

Annual Budget



For Year Ending September 30, 2013

City Council Adopted

**City of Gulfport
Annual Budget Proposal**

**Table of Contents
For Fiscal Year Ending September 30, 2013**

	Page
Executive Summary	
General Overview	1-23
General Fund	
Definition, purpose, and general overview	24
Where does the money come from and where does it go?	25
Budget of proposed revenues, expenditures, and change in cash balance.....	26-28
Capital Projects Fund	
Definition, purpose, and general overview	29
Budget of proposed revenues, expenditures, and change in cash balance...	30
Capital Projects Work in Progress	31-33
Police and Fireman's Retirement Fund	
Definition, purpose, and general overview	34
Budget of proposed revenues, expenditures, and change in cash balance...	35
Municipal Debt Service Fund	
Definition, purpose, and general overview	36
Budget of proposed revenues, expenditures, and change in cash balance...	37
Debt Service Schedule	38
Community Development Block Grant	
Definition, purpose, and general overview	39
Budget of proposed revenues, expenditures, and change in cash balance...	40
Community Development activities - Work in Progress	41-43
Self Insurance Funds (Health and General Liability)	
Definition, purpose, and general overview	44
Budget of proposed revenues, expenditures, and change in cash balance...	45
Health Fund	
Budget of proposed revenues, expenditures, and change in cash balance...	46
General Liability Fund	
Joseph T. Jones Fund	
Definition, purpose, and general overview	47
Budget of proposed revenues, expenditures, and change in cash balance...	48

**City of Gulfport
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**Table of Contents
For Fiscal Year Ending September 30, 2013**

Water and Sewer Fund	
Definition, purpose, and general overview	49
Budget of proposed revenues, expenditures, and change in cash balance...	50
Water & Sewer Capital Projects Work in Progress.....	51
Hurricane Fund	
Definition, purpose, and general overview.....	52
Budget of proposed revenues, expenditures, and change in cash balance.....	53
Hurricane Fund activities – Work in Progress.....	54
Police Forfeiture & Seizure Fund	
Definition, purpose, and general overview.....	55
Budget of proposed revenues, expenditures, and change in cash balance.....	56
Supplemental Information	
Current Water / Sewer / Wastewater Treatment Rates with usage Stats.....57	
Coastal monthly water / sewer / Wastewater Treatment / Solid Waste comparison - Other Coastal Cities	
- Assuming 2,000 gallons in monthly consumption.....	58
- Assuming 5,000 gallons in monthly consumption.....	59
- Assuming 20,000 gallons in monthly consumption.....	60



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To: Mayor George Schloegel and Members of the City Council
From: Mike Necaise, Director of Administration and Finance
Date: August 5, 2012
RE: Proposed Budget for Fiscal Year Ending 9-30-2013

Introduction

The Department of Administration and Finance is pleased to submit the proposed budget for fiscal year ending 9/30/2013. 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 over the upcoming and perhaps subsequent years.

As all of us are aware, the past recent years have been very challenging. The City is still expending huge amounts of resources recovering from one of the nation's worst disasters, Hurricane Katrina. The national, state, and local economies are still in the midst of the worst recession recorded in many decades. And on top of that, the entire Gulf South Region was greatly impacted by the worst man-made disaster recorded in history with the British Petroleum oil spill. The speed and timing of this economic recovery appears to be uncertain and experts seem to differ on both its remedy and when the recovery will actually begin. All of this continues to strain the City's finances.

The overall financial condition of the City can be best described as "Continued Stagnation." The uncertainty of the National Economy and the Federal Government's remedy of this problem is hampering private investment; which in turn, results in little to no growth in City revenues. The cost of Insurance and Insurability issues continue to create challenges for both homeowners and local businesses. Also, the City's excessive housing inventory which was created post Hurricane Katrina is hampering our local homebuilders. It has been determined that it will take approximately forty two (42) months before this inventory is consumed. Unemployment is higher than in recent decades and consumer confidence is low which translates to less sales tax dollars going into the City's Treasury. All of this has been creating a "drag" on the local economy and is putting a strain on the City's revenue growth.

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.

Proposed Budget Calendar for 2013 Budget Adoption

- ✓ August 23rd and 28th - Advertisement for notice of tax levy and public hearing.
- ✓ September 4th – Public Hearing and Tax Levy Adoption
- ✓ September 13th – Final Adoption of Budget.

Note: The Administration does not 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 21 in order to meet legal advertisement requirements and deadlines.

Major Issues, Challenges, and Considerations for the 2013 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 Deficit – The most recent completed audit for the City's 2011 fiscal year revealed that the City's General Fund operating essentially at "break-even" with revenues at \$52.8 million and expenditures at \$52.2 million. This was significant as this was the first time since fiscal year 2007 the City operated in the black. It is expected for the current 2012 fiscal year the City will operate with a slight deficit of 2% or \$1 million. Carrying this deficit over into the 2013 year coupled with other significant events as outlined in this section, the City is facing a \$4 million operating deficit for the General Fund provided no action is taken regarding either increasing taxes or reducing costs. 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.

2. Unfunded Federal and State Mandates –

- a. State Retirement System (PERS) – The City of Gulfport and its Employees fall under the jurisdiction and control of the State of Mississippi's Retirement System referred to as the Public Employees' Retirement System or (PERS). Since 2009, the mandatory contribution rate by public entities have increased by nearly 20%; increasing from a 12% contribution rate on wages and salaries to 14.26%. The annual recurring increase in burden to the City and its taxpayers has been approximately \$700,000 since this 2009 rate hike. Also, the City of Gulfport's budget for the upcoming year contains \$4 million in annual contributions for this plan.
- b. Declining Federal Grant Revenue – The City has hired many positions within the Police Department over the past several years that were either wholly or partially funded by federal grants. The typical grant began with funding the entire cost associated with a police officer the first year; however, funding phases out over a four year period. The most recent example of this is the Community Oriented Policing Services Grant. Four (4) officers were hired under this grant in 2009 and their salaries were wholly funded the first year at a cost of approximately \$220,000. For the current 2012 year, this grant will phase out requiring the City to fund these positions in their entirety.

3. 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 includes: Tax incentive programs in designated areas, city beautification (landscaping, fascade grants, streetscapes), and a more developer friendly code department.

4. Harrison County Re-Appraisal of Real Property - Harrison County recently underwent a re-appraisal of real property. This new appraisal will "negatively" impact the upcoming 2013 fiscal year property tax revenues by approximately \$700,000.

5. Asset / Infrastructure Deterioration –

- a. The City's book value of its capital assets totaled \$547,502,000 for the most recent audited year which was year ending September 30, 2011 with infrastructure totaling \$365,000,000 or 67% of this amount. Capital assets include the following: Land, Buildings, Machinery, Equipment, Vehicles, and infrastructure, (i.e. roads, drainage systems, water & sewer systems), etc. Relating to this, the City's annual depreciation expense was \$11.3 million. These amounts are significant as the City currently has no policy in place regarding a perpetual asset lifecycle replacement program. 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. Unaddressed, this only places a larger burden on future generations.

The City's Engineer has identified \$150 million in needed infrastructure renovations and upgrades. Of this amount, \$100 million relates to streets and drainage improvements while the remaining \$50 million relates to water and sewer infrastructure improvements.

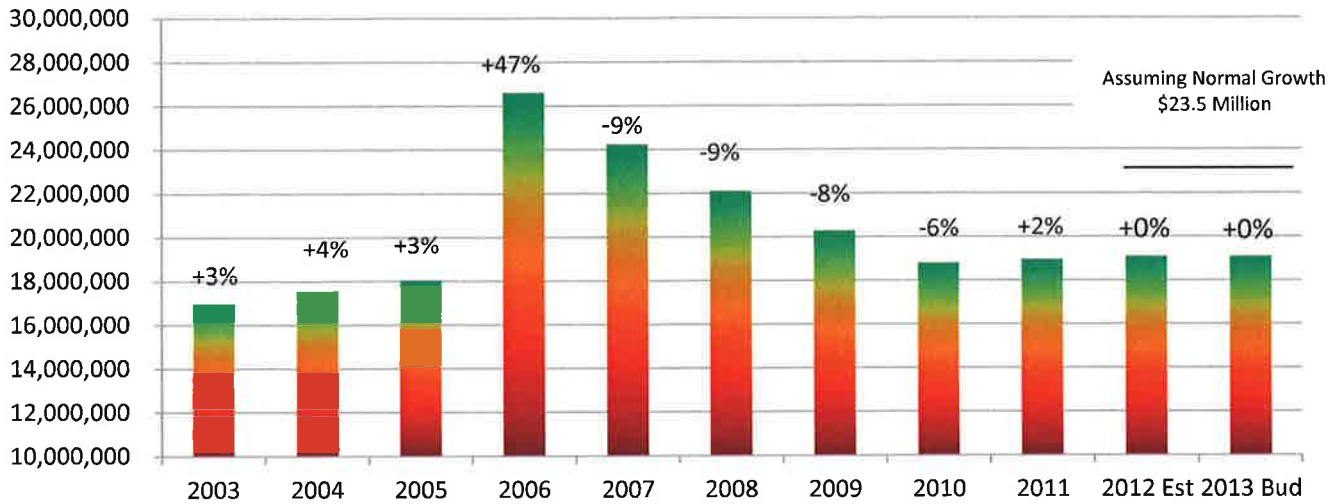
The City recently issued \$10 million in bonds for the purpose of paving and upgrading streets city-wide. This will only address the City's most critical needs relating to street paving.

- b. Technology Replacements and Upgrades Needed – The City's Information Systems Manager has identified \$1.7 million in technology needs. The City has not made any significant upgrades to its computer and related technology systems over the past 10 years. This lack of investment is beginning to have an adverse effect on overall productivity within the City.
 - c. Machinery and Equipment Replacements - Both the City's Public Works Director and Leisure Services Director have expressed their needs for much needed equipment replacements. Most of the equipment in these departments has exceeded their useful lives and the maintenance cost of keeping this equipment operational is significant. The Leisure Services Department is requesting \$850,000 in funding for equipment replacements while the Public Works Department is requesting \$2,600,000.
 - d. 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.
- ✚ It shall be noted that none of the items contained under #5 (a-d) are being funded within this budget.
6. Court Fine Revenue – The City's most recent completed audit for the 2011 fiscal year revealed many issues relating to how the City managed and collected its court fines. Comments from this independent audit are contained below:
 - a. Ability of those engaged in the court fine collection function to manipulated amounts due.
 - b. Lack of standards as to how probation companies serve the municipal court.
 - c. Unsecured Cash Drawers.
 - d. Court Fine Collection Procedures not being followed.
 - e. Lack of accurate accounting records regarding amounts of court fines due to the City.

7. Extremely Low Cash Reserves – The City is projecting \$2.6 million in unobligated cash reserves for its General Fund for the current year ending 9/30/2012. This is “extremely” low as compared to industry standards. 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 \$53.3 million, Gulfport’s cash reserves should be approximately \$8 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 be at low levels; however, Great care should be given over the future to re-establish Gulfport’s unobligated cash reserves to recommended levels.
8. Stagnant Economy – The current FYE 2012 General Fund’s revenue budget is \$55.2 million while the proposed FYE 2013 revenue budget is \$53.3 million; representing a decrease of \$1.9 million or 3.5 %. This decrease in revenue creates challenges in meeting the demands of our citizens.
9. Employee Health Care Fund – The City is mostly self funded with regards to providing health care to its employees. Much positive accomplishment has been made in this area. For the current year 2012 fiscal year, it is expected the City’s Health Care Fund will operate in the black by approximately \$400,000 with revenues expected at \$5.7 million and expenditures at \$5.3 million. Ending 2012 cash reserves are expected at \$2.4 million.
10. Employee Benefits – In the past, it was an acceptable norm that government employees’ wages and salaries would be less than that of what the private sector paid for comparable jobs and the difference would be made up by government employees having a much “richer” benefits package such as health care, retirement, leave time, number of holidays observed, etc. Given the current times we live in, this is no longer the case. The fact is, most of the City’s jobs are now paid equivalent to those in the private sector; however, the benefits package has yet to be modified to be more in-line with the private sector.
11. Claims Contingency Fund – The City is partially self funded in the area of General Liability and Worker’s compensation claims. Typically, the City’s annual claims are somewhere under \$1 million. For the current 2012 year, the City expects to payout over \$1.6 million in claims and judgments which represents an increase of \$600,000 or 60%.
12. Water and Sewer Fund – The City’s water and sewer fund is financially stronger than it has been in many years. For the current 2012 year, it is expected this fund will operate in the black by \$1.1 million with revenues expected at \$30.5 million with expenses at \$29.4 million. For the upcoming 2013 year, a “break-even” budget is being proposed with both revenues and expenses proposed at \$30.7 million while emergency cash reserves are being proposed at \$428,000.

The Local Economy

Annual Sales Tax Revenue History



Sales Tax revenue comprises approximately 36% 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 experienced a significant boom in sales tax revenue post Hurricane Katrina with sales tax increasing from \$18.1 million in 2005 to \$26.6 million or 47% in 2006. It was anticipated that this level would not remain as most of this increase was due to our citizens and others replacing Katrina damaged assets such as homes, vehicles, personal belongings, etc. Years 2007 and 2008 each experienced 9% decreases and this was anticipated; however, the decreases in 2009 and 2010 were not anticipated. The best explanation of this revolves around the national recession, of which, is being experienced by individuals, governmental entities, and private sector businesses throughout the United States. For the upcoming 2013 year, sales tax revenue is expected to remain stagnant with no projected increase expected.

It shall also be noted from the above chart that, assuming normal 3% pre-Katrina growth had continued, Gulfport’s sales tax collections for the upcoming 2013 year would be approximately \$23.5 million or \$4.4 million above the 2013 proposed budget of \$19.1 million.

Although Gulfport’s sales tax revenue has been stagnant for the past year, Gulfport is still considered to be the retail leader of the south with Gulfport sales comprising as much as all of the other four (4) cities in Harrison County combined.

**Staffing Summary Change
Effects from the “Managed Attrition Program”**

The below table illustrates the change in departmental employee counts over the past four (4) years (2009 to 2013.) Since 2009, the City has implemented what has been referred to as a “managed attrition program.” Under this program, as employees left the City, they were not replaced. The related duties were absorbed within other jobs and or departments.

As a result of this program, the City was able to reduce its payroll budget by more than \$5 million and its FTE employee count decreased by 103 or 14%; from 745.5 to 642.5 FTE’s. This has been the City’s single best tool in addressing the challenges outlined at the beginning of this report and balancing its ongoing revenues to expenses.

Staffing Comparison Chart 2009 vs 2013

Department Name	Number of Employees			
	Budgeted FTE Count 2009	Proposed FTE Count 2013	Count Change	% Change
Urban / Economic / Community Development	44	31	(13)	-30%
Utility Billing and Collecting (see note)	24	18	(6)	-25%
Leisure Services	90	71.5	(18.5)	-21%
General Administration	39	31	(7.5)	-19%
Public Works and Engineering	39	32	(7)	-18%
Legal (City Attorney)	11.5	9.5	(2)	-17%
Executive (Mayor)	3.5	3	-0.5	-14%
Police	282.5	248	(34.5)	-12%
Legislative	9	8	(1)	-11%
Judicial (Courts)	27	25	(2)	-7%
Fire	176	165	(11)	-6%
Total FTE Count	745.5	642.5	(103)	-14%

Notes: The utility billing and collecting function was outsourced in 2009 and the City was paying for 24 FTE’s. This number was reduced to 18 when the City brought this back in-house on October 2011.

City of Gulfport Mississippi

**Budget In Brief
Grand Summary of Revenues, Expenses,
and Changes in Cash Balance for Fiscal Year Ending 2013**

	Current 2012 Budget	FYE 2013 Proposed Budget
Estimated Revenues:		
Grants (Federal, State, & Local)	\$112,649,074	\$75,747,358
Charges for Services (water & Sewer, etc)	\$32,837,851	\$33,671,674
Sales Tax	\$19,100,000	\$19,100,000
Property Tax	\$24,102,100	\$23,410,100
Licenses / Permits / Franchise Fees	\$5,619,000	\$5,250,000
Gaming Fees	\$3,200,000	\$3,230,000
Intergovernmental	\$2,334,464	\$1,993,000
Court Fines	\$2,400,000	\$2,380,000
Misc / Other	\$461,888	\$477,695
Total Estimated Revenues	\$202,704,377	\$165,259,827
Other Available Resources:		
Cash – Unobligated (Beginning)		\$5,173,983
Cash – Restricted (Bond & Insurance Proceeds, Etc.)		\$20,446,017
Total Available Resources (Revenues, and Other Available Resources)		\$190,879,827
Proposed Expenses:		
Capital Projects	\$103,350,363	\$69,534,348
Public Works (Operations and Maint)	\$22,417,634	\$23,279,490
Police Protection	\$21,411,944	\$19,642,218
Debt Service (direct and indirect)	\$18,966,000	\$18,680,000
Urban, Community, & Economic development	\$8,075,616	\$8,101,066
Fire Protection	\$12,953,969	\$12,606,451
General Government	\$10,996,565	\$10,512,865
Culture and Recreation	\$6,523,628	\$6,201,351
Total Proposed Expenses	\$204,695,719	\$168,557,789
Proposed Cash – Unobligated (Ending)		\$4,153,038

Financial Overview

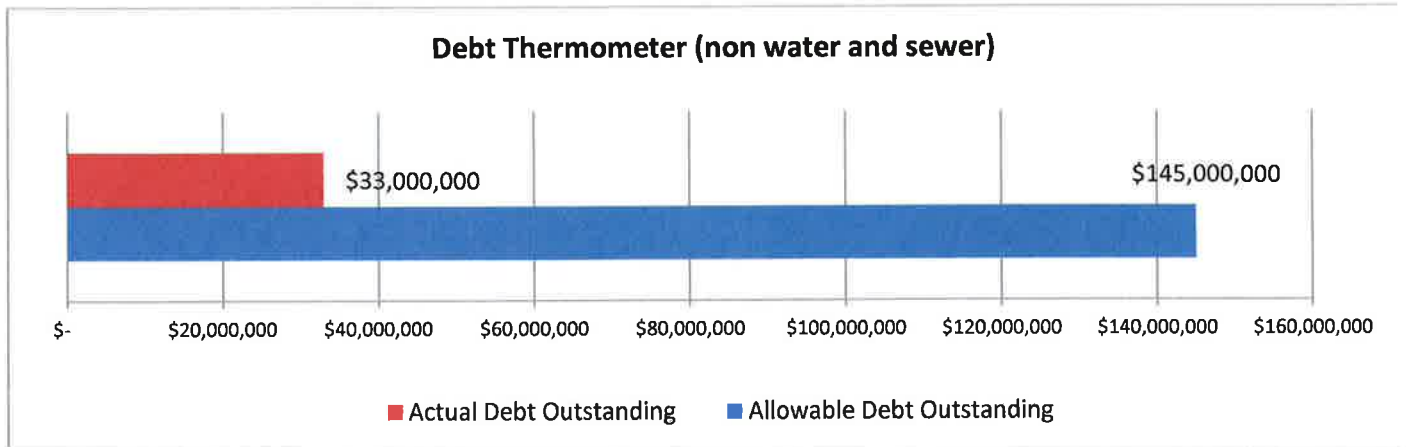
Debt Management

The City currently has \$110 million in “direct” outstanding debt consisting of \$33 million relating to debt being supported by property taxes for purposes of maintaining and upgrading streets, bridges, drainage systems, and parks; while, \$77 million is related to water and sewer infrastructure expansions and upgrades. Additionally, the City is responsible for approximately \$60 million in debt through the Harrison County Utility Authority bringing the total debt being serviced by the City to around \$170 million. Total direct debt interest and principal payments will cost \$13.7 million for the upcoming year (Water and Sewer \$8.4 million; Tax Supported \$5.3 million). Note: none of these amounts contained herein reflects new debt issuances being proposed.

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 2013 absent of any new debt issuances.

FYE 2013 Gross Assessed Valuation	\$725,000,000
Times 20% Allowable	<u>*20%</u>
Allowable Debt Outstanding – 15% Rule	\$145,000,000
Actual Debt Outstanding	<u>\$33,000,000</u>
Debt Margin – Borrowing Capacity	\$112,000,000



Gulfport is currently at 23% of capacity which allows for \$112 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.

Notes and Considerations impacting future debt capacity:

1. The Hurricane Katrina Community Disaster Loan will become due in FYE 2016 in the amount of approximately \$21 million and will need to be funded through current operations and or the issuance of additional debt.
2. FEMA ineligible funded projects are estimated at \$4 million will need to be funded through current operations and or the issuance of additional debt.

Both of the above items will need to be considered when determining the maximum amount of new debt available to be incurred absent of an ad valorem tax increase or restructure of existing debt.

Capital Projects

For the upcoming 2013 fiscal year, the City intends to carryover a total of \$69.2 million in unspent capital projects which are in the “work in progress” stage while no new funding for capital projects is being proposed for the upcoming year. It shall be noted that the recently approved \$10 million street paving project is included in the below amount entitled Capital Projects Funds.

Funding Source(s)	Amount
FEMA / <i>Hurricane</i> Katrina Recovery	\$35,252,043
CDBG / Katrina Supplemental Relief	\$7,975,189
Capital Projects Funds – Bond Issues, General Fund Transfers, Grants, Etc	\$23,641,197
Water and Sewer	\$1,804,164
Other / Katrina Insurance Funds	\$480,589
	\$69,153,182
Total Capital Projects Funding	

Contributions to Not for Profit Agencies

The below list contains proposed funding amounts for various agencies who are considered not-for-profits and who either perform a service for the Citizens of Gulfport or promote economic development activities throughout Gulfport.

Agency Name	Amount Proposed
Harrison County Library System	\$303,692
Coast Transit Authority	\$275,000
Harrison County USM Bond Payment	\$52,000
Gulf Regional Planning	\$30,943
Cruisin the Coast	\$15,000
Gulfport Main Street	\$22,500
Harrison County Soil and Conservation	\$15,000
Memorial Day Concert (sounds by the sea)	\$10,000
Fairgrounds Horseshow	\$7,500
Gulf Coast Mental Health	<u>\$10,000</u>
Total	\$741,635

Other Considerations:

It is the Administration’s understanding that the City is in a rotation to host both the Martin Luther King Parade and the Veteran’s Parade for the upcoming year. The cost of these events are not included in the above amounts and must be considered at the appropriate time.

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 is 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.

General Fund Financial Summary
2012 Revised Budget versus 2013 Proposed Budget

	2012 Revised Budget	2012 Estimated Actual	2013 Adopted Budget
Operating Revenues	\$55,225,317	\$53,898,095	\$53,323,343
Operating Expenses	\$56,569,160	\$54,996,052	\$54,200,647
Excess / (deficiency) of revenues over expenditures	<u>(\$1,343,843)</u>	<u>(\$1,097,957)</u>	<u>(\$877,304)</u>
Other Financing Sources and Uses:			
Unobligated Cash – Beginning		\$3,100,000	\$2,674,996
Transfers in from other funds	\$472,079	\$472,079	
Transfers out to other funds	(\$199,126)	(\$199,126)	(\$271,446)
Sale of Real Estate		\$400,000	
Unobligated Cash – Ending		<u>\$2,674,996</u>	<u>\$1,526,246</u>

The above General Fund Financial Summary reflects a small deficit for 2013 with projected revenues falling short of expenditures by \$877,000 or 2% for the upcoming year. Gulfport’s General Fund budget is approximately the same in terms of overall dollars as compared to six (6) years ago, year ending 2007. It is hopeful the local economy will begin to grow so this budget gap can be closed.

It shall be noted the amount of \$271,446 contained above classified as “transfers out to other funds” is to subsidize the City’s Harbor Operations for the upcoming year as available resources are expected to fall short until new boat slips are leased and land leases are secured. The City’s Harbor was completely destroyed by Hurricane Katrina and the City has been in the re-building mode since. The new harbor is state-of-the-art and contains 319 boat slips. Approximately 30% of these slips are currently leased.

FYE 2013 General Fund Budget Deficit Reduction Plan

Revenue Enhancements:

1. Revenue Enhancements (Courts) - \$400,000 in additional annual recurring revenue.

The City is proceeding with outsourcing its court fines collection function. With improved efficiencies, it is expected that increased revenue will be realized. A request for proposal is currently being formulated and will be solicited in the near future to prospective companies who specialize in this area. The goal is to have an outside company performing this function no later than January 2013.

2. Lease / Rental Revenue - \$740,000 in additional annual recurring revenue.

- a. (Casino) - \$600,000 in additional annual recurring revenue from leasing city property adjacent to Jones Park to a prospective casino development. It is hopeful this development will get approved by the regulatory agencies within the very near future.
- b. Revenue from City owned Real Estate – \$140,000 in additional revenue can be derived from leasing the following City owned properties: North Gulfport Police Substation, Orange Grove Police Substation, Centennial Museum (Depot), Grasslawn, and Struther’s Property. The City shall also explore the option of selling some of its real estate outside those properties listed above.

Expenditure Reductions:

3. Legislative (Council) - \$25,557 in reductions
 - a. Eliminate position of Deputy Council Clerk
 - b. Add \$25,602 to capital outlay.
4. Legal (City Attorney) - \$391,741 in reductions
 - a. Reduction of one position (Assistant City Attorney) -
 - b. Reclassification of one position of Prosecutor from full-time to part-time
 - c. Decrease Outside Legal Fees by \$192,700 (from current amount of \$342,700 to \$150,000)
 - d. Other misc reductions
5. Urban Development – \$248,899 in reductions
 - a. Reduction of (1) one position in code enforcement
 - b. Reduction of (1) one position (Permitting Mgr)
 - c. Reduction of (1) one position (planner)

- d. Reduction of (1) one position (Bs / Liason Coordinator)
6. General Administration - \$178,628 in reductions
- a. Reduction of (1) position (Purchasing Clerk)
 - b. Other misc Reductions which mostly consist of outside consultants.
7. Fire Department – \$197,365 in reductions
- a. Eliminate (3) three positions – Engineer Rank
8. Public Works - \$369,000 in reductions
- a. Eliminate a construction crew in the Streets and Drainage Division – The City added an additional construction crew when the most recent privatization contract was awarded on October 2011. It is proposed to eliminate this additional crew. This worked can be outsourced on an as-need-basis when funding is available.
 - b. Eliminate a trash pick- up crew in Streets and Drainage Division – This work is being handled by the City’s current solid waste pick-up and disposal contractor. A new County wide contract was recently negotiated between the Harrison County Utility Authority and Waste Pro. This new agreement allows for unlimited trash pick-up in our City inclusive of vacant lots.
9. Police - \$543,609 in reductions.
- a. Eliminate 9 sworn police offer positions
 - b. Eliminate 1 Community Service Tech position
 - c. Eliminate 1 Dispatcher position
- Note: of the above 11 positions proposing to be eliminated, all are currently vacant.
10. Leisure Services – \$86,748
- a. Eliminate 1 Arts and Crafts Instructor for Seniors
 - b. Eliminate 1 Part Time Rec Aid Position in Leisure Services
 - c. Reduce Landscaping Supplies in Beautification by \$35,000

**Water and Sewer Fund Financial Summary
2012 Revised Budget versus 2013 Proposed Budget**

	2012 Revised Budget	2012 Estimated Actual	2013 Proposed Budget
Operating Revenues	\$30,039,805	\$30,545,000	\$30,731,000
Operating Expenses	\$30,487,808	\$29,357,790	\$30,603,195
Excess / (deficiency) of revenues over expenditures	(\$448,003)	\$1,187,210	\$127,805
Other Financing Sources and Uses:			
Unobligated Cash – Beginning Transfers in from Other Funds			\$300,000
Unobligated Cash – Ending			\$427,805

Notes:

1. The above amounts do not include water and sewer capital projects which are in the work in progress stage amounting to \$1.8 million. The balances remaining on these projects will carry over into the new 2013 year.
2. The City’s water and sewer fund is financially stronger than it has been in many years. For the current 2012 year, it is expected this fund will operate in the black by \$1.1 million with revenues expected at \$30.5 million and expenses at \$29.4 million. For the upcoming 2013 year, essentially a “break-even” budget is being proposed with revenues proposed at \$30.7 million and expenses at \$30.6 million.
3. **No rate adjustments are being proposed for the upcoming year for this fund.**
4. Some highlights contained in the water and sewer fund’s budget for the upcoming year are:
 - a. \$350,000 in new funding for various supplies to be used by “in-house” construction crews.
 - b. \$200,000 in new funding for annual routine water meter calibrations and replacements. This is critical to ensure meter accuracy. Old outdated meters result in lost revenue.
5. The City Engineer has identified \$50 million in water and sewer infrastructure needs along with in excess of \$1 million for machinery and equipment replacements. Also, more than \$23 million will be needed for upgrading / replacing the Gulfport South Treatment Plant so that it meets current EPA standards. None of the funding associated with this is included within this budget.

Employees' Health Care Fund

	2012 Revised Budget	2012 Estimated Actual	2013 Proposed Budget
Operating Revenues	\$1,826,000	\$1,424,588	\$1,022,148
Operating Expenses	\$6,144,401	\$5,260,973	\$5,498,205
Excess / (deficiency) of revenues over expenditures	(\$4,318,401)	(\$3,836,385)	(\$4,476,057)
Other Financing Sources and Uses:			
Unobligated Cash – Beginning	\$2,400,000	\$2,400,000	\$2,412,016
City Contributions	\$4,318,401	\$4,318,401	\$4,073,617
Transfers out to General Fund	(\$470,000)	(\$470,000)	
Unobligated Cash – Ending		\$2,412,016	\$2,009,576

Notes:

1. The Financial Condition of the Employees' Healthcare fund is very solid with 2012 projected unobligated cash balance at \$2.4 million which represents 5 months worth of operating expenses.
2. Given the strong financial condition of this fund and assuming this trend continues, an employee rebate is being proposed whereby the City will actually issue a rebate check to participating qualifying employees. The terms and conditions of this are as follows:
 - a. Must have been a working active participative employee enrolled on the City's Insurance Plan as of 10/1/2011 through 9/28/12.
 - b. Rebate amount will be for three (3) months worth of employee's average contribution during the time frame identified in "a".
 - c. Each Rebate check will range from \$78 to \$1,293 depending upon plan and medical option selected.
 - d. Rebate checks will be issued on November 15, 2012.
 - e. Total cost of this rebate program will be less than \$400,000.

Future Economic Development Activities on the Horizon

- ✚ The City has issued building permits with a total construction value of \$33 million over the past 10 months. These projects consist of a mixture between commercial, residential, and quasi government construction. These new construction projects should be realized on the tax rolls in January 2014 and will produce in excess of \$160,000 in annual ad valorem taxes.
- ✚ New hotels are in various stages on the beachfront along highway 90. One prospective hotel is reportedly in the final planning stage to be located in the Mississippi City area of east Gulfport. This project will be within the \$4 - \$5 million range and could be permitted for construction in 2012. One hotel is under construction in west Gulfport and we anticipate a major upgrade and addition to the Marriott on the beach
- ✚ Additionally, initial plans are being prepared for a multi use development at the City's main interstate corridor of interstate 10 and highway 49. This development will include 3 hotels with a total of 360 rooms and two major restaurant chains. Additional property will also be available for future development within the project area.
- ✚ A second casino and resort hotel is on the near horizon. The City has been working with Rotate Black Gaming Company regarding submission of plans and specifications for a gaming project located south of the Gulfport Harbor. Land leases have already been signed between the City, Rotate Black, and adjacent landowners. The initial phase will include an investment of \$83 million in site improvements and a 205 room multi level hotel. Phase two (2) will include a 500 space multi level parking garage and phase three (3) will include a 38,000 in additional casino gaming space. Upon approval by the Mississippi Gaming Commission, phase one (1) is expected to break ground within the next several months with a nine (9) month expected construction duration. Without a doubt, this project will certainly have a significant positive economic impact to the City of Gulfport.
- ✚ Downtown Revitalization - Downtown Gulfport recently completed one of the largest façade programs in U.S history. The \$4.4 million program remade nearly 80 building fronts in the downtown district. Another \$7.6 million is being spent on downtown infrastructure such as lighting and boulevard upgrades, new and improved sidewalks, landscaping, paving, utility enhancements and relocations, and etc. This project is almost complete and the payback has been significant. Many new restaurants now operate within the downtown district and many more are slated to come. Gulfport is slowly becoming the headquarters for many corporations and nightlife has never been stronger.

- ✚ Centennial Plaza – The City received a 92 acre beachfront site from a donation from the Department of Veterans Affairs following Hurricane Katrina. This site contains 10 “historic” buildings dating back to 1917. These buildings are enormous in both size and architecture featuring a Spanish theme in a campus style layout. The Gulfport Redevelopment Commission has recently entered into a long term lease with Glastonbury Properties to develop the site.
- ✚ State Port At Gulfport – The Port At Gulfport is currently in the midst of a \$1.6 billion expansion. Once complete, this port is expected to: create 1,200+ direct jobs; generate \$10 billion in added personal incomes; and produce \$1.6 billion in direct revenue to the local economy.
- ✚ Gulfport Highlands-Gulfport Highlands has broken ground with the first building that is located on Highway 605 north of I-10. The development will consist of 120,000 square feet of office space and 200,000 square feet of retail space. Additionally, the Highway 605 corridor continues to develop with a Walgreens locating at the Southeast Corner of Pass Road and Cowan Road.

Future Issues, Concerns, and Uncertainties

1. Payback of Community Disaster Loan

On December 8, 2005 the City applied for and received \$16.4 million in Federal Loans to be used for basic operating cost that was essential in the wake of Hurricane Katrina. These funds accrue interest at a rate of 2.70% per year and were suppose to be repaid five years following the storm.

Approximately two years ago, the City underwent a financial review by FEMA to test for loan forgiveness eligibility. The result of this review was that the City, unlike other governmental entities, did not meet the requirements for loan forgiveness. On a positive note, the City requested and was granted an additional 5 year deferment on this loan payback. With this 5 year deferment, the due date of this loan is Jan 2, 2016. Interest is accruing at a rate of approximately \$37,000 per month. Unless Congressional Payback forgiveness is granted, the estimated payoff balance on the due date of Jan 2, 2016 will be \$21 million.

The City must begin to make preparation in future years' budgets to schedule the payback of these loans. This entails issuing little to no additional long term debt over the next several years to ensure there is sufficient bonding capacity for addressing this Community Disaster Loan repayment.

2. 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 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 must begin to make preparation in future years' budgets to fund these FEMA ineligible projects.

3. Infrastructure Deterioration and Obsolescence

The City's Engineer has identified \$150 million in needed infrastructure renovations and upgrades. Of this amount, \$100 million relates to streets and drainage improvements while the remaining \$50 million relates to water and sewer infrastructure improvements.

The City's book value of its capital assets totaled \$547,502,000 for the most recent audited year which was year ending 2011 with infrastructure totaling \$365,000,000 or 67% of this amount. Capital assets include the following: Land, Buildings, Machinery, Equipment, Vehicles, and

infrastructure, (i.e. roads, drainage systems, water & sewer systems), etc. Relating to this, the City's annual depreciation expense was \$11.3 million. These amounts are significant as the City currently has no policy in place regarding a perpetual asset lifecycle replacement program. Depreciation is an important and often underutilized tool in the financial planning process and should become a recurring expense item in future budgets to ensure assets are replaced as their useful lives become expired. Unaddressed, this only places a larger burden on future generations.

4. Technology Replacements and Upgrades Needed – The City's Information Systems Manager has identified \$1.7 million in technology needs. The City has not made any significant upgrades to its computer and related technology systems over the past 10 years. This lack of investment is beginning to have an adverse effect on overall productivity within the City.
5. Machinery and Equipment Replacements - Both the City's Public Works Director and Leisure Services Director have expressed their needs for much needed equipment replacements. Most of the equipment in these departments has exceeded their useful lives and the maintenance cost of keeping this equipment operational is significant. The Leisure Services Department is requesting \$850,000 in funding for equipment replacements while the Public Works Department is requesting \$2,600,000.
6. 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.
7. 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 must continue to review and revise its zoning, architectural and construction standards, and business incentive packages in order to attract new businesses.

8. 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 post Katrina, and 5) the overall uncertainty of what the future holds is a recipe for financial and economic challenges.

Sales Tax is vital to the City's well-being with it making up 36% 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 thank 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 "heavy lifting" has been easy.

Also, I would like to thank the Mayor and City Council in expressing their opposing views on this budget. As a result, much "healthy" public debate took place; which in turn, provided an appropriate forum for citizens to learn about the financial and economic challenges facing this City.

Sincerely,

A handwritten signature in blue ink that reads "Mike Ncaise".

Mike Ncaise

Director of Administration and Finance

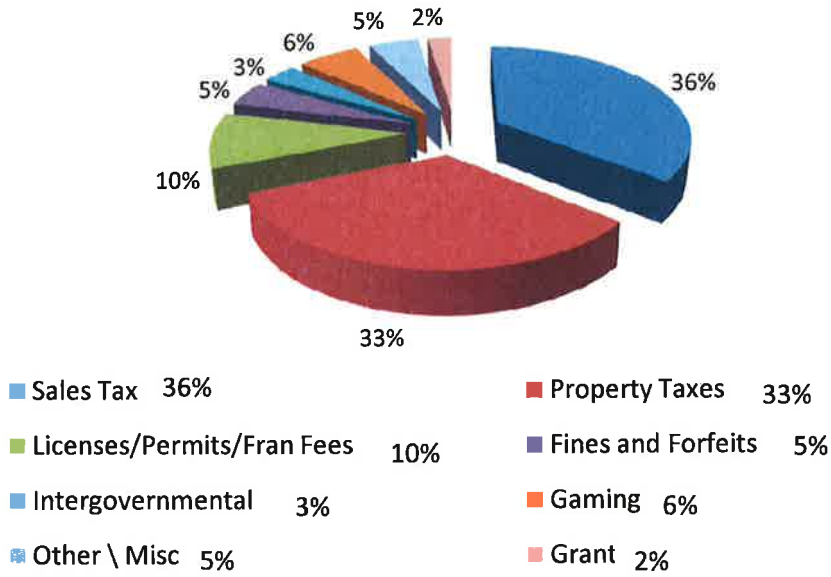


GENERAL FUND

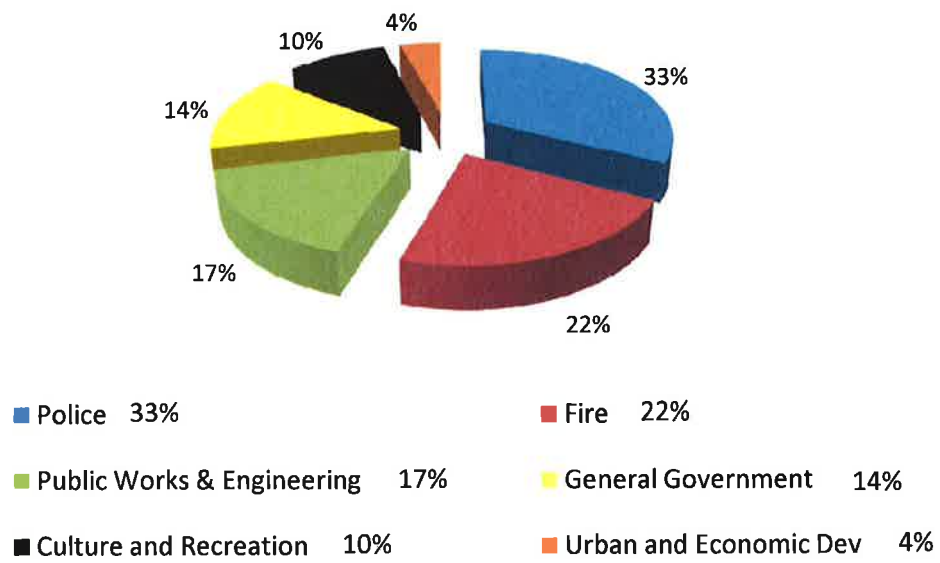
The General Fund is the City's largest fund and is used to account for all activities that are traditional in nature to governmental entities and which are not required to be accounted for in another fund. Examples of General Fund activities include the following:

- 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 is Building Code, Planning and Zoning, and Code Enforcement.

**General Fund Revenue
Where Does the Money Come From?**



**General Fund Expenditures
Where Does the Money Go?**



City of Gulfport
 General Fund Proposed Budget
 For Fiscal Year Ending 9/30/2013

	FYE 2012 Current Budget	FYE 2012 Estimated Actuals	FYE 2013 Council Adopted Budget
Operating Revenues			
1	Sales Tax	19,100,000	19,100,000
2	Property Tax	18,010,000	17,683,000
3	Licenses, Permits, & Franchise Fees	5,619,000	5,250,000
4	Gaming Fees	3,200,000	3,230,000
5	Grants (Federal, State, Local)	2,648,078	1,255,736
6	Court Fines	2,400,000	2,380,000
7	Intergovernmental	1,712,000	1,796,000
8	Charges for Service / Rents / Leases	2,315,046	2,391,607
9	Misc / Other	221,193	237,000
10	Total Operating Revenues	<u>55,225,317</u>	<u>53,323,343</u>
Operating Expenses			
11 Executive (Mayor)			
12	Personal Services	263,160	264,919
13	Material and Supplies	3,960	3,960
14	Other Services and Charges	28,154	28,961
15	Capital Outlay		
16	Total Executive	<u>295,274</u>	<u>297,840</u>
17 Legislative (Council)			
18	Personal Services	373,372	316,540
19	Material and Supplies	5,700	5,700
20	Other Services and Charges	68,621	71,116
21	Capital Outlay	-	25,602
22	Total Legislative	<u>447,693</u>	<u>418,958</u>
23 Judicial (Courts)			
24	Personal Services	1,171,242	1,144,449
25	Material and Supplies	58,241	53,104
26	Other Services and Charges	586,757	549,658
27	Capital Outlay	4,983	4,983
28	Total Judicial	<u>1,821,223</u>	<u>1,747,211</u>
29 Legal (City Attorney)			
30	Personal Services	948,419	732,539
31	Material and Supplies	5,020	5,800
32	Other Services and Charges	484,904	333,541
33	Capital Outlay	-	-
34	Total Legal	<u>1,438,343</u>	<u>1,071,880</u>

	FYE 2012 Current Budget	FYE 2012 Estimated Actuals	FYE 2013 Council Adopted Budget
35 Administration and Finance			
36 Personal Services	2,170,613	2,124,000	2,091,885
37 Material and Supplies	83,925	80,000	123,835
38 Other Services and Charges	1,530,161	1,530,161	1,588,810
39 Capital Outlay	59,207	59,207	
40 Total Administration and Finance	<u>3,843,906</u>	<u>3,793,368</u>	<u>3,804,530</u>
41 Public Transportation	<u>381,280</u>	<u>381,280</u>	<u>305,943</u>
42 Police			
43 Personal Services	15,103,137	14,600,000	14,742,927
44 Material and Supplies	1,426,211	1,350,000	1,174,000
45 Other Services and Charges	2,340,400	2,590,000	1,959,825
46 Capital Outlay	84,616	84,616	
47 Total Police	<u>18,954,364</u>	<u>18,624,616</u>	<u>17,876,752</u>
48 Fire			
49 Personal Services	11,085,053	11,000,000	11,122,975
50 Material and Supplies	454,851	370,000	454,851
51 Other Services and Charges	534,780	534,780	541,075
52 Capital Outlay	258,935	258,935	
53 Total Fire	<u>12,333,619</u>	<u>12,163,715</u>	<u>12,118,901</u>
54 Public Works			
55 Personal Services	1,363,204	1,358,000	1,811,678
56 Material and Supplies	1,362,138	1,424,000	1,362,138
57 Other Services and Charges	3,950,021	3,815,000	3,620,695
58 Capital Outlay	53,920	23,220	
59 Total Public Works	<u>6,729,283</u>	<u>6,620,220</u>	<u>6,794,511</u>
60 Engineering			
61 Personal Services	491,488	485,000	487,437
62 Material and Supplies	19,700	17,000	19,700
63 Other Services and Charges	1,590,739	1,453,000	1,591,150
64 Capital Outlay	-	-	-
65 Total Engineering	<u>2,101,927</u>	<u>1,955,000</u>	<u>2,098,287</u>
66 Leisure Services			
67 Personal Services	3,293,670	3,100,000	3,084,371
68 Material and Supplies	772,646	750,000	735,981
69 Other Services and Charges	1,711,897	1,700,000	1,560,486
70 Capital Outlay	8,530	8,530	-
71 Total Leisure Services	<u>5,786,743</u>	<u>5,558,530</u>	<u>5,380,838</u>
72 Urban Development			
73 Personal Services	1,854,383	1,760,000	1,577,830
74 Material and Supplies	41,555	35,000	41,555
75 Other Services and Charges	342,740	236,800	468,531
76 Capital Outlay	-	-	-
77 Total Urban Development	<u>2,238,678</u>	<u>2,031,800</u>	<u>2,087,916</u>

	FYE 2012 Current Budget	FYE 2012 Estimated Actuals	FYE 2013 Council Adopted Budget
78 Economic Development			
79 Personal Services	74,763	74,763	75,083
80 Material and Supplies	5,300	500	5,300
81 Other Services and Charges	116,764	90,000	116,697
82 Capital Outlay	-	-	-
83 Total Economic Development	<u>196,827</u>	<u>165,263</u>	<u>197,080</u>
84 Total Operating Expenses	<u>56,569,160</u>	<u>54,996,052</u>	<u>54,200,647</u>
85 Excess / (deficiency) of Revenues over Expenditures	<u>(1,343,843)</u>	<u>(1,097,957)</u>	<u>(877,304)</u>
86 Other Financing sources and uses			
87 Unobligated Cash - Beginning		3,100,000	2,674,996
88 Operating Transfers in from Other Funds (see note 1)	472,079	472,079	
89 Operating Transfers out to Other Funds (see note 2)	(199,126)	(199,126)	(271,446)
90 Sale of Real Estate (MDOT / Sportsplex)	-	400,000	
91 Unobligated Cash - Ending		<u>2,674,996</u>	<u>1,526,246</u>
			1,526,246

Note:

1. Operating transfers in from other funds is from the City's Health Insurance Fund.
2. Operating transfers out to other funds is to subsidize the City's Harbor Operations.



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 Proposed Budget
For Fiscal Year Ending 9/30/2013**

	FYE 2012 Current Budget	FYE 2013 Proposed Budget
Estimated Revenues		
Grants - (Federal, State, & Local)	\$11,744,546	\$10,312,990
Other Revenue	<u>\$240,695</u>	<u>\$240,695</u>
Total Projected Revenues	<u>\$11,985,241</u>	<u>\$10,553,685</u>
Proposed Expenditures		
Capital Projects Fund - Work In Progress	\$26,346,095	\$23,641,197
Capital Projects Fund - FYE 2013 Newly Funded	<u> </u>	<u>\$0</u>
Total Proposed Capital Projects Expenditures	<u>\$26,346,095</u>	<u>\$23,641,197</u>
Excess / (deficiency) of Revenues over Expenses	<u>(\$14,360,854)</u>	<u>(\$13,087,512)</u>
Other Financing sources and uses		
Unobligated Cash - Beginning	\$0	\$0
Restricted Cash and Bond Proceeds	\$3,201,790	\$12,537,512
Bond / Loan Proceeds	\$10,550,000	\$550,000
Transfers in from other funds	\$609,064	\$0
Transfers out to other funds	<u>\$0</u>	<u> </u>
Unobligated Cash - Ending	\$0	\$0

Note: Other Capital Projects are contained in the Water and Sewer Fund, CDBG Fund, FEMA Fund and Insurance Fund

Capital Projects FYE 2013 Work In Progress

Capital Projects Fund		FYE 2013 Work In Progress
02202	3 Rivers-North-Creosote to Seaway	213,946
02203	Crosote / Three Rivers /US49 / Airport	38,140
02341	Seaway Rd Widening - TEA 21	1,763,097
02353	Lorraine Rd Bridge @ Fritz Creek	49,369
02354	Airport Rd Outfall 2005	2,195
02382	JT Jones Memorial Park	8,989
02383	Parks - Recreation - Greenspace	136
02386	Jones Park / Harbor Imp 2007	1,011,885
02387	Downtown Revitalization 2007	78,569
02388	Hwy 90 Lighting 2007	5,862
02389	EPA Stormwater	268
02393	28th Street Widening	370,143
02394	Lorraine Rd Bridge @ Biloxi River	157,535
02395	Debuys Rd Emp Engineering	28,667
02396	Water and Sewer Study - Hwy 90	19,400
02402	Artimese Tuggle Community Center 2007	41,500
02405	Dedeaux Rd Widening Phase 2 Eng	1,617,050
02406	Turkey Creek CIAP	8,815
02407	West Side Park	10,239
02410	Orange Grove Comm Center	78,550
02411	FEMA Area 1,2,3 Easements	156,972
02413	Forrest Heights Levee Repairs NRCS 2007	260,473
02431	Pass Rd Widening East of Cowan	5,860
02434	Loren D Heights Drainage	1,146
02443	Goldin Sportplex Drainage	261
02444	Jones Park Lighting and Infrastructure	434,690
02459	Fire Station #9 Land	1,407
02460	Façade Grant - City hall	42,095
02464	City Hall Impr	56,667
02468	A & E Fees Fire Station #9	12,200
02469	Fire Station #7 Improvements	92,711
02470	Cuandet Rd Improvements	80,886
02476	Fire Station #10 Improvements	27,468
02477	Fire Station #3 Improvements	12,187
02478	Jones Park Infrastructure 2009	20,937
02480	Harbor Master Bulkhead	214,221
02483	Street Paving 2009	82,298

FYE 2013 Work In**Capital Projects Fund****Progress**

02484	19th St Comm Ctr	33,816
02489	VA North Property Imp	2,742
02490	SR 601 Utility Relocate 007B	513,589
02491	SR 601 Utility Relocate 007A	965,700
02493	Dept of Energy AARA Funds	155,278
02499	Mobile Stage	500
02500	Mills and Engram Sidewalks	12,910
02501	SR 601 Sec 008 Utility Relocate	1,992,129
02744	Property Acq South of Tracks	21,484
02746	Pavilion Repairs - Katrina	1,954
02748	Harrison Co Dist 4 Paving Projects	42,585
02751	HWY 90 Street Lighting Phase 2	9,764
02753	3 rivers road widening - Klein to Oneal	901
02754	Harrison Co Dist 2 Paving Projects	533
02755	Centennial Museum	122,515
02757	MFC - HWY 605 Landscaping	15,000
02759	Struthers Property Imp	133,303
02761	NRCS Flat Branch Repair - N of Oneal	561,659
02762	Ward 2 Parks / Rec / Greenspace	90,000
02765	Jones Park Imp - Barksdale Donation	503,114
02769	East Taylor Rd Imp	7,519
02770	Jones Park Imp - Seal Donation	250,000
02771	Bayou Circle Drainage	51,500
02774	Tidelands - 2012 - Yacht Basin	300,000
02775	Ward 1 Parks Imp	20,000
02776	Streets / Drainage Proj 2012	314,807
02777	Bayou View Sidewalks	44,991
NEW	Street Paving 2012 Bond Issue	10,000,000

Subtotal Capital Projects	23,175,127
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Public Improvement 1998 Fund

01033	Hardy Court Shopping Ctr Sewer	691
04011	EPA Stormwater Phase 2 - 2011	29,691

Subtotal Public Improvement 1998 Fund	30,382
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Public Improvement 2001

08001	Orange Grove Park	758
08003	Sports Complex	5,919

Capital Projects Fund		FYE 2013 Work In Progress
08006	Pass Road Widening - East of Cowan	<u>117,000</u>
	Total Public Improvement 2001	123,677
Public Improvement 2003		
01013	28th Street Five Lane TEA 21	156,696
01020	3 Rivers North - Creosote to Seaway	74,206
01026	Street Paving	11,402
01032	Oneal Rd Widening Phase 2	40,486
01033	Hardy Court Shopping Ctr Sewer	5,357
02379	51st Street & Woodhaven Drainage	15,823
02455	Collins Blvd Drainage	7,075
02492	3 Rivers Widening Klein to Windsong	<u>966</u>
	Total Public Improvement 2003	312,011
	Grand total Capital Projects Work In Progress	23,641,197

POLICE AND FIREMENS' RETIREMENT FUND



This fund is used to account for tax revenues legally restricted for funding the police and firemens' 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 Fiscal Year Ending 9/30/2013

	FYE 2012 Current Budget	FYE 2013 Proposed Budget
Estimated Revenues		
General Property Taxes	\$1,206,100	\$943,100
Shared Revenue	<u>\$34,600</u>	<u>\$32,000</u>
Total Revenues	<u>\$1,240,700</u>	<u>\$975,100</u>
 Proposed Expenditures		
PERS Contributions	<u>\$1,240,700</u>	<u>\$975,100</u>
Excess / (deficiency) of Revenues over Expenses	<u>\$0</u>	<u>\$0</u>

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 Fiscal Year Ending 9/30/2013**

	FYE 2012 Current Budget	FYE 2013 Proposed Budget
Estimated Revenues		
General Property Taxes	\$4,886,000	\$4,784,000
Shared Revenue	\$140,000	\$165,000
Total Revenues	\$5,026,000	\$4,949,000
 Proposed Expenditures		
Debt Service Payments	\$4,816,000	\$5,330,000
Excess / (Deficiency) of Revenues over Expenditures	\$210,000	(\$381,000)
 Other Financing and Sources / Uses		
Unobligated Cash - Beginning		\$3,800,000
Unobligated Cash - Ending		\$3,419,000

City Of Gulfport
Debt Service Schedule
Fiscal Year Ending 9-30-13

Bond and Interest Fund # 701

Bond Description	Original Issue	Issue Date	Maturity Date	Interest Rate	Outstanding Principal 10-01-12	FYE 13 Principal Payment	FYE 13 Interest Payment	Total FYE 13 Debt Payment	Outstanding Principal 9-30-13
G/O Public Improvement 1998	6,000,000.00	07/01/98	07/01/18	4.920%	2,510,000.00	365,000.00	124,385.00	489,385.00	2,145,000.00
MS Development Loan PI 2001	9,100,000.00	01/01/01	01/01/21	3.000%	4,653,313.07	470,349.96	100,000.00	570,349.96	4,182,963.11
G/O Refunding 2002 (1993)	9,580,000.00	12/30/02	04/01/13	3.900%	1,195,000.00	1,195,000.00	29,875.00	1,224,875.00	0.00
G/O Public Improvement 2003	5,000,000.00	04/01/04	04/01/23	5.000%	3,280,000.00	235,000.00	125,652.50	360,652.50	3,045,000.00
G/O Refunding 2004 (1996)	6,160,000.00	08/04/04	12/01/15		2,690,000.00	630,000.00	94,570.00	724,570.00	2,060,000.00
G/O Bonds, Series 2007	10,000,000.00	10/01/07	09/30/27	6.000%	8,670,000.00	375,000.00	344,432.50	719,432.50	8,295,000.00
MS Development Loan PI 2012	10,000,000.00	07/01/12	07/01/22	4.000%	10,000,000.00	830,000.00	390,000.00	1,220,000.00	9,170,000.00
Total Municipal Debt Service Fund					32,998,313.07	4,100,349.96	1,208,915.00	5,309,264.96	28,897,963.11

Water and Sewer Fund # 400

MS Development Loan PI 2001	420,000.00	01/01/01	01/01/21	5.000%	322,521.08	29,649.96	22,000.00	51,649.96	292,871.12
G/O Water/Sewer Refunding 2004	3,810,000.00	12/02/04	12/01/16	3.527%	2,215,000.00	405,000.00	73,715.00	478,715.00	1,810,000.00
EPA Mandate G/O Water/Sewer 2005	5,200,000.00	04/12/05	09/30/25		3,865,000.00	225,000.00	154,576.25	379,576.25	3,640,000.00
G/O W/S System Revenue Refunding 2006	47,565,000.00	07/01/05	07/01/27		36,410,000.00	1,895,000.00	1,890,225.00	3,785,225.00	34,515,000.00
NEW 2009 - Water Meters	9,500,000.00	06/01/09	06/01/19		6,970,000.00	900,000.00	232,798.00	1,132,798.00	6,070,000.00
Subtotal					49,782,521.08	3,454,649.96	2,373,314.25	5,827,964.21	46,327,871.12

State Revolving Loan Fund #01	1,422,072.00	04/15/92	11/15/11	3.042%	0.00	0.00	0.00	0.00	0.00
State Revolving Loan Fund #02	3,016,717.00	11/01/93	11/15/13	3.990%	146,078.16	146,078.16	22,202.48	168,280.64	0.00
State Revolving Loan Fund #03	2,818,618.00	12/01/94	05/01/14	3.990%	335,467.23	198,597.02	9,803.98	208,401.00	136,870.21
State Revolving Loan Fund #04	1,417,932.00	06/01/95	01/01/15	4.500%	240,508.64	99,996.58	8,777.18	108,773.76	140,512.06
State Revolving Loan Fund #05	3,229,424.00	03/10/05	10/10/24	1.750%	2,113,717.04	158,478.72	35,722.92	194,201.64	1,955,238.32
State Revolving Loan Fund #06	8,093,778.00	02/01/06	11/01/25	1.75%-5.00%	6,323,357.08	379,092.28	107,627.72	486,720.00	5,944,264.80
State Revolving Loan Fund #07	2,214,059.00	05/10/05	01/10/25	1.750%	1,476,008.93	108,177.42	24,965.22	133,142.64	1,367,831.51
State Revolving Loan Fund #08	15,025,311.00	03/01/08	10/01/27	1.750%	11,970,558.12	699,657.63	203,890.65	903,548.28	11,270,900.49
State Revolving Loan Fund #09	5,715,121.00	09/01/05	06/01/25	1.75%-5.00%	4,706,300.66	263,425.26	80,254.02	343,679.28	4,442,875.40
Subtotal					27,311,995.86	2,053,503.07	493,244.17	2,546,747.24	25,258,492.79
Total Water and Sewer Fund					77,094,516.94	5,508,153.03	2,866,558.42	8,374,711.45	71,586,363.91

Grand Total - All Funds 110,092,830.01 9,608,502.99 4,075,473.42 13,683,976.41 100,484,327.02



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 Fiscal Year Ending 9/30/2013

	FYE 2012 Adopted Budget	FYE 2013 Proposed Budget
Estimated Revenues		
Federal Grant Revenue	<u>\$19,946,991</u>	<u>\$14,176,589</u>
Proposed Expenditures		
CDBG Grant - Work in Progress	\$2,161,013	\$1,775,562
HOME Grant - Work in Progress	\$3,476,548	\$4,040,508
MDA - Katrina Supplement Grant Work in Progress	\$12,174,966	\$7,975,189
EPA Brownfield Grant Work in Progress	\$400,000	\$385,330
Code Enforcement Grant	\$2,550	
Total Expenditures	<u>\$18,215,077</u>	<u>\$14,176,589</u>
Excess / (deficiency) of revenues over expenses	<u>\$1,731,914</u>	<u>\$0</u>

City of Gulfport	
FYE 2013 Community Development Rollover Work in Progress	
	FYE 2013 Work In Progress
511 COMMUNITY DEVELOPMENT BLOCK GRANT	
05066 EMERGENCY HOUSING REPAIRS '10	150,000
05067 HOUSING PROGRAM ADMIN '10	6,840
05070 SORIA CITY WATER IMP/SIDEWALKS	305,830
05100 ADMINISTRATION 2011	92,337
05126 LOREN D. HEIGHTS DRAINAGE '11	453,256
05130 HOUSING PROGRAM ADMINSTRTN '11	25,000
05200 ADMINISTRATION 2012	109,100
05225 CATHOLIC SOCIAL SERVICES '12	10,000
05226 CENTR- PREVENT'N OF CHILD ABUSE '12	10,000
05227 COASTAL FAMILY HEALTH CENTER '12	5,000
05228 DE L'EPEE DEAF CENTER '12	6,520
05229 GULF COAST COMMUNITY MINISTRY '12	4,254
05230 GULF COAST WM CTR-NON-VIOLENCE '12	4,414
05231 MENTAL HEALTH SERVICES OF MS '12	5,000
05232 SOUTH MS AIDS TASK FORCE '12	4,894
05233 ST VINCENT DEPAUL PHARMACY '12	10,000
05234 SORIA CITY N'GHRHD PARK-ACQ. '12	15,000
05235 SORI CITY N'GHRHD PRK-INFRASTR '12	75,000
05236 VILLA DEL RAY PARK IMPROVMTS '12	40,000
05237 EAST NORTH GULFPRT PARK DRAINAGE'12	20,000
05238 I. FREDERICK BALLFIELD FENC REPL'12	20,000
05239 FIRE/RESCUE TRUCK-STATION 12 '12	310,000
05748 EMERGENCY HOUSING REPAIRS	92,507
05994 HARDY AVE PAL LAND ACQUISITION	251
05995 HOUSING REHABILITATION	359
Total Community Development Block Grant	1,775,562
515 HOME CONSORTIUM-GULFPORT	
70110 GULFPORT 2010 HOMEOWNER REHAB	455,858
70150 CHDO 2010	231,209
71100 ADMINISTRATION 2011	30,069
72100 ADMINISTRATION 2012	39,829
72121 GULFPORT HOMEOWNER REHAB 2012	152,466
72122 CHDO - 2012	60,986

City of Gulfport	
FYE 2013 Community Development Rollover Work in Progress	
	FYE 2013 Work In Progress
77103 HOUSING RECONSTRUCTION/NEW CONSTR	169,914
78125 HOMEOWNER REHABILITATION	363,199
78175 HOUSING REPAIR - PROJ DELIVERY COST	23,630
79130 CHDO - 2009 - GULFPORT	123,337
79175 HOUSING REPAIR - PROJ DELIVERY '09	84,485
79176 HOUSING PROJECT DELIVERY COST '10	101,220
77120 MERCY HOUSING-DPA-2007	80,349
TOTAL HOME CONSORTIUM-MERCY HOUSING	80,349
70200 BILOXI HOME CONSORTIUM '10 DPA	404,615
72220 BILOXI HOME CONSORTIUM 2012-DPA	106,727
75202 BILOXI HOME DPA 05	12,403
76201 BILOXI HOME DPA 06	16,941
79200 BILOXI HOME - 2009 DPA	186,640
70300 HARRISON CNTY HOME CONSORT '10 DPA	173,406
72320 HARRISN CO. HOME CONSORTIUM '12 DPA	45,740
74401 ADDI - AMERICAN DOWNPAYMENT INITIAT	32,053
75301 HOME CONSORTIUM HARRISON COUNTY '05	56,094
76300 HARRISON CNTY HOME CONSORT - 2006	91,150
77300 HARRISON CTY HOME CONSORTIUM 2007	84,767
78300 HARRISON COUNTY HOME - 2008 DPA	82,086
79300 HARRISON COUNTY HOME - 2009 DPA	92,845
TOTAL HOME CONSORTIUM-HARRISON CO	658,141
Total Home Consortium Grant	4,040,508
542 MDA GRANT - CDBG SUPPLEMENT	
05801 DOWNTOWN STREET SCAPE ENHANCE	2,002,626
05810 COMPREHENSIVE PLANNING	117,600
05815 SMALL CRAFT HARBOR / 20TH AVE IMP	886,613
05820 MASTER DEVELOPER	49,560
05825 MUNICIPAL COMPLEX DOWNTOWN	210,292
05830 ARTS DISTRICT HEADQUARTERS	31,075
05835 MUNICIPAL COMPLEX DOWNTOWN PHASE II	1,562,759
05840 SEAWAY ROAD	651,056
05845 WEST HARBOR EXPANSION	1,095,848
05846 RICE PAVILION- W.HARBOR GRANT	545,901
05847 JONES PARK PHASE IV PAVILIONS	821,857
Total MDA Katrina Relief Grant	7,975,189

City of Gulfport	
FYE 2013 Community Development Rollover Work in Progress	
	FYE 2013 Work In Progress
545 EPA BROWNFIELD GRANT	
54501 EPA BROWNFIELD GRANT	385,330
Total FYE 2013 Rollover Work In Progress - Community Development	14,176,589

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 are contained within this section of the report. Significant losses are covered by commercial insurance while smaller losses are absorbed by the City.

City of Gulfport
Self Insured Employees' Health Insurance Fund Proposed Budget
For Fiscal Year Ending 9/30/2013

	2012 Current Budget	2012 Estimated Actual	2013 Proposed Budget
Estimated Revenues			
1 Employee Contributions	1,590,000	1,209,760	807,320
2 Retiree Contributions	226,000	209,828	209,828
3 Interest earnings	10,000	5,000	5,000
4 Other Revenues	-	-	-
5 Total Revenue	<u>1,826,000</u>	<u>1,424,588</u>	<u>1,022,148</u>
Estimated Expenses			
6 Office Supplies	300	-	-
7 Consultant Fees	3,500	-	-
8 Professional Fees	256,000	218,126	225,000
9 Admin Fees	155,600	158,621	160,000
10 Bank Fees	600	328	400
11 Specific Stop Loss Insurance	375,000	413,793	422,125
12 Insurance Prem - Vision	60,000	58,621	58,621
13 Claims	<u>5,293,401</u>	<u>4,411,485</u>	<u>4,632,059</u>
14 Total Expenses	<u>6,144,401</u>	<u>5,260,973</u>	<u>5,498,205</u>
15 Operating Income / (Loss)	<u><u>(4,318,401)</u></u>	<u><u>(3,836,385)</u></u>	<u><u>(4,476,057)</u></u>
Other Financing Sources / (Uses)			
16 Beginning Cash	2,400,000	2,400,000	2,412,016
17 City Contributions	4,318,401	4,318,401	4,073,617
18 Transfers Out To General Fund	<u>(470,000)</u>	<u>(470,000)</u>	<u>-</u>
19 Ending Cash	1,930,000	2,412,016	2,009,576

City of Gulfport
Self Insurance Fund (Claims and General Liability) Proposed Budget
For Fiscal Year Ending 9/30/2013

	FYE 2012 Current Budget	FYE 2012 Estimated Actual	FYE 2013 Proposed Budget
Estimated Revenues			
Misc (Interest Earnings)	\$70,000	\$50,000	\$50,000
Insurance Proceeds - Katrina			
Total Revenues	<u>\$70,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
Proposed Expenditures			
Claims and Judgements	\$755,956	\$1,600,000	\$1,355,000
Insurance Premiums	\$1,650,000	\$1,725,000	\$1,717,715
Other services and charges	\$100,000	\$300,000	\$375,000
Katrina Damage Repairs (work in progress)	\$687,058	\$206,469	\$480,589
Total Expenditures	<u>\$3,193,014</u>	<u>\$3,831,469</u>	<u>\$3,928,304</u>
Excess / (Deficiency) of Revenues over Expenditures	<u>(\$3,123,014)</u>	<u>(\$3,781,469)</u>	<u>(\$3,878,304)</u>
Other Financing Sources			
City Contributions	\$2,675,956	\$2,675,956	\$3,347,715
Cash - Beginning		<u>\$1,805,513</u>	<u>\$700,000</u>
Estimated unobligated Ending Cash		\$700,000	\$169,411

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. The City's harbor was recently rebuilt from the devastation from Hurricane Katrina. This new state-of-the-art Harbor cost in excess of \$30 million and is considered the City's front door to the Gulf of Mexico.



City of Gulfport
Joseph T. Jones Yacht Basin Fund Proposed Budget
For Fiscal Year Ending 9/30/2013

	FYE 2012 Current Budget	FYE 2012 Estimated Actuals	FYE 2013 Proposed Budget
Estimated Revenues			
Grants (State and Federal)	2,940,000	2,400,000	540,000
Dockage Fees	\$278,000	\$194,000	\$200,000
Rents / Leases	\$20,000	\$22,000	\$124,400
Retail Sales	\$185,000	\$235,000	\$224,667
Total Revenues	<u>3,423,000</u>	<u>2,851,000</u>	<u>1,089,067</u>
Proposed Expenses			
Personal Services	\$263,472	\$230,000	\$258,073
Materials and Supplies	\$186,000	\$186,000	\$274,000
Other Services	\$287,413	\$190,000	\$288,440
Capital Outlay / Capital Projects	\$2,965,000	\$2,425,000	\$540,000
Total Expenses	<u>\$3,701,885</u>	<u>\$3,031,000</u>	<u>\$1,360,513</u>
Income / (Loss) from Operations	<u>(\$278,885)</u>	<u>(\$180,000)</u>	<u>(\$271,446)</u>
Other Financing sources and uses			
Unobligated Cash - Beginning			\$20,000
Operating Transfers in from General Fund	<u>\$182,234</u>	<u>\$182,234</u>	<u>\$271,446</u>
Unobligated Cash - Ending		\$20,000	\$20,000

Note: The amounts contained herein reflect basic operational cost of the harbor and does not include FEMA funds for rebuilding the harbor devastated by Katrina, or funding from General Fund for upgrades, or CIAP funds for 20th avenue improvements. These resources are contained within the Hurricane and Capital Projects funds respectively.

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 fund
Statement of Revenues, Expenditures, and Changes in Cash Balance
For Fiscal Year Ending 9-30-2013

	FYE 2012 Current Budget	FYE 2012 Estimated Actual	FYE 2013 Proposed Budget
Revenues:			
1	Water Charges	\$6,326,824	\$6,410,000
2	Sewer Charges	\$8,717,939	\$8,730,000
3	Sewer Treatment Charges	\$9,477,000	\$9,770,000
4	Solid Waste Charges	\$3,840,000	\$4,074,000
5	Other Services and Charges	<u>\$1,678,042</u>	<u>\$1,711,000</u>
6	Total Revenues	\$30,039,805	\$30,545,000
Operating Expenditures:			
7	Billing and Collecting		
8	Personal Services	\$919,891	\$905,000
9	Supplies	\$77,500	\$65,000
10	Other Services	\$1,722,665	\$1,877,489
11	Capital Outlay	<u>\$33,790</u>	<u>\$0</u>
12	Total Billing and Collecting	\$2,753,846	\$2,866,503
13	Water Operations		
14	Personal Services	\$0	\$0
15	Supplies	\$977,150	\$1,377,150
16	Other Services	\$2,284,558	\$2,555,876
17	Capital Outlay		
18	Total Water Operations	<u>\$3,261,708</u>	<u>\$3,245,000</u>
19	Sewer Operations		
20	Personal Services	\$127,402	\$112,054
21	Supplies	\$728,320	\$633,500
22	Other Services	\$2,011,282	\$2,363,112
23	Capital Outlay	<u>\$2,462</u>	<u>\$0</u>
24	Total Sewer Operations	\$2,867,004	\$3,108,666
25	City Debt (water and Sewer)	\$8,550,000	\$8,410,000
26	Harrison County Utility Authority:		
27	Sewer Treatment (debt and O&M)	\$9,215,250	\$8,446,000
28	Solid Waste	<u>\$3,840,000</u>	<u>\$3,839,000</u>
29	Total HCUA Cost	\$13,055,250	\$12,285,000
30	Total Operating Expenses	\$30,487,808	\$29,357,790
31	Excess / (deficiency) of Revenues over Expenses	<u>(\$448,003)</u>	<u>\$1,187,210</u>
32	Other financing sources and uses:		
33	Beginning Cash - Unobligated		\$300,000
34	Operating Transfers In from other funds		
35	Ending Cash - Unobligated		\$427,805

The Above is an operating statement and does not include capital projects rollover projects in the work in progress stage which amounts to \$1.8 million.

City of Gulfport

Water and Sewer Fund FYE 2013 " Rollover" Work In Progress

	FYE 2013 Work In Progress
81516 FORREST HEIGHTS WATER MAIN	5,796
81522 UTILITY ACQUISITION	62,782
82537 SOUTHERN PINE APTS SEWER REPAIR	30,446
82552 DEDEAUX RD SEWER REPAIR	200,000
82555 39TH STREET SEWER REHAB	48,852
82556 SEAWAY RD DISCHARGE PIPE	69,806
82557 WATER/SEWER PROJECTS 2012	162,980
82558 SORIA CITY/20TH ST W/S & SDEWLK IMP	140,000
83146 BILOXI RIVER ESTATES WATER	20,777
83147 VA WATER TANK RESTORATION	2,150
83150 25TH AVE & 14 ST SEWER REPAIRS	23,047
83151 LADNER HOUSING TANK REMOVAL	21,000
83152 BILOXI RVR ESTATES SEWER CONNECTION	1,004,361
84901 MASTER PLAN - WATER AND SEWER	12,168
TOTAL WATER AND SEWER PROJECTS	1,804,164

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 Fiscal Year Ending 9/30/2013**

	FYE 2012 Current Budget	FYE 2013 Proposed Budget
Estimated Revenues		
Grants - FEMA & MEMA	\$75,369,459	\$50,002,043
Proposed Expenditures		
Work In Progress	<u>\$58,436,932</u>	<u>\$35,252,043</u>
Excess / (Deficiency) of Revenues over Expenditures	<u><u>\$16,932,527</u></u>	<u><u>\$14,750,000</u></u>
Other Financing Sources and Uses:		
Loan(s) Payable		\$14,750,000

**Capital Projects FYE 2013 Work In Progress
Disaster Relief Fund**

Hurricane Katrina	FYE 2013 Work In Progress
18004 Municipal Complex Hardening - 404 Mit	114,452
18005 Charles Walker Hardening - 404 Mit	811,047
18012 Bayou View Park	5,915
18083 Harbor Master's office	290,505
18087 Leased Building Harbor Shop	99,374
18088 Chuck's Fish Camp	45,220
18089 Harbor Dredging	543,379
18093 Courthouse Rd Boad Launch	125,544
18109 Fire Station 7 Contents	11,525
18159 Centennial Museum	16,130
18170 Fire Station 7 Sitework	27,585
18181 SCH Piles and Bulkhead	456,615
18184 Fire Station #7	41,732
18217 Gulfport Lift Stations	333,340
18251 Water / Sewer Replacement - Area 1	5,130,857
18252 Water / Sewer Replacement - Area 2	10,661,675
18253 Water / Sewer Replacement - Area 3	288,387
15256 Water / Sewer Replacement - Area 3B	12,567,930
18257 Water / Sewer Replacement - Area 3A	1,588,362
18408 Rice Pavilion	231,823
18410 Grasslawn	18,036
18460 Jones Park	53,911
18505 Charles Walker Comm Ctr	56,055
18510 Rice pavilion Contents	3,826
18512 Charles Walker Storage	22,817
18518 Urie Pier Lighthouse	129,550
18711 City of Gulfport Roads	287,911
18802 Gaston Hewes Rec Ctr	71,482
18830 Leased Building Whitecap	347,148
18890 Admininstration Fees	869,910
Total	35,252,043



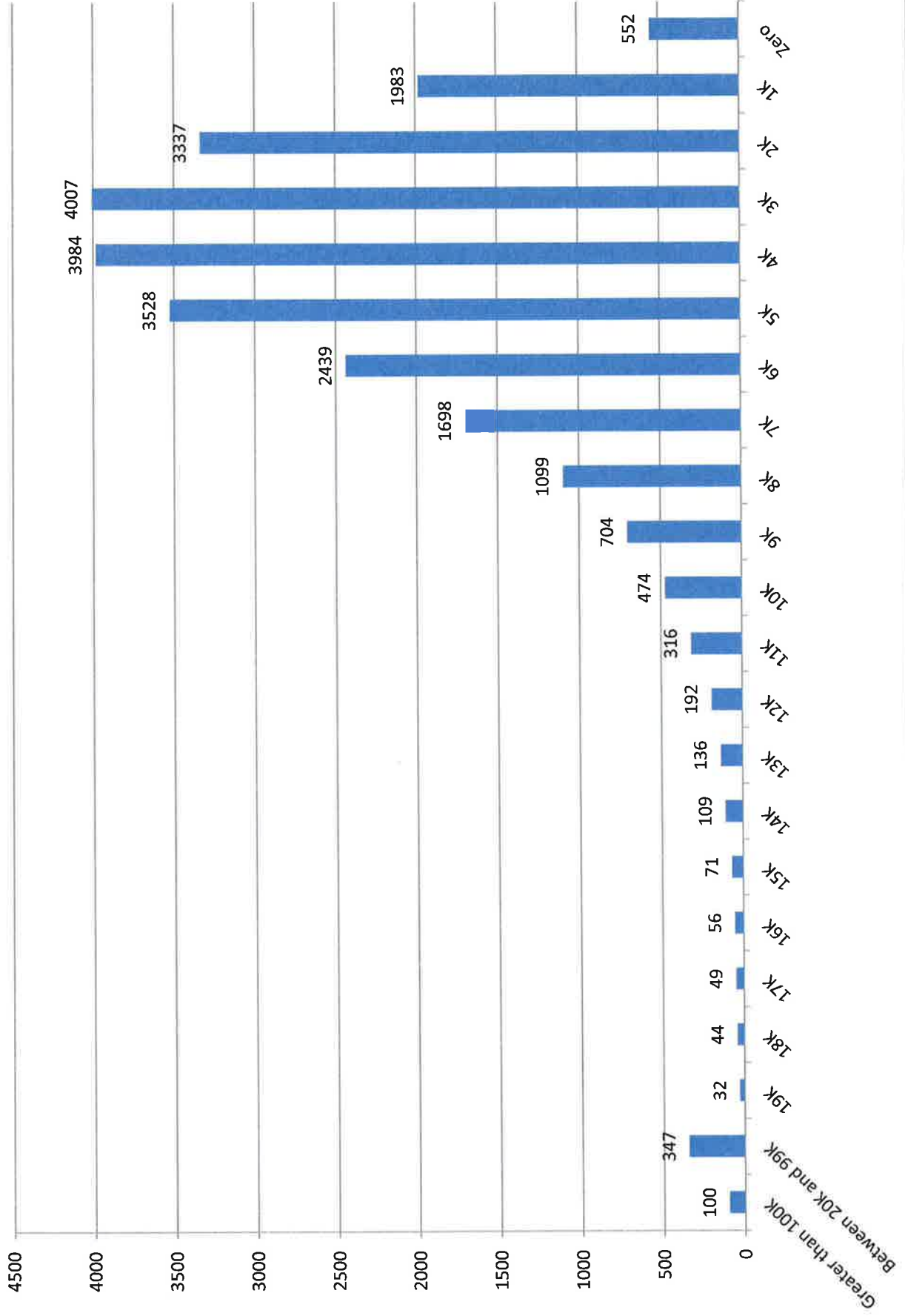
Police Forfeiture and Seizure Fund

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.

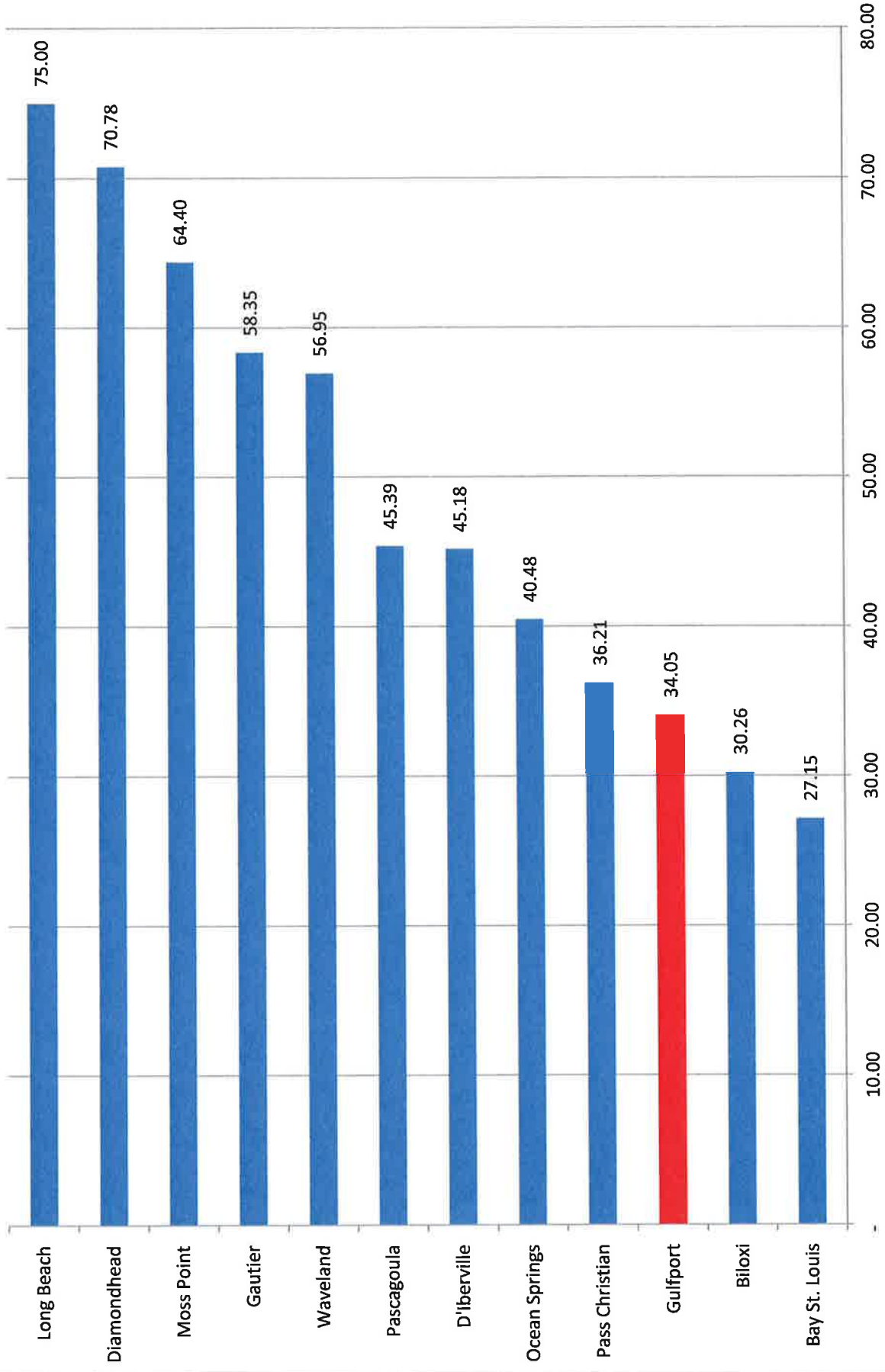
**City of Gulfport
Police Forfeiture and Seizure Fund
For Fiscal Year Ending 9/30/2013**

	FYE 2012 Current Budget	FYE 2013 Proposed Budget
Estimated Revenues		
Shared Revenue (Federal and County)	\$447,864	
Proposed Expenditures		
Personal Services	\$52,988	\$45,869
Materials and Supplies	\$220,685	\$195,483
Other Services and Charges	\$119,014	\$99,890
Captial Outlay	<u>\$1,444,543</u>	<u>\$936,674</u>
Total Expenditures	<u>\$1,837,230</u>	<u>\$1,277,916</u>
Excess / (deficiency) of Revenues over Expenses	<u><u>(\$1,389,366)</u></u>	<u><u>(\$1,277,916)</u></u>
Other Financing sources and uses		
Restricted Cash		\$1,277,916

Water and Sewer Customer Counts Per Monthly Consumption Tier



Coastal Comparison Water, Sewer, and Garbage Utility Bill Based on 2,000 Monthly Gallon Usage



Coastal Comparison Water, Sewer, and Garbage Utility Bill Based on 5,000 Monthly Gallon Usage



Coastal Comparision Water, Sewer, and Garbage Utility Bill Based on 20,000 Monthly Gallon Usage

