

# FY 2023 Budget Status Report and Alternatives

City Council  
Meeting  
June 15, 2022



# FY 2023 Budget Community Input



# FY 2023 Budget Community Input

- Love small town feel and would not like to see developer contributions that would offset building heights beyond guidelines set by boards and City planners
- Additional need for infrastructure improvements in the historic district to address flooding streets, storm drains, and street lighting; suggests lining Marion and Olympia corridor through the city with historic street lights; need for repair and replacement of brick streets; feels historic district is the jewel of the City and needs to be beautified and maintained
- Need for additional garbage maintenance in downtown due to more bars, restaurants, and visitors leaving more morning debris
- Street lighting on Sullivan and Taylor
- Need for electric charging stations that are pay as you go



# FY 2023 Budget Community Input

- Encouragement of development of City marketplace with any potential viable developer
- Encouragement of County to build an elevated parking lot/structure at event center
- Beautification of US41 corridors and working with FDOT to manage bottlenecks and traffic volumes
- Commercial annexation
- Forum for businesses to discuss permit issues with staff
- Online availability for all permit functions



# General Fund History from FY 2008 to FY 2022

Category	FY 2008	FY 2022	% +/-
Personnel	\$12,294,998	\$16,669,385	35.6%
Operating	\$ 4,799,854	\$ 5,450,985	13.6%
Total Operations	\$17,094,852	\$22,120,370	29.4%



# General Fund History Trend

Personnel costs increased 35.6% from FY 2008 to FY 2022

- The City has mitigated overall increases through position eliminations, limited or no pay increases for a period of time, shift of increased benefit expense from City to employees, and changes to pension plans.

Operating costs increased 13.6% in same time period

- In spite of increases in electricity, oil-based commodities, and general liability insurance.
- The City has significantly reduced costs through operational efficiencies, contract changes and negotiations.



# City of Punta Gorda Financial Policy

## Current financial policies :

- A balanced budget is current revenues, including financing, plus unrestricted fund balance, exceeds or equals current year appropriations.
- The use of one time revenues to fund ongoing expenditures is discouraged.

## Current City strategy:

- The City will continue to progress towards achieving a balanced budget, without relying on reserves.



# General Fund Assumptions - Revenue

- Estimated 4.1% increase in taxable value and \$33 million in new construction (Will receive actual 7/1)
- Estimated millage rate 3.9500 including transfers of \$459,000 for road resurfacing program and \$300,000 for drainage program
- Revenue estimates in electric utility tax and franchise fees and half cent sales tax (approximately 0-2% over FY 2022 projections which were higher than original budget)





# General Fund Assumptions - Revenue

- 1% increase in Administration charges to other Funds (will be adjusted based on all funds final budgets)
- Awarded MAC grant \$82,325
- Estimated SAFER Grant for Fire Department \$445,255 (application submitted)
- All other revenues - various small adjustments



# General Fund Assumptions - Personnel

- 4% salary (merit) increase; Fire per bargaining contract; Police bargaining contract is under negotiation
- 6% increase in health insurance
- 10% increase in workers comp
- Defined contribution pension plan match up to 10%
- General pension costs flat Citywide to assist in reducing unfunded actuarial liability (General Fund increased 2%); fire pension increased 4%, police pension cost decreased 7%



# General Fund Assumptions - Operating

- Departmental requests - 3% increases except:
  - City Clerk for equipment for new records coordinator position
  - HR for general employee's pension study, wellness, safety and training programs, ADA accommodations, and improving employee recognition and recruiting efforts
  - Right of Way increases for training of new employees and additional costs for CDL training
  - Police Department for repair & maintenance to autos, boats, and various specialty equipment; veterinary services for third canine; uniforms to include upgrade of rain gear to provide higher visibility for safety
  - Gasoline increases in all department/divisions
  - FPL rates increases for Facilities
  - Temporary Handyman in Facilities for ½ of year



# General Fund Assumptions - Operating

- Comprehensive planning studies \$150,000 (increased from \$75,000)
- 5% estimated increase in general liability insurance
- Computer overhead – 3% increase
- Rental space for City Council and board meetings FY 2023-FY2024
- Operating expenditures at Herald Court Centre FY 2023-FY 2024



# General Fund

## Assumptions - Transfers

- CRA transfer based on 6% increase in taxable value of district and millage rate of 3.9500
- No change in transfers for road resurfacing program
- Drainage program increased \$100,000
- General Construction projects transfer updated for:
  - \$10,000 additional for Bridge repairs in FY 2023
  - \$16,000 additional for King St Improvements
  - \$18,000 additional for concrete dock repair at boat club area
  - \$40,000 additional for railroad crossing rehabilitation (2nd of 4)
  - \$250,000 for Public Safety building A/C replacement



# Capital Outlay Five Year Plan

Capital Outlay Replacement Plan	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027+
(All figures in thousands of dollars)					
<b>City Clerk:</b>					
Large Scanner (new)	10	0	0	0	0
<b>Right of Way:</b>					
2007 tractor loader backhoe 4x4 (6835)	115	0	0	0	0
2007 dump truck (5977)	0	0	125	0	0
2000 tandem axle trailer low bed (4441)	0	0	10	0	0
2016 mower (6982)	0	16	0	0	0
2002 front end articulated loader (5413)	0	256	0	0	0
2015 vactor (6969)	0	497	0	0	0
1988 trailer tilt bed (2350)	0	0	22	0	0
1988 trailer flat bed (2352)	0	0	25	0	0
1989 trailer tilt bed (2396)	0	0	8	0	0
2002 grader (5411)	0	0	0	0	56
<b>Parks &amp; Grounds:</b>					
2014 super duty 4X4 3/4 ton pickup truck (6923)	0	0	54	0	0
2014 1 ton pickup truck (6924)	0	0	0	51	0
2014 1/2 ton pickup truck (6927)	0	0	0	0	44
2014 1/2 ton pickup truck (6928)	0	0	0	0	44
2001 trailer tandem axle low bed (4481)	0	0	0	0	13
1992 trailer low bed (2465)	0	7	0	0	0
2001 trencher walk behind (4473)	0	0	16	0	0
2001 loader skid steer (4480)	0	52	0	0	0
2006 trailer flat bed (5976)	0	0	0	0	9
2006 mini excavator trackhoe (6801)	0	0	52	0	0
2007 trailer flat bed tandem axle (6818)	0	0	0	0	13
2007 riding mower (6839)	0	0	23	0	0
2010 mower (6862)	0	0	23	0	0
2015 cargo van (6954)	0	0	0	0	55
2015 1/2 ton pickup truck (6960)	0	0	0	0	35



# Capital Outlay Five Year Plan

(Continued from previous slide)

Capital Outlay Replacement Plan	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027+
	(All figures in thousands of dollars)				
<b>Police:</b>					
Police Fleet Replacements (Est. 6 vehicles per year)	318	318	318	318	318
Taser Replacement Program	35	35	35	35	35
Body Camera Replacement Program	0	0	0	21	21
Patrol Rifle Program	29	0	0	0	0
In Car Camera Replacement Program	38	46	53	0	0
SWAT Night Vision Program	5	0	0	0	0
Radio Enhancement Program	49	0	0	0	0
Mobile & Portable Radio Purchases	27	0	0	0	0
Training Room Equipment	5	0	0	0	0
<b>Fire:</b>					
Personal Protective Equipment	10	10	10	10	10
Suppression Equipment	15	15	15	15	15
Medical Equipment	16	41	17	42	17
Radio Enhancement Program	18	0	0	0	0
2014 4 Door SUV (6930)	55	0	0	0	0
<b>Code Compliance:</b>					
2014 pickup truck (6926)	30	0	0	0	0
<b>TOTAL</b>	<b>\$775</b>	<b>\$1,293</b>	<b>\$806</b>	<b>\$492</b>	<b>\$685</b>
<b>Revised annual level Capital Outlay reserve</b>	<b>840</b>	<b>1,040</b>	<b>840</b>	<b>740</b>	<b>740</b>
<b>Capital Outlay Reserve - Beg</b>	<b>260</b>	<b>325</b>	<b>72</b>	<b>106</b>	<b>354</b>
<b>Capital Outlay Reserve - End</b>	<b>\$325</b>	<b>\$72</b>	<b>\$106</b>	<b>\$354</b>	<b>\$409</b>

\* FY 2022- FY 2026 budgeted capital outlay plan annual level of funding was \$840



# Service Level Enhancements

- Per Five Year Plan

- Except for finance position which was moved from FY 2023 to FY 2024





# 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 <sup>1</sup>	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	0.00	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	0.00	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	0.00	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	0.00	1.00	9.00
001	15-10	Zoning & Code Compliance	6.00		1.00	1.00			8.00
		<b>GENERAL FUND</b>	<b>163.50</b>	<b>7.50</b>	<b>17.00</b>	<b>4.00</b>	<b>3.00</b>	<b>4.00</b>	<b>199.00</b>
502	02-51	<b>INFORMATION TECHNOLOGY</b>	<b>7.00</b>	<b>1.00</b>	<b>1.00</b>			<b>1.00</b>	<b>10.00</b>

# Staffing Plan Justifications

- Human Resources – Safety Officer or Coordinator (1 FTE) \$ 107,100
  - Will be responsible for Citywide safety related PPE, training improving worker safety, ensuring proper safety procedures are being followed in the field and facilities, and leading investigations for injury incidents.
  - Annual costs approximately \$77,100, one-time costs \$30,000 for vehicle and computer equipment
  
- City Clerk - Records Coordinator (1 FTE) \$ 82,500
  - Co-ordinate City-wide records management and training, including public records request tracking and support
  - Annual costs approximately \$69,500, one-time costs \$13,000 for large scanner and computer equipment

# Staffing Plan Justifications

- Procurement – Buyer Assistant (1 FTE) \$ 66,600
  - Focus on purchases and purchase orders under \$5,000
  - Will free up time to facilitate training of existing employees so that additional help will be available for contract management, contract renewals, and bidding for expiring contracts. This will then enable senior purchasing agent to support procurement manager with engineering and construction projects.
  - Annual costs approximately \$63,600, one-time costs \$3,000 for computer equipment

# Staffing Plan Justifications

- Facilities – Maintenance Worker III (1 FTE) \$98,100
  - Position requested to allow more proactive maintenance of facilities
  - Annual costs approximately \$59,100, one-time costs \$39,000 for vehicle (1/2 ton pick up) and equipment
  
- Right of Way – Worker (1 FTE) \$92,900
  - Position requested to allow help with completing work order requests that have increased 123% over the past five years and manage aging infrastructure such as streets and lighting and keep up with mowing needs
  - Annual costs approximately \$54,900, one-time costs \$38,000 for vehicle

# Staffing Plan Justifications

- Police - Detective (1 FTE) \$ 150,000
  - More complex cases & more fraud cases which are time consuming
  - Allow more proactive investigations
  - Annual costs approximately \$87,000, one-time costs \$63,000 for vehicle and equipment
  
- Police - Evidence, Crime Scene & Tech (1 FTE) \$ 73,700
  - Increased complexity & responsibilities of crime scene response and handling evidence required in this position; goal for night shift, should be 2<sup>nd</sup> shift
  - Share vehicle with current position

# Staffing Plan Justifications

- Fire - Firefighter/EMTs (7 FTE) \$ 660,800
  - Meet current staffing needs due to injuries, sick leave or vacation
  - Should reduce unscheduled overtime
  - Move department towards meeting NFPA 1710 minimum staffing requirements
  - Per Firefighter annual costs approximately \$89,300, one-time costs \$5,100
- Note: Grant application submitted; may have to spread hiring over multiple years if not awarded and will reapply next year

# Staffing Plan Justifications

- Urban Design – Grant Coordinator/Planner (1 FTE)                      \$72,800
  - Position to look for funding opportunities, complete applications, and manage project grants which are time consuming activities.
  - Annual costs approximately \$69,800, one-time costs \$3,000 for computer equipment
  
- Zoning & Code – Zoning Technician (1 FTE)                                      \$64,500
  - Increased permitting and workload has increased over the last several years. Position would include reviewing all construction, planning, zoning, and sign permit applications for compliance with relevant municipal ordinances and maintain the City’s land file data, including lot splits, lot consolidations, and addressing updates.
  - Annual costs approximately \$61,500 and one-time costs \$3,000 for computer equipment

# General Fund Summary

	<b>Long Range Plan</b>	<b>06/15/22</b>
Revenues	\$ 27,202,470	\$27,967,015
Use of Reserves-Ops	635,280	171,225
Less:		
Expenditures	<u>(\$27,837,750)</u>	<u>(\$28,138,240)</u>
(Gap)/Surplus	\$ 0	\$ 0





# General Fund

## 06/15/2022 Projected Budget Gap FY 23

LRFP Use of Reserves 2/2/22	(\$ 635,280)
Increase of revenues	764,545
Decrease in personnel exp	648,880
Increase in operating exp	( 449,370)
Increase in FY 2023 Capital Outlay Plan (net)	( 66,000)
Increase in Drainage program	( 100,000)
Increase in Capital project transfers	<u>( 334,000)</u>
Use of Reserves 06/15/22	(\$ 171,225)

# General Fund Comparison FY 2022 to FY 2023

Category	FY 2022	FY 2023	% +/-
Personnel	\$16,669,385	\$18,162,770	9.0%
Operating	\$ 5,450,985	\$ 6,123,385	12.3%
Total Operations	\$22,120,370	\$24,286,155	9.8%



# General Fund

	Projected FY 2022	Proposed FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026	Proforma FY 2027
Ad Valorem Tax Revenue	\$ 13,898,620	\$ 14,593,555	\$ 15,323,235	\$ 16,089,395	\$ 16,893,865	\$ 17,738,555
Other Revenues	21,352,435	12,928,205	13,022,710	13,148,740	13,276,315	13,405,465
Estimated Grant Revenue	0	445,255	445,255	207,785	0	0
<b>Estimated Revenues</b>	<b>35,251,055</b>	<b>27,967,015</b>	<b>28,791,200</b>	<b>29,445,920</b>	<b>30,170,180</b>	<b>31,144,020</b>
Personnel	16,109,835	16,957,985	17,643,010	18,419,350	19,232,950	20,085,730
	0	1,204,785	1,682,870	1,945,490	2,331,015	2,438,450
Operating	6,725,185	6,101,785	6,201,425	6,291,785	6,320,785	6,505,720
	0	21,600	27,250	31,065	35,995	37,080
Capital Outlay (net)	2,150,480	879,000	1,040,000	840,000	740,000	740,000
	0	322,735	63,000	42,000	164,000	0
Transfer to CRA for TIF	1,033,015	1,100,350	1,166,370	1,236,355	1,310,535	1,389,165
Transfer to Other Funds	7,825,150	0	0	0	0	0
Transfer for Paving	459,000	459,000	459,000	459,000	459,000	459,000
Transfer for Drainage	200,000	300,000	300,000	300,000	300,000	300,000
Transfer for Capital Projects	492,000	791,000	520,000	480,000	255,000	255,000
<b>Estimated Expenditures</b>	<b>34,994,665</b>	<b>28,138,240</b>	<b>29,102,925</b>	<b>30,045,045</b>	<b>31,149,280</b>	<b>32,210,145</b>
<b>Revenues over (under) expenditures</b>	<b>256,390</b>	<b>(171,225)</b>	<b>(311,725)</b>	<b>(599,125)</b>	<b>(979,100)</b>	<b>(1,066,125)</b>
Projected Carryover-Beginning	7,437,945	8,445,075	8,273,850	8,222,125	7,623,000	6,643,900
Capital Outlay Reserve	1,010,740	260,000	260,000			
Capital Outlay Reserve	\$ 260,000	\$ 260,000				
Projected Carryover-End	\$ 8,445,075	\$ 8,273,850	\$ 8,222,125	\$ 7,623,000	\$ 6,643,900	\$ 5,577,775
Reserve percentage	24.1%	29.4%	28.3%	25.4%	21.3%	17.3%
Minimum Operating Reserve 13.2%-15.2%		\$ 3,714,300	\$ 3,987,100	\$ 4,266,400	\$ 4,579,000	\$ 4,896,000

# FY 2023 Considerations

- Bargaining Unit Contract (Police is currently in negotiations)
- Results of a pay and classification study, including factors for Florida minimum wage requirements over the next several years
- Referendum for Mayor and Council members increased percentage of County commissioner rates
- If SAFER grant not awarded, addition of firefighters would be spread over the next four years; City would reapply next year
- COPS grant application to move two officers from later years to FY 2023 which would require additional funding for vehicles and equipment and City's match for pay; will reapply if not awarded

# FY 2023 Considerations

- State estimates are not provided until July/Aug and required to budget 95%-100%
- Concern regarding continued increase in costs due to inflation, supply chain, demand for commodities, fuel prices etc.
- Uncertainty of economic forecasts
- Coronavirus State and Local Fiscal Recovery Funds, as provided in American Rescue Plan Act



# Lot Mowing



# Lot Mowing Assessment

- Proposed assessment of \$235 (20% increase)
  - Number of lots in program decreasing as building continues (1,464 lots; reduction of 119 from prior year)
  - Certain costs of program remain fixed despite number of lots decreasing
  - FY 2022 Contractor increase 21%; FY 2023 estimated at 20% increase due to current economic environment  
Personnel salaries budgeted to increase 4%
  - Program projects 16 mows per year with up to additional 2 mows during summer months; 4 edges and 3 trims



# Information Technology Fund





# Information Technology Fund Staffing Request

- IT – Network Security/Cloud Systems Admin (1 FTE) (\$ 88,700)
  - Position would be responsible for physical access control and security cameras, focus on cloud systems for proper security, backups and disaster recovery, and would also be a backup for the current Network Administration position.
  - Annual costs approximately \$85,200, one-time costs \$3,500



# Information Technology Fund

- Project requests were prioritized and reduced:

Office 365 Migration to Cloud (then \$88,000 annual subscr.)	\$103,000 1 <sup>st</sup> year
GovQA Email/Attachments to pdf Module	\$ 8,000 – annual subscr.
Contract Template Builder (Procurement)	\$ 5,000 – annual subscr.
Computer/Laptop/Tablet Replacements	\$110,000 - Annually
Monitor Replacements (for 3 years)	\$ 10,000 - Annually
Backup and Recovery Appliance (financed over 3 years)	\$ 46,515 - 3rd year
Server Replacement (VMWARE) 1 per year	\$ 25,000 one time
GIS Equipment	\$ 30,000 one time
Security Camera Systems Upgrades	\$ 50,000 one time
Digital Plans Review (UD/Fire) Hardware	\$ 10,000 one time
Cradlepoint Wireless Routers for Fire/Building	\$ 4,500 one time
MS Server Licenses to Upgrade from 2012	\$ 22,000 one time
MS Server Client Access Licenses (CALs)	\$ 10,000 one time

# Effect of Millage Rate on \$300,000, \$400,000, \$550,000 and \$600,000 Homestead Residences at 3% increased value limited by consumer price index

## Example Scenarios

		\$300,000			\$400,000		
		FY 2022 Base 3.9500	FY 2023 3.00%	Difference % \$ Amount	FY 2022 Base 3.9500	FY 2023 3.00%	Difference % \$ Amount
Mils	Assessed Value	\$300,000	\$309,000		\$400,000	\$412,000	
	Less Homestead Exemption	\$50,000	\$50,000		\$50,000	\$50,000	
	Net Taxable Value	\$250,000	\$259,000		\$350,000	\$362,000	
	City Millage Rate remains same	3.9500	3.9500	3.60%	3.9500	3.9500	3.43%
	<b>City Ad Valorem Tax</b>	\$988	\$1,023	\$36	\$1,383	\$1,430	\$47

		\$500,000			\$600,000		
		FY 2022 Base 3.9500	FY 2023 3.00%	Difference % \$ Amount	FY 2022 Base 3.9500	FY 2023 3.00%	Difference % \$ Amount
Mils	Assessed Value	\$500,000	\$515,000		\$600,000	\$618,000	
	Less Homestead Exemption	\$50,000	\$50,000		\$50,000	\$50,000	
	Net Taxable Value	\$450,000	\$465,000		\$550,000	\$568,000	
	City Millage Rate remains same	3.9500	3.9500	3.33%	3.9500	3.9500	3.27%
	<b>City Ad Valorem Tax</b>	\$1,778	\$1,837	\$59	\$2,173	\$2,244	\$71



# Effect of Millage Rate on \$700,000, \$800,000, \$900,000 and \$1,000,000 Homestead Residences at 3% increased value limited by consumer price index

## Example Scenarios

		\$700,000			\$800,000		
		FY 2022	FY 2023	Difference	FY 2022	FY 2023	Difference
		Base	3.00%	%	Base	3.00%	%
Mils		3.9500		\$ Amount	3.9500		\$ Amount
	Assessed Value	\$700,000	\$721,000		\$800,000	\$824,000	
	Less Homestead Exemption	\$50,000	\$50,000		\$50,000	\$50,000	
	Net Taxable Value	\$650,000	\$671,000		\$750,000	\$774,000	
	City Millage Rate remains same	3.9500	3.9500	3.23%	3.9500	3.9500	3.20%
	<b>City Ad Valorem Tax</b>	\$2,568	\$2,650	\$83	\$2,963	\$3,057	\$95

		\$900,000			\$1,000,000		
		FY 2022	FY 2023	Difference	FY 2022	FY 2023	Difference
		Base	3.00%	%	Base	3.00%	%
Mils		3.9500		\$ Amount	3.9500		\$ Amount
	Assessed Value	\$900,000	\$927,000		\$1,000,000	\$1,030,000	
	Less Homestead Exemption	\$50,000	\$50,000		\$50,000	\$50,000	
	Net Taxable Value	\$850,000	\$877,000		\$950,000	\$980,000	
	City Millage Rate remains same	3.9500	3.9500	3.18%	3.9500	3.9500	3.16%
	<b>City Ad Valorem Tax</b>	\$3,358	\$3,464	\$107	\$3,753	\$3,871	\$119

