

# Popular Annual Financial Report

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

### City of Miami Gardens



# *City of Miami Gardens*

**CITY OF MIAMI GARDENS, FLORIDA**

**CITY OFFICIALS**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2017**

**CITY COUNCIL**

**Oliver Gilbert III, Mayor  
Erhabor Ighodaro, Ph.D., Vice Mayor  
Rodney Harris, Council Member  
Felicia Robinson., Council Member  
Lillie Odom, Council Member  
Lisa Davis, Council Member  
David Williams Jr., Council Member**

**CITY MANAGER**

**Cameron D. Benson**

**CITY CLERK**

**Ronetta Taylor, MMC**

**CITY ATTORNEY**

**Sonja Knighton Dickens**

**FINANCE DIRECTOR**

**Patricia Varney, CGFO**





Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**City of Miami Gardens  
Florida**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

*Christopher P. Morill*

Executive Director/CEO

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## About this Financial Report

The City of Miami Gardens is proud of its accomplishments over the past year. This is why we are equally proud to present our residents and businesses with the City's Tenth Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2017.

This report provides a summary of the City's major financial and non-financial accomplishments during fiscal year 2017. As stewards of your money, we believe that it is important to share this information with you so that you will have confidence that your elected officials and City staff are doing their best to make Miami Gardens a great place to live and work.

The PAFR is a summary of the financial activities of the City's governmental funds, and was drawn from information found in the 2016 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and includes financial statements audited by the City's independent auditor, Anthony Brunson, P.A. The financial amounts on pages 6 – 7 and page 12 are derived from the government-wide statements in the City's comprehensive annual financial report.

Unlike the CAFR, the PAFR is un-audited and presented on a non-GAAP basis. The GAAP basis presentation in the CAFR includes the presentation of individual funds, as well as full disclosure of all material events, financial and non-financial, in notes to the financial statements. Copies of the CAFR, PAFR, and the Financial Trends Reports are available for public viewing at City Hall and online at [www.miamigardens-fl.gov](http://www.miamigardens-fl.gov).

## Profile of the City

The City of Miami Gardens, Florida, was incorporated on May 13, 2003, as the 33<sup>rd</sup> municipality in Miami-Dade County, and at a population of 111,198 is the County's third largest city after the City of Miami and Hialeah. Located in North-Central Miami-Dade County, it stretches from I-95 and NE 2nd Avenue on the East, to NW 47<sup>th</sup> and NW 57<sup>th</sup> Avenues on the West, and from the Broward County line on the North, to NW 151<sup>st</sup> Street on the South. The City comprises approximately 20 square miles.

Miami Gardens is a solid, working and middle class community of unique diversity. It is the largest predominately African-American municipality in the State of Florida and boasts many Caribbean residents. It is the home to the Miami Dolphins and to Calder Casino and Race Course. It has vibrant commercial corridors along the Palmetto Expressway serving as a central shopping district for furniture trade, and along North U.S. 441 serving the automobile trade.

The City is blessed with a central location being midway between the cities of Fort Lauderdale and Miami, and is traversed by I-95, the Palmetto Expressway and the Florida turnpike. It has rail access through the Florida East Coast Railway and the South Florida Tri-rail system. There are three high schools and two private universities located within the City's boundary.

The City operates under the Mayor-Council-Manager form of government. Elected officials include the mayor and six council members. There are four members from individual resident districts, with the remaining two council members being elected at-large by citywide vote. The mayor is also elected at-large. The Council appoints the City Clerk, City Attorney and the City Manager who is responsible for implementing policies adopted by the City Council.

The City provides its residents with many municipal services. For public safety, this includes Police, School Crossing Guards, Building and Code Enforcement. Fire Services are provided by Miami-Dade County. The Public Works Department provides street maintenance, street beautification and drainage improvements. Other municipal services include zoning services, comprehensive land use and planning, recreational services, and other support services. The City has one enterprise fund, the Stormwater fund. All these services are under the supervision and leadership of the City Manager.

## Accomplishments for Fiscal Year 2017

Some of the major accomplishments for the City that have the most impact on City operations and levels of service to our residents are as follows:

- Completed the sale of the 15 acre economic development property purchased by the City in 2009
- Fitch rating agency upgraded the City's bond from "A" to "A+"
- Completion of Betty T. Ferguson lighting upgrade and gymnasium renovation
- Near completion of the Bunche Pool project.
- Completion of the Brentwood Pool Outdoor Fitness Center.
- Police Department coordinated a successful First Annual "Peace in the Gardens" Community Event.
- Introduced the "Golf Instead of Guns" pilot program that offers step-by-step lessons to introduce the game of golf and bring social and emotional learning, critical thinking and resilience building exercises to students in grades 3-5.
- Reduced vehicle burglaries by 10%.
- Implemented a smart phone/web anonymous crime reporting system (Digital Gardens).
- Burglaries reduced by 41% compared to the same period of time from previous fiscal year.
- Purchased and deployed three (3) license plate reader trailers.
- Recreation Department had partnered with Feeding South Florida to offer fresh produce program; partnered with Progressive Firefighters Charities for free 10 weeks swimming program for ages 6-16; partnered with William Turner's Computer Literacy to offer computer literacy programs for 50 and over.
- Implemented weekend services for the two trolleys.
- Completion Vista Verde Phase Two drainage improvement project.
- Received from Government Finance Officers Association the Distinguished Budget Presentation Award, Certificate of Achievement for Excellence in Financial Reporting and Popular Annual Financial Reporting.
- Completed the sale of the 15-acre economic development property that the City purchased in FY 2009.

## Accomplishments for Fiscal Year 2017 (Continued)



*Resurfacing Project  
Bunche Park West*



*Construction of new sidewalk*

# Accomplishments for Fiscal Year 2017 (Continued)

## *Neighborhood Stabilization Program Grant Before & After*



**Before**



**After**

## *Tree Planting Project*



## *Bunche Pool*

Accomplishments for Fiscal Year 2017 (Continued)



*Seniors Program*



*Aqua Fit Program*



*Sports Program*



*STEM Camp (Science, Technology, Engineering & Math)*

# Financial Highlights

The financial summaries presented on Tables #1 and 2 are based upon a condensed view of the City's assets and liabilities for all funds as of September 30, 2017, the end of the City's fiscal year.

**Table #1**

## Net Positions

As of September 30, 2017 and 2016 (net of depreciation)				
	2017	2016	\$ Increase (Decrease)	% Increase (Decrease)
Current Assets	\$ 110,401,286	\$ 107,442,898	\$ 2,958,388	2.75%
Capital Assets	<u>324,764,342</u>	<u>342,406,967</u>	<u>(17,642,625)</u>	-5.15%
<b>Total Assets</b>	<b>435,165,628</b>	<b>449,849,865</b>	<b>(14,684,237)</b>	<b>-3.26%</b>
Deferred Outflow of Resources	18,520,915	21,166,535	(2,645,620)	-12.50%
Long Term Liabilities	210,465,018	221,535,569	(11,070,551)	-5.00%
Other Liabilities	<u>22,105,881</u>	<u>17,051,654</u>	<u>5,054,227</u>	29.64%
<b>Total Liabilities</b>	<b>232,570,899</b>	<b>238,587,223</b>	<b>(6,016,324)</b>	<b>-2.52%</b>
Deferred Inflow of Resources	1,215,755	4,515,792	(3,300,037)	-73.08%
<b>Net Position</b>	<b><u>\$ 219,899,889</u></b>	<b><u>\$ 227,913,385</u></b>	<b><u>\$ (8,013,496)</u></b>	<b><u>-3.52%</u></b>

**Current Assets** are highly liquid and include cash, investments and receivables. The current assets has an increase of 2.75%

**Capital Assets** are the City's long term investments in land, buildings, equipment and machinery, infrastructure, and construction in progress. Capital assets are shown at their original cost less accumulated depreciation. The City uses these capital assets to provide services to the residents; consequently these assets are not available for future spending. Capital assets in the Governmental Activities (net of depreciation) decreased from \$326.3 million in FY2016 to \$309.1 million in FY2017. This year's major capital asset additions before depreciation for the governmental activities equaled approximately \$7.6 million. The City sold the 15 acre economic development land resulting in a deletion of \$7.3 million. The depreciation expense for FY 2017 is approximately \$17.6 million. The major additions include the following:

- \$4.01 million construction in progress for General Obligation bond parks improvement projects
- \$876,190 in vehicle and equipment purchase, such as body camera and IT equipment
- \$1.1 million for infrastructure improvements such as road re-surfacing, sidewalks.

	Governmental Activities	Business-type Activities	Total
Land	\$ 31,464,806	\$ -	\$ 31,464,806
Art in Public Places	232,472	-	\$ 232,472
Buildings	67,122,028	-	67,122,028
Improvements other than Bldg.	6,096,806	-	6,096,806
Equipment	3,938,652	75,822	4,014,474
Other Assets	665,229	-	665,229
Infrastructure	193,160,157	15,564,158	208,724,315
Construction-in-progress	<u>6,371,149</u>	<u>73,063</u>	<u>6,444,212</u>
	<b><u>\$ 309,051,299</u></b>	<b><u>\$ 15,713,043</u></b>	<b><u>\$ 324,764,342</u></b>

The business-type activities reported approximately \$22.2 million in capital asset before depreciation which is mainly for stormwater utility. After depreciation (decline of value over the estimated life of the assets) is \$15.7 million.

Governmental Activities are mostly supported by taxes and intergovernmental revenues. Business type activities are those activities which primarily support themselves through user fees or other charges. The City of Miami Gardens has one business type fund, the Stormwater Fund. This fund relies on the stormwater assessments of \$48 per ERU (equivalent residential unit) per year to support the stormwater operations to avoid flooding during the rainy season.

## Financial Highlights (continued)

**Long term liabilities** represent debt obligations of the City from long term financing or other liabilities due longer than one year such as pension and other post-employment costs.. The proceeds of these debt issues are used to finance capital improvements. With the implementation of GASB 68 and 71 which required municipalities to recognize pension liabilities differently, the City’s long term liabilities decreased by 5%.

**Net positions** represent assets less liabilities. The largest portion of the City’s Net Position reflects its net investment in capital assets (\$235.56 million). Although the City’s investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since capital assets themselves cannot be used to liquidate these liabilities. Of the City’s total Net Position, unrestricted Net Position is (\$31.06 million) after accounting for compensated absences, depreciation expenses, pension liability, other post-employment obligations and accrued interest payable.

### Change in Net Position

**Table #2**

For Fiscal Year Ended September 30, 2017, 2016				
	2017	2016	\$ Increase (Decrease)	% Increase (Decrease)
<b>Revenues</b>				
Property Taxes	\$ 29,299,174	\$ 27,332,192	\$ 1,966,982	7.20%
Franchise fees	3,076,242	3,537,910	(461,668)	-13.05%
Utility Taxes	10,489,627	10,395,944	93,683	0.90%
Intergovernmental Revenue	19,819,628	19,202,180	617,448	3.22%
Misceallenous	3,267,134	6,593,687	(3,326,553)	-50.45%
Investment Earnings	1,099,703	566,849	532,854	94.00%
Charges for Services	21,765,199	21,104,511	660,688	3.13%
Operating Grants	2,923,990	2,639,895	284,095	10.76%
Capital Grants	311,351	1,630,054	(1,318,703)	-80.90%
Loss on sale of capital assets	(3,072,575)	-	(3,072,575)	-100.00%
<b>Total Revenues</b>	<b>88,979,472</b>	<b>93,003,221</b>	<b>(4,023,750)</b>	<b>-4.33%</b>
<b>Expenses:</b>				
General Government	22,342,383	24,890,226	(2,547,843)	-10.24%
Public Safety	40,627,044	37,327,259	3,299,785	8.84%
Public Works	16,225,866	16,246,746	(20,880)	-0.13%
Recreation	6,786,784	6,864,744	(77,960)	-1.14%
Economic & Physical Environment	1,133,556	1,460,882	(327,326)	-22.41%
Human Services	136,161	396,981	(260,820)	-65.70%
Stormwater	2,305,965	2,389,114	(83,149)	-3.48%
Interest on long term debt	7,435,209	7,460,875	(25,666)	-0.34%
<b>Total Expenses</b>	<b>96,992,968</b>	<b>97,036,827</b>	<b>(43,859)</b>	<b>-0.05%</b>
Change in Net Positions	(8,013,496)	(4,033,606)	(3,979,890)	98.67%
Net Position - Beginning	227,913,385	231,946,991	(4,033,606)	-1.74%
<b>Net Position - Ending</b>	<b>\$ 219,899,889</b>	<b>\$ 227,913,385</b>	<b>\$ (8,013,496)</b>	<b>-3.52%</b>

**Total revenues** on table #2 decreased 4.332% during FY2017. The decrease is partly attributed to the loss on sale of the 15 acre property. Further in FY 2016, the City received a settlement of \$3.5 for the City Hall project which is a one-time revenue source. Decrease in franchise fee is attributed to lower fuel rate and consumption affecting the electric franchise fee. Better cash flow and higher interest rate attributed to increase in investment earnings. Higher Recreation revenues and off duty police services resulted in increase in the Charges of services. The City Council levied the same millage rate as FY 2016 and with increase in property value attributed to the increase in property taxes.

**Total expenses** on table #2 increased by .05%. The General Government decrease while partial increase in Public Safety is attributed to pension costs allocation between the two categories. The remaining increase is attributed to depreciation expenses for the Real Time Crime Center equipment and body cameras.

## Financial Highlights (continued)

### Types of Funds

#### Governmental Funds

- **General Fund** accounts for revenues and expenditures associated with the general operations of the City that are not required to be accounted for in separate funds.
- **Special Revenue Funds** account for proceeds of specific revenue sources that are legally restricted for specific purposes. (e.g. streets and schools). The City of Miami Gardens has seven special revenue funds: Impact Fees, Community Development Block Grant, State Housing Initiative Partnership Grant, Development Services, Law Enforcement Trust Fund, Grant Fund, Brick Paver Fund and the Transportation Fund.
- **Capital Projects Funds** account for the financial resources used for the construction and/or acquisition of major capital facilities. The City has one capital projects fund.
- **Debt Service Funds** account for the financial resources used for the payment of principal and interest on all of the City's debt. The City has one debt service fund.

#### Enterprise Funds

**Enterprise Funds** account for activities the City operates similar to private businesses. The City of Miami Gardens has one enterprise fund for the fiscal year ending September 30, 2016, the Stormwater fund.

The PAFR will focus on the four major funds of most interest to citizens: the General Fund, Stormwater Fund, Transportation Fund, and the Capital Projects Fund.

### General Fund

**Fund Balance-** Fund Balance is the excess of what the City owns (assets) over what the City owes (debts or liabilities). The percentage the Government Finance Officers Association recommended as a best practice is 15-25%. As of September 30, 2017, the City's unassigned general fund balance, available sources of funds that are not subject to any constraints, is \$14.8 million, an increase of 1.6 million. This represents 19.5% of the FY 2018 operating budget.

**General Fund Revenues-** Compared to the prior year, total General Fund revenues increased by \$2.82 million or 4.11% in fiscal year 2017. Property Taxes, Intergovernmental Revenue, Grants, Interest Earnings and Fines and Forfeitures reflected the majority of the increase. The only decrease compared to FY 2016 is the franchise fee category attributed to electric franchise fees.

## Financial Highlights (continued)

Property Taxes attributed to 36.6% of the City's total General Fund revenue sources for fiscal year 2017. Tables 3 and 4 below provide information of the City's top taxpayers as well as top ten largest employers, to better acquaint the readers with the City's source of ad valorem revenue

**Table #3**

### Top Ten Taxpayers

(amounts expressed in thousands)				
Taxpayer	Assessed Valuation	Industry or Business Type	Rank	Total Assessed Valuation
HARD ROCK STADIUM	200,901	Sports/Entertainment	1	5.6%
CALDER RACE COURSE, INC.	59,015	Sport/Entertainment	2	1.6%
WALMART STORES EAST LP	50,417	Retail	3	1.4%
DORSAN DEVELOPMENT	42,666	Real Estate	4	1.2%
CONTINGENTAL EQUITIES INC	34,424	Real Estate	5	1.0%
THE CORNERSTONE GROUP	27,840	Real Estate	6	0.8%
CAPO & SONS CORP	23,991	Real Estate	7	0.7%
WALDEN POND LTD	22,338	Real Estate	8	0.6%
ADVENIR AT WALDEN LAKE	22,180	Real Estate	9	0.6%
LINCOLN SQUARE OFFICE LLC	16,189	Real Estate	10	0.5%
	<u>\$ 499,961</u>			<u>13.9%</u>

**Table #4**

### Top Ten Employers

<u>EMPLOYER</u>	<u>EMPLOYEE</u>	<u>RANK</u>	<u>% OF TOTAL</u>
HARD ROCK STADIUM	2,000	1	36.36%
WALMART	864	2	15.71%
CITY OF MIAMI GARDENS	482	3	8.76%
ST. THOMAS UNIVERSITY	435	4	7.91%
UNITED AUTOMOBILE INSURANCE CO.	428	5	7.78%
US POST OFFICE	275	6	5.00%
CALDER RACK TRACK	270	7	4.91%
LEHMAN DEALERSHIPS	264	8	4.80%
BRANDSMART USA	250	9	4.55%
FLORIDA MEMORIAL UNIVERSITY	232	10	4.22%
	<u>5,500</u>		<u>100.00%</u>

## Financial Highlights (continued)

**Table #5 (General Fund)**

### Revenue by Types

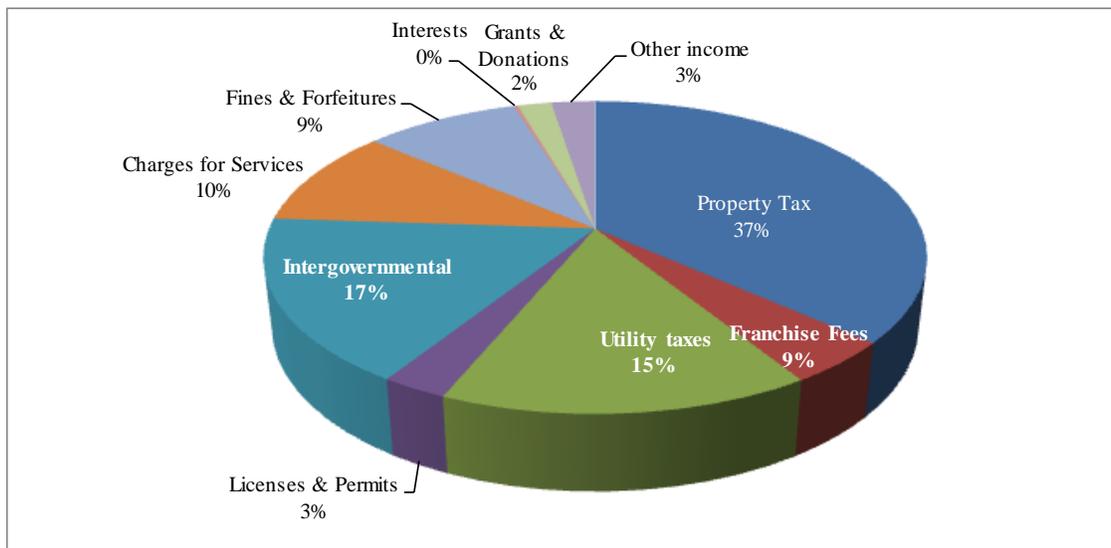
	2017		2016		Variance	Variance
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property Tax	\$25,142,514	36.6%	\$ 23,189,449	35.2%	\$ 1,953,065	8.42%
Franchise Fees	3,076,242	4.5%	3,537,910	5.4%	(461,668)	-13.05%
Utility taxes	10,489,627	15.3%	10,395,944	15.8%	93,683	0.90%
Licenses & Permits	1,879,477	2.7%	1,851,028	2.8%	28,449	1.54%
Intergovernmental	11,687,189	17.0%	11,440,352	17.4%	246,837	2.16%
Charges for Services	6,966,327	10.1%	6,834,232	10.4%	132,095	1.93%
Fines & Forfeitures	6,211,277	9.0%	6,049,004	9.2%	162,273	2.68%
Interests	164,136	0.2%	57,886	0.1%	106,250	183.55%
Grants & Donations	1,351,012	2.0%	956,501	1.5%	394,511	41.25%
Other income	1,756,142	2.6%	1,589,008	2.4%	167,134	10.52%
<b>TOTAL REVENUE</b>	<b>\$68,723,943</b>	<b>100.0%</b>	<b>\$ 65,901,314</b>	<b>100.0%</b>	<b>\$ 2,822,629</b>	<b>4.28%</b>

The reasons for the major variances are as follows:

- Increase in property tax is attributed to Council adopting the same millage rate of 6.9363 for FY 2017 instead of the roll-back rate of 6.3964
- Decrease in franchise fee is attributed lower fuel costs and consumption for electric franchise fees.
- Increase in intergovernmental revenue is attributed to State Revenue Sharing.
- Increase in fines is attributed an increase in fines revenues collected for Red Light cameras.
- Increase in grant is attributed to the funding for the Community Oriented Policing Services grant and sponsorships received for Council's special events.
- Increase in Other income is attributed to insurance reimbursements.

A breakdown of the composition of the revenues is provided below:

### Where the Money Came From



## Financial Highlights (continued)

### General Fund Expenditures

Table #6 shows that expenditures in the General Fund is \$354,282 higher than FY 2016. Increase in General Government is special election held in December 2016, Council special events which is offset by some sponsorships received, and Planning and Zoning contractual services which is also offset by Planning and Zoning Fees received. Decrease in Public Safety and Culture and Recreation are attributed to vacancies.

**Table #6**

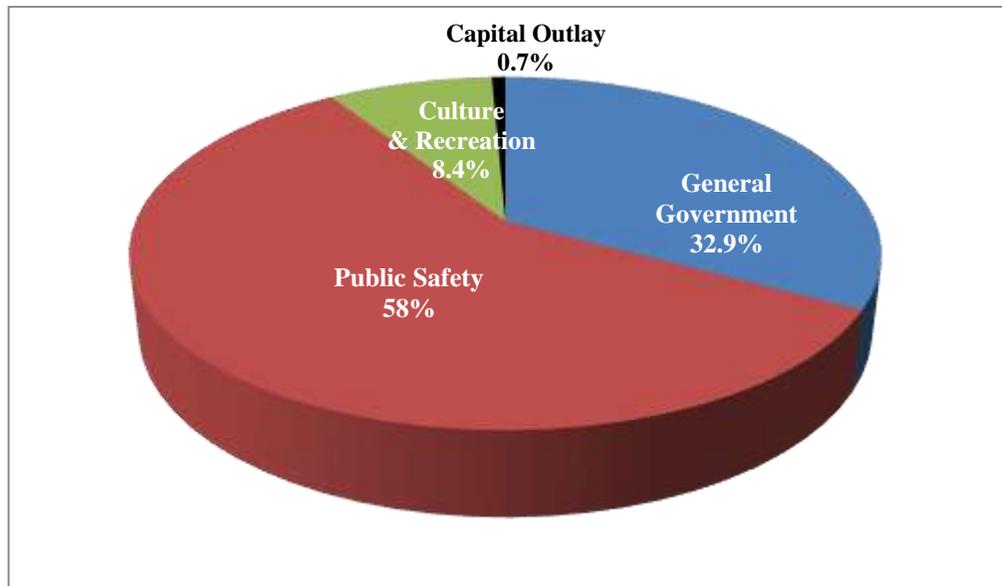
### Expenditures by Categories

	2017		2016		Variance	Variance
	Amount	% of Total	Amount	% of Total	Amount	Percent
General Government	\$ 19,545,737	33.42%	\$ 18,942,307	32.39%	\$ 603,430	3.19%
Public Safety	33,896,992	57.96%	34,018,249	58.17%	(121,257)	-0.36%
Culture & Recreation	5,041,321	8.62%	5,169,212	8.84%	(127,891)	-2.47%
<b>TOTAL</b>	<b>\$ 58,484,050</b>	<b>100.00%</b>	<b>\$ 58,129,768</b>	<b>100.00%</b>	<b>\$ 354,282</b>	<b>0.61%</b>

The City spent 58 cents of every dollar received in revenues on public safety costs (police, school crossing guards, and code enforcement) and approximately 9 cents on parks and recreation. This means that almost 67 cents of every dollar goes to cover the costs of providing these two direct services to our residents, while 33 cents goes to administration, special events, and internal services such as purchasing, fleet maintenance and information technology.

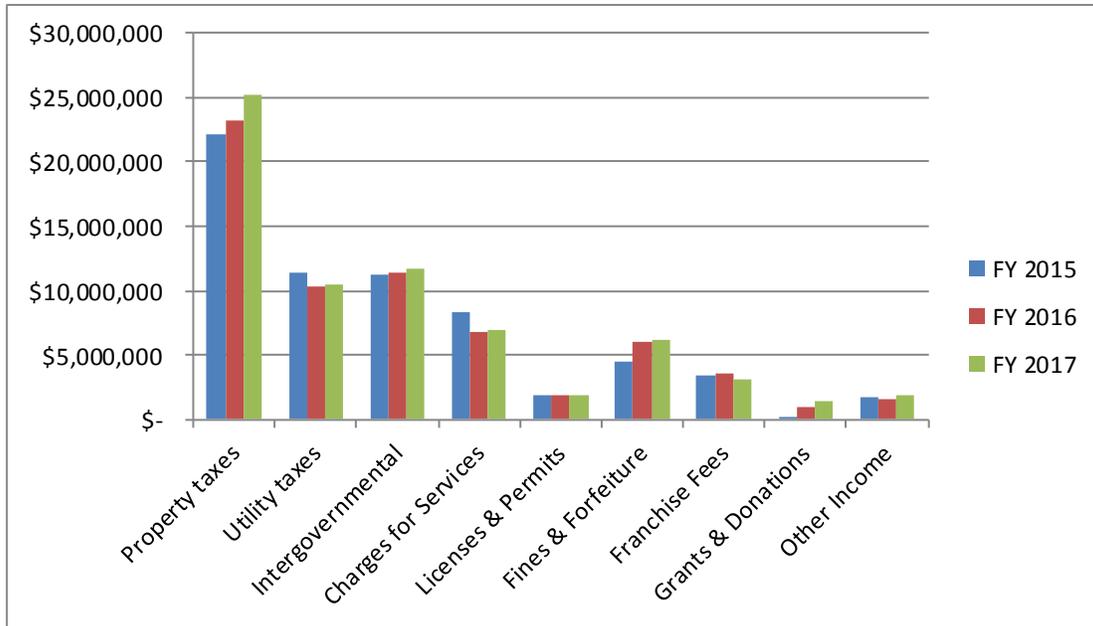
The following chart details the way resources from the General Fund were used:

### How Was the Money Spent

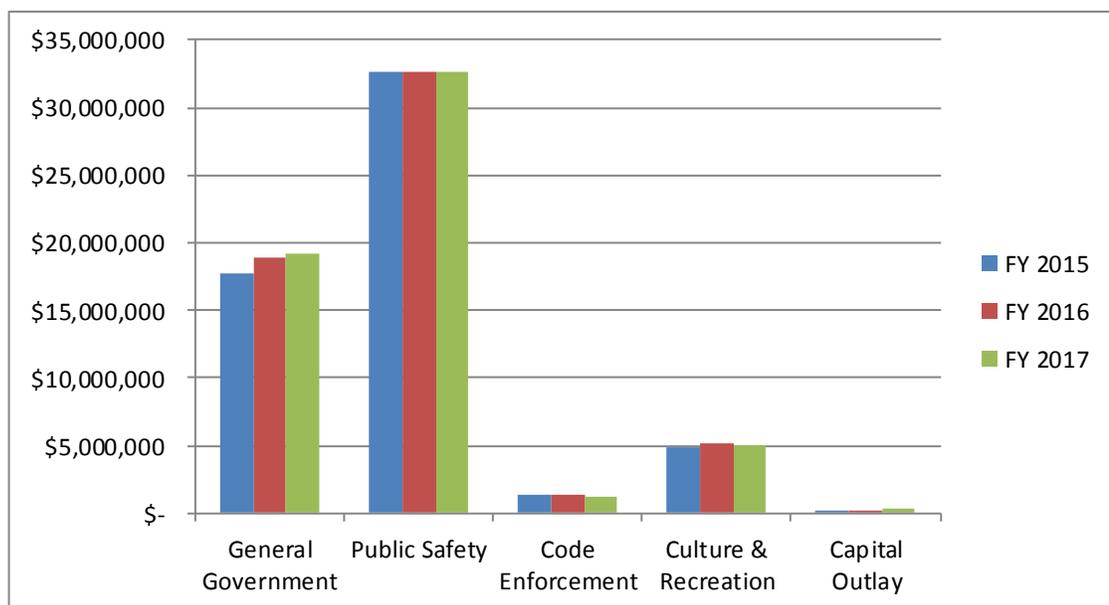


## Financial Highlights (continued)

### Three Year Trend History of Revenue



### Three Year Trend History of Expenditures



## Financial Highlights (continued)

### Capital Projects Fund

Revenues for the City’s capital projects fund include grant revenue, rebate from Build America Bonds and transfers from the General Fund totaling \$7.84 million. The expenditures were \$15.45 million which includes a \$9.2 million transfer to the debt service fund. At the end of the fiscal year, the Capital Projects fund has a restricted fund balance of \$61.4 million mostly derived from the unspent bond proceeds. The Unassigned Fund Balance is \$514,921.

### *Transportation Fund*

Revenues for the transportation fund were \$8.1 million, of which approximately \$7.67 million is derived from gas tax, CITT (Citizens Independent Transportation Trust) and State Revenue Sharing distribution. Expenditures were \$5.5 million which includes \$777,948 transfer to the Debt Service Fund. The expenditures are mainly used to maintain the City’s streets which include sidewalks and streets resurfacing and all beautification projects in our roadways. The restricted fund balance for year-end was \$12,753,273 compared to \$9,984,147 in FY 2016.

### *Stormwater Fund*

The Stormwater fund is the City’s only enterprise fund. The City executed an interlocal agreement with Miami-Dade County in 2007 to take over operation of the system. Stormwater revenues for fiscal year 2017 were \$3.6 million and operating expenditures were \$2.1 million. This created operating income of \$1.5 million. After interest expense, transfer to General Fund and Transportation Fund for overhead costs, the ending unrestricted net position for fiscal year 2017 was \$3,494,631 compared to \$2,691,155 in FY 2016.

### *Long Term Liabilities*

At year-end, the City had \$145.93 million in governmental activities debt outstanding. The outstanding debt for the business-type activities was \$6.12 million. The City issued a \$60 million General Obligation Bond in July 2014 approved by the voters. As of September 30, 2016, Moody’s and S&P have assigned underlying ratings of “A1”, and “A+” respectively to the General Obligation Bonds. These ratings indicate that the City is in a stable and satisfactory financial position. The remaining of the long term liability are attributed to Pension and Compensated Absences totaling \$66.9 million.

	Governmental Activities	Business-Type Activities	Total
Due to Miami-Dade County	\$ 3,777,150	\$ 6,125,572	\$ 9,902,722
Revenue Bond	18,127,080	-	18,127,080
Capital Lease	759,226	-	759,226
Certification of Participations	49,270,000	-	49,270,000
Taxable Revenue Bond	12,116,440	-	12,116,440
General Obligation Bond	55,755,000	-	55,755,000
Pension Liability	58,303,747	481,520	58,785,267
Compensated Absences	8,078,992	58,524	8,137,516
	<u>\$ 206,187,635</u>	<u>\$ 6,665,616</u>	<u>\$ 212,853,251</u>

Fiscal year 2018 will mark a remarkable year with the following projects to be accomplished:

- ✓ Complete Bunche Pool project.
- ✓ Began numerous General Obligation bond parks improvement projects at A.J. King Park, Bucanner park, Bunche Park
- ✓ Begin Vista Verde Phase III drainage project
- ✓ Complete the installation for the photovoltaics cells at the City Hall and Police Headquarters Building for electricity efficiency and apply for the L.E.E.D. certification
- ✓ Complete sale of City owned 5 acre property and 35 acre economic development property to developer

In fiscal year 2009, the City was required to implement Statement 45 of the Governmental Accounting Standards Board. This statement required the City to recognize the future cost of “other post-employment benefits” (OPEB). This includes retiree medical insurance even though the City does not pay for the premiums. The calculation by an independent actuary indicated the OPEB costs for FY 2017 is \$996,000 for retiree insurance. The City only funds the stipend costs for health insurance for retirees and for fiscal year 2017, the amount was \$138,000. However, since we did not fund any of the future costs, an amount of \$858,000 is recognized as an additional liability, bringing the total OPEB liability to \$6,880,757. This results in a reduction of the City’s net position.

There are numerous commercial projects such as 24 hour fitness center, multi-story Dutch Pot Restaurant and Mercedes-Benz addition and the completion of the Top Golf facilities at the end of the FY 2017 that will increase the property value for the City in future years. There are also housing projects in progress that will create 70 units of townhomes, 51 single family homes and 259 units of residential rentals.

In FY 2009 the City purchased two pieces of economic development property. The sale for one of the parcel is completed. The City is currently actively negotiated the sale of the remaining 35 acre economic development land. Further, the City is also in negotiation of selling a 5 acre city owed property to developer. The City will utilize the sale proceeds to payoff any existing loan on the properties and any additional proceeds from the sale of the land will be deposited to the City’s General Fund fund balance.

For Fiscal Year 2018, the City adopted a millage rate of 6.9363, the same rate as FY 2017. State law requires municipalities to first consider adoption of the “rolled-back rate” which is the millage rate that would generate the same amount of property tax revenues as the prior year. Any rate above the “rolled-back rate” is considered by State law to be a tax increase. Although the City adopted the same millage rate as FY 2017, the City’s total taxable value increased, thus resulting in a tax increase.

Some of the financing of the City Hall bond utilized Build America Bonds. The federal government has reduced the rebate of the Build America Bond which increases the City’s annual debt payments.

The Florida legislature began its 2018 session in January, 2018. There are proposed bills which may affect the City’s future revenue or control such as The City and the Florida League of Cities will closely monitor these bills and the effect it may have on the City.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Miami Gardens for its Popular Annual Financial Report for the fiscal year ended September 30, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Miami Gardens has received a Popular Award for the last ten consecutive years (fiscal years ended 2007-2016). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Further, GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miami Gardens for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016. The City received, for the thirteenth straight year, the Distinguished Budget Presentation Award for its FY 2016-17 budget.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance department. Finally, we would also like to thank the various operating departments for their timely contributions in the writing of this report.

**For more information on this report or the City's finances, please call the Finance Department at 305-622-8000.**