

# City of **Gainesville**

## **Fiscal Year 2024 First Public Hearing**

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

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

**Steven Varvel, Acting Director of Office of Management and Budget**

**SEPTEMBER 7, 2023**

# Fiscal Year 2024

## First Public Hearing

### Order of Budget Agenda Items

---

- FY 2024 Proposed Budget Presentation for General Government
- Set **Final** Fire Assessment via Resolution No. 2023-848
- Discuss the proposed Budget Administration and Budget Amendment Policy Consolidation (Agenda #2023-857)
- **First** Reading of Ordinance No. 2023-809 - Amending Appendix A for General Government
- **First** Reading of Ordinance No. 2023-810 - Amending Appendix A for GRU
- **First** Reading of Ordinance No. 2023-832 - Amending Electric System Fuel and Purchased Power Adjustment Added to Public Streetlight and Rental Outdoor Light Services for GRU
- Set **Tentative** Millage Rate via Resolution No. 2023-858
- Set **Tentative** GRU Budget via Resolution No. 2023-833
- Set **Tentative** Financial Operating Plan for General Government via Resolution No. 2023-860

# Timeline

February

March

April

May

June

July

August

September

## February

- FY24 Budget Process Kick Off
- Charters prepare FY24 Proposed Budgets

## March

- GG Departments prepare Zero-Based Budgets (ZBB)

## April 13

City Commission:

- Sets Government Services Contribution formula

## April 28

General Government:

- CIRC prepares FY24 Reduced Budget Proposal

## May 2

City Commission Budget Workshop:

- Fire Assessment
- GFR Proposed Budget

## May 17

City Commission Budget Workshop:

- Charter Officers
- GPD

## May 25

City Commission Budget Workshop:

- Sustainable Development
- Housing & Community Development
- Transportation
- Public Works
- Parks, Recreation & Cultural Affairs

## June 14

City Commission Budget Meeting:

- Communications & Marketing
- Financial Services
- Human Resources
- Technology
- Office of Management & Budget
- Risk Management
- Transportation – Fleet
- Non-Departmental
- General Fund Summary

## June 15

City Commission Meeting:

- Sets Preliminary Fire Assessment

## July 20

City Commission Meeting:

- Set Maximum/Not-to-Exceed Millage Rate

## August 21

City Commission Budget Workshop

## September 7

First public hearing for FY24 Budget.

City Commission:

- Sets Final Fire Assessment
- Review and Approve Budget Administration Policy
- First Reading Appendix A
- Sets Tentative Millage Rate
- Sets Tentative Financial Operating Plan for City

## September 21

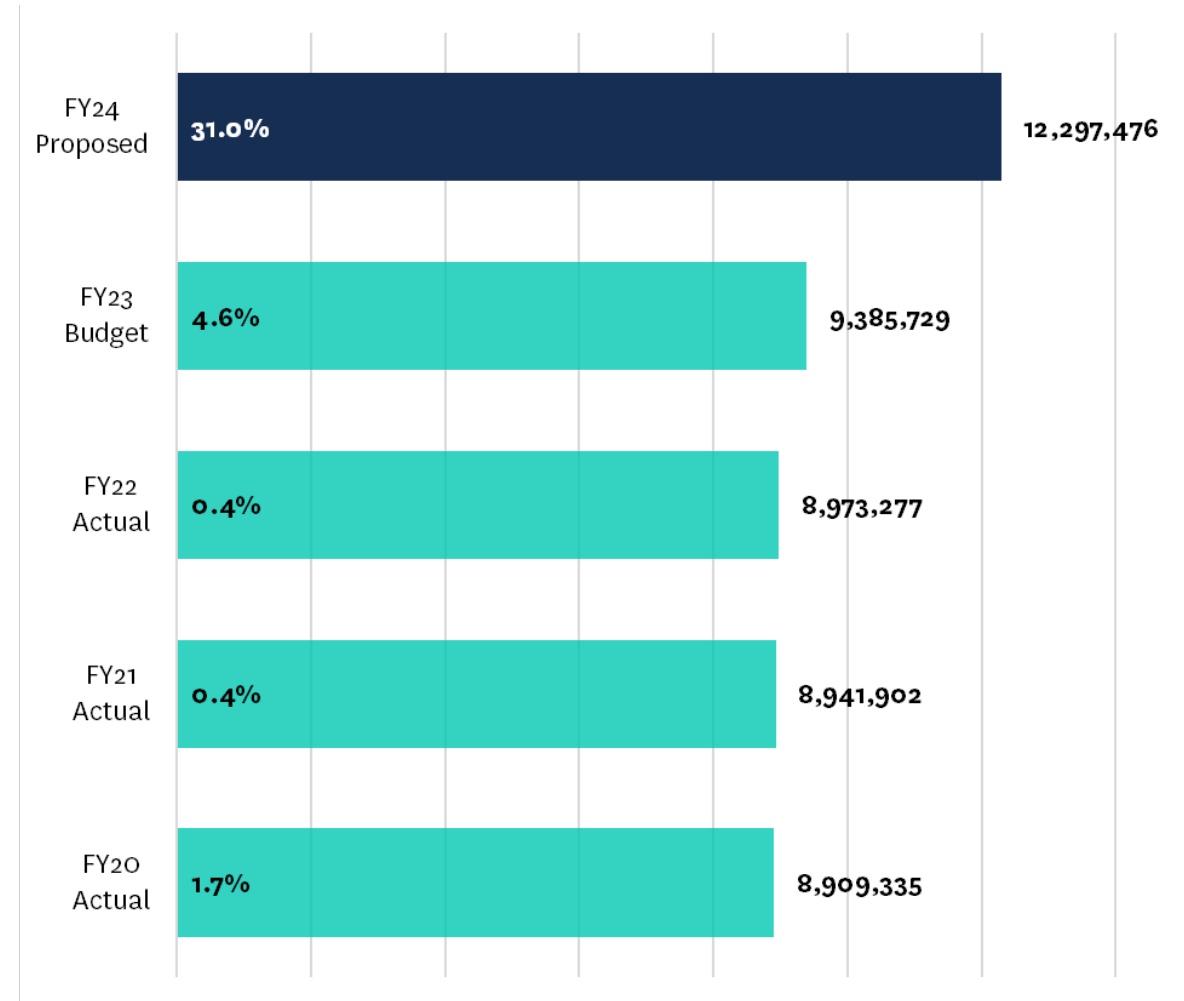
Second public hearing for FY24 Budget.

City Commission:

- Sets Final Appendix A
- Sets Final Millage Rate
- Sets Final Financial Operating Plan for City

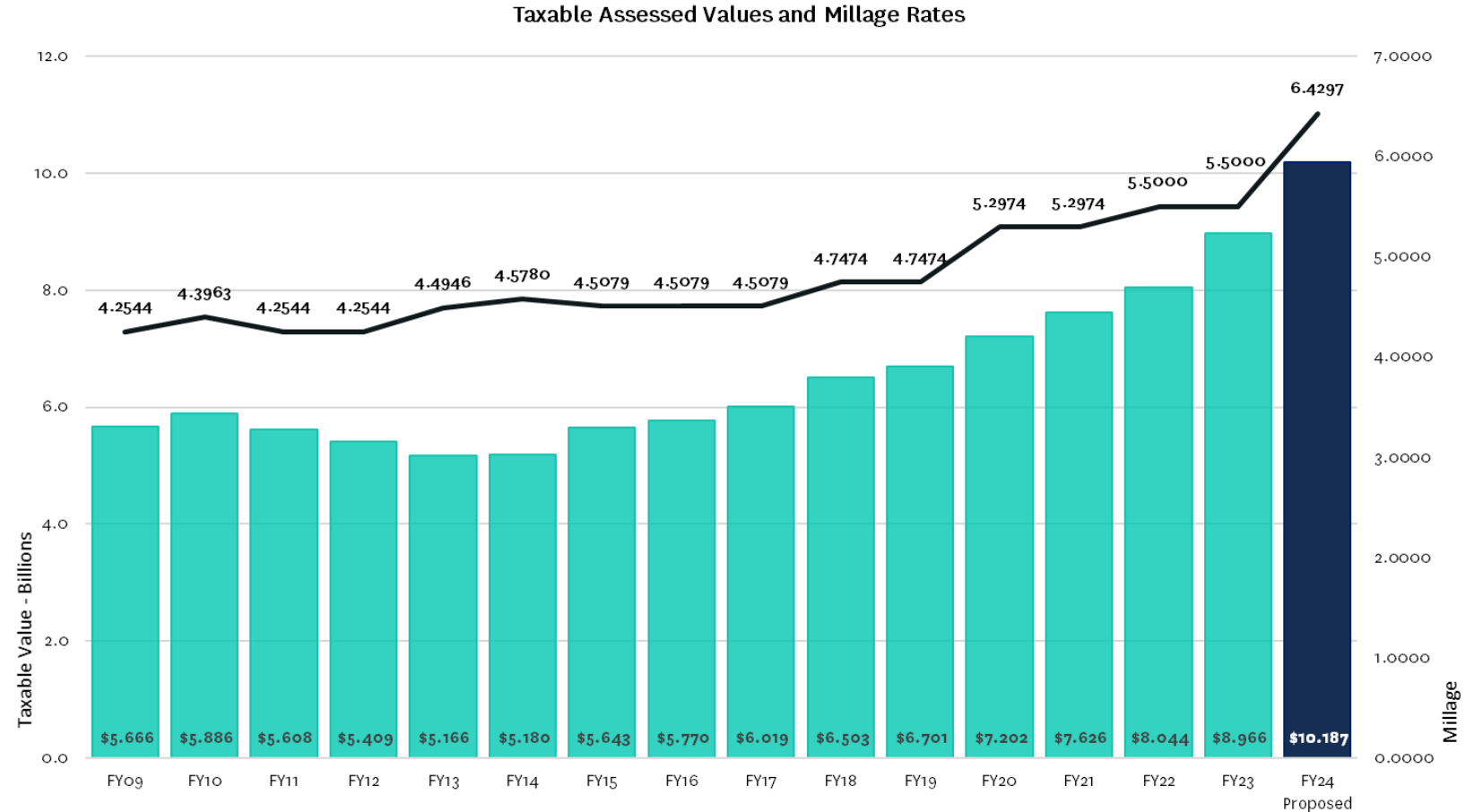
# Fire Assessment

- The Fire Assessment Rate methodology was updated for FY 2024.
- The Fire Assessment fee is set to 51.68% of the assessable fire budget.
- FY 2024 revenue is estimated at \$12.3 million, an increase of \$2.9 million or 31.0% compared to the FY 2023 Budget.
- The graph to the right provides the five year history of fire assessment revenue.



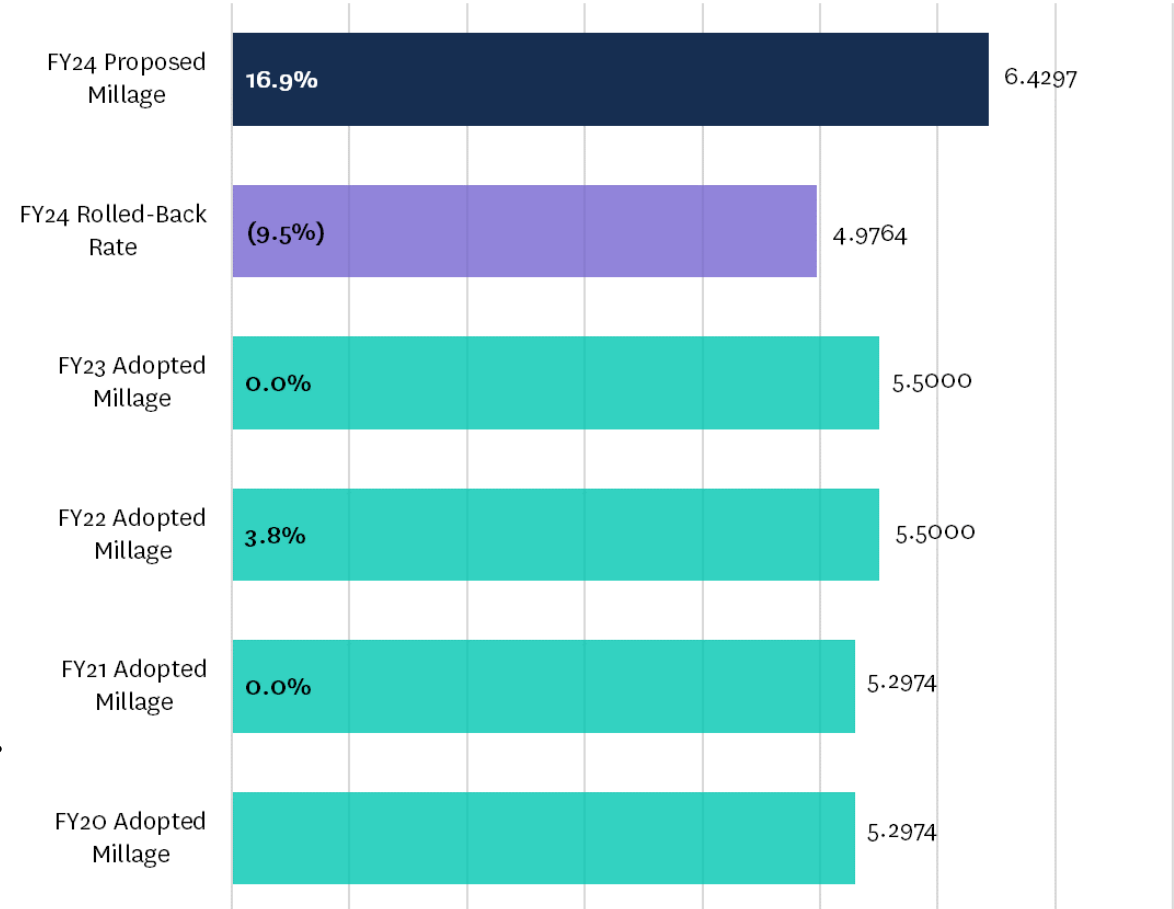
# Taxable Assessed Values and Millage Rates

- July 1<sup>st</sup> Certified Taxable Value is \$10,186,842,781, an increase of 13.6% over last tax year's taxable value.
- Taxable Assessed Values have increased for the 11<sup>th</sup> consecutive year.
- Millage rate proposed to increase to 6.4297, 16.9% higher than the FY 2023 Millage Rate of 5.5000.
- The increase in property values and millage rate is projected to generate an additional \$15.4 million in property tax revenue in FY2024.



# Tentative FY 2024 Millage Rate

- The Maximum/Not-To-Exceed Millage Rate of 6.4297 mills, an increase of 16.9% over FY 2023 millage rate, was adopted by the City Commission on July 20, 2023.
- Florida Statutes Section 200.065, requires that the City Commission adopt a Tentative Millage Rate for FY 2024 general operating purposes.
- The Rolled-Back Rate is 4.9764.
- The proposed Tentative Millage Rate of 6.4297 mills is 29.2% higher than the Rolled-Back Rate.
- The graph to the right provides the five year history of the millage rate.



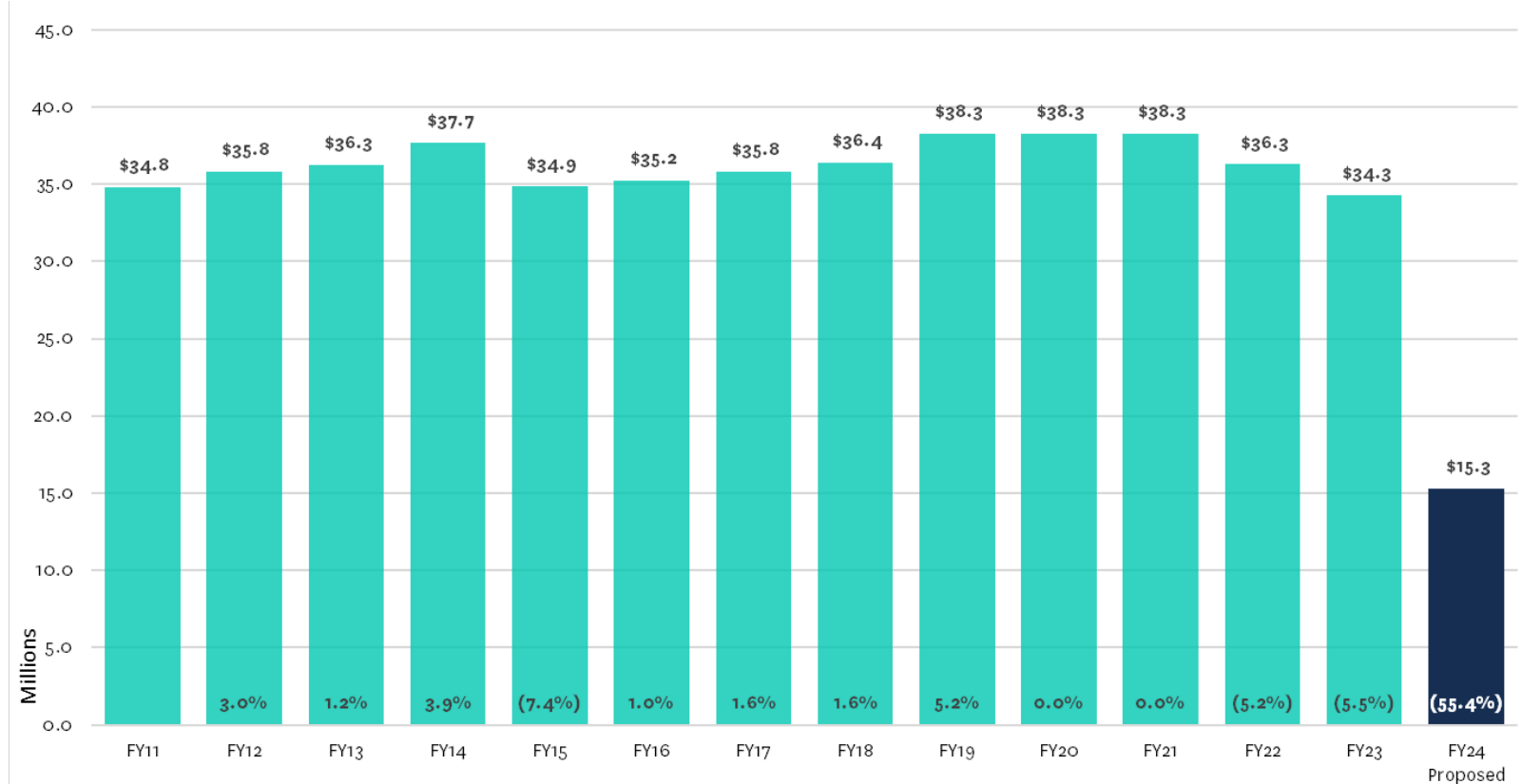
# FY 2024 Rolled – Back Rate

- The Rolled-Back Rate provides the same amount of property tax revenue as was levied during the prior year.
- The Rolled-Back Rate for Fiscal Year 2024 is 4.9764 mills.
- The proposed Tentative Millage Rate for Fiscal Year 2024 is 6.4297 mills, 29.2% higher than the rolled-back rate.
- As a result, the City is required to publish a Notice of Proposed Tax Increase in accordance with the State of Florida's Truth in Millage (TRIM) requirements.

Rolled-Back Rate Calculation	
<b>Step 1:</b>	
Current Taxable Value	10,186,842,781
- Net New Taxable Value	277,383,518
<b>Adjusted Current Year Taxable Value</b>	<b>9,909,459,263</b>
<b>Step 2:</b>	
Final Gross Taxable Value from Prior Year	8,965,992,444
× Current Millage	5.5000
<b>Adjusted Prior Year Ad Valorem Proceeds</b>	<b>49,312,958</b>
<b>Step 3:</b>	
Adjusted Prior Year Ad Valorem Proceeds	49,312,958
÷ Adjusted Current Year Taxable Value	9,909,459,263
<b>Rolled-Back Rate</b>	<b>4.9764</b>

# Government Services Contribution

- A new formula was created based off a proxy for property tax and proxy for electric franchise fee and approved by the City Commission on April 13, 2023.
- The formula-based transfer is now the **Government Services Contribution** and goes into effect in FY 2024.
- The new Government Services Contribution lowers the transfer to \$15.3 million in Fiscal Year 2024, a reduction of \$19.0 million or 55.4%.

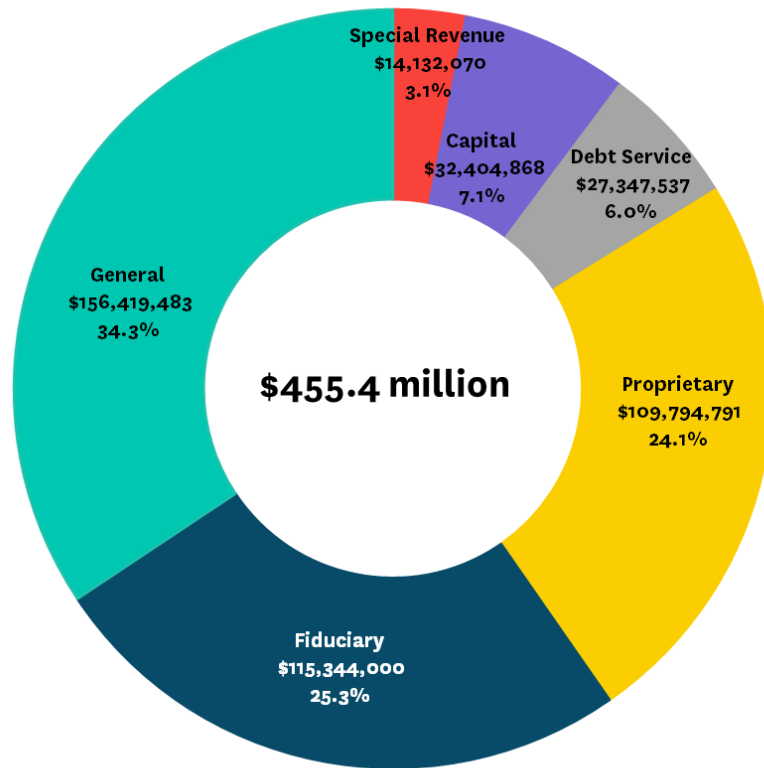




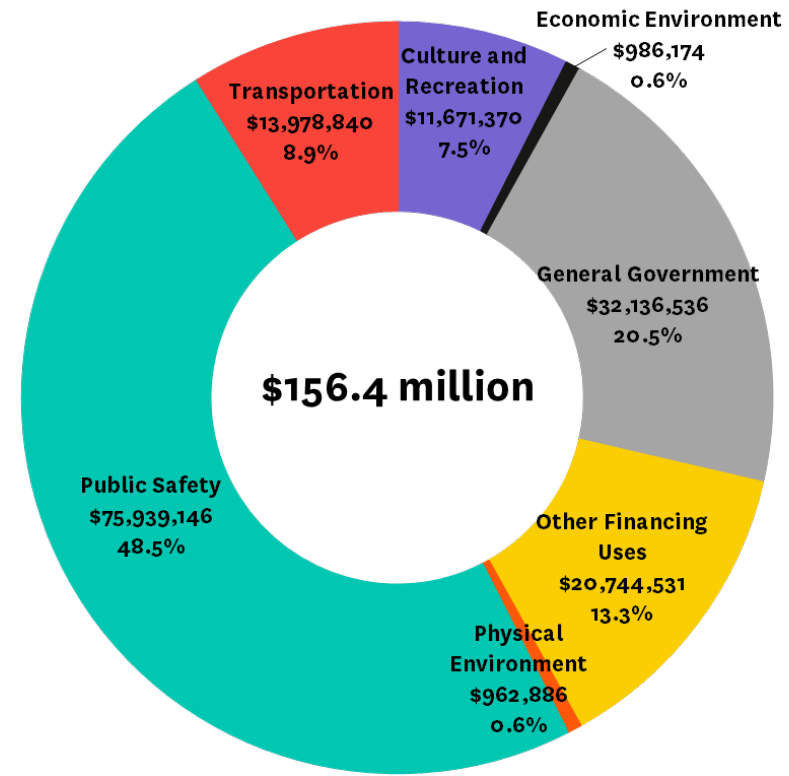
# Tentative Budgets (All Funds & General Fund)

- The FY 2024 Proposed Budget for All Funds is \$455,442,748 including balances and transfers and is \$10.6 million or 2.4% higher than the FY 2023 Adopted Budget of \$444,837,222.
- The FY 2024 Proposed General Fund Budget is \$156,419,483 including balances and transfers and is \$2.1 million or 1.3% higher than the FY 2023 Adopted Budget of \$154,356,686.

FY 2024 All Funds Budget



FY 2024 General Fund Budget by Function



# Revenue Summary – All Funds

- The FY 2024 Proposed Budget for All Funds is \$455,442,748 including balances and transfers.
- The FY 2024 Proposed Budget for All Funds is \$10.6 million or 2.4% higher than the FY 2023 Adopted Budget of \$444,837,222.

Revenues	General Fund	Special Revenue	Debt Service	Capital Projects	Proprietary	Fiduciary	Total
Taxes	85,018,837	0	0	19,825,586	2,340,045	0	107,184,468
Permits, Fees, Assessments	12,409,137	0	0	0	7,896,982	87,704,000	108,010,119
Intergovernmental	20,956,078	7,454,049	1,095,000	0	21,930,754	0	51,435,881
Charges for Services	17,492,570	1,115,544	0	0	72,507,759	27,640,000	118,755,873
Fines & Forfeitures	684,585	40,000	0	0	0	0	724,585
Miscellaneous Revenue	2,670,305	1,207,129	0	0	0	0	3,877,434
Transfers In From Other Func	17,187,971	3,989,158	25,978,532	1,098,616	2,946,400	0	51,200,677
Use of Fund Balance	0	326,190	274,005	11,480,666	2,172,851	0	14,253,712
<b>Total Revenue</b>	<b>156,419,483</b>	<b>14,132,070</b>	<b>27,347,537</b>	<b>32,404,868</b>	<b>109,794,791</b>	<b>115,344,000</b>	<b>455,442,749</b>

# Expenditure Summary – All Funds

Expenditures	General Fund	Special Revenue	Debt Service	Capital Projects	Proprietary	Fiduciary	Total
City Attorney	1,633,410	168,040	0	0	351,140	9,235	2,161,825
City Auditor	909,639	0	0	0	0	0	909,639
City Clerk	1,293,628	0	0	0	0	0	1,293,628
City Commission	475,360	0	0	0	0	0	475,360
City Manager's Office	1,664,859	144,169	0	120,031	0	0	1,929,059
Communications and Marketing	1,012,582	0	0	0	0	0	1,012,582
Equity & Inclusion	1,545,651	89,017	0	0	0	0	1,634,668
Financial Services	3,921,907	250,000	0	0	155,195	308,903	4,636,005
Fire Rescue	27,956,134	0	0	0	1,467,000	0	29,423,134
Gainesville Community Reinvestment Area	0	6,910,231	0	0	0	0	6,910,231
Housing and Community Development	474,153	4,359,650	0	0	0	0	4,833,803
Human Resources	2,351,593	15,000	0	0	0	0	2,366,593
Management and Budget	1,289,370	0	0	0	76,077	0	1,365,447
Non-Departmental	31,692,011	0	27,347,537	131,143	32,500	87,611,906	146,815,097
Parks, Recreation and Cultural Affairs	11,811,736	576,732	0	9,689,818	245,000	0	22,323,286
Police	41,301,910	555,544	0	790,848	2,182,500	0	44,830,802
Public Works	17,120,730	579,503	0	3,130,186	23,198,405	0	44,028,824
Risk Management	162,827	0	0	0	36,832,235	20,351	37,015,413
Sustainable Development	3,445,996	12,000	0	0	4,043,436	0	7,501,432
Technology	5,009,486	0	0	231,062	0	0	5,240,548
Transportation	1,346,501	109,017	0	261,616	38,212,024	0	39,929,158
<b>Total Department</b>	<b>156,419,483</b>	<b>13,768,902</b>	<b>27,347,537</b>	<b>14,354,704</b>	<b>106,795,512</b>	<b>87,950,395</b>	<b>406,636,534</b>
Interfund Transfers	0	291,297	0	2,248,609	2,999,279	23,355	5,562,540
Addition to Fund Balance	0	71,871	0	15,801,554	0	27,370,250	43,243,675
<b>Total Expenditures</b>	<b>156,419,483</b>	<b>14,132,070</b>	<b>27,347,537</b>	<b>32,404,868</b>	<b>109,794,791</b>	<b>115,344,000</b>	<b>455,442,749</b>

# All Funds Positions Summary

- The FY 2024 Proposed General Government authorized position level is 1,496.0 FTEs
- Reflects eliminated position reductions.
- Reflects General Government re-alignments.

Positions by Department	FY22 Actual	FY23 Adopted	FY24 Proposed	\$ Change vs. FY23 Budget	% Change vs. FY23 Budget
City Attorney	15.00	15.00	14.00	(1.00)	(6.7%)
City Auditor	7.00	7.00	6.00	(1.00)	(14.3%)
City Clerk	11.00	11.00	10.00	(1.00)	(9.1%)
City Commission	7.00	7.00	7.00	0.00	0.0%
City Manager's Office	12.00	12.00	10.00	(2.00)	(16.7%)
Communications & Marketing	11.00	11.00	9.50	(1.50)	(13.6%)
Equity & Inclusion	13.00	13.00	12.00	(1.00)	(7.7%)
Financial Services	40.00	44.00	45.00	1.00	2.3%
Fire Rescue	204.50	209.00	210.00	1.00	0.5%
Gainesville Community Reinvestment Area	7.00	7.00	7.00	0.00	0.0%
Housing and Community Development	13.00	13.00	13.00	0.00	0.0%
Human Resources	27.00	27.00	23.00	(4.00)	(14.8%)
Management and Budget	N/A	N/A	8.00	N/A	N/A
Non-Departmental	0.00	0.00	0.00	0.00	N/A
Parks, Recreation and Cultural Affairs	126.75	128.75	118.75	(10.00)	(7.8%)
Police	404.75	404.75	386.25	(18.50)	(4.6%)
Public Works	196.50	200.50	209.50	9.00	4.5%
Risk Management	17.50	17.50	16.00	(1.50)	(8.6%)
Strategy Planning and Innovation	33.00	33.00	0.00	(33.00)	(100.0%)
Sustainable Development	83.00	84.00	71.00	(13.00)	(15.5%)
Technology	0.00	0.00	10.00	10.00	N/A
Transportation	365.50	368.00	310.00	(58.00)	(15.8%)
<b>Total</b>	<b>1,594.50</b>	<b>1,612.50</b>	<b>1,496.00</b>	<b>(116.50)</b>	<b>(7.2%)</b>

# Position Reductions

- The FY 2024 Proposed Budget eliminates 125.5 full-time equivalent (FTE) positions across all funds effective FY 2024.
- The total value of all eliminated positions is \$8.3 million.

Department	FTE
City Attorney	1.0
City Auditor	1.0
City Clerk	2.0
City Manager	5.0
Communications & Marketing	1.5
Fire Rescue	1.0
Human Resources	4.0
Juvenile Justice & Community Support Programs	20.5

Department	FTE
Office of Equity & Inclusion	1.0
Office of Management & Budget	5.0
Parks, Recreation & Cultural Affairs	9.0
Police	3.0
Public Works	10.0
Risk Management	1.5
Sustainable Development	17.0
Transportation	43.0

# Revenue Summary – General Fund

- The FY 2024 Proposed General Fund Revenue Budget is \$156.4 million, \$2.1 million or 1.3% higher than the FY 2023 Adopted Budget.
- The FY 2024 Proposed Budget reflects a significant adjustment in revenue structure for the General Fund due to formula based Government Services Contribution, which reduced General Fund revenue by \$19.0 million in FY 2024.
- The Government Services Contribution was the second largest revenue source for the General Fund in FY 2023 (22.2%) and it is now the fifth largest revenue source (9.8%).

Revenues	FY22 Actual	FY23 Adopted Budget	% of FY23 Budget	FY24 Proposed Budget	% of FY24 Budget	\$ Change vs. FY23	% Change vs. FY23
Property Taxes	\$ 42,573,635	\$ 47,492,732	30.8%	\$ 62,878,409	40.2%	\$ 15,385,677	32.4%
Other Taxes	\$ 20,755,618	\$ 21,176,773	13.7%	\$ 22,140,428	14.2%	\$ 963,655	4.6%
Fire Assessment	\$ 8,973,277	\$ 9,385,729	6.1%	\$ 12,297,476	7.9%	\$ 2,911,747	31.0%
Miscellaneous Permits	\$ 1,206,629	\$ 1,330,399	0.9%	\$ 111,661	0.1%	\$ (1,218,738)	(91.6%)
Intergovernmental	\$ 18,952,335	\$ 18,425,830	11.9%	\$ 20,956,078	13.4%	\$ 2,530,248	13.7%
Charges for Services	\$ 15,575,769	\$ 15,419,045	10.0%	\$ 17,492,570	11.2%	\$ 2,073,525	13.4%
Fines & Forfeitures	\$ 490,646	\$ 903,184	0.6%	\$ 684,585	0.4%	\$ (218,599)	(24.2%)
Miscellaneous Revenue	\$ 3,906,454	\$ 1,420,818	0.9%	\$ 2,670,305	1.7%	\$ 1,249,487	87.9%
Transfers In From Other Funds	\$ 2,523,472	\$ 4,519,176	2.9%	\$ 1,882,747	1.2%	\$ (2,636,429)	(58.3%)
Government Services Contribution (GSC/GFT)	\$ 36,283,000	\$ 34,283,000	22.2%	\$ 15,305,224	9.8%	\$ (18,977,776)	(55.4%)
Fund Balance	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -	N/A
<b>Total General Fund Revenue</b>	<b>\$ 151,240,835</b>	<b>\$ 154,356,686</b>		<b>\$ 156,419,483</b>		<b>\$ 2,062,797</b>	<b>1.3%</b>

# Expenditure Summary – General Fund

- The FY 2024 Proposed General Fund Expenditure Budget is \$156.4 million, \$2.1 million or 1.3% higher than the FY 2023 Adopted Budget.
- FY 2024 budget reflects:
  - Right sized budgets for Police and Fire for overtime expenditures as well as expenses for Union negotiated salary increases
  - Core service focused budget for all departments after a zero-based, 10% and 20% decrement analysis
  - Addition of the one-time \$1 million transfer to RTS from the General Fund (Local Option Gas Tax) presented at August 21<sup>st</sup> Budget Workshop
  - \$1.3 million personnel and operating contingency
  - \$250,000 for At-Risk Youth Program seed funding
  - \$150,000 for Gun Violence Prevention programming

General Fund Expenditures by Department	FY22 Actual	FY23 Adopted	FY24 Proposed	\$ Change vs. FY23 Budget	% Change vs. FY23 Budget
City Attorney	1,541,230	1,606,060	1,633,410	27,350	1.7%
City Auditor	837,854	932,781	909,639	(23,142)	(2.5%)
City Manager's Office	1,854,118	2,091,943	1,664,859	(427,084)	(20.4%)
City Clerk	1,506,228	1,520,449	1,293,628	(226,821)	(14.9%)
City Commission	470,988	490,582	475,360	(15,222)	(3.1%)
Communications and Marketing	976,446	1,127,547	1,012,582	(114,965)	(10.2%)
Equity & Inclusion	1,078,008	1,633,193	1,545,651	(87,542)	(5.4%)
Financial Services	3,513,468	3,788,551	3,921,907	133,356	3.5%
Fire Rescue	20,834,937	22,267,857	27,956,134	5,688,277	25.5%
Housing and Community Development	310,193	304,032	474,153	170,121	56.0%
Human Resources	2,046,863	3,093,822	2,351,593	(742,229)	(24.0%)
Management and Budget	0	2,326,383	1,289,370	(1,037,013)	(44.6%)
Non-Departmental	36,180,922	33,436,845	31,692,011	(1,744,834)	(5.2%)
Parks, Recreation and Cultural Affairs	11,552,522	13,992,413	11,811,736	(2,180,677)	(15.6%)
Police	35,698,524	39,281,087	41,301,910	2,020,823	5.1%
Public Works	13,566,980	15,499,621	17,120,730	1,621,109	10.5%
Risk Management	251,629	228,847	162,827	(66,020)	(28.8%)
Strategy, Planning and Innovation	2,663,698	N/A	N/A	N/A	N/A
Sustainable Development	4,173,610	4,328,740	3,445,996	(882,744)	(20.4%)
Technology	2,215,057	2,292,879	5,009,486	2,716,607	118.5%
Transportation	3,695,637	4,113,053	1,346,501	(2,766,552)	(67.3%)
<b>Total</b>	<b>144,968,910</b>	<b>154,356,686</b>	<b>156,419,483</b>	<b>2,062,797</b>	<b>1.3%</b>

# The Path To A Balanced FY 2024 Budget

## Revenue Changes

(\$18,977,776)	Reduction in Government Services Contribution (formerly General Fund Transfer)
\$6,293,798	Increase in Property Tax Revenue due to Property Tax Value growth in the City ( based on 5.5000 mills)
\$9,091,879	Increase in Property Tax Revenue based on increasing the millage rate to 6.4297 mills
\$963,655	Increase in Other Taxes (Utility Taxes)
\$2,911,747	Increase in Fire Assessment based on assessable cost of fire services
(\$1,218,738)	Reduction in Miscellaneous Permits which includes the invalidated Rental Inspection Program
\$2,530,248	Increase in Intergovernmental Revenue (Local Sales Tax / State Revenue Sharing)
2,073,525	Increase in Charges for Services (Appendix A, Indirect Cost Allocation Study)
(\$218,599)	Reduction in Fines and Forfeitures
\$1,249,487	Increase in Miscellaneous Revenue
(\$2,636,429)	Reduction in Transfers In from Other Funds (FY23 ARPA Revenue Replacement, addition of one-time Local Option Gas Tax Loan Repayment)
<b>\$2,062,797</b>	<b>Total Revenue Changes</b>

## Expenditure Changes

\$10,412,621	Increase in Public Safety (right sizing for overtime, Union negotiated salary increases, operating costs)
\$1,000,000	Increase in RTS Local Option Gas Tax Loan Repayment presented to the Commission on 8/21/2023
(\$6,139,116)	Reduction of 82.7 positions from General Fund
(\$3,210,710)	Reduction of Operating Expenditures Impacting Service and Program Delivery
<b>\$2,062,797</b>	<b>Total Expenditure Changes</b>



# Fund Balance Update – General Fund

- The Audited Unassigned Fund Balance as of the Fiscal Year 2022 Annual Audit (period ended September 30, 2022) is \$31,318,476.
- The Fiscal Year 2024 Proposed Budget does not include an appropriation of General Fund-Fund Balance.
- The Fund Balance exceeds the Emergency Fund and Minimum Fund Balance Levels.

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

Fiscal Year	TAV (July 1, 2023)	Expenditures	Unassigned Fund Balance	Emergency Fund Level	Emergency Fund Level Met?	Minimum Fund Balance Requirement	Minimum Fund Balance Requirement Met?	Maximum Fund Balance Requirement	Maximum Fund Balance Requirement Exceeded?	Available to Appropriate
2024 (Proposed)	\$10,186,842,781	\$156,419,483	\$31,318,476	\$1,528,026	Yes	\$26,122,054	Yes	\$39,104,871	No	\$0

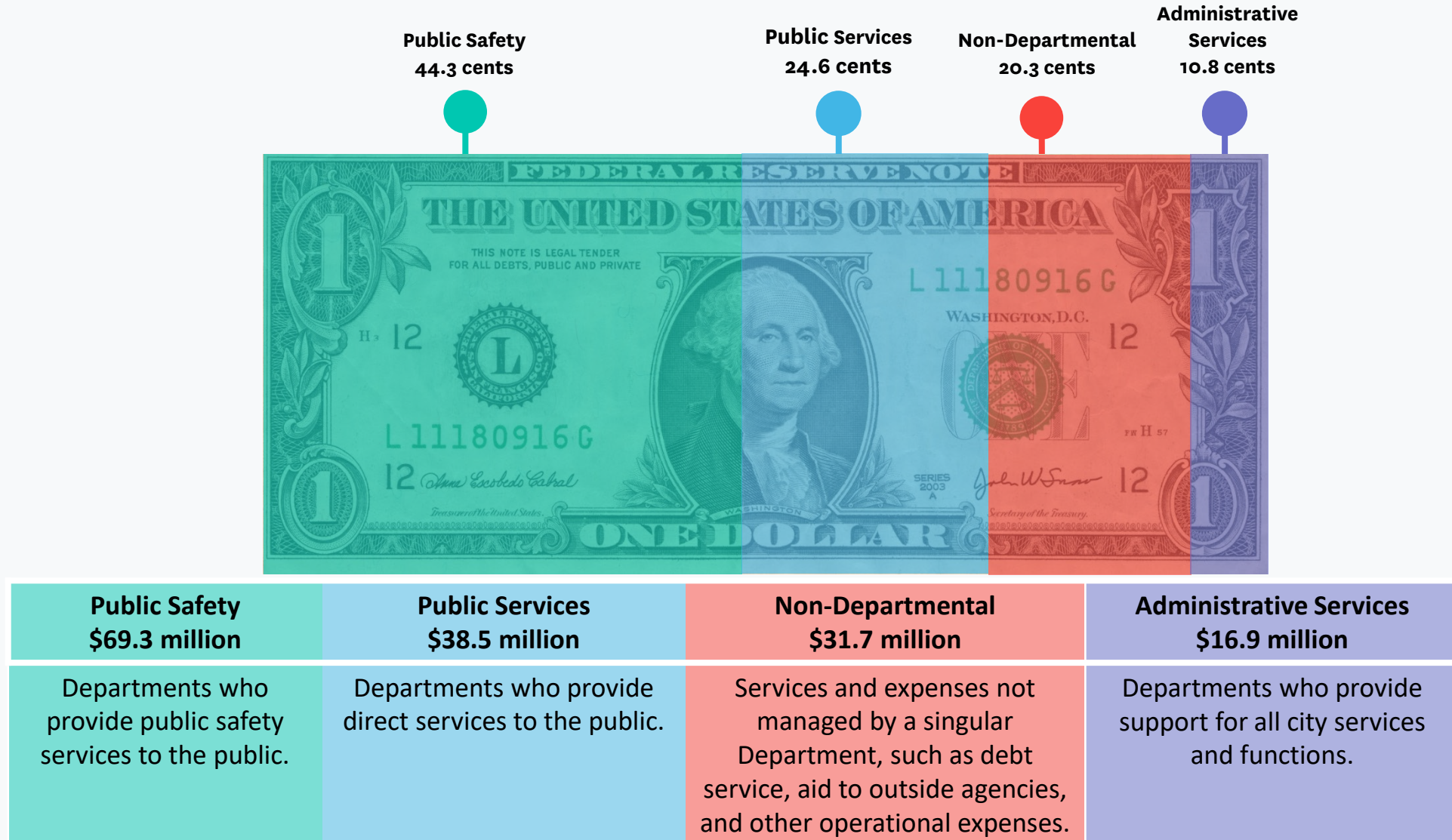
Amount needed to meet maximum requirement: \$7,786,395

Amount over minimum requirement: \$5,196,422

# The General Fund Presented As One Dollar

2023-860B

## \$156,419,483



# Summary of General Fund Revenues & Expenses

- Florida Statutes, Chapter 166:
  - This statute authorizes municipalities to levy taxes, issue licenses, and set user fees to raise money necessary to conduct municipal government activities.
  - This chapter also requires that local governments adopt a balanced budget.
- The FY 2024 proposed budget meets Florida Statutes, Chapter 166 requirements.

	FY23 Adopted Budget	FY24 Proposed Budget	Difference	% Change
Revenues	\$154,356,687	\$156,419,483	\$2,060,797	1.3%
Expenditures	\$154,356,687	\$156,419,483	\$2,060,797	1.3%
<b>Balanced Budget</b>	<b>\$0</b>	<b>\$0</b>		

# Timeline

February

March

April

May

June

July

August

September

## February

- FY24 Budget Process Kick Off
- Charters prepare FY24 Proposed Budgets

## March

- GG Departments prepare Zero-Based Budgets (ZBB)

## April 13

City Commission:

- Sets Government Services Contribution formula

## April 28

General Government:

- CIRC prepares FY24 Reduced Budget Proposal

## May 2

City Commission Budget Workshop:

- Fire Assessment
- GFR Proposed Budget

## May 17

City Commission Budget Workshop:

- Charter Officers
- GPD

## May 25

City Commission Budget Workshop:

- Sustainable Development
- Housing & Community Development
- Transportation
- Public Works
- Parks, Recreation & Cultural Affairs

## June 14

City Commission Budget Meeting:

- Communications & Marketing
- Financial Services
- Human Resources
- Technology
- Office of Management & Budget
- Risk Management
- Transportation – Fleet
- Non-Departmental
- General Fund Summary

## June 15

City Commission Meeting:

- Sets Preliminary Fire Assessment

## July 20

City Commission Meeting:

- Set Maximum/Not-to-Exceed Millage Rate

## August 21

City Commission Budget Workshop

## September 7

First public hearing for FY24 Budget.

City Commission:

- Sets Final Fire Assessment
- Review and Approve Budget Administration Policy
- First Reading Appendix A
- Sets Tentative Millage Rate
- Sets Tentative Financial Operating Plan for City

## September 21

Second public hearing for FY24 Budget.

City Commission:

- Sets Final Appendix A
- Sets Final Millage Rate
- Sets Final Financial Operating Plan for City

# Thank You.

# City of **Gainesville**

## **Fiscal Year 2024 First Public Hearing**

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

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

**Steven Varvel, Acting Director of Office of Management and Budget**

**SEPTEMBER 7, 2023**