



# FISCAL YEAR 2025 PRELIMINARY BUDGET

19 July 2024



# AGENDA

- **REVENUE PROJECTIONS**
  - History of Revenue vs Spending
  - “Minimum” Level for Reserves (Cash on Hand)
  - Comparison of Various Millage Rates
  - Taxpayer Impacts
- **PAY & BENEFIT COSTS**
  - Proposed Benefit Changes
  - Proposed Raises
- **OPERATING COSTS**
- **CAPITAL COSTS**
- **APPROVING THE PROPOSED MILLAGE RATE**
- **WHAT’S NEXT AT SEPTEMBER BUDGET HEARINGS**



# REVENUE AND SPENDING PROJECTIONS

## ESTIMATE ASSUMPTIONS

- Ad valorem values increase 5%
  - Homestead properties have a 3% cap
  - Ignores that 80%+ of properties are non-Homestead with a 10% increase cap
  - Last 3 years (w/o IAN impacts) were +26%, +10% and +9%
- Costs increase 2.5% (FED goal is 2% inflation not met yet)
- Decrease of Reserves includes Capital Spending next FY
- Other Income in FY25 doesn't include grants, insurance proceeds, FEMA, Fun Run etc.
- Revenues & Spending will balance at ~\$1.2 million

Fiscal Year Budgeted	FY19	FY20	FY21	FY22	FY23	FY24	Estimated Numbers		
							FY25	FY26	FY27
Ad Valorem Tax Rate (Mils)	3.4441	3.3120	3.3563	3.5000	3.1000	3.1500	3.7500	3.7500	3.7500
Estimated Rollback Rate	3.4441RB	3.312 RB	3.3563 RB	3.2029 RB	2.8177 RB	2.8007 RB	2.9114 RB	3.5714 RB	3.4013 RB
Estimated Total Value (Millions)	\$213.834	\$225.199	\$227.728	\$240.536	\$303.52	\$299.468	\$323.331	\$339.498	\$356.473
Annual Value Increase (Decrease)	\$19,044	\$11,365	\$2,5295	\$12,807	\$62,983	(\$4,051)	\$23,863	\$16,167	\$16,975
Gross Ad Valorem Tax	\$736,466	\$745,858	\$764,324	\$841,875	\$940,910	\$943,325	\$1,212,493	\$1,273,118	\$1,336,774
Less Tax Discounts	(\$22,094)	(\$26,105)	(\$26,751)	(\$29,466)	(\$32,932)	(\$28,300)	(\$39,406)	(\$41,376)	(\$43,445)
Net Tax Revenue	\$714,372	\$719,753	\$737,573	\$812,409	\$907,978	\$915,025	\$1,173,087	\$1,231,741	\$1,293,328
Special Assessment Income	\$447,400	\$447,400	\$447,400	\$447,400	\$447,400	\$447,400	\$0	\$0	\$0
<b>Total Tax Revenue</b>	<b>\$1,161,772</b>	<b>\$1,167,153</b>	<b>\$1,184,973</b>	<b>\$1,259,809</b>	<b>\$1,355,378</b>	<b>\$1,362,425</b>	<b>\$1,173,087</b>	<b>\$1,231,741</b>	<b>\$1,293,328</b>
Tax Increases Each Year	\$5,823	\$5,382	\$17,820	\$74,836	\$95,568	\$7,048	(\$189,338)	\$58,654	\$61,587
<b>Total Revenue</b>	<b>\$1,161,772</b>	<b>\$1,167,153</b>	<b>\$1,208,123</b>	<b>\$1,303,509</b>	<b>\$1,380,178</b>	<b>\$1,676,425</b>	<b>\$1,198,087</b>	<b>\$1,256,741</b>	<b>\$1,318,328</b>
<b>General Fund Expenditures</b>			<b>Actual Expenditures</b>			<b>Budgeted Expenditures</b>			
Personnel Expenses	\$369,835	\$405,392	\$462,938	\$431,936	\$500,763	\$451,746	\$865,287	\$886,919	\$909,092
Operating Expenses	\$235,042	\$219,905	\$265,538	\$302,771	\$242,345	\$265,650	\$310,430	\$318,191	\$326,146
Capital Improvements	\$63,191	\$100,500	\$113,116	\$500,935	\$103,365	\$458,700	\$70,000	\$100,000	\$100,000
Debt Service				\$22,675	\$22,675	\$22,675	\$22,675	\$22,675	\$22,675
<b>GF Subtotal Expense &amp; Improvement</b>	<b>\$668,068</b>	<b>\$725,797</b>	<b>\$841,592</b>	<b>\$1,258,317</b>	<b>\$869,148</b>	<b>\$1,198,770</b>	<b>\$1,268,392</b>	<b>\$1,327,785</b>	<b>\$1,357,912</b>
<b>Actual Special Assessment Income</b>	<b>\$440,505</b>	<b>\$413,232</b>	<b>\$451,070</b>	<b>\$455,661</b>	<b>\$450,582</b>	<b>\$447,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Special Assessment Expenditures</b>									
Personnel Expenses	\$375,659	\$388,043	\$346,588	\$394,139	\$440,996	\$391,926	\$0	\$0	\$0
Operating Expenses	\$71,096	\$86,489	\$46,398	\$55,182	\$27,802	\$40,880	\$0	\$0	\$0
Capital Improvements	\$30,761	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total Expense &amp; Improvement</b>	<b>\$1,145,584</b>	<b>\$1,200,329</b>	<b>\$1,234,578</b>	<b>\$1,707,638</b>	<b>\$1,337,946</b>	<b>\$1,631,576</b>	<b>\$1,268,392</b>	<b>\$1,327,785</b>	<b>\$1,357,912</b>
<b>Increase (Decrease) in Reserves</b>	<b>\$16,188</b>	<b>(\$33,176)</b>	<b>(\$26,455)</b>	<b>(\$404,128)</b>	<b>\$42,232</b>	<b>\$44,849</b>	<b>(\$70,305)</b>	<b>(\$71,043)</b>	<b>(\$39,584)</b>

UNAUDITED ESTIMATES



# RIGHT LEVEL OF FINANCIAL RESERVES?

- **Minimum Requirement**
  - 17% of annual spending
    - ✓ Why that number? That is equivalent to 2 months of spending (October & November) before current FY revenue is deposited
    - ✓ Based on a “straight-line” spend rate (100% / 12 months x 2 months)
    - ✓ Needn’t include Capital spending (that routinely executes in January – July timeframe, after new tax revenues are deposited)
  - What is the “real, no kidding” minimum operational need?
    - ✓ Enough “cash” to make payroll & operating costs in October & November
    - ✓ How can we figure out that number?
    - ✓ Look into Bank/QuickBooks data for the prior fiscal years
- **The Right Number? Whatever a Board Majority Decides!**



# BANKING/QUICKBOOKS FINANCIAL DATA

## Tax Revenues vs Expenses

From	To	Income	Expenses
1-Oct-21	1-Dec-21	\$248K	\$201K
1-Oct-22	1-Dec-22	\$20K	\$307K
1-Oct-23	1-Dec-23	\$210K	\$189K

**\$200,000 for expenses is the rough minimum requirement (based on history)**

IAN delayed tax bills mailing until 1 Dec 2022, due 1 Jan 2023 & Martin paid 2 times usual Pay & Benefits during 1 Oct - 15 Nov (ish)

**Typically, in addition to \$200,000 minimum in Reserves, we see \$130,000+ in new GF FY Tax Revenue at END of 2 Months**

### MONTHLY TAX REVENUES

		GF	SA
Detailed Deposits	17-Oct-23	\$250	\$0
	17-Nov-23	\$2.6K	\$2.7K
	1-Dec-23	\$135K	\$69K

**Remember that FY25 will just be the General Fund (GF) side**



# EXAMPLE TAX REVENUES FOR FY25 BUDGET

Property Valuations	\$323,331,468	Current FY24 Tax Revenues	Roll Back Millage Rate	10% Higher Millage Rate (Estimate)	Max Millage
	Required Commissioner Minimum Vote	4-1	3-2	4-1	5-0
		3.15	2.9114	3.20254	3.75
	Millage Rate Increase (Decrease) %	12.5%	0.0%	10.0%	28.8%
	Tax Increase (Decrease) \$		(\$1,978)	\$92,157	\$269,168
General Fund (Max is 3.75 Mils)	Potential General Fund Gross Revenue	\$943,325	\$941,347	\$1,035,482	\$1,212,493
	Revenue After Discounts (3.25%)	\$912,667	\$910,753	\$1,001,829	\$1,173,087
Special Assessment (Max is \$447,400)	Special Assessment Revenue (Net)	\$447,400	\$0	\$0	\$0
Funds Total	Total Budgeted Tax Revenue (Net)	\$1,360,067	\$910,753	\$1,001,829	\$1,173,087

**NOTES:**

1. The “Roll Back Rate” doesn’t generate the SAME revenue, it keeps the AVERAGE COST to Individual Taxpayers the same (the Law’s Intent)
2. These are example millage rates, with total tax revenue estimates (an overall tax decrease compared to FY24)
3. Numbers above don’t include other projected revenues (FEMA, Insurance Proceeds, Fun Run, Donations, etc.)
4. The numbers show large tax increases but they don’t fully offset \$447,400 in lost Special Assessments



# TAXPAYER IMPACTS

Assessed Values	Taxable Property Values				
	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000
FY24 Baseline	\$1,575.00	\$1,890.00	\$2,205.00	\$2,520.00	\$2,835.00
FY25 Millage Rates					
2.9114	\$1,455.70	\$1,746.84	\$2,037.98	\$2,329.12	\$2,620.26
3.2025	\$1,601.27	\$1,921.52	\$2,241.78	\$2,562.03	\$2,882.29
3.7500	\$1,875.00	\$2,250.00	\$2,625.00	\$3,000.00	\$3,375.00

Assessed Values	Taxable Property Values				
	\$1,000,000	\$1,100,000	\$1,200,000	\$1,300,000	\$1,400,000
FY24 Baseline	\$3,150.00	\$3,465.00	\$3,780.00	\$4,095.00	\$4,410.00
FY25 Millage Rates					
2.9114	\$2,911.40	\$3,202.54	\$3,493.68	\$3,784.82	\$4,075.96
3.2025	\$3,202.54	\$3,522.79	\$3,843.05	\$4,163.30	\$4,483.56
3.7500	\$3,750.00	\$4,125.00	\$4,500.00	\$4,875.00	\$5,250.00



# PAY & BENEFIT COSTS

Proposed Changes Effective 1 Jan 2025

(Start of First Pay Period in CY25)

- Key proposals are a 2.5% raise for firefighters and 2.5% increase in Retirement Contributions for both Chiefs Cottrell & Tracy (no hourly raises)
- Raises:
  - Chief Cottrell** (none) but increase District Retirement Contribution from 10% to **12.5%** of Base Hours
    - ✓ With 96 hours/pay period, increasing from \$6,240 to \$7,800 annually
    - ✓ Equals an increase from \$240 to \$300/pay period
  - Assistant Chief Tracy** Hourly Rate Equal to Chief's Rate
    - ✓ Proposal to add a new retirement contribution of **2.5%** of Base Hours
    - ✓ With up to 96 hours/pay period, increasing from \$0 to \$1,560 annually
    - ✓ Equals an increase from \$0 to up to \$60/pay period, depending on hours worked
  - Increase **Division Chiefs** by **\$0.60** (from \$24.09/hour to \$24.69/hour or **2.5% increase**)
  - Increase **Officers** by **\$0.55** (from \$22.14/hour to \$22.69/hour or **2.5% increase**)
  - Increase **FF-Paramedic** by **\$0.54** (from \$21.58/hour to \$22.12/hour or **2.5% increase**)
  - Increase **FF-EMT** by **\$0.46** (from \$18.69/hour to \$19.15/hour or **2.5% increase**)





# PROPOSED PAY & BENEFIT INCREASES FOR FY25

Pay and Fringe Benefits Budget Baseline Worksheet for FY25

General Fund	28 Shifts/ Week	FY24 Hourly Rate	CY25 Proposed Hourly Rate	Annual Pay Rate	Holiday Pay (24 Hrs x 5 Days)	FICA (7.65%)	W/C (4.25%)	Retirement Contribution	Subtotal Pay & Benefit COSTS
Payments To Chief Cottrell (Hourly)	2.00	\$25.00	\$25.00	\$62,400	\$2,469			\$7,410	\$79,998
Payments FOR Chief Cottrell						\$4,962	\$2,757		
Payments To Achief Tracy (Hourly)	1.75	\$25.00	\$25.00	\$54,600				\$1,024	\$62,121
Payments FOR Achief Tracy						\$4,177	\$2,321		
Payments To Dchief Garretto (Hourly)	1.50	\$24.09	\$24.69	\$42,689				\$0	\$47,769
Payments FOR Dchief EMS (Garretto)						\$3,266	\$1,814		
Payments To Dchief Doerr (Hourly)	1.75	\$24.09	\$24.69	\$50,345			\$0	\$56,336	
Payments FOR Dchief Fire (Doerr)					\$3,851	\$2,140			
Officers	7.00	\$22.14	\$22.69	\$193,769	\$2,723	\$15,032	\$8,351		\$219,874
Paramedic	7.00	\$21.58	\$22.11	\$188,745	\$2,653	\$14,642	\$8,134		\$214,175
EMT	7.00	\$18.69	\$19.15	\$163,040	\$2,298	\$12,648	\$7,027		\$185,013
		Subtotals		\$765,731		\$58,578	\$32,544	\$8,434	\$865,287
		Without Raise		\$748,374		\$57,251	\$31,806	\$6,240	\$843,671
		With Raise Effective 1 Jan 2025		\$765,731		\$58,578	\$32,544	\$8,434	\$865,287
		Proposed Increase (Decrease)		\$17,357		\$1,327	\$738	\$2,194	\$21,616



# OPERATING COSTS

## Changes from FY24 Lines ONLY

### Operating Expenses

522-310 LEGAL & PROFESSIONAL SERVICES

522-320 ACCOUNTING & AUDITING

522.34 OTHER CONTRACTUAL

522.341 PROPERTY APPRAISER FEES

522.342 TAX COLLECTOR FEES

522-400 TRAVEL & PER DIEM

522-410 COMMUNICATIONS SERV

522-430 UTILITY SERVICES

522-440 RENTALS & LEASES

522-450 INSURANCE

522-460 REPAIR & MAINTENANCE

522-469 ACCESS POINT MAINTENANCE

522-490 OTHER CURRENT CHGS

522.491 BANK SERVICE CHARGES

522-520 OPERATING SUPPLIES

522.521 FUEL

522.522 MEDICAL

522.523 UNIFORMS & SUPPLIES

522.528 PERSONAL PROTECTIVE GEAR

522.520 OPERATING SUPPLIES-OTHER

522-540 BOOKS, SUBSCRIPT & MEMBERSHIPS

522-541 STATION SOFTWARE

522-550 TRAINING & EDUCATION

### Total Budget

1 October 2023 through 30 June 2024	AMENDED FY24 Budget	Proposed FY25 Budget	Proposed Increase (Decrease)
\$22,390	\$36,872	\$20,000	(\$16,872)
\$21,105	\$42,350	\$24,000	(\$18,350)
\$6,363	\$6,407	\$6,500	\$93
\$18,503	\$19,310	\$19,000	(\$310)
\$41,435	\$8,250	\$5,000	(\$3,250)
\$7,563	\$6,800	\$10,000	\$3,200
\$18,419	\$24,680	\$14,680	(\$10,000)
\$3,000	\$6,000	\$11,000	\$5,000
\$25,213	\$31,340	\$31,340	\$0
\$10,634	\$38,800	\$23,000	(\$15,800)
\$13,925	\$50,000	\$50,000	\$0
\$1,881	\$2,000	\$2,000	\$0
			\$0
\$2,332	\$13,000	\$15,000	\$2,000
\$6,030	\$8,000	\$8,000	\$0
\$4,603	\$3,000	\$6,000	\$3,000
\$21,096	\$22,765	\$10,000	(\$12,765)
\$41,317	\$17,000	\$44,000	\$27,000
\$1,725	\$1,260	\$750	(\$510)
\$7,351	\$8,160	\$8,160	\$0
\$2,000	\$1,094	\$2,000	\$906

### PROPOSED CHANGES

- Eliminate detailed lines for Freight & Postage, Licenses & Fees, Office Supplies, Equipment Under \$1000, and T-Shirts for Resale
- Decreased Lines:
  - Added to cover FY23 Bills paid in FY24
  - Legal, Accounting, Utilities and PPE total \$64,987
  - Large decrease for Travel (without a boat, Island Girl costs increased in FY24)
- Increased Lines:
  - Moved budget from eliminated lines to Operating Supplies-Other
  - Repair & Maintenance, Equipment Under \$1000, and T-Shirts for Resale
- After removing the FY24 plus-ups, the net increase is ~\$13,000



# CAPITAL COSTS

## 1. Reduced **Building Improvements** due to one-time IAN Renovations

- We will need to move FY24 unspent funds to FY25 .. for any work that is incomplete on the IAN Renovations, either in the Sep update **OR** in an FY25 Budget Amendment
- Won't Impact Bottom Line Budgeted Ending Reserves
- Increases Estimated Starting Reserves & Building Improvements

## 2. Changed Lines:

- \$25K for MSA fill station solves unsatisfactory SCBA refill process
- \$30K is for failing garage doors and openers since IAN
- \$15K for Jetski and related equipment (doesn't include an expected 50/50 grant request)



# OVERALL PROPOSED BUDGET FOR FY25

FISCAL YEAR 2024-25		GENERAL FUND	ORIGINAL FY24 (GF & SA)
<b>SOURCES OF FUNDS</b>			
<b>REVENUES</b>	<b>Millage Per \$1,000</b>		
Taxes			
Ad Valorem Taxes (net)	3.75	\$ 1,173,087	\$ 915,025
Assessments Non-ad valorem (net)		\$ -	\$ 447,400
Miscellaneous		\$ 25,000	\$ 87,000
Total Revenues		\$ 1,198,087	\$ 1,449,425
FUND BALANCE S/RESERVE S-Beginning		\$ 640,691	\$ 568,000
<b>TOTAL SOURCES OF FUNDS</b>		<b>\$ 1,838,778</b>	<b>\$ 2,017,425</b>
<b>USES OF FUNDS</b>			
<b>EXPENDITURES</b>			
Public Safety			
Personal Services		\$ 865,287	\$ 843,671
Operating Expenses		\$ 310,430	\$ 297,356
Capital Outlay		\$ 70,000	\$ -
Debt Service		\$ 22,675	\$ 22,675
Total Expenditures		\$ 1,268,392	\$ 1,163,701
FUND BALANCE S/RESERVE S-Ending		\$ 570,386	\$ 853,724
<b>TOTAL USES OF FUNDS</b>		<b>\$ 1,838,778</b>	<b>\$ 2,017,425</b>



# APPROVING THE PROPOSED MILLAGE RATE

Property Valuations	\$323,331,468	Current FY24 Tax Revenues	Roll Back Millage Rate	10% Higher Millage Rate <b>(Estimate)</b>	Max Millage
	Required Minimum Vote	4-1	3-2	4-1	5-0
		3.15	2.9114	3.20254	3.75
	Millage Rate Increase <b>(Decrease)</b> %	12.5%	0.0%	10.0%	28.8%
	Tax Increase <b>(Decrease)</b> \$		<b>(\$1,978)</b>	\$92,157	\$269,168
General Fund (Max is 3.75 Mills)	Potential General Fund Gross Revenue	\$943,325	\$941,347	\$1,035,482	\$1,212,493
	Revenue After Discounts (3.25%)	\$912,667	\$910,753	\$1,001,829	\$1,173,087
Special Assessment (Max is \$447,400)	Special Assessment Revenue (Net)	\$447,400	\$0	\$0	\$0
Funds Total	Total Budgeted Tax Revenue (Net)	\$1,360,067	\$910,753	\$1,001,829	\$1,173,087
	Decreased total Tax Revenues		<b>(\$449,314)</b>	<b>(\$358,238)</b>	<b>(\$186,980)</b>

## ACTIONS:

1. Set the proposed millage rate for Resolution 2024-008
2. Set the 1<sup>st</sup> Budget Hearing date for Saturday, 7 September 2024 at 10AM in Resolution 2024-008
3. Vote and Approve Resolution 2024-008



# DECISIONS IN AUGUST & SEPTEMBER

- Approving adjustments in the proposed budget
  - Developing a Consensus on the “Right” level of Reserves
  - Changes by the Chief in response to board guidance
  - “Tweaks” to individual spending lines
- First Budget Hearing (Proposed 7 September 2024)
  - Approve a Preliminary Budget
  - Approve a Preliminary Millage Rate
- Final Budget Hearing (Proposed 21 September 2024)
  - Approve a Final Budget
  - Approve a Final Millage Rate