

City of Key West Final Public Hearing Fiscal Year 2025-26

Thursday, September 25, 2025

Christina Bernaldi, Finance Director



FY25-26 Proposed Final Budget - All Funds

FY 2025-2026 Budget - All Funds
\$286,615,419

Overall Increase of 9.18 Percent
Over FY 2024-2025

All Funds Budget Comparison

	FY25/26 Tentative Budget	FY24/25 Adopted Budget	Percent Change
ESTIMATED REVENUES:			
Taxes	\$ 38,537,374	\$ 38,605,731	-0.177%
Licenses & Permits	7,425,282	6,572,050	12.983%
Intergovernmental Revenue	22,068,234	37,065,622	-40.462%
Charges for Services	63,826,297	61,313,215	4.099%
Fines & Forfeitures	1,476,450	1,222,000	20.822%
Miscellaneous Revenue	28,708,390	27,285,927	5.213%
Other Sources	124,573,392	90,458,623	37.713%
Total Revenues	\$ 286,615,419	\$ 262,523,168	9.177%
EXPENDITURES/EXPENSES:			
Personnel Services	\$ 73,802,339	\$ 69,534,441	6.138%
Operating Expenditures	67,857,001	67,308,365	0.815%
Capital Outlay	58,219,094	42,882,630	35.764%
Debt Service	2,457,963	1,783,983	37.780%
Grants and Aid	1,465,000	1,480,126	-1.022%
Transfers	22,153,057	21,738,120	1.909%
Reserves	60,660,965	57,795,503	4.958%
Total Expenditures	\$ 286,615,419	\$ 262,523,168	9.177%



FY25-26 Proposed Final Budget - General Fund

FY 2025-2026 Budget - General
Fund

\$101,417,531

Overall Increase of 2.77 Percent
Over FY 2024-2025

General Fund Budget Comparison

	FY25/26 Tentative Budget	FY24/25 Adopted Budget	Percent Change
ESTIMATED REVENUES:			
Taxes	\$ 25,005,186	\$ 24,131,955	3.619%
Licenses & Permits	6,923,782	6,148,950	12.601%
Intergovernmental Revenue	11,786,717	12,444,238	-5.284%
Charges for Services	12,976,226	12,568,491	3.244%
Fines & Forfeitures	1,132,200	1,087,500	4.110%
Miscellaneous Revenue	4,061,445	3,109,010	30.635%
Other Sources	39,531,975	39,193,980	0.862%
Total Revenues	\$ 101,417,531	\$ 98,684,124	2.770%
EXPENDITURES/EXPENSES:			
Personnel Services	\$ 61,811,705	\$ 58,031,924	6.513%
Operating Expenditures	14,495,126	14,679,561	-1.256%
Capital Outlay	1,203,672	1,835,442	-34.421%
Debt Service	-	-	N/A
Grants and Aid	264,000	518,800	-49.113%
Transfers	2,164,951	3,836,003	-43.562%
Reserves	21,478,077	19,782,394	8.572%
Total Expenditures	\$ 101,417,531	\$ 98,684,124	2.770%



ReCap of Changes to General Fund Budget Before First Public Hearing

General Fund

- Changes in Expenditures
 - Allocated City Commission Special Pay to be on Reimbursement Basis
 - City Manager Salary Reduced
 - Increased Allocation for Strategic Planning
 - Increased Employer General Pension Allocation from 10% to 11.1%
 - Added Allocations for the Extensions of TrackIt and Naviline Software Subscriptions
 - Increase in Fire & EMS Department Salaries
 - Decrease in Non-Departmental
 - Decrease in Lapse Salary Calculation
 - Decrease in Worker's Compensation Insurance Allocation
 - Decrease in General Liability Insurance Allocation
 - Added \$150,000 Allocation for UNESCO Program
 - Increase Bahama Village TIF and Caroline Street Corridor TIF Allocations
 - Increase Truman Waterfront Operating Support Transfer Out
 - Decrease in Operating Reserve
 - Increase in Salary Contingency
 - Added \$61,718 Reserve Allocation for Pension Retiree 2% COLA
 - Added Additional Funding for New Positions



ReCap of Changes to General Fund Budget Before First Public Hearing

General Fund

- **Changes in Expenditures Continued**
 - **Removed FMT Plan Funding Allocations**
 - Compass Rose Rehabilitation
 - Rainbow Crosswalk
 - Cozumel Park Fence
 - **Added Funding Allocation for (MCCI) Growth Management Software**
 - **Increased Allocation for Outside Legal Counsel**
 - **Adjustments in Tree Commission to Account for Change in Cash Carry Forward**
 - **Increase Funding Allocations for Youth Leagues**
 - **Small Changes to Funding Allocations Based on Current Actuals**



Changes Between First and Second Reading - General Fund

• Operating Budget - General Fund Only	\$101,637,122	\$101,417,531
• Ad Valorem Millage Rate	1.9739	1.9551
Percent Over Roll-Back	5%	4%
• Reserve Day Value	\$ 219,200	\$ 219,012

Changes Made to General Fund

• Decrease Ad Valorem Revenue to Reflect New Millage Rate of 1.9551	
• Add School Crossing Guard Position per H.O.B. School Request	\$ 25,787
• Postpone Fire Department Lt. Position Implementation for 6 Months	\$ 70,921
• Remove (1) New Police Officer Position Allocation	\$118,803
• Increase Fire & EMS Department Salaries	\$142,575
• Reduce Outside Legal Fees Allocation	\$ 50,000
• Remove Strategic Planning Allocation	\$ 50,000
• Decrease UNESCO Literary City Allocation from \$150,000 to \$75,000	\$ 75,000
• Decrease Transfers Out to TIF Funds to Reflect New Millage Rate of 1.9551	\$ 14,457
• Decrease Lapse Salary Allocation	\$ 1,511
• Decrease Reserves	\$ 10,283

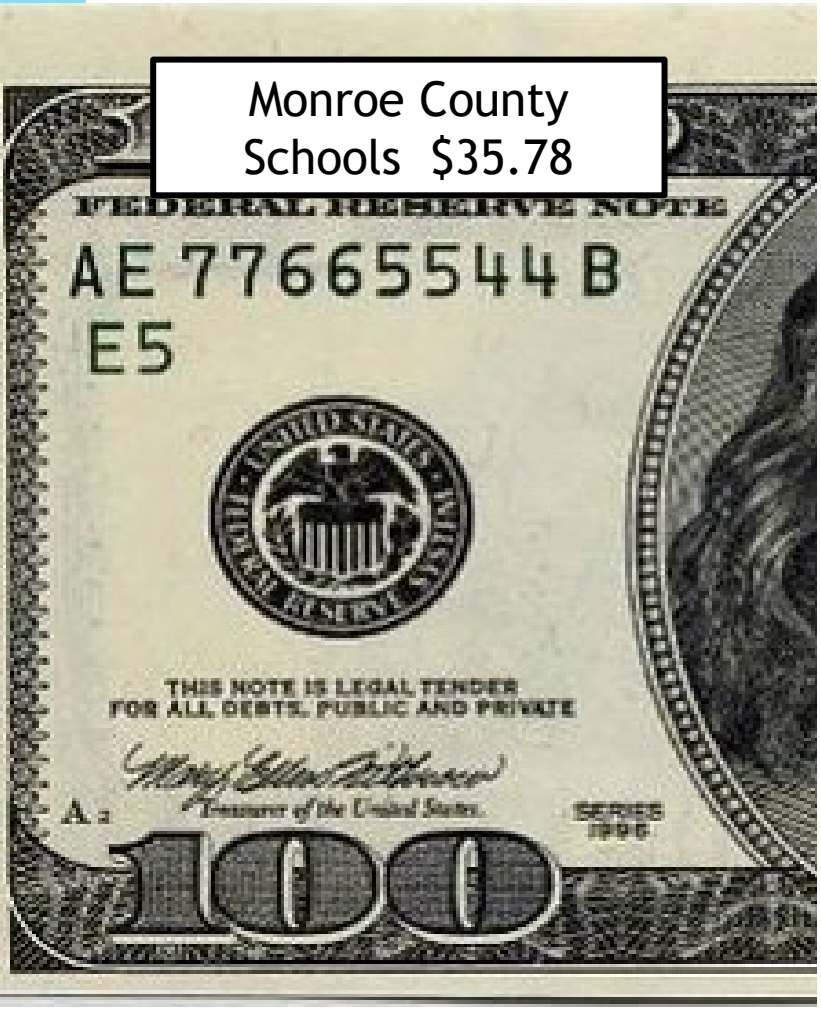


Ad Valorem

- **FY 2025-26 Proposed Adopted Millage Rate** **1.9551**
- **Example: Residential Homesteaded Property**
 - \$592,832 in Taxable Value
 - Based on Save Our Homes Capped Value Increase
- **Example: Residential Non-Homesteaded Property**
 - \$1,088,136 in Taxable Value
 - Based on Average Value Increase of 7.10%
- **Example: Commercial Property**
 - \$2,085,773 in Taxable Value
 - Based on Average Value Increase of 7.10%

Property Type	Average Property Value	City Portion of Ad Valorem	Annual Change
Homesteaded Residential	\$592,832	\$1,159.04	\$ (0.93)
Non-Homesteaded Residential	\$1,088,136	\$2,127.41	\$ 81.80
Commercial	\$2,085,773	\$4,077.89	\$ 156.79







Monroe County
Schools \$35.78



Monroe County \$32.69



Other
\$7.79



City of Key West
\$23.74

To Conclude

- Second Reading of Millage Ordinance
 - Set at 1.9551
 - 4% Over Roll-Back Millage Rate
- Adopt Final Budget for FY 2025-26 via Resolution
 - \$286,615,419

