



This meeting will be live-streamed via the Town's website

Town of Longboat Key Town Commission

Town Hall, 501 Bay Isles Road

Longboat Key, FL 34228

www.longboatkey.org

Ken Schneier, Mayor; Mike Haycock, Vice Mayor; Sherry Dominick, District 1;

George Spoll, District 2; Jack Daly, District 4;

Ed Zunz, District 5; and B.J. Bishop, At-Large

AGENDA

Special Workshop Meeting – Budget

June 15, 2020 – 9:00 AM

Pledge of Public Conduct

- We may disagree, but we will be respectful of one another.
- We will direct all comments to issues.
- We will avoid personal attacks.
- Audience members wishing to speak must be recognized by the Chair.
- Speaking without being recognized will be considered as "Out of Order".

Call to Order, Roll Call, and Pledge of Allegiance Approval of Virtual Meeting Protocols and Process

Public to be Heard *

1. Opportunity for Public to Address Town Commission

- A. At each meeting the Town Commission sets aside time for the public to address issues not on the agenda.
- B. All other agenda items * Virtual public participation instructions provided as in attachment to this agenda.

Discussion Item

2. Discussion Regarding FY21 Budget

The Town Manager will provide an update on the current year Budget and a review of the FY21 Budget currently under development. Recommended Action: Provide direction to Manager.

Town Commission Comments

Town Attorney Comments

Town Manager Comments

Adjournment

Please be advised that the Florida Governor's Office has declared a State of Emergency due to the Coronavirus (COVID-19) pandemic. As reported by the Center for Disease Control and World Health Organization, COVID-19 can spread from person-to-person through small droplets from the nose or mouth, including when an individual coughs or sneezes. These droplets may land on objects and surfaces. Other people may contract COVID-19 by touching these objects or surfaces, then touching their eyes, nose or mouth. Therefore, merely cleaning facilities, while extremely important and vital in this crisis, may not be enough to stop the spread of this virus. Those with weakened immune systems may want to avoid the Town Commission's meeting in order to avoid a potential exposure to the virus.

While it is necessary to hold the above referenced meeting of the Town Commission, despite the current public health emergency, the Town Commission fully encourages public participation in a safe and efficient manner. Toward that end, anyone wishing to listen to the meeting can do so at <https://www.longboatkey.org/town-government/commission-meetings-live>. Additionally, the public can submit comments on agenda items to the Town Clerk in advance at tshinkle@longboatkey.org. Please submit comments on agenda items to the Town Clerk no later than Sunday, June 14, 2020, at 12:00pm, to facilitate the Town Commission's consideration of such questions and comments during the meeting.

No verbatim record by a certified court reporter is made of these proceedings. Accordingly, any person who may seek to appeal any decision involving the matters noticed herein will be responsible for making a verbatim record of the testimony and evidence at these proceedings upon which any appeal is to be based (see Section 286.0105, Fla. Stat.).

In accordance with the Americans with Disabilities Act and Section 286.26, F.S., persons needing a special accommodation to participate in this proceeding should contact the Town Clerk's office at 941-316-1999 forty-eight (48) hours in advance of this proceeding. If you are hearing impaired, please call 941-316-8719.

Virtual Meeting Protocols and Process

The June 15, 2020, Town Commission Regular Workshop meeting will be conducted virtually with limited staff in attendance in the Commission Chamber at Town Hall.

The Town encourages public participation in its virtual meetings. If you do not plan on participating in the meeting but only wish to view, please consider viewing the meeting via the Town's online streaming option as described in option #2 so that there can be more available bandwidth for individuals who wish to participate in the virtual meeting using the Zoom medium as described in option #4.

Please be advised that there is a 45 second delay due to closed captioning when the Town Commission meeting is viewed using the online option.

Further, should you encounter difficulties in viewing or participating in the meeting with the option you choose, please consider using an alternate form of participation from the options listed below.

To participate in the Town Commission Regular Workshop virtual meeting on June 15, 2020, which begins at 1 p.m., you have the following options:

1. Listen to the meeting via phone:

You may listen to the audio only from your phone by dialing 1-646-558-8656 and when the meeting ID is requested, enter 267390984 and then press the # key.

2. Watch the meeting online, but not participate:

You may access the meeting by visiting <https://www.longboatkey.org/town-government/commission-meetings-live>. As noted above, there is a 45 second delay when viewing and streaming the meeting through this online option.

3. Watch the meeting online and provide public comment prior to the meeting:

Please follow all of the instructions provided for in #2 above. You may also provide written comments by e-mailing Town Clerk Trish Shinkle **no later than June 14, 2020, at 12:00 p.m.** (noon) at tshinkle@longboatkey.org, by regular mail at 501 Bay Isles Road, Longboat Key, FL, 34228, or submit the on-line form available on the Town's website (www.longboatkey.org). The on-line form will be available from Thursday, June 11, 2020, at 12:00 p.m. (noon) until Sunday, June 14, 2020, at 12:00 p.m. (noon). If you do not wish to speak during the meeting, you may request that your written comments be read into the record at the appropriate time. All other written comments received by the deadline will be distributed to the Commission and the appropriate staff prior to the start of the meeting. Time limits will be enforced so written comments that are read into the record must be limited to 3 minutes.

4. Watch the meeting and participate during the public comment and/or public hearing in the meeting using Zoom:

Request to Speak instructions:

To request to speak during the virtual meeting or public hearing, you must complete the Request to Speak form **no later than June 14, 2020, at 12:00 p.m.** (noon), to be placed on a participant list. You may access the Request to Speak form by visiting www.longboatkey.org. You must fill out and submit all required information on the form no later than **no later than June 14, 2020, at 12:00 p.m.** (noon), to participate during the public comment and/or public hearing items on the agenda. The on-line form will be

available from Thursday, June 11, 2020, at 12:00 p.m. (noon) until Sunday, June 14, 2020, at 12:00 p.m. (noon). Except for the public hearing agenda item(s), all Public to be Heard comments will be taken at the beginning of the meeting for both Agenda and Non-Agenda items. If you are requesting to speak during the public hearing agenda item, please indicate that specific agenda item number on the Request to Speak form as your comments will be considered during the public hearing portion of the meeting when that public hearing item is considered by the Town Commission.

Zoom instructions:

For the June 15, 2020, Regular Workshop virtual meeting, please use the meeting link <https://zoom.us/j/267390984> to virtually attend and watch the meeting by computer, tablet, or smartphone. Those whom have pre-registered to speak, will be called upon and the Town's 3-minute time limit will be enforced. If joining from a tablet or smartphone, you will need to download the free Zoom app from your device's app store. If joining from a computer, your computer will automatically download and install (if needed) the Zoom program. If you currently have Zoom installed on your computer, tablet, or smartphone, you may join the meeting by entering the meeting ID 267390984. **In the event you encounter difficulties in participating with this option, an alternate option should be selected to continue participation.**

For additional information or assistance please contact one of the following staff members prior to the meeting:

1. For public comment questions: Trish Shinkle, Town Clerk, tshinkle@longboatkey.org or (941) 316-1999
2. For questions on connecting to the meeting: Jason Keen, Information Technology Director, jkeen@longboatkey.org or (941) 316-1999.

June 15, 2020

Special Workshop Meeting - Budget

Agenda Item #1

**No material provided for this
agenda item**

Memorandum

TO: Town Commission
FROM: Tom Harmer, Town Manager
REPORT DATE: June 8, 2020
MEETING DATE: June 15, 2020
SUBJECT: FY21 Preliminary Budget

Recommended Action

Provide direction to Manager for FY21 Strategic Initiatives, Budget, and FY21-25 Capital Improvement Plan (CIP).

Background

In accordance with Town Charter Article V, Section 3 and Section 6, the Town Manager shall submit to the Town Commission, on or before the fifteen day of June of each year, a preliminary budget and capital program for the ensuing fiscal year. A final recommended budget and an accompanying message shall be submitted on or before the first day of August of each year. This memo provides the Preliminary General Fund Operating Budget, the Preliminary Capital Improvement Plan, and all operating fund budgets. Any changes made since the May 18, 2020 Budget Workshop have been highlighted.

Preliminary Budget

My budget guidelines for FY21 were as follows:

- No increase in operating millage rate of 2.1144
- Continue to monitor and evaluate rate and fee structures
- Monitor and evaluate impacts from COVID-19 for FY20 and FY21
- Keep operating budgets flat
- Maintain publicly visible service levels
- Continue to seek more efficient methods of accomplishing the mission
- Carefully consider new projects and initiative impacts
- Identify stressed “Funds” and develop viable funding strategies using forecasting models
- Maintain support for the 5-year Capital Improvement Plan for scheduled vehicle replacement and infrastructure improvements
- Meet reserve policy requirements of 90 Days Reserve
- Maintain our Budget Stabilization Reserve for future economic downturn

Budget Highlights

The Budget includes appropriations for the ongoing undergrounding of utilities including the installation of a fiber backbone and street lights. The Town is under contract for the design build of a new South Fire Station and the renovation of the North Fire Station. We are moving forward with issuing bonds, approved by referendum on March 17, 2020, for the Comprehensive Beach Management Plan. The Town received a Federal grant award to replace the Town Hall’s generator, windows and roof and the replacement of our Police Marine Patrol Vessel will be 100% WCIND funded. Other highlights include moving forward with the Town Center Outdoor Venue Phase 2, undergrounding the remaining tennis court watering systems at the Tennis Center and implementing enhanced cybersecurity measures.

The Budget includes costs for external budget impacts, negotiated and anticipated wage increases for Fire and Police, and merit-based compensation for General Employees. It continues to fund \$250,000 for General Fund Contingency plus \$50,000 of contingency funding for Red Tide cleanup.

Changes made since May workshop

Revenues.

Based on the latest information from the property appraisers, Manatee County values increased 3.31%, but Sarasota County values declined 3.28%. The combination produces a net decrease of 1.3% in property values. The 1.3% decrease causes a \$198,924 loss in revenue using the same mill rate (2.1144) as FY20. We originally estimated a 1.5% increase in property values at the May 18, 2020 Regular Workshop Meeting. This resulted in a reduction of \$351,160 from the May forecast.

Investment income from pooled cash and investments was recalculated for all Funds resulting in a decrease of non ad valorem revenues by \$110,000.

Based on the unanticipated decrease in FY21 projected General Fund revenues we then made reductions in operating expenses, capital projects, and utilized a portion of the Economic Uncertainty Reserve to maintain our overall Budget approach.

Expenditures.

We made slight changes to operating costs decreasing expenses by \$86,160 and reduced the Red Tide Contingency from \$100,000 to \$50,000.

Capital Improvement Plan.

The reductions made in the capital outlay as well as projects closed to Fund Balance, reduced the transfer to the Capital Project Fund by \$130,000.

Fund Balance.

Since the May 18, 2020 Regular Workshop Meeting, we reviewed the current FY20 Budget status and projected an operating surplus in the amount of \$76,015. We had originally budgeted a use of surplus for FY20 of \$470,064. The General Fund opening balance for FY21 is estimated to be \$10,092,793. We will continue to monitor this projection and make changes through the September public hearings for any updates.

In addition to the reductions in operating and capital projects, we utilized \$200,000 of the Economic Uncertainty Reserve to offset a portion of the unanticipated reduction in ad valorem revenues and maintain our overall planned use of Undesignated Fund Balance. The Town Commission has the following assignments of Fund Balance remaining in place:

Pension Liability Assignment	\$1,310,075
Economic Uncertainty	\$1,150,000

General Fund Budget

The preliminary General Fund Operating Budget (without capital) for FY21 is \$16,665,029. Operating expenses currently exceed revenues by \$329,940. The decrease to the operating expenses from the current fiscal year is -0.9%. The preliminary overall General Fund Operating & Capital Budget of \$16,935,029 represents a \$333,948 (1.9%) decrease in spending from the current fiscal year's adopted Budget of \$17,268,977. Expenditures exceed revenues by \$599,940, and with no increase in the operating mill rate, the Fund Balance reserves would be reduced by that amount to 208 operating days. The projected ending Fund Balance for September 30, 2021, for the General Fund is \$9,492,853.

Below is a summary of Revenues and Expenditures in the Preliminary Budget using a flat millage rate of 2.1144.

Total Revenue	\$16,335,089
Total Operating Expenditures	<u>(16,665,029)</u>
Net loss before capital outlay	(329,940)
Total Capital Expenditures	<u>(270,000)</u>
Use of Fund Balance	(\$599,940)
	Undesignated- \$399,940
	Economic Uncertainty- \$200,000

The 5-Year Capital Improvement Plan was reviewed during the May 18, 2020 Special Workshop Meeting. The revised schedule of General Fund Capital Expenditures (excluding FY20 Capital Carryovers) are as follows:

Facilities – Town Hall Generator/Windows/Roof	\$797,300
Facilities – Fuel Master System	30,000
Facilities – Classroom Flooring (Fire)	21,000
Fire/Rescue – Bunker Gear	38,000
Fire/Rescue – Decontamination System	15,000
Fire/Rescue – Outboard Motor (Town match)	1,479
I.T.-Network Upgrades	6,000
I.T.-SAN Replacement-Disk Storage	40,000
I.T.-Mobile Laptops (Fire/Police)	28,000
I.T Server Replacement	15,000
Public Works-Admin Vehicle	<u>40,500</u>
Total General Fund Capital	<u>\$1,032,279</u>

A FEMA Hazardous Mitigation grant of \$697,980 will assist funding the Town Hall Facility project. There are several revenue and expense line items that are still pending. They include the July 1st final ad valorem values from both property appraisers as well as updates on State revenue sharing, costs on health insurance renewals, and property insurance rates. Those updates will be factored into the August final Recommended Budget.

All Other Fund Budgets

The Town maintains thirty (30) other funds in addition to the General Fund. These funds were legally established for a specific purpose. Each fund has a self-balancing set of accounts and often have relationships to each other. The table contained in this memo summarizes the preliminary budget totals by fund type, revenue classification, and functional category of expenditures. These budgets include preliminary estimates of carryover amounts for encumbrances and multi-year project balances previously authorized in prior fiscal years. This carryover amount will be updated prior to the September public hearings.

Special Revenue Funds

There are twelve (12) special revenue funds that are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed for specific purpose other than debt and capital projects. Some of the major funds include Sarasota and Manatee Infrastructure Surtaxes, Tourist Development Taxes, the Tennis Center operations, Miscellaneous Grant Fund, Road and Bridge Fund, and the Undergrounding Assessment Funds. Total revenues are estimated at \$5,648,128 and total expenditures are \$4,859,117. The projected ending Fund Balance for September 30, 2021, for all special revenue funds is \$4,239,588.

Capital Project Funds

Capital project funds are multi-year project budgets used to account for the construction of major infrastructure improvements or for the purchase of other capital assets greater than \$5,000 having a useful life of three or more years. Project funds may include bond proceeds or other financing sources used to fund the project such as the Undergrounding Projects and Fire Stations. Some of the major fund projects include GMD and Neighborhood Undergrounding, Beach Nourishments, Fire Station Construction and Renovation, Canal Dredging, and Land Acquisition. Total revenues in FY21 are estimated at \$31,708,616 and total expenditures are \$89,306,436.

Debt Service Funds

Debt service funds account for financial resources, such as ad valorem taxes or assessment revenues, that are levied to pay for scheduled principal and interest payments on borrowed money. The Town debt payments for FY21 is \$6,148,588. Using the June assessed values the calculated mill rate for Facilities (Fire Stations) Debt is 0.0610 and based on an estimated \$21 million borrow for Beach Nourishment, the Gulf Side District Debt Millage is 0.9579, and for Bay Side District Debt 0.2395.

Enterprise Funds

The Town has two Enterprise Funds, the Water and Wastewater Utility Fund and the Building Fund. Enterprise funds are business-type activities generally used for services for which the Town charges a fee. Total revenues are estimated at \$9,638,200 and total expenditures are \$14,898,136. The projected ending Fund Balance for September 30, 2020, for all enterprise funds is \$26,754,814.

FY 21 Budget - All Funds

ESTIMATED REVENUES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	ENTERPRISE FUNDS	TOTAL ALL FUNDS
Ad Valorem Tax	12,345,389		4,134,653			16,480,042
Other Taxes	135,000	1,714,186				1,849,186
Franchise Fees	666,000		304,027			970,027
Permits, Fees and Special Assessments	23,400	2,711,700		5,632,936	1,159,200	9,527,236
Intergovernmental Revenues	1,223,000	80,154		2,690,000		3,993,154
Charges for Services	380,400	748,189			8,304,300	9,432,889
Grants		368,099		697,980		1,066,079
Fines & Miscellaneous	111,950	7,700			29,700	149,350
Bond Proceeds				21,000,000		21,000,000
Income on Investments	120,000	18,100	11,500	417,700	145,000	712,300
Transfers In	1,329,950		1,711,813	1,270,000		4,311,763
TOTAL ESTIMATED REVENUES	16,335,089	5,648,128	6,161,993	31,708,616	9,638,200	69,492,026

ESTIMATED EXPENDITURES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	ENTERPRISE FUNDS	TOTAL ALL FUNDS
Town Commission	30,500					30,500
Legal Counsel	410,000					410,000
Town Manager	432,099					432,099
Town Clerk	382,466					382,466
Finance	712,814					712,814
Information Technology	806,284					806,284
Support Services	544,607					544,607
Facilities	155,104					155,104
Police	3,190,018	66,086				3,256,104
Fire/Rescue	7,253,099	16,940	356,282			7,626,321
Emergency Management	26,500					26,500
Public Works (Includes Undergrounding)	550,215	95,000	2,012,145			2,657,360
Parks/Recreation (Includes Beach and Canals)	289,426	63,133	3,779,071	275,374		4,407,004
Planning and Zoning	605,804					605,804
Streets	665,234	32,900				698,134
Tennis		661,024				661,024
Water					2,425,847	2,425,847
Wastewater					2,680,785	2,680,785
Building					1,139,087	1,139,087
General Services	310,859	1,669	1,090	6,893	3,062,764	3,383,275
Contingencies	300,000			3,424,939	250,000	3,974,939
Capital Outlay		1,210,552		85,599,230	4,009,703	90,819,485
Transfers Out	270,000	2,711,813			1,329,950	4,311,763
TOTAL PRELIMINARY EXPENDITURES	16,935,029	4,859,117	6,148,588	89,306,436	14,898,136	132,147,306

SUMMARY	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	ENTERPRISE FUNDS	TOTAL ALL FUNDS
REVENUES	16,335,089	5,648,128	6,161,993	31,708,616	9,638,200	69,492,026
EXPENDITURES	(16,935,029)	(4,859,117)	(6,148,588)	(89,306,436)	(14,898,136)	(132,147,306)
BEGINNING FUND BALANCE	(5,983,311)	3,450,577	374,503	56,520,696	32,014,750	86,377,215
ENDING FUND BALANCE	(6,583,251)	4,239,588	387,908	(1,077,124)	26,754,814	23,721,935

Budget Schedule/Next Steps

June 15, 2020 - 2nd Budget Workshop. At the June 15, 2020 Special Workshop for Budget discussion, the General Fund preliminary budget will be presented and we will cover all other fund budgets (special revenue, capital, enterprise, and debt service).

July 1, 2020 - Certification of final property values. The County Appraisal Offices have until July 1, 2020, to certify property values. Your July 1, 2020 Regular Meeting falls on the same day. Upon receipt, the Finance Department will recalculate the FY21 Budget to provide for setting of the maximum millage rate at the July 1, 2020 Regular Meeting.

July 1, 2020 at 1:00 PM- Regular Meeting - Set Maximum Millage.

September 14, 2020 at 9:00 AM – Final Special Workshop Meeting for discussion of FY21 Budget (if needed).

September 14, 2020 at 5:01 PM - First reading and public hearing of Resolution 2020-13, which establishes the millage rate; and Resolution 2020-14 to adopt the FY21 Budget. First reading and public hearing on Ordinance 2020-08, which provides for the adoption of the FY21 Capital Improvements Element (CIE) concurrent with adoption of the FY21 Budget.

In addition, Resolutions 2020-15 and 2020-16 will be presented for the Certification of the Annual Assessment Rolls for both the Neighborhood and GMD Utilities Undergrounding Projects (must be passed prior to September 15 each year).

September 29, 2020 at 5:01 PM – Second reading, public hearing, of Resolution 2020-13, which establishes the millage rate; and Resolution 2020-14 to adopt the FY21 Budget. Second reading and public hearing to adopt Ordinance 2020-08, FY21 Capital Improvements Element (CIE) concurrent with adoption of the FY21 Budget.

Attachment

PowerPoint is available in the Town Clerk's office.

End of Agenda Item