

CITY of *Palatka* **FY2015-16**  
FLORIDA

**BUDGET WORKSHOP**

**THURSDAY, JULY 9, 2015**

# City-wide Assumptions

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- **No cost of living increase**
- **Increase in health insurance costs of 5%**
- **City share of Pension contribution:**
  - **General Employees from 23.5% to 23.2%**
  - **Police Officers from 14.4% to 12.3%**
  - **Firefighters remain at 33.4%**

# Airport Fund Highlights

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## ▪ Revenues

- Increased hangar rental revenue due to new hangar construction completed at the beginning of FY2015-16

## ▪ Expenditures

- No major changes to personnel or operating expenses
- No capital improvements are included in the budget

# Airport Fund Revenues & Expenditures

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	Budget 2014-15	Projected 2014-15	Budget 2015-16
Grant Revenues	\$923,237	\$1,803,419	\$-
Grant Expenditures	\$(942,212)	\$(1,827,458)	\$-
<b>City Share of Grants</b>	<b><u>\$(18,975)</u></b>	<b><u>\$(24,039)</u></b>	<b>\$-</b>
Operating & Other Revenues	\$957,213	\$808,636	\$833,821
Operating Expenditures	\$(868,024)	\$(730,760)	\$(755,393)
Debt Service	\$(171,212)	\$(171,212)	\$(160,166)
<b>Net Revenues/(Expenses)</b>	<b><u>\$(82,023)</u></b>	<b><u>\$(93,336)</u></b>	<b><u>\$(81,738)</u></b>
<b>Transfer (General Fund)</b>	<b>\$100,998</b>	<b>\$117,376</b>	<b>\$81,738</b>

# Utility Fund Highlights

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## ■ Revenues

- No rate increase currently included
- Assuming a decrease of 6% in water usage and 1% in sewer usage
  - FY2013-2014 Actual to FY2014-2015 Projected was a 6.33% decrease for water usage and .6% for sewer usage
- Other revenue sources (penalties, water and sewer taps, wastewater plant septic dumping charges) remain unchanged from the current fiscal year

## ■ Expenditures

### ■ Water Plant

- No changes in staffing levels
- Slight decrease to operating expenditures
- Capital Outlay includes:
  - \$4,000 for replacement of a chemical feed pump
  - \$4,000 for replacement of a well motor
  - \$9,000 for replacement of a primary feed pump
  - \$40,000 for well upgrades

# Utility Fund Highlights

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## ▪ Expenditures (continued)

### ▪ Wastewater Treatment Plant

- No changes in staffing levels
- Slight decrease to operating expenditures
- Capital Outlay includes:
  - \$1,500,000 for the BCR Clean B project

### ▪ Water & Sewer Distribution

- No changes in staffing levels
- Slight decrease to operating expenditures
- Capital Outlay includes:
  - \$15,500 for meters and meter repair
  - \$5,000 for Sewer materials
  - \$71,000 for pipe and fittings (An additional \$21,000 was included for replacement of 12 fire hydrants)

# Utility Fund Highlights

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## ▪ Expenditures (continued)

### ▪ Utility Administration

- No changes in staffing levels
- Decrease to operating expenditures of \$41,000 due to combined billing with Gas Authority
- Included transfer of \$24,500 to Gas Authority to cover costs of combined billing
- Transfer to General Fund unchanged at \$260,000

# Utility Fund Revenues & Expenditures

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	Budget 2014-15	Projected 2014-15	Budget 2015-16
Operating & Other Revenues	\$4,346,619	\$4,322,665	\$4,109,014
Operating Expenditures	\$(4,362,850)	\$(4,155,524)	\$(4,189,773)
<b>Net Revenues/(Expenses)</b>	<b><u>\$(16,231)</u></b>	<b><u>\$167,141</u></b>	<b><u>\$(80,759)</u></b>
Reserves	\$193,389	\$376,761	\$296,002
Reserves as % of Op. Exp.	4.43%	9.07%	7.06%

## Reasons for Projected to be significantly better than Budget:

- \$75,000 in W&S Dist. Capital Outlay for line replacement
- Approx. \$50,000 savings in W&S Dist. Personnel due to turnover
- Approx. \$50,000 savings in WWTP Personnel due to turnover
- Approx. \$40,000 savings in Operating expenditures of the Water Plant

# Utility Fund – BCR Project Impact

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	Current Operating Costs	Proposed Operating Costs w/ BCR	Current Operating Costs <u>with Disposal</u>
WAS Pump Energy	\$ 105	\$ 105	\$ 105
Thickener Energy	\$ 105	\$ -	\$ 105
CleanB Energy	\$ -	\$ 266	\$ -
Anerobic Digester Energy & Gas	\$ 41,104	\$ -	\$ 41,104
Dewatering Energy	\$ 2,966	\$ 136	\$ 2,966
Polymer	\$ 4,900	\$ 3,920	\$ 4,900
Repair & Maintenance	\$ 10,000	\$ -	\$ 10,000
Hauling	\$ 13,780	\$ -	\$ 13,780
Disposal	\$ -	\$ -	<b>\$ 137,800</b>
BCR Whole Biosolids Solution (includes disposal)	\$ -	\$ 120,502	\$ -
SRF Loan Repayment	\$ -	\$ 75,000	\$ -
<b>Total</b>	<b>\$ 72,960</b>	<b>\$ 199,929</b>	<b>\$ 210,760</b>
<b>Increase over current costs</b>	<b>\$ -</b>	<b>\$ 126,969</b>	<b>\$ 137,800</b>
Potential revenue from Leachate	\$ -	\$ 270,000	\$ 270,000
<b>Increase/(Decrease) over current costs with leachate revenue</b>	<b>\$ -</b>	<b>\$ (143,031)</b>	<b>\$ (132,200)</b>

# Utility Fund Decision Points

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▪The Operating surplus or deficit of the Utility Fund under different scenarios is as follows:

	Status Quo w/o BCR Project	BCR Project w/o Leachate	BCR Project w/ Leachate
Surplus/(Deficit) w/o rate increase	\$(80,759)	\$(207,758)	\$62,272
Surplus/(Deficit) w/ 3% rate increase	\$35,720	\$(91,249)	\$148,751
Surplus/(Deficit) w/ 5% rate increase	\$113,372	\$(13,597)	\$226,403
Surplus/(Deficit) w/ 10% rate increase	\$307,502	\$180,533	\$420,533

# Golf Fund Highlights

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## Revenues

Information regarding golf related revenues (excluding snack bar/restaurant related revenues) are as follows:

Budget 2014-15	Projected 2014-15 (BWGD)	Projected 2014-15 (City)	Budget 2015-16
\$675,966	\$624,272	\$558,497	\$641,263

## Expenditures

### Course Maintenance

Increase in operating expenditures of \$26,000 due to various expenditure lines

### Capital Outlay includes:

\$37,000 for re-grassing of the remainder of the front 9 holes that is not expected to occur in the current fiscal year

### Club House

Decrease in non snack-bar related operating expenditures of \$21,000 due to various expenditure lines

# Golf Fund Revenues & Expenditures

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	Budget 2014-15	Projected 2014-15	Budget 2015-16
Grant Revenues	\$200,000	\$185,832	\$-
Grant Expenditures	\$(200,000)	\$(225,833)	\$-
<b>City Share of Grants</b>	<b><u>\$-</u></b>	<b><u>\$(40,001)</u></b>	<b><u>\$-</u></b>
Operating & Other Revenues	\$731,241	\$689,284	\$676,479
Operating Expenditures	\$(807,968)	\$(898,585)	\$(795,959)
Capital Outlay	\$(26,585)	\$(17,000)	\$(37,000)
<b>Net Revenues/(Expenses)</b>	<b><u>\$(103,313)</u></b>	<b><u>\$(226,301)</u></b>	<b><u>\$(156,480)</u></b>
<b>Transfer (General Fund)</b>	<b>\$103,313</b>	<b>\$266,302</b>	<b>\$156,480</b>
Transfer from Better Place	\$168,999	\$168,999	\$168,984
Debt Service	\$(168,999)	\$(168,999)	\$(168,984)

# Golf Fund Revenues & Expenditures

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- **Reasons for Transfer from General Fund being \$162,099 higher than what was budgeted:**
  - **\$40,001** additional cost for USDA Kitchen and Restroom renovation grant project
  - **\$37,566** additional cost due to restaurant operations not being outsourced
  - **\$117,469** in projected golf related revenues to be below budget
  - **\$32,046** below budget in course maintenance and club house operating expenditure lines

# Sanitation Fund Highlights

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## ▪ Revenues

- No rate increase currently included

## ▪ Expenditures

### ▪ Garage Maintenance

- No changes in staffing levels
- \$6,000 increase to personnel expenditures due to longevity increases and slight increase in overtime

### ▪ Sanitation Collection

- No changes in staffing levels
- Approx. \$18,000 increase in personnel costs due to an increase in overtime and longevity increases
- \$8,000 increase in operating expenditures
- Capital Outlay includes:
  - \$575,000 for two rear loader sanitation trucks funded via external financing
- Transfer to General Fund remains unchanged at \$95,000

# Sanitation Fund Revenues & Expenditures

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	Budget 2014-15	Projected 2014-15	Budget 2015-16
Operating Revenues	\$1,636,508	\$1,632,469	\$1,629,639
Other Revenues	\$49,735	\$28,478	\$500
Operating Expenditures	\$(1,387,046)	\$(1,416,946)	\$(1,419,716)
Debt Service	\$(29,068)	\$(29,068)	\$(64,518)
<b>Net Revenues/(Expenses)</b>	<b><u>\$270,129</u></b>	<b><u>\$214,933</u></b>	<b><u>\$145,905</u></b>
Debt Proceeds	\$-	\$296,570	\$575,000
Capital Outlay	\$(261,091)	\$(296,570)	\$(575,000)
<b>Reserves</b>	<b>\$344,003</b>	<b>\$550,259</b>	<b>\$696,165</b>
<b>Reserves as % of Op. Exp.</b>	<b>24.29%</b>	<b>38.05%</b>	<b>46.90%</b>

# General Fund Preview

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	Budget 2014-15	Projected 2014-15	Requested Budget 2015-16
Operating deficit	\$(284,406)	\$(132,120)	\$(465,749)
Reserves	\$522,978	\$675,264	\$209,514
Reserves as % of Op. Exp.	5.92%	8.25%	4.41%

- A more complete review of the General Fund is expected to be presented at the next budget workshop
- Major departmental differences between budget years are:
  - Facilities Maintenance = \$54,279
  - Police Department = \$(233,364)
  - Cultural Services = \$32,800
  - Parks and Recreation = \$216,953
  - Transfers = \$33,908
  - Contingency = \$49,506

# Questions, Observations, Discussion

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