicycle/vehicle access path with the addition of five hundred and twenty (520) tons of new coquina sand.
- Initiated the rope and post delineation of the eastern edge of the dune at Bal Harbour Beach to protect the sea oat plantings.
- Completed three hundred and eighty thousand dollars (\$380,000) worth of landscape restoration Village wide in non-gated residential section areas.
- Completed twenty two thousand dollars (\$22,000) worth of landscape restoration in the Gated Residential Section.
- Completed sixty-nine thousand dollars (\$69,000) worth of sidewalk and curbing repairs along Collins Avenue and 96th Street

PARKS AND PUBLIC SPACES DEPARTMENT

Facilities Maintenance

- Painted entire seawall at the Cut-Walk and replaced the chain link fence at the designated fishing area with an aluminum picket fence.
- Completed the cosmetic renovation of the second floor of Village Hall to include: removal of wallpaper/painting, re-carpeting, lighting enhancement and woodwork restoration of the Council Chambers; repainted and replaced all ceiling tiles in the second floor offices and common areas.
- Installed two prototype street light fixtures at the terminus Eastern of 96 Street.
- Conducted sixteen (16) pressure cleanings under the Herman B. Fultz Bridge.
- Refinished the light bollards, directional signs and railings at Village Hall.
- Repainted and repaired the flag poles at Founder's Circle.
- Installed forty (40) new recyclable bag dog waste stations Village-wide.
- Installed twenty-eight (28) replacement light bollards on the Bal Harbour Beach jogging path.
- Upgraded one hundred and fifty (150) lights fixtures to Light Emitting Diode (LED) underneath the Herman B. Fultz Bridge Founder's Circle.
- Upgraded the Jetty Light to an LED.
- Installed new bike racks on 96th Street and also on the cut-walk.
- Purchased twenty (20) new and refurbished trash receptacles.
- Repaired sinkholes and re-set pavers underneath the Herman B. Fultz Bridge along the seawall.

Recreation

- Promoted the adoption by the Bal Harbour Village Council of the South Florida Parks Charter to promote best practices in Parks and Recreational Space Planning.
- Produced four (4) seasonal Special Events at Bal Harbour Park with an average attendance of over two hundred (200) participants.
- Conducted seasonal basketball skill clinics for children thirteen (13) years of age and younger with three hundred and forty (340) total participants.
- Produced eight (8) excursion day trips for residents with ninety-one (91) total participants.
- Facilitated sixteen (16) Bal Harbour Park rentals for resident parties.
- Purchased a replacement bus for the Bal Harbour Express shuttle service.
- Managed the Bal Harbour Express shuttle service with an average monthly ridership of over four hundred (400) users.

PARKS AND PUBLIC SPACES DEPARTMENT

BUDGET HIGHLIGHTS

- The Proposed Budget includes the addition of a Utility Compliance Officer position, with a net increase of \$20,600 for FY 2017.
- The Proposed Budget includes Capital Projects Reserve funding for Seawall and Dock Repairs at the Bal Harbour Village Park (\$51,700), and the resurfacing and “Cool” Deck installation on the Jetty (\$332,000).
- The Proposed Budget includes an allocation of fund balance for necessary Village Hall improvements and the 40-year Recertification process, that will be reimbursed from General Obligation Bond Funds from Miami-Dade County (\$563,000).

BAL HARBOUR

- V I L L A G E -

WATER & WASTEWATER UTILITY FUND

DESCRIPTION

Water and Wastewater services within the Village are provided as an enterprise operation, through the Utility within the Parks and Public Spaces Department. Services are funded as payments for measurable water and wastewater services are consumed. Pursuant to Chapter 180, Florida Statutes, municipalities are authorized to establish just and equitable rates to be paid for the use of the utility. Rates established as charges for services should sustain its operations and satisfy any related debt.

This fund supports the operation and maintenance of the infrastructure, which distributes potable water to residents and businesses; collects, pumps, and transmits wastewater to the County treatment facilities. The activities funded in this area include:

- Professional engineering services
- Utility locates
- Water testing
- Maintenance of sewer station pumps
- Wet wells and generators
- Meter installation and service;
- Fire hydrant and water/sewer mains service
- Capital projects relating to the Utility

The FY 2016-17 Proposed Operating and Capital Budget for the Water and Wastewater Utility Fund is \$7,804,500 which reflects a significant reduction from the FY 2015-16 Budget, as a direct result of the timing and funding allocation for the construction of the capital improvements included in the Utility Master Plan for the Village. Progress on this project will continue in FY 2017 with \$4,000,000 in 2010 Debt proceeds allocated in funding. This allocation is subject to reimbursement with General Obligation Bond Funds from Miami-Dade County for the sewer portion of the project.

WATER & WASTEWATER UTILITY FUND

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
WATER & WASTEWATER UTILITY FUND					
REVENUE					
Operating Revenue	3,371,644	3,552,719	3,805,864	4,289,937	5,180,700
Debt Proceeds (Capital)	259,480	1,675,000	0	3,460,867	4,000,000
Inergovernmental Revenue/ CO	0	0	540,303	5,863,936	0
Capital & Operating Revenue	3,631,124	5,227,719	4,346,166	13,614,740	9,180,700
WATER & WASTEWATER UTILITY					
Salaries & Benefits	107,103	104,975	204,971	388,110	494,200
Other Operating	2,458,394	3,097,877	3,624,561	4,013,827	3,310,200
UTILITY OPERATIONS TOTAL	2,565,497	3,202,852	3,829,532	4,401,937	3,804,500
Capital Projects	0	939,451	276,832	9,085,000	4,000,000
UTILITY FUND TOTAL	2,565,497	4,142,303	4,106,364	13,486,937	7,804,500

The Village Utility system was constructed in 1946 (nearly 70 years ago) when the Village was initially developed and is experiencing numerous failures which are primarily due to age. The exposure to an abrasive salt water environment accelerates the decay and failure of many pipe materials. The combined age and quality of construction have impacted the integrity of the sewer system and resulted in failures and inflow & infiltration issues which need to be resolved. The Village has prepared a Master Plan which permanently addresses these issues by replacing the entire utility system throughout the Village in order that the health, safety and welfare of the residents will be preserved and that they are provided proper sewer service for years to come, current estimates provided by the Utility Master Plan for infrastructure projects are at \$27.2 million. The FY 2016-17 Proposed Operating and Capital Budget for the Utility Fund plans future year allocations for the completion of this multi-year project with carryforward revenue to fund subsequent years of the project.

Water & Wastewater Utility Rates

For the Village utility operations, water is purchased at a wholesale rate from the Miami-Dade County Water and Sewer Department (MDWASD) for water and the City of Miami Beach (CMB) applies a wholesale rate for wastewater which passes through their system as it ultimately travels to the MDWASD plant at Virginia Key.

The MDWASD has incorporated a rate increase in their proposed FY 2017 Budget, due to projected operating expenses, increased reserve requirements, and debt service payments for necessary capital projects. The FY 2017 proposed budget increases from MDWASD are 5.73%, or 0.1598 cents for wastewater, there is no

WATER & WASTEWATER UTILITY FUND

proposed increase for water. We are charged by the City of Miami Beach for wastewater services, proposed 5.33% on the rate per 1,000 gallons and 1.86% on the surcharge for FY 2017. To absorb or pass-through the proposed rate increase, the Proposed Budget for the Bal Harbour Utility incorporates a 2.13% wastewater adjustment, as summarized below

Miami-Dade County Wastewater Wholesale Rates			
	2015-16	2016-17	Percent Change
Rate per 1,000 gallons	\$2.7879	\$2.9477	5.73%
City of Miami Beach Wastewater Wholesale Rates			
Rate per 1,000 gallons	\$3.1050	\$3.2705	5.33%
Surcharge	\$0.3168	\$0.3227	1.86%
Bal Harbour Wastewater Wholesale Rates			
Wastewater passthrough adjustment	\$8.06	\$8.23	2.13%

Water and wastewater rates for the Village are presently at \$4.78/1,000 gallons of water consumed with a 3,000 gallon minimum monthly charge for Water and \$8.06/1,000 gallons of water consumed with a 3,000 gallon minimum monthly charge for Waste Water. The Proposed Budget does not include a rate adjustment for Water. It does incorporate a 2.13% rate adjustment for Waste Water to \$8.23/1,000 gallons of water consumed with a 3,000 gallon minimum monthly charge, as a pass-through rate increase from our wholesale service providers.

Proposed Bal Harbour Utility Rates			
	FY 2016 Rates	FY 2017 Proposed Rate	Percentage Increase
Water	\$4.78	\$4.78	0%
Wastewater	\$8.06	\$8.23	2.13%

WATER & WASTEWATER UTILITY FUND

BUDGET HIGHLIGHTS

- The Water and Wastewater Utility Proposed Budget includes the continuation of the Utility Master Plan project with an allocation of \$4,000,000 in funds toward the project.
- The Wastewater operating revenue reflects increases as a result of Proposed rate adjustments driven by Miami-Dade Water and Sewer Department's and the City of Miami Beach's wholesale rate adjustments.
- The Proposed Budget includes the appropriate allocation of salary and fringe expenses associate with work performed for the Utility by operating departments and the enhancement of one new Utility Compliance Coordinator position.

BAL HARBOUR

- V I L L A G E -

RESORT TAX

DESCRIPTION

Bal Harbour Village levies a Resort Tax of four percent of the rent received on the occupancy of a room in any hotel, motel, or apartment house, and two percent of such retail sales of all items of food or beverages, alcoholic or otherwise, sold at retail for consumption on the premises, at any place of business within the Village. This levy is consistent with Part I, Chapter 212, of Florida Statutes.

Bal Harbour Village is one of only three Miami-Dade County municipalities to levy such a tax (the other two are The City of Miami Beach and The Town of Surfside), and in doing so has enjoyed the benefits derived from this revenue source for beautification and maintenance of the Village in the beach and Collins corridor areas and reinvesting in the promotion of tourism and enhancing tourist eligible activities throughout the Village. For the FY 2016-17 Proposed Budget, the Resort Tax Funding allocated for beautification, greenspace, and other resort tax eligible activities such as special events and community activities is equivalent to 0.4310 mills, if the services and activities were funded within the General Fund through ad valorem revenue.

FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
RESORT TAX FUND					
REVENUE					
Operating Revenue	3,259,931	3,558,593	3,530,930	3,600,000	3,393,400
Carryforward/ Fund Balance			164,458	476,325	312,700
Capital & Operating Revenue	3,259,931	3,558,593	3,695,388	4,076,326	3,706,000
TOURISM					
Salaries & Benefits	237,321	251,548	191,457	242,124	259,100
Other Operating	1,769,561	1,362,560	1,370,351	1,569,654	1,631,300
Operating Capital	0	0	189,900	291,275	0
TOURISM TOTAL	2,006,882	1,614,108	1,751,708	2,103,052	1,890,400
					0
BEAUTIFICATION/ GREENSPACE /OTHER RESORT TAX ELIGIBLE					
Salaries & Benefits	246,011	279,079	323,327	415,366	361,500
Other Operating	809,888	1,033,577	1,478,578	1,557,907	1,444,500
Operating Capital	0	0	0	0	9,700
BEAUTIFICATION TOTAL	1,055,899	1,312,656	1,801,905	1,973,273	1,815,700
RESORT TAX FUND TOTAL	3,062,782	2,926,764	3,553,613	4,076,326	3,706,000

RESORT TAX

The FY 2016-17 Preliminary Base Budget for Resort Tax includes \$1,890,400 or 51.01% for direct Tourism related activities, Special Events and Community Activities that are also a part of Tourism, at \$220,950 it comprises 6.02%, and \$1,815,700 or 48.99% of the Proposed Budget for the Fund for Beautification and Greenspace Maintenance and other Resort Tax Eligible expenses. The Proposed Budget includes \$312,700 of carryforward funds from the current fiscal year for enhanced marketing related efforts.

Further detail regarding Beautification and Greenspace Maintenance activities are included with the Parks and Public Spaces Departmental Narrative, as these activities are managed within that department.

TOURISM DEPARTMENT

The Tourism Department’s focus is to position Bal Harbour Village as the premier luxury and lifestyle destination worldwide. To continue to re-invest and support the Village by attracting tourism, generating business, creating awareness and building equity for the destination. The goal being that this investment will translate into continued and incremental funds, to be used for increasing the quality of life, beautification maintenance and enhancements, and the ongoing creation of programs and events.

FUNCTION TABLE OF ORGANIZATION



FINANCIAL SUMMARY

	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Proposed Budget
RESORT TAX FUND					
TOURISM					
Salaries & Benefits	237,321	251,548	191,457	242,124	259,100
Other Operating	1,769,561	1,362,560	1,370,351	1,569,654	1,631,300
Operating Capital	0	0	189,900	291,275	0
TOURISM TOTAL	2,006,882	1,614,108	1,751,708	2,103,052	1,890,400
					0

RESORT TAX

Representation In Key Markets

Bal Harbour Village has several contracts strategically located globally for Sales, Marketing, and Public Relations (PR) services. Each office is charged with continuing to develop specific and strategic sales, marketing and PR efforts in each of the major markets which have been identified as important to Bal Harbour: United States, Brazil, Canada, Argentina, Mexico, and Russia.

These markets are intended to offer incremental support, resulting in incremental resort tax revenue from each of those areas. They have been chosen based on a series of indicators, including: in-country economic indicators, existing Bal Harbour business volumes, historical business volumes, and airlift into the greater Miami area.

The focus for Sales and Marketing teams, is to maximize relationships with the top travel trade communities, select end-consumers, and luxury travel distribution channels promoting Bal Harbour as a destination. These targeted direct sales efforts assist in increased production and provide critical support for our partners in each market. The markets in which Bal Harbour Village has Sales and Marketing presence include:

- Argentina
- Brazil
- Canada
- Chile
- Mexico
- U.S.

Our Public Relations efforts are geared toward generating more news worthy attention and media hits for Bal Harbour, and to help build brand equity in each region. Efforts are tracked weekly, monthly and yearly, based on Bal Harbour media hits generated by each office. Value of edit is determined by the advertising value of the article placed. Industry standard indicates advertising value x 3 is equal to public relations value.

The markets in which Bal Harbour has a Public Relations presence include:

- Argentina
- Brazil
- Canada
- Mexico
- Russia

The proposed FY 2016-17 Budget also includes adding a PR presence in the United States (U.S.) and the United Kingdom U.K).

RESORT TAX

Travel In Key Markets

The Respective sales and marketing professionals employed by the Village travel in their respective markets to promote Bal Harbour.

The travel trade (travel agents, tour operators, and consortia) is a very important channel for business production in the luxury travel segment. Through our global network that we have established, and direct sales efforts, we have been able to strategically target this community. Some sales actions initiated during include: sales calls; hosting educational events for key clients from different sectors; sales trainings for front-line agents; and leveraging key travel agent marketing channels

Markets covered within FY 2016-17 schedule/actions include:

- Argentina - Buenos Aires, Cordoba, Mar del Plata, Rosario
- Canada - Toronto and Montreal
- Chile - Santiago de Chile
- Brazil - Sao Paolo, Sao Paolo State (Campinas, Ribeirao Preto), Salvadore, Recife, Rio de Janeiro, Belo Horizonte, Curitiba, Porto Alegre, Florianopolis, Brasilia, and Goania
- Mexico - Mexico City, Monterrey, Merida, and Guadalajara
- U.S. - Key cities in Florida, New York, New Jersey, California, Texas, and other key markets.

Familiarization (FAM) Trips

Familiarization (FAM) Trips refers to all visiting media and travel trade which comes to Bal Harbour Village. Our sales and marketing and PR professionals organize a series of media familiarization trips throughout the year to Bal Harbour. These trips result in subsequent media coverage for Bal Harbour from the visiting journalists and bloggers, which in turn creates media hits and PR for Bal Harbour. These FAM trips are an important component and complement to our advertising efforts.

Advertising

Our advertising efforts are critical in bringing attention to Bal Harbour and in promoting and attracting tourism to our destination. In 2015, Chandelier Creative, which had been selected by the Village to create and design a new creative advertising campaign and brand assets for the Village, finalized the new Village logo and all accompanying creatives and collaterals. As a result, as part of the Village's rebranding efforts, all new and expanded creative and collateral materials have been developed. The Village's all new and rebranded tourism related advertising campaign was approved by the Resort Tax Committee and launched in the Fall 2015 with an updated international media strategy plan. In conjunction with the rebranding efforts, the new Village logo has replaced the old and a style guide is in place and serves as a guide for all communication tools and materials used by the Village.

RESORT TAX

Website

The existence of a completely functional and engaging website and platform is crucial in today's world. The new Bal Harbour tourism website, is being finalized and is expected to replace the current temporary website by the start of the new fiscal year.

Additionally, given the social media climate and the consumer's desire for new content, in addition to the newly configured site, our social media efforts are also being enhanced.

Greater Miami Convention Visitors Bureau (GMCVB)

The Greater Miami Convention and Visitors Bureau (GMCVB) is an accredited destination tourism and marketing organization. Its mission is to promote the Greater Miami area for leisure travel, conventions, business travel and tourism to our area. Bal Harbour is an important area for the GMCVB to promote, specifically in the luxury market. Bal Harbour Village will continue to partner with the GMCVB on joint marketing efforts, particularly with the coop in the annual travel issue of Departures Magazine.

Advertising Placements

Last year in conjunction with the campaign created by Chandelier Creative, the Village partnered with Criterion Global, a leading international media buying consultancy, to develop a strategic and coordinated media plan. Our partnership with Criterion will continue in the next physical year. The advertising plan is comprised of a local, national, and international media buy. The intention is to work with key publications that are closely aligned with Bal Harbour's pillars and represent our targeted demographic and to target our desired population of visitors and tourists.

The timing of placements is based on Bal Harbour's need periods and average booking windows. Bal Harbour's high season (which command highest rates and are at the highest demand) is typically from late November to late April.

Events

Bal Harbour's intention is to build programming and events within the community to benefit our visitors and residents. The programs recommended this year include the continuation of the *Unscripted* Bal Harbour Art Access Program, an expanded Fourth of July fireworks celebration, and several events related to Bal Harbour Village's 70th Anniversary.

The *Unscripted* Bal Harbour Art Program

The *Unscripted* Bal Harbour Art Program has evolved each year, since its inception in 2012. The intention is to support and provide access to the arts, connecting our residents and visitors to a curated program throughout the year.

RESORT TAX

The *Unscripted* Bal Harbour Museum Access Program - Bal Harbour residents and guests receive access to the finest and most dynamic art museums and institutions in South Florida. The program began in the Fall of 2013 and incorporated four of the most important visual arts museums in the Miami area. It has now grown to include a total of 16. A museum guide and Bal Harbour Access card describing the program and each institution was created and sent to all Bal Harbour residents and is offered to Bal Harbour hotel guests as well.

Unscripted Bal Harbour Art Access Tours offers unique access to, and private tours of, some of the Miami areas most sought after art experiences. Tours include visits to collectors' homes, galleries, museums, private collections and art fairs, for a personal and distinctive *Unscripted* Bal Harbour experience. The Access Tours are complimentary and exclusive for Bal Harbour's residents and guests.

Unscripted Bal Harbour Art Chats - *Unscripted* Bal Harbour hosts a series of art chats throughout the year that explore topics pertinent to commissioning public art projects and exhibiting in the public sphere. The program brings art experts—including curators, artists, architects and designers— from around the world to Bal Harbour with the aim of fostering critical dialogue that is both timely and accessible to members of the art community, residents of and guests to Bal Harbour Village. All Art Chats are complimentary.

The Fourth of July Fireworks - Each year Bal Harbour hosts fireworks on the 4th of July, the event is highly anticipated and well attended by residents and guests. This year the celebration was enhanced and included seating, entertainment and refreshments for residents and guests.

To commemorate the Village's 70th anniversary of our incorporation as a municipality, a number of events are being planned that have been reviewed by the Resort Tax Committee to celebrate this important milestone. To begin, a new Village flag has been designed and was officially unveiled in August 2016. Our new flag, features a white background and two waves under the new Village logo. The top wave represents the Atlantic Ocean and the bottom one, Biscayne Bay - the two bodies of water which Bal Harbour resides between. The white background represents the white sand beach that draws tourists from all over the world to our little piece of paradise. In regards to special events, there are two that are being planned to take place in the new fiscal year. These include: a historical 70th anniversary exhibition and tour will be led by Dr. Paul George, a professor of history and local historian, in collaboration with Claire Breukel, head curator of the *Unscripted* Bal Harbour Art Program. This exhibit of historic photographs will be displayed in the Florida Room of the Sea View Hotel and will also include an outdoor companion exhibit along the beach walk. Both the indoor and outdoor exhibits will be up from November through the end of December, 2016. A family friendly concert on Bal Harbour Beach is also being planned to take place in December 2016.

BAL HARBOUR

- V I L L A G E -

POSITION DETAIL

	FY 2012-13 Adopted Budget		FY 2013-14 Adopted Budget		FY 2014-15 Adopted Budget		FY 2015-16 Adopted Budget		FY 2016-17 Proposed Budget	
	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
GENERAL FUND										
Legislative	5.00	-	5.00	-	5.00	-	5.00	-	5.00	-
Administration	4.00	-	5.00	-	6.00	-	6.00	-	6.00	-
Finance	3.00	-	4.00	-	4.00	-	4.00	-	4.00	-
General Government	1.00	-	1.00	-	-	-	-	-	-	-
Law Enforcement	38.00	-	32.00	1.00	38.00	1.00	39.00	1.00	39.00	1.00
Building	2.00	7.00	2.00	2.00	2.00	2.00	4.00	-	4.00	3.00
Parks and Recreation	3.00	5.00	3.00	5.00	2.15	5.00	2.39	5.00	2.39	5.00
Public Works	5.00	1.00	5.00	1.00	5.35	-	1.94	-	1.94	-
Total General Fund	61.00	13.00	57.00	9.00	62.50	8.00	62.33	6.00	62.33	9.00
WATER AND SEWER FUND										
Water and Sewer	2.00	-	2.00	-	1.50	-	3.46	-	4.46	-
Total Water and Sewer Fund	2.00	-	2.00	-	1.50	-	3.46	-	4.46	-
RESORT TAX FUND										
Marketing	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Beautification and Maintenance	2.00	-	2.00	-	4.00	-	4.21	-	4.21	-
Total Resort Tax Fund	3.00	1.00	3.00	1.00	5.00	1.00	5.21	1.00	5.21	1.00
TOTAL VILLAGE	66.00	14.00	62.00	10.00	69.00	9.00	71.00	7.00	72.00	10.00

BAL HARBOUR

- V I L L A G E -

POSITION DETAIL

	FY 2012-13 Adopted Budget		FY 2013-14 Adopted Budget		FY 2014-15 Adopted Budget		FY 2015-16 Adopted Budget		FY 2016-17 Proposed Budget	
GENERAL FUND										
Legislative	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Mayor	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-
Councilmember	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-
Total Legislative	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00
Administration	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Village Manager	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-
Village Clerk	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-
Human Resources Director	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-
Executive Assistant	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-
Records Liason	-	-	1.00	-	1.00	-	1.00	-	1.00	-
Receptionist	-	-	-	-	1.00	-	1.00	-	1.00	-
Total Administration	4.00	0.00	5.00	0.00	6.00	0.00	6.00	0.00	6.00	0.00
Finance	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Finance Director	-	-	1.00	-	1.00	-	1.00	-	1.00	-
Accounting Clerk	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-
Total Finance	3.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00
General Government	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Receptionist	1.00	-	1.00	-	-	-	-	-	-	-
Total General Government	1.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Law Enforcement	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Police Chief	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-
Executive Secretary	-	-	1.00	-	1.00	-	1.00	-	1.00	-
Captain	3.00	-	2.00	-	1.00	-	1.00	-	1.00	-
Management Services Administrator	-	-	-	-	1.00	-	1.00	-	1.00	-
Quality Assurance Coordinator	-	-	-	-	-	1.00	-	1.00	-	1.00
Commander	1.00	-	-	-	-	-	-	-	-	-
Lieutenant	1.00	-	-	-	2.00	-	2.00	-	2.00	-
Sergeant	6.00	-	6.00	-	5.00	-	6.00	-	6.00	-
Detective	2.00	-	2.00	-	2.00	-	2.00	-	2.00	-
Corporal	-	-	-	-	-	-	1.00	-	1.00	-
Motorcycle Officer	3.00	-	2.00	-	-	-	-	-	-	-
Canine Officer/Handler	2.00	-	1.00	-	1.00	-	1.00	-	1.00	-
Officer	10.00	-	9.00	-	13.00	-	12.00	-	12.00	-
Code Enforcement Officer	1.00	-	1.00	-	2.00	-	2.00	-	2.00	-
Public Service Aide	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-
Public Safety Beach Ranger (Resort T	-	-	-	-	1.00	-	1.00	-	1.00	-
Dispatcher	4.00	-	4.00	-	6.00	-	6.00	-	6.00	-
Records Administrator	2.00	-	1.00	1.00	1.00	-	1.00	-	1.00	-
Mechanic	1.00	-	1.00	-	-	-	-	-	-	-
Total Law Enforcement	38.00	0.00	32.00	1.00	38.00	1.00	39.00	1.00	39.00	1.00

BAL HARBOUR

- V I L L A G E -

POSITION DETAIL

	FY 2012-13 Adopted Budget		FY 2013-14 Adopted Budget		FY 2014-15 Adopted Budget		FY 2015-16 Adopted Budget		FY 2016-17 Proposed Budget	
Building	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Building Official*	-	1.00	-	1.00	-	1.00	1.00	-	1.00	-
Permit Clerks	2.00	-	2.00	-	2.00	-	2.00	-	2.00	-
Clerical Assistant	-	1.00	-	1.00	-	1.00	1.00	-	1.00	-
Inspectors	-	5.00	-	-	-	-	-	-	-	3.00
Total Building	2.00	7.00	2.00	2.00	2.00	2.00	4.00	0.00	4.00	3.00
*Building Official will become a full-time employee										
Recreation	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Parks & Public Spaces Director					0.15	-	0.10	-	0.10	-
Parks and Rec. Director	1.00	-	1.00	-	-	-	-	-	-	-
Park Attendants	2.00	5.00	2.00	5.00	2.00	5.00	2.29	5.00	2.29	5.00
Total Recreation	3.00	5.00	3.00	5.00	2.15	5.00	2.39	5.00	2.39	5.00
Public Works	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Parks & Public Spaces Director					0.35	-	0.24	-	0.24	-
Operations Coordinator	1.00	-	1.00	-	0.15	-	0.15	-	0.15	-
Maintenance Staff	4.00	-	4.00	-	2.00	-	0.70	-	0.70	-
Management Analyst					0.30	-	0.30	-	0.30	-
Secretary	-	1.00	-	1.00	-	-	-	-	-	-
Facilities Coordinator					1.00	-	0.55	-	0.55	-
Total Public Works	5.00	1.00	5.00	1.00	3.80	0.00	1.94	0.00	1.94	0.00
TOTAL GENERAL FUND	56.00	13.00	52.00	9.00	55.95	8.00	57.33	6.00	57.33	9.00
WATER AND SEWER FUND										
Water and Sewer	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Parks & Public Spaces Director	1.00	-	1.00	-	0.30	-	0.33	-	0.33	-
Maintenance Staff	1.00	-	1.00	-	1.20	-	3.13	-	3.13	-
Utility Compliance Officer									1.00	-
Total Water and Sewer	2.00	0.00	2.00	0.00	1.50	0.00	3.46	0.00	4.46	0.00
TOTAL WATER AND SEWER FUND	2.00	0.00	2.00	0.00	1.50	0.00	3.46	0.00	4.46	0.00
RESORT TAX FUND										
Marketing	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Tourism/Marketing Director	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-
Assistant	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00
Total Marketing	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Beautification and Maintenance	FT	PT	FT	PT	FT	PT	FTEs	PT	FTEs	PT
Parks & Public Spaces Director					0.20	-	0.33	-	0.33	-
Maintenance Staff	2.00	-	2.00	-	4.35	-	3.88	-	3.88	-
Total Beautification and Maintenance	2.00	0.00	2.00	0.00	4.55	0.00	4.21	0.00	4.21	0.00
TOTAL RESORT TAX FUND	3.00	1.00	3.00	1.00	5.55	1.00	5.21	1.00	5.21	1.00
TOTAL VILLAGE	66.00	14.00	62.00	10.00	68.00	9.00	71.00	7.00	72.00	10.00



BAL HARBOUR

- VILLAGE -