



City of Inverness

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City Manager's Fiscal Year 2021-2022 Budget Message

To the Honorable Mayor and Members of City Council:

The past year brought many challenges and opportunities in the face of the pandemic from COVID 19. It challenged our organization and community in unprecedented ways. As a result, job losses and related financial impacts saw concerns with certain non-ad valorem revenues of the City. We were able to operate under a balanced budget assuming a 15% loss in certain revenues while maintaining expected service levels.

Looking to Fiscal Year 2021-2022, the City benefited from the revamped approach to the annual budget development process embracing the process of Plan-Fund-Execute. The Planning and Development of the annual City Budget is an undertaking that takes most of a year to complete and involves several council workshops, staff interactions, meetings with consultants and contracted service providers. The goal is to ensure the needs of the community are met in a uniform, affordable manner, to include service delivery that meets local aspirations.

On April 8, 2021 the Budget Overview Workshop presented 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. A focus of the workshop was the current approach to fiscal policies regarding the City's restricted and unrestricted fund balances. As part of the Budget Overview presentation the need to continue the approach of developing new revenue sources into the general fund in the face of slow valuation growth was discussed. Additionally, we focused on the need to invest in our people and provide a more modern departmental structure of the City. With the rising complexity of the City's parks and recreational opportunities in concert with the need to better utilize existing facilities, a proper departmental structure is essential to deriving resources and cost efficiencies.

On May 13, 2021, 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. This presentation featured a focus on looking to a shift to strategic infrastructure investment. This included the continuation of the ambitious annual road resurfacing program in concert with the development of capital projects that offered a return on investment by way of expanding/increasing the tax base (shared parking, regional stormwater, multi-modal connectivity). The City will continue to be an attractive location for

retirees and families seeking an affordable high quality of life. The need to develop new housing starts to receive the interest will require the City to look at how it can incentivize and improve conditions for residential development in under developed areas of the Inverness Acres and Inverness Villages Units 1 and 2 subdivisions.

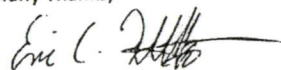
The City Council at its July 6, 2021 meeting set the tentative millage rate in the ensuing fiscal year at the current year's rate of 7.9730 capturing a potential 4.2% increase in valuation over the previous year. A City-Wide Budget presentation will be made at a public workshop on July 22, 2021 at 5:30pm, to discuss final budget figures that were structured to realize a roll back rate of 7.8211 at final adoption. We will present all findings and fully disclose spending, service levels, projects, staffing and related cost, planning mechanisms, utility system operations and Inverness Community Redevelopment Agency (CRA) activity. The Tax Increment Financing program (TIF revenues) that are derived through increased valuations via the Community Redevelopment District are complex but beneficial. These funds are targeted to fund improvement projects and meet debt service commitments of Bonds for a thirty-year period that funded deficiencies on a large scale to improve blighted conditions.

In closing the financial position of the City is strong and stable. The proposed budget reflects the new normal, prioritizes our greatest assets, refocuses capital investment, maintains current levels of service, and continues to advance established priorities. Our guiding principle of Plan-Fund-Execute through this budget development process present a balanced budget to reflect the new community economic conditions and continue to provide great service to our community.

Final adoption of the FY2021-22 budget, that spans October 1st, 2021 through September 30th, 2022, will be accomplished in two Public Hearings scheduled for 5:30 pm on September 8, 2021 and September 21, 2021.

We are furthering the mission of "Small Town Done Right" with a vision to the future for generations to come.

Many Thanks,

A handwritten signature in black ink, appearing to read "Eric C. Williams", with a long horizontal flourish extending to the right.

Eric C. Williams, GISP
City Manager