

City of Orlando, Florida

City Council Workshop #2 / Fiscal Year 2011 Budget

June 21, 2010



- Part 1 General Fund Revenue Update

- Part 2 General Fund Departmental Overview

- Part 3 Voluntary Separation Update

- Part 4 General Fund Budget Gap Update

- Part 5 Next Steps / Key Dates



City Council Workshop / Fiscal Year 2011 Budget

Part 1: Revenue Presentation

June 21, 2010



Revenue Forecast - April 26	335,615,000
Ad Valorem Update	(6,935,000)
Other Miscellaneous Revenue	<u>(280,000)</u>
Current Revenue Projection	328,400,000



Property Tax Update

- Best Estimate Received
 - Forecast Based on 10% Taxable Value Reduction
 - State of Florida Revenue Estimating Conference
 - Actual Decline in Taxable Value is 14.7%
 - Reduction of \$6.9 million from forecast
- Approximately \$200 million in new construction



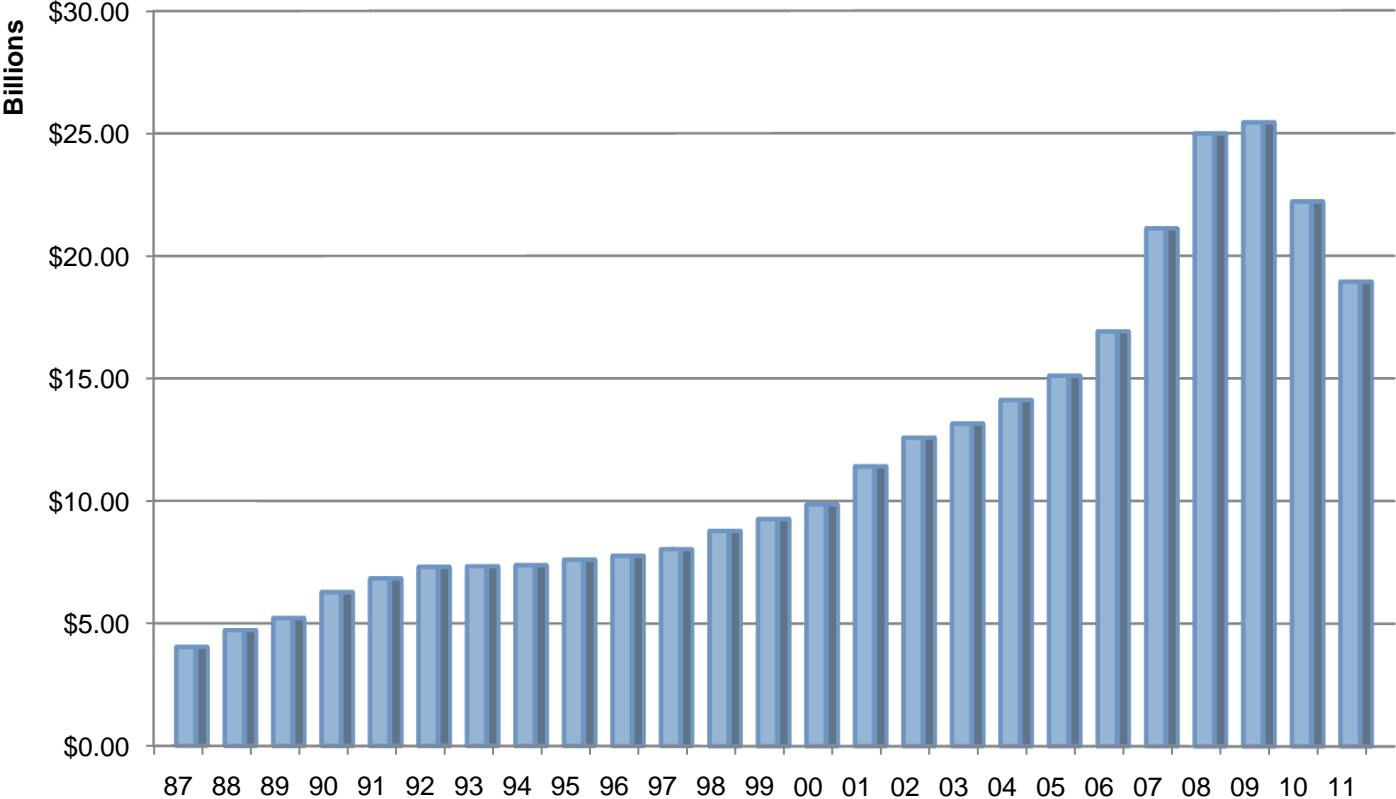
Millage Rate Options

	<u>Old Method</u>	<u>New Method</u>
Current Millage Rate	5.6500	5.6500
Roll Forward Rate	6.6569	8.2787
Rate with Majority Vote*	6.5311	8.1220
Rate with 2/3 Majority Vote	7.1842	8.9344

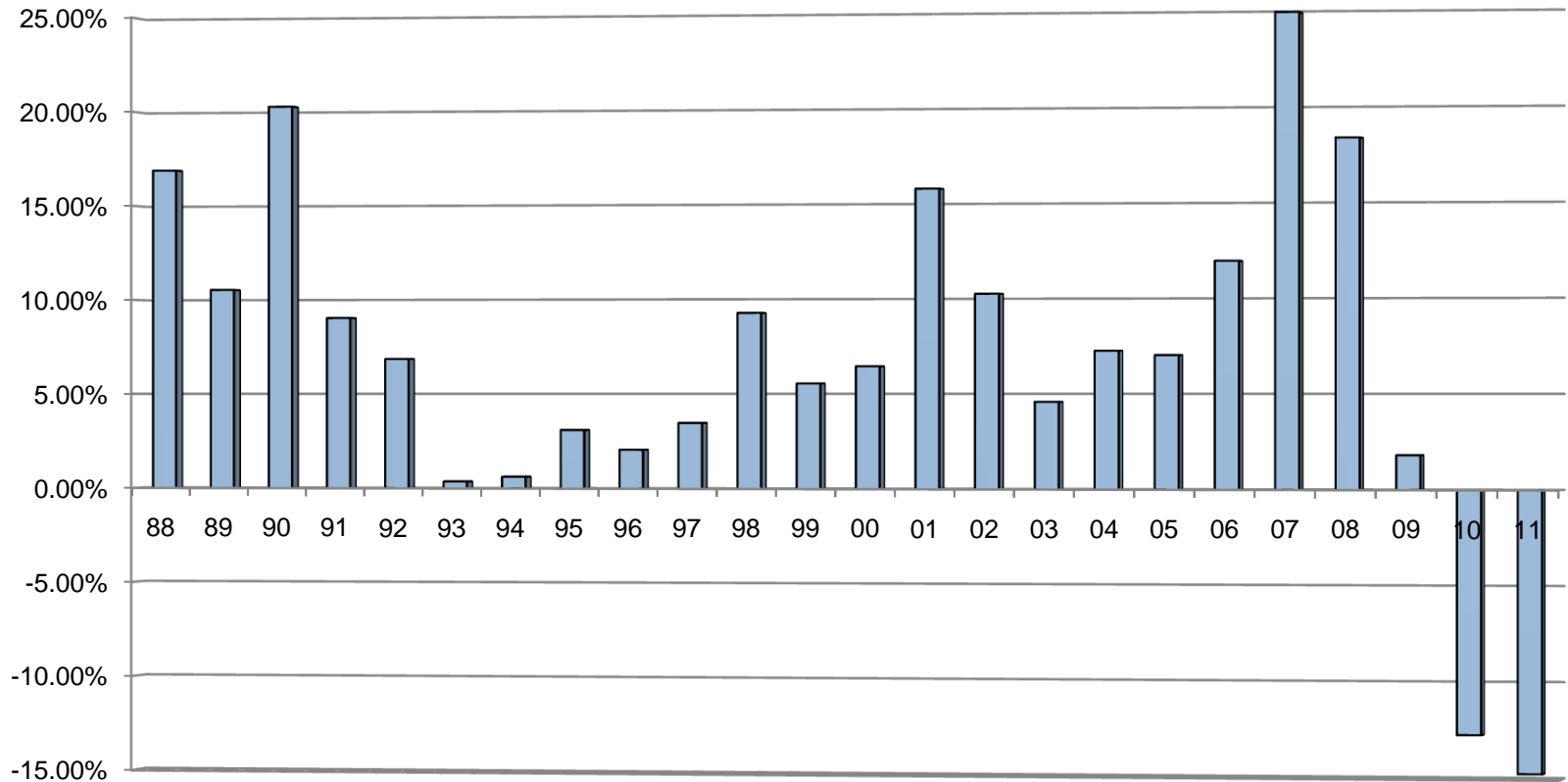
*Council may exceed the roll back/roll forward rate by the change in personal income with a simple majority vote; change in personal income for FY2011 is -1.89%



Taxable Value by Fiscal Year



Percentage Change in Taxable Value by Fiscal Year

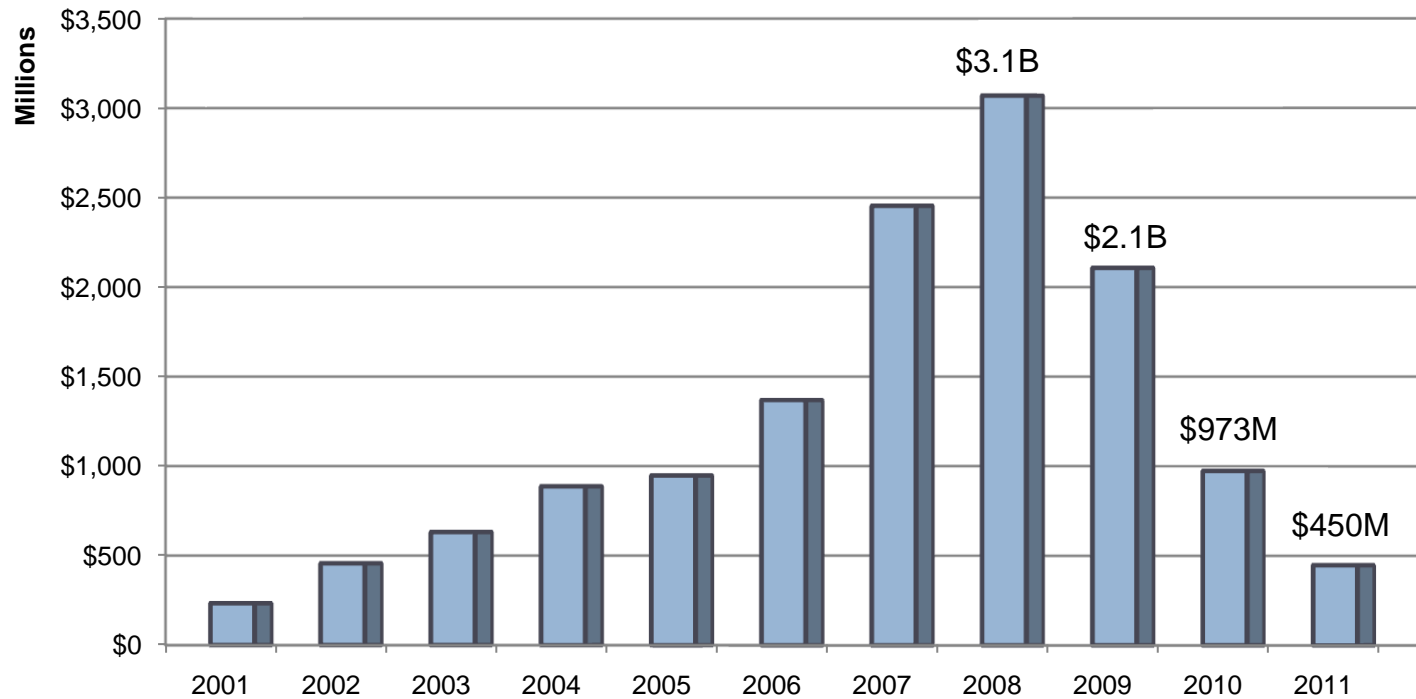


- Taxable value of homestead property can grow by 3% or the change in CPI, whichever is lower
 - Change in CPI for FY2011 is 2.7%

<u>Budget Year</u>	<u>Average Taxable Value</u>	<u>City Tax (5.65)</u>
2009	\$120,110	\$679
2011	\$ 94,250	\$533
Change	(\$ 25,860)	(\$146)



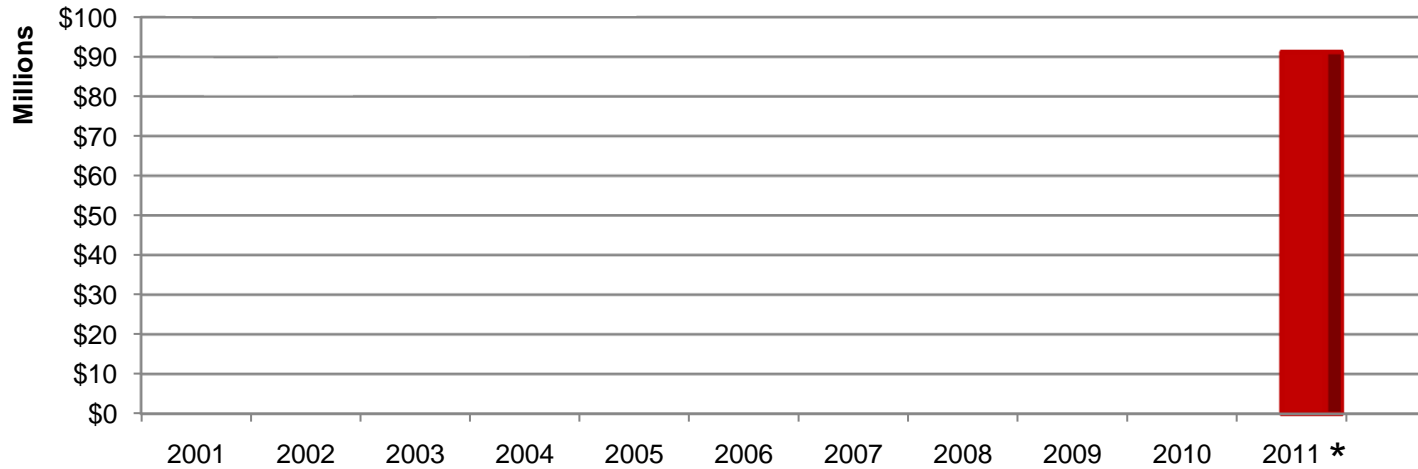
“Save our Homes” Value



- Growth in taxable value for non-homestead property is capped at 10%
 - FY2011 is the first year of implementation of this cap
- Constitutional amendment on the ballot in November
 - Lowers the cap from 10% to 5%
- Best Estimate Letter reflects \$91.2 million in “untaxed” non-homestead property value as a result of the 10% cap



Non-Homestead "Save Our Homes"



* FY2011 (\$91.2M) equates to \$515,200 in Ad-Valorem Revenue



General Fund Reserves

	<u>FY2010</u>	<u>FY2011</u>
Fund Balance used to Balance the Budget	14,761,862	
Fund Balance above 25% Reserves Carried forward to 2011	9,800,000	9,800,000
Projected Fund Balance Not Needed in FY2010		6,700,000
Reserves in Excess of 25% - From Projected Budget Reduction (\$371M to \$350M)		<u>4,000,000</u>
Current Projection of Reserves Available for FY2011		20,500,000



City Council Workshop / Fiscal Year 2011 Budget

Part 2: General Fund Department Overview

June 21, 2010



Presentation Format

- Budget, positions and service areas represent the General Fund only
 - Budget reflects those functions we are doing today at next year's cost
 - Position counts are before the VSP
- Critical / Core Functions
 - Those essential functions performed by a municipal government
- Effective/High Value Functions
 - Functions necessary to maintain the quality of life in the City, or those programs that support or enhance the effectiveness of core functions
- Service Enhancements
 - Discretionary programs offered by the City



Department Overview

FY2011 Continuation Budget	
Budget	\$13,992,221
Employees	190
Service Areas	57

The mission of the Office of Business and Financial Services is to safeguard assets and manage the financial affairs of the City, to provide cost-effective support services to City operating departments, and to provide timely advice to the City's elected and appointed officials on issues affecting the current and future business and financial affairs of the City.



Critical / Core Functions

- Payroll Administration
- Accounts Payable
- Budget Preparation
- Procurement
- Debt Administration
- Pension Administration



Effective / High Value Functions

- Centralized Revenue Collection
- Facility Management Functions
- Asset Management
- Property Acquisition
- Network Support
- Application Administration
- Investment Management



Enhanced Service Functions

- Grant Development
- Performance Management
- Renovation, Construction and Project Management
- Energy Management
- City Stores
- Property Rental / Leasing
- Desktop and Mobile Computer Support
- Help Desk



Department Overview

FY2011 Continuation Budget	
Budget	\$14,111,941
Employees	106
Service Areas	29

To stimulate and guide the development of a vibrant, livable city that nurtures a creative, diverse and balanced economy for Orlando's citizens, businesses and visitors.



Critical / Core Functions

- Annexations
- Business Tax Receipts
- Comprehensive Planning - Growth Management Plan & DCA Coordination
- Comprehensive Planning - DRI & State Certification
- Economic Development Job Creation Incentives (QTI)
- General Permitting Services
- General Code Enforcement
- Land Development Code - Current Planning/MPB



Effective / High-Value Functions

- Red Light Camera Program
- Transportation Planning - Long Range Planning/Transportation Model
- Land Development - Historic Preservation Board Cases & Activities
- Community Planning - Land Development Code Amendments
- Transportation Planning - Transit Bicycle Pedestrian
- Community Planning - Main Street
- General Business Assistance
- Buy Local Orlando (Contractual)
- International Relations
- Community Planning - Vision Plans
- Redevelopment Projects: Creative Village, Southport
- Land Development - Baldwin Park (Contractual)
- Comprehensive Planning - Demographics
- Land Development - Urban Design



Enhanced Service Functions

- Land Development - Enhanced Historic Preservation Programming
- Community Planning - Web Updates
- Economic Development Organization Funding
- Permitting Services Satellite Office
- Small Business Façade Program
- Not for Profit Impact Fee Assistance Program
- Software Support



Department Overview

FY2011 Continuation Budget	
Budget	\$28,270,268
Employees	248
Service Areas	26

The mission of the Families, Parks and Recreation Department is to support and strengthen livable neighborhoods through the provision of quality recreational, cultural and educational facilities and programs and well-maintained and inviting open spaces, and to inspire people to appreciate and understand plants and the environment of Central Florida.



Critical / Core Functions

- Parks Grounds Maintenance (mowing, trash collection)
- OASIS (elementary school) and MTP (middle teen) After-School Programs
- Summer Camp
- Tree Maintenance - Trimming/Removal
- Ball Field Maintenance (for citizens who want to rent baseball, soccer, football and multi-purpose fields for adult and youth sports)
- Programming for iconic parks (Lake Eola and Bill Frederick)
- Senior Facilities and Programs
- Playgrounds



Effective / High-Value Functions

- Programming for City - Operated Sports Teams (e.g. Jr. Magic, City youth football league, etc.)
- Summer Aquatics (operation of 11 pools for public use and children's Learn to Swim programs during the summertime)
- Park Rentals, Events & Permits
- Community Center Operations Other than After School and Summer Camps (e.g. event and meeting rentals, programs such as karate, public access to computer labs and fitness rooms, etc.)
- Tree Plantings
- Maintenance of Pools and Basketball, Tennis, Volleyball, Racquetball Courts
- Restrooms in Community Parks
- Vacation Days Camps
- Green Up Program
- Park Irrigation and Chemical Application
- Tree Removal Permits (per code)



Enhanced Service Functions

- Orlando Pottery Studio
- Planting and Maintaining Specialized Landscaping at City Parks
- Environmental Programs at Langford Park
- Year Round Aquatics (operation of four pools during non-summer months, largely to serve high school swim teams and provide adult aerobic programs)
- Summer and Senior Field Trips
- Annual Flower Beds
- Recreation Division Events/Performances/Cultural Arts



Department Overview

FY2011 Continuation Budget	
Budget	\$84,888,525
Employees	561
Service Areas	12

Orlando Fire Department Mission Statement:

Protect Lives and Property.



Critical / Core Functions

- Field Operations Bureau (Fire Suppression & EMS - Firefighters on Shift)
- Communications Division (911 operators)
- Emergency Medical Services Training and Compliance (specialized Training, Licensure, Certifications in EMS)
- Fire Training and Compliance (Development/Delivery of NFPA, OSHA, ISO Required Training)
- Fire Safety Management (Permitting, inspection of city buildings)
- Records (State & Federal Required documentation for Fire & EMS)
- Emergency Management (Preparedness, Response, Mitigation, Recovery of Natural & Man-made Disasters)



Effective / High-Value Functions

- Special Investigative Section (Arson, Bomb, Investigations)
- Special Operations (Hazardous Materials, Dive, High Angle, Confined Space)
- Workers Compensation Administration (Contractual Service for OFD W/C)
- Planning & Resource Management (Facilities, Construction, Maintenance)
- OFD Fleet Operations (Maintenance – Vehicles and Equipment)



Department Overview

FY2011 Continuation Budget	
Budget	257,023
Employees	3
Service Areas	1

The mission of the Housing and Community Development Department is to maintain a sustainable, livable, safe community for very low, low, and moderate income persons.



Critical / Core Functions

- HCD Administration to manage grants.



Department Overview

FY2011 Continuation Budget	
Budget	\$121,899,741
Employees—GF	906
Service Areas	53

*The mission of the Orlando Police Department is
to keep Orlando a safe city by
reducing crime and maintaining livable neighborhoods.*



Critical / Core Functions

- Patrol
- Property and Evidence
- Communications
- Report Review
- Homicide
- Robbery
- Sex Crimes
- Assault and Battery
- Uniform Drug Unit A
- Internal Affairs
- Records Management Section



Effective / High-Value Functions

- K-9/Special Patrol Section
- Metropolitan Bureau of Investigations
- Fugitive Investigative Unit
- Vehicles for Hire
- Planning/Crime Analysis/Accreditation
- Supply Unit
- Downtown Bike Units – Evening
- East and West Property
- Community Service Officers
- Traffic Homicide/Traffic Enforcement
- Neighborhood Watch
- Downtown Detail (OT expenses)
- West Neighborhood Patrol Unit
- Intelligence Unit
- Gang Unit/Youth Section
- Crimes Against Children
- Parramore Heritage Bike Unit
- International Drive Unit
- Economic Crimes/Immigration Task Force (ICE)
- Auto Theft
- Violent Crime Initiative
- School Resource Officer/High School
- SRO Middle School/Truancy Officer
- Recruiting
- Crimeline Officer



Enhanced Service Functions

- Polygraph/Support Service
- Legal/Criminal Intake/Witness Mgt
- Uniform Drug Unit B/DEA Task Force
- Latent Print Unit
- East Motors
- Motors North
- Extra Help Fleet
- Extra Help TM
- Mounted Patrol
- SRO Elem (Super Kids)
- Community Involvement Unit
- Downtown Day Shift Bikes
- Forensic Imaging
- Neighborhood Watch
- Volunteer Program Coordinator
- School Crossing Guards Coordinator
- Cadets



Department Overview

FY2011 Continuation Budget	
Budget	18,204,823
Employees	121
Service Areas	18

The mission of the Public Works Department is to enhance Orlando’s quality of life through the construction and operation of a safe, effective, physical environment; and to provide our visitors, our neighbors and our businesses the efficient and timely services necessary to support the infrastructure demands of our growing, diverse community.



Critical / Core Functions

- Traffic signal and ITS device maintenance
- Computerized signal systems
- Sidewalk maintenance and construction
- Street maintenance; pothole repair
- Traffic studies and work order maintenance
- Traffic signs and pavement markings
- Material and Equipment management for field support
- Street lights
- Brick street repair
- Barricade maintenance
- Pavement contract administration



Effective / High-Value Functions

- Stormwater project management and administration
- Survey Services field and office operations
- Special Event and street closure permits
- Engineering records management
- Sustainability program
- Keep Orlando Beautiful
- Landscape maintenance contract administration



City Council Workshop / Fiscal Year 2011 Budget

Part 3: Voluntary Separation Program Update

June 21, 2010



Voluntary Separation Program (VSP) Overview

- Five options were offered to employees
- Employees had to apply to enter the VSP by May 14th
- Employees were notified on May 28th of application acceptance
- Open window for those employees were accepted for a VSP is June 1st through July 15th
- Employees must separate from the City on July 31st



Voluntary Separation Program (VSP) Options

1. Two years credit towards retiree health insurance
2. Sixteen weeks severance and one year health insurance
3. Defined Contribution Plan: 50% of current salary if vested
4. Defined Benefit Plan: Employee may purchase up to 3 years of service at 4.88%
5. Defined Benefit Plan: No age penalty if otherwise retirement eligible



Conditions for Accepting a VSP Application

1. A position had to be deleted, and
2. Budgetary savings had to equal the total cost of the employee who received an approved VSP application
 - Department Directors had the flexibility to substitute positions and other operating cost reductions to support a VSP
 - VSP applications were reviewed by the CAO, CFO, City Attorney, and HR Division to ensure consistent implementation across the City



Voluntary Separation Program Update

VSP Option	Applications	Accepted
1	8	7
2	124	49
3	93	40
4	43	26
5	1	1
Total	269	123



Voluntary Separation Program Update

Department	Applications	Accepted
Venues	22	18
Economic Development	15	13
Executive Offices	21	8
Business and Financial Services	72	27
Families, Parks, Recreation	45	29
Housing	2	1
Police	22	13
Public Works	70	14
Total	269	123



Recurring Cost Savings From VSP

General Fund	3,820,000
Venues Fund	645,000
Wastewater Fund	173,000
Solid Waste Fund	175,000
Building Code Fund	295,000
Fleet Fund	185,000
Leu Gardens Fund	140,000
Risk Management Fund	105,000
All Other Funds	<u>155,000</u>
Total Annual Operating Savings	5,693,000



Voluntary Separation Program Update

Estimated Cost of the VSP (assuming 100% participation)

	<u>Lump Sum</u>
Option 2	645,500
Option 3	1,014,000
Option 4	2,675,000
Option 5	75,000
Total	4,409,500

* At \$5.7 million in annual savings, VSP cost has a payback of less than 10 months



Financing Plan for VSP (assuming 100% participation)

Defined Contribution Forfeitures	1,600,000
VSP Position Savings (August / September)	1,200,000
Defined Contribution Pension Savings	600,000
Fund Contributions for Their Employees	<u>1,009,500</u>
Total	4,409,500

*Total potential cost for the VSP will be absorbed in the FY2010 Budget so that 100% of the savings will be realized in FY2011



City Council Workshop / Fiscal Year 2011 Budget

Part 4: General Fund Budget Gap Update

June 21, 2010



General Fund Budget Gap Update

Revised Revenue Forecast	328,400,000	
Projected Fund Balance Available for FY2011	<u>20,500,000</u>	
Revenue Available for FY2011		348,900,000
Expenditure Forecast - April 26	385,545,000	
Adj: Forecast to Department Continuation Request	(8,482,000)	
VSP Projected Savings	<u>(3,820,000)</u>	
Current Expenditure Projection		<u>373,243,000</u>
Current Budget Gap		(24,343,000)



City Council Workshop / Fiscal Year 2011 Budget

Part 5: Next Steps / Key Dates

June 21, 2010



Budget Development Process

1. Continued refinement of revenue estimates
 - a. Finalize sales tax / municipal revenue sharing estimates
 - b. Final property value from Property Appraiser
2. Finalization of the Voluntary Separation Program
3. Refine revenue enhancement opportunities (target date of July 12th presentation to City Council)
4. Implement items identified through the operational reviews
5. Identify programmatic reductions necessary to balance the budget



Budget Development

June 22nd - July 19th

Commissioner Briefings

Commissioners may request individual meetings to discuss budgets and provide input

July 12th

Fee Increases / Revenue Enhancements

July 26th

Council Workshop

Revenue Update
Present Proposed Budget

July 26th

Council Meeting

Adopt Proposed Millage Rate



