

Orlando City Council Workshop
Council Chambers, City Hall
400 South Orange Avenue
Monday, July 10, 2017
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In attendance:

Mayor Buddy Dyer
Commissioner Jim Gray, District 1
Commissioner Robert F. Stuart, District 3 (arrived at 10:07 a.m.)
Commissioner Patty Sheehan, District 4
Commissioner Samuel B. Ings, District 6
Chief Assistant City Attorney Kyle Shephard
City Clerk Denise Aldridge
City Clerk Aide Stephanie Herdocia
Police Officers Eddie Rosado and James West, Sergeants-at-Arms

*Commissioner Tony Ortiz, District 2 - Absent

*Commissioner Regina I. Hill, District 5 - Absent

Mayor Buddy Dyer called the meeting to order at 10:06 a.m. and introduced the topic of the workshop as the Fiscal Year 2018 Budget. Mayor Dyer introduced Deputy Chief Financial Officer Brian Battles to present the first introduction of the budget. Mr. Battles indicated that the workshop is using a working draft form of the proposed budget. The workshop opened with a historical perspective beginning with the current budget, followed by Budget Review Committee adjustments and General and Select Funds.

- FY 2017 Budget Overview
 - Recognized revenues from increased economic activity
 - Total property tax revenues higher than pre-recession
 - Restored infrastructure and facility maintenance funding
 - Increased staffing where economic conditions demanded
 - Increased police officers
 - Created the Transportation Department
 - Increased contingency levels
- FY 2017 Program Enhancements
 - \$2.0M in grants added for public safety, transportation, housing and parks
 - \$1.3M added in Transportation Impact Fee projects improving road capacity and fulfilling developer commitments
 - \$4.9M added in water reclamation projects maintaining existing investment in infrastructure
 - \$8.3M added in Stormwater projects protecting the environment
- FY 2017 Staffing Enhancements
 - 18 new positions added throughout the year
 - Economic Development (10)
 - Executive Offices (3)
 - Public Works (2)
 - Community Redevelopment Agency (CRA) (2)
 - Downtown South Neighborhood Improvement District (DSNID) (2)

- Police (1)
 - Building Code Fund (8)
 - General Fund (6)
 - CRA, Solid Waste, DSNID and Water Reclamation Funds (1 each)

General Fund revenues were summarized at \$446,547,737, which reflects a 5.31% increase from 2017. The taxable base for the City rose by 11.99%, intergovernmental revenues rose by 5.91% and the amount of Transfers In declined 6.8% attributable to the final repayment of deferred payments from Building Code Fund and moving positions supported by other funds to those respective funds. Franchise fees decreased 1% as a result of public energy conservation efforts. Charges for services decreased 1.2% attributable to lower projected reimbursement for labor costs. Property tax projection for 2017 reflects maintaining the millage rate of 6.65 and the growing tax base. Utilities and communications service taxes assume another decline in Communication Services Tax and flat Utilities Services Tax. Sales tax revenue is projected to increase \$900,000. Municipal Revenue Sharing reflects a slight increase in the portion of sales, use, and fuel taxes collected by the State shared with local governments to help revenue parity. Local Business tax projects a healthy growth of approximately 8%. OUC Payments reflect an increase of a combination of electric franchise fees and a dividend.

General Fund expenditures reflect baseline budgets for all departments. Police (\$10M) and Fire (\$5M) reflect significant dollar increases related to continued emphasis on public safety. Business and Financial Services (\$2M) increases are a result of information technology contracts and movement toward digital domains. Utilities reflect a decrease of 5.63% as a result of replacing street lights with LED lights. Capital expenditures increased to 27.39% due to operating capital increases related to the Transportation Department and renovating City Hall. Benefit Costs reflect 43% of the General Fund and are being driven by retirement and post employment costs. City-managed health care costs have remained stable. General Fund expenditures are projected at \$446,547,737, which reflects a 5.31% increase from 2017.

Mr. Battles also presented on Other Funds summary and Select Fund Expenditures summary. Other Funds include:

- Waiving Water Reclamation inflationary fees (5%)
- Waiving Solid Waste inflationary fees (4%)
- CRA Operating Fund: 37% Growth
 - Focus on Project DTO Implementation
- Parking Fund Budget: 27% Growth and focus
 - GEICO Garage moving from Orlando Venues
 - Under-I surface lots being closed
- Building Code Enforcement Fund: 20% Decrease
 - Reduced fund balance usage (FY 2017 EDIS)
- Crossing Guard Fund: 23% Growth
 - Adding 24 new locations
- Health Care Fund: 2% Growth

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Select Funds expenditures include a 5.96% decrease in Stormwater and 2.54% decrease in Water Reclamation due to capital programs that were jumpstarted by the Budget Review Committee. Total budget for Select Funds is \$767,034,176.

Mr. Battles concluded the presentation with a tentatively balanced budget of approximately \$446,547,737 for the General Fund and \$767,034,176 for Other Funds. The next steps in the budget process were listed as a calendar with the Mayor's State of the City Address on July 21, 2017, Commissioner Briefings throughout August and City Council Budget Hearings #1 and #2 on September 6 and September 25, 2017, respectively.

At 10:23 a.m. the workshop was opened to comments and questions and discussion ensued. At 10:36 a.m. the workshop was adjourned.



Denise Aldridge
City Clerk