



## Legislation Text

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**File #:** 15-539, **Version:** 1

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### **ITEM: FIRST PUBLIC HEARING FOR PROPOSED FISCAL YEAR 2015/2016 BUDGET AND ADOPTION OF THE FY 2015/2016 CAPITAL IMPROVEMENT PLAN**

**REQUEST:** Council approval of the proposed fiscal year 2015/2016 operating and capital budget including balances brought forward. This is the first public hearing on the proposed budget and the corresponding ad valorem millage rate in accordance with the Wellington Charter and FS Chapter 200.065. The second public hearing and adoption will be held on September 24, 2015.

**EXPLANATION:** FS Chapter 200.065 sets forth the procedure to be followed by each local government in adoption of the annual property tax millage, levy, and budget. In accordance with these regulations, the June 26, 2015 certified total taxable value of \$6.94 billion is used in the millage and ad valorem revenue calculations for the FY 2015/2016 budget. The proposed millage rate of 2.45 mills is the same as the preliminary TRIM rate of 2.45 mills adopted on July 14, 2015 and 9.17% above the rollback rate of 2.24 mills. The proposed millage rate generates property tax revenues of \$16.16 million which is an increase of \$1.47 million from FY 2014/2015 property tax revenues.

The proposed budget for all funds totaling \$79.05 million maintains funding for existing levels of service with an increase of \$2.10 million primarily for major infrastructure, facility and roadway maintenance programs.

Council held budget workshops on July 13th and August 24th to discuss the proposed operating and capital budgets, and adopted the annual budgets for Solid Waste Collection and Water/Wastewater Utilities on August 11, 2015. The Acme Improvement District budget was adopted on August 25, 2015.

Staff presents a balanced budget for the governmental funds, excluding Acme and balances brought forward, totaling \$51,025,560, an increase of \$1.53 million over the prior year.

The proposed budget includes:

- A recommended Capital Improvement Plan totaling \$8,415,800 for all funds, down \$2.75 million from the prior year. The Plan includes:
  - \$2.69 million in governmental capital projects
  - \$3.86 million in water/wastewater capital projects
  - \$1.23 million in replacement tangible personal property
  - \$626,400 in new assets
  - Reallocation or reservation of \$3.92 million in existing project budget balances from FY 2015 completed capital projects or remaining capital funds (a positive net impact of \$200,000 increase in capital reserves) as follows:
    - a) Add \$70,000 to the Surface Water Management System Improvements Project from the Swale Maintenance Program now funded in the Acme Fund operating budget (net impact of \$0)
    - b) Reserve \$200,000 remaining in the Gas Tax Capital Fund from the Shellrock and Path &

Roadway Overlay Program budgets now funded in the Road Maintenance Fund operating budget (\$200,000 increase to capital reserves)

- c) Reallocate \$3.65 million among Water & Wastewater capital projects to align funding with planned improvements to Water Distribution, Water Treatment Facility and Wastewater Treatment Facility Renewal and Replacement projects (net impact of \$0)
- General Fund reserves at or exceeding the 25-30% range per Council policy, after allocation of \$705,000 in unrestricted fund balance for FY 2016 expenditures
- Rate Stabilization reserves of \$1.72 million, assuming that the current year Rate Stabilization allocation of \$665,000 for FY 2015 legal expenses and Recreation Impact Debt Service is fully expended
- Emergency Reserves of \$2.48 million
- Use of Building Reserves of \$658,000
- Funding of:
  - a) 297 full-time permanent positions, no change from FY 2015; also includes funding for 74,640 part-time position hours, an increase of 1,770 hours over the current year budget
  - b) 2.5% total wage increase for employees (1.5% CPI, 1% Merit) and 10% higher health insurance

The required legal advertisement will be placed in local newspapers before the second budget hearing. On September 24th, 2015 the final budget and ad valorem millage rate will be adopted.

**BUDGET AMENDMENT REQUIRED:** YES

**PUBLIC HEARING:** YES                      **QUASI-JUDICIAL:** NO

**FIRST READING:**                              **SECOND READING:**

**LEGAL SUFFICIENCY:** NO

**FISCAL IMPACT:** At 2.45 mills, \$16,160,495 in property tax revenues are generated, as adjusted for discounts. The budget appropriates a total of \$51.02 million for Wellington governmental funds (excluding Acme).

The FY 2015/2016 budget appropriates \$8.41 million for Capital Outlay and reallocates \$3.92 million among projects, adding \$200,000 to capital project reserves.

**WELLINGTON FUNDAMENTAL:** Responsive Government

**RECOMMENDATION:** Tentative adoption of the FY 2015/2016 budget and millage rate and approval to advertise the second Public Hearing on September 24<sup>th</sup> for final adoption of the FY 2015/2016 budget and Capital Improvement Plan as presented.