

# Memorandum

**TO:** Town Commission  
**FROM:** Howard Tipton, Town Manager  
**REPORT DATE:** August 1, 2023  
**SUBJECT:** FY24 Final Recommended Budget

## Recommended Action

None. Informational Only.

## Background

In accordance with Town Charter Article V, Section 3, the Town Manager shall submit to the Town Commission, on or before the first day of August each year, a Final Recommended Budget and accompanying message for the ensuing fiscal year. This memo and the attached Recommended Budget, provides the General Fund Operating Budget, the Revised Capital Improvement Plan and all operating fund budgets.

As the Commission is aware, the State provides FY24 Revenue Estimates to Municipalities during July. As we moved to finalize the FY24 Budget to meet the August 1 Charter deadline, we noted that certain estimates were not yet available from the State and we are using our own estimates. With that in mind we anticipate further changes to the FY24 Budget prior to the September adoption for Communication Services Tax, Local Discretionary Sales Surtaxes and Gas Tax revenue estimate revisions.

A summary of changes made since the June 20, 2023 Budget Workshop and highlights of the June 30, 2023 Regular Meeting are as follows:

## Highlights from the June 30, 2023 Regular Meeting

- July 1 certified values are 13.11% higher than the prior year, which would produce an increase in tax revenue of \$1,820,612 using the current mill rate of 1.9900.
- The Commission set a Maximum Millage of 1.9900, which is the same as the prior year mill rate.
- Save Our Homes legislation limits homestead property value increases to 3.0%. The cap in the prior year was also 3.0%.
- Mill rates were set as follows:
  - 1.9900 Operating (Maximum)
  - 0.0440 Facility (Fire Stations) Debt
  - 0.6672 Beach Gulfside
  - 0.1668 Beach Bayside
- DR-420s have been certified for TRIM notices, based on actions taken at the June 30, 2023 Regular Meeting.

***I have subsequently reduced the mill rate to 1.9850 in the Recommended Budget.***

## **Budget modifications made since the June 20, 2022 Budget Workshop:**

### **General Fund:**

- Between June and July, ad valorem revenues were increased \$43,940 based on the July 1 certified values. I am now recommending a reduction of the mill rate to 1.9850 which will make the difference an increase of \$3,840.
- Non-ad valorem revenue increased \$270,462 which included increases to the indirect costs paid to the General Fund by the Utility and Building Fund of \$233,634, and minor changes to State Revenues based on estimates released by the State (net change +\$36,828).
- Expenditures were increased by \$70,330. \$25,000 was added to the insurance line to cover increases to Flood insurance along with minor changes Support Services of \$967. Personnel costs increased \$44,363 due to changes in the compensation plan and reductions in health insurance and vacation payouts.
- Based on these adjustments, we were able to reduce the use of Fund Balance from \$4,569,709 to \$4,365,737 (a net reduction of \$203,972).
- The FY24 Budget also maintains 60 days of reserves for each of the three categories: Unassigned, Economic Uncertainty/Revenue Stabilization, and Extreme Events/Natural Disasters. The Town Manager's assignment of \$750,000 for Future Capital remains intact and the remaining Unassigned Reserves greater than 60 days is \$230,903 (5 days). This amount is subject to change pending the outcome of the FY23 Budget and audit, but Finance is predicting another surplus year with revenues exceeding budgetary estimates by at least \$1.5 million.

### **Other Funds:**

- The 80/20 split for Beach Debt Service Funds was updated based on the new July 1 certified values requiring slight adjustments in the split of ad valorem revenues and costs.
- Debt service for GMD Undergrounding was reduced slightly for a bond redemption that is taking place on August 1 2023, which modified our amortization schedules.
- Budget amendments approved for the Town Center at the June 30, 2023, Regular Meeting were incorporated into the new Carryover Balances in the Land Acquisition Fund Capital Plan.
- Budget amendments in the Building Fund, also approved on June 30, 2023 for Accella Software, contracted building inspector services and an additional Plans Examiner/Building Inspector were carried forward in the Capital Plan where necessary.
- Minor reductions were made to assessment revenues in the GMD and Neighborhood Assessment Funds based on the preliminary tax rolls submitted to both Counties.
- The Five-Year Capital Improvement Plan was adjusted accordingly.

**Changes anticipated to be made for the September 11, 2023 first reading on the budget:**

- Evaluate recommended reduction in millage rate. All of the numbers continue to show a strong balance sheet and it is possible as we continue to analyze next year's needs that I may be recommending an additional millage rate reduction (beyond the 1.9850) for the first budget hearing.
- Update the accounts for any newly released State revenue estimates (Communication Service Tax, Gas Taxes and Discretionary Infrastructure Surtaxes).
- Update all open project carryover balances for amounts spent through the publish date.
- Update unspent amounts for WCIND grants and grant matches.
- Special assessment revenues for Neighborhoods and GMD Undergrounding will be updated, based on final certified values, if necessary.
- The Manatee Interlocal Agreement for Greer Island Patrol is pending approval at the County, but is included in our revenue estimates.
- Update projected ending Fund Balance for FY23 based on newest data.

An overview of the FY24 Budget, highlighting any changes since the June 30, 2023 Regular Meeting, will be presented at the first public hearing in September. There are two remaining hearings on the FY24 Budget scheduled as follows:

**September 11, 2023 at 5:01 PM** - First public hearing of Resolution 2023-18, which establishes the millage rate; and Resolution 2023-19 to adopt the FY24 Budget. First reading and public hearing on Ordinance 2023-09, which provides for the adoption of the FY24 Capital Improvements Element (CIE) concurrent with adoption of the FY24 Budget.

Resolutions 2023-14 and 2023-15 will be presented for the Certification of the Annual Assessment Rolls **at the 1:00 PM Regular Meeting** for both the GMD and Neighborhood Utilities Undergrounding Projects (must be passed prior to September 15 each year).

**September 26, 2023 at 5:01 PM** – Second public hearing, of Resolution 2023-18, which establishes the millage rate; and Resolution 2023-19 to adopt the FY24 Budget. Second reading and public hearing to adopt Ordinance 2022-09, FY24 Capital Improvements Element (CIE) concurrent with adoption of the FY24 Budget.

Please feel free to contact me if you have any questions.

**Staff Recommendation**

None. Informational Only.

**Attachments**

Recommended Budget (Available in the Town Clerk's office)

## Fiscal Year 2024 Recommended Budget

### Recommended Budget Revenues

ESTIMATED REVENUES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	ENTERPRISE FUNDS	TOTAL ALL FUNDS
Ad Valorem Tax	15,919,382		3,929,931			19,849,313
Other Taxes	152,250	2,914,452				3,066,702
Franchise Fees	899,000		304,027			1,203,027
Licenses and Permits	22,700				,132,050	1,154,750
Special Assessments		2,565,373				2,565,373
Intergovernmental Revenues	1,633,828	82,400				1,716,228
Charges for Services	498,300	821,102		136,000	9,424,000	10,879,402
Grants	500	459,185		1,557,803	1,542,000	3,559,488
Fines & Forfeitures	57,750	1,750			30,000	89,500
Investment Earnings	441,000	151,119	52,100	314,161	252,500	1,210,880
Miscellaneous	95,000	9,500		230,000	251,000	585,500
Transfers In	1,595,911		1,695,186	6,900,000	1,500,000	11,691,097
<b>TOTAL ESTIMATED REVENUES</b>	<b>21,315,621</b>	<b>7,004,881</b>	<b>5,981,244</b>	<b>9,137,964</b>	<b>14,131,550</b>	<b>57,571,260</b>

### Recommended Budget Expenditures

ESTIMATED EXPENDITURES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	ENTERPRISE FUNDS	TOTAL ALL FUNDS
Town Commission	40,400					40,400
Legal Counsel	443,925					443,925
Town Manager	510,332					510,332
Town Clerk	486,258					486,258
Finance	1,069,495					1,069,495
Information Technology	1,167,806					1,167,806
Support Services	665,053					665,053
Facilities	172,558					172,558
Police	3,908,759	373,565				4,282,324
Fire/Rescue	8,495,407	3,585	352,982			8,851,974
Emergency Management	31,400					31,400
Public Works (Includes Undergrounding)	741,706	81,250	1,996,519			2,819,475
Parks/Recreation (Includes Beach and Canals)	414,085	25,000	3,577,600	922,715		4,939,400
Planning and Zoning	732,555					732,555
Streets	666,768	57,528				724,296
Tennis		767,525				767,525
Water					2,844,026	2,844,026
Wastewater					3,622,068	3,622,068
Building					1,784,936	1,784,936
General Services	734,851	5,323	2,170	157,159	3,011,597	3,911,100
Contingencies	300,000			2,282,641	250,000	2,832,641
Capital Outlay		3,884,243		27,013,538	11,546,986	42,444,767
Transfers Out	5,100,000	3,495,186			3,095,911	11,691,097
<b>TOTAL RECOMMENDED EXPENDITURES</b>	<b>25,681,358</b>	<b>8,693,205</b>	<b>5,929,271</b>	<b>30,376,053</b>	<b>26,155,524</b>	<b>96,835,411</b>

### Recommended Fund Balance

SUMMARY	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	ENTERPRISE FUNDS	TOTAL ALL FUNDS
REVENUES	21,315,621	7,004,881	5,981,244	9,137,964	14,131,550	57,571,260
EXPENDITURES	(25,681,358)	(8,693,205)	(5,929,271)	(30,376,053)	(26,155,524)	(96,835,411)
BEGINNING FUND BALANCE	15,565,560	9,120,767	25,096	29,804,006	36,686,838	91,202,267
ENDING FUND BALANCE	<b>11,199,823</b>	<b>7,432,443</b>	<b>77,069</b>	<b>8,565,917</b>	<b>24,662,864</b>	<b>51,938,116</b>