

STRATEGIC PLANNING AND BUDGET PREPARATION – FISCAL YEAR 2019

Preparation for the fiscal year 2019 City budget, and fiscal cycles for the following three to five years, will consider a number of significant, and in some cases, uncertain cost implications. Summarized below is a listing of some of the relevant activities and issues with fiscal implications:

- Inter-local parks agreement: current agreement provides for the County to maintain and operate 12 parks and the Venice Community Center. Estimated cost of materials and labor to the County exceeds \$2 million annually. The County proposes to change the current agreement by deleting "local" parks from the County's agreement with the City; also to delete the operation of Chuck Reiter Field and the Venice Community Center, and add to the City responsibility the maintenance of the west side of the Venetian Waterway Trail. Under various scenarios involving the assumption of some or all of the proposed changes the city would incur substantial new cost. Initial capital cost is estimated at \$200,000. On-going cost for new personnel and materials and supplies is estimated at \$600,000-700,000. These costs do not include the potential cost of operating the Venice Community Center. That activity would involve developing an operating cost model, user schedule and fee, revenue projection, and hiring and managing a facility staff. Expenses related to the parks agreement would be charged to the General Operating budget. The planned transition to a new agreement is currently under negotiation, and potentially delayed until fiscal year 2020.
- Public Safety Complex: The project to construct a new public safety facility is underway. The approval of the recommended architect is scheduled for the March 13th Council meeting. The cost of the \$16 million bond will be amortized over 30 years and appear on the debt schedule line of the tax bill.
- Road Reconstruction: A citywide road reconstruction and rehabilitation project was recently initiated. The primary funding source is an \$18 million bond that will appear on the city's debt schedule line of the tax bill. The project is scheduled to be completed over a three-year period.
- Public Works Building: When the Police Department moves to its new facility, the Public Works Department will initiate a rehabilitation of the current police station. The cost of the rehab is dependent on the degree of modification and updating of the facility. The cost will be borne by the General Operating budget.
- Solid Waste & Recycling: The City is negotiating a potential lease agreement with the County to obtain 10-15 acres of property in the Knights Trail area to relocate the City's Solid Waste & Recycling function. The lease conditions are not known at this time. Once property is acquired a new facility will be constructed to house the administration, supplies, trucks, fueling, and related operating requirements. The cost will be borne by the Solid Waste & Recycling Enterprise Fund.
- Fire Station #1: The replacement of fire station #1 has been designated as a priority project. The projected cost will be determined this year. Currently, stakeholders group is meeting to develop a strategy to fund the operating and capital cost of the Fire Department. Among the considerations being reviewed by the stakeholders are imposing a fire fee to partially subsidize the General Fund allocation for fire services and/or recommending an increase in the millage rate.

- Historic Resources Facilities: The City recently acquired a new facility to catalog the historic archival materials. The purchase of the building and cost of renovation is supported with a private donor gift. The Triangle Inn is in the midst of substantial repairs including replacement of windows and doors. The long-term maintenance of the two facilities will add a demand to the current Operating Budget.
- Hamilton Building: The city-owned Hamilton Building is currently used as a temporary library. When the new library is completed the Hamilton Building will become available for another use. Suggestions for some or all of the facility's future use include: moving VABI from its current city-owned site to the Hamilton Building, provide space for other non-profit services; leasing the building for private use, expanding city hall services to the Hamilton Building. The cost of operating and maintain the Hamilton Building will depend on its future use and occupants.
- Ajax Property: The City acquired 39 acres of property in the northeast section of Venice. An estimated 6 acres will serve as a new site for a utility department booster station. The entire site was purchased with Utility Department funds. The portions not used for utility-related purposes will be paid back to the Utilities Department. The use of the remaining 33 acres has not been determined.
- Homestead Exemption: The potential for increasing the current homestead exemption by an additional \$25,000 for certain properties could reduce property revenues to the City by an estimated \$450,000 annually.
- Extraordinary Mitigation Fees (EMF): The collections by the City of EMF associated with pre-annexation agreements is under legal review following a challenge brought by a land developer. The potential collective value of the fees during the next 7 – 10 years, based on the current rate of residential property development could approximate \$12 million.
- Police and Fire Impact Fees: The City recently adopted two impact fees; one for police services and one for fire services. The fees apply to new development and are collected and managed locally; different from other impact fees that are held and distributed based on a determination by the County. Based on the current rate of issuance of Certificates of Occupancy (CO's), the revenues for these two fees would approximate \$240,000 annually.
- Circus Property: The Airport is negotiating a lease agreement for use of 11 acres of property abutting Business 41. The parcel is commonly referred to as the "circus grounds". A long-term lease would provide the Airport operating budget with a stable annual income – projected to exceed \$200,000.
- Shoreline Protection: Structures along the coastline are vulnerable to weather and continuous public use. A fund revolving fund committed to restoration of public properties would provide a measure of insurance for scheduled and unforeseen capital expenses