City of Clermont, Florida

Fiscal Year 2021 Tentative Budget

DARREN S. GRAY
City Manager

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August 27, 2020

Honorable Mayor Gail Ash
and Council Members

Dear Mayor and Council Members:

The annual budget is the most important document the Council adopts each year. Our challenges are to understand the priorities of our residents, define acceptable levels of service, and establish and apply funding sources appropriately. The **Tentative Fiscal Year 2021 Budget** represents the City's financial plan to meet those challenges. This year's preparation has been especially challenging during the COVID-19 pandemic, as we are unable to predict its impact on our future revenues.

The **City-Wide Budget** totals $157,736,418, which is $4,957,214 (or 3.05%) less than the current year budget. The primary reason for the decrease stems from economic uncertainty with state shared revenues due to COVID19 and the completion of the master plan and utility projects in FY 2020. The **General Fund Budget** totals $40,588,191, which is $729,305 (or 1.77%) less than the current year budget. The primary reason for the decrease is the reduction of budgeted state shared and recreation revenues due to the current economic conditions related to COVID-19. The General Fund budget is partially funded from reserves this year to cover the projected economic changes due to COVID19.

City-Wide Reserves at the end of FY 2021 are projected to be $53,462,955, which is $3,475,759 (or 6.10%) less than the current year ending reserves. **General Fund Reserves** at the end of FY 2021 are projected to be $6,546,691 or 18.95% of operating expenditures. The City's Reserve Policy requires specific funds' reserves to be at least 25% of operating expenditures. As we receive funds from the federal government through the state, we will replenish our reserves and meet our 25% reserve policy.

Ad Valorem revenue, the City's largest single revenue source, is $14,222,250 which is $1,311,131 (or 10.16%) more than the current year budget. The revenue increase is due to a 10.18% increase in property taxable values. The City's millage rate is proposed to remain at 4.2061 for the sixth consecutive year. Clermont's millage rate continues to be among the lowest of other comparable cities in the Central Florida region. Over the last 5 years we have seen a 48% growth in property taxable values in the City; more than half (51%) of the growth is directly attributable to new construction.

Utility Fees (Water and Sewer) revenues total $19,808,554 which is $925,391 (or 4.90%) more than the current year budget. The revenue increase is due to expected continued growth in the city, as well as utility rate increases tied to inflation based indexes. Clermont's utilities charges still continue to be among the lowest of other comparable cities in the Central Florida region.

City-Wide Personnel Services total $35,405,764, which is $3,088,232 (or 9.56%) more than the current year budget. The primary reasons for the increase are due to contract and merit pay adjustments (2-4%) based on annual performance evaluations for all eligible employees, including employees at their pay grade maximums, as well as the general employee pay scale adjustment effective Sept. 28, 2020.

City-Wide Operating Expenses total $20,381,613 which is $3,107,199 (or 13.23%) less than the current year budget. The reason for this decrease stems from department reductions to balance the budget as a result of the current economic outlook.

City-Wide Capital Outlay totals $37,962,604, which is $1,554,030 (or 3.93%) less than the current year budget. The primary reason for the decrease is the completion of projects in the master plan and a reduction in available funds from the Infrastructure Sales Tax. The highlights of some significant departmental capital outlay items and funding sources in the upcoming budget are as follows:

- **Police Department** capital outlay items totaling $449,600. Capital items include (4) replacement vehicles and (60) body worn cameras with rocket for patrol and patrol support officers. Funding sources include the General Fund ($100,000) from Federal and State Forfeiture Funds, Infrastructure Sales Tax Fund ($275,600) and Police Impact Fees Fund ($74,000).

- **Fire Department** capital outlay items totaling $422,759. Capital items include (50) replacement SCBA Air Packs and accessories, high pressure lift bag kit and strut drivers retrofit kits for Heavy Rescue, and associated equipment needed for Trench Rescue and Confined Space operations. Funding sources include the General Fund ($47,759) and Infrastructure Sales Tax Fund ($375,000).

- **Public Works Division of Public Services Department** capital outlay items totaling $7,098,495. Capital items include enclosed shed at the Oak Hill Cemetery and Public Works Complex design and construction. Funding sources include the Cemetery Fund ($5,450) and Capital Projects Fund ($7,093,045).

- **Economic Development Department** capital outlay items totaling $3,099,300. The majority of the capital items included are the master plan projects: Downtown Waterfront Revitalization, Legacy Loop Trail Spur, and Public Wi-Fi Network. Funding sources include the Master Plan Loan ($3,099,300).

- **Parks and Recreation Department** capital outlay items totaling $97,840. Capital items include metal storage building at the Clermont Arts and Recreation Center and a new desktop PC at the Clermont City Center. Funding sources include the General Fund ($1,000) and Recreation Impact Fees Fund ($96,840).

- **Environmental Services Division of Public Services** capital outlay items totaling $26,774,610. Capital items include (3) replacement vehicles, vacuum excavation vehicle, dump truck, replacement rear brush sweeper, drum roller, mobile message board, a portion of the construction and design for the Public Works Complex, stormwater and water utility improvements related to the CDBG project in the vicinity of Disston Ave. and School St., lift station submersible pumps and pipe and valve upgrades, pressure reducing valves, design and construction of lower floridan well (pump, building controls), water main upsizing from CW Harrell Road to Johns Lake Road, construction of water mains and gravity sewer, lift station, and forcemain to serve the new Public Services Complex, upgrade water mains in conjunction with the downtown streetscape project, WWTF expansion and construction, and several other utility system improvements and various equipment items. Funding sources include the Water Fund ($3,367,610), Water Impact Fees ($2,950,000), Sewer Fund ($725,000), Sewer Impact Fees ($16,700,000), and Stormwater Fund ($677,000) and Sanitation Fund ($2,355,000).

Organizational changes noted in the budget include the combining of Public Works and Environmental Services into one department of Public Services, the creation of the Building Services Department, revised department name for Planning & Development Services as well as the Procurement Services Department.

The tentative budget represents a sound financial plan for the new fiscal year that continues to provide the exceptional levels of service expected by our residents. While reserves are being used in some funds, adequate reserves are being maintained for adjustments and emergencies that may occur throughout the year. The Tentative Budget Public Hearing is scheduled for Thursday, September 3, 2020 at 6:30 p.m. in the Clermont City Center. The Final Budget Public Hearing meeting is scheduled for September 17, 2020 at 6:30 p.m. in the Clermont City Center.

Thank you for your support and guidance with the budget as we continue to build a bright future for the city together.

Sincerely,

Darren S. Gray
City Manager

City of Clermont

Fiscal Year 2021 Tentative Budget

Budget Summary All Funds

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	14,222,250
Other Taxes	8,328,699
Licenses, Permits & Fees	9,684,300
Intergovernmental Revenues	5,028,433
Charges For Services	27,374,766
Fines & Forfeitures	114,200
Miscellaneous Revenue	2,233,838
Interfund Transfers	5,900,221
Total Estimated Revenues	**72,886,707**
Beginning Reserves	84,849,711
Total Estimated Revenues and Reserves	**157,736,418**
Estimated Expenditures	
General Government	13,500,641
Public Safety	24,200,231
Physical Environment	50,704,348
Transportation/Public Works	3,067,075
Economic Environment	3,669,840
Culture/Recreation	3,231,107
Interfund Transfers	5,900,221
Total Estimated Expenditures	**104,273,463**
Ending Reserves	53,462,955
Total Estimated Expenditures and Reserves	**157,736,418**

City of Clermont

Fiscal Year 2021 Tentative Budget

Budget Summary by Fund-General Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	13,769,021
Other Taxes	5,662,012
Licenses, Permits & Fees	3,500,300
Intergovernmental Revenues	3,578,433
Charges For Services	2,298,801
Fines & Forfeitures	114,200
Miscellaneous Revenue	1,091,383
Interfund Transfers	2,147,211
Total Estimated Revenues	**32,161,361**
Beginning Reserves	8,426,830
Total Estimated Revenues and Reserves	**40,588,191**
Estimated Expenditures	
General Government	4,958,988
Public Safety	21,662,866
Physical Environment	956,966
Transportation/Public Works	2,950,164
Economic Environment	159,782
Culture/Recreation	3,134,267
Interfund Transfers	218,467
Total Estimated Expenditures	**34,041,500**
Ending Reserves	6,546,691
Total Estimated Expenditures and Reserves	**40,588,191**

City of Clermont

Fiscal Year 2021 Tentative Budget

Budget Summary by Fund-Building Services Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	1,161,000
Intergovernmental Revenues	0
Charges For Services	2,500
Fines & Forfeitures	0
Miscellaneous Revenue	7,200
Interfund Transfers	0
Total Estimated Revenues	**1,170,700**
Beginning Reserves	1,606,444
Total Estimated Revenues and Reserves	**2,777,144**
Estimated Expenditures	
General Government	0
Public Safety	1,707,017
Physical Environment	0
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	0
Total Estimated Expenditures	**1,707,017**
Ending Reserves	1,070,127
Total Estimated Expenditures and Reserves	**2,777,144**

City of Clermont

Fiscal Year 2021 Tentative Budget

Budget Summary by Fund-Infrastructure Surtax Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	2,666,687
Licenses, Permits & Fees	0
Intergovernmental Revenues	0
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	4,200
Interfund Transfers	0
Total Estimated Revenues	**2,670,887**
Beginning Reserves	0
Total Estimated Revenues and Reserves	**2,670,887**
Estimated Expenditures	
General Government	20,463
Public Safety	755,637
Physical Environment	0
Transportation/Public Works	1,049
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	1,893,738
Total Estimated Expenditures	**2,670,887**
Ending Reserves	0
Total Estimated Expenditures and Reserves	**2,670,887**

City of Clermont

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Budget Summary by Fund-Cemetery Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	0
Intergovernmental Revenues	0
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	119,200
Interfund Transfers	0
Total Estimated Revenues	**119,200**
Beginning Reserves	1,359,486
Total Estimated Revenues and Reserves	**1,478,686**
Estimated Expenditures	
General Government	0
Public Safety	0
Physical Environment	0
Transportation/Public Works	115,288
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	0
Total Estimated Expenditures	**115,288**
Ending Reserves	1,363,398
Total Estimated Expenditures and Reserves	**1,478,686**

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Budget Summary by Fund-Recreation Impact Fee Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	1,000,000
Intergovernmental Revenues	0
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	7,200
Interfund Transfers	0
Total Estimated Revenues	**1,007,200**
Beginning Reserves	1,743,948
Total Estimated Revenues and Reserves	**2,751,148**
Estimated Expenditures	
General Government	0
Public Safety	0
Physical Environment	0
Transportation/Public Works	574
Economic Environment	0
Culture/Recreation	96,840
Interfund Transfers	569,540
Total Estimated Expenditures	**666,954**
Ending Reserves	2,084,194
Total Estimated Expenditures and Reserves	**2,751,148**

City of Clermont

Fiscal Year 2021 Tentative Budget

Budget Summary by Fund-Police Impact Fee Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	300,000
Intergovernmental Revenues	0
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	3,600
Interfund Transfers	0
Total Estimated Revenues	**303,600**
Beginning Reserves	684,261
Total Estimated Revenues and Reserves	**987,861**
Estimated Expenditures	
General Government	0
Public Safety	74,329
Physical Environment	0
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	151,248
Total Estimated Expenditures	**225 577**
Ending Reserves	762,284
Total Estimated Expenditures and Reserves	**987,861**

City of Clermont

Fiscal Year 2021 Tentative Budget

Budget Summary by Fund-Fire Impact Fee Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	390,000
Intergovernmental Revenues	0
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	6,000
Interfund Transfers	0
Total Estimated Revenues	**396,000**
Beginning Reserves	1,257,788
Total Estimated Revenues and Reserves	**1,653,788**
Estimated Expenditures	
General Government	0
Public Safety	382
Physical Environment	0
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	0
Total Estimated Expenditures	**382**
Ending Reserves	1,653,406
Total Estimated Expenditures and Reserves	**1,653,788**

City of Clermont

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Budget Summary by Fund-Debt Service Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	0
Intergovernmental Revenues	0
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	2,400
Interfund Transfers	2,832,993
Total Estimated Revenues	**2,835,393**
Beginning Reserves	1,808,175
Total Estimated Revenues and Reserves	**4,643,568**
Estimated Expenditures	
General Government	2,807,855
Public Safety	0
Physical Environment	0
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	0
Total Estimated Expenditures	**2,807,855**
Ending Reserves	1,835,713
Total Estimated Expenditures and Reserves	**4,643,568**

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Budget Summary by Fund-Capital Projects Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	0
Intergovernmental Revenues	700,000
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	175,000
Interfund Transfers	0
Total Estimated Revenues	**875,000**
Beginning Reserves	15,930,165
Total Estimated Revenues and Reserves	**16,805,165**
Estimated Expenditures	
General Government	1,009
Public Safety	0
Physical Environment	7,093,045
Transportation/Public Works	0
Economic Environment	3,099,300
Culture/Recreation	0
Interfund Transfers	0
Total Estimated Expenditures	**10,193,354**
Ending Reserves	6,611,811
Total Estimated Expenditures and Reserves	**16,805,165**

City of Clermont

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Budget Summary by Fund-Water Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	0
Intergovernmental Revenues	541,037
Charges For Services	7,100,000
Fines & Forfeitures	0
Miscellaneous Revenue	456,500
Interfund Transfers	331,117
Total Estimated Revenues	**8,428,654**
Beginning Reserves	12,046,600
Total Estimated Revenues and Reserves	**20,475,254**
Estimated Expenditures	
General Government	0
Public Safety	0
Physical Environment	9,011,427
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	1,060,911
Total Estimated Expenditures	**10,072,338**
Ending Reserves	10,402,916
Total Estimated Expenditures and Reserves	**20,475,254**

City of Clermont

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Budget Summary by Fund-Water Impact Fee Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	1,111,000
Intergovernmental Revenues	0
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	30,000
Interfund Transfers	0
Total Estimated Revenues	**1,141,000**
Beginning Reserves	5,395,962
Total Estimated Revenues and Reserves	**6,536,962**
Estimated Expenditures	
General Government	0
Public Safety	0
Physical Environment	2,951,808
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	331,117
Total Estimated Expenditures	**3,282,925**
Ending Reserves	3,254,037
Total Estimated Expenditures and Reserves	**6,536,962**

City of Clermont

Fiscal Year 2021 Tentative Budget

Budget Summary by Fund-Sewer Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	0
Intergovernmental Revenues	0
Charges For Services	7,242,000
Fines & Forfeitures	0
Miscellaneous Revenue	61,000
Interfund Transfers	588,900
Total Estimated Revenues	**7,891,900**
Beginning Reserves	10,753,228
Total Estimated Revenues and Reserves	**18,645,128**
Estimated Expenditures	
General Government	0
Public Safety	0
Physical Environment	6,399,392
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	1,086,300
Total Estimated Expenditures	**7,485,692**
Ending Reserves	11,159,436
Total Estimated Expenditures and Reserves	**18,645,128**

City of Clermont

Fiscal Year 2021 Tentative Budget

Budget Summary by Fund-Sewer Impact Fee Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	2,222,000
Intergovernmental Revenues	0
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	125,000
Interfund Transfers	0
Total Estimated Revenues	**2,347,000**
Beginning Reserves	16,852,856
Total Estimated Revenues and Reserves	**19,199,856**
Estimated Expenditures	
General Government	0
Public Safety	0
Physical Environment	16,707,587
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	588,900
Total Estimated Expenditures	**17,296,487**
Ending Reserves	1,903,369
Total Estimated Expenditures and Reserves	**19,199,856**

City of Clermont

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Budget Summary by Fund-Stormwater Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	0
Intergovernmental Revenues	208,963
Charges For Services	1,800,000
Fines & Forfeitures	0
Miscellaneous Revenue	4,100
Interfund Transfers	0
Total Estimated Revenues	**2,013,063**
Beginning Reserves	418,044
Total Estimated Revenues and Reserves	**2,431,107**
Estimated Expenditures	
General Government	0
Public Safety	0
Physical Environment	2,280,310
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	0
Total Estimated Expenditures	**2,280,310**
Ending Reserves	150,797
Total Estimated Expenditures and Reserves	**2,431,107**

City of Clermont

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Budget Summary by Fund-Sanitation Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	0
Intergovernmental Revenues	0
Charges For Services	3,468,000
Fines & Forfeitures	0
Miscellaneous Revenue	32,000
Interfund Transfers	0
Total Estimated Revenues	**3,500,000**
Beginning Reserves	4,963,674
Total Estimated Revenues and Reserves	**8,463,674**
Estimated Expenditures	
General Government	0
Public Safety	0
Physical Environment	5,303,813
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	0
Total Estimated Expenditures	**5,303,813**
Ending Reserves	3,159,861
Total Estimated Expenditures and Reserves	**8,463,674**

City of Clermont

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Budget Summary by Fund-Group Self Insurance Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	0
Other Taxes	0
Licenses, Permits & Fees	0
Intergovernmental Revenues	0
Charges For Services	5,463,465
Fines & Forfeitures	0
Miscellaneous Revenue	105,055
Interfund Transfers	0
Total Estimated Revenues	**5,568,520**
Beginning Reserves	1,320,762
Total Estimated Revenues and Reserves	**6,889,282**
Estimated Expenditures	
General Government	5,712,326
Public Safety	0
Physical Environment	0
Transportation/Public Works	0
Economic Environment	0
Culture/Recreation	0
Interfund Transfers	0
Total Estimated Expenditures	**5,712,326**
Ending Reserves	1,176,956
Total Estimated Expenditures and Reserves	**6,889,282**

City of Clermont

Fiscal Year 2021 Tentative Budget

Budget Summary by Fund-CRA Fund

Description	Dollar Amount
Estimated Revenues	
Ad Valorem Taxes	453,229
Other Taxes	0
Licenses, Permits & Fees	0
Intergovernmental Revenues	0
Charges For Services	0
Fines & Forfeitures	0
Miscellaneous Revenue	4,000
Interfund Transfers	0
Total Estimated Revenues	**457,229**
Beginning Reserves	281,488
Total Estimated Revenues and Reserves	**738,717**
Estimated Expenditures	
General Government	0
Public Safety	0
Physical Environment	0
Transportation/Public Works	0
Economic Environment	410,758
Culture/Recreation	0
Interfund Transfers	0
Total Estimated Expenditures	**410,758**
Ending Reserves	327,959
Total Estimated Expenditures and Reserves	**738,717**