

Memorandum

TO: Town Commission
FROM: Howard Tipton, Town Manager
REPORT DATE: August 1, 2024
SUBJECT: FY25 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 year we are very excited to introduce our first Digital Budget Book powered by ClearGov. Finance has been working over the past year to implement a digital solution and innovative tool for our citizens that provides a comprehensive, transparent and easy-to-understand overview of the Town's finances. It offers a user-friendly interface that breaks down the data into sections with charts and graphs. Citizens should be able to explore revenues, expenditures patterns and gain a better understanding of the different funds and fund types.

From the main menu, you can easily navigate to the different sections of the budget. Some web pages have additional links that you can click on and see additional detail behind the charts. If you select the Print button, you can select the sections you specifically want and have it email you a custom PDF file. It will tell you it could take up to three hours to complete this task, but it rarely takes that long.

Please explore this new Budget Book and let us know how you like it. We welcome your feedback, questions and suggestions. This document is still a work in progress and we will continuously perfect it over time with the goal to make the budget more informative. The URL is listed below and this link will also be available on the Town's website

<https://town-longboat-key-fl-budget-book.cleargov.com/18088>

In FY25, we will be adding an enhancement to the current product for Capital Budgeting which will be implemented over the next year for the FY26-FY30 Capital Plan.

This memo and the Digital Budget, provides the General Fund Operating Budget and its individual Department budgets, the updated Capital Improvement Plan and all Governmental Fund budgets.

As the Commission is aware, the State provides FY25 Revenue Estimates to Municipalities during the summer. As we moved to finalize the FY25 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 FY25 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 17, 2024 Budget Workshop and highlights of the June 28, 2024 Regular Meeting are as follows:

Highlights from the June 28, 2024 Special Meeting

- July 1 certified values are 10.25% higher than the prior year, which would produce an increase in tax revenue of \$1,580,544 using the current mill rate of 1.9600.
- The Commission set a Maximum Millage of 1.9600, 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:
 - 1.9600 Operating (Maximum)
 - 0.0401 Facility (Fire Stations) Debt
 - 0.6071 Beach Gulfside
 - 0.1518 Beach Bayside
- DR-420s have been certified for TRIM notices, based on actions taken at the June 28, 2024 Special Meeting.

Budget modifications made since the June 17, 2024 Budget Workshop:

General Fund:

- Between June and July, ad valorem revenues were increased \$99,528 based on the July 1 certified values and decreased \$500,000 for the removal of a new millage for Canal dredging for a net decrease of \$400,472.
- As a result of the elimination of the millage for Canal dredging of \$500,000, we conversely reduced the transfer out to the Canal Fund for the same amount. The Commission instructed staff to use current surplus funds to continue the program development.
- Non-ad valorem revenue increased \$282,372 which included increases to the indirect costs paid to the General Fund by the Utility and Building Fund of \$282,372.
- We reduced health insurance \$35,400 due to a lower renewal at 9.9%, reduced the Pedestrian crossing guard subsidy \$5,000 and made other minor reductions in personnel costs of \$14,350.
- Some of the previously cut expenses that we restored include a full website redesign \$35,000 and Professional Service for Street locates \$13,000.
- In June the allowance for pay plan adjustments and merit-based increases was placed in contingency. We have spread the amounts to the individual departments based on a flat percentage. These will be adjusted once more when the final scores and raises are applied.
- Based on these adjustments, we were able to reduce the use of Fund Balance from \$1,886,774 to \$1,508,552 (a net reduction of \$378,222).
- The FY25 Budget 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 for Future Capital of \$750,000 is reduced to \$475,270. This amount is subject to change pending the outcome of the FY24 audited results.

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.
- The preliminary June Budgets for the Utility and Building Enterprise Funds did not include any contingency for personnel cost increases built in. In addition, the transfers out to the General Fund for indirect costs reimbursements had not been calculated. Those amounts were added for the Recommended Budget.
- The Miscellaneous Capital Projects Fund was amended to include \$15,000 for a Town Drone with thermal capabilities and the Dog Park Perimeter lighting was removed from FY25, because the Town was able to do the work in FY24 with donated funds of \$16,910. A budget amendment for this donation will be presented at year end close adjustments.
- The Longboat Key Club has agreed to provide ongoing perpetual maintenance of the Town Center oval, and in order to take advantage of the rainy season, Public Works has requested a transfer using some of the Rec Center planning money now to use towards the sod (approximately \$41,000). This will impact the carryover balances within the Parks and Recreation Capital Project Fund.
- The Five-Year Capital Improvement Plan was adjusted accordingly.

Changes anticipated to be made for the September 9, 2024 first reading on the budget:

- The elimination of the mill rate for Canals has produced a slight deficit in the Canal Fund. The Commission instructed staff to use current surplus funds to continue the program development in FY24. The FY25 Budget will need to be updated after we make changes to the budget plan.
- Update the accounts for any newly released State revenue estimates (Sales Taxes, Communication Service Tax, Gas Taxes and Discretionary Infrastructure Surtaxes).
- Update all open project carryover balances for amounts spent through the publish date.
- Adjust Land Acquisition Fund for sod work at the Town Center being completed in the current fiscal year.
- Add enhancement to Budgeting Software to include Capital Planning module.
- Update personnel costs among the departments for actual merit scores.
- 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 FY24 based on newest data.

An overview of the FY25 Budget, highlighting any changes since the June 17, 2024 Regular Meeting, will be presented at the first public hearing in September. There are two remaining hearings on the FY25 Budget scheduled as follows:

- **September 9, 2024 at 10:00 AM** – Final Special Workshop Meeting for discussion of FY25 Budget (if needed).
- **September 9, 2024 at 1:00 PM** - Resolutions 2024-08 (GMD) and 2024-09 (Neighborhood) 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 9, 2024 at 5:01 PM** - First reading and public hearing of Resolution 2024-10, which establishes the millage rates; and Resolution 2024-16 to adopt the FY25 Budget. First reading and public hearing on Ordinance 2024-08, which provides for adoption of the FY25 Capital Improvements Element (CIE) concurrent with adoption of the FY25 Budget.
- **September 23, 2024 at 5:01 PM** – Second reading, public hearing, of Resolution 2024-10, which establishes the millage rates; and Resolution 2024-16 to adopt the FY25 Budget. Second reading and public hearing to adopt Ordinance 2024-08, FY25 Capital Improvements Element (CIE) concurrent with adoption of the FY25 Budget.

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

Staff Recommendation

None. Informational Only.

Attachments

Recommended Budget

Fiscal Year 2025 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	17,299,430		3,931,932			21,231,362
Other Taxes	156,000	3,170,523				3,326,523
Franchise Fees	899,000		304,027			1,203,027
Licenses and Permits	20,700				1,232,050	1,252,750
Special Assessments		2,549,739				2,549,739
Intergovernmental Revenues	1,650,828	85,600				1,736,428
Charges for Services	579,300	883,836		50,000	11,785,038	13,298,174
Grants		347,876		2,648,532	3,000,000	5,996,408
Fines & Forfeitures	58,250	1,750			30,000	90,000
Bond Proceeds					30,000,000	30,000,000
Investment Earnings	440,000	108,685	52,100	424,981	340,000	1,365,766
Miscellaneous	137,420	187,100			56,000	380,520
Transfers In	1,878,283		1,686,742	2,500,000	4,150,000	10,215,025
TOTAL ESTIMATED REVENUES	23,119,211	7,335,109	5,974,801	5,623,513	50,593,088	92,645,722

Recommended Budget Expenditures

ESTIMATED EXPENDITURES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	ENTERPRISE FUNDS	TOTAL ALL FUNDS
Town Commission	38,140					38,140
Legal Counsel	424,000					424,000
Town Manager	531,412					531,412
Town Clerk	560,328					560,328
Finance	1,129,324					1,129,324
Information Technology	1,452,152					1,452,152
Support Services	720,259					720,259
Facilities	183,358					183,358
Police	4,340,975	380,732				4,721,707
Fire/Rescue	9,061,179	4,629	354,482			9,420,290
Emergency Management	19,900					19,900
Public Works (Includes Undergrounding)	957,921	81,250	1,991,769			3,030,940
Parks/Recreation (Includes Beach and Canals)	453,357	40,000	3,578,100	892,928		4,964,385
Planning and Zoning	768,803					768,803
Streets	767,477	55,000				822,477
Tennis		812,065				812,065
Water					3,049,238	3,049,238
Wastewater					3,607,377	3,607,377
Building					2,049,633	2,049,633
General Services	780,568	5,323	2,170	179,803	3,213,218	4,181,082
Contingencies	438,610			1,712,177	250,000	2,400,787
Capital Outlay		3,665,224		30,171,688	43,230,900	77,067,812
Transfers Out	2,000,000	2,186,742			6,028,283	10,215,025
TOTAL RECOMMENDED EXPENDITURES	24,627,763	7,230,965	5,926,521	32,956,596	61,428,649	132,170,494

Recommended Fund Balance

SUMMARY	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	ENTERPRISE FUNDS	TOTAL ALL FUNDS
REVENUES	23,119,211	7,335,109	5,974,801	5,623,513	50,593,088	92,645,722
EXPENDITURES	(24,627,763)	(7,230,965)	(5,926,521)	(32,956,596)	(61,428,649)	(132,170,494)
BEGINNING FUND BALANCE	13,205,249	7,472,475	208,281	36,441,451	40,692,048	98,019,504
ENDING FUND BALANCE	11,696,697	7,576,619	256,561	9,108,368	29,856,487	58,494,732