CITY OF NEW SMYRNA BEACH

PROPOSED BUDGET OVERVIEW

JUNE 28, 2016

OVERVIEW

- FY2016/2017 City-wide proposed budget-$42,617,588 (FY 2015/16 revised budget $55,896,253 - This figure includes capital projects carry forwards and budget revisions during FY2016)
- FY2016/2017 General Fund proposed budget -$22,894,810 (FY 2015/16 revised budget $24,089,280)
- Taxable property values increased - (+8.53%)
- FY16/17 proposed budget includes the10 year lease payment ($230K) for 3 fire trucks (est. total cost $1.99M) and $887,990 in capital improvements and equipment and vehicle replacements in the General Fund. (Public Safety is $540,802 of the $887,990)
- Includes implementation of Cody Study Phase II (Does not include wage adjustment for employees not affected by Cody Study; over 100+ employees will not receive an adjustment) – See recommendation from City Manager on later slide
- Utilizing $234K of Police Pension Credit towards purchase of 7 police vehicles. (27 police vehicles within the last 4 years)
- HR Assistant position increased from part-time to full-time (keeping up with HR demands)
- Proposing maintaining the current operating Millage Rate of **3.5699**; Debt service millage will decrease to .4000, for a decreased total millage of 3.9699

GOOD NEWS

- Increase in new construction of $52,418,498 (Third most of all Volusia County Cities)
- Added over $10.3M in property value to the 2016 Tax Roll through annexations
- FHC insurance rate flat at 0% and BCBS 5.8%. (Human Resources has worked diligently on this item)
- Plan changes made to Police & Fire Pension contracts has resulted in an overall reduction in the required City contribution when compared to each plan <u>without</u> any plan changes. The impact to the General Funds Budget for the two pension plans is still $1,855,284. (still in negotiations with unions regarding state monies) –In FY2015-2016, the required contribution for the two plans is $1,941,522.
- Budget includes the implementation of Phase II of Compensation Study – (Approved for all 3 unions) - General Fund cost $478,838 & Other Funds, $48,806 for a total of $527,445 in FY 16-17. Phase I implementation in FY 15-16 was a total of $129,409 (City-wide).

PROPERTY TAXES

- Tax Rates:

Description	FY2015/2016 Current	FY 2016-2017 Proposed	Percentage Change from FY 2015-16 to FY 2016-17
General Operating	3.5699	3.5699	0 %
2005 Debt Service	0.4300	0.4000	-6.9 %
Total City Millage	3.9999	3.9699	-.75%

- FY2017 proposed budget was prepared using the current (FY2015) operating millage rate of 3.5699.
- Roll-back rates will be released by PA on July 1st. Adjustments may be required after the July 1st pre-liminary values.
- Revenue estimated at 95% collection rate as per state statue

GENERAL GOVERNMENT SUMMARY BUDGET DESCRIPTION	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 REVISED	2016-2017 PROPOSED	% CHANGE FROM 2015-16
PERSONAL SERVICES	$ 13,054,693	$ 13,753,390	$ 14,684,795	$ 14,777,429	0.63%
OPERATING EXPENSES	$ 4,423,918	$ 4,709,515	5,705,930	6,239,424	9.35%
CAPITAL OUTLAY	$ 3,733,232	$ 1,260,893	2,311,792	887,990	-61.59%
DEBT SERVICE	$ 389,722	$ -	-	-	N/A
TRANSFERS	$ 605,225	$ 1,727,076	1,386,763	989,967	-28.61%
TOTAL BUDGET	**$22,206,790**	**$21,450,874**	**$24,089,280**	**$ 22,894,810**	**-4.96%**
GENERAL FUND SUMMARY DEPARTMENT BUDGET	**2013-2014 ACTUALS**	**2014-2015 ACTUALS**	**2015-2016 REVISED**	**2016-2017 PROPOSED**	**% CHANGE FROM 2015-16**
CITY COMMISSION	$ 239,863	$ 234,208	$ 234,625	$ 235,024	0.17%
CITY MANAGER	$ 434,359	$ 439,966	428,422	431,059	0.62%
CITY CLERK	$ 230,693	$ 234,656	258,634	288,977	11.73%
BUSINESS / ECONOMIC DEVELOPMENT	$ -	$ -	246,030	277,576	12.82%
FINANCE	$ 447,592	$ 498,378	615,610	623,992	1.36%
INFORMATION TECHNOLOGY	$ 300,637	$ 505,708	478,903	479,372	0.10%
HUMAN RESOURCES	$ 183,239	$ 220,953	229,128	248,055	8.26%
CITY ATTORNEY	$ 457,948	$ 464,952	486,969	483,839	-0.64%
PLANNING & ENGINEERING	$ 552,802	$ 562,984	704,785	712,208	1.05%
GENERAL GOVERNMENT (1)	$ 2,616,950	$ 162,497	1,154,625	170,154	-85.26%
POLICE	$ 5,519,995	$ 5,782,857	6,081,176	5,897,636	-3.02%
FIRE	$ 5,730,233	$ 5,561,122	5,785,029	5,883,408	1.70%
EMERGENCY OPERATIONS CENTER (2)	$ 16,525	$ 15,045	73,950	18,065	-75.57%
MAINTENANCE OPERATIONS ADMINISTRATION	$ 96,548	$ 163,566	197,675	179,501	-9.19%
STREETS	$ 1,615,996	$ 1,393,621	1,521,635	1,441,526	-5.26%
BUILDING MAINTENANCE	$ 486,945	$ 486,158	642,385	658,830	2.56%
RECREATION	$ 851,870	$ 941,173	1,048,526	1,082,203	3.21%
CIVIC CENTER	$ -	$ -	-	293,881	N/A
PARKS	$ 820,730	$ 1,151,498	1,600,998	1,576,525	-1.53%
SPORTS COMPLEX	$ 998,640	$ 904,457	913,412	923,012	1.05%
TRANSFERS OUT	$ 605,225	$ 1,727,076	1,386,763	989,967	-28.61%
TOTAL BUDGET	**$22,206,790**	**$21,450,874**	**$24,089,280**	**$ 22,894,810**	**-4.96%**

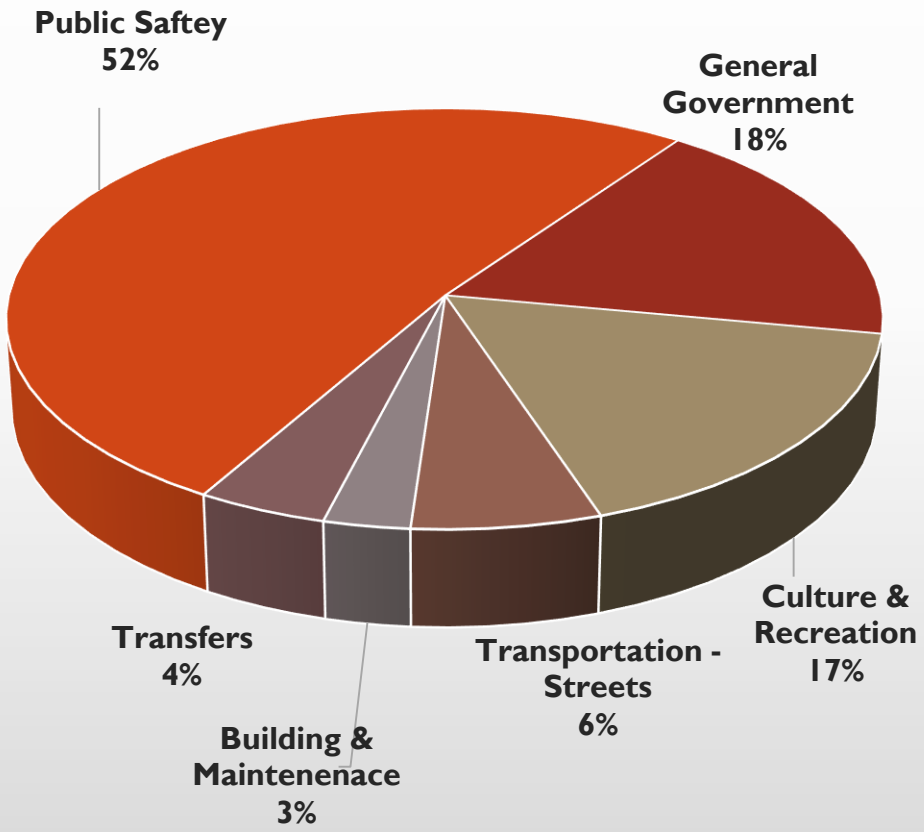
(1) The reduction in General Government is the result fewer dollars budgeted in FY2017 for capital items.
(2) The reduction in the EOC department is related to the reduction in capital equipment in FY2017.

General Fund Expense by Department

GENERAL FUND EXPENDITURES

BY FUNCTION

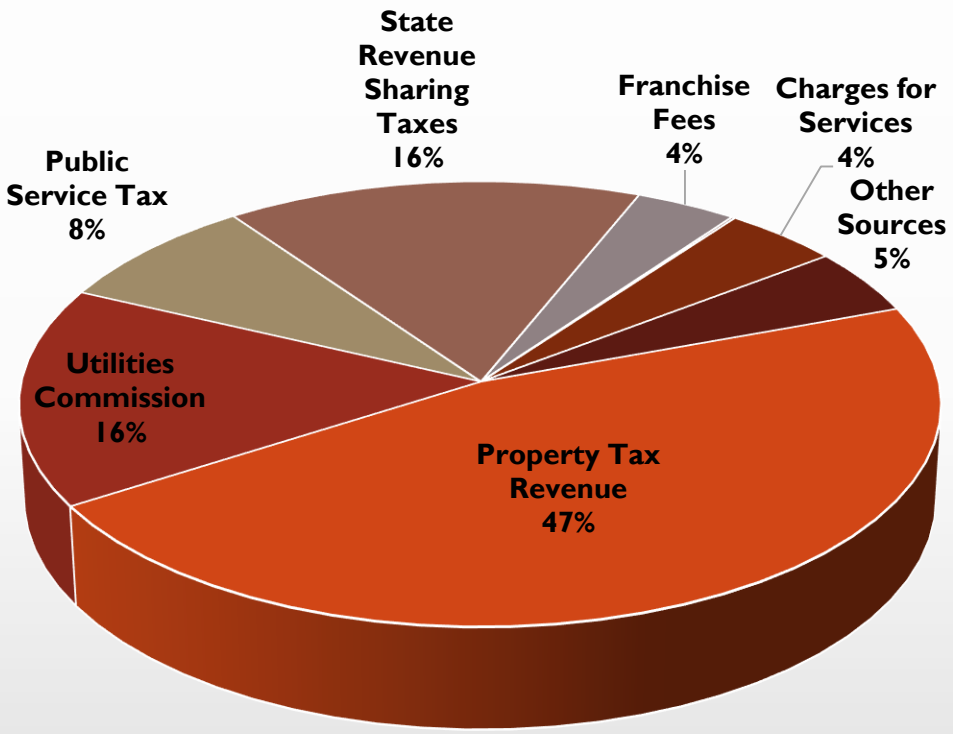
General Fund Expenditures	FY2016/17 Proposed	% of Total
Public Safety	$ 11,799,109	**51.5%**
General Government	4,129,757	**18.0%**
Culture & Recreation	3,875,621	**16.9%**
Transportation - Streets	1,441,526	**6.3%**
Building & Maintenance	658,830	**2.9%**
Transfers Out to Debt Service	989,967	**4.3%**
Total	$ **22,894,810**	100%



GENERAL FUND REVENUES

BY SOURCE

General Fund Revenues	FY2016/17 Proposed	Inc/(Dec)	% of Total
Property Tax Revenue	$ 10,660,840	$768,941	**46.6%**
State Revenue Sharing Taxes	3,672,012	8,987	**16.0%**
Utilities Commission	3,646,175	104,366	**15.9%**
Public Service Tax	1,868,663	66,549	**8.2%**
Charges for Services	1,029,160	397,515	**4.5%**
Franchise Fees	894,998	(8,099)	**3.9%**
Other Sources	1,122,962	(2,532,109)	**4.9%**
Total	**$22,894,810**		**100%**



FY2016/2017 MAJOR INCREASES IN GENERAL FUND (ALL LINE ITEMS REVIEWED IN DETAIL BY CITY MANAGER AND FINANCE DEPARTMENT)

- IMPLEMENTATION OF PHASE II COMPENSATION STUDY -$527,445
  - GENERAL FUND- $478,838
  - OTHER FUNDS - $ 48,606

- LEASING OF 3 FIRE TRUCKS (10 YEAR LEASE FOR 2 PUMPERS AND 1 LADDER TRUCK)
  - GENERAL FUND -$230K – (Annual 10 year payment. The vehicles will be owned by the City at the end of the lease period)

- CAPITAL EQUIPMENT AND CAPITAL IMPROVEMENT -
  - GENERAL FUND - $888K (Total includes $540,522 in public safety equipment)
  - POLICE VEHICLES - $234K (Utilizing remaining police pension credit to purchase vehicles)
    - TOTAL $654K

- Total additional major expenses – $1.4M
  - GENERAL FUND - **$ 1.35M** - OTHER FUNDS - **$ 48K**

- Police Pension Contribution Decrease from **26.7%** to **24.6%** **- (Based on Actuarial Evaluation completed by Foster & Foster)**

Police Pension Contribution

	2016	***2017***	***Without Plan Changes***
Valuation Date	10/1/2014	10/1/2015	10/1/2015
Applicable Fiscal Year End	9/30/2016	9/30/2017	9/30/2017
Total Required Contribution % of Total Projected Payroll	47.77%	40.9%	41.4%
Member Contributions (Est.) % of Total Projected Payroll	10.0%	10.0%	8.1%
Estimated City and State Cont. % of Total Projected Payroll	37.7%	30.9%	33.3%
State Contributions	122,463	122,463	122,463
% of Total Projected Payroll	6.3%	6.3%	6.3%
Balance from City % of Total Projected Payroll	26.7%	24.6%	27.0%
City Required Contribution as a % of Payroll	$ 629,234	$ 579,744	$ 636,304

ARC - Annual Required Contribution

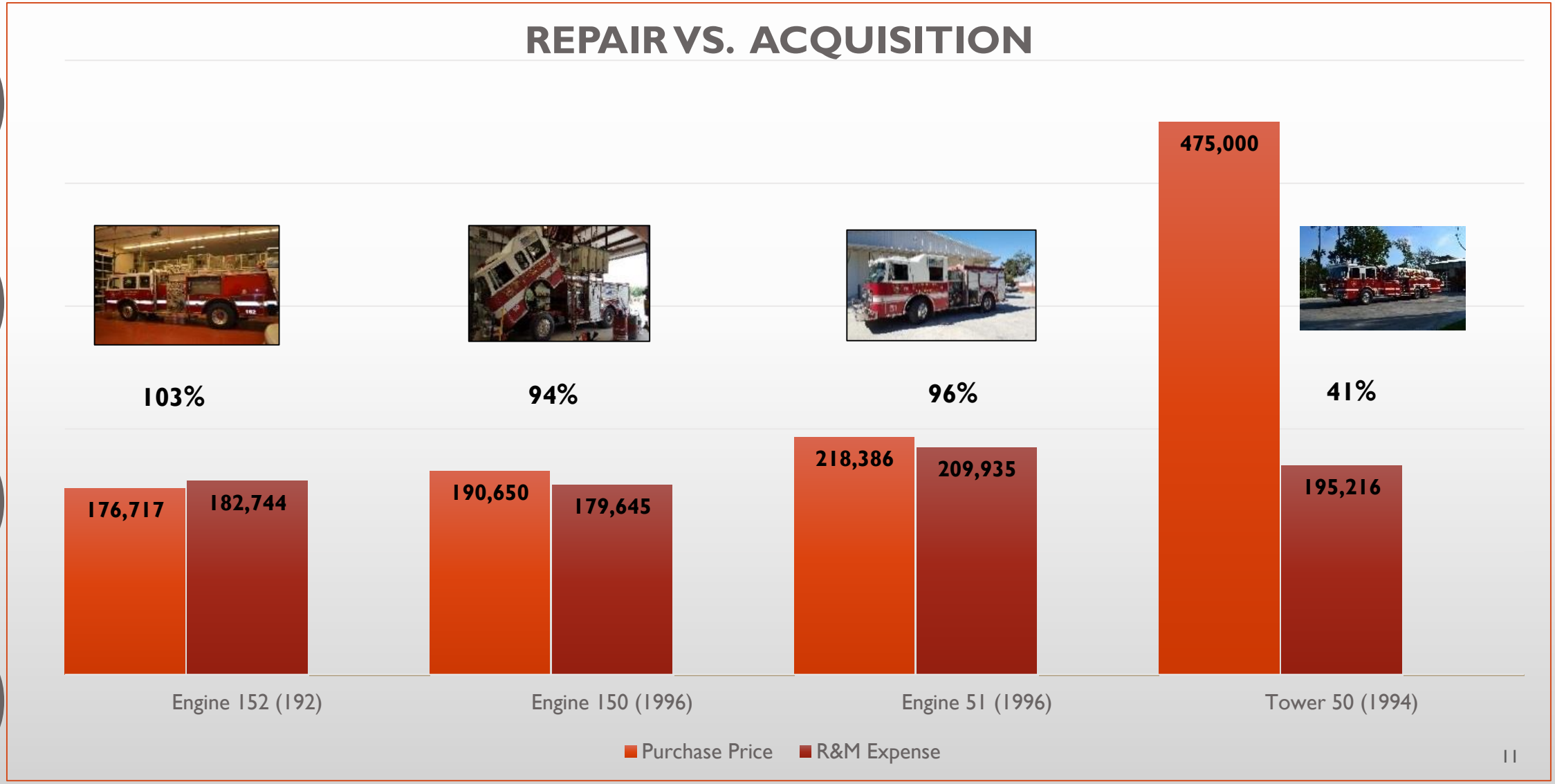
- Fire Pension Contribution Decrease from **67.2%** to **58.6%** - **(Based on Actuarial Evaluation completed by Foster & Foster)**

Fire Pension Contribution

	2016	***2017***	***Without Plan Changes***
Valuation Date	10/1/2014	10/1/2015	10/1/2015
Applicable Fiscal Year End	9/30/2016	9/30/2017	9/30/2017
Total Required Contribution % of Total Projected Payroll	91.2%	82.6%	81.5%
Member Contributions (Est.) % of Total Projected Payroll	10.0%	10.0%	1.0%
Estimated City and State Cont. % of Total Projected Payroll	81.2%	72.6%	80.5%
State Contributions	277,167	277,167	277,167
% of Total Projected Payroll	14.0%	14.0%	13.7%
Balance from City % of Total Projected Payroll	67.2%	58.6%	66.8%
City Required Contribution as a % of Payroll	$ 1,370,509	$ 1,310,891	$ 1,483,697

ARC - Annual Required Contribution

10 YEAR LEASE PROPOSAL (REPLACEMENT OF FIRE TRUCKS)



FIRE DEPARTMENT FLEET PROPOSAL

CURRENT ISSUES

- Tower 50 is out-of-service
  - Needs major repairs in excess of 70K
- Engine 152 is out-of-service
  - Repair expense has exceeded purchase cost
- Results in frequent use of neighboring fire engines

PROPOSED OUTLAY

Pumper- S3 body	$ 450,677.70	
Pumper- S3 body	$ 450,677.70	
SPH 100	$ 1,170,789.30	
Total	**$ 2,072,144.70**	
Multitruck discount on Pumpers	$ (10,000.00)	
SPH discount	$ (27,500.00)	
3 Truck Discounted Total	**$ 2,034,644.70**	
Prepayment Discount for 100% pay within 30 days of PO	$ (35,316.42)	total discount $72,816.42
	$ 1,999,328.28	

CAPITAL EQUIPMENT REQUESTS, FUNDED FY2016/2017

GENERAL FUND (001)

Information Technology (51302)	
Replace 8 Brocade/Foundry switches with Cisco Switches (R)	20,000
	20,000
Police (52101)	
2 Full Size Sedans(R)	54,000
5 Police Interceptor Sedans (R)	180,000
	234,000
Fire (52201)	
1 - 800 MZ Radios(R)	6,000
Commercial Washer/Extractor(R)	6,532
2 Thermal Enhancer Imagers(R)	13,470
2017 Chevrolet Cruze(R)	20,000
SCBAs & Bottles(R)	235,800
	281,802

CAPITAL EQUIPMENT REQUESTS, FUNDED FY2016/2017, CONT.

GENERAL FUND (001)

Streets (54101)		
F-550 Truck with 42.5 Boom and Bucket Attachment(R)		106,000
		106,000
Recreation (57201)		
Small Sedan (R)		20,000
		20,000
Parks (57202)		
Trailer with dedicated pressure washer, taml & hoses(R)		8,000
60" Riding Mower with zero turn radius; 2h HP engine(R)		10,000
12' Dump Trailer		8,000
		26,000
Building & Maintenance (59101)		
2 Nissan Frontiers 4x2 w/ Canopy Topper & Access (R)		40,000
John Deere TS 4x2 Gator		8,000
		48,000
Total General Fund (001)	**$**	**735,802**

CAPITAL EQUIPMENT REQUESTS, FUNDED FY2016/2017, CONT.

Stormwater (101)		
4 x 4 Loader Backhoe(R)		82,000
	Total Stormwater Fund (101)	82,000
Law Enforcement Trust (103)		
Hostage Negotiation Equipment		22,250
	Total Law Enforcement Trust Fund (103)	22,250
Fleet (501)		
2017 Crew Cab w/Utility Body(R)		54,000
Hydraulic Jack for 30,000 lb. Vehicle Service Lift		8,000
	Total Golf Course (401)	62,000
Total Capital Outlay (City-Wide)		$ 932,052

CAPITAL IMPROVEMENTS REQUESTS, FUNDED FY2016/2017

GENERAL FUND (001)		
Fire Department (52201)		
Garage Bay Floor Replacements (Stations 51 & 52)	Garage Bays floor replacement. Floors have deteriorated and need to be resurfaced since they have become non-grip	$25,000
Recreation (57201)		
Babe James Center (CDBG Grant Funded)	To add an ADA compliant ramp and parking spaces. The cost will be 100% financed by CDBG grant dollars.	19,149
Woman's Club	Renovations to include but not limited to electrical upgrade, plumbing upgrade, painting interior walls and baseboards, termite damage and structural repairs analysis	28,000
Parks (57202)		
Mary Tot Lot Pavilion	Adding a Pavilion at the Mary Avenue Tot Lot. The cost will be 100% financed by CDBG grant dollars.	13,000
Sports Complex (57501)		
Scoreboards	Replacing 2 scoreboards for softball fields, 3 for soccer fields and 4 for Little League fields	55,039
Building Maintenance (59101)		
Electrical Upgrades Canal/Flagler	Electrical upgrades for City outlets along Canal Street and Flagler Avenue. Replacement of GFI outlets on 55 poles on Canal and 25 poles on Flagler	12,000
	CDBG Funds	**32,149**
	General Fund	**120,039**
	Total	**$152,188**

CAPITAL IMPROVEMENTS REQUESTS, FUNDED FY2016/2017, CONT.

LAW ENFORCEMENT TRUST (103)			
Galvanized Steel Shelter	40' x 60" Shelter for PD Equipment including vehicles, trailers, PAL bus, SWAT vehicles. Crime Scene Trailer, etc.	$	16,000
	LAW ENFORCEMENT TRUST (103)	**$**	**16,000**
AIRPORT FUND (104)			
Airport Hangar Renovations	Major repairs to hangar buildings including door replacement, roof repairs, etc.	$	50,000
12,000 Gal Fuel Tank	Install additional 12,000 gallon fuel tank to increase Av-Gas storage capacity (80% Funded by FDOT/20% Funded by Airport Fund)		140,000
Four 60' x 60' Corporate Hangars	Design and construct 4 - 60 x 60 Corporate Hangars (80% Funded by FDOT/20% Funded by Airport Fund)		1,000,000
New Administrative Office and Maintenance Facility	Construct new facility for airport administration office and maintenance functions. To lease existing office facility. (80% Funded by FDOT/20% Funded from Airport Fund)		500,000
	AIRPORT FUND (104)	$	1,690,000

GENERAL EQUIPMENT REQUESTS, UNFUNDED, FY2016/2017

Fire (52201)	
1 - 800 MZ Radios(R)	$6,000
Ford F 250 SRW 4WD Crew Cab Support Vehicle Replacement(R)	42,000
	48,000
Streets (54101)	
Front End Loader(R)	$160,000
	160,000
EOC (52501)	
2017 Ford F250 4WD Crew Cab - Division Chief(R)	$44,000
1 - 800 MZ Radios (R)	8,000
	52,000
Total	$260,000

GENERAL FUND IMPROVEMENT REQUESTS, UNFUNDED, FY2016/2017

Recreation (57201)		
City Gym (Live Oak)	Replace 30 ton air conditioning unit in the City Gym. One of the units is not currently working and the other has been repaired numerous times	$30,000
Shuffleboard Courts	Maintenance to retain condition of shuffleboard courts	13,000
Bridge Fish	Five fish underneath the overpass require refurbishment	5,000
Parks (57202)		
Grayce Barck Kenember Park Repair	Replace roofs of 2 picnic pavilions which are in disrepair and replace decking and handrails on the boardwalk	25,000
Sports Complex (57501)		
Refurbish Warning Track	Refurbish Warning Track on HS baseball field. Add warning tracks to the 4 little league fields and the 3 softball fields	55,000
	Total	$128,000

OPTIONS (FOR DISCUSSION ON JULY 27TH)

- The Commission committed to the implementation of the Cody Study. In addition, to fund a Cost of Living Adjustment (COLA) for over 100 employees not covered by the Cody Study, the City has the option to reduce capital equipment in the General Fund.
  - Streets Bucket Truck - $106,000
  - Sports Complex Scoreboards - $55,039
- Cost of COLA - $188K
  - General Fund -$162K
  - Other Funds - $26K

- It appears that other Cities are funding a COLA in FY 16-17; while also tracking Cody Study implementation.

CITYWIDE EXPENSES CATEGORY SUMMARY	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016 REVISED	2016-2017 PROPOSED	% Change from 2015-16
Personnel Services	$ 15,122,467	$ 16,060,255	$ 16,816,692	$ 16,963,278	0.87%
Operating Expenses	15,261,397	15,431,421	18,505,639	19,183,067	3.66%
Capital Outlay	9,420,808	16,618,517	16,143,973	2,760,240	-82.90%
Debt Service	21,043,399	2,395,873	2,431,185	2,440,586	0.39%
Transfers	2,523,723	3,289,245	1,998,766	1,270,417	-36.44%
TOTAL EXPENSES	**$ 63,371,794**	**$ 53,795,311**	**$ 55,896,255**	**$ 42,617,588**	**-23.76%**

CITYWIDE EXPENSES FUND SUMMARY	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016 REVISED	2016-2017 PROPOSED	% Change from 2015-16
General Fund	$ 22,206,788	$ 21,450,872	$ 24,089,280	$ 22,894,810	-4.96%
Stormwater Fund	792,637	8,926,132	4,644,371	2,056,045	-55.73%
Special Law Enforcement Trust Fund	11,256	9,090	43,900	38,250	-12.87%
Airport Fund	4,577,194	3,376,180	6,060,144	4,632,196	-23.56%
Impact Fee Funds	475,148	1,196,768	552,833	755,000	36.57%
Building & Inspection Fund	824,960	786,348	1,463,095	1,385,728	-5.29%
Parking Fund	-	100,026	348,277	300,000	N/A
Community Redevelopment Agency Fund	2,455,250	2,888,500	1,702,112	-	-100.00%
New Community Redevelopment Fund	-	-	77,310	135,747	N/A
Debt Service Fund	20,548,509	2,395,553	2,431,185	2,440,586	0.39%
Capital Projects Fund	3,758,961	4,026,074	6,248,245	24,192	-99.61%
Golf Course Fund	1,147,540	1,152,623	1,664,840	1,216,503	-26.93%
Sanitation Fund	5,342,944	5,762,652	5,265,606	5,434,136	3.20%
Marina Fund	205,298	218,948	277,700	277,700	0.00%
Fleet Fund	1,025,310	1,505,545	1,027,355	1,026,695	-0.06%
TOTAL EXPENSES	**$ 63,371,794**	**$ 53,795,311**	**$ 55,896,255**	**$ 42,617,588**	**-23.76%**

The reduction is due to the end of the original CRA and the reduction in capital projects city-wide.

ECHO PROJECTS 2016-2017

- LIVE OAK CULTURAL CENTER
  - ECHO FUNDING - $400,000
  - CITY FUNDING - $1.1 MILLION ($250k/School Board - $133K/RCC - $717K/Reserves)
    - TOTAL COST - $1.5 MILLION

- CITY HALL COMPLEX -
  - PURCHASE OF CHURCH - $600,000
  - DEMOLITION - $100,000
  - CHURCH RENOVATION- (FY 17-18 renovation of church TBD; City is applying for State Historical Grants and ECHO for Phase II)

SUMMARY

- July 27th at 5:30pm -City Commission Budget Workshop – Special Meeting to set tentative General Fund millage and Debt Service millage rate
  - General Fund Proposed Operating Millage – 3.5699 (Current rate of FY2015-16)
  - Debt Service Millage - .4000 (6.9% reduction when compared to FY2016)
  - Staff recommends proposed total City Millage of 3.9699 (.75% reduction) for FY 2016-2017

BUDGET CALENDAR

- September 13th – Tentative First Public Hearing to adopt tentative millage — 5:30pm
- September 27nd – Tentative Second Public hearing to adopt final millage — 5:30pm