

# City of Miami Gardens

Florida

Popular Annual Financial Report  
For Fiscal Year Ended September 30, 2016



2016 POPULAR ANNUAL FINANCIAL REPORT



**CITY OF MIAMI GARDENS, FLORIDA**

**CITY OFFICIALS**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2016**

**CITY COUNCIL**

**Oliver Gilbert III, Mayor  
Felicia Robinson, Vice Mayor  
Rodney Harris, Council Member  
Erhabor Ighodaro, Ph.D., 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,  
2015**

Executive Director/CEO

# Tables of Contents

	<u>Page</u>
About this Report/Profile of the City .....	1
Accomplishments in Fiscal Year 2016 .....	2-5
Financial Highlights	
Citywide Net Position and Capital Assets .....	6
Citywide Change in Net Position.....	7
Types of Funds .....	8
General Fund .....	9-12
Other Funds. ....	13
Long Term Debt .....	13
For the Future and Economic Factors .....	14
Awards & Acknowledgements .....	15

## 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, 2016.

This report provides a summary of the City's major financial and non-financial accomplishments during fiscal year 2016. 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 2016

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:

- Completion of the Police Headquarters.
- Completed Vista Verde Livable Neighborhood drainage projects.
- Purchased two showmobiles.
- Completion of the Real Time Crime Center.
- Began multiple General Obligation Bond projects on parks improvements, such as Bunche Pool, Norwood Park and Pool, Betty T. Ferguson Community Center.
- Completion of the Brentwood Pool Outdoor Fitness Center.
- The City held its 2nd July 4<sup>th</sup> celebration with approximately 2,000 attendances.
- The City implemented Amendment 11 which provides additional homestead exemption equal to the assessed value of homestead property if the property has a just value less than \$250,000 to an owner who has maintained permanent residency on the property for not less than 25 years, who has attained age 65 and who has a low household income as defined by general law.
- The City received \$3,500,000 lawsuit settlement for the construction of the City Hall project.
- Crime rate for burglaries were reduced by 5.5%, robberies by 6.9% and murder by 25%.
- Instituted a Predictive Policing program, utilizing readily available analytical computer solutions to specific geographical focus locations for patrol officers to thwart potential crimes, with the goal of reducing crime by approximately 8%
- Received from Government Finance Officers Association the Distinguished Budget Presentation Award, Certificate of Achievement for Excellence in Financial Reporting and Popular Annual Financial Reporting.
- Community Development Block Grant funds allowed for renovation of 18 single family homes, and helped to provide over 1,000 individuals and families with services such as after school tutoring, food pantry, meal delivery, job skill development and placement, and other services targeted toward youth and seniors. CDBG also funded an infrastructure improvement project in the low-income neighborhood of Vista Verde to improve the stormwater drainage throughout the neighborhood.
- Neighborhood Stabilization Program funds allowed for the rehabilitation of 2 single family homes. We also demolished 4 properties that had been deemed unsafe by the City's Unsafe Structures Board.
- State Housing Initiative Partnership Program funds allowed for the completion of 16 single family emergency home rehabilitations and provided a total of \$40,000 Down Payment Assistance for 2 first-time home buyers.

## Accomplishments for Fiscal Year 2016 (Continued)



*Drainage Project Before and After at  
Vist Verde Neighborhood*



*Construction of new sidewalk*

*Sidewalk and Resurfacing*



# Accomplishments for Fiscal Year 2016 (Continued)

## *State Housing Incentive Grant Project Before & After*



**Before**



**After**

## *Showmobile*



## *Real Time Crime Center*

Accomplishments for Fiscal Year 2016 (Continued)



*Seniors Program*



*Sports Program*



*Kids Program*



# 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, 2016, the end of the City's fiscal year.

**Table #1**

## Net Positions

As of September 30, 2016 and 2015 (net of depreciation)				
	2016	2015	\$ Increase (Decrease)	% Increase (Decrease)
Current Assets	\$ 107,442,898	\$ 97,782,892	\$ 9,660,006	9.88%
Capital Assets	<u>342,406,967</u>	<u>354,610,482</u>	<u>(12,203,515)</u>	-3.44%
<b>Total Assets</b>	<b>449,849,865</b>	<b>452,393,374</b>	<b>(2,543,509)</b>	<b>-0.56%</b>
Deferred Outflow of Resources	21,166,535	5,993,224	15,173,311	253.17%
Long Term Liabilities	221,535,569	186,326,682	35,208,887	18.90%
Other Liabilities	<u>17,051,654</u>	<u>30,181,342</u>	<u>(13,129,688)</u>	-43.50%
<b>Total Liabilities</b>	<b>238,587,223</b>	<b>216,508,024</b>	<b>22,079,199</b>	<b>10.20%</b>
Deferred Inflow of Resources	4,515,792	9,931,583	(5,415,791)	-54.53%
<b>Net Position</b>	<b><u>\$ 227,913,385</u></b>	<b><u>\$ 231,946,991</u></b>	<b><u>\$ (4,033,606)</u></b>	<b>-1.74%</b>

**Current Assets** are highly liquid and include cash, investments and receivables. The current assets has an increase of 9.88%

**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 \$338.3 million in FY2015 to \$326.3 million in FY2016. This year's major capital asset additions before depreciation for the governmental activities equaled approximately \$5.29 million. The depreciation expense for FY 2016 is approximately \$17.2 million. The major additions include the following:

- \$1.87 million construction in progress for General Obligation bond parks improvement projects
- \$1.93 million in equipment for the showmobiles, video wall for Real Time Crime Center and Shotspotter.
- \$970,059 for infrastructure improvements such as road re-surfacing, sidewalks.

	Governmental Activities	Business-type Activities	Total
Land	\$ 38,764,806	\$ -	\$ 38,764,806
Art in Public Places	232,472	-	232,472
Buildings	69,650,952	-	69,650,952
Improvements other than Bldg.	6,435,514	-	6,435,514
Equipment	5,163,312	106,842	5,270,154
Other Assets	150,431	-	150,431
Infrastructure	203,623,252	15,627,913	219,251,165
Construction-in-progress	<u>2,316,260</u>	<u>335,215</u>	<u>2,651,475</u>
	<b><u>\$ 326,336,999</u></b>	<b><u>\$ 16,069,970</u></b>	<b><u>\$ 342,406,969</u></b>

The business-type activities reported approximately \$21.8 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 \$16.1 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 increased 16.7%.

**Net positions** represent assets less liabilities. The largest portion of the City’s Net Position reflects its net investment in capital assets (\$247.5 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 (\$32.16 million) after accounting for compensated absences, depreciation expenses, pension liability, other post-employment obligations and accrued interest payable.

**Table #2**

### Change in Net Position

For Fiscal Year Ended September 30, 2016, 2015				
	2016	2015	\$ Increase (Decrease)	% Increase (Decrease)
<b>Revenues</b>				
Property Taxes	\$ 27,332,192	\$ 26,268,558	\$ 1,063,634	4.05%
Franchise fees	3,537,910	3,398,916	138,994	4.09%
Utility Taxes	10,395,944	11,361,010	(965,066)	-8.49%
Intergovernmental Revenue	19,202,180	18,811,366	390,814	2.08%
Misceallenous	6,593,687	3,179,810	3,413,877	107.36%
Investment Earnings	566,849	828,646	(261,797)	-31.59%
Charges for Services	21,104,511	21,124,870	(20,359)	-0.10%
Operating Grants	2,639,895	2,896,185	(256,290)	-8.85%
Capital Grants	1,630,054	270,335	1,359,719	502.98%
<b>Total Revenues</b>	<b>93,003,221</b>	<b>88,139,695</b>	<b>4,863,526</b>	<b>5.52%</b>
<b>Expenses:</b>				
General Government	24,890,226	17,423,449	7,466,777	42.85%
Public Safety	37,327,259	37,250,605	76,654	0.21%
Public Works	16,246,746	16,511,565	(264,819)	-1.60%
Recreation	6,864,744	6,514,054	350,690	5.38%
Economic & Physical Environment	1,460,882	1,546,074	(85,192)	-5.51%
Human Services	396,981	176,605	220,376	124.78%
Stormwater	2,389,114	2,437,432	(48,318)	-1.98%
Interest on long term debt	7,460,875	7,603,784	(142,909)	-1.88%
<b>Total Expenses</b>	<b>97,036,827</b>	<b>89,463,568</b>	<b>7,573,259</b>	<b>8.47%</b>
Change in Net Positions	(4,033,606)	(1,323,873)	(2,709,733)	204.68%
Net Position - Beginning	231,946,991	233,270,864	(1,323,873)	-0.57%
<b>Net Position - Ending</b>	<b>\$ 227,913,385</b>	<b>\$ 231,946,991</b>	<b>\$ (4,033,606)</b>	<b>-1.74%</b>

**Total revenues** on table #2 increased 5.52% during FY2016. The increase in property taxes is attributed to an increase in taxable value. The City levied the same millage rate as FY 2015. The increase in miscellaneous revenue is attributed to settlement funds received for the City Hall projects in the amount of \$3,500,000, while the decrease in Utility Taxes is attributed to a one time additional telecommunication tax received in FY 2015. The FY2016 figures are consistent with what we expected less the one-time revenue.

**Total expenses** on table #2 increased by 8.47%. The General Government increase is attributed to pension costs, higher legal fees for the City Hall construction lawsuit and utility and maintenance cost for the City Hall and Police Headquarters buildings which were completed and occupied in December 2015. Increase in Recreation is attributed to police off-duty and referees fees for the sports program. Human Services category increase is attributed to increase in expenses for the Health Community Partnership Grant and the Juvenile Re-entry grant.

## 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, 2016, the City's unassigned general fund balance, available sources of funds that are not subject to any constraints, is \$13.15 million, an increase of 1.21 million. This represents 18.58% of the FY 2017 operating budget.

**General Fund Revenues-** Compared to the prior year, total General Fund revenues increased by \$1.36 million or 2.12% in fiscal year 2016. Property Taxes, and Fines and Forfeitures reflected the majority of the increase while Charges for Services and Utility taxes recognized a decrease in revenue.

## Financial Highlights (continued)

Property Taxes attributed to 35.2% of the City's total General Fund revenue sources for fiscal year 2016. 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)

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Industry or Business Type</u>	<u>Rank</u>	<u>Total Assessed Valuation</u>
HARD ROCK STADIUM	129,631	Sports/Entertainment	1	3.6%
CALDER RACE COURSE, INC.	82,286	Sport/Entertainment	2	2.3%
DORSAN DEVELOPMENT	40,432	Real Estate	3	1.1%
CONTINENTAL EQUITIES INC	33,492	Real Estate	4	0.9%
WALMART STORES EAST LP	29,578	Retail	5	0.8%
THE CORNERSTONE GROUP	25,979	Real Estate	6	0.7%
CAPO & SONS CORP	22,930	Real Estate	7	0.6%
WALDEN POND LTD	22,484	Real Estate	8	0.6%
ADVENIR AT WALDEN LAKE	22,180	Real Estate	9	0.6%
BRANDSMART	16,630	Retail	10	0.5%
	<u>\$ 425,622</u>			<u>11.9%</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	37.57%
WALMART	804	2	15.10%
CITY OF MIAMI GARDENS	512	3	9.62%
ST. THOMAS UNIVERSITY	425	4	7.98%
UNITED AUTOMOBILE INSURANCE CO.	420	5	7.89%
CALDER RACE TRACK	275	6	5.17%
LEHMAN DEALERSHIPS	256	7	4.81%
BRANDSMART USA	250	8	4.70%
FLORIDA MEMORIAL UNVIVERSITY	225	9	4.23%
US POST OFFICE	157	10	2.95%
	<u>5,324</u>		<u>100.00%</u>

## Financial Highlights (continued)

**Table #5 (General Fund)**

### Revenue by Types

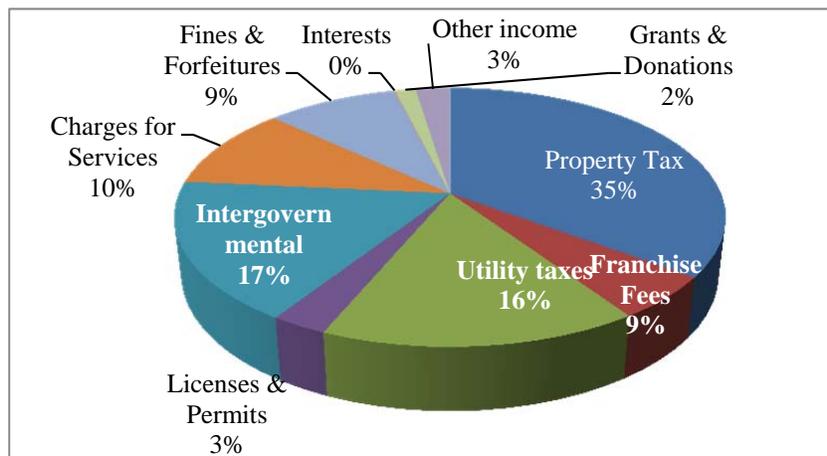
	2016		2015		Variance	Variance
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property Tax	\$23,189,449	35.2%	\$ 22,067,751	34.2%	\$ 1,121,698	5.08%
Franchise Fees	3,537,910	5.4%	3,398,916	5.3%	138,994	4.09%
Utility taxes	10,395,944	15.8%	11,361,010	17.6%	(965,066)	-8.49%
Licenses & Permits	1,851,028	2.8%	1,881,174	2.9%	(30,146)	-1.60%
Intergovernmental	11,440,352	17.4%	11,170,996	17.3%	269,356	2.41%
Charges for Services	6,834,232	10.4%	8,390,362	13.0%	(1,556,130)	-18.55%
Fines & Forfeitures	6,049,004	9.2%	4,568,870	7.1%	1,480,134	32.40%
Interests	57,886	0.1%	44,953	0.1%	12,933	28.77%
Grants & Donations	956,501	1.5%	28,858	0.0%	927,643	3214.51%
Other income	1,589,008	2.4%	1,618,942	2.5%	(29,934)	-1.85%
<b>TOTAL REVENUE</b>	<b>\$65,901,314</b>	<b>100.0%</b>	<b>\$ 64,531,832</b>	<b>100.0%</b>	<b>\$ 1,369,482</b>	<b>2.12%</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 2016 instead of the roll-back rate of 6.3235
- Decrease in utility taxes is attributed to a one-time retro payment of Telecommunication taxes in FY 2015.
- Decrease in Charges for Services is attributed to fewer patrons for the Jazz in the Gardens special event.
- 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 in FY 2015, the City was required to reimburse FEMA for some ineligible expenses related to Hurricane Wilma.

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 approximately \$1.5 million higher than FY 2015. Increase in General Government is attributed to maintenance and utility costs for the City Hall and Police Headquarters Building, and legal fees incurred for the City Hall construction. Increase in Culture and Recreation is attributed to off-duty and referee fees for Sports Program

**Table #6**

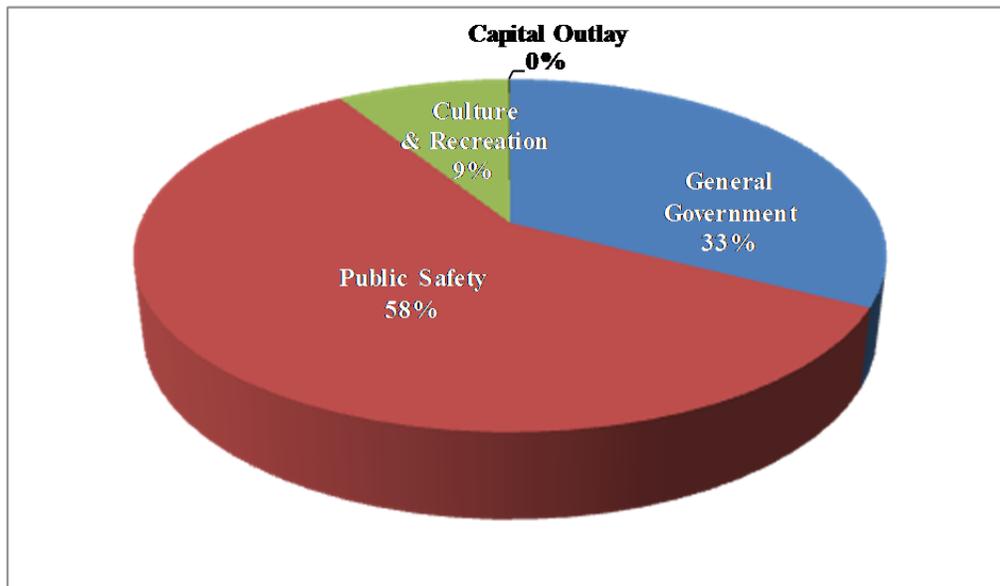
### Expenditures by Categories

	2016		2015		Variance	Variance
	Amount	% of Total	Amount	% of Total	Amount	Percent
General Government	\$ 18,942,307	32.59%	\$ 17,857,598	30.72%	\$ 1,084,709	6.07%
Public Safety	34,018,249	58.52%	33,878,090	58.28%	140,159	0.41%
Culture & Recreation	5,169,212	8.89%	4,866,583	8.37%	302,629	6.22%
<b>TOTAL</b>	<b>\$ 58,129,768</b>	<b>100.00%</b>	<b>\$ 56,602,271</b>	<b>100.00%</b>	<b>\$ 1,527,497</b>	<b>2.70%</b>

The City spent 58 cents of every dollar received in revenues on public safety costs (police, school crossing guards, and code enforcement) and 9 cents on parks and recreation. This means that almost 68 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.

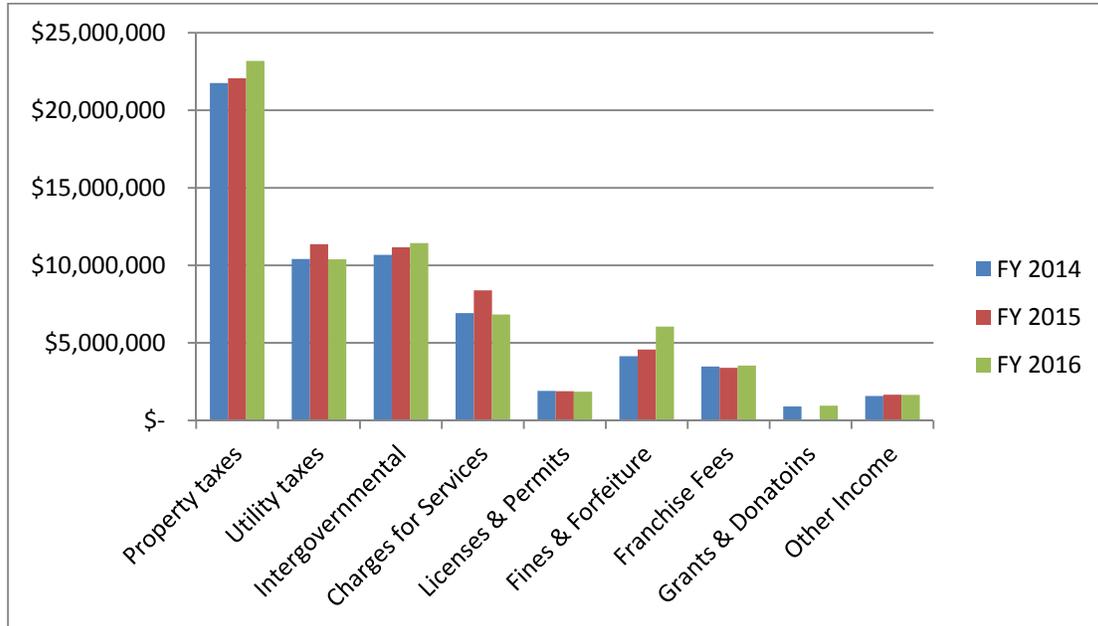
The following chart details the way resources from the General Fund were used:

### How Was the Money Spent

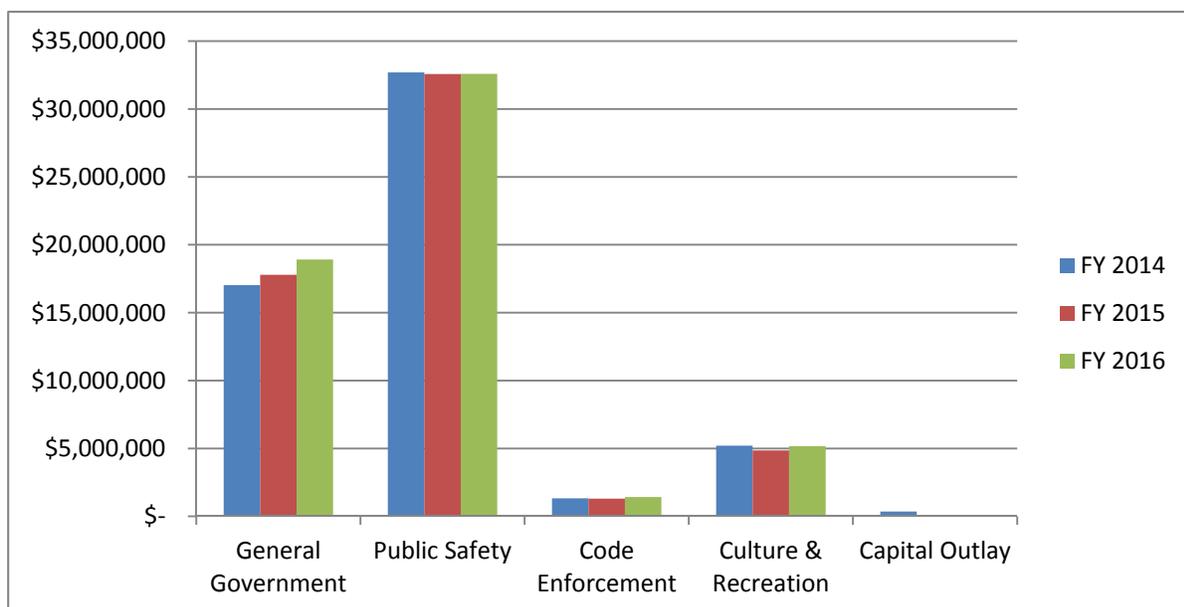


## Financial Highlights (continued)

### 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, bond proceeds and transfers from the General Fund totaling \$16.83 million. The expenditures were \$11.25 million which includes a \$6.6 million transfer to the debt service fund. At the end of the fiscal year, the Capital Projects fund has a restricted fund balance of \$65.7 million mostly derived from the unspent bond proceeds. The Assigned Fund Balance is \$3.5 million derived from the lawsuit settlement and the Unassigned Fund Balance is \$228,990.

### Transportation Fund

Revenues for the transportation fund were \$8.0 million, of which approximately \$7.42 million is derived from gas tax, CITT (Citizens Independent Transportation Trust) and State Revenue Sharing distribution. Expenditures were \$5.3 million which includes \$816,490 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 \$9,984,147 compared to \$7,295,559 in FY 2015.

### 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 2016 were \$3.5 million and operating expenditures were \$2.1 million. This created operating income of \$1.4 million. After interest expense, transfer to General Fund and Transportation Fund for overhead costs, the ending unrestricted net position for fiscal year 2016 was \$2,691,155 compared to \$2,362,274 in FY 2015.

### Long Term Debt

At year-end, the City had \$211.95 million in governmental activities debt outstanding. The outstanding debt for the business-type activities was \$7.03 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.

	Governmental Activities	Business-Type Activities	Total
Due to Miami-Dade County	\$ 4,157,725	\$ 6,531,848	\$ 10,689,573
Revenue Bond	22,895,401	-	22,895,401
Capital Lease	1,508,715	-	1,508,715
Certification of Participations	50,505,000	-	50,505,000
Taxable Revenue Bond	12,926,440	-	12,926,440
General Obligation Bond	57,240,000	-	57,240,000
Pension Liability	54,605,407	454,146	55,059,553
Compensated Absences	8,112,058	52,959	8,165,017
	<u>\$ 211,950,746</u>	<u>\$ 7,038,953</u>	<u>\$ 218,989,699</u>

## For the Future & Economic Outlook

Fiscal year 2017 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, Bennet Lifter Park, Betty T. Ferguson, and Scott Park.
- ✓ Begin Vista Verde Phase II drainage project
- ✓ Complete the installation for the photovoltaics cells at the City Hall and Police Headquarters Building for electricity efficiency.
- ✓ Complete sale of City owned taxable economic development properties 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 2016 is \$780,000 for retiree insurance. The City only funds the stipend costs for health insurance for retirees and for fiscal year 2016, the amount was \$113,000. However, since we did not fund any of the future costs, an amount of \$667,000 is recognized as an additional liability to FY 2015 balance of \$5,355,757, bringing the total OPEB liability to \$6,022,757. This results in a reduction of the City’s net position.

The City’s largest taxpayer, Hard Rock Stadium will complete a \$450 million renovation during the next fiscal year which will increase the taxable value of the City.

In FY 2009 the City purchased two pieces of economic development property. The sale for one of the parcel is completed. The site is under construction with a large scale entertainment facility. The payment for the land will be made to the City upon receipt of a Certificate of Occupancy. As to the other parcel, the City currently has received two Letters of Interest to purchase the parcel. Any additional proceeds from the sale of the land will be deposited to the City’s General Fund fund balance.

For Fiscal Year 2017, the City adopted a millage rate of 6.9363, the same rate as FY 2016. 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 2016, 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 2017 session in January, 2017. There are proposed bills which may affect the City’s future revenue or control such as eliminating the Red Light Camera Fines, prohibits local governments from adopting or imposing new regulations on a business, profession or occupation unless the regulation is expressly authorized by general law. There are also bills proposed to eviscerate local control over small cell antennas in the public right-of-way. 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, 2015. 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 nine consecutive years (fiscal years ended 2007-2015). 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, 2015. The City received, for the twelfth straight year, the Distinguished Budget Presentation Award for its FY 2015-16 budget. For FY2015, Miami Gardens has received all three awards issued by the GFOA and is only one of eleven municipalities in the State of Florida to do so.

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.**