



2015 Budget Workshop

A Presentation
to Plantation City Council

Mayor Diane Veltri Bendekovic
Kristi Caravella, Finance Director
Wednesday, July 9, 2014

Agenda

Background



Going into This Year's Budget



Ad Valorem Budget Scenarios



Summary



BACKGROUND

Ad valorem revenue

2011	• 4.5142 mils	\$28,876,900
2012	• 4.6142 mils	\$29,677,628
2013	• 5.6142 mils	\$36,817,714
2014	• 5.6142 mils	\$38,088,489

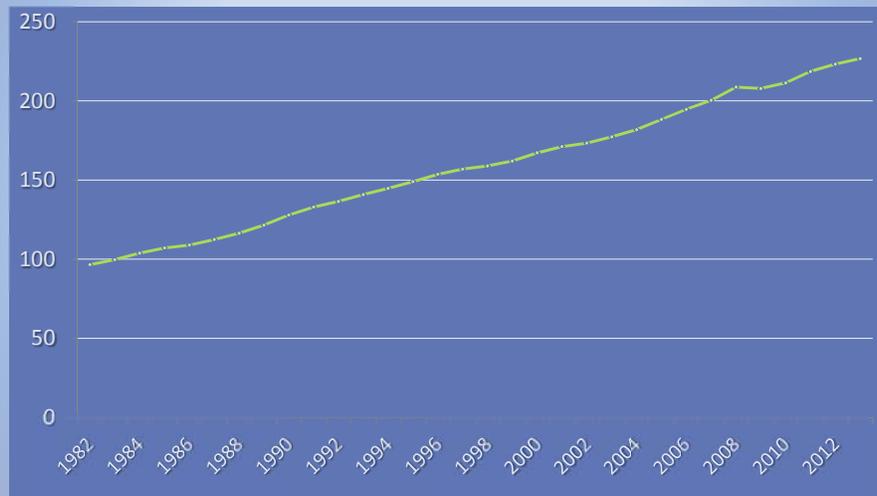


Voted Debt Service – City Comparison*

Taxing Authority/Municipality	Description
Broward County/BCC	Library bonds, Parks/Land bonds
Cooper City	Voted debt
Coral Springs	General refunding bonds – Series 2005A, 2005B, 2013
Dania Beach	Voted debt
Davie	Voted debt
Deerfield Beach	GO bond – Series 2000; GO refunding bond – 2012B-2
Fort Lauderdale	GO bond – Series 2005, 2011A; GO Refunding bond – Series 2011B
Ft. Lauderdale Downtown Dev	Voted debt
Hollywood	Voted debt
Lauderdale Lakes	Voted debt
Lauderhill	Voted debt
Lighthouse Point	Voted debt
Margate	Voted debt
Pembroke Pines	Voted debt
Sunrise	Voted debt – SP TX #1
Tamarac	Voted debt
Wilton Manors	Voted debt – 08 City Hall/99 Parks

*Plantation has no general obligation bond or debt service millage

Cost of goods & services/CPI



2014 General fund budget overview

	2014
Taxes, fees, revenue sharing, other income	\$73,339,049
Other miscellaneous revenue	13,071,314
Total revenue	\$86,410,363
Personnel services (salary, wages, benefits)	\$63,258,599
Operating costs, services & allocated costs	14,142,229
Grants in Aid	460,548
Capital expenditures	297,513
Operating Transfers-Out	8,251,473
Total expenditures	\$86,410,363
Full time personnel	580
Part time personnel	193
City of Plantation millage rate	5.6142

Unassigned reserves: city comparison

City	Year ending Sept 30, 2012*	Year ending Sept 30, 2013*
Pompano Beach	\$55.4	\$56.6
Ft. Lauderdale	\$36.6	\$39.7
Pembroke Pines	\$36.1	\$42.1
Hallandale	\$18.4	\$18.7
Tamarac	\$16.8	\$20.6
Sunrise	\$12.6	\$44.6
Dania Beach	\$9.8	\$11.4
Weston	\$9.8	\$7.4
Miramar	\$7.1	\$9.4
Plantation	\$0.94	\$2.94

*In millions



GOING INTO
THIS YEAR'S BUDGET

Change in taxable property values

Year	Property value	Decrease/ increase	Cumulative change
2009 – 2011	Down from \$8.2 billion to \$6.6 billion	(25.6%)	(25.6%)
2012	\$6.68 billion	1.0%	(24.6%)
2013	\$6.86 billion	2.2%	(22.4%)
2014	\$6.98 billion	3.5%	(18.9%)
2015	\$7.46 billion	7.42%	(11.48%)

*Despite recent increases, our property values are still **11.48%** lower than they were during the peak year of 2009.*

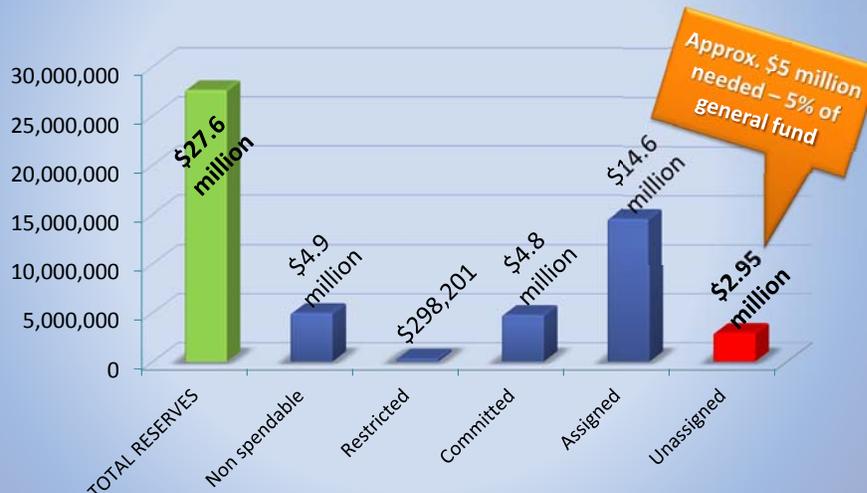
Change in taxable property values

Examples of property value increases by neighborhood:

Home located in:	2013 SOH Value	2014 SOH Value
Plantation Acres	\$523,600	\$562,451
Park East	\$130,720	\$140,419
Royal Palm Estates	\$201,480	\$216,430
Jacaranda	\$194,010	\$208,406
Country Club Estates	\$143,680	\$154,341
Plantation Park	\$135,850	\$145,930
Fox Run	\$266,410	\$286,178

Reserve balances

- General fund reserve balances (as of September 30, 2013)



Expenses – Personnel related

- Pension Benefits (based on Valuation Report 10/1/2013)
 - General Employees:**
 - Pension contribution: \$6.5 million (28% of payroll)
 - \$505,609 increase
 - 400 in Tier 1; 141 in Tier 2
 - 5 year estimated cost avoidance: \$839,500
 - FOP:**
 - Pension contribution: \$7.3 million (75% of payroll)
 - \$310,553 increase
 - 94 in Tier 1; 20 in Tier 2
 - 5 year estimated cost avoidance: \$4,500
 - Fire:** no required City contribution
- Merit Increase – General Employees (less than 3 years = 3%; more than 3 years = 5%) = \$1.35 million
- Longevity:
 - 302 General Employees receiving longevity* = \$490,750
 - 82 FOP members = \$142,000 (for FY 2015, \$70,795 budgeted – ½ longevity as negotiated by Union)

**Longevity was eliminated for general employee new hires effective October 1, 2009, and will be completely eliminated through attrition.*

Expenses – City Mgr/Mayor salaries

Municipality	City Mgr salary	Assistant(s)	Asst. Manager salary	Total salaries
Lauderhill	\$198,430	1 Deputy Manager; 1 Assistant Manager	\$183,063 (Deputy) \$164,956 (Asst)	\$546,449
Coral Springs	\$205,000	2 Assistant Managers	\$157,000	\$519,000
Pembroke Pines	\$274,997	1 Assistant Manager	\$180,315	\$455,312
Ft. Lauderdale	\$209,102	2 Assistant Managers	\$163,987	\$537,077
Sunrise	\$190,000	1 Assistant Manager	\$157,242	\$347,242
Davie	\$167,000	Did not respond	\$164,000	\$331,000
Pompano Beach	\$180,250	2 Assistant Managers	\$147,765	\$475,780
Plantation (Mayor)	\$117,221	Chief Admin Officer	\$120,000	\$237,221

**Base salary for Manager and Assistant/Deputy Manager(s) only; does not include benefits, car allowance, expense account, buy-outs, ICMA certification, administrative staffing, education reimbursement, etc.*

Capital expenses



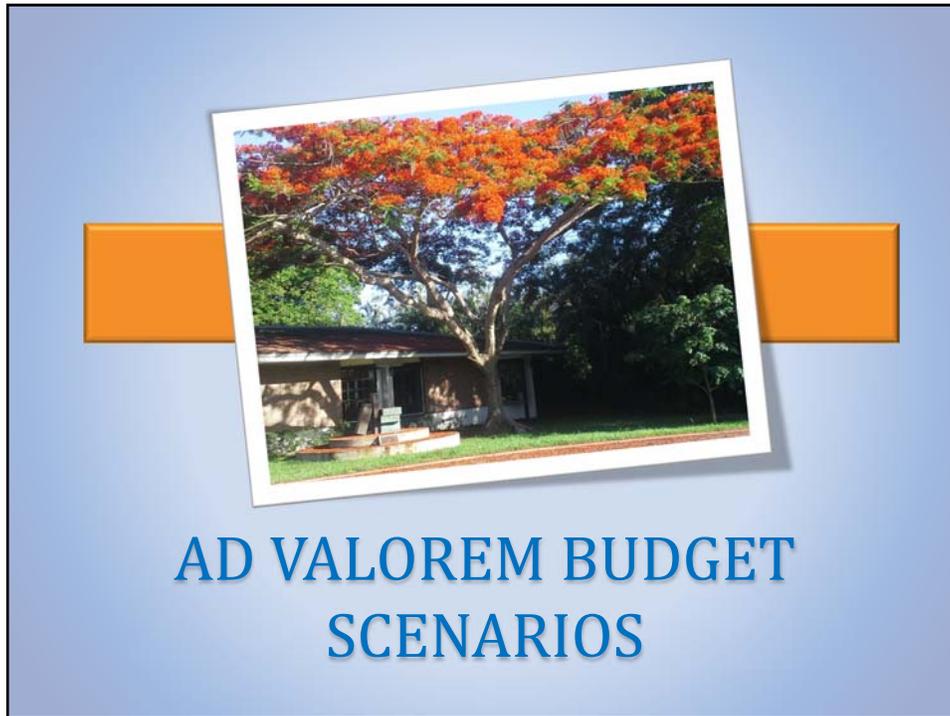
Still playing “catch-up”
total capital needs are \$21.9 million



Revenue options

- ◆ Stormwater – implemented FY 2014 (\$25/year; \$2.08/month)
- ◆ Charges for services – implemented FY 2013-14
- ◆ Utility Service tax – denied
- ◆ Fire Assessment – denied
- ◆ Surplus land – denied
- ◆ Balanced budget based on ACTUAL revenue sources, not speculation

Only revenue option left is millage increase



Ad valorem collection scenarios*

Millage increase	Millage rate	Ad valorem revenue (96% collection rate)	Total revenue	(Deficit)/surplus to GF expenditures
No Increase	5.6142	40,216,359	89,313,257	(4,092,174)
Increase 0.10	5.7142	40,932,691	90,029,589	(3,375,841)
Increase 0.15	5.7642	41,290,858	90,387,756	(3,017,675)
Increase 0.20	5.8142	41,649,024	90,745,922	(2,658,509)
Increase 0.25	5.8642	42,007,191	91,104,089	(2,301,342)
Increase 0.30	5.9142	42,365,357	91,462,255	(1,943,176)
Increase 0.35	5.9642	42,723,524	91,820,422	(1,585,009)
Increase 0.40	6.0142	43,081,690	92,178,588	(1,226,843)
Increase 0.45	6.0642	43,439,856	92,536,754	(868,676)
Increase 0.50	6.1142	43,798,023	92,894,921	(510,510)
Increase 0.55	6.1642	44,156,189	93,253,087	(152,344)
Increase 0.60	6.2142	44,514,356	93,611,254	205,823
Increase 0.65	6.2642	44,872,522	93,969,420	563,989
Increase 0.70	6.3142	45,230,688	94,327,586	922,156
Increase 0.75	6.3642	45,588,855	94,685,753	1,280,322
Increase 1.00	6.6142	47,379,687	94,476,585	3,071,154

Begin to show surplus

*Based on property value increase of 7.42% (\$7,419,701,027)

General Fund Budget Statement

Not Balanced With All Capital, No Millage Increase

Taxes, fees, revenue sharing, other income	\$76,235,630
Other miscellaneous revenue	13,077,627
Total revenue	\$89,313,257
Personal services (salary, wages, benefits)	\$70,426,631
Operating costs, services & allocated costs	15,345,703
Grants and aids	46,300
Capital expenditures	5,261,694
Debt service	127,560
Non-operating transfer – out	2,197,543
Total expenditures	\$93,405,431
Budget deficit	\$(4,092,174)

No Millage Increase

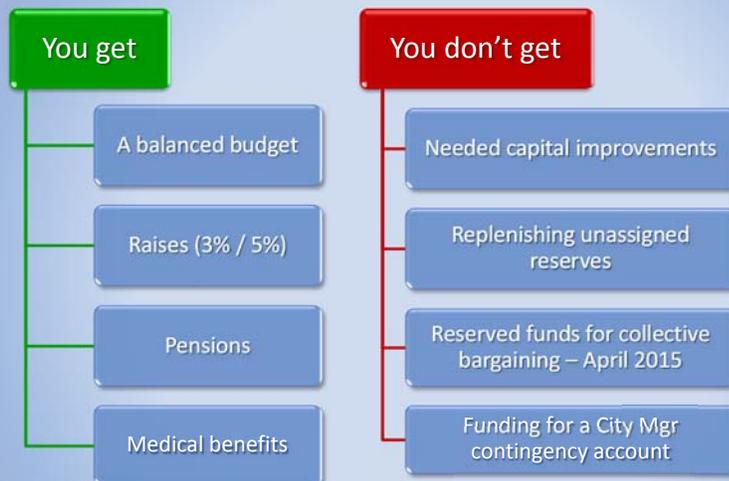


General Fund Budget Statement

Balanced With Reduced Capital, No Millage Increase

Taxes, fees, revenue sharing, other income	\$76,235,630
Other miscellaneous revenue	13,077,627
Total revenue	\$89,313,257
Personal services (salary, wages, benefits)	\$70,426,631
Operating costs, services & allocated costs	15,345,703
Grants and aids	46,300
Capital expenditures	1,169,520
Debt service	127,560
Non-operating transfer – out	2,197,543
Total expenditures	\$89,313,257

What this buys ...



Barely hanging on!

0.5 Mil increase



General Fund Budget Statement

0.5 Mil Increase

Taxes, fees, revenue sharing, other income	\$79,817,294
Other miscellaneous revenue	13,077,627
Total revenue	\$92,894,921
Personal services (salary, wages, benefits)	\$70,426,631
Operating costs, services & allocated costs	15,345,703
Grants and aids	46,300
Capital expenditures	4,751,184*
Debt service	127,560
Non-operating transfer – out	2,197,543
Total expenditures	\$92,894,921

*Balanced with \$510,510 capital cut.

What this buys ...



Turning the corner!

0.3 Mil increase



Proposed General Fund Budget Statement

0.3 Mil Increase

Taxes, fees, revenue sharing, other income	\$78,384,628
Other miscellaneous revenue	13,077,627
Total revenue	\$91,462,255
Personal services (salary, wages, benefits)	\$70,426,631
Operating costs, services & allocated costs	15,345,703
Grants and aids	46,300
Capital expenditures	3,318,518
Debt service	127,560
Non-operating transfer – out	2,197,543
Total expenditures	\$91,462,255

*Balanced with \$1.94 million capital cut.

What this buys ...



Placing a band-aid on Plantation's needs

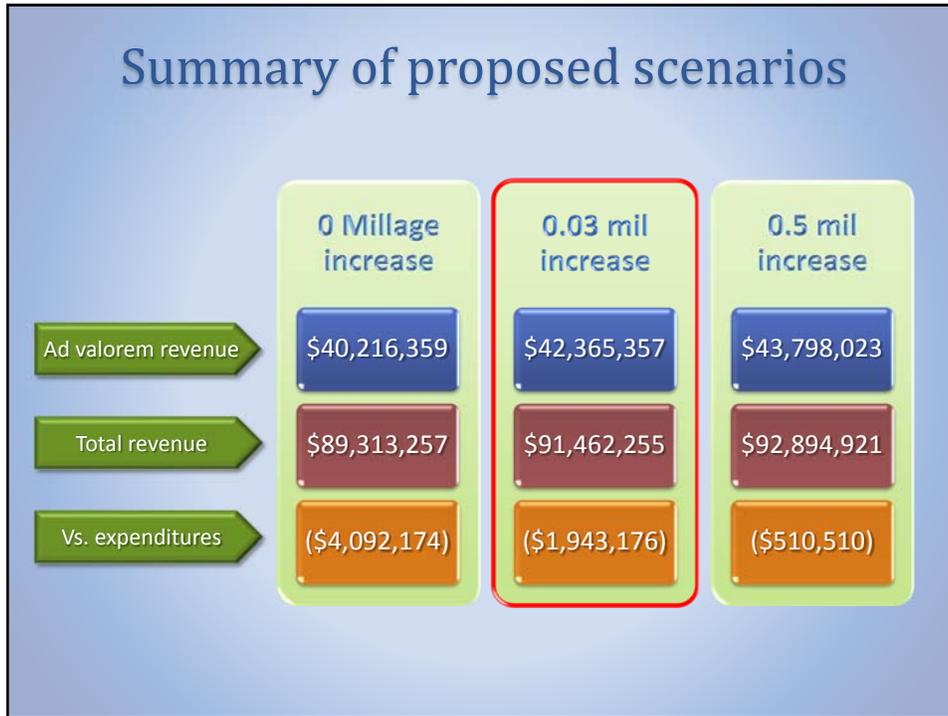
Special District Funds

- ◆ Plantation Midtown – 1.0 mil
 - Est. property value increase: 10.22%
 - Generates \$1.19 million in revenue
 - Board approved
 - Contains no capital – building up funds for future capital projects

- ◆ Plantation Gateway – 2.0 mils
 - Est. property value increase: 4.89%
 - Generates \$418,920 in revenue
 - Board approved
 - Reduced maintenance cost and eliminated cost allocation
 - No longer operating in the red



SUMMARY



Summary of scenarios

Property tax impact: annual & (per month)

	2014 SOH Value	2014/15 taxes*					
		No millage increase		.3 mil increase		0.5 mil increase	
Neighborhood		5.6142	\$ increase*	5.9142	\$ increase*	6.1142	\$ increase*
Plant. Acres	\$562,451	\$3,158	\$218	\$3,326	\$387 (\$32.25)	\$3,439	\$499 (\$41.58)
Park East	\$140,419	\$788	\$54	\$830	\$97 (\$8.08)	\$859	\$125 (\$10.42)
Royal Palm	\$216,430	\$1,215	\$84	\$1,280	\$149 (\$12.42)	\$1,323	\$192 (\$16)
Jacaranda	\$208,406	\$1,170	\$81	\$1,233	\$143 (11.92)	\$1,274	\$185 (\$15.42)
CC Estates	\$154,341	\$867	\$60	\$913	\$106 (\$8.83)	\$944	\$137 (\$11.42)
Plant. Park	\$145,930	\$819	\$57	\$863	\$100 (\$8.33)	\$892	\$130 (\$10.83)
Fox Run	\$286,178	\$1,607	\$111	\$1,693	\$197 (16.42)	\$1,750	\$254 (\$21.17)

**Increase over 2014 property taxes, including 7.42% property value increase and millage rate increases.*

Strategies taken to “right the ship”



Goal: Smooth sailing!



- ◆ No easy decisions; only tough decisions – right choices for Plantation
- ◆ No decrease in quality of services
- ◆ All decisions based on needs, not wants
- ◆ Balanced budget without using reserves, and based on actualized revenue

Balancing the budget

Expenditures

- Reorganization of Finance, Utilities, Planning & Zoning, City Clerk, Design, Landscape & Construction, and Advisory Boards
- Privatization, benefit changes, wage freezes (4 years), furloughs, refinance, collective bargaining
- TRAM service cancelled: \$220,000
- Restructuring/cost allocations

Revenue

- Millage rate
- Waste Management/ Sun Bergeron
- Public Safety impact fees
- Water rate increase to fund Infrastructure loan
- Storm water fee
- Grants

Action Requested from Council



Fluid document – final decisions will be made:

- ◆ **First public hearing:** Wednesday, September 3
- ◆ **Second public hearing:** Monday, September 15