

FY 2024 Budget Status Update

Utilities Construction and OM&R Funds

City Council Meeting
July 5, 2023



Punta Gorda

Utilities Construction Fund

Proforma FY 2024 - 2028

	Proposed FY 2024	Proforma FY 2025	Proforma FY 2026	Proforma FY 2027	Proforma FY 2028
Transfer from Utilities OM&R	\$ 8,090,000	\$ 2,170,000	\$ 3,605,000	\$ 5,220,000	\$ 1,205,000
Transfer fr/Wtr System Impacts-Booster Pn	0	0	0	0	0
Estimated Grants Septic to Sewer	0	0	0	0	2,750,000
Estimated Financing Septic to Sewer	0	0	0	1,000,000	10,286,400
Estimated Financing WTP Filtration	0	17,300,000	0	0	0
TOTAL REVENUES	\$ 8,090,000	\$ 19,470,000	\$ 3,605,000	\$ 6,220,000	\$ 14,241,400
Water Treatment Plant Improvements	\$ 3,650,000	\$ 17,850,000	\$ 2,285,000	\$ 0	\$ 0
Water Distribution System Improv	1,020,000	220,000	220,000	3,520,000	220,000
Wastewater Collection System Improv	2,200,000	900,000	900,000	900,000	900,000
Wastewater Treatment Plant Improv	1,220,000	500,000	200,000	800,000	85,000
Septic to Sewer Projects	0	0	0	1,000,000	13,036,400
TOTAL EXPENDITURES	\$ 8,090,000	\$ 19,470,000	\$ 3,605,000	\$ 6,220,000	\$ 14,241,400

Utilities Construction Fund

Recurring \$1.12M R&R Projects

(in thousands of dollars)

PROJECT IDENTIFICATION	TOTAL PROJECT COST	Prior Years' Funding	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
FUNDING SOURCE: Utilities Fund current revenue of \$1.12M per policy for R&R Projects							
Water System Utility Relocation Misc. Projects	100	Annual	20	20	20	20	20
Watermain Renewal/Replacement Projects	500	Annual	100	100	100	100	100
Watermain Valve Projects	500	Annual	100	100	100	100	100
Wastewater Gravity Sewer Replacement Projects	750	Annual	150	150	150	150	150
Wastewater Lift Station Renewal/Replacement Projects	1,000	Annual	200	200	200	200	200
Wastewater Inflow Abatement - Rehabilitation Structures	1,000	Annual	200	200	200	200	200
Wastewater Force Main Renewal/Replacement Projects	1,750	Annual	350	350	350	350	350
R&R Projects Total	5,600	0	1,120	1,120	1,120	1,120	1,120



Utilities Construction Fund

Wastewater Projects

(in thousands of dollars)

PROJECT IDENTIFICATION	TOTAL PROJECT COST	Prior Years' Funding	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
FUNDING SOURCE: Utilities Fund current revenues and Reserves, Grants, Impact Fees, and Financing Administration							
Septic to Sewer (Areas 1)	14,336	300	0	0	0	1,000	13,036
Wastewater Projects							
Lift Station 30 Gravity Rehab	1,250	650	600	0	0	0	0
Henry St 14" Force Main Replacement	1,708	1,708	0	0	0	0	0
Riverside Dr Force Main Extension	1,100	1,100	0	0	0	0	0
Henry St 20" Force Main Replacement crossing at I-75	2,250	2,250	0	0	0	0	0
Piper Rd Force Main Relocation	279	279	0	0	0	0	0
US41 NB Utility (FDOT) - sewer repairs & lining	260	60	200	0	0	0	0
Wastewater Nutrient Management Plan (Bio Solids)	300	100	0	0	200	0	0
Wastewater Treatment Plant Improvement	78,200	78,200	0	0	0	0	0
Wastewater Treatment Plant Tank Coating	1,400	600	0	0	0	800	0
Wastewater Treatment Plant Permit Renewal (FDEP)	170	85	0	0	0	0	85
Wastewater Deep Injection Well Mechanical Integrity Test (MIT)	85	0	85	0	0	0	0
Wastewater Deep Injection Well Permit Renewal	85	0	85	0	0	0	0
Wastewater Master Pump Facility Pumps Upgrade	800	600	200	0	0	0	0
Wastewater Generator Replacement @BPF	500	0	500	0	0	0	0
Wastewater Pond Liner Replacement	1,000	0	500	500	0	0	0
Wastewater Treatment Plant AC Replacement	350	0	350	0	0	0	0
Wastewater Projects Total	104,073	85,932	2,520	500	200	1,800	13,121

Utilities Construction Fund

Water Projects

(in thousands of dollars)

PROJECT IDENTIFICATION	TOTAL PROJECT COST	Prior Years' Funding	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
FUNDING SOURCE: Utilities Fund current revenues and Reserves, Grants, Impact Fees, and Financing							
Water Projects							
WTP - Water Hydrobiological Monitoring Plan (HBMP)	100	0	0	100	0	0	0
WTP - R.O Water Use Permit	200	0	0	0	200	0	0
WTP - Carbon Slurry System Replacement	2,300	0	0	300	2,000	0	0
WTP - Hendrickson Dam Inspection Program & Maintenance	90	90	0	0	0	0	0
WTP - Well Remediation	650	300	350	0	0	0	0
WTP - Evaluation/Rehabilitation (Filters, SCU)	22,123	4,823	0	17,300	0	0	0
WTP - Alum Tank	1,000	1,000	0	0	0	0	0
WTP - Burnt Store Rd Booster Station Pipe Riser Repair & Pumps	3,550	250	3,300	0	0	0	0
WTP - RO Brine Disposal Well / Mechanical Integrity Test (MIT)	150	0	0	150	0	0	0
WTP - RO Brine Disposal Well (DIW) / Permit Renewal	85	0	0	0	85	0	0
Water - Taylor Rd Watermain Replacement Upgrade (10" to 12")	3,542	3,542	0	0	0	0	0
Water - Solona Watermain Replacement Upgrade	3,500	200	0	0	0	3,300	0
Water - Bal Harbor Water Main Replacement	1,000	200	800	0	0	0	0
Water Projects Total	38,290	10,405	4,450	17,850	2,285	3,300	0
UTILITIES CONSTRUCTION FUND TOTAL	147,963	96,337	8,090	19,470	3,605	6,220	14,241

Utilities Operations Fund

Proforma FY 2024 - 2028

	Proposed FY 2024	Proforma FY 2025	Proforma FY 2026	Proforma FY 2027	Proforma FY 2028
Operating Revenues	\$ 21,298,330	\$ 21,402,585	\$ 21,507,390	\$ 21,612,745	\$ 21,718,660
Proposed Rate Increases (cumulative)	773,515	1,579,900	2,420,415	3,296,355	4,209,065
Transfers from Water & WW Impacts	499,800	499,800	1,014,800	1,529,800	1,529,800
Annual Assessments - Septic to Sewer	0	0	0	0	350,000
TOTAL REVENUES	\$ 22,571,645	\$ 23,482,285	\$ 24,942,605	\$ 26,438,900	\$ 27,807,525
Operating Expenditures	\$ 18,258,740	\$ 18,855,210	\$ 19,527,855	\$ 20,227,845	\$ 20,956,390
Renewal & Replacement of Infrastructure	1,120,000	1,120,000	1,120,000	1,120,000	1,120,000
Transfer to Utilities Construction	6,970,000	1,050,000	2,485,000	4,100,000	85,000
RO Debt Service	999,595	999,595	999,595	999,595	999,595
Transfer to SRF Fund-reserve incr(decr)	1,500,000	1,120,000	0	0	0
Est. new debt service WWTP Expansion	0	0	1,670,000	3,967,000	3,967,000
Est. new debt service WTP Filtration Rehal	0	0	773,000	1,546,000	1,546,000
TOTAL EXPENDITURES	\$ 28,848,335	\$ 23,144,805	\$ 26,575,450	\$ 31,960,440	\$ 28,673,985
Beg. Operating Reserve	\$ 11,064,045	\$ 4,787,355	\$ 5,124,835	\$ 3,491,990	\$ (2,029,550)
End. Operating Reserve	\$ 4,787,355	\$ 5,124,835	\$ 3,491,990	\$ (2,029,550)	\$ (2,896,010)
R&R Capital Reserve	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000

Utilities Fund

FY 2024 – 2028 Proforma

Revenue Assumptions:

- Projected FY 2023 lower than original budget. Contributing factors:
 - Hurricane Ian – customers may have reduced consumption while awaiting repairs
 - Rainfall
 - Conservation efforts
 - Economic factors (customers trying to save where they can)
 - AMI equipment
- Water and wastewater impact fees are also much lower in FY 2023 than over the past years

Utilities Fund

Impact Fee Revenue History

Fiscal Year	Water Impact Revenues	Wastewater Impact Revenues
2015	\$654,416	\$591,576
2016	\$914,335	\$888,680
2017	\$1,361,272	\$763,327
2018	\$805,960	\$793,219
2019	\$727,546	\$711,438
2020	\$1,012,263	\$1,001,756
2021	\$437,334	\$700,760
2022	\$701,971	\$1,319,455
Projected 2023	\$157,380	\$216,420

Utilities Fund

FY 2024 – 2028 Proforma

Revenue Assumptions:

- Proforma shows proposed rate increase of 3.75% FY 2024-2028; higher increases may be needed due to significant increases in operating costs (approximately 9.5% FY 2024)
- FY 2024-2028 est. 0.5% growth and averages to account for consumption changes due to rainfall and other factors
- FY 2024-2028 Water Impact transfer for partial debt service on RO project
- FY 2026-2028 Wastewater Impact transfer for partial debt service on WWTP improvement project
- FY 2028 Estimated annual assessments for Septic to Sewer project (Area 1)

Utilities Fund

FY 2024 – 2028 Proforma

Expense Assumptions - Personnel:

- Requested (1) Utilities Engineer position to assist Engineering Manager with day to day operations; plan review and approval, utility service requests and capital improvement projects. Workload of developer reviews has increased from a few per year to a few per week; Annual costs \$87,795
- Personnel Estimates – 4% merit incr; defined benefit pension flat on Citywide total; defined contribution pension 10% on pensionable wages; health insurance 10% incr FY 2024 and 6% FY 2025-2028; workers comp insurance 10%

Utilities Fund

FY 2024 – 2028 Proforma

Expense Assumptions - Operating:

- Estimates – FY 2024 per departmental request; computer overhead 29% and administration charges 3% incr-final will be determined when all budgets are completed; general liability- property insurance 100% incr and other insurances 5-10%; FY 2025-2028 operating increases 3% except general liability insurance at 5%
- Items of note:
 - New storage tank maintenance contract \$65,000
 - Increased overtime for after hour calls
 - Chemical costs continue to see high percentage increases (27-63%)
 - Bio-solid disposal increases if hay field use is discontinued \$335,000
 - Rate study \$50,000

Utilities Fund

FY 2024 – 2028 Proforma

Expense Assumptions – Capital Outlay: per Departmental Requests

(All figures in thousands of dollars)

Capital Outlay	TOTAL PROJECT COST	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water Treatment Plant (1621):						
Portable Generator for Well 6	30	30	0	0	0	0
Replace 2016 Flex Wing Rotary Mower (5517)	30	30	0	0	0	0
Replace 2009 Electric Car/Golf Cart (6855)	17	0	17	0	0	0
Replace 2018 Utility Vehicle (7019)	15	0	15	0	0	0
Replace 2007 Dump Truck (6829)	80	0	80	0	0	0
Replace 2012 6 x 8 Utility Trailer (6888)	3	0	3	0	0	0
Replace 2016 Tractor (5516)	55	0	55	0	0	0
Replace 2015 All Terrain Vehicle (6968)	15	0	0	15	0	0
Replace 2015 All Terrain Vehicle (6967)	15	0	0	15	0	0
Replace 2016 4 x 4 Pickup Truck (6971)	35	0	0	35	0	0
Replace 2007 Articulated Loader (6834)	100	0	0	110	0	0
Replace 2014 Lift (6922)	30	0	0	39	0	0
Replace 2007 generator (6837)	35	0	0	35	0	0
Replace 2020 All Terrain Vehicle (7817)	17	0	0	0	0	17
Replace 2019 Pickup Truck (7786)	35	0	0	0	0	35
Other Small equipment	33	33	0	0	0	0
Pumps, Motors & VFD's	475	75	100	100	100	100

Utilities Fund

FY 2024 – 2028 Proforma

Expense Assumptions – Capital Outlay: per Departmental Requests

(All figures in thousands of dollars)

Water Distribution (1626):						
Replace 2007 Dump Truck (5519)	140	140	0	0	0	0
Wastewater Collection (1622):						
Replace 2008 3/4 ton Diesel utility body Pickup Truck (6824)	75	75	0	0	0	0
Replace 2013 Mini Excavator (6910)	65	65	0	0	0	0
Replace 2004 Backhoe (5461)	80	0	80	0	0	0
Replace 2014 Utility Van (6933)	65	0	65	0	0	0
Replace 2013 Low Profile Dump Trailer (6909)	12	0	12	0	0	0
Replace 150 KW 2-Axle Generator (4427)	100	0	0	100	0	0
Replace 2000 Suction Pump on Trailer (6845)	130	0	0	0	130	0
Replace 2018 Pickup with Crane (7795)	150	0	0	0	150	0
Wastewater Treatment Plant (1625):						
Replace 2005 SUV (5478)	50	50	0	0	0	0
Pumps, Motors, Mixers, Blowers, Effluent Pumps	500	100	100	100	100	100
Unspecified Equipment Needs	1,094	102	173	151	220	448
TOTAL		700	700	700	700	700

Utilities Fund

FY 2024 – 2028 Proforma

Expense Assumptions - Other:

- Continued use of current revenue and operating reserves to fund 5 year CIP
- Estimated Debt Service on Wastewater Treatment Plant improvement – State Revolving Funds (SRF)
- Estimated Debt Service for Water Treatment Plant Filtration project – Bank financing
- Assumes increase required for SRF loan reserves (usually 1 years estimated payments)

Utilities Fund

FY 2024 – 2028 Proforma

Reserve Assumptions:

- Maintain minimum \$3.1 million op. reserve
- Maintain \$1.5 million R&R capital reserve (previously established for bonded debt covenant)



Utilities Fund Considerations

- Volatility of water and wastewater revenues – rainfall, drought conditions, watering restrictions, economic conditions, etc.
- Concern regarding continued increase in costs due to inflation, supply chain, demand for commodities, fuel prices, etc.
- Uncertainty of economic forecasts
- Consultant to explore alternative financing to extend beyond 20 years for WWTP Improvement project



Utilities Fund Considerations

- Review of WTP Filtration project on-going for an alternative
- Assumptions of financing WTP Filtration project dependent on use of current revenues and reserves through full design and engineering phase and financing through bank for 15 years, low interest rates; possible bank loan for 20 years to extend term will be explored



Utilities Fund Considerations

- Septic to Sewer projects moved out due to current CIP program
- Assumptions of financing Septic to Sewer projects dependent on estimated grant revenues of 25%, 20 year assessments on all lots in each area, new billing revenues for occupied lots, use of wastewater impact fees, and debt service ratios that may be required by financing entity
- Continue to pursue grant opportunities and opportunities with Charlotte County to add these areas to their master plan for possible road and drainage funding to be contributed to project