Minutes
City of Cocoa
Budget Priorities & Fiscal Sustainability Workshop

June 25, 2020

A Budget Priorities & Fiscal Sustainability Workshop was held on Wednesday, June 25, 2020, in Cocoa City Hall, in City Council Chambers, located at 65 Stone Street, in Cocoa, Florida, 32922, as publicly noticed.

I. Opening Matters:

Mayor Williams called the meeting to order at 5:00pm.

Chief Lamm provided the invocation and Deputy Mayor Goins led the assembly in the Pledge of Allegiance to the Flag of the United States of America.

The Assistant City Clerk took the roll.

PRESENT:	Jake Williams, Jr.	Mayor
	James Goins	Deputy Mayor
	Don Boisvert	Councilmember
	Lorraine Koss	Councilmember
	Brenda Warner	Councilmember
	Anthony Garganese	City Attorney
	Matt Fuhrer	Interim City Manager
	Monica Arsenault	Assistant City Clerk

OTHER STAFF MEMBERS PRESENT:

Tammy Gemmati, Administrative Services Director; Nancy Bunt, Community Services Director; Jack Walsh, Utilities Director; Michael Cantaloupe, Chief of Police; Jonathan Lamm, Fire Chief; Samuel Byrd, Deputy Fire Chief; Bryant Smith, Public Works Director; Samantha Senger, Assistant to the City Manager/PR Specialist; Rebecca Bowman, Finance Director; and Lora Howell, Deputy Finance Director.

II. Agenda:

1. Agenda: Budget FY 2021 & Fiscal Sustainability Workshop. (20-360).

* **MOTION by Councilmember Boisvert; Seconded by Deputy Mayor Goins, to approve the Agenda as written for the Special meeting of June 25, 2020.**

AYES: Williams, Goins, Boisvert, Koss, Warner

THE MOTION CARRIED UNANIMOUSLY (5-0)

III. Workshop Topics

1. Current Budget Update

Interim City Manager Fuhrer provided a presentation[1] and reviewed the budget timeline. He shared the budget connection to the Strategic Plan and pointed out that the City was assigned Aa2 rating from Moody's Investors Service. Additionally, during the Covid-19 Pandemic the Utilities Bond Rating was changed from AA Positive to AA Stable by S&P. The City also received GFOA's Distinguished Budget Presentation Award and the Certificate of Achievement for Excellence in Financial Reporting.

Interim City Manager Fuhrer reviewed horizon issues which included public safety pensions, health insurance, the future solid waste contract, natural disasters and the US Supreme Court ruling for internet sales taxes.

An update was provided regarding Covid-19. Interim City Manager Fuhrer noted that sales taxes were down in the state of Florida in March and April. Furthermore, the impact on property values will be unknown for future years. He gave an update on unemployment rates for the months of March, April and May. Interim City Manager Fuhrer also shared that on May 5, 2020 the Board of County Commissioners approved the use of up to $4.4 million in CARES ACT funds for housing rental and mortgage assistance, housing utility and security deposit and food stability for individuals impacted by Covid-19.

Interim City Manager Fuhrer shared an estimation of Covid-19's impact to FY21 revenues. He reviewed the FY20 approved amendment to General Fund expenses due to Covid-19.

Interim City Manager Fuhrer provided the FY21 General Fund overview. He discussed the General Fund Revenue sources and explained the General Fund Revenue trends. The FY21 General Fund Revenues by funding source was

[1] Exhibit A: FY21 Budget Priorities & Fiscal Sustainability Workshop

discussed as well as the FY21 preliminary budget for General Fund expenses broken down by department.

Interim City Manager Fuhrer reviewed core municipal services and noted that these services account for 81% of the General Fund budget excluding capital expenses.

He shared the FY2021 departmental requests for significant capital items that were moved to FY2022. This includes:

- 7 unmarked police patrol cars
- Police scanning and mapping crime scene device
- Traffic response trailer
- Traffic advisory sign
- Pierce enforcer pumper truck
- Fire inspector vehicle
- Public Works replacement vehicle
- Fleet faster upgrade
- One elevator controller

Interim City Manager Fuhrer added that additional items requested for FY21 such as the fuel tanks, are being moved to the FY20 budget. FY2021 department personnel requests were also discussed.

Interim City Manager Fuhrer reviewed the City Council's priority requests for FY21 that were discussed at the May Budget Priority Workshop. The priority requests include community improvements[2] and employee investments.

He discussed the use of the General Fund balance reserves and explained the Fund Balance Reserve Policy which states that the purpose of the policy is to ensure there will be adequate liquid resources to serve as a financial cushion for the General Fund.

Additionally, he reviewed the General Fund Balance (2019 CAFR) and noted that the remaining unassigned fund balance at the end of FY20 is $2,785,249. The current projected use of the fund balance for FY21 was explained in detail and Interim City Manager Fuhrer pointed out that the total unassigned fund balance use is $640,000.

[2] City Attorney Garganese left the room at 5:53pm & returned at 5:56pm

Community based requests were shared by Interim City Manager Fuhrer. The requests include:

- Brevard Public Schools, Cocoa High School (track, football field turf, bleachers) which was budgeted in FY19 & FY20
- Brevard Museum, annually for three years, for museum operations
- Endeavor Elementary for a Wellness Coordinator

It was pointed out that the Cocoa YMCA had initially submitted a request for funds but a notice was received on June 24, 2020 that they would be permanently closing the Cocoa location.

Councilmember Boisvert shared his concern about the City continuously donating to schools. He pointed out that many feel they are already paying for schools out of their taxes and feel that they are paying double when the City is also using tax-payer money to donate to the schools as well.

Mayor Williams suggested that a map be drawn up to identify the City's amenities so Council and staff can take a better look at them and review their operations and possibly assess which amenities may need assistance.

Councilmember Warner added that the City's social media platform can be utilized to get the word out about the City's amenities so citizens are more aware of them[3].

Mr. Peter Napoli, Stantec, provided an annual analysis of the budget and the General Fund FAMS Model.

Interim City Manager Fuhrer asked for City Council's direction regarding the following:

- Millage Rate
  - Maintain current millage rate – 5.9790
  - 6% increase to property values for tax year 2020 estimate, FY2021. Estimated revenue $382,729
- Fire Assessment Rate
  - FY2021 project a 3% increase – the preliminary FY2021 Budget has been built with no increase. Estimated increase of 3% would account for an additional $78,600 in revenue. Fire Assessment revenue $2,698,600 would then account for 40% of the Fire Department's budget.

[3] A five minute break was taken by Council at 6:40pm

* **CONSENSUS by Council to approve the preliminary Millage Rate and Fire Assessment Rate as presented.**

Interim City Manager Fuhrer provided the FY21 Stormwater budget overview. He discussed the FY21 Stormwater Fund preliminary revenues by funding source and the FY21 Stormwater Fund preliminary expense budget.

Mr. Kyle Stevens, Stantec, presented and discussed the Stormwater FAMS model in detail.

* **CONSENSUS by Council to build the proposed FY2021 Budget as presented.**

Interim City Manager Fuhrer presented the FY21 Water/Sewer preliminary budget overview. He shared the fund revenue trends as well as revenues by funding source. He discussed the FY21 Water/Sewer preliminary expenses by division and he provided a snapshot of the preliminary budget[4].

Mr. Jeff Dykstra, Stantec, presented and discussed the Water/Sewer FAMS model in detail.

Interim City Manager Fuhrer pointed out that a complete Water/Sewer Rate Study is currently underway. An analysis is continuing for the division new position requests, and they are not currently in the budget. The preliminary budget does have projected increases for growth, but there is no rate increase built into the budget. Additionally, two new funds will be created after the Budget Workshop, the Water/Sewer Impact Fee Fund and the Renewal and Replacement Fund. Both of these funds revenue and expenses will be moved, changing the total budget for Water/Sewer.

Interim City Manager Fuhrer pointed out the upcoming workshops and hearings as follows:

- July 22, 2020 @ 6pm – TRIM Hearing
- August 26, 2020 @ 6pm – Preliminary Fire Protection & Stormwater Assessment/Rates
- September 9, 2020 @ 6pm – 1st Public Hearing for:
    - Vote for a proposed millage rate
    - Vote on the proposed FY2021 budget
    - Resolution – Final Fire Assessment

[4] Mayor Williams left the meeting at 7:40pm & returned at 7:43pm

- Resolution – Final Stormwater Assessment/Rates
- September 23, 2020 @ 6pm – 2nd Public Hearing for:
  - Final millage rate adoption
  - FY21 budget adoption

Mayor Williams suggested a State of the City meeting in place of the Town Hall meetings that were cancelled due to Covid-19. He asked for a consensus from Council.

* **CONSENSUS by Council to coordinate a State of the City meeting at a time to be determined.**

2. Reports

Mayor Williams announced that Covid-19 testing will be conducted tomorrow, June 26, 2020 at Byrd Plaza from 10am-3pm. Additionally, free meals will be provided by Pebbles Catering on Wednesdays from 4pm-6pm.

Councilmember Koss shared that there is now hot zone GIS mapping for Covid-19.

Chief Lamm provided a brief update regarding Covid-19 in Brevard County and in the City of Cocoa.

Alec Greenwood, 640 Brevard Ave., inquired about late fees on water accounts and how the City utilizes these funds. In response, Interim City Manager Fuhrer provided information in regard to Mr. Greenwood's question and referred to the estimated Covid-19 impact to the FY21 revenues shown in the presentation.

Furthermore, Mr. Greenwood inquired about increased security in Council Chambers. In response, Interim City Manager Fuhrer shared that this will be brought before the Council possibly as early as the next regularly scheduled Council meeting.

* **MOTION by Councilmember Boisvert; SECONDED by Deputy Mayor Goins, to adjourn the Budget Workshop.**

AYES: Williams, Goins, Boisvert, Koss, Warner

THE MOTION CARRIED UNANIMOUSLY (5-0)

The meeting was adjourned at 8:20pm.

Jake Williams, Jr., Mayor

ATTEST:

Carie Shealy, MMC, City Clerk
(Transcribed by M. Arsenault, Asst. City Clerk)

Exhibit A

COCOA
FLORIDA

FY 2021
Budget Priorities & Fiscal Sustainability Workshop

June 25, 2020

Agenda

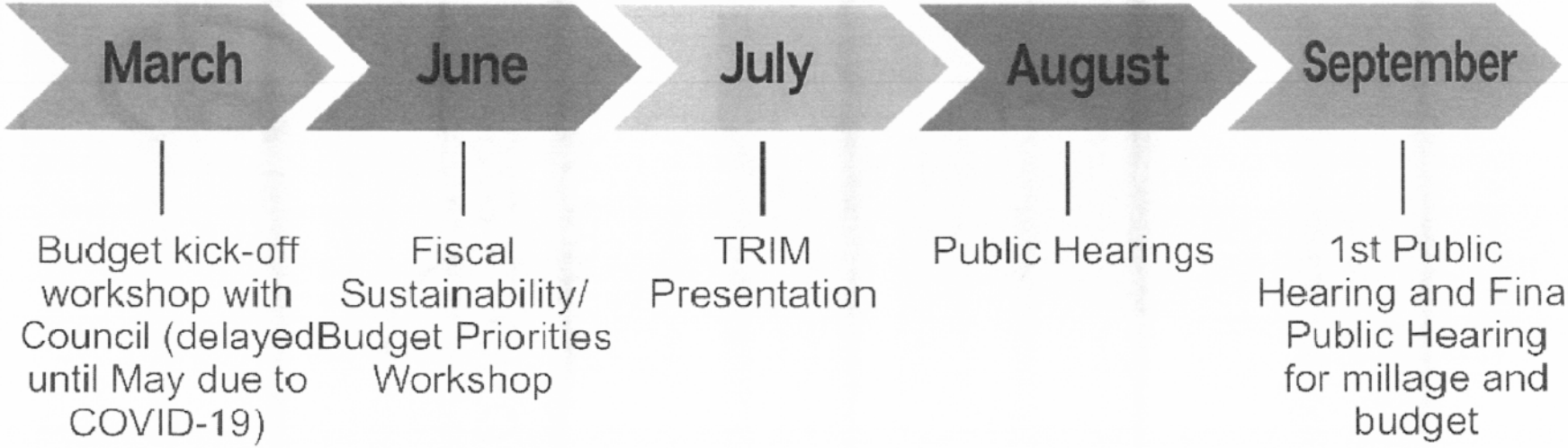
COCOA FLORIDA

- Budget Development Timeline
- Horizon Issues
- FY 2020 Covid-19 Impacts to Revenue
- FY 2021 Preliminary Budget
  - City Council review of member submitted projects/programs
  - City Council Priority's
- Interactive Financial Analysis Management System (FAMS) Model – Stantec Consulting
  - City Council Discussion and Direction
- FY 2021 Budget Calendar

Budget Timeline

Public Budget Timeline

The proposed fiscal year 2021 budget process began in January with the capital improvement projects process and is finalized in September 2020 by City Council approval.



Note: Capital Improvement Plan development begins in December/January
(August Public Hearings are for Fire and Stormwater Assessment)

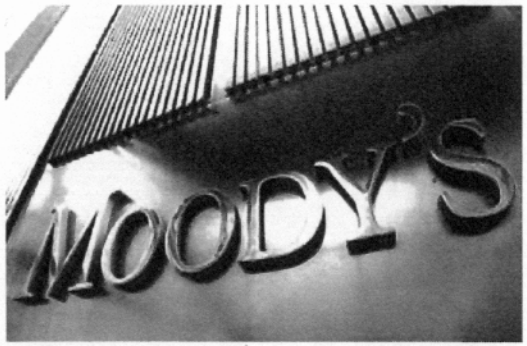
Budget Connection to Strategic Plan

City 2016-2021 Strategic Plan:

Goal 1: Maintain long term fiscal sustainability
Goal 2: Promote greater transparency in budgeting and financial matters.

GFOA Certificate of Achievement FOR EXCELLENCE IN Financial Reporting

GFOA Distinguished Budget PRESENTATION Award



Assigned Aa2 rating from Moody's Investors Service.



During the Covid-19 Pandemic (March 23rd) the Utilities Bond Rating was changed from AA Positive to AA Stable by S&P (COVID-19).

Horizon Issues...

- Public Safety Pensions
  - Fire UAAL - $8,064,753 (increase of $720,852) 73.0% funded ratio (Assumed Rate of Return Adjustment 7.6%)
  - Police UAAL - $2,716,732 (decrease of $68,076) 92.3% funded ratio

- Health Insurance
  - Health – Annually increasing industry costs (5.28% long term) and number of claims (self-funded) +7.5%
  - Lee Wenner Park – County/City ILA, $60,000 BOCC contribution ends in FY2022

Horizon Issues...

- Future Solid Waste Contract – WM expires FY2021
- Natural Disasters
  - Reimbursements from Hurricanes Irma and Dorian
  - Future events and impact to GF Unassigned Fund Balance
  - Covid-19 impact
- US Supreme Court Ruling – Internet Sales Taxes
  - Florida House Ways & Means Committee (January 2017) estimated $200 million in potential sales tax revenue
    - Florida has taken no action on economic nexus

Covid-19- What we Know

Economic Impact is unique and unprecedented- "Hibernation and Wake-up"

- State of Florida March and April Sales Tax down significantly (March 23 "Safer at Home")
  - State Fiscal Year July 1, 2020 (State FY 2021 Start)
  - Remaining months (March, April, May, June) 50% reduction in sales tax revenues with an August true up
- Property Values Impact Unknown for Future Years
- Duration of the Event- Increase in cases and future shutdown?
- Unemployment- March 4.3%, April 12.9% and May 14.5%
  - Florida- DEO Since June, 187,584 Claims
- The Board of County Commissioners 5-5-2020 approved the use of up to $4.4 million in CARES ACT funds for housing rental and mortgage assistance, housing utility and security deposit, and food stability for individuals impacted by COVID-19.
  - Awaiting decision on the allocation of funds beyond the $4.4 million
  - City submitted incurred costs and estimates ($230,000) through December 2020

Estimated Covid-19 Impact to FY 2021 Revenues

City of Cocoa, FL

Potential COVID-19 General Revenue Impact Summary - City of Cocoa, FL **Schedule 1**

Selected General Fund Revenue Sources - FY 2020 Budget

Account	Description	FY 2020 Budget	FY 2020 YTD Actual (4 Months)	FY 2020 Remaining Budget	FY 2020 Remaining Budget (Monthly)
001-0000-312.41-00	LOCAL OPTION GAS TAX 6 CT	$ 563,001	$ 250,897	$ 312,104	$ 52,017
001-0000-316.00-00	LOCAL BUSINESS TAX	$ 165,000	$ 126,399	$ 38,601	$ 6,434
001-0000-322.00-00	BUILDING PERMITS	$ 238,000	$ 227,023	$ 10,977	$ 1,830
001-0000-335.12-00	STATE REVENUE SHARING	$ 524,436	$ 276,330	$ 248,106	$ 41,351
001-0000-335.12-20	STATE REVENUE SHARING 8TH CNT MUNICIPAL GAS TAX	$ 163,268	$ 80,916	$ 82,352	$ 13,725
001-0000-335.18-00	LOCAL GOVERNMENT 1/2 CENT	$ 1,109,934	$ 481,581	$ 628,353	$ 104,726
001-0000-343.39-04	PENALTIES	$ 846,873	$ 378,255	$ 468,618	$ 78,103
Total Selected Revenue Sources Budgeted		**$ 3,610,512**	**$ 1,821,401**	**$ 1,789,111**	**$ 298,185**
Total FY 2020 Budget General Fund Revenues		**$ 40,031,626**			*(Remaining Divided by 6 Months)*
Selected Revenue Sources as % of Total		9.0%			

Potential Short-Term COVID-19 Impacts: Low, Medium, & High

Account	Description	*See Schedule 2* FY 2020 Low Impact	*See Schedule 3* FY 2020 Medium Impact	*See Schedule 4* FY 2020 High Impact
001-0000-312.41-00	LOCAL OPTION GAS TAX 6 CT	$ 445,962	$ 419,953	$ 393,945
001-0000-316.00-00	LOCAL BUSINESS TAX	$ 150,525	$ 147,308	$ 144,091
001-0000-322.00-00	BUILDING PERMITS	$ 233,884	$ 232,969	$ 232,054
001-0000-335.12-00	STATE REVENUE SHARING	$ 431,396	$ 410,721	$ 390,045
001-0000-335.12-20	STATE REVENUE SHARING 8TH CNT MUNICIPAL GAS TAX	$ 132,386	$ 125,523	$ 118,661
001-0000-335.18-00	LOCAL GOVERNMENT 1/2 CENT	$ 874,302	$ 821,939	$ 769,576
001-0000-343.39-04	PENALTIES	$ 632,090	$ 593,038	$ 553,987
Total Selected Revenue Sources (Adjusted)		**$ 2,900,544**	**$ 2,751,451**	**$ 2,602,359**
Less: Total Selected Revenue Sources (Budgeted)		$ 3,610,512	$ 3,610,512	$ 3,610,512
Potential FY 2020 General Fund Revenue Impacts		**$ (709,968)**	**$ (859,061)**	**$ (1,008,153)**
Potential Impact as % of Total Selected Revenue Sources (Budgeted)		-19.7%	-23.8%	-27.9%
Potential Impact as % of Total General Fund Revenues ($ 40,031,626)		-1.8%	-2.1%	-2.5%

FY 2020 Approved Amendment to General Fund Expenses Due to Covid-19

- Frozen Vacant Positions (Salary and Benefits)

Parks & Right of Way Coordinator	$68,904
Streets and Stormwater Manager	$99,273
HR Intern	$2,589
Summer Youth Internship	$8,000

- Projects/Training/Study

City Management Retreat	$15,000
Information Technology Security Study	$50,000
2 Railroad Crossing Repairs	$209,000

Total Current Cost Reductions	$452,766

- Identification of additional positions to be frozen/modified based on operational impact as they become vacant

Difference in potential revenue reduction (Stantec – worst case) & Cost Reductions = ($555,387.00)

Comparisions on Covid-19 FY 2021 Impacts Verses Historical Data from the Great Recession

Potential Covid-19 General Fund Revenue Impact Summary

Selected General Fund Revenue Sources FY2021 Impact		FY 2020 Budget	Current FY 2021 Budget	FY2020 Vs. FY2021	% Change
Account	Description				
001-0000-311.10-00	*Ad Valorem	$ 6,216,058	$ 6,598,787	$ 382,729	6%
001-0000-312.41-00	Local Option Gas Tax	$ 563,001	$ 553,736	$ (9,265)	-2%
001-0000-316.00-00	Local Business Tax	$ 165,000	$ 156,000	$ (9,000)	-5%
001-0000-322.00-00	Building Permits	$ 238,000	$ 209,000	$ (29,000)	-12%
001-0000-335.12-00	State Revenue Share	$ 524,436	$ 503,000	$ (21,436)	-4%
001-0000-335.12-20	State Revenue Sharing 8th Cent Municipal Gas Tax	$ 163,268	$ 152,832	$ (10,436)	-6%
001-0000-335.18-00	Local Government 1/2 Cent	$ 1,109,934	$ 1,054,500	$ (55,434)	-5%
***No projected decrease in FY21 Ad Valorem Revenue**		**$ 8,979,697**	**$ 9,227,855**	**$ 248,158**	**3%**

Potential Covid-19 General Fund Revenue Impact Summary, Based on Historical Property Values and Decrease to Revenue During the Recession (FY08-FY12)

		Current FY 2021 Budget	Average % Changed	Highest % Changed
			-3%	-10.5%
Account	Description			
001-0000-311.10-00	Ad Valorem	$ 6,216,058	$ (186,482)	$ (652,686)
			-11%	-23%
001-0000-312.41-00	Local Option Gas Tax	$ 563,001	$ (61,930)	$ (129,490)
			-3%	-3%
001-0000-316.00-00	Local Business Tax	$ 165,000	$ (4,950)	$ (4,950)
			-22%	-51%
001-0000-322.00-00	Building Permits	$ 238,000	$ (52,360)	$ (121,380)
			-1%	-3%
001-0000-335.12-00	State Revenue Share	$ 524,436	$ (5,244)	$ (15,733)
			-0.5%	-0.5%
001-0000-335.12-20	State Revenue Sharing 8th Cent Municipal Gas Tax	$ 163,268	$ (816)	$ (816)
Potential General Fund Revenue Future Impacts Based on Historical % Changed During Recession			**$ (311,783)**	**$ (925,056)**

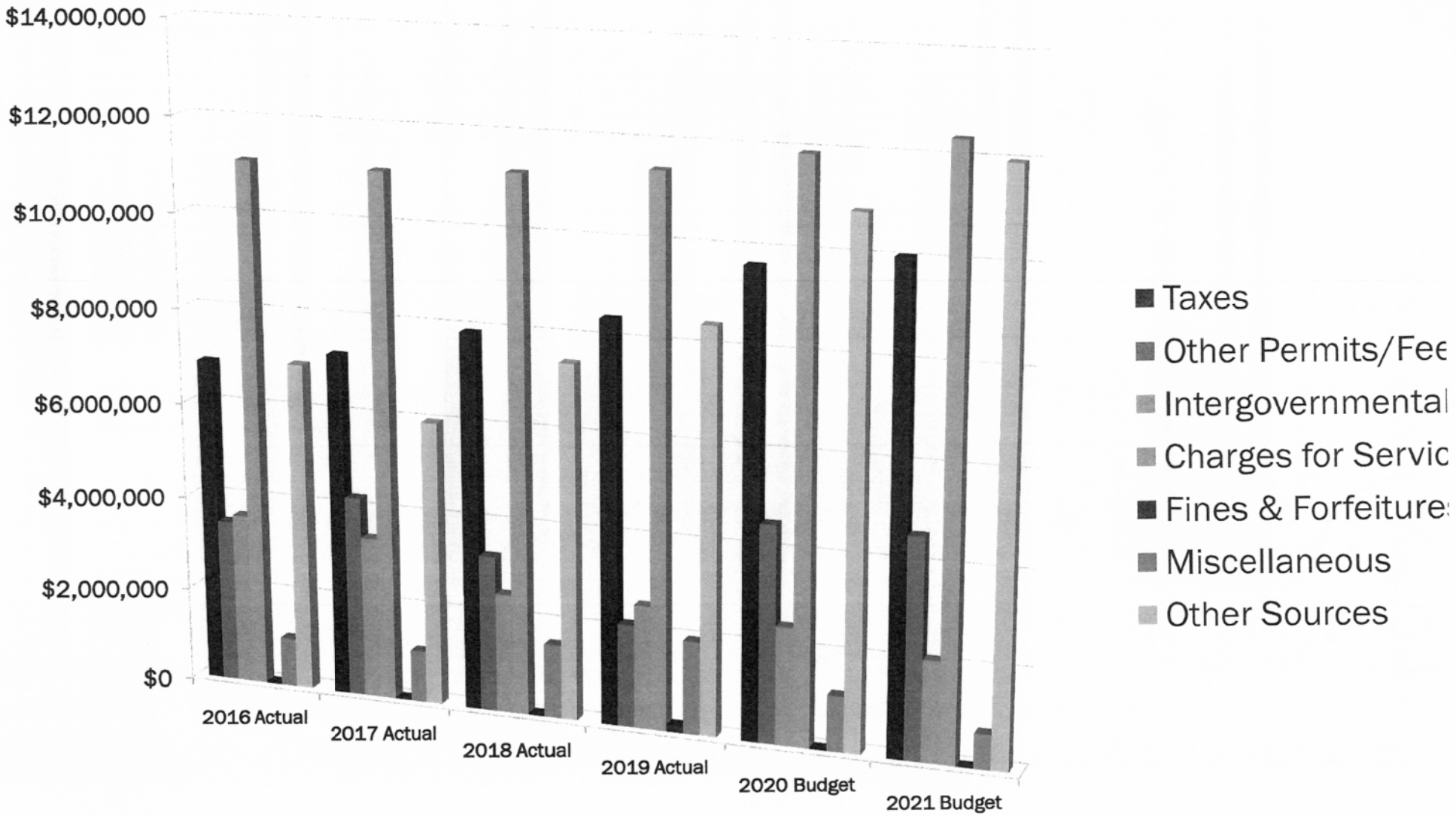


FY 2021 General Fund Overview

General Fund Revenue Sources

- **Taxes**
  - Ad Valorem, Public Service, Utility Service and Communication Service Tax
- **Other Permits & Fees**
  - Building Permits, Franchise Fees, Fire Assessment, and Planning & Zoning Fees
- **Intergovernmental**
- Local, State & Federal Grants, Housing Authority Payments in Lieu of Taxes, and State Shared Revenues
- **Charges for Service**
  - Water Billing Services, Garbage Collection Services, Allocation for Services and Culture/Recreation Events
- **Fines & Forfeitures**
- **Miscellaneous**
  - Interest Earned, Rent and Royalties, Disposition of Fixed Assets, Contributions, Police & Fire State Pension Revenues (pass-thru), Insurance Proceeds, etc.
- **Other Non-Revenue**
  - Inter-fund transfers, Water/Sewer ROI and 6% PILOFF, Debt Proceeds, Revenues from Unassigned FB (Reserves)

General Fund Revenue Trends



FY 2021 General Fund Revenues by Funding Source

COCOA FLORIDA

Funding Source	FY 2020 Budget	FY 2021 Budget	% Change	FY 2021 % of Budget
Taxes (Ad Valorem, UST and CST)	$9,684,925	$10,046,312	4%	24%
Other Permits & Fees (Building Permits, Franchise Fees, Fire Assessment, and Planning & Zoning Fees)	$4,566,282	$4,618,303	1%	11%
Intergovernmental (Local, State & Federal Grants, Housing Authority Payments in Lieu of Taxes, and State Shared Revenues)	$2,490,394	$2,116,228	-15%	5%
Charges for Service (Water Billing Services, Garbage Collection Services, Allocation for Services and Culture/Recreation Fees)	$11,925,767	$12,361,708	4%	30%
Fines & Forfeitures	$20,930	$14,813	-29%	-
Miscellaneous (Interest Earned, Rent and Royalties, Disposition of Fixed Assets, Contributions, Police & Fire State Pension Revenues, Insurance Proceeds, etc.)	$1,169,588	$731,083	-37%	1%
Other Non-Revenue (Inter-fund transfers, Water/Sewer ROI and 6% PILOFF, Debt Proceeds, Revenues from Unassigned FB (Reserves)	$10,877,566	$11,974,288	10%	29%
Totals	**$40,735,452**	**$41,862,735**	**3%**	**100%**

FY 2021 Preliminary Budget General Fund Expenses by Department

COCOA FLORIDA

GENERAL FUND	FY 2020 Budget	FY 2021 Preliminary Budget	% Change	% OF BUDGET
City Council	$185,941	$231,323	24%	1%
City Manager Office (City Manager, Information Technology and Leisure Services)	$3,743,700	$3,213,447	-14%	8%
Finance (General Accounting, Utility Accounting and Purchasing)	$3,565,477	$3,571,723	-	9%
General Operations (Retiree Insurance, Legal, ERP, Auditing, Contract Services, Debt Service and other City Wide Administrative Costs)	$6,174,743	$7,792,173	26%	19%
Administrative Services (City Clerk and Human Resources)	$922,665	$890,112	-4%	2%
Police (Police Officers, Administration, Communications and Code Enforcement)	$10,392,450	$10,671,803	3%	25%
Fire (Firefighters and Administration)	$6,451,839	$6,786,939	5%	16%
Community Services (Community Services and Economic Development)	$1,410,992	$1,332,180	-6%	3%
Public Works (Administration, Streets, Beautification, Building, Fleet, Solid Waste, and Capital Projects)	$7,887,645	$7,373,035	-7%	18%
Totals	**$40,735,452**	**$41,862,735**	**3%**	**100%**

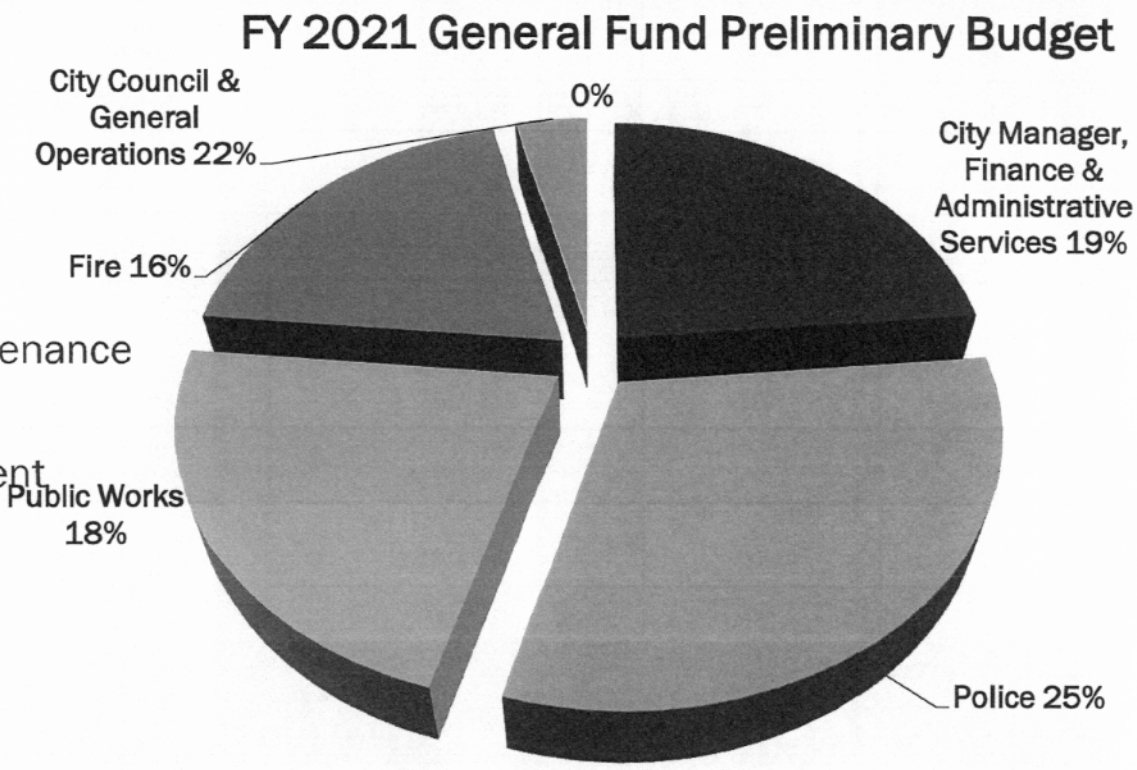
Core Municipal Services

<u>External Services</u>

- Public Safety
  - Police
  - Fire
- Infrastructure Management and Maintenance
  - Public Works
- Growth Management/Land Development
  - Community Service

<u>Internal Services</u>

- Administrative Services
- City Manager
- Finance



Core Municipal Services account for 81% of the General Fund budget excluding capital expenses.

FY 2021 Departmental Requests For Significant Capital Items Moved to FY 2022

COCOA FLORIDA

➢ 7 Unmarked Police Patrol Cars	($175,000)
➢ Police Scanning and Mapping- Crime Scene Device	($60,000)
➢ Traffic Response Trailer	($17,000)
➢ Traffic Advisory Sign	($17,000)
➢ Pierce Enforcer Pumper Truck	($640,000)
➢ Fire Inspector Vehicle	($24,251)
➢ Public Works Replacement Vehicle	($73,000)
➢ Fleet Faster Upgrade	($120,000)
➢ One Elevator Controller	($100,000)
Total Large Capital Moved to FY 2022:	**($1.2 Million)**

(Additional items requested for FY 2021 such as the Fuel Tanks, are being moved to FY 2020 Budget)

FY 2021 Department Personnel Requests

FY21 Position Changes Summary (10-01-20).xlsx

ePCF #	Dept/Div	Note:	Budget without Increase	Budget with Increase	Increase / Decrease
Finance Department					
	1500	Payroll Coordinator position	-	69,363	69,363
	1515	Add pay of $1.00per hour for 6 Meter Readers / Field Service Representative for exceeding standards	-	14,940	14,940
Finance Department Total					84,303
Police Department					
21-002	2100	Replacing the Frozen School Crossing Guard position with a Police Officer Trainee position. No increase to the headcount	-	61,002	61,002
Police Department Total					61,002
Community Development Department					
	3200	Senior License & Permit Technician		59,725	59,725
Community Development Department Total					59,725
Public Works Department					
	3520	Maintenance Worker II - PW	-	57,467	57,467
21-001	3540	Transfer employee from Mechanic I to Fleet Technician II. Replacing existing position with higher paid position. No increase to the headcount.	47,220	50,915	3,695
Public Works Department Total					61,162
Utilities Department					
21-003	4020	Supervisor II - Water	-	64,592	64,592
21-004	4020	Maintenance Worker I - Water	-	52,901	52,901
21-005	4020	Maintenance Worker I - Water	-	52,901	52,901
21-006	4025	Maintenance Worker I - WFO	-	52,901	52,901
21-007	4120	Changing the Water Reclamation System Coordinator (3 Authorizations) to an Environmental Control Coordinator (3 Authorizations) and increasing the pay grade.	49,959	52,203	2,244
Utilities Department Total					225,539
City Wide Increase					491,731

Increase to the Headcount

001	3
421	4
	7

Breakdown by Fund:

001	266,192
421	225,539
	491,731

W:\Finance Administration\Staffing\FY2021 Staffing\FY21 Payroll Analysis\FY21 Position Changes Summary (10-01-20).xlsx 6/25/2020

General Fund new positions requests are not approved for FY2021. Utility's Fund new positions requests, are still under review.

City Council's Priority Requests for FY 2021, Discussed at the May Budget Priority Workshop/Kickoff

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Community Improvements

- Beautification and Grounds- 33% increase in mowing contract $51K
  - Nuisance Abatement- $25K +$5K
  - Parks Master Plan Underway
- Community Security Cameras – Parks and high crime areas, this Fiscal Year
- Aurora Sidewalk- Grant Submitted, SCTPO Project List $445K
- Community Garden Program
  - DS CRA Discussion
- Affordable Housing Development- RFP City Owned Properties
- Police Traffic Enforcement Program- Existing Officer Allocation, Signage (PW)- $8K
- Leon and Jewel Collins Museum of African American History and Culture- $25K
  - State of Florida Division of Historical Resources Grant-
  - $50K, City $25K match Museum Buildout
  - $383,500K, City $191,750K Match Facility Completion (Windows, Doors)
- Police DNA Testing- $25K +$5K

City Councils Priority Requests for FY 2021, Discussed at the May Budget Priority Workshop/Kickoff

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Employee Investment

- Spanish Language Incentive Add-Pay- $.75 per hour
- Education Assistance Program Modification (year four)- $10K
- 3% Pay Increase to all employees- $620K
- 7.5% Increase to health insurance(Employer Portion) $338K
- Police Wage Salary Survey- Recruitment and Retention- Negotiation
- Employee Minimum Wage $15/hr.
  - Salary survey FY21 ($12.5K) and cost estimate
- Employee Residency Program- Down Payment Assistance $71K(HOME) (approx. 2/year)
- New Sustainability Position- $100K ($60K wages, $37K benefits)

Use of General Fund Balance Reserves

Fund Balance Reserve Policy - the purpose of the Fund Balance Reserve Policy is to ensure there will be adequate liquid resources to serve as a financial cushion for the General Fund.

- Restricted General Fund Balance has a minimum reserve requirement of 33% of total operating expenditures and $500,000 for capital replacement reserve
- Reserves are used for Capital and one-time expenses only and **cannot** sustain recurring expenses
- Utilize **available** Fund Balance to fund projects
  - Emergency Response Pandemic, Natural Disaster...
  - Catalytic Capital/Economic Projects to enhance overall City growth and quality of life

General Fund Balance (2019 CAFR)

- Non-spendable (Inventory and Pre-Paid Items) $1,666,589
- Committed (Stabilization Fund) $12,288,375
- Assigned $6,250,000
- Unassigned $5,207,074

- Fiscal Year 2020 Projected Use Fund Balance $2,421,825

Pineda Street $500,000
Street Paving and Sidewalks $330,000
Electric Vehicle $33,250
City Manager Payout $237,033
FY19 Budget Roll $293,269
Two Railroad Crossing $209,000- Deferred due to Virgin Train Construction
Work Cart $15,000
Police Fire System for I.T. Training Room $15,000

Remaining Unassigned Fund Balance End of FY 2020 = $2,785,249

Current Projected Use of Fund Balance FY 2021

- ERP (Assigned Fund Balance) $1.5 Million
- Paving (AFB) $300,000

Total Assigned Fund Balance Use $1.8 Million

- Marked Police Vehicles (Unassigned Fund Balance) $318,500
- Police Main Gate Controls (UFB) $51,000
- Fire Extrication Equipment (UFB) $35,000
- Fire Active Shooter Response Equipment (UFB) $10,000
- Public Works Access Control Doors (UFB) $22,000
- Flatbed Truck (UFB) $87,000
- Cocoa Village Playhouse HVAC (UFB) $45,000
- City Hall I.T. Department HVAC (UFB) $37,000
- City Hall HVAC 2 Units (UFB) $34,500

Total Unassigned Fund Balance Use $640,000

Community Based Requests

- Brevard Public Schools, Cocoa High School - $75,000 (Budgeted in FY19 & FY20)

  (Track, Football Field Turf, Bleachers)

- Brevard Museum - $50,000 annually for 3 years ($150,000), for Museum Operation

- YMCA - $350,000 (Roof, Mechanical, Facility Improvements, Swimming Pool)

- Endeavour Elementary- $25,000 Wellness Coordinator (RN)
  - School Year 20-21, link between students, family and health care

- Recommendation- Finalize Interlocal Agreement with current budget commitment, decision for budget development

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Stantec to present the General Fund FAMS Model via Go To Meeting

City Council Direction

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- **PRELIMINARY Consensus to build proposed FY 2021 Budget**

1. Millage Rate:
   - Maintain Current Millage Rate – 5.9790
   - 6% Increase to Property Values for Tax Year 2020 Estimate, FY 2021. Estimated Revenue $382,729

2. Fire Assessment Rate:
   - FY 2021 Project a 3% Increase : The Preliminary FY 2021 Budget has been built with no increase.

   Estimated Increase of 3% would account for an additional $78,600 in Revenue. Fire Assessment Revenue $2,698,600 would then account for 40% of the Fire Departments Budget.



FY 2021 Stormwater Budget Overview

FY 2021 Stormwater Fund Preliminary Revenues by Funding Source

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Funding Source	FY 2020 Budget	FY 2021 Preliminary Budget	% Change	% of Budget
Special Assessment	$1,747,692	$1,747,692	-	100%
*Grant	$67,189	-	-100%	-
Fund Balance Reserves	$196,661	-	-100%	-
Totals	**$2,011,542**	**$1,747,692**	**-13%**	**100%**

Note: The Preliminary FY 2021 Budget was built with no rate increases
***Grant Revenue is not budgeted until awarded**

FY 2021 Stormwater Fund Preliminary Expense Budget

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Category	FY 2020 Budget	FY 2021 Preliminary Expenses	% Change	FY 2021 % of Budget
Wages & Benefits	$544,229	$574,773	6%	33%
Operating	$925,181	$587,919	-57%	34%
Capital Outlay	$542,132	$585,000	8%	33%
Totals	**$2,011,542**	**$1,747,692**	**-15%**	**100%**

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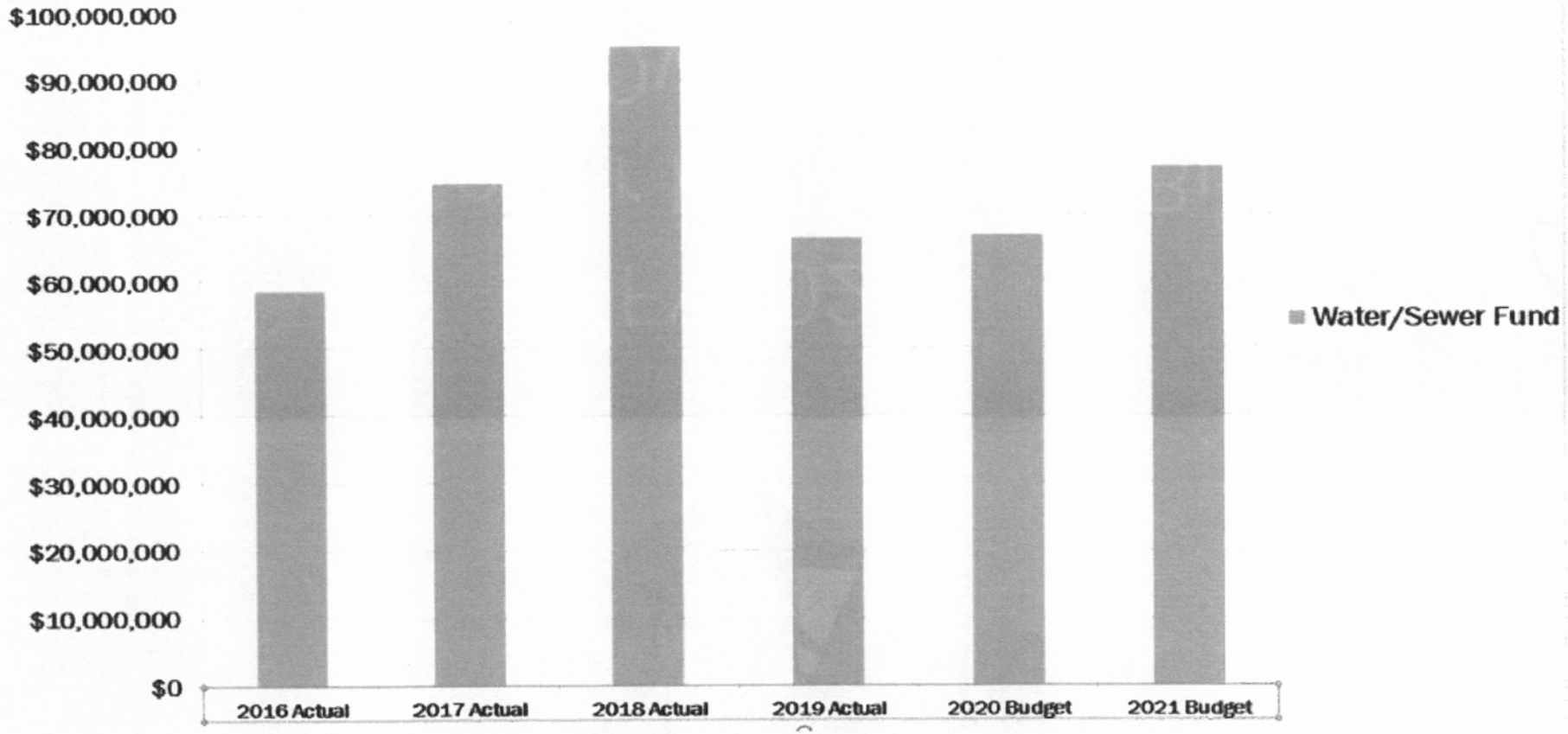
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FY2021
Water/Sewer Preliminary Budget Overview

Water/Sewer Fund Revenue Trends



*Series 2018 Bond Issue

FY 2021 Water/Sewer Fund Preliminary Revenues by Funding Source

Funding Source	FY 2020 Budget	FY 2021 Budget	% Change	% of Budget
Impact Fees (Residential and Commercial)	$2,264,715	$2,233,605	-1%	3%
Charges for Service (Water, Sewer and Reuse Sales, Connection Fees, Hydrant Fees, Fireline Fees, Backflow Device Checks, Grease Trap Permits and Connection Fees)	$63,076,683	$66,526,376	5%	86%
Miscellaneous (Interest Earned, Rent and Royalties, and Scrap Metal)	$146,300	$93,078	-36%	-
Other Non-Revenue (Revenues from Unassigned FB)	$1,529,480	$8,355,443	446%	11%
Totals	**$67,017,178**	**$77,208,502**	**15%**	**100%**

Note: Grants Projects are not budgeted until awarded.

FY 2021 Water/Sewer Preliminary Expenses by Division

Water/Sewer Fund:	FY 2020 Budget	FY 2021 Preliminary Budget	% Change	% OF BUDGET
*Inventory (Warehouse)	-	$115,946	100%	1%
Utility Support Services (Meter Readers And Field Services)	$1,575,874	$1,704,013	8%	2%
Administration (Salaries, ROI, 6% PILOF, Allocation and Debt Service)	$29,118,472	$32,963,018	13%	43%
Dyal Water Plant	$14,955,896	$15,699,527	5%	20%
Water Field Operations	$9,177,939	$9,230,309	1%	12%
Engineering	$4,870,783	$10,289,715	111%	13%
Water Reclamation	$3,917,052	$4,032,880	3%	5%
Sewer Field Operations	$3,401,162	$3,173,094	-7%	4%
Totals	**$67,017,178**	**$77,208,502**	**15%**	**100%**

***Inventory is a New Division**

FY 2021 Water/Sewer Preliminary Budget Snapshot

Preliminary FY 2021 Water/Sewer Budget:

- Revenues: $68,853,059
- Expenses: $77,208,502
- Net Position: + $8,355,443
- Total Capital Outlay Requests Water/Sewer Fund $12,215,931: $3,860,488 (Funded by Revenues)

Discussion on the FY 2021 Preliminary Water/Sewer Budget

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- A complete Water Sewer Rate Study is underway
  - City Council 1 on 1, Workshop
  - January 1st Implementation
- Analysis is continuing for the division new position requests, and they are not currently in the budget
- The preliminary budget does have projected increases for growth, but there is no rate increase built into the budget
- Two new funds will be created after the Budget Workshop, the Water/Sewer Impact Fee Fund and the Renewal and Replacement Fund. Both of these funds revenue and expenses will be moved, changing the total budget for Water/Sewer.

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What's Next...

- **City Council FY 2021 Budget Workshop/Hearings**
  - July 22, 2020 @ 6:00 PM – TRIM Hearing (Set the tentative ad valorem millage rate)
  - August 26, 2020 @ 6:00 PM
    - Resolution – Preliminary Fire Protection Assessment/Rates
    - Resolution – Preliminary Stormwater Assessment/Rates

- 1ST Public Hearing – September 9, 2020 @ 6:00 PM
  - Vote for a Proposed Millage Rate
  - Vote on the Proposed FY 2021 Budget
  - Resolution – Final Fire Assessment
  - Resolution – Final Stormwater Assessment/Rates

- 2nd Final Public Hearing – September 23, 2020 @ 6:00 PM
  - Adopt Final Millage Rate
  - Adopt the FY 2021 Budget

QUESTIONS

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