

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

Funding Needs	1,903,644	12,161,264	14,064,908
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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

Funding Gap	983,684	103,813	1,087,497
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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

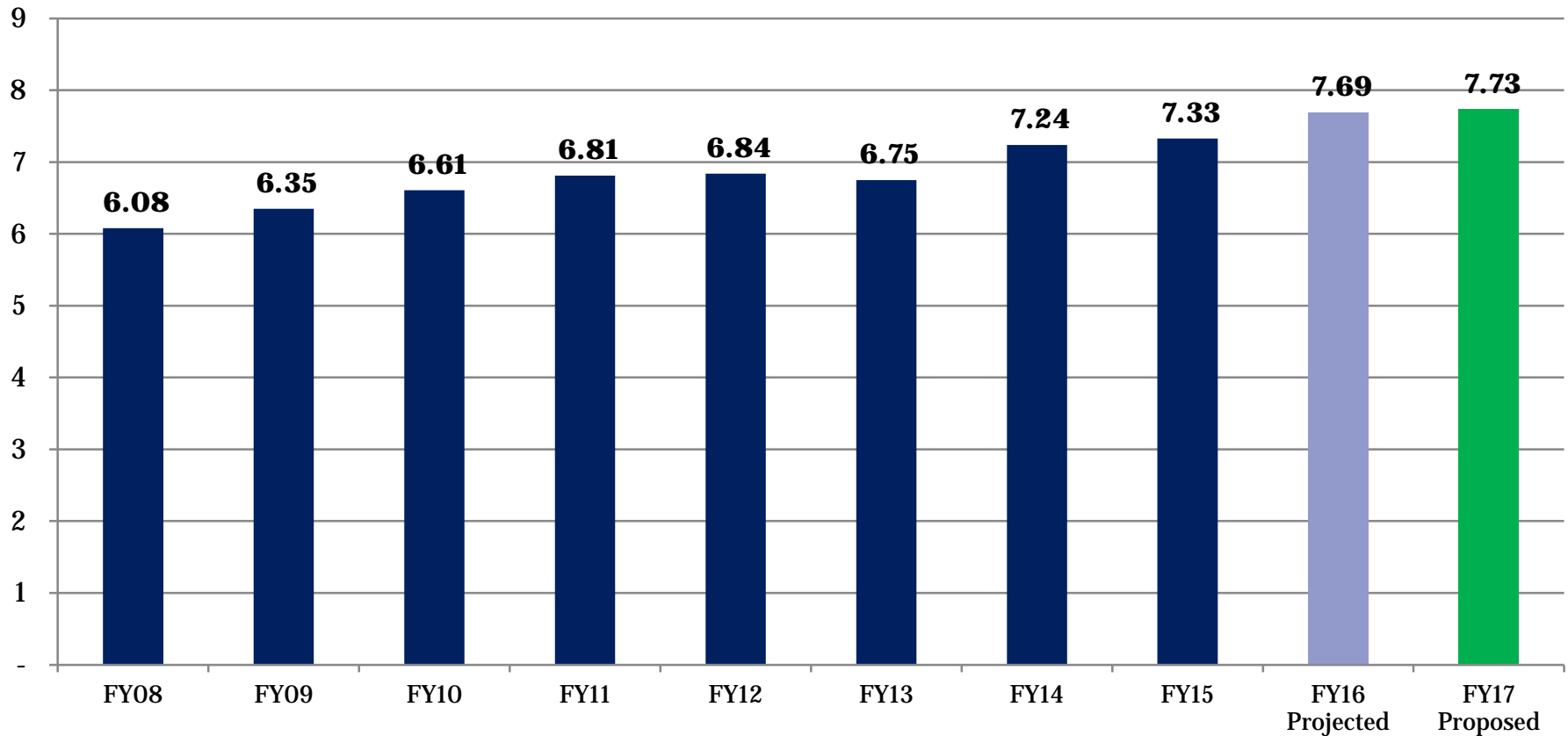
Enterprise Funds

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:
 - * \$7.75 for operating
 - * \$1.25 for capital

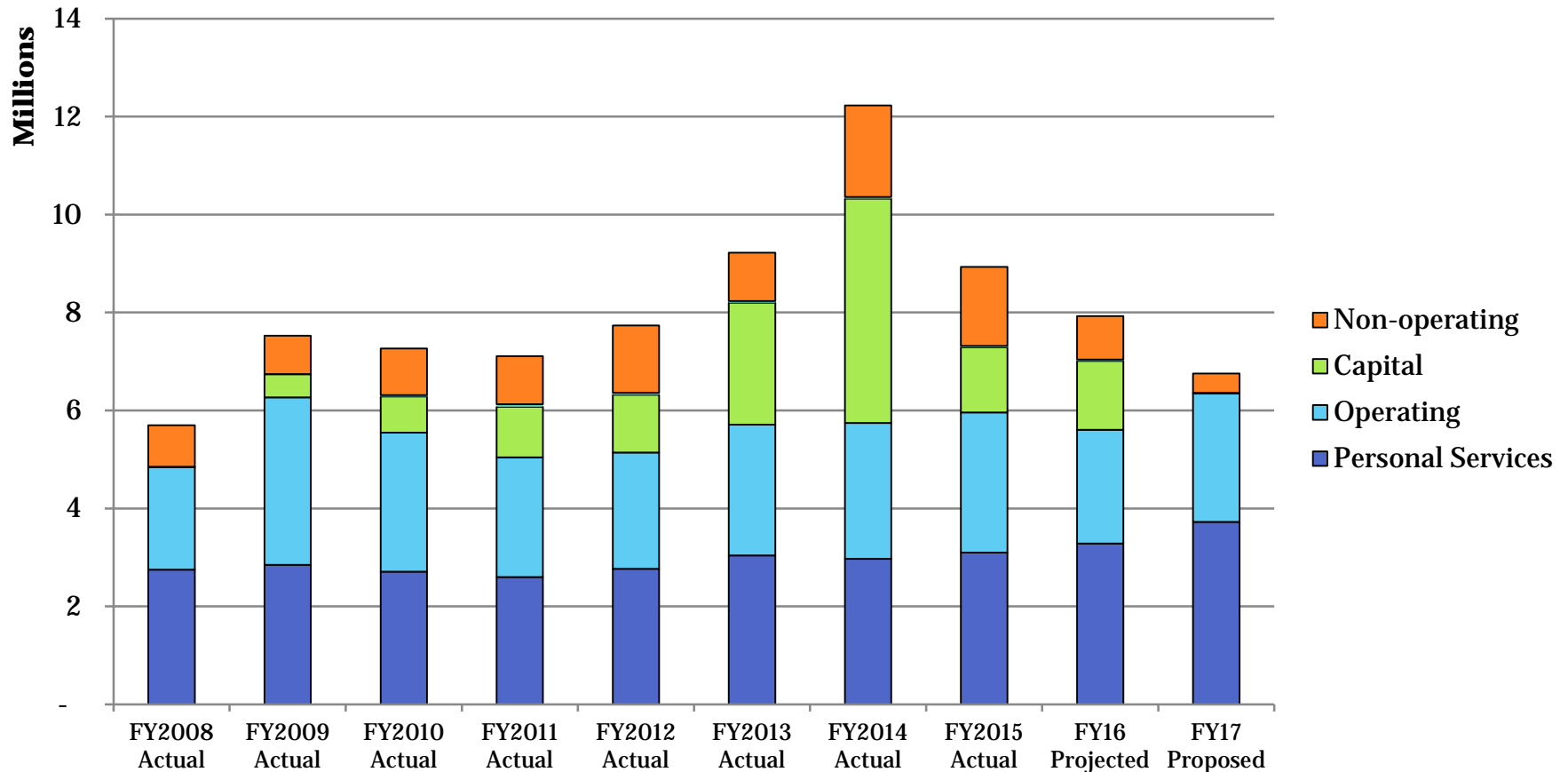
Stormwater Management Utility Fund (Funds 413 & 414)

Stormwater Fee Revenue



Stormwater Management Utility Fund (Funds 413 & 414)

Stormwater Expenses



Ironwood Golf Course (Funds 415, 417 & 418)

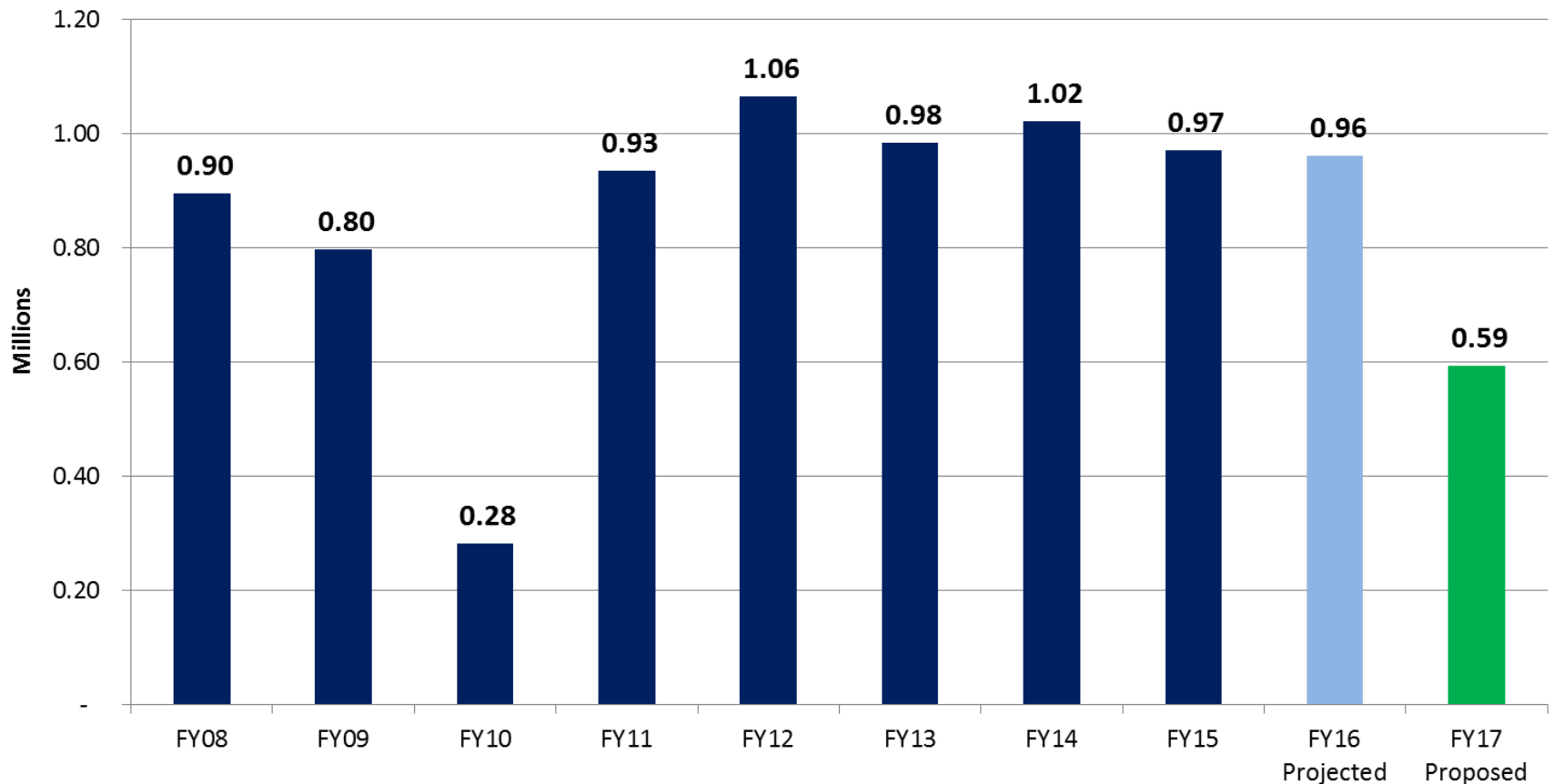
- * Golf course operations
- * Ongoing plan to close-out enterprise fund and move Ironwood into the General Fund in FY19

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

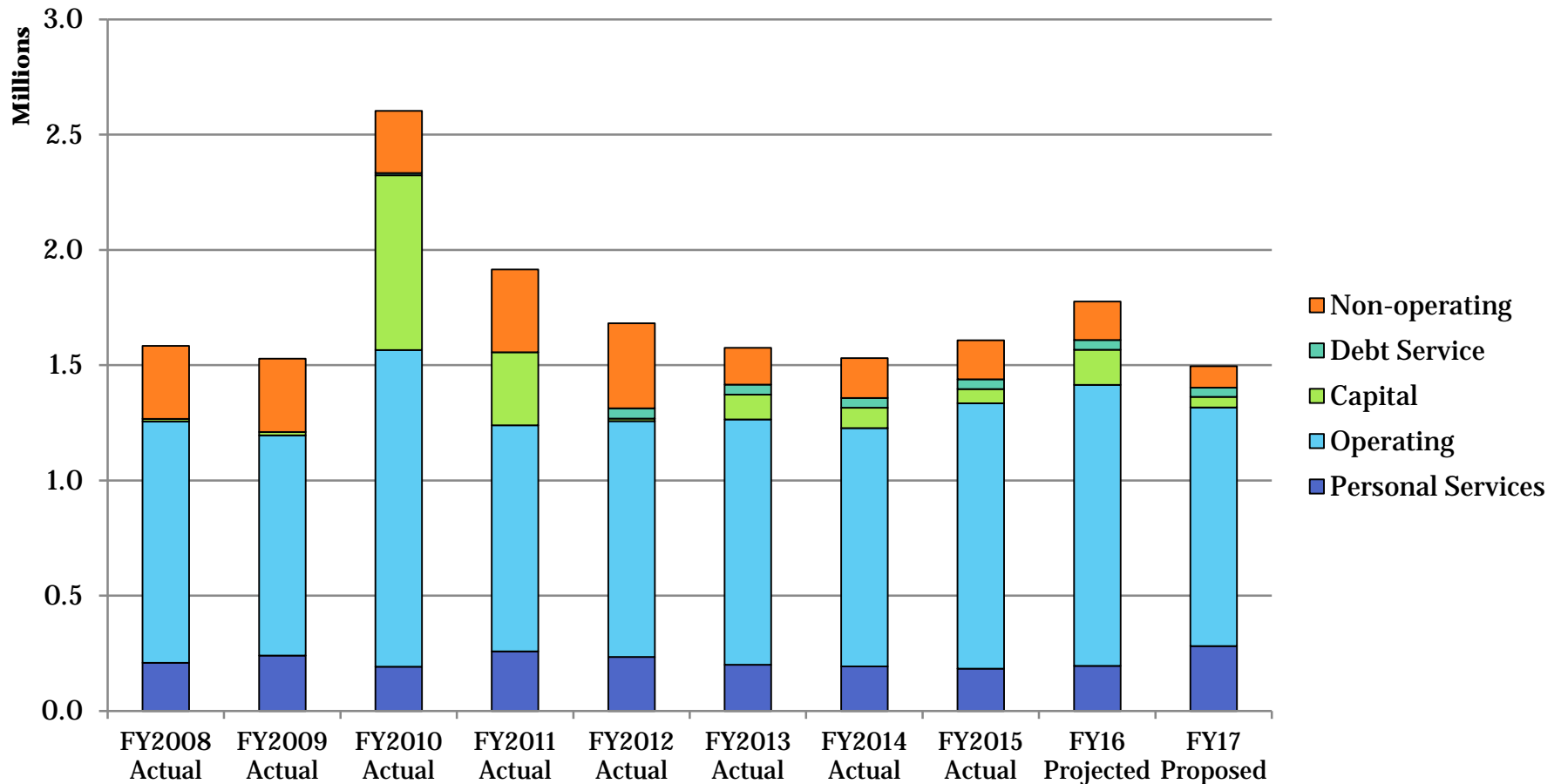
Ironwood Golf Course (Funds 415, 417 & 418)

Ironwood Operating Revenue & Capital Surcharge



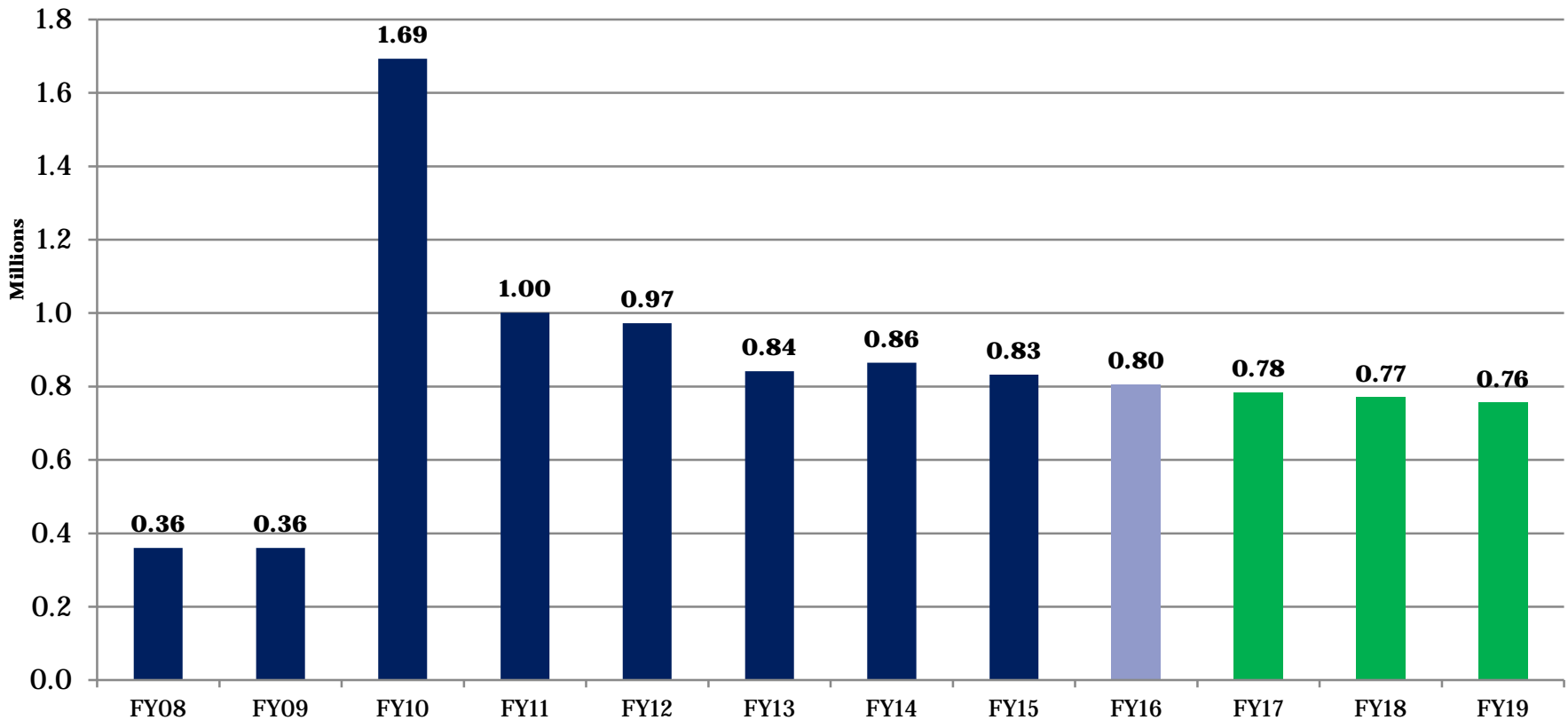
Ironwood Golf Course (Funds 415, 417 & 418)

Ironwood Expenses



Ironwood Golf Course (Funds 415, 417 & 418)

General Fund Transfers to Ironwood

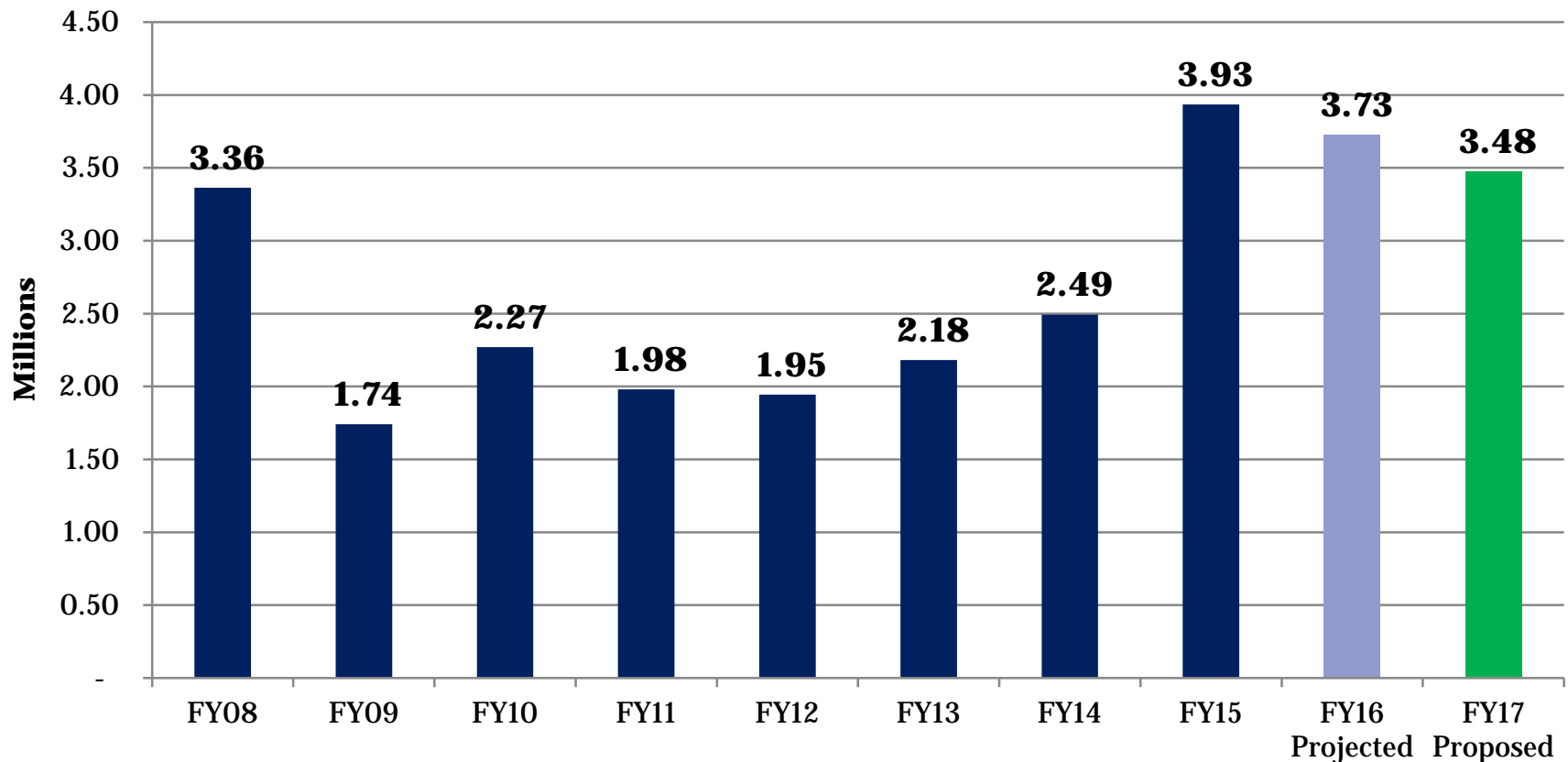


Building Inspection Fund (Fund 416)

- * 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
- * Four positions added during FY16, carried forward to FY17

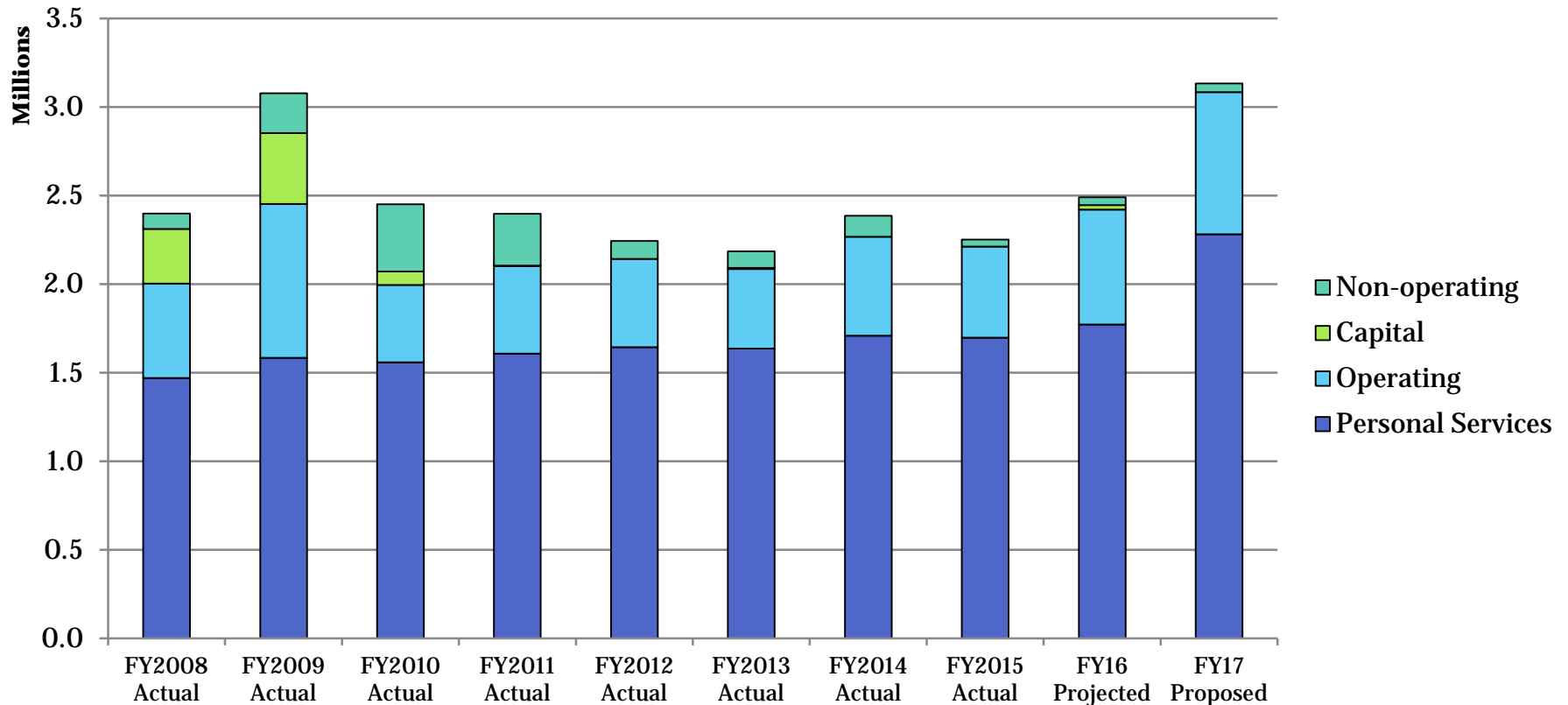
Building Inspection Fund (Fund 416)

Building Inspection Revenue



Building Inspection Fund (Fund 416)

Building Inspection Expenditures



Solid Waste Fund (Fund 420)

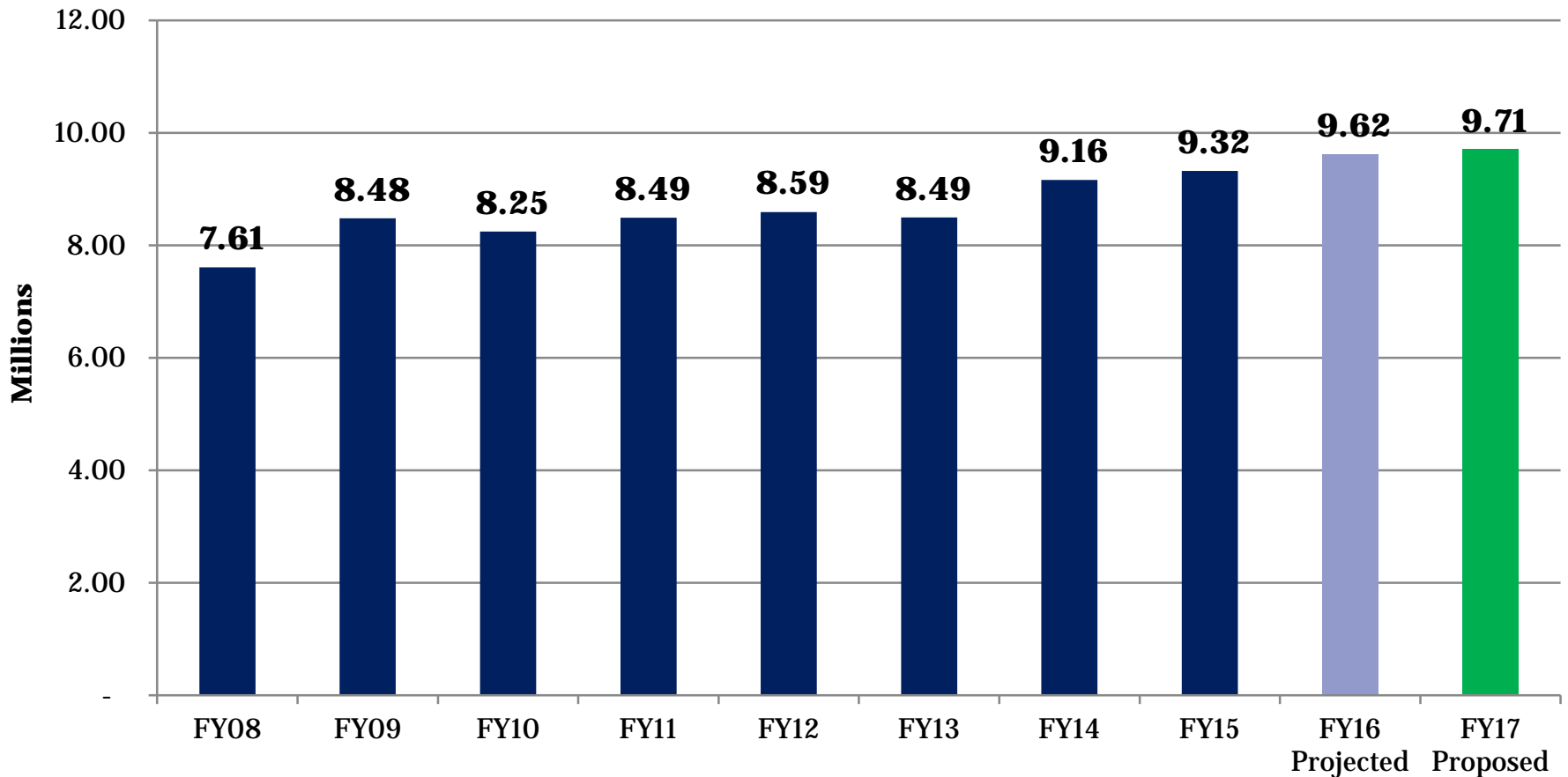
- * This fund covers the cost of a third party contract for waste and recycling collection
- * Funded through customer charges based on cart size billed monthly through GRU
- * Major recent capital project for airport landfill remediation of \$2M
- * Annual payment for roadway resurfacing due to damage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

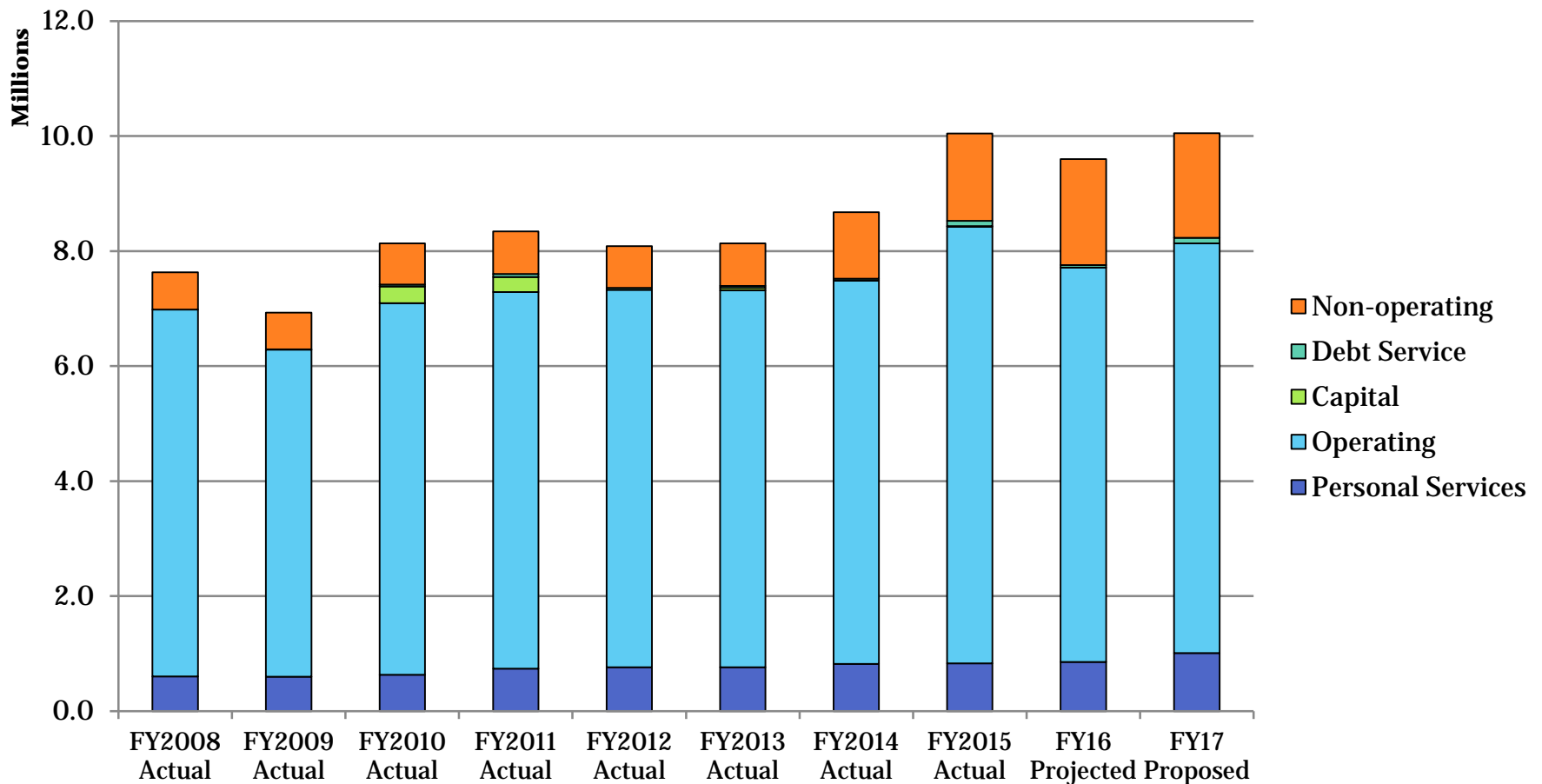
Solid Waste Fund (Fund 420)

Solid Waste Revenues



Solid Waste Fund (Fund 420)

Solid Waste Fund



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

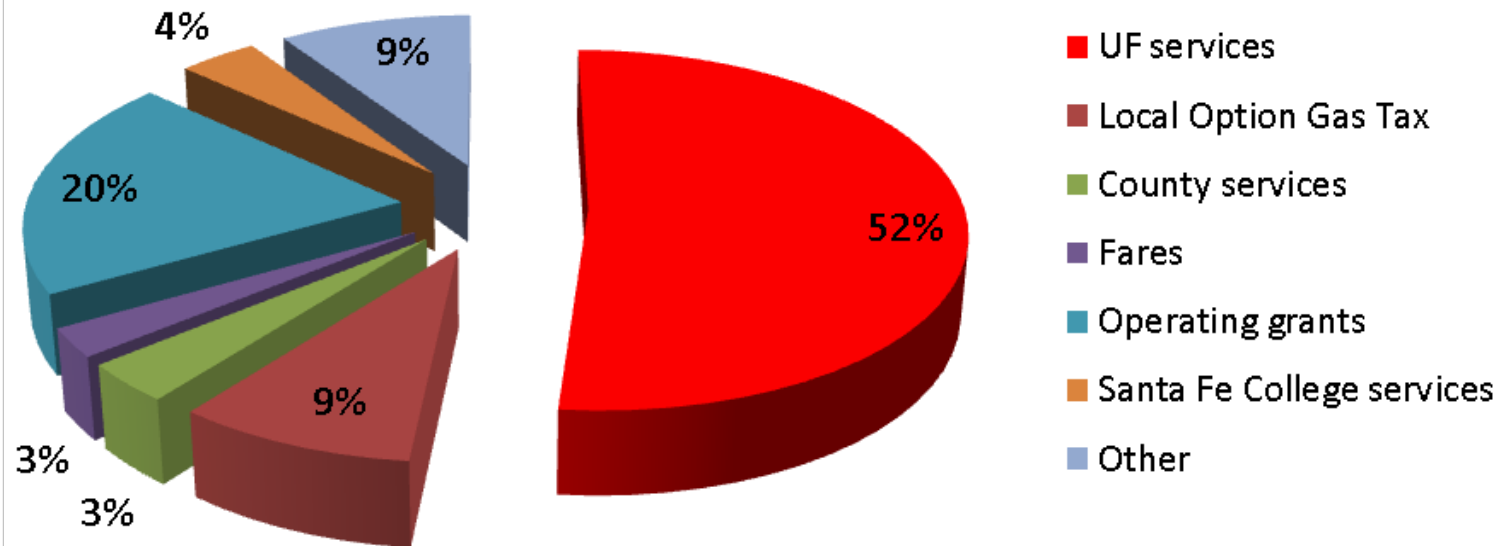
- * This fund provides for the cost of transit service
- * Major revenue sources include:
 - * University of Florida Service Agreement
 - * FTA/FDOT Grants
 - * Local Option Gas Tax
 - * County Routes Service Agreement
 - * Santa Fe College Service Agreement
 - * Fares and Passes

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

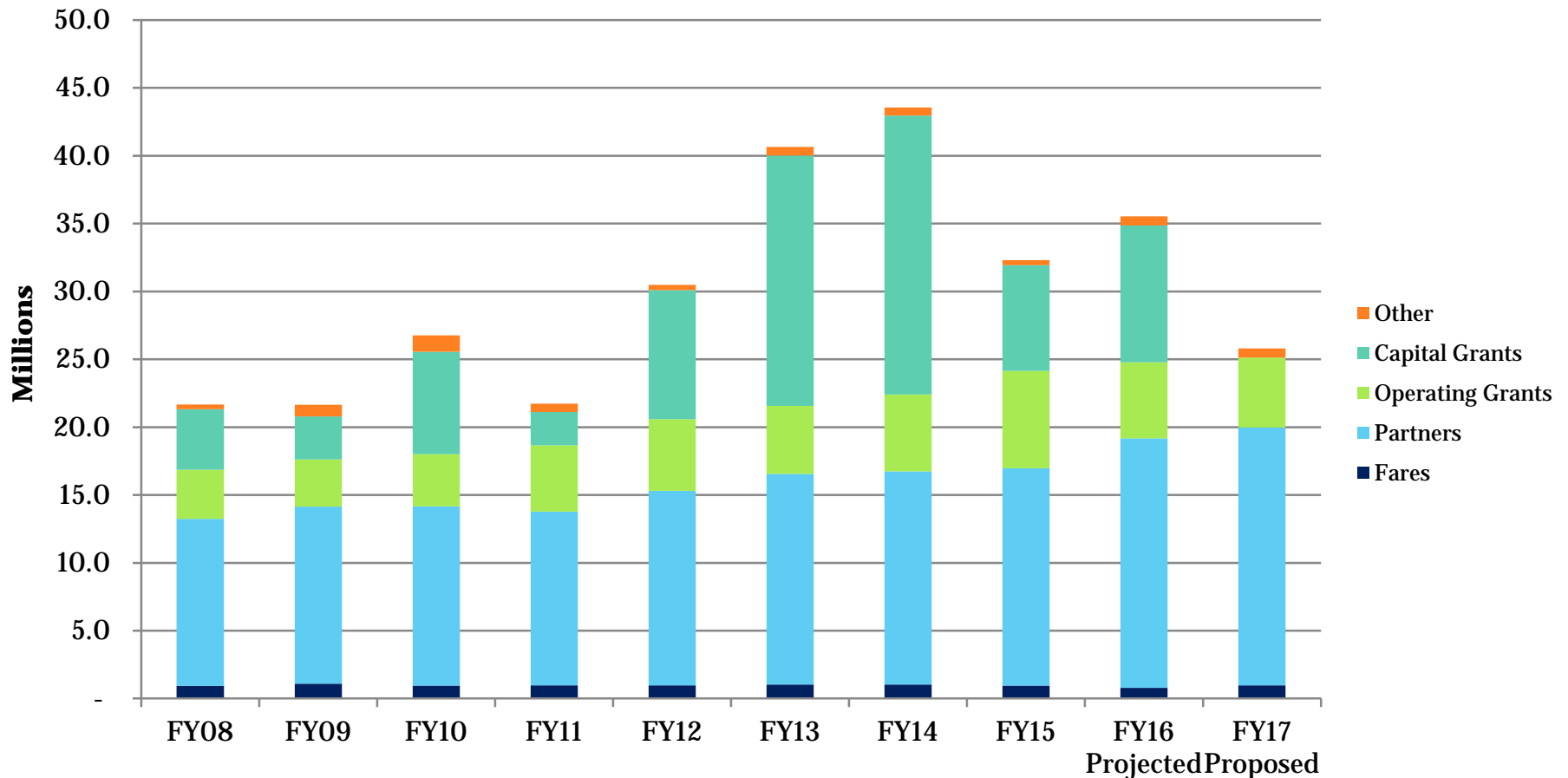
Regional Transit System (RTS) (Funds 450, 451 & 452)

Composition of FY17 Proposed RTS Revenues



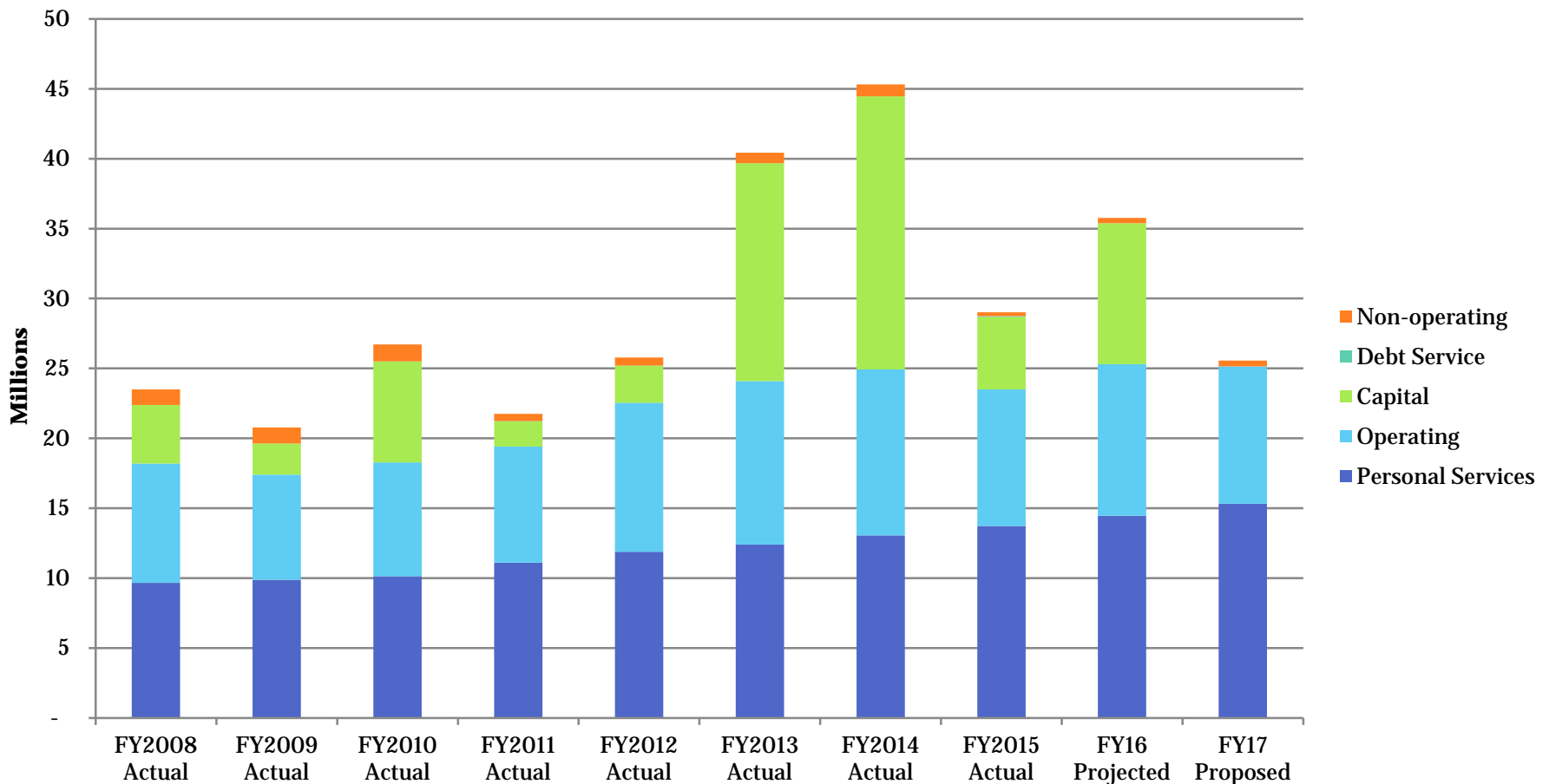
Regional Transit System (RTS) (Funds 450, 451 & 452)

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