



Legislation Text

File #: 19-0100, **Version:** 1

Summary

To: Town Commission
From: Ashley L. A. Bernal
Date: 4/16/2019

Subject:

..Title
Preliminary Budget Discussion

Summary:

As we approach the beginning of the budget season, staff has proactively looked at the budget for FY 2019-2020. Preliminary changes have been identified and listed in fund order below.

..End
..Body

Previous Commission Action: None.

Background/Problem Discussion: In preparation for this year's budget, staff has taken early estimates of revenues and larger expenditure areas in funds across town. This will be the second year of program based budgeting. It is staff's hope that communication of the budget continues to improve connecting costs with services rendered to citizens of the town. In addition to this, the FY 2019-2020 budget will be the first budget that reflects outcomes from the Town's Strategic Plan, which will facilitate the prioritization of services offered by the town.

Financial information is provided below for your review. Revenues and expenditures related to each department's programs will be presented in the future months. Staff is seeking guidance from the Board on areas for renewed focus as each department begins preparing for the FY 2019-2020 budget.

Expenditure Challenges None.

Financial Implications:

General Fund

Revenues

* Staff expects to see an increase in Ad Valorem proceeds as the revenues from the Belleview Place properties are realized. An increase in property values overall is expected, but the Pinellas County Property Appraiser has not released any percentage estimates. Currently this assumption is based on a five-year smoothed average at the current millage rates respective to each fund.

* Building permits will experience a decrease to \$265,000 due to the completion of Belleview Place and Pelican Golf projects (\$85,000 decrease).

* Half-Cent Sales Tax will experience an increase to \$268,500 (\$12,800 increase). While this number is premature, it is based on a trend analysis conducted by staff. The state will release a final number in the coming months.

Expenditures

* Personnel costs have the potential to increase fund-wide, including a \$25,000 estimated increase in health costs and, at the current rate 3% rate, up to \$88,000 merit.

* For preliminary estimating purposes staff removed the cost of all capital purchases in all departments, as these are typically nonrecurring purchases funded through the Capital Equipment Replacement Fund (CERF). Traditionally, vehicles have been funded with transfers to the CERF.

o Support Services - (\$157,000)

o Police - (\$40,000)

o Public Works - (\$31,800)

* Administration- Maintenance of Equipment will decrease by \$112,000.

* For estimating purposes the Fire Services Contract is set to increase by the maximum 5% (\$30,100 increase).

* Preliminary estimates for increases in Property and Casualty Insurance are set at a 6% percent increase (\$15,420).

Enterprise Fund - Water

Revenues

* The SWFMD Project expected in this FY19 will occur in FY20

* Water Utility Revenue is expected to increase by nearly 4% as the Belleview Place properties come online (\$61,000 increase).

Expenditures

* Personnel costs have the potential to increase fund-wide, including a \$5,000 increase in health costs and \$12,000 merit. There is also an increase of \$10,400 to on-call services, but this was previously approved and amended for the 2018-2019 budget.

Enterprise Fund - Solid Waste

Expenditures

* Personnel costs have the potential to increase fund-wide, including a \$2,500 increase in health costs and a \$5,300 merit.

* Disposal Fees are expected to see a minimum increase of 6% due to the increase in tipping fees (\$49,500).

Other Funds

Local Option Gas Tax

* No changes have been forecasted for this fund.

Capital Improvement

* Staff expects to see an increase in Ad Valorem proceeds as the revenues from the Belleview Place properties are realized, as well as an increase in property values overall, but the Pinellas County Property Appraiser has not released any percentage estimates. Currently this assumption is based on a five-year smoothed average at the current millage rates respective to each fund.

This chart shows an overall outlook on the General Fund and Enterprise Funds based on preliminary estimates. Revenues and expenditures do not include transfer from reserves.

Preliminary Projection

2018-19

2019-20

Difference

General Fund Revenue:

6,322,410

6,477,310

154,900

General Fund Expenditures:

6,671,428

6,497,942

-173,486

Water Fund Revenues:

2,576,125

2,637,125

61,000

Water Fund Expenditures:

2,690,575

2,717,162

26,587

Solid Waste Revenues:

898,650

898,650|1010|Solid Waste Expenditures:

898,650

956,886

58,236

Recommendation: None.

Proposed Motion None.