

City of Alachua

Budget Workshop-Policy Directives & Utility Rates

Fiscal Year 2019 - 2020

July 22, 2019

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 2020
- * Provide a timeline for the remainder of the FY 2020 budget process

Policy Directives - Revenues

Property Taxes-Millage Rate

- * The City's Tax Year 2019 taxable value figure is \$842,188,999
- * 2.67% increase from Tax Year 2018 taxable value of \$820,268,032
- * The impact at current millage rate of 5.3900 mills is a \$118,154 increase in ad valorem taxes
- * Staff initial recommendation is to remain at 5.3900 mills

Policy Directives - Revenues

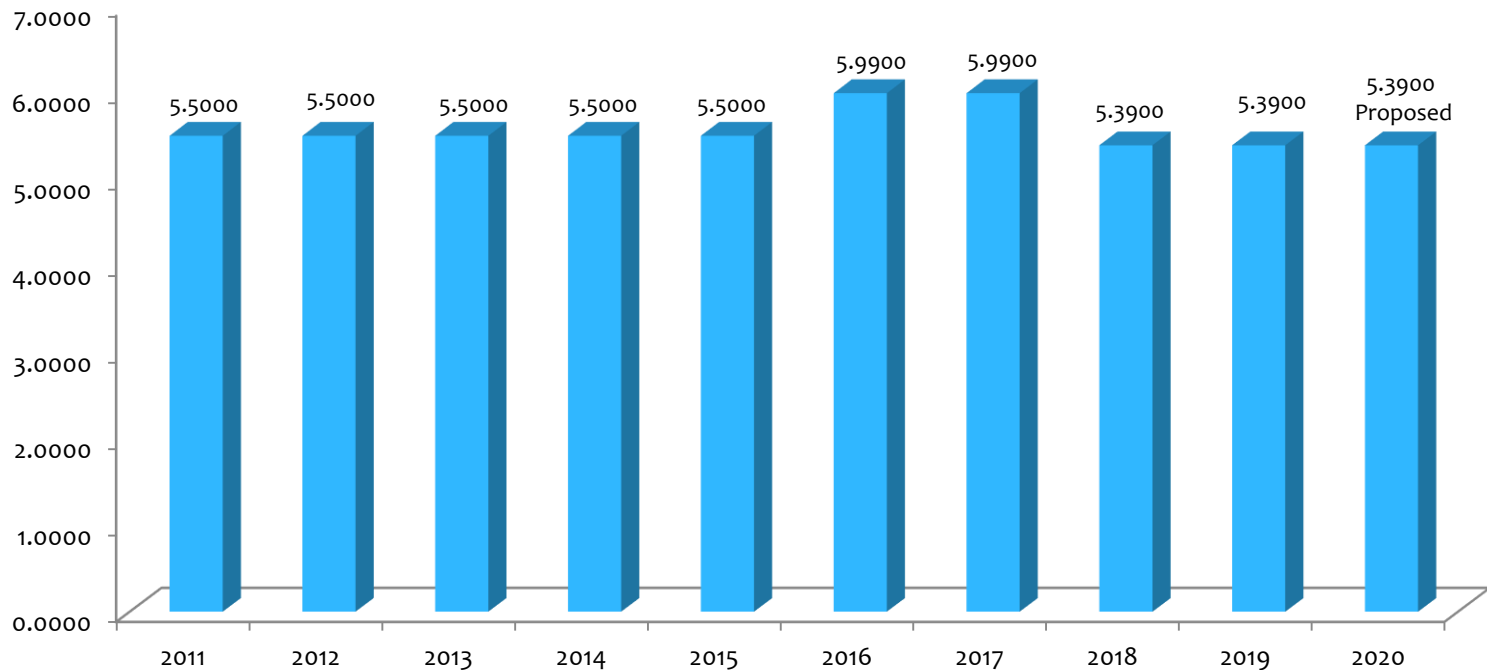
Property Taxes-Millage Rate Options

- * Majority vote ≤ 8.3683 :
 - Current millage of 5.3900
 - Rollback rate of 5.3455

- * $\frac{2}{3}$ vote [4 of 5 Commissioners] $> 8.3683 < 9.2051$

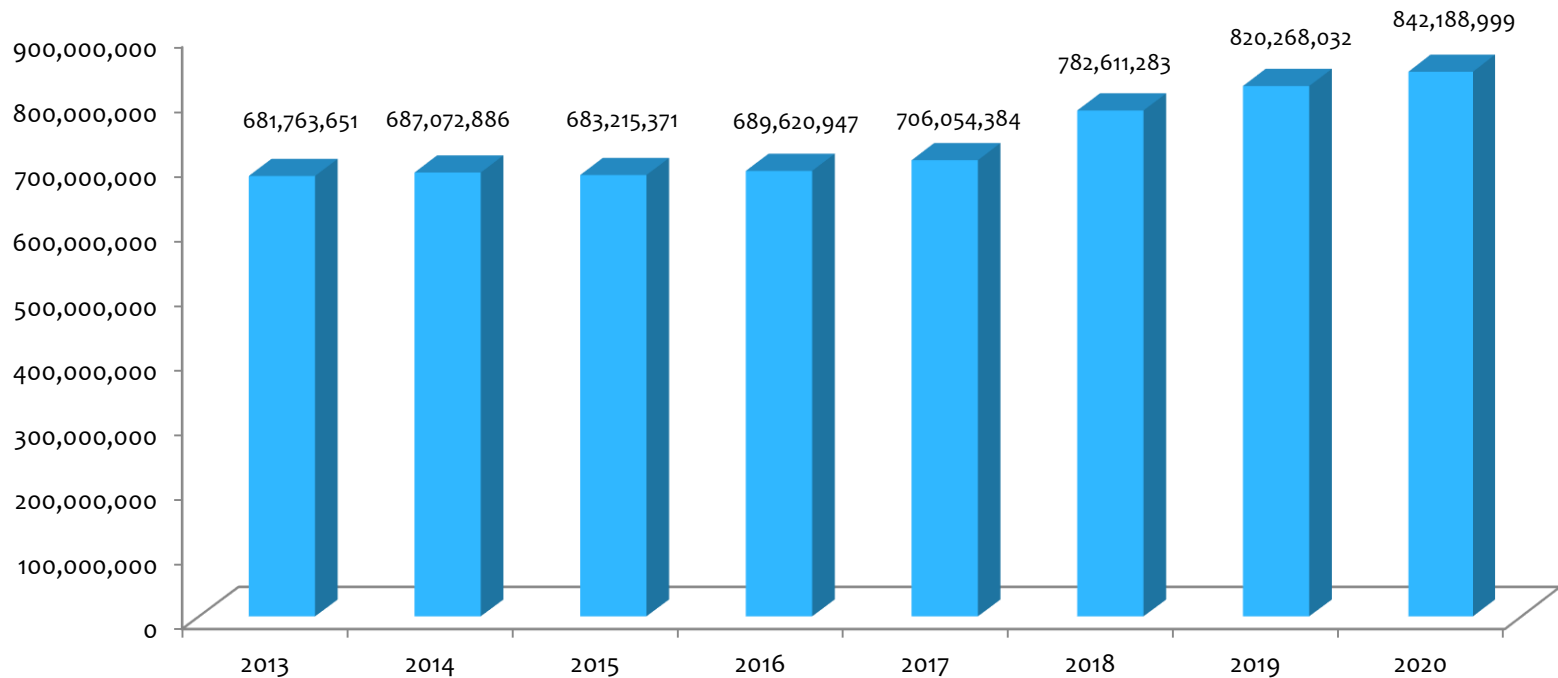
Policy Directives - Revenues

Millage Rate History by Fiscal Year



Policy Directives - Revenues

Taxable Value History By Fiscal Year



Policy Directives - Revenues

Millage Dynamics

Each 1 Mill =	\$842,188
Each 1/2 Mill =	\$421,094
Each 1/3 Mill =	\$280,729
Each 1/4 Mill =	\$210,547
Each 1/10 Mill =	\$84,218

Policy Directives - Revenues

Other Taxes

- * Local Option Fuel Taxes estimate: \$255,705
– decrease from of \$5,878
- * Communication Services Tax estimate: \$328,000
– increase of \$8,403
– not yet available from Dept. of Revenue
- * Utility Tax estimate: \$1,525,000
– increase of \$25,000

Policy Directives - Revenues

Intergovernmental

- * Half Cent Sales Tax estimate: \$662,605
 - increase of \$57,158
- * Municipal Revenue Sharing estimate: \$306,744
 - no change
 - not yet available from Dept. of Revenue

Policy Directives - Revenues

FY 2020 Electric Rates Overview

- * GRU contract rate of \$58.00 per MWh
 - effective from April 1, 2016 until March 31, 2022
- * FY 2020 proposed budget will not include any rate changes in electric charges
- * BPCA will remain at \$0.01100/kWh for FY 2020

Policy Directives - Revenues

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 Directives - Revenues

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 Directives - Revenues

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 Directives - Revenues

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 Directives - Revenues

FY 2020 Water Rates Overview

- * Proposed budget will implement a 3% increase to water rates.
 - Customer charge, availability charge, and base consumption rates will increase for all classifications
- * Florida Public Service Commission (FPSC) price index is 2.36%
- * Increase necessary to maintain revenue model plan, keep pace with rising costs and infrastructure needs

Policy Directives - Revenues

Charges for Services-Residential Water Rates

Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$8.13	\$8.37
Availability Charge (\$ per month)	Varies	3% increase for each meter size
Consumption Charge (\$ per 1,000 gallons)		
0-4,000 gallons	\$1.93	\$1.99
4,001-8,000 gallons	\$2.51	\$2.59
above 8,000 gallons	\$3.75	\$3.87

Policy Directives - Revenues

Charges for Services-Non Residential Water Rates

Non Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$8.13	\$8.37
Availability Charge (\$ per month)	Varies	3% increase for each meter size
Consumption Charge (\$ per 1,000 gallons)	\$2.51	\$2.59

Policy Directives - Revenues

Charges for Services-Irrigation Water Rates

Irrigation Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$8.13	\$8.37
Availability Charge (\$ per month)	Varies	3% increase for each meter size
Consumption Charge (\$ per 1,000 gallons)	\$3.75	\$3.87

Policy Directives - Revenues

Capital Facilities Charges-Water

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

Policy Directives - Revenues

FY 2020 Wastewater Rates Overview

- * Proposed budget will implement a 3% increase to wastewater rates.
 - Customer charge, availability charge, and base consumption rates will increase for all classifications
- * Florida Public Service Commission (FPSC) price index is 2.36%
- * Increase necessary due to keeping staff's revenue model plan, address infrastructure needs and rising costs (includes debt service for plant WWTF plant expansion)

Policy Directives - Revenues

Charges for Services-Residential Wastewater Rates

Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$10.65	\$10.97
Consumption Charge (\$ per 1,000 gallons)	\$5.60	\$5.77

Policy Directives - Revenues

Charges for Services-Non Residential Wastewater Rates

Non Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$10.65	\$10.97
Consumption Charge (\$ per 1,000 gallons)	\$7.78	\$7.94

Policy Directives - Revenues

Charges for Services-Reclaimed Water Rates

Reclaimed Water Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$8.00	\$8.24
Consumption Charge (\$ per 1,000 gallons)	\$0.72	\$0.75

Policy Directives - Revenues

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 Directives - Revenues

Utility Rates-Mosquito Control

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

Policy Directives - Revenues

Utility Rates-Summary

- * More details / information on the proposed rates to be presented prior to the public hearings:
 - August 12, 2019
 - August 26, 2019

Policy Directives - Revenues

Other Rates-Solid Waste Collection

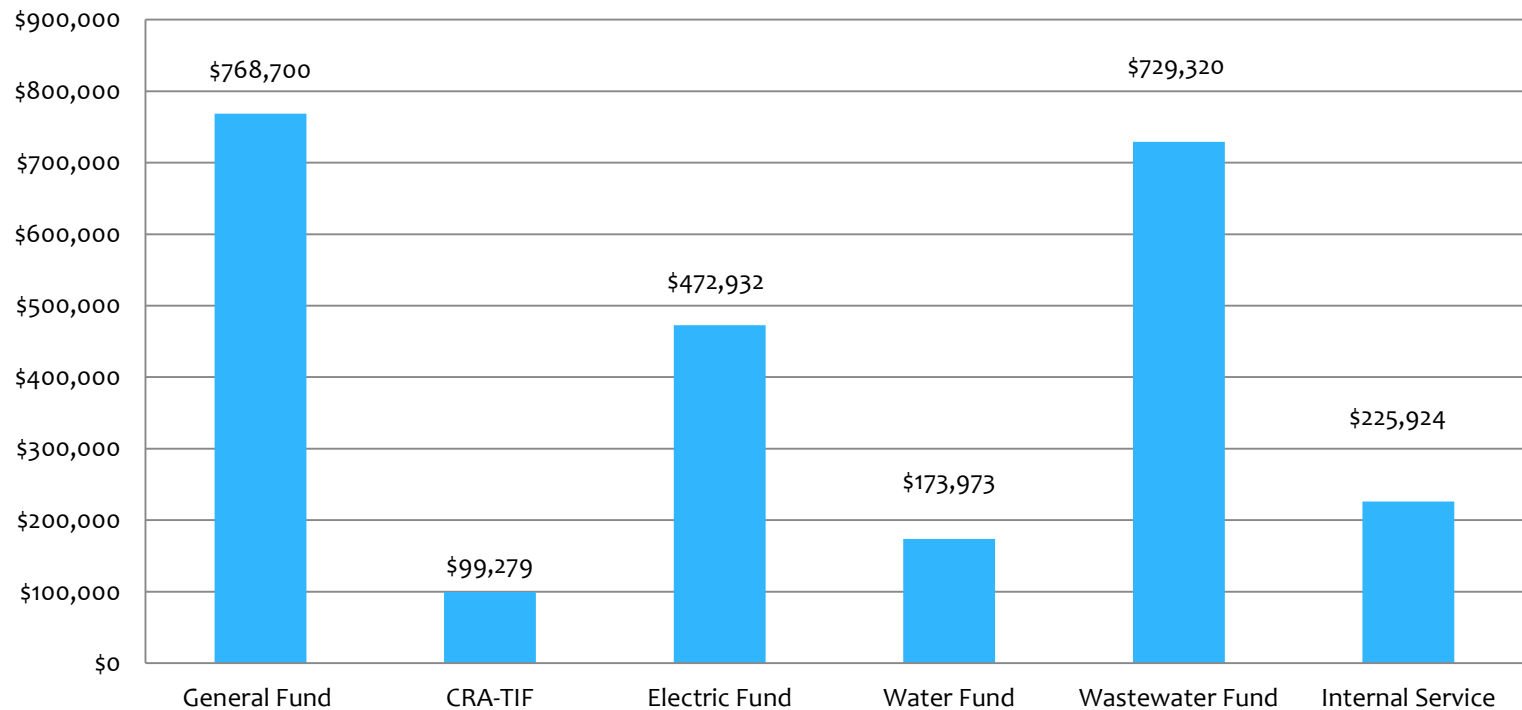
- * Solid Waste Residential Services:
 - Waste Pro, Inc. is provider
 - Contract expires September 30, 2022
 - Option to extend (additional 4-yr. term) or bid
 - Current rate from Waste Pro: \$15.50
 - Customer true-up in October 2019 est. \$14K
 - COA Charges: \$18.60
 - Funded through General Fund

Policy Directives - Debt Service

- * Scheduled debt payments for FY 20 increased from \$2,378,071 to \$2,470,128**
- * Outstanding Issues include:
 - 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
 - Series 2019 Capital Improvement Note**

Policy Directives - Debt Service

Debt Service Payments By Fund



Policy Directives - Expenditures

Insurance

- * Commercial Insurance premium cost across all funds approximately \$18K
- * Workers Compensation increase of 17%
- * Health insurance increase of 5%
- * Dental insurance increase of 5%
- * Vision insurance – no increase
- * Life insurance increase of 5%

Policy Directives - Expenditures

Personal Services

- * Employee incentive considerations:
 - Merit
 - Longevity

- * Compensation Study

Agenda Budget Items

- * Resolution 19-11

- Tentative Millage: 5.3900 mills
- Transmit to Property Appraiser for TRIM notices

- * Resolution 19-12

- TK Basin preliminary rate
- Assessments remain same as in FY 2018-2019

Remaining Budget Calendar

- * August 12, 2019: Budget Workshop / Proposed Budget, 4:30p.m.
- * August 12, 2019: First Utility Rate Public Hearing, 6:00p.m.
- * August 26, 2019: Budget Workshop / Proposed Budget, 4:30p.m.
- * August 26, 2019: Second Utility Rate Public Hearing, 6:00p.m.

Remaining Budget Calendar

- * September 9, 2019: CRA Budget Adoption, 5:00p.m.
- * September 9, 2019: First Budget Public Hearing, 6:00p.m.
- * September 9, 2019: Stormwater Assessment Rates Public Hearing, 6:00p.m.
- * September 23, 2019: Final Budget Public Hearing, 6:00p.m.

Questions or Comments