



## On the Road to Recovery

2014 Budget Workshop Presentation  
to Plantation City Council

Mayor Diane Veltri Bendekovic  
Wednesday, July 10, 2013

### Deficit going into FY 2014

	2014
Taxes, fees, revenue sharing, other income	\$71,572,413
Other miscellaneous revenue	10,669,393
<b>Total revenue</b>	<b>\$82,241,806</b>
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
<b>Total expenditures</b>	<b>\$87,151,182</b>
<b>Deficit</b>	<b>(\$4,909,376)</b>

## FY 2014 General fund proposed budget

	2014
Taxes, fees, special assessments & charges for services	\$73,408,314
Other miscellaneous revenue	13,019,393
<b>Total revenue</b>	<b>\$86,427,707</b>
Personal services (salary, wages, benefits)	\$63,249,936
Operating costs, services & allocated costs	14,096,094
Grants in Aid	460,548
Capital expenditures	2,789,644
Operating transfers in/out	5,831,485
<b>Total expenditures</b>	<b>\$86,427,707</b>

## Expenditure reduction options

Expenditure reduction options included in proposed budget	Budget impact
Reduce capital items and infrastructure expenses	\$300,000
Refinance 2003 bond	\$420,000
No raises budgeted for general employees (@ 3%)	\$766,210
Add "Choice Plan" for medical benefits	up to \$1.1 million

Other options available	Budget impact
Take home cars (tabled)	\$133,000
Privatization of departments/functions (\$189,000 to \$632,500 unemployment costs will also have to be factored in)	\$200,000 – \$5.2 million

## Debt Refinance Options

- Union investment in bonds
- Bank loans
- Local/in-house banks
- Bonds

## Privatization options

Large dept.	City of Plantation*	Contractor*	Annual savings
Headcount	273	197	(76)
Personnel services	\$30,950,900	\$23,026,509	(\$7,924,391)
Operating	\$1,776,778	\$2,947,703	\$1,170,925
Capital	\$0	\$1,523,400	\$1,523,400
Total	\$32,727,678	\$27,497,612	(\$5,230,066)

\*2010 department figures compared to 2010 study

Midsize dept.	City of Plantation	Contractor	Annual savings
Headcount	12	7	5
Personnel services	\$1,171,043	\$821,500	(\$349,543)
Operating	\$111,130	\$96,500	(\$14,630)
Capital	\$397,000	\$397,000	\$0
Total	\$1,679,173	\$1,315,000	(\$364,173)

## Privatization options

Small dept.	City of Plantation	Contractor	Annual savings
Headcount	7	4	3
Personnel services	\$798,012	\$600,000	(\$198,012)
Operating	\$20,200	\$18,000	(\$2,200)
Capital	\$28,000	\$28,000	\$0
Total	\$846,212	\$646,000	(\$200,212)

### Considerations:

- Profits
- Contracts
- Quality of services
- Availability of Services

## Revenue options summary

Revenue source (included in proposed budget)	Revenue impact
Taxable value increase	\$1.1 million
Storm water impact fee	\$585,000
Fire inspection/permit fees	\$200,000
Property sale (one time revenue)	\$2.25 million
Utility user fee	\$1.36 million
Increased employee benefits contributions	\$130,000
Business tax license increase	\$36,000

Other options available	Budget impact
Reserves	TBD
Millage rate	TBD

## 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

## Fire inspection/permit fees

- No increase since 2009
- Would increase revenue by \$200,000
- Back-up information provided in Council Agenda packets

## Surplus properties: North Acres Park



Parcel 4940 25 02 1810  
4.74 acres – \$750,000



Parcel 4940 25 02 1820  
9.95 acres – \$1.5 million

\*Back-up information provided in Council Agenda packets

## Utility user fee option

- Utilities department water fees total approximately \$13 million each year
- A 10% franchise fee would net approximately \$1.3 million

House type	Typical utility bill today (water only)	With 10% franchise fee increase
Condo	\$14.20	\$15.62 (\$1.42)
Single family home	\$29.22	\$32.14 (\$2.92)
Large single family home	\$89.66	\$98.63 (8.97)

## Ad valorem millage scenarios

Millage rate	Ad valorem revenue	Increase from 2014 proposed rate
2014 Proposed millage rate (5.6142)	\$37,588,489	

Millage rate (other options to consider)	Ad valorem revenue	Increase from 2014 proposed rate
.10 Mill increase (5.7142)	\$38,258,014	\$669,525
.20 Mill increase (5.8142)	\$38,927,539	\$1,339,050
.50 Mill increase (6.1142)	\$40,936,115	\$3,347,626

## Gateway Millage

- Proposed millage rage = 2.0 mills
- Property value increase = 2.96%

## Midtown Millage

- Proposed millage rage = 1.0 mills
- Property value increase = 2.05%

Proposed millage rate increases reposition Districts to be financially solvent and support future capital needs.

\*Board letters provided in Council Agenda packets

## Current vs. proposed sick leave

### Current sick leave

- Sick leave accruals:
  - 104 hours/13 days
  - Maximum accrual as of Jan 1: 480 hours
- Sell back yearly – 1st 240 hours not paid; hours above 240 – 480 paid at 50%; no payment for hours above 480
- Resign/Termination payout: hours above 240 paid at 100%; no payment above 480 hours
- Retirement payout: 50% of all hours up to 480 at full pay; no payment above 480 hours

### Proposed sick leave for New Hires after 10/1/13

- Sick leave accruals:
  - 80 hours/10 days
  - Maximum accrual 480 hours as of Jan 1
- No Sell back yearly
- Resign/Termination payout: hours above 240 paid at 25%; no payment for hours above 480
- Retirement payout: 50% of all hours up to 480 at full pay; no payment above 480 hours

*Note: There will be programming charges of approximately \$10,000 - \$15,000 for ADP and Tribridge to modify the current payroll systems for the sick leave accrual changes on new hires. THESE FUNDS ARE NOT BUDGETED.*

## Current vs. proposed annual leave

### Current annual leave

- Annual leave accruals:
  - 1 – 5 years: 104 hours/13 days
  - 5 – 14 years: 156 hours/19.5 days
  - 15+ years: 208 hours/26 days
- Maximum accrual of 240 hours
- Sell back yearly for Administrative/Executive Only: hours in excess of 120 can sell back up to 80 hours at full pay
- Resign/Termination/Retirement payout – hours paid at 100% up to 240; no payment above 240 hours

### Proposed annual leave for New Hires after 10/1/13

- Annual leave accruals:
  - 1 – 10 years: 80 hours/10 days
  - 10 – 14: 120 hours/15 days
  - 15+ years: 160 hours/20 days
  - Maximum accrual 240 hours
- No Sell Back yearly
- Resign/Termination/Retirement payout – hours paid at 100% up to 240; no payment above 240 hours

*Note: There will be programming charges of approximately \$10,000 - \$15,000 for ADP and Tribridge to modify the current payroll systems for the **annual leave** accrual changes on new hires. **THESE FUNDS ARE NOT BUDGETED.***

