

# Budget Workshop

Fiscal Year 2025

July 30, 2024



# Budget Workshop Overview

- ▶ Budget workshops give the City Council initial opportunity to discuss budget strategies, goals, and objectives
- ▶ Initial discussion in July
- ▶ Continued discussion in August at the next budget workshop and the first budget hearing in September.
  - ▶ Next workshop August 27, 2024 at 5:30 p.m.
  - ▶ First budget hearing September 9, 2024 at 5:30 p.m.



# Budget Workshop Goals

- ▶ Information on current budget issues/initiatives
  - ▶ Property valuations
  - ▶ Tax forecasts
  - ▶ Available resources to fund recovery and operating
  - ▶ Reserves
  - ▶ Operating expenditures
  - ▶ Capital project expenditures
- ▶ Consensus on reserve funding

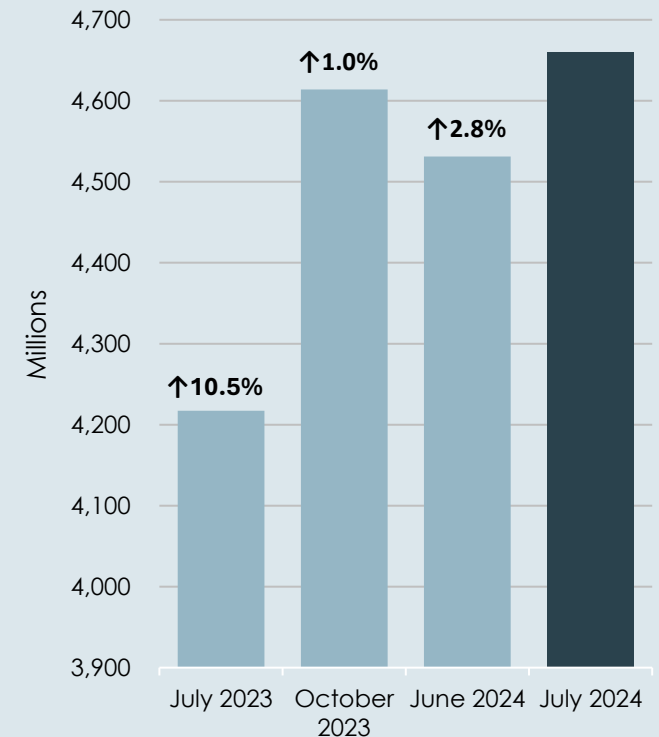


# Budget Adoption Timeline



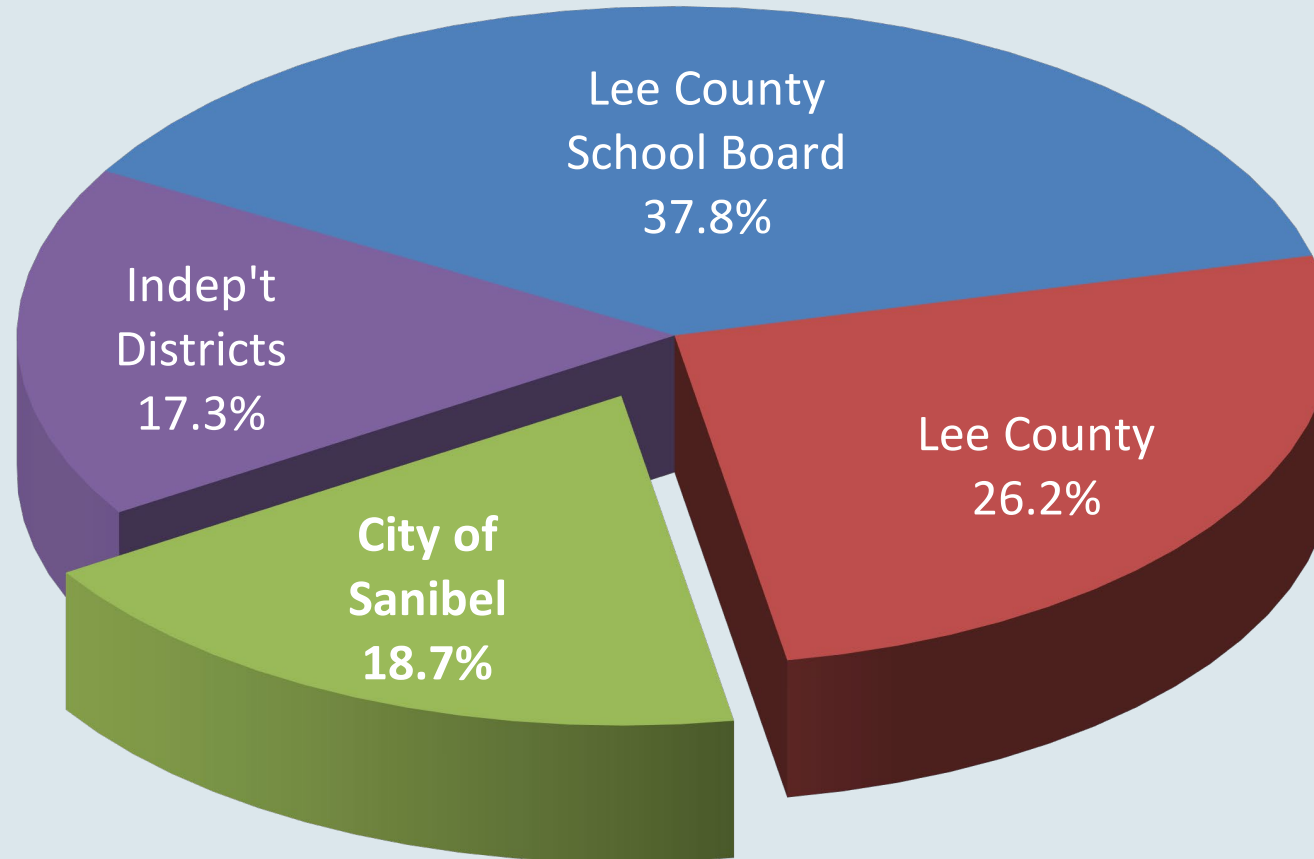
# Taxable Property Values

- ▶ Estimate received from Lee County Property Appraiser on July 1
  - ▶ \$4,660,021,567
  - ▶ Pre-storm \$6,357,621,055 (↓26.7%)
- ▶ At 2.5000 operating millage rate
  - ▶ \$11,300,552 in revenue (net of discounts)
  - ▶ \$1,073,644 additional ad valorem revenue into General Fund



# Residential Annual Taxes

## Fiscal Year 2024 Adopted Budgets



# Operating Millage Rate

- ▶ Operating millage rate provides most of the funding for general government operations.
- ▶ **2.5000** millage rate adopted for fiscal year 2024 budget
  - ▶ Generated \$10,617,158 in ad valorem tax revenue
- ▶ **2.5000** preliminary millage rate approved at July meeting
  - ▶ Maximum rate that can be levied for FY2025 budget
  - ▶ Will generate \$11.3 million (net of discounts)
- ▶ Rolled-back millage rate
  - ▶ **2.4848** mills (would generate \$11.2 million (net of discounts))



# Operating Millage Rate

- ▶ Pre/Post Hurricane Charley Millage
  - ▶ 2004 – 1.7291 (Property value \$4,000,193,070)
  - ▶ 2005 – 2.5000 (Property value \$4,224,462,080)
    - ▶ 44.6% increase from PY
  - ▶ 2006 – 2.4000 (Property value \$4,229,529,530)
  - ▶ 2007 – 2.5000 (Property value \$4,957,185,155)
  - ▶ 2008 – 2.1966 (Property value \$5,196,712,970)



# Revenue Projections

- ▶ General Fund

- ▶ Ad valorem operating tax at 2.5000 mills (12.8% increase)

- ▶ \$11,300,552 proposed budget

- ▶ \$10,617,158 expected collections in FY 2024

- ▶ \$10,016,044 adopted FY 2024 budget

- ▶ Communications services tax (21.4% increase)

- ▶ \$425,000 proposed budget

- ▶ \$420,908 expected collections in FY 2024

- ▶ \$350,000 adopted FY 2024 budget



# Revenue Projections

- ▶ General Fund

- ▶ Business taxes (50.0% increase)

- ▶ \$150,000 proposed budget

- ▶ \$135,000 expected collections in FY 2024

- ▶ \$100,000 adopted FY 2024 budget

- ▶ Development permit fees (40.9% increase)

- ▶ \$704,400 proposed budget

- ▶ \$1,317,150 expected collections in FY 2024

- ▶ \$500,000 adopted FY 2024 budget



# Revenue Projections

- ▶ General Fund

- ▶ Half-cent sales tax (7.4% increase)

- ▶ \$725,000 proposed budget

- ▶ \$734,682 expected collections in FY 2024

- ▶ \$675,000 adopted FY 2024 budget

- ▶ **Total Revenue (4.1% increase)**

- ▶ **\$17,377,940 proposed budget**

- ▶ **\$17,289,115 expected collections in FY 2024**

- ▶ **\$16,700,969 adopted FY 2024 budget**



# Revenue Projections

- ▶ Transportation Fund
  - ▶ Gas taxes (30.2% decrease)
    - ▶ \$625,000 proposed budget
    - ▶ \$567,486 expected collections in FY 2024
    - ▶ \$895,000 adopted FY 2024 budget
  - ▶ Causeway revenues (13.4% increase)
    - ▶ \$1,000,000 proposed budget
    - ▶ \$1,002,340 expected collections in FY 2024
    - ▶ \$881,240 adopted FY 2024 budget



# Revenue Projections

- ▶ Transportation Fund
  - ▶ Other revenues
    - ▶ \$1,000,000 State FDOT Road Reconstruction
    - ▶ \$1,000,000 State FDOT Shared Use Path Grant
    - ▶ \$2,300,000 transfer in from State Revenue Replacement Grant



# Revenue Projections

- ▶ Building Fund

- ▶ Permit fees collections (32.7% decrease)

- ▶ \$2,421,875 proposed budget

- ▶ \$3,029,897 expected collections in FY 2024

- ▶ \$3,600,000 adopted FY 2024 budget

- ▶ Beginning fund balance (6.3% decrease)

- ▶ \$3,803,629 proposed budget

- ▶ \$4,143,506 expected collections in FY 2024

- ▶ \$4,060,751 adopted FY 2024 budget



# Revenue Projections

- ▶ Recreation Fund
  - ▶ Membership fees (43.6% increase)
    - ▶ \$359,000 proposed budget
    - ▶ \$359,285 expected collections in FY 2024
    - ▶ \$250,000 adopted FY 2024 budget
  - ▶ Beginning fund balance (123.9% decrease)
    - ▶ (\$269,812) proposed budget
    - ▶ (\$52,105) expected collections in FY 2024
    - ▶ 1,127,715 adopted FY 2024 budget



# Revenue Projections

- ▶ Recreation Fund

- ▶ Transfer in from General fund (129.2% increase)

- ▶ \$2,750,000 proposed budget

- ▶ \$1,200,000 expected collections in FY 2024

- ▶ \$1,200,000 adopted FY 2024 budget



# Revenue Projections

- ▶ Sewer Fund

- ▶ User fees (7.8% increase)

- ▶ \$7,195,467 proposed budget

- ▶ \$6,885,614 expected collections in FY 2024

- ▶ \$6,673,144 adopted FY 2024 budget

- ▶ Proposed 4.5% increase in customer fees based on revenue sufficiency completed in prior year

- ▶ Study is currently being updated

- ▶ \$6,816,000 in State Grants

- ▶ Support for continued hurricane recovery



# Revenue Projections

- ▶ Beach Parking Fund
  - ▶ User fees (45.5% increase)
    - ▶ \$2,900,000 proposed budget
    - ▶ \$2,900,000 expected collections in FY 2024
    - ▶ \$1,992,920 adopted FY 2024 budget
  - ▶ \$17,572,374 in intergovernmental revenue
    - ▶ \$13,000,000 FDEP Beach renourishment
    - ▶ \$2,000,000 FDEP Dune walkovers
    - ▶ \$2,497,374 Lee County TDC
    - ▶ \$25,000 WCIND



# Hurricane Ian Fund

- ▶ \$15,260,511 State of Florida Bridge Loan
  - ▶ Received in FY 2024
  - ▶ \$5.9 million appropriated in FY 2024
- ▶ \$28,000,000 State of Florida FEMA Project Loan
  - ▶ Received in FY 2024
- ▶ \$9,920,000 State of Florida Revenue Replacement Grant
  - ▶ Budgeted to receive in FY 2025
  - ▶ \$4.3 million appropriated to other funds in FY 2025
    - ▶ \$2.3 million to Transportation Fund
    - ▶ \$2.0 million to Transportation Capital Fund



# General Fund Reserves

- ▶ FY2024 Adopted Budget
  - ▶ \$5.9 million in disaster reserves
  - ▶ \$600,000 in operational reserves
- ▶ FY2025 Proposed Budget
  - ▶ \$5.9 million in disaster reserves
  - ▶ \$2.6 million in operational reserves
- ▶ Consensus on reserves for final budget



# Operating Expenditures

- ▶ Pertinent budget issues
  - ▶ Wages
  - ▶ Health Insurance increases
  - ▶ General liability/property/wind insurance increases
  - ▶ Worker's compensation insurance increases
  - ▶ Pension contributions
  - ▶ Storm related expenses all in Hurricane Ian fund
  - ▶ CPI index of ~3.2% (May 2024)



# Operating Expenditures

- ▶ Personnel vacancies funded in FY 2025
- ▶ Not funded in FY 2024 but FTE remained authorized

Position	Fund/Dept	FTE	Total Salary & Benefits
Support Services Assistant	GF - Police	0.50	\$ 22,500
Resilience and Sustainability Coordinator	GF - City Manager	1.00	114,000
TOTAL - GENERAL FUND		1.50	136,500
Deputy Recreation Director	SR - Recreation	1.00	147,292
Recreation Services Assistant	SR - Recreation	1.00	62,710
TOTAL - SPECIAL REVENUE FUNDS		2.00	210,002
Beach Rangers	BP - Police	5.00	320,500
Resilience and Sustainability Coordinator	BP - Natural Resources	(1.00)	(114,000)
TOTAL - BEACH PARKING FUND		4.00	206,500
TOTAL - CITY WIDE		7.50	\$ 553,002



# Operating Expenditures

## ► Personnel requests for FY 2025 budget

Position	Fund/Dept	FTE	Total Salary & Benefits
HR Generalist	GF - Human Resources	1.00	\$ 87,350
Code Enforcement Officer	GF - Code Enforcement	1.00	88,950
Code Enforcement Manager	GF - Code Enforcement	1.00	137,550
Senior Code Enforcement Officer	GF - Planning	(1.00)	(92,711)
Ombudsman	GF - City Manager	1.00	104,020
TOTAL - GENERAL FUND		3.00	325,159
<b>TOTAL - CITY WIDE</b>		<b>3.00</b>	<b>\$ 325,159</b>



# Capital Expenditures

- ▶ Budget initiatives
  - ▶ City Manager and Director detailed review of capital plan for fiscal year 2025
  - ▶ 3 step approach to review
    - ▶ Projects scheduled for FY2025 that do not need to be completed due to storm destruction or damage
    - ▶ Projects scheduled for FY2025 that will be funded with reimbursements from Federal, State or insurance
    - ▶ Projects that do not affect public safety that can be pushed to out years based on staff capacity
  - ▶ Electric/Hybrid Vehicles



# What's Next?

- ▶ Budget Workshop August 27, 2024 at 5:30 p.m.
- ▶ First Budget Hearing September 9, 2024 at 5:30 p.m.
- ▶ Final Budget Hearing September 23, 2024 at 5:30 p.m.



# Questions?



**Dana Souza**

City Manager

[dana.souza@mysanibel.com](mailto:dana.souza@mysanibel.com)

**Steve Chaipel, CPA, CPFO**

Deputy City Manager/CFO

[steve.chaipel@mysanibel.com](mailto:steve.chaipel@mysanibel.com)

