

CITY of *Palatka* **FY2016-17**  
FLORIDA

**BUDGET WORKSHOP**

**THURSDAY, JULY 14, 2016**

# City-wide Assumptions

2

- **5% cost of living increase**
- **Increase in health insurance costs of 30%**
- **City share of Pension contribution:**
  - **General Employees from 23.2% to 22.4%**
  - **Police Officers from 11.6% to 8.4%**
  - **Firefighters from 31.3% to 32.8%**

# Airport Fund Highlights

3

## ▪ Revenues

- Decreased hangar rental revenue due to unrented larger hangers and old terminal building
- Reduced fuel revenues due to decrease in resale price of fuel (cost of fuel also decreased)

## ▪ Expenditures

- No major changes to personnel
- Reduced fuel expenditures due to decrease in cost of fuel
- Obstruction removal project included in budget, \$21,680 City share per grant agreements

# Airport Fund Revenues & Expenditures

4

	Budget 2015-16	Projected 2015-16	Budget 2016-17
Grant Revenues	\$-	\$456	\$604,220
Grant Expenditures	\$-	\$-	\$625,900
<b>City Share of Grants</b>	<b><u>\$-</u></b>	<b>\$456</b>	<b><u>\$(21,680)</u></b>
Operating & Other Revenues	\$833,821	\$698,357	\$728,378
Operating Expenditures	\$(806,927)	\$(746,279)	\$(760,039)
Debt Service	\$(160,166)	\$(160,166)	\$(154,290)
<b>Net Revenues/(Expenses)</b>	<b><u>\$(133,272)</u></b>	<b><u>\$(208,087)</u></b>	<b><u>\$(185,951)</u></b>
<b>Transfer (General Fund)</b>	<b>\$133,272</b>	<b>\$207,631</b>	<b>\$207,631</b>

# Utility Fund Highlights

5

## ▪ Revenues

- 4.9% (CPI) rate increase currently included

## ▪ Expenditures

### ▪ Water Plant

- No changes in staffing levels
- Approximate \$41,000 decrease to operating expenditures
- Capital Outlay includes:
  - \$5,000 for replacement of a chemical feed pump
  - \$4,000 for replacement of a well motor
  - \$9,000 for replacement of a primary feed pump
  - \$10,000 for replacement of HVAC components
  - \$40,000 for well upgrades

# Utility Fund Highlights

6

## ▪ Expenditures (continued)

### ▪ Wastewater Treatment Plant

- No changes in staffing levels
- Approximate \$42,000 increase to operating expenditures primarily due to equipment maintenance
- Capital Outlay includes:
  - \$97,000 for 5 lift station and primary scum tank rehabilitations

### ▪ Water & Sewer Distribution

- No changes in staffing levels
- Slight increase to operating expenditures
- Capital Outlay includes:
  - \$14,000 for meters and meter repair
  - \$5,000 for Sewer materials
  - \$60,000 for pipe and fittings
  - \$3,000 for concrete fill (sidewalk repair)
  - \$60,000 for debt service payment for new vacuum truck

# Utility Fund Highlights

7

## ▪ Expenditures (continued)

### ▪ Utility Administration

- No changes in staffing levels
- Slight increase in operating expenditures
- Slight decrease in administrative expense reimbursement to General Fund
- Increase of approx. \$23,000 in transfer to General Fund for franchise fee (5.9%)

# Utility Fund Revenues & Expenditures

8

	Budget 2015-16	Projected 2015-16	Budget 2016-17
Total Revenues	\$6,122,277	\$4,677,869	\$4,883,225
Total Expenditures	\$(6,112,930)	\$(4,490,545)	\$(4,678,785)
<b>Net Revenues/(Expenses)</b>	<b><u>\$(9,347)</u></b>	<b><u>\$187,323</u></b>	<b><u>\$204,440</u></b>
Reserves	\$469,829	\$657,152	\$861,592
Reserves as % of Op. Exp.	10.46%	14.63%	18.41%

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

- \$1,500,000 for BCR Project @ WWTP did not occur this fiscal year
- Approx. \$110,000 savings in Water Plant due to savings in operating exp.
- Approx. \$150,000 savings in W&S Distribution due to transfer for capital not being expended
- Approx. \$132,000 in additional expenses in WWTP due to St. Johns and Moody lift station repair and multiple pump replacements
- Approx. \$55,000 increase in projected revenues vs. budgeted revenues

# Golf Fund Highlights

9

- **Due to the outstanding RFP for management/lease of the course, budget figures for next year are not yet finalized.**
  
- **Revenues (current year projections)**
  - Revenues (excluding snack bar/restaurant related revenues) have decreased substantially from the prior fiscal year
  
- **Expenditures (current year projections)**
  - **Course Maintenance**
    - Approximately \$44,000 below budget
  - **Club House**
    - Approximately \$150,000 over budget due to personnel and operating costs related to continued operations of the restaurant

# Golf Fund Revenues & Expenditures

10

	Budget 2015-16	Projected 2015-16
Operating & Other Revenues	\$676,479	\$666,393
Operating Expenditures	\$(810,733)	\$(922,690)
Capital Outlay	\$(37,000)	\$(37,000)
<b>Net Revenues/(Expenses)</b>	<b><u>\$(171,254)</u></b>	<b><u>\$(293,297)</u></b>
<b>Transfer (General Fund)</b>	<b>\$121,254</b>	<b>\$293,297</b>
Transfer from Better Place	\$168,984	\$168,984
Debt Service	\$(168,984)	\$(168,984)

# Sanitation Fund Highlights

11

## ▪ Revenues

- 6.5% rate increase currently included and planned for the next two fiscal years

## ▪ Expenditures

### ▪ Garage Maintenance

- No changes in staffing levels, however due to shifting of personnel expenses increasing by approximately \$33,000
- Approx. \$10,000 increase in operating expenditures

### ▪ Sanitation Collection

- No changes in staffing levels
- Increase in expenditures by approximately \$115,000
- Increase in debt service by approximately \$100,000

# Sanitation Fund Revenues & Expenditures

12

	Budget 2015-16	Projected 2015-16	Budget 2016-17
Operating Revenues	\$1,629,640	\$1,646,645	\$1,750,733
Other Revenues	\$500	\$2,787	\$600
Operating Expenditures	\$(1,526,776)	\$(1,582,100)	\$(1,680,121)
Debt Service	\$(64,517)	\$(64,517)	\$(164,070)
<b>Net Revenues/(Expenses)</b>	<b><u>\$38,847</u></b>	<b><u>\$44</u></b>	<b><u>\$(92,858)</u></b>
Debt Proceeds	\$575,000	\$418,986	\$-
Capital Outlay	\$(575,000)	\$(421,757)	\$-
<b>Reserves</b>	<b>\$588,870</b>	<b>\$551,448</b>	<b>\$458,490</b>
<b>Reserves as % of Op. Exp.</b>	<b>37.01%</b>	<b>33.49%</b>	<b>24.87%</b>

# Sanitation Fund Revenues & Expenditures

13

	Budget 2016-17	Budget 2017-18	Budget 2018-19
Operating Revenues	\$1,750,733	\$1,835,161	\$1,954,447
Other Revenues	\$600	\$620	\$640
Operating Expenditures	\$(1,680,121)	\$(1,730,525)	\$(1,782,440)
Debt Service	\$(164,070)	\$(168,992)	\$(174,062)
<b>Net Revenues/(Expenses)</b>	<b><u>\$(92,858)</u></b>	<b><u>\$(63,736)</u></b>	<b><u>\$(1,416)</u></b>
<b>Reserves</b>	<b>\$458,590</b>	<b>\$394,854</b>	<b>\$393,439</b>
<b>Reserves as % of Op. Exp.</b>	<b>24.87%</b>	<b>20.79%</b>	<b>20.11%</b>

- **Rate increases of 6.5% per year**
- **Estimated expenditure increases of 3% per year**
- **Net revenues/expenditures balanced by 2018-2019 while reserves remain above 2 months of operating expenses**

# General Fund Highlights

14

## ■ Revenues

- Ad valorem millage rate reduced from 6.9967 to 6.2500
- Estimate collection of fire assessment via uniform method of collection resulting in 95% collection rate instead of 60% from current fiscal year
- Vast majority of other revenue sources trending upwards
- Transfer from Gas Authority reduced from \$250,000 to \$158,152 (5.9% of gross revenues)

## ■ Expenditures

### ■ City Manager's Office

- Decrease in expenditures of \$65,000 due to Grants Administrator/Project Manager becoming Public Works Director
  - Grant Administrator/Project Manager duties will be reassigned during re-org.

### ■ Finance Department

- Decrease of \$25,000 due to State Audit occurring in FY2015-16 when the City had already budgeted for a similar audit

# General Fund Highlights

15

## ▪ Expenditures (continued)

### ▪ Information Technology

- Increase of \$60,000 due to increases in operating expenditures and capital outlay for new servers and equipment

### ▪ Building & Zoning

- Increase of \$50,000 due to transfer of employee from Cemetery

### ▪ Police Department

- Increase of \$80,000 due to increase in debt service for vehicle leases and personnel due to cost of living adjustment and health insurance increase

### ▪ Streets Department

- Increase of \$170,000 due to addition of two full-time laborers and three part-time seasonal laborers as well as increases in operating expenditures

### ▪ Cemetery

- Decrease of \$25,000 due to no personnel remaining in cemetery department

# General Fund Highlights

16

## ▪ Expenditures (continued)

### ▪ Parks and Recreation

▪ Increase of \$70,000 due to addition of two full-time laborers as well as additional operating expenditures (\$35,480 field maintenance contract)

▪ Note: \$50,000 budget for programs from current fiscal year was re-allocated to the following:

▪ \$35,480 field maintenance contract

▪ \$15,000 PAL donation

### ▪ Transportation – Water Taxis

▪ Creation of this department to cover the cost of insurance, maintenance and operating supplies estimated to be \$15,000 for current fiscal year

### ▪ Transfers

▪ Transfers to Golf and Airport increased by \$170,000

▪ Removed one-time transfer of \$125,000 to Utility Fund

# General Fund Revenues & Expenditures

17

	Budget 2015-16	Projected 2015-16	Budget 2016-17
Operating Revenues	\$8,379,613	\$8,641,344	\$8,901,572
Operating Expenditures	\$(7,956,964)	\$(7,922,891)	\$(8,473,863)
Transfers	\$(379,526)	\$(625,927)	\$(424,594)
<b>Net Revenues/(Expenses)</b>	<b><u>\$43,123</u></b>	<b><u>\$92,526</u></b>	<b><u>\$3,115</u></b>
<b>Reserves</b>	<b>\$862,486</b>	<b>\$1,207,938</b>	<b>\$1,211,053</b>
<b>Reserves as % of Op. Exp.</b>	<b>10.35%</b>	<b>14.13%</b>	<b>13.61%</b>

# Questions, Observations, Discussion

18

