



Fiscal Year 2014/15 Proposed Budget Overview

City of New Smyrna Beach - June 24, 2014

"A budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets."

Overview



- FY2014/2015 City-wide proposed budget-\$57,905,292 (FY 2013/14 revised budget \$66,721,9 includes capital projects carry forwards and budget revisions during FY2013)
- FY2014/2015 General Fund proposed budget -\$20,139,185 (FY 2013/14 revised budget \$23,216,484)
- Taxable property values increased - (+8.4%)
- Includes the addition of 7.25 positions – 4 police officer position, 1 Sergeant position and the accreditation manager position increased to full-time from part-time. Part-time position was added to the HR department; Payroll technician position increased to full-time in the Finance Dept. and a Planner position added to CRA. (CRA has shared a ½ Planner position with the GF in the past)
- FY14/15 includes transfer of \$515K from Fleet Maintenance Fund to fund General Fund to Finance Capital Equipment and Vehicle replacements
- Current Operating Millage Rate of **3.5764** is needed to maintain City Services and fund 4 additional Police Officers ,1 Sergeant and a part-time position reclassified to full-time in FY2014/2015 proposed budget. The Officer positions are “staggered” on October 1st, 2014 and April 1st, 2015. However, 100% funding will be required for FY2015-16. Total for the 5.5 positions is \$ 357,849 at 100%.



Property Taxes

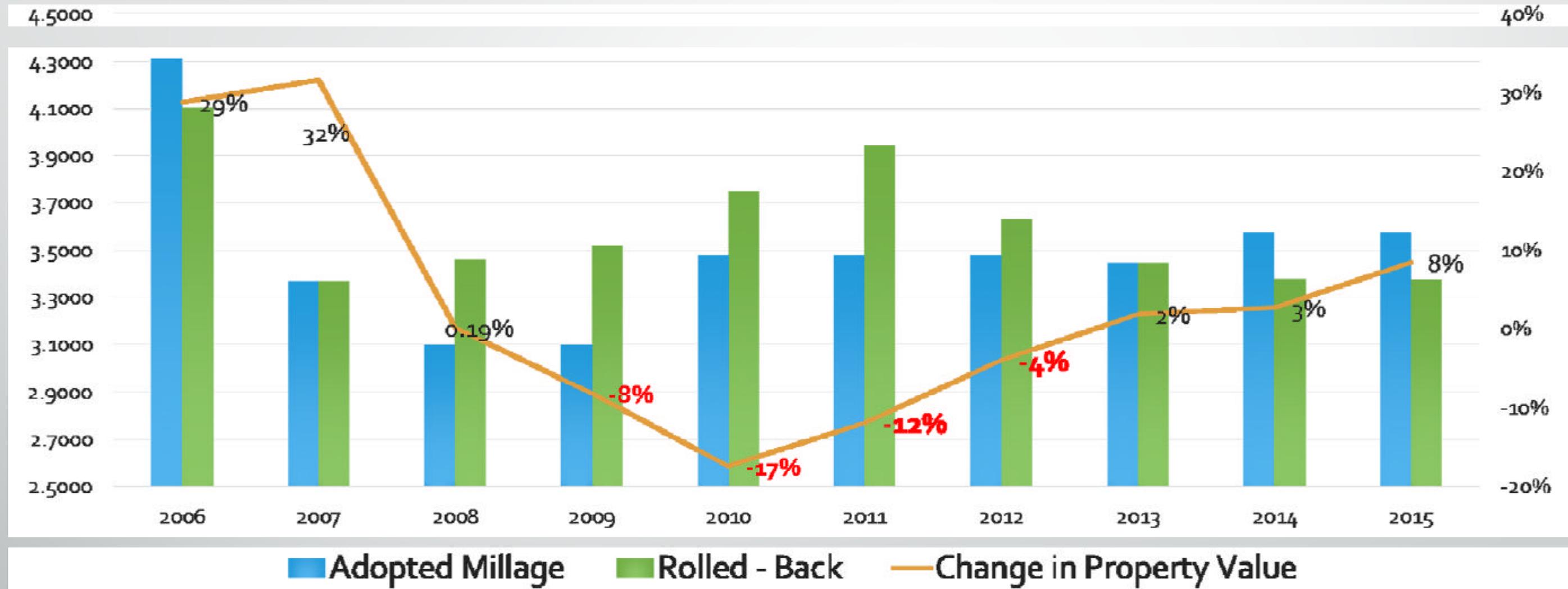
- Tax Rates:

Description	FY 13-14	FY 14-15 Proposed	Percentage Change from FY 2013-14 to FY 2014-15
General Operating	3.5764	3.5764	0%
2005 Debt Service	<u>0.5999</u>	<u>0.5330</u>	<u>-11 %</u>
Total City Millage	4.1763	4.1094	-1.6%

Management is recommending **maintaining** the current operating millage rate of 3.5764. FY2015 proposed budget was prepared using the current (FY2014) operating millage rate.

Revenue estimated at 95% collection rate as per state statute

Millage Rate Ten Year History





GENERAL GOVERNMENT SUMMARY	2011-2012	2012-2013	2013-2014	2014-2015	% CHANGE
BUDGET DESCRIPTION	ACTUALS	ACTUALS	REVISED	PROPOSED	FROM 2013-14
PERSONAL SERVICES	\$ 12,795,129	\$ 12,686,379	\$ 13,026,212	\$ 14,005,578	7.52%
OPERATING EXPENSES	\$ 3,926,597	\$ 4,309,983	\$ 4,797,082	\$ 4,447,076	-7.30%
CAPITAL OUTLAY	\$ 2,726,274	\$ 1,744,419	\$ 4,397,984	\$ 665,261	-84.87%
DEBT SERVICE	\$ 410,211	\$ 408,347	\$ 389,981	\$ -	-100.00%
TRANSFERS	\$ 610,588	\$ 608,791	\$ 605,225	\$ 1,021,270	68.74%
TOTAL BUDGET	\$20,468,799	\$19,757,919	\$23,216,484	\$20,139,185	-13.25%
GENERAL FUND SUMMARY	2011-2012	2012-2013	2013-2014	2014-2015	% CHANGE
DEPARTMENT BUDGET	ACTUALS	ACTUALS	REVISED	PROPOSED	FROM 2013-14
CITY COMMISSION	\$ 193,915	\$ 214,762	\$ 227,850	\$ 252,750	10.93%
CITY MANAGER	\$ 367,286	\$ 404,005	\$ 421,682	\$ 431,544	2.34%
CITY CLERK	\$ 208,664	\$ 249,933	\$ 221,695	\$ 244,665	10.36%
FINANCE	\$ 355,694	\$ 427,473	\$ 460,086	\$ 504,378	9.63%
INFORMATION TECHNOLOGY	\$ 291,058	\$ 385,082	\$ 450,163	\$ 535,977	19.06%
HUMAN RESOURCES	\$ 163,266	\$ 209,528	\$ 189,316	\$ 221,473	16.99%
CITY ATTORNEY	\$ 394,443	\$ 423,652	\$ 439,654	\$ 468,452	6.55%
PLANNING & ENGINEERING	\$ 468,265	\$ 537,276	\$ 592,597	\$ 574,189	-3.11%
GENERAL GOVERNMENT (1)	\$ 2,610,443	\$ 1,170,992	\$ 2,851,542	\$ (368,423)	-112.92%
POLICE	\$ 5,358,528	\$ 5,202,491	\$ 5,689,536	\$ 6,055,113	6.43%
FIRE (2)	\$ 5,291,504	\$ 5,256,233	\$ 5,569,249	\$ 5,356,467	-3.82%
EMERGENCY OPERATIONS CENTER	\$ 20,033	\$ 18,233	\$ 19,055	\$ 17,296	-9.23%
MAINTENANCE OPERATIONS ADMINISTRATION (3)	\$ 52,424	\$ 76,967	\$ 71,096	\$ 197,035	177.14%
STREETS (3)	\$ 1,283,134	\$ 1,609,215	\$ 1,980,810	\$ 1,235,225	-37.64%
BUILDING MAINTENANCE	\$ 333,432	\$ 413,832	\$ 468,976	\$ 500,161	6.65%
RECREATION	\$ 1,033,535	\$ 832,594	\$ 950,382	\$ 953,071	0.28%
PARKS	\$ 892,943	\$ 803,657	\$ 978,508	\$ 1,032,944	5.56%
SPORTS COMPLEX	\$ 539,644	\$ 913,202	\$ 1,029,062	\$ 905,598	-12.00%
TRANSFERS OUT (1)	\$ 610,588	\$ 608,791	\$ 605,225	\$ 1,021,270	68.74%
TOTAL BUDGET	\$20,468,799	\$19,757,919	\$23,216,484	\$20,139,185	-13.25%

(1) Reduction in General Government result of new debt service being accounted for through transfers out

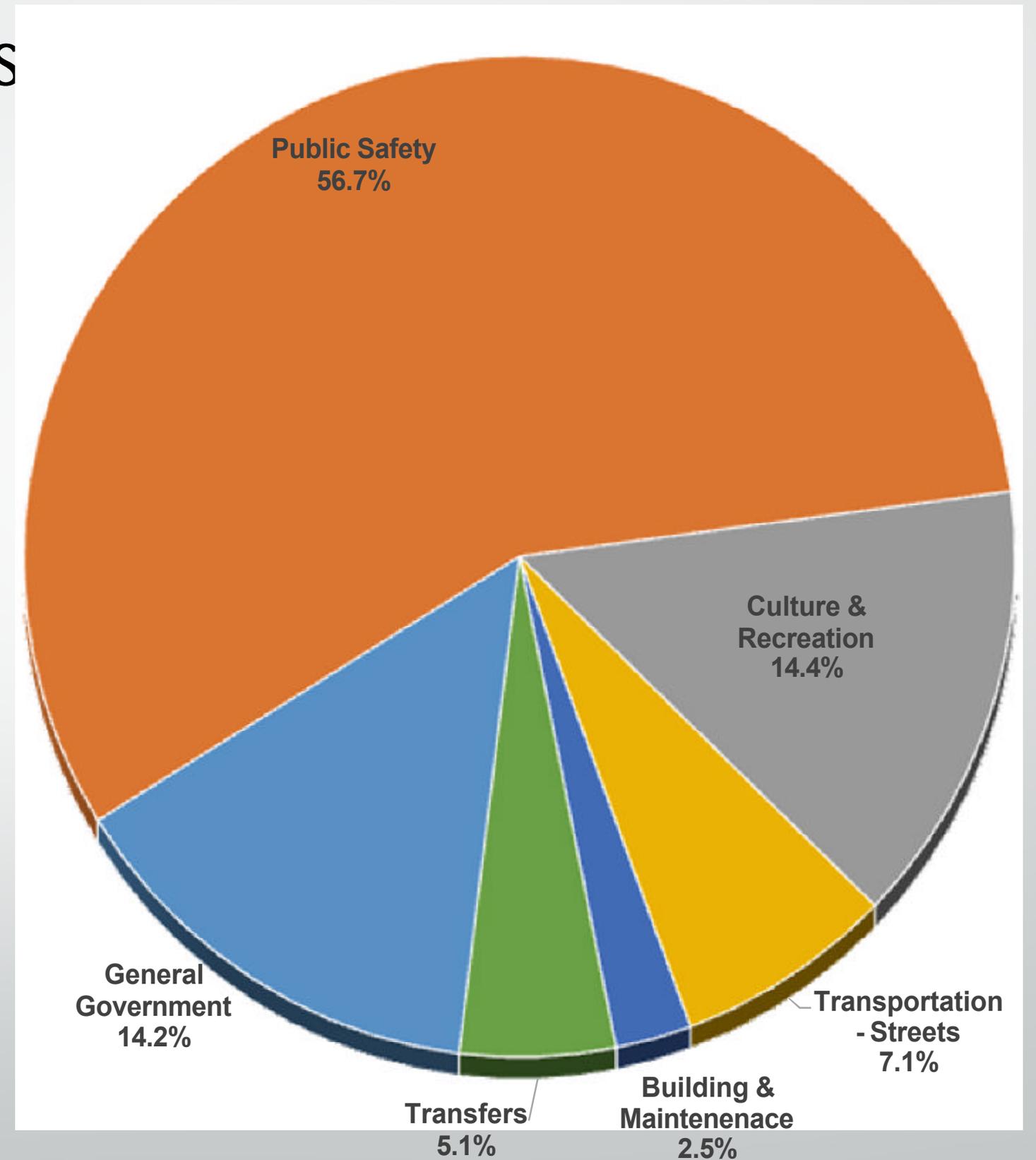
(2) Includes a \$464K ALS unit in FY2013-14

(3) Maintenance Ops Manager position transferred from Street to Maintenance Ops Admin Dept.

General Fund Expenditures

by Function

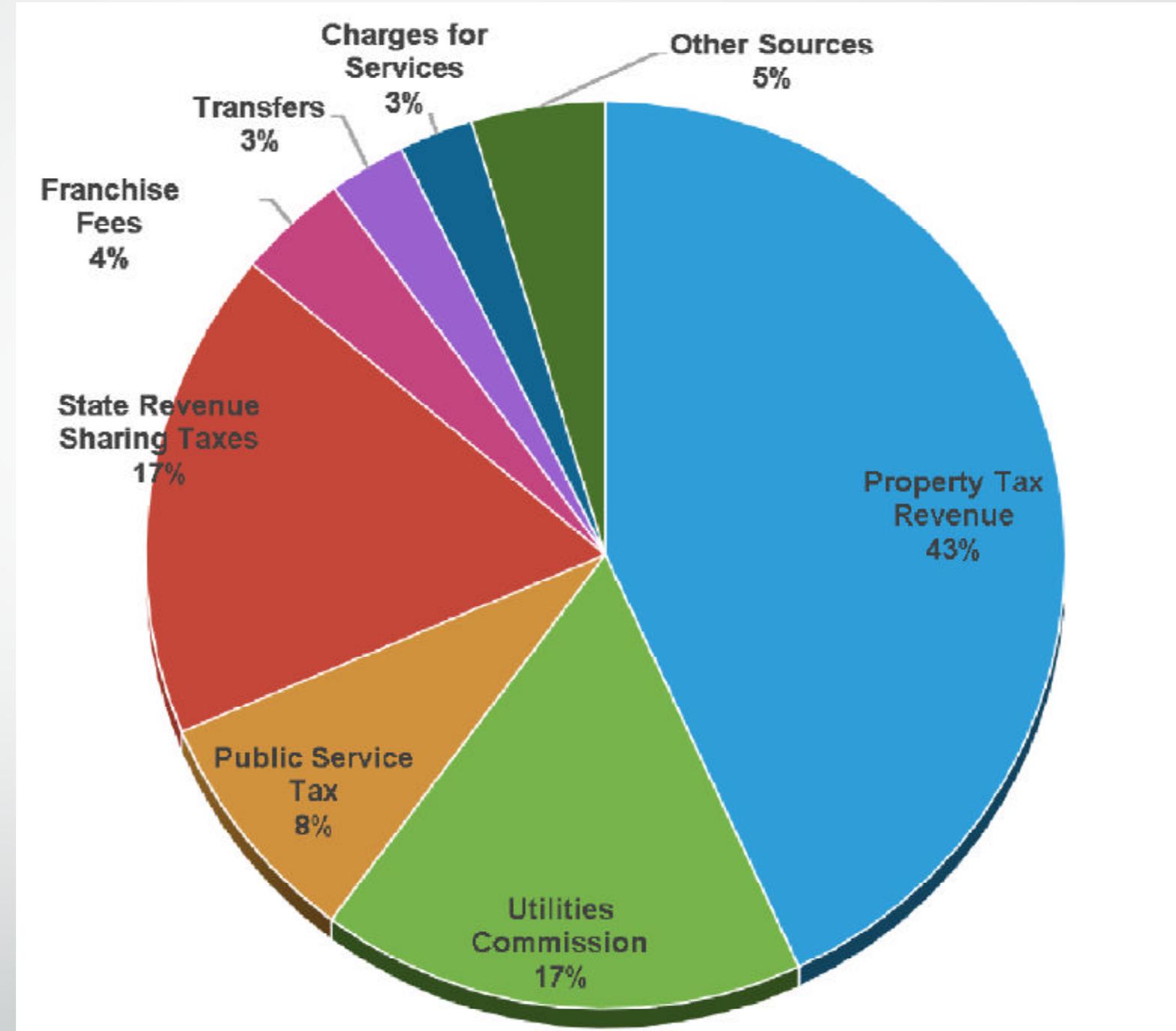
General Fund Expenditures	FY2014/15 Proposed	% of Total
Public Safety	\$ 11,428,876	56.7%
Culture & Recreation	2,891,613	14.4%
General Government	2,865,005	14.2%
Transportation – Streets	1,432,260	7.1%
Building & Maintenance	500,161	2.5%
Transfers Out to Debt Service	1,021,270	5.1%
Total \$	20,139,185	100%



General Fund Revenues

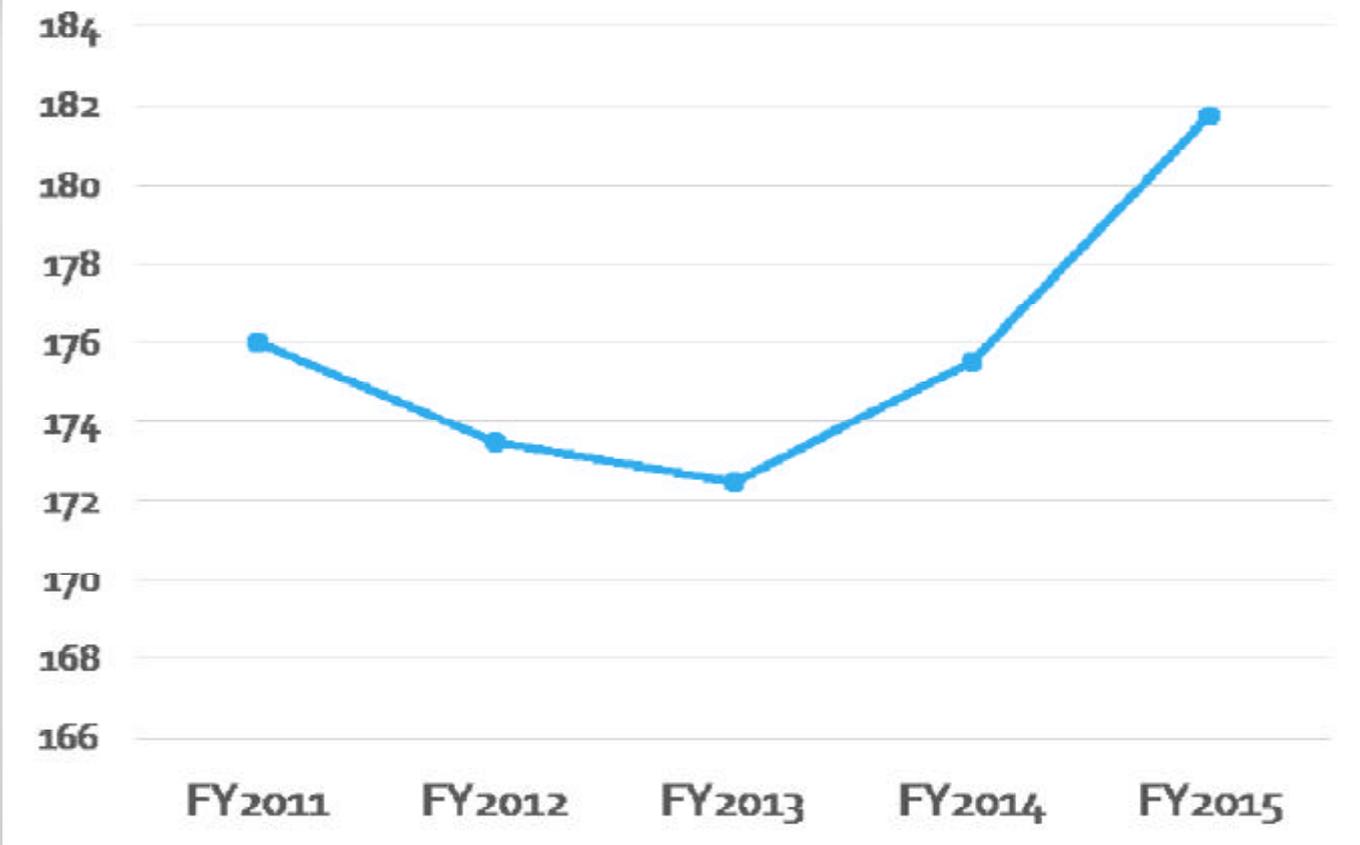
by Source

General Fund Revenues	FY2014/15 Proposed	% of Total
Property Tax Revenue	\$ 8,677,359	43.1%
Utilities Commission	3,435,885	17.1%
Public Service Tax	1,706,479	8.5%
State Revenue Sharing Taxes	3,513,013	17.4%
Franchise Fees	783,426	3.9%
Transfers	545,756	2.7%
Charges for Services	527,131	2.6%
Other Sources	950,136	4.7%
Total	\$20,139,185	100%





GENERAL FUND STAFFING



Fiscal Year	Employees	Budget
2011	176.00	\$ 20,937,804
2012	173.50	\$ 22,876,848
2013	172.50	\$ 24,180,973
2014	175.50	\$ 23,216,184
2015	181.75	\$ 20,139,185

FY2014/2015 Major Increases in General Fund

(All line items reviewed in detail by City Manager and Finance Department)



- EMPLOYEE WAGE INCREASES BUDGETED – \$386K (Negotiations underway with 3 Unions)
 - GENERAL FUND -\$336K
 - OTHER FUNDS - \$ 50K

- HEALTH CARE COSTS INCREASED- \$139K- (FHC) 7.4 % (BCBS) 10%+ (HR exploring options for the two plans to reduce costs)
 - GENERAL FUND - \$117K
 - OTHER FUNDS - \$ 22K

- FIRE PENSION- \$161K (Budget reflects City's required contribution of 69.4% of the total cost)
 - GENERAL FUND -\$161K

- NEW POLICE POSITIONS -\$325K (Includes 4 new patrol officers and 1 new sergeant positions)
 - GENERAL FUND -\$325K

- Total additional major expenses – \$1.011M
 - GENERAL FUND - \$ 939K - OTHER FUNDS - \$ 72K

FY2014/15 GENERAL FUND CAPITAL REPLACEMENT UPGRADE

➤ <u>Information Technology (51302)</u>	
➤ Windows Update (License ending)	\$ <u>20,000</u>
➤ Total	\$ 20,000
➤ <u>Public Works Admin (51902)</u>	
➤ Utility Vehicle (4x4) - (R)	\$ <u>28,000</u>
➤ Total	\$ 28,000
➤ <u>Police (52101) -</u>	
➤ Police Vehicles (8) -(4) Replacement (4) New	\$ <u>378,056</u>
➤ Total	\$378,056
➤ <u>Streets (54101)</u>	
➤ Mower - (R)	\$ <u>14,000</u>
➤ Total	\$ 14,000



FY2014/15 GENERAL FUND CAPITAL REPLACEMENT UPGRADE, cont'd

➤ Parks (57202)

➤ Utility Vehicle (4x2) - (R) \$ 12,000

➤ Total \$ 12,000

➤ Sports Complex (57501)

➤ Large Capacity Mower - (R) \$ 55,000

➤ Mower - (R) 12,000

➤ Total \$ 67,000

➤ Building & Maintenance (51901)

➤ Pick-up Truck with Utility Bed – (R) \$ 16,000

➤ Total \$ 16,000

➤ Total General Fund Capital Replacement Equipment Requests - \$535,056

* Capital Equipment & Vehicle Replacement to be funded from transfer of Fleet Maintenance Fund in the amount of \$515,056



FY2014/15 GENERAL FUND CAPITAL REPLACEMENT UPGRADE, cont'd

➤ Parks (57202)

- Picnic Shelter at Inlet Shores Playground \$ 6,000
- Extension of Pettis Park Pavilion – CDBG Grant 25,000
- Replace Playground Swings at Pettis Park – CDBG Grant 5,000
- Rocco Park Playground Replacement 60,000

➤ Total \$ 96,000

➤ Sports Complex (57501)

- Upgrade MUSCO lighting system at Sports Complex
(3 locations) \$27,000
- Electronic Gate for Maintenance yard 7,205

➤ Total \$ 34,205

CITYWIDE EXPENSES EXPENDITURE SUMMARY	2011-2012 ACTUALS	2012-2013 ACTUALS	2013-2014 REVISED	2014-2015 PROPOSED	% CHANGE FROM 2013-14
PERSONAL SERVICES	\$ 14,786,002	\$ 14,778,468	\$ 15,300,633	\$ 16,347,310	6.84%
OPERATING EXPENSES	\$ 13,732,638	\$ 16,348,190	\$ 16,986,306	\$ 16,333,938	-3.84%
CAPITAL OUTLAY	\$ 8,230,416	\$ 6,044,881	\$ 30,094,678	\$ 20,713,885	-31.17%
DEBT SERVICE	\$ 3,137,179	\$ 3,094,040	\$ 2,959,663	\$ 2,693,786	-8.98%
TRANSFERS	\$ 1,373,089	\$ 2,465,890	\$ 1,380,688	\$ 1,816,373	31.56%
TOTAL BUDGET	\$41,259,324	\$42,731,469	\$66,721,968	\$57,905,292	-13.21%
CITYWIDE EXPENSES FUND SUMMARY	2011-2012 ACTUALS	2012-2013 ACTUALS	2013-2014 REVISED	2014-2015 PROPOSED	% CHANGE FROM 2013-14
GENERAL FUND	20,468,799	19,757,919	23,216,484	20,139,185	-13.25%
STORMWATER FUND	1,505,796	1,159,524	8,474,345	8,300,718	-2.05%
SPECIAL LAW ENFORCEMENT TRUST FUND	44,781	56,152	69,670	30,138	-56.74%
AIRPORT FUND	3,076,431	3,068,779	6,074,971	5,273,178	-13.20%
IMPACT FEES FUND	28,962	213,051	1,802,085	370,830	-79.42%
WATER TAXI FUND	17,870	-	-	-	N/A
BUILDING AND INSPECTION FUND	679,993	739,471	965,894	910,350	-5.75%
COMMUNITY REDEVELOPMENT AGENCY FUND	5,399,955	5,877,073	4,506,682	3,037,379	-32.60%
DEBT SERVICE FUND	2,618,823	2,620,047	2,465,589	2,693,786	9.26%
CAPITAL PROJECTS FUND	217,808	844,497	11,427,203	8,907,850	-22.05%
GOLF COURSE FUND	1,099,172	1,114,149	1,263,650	1,265,946	0.18%
SANITATION FUND	4,903,866	5,987,477	5,172,964	5,141,574	-0.61%
MARINA FUND	213,947	204,457	267,000	272,300	1.99%
FLEET FUND	983,121	1,088,874	1,015,431	1,562,058	53.83%
TOTAL BUDGET	41,259,324	42,731,469	66,721,968	57,905,292	-13.21%

Fire Pension Contribution Increase from **59%** to **69.4%** - (Based on Actuarial Evaluation completed by Foster & Foster)

	<u>Current</u>		
Valuation Date	10/1/2012		10/1/2013
Applicable Fiscal Year End	9/30/2014		9/30/2015
Total Required Contribution % of Total Projected Payroll	83.1%		96%
Member Contributions (Est.) % of Total Projected Payroll	7.2%		1.0%
Estimated City and State Cont. % of Total Projected Payroll	75.9%		95.0%
State Contributions % of Total Projected Payroll	281,787 16.9%		281,787 16.8%
Balance from City % of Total Projected Payroll	59.0%		78.2%
City Required Contribution as a % of Payroll		\$ 1,312,229	\$ 1,472,924

City of New Smyrna Beach Firefighters' Retirement System

Valuation Date	10/1/2013	10/1/2014	10/1/2015	10/1/2016	10/1/2017	10/1/2018	10/1/2019	10/1/2020
Applicable Fiscal Year End	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022
Normal Cost	200,698	200,698	200,698	200,698	200,698	200,698	200,698	200,698
Administrative Expenses	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353
UAL Amortization	1,321,895	1,311,971	1,271,148	1,260,497	1,260,497	442,767	442,767	442,767
Total Required Contribution ¹	1,700,513	1,689,604	1,644,729	1,633,020	1,633,020	734,113	734,113	734,113
Less Member Contributions	(183,533)	(183,533)	(183,533)	(183,533)	(183,533)	(183,533)	(183,533)	(183,533)
Less State Contributions	(281,787)	(281,787)	(281,787)	(281,787)	(281,787)	(281,787)	(281,787)	(281,787)
Equals Required City Contribution	1,235,193	1,224,284	1,179,408	1,167,700	1,167,700	268,793	268,793	268,793

¹ Adjusted with interest and Salary increases.

Please note that the above figures are all rough projections. Actual requirements will be based upon many factors; including turnover, investment returns, etc. For this projection, it was assumed that Normal Cost, Administrative Expenses, Member Contributions and State Monies will not change during the projection period and that there will be no actuarial gains or losses in future years, other than the known effect of the asset smoothing technique.

Because investment gains or losses are spread out over a 4-year period and the Fund earned 16.18% during fiscal 2012 and 10.79% during fsical 2013, if future investment returns equal 7.9% we will have actuarial gains from the smoothing during fiscal 2014, 2015 and 2016. The gains are reflected in the UAL Amortizations shown above.

Prepared by Foster & Foster, Inc.
June 20, 2014

SUMMARY



▶ July 30th at 6pm -City Commission Budget Workshop – City Hall Commission Chambers followed by Special Meeting to set tentative General Fund millage and Debt Service millage rate

General Fund Proposed Operating Millage – 3.5764 (Current rate of FY2013-14)

Debt Service Millage - .5330 (11% reduction when compared to FY2014)

Staff recommends proposed total City Millage of 4.1094 for FY 2014-2015

Budget Calendar

- ▶ September 6th - Set Public Safety Open House – Police & Fire Station
- ▶ September 8th – First Public Hearing to adopt tentative millage – Tentative – 6pm
- ▶ September 23th – Second Public hearing to adopt final millage – Tentative – 5:30pm

