



City Commission Workshop Agenda June 12, 2017

Mayor Gib Coerper
Vice Mayor Shirley Green Brown
Commissioner Gary Hardacre
Commissioner Ben Boukari, Jr.
Commissioner Robert Wilford

City Manager Traci L. Gresham
City Attorney Marian Rush

The City Commission will conduct a
City Commission Workshop
At 4:00 PM
to address the item(s) below.

Meeting Date: June 12, 2017

Meeting Location: James A. Lewis Commission Chambers, City Hall

WORKSHOP MEETING

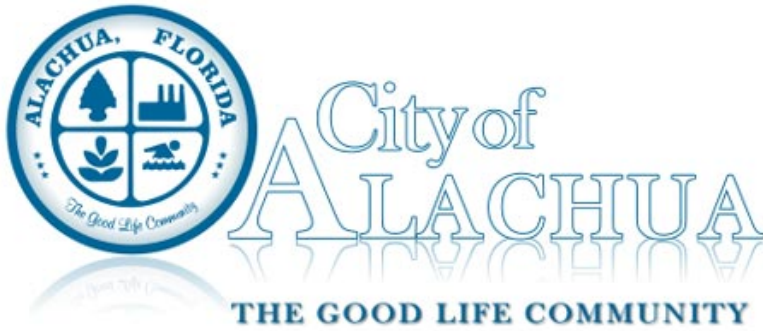
Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

I. CALL TO ORDER

II. AGENDA ITEM

A. FY 2017-2018 Budget Workshop

III. ADJOURN



Commission Agenda Item

MEETING DATE: 6/12/2017

SUBJECT: FY 2017-2018 Budget Workshop

PREPARED BY: Robert A. Bonetti, Finance and Administrative Services Director

RECOMMENDED ACTION:

Receive the presentation.

Summary

This workshop will serve as the City Commission's introduction to the FY 2017-2018 budget process.

Finance and Administrative Services will conduct a presentation addressing:

- Budget objectives;
 - Initial budget assumptions;
 - Current budgetary discussion items and/or issues; and,
 - Tentative budget process calendar.
-

FINANCIAL IMPACT: No

BUDGETED: No

COMMISSION GOALS:

Economic Development, Quality of Life, Community Enhancement, Strengthen Community Services

ATTACHMENTS:

Description

- ☐ Budget Introduction Workshop

City of Alachua

Budget Workshop-Introduction

Fiscal Year 2017-2018

June 12, 2017

Purpose

- * Provide overview of the FY 2017-2018 budget process
- * Provide overview of items impacting FY 2017-2018 budget considerations
- * Provide tentative timeline for the FY 2017-2018 budget process

Budget Objectives

- * Commission goals and strategic initiatives
- * Fiscal health
- * Existing infrastructure
- * Future infrastructure

Introduction

- * Departmental budget process kicked-off: April 26, 2017
- * Department budget submittals to FAS: May 25, 2017
- * Meetings to review/discuss requests with the City Manager and departments: June 12-22, 2017

Introduction

- * Major Budgetary Impact Issues:

- FRS Retirement rates
- Health, Vision and Dental rates
- Liability, Property and WC Insurance
- Addition of City facilities
- Fire contract / Fire assessment
- State municipal revenue projections
- Millage rate determination
- Likely expanded homestead exemption FY 2019-2020

Personal Services

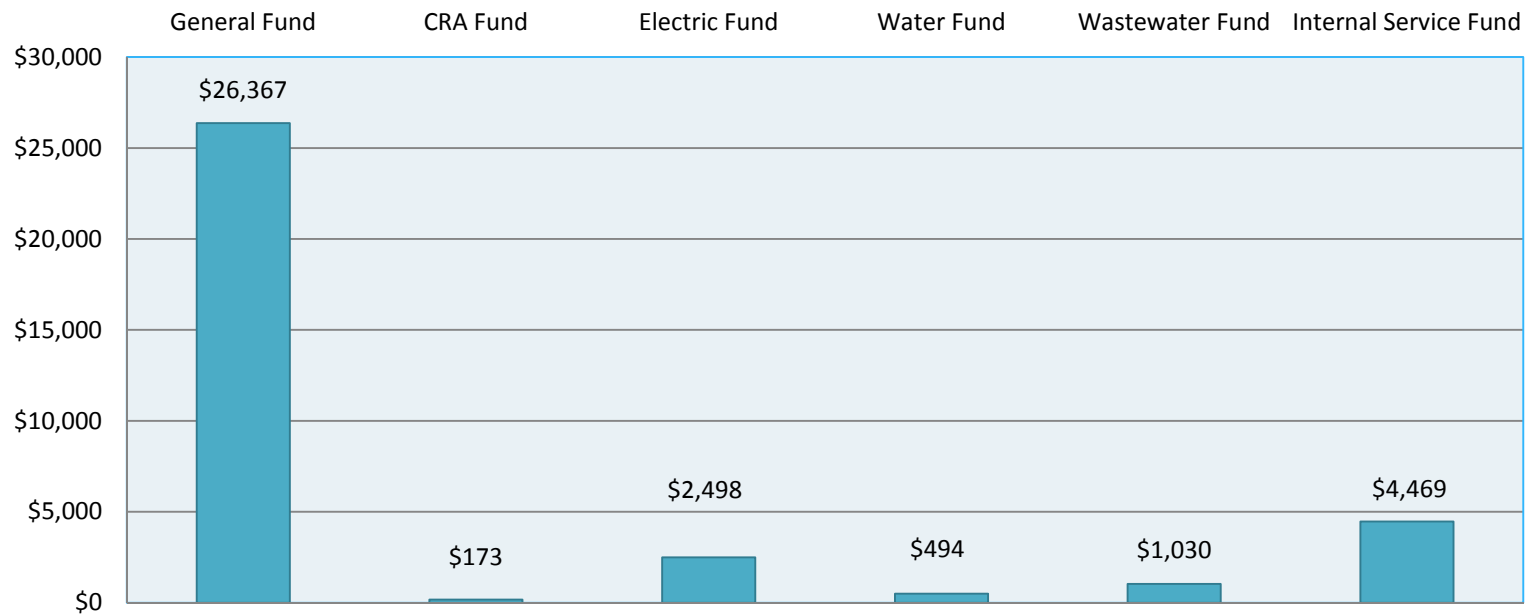
- * Currently 125.50 full-time equivalent (FTE) positions
- * Initial FY 2017-2018 Personal Services budget does not include:
 - COLA
 - Merit
 - Longevity
 - Leave payouts

Personal Services

- * Florida Retirement System (FRS) Employer Contribution rates will increase for FY 2017-2018
 - Approximate impact across all funds is \$35K
- * Insurance coverage increase:
 - 14% health insurance
 - 3% dental and vision insurance
 - Approximate impact across all funds is \$130K

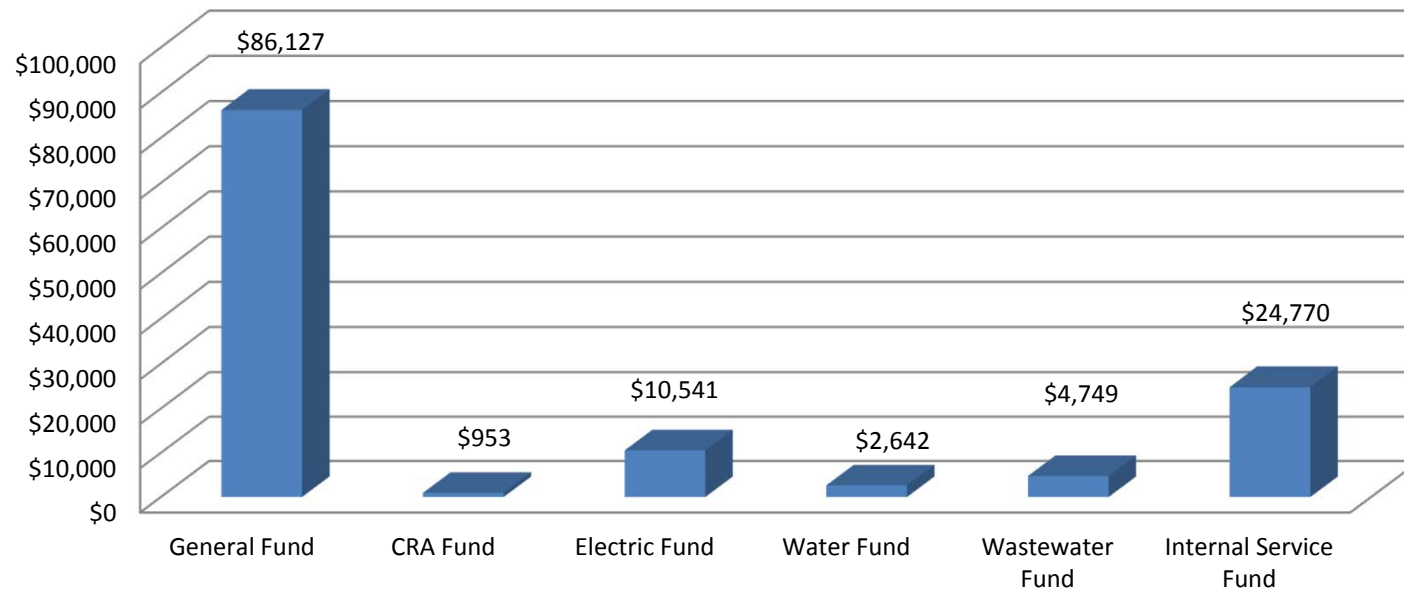
Personal Services

Retirement Increase Fund Breakdown



Personal Services

Health Insurance Increase Fund Breakdown



Operating Expenditures

- * Department start = FY 2016-2017 continuation allocations levels.
- * No FY 2016-2017 carry forward items included
- * Liability, Property and WC Insurance
 - Property Liability for new facilities (est. increase \$24K)
 - General Liability (est. increase 5-7% \$10K)
 - Workers Compensation (est. decrease \$28K)

Capital Outlay

- * FY 2017-2018 target for Capital Outlay (non-CIP) items for all departments is zero.
 - Exceptions APD vehicles (\$90K) and PW Road Infrastructure (\$200K)
- * Capital Outlay requests reviewed and prioritized by Administration

CIP Process FY 2018-2022

- * Review of previously adopted CIP 2017-2021
- * Opportunity to modify/update
 - review/rearrange project priorities
- * Consideration of new projects

CIP Process FY 2018-2022

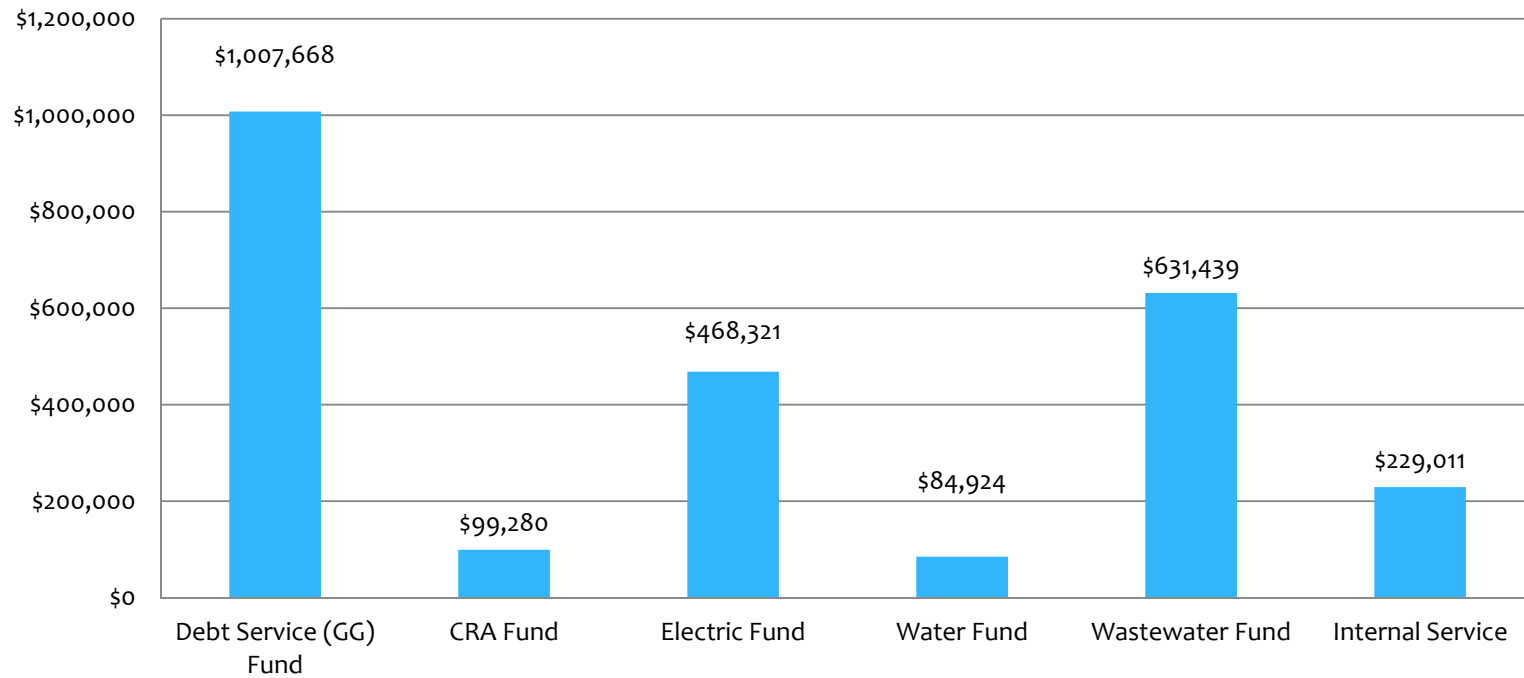
- * CIP prioritization based on:
 - Mandate by law or government agency including Comp Plan concurrency
 - Minimizes potential liability to the City for health, safety and welfare issues
 - Supports the Strategic Plan of Commission
 - Addresses potential degradation of service
 - Funding options (affordability)

Debt Service

- * Debt payments for FY 2017-2018 \$2,520,643
- * Outstanding debt includes:
 - Series '93 Utility Acquisition Bonds
 - Series '09 SRF Loan
 - Series '13 Utility Refunding Revenue Bond
 - Series '13 Section 108 Loan
 - Series '13 Redevelopment Note
 - Series '16 Capital Improvement/Refunding Bonds
 - Motorola Capital Lease
 - County (TDC)

Debt Service

Debt Service Payment Fund Breakdown



CRA

- * Departments provide estimate of cost for direct services provided to the tax increment district
- * Tax increment contribution totals for the City and the County will be computed upon receipt of DR 420 forms from the Property Appraiser
- * CRA term expires in 2043
- * Base year/value: 1987/\$6,295,700

Revenues

- * Departments levying or collecting revenues provide revenue projections for the upcoming year
- * Projections reviewed and adjusted by FAS

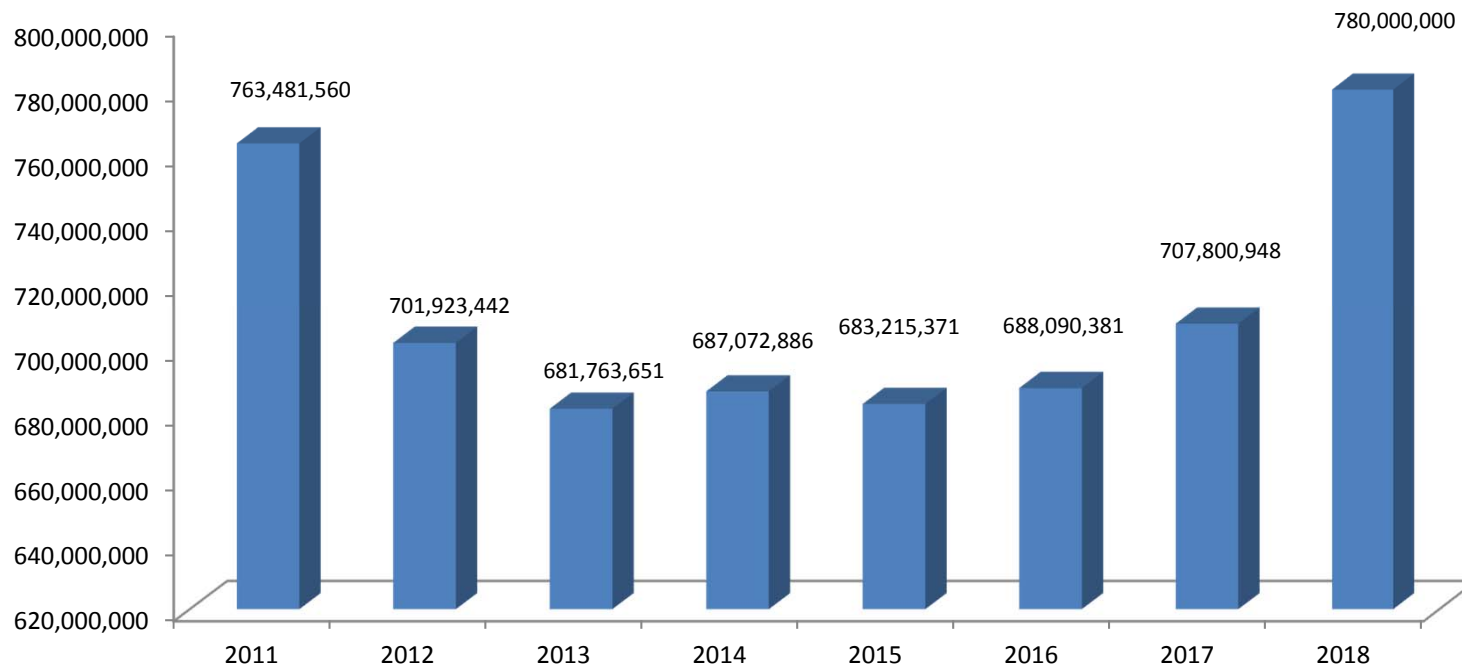
Revenues

Property Tax

- * The City's Tax Year 2017 official preliminary taxable value figure is \$780,000,000 – 10.2%
- * New construction = \$44,277,460
- * CRA taxable value est. \$845K increase
- * Preliminary roll certification by July 1
- * Likely expanded homestead exemption FY 2019-2020

Taxable Value History

Taxable Value History



Millage Dynamics

	General Fund
Each 1 Mill =	\$780,000
Each 1/2 Mill =	\$390,000
Each 1/3 Mill =	\$260,000
Each 1/4 Mill =	\$195,000
Each 1/10 Mill =	\$78,000

Revenue Projections

- * Other Taxes

- Utility Tax estimated increase \$30K.
- Communication Service Tax estimate decrease \$10K.

- * Intergovernmental

- Half-Cent Sales tax estimated increase of \$10K.
- State Revenue Sharing estimated decrease of \$20K.

- * State releases its revenue projections in late June or early July.

Revenue Projections

- * Utility Rates (Electric, Water, Wastewater & Reclaim)
 - Last reviewed 2017 budget process.
 - All rates were changed except for security lights, pole rentals, mosquito and water availability.
 - Pledged as repayment source for utility debt.

Revenue Projections

- * Capital Facilities Charges (Water & Wastewater)
 - Paid by development to connect to water and wastewater system infrastructure.
 - Last adjusted 2006.
 - Pledged as repayment source for SRF loan.

Budget Discussion

Contractual Items

- * Fire Services Interlocal Agreement with ACFR:
 - FY 2016-2017 agreement = \$661,307
 - FY 2016-2017 other = \$42,309
 - True cost = \$922,401 ??? (subject to negotiation)
 - Assessment would eliminate need for contract

Budget Discussion

Contractual Items

- * Qualified Targeted Industry (QTI):
 - Nanotherapeutics (City contributes 50% of local share).
 - Estimated City payments: FY 18 \$21,875.

- * Transforming Greater Gainesville Initiative:
 - City's contribution is \$100,000.
 - \$20,000 over five years
 - Began in FY 16.

Budget Discussion

Contractual Issues

- * Solid Waste Residential Services:
 - Waste Pro, Inc. is provider
 - Contract expires September 30, 2022
 - Option to extend (additional 4-yr. term) or bid
 - Non TC: \$15.50 / TC: \$15.50
 - No rate adjustment until October 1, 2018
 - COA Charges: Non TC: \$18.60 TC: \$18.60
 - Customer true up in October 2017
 - Funding from General Fund

Budget Discussion

Millage Options

- * Stay at current millage rate of 5.99 mills – no increase (majority vote).
- * Adjust millage to rolled back rate (won't know exact rate until receipt of DR 420) – generating the same amount from FY16 (majority vote).
- * Adjust millage to rate more than rolled back rate but less than current millage rate (majority vote).

Tentative Calendar

- * May 26-June 12, 2017: Submittals reviewed by FAS
- * June 12-22, 2017: Budget meetings / City Manager and Departments
- * July 24, 2017: Budget Workshop / Millage and Utility Rates, 4:30p.m.
- * July 24, 2017: Public Hearing / Preliminary Stormwater Assessment Rates, 6:00p.m.

Tentative Calendar

- * July 24, 2017: City Commission establishes proposed millage rate. This will be submitted to Property Appraiser for TRIM notices. This is ceiling rate. Commission could reduce at September hearings.
- * July 31, 2017: Open Date / Budget Workshop - if necessary, 5:00p.m.
- * August 14, 2017: Budget Workshop / Proposed Budget, 5:00p.m.

Tentative Calendar

- * August 14, 2017: First Utility Rate Public Hearing, 6:00p.m.
- * August 28, 2017: Budget Workshop / Proposed Budget, 5:00p.m.
- * August 28, 2017: Second Utility Rate Public Hearing, 6:00p.m.

Tentative Calendar

- * September 11, 2017: CRA Budget Adoption, 5:00p.m.
- * September 11, 2017: First Budget Public Hearing, 6:00p.m.
- * September 11, 2017: Stormwater Assessment Rates Public Hearing, 6:00p.m.
- * September 25, 2017: Final Budget Public Hearing, 6:00p.m.

Questions or Comments