



Email Response to F.A.Q's:

The millage increase discussed by people on Next-door at \$500 per year:

- if the house was/is ASSESSED at \$1,000,000, meaning generally that the property value is even higher/new construction, and you are paying taxes on the full assessment, then the increase would actually be \$516;
- if your property value increases, of course so does the amount at any given point;
- likewise a homestead residence with a taxable value at \$1,000,000 would have a \$498 annual increase;
- A more accurate example for residents with an average taxable value of \$500,000 is \$260 per year or \$5 per week;
- A non-voting homeowner was referenced in a question, presumably meaning this is a second home and not a primary residence. A non-fulltime resident is taxed the same as fulltime residents, and the numbers remain the same. Services to keep the City the way everyone wants to come back to are essential.

As far as citizen's ability to be involved and for informational purposes:

- the proposed millage rate increase of 15.04% has been advertised and discussed in depth, including issues and options, at the last three City Council meetings;
- they were available to watch online live, are archived on the City website, and of course anyone is welcome to attend in person;
- we also asked for public comment through various venues including social media and homeowners' associations such as PGICA prior to ever taking it to Council;
- it was also in my April 9 article in the newspaper serving the area;
- emails sent with comment to the Council were also read into the record at every meeting until the Governor mandated that CoVID-19 restrictions were removed;
- emails can still be sent to Council as you have done.

The reality is that regardless of residence status or infirmity there were more ways to express views to the Council and receive information than ever before. Unfortunately, most only hear something at the last minute although the budget cycle is always the same, year over year, as mandated by State statute.



Obviously there are many factors that go into the budget discussion, that have been presented in detail in the last month, and that require the stated revenue increase.

The 5-year pro forma shows that by doing nothing, the city will continued to use one million dollars per year in reserves, which are already low, and essentially be out of cash with few options in year five. Again, that is if nothing is added to the budget, no services are cut, and the millage rate stays the same.

Included in that 5-year plan is not only the 5.2% increase in property value assessments for the coming fiscal year as provided by the County assessment office, but also increases for the subsequent years in the plan. Fortunately, these increases help offset the deficits currently experienced in city operations.

With all that considered and looking at revenue necessary to break even over a 5-year plan (without any increases in personnel and savings as presented), .31 on the millage rate is still required. Fortunately this still keeps us near the bottom of the total burden compared to surrounding jurisdictions. For information, there was an even larger percentage increase in 2013, again this year is not unprecedented as was stated, and then the next year it went back to the rollback rate and stayed there for quite some time. If that would have stayed at the regular rate all those years, this discussion would be different. Our assessable base is also, only as of the next budget year, just now exceeding the taxable value the City had in 2007. All that value was lost during the recession.

A comprehensive 5-year plan has not previously been proposed, and it certainly lends a different perspective on City operations. I would dare say that most know more about their personal budgets than just what they need for the coming year, and would not spend all their savings to get there. A long term strategic budgetary plan was necessary that incorporated operating impacts, personnel requirements, and fiscal targets over the term. Unfortunately that requires the stated millage increase.

For personnel, our strategic initiatives have been updated this year to include a staffing assessment for each department including job duties and requirements to accomplish their strategic priorities. Service levels in previous years approached an employee/population ratio of 1.8/100 while dropping through the last 15 years to 1.4/100 partly to keep millage rates lower. If prior service levels had been maintained, there would be 35 additional employees just for the delta in population with an additional 80 employees overall to maintain prior service levels. We feel that is obviously on the high side because of economics of scale, and these ratios are of course just indicators of where we were vs. where we are. We evaluate actual need. Our current projections, though, mainly include fire, police, and service level jobs necessary just to maintain the infrastructure and service needs in the city that currently exist. Many of those needs are going unmet due to a lack of staffing and is evident by the complaints received by council of things that cannot be properly maintained. Not all requests initially proposed by various departments were included of course, and many were stretched out over different years with even this fiscal year personnel only starting mid-year. All projections still only take us to a ratio of 1.5/100 after 5



years. Of course service levels can always be reduced if residents are willing to accept, for example, parks that are not manicured or go away, infrastructure that continues to crumble, unmanaged rights-of-way, or diminished emergency services responses. The reality is, though, that most people live here because of those very services.

As examples of employee issues:

- the number of fire/medic personnel on each response apparatus has not increased from two in 20 years, while call volume and complexity have more than doubled, and even current safety standards mandate more;
- Police training and safety requirements have increased quantifiably while staffing levels have remained low;
- those two departments are union and very concerned about operating and safety requirements. We cannot continue to put the City and our employees in a position of liability;
- our Public Works department once had 85 employees that managed many aspects of city operations which over time was reduced, due to budget cuts, down to 60 employees. Now there is one employee to maintain all facilities, one park employee, etc.;
- even our sanitation workers have had 19 employees for the last 15 years while over 2,000 new homes have been built that generate waste and require additional routes. Options have been discussed many times, but residents were very vocal and made it clear that they do not want the standard stop and grab trucks like are used for recycling. They want service level when they can't get the cans to the curb, have items around their cans, etc.;
- in addition, in this proposal 75% of the staffing for new firefighters is paid for by grants for two years, then 35%, to allow us time to budget for full operations. That is part of the plan, but the number budgeted will still only put one additional person per shift on each piece of apparatus in each station;
- Many other employees in City operations have nothing to do with the millage rate, such as seawall maintenance, building inspectors, sanitation/yard waste workers, or utility personnel that serve the entire region for a premium, not just the City. They are all also evaluated on their own merit;
- The total initial budget was reduced by \$548,000 in order to help offset additional costs and revenue requirements.

Even with the proposed increase our total general fund burden per citizen is below most surrounding municipalities. Not a reason by itself to increase the rate, but a good real life comparison to indicate how we are doing. As a matter of fact, some surrounding Cities can actually REDUCE their millage rate and the total burden would still be higher than if we INCREASE ours, again demonstrating one of the



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issues, while our service levels remain generally higher and rates lower. For example, many areas do not do bulk pickup on demand or even yard waste pickup, most do not manage all aspects of seawall maintenance for their residents. We do not need to either, if residents are willing to accept the reduction in services and also pick up the cost. Yet residents in those other areas still pay more. Very few people here even suggest a reduction in services, instead asking that we do what is necessary to maintain those services. That is why many are here. Many municipalities also ADD assessments outside of the millage rate where ours is inclusive. That may include debt service, public safety, etc. The total burden must be considered. A millage rate could stay the same or even go down while other assessments remain the same or even go up and they appear to be not raising the millage rate because they get it other ways. We compare apples to apples. Of course it is to be expected that a city with the size and property values of Naples, for example, would result in a lower rate.

All of this and more must be taken into consideration when crafting a 5-year pro forma that incorporates all long-term needs including personnel, reserves, and operating impacts of capital projects. We are also facing a total compensation study, and the impacts of the \$15 minimum wage mandate, the resulting impacts of which we need the ability to address. This previously was only looked at annually without the comprehensive evaluation that has now occurred. Of course when we begin the process we have a zero based budget, then looking at what is spent, what is needed, and what may be reduced as previously stated. That occurred prior to any projections presented.

This plan will address the needs of the City well into the future and put the City on sound financial footing. It would of course be much easier to do nothing, but also irresponsible to not evaluate the need.

I hope this helps to explain a very small portion of the challenges the City Council is facing as we move through this budget cycle. I know they certainly value all input.

For your use, our budget documents previously presented can be found at:

<https://www.ci.punta-gorda.fl.us/Home/Components/News/News/3425/17>

Thank you for your comments.