

City of Port St. Lucie

PROPOSED BUDGET

FY 2022-23



OBJECTIVES

 Desired Outcomes

 Revenue Trends

 Budget Strategy

 Spending Trends

 Economic Considerations

 City Manager's Proposed Budget

 City Manager's Objectives

 Staffing Recommendations

 Budget History & Current Situation



FY 22/23

Budget Strategy

We further focused on the top projects as determined by City Council at the Strategic Planning Session.



Goal One
Safe, Clean and Beautiful



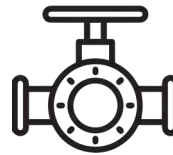
Goal Two
Vibrant Neighborhoods



Goal Three
Smart & Connected City



Goal Four
Diverse Economy & Employment Opportunities



Goal Five
High-Quality Infrastructure & Facilities



Goal Six
Culture, Nature & Fun Activities



Goal Seven
High-Performing Government Organization



FY 22/23

Budget Strategy

Aligns with the Strategic Plan.

Strategic Plan

FY 2022-2023



FY 22/23

Desired Outcomes

At this retreat City Council will be asked to:

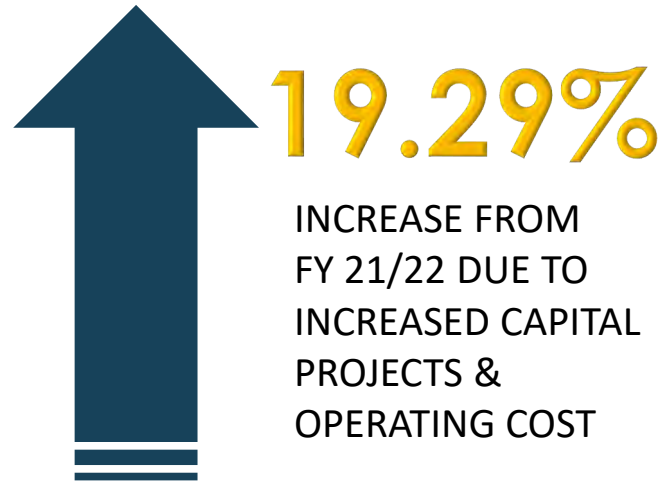
1. Formally set the preliminary millage (tax rate). This is the millage that the City cannot exceed.
2. Authorize preparation and advertising for resolution to adopt FY 2022-23 Fee Schedules:
 - 1.5% rate increase for both water & sewer.
 - Solid Waste – Propose increase to \$416.21 for support of a new solid waste hauler contract that moves the City to automated trash collection. Propose a one-time credit to residential homeowners of \$36.76; thereby reducing the net assessment fee to \$379.45.
 - Stormwater Fee rate increase of \$5.00.
 - Tentatively approve the operating budget and amended capital budget for the next fiscal year.
3. Formally set the Public Hearing Dates:
 - Tentatively proposed for September 12, 2022, and September 26, 2022.



FY 22/23

PROPOSED BUDGET

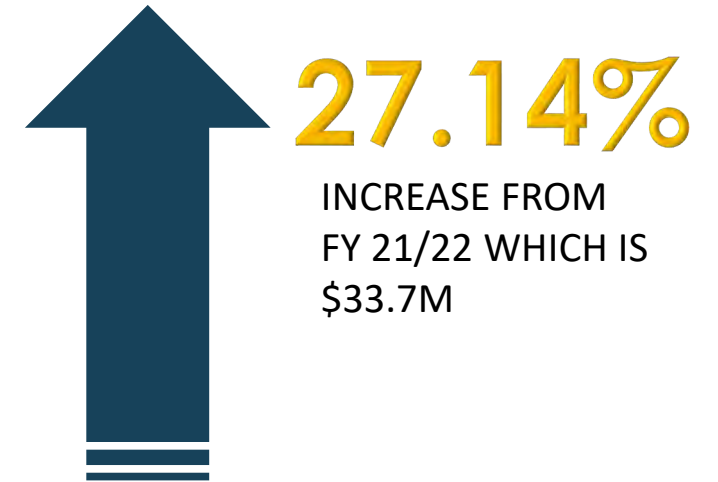
FISCAL YEAR 22/23



TOTAL FISCAL 2022-23
BUDGET

\$728,395,905

GENERAL FUND



TOTAL GENERAL FUND
BUDGET

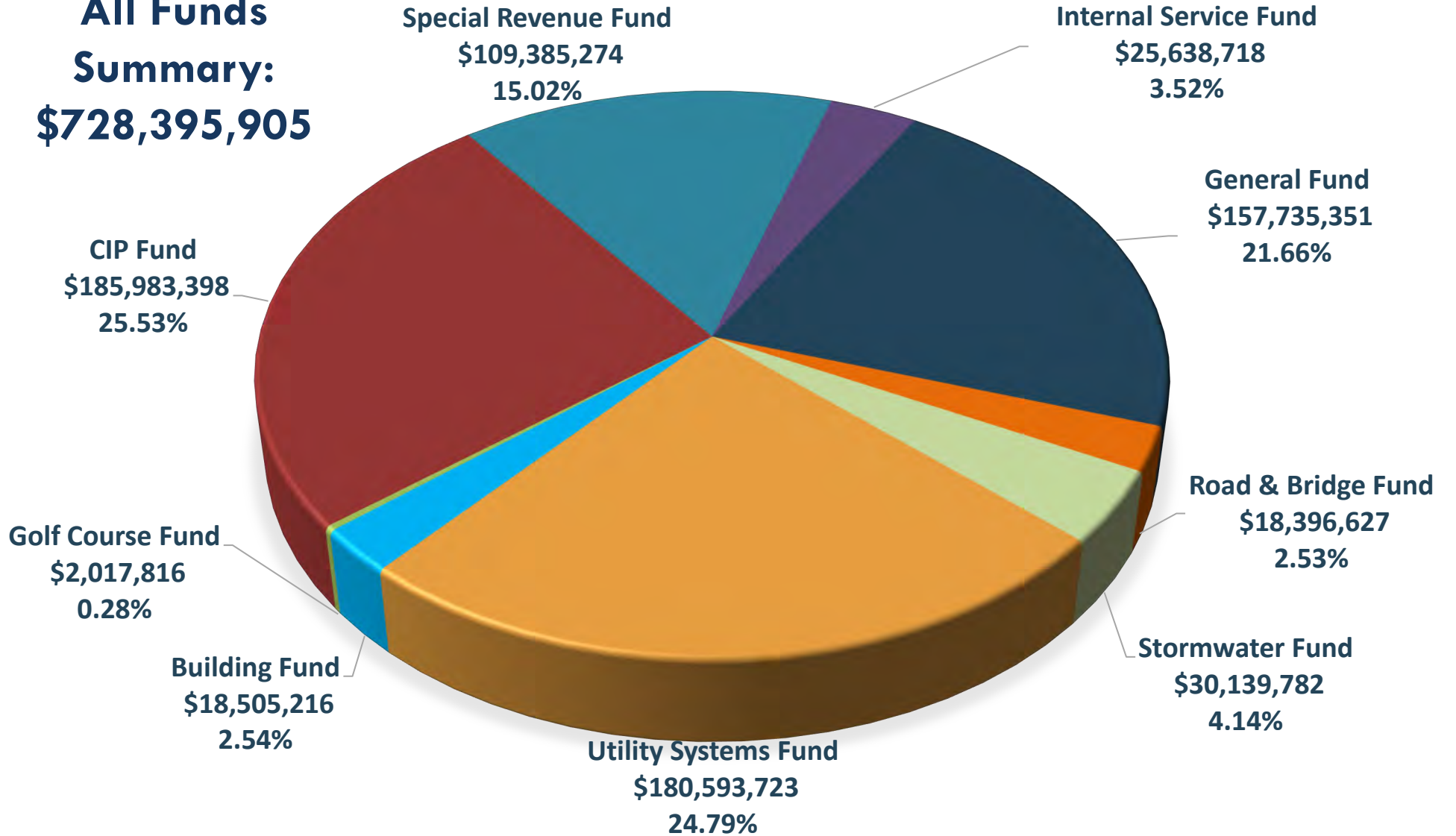
\$157,735,351



FY 22/23

BUDGET AT A GLANCE

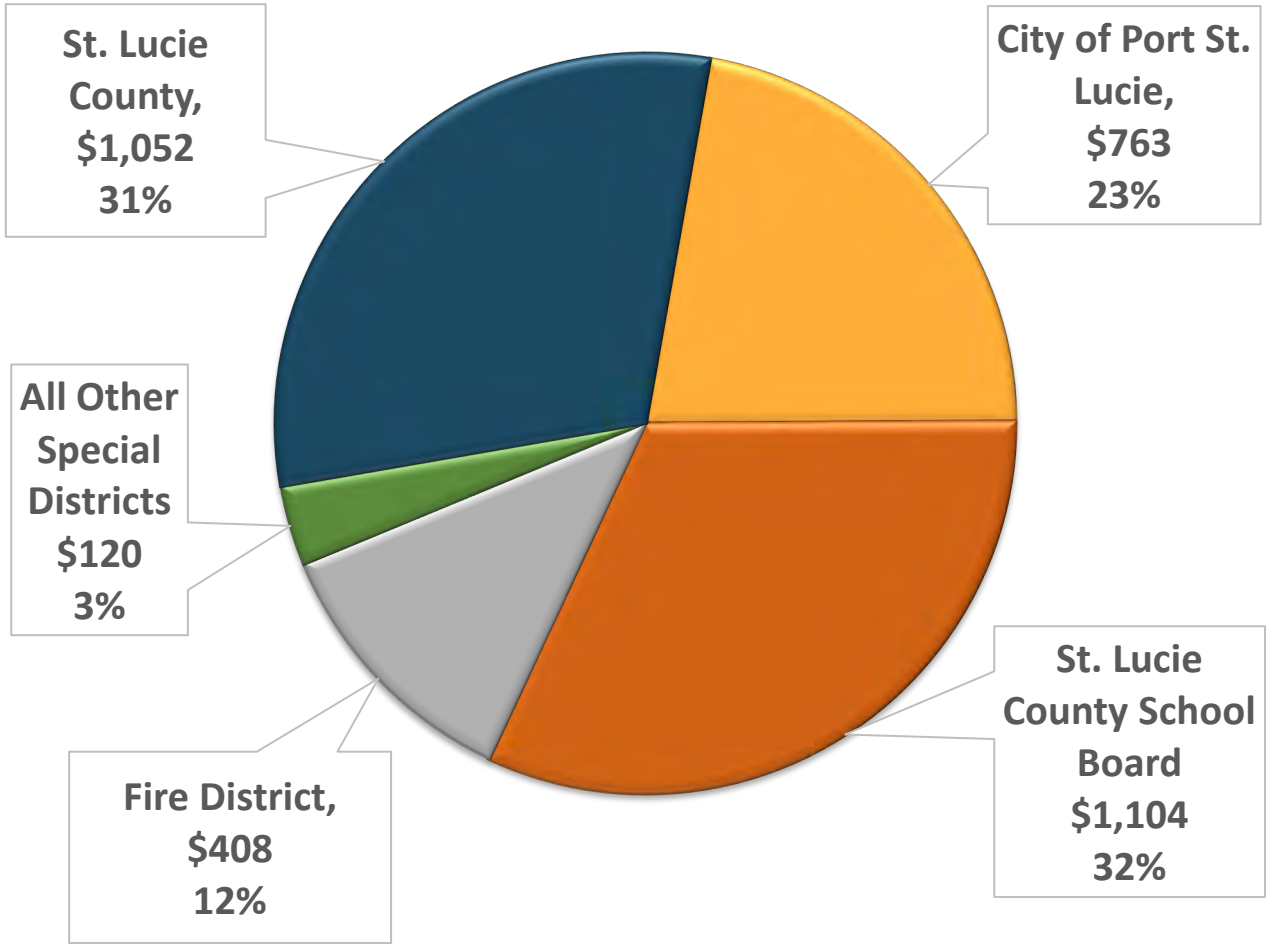
**All Funds
Summary:
\$728,395,905**




FY 22/23

ST. LUCIE COUNTY PROPERTY TAX BILL

- City of Port St. Lucie
- Fire District
- St. Lucie County
- St. Lucie County School Board
- All Other Special Districts



Breakdown of Tax Bill based on \$186,164 Valuation

TAXABLE VALUE	FY 2021-22
With the \$50,000 Homestead exemption (includes \$25,000 for schools)	\$186,164
	
Taxable Amount	\$136,164
Total City Taxes	\$763
Schools	\$1,104
County	\$1,052
Fire Board	\$408
All Others	\$120
Total Tax Bill	\$ 3,447



FY 22/23

BUDGET CONSTRAINTS

- Unlike the private sector, City funds are highly regulated by state laws and federal/state regulations over grants.
- Only the General Fund can support the other fund types.
- The other fund types can only support their specific operations and/or purposes.
- We have policies on maintaining emergency reserves to support government operations for unanticipated expenses or financial emergencies.



FY 22/23

BUDGET CONSTRAINTS

- The Capital Project Funds, the Enterprise Funds, and others save money from year-to-year to complete large complex projects – ex. The Port and Utility Improvements.
- Looking at the City's financial reports, one may notice that we have a lot of cash; however, there are valid reasons and most of it is committed for a specific purpose.
- Due to the funds structure, double counting of the same dollars often occurs in different funds.



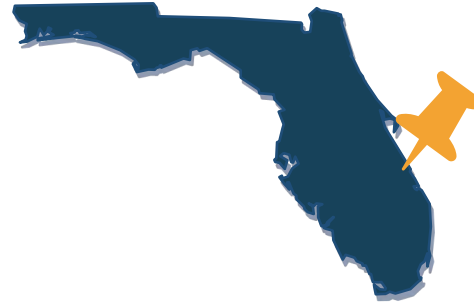
FY 22/23

Economic Considerations



High Inflation

Soaring prices for gas, food, supplies and materials.



Improved Housing Market

Housing market has improved with significant new construction activity.

Ad valorem taxable value increases expected to continue this trend.



Property Values

22.78% increase.

Existing property values represents 73% of this & new construction/growth represents 27%.



FY 22/23

Economic Considerations



Homesteaded Property

Value increase is capped at 3% or CPI (3% For FY 22-23).



Wellness Program

Anticipate to continue seeing positive impacts on health care with the Wellness Program.



Interest Rates

Expected to continue increasing to slow down inflation.



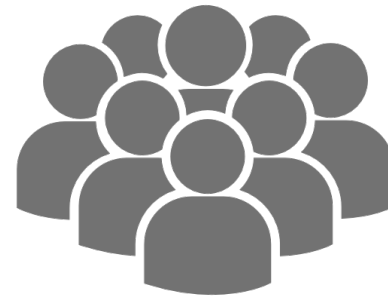
FY 22/23

Economic Considerations



New Construction

New construction is straining the staffing levels of the City's Police, Utilities, Building, Public Works, and Planning & Zoning Departments.



Growth in Population

New construction in City, coupled with increasing population is leading to staffing challenges citywide.



Unemployment

**Unemployment as of April 2022:
3.6% US,
3.0% Florida,
2.5% PSL.
(Source: U.S. Bureau of Labor Statistics).**



FY 22/23



CITY MANAGER'S OBJECTIVES



FY 22/23

CITY MANAGER'S OBJECTIVES

The City Manager's PROPOSED BUDGET IN BRIEF
 FY 2022/23
 Revised 06/27/22
 121 SW Port St. Lucie Blvd, Port St. Lucie, FL 34984 | www.CityofPSL.com

The Fiscal Year 22/23 Proposed Budget allocates resources to support Port St. Lucie's Strategic Plan goals.

BUDGET

FISCAL YEAR
22/23

19.29%
INCREASE FROM FY 21/22 DUE TO INCREASED CAPITAL PROJECTS

TOTAL BUDGET
\$728,395,905

GENERAL FUND

27.14%
INCREASE FROM FY 21/22 WHICH IS \$33.7 MILLION

TOTAL BUDGET
\$157,735,351

Crosstown Voter Debt Reduced

The voter-approved debt service millage for Crosstown Parkway is reduced to 0.5693 in FY 22/23 from 0.7193 in FY 21/22.

Operating Millage Reduced

Operating Millage reduced by 0.0500 for a new total of 4.8307.

Tax Base Increase

The tax base increased by 19% over the final adjusted value, because of increased growth and property appreciation, from \$13.4 billion to FY 21/22 \$15.8 billion as on the June 2022 estimate.

STORMWATER

Stormwater User Fees are increased to \$173 for a residential lot and \$129.75 for an undeveloped lot, an increase of \$5/year and \$3.75/year, respectively.

SOUTHERN GROVE

Southern Grove debt and tax payment equal \$3.6 million from the GFC Fund, a reduction of an estimated \$57,000 for debt, because of activity from sales of property.

SOLID WASTE

The Solid Waste Assessment Fee would increase to \$416.21 to support a new solid waste hauler contract that moves the City to automated trash collection. Residential homeowners will receive a one-time credit of \$36.76; thereby reducing the net assessment fee to \$379.45.

MILLAGE RATE

Millage rate is the tax rate per \$1,000 of taxable property value. The City's Operating Millage rate is 4.8307 per thousand for FY 22/23. The total millage rate is 5.4000. This is the seventh year the millage rate is proposed to be reduced.

Fiscal Year	Millage Rate
FY 17/18	6.4000
FY 18/19	6.3000
FY 19/20	6.0740
FY 20/21	5.9000
FY 21/22	5.6000
FY 22/23	5.4000

Assessed impact of millage reduction on City taxes for a median home with a homestead exemption increased by the save our homes limit of 3%

	FY 21/22 Tax Year City Taxes	FY 22/23 Tax Year City Taxes
Assessed Value	\$188,770	\$194,433
Exemption Amount	\$50,000	\$50,000
Taxable Amount	\$138,770	\$144,433
City Total Millage Rate (Per \$1,000 of value)	5.6000	5.4000
Total City Taxes per Year	\$777.11	\$779.94
Difference with Proposed Millage Reduction		\$2.83

Median market value average single-family home in Port St. Lucie

\$298,539

Although the median market value of an average single-family home in PSL is \$298,539, the median assessed value by the County Property Appraiser is \$194,433. The assessed value is used to determine the annual property tax.



FY 22/23

- ✓ Implement City Council's long-term Strategic Plan.
- ✓ Maintain ranking as one of the safest cities in Florida.
- ✓ Enhance current levels of service – specifically increasing the number of sworn police officers.
- ✓ Maintain the City's infrastructure, equipment, facilities, services and programs.

CITY MANAGER'S OBJECTIVES

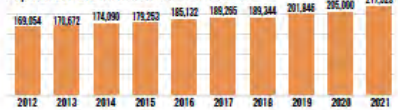
STAFFING

FY 22/23 proposed budget recommends a net change of **67,125** positions for a total of **1,313.06 FTEs** which is **6.1%** more than the number in FY 08/09. In FY 08/09 the population was estimated at 155,000 residents compared to a current population of over 217,500 residents; a nearly **40.32%** increase.

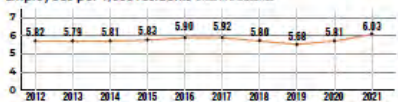
HISTORY OF AUTHORIZED POSITIONS



Population Growth



Employees per 1,000 residents



GENERAL FUND:

- Police:**
 - 5 Police Officers
 - 2 Civilian Background Investigators
 - 1 Administrative Assistant
 - 1 Bodyworn Camera Coordinator
 - 1 Officer
 - 2 Detectives (Major Crimes)
 - 1 Detective (Sex/Internet Crimes Against Children)
 - 1 Lieutenant (CID)
 - 1 Lieutenant (SID)
 - 1 Lieutenant - District Support
 - 1 Redaction Coordinator - Body Worn Camera

Information Technology:

- 1 Security Analyst

Parks & Recreation:

- 2 FT Recreation Aide - MFEC
- 1 Park Leader
- 1 FT Maintenance Worker (Pioneer Park)/The Port
- 1 FT Recreation Aide (Minsky Gym)
- 2 Maintenance Workers (Pioneer Park/The Port)
- 1 Park Coordinator - Riverland Paseo
- 1 Park Leader - Riverland Paseo Park
- 1 FT Maintenance Worker (Riverland Paseo Park)
- 2 Parks Maintenance Workers

City Attorney:

- .50 Accounting Clerk (increase part-time position to full-time)

Communications:

- 1 Brand Strategist

Keep PSL Beautiful:

- 2 Maintenance Workers (Litter Crew)
- 1 Maintenance Worker (City Street Amenities)

Facilities:

- 2 Maintenance Workers

Finance:

- 1 Financial Specialist
- 1 Project Manager

Human Resources:

- 1 Administrative Assistant

Management and Budget:

- 1 Procurement Contracts Manager
- 1 Budget Analyst

UTILITY SYSTEMS FUND:

- 1 Maintenance Worker
- 1 Project Coordinator
- 1 Regulatory Compliance Coordinator
- 1 Manager, Utility Infrastructure
- 1 Project Manager
- 1 Asset Manager
- 1 CADD Technician
- 1 Network Administrator
- 2 Utility Locators
- 1 Utility Inspector
- 1 Instrumentation & Controls Technicians
- 1 SCADA Technician

ROAD & BRIDGE FUND:

- 1 Traffic Signal Technician
- 1 Construction Inspector
- 1 Project Manager, CIP
- 1 Regulatory Compliance Coordinator
- 1 Survey Inspector

SOLID WASTE FUND:

- 1 Neighborhood Services Solid Waste Division Director
- 1 Neighborhood Services Solid Waste Operations Supervisor
- 1 Solid Waste Customer Service Supervisor
- 1 Code Compliance Specialist (Solid Waste Division)

STORMWATER FUND:

- 1 Large Culvert Inspector

BUILDING FUND:

- Building:**
 - 2 Building Plans Examiners
 - 3 Building Construction Inspectors IV

STAFFING INCREASES FOR FY 22/23:

Employee increases are directly related to rapid growth in the City, including funding for District 5 of the Police Department.

DEBT REDUCTION

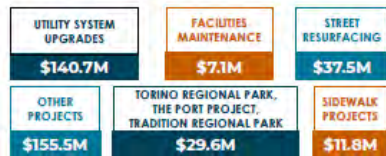
The City's long-term debt has been reduced as a result of principal payments and refinancing, when appropriate, from a high of more than \$1.042 billion in debt in FY 09/10 to a **projected \$665.4 million for FY 22/23** based upon the budgeted principal payments. This will represent a **36% reduction in debt** over the past 13 years.

Total City Debt



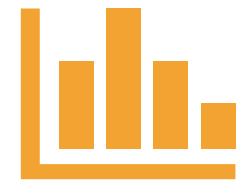
CAPITAL IMPROVEMENT PROJECTS

The City is prudently planning projects while slightly decreasing the current debt load. Projects planned over the five-year period are projected to cost **\$384.7 million**.



FY 22/23

- ✓ Budget for continued debt reduction.
- ✓ General Fund Reserves are projected to meet City Council's targeted Emergency Reserves level (\$23.2M).
- ✓ One-time revenues should be used to fund one-time expenses.
- ✓ Through prudent planning the City is adequately prepared to meet potential emergencies.



BUDGET HISTORY



FY 22/23

Taxable Value Trend

\$23.0

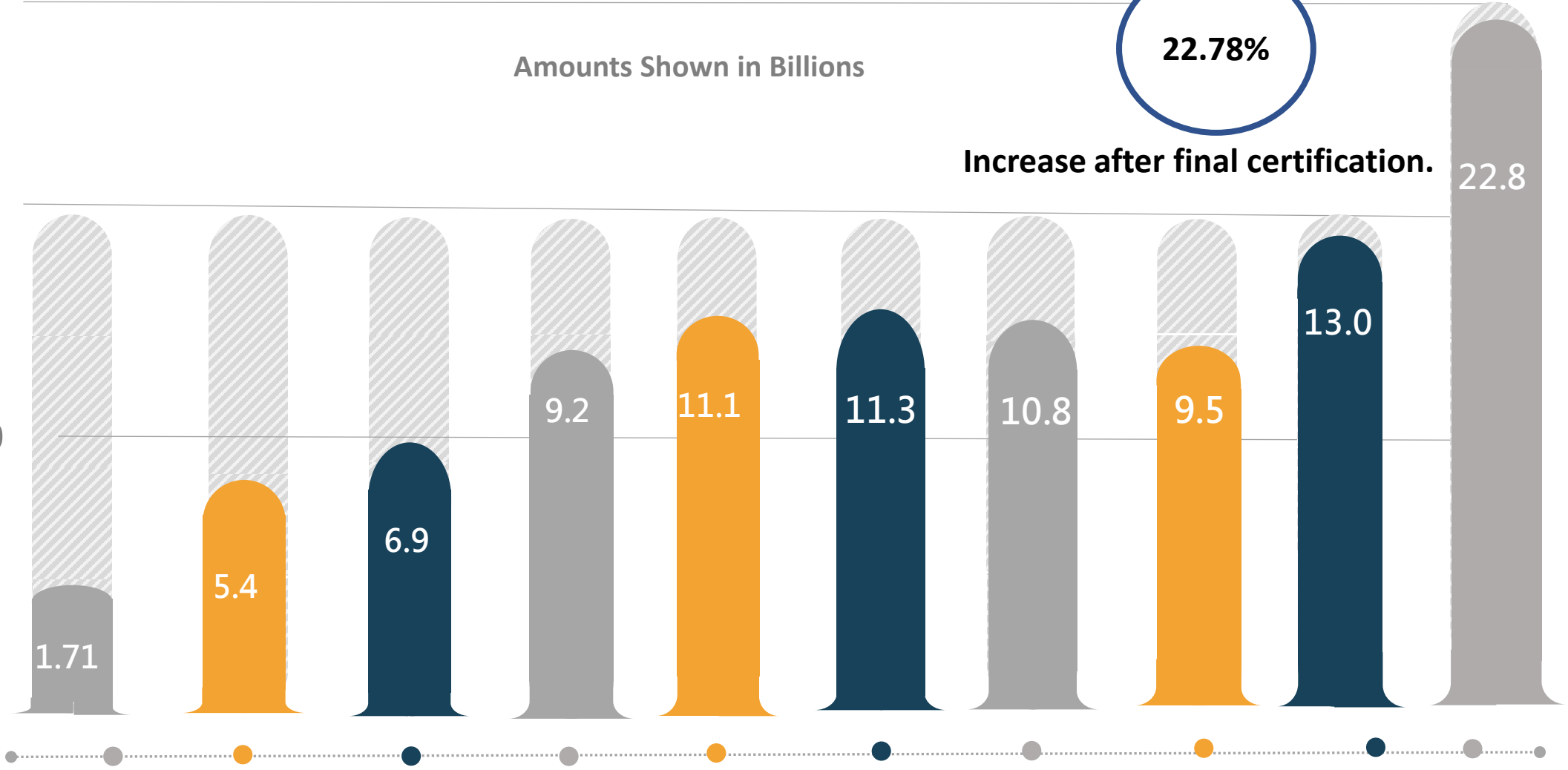
Amounts Shown in Billions

22.78%

Increase after final certification.

\$13.5

\$7.0



2013

2014

2015

2016

2017

2018

2019

2020

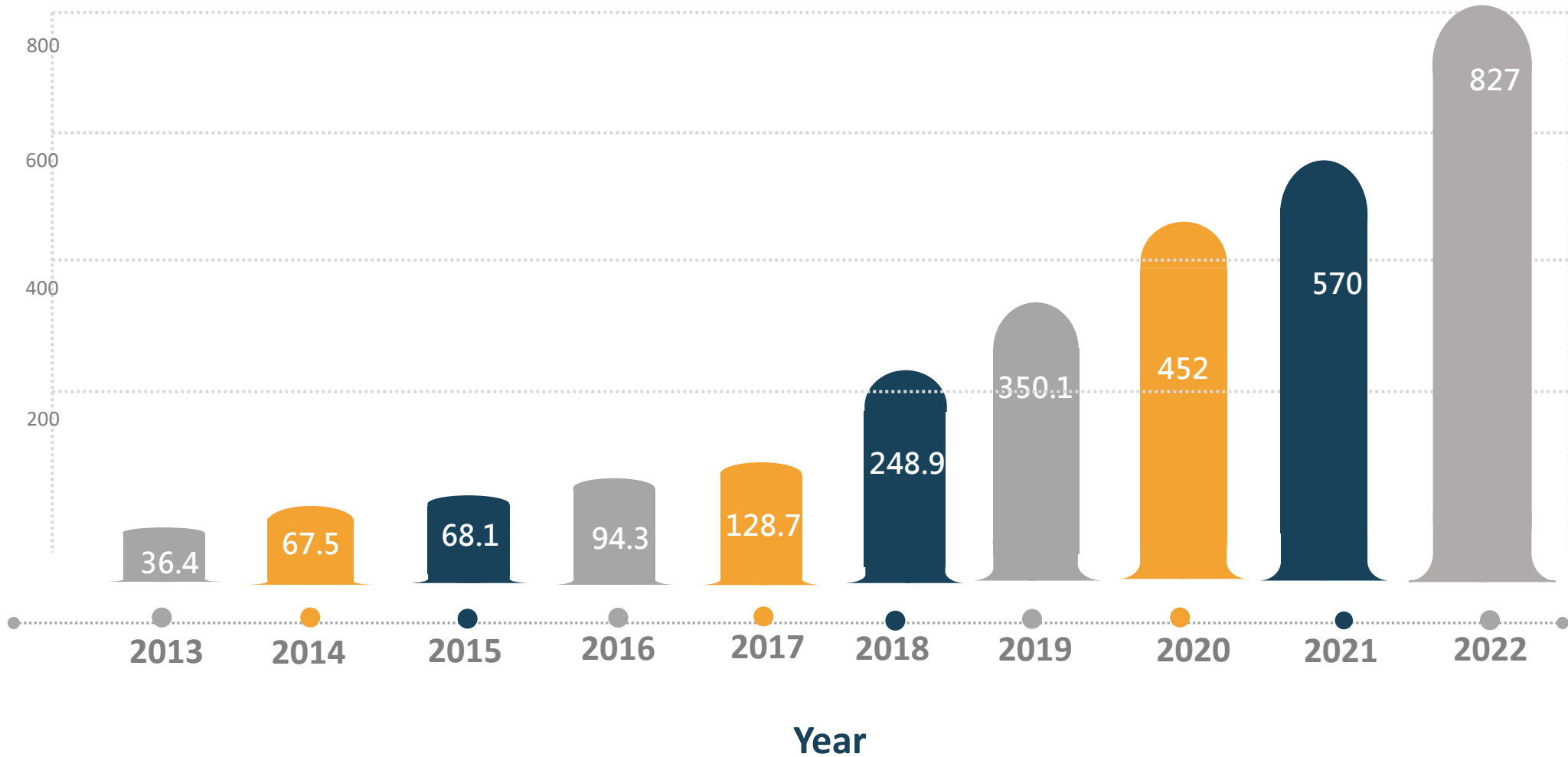
2021

2022

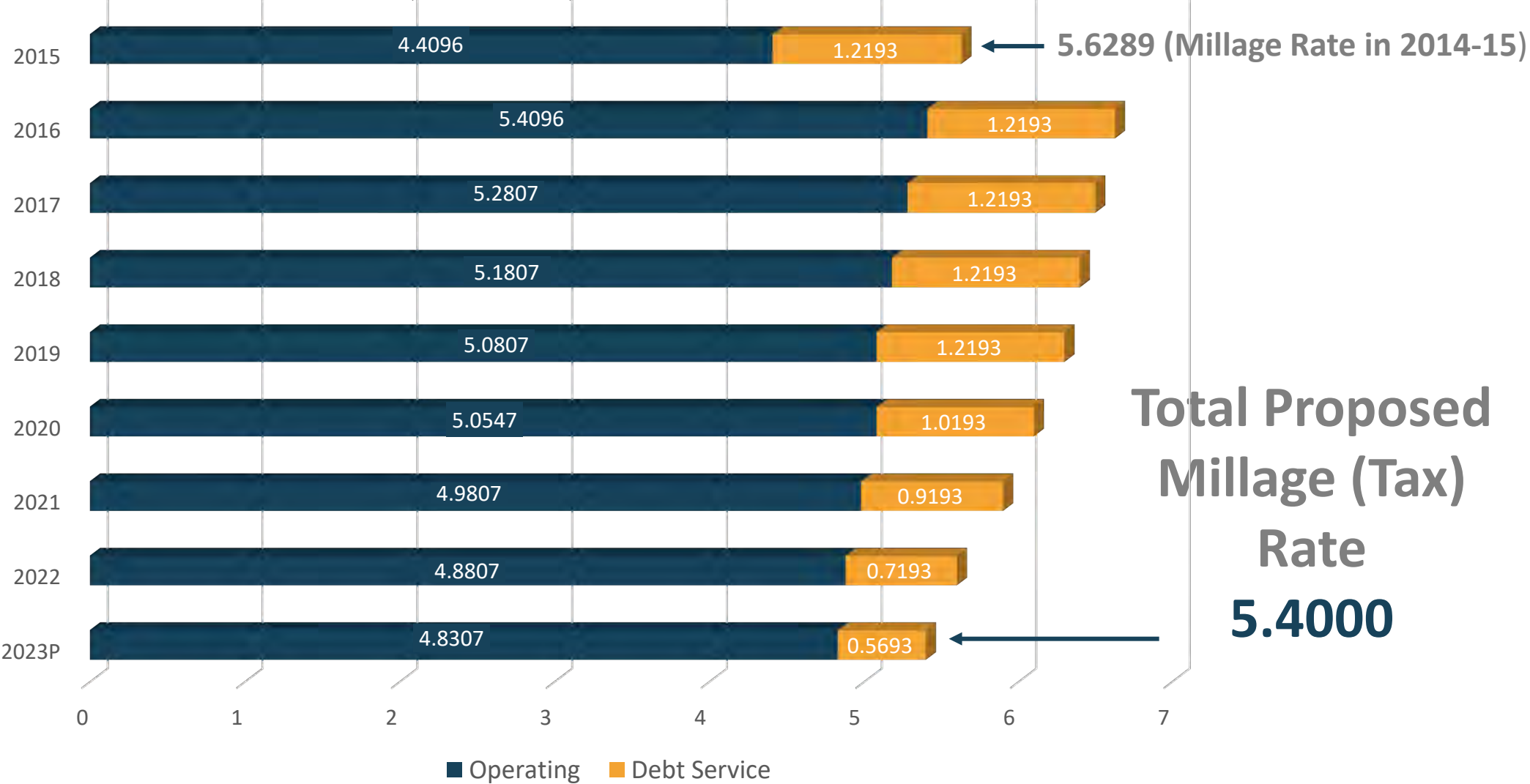
Year

New Construction/Additions

Amounts Shown in Millions

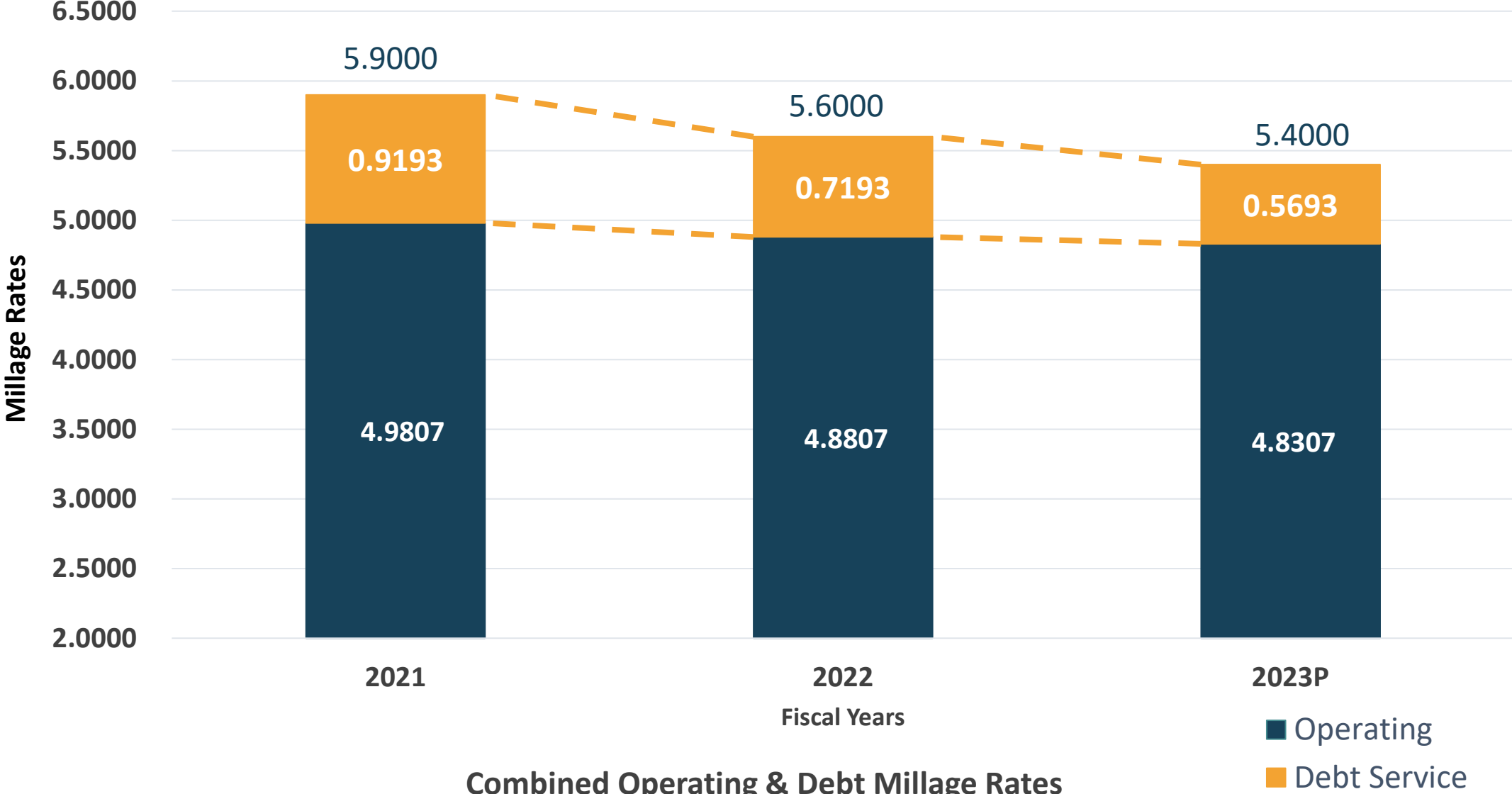


PSL Millage (Tax) Rate History



Total Proposed
Millage (Tax)
Rate
5.4000

Combined Millage (Tax) Rates



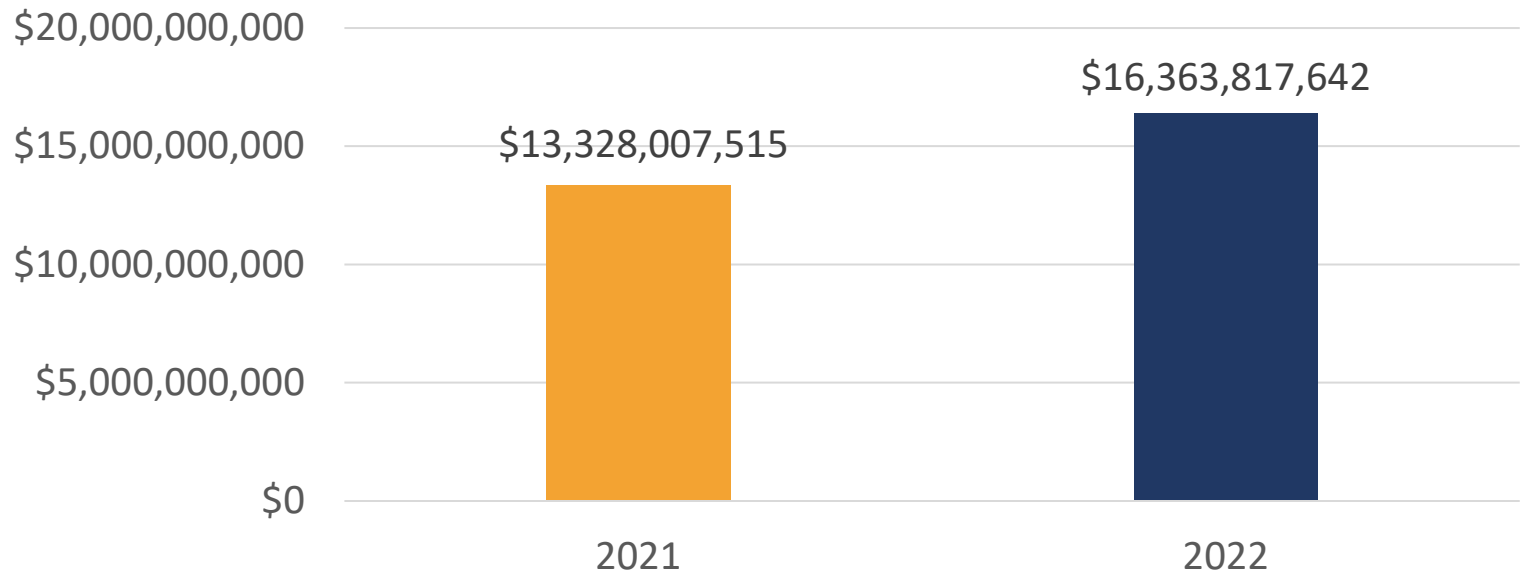
Combined Operating & Debt Millage Rates

Tax Base Increase

The Tax Base for 2022 increased by 22.8% over the final adjusted value of 2021, due to increased growth and property appreciation.

City's estimated taxable value for 2022 is \$16.4 Billion.

PSL Estimated Taxable Value



Proposed Operating Millage (Tax) Reduced

Operating Millage **reduced**
by **0.0500** for a new total
of **4.8307**.

Millage rate is the rate of tax per \$1,000 of taxable property value. The City's Operating Millage rate is **4.8307** per thousand for **FY 22/23**. The proposed overall total millage is **5.4000**.

This would be the seventh consecutive year that the millage (tax rate) has been reduced.



FY 22/23



Proposed Crosstown Voter Debt Reduced

Voter Debt Service Millage
reduced by 0.1500 for a new
total of **0.5693**.

The voter-approved debt
service millage for Crosstown
Parkway will **reduce to**
0.5693 in **FY 22/23** from
0.7193 in **FY 21/22**.



FY 22/23

Median assessed single-family home value in Port St. Lucie

\$194,433

Millage (Tax) Rate

Impact of Millage reduction on City Taxes for a Median Assessed Home with a Homestead Exemption.

	FY 2021/22 Tax Year City Taxes	FY 22/23 Tax Year City Taxes
Assessed Value	\$188,770	\$194,433
Exemption Amount	\$50,000	\$50,000
Taxable Amount	\$138,770	\$144,433
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Total City Taxes per Year	\$777.11	\$779.94
Difference with proposed Millage Reduction		\$2.83

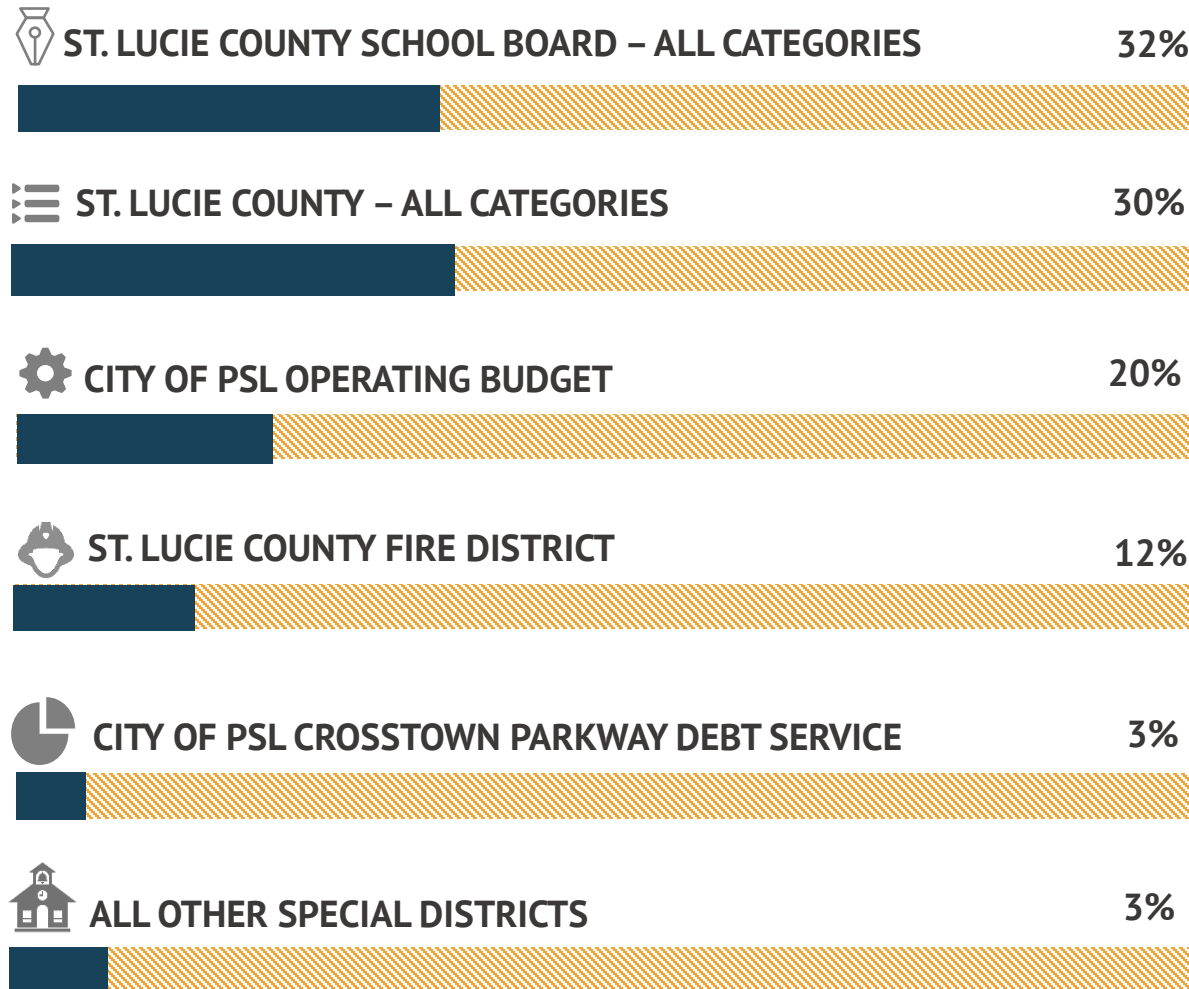
*Property Owners are saving \$0.20 for every \$1,000 of taxable property value. In this example, the **savings** are **\$28.89** for FY23.*



FY 22/23

Millage (Tax) Rate to Property Owner

Tax Bill by Agency



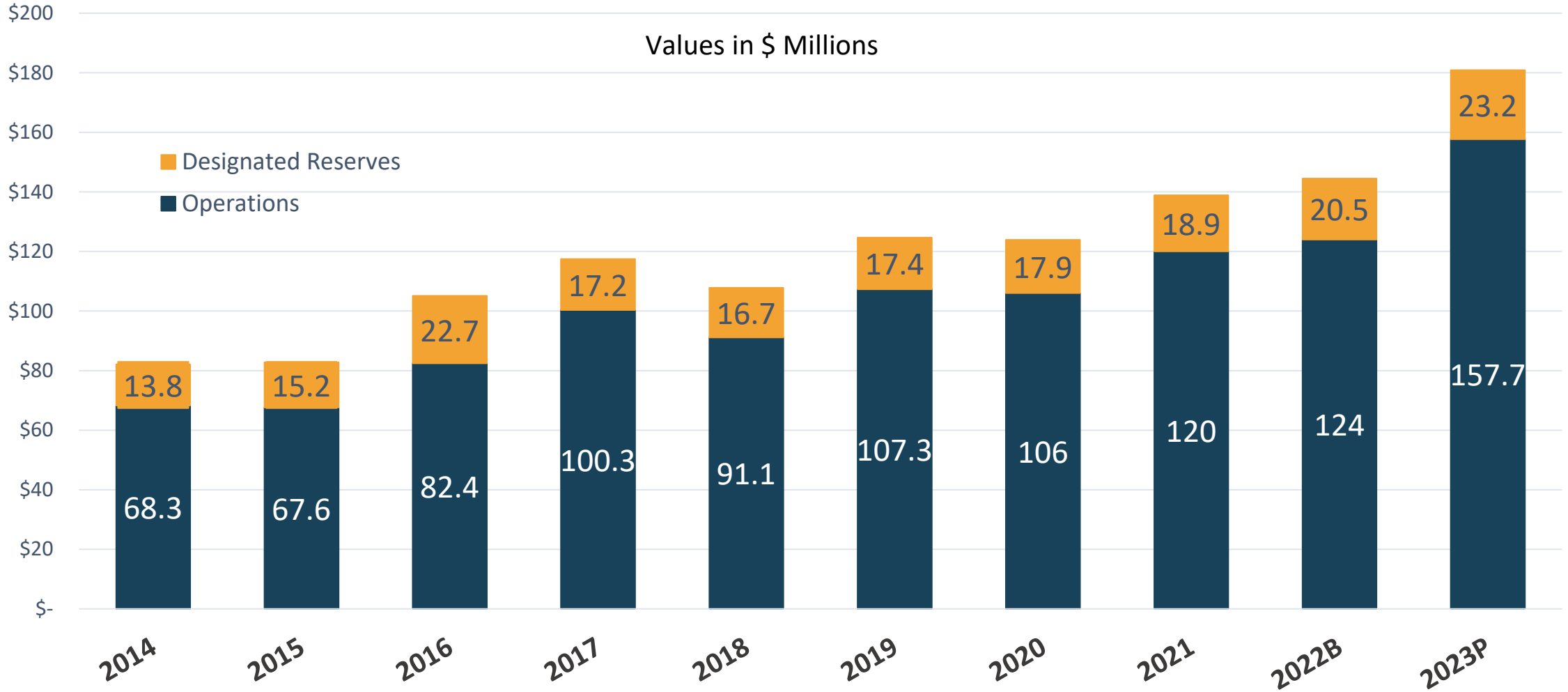
Tax bill information is based on FY 2021/22 millage rates.

The City of PSL is 23% of tax bill.

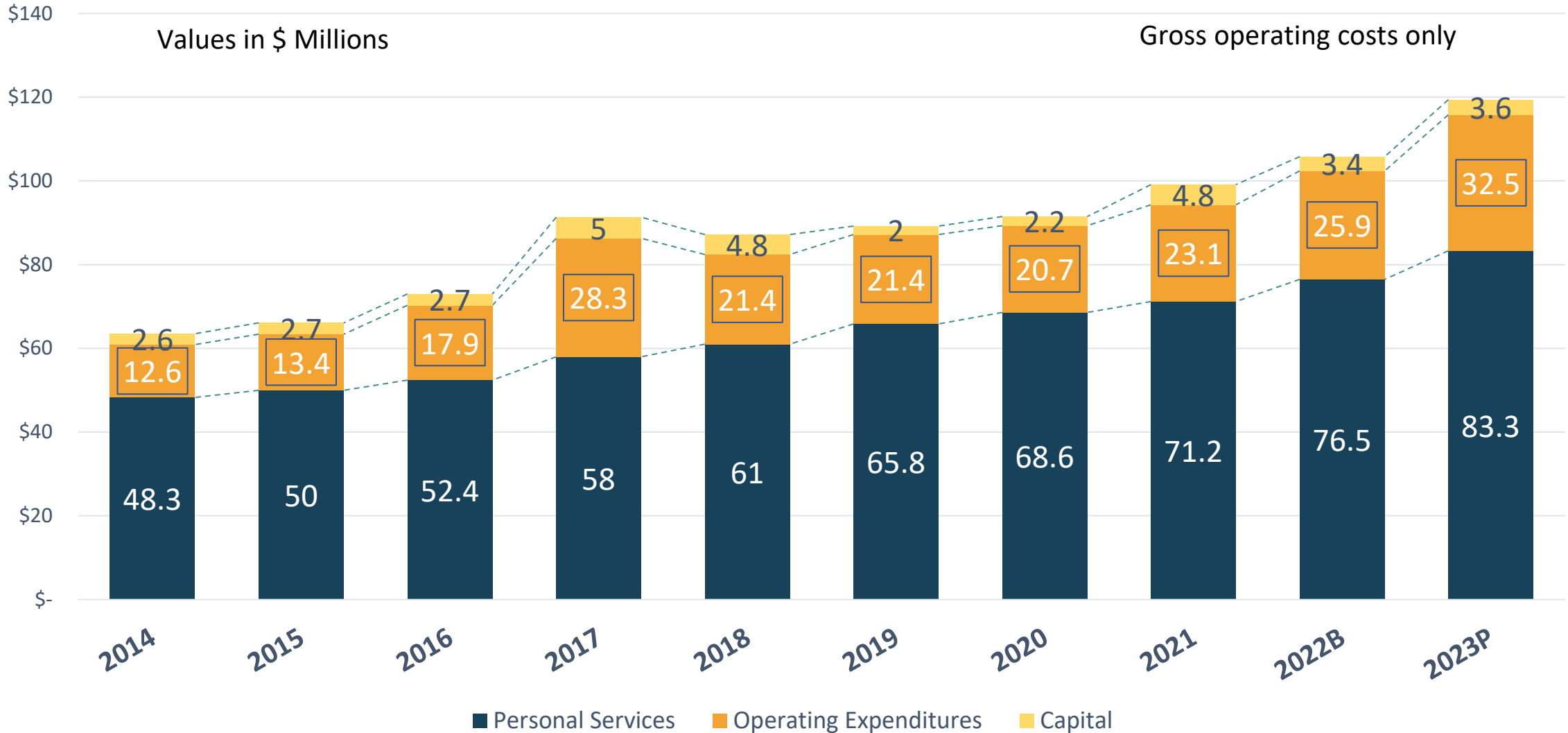


Budget History General Fund

Values in \$ Millions

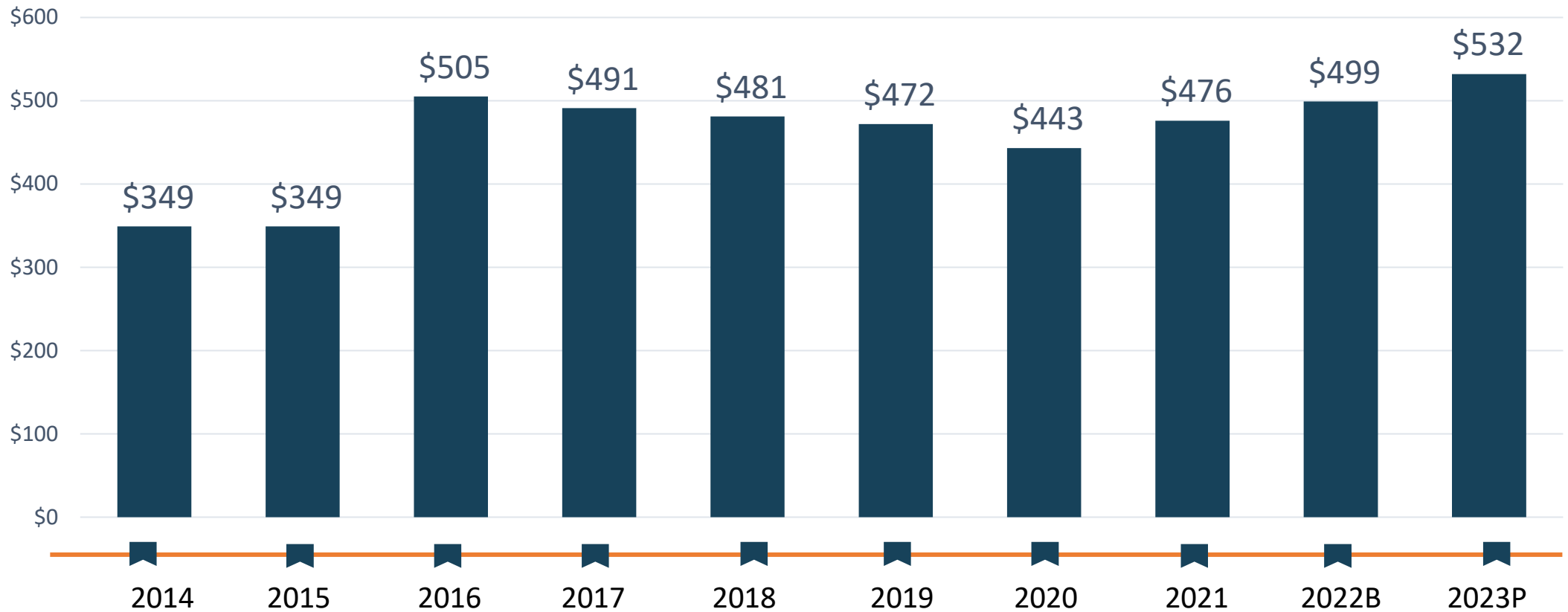


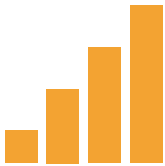
Expenditure History General Fund



Budget History

Cost of City Services per Resident per Year for General Fund Operations





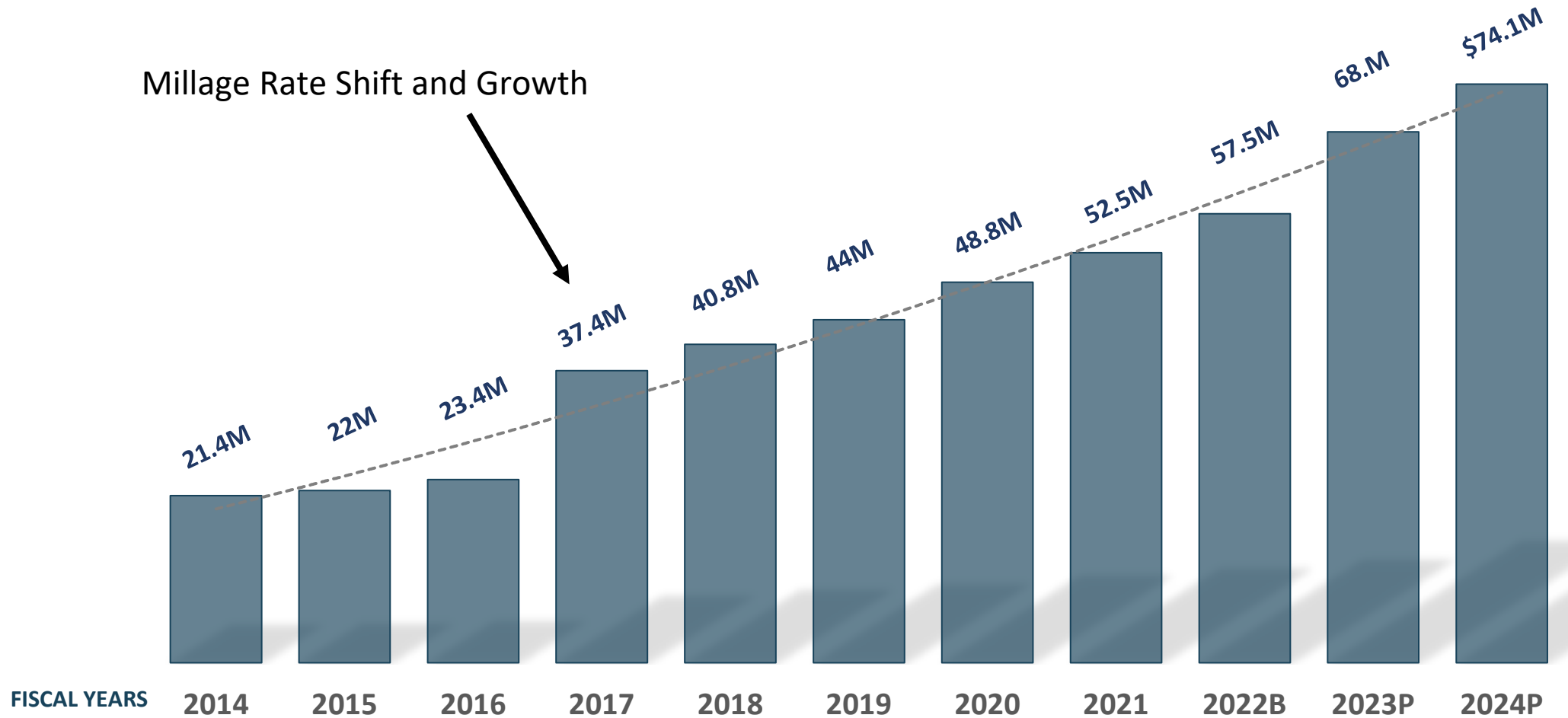
MAJOR REVENUE TRENDS



FY 22/23

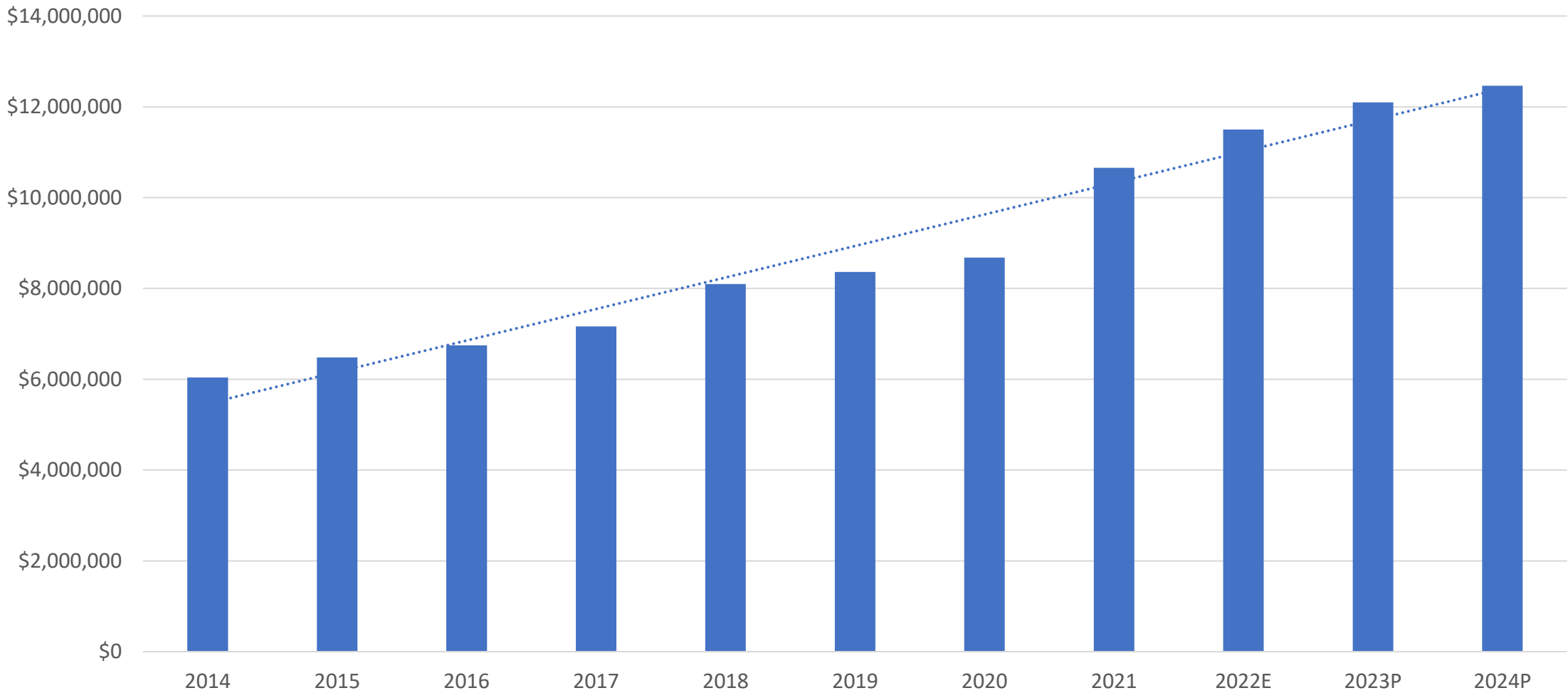
Ad Valorem Tax Revenue Gen. Fund

Growing Economy



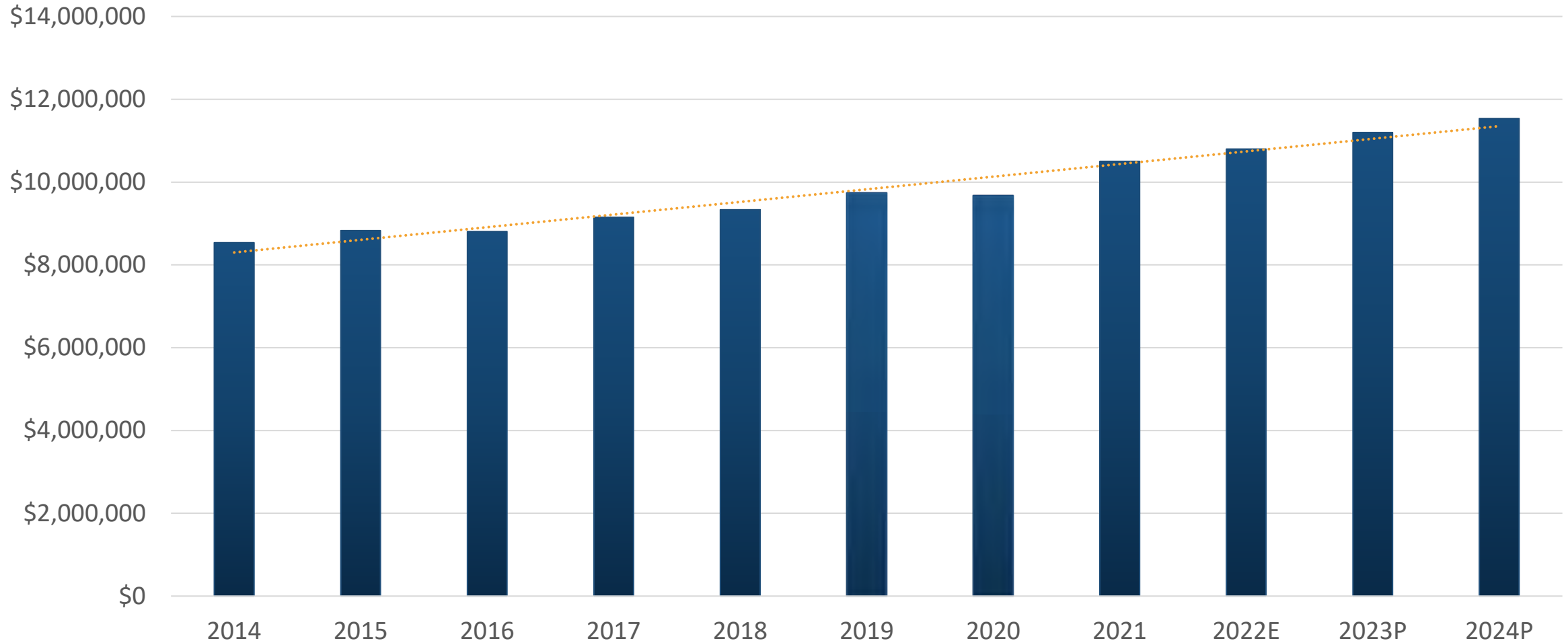
Sales Tax Revenue

5% Estimated Increase in Growth FY 2023



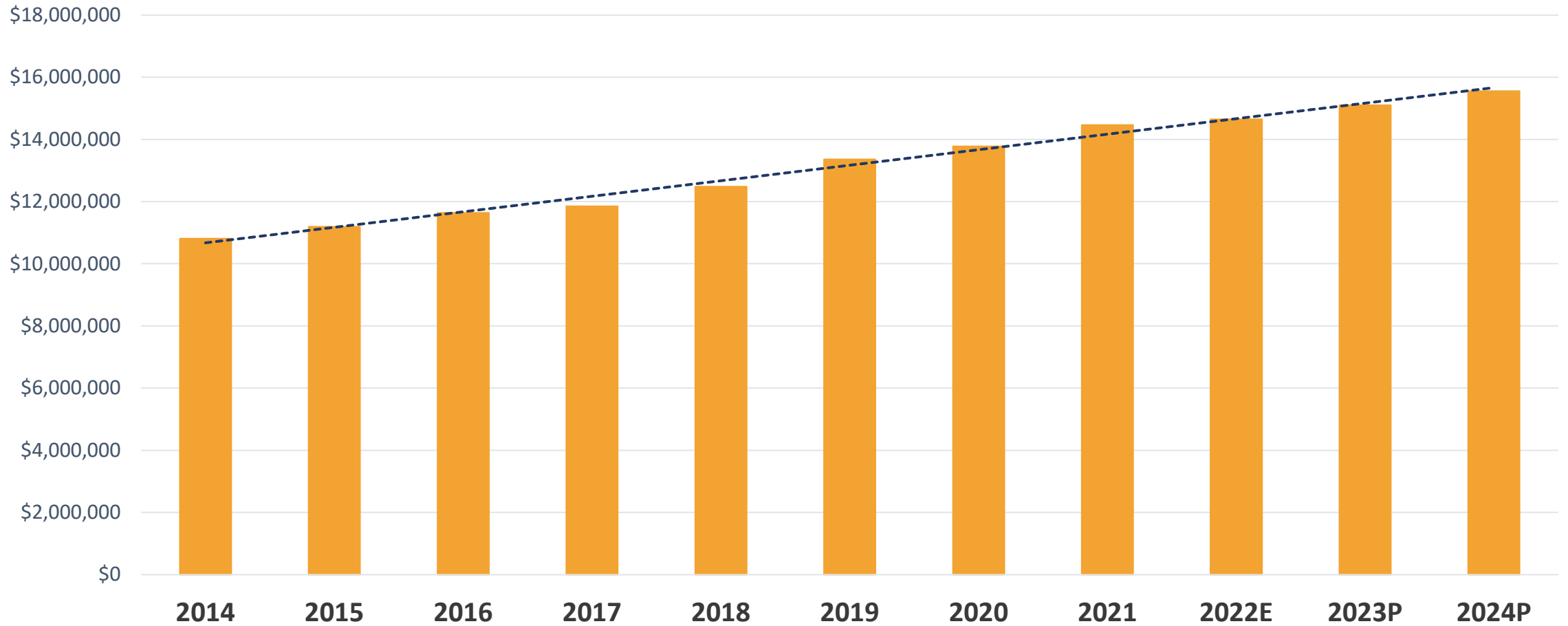
Electric Franchise Fee Revenue

3.7% Projected Growth FY 2023



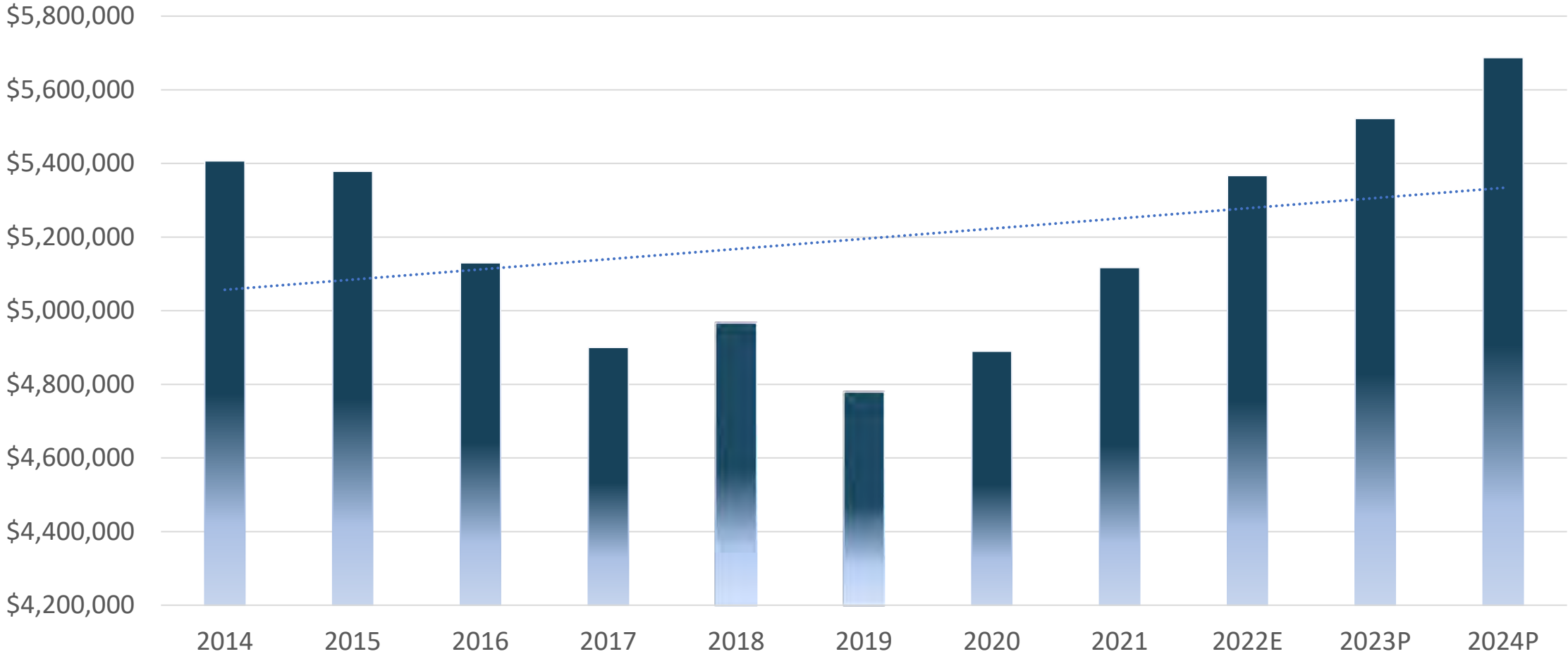
Utility Tax (Electric) Revenue

3.10% Projected Growth FY 2023



Communication Service Tax Revenue

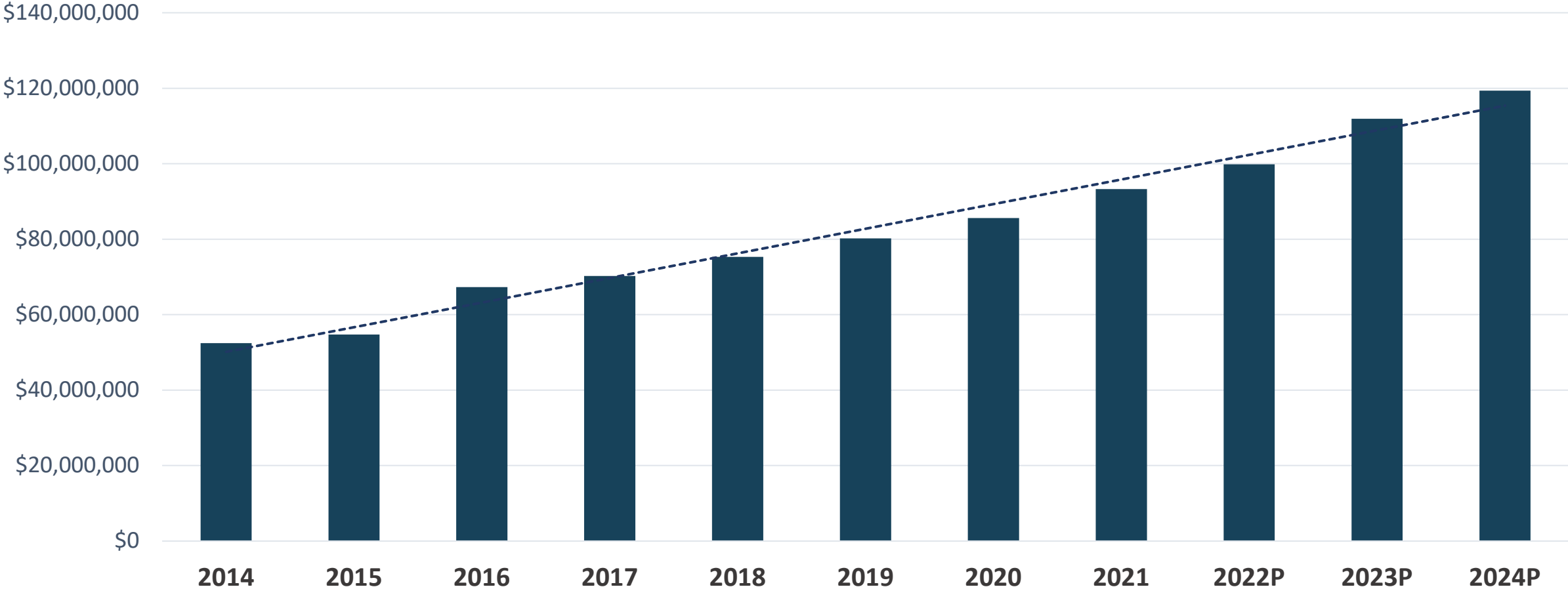
2.9% Projected Increase in Projected FY 2023.



General Fund – Top 5 Combined

78% of Total Revenues:

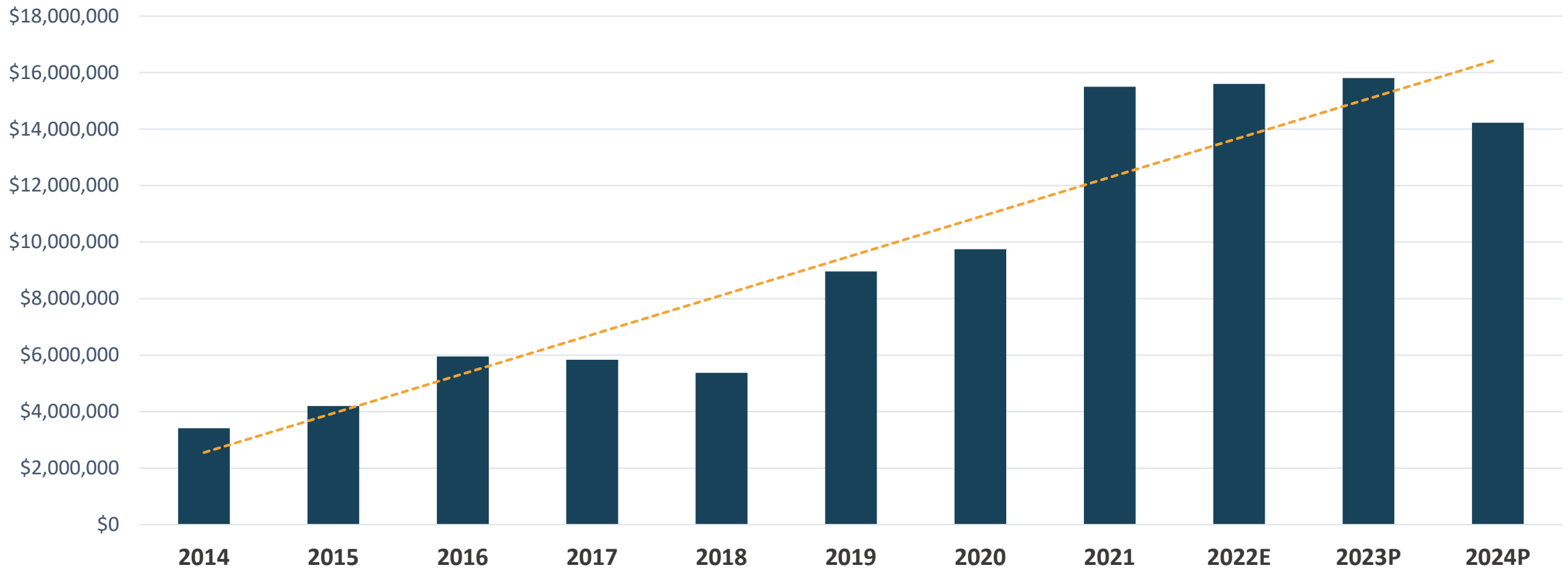
Ad Valorem, Communication Tax, Utility Tax, Electric Franchise and Sales Tax





Building Permit Fee Revenue

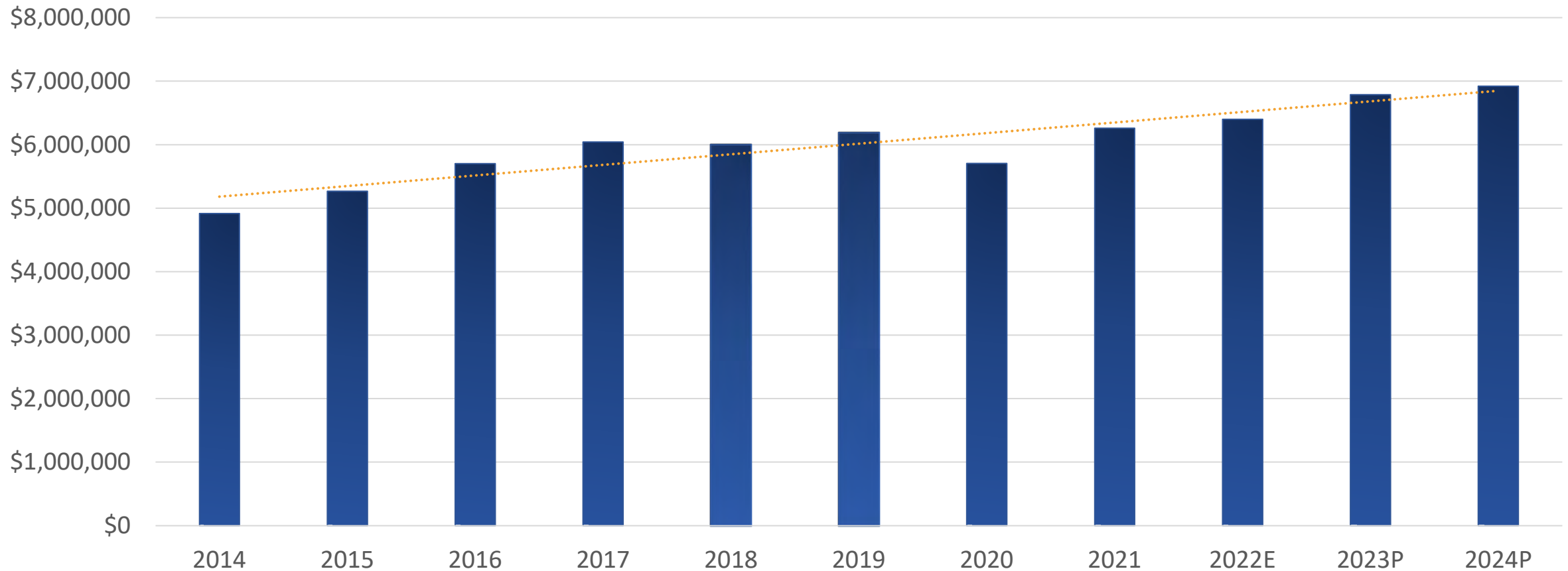
Building Fund – Growth Continues to Remain Strong





Gas Tax (6 Cents) Revenue

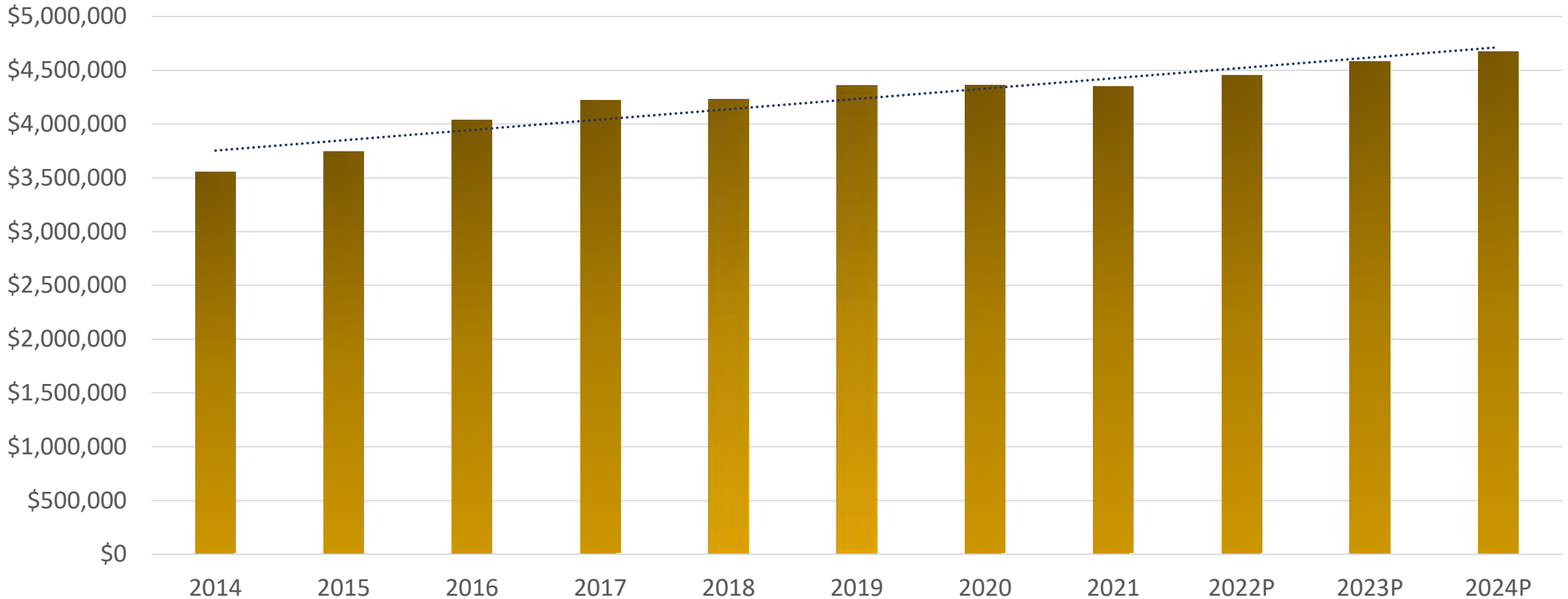
Road & Bridge Fund – Slight Increase in FY 22-23





Gas Tax (5 Cents) Revenue

Road & Bridge Capital Improvement Program – Limited Growth





CITY MANAGER'S PROPOSED BUDGET



FY 22/23

REVENUE ASSUMPTIONS

MILLAGE (TAX) RATE

- Reduce Operating Millage Rate.

TAXABLE VALUE

- 19% increase for FY 22-23.

ECONOMIC REVENUES

- Continued Growth.

RATE INCREASES

- Water & Sewer rates proposed to increase by 1.5%.
- Stormwater Fees – \$5 Increase, to support rising projects and maintenance costs.
- Solid Waste – \$416.21 to support a new solid waste hauler contract.
 - One-time credit of \$36.76 for residential homeowners; thereby reducing the net assessment fee to \$379.45.



FY 22/23

Stormwater



Stormwater User Fees would increase \$5.00 for a total of **\$173.00** for a residential lot and **\$129.75** for an undeveloped lot.

Additional revenues of \$556,446



FY 22/23

EXPENDITURE ASSUMPTIONS

SALARY COSTS:

- Modest salary increases for all employees.

HEALTH INSURANCE PROGRAM:

- Claims cost are rising.

LIABILITY INSURANCE:

- \$1M increase for general, auto, and property liability.

CAPITAL COSTS:

- Increasing an average of 40% above original projections.

FUEL COSTS:

- Gas & Oil are based on fluctuating market values of \$4 unleaded/\$5 diesel per gallon.

OPERATING COSTS:

- Inflation plus maintenance.

STAFFING LEVELS:

- FY 22-23 – 67.125 New FTEs.

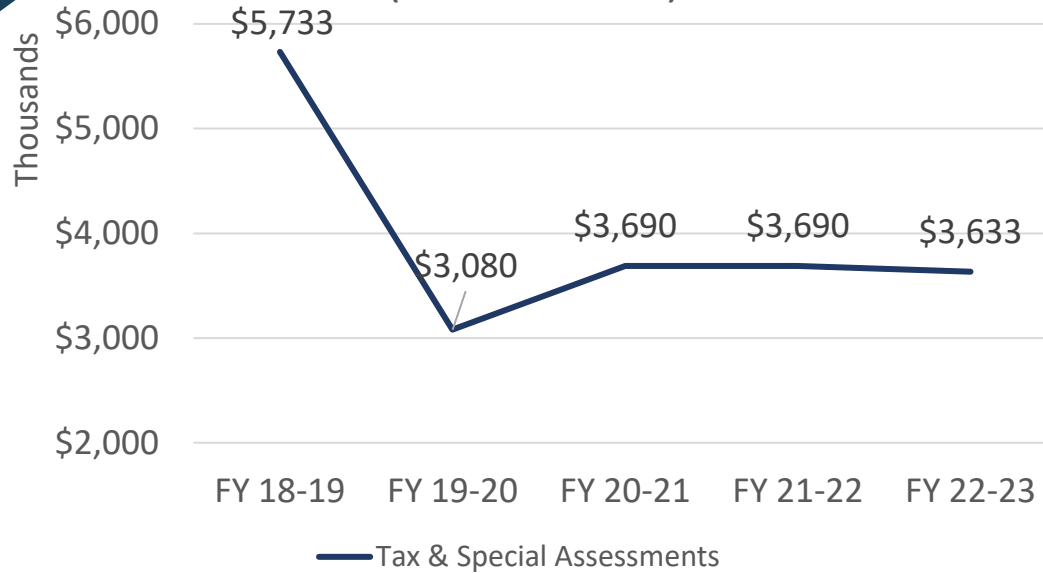
DEBT REDUCTION:

- \$2M set aside.



FY 22/23

Tax and Special Assessments
(in Thousands)



Southern Grove

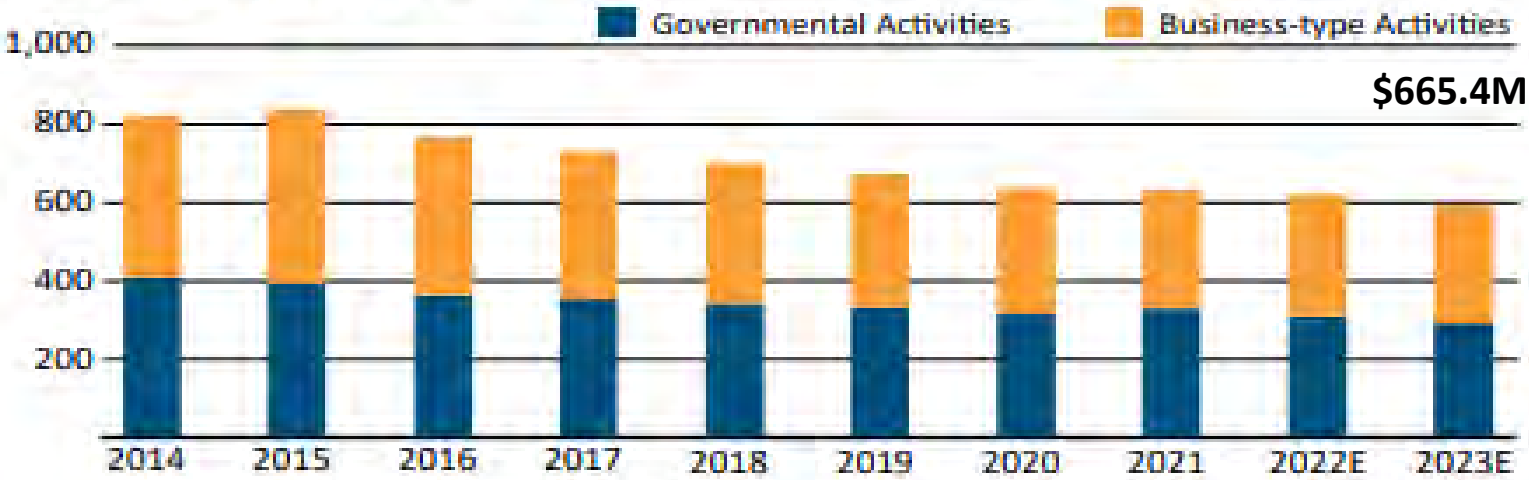
Southern Grove taxes and special assessments equal \$3.6M from the GFC Fund, which represents a **reduction of an estimated \$700K** due to activity from sales of property.



FY 22/23

Debt Reduction – 36% over 13 years

Total City Debt in millions



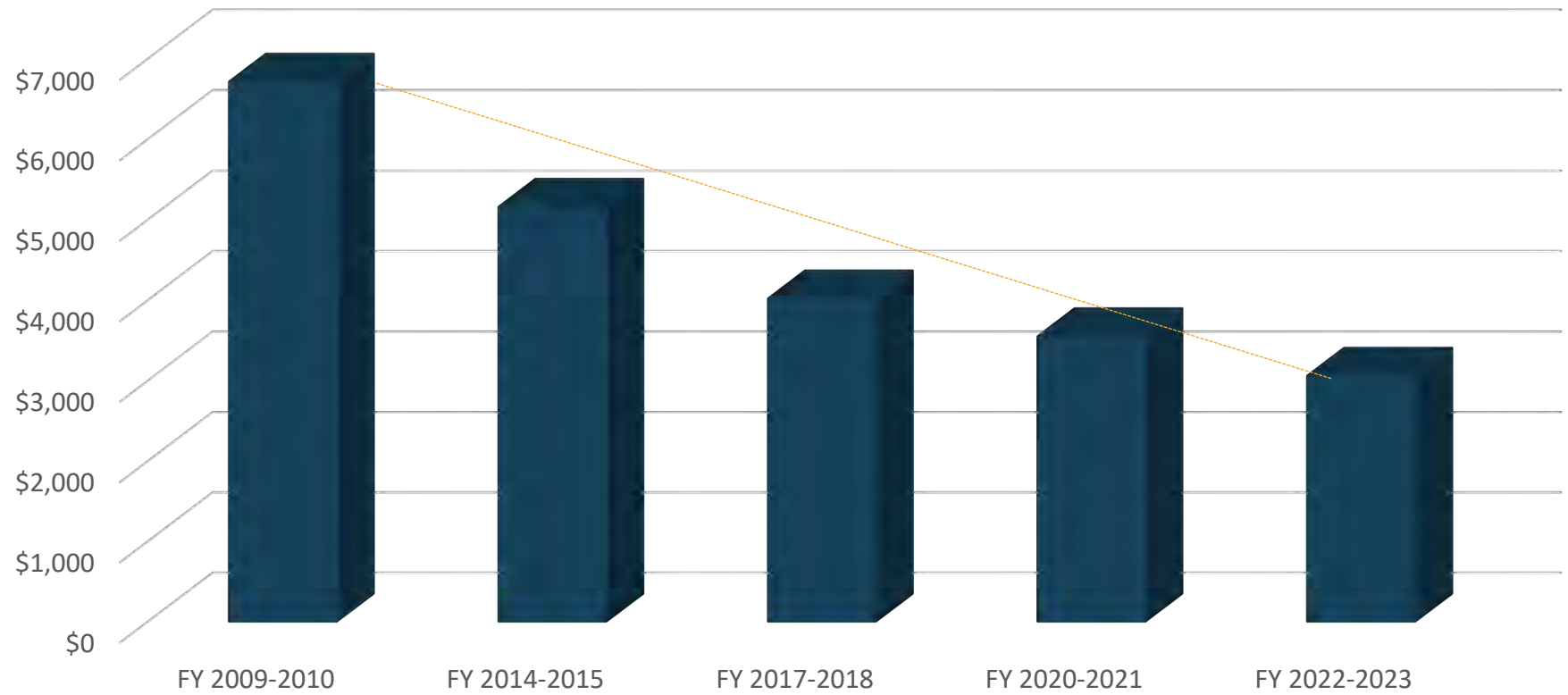
The City’s long-term debt has been reduced as a result of principal payments and refinancing, when appropriate.

- In FY22, early payoff of Torrey Pines debt using Building/Economic Development Impact Fees (\$1.4M savings).
- For FY25, planning early payoff of the Event Center debt with debt reserves (\$1.25M savings).



FY 22/23

Long-Term Debt Per Resident

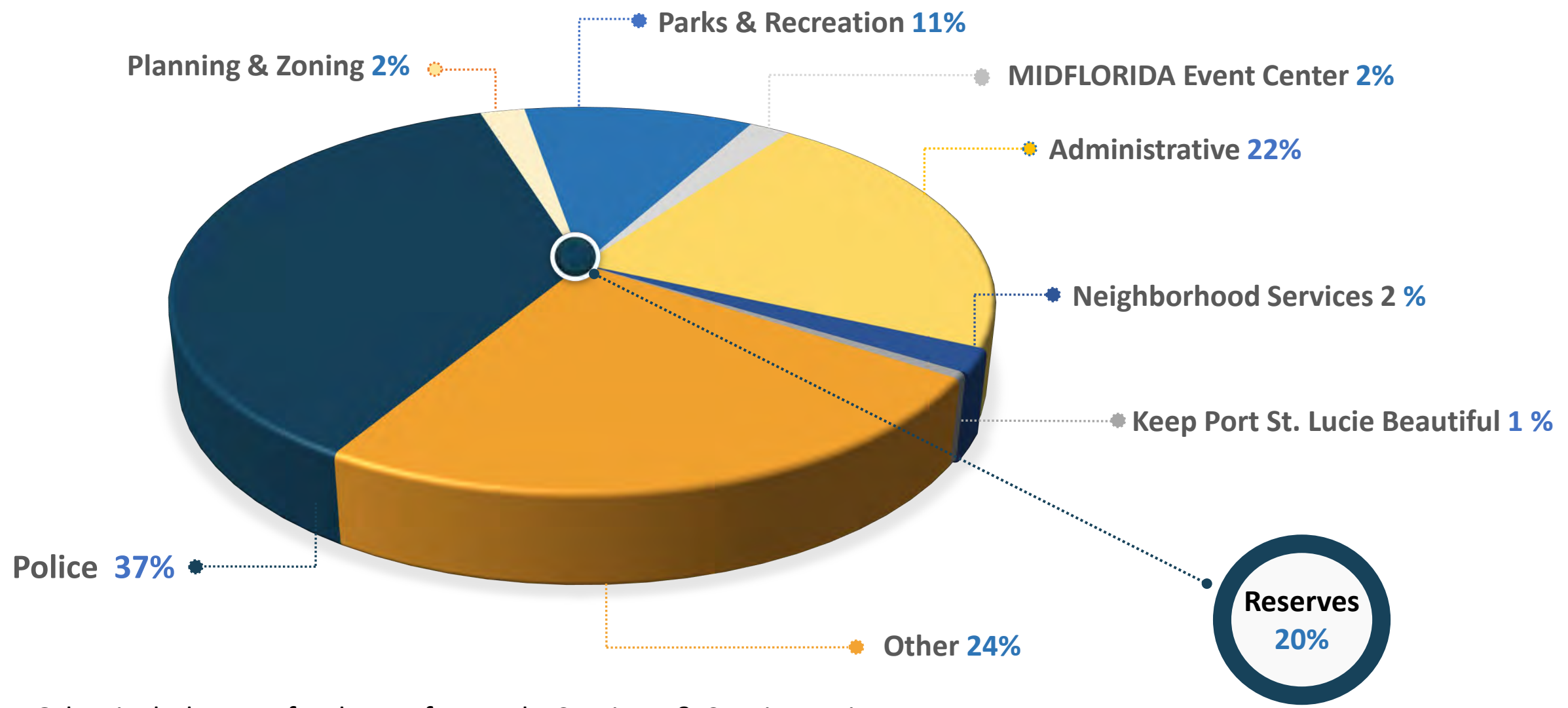


The City's long-term debt cost per resident is estimated to reduce from a high of \$6,713 in FY 2009-2010 to an estimated \$3,059 for FY 2022-2023.



FY 22/23

General Fund Costs by Department



Other include: Interfund Transfers, Debt Services, & Contingencies.



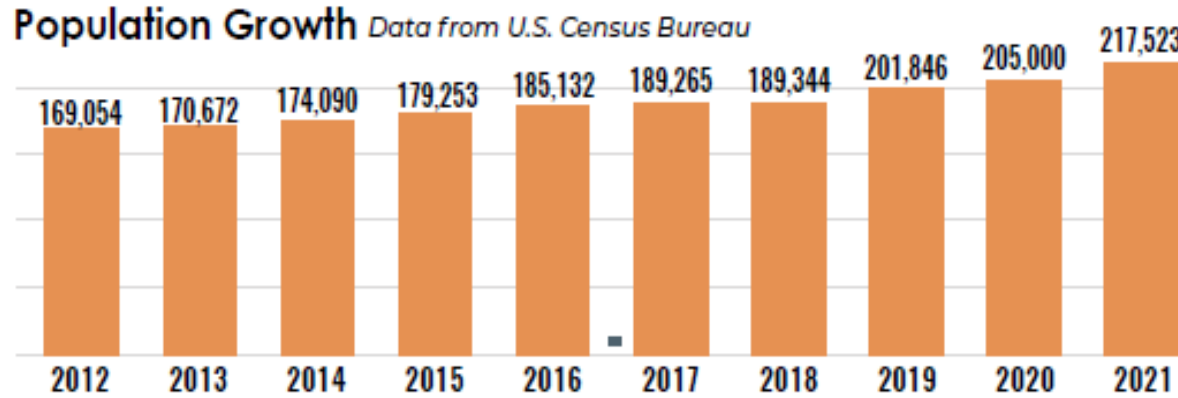
PROPOSED STAFFING CHANGES



FY 22/23

STAFFING

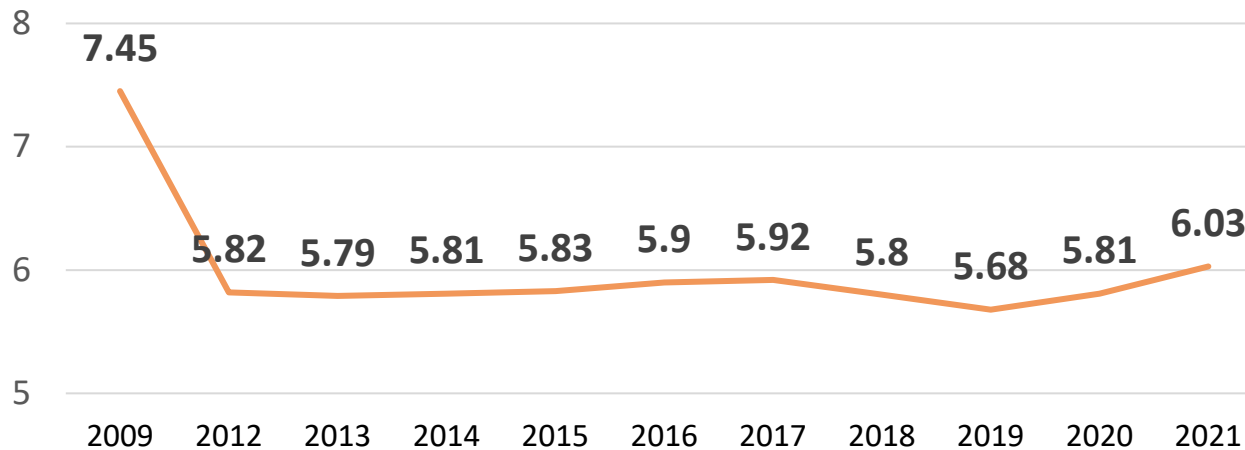
Increases for FY 22/23: Employee increases are directly related to rapid growth in the City and funding District Five of the Police Department.



HISTORY OF AUTHORIZED POSITIONS



Employees per 1,000 residents *Units in thousands*



FY 22/23

Full-time employees is **1,313.06**, which is a net increase of **67.125** positions.



FY 22/23

STAFFING

Increases for FY 22/23: Employee increases are directly related to rapid growth in the City, funding District Five of the Police Department. Addition of 67.125 FTEs.

GENERAL FUND:

Police Department

- 5 Police Officers
- 2 Civilian Background Investigators
- 1 Administrative Assistant
- 1 Body-worn Camera Coordinator
- 2 Detective: Major Crimes
- 1 Detective: Sex/Internet Crimes Against Children
- 1 Lieutenant (CID)
- 1 Lieutenant (SID)
- 1 Lieutenant – District Support
- 1 Redaction Coordinator – Body Worn Camera

Information Technology

- 1 Security Analyst

City Attorney

- .50 Part-Time to Full-Time Position Accounting Clerk

GENERAL FUND

(continued):

Parks and Recreation

- 2 PT Recreation Aide – MFEC
- 1 Park Leader
- 1 PT Maintenance Worker (Pioneer Park)/The Port
- 1 PT Recreation Aide (Minsky Gym)
- 2 Maintenance Workers (Pioneer/The Port)
- 1 Park Coordinator – Riverland Paseo
- 1 PT Maintenance Worker (Riverland Paseo Park)
- 2 Parks Maintenance Workers

Communications

- 1 Brand Strategist

GENERAL FUND

(continued):

Keep PSL Beautiful

- 2 Maintenance Workers(Litter Crew)
- 1 Maintenance Worker (City Street Amenities)

Facilities:

- 2 Maintenance Workers

Finance:

- 1 Financial Specialist
- 1 Project Manager

Human Resources:

- 1 Administrative Assistant

Management and Budget:

- 1 Procurement Contracts Manager
- 1 Budget Analyst



STAFFING

Increases for FY 22/23: Employee increases are directly related to rapid growth in the City and funding District Five of the Police Department. Addition of 67.125 FTEs.

ROAD AND BRIDGE FUND:

- 1 Traffic Signal Technician
- 1 Construction Inspector
- 1 Project Manager, CIP
- 1 Regulatory Compliance Coordinator
- 1 Survey Inspector

STORMWATER FUND:

- 1 Large Culvert Inspector

BUILDING FUND:

- 2 Building Plans Examiners
- 3 Building Construction Inspectors IV

UTILITY SYSTEMS FUND:

- 1 Maintenance Worker
- 1 Project Coordinator
- 1 Manager, Utility Infrastructure
- 1 Project Manager
- 1 Asset Manager
- 1 CADD Technician
- 1 Network Administrator
- 2 Utility Locators
- 1 Utility Inspector
- 1 Instrumentation & Controls Technician
- 1 SCADA Technician

SOLID WASTE FUND:

- 1 Neighborhood Services Solid Waste Division Director
- 1 Neighborhood Services Solid Waste Operations Supervisor
- 1 Solid Waste Customer Service Supervisor
- 1 Code Compliance Specialist (Solid Waste Division)



FY 22/23

Threats



- 40-year high in inflation
- Labor scarcity, challenges attracting and retaining employees
- Rapid growth, increase demand for services
- Cost of housing
- Low unemployment rate
- Increase in materials and capital costs



OUTCOMES



Responsible, fiscally conservative budget:

- Reducing Debt,
- Implement Strategic Plan priorities including increasing Police Officers for District 5, and
- Maintaining a high-quality service level.



City Staff is committed to:

- Outstanding customer service,
- Efficiency & effectiveness, and
- Improving the quality of life for all citizens.



STAFF RECOMMENDATIONS

1. Tentatively approve an operating millage (tax) rate of 4.8307 which is 0.0500 less than the current year.
2. Tentatively approve a Debt Service Millage of 0.5693 which is less than the current year by 0.1500.
3. Solid Waste Assessment Fee would increase to \$416.21 to support a new solid waste hauler contract.
 - Proposed Budget includes **a one-time credit of \$36.76 for residential homeowners**; thereby reducing the net assessment fee to **\$379.45**.
4. Tentatively approve additional staffing level recommendations of 67.125.
5. Tentatively approve 1.5% water and sewer rate increase.
6. Increase Stormwater Fees by \$5 to \$173 for a residential lot, and \$129.75 for an undeveloped lot.



FY 22-23

A FEW MORE THOUGHTS

1. Unemployment rate in PSL 2.5% compared to 4.9% one year earlier.
(Source: Bureau of Labor Statistics, "Economy at a Glance" based upon 4/22 statistics)
2. New home construction continues at a steady pace.
3. Average market value in PSL is favorable compared to surrounding jurisdictions.
4. Per the National Community Survey through Fiscal Year 2022, 78% of respondents rated overall quality of life as excellent or good in PSL.

It's a great time to live in
Port St. Lucie



FY 22/23



QUESTIONS?



FY 22/23