

Fiscal Year 2026 Mid-Year Budget Review

Thursday, May 7, 2026

Christina Bervaldi, Director of Finance



General Fund FY 2024-2025 Recap

• General Fund Budgeted Revenues (Excluding Reserves)	\$74,208,450
• General Fund Actual Total Revenues (Excluding Reserves)	\$76,989,222
• General Fund Budgeted Expenditures (Excluding Reserves)	\$80,730,345
• General Fund Actual Total Expenditures (Excluding Reserves)	\$79,612,844
• Estimated FY 2026 Carry Forward Reserves	\$23,227,277
• Actual FYE 2025 Reserves	\$23,414,511

General Fund Reserve Levels Remain Within Fund Balance Policy Range of 20 - 25%



Fiscal Year 2025-2026 General Fund Mid-Year Recap

- Revenue Collections total \$46,343,363, which is .51% higher than FY2025
 - Most Notable Increases in Ad Valorem and Parking Revenue
 - Parking Revenue Increase Mainly Attributable to Addition of Smathers Beach
 - Most FY2026 Revenue Projections Accurate and are at 50% Collection Rate, However Some are Cyclical/Seasonal
 - Grant Revenue Collections Have Decreased Mainly Due to Police Equipment Grants Received in FY2025
 - Most Interest Revenue Collections are Not Yet Posted
- Operating Expenditures total \$34,086,456, which is 1.77% higher than FY2025
 - Expenditure Growth has Normalized Following Prior Year Spike
 - FY2026 Operating Increase is 10% Lower than FY2025 Operating Increase of 11.7%
 - Decrease in Total Expenditures of \$467,552 from FY2025
 - The City is Continuing Efforts to Streamline Operations and Reduce Expenditures

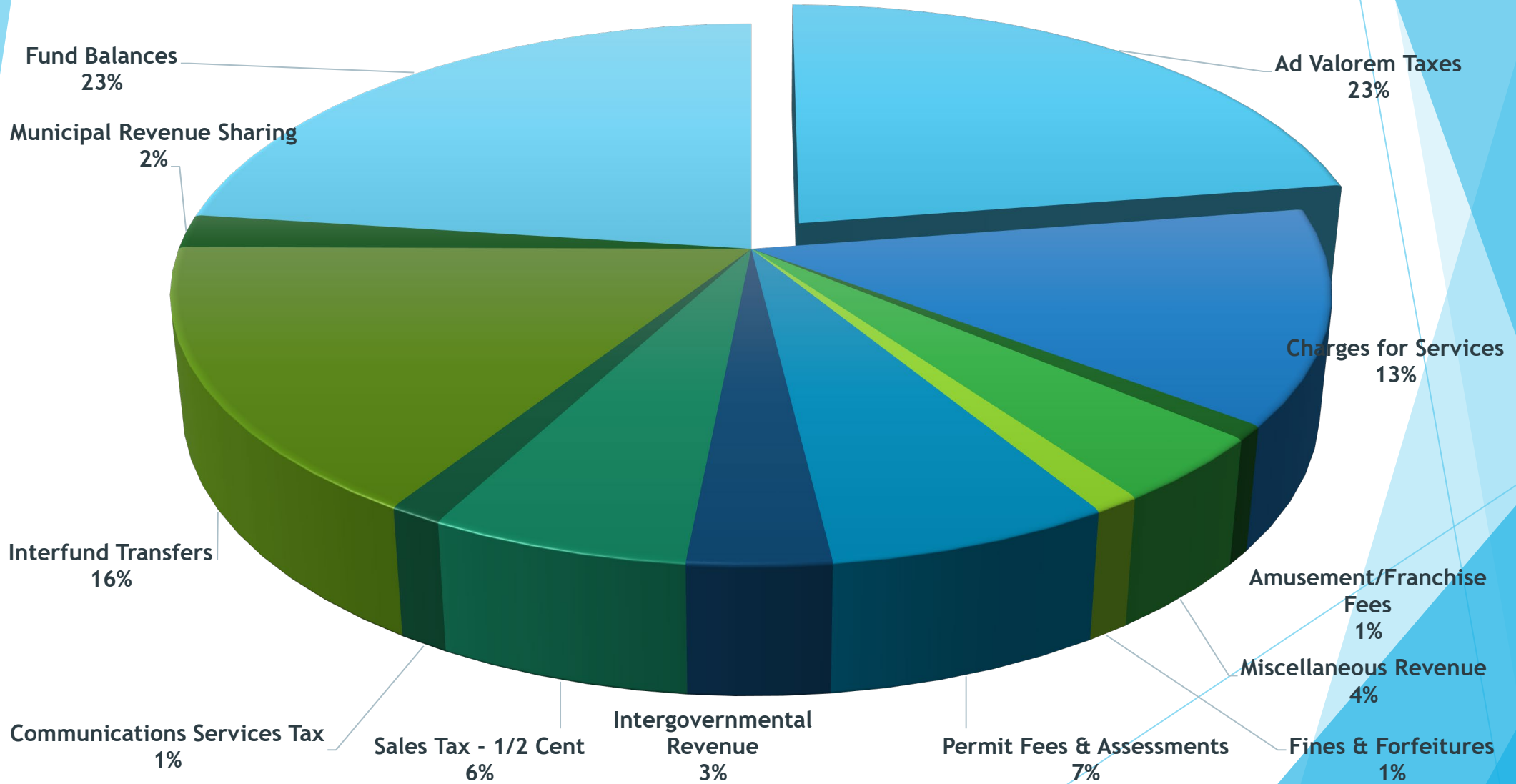


FY 2025-2026 General Fund Year to Date Revenues



2026 Budgeted Revenues By Source - General Fund

\$101,417,531



City of Key West, Florida
Summary of General Fund Revenues
For the Six Months Ended March 31, 2026 and 2025

	FY2026			FY2025			Variance from Prior Year
	Annual Budget	Year to Date Actuals	% Rec'd	Annual Budget	Year to Date Actuals	% Rec'd	
Taxes							
Current Real Property	\$ 22,837,487	\$ 20,485,148	90%	\$ 22,017,873	\$ 19,881,257	90%	\$ 603,891
Delinquent Personal Prop	15,000	(22,549)	-150%	15,000	5,977	40%	(28,526)
Communications Tax	1,317,699	654,401	50%	1,309,082	659,666	50%	(5,264)
	<u>\$ 24,170,186</u>	<u>\$ 21,117,000</u>	<u>87%</u>	<u>\$ 23,341,955</u>	<u>\$ 20,546,900</u>	<u>88%</u>	<u>\$ 570,101</u>
Permit Fees & Special Assessments							
Franchise Fees	835,000	388,280	47%	790,000	403,399	51%	(15,119)
Occupational Licenses	1,731,182	634,064	37%	1,579,450	631,541	40%	2,523
Building Permits	4,000,000	1,868,565	47%	3,500,000	2,028,840	58%	(160,275)
HARC Fees	600,000	203,481	34%	475,000	196,934	41%	6,547
CC Admin Fees	400,000	183,673	46%	400,000	183,727	46%	(55)
Tree Removal Permit	120,000	15,395	13%	125,000	27,520	22%	(12,125)
Other Licenses, Fees, & Permits	72,600	17,275	24%	69,500	17,225	25%	50
	<u>\$ 7,758,782</u>	<u>\$ 3,310,733</u>	<u>43%</u>	<u>\$ 6,938,950</u>	<u>\$ 3,489,186</u>	<u>50%</u>	<u>\$ (178,453)</u>
Intergovernmental Revenue							
Grant Revenue	2,450,453	1,233,971	50%	2,804,212	2,440,396	87%	(1,206,425)
Municipal Revenue Sharing	2,010,729	917,424	46%	1,958,055	882,416	45%	35,007
Local Gov't 1/2 Sales Tax	6,297,535	2,695,575	43%	6,684,990	2,760,693	41%	(65,117)
Payment in Lieu of Taxes	695,000	614,381	88%	683,981	688,542	101%	(74,161)
Misc Shared Revenues	333,000	104,350	31%	313,000	104,627	33%	(277)
	<u>\$ 11,786,717</u>	<u>\$ 5,565,701</u>	<u>47%</u>	<u>\$ 12,444,238</u>	<u>\$ 6,876,675</u>	<u>55%</u>	<u>\$ (1,310,974)</u>



City of Key West, Florida
Summary of General Fund Revenues

For the Six Months Ended March 31, 2026 and 2025

	FY2026			FY2025			Variance from Prior Year
	Annual Budget	Year to Date Actuals	% Rec'd	Annual Budget	Year to Date Actuals	% Rec'd	
Charges for Service							
Planning Fees	400,000	203,202	51%	350,000	145,788	42%	57,414
Fire Plan Review	220,000	41,025	19%	220,000	80,312	37%	(39,287)
Fire Inspection Fees	371,000	216,205	58%	350,000	184,165	53%	32,040
Ambulance Fees	1,750,000	689,854	39%	1,600,000	1,032,158	65%	(342,304)
Other Public Safety Fees	23,500	6,310	27%	14,000	10,649	76%	(4,339)
Cruiseport Utilities	12,000	15,239	127%	-	6,199	N/A	9,040
Disembarkation - Mallory	225,000	176,868	79%	140,000	85,974	61%	90,894
Disembarkation - Pier B	2,250,000	1,043,406	46%	2,150,500	1,000,921	47%	42,485
Parking Meter Fees	6,418,726	3,232,724	50%	6,744,991	2,864,869	42%	367,855
Residential Parking Permit Fees	335,000	285,695	85%	335,000	265,544	79%	20,151
Commercial Parking Permit Fees	400,000	187,135	47%	400,000	156,000	39%	31,135
Right of Way Fees	70,000	64,196	92%	70,000	25,470	36%	38,726
Cemetery Fees	95,000	39,466	42%	70,000	51,619	74%	(12,153)
Special Events	275,000	31,662	12%	100,000	58,662	59%	(26,999)
Misc Charges for Services	131,000	21,163	16%	24,000	11,354	47%	9,809
	\$ 12,976,226	\$ 6,254,150	48%	\$ 12,568,491	\$ 5,979,684	48%	\$ 274,467
Fines & Forfeitures							
Court Fines/Restitution	77,200	43,530	56%	57,500	41,358	72%	2,172
Parking Fines	980,000	519,329	53%	955,000	474,453	50%	44,875
Code Enforcement Fines	75,000	8,313	11%	75,000	13,865	18%	(5,551)
	\$ 1,132,200	\$ 571,172	50%	\$ 1,087,500	\$ 529,675	49%	\$ 41,497



City of Key West, Florida
Summary of General Fund Revenues

For the Six Months Ended March 31, 2026 and 2025

	FY2026			FY2025			Variance from Prior Year
	Annual Budget	Year to Date Actuals	% Rec'd	Annual Budget	Year to Date Actuals	% Rec'd	
Miscellaneous Revenues							
Interest Earnings	1,500,000	(462)	0%	500,000	24,743	5%	(25,204)
Leases	2,411,445	1,269,720	53%	2,509,010	1,226,379	49%	43,340
Private Contributions	-	56,187	N/A	-	32,420	N/A	23,767
Settlements	-	25,283	N/A	-	25,960	N/A	(677)
Other Misc Revenues	150,000	21,531	14%	100,000	26,113	26%	(4,583)
	\$ 4,061,445	\$ 1,372,258	34%	\$ 3,109,010	\$ 1,335,615	43%	\$ 36,643
Total Operating Revenues	\$ 61,885,556	\$ 38,191,014	62%	\$ 59,490,144	\$ 38,757,735	65%	\$ (566,720)
Other Sources							
Contributions - Enterprise Funds	5,500,000	2,750,000	50%	5,000,000	2,500,000	50%	250,000
Interfund Loan Payments	182,214	91,107	50%	182,214	91,107	50%	-
Interfund Transfers	10,622,484	5,311,242	50%	9,519,592	4,759,795	50%	551,447
Revenue Reserves	23,045,675	-	0%	24,986,438	-	0%	-
Tree Commission Reserves	181,602	-	0%	143,035	-	0%	-
Total Other Revenues	\$ 39,531,975	\$ 8,152,349	21%	\$ 39,831,279	\$ 7,350,902	18%	\$ 801,447
Total Revenues	\$ 101,417,531	\$ 46,343,363	46%	\$ 99,321,423	\$ 46,108,636	46%	\$ 234,727

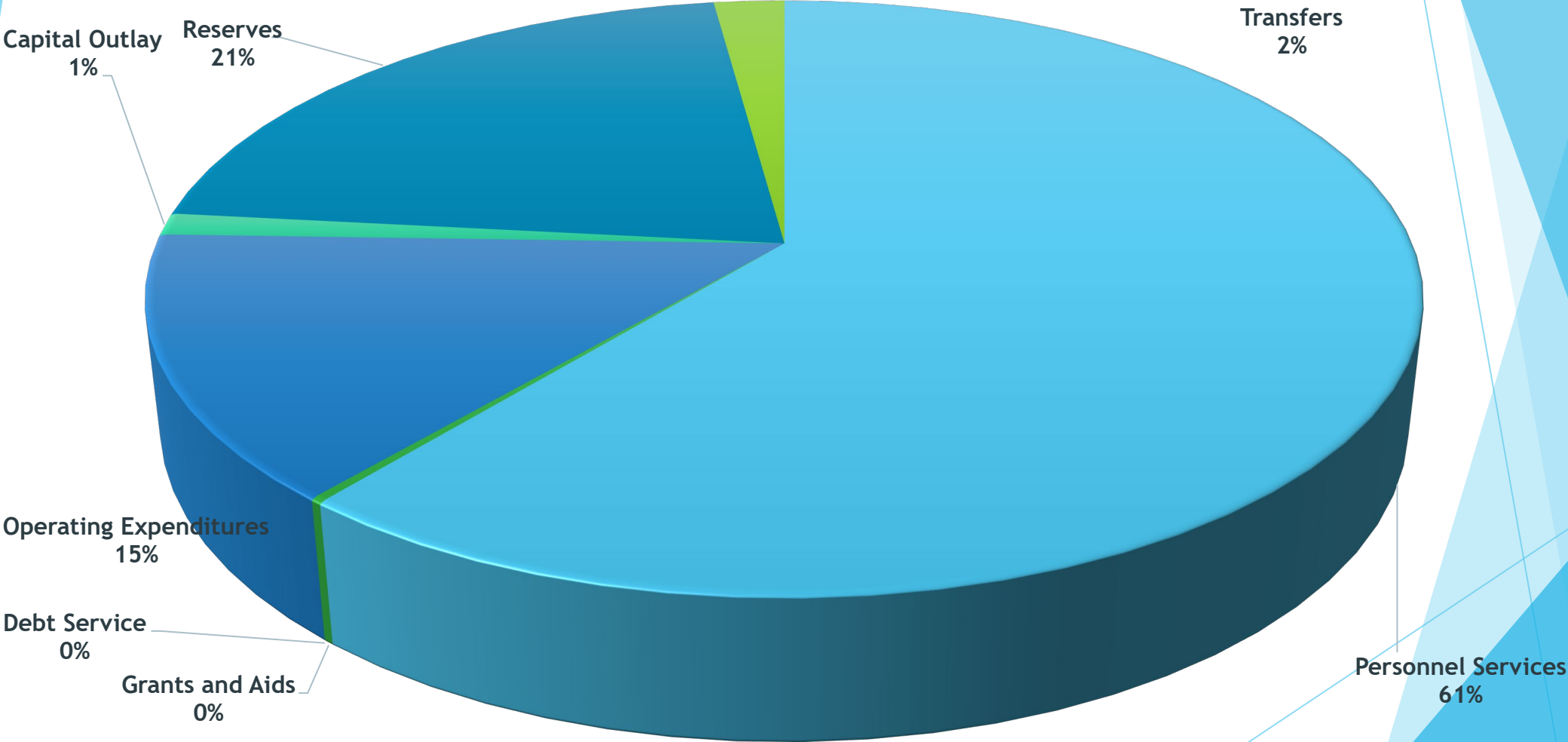


FY 2025-2026 General Fund Year to Date Expenditures



2026 Budgeted Expenditures By Category - General Fund

\$101,417,531



City of Key West, Florida
Summary of General Fund Expenditures
For the Six Months Ended March 31, 2026 and 2025

	FY2026			FY2025			Variance from Prior Year
	Annual Budget	Year to Date Actuals	% Rec'd	Annual Budget	Year to Date Actuals	% Rec'd	
General Government							
City Commission	\$ 592,963	\$ 219,536	37%	\$ 565,487	\$ 249,793	44%	\$ (30,257)
City Manager	1,731,181	803,818	46%	1,247,115	496,504	40%	307,313
City Clerk	488,956	224,324	46%	535,280	236,197	44%	(11,873)
Citizens' Review Board	109,403	38,263	35%	106,335	36,943	35%	1,320
Finance	1,768,085	769,242	44%	1,621,372	766,081	47%	3,161
Human Resources	724,368	309,490	43%	846,624	422,272	50%	(112,783)
Information Technology	2,115,947	1,176,424	56%	1,855,626	1,023,106	55%	153,319
Key West TV	43,245	10,412	24%	53,990	19,952	37%	(9,540)
City Attorney	1,418,221	499,564	35%	1,258,561	537,238	43%	(37,674)
City Planner	1,443,914	607,063	42%	1,513,780	551,397	36%	55,666
Non-Departmental	1,506,832	732,068	49%	1,641,384	747,956	46%	(15,889)
Civil Service Board	7,650	-	0%	7,650	2,540	33%	(2,540)
Elections	-	-	N/A	-	-	N/A	-
Fleet Service Management	1,778,715	594,922	33%	1,675,599	610,872	36%	(15,951)
Engineering	383,254	155,750	41%	379,966	153,862	40%	1,888
Disaster Recovery	-	-	N/A	81,757	1,988	2%	(1,988)
	\$ 14,112,734	\$ 6,140,874	44%	\$ 13,390,526	\$ 5,856,700	44%	\$ 284,174



City of Key West, Florida
Summary of General Fund Expenditures
For the Six Months Ended March 31, 2026 and 2025

	FY2026			FY2025			Variance from Prior Year
	Annual Budget	Year to Date Actuals	% Rec'd	Annual Budget	Year to Date Actuals	% Rec'd	
Public Safety							
Police Department	22,756,189	10,597,636	47%	22,040,832	10,467,081	47%	130,555
Law Enforcement Grants	75,000	61,006	81%	75,000	7,541	10%	53,465
Fire Department	15,260,678	6,679,546	44%	14,351,146	6,632,227	46%	47,319
Building Services	1,862,463	895,950	48%	1,676,246	691,211	41%	204,738
Code Compliance	1,507,722	631,110	42%	1,471,665	650,763	44%	(19,653)
Emergency Preparedness	138,372	46,463	34%	127,836	43,276	34%	3,187
Emergency Medical Services	4,283,472	2,130,026	50%	4,349,016	1,959,995	45%	170,031
	\$ 45,883,896	\$ 21,041,737	46%	\$ 44,091,741	\$ 20,452,096	46%	\$ 589,641
Physical Environment							
Parking	2,125,082	947,013	45%	1,848,717	803,072	43%	143,940
Public Works	6,256,989	2,412,415	39%	6,039,148	2,689,746	45%	(277,331)
Facilities Maintenance	1,996,857	747,174	37%	2,170,712	842,700	39%	(95,526)
Tree Commission	181,602	38,695	21%	143,035	-	0%	38,695
Port Operations	469,761	206,817	44%	544,146	173,584	32%	33,233
Parks & Recreation	4,860,001	1,992,390	41%	4,961,234	2,147,178	43%	(154,788)
	\$ 15,890,292	\$ 6,344,504	40%	\$ 15,706,992	\$ 6,656,281	42%	\$ (311,777)
Human Services							
Homeless Services	943,753	559,342	59%	902,773	527,078	58%	32,264
	\$ 943,753	\$ 559,342	59%	\$ 902,773	\$ 527,078	58%	\$ 32,264
Total Operating Expenditures	\$ 76,830,675	\$ 34,086,456	44%	\$ 74,092,032	\$ 33,492,154	45%	\$ 594,302
Other Expenditures							
Reserves/Contingencies	19,500,020	-	N/A	17,941,933	-	N/A	-
Operating Transfers	2,164,951	1,832,220	85%	3,849,946	2,636,261	68%	(804,041)
Insurance	2,921,885	1,460,943	50%	3,437,512	1,718,756	50%	(257,814)
Total Other Expenditures	\$ 24,586,856	\$ 3,293,163	13%	\$ 25,229,391	\$ 4,355,017	17%	\$ (1,061,854)
Total Expenditures	\$ 101,417,531	\$ 37,379,619	37%	\$ 99,321,423	\$ 37,847,171	38%	(467,552)



FY 2025-2026 Revenue/Expenditure Comparison to Prior Year



Fiscal Year 2025-2026

All Funds Mid-Year Recap

- **Total Revenue Collections \$97,960,967, which is 6.35% Lower than FY2025**
 - **Most Notable Decreases are in Grant Revenue Collections**
 - JJNC Grant Funding & American Rescue Plan Funding Received in FY25
 - **Most FY2026 Revenue Projections Accurate and are at 50% Collection Rate, However Some are Cyclical/Seasonal**
 - **Most Interest Revenue Collections are Not Yet Posted**
- **Total Operating Expenditures \$88,751,147, which is 4.21% Lower than FY2025**
 - **Decrease in Total Expenditures of \$3,896,385 from FY2025**
 - This Decrease is Somewhat Attributable to Timing of Construction Projects in the Infrastructure Fund
 - **The City is Continuing Efforts to Streamline Operations and Reduce Expenditures**



City of Key West, Florida
All Funds - Excluding Reserves

For the Six Months Ended March 31, 2026 and 2025

	FY2026		FY2025		Target	50%	Variance from Prior Year
	Annual Budget	Year to Date Actuals	% Rec'd	Annual Budget	Year to Date Actuals	% Rec'd	
Revenues							
General Fund	\$ 78,190,254	\$ 46,312,021	59%	\$ 74,191,950	\$ 46,038,254	62%	\$ 273,767
Infrastructure Fund	14,980,687	5,673,558	38%	17,389,602	11,689,960	67%	(6,016,402)
Gas Tax Fund	2,904,965	1,571,343	54%	4,791,350	2,325,696	49%	(754,353)
Fort Taylor Fund	395,000	131,811	33%	320,000	129,515	40%	2,296
Affordable Housing Fund	393,347	198,603	50%	496,946	190,878	38%	7,725
Truman Waterfront Fund	1,166,994	593,034	51%	1,062,717	467,236	44%	125,798
Adaptation & Sustainability Fund	1,824,531	520,703	29%	2,049,859	163,562	8%	357,141
Community Fund	35,000	12,487	36%	26,200	12,550	48%	(63)
Transportation Alternative Fund	793,902	437,716	55%	795,493	553,285	70%	(115,569)
Community Development Office	1,048,884	472,162	45%	886,521	629,478	71%	(157,316)
Law Enforcement Trust Fund	9,000	5,108	57%	-	8,776	N/A	(3,668)
Capital Projects Fund	10,000	69	1%	304,000	-	0%	69
Sewer Fund	16,057,070	7,032,675	44%	21,713,013	8,138,433	37%	(1,105,758)
Stormwater Fund	3,737,136	3,667,540	98%	6,332,157	2,501,460	40%	1,166,080
Solid Waste Fund	13,452,135	8,779,319	65%	12,586,567	7,706,497	61%	1,072,822
Key West Bight Fund	18,147,139	7,446,121	41%	17,107,164	9,563,912	56%	(2,117,791)
Transit Fund	6,162,216	3,377,248	55%	9,414,028	2,089,613	22%	1,287,635
City Marina Fund	4,219,045	1,910,027	45%	3,794,817	1,762,186	46%	147,841
Insurance Fund	17,036,124	6,247,142	37%	17,212,517	7,308,523	42%	(1,061,381)
Bahama Village TIF Fund	3,029,969	1,932,349	64%	1,781,066	1,783,047	100%	149,302
Caroline Street Corridor TIF Fund	1,789,567	1,639,931	92%	1,546,598	1,542,208	100%	97,723
Total Revenues	\$185,382,965	\$ 97,960,967	53%	\$193,802,565	\$ 104,605,069	54%	\$ (6,644,102)



**City of Key West, Florida
All Funds - Excluding Reserves**

For the Six Months Ended March 31, 2026 and 2025

	FY2026		FY2025		Target	50%	Variance from Prior Year
	Annual Budget	Year to Date Actuals	% Rec'd	Annual Budget	Year to Date Actuals	% Rec'd	
Expenditures							
General Fund	\$ 81,917,511	\$ 37,379,619	46%	\$ 79,959,090	\$ 37,847,171	47%	\$ (467,552)
Infrastructure Fund	19,187,589	5,034,477	26%	17,261,699	11,255,591	65%	(6,221,114)
Gas Tax Fund	4,249,714	3,394,100	80%	4,656,902	2,317,325	50%	1,076,775
Fort Taylor Fund	164,034	6,081	4%	162,757	7,204	4%	(1,123)
Affordable Housing Fund	136,397	-	0%	589,247	404,914	69%	(404,914)
Truman Waterfront Fund	1,166,994	597,544	51%	1,143,405	612,101	54%	(14,557)
Adaptation & Sustainability Fund	1,866,256	712,828	38%	2,334,022	841,137	36%	(128,309)
Community Fund	63,143	22,167	35%	52,098	8,498	16%	13,669
Transportation Alternative Fund	1,543,551	834,899	54%	1,218,412	153,468	13%	681,431
Community Development Office	769,820	387,947	50%	753,910	632,417	84%	(244,470)
Law Enforcement Trust Fund	84,721	30,111	36%	57,781	8,258	14%	21,853
Capital Projects Fund	16,581	8,142	49%	456,207	8,918	2%	(776)
Sewer Fund	15,724,505	8,429,198	54%	24,158,285	9,974,011	41%	(1,544,813)
Stormwater Fund	4,483,689	2,030,842	45%	8,169,858	1,267,262	16%	763,580
Solid Waste Fund	14,191,316	5,795,719	41%	12,361,052	5,243,352	42%	552,367
Key West Bight Fund	22,367,356	9,118,629	41%	17,494,836	7,601,861	43%	1,516,768
Transit Fund	6,162,216	4,379,367	71%	9,274,111	3,680,415	40%	698,952
City Marina Fund	4,691,943	1,402,791	30%	5,247,601	1,360,142	26%	42,649
Insurance Fund	17,965,791	8,597,625	48%	17,419,030	8,451,561	49%	146,064
Bahama Village TIF Fund	3,602,616	517,734	14%	2,423,896	898,387	37%	(380,653)
Caroline Street Corridor TIF Fund	4,577,813	71,328	2%	1,338,315	73,539	5%	(2,211)
Total Expenditures	\$204,933,556	\$ 88,751,147	43%	\$206,532,514	\$ 92,647,532	45%	\$ (3,896,385)
Addition To/(Use of) Reserves		\$ 9,209,820		\$ 11,957,537			



Fiscal Year 2025-2026

Overall Mid-Year Conclusion

- Revenue collections remain steady across most funds and are in line with forecasted expectations.
- As we prepare for the FY2027 budget cycle, the City must continue assessing and identifying additional revenue opportunities and potential enhancements to existing revenue sources to maintain efficient operations.
- Pending legislative changes may impact the City's ability to secure grant funding, which will need to be considered during the FY2027 budget development, however we maintain steadfast in our efforts to pursue grant opportunities that can help offset the cost of capital and operational projects.
- Operating expenditures for the major operating funds remain within budget parameters through the second quarter of the fiscal year.
- To maintain long-term financial sustainability, the City should continue focusing on expenditure reductions where feasible in order to direct additional funding toward critical infrastructure investments.

The City remains in a stable financial position entering the FY2027 budget cycle, supported by steady revenues, moderated expenditure growth, and strong reserve levels.



Looking Ahead

Fiscal Year 2026-2027

- **Strategic Priorities**
 - Infrastructure
 - Financial Sustainability
 - Climate Adaptation & Environmental Protection
 - Housing
- **Potential Fiscal Risks**
 - State/Federal Grant Uncertainty
 - Inflationary Labor Costs
 - Infrastructure Replacement Demands
- **Operational Efficiency Opportunities**
 - Vacancy Management
 - Procurement Efficiencies
 - Fleet Lifecycle Optimization
 - Technology Modernization
 - Departmental Expenditure Reviews



FY 2026-2027 Budget Timeline

July 6	Proposed Budget to City Commission and City Staff
July 20-21	City Commission Workshops - All Funds Set Tentative Millage
August 27	Tentative Budget to City Commission and City Staff
September 10	First Public Hearing on Tentative Budget and Millage
September 19	Publish TRIM Advertisements
September 23	Public Hearing and Adoption of Annual City Budget and Final Millage



QUESTIONS

