



City of North Port
City Manager's Office

Interoffice Memorandum

To: Honorable Mayor and City Commission
From: Peter D. Lear, City Manager
Date: April 25, 2020
RE: COVID-19 Agenda Item Information

In order to facilitate the discussion on the agenda item on April 28, 2020, I have asked all of the Departments to identify any financial affects they have experienced since the start of the declared emergency. I have also asked our Finance Department to estimate any revenue changes as a result of this event for the current fiscal year. Please keep in mind, many of these numbers are estimates as are all items in a budget, and more accurate information will be available in the coming months.

Our largest single revenue source in the General Fund is property taxes, which go unaffected in the current year by this event. As you know, sales tax is also a major revenue source for the City, which is broken into many areas. These funding sources include State Shared Revenues, Half-Cent Sales Tax and Surtax. For estimating purposes, the loss from these sources is being estimated at 5% of annual revenue. The other major revenue source that is being lost as a result of this event is from the Aquatic Facility. For estimating purposes, we are assuming 2 months of lost revenue, even though this revenue source is not consistent every month. The impact to the General Fund of these losses \$564,034. The impact to Surtax revenue is estimated at \$586,740.

During this event, there has also been an impact to the expenditures for the City. Travel and related expenditures have been eliminated, many contracted services have been either reduced or eliminated as well as various other costs. There have also been some increased costs, most notably overtime for our first responders and the cost of personal protective equipment and supplies. Also, there has been some cost related to the ability to have virtual meetings and information technology related expenditures. All of those expenditures, increases and decreases combined, resulted in a net increase of \$150. Many of the increases to expenditures will be eligible for reimbursement through FEMA in the future.

Finally, the topic of personnel during this event. Since the start of the event, we have only filled essential positions that we had the ability to train as well. Currently, we have 34.5 full-time equivalent positions that are unfilled in the City. We also have 72 employees out on protected



leave from either the original Family Medical Leave Act or the recent one as part of the federal reaction to this emergency. Many of these employees are paid at a reduced rate or are using their sick and vacation time they have earned. The General Fund estimate for the vacant positions as of the end of March is a savings of \$440,000.

Throughout all of this, the work required of our employees has not gone down. Many areas, such as building permits and planning review have either remained the same or increased. Our Public Works folks continue to work on our roads and drainage issues. Solid Waste has continued to collect trash and yard waste. Our Utilities Department has continued to provide water and wastewater services and stepped up to provide customer payment services at the drive-up window for building permits as well. Some of our employees have been reassigned to other duties or different focus areas to help serve our Community. As an example, Economic Development has been working with the Chamber of Commerce to help our business community navigate the various stimulus packages that have been made available. This is a switch from a business recruitment to a business retention focus.

This information is very preliminary, and time will provide more accurate information, but I wanted to help provide some high-level information for the conversation on Tuesday. Also, I hope this helps provide information the Commissioners can share to help the public understand we as a City are in this with the Community and doing our best to be fiscally responsible, while at the same time providing the services they rely upon in the safest possible manner.

