

M E M O R A N D U M

Date: September 18, 2015

TO: Town Commission
FROM: Dave Bullock, Town Manager
SUBJECT: Tentatively Adopted Budget FY 2015-2016
Ordinances 2015-22 and 2015-23

At the September 9, 2015 Regular Meeting, the Town Commission passed Ordinances 2015-22, and 2015-23, on first reading and public hearing providing for a Millage Rate and Budget for Fiscal Year 2015-2016. Three budget workshops were held on May 28, June, 15, and June 29, 2015. Maximum millage was set at the July 6, 2015 Regular Meeting. Below are the millages that were passed on first reading.

	OPERATING MILLAGE	G.O. DEBT SERVICE	BEACH BOND MILLAGE	TOTAL MILLAGE
DISTRICT A	2.1300	0.0576	0.8328	3.0204
DISTRICT B	2.1300	0.0576	0.2082	2.3958

This memo is accompanied by a Tentatively Adopted Budget document for FY 2015-16 and a PowerPoint presentation. Listed below are notable changes from the Recommended Budget that was distributed on August 1, 2015

- The ad valorem operating millage rate was lowered from 2.1763 to 2.1300 resulting in a reduction in ad valorem revenue of \$232,565.
- The lower millage rate increases the amount needed from fund balance to balance the budget from \$389,675 to \$622,240.
- The Town Commission decided to use the BP settlement (\$967,932) for pension. Ordinance 2015-27, being considered for second reading, will transfer \$968,000 in addition to the original agreed upon transfer of \$300,000 for a total of \$1,268,000 to the Consolidated Retirement System in FY15 which reduced the FY 16 opening fund balance.
- Merits were distributed to each department changing the lines for personnel costs, but no change to the overall personnel expenditures.
- The amount the fire employees pay toward their benefits and the Local Communications Service Tax revenues were lowered, to more accurately reflect expectations, for a total reduction of \$83,190
- Reductions to property, liability and workers' comp insurance were adequate to cover the revenue reductions above.

After applying these changes, the FY 16 ending fund balance is \$3,942,746 or 93 operating days.

Ordinance 2015-22 sets the millage rates as shown above and provides for the furnishing of the Ordinance to the County Commission, property appraisers, tax collectors and the Florida Department of Revenue in accordance with Florida Law. The millages shown above are the same as tentatively adopted on September 9, 2015.

Ordinance 2015-23 provides for the adoption of the appropriations for purposes set forth in the FY 2015-2016 Budget document.



**MILLAGE RATE AND BUDGET ADOPTION
PUBLIC HEARING**

SEPTEMBER 28, 2015



BUDGET SCHEDULE FISCAL YEAR 2015-16 (FY 16)

- Budget Workshops
 - ~~May 18, 2015 – 9am – General Fund / Capital Plan~~
 - ~~June 15, 2015 – 9am – General Fund~~
 - ~~June 29, 2015 – 9am – All Other Funds~~
- Budget Meetings
 - ~~July 6, 2015 Regular Meeting - Set Maximum Millage~~
 - ~~September 9, 2015 Regular Meeting – 1st Reading~~
 - **September 28, 2015 Special Meeting – 2nd Reading and Adoption**



GENERAL FUND BUDGET IN BRIEF

- General Fund Budget = \$16,241,037
- Reduced Millage Rate 2.1300
- Fund the difference between revenues and expenditures with Fund Balance (\$622,240)
- General Fund FY16 Ending Balance \$3,942,746 (93 days)



MILL RATE EFFECT ON HOMES-HOMESTEAD

HOMESTEAD @ 2.1763 mills operating

Longboat Key Taxes - District A

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,543.40	\$1,545.60	\$2.20
\$750,000	\$2,315.10	\$2,318.41	\$3.31
\$1,000,000	\$3,086.80	\$3,091.21	\$4.41
\$1,500,000	\$4,630.20	\$4,636.81	\$6.61

Longboat Key Taxes - District B

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,224.65	\$1,230.80	\$6.15
\$750,000	\$1,836.98	\$1,846.20	\$9.23
\$1,000,000	\$2,449.30	\$2,461.60	\$12.30
\$1,500,000	\$3,673.95	\$3,692.40	\$18.45

HOMESTEAD @ 2.1300 mills operating

Longboat Key Taxes - District A

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Decrease</u>
\$500,000	\$1,543.40	\$1,522.27	(\$21.13)
\$750,000	\$2,315.10	\$2,283.40	(\$31.70)
\$1,000,000	\$3,086.80	\$3,044.54	(\$42.26)
\$1,500,000	\$4,630.20	\$4,566.81	(\$63.39)

Longboat Key Taxes - District B

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Decrease</u>
\$500,000	\$1,224.65	\$1,207.47	(\$17.18)
\$750,000	\$1,836.98	\$1,811.20	(\$25.78)
\$1,000,000	\$2,449.30	\$2,414.93	(\$34.37)
\$1,500,000	\$3,673.95	\$3,622.40	(\$51.55)



MILL RATE EFFECT ON HOMES-NON-HOMESTEAD

NON-HOMESTEAD @ 2.1763 mills operating

Longboat Key Taxes - District A

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,543.40	\$1,637.60	\$94.20
\$750,000	\$2,315.10	\$2,456.41	\$141.31
\$1,000,000	\$3,086.80	\$3,275.21	\$188.41
\$1,500,000	\$4,630.20	\$4,912.81	\$282.61

Longboat Key Taxes - District B

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,224.65	\$1,304.06	\$79.41
\$750,000	\$1,836.98	\$1,956.09	\$119.12
\$1,000,000	\$2,449.30	\$2,608.13	\$158.83
\$1,500,000	\$3,673.95	\$3,912.19	\$238.24

NON-HOMESTEAD @ 2.1300 mills operating

Longboat Key Taxes - District A

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,543.40	\$1,612.88	\$69.48
\$750,000	\$2,315.10	\$2,419.32	\$104.22
\$1,000,000	\$3,086.80	\$3,225.76	\$138.96
\$1,500,000	\$4,630.20	\$4,838.64	\$208.44

Longboat Key Taxes - District B

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,224.65	\$1,279.34	\$54.69
\$750,000	\$1,836.98	\$1,919.01	\$82.03
\$1,000,000	\$2,449.30	\$2,558.68	\$109.38
\$1,500,000	\$3,673.95	\$3,838.02	\$164.07



MILLAGE COMPARISONS

- **Millage comparisons to surrounding communities are not available at time of publication**
- **The updated millages will be shown at the 09/28/15 meeting.**



G.O. FACILITY IMPROVEMENT DEBT MILLAGE

- **This millage is for repayment of the funds borrowed for construction of Town Facilities listed below.**
 - **Town Hall Addition and Remodel**
 - **Public Works Complex**
 - **Police Station**

- **The fiscal year 2015-16 proposed millage rate is 0.0576. These bonds expire in 2019.**



BEACH MILLAGE

Maximum Millage Beach Districts A and B

	<u>FY 15 Actual</u>	<u>FY 16 * Maximum</u>
Beach District A	0.8500	0.8328
Beach District B	0.2125	0.2082

* Maximum set at July 6, 2015 Regular Meeting



ROLLED-BACK RATE

The proposed operating millage of 2.1300 produces a 2.59% change from the Rolled-Back Rate of 2.0763 for tax year 2015.

- The Rolled-Back Rate is the rate which, exclusive of new construction, will provide the same property (ad valorem) tax revenue as was levied during the prior year.

The maximum millage that can be levied

- Simple majority vote **2.1170**
- Two-thirds vote **2.1300** (five votes)



TENTATIVELY ADOPTED MILLAGE

	OPERATING MILLAGE	G.O. DEBT SERVICE	BEACH BOND MILLAGE	TOTAL MILLAGE
DISTRICT A	2.1300	0.0576	0.8328	3.0204
DISTRICT B	2.1300	0.0576	0.2082	2.3958

Upon Town Commission adoption, the total mill rates will be assessed on all real and personal property within the Town of Longboat Key, Beach Districts A and Beach District B.



PROCESS FOR BEACH SPECIAL DISTRICTS PUBLIC HEARINGS

- Recess the Board as the Longboat Key Town Commission and convene as the Longboat Key Beach Erosion District A Governing Body.
- Public to be heard.
- Motion to recommend approval of the levying of **0.8328** mill ad valorem tax on all real and personal property with in the Longboat Key Beach Erosion Control District A to pay the principal and interest on general obligation beach bonds for the fiscal year beginning October 1, 2015 and ending September 30, 2016.



PROCESS FOR BEACH SPECIAL DISTRICTS PUBLIC HEARINGS

- Adjourn as Longboat Key Beach Erosion District A Governing Body convene as the Longboat Key Beach Erosion District B Governing Body.
- Public to be heard.
- Motion to recommend approval of the levying of **0.2082** mill ad valorem tax on all real and personal property within the Longboat Key Beach Erosion Control District B to reimburse District A for the payment of principal and interest on general obligation beach bonds for the fiscal year beginning October 1, 2015 and ending September 30, 2016.



PROCESS FOR BEACH SPECIAL DISTRICTS PUBLIC HEARINGS

- Adjourn as Longboat Key Beach Erosion District B Governing Body and reconvene as Longboat Key Town Commission.
- Public to be heard.
- Motion to accept recommendations of the Longboat Key Beach Erosion Control Districts A and B to levy a **0.8328** mill ad valorem tax within the Longboat Key Beach Erosion District A and a levy of **0.2082** mill ad valorem tax within the Longboat Key Beach Erosion District B for the fiscal year beginning October 1, 2015 and ending September 30, 2016.



ORDINANCE 2015-22 ADOPTING A MILLAGE RATE FOR FISCAL YEAR 2015-2016

- Motion to adopt Ordinance 2015-22 on second reading and public hearing levying ad valorem tax of 2.1300 mills for general operating purposes for the Town of Longboat Key and 0.0576 mills for general obligation facility improvements bonds and 0.8328 mills for Longboat Key Beach Erosion Control District A and 0.2082 mills for Longboat Key Beach Erosion Control District B for a total millage rate for Beach District A of 3.0204 and 2.3958 for District B for the fiscal year beginning October 1, 2015 and ending September 30, 2016.



**ORDINANCE 2015-23 ADOPTING A BUDGET
FOR FISCAL YEAR 2015-2016**

- Motion to adopt Ordinance 2015-23 on second reading and public hearing, adopting a budget for the Town of Longboat Key, Beach Special District A and Beach Special District B for the fiscal year beginning October 1, 2015 and ending September 30, 2016.

ORDINANCE 2015-22

AN ORDINANCE OF THE TOWN OF LONGBOAT KEY, FLORIDA, LEVYING FOR GENERAL OPERATION PURPOSES A 2.1300 MILL AD VALOREM TAX ON ALL REAL AND PERSONAL PROPERTY WITHIN THE TOWN OF LONGBOAT KEY; LEVYING A 0.0576 MILL AD VALOREM TAX ON ALL REAL AND PERSONAL PROPERTY WITHIN THE TOWN OF LONGBOAT KEY TO PAY FOR GENERAL OBLIGATION FACILITY IMPROVEMENT BONDS; LEVYING AN ADDITIONAL 0.8328 MILL AD VALOREM TAX ON ALL REAL AND PERSONAL PROPERTY WITHIN LONGBOAT KEY BEACH EROSION CONTROL DISTRICT A TO PAY PRINCIPAL AND INTEREST ON GENERAL OBLIGATION BEACH BONDS; LEVYING A TOTAL MILLAGE INCLUSIVE OF GENERAL OPERATION AND DEBT SERVICE OF 3.0204 MILLS AD VALOREM TAX FOR ALL REAL AND PERSONAL PROPERTY WITHIN LONGBOAT KEY BEACH EROSION CONTROL DISTRICT A FOR FISCAL YEAR 2016, BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016; LEVYING AN ADDITIONAL 0.2082 MILL AD VALOREM TAX ON ALL REAL AND PERSONAL PROPERTY WITHIN LONGBOAT KEY BEACH EROSION CONTROL DISTRICT B TO PAY PRINCIPAL AND INTEREST ON GENERAL OBLIGATION BEACH BONDS; LEVYING A TOTAL MILLAGE INCLUSIVE OF GENERAL OPERATION AND DEBT SERVICE OF 2.3958 MILLS AD VALOREM TAX FOR ALL REAL AND PERSONAL PROPERTY WITHIN LONGBOAT KEY BEACH EROSION CONTROL DISTRICT B FOR FISCAL YEAR 2016, BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016; PROVIDING FOR CERTIFICATION OF ADJUSTED ADOPTED RATE; PROVIDING FOR A COPY OF THIS ORDINANCE TO BE FURNISHED TO THE SARASOTA AND MANATEE COUNTY COMMISSIONS, PROPERTY APPRAISERS, TAX COLLECTORS, AND FLORIDA DEPARTMENT OF REVENUE; PROVIDING FOR COMPLIANCE WITH APPLICABLE FLORIDA LAW FOR PARTICIPATION IN LOCAL GOVERNMENT REVENUE SHARING AND HALF-CENT SALES TAX PROGRAMS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 200.065, Florida Statutes, provides a method of fixing millage, the notice of ad valorem tax levy and public hearing; and

WHEREAS, pursuant to applicable Florida law the Town Commission of the Town of Longboat Key (hereinafter "Town Commission") conducted duly noticed public hearings on September 9, 2015, and September 28, 2015, and determined that a **2.1300** mill ad valorem tax shall be levied on all real and personal property within the Town of Longboat Key; and

WHEREAS, at said public hearings, the Town Commission also determined that a 0.0576 mill ad valorem tax shall be levied on all real and personal property within the Town of Longboat Key for purposes of paying for general obligation facility improvement bonds; and

WHEREAS, at said public hearings, the Longboat Key Beach Erosion Control District A decided to levy a 0.8328 mill ad valorem tax on all real and personal property located within said dependent special district for Fiscal Year 2016 for purposes of paying the principal and interest on general obligation bonds associated with beach renourishment project(s); and

WHEREAS, at said public hearings, the Longboat Key Beach Erosion Control District B decided to levy a 0.2082 mill ad valorem tax on all real and personal property located within said dependent special district for Fiscal Year 2016 for purposes of paying the principal and interest on general obligation bonds associated with beach renourishment project(s); and

WHEREAS, the aforementioned millage rates produces a **2.6** percent change from the rolled-back rate for the Fiscal Year 2015 on properties within the Town of Longboat Key; and

WHEREAS, a copy of this Ordinance shall be filed with the Boards of County Commissioners, the Property Appraisers, and the Tax Collectors of Sarasota and Manatee Counties, Florida, and with the Florida Department of; and

WHEREAS, Part II of Chapter 218, Florida Statutes, sets forth the requirements for a municipality to be eligible to participate in revenue sharing funds; and

WHEREAS, Part VI of Chapter 218, Florida Statutes, sets forth the requirements for a municipality to receive a portion of the local government half-cent sales tax and specifies the uses of such tax; and

WHEREAS, the Town Commission has determined that the Town shall comply with all statutory requirements provided for in Parts II and VI of Chapter 218, Florida Statutes, to avail itself of and participate in revenue sharing and in half-cent sales tax proceeds programs, respectively.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA, THAT:

SECTION 1. The above Whereas clauses are true and correct and are hereby ratified and confirmed.

SECTION 2. In accordance with the Charter of the Town of Longboat Key and Section 218.33, Florida Statutes, the Town Commission does hereby levy a **2.1300** mill ad valorem tax on all real and personal property located within the Town, and a **0.0576** mill ad valorem tax for general obligation facility improvements bond, and an additional **0.8328** mill ad valorem tax on all real and personal property located within the Longboat Key Beach Erosion Control District A, and an additional **0.2082** mill ad valorem tax on all real and personal property located within the Longboat Key Beach Erosion Control District B, which when combined produces a **2.6** percent change from the rolled-back rate for Fiscal Year 2015, and the funds to be received therefrom shall be deposited into general governmental funds for the purposes of meeting the expenses and expenditures of the budget adopted

for the Town of Longboat Key and for Longboat Key Beach Erosion Control Districts A and B for the Fiscal Year beginning October 1, 2015, and ending September 30, 2016, and the same is hereby appropriated for such purposes.

SECTION 3. The total millage for the Town of Longboat Key for Fiscal Year 2016 shall be **2.1876** mills and shall be levied on all real and personal property within the Town of Longboat Key. The total millage for real and personal property located within the Longboat Key Beach Erosion Control District A shall be **3.0204** mills; and the total millage for the Longboat Key Beach Erosion Control District B shall be **2.3958** mills.

SECTION 4. In accordance with Section 200.065(6), Florida Statutes, each taxing district may adjust its adopted millage rate if the taxable value within the jurisdiction of the taxing authority as certified is at variance from the taxable value shown on the roll to be extended; the adjustment shall be such that the taxes computed by applying the adopted millage rate against the certified taxable value are equal to the taxes computed by applying the adjusted adopted rate to the taxable value on the roll to be extended, and the Town Manager of the Town shall certify to the property appraiser the Town's adjusted adopted rate.

SECTION 5. In accordance with Parts II and VI of Chapter 218, Florida Statutes, and other applicable Florida law, the Town of Longboat Key shall take all actions necessary to participate in the revenue sharing and in half-cent sales tax proceed programs.

SECTION 6. Copies of this Ordinance shall be furnished to the Boards of County Commissioners, the Property Appraisers, and the Tax Collectors of Sarasota and Manatee Counties, Florida, and to the Florida Department of Revenue for their immediate attention.

SECTION 7. All ordinances and parts of ordinances in conflict herewith shall be and the same are hereby repealed.

SECTION 8. This Ordinance shall take effect upon second reading in accordance with Law, and the Charter of the Town of Longboat Key.

PASSED on first reading and public hearing the 9th day of September, 2015.

ADOPTED on second reading and public hearing the _____ day of September, 2015.

Jack G. Duncan, Mayor

ATTEST:

Trish Granger, Town Clerk



End of Agenda Item