

# FY 2016 Q1 Budget Update

Wellington's Office of Financial Management & Budget prepares a quarterly analysis of fiscal year to date activity to provide an overview of Wellington's financial activities and operating results. This report is for the first quarter period of October through December 2015 and includes financial highlights, revenues and expenditure analyses.



## FINANCIAL HIGHLIGHTS

- **Economic condition** - The U.S. economy (GDP) grew by 2% in the third quarter of 2015, down from 3.9% growth in the second quarter:
  - National unemployment is down to 5.0%; Wellington's unemployment rate for December 2015 was 4.0%
  - Personal consumption (consumer spending) grew 0.9% in the third quarter, below the spending growth in the previous quarter
  - Florida personal income grew 1.2% in the fourth quarter, slightly below the national growth rate of 1.3%
  - The Federal Reserve increased its key interest rate in December for the first time in 10 years as a result of confidence in the economy.
- **Revenues** – Overall revenues are \$1.8 million, or 6%, higher than the first quarter of FY 2015
  - Actual current year-to-date governmental revenues are 11% more than the same time last year, mainly for the ad valorem taxes collected on higher property values and impact fees.
  - Enterprise revenues are down 7% from last year at this time due to the reduction in the Solid Waste assessment rate.
- **Expenditures** - Overall, expenditures are as expected for this time of the year.
  - Personnel expenditures are at 21%, slightly below target by 4% due to unexpended non-departmental and seasonal position budgets.
  - Operating expenses are above monthly target, at 32%, as anticipated due to encumbrances of full-year expenditures at the start of the fiscal year.
  - Currently, \$10.9 million in capital projects and programs are underway

The following tables show governmental and enterprise revenues collected year-to-date, compared to the budget and through December of the prior year. Since different revenue types (i.e.: taxes, state shared revenues, and permits) are received at different times throughout the year, comparison to the prior year is shown to illustrate changes by type. Detail charts of major revenue sources follow the overall summaries.

# FY 2016 Q1 Budget Update

## Revenues

### GOVERNMENTAL SOURCES

	Budget vs Actual				Prior Year Actual		
	Actual YTD	Amended Budget	Budget Remaining	% Collected	Prior YTD	Prior Year Amended Budget	Prior Year % Collected vs. Budget
Ad Valorem Property Taxes	12,621,374	16,160,495	3,539,121	78%	11,812,154	14,686,913	80%
Non-AV Property Assessments	4,005,928	5,665,050	1,659,122	71%	4,310,675	5,643,200	76%
Utility Taxes	1,188,119	4,280,000	3,091,881	28%	1,010,000	4,040,000	25%
Franchise Fees	901,260	3,400,000	2,498,740	27%	812,500	3,250,000	25%
Local Communication Service Tax	610,145	2,500,000	1,889,855	24%	625,000	2,500,000	25%
State Shared Revenue	1,865,475	7,223,000	5,357,525	26%	1,747,454	6,963,000	25%
Grants	-	1,278,151	1,278,151	0%	-	303,527	0%
Licenses & Permits	1,317,053	3,730,000	2,412,947	35%	1,215,456	3,855,000	32%
Charges for Services	615,761	2,778,530	2,162,769	22%	601,279	317,500	189%
Fines & Forfeitures	150,037	337,000	186,963	45%	190,517	414,000	46%
Investment Income	(28,720)	133,500	162,220	-22%	22,172	160,000	14%
Miscellaneous Revenues	148,075	329,500	181,425	45%	122,476	293,000	42%
Impact Fees	1,572,434	400,000	(1,172,434)	393%	103,400	900,000	11%
<b>Total Revenues before Transfers</b>	<b>\$24,966,941</b>	<b>\$48,215,226</b>	<b>\$23,248,285</b>	<b>52%</b>	<b>\$22,573,082</b>	<b>\$43,326,140</b>	<b>52%</b>

- Total Governmental revenues are \$2.4 million higher than the same period in the prior year primarily due to the following:
  - Ad Valorem tax revenues on higher taxable value
  - Impact fees are considerably higher due to building activity in the Isla Verde development
  - Most revenues are on target for expected collections at the first quarter of the fiscal year

### ENTERPRISE SOURCES

	Budget vs Actual				Prior Year Actual		
	Actual YTD	Amended Budget	Budget Remaining	% Collected	Prior YTD	Prior Year Budget	Prior Year % Collected vs. Budget
Non-AV Property Assessments	2,563,993	3,006,565	442,572	85%	2,938,484	3,610,360	81%
Franchise Fees	55,000	220,000	165,000	25%	55,000	220,000	25%
<i>Note:</i> Charges for Services	4,669,925	18,748,000	14,078,075	25%	4,639,820	18,527,000	25%
<i>Note:</i> Grants	13,750	55,000	41,250	25%	12,500	50,000	0%
Investment Income	(126,611)	150,000	276,611	-84%	25,708	120,000	21%
Miscellaneous Revenues	241,320	808,000	566,680	30%	214,710	757,000	28%
Capacity Fees	66,185	400,000	333,815	17%	148,759	900,000	17%
<b>Total Revenues before Transfers</b>	<b>\$7,483,562</b>	<b>\$23,387,565</b>	<b>\$15,904,003</b>	<b>32%</b>	<b>\$8,034,981</b>	<b>\$24,184,360</b>	<b>33%</b>

*Note: Investment Income includes interest earnings, realized gains/losses and unrealized gains/losses on investments. Unrealized losses result from assets that have lost value during the reporting period but are not sold.*

# FY 2016 Q1 Budget Update

- Total Enterprise revenues are \$551,000 lower than the same period in the prior year primarily due to the following:
  - Reduced non-ad valorem assessments for the lowered collection rates (\$20 less per unit)
  - Investment income is down for the decline in market value of investments and capacity fee collections are lower than last year as expected

## ALL SOURCES

	Budget vs Actual				Prior Year Actual		
	Actual YTD	Amended Budget	Budget Remaining	% Collected	Prior YTD	Prior Year Amended Budget	Prior Year % Collected vs. Budget
<b>Ad Valorem Taxes</b>	12,621,374	16,160,495	3,539,121	78%	11,812,154	14,686,913	80%
<b>Non Ad Valorem Assessments</b> <i>Acme and Solid Waste</i>	6,569,921	8,671,615	2,101,694	76%	7,249,159	9,253,560	78%
<b>Utility Taxes</b>	1,188,119	4,280,000	3,091,881	28%	1,010,000	4,040,000	25%
<b>Franchise Fees</b>	956,260	3,620,000	2,663,740	26%	867,500	3,470,000	25%
<b>Local Communication Service Tax</b>	610,145	2,500,000	1,889,855	24%	625,000	2,500,000	25%
<b>State Shared Revenue</b> <i>Half cent Sales, State Revenue Sharing, Gas Taxes</i>	1,865,475	7,223,000	5,357,525	26%	1,747,454	6,963,000	25%
<b>Grants</b> <i>CDBG, FDOT, Solid Waste Recycling</i>	13,750	1,333,151	1,319,401	1%	12,500	363,527	3%
<b>Licenses &amp; Permits</b> <i>Building Permits, Residential Dwelling Licenses, Foreclosure Reg., Eng. Fees</i>	1,317,053	3,730,000	2,412,947	35%	1,215,456	3,965,000	31%
<b>Charges for Services</b> <i>Recreation Revenues, Wycliffe Drainage, B&amp;G Club Loan, Water &amp; WW Services, Solid Wst Roll-off</i>	5,285,685	21,526,530	16,240,845	25%	5,241,100	20,463,745	26%
<b>Fines &amp; Forfeitures</b> <i>Lien Satisfactions, Traffic Fines, LETF</i>	150,037	337,000	186,963	45%	190,517	414,000	46%
<b>Investment Income</b> <i>Interest, Realized &amp; Unrealized Gains/Losses</i>	(155,331)	283,500	438,831	-55%	47,880	280,000	17%
<b>Miscellaneous Revenues</b> <i>LWPC Lease, Contributions &amp; B&amp;G Club Loan</i>	389,395	1,137,500	748,105	34%	337,185	1,050,000	32%
<b>Impact &amp; Capacity Fees</b>	1,638,619	800,000	(838,619)	205%	252,159	1,800,000	14%
<b>Total Revenues before Transfers</b>	<b>\$32,450,503</b>	<b>\$71,602,791</b>	<b>\$39,152,288</b>	<b>45%</b>	<b>\$30,608,064</b>	<b>\$69,249,745</b>	<b>44%</b>

- Total Village revenues are on par with the prior year for percent of budget collected
- Actual investment income reflects a reduction due to unrealized losses on investments for the period

*Note: A negative "Budget Remaining" means more revenues were collected than budgeted*

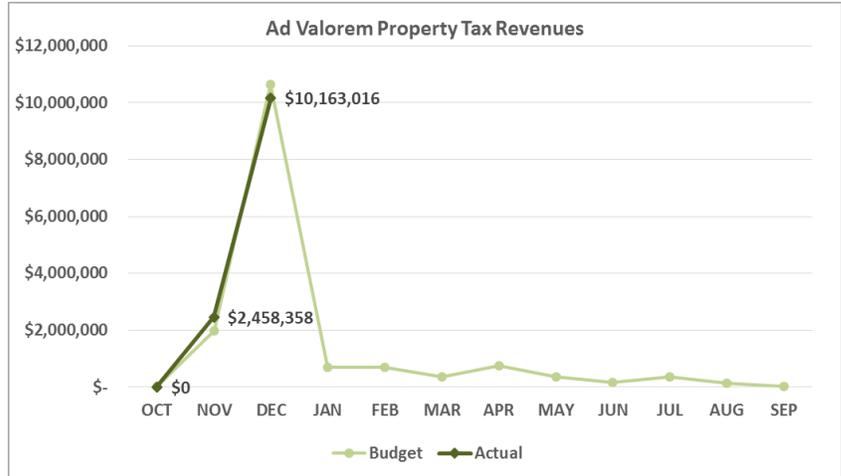
# FY 2016 Q1 Budget Update

The following charts provide a comparison of budget to actual revenue receipts for significant revenue types.

## AD VALOREM PROPERTY TAX

The revenues received for property taxes based on the millage rate applied to home value, including discounts for early payment and interest on delinquencies.

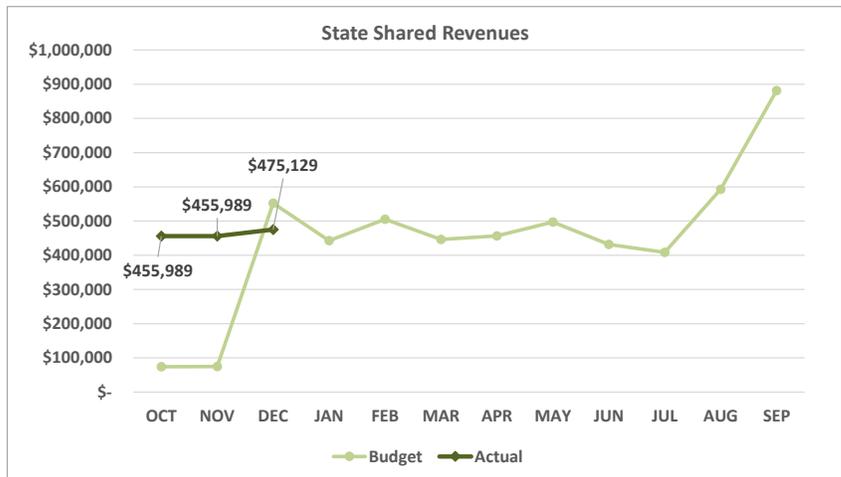
⇔ Collections are on target with budget for the first quarter and the same as last year at this time



## STATE SHARED REVENUES

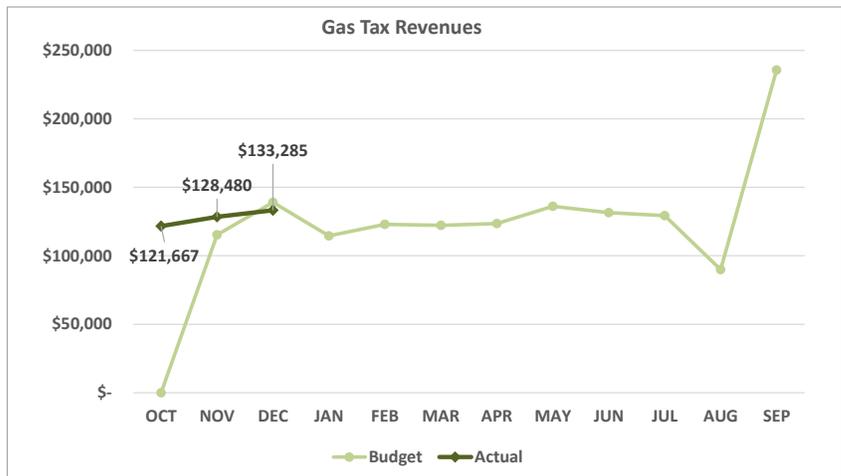
Revenues received from the state for Half-Cent Sales Tax, Municipal Revenue Sharing and Alcoholic Beverage Licenses. Monthly collection amounts vary throughout the year.

↑ Actual collections exceed budget due to accrual accounting entries to record expected receipts consistently throughout the year  
 ↑ Receipts are approximately \$80,000 more than FY 2015 Q1



## GAS TAXES

⇔ Actual collections exceed budget due to an accrual accounting entry in the first month to record expected receipts consistently throughout the year. Without the entry, gas tax revenues would be slightly below budget

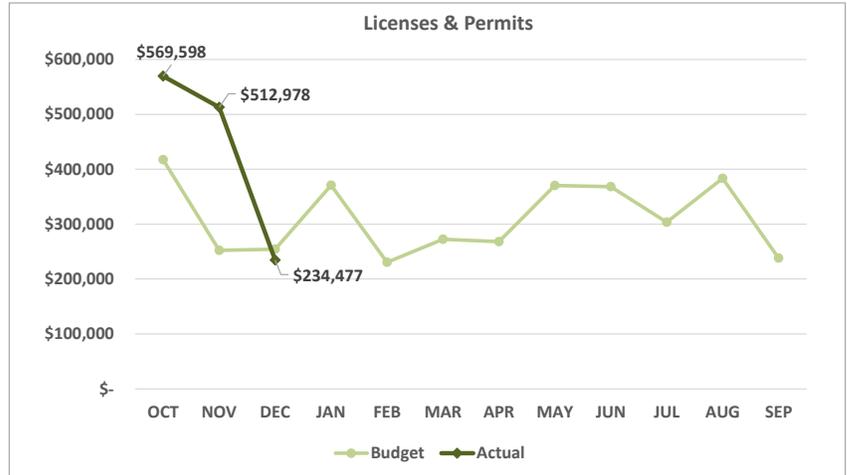


# FY 2016 Q1 Budget Update

## LICENSES & PERMITS

This grouping includes building permits, business tax receipts, residential dwelling licenses and engineering permit fees

- ↑ Total collections are above the expected amounts for engineering fees and business tax receipts.
- ↑ Building permit fees are higher than the first quarter of FY 2015 by about \$160,000
- ↑ Additional months of collections are needed to make any assumptions on the level of activity in permits because the volatility of receipts over time



## PARKS & RECREATION CHARGES FOR SERVICES

These revenues include all fees and charges for athletic, community and cultural programs administered by the Parks & Recreation Department.

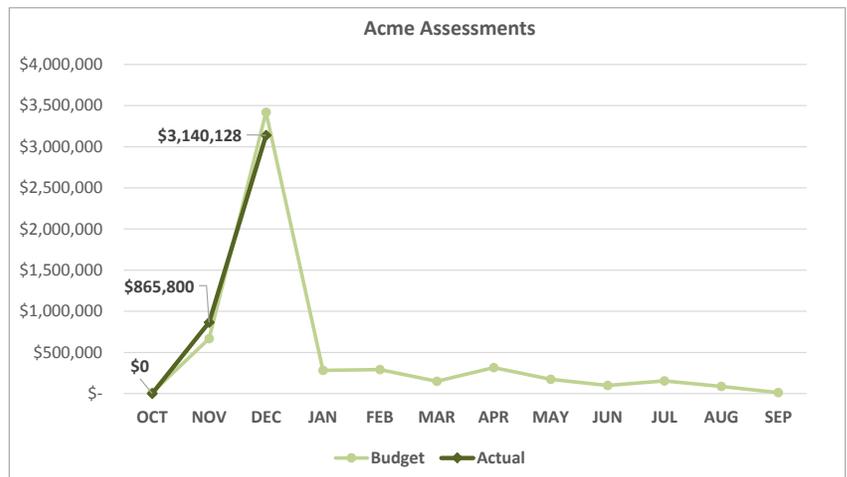
- ↑ Recreation revenues are above expected for the first quarter, and are consistent with last year at this time despite WCC construction



## ACME ASSESSMENTS

The revenues collected via unit assessment in the Acme Improvement District, adjusted for discounts and interest.

- ↓ Collections are slightly below budget trend for the first quarter, but are expected to meet budget by the second quarter

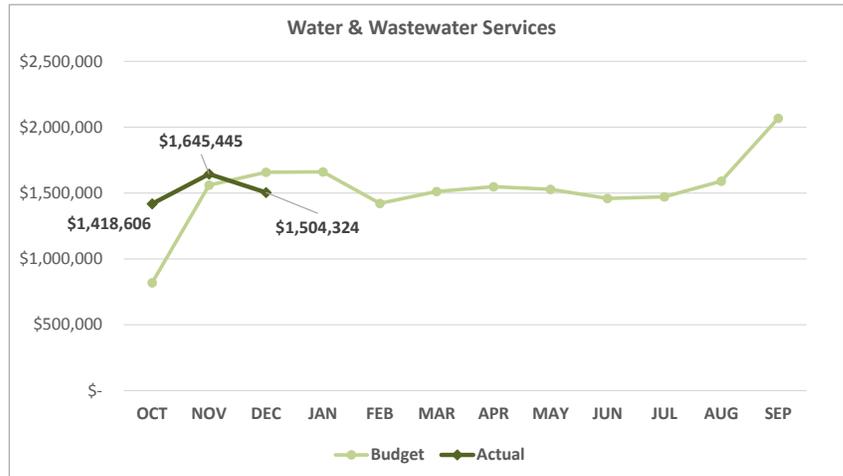


# FY 2016 Q1 Budget Update

## WATER & WASTEWATER SERVICES

The chart presents the billed water and wastewater services for the utility.

↑ Actual billings are exceeding recent years' trend by approximately \$500,000, an increase of 1.5% over FY 2015 first-quarter activity



## Expenditures

### GOVERNMENTAL USES

	Budget vs Actual				Prior Year Actual		
	Actual YTD	Amended Budget	Budget Remaining	% Collected	Prior YTD	Prior Year Amended Budget	Prior Year % Collected vs. Budget
General Government	3,363,647	11,604,508	8,240,861	29%	2,588,467	12,036,546	22%
Public Safety	7,014,191	8,436,502	1,422,311	83%	2,057,155	8,250,899	25%
Physical Environment	5,182,736	17,111,556	11,928,820	30%	3,343,930	14,991,790	22%
Economic Environment	508,358	1,249,965	741,607	41%	451,053	1,252,796	36%
Transportation	1,003,641	3,127,812	2,124,171	32%	375,588	1,708,388	22%
Culture & Recreation	1,036,965	4,769,229	3,732,264	22%	787,453	3,816,837	21%
Emergency Management	9,537	46,000	36,463	21%	8,021	47,700	17%
Capital Outlay	9,557,157	20,340,062	10,782,905	47%	2,335,102	22,622,670	10%
Debt Service	-	1,133,756	1,133,756	0%	5,470,578	1,207,539	453%
Non-departmental	333,710	1,371,784	1,038,074	24%	165,498	675,454	25%
Transfers Out	2,337,916	9,351,662	7,013,746	25%	6,989,838	7,469,839	94%
<b>Total Expenditures</b>	<b>\$30,347,859</b>	<b>\$78,542,836</b>	<b>\$48,194,977</b>	<b>39%</b>	<b>\$24,572,685</b>	<b>\$74,080,458</b>	<b>33%</b>

- Governmental Funds expenditures are more than 10% ahead of the first quarter budget target for expenditures and encumbrances in:
  - Public Safety – the annual amount for the PBSO contract is fully encumbered
  - Economic Environment: Community Services – the education grants have been paid, Beautiful Wellington grants are very active and the Senior Transportation Program expenses are fully encumbered
  - Capital Outlay – the WCC construction and Southshore Phase 3 Improvement projects comprise a large portion of the actual year-to-date outlay and commitments

# FY 2016 Q1 Budget Update

## ENTERPRISE USES

	Budget vs Actual				Prior Year Actual		
	Actual YTD	Amended Budget	Budget Remaining	% Collected	Prior YTD	Prior Year Amended Budget	Prior Year % Collected vs. Budget
Economic Environment	181,140	483,266	302,127	37%	77,441	334,496	23%
Water & Wastewater	3,308,108	9,810,404	6,502,296	34%	2,004,348	9,355,126	21%
Solid Waste	3,268,955	3,499,316	230,361	93%	610,302	3,430,146	18%
Capital Outlay	1,179,348	26,391,987	25,212,639	4%	201,827	5,646,664	4%
Debt Service	25,109	30,000	4,891	84%	25,969	26,000	100%
Non-departmental	42,147	217,338	175,191	19%	10,672	76,653	14%
Transfers Out	584,689	2,338,757	1,754,067	25%	2,182,028	2,182,028	100%
<b>Total Expenditures</b>	<b>\$8,589,496</b>	<b>\$42,771,068</b>	<b>\$34,181,571</b>	<b>20%</b>	<b>\$5,112,585</b>	<b>\$21,051,113</b>	<b>24%</b>

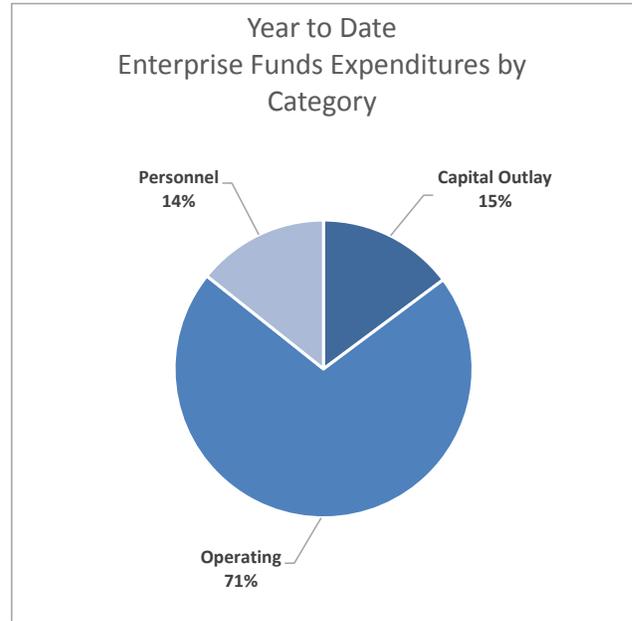
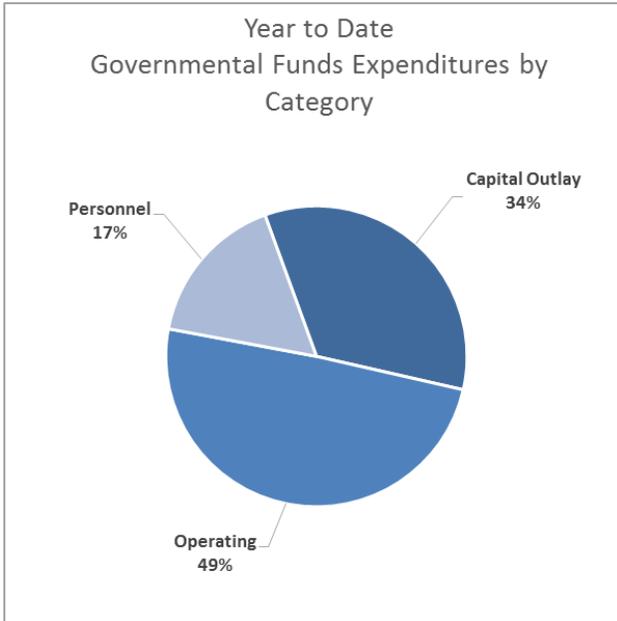
- Enterprise Funds expenditures are more than 10% ahead of the first quarter budget target for expenditures and encumbrances in:
  - Economic Environment: Professional Centre – fully encumbered contracts for landscape maintenance and communications equipment and full payment of annual property taxes
  - Solid Waste – annual contract fully encumbered
  - Debt Service – interest paid on utility security deposits is transacted in November each year

## ALL FUNDS EXPENDITURES

	Budget vs Actual				Prior Year Actual		
	Actual YTD	Amended Budget	Budget Remaining	% Collected	Prior YTD	Prior Year Amended Budget	Prior Year % Collected vs. Budget
General Government	3,363,647	11,604,508	8,240,861	29%	2,588,467	12,036,546	22%
Public Safety	7,014,191	8,436,502	1,422,311	83%	2,057,155	8,250,899	25%
Physical Environment	5,182,736	17,111,556	11,928,820	30%	3,343,930	14,991,790	22%
Economic Environment	689,498	1,733,231	1,043,733	40%	528,494	1,587,292	33%
Transportation	1,003,641	3,127,812	2,124,171	32%	375,588	1,708,388	22%
Culture & Recreation	1,036,965	4,769,229	3,732,264	22%	787,453	3,816,837	21%
Emergency Management	9,537	46,000	36,463	21%	8,021	47,700	17%
Water & Wastewater	3,308,108	9,810,404	6,502,296	34%	2,004,348	9,355,126	21%
Solid Waste	3,268,955	3,499,316	230,361	93%	610,302	3,430,146	18%
Capital Outlay	10,736,505	46,732,049	35,995,544	23%	2,536,928	28,269,334	9%
Debt Service	25,109	1,163,756	1,138,647	2%	5,496,547	1,233,539	446%
Non-departmental	375,857	1,589,122	1,213,265	24%	176,170	752,107	23%
Transfers Out	2,922,605	11,690,419	8,767,814	25%	9,171,866	9,651,867	95%
<b>Total Expenditures</b>	<b>\$38,937,355</b>	<b>\$121,313,904</b>	<b>\$82,376,548</b>	<b>32%</b>	<b>\$29,685,270</b>	<b>\$95,131,571</b>	<b>31%</b>

# FY 2016 Q1 Budget Update

## EXPENDITURES BY CATEGORY



## RECONCILIATION TO ADOPTED BUDGET

	Current YTD	Budget	Budget Remaining	% Expended
<b>Personnel</b>	\$5,671,555	\$27,256,986	\$21,585,431	21%
<b>Operating</b>	19,490,326	34,470,694	14,980,368	57%
<b>Capital</b>	10,736,505	46,732,048	35,995,543	23%
<b>Debt Service</b>	25,109	1,163,756	1,138,647	2%
<b>Transfers &amp; Other</b>	11,690,419	11,690,419	(0)	100%
<b>Total Budget</b>	<b>\$47,613,915</b>	<b>\$121,313,903</b>	<b>\$73,699,988</b>	<b>39%</b>

### Reconciliation to FY 2016 Adopted Budget:

Purchase Order Roll-forwards	(10,527,316)
Project and Capital Roll-forwards	(25,319,977)
Council Budget Amendments	(17,689) *
Subtotal Budget Changes	(35,864,982)
<b>Total FY 2016 Adopted Budget</b>	<b>\$ 85,448,921</b>

\* Council Budget Amendments include:

Law Enforcement Trust Fund Uses	17,689
<b>Total Council Budget Amendments</b>	<b>\$ 17,689</b>

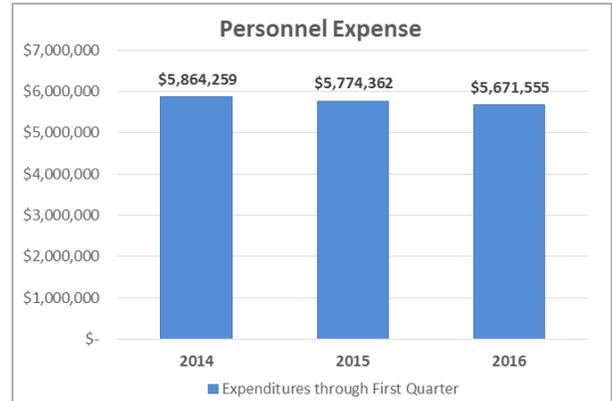
# FY 2016 Q1 Budget Update

The following charts provide a comparison of current year actual expenditures to past years for significant expenditure types.

## PERSONNEL

Consists of all wage, overtime, and benefit expenditures.

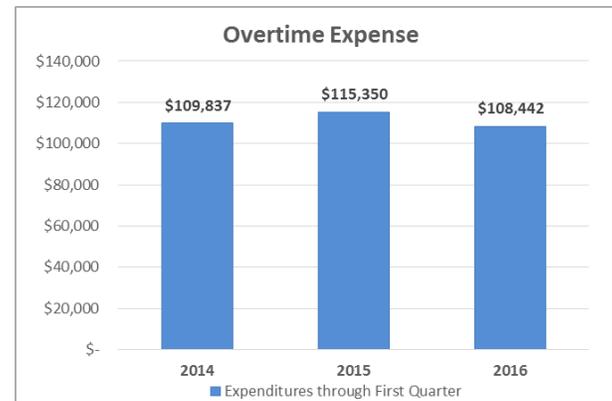
- First quarter expenditures decreasing since 2014, primarily for medical insurance premium reduction
- FY 2016 Q1 expenditures at 21% of budget



## OVERTIME

In addition to unexpected overtime for emergencies, overtime is expected and budgeted for special events, weekend operations (amphitheater and parks) and night meetings.

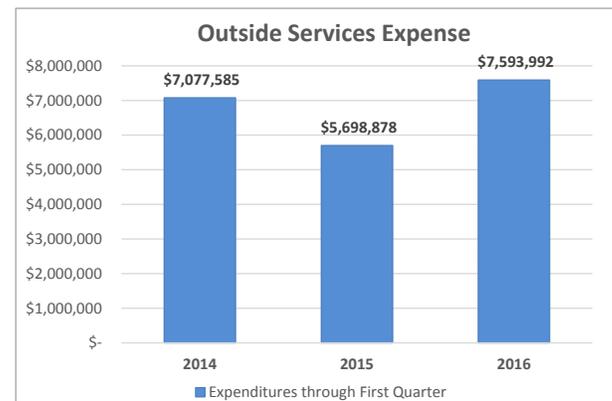
- FY 2016 Q1 expenditures at 44% of budget, down 6% from the same period last year
- Building had unanticipated overtime to cover for absences



## OUTSIDE SERVICES

Includes legal and contractual services, election expense, landscape contracts, aquatic vegetation control, program contracts, and PBSO.

- FY 2016 Q1 expenditures at 29% of budget

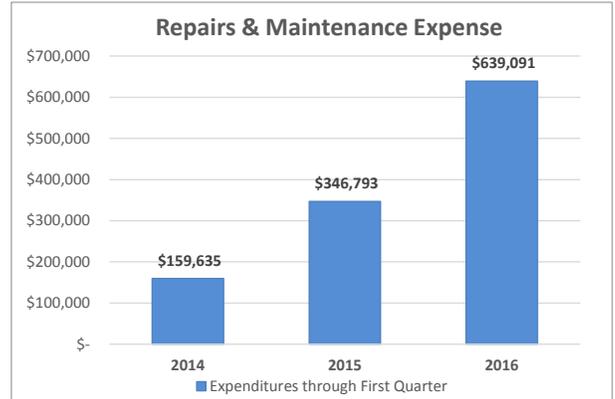


# FY 2016 Q1 Budget Update

## REPAIRS & MAINTENANCE

Includes repairs and maintenance services for buildings, equipment, grounds and major maintenance of facilities & infrastructure.

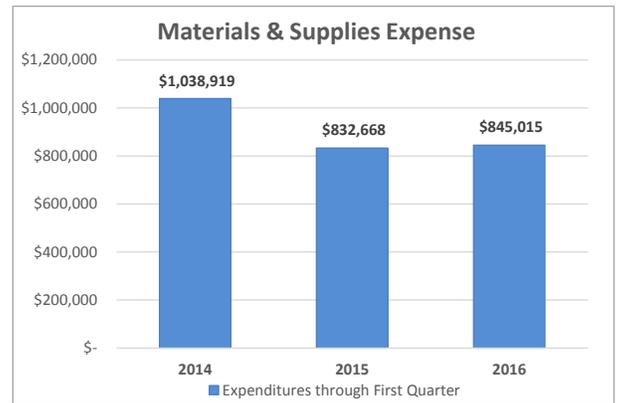
- FY 2016 Q1 expenditures at 11% of budget
- The shift of major maintenance into the operating accounts from capital expense in FY 2016 explains the significant increase in 2016 expenditures over the prior year



## MATERIALS & SUPPLIES

Includes all materials, equipment and supplies costing less than \$5,000 each.

- FY 2016 Q1 expenditures at 17% of budget
- First quarter expenditures are consistent with the prior year and below FY 2014



# FY 2016 Q1 Budget Update

## CAPITAL PROJECTS AND PROGRAMS EXPENDITURES

Fund/Project	FY 2016 Budget	Expenditures	Encumbrances	Remaining	Status
<b>GAS TAX CAPITAL</b>					
120th Paving & Improvements	1,140,000			1,140,000	Current
Aeroclub Multiuse Pathway	675,000	18,145		656,855	Current
Flying Cow Pathway	756,627	323,346	417,765	15,516	Current
Huntington Drive Sidewalk	45,000	25,784		19,216	Current
Pierson Road Realignment	350,000	4,770		345,230	Current
Road & Pathway Overlay Improvements	300,176	290,555	9,568	53	Complete
Southshore Phase III Improvements	361,000			361,000	Current
SR 7/US 441 Corridor Improvements	360,000			360,000	Not Started
Streetscape	205,000			205,000	Not Started
Traffic Calming Program	200,000			200,000	Not Started
Turn Lane Construction - Big Blue	300,000	4,200		295,800	Current
<b>ROAD IMPACT FEES</b>					
120th Paving & Improvements	746,000			746,000	Current
50th Street Improvements	20,000			20,000	Complete
Bike & Pedestrian Pathway Expansion	410,000			410,000	Grants In Progress
Lake Worth Rd School Crossing	45,000	15,464		29,536	Current
Southshore Phase III Paving	637,656	612,317	25,339	0	Current
Stribling Roundabout	450,000	2,770		447,230	Current
<b>GOVERNMENTAL CAPITAL</b>					
2014 Acme R & R Program	1,257,592	85,641	35,051	1,136,900	Current
ACME Parks Master Plan	176,000			176,000	Not Started
CDBG Projects	35,203		23,276	11,927	Current
Communication & Technology Investment	597,325	161,252	269,925	166,148	Current
Facilities Capital Improvements - Govt	498,800		2,800	496,000	Ongoing
Neighborhood Parks Program	235,959	4,756	31,801	199,402	Ongoing
Neighborhood Trails Program	263,283	3,591	1,015	258,678	Grants In Progress
Parks Capital Improvements	790,407	158,247	5,160	627,000	Ongoing
Pump Station & SWM System Rehab	385,950	19,007	101,350	265,593	Ongoing
Safe Neighborhoods	218,411	(9,193)	19,765	207,839	Ongoing
Southshore Phase III Drainage	400,000		400,000	0	Current
Tennis Center Construction	71,756	2,327	69,429	(0)	Complete
WCC Improvements	6,657,108	1,855,664	4,936,611	(135,167)	Current
<b>SADDLE TRAIL NEIGHBORHOOD</b>					
Saddle Trail Park Improvements	29,737	35,151	3,542	(8,956)	Current
<b>WATER/WASTEWATER CAPITAL</b>					
Communication & Technology Investment	250,000	62,867	22,228	164,905	Current
Water Supply R & R	422,000			422,000	Ongoing
WTP Renewal & Replacement	12,012,200	74,411	376,331	11,561,458	Ongoing
Water Dist & Trans R&R	3,506,943	45,325	20,321	3,441,297	Ongoing
Field Services Facility	86,337	65,096	21,241	0	Current
General Facilities R & R - Util	20,000				Current
WWTP Renewal & Replacement	6,249,833	70,192	13,641	6,166,001	Ongoing
Collection System Repair & Replacemt	360,000			360,000	Ongoing
Lift Station Upgrades & Rehab	811,945	72,842	47,436	691,666	Ongoing
Reuse Transmission Lines	1,879,000			1,879,000	Not Started
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$44,217,248</b>	<b>\$4,004,527</b>	<b>\$6,853,594</b>	<b>\$33,339,127</b>	