



## Legislation Text

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**File #:** 19-2965, **Version:** 1

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### **ITEM: FIRST PUBLIC HEARING FOR PROPOSED FISCAL YEAR 2019/2020 MILLAGE RATE, BUDGET AND ADOPTION OF THE FISCAL YEAR 2019/2020 CAPITAL IMPROVEMENT PLAN**

**REQUEST:** Council approval of the proposed fiscal year 2019/2020 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 24, 2019.

**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, 2019 certified total taxable value of \$8.69 billion is applied to calculate the millage rate and ad valorem revenue for the FY 2019/2020 budget. The proposed millage rate of 2.48 mills is the same as the preliminary TRIM rate adopted on July 9, 2019 and 3.28% above the rollback rate of 2.40 mills. The proposed millage rate generates property tax revenues of \$20.46 million, which is an increase of \$817,000 from FY 2018/2019 property tax revenues.

The proposed budget for all funds totaling \$106.27 million maintains funding for existing levels of service with an increase of \$9.43 million due to debt service on utility loans, utility capital projects and higher funding for building permitting and inspections resulting from permit activity.

Council held budget workshops on July 8<sup>th</sup> and August 13<sup>th</sup> to discuss the proposed operating and capital budgets, and adopted the annual budgets for Acme, the Professional Centre, Solid Waste Collection and the Water/Wastewater Utilities on August 13, 2019. Staff presents a balanced budget for the governmental funds, excluding Acme and balances brought forward, totaling \$66.85 million, an increase of \$5.31 million over the prior year.

The proposed budget includes:

- A recommended Capital Improvement Plan totaling \$18.51 million, up \$1.44 million from FY 2019. The Plan includes:
  - \$7.81 million in governmental capital projects, which includes \$3.71 million for sales surtax capital projects
  - \$9.37 million in water/wastewater capital projects
  - \$935,000 in replacement tangible personal property
  - \$401,000 in new assets
  - Redistribute \$2.06 million in governmental and enterprise projects to other projects upon fiscal year roll-forward of capital project balances
- General Fund unrestricted reserves at or exceeding the 25-29% range per Council policy after budgeted use of \$796,000 in unassigned reserves for FY 2019, and \$1.38 million assigned to balance the FY 2020 budget:
  - Estimated Rate Stabilization reserves of \$2.79 million

- Emergency Reserves of \$3.00 million
  - Insurance Reserves of \$1.53 million, and
  - Facilities & Infrastructure Reserve of \$2.65 million, to increase by 20% of excess Unassigned Fund Balance at completion of the FY 2019 annual audit
  - Governmental Capital Reserves to increase by \$728,000
- High building permit activity of recent years is expected to continue and result in a significantly increased demand on department resources. The Building Fund budget is proposed to increase by almost \$1 million, or 41%, and add 4 supplemental positions to assist with the workload
- Roll forward of unspent budget balances for ongoing projects and programs including:
  - Major maintenance and capital projects
  - Technology services and backfill support for the ongoing ERP replacement project
  - CDBG programs, Great Neighborhoods and Home Rehabilitation Grants
  - Software and fixed asset purchases, and Human Resources consulting not completed in the prior year
- Funding of:
  - 303 full-time permanent positions, no change from FY 2019, and includes funding for 82,710 part-time hours, a decrease of 6,260 from the current year budget
  - A 3% total wage increase for employees (2% COLA, 1% average merit) and 4% lower expected medical insurance cost

The required legal advertisement will be placed in local newspapers before the second budget hearing. On September 24, 2019, the final budget and ad valorem millage rate will be adopted.

**BUDGET AMENDMENT REQUIRED:** YES

**PUBLIC HEARING:** YES                      **QUASI-JUDICIAL:**

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

**LEGAL SUFFICIENCY:** YES

**FISCAL IMPACT:** At 2.48 mills, \$20,463,783 in property tax revenues are generated, as adjusted for discounts. The budget appropriates a total of \$66,854,304 for Governmental funds (excluding Acme and balances brought forward).

The FY 2019/2020 budget appropriates \$18,507,200 in total for Capital Outlay. Approval of the plan includes redistribution of \$2.06 million among previously budgeted capital projects with no net fiscal impact.

**WELLINGTON FUNDAMENTAL:** Responsive Government

**RECOMMENDATION:** Tentative adoption of the Fiscal Year 2019/2020 millage rate and budget, approval to advertise the second Public Hearing, and authorization for staff to make the necessary accounting entries to complete reallocation of prior year Operating and Capital Outlay balances. The second hearing will be held September 24, 2019 for final adoption of the FY 2019/2020 budget and Capital Improvement Plan as presented.