



City Commission Workshop Agenda July 24, 2023

Mayor Gib Coerper
Vice Mayor Dayna Miller
Commissioner Jennifer Blalock
Commissioner Shirley Green Brown
Commissioner Edward Potts

City Manager Mike DaRoza
City Attorney Marian Rush

The City Commission will conduct a
City Commission Workshop
At 3:30 PM
to address the item(s) below.

Meeting Date: July 24, 2023

Meeting Location: James A Lewis Commission Chambers
15100 NW 142 Ave.

WORKSHOP MEETING

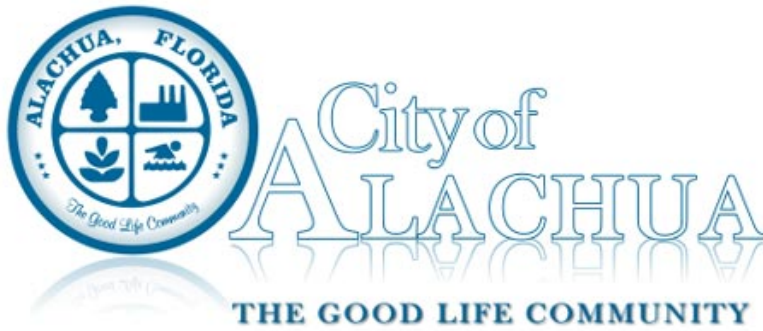
Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

I. CALL TO ORDER

II. AGENDA ITEM

A. FY 2023-2024 Budget Workshop

III. ADJOURN



Commission Agenda Item

MEETING DATE: 7/24/2023

SUBJECT: FY 2023-2024 Budget Workshop

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

RECOMMENDED ACTION:

Conduct workshop and receive the presentation.

Summary

This workshop will serve as the City Commission's initial status update regarding the FY 2023-2024 budget process.

The presentation will cover the following discussion topics:

- FY 2023-2024 budget process;
 - Items and issues of budgetary impact;
 - General operating revenues;
 - Debt service;
 - Utility rates; and,
 - Budget calendar.
-

ATTACHMENTS:

Description

- ▢ FY 2023-2024 Budget WS 20230724

City of Alachua

Budget Workshop

Introduction

Fiscal Year 2023-2024

July 24, 2023

Workshop Overview

- * FY 2023-2024 budget process
- * FY 2023-2024 budget foundation
- * FY 2023-2024 general operating revenues
- * FY 2023-2024 debt payments
- * FY 2023-2024 utility rates
- * FY 2023-2024 budget process remaining timeline

Budget Process

- * Budget Objectives:

- Commission goals and strategic initiatives
- Fiscal health
- Maintenance of existing infrastructure
- Compensation plan revision

Budget Process

- * Departmental budget process kicked-off: April 12, 2023
- * Department budget submittals to FAS: May 25, 2023
- * Strategic initiatives retreat with Commission: June 15, 2023
- * Budget review & development: June through July 2023

Budget Process

- * Department start = FY 2023-2024 continuation allocations levels
- * Budget base is 157.50 FTEs
- * No prior or current fiscal year carry forward items

Budget Process

- * FY 2023-2024 target for Capital Outlay (non-CIP) items is zero
- * Exceptions:
 - APD vehicles (\$162K), APD tablets (\$24K)
 - PW Road Infrastructure (\$200K)
 - IT infrastructure (\$150K)
- * New capital outlay requests reviewed/prioritized by executive team

Budget Process

- * Capital Improvement Program (CIP) FY 2024-2028 Process:

- Review of previously adopted CIP 2023-2027
- Opportunity to modify/update:
review/rearrange project priorities
- Consideration of new projects

Budget Process

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

Budget Impact Items

* Major Budget Impacts:

- FRS Retirement rates
- Health / Vision / Dental / Life insurance
- Liability, Property and WC insurance
- Compensation Plan revision
- Employee incentives (Merit, COLA, Longevity, etc.)
- State municipal revenue distributions
- Millage rate determination
- Maintenance of existing infrastructure
- Cost of goods/services

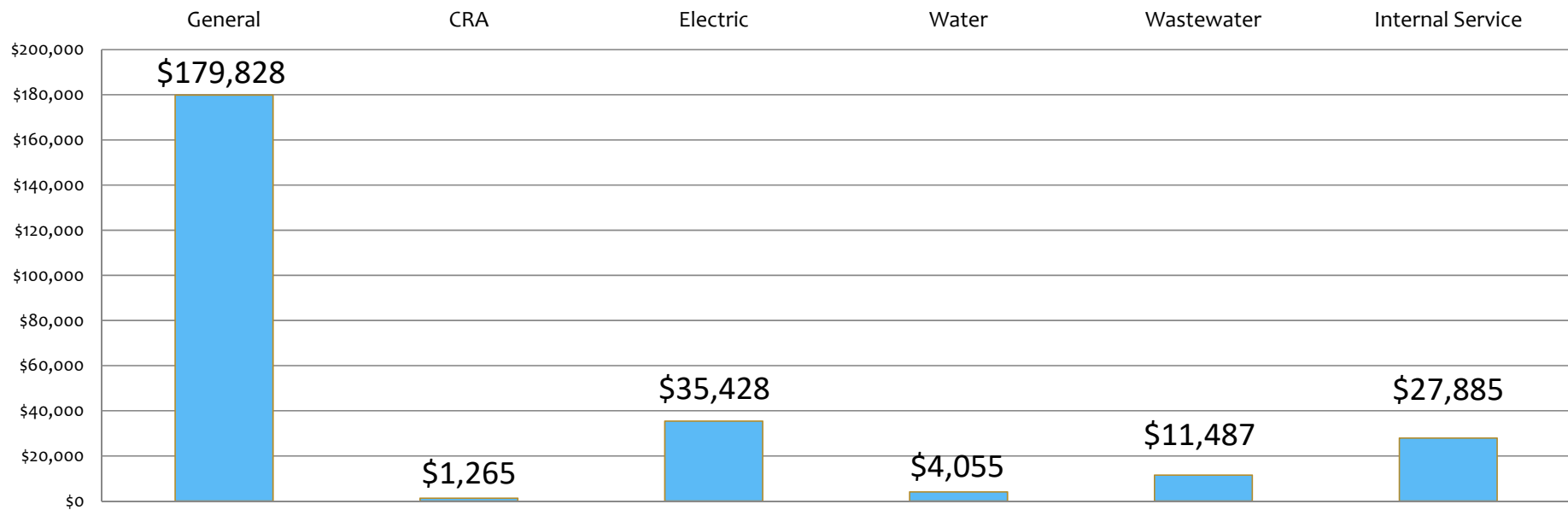
Budget Impact Items

* FRS Retirement rates:

	FY 2022-2023	FY 2023-2024
Regular	11.91%	13.57%
Senior Management	31.57%	34.52%
Special Risk	27.83%	32.67%
DROP	18.60%	21.13%

Budget Impact Items

Retirement Increase By Fund



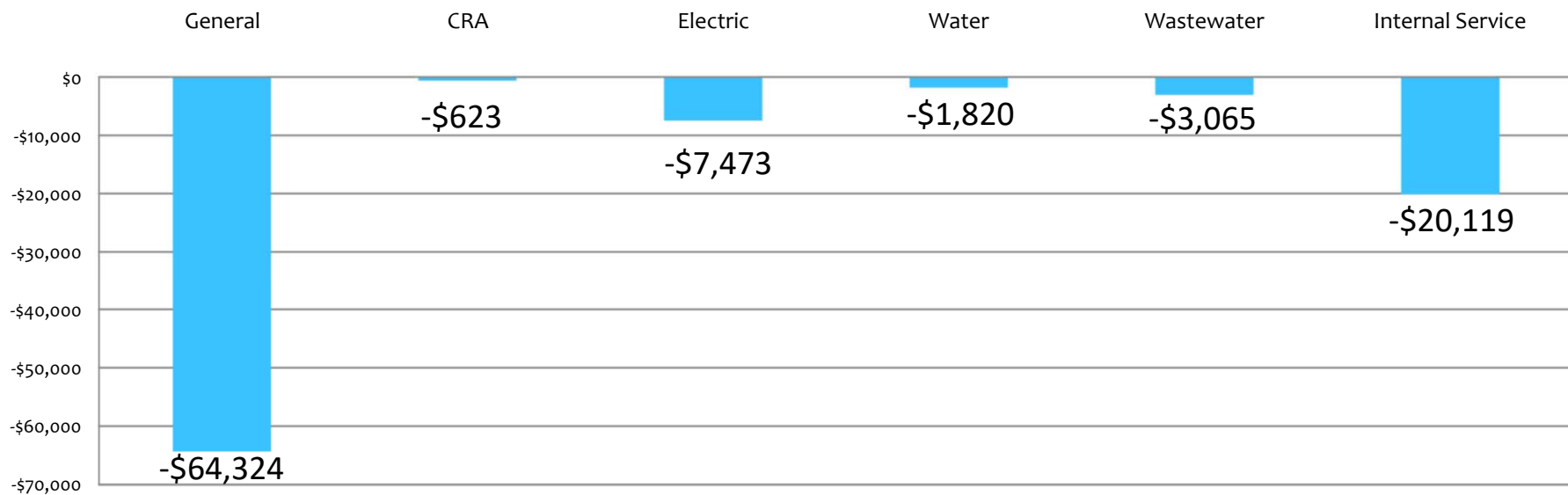
Budget Impact Items

* Medical Insurance rates:

	FY 2022-2023	FY 2023-2024
Health	\$12,414.72	\$11,545.68
Dental	\$372.96	\$372.96
Vision	\$67.92	\$67.92
Life	\$72.24	\$72.24

Budget Impact Items

Health/Vision/Dental/Life Insurance Increase By Fund



Budget Impact Items

- * Liability and Property Insurance:
 - Anticipate increase of \$125K
- * Workers Compensation:
 - Anticipate increase of \$30K

Budget Impact Items

- * Compensation Plan revision:
 - Address impacts post-COVID
- * Employee Incentives:
 - No COLA
 - Merit = up to 4%
 - Longevity = \$500 for every 5 years of service
- * State Revenue Distributions:
 - Most estimates yet to be released

General Revenues

- * Property Taxes – Millage Rate:

- The City's Tax Year 2023 taxable value figure is \$1,212,295,308
- Increase of 13.4% from Tax Year 2022 final taxable value of \$1,068,774,284
- Impact at millage rate of 5.3900 mills = \$742,635

General Revenues

- * Millage Rate options:

- Majority vote ≤ 8.0851 :

- Current millage of 5.3900

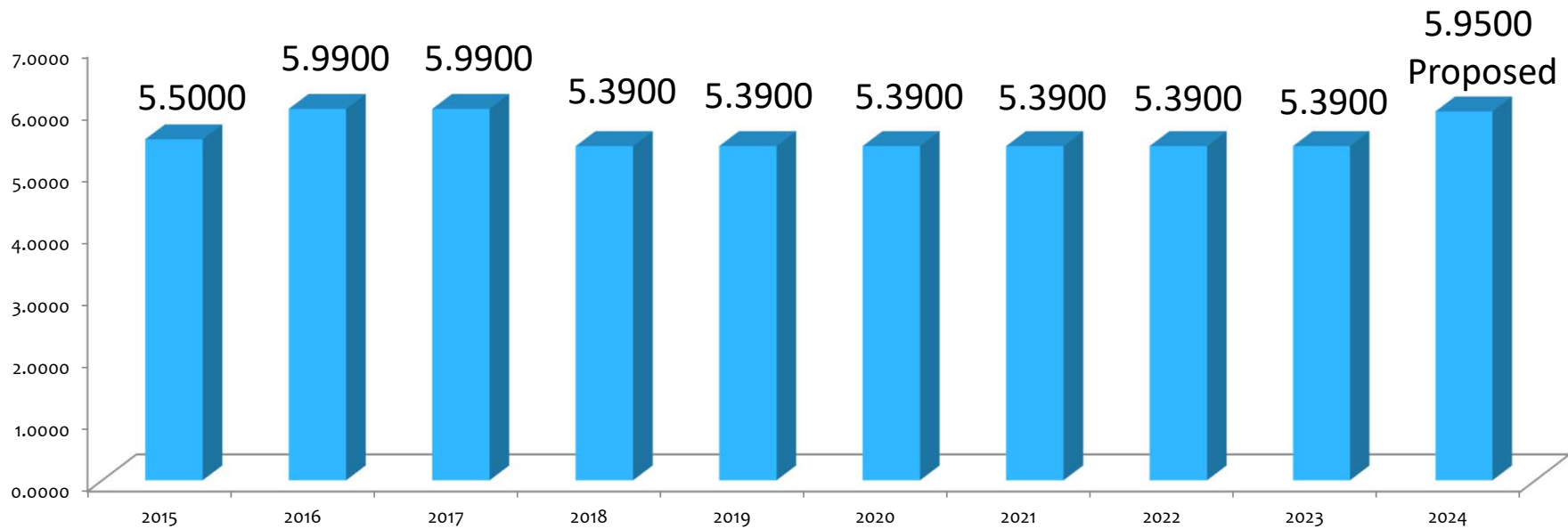
- Rollback rate of 4.9899

- Requiring 2/3 vote [4 of 5 Commissioners] $> 8.0851 < 8.8936$

- Staff initial recommendation is to set preliminary rate at 5.9500 mills

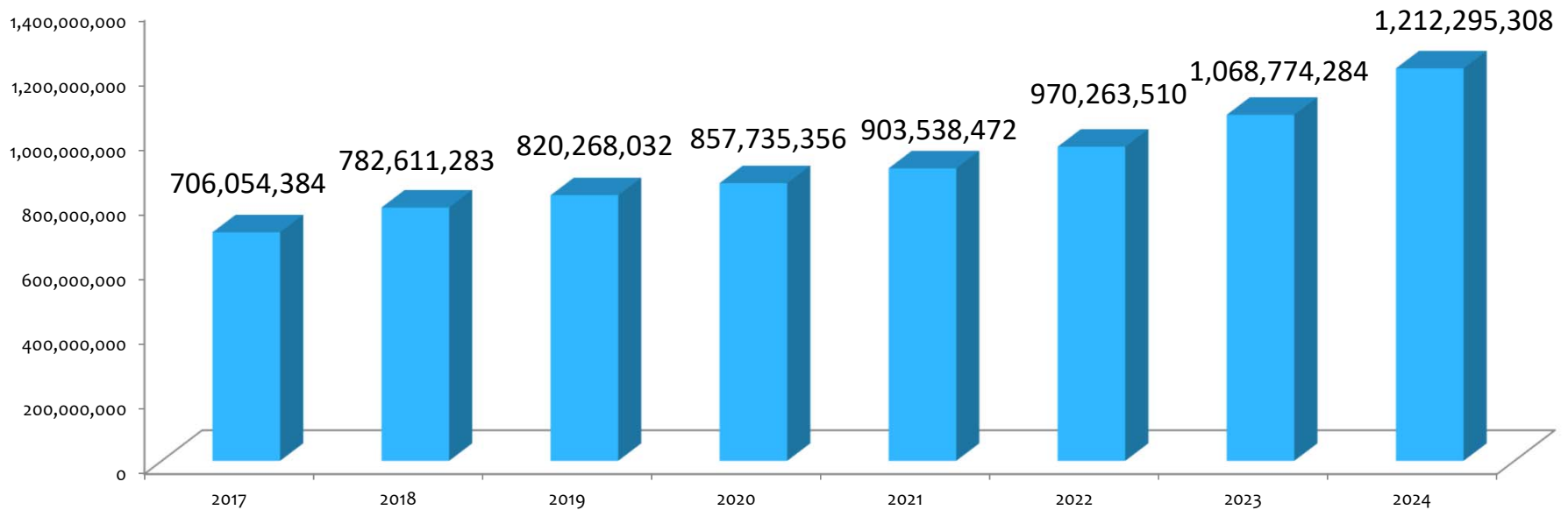
General Revenues

Millage Rate History by Fiscal Year



General Revenues

Taxable Value History By Fiscal Year



General Revenues

Millage Dynamics

Each 1 Mill =	\$1,163,803
Each 1/2 Mill =	\$581,902
Each 1/3 Mill =	\$387,934
Each 1/4 Mill =	\$290,951
Each 1/10 Mill =	\$116,380

General Revenues

- * Local Option Fuel Taxes estimate: \$328,025
 - same as FY 2022-2023
 - not yet available from FDOR

- * Communication Services Tax estimate: \$ 322,000
 - Increase of \$12,000
 - not yet available from FDOR

- * Utility Tax estimate: \$ 1,400,000
 - Increase of \$100,000

General Revenues

- * Half Cent Sales Tax estimate: \$ 750,000
 - Increase of \$76,851
 - not yet available from FDOR
- * Revenue Sharing estimate: \$ 423,989
 - Increase of \$42,273

General Revenues

- * Solid Waste Residential Services:
 - Waste Pro, Inc. is provider
 - Contract expires September 30, 2026
 - Current rate from Waste Pro: \$23.08
 - Estimated avg. customers for FY24: 3,960
 - COA currently charges: \$25.60

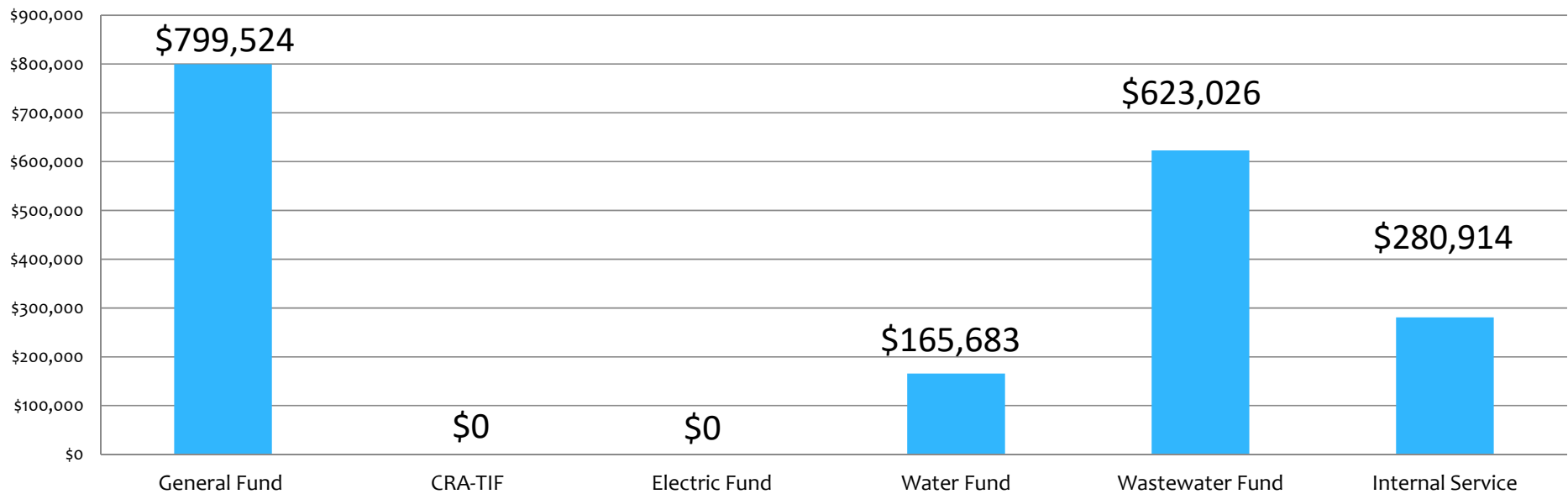
Debt Service

- * Debt payments budgeted FY 2023-2024: \$1,869,147

- * Outstanding debt includes:
 - Series '09 SRF Loan
 - Series '16 Capital Improvement/Refunding Bonds
 - Series '19 Capital Improvement Revenue Note

Debt Service

Debt Service Payments By Fund



Utility Rates

- * FY 2024 Electric Rates Overview
- * Electric power contracts with FPL and FMPPA
 - FPL effective from April 1, 2022 until March 31, 2029
 - FMPPA effective from April 1, 2022 until December 31, 2027
- * FY 2023-2024 proposed budget does not contemplate a rate change
- * BPCA (average through 06/2023): \$0.01842/kWh in FY 2023
- * BPCA (est. beginning 07/2023): between \$0.01000-\$0.02425/kWh thru FY 24

Utility Rates

* Electric Residential 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)	\$10.75 – \$24.00	\$10.00 – \$24.00

Utility Rates

* Electric Non-Residential 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)	\$10.75 – \$24.00	\$10.00 – \$24.00

Utility Rates

* Electric Demand 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)	\$10.75 – \$24.00	\$10.00 – \$24.00

Utility Rates

* Electric Large Demand 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)	\$10.75 – \$24.00	\$10.00 – \$24.00

Utility Rates

FY 2024 Water Rates Overview

- * Proposed budget will implement a 7% 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 7.07%
- * Increase necessary to maintain revenue model plan, keep pace with rising costs and infrastructure needs

Utility Rates

* Water Residential Rates

Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$9.41	\$10.07
Availability Charge (\$ per month)	Varies	7% increase for each meter size
Consumption Charge (\$ per 1,000 gallons)		
0-4,000 gallons	\$2.24	\$2.40
4,001-8,000 gallons	\$2.92	\$3.12
above 8,000 gallons	\$4.36	\$4.67

Utility Rates

* Water Non-Residential Rates

Non-Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$9.41	\$10.07
Availability Charge (\$ per month)	Varies	7% increase for each meter size
Consumption Charge (\$ per 1,000 gallons)	\$2.92	\$3.12

Utility Rates

* Water Irrigation Rates

Irrigation Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$9.41	\$10.07
Availability Charge (\$ per month)	Varies	7% increase for each meter size
Consumption Charge (\$ per 1,000 gallons)	\$4.36	\$4.67

Utility Rates

Capital Facilities Charges-Water

- * Last adjusted in 2022
- * Paid by development to connect to water system infrastructure
- * Proposed 7% increase

Utility Rates

FY 2024 Wastewater Rates Overview

- * Proposed budget will implement a 5% 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 7.07%
- * Increase necessary due to keeping staff's revenue model plan, address infrastructure needs and rising costs (includes debt service for plant WWTF plant expansion)

Utility Rates

* Wastewater Residential Rates

Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$11.88	\$12.47
Consumption Charge (\$ per 1,000 gallons)	\$6.24	\$6.55

Utility Rates

* Wastewater Non-Residential Rates

Non-Residential Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$11.88	\$12.47
Consumption Charge (\$ per 1,000 gallons)	\$8.68	\$9.11

Utility Rates

* Wastewater Reclaimed Water Rates

Reclaimed Water Rates		
Rate Component	Existing	Proposed
Customer Charge (\$ per month)	\$8.92	\$9.37
Consumption Charge (\$ per 1,000 gallons)	\$0.81	\$0.85

Utility Rates

Capital Facilities Charges-Wastewater

- * Last adjusted in 2022
- * Paid by development to connect to wastewater system infrastructure
- * Pledged as repayment source for SRF Loan payback
- * Proposed 7% increase

Utility Rates

Utility Rates-Mosquito Control

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

Utility Rates

- * More details / information on the proposed rates to be presented for the public hearings:
 - August 14, 2023
 - August 28, 2023

Agenda Budget Items

- * Resolution 23-12
 - Proposed Millage: 5.9500 mills
 - Transmit to Property Appraiser for TRIM notices

- * Resolution 23-13
 - TK Basin preliminary rate
 - Assessment decrease for FY 2023-2024

Budget Calendar

- * August 14, 2023: Budget Workshop / Proposed Budget, 4:30 p.m.
- * August 14, 2023: First Utility Rate Public Hearing, 6:00 p.m.
- * August 28, 2023: Budget Workshop / Proposed Budget, 4:30 p.m.
- * August 28, 2023: Second Utility Rate Public Hearing, 6:00 p.m.

Budget Calendar

- * September 6, 2023: CRA Budget Adoption, 5:30 p.m.
- * September 6, 2023: First Budget Public Hearing, 6:00 p.m.
- * September 11, 2023: Stormwater Assessment Rates Public Hearing, 6:00 p.m.
- * September 25, 2023: Final Budget Public Hearing, 6:00 p.m.

Questions or Comments