

# City of Gainesville FY 2017 Budget

July 25, 2016

# FY 2017 Budget

- \* This is a one year, interim budget
- \* Plan to link to the strategic plan in future years
- \* Setting up the City to be able to address the big issues on the horizon

# Today's Agenda

- \* General Fund:
  - \* Increments – no follow-up requested
  - \* Increments for further discussion
  - \* Levers/options
- \* Enterprise Funds & Other Funds
- \* Adopt Fire Assessment Preliminary Rate Resolution

# General Fund

# General Fund Baseline

Baseline Revenues	113,173,180
Baseline Expenditures	<u>111,706,248</u>
Baseline Surplus	1,466,932
Raises with Ratified Contracts	<u>495,747</u>
Revised Baseline Surplus	971,185

# General Fund

## Increments – No Follow-Up Requested

### Recurring

A. Quinn Jones Museum	52,500
* Active Streets	15,000
Bike Share Program	28,000
Citizen Centered GNV	400,000
* Clerk's Office Reorganization	9,677
Construction Project Mgr	85,071
* EO B2GNOW Diversity Compliance Tool	25,988
* Freedom in Motion	36,000
* Parent Emissary Program	35,000
Pine Ridge Summer Camp	5,000
Program Assistant - Rec	26,849
Raises for FOP (subject to bargaining) and MAPs	450,881
Rec Leader at Morningside	13,161
Remote Streaming	37,158
Revenue Recovery/Contracts Specialist	-
* Senior Auditor	109,552
Senior Buyer	71,664
Smokey Bear Restrooms	9,800
Summer Heat Wave	47,000
Upgrade 30 hr temp Park Worker	15,311
Total	1,473,612

# General Fund

## Increments – No Follow-Up Requested One Time & Pilots

352 Arts Coordinator	43,187
352 Arts Space Programming	47,600
A Quinn Jones Museum	4,650
Bus Passes for Emp Ctr	15,000
Clarence Kelly Scoping & Design	50,000
Dignity Village GPD Support	126,726
Dignity Village Proj Mgr	65,288
Eastside Arts Initiative	5,000
* EO B2GNOW Diversity Compliance Tool	23,813
Marketing & Communications	75,000
Mental Health Training	35,000
Residential Sprinkler Study	25,000
Smokey Bear Restrooms	65,000
Total	581,264

# General Fund

## Baseline with Increments – No Follow-up Requested

Baseline Revenues	113,173,180
Baseline Expenditures	<u>112,201,995</u>
Baseline Surplus	971,185
Recurring Increments - no follow-up requested	<u>(1,473,612)</u>
Adjusted Surplus/(Deficit)	(502,427)

One-Time/Pilot Increments - no follow-up requested	581,264
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Funded by:

QTI Set-aside	270,000
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General Fund Unassigned Fund Balance	<u>311,264</u>
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Total One-Time/Pilot Funding	581,264
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# General Fund Increments for Further Discussion

# Empowerment Center Contract

- \* \$46,603 – Additional funding requested for Empowerment Center operating contract
- \* Considerations:
  - \* Funding level
  - \* Recurring or one-time

# Fire Station 1

- \* \$4.5 million
- \* Considerations:
  - \* Funding level
  - \* Timing of funding:
    - \* Bond could be issued mid-year, delaying first debt service payment to FY18
  - \* Sources of funding:
    - \* General Fund unassigned fund balance
    - \* Offset with estimated property sales proceeds
    - \* Note/bond issue (as proposed, \$317,323 in debt svc)

# Florida Institute for Commercialization of Public Research

- \* \$50,000 Requested
- \* Supports non-University of Florida research spin offs
- \* Considerations:
  - \* Funding level
  - \* Recurring or one-time

# Living Wage

- \* \$300,000 Living Wage set aside, effective January 1
- \* A set aside provides budgetary flexibility for the City Commission to address the living wage in a comprehensive manner including:
  - \* Target hourly rate
  - \* Impact on temporary employees and/or contracted employees
  - \* Salary compression
  - \* Union bargaining
  - \* Long term planning, implementation period/indexing
- \* Any raises for covered employees subject to bargaining & ratification

# MuniCode – Research Discriminatory Language

- \* \$10,000 (one-time)
- \* Review City Code to identify discriminatory language
- \* Considerations:
  - \* Funding level

# Police - Additional Raises

- \* \$275,864 FOP (police) additional 2% to bring total budgeted raises for FY17 to 4%
- \* Considerations:
  - \* Funding level
  - \* Recurring or one-time
- \* Any raises to union members is subject to bargaining and ratification by union members and the City Commission

# Recreation – Additional Funding

- \* \$5,000 Summer Camp scholarships
- \* \$5,000 Wilhelmina Johnson Programming supplement
- \* Considerations:
  - \* Funding level
  - \* Recurring or one-time



# Reichert House Nonprofit

- \* \$10,000 funding approved by City Commission to replace CDBG funding recommendation
- \* Considerations:
  - \* Fund in FY16 on a one-time basis
  - \* Fund in FY17 on a one-time basis
  - \* Fund in FY17 on a recurring basis

# Technology

- \* \$7 million
- \* Considerations:
  - \* Funding level
  - \* Timing of funding
    - \* All in FY17 or split between FY17 & FY18
      - \* Bond could be issued mid-year, delaying first debt service to FY18
  - \* Sources of funding
    - \* General Fund unassigned fund balance
    - \* Note/bond issue (as proposed, \$331,427 in debt service)
    - \* Capital projects fund accumulated interest earnings

# Landlord License Reduction

- \* Level of Reduction – (\$0 to \$390,000)
- \* Considerations:
  - \* Leave as is and freeze increases
  - \* \$130,000 reduction
  - \* \$390,000 reduction
  - \* Fund increased service in rental neighborhoods

	Recurring	One-Time	Total
Adjusted Baseline	971,185	-	971,185
Increments:			
Subtotal of Increments - no followup requested	1,473,612	581,264	2,054,876
Empowerment Ctr Contract Increase	46,603	-	46,603
Fire Station 1	317,323	4,500,000	4,817,323
FI Institute for Comm of Public Research	-	50,000	50,000
Living Wage Set Aside	300,000	-	300,000
MuniCode Discriminatory Language	-	10,000	10,000
Police - Additional Raises	275,864	-	275,864
Recreation - Additional Funding	-	10,000	10,000
Reichert House NonProfit	-	10,000	10,000
Technology	331,427	7,000,000	7,331,427
Landlord License Reduction	130,000	-	130,000
Total Increments	2,874,829	12,161,264	15,036,093

<b>Funding Needs</b>	<b>1,903,644</b>	<b>12,161,264</b>	<b>14,064,908</b>
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Recommended Funding in Proposed Budget			
General Fund Unassigned Fund Balance	805,688	2,035,801	2,841,489
QTI Set-Aside Use	-	270,000	270,000
Community Grant Program Sunset	114,272	-	114,272
Capital Projects Fund Interest	-	551,650	551,650
\$9.25M Bond/Note Issuance	-	9,200,000	9,200,000
Total Recommended Funding in Proposed Budget	919,960	12,057,451	12,977,411

<b>Funding Gap</b>	<b>983,684</b>	<b>103,813</b>	<b>1,087,497</b>
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# Funding Options/Lever

# Property Tax

Millage Rate	Total Revenue	Change from Proposed (net of TIF xfrs)	Annual Impact on a \$150k valued home w/homestead
4.4057 Rolled Back Rate	\$25,595,365	(\$538,733)	(\$10.22)
4.5079 Proposed Rate	\$26,188,944	\$0	\$0
4.6976	\$27,291,019	\$1,000,000	\$18.97
6.5926 Maximum Simple Majority	\$38,300,148	\$10,992,126	\$208.47

# Fire Assessment

Rate	Total Revenue	Change from Proposed	Annual Impact on a home – 1.5 FPU
\$78.00	\$5,377,161	\$0	\$0
\$81.90 (5% increase)	\$5,646,019	\$268,858	\$5.85
\$85.80 (10% increase)	\$5,914,877	\$537,716	\$11.70
\$91.43 (to get to 50% of Net Exp)	\$6,302,667	\$925,506	\$20.15

# Community Grant Program

- \* \$114,272

- \* Considerations:

- \* Eliminate
  - \* Sunset and recreate new program
  - \* Move funding to Greenspace and Community Improvement Fund
  - \* Leave in General Fund



# General Fund Unassigned Fund Balance

- \* General Fund Unassigned Fund Balance policy is 10% of budgeted revenues
  - \* GFOA recommends 16.67% (two months)
  - \* ICMA & rating agencies recommend at least 5%
- \* Projected to be \$7.1 million over the policy level at the end of FY16
- \* Funds can be used for:
  - \* One-time, pilot and capital projects
  - \* Recurring costs with caution not to become dependent
  - \* Increase policy threshold

# Bond/Note Funding

- \* Proposal included \$9.25M bond/note issue
  - \* 20 year term = \$648,750 annual debt service
- \* Each \$1M costs appx \$70k in annual debt service
- \* Bond could be deferred to mid-2017 with first debt service payment in FY18
  - \* Would result in \$648,750 in savings for FY17, however payments would begin in FY18 on a recurring basis

# Other Revenue Levers

Revenue Type	Lever	Fiscal Impact
Business Tax	Rates can only be changed with an equity study	Unknown
Other Fees & Charges	Rec fees, parking decals, parking fines	Unknown
GRU Transfer	Negotiated or formulated amount	Unknown
Utility Tax	Shifting between rates and fuel adjustment	1% electric rate increase results in \$79k increase in tax

# Other Levers

Existing Fund/Source	Lever	Fiscal Impact
CRA Districts	Sunset or phase out	CPUH up to \$1.2M Downtown up to \$700k
Capital Projects Funds/Special Revenue Funds	Reallocate/ Repurpose	Varies
Proposed Increments	Eliminate, reduce, change	Varies
Recurring Spending in Baseline	Eliminate, reduce, change	Varies

# Enterprise Funds

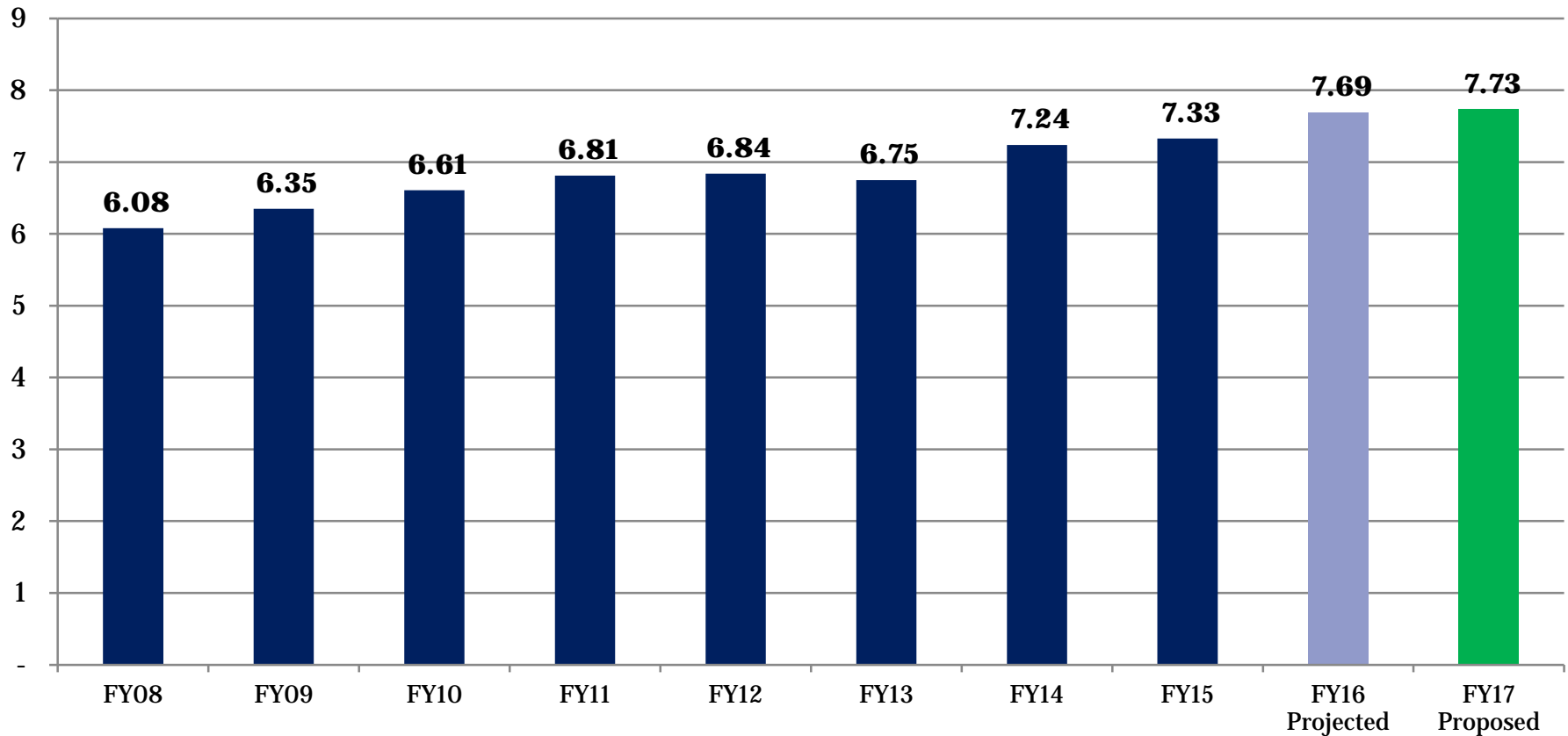


# Stormwater Management Utility Fund (Funds 413 & 414)

- \* The Stormwater Fund protects water quality through maintenance of the City's stormwater infrastructure including upkeep of basins and ditches, street sweeping and mosquito control.
- \* Funded through customer charges based on Equivalent Residential Units (ERU) billed monthly through GRU:
  - \* \$7.61 for operating
  - \* \$1.25 for capital

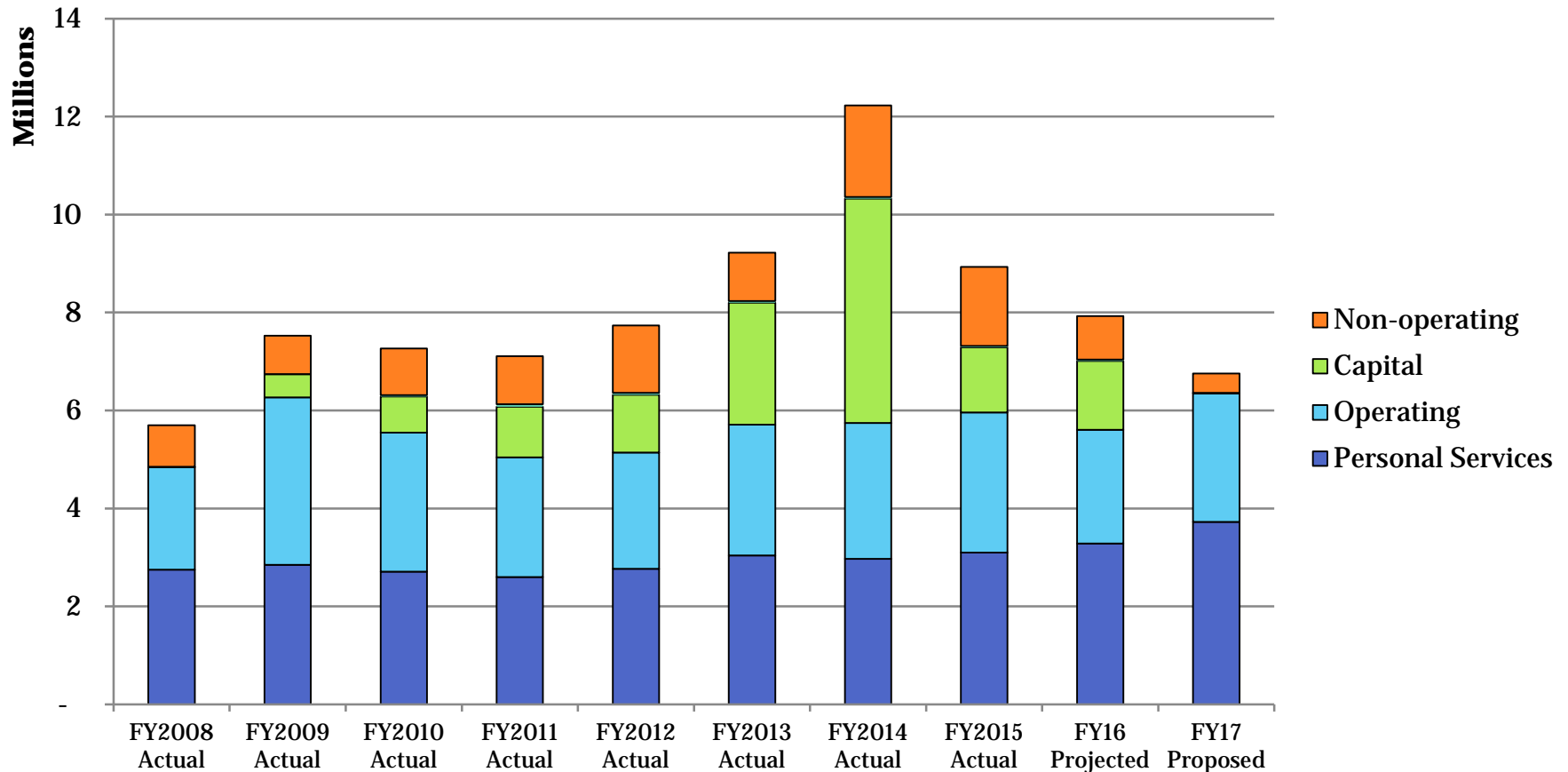
# Stormwater Management Utility Fund (Funds 413 & 414)

## Stormwater Fee Revenue



# Stormwater Management Utility Fund (Funds 413 & 414)

## Stormwater Expenses





# Ironwood Golf Course (Funds 415, 417 & 418)

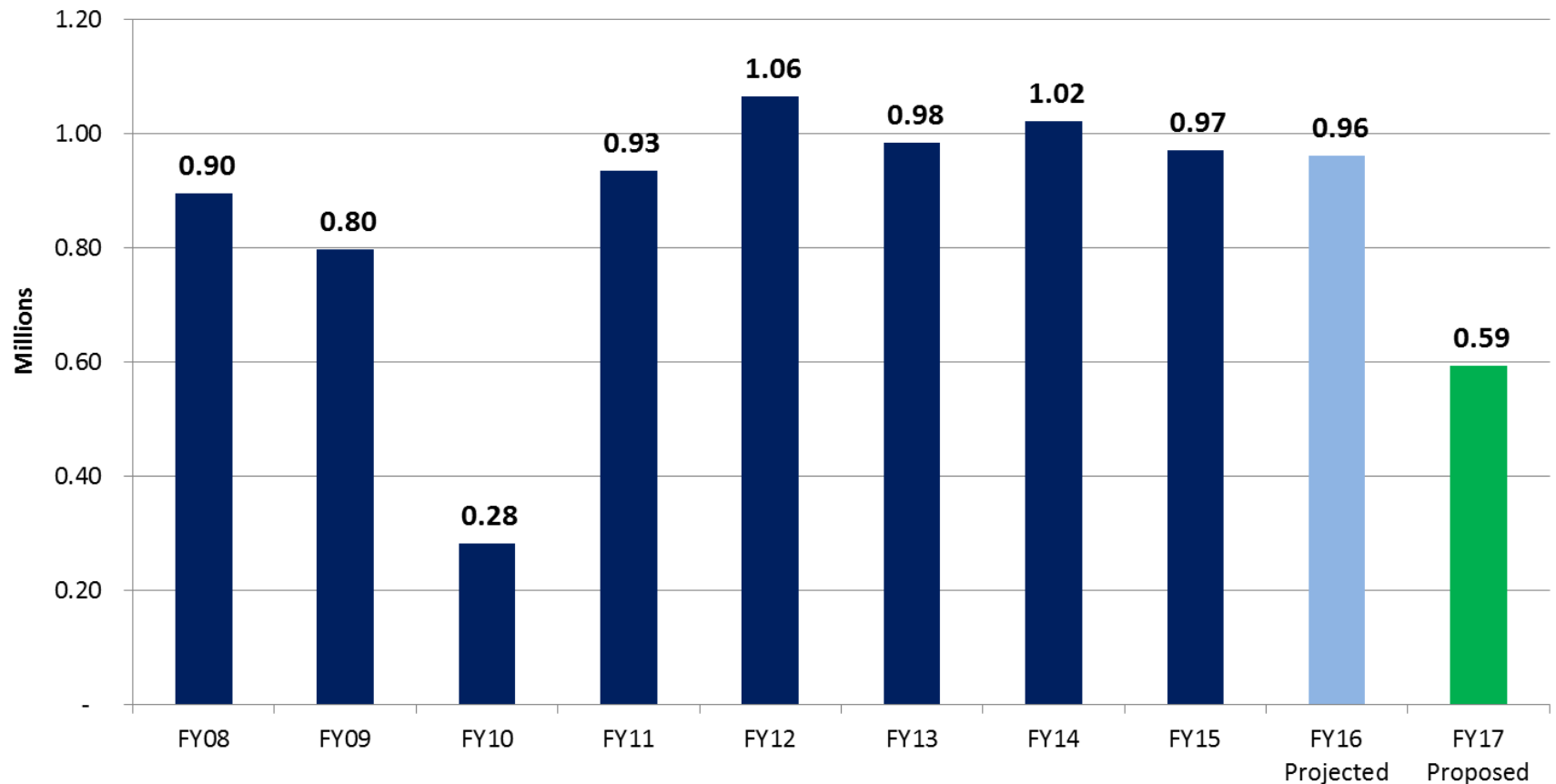
- \* Golf course operations
- \* Ongoing plan to close-out enterprise fund and move Ironwood into the General Fund in FY19

# Ironwood Golf Course (Funds 415, 417 & 418)

- \* Key changes for FY 2017:
  - \* Current maintenance contract includes regrassing the fairways at no cost for that service
    - \* Would require the course to close for five months
    - \* Resulting \$400k reduction in revenues for FY17

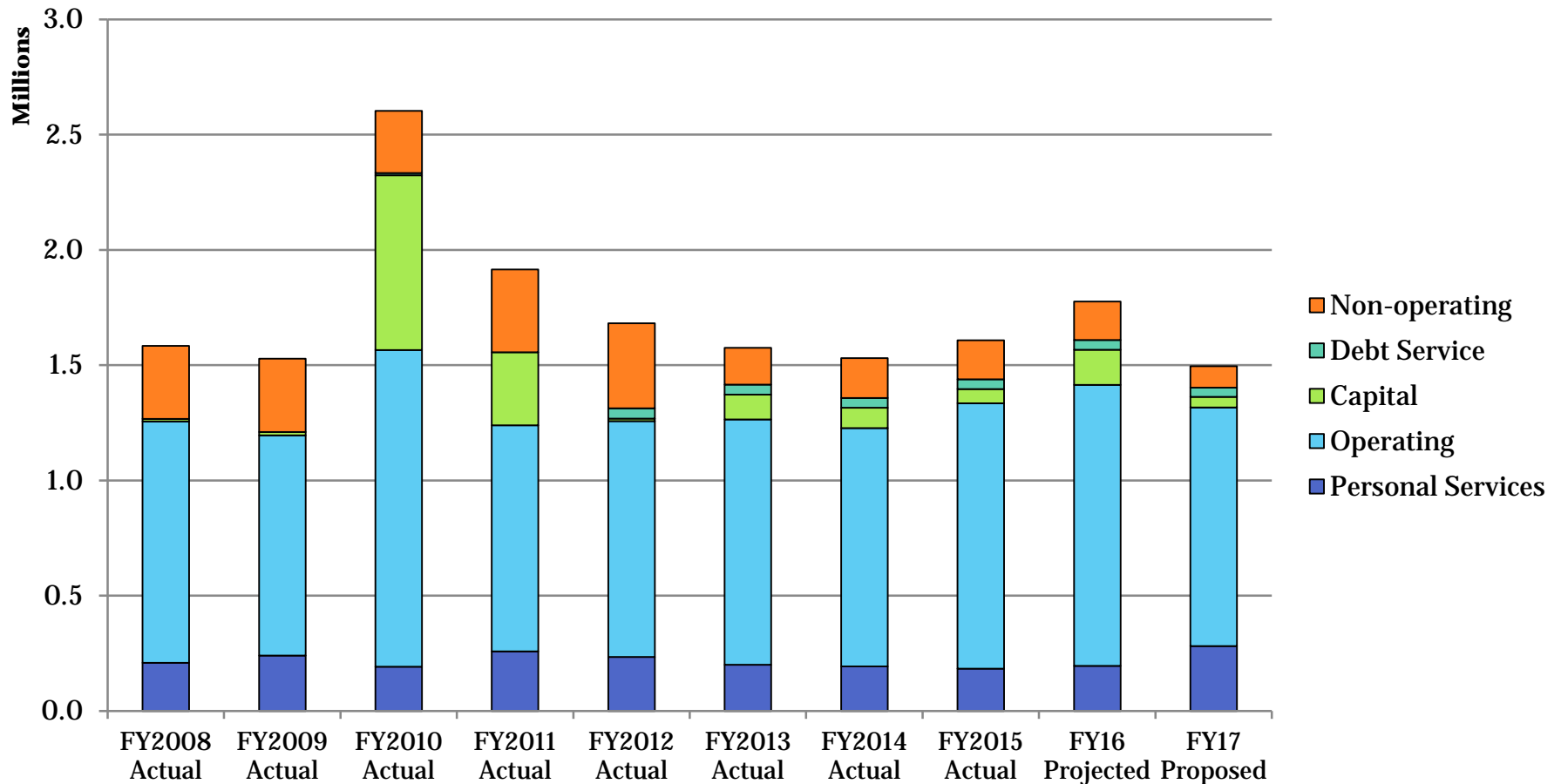
# Ironwood Golf Course (Funds 415, 417 & 418)

**Ironwood Operating Revenue & Capital Surcharge**



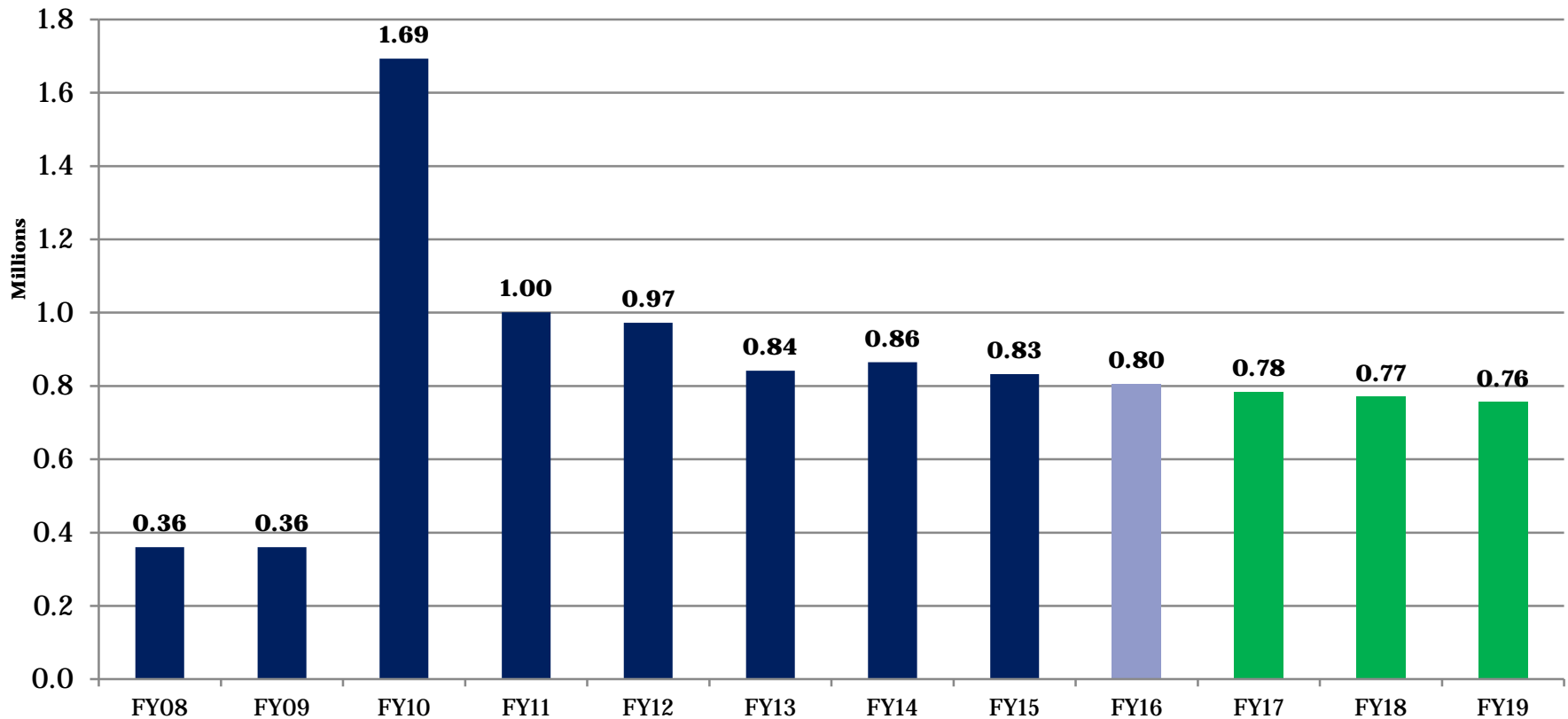
# Ironwood Golf Course (Funds 415, 417 & 418)

## Ironwood Expenses



# Ironwood Golf Course (Funds 415, 417 & 418)

## General Fund Transfers to Ironwood

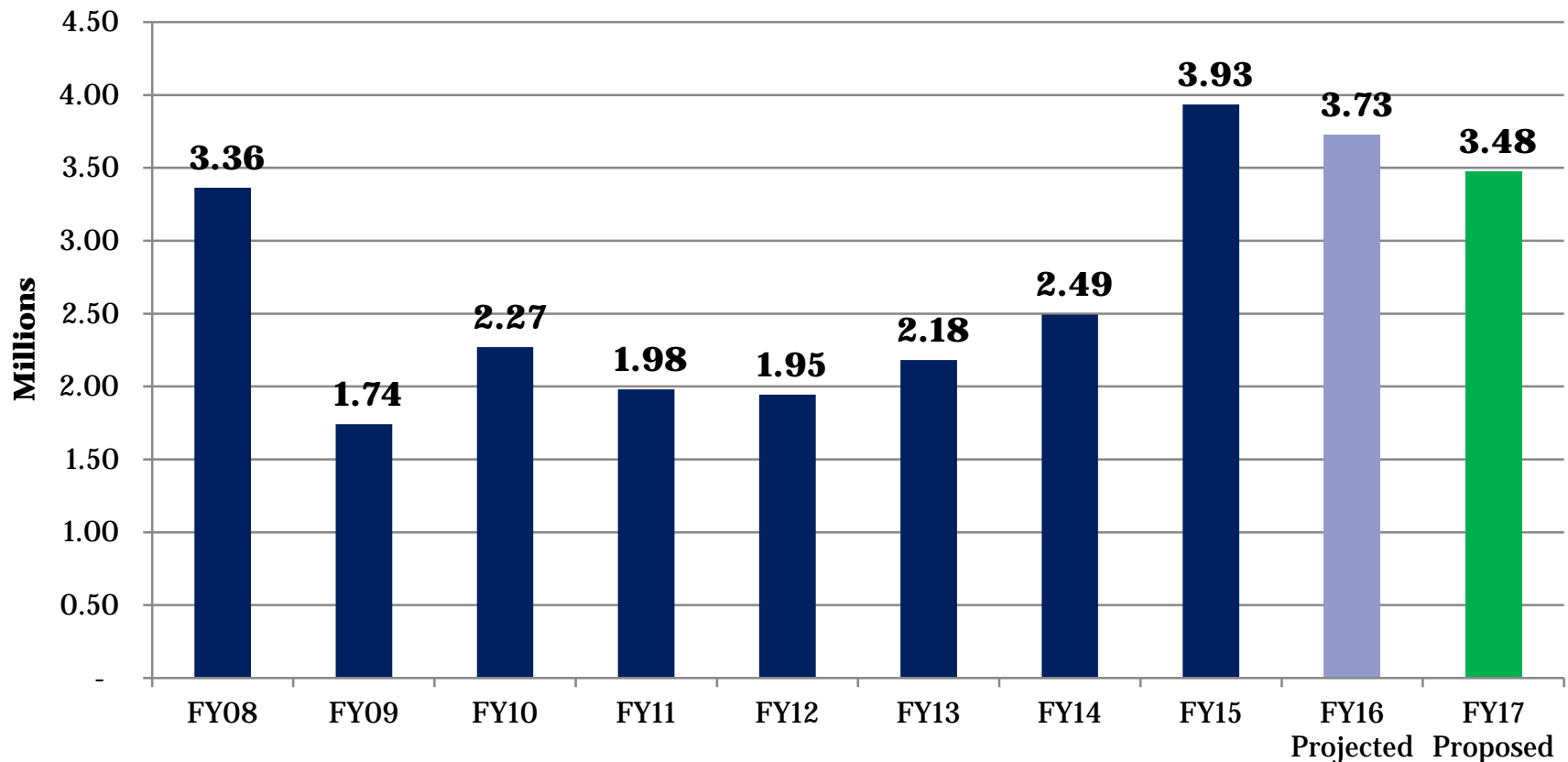


# Building Inspection Fund (Fund 416)

- \* Primary revenues generated from building permit fees
- \* Funds must be spent on building inspections and supporting functions
- \* Revenues are received in advance of the cost of providing services
  - \* In some cases it may be several years before all required inspections are completed
- \* Two positions added during FY16, carried forward to FY17

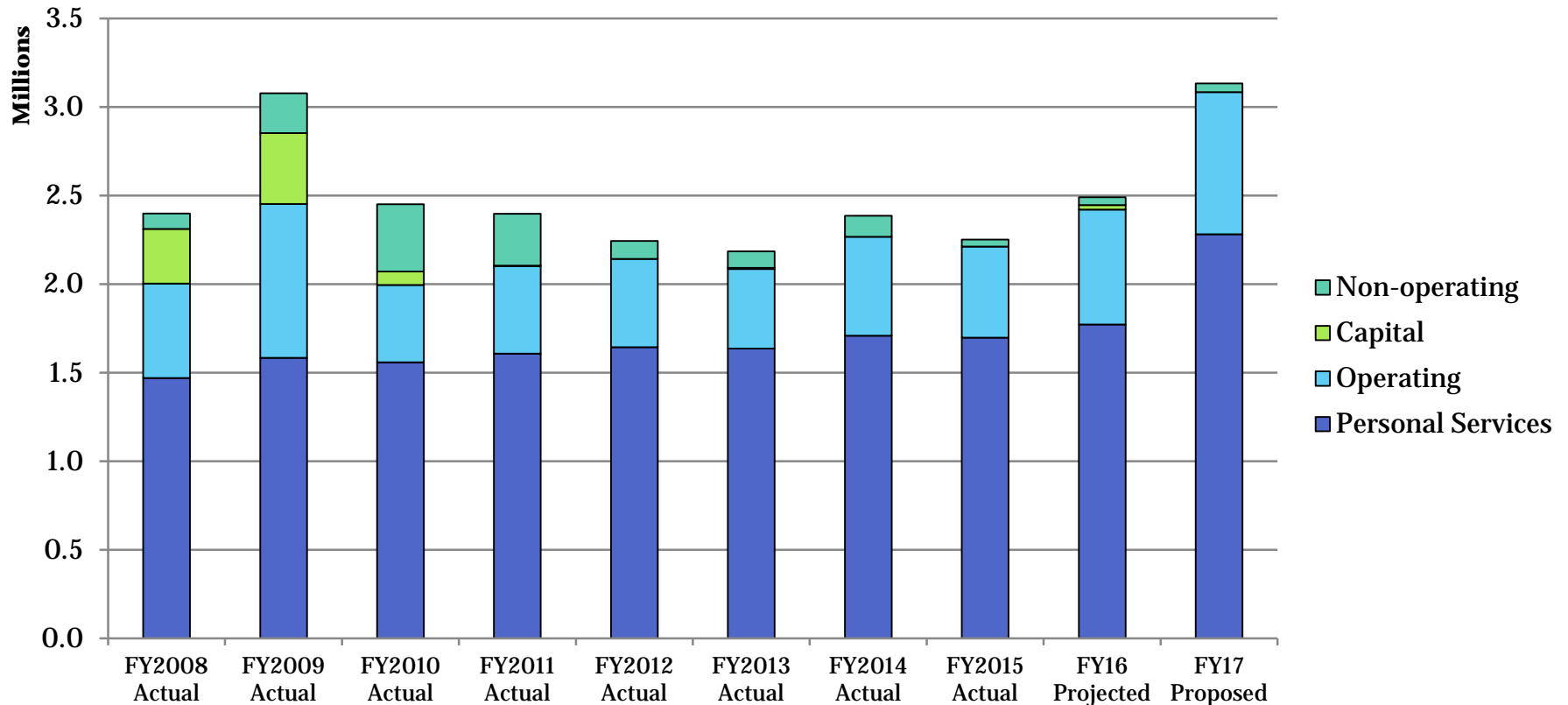
# Building Inspection Fund (Fund 416)

## Building Inspection Revenue



# Building Inspection Fund (Fund 416)

## Building Inspection Expenditures





# Solid Waste Fund (Fund 420)

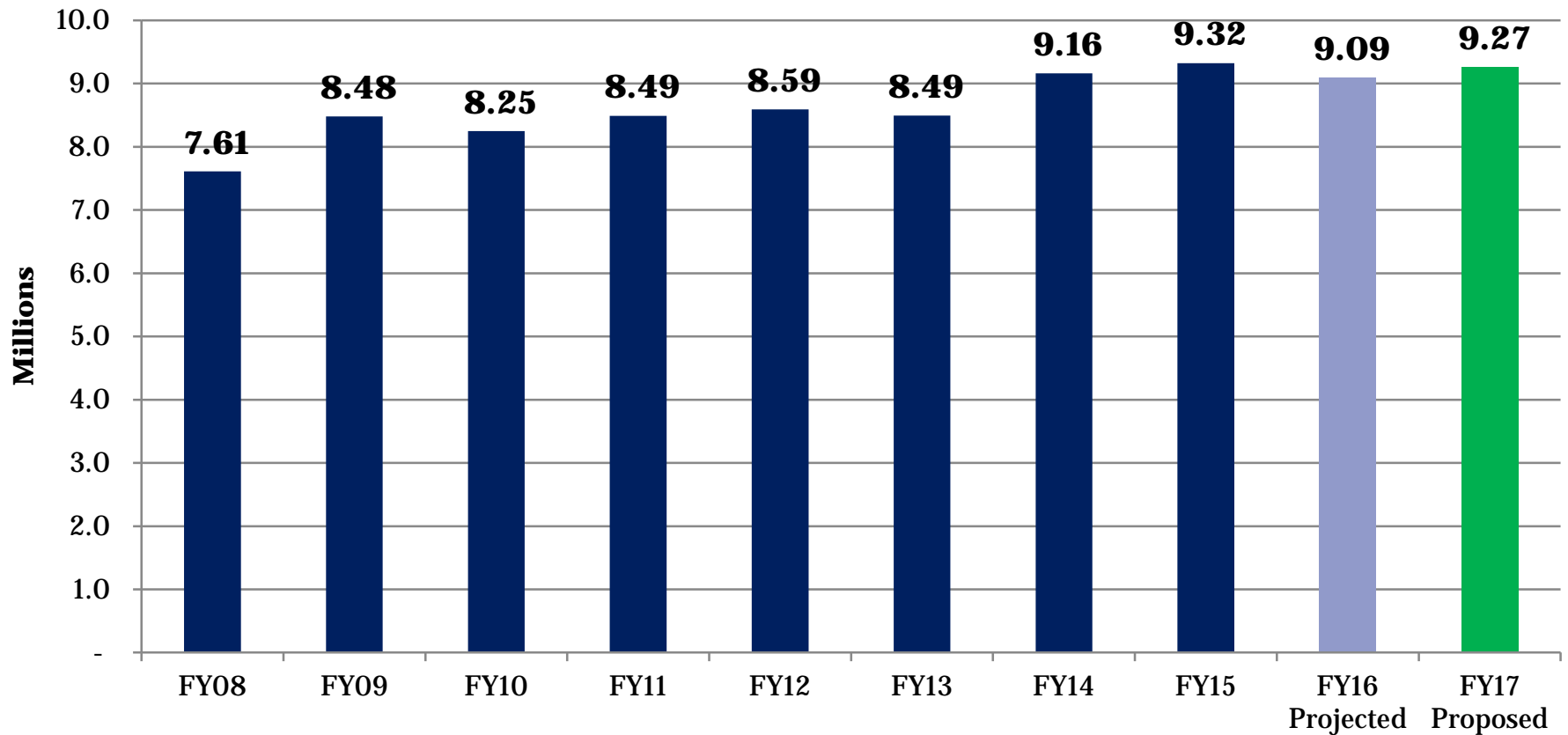
- \* This fund covers the cost of a third party contract for waste and recycling collection
- \* Funded through customer charges based on cart size billed monthly through GRU
- \* Major recent capital project for airport landfill remediation of \$2M
- \* Annual payment for roadway resurfacing due to damage from waste hauling trucks of \$1.7M

# Solid Waste Fund (Fund 420)

- \* Key changes for FY 2017:
  - \* Adding an additional inmate crew for resource recovery and trash/recycling container maintenance
  - \* Adding \$170k for purchase of new trash/recycling containers
  - \* Adding one position to lead resource recovery pilot program

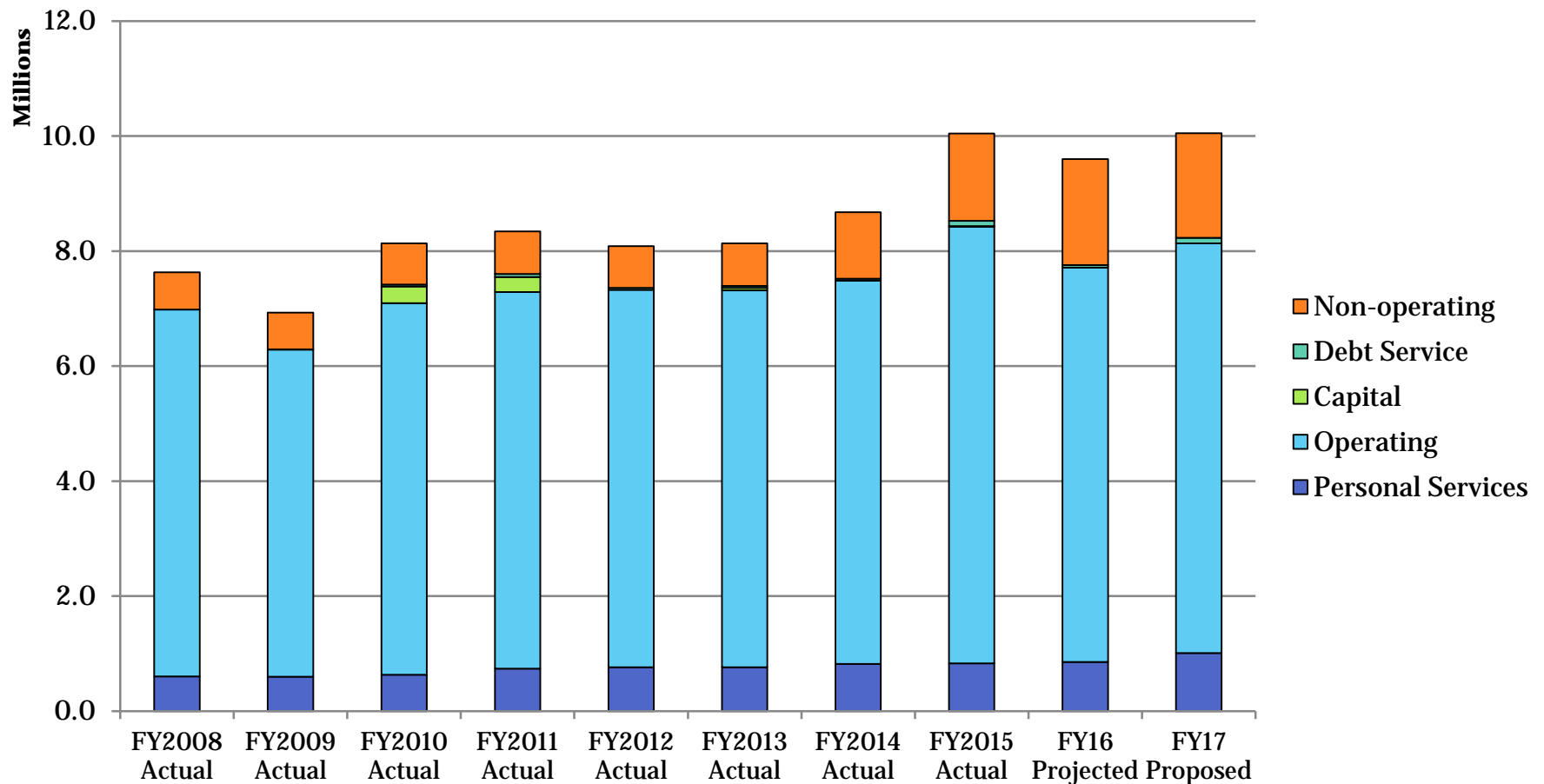
# Solid Waste Fund (Fund 420)

## Solid Waste Revenues



# Solid Waste Fund (Fund 420)

## Solid Waste Fund



# Regional Transit System (RTS) (Funds 450, 451 & 452)

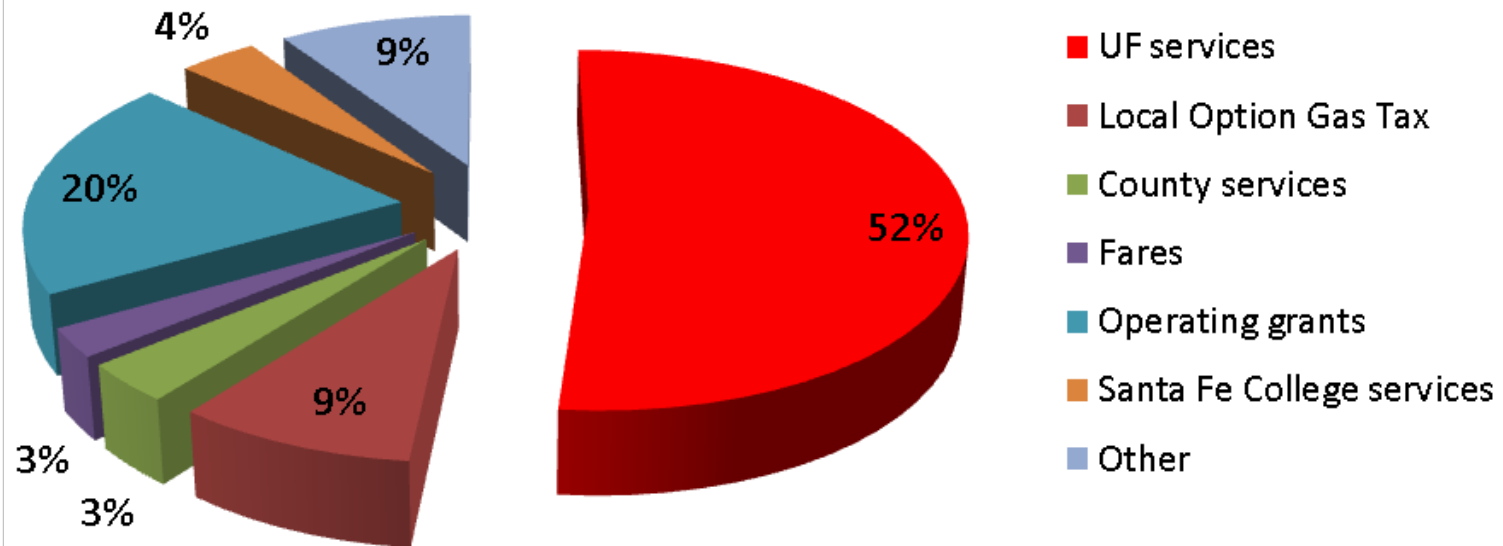
- \* This fund provides for the cost of transit service
- \* Major revenue sources include:
  - \* University of Florida Service Agreement
  - \* FTA/FDOT Grants
  - \* Local Option Gas Tax
  - \* County Routes Service Agreement
  - \* Santa Fe College Service Agreement
  - \* Fares and Passes

# Regional Transit System (RTS) (Funds 450, 451 & 452)

- \* Key changes for FY 2017:
  - \* Increase to UF Contract which covers additional two driver/operator positions
  - \* Funding of holiday service on routes, started as General Fund pilot
  - \* Funding of Eastside routes, previously funded by grant

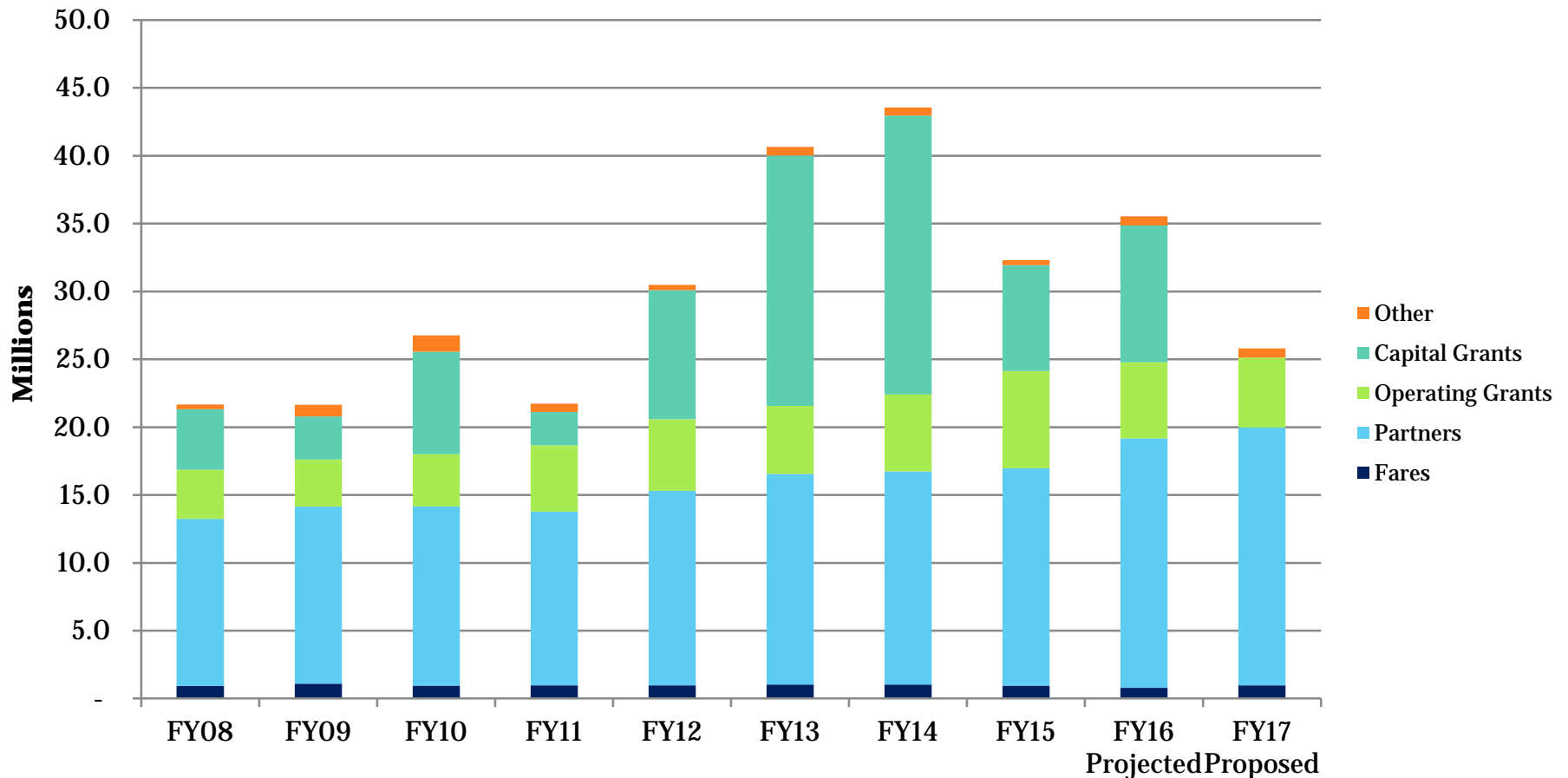
# Regional Transit System (RTS) (Funds 450, 451 & 452)

Composition of FY17 Proposed RTS Revenues



# Regional Transit System (RTS) (Funds 450, 451 & 452)

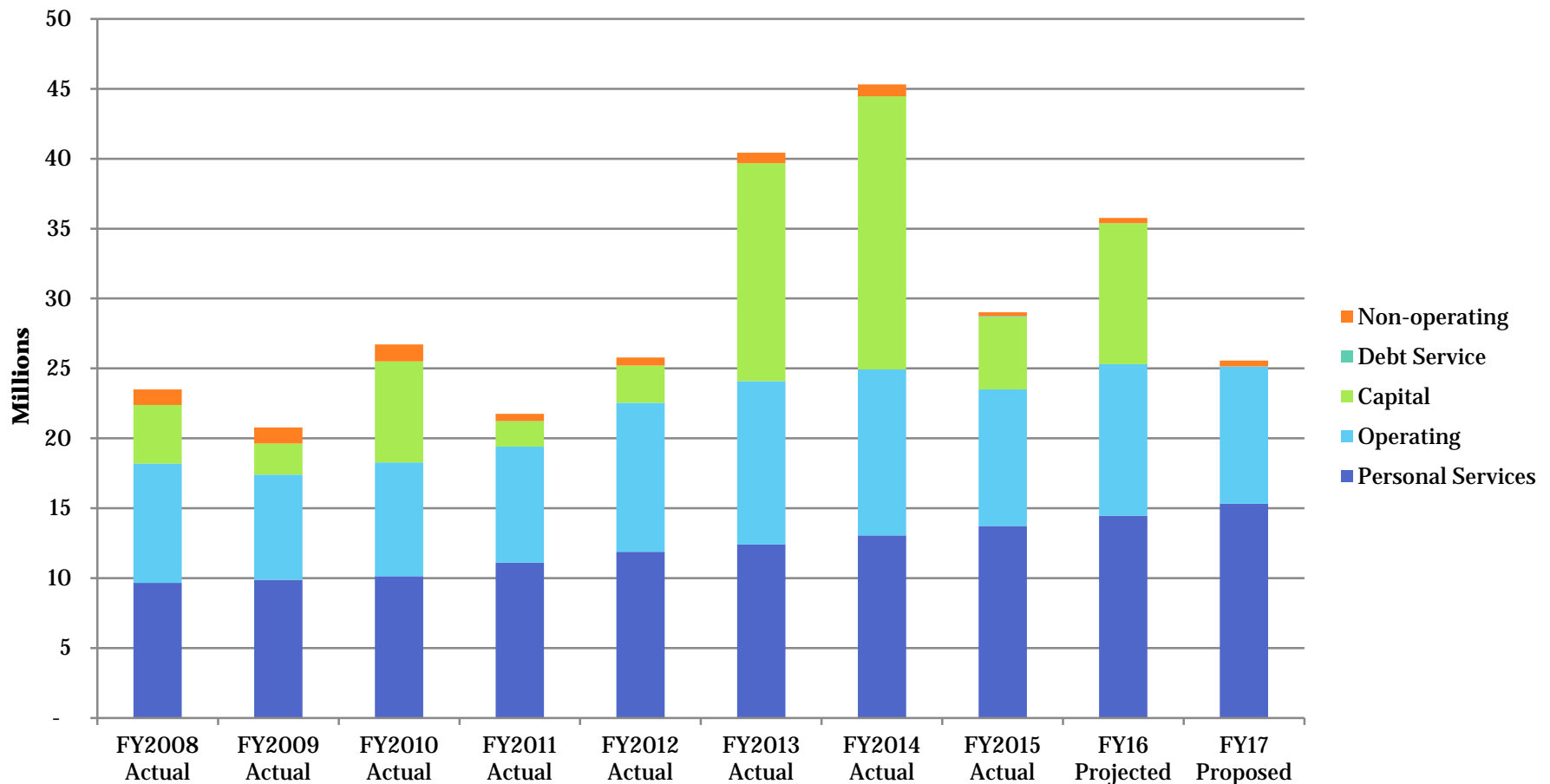
## Transit Revenues





# Regional Transit System (RTS) (Funds 450, 451 & 452)

## RTS Expenses



# Other Funds

# Fund Balance Restrictions

- \* Unassigned
- \* Assigned
- \* Committed
- \* Restricted
- \* Non-Spendable

# Other Funds

- \* **Special Revenue Funds**
  - \* Committed, Restricted and Nonspendable
- \* **Debt Service Funds**
  - \* Restricted
- \* **Capital Projects Funds**
  - \* Assigned, Committed and Restricted
- \* **Internal Service Funds**
  - \* Assigned and Restricted
- \* **Pension & Other Post Employment Benefits Funds**
  - \* Restricted