



Legislation Text

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ITEM: FIRST PUBLIC HEARING FOR PROPOSED FISCAL YEAR 2021/2022 MILLAGE RATE, BUDGET AND ADOPTION OF THE FISCAL YEAR 2021/2022 CAPITAL IMPROVEMENT PLAN

REQUEST: Council approval of the proposed Fiscal Year 2021/2022 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 28, 2021.

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 24, 2021 certified total taxable value of \$9.30 billion is applied to calculate the millage rate and ad valorem revenue for the FY 2021/2022 budget. The proposed millage rate of 2.47 mills is the same as the preliminary TRIM rate adopted on July 13, 2021 and 4.53% above the rollback rate of 2.36 mills. The proposed millage rate generates property tax revenues of \$21.82 million, which is an increase of \$958,000 from FY 2020/2021 property tax revenues.

The proposed budget for all funds totaling \$133.25 million provides funding for existing levels of service, maintenance of added facilities, and investment in capital improvement projects. The total budget is proposed at \$31.67 million more than the FY 2021 budget of \$101.58 million.

Council held budget workshops on July 12th and August 9th to discuss the proposed operating and capital budgets, and adopted the annual budgets for Acme, Water/Wastewater Utilities, Solid Waste and the Professional Centre on August 10th, 2021. Staff now presents a balanced budget for the governmental funds, excluding Acme and balances brought forward totaling \$88.26 million, an increase of \$24.95 million from the prior year.

The first public hearing includes tentative adoption of the governmental budget excluding Acme and the recommended Capital Improvement Plan for FY 2022. The FY 2022 CIP totals \$32.55 million for all governmental and utility capital projects. The Plan further utilizes prior years' remaining budgets carried forward and reallocates approximately \$2.5 million between projects.

The \$88.26 million governmental budget presented herein for tentative adoption includes:

- A recommended governmental Capital Improvement Plan (CIP) totaling \$20.94 million, up \$16.00 million from FY 2021. The Plan allocates:
 - \$3.20 million in ongoing capital programs
 - \$17.72 million in one-time capital projects, including \$10.62 million in Sales Surtax projects
 - Use of \$5.10 million in Facility & Infrastructure Reserves to fund road improvements and facility planning projects
- New and replacement fixed assets of \$1.20 million
- General Fund unrestricted reserves at or exceeding the 25-30% range per Council policy after budgeted use of \$1.21 million for FY 2021 and \$2.10 million assigned to balance the FY 2022 budget:

- Rate Stabilization Reserves of \$2.79 million
- Emergency Reserves of \$3.00 million
- Insurance Reserves of \$1.53 million
- Facility & Infrastructure Reserves of \$500,000 after FY 2022 budgeted use. During FY 2022, 20% of excess unassigned fund balance determined by the FY 2021 audit will be added to this reserve
- Reserve use or increases in other funds are budgeted as follows:
 - Building Fund uses \$1.7 million
 - Road Maintenance Fund uses \$750,000
 - Road Impact Capital Fund uses \$293,000
 - Sales Surtax Fund increase to reserves of \$2.4 million
- Roll forward of unspent budget balances for ongoing projects and programs in the following areas:
 - Major maintenance, bridge maintenance and capital projects
 - Technology services for ongoing cyber security and data storage projects
 - CDBG and CDBG CARES program funding, Great Neighborhoods and Home Rehabilitation Grants
 - Personnel insurance benefits
 - Property Insurance premiums
 - Fixed asset purchases and Planning & Zoning consulting not completed in FY 2021
 - Capital projects
- Personnel funding in the total budget for:
 - 302 permanent positions, up 2, and includes funding for 14 supplemental positions and 92,288 part-time hours. Part-time hours are increasing for recreation programming
 - 236 governmental positions, up 2 for conversions from supplemental and part-time status
 - 66 permanent positions in the Enterprise Funds, no change
 - A 2% CPI wage adjustment and 1% average merit increase for all employees. Insurance premiums are projected to rise about 6% on January 1, 2022

The required legal advertisement will be placed in local newspapers 2-5 days prior to the second budget hearing, per TRIM requirements. On September 28, 2021, 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: YES

FISCAL IMPACT: At 2.47 mills, \$21,821,983 in property tax revenues are generated, as adjusted for discounts. The budget appropriates a total of \$88,261,012 for governmental funds excluding Acme and balances brought forward.

The FY 2021/2022 budget appropriates a total of \$32.55 million for capital improvement projects in governmental and enterprise funds. Approval of the plan includes redistribution of approximately \$2.5 million among previously budgeted capital projects with no net fiscal impact.

WELLINGTON FUNDAMENTAL: Responsive Government

RECOMMENDATION: Tentative adoption of the Fiscal Year 2021/2022 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 28, 2021 for final adoption of the FY 2021/2022 budget and Capital Improvement Plan as presented.