

Mayor Dyer's FY 2011/2012 Budget Address

July 25, 2011

City Council Chambers

Good afternoon Commissioners,

On July 13, 2009 I stood in this very spot and delivered a grim budget message to you and the residents of our City.

At that time, our country was plunging into the worst recession since the Great Depression.

Here in Orlando, the financial crisis had eroded our revenues, leaving us with a 40 million dollar budget deficit.

Worse still, the economic downturn meant the City would see increasingly larger deficits in the years ahead.

Orlando's financial future faced an unprecedented challenge.

On that day, we talked about choices.

Raising taxes.

Laying off police officers and firefighters... cutting everything to the bone.

Taking a short-term approach... and trying to put these decisions off until later.

All of those options were on the table.

And, those options would have been easy fixes to get our budget back on-line – or just delayed the inevitable.

Rather than taking that easy road... this government chose another path.

For more than two years now, we have rolled up our sleeves every day to make the *difficult but necessary* decisions that have reduced the size of our government... and allowed us to live within our means:

- We eliminated more than 400 positions
- We reduced or eliminated services

- We dramatically reduced the size of government with the only new spending going toward police and fire protection.
- Our employees stepped up and voluntarily relinquished cost of living increases.
- We challenged our departments to do more with less.
- We continued to fully fund our pension obligations.
- We made a commitment to delivering balanced budgets *without* raising taxes.
- We also kept our reserves, *our safety net*, intact. We are one of very few Florida governments who have not raided its reserves during this recession.

We made tough, responsible choices to reduce the size of our government... while maintaining our investments in important areas like police, fire, public works and our downtown core.

This careful planning has kept Orlando on firm financial footing through the toughest days of the recession and into this early period of recovery.

It has also enabled us to position ourselves for a better future.

Because of this hard work our residents can proudly say that right now... Orlando is in the best financial shape of any major city in Florida.

Let me say that again... Orlando is in the best financial shape of any major city in Florida.

Look at how we compare:

- ✓ Orlando has the lowest tax rate of any major city in Florida.
- ✓ Orlando has a lower tax rate than it did 20 years ago.
- ✓ Orlando has fought tax increases while other Florida cities have raised their tax rates in response to the negative effects of the recession.
- ✓ Orlando has balanced its budget *without* the need to drain its reserves. In fact, since 2005, Orlando has added to its savings by 30% while local governments around Florida have drained their strategic reserves.
- ✓ Orlando has more police officers per thousand residents than any other major city in Florida. At the same time, Orlando also has steadily reduced its number of overall employees.
- ✓ Orlando is the only major city government in Florida that has funded all of its committed retirement benefits.

- ✓ Fitch Ratings gave Orlando a Triple-A Bond Rating in 2011, the highest “credit score” possible.
- ✓ In the midst of this effort to reduce costs, we have been able to maintain our strategic investments in police and fire protection, critical infrastructure projects such as streets and sidewalks, new fire stations and police substations, critical upgrades to our storm and waste water systems as well as efforts to continue the revitalization of Downtown Orlando.

FY 2011/2012 Budget

Commissioners, we are in this position because of your hard work during challenging times.

I want to thank each of you for partnership and commitment to fiscal responsibility.

Today, I am proud to be with you as we share the message with our community that we *do not* face a budget deficit this year.

Accordingly, the budget we are proposing today requires no additional cuts or reductions in services.

More importantly, this budget includes no increases to our tax rate.

We are, once again, holding the line on taxes and keeping money in the pockets of our residents when they need it the most.

In a few minutes, our CFO Rebecca Sutton and Deputy CFO Ray Elwell will present an overview of the proposed budget and highlight some of our planned expenditures for the fiscal year ahead.

You will quickly realize this is a “basics” budget; one that allows our City to continue to perform the functions of government that people depend on every day... at the highest levels possible:

- Protecting our residents and visitors
- Preventing crime and responding to emergencies
- Maintaining our roads, parks and sidewalks
- Picking up trash
- Providing the infrastructure necessary for people to go about their lives; storm-water, waste-water and other health and safety functions.

I remarked last year that spending money to provide these functions is not glamorous.

There won't be headlines about the money we invest in our sidewalk rehabilitation program... or making sure residents trash is picked up twice a week.

But, providing these core services at the highest level possible is our mission.

It's precisely what this budget accomplishes.

This budget also provides funding to continue what I believe is our City's greatest success story in the midst of this recession...

A commitment to Police and Fire protection that has helped produce the most dramatic drop in crime in City history... and has helped our fire department remain among America's best departments.

Since 2007, violent crime has been cut by more than 40 percent in Orlando.

It's not enough just to bring crime down... we must now do everything possible to keep it down.

This budget continues our investment in the tools, training and technology necessary to keep Orlando safe.

That commitment also extends to the Orlando Fire Department.

We spent the past two years fighting for federal grant money to keep our firefighters on the job.

Those firefighters whose jobs were saved... have made us proud, along with the entire department.

They have maintained the department's ISO rating of one; making them one of only 60 departments, out of more than 50,000 nationally, to achieve this designation.

What does a designation like this mean for our residents?

A great example is our EMS response.

OFD's "code save" rate is 34 percent... compared to a national average of between 2 and 10 percent.

This means, if you have an emergency like a heart attack in the City of Orlando, you have a much greater chance of surviving it because of the proven performance of our Fire Department.

The most pressing issue on most people's minds during this recession has been creating new jobs and keeping the ones we have.

While it's not the function of our City government to create jobs; we do have an important role to play in helping to lay the foundation for the private sector to create jobs and opportunity.

So, our proposed budget continues to fund a diverse slate of business support programs and efforts to diversify our Central Florida economy.

It includes programs such as our Main Street districts and our Businesses Assistance Team.

SunRail is another a terrific example of this commitment to jobs.

Just days ago, we kicked off the construction of our first-ever commuter rail system.

Our City commitment to this project is less than one tenth of one percent of our total budget.

In return, we get a once-in-a-generation project that will give our residents much-needed, less expensive alternative to their automobiles; while also generating more than 200-thousand jobs over the next 25 years.

It's the same sort of investment we are making with projects such as the Medical City at Lake Nona, the Dr. Phillips Center for the Performing Arts and downtown Orlando's planned Creative Village.

A Well-Run, Fiscally Responsible City

Commissioners, I hope each of you is proud of the work we have done to overcome our budget challenges and continue to provide the superior services our residents depend on every day.

I hope our residents are proud as well.

I often say the best part of my job is simply getting to talk with the people who call our City home.

What's going on in their lives.

What's important to them.

What concerns they have.

In the last few years, many of those conversations have focused on what steps Orlando's families are taking to tighten their belts... or what they're sacrificing *today* in order to provide in the future.

I want our residents to know that their government has made those same, tough spending decisions in these challenging times; and we've done so on their behalf.

I want them to see where their money goes... why that spending is important to our City... and how it provides a benefit to them.

And... I want them be proud that they live in a well-run, fiscally responsible city that is as careful with a dollar as they are.

Commissioners, Thank you again.

To all the dedicated men and women who serve the residents of our City... thank you as well for your commitment to Orlando.

Now, Ray and Rebecca will deliver our budget presentation.

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