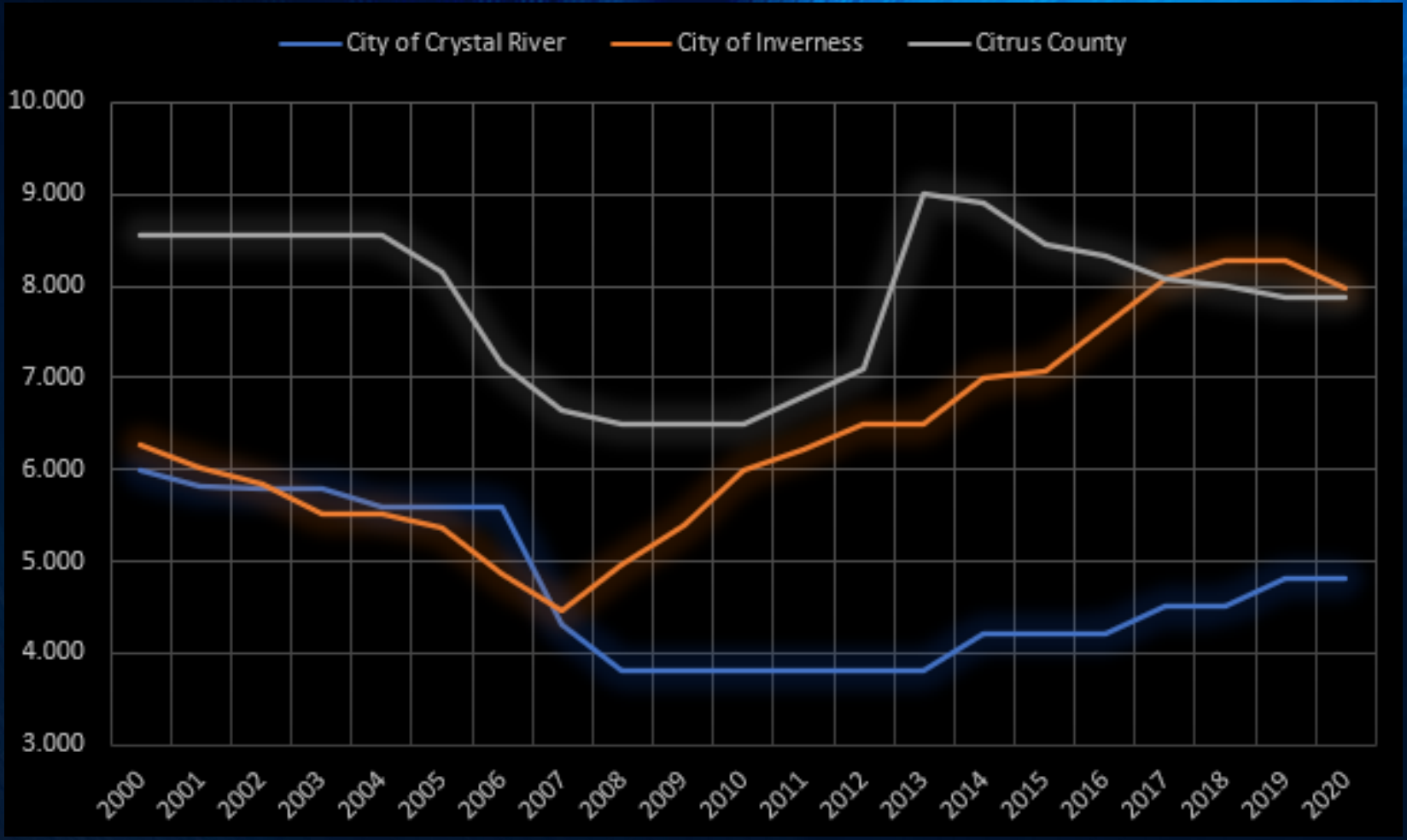
City of Crystal River
2021 – 2022 Tentative Millage Rate
July 12, 2021

Historic Millage Rates



- Budget Schedule
- FY 21/22 Budget Drivers
  - Normal Budget Development
  - CRA
  - Health Insurance
  - Amendment 2 – Minimum Wage Increase
- Budget Strategy/Options

Budget Schedule

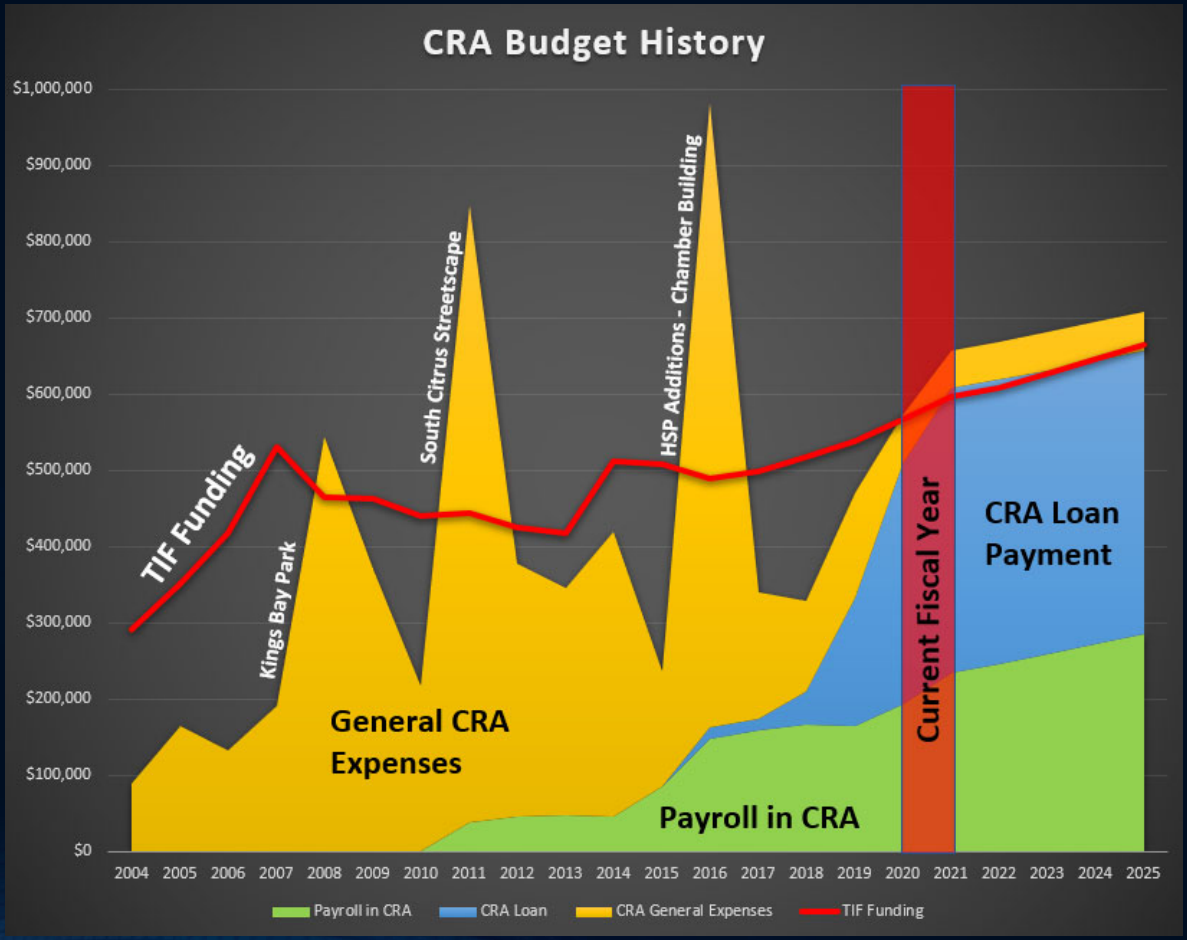
- July 12 – Set tentative millage rate
  - Rate that will appear on TRIM notice, Can only remain the same or go down
- July 29, 1:00 – Second Budget Workshop
- August 26, 1:00 - Executive Session
- September 8, 5:01 - First Budget Hearing
- September 15, 5:01 - Second Budget Hearing

Normal Budget Process

- Budget in process of being balanced
- April - Revenues and expenditures $500,000 apart
- July - $360,000
  - Civic Master Plan
  - Splash pad maintenance
  - 2 Maintenance workers
  - Miscellaneous increases
  - State revenues unknown, still being conservative
- Equates to .68mil if not balanced

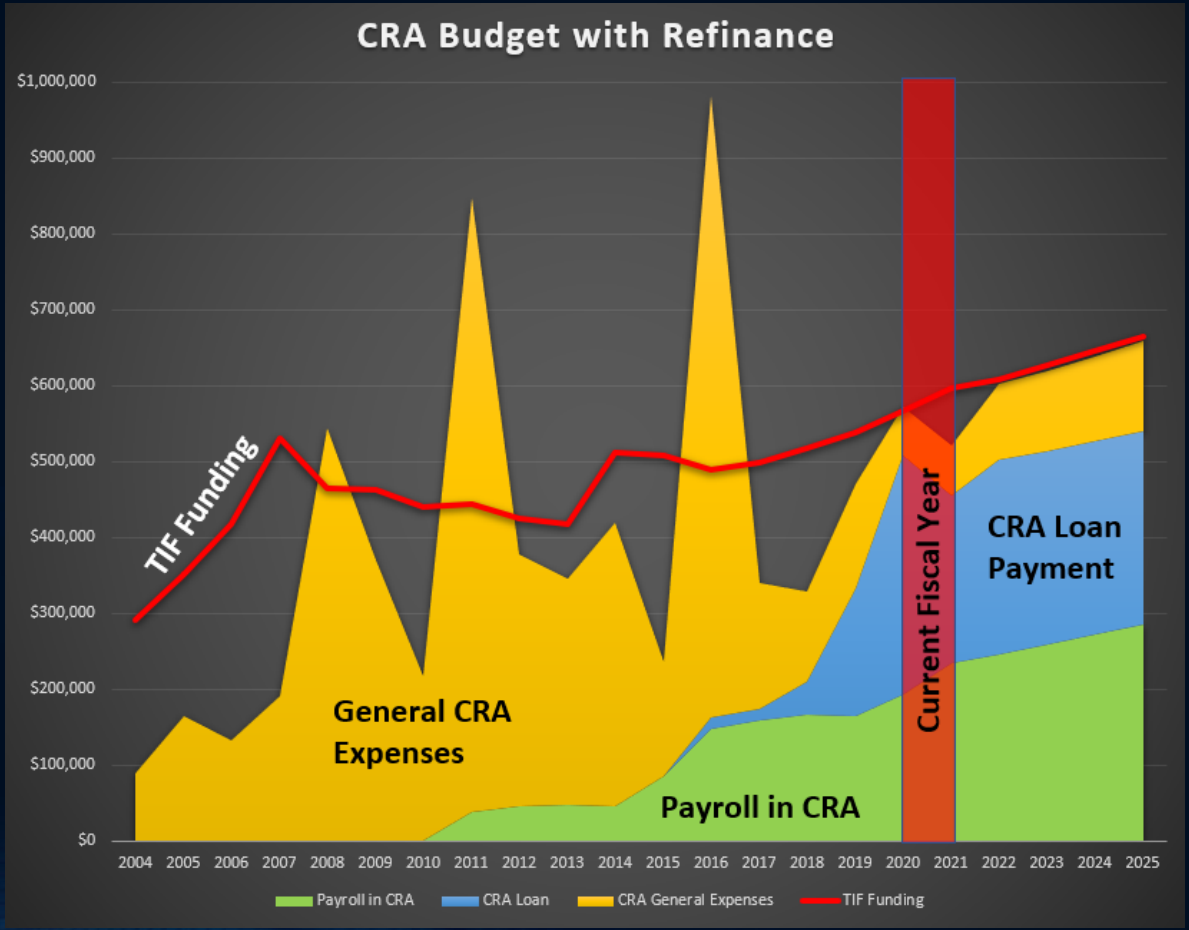
CRA Budget History – Pre-Refinancing

- Financial picture prior to refinancing CRA loan
- Not sustainable
- Includes over $200K in salaries
- "Base" CRA expenses are about $50,000 annually



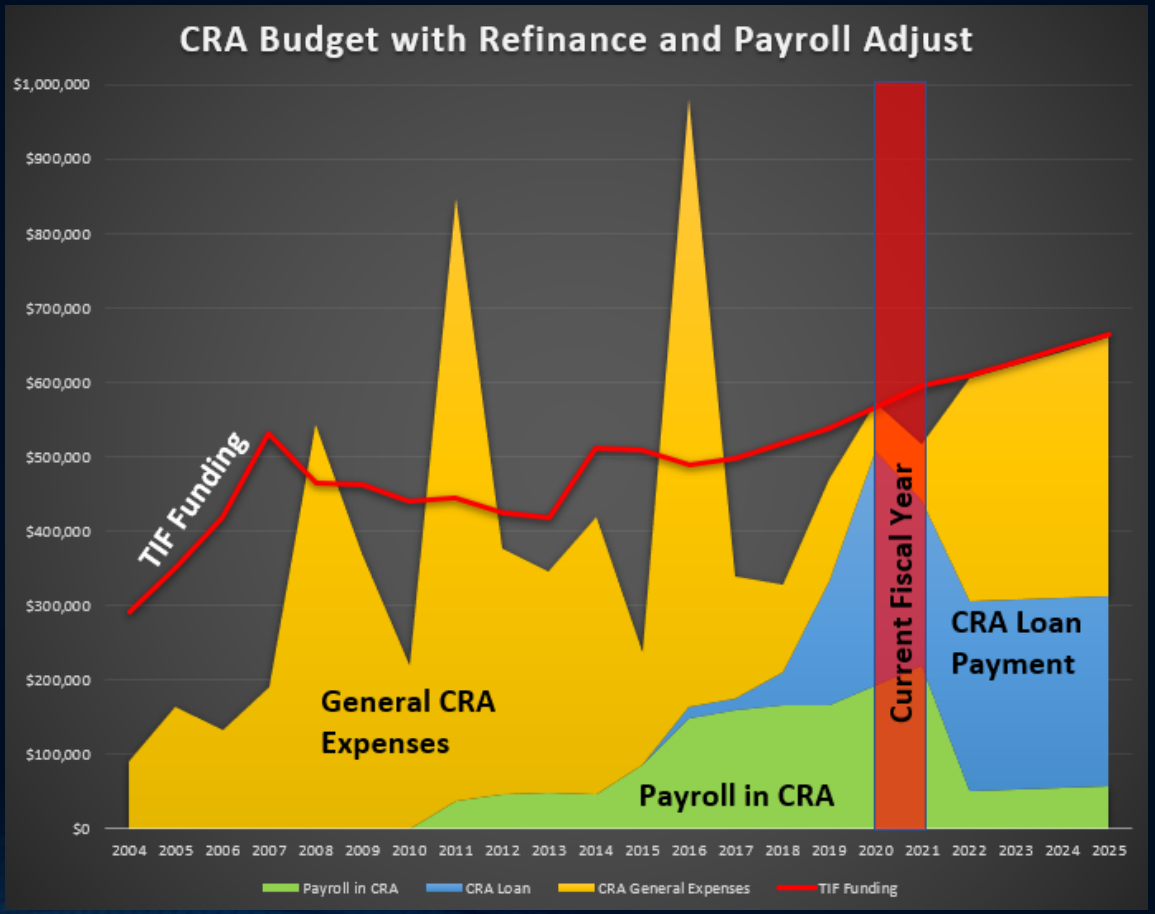
CRA Budget History – Post-Refinancing

- Financial picture after refinancing loan
- Frees up approximately $100,000 per year
- Includes over $200K in salaries
- Sustainable
- Limited ability for future projects



CRA Budget History – Recommended 2022

- 50% of CRA budget dedicated to projects
- Frees up approximately $300,000 per year
- Includes over $50K in salaries
- Allows CRA to function as intended



50%

50%

CRA Budget

- $190,000 needs to come out of the CRA budget to meet metric and be healthy.
- Equates to .36mil

Health Insurance

- 8.4% increase in premium
- Overall $80,000 budget impact
- Equates to .15mil

Minimum Wage – Amendment 2

- Florida Constitutional Amendment that Increases Minimum wage to $15/Hr
- Starts FY21 at $10/hr with annual $1/hr increase until FY26
- Passed by:
  - 60.28% of Florida Voters
- Not supported in:
  - Citrus County – 49.1% supported
  - Crystal River – 46.7% supported
- Self enacting

Minimum Wage – Amendment 2

- Timing:
  - $10.00 on September 30, 2021
  - $11.00 on September 30, 2022
  - $12.00 on September 30, 2023
  - $13.00 on September 30, 2024
  - $14.00 on September 30, 2025
  - $15.00 on September 30, 2026
- Directly Impacts:
  - 2021 – 0 Employees
  - 2022 – 4 Employees
  - 2023 – 18 Employees
  - 2024 – 28 Employees
  - 2025 – 31 Employees
  - 2026 – 31 Employees

Amendment 2 Strategy

Annual across-the-board $1/year pay increase for all employees over the next 5 years

- Minimizes compression – Provides most difference in pay between employees
- All employees get equal increase
- No employees will be below min wage
- Fairest to all employees

Overall Budget Impact

	Annual Increase	Cumulative Increase
FY2022	$133,000	$133,000
FY2023	$133,000	$266,000
FY2024	$133,000	$399,000
FY2025	$133,000	$532,000
FY2026	$133,000	**$665,000**

General Fund Impact

	Annual Increase	Cumulative Increase	Millage Equivalent
FY2022	$101,800	$101,800	0.19
FY2023	$101,800	$203,600	0.38
FY2024	$101,800	$305,400	0.57
FY2025	$101,800	$407,200	0.76
FY2026	$101,800	**$509,000**	**0.96**

Amendment 2 Strategy

Recommended Option

- Fund annual payroll adjustment to comply with Amendment 2 over the next 5 years
- Equates to .19 mils per year for 5 years

Amendment 2 Strategy

Alternative Option 1 (2 year plan)

- Adjust payroll semi annually to comply with Amendment 2 in those particular years
- Future millage increase likely

Amendment 2 Strategy

Alternative Option 2 (5 year plan)

- Comply with Amendment 2 by collecting revenue <u>now</u> based on salary requirements in 2026
- 5 Year plan – stabilizes future millage
- Pledge excess funds collected over next 4 years to capital projects such as:
  - Park improvements
  - Sidewalks
  - Resurfacing
- $1,000,000 pledged to City wide community projects
- Most expensive option

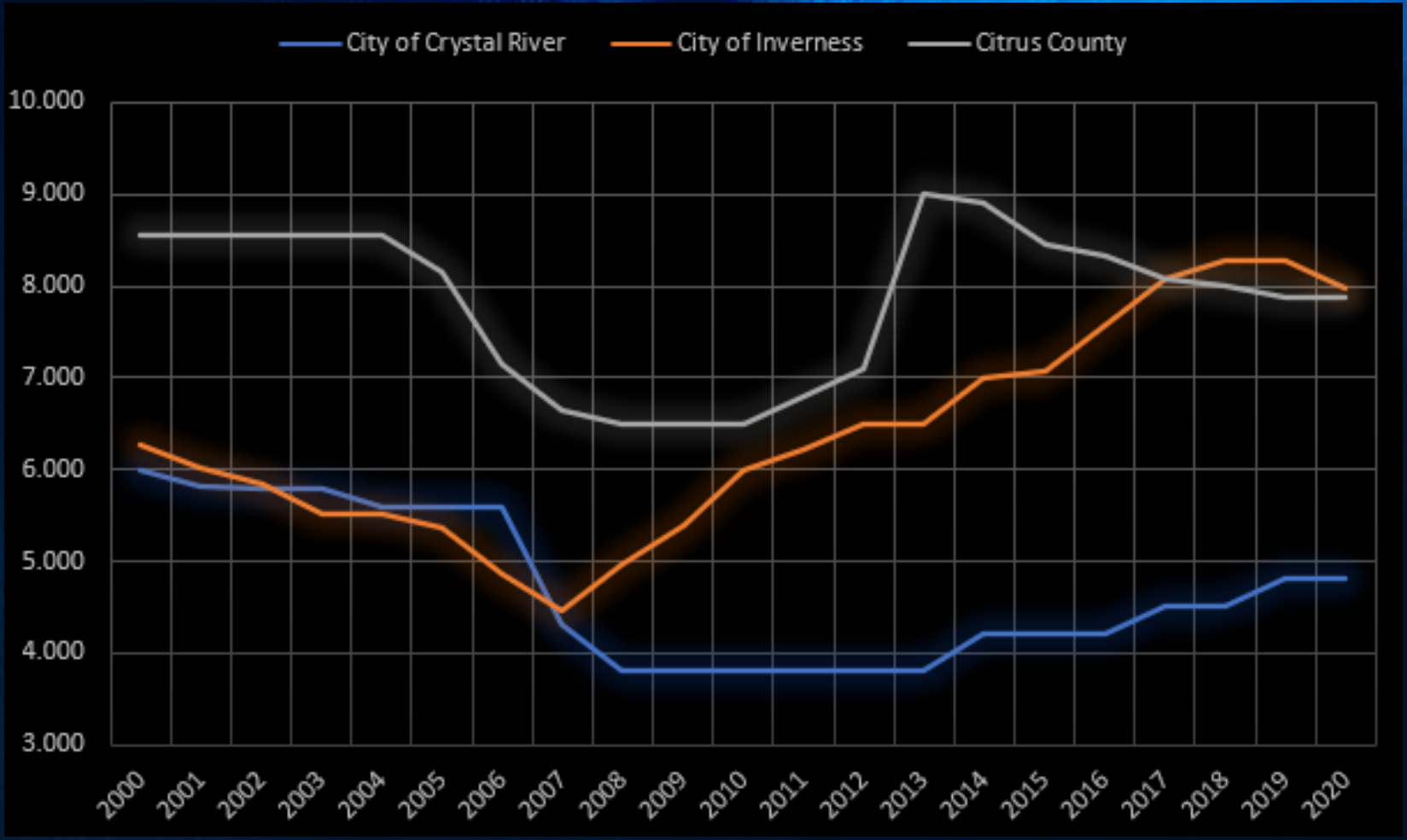
Budget Strategy Options

	Recommended Option
General Budget Shortfall	*0.68*
CRA	0.36
Insurance	0.15
Amendment 2	*0.19*
Millage Increase	**1.38**
Current Millage	4.8
Tentative Millage	**6.2**

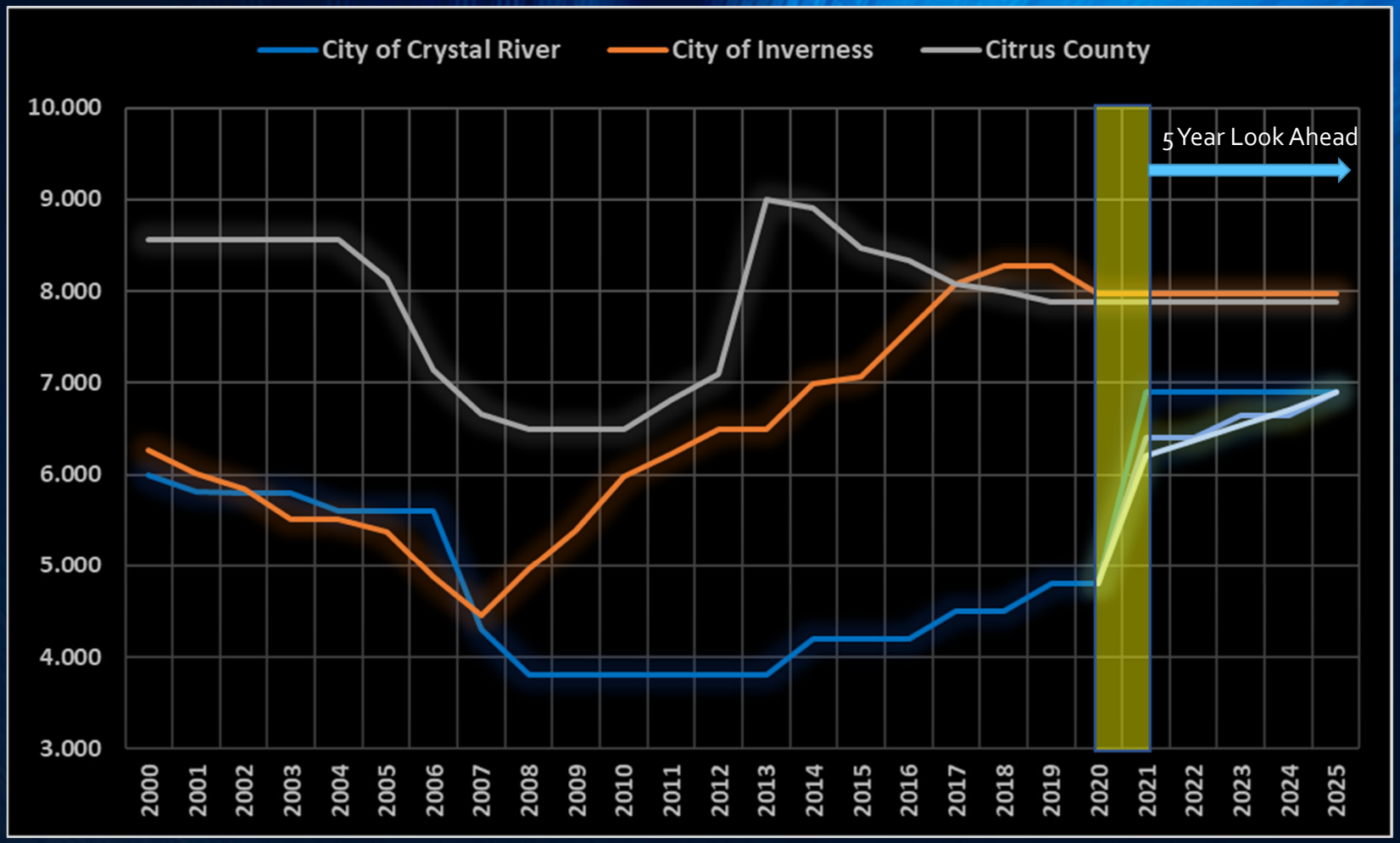
Budget Strategy Options

	Alternative Option 1 (2 year plan)	Alternative Option 2 (5 year plan)
General Budget Shortfall	*0.68*	*0.68*
CRA	0.36	0.36
Insurance	0.15	0.15
Amendment 2	*0.38*	*0.95*
Millage Increase	**1.57**	**2.14**
Current Millage	4.8	4.8
Tentative Millage	**6.4**	**6.9**

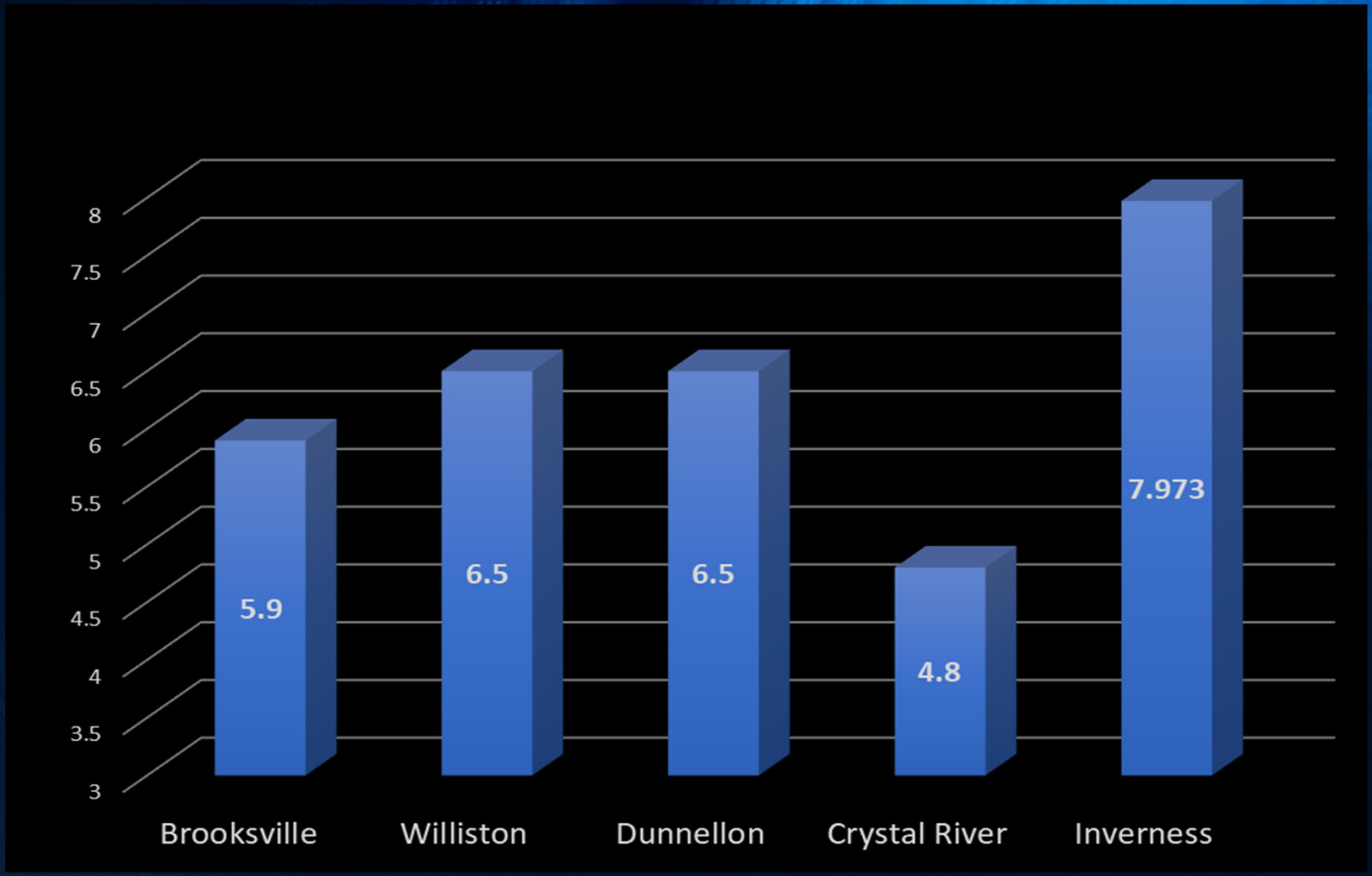
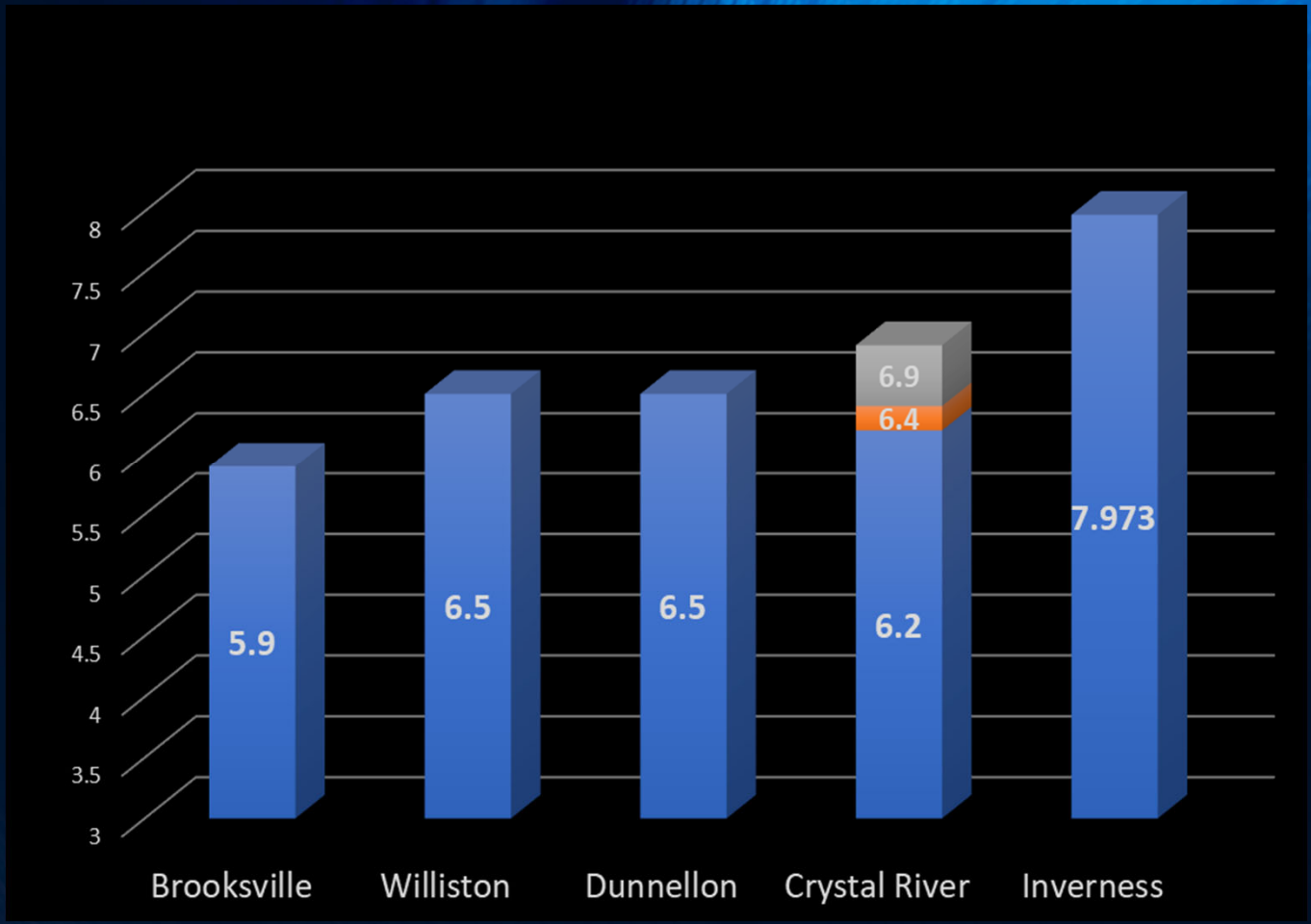
Historic Millage Rates



Projected Millage Rates



Millage Comparison
2020 Adopted Millage



Millage Comparison
Tentative Millage