



## Legislation Text

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**File #:** 20-3905, **Version:** 1

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### **ITEM: FIRST PUBLIC HEARING FOR PROPOSED FISCAL YEAR 2020/2021 MILLAGE RATE, BUDGET AND ADOPTION OF THE FISCAL YEAR 2020/2021 CAPITAL IMPROVEMENT PLAN**

**REQUEST:** Council approval of the proposed Fiscal Year 2020/2021 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 22, 2020.

**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 25, 2020 certified total taxable value of \$8.89 billion is applied to calculate the millage rate and ad valorem revenue for the FY 2020/2021 budget. The proposed millage rate of 2.47 mills is the same as the preliminary TRIM rate adopted on July 14, 2020 and 2.24% above the rollback rate of 2.42 mills. The proposed millage rate generates property tax revenues of \$20.86 million, which is an increase of \$493,000 from FY 2019/2020 property tax revenues.

The proposed budget for all funds totaling \$101.58 million maintains funding for most existing levels of service with a decrease of \$4.69 million due to reduced governmental positions and lower capital project funding.

Council held budget workshops on July 13<sup>th</sup> and August 10<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 11, 2020. Staff presents a balanced budget for the governmental funds, excluding Acme and balances brought forward, totaling \$62.17 million, a decrease of \$4.69 million from the prior year.

The proposed budget includes:

- A recommended Capital Improvement Plan totaling \$14.98 million, down \$3.53 million from FY 2020. The Plan includes:
  - \$4.94 million in governmental capital projects, which includes \$1.84 million for sales surtax capital projects
  - \$9.19 million in water/wastewater capital projects
  - \$604,000 in replacement tangible personal property
  - \$253,000 in new assets
  - Redistribute \$1.62 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 \$1.46 million in unassigned reserves for FY 2020, and \$1.21 million assigned to balance the FY 2021 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 2020 annual audit
  - Recreation Impact Fee Capital Reserves to increase by \$185,000
- Use of \$222,000 in Building Fund Reserves
- Roll forward of unspent budget balances for ongoing projects and programs including:
  - Major maintenance, bridge maintenance and capital projects
  - Technology services for the ongoing ERP replacement project and license plate readers
  - CDBG and CDBG CARES programs, Great Neighborhoods and Home Rehabilitation Grants
  - Personnel expense for increases in retirement and insurance benefits
  - Fixed asset purchases and Planning & Zoning consulting not completed in FY 2020
- Funding of
  - 298 total permanent positions, down 5, and includes funding for 80,629 part-time hours, a decrease of 5,200 hours from the current year budget
    - 232 governmental positions, down 7 permanent FTEs and 9 supplemental positions from FY 2020
    - 66 permanent positions in the Enterprise Funds, up 2 in Utilities for added workloads
  - A 1% average merit wage increase for employees and 5% increases in Health and Dental premiums

The required legal advertisement will be placed in local newspapers 2-5 days prior to the second budget hearing, per TRIM requirements. On September 22, 2020, the final budget and ad valorem millage rate will be adopted.

**BUDGET AMENDMENT REQUIRED:** YES

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

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

**LEGAL SUFFICIENCY:** YES

**FISCAL IMPACT:** At 2.47 mills, \$20,864,280 in property tax revenues are generated, as adjusted for discounts. The budget appropriates a total of \$62,167,288 for Governmental funds (excluding Acme and balances brought forward).

The FY 2020/2021 budget appropriates \$14,980,300 in total for Capital Outlay. Approval of the plan includes redistribution of \$1.62 million among previously budgeted capital projects with no net fiscal impact.

**WELLINGTON FUNDAMENTAL:** Responsive Government

**RECOMMENDATION:** Tentative adoption of the Fiscal Year 2020/2021 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 on September 22, 2020 for final adoption of the FY 2020/2021 budget and Capital Improvement Plan as presented.