



# FY 2018 Budget and CIP August 10, 2017

Brian Maxwell, City Manager

Mike Loftin, Assistant City Manager

# Budget Schedule

- Long Range Forecast presented June 23
- Capital Improvement Plan presented July 20
- Proposed Budget presented August 10
- August 10 Council meeting: Propose tax rate and schedule public hearings on tax rate and budget
- August 24 Council meeting: Budget and CIP workshop, hold public hearing on tax rate
- September 14: Hold second tax rate public hearing, hold budget public hearing, consider adopting CIP
- September 28 – Adopt budget, adopt CIP if necessary and adopt tax rate



# More Transparent Budget Format



- Citywide summaries that make it look like we have one fund – Interfund transfers are excluded from both expenditures and revenues
- Every department or division budget has explanations of the change in each major budget category from FY 2017 Estimate
- Citywide differences also discussed and summarized (see Citywide Expenditure Summary)

# Budget Totals (\$Thousands)

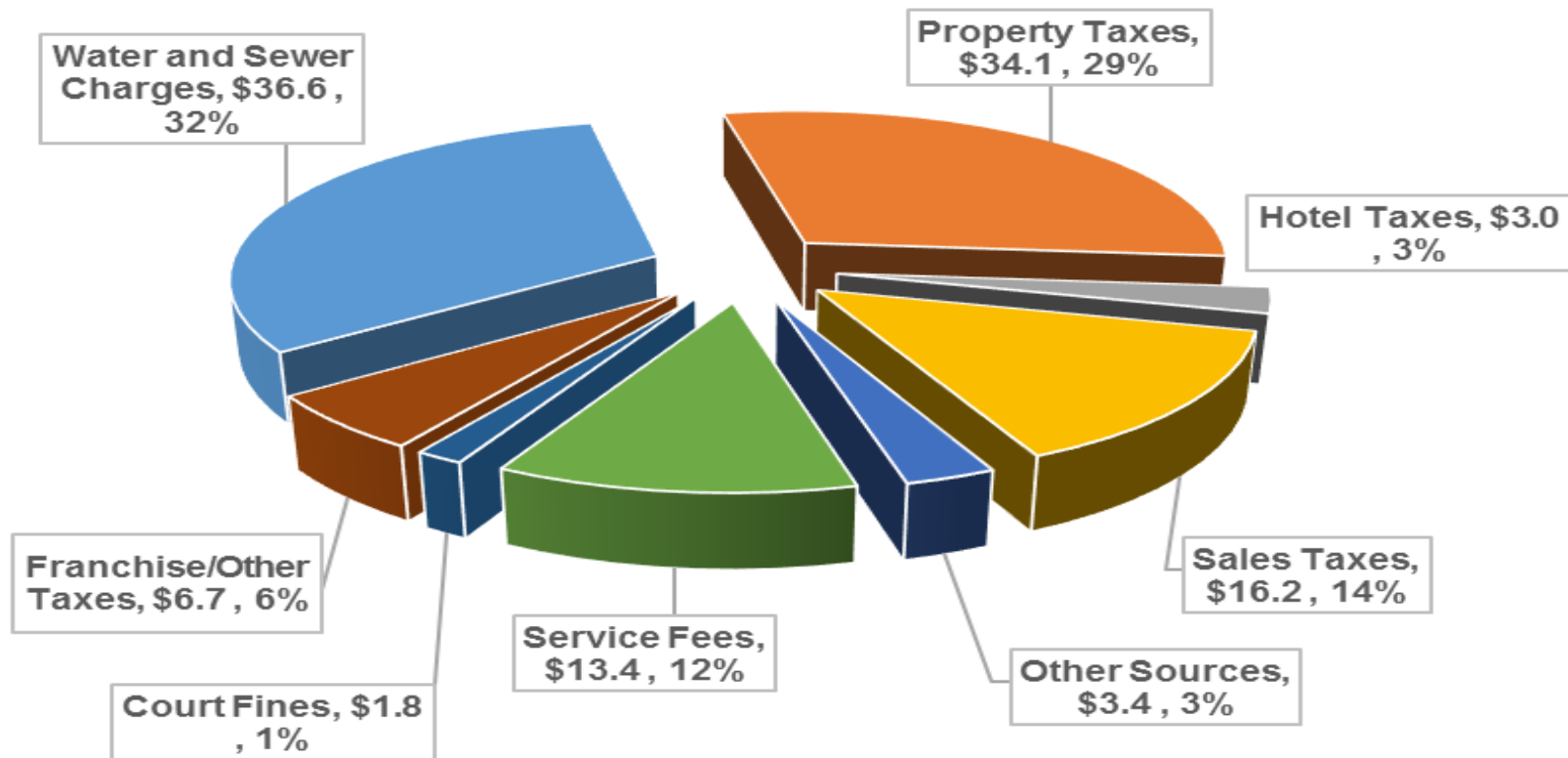


Major Category	FY2017	FY 2018	Percent Diff
Maintenance and Operations	\$143,386	\$145,377	1.39%
One-Time Appropriations	\$11,872	\$9,336	-21.36%
Total Operating Budget	\$155,258	\$154,713	-0.35%
Capital Budget	\$79,069	\$75,517	-4.49%
<b>Totals</b>	<b>\$234,327</b>	<b>\$230,230</b>	<b>-1.75%</b>

Note: Maintenance and Operations totals include interfund transfers



## Where the City's Revenue Comes From (Total: \$118.2 Million)



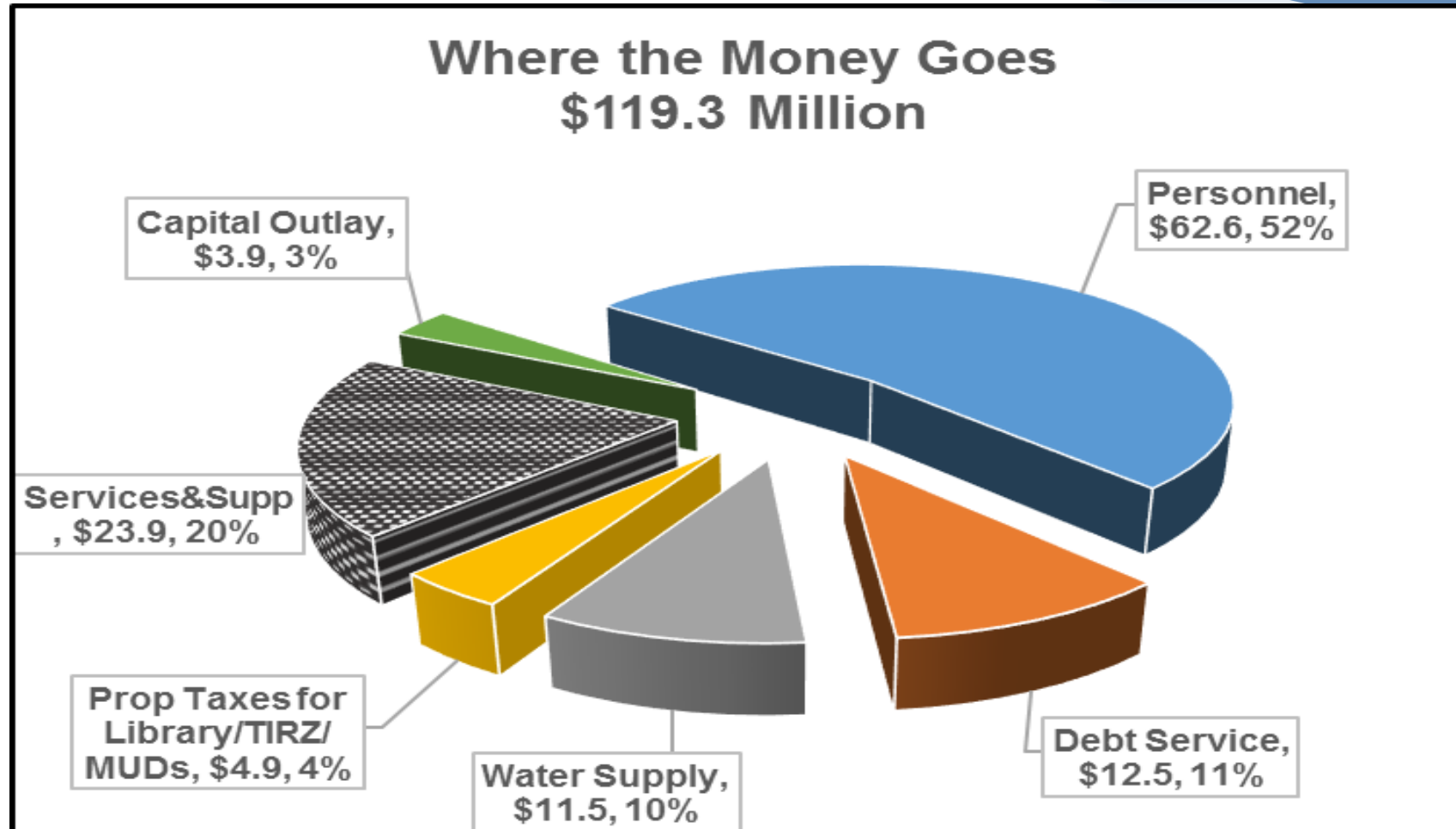
Note: Totals do not include interfund transfers.

# Citywide Revenue (\$Thousands)



Revenue Source	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimated	FY 2018 Proposed	FY18 +/- FY Est	Pct Diff
Water and Sewer Charges	\$33,963	\$35,165	\$35,890	\$36,608	\$718	2.0%
Property Taxes	\$27,818	\$30,094	\$30,625	\$34,144	\$3,519	11.5%
Sales Taxes	\$15,088	\$15,450	\$15,600	\$16,160	\$560	3.6%
City Service Fees	\$12,725	\$13,243	\$13,182	\$13,424	\$242	1.8%
Franchise and Other General Taxes	\$6,387	\$6,417	\$6,614	\$6,735	\$121	1.8%
Hotel Occupancy Taxes	\$3,500	\$2,438	\$2,711	\$2,960	\$249	9.2%
Transit Grants/Fees	\$3,519	\$3,641	\$3,528	\$3,004	(\$524)	-14.9%
Other Revenue and Sources	\$5,326	\$2,872	\$3,080	\$2,804	(\$276)	-9.0%
Court Fines	\$1,873	\$1,962	\$1,784	\$1,791	\$7	0.4%
Investment Earnings	\$430	\$396	\$389	\$551	\$162	41.6%
<b>Total</b>	<b>\$110,629</b>	<b>\$111,678</b>	<b>\$113,403</b>	<b>\$118,181</b>	<b>\$4,778</b>	<b>4.2%</b>

Note: Does not include interfund transfers.



Note: Totals shown do not include interfund transfers or budgeted reserves.

# Citywide Expenditures (\$Thousands)



Cost Category	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimated	FY 2018 Proposed	FY18 +/- FY Est	Pct Diff
Personnel	\$52,481	\$57,211	\$56,563	\$62,588	\$6,025	10.7%
Debt Service	\$8,573	\$9,405	\$9,405	\$12,531	\$3,126	33.2%
Water Supply	\$10,368	\$11,341	\$10,469	\$11,493	\$1,024	9.8%
Contractual Services	\$9,230	\$10,233	\$9,874	\$10,347	\$473	4.8%
Supplies	\$4,702	\$6,076	\$5,376	\$6,247	\$871	16.2%
Utilities	\$3,306	\$3,470	\$3,289	\$3,395	\$106	3.2%
Property Taxes forwarded to Rosenberg Library	\$2,478	\$2,682	\$2,704	\$2,854	\$150	5.5%
Capital Outlay	\$2,687	\$5,760	\$4,933	\$3,919	(\$1,014)	-20.6%
Insurance	\$1,670	\$2,257	\$2,262	\$2,410	\$148	6.5%
Property Taxes paid to TIRZ's and MUD 30	\$1,742	\$1,812	\$1,816	\$2,041	\$225	12.4%
Other Charges and Special Events	\$1,094	\$1,165	\$1,331	\$1,478	\$147	11.0%
<b>Total</b>	<b>\$98,331</b>	<b>\$111,412</b>	<b>\$108,022</b>	<b>\$119,303</b>	<b>\$11,281</b>	<b>10.4%</b>

Note: Does not include interfund transfers.



# Personnel Cost FY18 vs FY17 Public Safety (\$000's)



<b>PUBLIC SAFETY PERSONNEL COST CHANGES</b>	<b>Difference</b>
<b>Collective Bargaining Agreements (effective 10/1/2017)</b>	
Police Classified Personnel	\$584
Fire Classified Personnel	\$442
Assistant Fire Chiefs (parity with Batallion Chiefs)	\$35
<b>Police and Fire Classified Subtotal</b>	<b>\$1,061</b>
<b>Additional Staffing</b>	
<b>New Police Officers</b>	
Seawall District (six officers)	\$438
Downtown (two officers)	\$146
General assignment using grant match reserve (Two officers)	\$146
Vacancy Lapse Funding	\$473
Potential COPS Grant officers (six more not in totals)	TBD
<b>Police Officers (10) Subtotal</b>	<b>\$1,203</b>
<b>Civilian Positions</b>	
Three Records staff positions	\$159
<b>Additional Staffing - Police</b>	<b>\$1,362</b>
Reserve for potential increase in City Contribution to Police and Fire pension plans equal to twp percent of covered pay	\$393
<b>Total Personnel Cost Change - Public Safety</b>	<b>\$2,816</b>

# Personnel Cost FY18 vs FY17 Other Departments (\$000's)



<b>OTHER DEPARTMENTS' PERSONNEL COST CHANGES</b>	<b>Difference</b>
<b>Civilian Compensation Increases</b>	
Civilian COLA (2 percent effective 10/1/2017)	\$818
Council appointees' pay in Legal and City Secretary	\$46
Equipment Operators citywide	\$150
Purchasing (two staff)	\$20
<b>Civilian Compensation Subtotal</b>	<b>\$1,034</b>
<b>Additional Civilian Positions</b>	
Parking Control Officer	\$64
Project Management and Inspection (four positions)	\$376
Island Transit Rail Safety Officer	\$85
Drainage maintenance (four positions)	\$124
Assistant Director of Public Utilities (Water Loss Mitigation Coordinator)	\$106
Utility Billing citywide cash supervisor	\$72
Part-time Legal Assistant	\$35
<b>Civilians (12.5) Subtotal</b>	<b>\$862</b>
<b>Total Personnel Cost Change - Other Departments</b>	<b>\$1,896</b>

# Personnel Cost FY18 vs FY17 Other Changes (\$000's)



<b>OTHER PERSONNEL COST CHANGES</b>	<b>Difference</b>
Lasker Park Pool open for full season (includes two new full-time positions and twenty part time positions)	\$226
Net overtime savings (primarily Island Transit and Police)	(\$478)
Increased contribution to health insurance plan	\$726
Reduction of Technology Services salary reimbursement	\$100
Net effect of filling vacant positions for full year	\$739
<b>Other Changes Subtotal</b>	<b>\$1,313</b>
<b>TOTAL CITYWIDE PERSONNEL COST CHANGES</b>	<b>\$6,025</b>

# General Fund Highlights

- \$2.48 million revenue growth from FY 2018 Budget
  - \$1.54 million from property taxes
  - \$710,000 from sales taxes, 4 percent base growth and includes sales tax retained by city
- Total expenditures in budget - \$54.6 million
- Police: \$1.49 million increase – including CBA, 16 officers (8 potential from COPS grant) and three civilians
- Fire: \$478,000 increase including CBA
- Transfer to Infrastructure and Debt Service Fund increase \$670,000 (6 percent of General Fund Budget)
- Comprehensive Plan update - \$75,000
- Reduced transfer to Island Transit of \$170,000



# Other Major Budget Items

- Equipment for dive team, SWAT, investigations (Special Funds) - \$77,000
- Half of FY 2018 General Fund equipment budget for police vehicles - \$500,000



# Other Major Operating Budget Items



- Water and Sewer Funds
  - No rate increase in FY 2018
  - Two percent growth in revenue
- Debt Service Fund –
  - Pay debt service due for \$25 million 2017 public improvement bonds through 3.5 cent increase in property tax rate for debt service,
  - Raising overall rate to 56.1 cents per \$100 of taxable value
  - Generate \$2.07 million in added revenue
- Island Transit –
  - Reduce overall budget approximately \$1 million to offset loss of grants and reduce General Fund subsidy \$170,000
  - Fund Bus Trolley system with Convention Center Surplus Funds - \$600,000
- Sanitation Fund: Negotiate new transfer station contract and purchase three garbage trucks
- Equipment for dive team, SWAT, investigations (Special Funds) - \$77,000
- Half of FY 2018 General Fund equipment budget for police vehicles - \$500,000

# Street Program



- Funding continued from General Fund, Infrastructure and Debt Service Fund, and IDC Sales Tax Infrastructure silo
- City crews to mill and overlay five miles of streets in worst overall condition using 2017 survey results - \$2.16 million from Infrastructure and Debt Service Fund
  - Proposal: Set aside a portion of the FY 2018 program funding for Council to establish priorities among list of needed streets
- Begin construction in FY 2018:
  - 45<sup>th</sup> Street from Broadway to Seawall Boulevard (IDC and Bonds)
  - 16<sup>th</sup> Street from Broadway to Avenue N ½ (Bonds)
  - 73<sup>rd</sup> Street from Heards Lane to Avenue N ½ (Bonds)
  - West Market Street from 25<sup>th</sup> to 33<sup>rd</sup>
  - Harborside Drive from 33<sup>rd</sup> to 20<sup>th</sup> Street (IDC funds)
  - Intersection Improvements 61<sup>st</sup> and Seawall (Bonds)

# Street Program (continued)



- Complete or continue construction on projects begun in FY 2017 including:
  - 27<sup>th</sup> Street Corridor from Broadway to Seawall Boulevard (IDC funds)
  - 26<sup>th</sup> Street from Avenue N to Broadway (Bonds)
  - 65 Street from Heards Lane to Golf crest Drive (CDBG)
  - Saladia Street from Heards Lane to Stewart Road (CDBG)
  - 69<sup>th</sup> Street from Stewart Road to Seawall Boulevard
  - Avenue S from 61st Street to 53rd Street (CDBG)
  - 51<sup>st</sup> Street from Broadway to Postoffice Street (CDBG)
  - Sealy Street from 25<sup>th</sup> Street to 33<sup>rd</sup> Street (CDBG)
  - Replacement of Strand Pavers (Bonds)
  - Sidewalk and concrete work throughout city



# Street Program (continued)

- Commence design in FY 2018 and construct in FY 2019:
  - 25<sup>th</sup> Street from Broadway to Seawall (Infrastructure fund)
  - 30<sup>th</sup> Street from Avenue O to Seawall Boulevard (Bonds)
  - 22<sup>nd</sup> Street from Harborside to Broadway (Bonds)
  - 49<sup>th</sup> Street from Avenue P to Avenue S ½ (Bonds)
  - 35<sup>th</sup> Street from Postoffice to Broadway



# Drainage Program

- Additional staff (four positions) and heavy equipment in Drainage enterprise fund operating budget
- CIP projects include:
  - 18<sup>th</sup> Street drainage improvements from Ship Channel to Avenue K: Design in FY 2018 and Construction in FY 2019 (Bonds)
  - Church Street drainage improvements from 35<sup>th</sup> Street to 27<sup>th</sup> Street: Design in FY 2018 and Construction in FY 2019 (Bonds)
  - Storm sewer inspection and rehabilitation project (Bonds)



# Water Program



- Operating Budget includes:
  - Addition of senior engineer to support Director of Public Utilities with current initiatives and lead new non-revenue water mitigation program
  - Restructuring of Utility Billing to include Meter Services
  - \$1 million increase (ten percent) from Gulf Coasts Water Authority
- CIP projects include:
  - Construct/install upgrades to Airport Pump Station pumps and electronic controls in FY 2018 (CO's) and construct 5 million gallon ground storage tank in FY 2019
  - Construct 30 inch water line from Railroad Bridge to Harborside Drive (CO's)
  - Design 30 inch water line from 71<sup>st</sup> Street to 59<sup>th</sup> Street Pump Station in FY 2018 with construction in FY 2019 (CO's)
  - Construct 6 inch water line on Gulf Drive to serve the Sea Isle and 19 Beach subdivisions (CO's)
  - Ongoing programs to test and replace water valves, fire hydrants,

# Sanitary Sewer Program

- Additional staff (four positions) and heavy equipment in Drainage enterprise fund operating budget
- CIP projects include:
  - Sludge and grit removal from main wastewater treatment plant (WWTP) holding tank (2008 Revenue Bonds)
  - Pump and electrical improvements at priority sanitary sewer lift stations
  - Reconstruction of Pirates' Beach WWTP (CO's)
  - Reconstruction of Seawolf Park WWTP (CO's)
  - Reconstruction of Airport WWTP (CDBG)
  - Sanitary Sewer repair and rehabilitation project citywide (Sewer Improvement Funds)
  - Sanitary sewer installation along 8 Mile Road from Sunny Beach Subdivision to Stewart Road (CO's)
  - Research and construction of cost effective sanitary sewer system improvements in areas west of 8 Mile Road (CO's)

