

MEMORANDUM

To: Jeff Bremer, City Manager
Patricia Roebing, Asst. City Manager
Daniel Holbrook, Asst. City Manager
Department Heads

From: David K. Pollard, MBA, CGFO, Director of OMB

Date: August 31, 2016

Re: Proposed Budget - FY 2016-17 with revisions

The attached revised pages reflect any changes made to the proposed budget and should be inserted in your proposed budget manual. Most of the changes occurred in the General Fund and are summarized in the attached listing. The key budget revisions are noted as follows.

Millage Rate reduction

The proposed millage rate for FY 2016-17 was set at 6.5000 (reduction of .1289). This reduced the property tax revenue by \$972,668 for the General Fund. A combination of budget reductions and savings due to debt reduction covered this revenue reduction and allowed for the additional cost of a position upgrade and additional funds for needed repairs and maintenance of facilities. The individual revisions are listed on the attached schedule.

Carryforward of four projects

As noted on the attached schedule, four projects totaling \$317,450 are delayed until the new fiscal year. This created savings in the current year and increased the projected carryforward balance into FY 2016-17. This source of funds will be appropriated for the four projects in 2016-17.

Other revisions

As the settlement funds for Digital Domain were budgeted per City Council direction, the amount available for future facility repairs and maintenance is being projected as carryforward into FY 2016-17. This action raised the carryforward figure and then the \$574,650 amount is appropriated for the Civic Center and City Hall facilities in the proposed budget. Also from the settlement funds, \$1.5 million is being transferred into the CIP fund for the Westmoreland Boardwalk in the current year. Thus the CIP budget schedule for 2016-17 will show the \$1.5 million added to the carryforward amount and reduces the level of Parks Impact Fees that is needed for this project. Also, the design contract for this project is now being pushed into next year.

Debt Service reduction

As noted in the General Fund's revisions, there will be lower annual debt service for the CRA and Digital Domain issues. This is due to re-financing that occurred in the present year. The budget schedules for these funds must be corrected to the lower payment schedule. Also, as the 2004 COP's are retired in the current year, that debt service fund must be revised for 2016-17. Plus the General Fund will benefit from higher Public Building Impact Fees used to make the annual debt payments for the Torrey Pines facility. Thus the estimated General Fund contribution will likely be

\$600,000 this year instead of \$1 million. Future years' contributions are still estimated at one million annually, but can be reduced if impact fees continue at their present level.

General Fund – Deficit Spend for FY 2016-17

As the proposed millage rate was reduced, corresponding reductions and savings were incorporated into the proposed budget to maintain a “balanced budget”. However, as several projects and funding for facility repairs were delayed until the upcoming year, the carryforward figure for 2016-17 was increased and the funds are then expected to be spent during the year. This causes the beginning balance to be higher than the ending balance and creates a deficit spending situation.

If any further information is needed, please feel free to contact me.

/DKP

City of Port St. Lucie
Proposed Budget Changes for 6.5000 mill rate
General Fund
FY 2016-17

Revenue reduction

Reduction of .1289 mills	\$ 972,668
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Savings Items

Debt service reduction - 2004 COP's	52,163
Reduce CRA contribution for debt	440,597
Use of DD settlement funds	361,305
Eliminate Council Office FTE	67,663
Eliminate rent pmt to Building Fund	70,000
Upgrade Animal Control position cost	(86,631)
Correction of Digital Domain debt	642,221
Add'l cost for Civic Ctr maintenance	(287,325)
Add'l cost for City Hall maintenance	(287,325)
Total	\$ 972,668

Carryforward of Projects

City Garage - Fuel Island repairs	\$ 100,000
City Garage - Roof and Insulation repair	106,750
Fitness Center equipment	36,000
Website Re-design, Communications Dept	74,700
Total	\$ 317,450