



THE SUNRISE CITY

**FORT PIERCE**  
FINANCE DEPARTMENT  
*Florida*

**TO** : Mayor and City Commissioners

**FROM** : Johnna S. Morris, Director of Finance

**THRU** : Nick Mimms, City Manager

**RE** : **Proposed General Fund FY 2020 Budget Transmittal Letter**

**DATE** : June 25, 2019

Presented is the proposed General Fund Budget of \$42,294,972 for FY 2020, which is \$3,385,359 more than last fiscal year. The budget is prepared to ensure that the ongoing operations of the City can be carried out and financed for the said period. A balanced budget is presented in order for the City to provide the customary level of services that the community has come to expect

The significant elements that formulate the budget of General Fund are as follows:

1. The estimated taxable value of property for operating purposes, from the DR-420 certified by the Property Appraiser, is \$2,548,947,723, a 6.8% increase. The budget as presented is using the current millage rate of 6.9000. The current millage rate and taxable value will generate \$16,794,365 or \$1,133,357 more than FY 2019.
2. To balance the budget \$327,950 is being appropriated from unrestricted fund balance. Also included, is a \$600,000 appropriation from restricted fund balance. This appropriation was designated from FY 2019 for capital expenditures, with \$400,000 for capital improvement projects and \$200,000 for the inter-fund loan payment.
3. An appropriation of \$600,000 is restricted to fund capital expenditures in FY 2021.
4. Included are 3.0% pay increases for all employees, bargaining, non-bargaining and police; \$331,316.



5. A net 3 employees were added to General Fund's roster; 1 Special Projects Coordinator in the City Manager's Office and 2 Part-time TRAM Operators in Leisure Services; \$92,286.
6. The retirement contribution rate decreased 0.22% for general members and 0.01% for police officers.
7. The insurance premiums for health coverage increased 0.7%; as proposed it is absorbed by the City, with no increase to the employees.
8. There is a 4.5% premium increase in dental coverage; this will be the first rate change in 7 years.
9. \$2,445,000 is budgeted for capital projects: \$1,500,000 Infrastructure Sales Tax Projects, \$300,000 Parking Garage, \$300,000 Road Improvements, \$90,000 Police Body Cams, \$100,000 Police Capital and \$155,000 Network Infrastructure.
10. There is no transfer to FPRA this fiscal year.

A comparison of the expenditures from 2019 to 2020 is displayed in the chart below.

<b>Category</b>	<b>Fiscal 2019</b>	<b>Fiscal 2020</b>	<b>Difference</b>
<b>Personnel Services</b>	22,791,138	23,821,095	1,029,957
<b>Operating Expenses</b>	10,332,678	10,521,046	188,368
<b>Capital Outlay</b>	831,000	2,445,000	1,614,000
<b>Grants &amp; Aids</b>	255,000	255,000	0
<b>Non-Oper. Transfer</b>	4,699,797	5,252,831	553,034
<b>Totals</b>	<b>38,909,613</b>	<b>42,294,972</b>	<b>3,385,359</b>



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As discussed, we considered using the roll back rate, as well as increasing the millage rate.

Using the roll back rate, 6.4360, results in a \$900,000 decrease in revenue as compared to the existing millage rate, and would eliminate all raises and police vehicle leasing, as well as necessitate implementing a hiring freeze. The cost of doing business has increased tremendously during the last decade, yet our proposed General Fund budget is still below the budget of FY 2008/09.

When considering an increase to the millage rate, it would benefit the City and allow for some of the previously discussed improvements; however, an increase of 0.35 mills to 7.2500 or greater is needed for these changes. The 7.2500 would garner \$578,774 additional revenue (making an allowance for the current use of fund balance).