

MEMORANDUM

To: Board of County Commissioners
Thru: Ed Hunzeker, County Administrator
From: Jan Brewer, Director, Financial Management Department
Date: September 7, 2016
Subject: Budget Update for the First Public Hearing



The first public hearing for the Fiscal Year 2016-2017 Budget will be held at 6:00 p.m. on September 8, 2016 in the County Commission Chambers. This memorandum provides an update from the last Budget work session on August 2, 2016 and includes information on changes that will be presented for approval in the tentative budget to be adopted at this hearing.

After the receipt of the July 1 certified tax roll, a balanced budget in the net amount of \$568,418,925 was filed with Board Records prior to the July 15 statutory deadline. A budget reconciliation session was held on August 2, 2016 which resulted in the Board of County Commissioners voting to maintain the current millage rate. In addition, the Board resolved to include within the budget additional flagged items of \$1,626,321. Funding for these items will be \$377,204 from additional fees, miscellaneous revenues, and gas taxes and \$1,249,117 from General Fund Reserves. With the additional funding from reserves, the estimated remaining reserves in the General Fund, in excess of the Board's required 20% reserves, will be \$662,355 at the end of FY17 as illustrated at the August 2, 2016 work session.

The tentative net budget (now including \$11,569,789 for Port Manatee) to be approved at the first public hearing totals \$578,824,884 which is exclusive of cash balances, non-expendable trust funds, internal services, and internal transfers, and prior year project budgets. The gross total of the FY17 Proposed Budget, with amendments, which includes all items shown on the revenue and expenditure side of the budget, transfer, internal services, cash balances, and non-expendable trust funds is \$1,355,620,748, which is an increase from the FY16 budget of one half of one percent.

Property tax rates do not change from the total millage rates approved by the Board at the August 2, 2016 work session at a countywide millage rate of 6.4206, Voted Debt Service millage rate of 0.0120 and the unincorporated rate of 0.6109. The Palm Aire MSTU millage rate also remains unchanged at 0.2546 mills. For final adoption of the budget, prior year grant and project balances of \$173,694,738 and special district budgets of \$3,100,102 are included within the gross total of \$1,355,620,748.

We would like to bring the following budget adjustments to the attention of the County Commission which have been added as adjustments to the July 15, 2016 presentation of the Budget for FY17. Please find attached Attachment A which discloses further details.

Proposed Net Budget, July 15, 2016	568,418,925
Added Items:	
Flagged Items resolved August 2	1,626,321
Port Manatee	11,569,789
Capital Improvement Projects updated by projections and forward funding	(4,067,614)
Children's Advisory Board Adjustments	1,696,387
Miscellaneous other adjustments	(418,924)
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	10,405,959
Tentative Net Budget, September 8, 2016	578,824,884

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In the Tentative Budget resolution that will be presented for approval, funds previously budgeted in reserves for compensation increases as well as retirement for the Sheriff, the Clerk of Court, the Property Appraiser, and the Supervisor of Elections have now been moved into the budgets for these officers. Other miscellaneous changes not affecting the net budget have been made to more closely align the FY17 budget with updated information received after the July 15, 2016 submission, including adjustments to reserves and cash balances in CIP funds.

The Tentative Budget resolution will also include provisions to carry forward remaining unencumbered balances for ongoing capital projects and grants.

The Capital Improvement Program (CIP) for Fiscal Years 2017-2021 will be considered at the second public hearing on September 15, 2016.

If you have questions concerning the budget, please let us know in advance of the upcoming public hearing. As in past practice, it is requested that the proposed budget be approved as presented to accommodate the timing of required advertising. If directed, necessary changes to the budget can be included and adopted at the final public hearing on September 15, 2016.

Thank you for your continuing support and cooperation as we complete the budget process.

SCHEDULE A - ADJUSTMENTS

Items which affect the Net Budget:

- Flagged Items funded by Board during August 2, 2016 work session for \$1,626,321.
- Port Manatee Budget has been added for FY17 in the amount of \$11,569,789 covering both the operating and debt service budgets for the Port Authority. This accounts for the majority of the budget change cited.
- Timing for the John Marble Pool Renovations #6031102 - \$147,000, and Robinson Preserve Expansion #6085201 - \$1,415,130 have been accelerated into the current fiscal year. The 2016 Bond Fund reserves have been decreased with subsequent allocations for projects decreasing the budget by \$3,005,484. Force Main 13A Rehabilitation #6049181 has been increased by \$500,000 due to increased construction cost estimates. The total effect from these items on the FY17 Budget is a decrease of \$4,067,614.
- The Children's Services Advisory Board (CSAB) has made subsequent recommendations for change for the funding of their programs. The budget has been adjusted by \$1,696,387 to accommodate the requested changes from the Children's Services fund.
- The Convention and Visitors Bureau funding has increased due to membership fees of \$22,000 for the Economic Development Council and personnel changes occurring within FY16 of \$27,331.
- Amendments due to updated information for the following: Gas Tax distribution rates for municipalities, Indirect Cost rate adjustments with the updated information received in August of 2016, and an updated Metropolitan Planning Organization budget (MPO) funded by grants.

Items which do not affect the Net Budget

- Based upon updated projections, increase the 911 Enhancement Fund has been updated and funding placed within restricted reserves for \$497,909.
- Reduction of Building Fee revenues for new Fee Study implementation and reduce restricted revenues accordingly for \$891,117.
- Agriculture & Extension Services has been moved to the Parks and Natural Resources Department from the Community Services Department with no change in funding.
- Alignment of personnel based upon FY16 adjustments and updated FRS information.
- In an effort to bring the beginning balances in Capital Improvement Funds (CIP) in alignment with current estimates, the CIP funds have been updated for any forward funding into the FY16 Budget year as approved by the Board and updated Impact Fee revenue projections with the net effect bringing \$5,299,408 of restricted funding into reserves for projects to be brought before the Board if needed during the FY17 Budget year.
- Increase Port TIF for adjustment with the July 15 values for \$30,470.