



FY 2023 Budget Presentation

1st Public Hearing
September 13, 2022



Objectives of this Public Hearing



- Adopt a Tentative Millage Rate for FY 2023
- Adopt a Tentative Budget for FY2023
- Set 2nd Public Hearing – September 27, 2022 at 6:00p.m., Cocoa City Hall, 65 Stone Street, Cocoa, FL 32922

The City must have a balanced budget by October 1, 2022



TRIM (Truth in Millage) Process



Step 1

Adopt the FY 2023 City of Cocoa Tentative Millage Rate

Note: The tentative millage rate cannot exceed the millage rate of 6.4532 approved by City Council on July 26, 2022, by unanimous vote (5-0).

The FY 2023 Budget was developed with assumptions of Ad Valorem Revenue at 6.4532 Mills @ 95% (State requires at least 95%), to support ongoing operational needs.

Step 2

Adopt the FY 2023 City of Cocoa Tentative Budget

FY 2023 Comparative City Rates



Ranking	Municipality	Current	Rolled-Back	Proposed
1	Satellite Beach	8.6312	7.8000	8.2312
2	Palm Bay	7.5995	6.5887	7.5995
3	Titusville	7.2145	6.3573	7.2145
4	Melbourne	7.0519	6.4146	6.7490
5	Cocoa	6.4532	5.9866	6.4532
6	Cocoa Beach	5.9540	5.3133	6.1644
7	Indialantic	6.0923	5.4072	5.9990
8	Rockledge	5.9900	5.5902	5.8200
9	Indian Harbor Beach	5.6401	5.0617	5.5628
10	Melbourne Beach	4.6865	4.2885	4.2080

City of Cocoa’s FY 2023 Proposed Tentative Millage Rate is the same as FY 2022. Note: Ranking is established using the Proposed Rate (As of 9-7-22)

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- ✓ The City of Cocoa is the taxing authority
- ✓ The rolled-back rate is 5.9866
- ✓ The millage rate of 6.4532 is a tax increase
of 7.79% as a percent change of the rolled- back rate
- ✓ The millage rate to be levied is 6.4532 which is the same as the current
year tax rate

Requested Action:

Approve Resolution No. 2022-087, adopting the tentative millage rate of 6.4532 mills. for the City of Cocoa, commencing on October 1, 2022 and ending on September 30, 2023.

FY 2023 Tentative Budget



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FY 2023 TENTATIVE BUDGET

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Fund	FY 2023 Tentative Budget
Water/Sewer	\$82,826,373
General	\$44,830,718
W/S Renewal and Replacement	\$15,576,000
W/S Restricted Assets	\$9,358,915
Special Revenue	\$5,376,731
W/S Impact Fees	\$2,230,000
Stormwater	\$2,192,854
Debt Service	\$1,442,101
Workers Comp	<u>\$1,375,179</u>
TOTAL	\$165,208,871

FY 2023 General Fund Overview



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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 and State Shared Revenues
- **Charges for Service**
 - Water Billing Services, Garbage Collection Services, Allocation for Services and Culture/Recreation Events
- **Fines & Forfeitures**
 - Property Seized
 - Court held confiscated items
- **Miscellaneous**
 - Interest Earned, Rent and Royalties, Disposition of Fixed Assets, Contributions, Insurance Proceeds, etc.
- **Other Non-Revenue**
 - Inter-fund transfers, Water/Sewer ROI and 6% PILOFF, Debt Proceeds, Revenues from Unassigned FB (Reserves)

FY 2023 General Fund Revenues by Funding Source

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Funding Source	FY 2023 Tentative Budget	FY 2023 % of Budget
Other Non-Revenue (Inter-fund transfers, Water/Sewer ROI and 6% PILOFF, Debt Proceeds, Revenues from Unassigned FB (Reserves))	\$17,778,861	40%
Taxes (Ad Valorem, Utility Service Tax and Communication Service Tax)	\$12,144,570	27%
Charges for Service (Water Billing Services, Garbage Collection Services and Culture/Recreation Fees)	\$6,860,492	15%
Other Permits & Fees (Building Permits, Franchise Fees, Fire Assessment, and Planning & Zoning Fees)	\$5,051,611	11%
Intergovernmental (Local, State & Federal Grants, Housing Authority Payments in Lieu of Taxes, and State Shared Revenues)	\$2,486,671	6%
Miscellaneous (Interest Earned, Rent and Royalties, Disposition of Fixed Assets, Contributions, Insurance Proceeds, etc.)	<u>\$508,513</u>	<u>1%</u>
Total FY 2023 Revenue by Funding Source	\$44,830,718	100%

FY 2023 Tentative Budget General Fund by Department

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General Fund	FY 2022 Adopted Budget	FY22 Salary Placeholder	FY 2023 Tentative Budget	Variance	FY 2023 % of Budget
Police	\$11,074,445	\$113,672	\$12,120,906	\$932,789	27%
Public Works	\$9,080,504	\$191,778	\$9,290,683	\$18,401	21%
Fire	\$6,857,101	\$222,146	\$7,285,476	\$206,229	16%
General Operations	\$7,022,753	(\$1,186,205)	\$6,290,424	\$453,876	14%
Finance	\$3,528,520	\$355,688	\$3,918,969	\$34,761	9%
Information Technology	\$2,148,595	\$60,490	\$2,500,515	\$291,430	6%
City Manager Office	\$1,496,410	\$116,302	\$1,275,623	(\$337,089)	3%
Administrative Services	\$933,098	\$60,576	\$1,044,770	\$51,096	2%
Economic Development	\$0	\$0	\$678,170	\$678,170	1%
Community Services	\$738,596	\$65,553	\$220,293	(\$583,856)	0.50%
City Council	\$194,905	\$0	\$204,889	\$9,984	0.50%
Emergency Disaster	<u>\$58,900</u>	<u>\$0</u>	<u>\$0</u>	(\$58,900)	<u>0%</u>
TOTAL	\$43,133,827	\$0	\$44,830,718	\$1,696,891	100%

Use of General Fund Balance Reserves

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- **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 per the most recent financial statements and \$500,000 of capital replacement.
 - 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

FY 2023 Water/Sewer Budget Overview



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FY 2023 Water/Sewer Revenues

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Funding Source	FY 2023 Tentative Budget	FY 2023 % of Budget
Charges for Service (Water, Sewer and Reuse Sales, Connection Fees, Hydrant Fees, Fireline Fees, Backflow Device Checks, Grease Trap Permits and Connection Fees)	\$72,221,630	87%
Other Non-Revenue (Revenues from Unassigned FB (Reserves))	\$10,294,631	12%
Miscellaneous (Interest, Rent and Royalties, other minor revenues)	<u>\$310,112</u>	<u>1%</u>
TOTAL FY 2023	\$82,826,373	100%

FY 2023 Tentative Budget Water/Sewer Fund by Division

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Water/Sewer Fund	FY 2022 Adopted Budget	Salary Placeholder	FY 2023 Tentative Budget	Variance	FY 2023 % of Budget
Administration (ROI, 6% PILOFF, Overhead Allocation and Debt Service Transfers)	\$36,501,822	(\$2,145,651)	\$44,586,591	\$10,230,420	54%
Dyal Water Plant	\$15,338,692	\$494,696	\$15,266,057	(\$567,331)	18%
Water Field Operations	\$9,288,757	\$716,120	\$10,123,075	\$118,198	12%
Water Reclamation	\$3,643,579	\$244,475	\$3,848,639	(\$39,415)	5%
Engineering	\$3,342,483	\$317,361	\$3,738,442	\$78,598	5%
Sewer Field Operations	\$3,233,274	\$221,272	\$3,006,283	(\$448,263)	3.5%
Utility Support Services	\$1,836,826	\$141,511	\$2,111,472	\$133,135	2.5%
Inventory	<u>\$123,090</u>	<u>\$10,216</u>	<u>\$145,814</u>	<u>\$12,508</u>	-
TOTAL	\$73,308,523	\$0	\$82,826,373	\$9,517,850	100%

FY 2023 Stormwater Budget Overview



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FY 2023 Stormwater Revenues by Funding Source

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Funding Source	FY 2023 Tentative Budget	FY 2023 % of Budget
Special Assessment	\$2,082,485	95%
Tax Certificates	\$105,232	5%
Interest	\$4,737	0%
Storm Mitigation Application Fee	<u>\$400</u>	<u>0%</u>
Total FY2023 Revenue by Funding Source	\$2,192,854	100%

FY 2023 Stormwater Tentative Budget

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Stormwater Fund	FY 2022 Adopted Budget	FY 2023 Tentative Budget	Variance	FY 2023 % of Budget
Personal Services	\$647,688	\$673,366	\$25,678	31%
Operating	\$640,240	\$891,266	\$251,026	41%
Capital	\$542,620	\$330,600	(\$212,020)	15%
Other Non-Revenue (Overhead Allocations)	<u>\$0</u>	<u>\$297,622</u>	<u>\$297,622</u>	<u>13%</u>
TOTAL	\$1,830,548	\$2,192,854	\$362,306	100%

Public Announcement

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- Public comment on 1st public hearing for FY2023 Tentative Budget & CIP

Requested Action:

- Approve Resolution No. 2022-088 adopting the Fiscal Year 2023 Tentative Budget & CIP for the City of Cocoa, for the Fiscal Year commencing October 1, 2022 and ending on September 30, 2023.

What's Next...

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•City Council FY2023 Budget Final Hearing

- 2nd Final Public Hearing – September 27, 2022 @ 6:00 PM
 - Adopt Final Millage Rate
 - Adopt the FY2023 Budget



QUESTIONS/CONTACT

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