

BUDGET MESSAGE





City of Inverness

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TO: Elected Officials
Inverness Community Redevelopment Agency Board
Valerie Cultural Theatre Board
Citizens and Businesses of Inverness
Adjoined Governments and Officials
Media

CITY OF INVERNESS BUDGET SUMMARY MESSAGE

Planning and Development to build the annual City Budget is a serious undertaking that takes most of a year to complete and involves several public workshop presentations, staff interactions, meetings with consultants and contracted service providers. The goal is to insure the needs of the community are met in a uniform, affordable manner, to include service delivery that meets local aspirations. Importantly, the working of City Government must be viewed and experienced as a stabilizing factor to the community and environment. The objective is to bring forward a prudent, fiscally sound and workable appropriation that includes a visionary capital improvement plan. The process commenced with adoption of a Budget Development Schedule at the end of the calendar year in the month of December. That action was followed by a Budget Overview Workshop with City Council conducted April 4, 2019, at 5:30pm. The Overview presentation included facts, market trends, a local analysis of economic and social conditions, plus items that potentially would require policy changes to keep the community moving forward. Projects and service levels were discussed, along with pending projects and related fiscal/social impacts to the City. A workshop public presentation was arranged to introduce Tindale Oliver on April 18, 2019. The scope and purpose of this workshop was to bring independent consultant analysis of tax receipts, which demonstrated that residential property valuations were moving at only less than one-percent annually. The recommendation was to diversify the revenue stream to reduce emphasis on property valuations and shift a portion to certain fees and charges. On May 2, 2019, a Workshop was held to discuss the Five-Year Capital Plan. A summary of completed projects, plus a discussion of pending projects that are scheduled for the five-year plan period, was made. City Council was additionally presented information on capital items that would require funding

beyond a five-year window. By example, protection of the potable water supply will involve additional well sources to meet the demands of new construction of a multi-story nature. Road maintenance will require more funding as gas tax receipts shrink and prices climb, and infrastructure items such as the City Public Pool will require extensive rehabilitation as it approaches forty-years of service. As population conditions change, development of a Community Center will be needed in twelve to fifteen years, to support residential development in the northeast sections of the City. A significant element of the Capital Action Plan was under construction this fiscal cycle and is scheduled to conclude during the fall of 2019. (The) Depot District projects will provide the City with opportunities that exceed and broaden park use to expand economic conditions of a visitor/tourist nature. Inverness will naturally attract and welcome the benefits from visitors and the ability to accommodate large groups, which will bring major initiatives to expand and transform the downtown business core. Liberty Park is being transformed into a family center that can accommodate music venues, weddings and general (visitor and residential) recreation. Wallace Brooks Park will become a boating facility designed to accommodate kayak/canoe launch with rentals, motorized boat slips and scull rowing regatta activity. The restored train station building is repurposed to accommodate retail lease arrangements of a to be determined nature, and the former lumber storage building will be able to accommodate a variety of large-scale meetings, market day programs, rentals, etc. The addition of a water tower harks back to an onsite water supply for steam powered engines, but the 75' tower will serve as an identification marker and double serve to support stage level entertainment within its footprint. 'The Depot District' project has already stirred passion and has been embraced by local and State of Florida Officials. Planned connectivity of the Withlacoochee State Cycling Trail to Whispering Pines City Park is being planned and will be supported by development of a Trail Head off Forest Drive that will follow an abandoned railroad line to the Withlacoochee State Trail. The City of Inverness received the designation of Trail Town by the State of Florida. The recognition is a powerful tool to market Inverness as a welcoming community for cycling and related amenities. This budget and future appropriations will position the City to construct a new entrance to Whispering Pines City Park off Highway 44W, and, a Way-Find Sign program (directional information signs) was referenced last year and planned to be installed for the internal workings of Whispering Pines City Park, and additionally planned to be carried throughout the City. Actual construction for the Wayfinding Sign program is targeted for the early part of 2021. The well-received Inverness Event & Visitors Bureau is funded for further development of events and marketing program, and the newly opened City Garden enters its second year. The Garden has been well-received and is funded to expand its offering. An added Workshop was held on Thursday, May 16, 2019, to receive an analysis and report on City's Utility Rates program for potable water, wastewater treatment and reclaimed water distribution. Results demonstrated the need for modest rate adjustments to support the upkeep of system mechanics and treatment to meet State EPA requirements. Implementation of rate changes will commence with the start of the new fiscal cycle in October. On July 16, 2019, City Council set a Tentative Millage Rate that represented a ¼ mill increase, and did so with the understanding final budget development would hold the current rate steady. A City-Wide Budget presentation was made in Public Workshop on July 23, 2019, to discuss final budget figures that were structured to keep the millage rate at the same level, without change, for the ensuing fiscal year. Budget findings were supported by City Council and members of the public. Any concerns for local fiscal stability caused us to shift attention to the Florida Legislature. For several sessions the Legislature has acted to intrusively take more control away from local communities and removed the ability for local governments to spread costs. These actions have destabilized certain revenue streams, which is not desirable. To the good, Citrus County Government has agreed to reimburse the City by providing support for the cost of operating Whispering Pines City Park, for services rendered to non-city residents. For years, the City funded the full cost of the park, which placed a fiscal strain on the park. Participation by Citrus County has helped stabilize conditions. Additional for City operations that are not negative, but complex involves the Tax Increment Financing program or TIF revenues that are derived through increased valuations via the Community Redevelopment District. These funds are targeted to

fund improvement projects and meet debt service commitments of Bonds for a thirty-year period. The goal of City planning, investment and construction is to create the incentive for future investment through prosperity and rising land values. The City's Community Redevelopment District was identified to address deficiencies on a large scale. Development of The Depot District will go a long way to improve blighted conditions. On Thursday, August 15, 2019, 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 2019-20 budget, that spans October 1st, 2019 through September 30th, 2020, will be accomplished in two Public Hearings scheduled as follows:

1st Public Hearing to Adopt the 2019-20 Budget
Thursday, September 5th, 2019, at 5:01PM
Inverness Government Center, 212 West Main Street

2nd Public Hearing to Adopt the 2019-20 Budget
Thursday, September 19th, 2019, at 5:01PM
Inverness Government Center, 212 West Main Street

We state with confidence that this budget document is fiscally sound, balanced, and contains a Capital Improvement Plan that is properly situated to improve the community. 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
- City Garden
- Extensive Parks, Recreational and Cultural Program
- Valerie Theatre Cultural Center
- Whispering Pines City 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
- 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 Department & Aided Services
- Full Solid Waste, Recycling, Yard Waste and Bulk Item Disposal Program
- Full Franchising of Solid Waste for Commercial Applications
- Storm Water and Lake Management Program
- Tree City USA Designation
- State Trail Town Designation

The General Fund of the City is 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 recognized and publicized as a strength. Operational costs have been managed to not appreciably increase and the employee count stands at extremely low level per capita when compared to like size governments. As previously mentioned, the situation at Whispering Pines City Park is improved by County Government's financial participation that will help stabilize operations to promote long-term service needs. The pool, splash park, general facility reservation fees, baseball and softball fields are aging facilities that represent heavy use. As society modified recreational preference, funding will need to be redirected to new demands with a reduction to what was historically funded. The mission is to meet public aspirations to achieve general satisfaction. The Fire Department has equipment and manpower needs, and is funded with a robust volunteer and auxiliary program. The City continues to expand an "art driven" experience at the Historic Valerie Theatre Cultural Center. Generally, departmental program goals are identified and supported 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 have previously expanded and budgeted to maintain a high level. The Inverness community is mostly impacted by state and national economic conditions, and slow moving (increasing) residential property valuations. The largest concern that continually impacts the City is caused 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 is high, and the attempt to divert telecommunication fees from the local revenue stream has a negative impact. City Government is doing its best to "hold the line" on costs to residents and businesses.

Challenges that are fiscal and user oriented, represent a situation that has a multi-year orientation. With the fact intrusion into home-rule controls and local revenue streams by the Florida Legislature demonstrates the need to shift from a government service to a fee-based service. Continued

user increases at events and parks, cause the need to increase expenditures to maintain facilities to keep up with demand. In addition, for fiscal year 2019-20, the City will take steps to build programs that support additional staff that are skilled and knowledgeable to manage the versatility of buildings and facility maintenance.

The competition between wants and needs, is an annual exercise for local leaders to determine what's best. During the ensuing year, we will prepare for change and provide advanced information to the community to keep all informed. The City's financial condition is sound. The next year will involve a rebuild of websites to meet ADA compliance measures and a cellphone application (app) will be launched. Steps are continually taken to promote a solid foundation for business prosperity. The 2019-20 budget is not able to fund every project or aspiration, but it maintains spending in all areas and provides services without change. In closing, we have worked to maintain the tax-rate without change, but the cost of government continues to rise and must be factored into ensuing budgets. This budget appropriation provides stability and a solid foundation for the community to continue its progression of managed growth and development.

Revenues and expenditures will be carefully 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, to best illustrate: Property Valuations, Mill Levy Comparison, General Fund Revenues, City Revenues by Type, Expenditures by Type, Personnel Cost Allocation by Functional Area, are contained herein.



Frank DiGiovanni
Inverness City Manager