

TOWN OF LOXAHATCHEE GROVES

RESOLUTION NO. 2021-50

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOXAHATCHEE GROVES, FLORIDA, ADOPTING A TENTATIVE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; SETTING FORTH THE DATE, TIME, AND PLACE FOR THE SECOND PUBLIC HEARING FOR THE ADOPTION OF THE TOWN'S BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, ADOPTING THE FISCAL POLICIES; AND DIRECTING PUBLICATION OF NOTICE THEREOF; PROVIDING FOR SEVERABILITY, CONFLICTS, AND AN EFFECTIVE DATE.

WHEREAS, a final budget has been prepared by the Town, estimating expenditures and revenues of the Town for the ensuing year, with detailed information, including revenues to be derived from sources other than ad valorem levy, and recommendations have been made as to the amount necessary to be appropriated for the ensuing year; and

WHEREAS, the preliminary millage and budget estimates, in conformity with the Town Charter, and applicable requirements of Florida law, have been filed with the Office of the Town Clerk and Palm Beach County Property Appraiser's Office, and have been open for inspection by the public, and

WHEREAS, a duly noticed public hearing for the approval of a final budget for the Fiscal Year beginning October 1, 2021, will be held on September 21, 2021, and the Town Council desires to set the date, time, and place for the second public hearing for adoption of the Town's final budget for the Fiscal Year beginning October 1, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LOXAHATCHEE GROVES, FLORIDA:

Section 1. Each "WHEREAS" clause set forth above is true and correct and herein incorporated by this reference.

Section 2. The budget estimates, a copy of which are attached hereto and expressly made a part hereof as Exhibit "A", are hereby adopted as the Town's tentative Budget for the Fiscal Year beginning October 1, 2021.

Section 3. The second public hearing for the adoption of the Town's budget for the Fiscal Year beginning October 1, 2021, shall be conducted on September 21, 2021, at 7:00 p.m., at the Town of Loxahatchee Groves Town Hall, 155 F Road, Loxahatchee Groves, Florida.

Section 4. The Fiscal Policies, a copy of which are attached hereto and expressly made a part hereof as Exhibit "B," are hereby adopted.

Section 5. The Town Manager and the Town Clerk are herein authorized and directed to prepare and publish the necessary advertisements for the public hearing scheduled in Section 3 herein.

Section 6. If any clause, section, or other part of this Resolution shall be held by any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid

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part shall be considered as eliminated and shall in no way affect the validity of the remaining portions of this Resolution.

Section 7. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

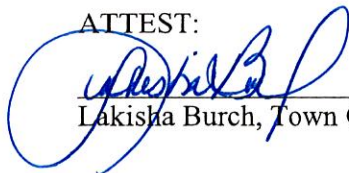
Section 8. This Resolution shall become effective immediately upon its passage and adoption.

Council Member Maniglia offered the foregoing resolution. Council Member Herzog seconded the motion, and upon being put to a vote, the vote was as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Absent</u>
Robert Shorr, Mayor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Laura Danowski, Vice Mayor	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Margaret Herzog, Councilmember	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Phillis Maniglia, Councilmember	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marianne Miles, Councilmember	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PASSED AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF LOXAHATCHEE GROVES, FLORIDA, UPON FIRST PUBLIC HEARING THIS 21st DAY OF September 2021.

ATTEST:


Lakisha Burch, Town Clerk

TOWN OF LOXAHATCHEE GROVES,
FLORIDA


Mayor Robert Shorr


Vice-Mayor Laura Danowski

APPROVED AS TO LEGAL FORM:


Elizabeth Lenihan, Town Attorney


Council Member Margaret Herzog


Council Member Phillis Maniglia


Council Member Marianne Miles

TOWN OF LOXAHATCHEE GROVES - Fiscal Year 2021-2022 (FY22) - Legal Notice Summary All Funds

The Proposed Operating Budget Expenditures of The Town of Loxahatchee Groves, Florida are 6.45% More Than Last Year's Total Operating Expenditures. The tentative, adopted and, or final budgets are on file in the office of the above-mentioned taxing authority as a public record.

Estimated Revenues - General Fund at 3.0 Mills	General	Transport	Surtax	Roads & Drain	Capital Proj	Solid Waste	Total Funds
Taxes: Millage Per \$1,000							
Ad Valorem Taxes: 3.0 MILLS	\$1,108,155						\$1,108,155
Assessments per Unit							
Roads & Drainage: \$200 per unit				\$1,481,620			\$1,481,620
Solid Waste: \$450 per unit						\$650,350	\$650,350
Licenses & Permits	\$100,000						\$100,000
Utility Taxes	\$425,000						\$425,000
Franchise Fees	\$421,000						\$421,000
Charges For Services	\$135,000						\$135,000
Intergovernmental Rev	\$353,000	\$383,000	\$251,000			\$2,500	\$989,500
Fines & Forfeitures	\$22,000						\$22,000
Investment Income	\$1,000			\$0		\$500	\$1,500
Miscellaneous Revenues	\$10,000			\$0			\$10,000
TOTAL Revenue Sources	\$2,575,155	\$383,000	\$251,000	\$1,481,620	\$0	\$653,350	\$5,344,125
Transfers In	\$172,500			\$231,164	\$487,556	\$47,650	\$938,870
Fund Balances/Reserves/Net Assets				\$104,897	\$0		\$104,897
Total Revenue, Transfers & Balances	\$2,747,655	\$383,000	\$251,000	\$1,817,681	\$487,556	\$701,000	\$6,387,892
Estimated Expenditures							
General Government	\$1,208,291						\$1,208,291
Public Safety							
Law Enforcement	\$622,200						\$622,200
PZB & Code	\$346,800						\$346,800
Physical Environment							
Public Works		\$0		\$1,385,931			\$1,385,931
Solid Waste Services						\$691,000	\$691,000
Other Physical Environment							\$0
Non-departmental	\$146,000			\$252,500		\$10,000	\$408,500
Capital Outlay					\$487,556		\$487,556
Debt Service				\$6,750			\$6,750
Contingency						\$0	\$0
TOTAL Expenditures	\$2,323,291	\$0	\$0	\$1,645,181	\$487,556	\$725,440	\$5,157,028
Non-Expenditures/Other Uses							\$0
Transfers Out	\$383,370	\$383,000		\$172,500			\$938,870
Fund Balances/Reserves/Net Assets	\$40,994		\$251,000				\$291,994
Total Appropriated Exps Transfs, Resrvs & Bals	\$2,747,655	\$383,000	\$251,000	\$1,817,681	\$487,556	\$725,440	\$6,387,892

EXHIBIT "B"

Fiscal Policies

The Town of Loxahatchee Groves has adopted a comprehensive series of fiscal policies which embody recognized sound financial management concepts. It is anticipated that these policies will be amended as necessary as part of the Town's annual budget process and reconfirmed each year as a part of budget development.

The fiscal policies are organized under four subject headings:

- General Fiscal Policy presents the overall guidelines for financial and accounting practices, including the basic framework for preparing the Town's operating and capital budgets, maintaining accounting records, and funding services on a non-discriminatory basis.
- Fiscal Policy for Operating Revenue, Expenditures, and Fund Balance/Net Assets outlines the policies for budgeting and accounting for revenue and expenditure requirements and providing adequate fund balance and net assets in the Town's various operating funds. This section includes several references to capital project funding in relation to the amount and type of support to be provided by the operating funds.
- Fiscal Policy for Investments provides guidelines for investing operating and capital balances.
- Fiscal Policy for Capital Revenue and Expenditures, and Debt Financing directly relates to the resources and requirements of the Capital Improvement Program. Included are overall policies on issuance of debt, as well as specific guidelines applicable to specific fund types.

The Town will normally adhere to these fiscal policies in the conduct of its operations. However, it must be noted that these policies are guidelines and not statutory limitations. Some of the policies, particularly with regard to unassigned fund balance or unrestricted net assets, are designed as goals to be pursued, not necessarily achieved on an annual or ongoing basis. The Town reserves the right to deviate from any or all of the fiscal policies if such action is determined by Town Council to be in the best interest of the Town.

I. GENERAL FISCAL POLICY

A. GENERAL GUIDELINES

1. The Annual Operating Budget of the Town of Loxahatchee Groves, Florida, shall balance the public service needs of the community with the fiscal capabilities of the Town. It is intended to achieve those goals and objectives established by the Council for the next fiscal year. Service programs will represent a balance of services, but with special emphasis on the Town's public safety, environmental health, and economic development. Services shall be provided on a most cost-effective basis.
2. New programs, services, or facilities shall be based on general citizen demand, need, or legislative mandate, and ability of funding.

3. The Town shall provide funding for public services on a fair and equitable basis and shall not discriminate in providing such services on the basis of race, color, national origin, religion, sex, sexual preference, marital status, age, or disability.

B. SPECIFIC GUIDELINES

1. The Town recognizes that its citizens deserve a commitment from the Town for fiscal responsibility, and that a balanced operating budget is the cornerstone of fiscal responsibility. Operating expenditures will be fiscally balanced with revenues that can be expected to be received during the fiscal year. New programs or changes in policies that would require the expenditure of additional operating funds will be funded either through a reduction in programs of lower priority or through adjustments to rates, service charges or taxes. Requests for new or changes to programs or policy will be accompanied by an analysis of the short and long-term impact on the operational budget caused by such change or new program or policy.
2. The Town will maintain adequate minimum fund balance/net assets in the Town's various operating funds to provide the capacity to: a) provide sufficient cash flow for daily financial needs, b) secure and maintain investment grade bond ratings, c) provide funds for unforeseen expenditures related to emergencies. General fund will maintain fund balance categories in accordance with GASB Statement 54 Fund Balance Reporting and Governmental Fund Type Definitions. Within the governmental funds of the Town, fund balance shall be composed of Non-spendable, Restricted, Committed, Assigned, and Unassigned amounts.
 - Non-spendable fund balance consists of amounts that are not in spendable form such as inventory and prepaid items.
 - Restricted fund balance consists of amounts which can be spent only for the specific purposes stipulated by external resource providers such as creditors and grantors or imposed by law through constitutional provisions or enabling legislation.
 - Committed fund balance consists of amounts that can be used only for specific purposes determined by formal action of the Council, the Town's highest level of decision-making authority, and may be changed only by the same formal action.
 - Assigned fund balance consists of amounts that the Town intends to use for specific purposes that are neither restricted nor committed; the intent shall be expressed by the Town Manager.
 - Unassigned fund balance is the residual amounts available for any purpose for the General fund and includes amounts that are not contained in the other classifications.

With regard to the spending order of the fund balances, the Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing so, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed fund balance,

followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

3. The Town shall prepare and implement a Capital Improvement Program (CIP), consistent with State requirements, which shall schedule the funding and construction of projects for a five-year period, including a one-year CIP Budget. The Capital Improvement Program shall balance the needs for improved public facilities and infrastructure, consistent with the Town's Comprehensive Plan, within the fiscal capabilities of the Town.
4. The Town shall maintain its accounting records in accordance with generally accepted accounting principles (GAAP), applied to governmental units as promulgated by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).
5. The Town shall maintain its capital and non-capital asset records in accordance with the policy and procedures set forth by the Town Manager. Individual asset costing \$5,000 or more shall be capitalized. However, non-capital mobile assets costing \$1,000 or more and electronic equipment shall be tracked for inventory purposes. Asset inventory shall be performed annually to ensure the accountability of Town assets. Missing assets shall be reported to appropriate law enforcement and Town Council.
6. Budgets and expenditures for the Town shall be under Council appropriation control at the departmental level.
7. Inter-fund loans must be supported by a fiscally sound source of funds available for repayment.
8. Preparation of the Town's Budget shall be in such format as to allow correlation with the costs reported in the Town's Comprehensive Annual Financial Report, with content of said Budget to include that required by Town Charter, Florida Statute, or as later revised by Resolution of the Town Council. Detailed estimates shall be by account at the division or program level and summarized and adopted at departmental level.
9. An analysis shall be made to determine the project life cycle cost of ownership where it is proposed that facilities be leased or rented, and if such cost will commit the Town to \$50,000 or more in any one year.

II. FISCAL POLICY FOR OPERATING REVENUE, EXPENDITURES AND FUND BALANCE/NET ASSETS

A. GENERAL GUIDELINES

1. Revenue

- a. Revenue projections will be based on an analysis of historical trends and reasonable assumptions made on a conservative basis of future conditions to ensure that estimates are realized.
- b. The Town will not use long-term debt to finance expenditures required for current operations.
- c. As a general rule, operating budgets will be balanced using current year revenues to finance current year expenditures. Unassigned fund balance shall not normally be budgeted as a resource to support routine annual operating expenses. However, balances exceeding the policy targets may be budgeted as a resource to support capital, debt, or extraordinary major maintenance needs on a non-recurring basis, or for specific purposes, as designated.

2. Expenditures

- a. Normal maintenance requirements necessary to sustain the basic asset value will be included in the expenditure budget of the proper operating fund.
- b. Funding will be provided for major improvements and automation of services based on multiple-year planning, appropriate cost-benefit analysis, and life cycle costing.
- c. Future capital improvement requirements and equipment replacement will be included in operating budget plans or in the CIP. The annual amount set aside to provide reserves for future capital requirements, will be tailored to the needs of the specific operation, if not established by bond resolution, and will be above the specified fund balance or net assets.

3. Unassigned Fund Balance/ Unrestricted Net Assets

- a. Maintaining an adequate fund balance or net assets is essential to the Town's financial health. The unassigned fund balance for fiscal reserve and unrestricted net assets will be considered adequate between a minimum of 25% and a maximum of 30% of the current year's operating appropriations, including transfers, for the General Fund; a minimum of 25% and a maximum of 30% of the current year's operating appropriations, including transfers, for the Roads & Drainage Fund; a minimum of 25% and a maximum of 35% of the current year's operating appropriations, including transfers, will be considered adequate unrestricted net assets for the Enterprise Operating Funds.
- b. Amounts above those indicated in paragraph 3.a. may be assigned or committed within unassigned fund balance or unrestricted net assets for non-recurring purposes.

- c. The balances of each fund will be maintained by using a conservative approach in estimating revenues and by ensuring expenditures do not exceed appropriations.
- d. Any anticipated deficit of operating expenditures over revenues at year-end will be provided for in the current year's budget amendment process through fund balance/net asset appropriations.
- e. In the event that sufficient unassigned fund balance/unrestricted net asset targets are not met, a proposed revenue enhancement and/or service level reduction plan to achieve the target shall be submitted to the Council for the subsequent year budget consideration. The replenishment to the expected minimum level shall be completed within five years.

B. SPECIFIC GUIDELINES

1. General Fund

- a. The General Fund is the principal operating fund of the Town and will account for activities not reported in another type of fund for legal or managerial reasons.
- b. The operating budget of the General Fund will be prepared based on 95% of the certified taxable value of the property tax roll and conservative estimates of other sources of General Fund revenue.
- c. Service charges and user fees for all General Fund services will be analyzed to ensure an appropriate proportional recovery of direct costs and overhead.

2. Special Revenue Funds

- a. Special revenue funds will be used to account for specific revenue sources that are restricted to expenditures for specific purposes. Dedicated operations that cover only a substantial portion of their costs by user fees and charges, and therefore require ongoing operating subsidies, will be classified as special revenue funds.

3. Proprietary or enterprise Funds

- a. Proprietary funds will be used to account for those activities where the costs are expected to be funded by user fees and charges.
- b. Proprietary Funds will pay the General Fund their proportionate share of the cost of general administrative departments. Solid Waste is able to produce sufficient revenue from service charges to fully recover all direct operating costs and overhead. Initial startup of operations or specific circumstances may require an individual enterprise to be subsidized for a limited period of time; however, it is fully expected that these operations

will be totally self-supporting over time and will repay any subsidy to the General Fund as revenues permit.

- c. Service charges rent and fee structures will be established to ensure recovery of all costs.
- d. The expenditure requirements of the Proprietary Funds will include all expenses of the operations, as well as any transfers to capital project funds and debt service funds.
- e. A review of service cost and rate structures for Solid Waste charges will be performed on an annual basis. The adopted budget will set forth the cost requirements to be recovered by the service charges, which will be based on the cost of services provided.

III. FISCAL POLICY FOR INVESTMENTS

A. GENERAL GUIDELINES

- 1. The investment of Town funds shall be controlled by the Town's "Investment Policy" and shall conform to Florida Statutes Chapters 166.261 and 218.415.
- 2. Sufficient operating funds are to be deposited with a Qualified Florida Public Depository. The balance of investible cash may be deposited with the investment pools of the State or the Florida League of Cities, or be invested in authorized money market funds and other investment vehicles held at other asset management firms as defined in the Town investment policy, if applicable.
- 3. Bond or loan proceeds for construction and reserve funds are to be held in a qualified financial institution or LGIP type of pool, separate from the Town's operating accounts, if applicable. The proceeds temporarily invested are excluded from the investment portfolio for the purpose of calculating maximum exposure per investment service provider.

IV. FISCAL POLICY FOR CAPITAL REVENUE AND EXPENDITURES AND DEBT FINANCING

A. GENERAL GUIDELINES

- 1. Revenue
 - a. Revenue projections for the one-year Capital Improvement Program Budget and five-year Capital Improvement Program Plan shall be based on conservative assumptions of dedicated revenue sources.

2. Expenditures

- a. Capital projects shall be justified in relation to the Town's Comprehensive Plan.
- b. Estimated requirements for capital projects shall include all costs reasonably associated with the completion of the project.
- c. The impact of each project on the operating revenues and expenditures of the Town shall be analyzed as required by the General Fiscal Policy stated above.
- d. Consistent with IRS regulations, debt repayment will not exceed the average life of improvements.

3. Debt Financing

The Town can only enter into Debt obligations of any form through a Referendum of the Electorate pursuant to Town of Loxahatchee Groves Charter Section Section 6. Budget and Appropriations. (5) Bonds; Indebtedness (a).

- a. Long Term Debt: Annual debt service payments may be structured to provide level cost over the life of a bond issue, unless fiscal or other constraints dictate an alternative approach. A policy of full disclosure will be followed in all financial reports and official statements for debt.
- b. Medium Term Debt: Lease-purchase agreements, bonds, loans, or other debt instruments may be used as a medium-term (3 to 10 years) method of borrowing for the financing of vehicles, other specialized types of equipment, or other capital improvements. The equipment or improvement must have an expected life of more than three years. The Town will determine and utilize the least costly financing methods available. Such debt arrangements will be repaid within the expected life of the equipment or improvement acquired.
- c. Short Term Debt: Short-Term borrowing may be utilized for temporary funding of anticipated tax revenues; anticipated grant payments, anticipated bond proceeds, or other expected revenues. Anticipated funding is defined as an assured revenue source with the anticipated amount based on conservative estimates. Such borrowing may utilize a short-term note maturing before the end of the current appropriation period. Other short-term debt, such as tax-exempt commercial paper, bond anticipation notes, tax anticipation notes, or grant anticipation notes, may be used when it provides immediate financing and an interest advantage, or delays long-term debt until market conditions are more favorable. The Town will determine and utilize the least costly method for short-term borrowing. Short-term debt may be refunded in accordance with applicable Federal laws.

B. SPECIFIC GUIDELINES

1. General Capital Improvements: General capital improvements, or those improvements not related to Town-owned enterprises, may be funded from General Fund revenues or fund balances, the sale of revenue bonds or general obligation bonds/loans, and from special revenues, special assessments and grants.
 - a. Pay-As-You-Go Capital Improvements: Pay-as-you-go capital improvements may be funded from General Fund revenues or fund balances, state and federal grants, special assessments, or other sources of revenue which may become available to the Town. Major capital projects related to the delivery of general public services shall be paid from general purpose revenues. It is recognized that the allocation of funds in any given year of the program may vary significantly from these parameters due to prioritization and scheduling of projects.
 - b. Special Assessments: When special assessments are used, the interest rate charged will be established by Town Council consistent with State law.
 - c. Revenue Bond Debt Limit: Sale of revenue bonds for capital improvements will be limited to that amount which can be supported from the pledge of the specific revenue.
2. Enterprise Capital Improvements: Enterprise funds improvements may be funded from operating revenue or unrestricted net assets, the sale of revenue bonds, loans, special assessments and grants.
 - a. Pay-As-You-Go Capital Improvements: Enterprise funds may support needed capital improvements on a pay-as-you-go basis from operating revenues or from unrestricted net assets, assessments, and grants. Major capital projects related to the delivery of Town owned enterprises will be paid from the revenue of that enterprise fund.
 - b. Special Assessments: When special assessments are used for enterprise-related improvements, the interest rate charged will be established by Town Council consistent with State law.
 - c. Revenue bond Debt Limit: Sale of revenue bonds will be limited to that amount which can be supported from user fees generated, or combination of other revenues.