

FY 2025 Budget Status Report and Alternatives

City Council
Meeting
June 19, 2024



Punta Gorda

General Fund

History from FY 2008 to FY 2024

Category	FY 2008	FY 2024	% +/-	Average per year % +/-
Personnel	\$12,294,998	\$21,162,015	72.1%	4.5%
Operating	\$ 4,799,854	\$ 7,065,200	47.2%	3.0%
Total Operations	\$17,094,852	\$28,227,215	65.1%	4.1%



General Fund History Trend

Personnel costs increased 72.1% from FY 2008 to FY 2024

- The City 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.
- As growth has occurred positions have been added, benefits have been increased, and updates to pay plan have been implemented.

Operating costs increased 47.2% in same time period

- The City has significantly reduced costs through operational efficiencies, contract changes and negotiations.
- Increases commodities, contracts and insurance continue to see significant overall increases. Personnel costs and scarcity of resources have contributed to larger than normal increases over the last several years.

City of Punta Gorda Financial Policy

Current financial policies :

- Asset capitalization threshold \$5,000

Discussion:

- Would like to institute a higher threshold for new accounting standard for Subscription Based Information Technology Assets (SBITAs) of \$15,000



General Fund

Assumptions - Revenue

- Estimated 10% increase in revenue using June 3 valuation estimate (Will be adjusted when receive final July 1 valuation)
- Estimated millage rate 3.9500 including transfers of \$709,000 for road resurfacing and bricking program and \$300,000 for drainage program
- Revenue estimates in utility taxes, franchise fees, state revenue sharing, and half cent sales tax (approximately 1-2% over FY 2024 projections which were higher than original budget)
- Updated School Resource Officer revenue for increase in officer pay plan and operating costs

General Fund

Assumptions - Revenue

- 1% increase in Administration charges to other Funds (will be adjusted based on all funds final budgets)
- Awarded COPS Grant for Police Department \$500,000 for four officers over three-year period
- SAFER Grant for Fire Department not included and would need to be appropriated if awarded
- All other revenues - various small adjustments



General Fund

Assumptions - Personnel

- General employees 4% salary (merit) increase; proposed 2% pay adjustment for general employees, excluding police sworn, dispatchers, and fire employees in the fire pension plan; Fire and police per current bargaining contracts
- 9% increase in health insurance
- 15% estimate increase in workers comp
- Fire and Police pension per actuary report
- Re-opened General defined benefit pension plan spread over all funds on active positions
- Defined contribution pension plan reduced amounts for an estimated 40% for one-time election to remain in plan

General Fund

Assumptions - Operating

- Departmental requests - 3% increases except:
 - Council for photography, recognition plaques/gifts and memberships and training
 - HR for compensation study, in-person training, service awards, and materials of on-boarding
 - City Clerk for volunteer ads, rack cards, application cards, recognition and restoration of an ordinance document
 - Finance for increase in other post employment benefit report cost
 - Parks for maintenance of Laishley Park infrastructure moved from CRA

General Fund Assumptions - Operating

- Departmental requests - 3% increases except:
 - Fire for travel for training, uniforms, and emergency management supplies
 - Urban Design for several sign replacements
 - Zoning and Code for travel for training
 - Facilities for additional level of janitorial services on the weekends in parks and Herald Court Centre and services for temporary facilities, additional year of rent for Military Heritage Museum for meetings, surface mount water bottle fillers, increased need for maintenance supplies, and parking garage maintenance moved from CRA

General Fund Assumptions - Operating

- Comprehensive planning studies \$150,000 (per five year plan)
- Study to review and provide possible solutions with planning estimates for each regarding flooding in the historic district \$150,000
- 15% estimated increase in all insurances
- Computer overhead per schedule – General Fund estimated 29%; will be adjusted once all personnel and budgets are finalized
- Rental space for City Council and board meetings FY 2025 and FY 2026
- Operating expenditures at Herald Court Centre FY 2025 and FY 2026



General Fund Assumptions - Transfers

- No CRA transfer due to sunset of district
- No change in transfers for road resurfacing/brick program
- No change in transfers for drainage program
- General Construction projects transfer updated for:
 - \$1,300,000 other considerations decrease
- Transfers to other funds County bridge LED and traffic signal maintenance projects



Capital Outlay Five Year Plan

Capital Outlay Replacement Plan	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029+
	(All figures in thousands of dollars)				
Right of Way:					
2016 mower (6982)	16	0	0	0	0
1988 tilt bed trailer (2350)	11	0	0	0	0
1988 flat bed trailer (2352)	24	0	0	0	0
1989 tilt bed trailer (2396)	0	11	0	0	0
2015 vactor (6969)	0	648	0	0	0
2007 dump truck (5977)	0	298	0	0	0
2002 motor grader (5411)	0	0	91	0	0
2016 F-250 C Cab (6986)	0	0	85	0	0
Parks & Grounds:					
2007 trailer flat bed tandem axle (6818)	7	0	0	0	0
2007 riding mower (6839)	18	0	0	0	0
2010 mower (6862)	18	0	0	0	0
2001 trailer tandem axle low bed (4481)	10	0	0	0	0
2001 Flat Bed Trailer (5001)	5	0	0	0	0
2006 Flat Bed Trailer (5986)	10	0	0	0	0
2014 1 ton pickup truck (6924)	0	57	0	0	0
2006 all-terrain vehicle (5974)	0	20	0	0	0
2017 4x4 pickup truck (6998)	0	45	0	0	0
2014 1/2 ton pickup truck (6927)	0	0	57	0	0
2014 1/2 ton pickup truck (6928)	0	0	48	0	0
2006 mini excavator trackhoe (6801)	0	0	47	0	0
2006 trailer flat bed (5976)	0	0	10	0	0
2015 cargo van (6954)	0	0	0	55	0
2015 1/2 ton pickup truck (6960)	0	0	0	46	0

Capital Outlay Five Year Plan

(Continued from previous slide)

Capital Outlay Replacement Plan	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029+
	(All figures in thousands of dollars)				
Police:					
Police Fleet Replacements (Est. 6 vehicles per year)	0	330	330	330	330
Body & In Car Camera Replacement Program	227	227	227	227	227
Taser Replacement Program	35	35	35	0	0
Mobile & Portable Radio Purchases	86	0	0	0	0
Live Scan Fingerprint System	8	0	0	0	0
Swat Tactical Rifle	9	0	0	0	0
Interview Room System	6	6	6	0	0
Drone Program	5	5	5	0	0
Fire:					
Personal Protective Equipment	12	12	12	12	12
Suppression Equipment	15	15	15	15	15
Medical Equipment	21	42	21	42	21
2016 All wheel drive SUV (6983)	0	0	0	70	0
Code Compliance:					0
2015 king cab pickup truck (6953)	30	0	0	0	0
2015 king cab pickup truck (6956)	30	0	0	0	0
TOTAL	\$603	\$1,751	\$989	\$797	\$605
Revised annual level Capital Outlay reserve	940	1,300	940	940	940
Capital Outlay Reserve - Beg	170	507	56	7	150
Capital Outlay Reserve - End	\$507	\$56	\$7	\$150	\$485
* FY 2024- FY 2028 budgeted capital outlay plan annual level of funding was \$892 average					
Planned Use of Operating Reserves for equipment for planned new positions through FY 2026	\$293	\$164	\$0	\$0	\$0

Service Level Enhancements

- Per Five Year Plan
- Except for:
 - Human Resources (1) administrative assistant
 - Police add (4) officer positions and a senior dispatcher
 - Zoning/Code position had been moved from FY 2024 to FY 2025
- Fire has applied for grant for (9) firefighter positions- approved by Council. Will be added to budget if awarded



Five Year Planning – Personnel Requests

FY 2022 Original 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	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
		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

Staffing Plan Justifications

- Human Resources – Admin Assistant (1 FTE) \$ 71,575
 - Demands of HR have grown considerably
 - Position would be responsible for overall administrative duties of the division and man the office when other staff are busy with interviews, job fairs, meetings, etc
 - Annual costs approximately \$68,575, one-time costs \$3,000 for computer and workstation

- Procurement – Purchasing Agent I (1 FTE) \$ 76,010
 - Increase in large and complex projects, increase in number of contracts to manage, more annual IT subscription contracts
 - Position will manage smaller dollar contracts and enable higher level staff to work on larger projects; will help in expediting requisition processing
 - Annual costs approximately \$73,010, one-time costs \$3,000 for computer and workstation

Staffing Plan Justifications

- Right of Way – Crew Chief (1 FTE) \$ 89,020
 - Position to oversee various functions and help with workload due to increased demands caused by aging infrastructure
 - Annual costs approximately \$86,020, one-time costs \$3,000 for computer, phone

- Police – Senior Dispatcher (1 FTE) \$101,640
 - Increased call volume
 - Annual costs approximately \$98,640, one-time costs \$3,000 for computer equipment

Staffing Plan Justifications

- Police – Police Officers (4 FTE) \$ 708,560
 - Provide marine patrol seven days a week
 - Provide a dedicated officer for traffic enforcement
 - Provide additional officers to cover vacations, training, FMLA leaves, and vacancies
 - Per Officer annual costs approximately \$112,140, one-time costs \$65,000 for vehicle and equipment

- Zoning and Code – Code Compliance Officer (1 FTE) \$ 78,960
 - Increase in service for new construction, multi-family and commercial projects, and annexations
 - Provide more proactive communication with citizens and addressing violations prior to receiving complaints
 - Annual costs approximately \$75,960, one-time costs \$3,000 for computer and workstation

Staffing Plan Justifications

- Facilities – Maintenance Worker I (1 FTE) \$ 121,655
 - Help provide more preventive maintenance and more technical jobs for servicing buildings, elevators, generators, lighting, parking garage, and restrooms
 - Annual costs approximately \$73,655, one-time costs \$48,000 for vehicle, computer, and phone



Staffing Plan Justifications

Applied for SAFER Grant – Would need to be appropriated in FY 2025 if awarded

- Fire - Firefighter/EMTs (9 FTE) \$ 893,170
 - Allow department to meet National Fire Protection Association 1710 standards for staffing requirements on fire apparatus
 - Also help meet current staffing needs due to injuries, sick leave or vacation thereby reducing unscheduled overtime costs
 - Per Firefighter annual costs approximately \$93,885, one-time costs \$5,360
- Note: Grant application submitted; would need to appropriate grant award for personnel and use of reserves for bunker gear

General Fund Summary

	Long Range Plan	06/19/24
Revenues	\$ 33,260,330	\$34,502,230
Use of Reserves-Ops	651,375	504,755
Less:		
Expenditures	<u>(\$33,911,705)</u>	<u>(\$35,006,985)</u>
(Gap)/Surplus	\$ 0	\$ 0



General Fund Comparison FY 2024 to FY 2025

Category	FY 2024	FY 2025	% +/-
Personnel	\$21,162,015	\$24,065,100	13.7%
Operating	\$ 7,065,200	\$ 8,344,885	18.1%
Total Operations	\$28,227,215	\$32,409,985	14.8%



General Fund

	Projected FY 2024	Proposed FY 2025	Proforma FY 2026	Proforma FY 2027	Proforma FY 2028	Proforma FY 2029
Ad Valorem Tax Revenue	\$ 17,352,105	\$ 19,154,810	\$ 20,112,550	\$ 21,118,175	\$ 22,174,085	\$ 23,282,790
Other Revenues	39,180,380	15,347,420	15,515,840	15,469,400	15,632,610	15,799,235
Use of Reserves						
Estimated Revenues	56,532,485	34,502,230	35,628,390	36,587,575	37,806,695	39,082,025
Personnel	19,577,615	24,065,100	25,203,750	26,310,880	27,470,770	28,686,115
FY 2026 planned positions	0	0	338,995	354,705	371,170	388,430
Operating	7,943,455	8,344,885	8,260,675	8,442,135	8,698,390	8,963,325
FY 2026 planned positions	0	0	4,000	4,120	4,245	4,370
Capital Outlay (net)	2,964,885	896,000	1,751,000	989,000	940,000	940,000
FY 2026 planned positions	0	0	164,000	0	0	0
Transfer to CRA for TIF	1,306,704	0	0	0	0	0
Transfer to Other Funds	48,579,406	187,000	0	0	0	0
Transfer for Paving	709,000	709,000	709,000	709,000	709,000	709,000
Transfer for Drainage	300,000	300,000	300,000	300,000	300,000	300,000
Transfer for Capital Projects	754,000	505,000	580,000	255,000	255,000	255,000
Funding-Infrastructure or Considerations	1,500,000	0	0	0	0	0
Estimated Expenditures	83,635,065	35,006,985	37,311,420	37,364,840	38,748,575	40,246,240
Revenues over (under) expenditures	(27,102,580)	(504,755)	(1,683,030)	(777,265)	(941,880)	(1,164,215)
Projected Carryover-Beginning	39,536,737	12,515,157	11,682,402	10,450,372	9,722,107	8,787,227
Capital Outlay Reserve	260,000	179,000	507,000	56,000	7,000	
Capital Outlay Reserve	\$ 179,000	\$ 507,000	\$ 56,000	\$ 7,000		
Projected Carryover-End	\$ 12,515,157	\$ 11,682,402	\$ 10,450,372	\$ 9,722,107	\$ 8,787,227	\$ 7,623,012
Reserve percentage		33.4%	28.0%	26.0%	22.7%	18.9%
Minimum Operating Reserve 16.7%		\$ 5,846,200	\$ 6,231,100	\$ 6,240,000	\$ 6,471,100	\$ 6,721,200

FY 2025 Considerations

- Final Valuation to be received July 1
- State estimates are not provided until July/Aug and required to budget 95%-100%
- If MAC grant approved, revenue and expenditure will be added to General Fund budget
- Fire bargaining unit in negotiations
- If SAFER grant not awarded; City would reapply next year
- Discussion to fund Cost of Living Adjustments (COLA) for retirees of all three defined benefit pension plans

FY 2025 Considerations

- Concern regarding continued increase in costs due to inflation, supply chain, demand for commodities, fuel prices etc.
- Uncertainty of economic forecasts and inflation
- Continue to review for funding of priority CIP projects



Lot Mowing



Lot Mowing Assessment

- Proposed assessment of \$285 (3.6% increase)
 - Number of lots in program decreasing as building continues (1,362 lots)
 - Certain costs of program remain fixed despite number of lots decreasing
 - FY 2025 estimated contract increase at 15% due to current economic environment
 - Personnel salaries budgeted to increase per proposed pay plan
 - 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

- Project requests were prioritized:

Computer/Laptop/Tablet Replacements	\$158,275 – Annually
Monitor Replacements (for 3 years)	\$ 10,500 - Annually
Patch Management System for City servers	\$ 25,000 – annual subscr.
Backup and Disaster Recovery for O365 environment	\$ 30,000 – annual subscr.
CIS Intrusion Detection System	\$ 30,000 – annual subscr.
E-procurement system	\$ 30,000 – annual subscr.
Report storage system	\$ 18,000 – annual subscr.
PowerDMS Enterprise	\$ 26,000 – annual subscr.
Website hosting	\$ 10,000 – annual subscr.
CIP form management	\$ 15,000 – annual subscr.
Tenable ATM, Enterprise and proof point	\$ 24,500 – annual subscr.
DLP Solution and Fortimanager	\$ 35,000 – annual subscr.
IPAM Solution and Penetration testing	\$ 29,600 – annual subscr.
HR Software (ADA and Onboarding)	\$ 35,000 – annual subscr.

Information Technology Fund

- Project requests were prioritized:

Replace Win OS 1909 Computers (9)	\$ 10,800 one time
Replace 20 year old server room UPS	\$ 25,000 one time
Purchase (3) additional Starlink units	\$ 16,500 one time
Server Replacement (VMWARE) 1 per year	\$ 26,250 one time
GIS Equipment	\$ 20,000 one time
ISP Agreggation Switch	\$ 3,000 one time
Security Camera Systems Upgrades	\$ 60,000 one time
Consulting support for O365	\$ 30,000 one-time
Balance Pure Arrays and upgrad to NVME	\$ 57,000 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 2024	FY 2025	Difference	FY 2024	FY 2025	Difference
		Base	3.00%	%	Base	3.00%	%
Mils		3.9500		\$ Amount	3.9500		\$ Amount
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%
City Ad Valorem Tax		\$988	\$1,023	\$36	\$1,383	\$1,430	\$47

		\$500,000			\$600,000		
		FY 2024	FY 2025	Difference	FY 2024	FY 2025	Difference
		Base	3.00%	%	Base	3.00%	%
Mils		3.9500		\$ Amount	3.9500		\$ Amount
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%
City Ad Valorem Tax		\$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 2024	FY 2025	Difference	FY 2024	FY 2025	Difference
		Base	3.00%	%	Base	3.00%	%
		3.9500		\$ Amount	3.9500		\$ Amount
Mils	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%
	City Ad Valorem Tax	\$2,568	\$2,650	\$83	\$2,963	\$3,057	\$95

		\$900,000			\$1,000,000		
		FY 2024	FY 2025	Difference	FY 2024	FY 2025	Difference
		Base	3.00%	%	Base	3.00%	%
		3.9500		\$ Amount	3.9500		\$ Amount
Mils	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%
	City Ad Valorem Tax	\$3,358	\$3,464	\$107	\$3,753	\$3,871	\$119

