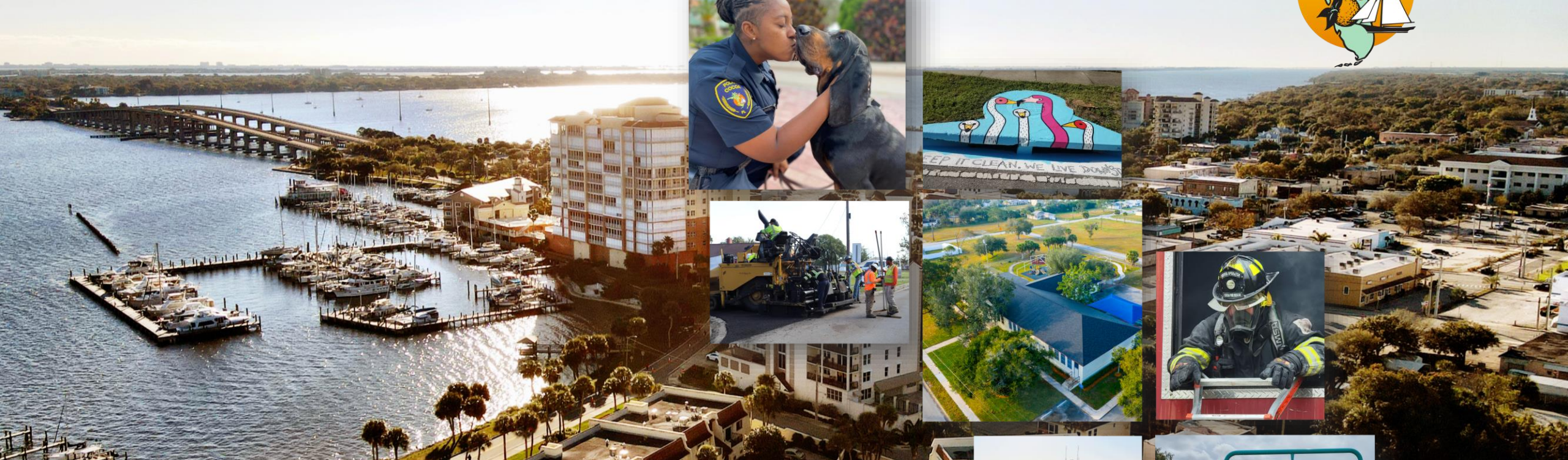


# FY 2025 BUDGET PREPARATION



Special Meeting  
July 10, 2024



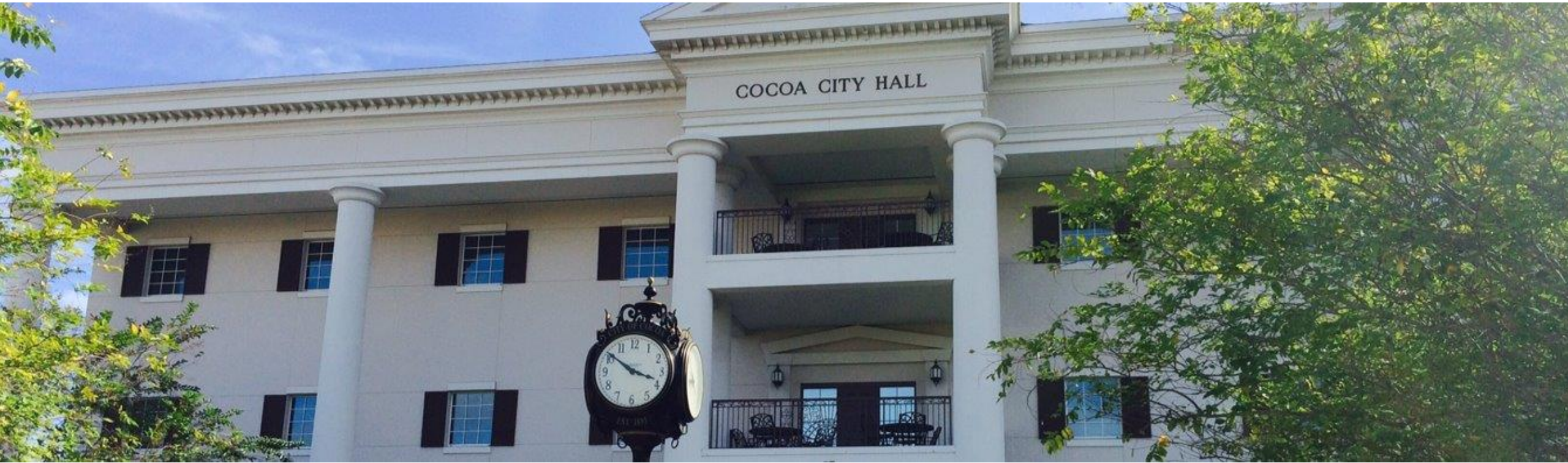
# AGENDA

COCOA  
FLORIDA



1. FY 2025 Balanced Budget Proposal Overview
2. Stantec Annual Financial Analysis
  - General Fund
  - Fire Assessment
  - W/S Utility Fund
  - Stormwater Fund
3. Parks
  - County Parks Agreement
  - Junny Rios Martinez Park
  - Provost Park
4. Council Discussion
5. Public Input/Citizen Participation

# FY2025 BUDGET REVIEW



**COCOA**  
FLORIDA



# General Fund Revenues – New Money

• Ad Valorem	\$1,419,483
• Investment Interest Revenue	580,739
• State Shared Revenue	186,116
• Special Assessment (Fire)	207,762
• Charges for Services	102,043
• Transfers :	
Cost of Services	414,117
UT Fund ROI	159,348
UT Fund PILOFF	84,747
<b>New Revenue</b>	<b>\$3,154,355</b>



# General Fund Significant Expenditures

• Capital Funding with Revenue	\$875,000
• Salary Increases	613,100
• County Park Agreement Obligation	500,000
• Maintenance Increases	388,241
• Debt Service Payment for Capital Purchases	380,000
• Liability Insurance Increase	160,689
• <u>TIF Transfer to the CRAs</u>	<u>131,496</u>
<b>Significant Increases</b>	<b>\$3,048,526</b>

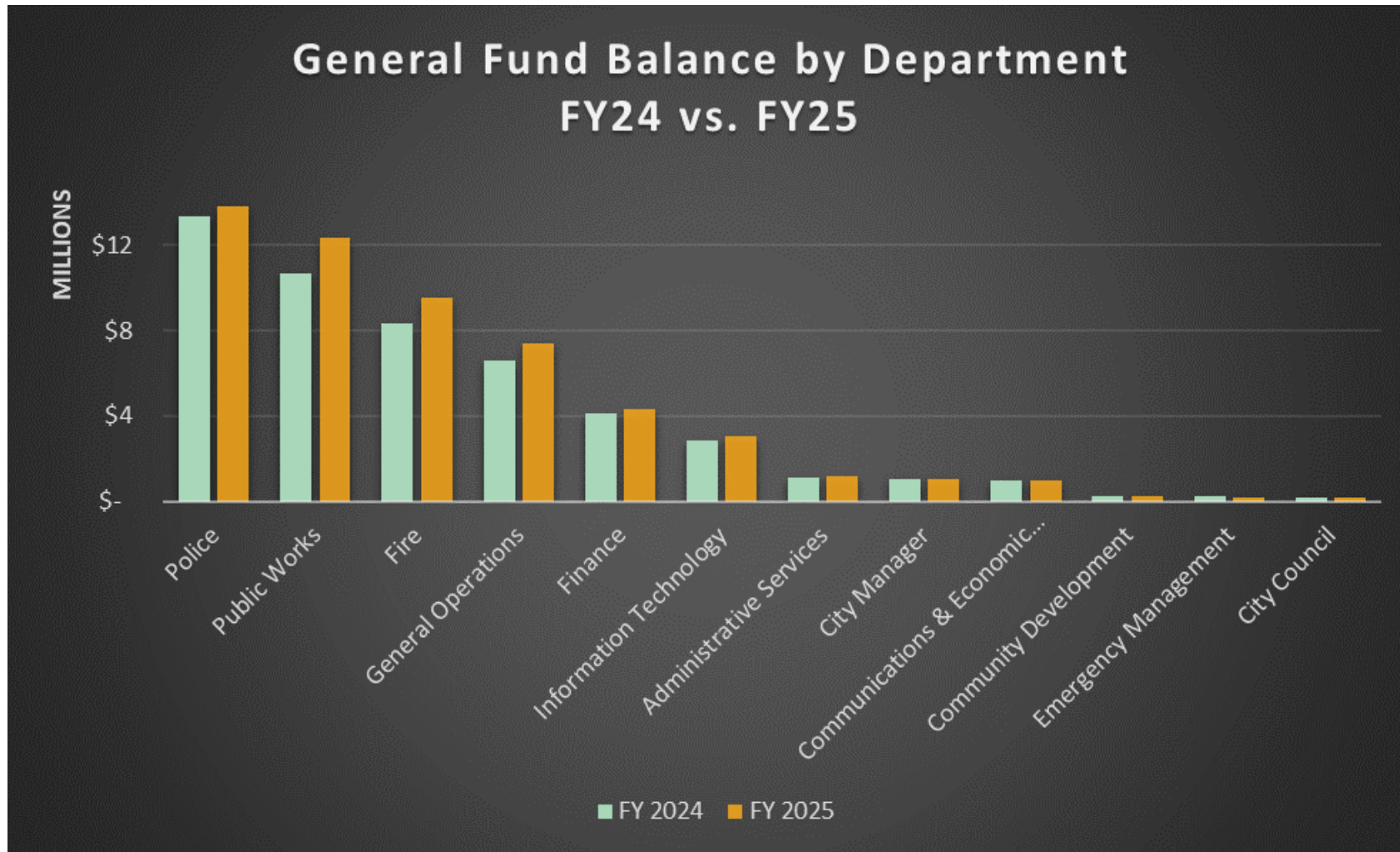


# General Fund By Department



Department	FY 2024	FY 2025	CHANGE	% CHANGE
Police	\$ 13,373,042	\$13,851,474	\$478,432	4%
Public Works	10,681,569	12,317,835	1,636,266	15%
Fire	8,345,033	9,532,408	1,187,375	14%
General Operations	6,569,730	7,405,455	835,725	13%
Finance	4,116,978	4,316,051	199,073	5%
Information Tech	2,828,454	3,060,291	231,837	8%
Admin Services	1,132,487	1,209,349	76,862	7%
City Manager	1,015,298	1,050,128	34,830	3%
Comm & Econ Dev	967,782	1,000,888	33,106	3%
Comm Services	238,442	210,646	(27,796)	(12%)
Emergency Mgmt	233,737	173,015	(60,722)	(26%)
City Council	<u>182,908</u>	<u>179,933</u>	<u>(2,975)</u>	(2%)
General Fund Total	\$49,685,460	\$54,307,473	\$4,622,013	9%

# General Fund By Department



# Union Negotiations in Progress

- LIUNA
- IAFF
- PBA
- Teamsters (Fire District Chiefs) Wage Opener
- PBA (Police Lieutenants) Wage Opener





# FY 2025 Capital Purchases

## Fire

- Fire Engine Apparatus \$1,120,000

## Police

- 50 Mobile Radios \$405,551
- 29 Portable Radios \$192,652
- Patrol Car \$65,000

## Public Works

- Range Road Full Depth Paving \$550,000
- Annual Street Paving \$500,000



# FY 2025 Capital Purchases - Continued

- Brevard County Parks Contract Obligation- (\$250K in R&M also) \$250,000
- Flatbed Truck Replacement - \$126,000
- (2) Replacement Vehicles - \$115,000
- Kubota Loader - \$72,000
- Mower- \$15,000

## I.T.

- Fiber Ring - \$75,000

## City Hall

- Pooled Vehicle - \$39,495



# FY 2025 Capital Purchases - Continued

<u>Total General Fund Capital</u>	\$3,525,698
Funded by <b>Debt Proceeds</b>	\$2,150,698
Funded By <b>Recurring Revenue</b>	\$1,375,000





# City of Cocoa Annual Financial Analysis



# Agenda

1. Foundation of the Analysis
2. General Fund Analysis
3. Water/Sewer Rate and Revenue Sufficiency Analysis
4. Stormwater Forecast
5. Summary



# Foundations of the Analysis

- Revenue sufficiency analysis for General Fund, Utility Fund and Stormwater Fund performed during City's annual budget process
- Provide options and recommendations for sustainability

## Why We Do This:

- Identify short-term and long-term impacts of current-year decisions
- Provide a framework for scenario evaluation and sensitivity tests
- Consider future cost requirements/events
- True-up assumptions based on current conditions

## Source Data & Key Assumptions:

- Fiscal Year 2024 Adjusted Budget
- Fiscal Year 2025 Proposed Budget
- Fiscal Year 2025 – 2029 Preliminary CIP
- Forecast assumptions reflect staff input



# General Fund Analysis



# Key Planning Observations & Considerations

## Objectives

- Evaluate sufficiency of revenues from property taxes and other sources to meet projected costs

## Observations

- Operating levels per Proposed Budget
- Average annual CIP spending of \$2.5M
- New debt proceeds of \$2.1M and annual payments
- Continued plan of fire assessment rate increases of 3%
- \$5M City contribution to high-speed rail station

## Rate Drivers

- Long-term escalation of costs outpace revenue growth
- Conservative assumption of lower taxable value growth





**FAMS** | City of Cocoa, FL **General Fund**



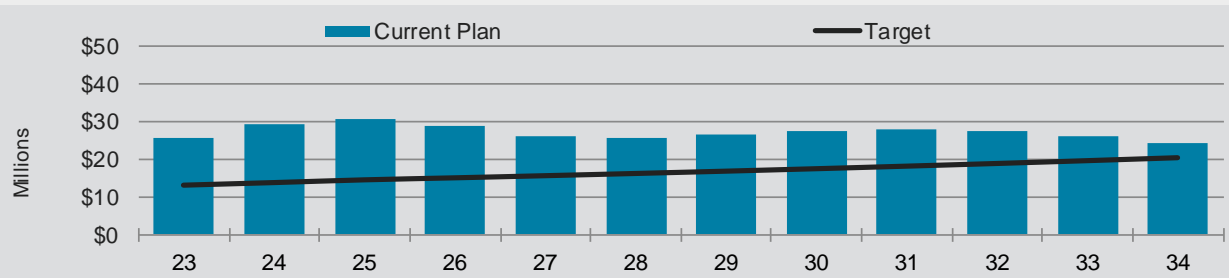
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**Millage maintained**

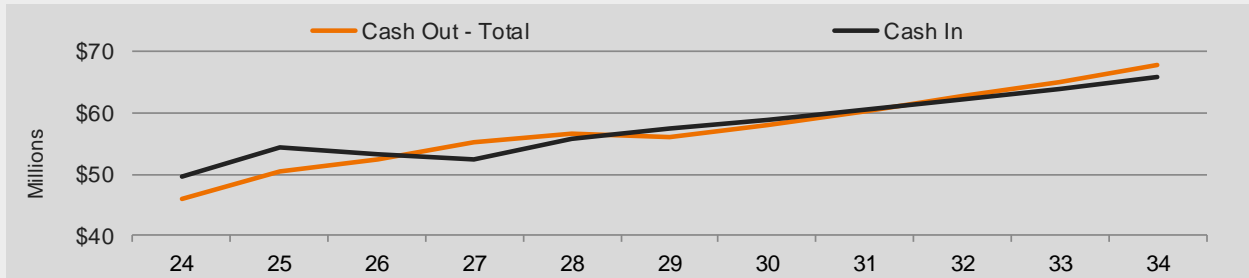
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Millage Rate	6.9532	6.9532	6.9532	6.9532	6.9532	6.9532	6.9532	6.9532	6.9532	6.9532	6.9532
Taxable Value Increase	17.0%	13.1%	5.1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Cash Flow Surplus/(Deficit) \$M	\$ 3.63	\$ 3.74	\$ 0.64	\$ (2.60)	\$ (0.65)	\$ 1.34	\$ 0.84	\$ 0.24	\$ (0.42)	\$ (1.14)	\$ (1.91)
End of Year Fund Balance \$M	\$ 29.25	\$ 30.49	\$ 28.63	\$ 26.03	\$ 25.38	\$ 26.72	\$ 27.56	\$ 27.79	\$ 27.37	\$ 26.23	\$ 24.32

Salaries 3.0%

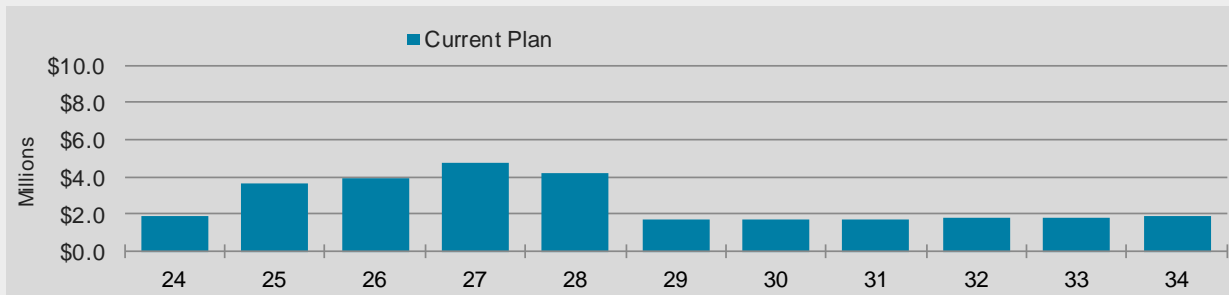
**End of Year Fund Balance (Committed & Unassigned)**



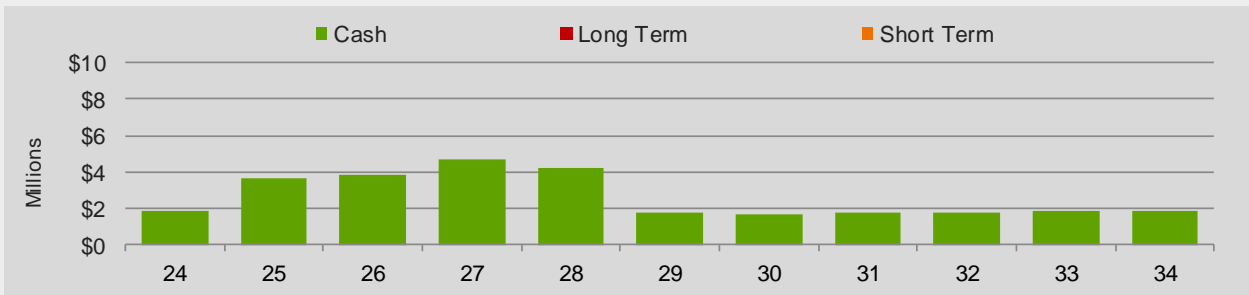
**Revenues vs. Expenses**



**CIP Spending**



**CIP Funding**





# Fire Assessment Results

Fire Assessment Calculation	FY 2024 Adopted	FY 2025 Proposed	Increase \$	Increase %
Residential Rate per Dwelling Unit	\$ 242.69	\$ 249.97	\$ 7.28	3.0%
Tier 1 Rate per Parcel EBU <sup>1</sup>	\$ 171.59	\$ 176.74	\$ 5.15	3.0%
Tier 2 Rate per Structure EBU <sup>2</sup>	\$ 10.75	\$ 11.07	\$ 0.32	3.0%
Fire Admin & Operations Budget	\$ 6,405,193	\$ 6,564,743	\$ 159,550	2.5%
<b>Estimated Collected Revenue <sup>3</sup></b>	<b>\$ 3,249,076</b>	<b>\$ 3,486,539</b>	<b>\$ 237,463</b>	<b>7.3%</b>
<i>Estimated Cost Recovery</i>	<i>50.7%</i>	<i>53.1%</i>		

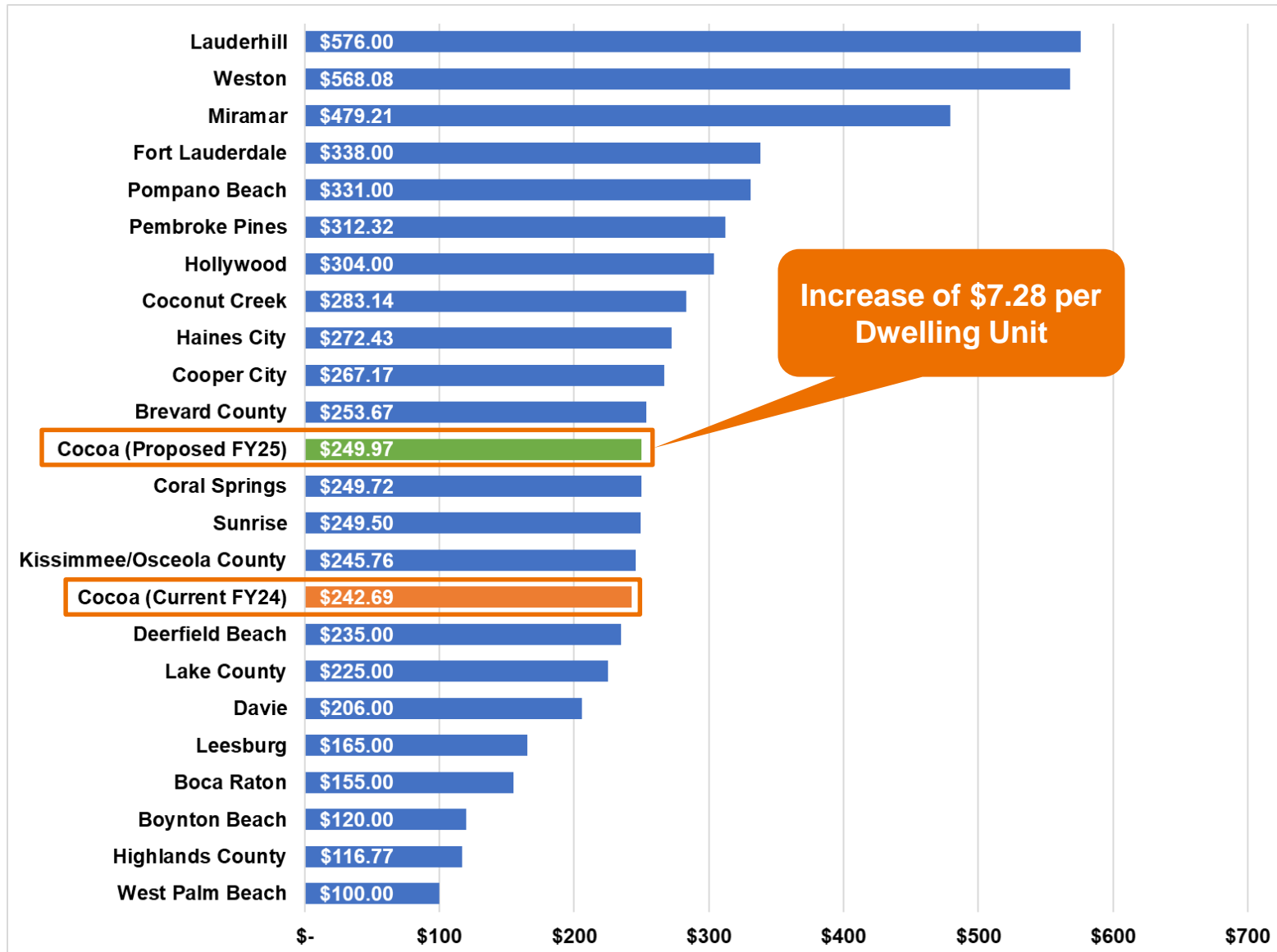
<sup>1</sup> Tier 1 equivalent billing units (EBUs) are equal to 5 acres of property size

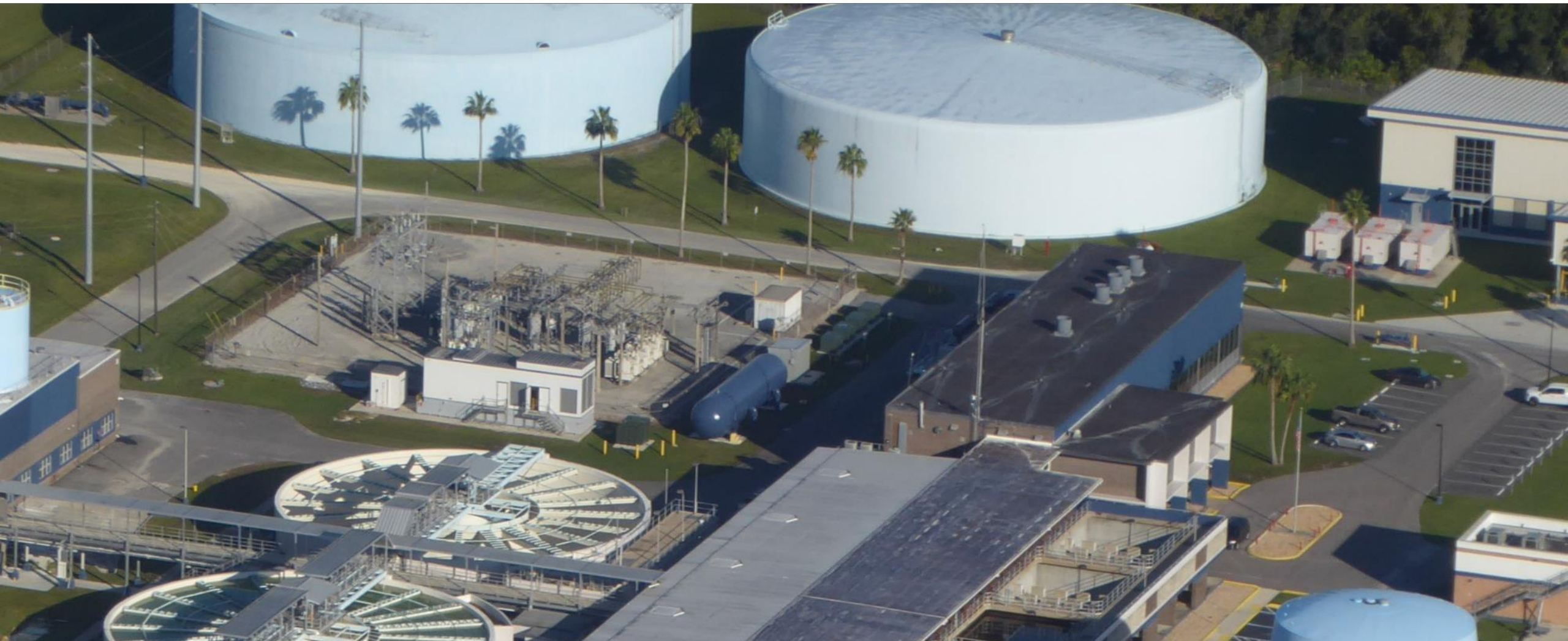
<sup>2</sup> Tier 2 equivalent billing units (EBUs) are equal to \$5,000 of structure value

<sup>3</sup> Collected revenue estimated at 95%



# FY 2024 Annual Residential Fire Assessment Fee Rate Survey





# Water/Sewer Rate and Revenue Sufficiency Analysis



# Key Planning Observations & Considerations

## Background

- Annual reviews of revenue sufficiency to meet costs
- 2023 analysis = 4% annual rate indexing through FY 2033

## Objectives

- Determine if existing rate indexing plan is sufficient
- Develop a sustainable capital funding plan

## Rate Drivers

- Cost inflation (operating and capital)
- Balancing infrastructure needs and affordability



# Financial Management Plan

## Fund cash flow needs

- Recent inflation in operating and capital costs
- Continuous infrastructure reinvestment

## Operating reserves

- Minimum of 6-months of O&M expenses
- Cover disruptions in revenue or unforeseen expenditures

## Debt service coverage

- Net revenues at least 2X annual debt service
- Minimize future borrowing and maintain borrowing capacity
- Utilize potential grant funding for resiliency focused projects

**Keys to  
Financial  
Sustainability**



# CITY OF COCOA, FL - WATER AND SEWER



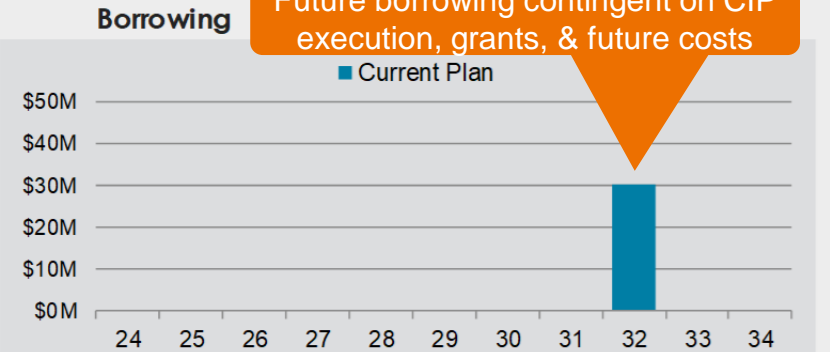
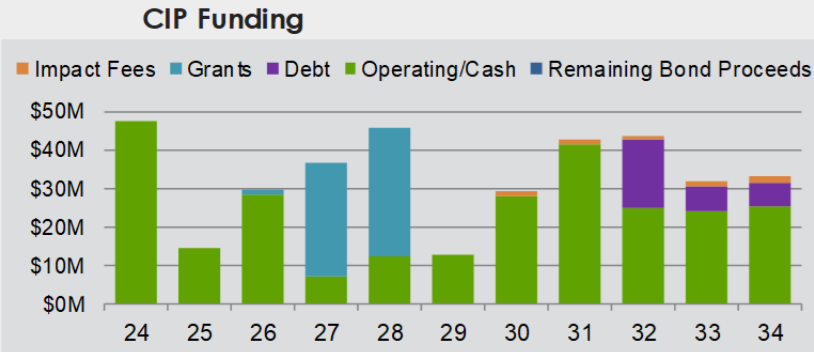
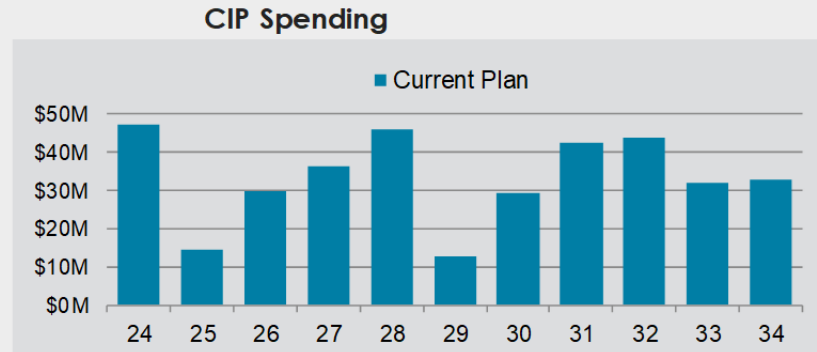
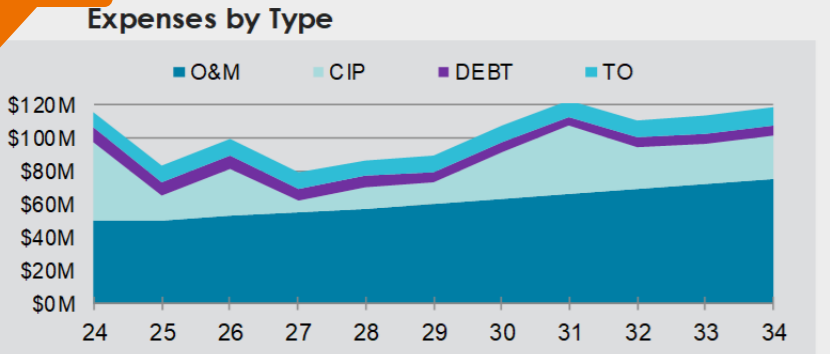
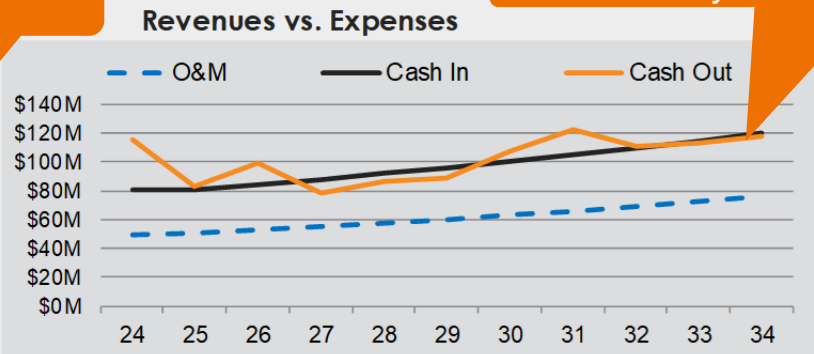
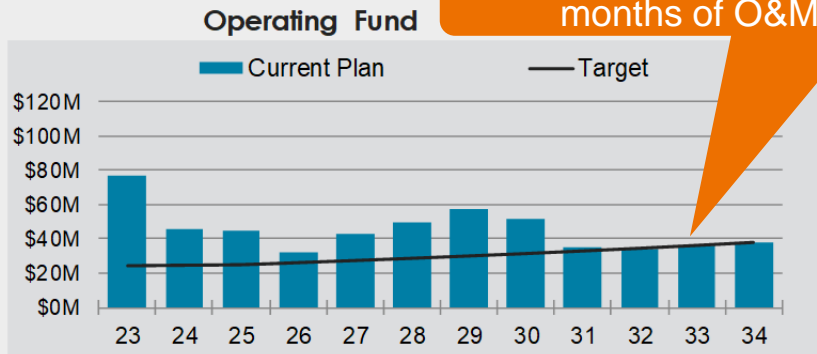
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Reduced to 2% followed by 4% annual rate indexing

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2029	FY 2034
Water Rate Plan	4.00%	2.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	19.33%	45.18%
Sewer Rate Plan	4.00%	2.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	19.33%	45.18%
Reclaimed Rate Plan	4.00%	2.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		
Senior-Lien DSC	3.16	3.44	3.75	4.87	5.14	5.41	5.64	6.88	6.50	6.28	6.55	Scenario Manager	
Avg WS Bill (4 Ggal)	\$ 84.38	\$ 86.07	\$ 89.52	\$ 93.08	\$ 96.81	\$ 100.69	\$ 104.71	\$ 108.89	\$ 113.26	\$ 117.78	\$ 122.50		

Maintains reserves = 6-months of O&M

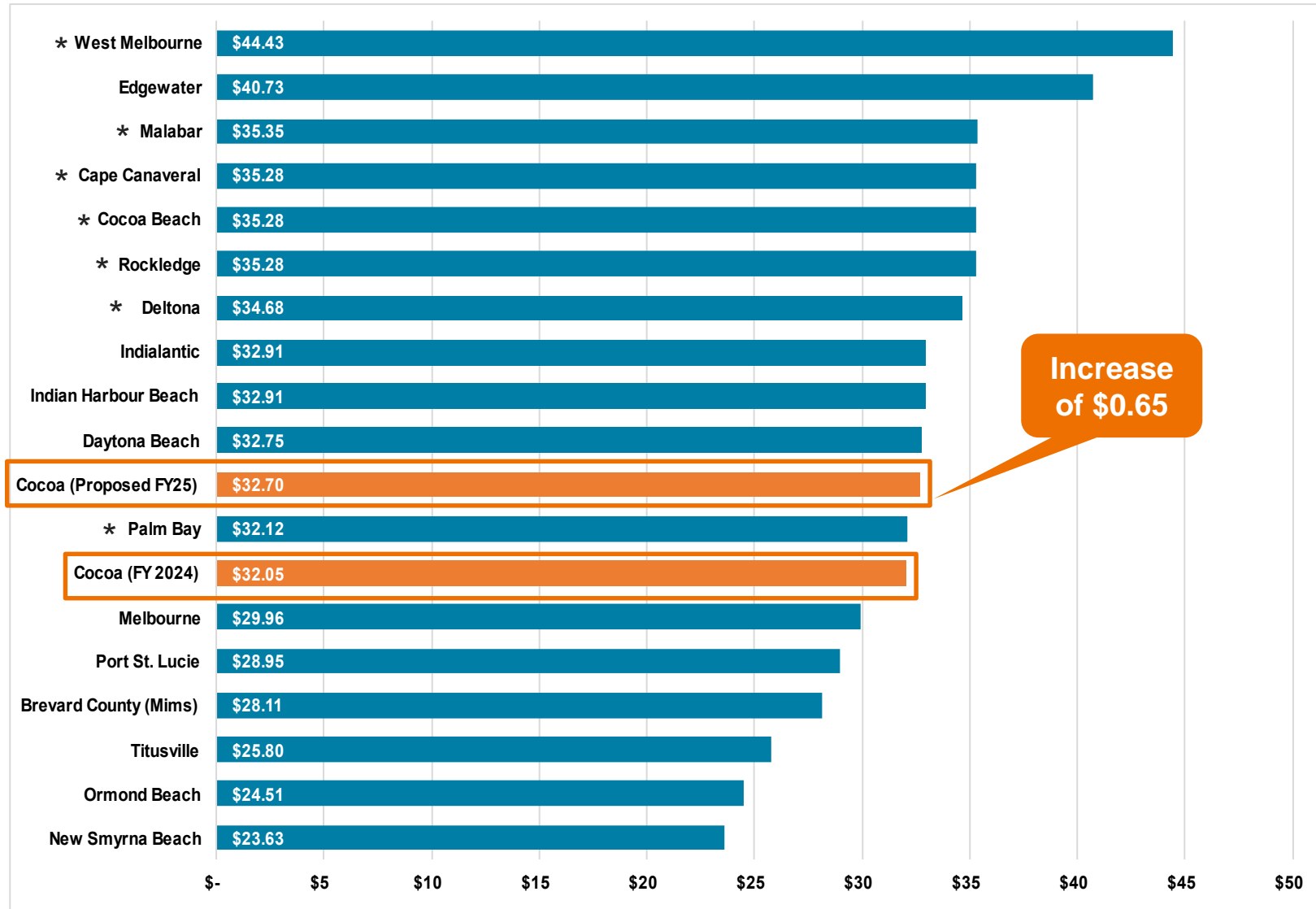
Structurally balanced



Future borrowing contingent on CIP execution, grants, & future costs



# Residential Monthly Water Bill Comparison – 4,000 gal



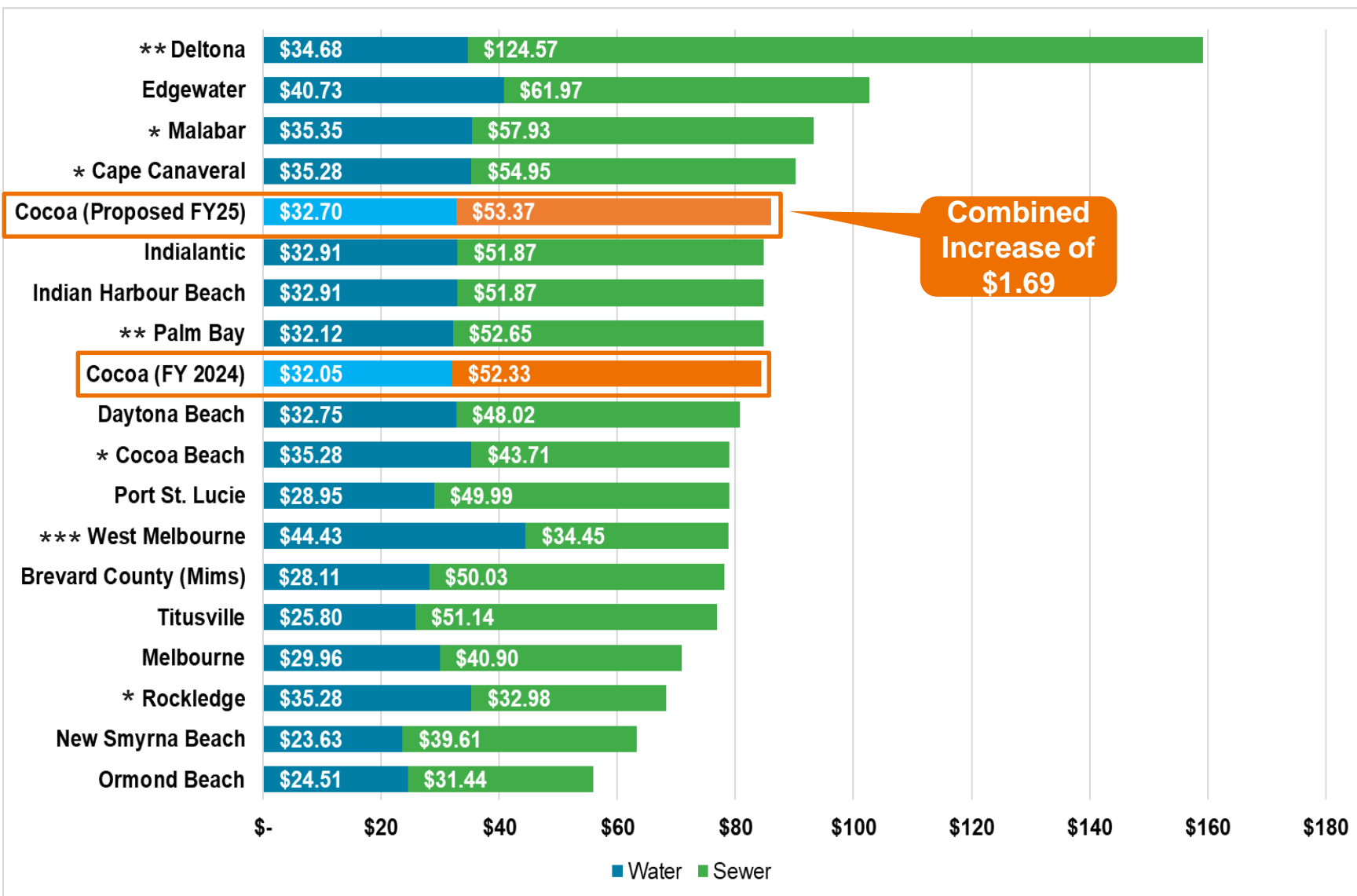
Increase of \$0.65

\* Indicates anticipated increases





# Residential Combined Monthly Bill Comparison – 4,000 gal



Combined Increase of \$1.69

**\* Ex. Communities w/Projected Annual Rate Increases due to Cocoa Increase:**  
 Cape Canaveral, Cocoa Beach & Rockledge: 2% FY 25 & 4% future FYs both W & S

**\*\* Ex. Communities w/Planned Annual Rate Indexing:**  
 Palm Bay: 1.75% W, 3.75 S  
 Deltona: 5% W, 5% S

**\*\*\* Ex. Communities w/Projected Annual Rate Increases due to Palm Bay Increase:**  
 Malabar: 1.75% W, 3.75 S

**\*\*\*\* Ex. Larger multi-year increases due to capital improvements:**  
 West Melbourne:  
 •FY 24: 14.5% W  
 •FY 25: 8% W  
 •FY 26: 3% W  
 •FY 28: 3% W

Cocoa's bills are expected to remain comparable even with proposed increases



# Stormwater Forecast



# Key Planning Observations & Considerations

## Background

- Annual revenue sufficiency analysis
- Includes 4-month O&M reserve (Approx. \$500k)
- Last plan included 4.0% increases through FY 2033
- City utilizes grants to supplement capital funding

## Observations

- Current operating levels per Proposed Budget
- Average annual CIP spending of \$1.0M

## Rate Drivers

- Significant capital needs
- Planning for rehab and replacement of aging infrastructure



# City of Cocoa, FL

# Stormwater Fund

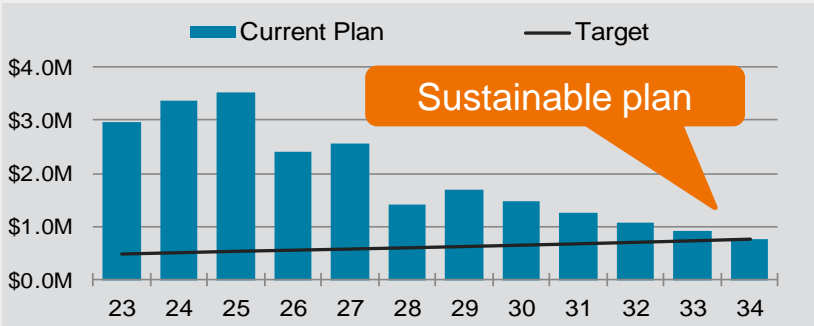


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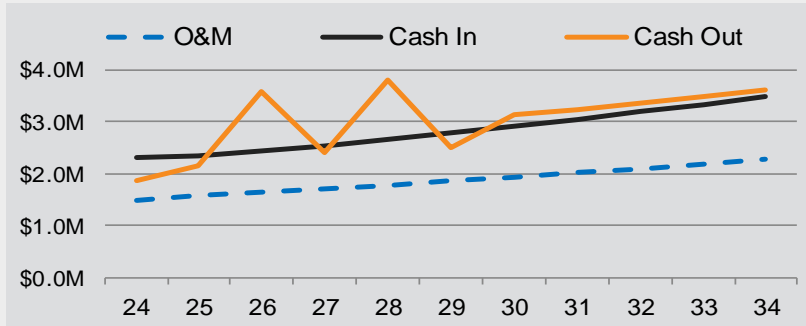
Reduced to 2% followed by 4% annual rate indexing

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2029	FY 2034
Revenue Adjustment Plan	4.00%	2.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	19.33%	45.18%
Tier 1 SFR Assessment	\$ 89.09	\$ 90.87	\$ 94.51	\$ 98.29	\$ 102.22	\$ 106.31	\$ 110.56	\$ 114.98	\$ 119.58	\$ 124.36	\$ 129.34		
Tier 2 SFR Assessment	\$ 137.04	\$ 139.78	\$ 145.37	\$ 151.19	\$ 157.23	\$ 163.52	\$ 170.06	\$ 176.87	\$ 183.94	\$ 191.30	\$ 198.95		
Tier 3 SFR Assessment	\$ 238.46	\$ 243.23	\$ 252.96	\$ 263.08	\$ 273.60	\$ 284.54	\$ 295.93	\$ 307.76	\$ 320.07	\$ 332.88	\$ 346.19		
Annual \$ Change (Tier 2)		\$2.74	\$5.59	\$5.81	\$6.05	\$6.29	\$6.54	\$6.80	\$7.07	\$7.36	\$7.65		

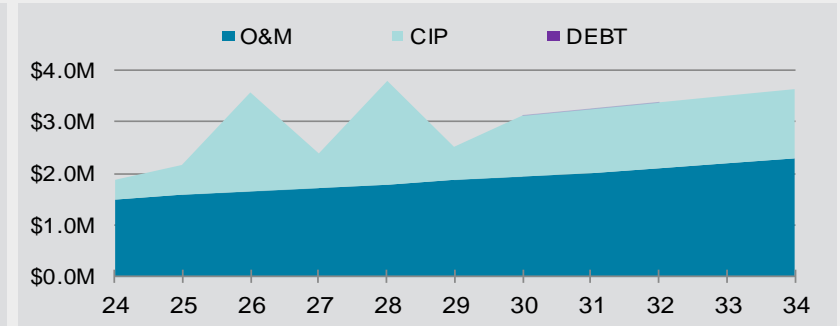
### Operating Fund



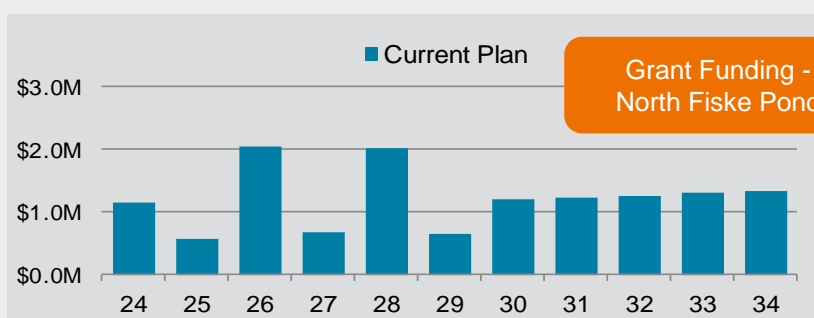
### Revenues vs. Expenses



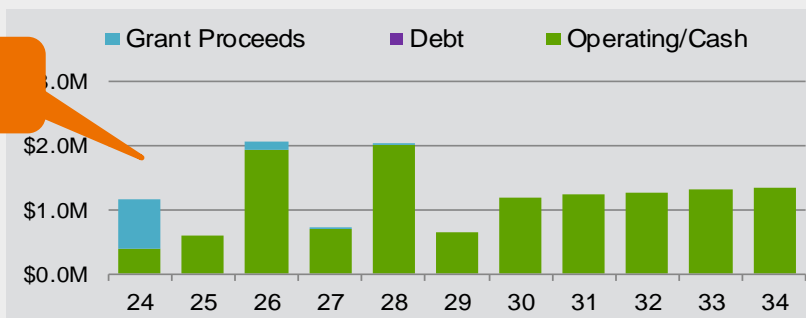
### Expenses by Type



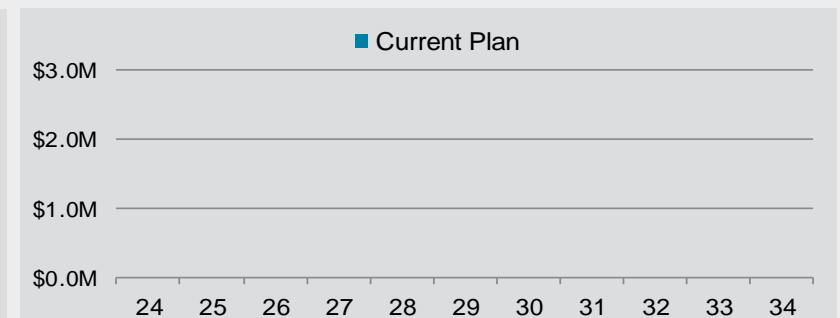
### CIP Spending



### CIP Funding

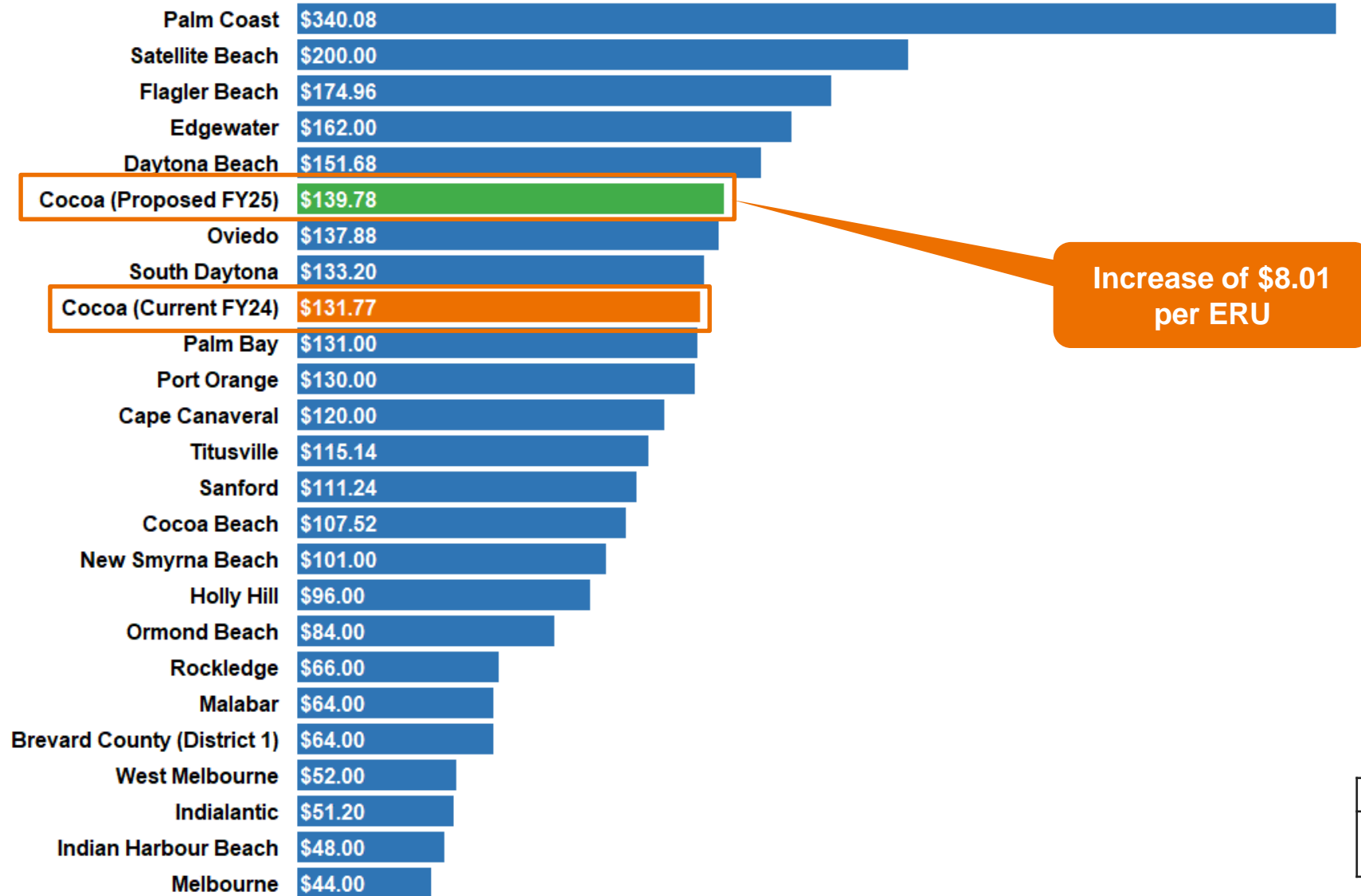


### Borrowing





# FY 2024 Annual Residential Stormwater Fee Rate Survey at 1 ERU (Tier 2)





# Summary of Results



## General Fund Millage Rate

No millage rate increase



## Fire Assessment Rate

A 3% increase is recommended to keep up with costs



## Water/Sewer Utility Rate

2% increase followed by 4% annual rate indexing



## Stormwater Spec Asmnt Rate

2% increase followed by 4% annual rate indexing



# Questions & Discussion

**Peter Napoli**

Senior Manager

[Peter.napoli@stantec.com](mailto:Peter.napoli@stantec.com)

Request approval of proposed tentative millage rate of 6.9532 for FY2025 to be presented at the 7/23/24 City Council meeting

COCOA  
FLORIDA





# PARKS

## PROJECTS/AGREEMENT UPDATE



# History of D4 Parks



1961

- Brevard County Recreation District 4 was established to provide funding for recreational facilities and programs for the residents within the district.

1986

- City of Cocoa enters into a long-term maintenance and operations agreement with BC Parks & Rec.
- This agreement expired in 2011.

2000

- Due to a lack of funding related to the maintenance, operations, and capital improvements of these parks, a referendum was placed on the ballot.
- Unfortunately, while a similar referendum passed in other districts in the county, it failed in District 4.

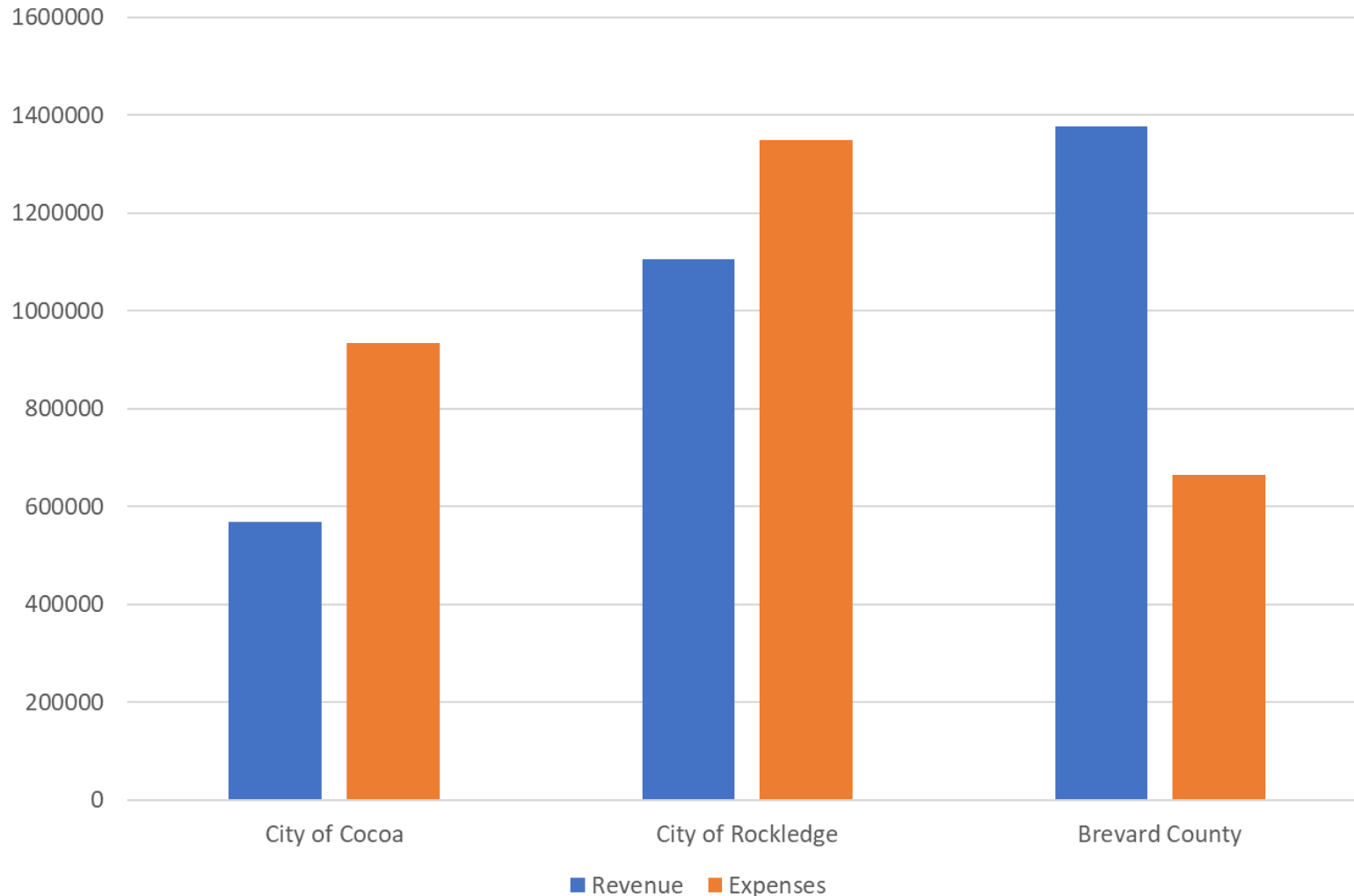
Current

- Cocoa & County have continued to operate under the original expired maintenance agreement.
- The City and County are currently negotiating a new interlocal agreement to address the maintenance and operations of these parks.

# D4 Revenue vs. Expenditures



## Revenues vs. Expenses



- The City of Cocoa contributes approximately 19% of the District 4 revenue.
- The City of Cocoa receives approximately 32% of the total revenue.
- Historically, the Brevard County BOCC has further contributed general fund dollars beyond what District 4 is able to fund.

# Parks Maintenance Agreement – Where we are now...

- County Commission approved unanimously the following regarding the proposed interlocal agreement for the operation and maintenance of Cocoa parks:
  1. Present the proposed Interlocal Agreement as is for approval by October 1, 2024
  2. If the City does not approve the Interlocal Agreement by July 31, 2024, the County will notify the City that they will cease to maintain City of Cocoa parks on October 1, 2024



# Parks Maintenance Agreement – Major Changes

- Brevard County wants to ensure that the funds expended do not exceed the revenues taken in for the special taxing district (District 4 which includes Cocoa residents and businesses).
  - Not funding any expenditures over \$5,000
  - Requiring sharing of expenses once we hit the revenue cap not to exceed \$2,500 per item
  - Requiring the city to fund operation and capital in the budget (estimating \$500,000 in FY25 budget)



# Parks Maintenance Agreement – Cost Analysis

- The FY 2025 Proposed Budget has allocated \$500,000 in FY25 for parks maintenance and operation under new agreement
- An option could include removing three smaller parks from the County Maintenance and incorporate that maintenance into the City's daily operations.
  - Carl Anderson Park, Cocoa Manor, Gilmore Community Park
  - Estimated approximate savings: \$35,000



# Junny Rios Martinez Park Options

Remaining Available Project Funds - \$589,000

1. Construct two Pickleball Courts - \$175,000
2. Install a Pavilion - \$137,100
3. Expand Playground - \$80,000
4. Construct a Park Perimeter Walking Loop  
\$50,000
5. Change out Basketball Goals -\$3,000
6. Install Soccer Mini Pitch - \$123,500



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# Provost Park Options

## Remaining Available Project Funds - \$181,000

### 1. Bathroom Upgrades

- Demo wall, complete update - \$55,390; and new concession roll up doors - \$5,278, total \$60,668

### 2. Pickleball Court Fence (two options)

- Install 304 LF of 4' - \$7,320.83
- Install 304 LF of 6' - \$9,048.87

### 3. Bleachers

- Three (3) 5 Row x 15' Length - \$14,666.41

### 4. Perimeter Fence (two options)

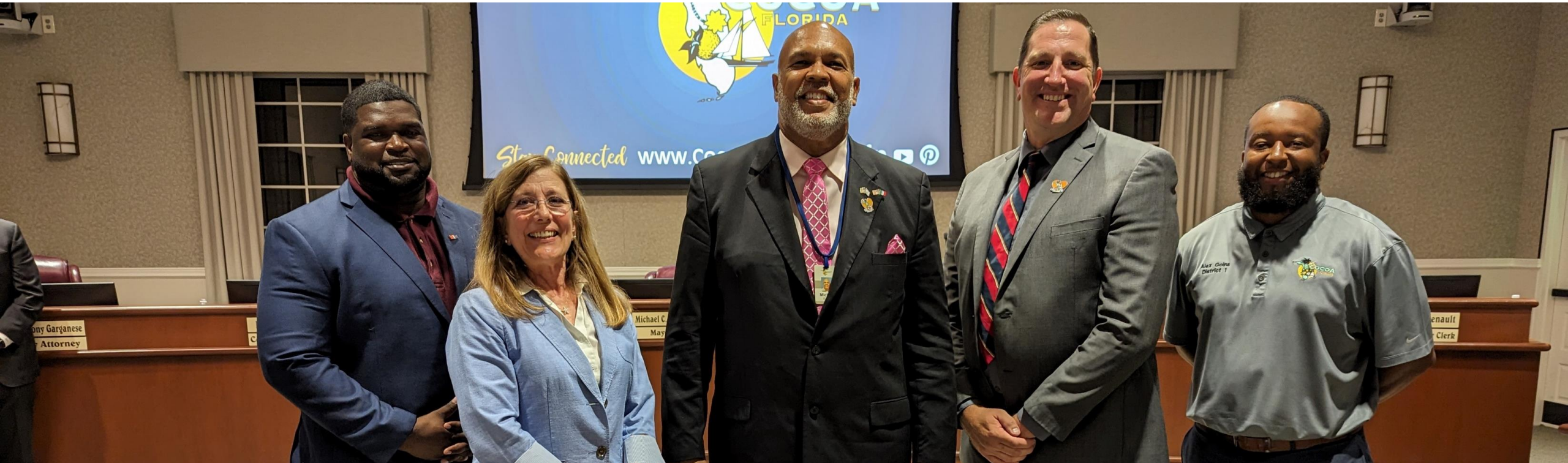
- Remove 1,217 LF 4' fence, Install 1,197 LF 6' fence - \$30,570.43
- Remove 1,217 LF 4' fence, Install 1,197 LF 8' fence - \$38,178.16

### 5. Soccer Mini Pitch - \$123,500





# COUNCIL DISCUSSION



COCOA  
FLORIDA



# PUBLIC INPUT

COCOA  
FLORIDA



COCOA  
FLORIDA





# QUESTIONS



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