MINUTES

CITY OF COCOA
BUDGET/CIP WORKSHOP

August 8, 2018

A Fiscal Sustainability/Budget Priorities Workshop was held on Wednesday, August 8, 2018 at 5:30 pm in City Council Chambers, located at 65 Stone Street, Cocoa, Florida, as publicly noticed.

I. OPENING MATTERS:

Mayor Parrish called the workshop to order at 5:34 p.m.

PRESENT:	Henry U. Parrish III	Mayor
	Jeri Blanco	Deputy Mayor
	Don Boisvert	Councilman
	Brenda Warner	Councilwoman
	Clarence Whipple, Jr.	Councilman
	Matt Fuhrer	Assistant City Manager
	John A. Titkanich, Jr.	City Manager
	Monica Arsenault	Assistant City Clerk
ABSENT:		
	Anthony Garganese	City Attorney

OTHER STAFF MEMBERS PRESENT:

Tammy Gemmati, Administrative Services Director; Mike Cantaloupe, Chief of Police; Gene Prince, Fire Chief; Ed Wegerif, Public Works Director; Lora Howell, Deputy Finance Director; Rebecca Bowman, Finance Director; Jack Walsh, Utilities Director; Lea Taylor, Budget Analyst; and Karen Hamilton, Community Services Director.

City Manager Titkanich explained that in order to increase citizen participation, the presentation will be provided online. He asked Council to hold questions until the end. He also thanked all staff for their assistance in putting together the FY19 preliminary budget.

II. COUNCIL BUSINESS:

1. Proposed FY19 Capital Improvement Program

City Manager Titkanich pointed out that the purpose of the meeting is to review a presentation[1] detailing the proposed FY19 Capital Improvement Program. He noted that in April the City was assigned a Aa2 rating from Moody's Investors Service as well as a Certificate of Achievement for Excellence in Financial Reporting in 2017.

City Manager Titkanich reviewed the agenda for the evening and provided a background update on the budget:

- In FY15 Stantec worked collaboratively with City staff to develop a Fiscal Sustainability model for the General Fund.
- The City utilized the modeling process to identify options for the fund's sustainability over a ten-year projection period
- The City contracted with Stantec to update the FY19 model o Validate prior years assumptions o Evaluate current and future fiscal conditions o Evaluate FY19 Millage and Fire Assessment rates

City Manager Titkanich shared a snapshot of a General Fund Baseline Scenario. He mentioned that the City almost hit a "fiscal cliff" but explained that the last two years have been better than what was initially thought and the "cliff" was avoided. He pointed out that the reserves kept a healthy balance and provided a graph to explain the cash flow model.

City Manager Titkanich shared the basis for updating the current FY19 model:

- FY18 budget actuals (YTD) and projected
- FY19 proposed budget o Basis of projected expenses for future fiscal years though FY28 o CIP – 5 years
- Operating fund balance (reserves) – 4 months of O&M expenditures
- Validation/changes from prior year's analysis
- Property values continue to rise, projection adjusted
- Walmart DC project timing and impacts adjusted
- Fire assessment rate evaluation
- Market forces and challenges
- Awareness of horizon issues and potential fiscal impact

City Manager Titkanich reported percentages of market forces and conditions on a graph. He noted that these numbers are the most current, dating June, 2018. He

[1] EXHIBIT A: FY 2019 Budget/CIP Presentation

reviewed the consumer price index, municipal cost index, construction cost index, wages, salaries, and compensation for state and local government workers. He predicted that some of these numbers may rise.

City Manager Titkanich discussed Amendment 1 and the expanded homestead. He noted the $120,000 - $160,000 estimated reduction in Ad Valorem Revenue annually per the BCPA/Stantec analysis.

Public Safety Pensions were mentioned and he noted the unfunded Fire and Police liabilities and mentioned that the City retained Actuary services to replicate and evaluate both Pension Funds.

He spoke about insurance on the rise and explained that staff is looking to contain costs while still providing reasonable benefits:

- Health Insurance - two years of catastrophic claims
- Worker's Comp – PTSD Indemnity Benefits
- Cancer Presumption expansion - this is being pushed by legislators

City Manager Titkanich noted the upcoming expiration of the Waste Management contract in 2020. He pointed out that the City may face cost reduction or cost increases once the contract expires.

He mentioned that Brevard Public Schools is requesting up to four SROs, two of which are being provided in FY19. He explained that an item will be placed on the upcoming Council agenda to approve an Interlocal Agreement. He shared that he and Chief Cantaloupe met with the new Superintendent of Schools to discuss SROs. He explained that current officers will be offered detail jobs to work at the schools and will be compensated separately from their regular pay check. There will be a reimbursement for two SROs, about fifty-two thousand dollars ($52,000.00) per officer for a total of one hundred and four thousand dollars ($104,000.00).

City Manager Titkanich discussed natural disasters and noted the two hurricanes that hit the City over the last fiscal year. He pointed out that Irma alone cost over three million dollars ($3,000,000.00) in damage.
He discussed the Stormwater Fund and that money may need to be borrowed from the general fund.

City Manager Titkanich mentioned Lee Wenner Park and reported that the City took it over from the County, and their contribution ends in FY2022 which is sixty thousand dollars ($60,000.00) annually.

He briefly noted potential legal settlements, and spoke about a recent US Supreme Court Ruling, re: Internet Sales Taxes (South Dakota v. Wayfair).

City Manager Titkanich reviewed the FY19 Budget Development Philosophy. He noted that the City would like to maintain and enhance services provided to businesses and citizens. He discussed market rate adjustments in order to provide salary increases.

Information was shared regarding the FY19 General Fund fiscal sustainability. He pointed out that the Walmart Distribution Center has not hit the books yet.

Additionally, he pointed out money budgeted for significant projects in the City such as the Joe Lee Smith Center.

He discussed the General Fund FY19 recommendations which include:

- Maintaining the millage rate at 5.9790 mills
- Adopt a fire assessment rate with a 3% annual adjustment
- Maintain fund balance at minimal reserve requirement
- Continue to work with Economic Development to plan for catalytic capital projects to enhance overall city growth
    - Utilize fund balance available to fund strategic Economic Development projects
- Reduction in Commercial Solid Waste Rates – approximately 7.75%

City Manager Titkanich provided the background and scope of utility rates. He reviewed the scope which includes:

- Updating the ten-year financial plan originally developed in the Water, Sewer, and Reclaimed Water Rate Study.
- Verifying or adjusting the annual plan of rate increases as required

City Manager Titkanich shared that the findings show that the FY19 Study determined a five percent (5%) annual rate increase. Additionally, he reviewed the basis for the Utility Rate Analysis.

He discussed debt coverage and Mayor Parrish added that it is the City's goal to lower rates in the future.

A model was presented depicting utility rate financial plan projections over a tenyear period. He noted that we are partnering with the City of Melbourne for the Pineda project.

City Manager Titkanich reviewed the Utility Rate Analysis and noted that the City Council had already approved the adjustments at the July 24, 2018 meeting. He mentioned the US Water & Sewer Consumer Price Index which averages five and a half percent (5.5%) over the last ten years.

He shared a snapshot of the FY19 General Fund Budget to Actual numbers as of July 31, 2018. Furthermore, he provided a snapshot of the FY19 Water/Sewer Fund Budget to Actual numbers as of July 31, 2018 and a snapshot of the FY19 Storm Water Fund Budget to Actual numbers.

The FY19 General Fund Revenue by funding source[2] was reviewed along with the FY19 Water/Sewer Fund Revenue and the FY19 Storm Water Fund by funding source.

The FY19 Proposed Budget vs. FY18 Amended Budget were discussed by fund. Additionally, he provided information regarding the FY19 Proposed Budget vs. FY18 Amended Budget by department. He pointed out that the increase in budget for the City Manager's office is due, in part, to the fact that the Leisure Services Department now reports directly to the City Manager's office.

City Manager Titkanich provided and explained a FY19 Proposed Budget vs. FY18 Amended Budget by General Fund category chart. He noted the contributions made to Cocoa High School and Emma Jewel Charter Academy.

He provided and explained a FY19 Water/Sewer Fund Proposed Budget vs. FY18 Amended Budget by category chart. Furthermore, he provided a chart that breaks it down further by division.

City Manager Titkanich explained the FY19 proposed General Fund Capital Budget and mentioned that the City is enhancing the computer systems for dispatch at the Police Department.

[2] Mayor Parrish left the meeting at 6:47pm & returned at 6:49pm

Furthermore, he discussed the FY19 proposed Capital Budget Water/Sewer and other funds which include the CRAs, Capital Projects Fund, and the Stormwater Fund. [3]

City Manager Titkanich opened the discussion to Council for questions.

Councilman Whipple inquired as to when the City anticipates receiving funds from FEMA and where they will go when they are received. In response, City Manager Titkanich explained that once the funds are received it will go back into the City's reserves.

Councilman Whipple inquired about the Fiske Blvd. project and when it is set to begin. In response, City Manager Titkanich explained that there are two projects, one of which is in regard to Broadmoor Acres and fixing drainage issues. The other is Peachtree Street, south of SR520. He stated that these are set to begin in FY19. Councilman Whipple asked about the Rosa L. Jones project and if it will begin in FY19. City Manager Titkanich replied that he is unsure at this time due to State planning.

Lastly, Councilman Whipple asked if there will be any changes in the table of organization under the City Manager's reign in FY2019. In response, City Manager Titkanich replied negatively.

Deputy Mayor Blanco inquired about SROs. In response, City Manager Titkanich explained that the City will provide SROs to both Clearlake Education School and Cambridge Elementary until the official SROs have completed their training. These will be considered detail jobs and the officers will be paid thirty-five dollars ($35.00) an hour for which the City will be reimbursed by the schools.

Furthermore, he noted that Cambridge Elementary will have an armed officer. He explained that at the next Council meeting Council will have the option to approve an Interlocal Agreement which will allow the City to provide two SRO officers, one for each school.

Additionally, Deputy Mayor Blanco shared that Dr. Smith had reached out to her with concerns that there will not be enough SRO's.

Chief Cantaloupe explained the difference between a security officer and an SRO.

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[3] Council took a break at 7:05pm & returned at 7:17pm

Mayor Parrish asked City Manager Titkanich if he had heard that legislators are looking to push off cities. In response, City Manager Titkanich explained that there was a statement that was made that legislators may cut back on School Board funding which would, in turn, encourage School Boards to turn to their respective cities for funding. Additionally, City Manager Titkanich added that, not to be unsympathetic, it is technically not the duty of the City to support schools financially.

Deputy Mayor Blanco asked City Manager Titkanich if he would be open to having a meeting with Dr. Smith. In response, City Manager Titkanich stated that he would be open to a meeting and would invite several other City staff members.

Discussion ensued among Council regarding SROs.

City Manager Titkanich assured Council that he would reach out to set up a meeting with Dr. Smith.

Councilwoman Warner stated that she would like to see verbiage written into the Police Department's plan in the future regarding the development of a recruitment program in order to assist with obtaining public safety staff.

In regards to Waste Management, Mayor Parrish mentioned that he believes the City is on the right track by doing its due diligence and researching what other cities are being charged.

Mayor Parrish commented on Cocoa's water system and stated that he feels they are doing a good job and he has not received any complaints since the hurricanes hit. He expressed thanks to Jack Walsh for doing a great job as a Director and asked staff to do what they can to make his job easier. He noted that he has set a positive example for others.

Additionally, Mayor Parrish asked about the construction at Lee Wenner Park. In response, Assistant City Manager Fuhrer explained that this will be reviewed by Council at the next Council meeting but provided a brief update.

City Manager Titkanich noted upcoming meetings pertaining to the next steps in the budget process.

In closing, City Manager Titkanich thanked staff again for putting together the budget for the upcoming fiscal year.

III. ADJOURNMENT.

*** The Budget/CIP Workshop adjourned at 8:09 p.m.**

Henry U. Parrish III, Mayor

ATTEST:

Carie Shealy, MMC, City Clerk
(Transcribed by Monica Arsenault, Assistant City Clerk)

SEAL

"Exhibit A"


WATER/SEWER
FUND
GENERAL
FUND
CAPITAL PROJECTS,
PROGRAMS AND
EQUIPMENT
BUDGET WORKSHOP
AGENDA
QUESTIONS &
DISCUSSION
FISCAL YEAR 2019
August 8, 2018
#TIGERPRIDE


BUDGET WORKSHOP
FISCAL YEAR 2019
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FISCAL YEAR 2019
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GENERAL FUND
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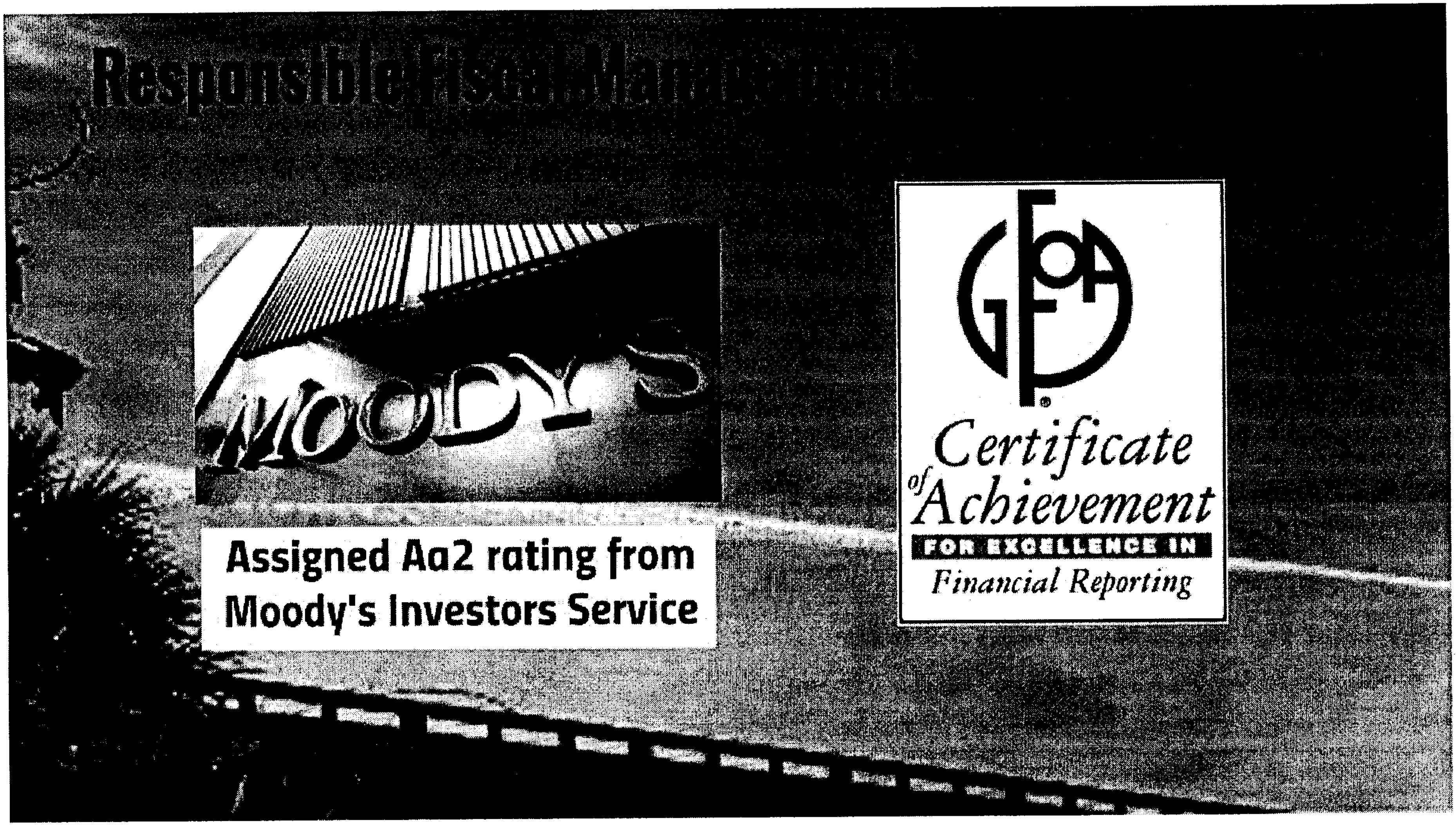
Responsible Fiscal Management
MOODY'S
Assigned Aa2 rating from
Moody's Investors Service
GFOA
Certificate of Achievement
FOR EXCELLENCE IN
Financial Reporting


BUDGET WORKSHOP
FISCAL YEAR 2019
August 8, 2018
GENERAL FUND
AGENDA
WATER/SEWER FUND
CAPITAL PROJECTS, PROGRAMS AND EQUIPMENT
QUESTIONS & DISCUSSION
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- Background, review and basis for FY 2019 Budget Analysis
- Market Forces, Challenges and Horizon Issues
- FY 2019 Budget Development Philosophy
- General Fund
  - Basis and Review of Fiscal Sustainability Model and Recommendations
- Water/Sewer Fund
  - Review of 10 year Financial Plan (Revenue Sufficiency Analysis and Rates)
- FY 2018 Actuals (and Projected) - FY 2019 Proposed Budget - All Funds
- Overview of Fund Budgets Revenues and Expenses
- Next steps...


BUDGET WORKSHOP
FISCAL YEAR 2019
August 8, 2018
GENERAL FUND
WATER/SEWER FUND
CAPITAL PROJECTS, PROGRAMS AND EQUIPMENT
AGENDA
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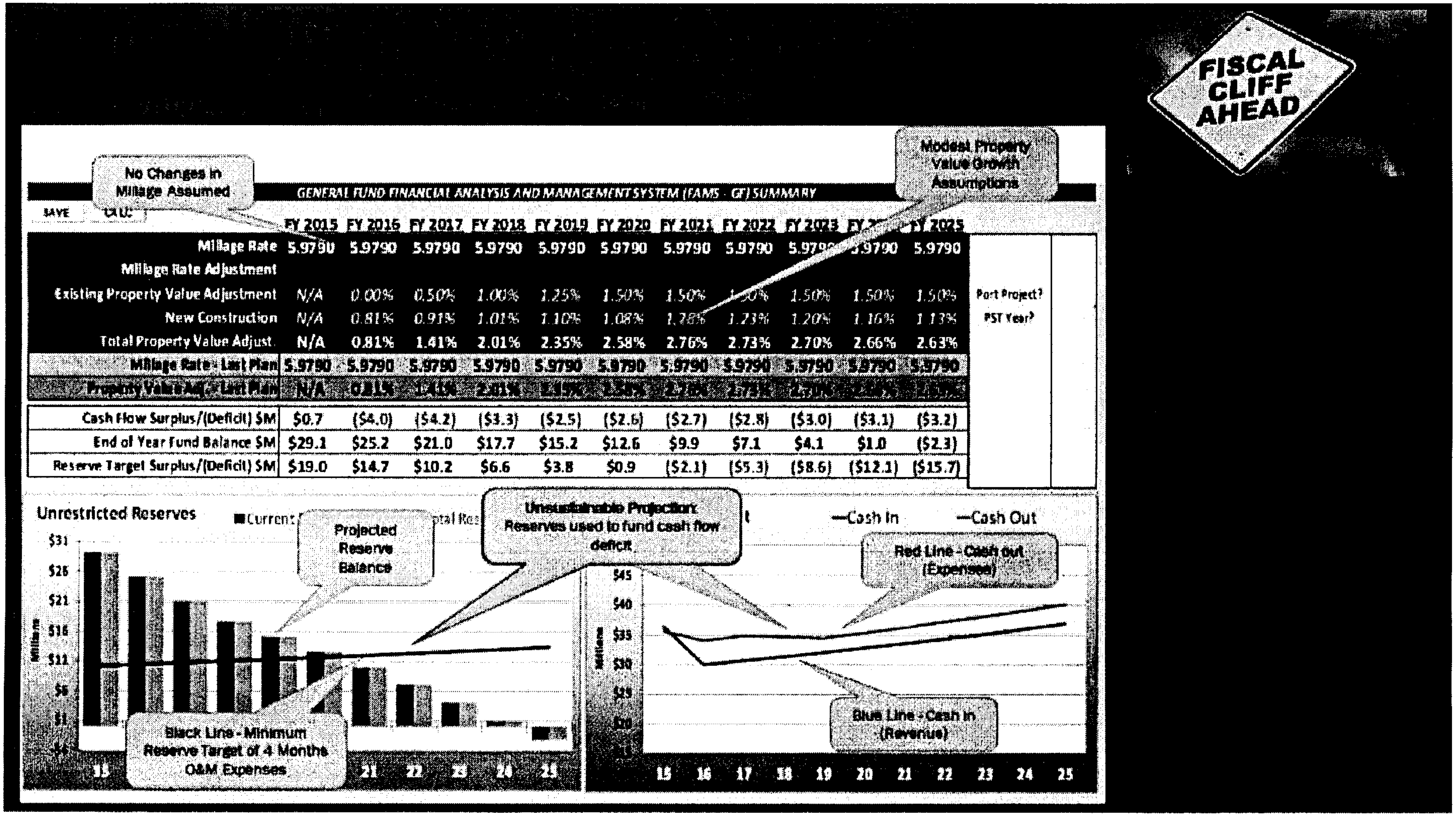
Background...update

- In FY 2015 Stantec (Burton & Associates) worked collaboratively with City staff to develop a Fiscal Sustainbility Model for Cocoa's General Fund
- The City utilized the modeling process to identify options for the fund's sustainability over a 10-year projection period
- The City contracted with Stantec to update the model with current data to aid in the FY 2019 Budget Process
  - Validate prior years assumptions
  - Evaluate current and future fiscal conditions
  - Evaluate FY19 Millage and Fire Assessment Rates



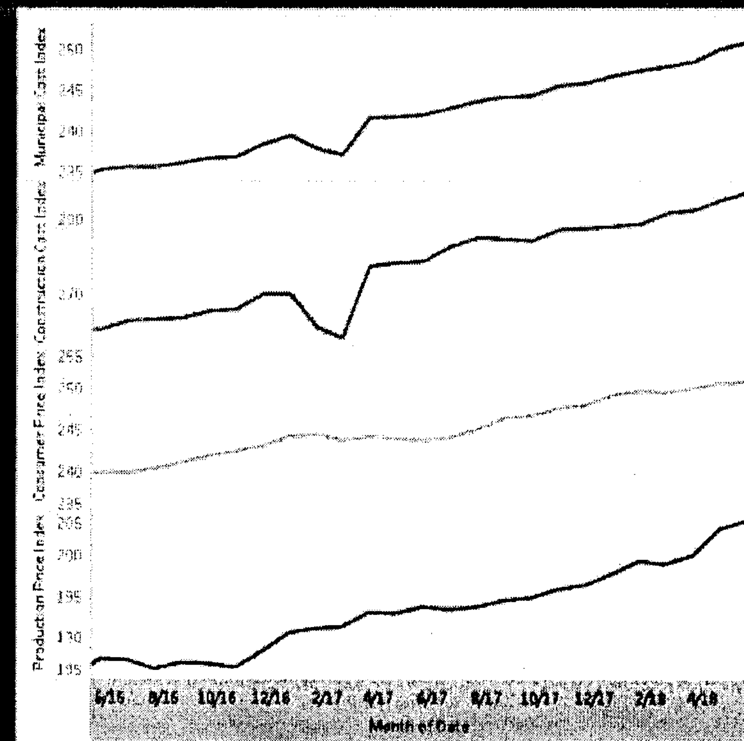
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2[illegible]	FY 2025
Millage Rate	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.979[illegible]	[illegible]9790	5.9790
Millage Rate Adjustment											
Existing Property Value Adjustment	N/A	0.00%	0.50%	1.00%	1.25%	1.50%	1.50%	[illegible]	1.50%	1.50%	1.50%
New Construction	N/A	0.81%	0.91%	1.01%	1.10%	1.08%	1.78%	1.23%	1.20%	1.16%	1.13%
Total Property Value Adjust.	N/A	0.81%	1.41%	2.01%	2.35%	2.58%	2.76%	2.73%	2.70%	2.66%	2.63%
Millage Rate - Last Plan	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790
Property Value Adj - Last Plan	N/A	0.81%	1.41%	2.01%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash Flow Surplus/(Deficit) $M	$0.7	($4.0)	($4.2)	($3.3)	($2.5)	($2.6)	($2.7)	($2.8)	($3.0)	($3.1)	($3.2)
End of Year Fund Balance $M	$29.1	$25.2	$21.0	$17.7	$15.2	$12.6	$9.9	$7.1	$4.1	$1.0	($2.3)
Reserve Target Surplus/(Deficit) $M	$19.0	$14.7	$10.2	$6.6	$3.8	$0.9	($2.1)	($5.3)	($8.6)	($12.1)	($15.7)

[redacted] [redacted] [redacted]

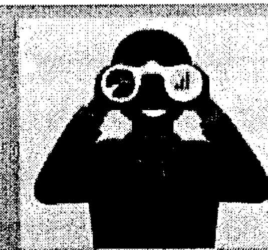
- FY 2018 Budget Actuals (YTD) and Projected
- FY 2019 Proposed Budget
  - Basis of projected expenses for future fiscal years through FY 2028
  - Capital Improvements Program - 5 years
- Operating Fund Balance (Reserves) - 4 months of O&M Expenditures
- Validation/Changes from Prior Year's Analysis
  - Property Values continue to rise, projection adjusted
    - Walmart DC Project timing & impacts adjusted
  - Fire Assessment Rate Evaluation
- Market Forces and Challenges
- Awareness of Horizon Issues and potential fiscal impact

Market Forces and Conditions

- Consumer Price Index (6/2018)[1] 2.89%
- Municipal Cost Index (6/2018)[2] 3.67%
- Construction Cost Index (6/2018)[2] 3.34%
- Wages and Salaries (6/2018)[3] 1.9%
  (State/Local Government Workers)
- Compensation (6/2018)[3] 2.3%
  (State/Local Government Workers)

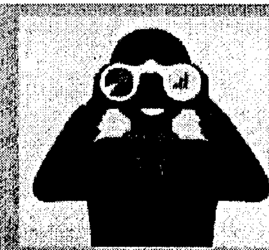


Horizon Issues...



- Amendment 1 - Expanded Homestead
  ($120,000 - $160,000 est. reduction Ad Valorem Revenue annually, BCPA/Stantec analysis)
- Public Safety Pensions
  - Fire Unfunded Liability - $8,179,125 (ARC: $1,424,223 - 3.8% increase)
  - Police Unfunded Liability - $1,240,456 (ARC: $923,473 - 6.4% increase)
  - City retained Actuary to replicate and evaluate both Pension Funds
- Insurance:
  - Health Insurance - 2 years of catastrophic claims (7.5% increase)
  - W/C - PTSD Indemnity Benefits, Cancer Presumption expansion
- Future Solid Waste Contract - contract with Waste Managment expires in 2020
- SRO's - BPS requesting up to 4, 2 being provided in FY 2019
  - $104,000 reimbursement for 2 SROs (Current SRO est. salaries/benefits - $147K+)

Horizons Issues...



- Natural Disasters
  - Reimbursements from Hurricanes Matthew and Irma (Timing and Amount)
  - ***Projected*** FY 2018 GF Unassigned Fund Balance: $3.9 million
    - Cost for Hurricane Irma - Approximately $3.5 million
- Stormwater Fund - NPDES and BMAP mandates - ***inadequate*** revenue for program
- Lee Wenner Park - County and City ILA: $60,000 BOCC contribution ends in FY 2022
- Potential Legal Settlements

Recent US Supreme Court Ruling, re: Internet Sales Taxes (South Dakota v. Wayfair)

- Florida House Ways & Means Committee (January 2017) estimated then potential of $200 million in sales tax revenue
  - Subject to Legislative Action

FY 2019 Budget Development Philosophy

City remain on fiscally sustainable path!

- **FOCUS:**
  - FY15 and FY16 Focus – Public Safety
  - FY17 and FY18 – Community Improvements & Infrastructure
  - Fiscal Year 2019 - Community Improvement/Employee Investment
- Maintain/enhance current Levels of Service provided to citizens and businesses
- Maintain/Control Expenditure Levels
- City currently negotiating with Collective Bargaining Units (Unions)
  - ***In addition*** to providing negotiated raises, provide for a level of market equity adjustments for those employees who were hired before implementation of Pay Plan adopted in 2015, and who haven't already received a market rate adjustments ($300K +/- recurring costs)
- Maintain employee benefits at reasonable levels

FAMS-XL© GENERAL FUND

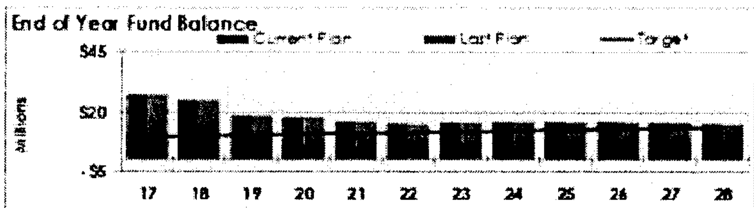
City of Cocoa, FL

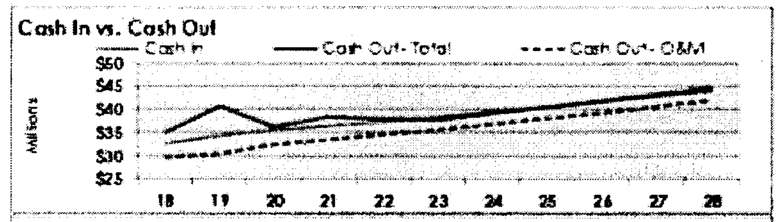
CALC SAVE $10 LAST OVR CIP $M

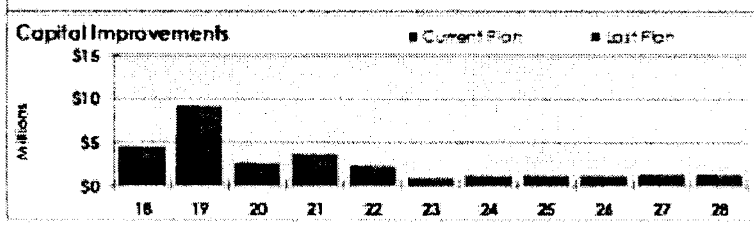
Stantec

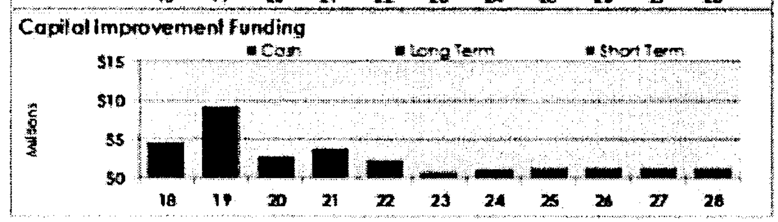
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Millage Rate	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790
Last Plan	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790
Total Property Value Adj	3.8%	6.1%	11.2%	4.0%	3.0%	3.0%	4.3%	4.2%	5.4%	3.0%	3.0%
Last Plan	3.8%	6.1%	11.2%	4.0%	3.0%	3.0%	4.3%	4.2%	5.4%	3.0%	3.0%
Cash Flow Sur/(Def) $M	$ (2.39)	$ (6.33)	$ (0.67)	$ (1.94)	$ (0.68)	$ 0.61	$ 0.25	$ 0.06	$ (0.06)	$ (0.34)	$ (0.62)
End of Year Fund Bal $M	$ 24.75	$ 18.41	$ 17.74	$ 15.80	$ 15.13	$ 15.73	$ 15.98	$ 16.04	$ 15.97	$ 15.64	$ 15.01
Target Sur/(Def) $M	$ 14.99	$ 8.35	$ 7.06	$ 4.79	$ 3.75	$ 3.98	$ 3.84	$ 3.50	$ 3.01	$ 2.24	$ 1.17
Balance % of Expenses	71%	45%	49%	41%	40%	42%	41%	40%	38%	36%	34%
Target % of Expenses	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%

HE? Y
WMDC? Y









- **Maintain millage rate** at 5.9790 mills
- **Adopt Fire Assessment Rate** with a 3% annual adjustment (5% - FY2018)
- **Maintain Fund Balance at minimum reserve requirement**
- **Continue to plan for Catalytic Capital Projects** to enhance overall City values and growth
  - Utilize Fund Balance available to fund strategic economic development projects

- **Reduction** in Commercial Solid Waste Rates - approx. 7.75%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QUESTIONS & DISCUSSION
#TIGERPRIDE

Background and Scope - Utility Rates

Background

- In FY 2010 Stantec (Burton & Associates) conducted a comprehensive Water, Sewer and Reclaimed Water Rate Study
- The City adopted the recommended rate adjustments for FY 2011 with 5% annual rate increases effective each October 1 thereafter subject to prior approval by Council
- The City contracts with annually Stantec to verify and adjust as necessary the annual plan of rate adjustments for FY 2012 and beyond.

Scope

- Update the ten (10) year financial plan originally developed in the above referenced study
- Verify, or adjust, the annual plan of rate increases as required

Findings

- FY 2019 Study determined a 5% annual rate increase

Basis for UT Rate Analysis

- FY 2018 Budget and Year-End Estimates
- FY 2019 Proposed Budget
  - Projected O&M expenses for future fiscal years through FY 2026
- FY 2019 – FY 2023 Capital Improvements Program
- Operating reserve equal to 4 Months of O&M Expenses
- Minimum debt service coverage of 1.50x debt service
  - Both levels based upon industry practices & rating agency criteria
- Assumptions
  - System Growth
  - Continued trend of reduced flows per account
  - Budget execution Cost escalation

CALC LAST3 SAVE OVR3 CTRL

FAMS-XL©

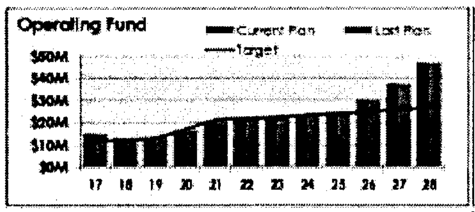
City of Cocoa, FL

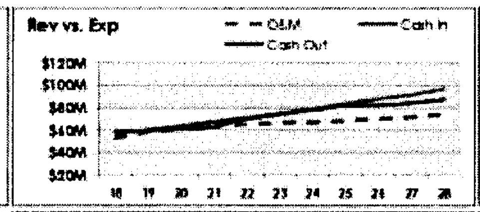
Stantec

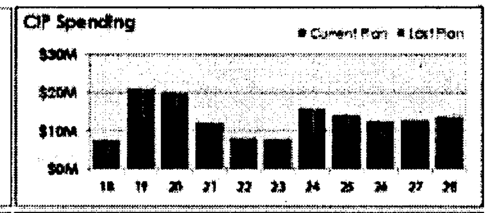
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water Rate Plan	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Last Plan	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Sewer Rate Plan	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Last Plan	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Reuse Rate Plan	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Last Plan	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Senior-Lien DSC	3.22	2.34	2.40	2.42	2.60	2.78	3.73	4.07	4.45	5.08	5.58
Last Plan	3.22	2.34	2.40	2.42	2.60	2.78	3.73	4.07	4.45	5.08	5.58
Avg Bill (5,000 gal)	$78.97	$82.94	$87.08	$91.44	$96.03	$100.87	$105.94	$111.26	$116.82	$122.68	$128.81
Last Plan	$78.97	$82.94	$87.08	$91.44	$96.03	$100.87	$105.94	$111.26	$116.82	$122.68	$128.81
Change $		$3.97	$4.14	$4.36	$4.59	$4.84	$5.07	$5.32	$5.56	$5.86	$6.13

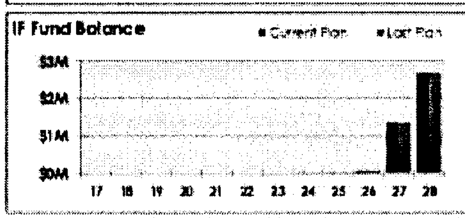
	FY 2022	FY 2027
Water Rate Plan	21.57%	55.31%
Last Plan	21.57%	55.31%
Sewer Rate Plan	21.62%	55.37%
Last Plan	21.57%	55.31%

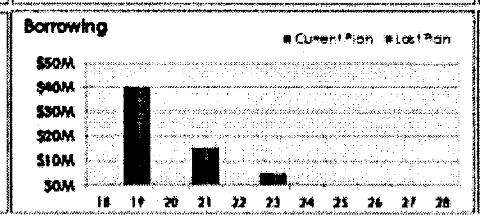
R&E Types
Check

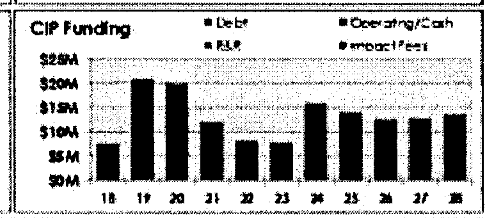












UT Rate Analysis

- 5% annual rate adjustments recommended
  - Approved by City Council on July 24, 2018
- Additional revenues to offset reduced water sales (consumption)
- Rates support higher level of near-term debt for capital needs
- Provides strong debt service coverage
- Maintains reserve balances at or above **minimum** target (4 months O&M costs)...plans to increase to 6 months
- US Water & Sewerage Consumer Price Index averages 5.5% over the past 10 years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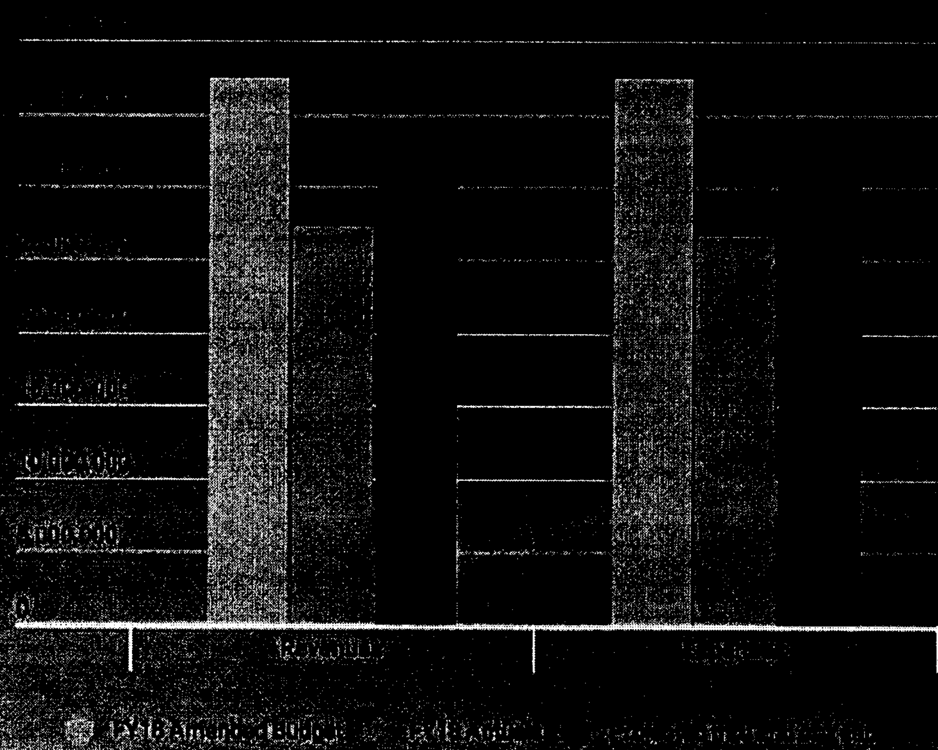
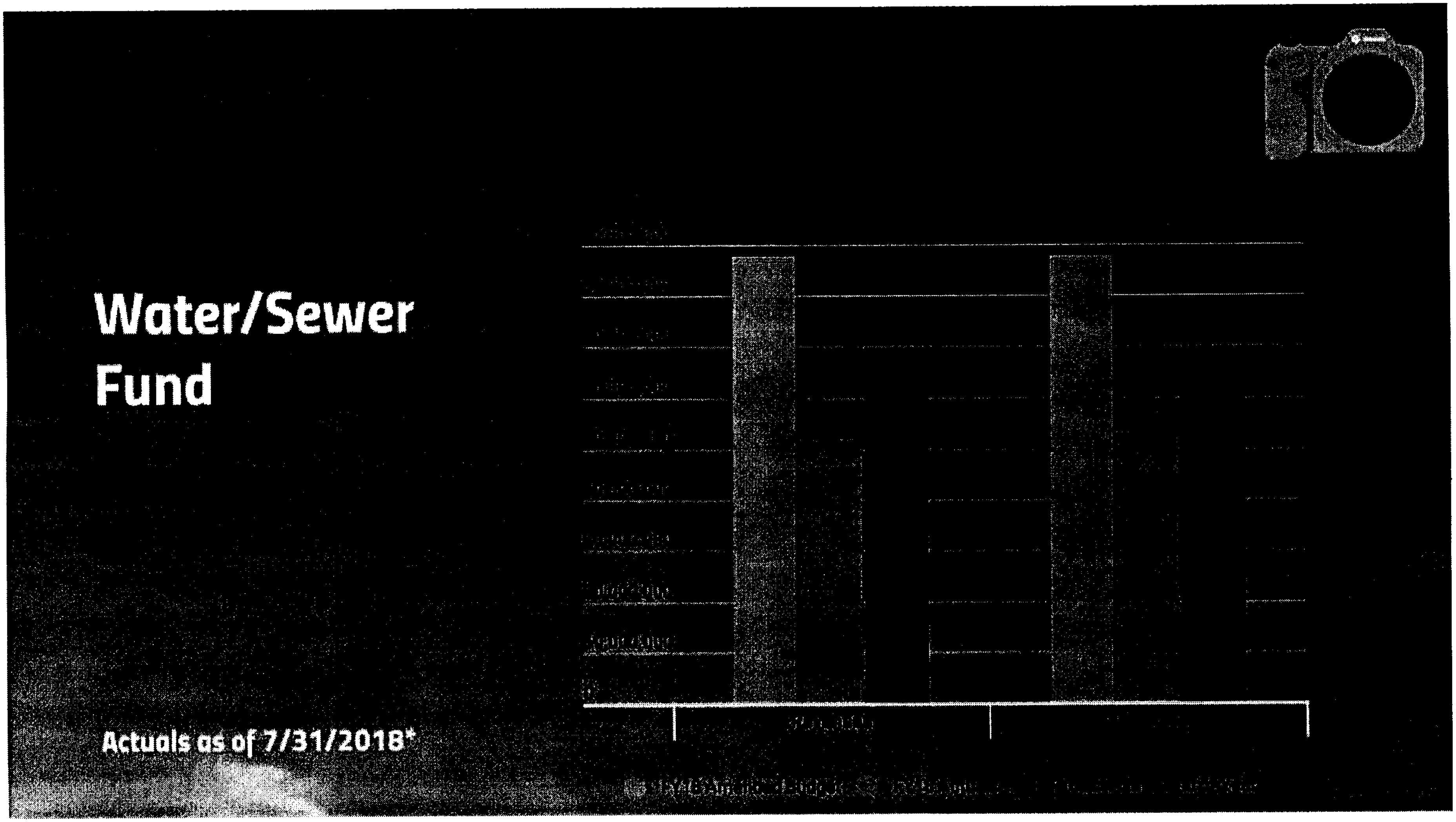
#TIGERPRIDE

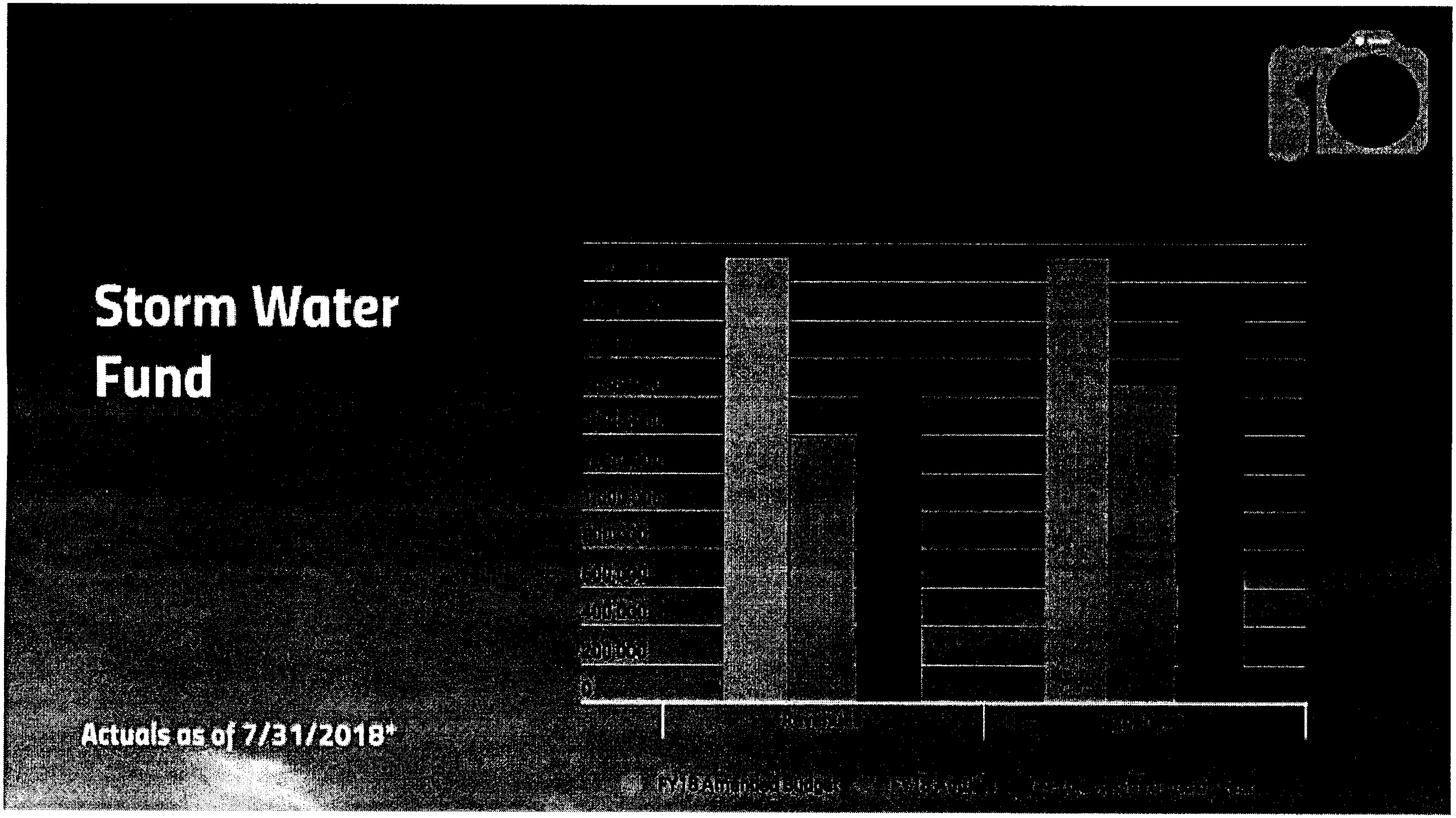
General Fund

Actuals as of 7/31/2018*




Water/Sewer
Fund

Actuals as of 7/31/2018*


Storm Water
Fund
Actuals as of 7/31/2018*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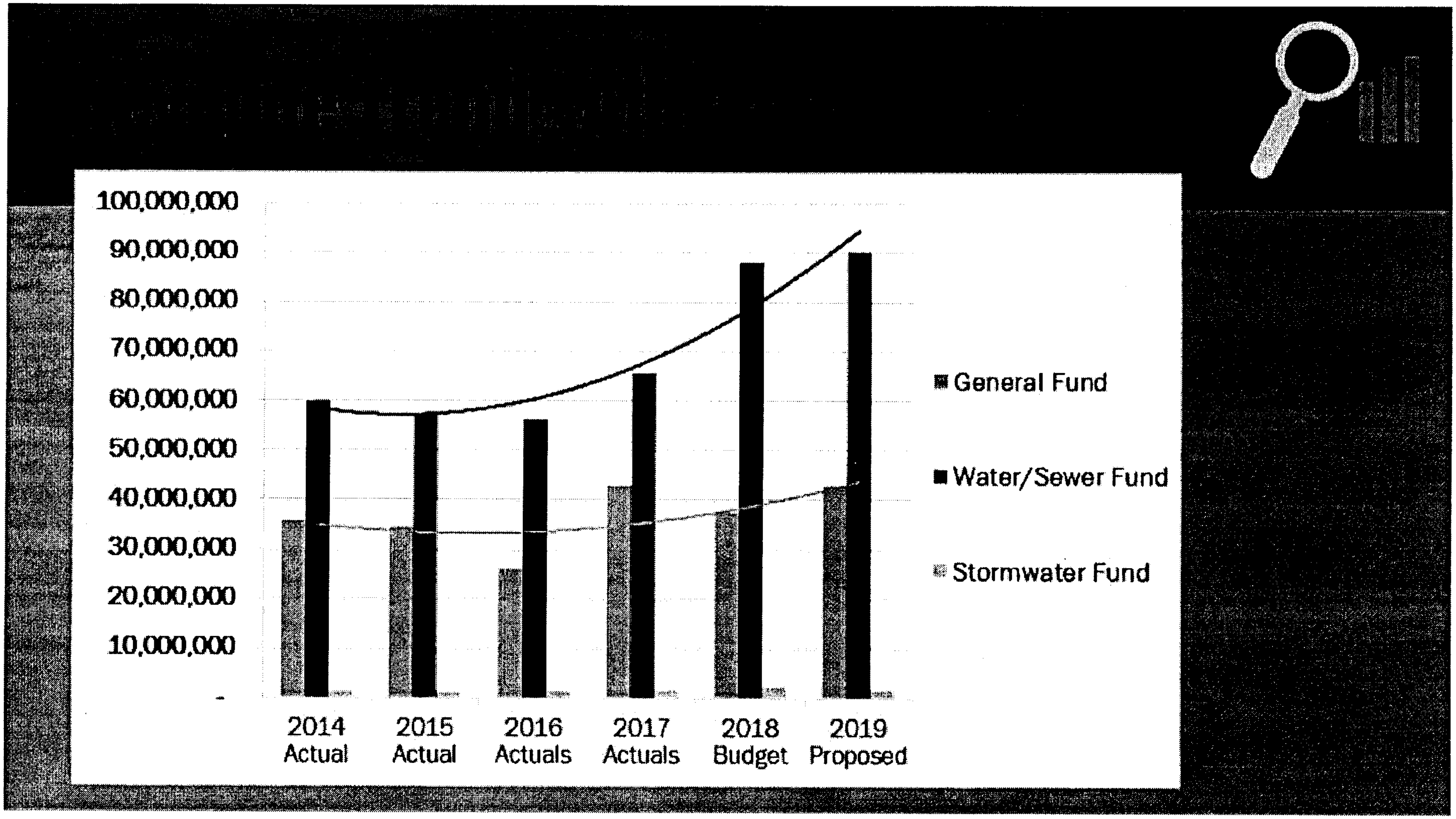
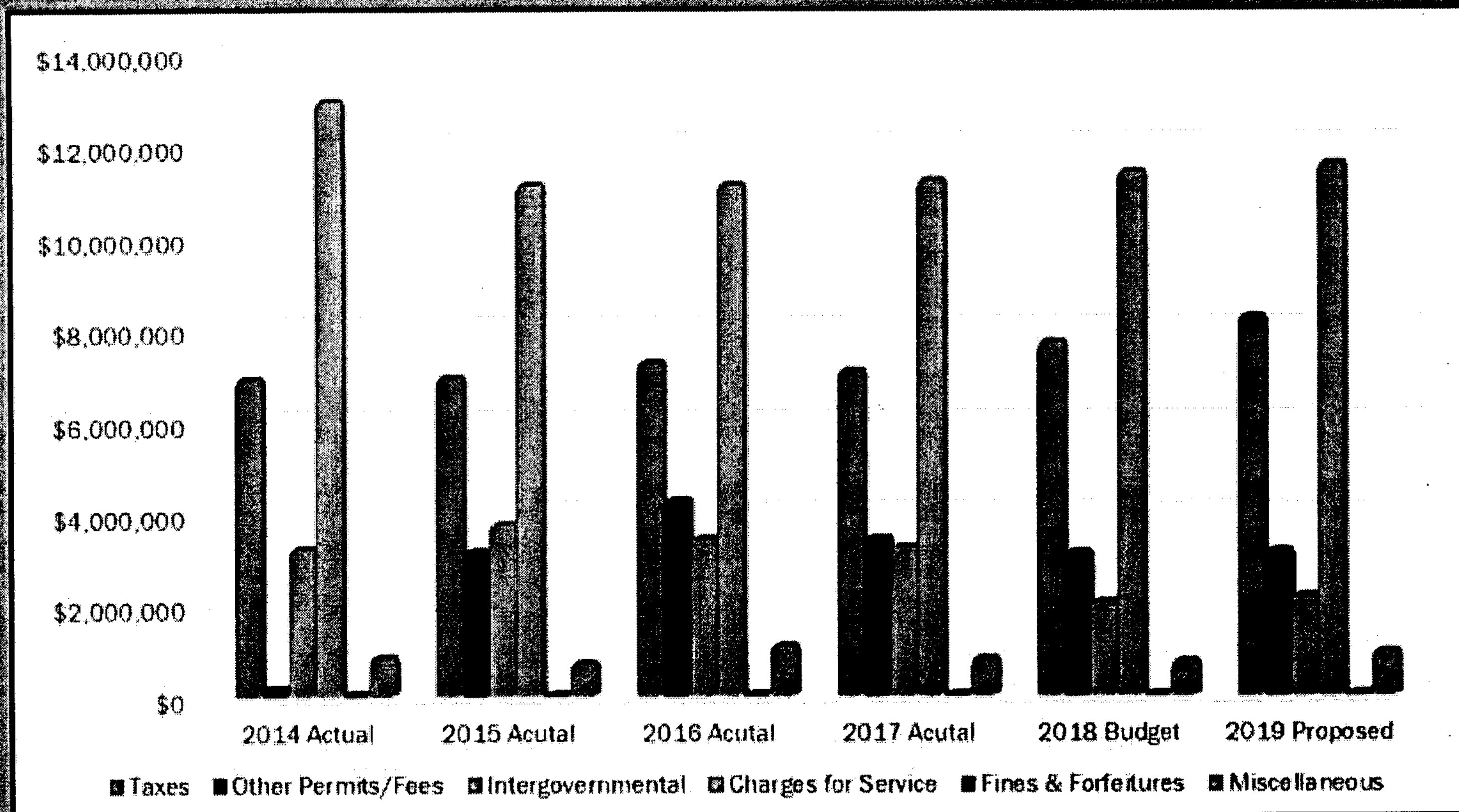
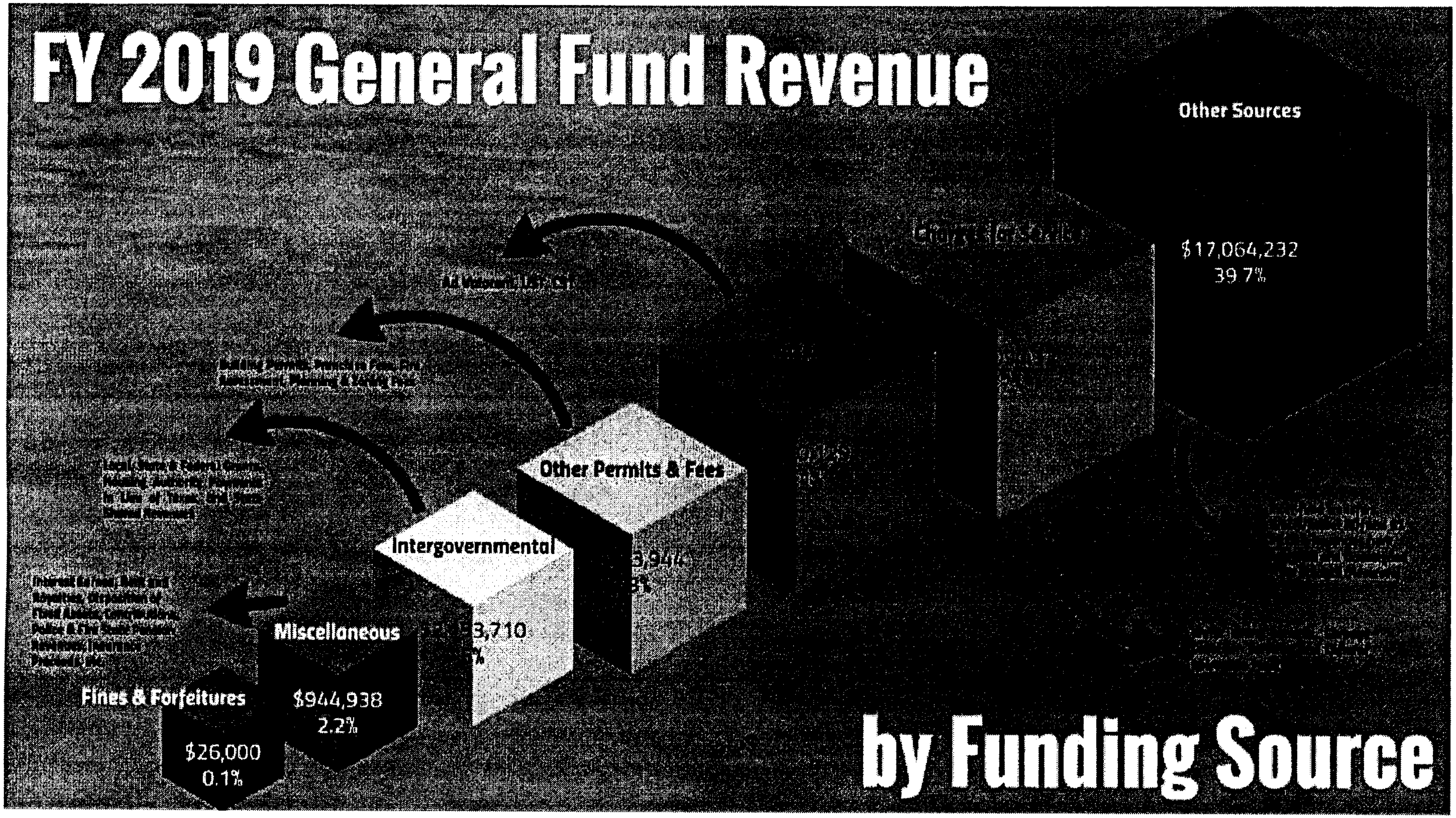
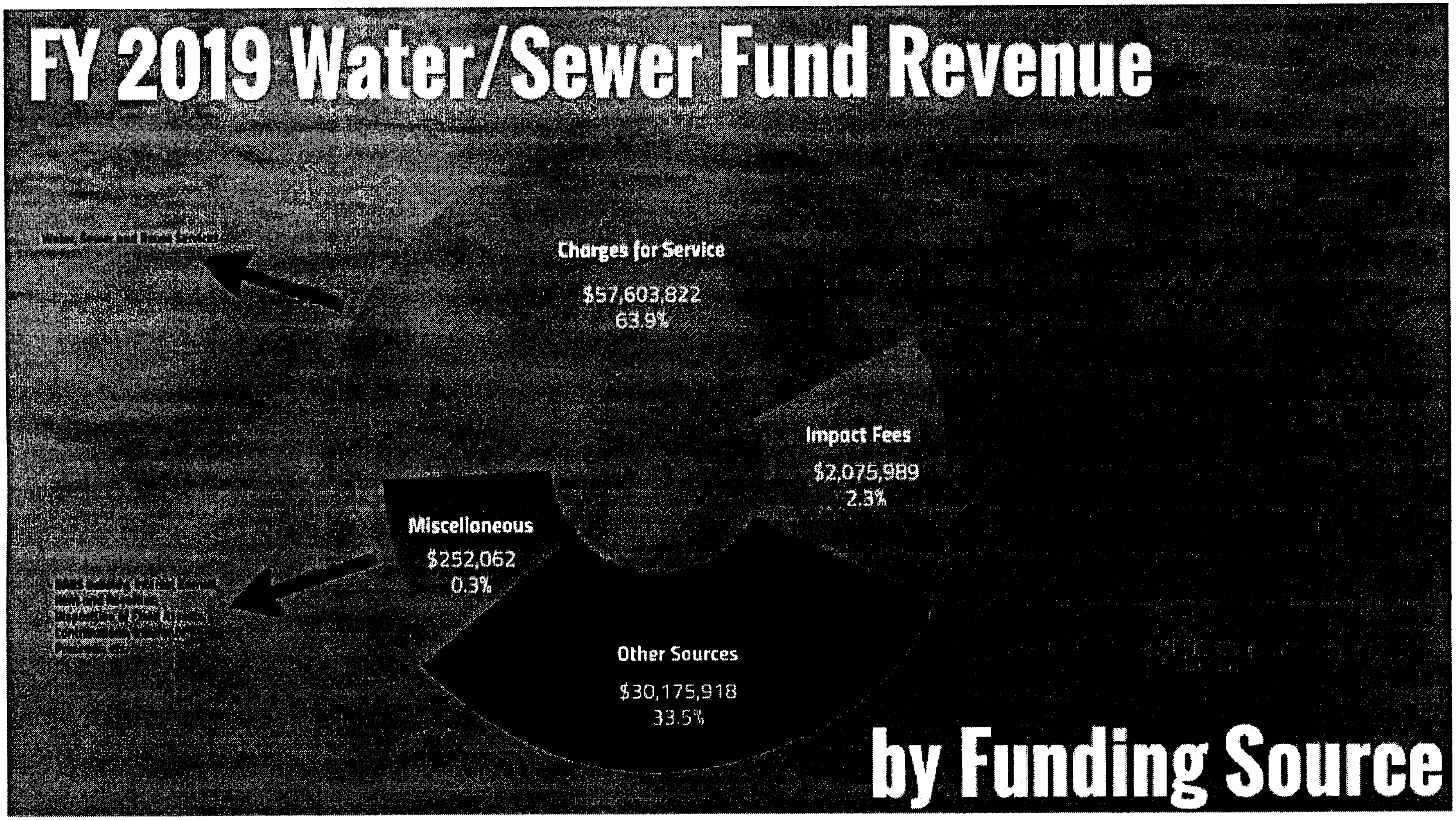

100,000,000
90,000,000
80,000,000
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
-
2014 Actual
2015 Actual
2016 Actuals
2017 Actuals
2018 Budget
2019 Proposed
General Fund
Water/Sewer Fund
Stormwater Fund

General Fund Revenues




FY 2019 General Fund Revenue
Other Sources
$17,064,232
39.7%
Other Permits & Fees
Intergovernmental
Miscellaneous
$944,938
2.2%
Fines & Forfeitures
$26,000
0.1%
by Funding Source


FY 2019 Water/Sewer Fund Revenue
Charges for Service
$57,603,822
63.9%
Impact Fees
$2,075,989
2.3%
Miscellaneous
$252,062
0.3%
Other Sources
$30,175,918
33.5%
by Funding Source


FY 2019 Stormwater Fund Revenue
Other Sources
$232,865
18.5%
by Funding Source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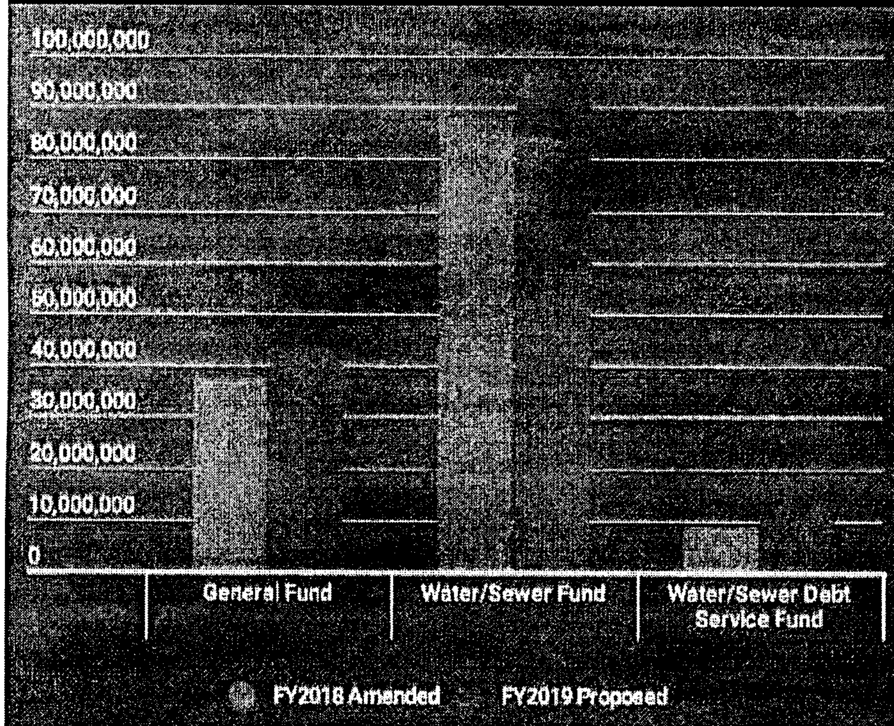
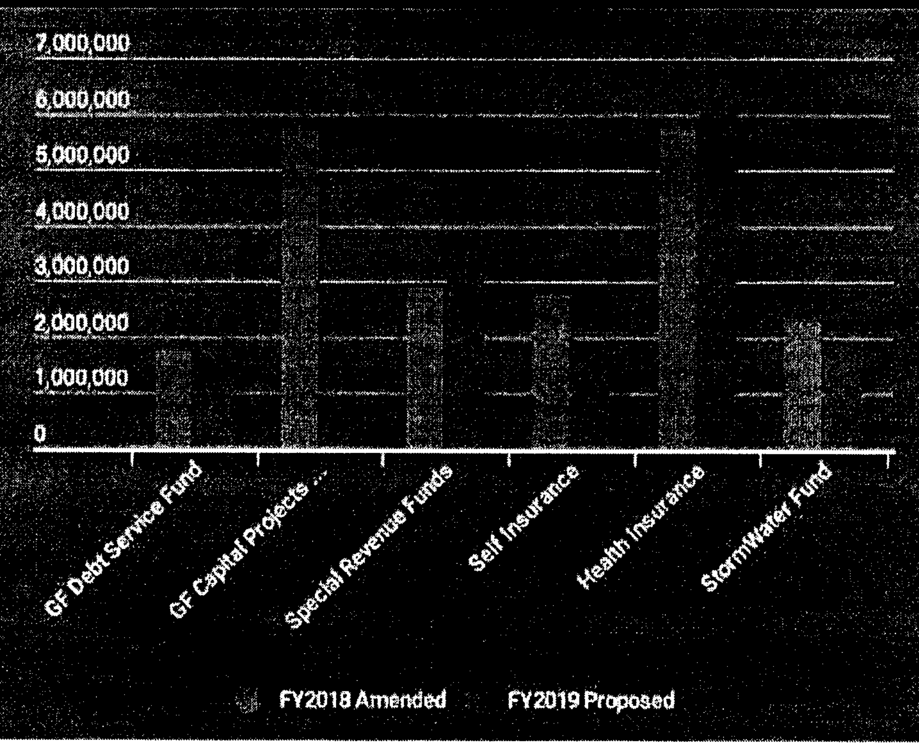
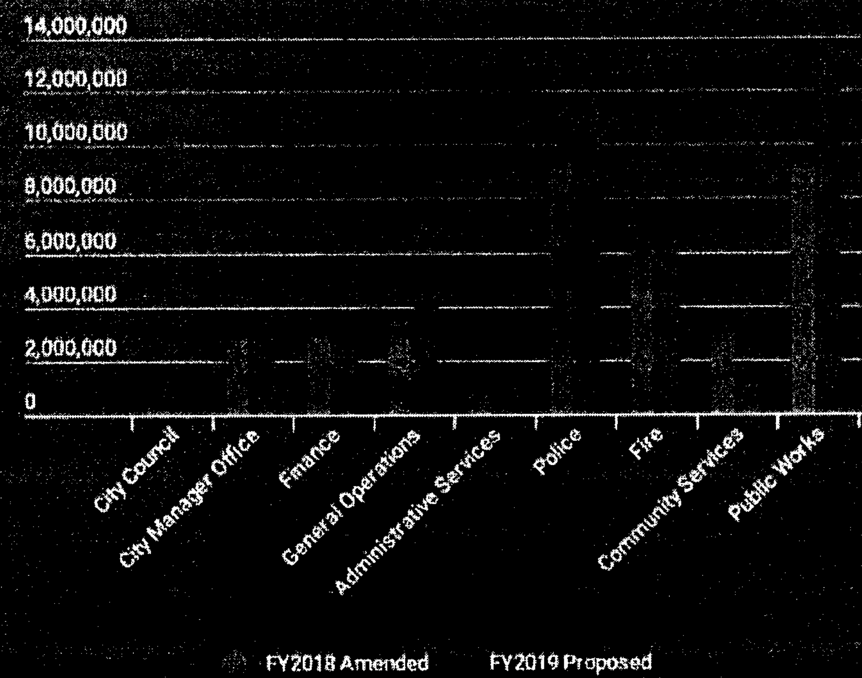
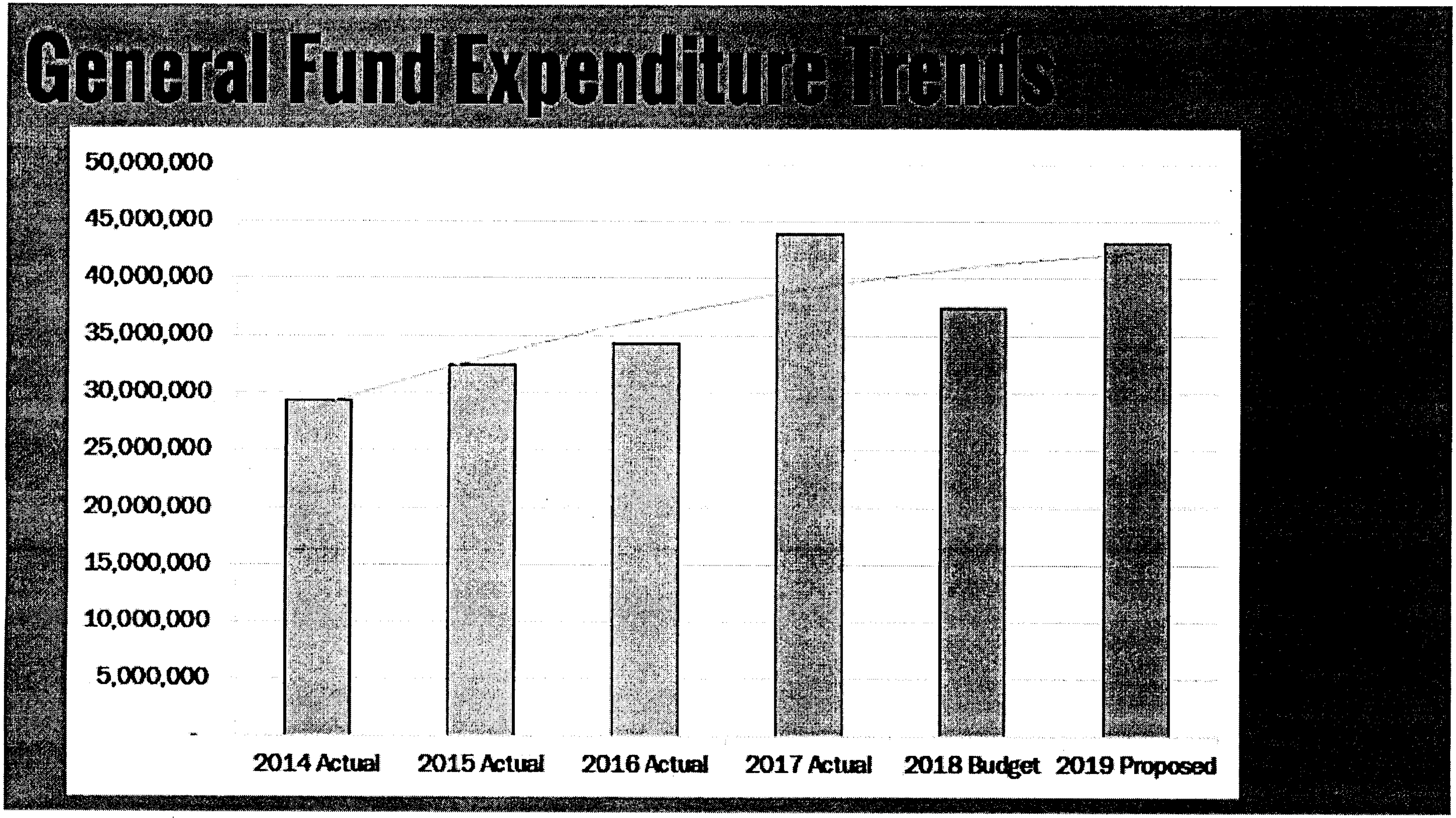

100,000,000
90,000,000
80,000,000
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
General Fund
Water/Sewer Fund
Water/Sewer Debt Service Fund
FY2018 Amended
FY2019 Proposed

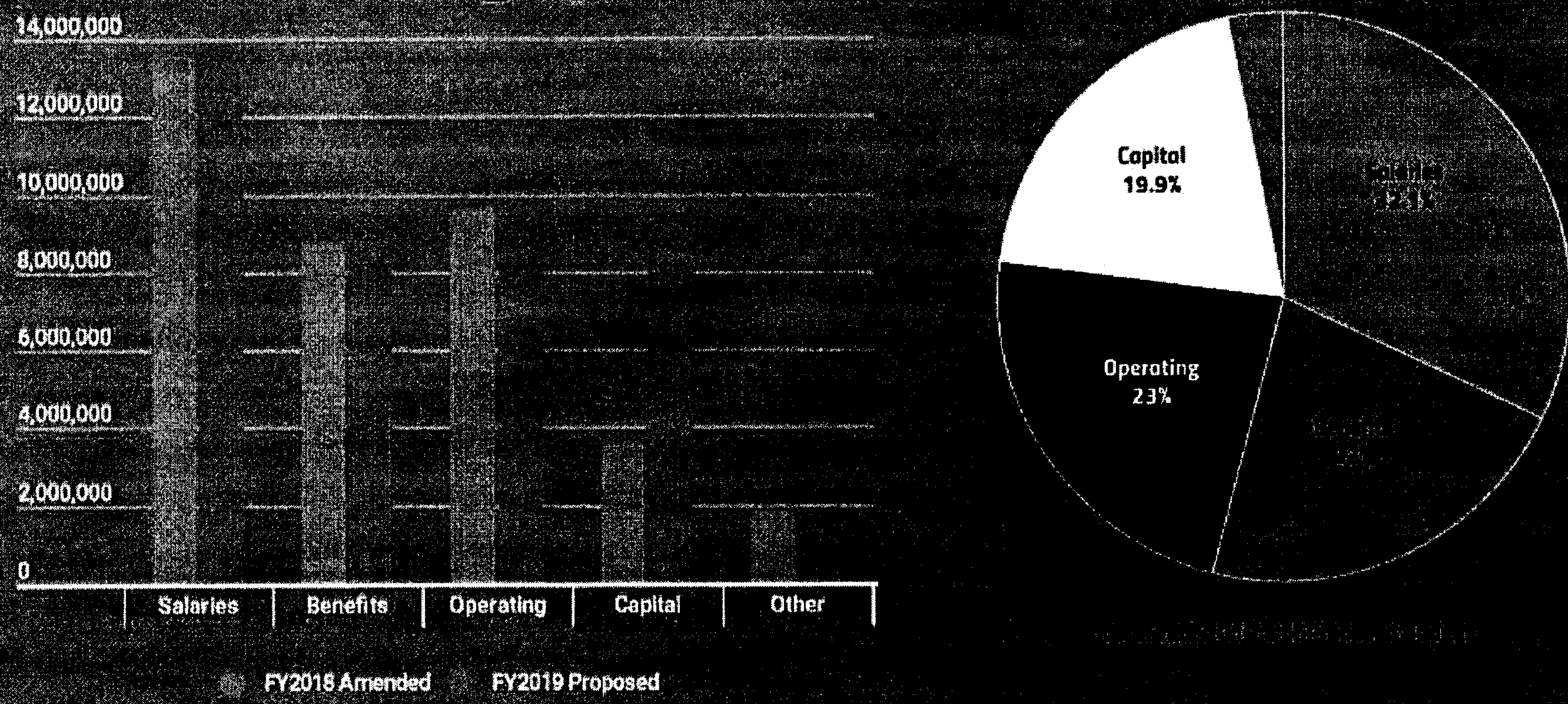

7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
GF Debt Service Fund
GF Capital Projects ...
Special Revenue Funds
Self Insurance
Health Insurance
StormWater Fund
FY2018 Amended
FY2019 Proposed

FY19 Proposed Budget vs. FY18 Amended Budget by Department

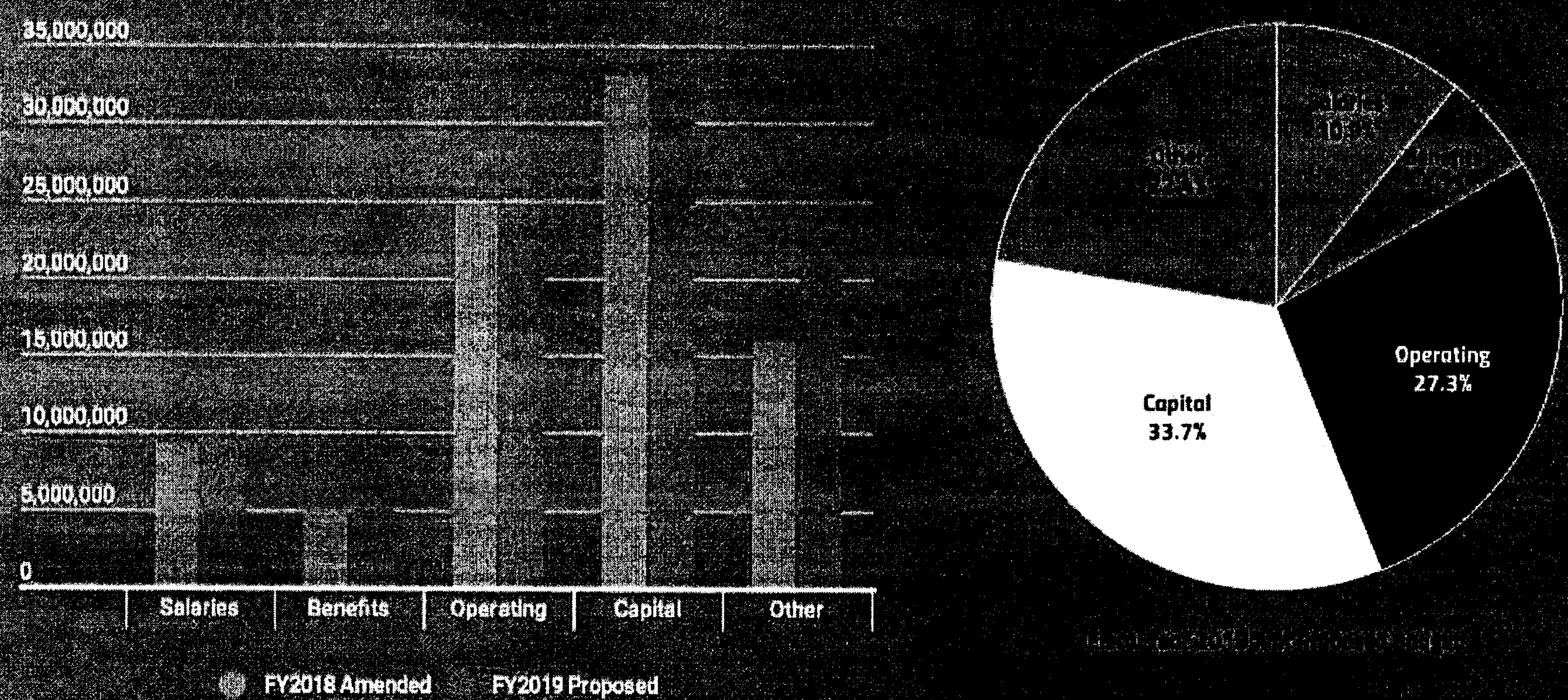



General Fund Expenditure Trends
50,000,000
45,000,000
40,000,000
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
2014 Actual
2015 Actual
2016 Actual
2017 Actual
2018 Budget
2019 Proposed

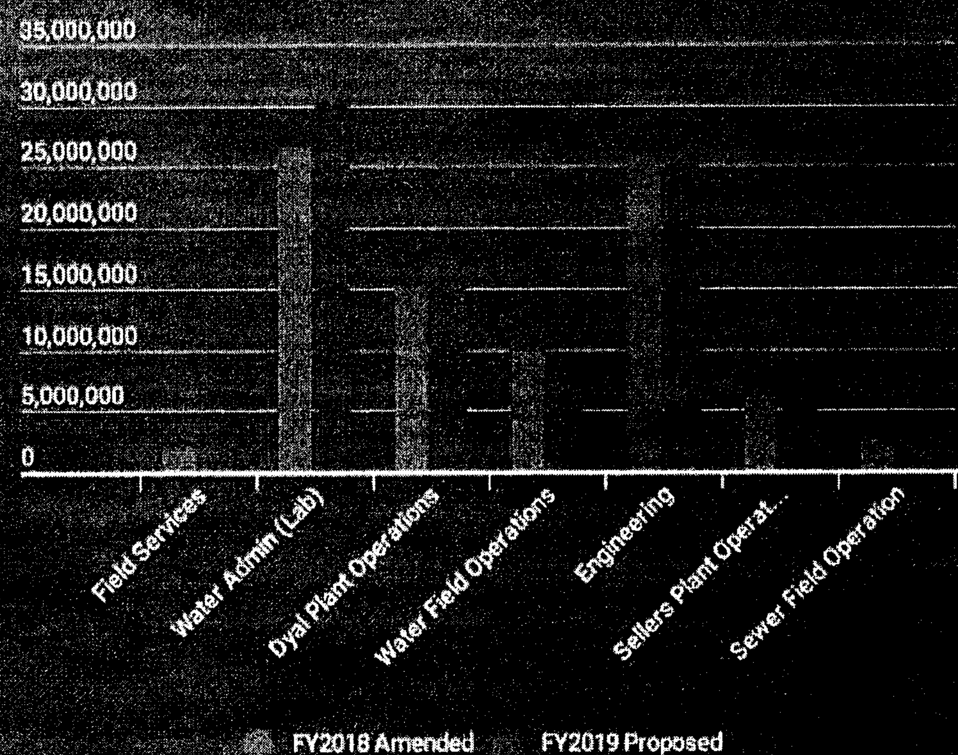
FY2019 Proposed Budget vs. FY2018 Amended Budget by General Fund Category



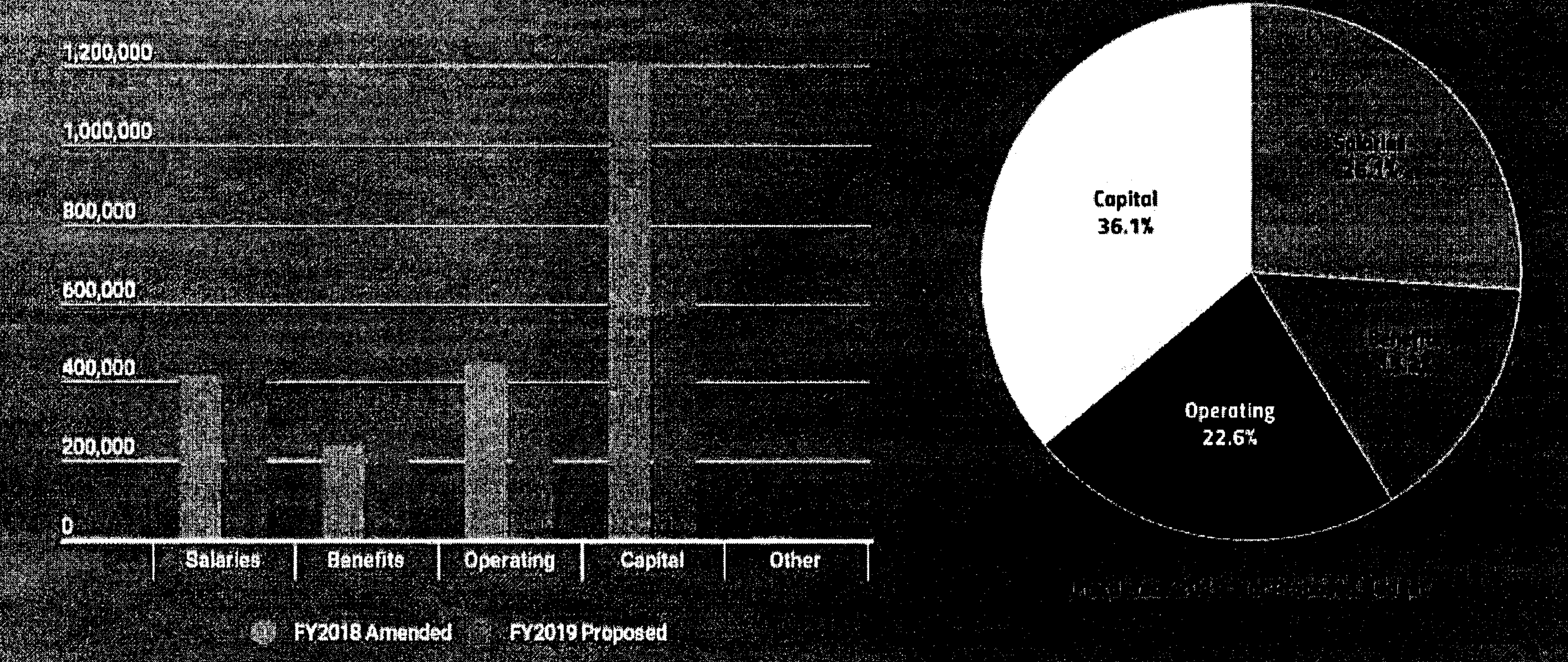
FY 2019 Water/Sewer Fund Proposed Budget vs. FY 2018 Amended Budget by Category



FY 2019 Water/Sewer Fund Proposed Budget vs. FY 2018 Amended Budget by Division



FY 2019 Proposed Budget Stormwater Fund by Category

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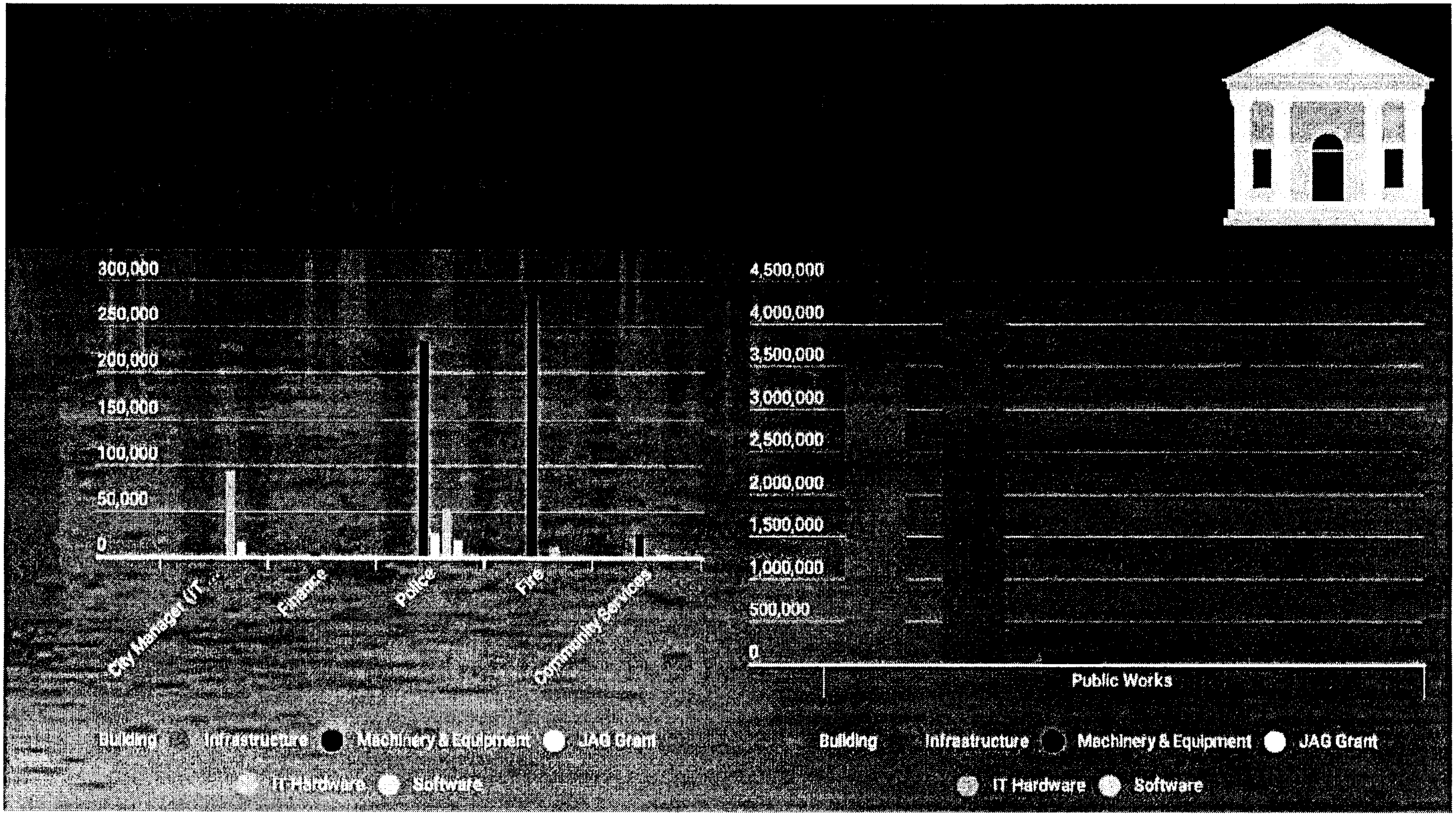
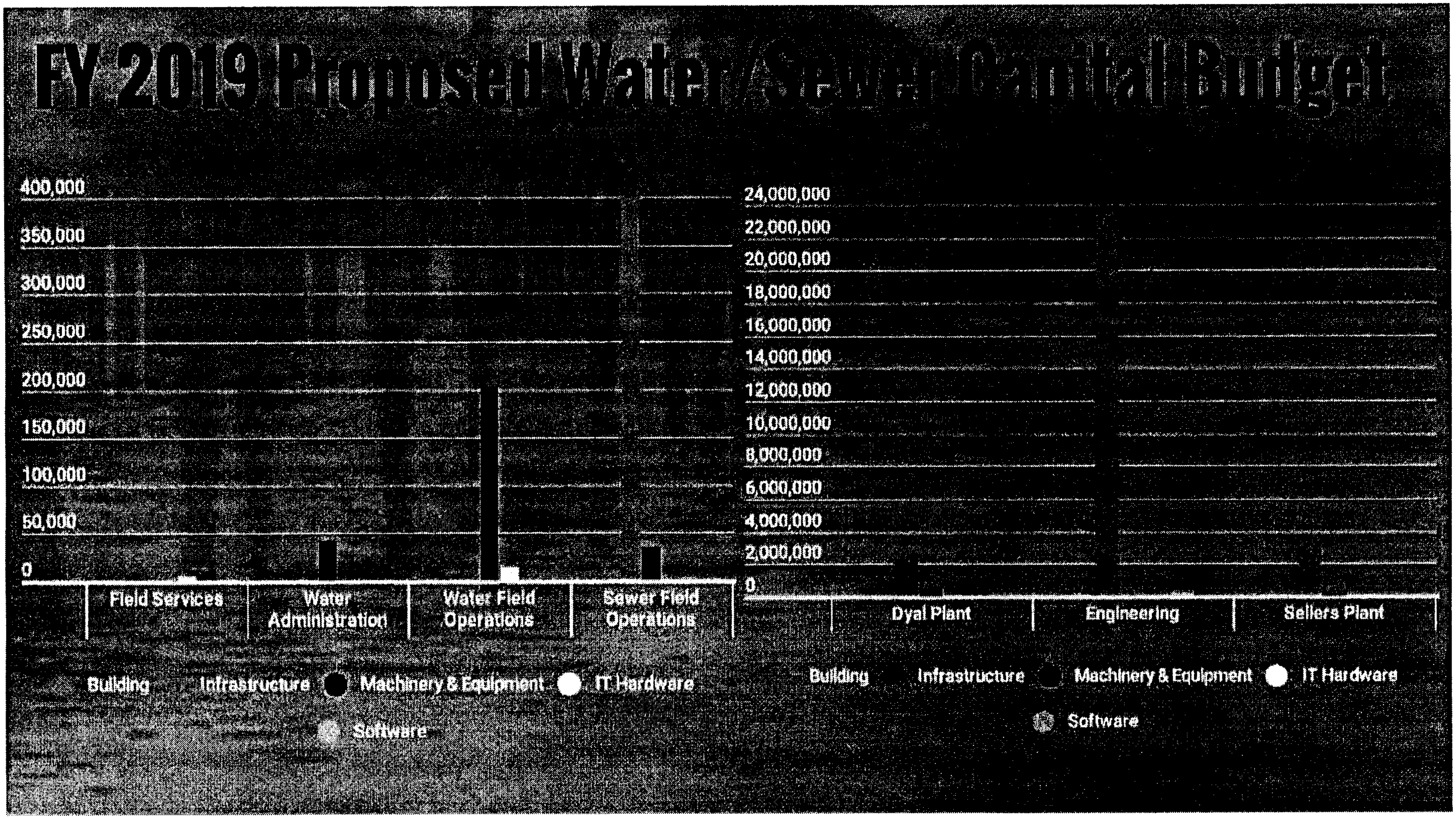
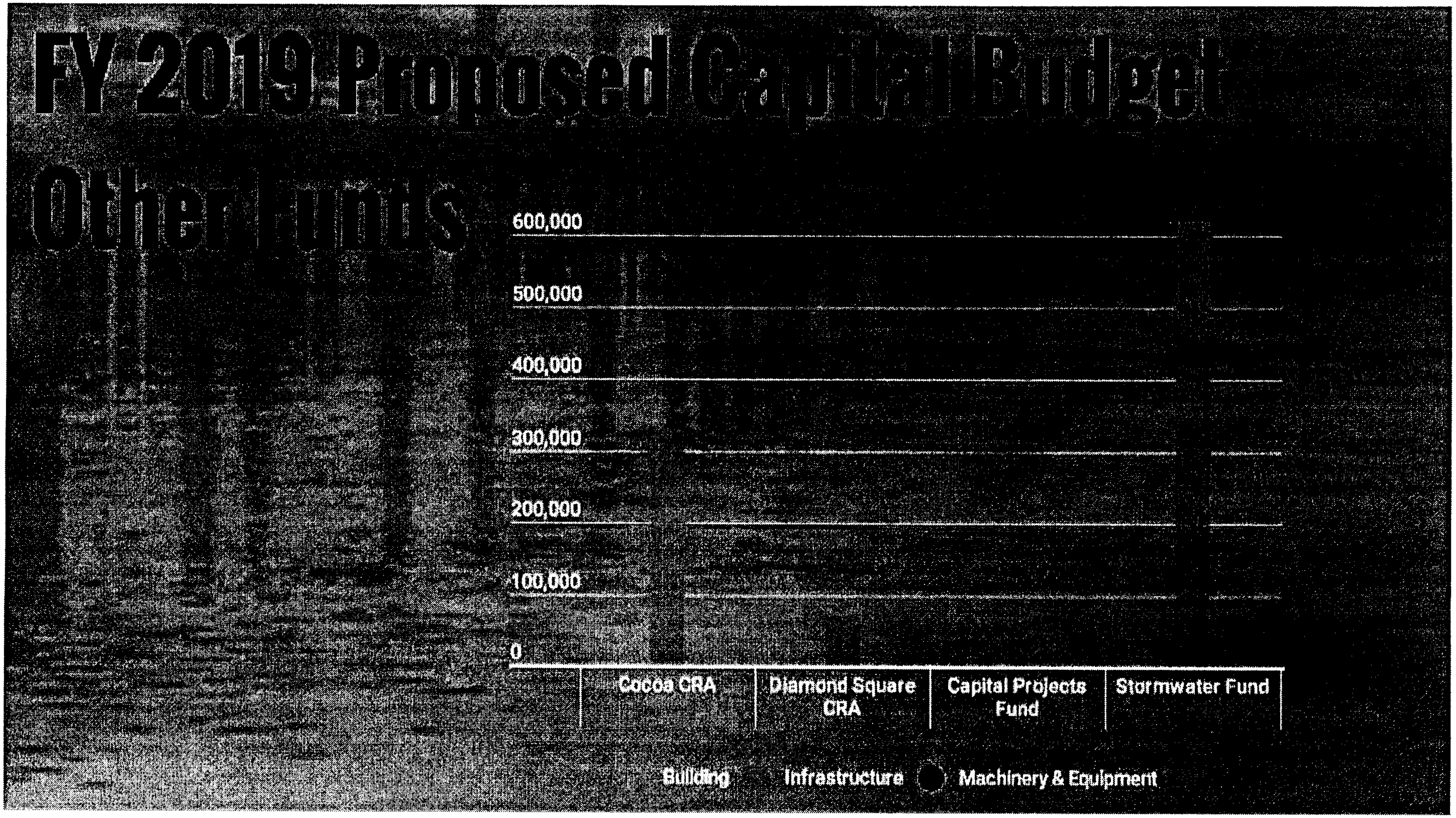

300,000
250,000
200,000
150,000
100,000
50,000
0
City Manager (IT ...
Finance
Police
Fire
Community Services
Building
Infrastructure
Machinery & Equipment
JAG Grant
IT Hardware
Software
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
Public Works
Building
Infrastructure
Machinery & Equipment
JAG Grant
IT Hardware
Software


FY 2019 Proposed Water / Sewer Capital Budget
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
Field Services
Water Administration
Water Field Operations
Sewer Field Operations
Building
Infrastructure
Machinery & Equipment
IT Hardware
Software
24,000,000
22,000,000
20,000,000
18,000,000
16,000,000
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
Dyal Plant
Engineering
Sellers Plant
Building
Infrastructure
Machinery & Equipment
IT Hardware
Software


FY 2019 Proposed Capital Budget
Other Funds
600,000
500,000
400,000
300,000
200,000
100,000
0
Cocoa CRA
Diamond Square CRA
Capital Projects Fund
Stormwater Fund
Building
Infrastructure
Machinery & Equipment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QUESTIONS & DISCUSSION


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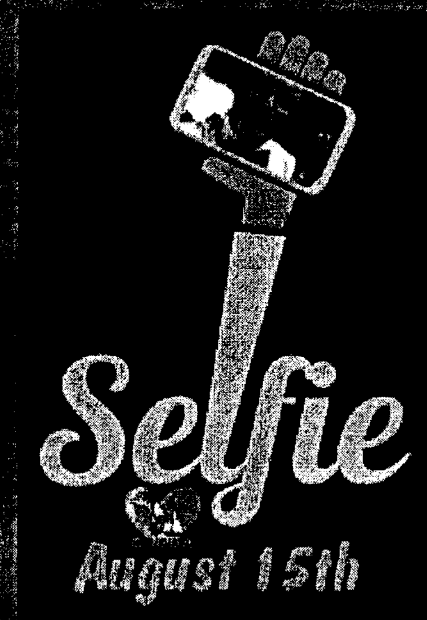
- Public Hearing – August 28, 2018 at 6:00 pm
  - First Public Hearing on Fire Assessment Rates
- 1st Public Budget Hearing – Sept 5, 2018 at 5:30 pm
  - Vote for Tentative Millage Rate
  - Final Public Hearing on Fire Assessment Rate
  - Vote on Proposed FY 2019 Budget
- 2nd Public Budget Hearing – Sept. 19, 2018 at 5:30 pm
  - Adopt Final Millage Rate
  - Adopt the FY 2019 Budget

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