City of Gulfport, Mississippi

Agenda

City Council

2309 15th Street
Gulfport, MS 39501

Tuesday, September 13, 2016 | **5:30 PM** | ***Gulfport City Hall Council Chambers***

Special Meeting
5:30 P.M.
City Hall
Council Chambers

1. Adoption - of budget for the City of Gulfport for fiscal year ending September 30, 2017.

Comptroller

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City Hall
2309 15th St.
Gulfport, MS 39501

To: Mayor Billy Hewes and Members of the City Council
From: Linda Elias, Comptroller
Date: August 25, 2016
RE: Proposed Budget for Fiscal Year Ending September 30, 2017

Introduction

The Comptroller is pleased to submit the proposed budget for fiscal year ending September 30, 2017. An executive summary has been prepared in a manner that will assist the reader in understanding the overall financial issues of the City, identify material changes in the City's resources (revenues and cash), identify how funds will be spent as compared to the prior year (expenses), and communicate currently known facts or conditions that are expected to have a major impact on the financial position and operations of the City during the upcoming and perhaps subsequent years.

The national, state, and local economies are slowly recovering from one of the worst recessions recorded in many decades along with the impact felt by the worst man-made disaster recorded in history with the British Petroleum oil spill. The Mississippi economy, as measured by gross domestic product (GDP) appears to have increased by 1.0 % for 2015 as well as an estimated forecasted increase in GDP of 2.2 %[1] for 2016. Per the Bureau of Labor Statistics[2], in the last ten years, using April as the benchmark, 2008 was the highest year of employment at 162.6 thousand for nonfarm workers in the Gulfport-Biloxi-Pascagoula area. In comparison, for April, 2016, 153.8 thousand were employed. This represents a 5.4% decrease in employment since 2008 and for the twelve months (April 2015 to April 2016) there was a positive .08% increase in employment. The City will continue to be faced with the challenge to meet the needs of its citizens for some time.

The overall financial condition of the City can be best described as "Steady Growth." The cost of insurance and insurability issues continue to create challenges for homeowners, local businesses, and investors. Unemployment continues to remain high, but consumer confidence is improving as indicated by increased sales tax revenue starting in 2012 and continuing through current times.

[1] Mississippi Economic Outlook, Publication of the University Research Center, Mississippi Institution of Higher Learning , Winter 2016, Volume 2, Number 1

[2] Bureau of Labor Statistics Data http://data.bls.gov/timeseries/LAUMT282506000000005?data_tool=XGtable

Proposed Budget Calendar for 2017 Budget Adoption

- ✓ August 23rd and August 30th - Advertisement for notice of tax levy and public hearing.
- ✓ September 6th – Public Hearing and Tax Levy Adoption
- ✓ September 13th – Final Adoption of Budget

Note: The Administration <u>does not</u> support a tax increase. However, if the City Council chooses to consider this, a final determination must be made as to a tax increase no later than August 16th in order to meet legal advertisement requirements and deadlines.

Major Issues, Challenges, and Considerations for the 2017 Budget

The purpose of this section is to identify issues and challenges which were considered in the formulation of this budget. Solutions to these issues will be presented in a subsequent section of this report.

1. **General Fund Operating Surplus –**

   The most recent completed audit for the City's 2015 fiscal year revealed that the City's General Fund operated in the "red" with revenues at $57.2 million and expenditures at $58.7 million. It is expected for the current 2016 fiscal year; the City will operate at a surplus of $1.3 million. The Administration feels the City's outlook is beginning to reflect a more positive outcome. The Administration is of the opinion that additional budget reductions over what is being proposed would negatively impact essential services being provided to our citizens; therefore, much effort needs to be channeled towards increasing the City's revenue stream through economic development activities while creating and maintaining efficiencies within the City's operations to further reduce expenditures.

2. **Economic Development –**

   Continued effort in the area of economic development will be a must as businesses compete between local jurisdictions for competitive incentive packages before choosing their location for doing business. The City must continue to review and revise its zoning, architectural and construction standards, and business incentive packages in order to attract new businesses. Steps already taken by the City to address this include: tax incentive programs in designated areas, city beautification (landscaping, facade grants, streetscapes), and a more developer friendly code department. The City continues to see steady growth in new restaurants and businesses opening throughout the year.

3. **Asset / Infrastructure Deterioration –**

   The City's book value of its capital assets totaled $561.5 million for the most recent audited year with infrastructure totaling $477.0 million or 85% of this amount. Capital assets include the following: Land, Buildings, Machinery, Equipment, Vehicles, and infrastructure, (i.e. roads, drainage systems, and water and sewer systems). Relating to this, the City's annual depreciation expense was $13.0 million. These amounts are significant. In December, 2014 a bond was issued to assist in alleviating this replacement deficit. Fourteen million has been earmarked for water and sewer improvements, $10 million for infrastructure and $6 million for drainage and equipment. In addition, the City recently adopted a twelve year capital Water and Sewer Master Plan which will address some of the infrastructure needs. For FYE 2017, $1.9 million is budgeted for infrastructure improvements/replacements. However, the City does not have a policy in place regarding a perpetual asset lifecycle replacement program for all of its assets. Depreciation is an important and often underutilized tool in the financial planning process and should become a recurring expense item in future years' budgets to replace assets as their useful lives become expired.

City needs for asset replacement/updates

- Gulfport South Sewer Treatment Facility – It has been communicated to the City by the Harrison County Utility Authority that the Gulfport South Treatment Plant no longer meets EPA standards regarding sewer treatment and disposal. The cost of addressing this issue is expected to exceed $20 million. Although this will not affect the current proposed budget, subsequent years' budgets will be impacted.

4. **Cash Reserves –**

Given the projected surplus, the City is projecting reserves for its General Fund for the current year ending September 30, 2016 to be at $9.1 million. This is a much improved position than in previous years. It is recommended by the Government Finance Officers' Association (GFOA) that Cities maintain in cash reserves at an amount that is equal to 15% of its operating budget. Given the City's General Fund revenue budget of $57.3 million, Gulfport's cash reserves should be approximately $8.6 million. The purpose of unobligated cash reserves is to: stabilize tax rates in the event of an economic downturn, cover short term funding gaps created from federal grants, and cover unforeseen emergencies. Without a doubt, all of these events have been experienced by Gulfport over the past several years; so, it would make perfect sense that cash reserves would have been at low levels; however, the City has been able to increase the cash reserves the past four fiscal years and is proposing a budget that will be cash neutral in FYE 2017.

5. **Recovering Economy –**

The current FYE 2016 General Fund's revenue budget is $56.0 million while the proposed FYE 2017 revenue budget is $57.2 million; representing an increase of $1.2 million. This growth in revenue is the result of an every four year reassessment of property values and an anticipated growth in sales tax and gaming revenues as evidenced by anticipated increases in FY 16.

6. **Employee Heath Care Fund-**

The City is mostly self-funded with regards to providing health care to its employees. In FYE 2015, employee claims were $7.4 million, resulting in a net deficit for FY 15 of -$2.1 million. The City in FY 16 increased retirees' health insurance premiums by 25% and effective January 1, 2016 no new retirees were accepted in the City's health insurance plan.

7. **Claims Contingency Fund –**

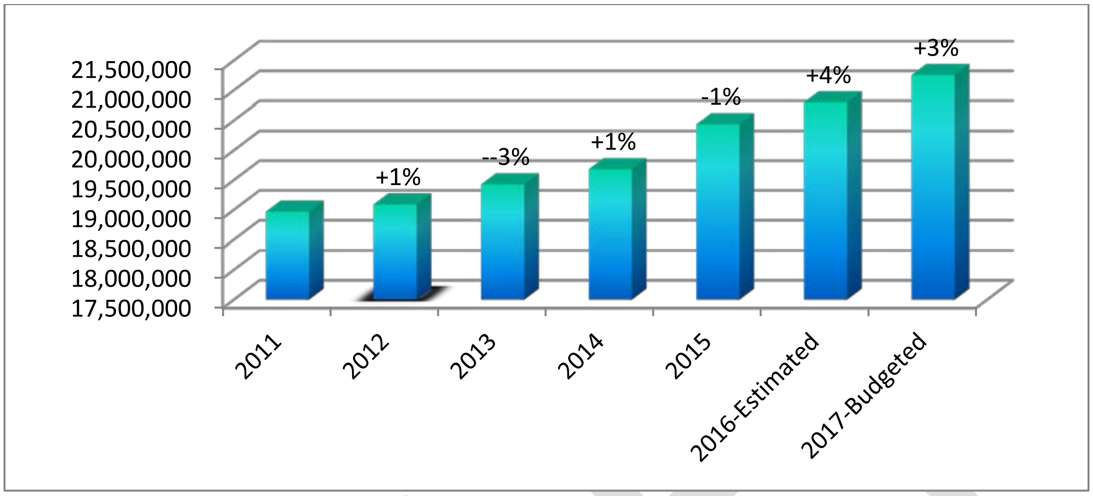
   The City is partially self funded in the area of General Liability and Worker's compensation claims. Typically, the City's historical annual claims are near $1.1 million. For the current 2016 year, the City expects to pay out claims and judgments consistent with prior years.

8. **Water and Sewer Fund –**

   For the current 2016 year, expected revenues will be $32.1 million with expenses at $34.9 million based on a cash basis. For the upcoming 2017 year, revenues are budgeted at $34.7 million with expenses at $38.9 million. Of the $38.9 million, $5.2 million of expenditures are previous years' capital projects which are funded by bonds issued.

The Local Economy

Annual Sales Tax History



Sales Tax revenue comprises approximately 34% of the City's total General fund revenue and is considered the most important indicator of how the local economy is performing. As evidenced by the above chart, the City has experienced a steady increase in sales tax revenue between 2011 to current times but increasing from $19.0 million in 2011 to an estimated $20.8 million in 2016.

Staffing Summary Additions

Below are the new/changes in positions budgeted for fiscal year ending September 30, 2017. It should be noted that some salary adjustments were made to meet new federal requirements regarding exempt and non exempt status.

Legal

- Part time paralegal to full time – salary with benefits cost increase- $36,978
  - Cost will be absorbed internally without increasing costs to the department
- Part time paralegal to full time – salary with benefits cost increase - $24,146
  - Cost will be absorbed internally without increasing costs to the department

Leisure Services

- Full time marketing coordinator-salary with benefits cost of $77,000

Joseph T. Jones Fund

- A holiday event coordinator has been added to assist with all of the events hosted by the City-salary with benefits cost of $39,973

Administration

- Change in pay for comptroller due to change in title and additional scope of responsibilities – salary with benefits cost of $21,000

Budget in Brief

Proposed Revised Summary of Revenues, Expenses, for Fiscal Year Ending September 30, 2017

	Estimated FYE 2016 Actual	FYE 17 Proposed Budget
Estimated Revenues:		
Property Taxes	$ 24,378,878	$ 25,188,919
Sales Tax	20,800,000	21,257,600
License/Permits/Franchise Fees	5,075,000	5,277,624
Gaming Fees	3,713,000	3,794,686
Grants (Federal, state & local)	23,004,364	23,321,856
Fines and Forfeitures	1,119,107	1,119,107
Intergovernmental	2,090,000	2,090,000
Charges for Services	35,442,565	38,133,469
Miscellaneous - includes Other Financing Sources	852,005	1,424,715
Total Estimated Revenues	$ 116,474,919	$ 121,607,976
Proposed Expenses:		
Capital Projects	$ 100,818,417	$ 92,891,936
Public Works/Water and Sewer	$ 30,840,424	$ 32,027,547
General Government	$ 12,344,417	$ 11,588,148
Police Protection	$ 19,057,550	$ 18,733,980
Debt Service	$ 14,585,045	$ 13,934,254
Fire Protection	$ 12,168,510	$ 12,146,305
Culture and Recreation	$ 7,186,633	$ 8,054,729
Urban & Economic Dev	$ 1,989,040	$ 2,386,081
Total Proposed Expenses	$ 198,990,036	$ 191,762,980

Note: Does not include Self Insured Health Insurance Fund and Self Insurance Claims Fund

Financial Overview

Debt Management

The City currently has $101.0 million in "direct" outstanding debt consisting of $34.8 million relating to debt being supported by property taxes for purposes of maintaining and upgrading streets, bridges, drainage systems, and parks; while, $66.2 million is related to water and sewer infrastructure expansions and upgrades. Additionally, the City is responsible for approximately $55 million in debt through the Harrison County Utility Authority bringing the total debt being serviced by the City to around $156 million. Total direct debt interest and principal payments will cost $13.2 million for the upcoming year (Water and Sewer $8.9 million; Tax Supported $4.3 million).

Legal debt Margin Calculation

- State Law restricts the amount of outstanding debt a Municipality can have which is repaid through property taxes. Debt that is repaid by rates and fees is exempt from this calculation, i.e. water and sewer. Total debt outstanding repaid through property tax shall not exceed 20% of gross assessed value of all assessed value of property within the municipality. Below is a calculation of Gulfport's legal debt margin for FYE 2016 absent of any new debt issuances.

Loan Debt Margin Calculation		
FYE 2016 Gross Assessed Valuation	$	752,151,000
Times 20% Allowable		*20%
Allowable Debt Outstanding-20% Rule	$	150,430,200
Actual Debt Outstanding	$	34,800,000
Debt Margin - Borrowing Capacity	$	115,630,200

Gulfport is currently at 23% of capacity which allows for $115.6 million for further debt issuance(s) under the State's formula. Gulfport currently is in excellent shape with regards to the amount of outstanding debt (subject to being repaid through property taxes) as a percentage of property value. For many governments, utilizing 50% of their debt capacity would be considered standard; however, for Gulfport to continue to enjoy its strong bond rating, this amount should stay below 30%. To reach or exceed this amount would require an ad valorem tax increase, and most probably, place Gulfport's Bond Rating under close scrutiny by the rating agencies.

Contributions to Not for Profit Agencies

The City has budgeted $520,350 for contributions to Not for Profit Agencies who either perform a service for the Citizens of Gulfport or promote economic development activities throughout Gulfport.

General Fund Financial Summary

2016 Budget versus 2017 Proposed Budget			
	2016 Revised Budget	2016 Estimated Actual	2017 Proposed Budget
Operating Revenues	56,011,134	55,780,944	57,293,854
Operating Expenditures	57,470,676	54,521,600	58,303,468
Excess/(deficiency) of Revenues over expenditures	(1,459,542)	1,259,344	(1,009,614)*

* The $1,009,614 expenditures over revenues include a carry forward of $1,036,644 which will result in a positive $27,030 of revenues over expenditures for FY 17.

FYE 2016 General Fund Budget Plan

As per the Financial Summary above, the FYE 2016 reflects a surplus with projected revenues exceeding expenditures by $1.3 which exceeds 2%.

Revenue Enhancements:

1. Sales Taxes
   - An increase of $457,600 over current year estimated sales tax revenue. The current estimated revenue for this category is $20,800,000. Through the month of June 2016, sales taxes are projected to exceed the current budget by approximately $342,000 resulting in approximately $20,800,000 in revenues for the current year. A projection of a 2.2% increase for FYE 2017 over actual estimated revenues for FYE 2016 result in an estimated sales tax revenue budget of $21,257,600.

2. Property Taxes
   - An increase of $1.2 million over prior year. Total assessed values of taxable property for FYE 2017 are estimated at $24.3 million more than for the last fiscal year due to an every four year new value assessment. This represents an increase of 3.3%. It is anticipated that actual property taxes collection in FYE 2017 will be $24.0 million with a budget of $23.9. Due to these factors, the total estimated FYE 16 property tax revenue budget is estimated at $19.6 million for the general fund, $955,705 for the Public Employees' Retirement Fund and $4.7 million for the Debt Service Fund.

3. Licenses / Permits / Franchise Fees
   - Increase of $202,624 over current estimate of $5.1 million.
   - The reason for the increase is due to the anticipated modest increase in GDP of 2.2% and in FYE 2016 refunds to Mississippi Power customers reduced the franchise fees paid to the City.

4. Gaming
   - An increase of $81,686. The current anticipated revenue for this category is $3,713,000. Island View Casino has recently made a $50-$60 million expansion. With the addition of 400 hotel rooms, there will be a significant increase in the number of visitors to the casino which should enhance gaming revenues. For the current year, it is expected that gaming revenue will exceed current budget by $363,000 (a 10.8% increase over budget). Due to this current year increase, the projected gaming revenues were increased over current estimated revenues by a conservative 2.2% or $81,686.

5. Court Fines
   - No change from current estimated budget. Fines and forfeiture revenues have been decreasing for several years. Current year estimated revenues for fines and forfeitures are expected to show a shortfall of $281,000 over budget. However, other components of court fines for the current year are showing revenues slightly over budget. While new collection procedures will be in place for FYE 2017, it is not anticipated that much additional revenue over current year will be received.

Significant Expenditure Increases:

There is a reallocation of software costs from departmental to the administrative department to have a localized area to track costs.

1. Leisure Service
   - Addition of a full-time marketing coordinator to increase the City's visibility to the public.
   - Capital lease payments approved in FY 16 and not payable until FY 17

2. Judicial
   - Building repairs increased due to expiring of original maintenance contracts

3. General Administration
   - Reclassification of contribution from administration to legislature
   - Election expenses occurring every four years
   - Salary increase for comptroller due to change in title and scope of responsibilities

4. Police
    - Funding of positions previously approved but not funded
    - Additional costs for supplies, uniforms and training are requested

5. Fire
    - Funding of two command vehicles partially funded from prior year capital carry over

6. Legislative
    - Reclassification of contributions from general administration to legislature

7. Economic Development
    - 50% match for rail road grant to improve platform
    - Fencing for dog park and garden supplies

8. Public Works
    - $800 k will be spent on paving projects above what has been designated in the Bond Paving funding
    - Additional costs in asphalt and traffic supplies are requested

Water and Sewer Fund Financial Summary

2016 Budget versus 2017 Proposed Budget			
	2016 Revised Budget	2016 Estimated Actual	2017 Proposed Budget
Operating Revenues	32,814,432	32,139,049	34,668,469
Operating Expenditures	46,752,718	34,922,696	38,929,711
Excess/(deficiency) of Revenues			
over expenditures	(13,938,286)	(2,783,647)	(4,261,242)

Notes:

1. The above amount includes water and sewer capital projects carry forward of $5,197,071 and funded by bond issues.
2. New capital projects for FYE 2017 of $1,854,000 are funded due to approved rate increases in prior years as outlined in the 2013 Water and Sewer Master Plan.
3. In addition to the above, the City's water and sewer fund at year end will reflect a settlement cost of $2.7 million in FYE 2016 at year end.

Self Insurance Funds Financial Summary

2016 Revised Budget versus 2017 Proposed Budget			
	2016 Revised Budget	2016 Estimated Actual	2017 Proposed Budget
Operating Revenues	6,035,438	6,898,582	6,495,000
Operating Expenditures	6,845,500	7,247,886	7,028,992
Excess/(deficiency) of Revenues over expenditures	(810,062)	(349,304)	(533,992)

Note:

1. The main result of the 2016 estimated deficit of $349,304, as well as the anticipated $533,992 deficit for FYE 2017 in the Employees' Health Care Fund and is primarily due to retiree insurance claims exceeding retiree premiums.
2. A 10% increase in employees' insurance premiums for FYE 2017 is budgeted.

Claims and General Liability 2016 Revised Budget versus 2017 Proposed Budget			
	FYE 2016 Revised Budget	FYE 2016 Estimated Actual	FYE 2017 Proposed Budget
Estimated Revenues			
Interest and Misc Revenues	1,000	11,400	1,000
Employer Contributions	3,057,504	3,038,000	3,050,000
Total Projected Revenues	3,058,504	3,049,400	3,051,000
Proposed Expenditures			
Claims and judgments	1,105,000	980,000	1,105,000
Insurance premiums	1,627,098	1,575,000	1,595,000
Other services and charges	144,250	130,000	140,000
Total Proposed Expenditures	2,876,348	2,685,000	2,840,000
Excess/(deficiency) of revenues over expenditures	182,156	364,400	211,000

Future Economic Development Activities on the Horizon

1. Aquarium–The City has received State funding to build a state of the art aquarium which is expected to be completed in the Spring of 2019. This aquarium is expected to attract tourists from all around the country and will bring a large boost to the local economy.

2. Markham Building–The Markham building was recently sold to an investor and is anticipated to be restored for mixed use. This downtown icon will enhance the attraction to downtown Gulfport.

3. Fishbone Alley and the Walk able Social District–Fishbone Alley was renovated to create an outdoor social area where patrons can eat and drink in a lively atmosphere. In addition, the passing of the Walk able Social District will allow downtown businesses within the district to add to their offerings to patrons.

4. Hotel Development – A new "Boutique" hotel is expected to be completed in the near future and will be located in the Gulfport Downtown area. It is anticipated that this will assist in the revitalization of the downtown area and increase revenues for other businesses located nearby.

5. Island View – The Island View Casino has recently renovated their hotel tower south of Highway 90. The renovations include over 400 additional hotel rooms, several restaurants, and convention space. In addition, Island View Casino has announced an additional casino to be located on the beach side of their property.

Future Issues, Concerns, and Uncertainties

1. **Unfunded Katrina Projects-**

   In excess of $250 million in Hurricane Katrina Recovery related work was performed in Gulfport. Ninety eight percent (98%) of this work was performed without any eligibility issues; however, It has been determined that several Katrina related recovery projects which were originally thought to be wholly funded by FEMA may not meet FEMA's eligibility requirements. In total, these items are estimated in excess of $4-$5 million which represents about 2% of all City FEMA funded Katrina Recovery projects. The City is currently working with FEMA to acquire a current list of projects whereby funding has been denied.

   Again, the City will make a determination upon final notification from FEMA of the denial of funding as to whether the City's course of action will be to appeal or arbitrate FEMA's denial.

2. **Infrastructure Deterioration and Obsolescence and Machinery and Equipment Replacements-**

   As discussed on Page 3 of this report, there is a need for an overall plan for capital asset replacements and upgrades. While progress has been made through the Water and Sewer Master Plan and the issuance of a $30 million bond in December, 2014, addition funds and planning are needed to meet the future needs of the City and its Citizens through the upcoming years.

3. **Gulfport South Sewer Treatment Facility –**

   It has been communicated to the City by the Harrison County Utility Authority that the Gulfport South Treatment Plant no longer meets EPA standards regarding sewer treatment and disposal. The cost of addressing this issue is expected to exceed $20 million. Although this will not affect the current proposed budget, subsequent years' budgets will be impacted.

4. **Economic Development-**

   Although Gulfport is the coastal leader in retail sales, much retail growth has occurred in and around our neighboring cities. Gulfport must continue to aggressively market itself to the entire region and nation. Continued effort in the area of economic development will be a must as businesses compete between local jurisdictions for competitive incentive packages before choosing their location for doing business. The City is addressing this issue through tax incentive programs and has hired an economic development director.

5. **Future Uncertainty of the National, State, and Local Economies-**

   As all of us are aware of the challenges facing the national, state, and local economies, Governmental entities are not immune to these same issues which affect the private sector and our own personal finances. Issues such as: 1) high unemployment, 2) tightening of credit with lending institutions, 3) decline in consumer spending, 4) high cost of property insurance, and 5) the overall uncertainty of what the future holds is a recipe for financial and economic challenges such as pending litigation and Section 42 tax reductions.

Sales Tax is vital to the City's well-being with it making up 37% of the City's General Fund Revenues. With such a significant portion of the City's revenue stream being sensitive to economic conditions, Gulfport has been re-tooling the way it is delivering essential services to its citizens by becoming more efficient and cost conscience.

Closing

In closing, I would like to commend all of those City Directors and department heads who worked so hard in streamlining and reducing their respective budgets to help ensure the City's continued financial solvency. This has been an ongoing process over the past several years. None of this has been easy.

Also, I would like to thank the Mayor, Chief Administrative Office, and City Council in supporting the Administration during the budget process. As a result, many positive discussions took place; which in turn, provided an appropriate forum for citizens to learn about the financial and economic challenges facing this City while allowing the City to continue to move in a positive direction.

Sincerely,

Linda K. Elias
Comptroller

Appendix A

State of Mississippi Budgeting Laws and Regulations

- ✓ Budget shall be adopted no later than September 15 for the subsequent year's budget beginning October 1.
- ✓ A public hearing shall be held no later than one week prior to the adoption of the budget. Also, the Tax Levy must be adopted at this same meeting or at a separate meeting at least one week before final adoption of budget.
- ✓ Advertisement for both tax levy and public hearing shall take place two weeks prior to public hearing and adoption of levy and no less than seven (7) days from the first advertisement.

Appendix B

Accounting Structure

State Law requires the City establish individual Funds to separately account for resources and expenses relating to such activities as capital projects, debt service, public utility, etc. Funds are similar in nature to a private sector's division or segment. Listed below is a breakdown of the City's individual funds with a brief explanation of their purpose:

Fund Name	Fund Purpose
General Fund	Established to account for activities that are traditional in nature to governmental entities and which are not required to be reported in another fund. Examples of General Fund activities include: public safety (police and fire), public works (non water and sewer), recreation, planning \ zoning, general administration, legal, courts, etc.
Capital Projects	This fund is used to account for resources relating to the acquisition and construction of major facilities and infrastructure improvements other than those financed by the water and sewer utility fund. Primary funding for this fund comes from Grants, bond issues, funds transferred in from the General Fund.
Debt Service	This fund is used to account for resources relating to the repayment of debt (principal and interest). Note: this does not include water and sewer related debt which is paid by the water and sewer utility fund. This fund's primary source of revenue is property taxes.
Public Employees Retirement Fund	This fund is used to account for resources used in funding the "old" Police and Fire retirement system. This fund's primary revenue source is property taxes.
Community Development Block Grant Fund (CDBG)	This fund is used to account for resources associated with various Federal Grants. These funds must be spent according to strict guidelines. Resources of this fund is being used to fund activities such as the downtown facade program, downtown streetscapes, long term workforce housing, housing rehab, and activities benefiting low to moderate income households.
Disaster Relief Fund	This fund is used to account for resources associated with "major" natural and man-made disasters when Federal and State Grants will be received by the City to help in its recovery. Recent examples of this are Hurricanes Katrina, Gustav, and BP oil spill.
Employee's Health Insurance Fund	This fund is used to account for resources relating to providing health care to City employees.
Claims Contingency Fund	This fund is used to account for resources relating to property, general liability, and worker's compensation claims.
Police Forfeits and Seizure Fund	This fund is used to account for resources relating to assets seized by the City's Police Department.
Joseph T. Jones Fund	This fund is used to account for resources relating to the operations and maintenance of leasing of boat slips and other facilities within the Joseph T. Jones Yacht Basin.
Water and Sewer Fund	This fund is used to account for resources relating to the operations of the City's water and sewer utility system. It is intended that all of the resources associated with this fund are to be derived from user charges.

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GENERAL FUND

The General Fund is the City's largest fund and is used to account for all activities that are traditional in nature to governmental entities and which are not required to be accounted for in another fund. Examples of General Fund activities include the following:

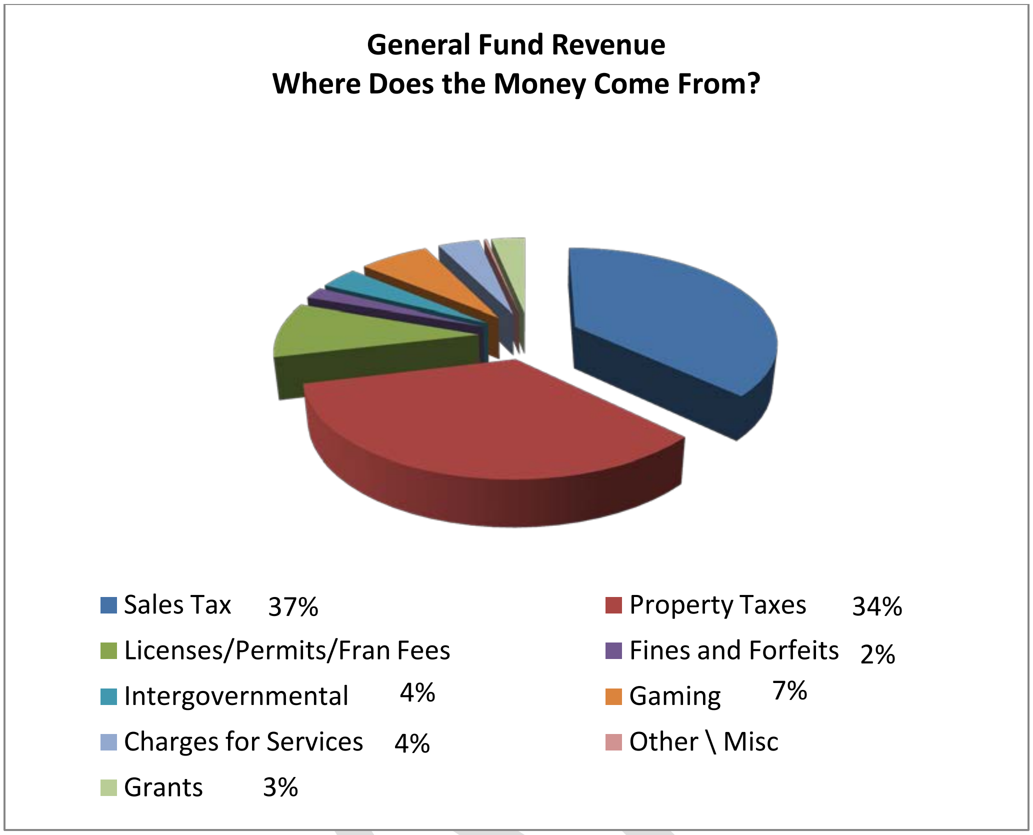
- General Government – Serves as the administrative arm of the city. Departments which carry out this function include: Executive (Mayor), Legislative (Council), Judicial (Courts), Legal (City Attorney), General Administration, and Public Transportation.

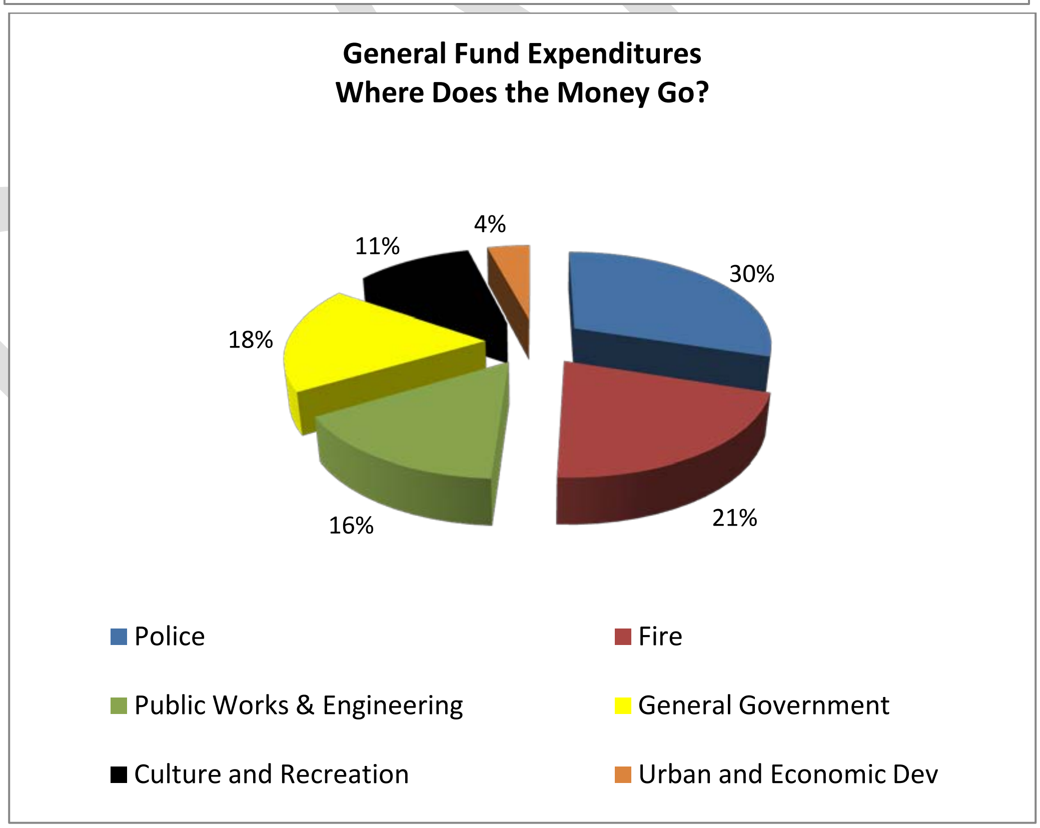
- Public Safety – Serves as protection to the general public with regards to life, health, and property. Departments which carry out this function include Police and Fire.

- Public Works – Serves to manage the City's overall infrastructure. This includes but is not limited to road and bridge maintenance, drainage prevention and control, and traffic signalization.

- Culture and Recreation – Serves to promote cultural activities for all ages. These activities include summer day camps for our youth, senior citizen programs for our elderly, various sports and recreational programs, and maintenance of parks and playgrounds. Divisions which carry out this function include Leisure Services, Building Maintenance, Senior Citizens, and Cemetery.

- Urban and Economic Development – Serves to ensure zoning laws and building codes are enforced. This entails such activities as building plans review, inspections, and the issuance of building permits. The major divisions which carry out this function are Building Code, Planning and Zoning, and Code Enforcement.


General Fund Revenue
Where Does the Money Come From?
Sales Tax 37%
Property Taxes 34%
Licenses/Permits/Fran Fees
Fines and Forfeits 2%
Intergovernmental 4%
Gaming 7%
Charges for Services 4%
Other \ Misc
Grants 3%


General Fund Expenditures
Where Does the Money Go?
4%
11%
30%
18%
16%
21%
Police
Fire
Public Works & Engineering
General Government
Culture and Recreation
Urban and Economic Dev

City of Gulfport
General Fund Proposed Budget
For Fiscal Year Ending 9/30/17

		FYE 2016 Current Budget	FYE 2016 Estimated Actuals	FY 2017 Original Proposed Budget
	Operating Revenues			
1	Sales Tax	20,639,350	20,800,000	21,257,600
2	Property Tax	18,350,000	18,780,000	19,551,000
3	Licenses, Permits, & Franchise Fees	5,277,000	5,075,000	5,277,624
4	Gaming Fees	3,350,000	3,713,000	3,794,686
5	Grants (Federal, State, Local)	1,815,832	1,815,832	1,815,832
6	Court Fines	1,414,156	1,119,107	1,119,107
7	Intergovernmental	2,300,000	2,090,000	2,090,000
8	Charges for Service/Rents/Leases	2,643,796	2,235,000	2,235,000
9	Misc/Other	221,000	153,005	153,005
10	Total Projected Revenues	56,011,134	55,780,944	57,293,854
	Operating Expenses			
11	Executive (Mayor)			
12	Personal Services	264,774	264,700	264,775
13	Materials and Supplies	2,660	1,469	1,469
14	Other Services and Charges	28,941	25,269	25,307
15	Capital Outlay			
16	Total Executive	296,375	291,439	291,551
17	Legislative (Council)			
18	Personal Services	364,215	357,824	373,687
19	Materials and Supplies	5,700	3,044	5,700
20	Other Services and Charges **Note 2**	1,137,924	150,283	1,670,730
21	Capital Outlay **Note 2**	41,000	28,689	12,311
22	Total Legislative	1,548,839	539,840	2,062,428
23	Judicial (Courts)			
24	Personal Services	1,162,319	1,084,919	1,101,940
25	Materials and Supplies	28,950	22,316	24,000
26	Other Services and Charges	488,409	466,916	550,625
27	Capital Outlay	105,252	105,252	5,000
28	Total Judicial	1,784,930	1,679,403	1,681,565
29	Legal			
30	Personal Services	898,920	809,655	901,924
31	Materials and Supplies	5,079	5,112	5,079
32	Other Services and Charges	3,041,869	3,041,869	268,164

		FYE 2016 Current Budget	FYE 2016 Estimated Actuals	FY 2017 Original Proposed Budget
	City of Gulfport General Fund Proposed Budget For Fiscal Year Ending 9/30/17			
33	Capital Outlay	2,500	2,500	4,750
34	Total Legal	3,948,368	3,859,136	1,179,917
35	Administration and Finance			
36	Personal Services	2,324,788	2,244,577	2,322,781
37	Materials and Supplies	118,835	100,000	80,859
38	Other Services and Charges	1,588,244	1,692,780	1,526,541
39	Capital Outlay	265,687	266,017	377,304
40	Total Admin and Finance	4,297,554	4,303,374	4,307,484
41	Public Transportation	424,735	424,735	397,933
42	Police			
43	Personal Services	14,752,398	13,878,715	14,231,515
44	Materials and Supplies	1,237,426	1,205,000	1,331,335
45	Other Services and Charges	2,165,863	2,032,454	1,910,227
46	Capital Outlay	133,435	80,000	-
47	Total Police	18,289,122	17,196,169	17,473,078
48	Fire			
49	Personal Services	11,035,844	10,983,243	11,023,807
50	Materials and Supplies	488,674	466,926	423,674
51	Other Services and Charges	631,024	563,488	630,824
52	Capital Outlay	154,853	154,853	68,000
53	Total Fire	12,310,395	12,168,510	12,146,305
54	Public Works			
55	Personal Services	1,554,069	1,455,640	1,527,211
56	Materials and Supplies	1,236,050	1,278,106	1,083,363
57	Other Services and Charges	3,331,448	3,331,448	3,317,022
58	Capital Outlay	72,324	72,324	807,187
59	Total Public Works	6,193,891	6,137,518	6,734,783
60	Engineering			
61	Personal Services	453,141	516,234	506,380
62	Materials and Supplies	19,700	5,611	19,700
63	Other Services and Charges	1,859,339	1,770,062	1,793,904
64	Capital Outlay	-	-	-
65	Total Engineering	2,332,180	2,291,907	2,319,984

City of Gulfport
General Fund Proposed Budget
For Fiscal Year Ending 9/30/17

		FYE 2016 Current Budget	FYE 2016 Estimated Actuals	FY 2017 Original Proposed Budget	
66	Leisure Services				
67	Personal Services	3,430,816	3,317,653	3,413,628	
68	Materials and Supplies	811,280	737,741	993,972	
69	Other Services and Charges	2,094,035	2,036,318	2,121,114	
70	Capital Lease Payments			114,131	
71	Capital Outlay	4,146	4,146	1,950	
72	Total Leisure Services	6,340,277	6,095,858	6,644,795	
73	Urban Development				
74	Personal Services	1,546,638	1,491,030	1,546,638	
75	Materials and Supplies	39,110	20,643	38,440	
76	Other Services and Charges	216,655	176,056	208,155	
77	Capital Outlay			15,500	
78	Total Urban Development	1,802,403	1,687,730	1,808,733	
79	Economic Development				
80	Personal Services	265,021	256,234	271,433	
81	Materials and Supplies	5,300	7,016	13,300	
82	Other Services and Charges	86,615	38,060	86,615	
83	Capital Outlay			206,000	
84	Total Economic Development	356,936	301,311	577,348	
	Operating Transfers	223,890	223,890	677,565	
85	Total Proposed Operating Expenditures	60,149,895	57,200,819	58,303,468	
86	Excess/(deficiency)	(4,138,761)	(1,419,875)	(1,009,614)	
	Settlement payment to be transferred to the Water and Sewer Fund		2,679,219		Note 1
87	Adjusted Excess/(Deficiency)		1,259,344		
				1,036,644	Note 2
88	Adjusted Excess/(Deficiency)			**27,030**	

Note 1 Dedeaux Utility payment of $2.7 m was made from general fund, this payment will be transferred to the water and sewer fund before end of FY 16
to the water and sewer fund before end of FY 16

Note 2 Carryover of BP monies and capital budget

CAPITAL PROJECTS FUND

The Capital Projects fund is used to account for the acquisition and construction of major capital facilities and infrastructure improvements other than those financed by the Water and Sewer, Hurricane, Insurance, and Joseph T. Jones Funds. Examples of these types of activities include the following:

- Street Improvements – Paving \ Widening
- Drainage prevention and control
- Right of way acquisitions
- Building Construction and Renovation
- Parks and Recreational Facilities

City of Gulfport
Capital Projects Funds Revised Proposed Budget
For the Fiscal Year Ending 9/30/2017

	FYE 2016 Estimated Budget	FYE 2017 Proposed Budget
Estimated Revenues		
Grants - (Federal, State & Local)	17,084,928	14,059,566
Other Revenue	500,000	500,000
Total Projected Revenues	17,584,928	14,559,566
Proposed Expenditures		
Capital Projects Fund- Work in Progress	94,822,640	79,776,495
Total Proposed Expenditures	94,822,640	79,776,495
Excess/(deficiency) of Revenues over Expenses	(77,237,712)	(65,216,929)
Bond Issue - 2012 Paving $10.0 Million Org 357	3,230,152	2,829,441
Bond Issue - 2014 $6.0 Million Org 358	2,606,156	1,949,389
Bond Issue - 2014 $10.0 Million Org 359	9,811,062	6,236,374

Notes:
See detail on following pages for project balances remaining as of 8-15-16.

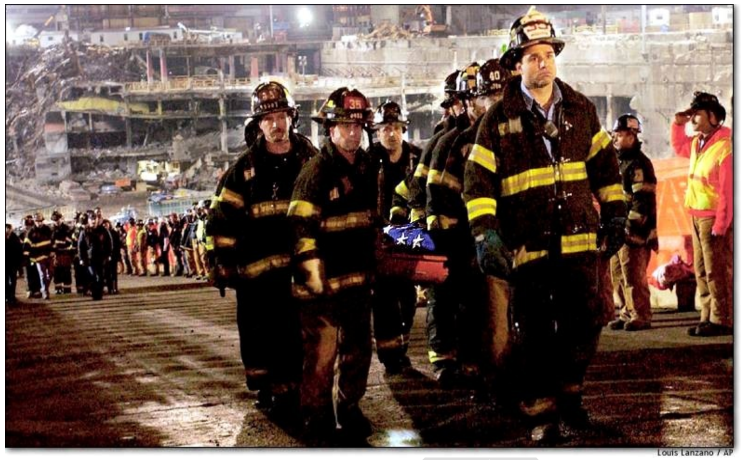
Other capital projects are contained in the Water and Sewer Fund, CDBG Fund, FEMA Fund and Insurance Fund.

Org	Project	Description	Revised Budget	Actual Expenditures	Encumb	Available
345	02341	Seaway Road Widening	2,112,235.00	1,834,923.55	0.00	277,311.45
345	02382	Joseph T Jones Memorial Park	224,526.00	0.00	0.00	224,526.00
345	02386	Jones Park/Harbor Imp '07	1,011,885.00	0.00	0.00	1,011,885.00
345	02393	28th Street Widening	3,400,407.00	0.00	0.00	3,400,407.00
345	02405	Dedeaux Rd Widening	228,269.00	0.00	0.00	228,269.00
345	02444	Jones Park Lighting and Infra	381,267.00	0.00	0.00	381,267.00
345	02480	Harbor Master Bulkhead	240,506.00	0.00	0.00	240,506.00
345	02503	Three Rivers Rd/Creosote Rd WD	962,899.00	855,417.86	36,398.78	71,082.36
345	02506	Airport Rd Wdng/Wash Ave-4 Rn	660,000.00	0.00	0.00	660,000.00
345	02507	Wayfinding Project	150,000.00	10,263.47	77,985.46	61,751.07
345	02508	Orange Grove Roof	410,292.00	20,423.03	77,985.46	311,883.51
345	02748	Harrison Co Dist 4 Paving	16,740.00	0.00	0.00	16,740.00
345	02765	Jones Park Imp-Barksdale Donation	120,447.00	41,074.93	4,236.25	75,135.82
345	02770	Jones Park Imp- Leo Seal Donation	110,049.00	0.00	0.00	110,049.00
345	02775	Ward 1 Park Improvement	20,000.00	0.00	0.00	20,000.00
345	02804	Landon Rd Widening	1,000,000.00	0.00	0.00	1,000,000.00
345	02810	Pass Rd Traffic Signal Software	431,153.00	380,327.44	48,743.63	2,081.93
345	02792	Tidelands 2013	281,839.00	0.00	0.00	281,839.00
345	02814	Tidelands 2014	225,000.00	0.00	0.00	225,000.00
345	02817	Tidelands 2015	199,585.00	99,200.46	1,378.16	99,006.38
345	02818	Seasonal Light Show	2,286,320.00	1,422,802.52	461,421.45	402,096.03
345	02819	Aquarium	60,000,000.00	369,735.02	0.00	59,630,264.98
345	02916	Gulfport High Drainage Proj	8,985.00	0.00	0.00	8,985.00
345	02920	Leisure Services Projects	21,204.00	0.00	0.00	21,204.00
			74,503,608.00	5,034,168.28	708,149.19	68,761,290.53

Org	Project	Description	Revised Budget	Actual Expenditures	Encumb	Available
Bond $10 Million Part of $30 Million Bond						
359		Unobligated	722,822.00	0.00	0.00	722,822.00
359	02930	Soccer Fields @ 34th St	2,500,000.00	0.00	0.00	2,500,000.00
359	02935	Bayou View ADA Improv	400,000.00	236,083.49	124,197.47	39,719.04
359	02940	Softball Field Expansion	5,992,368.00	1,100,919.55	1,930,638.04	2,960,810.41
359	05441	28th St Park Improvements 14	18,240.00	5,217.08	0.00	13,022.92
			9,633,430.00	1,342,220.12	2,054,835.51	6,236,374.37

Org	Project	Description	Revised Budget	Actual Expenditures	Encumb	Available
Bond Issue - 2012 Paving						
357	02393	28th Street Widening	545,118.00	0.00	85,727.85	459,390.15
357	02405	Dedeaux Rd Widening	1,821,462.35	0.00	0.00	1,821,462.35
357	02748	Har Co Dist 4 Paving Proj	4,696.00	0.00	0.00	4,696.00
357	02785	Phase 5	108,171.00	74,109.36	34,061.24	0.40
357	02788	Phase 8 /East Taylor Rd	255,660.00	114,950.10	140,709.54	0.36
357	02796	Courthouse	521,961.00	109,465.19	53,301.00	359,194.81
357	02804	Landon Rd Widening	250,000.00	146,714.00	21,779.47	81,506.53
357	02810	Pass Rd Traffic Signal Software	127,360.00	53,496.49	48,173.19	25,690.32
357	02821	E Taylor Rd Traffic Study	15,000.00	0.00	12,500.00	2,500.00
357	02901	Poole St Drainage	9,056.00	8,102.01	953.99	0.00
357	02918	Mill Rd Drainage	40,000.00	0.00	0.00	40,000.00
357	02919	53rd Ave Box Culvert	35,000.00	0.00	0.00	35,000.00
			3,733,484.35	506,837.15	397,206.28	2,829,440.92

Org	Project	Description	Revised Budget	Actual Expenditures	Encumb	Available
Bond $6 Million - Part of $30 Million Bond						
358	02804	Landon Rd Widening	180,000.00	0.00	0.00	180,000.00
358	02903	Whitney Dr	100,000.00	0.00	0.00	100,000.00
358	02904	Airport Rd Paving	200,000.00	0.00	0.00	200,000.00
358	02905	Hand Rd Drainage	53,804.00	0.00	9,648.23	44,155.77
358	02907	Hwy 49 @ 18th St Drainage	50,000.00	0.00	0.00	50,000.00
358	02908	Greenview	220,501.00	21,527.89	8,753.61	190,219.50
358	02909	EPA Stormwater Phase 2	25,000.00	0.00	0.00	25,000.00
358	02910	Glendale St Panel	1,438.00	0.00	0.00	1,438.00
358	02911	Oneal Rd Widening	98,313.00	0.00	0.00	98,313.00
358	02912	Three Rivers Rd Widening	98,314.00	8,292.87	2,238.23	87,782.90
358	02913	ADA Compliance	25,000.00	0.00	17,267.00	7,733.00
358	02914	Royal St/St Charles	200,000.00	24,937.75	62.25	175,000.00
358	02916	Gulfport High Drainage	250,000.00	152,520.55	64,858.00	32,621.45
358	02920	Leisure Services Projects	188,141.00	4,990.33	4,067.17	179,083.50
358	05849	Brickyard Bayou	815,212.00	175,349.42	79,669.45	560,193.13
358	05850	Coffee Creek	70,388.00	27,579.92	24,959.15	17,848.93
			2,576,111.00	415,198.73	211,523.09	1,949,389.18



Louis Lanzano / AP

POLICE AND FIREMENS' RETIREMENT FUND

This fund is used to account for tax revenues legally restricted for funding the police and firemen's' retirement plan. All collections are forwarded to the Public Employees' Retirement system (PERS). All resources accumulated in this fund are legally restricted for the above mentioned purpose. This fund's principal source of revenue is General Property Taxes.

City of Gulfport Public Employees' Retirement Fund Budget For the Fiscal Year Ending 9/30/2017		
	FYE 2016 Current Budget	FYE 2017 Proposed Budget
Estimated Revenues		
General Property Taxes	988,600	955,705
Shared Revenues	34,000	34,000
Total Projected Revenues	1,022,600	989,705
Proposed Expenditures		
PERS Contributions	1,022,600	989,705
Excess/(deficiency) of Revenues over Expenses	-	-

MUNICIPAL DEBT SERVICE FUND

This fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest. All resources accumulated in this fund are legally restricted for the above mentioned purpose. This fund's principal source of revenue is General Property Taxes. Note that water and sewer related debt is not included within this fund.

City of Gulfport Municipal Debt Service Fund Proposed Budget For the Fiscal Year Ending 9/30/2017		
	FYE 2016 Current Budget	FYE 2017 Proposed Budget
Estimated Revenues		
General Property Taxes	4,610,278	4,682,214
Transfer In	165,000	737,710
Total Projected Revenues	4,775,278	5,419,924
Proposed Expenditures		
Debt Service Payments	5,686,000	5,028,394
Excess/(deficiency) of Revenues over Expenses	(910,722)	391,530

City of Gulfport Municipal Debt Service Fund Proposed Budget For the Fiscal Year Ending September 30, 2017					
General Fund	Original	Balance	2017		
Debt Description	Issue	9/30/2016	Principal	Interest	Total
TIF	480,000	440,000	15,000	17,600	32,600
GO Refunding--Public Improvement	15,025,000	12,694,000	1,399,600	554,810	1,954,410
GO Project Bond	16,000,000	15,311,000	699,000	434,174	1,133,174
	47,665,000	**28,445,000**	**2,113,600**	**1,006,584**	**3,120,184**
SO Public Improvement-Paving	10,000,000	6,350,000	980,000	190,500	1,170,500
	10,000,000	**6,350,000**	**980,000**	**190,500**	**1,170,500**
Aquarium LOC Payment				**379,203**	**379,203**
Computers	415,679	212,186	83,810	3,214	87,024
Computers	517,622	212,258	105,242	3,126	108,368
(5) Fire trucks w accessories	1,910,117	1,749,544	111,451	51,664	163,115
	2,843,418	**2,173,988**	**300,503**	**58,004**	**358,507**
Total Municipal Debt Service			**3,394,103**	**1,634,291**	**5,028,394**

COMMUNITY DEVELOPMENT FUND

This fund is used to account for resources associated with various federal grants which addresses such areas as affordable housing, community revitalization, and urban and economic development. The following programs are examples of how these funds are used:

- Housing Rehabilitation loans to persons meeting the low to moderate income criteria
- Construction of Park and Recreational facilities in qualifying areas.
- Social service agencies for activities such as day care services, summer day camps, after school programs, job training, and other related programs
- Funding for street upgrades, drainage prevention and control, sidewalks, and other public improvement projects for blighted areas as defined by HUD.
- Downtown Revitalization
- Long Term Workforce Housing

City of Gulfport Community Development Fund Proposed Budget For the Fiscal Year Ending 9/30/2017		
	FYE 2016 Estimated Actual	FYE 2017 Proposed Budget
Estimated Revenues		
Federal Grant Revenue	1,462,700	6,064,370
Proposed Expenditures		
CDBG Grant - Work in Progress	462,700	1,107,830
HOME Grant - Work in Progress	700,000	1,057,895
MDA - Katrina Supplement Grant Work in Progress	300,000	3,898,645
EPA Brownfield Grant Work in Progress	0	0
Total Proposed Expenditures	1,462,700	6,064,370
Excess/(deficiency) of Revenues over Expenses	0	0

COMMUNITY DEVELOPMENT PROPOSED GRANT FUNDS
FOR CITY FISCAL YEAR 2016-2017
Grant Balances as of 8/15/16

		FISCAL YEAR GRANT REVENUE BALANCES as of 8/15/16	FISCAL YEAR GRANT EXPENDITURES AS OF 8/15/16
CDBG ENTITLEMENT FUNDS		$ 6,064,369.85	$ 1,551,663.35
2014	B14MC280002		
2015	B15MC280002	$ 193,577.38	$ 208,465.62
2016	B16Mc280002 (Proposed Funding	$ 333,184.79	$ 213,944.21
	CDBG Entitlement Grant Balance	$ 581,068.00	$ -
		$ 1,107,830.17	$ 422,409.83
HOME ENTITLEMENT FUNDS			
M10DC280200			
M11DC280200		$ 61,459.23	$ 749.77
M12DC280200		$ 72,085.60	$ 72,085.60
M13DC280200		$ 40,657.60	$ 69,035.40
M14DC280200		$ 63,241.13	$ 303,324.87
M15DC280200		$ 215,282.45	$ 221,632.55
M16DC280200		$ 298,237.67	$ 112,335.33
	HOME Entitlement Grant Balance	$ 306,931.00	$ -
		$ 1,057,894.68	$ 779,163.52
KATRINA -MDA CDBG SUPPLEMENTAL			
Downtown Streetscape R103-202-01-02-KCR			
Coffee Creek Drainage R-109-202-08-KCR		$ 780,065.00	$ 305,052.00
Brickyard Bayou Drainage R-109-202-07-KCR		$ 1,150,000.00	$ 45,038.00
		$ 1,968,580.00	
Katrina-CDBG Supplemental Grant Balance			
		$ 3,898,645.00	$ 350,090.00

SELF INSURANCE FUNDS

The City of Gulfport is partially self funded with regards to its Health, Life, Worker's Compensation, and General Liability Insurance. The City has two separate funds established to account for the resources associated with providing the above referenced insurance coverages; Employee Health Care Fund and Claims Contingency Fund. The budget for both of these funds is contained within this section of the report. Significant losses are covered by commercial insurance while smaller losses are absorbed by the City.

		FYE 2016 Current Budget	FYE 2016 Estimated Actual	FYE 2017 Proposed Budget
City of Gulfport Self Insured Fund (Health Insurance) Proposed Budget For the Fiscal Year Ending 9/30/2017				
	Estimated Revenues			
1	Employer Contributions	4,250,500	4,340,000	4,480,000
2	Employee Contributions	1,200,000	1,150,000	1,265,000
3	Retiree Contributions	284,938	250,000	250,000
4	Other Revenues	300,000	1,158,582	500,000
5	Total Projected Revenues	6,035,438	6,898,582	6,495,000
	Proposed Expenditures			
6	Professional Fees	264,000	250,000	250,000
7	Administrative Fees	172,500	186,500	259,992
8	Bank Fees	1,500	1,000	1,000
9	Specific Stop Loss Insurance	431,500	644,000	550,000
10	Insurance Premium - Vision	60,000	68,000	68,000
11	Claims	5,916,000	6,098,386	5,900,000
12	Total Proposed Expenditures	6,845,500	7,247,886	7,028,992
13	Excess/(Deficiency) of Revenues over Expenditures	(810,062)	(349,304)	(533,992)

Notes:
There is a 10% employee insurance premium increase included in the FY 2017 budget
Beginning in January 2016- Retiree health insurance premiums were increased by 25%
In addition, effective 1/1/16 no new retirees have been accepted in the City's health insurance plan
Included in administrative fees is a new health insurance consulting fee of $89 k per year.

City of Gulfport
Self Insured General Liability and Claims Fund Proposed Budget
For the Fiscal Year Ending 9/30/2017

	FYE 2016 Current Budget	FYE 2016 Estimated Actual	FYE 2017 Proposed Budget
Estimated Revenues			
Interest Earnings and Miscellaneous Revenues	1,000	11,400	1,000
Employer Contributions	3,057,504	3,038,000	3,050,000
Total Projected Revenues	3,058,504	3,049,400	3,051,000
Proposed Expenditures			
Claims and judgments	1,105,000	980,000	1,105,000
Insurance premiums	1,627,098	1,575,000	1,595,000
Other services and charges	144,250	130,000	140,000
Total Proposed Expenditures	2,876,348	2,685,000	2,840,000
Excess/(Deficiency) of Revenues over Expenditures	182,156	364,400	211,000

JOSEPH T. JONES FUND
Operations and Maintenance

This fund is used to account for the operations, maintenance, and leasing of boat slips and other facilities within the Joseph T. Jones Memorial Park.

City of Gulfport Joseph T. Jones Fund Proposed Budget For the Fiscal Year Ending 9/30/2017			
	FYE 2016 Current Budget	FYE 2016 Estimated Actual	FYE 2017 Proposed Budget
Estimated Revenues			
Holiday Events		224,370	235,000
Harbor	1,100,000	844,146	995,000
Total Projected Revenues	1,100,000	1,068,516	1,230,000
Proposed Expenditures			
Personal Services	300,997	291,394	315,080
Materials and Supplies	493,321	337,446	511,321
Other Services	520,569	461,936	580,833
Capital Outlay/Capital Projects			2,700
Total Proposed Expenditures	1,314,887	1,090,776	1,409,934
Income/(Loss) from Operations	(214,887)	(22,260)	(179,934)

Note: A new Holiday Event Coordinator has been added to the budget for FY 17.

WATER AND SEWER FUND

This fund is used to account for the activities of the City's water and sewer operations. The City of Gulfport is in a joint venture with the Harrison County Wastewater and Solid Waste Management District. "The District" is made up of a governing board consisting of the mayors from the cities of Gulfport, Biloxi, Long Beach, Pass Christian, D'Iberville, and a representative from the Harrison County Board of Supervisors.

This joint venture was formed as a result of the Clean Water Act. The purpose of this act is to ensure that sewage and solid waste disposal is handled in a manner as to not pose a threat to the environment. The district carries out this function by overseeing the construction and operations of sewage treatment facilities and contracting with private companies for solid waste collection and disposal. The district will in turn charge the various municipalities for the cost associated with providing these services.

City of Gulfport
Water and Sewer Proposed Budget
For Fiscal Year Ending 9/30/17

		FYE 2016 Current Budget	FYE 2016 Estimated Actuals	FYE 2017 Proposed Budget
	Operating Revenues			
1	Water Charges	6,716,200	6,520,839	7,074,000
2	Sewer Charges	9,745,500	9,870,773	10,635,000
3	Sewer Treatment Charges	10,341,300	9,381,507	10,341,300
4	Solid Waste Charges	4,000,000	4,374,520	4,636,737
5	Rents	213,432	223,410	213,432
6	Other Services and Charges	1,798,000	1,768,000	1,768,000
			-	-
8	Total Projected Revenues	32,814,432	32,139,049	34,668,469
	Operating Expenses			
9	Billing and Collecting			
10	Personal Services	994,720	881,185	1,010,772
11	Materials and Supplies	72,500	50,260	68,500
12	Other Services and Charges	2,269,654	1,968,177	2,035,977
13	Capital Outlay	30,000	30,000	30,000
14	Total Billing and Collecting	3,366,874	2,929,622	3,145,249
15	Water Operations			
16	Personal Services			
17	Materials and Supplies	1,793,763	1,713,191	1,823,763
18	Other Services and Charges	2,882,366	2,882,366	2,857,059
19	Capital Outlay	30,000	30,000	250,000
20	Total Water Operations	4,706,129	4,625,557	4,930,822
21	Sewer Operations			
22	Personal Services	201,296	108,952	113,809
23	Materials and Supplies	849,086	891,392	940,586
24	Other Services and Charges	2,542,476	2,542,476	2,517,169
25	Capital Outlay	63,000	63,000	
26	Total Sewer Operations	3,655,858	3,605,820	3,571,564

City of Gulfport
Water and Sewer Proposed Budget
For Fiscal Year Ending 9/30/17

		FYE 2016 Current Budget	FYE 2016 Estimated Actuals	FYE 2017 Proposed Budget
27	City Debt (Water and Sewer)	8,899,045	8,899,045	8,905,860
28	Harrison County Utility Authority			
29	Sewer Treatment (Debt and O&M)	11,250,000	11,250,000	11,265,000
30	Total HCUA Cost	11,250,000	11,250,000	11,265,000
31	Water and Sewer Projects			
32	Other Services	2,133,114	834,407	347,784
33	Capital Projects-current	12,741,698	2,778,245	4,849,287
34	Capital Projects-new			1,854,000
	Total Water and Sewer Projects	14,874,812	3,612,652	7,051,071
	Transfers out to general fund			60,145
35	Total Projected Expenditures	46,752,718	34,922,696	38,929,711
36	Excess/(Deficiency) of Revenues over Expenditures	(13,938,286)	(2,783,647)	(4,261,242)

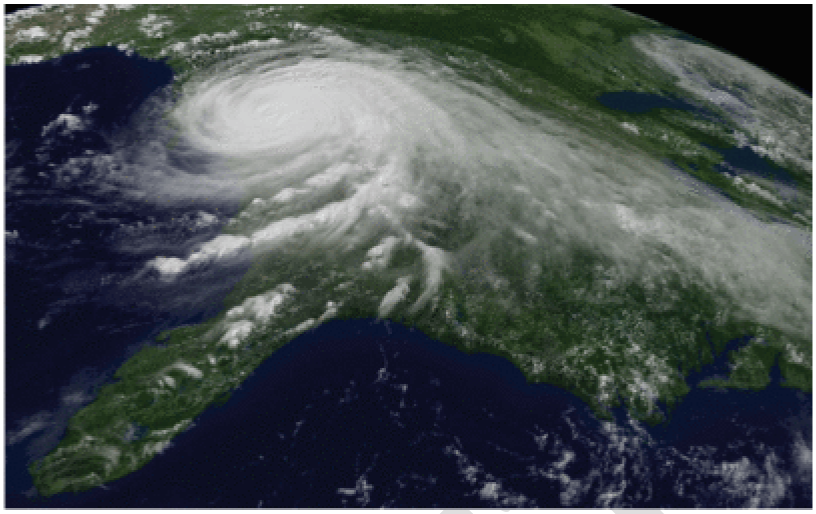
Note: The $1.8 million of new capital projects are expected to be the following:

Lauralwood	154,000
Herring Road	600,000
Hwy 49	400,000
Bayou View Tank	500,000
Beulah Church	100,000
Three Rivers -easements	100,000
	1,854,000

City of Gulfport Water and Sewer Fund Capital Projects Detail For the Fiscal Year Ending 9/30/2017					
Project	**Description**	**Revised Budget**	**Actual Expenditures**	**Encumb**	**Available**
02787	Phase 7	20,912.00	0.00	0.00	20,912.00
81522	Utility Acquisition	40,893.00	36,931.06	0.00	3,961.94
82562	Seaway Island Water Main Conn	41,523.00	27,948.50	0.00	13,574.50
82575	Fiber Optic Comm Plan	88,607.00	45,004.47	13,652.41	29,950.12
82579	Saucier Ln/Beaulah Church Rd	70,000.00	0.00	0.00	70,000.00
82583	Three Rvrs fr Oneal to Duckworth	68,006.00	21,470.00	45,710.00	826.00
82585	Veh Mounted Camera Truck-lease	55,062.00	0.00	0.00	55,062.00
		385,003.00	131,354.03	59,362.41	194,286.56
05801	Downtown Street Scape Enhance	22,000.00	20,650.16	0.00	1,349.84
82562	Seaway Island Water Main	472,701.00	1,767.50	341,202.50	129,731.00
82564	38th Ave Sewer Project	175,076.00	0.00	0.00	175,076.00
82565	Bayou View Tank Replacement	2,071,700.00	59,675.56	197,561.94	1,814,462.50
82566	Hatten Lane Sewer Improv	683,643.00	633,194.00	24,644.75	25,804.25
82567	Poplar Circle Chamberlain Ave	2,237,518.00	103,143.27	2,075,081.86	59,292.87
82568	Ph 1 West 28th St Water Main	1,049,556.00	474,405.98	506,754.77	68,395.25
82569	Ph 2 West 28th St Water Main	1,622,217.00	26,997.00	142,242.89	1,452,977.11
82570	Retreat Village/Oakleigh	1,554,860.00	660,205.59	847,506.48	47,147.93
82571	Pump Station Rehabilitation	1,253,413.00	91,344.00	1,156,415.50	5,653.50
82572	Benefield Sewer Replacement	1,296,930.00	65,083.57	12,025.48	1,219,820.95
82573	Lyman Gravity Sewer	643,412.00	526,582.24	113,756.97	3,072.79
		13,083,026.00	2,663,048.87	5,417,193.14	5,002,783.99

Note: Detail above is for project balances remaining as of 8-15-16.

City of Gulfport **Water and Sewer Debt Service Fund Proposed Budget** **For the Fiscal Year Ending September 30, 2017**					
	Original	Balance	2017		
Debt Description	Issue	9/30/2016	Principal	Interest	Total
GO Refunding	2,850,000	2,406,000	265,400	105,678	371,078
GO Refunding	3,810,000	475,000	475,000	9,144	484,144
GO Bonds	5,200,000	-	-	-	-
GO Revenue	9,500,000	3,185,000	1,030,000	106,379	1,136,379
GO Project Bond	14,000,000	13,389,000	601,000	385,024	986,024
GO Refunding	18,465,000	16,070,000	2,445,000	766,175	3,211,175
	53,825,000	**35,525,000**	**4,816,400**	**1,372,400**	**6,188,800**
SO Refunding	**47,565,000**	**10,700,000**	**-**	**561,750**	**561,750**
C280743-05	3,229,424	1,462,829	169,961	24,241	194,202
C280743-06	8,093,778	4,766,389	406,559	80,161	486,720
C280743-07-2	2,214,059	1,031,714	116,015	17,128	133,143
C280743-08-2	15,025,311	9,096,996	750,350	153,199	903,549
C280743-09	5,715,121	3,624,388	282,511	61,168	343,679
	34,277,693	**19,982,316**	**1,725,396**	**335,897**	**2,061,293**
Excavator	180,375	61,613	46,067	751	46,818
John Deere Backhoe	86,585	34,340	17,733	588	18,321
2014 Dump Truck	118,531	28,427	28,427	452	28,879
	385,491	**124,380**	**92,227**	**1,790**	**94,017**
Total Water and Sewer Fund		**55,631,696**	**6,634,023**	**1,710,087**	**8,905,860**



Disaster Relief Fund

The City has the Hurricane Fund established to account for resources associated with covering the cost of damages caused by acts of nature such as Hurricanes, Tropical Storms, and Floods. The resources associated with this fund are comprised mostly of Federal Emergency Management Funds (FEMA), Mississippi Emergency Management Funds (MEMA), and City funds which are required for matching purposes.

The scope of these funds center around restoring and rebuilding city owned assets which were damaged by Hurricanes Katrina and Gustav. Examples include rebuilding city owned buildings, restoring water and sewer services to citizens who live along the coastline, and restoring streets and drainage systems throughout the City.

City of Gulfport Disaster Relief Fund Proposed Budget For the Fiscal Year Ending 9/30/2017		
	FYE 2016 Current Budget	FYE 2017 Proposed Budget
Estimated Revenues		
Grants - FEMA & MEMA	1,382,088	1,382,088
Proposed Expenditures		
Work in Progress	920,425	-
Excess/(deficiency) of Revenues over Expenses	461,663	1,382,088

Capital Projects FYE 2017
Disaster Relief Fund
For the Fiscal Year Ending 9/30/2017

030 DISASTER RELIEF

18251 WATER/SEWER REPLACE AREA 1 PW		
18252 WATER/SEWER REPLACE AREA 2 PW		
18256 WATER/SEWER REPLACE AREA 3BPW		
18843 CITY-WIDE PROPERTY -HURR ISA	$	214,520
18846 PIERS - ISAAC PW GCGNS15	$	457,782
18847 JETTIES - ISAAC PW GCGNS16	$	39,233
18890 ADMINISTRATION - OUTSIDE CONS	$	670,553
TOTAL EXPECTED	$	1,382,088

Police Forfeiture and Seizure Fund

This fund is used to account for resources relating to assets which were seized by various law enforcement agencies. These assets fall into two types of categories: County/Local shared and Federal seizures. The federal process is handled by the U.S. Marshall's Service while the County/Local seized assets are handled by municipal and county law enforcement agencies. Drug forfeited assets including both cash and property are subject to strict federal guidelines that dictate the use of these funds and other requirements such as non-supplanting of local funds.

City of Gulfport
Police Forfeiture and Seizure Fund
For the Fiscal Year Ending 9/30/2017

	FYE 2016 Current Budget	FYE 2017 Proposed Budget
Estimated Revenues		
Shared Revenue (Federal and County)	1,258,816	
Proposed Expenditures		
Personal Services	41,402	39,916
Materials and Supplies	95,541	84,499
Other Services and Charges	20,000	13,071
Capital Outlay	1,704,438	1,123,416
Total Proposed Expenditures	1,861,381	1,260,902
Excess/(deficiency) of Revenues over Expenses	(602,565)	(1,260,902)