



Legislation Text

File #: 16-0379, **Version:** 1

ITEM: FIRST PUBLIC HEARING FOR PROPOSED FISCAL YEAR 2016/2017 BUDGET AND ADOPTION OF THE FY 2016/2017 CAPITAL IMPROVEMENT PLAN

REQUEST: Council approval of the proposed fiscal year 2016/2017 operating and capital budget including balances brought forward and restoration of the Emergency Reserve fund to \$3 million. 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 27, 2016.

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 29, 2016 certified total taxable value of \$7.49 billion is used in the millage and ad valorem revenue calculations for the FY 2016/2017 budget. The proposed millage rate of 2.44 mills is the same as the preliminary TRIM rate of 2.44 mills adopted on July 12, 2016 and 6.69% above the rollback rate of 2.28 mills. The proposed millage rate generates property tax revenues of \$17.37 million, which is an increase of \$1.21 million from FY 2015/2016 property tax revenues.

The proposed budget for all funds totaling \$89.54 million maintains funding for existing levels of service with an increase of \$4.09 million primarily for governmental facility, roadway and utility maintenance programs.

Council held budget workshops on July 11th and August 8th to discuss the proposed operating and capital budgets, and adopted the annual budgets for Acme, Professional Centre, Solid Waste Collection and Water/Wastewater Utilities on August 9, 2016. Staff presents a balanced budget for the governmental funds, excluding Acme and balances brought forward, totaling \$58,856,065, an increase of \$1.43 million over the prior year.

The proposed budget includes:

- A recommended Capital Improvement Plan totaling \$12,116,000 for all funds, up \$500,000 from the prior year. The Plan includes:
 - \$5.49 million in governmental capital projects
 - \$4.67 million in water/wastewater capital projects
 - \$1.66 million in replacement tangible personal property
 - \$309,000 in new assets
 - Reallocation among utility capital projects budgets of \$1.88 million with fiscal year roll forward of capital budget balances
- General Fund unrestricted reserves at or exceeding the 25-29% range per Council policy
 - Rate Stabilization reserves of \$824,000, after allocation of \$1.56 million for FY 2017 expenses
 - Emergency Reserves of \$3.0 million, after restoring balance by assigning Unassigned General Fund reserves
 - Insurance Reserves of \$1.15 million

- Establish a Facilities & Infrastructure Reserve in the initial amount of \$1,000,000
- Use of Building Reserves of \$628,000
- Use of \$1.22 million in Reserves for Capital
- Roll forward of unspent budget balances for ongoing projects and programs including:
 - Major maintenance
 - Hardware and software purchases to be completed in FY 2017 for the ERP replacement, server upgrades and emergency management debris/labor tracking
 - CDBG and Neighborhood Enhancement Grants
- Funding of:
 - 314 full-time permanent positions, up 12 from FY 2016; also includes funding for 90,180 part-time position hours, an increase of 9,980 per-time hours over the current year budget
 - 4.0% total wage increase for employees (2.0% CPI, 2.0% Average Merit) and 5% higher health insurance

The required legal advertisement will be placed in local newspapers before the second budget hearing. On September 27th, 2016 the final budget and ad valorem millage rate will be adopted.

BUDGET AMENDMENT REQUIRED: YES

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

FIRST READING: YES **SECOND READING:**

LEGAL SUFFICIENCY: YES

FISCAL IMPACT: At 2.44 mills, \$17,373,126 in property tax revenues are generated, as adjusted for discounts. The budget appropriates a total of \$58.86 million for Wellington governmental funds (excluding Acme).

The FY 2016/2017 budget appropriates \$12.12 million in total for Capital Outlay and reallocates \$1.88 million among utility projects.

WELLINGTON FUNDAMENTAL: Responsive Government

RECOMMENDATION: Tentative adoption of the FY 2016/2017 budget and millage rate, approval to advertise the second Public Hearing, and authorization for staff to make necessary accounting entries to complete reallocation of prior year operating and capital outlay balances, and to restore the Emergency Reserve Fund to \$3.0 million. The second hearing will be held September 27th for final adoption of the FY 2016/2017 budget and Capital Improvement Plan as presented.