

FY 2022 Budget Status Report and Alternatives

City Council
Meeting
July 7, 2021



Florida's Harborside Hometown

General Fund

July 1 Appraiser's Estimates

Revenue:

- Ad Valorem increase at proposed rate of 3.9500 \$1,857,690
 - Taxable Value increase higher than 5% at 5.22%
 - Includes New Construction/changes of \$53 million

Expenditure:

- CRA TIF transfer increase (3.9500) (149,115)
 - Taxable Value increase higher than 4.5% at 5.8%

Net Effect on Reserves: **\$1,708,575**

General Fund Approved Changes

Revenue:

- Lot Mowing Assessment Rate increase \$ 15,705

Expenditure:

- Service Enhancements (514,290)
 - (Personnel, Operating, Capital)
- Health Insurance Rates 7% to 4.4% 69,135
- Computer Overhead increase (6,955)

Net Effect on Reserves: (\$ 436,405)

General Fund Summary

	06/16/21	07/07/21
Revenues	\$ 24,117,940	\$25,991,335
Use of Reserves-for CIP	172,000	415,010
Use of Reserves-Ops	569,780	0
Less:		
Expenditures	<u>(\$24,859,720)</u>	<u>(\$25,460,945)</u>
(Gap)/Surplus	\$ 0	\$ 945,400

Note: City chooses to use existing reserves for the one-time Capital Outlay items as discussed previously. Therefore, the net surplus (change to reserves) is \$530,390.



FY 2022 Considerations

Five Year Planning – Personnel Requests Recommended Planning

FUND	NUMBER	FUND NAME Department/Division	Amended Authorized FY 2021	Position Requests FY 2022	FY 2023 Planning Requests	FY 2024 Planning Requests	FY 2025 Planning Requests	FY 2026 Planning Requests	FY 2026 Estimated Positions
001	01-00	CITY COUNCIL ¹	5.00						5.00
001	02-00	City Manager	3.00						3.00
001	02-18	Human Resources	3.00		1.00				4.00
001	03-00	City Clerk	4.00		1.00				5.00
001	06-00	Legal	1.00						1.00
001	04-00	Finance	8.50		1.00				9.50
001	04-05	Procurement	7.50		1.00		1.00		9.50
001	09-01	Public Works Admin	3.00						3.00
001	09-08	Engineering	4.50	0.50					5.00
001	15-15	Facilities Maintenance	3.00	1.00	1.00		1.00		6.00
001	09-16	Right of Way Maintenance	13.00	1.00	1.00		1.00	1.00	17.00
001	09-19	Parks & Grounds	10.00	1.00		1.00			12.00
001	12-00	POLICE	56.00	2.00	2.00	1.00		2.00	63.00
001	13-00	FIRE	30.00	2.00	7.00				39.00
001	15-00	Urban Design	6.00		1.00	1.00		1.00	9.00
001	15-10	Zoning & Code Compliance	6.00		1.00	1.00			8.00
		GENERAL FUND	163.50	7.50	17.00	4.00	3.00	4.00	199.00
502	02-51	INFORMATION TECHNOLOGY	7.00	1.00	1.00			1.00	10.00

General Fund

Proforma – Recommended Planning, FY 2022 mid-year, Millage Rate increase .5163

	Millage Rate 3.4337				
	Proposed Additional Millage Rate 0.5163				
	Proposed FY 2022	Proforma FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026
Ad Valorem Tax Revenue	\$ 12,081,945	\$ 12,686,045	\$ 13,320,345	\$ 13,986,360	\$ 14,685,680
Possible Additional Ad Valorem Revenue	1,816,675	1,907,510	2,002,885	2,103,030	2,208,180
Other Revenues	12,092,715	12,010,420	12,178,945	12,350,315	12,524,570
Estimated Grant Revenue		445,255	445,255	207,785	
Estimated Revenues	25,991,335	27,049,230	27,947,430	28,647,490	29,418,430
Personnel	16,494,540	17,064,230	17,809,180	18,589,915	19,408,290
	264,845	1,837,405	2,259,245	2,548,435	2,961,800
Operating	5,438,050	5,637,260	5,799,305	5,922,980	6,019,600
	6,435	30,255	35,165	39,220	44,395
Capital Outlay (net)	840,000	840,000	840,000	840,000	840,000
	243,010	295,735	63,000	42,000	164,000
Transfer to CRA for TIF	902,380	956,525	1,013,915	1,074,750	1,139,235
Estimated additional CRA TIF transfer	135,685	143,825	152,455	161,605	171,300
Transfer for Paving	459,000	459,000	459,000	459,000	459,000
Transfer for Drainage	200,000	200,000	200,000	200,000	200,000
Transfer for Capital Projects	477,000	457,000	480,000	350,000	205,000
Estimated Expenditures	25,460,945	27,921,235	29,111,265	30,227,905	31,612,620
Revenues over (under) expenditures	530,390	(872,005)	(1,163,835)	(1,580,415)	(2,194,190)
Projected Carryover-Beginning	5,968,470	6,543,860	5,671,855	4,508,020	2,927,605
Capital Outlay Reserve	45,000				
Projected Carryover-End	\$ 6,543,860	\$ 5,671,855	\$ 4,508,020	\$ 2,927,605	\$ 733,415
Reserve percentage	25.7%	20.3%	15.5%	9.7%	2.3%
Minimum Operating Reserve 10%-12% plus \$120,460 all years	\$ 2,667,000	\$ 3,052,200	\$ 3,322,700	\$ 3,596,700	\$ 3,913,975

General Fund Operating Reserve

FY 2021 Estimated ending reserves	\$6,493,475
Less Appropriation Requests:	
Buildout of Herald Court Centre Units	230,000
Self Contained Breathing Apparatus Replace	250,000
Less: Capital Outlay reserve	<u>45,000</u>
Subtotal FY 2021 Estimated ending reserves	\$5,968,475
Add: FY 2022 net surplus to op. reserves	530,390
Less: FY 2022 10.0% min. ending reserve 6/16/21	<u>2,667,000</u>
Subtotal available reserves 9/30/2022	\$3,831,865

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General Fund

Operating Reserve – Look Ahead Recommended Staffing Plan

	Proforma FY 2023 07/07/21
Revenues	\$27,049,230
Use of Reserves-Cap	66,000
Use of Reserves-Ops for Capital (new staff)	295,735
Use of Reserves-Ops for new staff	510,270
Less:	
Expenditures	<u>(\$27,921,235)</u>
(Gap)/Surplus	(\$ 0)

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General Fund Operating Reserve – Look Ahead

Subtotal available reserves 9/30/2022	\$3,831,865
Less: Increase for FY 2023 min. ending (10.5%)	385,200
Less: Current (7/7/21) estimate for use of reserves to balance FY 2023	<u>872,005</u>
Estimated ending reserves available for funding five year plan	\$ 2,574,660



General Fund Additional Request

- Charlotte Harbor Environmental Center, Inc (CHEC) has submitted a request to increase City's contribution from \$8,500 to \$15,000
- City is a founding partner
- There has been no increase in over 25 years
- Growing attendance and rising costs of goods and services



Millage Rate

(7/1/21 Taxable Value)

	FY 2022 Proposed Millage Rate		FY 2022 7/1/2021 Rollback Rate	
	Amount	Rate	Amount	Rate
REVENUE				
Ad Valorem	\$13,898,620	3.9500	\$11,682,930	3.3203
EXPENDITURES				
Paving Program	\$ 459,000	0.1304	\$ 459,000	0.1304
Drainage Program	\$ 200,000	0.0568	\$ 200,000	0.0568
Police Operating*	\$ 7,719,630	2.1939	\$ 7,719,630	2.1939
Fire Operating*	\$ 4,818,545	1.3694	\$ 4,818,545	1.3694
Public Works Operating*	\$ 4,976,145	1.4142	\$ 4,976,145	1.4142
	\$18,173,320	5.1647	\$18,173,320	5.1647

* Operating excludes new equipment for new positions

General Fund Millage Rate Discussion

July 1 Estimated Assessed Value	Millage Rate	Ad Valorem Revenue
Proposed Rate	3.9500	\$13,898,620
Current Rate	3.4337	\$12,081,945
Rollback Rate	3.3203	\$11,682,930

Effect of Millage Rate on \$300,000, \$400,000, \$550,000 and \$600,000 Homestead Residences at 1.4% increased value limited by consumer price index

Example Scenarios

	\$300,000			\$400,000			\$550,000			\$600,000		
	FY 2021 Base 3.4337	FY 2022 1.40% \$ Amount	Difference % \$ Amount	FY 2021 Base 3.4337	FY 2022 1.40% \$ Amount	Difference % \$ Amount	FY 2021 Base 3.4337	FY 2022 1.40% \$ Amount	Difference % \$ Amount	FY 2021 Base 3.4337	FY 2022 1.40% \$ Amount	Difference % \$ Amount
Assessed Value	\$300,000	\$304,200		\$400,000	\$405,600		\$550,000	\$557,700		\$600,000	\$608,400	
Less Homestead Exemption	\$50,000	\$50,000		\$50,000	\$50,000		\$50,000	\$50,000		\$50,000	\$50,000	
Net Taxable Value	\$250,000	\$254,200		\$350,000	\$355,600		\$500,000	\$507,700		\$550,000	\$558,400	
City Millage Rate remains same	3.4337	3.4337	1.68%	3.4337	3.4337	1.60%	3.4337	3.4337	1.54%	3.4337	3.4337	1.53%
City Ad Valorem Tax	\$858	\$873	\$14	\$1,202	\$1,221	\$19	\$1,717	\$1,743	\$26	\$1,889	\$1,917	\$29
City Millage Rate 3.9500 (3.4337+.5163)	3.4337	3.9500	16.97%	3.4337	3.9500	16.88%	3.4337	3.9500	16.81%	3.4337	3.9500	16.79%
City Ad Valorem Tax	\$858	\$1,004	\$146	\$1,202	\$1,405	\$203	\$1,717	\$2,005	\$289	\$1,889	\$2,206	\$317
City Millage Rate 4.2537 (3.4337+.8200)	3.4337	4.2537	25.96%	3.4337	4.2537	25.86%	3.4337	4.2537	25.79%	3.4337	4.2537	25.77%
City Ad Valorem Tax	\$858	\$1,081	\$223	\$1,202	\$1,513	\$311	\$1,717	\$2,160	\$443	\$1,889	\$2,375	\$487



Effect of Millage Rate on \$700,000, \$800,000, \$900,000 and \$1,000,000 Homestead Residences at 1.4% increased value limited by consumer price index

Example Scenarios

	\$700,000			\$800,000			\$900,000			\$1,000,000		
	FY 2021 Base	FY 2022 1.40%	Difference %	FY 2021 Base	FY 2022 1.40%	Difference %	FY 2021 Base	FY 2022 1.40%	Difference %	FY 2021 Base	FY 2022 1.40%	Difference %
Mils	3.4337		\$ Amount	3.4337		\$ Amount	3.4337		\$ Amount	3.4337		\$ Amount
Assessed Value	\$700,000	\$709,800		\$800,000	\$811,200		\$900,000	\$912,600		\$1,000,000	\$1,014,000	
Less Homestead Exemption	\$50,000	\$50,000		\$50,000	\$50,000		\$50,000	\$50,000		\$50,000	\$50,000	
Net Taxable Value	\$650,000	\$659,800		\$750,000	\$761,200		\$850,000	\$862,600		\$950,000	\$964,000	
City Millage Rate remains same	3.4337	3.4337	1.51%	3.4337	3.4337	1.49%	3.4337	3.4337	1.48%	3.4337	3.4337	1.47%
City Ad Valorem Tax	\$2,232	\$2,266	\$34	\$2,575	\$2,614	\$38	\$2,919	\$2,962	\$43	\$3,262	\$3,310	\$48
City Millage Rate 3.9500 (3.4337+.5163)	3.4337	3.9500	16.77%	3.4337	3.9500	16.75%	3.4337	3.9500	16.74%	3.4337	3.9500	16.73%
City Ad Valorem Tax	\$2,232	\$2,606	\$374	\$2,575	\$3,007	\$431	\$2,919	\$3,407	\$489	\$3,262	\$3,808	\$546
City Millage Rate 4.2537 (3.4337+.8200)	3.4337	4.2537	25.75%	3.4337	4.2537	25.73%	3.4337	4.2537	25.72%	3.4337	4.2537	25.71%
City Ad Valorem Tax	\$2,232	\$2,807	\$575	\$2,575	\$3,238	\$663	\$2,919	\$3,669	\$751	\$3,262	\$4,101	\$839



General Fund

Proforma – Increased Personnel, 9.5 in FY 2022 mid-year, Millage Rate increase .5163

Millage Rate
Proposed Additional Millage Rate

3.4337
0.5163

	Proposed FY 2022	Proforma FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026
Ad Valorem Tax Revenue	\$ 12,081,945	\$ 12,686,045	\$ 13,320,345	\$ 13,986,360	\$ 14,685,680
Proposed Additional Ad Valorem Revenue	1,816,675	1,907,510	2,002,885	2,103,030	2,208,180
Other Revenues	12,092,715	12,010,420	12,178,945	12,350,315	12,524,570
Estimated Grant Revenue		381,645	381,645	178,100	
Estimated Revenues	25,991,335	26,985,620	27,883,820	28,617,805	29,418,430
Personnel	16,494,540	17,064,230	17,809,180	18,589,915	19,408,290
	339,960	1,890,495	2,314,465	2,605,865	3,021,535
Operating	5,438,050	5,637,260	5,799,305	5,922,980	6,019,600
	6,935	30,285	35,195	39,250	44,430
Capital Outlay (net)	840,000	840,000	840,000	840,000	840,000
	251,115	289,735	63,000	42,000	164,000
Transfer to CRA for TIF	902,380	956,525	1,013,915	1,074,750	1,139,235
Estimated additional CRA TIF transfer	135,685	143,825	152,455	161,605	171,300
Transfer for Paving	459,000	459,000	459,000	459,000	459,000
Transfer for Drainage	200,000	200,000	200,000	200,000	200,000
Transfer for Capital Projects	477,000	457,000	480,000	350,000	205,000
Estimated Expenditures	25,544,665	27,968,355	29,166,515	30,285,365	31,672,390
Revenues over (under) expenditures	446,670	(982,735)	(1,282,695)	(1,667,560)	(2,253,960)
Projected Carryover-Beginning	5,968,470	6,460,140	5,477,405	4,194,710	2,527,150
Capital Outlay Reserve	45,000				
Projected Carryover-End	\$ 6,460,140	\$ 5,477,405	\$ 4,194,710	\$ 2,527,150	\$ 273,190
Reserve percentage	25.3%	19.6%	14.4%	8.3%	0.9%
Minimum Operating Reserve 10%-12% plus \$120,460 all years	\$ 2,675,000	\$ 3,057,200	\$ 3,328,800	\$ 3,603,300	\$ 3,921,200

General Fund

Proforma – Increased Personnel, 9.5 in FY 2022 mid-year, Millage Rate increase .8200

Millage Rate
Possible Additional Millage Rate

3.4337
0.8200

	Proposed FY 2022	Proforma FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026
Ad Valorem Tax Revenue	\$ 12,081,945	\$ 12,686,045	\$ 13,320,345	\$ 13,986,360	\$ 14,685,680
Possible Additional Ad Valorem Revenue	2,885,280	3,029,545	3,181,020	3,340,070	3,507,075
Other Revenues	12,092,715	12,010,420	12,178,945	12,350,315	12,524,570
Estimated Grant Revenue		381,645	381,645	178,100	
Estimated Revenues	27,059,940	28,107,655	29,061,955	29,854,845	30,717,325
Personnel	16,494,540	17,064,230	17,809,180	18,589,915	19,408,290
	339,960	1,890,495	2,314,465	2,605,865	3,021,535
Operating	5,438,050	5,637,260	5,799,305	5,922,980	6,019,600
	6,935	30,285	35,195	39,250	44,430
Capital Outlay (net)	840,000	840,000	840,000	840,000	840,000
	251,115	289,735	63,000	42,000	164,000
Transfer to CRA for TIF	902,380	956,525	1,013,915	1,074,750	1,139,235
Estimated additional CRA TIF transfer	135,685	143,825	152,455	161,605	171,300
Transfer for Paving	459,000	459,000	459,000	459,000	459,000
Transfer for Drainage	200,000	200,000	200,000	200,000	200,000
Transfer for Capital Projects	477,000	457,000	480,000	350,000	205,000
Estimated Expenditures	25,544,665	27,968,355	29,166,515	30,285,365	31,672,390
Revenues over (under) expenditures	1,515,275	139,300	(104,560)	(430,520)	(955,065)
Projected Carryover-Beginning	5,968,470	7,528,745	7,668,045	7,563,485	7,132,965
Capital Outlay Reserve	45,000				
Projected Carryover-End	\$ 7,528,745	\$ 7,668,045	\$ 7,563,485	\$ 7,132,965	\$ 6,177,900
Reserve percentage	29.5%	27.4%	25.9%	23.6%	19.5%
Minimum Operating Reserve 10%-12% plus \$120,460 all years	\$ 2,675,000	\$ 3,057,200	\$ 3,328,800	\$ 3,603,300	\$ 3,921,200