

# FY 2025 Budget Status Update

## Utilities Construction and OM&R Funds

City Council Meeting  
July 10, 2024



# Punta Gorda

# Utilities Construction Fund Proforma FY 2025 - 2029

	Proposed FY 2025	Proforma FY 2026	Proforma FY 2027	Proforma FY 2028	Proforma FY 2029
Transfer from Utilities OM&R	\$ 8,270,000	\$ 5,405,000	\$ 5,920,000	\$ 1,205,000	\$ 1,320,000
Estimated Grants Septic to Sewer	0	0	0	2,750,000	0
Estimated Financing Septic to Sewer	0	0	1,000,000	10,286,400	0
Estimated Financing WTP RO Expansion	4,000,000	20,000,000	6,000,000	0	0
Estimated Financing WTP Filtration	30,000,000	0	0	0	0
<b>TOTAL REVENUES</b>	<b>\$42,270,000</b>	<b>\$25,405,000</b>	<b>\$12,920,000</b>	<b>\$14,241,400</b>	<b>\$ 1,320,000</b>
Water Treatment Plant Improvements	\$36,450,000	\$22,285,000	\$ 6,500,000	\$ 0	\$ 0
Water Distribution System Improv	2,220,000	220,000	3,520,000	220,000	220,000
Wastewater Collection System Improv	2,000,000	900,000	900,000	900,000	900,000
Wastewater Treatment Plant Improv	1,600,000	2,000,000	1,000,000	85,000	200,000
Septic to Sewer Projects	0	0	1,000,000	13,036,400	0
<b>TOTAL EXPENDITURES</b>	<b>\$42,270,000</b>	<b>\$25,405,000</b>	<b>\$12,920,000</b>	<b>\$14,241,400</b>	<b>\$ 1,320,000</b>

# Utilities Construction Fund

## Recurring \$1.12M R&R Projects

(in thousands of dollars)

PROJECT IDENTIFICATION	TOTAL PROJECT COST	Prior Years' Funding	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>FUNDING SOURCE: Utilities Fund current revenue of \$1.12M per policy for R&amp;R Projects</b>							
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
<b>R&amp;R Projects Total</b>	<b>5,600</b>	<b>0</b>	<b>1,120</b>	<b>1,120</b>	<b>1,120</b>	<b>1,120</b>	<b>1,120</b>



# Utilities Construction Fund

## Wastewater Projects

(in thousands of dollars)

PROJECT IDENTIFICATION	TOTAL PROJECT COST	Prior Years' Funding	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>FUNDING SOURCE: Utilities Fund current revenues and Reserves, Grants, Impact Fees, and Financing</b>							
<b>Administration</b>							
Septic to Sewer (Areas 1)	19,836	5,800	0	0	1,000	13,036	0
<b>Wastewater Projects</b>							
Lift Station 30 Gravity Rehab	1,850	1,250	600	0	0	0	0
Henry St 14" Force Main Replacement	2,508	2,508	0	0	0	0	0
Riverside Dr Force Main Extension	1,600	1,100	500	0	0	0	0
Henry St 20" Force Main crossing I-75	2,040	2,040	0	0	0	0	0
US41 Northbound Sewer Relocation (FDOT)	260	260	0	0	0	0	0
Wastewater Nutrient Management Plan (Bio Solids) Land App	224	224	0	0	0	0	0
Wastewater Treatment Plant Improvement	78,200	78,200	0	0	0	0	0
Wastewater Treatment Plant Tank Coating	1,800	600	200	0	1,000	0	0
Wastewater Treatment Plant Permit Renewal (FDEP)	170	85	0	0	0	85	0
Wastewater Deep Injection Well Mechanical Integrity Test (MIT)	185	85		0	0	0	100
Wastewater Deep Injection Well Permit Renewal	185	85		0	0	0	100
Wastewater Master Pump Facility Pumps Upgrade	1,000	800	200	0	0	0	0
Wastewater Generator Replacement @BPF	900	500	400	0	0	0	0
Wastewater Pond Liner Replacement	1,000	500	500	0	0	0	0
Wastewater Treatment Plant AC Replacement	425	425	0	0	0	0	0
Wastewater Bio-solid processing	2,300	0	300	2,000	0	0	0
<b>Wastewater Projects Total</b>	<b>114,483</b>	<b>94,462</b>	<b>2,700</b>	<b>2,000</b>	<b>2,000</b>	<b>13,121</b>	<b>200</b>

# Utilities Construction Fund

## Water Projects

(in thousands of dollars)

PROJECT IDENTIFICATION	TOTAL PROJECT COST	Prior Years' Funding	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>FUNDING SOURCE: Utilities Fund current revenues and Reserves, Grants, Impact Fees, and Financing</b>							
<b>Water Projects</b>							
WTP - Hydrobiological Monitoring Plan (HBMP)	150	0	150	0	0	0	0
WTP - R.O Water Use Permit	200	0	0	200	0	0	0
WTP - Carbon Slurry System Replacement	2,300	0	300	2,000	0	0	0
WTP - Hendrickson Dam Inspection Program & maintenance	90	90	0	0	0	0	0
WTP - Well Remediation	1,684	1,184	0	0	500	0	0
WTP - Rehabilitation (Filters,SCU)	33,623	3,623	30,000	0	0	0	0
WTP - Alum Tank	1,300	1,000	300	0	0	0	0
WTP - Ammonia Conversion	1,000	1,000	0	0	0	0	0
WTP - Burnt Store Rd Booster Station Pipe Riser Repair & Pump	3,970	3,320	650	0	0	0	0
WTP - RO Brine Disposal Well / Mechanical Integrity Test (MIT)	150	0	150	0	0	0	0
WTP - RO Brine Disposal Well (DIW) Deep Injection Well Permit	85	0	0	85	0	0	0
WTP - Shell Creek Reverse Osmosis Expansion	30,000	0	4,000	20,000	6,000	0	0
WTP - RO Repair/Restoration of acid injection quill, static mixer, and acid feed piping system	1,100	200	900	0	0	0	0
Water - Solona Watermain Replacement Upgrade	3,500	200	0	0	3,300	0	0
Water - Bal Harbor Water Main Replacement	1,000	1,000	0	0	0	0	0
Water - Airport Rd Water Main Replacement	1,000	0	1,000	0	0	0	0
Water - Via Tripoli Water Main Replacement	1,000	0	1,000	0	0	0	0
Water Projects Total	82,152	11,617	38,450	22,285	9,800	0	0
<b>UTILITIES CONSTRUCTION FUND TOTAL</b>	<b>202,235</b>	<b>106,079</b>	<b>42,270</b>	<b>25,405</b>	<b>12,920</b>	<b>14,241</b>	<b>1,320</b>

# Utilities Operations Fund

## Proforma FY 2025 - 2029

	Proposed FY 2025	Proforma FY 2026	Proforma FY 2027	Proforma FY 2028	Proforma FY 2029
Operating Revenues	\$ 23,861,615	\$ 23,638,690	\$ 23,696,375	\$ 23,814,675	\$ 23,933,600
Proposed Rate Increases (cumulative)	0	1,397,935	2,886,735	4,471,885	6,159,205
Transfers from Water & WW Impacts	499,800	1,014,800	1,529,800	1,529,800	1,529,800
Increase in WW billings Septic to Sewer	0	0	0	0	152,000
Annual Assessments - Septic to Sewer	0	0	0	350,000	350,000
<b>TOTAL REVENUES</b>	<b>\$ 24,361,415</b>	<b>\$ 26,051,425</b>	<b>\$ 28,112,910</b>	<b>\$ 30,166,360</b>	<b>\$ 32,124,605</b>
Operating Expenditures	\$ 20,242,780	\$ 19,892,015	\$ 20,605,665	\$ 21,750,440	\$ 22,121,640
Renewal & Replacement of Infrastructure	1,120,000	1,120,000	1,120,000	1,120,000	1,120,000
Transfer to Utilities Construction	7,150,000	4,285,000	4,800,000	85,000	200,000
RO Debt Service	999,595	999,595	999,595	999,595	999,595
Transfer to SRF Fund-reserve incr(decr)	1,500,000	0	0	0	0
Est. new debt service WWTP Improvemen	0	1,525,000	3,050,000	3,050,000	3,050,000
Est. new debt service Septic to Sewer-Are	0	0	0	0	252,000
Est. new debt service WTP RO Expansion	0	0	0	1,161,000	2,322,000
Est. new debt service WTP Filtration Reha	0	0	3,037,000	3,037,000	3,037,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 31,012,375</b>	<b>\$ 27,821,610</b>	<b>\$ 33,612,260</b>	<b>\$ 31,203,035</b>	<b>\$ 33,102,235</b>
Beg. Operating Reserve	\$ 10,649,467	\$ 3,998,507	\$ 2,228,322	\$ (3,271,028)	\$ (4,307,703)
End. Operating Reserve	\$ 3,998,507	\$ 2,228,322	\$ (3,271,028)	\$ (4,307,703)	\$ (5,285,333)
R&R Capital Reserve	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000

# Utilities Fund

## FY 2025 – 2029 Proforma

### Revenue Assumptions:

- Proforma shows proposed rate increase of 6.0% FY 2025-2029 per Advisory Board recommendation; higher increases may be needed due to significant increases in operating costs and five-year CIP program
- Rate study with updated CIP plan will begin in FY 2024
- FY 2025-2029 est. 0.5% growth and averages to account for consumption changes due to rainfall and other factors
- Water and wastewater impact fees - lower the past two 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
2023	\$154,848	\$266,442
Projected 2024	\$300,555	\$536,180



# Utilities Fund

## FY 2025 – 2029 Proforma

### Revenue Assumptions:

- FY 2025-2029 Water Impact transfer for partial debt service on RO project
- FY 2026-2029 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 2025 – 2029 Proforma

### Expense Assumptions - Personnel:

- Personnel Estimates – 4% merit incr; proposed 2% pay adjustment 10/1; re-opened defined pension plan spread over all funds; defined contribution pension reduced to 40% estimate for one-time election; health insurance est 9% incr FY 2025 and 6% FY 2026-2029; workers comp insurance est 15% FY 2025 and 10% FY 2026-2029
- Requested (2) AMI technician positions to assist in repairs to AMI equipment and continued maintenance of the system; Annual costs \$69,575 each, total \$139,150; one-time costs \$57,000 each, total \$114,000 for vehicles, tablets, phones

# Utilities Fund

## FY 2025 – 2029 Proforma

### Expense Assumptions - Operating:

- Estimates – FY 2025 per departmental request; computer overhead 29% and administration charges 3% incr-final will be determined when all budgets are completed; general liability insurances est 15%; FY 2026-2029 operating increases 3% except general liability insurance at 5%
- Items of note:
  - FWC land lease payment for 45 year extension \$355,000 (lump sum in FY 2025 only)
  - Chemical costs have continued to see increases due to cost and higher use in operations
  - Hydrant program \$225,000 in FY 2025; then \$100,000 per year

# Utilities Fund

## FY 2025 – 2029 Proforma

Expense Assumptions – Capital Outlay: per Departmental Requests

(All figures in thousands of dollars)

Capital Outlay	TOTAL PROJECT COST	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Utilities Administration (1620):</b>						
New EMS Tape Locator	5	5	0	0	0	0
<b>Water Treatment Plant (1621):</b>						
Replace 2009 Electric Car/Golf Cart (6855)	18	18	0	0	0	0
Replace 2016 Tractor (5516)	90	90	0	0	0	0
Replace 2015 All Terrain Vehicle (6968)	15	0	15	0	0	0
Replace 2015 All Terrain Vehicle (6967)	15	0	15	0	0	0
Replace 2016 4 x 4 Pickup Truck (6971)	35	0	35	0	0	0
Replace 2007 Articulated Loader (6834)	110	0	110	0	0	0
Replace 2014 Lift (6922)	39	0	39	0	0	0
Replace 2007 generator (6837)	35	0	35	0	0	0
Replace 2020 All Terrain Vehicle (7817)	17	0	0	0	17	0
Replace 2019 Pickup Truck (7786)	35	0	0	0	35	0
Other Small equipment	41	41	0	0	0	0
Pumps, Motors & VFD's	556	156	100	100	100	100

# Utilities Fund

## FY 2025 – 2029 Proforma

### Expense Assumptions – Capital Outlay: per Departmental Requests

(All figures in thousands of dollars)

Capital Outlay	TOTAL PROJECT COST	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Water Distribution (1626):</b>						
New 1 1/2 ton dually service truck	99	99	0	0	0	0
(2) new small 4x4 regular cab trucks for AMI	54	54	0	0	0	0
New Vacuum trailer	150	150	0	0	0	0
<b>Wastewater Collection (1622):</b>						
2024 Trailer - New Request	14	14	0	0	0	0
Compact Track Loader- New Request	86	86	0	0	0	0
Angle Broom Attachment - New Request	10	10	0	0	0	0
Replace 2014 Utility Van (6933)	65	65	0	0	0	0
Replace 2013 Low Profile Dump Trailer (6909)	16	16	0	0	0	0
Replace 150 KW 2-Axle Generator (4427)	100	0	100	0	0	0
Replace 2000 Suction Pump on Trailer (6845)	130	0	0	130	0	0
Replace 2018 Pickup with Crane (7795)	150	0	0	150	0	0
Replace Combination Vac/Jetter Truck (no tag #?)	850	0	0	0	850	0
Replace 2019 1 1/2 ton Service truck W/ Crane (7820)	250	0	0	0	0	250
<b>Wastewater Treatment Plant (1625):</b>						
New Dump Truck to haul sludge	300	300	0	0	0	0
Pumps, Motors, Mixers, Blowers, Effluent Pumps	550	150	100	100	100	100
<b>Unspecified Equipment Needs</b>	621	0	151	220	0	250
<b>TOTAL</b>		1,254	700	700	1,102	700

# Utilities Fund

## FY 2025 – 2029 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
- Estimated Debt Service for RO expansion – Bank financing
- Estimated Debt Service for Septic to Sewer – Bank financing
- Assumes increase required for SRF loan reserves (usually 1 years estimated payments)

# Utilities Fund

## FY 2025 – 2029 Proforma

### Reserve Assumptions:

- Maintain minimum \$3.1 million op. reserve
  - With FY 2025-2029 CIP plan, unable to maintain
  - Rate study to begin to include new significant projects added
- 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 for all projected financed projects (i.e. SRF, bonds, or bank financing)
- Application for loan forgiveness due August 2024 (estimated \$19 million for WWTP improvement)
- Continue to pursue grant opportunities



# Utilities Fund Considerations

- Change to AMI system
- Review of WTP Filtration project on-going for any alternatives
- 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 opportunities with Charlotte County to add these areas to their master plan for possible road and drainage funding to be contributed to project

# Utilities Fund

## Proposed FY 2025 Rate Survey

