

MINUTES

CITY OF COCOA SPECIAL MEETING OF THE CITY COUNCIL (Budget/CIP Workshop)

August 4, 2016

A Special Meeting of the City Council was held on Tuesday, August 4, 2016, in City Council Chambers, located in Cocoa City Hall, 65 Stone Street, in Cocoa, FL as publicly noticed.

I. CALL TO ORDER:

Mayor Parrish called the meeting to order at 5:37 p.m.

The City Clerk took the roll.

PRESENT:	Henry U. Parrish III	Mayor
	Don Boisvert	Deputy Mayor
	Michael C. Blake	Councilman
	Brenda Warner	Councilwoman (attended via phone)
	Anthony Garganese	City Attorney
	John Titkanich	City Manager
	Matthew Fuhrer	Assistant City Manager
	Carie Shealy	City Clerk

ABSENT:	Tyler Furbish	Councilman
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STAFF MEMBERS PRESENT:

Tammy Gemmati, Administrative Services Director; Jack Walsh, Utilities Director; Steve Belden, Community Services Director; Gene Prince, Fire Chief; Mike Cantaloupe, Chief of Police; Ed Wegerif, Public Works Director; Lora Howell, Deputy Finance Director; Randolph Bevard, Helpdesk Support Technician; Jason McCuen, Helpdesk Support Technician; Samia Singleton, Economic Development Specialist; and Anne Quesada, Accounting Manager (arrived at 6:09 p.m. and left at 6:11 p.m.)

City Manager Titkanich announced that Councilwoman Warner was attending via the telephone and that she could view and listen to the meeting at the same time.

II. COUNCIL BUSINESS:

1. Proposed FY17 Capital Improvement Program.

City Manager Titkanich noted that this was the most important presentation¹ of the year. He mentioned he would move quickly, but that there was a lot to cover and he would leave time at the end for questions. The workshop would be posted so that members of the public could view via the link on the website.

City Manager Titkanich reviewed the presentation agenda, advising that he would provide information on both the General Fund and Water/Sewer backgrounds, the budget development philosophy and focus, FY 2016 Budget to Actuals, an overview of fund budgets including both revenues and expenses, an overview of capital projects, and items for Council's consideration.

He discussed the General Fund in detail and noted that staff collaborated with Burton and Associates in order to develop a fiscal sustainability model for Cocoa's General Fund.

The General Fund's baseline scenario was shown and City Manager Titkanich explained the importance of each piece of data shown.

The operating fund balance (reserves) and valuation changes from the prior years' analysis were looked at.

Deputy Mayor Boisvert questioned the valuation for the current year. In response, City Manager Titkanich advised that while the valuation increased for the upcoming year it is still 7.27% less than FY2008.

The fiscal sustainability model for FY 2017 was shown and City Manager Titkanich pointed out that this included the Walmart project and reflected the 3% increase to the fire assessment. He explained that if the City was in a situation where the economy went down, there was a cushion to where the city could sustain itself. He mentioned that there was \$10 million in budget stabilization.

The recommendations for the General Fund were:

- No millage rate increase, maintain the current rate at 5.9790
- Adopt a 3% annual adjustment to the Fire Assessment
- Continue to plan for Catalytic Capital Projects
- Continue to pursue large growth Catalytic Projects (such as the Walmart and Port Property)
- Consider the adoption of a Water Utility Public Service Tax (NOT in FY 2017, but evaluate in FY 2018)

He noted that a public service tax was a tax that most jurisdictions had and it would give the city a more diversified revenue base.

¹ EXHIBIT A: FY 2017 Budget Workshop

The Water/Sewer Fund was discussed and he reminded all that in FY 2016 a 3% annual increase was adopted; however, in FY 2015 the rate increase was suspended.

The basis for the utility rate analysis was talked about in detail and he noted the significant changes in the Utilities department including twenty new full time employees in FY 2017.

A graph was provided showing the 10 Utility Rate Financial Plan Projections and City Manager Titkanich mentioned that the debt coverage was strong but borrowing would be required for capital improvements. He explained borrowing in detail and how it could be managed.

Additionally, he noted that the City was maintaining a reserve balance target and it was a sustainable financial plan.

The FY 2017 Budget Development Philosophy was talked about and he noted that public safety was number one for municipalities. The City paid a lot of attention to public safety, in addition to continuing to be proactive in Utilities with asset management and renewal of replacement programs.

Current levels of service would also be maintained and enhanced, while maintaining and controlling expenditure levels, and enhance and diversify the revenue base. Furthermore, the City wants to maintain employee benefits at reasonable levels, and fulfill the commitment to the unions (IAFF, LIUNA & PBA).

The FY 2016 budget was reviewed with a snapshot through June 20, 2016 shown. Estimates for the end of the year balances were discussed.

Revenues were discussed and trends lines of all funds were shown so that comparisons could be seen between all of the funds. He pointed out that the final number shown was about 3% higher than last year, and much of this was related to the fire stations.

FY 2017 Proposed Budget

The Proposed FY 2017 budget was reviewed by fund. City Manager Titkanich reiterated that there was \$10 million committed for budget stabilization.

City Manager Titkanich discussed each fund and compared each with the FY 2017 proposed budget with the FY 2016 amended budget.

After questions were posed regarding department organization, City Manager Titkanich advised that after the new fiscal year, the Office of

Economic Development will be moved under the purview of the City Manager's office.

Councilman Blake asked if the attorney's fees were under Operating. City Manager Titkanich noted they were under General Operations.

In regards to the City Attorney, the City Manager announced that he monitored a monthly report and this year, in regards to the retainer versus hours billed, there have been about four months where they have benefited by having a single city attorney.

General operations were reviewed including retiree and workers comp benefits. He explained both legal and professional fees and where they were located in the budget and who was paid through this line item. It included the city attorney labor attorney, pension, bond council's financial advisors, and financial analyst. It further includes auditors and state lobbyists.

Administrative Services, Police, and Fire budgets were looked at. He explained increases such as training software in Administrative Services, and the new fire stations in the Fire department's budget. He explained the decrease shown in Police capital and this was due to the large purchase of vehicles this fiscal year.

Assistant City Manager Fuhrer pointed out that upcoming retirements also have to be included in budgets.

Community Services budget was discussed and it was mentioned that \$1 million was related to the anticipated economic development incentive for the Walmart center. If their ship date was accelerated then the budget can be amended.

Deputy Mayor Boisvert asked when ground would be broke for the center. In response, City Manager Titkanich explained where they were at in the process.

In the Public Works department budget it was pointed out that there was a 5.5% variance in capital in regards to the Amended FY 2016 budget to the Proposed FY 2017 budget. The department has accomplished a lot.

A graph was shown explaining the water/sewer fund, including information for each division.

The stormwater fund was shown in detail, along with the SCADA system and infrastructure in the utility system.

Mr. Walsh noted that scheduled maintenance for the SCADA system was approaching and explained the importance of the system.

Catalytic projects in CRA's, such as Riverfront Park, were discussed and City Manager Titkanich hoped that the Florida Avenue Project would spur growth in the downtown area. Additionally, over the next year design engineering would be coordinated with Utilities for future planning of Harrison and Stone Streets.

Streetscaping was mentioned, including the budget for S.R. 520. For now, projects would be done in the interim such as from U.S. 1 to the bridge. Traffic circles were brought up, and Deputy Mayor Boisvert stated he had received positive feedback on them.

It was noted that Diamond Square RDA had \$60,000 in their budget to finish their part of the design for Stone Street. The Harry T. Moore Center, Porcher House renovations, Cocoa Community Room, gateway features at 6 Forrest Avenue, possible gateway feature at the old Key Lime Pie building, and the Joe Lee Smith Center renovations were mentioned.

City Manager Titkanich advised that the Joe Lee Smith Center for Justice would be added back to the legislative agenda this year.

The S.R. 524 Corridor was discussed in detail and what could be done to create an identity for that area. Mayor Parrish believed it was what was needed.

City Manager Titkanich spoke on other items including the Cocoa Riverfront Boat slip construction, t-dock, fishing pier, the board walk connector, Walmart project, and the importance of the fleet expansion.

Deputy Mayor Boisvert questioned police related items that were budgeted. In response, Chief Cantaloupe advised that about 40-48 helmets could be bought for the budgeted amount.

City Manager Titkanich assured Council that the officers will have what they need. In addition, he pointed out that the prisoner transport van needed to be replaced. Further discussion was held on body cameras and drones, and the new legislation regarding them.

Other projects discussed were the fire stations, summer youth employment program, and education/tuition assistance for employees.

Items for City Council's consideration:

City Manager Titkanich advised that the following items were for Council consideration and that staff was looking for a consensus on them.

Councilman Blake asked how many needed to be voted on. In response, City Manager Titkanich asked for a consensus so that it could be brought

back to the public hearing. Councilman Blake asked how many were doable, and in response, City Manager Titkanich advised they would have not been included if they were not doable.

City Manager Titkanich explained that all projects totaled about \$5.5 million, but were estimating all of the projects to come in around \$5.4 million. He felt they could come in at that number with them all.

Items were discussed in the order that they were presented:

- Public Bus Shelters/Benches/ Receptacles: YES
- Community Project Fund: YES
- Dog Park (Bracco Pond Park/Fiske Blvd.): YES
- Enterprise Resource Program Study: YES
- Oaks Mobile home Site Prep/Master Plan: YES
- Comm. Property Enhancement Program/SBAP: YES
- Endeavor Elementary Community School Partnership (After School Coordinator/Parent & Community Center): YES
- Municipal Services Agreement with Diamond Square RDA: YES

City Manager Titkanich explained that the following items do not have numbers yet, but that they would bring them back when determined:

- Traffic Signal/Electric Art Project: YES
- Cocoa Housing Improvement Program: YES
- North US 1 City of Cocoa Gateway Feature: YES
- SR 524 (Northside) Landscaping: YES
- Cocoa Village Parking Garage Feasibility Study for Public-Private Partnership: YES

IT WAS A CONSENSUS AMONG COUNCIL TO APPROVE ALL OF THE ITEMS ON THE LIST FOR COUNCIL'S CONSIDERATION.

City Manager Titkanich advised that on August 23, 2016, at 6 p.m., the First Public Hearing on the Fire Assessment Rate would be heard, along with the Public Hearing on Water/Sewer Rates.

The First Public Hearing for the Budget will be held on Tuesday, September 6, 2016 at 6:00 p.m. At this meeting they will vote for the tentative millage rate, the Proposed FY 2016 Budget, and it will be the Final Public hearing on the Fire Assessment Rate.

The Second Public Hearing on the Budget will be held on Wednesday, September 14, 2016, at 6:00 p.m. At this time, they will adopt a final millage rate and adopt the FY 2017 budget.

All members of Council felt that staff did a great job and there was a lot of investment happening.

City Manager Titkanich thanked all for coming and staff for helping in the preparation of the workshop.

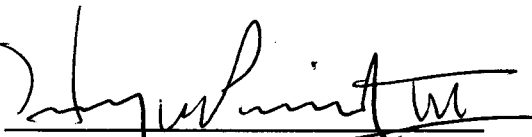
III. ADJOURNMENT.

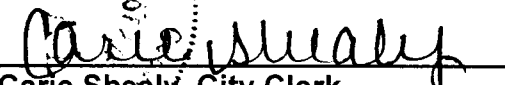
- * MOTION by Deputy Mayor Boisvert; Seconded by Councilman Blake, to adjourn the Budget/CIP Workshop of August 4, 2016.

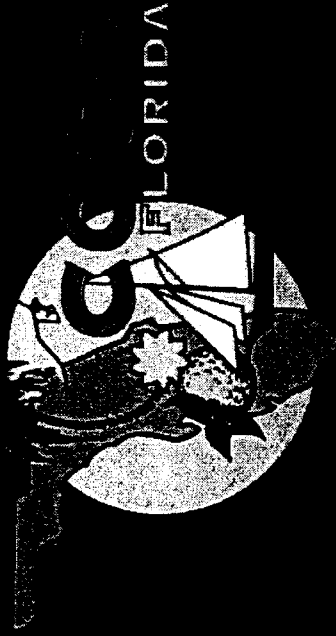
AYES: Parrish, Boisvert, Blake, Warner

THE MOTION CARRIED UNANIMOUSLY (4-0)

The meeting adjourned at 7:51 p.m.


Henry U. Parrish III, Mayor



Carrie Shealy, City Clerk



FY 2017 Budget Workshop

Special City Council Meeting

August 1, 2016

Agenda

- ☐ General Fund Background
 - ☐ Review of Fiscal Sustainability Model and Recommendations
- ☐ Water/Sewer Background
 - ☐ Review of Rate Model and Recommendations
- ☐ Budget Development Philosophy/Focus
- ☐ FY2016 Budget to Actuals (YTD and Projected)
- ☐ Overview of Fund Budgets
 - ☐ Revenues and Expenses
- ☐ Overview of Capital Projects, Programs and Equipment
- ☐ Items for City Council Considerations
- ☐ Next steps...





General Fund

Background

- In FY 2015 Burton & Associates worked collaboratively with City staff to develop a Fiscal Sustainability 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 Burton & Associates to update the model with current data to aid in the FY 2017 Budget Process

- Validate prior assumptions
- Evaluate current fiscal conditions
- Evaluate FY17 Millage & Fire Assessment Rates



General Fund Baseline Scenario Screenshot

(May 19, 2015 Budget Workshop)

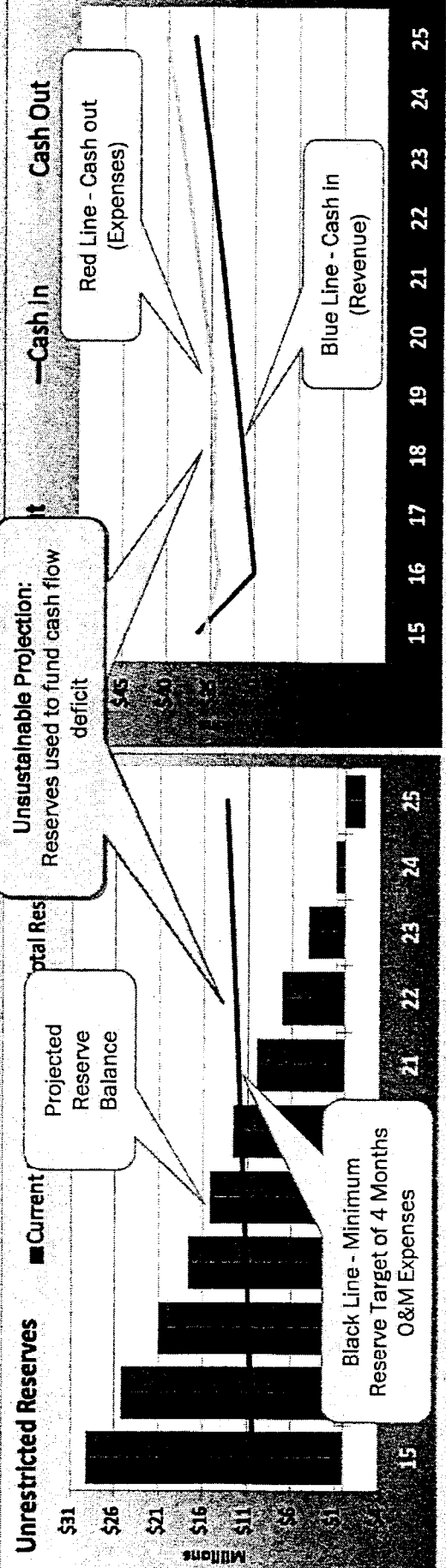
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Modest Property
Value Growth
Assumptions

No Changes in
Millage Assumed

GENERAL FUND FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS - GF) SUMMARY

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Port Project? PST Year?
Millage Rate	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	
Millage Rate Adjustment												
Existing Property Value Adjustment	N/A	0.00%	0.50%	1.00%	1.25%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
New Construction	N/A	0.81%	0.91%	1.01%	1.10%	1.08%	1.26%	1.23%	1.20%	1.16%	1.13%	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%	2.63%
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)	



Basis for FY2017 GF Budget Analysis

- FY 2016 Budget and Estimates
- FY 2017 Preliminary Budget
 - Basis of projected expenses for future fiscal years through FY 2025
- Capital Improvements Program – 5 years
- Operating Fund Balance (Reserves) equal to 4 Months of O&M Expenses
- Validation/Changes from Prior Year's Analysis
 - Property Values continue to rise, projection adjusted
 - Walmart DC Project & Port Property timing and impacts adjusted
 - Fire Assessment - Evaluation
 - Prior Year Recommendation: 5% annual adjustments



General Fund Fiscal Sustainability Model

Updated for FY2017

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Projection includes Walmart & Port Properties phased in over the projection period

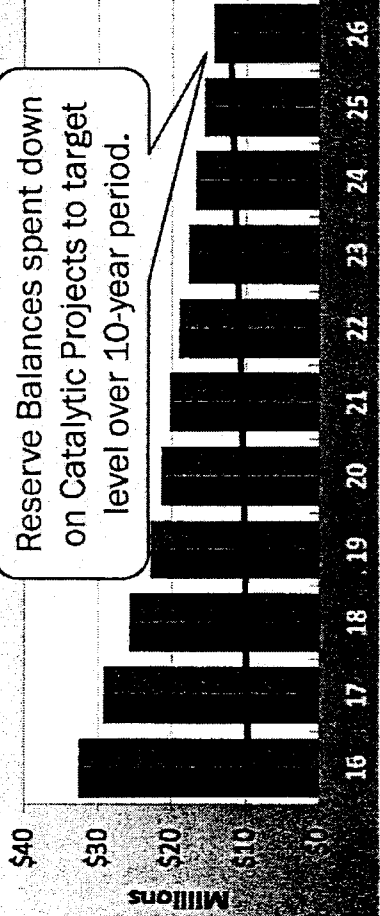
Millage Rate unchanged over Projection period

CITY OF COCOA, FL - GENERAL FUND FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM											
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Millage Rate	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790	5.9790
Existing Property Value Adjust.	N/A	N/A	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
New Construction	N/A	N/A	1.0%	5.1%	1.8%	1.0%	2.4%	2.4%	1.0%	1.0%	1.0%
Total Property Value Adjustment	4.8%	4.5%	4.5%	8.6%	5.3%	4.5%	5.9%	5.9%	4.5%	4.5%	4.5%
Capital Spending on Catalytic and One-Time Non-Recurring Capital Expenses	\$2.5	(\$3.3)	(\$3.6)	(\$2.9)	(\$1.5)	(\$1.1)	(\$1.2)	(\$1.3)	(\$1.1)	(\$1.1)	(\$1.3)
	23.2	\$19.6	\$15.8	\$12.9	\$11.1	\$9.7	\$8.2	\$6.6	\$5.3	\$3.8	\$2.1
	\$2.6	\$29.4	\$25.8	\$22.9	\$21.4	\$20.3	\$19.1	\$17.8	\$16.8	\$15.7	\$14.4
Total Capital Outlay \$M	\$6.2	\$5.4	\$4.5	\$5.0	\$3.5	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0
Fire Assessment Revenue \$M	\$2.1	\$2.2	\$2.2	\$2.3	\$2.4	\$2.4	\$2.5	\$2.6	\$2.7	\$2.7	\$2.8
Residential Assessment (per DU)	\$187.93	\$193.57	\$199.38	\$205.36	\$211.52	\$217.87	\$224.41	\$231.14	\$238.07	\$245.21	\$252.57
Per FTE:	\$80,000										
Escalator											3.0%
Debt Svc?											\$425,000

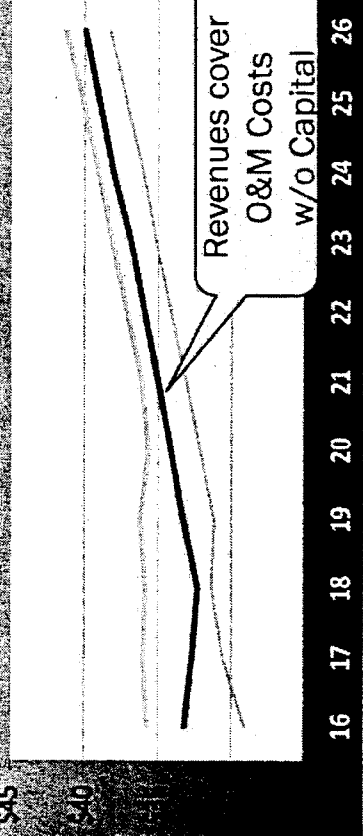
3% increases to Fire Assessment, annually

End of Year Fund Balance ■ Current Plan ■ Last Plan ■ Reserve Requirement

Reserve Balances spent down on Catalytic Projects to target level over 10-year period.



Cash In vs. Cash Out —Cash In —Cash Out —Cash Out w/o Capital



Revenues cover O&M Costs w/o Capital

GF Recommendations

- No millage rate increase, maintain at 5.9790
- Adopt 3% annual adjustment to Fire Assessment rates (versus originally projected 5%)
- Continue to plan for Catalytic Capital Projects to enhance overall City values and growth
 - Utilize Fund Balance available to fund projects
 - Preserve Fund Balance at minimum reserve requirement
- Continue to pursue large growth catalytic projects such as Walmart DC and Port Property
- Consider adoption of Water Utility Public Service Tax
 - Not in FY2017, evaluate in FY2018
 - Potential offsetting millage reduction





Water/Sewer Fund Utility Rates



Background and Scope — Utility Rates

Background

- In FY2010 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 contracted with Burton & Associates to verify and adjust as necessary the annual plan of rate adjustments for FY 2012 and beyond.
- FY2016 Study identified 3% annual increases, adopted by the City
- FY2015 suspended rate increase

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



Basis for UT Rate Analysis

- FY 2016 Budget and Estimates
- FY 2017 Preliminary Budget
 - Basis of projected expenses for future fiscal years through FY 2025
- FY 2016 – FY 2021 Capital Improvements Program
- Operating reserve equal to 5 Months of O&M Expenses
- Minimum debt service coverage of 1.50x debt service
 - Both levels based upon industry practices & rating agency criteria
- Significant Changes
 - New FTEs beginning in FY 2017
 - Continued trend of reduced flows per account



10 Utility Rate Financial Plan Projections

BURTON & ASSOCIATES

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

City of Cocoa

5% Annual Rate Adjustments

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Cumulative Change
Override	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	FY 2021
Water Rate Increases	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	27.53%
Water Rate Increases	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	62.78%
Water Rate Increases	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Sewer Rate Increases	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Sewer Rate Increases	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Sewer Rate Increases	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Debt Service Coverage Is strong	2.90	2.41	2.52	2.22	2.34	2.18	2.31	2.28	2.81	3.06	3.08
Debt Service Coverage Is strong	4.20	3.93	4.50	4.54	5.26	5.48	6.80	8.02	10.78	16.16	26.82
Debt Service Coverage Is strong	4.20	3.93	4.50	4.54	5.26	5.48	6.80	8.02	10.78	16.16	26.82
CIP \$ Redistribution	\$0.00	\$22.00	\$8.00	\$7.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CIP Execution %	100%	100%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Operating Reserve Mo	5	5	5	5	5	5	5	5	5	5	5
Average Bill (\$,000 gals.)	\$72.36	\$75.95	\$79.76	\$83.70	\$87.94	\$92.32	\$96.93	\$101.78	\$106.87	\$112.20	\$114.36
Operating Bill (\$,000 gals.)	\$72.36	\$75.95	\$79.76	\$83.70	\$87.94	\$92.32	\$96.93	\$101.78	\$106.87	\$112.20	\$114.36
Operating Bill (\$,000 gals.)	\$72.36	\$75.95	\$79.76	\$83.70	\$87.94	\$92.32	\$96.93	\$101.78	\$106.87	\$112.20	\$114.36
PS Exec %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
OMV Exec %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
OMF Exec %	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
CO Exec %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Usage Change	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%

Borrowing required for Capital Improvements

Reserve balance target maintained

Sustainable financial plan



MY17 Budget Development Philosophy

FY2017 Budget Development Philosophy

- FOCUS: Community Improvements & Infrastructure
 - FY15 and FY16 Focus – Public Safety
 - Utilities continue proactive asset management and Renewal and Replacement Program
- Maintain/enhance current Levels of Service being provided to citizens and businesses
- Maintain/Control Expenditure Levels
- Enhance and Diversify Revenue Base
- Maintain employee benefits at reasonable levels
 - Insurance Claims Experience Increased due to catastrophic claims in FY2016, thus a higher than anticipated insurance rate increase
- Fulfill City's commitment of Collective Bargaining Contracts with IAFF, LIUNA & PBA



City remain on fiscally sustainable path!



FY2016 Overview

FY 2016

BUDGET to ACTUAL SNAPSHOT through June 30, 2016



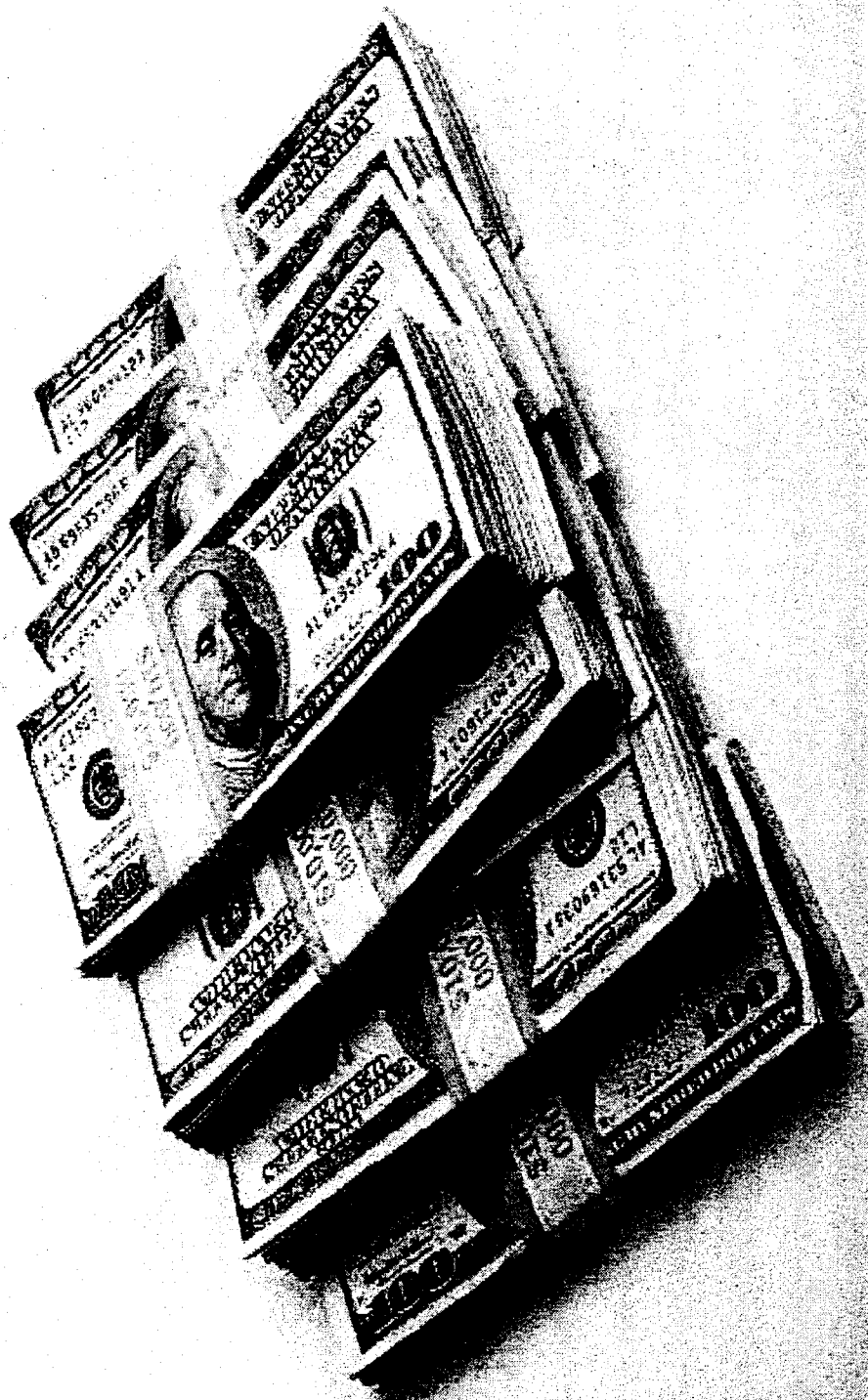
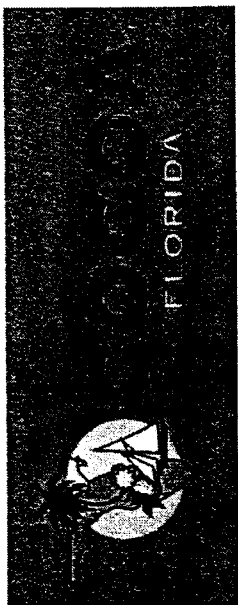
FLORIDA

	FY16 Amended Budget	YTD Encumbrances	FY16 Actual Transactions	Remaining Balance	% of Budget	Estimated End of Year
General Fund						
Revenues	\$40,264,383		\$24,445,380	\$15,819,003	61%	\$31,808,738
Expenses	\$40,264,383	\$2,663,624	<u>\$24,233,281</u>	\$13,367,478	67%	<u>\$33,036,542</u>
Net			\$212,099			(\$1,227,004)
Water/Sewer Fund						
Revenues	\$87,978,293		\$41,616,253	\$46,362,040	47%	\$53,893,388
Expenses	\$87,978,293	\$23,067,462	<u>\$34,483,515</u>	\$30,427,316	65%	<u>\$46,341,385</u>
Net			\$7,132,738			\$7,552,003**
Storm Water Fund						
Revenues	\$2,797,435		\$1,050,303	\$1,747,132	38%	\$1,382,300
Expenses	\$2,797,435	\$382,782	<u>\$881,086</u>	\$1,533,567	45%	<u>\$853,280</u>
Net			\$169,217			\$529,020**

End of year figures are estimated and in the General Fund shows an actual negative difference between the revenue and expenses at the end of the year. The difference will be funded by undesignated reserves.

** End of Year Expenses are estimated and if the Water/Sewer Fund shows an actual negative difference between the revenue and expenses at the end of the year the difference will be funded by undesignated reserves.

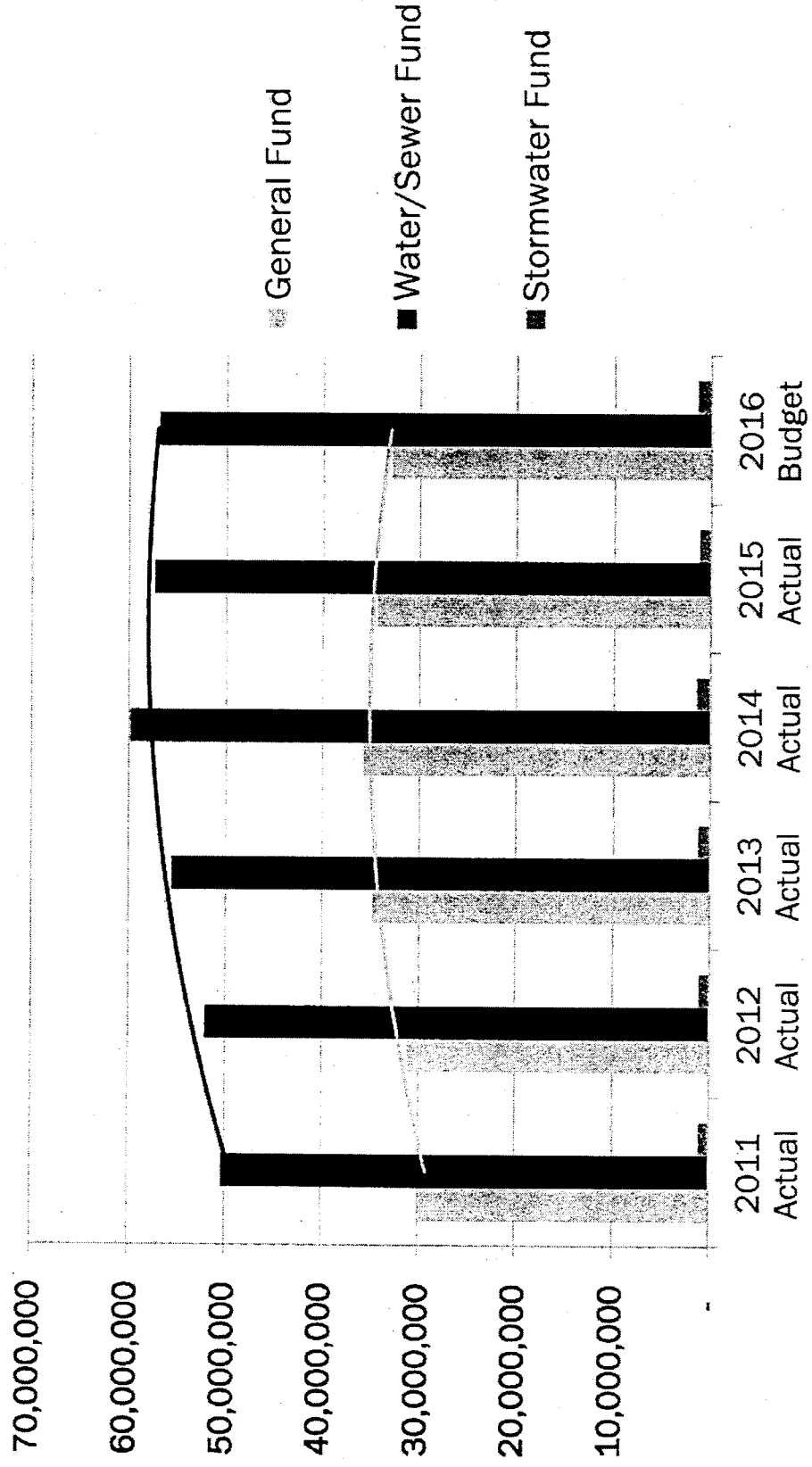
REVENUES



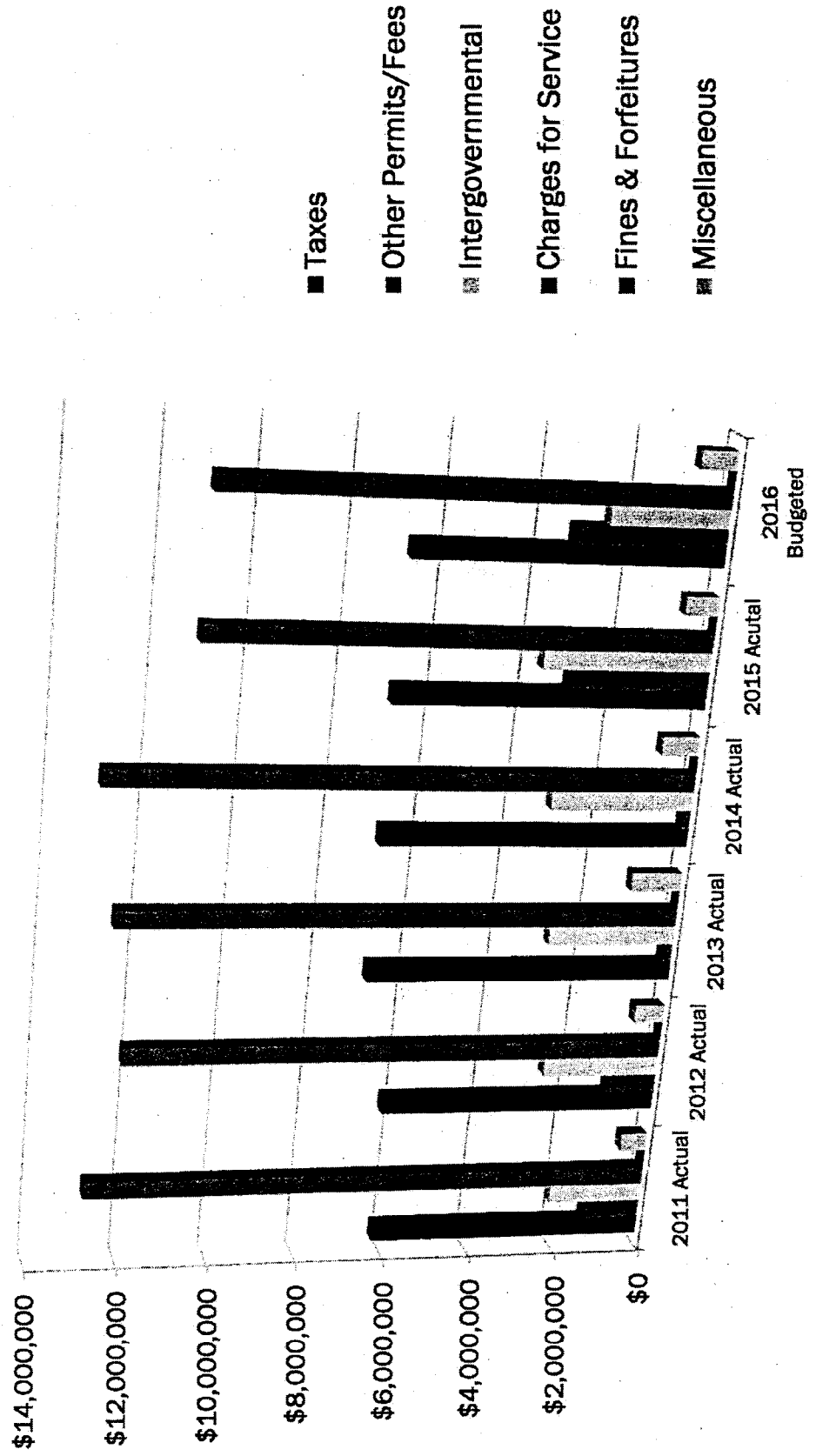
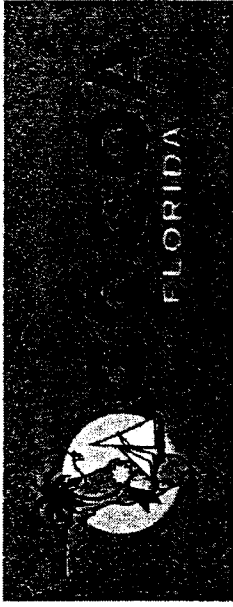
Revenue Trends All Funds



FLORIDA



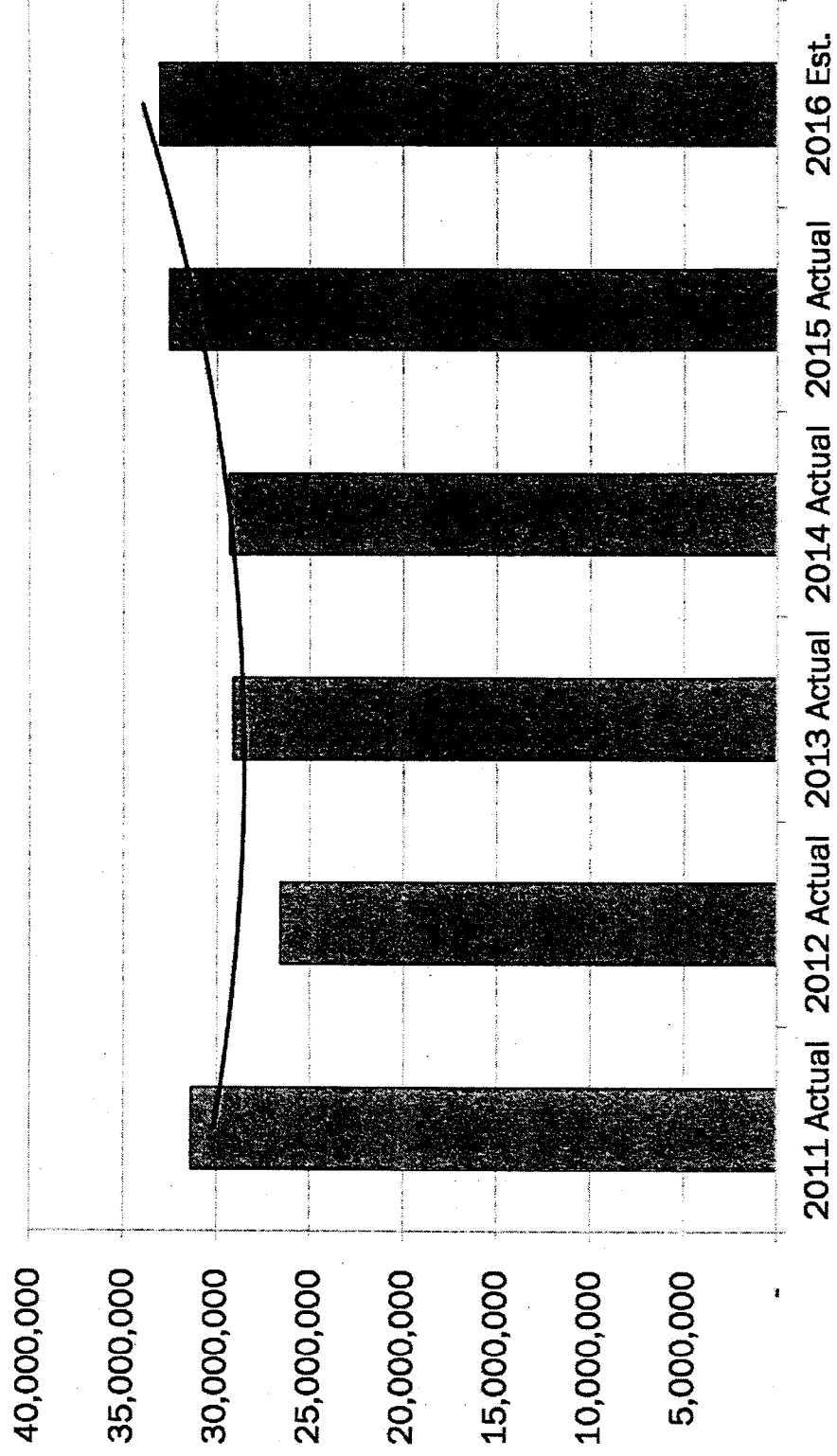
General Fund Revenue Trends



General Fund Expenditure Trends



FLORIDA





FY2017 Proposed Budget Overview

FY 2017 General Fund Revenue by Funding Source



FLORIDA

Funding Source	Amount	Percentage of Total Revenue
Taxes (Ad Valorem, UST, CST)	\$7,052,116	19.2%
Other Permits & Fees (Building Permits, Franchise Fees, Fire Assessment, and Planning & Zoning Fees)	\$3,412,358	9.3%
Intergovernmental (Local, State & Federal Grants, Housing Authority Payments in Lieu of Taxes, and State Shared Revenues)	\$3,228,830	8.8%
Charges for Service (Water Billing Services, Garbage Collection Services, Allocation for Services and Culture/Recreation Fees)	\$11,170,075	30.3%
Fines & Forfeitures	\$24,000	0.1%
Miscellaneous (Interest Earned, Rent and Royalties, Disposition of Fixed Assets, Contributions, Police & Fire State Pension Revenues, Insurance Proceeds, etc.)	\$803,618	2.2%
Other Sources (Inter-fund transfers, Water/Sewer contribution and 6% PILOFF, Debt Proceeds, Revenues from Unassigned FB (Reserves))	\$11,059,099	30.1%
TOTAL FY 2017	\$36,750,096	100%

FY 2017 Water/Sewer Fund Revenue by Funding Source



FLORIDA

Funding Source	Amount	Percentage of Total Revenue
Charges for Service (Water, Sewer and Reuse Services)	\$52,128,130	68.0%
Impact Fees	\$1,668,443	2.2%
Miscellaneous (BABS subsidy, Interest Earned, Rent and Royalties, Disposition of Fixed Assets, Contributions, Insurance Proceeds, etc.)	\$307,595	0.4%
Other Sources (Contributions, Bond proceeds and use of Reserves)	\$22,505,433	29.4%
TOTAL FY 2017	\$76,609,601	100%

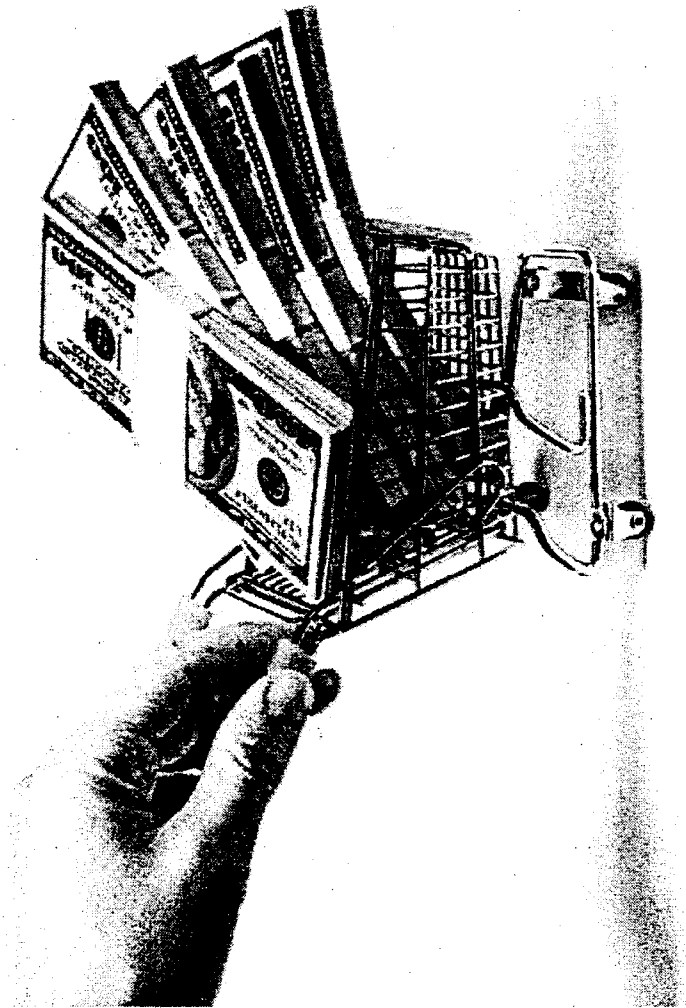
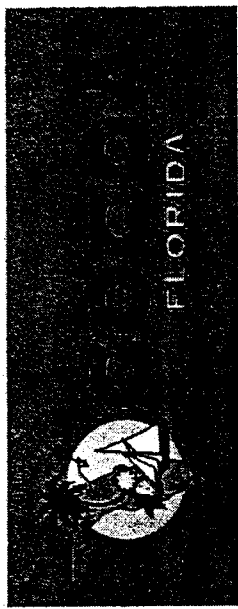
FY 2017 Stormwater Fund Revenue by Funding Source



FLORIDA

Funding Source	Amount	Percentage of Total Revenue
Charges for Service	\$1,372,033	47.9%
Miscellaneous (Interest Income)	\$2,000	0.1%
Other Sources (Revenues from Reserves)	\$1,492,049	52.0%
TOTAL FY 2017	\$2,866,082	100%

EXPENSES



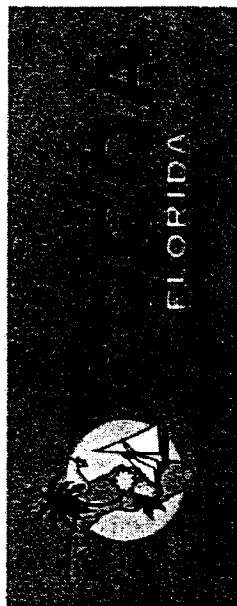
FY 2017 Proposed Budget vs. FY 2016 Amended Budget by Fund



FLORIDA

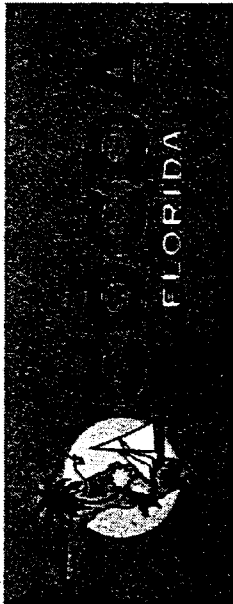
FUND	FY 2017 PROPOSED	FY 2016 AMENDED	% VARIANCE
General Fund	\$36,750,096	\$40,264,383	
G.F. Debt Service Fund	\$1,400,028	\$1,399,403	0.04%
G.F. Capital Projects Fund	\$8,041,932	\$8,125,000	
Special Revenue Funds	\$2,927,352	\$2,761,485	6%
Water/Sewer Fund	\$76,609,601	\$87,978,293	
Water/Sewer Debt Service Fund	\$8,999,761	\$8,995,897	0.04%
Self Insurance	\$6,004,545	\$6,820,368	
Storm Water Fund	\$2,866,082	\$2,797,435	2.5%
TOTAL	\$143,599,397	\$159,142,264	

FY 2017 Proposed Budget vs. FY 2016 Amended Budget by Department



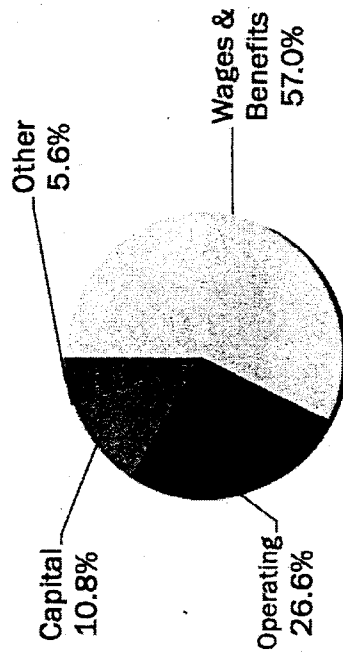
GENERAL FUND DEPT.	FY 2017 PROPOSED	FY 2016 AMENDED	% VARIANCE	% BUDGET
City Council	\$105,808	\$102,913	2.8%	0.3%
City Manager Office	\$2,620,357	\$2,461,044	6.5%	7.1%
Finance	\$2,731,601	\$2,866,627		7.4%
General Operations	\$3,109,530	\$6,724,188	(53.8%)	8.5%
Administrative Services	\$721,342	\$693,992	3.9%	2.0%
Police	\$8,826,575	\$10,031,267	(12.0%)	24.0%
Fire	\$5,875,200	\$5,866,137	0.2%	16.0%
Community Services	\$3,417,288	\$2,663,010	28.3%	9.3%
Public Works	\$9,342,395	\$8,855,195	5.5%	25.4%
TOTAL	\$36,750,096	\$40,264,383	(8.7%)	100%

FY 2017 Proposed Budget vs. FY 2016 Amended Budget by GENERAL FUND Category

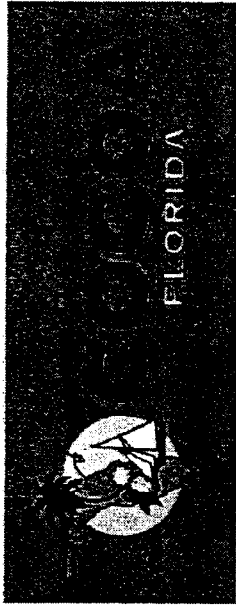


CATEGORY	FY 2017 PROPOSED	FY 2016 AMENDED	VARIANCE	% VARIANCE
Salaries & Benefits	\$20,951,878	\$20,914,169	\$37,709	0.2%
Operating	\$9,799,999	\$10,010,630	(\$210,631)	(2.1%)
Capital	\$3,971,616	\$6,190,775	(\$2,219,159)	(35.9%)
Other	\$2,026,603	\$3,148,809	(\$1,122,206)	(35.6%)
TOTALS	\$36,750,096	\$40,264,383		

**General Fund
FY2017**

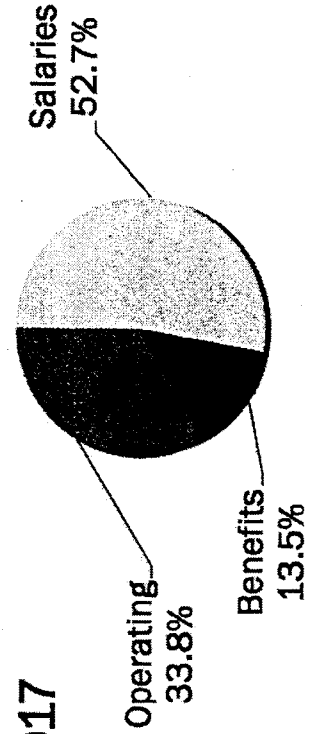


FY 2017 Proposed Budget City Council by Category



Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Salaries & Benefits	\$70,048	\$69,166	1.3%	66.2%
Operating	\$35,760	\$33,757	5.9%	33.8%
Capital	\$0	\$0	0.0%	0.0%
Other	\$0	\$0	0.0%	0.0%
Totals	\$105,808	\$102,923	2.8%	100%

City Council FY2017



Functions:

Legislative and Policy Making
Body of the City.

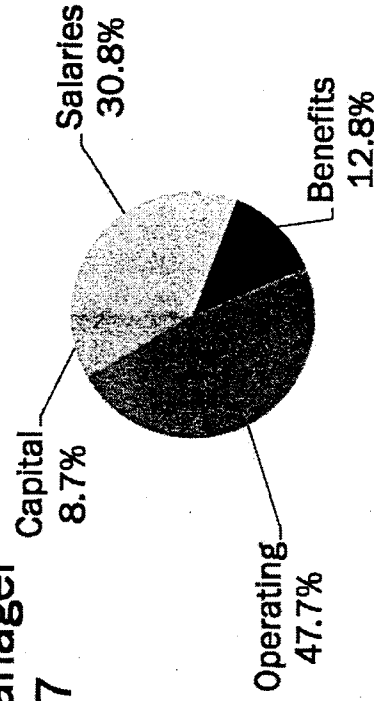
FY 2017 Proposed Budget City Manager Office by Category



FLORIDA

Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Salaries & Benefits	\$1,143,415	\$1,010,835	20.7%	43.6%
Operating	\$1,250,942	\$1,099,021	13.8%	47.7%
Capital	\$226,000	\$351,188		8.7%
Other	\$0	\$0	0.0%	0.0%
Totals	\$2,620,357	\$2,461,044	6.5%	100%

City Manager FY2017



Functions:

Administers and oversees daily operation of the City, government relations, legislative, public affairs.

The City Managers Office also includes Information Technology.

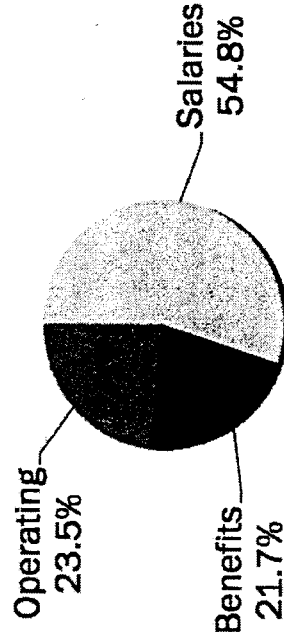
FY 2017 Proposed Budget Finance Department by Category



FLORIDA

Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Salaries & Benefits	\$2,089,546	\$2,108,672		76.5%
Operating	\$642,055	\$757,955	(15.3%)	23.5%
Capital	\$0	\$0	0.0%	0.0%
Other	\$0	\$0	0.0%	0.0%
Totals	\$2,731,601	\$2,866,627		100%

Finance FY2017



Functions:

Responsible for all financial aspects of the City.

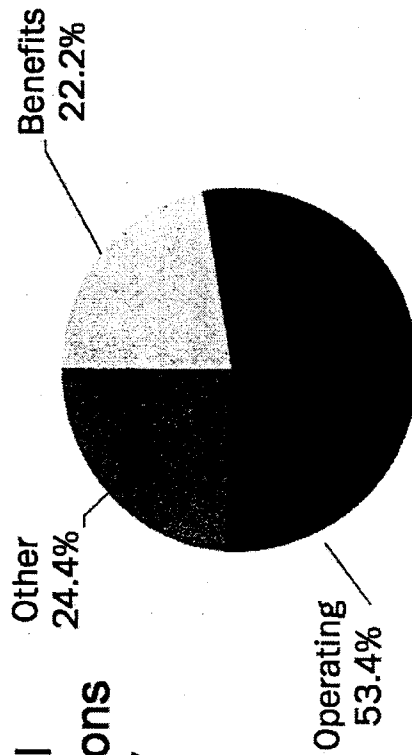
General Accounting, Finance Administration, Utility Accounting, Customer Service, Field Services, and Purchasing.

FY 2017 Proposed Budget General Operations by Category



Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Benefits	\$690,900	\$913,468	(24.2%)	22.2%
Operating	\$1,660,027	\$1,581,911	4.9%	53.4%
Capital	\$0	\$1,080,000	(100.0%)	0.0%
Other	\$758,603	\$3,148,809	(75.9%)	24.4%
Totals	\$3,109,530	\$6,724,188	(53.6%)	100%

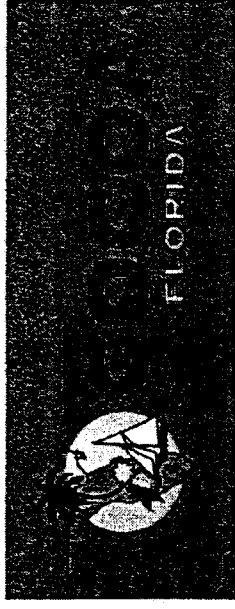
**General
Operations
FY2017**



Functions:

Primary Cost Center accounts for miscellaneous expenditures that are not allocated among other operating departments.

FY 2017 Proposed Budget Administrative Services Department by Category



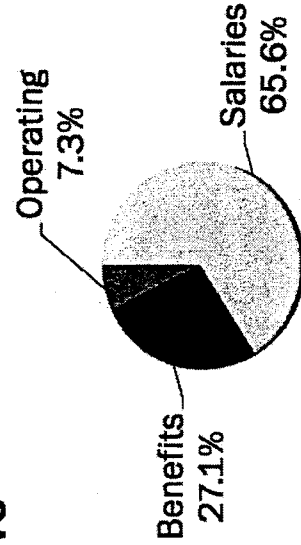
Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Salaries & Benefits	\$668,967	\$647,267	5.9%	92.7%
Operating	\$52,375	\$46,725	12.1.1%	7.3%
Capital	\$0	\$0	0.0%	0.0%
Other	\$0	\$0	0.0%	0.0%
Totals	\$721,342	\$693,992	3.9%	100%

Administrative Services FY2017

Functions:

Responsible for coordinating the overall activities of various internal operating and providing support to operating departments.

City Clerk Office and Human Resources Division



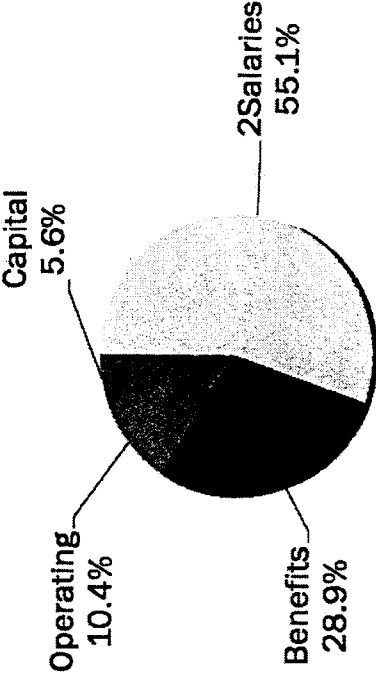
FY 2017 Proposed Budget Police Department by Category



FLORIDA

Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Salaries & Benefits	\$7,419,465	\$7,518,082	(1.3%)	84.0%
Operating	\$913,917	\$946,424	(3.4%)	10.4%
Capital	\$493,193	\$1,566,761		5.6%
Other	\$0	\$0	0.0%	0.0%
Totals	\$8,826,575	\$10,031,267		100%

Police FY2017

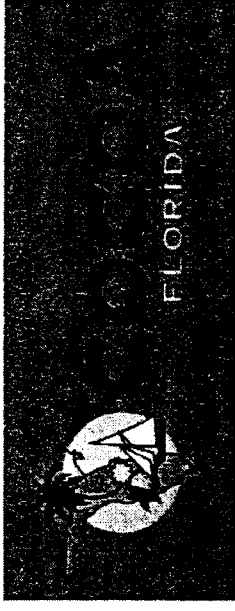


Functions:

Responsible for the enforcement of local, state and federal laws within the City.

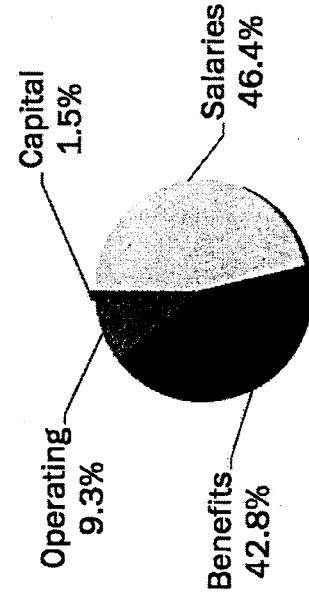
Patrol Division, Criminal Investigations, Community Relations, Dispatch, Records, Internal Affairs and Specialty Units.

FY 2017 Proposed Budget Fire Department by Category



Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Salaries & Benefits	\$5,241,003	\$5,091,722	5.9%	89.2%
Operating	\$547,048	\$517,735	5.7%	9.3%
Capital	\$87,149	\$256,680		1.5%
Other	\$0	\$0	\$0.0	0.0%
Totals	\$5,875,200	\$5,866,137	2%	100%

Fire
FY2017



Functions:

Provides fire protection and prevention, firefighting, rescue, Advanced Life Support (ALS) and Hazardous Materials Response.

FY 2017 Proposed Budget Community Services Department by Category



FLORIDA

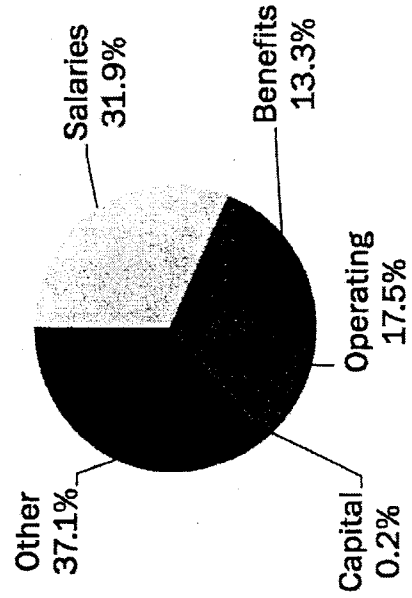
Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Salaries & Benefits	\$1,544,043	\$1,506,319	0.2%	45.2%
Operating	\$597,795	\$1,038,691	(42.4%)	17.5%
Capital	\$7,450	\$118,000		0.2%
Other	\$1,268,000	\$0	0.0%	37.1%
Totals	\$3,417,288	\$2,663,010	28.3%	100%

Community Services FY2017

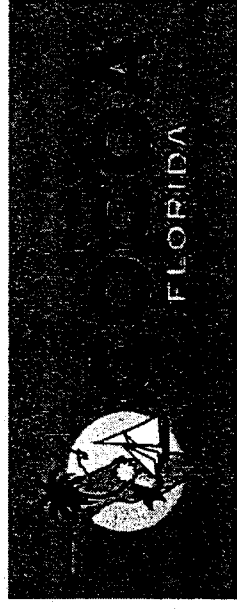
Functions:

Direct physical growth of City and provide a full range of community services.

Building/Permitting, Code Enforcement, Economic Development (incl. CRA's), Housing and Neighborhood Services, Leisure Services, and Planning/Zoning

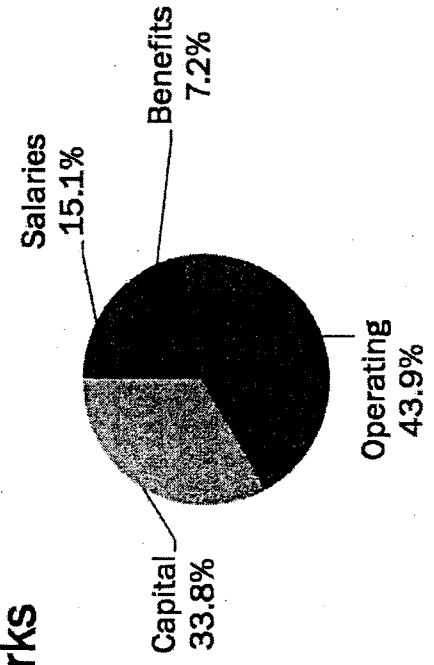


FY 2017 Proposed Budget Public Works Department by Category



Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Salaries & Benefits	\$2,084,491	\$2,044,808	1.7%	22.3%
Operating	\$4,100,080	\$3,990,816	2.7%	43.9%
Capital	\$3,157,824	\$2,819,571	12.0%	33.8%
Other	\$0	\$0	0.0%	0.0%
Totals	\$9,342,395	\$8,855,195	5.5%	100%

Public Works FY2017



Functions:

Responsible for managing and maintaining City's facilities/infrastructure.

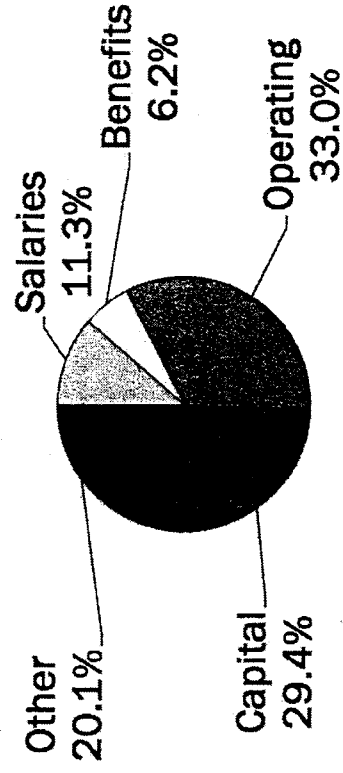
Capital Projects, Facilities Maintenance, Fleet, Parks & Grounds, Roadway Maintenance, Solid Waste Collection, and Stormwater (SU Fund).

FY 2017 Water/Sewer Fund Proposed Budget vs. FY 2016 Amended Budget by Category



CATEGORY	FY 2017 PROPOSED	FY 2016 AMENDED	VARIANCE	%
Salaries & Benefits	\$13,321,700	\$12,583,126	\$738,574	5.9%
Operating	\$25,298,027	\$20,927,035	\$4,370,992	20.9%
Capital	\$22,522,825	\$38,100,527	(\$15,577,702)	(40.3%)
Other	\$15,467,049	\$16,367,605	(\$900,556)	(5.5%)
TOTALS	\$76,609,601	\$87,978,293	(\$11,368,692)	(14.3%)

Utilities
FY2017



FY 2017 Water/Sewer Fund Proposed Budget vs. FY 2016 Amended Budget by Division



FLORIDA

WATER/SEWER FUND BY DIVISION	FY 2017 PROPOSED	FY 2016 AMENDED	% VARIANCE	% W/S BUDGET
Field Services	\$1,775,292	\$1,743,356	1.8%	2.3%
Water Admin. (Lab)	\$26,673,745	\$24,840,878	7.4	34.8%
Dyal Plant Operations	\$11,397,641	\$13,011,749		14.9%
WFO/Water Collections	\$9,354,914	\$6,836,534	36.8%	12.2%
Engineering	\$19,643,839	\$30,106,559		25.6%
Sellers Plant Operations	\$4,860,757	\$5,696,276	(14.7%)	6.3%
WFO/ Waste Water Collections	\$2,903,413	\$3,742,941	(22.4%)	3.9%
TOTAL	\$76,609,601	\$87,978,293	(12.9%)	100%

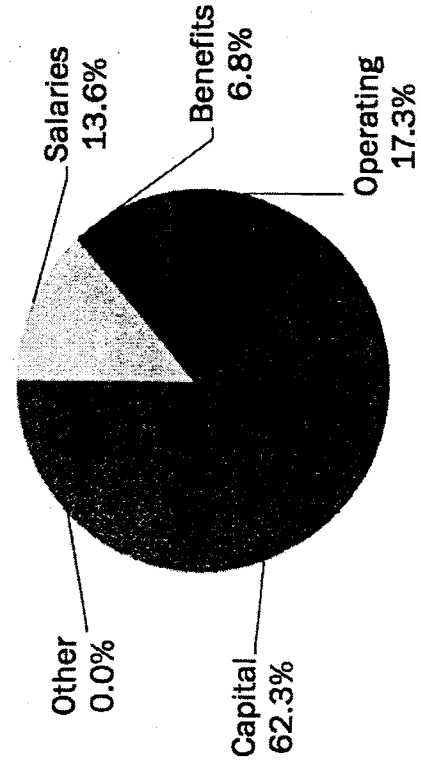
FY 2017 Proposed Budget Stormwater Fund by Category



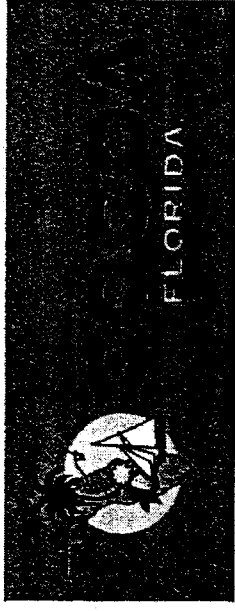
FLORIDA

Category	FY 2017 Proposed	FY 2016 Amended	% Variance	% of FY 2017 Budget
Salaries & Benefits	\$583,591	\$560,256	11.0%	20.4%
Operating	\$496,762	\$458,179	8.4%	17.3%
Capital	\$1,785,729	\$1,760,250	1.4%	62.3%
Other	\$0	\$18,750	0.0%	0.0%
Totals	\$2,866,082	\$2,797,435	2.5%	100%

Stormwater
FY2017



FY 2017 Proposed General Fund Capital Budget



	BUILDING	INFRASTRUCTURE	MACHINERY & EQUIPMENT	SOFTWARE	TOTALS
City Manager (Information Technology)		\$22,000	\$198,000	\$6,000	\$226,000
Police			\$493,193		\$493,193
Fire			\$87,149		\$87,149
Community Services				\$7,450	\$7,450
Public Works	\$28,000	\$2,996,746	\$133,078		\$3,157,824
TOTALS	\$28,000	\$3,018,746	\$918,870	\$6,000	\$3,971,616

FY 2017 Proposed Water/Sewer General Fund Capital Budget



FLORIDA

	INFRASTRUCTURE	MACHINERY & EQUIPMENT	SOFTWARE	TOTALS
Field Services		\$147,580		\$147,580
Dyal Plant		\$369,900		\$369,900
WFO/Water Collections	\$102,514	\$432,874	\$26,950	\$562,338
Engineering	\$17,432,098	\$27,000	\$890,000	\$18,349,098
Sellers Plant	\$1,304,600	\$1,079,201		\$2,383,801
WFO/Waste Water Collections	\$555,000	\$147,408	\$7,700	\$710,108
TOTALS	\$19,394,212	\$2,203,963	\$924,650	\$22,522,825

FY 2017 Proposed Capital Budget Other Funds



FLORIDA

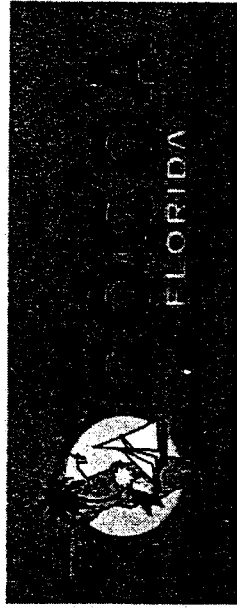
	BUILDING	INFRASTRUCTURE	MACHINERY & EQUIPMENT	TOTALS
Cocoa CRA		\$1,010,000		\$1,010,000
Capital Projects Fund	\$6,720,000			\$6,720,000
Stormwater Fund		\$1,672,179	\$113,550	\$1,785,729
TOTALS	\$6,720,000	\$2,682,179	\$113,550	\$9,515,729



Sustainable Tourism Connection Coastal Project, Programs and Equipment

Capital Projects, Programs and Equipment STRATEGIC PLAN CONNECTION

Included in Budget



Project / Initiative / Program	Amount	Crime	Public Safety	Image	Comm. Dev.	Econ. Dev.	Employees	Fiscal Sustainability
Annual Street Paving Program *	\$450,000			X	X			X
Sidewalk Gap LAP Project	\$150,000			X	X			X
SR520 Interim Safety Improvements	\$124,255		X	X				
Fiske Boulevard Lighting*	60,000	X	X	X	X			
Fiske Boulevard (SR520-Peachtree Street) *	\$100,000		X	X	X	X		
Fiske Boulevard Phase 3 - Design/Engr.*	\$210,000				X	X		
Florida Avenue Streetscape (GF)	\$1,252,521		X	X	X	X		
Florida Avenue Streetscape (Cocoa CRA)	\$210,000		X	X	X	X		
Stone Street - Complete Design/Engr. (Diamond Square CRA)	\$60,361			X	X	X		
Harry T. Moore Center Renovation (State Historic Preservation Grant/Match)	\$340,256	X		X	X			
Porcher House Centennial Renovation (State Historic Preservation Grant/Match - Roof)	\$50,000			X	X			

Capital Projects, Programs and Equipment STRATEGIC PLAN CONNECTION

Included in Budget



FLORIDA

Project / Initiative / Program	Amount	Crime	Public Safety	Image	Comm. Dev.	Econ. Dev.	Employees	Fiscal Sustainability
Heart of Cocoa Community Meeting Room	\$160,000			X	X			
Cocoa Village Gateway Entry Feature (Cocoa CRA)	\$160,000			X	X	X		
Dr. Joe Lee Smith Center (Site Plan and Design/Engineering)**	\$185,000	X	X	X	X	X		
SR524 Commercial Corridor ED Catalyst Funding**	\$250,000			X		X		X
Cocoa Riverfront Board Connector (Cocoa CRA and FIND Grant)	\$375,000		X	X	X			
Riverfront Boat Slip Construction (Cocoa CRA)	\$45,000			X	X	X		
ED Catalyst Project - Walmart Dist. Center \$2M Commitment: \$1M FY17 and \$1M FY18	\$1,000,000				X	X		X
Fleet - Tire Carousel & LED Lights Retrofit	\$44,062		X				X	X
Council Chambers LED Lights Retrofit	\$45,000			X				X

Note: Heart of Cocoa Community Meeting Room waiting on 501(c)3 organization to operate/maintain.

Capital Projects, Programs and Equipment STRATEGIC PLAN CONNECTION

Included in Budget



FLORIDA

Project / Initiative / Program	Amount	Crime	Public Safety	Image	Comm. Dev.	Econ. Dev.	Employees	Fiscal Sustainability
P25 Project Digital Radio Upgrades (CPD)	\$416,697	X	X					X
Prisoner Transport Van Replacement	\$36,374	X	X					
Traffic Homicide Investigation Total Station	\$10,241	X	X					
Level III Rifle Shields	\$6,103	X	X					
Patrol Shields	\$10,080	X	X					
Ballistic Vests	\$17,367	X	X					
SWAT Ballistic Vests	\$5,163	X	X					
Kevlar Helmets	\$6,660	X	X					
Tasers	\$10,863	X	X					

Capital Projects, Programs and Equipment STRATEGIC PLAN CONNECTION

Included in Budget



FLORIDA

Project / Initiative / Program	Amount	Crime	Public Safety	Image	Comm. Dev.	Econ. Dev.	Employees	Fiscal Sustainability
P25 Project Digital Radio Upgrades (CFD)	\$38,230		X					X
CFD Vehicle F2 (Deputy Fire Chief) Replacement	\$34,669		X	X				
Construction/FFE - 3 new Fire Stations	\$7,780,000		X	X				X
City Hall EOC Buildout and FFE	\$75,000		X		X			X
ANR Contract (Final Year of 3 Year Contract)	\$59,965	X			X			
Cocoa Work Summer Youth Employment Program (partnership w/CareerSource Brevard)**	\$40,000	X		X	X	X		
Offender Re-Entry Program (Work Crew)	\$57,497	X		X				X
Education/Tuition Assistance Program	\$20,000						X	X
HR Learning Management System	\$25,000						X	X

Items for City Council Consideration

STRATEGIC PLAN CONNECTION



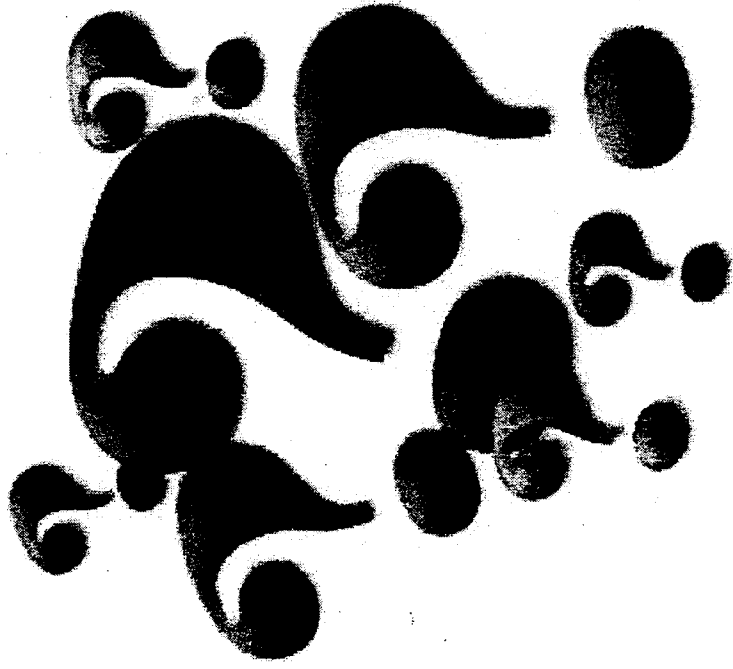
FLORIDA

Project	Amount	Crime	Public Safety	Image	Comm. Dev.	Econ. Dev.	Employees	Financial Sustainability
Public Bus Shelters/Benches/Receptacles	\$295,000			X	X			
Community Project Fund (5 projects)	\$2,500			X	X	X		
Dog Park (Bracco Pond Park/Fiske Blvd.)	\$165,000			X	X			
Enterprise Resource Program (ERP) Study	\$55,000						X	X
Oaks Mobile Home Site Prep/Master Plan	\$75,000			X	X	X		X
Comm. Property Enhancement Program/SBAP	\$45,000				X	X		X
Endeavour Elem. Comm. School Partnership:								
After-School Coordinator / Parent & Community Ctr.	\$38,750	X	X	X	X			
Municipal Services Agreement with Diamond Square CRA:								
1. Dr. Joe Smith Center Design & Engineering	\$185,000	X		X	X	X		
2. Stone Street Streetscape (\$175,000 already committed by DS CRA (CM will assign total of \$650,000 from FB)	\$500,000			X	X			
3. Completion/Construction of 4 Habitat for Humanity Homes	\$315,000			X	X			

Questions / Discussion



FLORIDA



Next steps in Budget Process



FLORIDA

- Public Hearing – **August 23, 2016** at 6:00 P.M.
 - First Public Hearing on Fire Assessment Rate
 - Public Hearing on Water/Sewer Rates
- 1ST Public Budget Hearing – **Sept. 6, 2016** at 6:00 pm
 - Vote for Tentative Millage Rate
 - Final Public Hearing on Fire Assessment Rate
 - Vote on Proposed FY2016 Budget
- 2nd Public Budget Hearing – **Sept. 14, 2016** at 6:00 pm
 - Adopt Final Millage Rate
 - Adopt the FY2017 Budget

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