Fiscal Year 2027 Proposed General Fund Budget
Prioritizing Community Needs

The proposed $94.6 million Fiscal Year (FY) 2027 General Fund Budget balances rising operational costs with resident-driven infrastructure needs. To directly address community feedback received from the 2026 citywide survey, the city is reallocating funds specifically to accelerate road resurfacing and improve utility systems while maintaining a consecutive 19-year 4.0923 operating millage.

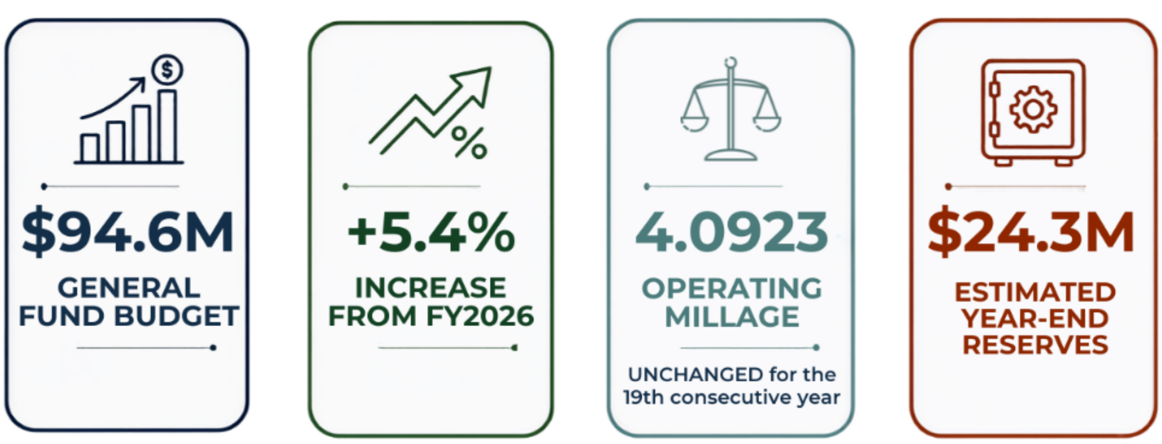
Balancing the budget is achieved through reduced departmental spending, a strategic hiring freeze, and modest compensation structure for staff to offset a $3.1 million surge in public safety expenses. The city is additionally contending with industry-specific inflation that outpaces the Consumer Price Index (CPI).

While utility rates will increase slightly to fund essential maintenance and undergrounding projects, the budget protects the city's long-term health by maintaining strong financial reserves. Ultimately, this fiscal strategy prioritizes core municipal services and transportation-related improvements despite upcoming challenges from potential state-level tax reforms.

BOTTOM LINE

The FY2027 budget is stable but lean. By successfully flattening departmental growth and tightly managing personnel vacancies, the city has successfully protected core services and carved out $1 million to deliver on the community's top priorities: key infrastructure & roads.

THE BUDGET AT A GLANCE



Investing in Community Priorities

Based on a recent citywide survey completed by more than 800 residents and a City Commission Strategic Priority Workshop, the top four priorities were identified:

1. Parking
2. Roads & traffic

3. Communication
4. Maintaining facilities & amenities

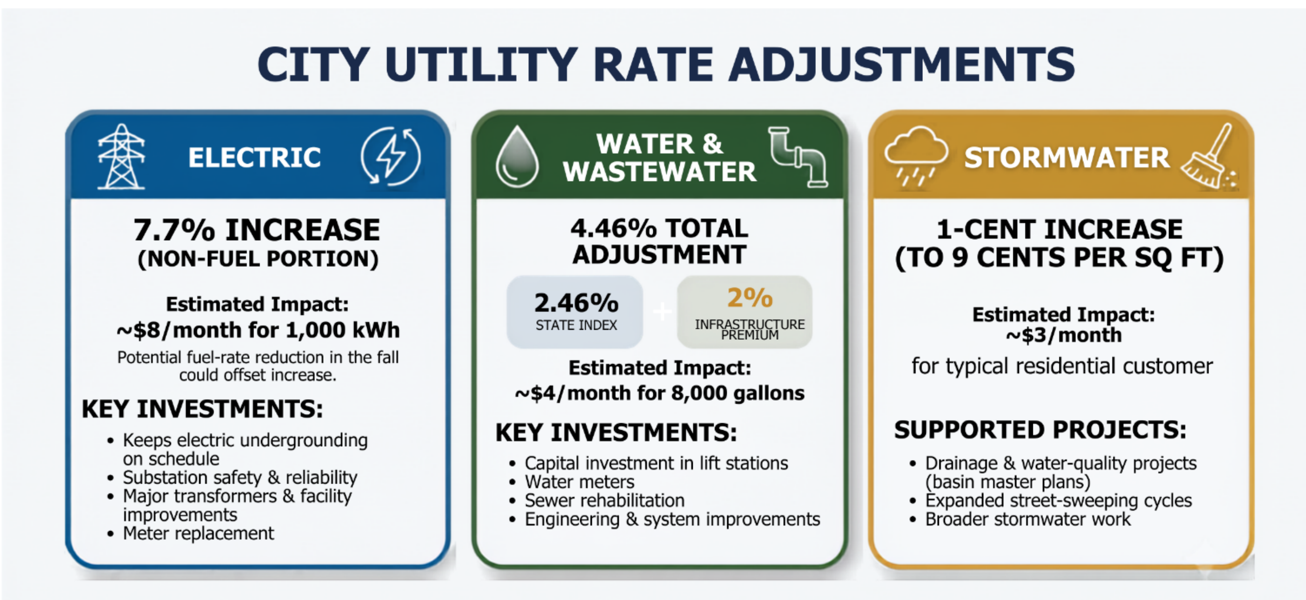
The FY2027 budget consciously creates room for key infrastructure improvements, most notably traffic and road conditions.

Accelerated Road Resurfacing

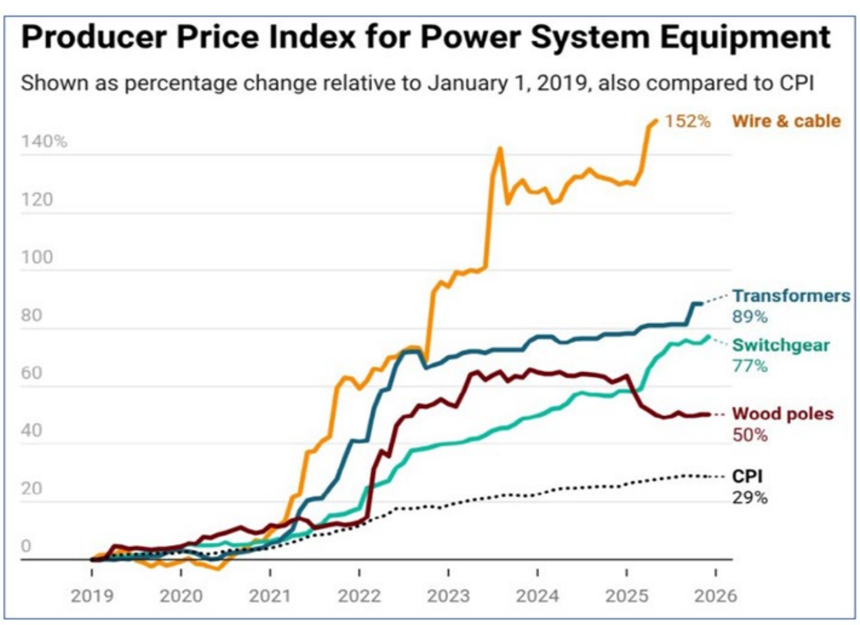
- **Funding Boost:** Public Works funding is increasing by **$1 million (6%)**, specifically targeting road materials and contracted repairs.

- **Measurable Goals:** The city aims to resurface **7.5 lane miles** in FY2027. This is a significant step up from the recent average of 4 to 5 miles, moving closer to the long-term target of 9 lane miles annually.

Protecting Utility & Essential Infrastructure
Operating outside the General Fund, utility rate adjustments (averaging a combined impact of about $15/month for typical households) ensure critical infrastructure projects stay on schedule despite steep inflation in equipment and materials.



- **Electric:** Supports undergrounding power lines, substation safety/reliability, major transformers and meter replacements. An example of surging inflationary costs of electric infrastructure components is illustrated in the chart below:



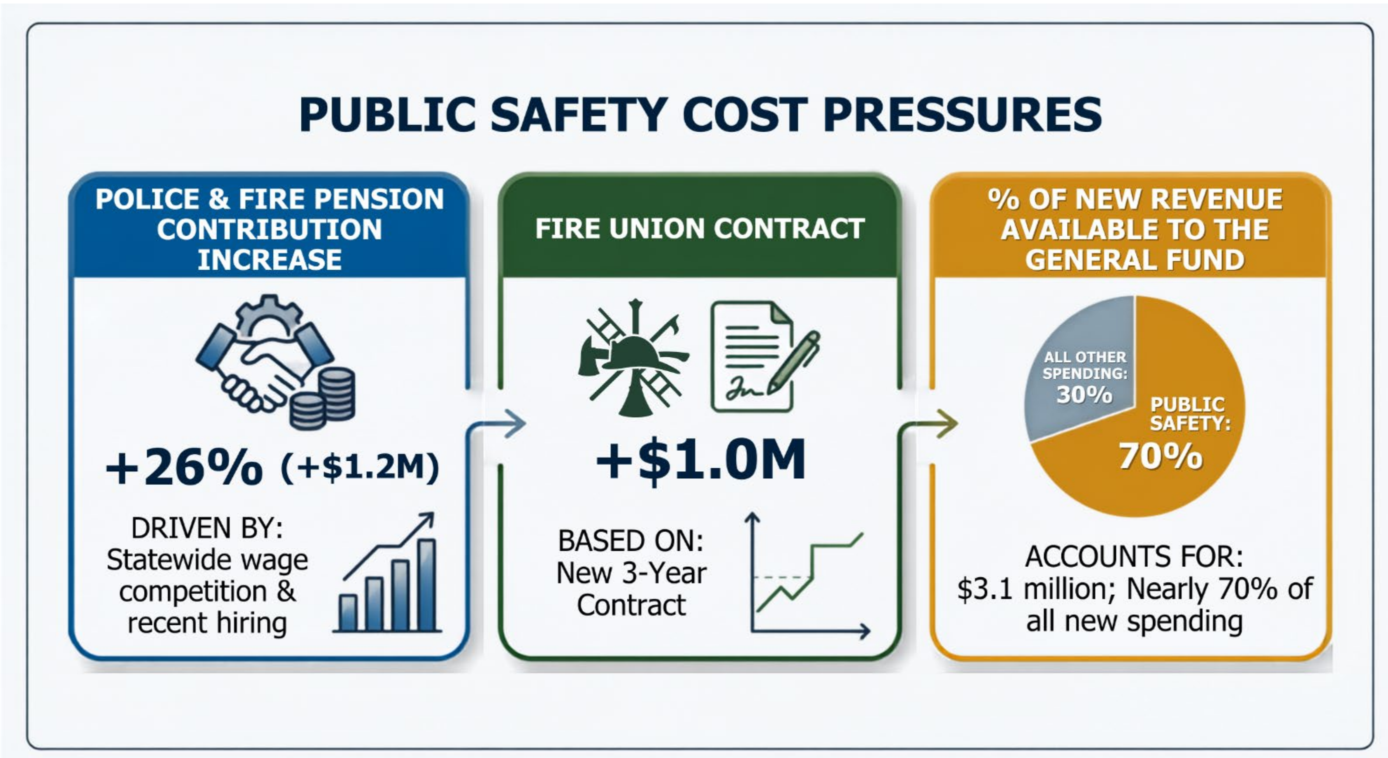
Source: Lawrence Berkeley National Laboratory, 2025

- **Water & Wastewater:** Maintains vital capital investments in lift stations, water meters and sewer rehabilitation.

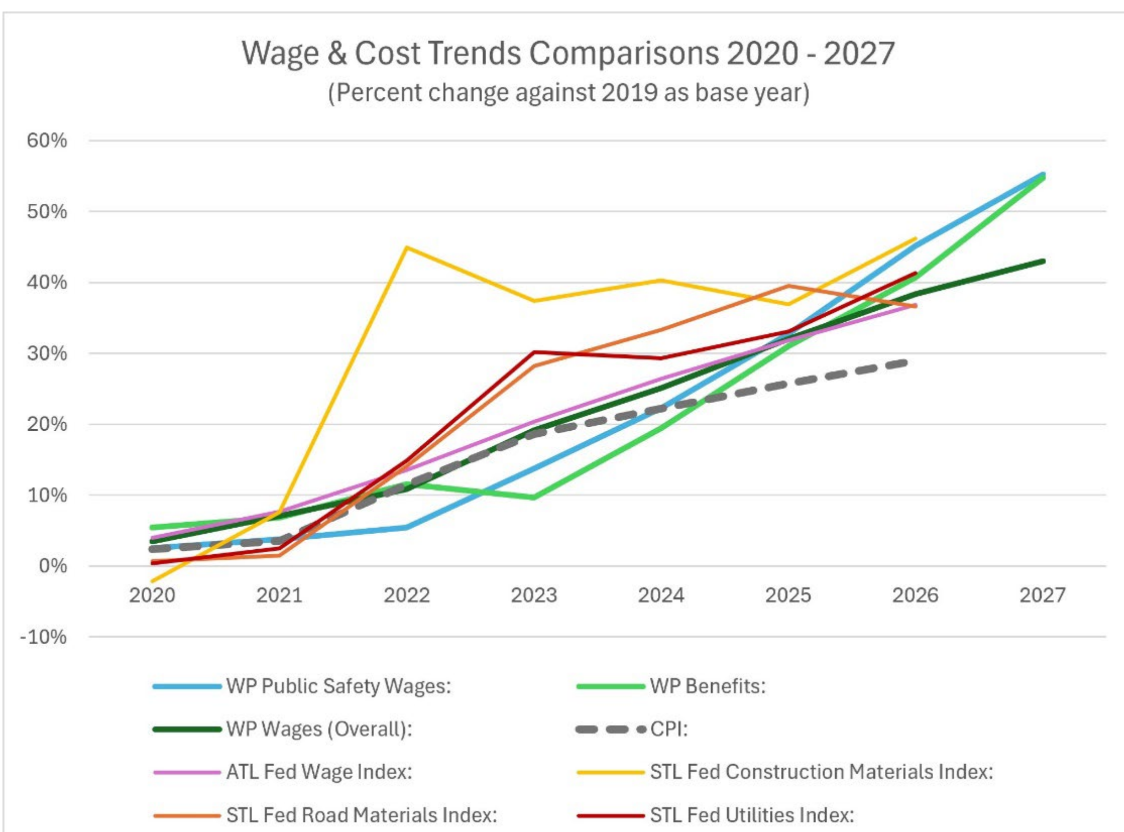
- **Stormwater:** Generates an additional **$600,000** for drainage and water-quality projects, alongside expanded street-sweeping cycles.

Managing Personnel Costs & Budgetary Constraints

To fund these community priorities, the city had to carefully manage rising personnel costs, which represent the largest nondiscretionary driver in the budget.



General Employee Compensation: To remain competitive while managing costs, the budget limits general staff to a moderate **2% cost-of-living adjustment (COLA)** and up to a **2% merit increase**. The chart below shows a comparison of wage and cost trends in recent years:



Proposed budget information was used to populate graph information for 2027.
National indexes do not have forecast data available.

- **Hiring Freeze & Trimming Staff:** Total personnel costs rose by $4 million overall. To offset this, the city implemented a strategic hiring freeze and is evaluating every vacant position.

- **Departmental Tightening:** Parks & recreation and financial services are being held flat, while planning, building and code compliance are slightly reduced.

Revenue & Long-Term Financial Outlook

- **Property Taxes:** Property taxes remain the primary funding engine, yielding **$41.8 million (44% of total revenue)**. While rising taxable property values provide growth, upcoming Florida property-tax reform bills (potentially increasing homestead exemptions to $250,000 by FY2029) could restrict future revenues by an estimated $76 million over 10 years.

- **Strong Reserves:** Winter Park maintains a robust financial safety net with year-end reserves projected at **$24.3 million** (26.6% of recurring operating expenses). This marks the highest reserve fund balance in the city's history after adding over $7 million over the past seven years.