

## Mayor's Budget Address July 22, 2013

**Good Morning,**

One of the great privileges of being the Mayor of our City is the annual opportunity to outline the budget for the upcoming year. To show our residents where their tax dollars go – and why that spending is important. Today marks my 11th budget address. It's worth noting that for the last half-decade, these remarks have been given under the cloud of recession or, in the case of this year, the early stages of recovery.

Five years ago I stood in this very spot and talked about the uncharted territory we were entering because of the global economic crisis and the impact of state-mandated property tax reduction. In the face of plummeting revenues and rising expenditures, this City government made a promise to its residents. We pledged to forego quick fixes, in favor of tough but necessary decisions that would benefit the long-term financial health of our City. We vowed to do everything possible to preserve core City services like police, fire, public works and investment in our neighborhoods, while drastically reducing the size of our local government. And, we said that we would not increase the financial burden on Orlando's residents during a recession in order to craft a balanced budget.

I am proud to say that every year since, we've not only kept that promise, we've gone above and beyond it. Three years after that grim 2009 budget session, when many other City governments were declaring financial emergencies, Orlando was able to declare that it was in the best financial shape of any major City in Florida. In the two years since that powerful moment, we have maintained our financial strength and standing. We've also worked to show our residents exactly how their tax dollars fund City services... and the value of those services. We should be particularly proud of what our residents get in return for the average 40-dollar-a-month tax bill.

Today, Orlando's property tax bill continues to represent the best police and fire protection in Florida, superior and reliable public works services and a host of other vital programs our residents depend on... all for far less than the cost of what most people pay for cell phone service. I like to think about the value in these terms: The average Orlando homesteader pays about the same price for the alarm system as they do for the police officers and first responders that show up in an emergency.

As we look back at the work we've done to endure the recession and live within our means, the "basics budgets" we've crafted have not been exciting. You don't see a lot of headlines about making sure the trash gets picked up twice a week. Yet, these budgets have done what they were intended to do – shrink government and keep money in the pockets of residents and businesses when they need it the most. I believe that our stewardship of taxpayer dollars has helped play a critical role in our economic recovery.

Today, signs of that recovery are everywhere. Our local and state unemployment rate is down significantly. Permitting has more than doubled in the City. Construction cranes are back. Businesses are springing up and property values are increasing. Jobs are being created. Occupancy rates are rising Downtown. Commissioners, this is the part of the speech where you and just about everyone else is hoping that I'm going to say, "happy days are here again" and that we are on track to restore our budget back to pre-recession levels. As the saying goes, I've got some good news, and I've got some bad news.

The Good news. Our local, state and national economy is primed to return in a big way. That means more jobs, more discretionary income for our residents and a path to prosperity. The bad news, at least relatively speaking, is that our City budget is a far more complicated story.

It's not a perfect analogy, but think of our City budget like the budget of an Orlando family. Prior to the recession, the family was doing well. Both parents had great jobs. They had enough money to cover all their expenses, as well as put money into savings and make investments for the future. They even had a little left over to do some fun things. Then, the Great Recession hit.

One of the parents lost a job and the household income was cut dramatically. The family had to make tough choices in order to survive. They cut spending way back. They postponed maintenance on their house, stopped buying new clothes and decided not to replace the clunker in the garage. They stopped making all but the most critical investments. Those choices helped the family endure the tough times. They gave the family breathing room until the spouse who had lost a job could find a new part time job that paid at least some of what the old job did.

Here's the problem. Even though things are looking up for the family... and even though their income is headed back to where it was pre-recession... this does not mean the family can immediately go back to the lifestyle it had five or six years ago. Our family has to pay for long overdue maintenance on the house. They've got to put money back into their future investments, perhaps a college fund. They've got to buy a car. While that family was hunkering down, the price of things like gas, food and health insurance went up. So, while the economy is improving around them, our family is still faced with many tough financial choices. Our family may never get back to the exact same spot they were in financially before the recession.

This is, roughly, the same situation that your City government is in as our economy slowly begins to rebound. Over the last five years, we tightened the belt to the very last hole. We learned to do more with less. We stretched vehicle maintenance and replacement as far as it could go. We cut jobs. We stretched core infrastructure projects like pavement and building sidewalks. We postponed important investments in our future. Now, even though our economic picture is improving, we have to cover the costs of the decisions that were made in order to endure the Great Recession. The picture is even more complicated because of state-mandated property tax reform, which will prevent revenues from ever fully returning to where they were pre-recession. Simply put, the Legislature has restricted our ability to recover.

So, while we had hoped we could make it through the recession and come out on the other side in the same position we were in before economic crisis, this is not the case. After all of the work to cut costs, our budget picture remains such that we are going to continue to see limited revenues and increasing expenditures. Because our expenses are rising, we are going to have to fight this structural imbalance every year.

So, our focus this year is not going to be returning to where we were. Rather, our focus is on maintaining the service levels we have – and putting us in the best possible position to fight this fight in the years ahead.

Commissioners, the budget proposal we present today is a reflection of that ongoing fight. But, I submit to you that even though you could call this a basics budget, the services this budget continues to deliver are quite exceptional. This budget contains no tax increases, for one more year. It maintains funding to deliver superior police and fire protection and public works services. That includes the training and tools that have allowed our fire department to maintain an ISO rating of one for the past six years. It also includes the funding to ensure we have more police and firefighters per thousand residents than any other major city in Florida. And, it includes support for our Citywide CPR education initiative. This budget continues our investment in neighborhoods.

It ensures that we maintain our roads, parks and sidewalks.

It provides the infrastructure necessary for people to go about their lives; storm water, wastewater, trash pick-up and other health and safety functions. This budget allows us to

maintain the expanded Lake Eola Park and our other parks and ball fields. This budget invests in proven programs that link our most vulnerable young people with education and opportunity like the Parramore Kidz Zone and the After School All Stars program. And, our budget continues to support the private sector in creating desperately needed jobs and diversifying our Central Florida economy; programs such as our Main Street Districts that provide a path for entrepreneurship and small business success. In five years our investment in Main Street Districts have resulted in 2,259 jobs and 394 new businesses.

To underscore just how important the core services I've just described are, I want to read from a letter I received recently from Orlando resident Dom Castellano:

"Dear Mayor Dyer, City Staff and Park Management.

I wanted to take the time to express my appreciation and gratitude for the many City services that myself and my family enjoy. I walk my dog daily and I wish to thank those that maintain the Rosemont Preserve. My 17-month old son and my 10 year old son take swim lessons at College Park pool. The staff there are professional, enthusiastic and take pride in what they do. Thanks to you and the City staff who keep Orlando Beautiful!"

Commissioners, this is what it's all about. In a few minutes we're going to look at a lot of numbers. We're going to use fancy terms like "millage rate" and "property reassessment." When it all comes down to it, the reason we work so hard to craft these budgets is to provide the best services around to Dom and families like his throughout our City.

Commissioners, five years ago I stood here and talked about the uncharted territory we were heading into in terms of Orlando's budget. We are still in that uncharted territory today, striving to respond to an ever-changing roster of forces that threaten to erode our shared vision for Orlando's prosperity. This has been the definitive test of my public service career, and likely yours as well.

We would not have made it this far without the partnership and support of this City Council.

I want to say thank you to each City commissioner for their hard work and leadership as we've crafted budgets that sacrifice today, in order to be prepared for tomorrow. I also want to thank Rebecca Sutton, Ray Elwell, City CAO Byron Brooks and every department director for their leadership. We can't forget the members of our City family.

As I look back on my eleven years as mayor, one of the things I am most proud of has been the change in the culture of spending that our City employees have helped bring about. Government at every level is often criticized for fostering a dynamic where employees feel they are compelled to spend every dollar of their department's budget. Not here in Orlando.

Our directors, and all our employees fight to find savings. They work hard to secure grants and other creative ways to fund programs. And, they evaluate all spending no matter how big or small against the question – is this absolutely necessary? It is my privilege to work with employees every day who have made it their mission to change that culture of spending, into one of saving. It's also my privilege to work with City Commissioners who have worked to bring about this change in the culture of our government.

Finally, I want to thank the residents of Orlando. I hope our residents are proud that they have a local government that goes the extra mile to show them where their money goes, why that spending is important to them and the benefits that spending provides for us all. I hope, even in the midst of five years of recession and tough budgetary choices, that all our residents are proud to call our great City home.

That concludes my formal remarks.

I want to call on Rebecca to deliver our budget presentation.