

# City of Alachua

Budget Workshop-Policy Directives & Utility Rates

Fiscal Year 2018/2019

July 23, 2018

# Purpose

- \* Provide an update of budgetary items and/or issues that have changed since the last Budget Workshop
- \* Provide overview of projected utility rates for FY 2019
- \* Provide a timeline for the remainder of the FY 2019 budget process

# Policy Directive Revenue Issues

## Property Taxes-Millage Rate

- \* The City's Tax Year 2018 taxable value figure is \$817,145,545
- \* 4.41% increase from the 2017 taxable value of \$782,611,283
- \* The impact at current millage rate of 5.3900 mills is a \$186,140 increase in ad valorem taxes
- \* Staff initial recommendation is to remain at 5.3900 mills

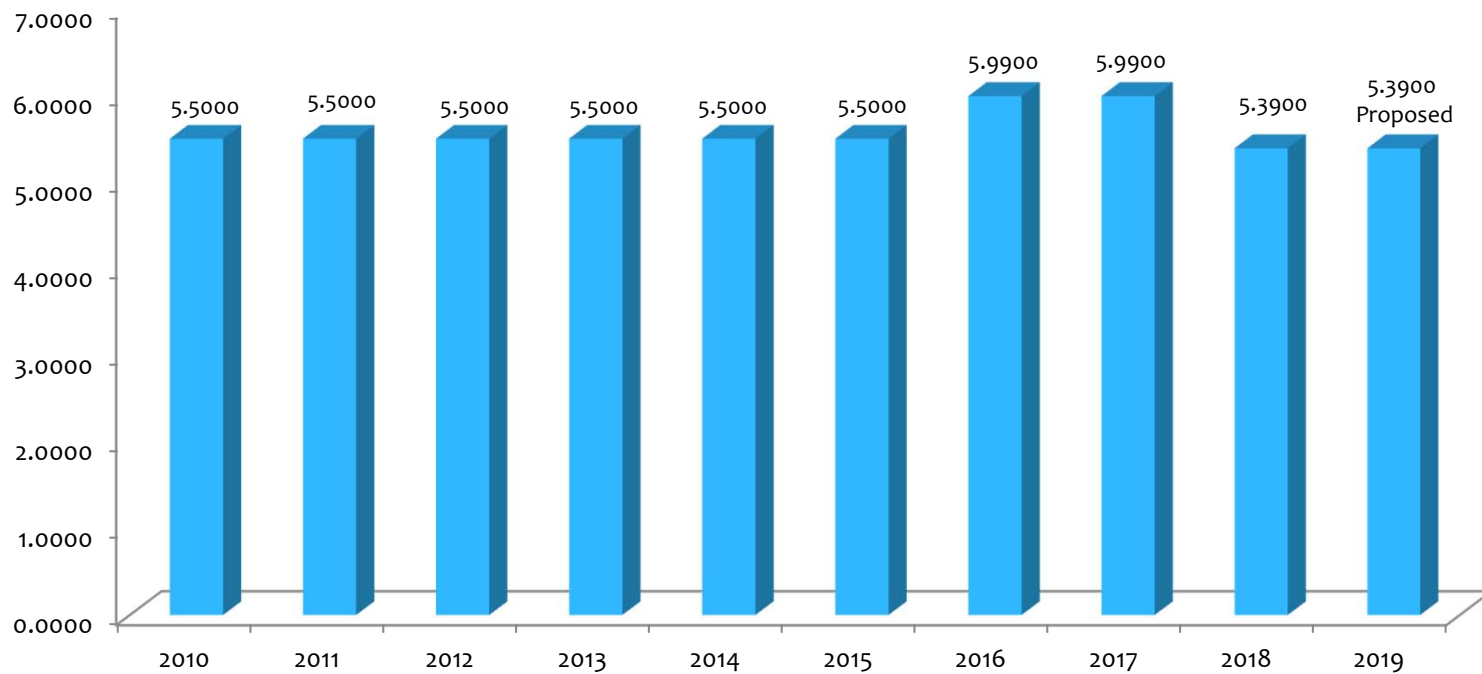
# Policy Directive Revenue Issues

## Property Taxes-Millage Rate Options

- \* Majority vote  $\leq 8.0478$ :
  - Current millage of 5.3900
  - Rollback rate of 5.2027
  
- \* 2/3 vote [4 of 5 Commissioners]  $> 8.0478 < 8.8526$

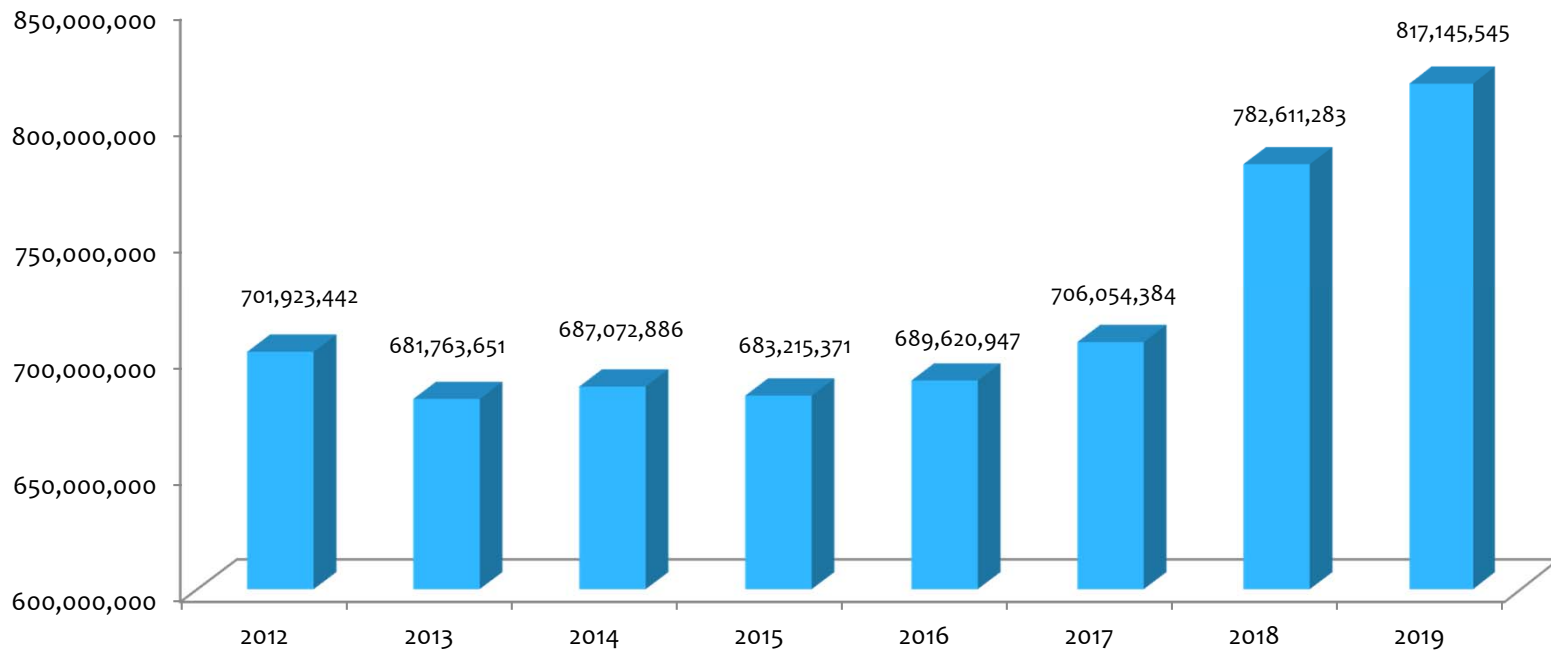
# Policy Directive Revenue Issues

**Millage Rate History by Fiscal Year**



# Policy Directive Revenue Issues

## Taxable Value History By Fiscal Year



# Policy Directive Revenue Issues

## Millage Dynamics

Each 1 Mill =	\$817,146
Each 1/2 Mill =	\$408,573
Each 1/3 Mill =	\$272,382
Each 1/4 Mill =	\$204,286
Each 1/10 Mill =	\$81,715

# Policy Directive Revenue Issues

## Other Taxes

- \* Local Option Fuel Taxes estimate: \$261,603  
– increase from FY 2018 of \$8,451
- \* Communication Services Tax estimate: \$319,597  
– decrease from FY 2018 of \$6,736
- \* Utility Tax estimate: \$1,500,000  
– increase from FY 2018 of \$100,000



# Policy Directive Revenue Issues

## Intergovernmental

- \* Half Cent Sales Tax estimate: \$605,447  
- decrease from FY 2018 \$24,064
- \* Municipal Revenue Sharing estimate: \$306,744  
- increase from FY 2018 of \$13,384

# Policy Directive Revenue Issues

## Charges for Services-Electric Rates

- \* GRU contract rate of \$58.00 per MWh
  - effective from April 1, 2016 until March 31, 2022
- \* FY 2019 proposed budget will not include any rate changes in electric charges
- \* BPCA will remain at \$0.01100/kWh for FY 19

# Policy Directive Revenue Issues

## Charges for Services-Residential Electric Rates

Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$9.14	No Change
Consumption Charge (\$ per kWh)		
0-1,000 kWh	\$0.0934	No Change
More than 1,000 kWh	\$0.1036	
BPCA (\$ per 1,000 kWh)	\$11.00	No Change

# Policy Directive Revenue Issues

## Charges for Services-Non Residential Electric Rates

Non Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$11.68	No Change
Consumption Charge (\$ per kWh)	\$0.0985	No Change
BPCA (\$ per 1,000 kWh)	\$11.00	No Change

# Policy Directive Revenue Issues

## Charges for Services-Demand Electric Rates

Demand Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$45.71	No Change
Demand Charge (\$ per kW)	\$7.36	No Change
Consumption Charge (\$ per kWh)	\$0.0701	No Change
BPCA (\$ per 1,000 kWh)	\$11.00	No Change

# Policy Directive Revenue Issues

## Charges for Services-Large Demand Electric Rates

Large Demand Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$45.71	No Change
Demand Charge (\$ per kW)	\$7.36	No Change
Consumption Charge (\$ per kWh)	\$0.0670	No Change
BPCA (\$ per 1,000 kWh)	\$11.00	No Change

# Policy Directive Revenue Issues

## FY 2019 Water Charges for Services Overview

- \* FY 2019 proposed budget will implement a 2% increase to water rates. Customer charge, availability charge, and base consumption rates will increase for all water classifications
- \* Florida Public Service Commission (FPSC) price index is 1.76%
- \* Increase necessary due to keeping with staff's revenue model plan, rising costs and infrastructure needs

# Policy Directive Revenue Issues

## Charges for Services-Residential Water Rates

Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$7.97	\$8.13
Availability Charge (\$ per month)	Varies	2% increase for each meter size
Consumption Charge (\$ per 1,000 gallons)		
0-4,000 gallons	\$1.89	\$1.93
4,001-8,000 gallons	\$2.46	\$2.51
above 8,000 gallons	\$3.68	\$3.75



# Policy Directive Revenue Issues

## Charges for Services-Non Residential Water Rates

Non Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$7.97	\$8.13
Availability Charge (\$ per month)	Varies	2% increase for each meter size
Consumption Charge (\$ per 1,000 gallons)	\$2.46	\$2.51

# Policy Directive Revenue Issues

## Charges for Services-Irrigation Water Rates

Irrigation Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$7.97	\$8.13
Availability Charge (\$ per month)	Varies	2% increase for each meter size
Consumption Charge (\$ per 1,000 gallons)	\$3.68	\$3.75

# Policy Directive Revenue Issues

## Capital Facilities Charges-Water

- \* Last adjusted in 2006
- \* Paid by development to connect to water system infrastructure
- \* No proposed increase

# Policy Directive Revenue Issues

## FY 2019 Wastewater Charges for Services Overview

- \* FY 2019 proposed budget will implement a 2.0% increase in wastewater rates. Both the customer charge and base consumption rate will increase for all wastewater classifications
- \* Florida Public Service Commission (FPSC) price index is 1.76%
- \* Increase necessary due to keeping with staff's revenue model plan, infrastructure needs and rising costs (includes debt service for plant WWTF plant expansion)

# Policy Directive Revenue Issues

## Charges for Services-Residential Wastewater Rates

Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$10.44	\$10.65
Consumption Charge (\$ per 1,000 gallons)	\$5.49	\$5.60

# Policy Directive Revenue Issues

## Charges for Services-Non Residential Wastewater Rates

Non Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$10.44	\$10.65
Consumption Charge (\$ per 1,000 gallons)	\$7.63	\$7.78

# Policy Directive Revenue Issues

## Charges for Services-Reclaimed Water Rates

Reclaimed Water Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$7.84	\$8.00
Consumption Charge (\$ per 1,000 gallons)	\$0.71	\$0.72

# Policy Directive Revenue Issues

## Capital Facilities Charges-Wastewater

- \* Last adjusted in 2006
- \* Paid by development to connect to wastewater system infrastructure
- \* Pledged as repayment source for SRF Loan payback
- \* No proposed increase



# Policy Directive Revenue Issues

## Utility Rates-Mosquito Control

- \* Current rate: \$1.10 /month
- \* Last increase: \$0.10 /month in FY 2013
- \* No proposed increase

# Policy Directive Revenue Issues

## Utility Rates-Summary

- \* A typical Residential customer will see an overall monthly billing that reflects increase of:

Electric (1,000 kWh):	\$0.00
Water (6,000 gal.):	\$0.44
Wastewater (6,000 gal.):	\$0.87
Irrigation (10,000 gal.):	\$0.88

- \* Proposed rate changes will be properly noticed to customers (utility billing) in accordance with Florida Statute 180.136.

# Policy Directive Revenue Issues

## Utility Rates-Summary

- \* A typical Non residential (Non Demand) customer will see an overall monthly billing that reflects increase of:

Electric (1,500 kWh):	\$0.00
Water (20,000 gal.):	\$1.18
Wastewater (20,000 gal.):	\$3.21
Irrigation (10,000 gal.):	\$0.88

- \* Proposed rate changes will be properly noticed to customers (utility billing) in accordance with Florida Statute 180.136.

# Policy Directive Revenue Issues

## Utility Rates-Summary

- \* More details / information on the proposed rates to be presented prior to the public hearings:
  - August 13, 2018
  - August 27, 2018

# Policy Directive Revenue Issues

## Other Rates-Solid Waste Collection

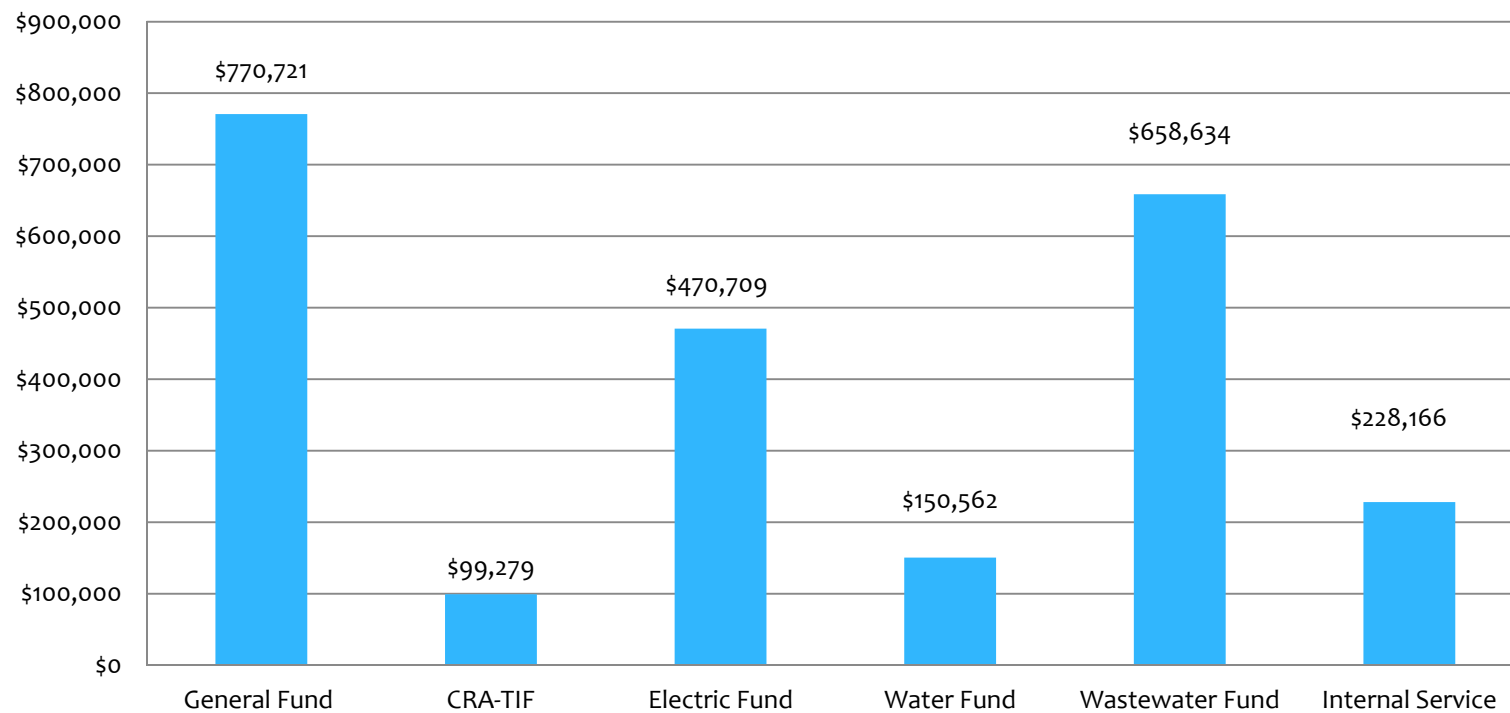
- \* Solid Waste Residential Services:
  - Waste Pro, Inc. is provider
  - Contract expires September 30, 2022
  - Option to extend (additional 4-yr. term) or bid
  - Current rate from Waste Pro: \$15.50
  - CPI rate adjustment October 2018 est. \$17.7K
  - Customer true-up in October 2018 est. \$3.7K
  - COA Charges: \$18.60
  - Funding from General Fund

# Policy Directive Expenditure Update

- \* Scheduled debt payments for FY 18 decreased to \$2,378,071 from \$2,521,643
- \* Outstanding Issues include:
  - Series 1993 Utility Acquisition Bonds
  - Series 2009 SRF Loan
  - Series 2013 Utility Refunding Revenue Bond
  - Section 108 Loan Series 2015
  - Series 2013 Redevelopment Note
  - Series 2016 Capital Improvement Revenue Bond
  - ~~-County TDC repayment~~
  - ~~-Motorola Capital Lease~~

# Policy Directive Expenditure Update

**Debt Service Payments By Fund**



# Policy Directive Expenditure Issues

## Fire Services

- \* City joined BoCC Fire Assessment as of FY 18
- \* No increase for FY 19 to rate payers
- \* Continue to fund building maintenance and insurance



# Policy Directive Expenditure Issues

## Insurance

- \* Commercial Insurance premium cost across all funds approximately \$259K
- \* Workers Compensation policy is approximately \$108K
- \* Health insurance decrease of 2%
- \* Dental insurance increase of 4%
- \* Vision insurance increase of 4.6%
- \* Life insurance increase of 7.5%

# Policy Directive Expenditure Issues

## Personal Services

- \* City Manager considering options:
  - COLA
  - Merit
  - Longevity

# Remaining Budget Calendar

- \* August 13, 2018: Budget Workshop / Proposed Budget, 4:30p.m.
- \* August 13, 2018: First Utility Rate Public Hearing, 6:00p.m.
- \* August 27, 2018: Budget Workshop / Proposed Budget, 4:30p.m.
- \* August 27, 2017: Second Utility Rate Public Hearing, 6:00p.m.

# Remaining Budget Calendar

- \* September 10, 2018: CRA Budget Adoption, 5:00p.m.
- \* September 10, 2018: First Budget Public Hearing, 6:00p.m.
- \* September 10, 2018: Stormwater Assessment Rates Public Hearing, 6:00p.m.
- \* September 24, 2018: Final Budget Public Hearing, 6:00p.m.

Questions or Comments