

MEMORANDUM

DATE: July 14, 2015

TO: Honorable Mayor and City Commission

FROM: Kenneth Fields, City Manager

RE: Draft Fiscal Year 2015-2016 Budget

SYNOPSIS: Enclosed is the Draft City of Lake Wales Budget for the 2015-2016 Fiscal Year

RECOMMENDATION

The FY'2015-2016 draft budget is presented for review and comment by the City Commission at the July 14th City Commission Workshop.

BACKGROUND

Highlights of the Draft Budget are as follows:

- The proposed ad valorem millage rate is set at 7.3638 or one mill lower than the current rate of 8.3638.
- The newly adopted non-ad valorem fire assessment has been levied at the rate of one hundred fifty dollars (\$150.00) per residential unit and related commercial, industrial and institutional rates.
- No operating reserves are being used to balance the General Fund budget; however, one hundred fifty thousand dollars (\$150,000.00) has been set aside to replenish the General Fund Emergency Sinking Fund and seventy thousand dollars (\$70,000.00) has been used to replenish the Utility Fund.
- Provision has been made for the repayment of the short term two million loan recently taken out to cover cash flow issues this fall and all other debt service due next year.
- Operation of the Depot Museum has been fully funded with one new staff position and all other operating costs included.
- Provision has been made for two additional Police Officers contingent on receipt of a grant to cover seventy five percent of the first year costs. An additional staff position has been added to support Accreditation of the Lake Wales Police Department and public information and social network duties.
- Utility rates will be increase reflecting the normal inflationary adjustment of two and one half percent plus an additional amount to support planned capital projects over the next five years, which includes both Phase 2 of the C Street project and Phase 1 of the State Route 60 Utility Expansion. Other significant utility upgrades are anticipated to support the City's economic development efforts and to address maintenance issues deferred in past years.
- The Library Fund reflects the addition of the Polk County Bookmobile as a Lake Wales Library operation.

- Provision has been made in the CRA Fund for significant funding for the demolition of condemned buildings, additional code enforcement and new street furniture in the Downtown area.
- General Fund Capital Outlays are limited primarily to the continuing replacement of obsolete vehicles using lease financing, including replacement of a 1985 reserve fire apparatus with a new “mini-pumper” which will improve response capabilities for the city’s northern fire station serving the most rapidly growing area of the city.
- Provision has been made for the city’s share of lighting upgrades to the Multi-purpose Soccer Complex, primarily through grants and continuation of a street resurfacing program although not at as high a level as would be desired.
- City department operating costs are sufficient to support current levels of service and have not significantly increased over current funding; fuel costs have been reduced to reflect the lower costs of fuel that are expected to continue into the next year.
- No provision has been made for an employee wage and salary adjustment beyond the collectively bargained step increases in the public safety area and probationary period adjustments.

There is still some uncertainty as to the final amounts of revenue available from some state sources and the final costs of the City’s health, property and liability insurance are yet to be determined but these figures should be available in the next thirty days and conservative estimates of these amounts are included at this time. If more revenue is available, or costs are lower than anticipated, the City Commission will have the opportunity at the August workshop to make additional changes in the budget in accordance with its priorities.

OTHER OPTIONS

FISCAL IMPACT

ATTACHMENTS

“Draft” FY’2015-2016 Budget