

**CITY OF ATLANTIC BEACH  
CITY COMMISSION MEETING  
STAFF REPORT**

**AGENDA ITEM:** Public Hearings on adopting Resolution No. 20-36 for the Millage Rate and adopting Ordinance 20-20-157 establishing the Operating Budget for fiscal year 2020/2021.

**SUBMITTED BY:** Melissa Burns, Director of Finance

**TODAY'S DATE:** September 16, 2020

**MEETING DATE:** September 28, 2020

**BACKGROUND:** In order to adopt a millage rate and operating budget, the City Commission must adhere to a strict process per state law. Please find attached an outline for the public hearings to be held on September 28<sup>th</sup> in the Commission Chambers at 6:30pm. The format is the same as in previous years and is to be read into the record as presented in order to assure compliance with the TRIM laws (s.200.065, F.S.).

Prior to these hearings, the City Manager presented a Proposed Operating Budget and held three workshops to review and make adjustments with the City Commission's guidance. The Proposed Operating Budget is funded using the millage rate of 3.2285 mills. This is the same as the current rate.

This is the second public hearing for the final adoption of the millage by resolution and a second public hearing for the final adoption of the Operating Budget, Ordinance 20-20-157.

**BUDGET:** None

**RECOMMENDATION:** Hold two public hearings as described in the attached outline to approve both the final Millage Rate of 3.2285 mills and the Operating Budget Ordinance 20-20-157 with total expenditures of \$42,185,107

**ATTACHMENT(S):** Outline for Public Hearings  
Resolution No. 20-36  
Ordinance 20-20-157  
Highlights: Fiscal Year 2021 Budget

**LINK:** [FY 20/21 Budget](#)

**REVIEWED BY CITY MANAGER:**

  
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**RESOLUTION NO. 20-36**

**A RESOLUTION OF THE CITY OF ATLANTIC BEACH, FLORIDA LEVYING THE AD VALOREM PROPERTY TAX MILLAGE RATE FOR MUNICIPAL PURPOSES ON ALL TAXABLE PROPERTY WITHIN THE CITY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021; STATING THE PERCENTAGE BY WHICH THE MILLAGE TO BE LEVIED EXCEEDS THE ROLLED-BACK RATE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Florida law requires the City Commission of the City of Atlantic Beach, Florida, to pass a resolution levying the millage rate for ad valorem property taxes for municipal purposes on all taxable property within the city limits of the City of Atlantic Beach, Florida, for the fiscal year beginning October 1, 2020 and ending September 30, 2021; and

**WHEREAS**, Florida law requires said resolution to state the millage rate to be levied, and also, to state the percentage by which the millage rate to be levied exceeds the rolled-back rate as computed pursuant to Florida law; and

**WHEREAS**, the City Commission of the City of Atlantic Beach, Florida, has duly considered the budgetary requirements of the City; has adopted a tentative budget for the fiscal year beginning October 1, 2020 and ending September 30, 2021, based on a millage rate of 3.2285 mills on taxable property within the City; and has acted in accordance with the terms, provisions, and procedures contained in section 200.065, Florida Statutes.

**NOW, THEREFORE, BE IT RESOLVED** by the City Commission of the City of Atlantic Beach, Florida, that

1. The ad valorem property tax millage rate for municipal purposes to be levied on the taxable property within the city limits of the City of Atlantic Beach, Florida, during the fiscal year beginning October 1, 2020 and ending September 30, 2021 is hereby set at the rate of 3.2285 mills.
2. The percentage by which this millage rate to be levied exceeds the rolled-back rate of 3.0588 is 5.55%.
3. This resolution shall take effect immediately upon its passage and adoption by the City Commission of the City of Atlantic Beach, Florida.

**ADOPTED** at a public hearing by the City Commission of the City of Atlantic Beach, Florida on the 28th day of September 2020.

**Approved as to form and correctness:**

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**Brenna M. Durden**  
City Attorney

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**Ellen Glasser**  
Mayor/Presiding Officer

**ATTEST:**

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**Donna L. Bartle**  
City Clerk

**ORDINANCE NO. 20-20-157**

**AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE CITY OF ATLANTIC BEACH, FLORIDA FOR FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021**

**WHEREAS**, the City Commission of the City of Atlantic Beach, Florida, on September 14, 2020 held a public hearing as required by Florida Statute 200.065; and

**WHEREAS**, The City Commission of the City of Atlantic Beach, Florida, set forth the appropriations and revenue estimates for the budget for Fiscal Year beginning October 1, 2020 and ending September 30, 2021 in the amount of **\$42,185,107**.

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COMMISSION ON BEHALF OF THE PEOPLE OF THE CITY OF ATLANTIC BEACH, FLORIDA, that;**

1. The Fiscal Year 2020-2021 budget be adopted, and
2. This ordinance shall take effect immediately upon its adoption.

**Passed by the City Commission on first reading this 14<sup>th</sup> day of September, 2020.**

**Passed by the City Commission on second and final reading this 28<sup>th</sup> day of September, 2020.**

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**Ellen Glasser**  
**Mayor/Presiding Officer**

**Approved as for form and correctness:**

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**Brenna M. Durden**  
**City Attorney**

**ATTEST:**

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**Donna L. Bartle**  
**City Clerk**



To: The Honorable Mayor, City Commission and Citizens,

From: Shane Corbin, City Manager

Date: September 17, 2020

In accordance with the City of Atlantic Beach's Budget Policy, attached is the budget for fiscal year 2021, presented for your consideration.

## **Highlights: Fiscal Year 2021 Budget**

- The proposed budget is balanced, considering projected revenues, expenses and reserves, and maintains the City's property tax rate at 3.2285 mills.
- For the first time in many years, staff is not proposing to rely on the General Fund fund balance to balance the budget.
- The General Fund fund balance of \$5,285,341 is 11% greater than the 25-percent City-policy requirement.
- Projected Fiscal Year 2021 revenue has been adversely impacted by Novel Corona Virus (COVID-19) global pandemic, but not to the extent as initially anticipated. Particularly impacted are municipal revenue sharing, half-cent sales tax (Better Jax) proceeds, and interest revenues.
- Improvements have been made to this year's budget document, including a table of contents with corresponding page numbers, glossary of definitions, department summaries, long-term financial projections, explanations for budget elements, funds transfer summary, and a capital outlay summary. We believe these enhancements make the budget more user-friendly than previous versions.
- The total revenues (on Page 2) are projected to increase by \$219,844 from \$39,202,950 to \$39,422,794.
- The total expenses (on Page 2) are projected to increase by \$1,451,944 from \$40,733,163 to \$42,185,107,

- The increase in expenses is largely attributable to backlog of public utilities maintenance projects coming online. Without these projects, the budget would reflect an increase of only \$227,953.
- The primary source of General Fund revenue is ad valorem (property) taxes. The highest land values in the City follow a general pattern of close proximity to the beach, along commercial corridors, and new residential development in Atlantic Beach Country Club. The total taxable land values in Atlantic Beach amount to \$2.032 billion.
- Property values in Atlantic Beach increased 7% from last year representing \$428,120 in ad valorem proceeds. Property values are expected to continue rising due to the City's ideal location and high quality of life.
- General Fund revenue changes are largely attributable to the projected ad valorem tax proceeds increase due to the increase in taxable property values, which is slightly offset by a decrease in revenues received from the State.
- A total increase of \$428,120 in General Fund revenues will help compensate for the 3% increases in salary for all employees and an additional 3% in step pay for sworn police personnel.
- The ad valorem tax levy at 3.2285 mills for Atlantic Beach is \$6,561,254. Florida state law requires municipalities to budget a minimum 95% of their tax levy. This year the City budgeted 98% because that is typically what it receives.

Respectfully submitted,



Shane Corbin  
City Manager