



CITY OF AVON PARK

Highlands County, Florida

City Manager' Office
110 East Main Street
Avon Park, Florida 33825

June 17, 2014

RE: Draft City Budget for 2015/2016

Dear Mayor and Council,

We are entering the 2015/2016 with “zero” long term City debt, and a 62% fund balance in emergency reserves. This is a 19% fund balance increase when compared to last year’s budget. Specifically, Table-1 provides the estimated available cash for each governmental fund:

Table-1

Description	Fund #	Available Cash	Using Reserve for 2015/2016	Reason	Remaining Balance
General Fund	1	\$ 2,394,470	\$ 600,000	CRA Loan	\$ 1,794,470
Infrastructure	110	\$ 2,005,129	\$ -		\$ 2,005,129
Main St CRA	130	\$ 23,440	\$ -		\$ 23,440
South Side CRA	135	\$ 41,968	\$ -		\$ 41,968
Airport CRA	138	\$ 139,280	\$ -		\$ 139,280
Utility Fund	401	\$ 3,610,760	\$ 287,052	Land Purchase	\$ 3,323,708
Airport Fund	402	\$ -	\$ -		\$ -
Sanitation Fund	403	\$ 1,229,678	\$ -		\$ 1,229,678
	Total	\$ 9,444,725	\$ 887,052		\$ 8,557,673

For your consideration, please find the proposed 2015/2016 “DRAFT” budget. The following items are worthy of emphasis:

1. The property taxable millage remains unchanged at 30 cents per \$1000 property value. At this rate, we continue to maintain the lowest property tax rate in this County, possible the State.
2. The fire assessment “dispatch” data has been updated which resulted in the reallocation of costs where residential rates and institutional customers will experience a rate decrease, while, industrial and commercial categories will see an increase.
3. The City’s Police pension contribution has dropped off to only \$25,000 annually. The Fire Pension contribution slightly decreased to \$363,000 annual contribution. We budgeted for a 13% Health insurance premium increase.
4. City wide, we are only purchasing one new vehicle for the County Sheriff, budgeted at \$25,000, and a Utility Truck.

5. In the Utility Fund, we are proposing to purchase 45 acres in cash for new percolation ponds, along with phase II construction for the two new municipal wells, and \$100,000 budgeted for new water main construction.
6. We are proposing an inter-fund loan from the General Fund to the CRA Main Street Fund for \$600,000 to build several improvements on the Main Street commercial district, and get the Brickell Building structural elements ready to be marketed for development.
7. In the Utility Fund, we are proposing \$1,300,000 to purchase land and begin Phase-I construction of new treated water effluent ponds. We also budgeted \$250,000 for phase II construction of the new municipal drinking water wells. Similarly, we budgeted \$100,000 for new water and sewer transmission expansions along the Avon Park Lakes and Little Red Water Service areas.
8. In the Infrastructure Fund, we budgeted \$322,000 for improvements to Donaldson Park, \$400,000 for the continued infrastructure water quality projects with the SWFWMD (75% match), \$100,000 was budgeted for the Community Center downstairs upgrades, and \$150,000 for the South side FRDAP required match.
9. In the Sanitation Fund, we are purchasing a new 30 yard grapple truck. All of the existing vehicles are over 5-years in age. This is the commercial truck utilized to collect bulk vegetation waste, and other special pickups.

We are on schedule to present the budget on the planned July 13th, 2015 workshop at 6PM at the City Council Chambers. In the meantime, if you have any questions or suggestions, I am available to you.

Sincerely,

Julian Deleon, City Manager