

# City of Orlando, Florida

## *Budget Workshop – Fiscal Year 2014 Budget*

July 22, 2013



## Agenda

- Our Financial Condition – Where are we
- Our Financial Condition – How did we get here
- Our 2013-2014 Budget
- Next Steps / Key Dates



# Budget Workshop – Fiscal Year 2014 Budget

## *Our Financial Position*

*Financially, where are we?*

July 22, 2013



## Our Financial Position – Where are we?

### 2011-2012 Year End Results

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance</b>
Revenues	\$ 344,252,585	\$ 356,651,956	\$ 12,399,371
Expenditures	368,342,563	349,421,675	18,920,688
Excess (Deficiency)	\$ (24,089,978)	\$ 7,230,281	\$ 31,320,359
Rollover – P/Y Unspent Revenues	24,089,978	0	
Fund Balance Contribution	0	\$ 7,230,281	
Unused P/Y Unspent Revenues	N/A	\$ 24,089,978	
Positive Budget Performance	N/A	\$ 31,320,359	



## Our Financial Position – Where are we?

### Sources of 2012 Unspent Revenues

Source	Amount
Revenues	
Income on Investments	\$ 3,871,710
Licenses, Permits and Fees	7,580,074
Other	947,587
Total Positive Revenue Performance	\$ 12,399,371
Expenditures	
Departmental Spending Control	\$ 14,451,258
Unspent Contingency	4,000,000
Other	469,630
Total Positive Spending Performance	\$ 18,920,888
Unspent Revenues Produced in 2012	\$ 31,320,259



## Our Financial Position – Where are we?

### Status of Year End Reserves

	End of 2011-12
Total Fund Balance (General Fund & Utility Tax Fund)	\$ 137,431,343
Less: Non-expendable amounts	1,081,162
Restricted	2,543,776
P/Y Unspent Revs Appropriated for Next Year	29,500,000
Undesignated Fund Balance	\$ 104,306,405
Less: Designated as Reserve Maximum	89,733,897
Unappropriated P/Y Unspent Revenues (available for subsequent year's budgets)	\$ 14,572,508



## Eliminating Confusion Regarding Reserves

Total actual  
revenues less  
actual  
expenditures



GENERAL FUND  
RESERVES

Remaining  
amount after  
filling  
Reserves to  
Maximum  
level



Use of this  
bucket does not  
constitute use of  
Reserves

PRIOR YEAR UNSPENT  
REVENUES



## Our Financial Position – Where are we?

### Debt Levels (000's)

	2009	2010	2011	2012
Total Covenant Revenues	\$ 235,413	\$ 232,243	\$ 234,787	\$ 252,281
25% Debt Limitation	\$ 58,853	\$ 58,061	\$ 58,697	\$ 63,070
Maximum Annual Debt Svc	\$ 30,475	\$ 36,003	\$ 33,005	\$ 32,595
% of Debt Limit	51.78%	62.01%	56.23%	51.68%
% of Covenant Revenues	12.95%	15.50%	14.06%	12.92%





## Credit Ratings

The logo for Fitch Ratings, with "Fitch" in red and "Ratings" in grey.

AAA

The logo for Moody's Home, featuring the word "MOODY'S" in white on a blue background with a small house icon above the "O", and "HOME" in white above the "Y'S".

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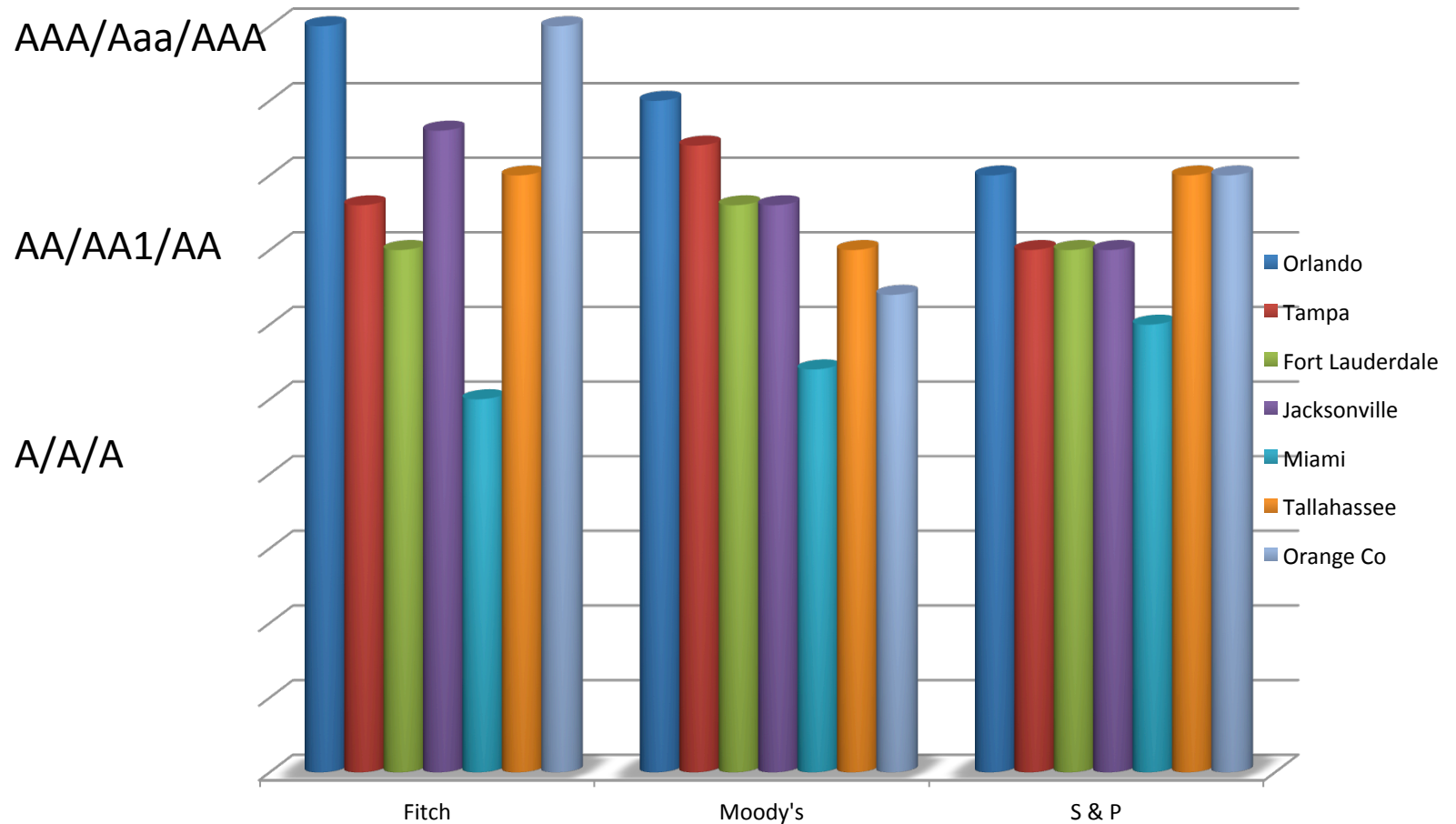
The logo for Standard & Poor's Ratings Services, featuring a red and grey circular icon on the left, the text "STANDARD & POOR'S RATINGS SERVICES" in red, and "McGRAW HILL FINANCIAL" in black below it.

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# Our Financial Position – Where are we?

## How do our Credit Ratings Compare to other Florida Governments?



# Budget Workshop – Fiscal Year 2014 Budget

## *Our Financial Position*

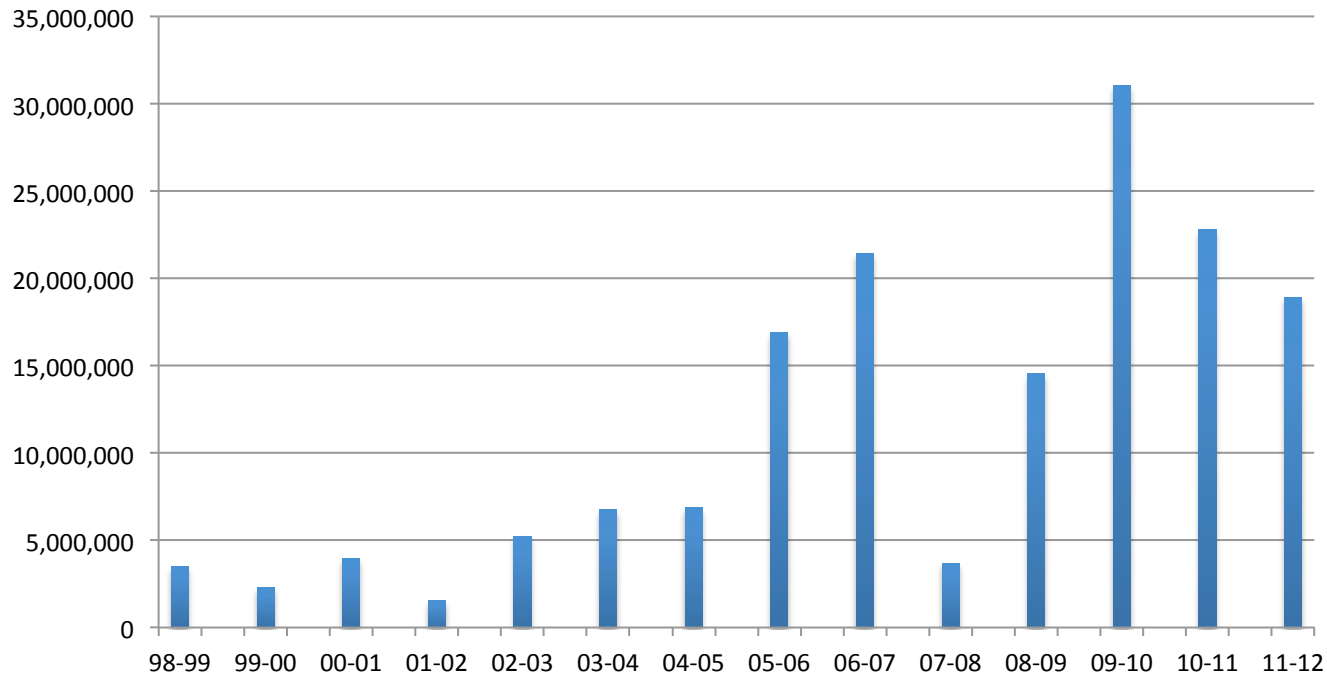
*How have we managed our finances?*

July 22, 2013



## Changing the spending culture

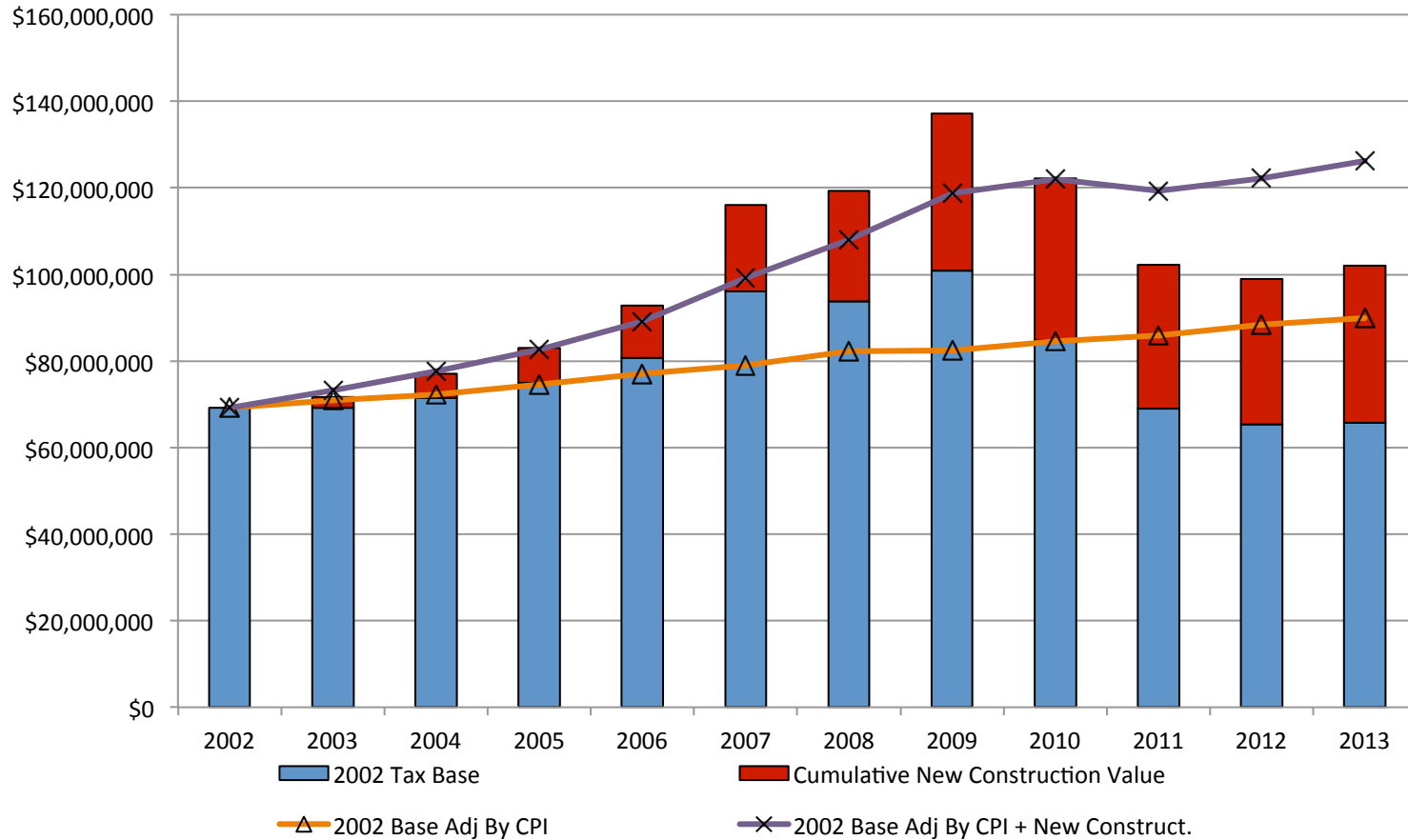
### Spending Management Performance



FYs 2007-2008 and 2008-2009 included significant Attrition Allowances



## Overcoming revenue challenges



## How have we managed our finances?

### Impacts of Property Tax Reform

	2010	2011	2012	2013	2014	Cumulative Total
Portability	\$ 21,655,836	\$ 29,799,273	\$ 33,683,377	\$ 36,517,096	\$ 39,262,294	
Doubling Homestead Exemption	779,677,344	669,091,279	637,219,608	618,321,533	612,706,443	
Non-Homestead 20% Cap	72,811,928	75,738,273	108,044,584	278,532,183	475,632,950	
\$25K Tangible Personal Property	165,996,966	162,375,416	158,938,041	158,502,271	160,405,170	
Total Value Removed	\$1,040,142,074	\$ 937,004,241	\$ 937,885,610	\$1,091,873,083	\$1,288,006,857	
Property Tax Equivalent	\$ 5,876,803	\$ 5,294,074	\$ 5,299,054	\$6,169,083	\$7,277,239	\$29,916,252
Homestead	\$ 4,527,532	\$ 3,948,732	\$ 3,790,602	\$3,699,838	\$3,683,623	\$19,650,328
Commercial/Non-Homestead	\$ 1,349,270	\$ 1,345,342	\$ 1,508,452	\$2,469,245	\$3,593,615	\$10,265,924



### Finding efficiencies, cost savings and grant opportunities

- Orlando Police Department
  - 23 Efficiencies were generated in the Chief's Office, Administrative Services, Support Services and Patrol, providing for more efficient service delivery and cost savings
  - \$1,228,100 in grant awards received and and \$823,677 Grants Opportunities have applications pending. Additionally over \$3 million for the COPS grant was awarded for a two year period ending in 2012.
  
- Families, Parks and Recreation
  - Applied for and received over \$2.5 million in grants over the past 2 years
  - 22 separate operational improvements, some having dramatic increases in efficiencies, effective service delivery and revenue production
  - Accommodated increase in service demand from existing resources



### Finding efficiencies, cost savings and grant opportunities

- Orlando Fire Department
  - Implemented Fire Based EMS Transport Services which generates approximately \$5 million per year and provides a higher level of service for our citizens
  - Obtained \$6 million in SAFER Grants and are stepping up efforts to make application for other grant sources
  - Implemented several efficiency initiatives which save money and create greater accountability over the spending process
  - Absorbed an additional 1500 calls for service within the same resource level
- Public Works
  - Obtained and utilized over \$6 million in grants for public works projects
  - Implemented 30 improvements to processes that resulted in efficiencies and cost savings





# Budget Workshop – Fiscal Year 2014 Budget

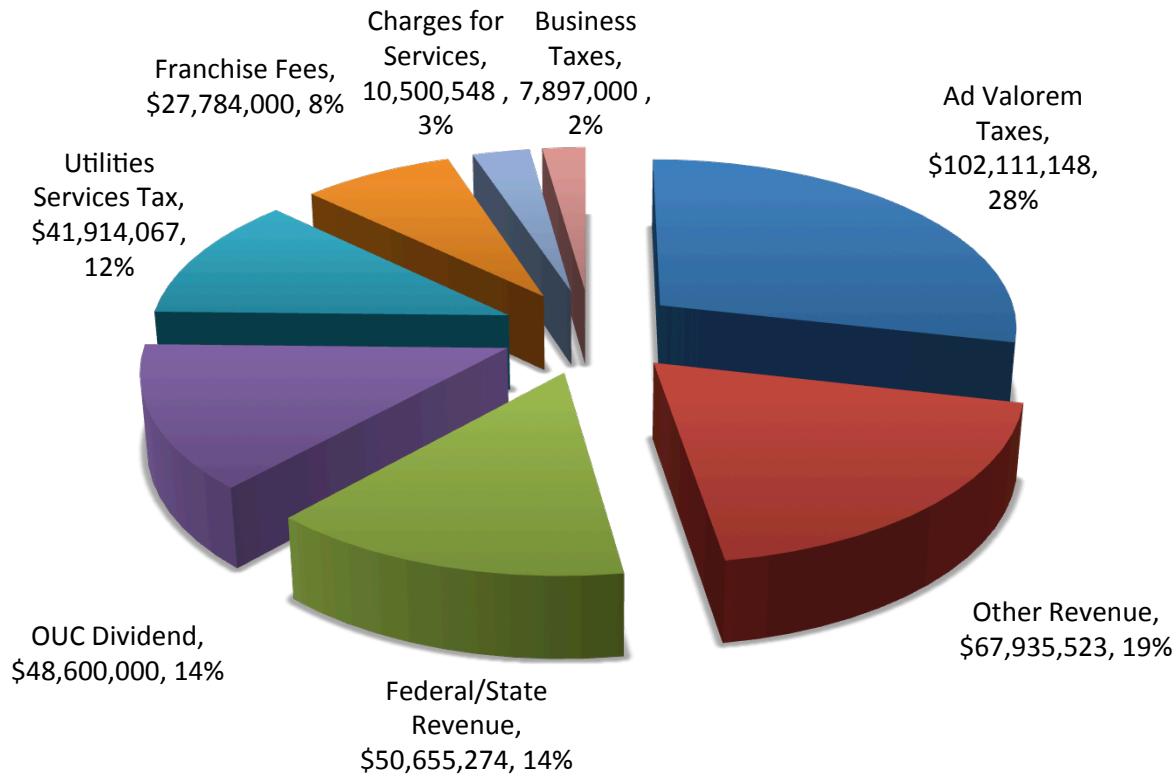
*Our 2013-2014 Budget*

*What are the numbers and how did we balance?*

July 22, 2013



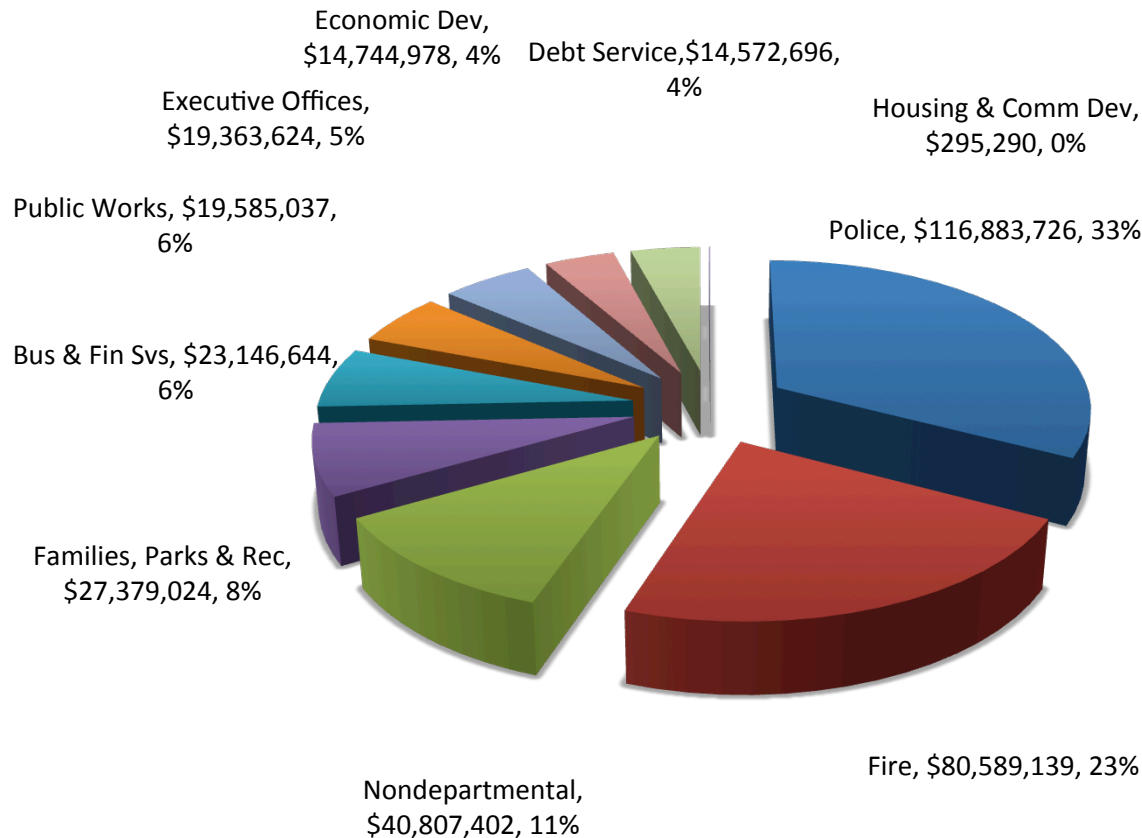
## Final Revenue Levels



Ad Valorem Taxes	\$102,111,148
Other Revenue	67,935,523
Fed/State Revenue	50,655,274
OUC Dividend	48,600,000
Utilities Services Tax	41,914,067
Franchise Fees	27,784,000
Charges for Services	10,500,548
Business Taxes	<u>7,897,000</u>
<b>Total</b>	<b>\$357,397,560</b>



## 2013-2014 Expenditures by Department



Police	\$116,883,726
Fire	80,589,139
Nondepartmental	40,807,402
Families, Parks & Rec	27,379,024
Business & Financial Svcs	23,146,644
Public Works	19,585,037
Executive Offices	19,363,624
Economic Development	14,774,978
Debt Service	14,572,696
Housing & Comm Dev	<u>295,290</u>
<b>Total</b>	<b>\$357,397,560</b>



### How Did we Balance

- Proposed no tax rate increase. Millage remains at \$5.65 per \$1,000 of value
- Used the historical underspend of the City by incorporating a reduction to which Department Directors will manage
  - Creating efficiencies
  - Underspending supplies and service lines
  - Managing employee vacancies
- Incorporated Prior Year Unspent Revenues from 2011-2012 and projected Unspent Revenues from the current year
- Maintained current service levels, but with some dependency on effective reduction management outlined previously. Our track record shows that we are capable of managing both to service levels and budget reductions.



# Budget Workshop – Fiscal Year 2014 Budget

*Next Steps / Key Dates*

July 22, 2013



### Budget Development Calendar

- July 22<sup>nd</sup>
  - City Council Meeting
    - Approve Tentative Millage Rate
- Week of July 22
  - Detail Budget Notebooks Delivered
- August, 2013
  - Individual Budget Briefings with Commissioners
- September 16<sup>th</sup>
  - Public Hearing and Adopt Tentative Millage Rate
- September 23<sup>rd</sup>
  - Public Hearing, Adopt Final Millage Rate, and Approve Budget





# City of Orlando

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