



FY2026 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.

Triple Crown Award

- Annual Comprehensive Financial Report
- Budget & CIP Document
- Popular Annual Financial Reporting



an unaudited summary report of the
activities of the City of Winter Park, Florida

Winter Park is the city of arts and culture, cherishing its historic charm while building a healthy and sustainable future.

Slowing Growth Lingering Inflation

Signs of a Weakening Housing Market: (Newsweek)

- Florida home prices were down 1.8% over the last year and sales were down 13.7%.
- Orlando saw the largest increase in days a listing spent on the market, rising to 51 days from just 19 a year ago.

Signs of Weakening Labor Market: (Center for Economic & Policy Research)

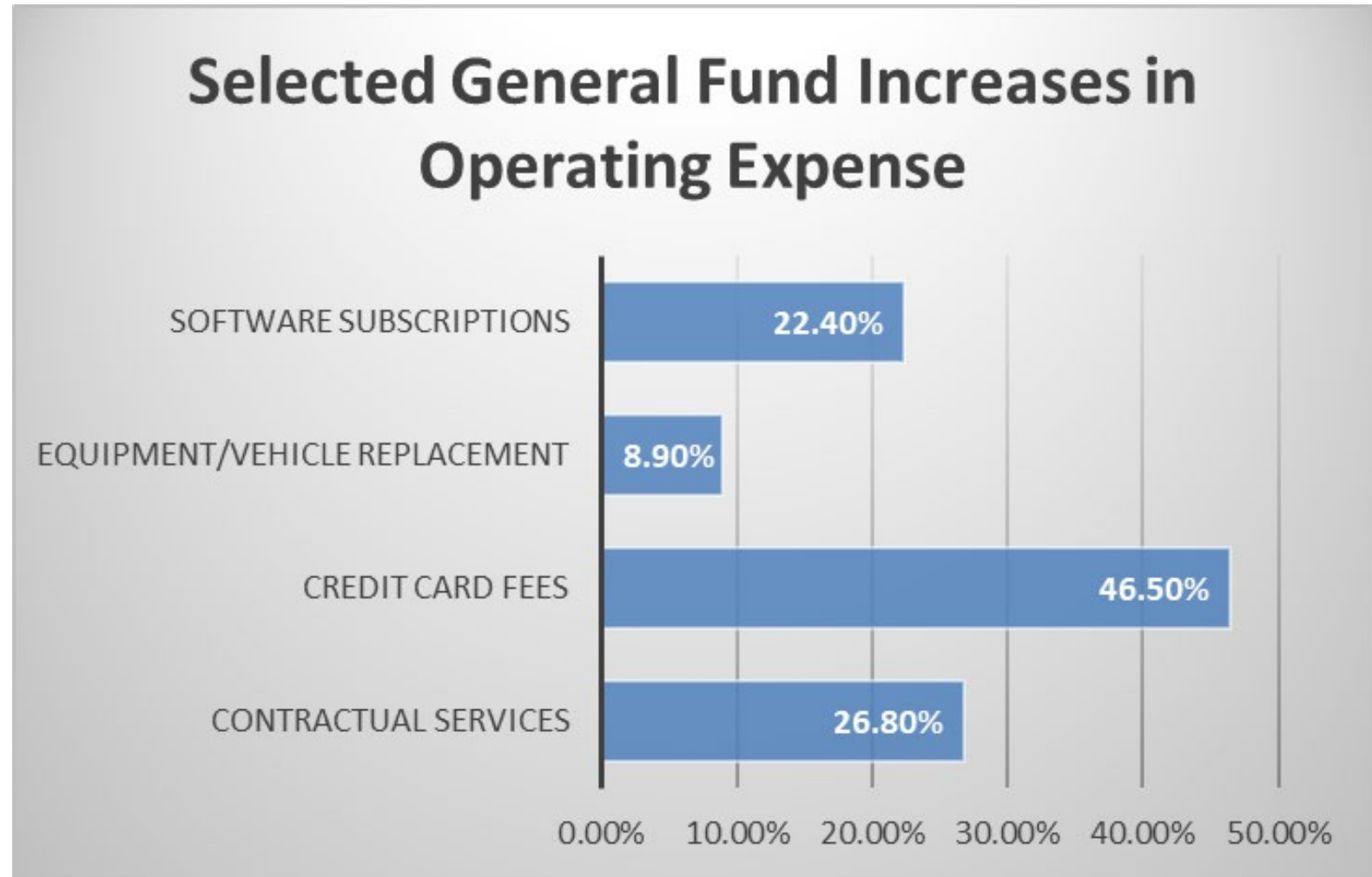
- Wage growth is slowing and unemployment for younger workers aged 20-24 rose to 8.2%.
- Job gains are likely to slow due to limited immigration and some signs of slower hiring from companies.

Geo-Political Concerns Add Uncertainty:

- European and Middle East conflicts are likely to weigh on prices and cause significant volatility.
- Tariff concerns and potential trade wars will affect goods inflation in the US and lead to uncertainty that will likely cause businesses to pause investment and hiring.

Inflationary Highlights

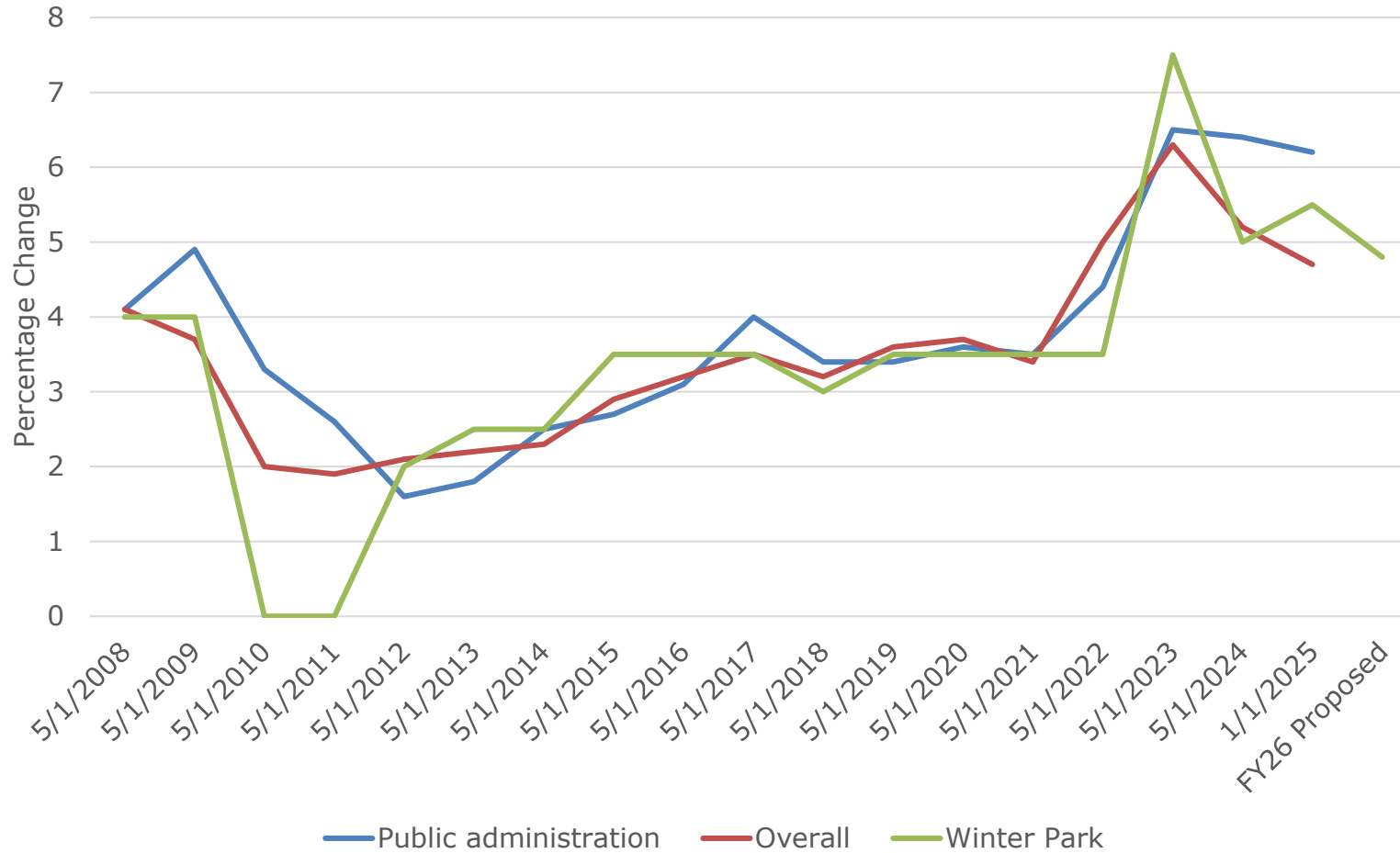
The city is still experiencing significant increases in cost pressures.



“It’s Tough to Make
Predictions, Especially
About the Future.”

-- Yogi Berra

Atlanta Fed: Wage Growth Tracker Vs. City Changes in Wages



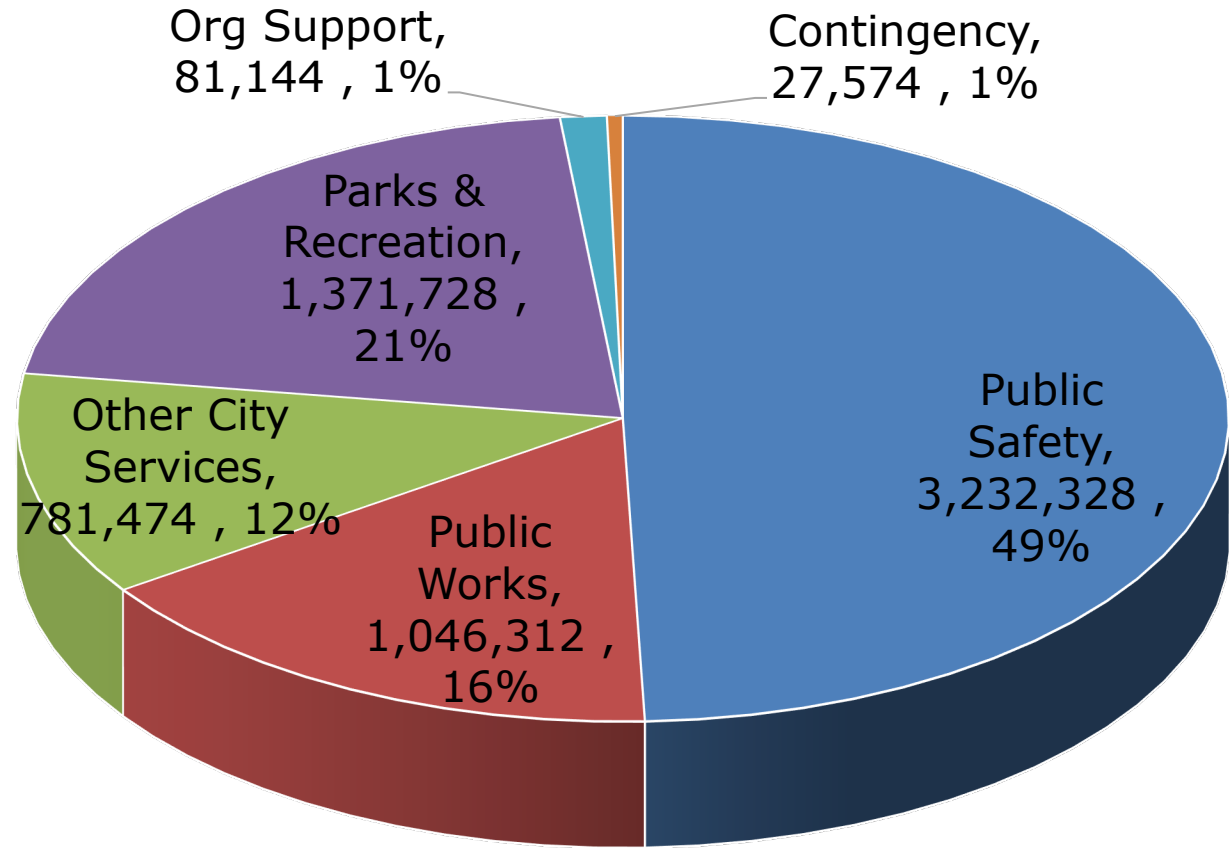
Atlanta Federal Reserve Wage Tracker

Wage inflation is declining but still elevated.

Levels of Service: Public Works & Safety

- Of the \$6.5 million in estimated new funding in the General Fund, half will go to Public Safety, with funding for Parks and Public Works making up the majority of the remainder.
- Wage and pension costs are driving the share of public safety spending. Expanded costs for tree trimming and the Parks Master Plan is increasing Parks. Inflation on the solid waste contract and a minor expansion to road improvement are increasing Public Works.

**Distribution of Expenditure Growth FY26
Budget (Excludes Reimbursements & Non-
departmental)**



Fee and Rate Impacts from the Proposed Budget



Stormwater Fees are part of a three-year plan, approved last year, to raise rates to about 9 cents per impervious SF and raise over \$2.5 million in annual funding for flooding and lake quality improvements.



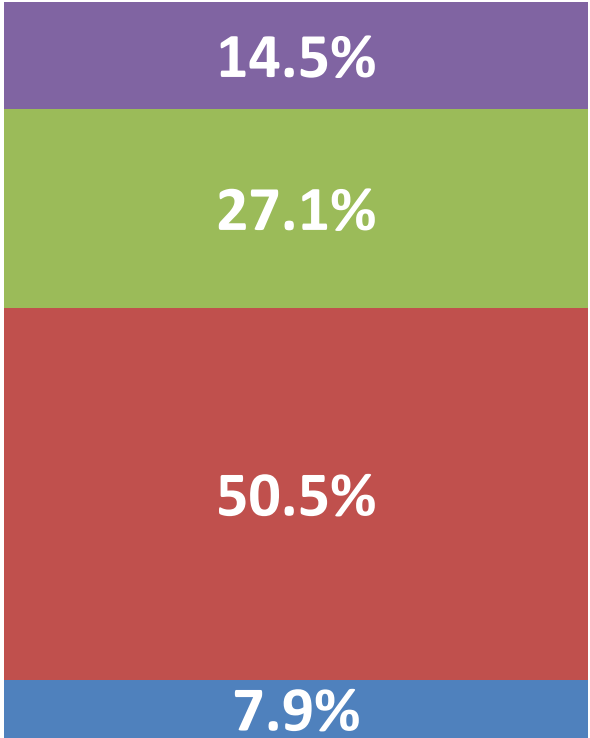
Electric margin rates have not been adjusted since 2019. A 1,000-kwh residential user would see an average increase of \$15 a month.

Category	Proposed Increase	Budget Impact	Customer Impact
Stormwater Fees	14%	\$700k	\$4 month
Electric Rates	9.5%	\$4.8 million	\$15 month
Water & Wastewater Rates	4.23%	\$850k	\$3.4 month

Average residential customer impact of less than \$23 a month

EXISTING ELECTRIC BILL BREAKDOWN

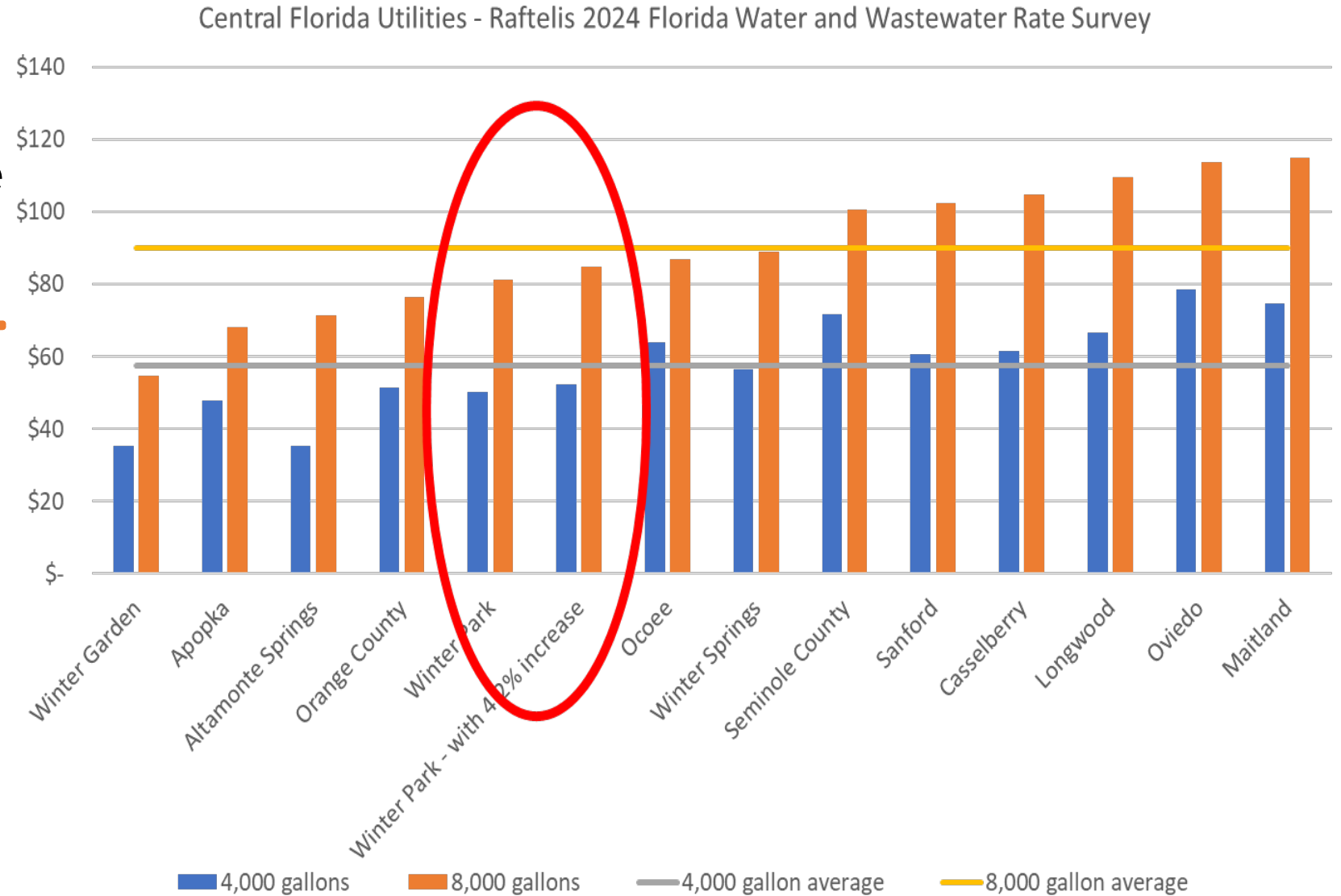
Customer Charge Non-Fuel Fuel Taxes



1,500 KWH RESIDENTIAL CUSTOMER

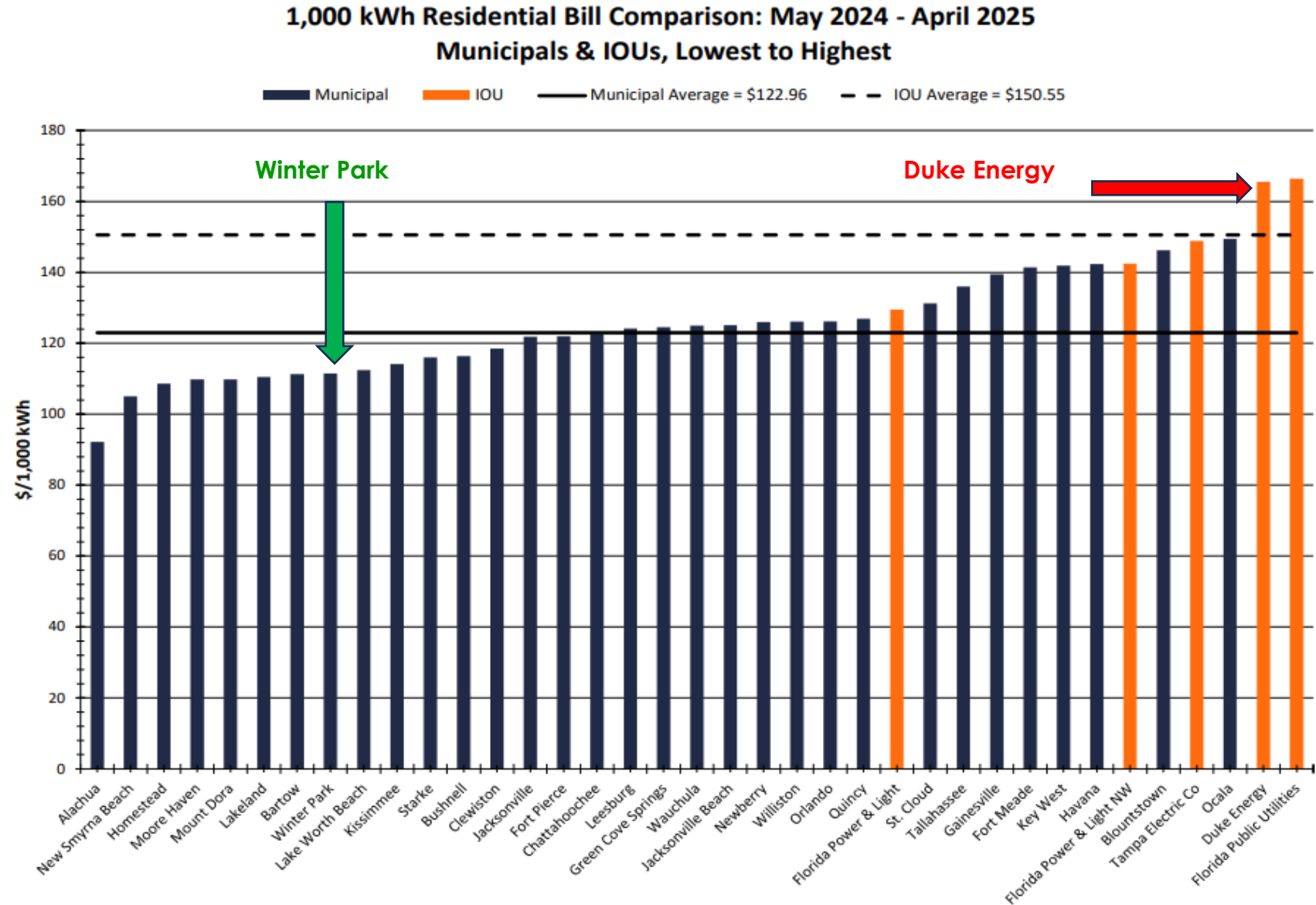
Water & Wastewater Rate Comparison

- The W&WW utility has rates, that even with the increase, will be below the regional average of other utilities.



Electric Rate Comparison

- The Electric Utility has traditionally had rates that are more than 30% below Duke Energy and about 10% below the municipal average.



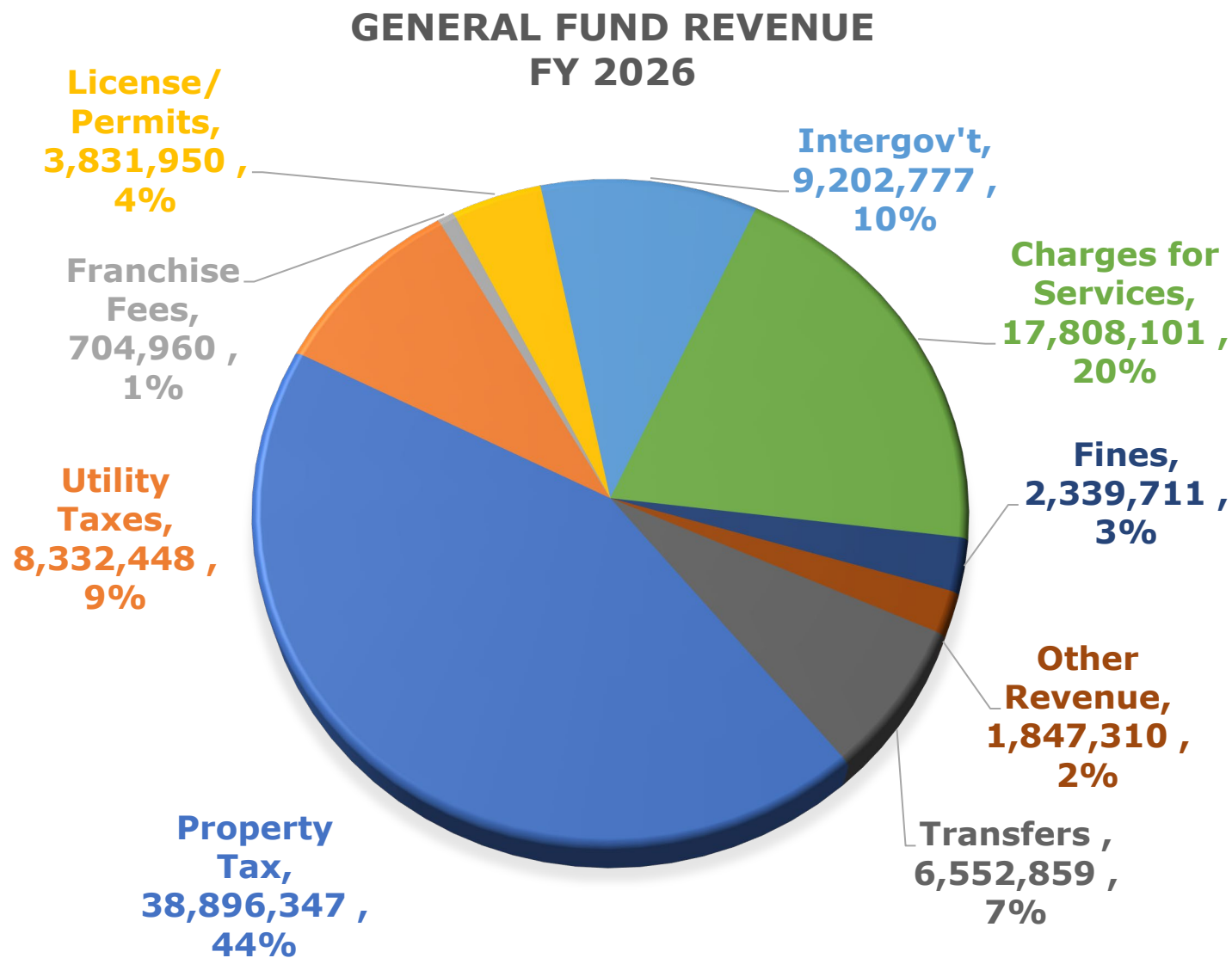
General Fund Revenue Growth Rates

- Property tax revenue growth will make up just under half of all revenue in the General Fund.
- Utility taxes & Franchise fees will account for 10% due to increased revenues received from the rate increases in the utilities.
- Intergovernmental Revenues will decline slightly due to softening sales tax.
- Licenses and Permits are expected to increase as FY25 levels were estimated too low and remaining projects in the pipeline mature.
- Charges for Services will climb slightly, reflecting increased use of special detail hires of public safety personnel.
- Fines & Forfeiture are increasing from red light traffic camera revenue.
- Other Revenue is being driven by investment earnings and the Maitland dispatch contract.

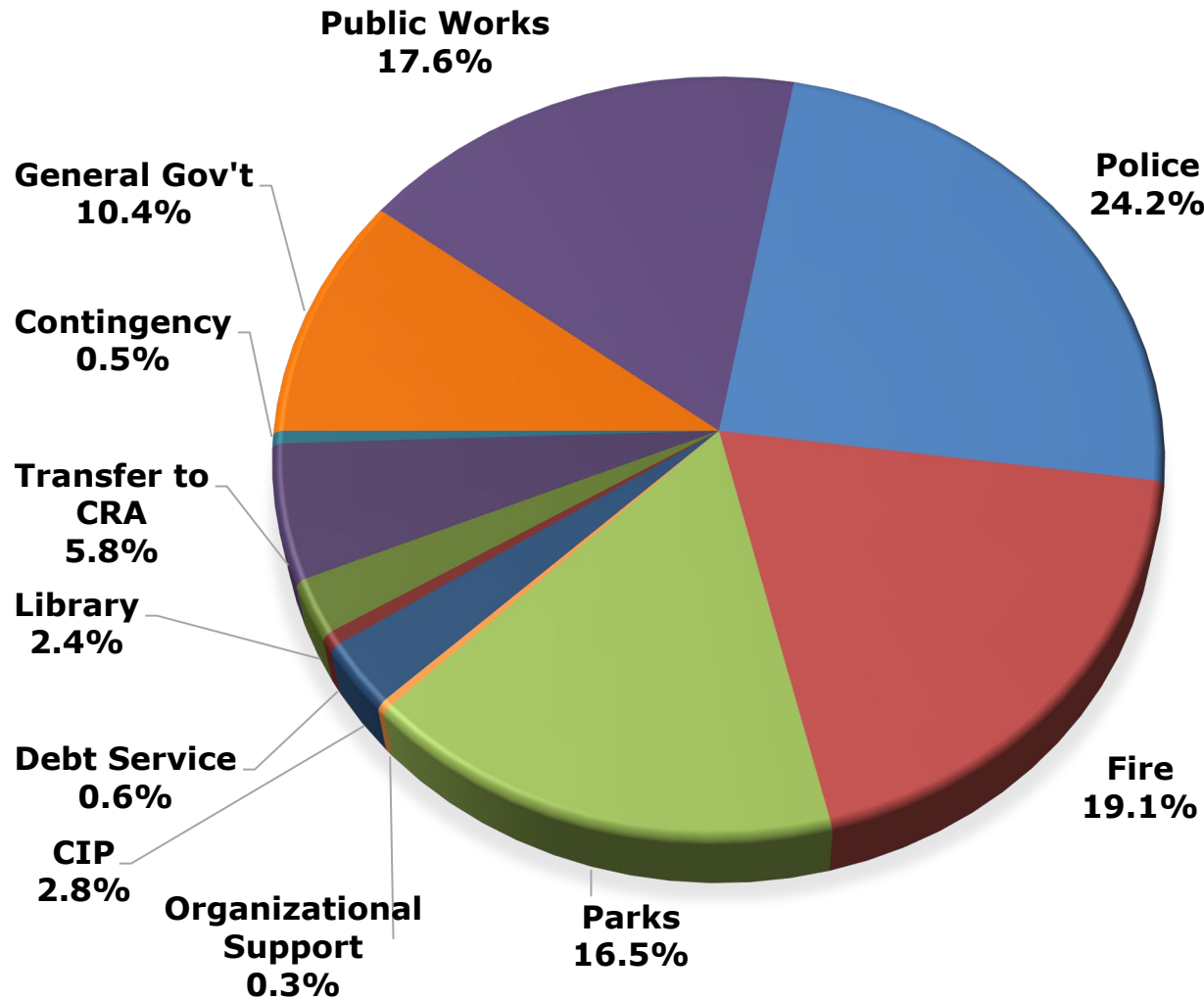
General Fund:	FY 2025 Budget	FY 2026 Budget	% Change
Property Tax	36,201,662	38,896,347	7.3%
Utility Taxes	7,531,878	8,332,448	10.6%
Franchise Fees	698,755	704,960	0.9%
Licenses and Permits	3,189,714	3,831,950	22.0%
Sales Tax	5,523,509	5,500,000	-0.4%
Local Option Gas Tax	940,000	934,865	-0.5%
Other Intergovernmental	2,911,317	2,767,912	-4.9%
Charges for Services	16,979,138	17,808,101	4.9%
Fines and Forfeitures	1,902,101	2,339,711	23.0%
Other Revenue	1,206,864	1,847,310	54.0%
Transfers from Other Funds	5,902,381	6,552,859	11.0%
Fund Balance	-	-	0.0%
Total	82,987,319	89,516,463	7.9%

General Fund Revenues

- Property Tax revenue remains the primary driver of General revenue and is roughly equivalent to the cost of Public Safety services. Charges for Services is increasing in importance as cities rely on fees to cover services.



GENERAL FUND EXPENDITURES FY 2026

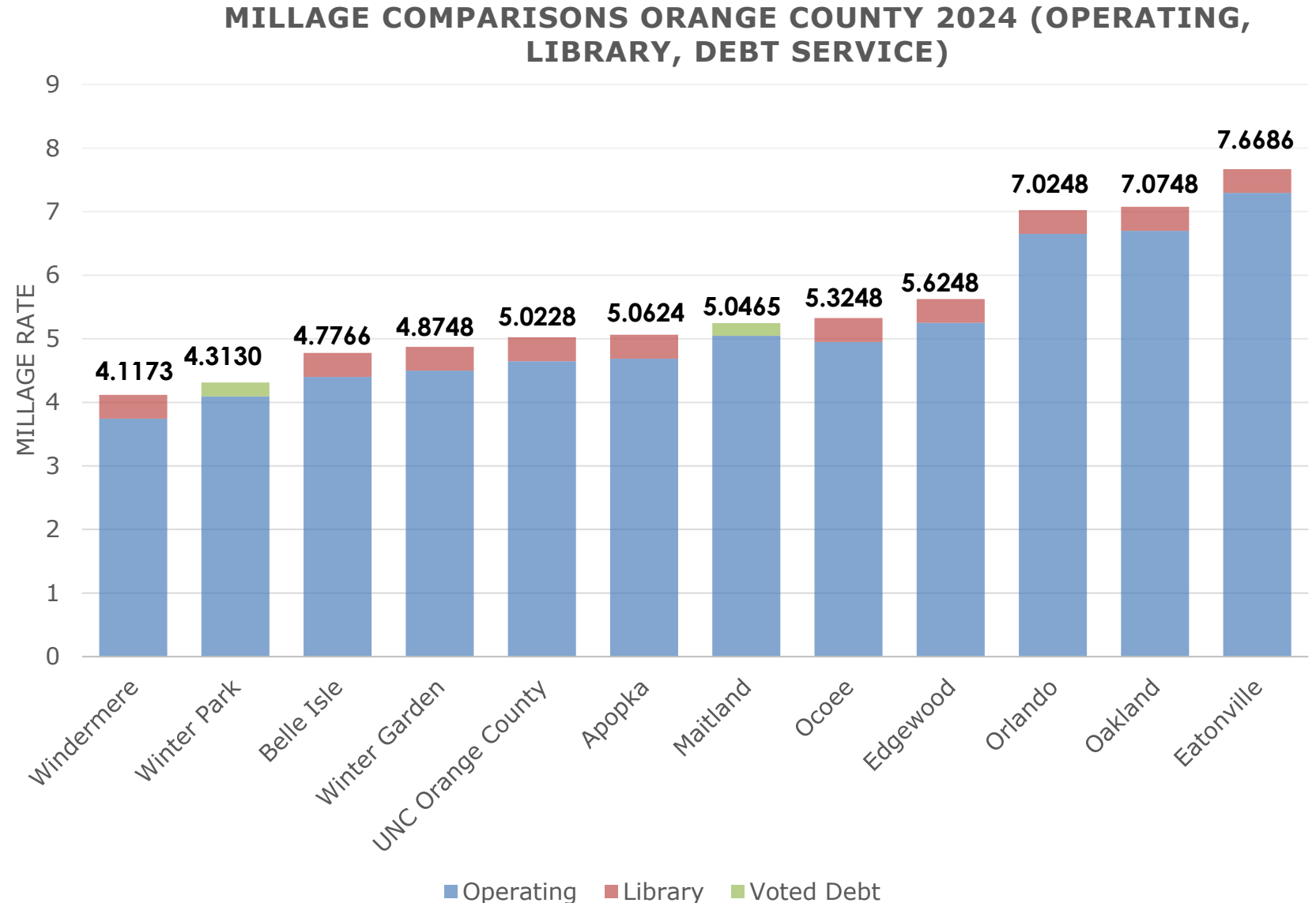


General Fund Expenditures

- Public Safety services are still the largest portion of the budget with Public Works and Parks following.

Millage Comparisons – 2024 Tax Year

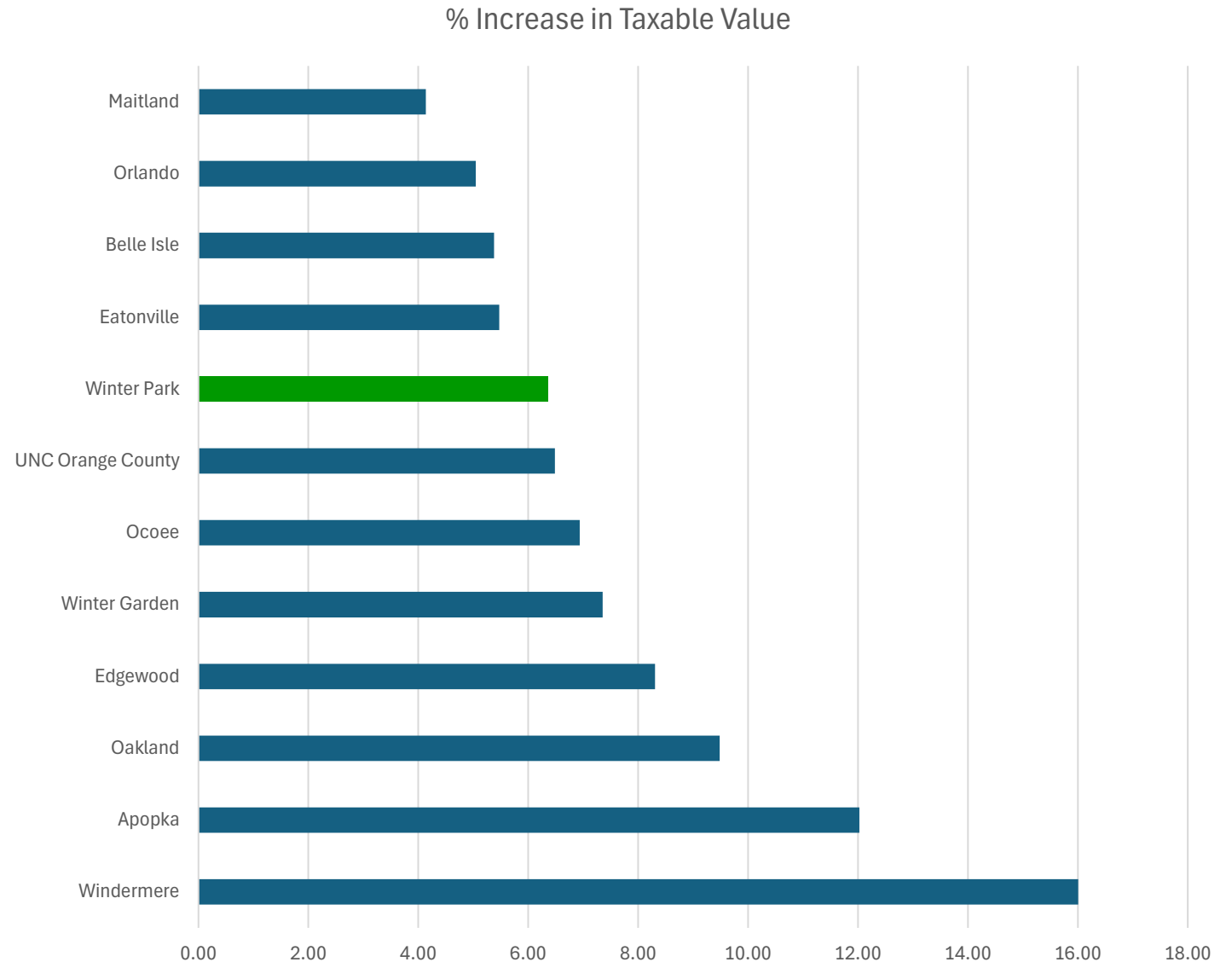
- Winter Park has the lowest operating millage and the second lowest overall millage rate in Orange County among major municipalities. The proposed budget is balanced at the current millage rate.
- Winter Park will likely need to increase its millage in FY27 to maintain or to consider improving levels of service.



Note: Based on most recent tax year millages, cities may adjust their rates as part of the budget process which could impact rankings.

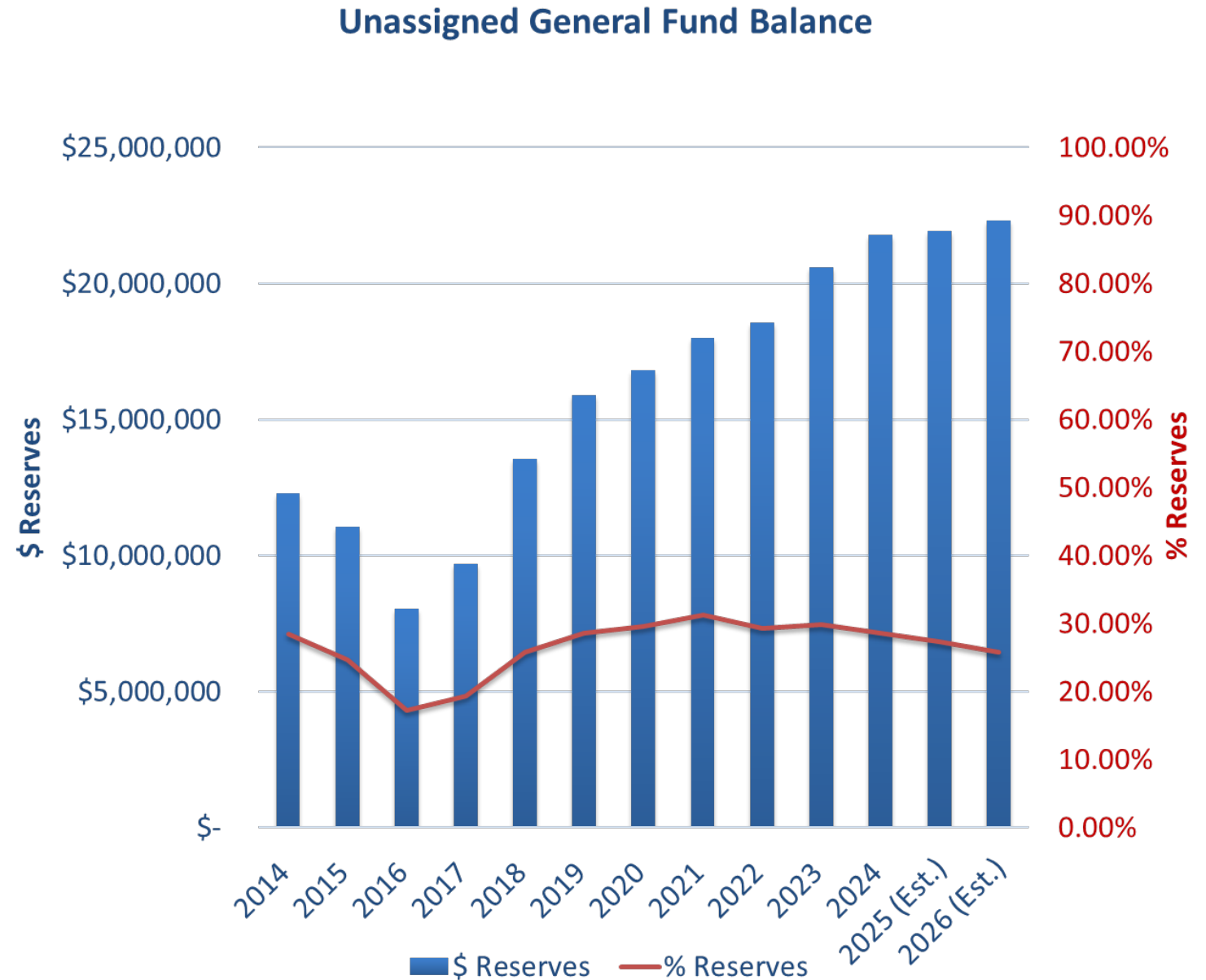
Tax Base Growth Comparison: 2024 - 2025

- This highlights the difference in tax base growth rates based on preliminary estimates from the property appraiser. Winter Park tends to grow slower than other cities due to constrained space for development opportunities.



General Fund Cash Reserves


- Given the current FY25 budget and proposed FY26 budget, reserves are expected to grow to just over \$22.3 million or about 26% of reoccurring annual operating cost in the General Fund. It would take approximately \$3.65 million to reach the 30% budget goal. The proposed budget has a contingency of \$478k.
- While reserves are increasing, as a percentage of costs, they are declining as contributions to fund growth are outpaced by expenditure growth.
- Since the pandemic in FY20, the city has added almost \$5 million to reserves.**




Budget Highlights

- **8.9% Increase** in the total City-wide All Funds Budget, reaching a total of \$233.5 million. Of the \$19 million growth, half comes from the Enterprise Funds (Electric and Water) due to expanded capital expenditure, which includes expanded funding for undergrounding, investment in substations, electric meters, and water/wastewater treatment facilities. A third of growth comes from the General Fund.
- **No Change in Millage** - Balances the General Fund budget with the same millage rate as the previous years'.
- **\$22.3 million in General Fund reserves** estimated by the end of FY26, a record for the city.
- **Capital Project spending** will expand about 20% from the prior year to \$30 million, largely due to increased planned spending in Electric and Stormwater capital. General Fund transfers for capital projects will remain consistent with prior years as raising this contribution is difficult when also needing to address wage and operational inflation.
- **No Net New Positions**: With the exception of 4 additional call taker positions added to the budget to accommodate handling dispatch services for the City of Maitland. This cost is paid for by fees charged to Maitland. City departments requested over 19 new positions as part of the budget development process.

Budget Highlights

- **Personnel:** City-wide wages and benefit costs will increase about 7.5%.
 - Approximately 4.6% of wage inflation, due to a 2% COLA adjustment effective Oct 1st, and up to a 3% pay-for-performance increase on an employee's anniversary date.
 - Competitive increases to public safety pay (~\$700k) account for about a fourth of the increase in regular wages.
 - Other increases to wages includes fully reflecting the addition of two new officer positions added in FY25 through the COPS grant and the addition of 4 new call taker positions to support Maitland Dispatch.
 - Increase in special detail pay for public safety and incentive pay in the W&WW are increasing Other Wages.
 - City group healthcare costs will rise over 5% with Other Benefits
 - Public Safety Pension costs (\$671k+) are increasing over 10% and estimated to increase over 20% in FY27.
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Budget Highlights

- **Operating:** City-wide operating costs will increase about 8%.
 - General Fund: Costs for contractual services account for half of the increases. Facility upkeep, tree trimming, the Parks Master Plan, increased road repair, contracting crossing-guard services, software inflation, solid waste contract inflation, and funding set-aside for vehicle replacement.
 - CRA: \$200k for Affordable Housing rehabilitation and expanded support for the Business Façade program to support the addition of CRAIII on W. Fairbanks.
 - Electric: Bulk power costs estimated to rise 16%, with transmission wheeling costs rising 7%.
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Capital Highlights – General Fund



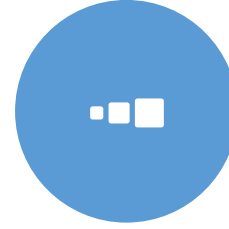
**\$1.8 MILLION –
PAVEMENT,
BIKEPATH,
CURBING, AND
BRICK ROAD
REPAIRS**



**\$925K – FACILITY
IMPROVEMENTS
INCLUDING
ADDITIONAL
GENERATORS
AND HVAC
REPLACEMENTS,
AND
REPLACEMENT OF
WINDOWS AT
CITY HALL.**



**\$885K - PARK
FACILITY
INVESTMENTS:
BALL TRACKING
TECHNOLOGY
AND BUNKER
REFURBISHMENT
AT THE GOLF
COURSES,
REPLACEMENT OF
THE
LANDSCAPING
OFFICE, ATHLETIC
FIELD LIGHTING,
AND POTENTIAL
GRANT FUNDING
FOR REBUILD OF
CLAY COURTS AT
AZALEA LANE.**



**\$500K – PUBLIC
SAFETY CAPITAL
TO SUPPORT
SECURITY
IMPROVEMENTS
AT THE COMPLEX,
LIFEPAK UNITS
FOR FIRE, AND
MOTOROLA
RADIO
REPLACEMENT.**



**\$450K –
EXPANDED
SIGNALIZATION
AND BIKE/PED
IMPROVEMENT
FUNDING TO
SUPPORT THE
TRANSPORTATION
MASTER PLAN.**



**\$400K – IT
INFRASTRUCTURE
ENHANCEMENTS
TO
CYBERSECURITY.**

Capital Highlights – Utilities

- **Electric**

- \$9.6 million – Expanded undergrounding and service drop funding
- \$1.3 million – Routine capital investment in the distribution system
- \$1.1 million – Substation investments
- \$565k – Electric meter replacement
- \$450k – Building 14 and building 4 renovations

- **Water & Wastewater**

- \$1.3 million in lift station improvements
- \$800k – Capital contribution payment to Orlando for wastewater plant improvements
- \$1.95 million – Investment in water, sewer, and pipe liner
- \$645k – Capital improvements to the city's water and wastewater treatment plants

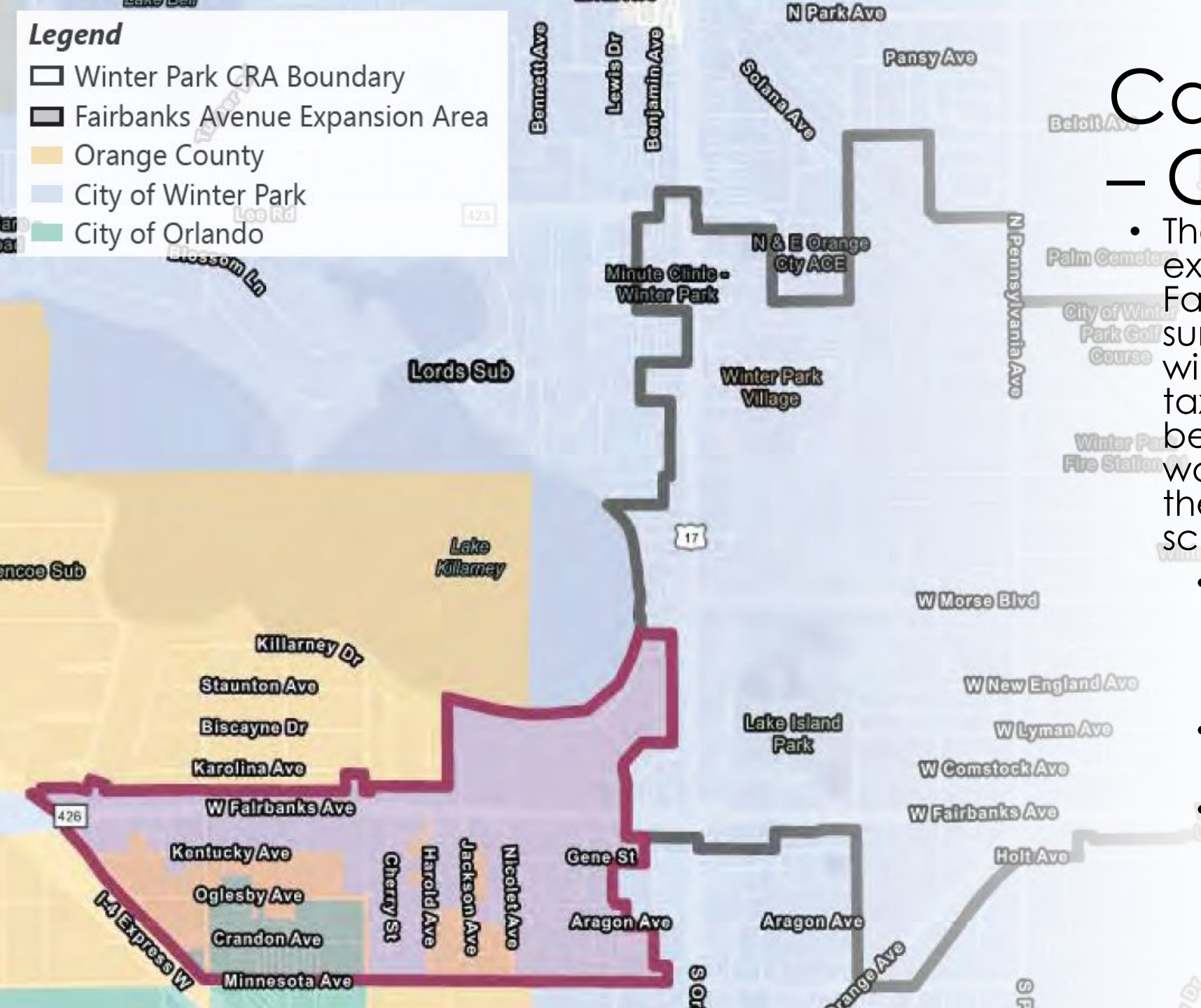


Legend

- Winter Park CRA Boundary
- Fairbanks Avenue Expansion Area
- Orange County
- City of Winter Park
- City of Orlando

Capital Highlights – CRA

- The CRA was extended and expanded in FY25, adding the W. Fairbanks Corridor and a new sunset date of 2037. This extension will allow an estimated \$70 million in tax revenue stay in Winter Park and be used for improvements. The CIP was largely reallocated last fall and the following projects are scheduled for funding in FY26.
- \$4 million – Contributed to Stormwater improvements along W. Fairbanks and in the MLK Park basin.
- \$1.3 million – Canton Ave stormwater improvements
- \$400k– In smaller scale connectivity, programming, and infrastructure improvements throughout the district.



Capital Highlights – Stormwater

- The one penny per SF increase a year for three years has fundamentally transformed the utility's ability to make capital investments in lake clarity and flooding mitigation projects.
- Capital spending will increase 63% to almost \$1.9 million in FY26.
- \$600k – Pipe replacement at Golfside Dr.
- \$550k – Hydrodynamic separator at Fawsett Rd.
- \$400k – Seawall cap refurbishment on lakes canals
- \$195k – General drainage improvements
- \$80k – Curb repair
- \$50k – Mead Garden and Howell Branch Preserve improvements.



10 Year Proforma Summary



General Fund: Public safety cost pressures will make the near-term difficult and it is likely that the planned CIP will need to be continually curtailed without shifting resources or new revenue sources. May necessitate the consideration of a millage increase in FY27.



Water Fund: Will need to continue to monitor PSC index suitability to support a sustainable capital investment strategy, though only minor adjustments are likely needed.



Electric Utility: The rate increase will allow for a sustainable level of capital spending to complete the undergrounding effort and improve safety and reliability; however, the scale of long-term planned capital may require the consideration of minor annual increases to rates tied to an inflation index.



CRA: Provides considerable capital for infrastructure priorities with the future years needing to undergo a long-term capital planning process that utilizes the project priorities from the amended CRA Plan.

Unfunded Projects

- The Commission's recent strategic planning session and the 5/25 Year Strategic Capital Plan, contain a number of projects and priorities for which no funding source has been identified. Currently, there is over \$126 million in potential projects in the 25 year plan that have no funding source identified.

Funding Sources Available Now	Amount
General Fund Contingency	\$478,000
Organizational Support Surplus Funds	\$140,000
Alternative Funding Sources Not Currently Part of the Proposed Budget	Amount
Raising user fee rates for facilities and Services	Varies
Adjust the millage rate	1/4 pt. increase = \$2.36 million

A photograph of a street scene. In the foreground, there are vibrant pink flowers. In the background, there is a street with parked cars, trees, and buildings. A street lamp is visible on the left side of the street.

Decision Points to Address Over Budget Process

- Confirm rate increases in proposed utility budgets and consider adding an index adjustment to the Electric Utility margin rates annually.
- Discuss allocation of surplus organizational support funds.
- Address CRA project priority and confirm CIP at worksessions.
- 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 & Next Steps

- Commission will receive an updated 5/25 Year Plan as well as their Budget Suggestion Worksheets at the July 23rd meeting, to be completed in time for discussion at the August 27th meeting.

2026 Budget Meeting Schedule

City Manager & Department Proposed Budget Presentations	July 9
Department Presentations (continued at Worksession)	July 10
CRA Budget & Capital Planning Meeting Receive Public Input & Set Tentative Millage Rate Department Presentations (continued)	July 23
Receive Public Input at City Commission Meeting	August 13
CRA Agency Budget Adoption Receive Public Input at City Commission Meeting	August 27
Adoption of Budget » First Reading	September 10
Adoption of Budget	September 24

please note: other meetings and/or work sessions may be scheduled as needed.