



# 2020-21 First Budget Hearing

Presented by: Charles F. Dodge

September 3, 2020

# All Funds 2020-21 Proposed Budget

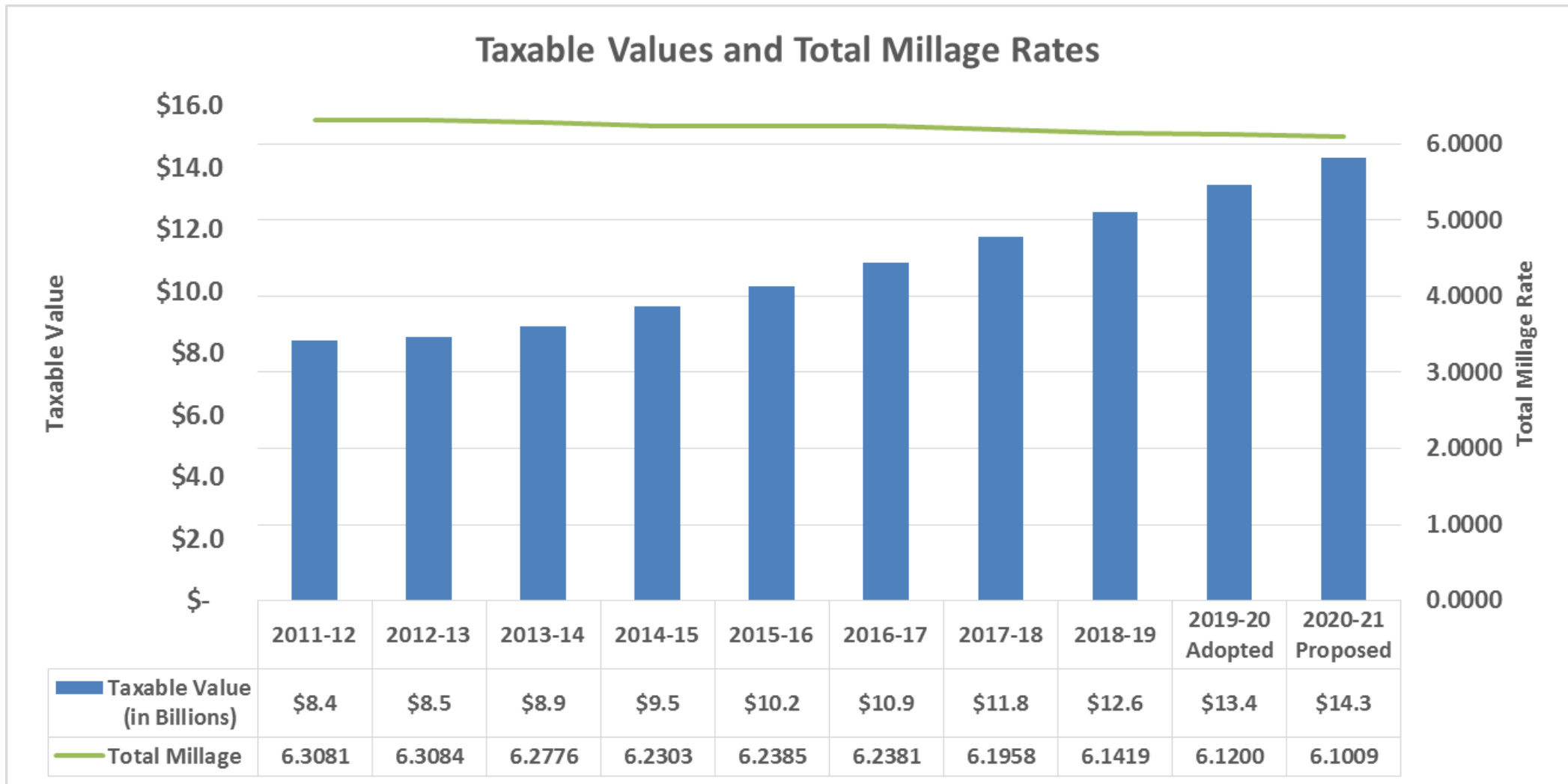
Fund	Revenues	Expenditures	Surplus (Deficit)
1 General Fund	\$ 212,438,083	\$ 212,438,083	-
100 Road & Bridge Fund	8,230,973	8,230,973	-
121 HUD Grants CDBG/HOME	1,180,129	1,180,129	-
122 Law Enforcement Grant	22,167	22,167	-
128 Community Bus Program	1,015,866	1,015,866	-
131 Treasury - Confiscated	77,852	77,852	-
132 Justice - Confiscated	10,387	10,387	-
133 \$2 Police Education	28,419	28,419	-
134 FDLE - Confiscated	42,178	42,178	-
199 Older Americans Act	1,337,545	1,337,545	-
201 Debt Service	25,409,865	25,409,865	-
471 Utility Fund	68,643,824	68,643,824	-
504 Public Insurance Fund	29,988,736	29,988,736	-
51 Wetlands Trust Fund	16,500	16,500	-
655 General Pension Trust Fund	12,077,000	12,077,000	-
656 Fire & Police Pension Trust Fund	42,400,000	42,400,000	-
657 Other Post Employment Benefits	17,889,000	17,889,000	-
<b>Total</b>	<b>\$ 420,808,524</b>	<b>\$ 420,808,524</b>	<b>\$ -</b>

# General Fund Highlights

## Property Tax

- The proposed operating millage rate is 5.6736, which is the same as the 2019-20 rate.
- The proposed aggregate millage rate of 6.1009 is the lowest in 11 years.
- Total taxable value increased by 6.5% to \$14.3 billion.
- Approximately 2,500 or 4.5% of residential properties have zero taxable value and will not pay any property taxes.

# General Fund Highlights



# General Fund Highlights

MAINTAIN CURRENT OPERATING MILLAGE RATE			
	ADOPTED RATE	PROPOSED RATE	
	FY2019-20	FY2020-21	Change
Operating Millage	5.6736	5.6736	-
Debt Service Millage	0.4464	0.4273	(0.0191)
Total Millage	6.1200	6.1009	(0.0191)

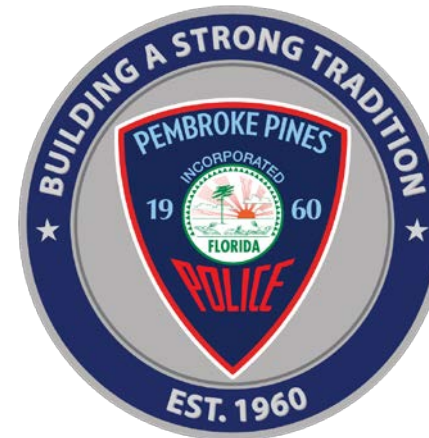
# General Fund Highlights

<b><u>Fire Assessment</u></b>			
	<u>2019-20</u>	<u>2020-21</u>	
	<u>Adopted</u>	<u>Revised</u>	<u>Change</u>
<b>Rate Per Unit</b>			
Residential	\$282.38	\$312.32	\$29.94
<b>Rate Per Square Foot</b>			
Commercial	\$0.4811	\$0.5231	\$0.0420
Industrial/Warehouse	\$0.1044	\$0.1073	\$0.0029
Institutional	\$0.4691	\$0.4994	\$0.0303
<b>Fire Assessment Revenue</b>	<b>\$23,497,744</b>	<b>\$26,079,510</b>	<b>\$2,581,766</b>

# General Fund Highlights

The General Fund Budget for 2020-21 is \$212.4 million and includes 16 new full-time positions:

- 3 Rescue Lieutenants
- 1 Police Captain
- 1 Division Major
- 4 Police Officers
- 1 Sergeant
- 3 Police Support Specialist 1
- 3 Police Service Aide 1



# General Fund Highlights

Grants to Other Entities	
Agency	2020-21 Proposed Budget
Grant - Area Agency On Aging*	\$ 106,913
Grant - Women In Distress	15,000
Grant - Learning for Success-KAPOW	12,000
Grant - Here's Help	5,000
Grant - American Cancer Society	10,000
Grant - Early Learning Coalition	35,000
Grant - American Diabetes Association	5,000
	<u>\$ 188,913</u>

\* Required local match for Federal Older Americans Act and State Community Care for the Elderly Appropriations, which is estimated at \$700K.



# Road & Bridge Fund Highlights

- The Road & Bridge 2020-21 proposed budget is \$8.2 million, which is \$0.4 million, or 4.7% above the 2019-20 Adopted Budget of \$7.9 million.
- The growth is mainly attributable to the increase in appropriations for repairs and maintenance to roads and drains.
- The budget is balanced with \$2.4 million of fund balance. Fund balance is restricted to transportation and road network expenses.



# Utility Fund Highlights

- The Utility Fund 2020-21 proposed budget is \$68.6 million, which is \$2.5 million or 3.5% below the 2019-20 Adopted Budget.
- The decrease is mainly attributable to the decline in appropriations for capital items.
- The capital budget of \$10.3 million consists mainly of:
  - \$3.7 million for the Advanced Metering Infrastructure (AMI) Program. In this phase, all meters that are 20-years old or older will be replaced with AMR meters which are AMI ready;
  - \$3.1 million for replacement of the raw water supply line between the eastern wellfield and the WTP;
  - \$2.0 million for sanitary sewer pipe rehabilitation; and
  - \$1.5 million mainly for replacement of the east generator at WWTP, old lift station reconfigurations, refurbishment of WWTP bar-screens, and Hollywood force main rehabilitation design.
- The budget for water and sewer charges includes the minimum 3.0% adjustment stipulated in the City's Code of Ordinance.

# Utility Fund Highlights

## 10-Year Capital Plan

						TOTALS
TOTALS (Div. 6021; 6022; 6031; 6032)	FY 2020-21	FY 2021-22	FY2022-23	FY 2023-24	FY 2024-25	FY2021-2025
Div. 6010 - Utilities Admin Services	\$0	\$1,438,082	\$1,200,000	\$0	\$0	\$2,638,082
Div. 6021 - Sewer Collection Budget Total	\$2,656,840	\$7,721,600	\$6,116,600	\$4,298,000	\$5,723,000	\$26,516,040
Div. 6022 - Sewer Treatment Plant Budget Total	\$828,000	\$6,157,187	\$3,418,000	\$3,164,000	\$2,563,000	\$16,130,187
Div. 6031 - Water Plants Budget Total	\$3,210,439	\$4,189,082	\$3,167,000	\$2,671,000	\$2,123,000	\$15,360,521
Div. 6032 - Water Distribution Budget Total	\$3,650,000	\$8,259,000	\$7,803,000	\$6,263,000	\$7,594,000	\$33,569,000
TOTAL	\$10,345,279	\$27,764,951	\$21,704,600	\$16,396,000	\$18,003,000	\$94,213,830
						TOTALS
TOTALS (Div. 6021; 6022; 6031; 6032)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY2026-2030
Div. 6010 - Utilities Admin Services	\$7,000	\$0	\$0	\$0	\$0	\$7,000
Div. 6021 - Sewer Collection Budget Total	\$3,912,000	\$4,085,000	\$4,233,000	\$4,502,000	\$6,523,000	\$23,255,000
Div. 6022 - Sewer Treatment Plant Budget Total	\$517,000	\$2,092,000	\$2,154,000	\$3,227,000	\$5,370,000	\$13,360,000
Div. 6031 - Water Plants Budget Total	\$1,922,000	\$4,493,000	\$2,004,000	\$1,284,000	\$2,234,000	\$11,937,000
Div. 6032 - Water Distribution Budget Total	\$6,842,000	\$6,622,000	\$9,934,000	\$5,742,000	\$6,132,000	\$35,272,000
TOTAL	\$13,200,000	\$17,292,000	\$18,325,000	\$14,755,000	\$20,259,000	\$83,831,000

# Utility Consultant - Stantec

At the August 21, 2019 Budget Workshop, Stantec Consulting Services presented a “Utility Revenue Sufficiency Analysis” and their **Conclusions/Recommendations** stated:



- Existing rates/revenues do not meet projected long-term financial obligations
- Current rates show favorable bills for the typical residential customer compared to neighboring systems
- Recommendations:
  - Consider annual rate indexing plan of 3.75% beg. in FY 2021
  - Multi-year approved rate plan or annual indexing demonstrates focus on long-term planning & best management practices to stakeholders
  - Annually evaluate & adjust rate plan as necessary for changes in capital spending, growth, etc...

# Financial Advisor – Ford & Associates

- At the Visioning Workshop held on 5/2/2018; the City's Financial Advisor – Jon Ford from Ford & Associates described the impact of reversing rate increases; and the potential impact of not meeting coverage requirements on the Communication Service Tax (CST) bonds, that **utilize the Water Public Service Tax revenues as a pledge.**

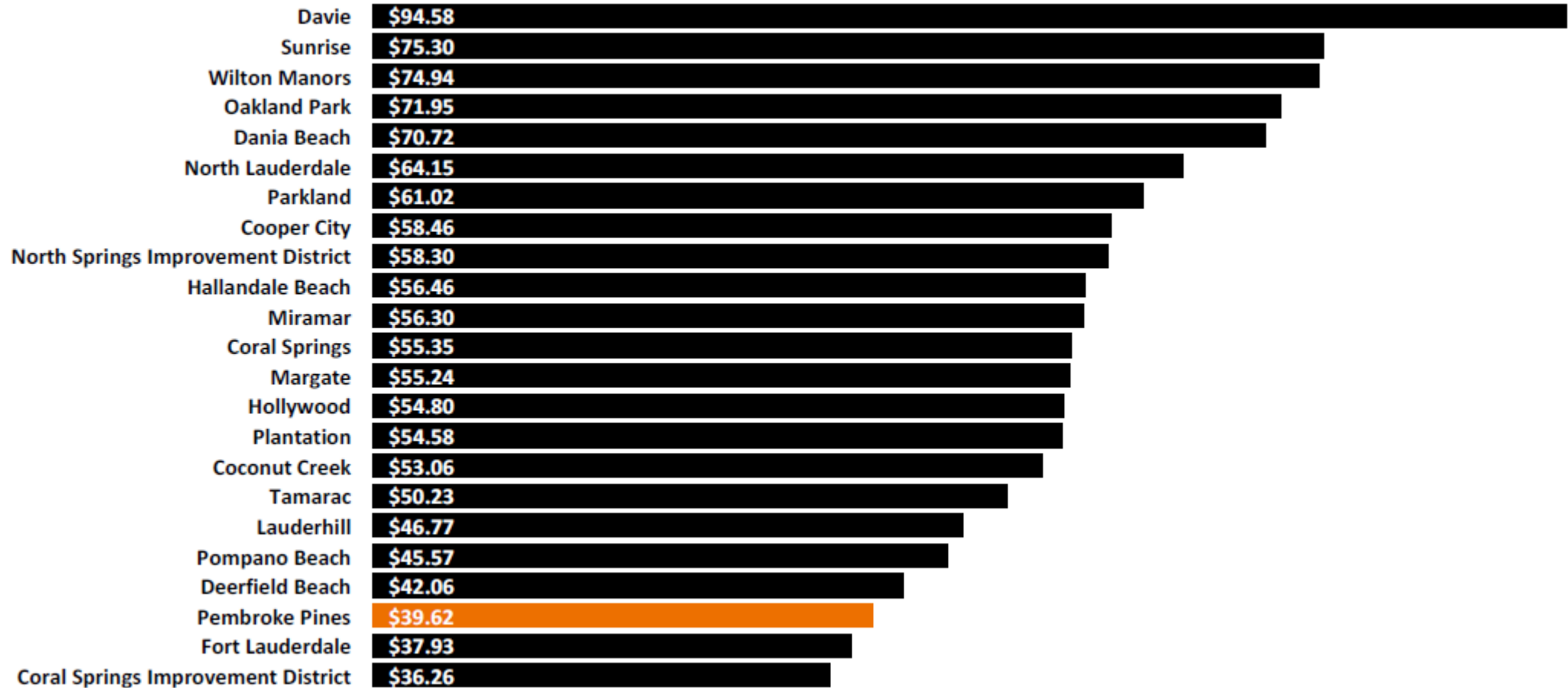
This includes:

1. Disclosures in the Annual Financial Reports; and to all bond holders.
  2. Further downgrade to the bonds by rating agencies
  3. Higher borrowing cost on future debt
- Since that time we have experienced 2 downgrades: on February 11, 2019 Standard & Poor's Global Ratings lowered the rating on the CST Bonds from "A" to "A-" and on July 21, 2020 they further downgraded the bonds from "A-" to "BBB+".
  - The Maximum Annual Debt Service Coverage Ratio (MADS) is 1.20x. This ratio has fallen from 1.7x when the debt was issued down to 1.2x in FY2018-19. Further declines in revenues will result in more downgrades; and the potential for higher borrowing costs.

# Utility Fund Highlights

Pines continues to maintain one of the lowest residential rates @ 3K gallons.

Combined Residential Water & Sewer Bill Survey at 3,000 Gallons per Month - FY 2019-20







# Utility Fund Highlights

## Water Consumption/Charge by Level - Residential Only June 2020

Consumption (gallons)	Residential Units	% of Total	Current W&S Rate
<=3,000	14,320	35%	\$ 39.62
4,000	6,454	16%	53.12
5,000	5,733	14%	66.62
6,000	4,328	11%	80.12
7,000	3,162	8%	93.62
8,000	2,215	5%	107.12
9,000	1,402	3%	120.62
10,000	941	2%	134.12
11,000 plus	2,185	5%	\$147.62 plus
Total	40,740	100%	

# Current Operating Millage Budget Impact & Required Votes

Operating Millage Rate	Budget Impact	# of Votes Required for Adoption
5.6736 (current rate)	(\$5,999,210)	   



# Potential Budget Savings

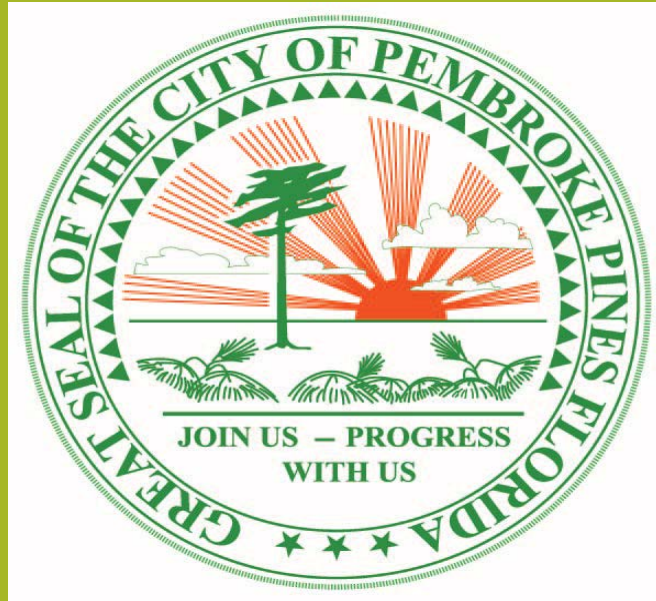
- The General Fund budget is balanced with \$6.0 million of reserves due to keeping the operating millage rate flat; and the Utility Fund is balanced using \$1.2 million of reserves.
- Throughout the year, administration will pursue opportunities to achieve budget savings such as:
  1. Negotiate with current vendors to lower fees or increase revenue share.
  2. Explore leasing vs purchasing vehicles; which could provide some potential savings & efficiencies over a number of years.
  3. Review water meter replacement project to determine the most feasible option:
    - a. City purchases equipment & hires contractor to install or
    - b. Performance contracting using Florida Statutes on energy efficiency and conservation.
  4. Pursue low cost financing for utility capital projects through State Revolving Funds (SRF) Loans.



# Upcoming Virtual Hearings

- Fire Assessment Hearing - 9/14/20 @5:45 p.m.
- Final Budget Hearing - 9/16/20 @6:00 p.m.

# Questions/Comments



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September 3, 2020