



City of Inverness

Administration Office

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July 22, 2016

TO: Elected Officials
Citizens and Business Interests of Inverness
Adjoined Governments and Officials
Media

CITY OF INVERNESS BUDGET SUMMARY MESSAGE

Development and Planning for the annual City Budget is a serious undertaking by your government. Multiple public meetings are conducted to develop a prudent, fiscally sound budget appropriation and capital improvement plan, for the City of Inverness. On April 7th, 2016, at 5:30pm, a public workshop was conducted to present a Budget Overview for 2016-17. The Overview contained facts, market trends and local analysis of an economic and social nature. Projects and service levels were discussed, along with pending impacts to the City. Additional workshop sessions were conducted to address elements of the City Cemetery program and future revenue sources for that facility. Those public workshop forums were followed by a dynamic presentation of the 2016 Capital Action Plan that contains a series of 15 major initiatives to transform Liberty Park, Wallace Brooks Park, restore the train station building and create The Depot District. In addition, we plan to add cycling connectivity of Whispering Pines Park to the Withlacoochee State Trail, a new entrance to Whispering Pines off Highway 44W, and a Way Find Signing program in the park and throughout town that will be launched shortly. A major undertaking will add boating in all forms: canoe, kayak, motorized vessels and scull facilities at Wallace Brooks Park on Big Lake Henderson. The well-received Inverness Event & Visitors Bureau will relocate from City Hall to a restored house in Dampier Street and MLK Avenue, and there will be much more. Finally, the Inverness Government Center Plaza will have a section converted to accommodate a Solider Combat Memorial that was originally commissioned by the US Military for Central Command at MacDill, in Tampa. We are excited of this prospect and will proceed with diligence

to achieve completion in 2017. Tentative adoption of a Five-Year Capital Improvement Plan was confirmed during a public workshop on May 5th, 2016, at 5:30 pm. The Five Year Plan is an investment beacon for the entire community that, when complete, will extend the Central Business District northerly, and create the “City on the Lakes” concept. On July 19th, 2016, City Council publicly discussed and adopted a Tentative Millage Rate that is ½ mill higher at 7.5729 mills, which represents an 8.87% tax rate increase and would generate an additional \$269,378 in ad-valorem revenues over amounts collected in 2016. Noteworthy is this follows a ½ mill reduction last year, and importantly, property valuations remain stubbornly stagnant. The fact property assessment have not appreciably moved in a positive direction presents a challenge when being forced to fund higher costs for services. Rather can cause service delivery cuts, the option is to find ways to maintain what we have. The tax rate adjustment represents one-option. Modifications will be made to Whispering Pines Park to off-set the fact County Government ceased support to the City for providing services to residents that are not part of the City tax base. Most will not experience or notice a change, but those using the pool, baseball fields and turf facilities will be impacted. Funds that come through the Community Redevelopment District are mostly targeted to plan and construct project improvements to the area. The goal is to achieve an expanded tax base through prosperity and rising land values. The City’s Community Redevelopment District was expanded to address deficiencies on a large scale. On Tuesday, July 26th, 2016, at 5:30pm, in the Inverness Government Center Council Chambers, a public workshop will be conducted to present all findings and fully disclose spending, service levels, projects, staffing and related cost, planning mechanisms, utility system operations and Inverness Community Redevelopment Agency activity. Importantly, final adoption of the 2016-17 budget that spans from October 1st, 2016 through September 30th, 2017, will be accomplished in two Public Hearings as follows:

1st Public Hearing to Adopt the 2016-17 Budget
Thursday, September 8th, 2016, at 5:01PM
Inverness Government Center, 212 West Main Street

2nd Public Hearing to Adopt the 2016-17 Budget
Thursday, September 22nd, 2016, at 5:01PM
Inverness Government Center, 212 West Main Street

The Budget is fiscally sound, balanced, and contains a Capital Improvement Plan that is property situated to improve the community. Additionally, the City of Inverness boasts the most extensive benefit program in Citrus County for residents and businesses alike. Highlights of services, projects and initiatives include:

- Event & Visitors Bureau
- Extensive Parks, Recreational and Cultural Program
- Valerie Theatre Cultural Center
- Whispering Pines Park at 280 acres is the Crown Jewel facility in a multi-county area
- Lakefront Park System, Cooter Pond Park, and Boardwalks envelop the Business District
- High Level Marketing & Branding that supports business and encourages investment
- Full Year, Highly Energized, Special Event Schedule

- Conservation and Green Initiatives like: Electric Vehicle Charging Stations, Solar Powered Sidewalk Compactors, Curbside Recycling and LED Light Efficiency Program
- Residential Neighborhood/Street Illumination Program
- City Beautification through the Central Business District
- Historic Plaque and Building Identification Program
- Historic Valerie Theatre Center Revitalization Project
- Comprehensive Planning and Visioning Plan for 40+ Years
- State of the Art Regional Wastewater Treatment and Recovery Plant
- Production of Reclaimed Water for Irrigation
- Potable Water System to serve the City and Beyond
- Law Enforcement Services
- Fire Rescue Services
- Full Solid Waste, Recycling, Yard Waste and Bulk Item Program
- Full Franchising of Solid Waste for Commercial Applications
- Storm Water and Lake Management Program
- Tree City USA Designation

Agency and capital expenditures for a City Wide application total \$39,011,816 Million. The Capital Improvement Program is a blueprint for progress and structured to invest \$5,717,646 Million in the ensuing 2016-17 Fiscal Year.

The adopted budget and CIP reflect the City's hallmark of community and fiscal planning. The General Fund of the City of remains stable and strong. Reserves are healthy and the community is well positioned to aggressively seek grants and address unforeseen anomalies that may arise. Careful planning on a fiscal and community level has been a recognized, and publicized as a strength. Operational costs have been managed to not appreciably increase and the employee count has again been reduced and stands at an extremely low level when compared to like governments of the area. As previously mentioned, the situation at Whispering Pines Park will be to modify operations to address reduced funding, which will involve changes to the pool, splash park, general facility reservation fees, baseball and softball field availability and some admission fees. A Fire Rescue Department is fully funded as part of this budget and the City continues to expand an "arts driven" experience at the newly developed Valerie Theatre Cultural Center. Generally, departmental program goals are identified to ensure that services address the highest priorities established by City Council, including: public safety, community appearance, general maintenance, marketing, culture and events, and to insure development standards retain the community's history and character. Recreational, Cultural and Special Event programming provides enrichment opportunities, economic vitality, marketing and growth. A proactive presence with respect to community

celebrations and special events has been well received by businesses, visitors and families alike. It's all about community and Inverness defines Small Town America.

General service levels are unchanged; culture and marketing are expanded and program wise, consistent with prior years. The Inverness community is mostly impacted by state and national economic conditions, a weak housing rebound, and stagnant property valuations. The largest concern and impact are caused by activity at the State Level, which continues to direct resources away from local communities. State Revenue Sharing has not increased, funding of the State managed pension system has soared, and the latest attempt has essentially removed telecommunication fees from the local revenue stream have had a material negative impact. County Government has been following the State, but not contributing to off-set the cost of service delivery through the operation of Whispering Pines Park to county residents, and by managing the costs to now increase the cost for the emergency radio and dispatch system, which used to be considered a general cost of government, and not is moving to special (added) charges. The City is doing its best to "hold the line" on costs to residents and businesses.

Despite continued efforts by the State to divert local revenues and action by the County to help bridge their budget deficit, Inverness's financial condition is sound, and the City holds to a course that is fiscally sustainable. We have expanded community marketing and released eight videos that showcase the Inverness story. All necessary steps continue to be taken to ensure a successful operation in what has become a less certain fiscal climate. We anticipated valuations increases as other communities enjoy, but that didn't materialize. Be assured, this budget appropriation provides stability and solid foundation for the community to continue managed growth and development. We will get beyond the current stagnation and move toward increasing values. Revenues and expenditures will continue to be carefully and constantly monitored to ensure the current and future budgets remain balanced, and the City will always offer the best possible services, plan and invest in meaningful improvement projects, and continue to support the quality of life that Inverness residents have come to expect.

Charts and Graphs follow to best illustrate: Property Valuations, Mill Levy Comparison, General Fund Revenues, City Revenues by Type, Expenditures by Type, Personnel Cost Allocation by Functional Area.


Frank DiGiovanni
Inverness City Manager

BUDGET SUMMARY
CITY OF INVERNESS
2016/2017 FISCAL YEAR

THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE CITY OF INVERNESS ARE 6.90% LESS THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES

GENERAL FUND 7.5729

ESTIMATED REVENUES	GENERAL FUND	WHISPERING PINES PARK	ROAD IMPROVEMENT FUND	CAPITAL PROJECTS FUND	WATER & SEWER	CEMETERY	IMPACT FEE FUND	PENSION FUNDS	TOTAL BEFORE COMPONENT UNIT	I.C.R.A. TRUST FUND	TOTAL ALL FUNDS
TAXES:											
AD-VALOREM MILLAGE PER \$1000 -7.5729	3,231,427								3,231,427	-	3,231,427
AD-VALOREM Delinquent Taxes	80,000								80,000		80,000
SALES AND USE TAXES	335,817								335,817		335,817
FRANCHISE FEES	745,320								745,320		745,320
UTILITY SERVICE TAXES	783,826								783,826		783,826
COMMUNICATIONS SERVICE TAX	285,000								285,000		285,000
LOCAL BUSINESS TAX	49,000								49,000		49,000
LICENSES AND PERMITS	172,000								172,000		172,000
GRANTS/SHARED REVENUE	110,119			980,500	620,000				1,710,619	612,023	2,322,642
STATE SHARED REVENUES	778,500								778,500		778,500
CHARGES FOR SERVICES	1,050,275	87,300			3,608,931				4,746,506		4,746,506
FINES AND FORFEITURES	22,500								22,500		22,500
INTEREST EARNINGS	38,500	1,500	300		29,000	9,300	700	23,500	102,800	31,600	134,400
RENTS & ROYALTIES	312,276				250				312,526		312,526
SPECIAL ASSESSMENTS/IMPACT FEES							31,000		31,000		31,000
CONTRIBUTIONS/DONATIONS		300							300		300
SALE OF FIXED ASSETS	5,000					7,600			12,600		12,600
PENSION CONTRIBUTIONS								1,500	1,500		1,500
MISCELLANEOUS REVENUES	25,400	6,000			14,000	300			45,700		45,700
DEBT PROCEEDS				2,153,196		100,000			2,253,196		2,253,196
TOTAL SOURCES	8,024,960	95,100	300	3,133,696	4,272,181	117,200	31,700	25,000	15,700,137	643,623	16,343,760
TRANSFERS IN	740,000	474,014		1,880,700	3,778,030				6,872,744	603,812	7,476,556
FUND BALANCES/RESERVES/NET ASSETS	6,688,352	347,480	13,699	1,264,805	5,322,148	589,370	493,945	401,545	15,121,344	70,156	15,191,500
TOTAL REVENUES, TRANSFERS & BALANCES	15,453,312	916,594	13,999	6,279,201	13,372,359	706,570	525,645	426,545	37,694,225	1,317,591	39,011,816
EXPENDITURES											
GENERAL GOVERNMENTAL	2,450,306			588,000				17,500	3,055,806		3,055,806
PUBLIC SAFETY	1,339,157			450,000					1,789,157		1,789,157
PHYSICAL ENVIRONMENT	1,074,760				3,084,677	152,425			4,311,862		4,311,862
TRANSPORTATION	768,623			770,250					1,538,873		1,538,873
ECONOMIC ENVIRONMENT	266,320			3,492,746					3,759,066	461,385	4,220,451
CULTURE & RECREATION	826,773	569,114		416,650					1,812,537	-	1,812,537
DEBT SERVICES	-				875,609				875,609	-	875,609
TOTAL EXPENDITURES	6,725,939	569,114		5,717,646	3,960,286	152,425	-	17,500	17,142,910	461,385	17,604,295
TRANSFERS - OUT	2,373,976	-			4,303,030	3,500			6,680,506	796,050	7,476,556
FUND BALANCES/RESERVES/NET ASSETS	6,353,397	347,480	13,999	561,555	5,109,043	550,645	525,645	409,045	13,870,809	60,156	13,930,965
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES & BALANCES	15,453,312	916,594	13,999	6,279,201	13,372,359	706,570	525,645	426,545	37,694,225	1,317,591	39,011,816

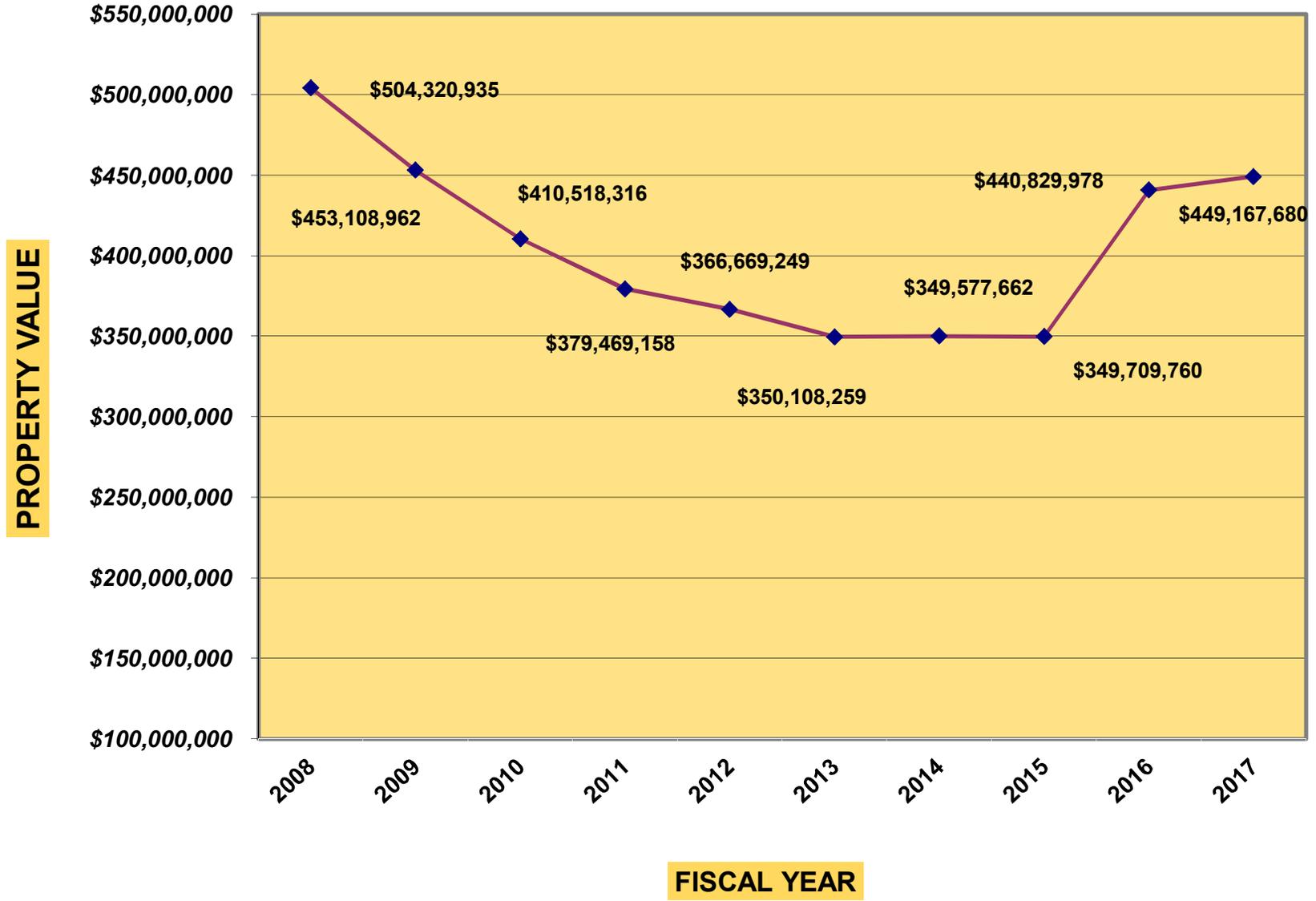
THE TENTATIVE, ADOPTED, ADN/OR FINAL BUDGETS ARE ON FILE IN THE OFFICE OF THE ABOVE REFERENCED TAXING AUTHORITY AS A PUBLIC RECORD

**CITY OF INVERNESS
MILL LEVY COMPARISON
2008-2017**

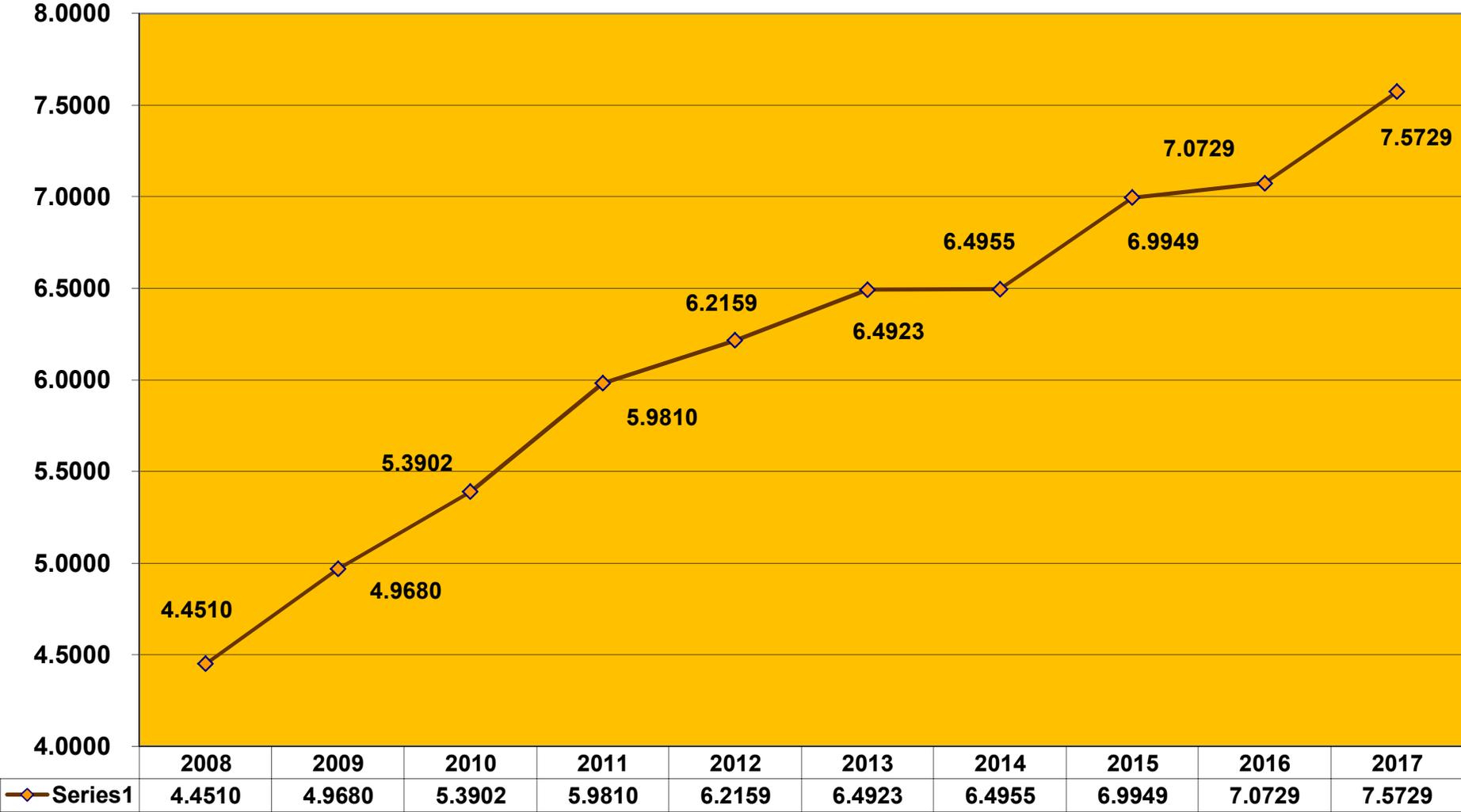
FISCAL YEAR	TAXABLE VALUE	TAXABLE VALUE CHANGE	% CHANGE - PREVIOUS YEAR	ADOPTED - PROPOSED MILL LEVY	REVENUE @ 100%	REVENUE @ 95%	INC/DEC -FUNDS COLLECTED PRIOR YEAR
2008	\$ 504,320,935	\$ 35,808,422	7.64%	4.4510	\$ 2,244,732	\$ 2,132,496	\$ (37,303)
2009	\$ 453,108,962	\$ (51,211,973)	-10.15%	4.9680	\$ 2,251,045	\$ 2,138,493	\$ 5,997
2010	\$ 410,518,316	\$ (42,590,646)	-9.40%	5.3902	\$ 2,212,776	\$ 2,102,137	\$ (36,356)
2011	\$ 379,469,158	\$ (31,049,158)	-7.56%	5.9810	\$ 2,269,605	\$ 2,156,125	\$ 53,988
2012	\$ 366,669,249	\$ (12,799,909)	-3.37%	6.2159	\$ 2,279,179	\$ 2,165,220	\$ 9,096
2013	\$ 349,577,662	\$ (17,091,587)	-4.66%	6.4923	\$ 2,269,563	\$ 2,156,085	\$ (9,136)
2014	\$ 350,108,259	\$ 530,597	0.15%	6.4955	\$ 2,274,128	\$ 2,160,422	\$ 4,337
2015	\$ 349,709,760	\$ (398,499)	-0.11%	6.9949	\$ 2,446,185	\$ 2,323,876	\$ 163,454
2016	\$ 440,829,978	\$ 91,120,218	26.06%	7.0729	\$ 3,117,946	\$ 2,962,049	\$ 638,173
2017	\$ 449,167,680	\$ 8,337,702	1.89%	7.5729	\$ 3,401,502	\$ 3,231,427	\$ 269,378

CITY OF INVERNESS PROPERTY VALUE COMPARISON

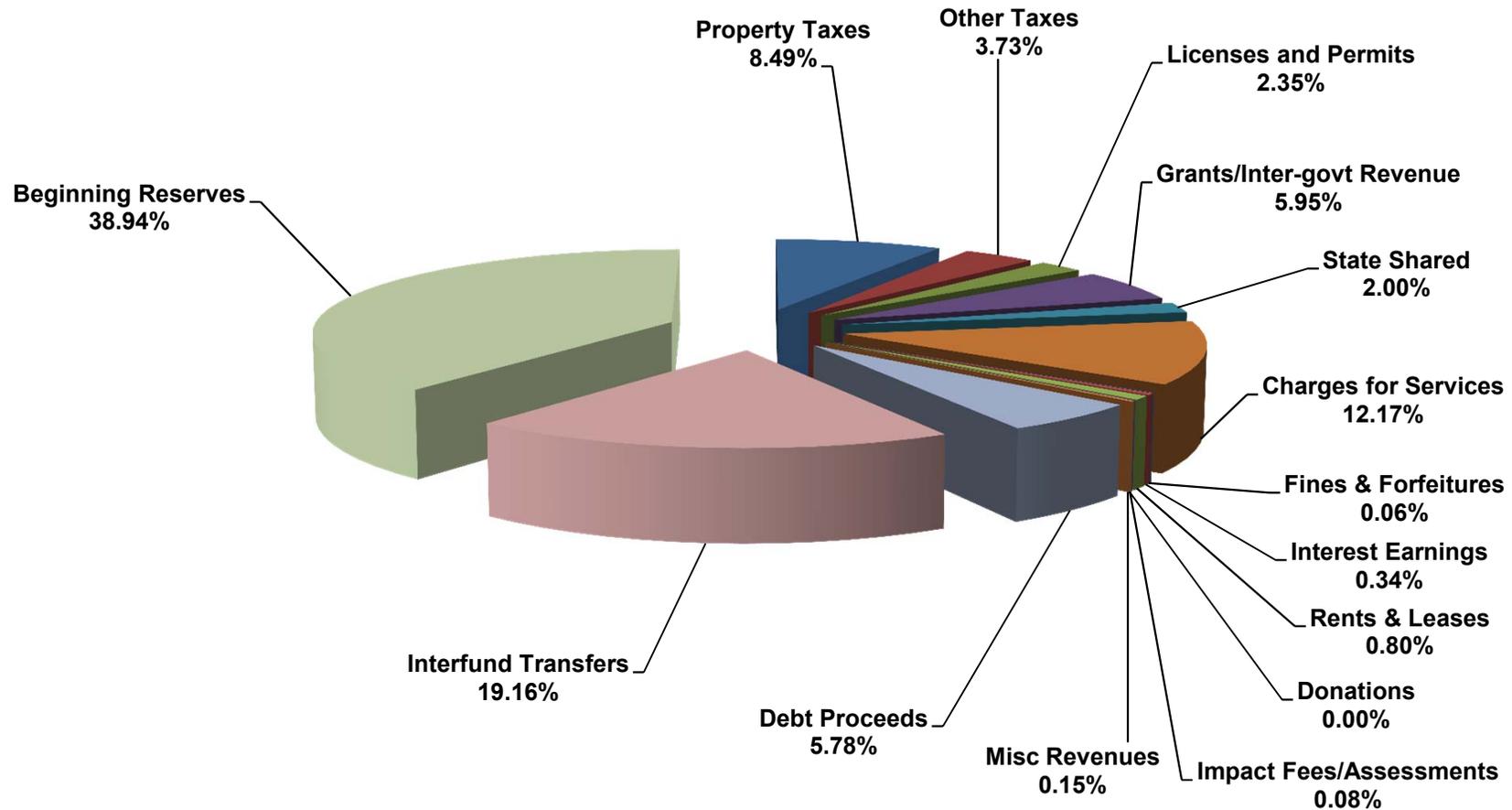
PROPERTY VALUES 2008-2017



MILL LEVY COMPARISON

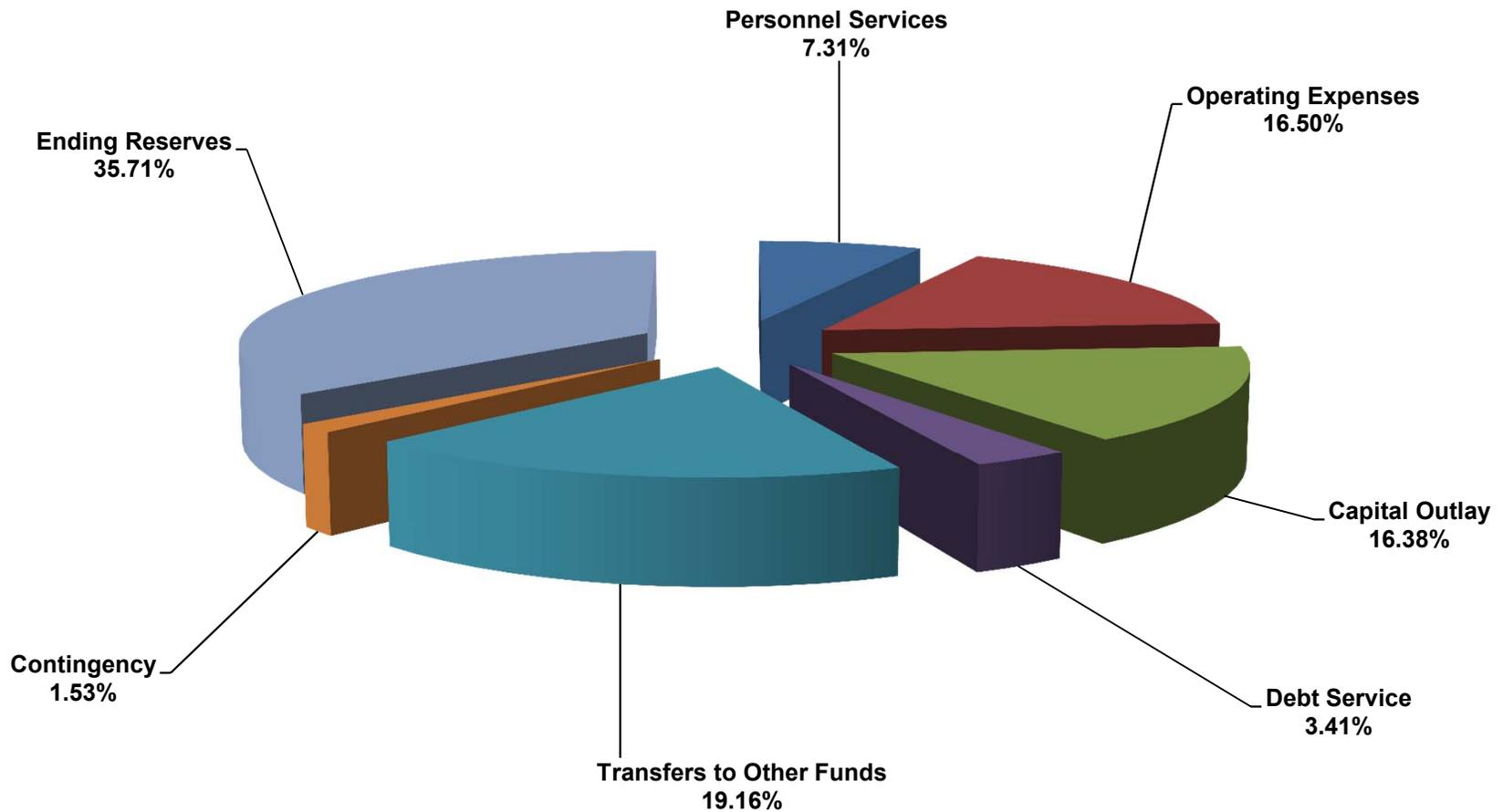


**CITY OF INVERNESS-ALL FUND SUMMARY
2017 PROPOSED BUDGET
REVENUE SOURCES BY TYPE**



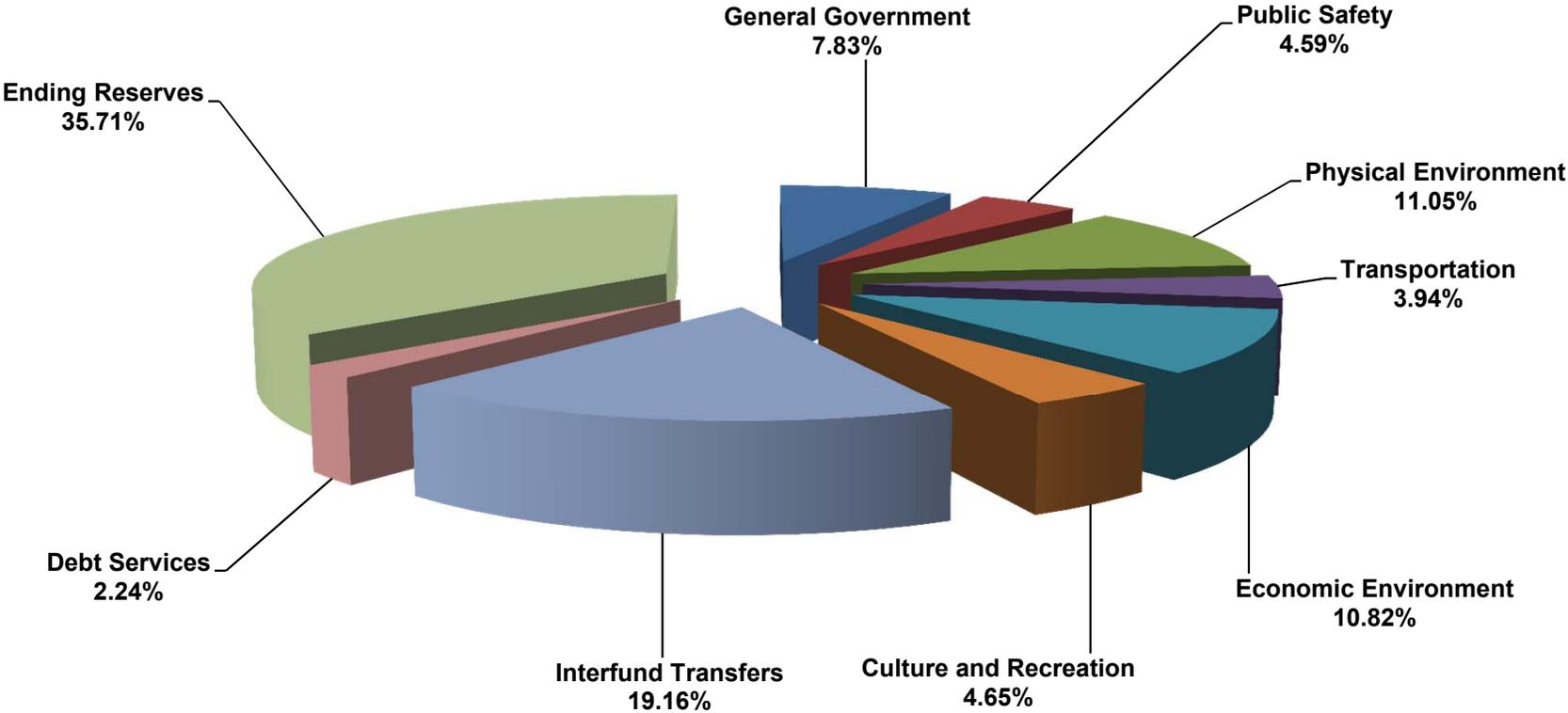
\$39,011,816

**CITY OF INVERNESS ALL FUND SUMMARY
2017 PROPOSED BUDGET
EXPENDITURES BY TYPE**



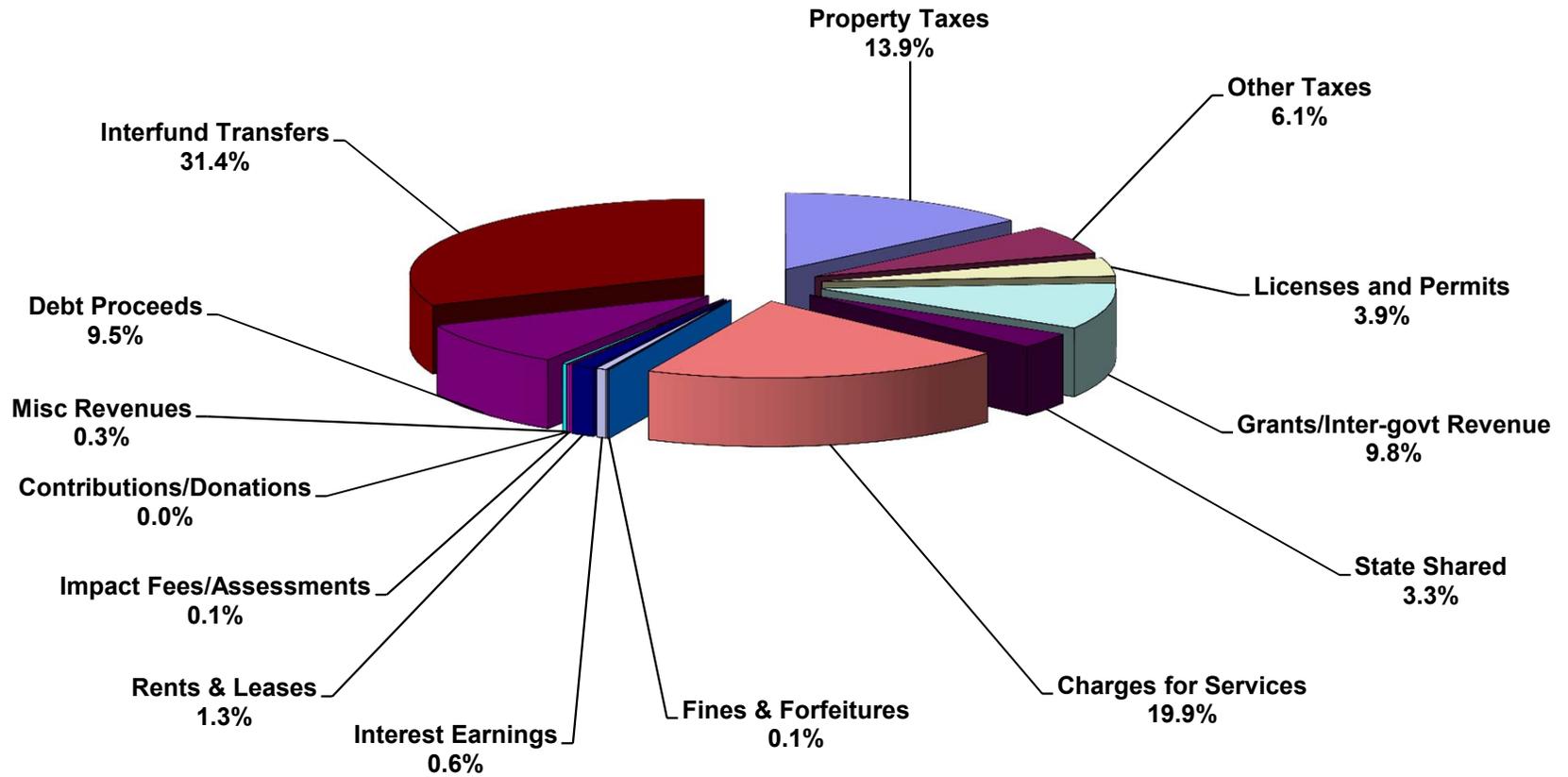
\$39,011,816

**CITY OF INVERNESS ALL FUND SUMMARY
2017 PROPOSED BUDGET
EXPENDITURES BY FUNCTION**



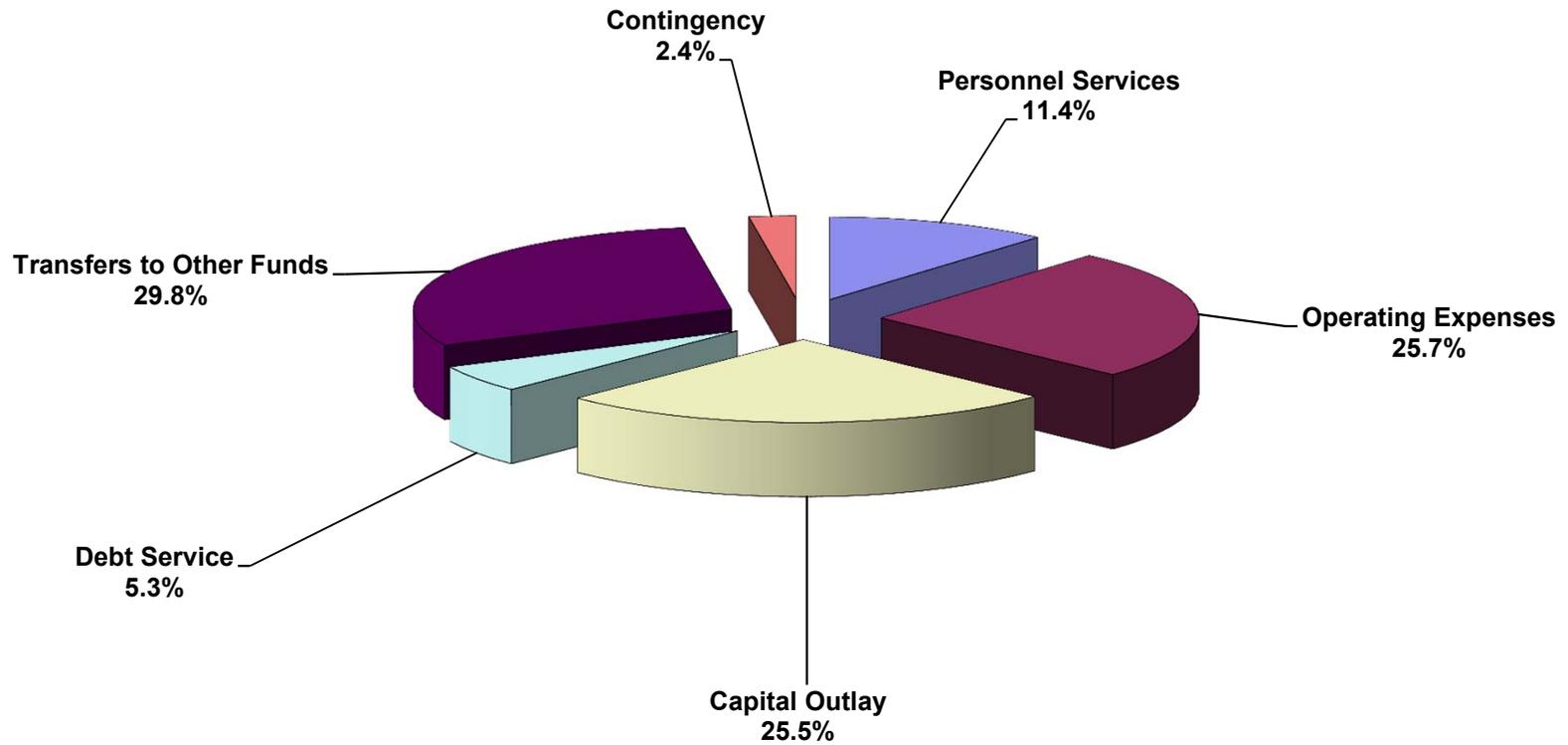
\$39,011,816

**CITY OF INVERNESS-ALL FUND SUMMARY
(Governmental, Special Revenue, Enterprise, and Trust Funds)
2017 PROPOSED BUDGET REVENUE SOURCES BY TYPE
(EXCLUDING RESERVES)**



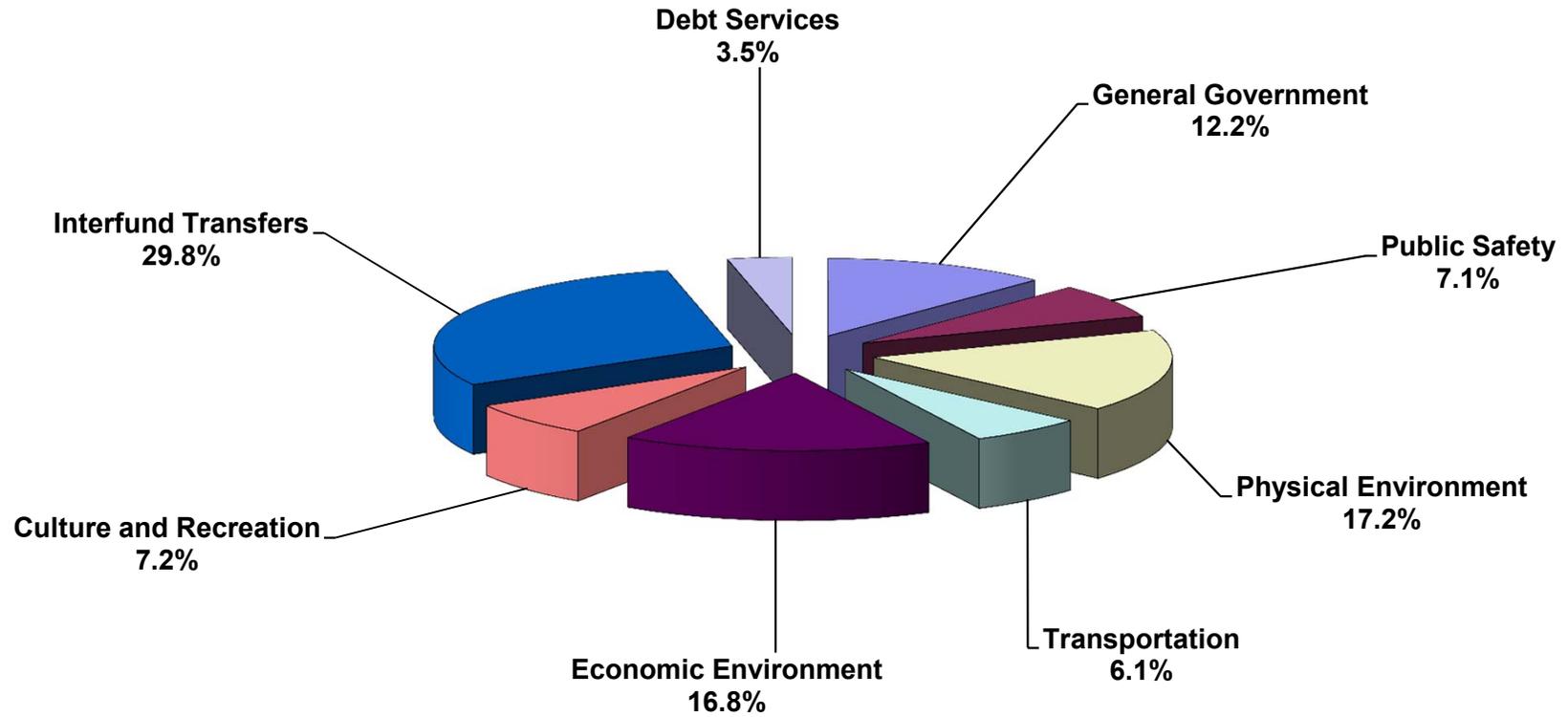
\$23,820,316

**CITY OF INVERNESS-ALL FUND SUMMARY
(Governmental, Special Revenue, Enterprise, and Trust Funds)
2017 PROPOSED BUDGET EXPENDITURES BY TYPE
(EXCLUDING RESERVES)**



\$25,080,851

CITY OF INVERNESS-ALL FUND SUMMARY
(Governmental, Special Revenue, Enterprise, and Trust Funds)
2017 PROPOSED BUDGET EXPENDITURES BY FUNCTION
(EXCLUDING RESERVES)



\$25,080,851

GENERAL FUND REVENUES-COMPARISON (excluding reserves)

