



## **CITY OF BELLE ISLE, FLORIDA**

1600 Nela Avenue

Belle Isle, Florida 32809

(407) 851-7730 • FAX (407) 240-2222

[www.cityofbelleislefl.org](http://www.cityofbelleislefl.org)

August 3, 2021

Honorable Mayor, Members of the City Council, and Citizens of Belle Isle:

I am pleased to submit the Fiscal Year 2021-2022 Preliminary Operating and Capital Budget in accordance with the City Charter.

We are in unprecedented times. It is important to note the FY21-22 proposed budget still includes financial impacts as a result of the ongoing COVID-19 Pandemic. In fact, it is likely we will not know the full financial impact of COVID-19 in time to alter the budget prior to the legally required deadline of September 30, 2021 especially if we are to receive funds from the State under the American Recovery Plan Act (ARPA).

Before I go into more detail about the budget this year, I want to recognize and commend all of our City staff; Administration, Public Works and Police for their commitment and dedication to the residents of Belle Isle during this past year. Working under strict COVID protocols and guidelines and by taking the necessary steps to keep themselves, their families, and our residents safe from COVID 19, their commitment to the City is truly commendable. They worked long hours under very strenuous conditions to keep the City safe and operational.

The staff did put together a “needs” list that is submitted to the Council as part of the FY21-22 Budget. It consists of personnel, equipment, and projects that would meet the Council goals if the resources are available to fund them. These are needs that the City staff requires to provide the level of service to the City that the Council wants to see and what residents have come to expect.

Using the assumptions that are presented below, this budget represents a balanced budget for the upcoming fiscal year without raising property taxes; however, the City will have to use \$160,514 from reserves unless additional funds are received. The initial deficit was approximately \$376,100, but the Budget Committee deferred paving projects (\$150,585) and traffic calming projects (\$65,000) by moving them to the “Needs” List. The Committee decided that it would be the Council’s decision to use reserves for these projects. Although there was discussion at the Budget Committee meetings regarding raising the millage rate this year, the

discussions were too late in the process for the City to certify the taxable value and proposed millage rate to the County by July 30<sup>th</sup>. This prevented the City from increasing the rate for this year.

Notable Financial Assumptions:

- No tax millage increase for the 13<sup>th</sup> year
- maintaining current excellent levels of service to the community
- salaries for BIPD are in accordance with the Police Pay Plan (approximately 4% increase)
- 3% COLA is programmed for Non-uniform Employees
- hiring for new positions will not occur unless additional funding is received
- proposed expenditures will exceed proposed revenues by approximately \$160,514 in the General Fund thereby needing to use reserves for General Fund operations
- prioritized needs list is included for review in the event additional funding is received
- The City expects ARPA Funds and possibly rent received from Cornerstone Charter Academy (CCA) to replenish reserves prior to the end of the fiscal year
- The City anticipates receiving approximately \$3.6 million from the ARPA Program over 2 years. We received guidance from the federal government and state that half will be received in FY21-22 and the other half will be received in FY22-23.
- A prioritized “needs” list was created to determine what may be added to the budget if additional revenues were received or to use reserves for certain projects

The budget process started in May with the city staff receiving guidance from the City Council on goals for next year. These goals included more enforcement of traffic especially on the major roads in the City (Hoffner, Judge, Daetwyler and McCoy) and also increased enforcement by the BIPD Marine Patrol. The Council also discussed using the vacant Bank of America property for either a new police station or part of the CCA expansion. Traffic calming was also a goal of the Council.

Departments submitted their budgets to the Finance Director in June and the budget was presented to the Budget Committee for review in July. The Budget Committee, made up of citizens from each of the City’s seven voting districts, is responsible to review and make recommendations on the annual operating budget as proposed by the city manager and to review and make recommendations on annual capital expenditures as proposed by the city manager.

The Committee held four workshops in July to review each fund. City staff attended the workshops to answer questions. The Committee worked at a disadvantage in that they did not have a quorum for one of the meetings and there has not been a full committee for some time. Most meetings have been with a minimum needed for an in-person quorum (4) with one member attending remotely.

With the direction from the Council and other needs of the City as determined by the City Manager and key staff members, the proposed budget could not provide the necessary resources to achieve the direction and goals set by the Council. The staff did put together a

“needs” list consisting of personnel, equipment, and projects that would meet the Council goals if the resources are available to fund them. This list prioritizes the needs that the City staff requires to continue to provide the exceptional level of service to the City that the residents have come to expect. At the final workshop held on July 23, 2021, the Committee made final recommendations to be sent to the Council along with the prioritized needs list. The Committee believed that the Council should decide what items to include from the needs list in the budget and where those funds will come from.

This budget calls for no new revenues in the General Fund and an increase of the non-ad valorem stormwater rate by \$5 per residence. The Committee also recommended that the City Manager investigate the possibility of adding a fee to businesses; however this was preempted by the recent bill that the Governor signed into law this past year.

The City continues to repair and replace much needed infrastructure and equipment that was in very poor shape; we completed projects that will benefit the citizens for years to come; we continued to fund many one-time projects. This past year, the City completed the stormwater projects at Delia Beach and we resolved a flooding issue on Stafford Avenue, Colleen Avenue, and at the corner of Seminole and Daetwyler that was a problem for residents for many years. This year, when the City receives ARPA funding, we have a list of stormwater projects that are ready to go. At the top of this list is the stormwater project on Sol Avenue. The City is also partnering with Orange County EPD and the Lake Conway Navigation Advisory Board to move other stormwater projects to the front of the priority list. Those will include Barby Lane, East Wallace Street, and other smaller projects.

Flooding problems, renovating the Bank of America property, annexation, working on Wallace Field, and continuing to work with Cornerstone Charter Academy on its expansion will be the focus for this fiscal year. The City has identified many places in the City where flooding continues due to inoperable grass swales or corroding pipes. This next year, the City’s Public Works Department will focus on reconditioning the grass swales and replacing pipes. The City will look to install Rectangular Rapid Flashing Beacons (RRFB) on Hoffner Avenue this year in the vicinity of Pleasure Island Road and Peninsular. The City also has scheduled to install permanent speed humps on Seminole Drive, Barby Lane and Indian Drive. This project was requested by the residents as a way to stop cut through traffic and reduce speeding in this area.

This budget maintains the current level of service from FY19-20 and FY20-21. We are concentrating our resources on maintaining our current level of service, safety of our employees (from the Delta variant), and completing some smaller projects that may have been delayed from last year. For this budget, as in past budgets, the City continues to account for expenses in the fund in which they occur. This provides a more accurate accounting of expenses in the fund. For example, the City Manager, Finance Director, and Public Works provide services to stormwater and the charter school, and this budget distributes those costs to the other funds based on a percentage of time spent in those funds.

The budget is balanced with revenue from ad valorem and non-ad valorem taxes (franchise fees, state shared tax receipts; solid waste collection fees; fees for stormwater management; reimbursements for law enforcement; and development and review fees) and reserves.

As a quick overview, here is the preliminary budget for FY21-22 for all funds compared to the FY20-21 amended budget:

FUNDS	REVENUES		EXPENDITURES	
	FY 20/21 AMENDED	FY 21/22 PROPOSED	FY 20/21 AMENDED	FY 21/22 PROPOSED
<b>General Fund</b>	6,791,149	<b>7,253,309</b>	6,870,513	<b>7,413,823</b>
<b>Transportation Impact Fee Fund</b>	4,000	<b>500</b>	64,500	<b>55,100</b>
<b>Stormwater Fund</b>	392,087	<b>405,841</b>	560,155	<b>350,600</b>
<b>LE Education Fund</b>	2,500	<b>2,000</b>	6,200	<b>6,000</b>
<b>Charter Debt Service Fund</b>	1,050,141	<b>1,037,341</b>	958,588	<b>1,419,173</b>
<b>Equipment Replacement Fund</b>	1,000	<b>500</b>	0	<b>0</b>
<b>2020 Bond Fund</b>	0	<b>0</b>	2,057,900	<b>442,100</b>
<b>TOTALS</b>	<b>8,240,877</b>	<b>8,699,491</b>	<b>10,517,856</b>	<b>9,686,796</b>

### GENERAL FUND PRELIMINARY BUDGET

The General Fund provides approximately 75% of the total operating budget for all governmental funds. The total preliminary General Fund budget, including reserves, is \$10,253,309, an increase of \$925,256 (10%) from the FY20-21 amended budget.

### FINANCIAL OUTLOOK

The City does not have many funds. The two main funds are the General Fund and the Stormwater Fund.

**General Fund revenues** will increase from the amended FY20-21 budget. This is mostly due to an increase in the projection of an increase in the Beginning Fund Balance, Orange County Property Appraiser Assessments, Local Options Gas Tax, Electric Franchise Fees, and Fines and Forfeitures. We did not budget an increase in Communication Tax because the revenue estimate is not available yet from the Department of Revenue; however hopefully it will increase with all of the on-line and remote work done during the pandemic. We also did not budget an increase in State Shared Revenues, or the Half-Cent Sales Tax. We still expect that property values will increase, therefore increasing the Ad Valorem (property tax) by approximately 5% due to the property appraiser assessments; not a millage rate increase.

For General Fund Revenues, all major categories except Intergovernmental Revenues have increased but not very much. Last year, the Council rescinded the Electrical Utility Tax of 3% and replaced it with an Electrical Franchise Fee of 3% and we project an increase of 25% in electric franchise fees. Building permit fees may also increase by 20% due to a strong real estate market and should CCA start their expansion, building permit fees will increase. The City

approved a 3% increase for the solid waste and recycling company which is a contractual increase. Therefore, the residential rate will go from \$21.07 (\$252.84 annually) to \$21.70 (\$260.40).

The **Stormwater Fund** does not have the stability that is in the General Fund, but with the adoption of the CIP, this fund, over the next few years will become more stable. Charges for services will increase by 3.6%. The City continues to repair and replace stormwater infrastructure to reduce or correct areas that flood during periods of high rain. The City is making progress in this area with the completion of the system at Delia Beach and work at Stafford and Colleen, but we still have 3-5 years of repairs to get ahead of the problem. Much of the ARPA funds should go toward stormwater infrastructure this year and next year. This funding should take care of most of the projects on the City's Stormwater CIP list. Also, the City is partnering with Orange County on several important projects in the City that were identified in the County's Lake Conway Stormwater Quality Master Plan. The City will also look into the state's "septic to sewer" program. If so, the City can start the process to acquire state and federal funding for the program.

#### **HIGHLIGHTS OF THE PRELIMINARY BUDGET**

The FY21-22 preliminary budget contains funding for on-going services to the community.

The following reflect some of the highlights and assumptions regarding the budget:

##### General Fund

- Millage to remain at 4.4018
- Revenues remain close to previous years
- Use of Reserves to fund operations
- Code Enforcement will be transferred to the Police Department
- Increase in non-ad valorem assessments, garbage will increase to \$260.40
- Establish 3% COLA for Non-uniform Employees and 4% for Police Officers
- No new employees added
- Expectation of ARPA funding during the budget year
- No transfers to Equipment Replacement Fund
- No funds allocated for BING grants

##### Transportation Impact Fees

- Speed humps on Seminole Drive, Barby Lane and Indian Drive.
- Rectangular Rapid Flashing Beacon (RRFB) on Hoffner at Pleasure Island and Peninsular intersections

##### Stormwater Fund

- Stormwater assessments increase from \$120/EDU to \$125/EDU
- Revenues increase from \$392,087 to \$405,841
- Stormwater CIP may be funded by ARPA funds

- Sol Avenue Project to be done this budget year
- City to partner with Orange County EPD to complete Barby Lane Project

### Charter School

- Partial funding of HS HVAC replacement
- Roof Repairs to HS and Field House

### Capital Improvement Plan

- General Fund - Equipment
  - Police Department \$16,500 (New Radios)
  - Public Works \$34,000 (New Mowers)
  - Public Works \$25,000 (Bucket Truck)
  
- General Fund – Projects
  - Paving \$200,000 (Finish District 3 area)
  - Paving \$150,585 (District 2 & 5 area)<sup>1</sup>
  - Swann Beach \$25,000 (Deck- ADA)
  - Nela Bridge Repairs \$47,000 (Decking, fencing, paint)
  - Sidewalks \$25,000 (Various city-wide locations)
  - Traffic Calming \$65,000 (Design & Engineering for traffic signal on Hoffner at St. Germaine and roundabout at Via Flora and Flowertree)<sup>1</sup>
  
- <sup>1</sup> – Project moved to Needs List

  - Transportation Impact Fee Fund – Projects
    - Traffic Calming 12,000 (Speed Humps)
    - Pedestrian Crossings \$43,100 (Hoffner at Pleasure Island and Peninsular)
  
  - Stormwater Fund – Projects
    - Sol Avenue Drainage \$490,000 (new infrastructure)
    - Barby Lane \$196,250 (Upgrade system)
    - E. Wallace Drainage \$1.2 million (reclaimed water project)
  
  - Charter School – Projects
    - HS HVAC \$425,000
    - HS Roof \$13,000
    - Field House Roof \$104,000

## **REVENUES**

### **General Fund**

#### **Taxes and Fees**

Revenue projections are based on historical data and financial forecasts provided by City staff, Orange County and the Florida League of Cities for state shared revenues.

#### **Ad Valorem Taxes**

The proposed property tax rate for FY21-22 remains unchanged at \$4.4018 per one thousand dollars (\$1,000) of assessed value. The current year taxable value for property in Belle Isle is \$881,194,409 (4.5% increase from \$842,860,574). The total budgeted ad valorem revenue, \$3,684,899 increased \$160,301 (4.54%) from last year (\$3,524,598). The current year's budgeted tax receipts is based on the total valuation of property for purposes of taxation, the general economic environment, and a collection rate of 95%.

#### **Non-Ad Valorem Taxes**

A non-ad valorem assessment is a **special assessment or service charge which is not based on the value of the property**. Non-ad valorem assessments are assessed to provide certain benefits to your property including services such as landscaping, security, lighting, and trash disposal. Currently the City only has a solid waste non-ad valorem tax that is in the General Fund. As stated above, the City approved a 3% increase for the solid waste and recycling company which is a contractual increase. Therefore, the residential rate will go from \$21.07 (\$252.84 annually) to \$21.70 (\$260.40). Expected revenues from Solid Waste assessments is \$652,836.

#### **Other Revenue Sources (Combined)**

Other revenue sources that the City collects are the gas tax, utility tax (collected only on propane), permit fees, franchise fees (electric and solid waste), state shared revenues, charges for services (special events), fines, and other miscellaneous revenues. Combined, these revenues make up \$3,568,410 or 49% of the General Fund Revenues. This number is up by 9.24% from last year's combined revenues.

#### **Fund Balance Appropriated**

There is a delicate balance between maintaining a healthy reserve and allocating the necessary funds to maintain systems; however a normal fund balance should range between 15-20% of the operating budget. The Budget Committee is recommending a minimum fund balance of 25% of revenues. We expect that this budget will end the year with a fund balance in the general fund of \$2,839,486 (39%) which is up from \$2,457,540 in FY20-21.

#### **General Fund revenue breakdown**

The Chart below depicts the breakdown of various revenue types and compares FY20-21 to the FY21-22 budget (minus reserves).

<b>Revenue</b>	<b>FY 20/21 AMENDED</b>	<b>FY 21/22 PROPOSED</b>
Ad Valorem Taxes	3,524,598	3,684,899
Other Taxes	417,000	436,500
Licenses and Permits	418,000	504,900
Intergovernmental	1,533,668	1,504,279
Charges for Services	638,161	658,836
Fines and Forfeitures	182,500	417,500
Miscellaneous Revenue	77,222	46,395
<b>TOTAL REVENUES</b>	<b>6,791,149</b>	<b>7,253,309</b>

### **TRANSPORTATION IMPACT FEE FUND**

Traffic Impact fees are charged for new development, currently limited to only new residential development. Funds are used for the cost of expanding traffic facilities demanded by new development. Currently, the City hired a consultant to update the current development impact fees as well as provide a new study that will include a general government, transportation, park, police and fire impact fees for residential, commercial, and industrial development, and any other impact fee that may be recommended consistent and pursuant to the Florida Impact Fee Act.

Although the City has not projected any impact fees being collected this fiscal year, the beginning fund balance is \$126,126 and can be used for traffic facilities due to an increase in traffic in the city.

### **STORMWATER FUND**

#### **Stormwater Fund**

Charges for Stormwater fees are assessed by units by the appraiser at Orange County as a non-ad valorem assessment and applied at \$125/unit. This assessment is the only source of revenue for fund with the exception of interest. The total charge for services for the fund is \$405,341 which is 3.6% over the previous year. If funds are received from the federal ARPA Program, much of our stormwater projects can be completed over the next two years.

### **CHARTER SCHOOL DEBT SERVICE FUND**

#### **Charter School Debt Service Fund**

Revenue for this fund is derived from rent revenue received from Cornerstone Charter Academy and is based on the student enrollment count. The student count is estimated in October and then finalized in February. This year, the count is anticipated to be 1,482. Each student is assessed \$700 which brings the total rent to \$1,037,341.

### **CAPTIAL EQUIPMENT REPLACEMENT FUND**

#### **Capital Equipment Replacement Fund**



This fund was established by the Council in 2019. The purpose of the fund is to provide the funds necessary to purchase capital equipment. The only sources of funds come from transfers from the General Fund and Stormwater Fund. Due to revenue shortfalls in both funds, this fund will not receive any funding this fiscal year. There is currently \$19,131 in this fund.

### **CAPTIAL IMPROVEMENT FUND (2020 BOND NOTE)**

In 2020, the City issued \$2.6 million in bonds. The proceeds from these bonds were to purchase the Bank of America property and to either purchase additional property or to use for stormwater projects. The proceeds are required to be spent within 3 years. There is currently \$442,100 remaining in this fund.

### **EXPENDITURES**

#### **General Fund**

The General Fund is used to account for all expenditures that are not restricted to specific purposes or otherwise required to be accounted for in another fund. General fund dollars are used to support such City services as police, public works, as well as planning, and administrative support services. Services and programs currently budgeted have been maintained. Total General Fund expenditures are projected to be \$7,413,823 (8%) above the amended FY20-21 budget of \$6,870,513.

#### **POLICE**

The Belle Isle Police Department promotes public safety through service, integrity and professionalism and in partnership with the community and other governmental agencies to:

- Prevent and deter crime
- Enhance the safety of the traveling public through education and enforcement
- Safeguard property and protect individual rights
- Improve the quality of life of those the department is entrusted to serve.

The department consists of eighteen full-time certified police officers who are dedicated to keeping the citizens of Belle Isle safe. The force is comprised of one Police Chief, one Deputy Chief, two Patrol Sergeants, one Detective Sergeant, two Corporals, twelve Patrol Officers (three of which are marine patrol), one School Resource Officer, one Community Service Officer, one Administrative Assistant and five Crossing Guards. The School Resource Officer is primarily funded by the Cornerstone Charter Academy. The Code Enforcement Officer will be transferred to the Police Department. The Code Enforcement Officer and the Community Services Officer will combine duties to provide weekend coverage for the City.

The Belle Isle Police Department contracts with the Orange County Sheriff's Office Communications Division to provide dispatching services for our officers. Our Department works closely with the all law enforcement agencies in Central Florida and has current

Memorandums of Understanding (MOU) with all agencies in Orange County and the Florida Department of Law Enforcement.

Belle Isle patrol officers are also certified Marine Patrol Officers. They work part-time in partnership with the Orange County Sheriff's Office Marine Patrol Unit and the Florida Wildlife Commission to patrol the Conway Chain of Lakes and enhance the safety of all residents and visitors through education and enforcement. The Department participates in and/or sponsors numerous community events and safety campaigns including: Boater Safety Courses, Life Saver AED classes, national traffic safety campaigns, annual DEA Drug Take Back Program, Senior Car Fit and Child Safety Car Seat services, Senior Watch Program, golf cart safety inspections, Vacation House Check services as well as providing security services for a variety of businesses and events throughout the year.

### **Expenditures in Police**

Projected total operating expenditures for the Belle Isle Police Department is \$2,689,476 which is \$240,091 above the FY20-21 amended budget. Most of the increase is wages and benefits according to the approved Police Pay Plan and the transfer of expenses with the Code Enforcement Officer, vehicles, and red light camera fees.

### **PUBLIC WORKS**

The Public Works Department ensures the health, safety and public welfare of the community by managing and maintaining infrastructure and coordination of the maintenance of other infrastructure in the City. Services also include maintaining streets, tree care, government facilities and public lands including the city's park and greenway system, right-of-way maintenance, performing safety inspections, emergency response, and staffing public events. The Department consists of 3 employees: 1 public works director, and 2 public works technicians. In partnership with other agencies and through contracts, services also include solid waste management including trash and recycling collection, tree debris and limb collection, street sweeping and streetlights. Public Works expenses are also included in the Stormwater Fund as the public works department maintains the stormwater system.

### **Expenditures in Public Works**

Projected total operating expenditures for the Public Works \$939,440 which is \$230,669 increase from the FY20-21 amended budget. Most of the increase is wages and benefits for the staff, an increase in right-of way maintenance from the City annexing three County roads into the City, and increases to capital improvement projects and equipment. Capital outlay for equipment is for the purchase of a bucket truck which will reduce the dependence on contractors for tree work, and for the purchase of new mowers. Orange County continues to provide the majority of street sweeping services to the City as part of the Lake Conway Navigation Advisory Board budget. Capital projects scheduled for this year are to mill and pave certain streets in District 3 that were not done two years ago. District 2 and 5 projects were moved to the Needs List. The City also has programmed to build an ADA-deck in Swann Park.

### **ADMINISTRATIVE, LEGISLATIVE AND GENERAL GOVERNMENT**

The City’s administrative, legislative, and general government departments are responsible for all administrative functions and financial operations in the City. Included under these departments are the Offices of the Mayor and Council, City Manager, City Clerk, City Attorney, City Planner, and Finance.

**Expenditures in Administrative, Legislative, and General Government**

**Governing Board:** This is the Office of the Mayor and Council. Most of the expenditure categories remain the same as last year. The only significant change made to the Legislative and Executive accounts was a \$8,500 increase in the election expense. Most years, the City is able to piggyback off other elections (state or federal). This year’s election does not fall under one of these so the City has to pay the expense of the election.

**Administration:** This department includes the City Manager, City Clerk, City Planner, Administrative Assistant, and Finance Director. Last year, the City Planner, a contracted position was accounted for under General Government. This position was moved to this fund account as that where it belongs. At the same time, the Code Enforcement Office was transferred to the Police Department and expenses for this position were also transferred to the Police Department. The net result was an increase in expenditures of \$21,841 from last year’s budget.

**General Government:** This department accounts for all other administrative and government expenditures including the contracted services for the City Attorney, Lobbyist, Fire Department contract, Engineering, Solid Waste, Information Technology and the BING Program. This department’s expenses are \$2,977,554, an increase of over the last fiscal year. Changes to this account are an increase in the Orange County Fire contract of \$84,375; an increase of \$23,514 in solid waste fees; an increase of \$20,000 in building permits; a decrease of \$30,000 in insurance; and most notably, no grant funds for the BING Program.

**Debt Service:** This account is for all debt service on the 2016 bond issue for the Nela Bridge renovation which will be paid in 2026 and the debt service on the 2020 bond issue for the Bank of America building purchase.

**General Fund Ending Fund Balance (Reserves):** It is projected for the end of FY20-21 the City will have an unrestricted ending fund balance in the General Fund of approximately \$2,839,486 (39% reserve). This is \$381,946 more than the amended FY20-21 budget. This more than achieves the Budget Committee’s recommendation to have a 25% reserve.

**General Fund expense breakdown**

The Chart below depicts the breakdown of various revenue types and compares FY20-21 to the FY21-22 budget

Expense	FY 20/21	FY 21/22
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	<b>AMENDED</b>	<b>PROPOSED</b>
Governing Board (Executive and Legislative)	43,050	54,300
Administration (Administration, Finance, Planning)	493,212	515,053
General Government	2,932,095	2,977,554
Police	2,449,385	2,689,476
Public Works	708,771	939,440
Debt Service	244,000	238,000
Transfers	0	0
<b>TOTAL EXPENSES</b>	<b>6,870,513</b>	<b>7,413,823</b>

**TRANSPORTATION IMPACT FEE FUND**

The Transportation Impact Fee Fund receives revenue from development as development puts a strain on existing levels of service. An impact fee is a form of user fee for raising capital for future outlay of the cost of expanding facilities demanded by new development. In order to determine the future needs, a traffic study was done city-wide to determine where the City will need to expand its infrastructure and roadways in the future.

**Expenditures**

This year, the City will install a RRFB on Hoffner at Pleasure Island; a RRFB at Peninsular; and speed humps on Seminole Drive, Indian Drive and Barby Lane. The total expenses will be \$55,100.

**STORMWATER FUND**

Belle Isle’s Stormwater Fund consists of the equipment and projects necessary to maintain the City’s stormwater systems. This includes all conveyance systems, outfalls, basins, swales, engineering, and NPDES reporting. The Public Works Department is responsible for the maintenance and operation of the stormwater system.

**Expenditures**

The proposed budget for this fund is \$350,600 but does not include the Capital Improvement Program projects for this year as the City expects to receive ARPA funding to use for stormwater projects. The operating expenses are \$209,555 less than last year’s budget. The City is having issues with the drainage swales that will be looked at this year with in-house forces. The projects scheduled for this year are listed above; however if any emergencies arise, then these projects may be delayed as funding will be used for the emergency. The fund’s reserve is still at a low level due to the number of projects that the City completed over the last three years which significantly reduced street flooding in area that had problems for many years.

**LAW ENFORCEMENT EDUCATION FUND**

The Law Enforcement Education fund receives revenue from traffic violations. The fund can only be used for Police officer training for criminal justice education degree programs and training courses, including basic recruit training.

### **Expenditures**

It is expected that \$6,000 will be used for this continuing education.

### **CHARTER SCHOOL DEBT SERVICE FUND**

The Charter School Debt Service Fund pays for the debt on the Cornerstone Charter Property and for major equipment repair and replacement. Revenue is received based on student count. The City developed a capital facilities plan and restricted use of funds to that plan.

### **Expenditures**

The City anticipates work on the Field House roof and the High School roof this year with a cost of \$104,000 and \$13,000 respectively. The High School HVAC system will also be replaced. This will occur over a two-year period with \$425,000 budgeted for each year.

### **CAPITAL IMPROVEMENT FUND (2020 BOND)**

The City issued \$2.6 million of revenue bonds to purchase the Bank of America property and to make improvements to the stormwater system or to purchase additional property. The City purchased the BoA property for \$2,000,000 and had administrative expenses of \$57,900. The proceeds remaining have to be spent within 3 years.

### **Expenditures**

The City will use the remaining funds (\$442,100) for Sol Avenue Drainage Project if ARPA funds are not available for this project.

### **FIVE YEAR CAPITAL IMPROVEMENT PLAN**

The capital program consists of a clear general summary of its contents; a list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements; cost estimates, method of financing and recommended time schedules for each such improvement; and the estimated annual cost of operating and maintaining the facilities to be constructed or acquired. The plan may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition.

### **Expenditures**

For this fiscal year, the following projects are included in the CIP:

#### **General Fund**

- Paving in District 3: \$200,000

- Swann Beach ADA Deck: \$25,000
- Sidewalk Replacement (City-Wide) \$25,000
- Nela Bridge Repair \$47,000

Transportation Impact

- RRFB (Hoffner/Pleasure Island) \$20,600
- RRFB (Hoffner/Peninsular) \$22,500
- Speed Humps (Seminole/Barby/Indian) \$12,000

Stormwater\*

- Sol Avenue Drainage: \$490,000
- Seminole/Daetwyler Drainage \$20,000
- Barby Lane Upgrade \$196,250
- Wallace Drainage \$1,250,000

\*These projects qualify for APRA funds.

Charter Debt Service

- Roof – Field House \$104,000
- Roof – High School \$13,000
- HVAC – High School (Phase 1) \$425,000

**CONCLUSION**

This budget has been prepared in accordance with the provisions of the City Charter, Section 5.02. It includes details and explanations of proposed budget items as well as a line by line comparison of the proposed budget and current budget.

I would like to again thank the Council for all of your efforts and leadership during this continuing pandemic and the resurgence of the Delta variant. Your commitment to our employees has been exceptional and the response of the community as a whole to the COVID-19 pandemic has been truly amazing. I want to thank a great city team (administrative staff, Police and Public Works) for all the hard work during this pandemic to keep the City safe and operating. We all hope for an end soon.

The City is very fortunate to have a healthy reserve in the General Fund but this reserve will not last without additional sustaining revenues added to the General Fund. Although the City may be able to restore some of its lost revenues due to the pandemic, these will be a one-time restoration that will not sustain the City in future years. We also cannot depend on assessed values on property to continue to rise. Using reserves to fund operations is not what the City should be doing, yet this year we will use \$160,514 of reserves to fund our operations.

There has been little discussion about sustaining revenues at the Budget Committee level over the past year until the final Budget Committee Meeting on July 23, 2021 which is too late for the City to enact any tax increase or to establish any non-ad valorem assessments. In order for

these to move forward, the Budget Committee or Council has to start now for next year. The annexation of commercial property will not be enough to sustain the City. The Council discussed many goals that they want to accomplish to provide the high level of service that the residents of Belle Isle have come to expect. As of this budget, we can provide basic services to the community as we do not have the resources to do more.

A copy of this budget has been filed with the City Clerk and is available for inspection at City Hall. Notice of submission of this budget and the public hearing will be provided to the media as required by law. A copy of this budget will also be available on the City's website to facilitate its examination by our citizens.

In closing, I would like to express my sincere thanks to Finance Director Tracey Richardson for her exceptional institutional and financial knowledge, and to the department heads for their efforts in preparing this budget.

Respectfully Submitted,

Bob Francis  
City Manager