

M E M O R A N D U M

TO: Town Commission
FROM: Tom Harmer, Town Manager
REPORT DATE: May 11, 2021
MEETING DATE: May 18, 2021
SUBJECT: Discussion Regarding Strategic Initiatives, FY22 Budget,
and FY22-26 Capital Improvement Plan

Recommended Action

Provide direction to Manager for FY22 Strategic Initiatives, Budget, and FY22-26 Capital Improvement Plan (CIP).

Background

In accordance with the Town Charter, on or before June 15 each year, the Town Manager shall submit to the Town Commission a Preliminary Budget for the ensuing fiscal year, and a final Recommended Budget with an accompanying message on or before August 1 each year.

I have reviewed the process from last year, and plan to follow the same general format this year.

In May of each year the Town Commission holds their first Special Workshop Meeting for Budget for the upcoming fiscal year (FY22). This is an early review of the budget development in advance of the formal Preliminary Budget submittal. One additional Special Workshop Meeting for Budget is scheduled for June 21, 2021, prior to the September public hearings when the FY22 Budget is presented for adoption.

I provided guidance internally to each of the Department Directors and met with their staff as we prepared the plan for this upcoming year.

At the 9:00 AM, May 18, 2021 Special Workshop Meeting for Budget we will provide an overview of the FY22 Budget process, a status of the development of the General Fund budget, and a review of the various funds that make up the 5-year CIP. This meeting will serve as the primary review of the Capital Funds Budget and we will bring back responses to Commission questions or direction at the 9:00 AM, June 21, 2021 Special Workshop Meeting. We will also review the status of our current initiatives, summarize resident input and feedback, and discuss proposed FY22 initiatives.

As part of the Capital Improvement Plan review, we will discuss current project priorities, project initiatives and stressed funds. As with many local governments, the Town has capital and infrastructure needs that exceed the size of our capital budgets. I will touch on potential funding solutions, the upcoming Surtax IV referendum, the American Rescue Plan Act grants and other structured options. Some of the stressed funds we will discuss include projects associated with canal

dredging, transportation (roundabout, GMD Corridor plan, cross-walks and drainage), and long-term financing for future water and wastewater utility projects.

A utility rate study was performed and Bryan Mantz, from Govrates, Inc., will be here to discuss preliminary results and impacts of design and construction of the \$7.2 million Asbestos Cement Pipe Replacement at Country Club Shores as well the estimated \$21.8 million for the planned Subaqueous Force Main Project.

We are in the early stages of the budget process, fund budget forecasts are subject to change, investment income has not been fully analyzed for cash inflows and outflows and the Finance Department continues to work on initial overall revenue and expenditure projections for all funds and the Capital Improvement Plan (CIP) Budget.

Property values are a major source of revenue to the General Fund and the Town overall. The Manatee and Sarasota County Property Appraisers are not required to release preliminary property values until June 1, 2021 and the final values by July 1, 2021. At this stage of budget development, we are assuming a 4% increase in property values for our preliminary estimates and will update those as the information from the Property Appraisers is made available.

A PowerPoint presentation summarizing the issues to be covered in the Special Workshop Meeting is being distributed to the Commission in advance of the meeting.

Budget Schedule/Next Steps

- **May 18, 2021** - 1st Special Workshop Meeting for Budget. Review of Strategic Planning Initiatives, overview of process, initial review of General Fund, and review of 5-year Capital Improvement Plan including the preliminary forecasts of the individual Funds.
- **June 1, 2021** - Preliminary property values from both counties.
- **June 21, 2021** - 2nd Special Workshop Meeting for Budget. At the June 21, 2021 Special Workshop Meeting for Budget discussion, the General Fund Preliminary Budget will be presented and we will review all other fund budgets (special revenue, enterprise, and debt service).
- **June 28, 2021** –This date was set for an additional Special Meeting for FY21 Budget discussion OR for planning/land use related issues. We are not currently aware of any planning applications that would require the Special Meeting and based on last year’s budget schedule we expect to cover the Preliminary Budget in the first two scheduled Special Workshop Meetings for Budget. As of this date, we recommend that this meeting be cancelled.
- **July 1, 2021** - Certification of final property values. The County Property Appraisers Offices have until July 1, 2021 to certify property values. Your July Regular Meeting falls on July 6, 2021. Upon receipt, the Finance Department will recalculate the FY22 Budget to provide for setting of the maximum millage rate at the July 6, 2021 Regular Meeting.

- **July 6, 2021 at 1:00 PM**- Regular Meeting - Set Maximum Millage.
- **September 13, 2021 at 9:00 AM** – Final Special Workshop for discussion of FY22 Budget (if needed).
- **September 13, 2021 at 5:01 PM** - First reading and public hearing of Resolution 2021-09, which establishes the millage rate; and Resolution 2021-10 to adopt the FY22 Budget. First reading and public hearing on Ordinance 2021-05 , which provides for the adoption of the FY22 Capital Improvements Element (CIE) concurrent with adoption of the FY22 Budget.

In addition, Resolutions 2021-11 and 2021-12 will be presented for the Certification of the Annual Assessment Rolls for both the GMD and Neighborhood Utilities Undergrounding Projects (must be passed prior to September 15 each year).

- **September 27, 2021 at 5:01 PM** – Second reading, public hearing, of Resolution 2021-09 , which establishes the millage rate; and Resolution 2021-10 to adopt the FY22 Budget. Second reading and public hearing to adopt Ordinance 2021-05, FY22 Capital Improvements Element (CIE) concurrent with adoption of the FY22 Budget.

Attachments

PowerPoint (Available in Town Clerk's office)