



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 2022/2023 CAPITAL IMPROVEMENT PLAN

REQUEST: Council approval of the proposed Fiscal Year 2022/2023 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 21, 2022.

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 28, 2022 certified total taxable value of \$10.41 billion is applied to calculate the millage rate and ad valorem revenue for the FY 2022/2023 budget. The proposed millage rate of 2.47 mills is the same as the preliminary TRIM rate adopted on July 12, 2022 and 12.02% above the rollback rate of 2.21 mills. The proposed millage rate generates property tax revenues of \$24.42 million, which is an increase of \$2.6 million from FY 2021/2022 property tax revenues.

The proposed budget for all funds totaling \$128.55 million and provides funding to maintain existing levels of service, maintenance of facilities, added recreation and event funding, community grants, and investment in capital improvement projects. The total budget is proposed at \$5.39 million less than the FY 2022 budget of \$133.94 million.

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, Water/Wastewater Utilities, Solid Waste and the Professional Centre on August 9th, 2022. Staff now presents a balanced budget for the governmental funds, excluding Acme and balances brought forward totaling \$83.03 million, a decrease of \$5.93 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 2023. The FY 2023 Governmental and Utility CIP totals \$23.81 million for all governmental and utility capital projects. The Plan further utilizes prior years' remaining budgets carried forward and reallocates approximately \$4.3 million between projects.

The \$83.03 million governmental budget presented herein for tentative adoption includes:

- A recommended governmental Capital Improvement Plan (CIP) totaling \$13.83 million, \$5.52 million less than the FY 2022 plan. The Plan allocates:
 - \$4.46 million in ongoing governmental capital programs
 - \$9.37 million in one-time capital projects, including \$4.92 million in Sales Surtax projects
 - Use of \$290,000 million in Gas Tax Capital fund balance to fund road improvements
- New and replacement fixed assets of \$956,000
- General Fund unrestricted reserves at or exceeding the 25-30% range per Council policy after budgeted use of \$2.10 million for FY 2022 and \$2.88 million assigned to balance the FY 2023 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. 20% of excess unassigned fund balance determined by the FY 2022 audit will be added to this reserve during FY 2023
- Reserve use or increases in other governmental funds are budgeted as follows:
 - Building Fund uses \$2.95 million
 - Road Maintenance Fund uses \$340,000
 - Gas Tax Capital uses \$290,000
 - Recreation Impact Capital Fund adds \$75,000 to fund balance
 - Road Impact Capital Fund adds \$32,000
- 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 projects not completed in FY 2022, including software upgrades, app development, security cameras, and hardware
 - CDBG and CDBG CARES program funding, Great Neighborhoods/Home Repair Grants
 - Personnel expense balances for insurance benefit increases and merit adjustments
 - Building department balances for unsafe structures, vehicle, workstations, and hyperconvergence servers
 - Public Works balances to cover expected mowing contract increases
 - Special Event supplies for events not held in FY 2022
 - Fixed asset purchases, HR Employee Development, and Planning & Zoning consulting not completed in FY 2022
- Personnel funding in the total budget for:
 - 310 permanent positions, up 8, and includes funding for 13 full-time supplemental positions and 91,000 part-time hours. Part-time hours are increasing for recreation programming
 - 244 governmental positions, up 8 for supplemental conversions and 2 additions in the Building Department, and a transfer in from LWPC
 - 66 permanent positions in the enterprise funds, no change
 - Funding for wage adjustments implemented in August 2022 plus merit increases
 - Health and Dental insurance increases budgeted 5% higher on January 1, 2023

The required legal advertisement will be placed in local newspapers 2-5 days prior to the second budget hearing, per TRIM requirements. On September 21, 2022, the final budget and ad valorem millage rate will be adopted.

BUDGET AMENDMENT REQUIRED: NO

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

FIRST READING: YES **SECOND READING:**

LEGAL SUFFICIENCY: YES

FISCAL IMPACT: At 2.47 mills, \$24,422,460 in property tax revenues are generated, as adjusted for discounts. The budget appropriates a total of \$83,026,809 for governmental funds excluding Acme and balances brought forward.

The FY 2022/2023 budget appropriates a total of \$23.81 million for capital improvement projects in governmental and enterprise funds. Approval of the plan includes redistribution of approximately \$4.3 million among previously budgeted capital projects resulting in no net fiscal impact.

WELLINGTON FUNDAMENTAL: Responsive Government

RECOMMENDATION: Tentative adoption of the Fiscal Year 2022/2023 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 21, 2022 for final adoption of the FY 2022/2023 budget and Capital Improvement Plan as presented.