



City of Tarpon Springs, Florida

Budget Advisory Committee
324 East Pine Street
Tarpon Spring, Florida 34689
(727) 938-3711

<http://www.ctsfl.us/agenda.htm>

AGENDA

THURSDAY, MARCH 20, 2025

2:00 PM - CITY HALL MEDIA ROOM, 2ND FLOOR

CALL TO ORDER

ROLL CALL

New Business

1. Update: FY 2024
2. Update: FY 2025 thru 2/28/2025
3. Discussion: FY 2026 Budget and Schedule
4. Discussion: Fund Balance Policy
5. Election of Chair and Vice Chair

PUBLIC COMMENTS

BOARD AND STAFF COMMENTS

FUTURE AGENDA ITEMS

ADJOURNMENT

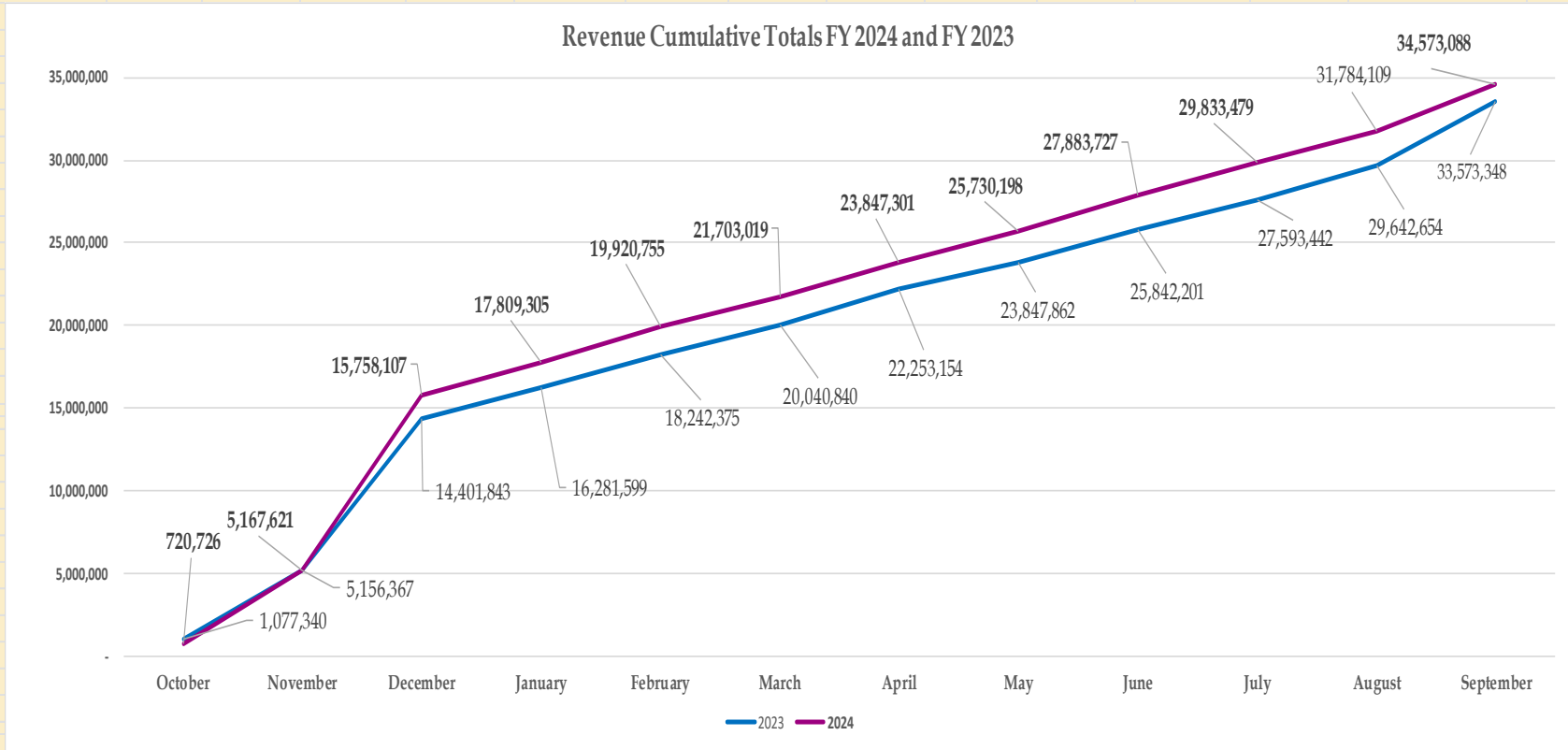
If any person decides to appeal any decision made by the Budget Advisory Committee with respect to any matter considered at this meeting, he/she will need a record of the proceedings, and that for such purpose, he/she may need to ensure a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The City of Tarpon Spring does not furnish verbatim transcripts. Interested parties should make necessary arrangements for the verbatim transcript in advance.



CITY OF TARPON SPRINGS, FLORIDA

- FINANCIAL UPDATE FY 2024
- FINANCIAL UPDATE FY 2025
- BUDGET FY 2026 AND SCHEDULE

FINANCIAL UPDATE FY 2024 (AT 9/30/24)-GENERAL FUND-UNAUDITED



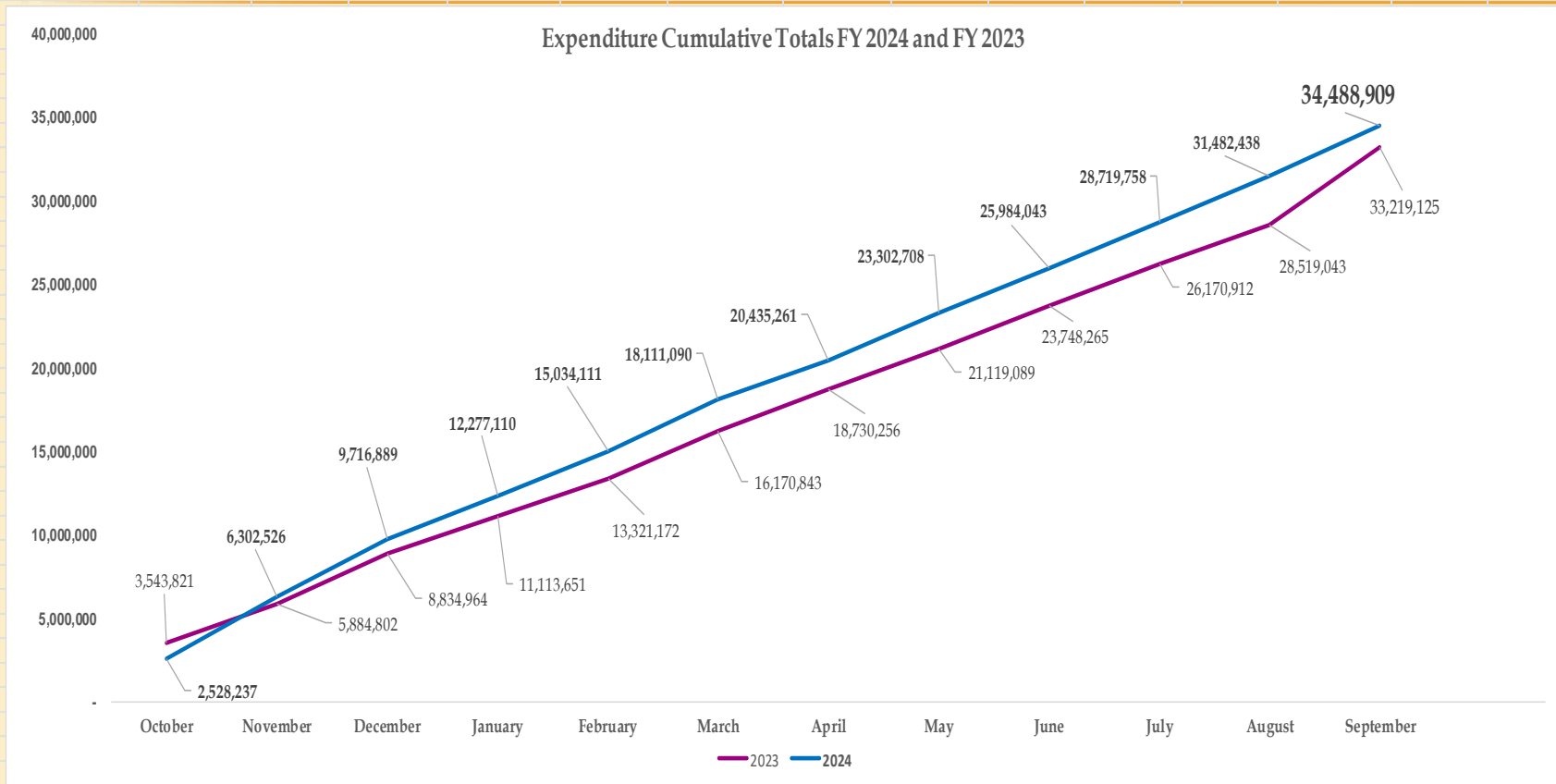
Fiscal Year Revenue	October	November	December	January	February	March	April	May	June	July	August	September
2024	720,726	5,167,621	15,758,107	17,809,305	19,920,755	21,703,019	23,847,301	25,730,198	27,883,727	29,833,479	31,784,109	34,573,088
2023	1,077,340	5,156,367	14,401,843	16,281,599	18,242,375	20,040,840	22,253,154	23,847,862	25,842,201	27,593,442	29,642,654	33,573,348
Variance	(356,615)	11,254	1,356,264	1,527,706	1,678,380	1,662,179	1,594,147	1,882,336	2,041,526	2,240,037	2,141,455	999,740

Primary Variances:

Taxable Value increase of 11.63% increasing Property Tax revenues by \$1.4 million.

Revenues plus \$999,740 or 3% over FY 2023

FINANCIAL UPDATE FY 2024 (AT 9/30/24)-GENERAL FUND-UNAUDITED



Fiscal Year Expenditure	October	November	December	January	February	March	April	May	June	July	August	September
2024	2,528,237	6,302,526	9,716,889	12,277,110	15,034,111	18,111,090	20,435,261	23,302,708	25,984,043	28,719,758	31,482,438	34,488,909
2023	3,543,821	5,884,802	8,834,964	11,113,651	13,321,172	16,170,843	18,730,256	21,119,089	23,748,265	26,170,912	28,519,043	33,219,125
Variance	(1,015,584)	417,724	881,925	1,163,459	1,712,939	1,940,247	1,705,005	2,183,619	2,235,778	2,548,846	2,963,395	1,269,784

Expenditures plus \$1,269,784 or 3.8% over FY 2023

***This report does not include outstanding encumbrances**

FINANCIAL UPDATE FY 2024 (AT 9/30/24)-GENERAL FUND-UNAUDITED

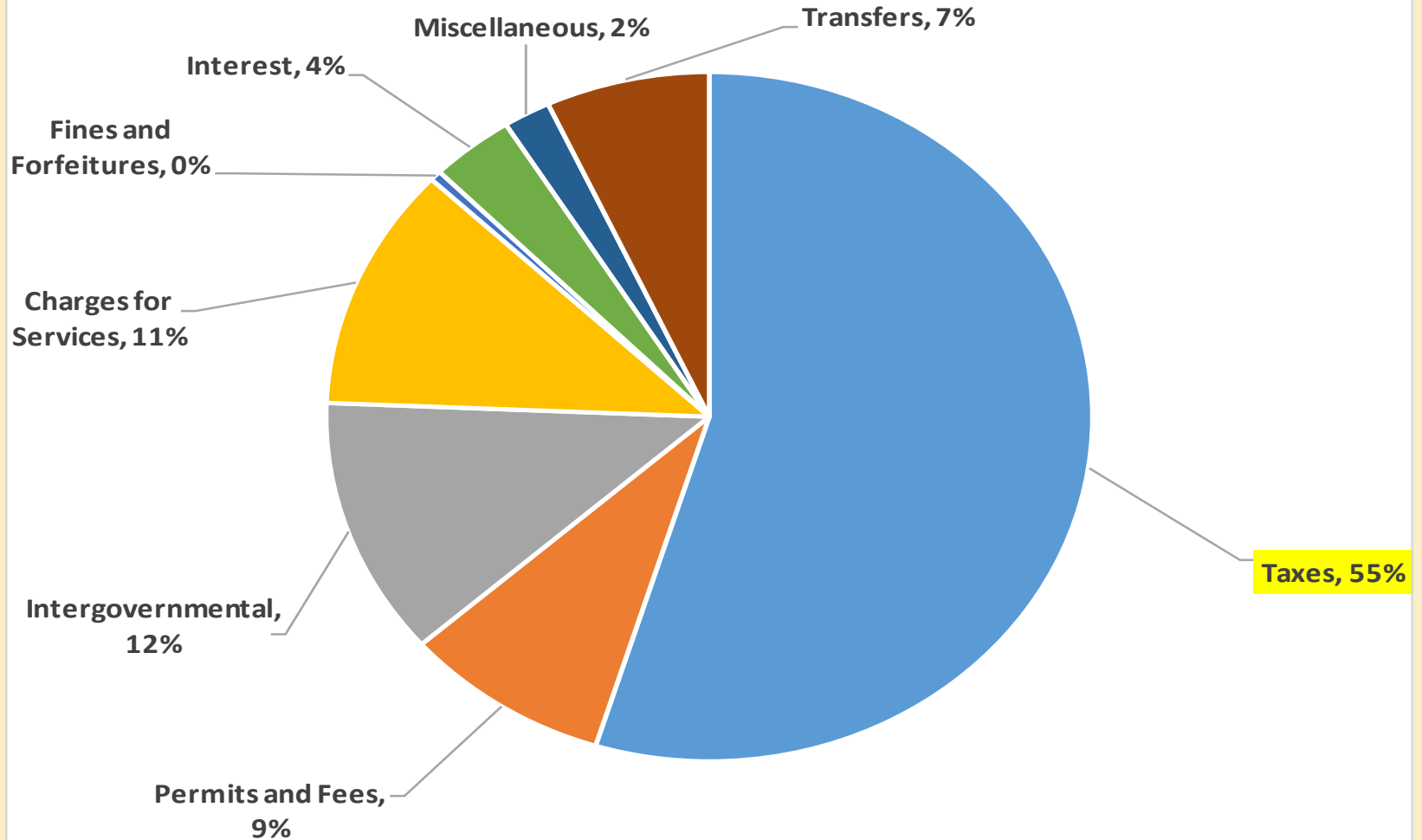
General Fund Revenues Summary by Source Type

	Thru September 30,				
	(A)	(B)	B-A	(C)	FY 2024
	Actual	Actual	Actuals Change	Budget Revised	Actuals to
	FY 2023	FY 2024	FY 2023 - FY 2024	FY 2024	Budget B/C
Taxes					
Ad Valorem	12,490,650	13,922,027	1,431,377	13,856,417	100%
Utility Taxes	3,950,606	3,960,570	9,964	3,755,399	105%
Communication Service Taxes	971,830	957,290	(14,540)	911,551	105%
Local Business Taxes	122,268	104,679	(17,589)	114,333	92%
Total Taxes	17,535,354	18,944,566	1,409,212	18,637,700	102%
Permits and Fees	3,151,576	3,015,946	(135,630)	2,942,034	103%
Intergovernmental	4,103,909	4,189,944	86,035	4,404,158	95%
Charges for Services	3,641,712	3,958,015	316,303	3,681,200	108%
Fines and Forfeitures	67,581	167,317	99,736	166,432	101%
Interest	873,924	1,219,283	345,359	387,427	315%
Miscellaneous	847,808	687,751	(160,057)	844,426	81%
Non-Revenue					
Debt Proceeds	1,254,538	-	(1,254,538)	-	-100%
Transfers	2,096,946	2,390,266	293,320	2,540,266	94%
Reserves:					
Unassigned	-	-	-	-	-
Restricted	-	-	-	2,401,117	-
Total Reserves	-	-	-	2,401,117	-
Total Non-Revenue	3,351,484	2,390,266	293,320	4,941,383	94%
Total	\$ 33,573,348	\$ 34,573,088	\$ 999,740	\$ 36,004,760	96%

Due to taxable value increase 11.63%.					
Franchise and Building Permit Fees down					
EMS and Fire increase					
Larger Code Enforcement fines 2024					
Rate of Return increase					
More Surplus Equip sale in FY 2023 along with insurance reimbursements					
Revenue Budget less Restricted Budget, Revenues at 103% of budget					

FINANCIAL UPDATE FY 2024 (AT 9/30/24)-GENERAL FUND-UNAUDITED

General Fund Revenues by Type FY 2024 at 9/30/24



FINANCIAL UPDATE FY 2024 (AT 9/30/24)-GENERAL FUND- UNAUDITED

General Fund Top Ten Revenues FY 2024 Compared to FY 2023 at September 30,						
	(A)	(B)	(B) - (A)	(C)		
	Thru September 30,		Actuals			(B) / (C)
	Actuals	Actuals	Incr (Decr)	Budget Revised	Percent of	Actuals to Budget
	FY 2023	FY 2024	2023 - 2024	FY 2024	FY 2024 Budget	FY 2024
Property Tax-5.37 Millage rate	\$ 12,477,927	\$13,894,871	\$ 1,416,944	\$ 13,826,554	41%	100%
Utility Tax-Electric	\$ 2,937,026	\$ 2,894,491	\$ (42,535)	\$ 2,750,784	8%	105%
Franchise Fee-Electric	\$ 2,362,404	\$ 2,227,053	\$ (135,351)	\$ 2,161,761	6%	103%
Half Cent Sales Tax	\$ 2,141,230	\$ 2,084,763	\$ (56,467)	\$ 2,139,637	6%	97%
EMS Fees	\$ 1,779,909	\$ 2,102,304	\$ 322,395	\$ 1,946,433	6%	108%
Comm Service Tax	\$ 971,829	\$ 957,290	\$ (14,539)	\$ 911,551	3%	105%
Revenue Sharing	\$ 1,264,001	\$ 1,213,675	\$ (50,326)	\$ 1,256,831	4%	97%
Utility Tax-Water	\$ 854,561	\$ 911,271	\$ 56,710	\$ 844,189	3%	108%
Building Permits	\$ 563,329	\$ 516,880	\$ (46,449)	\$ 553,888	2%	93%
Fire Fees	\$ 444,109	\$ 525,890	\$ 81,781	\$ 460,062	1%	114%
	\$ 25,796,325	\$27,328,488	\$ 1,532,163	\$ 26,851,690	80%	

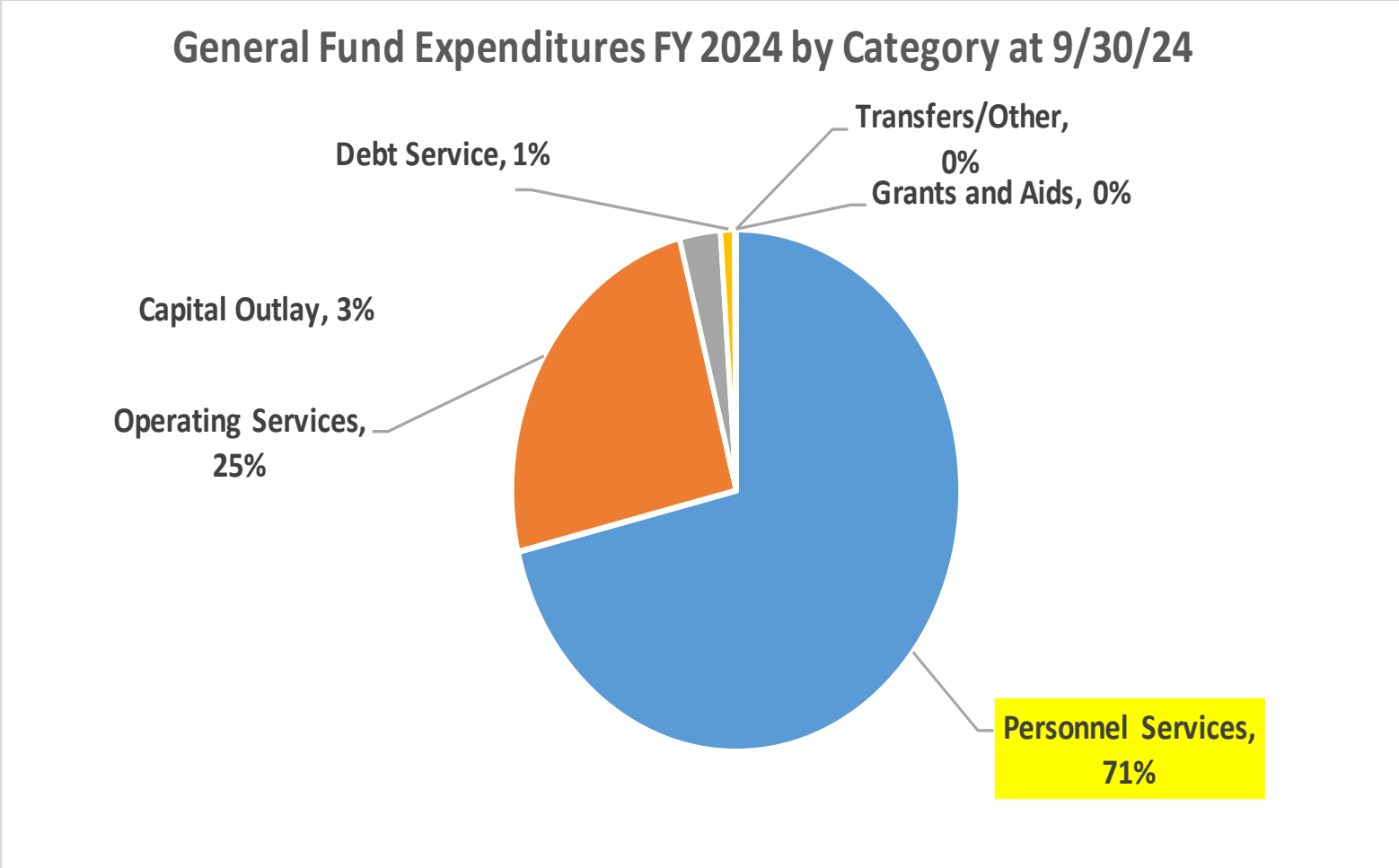
FINANCIAL UPDATE FY 2024 (AT 9/30/24)-GENERAL FUND- UNAUDITED

General Fund Expenditures by Category

		Thru September 30,					
		(A)	(B)	(B) - (A)	(C)	(B) / (C)	
Expenditure		Actual	Actual	Actuals Change	Budget	Actuals to Budget	
Classification		FY 2023	FY 2024	FY 2023 - FY 2024	FY 2024	FY 2024	
Personnel Services		22,135,149	24,543,847	2,408,698	24,663,212	100%	
Operating Services		9,515,308	8,511,419	(1,003,889)	9,587,337	89%	
Capital Outlay		1,351,180	1,014,826	(336,354)	1,269,890	80%	
Debt Service		187,997	374,151	186,154	-	0%	
Grants and Aids		29,491	44,666	15,175	117,500	38%	
Other-Fund Balance Reserve		-	-	-	366,821	0%	
Total Expenditures		\$ 33,219,125	\$ 34,488,909	\$ 1,269,784	\$ 36,004,760	95.8%	

- Personnel – Increase 10.88% due to Salary/Benefit Increases and 6 new positions
- Operating – Decrease 7.10% due to one time expense for Clinic & SBITA accounting entry
- Capital Outlay – Decrease 22.47%, FY 2023 Cemetery Mausoleum Roof, Public Safety Bldg Flooring, Sponge Boat Repairs, City Hall Building Renovations-Planning, Old PD Building

FINANCIAL UPDATE FY 2024 (AT 9/30/24)-GENERAL FUND-UNAUDITED



➤ Graph does not include outstanding encumbrances.

FINANCIAL UPDATE FY 2024 (AT 9/30/24)-GENERAL FUND- UNAUDITED

General Fund - Fund Balance Unaudited/Projected for 9/30/24*			
		Balance FY 2023	Ending Balance FY 2024 Proj
Fund Balances:			
Non-Spendable			
PrePaid Items		\$ 10,865	\$ 18,438
Leases		\$ 152,637	\$ 219,864
Restricted For:			
Donations		\$ 319,821	\$ 373,736
Committed To:			
Cemetery Perpetual Care		\$ 785,666	\$ 655,725
Tree Bank		\$ 418,068	\$ 401,652
Right of Way		\$ 148,424	\$ 148,424
Sidewalks		\$ 40,270	\$ 45,114
Assigned To:			
Compensated Absences		\$ 1,310,388	\$ 1,289,838
Disaster Reserve		\$ 50,000	\$ 50,000
Restricted Reserve used in Budget		\$ 337,000	\$ 586,600
Insurance/Other		\$ 202,469	\$ 202,469
Perpetual Exclusive Easement		\$ 720,000	\$ 720,000
Maintenance Reserve/Other		\$ 632,164	\$ 302,164
Public Safety		\$ 315,000	\$ 345,000
Library		\$ -	\$ 100,000
Encumbrances as of 9/30		\$ 673,181	\$ 259,393
Total Restricted Reserves		\$ 6,115,953	\$ 5,718,416
Unassigned Fund Balance		\$ 8,676,751	\$ 9,158,468
		\$ 14,792,704	\$ 14,876,884

Unassigned Fund Balance Projected to Increase \$481,717, est at 9/30/24
 Unassigned Fund Balance projected at 27% of Expenditures, est 9/30/24
 20% Minimum equals \$6.9 million, est. at 9/30/24

FY 2025 AS OF 2/28/25

FINANCIAL UPDATE FY 2025 (AT 2/28/25)-GENERAL FUND- UNAUDITED

General Fund Revenues Summary by Source Type					
Thru February 28					
	(A)	(B)	B-A	(C)	FY 2025
	Actual	Actual	Actuals Change	Budget Revised	Actuals to
	FY 2024	FY 2025	FY 2024 - FY 2025	FY 2025	Budget B/C
Taxes					
Ad Valorem	12,349,869	13,337,541	987,672	15,088,885	88%
Utility Taxes	1,266,536	1,282,962	16,426	4,031,898	32%
Communication Service Taxes	325,022	330,056	5,034	974,745	34%
Local Business Taxes	94,675	98,959	4,284	119,898	83%
Total Taxes	14,036,102	15,049,518	1,013,416	20,215,426	74%
Permits and Fees	990,133	1,249,897	259,764	3,079,808	41%
Intergovernmental	1,423,276	1,333,825	(89,451)	4,884,481	27%
Charges for Services	1,539,645	1,961,673	422,028	3,847,146	51%
Fines and Forfeitures	51,068	48,421	(2,647)	119,227	41%
Interest	291,619	212,874	(78,745)	411,751	52%
Miscellaneous	551,302	599,264	47,962	829,520	72%
Non-Revenue					
Debt Proceeds	-	-	-	-	-100%
Transfers	1,037,611	1,148,997	111,386	2,807,593	41%
Reserves:					
Unassigned	-	-	-	-	
Restricted	-	-	-	2,193,019	
Total Reserves	-	-	-	2,193,019	-
Total Non-Revenue	1,037,611	1,148,997	111,386	5,000,612	41%
Total	\$ 19,920,756	\$ 21,604,469	\$ 1,683,713	\$ 38,387,971	56%
<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="display: flex; align-items: flex-start;"> <div style="width: 15px; height: 15px; background-color: #00b0f0; margin-right: 5px;"></div> Due to taxable value increase 9.06%. </div> <div style="display: flex; align-items: flex-start;"> <div style="width: 15px; height: 15px; background-color: #ffc107; margin-right: 5px;"></div> Building Permits - Anclote Harbors </div> <div style="display: flex; align-items: flex-start;"> <div style="width: 15px; height: 15px; background-color: #ffc107; margin-right: 5px;"></div> Decrease in Revenue Sharing, Half Cent Tax and Library Coop fees </div> <div style="display: flex; align-items: flex-start;"> <div style="width: 15px; height: 15px; background-color: #6c757d; margin-right: 5px;"></div> Increase in EMS fees, Plan Checking fees (Anclote Harbor) and Ticket Sales </div> <div style="display: flex; align-items: flex-start;"> <div style="width: 15px; height: 15px; background-color: #6c757d; margin-right: 5px;"></div> Rate of Return decrease </div> <div style="display: flex; align-items: flex-start;"> <div style="width: 15px; height: 15px; background-color: #6c757d; margin-right: 5px;"></div> Increase in Library donations from Friends of Library </div> </div>					

FINANCIAL UPDATE FY 2025 (AT 2/28/25)-GENERAL FUND- UNAUDITED

General Fund Expenditures by Category

		Thru February 28,				
		(A)	(B)	(B) - (A)	(C)	(B) / (C)
Expenditure		Actual	Actual	Actuals Change	Budget	Actuals to Budget
Classification		FY 2024	FY 2025	FY 2024 - FY 2025	FY 2025	FY 2025
Personnel Services		10,668,944	12,327,375	1,658,431	26,255,453	47%
Operating Services		3,858,244	4,204,302	346,058	10,060,485	42%
Capital Outlay		479,128	244,057	(235,071)	735,432	33%
Debt Service		-	-	-	-	0%
Grants and Aids		27,795	5,000	(22,795)	65,500	8%
Other-Reserve for Unassigned and and \$720,000 for Fire Station 70		-	-	-	1,271,101	0%
Total Expenditures		\$ 15,034,111	\$ 16,780,734	\$ 1,746,623	\$ 38,387,971	43.7%

- Personnel – Increase 15.5% due to Salary/Benefit Increases and Hurricanes OT
- Operating – Increase 8.9% cost increases and for expenditures for the Hurricanes
- Capital Outlay – Decrease, FY 2024 had High Water Vehicle and Community Center Generator

FINANCIAL UPDATE FY 2025 (AT 2/28/25)-ANCLOTE HARBORS

Anclote Harbor Fees paid 1/3/25		
Police Impact		\$ 212,707.67
Fire Impact		\$ 183,027.53
Fire Impact Surcharge Impact		\$ 78,666.89
General Government Impact		\$ 44,520.21
Transportation Impact City		\$ 275,365.00
Transportation Impact County		\$ 275,365.00
Transportation Impact Admin		\$ 22,946.00
Sewer Impact		\$ 299,444.80
Water Impact		\$ 347,489.60
Impact Fee Total		\$ 1,739,532.70
Water Connection Fee		\$ 81,292.80
Permit Fees		\$ 236,070.00
Plan Checking Fees		\$ 193,418.00
Technology Fee		\$ 3,790.87
New Construction Fee		\$ 330.00
Building Code Surcharge		\$ 2,933.59
Building Code Enf Surcharge		\$ 1,955.75
Total Receipt		\$ 2,259,323.71

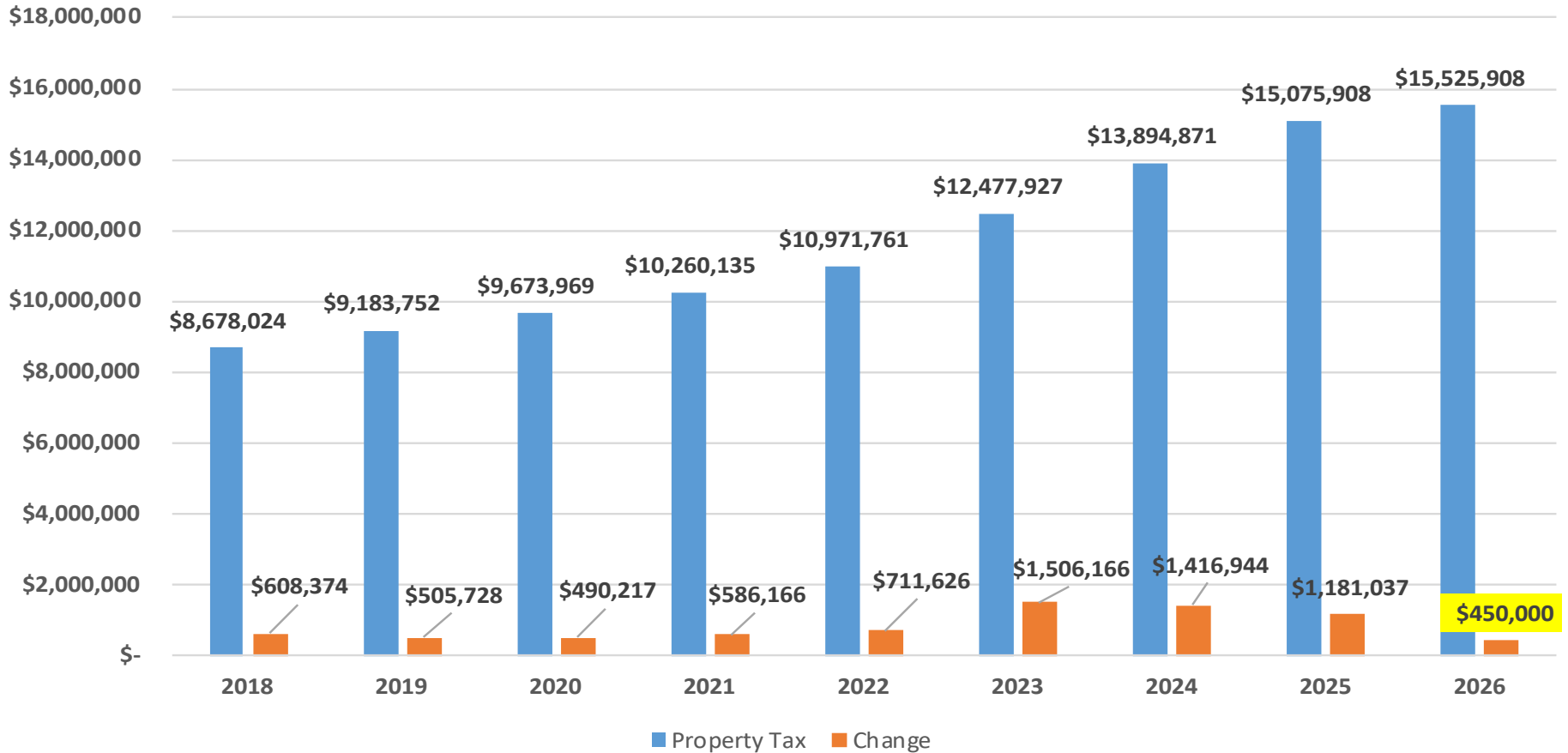
FY 2026 BUDGET SCHEDULE

FY 2026 BUDGET PROCESS TENTATIVE TIMETABLE

- April 2025 Finance compiles budget request, projects payroll and balances funds
- April 29, 2025 CIP workshop with Board of Commissioners (Tentative)
- May 1, 2025 FY 2026 Proposed Budget to City Manager
- May 5-9, 2025 City Manager meets with Departments
- May 15, 2025 Meeting with Budget Advisory Committee on FY 2026 Proposed Budget
- May 22, 2025 Budget Advisory meeting with Departments
- May 29, 2025 Budget Advisory meeting with Departments
- June 3, 2025 BOC meeting on Budget Public Hearing Survey
- June 5, 2025 Budget Advisory meeting with Departments (if needed)

TAX RECEIPT HISTORY

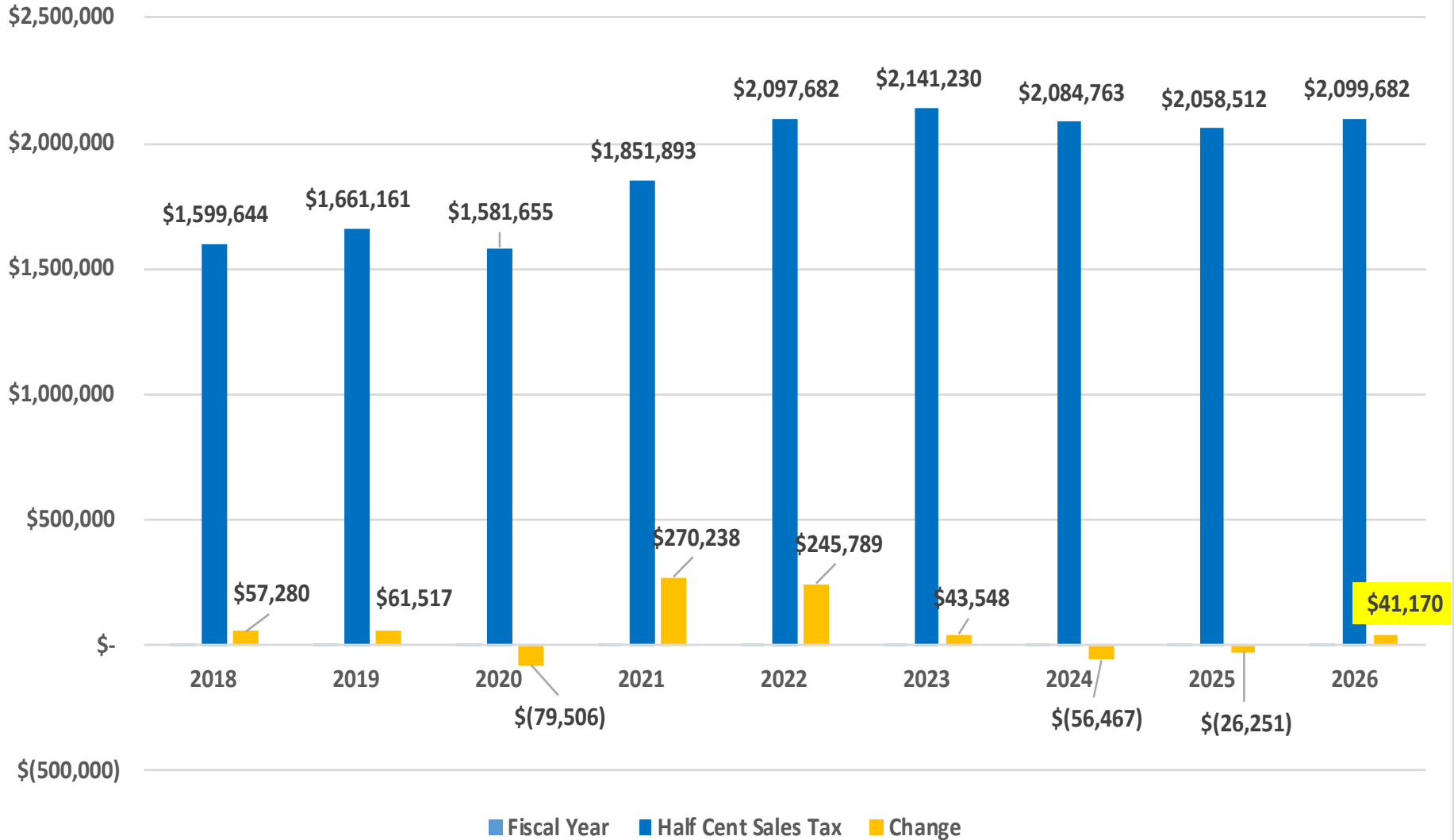
Property Tax FY 2018 - FY 2026 Projected



- FY 2026 Projected at 3% tax value increase, approx. \$150,000 per 1%
- Prior tax value increase FY 2025 - 9.06%; FY 2024 - 11.63%; FY 2023 - 13.96%
FY 2022 - 7.19%

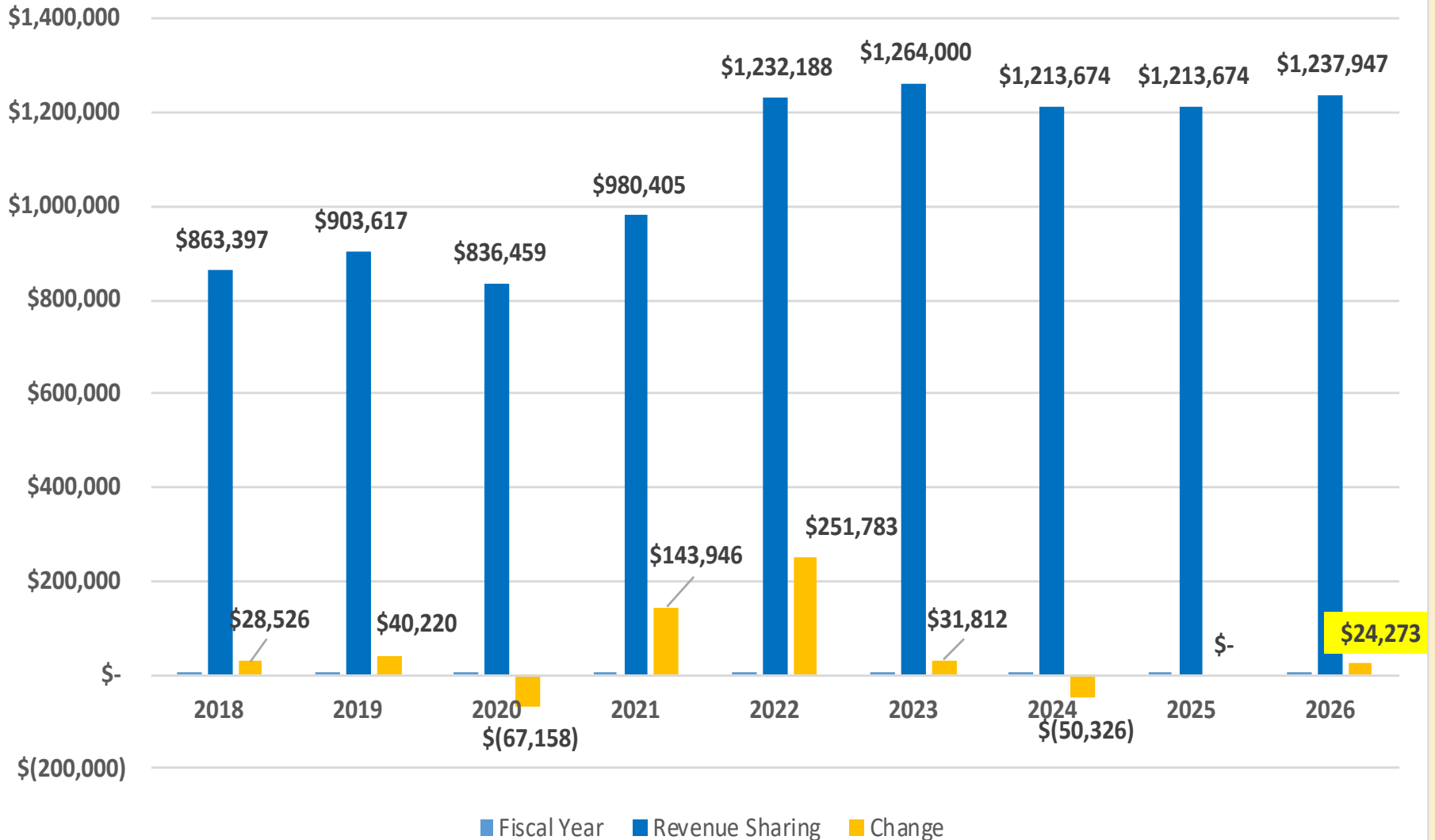
TAX RECEIPT HISTORY

Half Cent Sales Tax FY 2018 - FY 2026 Projected



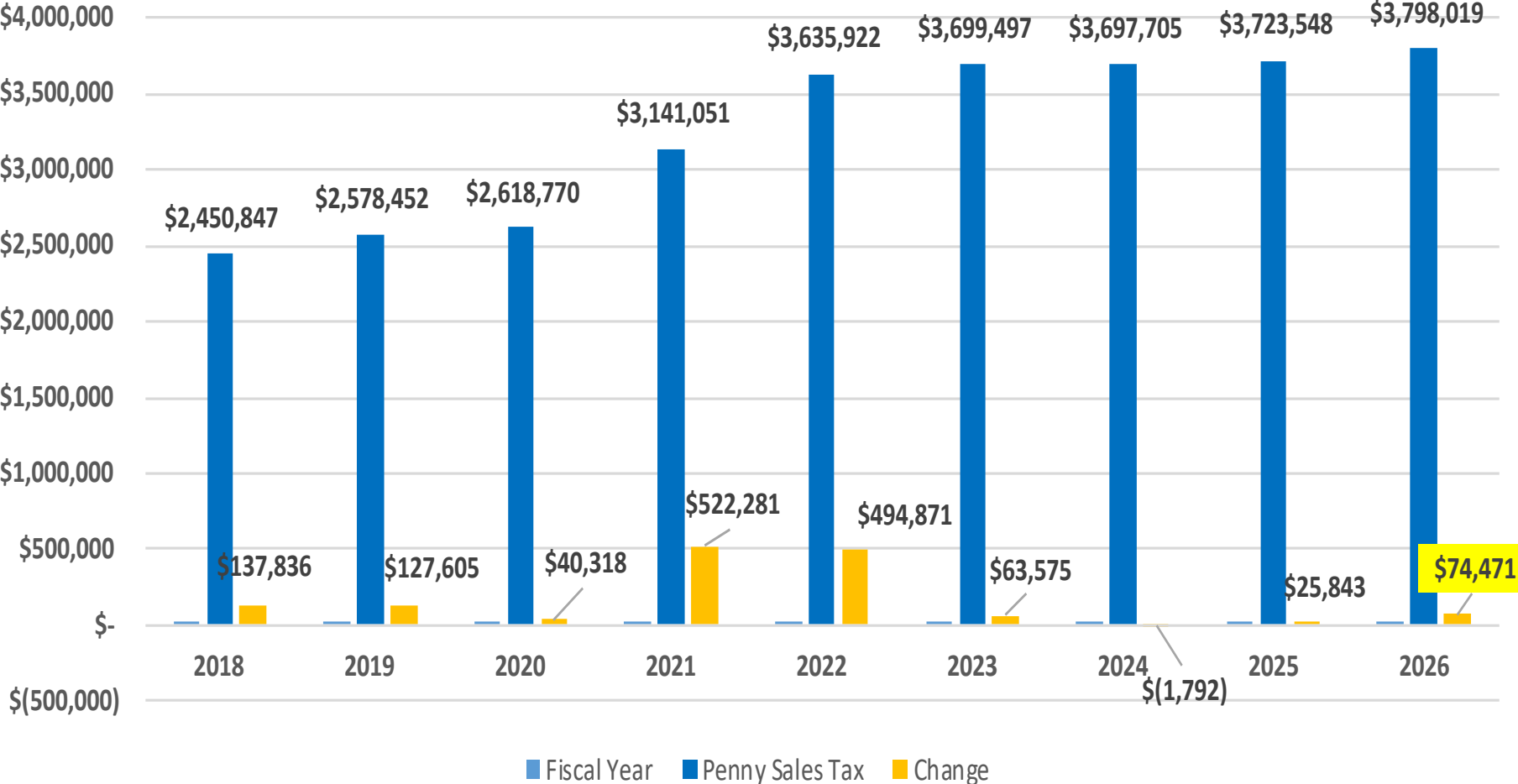
TAX RECEIPT HISTORY

Revenue Sharing FY 2018 - FY 2026 Projected

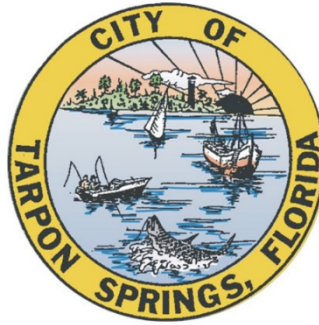


TAX RECEIPT HISTORY

Penny Sales Tax FY 2018 - FY 2026 Projected



Questions?



FUND BALANCE / NET ASSET POLICY

I. Purpose

To establish a fund balance / net assets policy tailored to the needs of the City to insure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy will ensure the City maintains adequate fund balance / net assets and reserves in the City's various operating funds to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain investment grade bond ratings, (3) offset significant economic downturns and revenue shortfall, and (4) provide funds for unforeseen expenditures related to emergencies.

II. Definitions of Fund Balance/Net Assets

Fund Balance of Governmental Funds:

Fund Balance - As defined by the *Governmental Accounting, Auditing and Financial Reporting* of the Government Finance Officers Association, fund balance is "The difference between assets and liabilities reported in a governmental fund."

Non-Spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers (such as creditors, grantors, or contributors), or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (ordinance or resolution) of the Board of Commissioners, the City's highest level of decision making authority. Commitments may be changed or

lifted only by the Board of Commissioners taking the same formal action (ordinance or resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned Fund Balance – Consists of amounts that the City intends to use for specific purposes that are neither restricted nor committed; the intent shall be expressed by the management of the City.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Net Assets of Proprietary Funds:

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers (such as creditors, grantors, or contributors), or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – The residual balance of net assets after the elimination of the amounts invested in capital assets net of related debt and the restricted net assets.

III. POLICY

The City will maintain reservations of unassigned fund balance in the General Fund and unrestricted net assets in the Proprietary Funds of the City. The City shall retain the minimum requirement for each fund listed below.

A. General Fund There shall be a reserve balance in its unassigned fund balance equal to 20% of the current fiscal year operating expenditure and transfers out budgeted for the fund. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30th for the subsequent fiscal year. The reserve shall be in addition to all other categories of fund balance which include Non-Spendable, Restricted, Committed and Assigned. In any fiscal year where the City is unable to fund the reserve balance of Unassigned fund balance as required in this section, the City shall not budget any amount of unappropriated fund balance for the purpose of balancing the budget.

B. Enterprise Funds The City maintains a Sanitation Fund, Water and Sewer Fund, Storm Water Fund, Marina Fund and a Golf Course Fund. ~~With the exclusion of the Marina and Golf Course Funds~~ The City shall maintain a balance of unrestricted net assets equal to 25% of the operating expenses and transfers out of the current fiscal year budget ~~for that fund~~ for the Sanitation Fund, Water and Sewer Fund and Storm Water

Fund, and 5% of the operating expenses and transfers out of the current fiscal year budget for the Marina Fund and the Golf Course Fund. For the purposes of this calculation, the current year shall be the budget as originally adopted by resolution on or before September 30th for the subsequent fiscal year. The unrestricted amount shall be in addition to all other required restrictions of net assets including but limited to amounts restricted for debt service and/or amounts restricted for renewal and replacement of long lived assets.

- IV. Utilization of Surplus Reserves** In the event that the unassigned fund balance of the General Fund or unrestricted net assets of the Proprietary Funds exceed the amounts set forth above, the excess may be utilized for any lawful purpose. Nevertheless, it is recommended that priority be given to utilizing the excess within the fund in which it was generated. It may also be used for one-time costs including the establishment of or increase in legitimate restrictions, commitments or assignments of fund balance or restrictions of net assets.
- V. Replenishment of Reserve Deficits** If, at the end of any fiscal year, the actual amount of unassigned fund balance or unrestricted net assets falls below the required fund levels set forth herein, the City Manager shall prepare and submit a plan for expenditure or expense reductions and / or revenue increases to the City Commission. As a part of the annual budget review, the City Commission shall review and, if necessary, amend the plan submitted by the City Manager for restoring the amounts of unassigned fund balance or unrestricted net assets to the required levels. Any deficit in the required amount must be restored no later than the end of the second fiscal year following the occurrence.
- VI. Annual Review** Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process.