

# FISCAL YEAR 2015/16 BUDGET PROCESS CALENDAR

## OCTOBER 2014

S	M	T	W	TH	F	S
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5	6	7	8	9	10	11
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## NOVEMBER 2014

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## DECEMBER 2014

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## JANUARY 2015

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## FEBRUARY 2015

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## MARCH 2015

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### February–April

City Manager and Assistant City Managers review six-year capital improvement plan and department organization and proposed program savings with Department Directors

### March–April

Departments prepare operating budgets

### May

City Manager meetings with Departments to provide final direction and finalize department budgets

### June 1

Receipt of *early* "Estimate of Taxable Values" from Pinellas County

### June 30

City Manager presents Preliminary Operating and Capital Improvement Budget to the City Council

### July 1

Receipt of Preliminary Taxable Values from Pinellas County (figures used in budget)

### July 13

Work Session with Council to review budget proposal

### July 1

City Council sets Tentative Millage Rate

### August 4

City must provide Pinellas County with Tentative Millage Rate

### August 17

Special Council Meeting to discuss Preliminary Budget

### September 3

First Public hearing to approve millage rate and Annual Operating and Capital Improvement Budgets

Public Hearing on Penny for Pinellas projects

### September 17

Final Public Hearing to adopt millage rate and Annual Operating and Capital Improvement Budget

## APRIL 2015

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## MAY 2015

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## JUNE 2015

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## JULY 2015

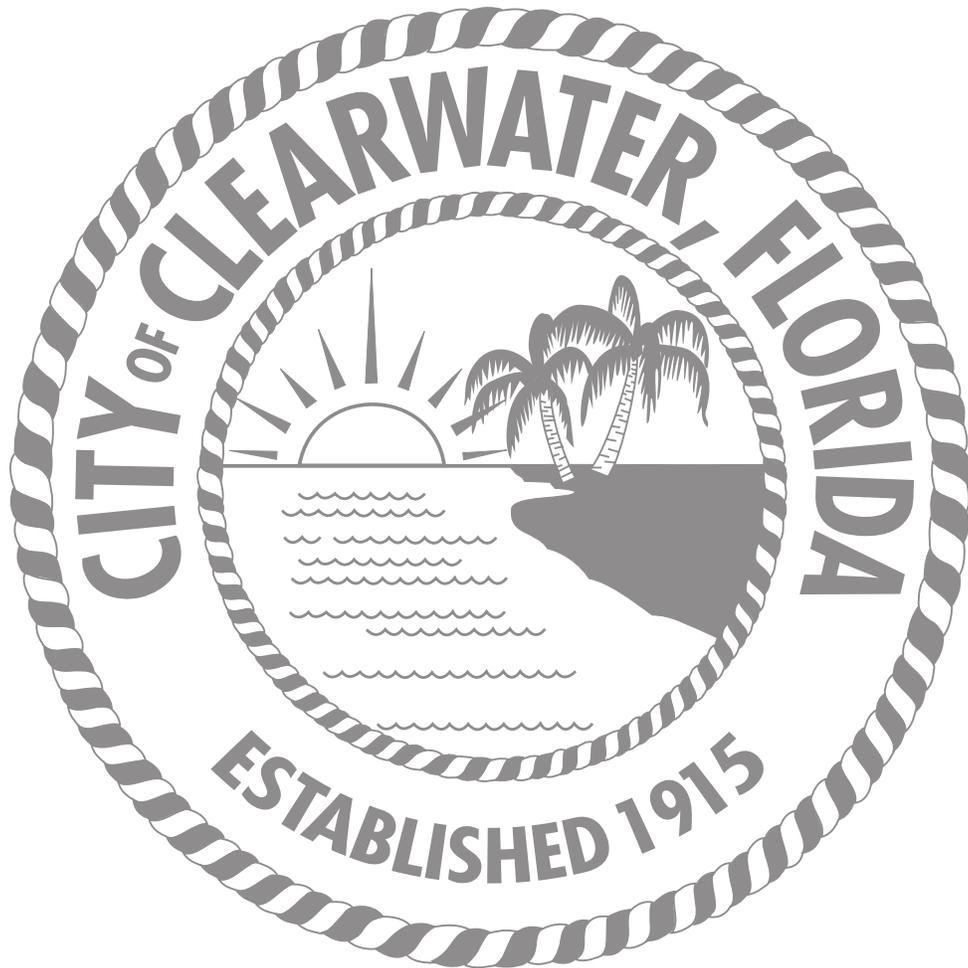
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## AUGUST 2015

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## SEPTEMBER 2015

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## GOVERNMENTAL ORGANIZATION

The City of Clearwater operates under the Council-Manager form of government as established in 1924. The City Council is comprised of five members, the Mayor, Vice-Mayor, and three Councilmembers, elected to specific seats at large. The City Council appoints a professional City Manager who serves as the Chief Administrative Officer and Chief Executive Officer of the City.

This budget document includes all funds that are appropriated budgets for the fiscal year beginning October 1, 2015. The City of Clearwater provides a full range of services normally associated with a municipality, including police and fire protection, public works operations, code enforcement activities, permitting and building services, economic development services, parks, libraries and other recreational services. In addition, the City provides its citizens with water, reclaimed water, sewer, stormwater, gas, solid waste, recycling utilities, and operates a full service marina, airpark, a public fishing pier, and maintains boat slips in the downtown area.

## BUDGET PROCEDURES

The City of Clearwater's annual budget is a public policy process resulting in the fiscal plan for the allocation of municipal resources in the accomplishment of specific programs. The process includes the active role of the elected City officials through establishing priorities and evaluating departmental programs; the City Manager recommended allocation of City resources in providing these services; the input of citizens through the public hearing process; and the adoption of the budget by the City Council.

### Budget Presentation

By City code, the City Manager must submit to the City Council an operating budget for the ensuing fiscal year, a capital improvement budget, a six-year capital improvement plan, and an accompanying budget message no later than 60 days prior to the end of the fiscal year.

The City Manager's budget message explains the budget both in fiscal terms and in terms of work programs. The budget message out-lines the proposed financial policies of the City for the ensuing fiscal year; describes features of the budget; indicates any major changes from the current year financial policies, expenditures and revenues, together with the reasons for such changes; summarizes the City's debt position; and includes such other supplementary material as to further explain the organization and content of the budget, or such material as the City Council may request.

Operating budget documents provide a complete financial plan of all City funds and activities for the ensuing fiscal year. In organizing the operating budget, the City Manager utilizes the most meaningful combination of expenditure classifications that will adequately disclose all material amounts budgeted by fund, organization unit, program or project, and line-item object code. The budget document begins with a clear summary of its contents; details all estimated revenue including the sources thereof, indicating the proposed property tax levy, and all proposed expenditures, including debt service for the ensuing fiscal year; and is arranged to show comparative figures for actual and estimated revenues and expenditures of the preceding year, and budgeted revenue and expenditures of the current year.

### Capital Improvement Fund

The annual operating budget and Capital Improvement Program (CIP) budget are complementary City plans. The annual budget is a guide for the day-to-day operations of the City programs. The Capital Improvement Program is a management, legislative and community tool used to facilitate the planning,

control and execution of major capital expenditures. The six-year Capital Improvement Program schedule provides the plan for needed public improvements within the City's capacity to finance them on a sound fiscal basis.

For those projects recommended to the City Council, appropriate funding sources are identified; the specific objective from the Clearwater Comprehensive Plan is referenced, and future operating costs are provided for Council consideration.

The City Council reviews the project requests and after public hearings and appropriate modification, the budgets for the Capital Improvement Program are adopted on a multi-year completed program basis, where budget appropriations do not lapse at year-end but may extend across two or more fiscal years.

## Budget Amendments After Adoption

The following procedures have been instituted by the City Code of Ordinances to provide direction for the amendment of the adopted budget.

- **Supplemental appropriations.** If during the fiscal year the City Manager certifies that there are available for appropriation revenues in excess of those estimated in the budget, the City Council, by ordinance, may make supplemental appropriations for the year up to the amount of such excess.
- **Emergency appropriations.** To meet a public emergency affecting life, health, property or the public welfare, the City Council may make emergency appropriations. Such appropriations may be made by emergency ordinance. To the extent that there are no available unappropriated revenues to meet such appropriations, the City Council may by such ordinance authorize the issuance of emergency notes which may be renewed from time to time, but the emergency notes and renewals of any fiscal year shall be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made.
- **Reduction of appropriations.** If at any time during the fiscal year it appears probable to the City Manager that the revenues available will be insufficient to meet the amount appropriated, such event shall be reported to the City Council without delay. Such report shall indicate the estimated amount of the deficit, any remedial action taken by the City Manager and recommendation as to any other steps to be taken. The City Council shall then take such further action as it deems necessary to prevent or minimize any deficit, and for that purpose it shall by ordinance reduce one or more appropriations.
- **Transfer of appropriations.** At any time during the fiscal year the City Manager may for reasons of economy or efficiency, transfer part or all of any unencumbered appropriation balance among programs within an operating fund, provided such action does not result in the discontinuance of a program. The City Manager may transfer appropriations within the capital budget provided such transfer does not result in changing the scope of any project or the fund source included in the adopted capital budget. Such operating and capital transfers must be included in the next budget review presented to the City Council. Upon detailed written request by the City Manager, the City Council may by ordinance transfer part or all of any unencumbered appropriation balance from one fund to another.
- **Limitations; effective date.** No appropriation for debt service may be reduced or transferred except where such reduction or transfer is surplus and will not jeopardize the specific debt service requirements. No appropriation may be reduced below any amount required by law to be appropriated by more than the unencumbered balance thereof. The supplemental and emergency appropriation and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption.
- **Penny for Pinellas.** If after adoption of the capital improvement budget and program there is a change proposed for the use of Penny for Pinellas tax, adding or subtracting \$500,000 or more from a project approved in the capital improvement budget or adding new projects in excess of \$500,000, there shall be an advertised public hearing before the City Council.

## Quarterly Report to Citizens

The Code of Ordinances also requires that the City Manager prepare a quarterly report addressing the status of the operating and capital improvement budgets. This report provides anticipated quarterly income estimates, actual collections and variances between estimated and actual income for all City operating funds; projected quarterly expenditure estimates, actual expenditures and variances between estimated and actual expenditures for City operating funds; a narrative explanation of significant variances; and the financial status of all active capital improvement projects.

In addition to the required elements, the report also includes all amendments to the budget that have been approved by the City Council during the past quarter via the agenda item process. Also, recommended routine amendments are presented in the report, such as the closing of a completed capital project budget. And occasionally, the City Manager may have a recommendation to amend the budget for specific reasons that will be incorporated in the report.

The report is presented to the City Council at the regularly scheduled Council meeting, and the City Council in a separate ordinance adopts all amendments included in the report. These meetings are televised and scheduled for public input on the Council agenda.

## **Public Participation**

Public participation in the budget process is encouraged. Prior to adoption, the City Council holds public televised budget work sessions and/or public meetings reviewing the major issues, programs and capital projects included in the proposed budget. The scheduled times and locations of these meetings are advertised prior to the meetings on the City's website ([myclearwater.com](http://myclearwater.com)) and on the City owned television station, C-VIEW.

In addition the two public hearings, required by state law, were held September 3 and 17, 2015, for the final adoption of the 2015/16 budget ordinances. These mandated public hearings for ordinance adoption in September completed the process of citizen participation in the 2015/16 budget.

## **Truth In Millage (TRIM)**

The budget and property tax (millage rate) adoption process is governed by the State Statute known as TRIM (truth in millage). In Florida, properties are assessed by the County Property Appraiser and property taxes are collected by the County Tax Collector. Property owners are eligible to receive a homestead exemption of \$25,000, and possibly as much as \$50,000 on their principal place of residence, depending on the taxable value of the property. In addition, seniors meeting specific criteria may qualify for an additional exemption of \$25,000. All property is assessed at 100% of real value, which is approximately 85% of market value.

The City is required to hold two public hearings for adoption of a property tax rate and budget. The first public hearing is advertised by the Property Appraiser mailing to each property owner on a TRIM notice. In addition, by City Ordinance, the City posts on its website ([myclearwater.com](http://myclearwater.com)) at least seven days prior to the hearing, the general summary of the operating budget, capital improvement budget and program, the rolled-back rate, the percentage increase or decrease and the proposed millage rate and a notice stating the times and places where copies of the budget message, operating budget, capital improvement budget and program are available for inspection by the public; and the times and places for public hearings.

Under Truth in Millage (TRIM) compliance laws, the City publishes an advertisement in a newspaper of general circulation including much of the same information just days prior to the final public hearing.

The City Council must adopt the operating budget and capital improvement budget and program by separate ordinances before the end of each current fiscal year for the ensuing fiscal year. If the Council fails to adopt the operating budget by that time, the amounts appropriated for current operation for the current fiscal year are deemed adopted for the ensuing fiscal year on a month-to-month basis, with all items prorated accordingly, until such time as the City Council adopts an operating budget for the ensuing fiscal year.

## **BUDGETARY BASIS**

The City of Clearwater has developed and follows a program based budget format for all City funds. The budget is prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Governmental funds are budgeted using the modified accrual basis of accounting, whereby expenditures are recognized in the accounting period when the liability is incurred, if measurable, and revenues and other resources are recognized in the accounting period when they become available and measurable. Revenues are considered to meet the availability test if they are collectible within the current period or soon enough thereafter for use in payment of liabilities of the current period.

Proprietary funds and internal service funds are budgeted under the full accrual basis of accounting. Revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which the liabilities are incurred. Depreciation is not budgeted, and principal payments on debt are budgeted in the applicable funds.

The annual budget addresses only the Governmental and Proprietary groups and does not control resources that are managed in a trustee or fiduciary capacity.

All appropriations unspent at year-end lapse unless funds are encumbered as the result of the issuance of a purchase order. Such purchase orders remain valid until either canceled or final payment is made.

## FINANCIAL STRUCTURE

The City of Clearwater uses funds to budget for operations and to account for the results of those operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

Budgets are adopted for funds that are either governmental funds or proprietary funds. Each category is also divided into separate fund groups. The following are the funds of the City of Clearwater in which the City Council adopts an annual budget.

**Governmental Funds** - The Governmental Funds consist of the General Fund, the Special Revenue Funds, and the Capital Projects Funds.

**General Fund** - The General Fund is the general operating fund of the City. This fund was established to account for the revenues and expenditures involved in operating general governmental functions of a non-proprietary nature. Major revenue sources for this fund include ad-valorem tax, franchise and utility taxes, telecommunications/sales tax, license and permit fees, administrative charges and charges for current services. The major operating activities supported by the General Fund include police and fire services, transportation, economic development, community development servicing housing needs, permitting, occupational licenses, public works, parks and recreation, library, and other general governmental service functions.

**Special Revenue Funds** - The Special Revenue Funds are used to account for particular governmental activities created by receipt of specific taxes, grants and other restricted revenues. Below are the City's special revenue funds.

- **Special Development Fund** - The Special Development Fund is used to account for the appropriation of revenues restricted by statute or ordinance for a specific purpose. Revenues which are accounted for in the Special Development Fund include the "Penny for Pinellas" one-cent sales tax, recreation impact fees, transportation impact fees, local option gas tax and the portion of ad-valorem taxes designated as road millage.
- **Special Program Fund** - The Special Program Fund is used to account for proceeds from grants or donations and specific funding sources such as Law Enforcement Trust proceeds.
- **Local Housing Assistance Trust Fund** - The Local Housing Assistance Trust Fund is used to account for grant proceeds and program expenditures for the State Housing Initiatives Partnerships (SHIP) Program.

**Capital Projects Funds** - Capital Project funds are used to account for the acquisition and construction of capital facilities and other fixed assets with a life expectancy of greater than three years, and a cost greater than \$25,000.

**Enterprise Funds** - An enterprise fund is used to account for the City's organizations and activities that are similar to those found in the private sector. An Enterprise fund is self-supporting, deriving its revenue from charges levied on the users of the services.

The City of Clearwater operates eight Enterprise funds:

- Water and Sewer
- Solid Waste and Recycling
- Gas
- Airpark
- Marine
- Parking
- Stormwater Utility
- Clearwater Harbor Marina

**Internal Service Funds** - Internal Service Funds are utilized to finance and account for service and commodities furnished by a designated department to other departments with the City or to other governments on a cost-reimbursement basis.

The City of Clearwater operates four Internal Service Funds:

- General Services
- Administrative Services
- Garage
- Central Insurance

**City of Clearwater  
DEPARTMENT/FUND STRUCTURE**

<b>DEPARTMENTS/PROGRAMS</b>	<b>GENERAL FUND</b>	<b>UTILITY FUNDS</b>	<b>OTHER ENTERPRISE FUNDS</b>	<b>INTERNAL SERVICE FUNDS</b>
City Council	<b>X</b>			
City Manager	<b>X</b>			
City Attorney's Office	<b>X</b>			
City Audit	<b>X</b>			
Economic Development & Housing	<b>X</b>			
Engineering:				
Engineering Production	<b>X</b>			
Traffic Operations	<b>X</b>			
Stormwater Management		<b>X</b>		
Stormwater Maintenance		<b>X</b>		
Parking System			<b>X</b>	
Parking Enforcement			<b>X</b>	
Finance:				
Finance	<b>X</b>			
Office of Management and Budget	<b>X</b>			
Risk Management				<b>X</b>
Fire:				
Administration	<b>X</b>			
Support Services	<b>X</b>			
Prevention & Investigations	<b>X</b>			
Fire Operations	<b>X</b>			
Emergency Medical Services	<b>X</b>			
Gas System:				
Gas Administration & Supply		<b>X</b>		
Gas Marketing & Sales		<b>X</b>		
Pinellas Gas Operations		<b>X</b>		
Pasco Gas Operations		<b>X</b>		
Human Resources:				
Administration	<b>X</b>			
Recruitment and Selection	<b>X</b>			
Compensation and Classification	<b>X</b>			
Employee Relations	<b>X</b>			
Employee Benefits				<b>X</b>
Employee Health Center				<b>X</b>
Information Technology:				
Administration				<b>X</b>
Network Services				<b>X</b>
Software Applications				<b>X</b>
Telecommunications				<b>X</b>

**City of Clearwater  
DEPARTMENT/FUND STRUCTURE**

<b>DEPARTMENTS/PROGRAMS</b>	<b>GENERAL FUND</b>	<b>UTILITY FUNDS</b>	<b>OTHER ENTERPRISE FUNDS</b>	<b>INTERNAL SERVICE FUNDS</b>
Library:				
Centralized Services	X			
Main Library	X			
Countryside Branch Library	X			
East Branch Library	X			
North Greenwood Branch Library	X			
Beach Branch Library	X			
Marine & Aviation:				
Pier 60 Operations	X			
Sailing Center Operations	X			
Airpark			X	
Beach Marina Operations			X	
Clearwater Harbor Marina			X	
Non-Departmental:				
General Fund	X			
Central Insurance Fund				X
Official Records & Legislative Services	X			
Parks & Recreation:				
Administration	X			
Recreation Programming	X			
Parks & Beautification	X			
Streets & Sidewalks	X			
Harborview Center	X			
Beach Guard Operations			X	
Planning & Development				
Planning	X			
Construction Services	X			
Code Compliance	X			
Police:				
Office of the Chief	X			
Criminal Investigations	X			
Patrol Division	X			
Support Services	X			
Communications Division	X			
Public Communications:				
Public Communications	X			
Courier				X

**City of Clearwater  
DEPARTMENT/FUND STRUCTURE**

<b>DEPARTMENTS/PROGRAMS</b>	<b>GENERAL FUND</b>	<b>UTILITY FUNDS</b>	<b>OTHER ENTERPRISE FUNDS</b>	<b>INTERNAL SERVICE FUNDS</b>
Public Utilities:				
Public Utility Administration		X		
Wastewater Collection		X		
Infrastructure Maintenance		X		
WW Environmental Technologies		X		
Laboratory Operations		X		
Industrial Pretreatment		X		
Water Distribution		X		
Water Supply		X		
Reclaimed Water		X		
W&S Fund Non-Departmental Maintenance Facility	X	X		
Solid Waste/General Services				
Solid Waste:				
Solid Waste Administration		X		
Solid Waste Collection		X		
Solid Waste Transfer Station		X		
Container Maintenance		X		
Recycling:				
Recycling-Residential		X		
Recycling-Multifamily		X		
Recycling-Commercial		X		
General Services:				
Administration				X
Building & Maintenance				X
Fleet Maintenance				X
Radio Communications				X
Utility Customer Service				X