

# City of **Gainesville**

## **Fiscal Year 2026 Fiscal Retreat**

**PRESENTED BY: CYNTHIA W. CURRY, CITY MANAGER**

**Cintya G. Ramos, Executive Chief of Staff**

**MARCH 27, 2025**

# Fiscal Year 2026 Fiscal Retreat Agenda

---

- FY 2026 Strategic Plan Update (Agenda #2025-229)
- FY 2026 Budget Development Update (Agenda #2025-264)
  - General Fund Revenue and Expenditure Projections
  - Fees (Fire Assessment and Appendix A)
  - General Fund Fund Balance
  - Other Funds
- Budget Administration Policy Update (Agenda #2025-227)
- Budget Development Calendar Update (Agenda #2025-108)
- Legislative Update (Agenda #2025-259)

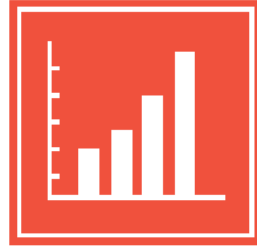
# Strategic Plan Update

# FY 2026 Proposed Strategic Plan

## Goals



A Great Place to Live & Experience



Resilient Local Economy



Equitable Community



More Sustainable Community



"Best in Class" Neighbor Services

## Critical Organizational Components



## Top Priorities



# General Fund Update

# FY 2026 Revenue Estimate – General Fund

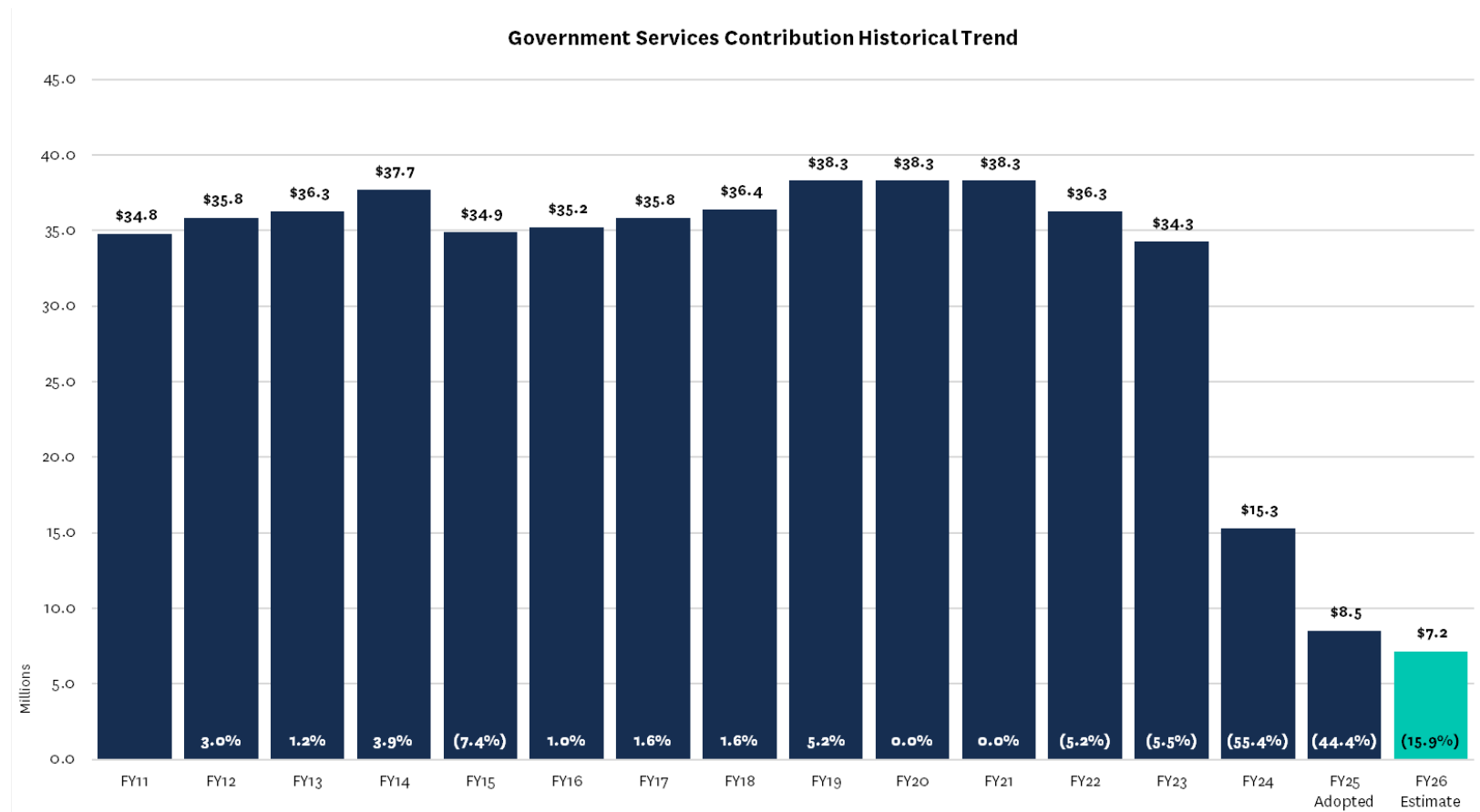
- The FY 2026 Estimated Revenue Budget is \$156.7 million, \$1.4 million or 0.9% higher than the FY 2025 Adopted Revenue Budget. The FY 2026 Estimated Revenue Budget reflects the following assumptions:
  - **Property Taxes:**
    - Growth of 6.0% in taxable assessed value
      - Additional taxable value scenarios included in back-up
    - 96% collection rate for property tax – generates an additional \$4.1 million in revenue
    - Same millage rate as FY 2025: 6.4297
  - **Other Taxes:** growth of 0%-1.0%
  - **Fire Assessment:**
    - FY 2024 and FY 2025 recouped 51.68% of the assessable fire budget – \$12.3 million
    - Current revenue estimate recoups 53% of the assessable fire budget in FY 2026 (2.6% increase) - \$12.6 million
  - **Intergovernmental:**
    - FY25 one-time ARPA revenue replacement of \$1.2 million removed
    - Final State revenue sharing numbers finalized in July/August
  - **Charges for Services:**
    - Growth of 5% for Appendix A fees (biennial increase)
    - Reduction in Right of Way fees - \$245K
    - Reduction in Ironwood Golf Course concessions revenue - \$222K
    - Reduction of legal services fees for dedicated GRU attorney - \$206K
  - **Transfers In from Other Funds:**
    - Local Option Gas Tax loan repayment completed - \$305k
    - Evergreen Cemetery loan repayment completed - \$160K
    - RTS position paid directly out of RTS Fund - \$100K
  - **Government Services Contribution:**
    - Reduction for county streetlights expenses charged to the City by GRU - \$1.1 million
    - Placeholder reduction for legal fees charged to the City by GRU - \$250K

# FY 2026 Revenue Estimate – General Fund

Revenues	FY23 Actual	FY24 Actual	FY25 Adopted	FY25 Amended	FY26 Estimate	\$ Change vs. FY25 Adopted	% Change vs. FY25 Adopted
Property Taxes	47,389,007	62,832,569	68,055,505	68,055,505	72,138,836	4,083,331	6.0%
Other Taxes	21,172,736	21,891,702	22,215,071	22,215,071	22,346,314	131,243	0.6%
Fire Assessment	9,056,432	11,807,694	12,297,476	12,297,476	12,614,733	317,257	2.6%
Miscellaneous Permits	598,962	53,946	111,661	111,661	57,505	(54,156)	(48.5%)
Intergovernmental	24,622,714	20,438,750	22,238,108	22,238,108	21,686,929	(551,179)	(2.5%)
Charges for Services	15,940,561	17,067,379	16,129,097	16,129,097	15,518,242	(610,855)	(3.8%)
Fines & Forfeitures	911,818	1,096,844	836,889	836,889	836,413	(476)	(0.1%)
Miscellaneous Revenue	4,392,584	6,463,564	3,795,897	3,795,897	3,759,042	(36,855)	(1.0%)
Transfers In From Other Funds	2,172,620	12,015,030	1,183,198	1,183,198	617,977	(565,221)	(47.8%)
Government Services Contribution	34,283,000	15,305,225	8,505,224	8,505,224	7,155,224	(1,350,000)	(15.9%)
Fund Balance	0	0	0	3,168,516	0	0	N/A
<b>Total General Fund Revenue</b>	<b>160,540,434</b>	<b>168,972,703</b>	<b>155,368,126</b>	<b>158,536,642</b>	<b>156,731,215</b>	<b>1,363,089</b>	<b>0.9%</b>

# Government Services Contribution

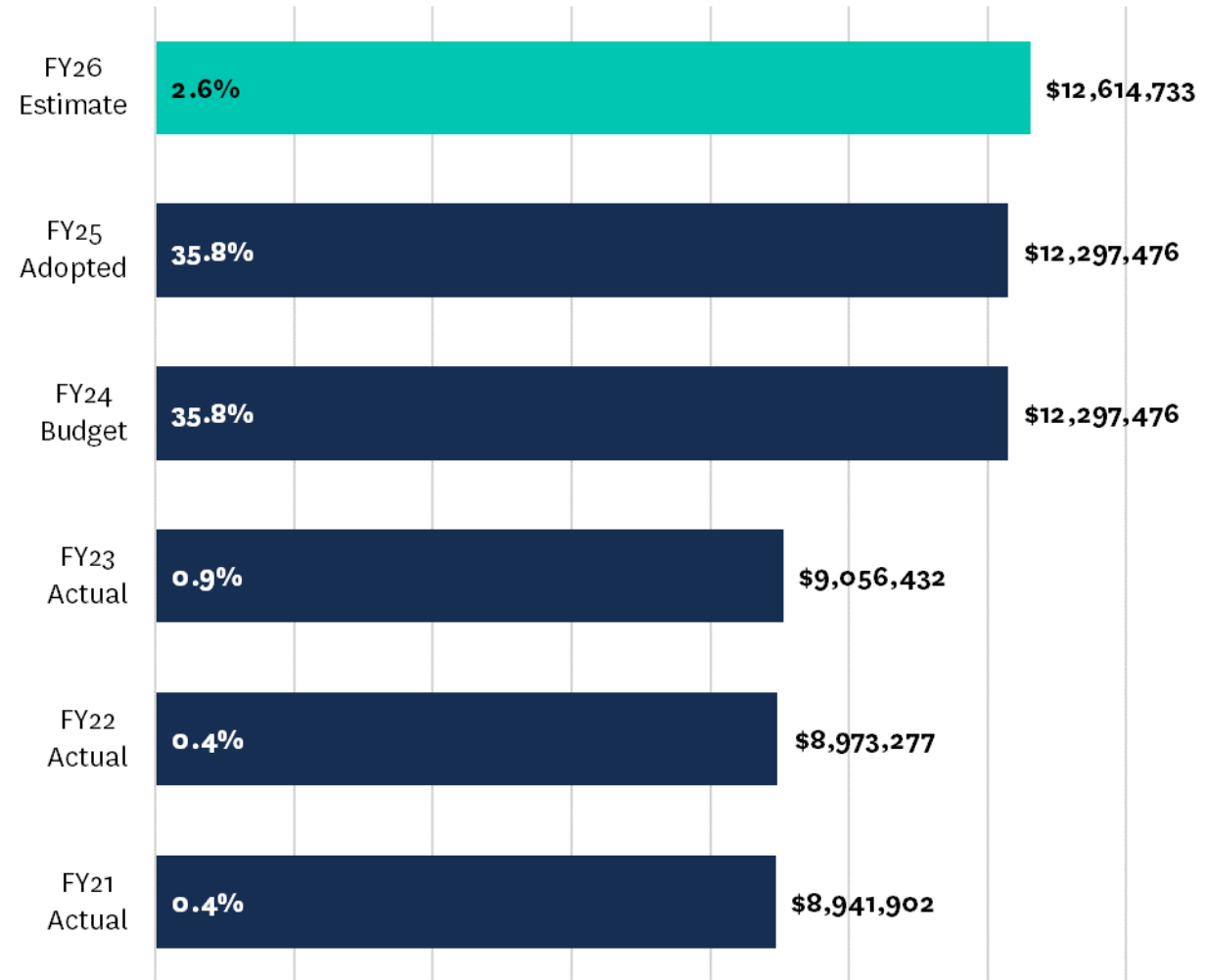
- In FY 2024, the Government Services Contribution (GSC) was reduced from \$34.3 million to \$15.3 million, a reduction of \$19.0 million or 55.4% from prior fiscal year
- For FY 2025, the GRU Authority authorized another \$6.8 million or 44.4% reduction of the GSC, bringing the amount down to \$8,505,224
- Further reductions to the GSC continue
- The GSC is now budgeted to be \$31.1 million or 81.3% lower than in FY 2019 – the lowest in recent history





# FY 2026 Fire Assessment Estimate

- The Fire Assessment Rate methodology was updated in FY 2024
- Fire Assessment fee was set to recoup 51.68% of the assessable fire budget in FY 2024 and FY 2025
  - Generates an estimated \$12.3 million in revenue
- Fire Assessment fee is recommended to recoup 53% of the assessable fire budget in FY 2026 (2.6% increase) - \$317K
  - Generates and estimated \$12.6 million in revenue



# FY 2026 Expenditure Estimate – General Fund

- The FY 2026 Estimated General Fund Expenditure Budget is \$162.0 million, \$6.6 million or 4.2% higher than the FY 2025 Adopted Budget.
- FY 2026 Budget Estimate reflects:
  - Reinstate funding for 20.0 FTEs (Police Officers) and 1.0 FTE (Finance Grants Program Specialist) in the Department of Financial Services
  - Reinstate Fleet fixed expenses to support vehicle replacement
  - Maintain same FTE level as the FY 2025 Adopted Budget
  - Includes 3% annual merit increases for community builders

**City Operations Six Months in Review and upcoming Groundbreakings and Ribbon-Cuttings included in the back-up**

Department	FY23 Actual	FY24 Actual	FY25 Adopted	FY25 Amended	FY26 Estimate	\$ Change vs. FY25 Adopted	% Change vs. FY25 Adopted
City Attorney	1,501,709	1,601,731	1,676,569	1,676,569	1,744,018	67,449	4.0%
City Auditor	816,362	826,017	888,640	888,640	889,017	377	0.0%
City Clerk	1,654,515	1,024,558	1,225,739	1,425,739	1,299,173	73,434	6.0%
City Commission	510,506	573,159	579,098	579,098	581,941	2,843	0.5%
City Manager's Office	1,639,805	1,439,542	1,641,448	1,641,448	1,722,791	81,343	5.0%
Communications & Marketing	896,412	916,968	1,043,980	1,043,980	1,074,904	30,924	3.0%
Equity & Inclusion	1,187,119	1,327,789	1,447,750	1,529,936	1,433,750	(14,000)	(1.0%)
Financial Services	3,637,827	3,800,887	3,816,908	3,856,908	4,047,844	230,936	6.1%
Fire Rescue	23,992,813	27,487,467	27,757,792	27,757,792	28,401,324	643,532	2.3%
Housing and Community Development	376,606	431,120	490,215	521,222	515,171	24,956	5.1%
Human Resources	2,270,668	2,262,067	2,340,383	2,343,600	2,438,139	97,756	4.2%
Management & Budget	1,464,221	781,177	910,072	973,909	909,856	(216)	(0.02%)
Non-Departmental	38,726,621	38,873,299	29,309,964	29,555,894	31,391,830	2,081,866	7.1%
Parks, Recreation and Cultural Affairs	12,158,787	11,538,636	11,825,090	11,825,090	12,176,278	351,188	3.0%
Police	36,232,292	39,240,592	41,701,243	41,794,721	44,241,046	2,539,803	6.1%
Public Works	14,668,957	16,288,837	15,918,893	17,587,327	16,169,271	250,378	1.6%
Risk Management	229,462	271,014	154,000	154,000	154,000	0	0.0%
Sustainable Development	3,952,272	3,051,524	3,197,394	3,316,798	3,264,449	67,055	2.1%
Technology	1,598,575	11,371,110	8,085,985	8,195,845	8,140,381	54,396	0.7%
Transportation	3,747,092	1,438,002	1,345,975	1,857,139	1,379,678	33,703	2.5%
Wild Spaces Public Places	3,007	3,500	10,988	10,988	10,988	0	0.0%
<b>Total</b>	<b>151,265,628</b>	<b>164,548,996</b>	<b>155,368,126</b>	<b>158,536,642</b>	<b>161,985,849</b>	<b>6,617,723</b>	<b>4.3%</b>
<b>FTEs</b>	<b>1,084.04</b>	<b>999.84</b>	<b>986.11</b>	<b>986.11</b>	<b>985.11</b>	<b>(1.00)</b>	<b>(0.1%)</b>

# FY 2026 General Fund Estimate Summary

2025-264A

	FY23 Actual	FY24 Actual	FY25 Adopted	FY25 Amended	FY26 Estimate	\$ Change vs. FY25 Adopted	% Change vs. FY25 Adopted
Revenue	160,540,434	168,972,703	155,368,126	158,536,642	156,731,215	1,363,089	0.9%
Expenditures	151,265,628	164,548,996	155,368,126	158,536,642	161,985,849	6,617,723	4.3%
<b>Surplus / (Deficit)</b>	<b>9,274,806</b>	<b>4,423,707</b>	<b>-</b>	<b>-</b>	<b>(5,254,634)</b>		

Based on current revenue and expenditure estimates, there is a shortfall of \$5.3 million in the FY 2026 Budget Estimate which could result in reductions in General Fund department budgets. Department budgets will continue to be reviewed and presented again during the Budget Workshops. Staff continues to update revenue projections and utilize available levers to develop a balanced budget.

## Pending Items

- Government Services Contribution (due June 2025)
- Property Tax Valuations
  - Preliminary estimate expected June 1
  - Final valuation expected July 1
- State Revenue Sharing (late July/early August)

## Levers

- Millage Rate can be adjusted
- Expenditure reductions
- Efficiencies through exploration of mergers/consolidations
- Larger Appendix A and fire assessment increases

# Fund Balance Update – General Fund 2025-264A

- The Audited Unassigned Fund Balance as of the Fiscal Year 2024 Annual Audit (period ended September 30, 2024) is \$58,503,206.
- The Fiscal Year 2026 Budget Estimate does not include an appropriation of General Fund fund balance.
- The current audited Fund Balance meets the Fund Balance Policy.
- Potential uses of available fund balance (\$18 million): Technology Department one-time transition funding needs, additional Workday improvements, capital preservation needs and new capital projects.

Requirements										
Emergency Fund Level	0.015%	of TAV (per Fund Balance Policy adopted Sept. 2021)								
Minimum Fund Balance	16.7%	of following fiscal year's operating expenditures								
Maximum Fund Balance	25.0%	of following fiscal year's operating expenditures								

Fiscal Year	Taxable Assessed Value (TAV) - 6% Growth		Unassigned Fund Balance	Emergency Fund Level	Emergency Fund Level Met?	Minimum Fund Balance Requirement	Minimum Fund Balance Requirement		Maximum Fund Balance Requirement		Available to
	Estimate Over Tax Year 2024 (July 1, 2024)	Expenditures (FY26 Estimate as of 3-27-25)					Balance Requirement	Met?	Fund Balance Requirement	Exceeded?	
2026 (Estimate)	\$11,687,111,506	\$161,985,849	\$58,503,206	\$1,753,067	Yes	\$27,051,637		Yes	\$40,496,462	Yes	\$18,006,744

Amount over the maximum requirement: \$18,006,744

# Capital Needs

- The City has not recently set aside dedicated funds for renewal/replacement for capital projects and is actively evaluation funding needs for new projects

## Preservation

- Immediate needs in the next fiscal year total \$12.4 million.
- Examples include:
  - City Hall - \$2.3 million
  - Old Library Building - \$829K
  - Thomas Center A - \$1.5 million
  - Thomas Center B - \$3 million
  - Senior Recreation Center - \$200K
- \$14.6 million needed over the next five years
  - Back-up includes detailed list of projects

## New Projects

- Examples include:
  - 8th and Waldo - TBD
  - New park in SW Gainesville - TBD
  - Mobile data terminal replacement for Fire trucks - \$250K
  - Morningside Nature Center - TBD
  - SW Public Safety Center construction additional funding - \$4 million
  - Wilhelmina Johnson Center Improvements - TBD

**Commission discussion recommended for use of fund balance to address capital needs. If direction is provided, staff will return with recommendations.**

# Other Funds

# American Rescue Plan Act

- Total Award: \$32,408,804
- Projects Completed: 12
- Projects Underway: 16
  - No issues/concerns with projects
- Total expended as of March 19, 2025: \$22.9 million or 70.5%
- Of the remaining funding (\$9.6 million), \$5.9 million or 62.2% is for Affordable Housing projects

REVENUE REPLACEMENT ARPA				2025-264A	
Project	Budget		Actual*	% Expended	
General Government Services Set-Aside (FY23)	\$	4,216,227.92	\$	4,216,227.92	100.0%
Eastside Urgent Care Center	\$	2,250,000.00	\$	2,250,000.00	100.0%
Vision Zero	\$	1,250,000.00	\$	231,195.02	18.5%
General Government Services Set-Aside (FY25)	\$	1,186,236.99	\$	1,186,236.99	100.0%
Gainesville For All	\$	350,000.00	\$	350,000.00	100.0%
Language Access	\$	300,000.00	\$	176,394.54	58.8%
Central Receiving Facility	\$	250,000.00	\$	250,000.00	100.0%
Cultural Arts Center Feasibility Study	\$	123,254.07	\$	123,254.07	100.0%
Human Rights Coalition - Community ID	\$	55,781.02	\$	55,781.02	100.0%
Nonprofit Capacity Building - CFNCF	\$	18,500.00	\$	18,500.00	100.0%
Subtotal - Revenue Replacement	\$	10,000,000.00	\$	8,857,589.56	88.6%
CORE ARPA					
Project	Budget		Actual*	% Expended	
Aid to Non-Profit Organizations	\$	6,141,420.06	\$	6,141,420.06	100.0%
Affordable Housing - Rental Housing Units	\$	4,565,000.00	\$	-	0.0%
Energy Rehabilitation	\$	1,899,785.76	\$	1,899,785.76	100.0%
GRACE Marketplace - FY25 Homeless Services	\$	1,600,000.00	\$	666,244.80	41.6%
Community Land Trust	\$	1,000,000.00	\$	323,873.95	32.4%
Community Resource Paramedicine Program	\$	1,000,000.00	\$	656,251.54	65.6%
Administrative - General Consultant - GSG	\$	999,888.00	\$	625,923.25	62.6%
GRACE Marketplace - Homeless Support Services	\$	700,000.00	\$	600,000.00	85.7%
One Nation/One Project	\$	648,176.08	\$	548,911.46	84.7%
Violence Intervention	\$	621,483.00	\$	620,778.16	99.9%
Administrative - Estimated City Costs	\$	472,087.00	\$	310,955.83	65.9%
Affordable Housing - Down Payment Assistance	\$	410,397.60	\$	310,000.00	75.5%
GRACE Marketplace - Homeless Outreach	\$	400,000.00	\$	400,000.00	100.0%
Gun Violence Prevention Programming	\$	344,944.12	\$	61,118.92	17.7%
GRACE Marketplace - Security Improvements	\$	260,000.00	\$	253,003.13	97.3%
Gun Violence Prevention Manager	\$	250,500.00	\$	87,457.07	34.9%
Affordable Housing - Single Family Units	\$	250,000.00	\$	100,000.00	40.0%
Utility Debt Forgiveness	\$	250,000.00	\$	250,000.00	100.0%
Affordable Housing - Owner-Occupied Rehabilitation	\$	245,000.00	\$	-	0.0%
Affordable Housing - HCD Manager	\$	150,000.00	\$	39,439.66	26.3%
Personal Protective Equipment	\$	100,122.38	\$	100,122.38	100.0%
Affordable Housing - Land Acquisition	\$	100,000.00	\$	-	0.0%
Subtotal - Core	\$	22,408,804.00	\$	13,995,285.97	62.5%
Total	\$	32,408,804	\$	22,852,875.53	70.5%

15

\* Financial Data as of March 19, 2025. FY25 data is unaudited.

# Solid Waste

- On February 20, 2025, the City Commission adopted Ordinance 2024-903 which increased solid waste cart rates by 20% (\$4.10 to \$8.15 per month for curbside service).
- This adjustment was made to account for inflationary costs and due to budgeted revenues vs. expenditures impacting the fund balance.
- Effective date of new rates: April 1, 2025
- Projected expenditures in FY 2025 and FY 2026 continue to outpace revenues
- Staff is currently administering a fee sufficiency study and a methodology study for potential transition to the property tax bill in November 2026

Fund Balance Projection		
<b>FY 2024</b>		
<b>Ending Fund Balance</b>	<b>\$</b>	<b>8,194,643</b>
<b>FY 2025</b>		
Projected Revenues	\$	13,907,662
Projected Expenditures	\$	16,777,699
<b>Projected Fund Balance</b>	<b>\$</b>	<b>5,324,606</b>
<b>FY 2026</b>		
Estimated Revenues	\$	14,413,662
Estimated Expenditures	\$	15,950,000
<b>Estimated Fund Balance</b>	<b>\$</b>	<b>3,788,268</b>



# Streets, Stations and Strong Foundations

- Current Fund Balance as of February 2025: \$19,460,909
- Projects Underway:
  - S.W. Public Safety Center - \$28.75 million
    - Estimated cost includes land rights
    - Currently in land acquisition and design / permitting
    - Construction estimated to start in Fall 2026 with land rights
  - GFR Station #3 - \$15.5 million
    - Currently evaluating alternative sites
    - Construction schedule will be established once land rights acquired
  - GPD Property & Evidence Building - \$20.0 million
    - Currently in design & permitting
    - Construction tentatively scheduled to begin in February 2026
  - N.E. 9th Street - \$5.2 million
    - Currently in design
    - Construction tentatively scheduled to begin in Spring 2026
  - Affordable Housing Set-Aside - \$8.7 million
    - 10% for acquisition of properties
    - Request for Qualifications (RFQ) to identify partner to property acquisition and ongoing management
    - RFQ posted 3/5/25, proposals due 3/26/25, selection process to occur in April 2025
    - Ongoing process to identify and acquire properties
    - State legislative changes under review to allow for expanded use beyond land acquisition ([SB 1594](#))

# Wild Spaces Public Places

- Fund Balance as of February 2025: \$34,302,533
- Projects Underway:
  - Alfred A. Ring Park Boardwalk, Wildflower Garden & Misc. Improvements - \$414,022
  - Kiwanis Challenge Park Track Improvements- \$246,000 (finished in February)
  - Multipurpose Trail Signage - \$29,188
  - Duval Nature Park - Parking lot, trail and playground - \$237,000
  - Hippodrome Elevator Repair - \$136,000
  - Fred Cone Park Track Resurfacing and Infield Repair - \$320,000
  - Tom Petty Park Pickleball Courts & New Restroom Building - \$2,467,007
  - Boulware Springs Revitalization - \$3,980,000
  - Thelma A. Boltin Center Improvements - Phase 1 Improvements (Stabilization) - \$3,000,000
  - Morningside Nature Center - Master Planning / New Nature Center - TBD after final scope approved by Commission
  - Wilhelmina Johnson Center Improvements - TBD based upon the ongoing envelope study
  - Multipurpose Trails - Construction to begin later in FY25; costs TBD
    - SE Williston Road to Depot Park
    - Sweetwater Wetlands Park to Sweetwater Preserve
    - NE 31st Avenue Trail (NE 15th St to NE Waldo Rd)
    - SW 47th Ave. Trail (SW 34th St to SW 27th St)

# Budget Administration Policy Update

# FY 2026 Budget Administration Policy

- The Budget Administration Policy is reviewed annually as part of the budget development process.
- The policy was last updated in September 2023 ([Agenda #2023-857](#)) to allow for an annual budget development process.
- During this review cycle, the following proposed changes are recommended by staff:
- In the section “Statement of Policy – Budget Authority of the City Manager” remove the following language:

*The City Manager shall have the authority to reasonably deviate from the budgeted personnel schedule, within the parameters set forth in Human Resources Policy C-6. The City Manager may not increase the total number of budgeted positions by one-half (1/2) percent or more of the City Manager’s total FTE count. In Charter Officers’ departments with less than 20 authorized positions, one additional budgeted position may be approved by the Charter Officer.*

**This change is proposed in order to better manage personnel expenditures and increase transparency regarding positions throughout the City.**

# **FY 2026 Budget Development Calendar Update**

# FY 2026 Budget Development Calendar Update<sup>2025-264A</sup>

- The Budget Administration Policy requires the Office of Management & Budget to develop an annual operating budget and five-year capital improvement plan.
- An initial calendar was approved on February 6, 2025 ([Agenda Item #2025-108](#))
- Budget development calendar has now been updated as follows:
  - May 6<sup>th</sup> Budget Workshop shifted to May 8<sup>th</sup>
  - May 20<sup>th</sup> Budget Workshop shifted to May 22<sup>nd</sup>
  - June 3<sup>rd</sup> Budget Workshop shifted to June 12<sup>th</sup>
  - Property Appraiser provided a tentative TRIM mailing date (August 20<sup>th</sup>) and to align with TRIM requirements, the September public hearing dates were adjusted
    - First Public Hearing shifted from September 4<sup>th</sup> to September 11<sup>th</sup>
    - Second Public Hearing shifted from September 18<sup>th</sup> to September 25<sup>th</sup>

# FY 2026 Budget Development Timeline

February

March

April

May

June

July

August

September

## February

- OMB prepares preliminary revenue and expenditure estimates and drafts department budget worksheets

## March 27

- FY26 Budget Process Kick Off
- Departments Prepare Budget Submissions
- Fiscal Retreat with the City Commission
- Departments review submissions with OMB

## April

- Departments discuss budget submissions with OMB

## May 8

- City Commission Budget Workshop
- Charter Offices
  - Administrative Services
- Departments: Communications & Marketing, Financial Services, Human Resources, Management & Budget, Risk, and Technology

## May 22

- City Commission Budget Workshop
- Police
  - Fire Rescue
  - Parks, Recreation and Cultural Affairs
  - Public Works

## City Commission Meeting

- First Public Hearing for the Fire Assessment

## June 12

- City Commission Budget Workshop
- Housing & Community Development
  - Gainesville Community Reinvestment Area
  - Sustainable Development
  - Transportation
  - Non-Departmental

## July 1

- Property Appraiser releases Tax Year 2025 Taxable Values

## July 17

- City Commission Meeting
- Set Maximum Millage Rate

## September 11

- First public hearing for FY26 Budget. City Commission:
- Sets Final Fire Assessment
  - Sets Tentative Appendix A
  - Sets Tentative Millage Rate
  - Sets Tentative Financial Operating Plan for City

## September 25

- Second public hearing for FY26 Budget. City Commission:
- Sets Final Appendix A
  - Sets Final Millage Rate
  - Sets Final Financial Operating Plan for City

# Summary of Recommendations

## **For the Agenda Item #2025-264 FY 2026 Budget Development Update:**

The City Commission:

1. Hear a presentation from staff,
2. Approve recouping 53% of the assessable fire budget in FY 2026, and
3. Provide any other direction as needed.

## **For separate Agenda Items:**

The City Commission:

1. **Agenda Item #2025-229 FY 2026 Strategic Plan Update:** The City Commission reaffirm and approve the Strategic Plan goals, critical organizational components and top priorities for FY 2026.
2. **Agenda Item #2025-227 FY 2026 Budget Administration Policy Update:** The City Commission approve the proposed changes to the Budget Administration Policy.
3. **Agenda Item #2025-108 FY 2026 Budget Development Calendar Update:** The City Commission approve the Fiscal Year 2026 budget development calendar.



# Thank You.

# City of **Gainesville**

## **Fiscal Year 2026 Fiscal Retreat**

**PRESENTED BY: CYNTHIA W. CURRY, CITY MANAGER**

**Cintya G. Ramos, Executive Chief of Staff**

**MARCH 27, 2025**