



CITY OF PUNTA GORDA
OFFICE OF THE CITY MANAGER
INTEROFFICE MEMORANDUM

To: City Council Members
From: Gregory R. Murray, City Manager
Date: October 19, 2024
Subject: FY 2025 Adopted Budget

Members of City Council,

For final verification and as required notification, the adopted millage rate for FY 2025 is 3.9500 mills, the same as used to fund the proposed budget and that was presented at public hearing. This rate has not increased from the prior fiscal year.

The final adopted budget approved September 18, 2024 was \$182,762,397. Net of interfund transfers, the approved budget is \$163,113,081. This is an overall reduction of \$60,930,894 from the FY 2024 budget (\$7,068,671 reduction net of interfund transfers).

Although the total budgets remained the same as the proposed budget submitted August 15, 2024, there were some slight changes made in the general fund. They included \$20,000 for Charlotte Harbor Environmental Center contribution, \$52,000 for adding two pickleball courts and resurfacing of all pickleball, tennis, and basketball courts, and \$10,500 for adding landscaping at the pickleball courts. These reduced the contingency that had been set aside for unresolved issues identified in the proposed budget message.

At the final budget hearing, I discussed with Council that the Police Chief proposed a change that would offset those expenditures. This plan would include reducing two of the approved police officers and substituting a lieutenant position. A budget amendment in the new year will be brought to Council in order that all the categories of expenditure can be properly updated for the change.

The Strategic Plan for 2025 was adopted on August 21, 2024. It details specific initiatives, staffing considerations, and long-range operating plans that impact our budget and the City. Fiscal year 2025 focuses on continuing to work through hurricane recovery and long-term planning for infrastructure with necessary funding, along with long-term growth management. The plan is vitally important to keep the City fiscally sound to be able to weather the next hurricane or other disaster. There are listening sessions for public input scheduled for early 2025 to relay to Council

and realign our goals and objectives moving into the next five-year cycle. This is the guiding document that drives my goals and initiatives.

The Utilities water treatment plant and well field expansion project costs have increased \$7.3 million. The department has applied for two grants at this time and continues to look for other grant opportunities. The rate study scheduled to begin soon will look at all projects, impact fees, and financing.

Negotiations with the firefighter bargaining unit have been ongoing and we have now reached an agreement that will be brought to Council for approval. That is one of the unbudgeted costs that we plan for in use of excess reserves created by existing and planned revenues.

In the last two years we have endured five hurricanes. Ian two years ago, Idalia a little more than a year ago, Debby this year (that didn't even rate a State of Emergency at the County or City level but then caused unexpected impacts), and now the City and State have been working under a State of Emergency due to two major hurricanes: Hurricane Helene at the end of September and Hurricane Milton in early October. Although Hurricane Helene made landfall in the Big Bend area of Florida, it brought unprecedented and unexpected storm surge and flooding to the City of Punta Gorda, Charlotte County, and other areas of Southwest Florida. Less than a week later the City and all of Southwest Florida was bracing for another major hurricane predicted to bring higher levels of storm surge and flooding. The impacts from Hurricane Milton were even more severe. We have a very dedicated employee base working hard through the recovery process, and we will continue to work through the challenges created by the storms, and the unknown budgetary impacts that they may cause.

Thank you for the effort expended on the adopted FY 2025 budget. We have a good plan in place and continue to address emerging challenges. I look forward to continuing our progress as we move forward.