

M E M O R A N D U M

Date: September 7, 2016

TO: Town Commission
FROM: Dave Bullock, Town Manager
SUBJECT: September 12, 2016 Special Workshop Meeting Budget Update

On August 1, 2016, in accordance with the Town Charter, Article V, Section 3, we provided you a copy of the Recommended Budget for Fiscal Year 2016-2017.

The recommended General Fund budget for FY 2016-2017 is \$15,762,573. Since August 1st, some changes have been made to the Recommended Budget. Workers Compensation rates went up more than expected resulting in an increase of \$11,636. An average of 3% merit increase was allocated to all non-union employees in all funds increasing the General Fund by \$13,000. I have enrolled the Town in the Alliance for Innovation, a consortium of about 250 cities and counties that collaborate, research, and share information about improving city/county operations. The annual membership is \$1,020. The overall General Fund change since August 1 is \$25,666.

I have also included the use of Infrastructure Surtaxes by \$25,000 for enhancements to the Police radio system based on weak signal strength in the northern part of the Town. The solution to this issue was identified after the last budget workshop.

The final FY 2016-2017 Budget may also be dependent upon Town Commission decisions to be made on the Neighborhood Undergrounding project. Those issues will be discussed at the September 12, 2016 Special Workshop Meeting.

Please contact me if you have any questions.



**MILLAGE RATE AND BUDGET ADOPTION
PUBLIC HEARING**

SEPTEMBER 12, 2016



PRELIMINARY BUDGET SCHEDULE FISCAL YEAR 2016-17 (FY 17)

- Budget Workshops
 - ~~May 18, 2016 – 9am (General Fund)~~
 - ~~June 20, 2016 – 9am (General Fund and Tennis)~~
 - ~~June 27, 2016 – 9am (All Other Funds)~~
- Budget Meetings
 - ~~July 5, 2016 Regular Meeting - Set Maximum Millage~~
 - **September 12, 2016 Regular Meeting – 1st Reading**
 - **September 26, 2016 Special Meeting – 2nd Reading and Adoption**



FISCAL YEAR 2016-17 BUDGET ACTIVITIES TO DATE

- **During three Budget Workshops Town Commission and Staff Reviewed the following:**
 - **All major elements of Town services**
 - **Major capital projects**
 - **Fund Balance and Millage Rates**
 - **Beach program and various projects over the next several years.**



**FISCAL YEAR 2016-17
CHANGES TO GENERAL FUND SINCE
RECOMMENDED BUDGET AUGUST 1, 2016**

- **Workers Compensation rates went up more than expected resulting in an increase of \$11,636.**
- **An average of 3% Merit increase has been applied to various departments with General Fund increasing by \$13,000 more than the original estimate.**
- **The Town is joining the Alliance for Innovation for a \$1,020 annual membership fee.**
- **Overall change to General Fund expenditures is \$25,666**



FY 2017 GENERAL FUND BUDGET IN BRIEF

- General Fund Total Budget = \$15,762,573
- Proposed Millage Rate 2.1144
- Revenues Exceed Expenditures \$225,688



GENERAL FUND REVENUES

Ad Valorem Revenue

• Assessed values are 5.18% higher producing additional ad valorem revenue of \$458,473. In July the Commission set the maximum millage at 2.1144 mills.

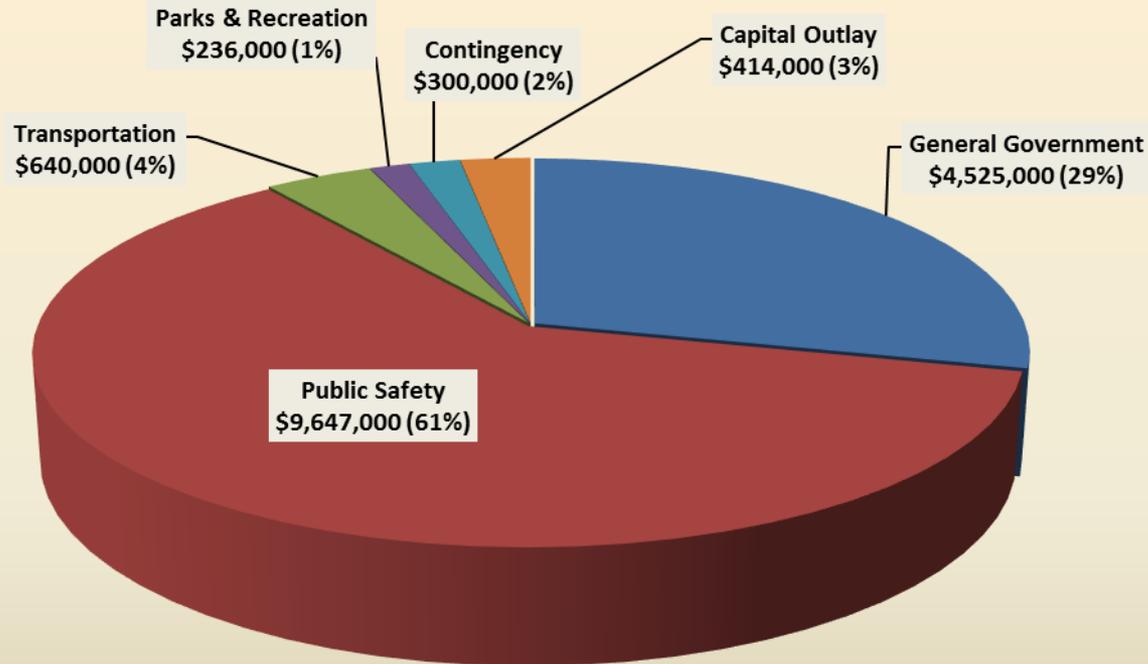
Major Changes From Current Year to Other Revenues

- Intergovernmental Revenues – Up \$34,100 (2.8%)
- Transfer from Utility and Building Funds – Up \$95,000 (5.1%)
- Fines and Miscellaneous – Down \$226,147 (74.8%)
(Reduced by 50% FRS Contribution from Firefighters)



FY2017 General Fund Expenses By Function

\$15,762,573



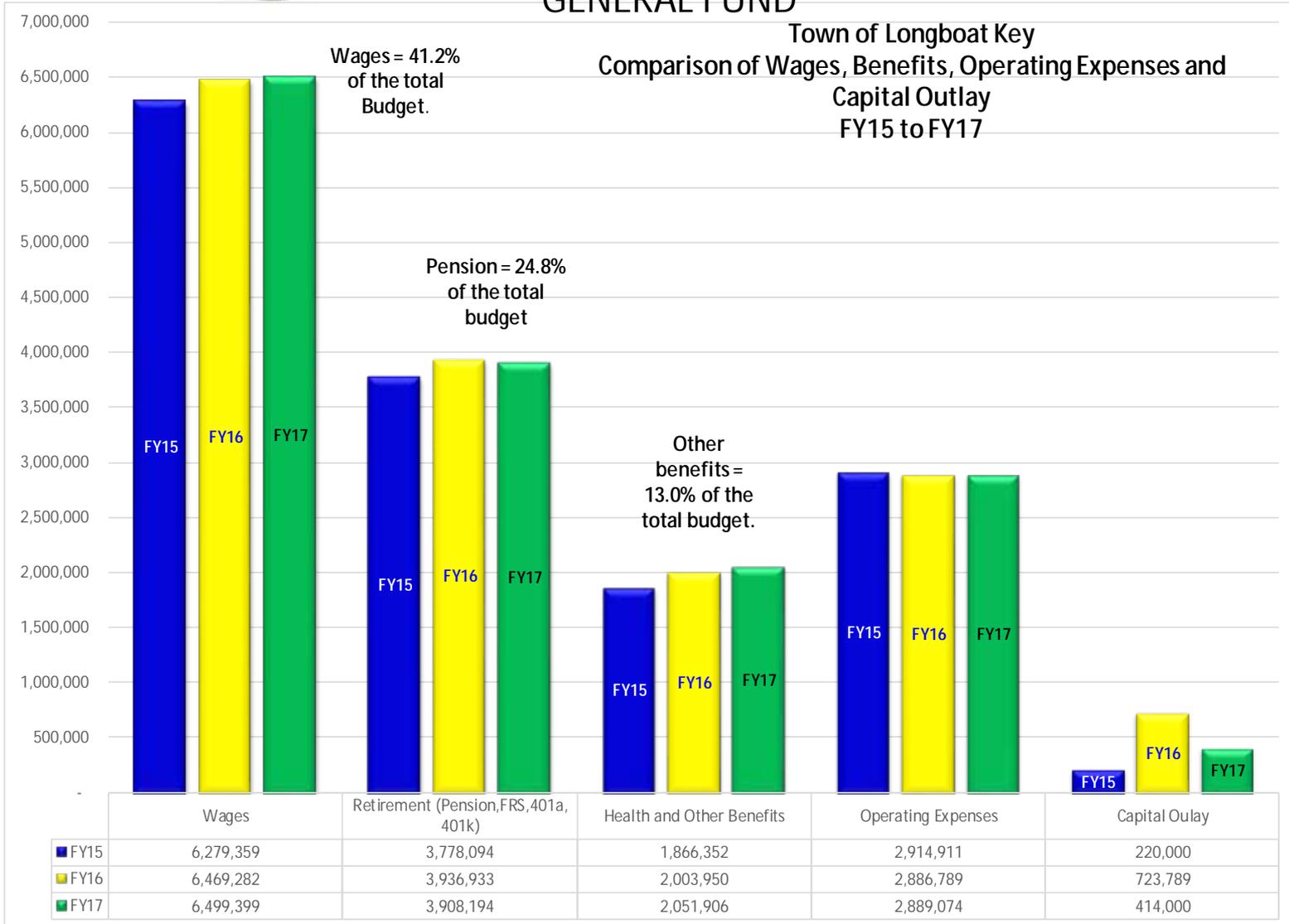
*General Government

- Town Commission
- Town Attorney /Other Legal
- Town Manager
- Town Clerk
- Human Resources
- Finance/Purchasing
- Information Technology
- Planning & Zoning
- General Services
- Public Works Administration
- Municipal Buildings



GENERAL FUND

Town of Longboat Key
 Comparison of Wages, Benefits, Operating Expenses and
 Capital Outlay
 FY15 to FY17





FY 17 GENERAL FUND CAPITAL BUDGET

Fire – Defibrillator Replacement	\$38,000
Fire – 4X4 SUV	\$40,000
Fire – Bunker Gear Replacement	\$37,000
Fire – Mobile Data Terminals	\$6,000
Fire – Mobex Devices	\$10,000
Fire – Video Airway	\$6,000
Police – Outboard Motors	\$33,000
Police – Records Management System (1/2)	\$75,000
Police – Refurbish 30' Intrepid	\$45,000
Police – All Terrain Vehicle	\$17,000
Police – Firearm replacement	\$8,000
Police – Tasers	<u>\$32,000</u>
Subtotal Public Safety	\$347,000
General Services – Office space/furniture	\$5,000
I.T. – Badge Card/Camera/Security System	\$25,000
I.T. – GIS	\$29,500
I.T. – Switch	\$7,500
Total Capital Outlay	<u>\$414,000</u>

Capital decreased \$309,789 over current year.



FY17 Beach Capital Projects

Anticipated Spending

Project Expenses FY16 Carryover and FY17

Sand Truck Haul		6,943,812
Longboat Pass/New Pass Dredging	\$	6,250,000
South End truck Haul		2,290,000
Army Corp of Engineers		1,500,000
Monitor Turtles/Birds		380,165
Beach Planning, Design, Sand Search		350,000
Beach access improvements		350,000
Post Construction survey		224,059
Contingency		200,000
Beach consulting		157,040
Artificial reef Monitoring		85,000
Beach Maintenance		73,496
Beach tilling		50,000
Groin Maintenance		33,000
North end Structure		14,022
Equipment		12,000
	\$	<u>18,912,594</u>



FY 17 Utility Capital Projects

Includes Carry Forwards from FY16

Project Title	FY16 Carryover	New Spending	FY17 Budget
* Wastewater Collection Subaqueous	\$ 360,000	\$ -00	\$ 360,000
Emerald Harbor Utility Upgrades	-	1,416,000	1,416,000
Rehabilitation of Sewer Lines	462,247	600,000	1,062,247
Lift Station Rehabilitation	1,046,872	550,000	1,596,872
LB Pass Subaqueous Replacement	334,174	-	334,174
GMD Wastewater Crossing Replace	300,000	15,000	315,000
Jetter and Wellpoint Truck	250,000	-	250,000
Wetwell & Manhole Repair	124,600	125,000	249,600
Financial Software/SCADA/GIS	244,165	109,000	353,165
Lift Station Pumps	37,267	105,000	142,267
Water Main Inspection	60,000	-	60,000
Work Truck Replacement	-	50,000	50,000
Portable Generator Replacement	-	35,000	35,000
Meters	-	15,000	15,000
	\$ 3,219,325	\$ 3,020,000	\$ 6,239,325



FY 17 CAPITAL BUDGET
 (NOT INCLUDING CARRYOVERS)

Road and Bridge Fund:

SUV	\$30,000
4x4 Utility Cart	12,000
Deck/Pontoon Boat	<u>12,000</u>
	\$54,000

Building Fund:

Office Space Reconfiguration	\$40,000
Rack Storage System	10,000
Pickup Truck	30,000
GIS (Split with General and Utility Funds)	<u>29,500</u>
	\$109,500

Parks and Recreation Capital Fund:

Bayfront Park Improvement Project	\$1,030,507
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FY 17 CAPITAL BUDGET
 (NOT INCLUDING CARRYOVERS)

Infrastructure Surtax Fund:

HVAC Upgrades/Replacements	\$80,000
Police Patrol Cars	100,000
Ambulance	315,000
North Fire Station Front Ramp	10,000
Bayfront Park Improvements (transfer)	300,000
Police Roof Replacement	35,000
Tennis Center Court Resurfacing	30,000
Tennis Center Fencing	7,000
*Radio Enhancements	25,000
	<u>\$902,000</u>

*Added since August 1st



FY 17 CAPITAL BUDGET
(NOT INCLUDING CARRYOVERS)

Street Capital Project Fund:

Sidewalk West of GMD	\$300,000
GMD Corridor Plan	50,000
Broadway Culvert	30,000
Dream Island Rd Storm Water Crossing	<u>40,000</u>
	\$420,000

Canal Dredging Fund:

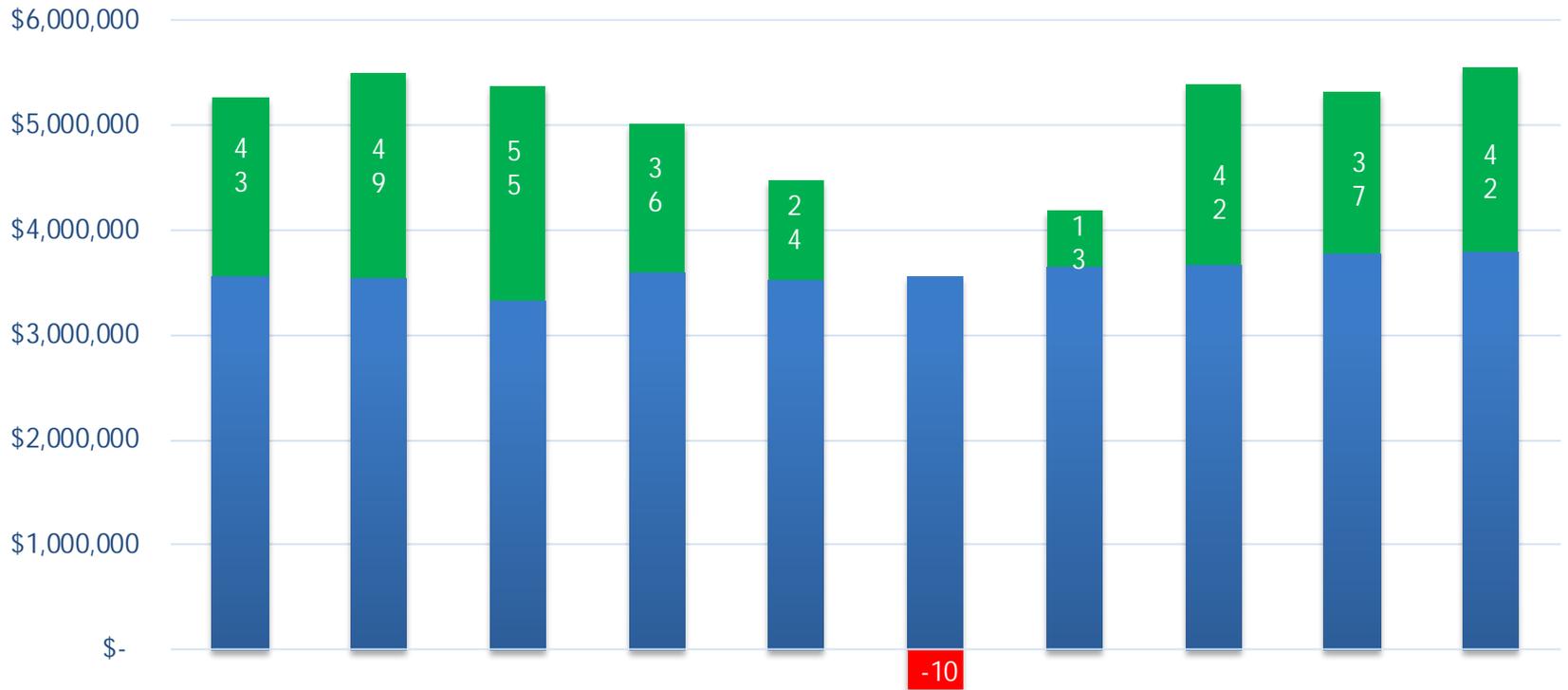
Canal Dredging Study	\$160,000
Canal Dredging Program	<u>350,000</u>
	\$510,000

Land Acquisition Fund:

Town Center	\$200,000
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Town of Longboat Key Fund Balance FY2008 - FY2017



\$(1,000,000)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
■ Reserves greater than 90 days	\$1,710,984	\$1,952,038	\$2,046,470	\$1,423,753	\$945,427	\$(388,454)	\$533,905	\$1,721,763	\$1,553,612	\$1,761,930
■ 90 Operating Days	\$3,553,650	\$3,550,050	\$3,321,090	\$3,586,410	\$3,518,730	\$3,567,510	\$3,646,260	\$3,658,860	\$3,767,220	\$3,784,590



ROLLED-BACK RATE & MAXIMUM MILLAGE

- ∅ The proposed operating millage of 2.1144 produces a 3.75% change from the Rolled-Back Rate of 2.0380 for 2016.
- ∅ 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 2.1144

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Proposed</u>
Beach District A	0.8328	0.7699
Beach District B	0.2082	0.1925



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 2016-17 proposed millage rate is 0.0547. These bonds expire in 2019. The remaining amount owed after 2017 is \$555,000 not including interest.**



BEACH MILLAGE

- Ø Town Commission set a proposed millage rate for the two Beach Erosion Control Special Districts at the July 6, 2016 Regular Meeting.

- Ø **FY 2016 Beach Debt Activity**
 - Ø \$16 million authorized debt was reduced by the amount of tax collected from FY15 and FY16 millage
 - Ø Borrowed \$10,720,908 June 10, 2016
 - Ø Adjust FY 17 millage to cover reduced borrowing



BEACH MILLAGE

Proposed Millage

Beach Districts A and B

Based on \$2,800,000 Debt Service Payment

	<u>FY 16 Actual</u>	<u>FY 17 Proposed</u>
Beach District A	0.8328	0.7699
Beach District B	0.2082	0.1925

TOWN OF LONGBOAT KEY



How Longboat Key General Operating Millage Compares to Surrounding Communities Tax Year 2016 (TRIM Notices)

Services Included in General Operating Millage

<u>Cities</u>	<u>General Operating Mill Rate</u>	<u>Tax Dollars \$500K home</u>	<u>Services Included in General Operating Millage</u>		
			<u>Police</u>	<u>Fire</u>	<u>Ambulance</u>
Anna Maria	2.0500	\$1,025	Û	Û	Û
Longboat Key	2.1144	\$1,057	Ü	Ü	Ü
Holmes Beach	2.2500	\$1,125	Ü	Û	Û
Bradenton Beach	2.3329	\$1,166	Ü	Û	Û
Sarasota	3.1728	\$1,586	Ü	Û	Û
Punta Gorda	3.1969	\$1,598	Ü	Ü	Û
North Port	3.5402	\$1,770	Ü	Û	Û
Venice	3.6000	\$1,800	Ü	Ü	Û
Bradenton	5.8976	\$2,949	Ü	Ü	Û
Palmetto	5.9671	\$2,984	Ü	Û	Û
<u>Counties</u>					
Sarasota County	3.1962	\$1,598	Ü	Û	Û
Charlotte County	6.3007	\$3,150	Ü	Ü	Ü
Manatee County	6.4206	\$3,210	Ü	Û	Ü

Ü Service included in General Operating Millage

Û Service Not included in General Operating Millage

An updated list for Tax Year 2016 will be provided at the September 26, 2016 Meeting.



End of Agenda Item