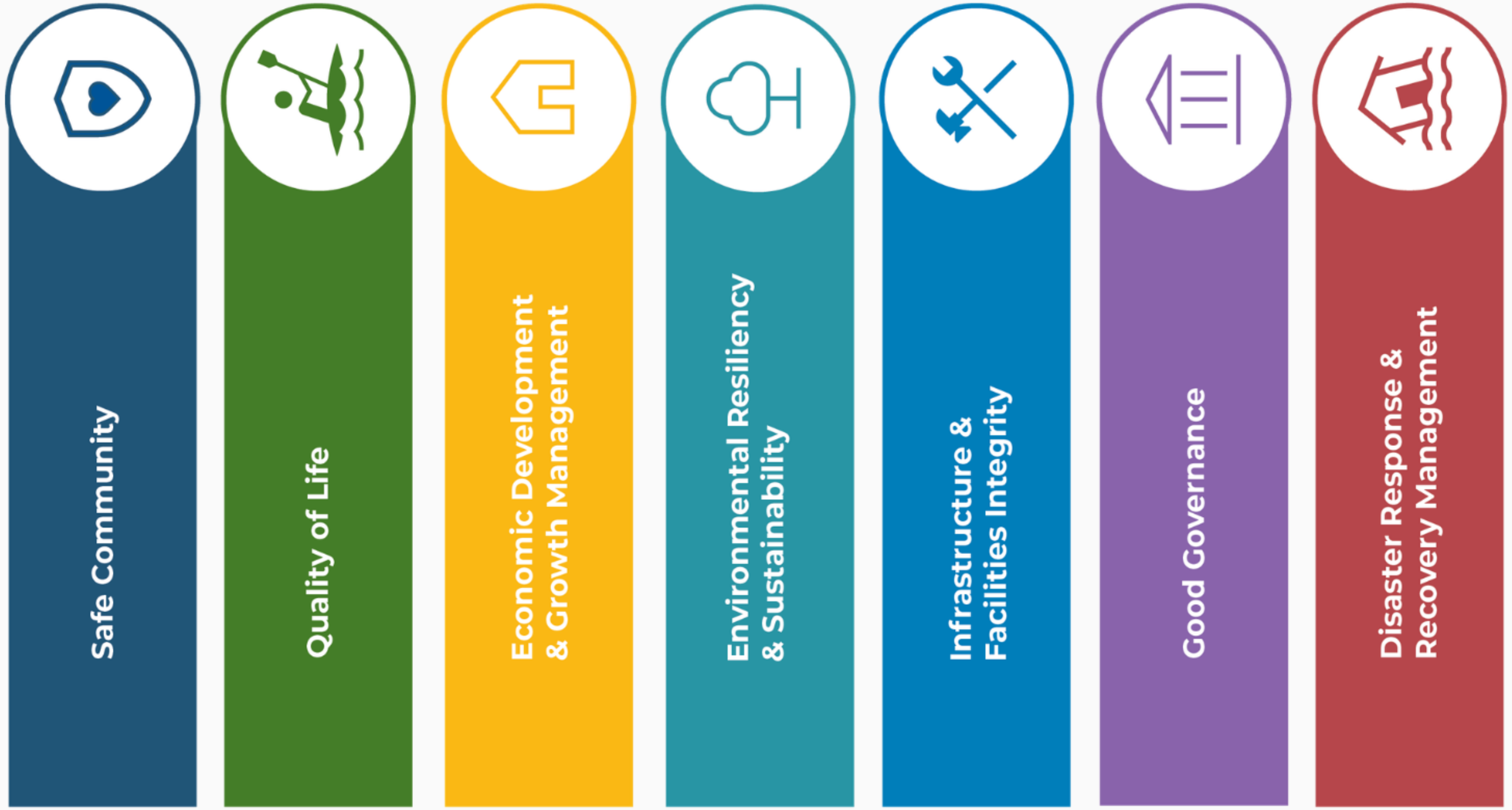
FY 2027 City Manager Proposed Budget Presentation

Wednesday, July 29, 2026 @ 10 a.m.

NORTH PORT
FLORIDA

Commissioners’ Strategic Pillars



FY 2027 Budget Process

March 13	June 10-11	July 29	September 10	September 24
Assumptions, Financial Projections, and Strategic Priorities	City Manager's Recommended Budget	City Manager's Proposed Budget **Financial Updates and Commission Direction**	Tentative Budget	Adopted Budget

June 2026 Workshop Direction

- Public Safety
  - Restored funding for 7 vacant Police positions
  - Added funding for 7 new Fire Rescue positions
- Public Works
  - Restored funding to maintain service levels for:
    - Yard waste services
    - Bulk pickup services

Proposed Budget Key Factors

- Taxable value growth – 5.67%
- City employee health insurance rates flat from FY26 to FY27
- Funding methodology change for IT infrastructure replacement
- Road & Drainage District Assessment rate revision
- Public Works facility funding deferral
- Updated Fire District tax roll

Reduction Exercise – 5%

Identify potential reductions of approximately 5% from the adopted FY26 budget

- Evaluate staffing and operational needs
- Prioritize maintenance of existing infrastructure deferred maintenance
- Create budget capacity for potential future debt service payments
- Prioritize essential services, keeping public spending sustainable and accountable.
- Strengthen long-term fiscal stability with reserves, and help avoid financial crises

General Fund Reductions			
5% Reduction Submission Target	Total Dept Submissions	Reductions Approved in Proposed Budget	Funding Restored
($4,872,777)	($4,936,878)	($2,072,412)	$2,864,466

Changes from June Workshop

Fund	FY27 Recommended	FY27 Proposed	Net Change
General	$99,275,847	$98,953,585	$(322,262)
Road & Drainage District	$39,887,212	$38,286,044	$(1,601,168)
Fire Rescue District	$21,988,482	$22,348,599	$360,117
Environmental Protection	$3,881,625	$3,867,644	$(13,981)
Solid Waste District	$30,115,896	$31,226,776	$1,110,880
Warm Mineral Springs	$1,475,146	$1,461,612	$(13,534)
Building	$7,966,827	$8,183,022	$216,195
Fire Impact Fee	$1,274,813	$1,516,133	$241,320
Surtax	$15,345,300	$15,695,300	$350,000
R & R – General	$1,727,090	$860,420	$(866,670)
Utility Revenue	$60,529,835	$58,262,054	$(2,267,781)
Fleet Management	$8,772,327	$8,790,849	$18,522
Total Net Changes			**$(2,788,362)**

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Changes from June Workshop

Department	FY27 Recommended	FY27 Proposed	Net Change
Administration & Mgmt	$8,278,640	$6,463,759	$(1,814,881)
City Clerk	$972,538	$962,972	$(9,566)
City Manager	$3,942,889	$3,911,255	$(31,634)
Development Services	$17,044,096	$17,294,261	$250,165
Finance	$3,256,305	$ 3,223,852	$(32,453)
Fire Rescue	$45,671,609	$ 46,541,871	$870,262
Human Resources	$30,605,352	$ 30,597,452	$(7,900)
City Attorney	$2,189,174	$ 2,170,217	$(18,957)
City Commission	$755,869	$ 750,513	$(5,356)
Non-Departmental	$2,128,940	$2,128,940	$0
Parks & Recreation	$11,387,057	$11,756,865	$369,808
Police Department	$43,499,008	$43,909,651	$410,643
Public Works	$111,824,278	$111,323,566	$(500,712)
Water & Sewer Utilities	$67,902,835	$65,635,054	$(2,267,781)
Grand Total	**$349,458,590**	**$346,670,228**	**$(2,788,362)**

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General Fund Total Budget

*Restored funding for 7 vacant Police positions

*Approved Fire Rescue budget proposal for 6 new positions (50/50 funding split with GF and Fire District)

*Reallocated funding methodology for the virtual infrastructure replacement project

*Recognized savings from health insurance rates

Item	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$73,670,980	$76,981,099	$77,156,825
Operating	$20,115,430	$19,729,818	$19,772,178
Capital	$2,080,130	$807,760	$1,134,082
Other Uses	$1,588,990	$1,757,170	$890,500
TOTAL	**$97,455,530**	**$99,275,847**	**$98,953,585**

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General Fund

Item	General Fund (001)
Audited Fund Balance as of 9/30/25	$33,251,885
2026 Amended Return/(Use) of Fund Balance	$(6,614,389)
Projected Fund Balance as of 9/30/26	**$26,637,496**
2027 City Manager Proposed Budget - Appropriated Return/(Use) of Fund Balance	**$4,280,805**
Projected Available Fund Balance as of 9/30/27	**$30,918,301**
Fund Balance Policy: Emergency & Disaster Reserve (20%)	$(19,790,717)
Fund Balance Policy: Budget Stabilization & Economic Uncertainty (up to 10%)	$(9,895,359)
Projected Fund Balance Over (Under) Fund Balance Policy Reserve	**$1,232,225**
Projected Fund Balance % Over (Under) Policy Reserve as of 9/30/27	**1.25%**

GF Changes Since Recommended

Expenses	
BP 3503 - Budget Reduction: Sr. Telecom: Vacant Not to be Filled - unfunded	$125,171
BP 3504 - Budget Reduction: Community Engagement & Recruiting Specialist: Vacant - not to be Filled unfunded	$105,442
BP 3564 - Budget Reductions: Police Officers: 1 Vacant Special Ops Position - not to be filled unfunded	$122,072
BP 3566 - Budget Reductions: Police Officers: 3 Vacant Patrol Position - not to be filled unfunded	$366,216
BP 3567 - Budget Reductions: Police Officers: 1 Vacant Investigations Position - not to be filled unfunded	$122,072
BP 3351 - 6 Firefighter/EMTs	$270,440
BP 3277 - Activity Centers 6 and 10 - Proposal Description Updated	$0
PD School Crossing Guard Services moved from Patrol Division to Special Operations Division	$0
Health Insurance Rates Flat	$(893,327)
Reallocation of I27VIR	$(540,348)
Total Net Expenditure Changes	**$ (322,262)**

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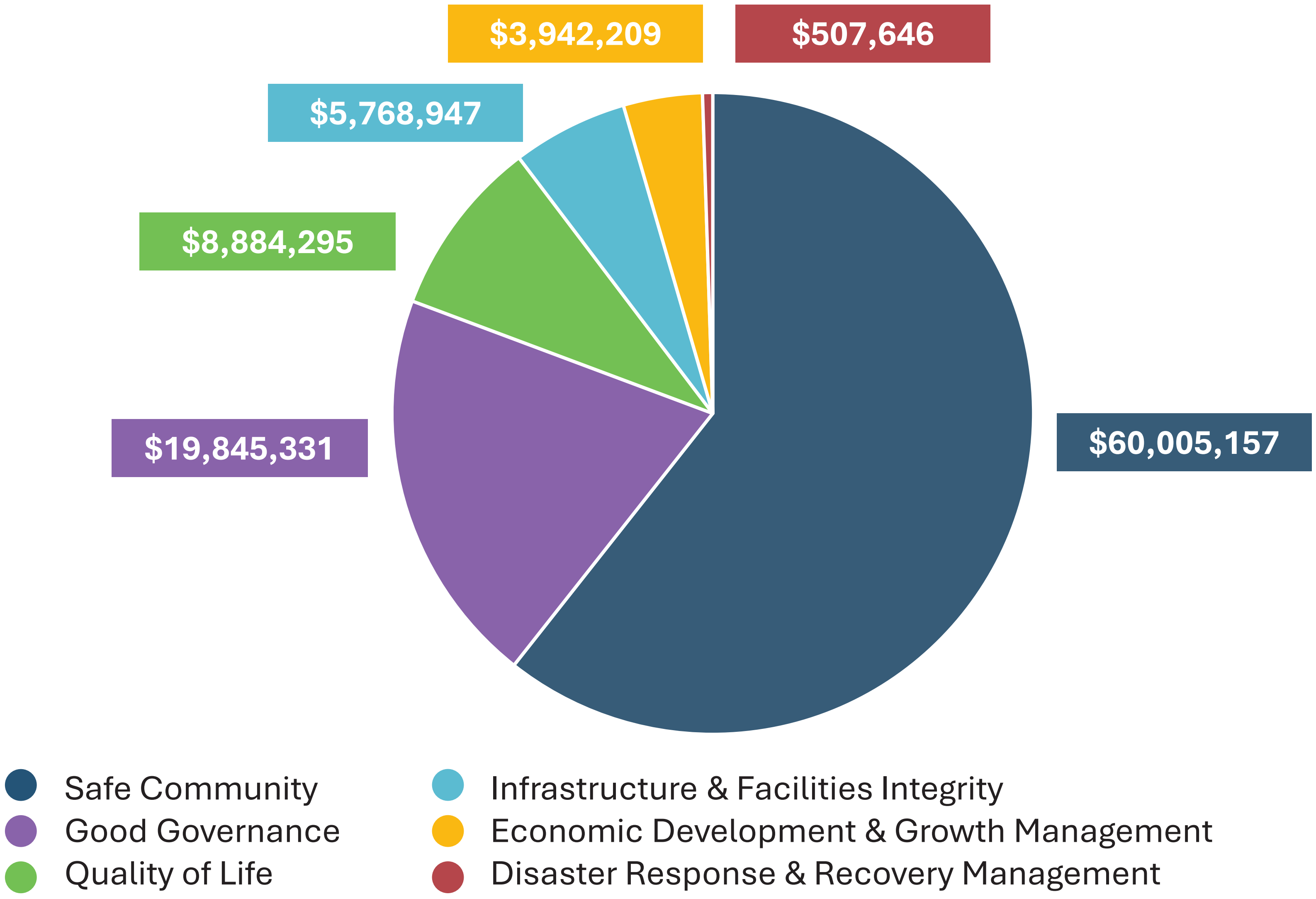
GF Changes Since Recommended

Revenues	
311.00-00 Ad Valorem Taxes - Certification of Tax Values July 1st	$1,044,127
315.20-00 Local Communications Service Tax	$(106,590)
323.10-00 Electricity Franchise Fees	$145,830
335.12-50 Sales Tax Municipal Revenue Share	$57,867
335.18-00 Half Cent Local Sales Tax	$201,960
342.10-01 School Resource Officer	$(3,974)
381.10-00 Solid Waste PILOF	$723
351.00-00 Judgements and Fines - HB925 Traffic Infractions	$(81,400)
389.90-00 Return to Fund Balance	$(1,580,805)
Total Net Revenue Changes	**$(322,262)**

General Fund Budget by Pillar



Compensation Impacts

Employee Group	FY26 Compensation Structure	FY27 Compensation Structure (Proposed)	Total Budget (All Funds) Impact	General Fund Impact	# of Positions
Non-Union Employees	• 1.5% COLA (CPI-W) • 1% Minimum Wage Adjustment • 3-4% Merit Increase	• 1.5% COLA (CPI-W) • 1.5% Across the Board	$1,174,039	$700,876	493
PBA (Police) Union Employees	• 2.5% Market Adjustment • 3-6% PDP Increase	• 2.5% Market Adjustment • 3-6% PDP Increase	$1,626,468	$1,602,115	148
IAFF (Fire) Union Employees	• PDP-Based Step Increases – average 8%	• PDP-Based Step Increases – average 8%	$1,583,755	$791,877	159
AFSCME Union Employees	• 2.5% Market Adjustment • 2% Merit Increase	• 2.5% Market Adjustment • 2% Merit Increase	$459,447	$59,971	178

- PDP = Professional Development Plan | COLA = Cost-of-Living Adjustment | CPI-W = Consumer Price Index for Urban Wage Earners and Clerical Workers

Operational Policies: Overtime, Take-Home Vehicles, Travel and Training

- Optimize overtime through staffing adjustments and process improvements to reduce reliance
- Evaluate take-home vehicle program by balancing operational benefits with fleet lifecycle costs
- Assess service delivery and workforce impact on response times, workload and employee retention
- Limit discretionary training and travel by prioritizing certification requirements, train-the-trainer opportunities and in-state training

Controlled Hiring

The City has implemented a controlled hiring process to ensure vacant positions are filled based on operational needs, service delivery priorities, and available resources. This strategic approach promotes fiscal stewardship, strengthens transparency and accountability, and aligns staffing resources with the City's highest priorities.

Vacancy Oversight

- Maintain centralized tracking of all vacant positions
- Monitor vacancy duration, departmental trends and budget impacts
- Provide regular reports to executive leadership to support informed decision-making

Service Level and Vacancy Evaluation

- Evaluate the operational and customer service impacts of vacant positions
- Assess departmental Key Performance Indicators (KPIs) and other performance measures to determine staffing needs
- Prioritize positions that support critical and essential services
- Consider organizational priorities, resource optimization, restructuring opportunities and reassignment of duties before approving recruitment

Administrative Transfer

Administrative Cost Pool

Total in General Fund $24,452,920*
- City Commission
- City Attorney
- City Clerk
- Finance
- Information Technology
- Facilities Maintenance
- City Manager
- Communications
- Human Resources
- Non-Departmental

Provides admin services to support all City departments

City Departments pay for services rendered at agreed %

FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
12.9%	12.9%	14.5%	14.1%	14.8%

Benefiting Programs within City Departments

General Fund- $9,740,929*
- Planning & Zoning
- Social Services
- Economic Development
- Police
- EMS
- Code Enforcement
- Parks & Recreation
- Aquatic Center

Other Funds- $14,711,980*
- Road & Drainage
- Fire Rescue District
- Natural Resources
- Solid Waste
- Warm Mineral Springs
- Building Fund
- Utilities Fund

*Reflects operating budget only. Excludes capital outlay, grants and debt service.

Budgets with Minimal or No Changes from the City Manager's Recommended Budget

- City Commission
- City Attorney
- City Clerk
- City Manager
- CM – Communications
- CM – Emergency Management
- Social Services
- Finance
- Human Resources
- Non-Departmental

City Commission Total Budget

*FY 27 CM Proposed increased $14,833 or 2.02% from FY 26 Adopted

*$5,356 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$583,430	$605,819	$600,463
Operating	$152,250	$150,050	$150,050
Capital	$0	$0	$0
Other Uses	$0	$0	$0
TOTAL	**$735,680**	**$755,869**	**$750,513**

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City Attorney Total Budget

*FY 27 CM Proposed increased $106,537 or 5.16% from FY 26 Adopted

*$18,957 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$1,718,170	$1,893,984	$1,875,027
Operating	$345,510	$295,190	$295,190
Capital	$0	$0	$0
Other Uses	$0	$0	$0
TOTAL	**$2,063,680**	**$2,189,174**	**$2,170,217**

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City Clerk Total Budget

*FY 27 CM Proposed increased $11,612 or 1.22% from FY 26 Adopted

*$9,566 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$837,470	$873,958	$864,392
Operating	$113,890	$98,580	$98,580
Capital	$0	$0	$0
Other Uses	$0	$0	$0
TOTAL	**$951,360**	**$972,538**	**$962,972**

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City Manager Total Budget

*FY 27 CM Proposed decreased $37,847 or 1.82% from FY 26 Adopted

*$2,007 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$1,964,270	$1,984,540	$1,982,533
Operating	$118,300	$62,190	$62,190
Capital	$0	$0	$0
Other Uses	$0	$0	$0
TOTAL	**$2,082,570**	**$2,046,730**	**$2,044,723**

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Comms Division Total Budget

*FY 27 CM Proposed increased $21,896 or 1.64% from FY 26 Adopted

*$22,261 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$1,150,180	$1,253,067	$1,230,806
Operating	$186,810	$89,580	$89,580
Capital	$0	$38,500	$38,500
Other Uses	$0	$0	$0
TOTAL	**$1,336,990**	**$1,381,147**	**$1,358,886**

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Emergency Management Total Budget

*FY 27 CM Proposed decreased $16,984 or 3.24% from FY 26 Adopted

*$7,366 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$426,650	$472,298	$464,932
Operating	$97,980	$42,714	$42,714
Capital	$0	$0	$0
Other Uses	$0	$0	$0
TOTAL	**$524,630**	**$515,012**	**$507,646**

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Emergency Management Impacts

- **BP 3282 – Training and Exercise Coordinator (NOT FUNDED)**
  - **Description:** Add one Training and Exercise Coordinator to support the EOC opening, increasing the FY27 budget by **$29,060** (General Fund). Ongoing annual cost beginning in FY28 is **$112,920**.
  - **Potential Impacts if Position Remains Unfunded:**
    - Limits in-house training and multi-department exercises, increasing reliance on off-site FEMA training and reducing emergency preparedness.

- **Emergency Operations Center (EOC) Funding (NOT FUNDED)**
  - The veto of the appropriation request created an approximate **$1 million** funding gap for the furniture, technology, equipment and other essential items needed, limiting operational readiness and emergency response capabilities.

Social Services Total Budget

*FY 27 CM Proposed decreased $7,332 or 0.98% from FY 26 Adopted.

*$15,728 for the IT infrastructure project (I27VIR)

*$16,488 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$676,300	$719,952	$703,464
Operating	$69,410	$33,850	$33,850
Capital	$0	$0	$15,728
Other Uses	$0	$0	$0
TOTAL	**$745,710**	**$753,802**	**$753,042**

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Social Services Reductions

Item	BP 3311 Community Assistance Fund	BP 3304 Programs and Events
Description	Decrease budget by **$7,200** (General Fund)	Decrease budget by **$24,450** (General Fund)
Potential Consequences if Reduction is Approved:	• Reduces emergency support for vulnerable residents • Increases the risk of homelessness and instability • Reduces Community Policing's ability to assist residents in crisis	• Reduces support for local nonprofit partners and vulnerable residents • Limits access to clothing assistance, holiday programs and community resources

Finance Total Budget

*FY 27 CM Proposed decreased $60,378 or 1.84% from FY 26 Adopted

*$32,453 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$3,091,590	$3,085,635	$3,053,182
Operating	$192,640	$170,670	$170,670
Capital	$0	$0	$0
Other Uses	$0	$0	$0
TOTAL	**$3,284,230**	**$3,256,305**	**$3,223,852**

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Human Resources Total Budget

*FY 27 CM Proposed increased $2,846,492 or 10.26% from FY 26 Adopted

*$7,900 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$1,787,620	$1,749,931	$1,742,031
Operating	$25,963,340	$28,855,421	$28,855,421
Capital	$0	$0	$0
Other Uses	$0	$0	$0
TOTAL	**$27,750,960**	**$30,605,352**	**$30,597,452**

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Human Resources Fund Balances

Item	Self Insurance Risk (530)	Self Insurance Medical (540)	Employee Benefits (810)
Audited Fund Balance as of 9/30/25	$1,034,491	$6,935,801	$185,393
2026 Amended Return/(Use) of Fund Balance	$80,000	$(1,124,770)	$5,000
Projected Fund Balance as of 9/30/26	**$1,114,491**	**$5,811,031**	**$190,393**
2027 City Manager Proposed Budget - Appropriated Return/(Use) of Fund Balance	**$79,989**	**$(2,676,010)**	**$(151,380)**
Projected Available Fund Balance as of 9/30/27	**$1,194,480**	**$3,135,021**	**$39,013**

Non-Departmental Total Budget

*FY 27 CM Proposed increased $16,430 from FY 26 Adopted

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$10,000	$10,000	$10,000
Operating	$1,852,510	$1,918,940	$1,918,940
Capital	$0	$0	$0
Other Uses	$250,000	$200,000	$200,000
TOTAL	**$2,112,510**	**$2,128,940**	**$2,128,940**

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Budgets with Material Changes from the City Manager's Recommended Budget and Proposals or Reductions with Significant Impacts

- Information Technology
- Police
- Parks & Recreation
- Parks Maintenance
- Warm Mineral Springs
- Aquatic Center
- Fire Rescue
- Code Enforcement
- Planning & Zoning
- Facility Maintenance
- Road & Drainage
- Solid Waste
- Fleet Management
- Utilities

Information Technology Total Budget

*FY 27 CM Proposed decreased $564,923 or 9% from FY 26 Adopted

*Funding methodology change and reallocation of direct costs for the Virtual Infrastructure Replacement Project (I27VIR).

- Eliminated the need to transfer $866,670 to R&R Fund
- Reduced capital expenditures in the General Fund by $906,583

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$2,690,850	$2,824,514	$2,783,646
Operating	$2,351,460	$2,464,394	$2,464,394
Capital	$600,000	$1,369,260	$462,677
Other Uses	$633,330	$866,670	$0
TOTAL	**$6,275,640**	**$7,524,838**	**$5,710,717**

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Police Department Total Budget

*FY 27 CM Proposed increased $1,645,431 or 3.89% from FY 26 Adopted.

*Increase of $840,973 for the restoration of vacant positions proposed for elimination

*$336,277 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$34,772,250	$35,838,688	$36,240,951
Operating	$5,159,620	$5,207,601	$5,215,981
Capital	$1,771,360	$1,566,000	$1,566,000
Other Uses	$560,990	$886,719	$886,719
TOTAL	**42,264,220**	**43,499,008**	**43,909,651**

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Police Department Proposed Changes from Recommended

Vacant Positions Restored in the FY27 Proposed Budget

Budget Proposal	Vacant Positions	Reduction Amount
3503	Sr. Telecommunications	$125,171
3504	Community Engagement & Recruiting Specialist	$105,442
3564	1 Police Officer: Special Ops Division	$122,072
3566	3 Police Officers: Patrol Division	$366,216
3567	1 Police Officer: Investigations Division	$122,072

Total Impact on FY 27 Proposed Budget: Increases the Department personnel budget **$840,973** from CM Recommended

Police Department Position Needs

- Department requested 35 additional positions for FY 27, totaling $5,396,240
- CPSM report, presented at the March 24, 2026, Commission meeting, recommended the addition of 13 full-time positions including:
    - 4 Patrol Officers
    - 2 Community Service Officers
    - Sergeant
    - Digital Records Specialist
    - Retention Specialist
    - Senior Telecommunicator
    - IT Unit Supervisor
    - Cybersecurity Specialist
    - A civilian support position for Logistics
- No new positions are included in the Police Department FY 27 Proposed Budget

Police Department Fund Balances

Item	Forfeiture Fund (105)	Police Education Fund (108)	Speed Zone Cameras Fund (114)	Law Enforcement Impact Fees (150)
Audited Fund Balance as of 9/30/25	$207,116	$46,615	$0	$1,900,680
2026 Amended Return/(Use) of Fund Balance	$(154,619)	$1,500	$0	$652,682
Projected Fund Balance as of 9/30/26	**$52,497**	**$48,115**	**$0**	**$2,553,362**
2027 City Manager Proposed Budget - Appropriated Return/(Use) of Fund Balance	**$0**	**$5,600**	**$1,000,000**	**$1,403,724**
Projected Available Fund Balance as of 9/30/27	**$52,497**	**$42,515**	**$1,000,000**	**$3,957,086**

Parks & Recreation Total Budget

*FY 27 CM Proposed decreased $7,000,895 (37.32%) from FY 26 Adopted.

Notable Changes From CM Recommended:

*Increase of $350,000 for the Dallas White Boat Launch (P27DBL) project

*$112,342 for the IT infrastructure project (I27VIR)

*$92,534 savings due to insurance rates.

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$6,634,710	$6,994,102	$6,901,568
Operating	$3,023,050	$2,665,955	$2,665,955
Capital	$9,100,000	$1,727,000	$2,189,342
Other Uses	$0	$0	$0
TOTAL	**$18,757,760**	**$11,387,057**	**$11,756,865**

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Parks & Recreation Fund Balances

Item	Warm Mineral Springs (125)	Parks Impact Fees (152)
Audited Fund Balance as of 9/30/25	$4,310,432	$16,192,844
2026 Amended Return/(Use) of Fund Balance	$(4,011,734)	$(4,157,222)
Projected Fund Balance as of 9/30/26	**$298,698**	**$12,035,622**
2027 City Manager Proposed Budget - Appropriated Return/(Use) of Fund Balance	**$1,011,608**	**$3,742,144**
Projected Available Fund Balance as of 9/30/27	**$1,310,306**	**$15,777,766**

Parks & Recreation Proposed Event Reductions

- **BP 3399/3402 – Reduction of Freedom Festival and Poinsettia Parade & Festival Contracted Services**
  - **Reduction Amount: $25,830**
  - **Description:** Reduction in funding for entertainment and attractions including inflatables, the live bands and sound services. The City will rely on local performers and community partners to provide no-cost entertainment and attractions
- **BP 3372/3373/3374 – Elimination of Events**
  - **Reduction Amount: $10,650**
  - **Description:** Elimination of the recurring Movies on the Green and Concerts in the Park events as well as the annual Egg Hunt Extravaganza

Potential Consequences if Approved: Fewer City-sponsored community events may reduce community engagement and result in negative public sentiment

Parks and Recreation Proposed Operating Hours Reductions

- **BP 3424 – Reduction of Staff & Community Center Operating Hours**
  - **Reduction Amount: $14,120**
  - **Description:** Reduction in morning operating hours at the Morgan Family Community Center (MFCC) and closure the George Mullen Activity Center (GMAC) on Saturdays, for an overall reduction of 20.5 operating hours per week
- **BP 3300 – Reduction in Operating Hours – North Port Aquatic Center**
  - **Reduction Amount: $12,593** ($15,360 cost reduction offset by an estimated revenue loss of $2,767)
  - **Description:** A 2-hour reduction in extended summer operating hours on Friday evenings, saving approximately 52 hours a week in staff time

Potential Consequences if Approved: Reduced availability of recreation services and facility access

Parks Maintenance Proposed Reductions

Budget Proposal	Description	Reduction Amount
3343	Reduction of Field Amenities, Irrigation Repair Parts, & Fencing for Parks	$35,000
3350	Elimination of Park Amenity Replacements	$50,000
3356	Reduction of Landscape Bed Mulching and Tree Trimming/Removal	$30,000
3368	Elimination of Outdoor Court Resurfacing	$30,000

Total Impact on FY 27 Proposed Budget: Decreases the Division operating budget **$145,000**

Potential Consequences if Approved: May negatively impact visitor experience and increase safety risks

Warm Mineral Springs Proposed Reductions

- **BP 3312/3313 – Reduction of Landscape Supplies and Elimination of Tree Maintenance**
  - **Reduction Amount: $9,400**
  - **Description:** Reduction in funding for landscape supplies and the elimination of funding allocated for invasive vegetation and palm tree maintenance
- **BP 3314/3315 – Reduction of Operating Equipment and Supplies**
  - **Reduction Amount: $13,500**
  - **Description:** Reduction in funding for replacement equipment and operating supplies including lounge chairs, picnic tables, umbrellas, ropes, buoys, paper products, first aid supplies and cleaning products

Potential Consequences if Approved: May negatively impact visitor experience and increase safety risks

Parks & Recreation
After School Care Program

To meet an identified need for affordable, high-quality aftercare, this program will provide a safe, structured environment for school-aged children with homework assistance, character development, STEM activities, arts and crafts, and outdoor recreation.

Budget Impacts:

- Annual operating cost: **$45,000**
- Estimated annual revenue: **$69,375**
- **Net General Fund revenue increase: $23,475**
- Add **2 part-time positions** (approximately 600 hours each annually)

Fire Rescue Total Budget

*FY 27 CM Proposed increased $4,119,161 or 9.75% from FY 26 Adopted.

*$636,960 to fund 7 new positions.

*$310,064 for the IT infrastructure project (I27VIR)

*$245,382 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$26,940,440	$29,348,982	$29,590,580
Operating	$7,274,990	$8,245,074	$8,322,354
Capital	$5,322,100	$4,510,710	$4,891,094
Other Uses	$2,714,180	$3,566,843	$3,566,843
TOTAL	**$42,251,710**	**$45,671,609**	**$46,370,871**

NORTH PORT FLORIDA

Fire Rescue - Proposed Changes from Recommended

Item	BP 3351/3352 6 Firefighter/EMTs	BP 3353 – Fire Prevention Inspector/Plans Examiner
Budget Impact:	Increases the budget by **$540,880** (Split 50/50 between General Fund and Fire District)	Increases the Fire District budget by **$96,080**
Description:	Phased increase in staffing for planned future fire stations to meet growth demands	Additional position needed to manage an increased workload associated with new development with the City

NORTH PORT
FLORIDA

Fire Rescue Proposed Reduction

BP 3331/3332 – Overtime (Reduction)

- **Description:** A reduction in available funding to support non-contractual additional and Paid Day Off (PDO) overtime
- **Budget Impact:** Reduces Department overtime budget by **$647,950** ($321,450 General Fund/$326,500 District)

Fire Budget Outlook & Considerations

- Growth is increasing demand for Fire Rescue services
- Fire Rescue depends on property tax-funded General Fund revenues
- Current funding is unsustainable if property tax reform passes and growth continues
- Fire District funding review planned for FY28
- Regional pay gaps are worsening recruitment and retention
- Pay disparities are increasing vacancies and attrition, risking the City becoming a stepping-stone employer
- Staffing investment, not reductions, are critical to maintain emergency response, support growth and meet fire prevention service levels

Fire Rescue Fund Balances

Item	Fire District (110)	Fire Impact Fees (151)	R&R – Fire (323)
Audited Fund Balance as of 9/30/25	$11,966,460	$4,107,959	$9,567,646
2026 Amended Return/(Use) of Fund Balance	$(3,022,045)	$979,747	$(1,693,103)
Projected Fund Balance as of 9/30/26	**$8,944,415**	**$5,087,706**	**$7,874,543**
2027 City Manager Proposed Budget - Appropriated Return/(Use) of Fund Balance	**$1,179,295**	**$1,516,408**	**$(778,880)**
Projected Available Fund Balance as of 9/30/27	**$10,123,710**	**$6,604,114**	**$7,095,663**
Fund Balance Policy: Emergency & Disaster Reserve (20%)	$(4,469,720)		
Fund Balance Policy: Budget Stabilization & Economic Uncertainty (up to 10%)	$(2,234,860)		
Projected Fund Balance Over (Under) Fund Balance Policy Reserve	**3,419,131**		
Projected Fund Balance % Over (Under) Policy Reserve as of 9/30/27	**15.30%**		

Development Services Total Budget

*FY 27 CM Proposed decreased $1,357,379 or 7.28% from FY 26 Adopted

Notable Changes From CM Recommended:

*$200,000 for Document Retention Services– Digitization

*$204,462 for the IT infrastructure project (I27VIR)

*$154,297 savings due to insurance rates

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$10,040,440	$10,366,834	$10,212,537
Operating	$3,924,200	$4,286,637	$4,486,637
Capital	$4,647,000	$2,350,625	$2,555,087
Other Uses	$40,000	$40,000	$40,000
TOTAL	**$18,651,640**	**$17,044,096**	**$17,294,261**

NORTH PORT FLORIDA

Development Services Fund Balances

Item	Inspector Education Fund (102)	Environmental Protection Fund (115)	Building Fund (135)
Audited Fund Balance as of 9/30/25	$662,068	$7,038,130	$11,320,758
2026 Amended Return/(Use) of Fund Balance	$201,000	$(4,418,633)	$(4,419,065)
Projected Fund Balance as of 9/30/26	**$863,068**	**$2,619,497**	**$6,811,693**
2027 City Manager Proposed Budget - Appropriated Return/(Use) of Fund Balance	**$141,000**	**$(1,632,644)**	**$(2,004,327)**
Projected Available Fund Balance as of 9/30/27	**$1,004,068**	**$986,853**	**$4,807,366**
Fund Balance Policy: Emergency & Disaster Reserve (20%)			$(2,220,522)
Fund Balance Policy: Budget Stabilization & Economic Uncertainty (up to 10%)			$(818,302)
Projected Fund Balance Over (Under) Fund Balance Policy Reserve			**$1,768,542**
Projected Fund Balance % Over (Under) Policy Reserve as of 9/30/27			**21.61%**

NORTH PORT
FLORIDA

Code Enforcement and Planning & Zoning

Item	Description
Code Enforcement	
BP 3299	Reduce hazardous tree and grass abatement funding by **$75,000** (25%)
Planning & Zoning	
BP 3298	**+$455,000** (General Fund) to expand consultant and surveying services
BP 3277	**+$350,000** (General Fund) to prepare an Infrastructure Master Plan for Activity Centers 6 and 10.

Public Works Total Budget

*FY 27 CM Proposed increased $18,692,596 or 20.18% from FY 26 Adopted
*The FY27 CM Proposed budget decreased by $500k. This net reduction reflects the following:

- $1,594,990 reduction for the R20FAC Public Works Facility Project
- $273,229 savings due to insurance rates
- Restore $594,540 for BP 3226 Yard Waste
- Restore $387,540 for BP 3485 Bulk Pickup
- $235,982 for the IT infrastructure project (I27VIR)
- $150,000 BP 3590 Capital Machinery & Equipment

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$20,506,200	$21,345,396	$21,208,747
Operating	$34,270,090	$34,580,259	$34,886,481
Capital	$20,379,440	$38,505,516	$37,296,508
Other Uses	$17,475,240	$17,393,107	$17,931,830
TOTAL	**$92,630,970**	**$111,824,278**	**$111,323,566**

NORTH PORT
FLORIDA

Road & Drainage District Assessment

- Reduced the proposed Road & Drainage District assessment rate increase from 15% to 5%
- Deferred $1.595 million in funding for the Public Works Facility Phase 2 (R20FAC) project to FY2028 to support the reduced assessment increase
- Reduced FY2027 Road & Drainage District assessment revenue by approximately $1.923 million
- Methodology kick off in 2027

Road & Drainage Reductions

Item	BP 3227 - Mowing and Weed Control Services Reduction	BP 3489 - Equipment and Vehicle Reduction	BP 3491 - Event, Operating, Street Sign, and Other Services Reduction
Description	Decrease budget by **$662,500**	Decrease budget by **$1,373,000**	Decrease budget by **$187,000**
Potential Consequences if Reduction is Approved:	• Reduces mowing and weed control from 6 to 4 cycles annually, resulting in higher grass & lower aesthetic standards	• Maintains regulatory compliance • Delays equipment upgrades but not safety/compliance	• Maintains regulatory compliance while reducing proactive services and assessments

NORTH PORT FLORIDA

Road & Drainage Fund Balances

Item	R&D District (107)	Transportation Impact Fees (153)	R&R – R&D (322)
Audited Fund Balance as of 9/30/25	$32,459,978	$29,183,229	$2,414,949
2026 Amended Return/(Use) of Fund Balance	$(17,375,251)	$(11,580,450)	$(45,500)
Projected Fund Balance as of 9/30/26	**$15,084,727**	**$17,602,779**	**$2,369,449**
2027 City Manager Proposed Budget - Appropriated Return/(Use) of Fund Balance	**$(3,805,836)**	**$4,680,260**	**$(154,000)**
Projected Available Fund Balance as of 9/30/27	**$11,278,891**	**$22,283,039**	**$2,215,449**
Fund Balance Policy: Emergency & Disaster Reserve (20%)	$(7,657,209)		
Fund Balance Policy: Budget Stabilization & Economic Uncertainty (up to 10%)	$(3,828,604)		
Projected Fund Balance Over (Under) Fund Balance Policy Reserve	**$(204,923)**		
Projected Fund Balance % Over (Under) Policy Reserve as of 9/30/27	**-0.54%**		

NORTH PORT
FLORIDA

Solid Waste Fund Balances

Item	Solid Waste District (120)	Solid Waste Impact Fees (153)	R&R - Solid Waste (324)
Audited Fund Balance as of 9/30/25	$9,327,098	$29,183,229	$1,812,472
2026 Amended Return/(Use) of Fund Balance	$2,861,682	$(11,580,450)	$75,000
Projected Fund Balance as of 9/30/26	**$12,188,780**	**$17,602,779**	**$1,877,472**
2027 City Manager Proposed Budget - Appropriated Return/(Use) of Fund Balance	**$(1,596,532)**	**$4,680,260**	**$74,000**
Projected Available Fund Balance as of 9/30/27	**$10,592,248**	**$22,283,039**	**$1,961,472**
Fund Balance Policy: Emergency & Disaster Reserve (20%)	$(6,245,355)		
Fund Balance Policy: Budget Stabilization & Economic Uncertainty (up to 10%)	$(3,122,678)		
Projected Fund Balance Over (Under) Fund Balance Policy Reserve	**$1,224,215**		
Projected Fund Balance % Over (Under) Policy Reserve as of 9/30/27	**3.92%**		

Solid Waste New Positions & Equipment

Item	BP 3225 – Two Solid Waste Equipment Operator I	BP 3224 - Capital Machinery & Equipment (R&R)
Description:	Increase budget by **$137,520.**	Increase by **$543,000**
Potential Consequences If Not Funded:	• Without these positions, service demand will outpace capacity, increasing response times, overtime costs and service impacts.	• Aging vehicles and equipment increase breakdowns, overtime costs and service disruptions.

NORTH PORT FLORIDA

Fleet Maintenance and Parts Reductions

Item	BP 3229 – Parts and Services Reduction
Description:	Reduce budget by **$559,080**
Potential Consequences If Reduction is Approved:	• Deferred maintenance increases repair costs, reduces fleet availability and impacts service delivery

Fleet Fund Balances

Item	Fleet Management (520)	R&R – Fleet Fund (327)
Audited Fund Balance as of 9/30/25	$1,193,486	$941,602
2026 Amended Return/(Use) of Fund Balance	$81,908	$12,000
Projected Fund Balance as of 9/30/26	**$1,275,394**	**$953,602**
2027 City Manager Proposed Budget - Appropriated Return/(Use) of Fund Balance	**$138,381**	**($121,000)**
Projected Available Fund Balance as of 9/30/27	**$1,413,775**	**$832,602**

Utilities Department Total Budget

*FY 27 CM Proposed decreased $3,753,821 or 5.18% from FY 26 Adopted

*$140,786 savings due to insurance rates

*$2,300,000 reduction due to the FY26 appropriation of grant funding received for the U26NEP- Neighborhood Expansion Project.

Category	FY 2026 Adopted	FY 2027 CM Recommended	FY 2027 CM Proposed
Personnel	$11,324,660	$11,880,651	$11,739,865
Operating	$29,364,060	$30,308,599	$30,308,599
Capital	$24,012,260	$21,392,130	$19,265,135
Other Uses	$4,384,890	$4,191,455	$4,191,455
TOTAL	**$69,085,870**	**$67,772,835**	**$65,505,054**

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Questions?

Thank you

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