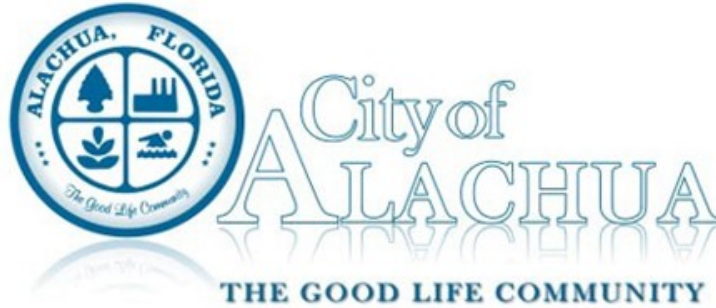




Mayor Gib Coerper

Vice Mayor Edward Potts

Commissioner Shirley Green Brown

Commissioner Dayna Miller

Commissioner Jennifer Ringersen

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 22, 2024

Meeting Location: James A. Lewis City Commission Chambers
15100 NW 142 Terrace
Alachua, FL 32615

Workshop Meeting

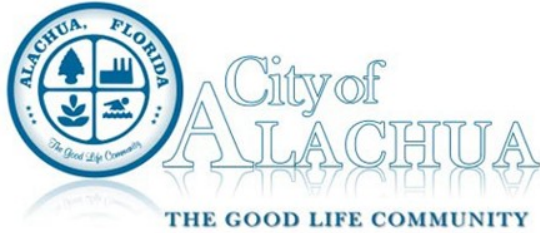
Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

CALL TO ORDER

I. AGENDA ITEMS

A) FY 2024-2025 BUDGET WORKSHOP

ADJOURN



Commission Agenda Item

MEETING DATE: July 22, 2024

SUBJECT: FY 2024-2025 Budget Workshop

PREPARED BY:

RECOMMENDED ACTION:

Conduct the workshop and receive the presentation.

Summary

This workshop will serve as the City Commission's initial status update regarding the FY 2024-2025 budget process.

The presentation will cover the following discussion topics:

- FY 2024-2025 budget process;
- Items and issues of budgetary impact;
- General operating revenues;
- Debt service;
- Utility rates; and,
- Budget calendar.

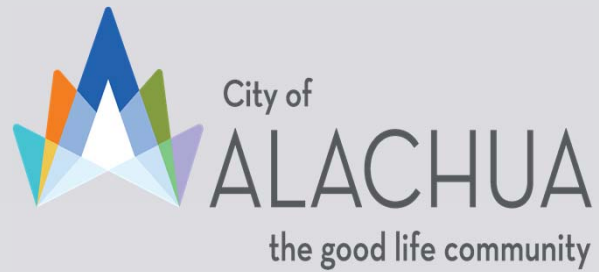
FINANCIAL IMPACT

NA

ADDITIONAL FINANCIAL INFORMATION

ATTACHMENTS

1. FY 25 Budget WS 20240722



Budget Workshop

Introduction

Fiscal Year 2024-2025

July 22, 2024



Workshop Overview

FY 2024-2025 budget process

FY 2024-2025 budget foundation

FY 2024-2025 general operating revenues

FY 2024-2025 debt payments

FY 2024-2025 utility rates

FY 2024-2025 budget process remaining timeline



Budget Process

Budget Objectives:

Commission goals and strategic initiatives

Fiscal health

Maintenance of existing infrastructure



Budget Process

Departmental budget process kicked-off: April 10, 2024

Department budget submittals to FAS: May 28, 2024

Strategic initiatives retreat with Commission: June 11, 2024

Budget review & development: June through July 2024



Budget Process

Department start = FY 2024-2025 continuation allocations levels

Budget base is 163.50 FTEs

No prior or current fiscal year carry forward items



Budget Process

FY 2024-2025 target for Capital Outlay (non-CIP) items is zero

Exceptions:

- APD vehicles (\$410K), APD tablets (\$24K)
- PW Road Infrastructure (\$300K)
- IT infrastructure (\$125K)

New capital outlay requests will be reviewed/prioritized by executive team



Budget Process

Capital Improvement Program (CIP) FY 2025-2029 Process:

Review of previously adopted CIP 2024-2028

Opportunity to modify/update

- Includes review/rearrange project priorities

Consideration of new projects



Budget Process

CIP prioritization based on :

Mandate by law or government agency

Minimizes potential liability of 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

Employee incentives (Merit, COLA, Longevity, etc.)

State municipal revenue distributions

Millage rate determination

Maintenance costs of existing infrastructure

Cost of goods/services



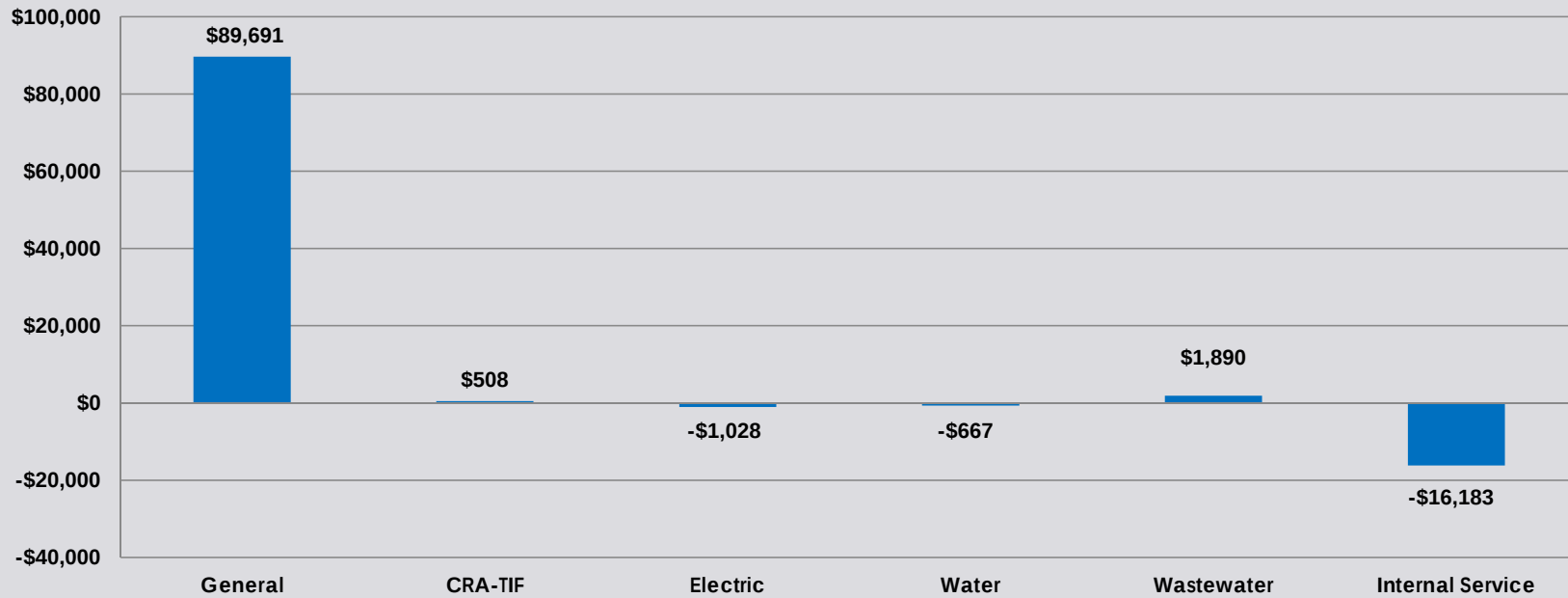
Budget Impact Items

FRS Retirement rates:

	<u>FY 2023-2024</u>	<u>FY 2024-2025</u>
REGULAR	13.57	13.63
SMSC	34.52	34.52
SPECIAL RISK	32.67	32.79
DROP	21.13	21.13

Budget Impact Items

Retirement Increase/Decrease By Fund





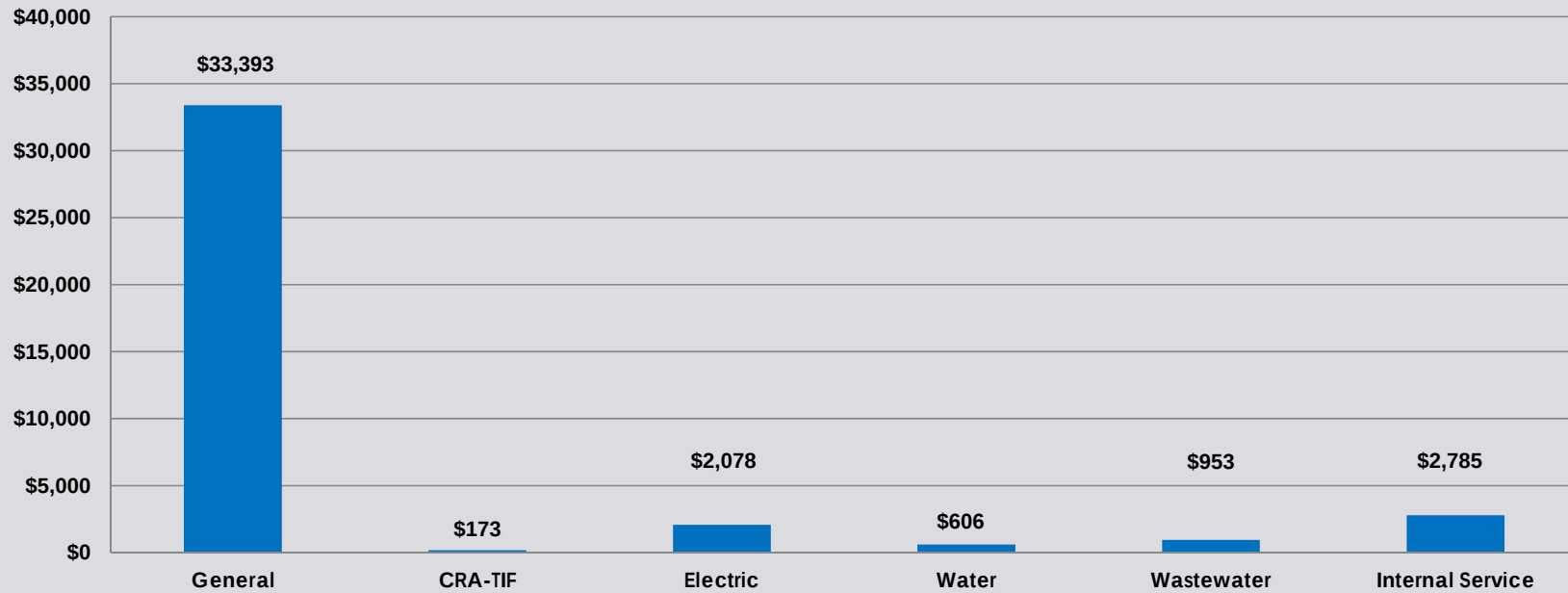
Budget Impact Items

Medical Insurance rates:

	<u>FY 2023-2024</u>	<u>FY 2024-2025</u>
Health	\$11,545.68	\$11,718.87
Dental	\$372.96	\$384.15
Vision	\$67.92	\$67.92
Life	\$72.24	\$72.24

Budget Impact Items

Insurance Increase By Fund





Budget Impact Items

Liability and Property Insurance:

Anticipate increase of \$178K

Workers Compensation:

Anticipate increase of \$8K



Budget Impact Items

Employee Incentives:

COLA is not included

Merit = up to 4%

Longevity = \$500 for every 5 years of service

State Revenue Distributions:

Estimates have not all been released yet



General Revenues

Property Taxes – Millage Rate:

Tax Year 2024 ACPA initial taxable value figure is \$1,341,421,501

10.1% increase from Tax Year 2023 final taxable value of \$1,217,998,425

Impact at millage rate of 5.9500 mills = \$704,993



General Revenues

Millage Rate options:

Majority vote ≤ 8.2856 :

Current millage of 5.9500

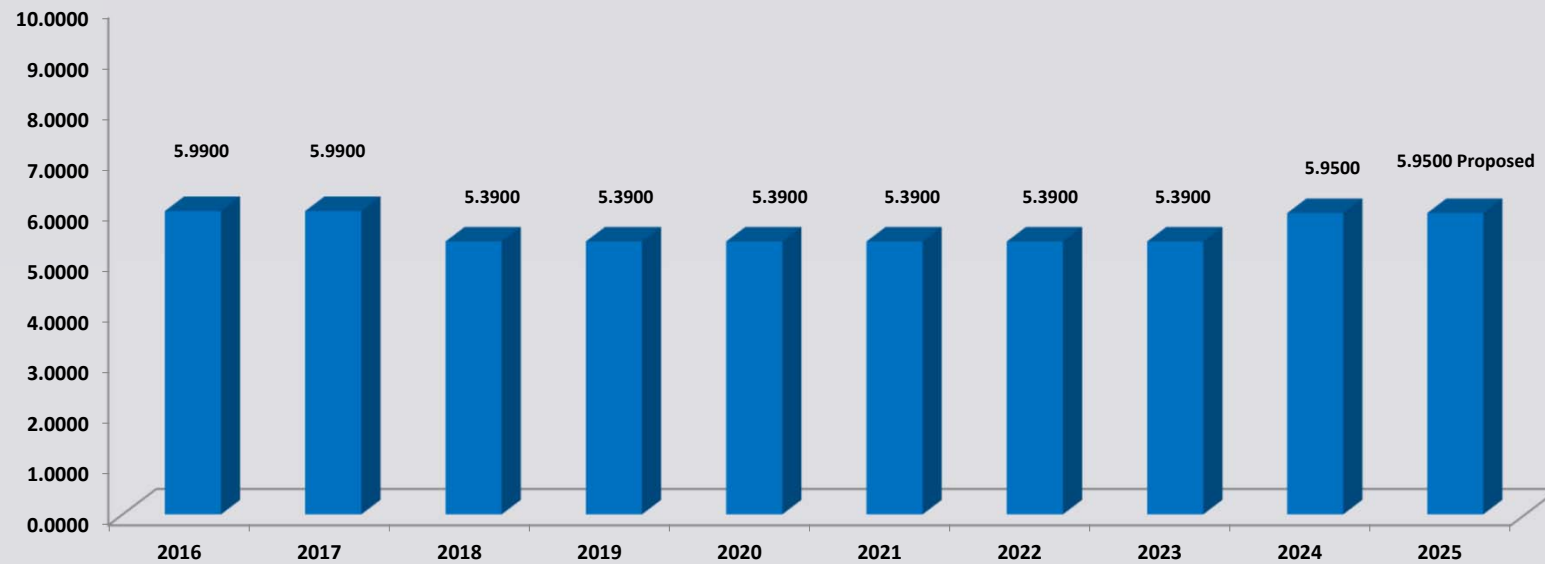
Rollback rate of 5.5119

Requiring 2/3 vote [4 of 5 Commissioners] $> 8.2856 \leq 9.1142$

Staff initial recommendation is to set preliminary rate at 5.9500 mills

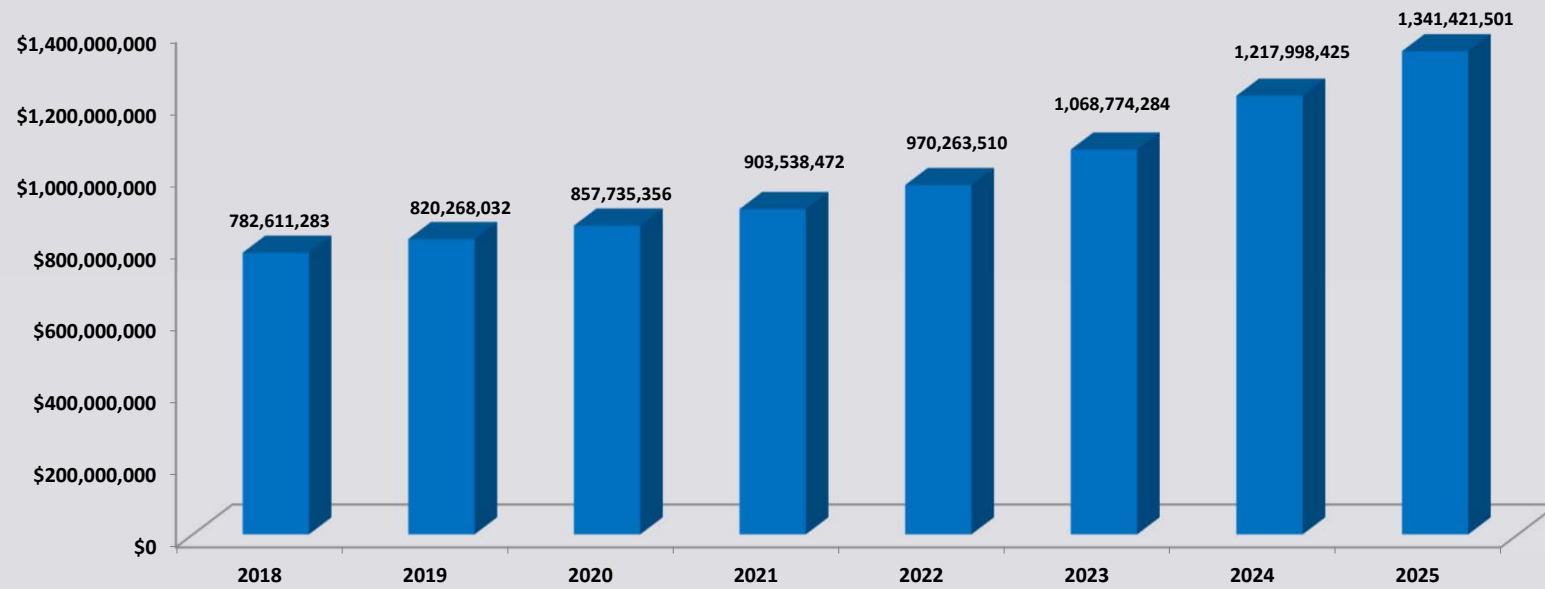
General Revenues

Millage Rate History by Fiscal Year



General Revenues

Taxable Value History By Fiscal Year





General Revenues

Millage Dynamics		
Each 1 Mill	=	\$1,287,765
Each 1/2 Mill	=	\$643,882
Each 1/3 Mill	=	\$429,255
Each 1/4 Mill	=	\$321,941
Each 1/10 Mill	=	\$128,776



General Revenues

Local Option Fuel Taxes estimate: \$328,025

No increase

not yet available from FDOR

Communication Services Tax estimate: \$ 322,000

No increase

not yet available from FDOR

Utility Tax estimate: \$ 1,500,000

↑ \$100,000



General Revenues

Half Cent Sales Tax estimate: \$ 757,581

↓ approximately \$2,500

Revenue Sharing estimate: \$ 432,353

↑ approximately \$8,300



General Revenues

Solid Waste Residential Services:

Waste Pro, Inc. is provider

Contract expires September 30, 2026

Rate from Waste Pro: \$23.08  \$0.86 to \$23.94

Estimated avg. customers for FY25: 4,125

COA currently charges: \$25.60



Debt Service

Debt payments budgeted FY 2024-2025: \$1,867,872

Outstanding debt includes:

Series '09 SRF Loan

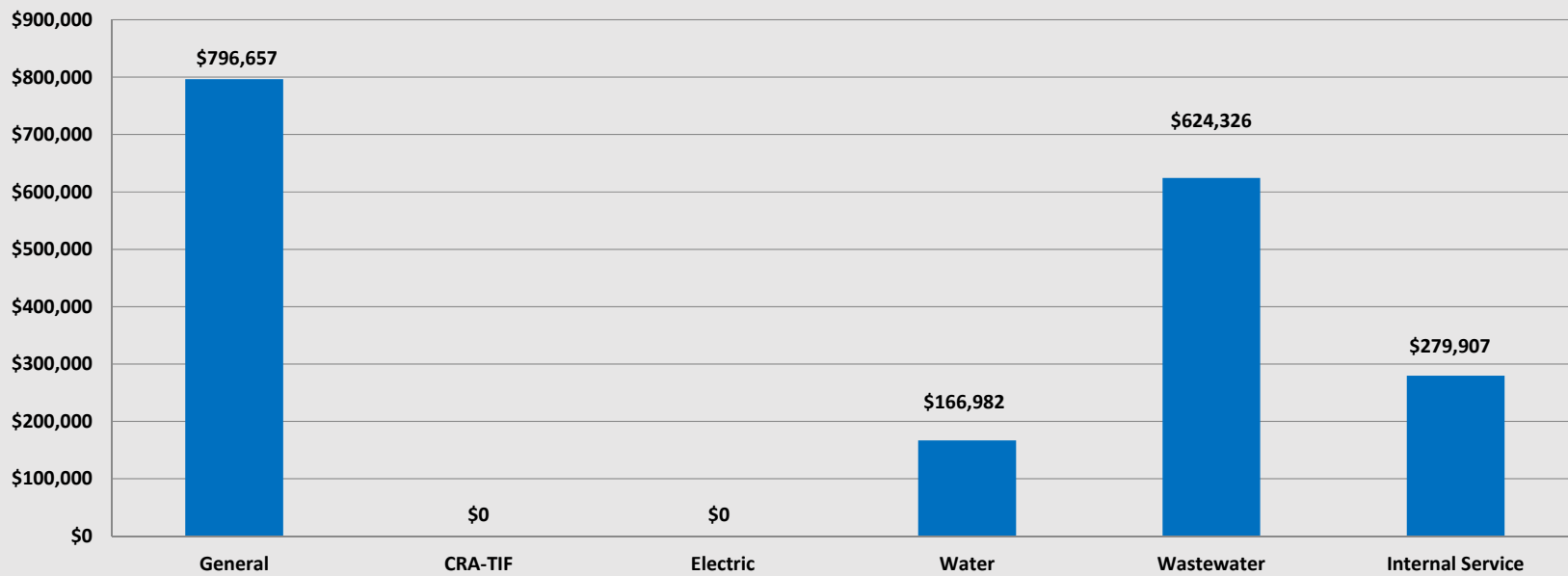
Series '16 Capital Improvement/Refunding Bonds

Series '19 Capital Improvement Revenue Note

Credit rating

Debt Service

Debt Service Payments By Fund





Utility Rates

FY 2025 Electric Rates Overview:

Electric power contracts with FPL and FMPA

FPL effective from April 1, 2022 until March 31, 2029

FMPA effective from April 1, 2022 until December 31, 2027

FY 2024-2025 proposed budget does not contemplate a rate change

BPCA (average through 06/2024): (\$0.010000)/kWh in FY 24

BPCA (est. beginning 07/2024): between (\$0.020000) and \$0.010000/kWh thru FY 25

Utility Rates

Electric Residential Rates:

<u>Rate Component</u>	<u>Existing</u>	<u>Proposed</u>
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	No Change
BPCA (estimated \$ per 1,000 kWh): Low	(\$20.00)	(\$20.00)
High	\$0.00	\$10.00

Utility Rates

Electric Non Residential Rates:

<u>Rate Component</u>	<u>Existing</u>	<u>Proposed</u>
Customer Charge (\$ per month):	\$11.68	No Change
Consumption Charge (\$ per kWh):	\$0.0985	No Change
BPCA (estimated \$ per 1,000 kWh): Low	(\$20.00)	(\$20.00)
High	\$0.00	\$10.00

Utility Rates

Electric Demand Rates:

<u>Rate Component</u>	<u>Existing</u>	<u>Proposed</u>
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 (estimated \$ per 1,000 kWh): Low	(\$20.00)	(\$20.00)
High	\$0.00	\$10.00

Utility Rates

Electric Large Demand Rates:

<u>Rate Component</u>		<u>Existing</u>	<u>Proposed</u>
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 (estimated \$ per 1,000 kWh):	Low	(\$20.00)	(\$20.00)
	High	\$0.00	\$10.00



Utility Rates

FY 2025 Water Rates Overview:

Proposed budget will implement a 7% increase

- Customer charge, availability charge, and base consumption rates**

FPSC price index is 3.24%

Keep revenue model plan, address rising costs and debt

Utility Rates

Water Residential Rates:

<u>Rate Component</u>	<u>Existing</u>	<u>Proposed</u>
Customer Charge (\$ per month):	\$10.07	\$10.77
Availability Charge (\$ per month):	Varies	7% increase
		ea. meter size
Consumption Charge (\$ per 1,000 gal.):		
0 - 4000 gal.	2.40	2.57
4001 - 8000 gal.	3.12	3.34
8001 gal. and above	4.67	5.00

Utility Rates

Water Non Residential Rates:

<u>Rate Component</u>	<u>Existing</u>	<u>Proposed</u>
Customer Charge (\$ per month):	\$10.07	\$10.77
Availability Charge (\$ per month):	Varies	7% increase
		ea. meter size
Consumption Charge (\$ per 1,000 gal.):		
	\$3.12	\$3.34

Utility Rates

Water Irrigation Rates:

<u>Rate Component</u>	<u>Existing</u>	<u>Proposed</u>
Customer Charge (\$ per month):	\$10.07	\$10.77
Availability Charge (\$ per month):	Varies	7% increase
		ea. meter size
Consumption Charge (\$ per 1,000 gal.):		
	\$4.67	\$5.00



Utility Rates

Capital Facilities Charges - Water:

Last adjusted for FY 2024

Paid by development to connect to water system infrastructure

Proposed 7% increase for each meter size and type



Utility Rates

FY 2025 Wastewater Rates Overview:

Proposed budget will implement a 5% increase

- Customer charge, availability charge, and base consumption rates**

FPSC price index is 3.24%

Keep revenue model plan, address infrastructure needs, rising costs and debt

- consideration of lift stations and future WWTF plant expansion**

Utility Rates

Wastewater Residential Rates:

<u>Rate Component</u>	<u>Existing</u>	<u>Proposed</u>
Customer Charge (\$ per month):	\$12.47	\$13.09
Consumption Charge (\$ per 1,000 gal.):		
	6.55	6.88

Utility Rates

Wastewater Non Residential Rates:

<u>Rate Component</u>	<u>Existing</u>	<u>Proposed</u>
Customer Charge (\$ per month):	\$12.47	\$13.09
Consumption Charge (\$ per 1,000 gal.):		
	\$9.11	\$9.57



Utility Rates

Reclaimed Water Rates:

<u>Rate Component</u>	<u>Existing</u>	<u>Proposed</u>
Customer Charge (\$ per month):	\$9.37	\$9.84
Consumption Charge (\$ per 1,000 gal.):		
	\$0.85	\$0.89



Utility Rates

Capital Facilities Charges - Wastewater:

Last adjusted for FY 2024

Paid by development to connect to wastewater system infrastructure

Pledged as repayment source for SRF Loan payback

Proposed 5% increase for each meter size and type



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 12, 2024 6:00 p.m.

August 26, 2024 6:00 p.m.



Agenda Budget Items

Resolution 24-10

Proposed Millage: 5.9500 mills

Authorize to Transmit to ACPA for TRIM notices

Resolution 24-11

TK Basin preliminary rate

Assessment remains same for FY 2024-2025



Budget Calendar

August 12, 2024: Budget Workshop / Proposed Budget, 3:30 p.m.

August 12, 2024: First Utility Rate Public Hearing, 6:00 p.m.

August 26, 2024: Budget Workshop / Proposed Budget, 4:30 p.m.

August 26, 2024: Second Utility Rate Public Hearing, 6:00 p.m.



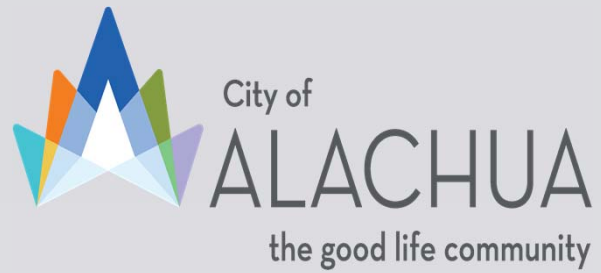
Budget Calendar

September 9, 2024: CRA Budget Adoption, 5:00 p.m.

September 9, 2024: First Budget Public Hearing, 6:00 p.m.

September 9, 2024: Stormwater Assessment Rate Public Hearing, 6:00 p.m.

September 23, 2024: Final Budget Public Hearing, 6:00 p.m.



Questions and Comments