



# FY2024 PROPOSED BUDGET

Winter Park is the city of arts and culture, cherishing its traditional scale and charm while building a healthy and sustainable future for all generations.



# Summary of the FY24 Budget

Revenue  
Growth Rate

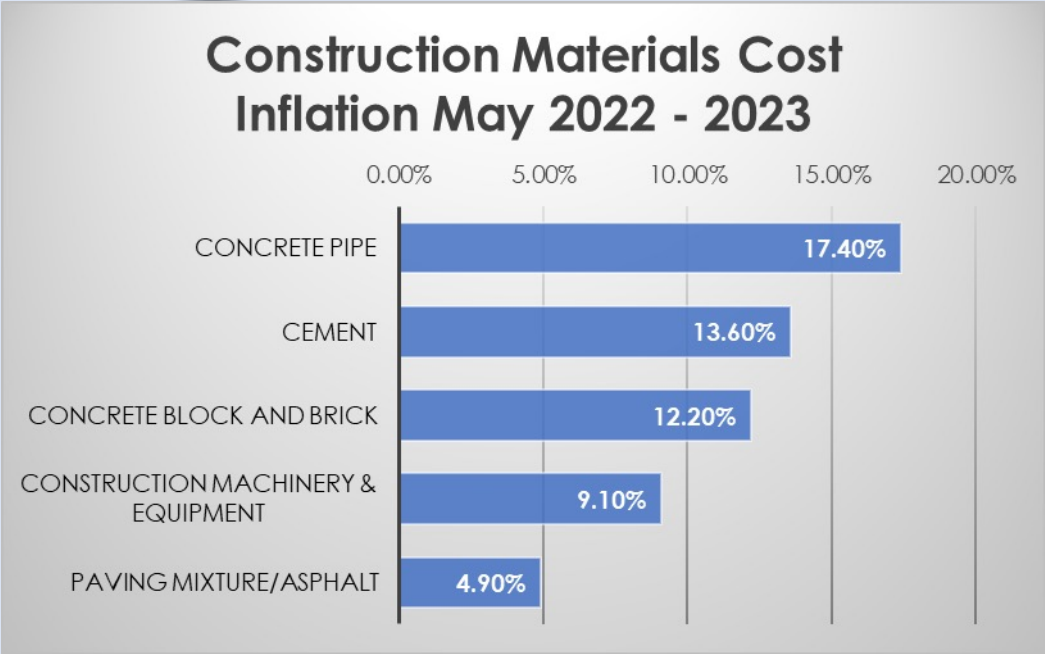
Inflation

City  
Services



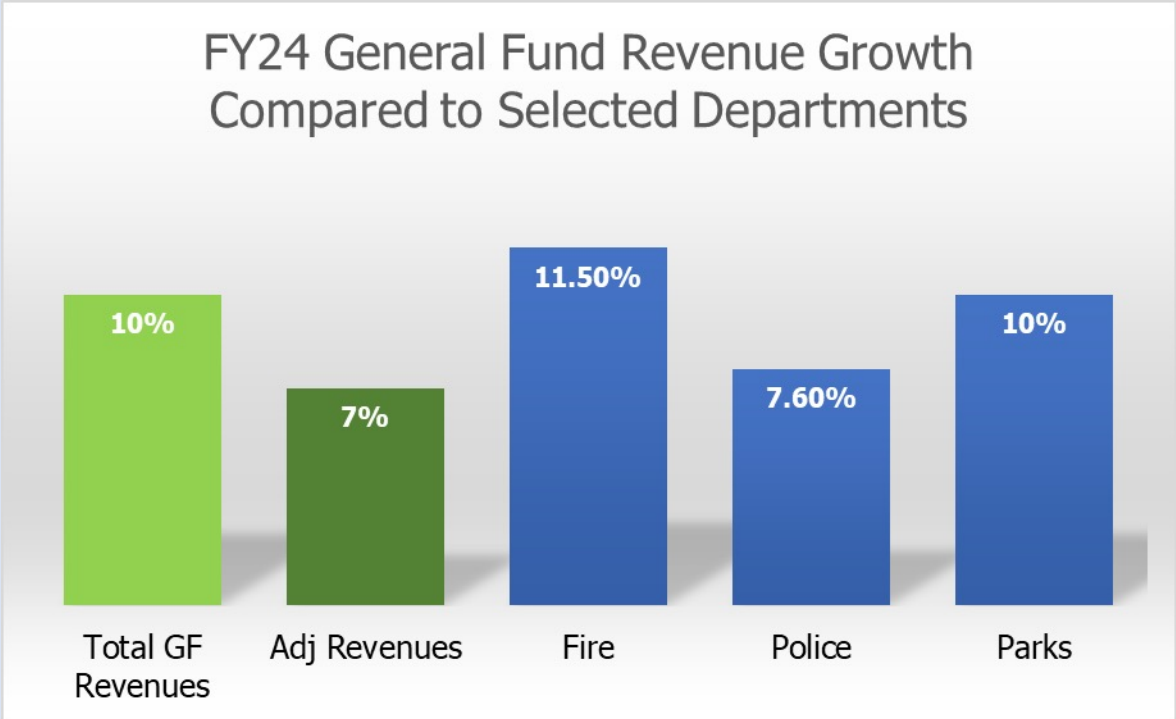
# Inflationary Highlights

*We're having a great revenue year, but we're also having a great inflation year.*



Material costs for important city services continue to climb

Revenue growth is strong, but adjusting for fund balance, reimbursements, and solid waste services contract, core revenue is growing slower than the operating budgets of key departments.



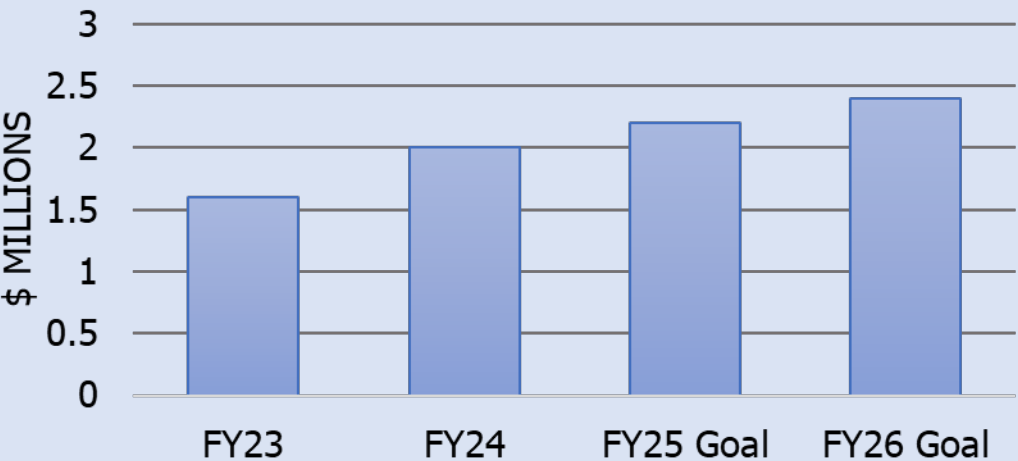




# Inflationary Highlights

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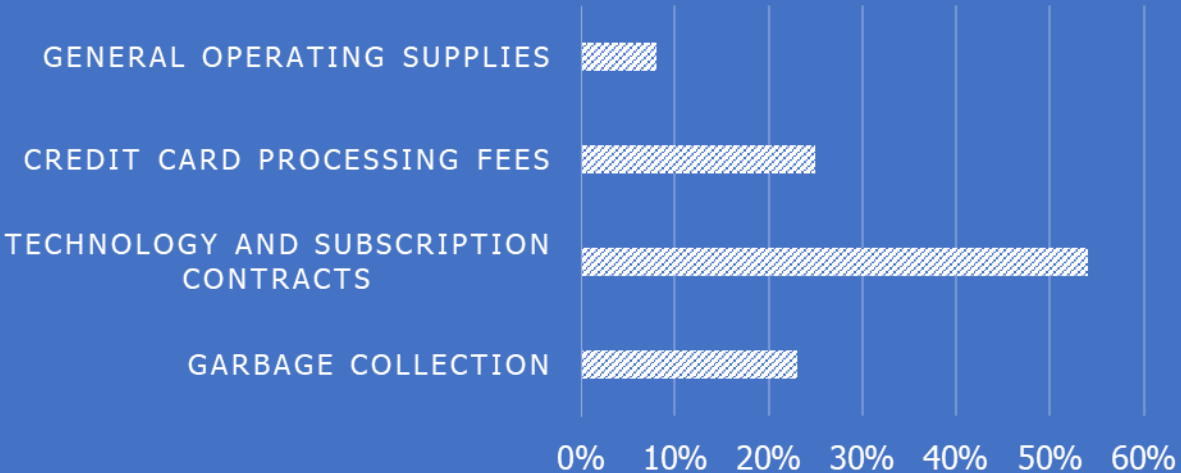
Equipment Replacement Fund - Existing and Future Contributions



Vehicle and equipment costs are climbing. FY24 budget grows replacement fund by 25%, and 10% in subsequent years.

Over half of the increase in operating costs is due to the solid waste contract, equipment replacement, and SunRail.

## SELECTED GENERAL FUND LINE ITEM OPERATING BUDGET INCREASES

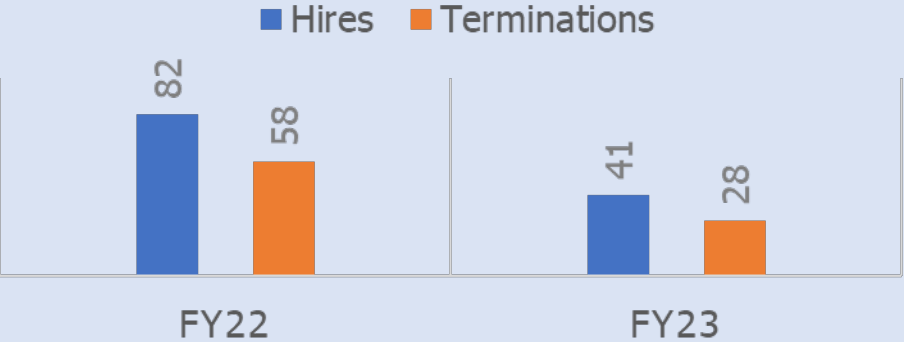




# Employees and Wages

*We’re having a great revenue year, but we’re also having a great inflation year.*

## TURNOVER BY FULL-TIME POSITIONS OCT - MAY FY 22 & 23



Turnover is improving, and net full-time employee count is expected to increase by 5 positions to 555 persons in FY24.

## Personnel and Benefit Costs

- 2.5% COLA
- 2.5% Merit
- Incorporation of pay plan results
  - Pension costs +7%
  - Healthcare +10.5%

City-Wide Wages & Benefits (\$1,000's)	2023 Budget	2024 Budget	\$ Change	% Change
Wages	41,040	43,717	2,677	6.5%
Benefits	16,532	17,949	1,417	8.6%
Grand Total	57,573	61,666	4,093	7.1%



# Maintaining Levels of Service: Fee and Rate Impacts

The inflation of both materials and labor requires the pass-through of costs to consumers. All property owners will feel the increase in waste, water, and stormwater fees to varying degrees. Other increases will be felt by customers and users of those services.

Category	Proposed Increase	Budget Impact
Parks & Facility Rental Fees	5%	\$300k
Stormwater Fees	Varies	\$350k
Solid Waste	20%	\$1 million
Ambulance Transport	10%	\$100k
Water & Wastewater Rates	7%	\$2.3 million



Example: Solid waste services for a residential home are expected to climb by \$5 monthly as part of the first-year of a two-year 40% total increase in rates.



# Maintaining Levels of Service: Revenue Growth Rates

General Fund:	FY 2023 Budget	FY 2024 Budget	% Change
Property Tax	30,161,135	33,445,887	10.9%
Utility Taxes	6,871,733	7,150,679	4.1%
Franchise Fees	848,603	571,805	-32.6%
Licenses and Permits	3,340,313	3,283,629	-1.7%
Sales Tax	5,044,064	5,130,000	1.7%
Local Option Gas Tax	984,344	889,469	-9.6%
Other Intergovernmental	2,914,662	2,325,385	-20.2%
Charges for Services	12,421,653	14,847,491	19.5%
Fines and Forfeitures	1,010,143	1,559,848	54.4%
Other Revenue	494,000	1,077,500	118.1%
Transfers from Other Funds	5,822,982	5,609,678	-3.7%
Fund Balance	227,646	1,300,000	471.1%
Total	70,141,278	77,191,371	10.1%

Property tax revenue growth will make up almost half of all revenue growth in the General Fund.

Intergovernmental Revenues will decline due to the loss of \$500k in ARPA support.

Charges for Services will climb due to fee changes and the solid waste contract.

Fines and Other Revenue will increase due to Red light camera performance and better interest income earned on the city's investments.

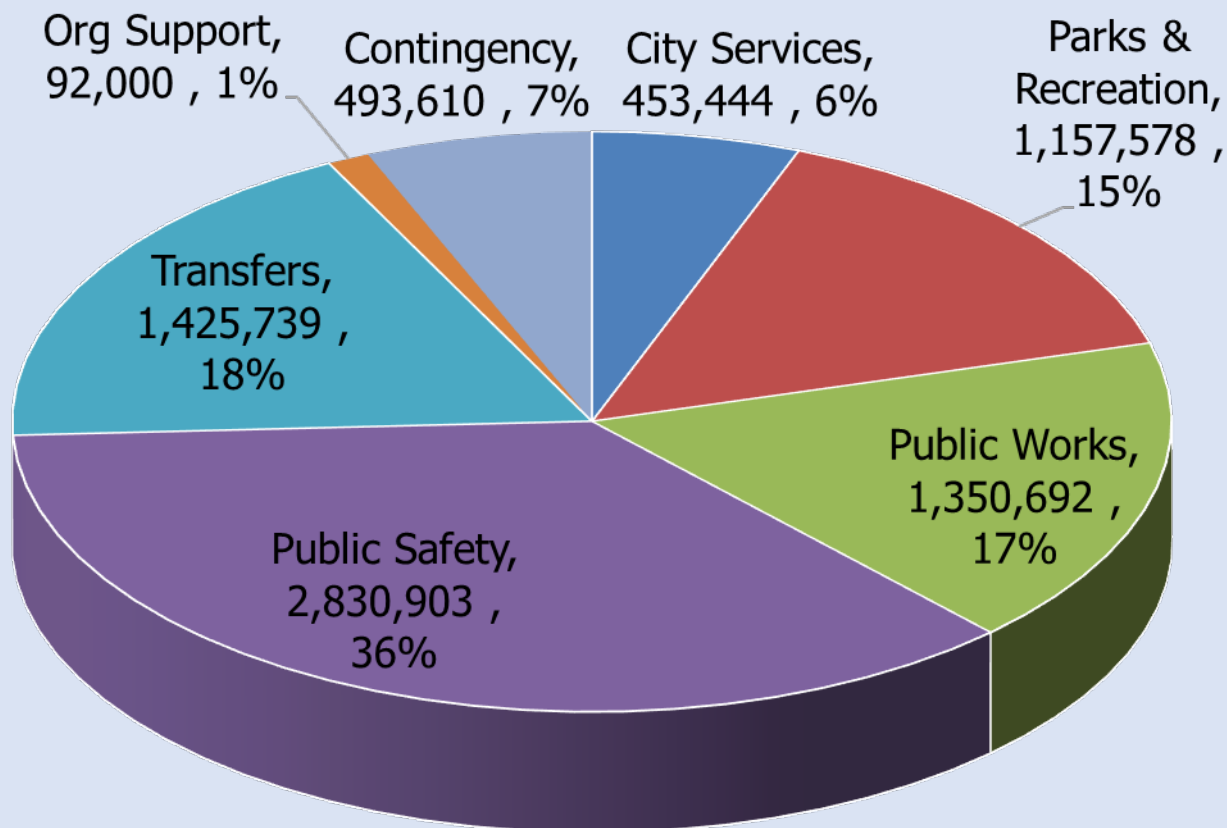
Fund balance reflects the use of restricted building reserves to renovate the new office building at Howell Branch.



# Maintaining Levels of Service: Distribution of Growth

Reflecting that inflation is hitting all city operations, the distribution of growth in the General Fund is fairly evenly distributed across all city services.

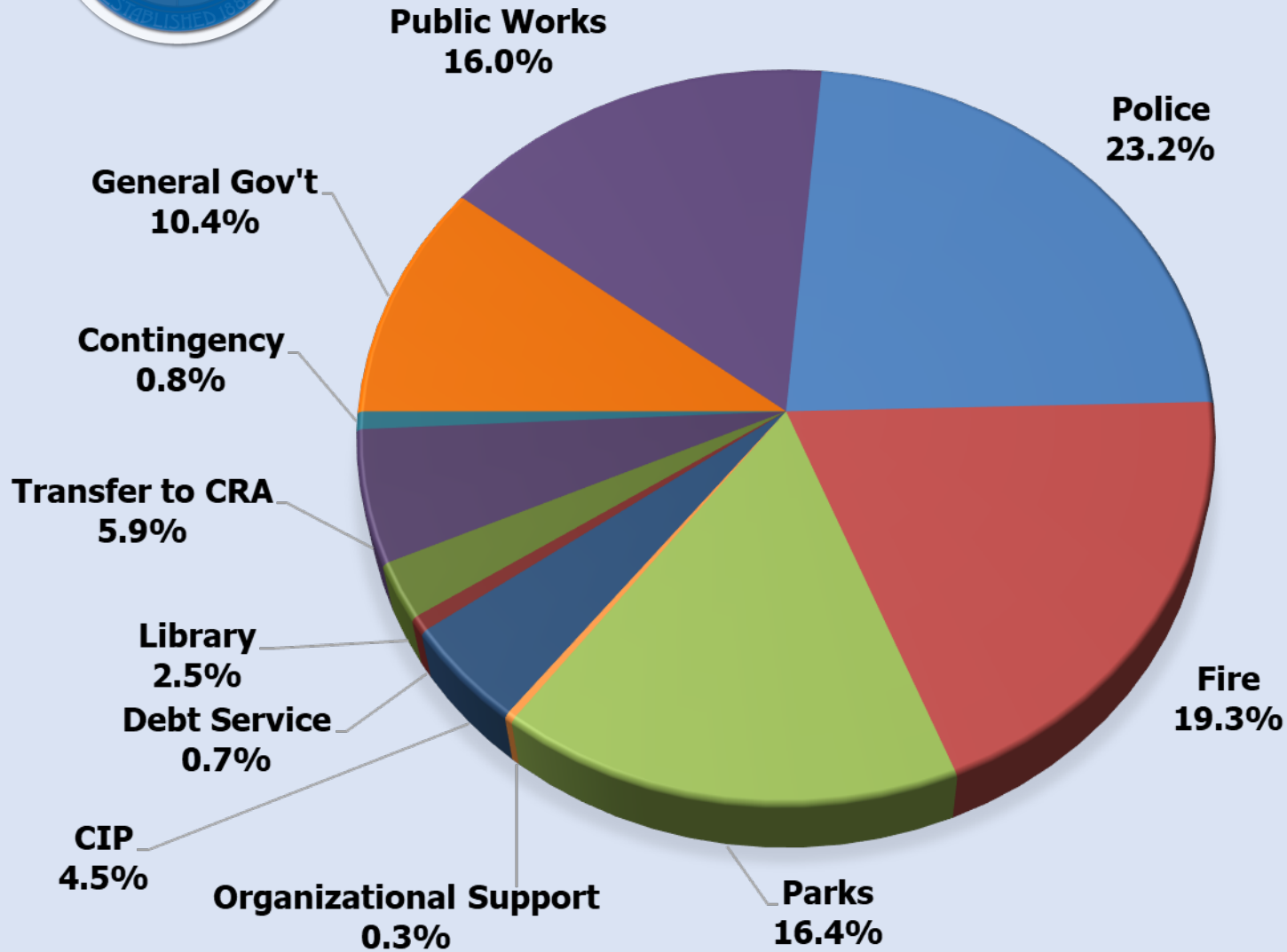
## Distribution of Expenditure Growth FY24 Budget (Excludes Reimbursements & Non-departmental)







# General Fund Expenditures



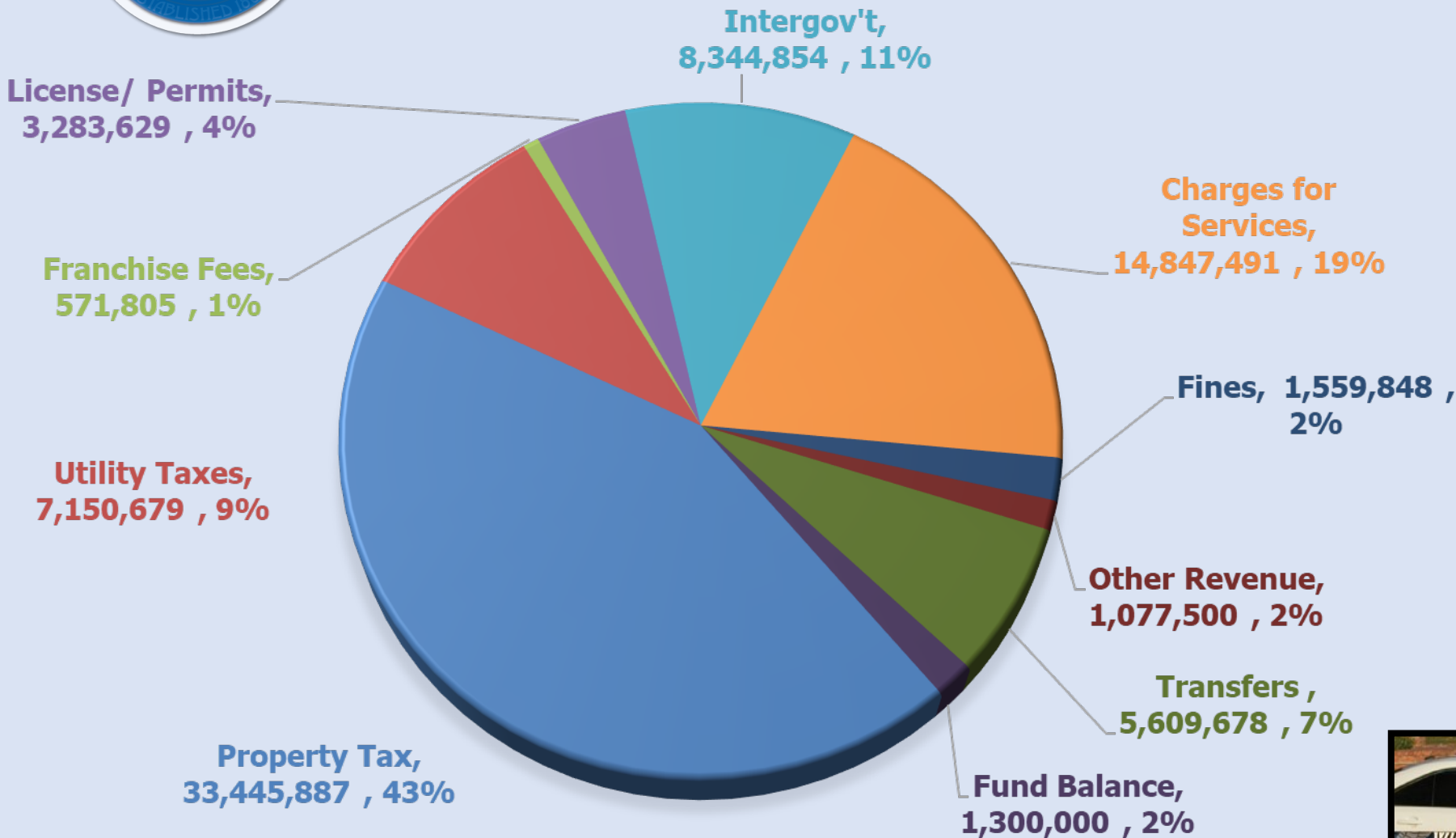
Public Safety services are still the largest portion of the budget with Public Works and Parks becoming a larger piece of the pie due to the solid waste contract and purchase of the Pines Golf Course.





# General Fund Revenues

Property Tax revenue continues to grow in importance but Charges for Services are increasing due to the solid waste contract and the increased need to raise fees to balance the cost of discretionary offered services such as rentals and venues.

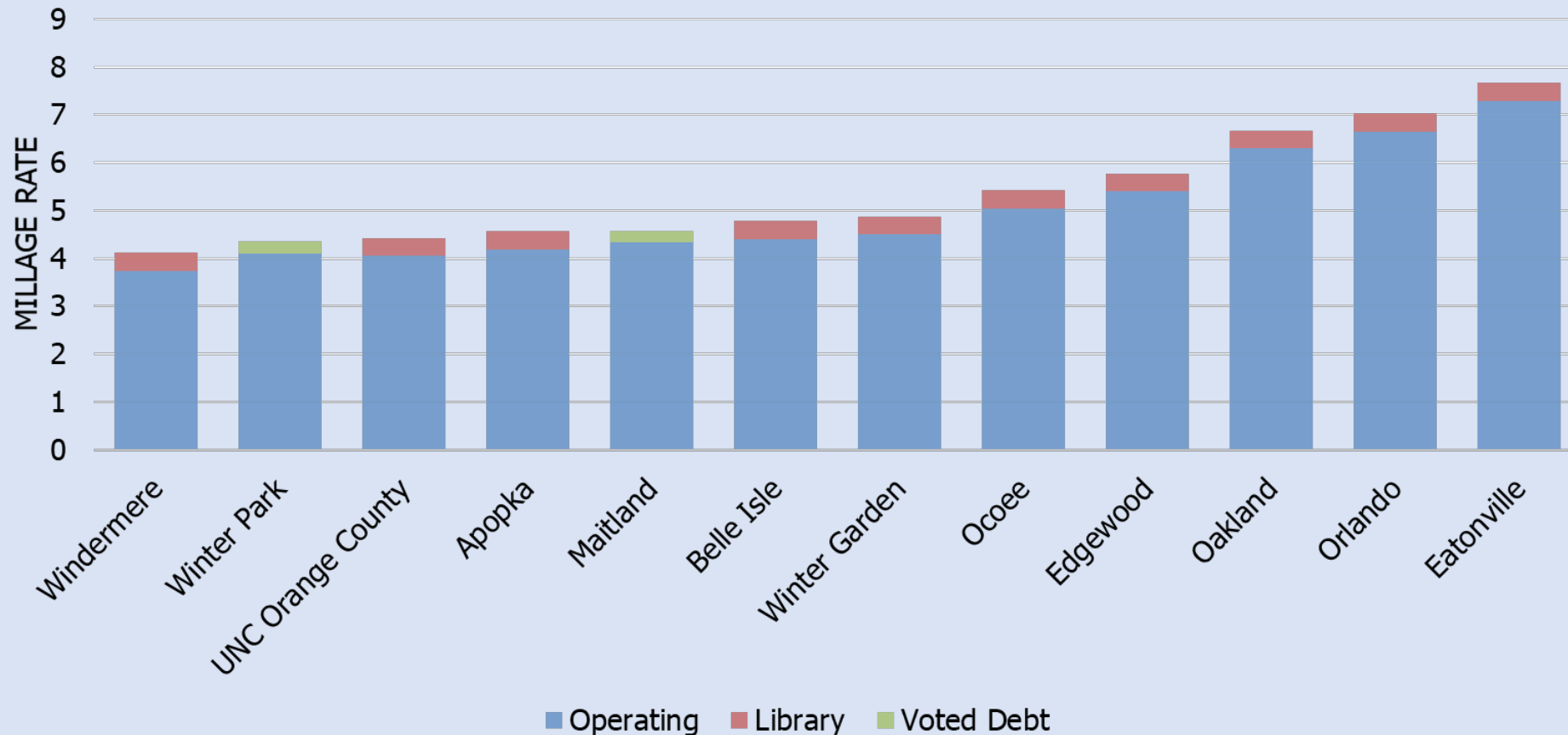






# Millage Comparisons – 2022 Tax Year

## MILLAGE COMPARISONS ORANGE COUNTY 2022 (OPERATING, LIBRARY, DEBT SERVICE)



Winter Park has the lowest operating millage and the second lowest overall millage rate in Orange County among major municipalities. The proposed budget is balanced at the current millage rate.

*Example:* Each 0.25 increase in the millage rate generates an additional \$2.1 million in property tax revenue and would move Winter Park to 5<sup>th</sup> position.



# General Fund Cash Reserves

Unassigned General Fund Balance



Given the current FY23 budget and proposed FY24 budget, reserves are expected to grow to just over \$19.1 million or about 26% of reoccurring annual operating cost in the General Fund. It would take approximately \$3.2 million to reach the 30% budget goal. The proposed budget has a contingency of \$600k.

While reserves are increasing, as a percentage of costs, they are declining as contributions to fund growth are outpaced by expenditure growth.





# Budget Highlights



- 4.3% Increase in the total City-wide All Funds Budget, reaching a total of \$207 million. Of the over \$8 million growth, almost all of it comes from the General Fund with reductions in the cost of power keeping the Enterprise Funds flat.
- No Change in Millage - Balances the General Fund budget with the same millage rate that has been in place for 15 years.
- \$19.1 million in General Fund reserves estimated by the end of FY24.
- Capital Project spending will increase slightly overall to \$26 million, with the majority due to Electric Undergrounding (\$7.8 million), and capital transfers in W&WW for wastewater facility contributions (\$4 million). General Fund transfers for capital projects will decline in FY24 as expense growth uses up revenue capacity.
- Adds 3 New Public Safety Positions based on demand for services and as part of the annexation preparation:
  - Adds an additional Police Officer and provides for increased patrolling of the downtown business district
  - Adds two additional Firefighter/EMT positions



# Budget Highlights

- Increases Support to Non-Profit Partners to assist with the impact of inflation. Support for the library is proposed to increase 5% to just under \$2 million in FY24.
- Provides over \$100k annually for the city's historic home rehabilitation program.
- Funds the operations and debt service of the Winter Pines Golf Course out of expected revenues from play at an approximate cost of \$1.8 million.
- Provides for the new IRP Manager position requested by the City Commission to assist with analysis, sustainability, and rates in the electric utility.
- Reflects increased funding from Waste Pro for the beautification efforts of KWPB.
- Expands funding in the Electric Utility for energy conservation studies and efforts.
- \$600k Contingency in the General Fund to be prioritized to a number of potential operating and capital needs.







# Capital Highlights – General Fund

- \$1.5 million – Pavement, bikepath, curbing, and brick road repairs
- \$1.3 million – New Building and Permitting Services office on Howell Branch Rd.
- \$900k – Facility improvements including a new generator at the Public Safety Building and rebuild of the City Hall elevator.
- \$680k – Park facility investments including resurfacing of clay courts, conversion of courts to pickleball and partial shade cover, replacement of athletic field lighting, and mini park improvements.
- \$450k – Expanded signalization and bike/ped improvement funding to support the transportation master plan.
- \$370k – Public Safety capital support for the Police FUSUS platform and kitchen and exhaust vent system improvements to station 61.
- \$200k – IT infrastructure enhancements to Cybersecurity.





# Capital Highlights – Utilities

- Electric
  - \$7.8 million – Expanded undergrounding funding
  - 1.4 million – Routine capital investment in the distribution system
- Water & Wastewater
  - \$4.3 million – Capital contribution payment to Orlando for wastewater plant improvements
  - \$2 million – Investment in water and sewer mains
  - \$ 1 million – Capital improvements to the city's water and wastewater treatment plants
  - \$660k – Expanded lift station upgrades and improvements







# Capital Highlights – CRA

- \$2 million – MLK Park Improvements to support redesigned playground concept, memorial corner, general park improvements, and stormwater.
- \$1 million – Set-aside of future payments to afford the city's required match to the 17/92 streetscape. Total funding in the CIP is \$5 million but was last estimated by FDOT in 2018.
- \$750k – West Meadow Restroom to support the Farmers' Market and create a new downtown amenity.
- \$340k – In smaller scale connectivity and infrastructure improvements throughout the district.





# Capital Highlights – Stormwater

- \$250k – Replacement of Stirling Bridge
- \$200k – CDS Unit on Fawsett Road
- \$200k – Drainage improvements
- \$50k – Curb repair and additions



- More than \$14 million in potential unfunded projects





# 10 Year Proforma Summary

General Fund: Weakness in a couple years due to expected slowing in revenue growth rates and cost pressures from pensions and inflation.

Water Fund: Declining cash position and capital capacity as high materials costs counteract the PSC index adjustments. Longer-term view toward capital funding will need to be addressed.

Electric Utility: Margin solely comes from keeping costs down as revenue growth is non-existent outside of rate increases. Highlights the importance of the cost of power and the utility will face immediate capital constriction without reductions in cost or increase in rates.

CRA: Without an extension, it will end in four years and it is unlikely that the larger projects in the CIP will be accomplished at the current prices and will require reprioritization.





# Unfunded Items - Overview

Despite record revenue growth, a number of operating and longer-term capital items remain unfunded.

- Over 21 net new positions requests were made by departments
- 5/25 Yr. Plan will be reviewed on July 27
- Additional capital and operating items were identified in infrastructure reviews after the storms

## Examples:

### • Annual:

- Adding 9 more additional public safety positions over three years (\$116k each plus equipment)
- Funding the library request to open on Sunday (\$350k)

### • One-Time:

- Enhancement of contracted road repairs (\$500k)
- Small contracted Stormwater projects (\$400k)
- Parks Master Plan (\$125k)
- WP9 Lightning Structure (\$70k)
- Shade Structure for Pickle Ball Court Conversion (\$160k)
- Painting City Hall and Park Restrooms (\$150k)
- Mead Garden Lodge Terrace (\$265k)
- Reductions or deferment in CIP for athletic field lighting, pavement and bikepath repairs, tennis court resurfacing (\$574k)

Fund Category	Unfunded Amt
Capital Projects - 5 Yr	10,050,000
Capital Projects - 25 Yr	16,134,000
Operating & Capital - New	7,766,032
Stormwater	14,660,000
W&WW Fund	42,515,000
Grand Total	91,125,032



# Decision Points to Address Over Budget Process

- Determine how to best utilize the \$600k contingency in the General Fund
- Review budget policies and consider adjusting given the economic outlook?
- Consider revenue growth options in each fund to deal with future demands for services and projects.
- Update the 5/25 Year Plan to account for new project priorities.





# Budget Schedule

Event	Date
City Manager Proposed Budget Overview and Department Presentations	July 12, 2023
Department Presentations	July 13, 2023
Review the 5/25 Year Plan Receive Public Input & Set Tentative Millage Rate	July 26, 2023
Receive Public Input at Commission Meeting	August 9, 2023
CRA Budget & Capital Planning Meeting Utility Budget Presentations	August 10, 2023
CRA Agency Budget Approval Receive Public Input at Commission Meeting	August 23, 2023
Budget Adoption - First Reading	September 13, 2023
Adoption of Budget	September 27, 2023