

City of Orlando, Florida
Fiscal Year 2016 Budget Workshop

July 13, 2015



Agenda

- Historical Perspective
- FY2016 Budget Summary
- General Fund Revenues / Expenditures / Departments
- Other Funds Revenues / Expenditures / Departments
- Next Steps – Budget Calendar



City Mission

Enhance the quality of life in the City by delivering public services in a knowledgeable, responsive and financially responsible manner.



Budget Reduction History

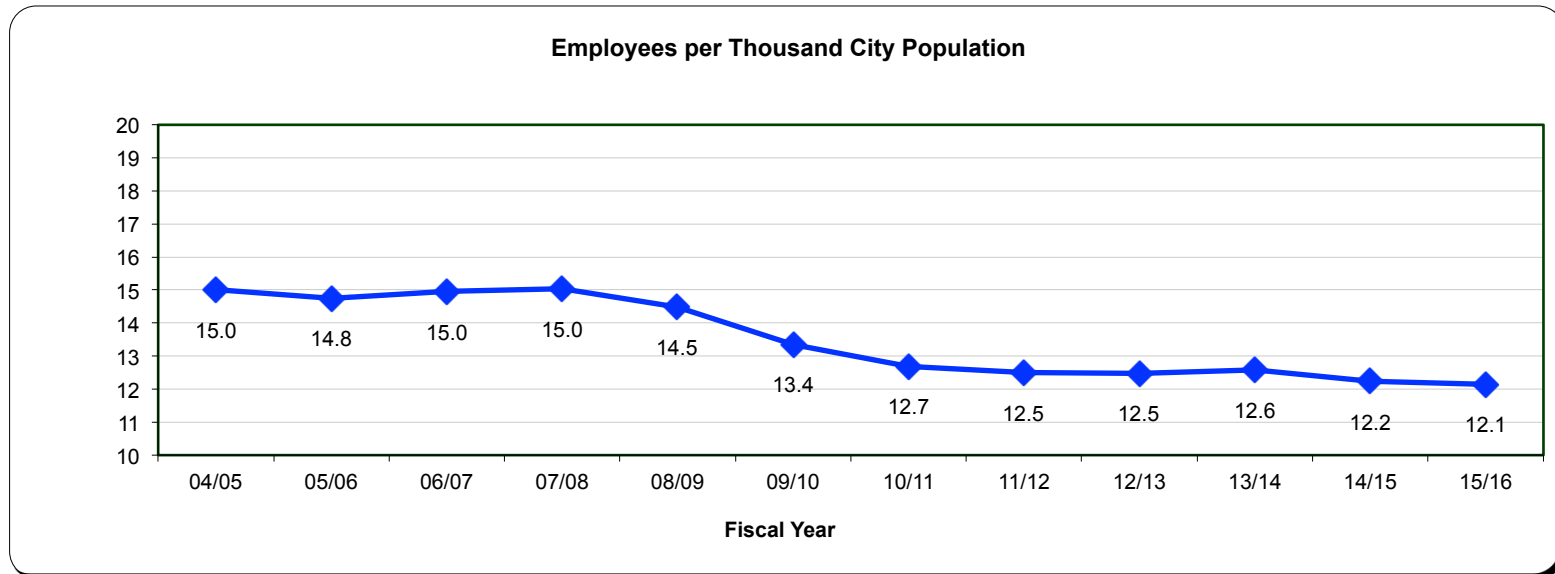
- From 2009 through the current year, we made budget cuts which have cumulatively saved the City \$232 million

	SAVINGS FOR EACH BUDGET PREPARATION YEAR							
	Pre 2009	2009	2010	2011	2012	2013	2014	2015
Pre 2009 Cuts	\$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




Staffing History

- While the City's population grew, the City continued to reduce staffing.



Maintained Strong Financial Footing

“City Finances are well-managed as demonstrated by strong reserves, ample liquidity, a diverse revenue base and conservative budgeting.” **FitchRatings**
FITCH RATING: AAA


MOODY'S
“The city’s financial position is sound, with...healthy reserve balance...and additional budgetary flexibility to respond to potential financial challenges.”
MOODY’S RATING: Aa1

“The stable outlook reflects Standard & Poor’s view of the city’s very strong budgetary flexibility due, in part, to management’s strong policies and practices” **STANDARD & POOR’S**
S&P RATING: AA+
UPGRADED FROM AA IN FY2015



Proposed Budget Summary

- Property tax revenues have finally returned to the pre-recession levels
- Recognizes revenues from increased economic activity
- Focuses on continuing our high service levels with investments in infrastructure and facility maintenance
- Proposes modest increases in staffing where economic conditions demand (i.e. Engineering Survey and Traffic Management)
 - Addressed immediate needs in the current year
 - General Fund still has 2 fewer positions



Proposed Budget Summary

- Includes full actuarial required contributions to all three pension funds and retiree health care (OPEB)
- Returns Capital Improvement Program to pre-recession allocations
- Increases contingency levels
- Doesn't include use of any Prior Year Unspent Revenues



General Fund Revenues

	<u>2015 Adopted Budget</u>	<u>2016 Proposed Budget</u>	<u>Change</u>
Ad Valorem Taxes	128,171,120	146,137,113	17,965,993
OUC Dividend	53,220,000	55,700,000	2,480,000
Utilities & Communications Tax	44,391,000	42,644,231	(1,746,769)
Charges for Services	37,835,278	42,535,815	4,700,537
Sales Tax Distribution	37,200,000	38,200,000	1,000,000
Franchise Fees	30,512,000	30,900,000	388,000
Intergovernmental Revenue	17,110,303	17,755,219	644,916
Other Revenue	8,218,474	12,036,805	3,818,331
Business Taxes	7,535,000	8,315,000	780,000
Licenses and Permits	2,920,400	3,910,000	989,600
Transfers In	<u>4,970,961</u>	<u>2,869,991</u>	<u>(2,100,970)</u>
Total Revenue (7.8% increase)	372,084,536	401,004,174	28,919,638



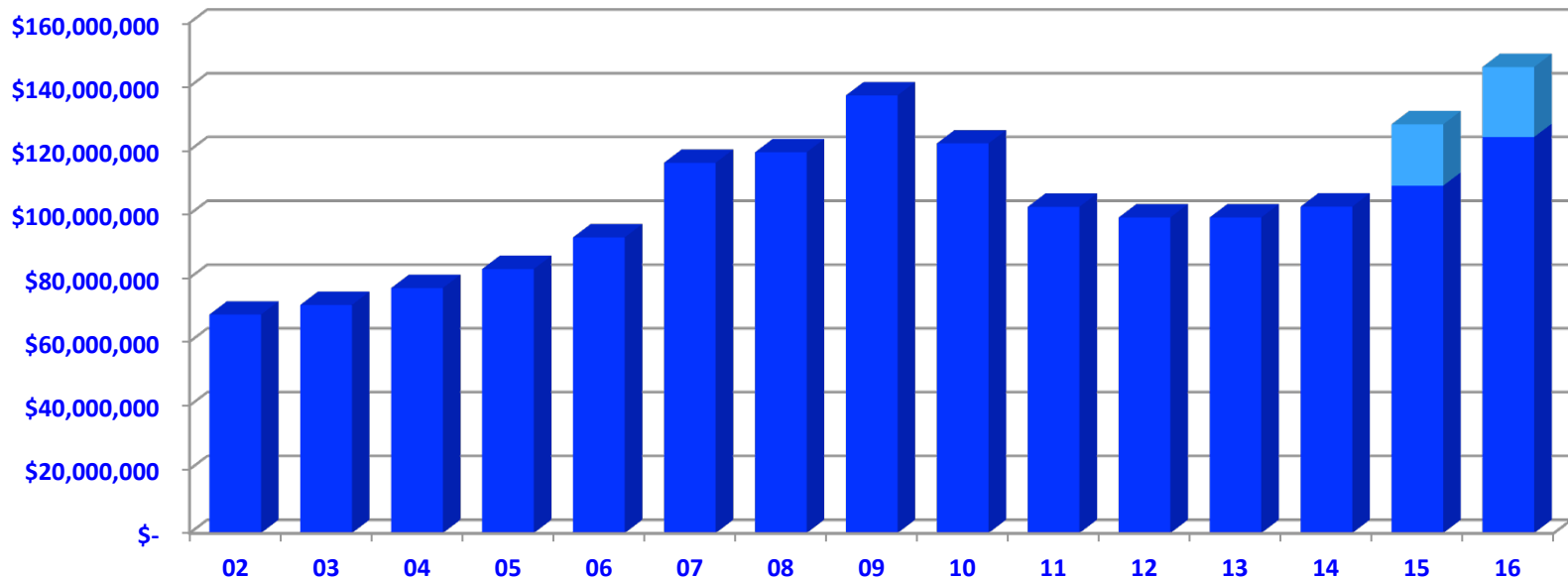
Property Tax

- In FY2015 the taxable base for the City rose by 14%
- Net New Taxable Value was \$1.1 billion
- Amount of Exempt Value increased by 4.75%



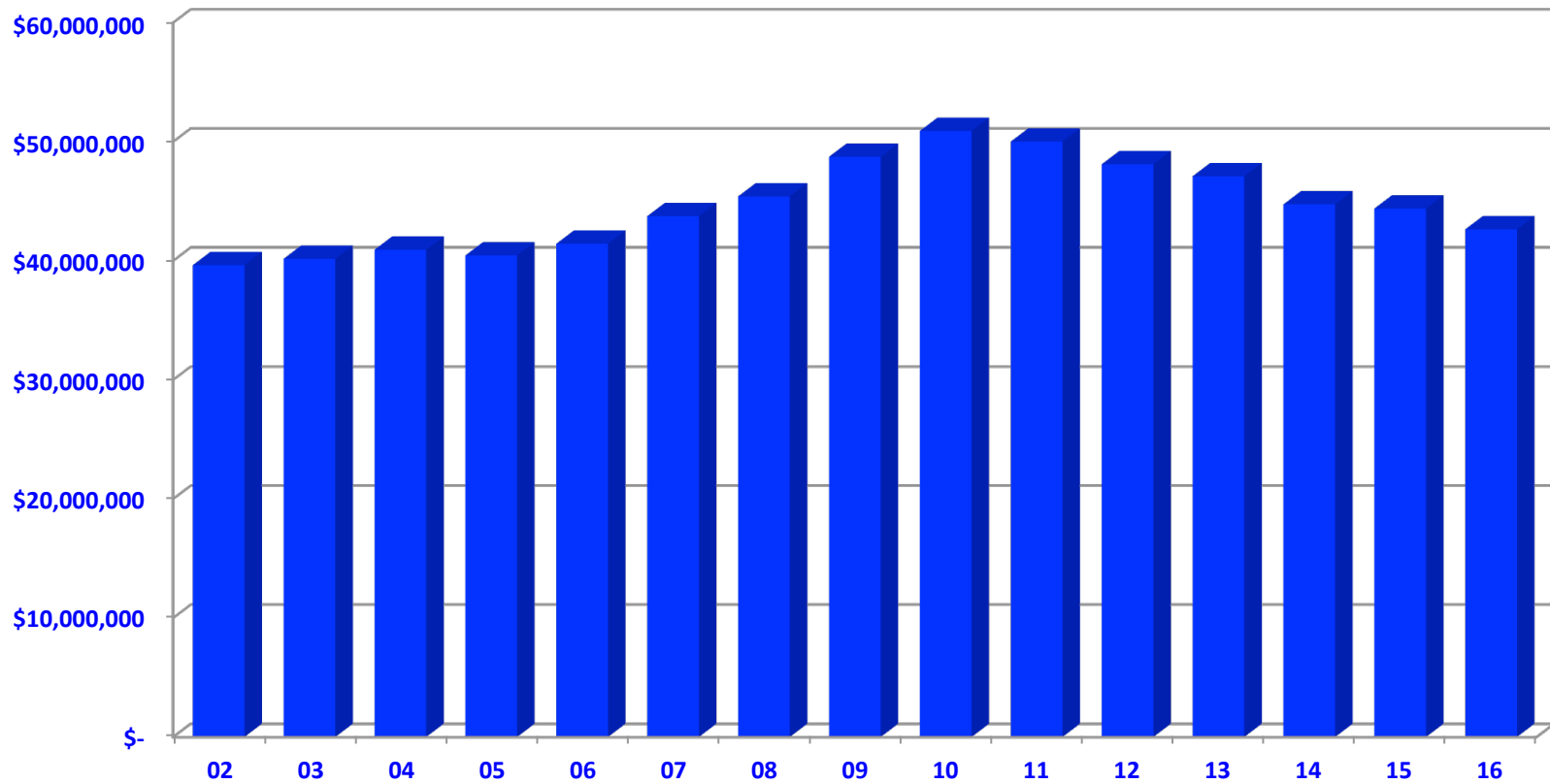
Property Tax

- Projection for FY2016 reflects maintaining our 6.65 tax rate and growing tax base.
- Without adjusted millage rate, revenue would remain below peak years.



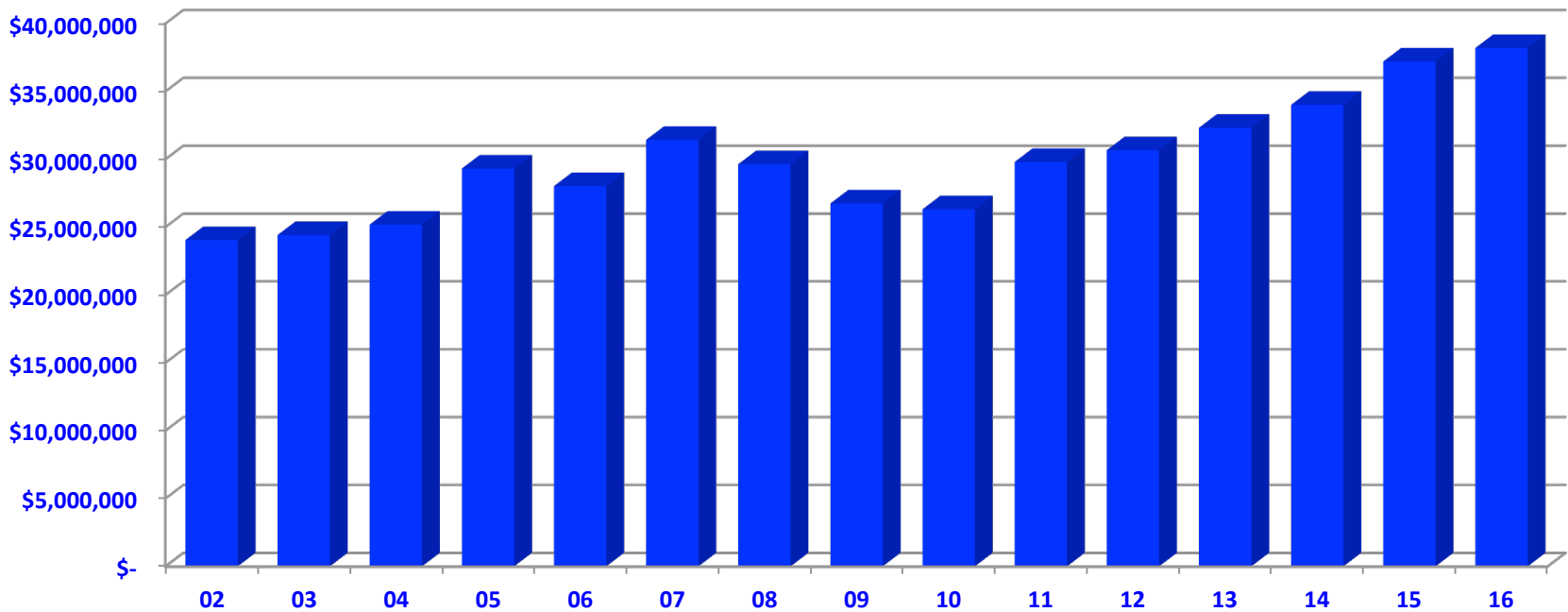
Utilities & Communications Services Taxes

- Projection for FY16 is lower (\$1.7M) due primarily to falling Communication Services Tax revenue.



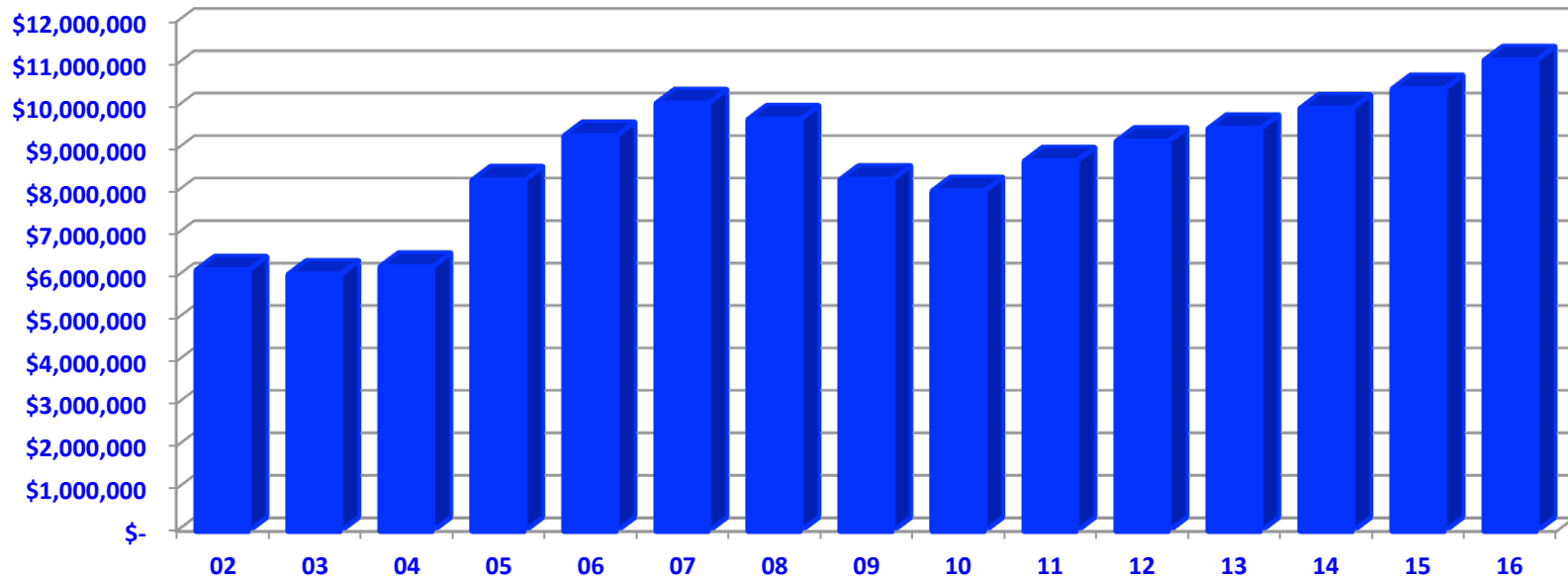
Sales Tax

- FY16 budget estimate is based on City OMB estimate rather than the State Department of Revenue / Office of Tax Research estimate which has been delayed by Special Session



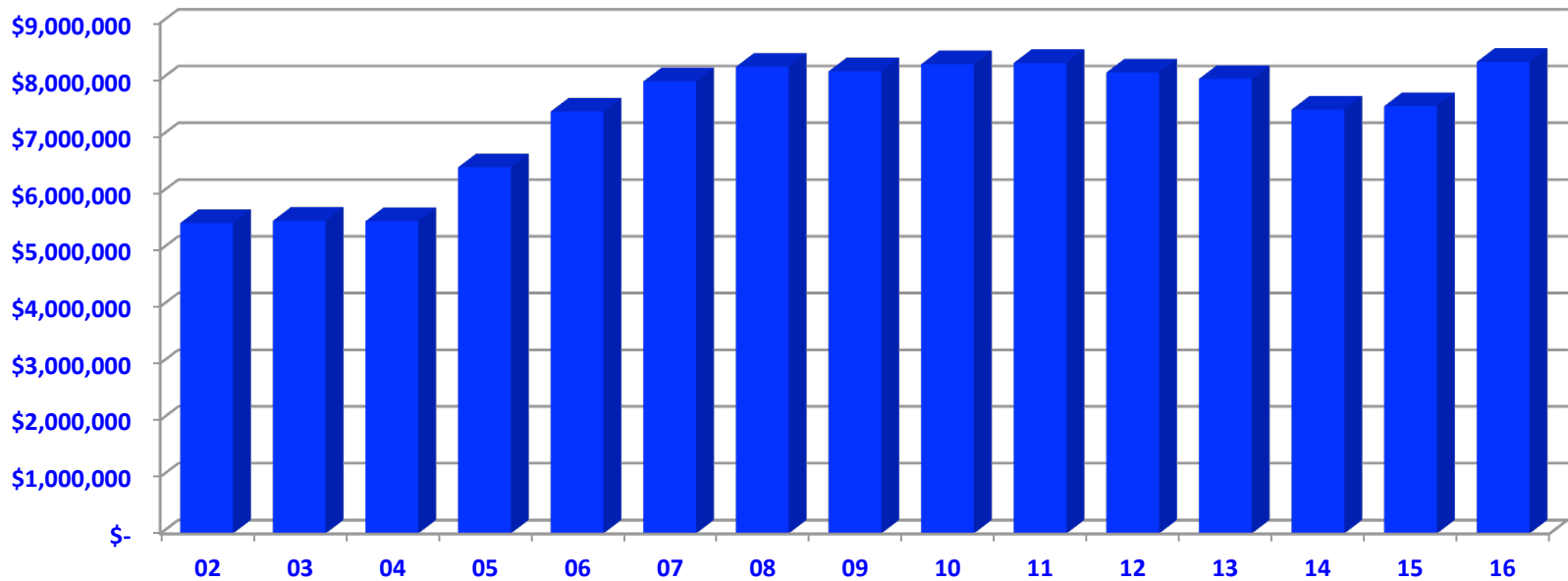
Municipal Revenue Sharing

- FY16 budget estimate is again based on City OMB estimate rather than State Department of Revenue / Office of Tax Research estimate which has been delayed by Special Session



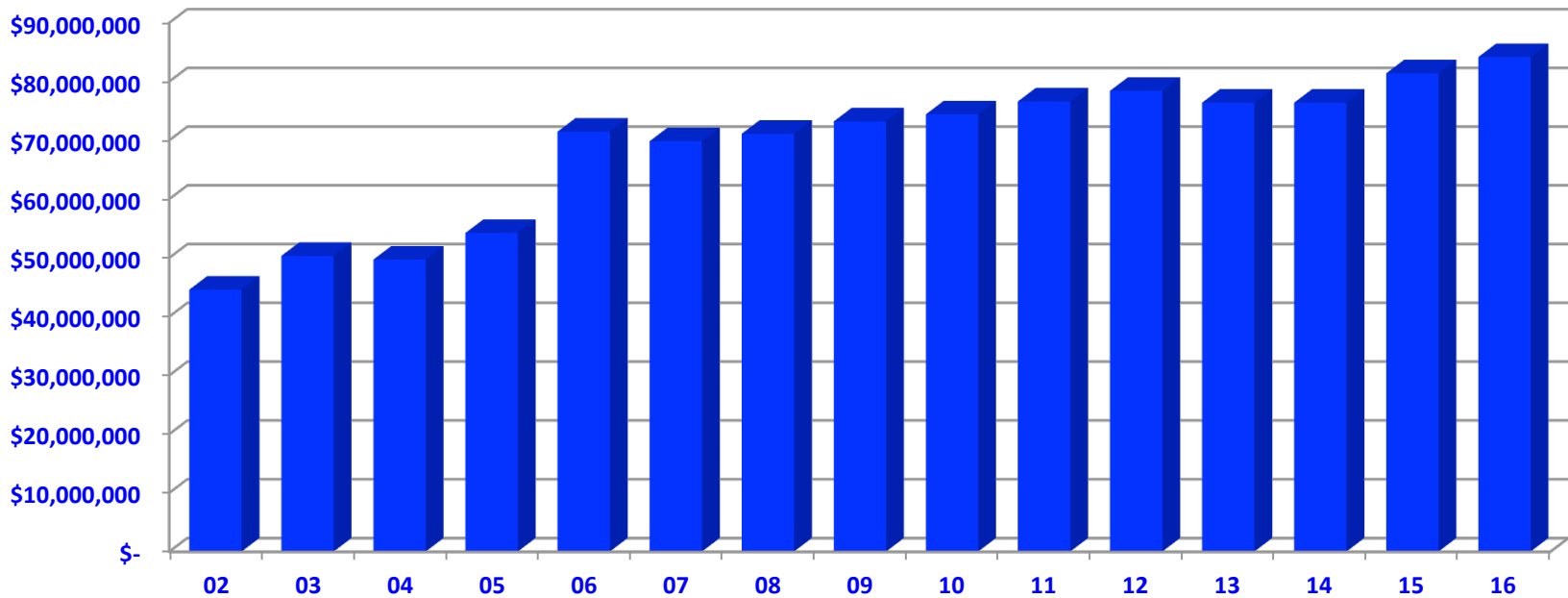
Local Business Tax

- In the FY15 budget estimate we correctly projected a modest increase and we see that trend continuing and accelerating in FY16



Franchise Fee / Dividend

- Total revenue received from OUC for the franchise fee / dividend is increasing by \$3 million



General Fund Expenditure Summary

- **Salaries and Benefits**
 - Cost of living adjustments and Public Safety steps (est. \$2.9 million annually)
 - Pension / retiree health care contributions increased \$1.3 million this year
 - Health Insurance increased \$900,000 this year
- **Increased Transfer to Capital**
 - Increased \$5.8 million this year
- **General Contingency**
 - Increased \$3 million this year
- **Departmental Initiatives**
 - Programs to Improve Efficiency and Focus on Citizens \$2 million
- **Increased Maintenance Program**
 - Fleet Costs and Facility Maintenance Charges increased \$775,000 this year
- **Targeted savings lowered from \$15 million to \$10 million**



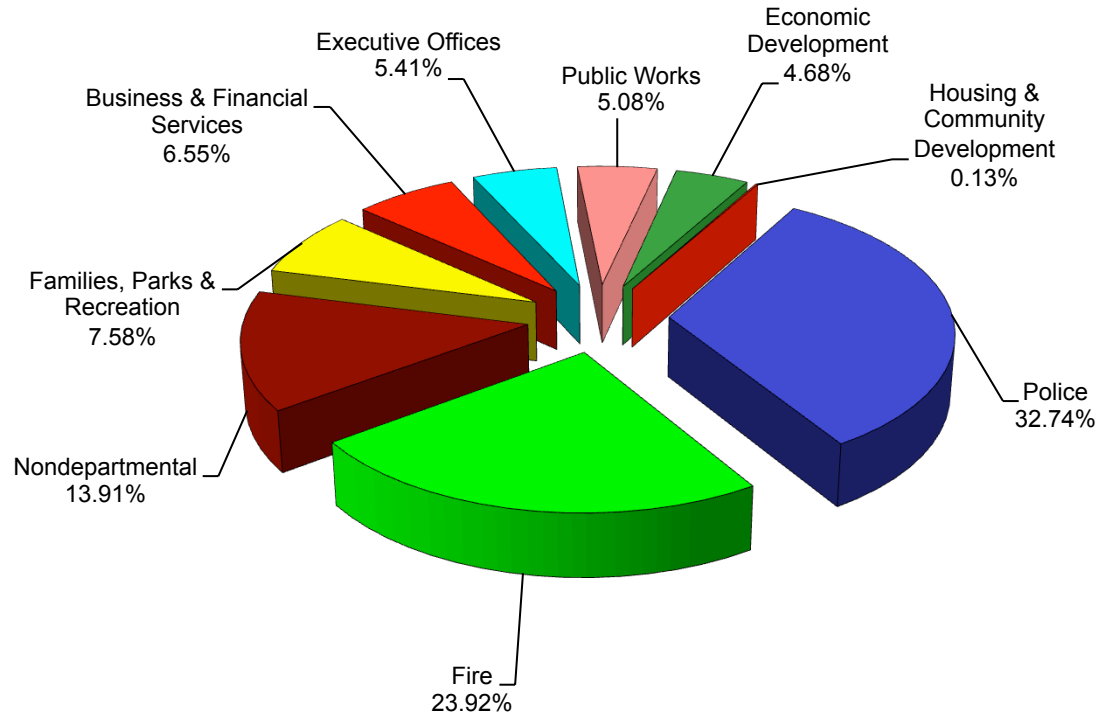
General Fund Expenditures

	<u>2015 Budget</u>	<u>2016 Proposed</u>	<u>Change</u>
Business & Financial Services	25,374,110	26,253,264	879,154
Economic Development	18,001,425	18,780,132	778,707
Executive Offices	20,466,655	21,568,734	1,102,079
Families, Parks & Recreation	29,213,541	30,409,627	1,196,086
Fire	89,332,083	95,928,933	6,596,850
Housing & Community Development	460,300	505,979	45,679
Nondepartmental	47,849,035	55,891,388	8,042,353
Orlando Venues	-	-	-
Police	122,068,476	131,288,535	9,220,059
Public Works	<u>19,318,911</u>	<u>20,377,582</u>	<u>1,058,671</u>
Total Expenses	<u>372,084,536</u>	<u>401,004,174</u>	<u>28,919,638</u>



Total Budget \$401,004,174

General Fund Expenditures by Department



Other Funds Revenue Summary

- Waiving Wastewater Inflationary Fee Increase (5%)
- Waiving Solid Waste Inflationary Fee Increase (4%)
- Fund Additional Capital Projects in Enterprises
- Internal Service Funds (Healthcare and Facilities)



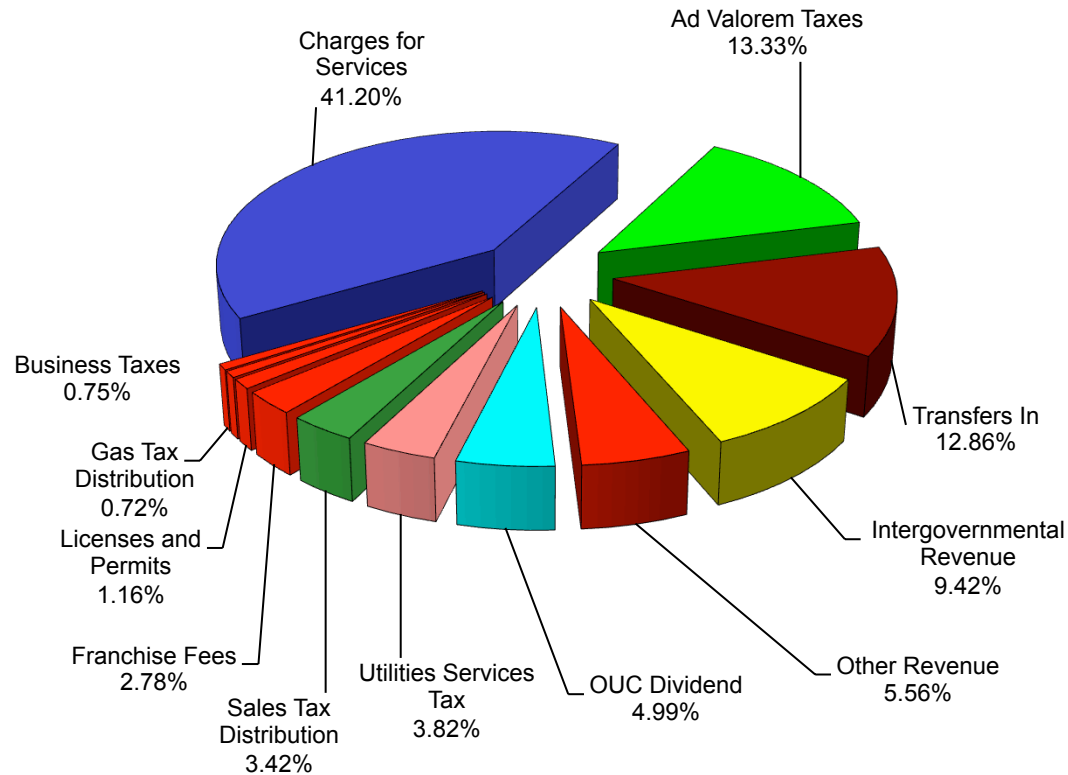
All Funds Revenues

	<u>2015 Budget</u>	<u>2016 Proposed</u>	<u>Change</u>
Charges for Services	447,059,751	459,715,678	12,655,927
Ad Valorem Taxes	130,492,855	148,730,371	18,237,516
Transfers In	125,401,642	143,463,466	18,061,824
Intergovernmental Revenue	95,982,634	105,104,153	9,121,519
Other Revenue	48,997,430	62,014,618	13,017,188
OUC Dividend	53,222,000	55,700,000	2,478,000
Utilities Services Tax	44,391,000	42,622,400	(1,768,600)
Sales Tax Distribution	37,200,000	38,200,000	1,000,000
Franchise Fees	30,592,000	30,980,000	388,000
Licenses and Permits	11,715,589	12,910,000	1,194,411
Business Taxes	7,535,000	8,315,000	780,000
Gas Tax Distribution	<u>7,800,000</u>	<u>8,000,000</u>	<u>200,000</u>
Total Expenses	<u>1,040,389,901</u>	<u>1,115,755,686</u>	<u>75,365,785</u>



Total Budget \$1.115.755.686

All Funds - Revenues by Source
FY 2015/16



Other Funds Expenditure Summary

- Salaries and Benefits
 - Cost of living adjustments (est. \$850,000 annually)
- Increased Capital Investments
 - Wastewater increasing
 - Maintaining street rehab funding
 - General Fund capital increasing
- Building Code Enforcement Fund
 - Increasing \$900,000



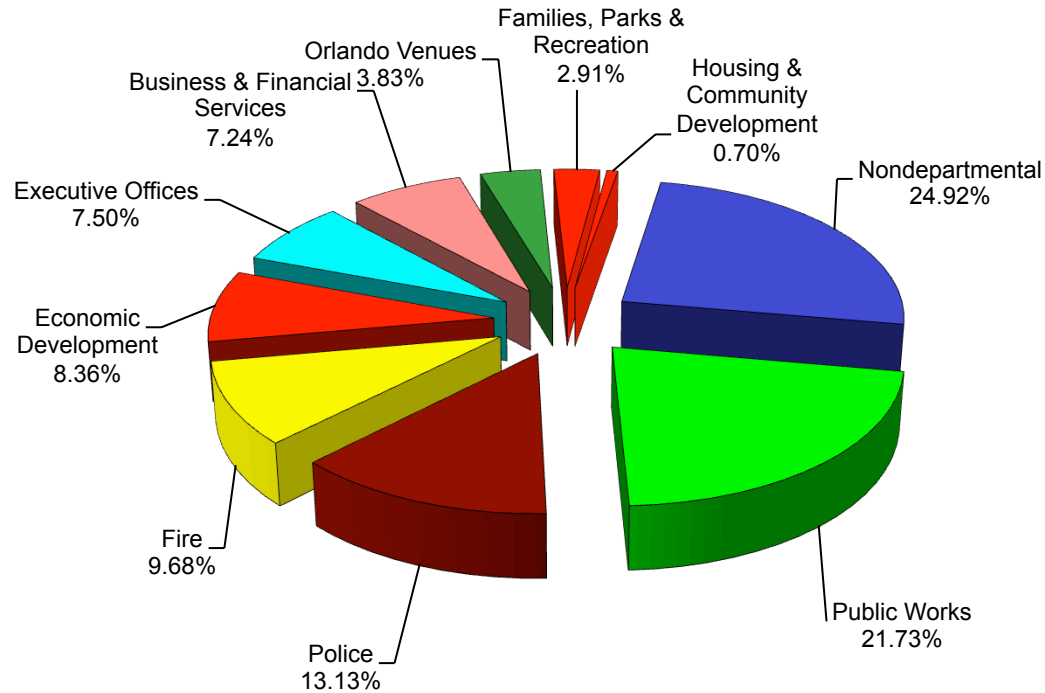
All Funds Expenditures

	<u>2015 Budget</u>	<u>2016 Proposed</u>	<u>Change</u>
Business & Financial Services	76,573,426	80,731,165	4,157,739
Economic Development	85,811,638	93,325,779	7,514,141
Executive Offices	79,302,529	83,644,684	4,342,155
Families, Parks & Recreation	32,743,121	32,494,271	(248,850)
Fire	113,179,324	107,978,933	(5,200,391)
Housing & Community Development	7,641,431	7,804,080	162,649
Nondepartmental	254,641,890	278,091,187	23,449,297
Orlando Venues	40,258,351	42,782,201	2,523,850
Police	137,759,136	146,503,927	8,744,791
Public Works	<u>212,479,055</u>	<u>242,399,459</u>	<u>29,920,404</u>
Total Expenses	<u>1,040,389,901</u>	<u>1,115,755,686</u>	<u>75,365,785</u>



Total Budget \$1,115,755,686

All Funds - Expenditures by Department



Budget Balanced

<u>General Fund</u>	<u>2016 Proposed</u>
Revenues	401,004,174
<u>Expenses</u>	<u>401,004,174</u>
Total	-

<u>Other Funds</u>	<u>2016 Proposed</u>
Revenues	714,751,512
<u>Expenses</u>	<u>714,751,512</u>
Total	-



This Year's Budget Process and Next Steps

Date	Activity	Subject Matter
January - April	Department Prioritization	Staffing, Revenues, Expenditures, Capital Improvement Program
April - July	Office of Management and Budget Review	Staffing, Revenues, Expenditures, Capital Improvement Program
Week of July 6	Commissioner Briefings	Discussion of Budget Recommendations
July 13	Budget Workshop	Update of Budget Position, Ad Valorem Tax Revenues, Valuations, Department Requests
July 27	Mayor's Budget Message, Council Action	Fiscal Year 2015-2016 Budget Presentation, Resolution to Set Tentative Ad Valorem (Property Tax) Rate
September 9	First Public Hearing	Finalize Resolutions for Fiscal Year 2015-2016 Ad Valorem (Property Tax) Rate and Budget
September 21	Second Public Hearing	Finalize Resolutions for Fiscal Year 2015-2016 Ad Valorem (Property Tax) Rate and Budget





City of Orlando

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