

City of Fort Myers

FY2020-2021

City Manager's Recommended Budget

Budget Workshop

July 27 & 28, 2020

Workshop Agenda –Day 1

- Presentations from independent consultants
- Fiscal Year 2020 Financial Impacts from COVID-19
- Fiscal Year 2021 General Fund Budget
- Presentation of General Fund Long-Term Model
- Presentation on Workforce Housing Program

Workshop Agenda –Day 2

- Fiscal Year 2021 Other Major Operating Fund Budgets
- Presentation of the Water & Sewer and Stormwater Revenue Sufficiency Rate Models
- Presentation on Maravilla & Maravaez Annexations
- 5-Year Capital Improvement Program
- Discussion & Consensus on the Not To Exceed Millage Rate
- Next Steps

COVID-19 – Revenue Loss Areas

- Half-Cent Sales Tax
- Municipal State Shared Revenue (sales tax and fuel tax)
- Fuel Taxes
- Permit and Plan Review Fees
- Charges for Service - Recreation

Half Cent Sales Tax

	FY2020 Budget	FY2020 Estimate	Revenue Under Budget
Total	\$7,340,000	\$6,100,000	(\$1,240,000)

Municipal State Shared Revenue

	FY2020 Budget	FY2020 Estimate	Revenue Under Budget
Sales Tax	\$2,400,000	\$2,002,800	(\$397,200)
Fuel Tax	\$700,000	\$586,900	(\$113,100)
Total	\$3,100,000	\$2,589,700	(\$510,300)

Fuel Taxes

	FY2020 Budget	FY2020 Estimate	Revenue Under Budget
6-Cent	\$2,400,000	\$2,200,000	(\$200,000)
5-Cent	\$1,800,000	\$1,559,500	(\$240,500)
Total	\$4,200,000	\$3,759,500	(\$440,500)

Permit & Plan Review Fees

	FY2020 Budget	FY2020 Estimate	Revenue Under Budget
Engineering	\$1,273,200	\$1,086,400	(\$186,800)
Fire	\$1,712,400	\$1,340,000	(\$372,400)
Plan Review	\$1,083,600	\$819,300	(\$264,300)
Total	\$4,069,200	\$3,245,700	(\$823,500)

Recreation

	FY2020 Budget	FY2020 Estimate	Revenue Under Budget
Pools, Riverside	\$395,700	\$272,800	(\$122,900)
STARS	\$144,900	\$110,400	(\$34,500)
Skatium	\$1,169,800	\$789,700	(\$380,100)
Total	\$1,710,400	\$1,172,900	(\$537,500)

Summary of Fiscal Year 2020 Revenue Impacts

	Revenue Under Budget
Half-Cent Sales Tax	(\$1,240,000)
State Shared	(\$510,300)
Fuel Taxes	(\$440,500)
Permit & Plan Review Fees	(\$823,500)
Recreation	(\$537,500)
Total	(\$3,551,800)

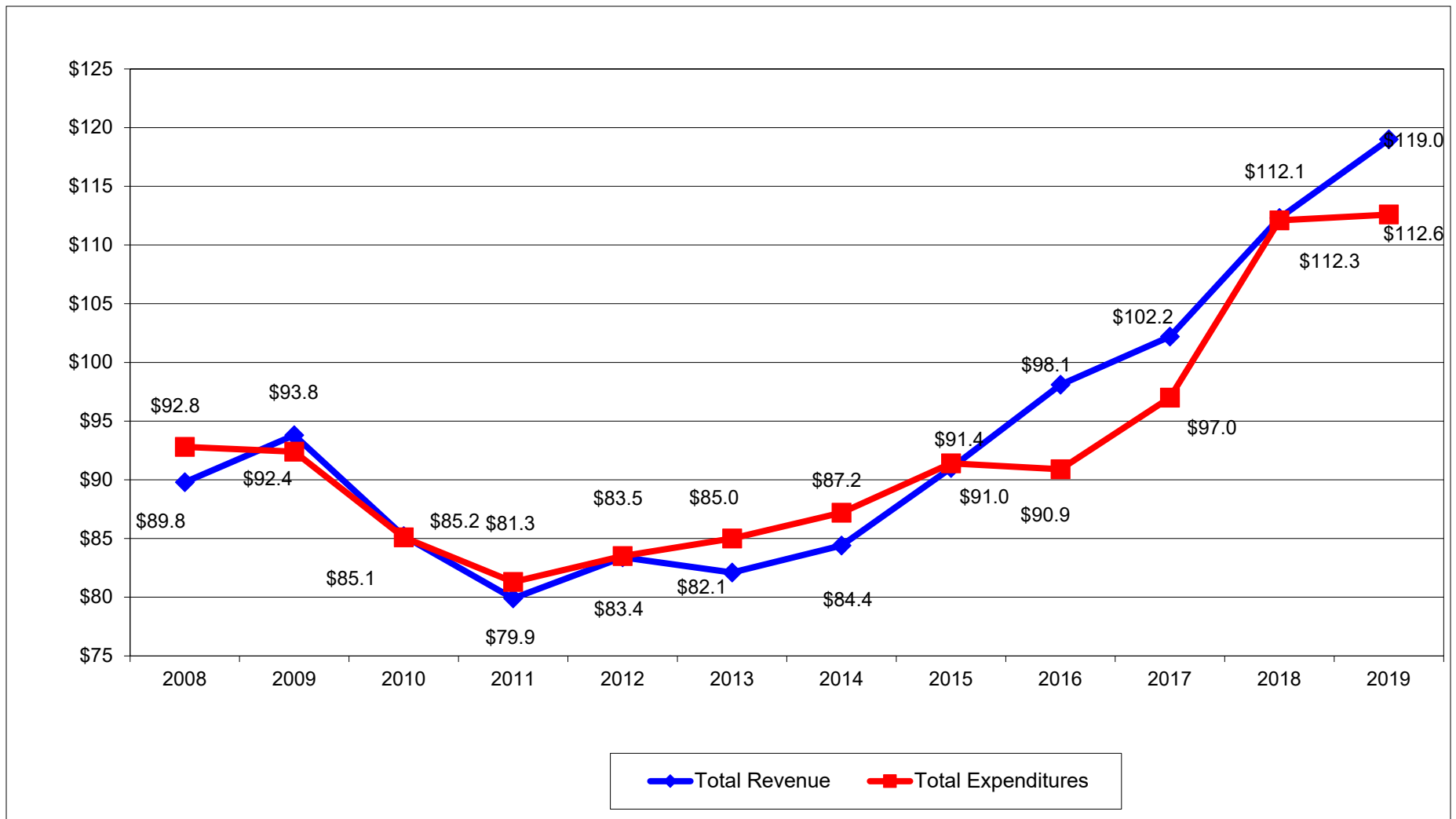
COVID-19 – Expenditures

- As of July 22,2020 the City has spent and encumbered a total of \$729,090
- These expenditures should be eligible for reimbursement of 75% under the category of emergency protective measures

FY2020 General Fund Forecast

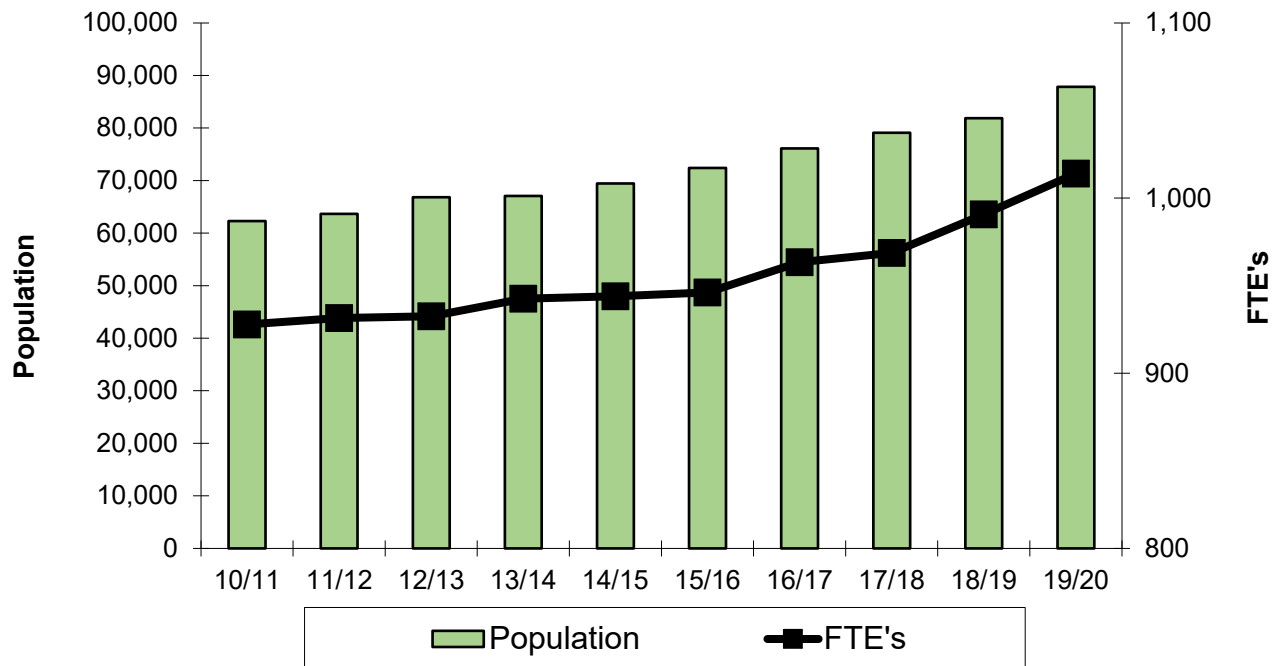
	FY2020 Budget	FY2020 Forecast	Variance
General Fund Operating Revenues	\$119,384,700	\$117,869,650	(\$1,515,050)
Expenditures	\$129,792,400	\$127,203,250	\$2,589,150
Net loss/Use of Reserves	(\$10,407,700)	(\$9,333,600)	\$1,074,100

General Fund Revenue/Expenditure Trends (amounts in millions)



Population and Employees

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Population	67,851	68,689	68,819	62,298	63,662	66,835	67,081	69,437	72,395	76,108	79,106	81,868	87,871
FTE's	1143.5	1113.6	928.0	927.9	931.5	932.5	942.6	943.9	946.1	963.4	968.7	990.7	1,014.0



Union Update

- Police Union Contract expires September 30, 2021
 - Wage re-opener for FY2021, City and Union currently negotiating
- Fire Union Contract expires September 30, 2020
 - City and Union currently negotiating
- General Union Contract expires September 30, 2021

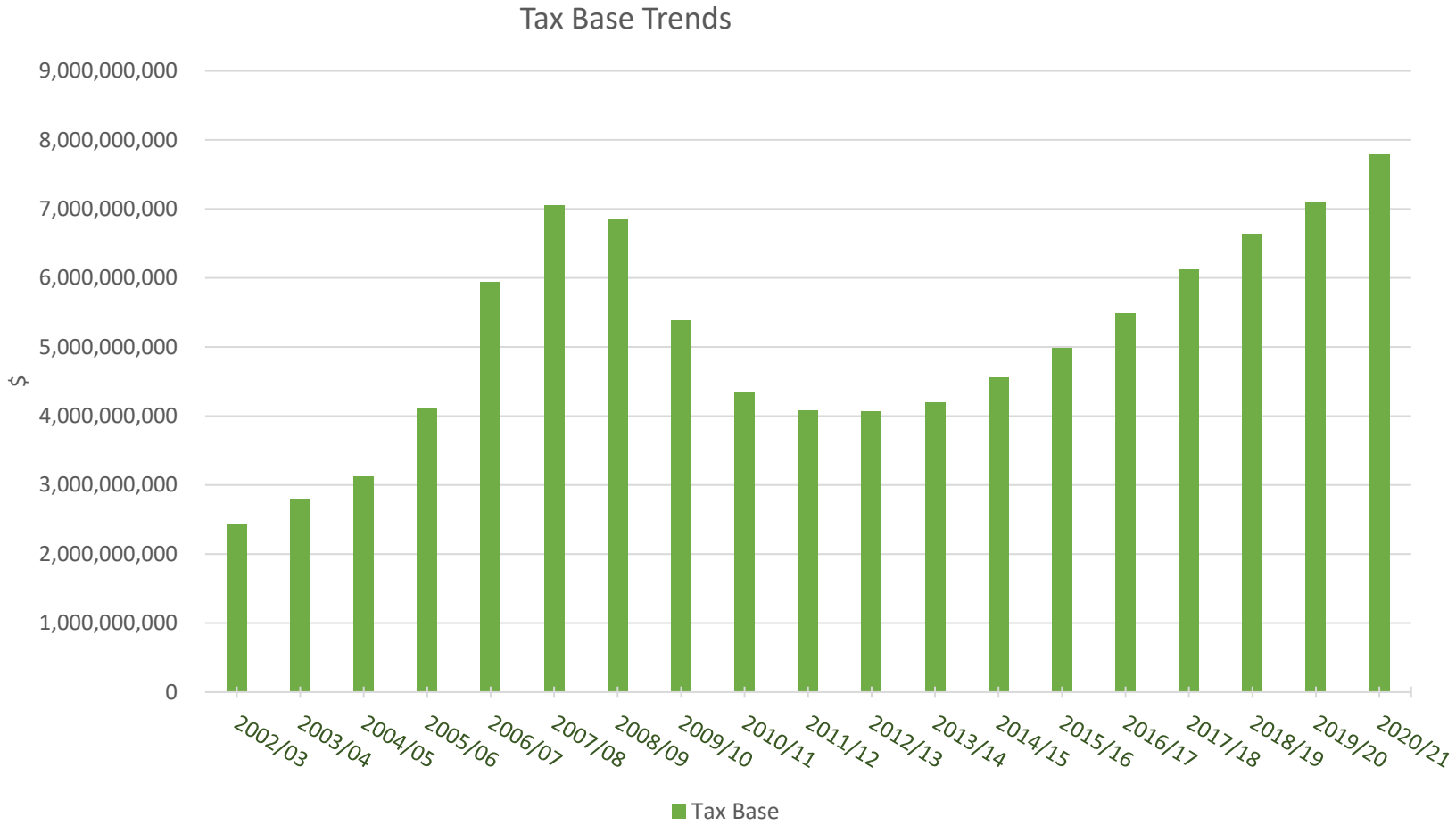
Ad Valorem Revenue

2019 tax base	\$7,104,946,482
Increase to existing tax base, (4.79%)	\$340,506,885
New construction, (4.88%)	\$346,629,503
2020 tax base	\$7,792,082,870
Overall increase in tax base	9.67%
Proposed Millage rate	7.9643
FY2021 Property tax revenue budget*	\$59,576,100
FY2020 Property tax revenue budget*	\$55,944,700
Increase in property tax revenue	\$3,631,400

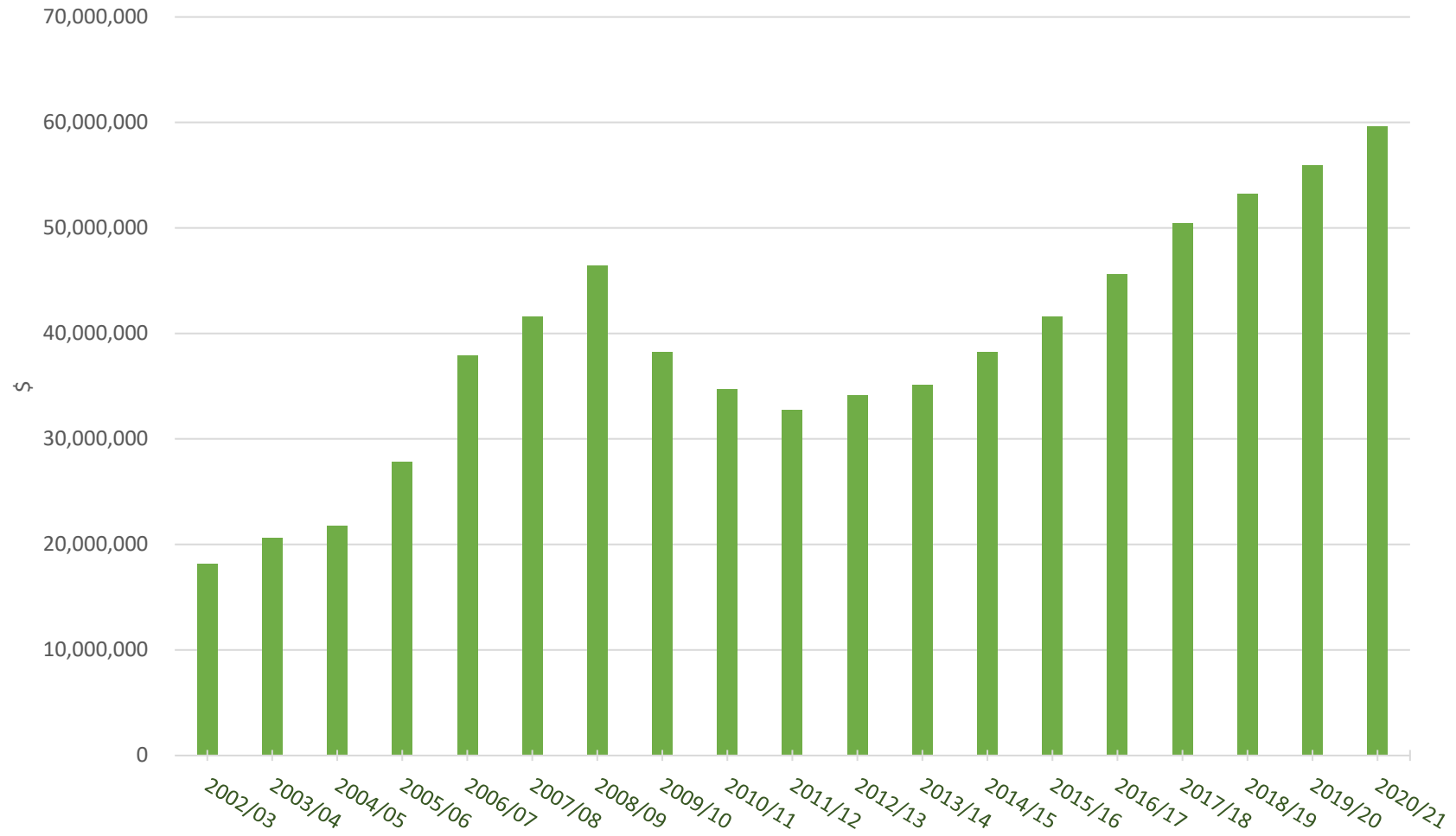
*Budget in FY2021 is approximately 96% of total tax levy due to early payment discounts

City Historical Trends

Taxable Property Valuation



City Historical Trends Property Tax Revenue



Trends in taxable value, millage rates & revenue

Tax Year	Taxable Value	Millage Rate	Tax Revenue Budget
2006	5,936,396,097	6.8000	37,907,900
2007	7,044,026,365	6.2560	41,593,900
2008	6,846,798,548	7.1634	46,411,500
2009	5,384,093,872	7.4000	38,226,400
2010	4,340,690,277	8.4000	34,676,300
2011	4,077,042,379	8.4000	32,730,300
2012	4,065,886,024	8.7760	34,113,400
2013	4,200,257,846	8.7760	35,146,200
2014	4,556,320,495	8.7760	38,239,300
2015	4,976,882,235	8.7760	41,584,300
2016	5,481,213,852	8.7500	45,573,400
2017	6,122,141,000	8.6500	50,433,500
2018	6,637,122,000	8.4500	53,214,100
2019	7,104,946,482	8.2500	55,944,700
2020	7,792,082,870	7.9643	59,576,100

General Fund – Other Major Operating Revenues

	2020	2021	\$ Change	%
Utility Service Taxes	\$9,740,000	\$10,165,000	\$425,000	4.4%
Business Tax Receipts	\$2,538,400	\$2,570,000	\$31,600	1.2%
Licenses and Permits	\$4,381,600	\$4,105,300	(\$276,300)	(6.3%)
Franchise Fees	\$6,146,600	\$6,156,600	\$10,000	0.2%
State Shared Revenue/ Half cent Sales Tax	\$10,006,000	\$8,681,000	(\$1,325,000)	(13.2%)
Payments in Lieu of Taxes/Franchise Fees (from Utility, Stormwater & Solid Waste Funds)	\$8,036,500	\$9,146,100	\$1,109,600	13.8%
General Administration Charges	\$6,491,500	\$6,383,000	(\$108,500)	(1.7%)
Other Miscellaneous Revenue	\$1,758,100	\$1,856,400	\$98,300	5.6%
Subtotal	\$49,098,700	\$49,063,400	(\$35,300)	(0.1%)

Fire Assessment Fee

- Budget includes revenue of \$4,000,000 from fee
- Estimated 15.8% cost recovery of eligible fire suppression and rescue services
- Rates assessed by property category remain same as FY2020

Fire Rescue Assessment Rates		
Property Use Category	Assessment Unit	Assessment per Unit
Residential	Dwelling Unit	\$77.91
Commercial	Sq. Ft.	\$0.051
Ind/Warehouse	Sq. Ft.	\$0.0136
Govt/Institutional	Sq. Ft.	\$0.119

- Included on the annual tax bill as a non-ad valorem assessment mailed November, 2020

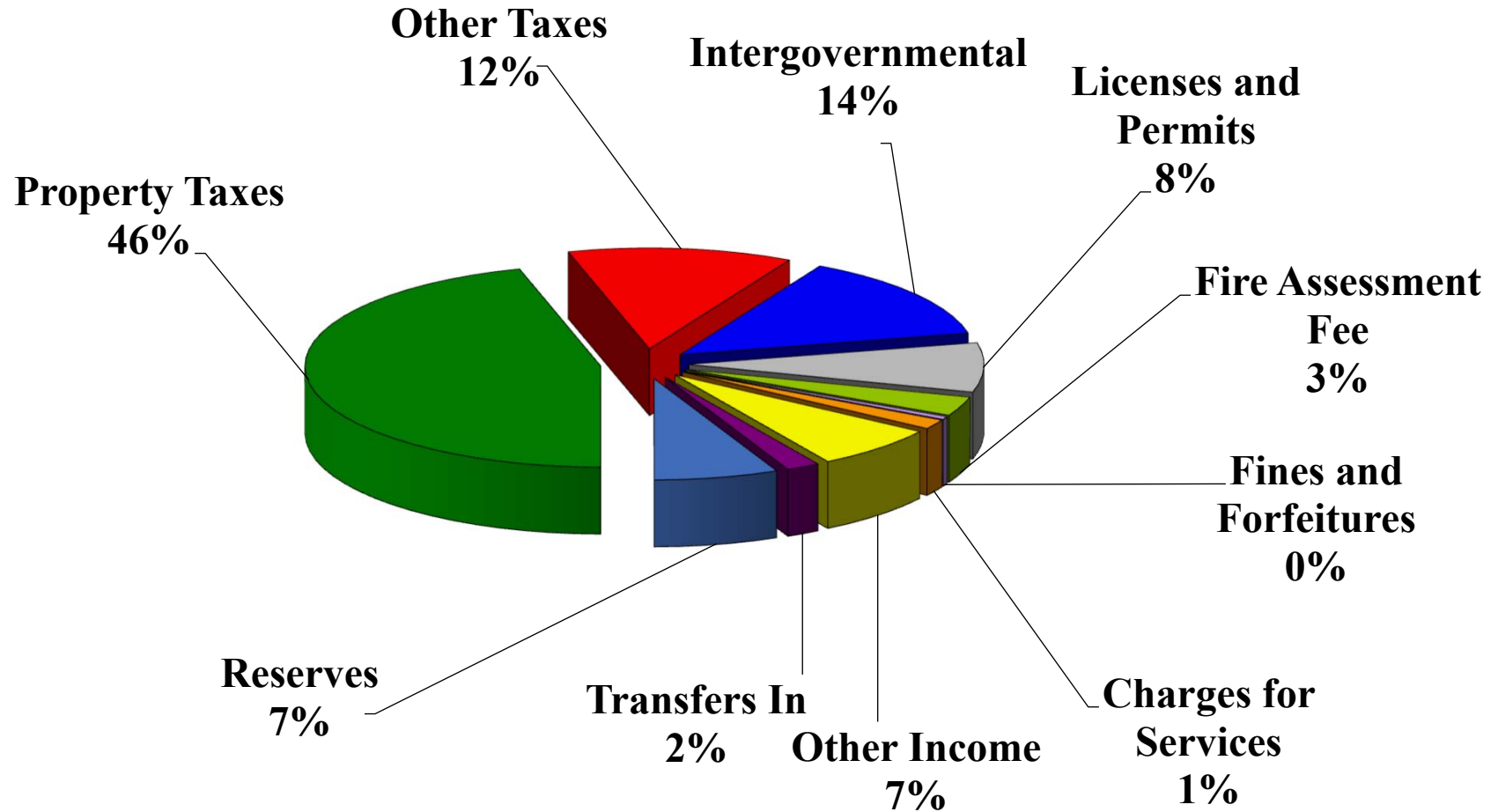
Transfers In From Other Funds

Transfer From:	2020	2021	\$ Change	%
Utility Fund	\$500,000	\$0	(\$500,000)	(100.0%)
Solid Waste Fund	\$2,000,000	\$1,500,000	(\$500,000)	(25.0%)
ITS Fund	\$616,600	\$0	(\$616,600)	(100.0%)
Parking Fund	\$395,400	\$396,800	\$1,400	.4%
FMRA Fund	\$500,000	\$500,000	\$0	0.0%
Off Duty Pay Fund	\$29,000	\$28,100	(\$900)	(3.1%)
Subtotal	\$4,041,000	\$2,424,900	(\$1,616,100)	(40.0%)

General Fund Revenue Summary

	2020	2021	\$ Change	%
Taxes	\$71,523,100	\$75,711,100	\$4,188,000	5.9%
Licenses & Permits	\$10,528,200	\$10,261,900	(\$266,300)	(2.5%)
Fire Assessment Fee	\$3,875,000	\$4,000,000	\$125,000	3.2%
Intergovernmental	\$18,105,000	\$17,873,000	(\$232,000)	(1.3%)
Charges for Service	\$1,853,700	\$1,989,200	\$135,500	7.3%
General Admin Charge	\$6,491,500	\$6,383,000	(\$108,500)	(1.7%)
Fines and Forfeitures	\$439,900	\$604,600	\$164,700	37.4%
Miscellaneous	\$2,527,300	\$2,624,000	\$96,700	3.8%
Subtotal –Operating revenues	\$115,343,700	\$119,446,800	\$4,103,100	3.6%
Transfers from Other Funds	\$4,041,000	\$2,424,900	(\$1,616,100)	(40.0%)
Total Revenues (excluding use of reserves)	\$119,384,700	\$121,871,700	\$2,487,000	2.1%

Revenue Components



2021 General Fund Expenditure Summary

	2020	2021	\$ Change	% Change
Personal Services	\$83,704,300	\$84,049,800	\$345,500	.4%
Operating	\$30,322,000	\$30,504,100	\$182,100	.6%
Debt Transfers	\$10,136,400	\$9,719,200	(\$417,200)	(4.1%)
TIF Transfers	\$3,777,500	\$4,204,400	\$426,900	11.3%
Venue Subsidies/Other Transfers	\$1,372,400	\$1,819,200	\$446,800	32.6%
Capital Transfers	\$479,800	\$462,200	(\$17,600)	(3.7%)
Total Expenditures	\$129,792,400	\$130,758,900	\$966,500	.7%

General Fund Expenditures- Personnel Costs Highlights

- Salary increases incorporated in accordance with the (3) union contracts
- Includes the City's match of \$625,000 towards a 2020 COPS grant that will fund 10 Police Officer positions
- Workers' Compensation increases \$667,500, from \$2.3 million to \$3.0 million
- City's cost of health insurance premiums remain equal to prior year while maintaining benefits/copayment amounts for employees
- City pension costs as a % of payroll decreases from FY2020:
 - Police: from 63.8% to 55.5%
 - Fire: from 82.4% to 73.0%
 - General: from 35.2% to 34.7%
- Continues to freeze 3, General Fund vacant positions in the divisions of Engineering, Code Enforcement and CDD Admin.,— savings of \$185,700

Transfers to Debt Service Funds

	2020	2021	\$ Change	% Change
2014 Bonds	\$1,824,700	\$1,248,300	(576,400)	(31.6%)
2016 Bonds	\$2,819,100	\$2,345,900	(473,200)	(16.8%)
2018 Bonds	\$5,362,600	\$5,375,000	\$12,400	.2%
Line of Credit	\$130,000	\$750,000	\$620,000	476.9%
Total Debt Transfers	\$10,136,400	\$9,719,200	(\$417,200)	(4.1%)

Transfers to Other Funds

	2020	2021	\$ Change
Southwest Florida Enterprise Center	\$279,500	\$279,500	\$0
Skatium	\$272,800	\$344,600	\$71,800
Fort Myers Golf Course	\$210,300	\$166,600	(\$43,700)
Eastwood Golf Course	\$242,900	\$251,600	\$8,700
Para-Transit Fund (trolley)	\$88,600	\$63,600	(\$25,000)
Street Maintenance	\$278,300	\$713,300	\$435,000
CRA (TIFs)	\$3,777,500	\$4,204,400	\$426,900
Total Transfers	\$5,149,900	\$6,023,600	\$873,700

General Fund Expenditures

FY2021 Budget includes funding for the following programs:

Description	\$
Community Career Initiative	\$140,400
Step Up to Work (Summer Youth work program)	\$44,900
City Services Grants for Special Events	\$152,200
Summer Youth Program Scholarships	\$35,000
Programs at STARS/PAL and \$35,000 Council Discretionary	\$354,100
Garden Council (pass through of parking lease revenue from Lee Memorial)	\$65,300
Neighborhood Improvement Funds	\$35,000
Arts and Culture Grants & Consultant/Black History Society	\$165,000
Annual Edison Awards Ceremony and Innovation Showcase	\$50,000
Total	\$1,041,900

2021 Special Events – City Services Grant Program

- Special Events Advisory Board utilized a matrix to allocate FY21 funding based on:
 - Funding Reliance – 40 points
 - Event Attendance – 15 points
 - # of Years Event Held – 15 points
 - # of Years Event Received Funding – 15 points
 - Educational Opportunities – 5 points
 - Recreational Opportunities – 5 points
 - Cultural Opportunities – 5 points
- A \$25,000 cap is placed on the eligible grant award amount per event
- Events Disqualified due to lack of documentation/No 501C3
 - Suga Fest Concert

Special Events Advisory Board Recommendation

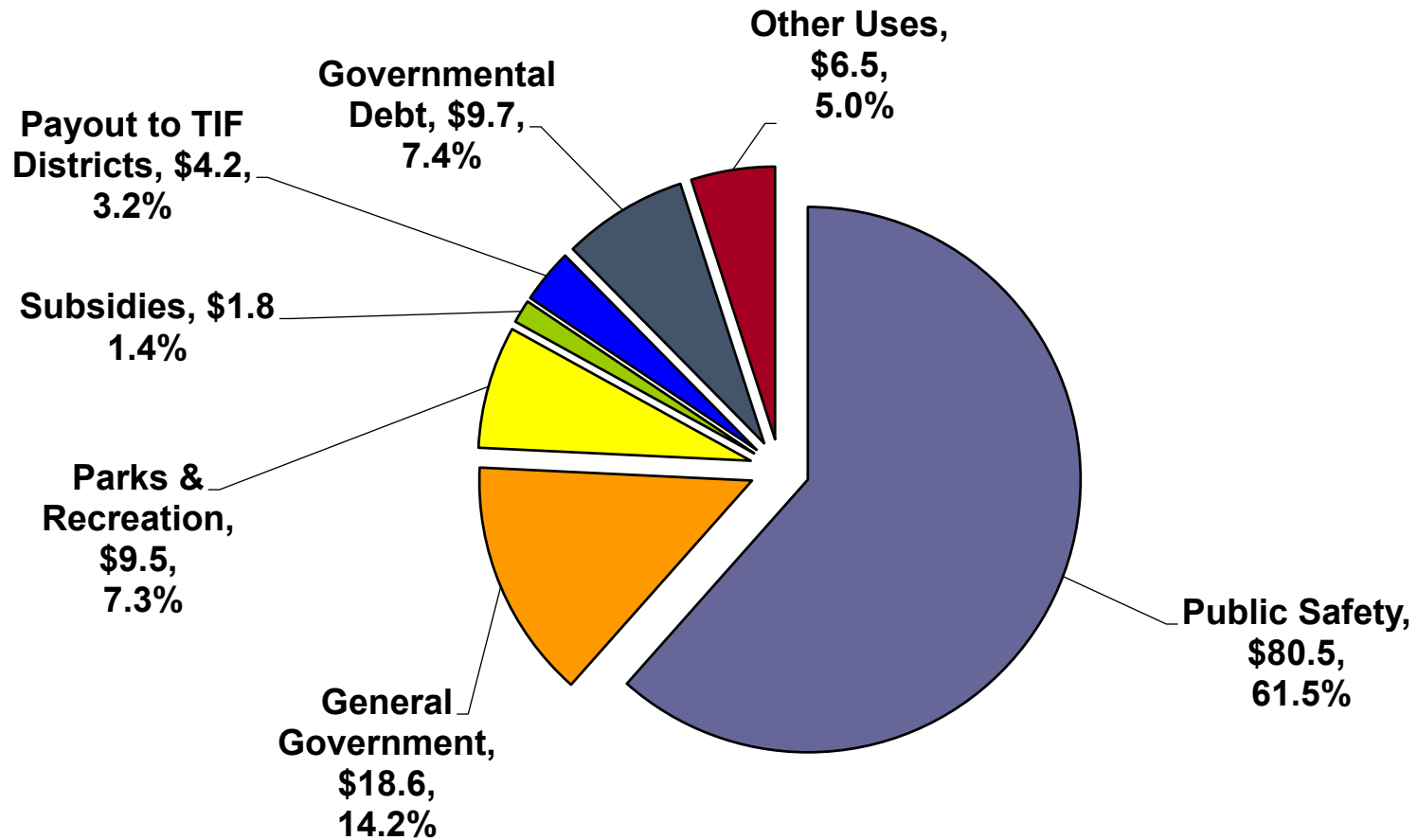
Event	FY2020 Funding	FY2021 Eligible Request	FY2021 Recommended Funding	Funding \$ Change
Art Fest	\$15,900	\$26,199	\$18,600	\$2,700
Edison Festival	\$6,800	\$10,172	\$5,100	(\$1,700)
Holiday House	\$7,500	\$8,990	\$6,300	(\$1,200)
MLK Celebration	\$3,000	\$7,136	\$3,600	\$600
Easter Parade	\$3,300	\$5,768	\$2,900	(\$400)
Music Walk	\$7,400	\$26,428	\$13,400	\$6,000
Art Walk	\$7,500	\$26,196	\$13,300	\$5,800
Car Cruise-In	\$1,700	\$10,655	\$3,300	\$1,600
Taste of Lee	\$8,100	\$17,637	\$8,900	\$800
Fat Tuesday	\$5,900	\$9,271	\$4,700	(\$1,200)
Taco Fest	\$7,900	\$10,032	\$5,100	(\$2,800)
Bacon Jam	\$7,200	\$8,022	\$4,000	(\$3,200)
Garlic Fest	\$6,800	\$7,166	\$5,000	(\$1,800)
Contingency	\$3,700	N/A	\$7,000	\$3,300
Subtotal	\$92,700	\$173,672	\$101,200	\$8,500

Special Events Advisory Board Recommendation

Event\$	FY2020 Funding	FY2021 Eligible Request	FY2021 Recommended Funding	Funding \$ Change
Israel Fest	\$2,900	\$2,985	\$2,100	(\$800)
Downtown Countdown	\$8,800	\$13,317	\$4,100	(\$4,700)
Freedom Fest	\$4,500	\$10,623	\$5,400	\$900
Viva Fort Myers	\$9,200	\$11,680	\$8,200	(\$1,000)
FMFD Celebrates 120 Years	\$0	\$8,155	\$7,400	\$7,400
Friday Night Farmers Market	\$0	\$8,960	\$6,300	\$6,300
Halloween Weekend	\$0	\$8,895	\$6,300	\$6,300
St. Patrick's Day Block Party	\$0	\$11,383	\$8,000	\$8,000
Namiwalks SWFL	\$0	\$3,802	\$1,900	\$1,900
Veteran's Day Parade	\$0	\$4,294	\$1,300	\$1,300
FY20 Events Funded but did not submit grant applications in FY21	\$34,100	\$0	\$0	(\$34,100)
Subtotal	\$59,500	\$84,094	\$51,000	(\$8,500)
TOTAL	\$152,200	\$257,766	\$152,200	\$0

Expenditure Components

(in millions)



2021 General Fund Summary

	2020	2021	\$ Change	% Change
Taxes, Licenses & Permits	\$85,926,300	\$89,973,000	\$4,046,700	4.7%
Intergov't/Charges for Service	\$19,958,700	\$19,862,200	(\$96,500)	(0.5%)
General Admin Charge	\$6,491,500	\$6,383,000	(\$108,500)	(1.7%)
Miscellaneous/Fines	\$2,967,200	\$3,228,600	\$261,400	8.8%
Transfers from Other Funds	\$4,041,000	\$2,424,900	(\$1,616,100)	(40.0%)
General Fund Reserves	\$10,407,700	\$8,887,200	(\$1,520,500)	(14.6%)
Total Revenues	\$129,792,400	\$130,758,900	\$966,500	.7%
Personal Services	\$83,704,300	\$84,049,800	\$345,500	.4%
Operating	\$30,322,000	\$30,504,100	182,100	.6%
Debt Transfers	\$10,136,400	\$9,719,200	(\$417,200)	(4.1%)
TIF Transfers	\$3,777,500	\$4,204,400	\$426,900	11.3%
Venue Subsidies/Other Transfers	\$1,372,400	\$1,819,200	\$446,800	32.6%
Capital Transfers	\$479,800	\$462,200	(\$17,600)	(3.7%)
Total Expenditures	\$129,792,400	\$130,758,900	\$966,500	.7%
Shortfall	\$0	\$0	\$0	

Projected General Fund Reserves

	Balance
Estimated Reserves, 9/30/2020 *	\$30,005,004
Use of Reserves in 2021 Budget	(\$8,887,200)
2021 Estimated Unassigned Reserves	\$21,117,804
2021 General Fund Budget	\$130,758,900
Unassigned reserves as a % of total 2021 Budget	16.15%

* Returns the General Fund \$ that covered Hurricane Irma

Target reserves is 17% = \$22,229,000

City Historical Trends General Fund Reserves



Highlights: Other Major Operating Funds

- Street Maintenance Fund:
 - Total Budget is \$4,109,200
 - Revenue budget is reduced from \$3.7 million in FY2020 to \$3.0 million in FY2021 due to :
 - The City's portion of the Lee County 6 cent fuel tax was reduced from 14% to 10.67% effective January 2020
 - Revenue collections also are reduced as a result of COVID-19
 - There is a \$713,300 General Fund subsidy
 - Reserves in the amount of \$400,000 were used to balance the fund
 - Ending reserves are \$194,240

Highlights: Other Major Operating Funds

- Utility Fund:
 - Total budget is \$78,641,000
 - No rate increases included in the budget for water and sewer services
 - Operations fund \$15.2 million towards utility capital improvement projects
 - Thanks to refinancing efforts, savings in debt service is \$4.9 million - Budget of \$25.4 million in FY2020 goes to \$20.5 million in FY2021
 - Reserves are \$21.2 million, or 6.5 months of operating and maintenance – industry standard is 3 months

- Stormwater Fund:
 - Stormwater fee revenue is projected to total \$6.2 million
 - Average annual assessment (residential based on 2,000 square foot home) remains the same at \$92.16
 - Transfers \$2.7 million to Capital budget
 - Reserve balance of \$726,557 represents 2.0 months of operations and maintenance

Highlights: Other Major Operating Funds

- Parking Fund:
 - Total Budget is \$2,122,600
 - Revenue projected at \$1,375,000; an increase of 6.2% due to the addition of the Hotel Parking Garage
 - Transfers \$396,800 to General Fund – represents the FY2021 debt service payments on the two existing garages – construction and repair projects
 - Transfers \$500,000 to the CIP to fund cameras in the Main Street and City of Palms Garages
 - No General Fund subsidy is required
 - Reserves are estimated at \$609,902

- Skatium Fund :
 - Total Budget is \$1,451,300
 - Skatium revenue is projected to total \$1,106,700; a decrease of 5.4%
 - No rate or fee increases are incorporated into the budget
 - A \$344,600 transfer from the General Fund is necessary to balance the fund, an increase of \$71,800 over the prior year
 - Reserve balance of \$31,752

Highlights: Other Major Operating Funds

- Yacht Basin Fund:
 - Total Budget is \$3,075,200
 - Yacht Basin revenue is projected to total \$2,852,500; an increase of 1.9%
 - No rate or fee increases are incorporated into the budget
 - Yacht Basin reserves of \$222,700 were used to balance the fund
 - No General Fund subsidy is required
 - Reserve balance of \$179,511 represents less than 1 month of operating expenses

Highlights: Other Major Operating Funds

- Golf Course Funds:
 - Fort Myers Golf Course
 - Total budget of \$2.08 million
 - Debt repayments for course renovations and equipment lease payments total \$399,000
 - Improved revenues drives a decrease of \$43,700 in the General Fund subsidy from \$210,300 to \$166,600
 - Transfers \$150,000 to the CIP for Bridge Repairs
 - Reserves are \$59,568
 - Eastwood Golf Course
 - Total budget of \$2.15 million
 - Debt repayments and equipment leases total \$302,000
 - Concessions service planned to be outsourced in FY2021
 - The General Fund subsidy increases \$8,700, from \$242,900 to \$251,600.
 - Reserves are \$6,515
- No rate increases are proposed

Highlights: Other Major Operating Funds

- Solid Waste Fund:
 - Total budget is \$18,881,000
 - Revenue is projected to be relatively flat in Fy2021 with current year
 - Maintains residential annual assessment of \$228.96 in the budget
 - Tipping fees decrease \$178,500
 - Transfers \$2,074,000 towards capital improvement projects
 - Reserves of \$4.2 million represent 3.3 months of operating and maintenance

Highlights: Other Major Operating Funds

- Building Permits and Inspection (BPI) Fund:
 - Total budget is \$5,003,800
 - 20% or \$196,300 of (10) Code Enforcement Officers' salaries and benefits are charged to BPI
 - Revenues from Licenses and Permits total \$2,638,300, an increase of 43.0% over the current year budget of \$1,844,500
 - Fees continue to be reduced by 75% in an effort to reduce the BPI reserves
 - Reserve balance of \$7,406,660 represents 17.8 months of operating expenses

Summary of Reserve Balances

Fund	Estimated Reserves 2020	Proposed Reserves To Be Used in 2021	Estimated 2021
General Fund	\$30,005,004	(\$8,887,200)	\$21,117,804
Risk Management	\$10,307,790	24,900	\$10,332,690
Fleet Maintenance	\$1,082,316	(\$358,200)	\$724,116
ITS	\$604,496	(\$399,600)	\$204,896
Street Maintenance	\$594,240	(\$400,000)	\$194,240
Utility	\$26,267,946	(\$5,103,000)	\$21,164,946
Stormwater	\$1,490,957	(\$764,400)	\$726,557
Solid Waste	\$6,008,341	(\$1,794,500)	\$4,213,841
Yacht Basin	\$402,211	(\$222,700)	\$179,511
Fort Myers Golf Course	\$209,568	(\$150,000)	\$59,568
Parking	\$1,357,502	(\$747,600)	\$609,902
Total	\$78,330,371	(\$18,802,300)	\$59,528,071

Millage Rate

- Prior year millage rate: 8.2500
- Proposed millage rate: 7.9643
- Current year rolled-back rate: 7.9643

- .1 mill = \$698,300

Next Steps

- Public Hearings regarding the budget are scheduled as follows:
 - Thursday, September 10, 2020 at 5:15 p.m.
 - Wednesday, September 23, 2020 at 5:15 p.m.





Questions & Answers