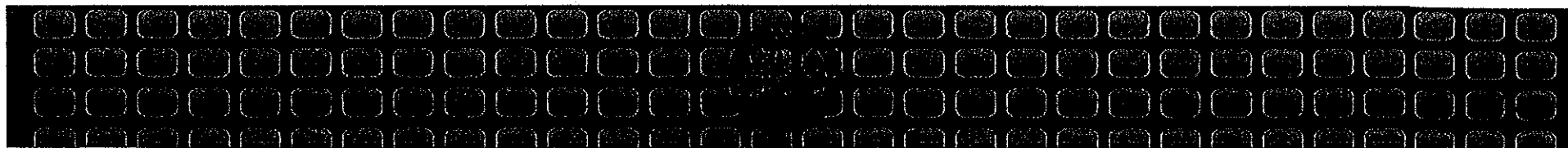


City of Orlando, Florida

Mayor's Budget Address / Fiscal Year 2015 Budget

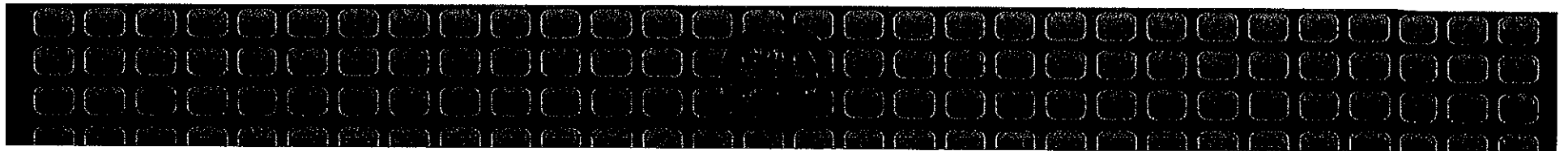
July 28, 2014



Agenda

- This year's budget process in review
- Important facts to consider
- Review of 2014-2015 Budget
- Requested Action
- Budget Development Calendar

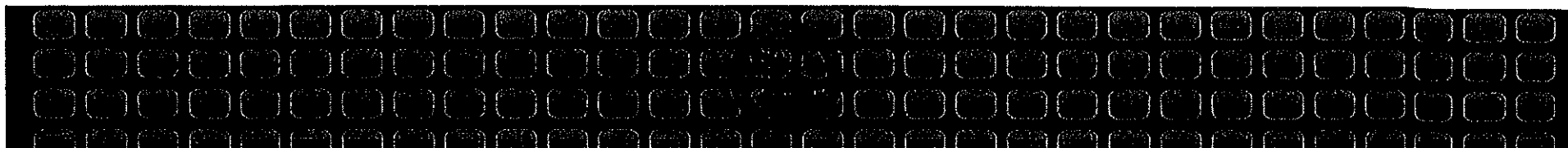
Review of this Year's Budget Process



This Year's Budget Process

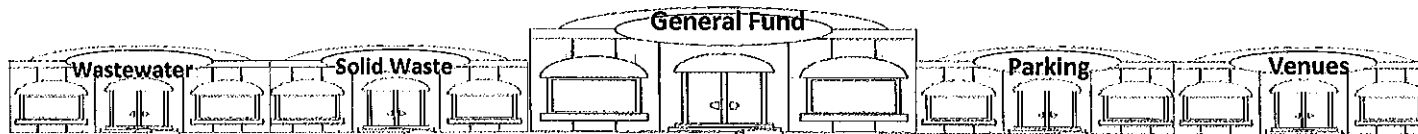
	Activity	Anticipation
April 14, 2014	Budget Workshop	Anticipated Budget Gap; Revenue Constraints, Anticipation of Significant Problem
April 28, 2014	Budget Workshop	Available Revenue Opportunities
Week of May 25	Commissioner Briefings	Discussion of Revenue Opportunities, Expenditure Concerns
June 9	Budget Workshop	Review of Departmental Service Portfolios, Presentation of Gap Range
June 23, 2014	Budget Update	Update of Budget Position, Ad Valorem Tax Revenues, Valuations, Gap Update
Week of July 14	Commissioner Briefings	Discussion of Final Budget recommendations
Today	Mayor's Budget Message, Workshop & Council Action	Final Fiscal Year 2014-2015 Budget Presentation, Resolution to Set Ad Valorem (Property Tax) Rate

Important Facts to Consider



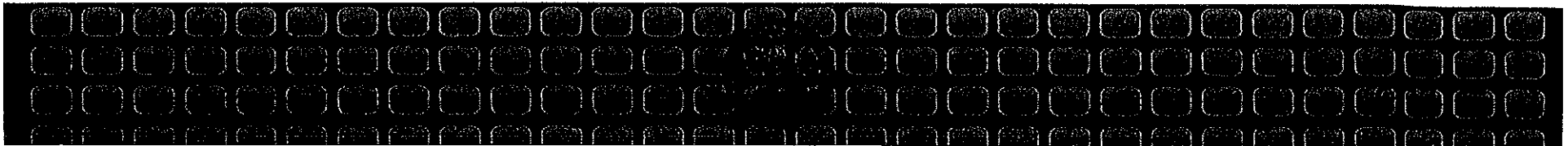
Segregation/Isolation of Funds/Budget Impact of "Headline" Projects

- People often get confused with governmental accounting and the required segregation and limited purpose of dollars (Funds)

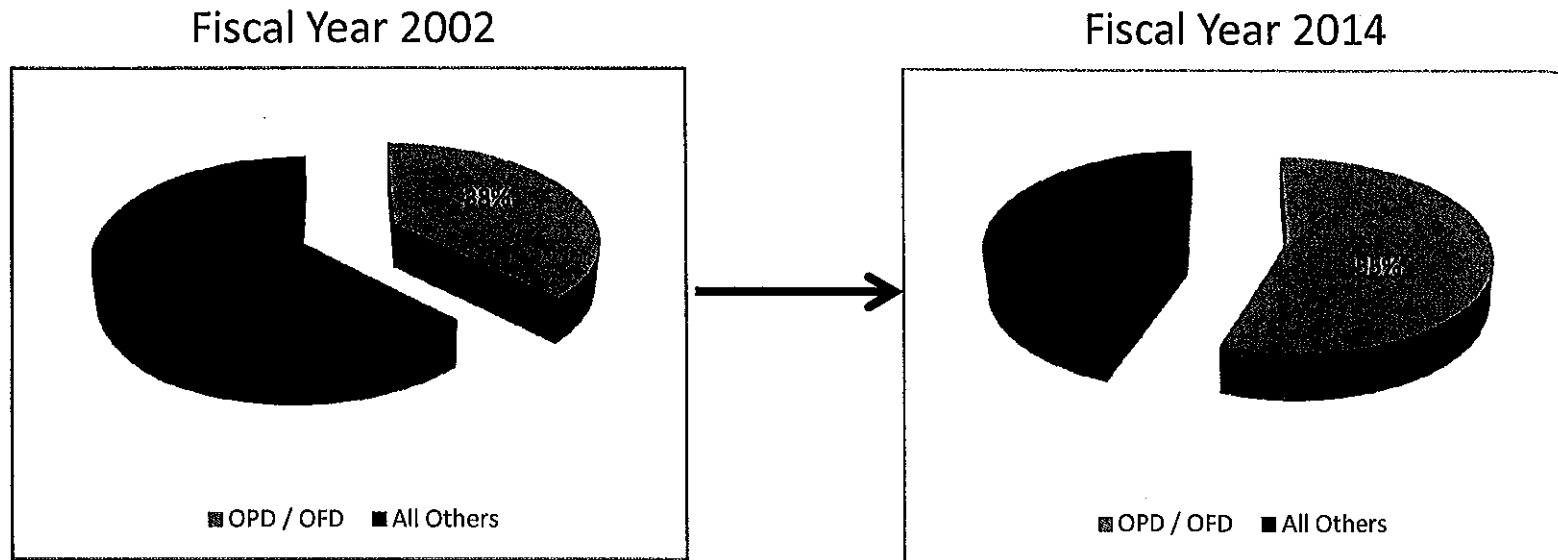


- "Headline" Initiatives over the last ten years have had little to no impact on the General Fund, the fund that accounts for citizen's tax dollars

Initiative	2014 General Fund Impact
Sunrail (Station Construction Debt)	\$1,300,000
Medical City	0
Discounted Community Use of Venues	\$1,000,000
Soccer Stadium Land (Beginning in 2018)	\$500,000
Downtown Highrises	0
Creative Village	0
Blueprint	0
Total (Less than 1% of GF)	\$2,800,000



Public Safety is Job One



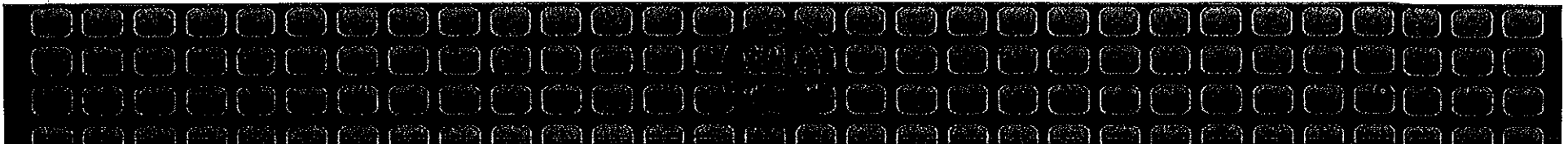
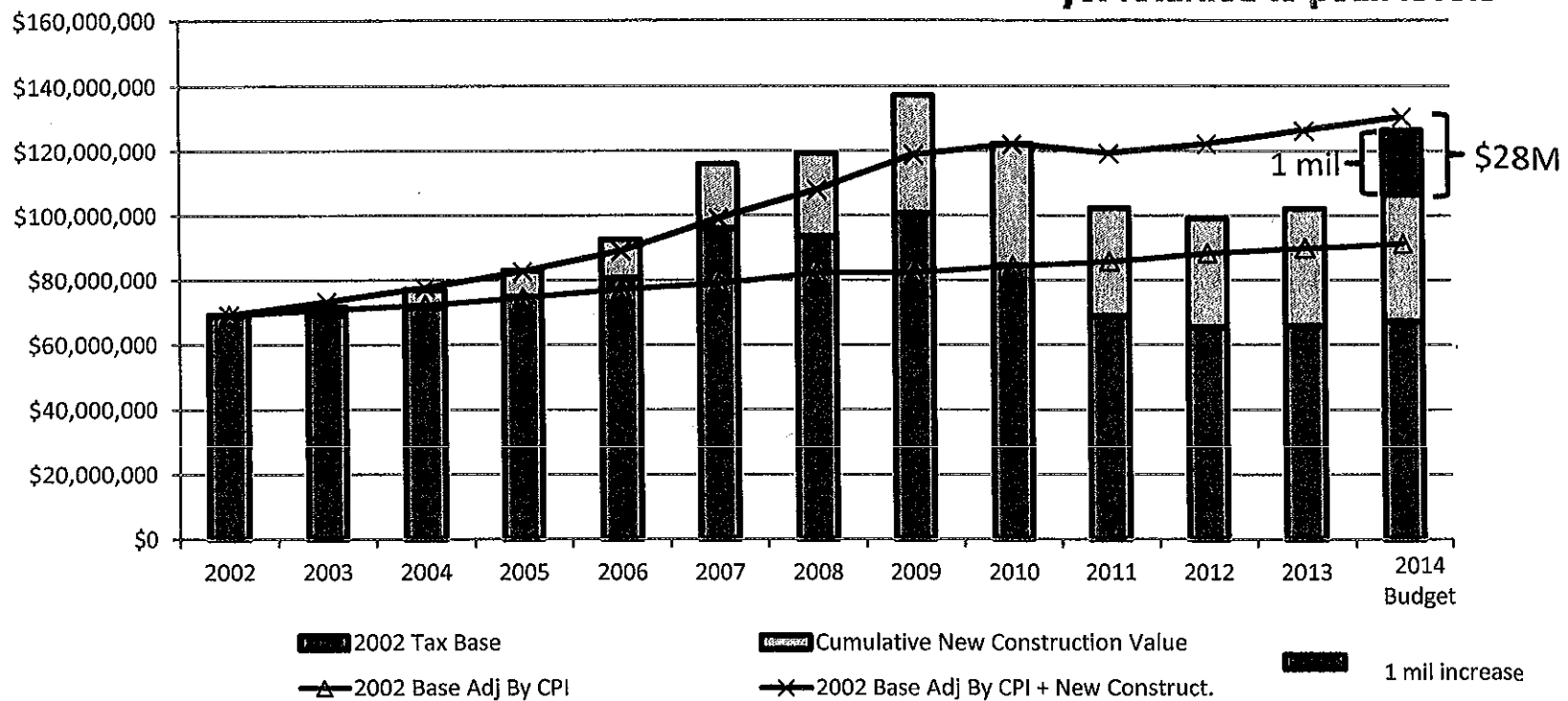
- (1) From FY2002 to FY2014, direct public safety spending increased by \$89.8 million; The remaining General Fund Budget been reduced by \$18.8 million from 2002 levels.
- (2) From FY2002 to FY2014 178 positions have been added to OPD and OFD (11% increase); all other departments have a reduced position counts by 347 (19% decrease).

Property Tax Revenue Has Not Kept Pace with Inflation



Still \$11 million behind inflationary growth
with 1 mil Tax Increase

Revenue in 21 cities had not
yet returned to peak levels



Impact of Budget Cuts

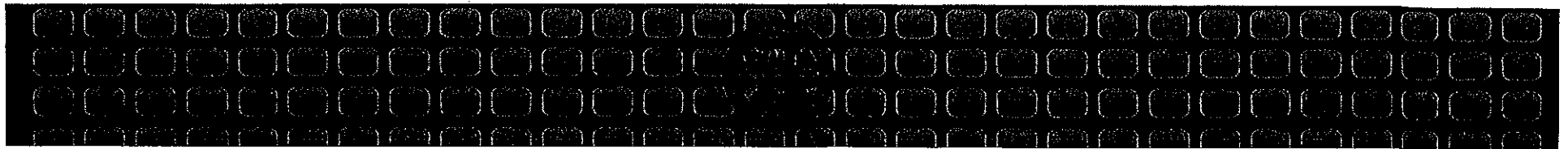
	SAVINGS FOR EACH BUDGET PREPARATION YEAR							
	Pre 2009	2009	2010	2011	2012	2013	2014	2015
<i>Pre 2009 Cuts</i>	\$62,000,000	\$11,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$13,000,000
FY2009 Cuts		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
FY2010 Cuts			15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
FY2011 Cuts				15,000,000	15,000,000	15,000,000	15,000,000	10,000,000
FY2012 Cuts					8,000,000	8,000,000	8,000,000	3,000,000
FY2013 Cuts						1,000,000	0	0
FY 2014 Cuts							15,000,000	0
FY2015 Cuts								15,000,000
Total For Year	\$62,000,000	\$13,000,000	\$29,000,000	\$45,000,000	\$52,000,000	\$53,000,000	\$67,000,000	\$58,000,000
Cumulative Since 2009		2,000,000	19,000,000	51,000,000	91,000,000	132,000,000	187,000,000	232,000,000
Cumulative Since 2003	\$62,000,000	\$75,000,000	\$104,000,000	\$149,000,000	\$201,000,000	\$254,000,000	\$321,000,000	\$379,000,000

History of Ad Valorem Tax Rates

Fiscal Year		Operations		Debt*		Total
2001		6.0666		-		6.0666
2002		5.6916		-		5.6916
2003		5.6916		-		5.6916
2004		5.6916		-		5.6916
2005		5.6916		-		5.6916
2006		5.6916		-		5.6916
2007		5.6916		-		5.6916
2008		4.9307		-		4.9307
2009		5.6500		-		5.6500
2010		5.6500		-		5.6500
2011		5.6500		-		5.6500
2012		5.6500		-		5.6500
2013		5.6500		-		5.6500
2014		5.6500		-		5.6500

* Last used in 1980

Review of Fiscal Year 2014-2015 Budget



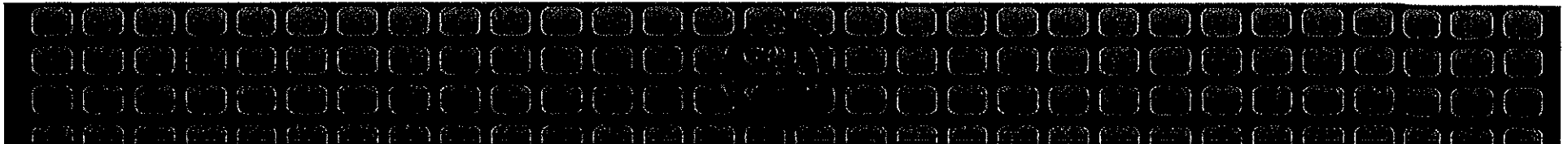
General Fund Budget Summary

- Negotiated cost of living increases included in expenditure budget
- No new positions
- Budget actuarial required contributions for all three pension plans and OPEB
- Increased contingency to allow for continuation of SAFER Fire Fighters once grant expires
- Budget doesn't include use of Reserves

FY2015 Proposed Budget

General Fund Revenue

	<u>2014 Budget</u>	<u>2015 Projected</u>	<u>Change</u>
Property Tax	102,361,148	108,897,268	6,536,120
Utilities Services Tax	44,741,356	44,390,265	(351,091)
State Sales Tax	34,004,720	37,200,000	3,195,280
Municipal Revenue Sharing	9,967,733	10,424,700	456,967
Local Business Tax	7,474,000	7,535,000	61,000
Franchise Fee / Dividend	78,734,000	83,734,000	5,000,000
Other Intergovernmental	6,071,821	6,433,603	361,782
Charges for Services	8,463,589	9,232,963	769,374
Other Revenue	67,453,712	39,991,924	(27,461,788)
Transfers In	<u>1,539,482</u>	<u>4,970,961</u>	<u>3,431,479</u>
 Total Revenue	 360,811,561	 352,810,684	 (8,000,877)



FY2015 Projected Revenue

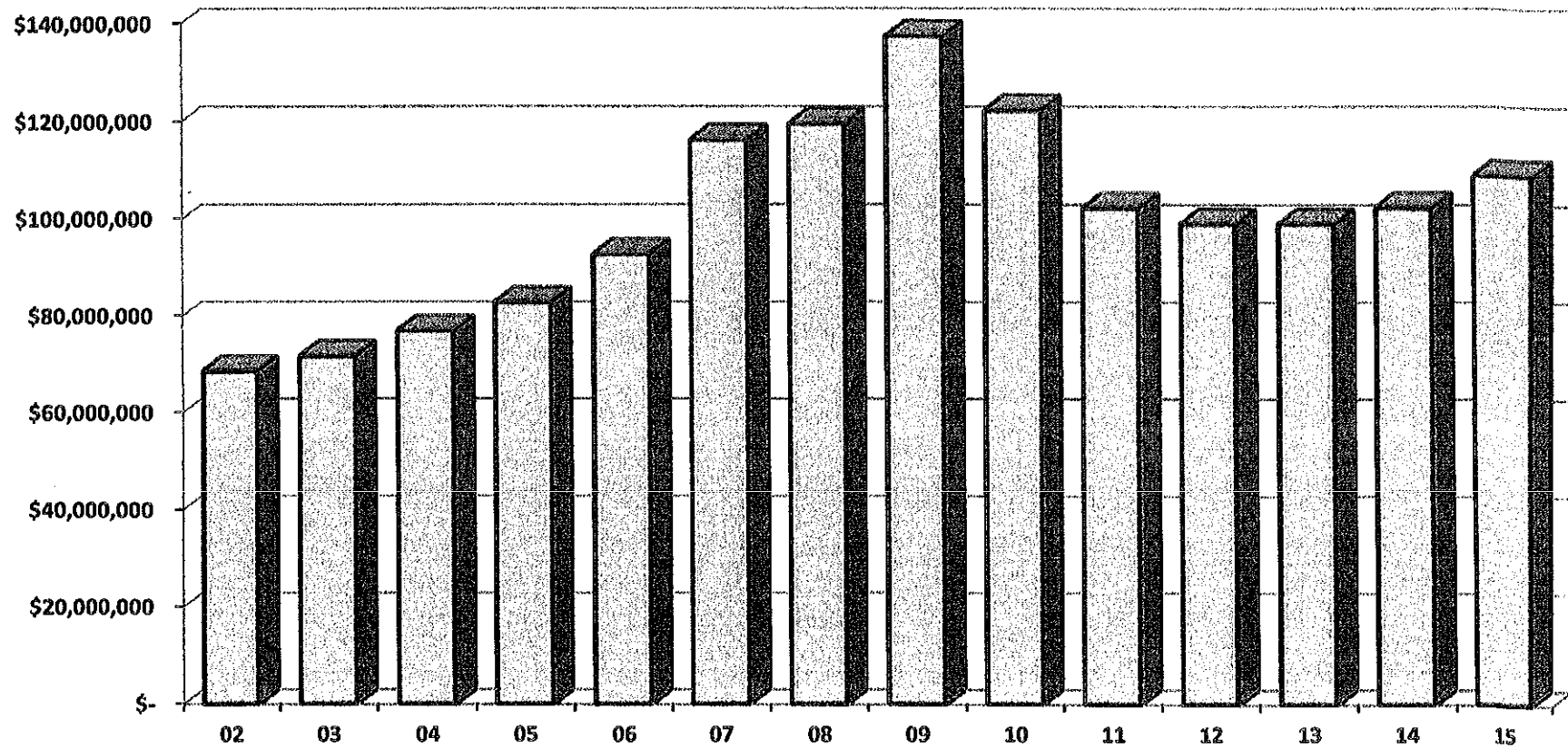
Property Tax

- In FY2015 the taxable base for the City rose by 7.5%
- Net New Taxable Value was \$402.5 million
- However, total Exempt Value increased by 4.2% at the same time
- Table for FY2015 includes revenues for the current tax rate

FY2015 Projected Revenue

Property Tax

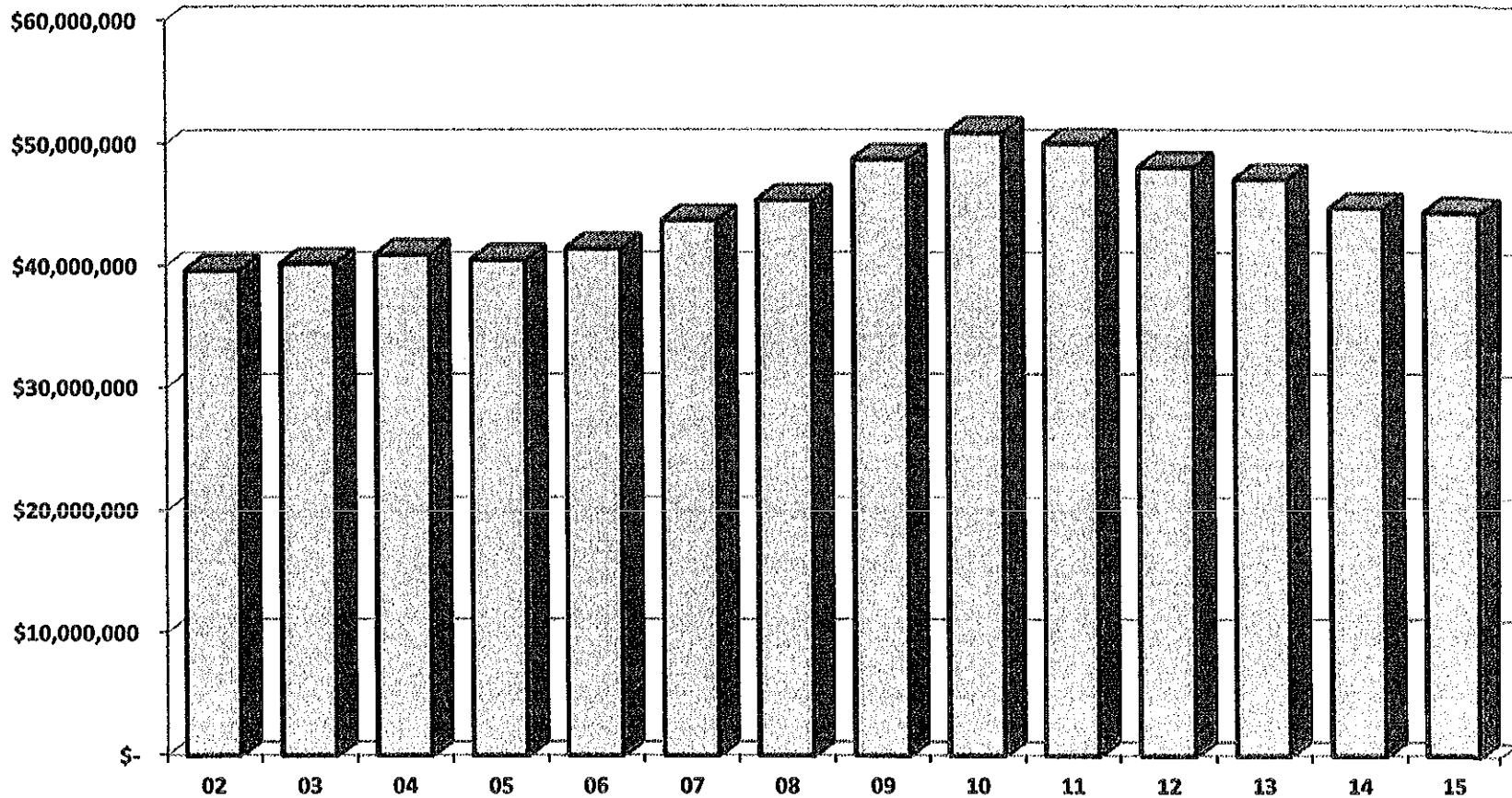
- Projection for FY15 is higher by \$6.5 million at the current rate



FY2015 Projected Revenue

Utilities Services Tax

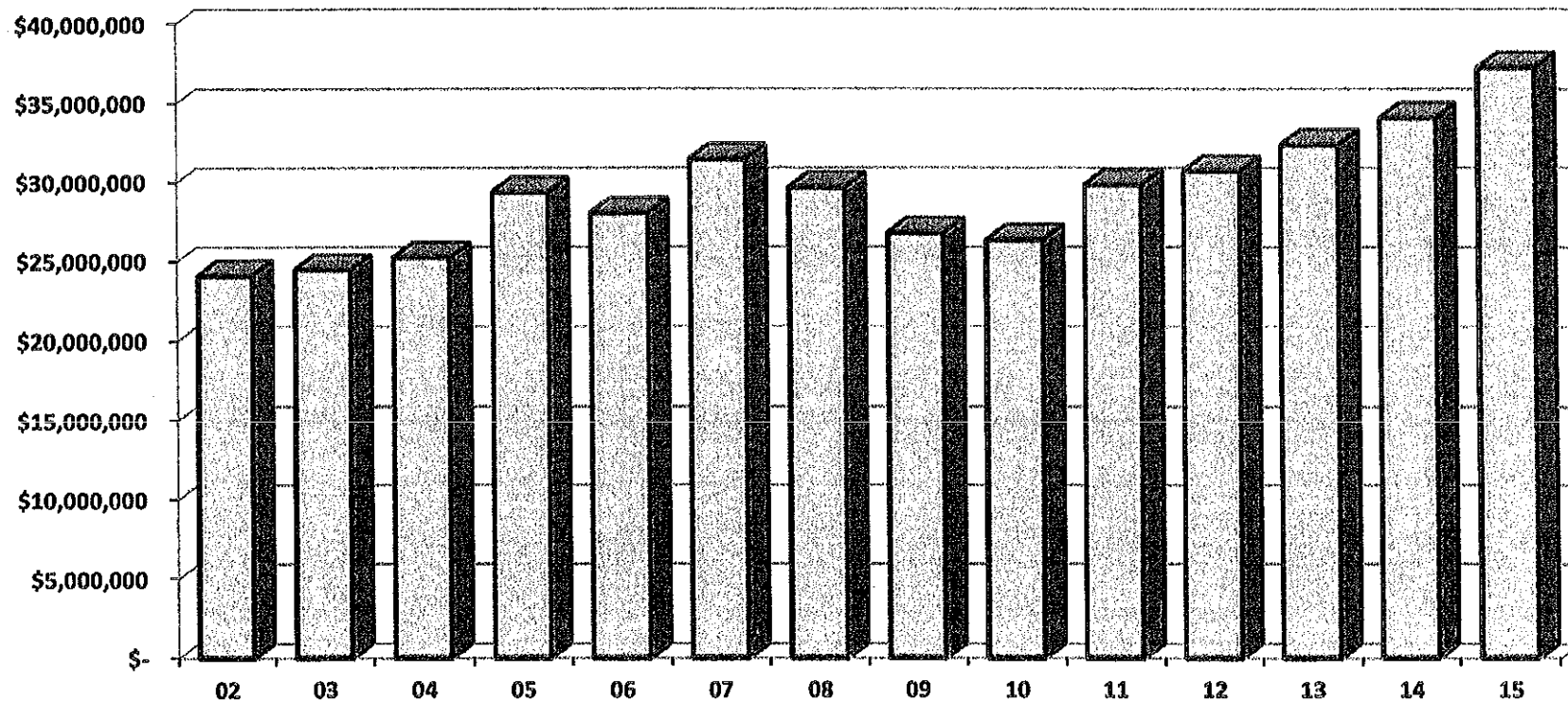
- Projection for FY15 is slightly lower (\$350K) to account primarily for user conservation efforts



FY2015 Projected Revenue

Sales Tax

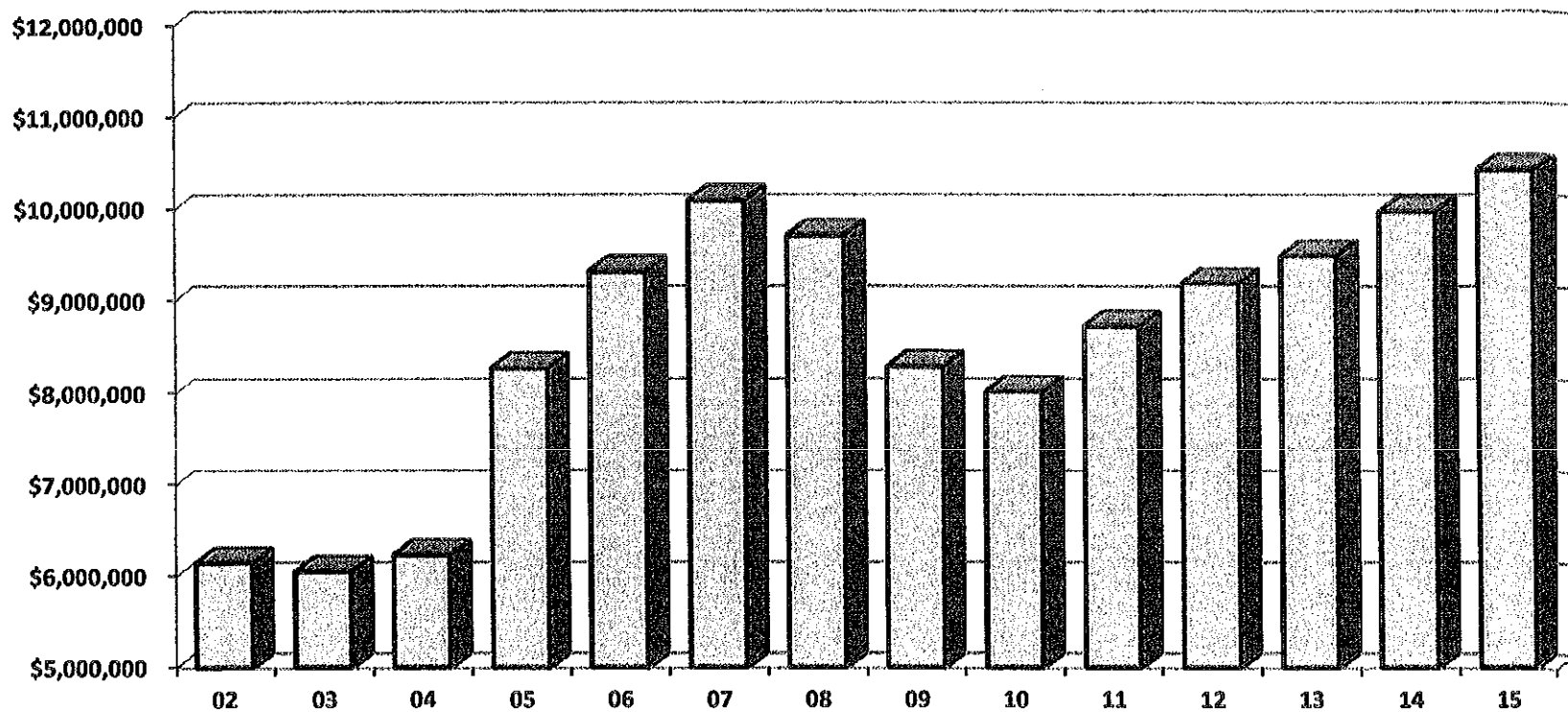
- FY15 budget estimate is based on the most recent State Department of Revenue / Office of Tax Research estimate



FY2015 Projected Revenue

Municipal Revenue Sharing

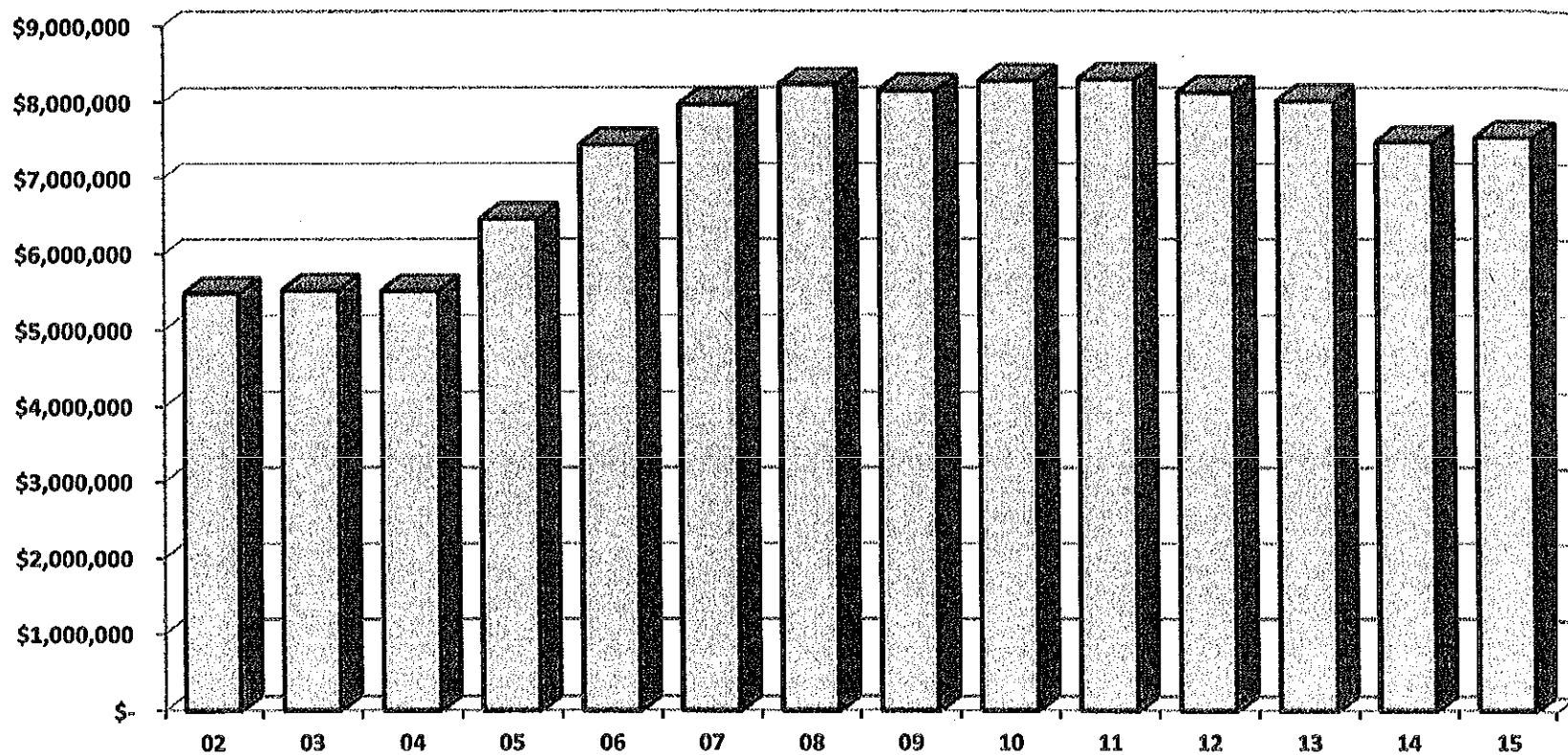
- FY15 budget estimate is based on the most recent State Department of Revenue / Office of Tax Research estimate but with an adjustment down to align with the City's historical collections



FY2015 Projected Revenue

Local Business Tax

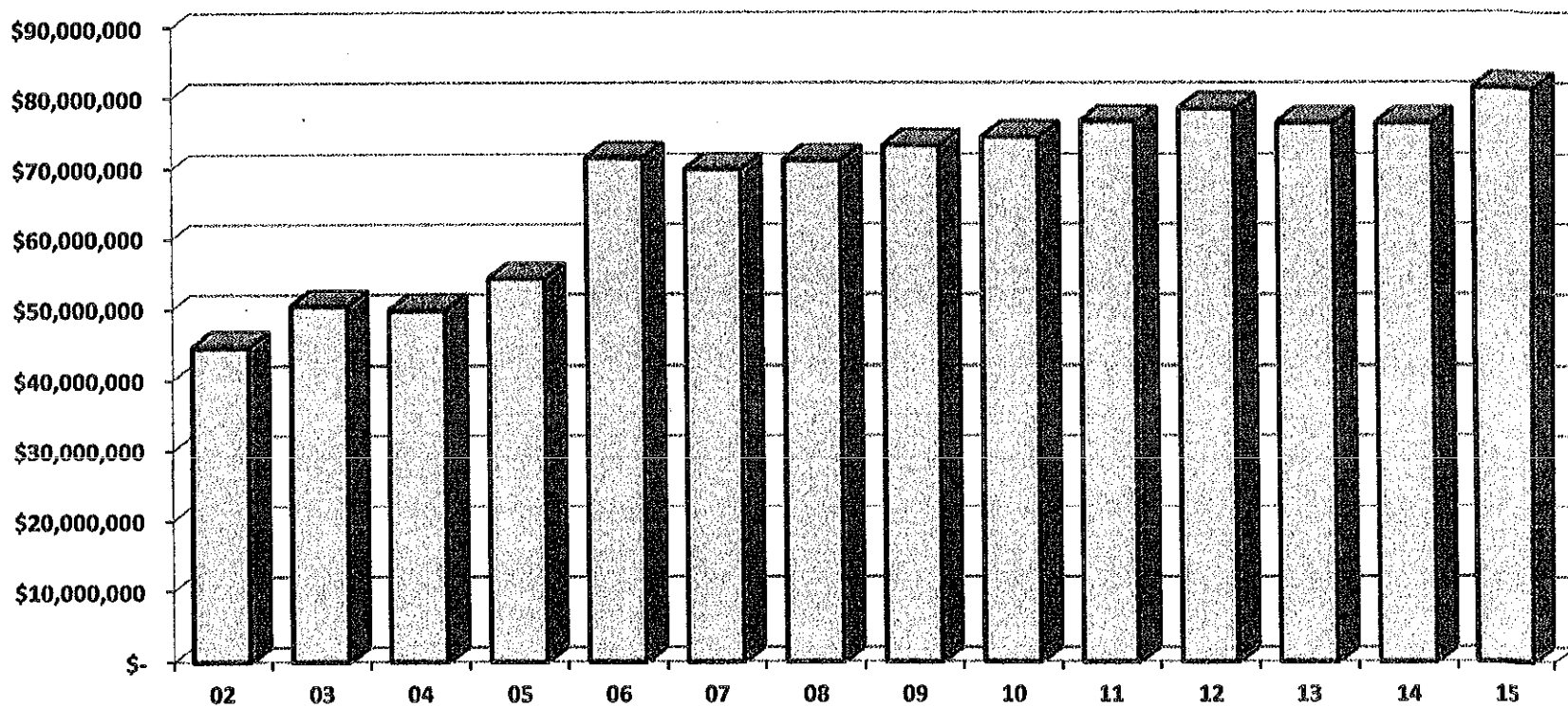
- FY15 budget estimate is up from increased economic activity



FY2015 Projected Revenue

Franchise Fee / Dividend

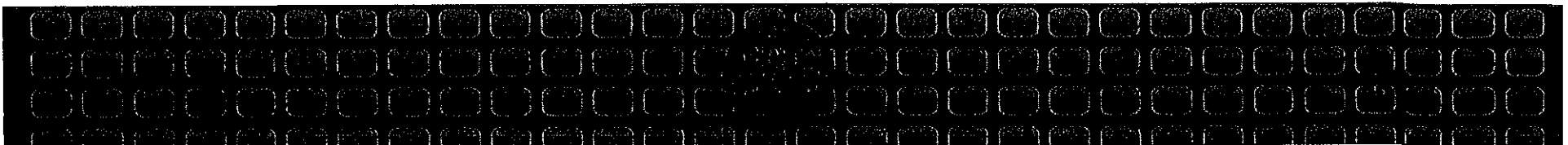
- Total revenue received from OUC for the franchise fee / dividend is agreed upon between the entities and increased by \$5 million for FY15



FY2015 Proposed Budget

General Fund Expenditures

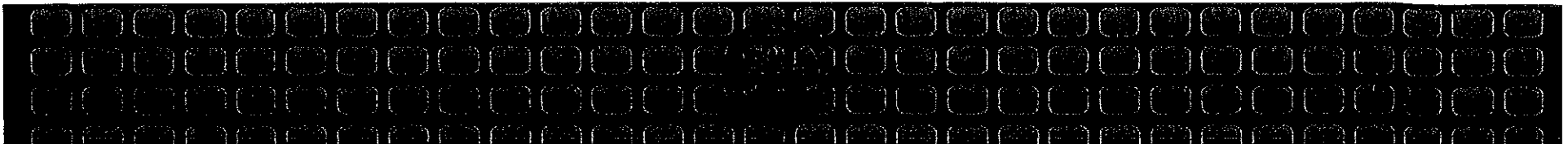
	<u>2014 Budget</u>	<u>2015 Proposed</u>	<u>Change</u>
Executive Offices	19,783,624	20,416,655	633,031
Business & Financial Services	26,833,587	25,374,110	(1,459,477)
Economic Development	16,358,125	18,001,425	1,643,300
Families, Parks & Recreation	28,400,431	29,156,210	755,779
Fire	85,511,038	89,304,783	3,793,745
Housing & Community Development	295,290	295,290	-
Orlando Venues	-	-	-
Police	117,208,079	122,033,476	4,825,397
Public Works	19,647,588	19,318,911	(328,677)
Nondepartmental	<u>46,773,799</u>	<u>46,187,477</u>	<u>(586,322)</u>
Total Expenses	360,811,561	370,088,337	9,276,776



Department FY2015 Budgets

Executive Offices

- Total Budget - \$79,252,529
 - General Fund - \$20,416,655
 - Other Funds - \$58,835,874
- Salaries and Benefits - \$15,219,337
- Operating Expenses - \$64,033,192
- Staff Count - 150
- Includes the Office of the Mayor, City Commissioners, Community Affairs, Communications, Chief Administrative Officer, M/WBE, Human Resources and the City Attorney's Office.



Department FY2015 Budgets

Business and Financial Services

- Total Budget - \$75,073,426
 - General Fund - \$25,374,110
 - Other Funds - \$49,699,316
- Salaries and Benefits - \$22,068,886
- Operating Expenses - \$53,004,540
- Staff Count - 255
- Includes the Chief Financial Officer, Accounting and Control, Office of Management and Budget, Procurement and Contracts, Real Estate Management, Treasury, Technology Management, Risk Management, Fleet and Facilities and Dubsdread.

Department FY2015 Budgets

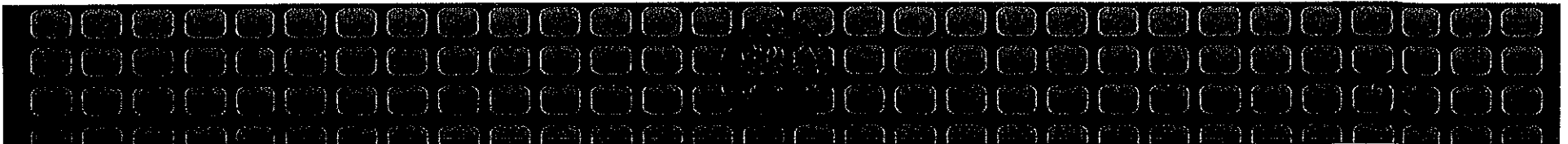
Economic Development

- Total Budget - \$83,303,446
 - General Fund - \$18,001,425
 - Other Funds - \$65,302,021
- Salaries and Benefits - \$16,529,967
- Operating Expenses - \$66,773,479
- Staff Count - 184
- Includes the Director's Office, Business Development, Code Enforcement, Transportation Planning, City Planning, Permitting Services, Community Redevelopment Agency, Downtown Development Board and Downtown South Neighborhood Improvement District.

Department FY2015 Budgets

Families, Parks and Recreation

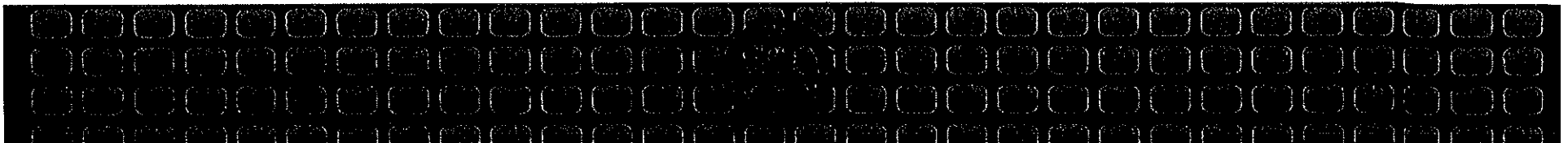
- Total Budget - \$30,435,790
 - General Fund - \$29,156,210
 - Other Funds - \$1,279,580
- Salaries and Benefits - \$16,792,027
- Operating Expenses - \$13,643,763
- Staff Count - 204
- Includes the Director's Office, Recreation Division and the Parks Division.



Department FY2015 Budgets

Fire

- Total Budget - \$112,152,024
 - General Fund - \$89,304,783
 - Other Funds - \$22,847,241
- Salaries and Benefits - \$83,293,836
- Operating Expenses - \$28,858,188
- Staff Count – 592
 - Sworn - 523
- Includes the Fire Administration, Operations Center, Fire Rescue Operations, Fire Support Services and Administrative Services.



Department FY2015 Budgets

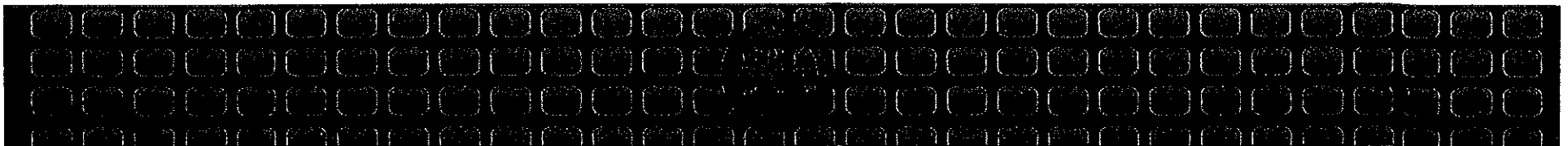
Housing and Community Development

- Total Budget - \$7,336,421
 - General Fund - \$295,290
 - Other Funds - \$7,041,131
- Salaries and Benefits - \$1,279,061
- Operating Expenses - \$6,057,360
- Staff Count - 20
- Includes the Administration of Community Development Block Grants, Housing Opportunities for Persons with AIDS (HOPWA), Emergency Shelter Grants Program (ESG), HOME Investment Partnership Program and Neighborhood Stabilization Program (NSP) and State Housing Initiatives Partnership Program (SHIP).

Department FY2015 Budgets

Orlando Venues

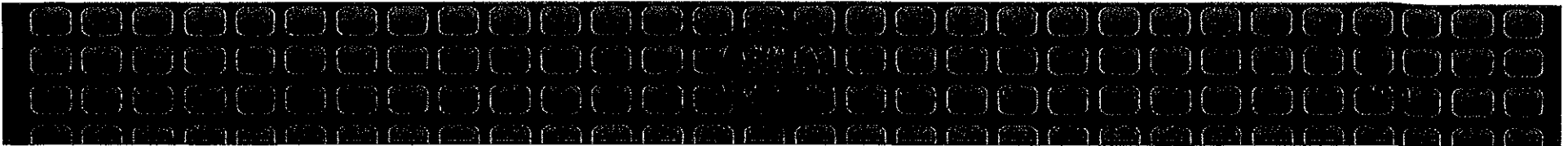
- Total Budget - \$40,297,699
 - General Fund - \$0
 - Other Funds - \$40,297,699
- Salaries and Benefits - \$9,976,216
- Operating Expenses - \$30,321,483
- Staff Count - 95
- Includes the Administration of the Amway Center, GEICO Parking Garage, Citrus Bowl, Tinker Field, Community Venues, Leu Gardens, Mennello Museum and Public Art Program.



Department FY2015 Budgets

Police

- Total Budget - \$137,724,136
 - General Fund - \$122,033,476
 - Other Funds - \$15,690,660
- Salaries and Benefits - \$116,942,099
- Operating Expenses - \$20,782,037
- Staff Count – 995
 - Sworn - 760
- Includes Police Administration, Investigative Services Bureau, Patrol Services Bureau, Special Services Bureau and Administrative Services Bureau.



Department FY2015 Budgets

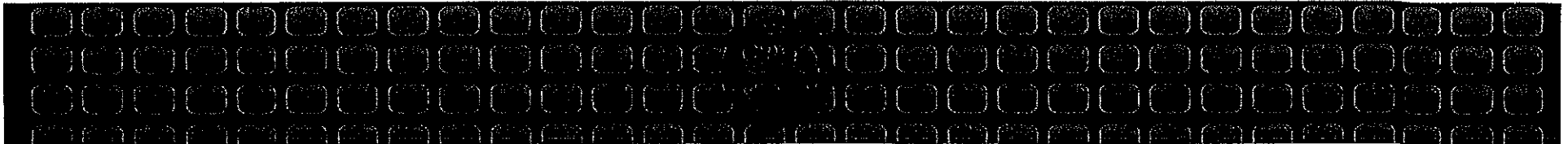
Public Works

- Total Budget - \$204,456,489
 - General Fund - \$19,318,911
 - Other Funds - \$185,137,578
- Salaries and Benefits - \$49,354,016
- Operating Expenses - \$155,102,473
- Staff Count - 635
- Includes Director of Public Works, Engineering Services, Streets and Stormwater Services, Capital Infrastructure, Wastewater, Solid Waste, Transportation Engineering and Parking.

Department FY2015 Budgets

Nondepartmental

- Total Budget - \$265,535,332
 - General Fund - \$46,187,477
 - Other Funds - \$219,347,855
- Salaries and Benefits - \$16,739,193
- Operating Expenses - \$248,796,139
- Staff Count - 0
- Includes the Debt Service, Pension Trust Funds, Citywide Construction Activities and Debt Construction.



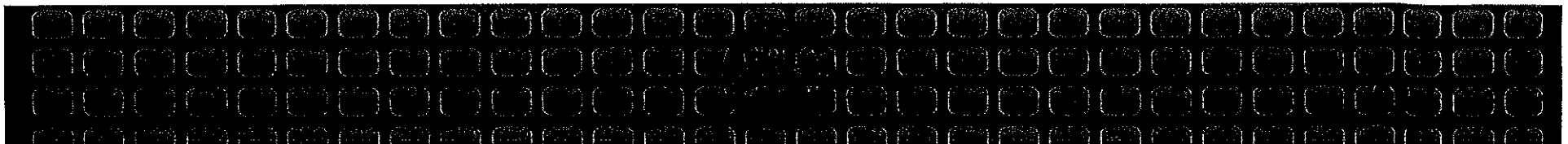
Department FY2015 Budgets

Across the Board Cut

	<u>2015 Proposed</u>
Executive Offices	897,000
Business & Financial Services	892,000
Economic Development	512,000
Families, Parks & Recreation	993,000
Fire	4,631,000
Police	6,536,000
Public Works	<u>539,000</u>
Total Reduction	15,000,000

Citywide Cost Increases

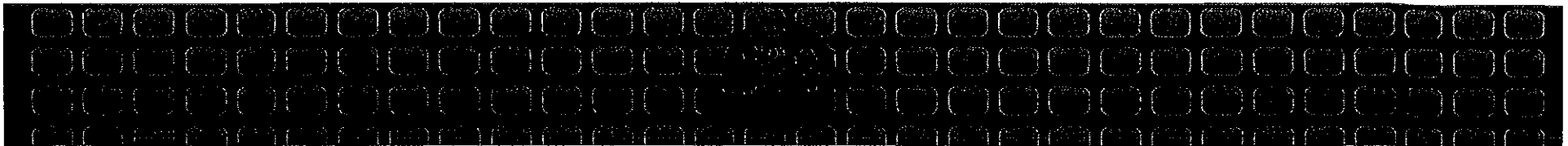
- Salaries and Benefits
 - Cost of living adjustments (est. \$3.5 million annually)
 - OPD / OFD Steps (est. \$2.5 million annually)
 - Pension contributions increased \$2.7 million this year
 - Health Insurance increased \$5.1 million this year
- Increment Payments
 - Increased \$1 million this year
- Delayed Maintenance
 - Fleet Costs and Facility Maintenance Charges increased \$0.8 million this year
- Fuel prices
 - City uses over 2 million gallons of gasoline and almost 1 million gallons of diesel fuel
 - 10% change in prices equals \$0.7 million



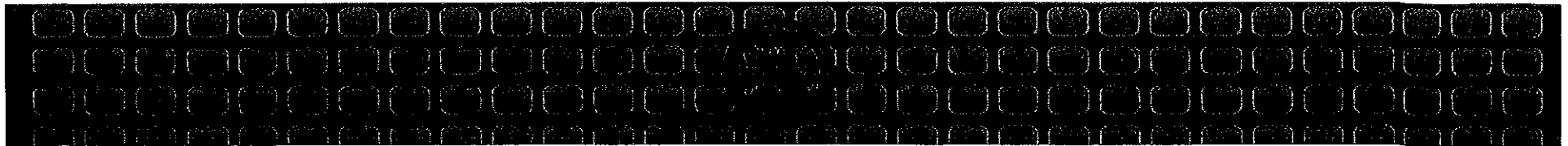
Budget Balancing

<u>General Fund</u>	<u>2015 Proposed</u>
Revenues	352,810,684
Expenses	<u>370,088,337</u>
Total	(17,277,653)

<u>Other Funds</u>	<u>2015 Proposed</u>
Revenues	665,478,955
Expenses	<u>665,478,955</u>
Total	-

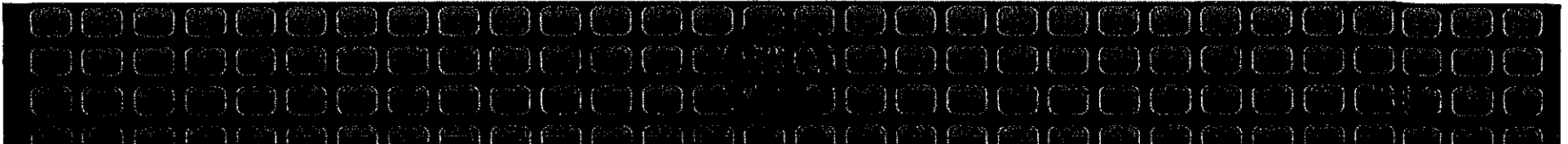


Recommended Action



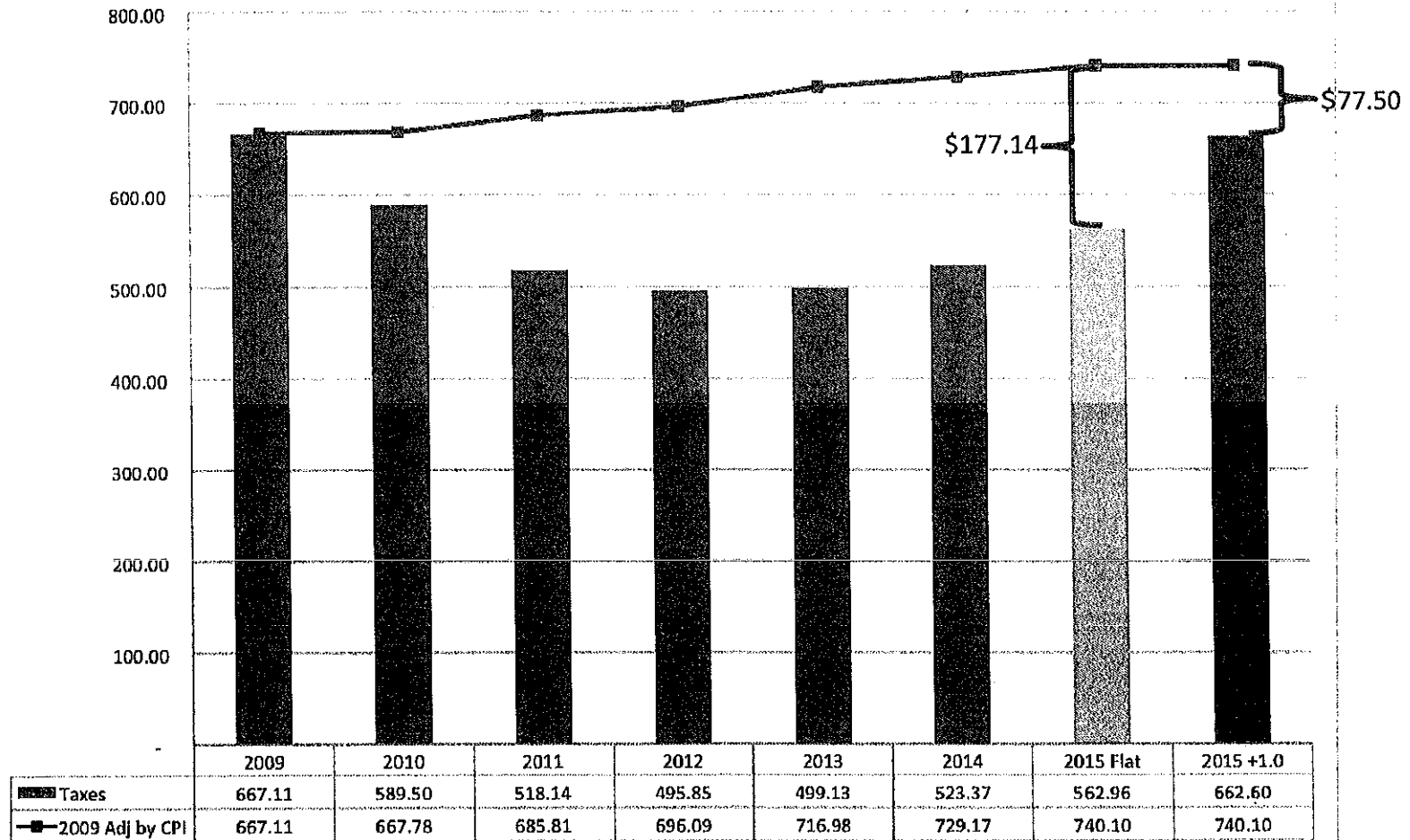
General Fund Budget Summary

- Expenditure budget already includes an across the board cut of \$15 million
- School Resource Officer Program is being funded by \$2.5 million from Contraband Forfeiture Trust Fund
- Despite additional cuts and increased revenue projections the budget gap currently stands at \$17.3 million
- Propose 6.65 millage rate (1 mil increase) to balance General Fund which will produce \$17.3 million for the General Fund (net of Increment Payments paid to CRA's)



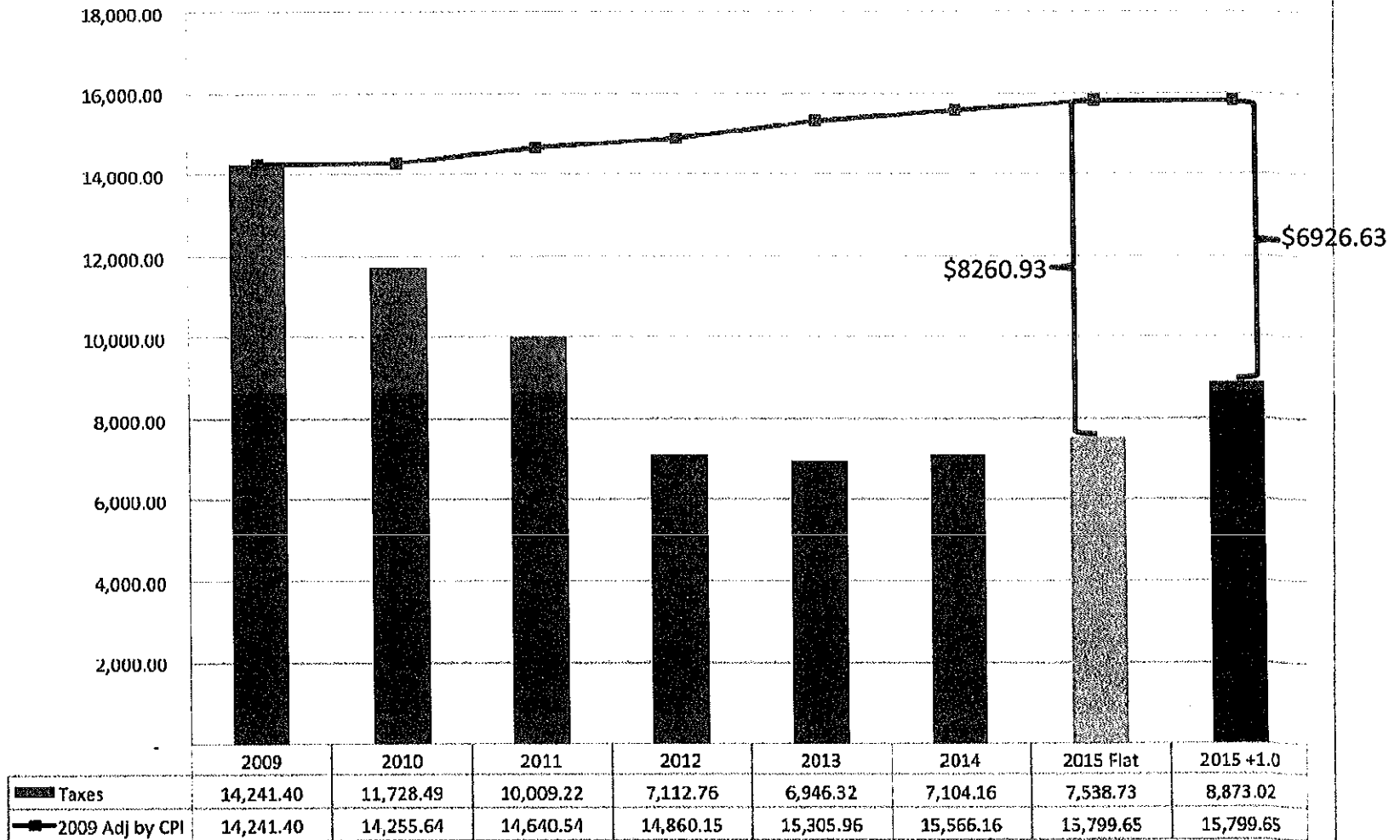
Impact of 1 mil on the Average Homestead Tax Payer

City Property Taxes for Average Homestead Property



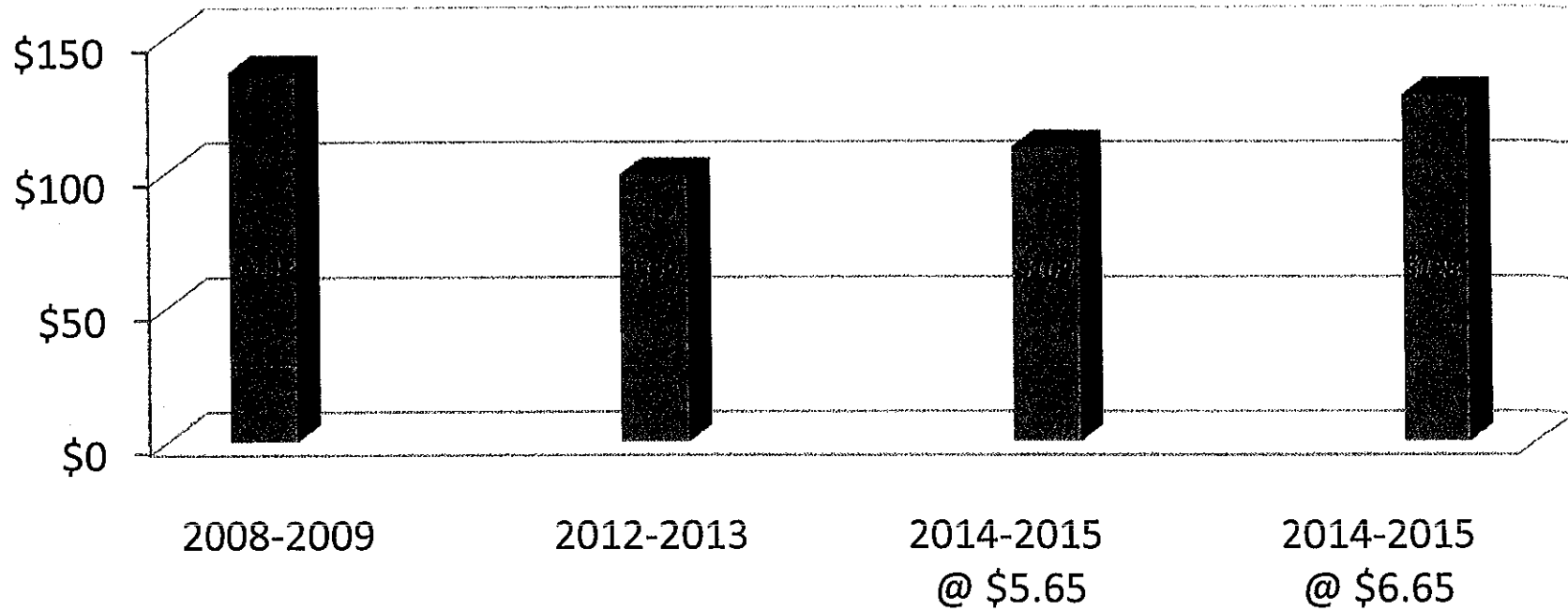
Impact of 1 mil on the Average Commercial/Industrial Property

City Property Taxes for Average Commercial/Industrial



Why Raise the Millage by a Whole Dollar?

Even with a \$1 mil, we don't get back to 2009 Tax Revenue amount



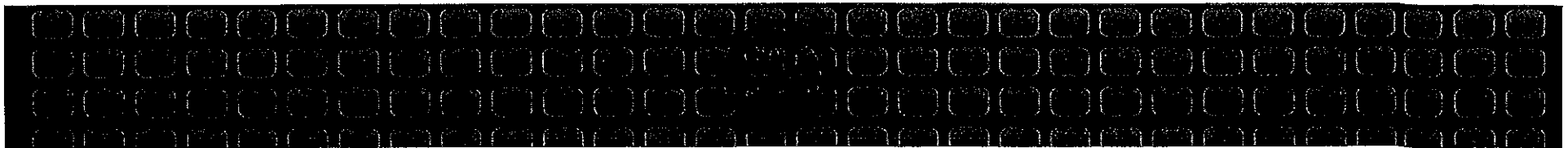
For Budget Information

www.cityoforlando.net/budget

Budget Facts & Figures

Presentations

Tax Calculator

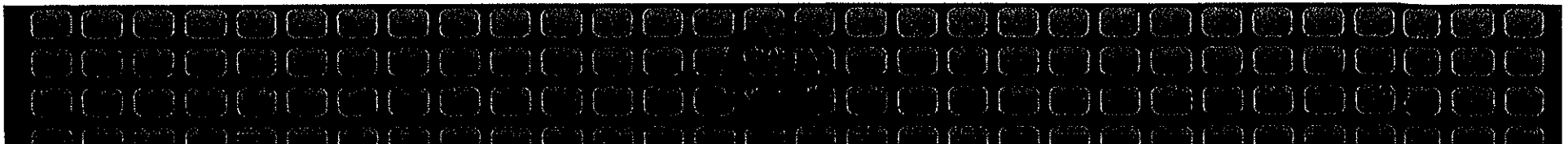


Budget Calendar



Budget Calendar

- July 28th Adoption of Preliminary Millage Rate for FY2015
- August 14th TRIM Notices Mailed by Property Appraiser
- September 8th First Budget Hearing (5:01 pm)
- September 15th Second Budget Hearing (5:01 pm)
- October 1st Beginning of Fiscal Year





City of Orlando

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Orlando, Florida 32802-4990
407-246-2358

