



W. BIEDENBACH, CHAIRMAN
J. HOLCOMB, VICE CHAIRMAN
B. BRITZ-PARKER, SECY.-TREAS.
L. GRIFFITH, ASST. SECY.-TREAS.
J. DAVENPORT, COMMISSIONER
(Officers Appt. 9-19-16)
W. PRESTON, LEGAL COUNSEL
W. MITCHUM, GM/CEO

AGENDA**
WORKSHOP MEETING OF
THE UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
TO BE HELD MONDAY, MAY 15, 2017, AT 1:00 P.M.
200 CANAL STREET, DEBERRY ROOM, 3RD FLOOR
NEW SMYRNA BEACH, FLORIDA

RESULTS OF UC WORKSHOP

ROLL CALL

(PRIOR TO BUDGET PRESENTATION, GM/CEO INDICATED INTERIM I.T. MGR. WOULD INTRODUCE U.C.'S CURRENT INTERNAL I.T. CONSULTANT (STAFF AUGMENTATION AGREEMENT), WHO PROVIDED BRIEF STATEMENTS OF HIS QUALIFICATIONS AND ALSO RESPONDED TO COMMS. INQUIRIES RE: I.T. DEPT. STATUS)

1. Presentation of U.C.'s Budget for FY2018 and U.C.'s Capital Improvement Plan FY2018-2022 and FY2023-2027

(DIRECTOR OF FINANCE PROVIDED A PRESENTATION, AN OVERVIEW OF THE FY2018 BUDGET AND CIP, FOR THE U.C. COMMISSIONERS. DISCUSSED ASSUMPTIONS INCLUDED IN THE BUDGET, APPROX. 3% CUSTOMER GROWTH AND \$1.6 MILLION INCREASE FORECASTED IN OPERATIONAL BUDGET REVENUES. NO INCREASE IN MONTHLY SERVICE FEE RATES PROPOSED. OPERATING EXPENSES BUDGETED FOR A 6.4% OR \$3 MILLION INCREASE - \$2 MILLION DEPT. OPERATING & MAINTENANCE EXPS. AND \$1.3 MILLION COMPENSATION RELATED, INC. STAFFING REQUIREMENTS AND RELATED BENEFITS, ADDITIONAL 10 POSITIONS. BUDGET SOURCE OF FUNDS, 95% RATEPAYER SERVICE FEES AT \$63.5 MILLION, ADDITIONAL \$3 MILLION FROM MISC. SOURCES - DEVELOPERS, CIAC, METER FEES, ETC. USES OF FUNDS, O&M EXPENSES TOTAL \$49.2 MILLION, APPROX. \$2 MILLION INCREASE, 45% ATTRIBUTABLE TO PURCHASED POWER - APPROX. \$22.4 MILLION. DEBT SERVICE PAYMENTS \$6.4 MILLION - NOT ACCELERATED. DISCUSSED BUDGETED PERSONNEL - SALARIES, WAGES, AND BENEFITS, REQUIRED TO MEET EXPECTED GROWTH AND ADEQUATELY MAINTAIN UTILITY SYSTEM OPS. ESTIMATED AT \$10.4 MILLION, INCREASE OF \$1 MILLION OR 10% ABOVE LAST YEAR'S BUDGET. PROJECTED 7% INCREASE IN HEALTH INSURANCE PREMIUMS - APPROX. \$1.7 MILLION. DISCUSSED CAPITAL IMPROVEMENT PLAN, 5 AND 10 YEAR, BASED ON RECENT SYSTEM MASTER STUDIES/PLANS AND UTILITY SYSTEM PRIORITIES - FIVE YEAR REQUIREMENT APPROX. \$72 MILLION, ADDITIONAL FIVE YEAR REQUIREMENT APPROX. \$68 MILLION - TOTAL CAPITAL REQUIREMENT OF \$140 MILLION. BOTH WATER AND WASTEWATER PLANT EXPANSIONS REQUIRED DURING THIS PERIOD. INFRASTRUCTURE PROJECTS, FUNDED BY DEVELOPERS AS GROWTH OCCURS, EXPECTED TO BE ADDITIONAL \$39 MILLION. DISCUSSED CIP PROJECTS FOR EACH DEPARTMENT. FOR CAPITAL REQUIREMENTS OF \$72 MILLION, FOR CURRENT 5-YR. PERIOD, APPROX. 60% CIP INTERNAL FUNDING WITH R&R FUND (APPROX. \$27 MILLION) AND MANDATORY 8% OF NET REVENUES (APPROX. \$17 MILLION) - RESULTING IN SHORTFALL OF \$28 MILLION - SHORTFALL FUNDING EXPECTED BY BANK DEBT / REVENUE CERTIFICATES)

(CONCURRENCE BY U.C. COMMISSIONERS FOR, AND SUBSEQUENT PROVISION OF, COPIES OF THIS PRESENTATION AND FINANCE DIRECTOR'S STATEMENTS VIA EMAIL)

(AFTER DISCUSSION AND INQUIRIES, CONCURRENCE BY U.C. COMMISSIONERS FOR FINANCE STAFF TO PROVIDE ADDITIONAL FINANCIAL DATA FOR FY2018 BUDGET. COMMS. BRITZ-PARKER REQUESTED MEETING WITH FINANCE DIRECTOR PRIOR TO THE SPECIAL MEETING THAT WAS SCHEDULED FOR NEXT WEDNESDAY, 5-24-17, AT 4:00* PM, FOR FY2018 BUDGET CONSIDERATION) (*NOTE - TIME OF SPECIAL MEETING RESCHEDULED TO 5:30 PM DURING SUBSEQUENT REGULAR UC MTG.)