



VILLAGE OF PINECREST
Office of the Mayor

FISCAL YEAR 2021 BUDGET MESSAGE

The Honorable Joseph M. Corradino
Mayor

September marks the culmination of Pinecrest's annual budget process with public hearings on September 8th and September 22nd.

Our budgeting process really never ends. It is constantly informed by our master planning and public outreach processes like Inspire Pinecrest that have occurred over the years. Projects initially identified as concepts are discussed, refined and over time are ultimately prioritized for a budget if warranted. During the year, the Village's budget evolves with strategic planning workshops each winter, a draft budget presented in July, workshops that are held in August, and two public hearings in September. Then the process starts all over again on October 1st. This process is one of the many reasons why the Village has been presented with the *Distinguished Budget Award* by the Government Finance Officers Association for the 24th consecutive year.

This year, our operating budget is about \$25 million; the same as last year. As always, our goal is to have our revenues and expenses balance. Like last year, the Village will have a surplus, and we will debate whether that additional monies should be added into our reserve accounts or back to our citizens by lowering taxes. Property taxes account for 61% of our revenues and are collected at a millage rate of 2.399 – one of the lowest amongst municipalities in Miami-Dade County.

When you look at your overall tax bill (Pinecrest, County and State), about 12% of it goes to the Village of Pinecrest. As homeowners, we pay more to the Miami-Dade County Library System and the Miami-Dade County Fire Rescue District than we do to Pinecrest. The largest portion of the tax bill goes to the Miami-Dade County Public Schools. The average home in Pinecrest pays about \$1,900 to the Village.

12645 Pinecrest Parkway, Pinecrest, Florida 33156
T: 305.234.2121 | F: 305.234.2131
www.pinecrest-fl.gov



The Village has many different departments employing 137 full-time and 52 part-time staff. The largest department by far is the Police Department with 78 people or about 57% of our employees and 40% of our cost; about \$10 million. The police are well funded and will continue to be so. One of the primary reasons for our incorporation nearly 25 years ago was police protection. This year our crime rate hit an all-time low and it is down 50% from the year we incorporated. We have and will continue to be successful.

The Village budget consists of 15 funds. The General Fund is the largest and it accounts for all financial resources except those required to be accounted for in other funds. We maintain ample reserves in case of an emergency like an economic downturn or hurricane. We carefully manage our cash reserves, which exceed the goals we have established in our Comprehensive Master Plan. This year, we have approximately \$8.8 million in reserves, \$3 million of which is set aside for hurricane recovery. This is equal to 35% of our budget. Our goal is to have a reserve of \$5,843,254 or 23% of our budget in reserve. Our bond rating is AAA, and has been since 2017. We spend less than about 6% of our budget on debt service, which is excellent. This year we will be discussing the replacement of an \$8 million 2002 bond used to purchase and improve Pinecrest Gardens. The potential new bond for \$8 million, at 2% interest, would be used to complete projects in Pinecrest Gardens and in our parks that have not yet been done after 25 years. This will function very similar to the bond replaced early in 2019, with the difference being that the interest rate is even lower. Over the last four years, we have been focused on replacing those two bonds, and this represents the diligent culmination of years of work, at no additional cost.

We continue to implement the projects stemming from our other master planning efforts like from our Parks, Transportation and Stormwater plans. Our most pressing infrastructure needs remain the undergrounding of electric utilities, septic tanks and potable water. We are happy to report that FPL is in the process of undergrounding about 20% of all the lines that can be placed underground, which represents an amount of about one entire year of Pinecrest's budget – AT NO COST TO US. We have thousands of septic tanks that are contributing to the pollution of Biscayne Bay. We have over 700 homes without access to potable water. Both water and septic are under the control of the Miami-Dade County Water and Sewer Department. Since the public just voted last year not to have a General Obligation Bond to finish the County's water system at Pinecrest's expense, we have a few options remaining. At this time, we have a set of designed plans, a cost estimate and are prepared to move forward through a special

district should those without this service be interested. Otherwise, our goal is to work with the new incoming County Mayor and new commissioners to have the County do what they need to do and move us off their antiquated system of well water and septic systems and into a modern system fitting of a world-class community. We have been working with the other cities around the county to get this done as the new leaders take over this fall. We have also submitted an application to the Federal government for a \$12 million grant to complete the water backbone. Either way, we will get it done.

There are 34 municipalities in Miami-Dade County and about 400 municipalities in the State of Florida. When we measure Pinecrest against these municipalities, we find that over the past 25 years we have done well, thanks to you and our founders whose course we have continued to follow. We have some of the highest, most stable property values of any city, due largely because our taxes are some of the lowest. We incorporated for safety and control of our land use and we have done both quite well. Crime is at an all-time low; down 50% from the year of incorporation. We process development and redevelopment in an orderly manner. Our fiscal health has never been better with a AAA Bond rating that is ever improving. It is this way because together, years ago, we agreed to take this job of running a city very seriously. We work hard to understand the issues, debate them vigorously and stay focused on our goals. With all these cities, people have choices where to live. We have all chosen to live in Pinecrest. We continue to work very hard every day to keep it this way. If you have any questions, please feel free to call, text or send me an email at 305-606-2364 or jcorrado@pinecrest-fl.gov. Or contact our staff at manager@pinecrest-fl.gov and/or Village Council at council@pinecrest-fl.gov.