City of Lakeland
Proposed FY 2027 Annual Budget

Presentation and Public Hearing
September 10, 2026

Shawn Sherrouse
City Manager

Mike Brossart
Finance Director

FY 2027 Budget Process Timeline

April 23 & April 24	Strategic Planning Retreat
June 15	Strategic Plan Presentation
July 23	1st City Commission Budget Workshop
September 3	2nd City Commission Budget Workshop
September 10	1st Public Hearing
September 24	2nd Public Hearing/Budget Adoption
October 1	Start of Fiscal Year 2027

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FY 2027 Budget Proposal

- Budgeted property value growth in FY 2027 = 4.96%
- Estimated property value growth in FY 2028 = 5.00%
- Estimated property value growth in FY 2029 = 5.00%

FY 2027 Budget Proposal

- Maintains General Fund reserves at a minimum of 45 to 60 days cash-on-hand through Fiscal Year 2027
- Projected Days Cash for FY 2028 and FY 2029 are below the City Commission's past practice of meeting 45 to 60 days requirement
- Proposes millage rate of 5.4323
- Increases to operating expenditures limited to 1.5% unless justified
- 9.9% Increase in Health Insurance Premiums for employees and the City with Comprehensive Plan Changes to Lessen Premium Increases

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FY 2027 Budget Proposal

- General Employees
  - Provides Across the Board Salary Adjustments at 2.00%
  - Provides Merit Increases for Eligible Employees at 2.50% or 3.00%, (Per Pay Structure)
  - Wage Study
    - Market adjustments per the Wage Study are budgeted at $1,244,641

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FY 2027 Budget Proposal

- Collective Bargaining Wages and Benefits
  - UWUA-Electric
    - Average salary adjustment increase of 8.97% for 162 of the 189 collective bargaining positions in Lakeland Electric totaling $1,382,512

FY 2027 Budget Proposal

- Collective Bargaining Wages and Benefits
  - FOP contract is set to expire September 30, 2027,
    including a wage reopener previously approved by the City Commission
    - Police Officers: 6.1% Salary Adjustment
    - Sergeants: 7.9% Salary Adjustment
    - Lieutenants: 7.6% Salary Adjustment
    - FOP Salary Adjustment: $1,543,000
    - 1% ATB for All or (“Me Too”).
    - 3% up to Step 8 or 2.5% from Step 8 to Maximum Merit Increase

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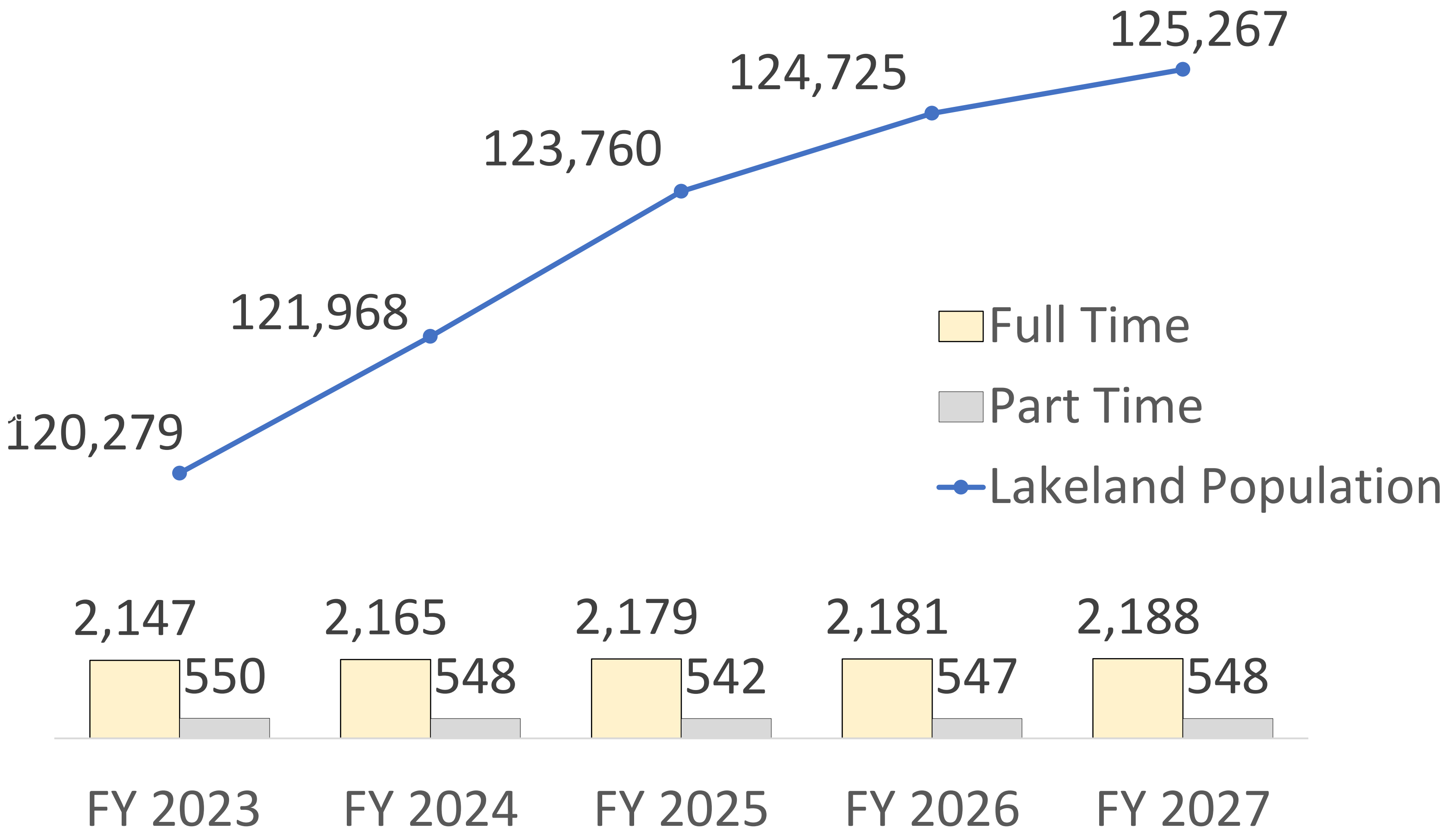
FY 2027 Budget Proposal

- Collective Bargaining Wages and Benefits
  - IAFF = 1.5% ATB and 2.5% Merit

FY 2027 Personnel Changes

- **Full-Time Additions**
  - 1 Engineer IV, (Electric Utility Fund)
  - 2 Water Pipefitter II, (Water Utility Fund)
  - 1 Solid Waste Driver II, (Solid Waste Fund)
  - 2 Solid Waste Collectors, (Solid Waste Fund)
  - 1 Maintenance Mechanic II, (General Fund, Public Works)
  - 1 Fire Suppression System Technician, (General Fund, Public Works)
- **Full-Time Deletions**
  - 1 Accounting Clerk I (General Fund, Risk Purchasing)
- **Part-Time Additions**
  - 1 Bus Driver, (General Fund, Parks, Recreation, Cultural Arts)

Personnel Changes to Meet Growing Service



FY 2027 Strategic Plan Framework

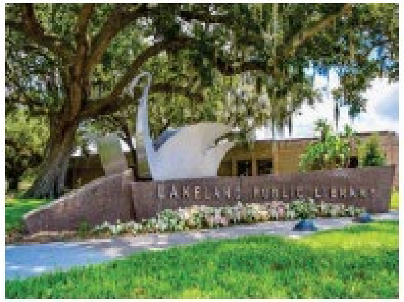
Focus Area #1: Infrastructure

Focus Area #2: Public Safety

Focus Area #3: Economic Development

Focus Area #4: Quality of Life

Focus Area #5: Organizational Excellence



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Strategic Focus Area: Infrastructure

FY 2027 Budget Impact: $27,554,272

Funding Sources:

- Electric Utility Fund
- Water Utility Fund
- Wastewater Utility Fund
- Stormwater Utility Fund
- Transportation Fund
- Community Redevelopment Agency
- Information Technology Fund

Strategic Focus Area: Infrastructure

Electric Utility Fund

- Larsen Plant Improvements
- McIntosh Plant Improvements
- Hamilton Road Transmission Line
- Downtown Infrastructure Upgrades
- SONET Fiber Upgrade

Strategic Focus Area: Infrastructure

Water Utility Fund

- Airside Center Asbestos Cement Pipe Replacement
- Ashwood and Creekview Water Line Tie Connection

Strategic Focus Area: Infrastructure

Wastewater Utility Fund

- King and Queen Mobile Home Park Vitrified Clay Pipe Rehabilitation
- West Lakeland Generator Replacement
- Wastewater Master Plan Update
- Cybersecurity Implementation
- Florida Avenue Rehabilitation
- Wayman Street Rehabilitation

Strategic Focus Area: Infrastructure

Wastewater Utility Fund Continued

- Northside Wastewater Treatment Plant Replacement of Clarifier Drive Mechanism
- Lateral Service Piping
- Spring Oaks Station Rehabilitation
- Effluent Structure Rehabilitation
- Effluent Ditch Rehabilitation
- Northeast 12” Check Valve Replacement

Strategic Focus Area: Infrastructure

Stormwater Utility Fund

- Slope Mower Replacement
- Osceola and Ingraham Drainage Improvement Project
- Highland Hills Ditch and Maintenance Repairs

Strategic Focus Area: Infrastructure

Transportation Fund

- Sleepy Hill Road Resurfacing
- Glendale Street Trail Construction
- Fairbanks Street Sidewalk Design
- Oakbridge Bridge Repair
- Chase Street Trail Phase II

Strategic Focus Area: Infrastructure

Community Redevelopment Agency Fund

- Rose Street Corridor Reconstruction
- South Florida Avenue Streetscape Enhancements
- Memorial Boulevard Streetscape Enhancements

Strategic Focus Area: Infrastructure

Information Technology Fund

- GIS Utility Network Upgrade
- Radio Replacements
- Identity Management Software
- Network Monitoring Tools
- GPS Equipment Replacement
- End Point Patch Management

Strategic Focus Area: Public Safety

FY 2027 Budget Impact: $939,000

Funding Sources:

- Community Redevelopment Agency Fund
- Information Technology Fund

BEFORE

AFTER

Strategic Focus Area: Public Safety

Community Redevelopment Agency Fund

- Midtown Neighborhood Alley Improvements

General Fund

- Peregrine Platform

Strategic Focus Area: Economic Development

FY 2027 Budget Impact: $11,171,567

Funding Sources:

- Community Redevelopment Agency Fund
- Home Investment Partnership Fund
- State Housing Initiatives Partnership Fund
- Community Development Block Grant Fund
- Lakeland Linder International Airport Fund

Strategic Focus Area: Economic Development

Community Redevelopment Agency Fund

- CRA Development Incentives
- CRA Small Project Assistance Incentives
- The Nine Urban Design Plan

Strategic Focus Area:
Economic Development

Community Redevelopment Agency Fund and Home Investment Partnership Fund

- Affordable Housing Development Program

Community Redevelopment Agency Fund, State Housing Initiatives Partnership Fund, and Community Development Block Grant Fund

- Housing Rehabilitation and Home Purchase Assistance Program

Strategic Focus Area: Economic Development

Lakeland Linder International Airport Fund

- Terminal Building Environmental Assessment

Strategic Focus Area: Quality of Life

FY 2027 Budget Impact: $3,545,000

Funding Sources:

- Community Redevelopment Agency Fund
- Parks, Recreation Cultural Arts Public Improvement Fund
- RP Funding Center Capital Fund

Strategic Focus Area: Quality of Life

Community Redevelopment Agency Fund

- Downtown West Action Plan, Lake Wire Improvements, and Freedom Park Enhancements
- Art Infusion Program

Strategic Focus Area: Quality of Life

Parks, Recreation, Cultural Arts, Public Improvement Fund

- Barnett Park Splash Pad Replacement
- Marchant Stadium LED Light Replacement
- Washington Park Playground Equipment Replacement
- Handley Park Playground Equipment Replacement
- Cleveland Heights Greens and Tees Replacement

Strategic Focus Area: Quality of Life

RP Funding Center Capital Fund

- Youkey Theatre Stage Floor Refinishing
- Youkey Theatre Line Set Replacement

Strategic Focus Area: Organizational Excellence

FY 2027 Budget Impact: $4,213,422

Funding Sources:

- **General and Enterprise Funds**

Strategic Focus Area: Organizational Excellence

General Fund

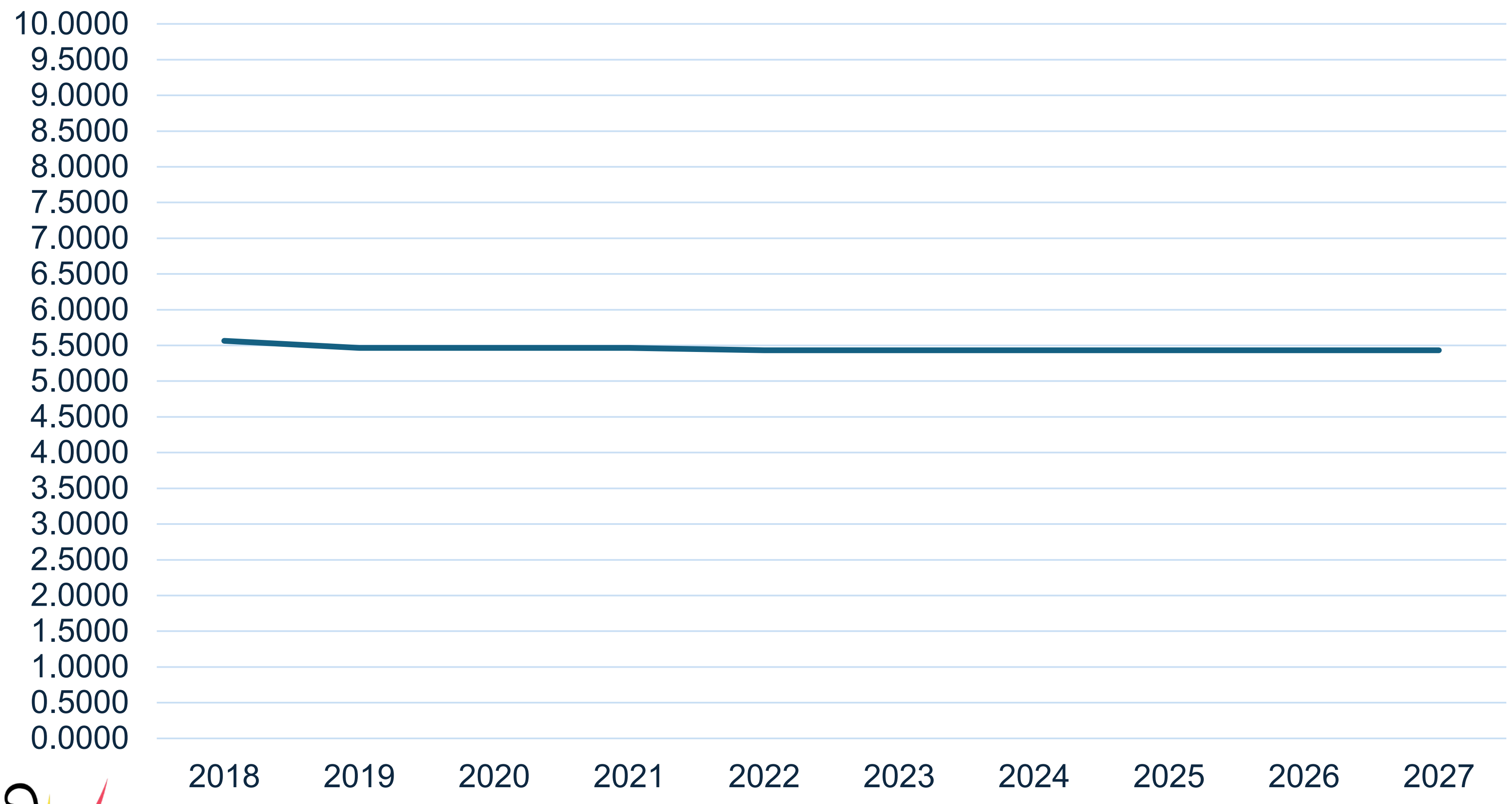
- Employee Wage Adjustments
- Employee Engagement Survey
- Strategic Planning Performance Platform Launch
- City AI Initiative
- CityU Workforce Development Pathways
- Employee Voice-to-Action Framework
- Workforce Recruitment Branding Initiative
- Citywide Social Media Training

FY 2027 Budget - Strategic Focus Area Total

$47,423,261

Total FY 2027 Strategic Focus Area Expenditures

Historical Ad Valorem Millage Rates



Fiscal Year	Millage
2018	5.5644
2019	5.4644
2020	5.4644
2021	5.4644
2022	5.4323
2023	5.4323
2024	5.4323
2025	5.4323
2026	5.4323
2027	5.4323

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Millage Comparison

	Total Millage
Population Peers	
West Palm Beach	8.1888
Hollywood	7.9606
Palm Bay	7.6993
Miami Gardens	7.3694
Miramar	7.1172
Gainesville	6.7297
Coral Springs	6.1891
Clearwater	5.8850
Davie	5.7975
Pompano Beach	5.7181
Lakeland	5.4323

	Total Millage
I-4 Cities	
Haines City	7.3395
Sanford	7.3250
Davenport	7.2500
Deltona	6.7500
Orlando	6.6500
Winter Haven	6.5900
St. Petersburg	6.4525
Tampa	6.2076
Deland	6.1841
Daytona Beach	5.9300
Plant City	5.7157
Lakeland	5.4323
Kissimmee	4.6253
Altamonte Springs	4.0000

	Total Millage
Polk County	
Highland Park	9.9759
Fort Meade	8.4403
Lake Wales	8.0462
Lake Hamilton	7.9900
Dundee	7.9000
Eagle Lake	7.6516
Haines City	7.3395
Davenport	7.2500
Lake Alfred	6.7500
Winter Haven	6.5900
Frostproof	6.5530
Mulberry	6.3900
Bartow	6.1080
Lakeland	5.4323
Polk City	5.2500
Auburndale	4.2515

	Total Millage
Electric Utilities	
Jacksonville	11.1919
Gainesville	6.7297
Orlando	6.6500
Tampa	6.2076
Lakeland	5.4323
Kissimmee	4.6253
Tallahassee	4.4072

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General Fund Forecast and FY 2027 Days Cash Estimate

GENERAL FUND BUDGET

5.4323 mills

	FY'26	FY'27	FY'28	FY'29
FY Starting Surplus	46,450,337	44,904,071	35,716,658	24,540,335
Budgeted revenues	170,928,326	179,203,180	184,740,946	190,487,152
Budgeted expenses	183,993,592	197,911,593	205,309,269	213,386,888
Budgeted Surplus Generated / (Used)	(13,065,266)	(18,708,413)	(20,568,323)	(22,899,736)
Budgeted Ending Surplus	33,385,071	26,195,658	15,148,335	1,640,599
Forecasted Revenue Savings	5,079,000	3,584,000	3,233,000	2,857,000
Forecasted Expense Savings	6,440,000	5,937,000	6,159,000	6,402,000
***NET Budgeted* Surplus Generated / (Used)**	**(1,546,266)**	**(9,187,413)**	**(11,176,323)**	**(13,640,736)**
Total GF Ending Surplus	44,904,071	35,716,658	24,540,335	10,899,599
Days Cash	91	67	44	19
Budget Adoption Projections	**79**	**64**	**46**	
Cost per day	**486,448**	**525,958**	**545,617**	**567,082**
Millage rate	**5.4323**	**5.4323**	**5.4323**	**5.4323**
% increase - property values	**6.84%**	**4.96%**	**5.00%**	**5.00%**
Additional (reduction in) revenue	**3,967,000**	**3,079,000**	**3,256,000**	**3,419,000**
Millage Increase (Decrease)		-	-	-

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FY 2027 Millage Discussion Authorization

Millage Adoption

- To adopt a 5.4323 millage rate, it will require a *supermajority* vote of the Commission during the budget hearings on September 10 and 24

Rolled-back Millage/Threshold for Simple Majority	Proposed Millage Rate	Millage Threshold for Super Majority
5.2572	5.4323	5.7829
Simple Majority Required	Super Majority Required	Super Majority Required

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FY 2027 Budget Adoption Schedule

• 1st Public Hearing	6:00 p.m., September 10, 2026
• 2nd Public Hearing and Budget Adoption	6:00 p.m., September 24, 2026
• Start of FY 2027	October 1, 2026

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Questions and Discussion