



CITY OF SANIBEL

Fiscal Year 2023 Budget Presentation

Updated Draft Budget

August 30, 2022



Budget Workshop Overview

- ▶ Presentation on proposed FY2023 Budget
- ▶ Questions and discussion – City Council
- ▶ Public Comment
- ▶ Consensus on Final operating millage rate for the General Fund



Budget Schedule

- ▶ July 19, 2022 – City Council Meeting to Set Preliminary Rate and Review Draft Budget
- ▶ August 30, 2022 – City Council Budget Workshop
- ▶ September 12, 2022 – First Budget Hearing @ 5:01 p.m.
- ▶ September 28, 2022 – Final Budget Hearing @ 5:01 p.m.



General Budget Timeline

- ▶ Annual Budget process begins in April
 - ▶ Directors determine requests
 - ▶ Revenues estimated
 - ▶ City Manager and Finance Director review
- ▶ Draft budget document produced for Council at July meeting
 - ▶ Tentative millage rate adopted
- ▶ Estimated revenues and expenditures updated in August
 - ▶ Two budget hearings in September
- ▶ Budget required to be adopted for subsequent fiscal year by September 30



Budget Preparation and Development

- ▶ Florida State Law requires a balanced budget (Chapter 166, Section 241(2))

Beginning balance from prior year

+ Expected revenues in current year =

Expected expenditures and uses funds

+ Reserves and fund balance

- ▶ Sources = Uses



Budget Preparation and Development

- ▶ An important aspect of budget preparation is the development of current year (year prior to budget year) estimated revenues and expenditures
- ▶ Determines beginning sources of funds (beginning fund balance) for budget year
- ▶ Estimates are developed in May/June for July budget document
- ▶ Reviewed and updated in August
- ▶ Changes to estimates directly affect the budget year
 - ▶ Beginning Fund Balance



Budget Overview

- ▶ Total operating revenues are budgeted to increase 9.1% over the adopted Fiscal Year 2022 budget (*with a 1.8922 operating millage rate*)
 - ▶ \$45.5 million Fiscal Year 2023 compared to \$41.6 million in Fiscal Year 2022
- ▶ Total operating expenses are budgeted to increase 8.6% over the adopted Fiscal Year 2022 budget
- ▶ Total capital expenses are budgeted to increase 23.1% over the adopted Fiscal Year 2022 budget

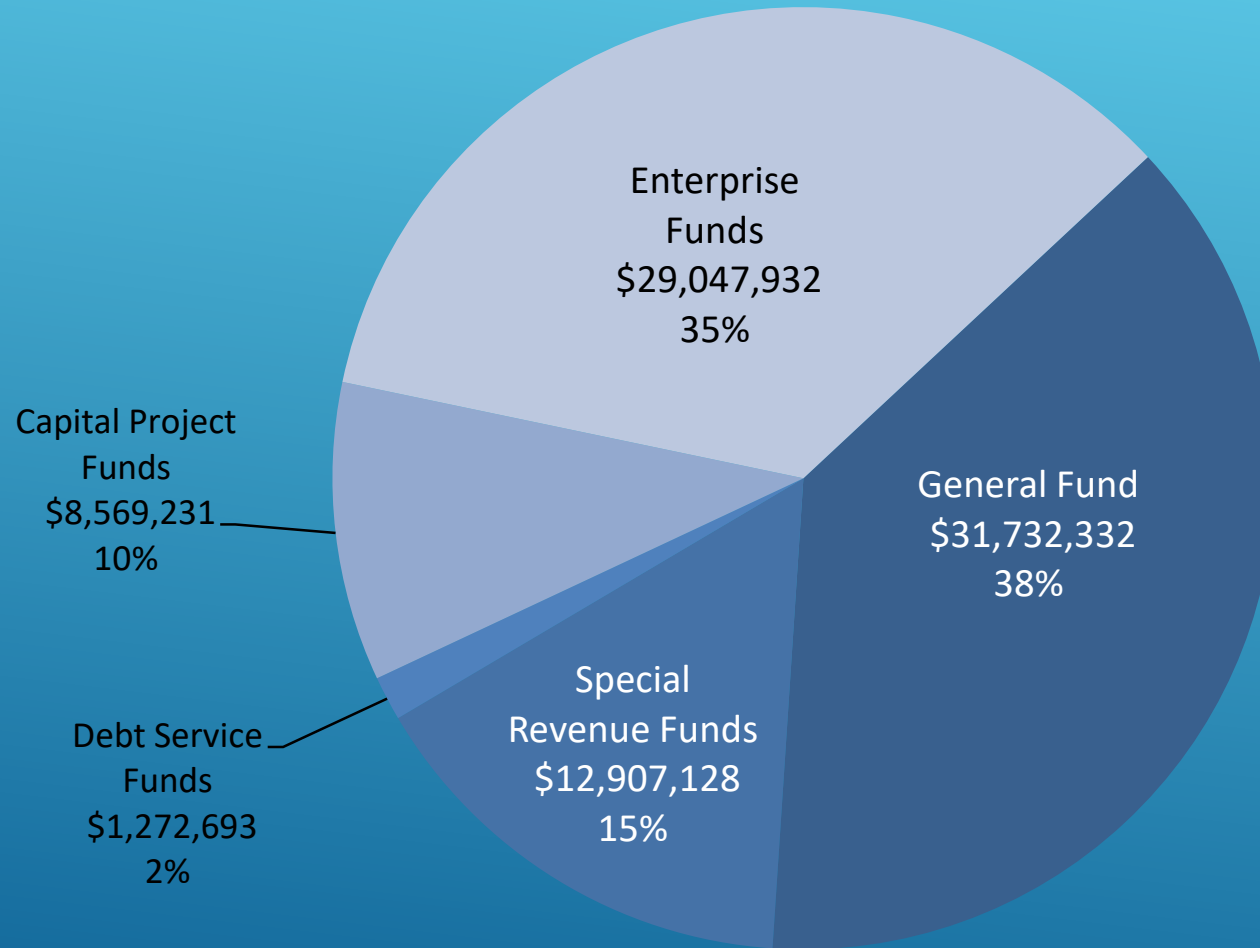


Budget Overview – Updated Draft Budget

Uses of Funds	FY 2023	FY 2022	
		as Adopted	as Amended
Governmental Funds			
Operating	\$ 24,616,563	\$ 22,702,312	\$ 23,122,409
Capital	6,485,668	5,981,802	7,227,828
Transfers to Other Funds	5,201,387	4,353,274	4,923,367
Debt Service	1,243,415	1,503,828	1,503,828
Reserves/Ending Fund Balance	16,934,351	15,178,913	16,314,533
Total Governmental Funds	54,481,384	49,720,129	53,091,965
Enterprise Funds			
Operating	12,143,720	11,163,307	11,496,832
Capital	8,284,916	6,019,702	13,609,944
Debt Service	2,591,891	2,591,891	2,591,891
Transfers to Other Funds	656,697	639,101	639,101
Reserves/Ending Fund Balance	5,370,708	6,577,023	5,144,699
Total Enterprise Funds	29,047,932	26,991,024	33,482,467
Total Budget	\$ 83,529,316	\$ 76,711,153	\$ 86,574,432
	8.89%	Compared to FY2022 adopted budget	
	(3.52%)	Compared to FY2022 amended budget	



Budget Overview – Updated Draft Budget





Property Valuation and Millage

- ▶ Property values increased 13.2% from 2021 tax year (fiscal year 2022)
- ▶ Historical high of \$6,357,621,055
- ▶ Budget prepared at 1.8922 operating millage rate – same operating as adopted for 2022
 - ▶ Additional \$1.4 million to the General Fund (@ 97% collection)
- ▶ Preliminary Millage Rate of 1.9750 approved at July Meeting
 - ▶ Additional \$1.9 million to the General Fund (@ 97% collection)



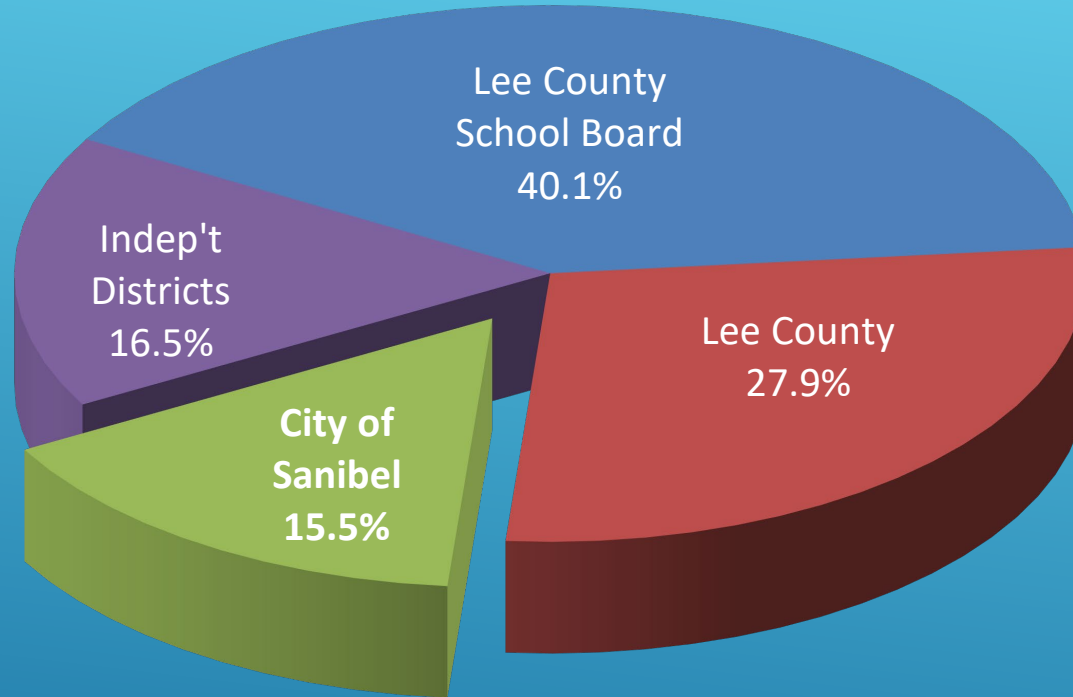
Property Valuation and Millage

- ▶ Operating Millage Rate – 1.8922 (same as prior year)
- ▶ Sewer System Voted Debt Millage – 0.1303
- ▶ Recreation Center Voted Debt Millage – 0.1029

- ▶ Total Aggregate Millage Rate – 2.0695
- ▶ Decrease of 4.1% from prior year total aggregate millage
 - ▶ Land Acquisition Voted Debt Matured



Proposed Millage Rates (Subject to September Hearings)



<u>Taxing Authority</u>	<u>Millage</u>	<u>Percent</u>	<u>Avg. Taxes</u>
Lee County School Board	5.5570	40.1%	\$ 4,217
Lee County	3.8623	27.9%	2,931
City of Sanibel	2.1523	15.5%	1,633
Indep't Districts	2.2808	16.5%	1,731
TOTAL:	<u>13.8524</u>	<u>100.0%</u>	<u>\$ 10,512</u>

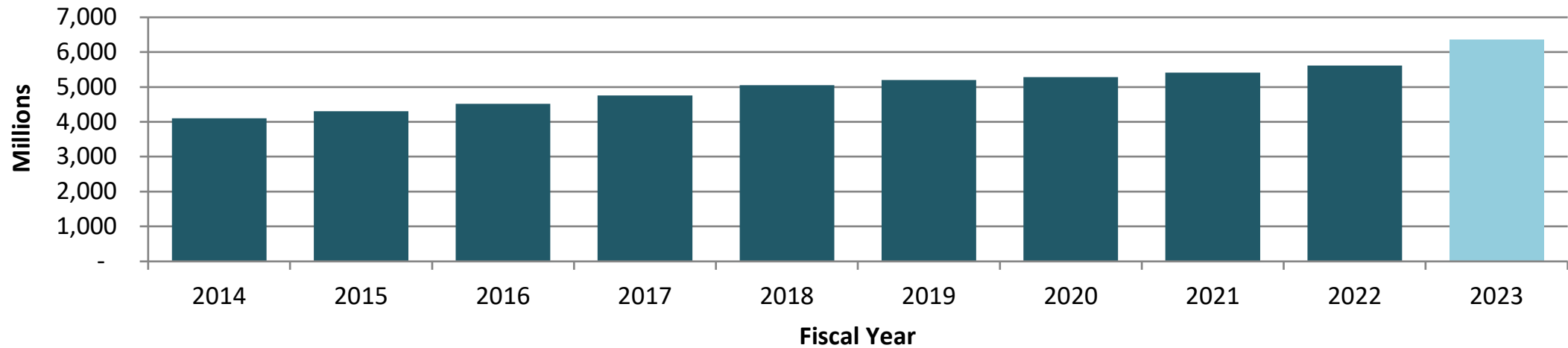
2022 Estimated Average Residential Taxable Value	\$ 758,928
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Property Valuation and Millage

Historical Property Values

FY 2014-2022 Post Value Adjustment Board Results - FY 2023 Preliminary





Property Valuation and Millage

	Actual Fiscal Year 2022	Budgeted		Preliminary Millage Rate	
Property Taxes*					
Operating - Millage rate of 1.8922 for both years	\$ 1,267.92	\$ 1,436.04	\$ 168.12	\$ -	\$ -
Operating - Millage rate of 1.9750 for 2023	-	-	-	1,498.88	230.96
Voted Debt - Sewer System	87.31	65.12	(22.19)	65.12	(22.19)
Voted Debt - Recreation Center	68.95	69.44	0.49	69.44	0.49
Voted Debt - Land Acquisition	22.11	-	(22.11)	-	(22.11)
	1,446.29	1,570.60	124.31	1,633.44	187.15
Solid Waste					
Residential Curbside (Annual)	328.39	353.86	25.47	353.86	25.47
Sewer Service (3.0% Increase)					
Residential (Per Quarter)	204.42	210.55		210.55	
Residential (Annual)	817.68	842.20	24.52	842.20	24.52
Total Average Household Annual Increase			\$ 174.30		\$ 237.14

* Based on estimated average taxable value of \$758,928 in calendar year 2022

Mills	Dollars in Budget	Cost to taxpayer per \$100,000 of Property Value
0.1000	\$ 635,762	\$10.00
0.0100	\$ 63,576	\$1.00
0.0010	\$ 6,358	\$0.10
Additional		
Budget Dollars	Millage	
\$ 1,000,000 =	0.1573	
\$ 100,000 =	0.0157	
\$ 10,000 =	0.0016	



Reserves – Total City and General Fund

Total City	FY 2023	FY 2022		
		Adopted	Amended	Estimated Usage
Contingencies	\$ 400,000	\$ 175,000	\$ 175,000	\$ -
Environmental Initiatives	1,000,000	1,000,000	1,000,000	-
Insurance Deductibles	-	215,000	215,000	-
Disaster (General)	4,500,000	4,500,000	4,500,000	-
Disaster (Sewer)	1,000,000	1,000,000	1,000,000	-
Stabilization Reserve (BP)	750,000	750,000	750,000	-
Cash Flow Reserve	2,720,927	2,536,951	2,536,951	-
Ending Fund Balance	11,934,132	11,578,985	11,282,281	-
Total Reserves	\$ 22,305,059	\$ 21,755,936	\$ 21,459,232	\$ -

General Fund Reserves	FY 2023	FY 2022		
		Adopted	Amended	Estimated Usage
Contingencies	\$ 400,000	\$ 175,000	\$ 175,000	\$ -
Environmental Initiatives	1,000,000	1,000,000	1,000,000	-
Insurance Deductibles	-	215,000	215,000	-
Disasters	4,500,000	4,500,000	4,500,000	-
Cash Flow Reserve	2,720,927	2,536,951	2,536,951	-
Ending Fund Balance	2,103,988	1,434,129	2,705,523	-
General Fund Reserves	\$ 10,724,915	\$ 9,861,080	\$ 11,132,474	\$ -



Salaries and Personnel

- ▶ Updated DRAFT budget includes negotiated salary increases
- ▶ Overall healthcare premium increase of 9.1% included in budget
- ▶ Budget includes changes related to ongoing reclassifications and reorganizations
 - ▶ Overall net increase of 4.45 FTE (Full-time Equivalent)
 - ▶ General Fund net increase of 0.10 FTE



Salaries and Personnel

Position	Fund/Dept	Total Salary &	
		FTE	Benefits
Paralegal (PT)	GF - Legal	(0.75)	(59,385.00)
Paralegal	GF - Legal	0.50	45,477.00
Paralegal	GF - Legislative	0.50	45,477.00
Support Services Assistant	GF - Legislative	(1.00)	(70,040.00)
Asst to CM for Legislation, Policy and Comm Affairs	GF - Legislative	(1.00)	(107,313.00)
Public Information Officer/Grants Manager	GF - Administrative Services	1.00	107,313.00
Deputy City Manager/CFO	GF - Administrative Services	1.00	228,990.00
Finance Director	GF - Finance	(1.00)	(191,293.00)
Accounting Operations Manager	GF - Finance	(1.00)	(110,276.00)
Deputy Finance Director	GF - Finance	1.00	149,460.00
Community Services Director	GF - Planning	(0.20)	(52,917.00)
Planning Director	GF - Planning	1.00	201,190.00
Planner	GF - Planning	(3.00)	(273,000.00)
Principal Planner	GF - Planning	1.00	99,750.00
Senior Planner	GF - Planning	1.00	107,500.00
Community Services Director	GF - Public Works	(0.20)	(52,917.00)
Public Works Director	GF - Public Works	0.25	46,812.00
Dispatcher	GF - Police	1.00	65,385.00
TOTAL - GENERAL FUND		0.10	180,213.00

Position	Fund/Dept	Total Salary &	
		FTE	Benefits
Public Works Director	SR - Transportation	0.25	46,812.00
Community Services Director	SR - Building	(0.20)	(52,917.00)
Building Inspector (PT)	SR - Building	(0.80)	(52,000.00)
Building Inspector	SR - Building	1.00	80,000.00
Facility Maintenance Manager	SR - Recreation	(1.00)	(82,525.00)
Deputy Recreation Director	SR - Recreation	1.00	147,292.00
TOTAL - SPECIAL REVENUE FUNDS		0.25	86,662.00
Deputy Director of Utilities	SW - Sewer	1.00	147,292.00
Public Works Director	SW - Sewer	0.25	46,812.00
Community Services Director	SW - Sewer	(0.20)	(52,917.00)
TOTAL - SEWER FUND		1.05	141,187.00
Community Services Director	BP - Public Works	(0.20)	(52,917.00)
Public Works Director	BP - Public Works	0.25	46,812.00
Beach Rangers (Funding previously approved)	BP - Police	5.00	N/A
Police Aide	BP - Police	2.00	110,140.00
Resilience & Sustainability Coordinator	BP - Natural Resources	1.00	100,970.00
TOTAL - BEACH PARKING FUND		8.05	205,005.00
FY2022 BEACH RANGERS ALREADY APPROVED		(5.00)	-
TOTAL - CITY WIDE		4.45	613,067.00



Salaries and Personnel

▶ Pension Funding

▶ General Pension

- ▶ Budget includes \$400,000 City contribution (actuarially calculated minimum contribution is \$77,000 for City portion)
- ▶ Prior year was \$865,000 (actuarially calculated minimum contribution was \$637,500 for City portion)
- ▶ As of 09/30/2021, the GE plan was 108.8% funded



Salaries and Personnel

▶ Pension Funding

▶ Police Pension

- ▶ Budget includes \$1.5 million City contribution (actuarially calculated minimum contribution)
- ▶ Prior year was \$2.1 million (actuarially calculated minimum contribution)
- ▶ As of 09/30/2021, the Police plan was 85.6% funded



Salaries and Personnel

Fund/Function/Department	Compensation					Fringe Benefits					Total Personnel Budget
	Full-time Positions	Part-time Positions	Compensation Adjustments	Overtime	Special Pay	Payroll Taxes	Retirement	Health Insurance		Worker's Compensation	
								Employee	Dependents		
GOVERNMENTAL FUNDS											
Total General Fund	6,291,104	185,216	365,821	395,468	291,498	575,977	1,123,869	899,392	496,211	143,805	10,768,361
Transportation Fund	561,811	-	31,890	75,000	19,022	52,611	60,248	113,729	43,501	74,327	1,032,139
Building Department Fund	600,471	41,600	36,731	30,000	3,600	54,499	64,421	87,440	43,113	6,948	968,823
Total Recreation Fund	816,419	646,923	81,444	13,000	11,500	120,050	88,474	129,750	39,485	45,110	1,992,155
TOTAL GOVERNMENTAL FUNDS	\$ 8,269,805	\$ 873,739	515,886	\$ 513,468	\$ 325,620	\$ 803,137	\$ 1,337,012	\$ 1,230,311	\$ 622,310	\$ 270,190	14,761,478
ENTERPRISE FUNDS											
Sanibel Sewer System	\$ 1,311,159	\$ 71,007	77,659	\$ 190,000	\$ 44,590	129,623	\$ 116,485	197,446	116,726	2,390	\$ 2,257,085
Total Beach Parking Fund	1,784,048	196,801	114,698	139,348	64,556	175,908	219,459	338,794	116,904	120,435	3,270,951
TOTAL ENTERPRISE FUNDS	\$ 3,095,207	\$ 267,808	\$ 192,357	\$ 329,348	\$ 109,146	\$ 305,531	\$ 335,944	\$ 536,240	\$ 233,630	\$ 122,825	\$ 5,528,036
CITY-WIDE GRAND TOTAL	\$11,365,012	\$ 1,141,547	\$ 708,243	\$ 842,816	\$ 434,766	\$ 1,108,668	\$ 1,672,956	\$ 1,766,551	\$ 855,940	\$ 393,015	\$20,289,514

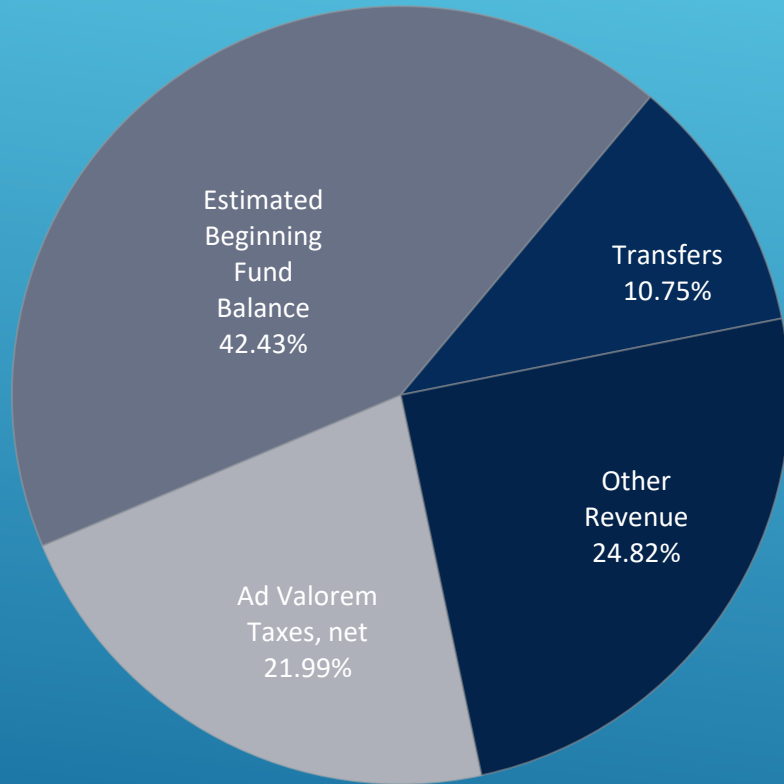


Governmental Funds Budget

- ▶ General Fund
 - ▶ Main operating fund of the City
- ▶ Special Revenue Funds
 - ▶ Funds restricted for a specified purpose
- ▶ Debt Service Funds
 - ▶ Funds acquired and used for debt service
- ▶ Capital Projects Funds
 - ▶ Used to acquire or construct capital assets



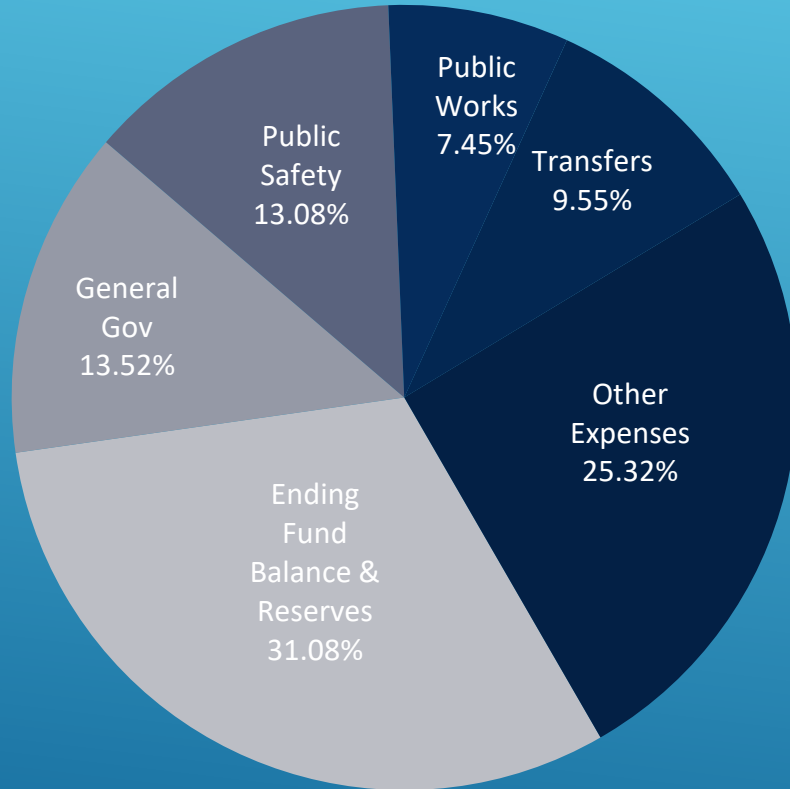
Governmental Funds Budget - Sources of Funds



GOVERNMENTAL FUNDS		
Sources of Funds	Amount	% Total
Est . Beginning Fund Balance	\$ 23,118,815	42.43%
Revenue		
Ad Valorem Taxes, net		
Operating	11,428,396	20.98%
Voted Debt Service	552,636	1.01%
Other Taxes	1,653,475	3.03%
Licenses & Permits	2,247,838	4.13%
Intergovernmental Revenue	5,667,162	10.40%
Charges for Services	3,382,614	6.21%
Fines & Forfeitures	42,500	0.08%
Miscellaneous Revenue	529,864	0.97%
Transfers from Other Funds	5,858,084	10.75%
Total Revenue	31,362,569	100.00%
Total Sources of Fund	\$ 54,481,384	



Governmental Funds Budget - Uses of Funds



GOVERNMENTAL FUNDS		
Uses of Funds	Amount	% Total
Operating Expenses		
General Government	\$ 7,364,800	13.52%
Public Safety	7,128,750	13.08%
Physical Environment	745,429	1.37%
Public Works	1,614,876	2.96%
Transportation	4,057,614	7.45%
Economic Environment	430,777	0.79%
Culture & Recreation	3,274,317	6.01%
Total	24,616,563	45.18%
Capital Outlay	6,485,668	11.90%
Budgeted Reserves	5,900,000	10.83%
Debt Service	1,243,415	2.28%
Transfers to Other Funds	5,201,387	9.55%
Estimated Ending Fund Balance	11,034,351	20.25%
Total Uses of Funds	\$ 54,481,384	100.00%



Governmental Funds Budget – Special Revenue

Sources of Funds	FY 2023	FY 2022	
		as Adopted	as Amended
Beginning Fund Balance	\$ 5,579,915	\$ 4,388,838	\$ 5,018,878
Operating Revenues	4,400,250	4,728,378	4,726,529
Other Financing Sources	2,926,963	2,448,146	2,467,142
Total Budget	\$ 12,907,128	\$ 11,565,362	\$ 12,212,549

Uses of Funds	FY 2023	FY 2022	
		as Adopted	as Amended
Operating Expenditures	\$ 8,611,109	\$ 7,779,072	\$ 8,122,644
Capital Expenditures	200,000	675,000	775,550
Ending Fund Balance	3,897,529	3,111,290	3,057,844
Total Budget	\$ 12,907,128	\$ 11,565,362	\$ 12,212,549



Governmental Funds Budget – Gas Tax

- ▶ Transportation Operating Fund – Special Revenue Fund
 - ▶ Current interlocal agreement with Lee County provides the City with a 3.5% distribution of two local gas tax options
 - ▶ Current agreement expires on December 31, 2022
 - ▶ Proposed agreement from Lee County reduces the City's distribution to 1.35% beginning January 1, 2022
 - ▶ Budget reflects the reduction of revenue in the Transportation Operating Fund (intergovernmental revenue)
 - ▶ Approximately \$600,000 in Fiscal Year 2022
 - ▶ Annual approximate reduction of \$800,000 in gas tax revenue



Governmental Funds Budget – Capital Project Funds

- ▶ Capital Project Funds
 - ▶ \$8,569,231 Sources and Uses of Funds
 - ▶ \$6.0 million beginning fund balance
 - ▶ \$1.5 million transfers in from other funds
 - ▶ \$6.3 million total expenditures
 - ▶ \$2.3 million ending fund balance
- ▶ \$3.9 million carry forward from Fiscal Year 2022
- ▶ \$2.6 million in new funding requested
 - ▶ Includes \$200,000 in Building Fund projects



Enterprise Funds Budget

- ▶ Sanibel Sewer System

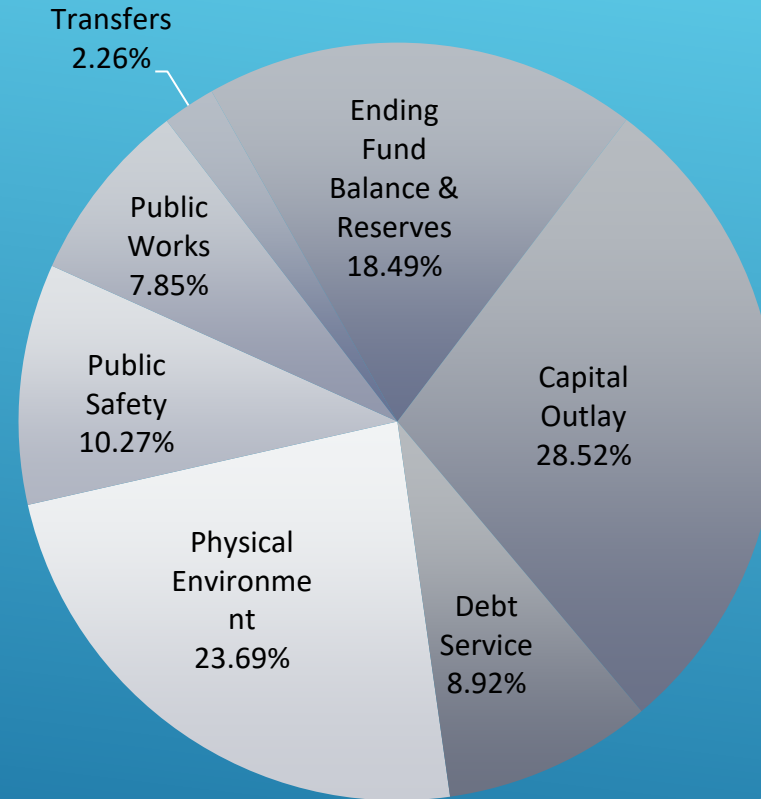
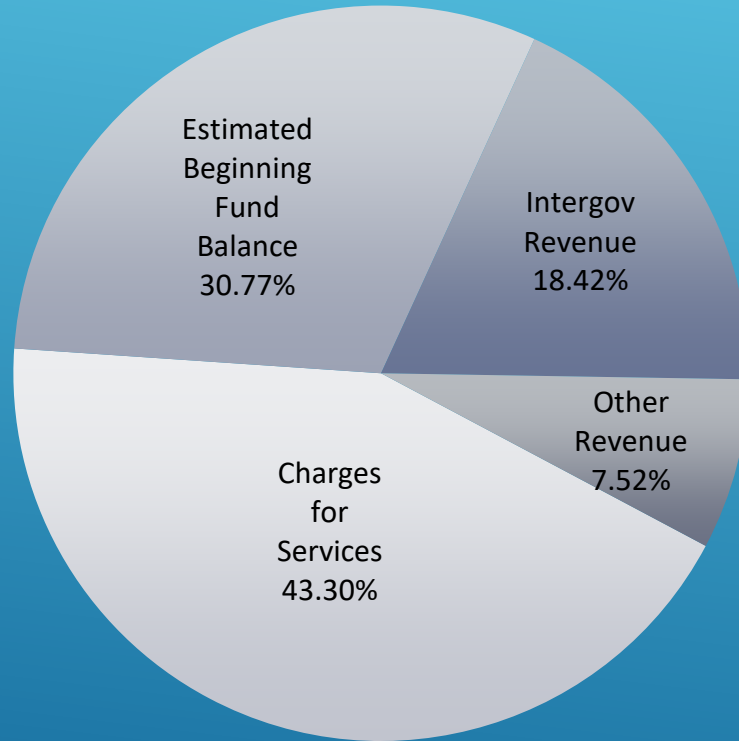
- ▶ Provides sanitary sewer service to the City's residents

- ▶ Beach Parking Fund

- ▶ Accounts for revenues and expenses related to the City's beach parks



Enterprise Funds Budget – Sources and Uses





Final Operating Millage Rate for the General Fund

- City Council is asked to provide staff with consensus direction to establish the final operating millage rate for the General Fund.
- Tables provided in the following slides.
- Final millage rate cannot be above 1.9750



Fund Balance Comparisons

Table 1: Operating Millage Rate of 1.8922

	Projected Beginning Fund Balance	Fiscal Year 2023 Revenue	Fiscal Year 2023 Expense	Total Projected Ending Fund Balance & Reserves
General Fund	\$ 11,691,374	\$ 20,040,958	\$ 21,007,417	\$ 10,724,915
Transportation Fund	445,688	3,611,271	4,037,369	19,590
Road Impact Fee	1,638,112	115,000	143,490	1,609,622
Community Park Impact Fee	65,644	10,550	-	76,194
Shell Harbor Dredging	61,171	56,120	65,000	52,291
Sanibel Estates Canal Trimming	22,990	10,025	10,000	23,015
Sanibel Isles/Water Shadows Dredging	172,355	16,249	245	188,359
Building Department Fund	1,992,543	1,310,838	1,699,753	1,603,628
Recreation Fund	982,027	1,854,383	2,721,857	114,553
Recreation Financial Assistance Fund	192,132	19,000	10,000	201,132
Ballfield Maintenance Fund	7,253	323,777	321,885	9,145
Pond Apple Park Debt Service Fund	934	-	934	-
Recreation Facility Debt Service Fund	21,843	558,570	552,568	27,845
Public Safety Capital Lease	(133,550)	400,000	266,367	83
Center 4 Life Debt Service	(104)	425,000	424,480	416
Capital Projects & Acquisitions Fund	806,004	1,073,750	1,848,339	31,415
Transportation Capital Projects	976,035	1,287,078	2,261,924	1,189
Recreation Sinking Fund	1,060,427	235,000	386,605	908,822
Center 4 Life Relocation Capital Project	3,115,937	15,000	1,788,800	1,342,137
Sanibel Sewer System	4,761,326	12,117,854	15,118,221	1,760,959
Beach Parking Fund	4,176,538	7,992,214	8,559,003	3,609,749
Total City	\$ 32,056,679	\$ 51,472,637	\$ 25,852,629	\$ 22,305,059



Fund Balance Comparisons

Table 2: Rolled Back Millage Rate of 1.6792

	Projected Beginning Fund Balance	Fiscal Year 2023 Revenue	Fiscal Year 2023 Expense	Total Projected Ending Fund Balance & Reserves
General Fund	\$ 11,691,374	\$ 18,754,493	\$ 21,007,417	\$ 9,438,450
Transportation Fund	445,688	3,611,271	4,037,369	19,590
Road Impact Fee	1,638,112	115,000	143,490	1,609,622
Community Park Impact Fee	65,644	10,550	-	76,194
Shell Harbor Dredging	61,171	56,120	65,000	52,291
Sanibel Estates Canal Trimming	22,990	10,025	10,000	23,015
Sanibel Isles/Water Shadows Dredging	172,355	16,249	245	188,359
Building Department Fund	1,992,543	1,310,838	1,699,753	1,603,628
Recreation Fund	982,027	1,854,383	2,721,857	114,553
Recreation Financial Assistance Fund	192,132	19,000	10,000	201,132
Ballfield Maintenance Fund	7,253	323,777	321,885	9,145
Pond Apple Park Debt Service Fund	934	-	934	-
Recreation Facility Debt Service Fund	21,843	558,570	552,568	27,845
Public Safety Capital Lease	(133,550)	400,000	266,367	83
Center 4 Life Debt Service	(104)	425,000	424,480	416
Capital Projects & Acquisitions Fund	806,004	1,073,750	1,848,339	31,415
Transportation Capital Projects	976,035	1,287,078	2,261,924	1,189
Recreation Sinking Fund	1,060,427	235,000	386,605	908,822
Center 4 Life Relocation Capital Project	3,115,937	15,000	1,788,800	1,342,137
Sanibel Sewer System	4,761,326	12,117,854	15,118,221	1,760,959
Beach Parking Fund	4,176,538	7,992,214	8,559,003	3,609,749
Total City	\$ 32,056,679	\$ 50,186,172	\$ 25,852,629	\$ 21,018,594



Fund Balance Comparisons

Table 3: Millage Rate of 1.9750

	Projected Beginning Fund Balance	Fiscal Year 2023 Revenue	Fiscal Year 2023 Expense	Total Projected Ending Fund Balance & Reserves
General Fund	\$ 11,691,374	\$ 20,541,049	\$ 21,007,417	\$ 11,225,006
Transportation Fund	445,688	3,611,271	4,037,369	19,590
Road Impact Fee	1,638,112	115,000	143,490	1,609,622
Community Park Impact Fee	65,644	10,550	-	76,194
Shell Harbor Dredging	61,171	56,120	65,000	52,291
Sanibel Estates Canal Trimming	22,990	10,025	10,000	23,015
Sanibel Isles/Water Shadows Dredging	172,355	16,249	245	188,359
Building Department Fund	1,992,543	1,310,838	1,699,753	1,603,628
Recreation Fund	982,027	1,854,383	2,721,857	114,553
Recreation Financial Assistance Fund	192,132	19,000	10,000	201,132
Balfie Id Maintenance Fund	7,253	323,777	321,885	9,145
Pond Apple Park Debt Service Fund	934	-	934	-
Recreation Facility Debt Service Fund	21,843	558,570	552,568	27,845
Public Safety Capital Lease	(133,550)	400,000	266,367	83
Center 4 Life Debt Service	(104)	425,000	424,480	416
Capital Projects & Acquisitions Fund	806,004	1,073,750	1,848,339	31,415
Transportation Capital Projects	976,035	1,287,078	2,261,924	1,189
Recreation Sinking Fund	1,060,427	235,000	386,605	908,822
Center 4 Life Relocation Capital Project	3,115,937	15,000	1,788,800	1,342,137
Sanibel Sewer System	4,761,326	12,117,854	15,118,221	1,760,959
Beach Parking Fund	4,176,538	7,992,214	8,559,003	3,609,749
Total City	\$ 32,056,679	\$ 51,972,728	\$ 25,852,629	\$ 22,805,150



First Budget Hearing

Monday
September 12, 2022
5:01 PM

City of Sanibel
MacKenzie Hall - City Hall Complex
800 Dunlop Road
Sanibel, Florida 33957