



Fiscal Year 2015/16 Proposed Budget Overview

CITY OF NEW SMYRNA BEACH - JUNE 26, 2015

Overview

- FY2015/2016 City-wide proposed budget-\$40,938,214 (FY 2014/15 revised budget \$68,889,063- This figure includes capital projects carry forwards and budget revisions during FY2015)
- FY2015/2016 General Fund proposed budget -\$21,162,399 (FY 2014/15 revised budget \$22,636,768)
- Taxable property values increased - (+7.34%)
- Includes the transfer of 6.75 positions from the CRA to the General Fund; 4 Maintenance Employees; the Economic Development/CRA Director; Neighborhood Planner; 50% of a Community Outreach Coordinator and the City's Marketing Manager
- FY15/16 proposed budget, does not include any capital equipment and vehicle replacements from General Fund Tax monies. Staff is recommending the use of the revenue from the sale of property located on Julia and Sams to fund the General Fund capital items as well as capital funds from the School Board.
- Utilizing \$50K of Police Pension Credit towards the pension line-item expense.
- Proposing maintaining the current operating Millage Rate of **3.5764**



GOOD NEWS

- Increase in new construction of \$51,613,560 (Second most of all Volusia County Cities)
- Added over \$6.1M in property value to the 2015 Tax Roll through annexations
- FHC & BCBS insurance rate increased by 1.5% & 5.4%. Traditionally, city has experienced increases between 10% & 12%. (Human Resources has worked diligently on this item)
- Plan changes made to Police & Fire Pension contracts has resulted in a reduction in the required City contribution when compared to each plan **without** any plan changes. The impact to the General Funds Budget for the two pension plans is still \$1,904,056.
- Budget contains an increase in salaries across the board as well as Phase 1 Implementation of Compensation Study. – (Negotiations are underway with all 3 unions)
- There are no new positions requested in FY15-16.
- General Fund reserves are at 31% of FY2015 revised budget.
- State-Shared revenues have increased based on the improved economy.



Property Taxes

- Tax Rates:

Description	FY 14-15 Current	FY 15-16 Proposed	Percentage Change from FY 2014-15 to FY 2015-16
General Operating	3.5764	3.5764	0 %
2005 Debt Service	<u>0.4519</u>	<u>0.4300</u>	<u>-4.9 %</u>
Total City Millage	4.0283	4.0064	-.55%

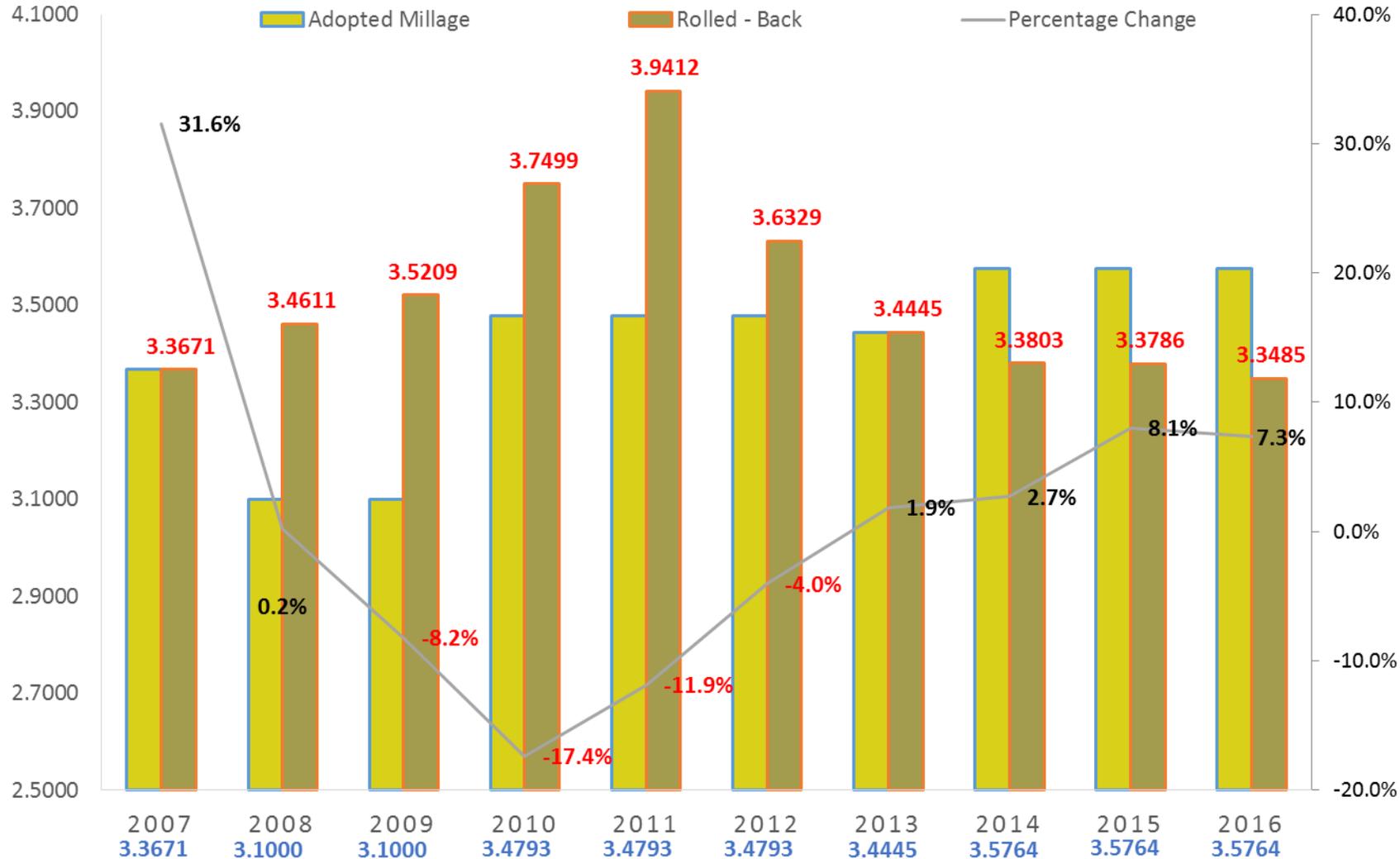
- ❑ . FY2015 proposed budget was prepared using the current (FY2015) operating millage rate of 3.5764.
- ❑ Roll-back rates will be released by PA on July 1st.
- ❑ Revenue estimated at 95% collection rate as per state statute

Volusia County Property Appraiser

Parcel Number	Assessed Value	School Board Exemption	School Board Taxable Value	City's Exemption	City's Taxable Value
Average Residential Property Assessed Taxable Value	166,587	25,000	141,587	50,000	116,587

TAXING AUTHORITY	2015	2015	2015	2015	
	Rolled- back	Rolled- back	(1) Proposed	Proposed	
	MILLAGE RATE	TAXES LEVIED	MILLAGE RATE	TAXES LEVIED	
School Board	7.3360	1,038.68	7.3360	1,038.68	
Volusia County-Countywide funds	7.2709	847.70	7.2709	847.70	
Mosquito Control	0.1880	21.92	0.1880	21.92	
Ponce Inlet/Port Authority	0.0929	10.83	0.0929	10.83	
New Smyrna Beach I & S	3.3485	390.39	3.5764	416.96	} City Taxes
New Smyrna Beach I & S	0.4519	52.69	0.4300	50.13	
St Johns River Water Management District	0.3164	36.89	0.3164	36.89	
Florida Inland Navigation District	0.0345	4.02	0.0345	4.02	
SE Volusia Hospital District	2.7842	324.60	2.7842	324.60	
	21.8233	\$ 2,727.72	22.0293	\$ 2,751.74	
Difference in Sample Taxpayer Total Bill (Rolled back vs. Proposed Rate) -		\$ 24.02			
Difference in Sample Taxpayer City Portion (Rolled back vs. Proposed Rate) -		\$ 24.02			
Monthly Increase in City taxes		\$ 2.00			

Millage Rate Ten Year History





GENERAL GOVERNMENT SUMMARY	2012-2013	2013-2014	2014-2015	2015-2016	% Change
BUDGET DESCRIPTION	ACTUAL	ACTUAL	REVISED	PROPOSED	from 2014-15
PERSONAL SERVICES	\$ 12,686,379	\$ 13,054,693	\$ 14,024,786	\$ 14,630,437	4.32%
OPERATING EXPENSES	4,309,983	4,423,918	4,897,743	5,544,932	13.21%
CAPITAL OUTLAY	1,744,419	3,733,231	1,952,163	-	-100.00%
DEBT SERVICE	408,347	389,722	-	-	N/A
TRANSFERS	608,791	605,224	1,762,076	987,030	-43.98%
TOTAL BUDGET	\$19,757,919	\$22,206,788	\$22,636,768	\$21,162,399	-6.51%
GENERAL FUND SUMMARY	2012-2013	2013-2014	2014-2015	2015-2016	% Change
DEPARTMENT BUDGET	ACTUAL	ACTUAL	REVISED	PROPOSED	from 2014-15
CITY COMMISSION	\$ 214,762	\$ 239,863	\$ 254,542	\$ 235,295	-7.56%
CITY MANAGER	404,005	434,359	432,649	441,527	2.05%
CITY CLERK	249,933	230,693	244,994	258,178	5.38%
BUSINESS/ECONOMIC DEVELOPMENT	-	-	-	246,213	N/A
FINANCE	427,473	447,592	522,530	613,072	17.33%
INFORMATION TECHNOLOGY	385,082	300,637	540,075	373,244	-30.89%
HUMAN RESOURCES	209,528	183,239	252,275	228,439	-9.45%
CITY ATTORNEY	423,652	457,948	469,838	482,396	2.67%
PLANNING & ENGINEERING (1)	537,276	552,802	576,309	684,643	18.80%
GENERAL GOVERNMENT (2)	1,170,992	2,616,950	669,544	163,725	-75.55%
POLICE	5,202,491	5,519,995	6,251,312	5,648,795	-9.64%
FIRE	5,256,233	5,730,233	5,376,609	5,474,444	1.82%
EMERGENCY OPERATIONS CENTER	18,233	16,525	17,296	19,093	10.39%
MAINTENANCE OPERATIONS ADMINISTRATION	76,967	96,548	197,758	170,862	-13.60%
STREETS	1,609,215	1,615,996	1,452,267	1,186,312	-18.31%
BUILDING MAINTENANCE	413,832	486,945	517,682	590,582	14.08%
RECREATION	832,594	851,870	1,006,447	1,035,640	2.90%
PARKS (3)	803,657	820,730	1,183,882	1,465,997	23.83%
SPORTS COMPLEX	913,202	998,640	908,682	856,912	-5.70%
TRANSFERS OUT	608,791	605,225	1,762,076	987,030	-43.98%
TOTAL BUDGET	\$19,757,919	\$22,206,788	\$22,636,768	\$21,162,399	-6.51%

(1) Planner position transferred from CRA Fund.

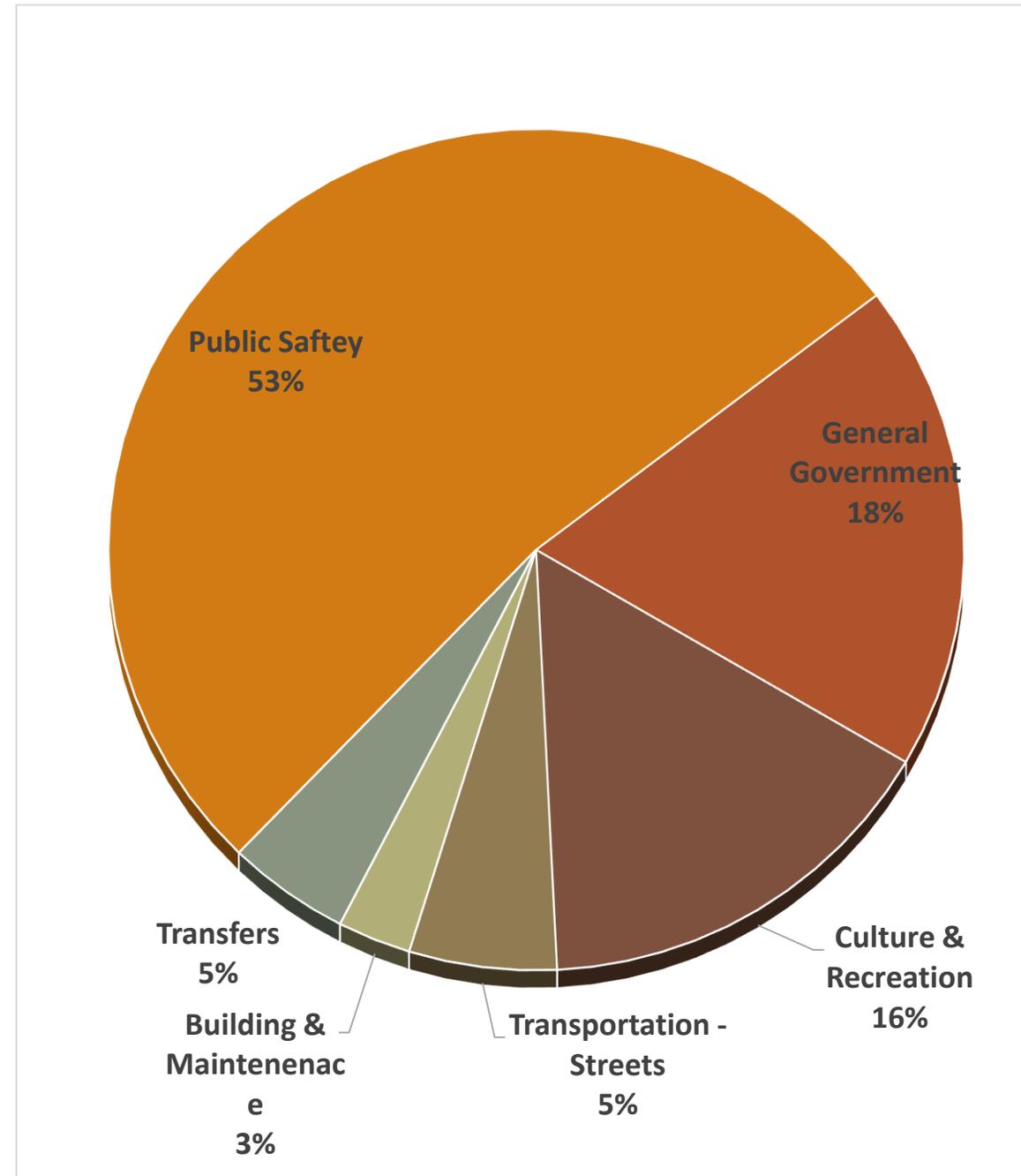
(2) The reduction in General Government is the result fewer dollars budgeted in FY2016 for capital items.

(3) The increase in Parks is the result of 4 additional positions transferred from CRA Fund.

General Fund Expenditures

by Function

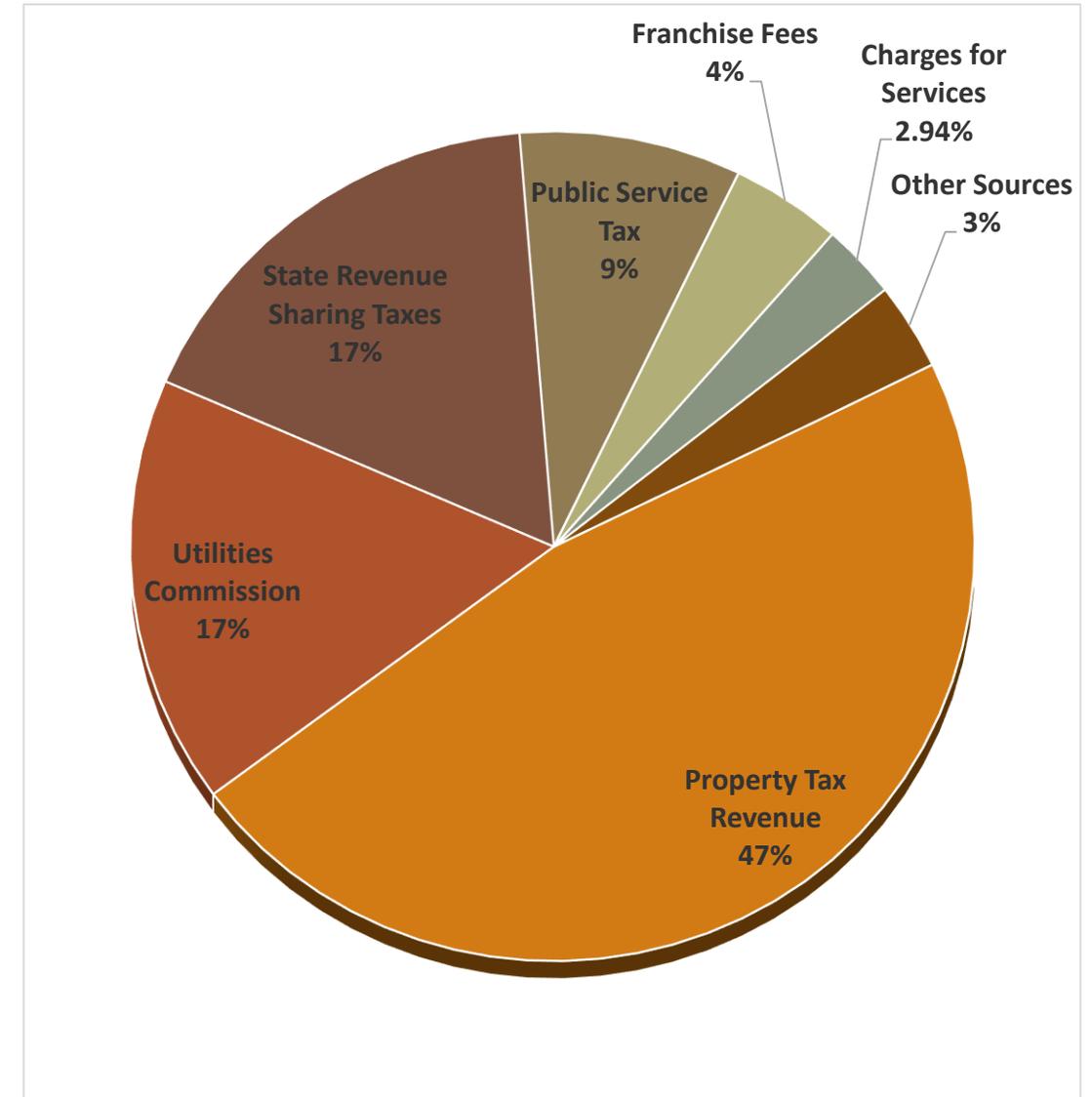
General Fund Expenditures	FY2015/16 Proposed	% of Total
Public Safety	\$11,142,332	52.7%
General Government	3,897,594	18.4%
Culture & Recreation	3,358,549	15.9%
Transportation - Streets	1,186,312	5.6%
Building & Maintenance	590,582	2.8%
Transfers Out to Debt Service	987,030	4.7%
Total	\$ 21,162,399	100%

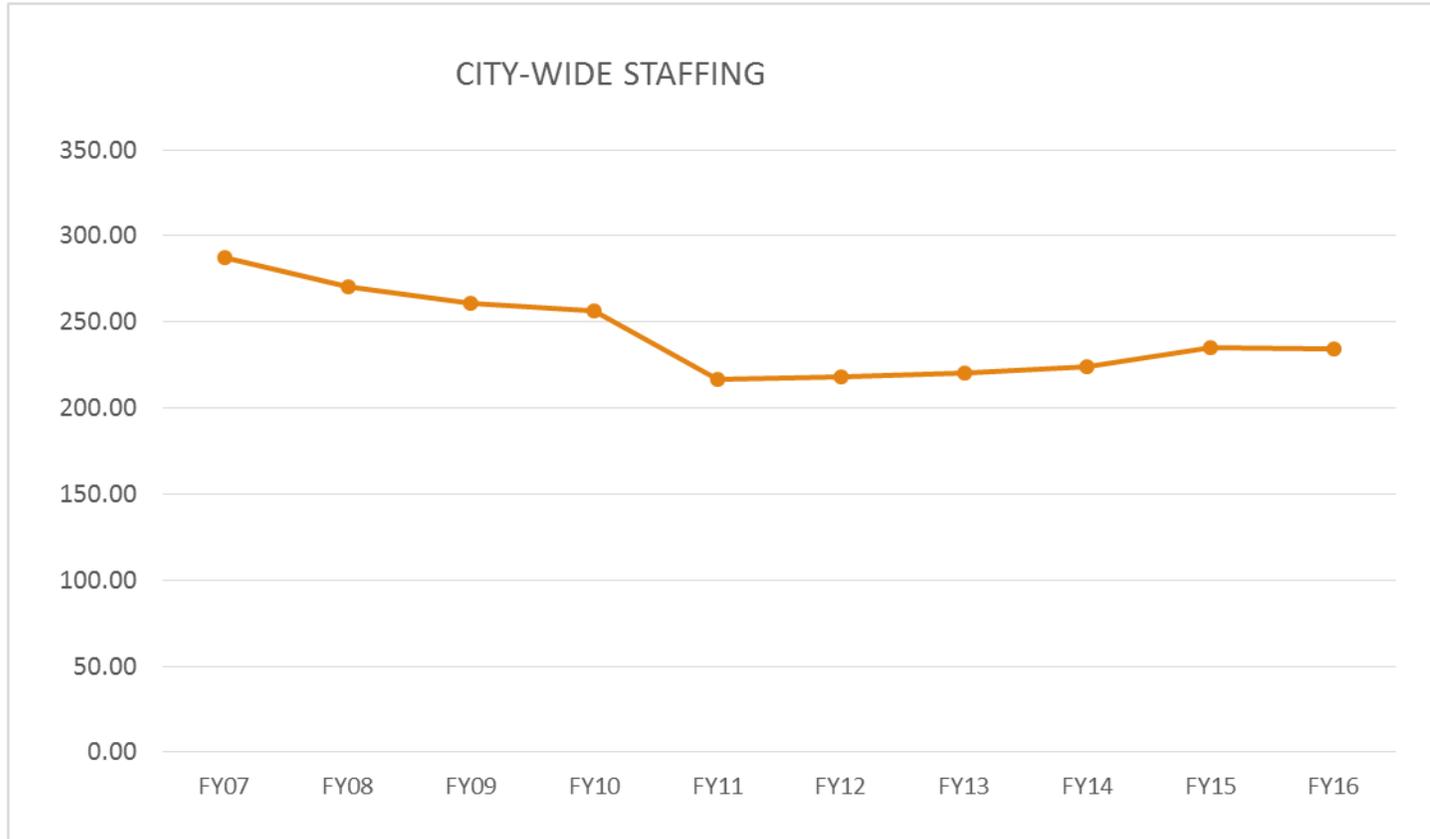


General Fund Revenues

by Source

General Fund Revenues	FY2015/16 Proposed	% of Total
Property Tax Revenue	\$9,915,406	46.9%
Utilities Commission	3,541,809	16.7%
State Revenue Sharing Taxes	3,651,766	17.3%
Public Service Tax	1,802,114	8.5%
Franchise Fees	903,097	4.3%
Charges for Services	624,645	2.9%
Other Sources	<u>723,562</u>	<u>3.4%</u>
Total	\$21,162,399	100%





Fiscal Year	CITY-WIDE STAFFING
FY2007	287.50
FY2008	270.75
FY2009	260.75
FY2010	256.75
FY2011	216.50
FY2012	218.50
FY2013	220.50
FY2014	224.25
FY2015	235.00
FY2016	234.00

● **Police Pension Contribution Decrease from 33.8% to 30.9%** - (Based on Actuarial Evaluation completed by Foster & Foster)

Police Pension Contribution

	<u>2015</u>	<u>2016</u>	<u>Without Plan Changes</u>
Valuation Date	10/1/2013	10/1/2014	10/1/2014
Applicable Fiscal Year End	9/30/2015	9/30/2016	9/30/2016
Total Required Contribution % of Total Projected Payroll	50.6%	47.7%	48.0%
Member Contributions (Est.) % of Total Projected Payroll	10.0%	10.0%	8.1%
Estimated City and State Cont. % of Total Projected Payroll	40.6%	37.7%	39.9%
State Contributions % of Total Projected Payroll	122,463 6.8%	122,463 6.8%	122,463 6.8%
Balance from City % of Total Projected Payroll	33.8%	30.9%	33.1%
City Required Contribution as a % of Payroll	\$ 706,612	\$ 687,955	\$ 736,936

- Fire Pension Contribution Decrease from **69.9%** to **64.8%** - (Based on Actuarial Evaluation completed by Foster & Foster)

Fire Pension Contribution

	<u>2015</u>	<u>2016</u>	<u>Without Plan Changes</u>
Valuation Date	10/1/2013	10/1/2014	10/1/2014
Applicable Fiscal Year End	9/30/2015	9/30/2016	9/30/2016
Total Required Contribution % of Total Projected Payroll	96.3%	91.2%	90.6%
Member Contributions (Est.) % of Total Projected Payroll	10.0%	10.0%	1.0%
Estimated City and State Cont. % of Total Projected Payroll	86.3%	81.2%	89.6%
State Contributions % of Total Projected Payroll	295,516 16.4%	295,516 16.4%	295,516 16.2%
Balance from City % of Total Projected Payroll	69.9%	64.8%	73.4%
City Required Contribution as a % of Payroll	\$ 1,312,229	\$ 1,370,741	\$ 1,543,113

City of New Smyrna Beach Firefighters' Retirement System

Valuation Date	10/1/2014	10/1/2015	10/1/2016	10/1/2017	10/1/2018	10/1/2019	10/1/2020	10/1/2021
Applicable Fiscal Year End	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023
Normal Cost	209,930	209,930	209,930	209,930	209,930	209,930	209,930	209,930
Administrative Expenses	25,835	25,835	25,835	25,835	25,835	25,835	25,835	25,835
UAL Amortization	1,345,202	1,302,354	1,291,944	1,292,986	454,666	454,666	454,666	454,666
Total Required Contribution ¹	1,737,912	1,690,810	1,679,367	1,680,512	758,971	758,971	758,971	758,971
Less Member Contributions	(198,167)	(198,167)	(198,167)	(198,167)	(198,167)	(198,167)	(198,167)	(198,167)
Less State Contributions ²	(295,516)	(295,516)	(295,516)	(295,516)	(295,516)	(295,516)	(295,516)	(295,516)
Equals Required City Contribution	1,244,229	1,197,127	1,185,684	1,186,829	265,288	265,288	265,288	265,288

¹ Adjusted with interest and salary increases.

² Assumes the Union and City agree to the full use of State Monies to offset City contributions.

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 fiscal 2013 and 7.64% during fiscal 2014, if future investment returns equal 7.9%, we will have actuarial gains from the smoothing during fiscal 2015 and 2016 and a slight loss during fiscal 2017. These gains and losses are reflected in the UAL Amortizations shown above.

Prepared by Foster & Foster, Inc.
June 19, 2015

FY2015/2016 Major Increases in General Fund



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

- COST OF MOVING CRA EXPENSES TO GENERAL FUND - \$716,065 – Cost offset by \$652,386 in CRA revenues

- Expenses includes \$222,474 of indirect cost allocation for services provided by administrative dept's

- EMPLOYEE WAGE INCREASES BUDGETED – \$398K (Negotiations underway with 3 Unions)
 - GENERAL FUND -\$354K
 - OTHER FUNDS - \$ 44K

- IMPLEMENTATION OF PHASE I COMPENSATION STUDY -\$129,409 - (Negotiations underway with 3 Unions)
 - GENERAL FUND -\$86,904
 - OTHER FUNDS - \$42,505

- BUDGET 2 POLICE POSITIONS FULL ANNUAL COSTS-\$60,600 (In FY2015, budget only recognized ½ of 2 police officer salaries. In 2016 total annual costs budgeted)
 - GENERAL FUND -\$60,600

- RIGHT OF WAY MAINTENANCE CONTRACT - \$245K increase from FY2014-2015

- Total additional major expenses – \$1.77M
 - GENERAL FUND - \$ 1.68M - OTHER FUNDS - \$ 86K

PERSONNEL COSTS

ADMINISTRATIVE & OUTREACH	\$	207,950
COMMUNITY SUPPORT & NEIGHBORHOOD PLANNING		93,254
MAINTENANCE EMPLOYEES		<u>165,562</u>
TOTAL PERSONNEL COSTS	\$	466,765

MAINTENANCE OPERATING EXPENSES

UTILITIES	\$	115,800
REPAIR & MAINTENANCE		16,000
FLEET MAINTENANCE		15,135
LIABILITY COVERAGE		15,967
LANDSCAPING MATERIALS		8,000
AUDIT		8,859
FEC SIGNAL MAINTENANCE		11,030
PROPERTY MAINTENANCE		17,000
OTHER CHARGES(MOBILE PHONE CHARGES & PHYSICALS)		<u>5,216</u>
TOTAL MAINTENANCE OPERATING COSTS	\$	213,007

ADMINISTRATIVE OPERATING EXPENSES

SOCIAL MEDIA/COMMUNITY ENGAGEMENT	\$	10,000
OTHER PROFESSIONAL SERVICES		1,000
COMMUNICATIONS CHARGES		2,460
FLEET MAINTENANCE AND LIABILITY COVERAGE(FLEET CHARGE TO DEPT'S)		1,593
OFFICE EQUIPMENT & SUPPLIES		4,500
OTHER CURRENT CHARGES		2,475
MEETING NOTICES		1,000
SEMINARS, MEMBERSHIPS AND EDUCATIONAL MATERIAL		<u>13,265</u>
TOTAL ADMINISTRATIVE OPERATING COSTS	\$	36,293

TOTAL PERSONNEL AND EXPENDITURES \$ 716,065

FY2015/16 GENERAL FUND CAPITAL REPLACEMENT UPGRADE –PRIORITY 1 ITEMS

➤ <u>Information Technology (51302)</u>	
➤ 8 - 2911 Cisco Routers -	\$18,000
➤ Enterprise Licenses for VMWare	30,000
➤ Setup redundant firewalls & connections (2)	20,000
➤ 2 Servers and small SAN	<u>25,000</u>
Total	\$93,000
➤ <u>Fire (52201)</u>	
➤ Cardiac Monitor/Defibulators (5)	<u>\$140,775</u>
Total	\$140,775
➤ <u>EOC (52501)</u>	
➤ Upgrade Internal Communications	<u>\$56,857</u>
Total	\$56,857





FY2015/16 GENERAL FUND CAPITAL REPLACEMENT UPGRADE, cont'd – PRIORITY 1 ITMES

➤ <u>Sports Complex (57501)</u>		
➤ Toro Trap Rake		<u>\$25,786</u>
	Total	\$25,786
➤ <u>Building & Maintenance (59101)</u>		
➤ Ford Pick Up with Utility Bed		<u>\$25,800</u>
	Total	\$25,800
➤ <u>Police (52101)</u>		
➤ Police Interceptor Sedan		<u>\$32,500</u>
➤	Total	\$32,500
➤ <u>Streets (54101)</u>		
➤ Ford F150 Pickup Truck (2)		\$39,800
➤ Tractor with Box Blade Sweeper Combo		<u>52,000</u>
➤	Total	\$91,800

Total General Fund Capital Replacement Equipment Requests funded- \$466,518

Capital Equipment & Vehicle Replacement to be funded from sale of property located at Julia and reimbursement from the School Board.

FY2015/16 GENERAL FUND CAPITAL REPLACEMENT UPGRADE, REQUESTED

Capital Improvement Requests :

➤ Streets (54101)

➤ Barracuda Bridge	<u>\$100,000</u>
Total	\$100,000

➤ Police (52101)

➤ Training Room Podium Upgrade	<u>\$16,000</u>
Total	\$16,000

➤ Sports Complex (57501)

➤ Soccer Netting	<u>\$29,500</u>
Total	\$29,500

Total General Fund Capital Improvement Requests Funded- \$145,500

- *Capital Equipment & Vehicle Replacement to be funded from sale of property located at Julia and Sams and reimbursement from the School Board.*

FY2015/16 GENERAL FUND CAPITAL REPLACEMENT UPGRADE, cont'd-

Capital Improvement Requests :

➤ <u>Sports Complex (57501)</u>		
➤ Score Boards Replacement		\$66,105
➤ Windscreen		<u>22,120</u>
	Total	\$88,225
➤ <u>Building & Maintenance (59101)</u>		
➤ Smith Street Building Roof		<u>\$20,000</u>
	Total	\$20,000
➤ <u>General Government (51901)</u>		
➤ 2560 US Hwy 1 - Roof Replacement		<u>\$98,000</u>
	Total	\$98,000

Total Capital Improvements requests currently unfunded: \$206,225

CITYWIDE EXPENSES CATEGORY SUMMARY	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 REVISED	2015-2016 PROPOSED	% Change from 2014-15
PERSONAL SERVICES	\$ 14,778,468	\$ 15,122,467	\$ 16,383,127	\$ 16,761,770	2.31%
OPERATING EXPENSES	16,348,190	15,261,397	17,660,792	17,016,342	-3.65%
CAPITAL OUTLAY	6,044,881	9,420,808	29,232,529	3,493,015	-88.05%
DEBT SERVICE	3,094,040	21,043,399	2,405,436	2,430,487	1.04%
TRANSFERS	2,465,890	2,523,723	3,207,179	1,236,600	-61.44%
TOTAL BUDGET	\$ 42,731,469	\$ 63,371,794	\$ 68,889,063	\$ 40,938,214	-40.57%
CITYWIDE EXPENSES FUND SUMMARY	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 REVISED	2015-2016 PROPOSED	% Change from 2014-15
GENERAL FUND	19,757,919	22,206,788	22,636,768	21,162,399	-6.51%
STORMWATER FUND	1,159,524	792,637	11,207,176	1,871,701	-83.30%
SPECIAL LAW ENFORCEMENT TRUST FUND	56,152	11,256	30,138	-	-100.00%
AIRPORT FUND	3,068,779	4,577,194	6,381,752	4,299,819	-32.62%
IMPACT FEES FUND	213,051	475,148	1,376,705	365,000	-73.49%
BUILDING AND INSPECTION FUND	739,471	824,960	996,550	1,232,813	23.71%
PARKING REVENUE FUND	-	-	217,678	348,277	60.00%
COMMUNITY REDEVELOPMENT AGENCY FUND (NEW)	-	-	-	54,792	N/A
COMMUNITY REDEVELOPMENT AGENCY FUND	5,877,073	2,455,250	4,507,771	-	83.60%
DEBT SERVICE FUND	2,620,047	20,548,509	2,405,436	2,430,487	1.04%
CAPITAL PROJECTS FUND	844,497	3,758,961	10,382,113	1,337,158	-87.12%
GOLF COURSE FUND	1,114,149	1,147,540	1,269,768	1,265,107	-0.37%
SANITATION FUND	5,987,477	5,342,944	5,641,574	5,265,606	-6.66%
MARINA FUND	204,457	205,298	272,300	277,700	1.98%
FLEET FUND	1,088,874	1,025,310	1,563,334	1,027,355	-34.28%
TOTAL BUDGET	42,731,469	63,371,794	68,889,063	40,938,214	-40.57%
<i>*New Community Redevelopment Agency</i>					
<i>*Community Redevelopment Agency Fund Expired in FY2015.</i>					



SUMMARY

- ▶ July 30th at 5:30pm -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 FY2014-15)
 - ❑ Debt Service Millage - .4300 (4.9% reduction when compared to FY2015)
 - ❑ Staff recommends proposed total City Millage of 4.0064
for FY 2015-2016

Budget Calendar

- ▶ August 18th Town Hall Meeting – 6pm-8pm – New Smyrna Beach Garden Club
- ▶ September 9th – Tentative First Public Hearing to adopt tentative millage — 5:30pm
- ▶ September 22nd – Tentative Second Public hearing to adopt final millage — 5:30pm

