

FISCAL 2026-27 BUDGET FIRST LOOK

City Council Winter Workshop

February 19, 2026

Office of Management and Budget



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Congratulations PSL!



Government Finance Officers Association (GFOA) Distinguished Budget Award Presentation for Fiscal 2024-25



FY 2024/25

ADOPTED BUDGET

- Highest form of recognition in governmental budgeting
- Originally earned for Fiscal Year 1989-90
- Maintained for 36 consecutive years
- GFOA Special Strategic Goals and Strategies Recognition for Fiscal year 2024-25 (2nd time recognized!)
 - Partnership with the City Manager's Office, Strategic Initiatives and Innovation
- Special Capital Program Recognition for Fiscal Year 2024-25 (1st time!)

Budget First Look Agenda

- City Manager's Direction & Emphasis
- Economic Overview
- Millage Rate / Property Tax Trends
- Fiscal 2026-27 Outlook
- Millage Rate Objectives
- City Council Priorities



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Desired Outcomes

During this workshop, staff will seek direction on:

- City Council Priorities
- Tentative millage rate objectives



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City Manager's Direction & Emphasis

1. Conservative approach to fiscal management and sustainability, monitoring state legislative proposals.
2. Focusing on the City Council's Strategic Plan - aligning our key initiatives and outcomes to advancing the Strategic Plan.
3. Delivering exceptional customer service.
4. Exploring and implementing continuous improvement.
5. Enhancing service delivery.
6. Planning and maintaining for future capital needs.
7. Moving PSL into the future with a solid plan of fiscal strength.



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Budget Process



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Economic Overview

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Economic Indicators



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U.S. Indicators	2024 Q3	2025 Q3	December 2024	December 2025	Change
Gross Domestic Product (Quarter change)	3.3%	4.4%	N/A	N/A	↑
Government Spending (Quarter change)	1.3%	0.6%	N/A	N/A	↓
Federal Funds Rate			4.5%	3.7%	↓
Unemployment Rate			4.1%	4.4%	↑
Consumer Price Index (12-month change)			2.9%	2.7%	↓
Consumer Sentiment Index			74.0	52.9	↓

Source: U.S. Bureau of Economic Analysis; Board of Governors of the Federal Reserve System; U.S. Bureau of Labor Statistics; University of Michigan;



Florida Indicators	December 2024	December 2025	Change
Unemployment Rate	3.4%	4.3%	↑
Consumer Price Index for "Save Our Homes" Cap	2.9%	2.7%	↓

Source: Florida Department of Revenue; U.S. Bureau of Labor Statistics



Port St. Lucie Indicators	2020	2024	2025	Change
Population	204,851	253,959	260,194	↑
Building Permits (single family, multi-family, and commercial)		4,568	3,217	↓

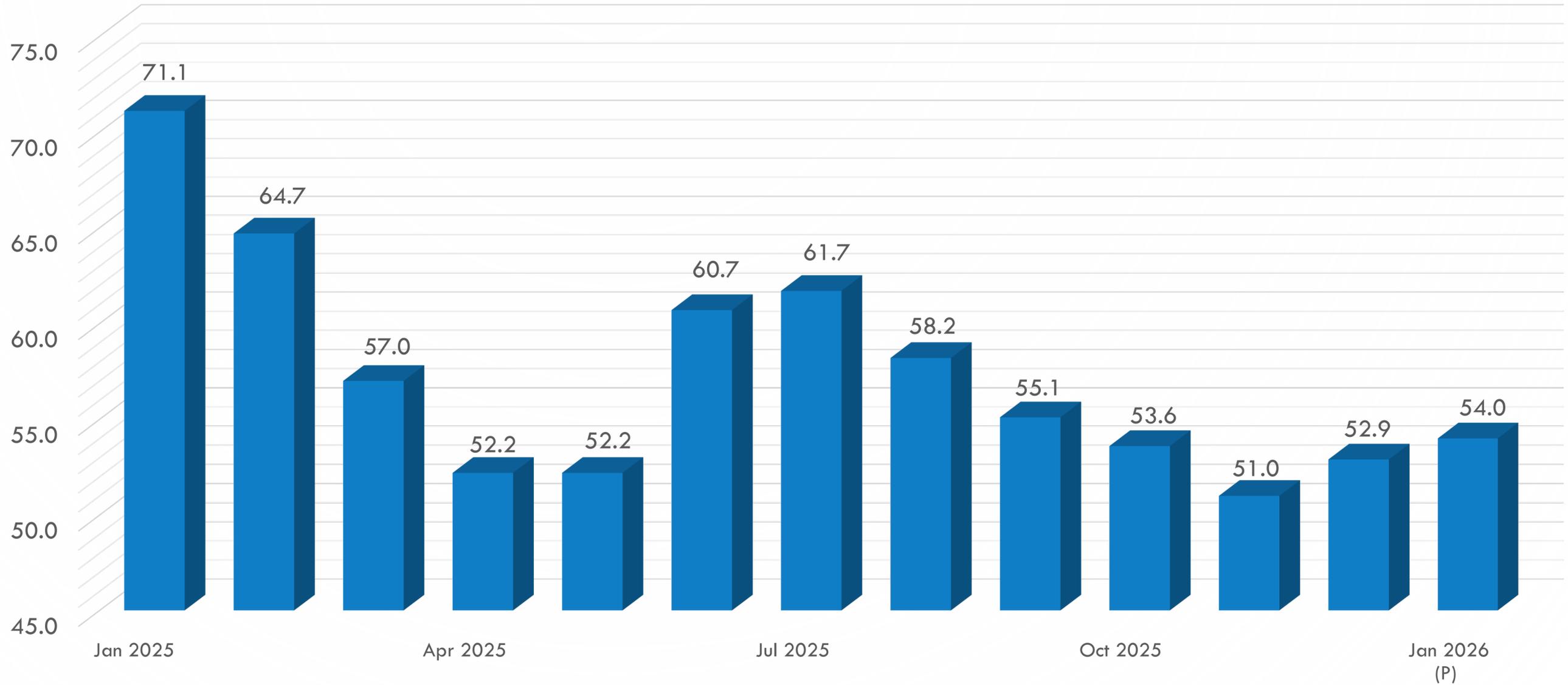
Source: Florida Estimates of Population, Bureau of Economic and Business Research; City of Port St. Lucie Building Department

27% Population Growth in 5 Years

29% Reduction in Building Permits vs Prior Year

Consumer Confidence Index

University of Michigan Consumer Sentiment Index



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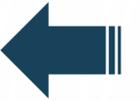
Economic Overview - State

SAVE OUR HOMES

Property Value will increase by **2.7%** for property that is homesteaded

Save Our Homes Annual Increase

Year	CPI Change	Cap
2026	2.7%	3.0%
2025	2.9%	3.0%
2024	3.4%	3.0%
2023	6.5%	3.0%
2022	7.0%	3.0%
2021	1.4%	1.4%
2020	2.3%	2.3%



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Source: Florida Department of Revenue, Save Our Homes; CPI increases are capped at 3.0% for homesteaded property.

Economic Overview – Local

2024 vs 2025



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Building Permits for calendar year **2025** decreased by 1,345 from **2024** for single family residence permits.



Valuation for all permits issued was **\$1.8 billion** for **2025** compared to **\$1.6 billion** in **2024**.



Each **\$100 million** in new construction adds more than **\$448,098** in revenue.

4,309  2,964

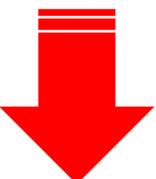
Year decrease

Single family residence permits completed

206  233

Year Increase

New commercial permit completed

53  20

Year decrease

Multi-family permit completed

Note: Total multi-family does not include half-duplexes, as code considers multi-family three or more dwellings. Half-duplexes are included in the single-family count.

Economic Overview - Local



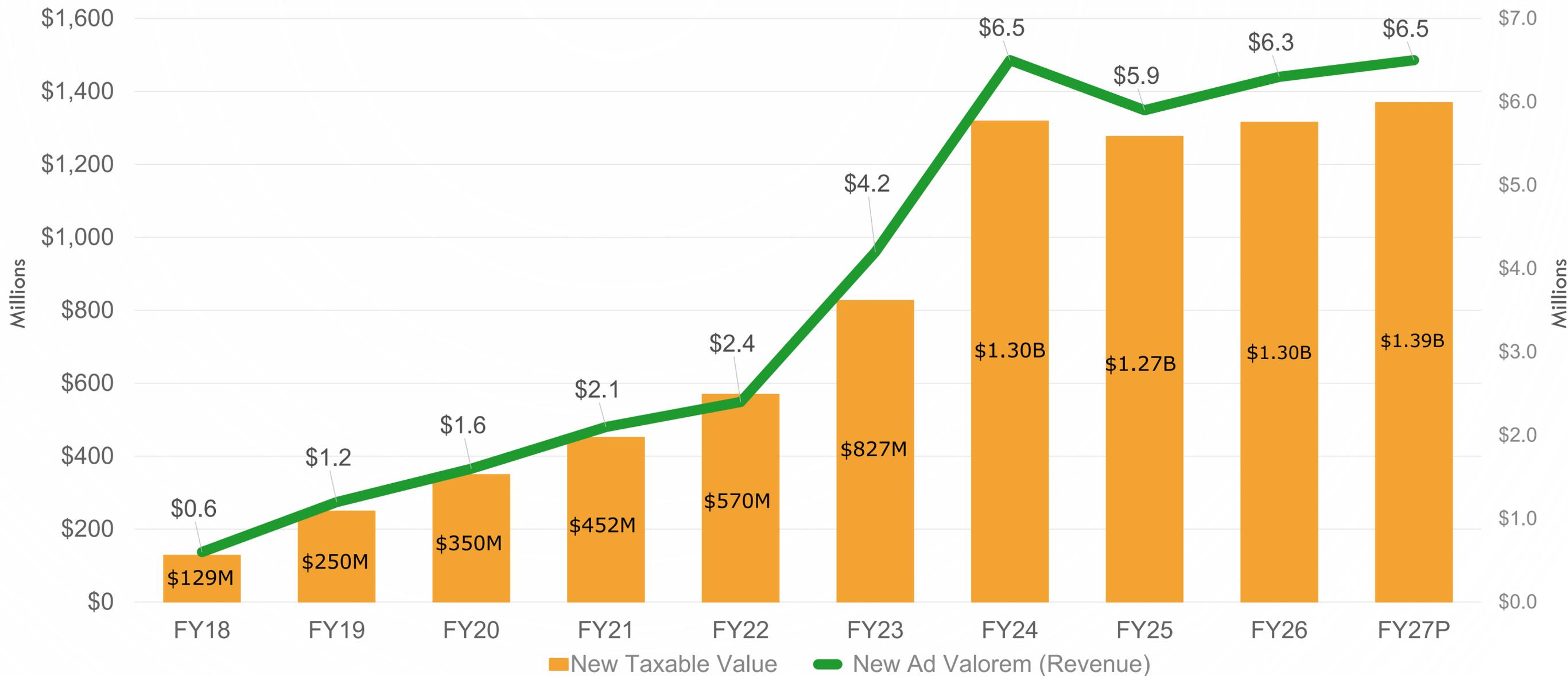
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ST. LUCIE COUNTY MARKET SNAPSHOT			
Single Family Homes	2024 (as of Dec)	2025 (as of Dec)	% Change
Closed Sales	5,389	5,500	2.1%
Median Sales Price	\$400,000	\$395,000	-1.3%
Original List Price Received	96.2%	95.1%	-1.1%
Median Days to Contract	48	59	22.9%
Inventory (Active Listings)	2,293	2,284	-0.4%
Months Supply of Inventory	5.1	5.0	-2.0%

New Taxable Value vs Ad Valorem (Revenue) from New Construction/Additions (\$ Millions)



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* FY27 projected taxable value is \$1.39B of which \$6.5M is ad valorem revenue from new construction.

Economic Overview - Local

- **Strength and Opportunities**

- Continued population growth, at a slower pace
- Employment growth, new commercial development
 - Commercial shopping centers and build-outs, Costco Distribution Center and Legacy Park
- Personal income growth
- Moderate revenue growth

- **Risks and Threats**

- Proposed legislations (property tax reforms)
 - *Potential significant impact on budget and the level of services provided to residents.*
- Inflationary pressures and higher expenditures
- Capital projects cost pressures, including legislative impacts
- Reduction of reserves, budget stabilization funds



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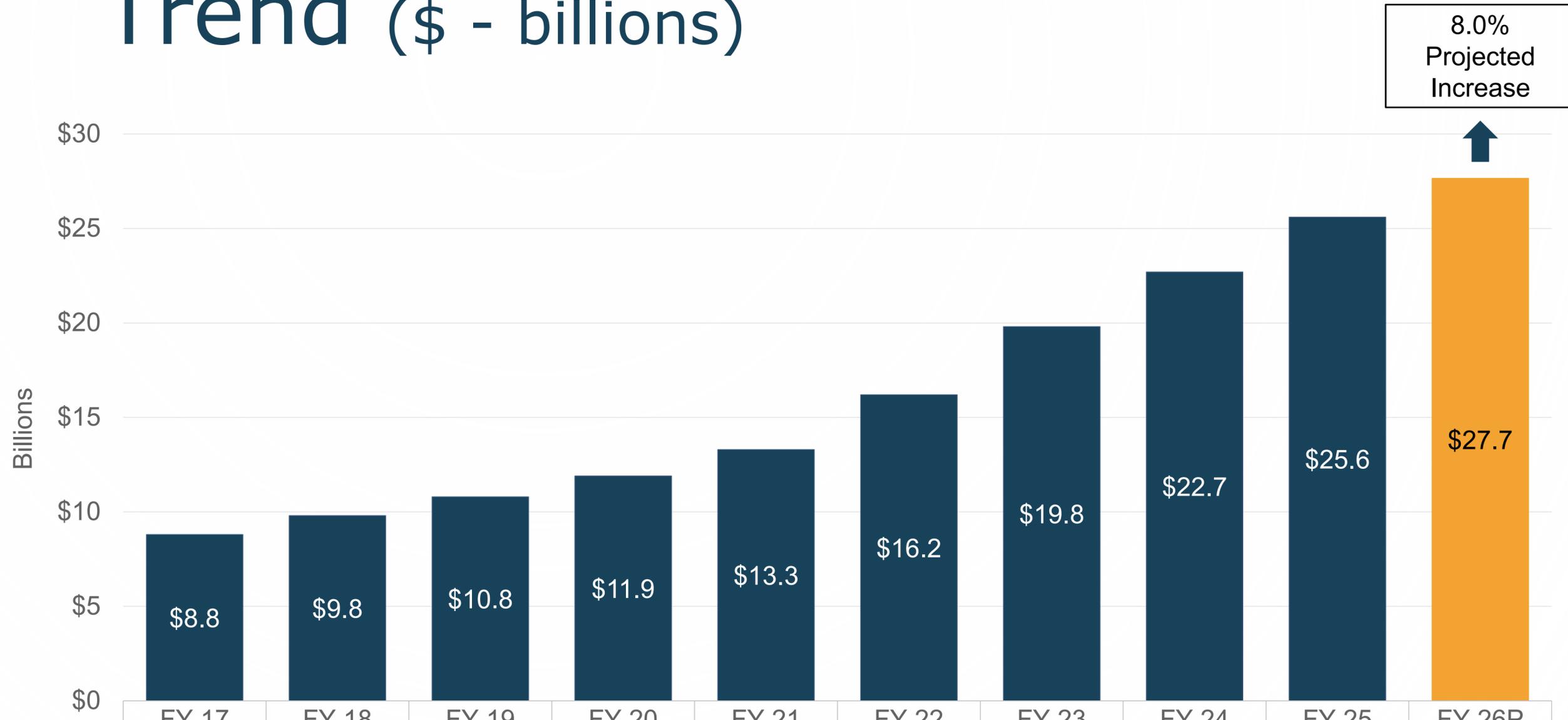
Millage Rate Property Tax Trends



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New Taxable Value Revenue

Trend (\$ - billions)



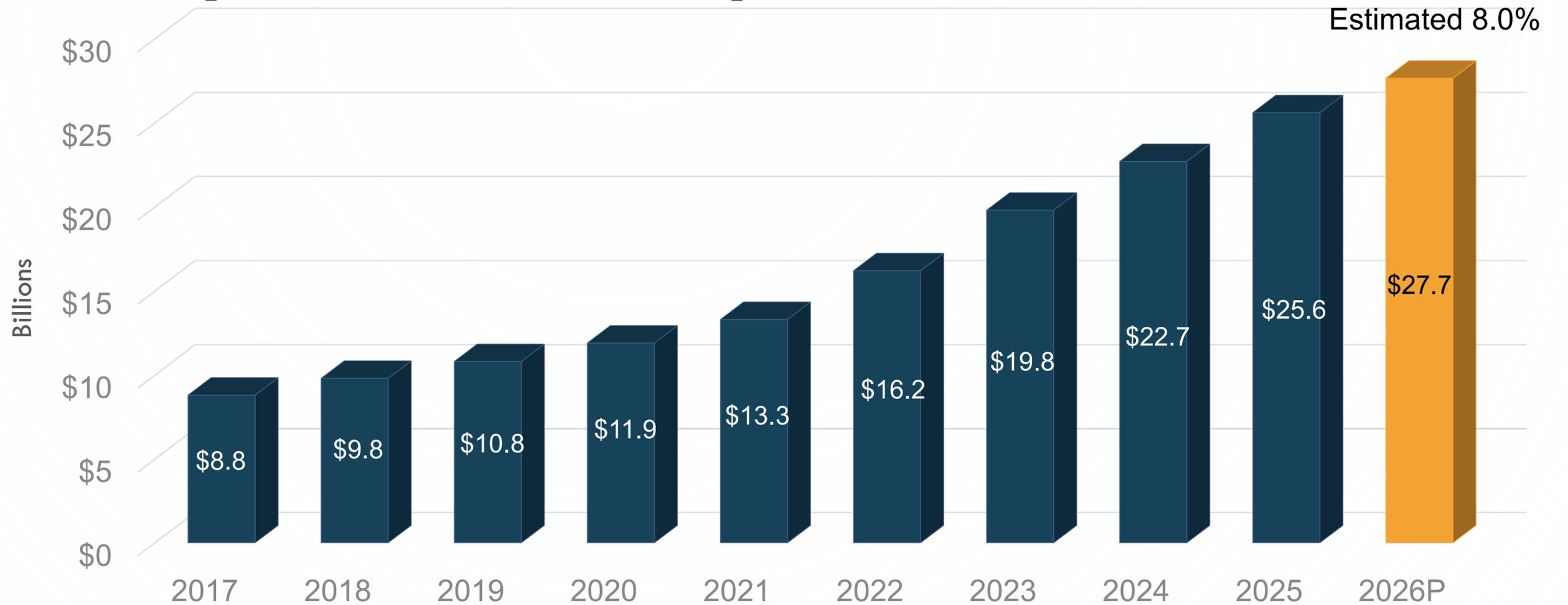
	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26P
Year Over Year % Change	11.1%	11.3%	10.8%	9.5%	12.0%	22.3%	21.8%	14.8%	12.9%	8.0%
New Taxable Value of City Properties	\$8.8B	\$9.8B	\$10.8B	\$11.9B	\$13.3B	\$16.2B	\$19.8B	\$22.7B	\$25.6B	\$27.7B



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Taxable Value Trend

(\$ - billions)



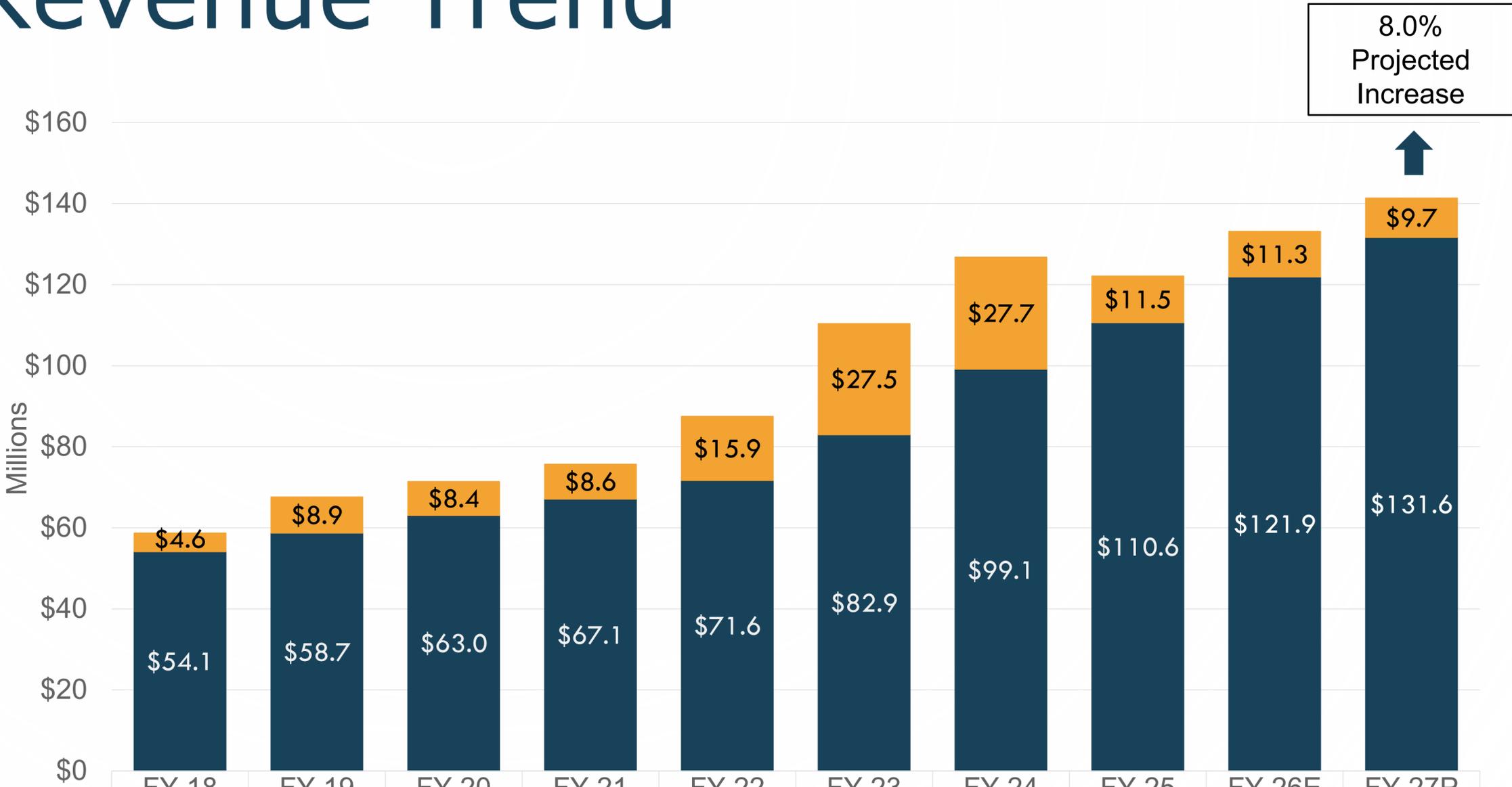
FISCAL YEAR	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total New Taxable Value of City Properties	\$8.8B	\$9.8B	\$10.8B	\$11.9B	\$13.3B	\$16.2B	\$19.8B	\$22.7B	\$25.6B	\$27.7B
Year Over Year % Change		11.06%	11.30%	10.81%	9.5%	12.04%	22.27%	21.83%	14.76%	12.95%

Calendar Year (based on Property Appraiser Valuation)



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Total Ad Valorem Growth Revenue Trend



	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26E	FY 27P
Year over Year % Change	7.9%	16.5%	14.3%	13.7%	23.6%	38.3%	33.4%	11.6%	10.2%	8.0%
Growth	\$4.6M	\$8.9M	\$8.4M	\$8.6M	\$15.9M	\$27.5M	\$27.7M	\$11.5M	\$11.3M	\$9.7M
Ad Valorem	\$54.1M	\$58.7M	\$63.0M	\$67.1M	\$71.6M	\$82.9M	\$99.1M	\$110.6M	\$121.9M	\$131.6M

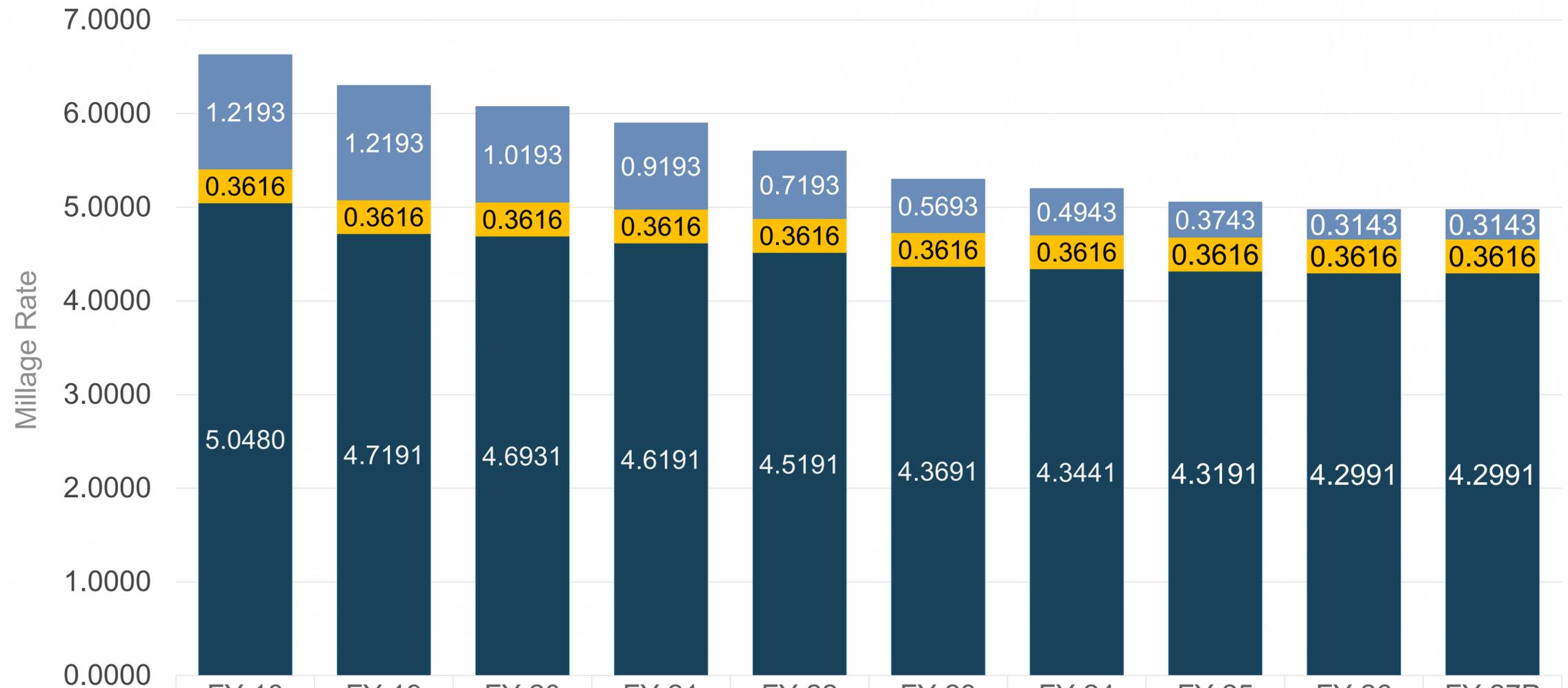
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PSL Millage Rate

General Operating, Road and Bridge and Crosstown Parkway Debt



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	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27P
■ Crosstown Parkway Debt	1.2193	1.2193	1.0193	0.9193	0.7193	0.5693	0.4943	0.3743	0.3143	0.3143
■ Road & Bridge Operations	0.3616	0.3616	0.3616	0.3616	0.3616	0.3616	0.3616	0.3616	0.3616	0.3616
■ General Operating	5.0480	4.7191	4.6931	4.6191	4.5191	4.3691	4.3441	4.3191	4.2991	4.2991

Total Millage	6.6289	6.3000	6.0740	5.9000	5.6000	5.3000	5.2000	5.0550	4.9750	4.9750
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Fiscal 2026-27 Outlook



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Budget Focus for FY 2026-27

Considering proposed State legislations and various economic indicators, the FY26/27 planning budget will focus on:

- Implementing a conservative approach to budgeting for fiscal sustainability.
- Prioritizing City Council Goals.
 - *Level of services may be affected due to proposed state legislations.*
- Addressing priorities of the City's Strategic Plan.
- Continuing the expanded look at our capital needs, 10-year planning horizon, to include planning and maintaining for the future.
- Continued budgeting for fiscally responsible debt strategies.



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FY 2026-27 Outlook: Revenue

Revenue Estimates (General Fund)	Change	Total
Ad Valorem (General Fund) <small>(Includes New Construction of \$6.5M)</small>	8.0%	\$8,421,419
Electric Franchise	4.0%	\$638,372
Electric Utility Tax	4.0%	\$895,149
State Revenue Sharing	2.0%	\$166,980
Sales Tax	2.0%	\$268,334
Communications Service Tax	2.0%	\$132,463



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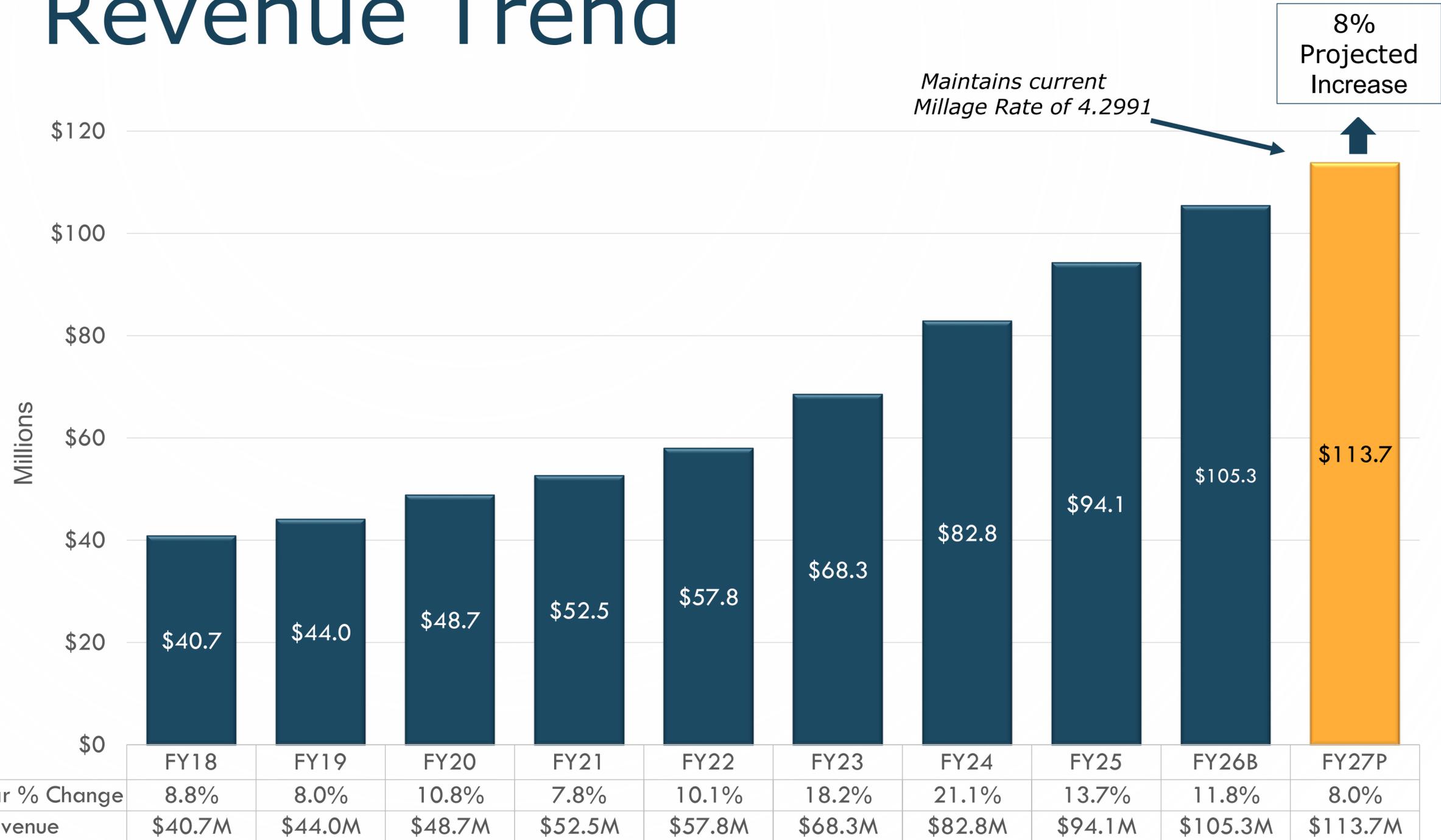
General Fund Fiscal 2027 Early Analysis

- Based on current millage rate - 4.2991
- Total revenues for 2026-27 are projected to be \$10.5 million more than the projected revenues for FY 2025-26 (current year).
- Vast majority of the increase is in ad valorem tax revenue, \$8.42 million.
- FY 2026-27 Budget will continue to include funds to address:
 - Public safety needs for a growing City
 - Infrastructure, City facilities expansion and maintenance
 - Parks & Recreation Master Plan, partial funding for Tornio Regional Park
 - Resources required for internal service departments
 - Staffing



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General Fund Ad Valorem Revenue Trend

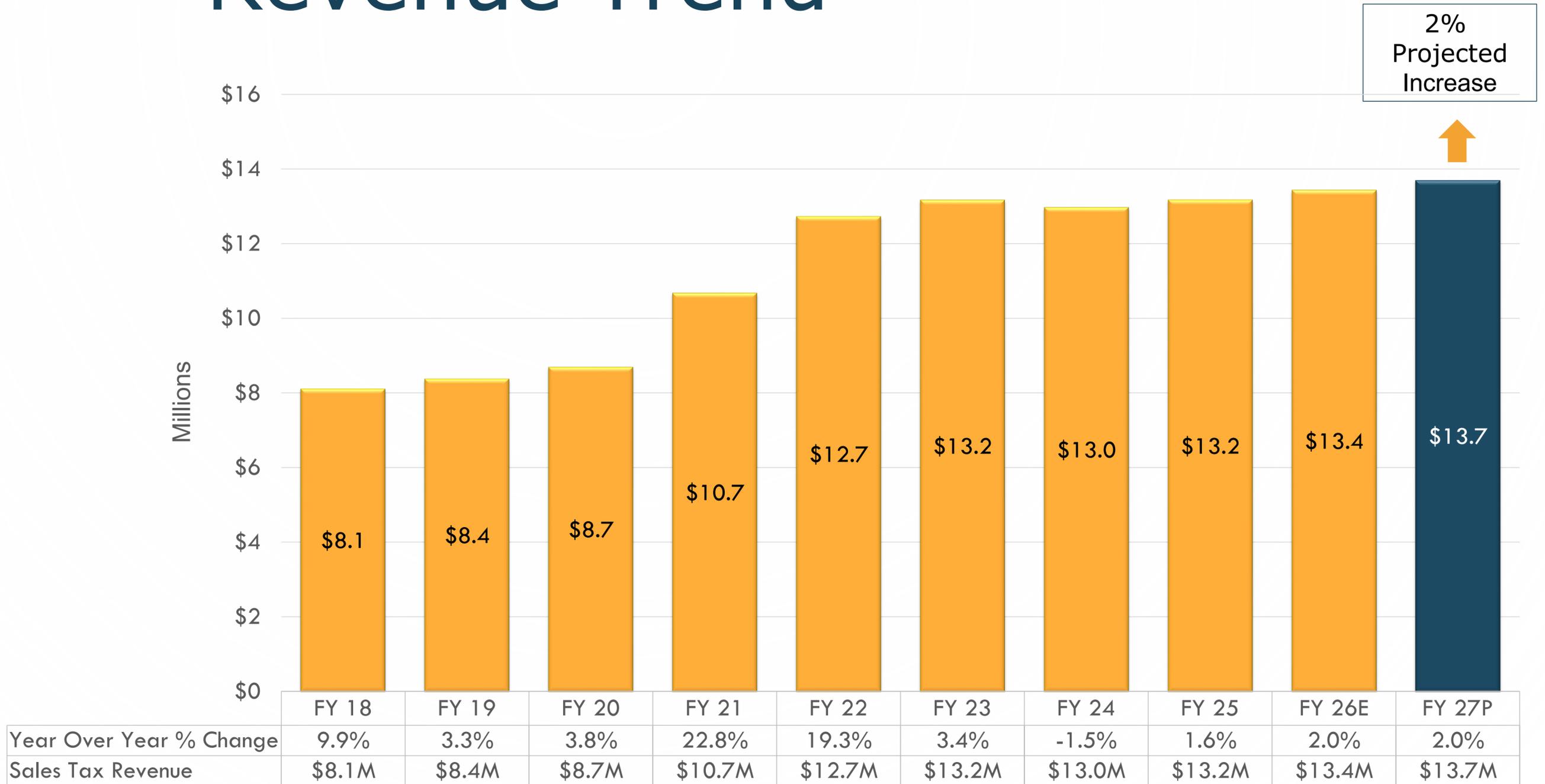


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General Fund Sales Tax Revenue Trend



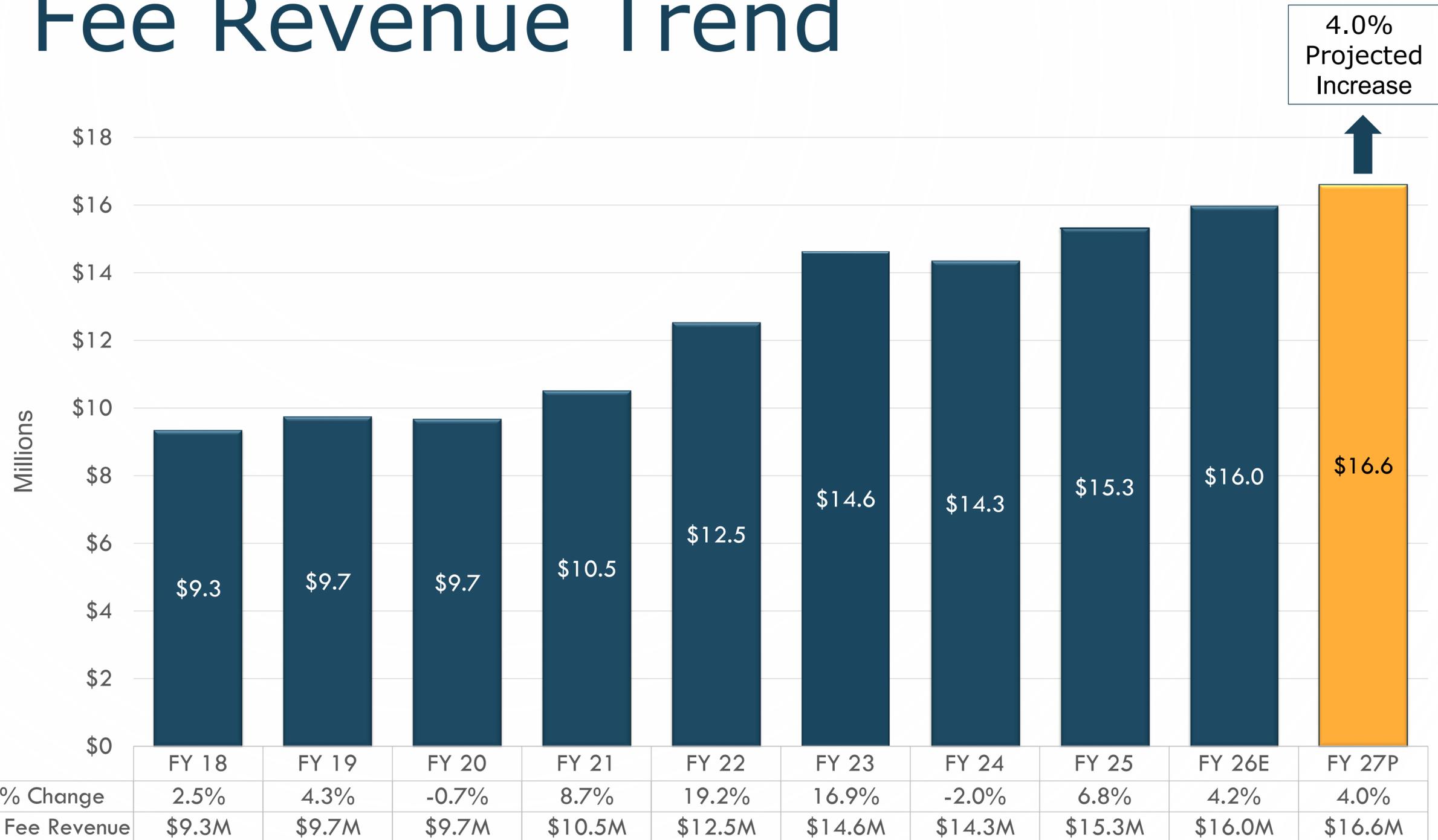
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General Fund Electric Franchise Fee Revenue Trend



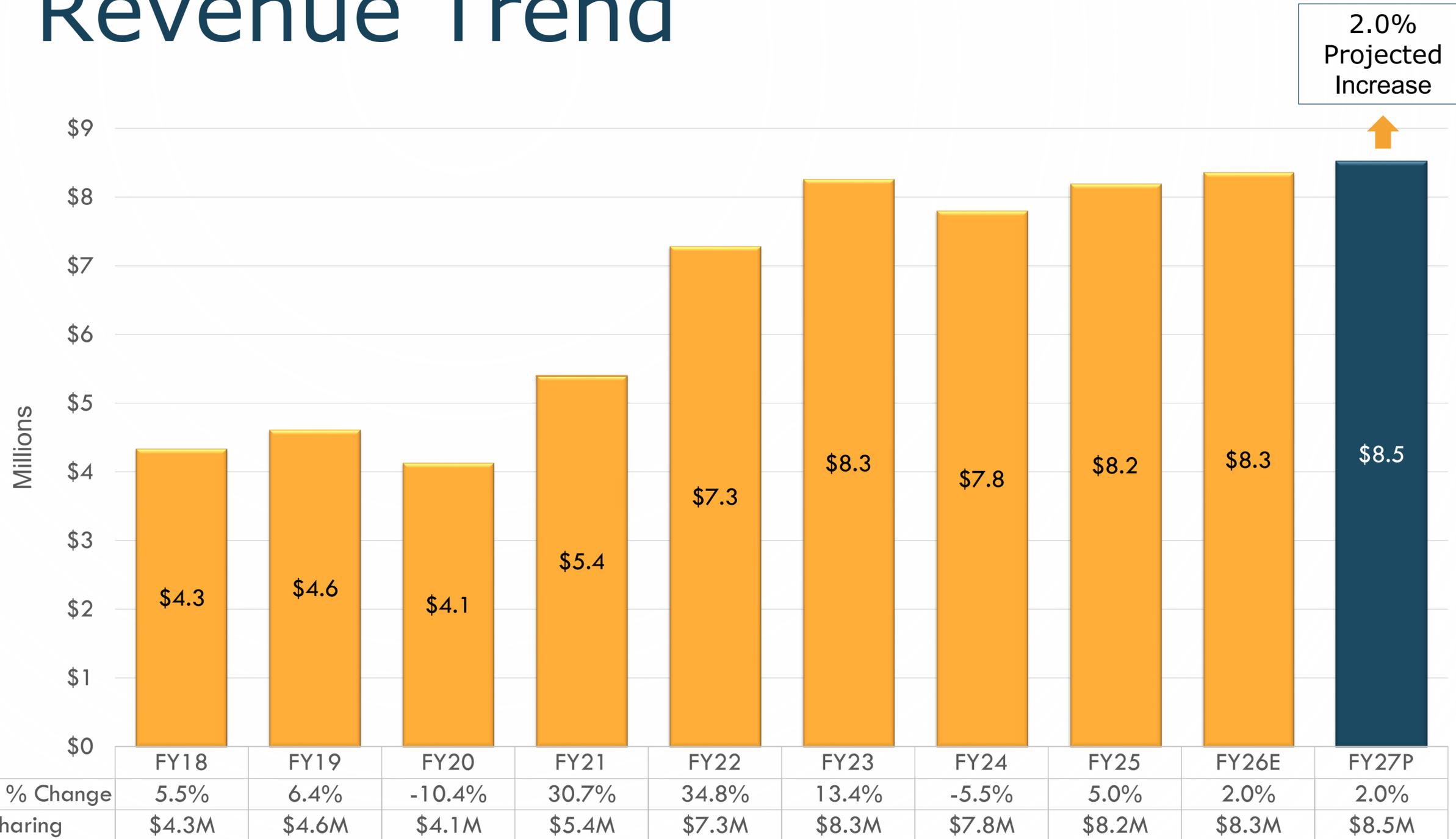
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General Fund State Sharing Revenue Trend



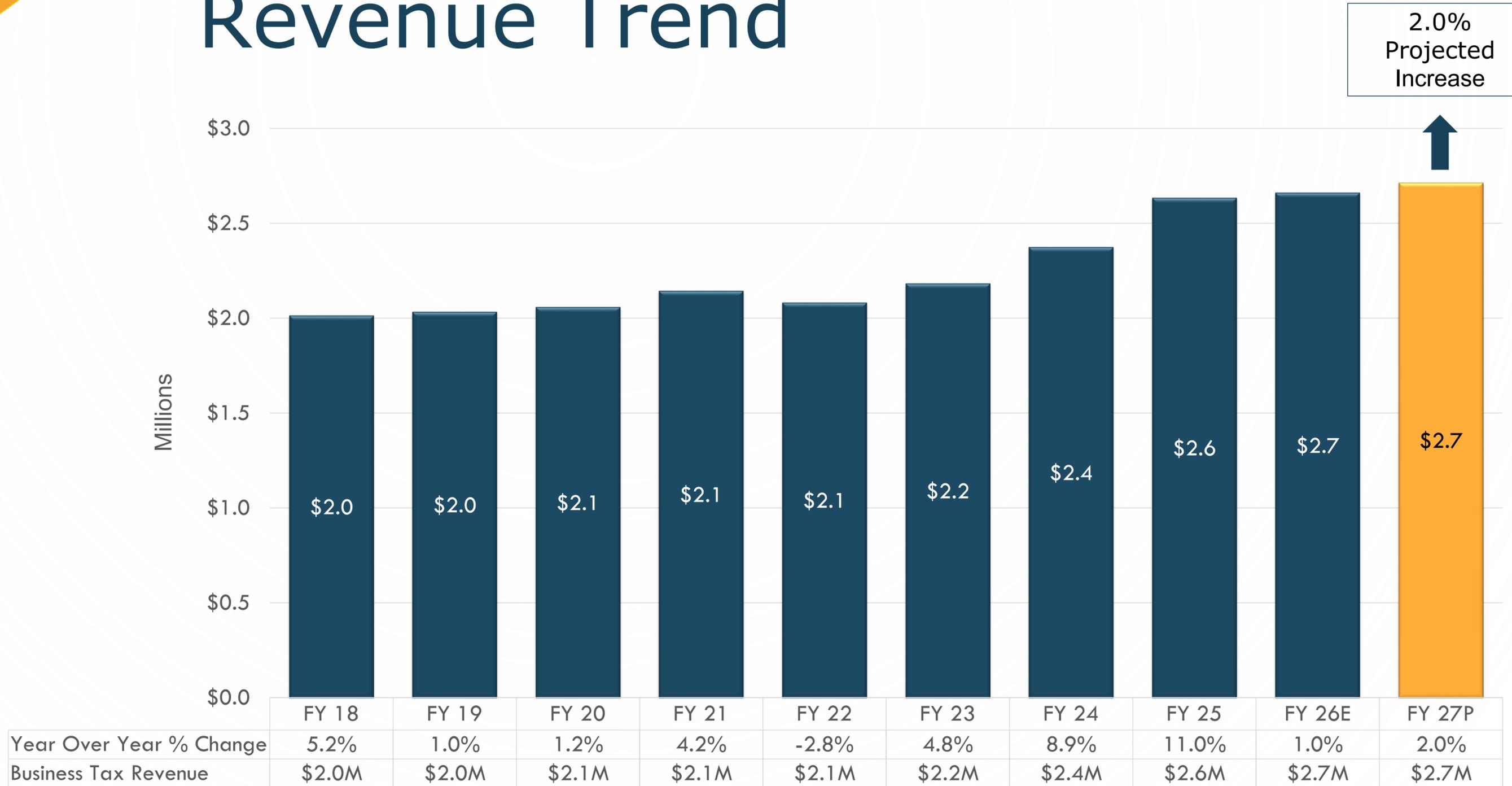
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General Fund Business Tax Revenue Trend



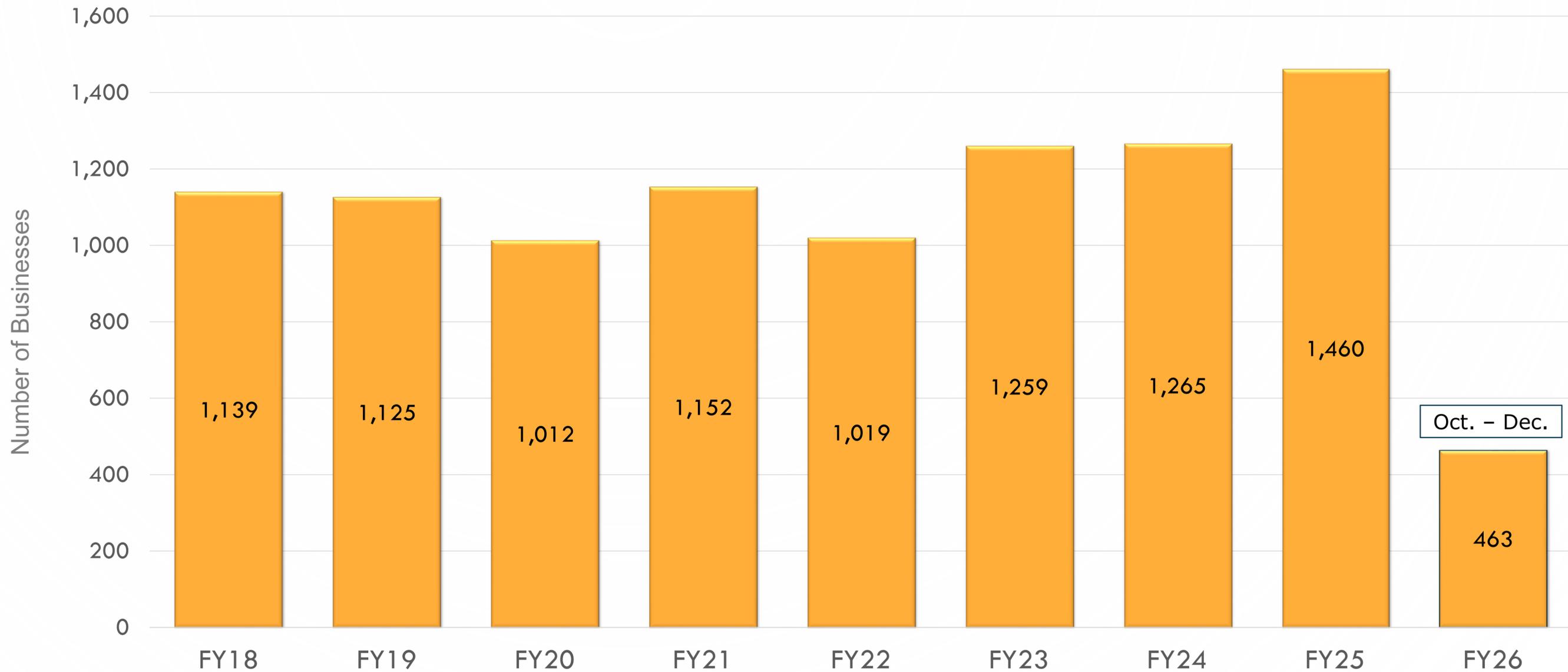
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General Fund: New Business



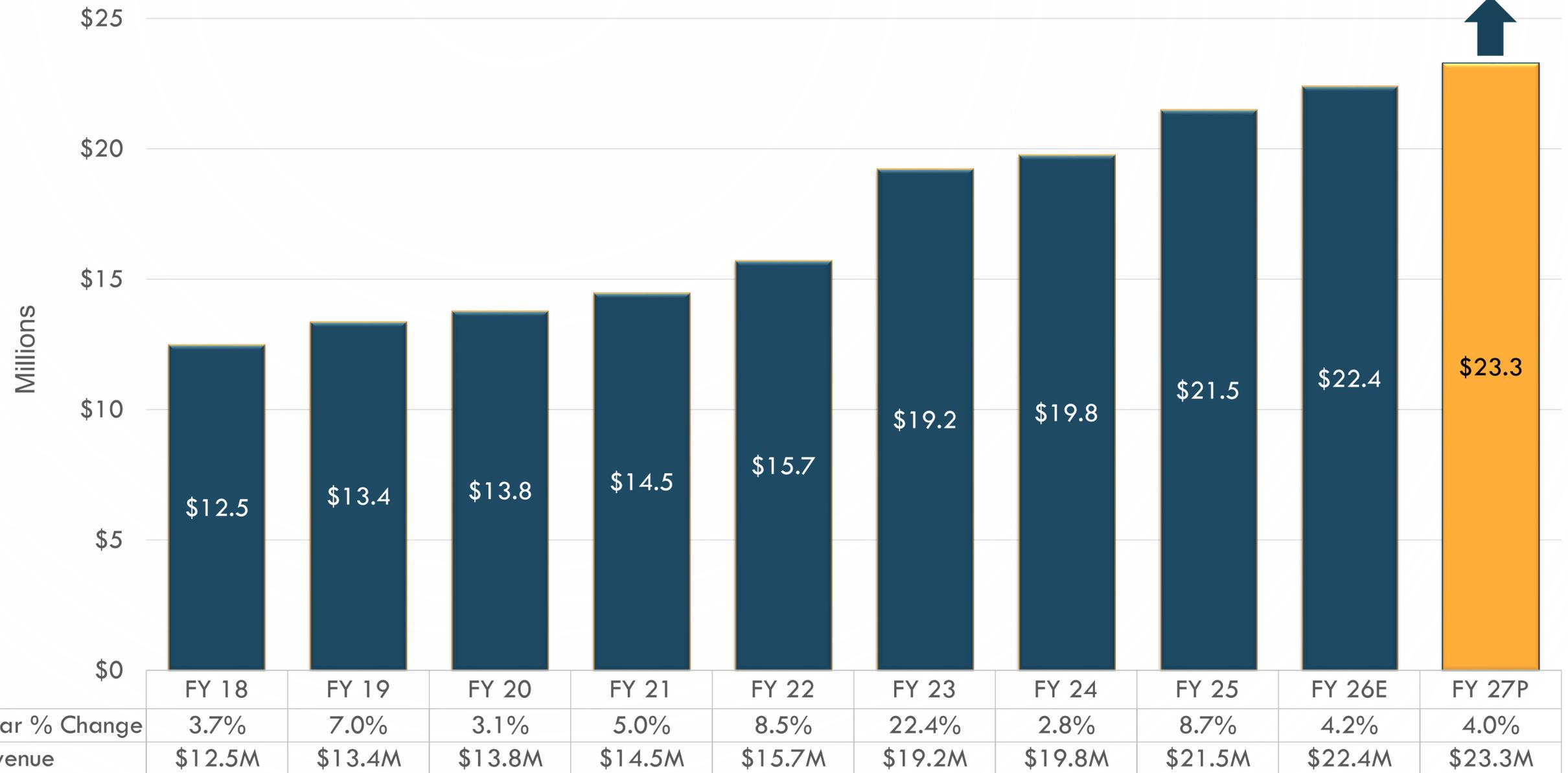
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General Fund Utility Tax (Electric) Revenue Trend



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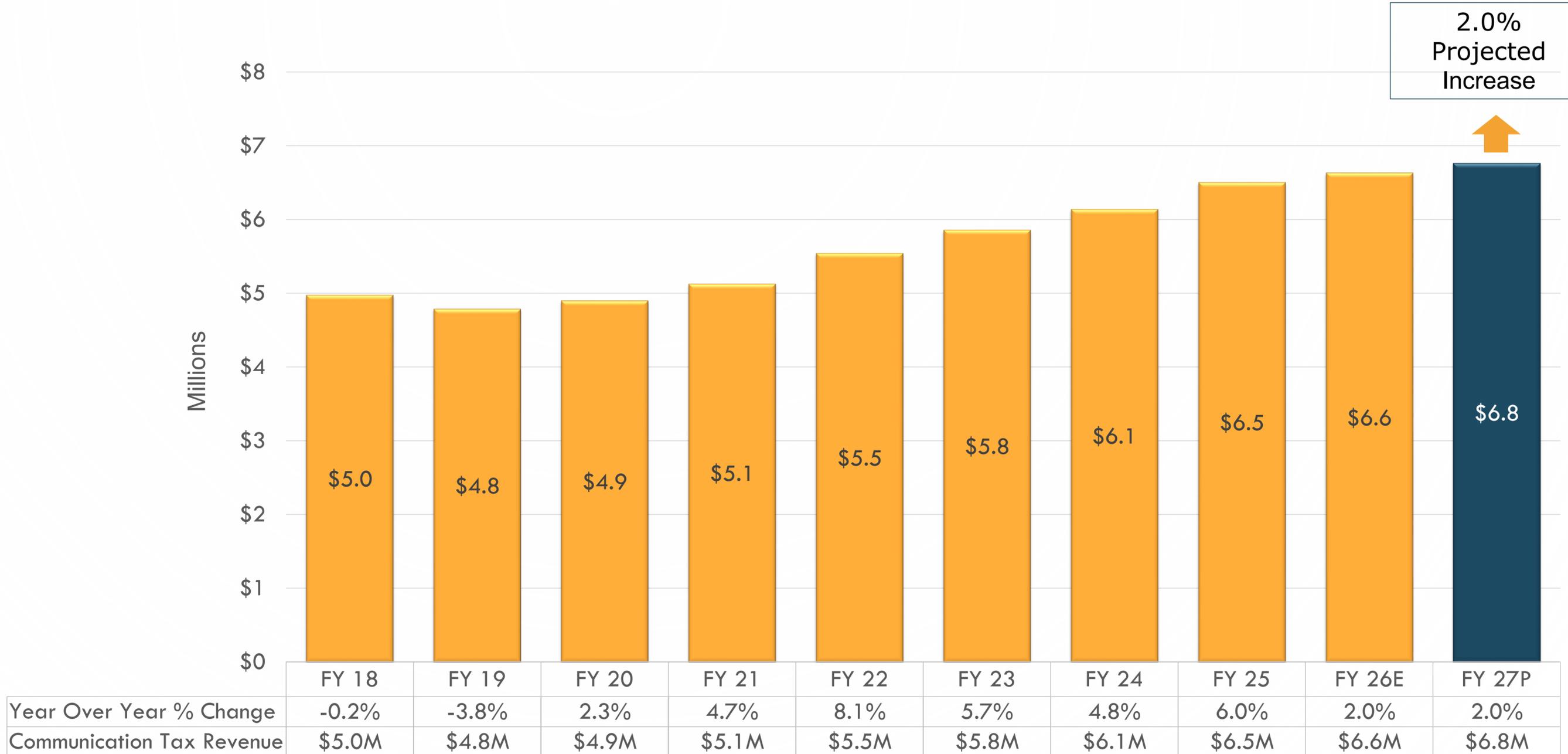


General Fund Communication

Service Tax Revenue Trend



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General Fund: Long-Range Plan

Operating Millage	4.2991	4.2991	4.2991	4.2991	4.2991
Beginning Balance	\$64,745,516	\$48,751,143	\$48,751,143	\$48,751,143	\$48,853,718
Revenues	Estimated 25-26	Projected 26-27	Projected 27-28	Projected 28-29	Projected 29-30
Taxes	140,506,324	150,147,280	159,368,788	167,909,168	176,931,826
Other Revenues	54,133,778	55,598,222	57,047,487	58,097,391	59,812,794
Transfers & Reserves	28,308,013	12,806,186	13,318,433	13,584,802	13,992,346
Total Revenues	\$222,948,115	\$218,551,687	\$229,734,708	\$239,591,361	\$250,736,966
Expenditures					
Personnel Services	125,959,189	129,704,045	138,095,166	146,380,876	153,699,920
Operating Expenses	53,778,113	56,778,113	58,968,175	61,916,584	63,774,082
Capital Outlay	4,381,672	3,409,342	3,920,743	5,000,000	5,000,000
Debt Services	7,674,504	7,938,502	8,414,812	8,800,000	8,976,000
Capital Asset Replacement & Renewal	3,000,000	2,000,000	2,000,000	3,000,000	3,000,000
Other (Transfers & land purchases)	24,263,637	14,721,686	14,335,811	14,391,327	14,490,193
School Board Payment	3,891,000	4,000,000	4,000,000	0	0
Total Expenditures	\$222,948,115	\$218,551,688	\$229,734,708	\$239,488,787	\$248,940,195
Designated Reserves (20%)	\$35,947,460	37,296,432	39,412,668	41,659,492	43,494,800
Designated Reserves (Debt)	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Undesignated Reserves*	6,803,683	5,454,711	3,338,474	1,194,226	1,155,688
Ending Balance	\$48,751,143	\$48,751,143	\$48,751,143	\$48,853,718	\$44,650,489

* Undesignated Reserves are being used to fund capital projects.



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Half-Cent Sales Tax CIP Revenue

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Half-Cent Sales Tax Fiscal 2027 Early Analysis

- Total revenues are projected to be \$300K above projected revenues for FY 2025-26 (current year).
- Half-Cent Sales Tax expires in FY 2028-29 (partial year funding).
- City and St. Lucie County staff are actively working on potential extension of Half-Cent Sales Tax for 10 years.
- If extension is approved, projected 10-year revenues total \$174 million to support capital infrastructure projects.



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Half-Cent Sales Tax CIP Revenue

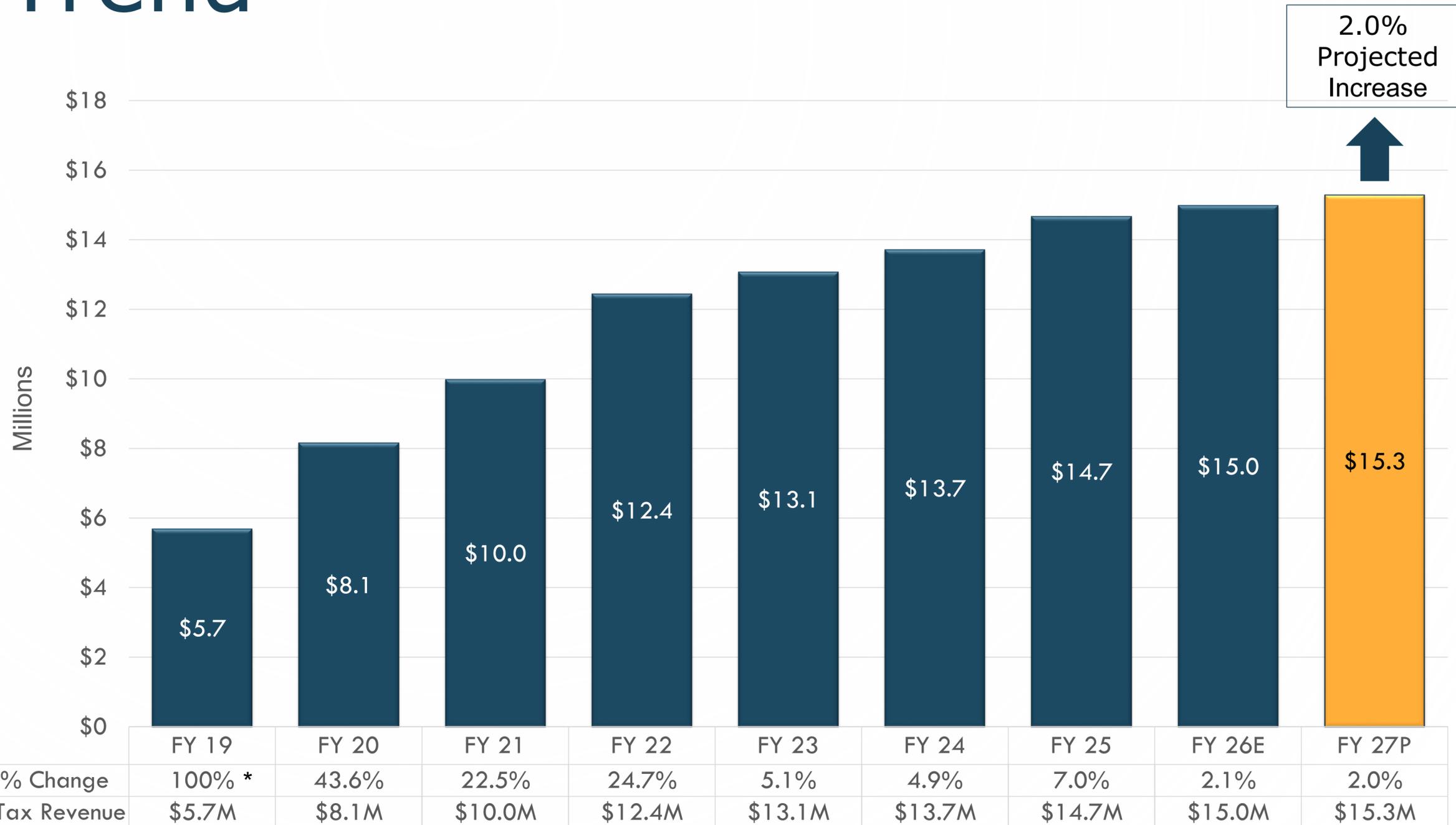
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Half-Cent Sales Tax Revenue

Trend



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* Half Cent Sales Tax referendum passed by a significant majority in November 2018 and was implemented in 2019.



Road & Bridge Fund Overview

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Road & Bridge Fund Fiscal 2027 Early Analysis

- Total revenues are projected to be \$995,372 above projected revenues for FY 2025-26 (current year).
- Majority of the increase is due to additional gas tax and ad valorem tax revenue from an increase in population
 - \$853,190 above FY 2025-26 projected revenues.
- This fund is projected to deficit spend in multiple fiscal years:
 - FY 2026-27,
 - FY 2027-28 and
 - FY 2028-29 and beyond.

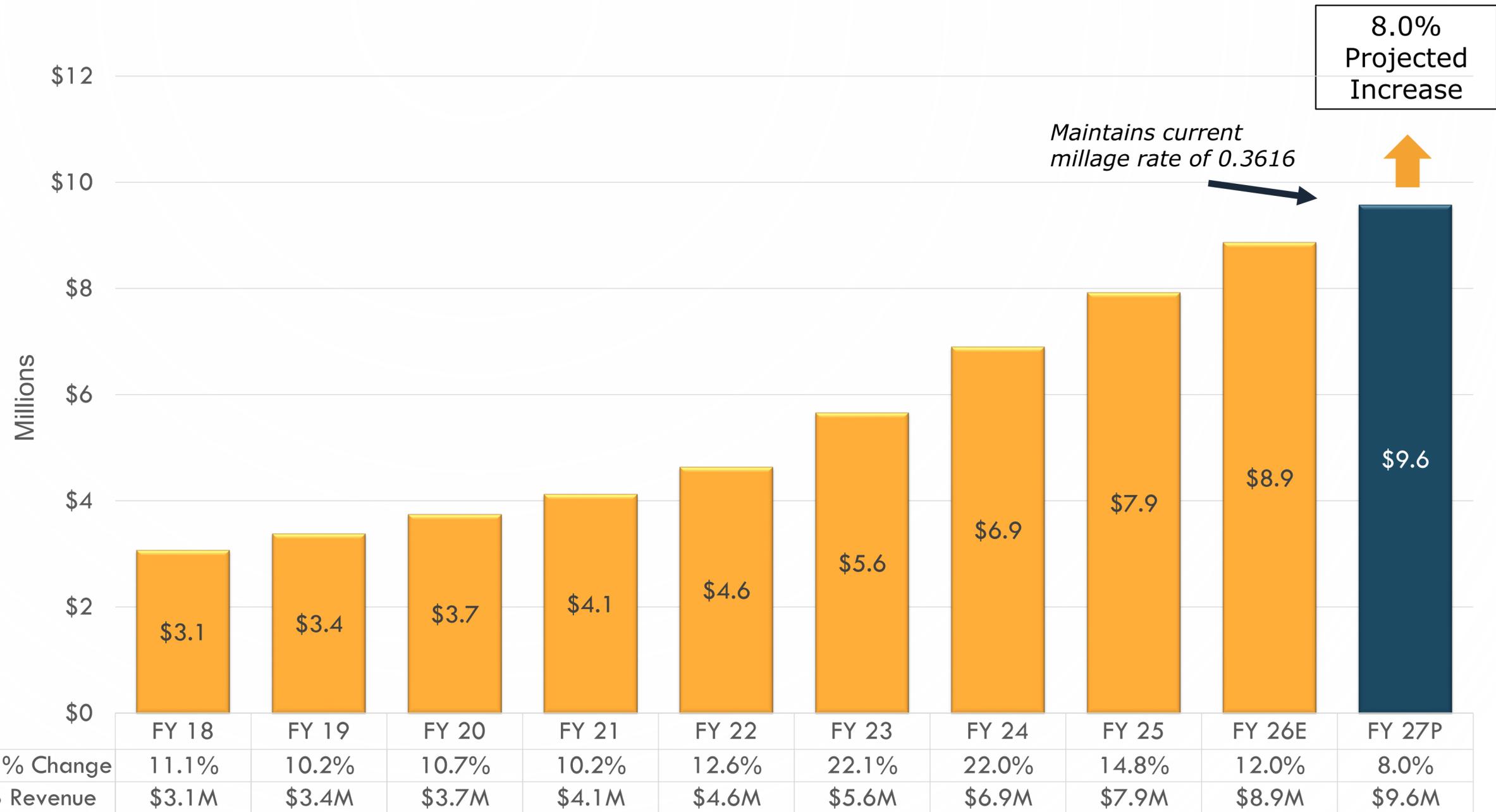


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Road & Bridge Ad Valorem Tax Revenue Trend



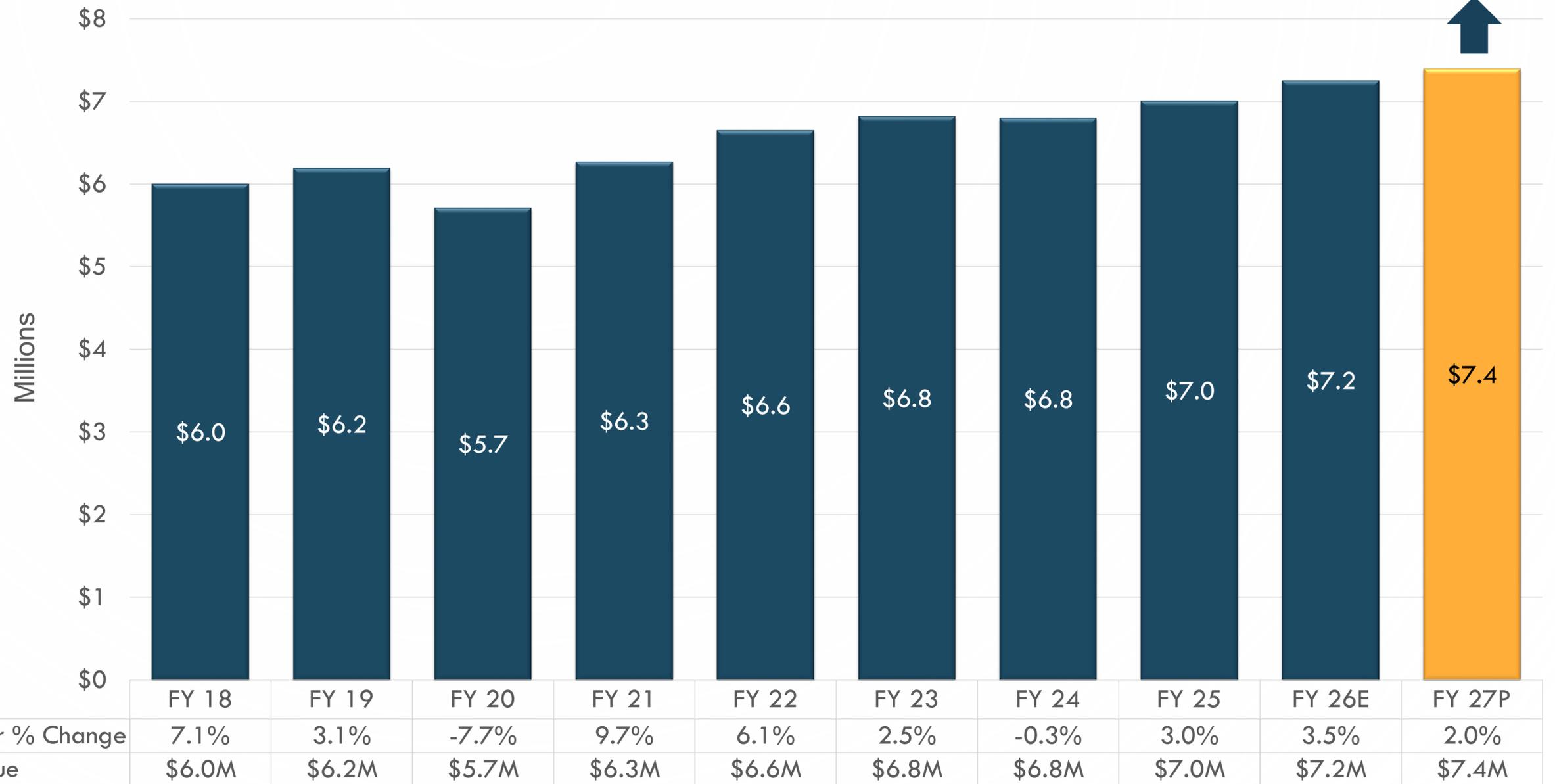
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Road & Bridge Gas Tax (6-cents) Revenue Trend



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Road & Bridge Fund: Long-Range Plan

Operating Millage 0.3616 0.3616 0.3616 0.3616 0.3616

Beginning Balance	\$10,244,257	\$10,244,257	\$8,936,109	\$8,578,037	\$8,215,785
	Estimated	Projected	Projected	Projected	Projected
Revenues	25-26	26-27	27-28	28-29	29-30
Taxes	16,097,143	16,950,334	17,767,464	18,532,086	19,228,101
Other Revenues	9,135,946	8,912,290	7,489,100	7,550,025	7,636,309
Total Revenues	\$25,233,089	\$25,862,624	\$25,256,564	\$26,082,111	\$26,864,410
Expenditures					
Personnel Services	9,517,397	9,932,745	9,997,770	10,497,659	11,022,541
Operating Expenses	12,778,618	14,534,190	12,824,84	13,081,372	14,012,978
Capital Outlay	818,000	500,000	500,000	500,000	500,000
Other	2,119,073	2,203,836	2,191,990	2,365,334	2,436,294
Unallocated	0	0	0		
Total Expenditures	\$25,233,088	\$27,170,772	\$25,614,634	\$26,444,364	\$27,971,813
Surplus/(Deficit)	0	(1,308,148)	(358,070)	(362,252)	(568,238)
Designated Reserves (17%)	3,790,323	4,159,379	3,879,850	4,008,435	4,164,380
Undesignated Reserves	6,358,964	4,776,730	4,698,189	4,207,350	3,483,167
Ending Balance	\$10,244,257	\$8,936,109	\$8,578,037	\$8,215,785	\$7,647,547



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Note: Use of undesignated reserves will be required to balance the budget in FY27 and beyond.



Stormwater Fund Overview

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Stormwater Fund

Fiscal 2027 Early Analysis

- Review of Stormwater Fee completed in 2021.
 - Public Works is working on a new report (March 2026).
- Current level service includes an approved \$6 rate increase (contingent upon City Council Approval).
 - Nets \$1.07M in additional revenues.
 - Support capital projects:
 - Oak Hammock Watershed Improvement Project
 - E-8 Downstream Repairs of B-15,
 - Elkcam Basin Improvements (multi-year project),
 - Hog Pen Slough Water Quality Control Structure, and
 - Accelerate Swale & Culvert Replacement
- Stormwater expenditures are outpacing revenues.

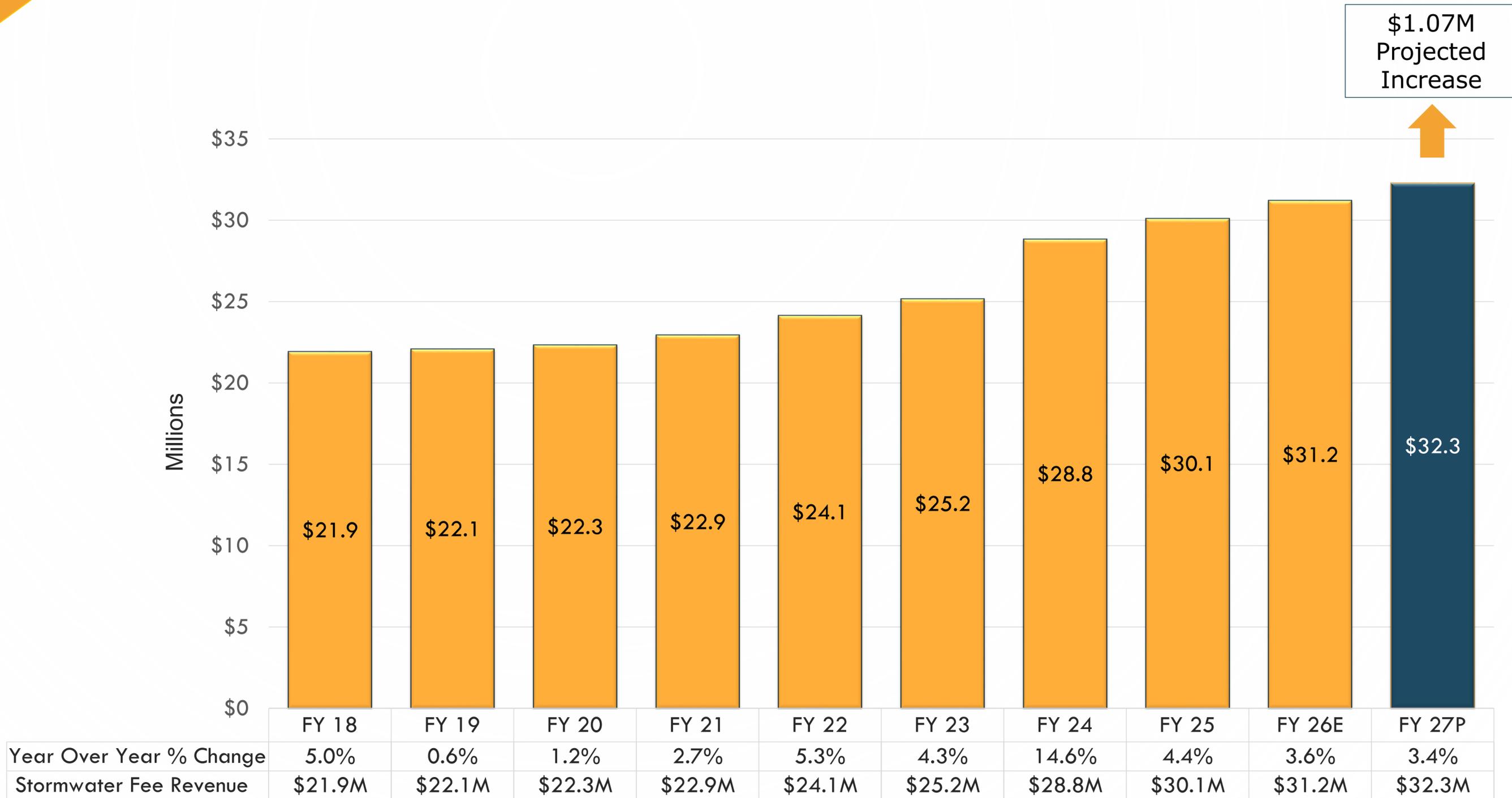


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Stormwater Fee Revenue Trend



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Stormwater Fund: Long-Range Plan

Projection includes \$6.00 rate increase in FY27, FY28 and FY29.

Beginning Balance	\$9,125,339	\$9,125,339	\$7,973,328	\$5,210,903	\$2,548,779
Revenues	Estimated 25-26	Projected 26-27	Projected 27-28	Projected 28-29	Projected 29-30
Stormwater Fees	31,192,814	32,268,062	33,258,310	34,248,558	34,398,558
Other Revenues	12,010,699	14,741,226	13,618,427	10,748,460	9,357,318
Total Revenues	\$43,203,513	47,009,288	47,029,737	45,047,018	43,755,876
Expenditures					
Personnel Services	6,858,986	7,133,976	7,476,656	7,831,797	8,203,807
Operating Expenses	21,868,230	22,305,595	22,751,706	23,322,194	23,670,875
Capital Projects & Equip.	9,890,000	13,274,649	13,329,448	9,829,448	8,379,448
Debt Services (2020 Refunding)	2,429,950	2,472,550	2,521,550	2,566,550	2,622,550
Debt Services (Future Projects)	415,000	1,177,306	1,884,836	2,414,767	2,864,492
Other (Internal transfer from General Fund for 2021 bonds)	1,741,347	1,797,223	1,827,966	1,859,711	1,897,510
Total Expenditures	\$43,203,513	\$48,161,299	\$49,792,162	\$47,709,143	\$47,638,683
Surplus/(Deficit)	0	(1,152,011)	(2,762,425)	(2,662,124)	(3,882,807)
Designated Reserves	\$4,883,627	5,004,727	5,138,822	5,276,551	5,418,696
Undesignated	4,241,712	2,968,601	72,082	(2,727,773)	(6,752,724)
Ending Balance	\$9,125,339	\$7,973,328	\$5,210,903	\$2,548,779	\$(1,334,028)

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Designated Reserves policy of 17% will not be met in FY29 and beyond.



Utility Systems Fund Fiscal 2027 Early Analysis

- Growth in housing market continues to impact the Fund's operations, revenues and expenditures.
- Utility Rate Analysis – department completed rate study five-year analysis in 2024.
- The forecast includes a 3.5% rate increase if approved could generate \$1.9M in revenue based on the rate study.
- Water and Sewer Projects are progressing at significant costs.

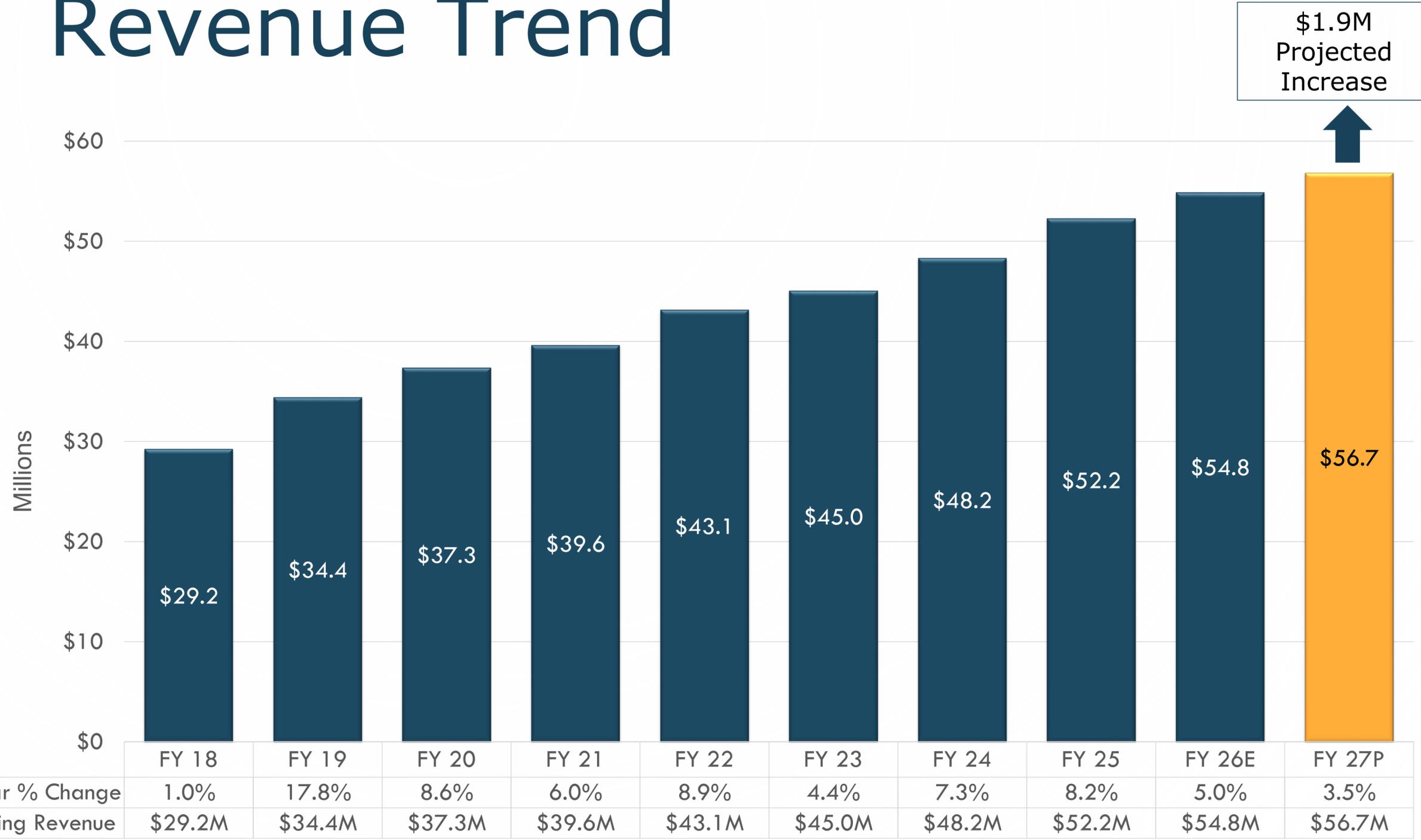


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Utility Systems Water Operating Revenue Trend



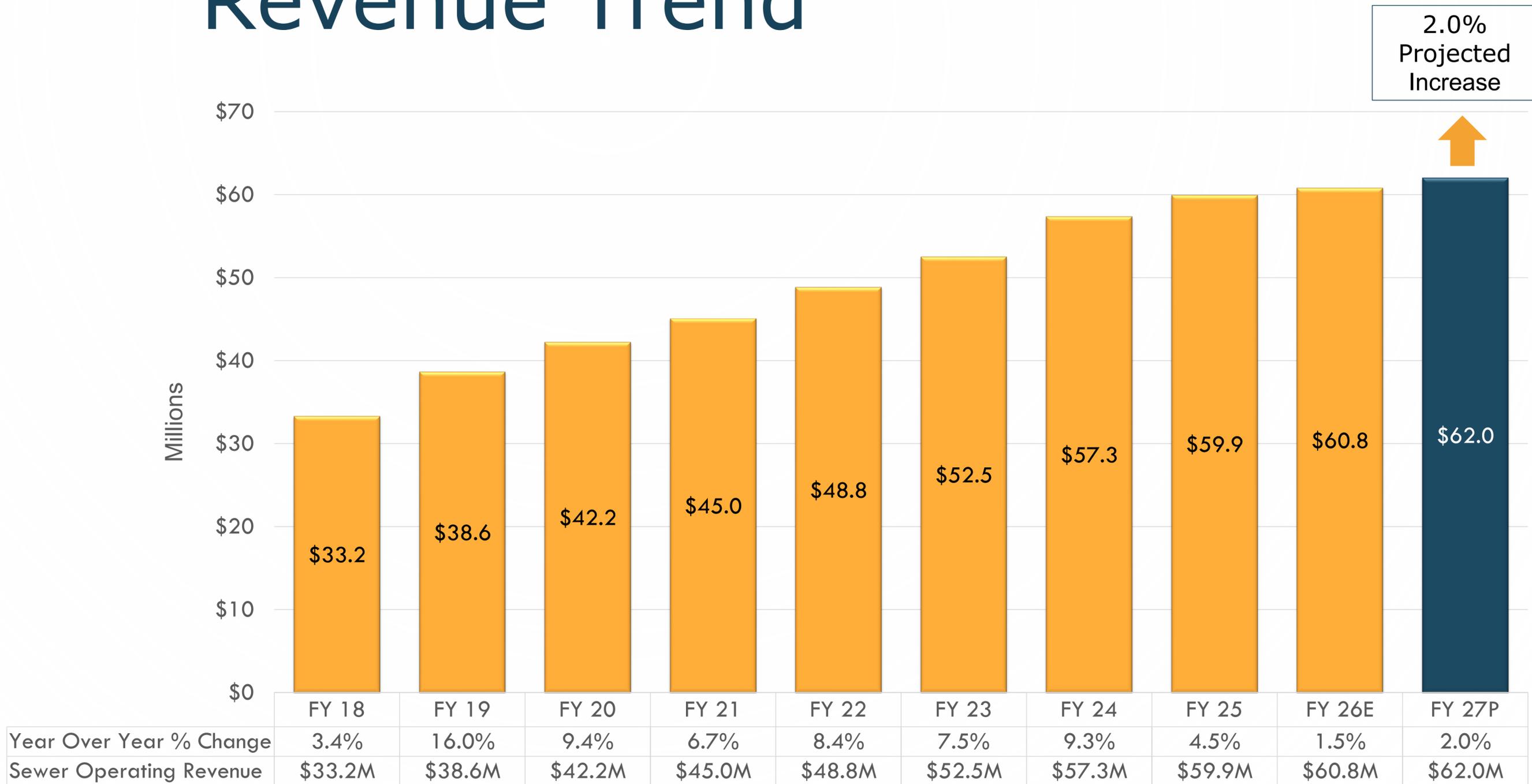
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Utility Systems Sewer Operating Revenue Trend



*FY 26/27
First Look*



Utility Systems Fund: Long-Range Plan

Beginning Balance	\$43,187,161	\$43,187,161	\$43,187,161	\$41,791,708	\$34,100,665
	Estimated	Projected	Projected	Projected	Projected
Revenues	25-26	26-27	27-28	28-29	29-30
Water and Sewer Fees	115,581,511	119,812,164	122,208,407	124,652,575	127,145,627
Other Revenues	11,255,887	11,428,211	11,120,668	11,343,083	11,569,945
Use of Reserves (Capital Projects)			1,395,453	3,270,142	4,420,901
Transfers	10,006,009	10,206,314	10,410,440	10,000,000	10,000,000
Total Revenues	\$136,843,588	141,446,688	143,739,516	145,995,658	148,715,572
Expenditures					
Personnel Services	34,946,871	37,145,808	38,638,725	40,184,274	41,992,566
Operating Expenses	28,075,951	30,382,707	30,990,361	31,610,168	31,615,092
Capital Outlay	5,688,865	4,954,263	5,053,348	5,154,415	5,257,503
Debt Services	29,608,536	29,904,621	29,904,621	29,904,621	29,904,621
Other/transfers to G.F. & CIP Projects	38,523,365	39,059,290	40,547,914	42,412,322	44,366,691
Total Expenditures	\$136,843,588	\$141,446,688	\$145,134,969	\$149,265,800	\$153,136,473
Surplus / (Deficit)	0	0	0	0	0
Designated Reserves Policy (17%)	\$10,713,880	\$11,479,848	\$11,836,945	\$12,205,055	\$12,513,302
*Additional Designated Reserves	32,473,282	31,707,314	29,954,763	26,316,510	21,587,363
Ending Balance	\$43,187,161	\$43,187,161	\$41,791,708	\$38,521,566	\$34,100,665



FY 26/27
First Look

*Additional Designated Reserves will be used for future planned capital projects, such as Glades Wastewater Treatment Plant and Rangeline Reverse Osmosis Water Plant.



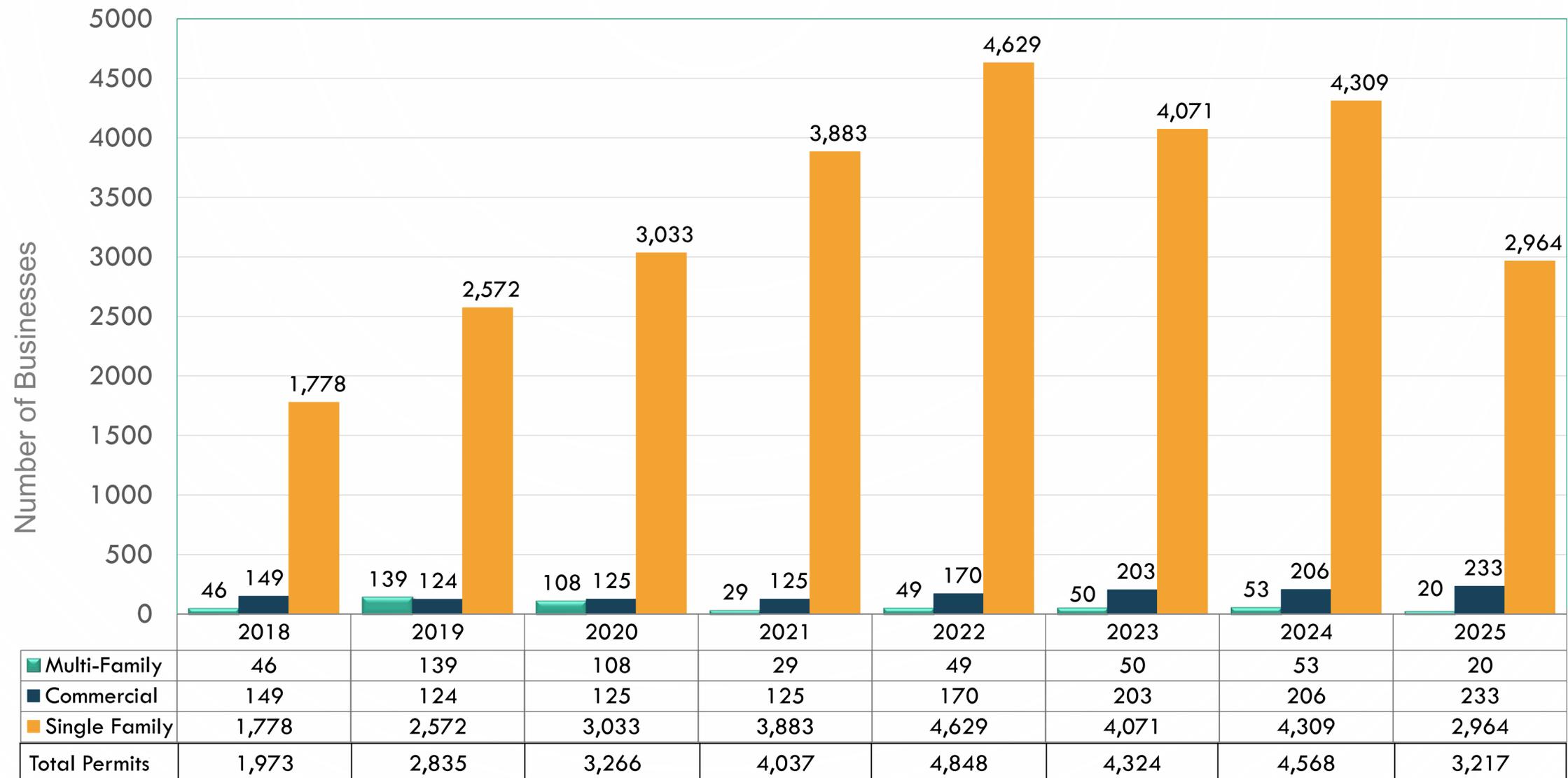
Building Fund Overview

*FY 26/27
First Look*

Building Permit Applications Completed (CO)

Single Family, Commercial & Multi-Family

Calendar Years 2018 - 2025

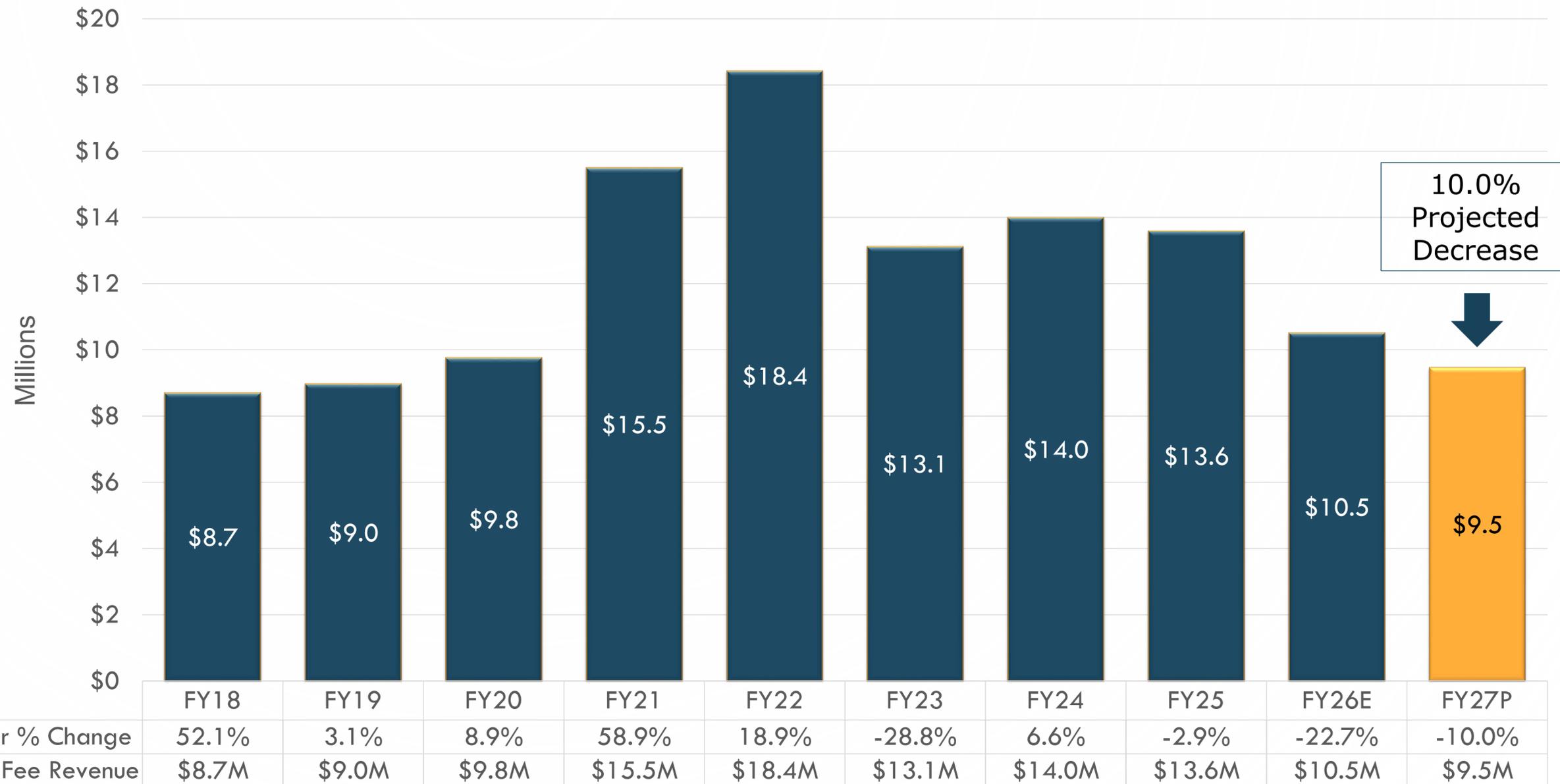


*FY 26/27
First Look*

Building Permit Fee Revenue Trend



*FY 26/27
First Look*





Solid Waste Fund

*FY 26/27
First Look*

Solid Waste Fund Fiscal 2027 Early Analysis

- Residential and commercial growth will continue to impact the Fund's operations, revenues and expenditures.
- The Solid Waste rate will be adjusted.
 - Projected by 4% increase, per contractual agreement with FCC Environmental.
 - CPI for garbage and trash collection is 4.8% (Jan. 2026).

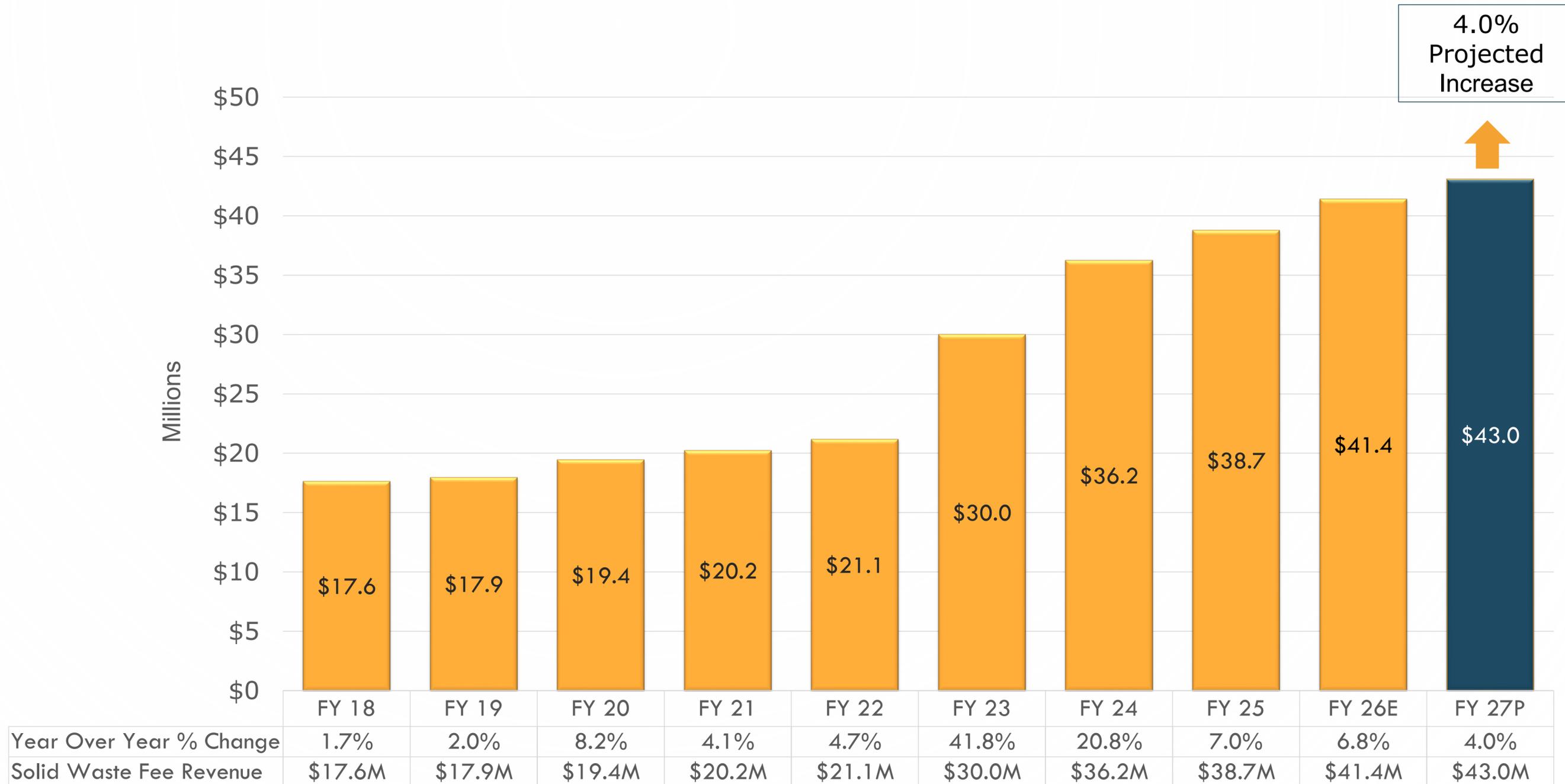


*FY 26/27
First Look*

Solid Waste Fee Revenue Trend



*FY 26/27
First Look*



Crosstown Parkway Debt Service Fund Overview



*FY 26/27
First Look*

Crosstown Debt Service

Fiscal 2027 Early Analysis

- In the current fiscal year 2025-26, at the current millage of 0.3143 projected revenues of \$7.7M will not meet the debt requirement of \$8.2M.
 - **\$500K will be utilized from reserves.**
- FY 2026-27 forecast is based on current millage rate of 0.3143.
- Total revenues for 2026-27 are projected to be \$619K more than projected revenues for FY 2025-26 (current year).
- Fiscal 2027 **projected revenues = \$8.4M** which will satisfy the **debt payment of \$8.4M.**
- The final debt service payment for the 2023 and 2025 General Obligation Bonds is scheduled for July 1, 2035.

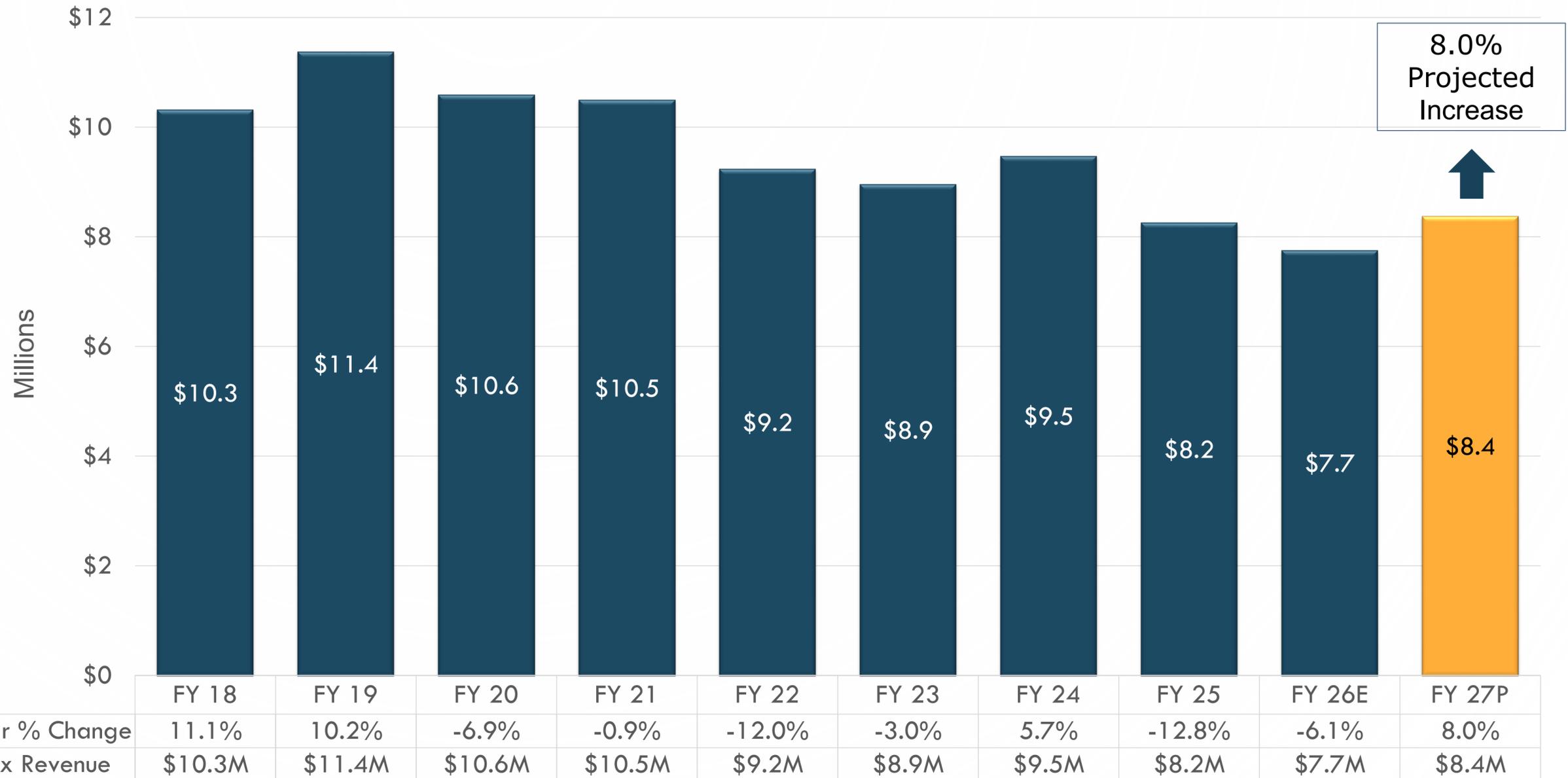


*FY 26/27
First Look*

Crosstown Debt Service Ad Valorem Tax Revenue Trend



*FY 26/27
First Look*





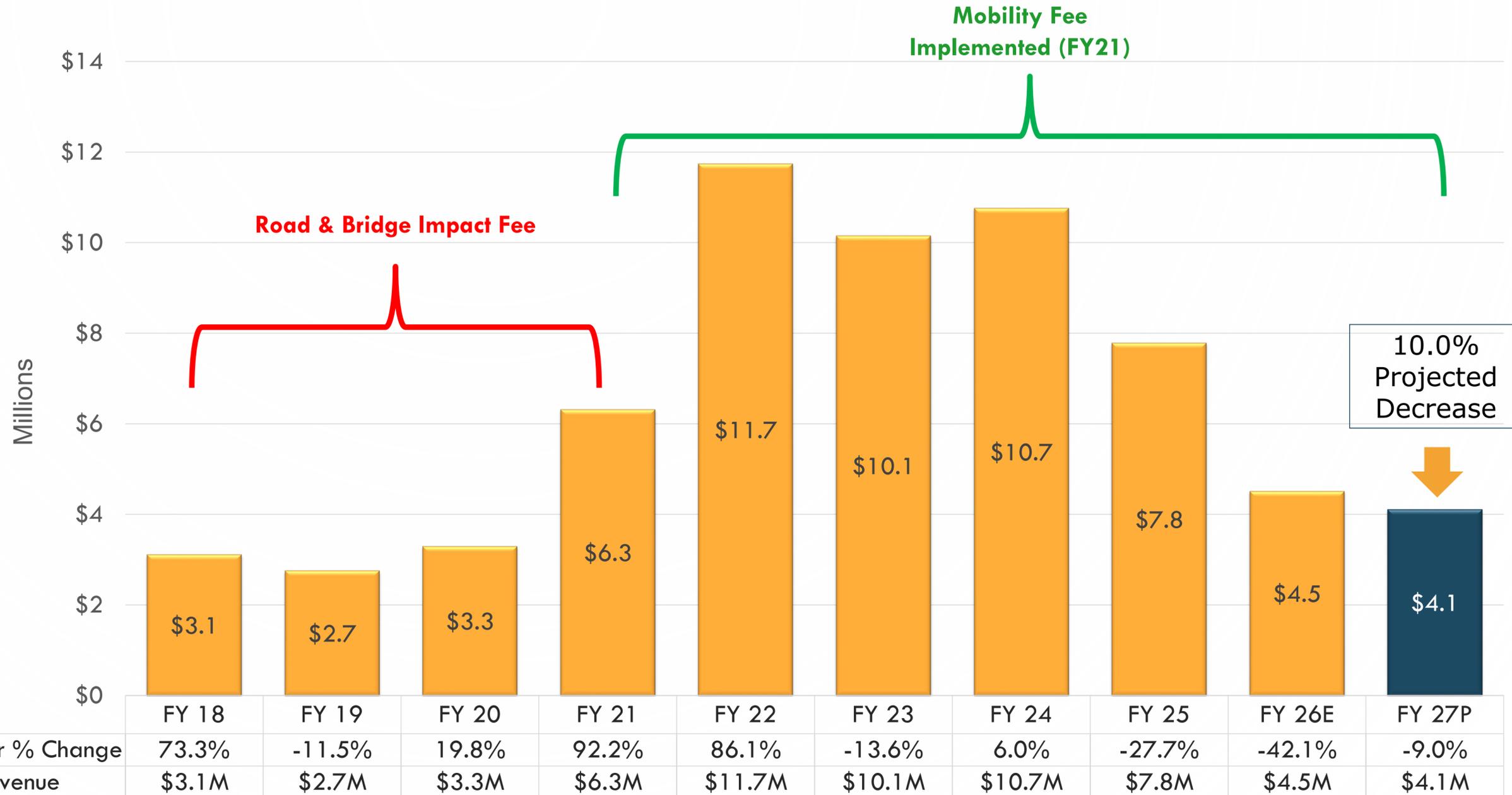
Mobility & Impact Fee Overview

*FY 26/27
First Look*

Mobility Fee Revenue Trend

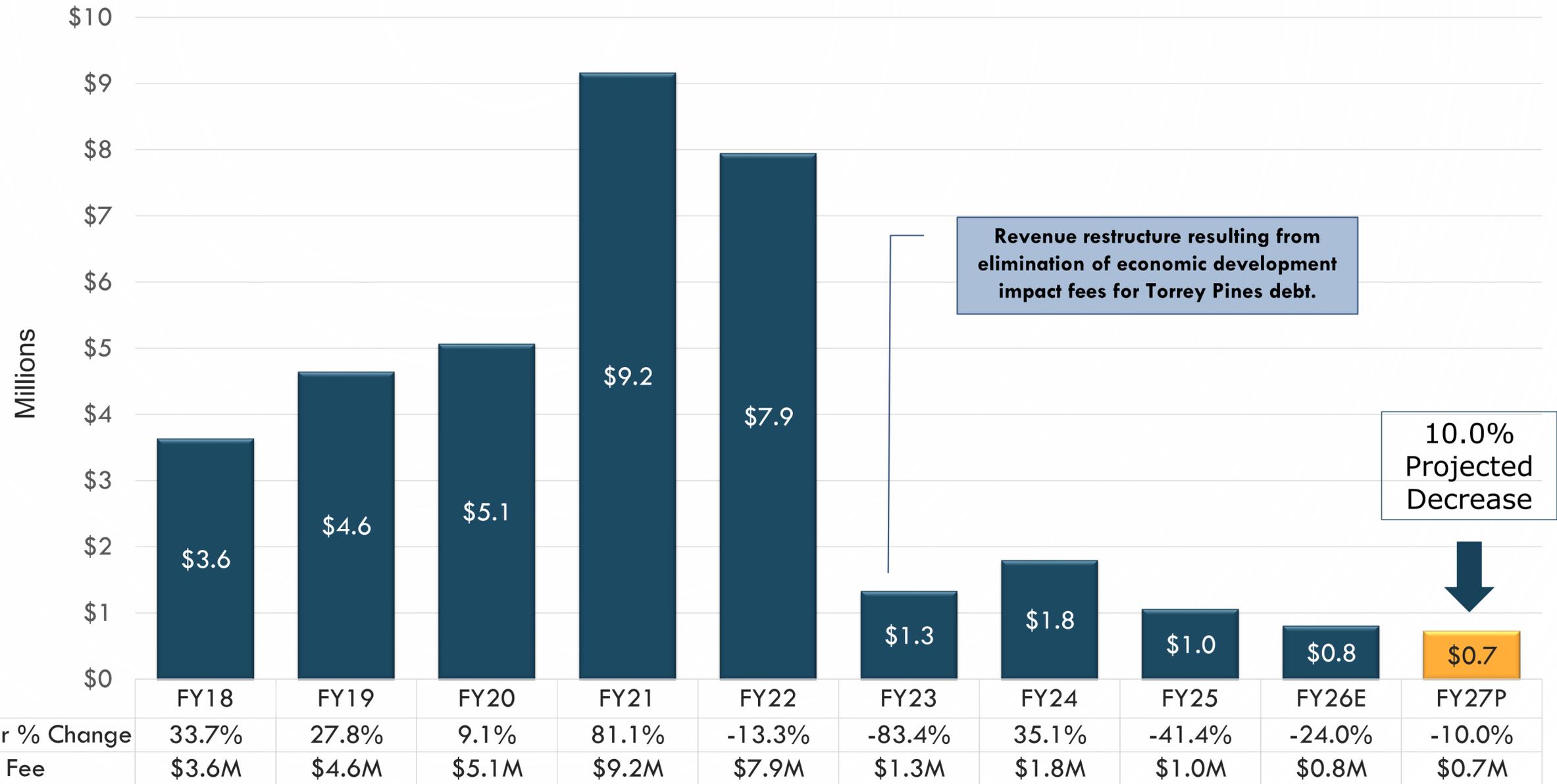


*FY 26/27
First Look*



Building Impact Fee Revenue

Trend



Beginning Reserves	\$1,372,017
2025-26 Projected Revenue	\$795,000
Projected Beginning Reserves for FY 2026-27	\$2,167,017



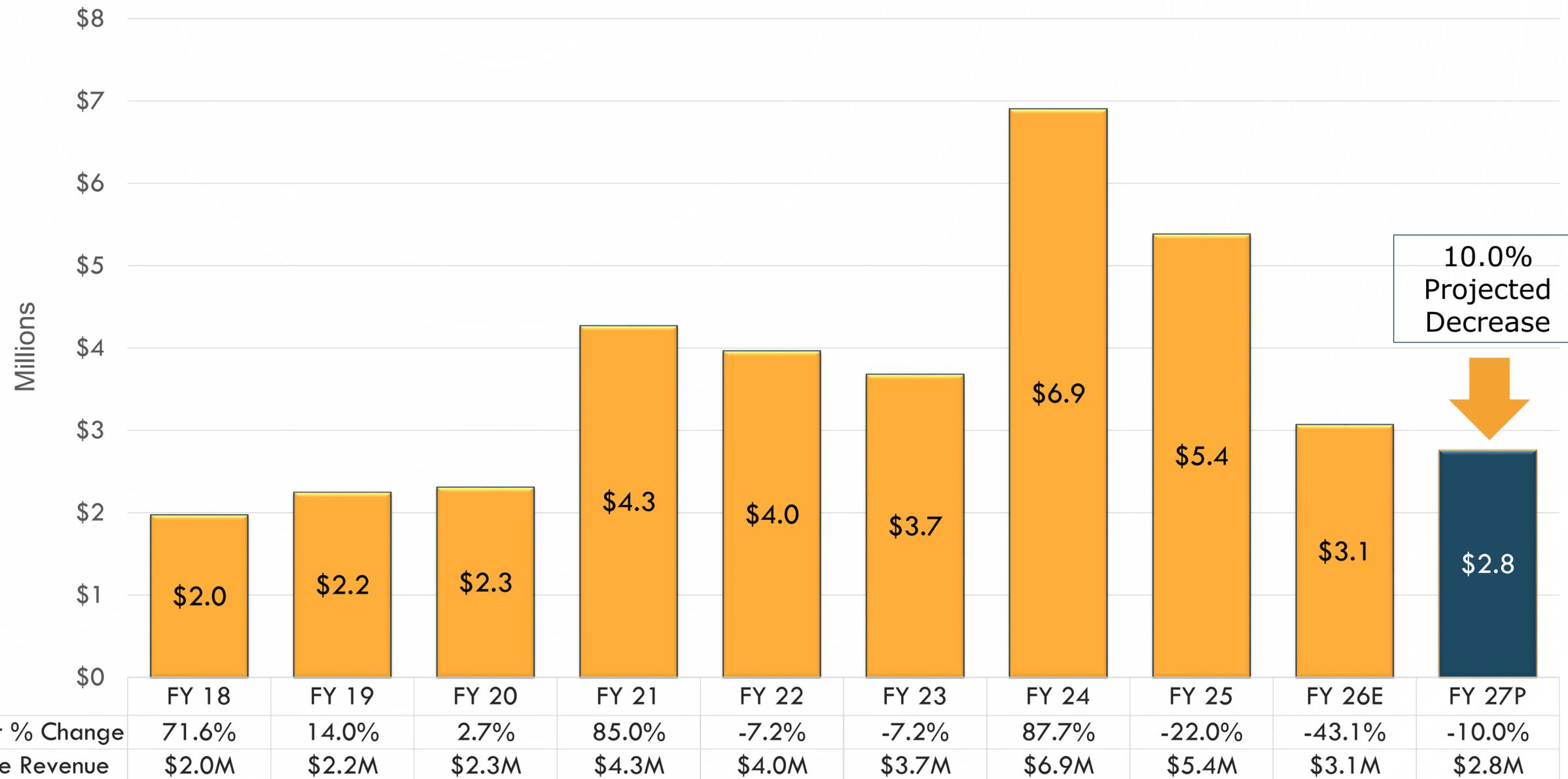
*FY 26/27
First Look*

Parks Impact Fee Revenue

Trend



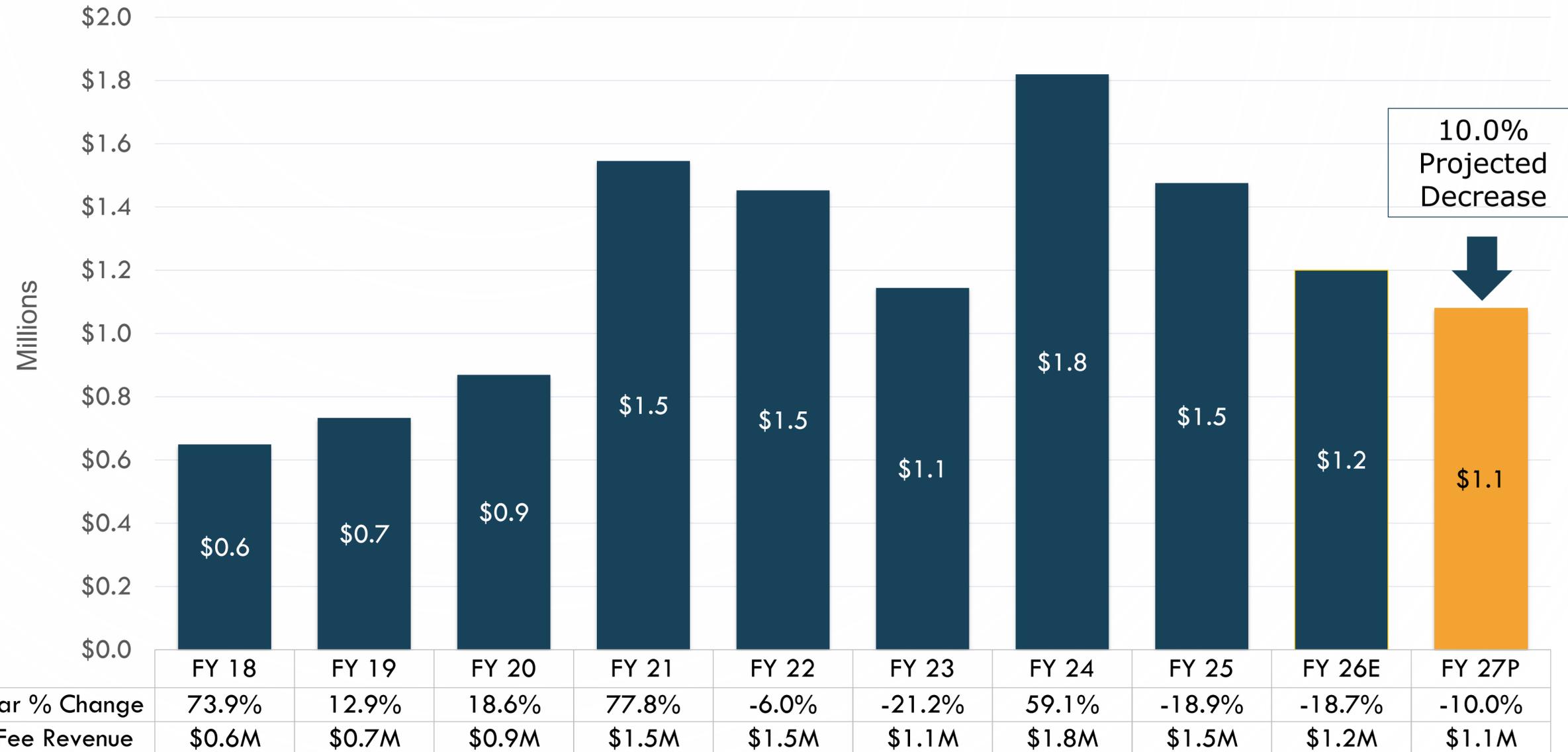
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Police Impact Fee Revenue Trend



*FY 26/27
First Look*





FY 2026-27 Outlook Summary

*FY 26/27
First Look*

Fiscal 2026-27 Outlook Summary

- **OVERVIEW**

- National, state, and local economic indicators.
- Florida legislative session and pending bills.
- Conservative planning approach.
- Revenue projections
 - FY25 actuals and FY26 Q1
- Expenditures
 - Flat Increase (early estimate)
 - Contractual obligations



*FY 26/27
First Look*

FY 2026-27 Outlook Summary

- **General Fund**

- Current millage @ 4.2991
- 8.0% growth in taxable value
- Continue to use debt reserves for future debt reduction

- **Road & Bridge Fund**

- Current millage @ .3616
- 8.0% growth in Ad Valorem taxes

- **Stormwater Fund**

- Includes additional capital investments
- \$6.00 pre-approved increase for FY27



*FY 26/27
First Look*

FY 2026-27 Outlook Summary

- **Utility Systems Fund**
 - The outlook is based on a 3.5% increase contingent on Council approval (water only).
- **Crosstown Parkway Debt Service Fund**
 - Current Millage @ 0.3143.
 - 8.0% growth in taxable value will cover debt service only.
- **Street Lighting Fund**
 - Recommending increasing the street lighting fee by \$2.00, bringing the total to \$28.00.
 - Increase is necessary to meet growing costs.
 - FY24-25 actual revenues totaled \$480,230, compared to actual expenditures of \$523,106, resulting in a deficit of \$42,876.



FY 26/27
First Look

FY 2026-27 Outlook Summary

- **Building Fund**

- 10% decrease for permit fee revenue.
- New single-family homes, multi-family and commercial permits are decreasing.

- **Solid Waste Fund**

- The Solid Waste rate will be adjusted based on the contractual obligation of 4%.



*FY 26/27
First Look*

FY 2026-27 Outlook: New Revenues

Revenues (All Funds)	Change	Total
Ad Valorem	8.0%	\$9,974,825
Electric Franchise	4.0%	\$638,372
Electric Utility	4.0%	\$895,149
Gas Tax	2.0%	\$144,860
State Revenues Sharing	2.0%	\$166,980
Sales Tax	2.0%	\$268,334
Utility Water	3.5% Water	\$1,191,022
<i>Stormwater Fee Increase</i>	<i>\$6.00/2,500</i>	<i>\$1,020,000</i>
<i>Solid Waste Rate Increase</i>	<i>4%</i>	<i>\$1,655,675</i>



*FY 26/27
First Look*

FY 2026-27 Outlook: New Revenues

Revenues (All Funds)	Change	Total
Business Tax	2.0%	\$53,148
Communication Service Tax	2.0%	\$132,463
Building Permit Fees	(10.0%)	(\$1,050,000)
Building Impact Fees	(10.0%)	(\$79,500)
Mobility Fees	(10.0%)	(\$450,000)
Parks Impact Fees	(10.0%)	(\$306,400)
Police Impact Fees	(10.0%)	(\$120,000)
Half-Cent Sales Tax	2.0%	\$299,448



*FY 26/27
First Look*

FY 2026-27 Outlook: New Operating Expenditures

Parks and Recreation: Pro-rated operating costs in FY26 - Phase 1 of Tradition Regional Park (Sports) and Torino Regional Park. Full-year operating costs for Stars and Stripes Park, OL Peacock Park, and Wilderness Park.

Police: Increase in operating expenses for Building "B" and increases due to contracts.

Public Works: Increases due to contract increases.

Utility Systems: Increases due to contract increases.

Building Department: Increase costs for architectural services, maintenance, and operating expenses for new building.



*FY 26/27
First Look*

Priority Projects – Funding Gaps

- ✓ Future Road Projects and Transportation.
- ✓ Stormwater CIP Projects.
- ✓ Parks and Recreation - 10 Year Master Plan.
- ✓ Public Buildings and Infrastructure.
- ✓ Staffing to support increased demands of a growing City.



*FY 26/27
First Look*

Budget First Look - Conclusion



City
Council's
discussion:

- Additional priorities
- Millage rate objectives

*FY 25/26
First Look*

Questions and Discussion



*FY 26/27
First Look*