



CITY OF PALM COAST BUDGET POLICY

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Lauren Johnston

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Lauren Johnston, Acting City Manager

Date

City of Palm Coast - Budget Policy

Overview

The City will comply with all Federal, State, or local legal requirements pertaining to the operating budget, including the adoption of a balanced budget. A balanced budget is achieved when the amounts available from taxation and other sources, including amounts carried over from prior fiscal years, equals the total appropriations for expenditures and reserves.

Purpose

The purpose of this policy is to outline the budget process followed by the City.

Methodology

The City will employ a structured budget preparation and formulation process that will be used by all entities receiving funding from the City. The budget process provides a forum to accumulate financial and performance information concerning local services into a common format; analyze and debate the merits of each service; and make decisions about the level and cost of service which will be provided. The budget is designed to provide the citizens of Palm Coast with the full complement of municipal services. This budget aims at providing the highest quality municipal service to the community in an efficient and effective manner.

Public Participation

The budget preparation and formulation process that the City employs will ensure adequate citizen input and participation. This will include:

- A series of annual presentations to the City Council during public meetings which allow an opportunity for public comment. These presentations include a review of the Strategic Action Plan, adjustments to the Capital Improvement Program (CIP), and numerous budget workshops.
- Copies of all presentations and other information related to the budget preparation may be requested from the City with a public records request.

Preparation

The City will employ a structured expenditure and revenue forecasting system to allow for effective financial planning.

The following considerations will be used during the preparation of the budget:

- Essential services will receive first priority for funding. The City will attempt to maintain current service levels for all essential services.
- The City will identify low-priority services for reduction or elimination, if necessary, before essential services.
- The City will consider the establishment of user fees as an alternative to service reductions or elimination.
- The City will pay for all current expenditures with current revenues. Long-term debt will not be used for funding current expenditures.

- The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing necessary expenditures, accruing future years' revenues, or rolling over short-term debt.
- The budget will provide for adequate maintenance and repair of capital facilities and equipment and for their orderly replacement.
- The budget will provide sufficient funding to cover annual debt retirement costs.
- In all actions to balance the budget, the City will attempt to avoid layoffs of permanent employees. If possible, personnel reductions will be scheduled to come primarily from attrition.
- The budget will be prepared with a focus on TRIM compliance as defined in chapter 200 of the Florida Statutes.

The preparation process includes:

- Each department outlining functions and goals to accomplish in the coming fiscal year based on current service levels and City Council priorities as identified in the Strategic Action Plan.
- Each department prepares a detailed estimate of resources required to provide these services, including personnel.
- The City Manager and Finance department review the department estimates.
- Preparing the budget upon completion of this review and matching it with the projected revenues available.
- The City Manager presenting the proposed budget to the City Council for approval.

Adoption

The City will adopt the budget in accordance with the timing specified by state law during a series of public hearings.

Timeline

The City will hold two public hearings during the adoption of the budget process.

The first hearing is to adopt the tentative budget and millage rate. The tentative budget must be posted on the City's official website at least 2 days before the budget hearing in accordance with State law.

The second hearing is to adopt the final budget and millage rate. The final adopted budget must be posted on the City's official website within 30 days after adoption.

The City's fiscal year is October 1 through September 30.

Performance Review

City departments will review with the City Manager the year-to-date budget and overall performance results on a quarterly basis. These reviews will provide an opportunity for the department to highlight achievements from the previous quarter and to discuss progress to date. This process will allow management to make adjustments during the year to ensure success in meeting City Council goals.

Amendment Process

Supplemental Appropriation Amendments After Adoption

If, during the fiscal year the City Manager certifies that there are revenues in excess of those estimated in the budget, available for appropriation, the City Council by resolution may make supplemental appropriations for the year up to the amount of such excess.

Emergency Appropriations

To meet a public emergency affecting, life, health, property, or the public peace, the City Manager may make emergency appropriations. Such appropriations may be made by emergency resolution to the extent that there are no available unappropriated revenues to meet such appropriations.

Reduction of Appropriations

If, at any time during the fiscal year, it appears probable to the City Manager that the revenues available will be insufficient to meet the amount appropriated, the City Manager shall report same to the Council without delay, indicating the estimated amount of the deficit, any remedial action to be taken, and recommendations as to any other steps that should be taken. The Council shall then take such further action as it deems necessary to prevent any deficit and, for that purpose, the Council may by resolution reduce one or more appropriations accordingly.

Transfer of Appropriations

At any time during the fiscal year, the City Manager or his designee may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency of the City to other programs within the same department, office, or agency. And, upon written request of the City Manager, the City Council may by resolution transfer part or all of any unencumbered appropriation balance from one department to another.

Limitations, Effective Date

No appropriation for debt service may be reduced or transferred, no appropriation may be reduced below any amount required by law to be appropriated, and no appropriation may be reduced by more than the amount of the unencumbered balance thereof. Other provisions of law to the contrary notwithstanding, the supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption.

Lapse of an Appropriation

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned.

Timeline

If there are any amendments to the budget, the adopted amendment must be posted on the official City website within 5 days after adoption in accordance with state law.

Long-Term Financial Plan

Planning Processes

Multi-year projections will be utilized in developing the operating budget. The long-term plan is reviewed and revised each year after the annual financial audit and during the preparation of the annual budget.