



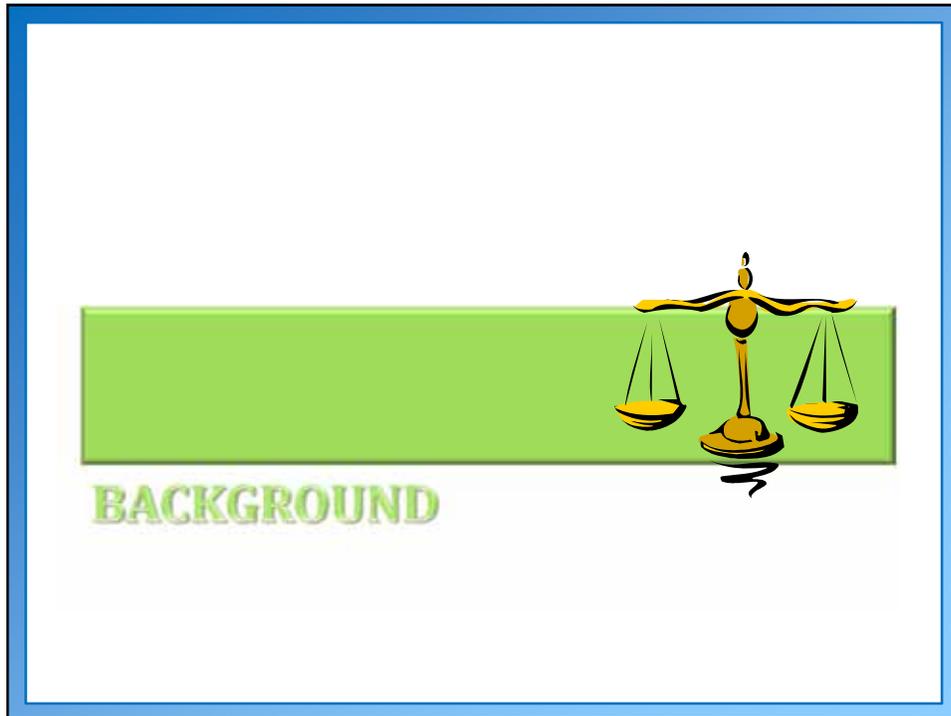
On the Road to Recovery

2014 Budget Workshop Presentation
to Plantation City Council

Mayor Diane Veltri Bendekovic
Wednesday, June 26, 2013

Agenda





Options utilized to balance FY 2013 budget

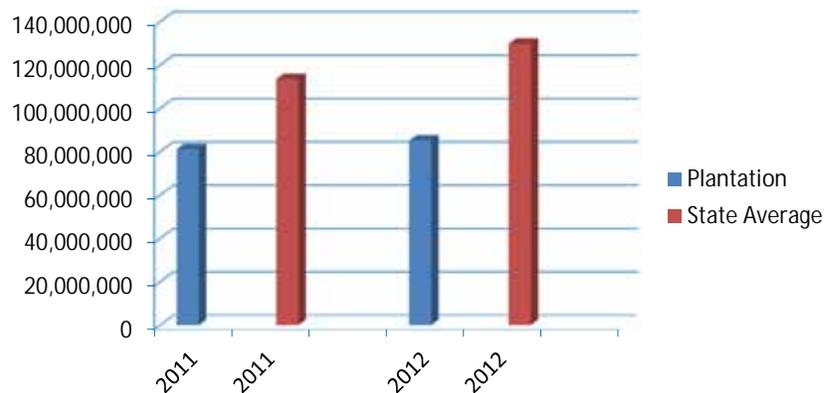
- Council unanimously approved a 1 mill increase
- Taxable value increase (2.2%) – \$468,000
- 25 F/T and 3 P/T positions eliminated – \$1.5 million
- Minimal capital expenses (\$1.7 million)
- For third year, general employees did not getting a salary increase
- Furloughs added to all employees except FOP members – 24 hours or 3 days (one time savings of \$315,000)
- Charge for services/fee increases – \$525,0000
- Storm water fee – \$585,000 (will impact 2014 budget)
- Public safety impact fees – \$100,000
- Working to sell off surplus property – \$883,671
- FOP collective bargaining agreement – no raises, no STEP, no longevity

FY 2013 General fund budget overview

	2013
Taxes, fees, revenue sharing, other income	\$71,432,107
Other miscellaneous revenue	13,671,250
Total revenue	\$85,103,357
Personal services (salary, wages, benefits)	\$61,655,353
Operating costs, services & allocated costs	21,211,530
Grants in Aid	503,787
Capital expenditures	1,732,687
Total expenditures	\$85,103,357
Full time personnel	581
Part time personnel	223
City of Plantation millage rate	5.6142

General Fund Comparison*

- For populations over 60,000, the average general fund budget is



*Source: Data from 2012 Florida League of Cities Center for Municipal Research and Innovation "CityStat Survey" response (82 percent of Florida municipalities)



Going into FY 2014 budget season ...

- ◆ Recovery will not happen overnight
- ◆ Continuing the work we began last year
- ◆ Utilizing "Priority Based Budgeting" to make policy decisions
- ◆ Taxable value increase estimated to be 3.51%
- ◆ No money for much needed capital
- ◆ Need to build up reserves – "rainy day funds"
- ◆ Several revenue sources approved last year go into effect this year:
 - Charge for services/fee increases – \$525,0000
 - Storm water fee – \$585,000
 - Public safety impact fees – \$100,000

Going into 2014 budget season ...

- Need to sell off surplus property
- Cost of doing business continues to increase
- General employees not getting a salary increase
- Employee Health & Wellness Center – continued cost avoidance
- FOP collective bargaining agreement – no increases budgeted
- Pension cost increases:
 - General employees - \$1,065,643 (494 members*)
 - FOP - \$935,187 (114 members*)
 - *not including DROP
- Medical cost increases: \$1.3 million

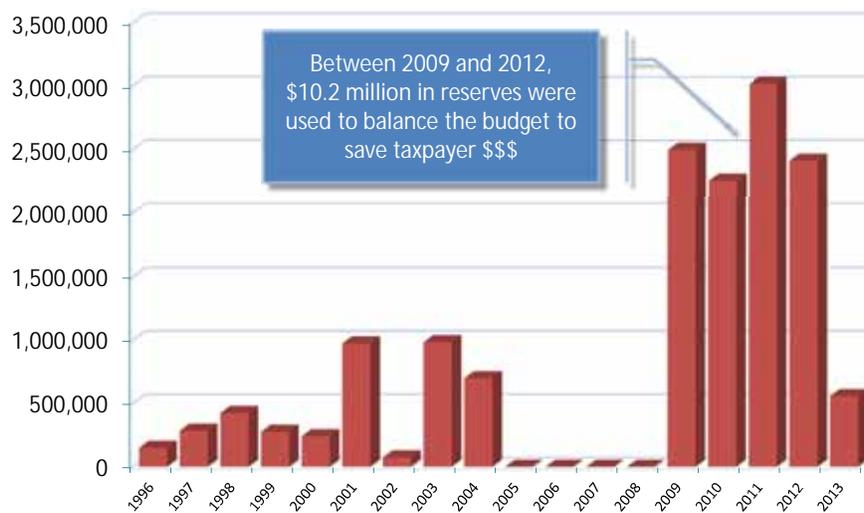
Taxable property values

2009	• \$8,198,630,080	(5.4%)
2010	• 7,478,948,210	(8.8%)
2011	• \$6,625,655,188	(11.4%)
2012	• \$6,677,220,055	1.0%
2013	• \$6,758,907,031	2.2%
2014 (Jun estimate)	• \$6,976,319,735	3.51%

Ad valorem revenue

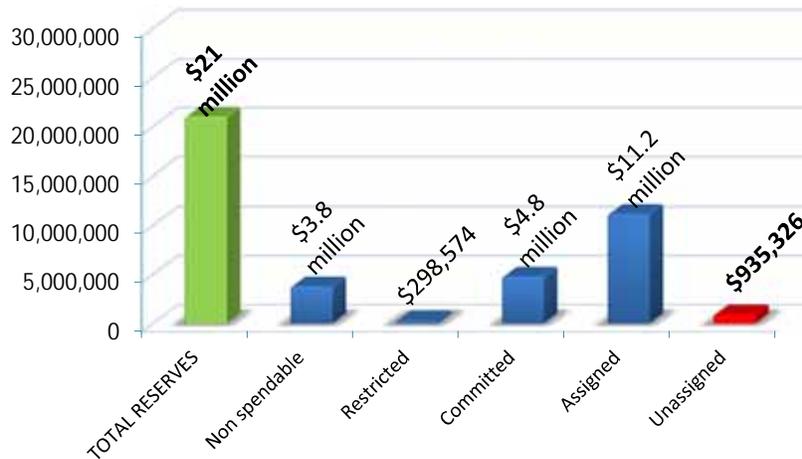
2009	• 4.0925 mills	\$31,910,200
2010	• 4.5142 mills	\$32,207,200
2011	• 4.5142 mills	\$28,876,900
2012	• 4.6142 mills	\$29,677,628
2013	• 5.6142 mills	\$36,667,714
2014 (estimate)	• 5.6142 mills	\$37,799,796

Reserves used to balance the budget



Reserves no longer available

- General fund reserve balances (as of June 2013)



Reserves

- Florida isn't the only state facing budget challenges at the local level.
- According to the National League of Cities, there is a 25 percent decrease in City reserves over the past four years.
- 52 percent of cities have adopted a written policy on budgeting for reserves.

Source: Data from 2012 Florida League of Cities Center for Municipal Research and Innovation "CityStat Survey" response (82 percent of Florida municipalities)

Capital Expenditures

- ♦ Need to start funding capital to maintain the City's assets and infrastructure
- ♦ Six years without any significant capital investments
- ♦ Included \$1.7 million in capital improvements in 2013 budget ("band-aid" – no real improvements)
- ♦ Proposed budget includes \$3.1 million in FY 2014 – still "band-aid" improvements



Pension costs

- ♦ Fiscal Year 2014 General Employee Update***
 - 494 employees
 - Pension costs total \$6.035 million (\$12,217/person)
 - Increase of \$1,065,643
 - 25.8% payroll costs for General Employees go toward Pension
- ♦ Fiscal Year 2014 FOP Update**
 - 114 employees
 - Pension costs total \$6.985 million (\$61,280/person)
 - Increase of \$935,000
 - 67.8% payroll costs for Police department go toward Pension

*As of Oct 2012 valuation report

Sustaining & maintaining

- Goal is to **sustain and maintain** Plantation as we know it today
- No millage rate increase proposed this for the General Fund year
- Balance the budget on expenditure cuts and other sources of new revenue
- No furloughs/employee layoffs recommended
- Using Priority Based Budgeting to help prioritize programs and facilitate policy decisions
- FY 2014 deficit = \$4,909,376

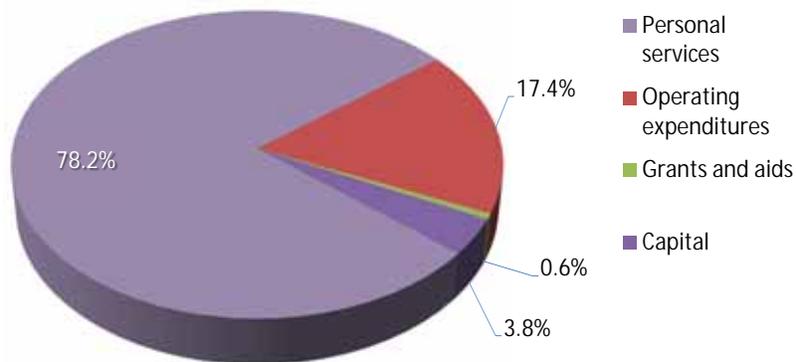


FY 2014 General fund proposed budget

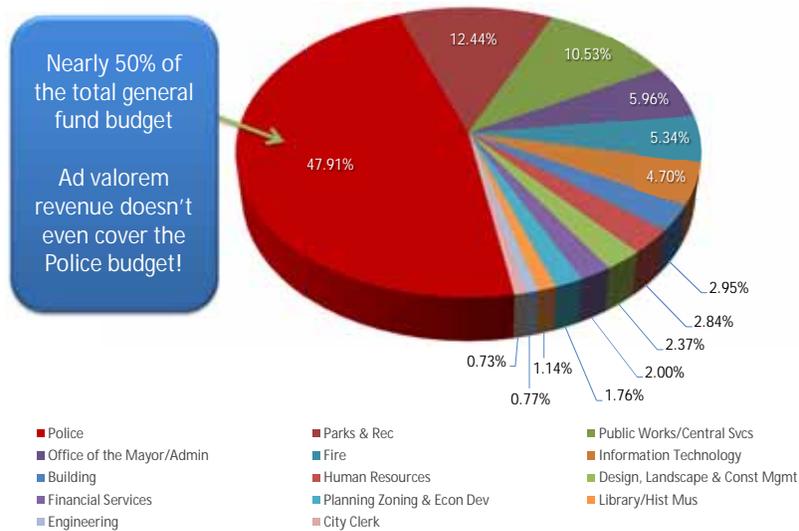
	2014
Taxes, fees, revenue sharing, other income	\$71,572,413
Other miscellaneous revenue	10,669,393
Total revenue	\$82,241,806
Personal services (salary, wages, benefits)	\$63,249,167
Operating costs, services & allocated costs	14,096,094
Grants in Aid	460,548
Capital expenditures	3,093,888
Operating transfers in/out	6,251,485
Total expenditures	\$87,151,182
Deficit	(\$4,909,376)

General fund expenditures

- Expenditures by Category – Personnel costs represent 78.2% of the total General Fund budget



Expenditures by department



Expenditure reduction options

- Park police cars (\$133,072 savings)
- Limit capital items and infrastructure expenses
- Refinance 2003 bond (\$460,000 savings)
- No raises budgeted for general employees (cost avoidance = \$766,210 @3%)
- Add "Choice Plan" for medical benefits (up to \$1.1 million)
- PBB program options

Wages

- ◆ Freeze wages and salaries across the board (already doing this for General Employees)
- ◆ Limit overtime in all departments

Longevity Pay

- ◆ Eliminated longevity pay for new employees

Expenditure options summary

Expenditure savings source	Impact
Refinance debt service	\$460,000
Park police cars	\$133,000
Add "Choice Plan" for medical benefits	Up to \$1.1 million
Program options	TBD



REVENUE OPTIONS

Sell off surplus property

North Acres Park

- ◆ 11831 & 11200 NW 21st ST
- ◆ Acquired in 2000 as part of BCPS land swap
- ◆ BCPA assessed value = \$866,840
- ◆ More recent appraisals put the value at around \$1.5 million
- ◆ One time revenue



Property taxable value increase

- BCPA expecting 3.51% increase in property values – **should net the City approximately \$1,082,082 additional revenue**
- Anticipated future revenue from One Plantation Place, Midtown Phase II, Riverwalk and Veranda Phase II
 - We won't see impact on property values for at least two years



Storm water management fee

- Approved last year
- Will be assessed in FY 2014
- Will return approximately \$585,000 to general fund in personnel service cost allocation in Engineering and Public Works



Occupational/business tax license

- Won't see benefit until 2014 budget year (can only bring up for discussion every other year)
- Maximum increase = 5%
- Would increase revenue by \$36,000/year

Increased employee benefits contribution

- 2% increase in spouse/dependent(s) coverage for Preferred Choice as of October 1, 2013 (contributions go from 6% to 8%)

Revenue options summary

Revenue source	Revenue impact
Taxable value increase (included in proposed budget)	\$1.1 million
Storm water impact fee (included in proposed budget)	\$585,000
Property sale	\$1.5 million
Increased employee benefits contributions	up to \$131,000
Business tax license increase	\$36,000



Deficit going into FY 2014

Cost/revenue	Amount
Beginning deficit (after PV adjust and storm water increase)	\$4,909,376
Expenditure reduction options	
Debt service refinance	\$460,000
Park police cars	\$133,000
New "Choice Plan" for medical benefits	up to \$1.1 million
Program options	TBD
Revenue options	
Property sale	\$1.5 million
Increased employee benefits contributions	up to \$131,000
Business tax license increase	\$36,000

Thank you for your support...

