July 9, 2019

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Honorable Mayor and City Council
City of Indian Harbour Beach
2055 South Patrick Drive
Indian Harbour Beach, FL 32937

Dear Mayor and Council Members:

For your review and consideration, I am pleased to present the Mayor and City Council with the City Manager’s Proposed Budget for Fiscal Year 2020 that will become a historic financial plan for the future of this great community. This document is the culmination of months of work from City staff at every level of the organization, and I truly appreciate the effort they have put in to making it possible. After identifying, analyzing, and prioritizing what to include in the budget, we present a $13,487,547 Proposed Budget that includes the largest Capital Improvement Budget in the history of the city ($5,455,106). This spend plan embarks upon the construction of a modern, safe Police Headquarters (approximately 13,000 sq. ft.), at an estimated total cost of $4.5M that will enhance one of the City Council’s areas of emphasis: providing a safe and secure community. This proposed budget is $4,532,500 more than the prior year’s budget adopted in September 2018; however, this includes funding for the Police Headquarters and the continuation of the Transportation Impact Fee Grant.

The calendar year 2020 will mark the 65th anniversary of the incorporation of our city. Long-time residents of the community may reminisce about the history of the city and how some things have changed over time; however, I believe the common theme that will resonate throughout the community is we are a proud, peaceful small-city with an excellent and sustainable quality of life that residents enjoy and makes Indian Harbour Beach a community many seek out to call home. As our community has matured, and the needs of the city have changed, this community continues to seek excellence in local
government, tackle important issues, and pursue innovative approaches to deliver better programs and services.

The City Council’s areas of emphasis are as follow:

- Safe and Secure Community
- Enhance the Quality of Life
- Financial Sustainability
- Improve and Maintain Infrastructure
- Use of Technology for a Strategic Advantage

SAFE AND SECURE COMMUNITY

In addition to the new Police Headquarters discussed earlier, this proposed budget enhances the efforts of our talented and professional Police Department, as the City of Indian Harbour Beach remains one of the safest communities. The Florida Department of Law Enforcement announced the crime rate in our community decreased by 37.1% in 2018. The city is also a proud partner with the Brevard County School Board to provide a safe learning environment and will continue to provide a full-time School Resource Officer at the Ocean Breeze Elementary School in FY 2020.

The FY 2020 Budget continues our Community Oriented Policing initiatives, such as our Bicycle/Beach/Boat Patrol, Park Patrols, Prescription Drug Drop Box, Police K-9 Unit, an E-commerce Safe Spot, and Business Checks.

Providing a safe and secure community is not limited to law enforcement. The Insurance Services Organization (ISO) performed a Public Protection Classification (PPC) review of the city’s Volunteer Fire Department. Thanks to the hard work of the men and women of the Indian Harbour Beach Volunteer Fire Department, the city received a PPC classification of “3” for insurance rating. The proposed FY 2020 continues to provide the funding for the essential equipment and operating supplies to provide this exemplary service.

Meanwhile, through the phenomenal efforts of the city’s Building Department, the ISO performed a Building Code Effectiveness Grading (BCEG) of the department that resulted in a classification of “3” for 1 and 2 family residential properties, as well as commercial and industrial properties. Within the FY 2020 Proposed Budget the city funds these services, and enhances this operation to provide a part-time Code Enforcement position, thus freeing up our talented Building Department personnel for construction inspection and approval.

Other initiatives to maintain and improve the goal of providing a safe and secure community include the city’s efforts to advance pedestrian safety and improved mobility.
The Banana River Drive/Pine Tree Drive Complete Streets Corridor Study initiated in 2019, in cooperation with the Space Coast Transportation Planning Organization (SCTPO), and the acquisition of transportation impact fees to construct sidewalks along certain corridors continue in the city.

Additionally, the Florida Department of Transportation conducted a Pedestrian Safety Study along State Road (S.R.) A1A from S.R. 500/U.S. 192 to south of Atlantic Boulevard at Millennium Park. This study resulted in a total of 12 pedestrian crossing locations. Eleven crossings will be new; the crossing at U.S. 192 has already been constructed. The study looked at the locations where there were conflicts and recommended where the crosswalks were needed. The goal of this project is to minimize pedestrian conflicts. Currently, there are no raised medians or defined areas to give pedestrians a refuge to go half-way across the road and wait for traffic to clear before continuing to the other side. This study resulted in one proposed crossing at Millennium Park that will include a Rapid Reflective Flashing Beacon to alert motorists of pedestrians entering the crosswalk.

Additionally, the city’s goal of having sidewalks along the west side of SR A1A, a state highway, between Eau Gallie Boulevard and Volunteer Way is the number one ranked Bicycle and Pedestrian project on the SCTPO’s Project Priorities list.

In 2005, the City of Indian Harbour Beach became the first community on the east coast of the United States to be certified by the National Oceanic and Atmospheric Administration (NOAA) as Tsunami Ready. The city takes pride that our first responders and the city as a whole take natural disasters seriously. As a part of the Tsunami Ready program, the city’s police, fire, and public works departments, along with NOAA representatives, hold drills to ensure our readiness for such an event.

**ENHANCE THE QUALITY OF LIFE**

Other than our phenomenal residents, businesses, and employees here in Indian Harbour Beach, perhaps our greatest asset is the Indian River Lagoon. Thus the preservation and restoration of the Indian River Lagoon is a major priority for the community. The city will continue to pursue funding through the St. Johns River Water Management District, the Florida Inland Navigation District, and the Florida Legislature to supplement $5.7M Save Our Indian River Lagoon (SOIRL) ½ Cent Sales Tax Revenues allocated to remove 188,000 cubic yards of muck and more than 31,000 lbs. per year of harmful nitrogen from canals within the community.

The city will also commence construction of a 2nd Generation Baffle Box on the east end of the Big Muddy Canal. This project has an estimated construction cost of $284,000 that will treat a 63.8 acres drainage basin and reduce the nitrogen by 591 lbs. per year. This Baffle Box project is partially funded through a SOIRL sales tax appropriation of $68,332, which reduces the impact on the city generated revenues.
Indian Harbour Beach’s efforts to restore and protect the Indian River Lagoon also includes continued funding for street sweeping to remove harmful nutrients from roadways before it has the opportunity to enter the lagoon. Another initiative is the installation of treatment swales within the medians of roadways.

The Indian Harbour Beach parks and beaches are another shining example of the quality of life our citizens enjoy year round. The Mayor, City Council, and the Executive Team are committed to providing world class parks and recreation opportunities for the community. Whether it is enjoying Christmas in the Park, running in the Shark in the Park 5K, sharing Breakfast with the Easter Bunny, attending our Annual Art Show, having children in Summer Camp, swimming in our municipal pool, enjoying a leisurely walk in Gleason Park, or non-motorized access to the Indian River Lagoon via Oars & Paddles Park, our awesome Recreation Department provides exemplary programs and services, while our phenomenal Public Works Department works tirelessly with our Recreation personnel to maintain these facilities in an exemplary manner. Certainly, Gleason Park is one of our shining stars.

A variety of enhancements are planned in FY 2020 for these parks, including, but not limited to, redundancy equipment to ensure continuous operation of the municipal pool, replacement of boardwalks at the beach parks, enhanced lighting, and a parking lot addition for the Oars & Paddles Park funded through the Brevard County Tourist Development Tax.

The city’s professional team members continue to work tirelessly to provide exemplary programs and events in FY 2020, including Summer Camp, Aquatic Classes, National Night Out, Breakfast with the Easter Bunny, Christmas in the Park, Trash Bash, and Christmas in the Park.

Financial Sustainability

In terms of the City Council’s goal to maintain financial stability the City has been an excellent steward of its resources expending $7.39 million on our Capital Improvements since 2014, an average of $1.48 Million per year, to improve the quality of life for residents and visitors of our community. These include, but are not limited to, the South Patrick Drive property acquisition, the design of the new Police Headquarters, construction of permanent Beach Park Restrooms, a robust road resurfacing program, vehicle replacements, park improvements (including the newly acquired Oars & Paddles Park, a fire training apparatus, and the Gleason Park pool chiller/heater/renovation.

Selecting which investments to include in the budget is never an easy task. It requires difficult decisions to adequately fund the excellent level of services and programs our citizens have grown to expect from their city within the confines of limited resources. This budget is the roadmap to the future, while continuing to preserve our debt free status with
a “Pay as You Go” strategy that both the elected and appointed officials, as well as our citizens are so proud of maintaining.

Five years ago (October 2014), at the end of the economic downturn, the tax rate for the City of Indian Harbour Beach was $5.80 per thousand dollars of taxable values. While reinvesting more than $7 Million into the community, the millage rate for property taxes was reduced to $5.6401. The Proposed FY 2020 Budget maintains the prior year millage rate of $5.6401 per thousand dollars in taxable values. While this millage rate is 2.8% lower than the 2014 millage rate, it is 6.1806% above the revenue neutral or rolled back rate of 5.3118% that covers the increased costs and growth of existing services. The ability to maintain this lower tax rate is attributed to an overall increase in taxable values since 2014. The proposed tax rate (5.6401) will generate an estimated $5,456,347 which equates to $1.75 per capita per day for exemplary municipal services such as public safety and parks and recreation. Based upon the increase in the taxable values maintaining last year’s millage rate will generate an additional $319,475.

The following chart provides a historical perspective of the property values here in our community.

The FY 2019-2020 Budget incorporates grant revenues to partially or fully-fund initiatives including the following:

- Brevard County Tourist Development Tax to reimburse the cost for the parking lot expansion at Oars and Paddles Park
- Brevard County Transportation Impact Fees, previously remitted and reflected as prior year income, for sidewalk enhancements in the community

**Improve and Maintain Infrastructure and Equipment**

The city has more than $16,149,568 in fixed assets (net of depreciation) that must be maintained. As we are a beach community, the corrosive environment has a significant
impact on the city’s facilities and assets. Our Public Works and Recreation Departments maintain these assets in an outstanding manner. The city will continue in FY 2020 with a robust road resurfacing program, sidewalk enhancements, replacement of boardwalks at the beach parks, redundancy equipment to provide a quality aquatics facility, LED lighting, recreation equipment within the parks, and doors and air conditioning impacted by the beachside environment.

Within the proposed FY 2020 Annual Operating Budget we are requesting $37,500 for the replacement of a marked vehicle within the Indian Harbour Beach Police Department, plus an additional $20,000 for equipping the vehicle. It is anticipated the city will replace a 2014 Chevrolet Caprice with more than 110,000 road miles.

It is important to note that law enforcement vehicles, due to numerous electronics within the vehicle, experience significant engine miles versus road miles. In fact, according to Ford Fleet they have determined one hour of idling is equal to the engine wear of driving 33 miles. If it is assumed that 50% of the time is spent idling in 200 hours, the odometer may show 2,000 miles, but we have to add the idling-equivalent hours, which in this case is 3,300 miles, i.e., 100 hours times 33 miles. The actual wear on the engine after 2,000 miles is really the wear after 5,300 miles, i.e., 2,000 odometer miles plus 3,300 miles idling.

Additionally, this proposed budget includes $35,000 for the replacement of a 2009 Ford F-250 pickup truck within the Public Works Department.

Use of Technology for a Strategic Advantage

Over the past five years, the city has increased the use of technology for our strategic advantage for this community. This included the acquisition of a new Comprehensive Criminal Justice/Public Safety Integrated Software System (New World AEGIS Law Enforcement Package). The New World software standardized the public safety software with other agencies, enhanced the data sharing capabilities, and utilized technology for crime prevention to implement statistical analysis for potential criminal activity. As a part of this initiative, the city implemented a program to provide each Police Officer with a dedicated, take-home laptop. As we enter the sixth year of this program, the city will begin the process of upgrading the devices and related operating systems. Additionally, this and other software have required the city to enhance our network mobility for the end users to work efficiently in the field. The FY 2020 Proposed Budget will include additional enhancements in our network mobility.

The City of Indian Harbour Beach and other law enforcement agencies throughout Brevard County have undergone an extensive audit of the Criminal Justice Information Systems (CJIS) network for compliance with the requirements of the Florida Department of Law Enforcement (FDLE) rules and regulations. Thanks to the leadership of our IT Manager and Police Chief, our community fared fairly well. However, there are some
opportunities and requirements to enhance this program in order to retain usage of the vital CJIS network. The FY 2020 Budget provides funding for enhancements, including separation of the police network from the general government server and two-factor identification.

With the use of this technology comes the responsibility for cybersecurity to protect the systems from unauthorized access and the potential of the community being the victim of Ransomware or Malware being installed on the network. During the past three years, the city has worked diligently to install devices and software to protect the integrity of the system, and the FY 2020 Proposed Budget will continue these efforts with additional hardware acquisitions.

Another use of technology has been the acquisition and use of Laserfiche, a robust records management program that upgraded the previously outdated and unsupported software. Laserfiche has been a success with users throughout the organization. The FY 2020 Proposed Budget continues this program and provides enhancement.

Other uses of technology incorporated in the Proposed FY 2020 Budget include the continued use of a paperless agenda and Council issued devices and wireless access, the first phase of a five-year desktop replacement program, a new lightning detection system for the parks, the continued use of security cameras and the E-Commerce camera, and a keyless entry system for the Recreation Center.

General Fund Revenue Outlook

The General Fund provides a myriad of core services to the community, including public safety, road and public property maintenance, code compliance, administration, legislative, and recreation. The Proposed FY 2020 General Fund Budget totals $13,053,079 and represents 96.8% of the total proposed budget. Property taxes are the largest revenue source for the City’s General Fund. The City is fortunate to have an extremely strong property tax base. The Proposed Budget assumes a regular growth rate of 6.467% in property tax revenue over the FY 2019 budgeted amount.

The chart below provides a representation of the various revenues that make up the revenue stream for the FY 2019-2020 Budget.
As you are aware, for the most part, the City is built out. However, we are seeing re-development of existing sites, such as the recently completed Zon Beachside Assisted Living facility expansion on the site of the former Doubles Restaurant and the new Ace Hardware at the site of the former South Patrick Hardware. I believe we will continue to see this trend; however, due to the lack of new growth, our revenues will remain constant except in the case of state legislation that either reduces or eliminates a revenue stream.

The city’s other major revenue sources remain constant. Our budgeted communications services tax has stabilized; however, it may decrease as more and more homes discontinue land lines and cable television.

Our franchise fee and utility service tax revenues remain fairly steady. City staff, as a part of the cost recovery program, will be presenting enhanced land development fees that have been benchmarked to other communities. Additionally, the staff will examine building and construction related permit fees in FY 2020. These fees have not been increased for many years. Staff will also explore the potential of changes to the Business Tax Receipt program as authorized by Florida Statutes Chapter 285.
This proposed budget utilizes $4,735,000 of prior year income for the construction of the new Police Headquarters and includes previously received Brevard County Transportation Impact Fees for the construction of sidewalks within the community. This budget does not utilize one-time revenues to fund recurring expense. It is good public policy to only use recurring revenue to fund recurring expenses. This policy enables this community to retain our fiscal sustainability.

As you know, Indian Harbour Beach is a coastal community that has experienced the impact of hurricanes on citizens, our operations, and municipal properties. This was particularly true in Fiscal Year 2016-2017 when two hurricanes (Matthew and Irma) struck our community. The city’s staff continues to address issues from these storms, including significant lag times for reimbursement from the Federal Emergency Management Agency (FEMA).

Staff will continue monitoring legislative changes that might affect our revenue streams. The modus operandi of the legislature is to continually pass legislation that reduces municipal revenues. A frequent target of the legislature are Business Tax Receipts, expanded tax exemptions, and permitting. Changes to these revenues or distribution could present serious problems.

**Expenditure Outlook**

As indicated earlier, the proposed General Fund Budget totals $13,053,079 of which 41.8%, or $5,455,106, is proposed for capital purchases, including the new $4.5M Police Headquarters. Eliminating the Capital Outlay portion of the budget, the personnel and operating expense within the General Fund totals $7,597,973. Of these operating and personnel expenses, $5,622,291 is required to fund the salaries, overtime, Social Security, Medicare, retirement, and health insurance costs for these dedicated public servants.

The phenomenal public safety personnel protect the more than 8,500 residents, countless visitors, and our business community, patrol a 2.5 square mile community, provide safe travel of thousands of motorists that travel through our city, and help the community prepare for and recover from natural disasters such as hurricanes. Our amazing recreational and public works team members provide exemplary programs, activities, and beautifully maintain five public parks and four beach crossovers. The devoted public works personnel also work diligently to maintain 125 roadways (35.8 miles), provide quality drainage facilities, and protect the Indian River Lagoon. Other remarkable public servants provide exceptional code administration and public service.

Providing a safe and secure community and enhancing the quality of life are certainly two of the areas emphasis of this community and this proposed budget. This budget will carry on a quality of life our residents deserve by offering exemplary safety personnel to continue providing a safe community, enriched recreation facilities, improved roadways, bicycle and pedestrian infrastructure, and protection of our precious Indian River Lagoon.
Yes, it takes an amazing team of professionals to provide our exemplary services and programs. This budget provides the wages and benefits for these professionals.

The dedicated men and women of the Indian Harbour Beach Police Department continue exemplary service to the citizens, businesses, and visitors of our community. In Fiscal Year 2019-2020, the Police Department Budget totals $3,393,760 and represents the largest single operating expense department of the General Fund Personnel and Operating Budget (44.7%). The department consists of 32 sworn and non-sworn personnel, including the full year appropriation necessary to fund the additional Communications Officer added at mid-year of the 2018-2019 Budget.

More than 93.3 percent of the proposed Police Department Budget ($3,165,653) is attributed to personnel services (salaries, overtime, Social Security, Medicare, first responder payments, retirement, health insurance costs, etc.). This budget continues the Career Development initiative implemented in 2015, provides our Community Oriented Policing Unit with a financial incentive, and continues the program initiated in 2016 of deploying lifesaving programs such as the use of Narcan for Opioid overdoses.

For more than fifty years, the Indian Harbour Beach Volunteer Fire Department (IHBVFD) has provided exemplary professional fire suppression capabilities for the citizens and businesses of our community. The City in partnership with the IHBVFD Corporation have jointly funded the equipment necessary to provide the prompt, efficient service to the community. The IHBVFD allows for exceptional service at significant savings to the citizens and businesses, thus retaining a low property tax rate for the community.

In Fiscal Year 2019-2020, the expenditures associated with the City’s support for the Fire Department totals $179,383 in operating costs and $18,000 in capital purchases. The operating costs include the annual payment to IHBVFD Corporation for their services, utilities, fuel, a contractual agreement with a licensed Fire Inspector/Fire Marshall, and vehicle/building/equipment maintenance. This proposed budget continues the 2017-2018 prior year increase of $7,500 in the annual payment to the corporation and sets aside an additional $1,000 to offset corporation purchases of Class B & C uniform purchases.

The second largest operating departmental budget is our Public Works Department with a proposed Fiscal Year 2019-2020 Operating Budget of $1,241,868. The major component of this department budget (70.8%) is attributed to personnel services (salaries, overtime, Social Security, Medicare, retirement, health insurance costs, etc.) for our incredible group of dedicated employees who work tirelessly to maintain 35.8 miles of local streets, 1,917 miles of ditches, canals and storm drainage pipes, 23 retention facilities, more than 33 vehicles and motorized equipment, five municipal parks, and four beach crossovers. Additionally, the Public Works Department manages projects such as road resurfacing, sidewalks, drainage improvements, fencing, and vehicle acquisition.

The Indian Harbour Beach Building Department accepts the responsibility and provides the professional service of ensuring properties are maintained, meet local zoning
regulations, and comply with local and state codes for construction standards and life safety. This is an important component to maintaining the quality of life for our residents, visitors, and businesses. The Indian Harbour Beach Building Department accepts this responsibility and provides this professional service in a cost effective manner with a focus on customer service. The proposed departmental budget for Fiscal Year 2019-2020 totals $296,615. The personnel services (salaries, overtime, Social Security, Medicare, retirement, health insurance costs, etc.) associated with this function total 82.1% of the departmental budget and includes a proposed appropriation to provide a part-time Code Enforcement position to allow the Building Official to concentrate on the building construction and zoning related component of the department’s responsibilities.

The Indian Harbour Beach parks and beaches are another shining example of the quality of life our citizens enjoy year round. The Mayor, City Council, and the Executive Team are committed to providing world class parks and recreation opportunities for the community. Whether it is enjoying Christmas in the Park, running in the Shark in the Park 5K, sharing Breakfast with the Easter Bunny, attending our Annual Art Show, having children in Summer Camp, swimming, or enjoying a leisurely walk in Gleason Park, our awesome Recreation Department provides exemplary programs and services. Certainly Gleason Park is one of our shining stars.

The proposed Recreation Department Budget totals $897,499 with 58.1% ($521,674) of these funds paying salaries, overtime, Social Security, Medicare, retirement, and health insurance costs for the phenomenal team of recreational professionals, Lifeguards, Camp Counselors, and maintenance staff. The balance provides operating expenses for the parks, Community Center, and Swimming Pool.

**ADMINISTRATIVE BUDGET**

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<tr>
<th>Department</th>
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<tbody>
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<td>Council</td>
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<tr>
<td>Executive</td>
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<tr>
<td>General Government</td>
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<td><strong>Total</strong></td>
<td><strong>$1,588,848</strong></td>
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With every unit of local government there are administrative components to an operating budget that include City Council, City Management, City Clerk, Finance, Information Technology, City Attorney, and general governmental operational expenses. The proposed budget for Fiscal Year 2019-2020 for these functions total $1,588,848 and include not only the personnel costs but operating expenses such as legal, utilities, and liability insurance. The personnel costs for these functions represent 51% ($810,418) of the proposed budget for administrative activities or general government. The proposed budget provides funding for a Special Projects Coordinator position to support all the
departments with grant applications and management, provide enhanced procurement capabilities, reporting requirements, strategic planning development and management, inventory, finance and information technology support, ordinance development, project management, research and the writing of Staff Reports.

Also included within this proposed budget is the continuation of the funding for our legislative consultant as we attempt to secure a budget appropriation through the Florida Legislature for a portion of the $10.5M Muck Removal Project for the eleven canals, including the Grand Canal, to help restore the Indian River Lagoon. Additionally, our legislative consultant will continue our efforts to retain the Home Rule authority to regulate Short Term or Vacation Rental properties.

The City of Indian Harbour Beach continues to strive for “Excellence in Local Government” and this budget continues this effort with implementation of efficiencies. For example: like many units of government there is a propensity for departments to budget extra money in various line items “just in case” it is needed. This budget continues this philosophy with a City Manager’s Contingency to provide the funding ability for unforeseen expenses throughout all the departments. Additionally, as the design of the new Police Headquarters is in the infancy stage an additional contingency for this project is appropriated.

This budget is not all about investing in infrastructure and capital assets, it is also an investment in our greatest asset – our employees. FY 2020 will see an overall staffing level for the community of 57 FTE’s and 25 PT employees. The budget provides the resources needed to achieve excellence in local government service through enhanced staffing levels. Another significant part of this year’s budget strategies is an investment in our employees with a wage adjustment. Additionally, our recurring health care expense for our employees is anticipated to increase in cost by 7 percent.

This proposed budget provides funding to continue our vehicle replacement program and related equipment in the Capital Outlay Budget to ensure our officers are adequately equipped to patrol the community and respond for service.

Other capital investments include drainage improvements, road resurfacing, and sidewalks. Additional capital improvements proposed in this budget are as follows:

- Public Works truck
- Gleason Park swimming pool equipment
- Oars & Paddles Park parking lot addition
- Computer replacement program, network access storage, and scanners
- Exterior door replacement on various structures due to corrosive environment
- Air conditioning replacements
- Sidewalk enhancements
- Additional stormwater re-use irrigation in Gleason Park
• Phase one of Gleason Park lighting replacement
• Upgraded lightning detection system for the Algonquin Sports Complex
• Office furniture
• Thermal imaging camera
• Replacement AED
• Self-contained breathing apparatus air bottles
• Playground and/or exercise equipment for the parks
• Software upgrades – Fund Balance and Permitting
• Replacement bleachers
• Replacement gasoline tank dispenser
• Keyless entry system and removable divider wall for Gleason Park Recreation Center

**GENERAL FUND EXPENDITURES**

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<th>Department</th>
<th>Budget FY 18/19</th>
<th>Final Amended FY 18/19</th>
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<td>$13,142,767</td>
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The adjoining table reflects the overall total of the General Fund Expenditures in FY 2019-2020 compared to the prior year’s budget.

As a result of the increases to the property valuations here in our community we are able to present a budget built with a proposed millage rate of 5.6401, the same rate from the prior fiscal year.
The chart below is a historical perspective of the property tax rates for our community.

![City of Indian Harbour Beach Operating Millage Rate](chart)

**SUPPLEMENTAL FUNDS BUDGETS**

<table>
<thead>
<tr>
<th>Fund</th>
<th>CM Proposed FY 19/20</th>
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<td>Impound</td>
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<td><strong>$434,468</strong></td>
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There are three other supplemental funds (Impound, Police Training, and Stormwater Utility) that are part of the total FY 2019-2020 Budget submitted for your review. These are outlined in the adjoining table.

It is significant to note within the Stormwater Utility Fund, staff is proposing to appropriate prior year income and current year revenues for a major drainage project: a 2nd Generation Baffle Box on the east end of the Big Muddy Canal. This project has an estimated construction cost of $284,000 that will treat a 63.8 acres drainage basin and will treat the stormwater in this drainage basin by removing harmful nitrogen and phosphorus that is within this stormwater and ultimately discharged to the Indian River Lagoon.
The Police Training Fund is established to receive minor portions of County and Circuit Court fines, as well as surcharges on traffic citations to provide training opportunities for law enforcement personnel with a FY 2020 allocation of $245.

The Impound Fund receives the proceeds from seized assets and utilizes these funds for Crime Prevention activities, such as the SPECDA (an Anti-drug program) at Ocean Breeze Elementary School. The appropriation for FY 2020 is $4,223.

Conclusion

The budget process now moves from the staff level and City Manager formation phase to the Council and public involvement level and adoption phase. The next step in the budget approval process will entail the City Council conducting a budget workshop to review and provide final input on the FY 2019-2020 Budget. The City Council must adopt a tentative millage rate no later than August 2, 2019. You will hold a Workshop session on this proposed budget Tuesday, July 16, 2019. Following this workshop, you will be asked to establish a tentative millage rate at either the July 23, 2019 City Council Meeting or, if necessary, a Special Meeting on Wednesday, July 31, 2019.

Additionally, Council will hold two public hearings on September 3rd and September 17th prior to adopting a final millage rate and budget, as well as reviewing and approving the current budget.

As stated earlier, in this budget message, this proposed budget is a historic financial plan that will take our community to new heights with the construction of a new modern Police Headquarters. I want to thank the talented, dedicated, professional team members who work tirelessly for this great city. We are truly blessed. This very capable staff, with the continued support and guidance of the Mayor and Council, will continue to provide excellence in local government service.

In conclusion, I have submitted a balanced budget that continues to re-invest in Indian Harbour Beach and continues to take this community to new levels. While we continue progress toward the development of the new Police Headquarters, we will continue to pursue all funding opportunities for the important Muck Removal Project, removing 188,000 cubic yards of muck from eleven canals and helping to restore the precious Indian River Lagoon.

Respectfully submitted,

Mark K. Ryan
City Manager