



**MEMORANDUM TO VENICE CITY COUNCIL**

**FROM:** Ed Lavallee, ICMA-CM, MPA, City Manager

*[Handwritten signature]*  
6/3/25

**DATE:** June 3, 2025

**SUPPORTS STRATEGIC PLAN:** Goal Three: Ensure a Fiscally Sound City

**SUBJECT / TOPIC:** PROPOSED FY2026 BUDGET

Presented herein is the proposed budget for fiscal year (FY) 2026, including the proposed Capital Improvement Program (CIP) for FY2026 through FY2030. This proposed budget and CIP is the culmination of several months of coordinated effort and analyses by City staff. The process began with Department Directors preparing and submitting their budget requests, and goals and objectives. These were compared against historic spending trends, current year activity, the strategic plan, and funding availability. Department-level requests for additional personnel or programs required supplemental detail outlined in a *budget enhancement request*, which was subject to additional scrutiny.

Revenue estimates were developed primarily by the City's Finance Department, with assistance from other departments when needed. Projections were made of ending balances for each fund, and compared to targets. In May, department staff met with the City Manager and Finance Department team to justify their departmental budget requests, which were either approved, denied, or amended. The final result was accumulated and compiled into a Council Budget Workshop Binder for your review, consideration, and comments.

The proposed FY2026 budget includes total appropriations of \$172,514,483 for all funds. Revenue estimates are \$162,813,341. In some funds, appropriations exceed revenue estimates, and the difference (shortfall) is funded with beginning reserves (fund balances or working capital). In these cases, beginning reserves are generally utilized only for one-time expenditures, e.g., capital. In other funds, revenues exceed appropriations, and the difference (surplus) is added to ending reserves.

Various schedules have been included in the Council Binder for each fund and department/division. The documents are arranged by either department or fund. The multi-colored budget worksheets show two prior years' actual data, current year-to-date (through March 2025) and the dollar and percentage increases/decreases from *current year expected* (for revenues) or *prior year original budget* (for expenditures/appropriations), with comments if there are significant differences. Department Directors will be available for questions and answers during the budget workshops.

### ***New Funds and Departments/Divisions***

This budget includes one new fund and no new departments. This new fund is the Sidewalk Capital Projects Fund #304 which was established to account for cash deposits in lieu of construction of a sidewalk. This fund may be used by the City for the construction of new sidewalks at any needed location in the City.

### ***Rate Increases/Decreases***

This proposed budget includes no significant new major revenue sources but includes scheduled rate increases for the following existing user fees:

- Wastewater rates and reclaimed water rates will increase 3% on October 1, 2025. Water rates will increase 5.25% with 2.25% of the increase set aside and earmarked for the eventual relocation of the City's Water Treatment Plant. FY2026 is the third year in the five-year rate plan.
- Stormwater O&M rates will increase from \$8.15 to \$8.55 per Equivalent Stormwater Factor (ESF) per month. This is the rate calculated to yield a balanced operating budget for FY2026.
- Water quality (Stormwater Fund) rates will remain constant at \$2.00 per Equivalent Water Quality Factor (EWQF) per month. This is the rate needed to fund \$1 million in capital projects annually.
- The Solid Waste Fund recycling surcharge will decrease from 15% to 10%
- Solid waste and recycling fees for residential and commercial customers will increase 3% on October 1, 2025 with a 3% annual increase in the next subsequent three years. Roll-off pull charges will increase \$8/pull October 1, 2025, \$6/pull October 1, 2026, and \$5/pull each subsequent year for the five-year rate plan. FY2026 is the second year in the five-year rate plan.

### ***Other Rate Changes***

- The Building Department rescinded its 30% discount off valuation-based permit fees, effective April 1, 2025, per Resolution 2025-04. The Building Department is currently undergoing a rate study for building permit fees.
- Airport mobile home park rents are not scheduled to change in FY2026. January 1, 2022 was the last of five scheduled annual increases.

### ***Personnel***

The FY2025 Adopted Budget included 401.4 full-time equivalent (FTE) positions. In addition, during FY2025 the city added one FTE, a Training Manager, for the Police Department. One new position in the Public Works-Parks Division and one new position in the Solid Waste Fund are included in this proposed FY2026 budget. These three positions increase the FTE count to 404.4.

As discussed at the Strategic Planning Sessions in February 2024 and 2025, the city is preparing for future growth and development. This includes measurable challenges as the city continues to grow in geographic size, population, density, and demand for municipal services. The department directors were asked to project necessary changes in their department as a function of meeting these future challenges including personnel changes.

The Fire Department's initial budget request included six (6) dual certified firefighters needed in FY2026 with an estimated cost of \$780,000 (including uniforms). These positions and estimated costs are not included in the proposed FY2026 budget. The intent is to discuss these positions at the budget workshop.

The budget is prepared using the June 1, 2025 property values, a 4.5% property value increase over the prior year, and the millage rate remaining constant with the prior year at 3.9041 mills. The revenue generated from this millage rate does not support adding these additional six (6) positions and the expected expenses that will occur in the near future without utilizing reserves (green section of the General Fund Revenue). Every .10 (tenth) mill generates approximately \$731,000. Therefore, .1067 mills would generate approximately \$780,000 in revenues needed to fund these 6 positions.

### ***Capital Improvement Program***

The FY2026 – FY2030 Capital Improvement Program (CIP) is presented as a supplement to the proposed FY2026 budget. It includes all capital projects/outlay (and certain related expenditures) of all funds and departments for the upcoming five-year period. Funding sources are also identified. Note, the initial year FY2026 CIP amounts are also incorporated into the proposed FY2026 budget.

The CIP includes proposed capital expenditures of \$47,842,720 for FY2026, and \$183,346,817 over the five-year period. Funding sources have been identified for all line items in the five-year CIP, including 8% in debt financing. The major outlays over the **five years** include the following:

#### **Five Years**

##### **General Fund - \$10.1 million**

- \$3.1 million for Fire Department equipment
- \$188,000 for Police Department equipment
- \$2.1 million for Information Technology Department equipment
- \$170,500 for public works equipment
- \$4.5 million for park improvements

##### **One Cent Sales Tax Fund - \$16.7 million**

- \$2.2 million in fleet/equipment additions and replacements
- \$2.4 million in engineering projects, including \$1.5 million in transfers to the Beach Renourishment Fund
- \$10.7 million in building major maintenance/construction projects, including \$3.5 million for relocation of Fire Station #2, and \$4.8 million toward a City Fleet Maintenance Facility, and \$1.5 million towards improvements to the Venice Community Center
- \$1.4 million in other facility/parks projects

##### **Other Funds - \$156.5 million**

- \$4.0 million in parks impact fee projects
- \$1.9 million in road projects (funded with gas taxes, grants, and/or mobility impact fees)

- \$18.0 million for the beach renourishment project (funded with beach fund reserves and grants)
- \$4.3 million in other impact fee projects/equipment
- \$18.2 million in airport projects, mostly grant funded
- \$66.0 million in utilities projects, \$6.0 million of which will require debt financing
- \$12.8 million toward relocating the solid waste facility, \$9.0 million of which will require debt financing
- \$4.5 million in stormwater and/or water quality projects
- \$26.8 million for fleet replacements and additions

### ***Fleet Replacement Program***

The City's fleet replacement program (FRP) was started at the end of FY2014, and all departments became *fully funded* during FY2024. During FY2026, one department (PW-Parks) will require catch-up contributions totaling \$90,000 to maintain that status. Citywide, all qualifying vehicles and equipment now reside in the Fleet Replacement Program (FRP)/Fund #505 and are being *rented back* to the user departments in exchange for monthly rent. The program provides stability in both funding and Departmental operating costs. The monthly rent payments are then set aside in the FRP for the purchase of the specific replacement vehicle. In FY2026, all replacement fleet units will be purchased in Fund #505.

This proposed FY2026 budget appropriates rent payments and other transfers into the FRP of \$5.4 million, yielding a projected balance of \$20.0 million in the program at September 30, 2026, after FY2026 purchases. The "Fleet Replacement Program Status Report - Projected September 30, 2026" dated May 12, 2025 has significant additional information for the FRP, by department.

### ***Fund Accounting***

The City's financial transactions are recorded in individual funds, each functioning as a separate set of self-balancing accounts. The City has 35 different funds, all with different purposes, and classified by fund type as required or recommended by generally accepted governmental accounting principles (GAAP). These include:

1 General Fund	4 Enterprise Funds
1 Debt Service Fund	5 Internal Service Funds
13 Special Revenue Funds	2 Pension Trust Funds
9 Capital Projects Funds	

The City does not budget for the activities of the two Pension Trust Funds, which are governed by separate pension boards, although the end of this document has some information on the year-to-date performance of the Pension Trust Funds, and the status of the net pension liabilities. The following section provides an overview of the City's proposed FY2026 budget organized by fund type and individual funds.

## **GENERAL FUND**

The General Fund is the main operating fund of the City and accounts for the activities not accounted for in other funds. The proposed FY2026 appropriations General Fund is \$58,905,802 and expected revenues are \$53,762,030, as shown below:

<b>CITY OF VENICE</b>	
<b>FY2026 BUDGET - PROPOSED</b>	
<b>GENERAL FUND</b>	
<b>REVENUES</b>	<b>001</b>
TAXES:	
AD VALOREM TAXES - 3.9041 MILLS	\$ 28,540,000
OTHER REVENUES	20,279,325
OTHER FINANCING SOURCES:	
ADMINISTRATIVE CHARGES	4,517,465
TRANSFERS FROM OTHER FUNDS	425,240
<b>TOTAL REVENUE</b>	<b>53,762,030</b>
<b>EXPENDITURES</b>	
POLICE	14,555,349
FIRE	12,391,514
EMS	7,095,904
PUBLIC WORKS	3,803,262
PARKS	7,921,053
PLANNING	1,812,680
OTHER	11,326,040
<b>TOTAL EXPENDITURES</b>	<b>58,905,802</b>
CHANGE IN FUND BALANCE	<b>(5,143,772)</b>
BEG. EST FUND BALANCE	29,591,018
<b>ENDING FUND BALANCE</b>	<b>\$ 24,447,246</b>

### *Fund Analysis:*

Property taxes typically fund just over half of the City's general fund budget; other revenues, administrative charges to enterprise activities, and transfers fund the other half. To support the FY2026 budget, the millage rate is proposed to remain unchanged from the prior year rate of 3.9041 mills. This will generate \$28.5 million in property tax revenues (at a 95% collection rate), an increase of \$1.2 million or 4.5% over the prior year. Of that increase, \$925,000 or 74.8% is attributable to new construction and \$312,000 or 25.2% is attributable to increased valuations. At this millage rate level, property taxes represent 53.1% of all General Fund revenues and transfers. The proposed General Fund budget will decrease reserves by \$5.1 million. FY2026 ending fund balance is projected to be \$24.4 million, all of which is unassigned.

The \$5.0 million payment to Sarasota County for Wellfield Park and \$200,000 for the demolition of public works buildings in the Seaboard District results in appropriations exceeding revenue estimates, therefore the General Fund budget was balanced with beginning reserves (fund balance). Budgeted appropriations of \$58.9 million represent an increase of 13.3% over the

FY2025 adopted budget of \$52.0 million. The proposed General Fund budget *currently* includes one Police Department FTE that was approved via a budget amendment in FY25 that is carried forward to FY26 and one new FTE for Public Works-Parks.

Significant achievements in the FY2026 General Fund proposed budget include the following:

- 1) Two full-time equivalents (FTEs) were added at this time, although the Fire Department/EMS is requesting six (6) positions.
- 2) An increase in salaries and related benefits, including matching pay increases for non-bargaining employees.
- 3) Capital outlay of \$857,100, amounting to 1.5% of total appropriations.
- 4) Fleet rent of \$2.0 million, amounting to 3.4% of total appropriations.
- 5) Discretionary contributions in excess of the Annual Required Contributions (ARC) to the City's fire pension of \$1.0 million. There are no discretionary contributions to the City's police pension since it is 100% funded.
- 6) A 6.6% increase in property and liability insurance premiums (\$71,677).
- 7) The proposed budget provides funding for necessary increases in operating expenses for certain key departments, such as Public Works Maintenance, Police, Information Technology, Fire and EMS.
- 8) With inflation impacting costs, the proposed General Fund budget contains no increases in user rates, and leaves the property tax millage rate unchanged.

## **DEBT SERVICE FUND**

Debt service funds are used to accumulate resources for the payment of principal and interest on governmental long-term debt (excludes enterprise funds). The City has one debt service fund, Fund #251:

- 251 - General Obligation Bonds Debt Service Fund

<b>CITY OF VENICE</b>		
<b>FY2026 BUDGET - PROPOSED</b>		
<b>DEBT SERVICE FUND</b>		
<b>REVENUES</b>	<b>251</b>	
<b>TAXES:</b>		
AD VALOREM TAXES-.0680 MILLS	\$ 498,000	2020 GO Bond Refunding
AD VALOREM TAXES-.1607 MILLS	1,176,000	2017 GO Bonds Roads
AD VALOREM TAXES-.1118 MILLS	818,000	2017 GO Bonds Public Safety
INTEREST EARNINGS	24,000	
<b>TOTAL REVENUE</b>	<b>2,516,000</b>	
<b>EXPENDITURES</b>		
PRINCIPAL	1,685,000	
INTEREST	874,510	
<b>TOTAL EXPENDITURES</b>	<b>2,559,510</b>	
CHANGE IN FUND BALANCE	(43,510)	
BEG. EST FUND BALANCE	505,165	
<b>ENDING FUND BALANCE</b>	<b>\$ 461,655</b>	

### *Fund Analysis:*

**Fund 251** – As shown above, property tax revenues and interest earnings totaling \$2.5 million will pay scheduled debt service on the City’s three outstanding general obligation bond issues. The budget is balanced, and leaves at least one month in reserves for contingencies.

The scheduled debt service payments, divided by citywide taxable property valuations determine the millage rates. Proposed millage rate levels for each of the City’s three General Obligation (GO) bonds are shown above. The total proposed debt service millage of .3405 mills is .0227 below the prior year level of .3632 mills.

## **SPECIAL REVENUE FUNDS**

Special Revenue Funds (SRFs) are used when revenues are restricted or committed to specific purposes. The City has thirteen special revenue funds, as follows:

- 116 - Building Permit Fees Fund
- 105 - Motor Fuel Tax Fund
- Eleven other funds. They are: Contraband-Forfeiture #106, Police Training #107, Police Community Fund #108, Boat Registration Fees #109, Second Occupational License #112, Growth Management Training #113, Parking Fines Handicapped Access Improvement #115, Tree Mitigation #117, Opioid Remediation #118, Centennial Community #608, and Historical Commission #612.

The following table shows the proposed FY2026 budget for the City's special revenue funds:

<b>CITY OF VENICE FY2026 BUDGET - PROPOSED SPECIAL REVENUE FUNDS</b>				
<b>REVENUES AND SOURCES</b>	<b>116</b>	<b>105</b>	<b>Other Funds</b>	<b>TOTAL</b>
<b>TAXES:</b>				
SALES AND USE TAXES	\$ -	\$ 1,293,340	\$ -	\$ 1,293,340
LICENSES AND PERMITS	3,500,000	-	15,000	3,515,000
INTERGOVERNMENTAL REVENUE	-	276,000	15,000	291,000
FINES AND FORFEITURES	-	-	45,550	45,550
INTEREST EARNINGS	105,000	20,655	25,234	150,889
MISCELLANEOUS	7,000	-	121,280	128,280
<b>TOTAL REVS AND SOURCES</b>	<b>3,612,000</b>	<b>1,589,995</b>	<b>222,064</b>	<b>5,424,059</b>
<b>EXPENDITURES AND USES</b>				
GENERAL GOVERNMENT	-	-	124,080	124,080
PUBLIC SAFETY	3,482,818	-	107,000	3,589,818
PHYSICAL ENVIRONMENT	-	-	33,000	33,000
ECONOMIC ENVIRONMENT	-	-	75,967	75,967
CAPITAL OUTLAY	-	-	55,000	55,000
GRANTS AND AID	-	-	45,000	45,000
<b>OTHER FINANCIAL USES:</b>				
ADMINISTRATIVE CHARGES	653,341	-	-	653,341
TRANSFERS OUT	-	1,689,995	-	1,689,995
<b>TOTAL EXPS AND USES</b>	<b>4,136,159</b>	<b>1,689,995</b>	<b>440,047</b>	<b>6,266,201</b>
CHANGE IN FUND BALANCE	(524,159)	(100,000)	(217,983)	(842,142)
BEG. EST. FUND BALANCE	1,800,174	653,704	924,491	3,378,369
<b>ENDING FUND BALANCE</b>	<b>\$ 1,276,015</b>	<b>\$ 553,704</b>	<b>\$ 706,508</b>	<b>\$ 2,536,227</b>

*Major Fund Analysis:*

**Building Permit Fees Fund #116** – The Building Permit Fees Fund gets its revenues from building permit fees, which can only be used in accordance with FS 553.80 “for enforcing the Florida Building Code to ensure the safety, health and welfare of the public while serving the permitting, inspections and licensing needs of the residents and contractors.” Changes in the Building Department budget are influenced by fluctuations in the economy that directly affect the local building industry. The Building Department periodically adjusts its staffing levels and uses outside inspectors to accommodate changes in the demand for service.

As shown in the preceding table, the proposed FY2026 budget anticipates revenues of \$3.6 million and expenditures of \$4.1 million, for a net decrease in fund balance of \$524,159. The decrease in fund balance is a result of Florida Statute Section 553.80 that limits the amount of fund balance that can be carried over from year to year to the average of the prior four years’ expenditures. The Building Department rescinded its 30% discount on valuation-based permit fees. The Building Department is currently undergoing a rate study for building permit fees.

**Motor Fuel Tax Fund #105** – Fuel taxes (various cents per gallon) are collected by gas stations and other providers in Sarasota County, and remitted to the state in the subsequent month. The state takes out their commission, and returns the taxes in the next month to Sarasota County and the municipalities therein in accordance with an interlocal agreement among the local governments. The City’s share is deposited into the Motor Fuel Tax Fund. Each month, one twelfth of the budget is transferred to either the Streets Capital Projects Fund #302 for road construction, or to the General Fund for transportation-related operations and maintenance, including street lighting. This provides needed resources for the road maintenance and replacement program in Fund #302.

FY2026 revenues are estimated at \$1.6 million, and transfers out are \$1.7 million. The proposed budget will decrease reserves by \$100,000, representing a transfer from FY2025 surpluses to Fund #302. Estimated reserves of \$553,704 are retained for working capital and contingencies.

## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds (CPFs) are used for recording expenditures for large governmental capital projects/outlays. The City maintains nine capital projects funds, as follows:

- 110 - One Cent Voted Sales Tax
- 301 - General Capital Projects Fund
- 302 - Streets Capital Projects Fund
- 303 - Buildings and Renovation Fund (Police Building Fund)
- 304 – Sidewalk Capital Projects Fund
- 306 - Beach Renourishment Fund
- 311 - Fire Impact Fee Fund
- 312 – Law Enforcement Impact Fee Fund
- 313 - General Government Impact Fee Fund

The following table shows the proposed FY2026 budget for the City's capital projects funds:

CITY OF VENICE								
FY2026 BUDGET - PROPOSED								
CAPITAL PROJECTS FUNDS								
							Impact	
REVENUES AND SOURCES	110	301	302	303	304	306	Fees	TOTAL
TAXES								
SALES AND USE TAXES	\$ 5,660,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,660,300
LICENSES AND PERMITS	-	-	-	-	25,000	-	-	25,000
IMPACT FEES	-	-	-	-	-	-	343,000	343,000
INTERGOVERNMENTAL	-	-	700,000	-	-	15,243,120	-	15,943,120
INTEREST EARNINGS	350,000	9,000	54,000	7,500	1,500	150,000	65,624	637,624
MISCELLANEOUS	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES:								
TRANSFERS IN	-	-	1,268,100	-	-	300,000	-	1,568,100
DEBT PROCEEDS	-	-	-	-	-	-	-	-
<b>TOTAL REVS AND SOURCES</b>	<b>6,010,300</b>	<b>9,000</b>	<b>2,022,100</b>	<b>7,500</b>	<b>26,500</b>	<b>15,693,120</b>	<b>408,624</b>	<b>24,177,144</b>
EXPENDITURES AND USES								
PHYSICAL ENVIRONMENT	-	-	-	-	-	60,000	-	60,000
CAPITAL OUTLAY	3,821,000	-	700,000	-	-	18,043,120	3,308,000	25,872,120
OTHER FINANCING USES:								
TRANSFERS OUT	300,000	-	-	-	-	-	-	300,000
<b>TOTAL EXPS AND USES</b>	<b>4,121,000</b>	<b>-</b>	<b>700,000</b>	<b>-</b>	<b>-</b>	<b>18,103,120</b>	<b>3,308,000</b>	<b>26,232,120</b>
CHANGE IN FUND BALANCE	1,889,300	9,000	1,322,100	7,500	26,500	(2,410,000)	(2,899,376)	(2,054,976)
BEGINNING FUND BALANCE	-	468,790	2,058,355	254,890	52,367	5,340,069	1,334,014	9,508,485
<b>ENDING FUND BALANCE</b>	<b>\$ 1,889,300</b>	<b>\$ 477,790</b>	<b>\$ 3,380,455</b>	<b>\$ 262,390</b>	<b>\$ 78,867</b>	<b>\$ 2,930,069</b>	<b>\$ (1,565,362)</b>	<b>\$ 7,453,509</b>

#### *Fund Analysis:*

**One Cent Voted Sales Tax Fund #110** – The one-cent sales tax is a fifteen-year countywide sales surtax that was renewed by voter referendum in November 2022. The sales tax proceeds are generally restricted for capital outlay/projects, which are planned and scheduled through the CIP process.

The proposed FY2026 budget for this fund appropriates \$4.1 million for specified projects in the City's CIP, including \$1.4 million for fire vehicles and \$300,000 to be transferred to the City's Beach Renourishment Fund #306. This proposed budget will increase beginning reserves by \$1.9 million, which is being accumulated for major building projects.

**General Capital Projects Fund #301** – The General Capital Projects Fund is used for parks impact fee projects and improvements at the City's historical facilities. A large parks impact fee project in FY2023 appropriated \$2.75 million for the design and construction of a new public park on E. Laurel Road. The FY2025 budget included an additional \$3.1 million for this park. There are no projects budgeted in this fund in FY2026. Future park impact fees will go towards Wellfield Park.

**Streets Capital Projects Fund #302** – The Streets Capital Projects Fund is used for road construction and resurfacing projects, whether funded by bonds, gas taxes, grants, or impact fees. The beginning fund balance of \$2.1 million is all gas taxes. The proposed FY2026 budget appropriates \$700,000 for phase II of the Cockrill Street sidewalk project to be funded with grant funds.

**Buildings and Renovations Capital Projects Fund #303** – This capital projects fund is used for major building projects. There is a small fund balance coming forward from FY2025, and no projects budgeted in FY2026.

**Sidewalk Capital Projects Fund #304** – This is a new fund established to account for cash deposits in lieu of construction of a sidewalk. This fund may be used for construction of new sidewalks at any needed location in the City. There are no projects budgeted in FY2026.

**Beach Renourishment Capital Projects Fund #306** – Major beach renourishment projects are required periodically, historically averaging about once every ten years. Each year, the City transferred \$250,000 from the One Cent Voted Sales Tax Fund #110 to this fund, which was increased to \$300,000 starting in FY2025 with the expectation that it will be sufficient to cover the City’s matching requirements on the next renourishment project which is anticipated to start in FY2026. This project is budgeted at \$18.0 million with substantial contributions from the federal and state government and the countywide tourist development tax (i.e., “bed tax”).

**Impact Fee Capital Projects Funds #311, #312 and #313** – The City adopted and implemented fire and police impact fees in 2018 and a general government impact fee in FY2021. Each impact fee is accounted for in a separate fund. In supporting documents, each fund shows projected revenues for FY2026, and the balance carried forward from FY2025.

In Fire Impact Fee Fund #311, the proposed FY2026 budget appropriates \$3.2 million for a new ladder truck. No expenditures of Law Enforcement Impact Fees Fund #312 are proposed for FY2026. In General Government Impact Fees Fund #313, the proposed FY2026 budget appropriates \$75,000 for a new transit van for the Public Works Parks Division.

## **ENTERPRISE FUNDS**

Enterprise Funds (EF’s) are used for City cost centers that charge user fees for products or services that are intended to recover the full costs of those products or services. The City maintains four enterprise funds, as follows:

- 401 - Airport Fund
- 421 - Water and Sewer Utility Fund
- 470 and 314 - Solid Waste Fund (including impact fees)
- 480 – Stormwater Drainage Fund

The following table shows the proposed FY2026 budget for the City’s enterprise funds:

CITY OF VENICE FY2026 BUDGET - PROPOSED ENTERPRISE FUNDS						
REVENUES AND SOURCES	401	421	470	314	480	Total
IMPACT FEES	\$ -	\$ -	\$ -	\$ 106,000	\$ -	\$ 106,000
GRANTS	1,801,250	-	-	-	-	1,801,250
CHARGES FOR SERVICES	-	34,587,800	9,647,000	-	4,669,100	48,903,900
INTEREST EARNINGS	180,000	900,000	108,000	3,720	120,000	1,311,720
MISCELLANEOUS	2,846,895	2,368,620	14,300	-	-	5,229,815
<b>TOTAL REVS AND SOURCES</b>	<b>4,828,145</b>	<b>37,856,420</b>	<b>9,769,300</b>	<b>109,720</b>	<b>4,789,100</b>	<b>57,352,685</b>
EXPENDITURES AND USES						
PHYSICAL ENVIRONMENT	-	22,080,288	8,463,933	-	-	30,544,221
TRANSPORTATION	2,622,607	-	-	-	3,134,306	5,756,913
CAPITAL OUTLAY	2,200,000	13,025,000	975,000	-	750,000	16,950,000
DEBT SERVICE	-	2,516,703	-	-	28,827	2,545,530
OTHER USES:						
ADMINISTRATIVE CHARGES	313,312	2,522,568	738,966	-	289,278	3,864,124
TRANSFERS TO OTHER FUNDS	-	-	460,000	350,000	227,833	1,037,833
<b>TOTAL EXPS AND USES</b>	<b>5,135,919</b>	<b>40,144,559</b>	<b>10,637,899</b>	<b>350,000</b>	<b>4,430,244</b>	<b>60,698,621</b>
CHANGE IN WORKING CAPITAL	(307,774)	(2,288,139)	(868,599)	(240,280)	358,856	(3,345,936)
BEG. EST WORKING CAPITAL	7,819,711	19,171,630	5,170,554	261,185	5,160,704	37,583,784
<b>ENDING WORKING CAPITAL</b>	<b>\$ 7,511,937</b>	<b>\$ 16,883,491</b>	<b>\$ 4,301,955</b>	<b>\$ 20,905</b>	<b>\$ 5,519,560</b>	<b>\$ 34,237,848</b>

#### *Fund Analysis:*

**Airport Fund #401** – The proposed FY2026 appropriations budget for the Venice Municipal Airport (VMA) is \$5.1 million, including capital projects of \$2.2 million. The operating budget represents the remaining \$2.9 million, and is a 13.5% increase from the prior year’s operating budget of \$2.6 million. The proposed operating budget includes salary increases and related benefits for existing personnel. The VMA proposed revenue budget for FY2026 is \$4.8 million, including grants of \$1.8 million and operating revenues of \$3.0 million.

Budgeted *total expenditures* (\$5.1 million) exceed budgeted *total revenues* (\$4.8 million) by \$307,774 (blue area of the budget worksheets). This means negative cash flows, i.e., the use of beginning reserves. But budgeted *operating revenues* (\$3.0 million) are higher than budgeted *operating expenditures* (\$2.9 million) by \$90,976 (green area). The primary difference between *total* and *operating* are the capital outlay and related grants. This means that operations can contribute \$90,976 toward the funding of capital outlay, including grant matching requirements.

Ending reserves (working capital) are projected at \$7.5 million, of which \$2.9 million is restricted for FAA-approved projects, and \$4.6 million is unrestricted. This is measurably above the minimum target balance of \$1.7 million, four months of operating expenditures including depreciation.

**Utilities Fund #421** – The Utilities Department is under the Director of Utilities and has four divisions: administration (1201), distribution and collection (1202), water production (1203) and water reclamation/lift stations (1204). The proposed FY2026 appropriations budget for the Utilities Fund totals \$40.1 million, including capital projects, debt service, and transfers to fleet totaling \$15.5 million. The operating budget is the remaining \$24.6 million, and is an increase

of 13.1% over the prior year's operating budget of \$21.8 million. The proposed operating budget includes salary increases and related benefits for existing personnel, but no new FTEs.

The Utilities Fund proposed revenue budget for FY2026 is \$37.9 million, including restricted revenues of \$3.3 million and operating revenues of \$34.6 million. Revenue estimates incorporate growth and rate assumptions contemplated in the latest rate study as noted on page two of this budget message.

Budgeted *total expenditures* (\$40.1 million) exceed budgeted *total revenues* (\$37.8 million) by \$2.3 million (blue area of the budget worksheets). This means negative cash flows, i.e., the use of beginning reserves. But budgeted *operating revenues* (\$34.6 million) are significantly higher than budgeted *operating expenditures* (\$24.6 million), by \$10.0 million (green area). This means that operations can contribute \$10.0 million toward the funding of capital projects and debt service. Furthermore, restricted revenues (mostly plant capacity fees) can contribute another \$3.3 million, for a total of \$13.3 million. Plant capacity fees are earmarked for expansion-related purposes, with the eligible projects identified in the rate studies and the accompanying CIP. Finally, debt service is \$2.5 million, leaving \$10.8 million for pay-as-you-go (PAYGO) capital projects.

The big financial challenge in the Utilities Fund is a robust CIP plan with \$13.0 million in FY2026 projects adding to \$67.5 million already in progress from FY2025. Some of these projects will require debt financing through the US Environmental Protection Agency's State Revolving Fund Loan (SRF) program - \$29.4 million of projects in FY2025, but none in FY2026. Cash on hand and net revenues should be sufficient to cover the rest.

Ending reserves (working capital) are projected at \$16.9 million, of which \$3.7 million is restricted, and \$13.2 million is unrestricted. So the *technical calculation* projects the ending working capital to be *short of* the minimum target balance of \$16.9 million (six months of operating expenditures including depreciation). However, capital expenditures are being monitored and a cash flow model that considers spending lags predicts that ending reserves will remain above target through FY2026 without additional borrowing.

**Solid Waste Fund #470** – The Solid Waste Fund is a division within the City's Department of Public Works. The division is under the control of the Public Works Director, but as an enterprise fund, maintains separate and distinct account balances. In addition, solid waste impact fees are reported in Fund #314 but combined with Fund #470 for financial reporting. The proposed FY2026 appropriations budget for the primary Solid Waste Fund #470 is \$10.6 million, including capital outlay of \$975,000 (for a new facility) and transfers for new fleet units of \$460,000. The operating budget represents the remaining \$9.2 million, and is an increase of 3.5% over the prior year's operating budget of \$8.9 million. The proposed operating budget includes salary increases and related benefits for existing personnel, and one new FTE.

The Fund's revenue budget is \$9.8 million, all operating revenues. Budgeted *total expenditures* (\$10.6 million) exceed budgeted *total revenues* (\$9.8 million) by \$868,599 (blue area of the budget worksheets). This means negative cash flows, i.e., the use of beginning reserves. However, budgeted *operating revenues* (\$9.8 million) are higher than budgeted *operating*

expenditures (\$9.2 million), by \$566,400 (green area), the difference between *total* and *operating* being capital outlay and transfers to fleet.

The fund incurred approximately \$5.8 million in waste collection and disposal costs related to Hurricanes Helene & Milton in FY2024 and FY2025. FEMA has not reimbursed any funds as of March 31, 2025; however funds are expected in FY2025. The ending reserves (working capital) are projected at \$4.3 million, which is above the minimum target balance of \$3.0 million, equivalent to four months of operating expenditures. Depending on the ultimate cost and timing of payments related to a new facility, it is expected that the Fund may require a loan for that project.

The solid waste impact fees will supplement the purchase of a new sanitation truck.

**Stormwater Fund #480** – Stormwater and Water Quality Management functions within the Engineering Department. As an enterprise fund, these combined activities maintain separate and distinct account balances. The proposed FY2026 appropriations budget for the Stormwater Fund is \$4.4 million, including capital projects of \$750,000, debt service of \$28,827, and transfers to fleet of \$227,833. The operating budget represents the remaining \$3.4 million, representing a 21.6% increase from the prior year operating budget of \$2.8 million. The proposed operating budget includes salary increases and related benefits for existing personnel, but no new FTEs.

The Fund's revenue budget is \$4.8 million, all operating revenues. The operating revenue estimates include a conservative growth assumption, a 4.9% increase in the customer O&M fee (from \$8.15 to \$8.55 per ESF), and no increase in the water quality fee.

Budgeted *total* revenues (\$4.8 million) exceed budgeted *total* expenditures (\$4.4 million) by \$358,856 (blue area of the budget worksheets). This is close to cash flows at a break-even, which is the basis for rate setting in this Fund. But budgeted *operating revenues* (\$4.8 million) exceed budgeted *operating expenditures* (\$3.4 million) by \$1.4 million (green area). This means that operations can contribute \$1.4 million toward the funding of capital outlay, debt service, and Fleet Replacement Fund transfers.

Ending reserves (working capital) are projected at \$5.5 million, which is above the minimum target balance, four months of total expenditures – budget basis.

## **INTERNAL SERVICE FUNDS**

Internal service funds are used to centralize certain costs applicable to all or most City Departments. Revenues of these funds include significant interdepartmental charges. The City maintains five internal service funds, as follows:

- 501 - The Employees' Group Life and Health Insurance Fund
- 502 - The Workers' Compensation Self-Insurance Fund
- 503 - The Employee Flexible Spending Fund
- 504 - The Property and Liability Insurance Fund
- 505 - The Fleet Replacement Fund

<b>CITY OF VENICE</b>						
<b>FY2026 BUDGET - PROPOSED</b>						
<b>INTERNAL SERVICE FUNDS</b>						
<b>REVENUES AND SOURCES</b>	<b>501</b>	<b>502</b>	<b>503</b>	<b>504</b>	<b>505</b>	<b>Total</b>
INTERFUND CHARGES	\$ 6,781,077	\$ 421,238	\$ -	\$ 2,605,638	\$ 4,232,706	\$ 14,040,659
INTEREST EARNINGS	224,800	55,200	-	28,000	566,985	874,985
MISCELLANEOUS	3,026,546	28,000	160,000	50,000	258,400	3,522,946
OTHER FINANCING SOURCES:						
TRANSFERS IN	-	-	15,000	-	1,127,833	1,142,833
<b>TOTAL REVS AND SOURCES</b>	<b>10,032,423</b>	<b>504,438</b>	<b>175,000</b>	<b>2,683,638</b>	<b>6,185,924</b>	<b>19,581,423</b>
<b>EXPENDITURES AND USES</b>						
GENERAL GOVERNMENT	-	-	173,228	-	-	173,228
INTERNAL SERVICES	10,417,424	704,438	-	2,733,639	-	13,855,501
CAPITAL OUTLAY	-	-	-	-	3,808,500	3,808,500
OTHER FINANCING USES:						
TRANSFERS OUT	15,000	-	-	-	-	15,000
<b>TOTAL EXPS AND USES</b>	<b>10,432,424</b>	<b>704,438</b>	<b>173,228</b>	<b>2,733,639</b>	<b>3,808,500</b>	<b>17,852,229</b>
CHANGE IN WORKING CAPITAL	(400,001)	(200,000)	1,772	(50,001)	2,377,424	1,729,194
BEG. EST. WORKING CAPITAL	7,198,390	1,209,896	25,089	861,367	17,639,498	26,934,240
<b>ENDING WORKING CAPITAL</b>	<b>\$ 6,798,389</b>	<b>\$ 1,009,896</b>	<b>\$ 26,861</b>	<b>\$ 811,366</b>	<b>\$ 20,016,922</b>	<b>\$ 28,663,434</b>

### *Fund Analysis:*

**Life and Health Self-Insurance Fund #501** – This fund pays for medical related costs for employees, retirees, and their dependents over and above the participant's deductibles and generally up to \$125,000 per year per person. Reinsurance coverage pays the excess. Life, dental, vision, and other similar programs are consolidated into this budget also.

The Fund's revenue budget is \$10.0 million with appropriations of \$10.4 million, utilizing \$400,000 of beginning reserves to balance. Ending reserves are projected at \$6.8 million, comfortably above target levels (four months of expenditures).

The FY2026 proposed budget for out-of-pocket claims expense is \$7.7 million, 7.9% higher than the prior year's amount of \$7.1 million. This budget was derived in consultation with the City's actuary and plan consultants. Other costs in this fund will also increase in FY2026. In FY2026,

Departments with employees will be charged \$17,193 per FTE for health/life benefits, up from \$16,982 in FY2025. Participant/employee contributions are scheduled to increase 3.5% effective January 1, 2026.

**Workers' Compensation Self-Insurance Fund #502** – Workers' compensation insurance pays employees who are out of work for work-related injuries or illnesses. The City is “self-insured” for this exposure, so pays these claims costs from this fund when applicable.

The Fund's revenue budget is \$504,438 with appropriations of \$704,438, utilizing \$200,000 of beginning reserves to balance. Ending reserves are projected at \$1.0 million, comfortably above target levels (four months of expenditures).

Worker's compensation claims' costs fluctuate from year to year and are budgeted at \$445,050 for FY2026, based on the actuary's recommendation (75% confidence level). Departments will be charged a total of \$421,238 for workers compensation coverage in FY2026, down 5.3% on average from FY2025.

**Employee Flexible Spending Fund #503** – This fund is for employees who participate in the City's flexible spending account/health program. Budgeted expenditures of \$173,228 include \$3,982 in estimated administrative costs.

**Property and Liability Insurance Fund #504** – Estimates for property and liability insurance coverage continue to increase. The FY2026 proposed budget of \$2.7 million represents an increase of 9.2% over FY2025. The main reason for the increase is related to property insurance coverage.

Revenues are primarily payments from other City departments and are supplemented by \$50,000 of beginning reserves to balance. Reserves in this fund are comfortably above target levels (four months of expenditures).

Departments will be charged a total of \$2.6 million for property and liability insurance, up 10.0% from FY2025. All insurance related to General Fund departments is charged to the Human Resources Department budget.

**Fleet Replacement Fund #505** – The Fleet Replacement Program (FRP) became fully funded in FY2024. During FY2026, one department (PW-Parks) will require catch-up contributions totaling \$90,000 to maintain that status.

The Fund's revenue budget is \$6.2 million including departmental rent payments of \$4.2 million, transfers in of \$1.1 million, and other income of \$825,385. Fleet acquisitions are budgeted for \$3.8 million, therefore \$2.4 million will be added to reserves. Ending reserves are projected at \$20.0 million. The “Fleet Replacement Program Status Report - Projected September 30, 2026”, dated May 12, 2025 has significant additional information for the FRP, by department.

## POLICE AND FIRE PENSION PLANS

The City is required to budget annual contributions to its two single-employer defined benefit pension plans, and is ultimately responsible for the net pension liabilities of these plans. However, the City does not budget the revenues and expenditures of the Pension Trust Funds, or of the Plans themselves. Following is some information related to the plans as of September 30, 2024, for the year then ended, and for the year-to-date FY2025:

CITY OF VENICE			
ACTUAL - 2024 CAFR and YTD			
POLICE AND FIRE PENSION PLANS			
BALANCES AT SEPTEMBER 30, 2024	Police	Fire	Total
A. ASSETS	\$ 45,127,509	\$ 37,729,676	\$ 82,857,185
B. (TOTAL PENSION LIABILITY)	(43,348,813)	(49,598,077)	(92,946,890)
C. NET PENSION ASSET (LIABILITY)	\$ 1,778,696	\$ (11,868,401)	\$ (10,089,705)
D. PERCENT FUNDED (A / -B)	104.10%	76.07%	
E. ARC (CITY PORTION)	\$ 383,721	\$ 2,520,484	
F. ADDITIONAL CONTRIBUTIONS	\$ 762,414	\$ 851,663	
YEAR ENDED 9/30/24:			
G. COVERED PAYROLL	\$ 94,981	\$ 1,015,026	
H. CONTR'N PERCENTAGE ((E+F) / G)	1206.70%	332.22%	
YTD THROUGH 04/30/25:			
I. YTD INVESTMENT GAINS (LOSSES)	\$ (399,755)	\$ (562,741)	
J. YTD RETURN ON ASSETS	-0.9%	-1.5%	-

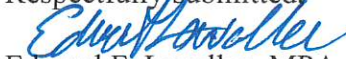
Both plans are closed to new entrants. The Finance Department goal is to get both plans 100% funded (100% at D) while there are still active participants. The police plan has met that goal. Until both plans are 100% funded, the City's annual required contribution (ARC) will include significant costs attributable to service performed in prior periods (i.e., legacy costs).

Annual contributions as a percentage of covered payroll - active participants (1206.70% and 332.221% - see H) can be compared to the Florida Retirement System contribution percentage for FYE 6/30/25 of 30.73%. This difference also highlights the significant amount of legacy costs included in the ARC. The fiscal year-to-date return on assets (see J) is below the Plans' assumed investment return (6.75% police and 6.50% fire).

### *Closing*

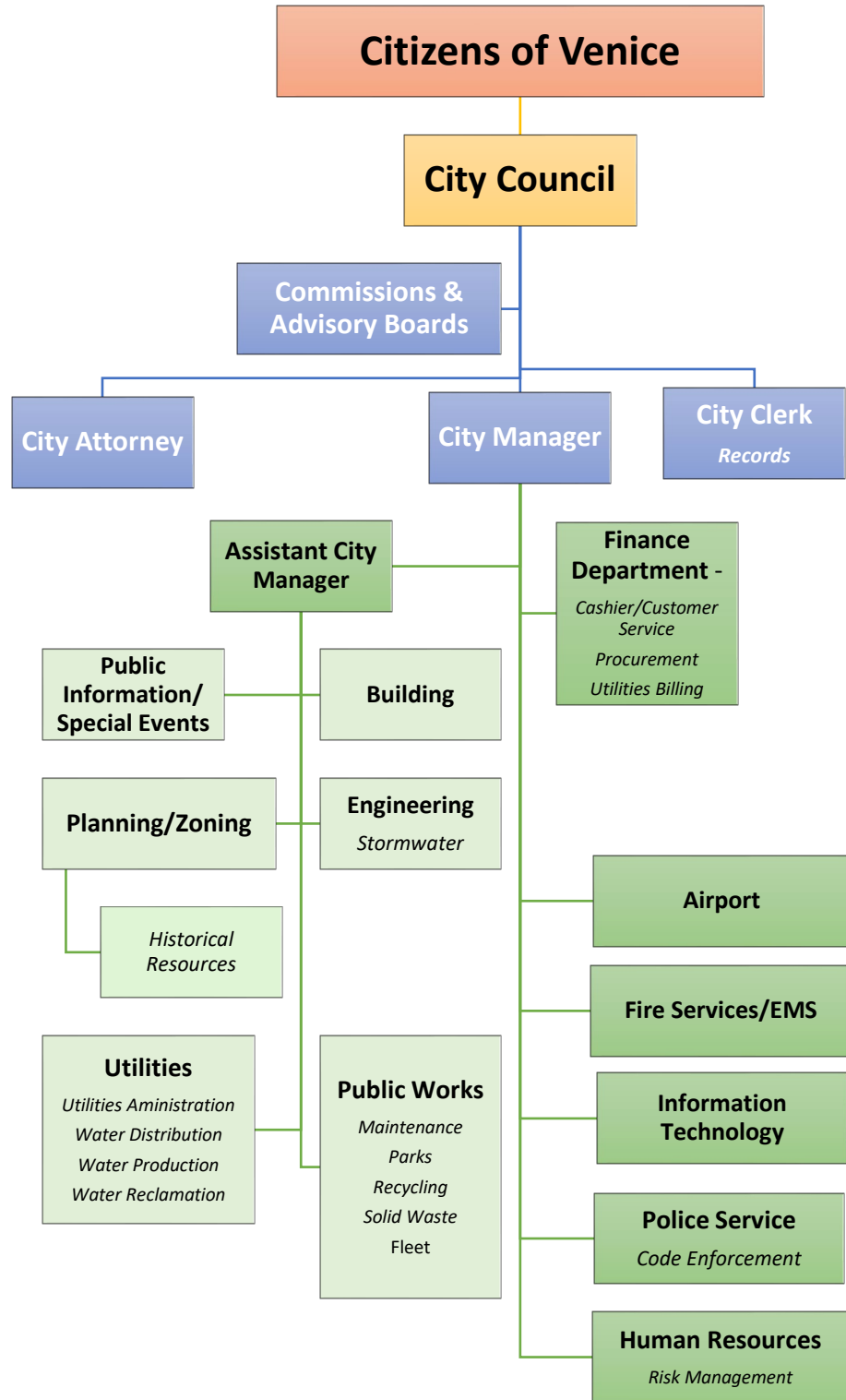
On behalf of the City staff, I would like to extend our appreciation for the continued guidance and policy direction provided by the City Council. We also extend our gratitude to the citizens of Venice for their continued engagement and support in helping us deliver high-quality services that enhance the well-being of our community.

Respectfully submitted,



Edward F. Lavalley, MPA, ICMA-CM

<b>CITY OF VENICE</b> <b>ALL FUNDS</b> <b>PROPOSED BUDGET SUMMARY</b>				
<b>FUNDS</b>	<b>Actual FY 2023</b>	<b>Actual FY2024</b>	<b>Amended Budget FY 2025</b>	<b>Proposed Budget FY 2026</b>
General	\$ 42,447,386	\$ 45,839,115	\$ 55,448,390	\$ 58,905,802
Motor Fuel Tax	1,278,500	1,669,700	1,733,500	1,689,995
Contraband/Forfeiture	50,177	14,020	45,000	45,000
Police Training	2,988	9,360	10,000	10,000
Police Community Fund	25,622	40,217	30,000	30,000
Boat Registration Fees	330	2,813	87,500	56,000
Second Occupational License	-	10,000	27,793	75,967
Growth Management Training	36,886	24,134	105,000	105,000
Parking Fines/Handicapped Access	-	-	20,000	20,000
Tree Mitigation Fund	39,275	30,656	14,000	13,000
Opioid Remediation Fund	-	20,000	66,000	66,000
Centennial Community Fund	-	1,881	4,200	7,800
Historical Commission Fund	8,371	9,430	10,930	11,280
Building Permit Fees	7,855,665	4,873,157	4,206,559	4,136,159
General Obligation Debt Service	2,565,310	2,559,473	2,568,924	2,559,510
One-Cent Voted Sales Tax	3,149,600	2,576,887	27,556,920	4,121,000
General Capital Projects	231,461	489,906	6,781,027	-
Streets Capital Projects	1,068,150	842,630	5,204,319	700,000
Buildings and Renovations	-	-	-	-
Sidewalk Capital Projects	-	-	-	-
Beach Renourishment	41,422	28,491	71,455	18,103,120
Fire Impact Fee Capital Projects	-	-	1,050,000	3,233,000
Police Impact Fee Capital Projects	39,036	-	404,411	-
General Government Impact Fee	-	-	-	75,000
Solid Waste Impact Fee	-	589,834	200,000	350,000
Airport	3,582,493	6,431,322	12,075,559	5,135,919
Water & Sewer Utilities	29,347,525	56,015,454	93,186,611	40,144,559
Solid Waste/Recycling	11,608,062	8,405,928	17,559,464	10,637,899
Storm Water Utility	2,368,073	2,745,756	6,246,835	4,430,244
Group Life & Health Insurance	8,298,321	8,809,614	9,864,083	10,432,424
Worker's Compensation	442,672	254,715	741,474	704,438
Employee Flexible Spending	128,513	161,974	166,650	173,228
Property & Liability Insurance	1,499,185	2,184,977	2,504,263	2,733,639
Fleet Replacement	1,994,770	3,383,675	5,103,448	3,808,500
<b>TOTALS</b>	<b>\$ 118,109,793</b>	<b>\$ 148,025,119</b>	<b>\$ 253,094,315</b>	<b>\$ 172,514,483</b>



## DESCRIPTION OF FUNDS

### **General Fund – 001**

The General Fund is the Chief Operating Fund for the city of Venice and is utilized to account for all tax-supported (governmental) activities. General Accepted Accounting Principles (GAAP) prescribe that the general fund is to be used “to account for all financial resources except those required to be accounted for in another fund”. It is presumed that all of a government’s activities are reported in the general fund unless there is a compelling reason to report that activity in another fund. The General Fund encompasses the following revenues and expenses of the city:

#### **Revenues:**

- Ad Valorem Taxes
- Franchise Fees
- Licenses and Permits
- Intergovernmental Revenue
- Charges for Services
- Fines and Forfeitures
- Miscellaneous
- Other Revenue
- Interest Earnings

#### **Expenses:**

- General Government
- Public Safety
- Physical Environment
- Transportation
- Culture and Recreation

### **Special Revenue Funds**

A Special Revenue Fund is used to finance particular activities and is created out of receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory or charter provisions to pay for certain activities with some special form of continuing revenues.

#### **Fund #**

##### 105 - Motor Fuel Tax Fund

To account for the restricted revenue sources for street upkeep and improvement use only. Funds are generally used to reimburse the General Fund for street improvement expenditures made by Public Works and transferred to the Streets Capital Projects Fund for street paving and street rebuilding.

##### 106 - Contraband-Forfeiture Fund

To account for proceeds derived from the sale of confiscated property.

##### 107 - Police Training Fund

To account for the City’s share of certain court fines revenue. Proceeds are restricted to police education and training. Florida Statute (FS) 938.15

##### 108 - Police Community Fund

To account for donations made to the Venice Police Department for community supported programs.

## **Special Revenue Funds (cont'd)**

109 - Boat Registration Fees

To account for the City's portion of boat registration fees designated for boat related activities. Florida Statute (FS) 328.72

112 - Second Occupational License Fund

To account for additional license fees designated for economic development. City Ordinance 93-21

113 - Growth Management Training Fund

To account for training fees established by ordinance transferring a portion of building permit fees.

115 - Parking Fines – Handicap Access Fund

To account for revenues from certain parking fines. Proceeds are committed to handicap accessible programs under Florida Statute (FS) 316.008(4) and City Ordinance 2000-14.

116 - Building Permit Fees Fund

Revenues are primarily from building permits. Proceeds must be used for enforcing the Florida Building Code under FS 553.80.

117 - Tree Mitigation Fund

To account for funds received for the protection and replacement of trees on all property within the City.

118 - Opioid Remediation Fund

To account for funds received from the Florida Opioid Settlement designated for Opioid Remediation.

608 - Centennial Community Fund

To account for the administration of the Centennial Community Trust resources. Funds are designated for historic preservation and other projects of historical significance, under City Resolution 1042-90.

612 - Historical Resources Fund

To account for donations from private sources specifically earmarked for the Venice Historical Commission.

## **Debt Service Fund**

### 251 - General Obligation Debt Service Funds

To pay debt service on the following general obligation bonds:

- Recreation Capital Improvement, Series 2014
- Public Safety, Series 2017
- Transportation, Series 2017

## **Capital Projects Funds**

Capital Project Funds are designed to account for the resources expended to acquire assets of a relatively permanent nature. (Enterprise Fund resources are not included in this category). Capital Projects Funds provide a formal mechanism which enables administrators to ensure that revenues dedicated to a certain purpose are used only for that purpose.

### 110 - One Cent Voted Sales Tax Fund

To account for the collection of one-cent sales tax revenues designated for planning, financing, and construction of infrastructure within the City.

### 301 - General Capital Projects

Established to account for the cost of major parks projects and other capital improvements, does not account for street related projects or building and renovations to buildings.

### 302 - Streets Capital Projects Fund

Established to account for the cost of major drainage and street improvement capital projects. The projects are generally financed by a combination of several revenue sources, including designated gas taxes, interest revenues and contributions from other funds.

### 303 - Building & Renovations

Established to account for the cost of constructing new City buildings and/or major renovations to existing City buildings.

### 304 - Sidewalk Capital Projects

Established to account for the payment of the cost of sidewalks in lieu of construction.

### 306 - Beach Renourishment Fund

Established to account for the cost of beach renourishment

### 311 - Fire Impact Fee Fund

Established to account for the cost of capital improvements or additions to the City Fire Protections system required to serve new growth.

## **Capital Projects Funds (cont'd)**

### 312 - Police Impact Fee Fund

Established to account for the cost of capital improvements or additions to the City Law Enforcement system required to serve new growth.

### 313 - General Government Impact Fee Fund

Established to account for the cost of capital improvements or additions related to general government services needed to serve new development.

## **Internal Service Funds**

### 501 - Employees' Group Health and Life Insurance Fund

To account for health and life insurance claims which are partially self-insured by the city

### 502 - Workers' Compensation Fund

To account for workers' compensation claims which are partially self-insured by the city.

### 503 - Employees' Flexible Spending Fund

To account for reimbursement of medical expenses per Chapter 125 of the IRS Code.

### 504 - Property and Liability Insurance Fund

To account for property and liability premiums, claims, and related administrative costs.

### 505 - Fleet Replacement Fund

To account for the city's fleet replacement program and associated costs.

## **Enterprise Funds**

### 401 - Airport Fund

Records the activities of the Venice Municipal Airport.

### 421 - Utility Fund

Accounts for water supply, treatment, storage, and distribution of the city's water.

### 470 - Solid Waste Fund

Accounts for collection and disposal of garbage and recycling.

### 314 - Solid Waste Impact Fees

Established to account for the cost of capital improvements or additions related to solid waste services needed to serve new development.

### 480 - Stormwater

Accounts for the management, operation, and maintenance of the Citywide drainage system.

# REVENUES

**AD VALOREM TAXES:** Property taxes collected and disbursed from Sarasota County

**CHARGES FOR SERVICES:** Fees for hearings held before zoning board of appeals, architectural review board, and planning commission. Sale of code books, plat filing fees, review re-inspection fees, community development district filing fees, annexation fees, code enforcement fees, EMS transport fees, and fire inspections fees. Water, sewer, & reuse consumption sales & demand charges, fire service charges for sprinkler systems, charges for fire hydrants, and water & sewer tap fees. Solid waste garbage & recycling fees, and stormwater fees.

**FINES AND FORFEITURES:** Monies received for violations of local ordinances and parking fines.

**FRANCHISE FEES:**

Electric Franchise Fees - Fees levied to Florida Power & Light for the use of City right of ways.

Gas Franchise Fees - Fees levied for the use by gas companies for the use of City right of ways.

**INSURANCE PREMIUM TAXES:** Fire and Police Casualty Insurance Premium – the portion of monies received from the State of Florida pertaining to homeowners' insurance and utilized solely for the Municipal Firefighters' and Police Officers' pension plan payment.

**INTEREST:** Monies received on any investment made by the City of Venice.

**INTERGOVERNMENTAL REVENUE:** Monies for federal, state, local grants, and other revenues received from the state including state revenue sharing, mobile home licenses, alcoholic beverage licenses, local government half cent sales tax, and firefighters' incentive.

**LICENSES & PERMITS:** Fees for certificate competency to builders, business licenses, non-building permits, annex mitigation fees, fire permits, zoning permits, engineering permits, construction plan review permits, construction permits, site preparation permits, right of way use permits, license agreements, and building permits.

**MISCELLANEOUS:** Auction proceeds, receipt of funds for the land lease from Venice Pier Group and for the lease of the south jetty store property, donations, and other miscellaneous revenue received from various sources for the benefits of the City of Venice.

**OTHER FINANCING SOURCES:** All interfund transfers to account for monies transferred from various funds. Includes monies received in the general fund from the enterprise funds for general and administrative charges for time spent by general fund employees.

**RENTS:** Aeronautical lease rents on airport property, rental leases on t-hangars for small aircraft, daily & monthly tie-down rents, non-aeronautical leases, and lot rental of mobile homes.

**UTILITY/ COMMUNICATION SERVICE TAXES:** Taxes levied on the sale of water, electricity and bottle gas (propane). Also, includes the city's share of a state communication tax on retail sales of communication services.

## **EXPENDITURES**

**CAPITAL OUTLAY:** Land, buildings, improvements other than buildings, and machinery & equipment.

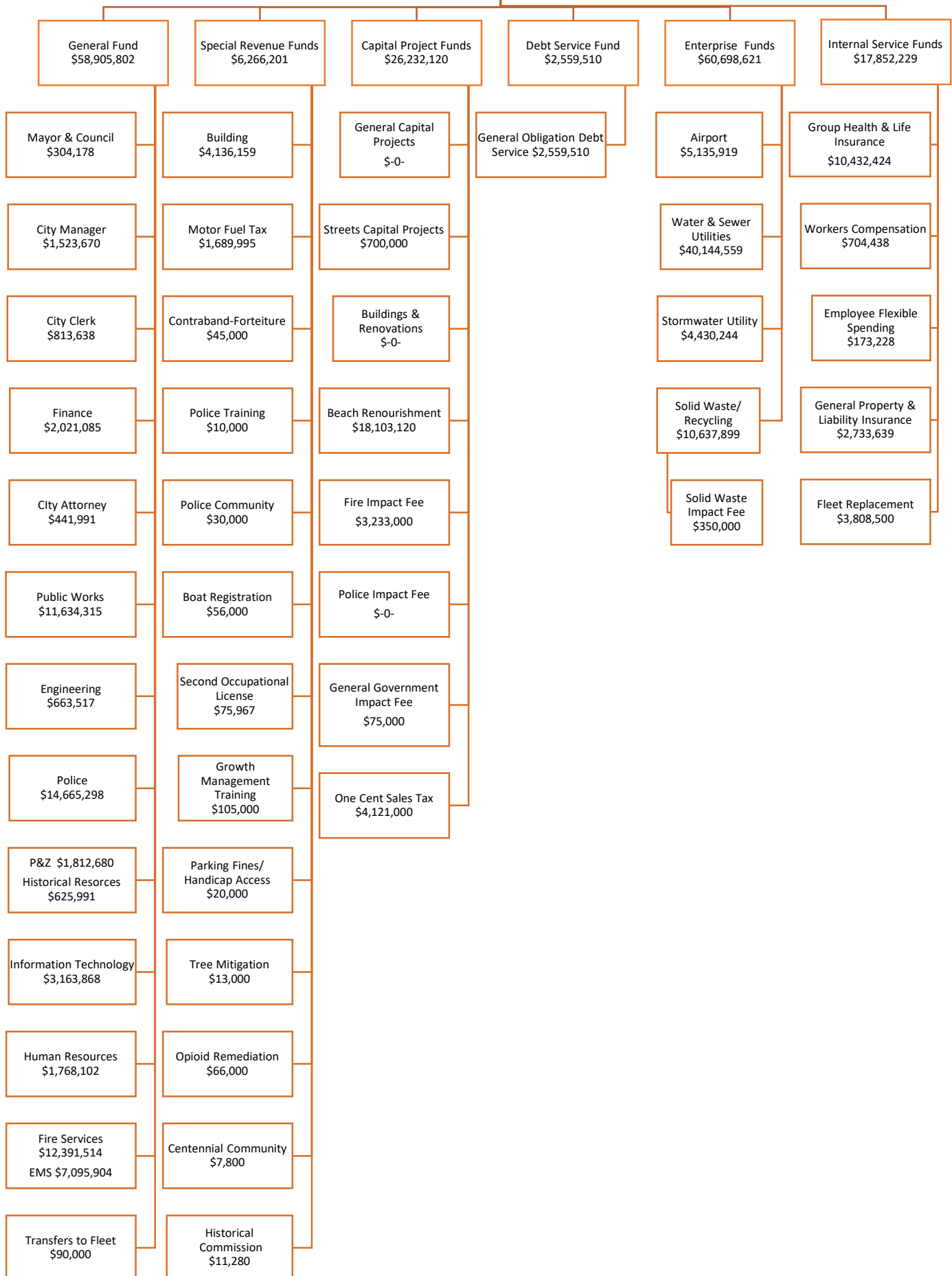
**DEBT SERVICE:** Principal & interest payments, and paying agent fees on outstanding bonded indebtedness.

**OPERATIONS:** Professional services, insurance, travel & training, office supplies, repairs & maintenance, and other miscellaneous services and supplies.

**PERSONNEL:** Regular salaries & wages, overtime, special pay, FICA, retirement contributions, life & health insurance, and workers compensation.

**TRANSFERS TO OTHER FUNDS:** Interfund transfers to account for monies transferred to other funds. Includes monies paid to the general fund from the enterprise funds for general and administrative charges for time spent by general fund employees.

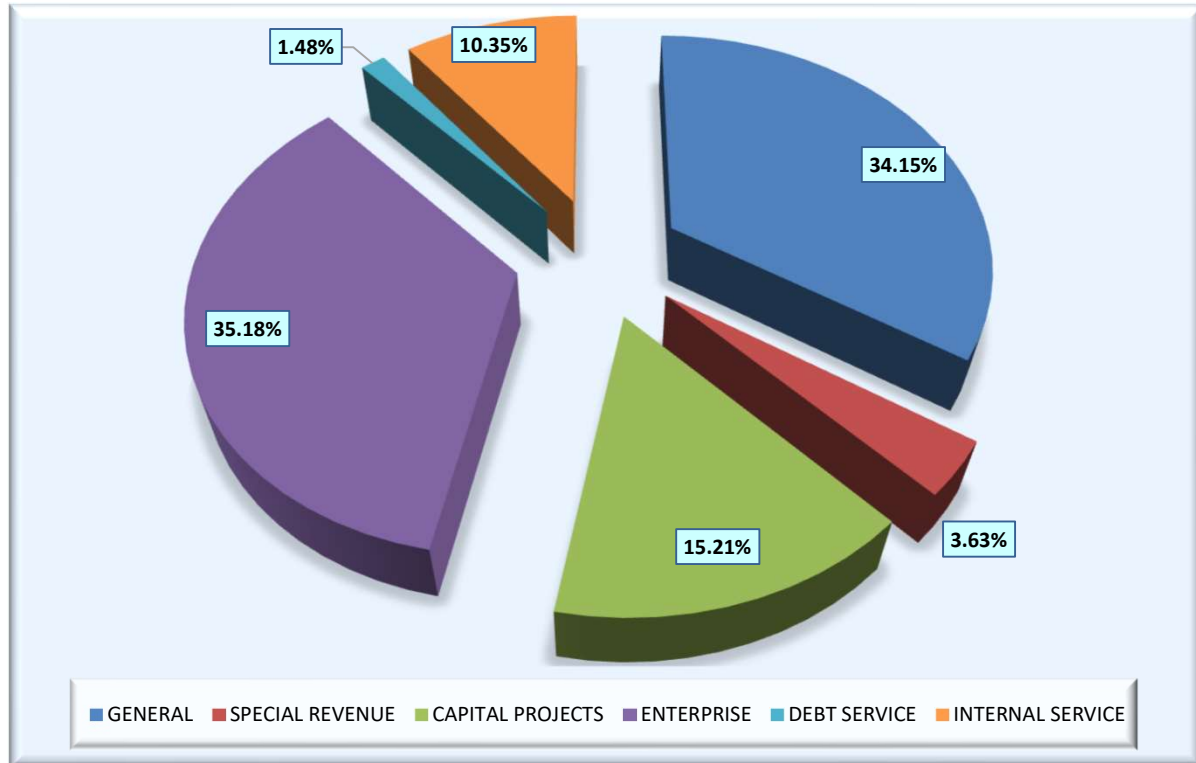
**City of Venice**  
Total Proposed FY 2026 Budget  
\$172,514,483



# CITY OF VENICE

Fiscal Year 2026

All Funds Expense Summary Proposed \$172,514,483



## GENERAL

General Fund 58,905,802

## SPECIAL REVENUE

Motor Fuel Tax	1,689,995
Contraband/Forfeiture	45,000
Police Training	10,000
Police Community Fund	30,000
Boat Registration	56,000
Second Occupational License	75,967
Growth Mgmt. Training	105,000
Parking Fines/Handicapped Access	20,000
Tree Mitigation	13,000
Opioid Remediation	66,000
Centennial Community	7,800
Historical Commission	11,280
Building Permits	4,136,159
<b>Total</b>	<b>6,266,201</b>

## DEBT SERVICE

General Obligation Debt Service	2,559,510
<b>Total</b>	<b>2,559,510</b>

## CAPITAL PROJECTS

One-Cent Voted Sales Tax	4,121,000
General Capital Projects	-
Streets Capital Projects	700,000
Bldgs & Renovations	-
Sidewalk Capital Projects	-
Beach Renourishment	18,103,120
Fire Impact Fee	3,233,000
Police Impact Fee	-
General Government Impact Fee	75,000
<b>Total</b>	<b>26,232,120</b>

## ENTERPRISE FUNDS

Airport	5,135,919
Water & Sewer Utilities	40,144,559
Solid Waste/Recycling	10,637,899
Storm Water Utility	4,430,244
Solid Waste Impact Fee	350,000
<b>Total</b>	<b>60,698,621</b>

## INTERNAL SERVICE

Group Life & Health Insurance	10,432,424
Workers Compensation	704,438
Employee Flexible Spending	173,228
General Property & Liability	2,733,639
Fleet Replacement	3,808,500
<b>Total</b>	<b>17,852,229</b>

**BUDGET SUMMARY**  
**CITY OF VENICE - FY 2026**  
**THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE CITY OF VENICE ARE**  
**5.2% LESS THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES**

	GOVERNMENTAL FUND TYPE				PROPRIETARY FUND TYPES		
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUNDS	INTERNAL SERVICE	TOTAL
REVENUES							
TAXES:							
AD VALOREM TAXES - 3.9041 MILLS	\$ 28,550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,550,000
AD VALOREM TAXES - 0.3405 MILLS	-	-	-	2,492,000	-	-	2,492,000
COMMUNICATION SERV, SALES & USE TAXES	2,399,583	1,293,340	5,660,300	-	-	-	9,353,223
UTILITY SERVICE TAXES	3,728,000	-	-	-	-	-	3,728,000
FRANCHISE FEES	3,525,400	-	-	-	-	-	3,525,400
LICENSES AND PERMITS	463,400	3,515,000	368,000	-	106,000	-	4,452,400
INTERGOVERNMENTAL REVENUE	4,645,782	291,000	15,943,120	-	1,801,250	-	22,681,152
CHARGES FOR SERVICES	3,042,900	-	-	-	48,903,900	14,040,659	65,987,459
FINES AND FORFEITURES	35,000	45,550	-	-	-	-	80,550
INTEREST EARNINGS	875,000	150,889	637,624	24,000	1,311,720	874,985	3,874,218
MISCELLANEOUS	1,554,260	128,280	-	-	5,229,815	3,522,946	10,435,301
OTHER FINANCING SOURCES:							
ADMINISTRATIVE CHARGES	4,517,465	-	-	-	-	-	4,517,465
TRANSFERS FROM OTHER FUNDS	425,240	-	1,568,100	-	-	1,142,833	3,136,173
DEBT PROCEEDS	-	-	-	-	-	-	-
TOTAL ESTIMATED REVENUE AND OTHER FINANCING SOURCES	53,762,030	5,424,059	24,177,144	2,516,000	57,352,685	19,581,423	162,813,341
USE OF FUND BALANCE (RESERVES)	-	872,582	5,309,376	-	3,704,792	650,002	10,536,752
TOTAL ESTIMATED REVENUE AND BALANCES	<u>\$ 53,762,030</u>	<u>\$ 6,296,641</u>	<u>\$ 29,486,520</u>	<u>\$ 2,516,000</u>	<u>\$ 61,057,477</u>	<u>\$ 20,231,425</u>	<u>\$ 173,350,093</u>
EXPENDITURES							
GENERAL GOVERNMENT	\$ 15,337,874	\$ 124,080	\$ -	\$ -	\$ -	\$ 173,228	\$ 15,635,182
PUBLIC SAFETY	33,797,767	3,589,818	-	-	-	-	37,387,585
PHYSICAL ENVIRONMENT	663,517	33,000	60,000	-	30,544,221	-	31,300,738
TRANSPORTATION	-	-	-	-	5,756,913	-	5,756,913
ECONOMIC ENVIRONMENT	-	75,967	-	-	-	-	75,967
CULTURE & RECREATION	8,159,544	-	-	-	-	-	8,159,544
INTERNAL SERVICES	-	-	-	-	-	13,855,501	13,855,501
CAPITAL OUTLAY	857,100	55,000	26,172,120	-	16,950,000	3,808,500	47,842,720
DEBT SERVICE	-	-	-	2,559,510	2,545,530	-	5,105,040
GRANTS AND AID	-	45,000	-	-	-	-	45,000
OTHER USES:							
ADMINISTRATIVE CHARGES	-	653,341	-	-	3,864,124	-	4,517,465
TRANSFERS TO OTHER FUNDS	90,000	1,689,995	-	-	1,037,833	15,000	2,832,828
TOTAL EXPENDITURES AND USES	58,905,802	6,266,201	26,232,120	2,559,510	60,698,621	17,852,229	172,514,483
ADDITION (DECREASE) TO FUND BALANCE/RESERVES	(5,143,772)	30,440	3,254,400	(43,510)	358,856	2,379,196	835,610
TOTAL APPROPRIATED EXPENSES AND ENDING FUND BALANCES	<u>\$ 53,762,030</u>	<u>\$ 6,296,641</u>	<u>\$ 29,486,520</u>	<u>\$ 2,516,000</u>	<u>\$ 61,057,477</u>	<u>\$ 20,231,425</u>	<u>\$ 173,350,093</u>

The tentative, adopted, and/or final budgets are on file in the office of the above referenced taxing authority as a public record.

<b>PERSONNEL SUMMARY - ALL FUNDS</b>				
<b>DEPARTMENT / DIVISION</b>	<b>ACTUAL FY 2023</b>	<b>ACTUAL FY 2024</b>	<b>AMENDED FY 2025</b>	<b>PROPOSED FY 2026</b>
Mayor and Council	7.00	7.00	7.00	7.00
City Manager	5.00	5.00	5.00	5.00
City Clerk	5.00	5.00	5.00	5.00
Finance	14.00	14.00	14.00	14.00
Public Works Administration	3.00	3.00	3.00	3.00
General Maintenance (a)	16.60	16.60	17.60	17.60
Public Works Fleet	1.00	1.00	1.00	1.00
Parks Maintenance (b)	14.95	14.95	15.95	16.95
Historical Resources	3.00	3.00	3.00	3.00
Engineering	3.30	3.30	3.30	3.30
Police (c)	71.00	71.00	77.00	77.00
Fire	46.60	46.60	46.60	46.60
Fire - EMS (d)	29.00	29.00	36.00	36.00
Planning & Zoning (e)	10.50	10.00	10.00	10.00
Information Technology (f)	8.00	8.00	9.00	9.00
Human Resources	5.00	5.00	5.00	5.00
Building (g)	21.75	21.25	21.25	21.25
Airport (h)	8.00	9.00	9.00	9.00
Utilities Administration	11.00	11.00	11.00	11.00
Distribution / Collection (i)	27.00	27.00	29.00	29.00
Water Production	16.00	16.00	16.00	16.00
Water Reclamation (j)	19.00	19.00	20.00	20.00
Solid Waste (k)	14.00	14.00	14.00	15.00
Recycling	14.00	14.00	14.00	14.00
Storm Water	9.70	9.70	9.70	9.70
<b>Total Staff</b>	<b>383.40</b>	<b>383.40</b>	<b>402.40</b>	<b>404.40</b>

**PERSONNEL SUMMARY - ALL FUNDS**  
(Explanation of Notes)

(a)	FY25: Added 1 Maintenance Superintendent
(b)	FY25: Added 1 Municipal Service Worker FY26: Added 1 Parks Facility Maintenance Specialist
(c)	FY25: Added 2 Police Officers FY25: Added 1 Detective FY25: Added 1 Case Manager FY25: Added 1 School Resource Officer FY25: Added 1 Training Manager
(d)	FY25: Added 1 EMS Supervisor FY25: Added 6 Paramedics
(e)	FY24: Removed .50 Permit Technician
(f)	FY25: Added 1 Help Desk Technician
(g)	FY24: Removed .50 Permit Technician
(h)	FY24: Added 1 Airport Community Outreach Manager
(i)	FY25: Added 1 Field Operations Technician FY25: Added 1 Technical Support Specialist
(j)	FY25: Added 1 Inventory Control Technician
(k)	FY26: Added 1 Solid Waste Equipment Operator

**PERSONNEL SUMMARY - ALL FUNDS - Last 15 Fiscal Years**

DEPARTMENT / DIVISION	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Amended Budget 2025	Proposed Budget 2026
Mayor and Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
City Manager	3.00	3.00	3.00	3.20	3.20	3.25	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Historical Resources	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City Clerk	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance	12.00	12.00	12.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Public Works Administration	1.00	3.00	3.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Works Fleet Division	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
General Maintenance	12.00	11.00	11.00	9.60	9.60	12.60	15.60	15.60	15.60	15.60	16.60	16.60	16.60	17.60	17.60
Parks Maintenance	9.00	10.00	12.00	11.70	12.70	12.95	12.95	12.95	13.95	14.95	14.95	14.95	14.95	15.95	16.95
Engineering	6.00	5.00	5.00	3.15	4.65	4.10	4.10	4.10	4.00	4.00	3.30	3.30	3.30	3.30	3.30
Police	64.00	66.00	66.00	58.00	61.00	61.00	69.00	69.00	67.00	70.00	70.00	71.00	71.00	77.00	77.00
Fire	42.50	41.50	45.00	44.25	44.25	44.25	45.50	45.60	45.60	45.60	45.60	46.60	46.60	46.60	46.60
Fire - EMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	25.00	26.00	26.00	29.00	29.00	36.00	36.00
Planning & Zoning	8.00	7.00	6.00	8.00	9.00	11.00	11.00	13.50	13.25	10.75	11.00	10.50	10.00	10.00	10.00
Information Technology	4.00	4.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	8.00	8.00	9.00	9.00
Human Resources	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Building	6.00	7.00	10.00	12.60	12.60	15.60	15.35	18.75	19.00	19.50	22.25	21.75	21.25	21.25	21.25
Airport	7.00	7.00	8.00	8.30	8.20	8.25	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00
Utilities Administration	8.00	7.00	9.00	9.00	10.10	10.20	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Distribution / Collection	20.00	21.00	25.00	24.00	25.00	25.00	25.00	27.00	27.00	27.00	27.00	27.00	27.00	29.00	29.00
Water Production	14.00	14.00	15.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Water Reclamation	17.00	17.00	18.00	18.00	17.00	17.00	17.00	19.00	19.00	19.00	19.00	19.00	19.00	20.00	20.00
Solid Waste	11.00	12.50	11.50	12.025	14.025	11.525	13.00	13.00	13.00	13.00	13.00	14.00	14.00	14.00	15.00
Recycling	11.00	8.50	9.50	10.025	9.025	12.525	13.00	13.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00
Stormwater	2.00	1.00	1.00	5.80	5.70	8.00	9.00	9.00	9.00	9.00	9.70	9.70	9.70	9.70	9.70
<b>TOTAL</b>	<b>276.50</b>	<b>276.50</b>	<b>295.00</b>	<b>292.65</b>	<b>301.05</b>	<b>312.25</b>	<b>332.50</b>	<b>345.50</b>	<b>368.40</b>	<b>371.40</b>	<b>375.40</b>	<b>383.40</b>	<b>383.40</b>	<b>402.40</b>	<b>404.40</b>

## **City of Venice**

### **FINANCIAL MANAGEMENT POLICIES**

The National Advisory Council on State and Local Budgeting (NACSLB) developed a comprehensive set of recommended budget practices that has been endorsed by the Government Finance Officers Association (GFOA). These recommended practices provide a framework for the budget process encompassing a broad scope of governmental planning and decision-making with regard to the use of resources.

Element #4 of Principle #2, Adopt Financial Policies addresses the need for jurisdictions to establish policies. As such, the following are recommended financial management policies developed within the guidelines of the NACSLB.

#### **OPERATING MANAGEMENT**

**Policy #1:** Revenue estimates for annual budget purposes should be conservative. Property taxes should be budgeted at 95% of the Property Appraiser's estimate as of July.

**Policy #2:** The annual operating budget should be maintained in such a manner as to avoid an operating fund deficit. The annual budget should show fiscal restraint. Operating expenditures should be managed to create a positive cash balance (surplus) or not to exceed available resources in each fund at the end of the fiscal year.

**Policy #3:** Reserve funds should not be used to fund recurring expenditures. Fund balances should be maintained at fiscally sound levels in all funds. Such levels are delineated below.

- General Fund – The target is to maintain an unassigned fund balance of three months operating expenditures. This is the target that the unassigned fund balance should not fall below without establishing a replenishment plan.
- Building Permit Fund – The target fund balance is set at twelve months operating expenditures. Beginning in FY2020, it cannot exceed the average of the past four years. This is the target that the fund balance should not fall below without establishing a replenishment plan.
- Enterprise Funds – The target unrestricted net asset balance is set at four months operating expenses (33%), except the Utilities Enterprise Fund is set at six months operating expenses. This is the target that the fund balance should not fall below without establishing a replenishment plan.

**Policy #4:** The City shall maintain adequate protection from loss due to property damage or liabilities of the City. The City shall maintain a self-insurance program for medical benefits for employees and dependents. Risks in excess of fixed individual limits of \$125,000 annually are coinsured with an outside insurance carrier. The carrier is also responsible for excess costs over an aggregate limit. The City also maintains self-insurance programs for workers' compensation and is insured for property and general liability risks. The City ensures adequate resources are available to support the value of incurred but not reported (IBNR) claims.

**Policy #5:** The City will not commit itself to the full extent of its taxing authority.

## **FINANCIAL MANAGEMENT POLICIES (continued)**

**Policy #6:** The City will not fund ordinary municipal services with temporary or nonrecurring revenue sources.

**Policy #7:** Indirect costs associated with the operations of Enterprise Funds will be identified and accounted against the operations of those funds and be reimbursed to the General Fund.

**Policy #8:** Fee schedules and user charges should be annually reviewed for adjustment to ensure that rates are equitable and cover the total cost or a portion of the total cost as established by policy of City Council.

**Policy #9:** The financial burden on the City's taxpayers must be minimized through systematic annual program reviews and evaluation aimed at improving the efficiency and effectiveness of City programs. As such, the annual budget will be based on the City Council's long-term strategic plan, implemented by departmental goals and objectives.

**Policy #10:** City management is responsible for recovery of budgeted and non-ad valorem revenues as planned for in the budget. Management shall maintain adequate billing and claiming processes in order to effectively manage accounts receivable in conformance with the fiscal plan and sound business principles.

**Policy #11:** Every appropriation, except an appropriation for a capital improvement expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital improvement expenditure shall continue in force, i.e. not be required to be re-budgeted, until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation unless extended by action of the City Council.

**Policy #12:** The City has developed an emergency financial plan for major natural disasters that may impact the City. Disasters include, but are not limited to, hurricanes, tornadoes, floods, etc. If a disaster's costs exceed the reserves set aside for that purpose, then the City may perform one or more of the following initiatives:

- Reprioritize the annual budget (reduce and/or defer appropriation/expenditures not related to the disaster relief efforts);
- Utilize funds from the target-policy reserve amount;
- Borrow from another fund, including interest expenses;
- Obtain a bank loan;
- Increase the millage rate.

### **DEBT MANAGEMENT**

**Policy #13:** The City complies with its debt management policy.

### **INVESTMENT MANAGEMENT**

**Policy #14:** The City complies with its investment management policy.

## **FINANCIAL MANAGEMENT POLICIES (continued)**

### **ACCOUNTS MANAGEMENT**

**Policy #15:** Accounting systems shall be maintained in order to facilitate financial reporting in conformance with generally accepted accounting principles (GAAP) of the United States as promulgated by Government Accounting Standards Board (GASB).

**Policy # 16:** An annual financial audit shall be prepared in conformance with Florida state law, as promulgated by the State Auditor General and Generally Accepted Government Auditing Standards (GAGAS) as promulgated by the Comptroller General of the United States, and Government Accounting Standards Board (GASB).

**Policy #17:** Financial systems shall be maintained in a manner that provides for the timely monitoring of expenditures, revenues, and receivables/billing status on an ongoing basis.

**Policy #18:** The City shall annually seek the GFOA Certificate of Achievement for Excellence in Financial Reporting and Distinguished Budget Presentation Award.