



# FISCAL YEAR 2025 PROPOSED BUDGET

7 September 2024



# AGENDA

- **REVENUE PROJECTIONS**
  - History of Revenue vs Spending
  - “Minimum” Level for Reserves (Cash on Hand)
  - Comparison of Various Millage Rates
- **PAY & BENEFIT COSTS**
  - Proposed Benefit Changes
  - Proposed Raises
  - Board Approves Benefits Proposals
- **OPERATING COSTS**
- **CAPITAL COSTS**
  - Board Discusses Proposed Purchases
  - Board Approves Capital Proposals
- **WHAT’S NEXT AT OUR SEPTEMBER BUDGET HEARINGS**



# REVENUE AND SPENDING PROJECTIONS

Fiscal Year Budgeted	FY22	FY23	FY24	Estimated Numbers		
				FY25	FY26	FY27
Ad Valorem Tax Rate (Mils)	3.5000	3.1000	3.1500	3.6214	3.6000	3.6000
Estimated Rollback Rate	3.2029 RB	2.8177 RB	2.8007 RB	2.9114 RB	3.5714 RB	3.4013 RB
Estimated Total Value (Millions)	\$240,536	\$303,52	\$299,468	\$323,331	\$339,498	\$356,473
Annual Value Increase (Decrease)	\$12,807	\$62,983	(\$4,051)	\$23,863	\$16,167	\$16,975
Gross Ad Valorem Tax	\$841,875	\$940,910	\$943,325	\$1,170,913	\$1,222,193	\$1,263,308
Less Tax Discounts	(\$29,466)	(\$32,932)	(\$28,300)	(\$38,055)	(\$39,721)	(\$41,707)
Net Tax Revenue	\$812,409	\$907,978	\$915,025	\$1,132,858	\$1,182,472	\$1,241,595
Special Assessment Income	\$447,400	\$447,400	\$447,400	\$0	\$0	\$0
Total Tax Revenue	\$1,259,809	\$1,355,378	\$1,362,425	\$1,132,858	\$1,182,472	\$1,241,595
Tax Increases Each Year	\$74,836	\$95,568	\$7,048	(\$229,567)	\$49,614	\$59,124
Other Income	\$43,700	\$24,800	\$34,000	\$25,000	\$25,000	\$25,000
<b>Total Revenue</b>	<b>\$1,303,509</b>	<b>\$1,380,178</b>	<b>\$1,676,425</b>	<b>\$1,157,858</b>	<b>\$1,207,472</b>	<b>\$1,266,595</b>
General Fund Expenditures	Actual Expenditures		Budgeted Expenditures			
Personnel Expenses	\$431,936	\$500,763	\$451,746	\$865,287	\$886,919	\$909,092
Operating Expenses	\$302,771	\$242,345	\$265,650	\$310,430	\$318,191	\$326,146
Capital Improvements	\$500,935	\$103,365	\$458,700	\$105,000	\$70,000	\$70,000
Debt Service	\$22,675	\$22,675	\$22,675	\$22,675	\$22,675	\$22,675
GF Subtotal Expense & Improvement	\$1,258,317	\$869,148	\$1,198,770	\$1,303,392	\$1,297,785	\$1,327,912
Actual Special Assessment Income	\$455,661	\$450,582	\$447,400	\$0	\$0	\$0
Special Assessment Expenditures						
Personnel Expenses	\$394,139	\$440,996	\$391,926	\$0	\$0	\$0
Operating Expenses	\$55,182	\$27,802	\$40,880	\$0	\$0	\$0
Capital Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense & Improvement	\$449,321	\$468,798	\$432,806	\$0	\$0	\$0
<b>Grand Total Expense &amp; Improvement</b>	<b>\$1,707,638</b>	<b>\$1,337,946</b>	<b>\$1,631,576</b>	<b>\$1,303,392</b>	<b>\$1,297,785</b>	<b>\$1,327,912</b>
<b>Increase (Decrease) in Reserves</b>	<b>(\$404,128)</b>	<b>\$42,232</b>	<b>\$44,849</b>	<b>(\$145,534)</b>	<b>(\$90,313)</b>	<b>(\$61,317)</b>

## ESTIMATE ASSUMPTIONS

- Max millage that can be approved by a 4-1 vote is 3.6214 for FY25
- 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

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
- ✓ What is that minimum “cash” balance each year?

- **The Right Number? Whatever a Board Majority Decides!**

- 2 Months would be roughly \$200K

- Many local FDs use 3 months (25% of annual spending); roughly \$300K - \$330K

- We currently have over 6 months of reserves (about \$640K)



# 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**



# PROPOSED MILLAGE RATES

## Minimum Votes Required

PROPERTY TAX OVERSIGHT  
E-TRIM



11.	Rolled-back rate to be used for maximum millage levy calculation: (Enter Line 10 if adjusted or else enter Line 2)		3.1150
12.	Adjustment for change in per capita Florida personal income:		1.0569 <small>(Entered by Department of Revenue based on change in income.)</small>
		<b>Min Vote</b>	<b>Max Millage</b>
13.	Majority vote maximum millage rate allowed:	<b>3-2</b>	3.2922 <small>(Line 11 multiplied by Line 12)</small>
14.	Two-thirds vote maximum millage rate allowed:	<b>4-1</b>	3.6214 <small>(Line 13 multiplied by 1.10)</small>
	<small>(If Line 15 is less than or equal to Line 13) The maximum millage rate is equal to the majority vote maximum rate.</small>		
	<input type="radio"/> <b>b.</b> Two-thirds vote of the governing body: <small>(If Line 15 is less than or equal to Line 14, but greater than Line 13) The maximum millage rate is equal the Proposed rate.</small>	<b>5-0</b>	<b>3.7500</b>
	<input type="radio"/> <b>c.</b> Unanimous vote of the governing body: <small>(3/4 vote if nine members or more). (If Line 15 is greater than Line 14)</small>		



# EXAMPLE TAX REVENUES FOR FY25 BUDGET

## Approval Range

Property Valuation for FY25	Required Commissioner Minimum Vote	Current FY24 Tax Revenues	Roll Back Millage Rate	Max Millage Rate (Majority Vote)	Max Millage Rate (2/3 Vote)	Max Millage Rate (Unanimous Vote)
		4-1 3.15	3-2 2.9114	3-2 3.2922	4-1 3.6214	5-0 3.75
\$323,331,468	Millage Rate Increase (Decrease) %	12.5%	0.0%	13.1%	24.4%	28.8%
	Tax Increase (Decrease) \$		(\$1,978)	\$121,147	\$227,587	\$269,168
General Fund (Max is 3.75 Mills)	Potential General Fund Gross Revenue	\$943,325	\$941,347	\$1,064,472	\$1,170,913	\$1,212,493
	Revenue After Discounts (3.25%)	\$912,667	\$910,753	\$1,029,877	\$1,132,858	\$1,173,087
Special Assessment (Max was \$447,400)	Special Assessment Revenue (Net)	\$447,400	\$0	\$0	\$0	\$0
<b>Funds Total</b>	<b>Total Budgeted Tax Revenue (Net)</b>	<b>\$1,360,067</b>	<b>\$910,753</b>	<b>\$1,029,877</b>	<b>\$1,132,858</b>	<b>\$1,173,087</b>

Budgeted Starting Reserve	\$643,000	\$640,691	\$640,691	\$640,691	\$640,691
Estimated Reserve Increase (Decrease)	(\$2,309)	(\$367,639)	(\$248,516)	(\$145,534)	(\$105,305)
Estimated Ending Reserve	\$640,691	\$273,052	\$392,175	\$495,156	\$535,386

### NOTES:

1. These are example millage rates, with total tax revenue estimates (an overall tax decrease compared to FY24)
2. Numbers above don't include other possible revenues (FEMA, Insurance Proceeds, Fun Run, Donations, etc.)
3. 3.2025 is the MINIMUM millage rate that generates \$1M (net) in tax revenues (Required for LOC Renewal)
4. 3.75 mils is the MAXIMUM millage rate but there may not be enough votes to approve that rate
5. The numbers show a large tax increase but they don't fully offset \$447,400 in lost Special Assessments so overall taxes go down



# 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
3.2922	\$1,646.10	\$1,975.32	\$2,304.54	\$2,633.76	\$2,962.98
3.6214	\$1,810.70	\$2,172.84	\$2,534.98	\$2,897.12	\$3,259.26
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
3.2922	\$3,292.20	\$3,621.42	\$3,950.64	\$4,279.86	\$4,609.08
3.6214	\$3,621.40	\$3,983.54	\$4,345.68	\$4,707.82	\$5,069.96
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

	Total Budget			
	1 October 2023 through 30 June 2024	AMENDED FY24 Budget	Proposed FY25 Budget	Proposed Increase (Decrease)
522-310 LEGAL & PROFESSIONAL SERVICES	\$22,390	\$36,872	\$20,000	(\$16,872)
522-320 ACCOUNTING & AUDITING	\$21,105	\$42,350	\$24,000	(\$18,350)
522.34 OTHER CONTRACTUAL				
522.341 PROPERTY APPRAISER FEES	\$6,363	\$6,407	\$6,500	\$93
522.342 TAX COLLECTOR FEES	\$18,503	\$19,310	\$19,000	(\$310)
522-400 TRAVEL & PER DIEM	\$41,435	\$8,250	\$5,000	(\$3,250)
522-410 COMMUNICATIONS SERV	\$7,563	\$6,800	\$10,000	\$3,200
522-430 UTILITY SERVICES	\$18,419	\$24,680	\$14,680	(\$10,000)
522-440 RENTALS & LEASES	\$3,000	\$6,000	\$11,000	\$5,000
522-450 INSURANCE	\$25,213	\$31,340	\$31,340	\$0
522-460 REPAIR & MAINTENANCE	\$10,634	\$38,800	\$23,000	(\$15,800)
522-469 ACCESS POINT MAINTENANCE	\$13,925	\$50,000	\$50,000	\$0
522-490 OTHER CURRENT CHGS				
522.491 BANK SERVICE CHARGES	\$1,881	\$2,000	\$2,000	\$0
522-520 OPERATING SUPPLIES				\$0
522.521 FUEL	\$2,332	\$13,000	\$15,000	\$2,000
522.522 MEDICAL	\$6,030	\$8,000	\$8,000	\$0
522.523 UNIFORMS & SUPPLIES	\$4,603	\$3,000	\$6,000	\$3,000
522.528 PERSONAL PROTECTIVE GEAR	\$21,096	\$22,765	\$10,000	(\$12,765)
522.520 OPERATING SUPPLIES-OTHER	\$41,317	\$17,000	\$44,000	\$27,000
522-540 BOOKS, SUBSCRIPT & MEMBERSHIPS	\$1,725	\$1,260	\$750	(\$510)
522-541 STATION SOFTWARE	\$7,351	\$8,160	\$8,160	\$0
522-550 TRAINING & EDUCATION	\$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:
  - Communications, Rentals & Leases, Fuel, and Uniforms (includes T-Shirts for Resale)
  - Moved budget from eliminated lines to Operating Supplies-Other
- After removing the FY24 plus-ups, the net increase is ~\$13,000



# CAPITAL COSTS

## 1. Reduced **Building Improvements** due to IAN Renovations

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

## 2. Proposed Purchases:

- \$40K for MSA fill station solves unsatisfactory SCBA refill process
- \$65K for 4x4 replacement engine solves E192/Lack of LCFCA Loaner
- ~~\$30K for failing garage doors and openers since IAN Deferred~~
- ~~\$15K for Jetski and related equipment (doesn't include an expected 50/50 grant request) Deferred~~



# OVERALL PROPOSED BUDGET FOR FY25 (with 3.75 millage rate at 5-0 Vote)

FISCAL YEAR 2024-25		GENERAL FUND	ORIGINAL FY24 (GF & SA)
<b>SOURCES OF FUNDS</b>			
<b>REVENUES</b>			
Taxes			
	Ad Valorem Taxes (net)	\$ 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 BALANCES/RESERVES-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	\$ 865,287	\$ 843,671
	Personal Services	\$ 310,430	\$ 297,356
	Operating Expenses	\$ 105,000	\$ -
	Capital Outlay	\$ 22,675	\$ 22,675
	Debt Service	\$ -	\$ -
	Total Expenditures	\$ 1,303,392	\$ 1,163,701
	FUND BALANCES/RESERVES-Ending	\$ 535,386	\$ 853,724
	<b>TOTAL USES OF FUNDS</b>	<b>\$ 1,838,778</b>	<b>\$ 2,017,425</b>

Millage Per \$1,000 3.75



# OVERALL PROPOSED BUDGET FOR FY25 (with 3.6214 millage rate at 4-1 Vote)

FISCAL YEAR 2024-25		GENERAL FUND	ORIGINAL FY24 (GF & SA)
<b>SOURCES OF FUNDS</b>			
<b>REVENUES</b>			
	Taxes		
	Ad Valorem Taxes (net)	\$ 1,132,858	\$ 915,025
	Assessments Non-ad valorem (net)	\$ -	\$ 447,400
	Miscellaneous	\$ 25,000	\$ 87,000
	Total Revenues	\$ 1,157,858	\$ 1,449,425
	FUND BALANCES/RESERVES-Beginning	\$ 640,691	\$ 568,000
	<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 1,798,548</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	\$ 105,000	\$ -
	Debt Service	\$ 22,675	\$ 22,675
	Total Expenditures	\$ 1,303,392	\$ 1,163,701
	FUND BALANCES/RESERVES-Ending	\$ 495,157	\$ 853,724
	<b>TOTAL USES OF FUNDS</b>	<b>\$ 1,798,548</b>	<b>\$ 2,017,425</b>

Millage Per \$1,000  
3.6214



# EXAMPLE TAX REVENUES FOR FY25 BUDGET

## Approval Range

Property Valuation for FY25	Required Commissioner Minimum Vote	Current FY24 Tax Revenues	Roll Back Millage Rate	Max Millage Rate (Majority Vote)	Max Millage Rate (2/3 Vote)	Max Millage Rate (Unanimous Vote)
		4-1 3.15	3-2 2.9114	3-2 3.2922	4-1 3.6214	5-0 3.75
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	Revenue After Discounts (3.25%)	\$912,667	\$910,753	\$1,029,877	\$1,132,858	\$1,173,087
Special Assessment (Max was \$447,400)	Special Assessment Revenue (Net)	\$447,400	\$0	\$0	\$0	\$0
<b>Funds Total</b>	<b>Total Budgeted Tax Revenue (Net)</b>	<b>\$1,360,067</b>	<b>\$910,753</b>	<b>\$1,029,877</b>	<b>\$1,132,858</b>	<b>\$1,173,087</b>

Budgeted Starting Reserve	\$643,000	\$640,691	\$640,691	\$640,691	\$640,691
Estimated Reserve Increase (Decrease)	(\$2,309)	(\$367,639)	(\$248,516)	(\$145,534)	(\$105,305)
Estimated Ending Reserve	\$640,691	\$273,052	\$392,175	\$495,156	\$535,386

1. An overall tax decrease compared to FY24 (without the 10-Year Special Assessment that ends in FY24)
2. Numbers above don't include other possible revenues (FEMA, Insurance Proceeds, Fun Run, Donations, etc.)
3. 3.2025 mils is the MINIMUM millage rate that generates \$1M (net) in tax revenues (Required for LOC Renewal)
4. 3.75 mils is the MAXIMUM millage rate but not enough votes to approve that rate



# DECISIONS IN SEPTEMBER

- Final Adjustments in the Proposed Budget
  - Final Numbers required for replacement insurance (Currently Unknown)
  - Final Decisions required on Approved Capital Purchases
- First Budget Hearing (7 September 2024)
  - Approve a Preliminary Budget
  - Approve a Preliminary Millage Rate
- Final Budget Hearing (21 September 2024)
  - Approve a Final Budget
  - Approve the Final Millage Rate (same as 7 September rate or lower)





# BACK-UP SLIDES