

City of Fort Myers

FY2021-2022
Budget

BUDGET
WORKSHOP

AUGUST 26, 2021

Budget Policy

Budget policy last updated in 2005

Changes Proposed:

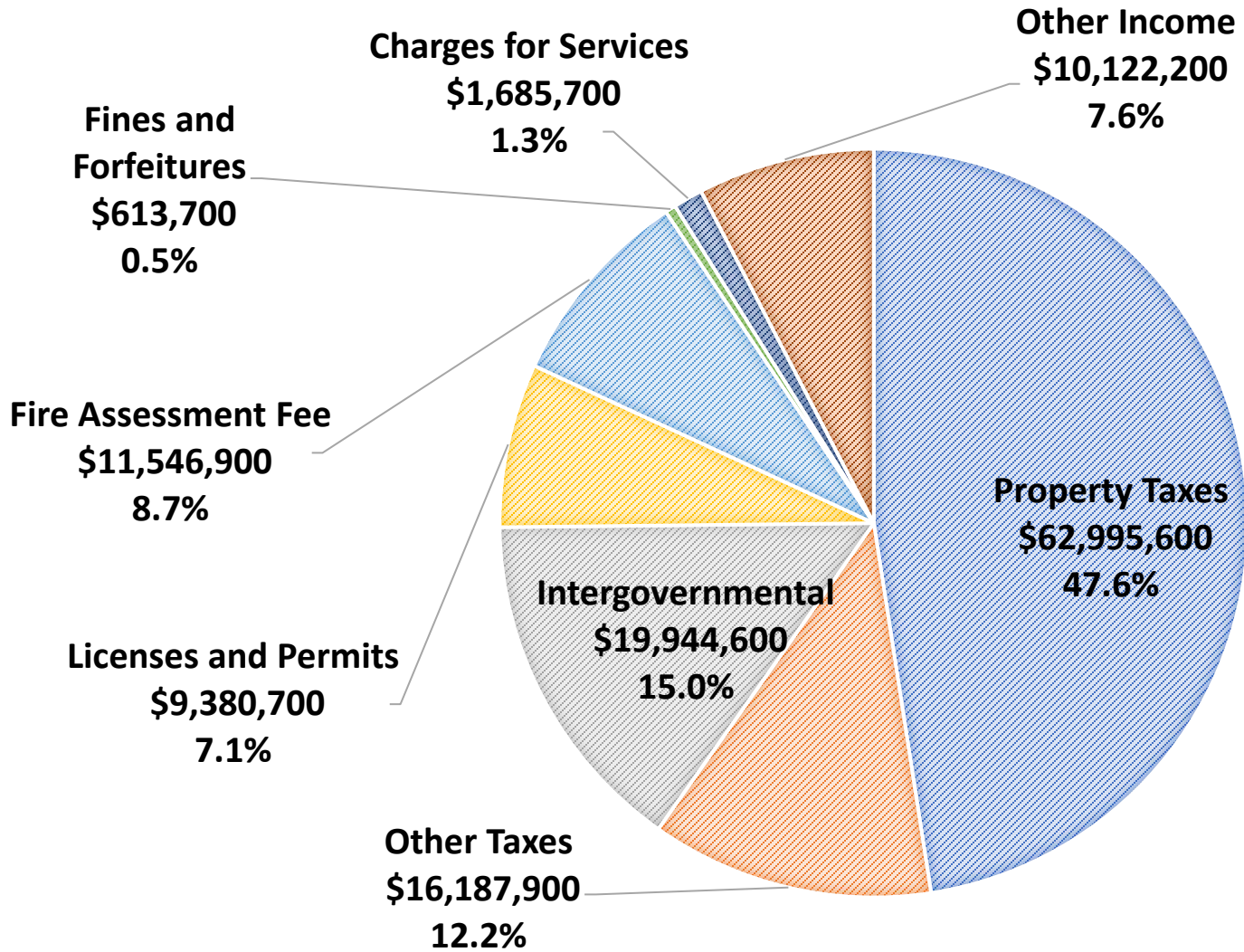
- Definitions
- Budget transfer to include reclassification of funding sources in capital projects
- Reserve levels defined in Fund Balance Policy
- Use of Excess Reserves

Fund Balance Policy

Fund Balance policy adopted in 2011

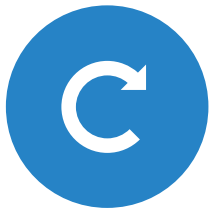
Changes Proposed:

- General Fund Reserve Target 20%
- Utility, Stormwater & Solid Waste Fund Reserves 25%
- Stabilization Fund



Operating Revenue Components
 Total of \$132,477,300

Millage Rate



2020 millage rate:
7.9643



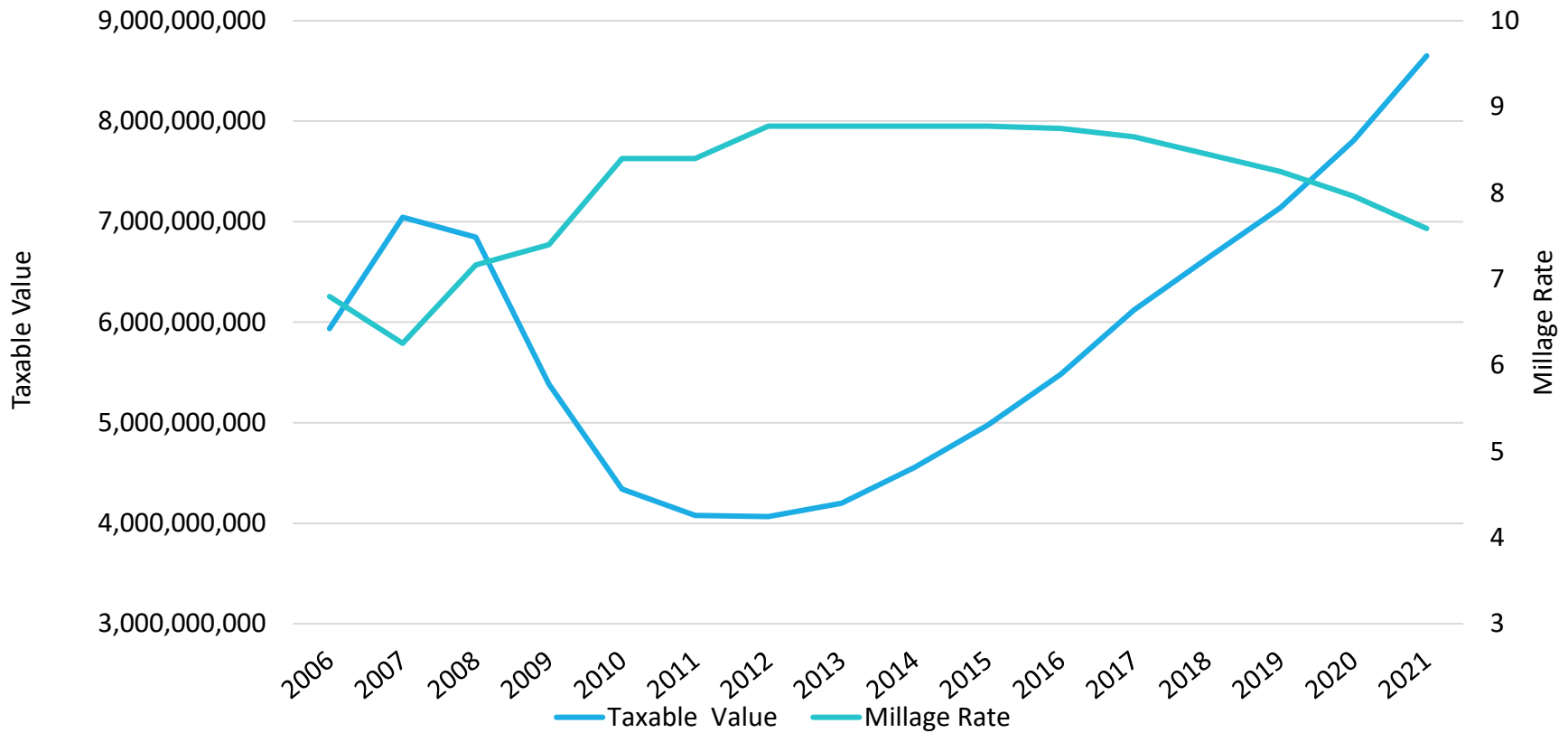
Proposed 2021
rate:
7.5875



2021 Rolled-back
rate:
7.5875



Proposed 2021
millage rate is 4.73%
lower than the 2020
rate



Trends in Taxable Value & Millage Rates

General Fund – Major Operating Revenues

	2021	2022	\$ Change	%
Utility Service Taxes	\$10,165,000	\$10,540,000	\$375,000	3.7%
Business Tax Receipts	\$2,570,000	\$2,252,500	(\$317,500)	(12.4%)
Licenses and Permits	\$4,105,300	\$3,390,700	(\$714,600)	(17.4%)
Franchise Fees	\$6,156,600	\$5,990,000	(\$166,600)	(2.7%)
State Shared Revenue/ Half cent Sales Tax	\$9,124,000	\$11,218,600	2,094,600	23.0%
Payments in Lieu of Taxes/Franchise Fees (from Utility, Stormwater & Solid Waste Funds)	\$9,146,100	\$8,677,900	(\$468,200)	(5.1%)
General Administration Charges	\$6,408,500	\$6,625,100	\$216,600	3.4%
Other Miscellaneous Revenue	\$1,986,400	\$3,018,800	\$1,032,400	52.0%
Subtotal	\$49,661,900	\$51,713,600	\$2,051,700	4.1%

General Fund Revenue in Total

	2021	2022	\$ Change	%
Operating Revenue	\$120,145,300	\$132,477,300	\$12,332,000	10.3%
Transfers from other Funds	\$2,924,900	\$2,426,300	(\$498,600)	(17.0%)
Total Revenues	\$123,070,200	\$134,903,600	\$11,833,400	9.6%

Fire Assessment Fee

- Budget includes revenue of \$11,546,900 from fee, increase from current year revenue of \$4,100,000 of \$7,446,900
- Estimated 37.5% cost recovery of eligible fire suppression and rescue services
- Rates assessed by property category change for FY2022

Fire Rescue Assessment Rates			
Property Use Category	Assessment Unit	Current Assessment per Unit	Proposed Assessment per Unit
Residential	Dwelling Unit	\$77.91	\$185.00
Commercial	Sq. Ft.	\$0.051	\$0.1730
Ind/Warehouse	Sq. Ft.	\$0.0136	\$0.0635
Govt/Institutional	Sq. Ft.	\$0.1190	\$0.6627

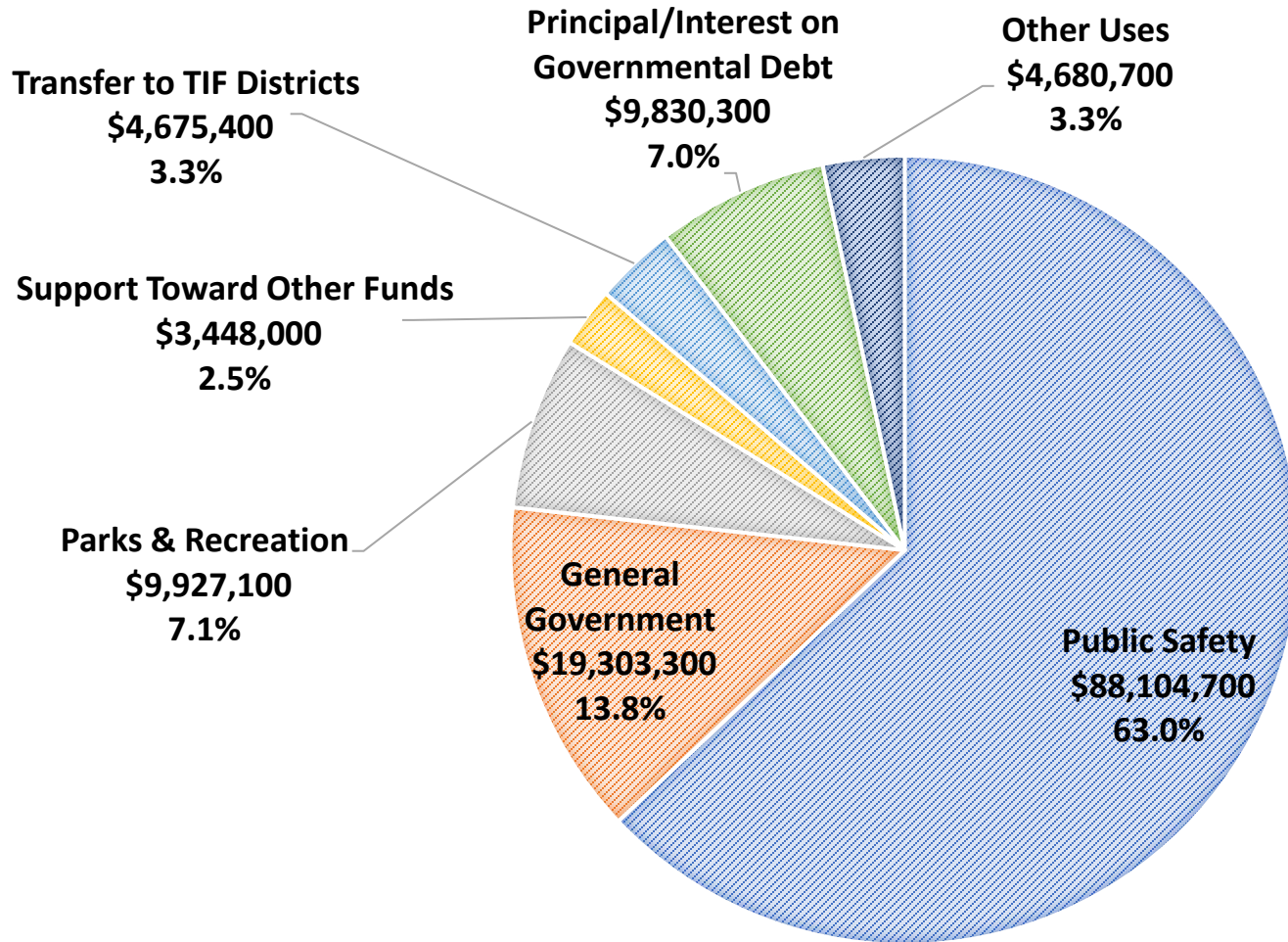
- Included on the annual tax bill as a non-ad valorem assessment

Fire Service Enhancements

- 30 Firefighter Positions
- 1 Fire Inspector
- 1 Quartermaster
- Physicals
- Bunker Gear, Uniforms, Boots, Helmets, etc.
- Staff Vehicles
- Engine 17 (lease-financed) – new
- Ladder Truck 12 replacement (lease-financed)
- Mini Pumper Truck (lease-financed)

General Fund Expenditures Highlights

- Added positions
- Redistricting consultant fees
- Implementation of corridor vision plans
- Dunbar Park maintenance
- Seed funds for new Cultural Center
- Rising STARS program position
- City's cost of health insurance premiums increase 10% but maintains benefits/copayment amounts for employees – Florida Blue Rebate Funds of \$1 million fully offsets this cost
- City pension costs as a % of payroll changes:
 - Police: from 55.5% to 52.7%
 - Fire: from 73.0% to 79.7%
 - General: from 34.7% to 29.4%



Expenditure Components – Total of \$139,969,500

2022 General Fund Expenditure Summary

	2021	2022	\$ Change	% Change
Personal Services	\$84,206,200	\$90,462,100	\$6,255,900	7.4%
Operating	\$30,673,100	\$32,633,300	\$1,960,200	6.4%
Debt Transfers	\$10,219,200	\$9,830,300	(\$388,900)	(3.8%)
TIF Transfers	\$4,204,400	\$4,675,400	\$471,000	11.2%
Venue Subsidies/Other Transfers	\$1,819,200	\$1,438,200	(\$381,000)	(20.9%)
Capital Transfers	\$462,200	\$930,200	\$468,000	101.3%
Total Expenditures	\$131,584,300	\$139,969,500	\$8,385,200	6.4%

Transfers to Debt Service Funds

	2021	2022	\$ Change	% Change
2014 Bonds	\$1,248,300	\$1,248,900	\$600	0.0%
2016 Bonds	\$2,845,900	\$2,311,700	(\$534,200)	(18.8%)
2018 Bonds	\$5,375,000	\$5,269,700	(\$105,300)	(2.0%)
Line of Credit	\$750,000	\$1,000,000	\$250,000	33.3%
Total Debt Transfers	\$10,219,200	\$9,830,300	(\$388,900)	(3.8%)

Transfers to Other Funds

	2021	2022	\$ Change
Southwest Florida Enterprise Center	\$279,500	\$279,500	\$0
Skatium	\$344,600	\$638,900	\$294,300
Fort Myers Golf Course	\$166,600	\$0	(\$166,600)
Eastwood Golf Course	\$251,600	\$0	(\$251,600)
Para-Transit Fund (trolley)	\$63,600	\$63,600	\$0
Street Maintenance	\$713,300	\$456,200	(\$257,100)
CRA (TIFs)	\$4,204,400	\$4,675,400	\$471,000
Total Transfers	\$6,023,600	\$6,113,600	\$90,000

FY2022 Budget includes funding for the following programs:

Description	\$
Community Career Initiative	\$140,400
Step Up to Work (Summer Youth work program)	\$48,800
City Services Grants for Special Events	\$152,200
Summer Youth Program Scholarships	\$35,000
Programs at STARS/PAL and \$35,000 Council Discretionary	\$364,100
Garden Council (pass through of parking lease revenue from Lee Memorial)	\$65,300
Neighborhood Improvement Funds	\$70,000
Arts and Culture Grants & Consultant/Black History Society	\$165,000
Annual Edison Awards Ceremony and Innovation Showcase	\$25,000
Total	\$1,065,800

2022 Special Events – City Services Grant Program

- Special Events Advisory Board utilized a matrix to allocate FY22 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

Special Events Advisory Board Recommendation

Events	FY2021 Funding	FY2022 Eligible Request	FY2022 Recommended Funding	Funding \$ Change
Art Fest	\$18,600	\$24,086	\$17,100	(\$1,500)
Edison Festival	\$5,100	\$11,016	\$5,600	\$500
Holiday House	\$6,300	\$16,356	\$14,800	\$8,500
MLK Celebration	\$3,600	\$6,190	\$4,300	\$700
Easter Parade	\$2,900	\$4,326	\$3,000	\$100
Music Walk	\$13,400	\$23,216	\$21,100	\$7,700
Art Walk	\$13,300	\$20,512	\$18,600	\$5,300
Israel Fest	\$2,100	\$2,650	\$1,800	(\$300)
Taste of Lee	\$8,900	\$13,833	\$4,200	(\$4,700)
Downtown Countdown	\$4,100	\$18,687	\$13,200	\$9,100
July 4 th Celebration	\$5,400	\$13,458	\$9,500	\$4,100
Bacon Jam	\$4,000	\$7,371	\$2,200	(\$1,800)
St. Patrick's Day Block Party	\$8,000	\$10,492	\$9,500	\$1,500
Contingency	\$7,000	N/A	\$300	(\$6,700)
Subtotal	\$102,700	\$172,193	\$125,200	\$22,500

Special Events Advisory Board Recommendation

Events	FY2021 Funding	FY2022 Eligible Request	FY2022 Recommended Funding	Funding \$ Change
Emancipation Day Celebration	\$0	\$1,667	\$1,500	\$1,500
Juneteenth	\$0	\$2,508	\$2,200	\$2,200
TIP Off Block Party	\$0	\$1,461	\$1,300	\$1,300
Harvest Festival	\$0	\$2,508	\$2,200	\$2,200
Mardi Gras Festival	\$0	\$7,651	\$5,400	\$5,400
Food & Wine Tasting Event	\$0	\$3,041	\$2,100	\$2,100
City of Palms River Run	\$0	\$4,349	\$3,000	\$3,000
Holiday in the Park	\$0	\$2,222	\$1,100	\$1,100
Black History Month	\$0	\$1,667	\$800	\$800
BBQ, Bands & Brews	\$0	\$11,467	\$5,800	\$5,800
SWFL Reading Festival	\$0	\$1,571	\$800	\$800
Run to the Arts	\$0	\$2,867	\$800	\$800
FY21 Events Funded but did not submit grant applications in FY22	\$49,500	\$0	\$0	(\$49,500)
Subtotal	\$102,700	\$172,193	\$125,200	\$22,500
TOTAL	\$152,200	\$215,172	\$152,200	\$0

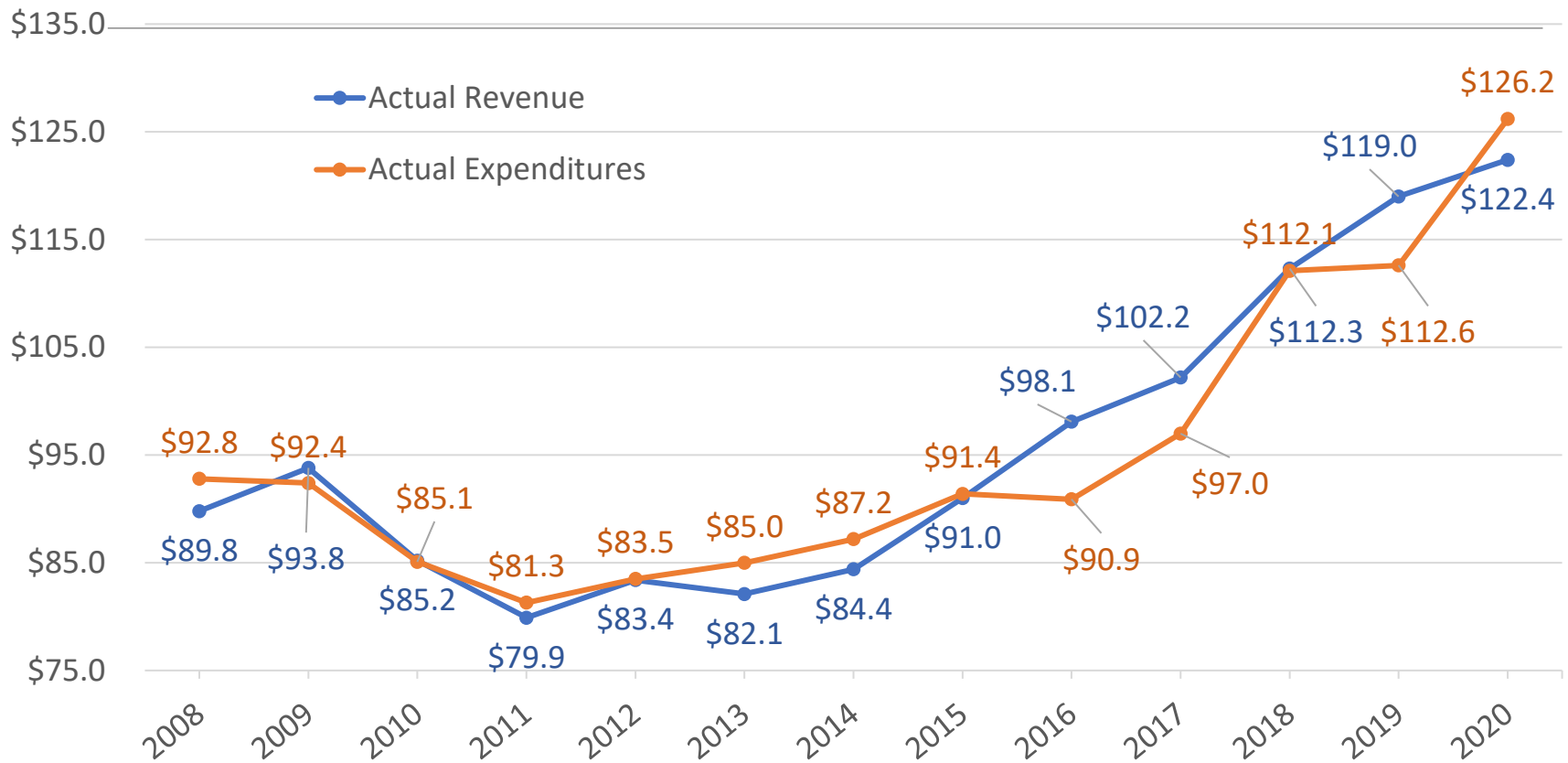
Projected General Fund Reserves

	Balance
Estimated Reserves, 9/30/2021	\$28,341,848
Use of Reserves in 2022 Budget	(\$5,065,900)
2022 Estimated Unassigned Reserves	\$23,275,948
2022 General Fund Budget	\$139,969,500
Unassigned reserves as a % of total 2022 Budget	16.63%

Target reserves is 20% = \$27,993,900

Short of 20% Target (\$4,717,952)

General Fund Actual Revenue/Expenditure Trends (amounts in millions)



Highlights: Other Major Operating Funds

Street Maintenance Fund:

- Total Budget is \$4,373,700
- Revenue budget increases from \$3.0 million in FY2021 to \$3.4 million in FY2022
- There is a \$456,200 General Fund subsidy – A reduction of \$257,100
- Reserves in the amount of \$448,200 were used to balance the fund
- Reserve balance of \$389,967 represents 1 month of operations and maintenance

Highlights: Other Major Operating Funds

Utility Fund:

- Total budget is \$89,407,100
- No rate increases included in the budget for water and sewer services
- Operations fund \$15.6 million towards utility capital improvement projects
- Reserves in the amount of \$10.2 million were used to balance the fund
- Reserves are \$28.7 million, or 6.9 months of operating and maintenance – industry standard is 3 months

Stormwater Fund:

- Total budget is \$7,717,800
- Stormwater fee revenue is projected to total \$6.3 million
 - Average annual assessment (residential based on 2,000 square foot home) remains the same at \$92.16
- Transfers \$1.1 million to Capital budget
- Reserves in the amount of \$1.3 million were used to balance the fund
- Reserve balance of \$468,414 represents less than 1 month of operations and maintenance

Highlights: Other Major Operating Funds

Parking Fund:

- Total Budget is \$1,770,800
- Revenue budget increases from \$1.4 million to \$1.6 million
- Transfers \$395,000 to General Fund – represents the FY2022 debt service payments on the two existing garages – construction and repair projects
- Transfers \$70,000 to the Capital budget
- Reserves in the amount of \$128,300 were used to balance this fund
- No General Fund subsidy is required
- Reserve balance of \$1.5 million represents 10.4 months of operations and maintenance

Skatium Fund :

- Total Budget is \$1,423,500
- Revenue budget decreases from \$1.1 million to \$784,600
- No rate or fee increases are incorporated into the budget
- There is a \$638,900 General Fund subsidy - An increase of \$294,300
- Reserve balance of \$8,037

Highlights: Other Major Operating Funds

Yacht Basin Fund:

- Total Budget is \$3,351,100
- Revenue budget increases from \$2.9 million to \$3.0 million
- No rate or fee increases are incorporated into the budget
- Reserves in the amount of \$370,900 were used to balance the fund
- Transfers \$174,000 to the Capital budget
- No General Fund subsidy is required
- Reserve balance of \$309,734 represents 1.2 months of operations and maintenance

Highlights: Other Major Operating Funds

Golf Course Funds:

- Fort Myers Golf Course
 - Total budget is \$2,423,900
 - Revenue budget increases from \$1.9 million to \$2.3 million
 - Debt repayments for course renovations and equipment lease payments total \$412,900
 - Reserves in the amount of \$148,400 were used to balance the fund
 - No General Fund subsidy is required
 - Reserve balance of \$547,061 represents 2.7 months of operations and maintenance
- Eastwood Golf Course
 - Total budget is \$2,214,100
 - Revenue budget increases from \$1.9 million to \$2.2 million
 - Debt repayments and equipment leases total \$302,100
 - No General Fund subsidy is required
 - Reserve balance of \$412,731 represents 2.3 months of operations and maintenance
- No rate increases are proposed for the golf courses

Highlights: Other Major Operating Funds

Solid Waste Fund:

- Total budget is \$19,105,600
- Revenue budget increases from \$15.3 million to \$16.1 million
 - A 3% rate increase is included and a 2.5% increase for growth
- No transfer to the Capital Budget as the purchase of equipment was accelerated to FY2021
- Reserve balance of \$6.4 million represent 4.8 months of operating and maintenance

Highlights: Other Major Operating Funds

Building Permits and Inspection (BPI) Fund:

- Total budget is \$4,986,200
- Revenues from Licenses and Permits increases from \$2.6 million to \$4.3 million
- Permit fees are reduced by 25% in a continued effort to reduce reserves
- Reserves in the amount of \$655,100 were used to balance the fund
- 20% or \$187,800 of (10) Code Enforcement Officers' salaries and benefits are charged to BPI
- Reserve balance of \$7.0 million represents 16.8 months of operating and maintenance

Summary of Reserve Balances

Fund	Estimated Reserves 2021	Proposed Reserves To Be Used in 2022	Estimated 2022
General Fund	\$28,341,848	(\$5,065,900)	\$23,275,948
Risk Management	\$12,926,265	31,400	\$12,957,665
Fleet Maintenance	\$1,024,436	(\$799,000)	\$225,436
ITS	\$745,052	(\$600,000)	\$145,052
Street Maintenance	\$838,167	(\$448,200)	\$389,967
Utility	\$38,870,809	(\$10,207,600)	\$28,663,209
Stormwater	\$1,767,814	(\$1,299,400)	\$468,414
Solid Waste	\$4,852,678	\$1,551,000	\$6,403,678
Yacht Basin	\$680,634	(\$370,900)	\$309,734
Fort Myers Golf Course	\$695,461	(\$148,400)	\$547,061
Eastwood Golf Course	\$368,931	\$43,800	\$412,731
Parking	\$1,669,467	(\$128,300)	\$1,541,167
Total	\$92,781,562	(\$17,441,500)	\$75,340,062

Capital Improvement Program

New Projects
planned to start in
FY2022

Current Projects
with added funds to
continue/complete
project

Projects on the
radar to start
between FY2023
and FY2026

Governmental Debt	Outstanding Principal 10/01/20	2022 Debt Service
2014 Bonds	\$27,215,000	\$1,534,300
2016 Bonds	\$48,130,000	\$3,189,500
2018 Note	\$41,952,460	\$5,778,900
Line of Credit	\$50,000,000	\$1,000,000
Total	\$167,297,460	\$11,502,700

Governmental Debt

Line of credit update

\$50.0 Million Line of Credit:

- 3 year term, ends October 9, 2022
- Currently Funds 40 Capital Projects totaling \$44,896,054
- Credit line balance is \$29.0MM as of 7/26/21
- Timing of Bond issue
- Estimated annual debt service of \$3.5 million for 20 years
- Total interest expense fees is \$169,403 (includes FY 2020 and to date FY 2021).
- Interest rates for the tax-exempt portion range from a high of 1.9% to a current .56%.
- Interest rates for the taxable portion range from a high of 2.28% to a current .70%.

Utility Debt	Outstanding Principal 10/01/20	2022 Debt Service
2011 Bonds	\$21,340,000	\$5,518,000
2012 Bonds	\$4,525,000	\$398,900
2017 Note	\$36,115,000	\$1,858,200
2019 Bonds	\$113,740,000	\$4,353,700
2020 Bonds	\$76,705,000	\$5,735,300
Other		\$2,223,600
Total	\$252,425,000	\$20,087,700

Utility Debt

Next Steps

Public Hearings regarding the budget are scheduled as follows:

- Wednesday, September 15, 2021 at 5:15 p.m.
- Monday, September 27, 2021 at 5:15 p.m.





Questions & Answers