



Legislation Details (With Text)

File #: 20-0168 **Version:** 1 **Name:**
Type: Discussion Items **Status:** General Agenda
File created: 7/8/2020 **In control:** Finance Board
On agenda: 7/16/2020 **Final action:** 7/16/2020
Title: Discussion of Preliminary Maximum Millage (MMP)
Sponsors:
Indexes:
Code sections:
Attachments: 1. 2020-21 Budget Narrative - Preliminary

Date	Ver.	Action By	Action	Result
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Summary

To: Finance Board
From: Ashley L. A. Bernal
Date: 7/16/2020

Subject:

Discussion of Preliminary Maximum Millage (MMP)

Summary:

As part of the Truth-in-Millage process (TRIM), the Town of Belleair is required to set a maximum millage levy in the month of July. This is a not-to-exceed millage rate that is included in the TRIM notices that are mailed to property owners in the town before the final budget is approved. Summarized below is a high-level summary of current revenue and expenditure expectations received from the General Fund departments. A more in-depth description of each program is provided in the attached narrative.

Previous Commission Action: N/A

Background/Problem Discussion: Staff has prepared preliminary assumptions for the upcoming fiscal year, which includes revenue and expenditure expectations. The 2020-21 Fiscal Year will be the third year of the programmatic budgeting transition, which is also aligning with the ongoing Strategic Planning process.

Preliminary Budget for 2020-21

After reviewing expenditure and revenue forecasts, the General Fund is currently at a deficit of almost \$173,000. At a high-level summary, here are the contractual increases that are responsible for a portion of this deficit:

- \$31,100 - Largo Fire contract increase
- \$12,000 - Personnel health increases
- \$48,000 - Cost of living adjustments
- \$73,000 - Merit increases
- \$60,500 - General Liability insurance increase

In addition to these increases in expenditure lines, some revenues are experiencing a large decrease as a direct impact of COVID-19. The two accounts experiencing the largest decrease are the State Revenue Sharing account, experiencing a reduction of \$32,700, and Sales Tax, experiencing a reduction of \$79,770. It is important to note that both of these reductions are temporary and are expected to resume a normal baseline in the following year.

However, Ad Valorem experienced an increase of 7%, resulting in an increase of \$283,100 to General Fund revenues. This account is presently at a 95% acceptance rate, standard among most municipalities.

At this time, proposed numbers are still being reviewed by staff. The second round of budgetary numbers are expected to be the final ones. Staff is confident in the ability to close the deficit, with options such as:

- Fully-funded Assistant Finance Director position
- Reduction of part-time pools
- Decrease in professional services or contract labor
- Reinspection of revenues

Details regarding changes within each department and major program are detailed within the preliminary narrative attached.

Recommendation for Maximum Millage Levy

At this time, staff is not recommending an increase in the millage rate.

Expenditure Challenges: See attached narrative for details.

Financial Implications: 6.5000 mills results in \$5,728,800 of Ad Valorem collections on total taxable value of \$881,358,623.

Recommendation: Staff recommends setting the Preliminary Maximum Millage at 6.5000.

Proposed Motion: I move to set the Preliminary Maximum Millage at 6.5000 Mill.