



Legislation Text

File #: 18-2233, **Version:** 1

ITEM: FIRST PUBLIC HEARING FOR PROPOSED FISCAL YEAR 2018/2019 MILLAGE RATE, BUDGET AND ADOPTION OF THE FY 2018/2019 CAPITAL IMPROVEMENT PLAN

REQUEST: Council approval of the proposed fiscal year 2018/2019 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 Florida Statutes Chapter 200.065. The second public hearing and adoption is to be held on September 25, 2018.

EXPLANATION: Florida Statutes Chapter 200.065 sets forth the procedure to follow for each local government in adoption of the annual property tax millage, levy, and budget. In accordance with these regulations, the June 27, 2018 certified total taxable value of \$8.34 billion is applied to calculate the millage rate and ad valorem revenue for the FY 2018/2019 budget. The proposed millage rate of 2.55 mills is the same as the preliminary TRIM rate adopted on July 10, 2018 and 9.36% above the rollback rate of 2.33 mills. The proposed millage rate generates property tax revenues of \$20.20 million, which is an increase of \$1.65 million from FY 2017/2018 property tax revenues.

The proposed budget for all funds totaling \$97.28 million maintains funding for existing levels of service with a decrease of \$13.20 million due to debt service reduction and utility capital improvement projects budgeted in the prior fiscal year.

Council held budget workshops on July 9th and August 13th 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 14, 2018. Staff presents a balanced budget for the governmental funds, excluding Acme and balances brought forward, totaling \$61.98 million, a decrease of \$3.24 million over the prior year.

The proposed budget includes:

- A recommended Capital Improvement Plan totaling \$17.07 million for all funds, down \$11.17 million from the prior year. The Plan includes:
 - \$7.62 million in governmental capital projects that includes \$3.54 million for sales surtax capital projects
 - \$8.22 million in water/wastewater capital projects
 - \$904,500 in replacement tangible personal property
 - \$331,500 in new assets
 - Redistribute \$5.10 million in governmental and capital projects budgets to other projects, upon fiscal year roll-forward of capital balances
- General Fund unrestricted reserves at or exceeding the 25-29% range per Council policy after budgeted use of unassigned reserves of \$1.96 million for FY 2018 expenses, and \$662,000 assigned to balance the FY 2019 budget:
 - Estimated Rate Stabilization reserves of \$2.79 million Emergency Reserves of \$3.00 million

- Insurance Reserves of \$1.53 million
- Facilities & Infrastructure Reserve of \$1.55 million, to increase by 20% of excess Undesignated Fund Balance at completion of FY18 annual audit
- Building reserves to increase by \$841,600
- Capital Reserves to increase by \$283,500
- Roll forward of unspent budget balances for ongoing projects and programs including:
 - Major maintenance
 - Technology services and backfill support for the ongoing ERP replacement project
 - Strategic Planning consulting and property insurance premiums
 - CDBG and Great Neighborhoods Grants
- Funding of:
 - 306 full-time permanent positions, down 7 from FY 2018 also includes funding for 88,970 part-time position hours, a decrease of 2,410 per-time hours over the current year budget
 - 4% total wage increase for employees (3% CPI, 1% Average Merit) and 2% higher health insurance

The required legal advertisement will be placed in local newspapers before the second budget hearing. On September 25, 2018, 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 2.55 mills, \$20,201,417 in property tax revenues are generated, as adjusted for discounts. The budget appropriates a total of \$61,594,621 million for Wellington Governmental funds (excluding Acme and balances brought forward).

The FY 2018/2019 budget appropriates \$17,072,000 million in total for Capital Outlay. Approval of the capital plan includes the redistribution of \$5,100,000 among previously budgeted Governmental and Utility capital and operating projects with no net fiscal impact.

WELLINGTON FUNDAMENTAL: Responsive Government

RECOMMENDATION: Tentative adoption of the FY 2018/2019 millage rate and budget, 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. The second hearing will be held September 25, 2018 for final adoption of the FY 2018/2019 budget and Capital Improvement Plan as presented.