

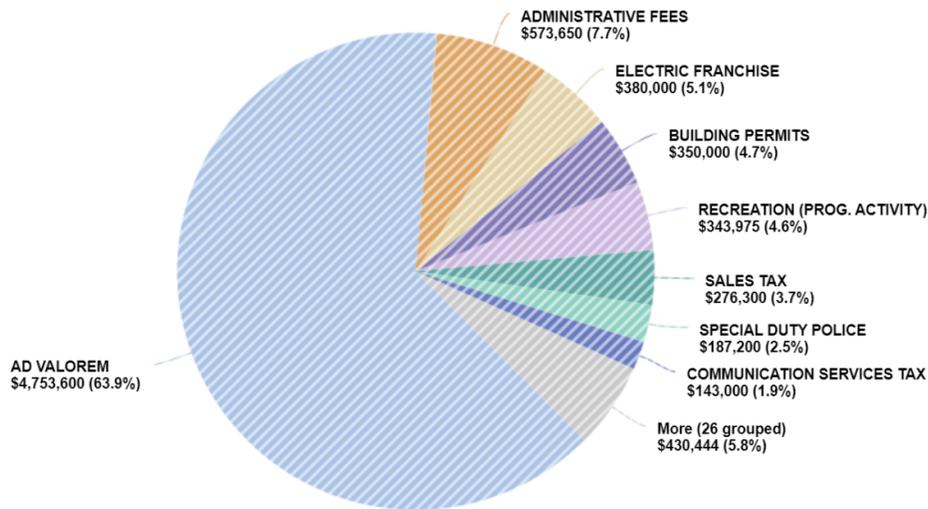
BUDGET UPDATE - AUGUST 3, 2021

GENERAL FUND

| | 20-21 | 21-22 |
|---------------------|-------------|-------------|
| Revenues | \$7,081,485 | \$7,438,169 |
| Expenditures | \$7,081,485 | \$7,438,169 |
| Surplus / (Deficit) | \$0.00 | \$0.00 |

REVENUES

Revenues for the General Fund are experiencing a slight increase as compared to the prior year. Some sources will resume their usual baseline as the state comes out of COVID-19 precautions. Electric Franchise is one of these accounts, which will experience a 6% increase (\$23,000), raising the number back to \$380,000. Two accounts have been released by the State, with State Revenue Sharing arriving at a 12% increase, totaling \$113,950. The other account, Sales Tax, also increased by 12%.



Property values have increased by 8.43% this fiscal year, which is the fifth largest increase in total taxable value for Pinellas County. Total Taxable Value is certified to now be \$953,102,892. Tangible personal property is increasing by 74.46%, largely due to the Pelican and Belleview Inn properties. Considering these values, staff will continue to budget at the 95% acceptance level with the current millage rate of 6.5000, bringing the Ad Valorem proceeds to \$5,885,411, with 1 mill representing \$905,448. The split of 5.2500 mill to General Fund and 1.2500 mill to Infrastructure Fund, this results in \$4,753,601 and \$1,131,810 supporting the respective funds.

Other accounts are also estimated to decrease, largely because of the continuous impacts of COVID-19. Interest is an account that will experience a sizable decrease of 90%, reducing to an estimate of \$2,500.

Additionally, Communication Services Tax is reduced by 8% (\$12,200), as the account is currently trending at \$12,000 of incoming revenue per month, bringing the total to \$143,000, and has steadily decreased year over year.

EXPENDITURES

Commission previously approved the following recommendation of implementation for the salary and compensation study:

- Non-exempt employees: Range-penetration
- Exempt Employees: Range-penetration with midpoint cap
- Contractual Employees: Flat percentage increase to be negotiated into their respective contracts

After consideration, staff determined that a minimum increase of 7% (consisting of 3% merit and 4% cost of living) is beneficial to employees. Individuals who were to receive an enhancement from the salary study, but fell below the 7% marker, are now to receive a flat 7% increase. Anyone who received an enhancement above the 7% remains at the same rate. Contract employees are currently set at the same flat rate as the previous budget presentation. All of these enhancements are set to take effect on October 1, 2021.

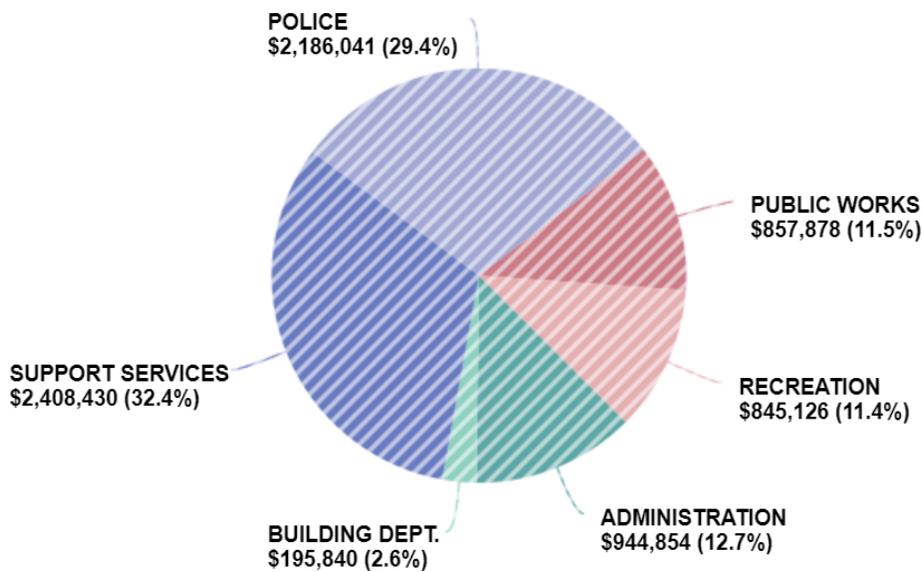
Sick leave is already decreasing across many departments, as the Town offered a sick leave payout option in the early phases of COVID-19. Accruals have not had time to catch up above minimum limits. This number will not be finalized until near the closing of the budget season, as staff members are still responding.

Final contractual numbers, such as Largo Fire, health increases, and pension amounts have come back as well. Largo Fire Services has increased by 5%, which is the maximum that the contract allows. The health insurance renewals came back lower than what staff originally expected.

Vehicle Debt Service is dissolving across multiple departments, resulting in savings of \$36,900.

DEPARTMENTS

| Department | Expenditures | Revenues | Net |
|------------------|--------------|-----------|--------------|
| Administration | \$944,857 | \$28,000 | -\$916,857 |
| Building | \$195,842 | \$350,000 | \$154,158 |
| Support Services | \$2,408,434 | \$0 | -\$2,408,434 |
| Police | \$2,165,238 | \$193,450 | -\$1,971,788 |
| Public Works | \$857,871 | \$0 | -\$857,871 |
| Recreation | \$845,126 | \$544,319 | -\$300,807 |



ADMINISTRATION

Revenues are to remain relatively stable, as the only consistent source of revenue listed within this department is the Business Tax Receipts. However, this year is also one of the years that the Resident Information Guide will be renewed, which happens every two years. This revenue will largely be offset by the cost of producing the Guides, but it will be recorded in Miscellaneous revenue. Additional sponsorships for the RIG may produce additional revenue.

Elections expenditures are proposed to increase by \$2,000 as Belleair will have a charter amendment during November's elections. Staff is currently researching total costs of a citizen satisfaction survey, to be included in final numbers. Additionally, the new ADA captioning software, Verbit, is included in the Legislative program at \$10,000. Finally, \$20,000 has been added to Professional Services for a consultant to evaluate the Town's current records management system, policies, and practices, as well as to educate employees on how to appropriately handle and respond to records requests.

BUILDING

Despite historically decreased projections, Building Permit revenue consistently generates around \$350,000 within the General Fund. Belleair is a popular community for home improvement enthusiasts, with over 700 permits being processed each year. Because of this, staff feels comfortable raising the revenue by \$70,000 (25%) as compared to the prior year budget. Below is an analysis of the line item for the past three years. At the time of creating this document, the Building department has already met the 2021 estimate. Because of the consistent surplus in this item, as well as the fact that this year will fall in a similar pattern, staff feels comfortable increasing this account.

Within the Building department, the expenditure lines cannot withstand any further reductions. However, Contract Labor is a line that will reduce by 26% or \$21,530. While this object has previously been budgeted at over \$80,000, the efficiency in inspections has resulted in this number arriving between \$40,000 - \$50,000. In order to conservatively estimate the budget, staff has included a buffer of \$10,000 until this year comes closer to a close.

SUPPORT SERVICES

Increases in expenditures within this department are largely fixed. Items such as General Liability Insurance, Largo Fire Services, and other contractual services are estimated conservatively in order to provide a better understanding of the maximum increase scenario. As of the last meeting, staff received the insurance renewal numbers, which came back at a substantially lower renewal than expected.

There is one request for a Management Analyst position, geared primarily toward pursuing additional grant opportunities and management, finance operations, as well as other typical Management Analyst duties. This position would replace the vacant Assistant Finance Director position permanently, resulting in a savings of \$15,000. Additionally, there is a new \$2,000 request for FLC grant support as part of a new program where we have access to a whole suite of new grant opportunities.

POLICE

Revenues within the Police department will remain consistent with the prior years, as the contract with the Pelican Special Duty is set to continue.

Most items within the Police Department will continue to be flat, though Maintenance of Vehicles will be increasing. Staff has worked to identify expected costs for each vehicle within the fleet, creating an accurate estimate for a year's worth of maintenance or repairs, resulting in an increase of \$13,000 for this account. The Pinellas County Sheriff's Office contract is also experiencing a slight increase of \$2,200. However, the Police Retirement object is experiencing a decrease of \$7,000 this year, where it has historically increased.

PUBLIC WORKS

There is some reallocation of funds within the Public Works department this year. Program #812, Customer Service, is reducing expenditures within Professional Services by \$6,000 and is reallocating these funds to Program 821, Contract Mowing, and 832, Contract Trimming.

RECREATION

The Recreation department is piloting new programs this year, such as:

- Casino Night (#921 - Leisure Events)
- Health Fair (#922 - Community Outreach)
- Fishing Tourney (#923 - Athletic Events)
- Field Day (#923 - Athletic Events)
- Drop-in Flag Football (#931 - Flag Football)
- Tournaments (#933 - Tournaments)

These new programs present an opportunity for more revenue generation as the town continues to return to pre-COVID19 operations. These new programs total around \$41,000 of an increase in revenue lines, with only \$27,000 of additional expenditures. Some revenue accounts are experiencing a decrease as the effects of COVID-19 are residual. These lines are expected to resume their pre-COVID19 amounts in the next fiscal year.. Staff is being conservative when it comes to estimating participation with these programs, though summer activities will be a better indicator of participation levels. Finally, the Townwide Garage Sale event is returning as COVID-19 restrictions are being lifted.

As the revenue accounts are decreasing, the offsetting expenditures will also decrease. This is prominent in programs such as Afterschool and Summer Camp. Martial Arts programs will cease, resulting in a savings of \$3,000 overall.

There is also a new program, titled Tournaments (Program #933), that will consist of Adult Kickball and Youth Football. This program is currently set at an \$11,500 surplus in revenue, but staff time will be reallocated in the next rendition of the budget.

ENTERPRISE FUNDS

| | Expenditures | Revenues | Balance |
|-------------|--------------|-------------|---------|
| Solid Waste | \$1,105,815 | \$1,105,815 | \$0 |
| Water | \$1,773,200 | \$1,773,200 | \$0 |

WATER

The Water department has consistently maintained a surplus of revenues at the end of the budgeting cycle, which results in a transfer of reserves. In the prior years, staff has worked to calculate a precise stream for the revenue source, which has confidently found a new baseline after the Pelican and Belleview properties have settled.

Staff has not completed the budgeting of the enterprise funds but it is expected that the Water department budget will remain flat, given the ongoing evaluation of future water supply. Though the commission may want to consider planned rate increases as in all scenarios the water rates will likely increase.

SOLID WASTE

Solid Waste revenue will experience a slight increase as there are more condos and carriage homes, as well as an expanded commercial collection, resulting in an additional \$3,800 of commercial revenue. After identifying the new monthly baseline, staff feels comfortable estimating the new refuse revenue stream to settle at around \$950,000.

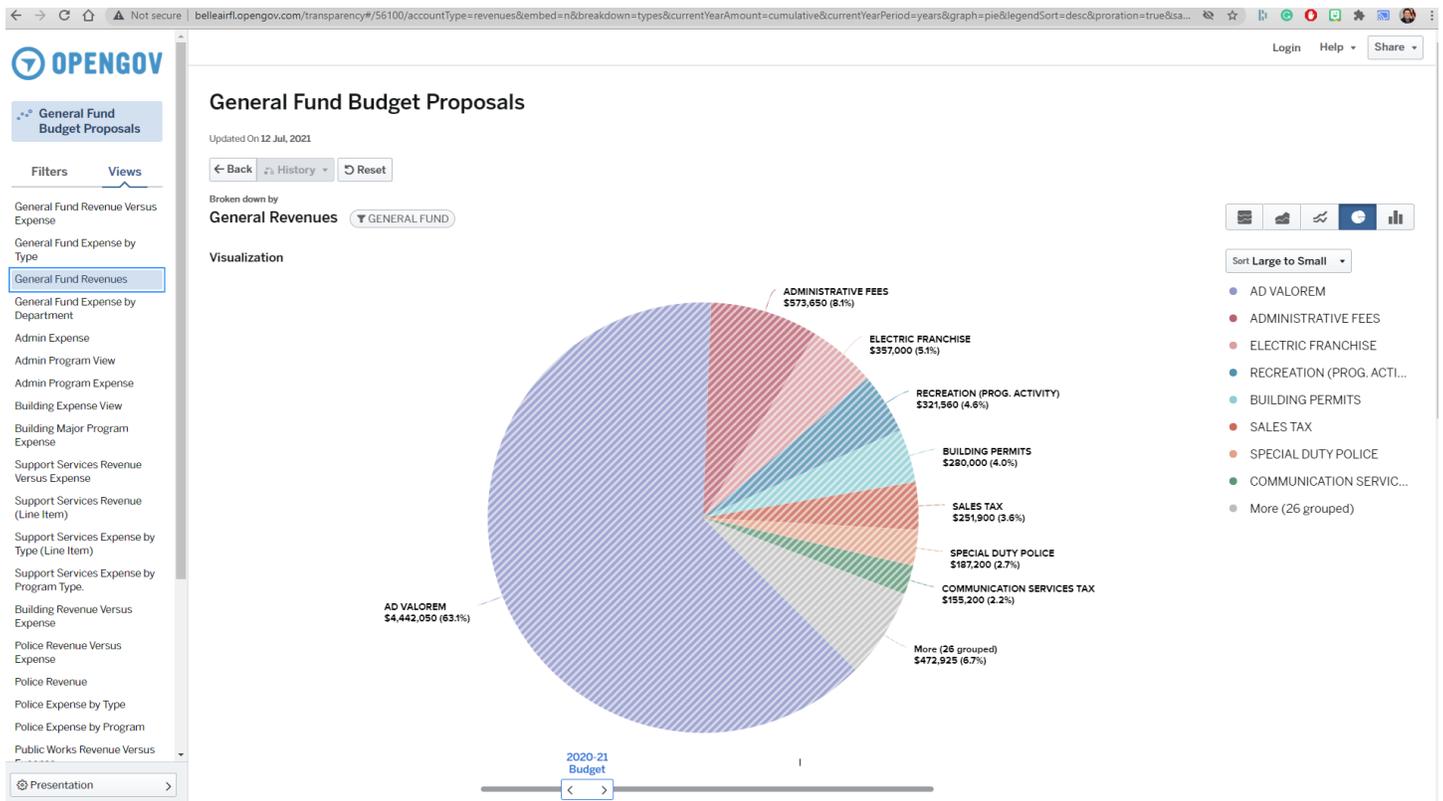
The Commission is still considering options related to the Recycling program offered within the town. Top options presented to the town include collecting recyclables through an automated sideloading program or not recycling at all. Presently, the department collects around 38 tons of recyclable material per month, which totals around 455 tons per year. If the transition was to be made from collecting this material as recyclables to being collected as waste, that would result in an additional processing fee of around \$19,200 per year, as waste material is processed at \$42.15 per ton. This would also decrease to zero, fees paid to Clearwater for collection. Additional considerations would include new equipment, alteration of revenues, and additional route times for transportation to the Pinellas County Solid Waste Landfill.

Previously, the Finance Board recommended that staff move forward with a rate analysis. Staff intends to bring these numbers to the next meeting for review.

OPENGOV

Staff is testing a new online feature of our budgeting tool, Opengov. This feature, available at www.Belleairfl.Opengov.com allows staff to publish reports and budget requests to the web so that citizens, Commissioners, and board members alike can view and drill down through various budget reports and charts. Presently, only the General Fund requests are published, but staff will be updating the reports as

requests are completed. Sample screenshots are provided below. Please take a moment to view the site and provide staff with feedback.



Data

| | 2020-21 Budget | 2021-22 Budget |
|-----------------------------|---------------------|---------------------|
| Preventative Patrol | \$ 248,191 | \$ 255,253 |
| Calls for Service | 234,325 | 230,212 |
| Miscellaneous | 217,900 | 217,900 |
| Traffic | 192,114 | 189,659 |
| Investigations | 164,090 | 188,390 |
| Employee Life Cycle | 161,219 | 163,625 |
| Outreach/Investigations | 149,921 | 153,570 |
| Training/Meetings/Education | 134,343 | 155,232 |
| Special Events | 115,489 | 131,045 |
| Special Watches | 71,959 | 71,404 |
| Supervision/Discipline | 47,022 | 74,172 |
| Asset/Fleet Mgmt | 50,457 | 62,363 |
| Dispatch/Communications | 52,595 | 58,197 |
| Case Mgmt | 50,343 | 56,802 |
| Compliance | 45,295 | 46,470 |
| Property/Evidence | 35,472 | 41,592 |
| Prosecution | 35,348 | 36,739 |
| Permitting/Records | 20,044 | 27,210 |
| Total | \$ 2,026,128 | \$ 2,159,833 |