



Legislation Details (With Text)

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Summary

To: Finance Board
From: Micah Badana
Date: 9/8/2016

Subject:
Review of Proposed FY 2016-17 Budget

Summary:
Staff presented the Proposed FY 2016-17 Budget at the First Budget Hearing held on September 6, 2018.
Previous Commission Action: Commission approved the Tentative Millage Rate of 5.9257 and the Tentative FY 2016-17 Budget.

Background/Problem Discussion: The Fiscal Year 2016-2017 operating millage rate is 5.9257 mills, which is greater than the rolled-back rate of 5.6453 mills by 4.97%.

The final millage rate shall not exceed the previously set maximum millage rate (MMP) of 5.9257. The Commission may set a final rate equal to, or less than the MMP. The proposed fiscal year 2016-17 millage is 5.9257: 4.9427 to the General Fund, and 0.9830 to the Infrastructure Fund (CIP). All millage calculations are based upon the certified total taxable value of \$671,698,069 dollars. The statutory mandate of 95% percent collection of the total taxable value is \$638,113,166 dollars. This represents an increase of 5.79% over the prior year's total taxable value.

Expenditure Challenges

GENERAL FUND

Revenues

Ad Valorem revenues have increased 5.7% for the upcoming year, this equates to an increase of \$171,000.

Electric Franchise is trending an increase and is estimated an additional \$26,900. Communication Services Tax as estimated by the state is decreasing by \$13,000 compared to prior year's budget. State Revenue Sharing is estimated at 4% increase, which is a \$3,950 impact. State Sales Tax revenue increased by 3% and provides an additional \$7,750.

As part of the Biltmore related revenues, Building Permits has increased by \$18,000. This revenue will be higher again next year and then the revenues should begin to shift from permit based to ad valorem. This additional revenue will assist in offsetting the transfer from 305 (Capital Fund) revenue, as staff has planned to eventually reduce the transfer to \$0.

Recreation Program revenue increased by \$19,750 due to increases in participation to several programs.

Miscellaneous revenue collection has reduced in the past few years and the budget has been adjusted accordingly.

The golf course revenues are still shown based on the Town owning the course and may change during the year.

Expenditures

Overall expenditure impacts across all funds is a health increase of 4.1% and a merit based salary adjustment with a maximum of 3% increase for all employees.

Administration Department- The majority of the increase is related to the transfer of the Construction Project Supervisor from Public Works to Administration. The transfer composes \$71,450 of the department increase. The remaining \$6,100 is attributed to health and merit increases.

Building Department- The department is estimating \$20,000 reduction in contracted building official costs. The change is due to the experience of building services over the past two years, which has provided a better understanding of the demand.

Support Services Department- Increases to the Computer System line item are related to the required upgrade of the town's record management system, as well as the new telecom system now that the Public Works building is fully operational. General Liability for the whole town operations has increased by 7.5%, an impact of \$9,450. Also, there was an issue in last year's budget and the expense for one employee's health insurance was not previously budgeted for. The issue has been corrected and has a budgetary impact of \$8,000.

Police Department- The major increase in Police relates to the pension plan. The actuarial report has an additional \$24,150 to be allocated to the Town's pension payment. Other expenditure changes mainly surround health and merit. Also, the department is budgeting for transitioning the part time code enforcement officer to a full time capacity.

Public Works Department- Just as the Administration Department increased by \$71,450, the Public Works Department decreased by the same amount. Staff has added back into the budget the \$8,000 that was removed last year for medical for one of the streets' positions. The previous intention was to make the position part time, but at this time staff believes a fulltime is the correct move. On the building maintenance section, there is a request for up to \$5,000 for a weekend cleaner for the recreation center.

Parks & Recreation Department- A portion of the personnel increase is attributed to the addition of a fulltime position, which is offset by the decrease in part time. The other portion of the personnel increase is due to salary adjustment for the leadership staff. During the year, administration reorganized the leadership for the Public Works Department under Parks & Recreation. Increases to Teen Camp, Sports Leagues, Special Events, and Day Camps are offset by increases in revenues.

ENTERPRISE FUNDS

Water Department

Revenues

Water Utility Revenue is increasing by \$32,000 due to increasing the water rates by 5%. When staff created the new water rate tiers, a policy was implemented to review the rates every two years. Staff analyzed water usage data from Fiscal Year 2013-14 and Fiscal Year 2014-15. In order to meet the fund reserve balance and plan for future capital needs, rates required an increase.

Expenditures

Personnel changes are attributed to merit and health increases. Minor increases were made to operating expenditures. The increase for depreciation is attributed to the addition of water infrastructure throughout the capital projects.

Solid Waste Department

Revenues

The Sanitation line item, which is the collection for sanitation fees is increasing by \$25,900. The increase is reflective of a 5% increase to collection fees.

Expenditures

The change of personnel expenses is mainly due to merit and health increases. Also, included in personnel is an additional position for a part time driver, which is mostly offset by the reduction in contract labor. Garbage & Trash Disposal increases are attributed to increases in residential garbage collection and yard waste. The decrease of cars is due to the purchase of only one refuse vehicle.

MINOR FUNDS

Local Option Gas Tax Fund- There is a decrease of \$5,250 due to a decrease of the amount of revenue being received. This fund is used to collect local option gas tax levied by the state.

Golf Fund- No changes. This fund is used to collect the lease payment for the golf course.

Capital Projects Fund- There is an increase of \$29,650 in ad valorem due to the increase in property values. Penny For Pinellas revenue increased by \$21,400. Projects planned for next year includes full depth reclamation of Palmetto Road, start of Pinellas Road stormwater and drainage improvement project, Orlando stormwater pipe replacement, completion of Rosery Road Project, and a Harold's Lake Project.

Wastewater Fund- No changes. This fund is used to collect revenues for Pinellas County Sewer and acts as a pass through.

Financial Implications: N/A

Recommendation: Staff recommends the Finance Board approves the millage and the budget for the final budget hearing.

Proposed Motion I move approval of setting the millage for fiscal year 2016-17 at 5.9257 mills and approve the proposed fiscal year 2016-17 budget for the final budget hearing.