

Roundtable
General Government Departments /
Revenue
February 28, 2011

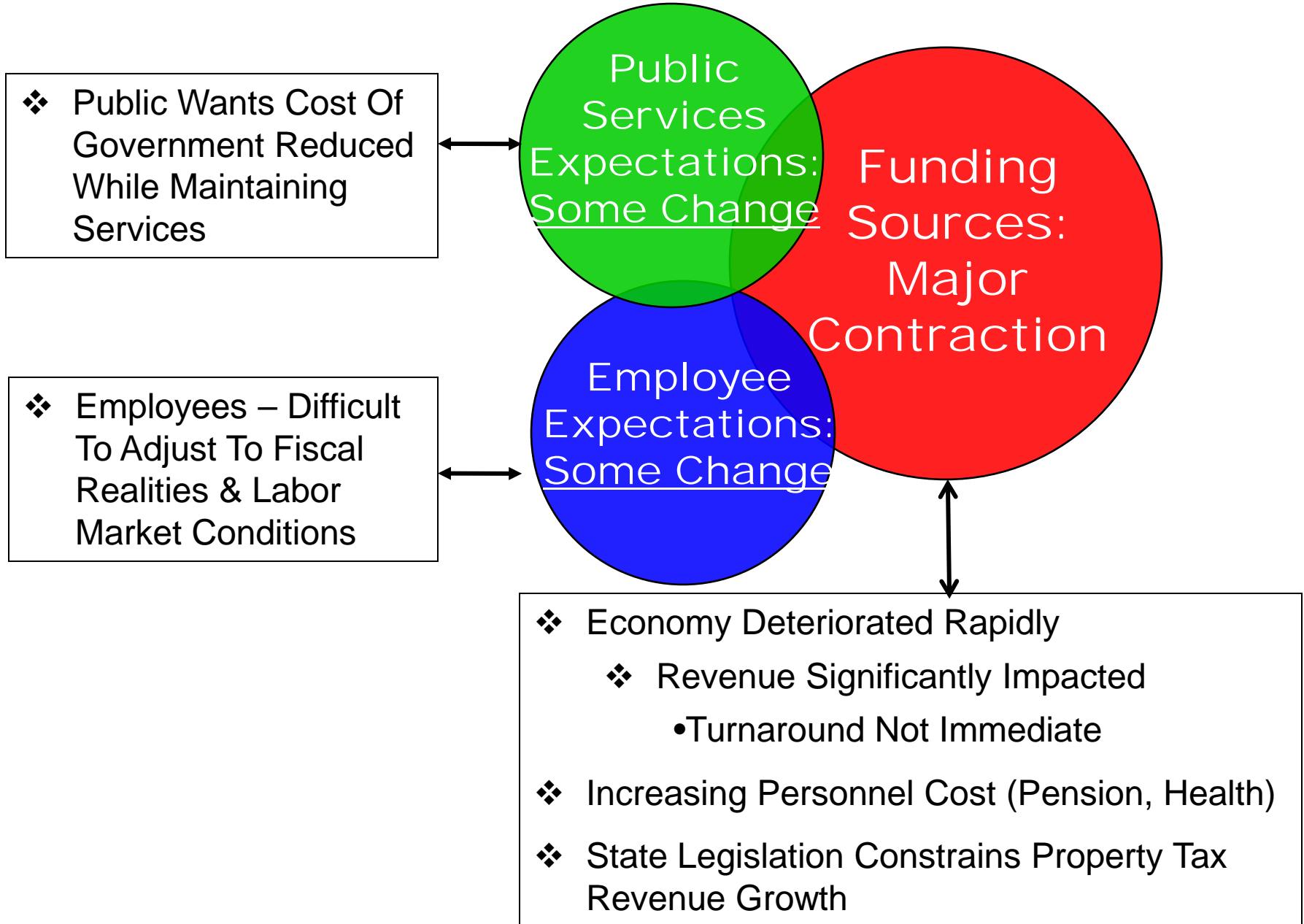


Preliminary FY12 Budget Schedule

Date	Meeting	Topic
Jan 24	Roundtable	General Issues / Public Safety
Feb 8	Roundtable	Parks & Leisure, Eng & Community Dev
Feb 23	Roundtable	Public Works & Enterprise Funds
Feb 28	Roundtable	General Government Departments / Revenue / Overview
Apr 25	Townhall	Overview / Community Input
May 9 or May 23	Commission Workshop	Strategic Plan / Performance Areas / Business Plan
Jun 8	Commission Workshop	Budget Workshop
June	City Staff Briefing	Budget Status
Jul 6	Commission Meeting	Preliminary Budget Presented
Jul 13	Commission Workshop	Budget Workshop
Jul 20	Commission Meeting	Preliminary Millage & Assessments
Sep 7	Commission Meeting	Tentative Millage & Budget
Sep 12	Special Comm Meeting	Final Assessments
Sep 21	Commission Meeting	Final Millage & Budget

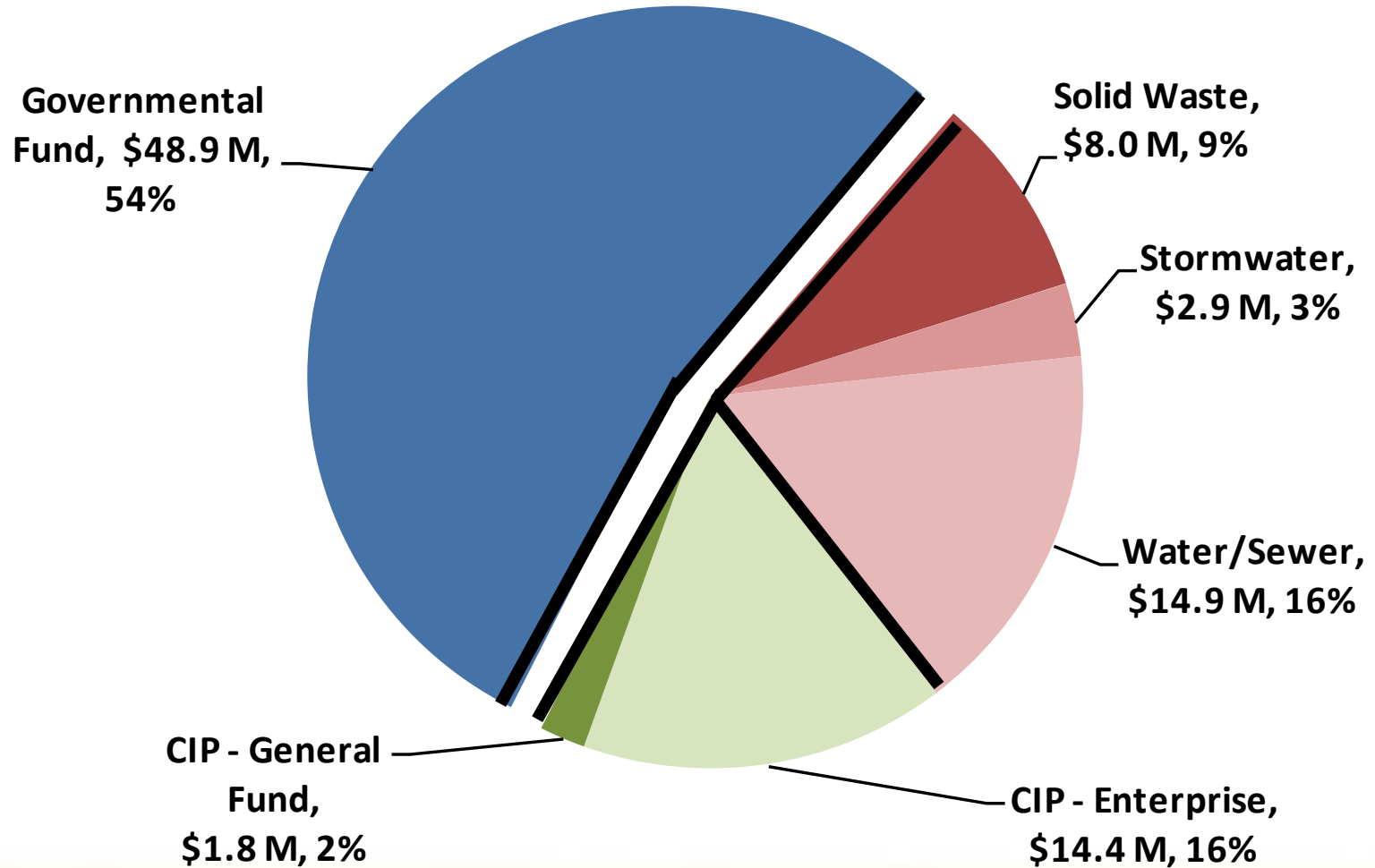


“Perfect” Financial Storm



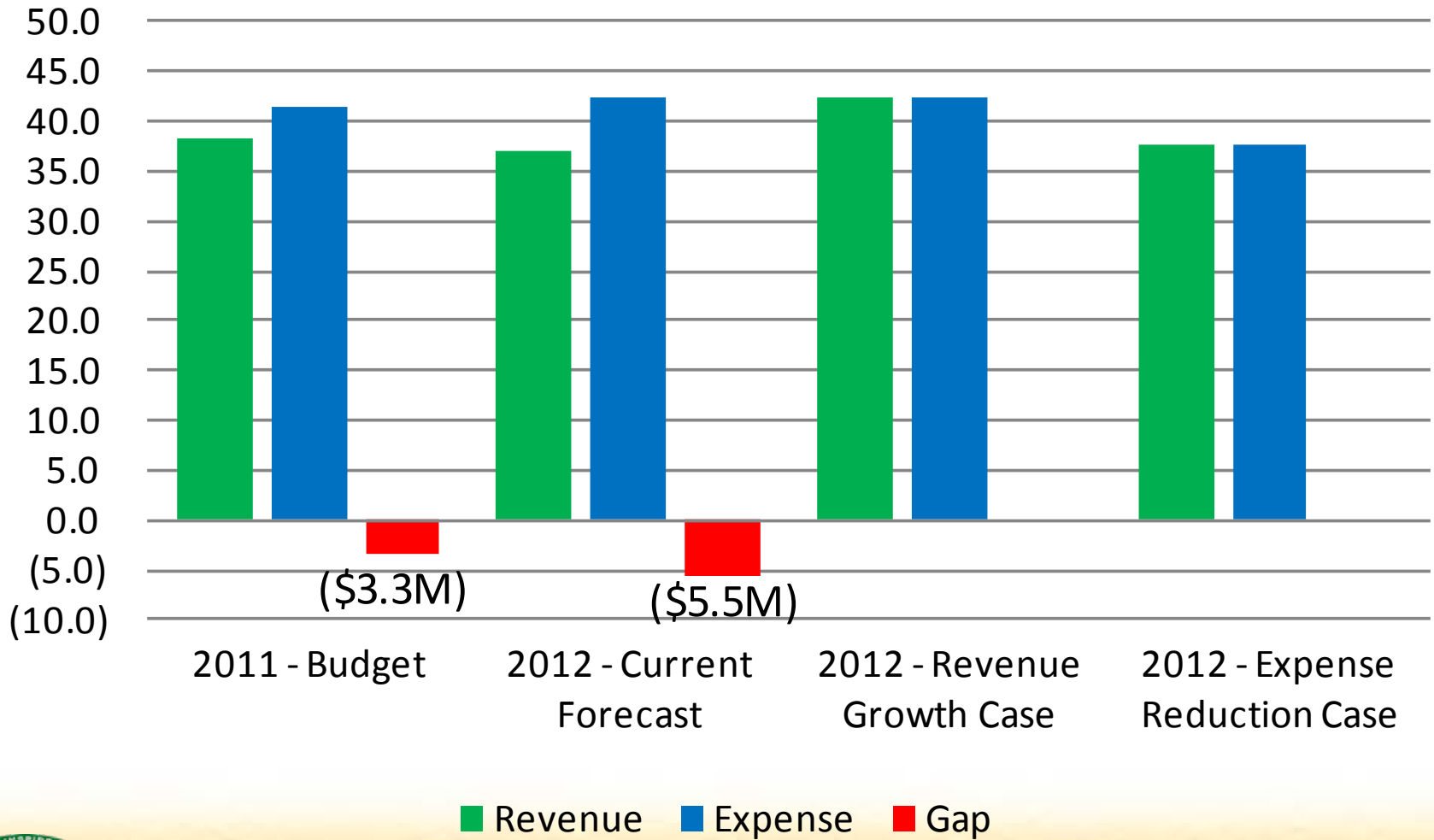
Total City Funds Budget – FY11

\$90.9 Million

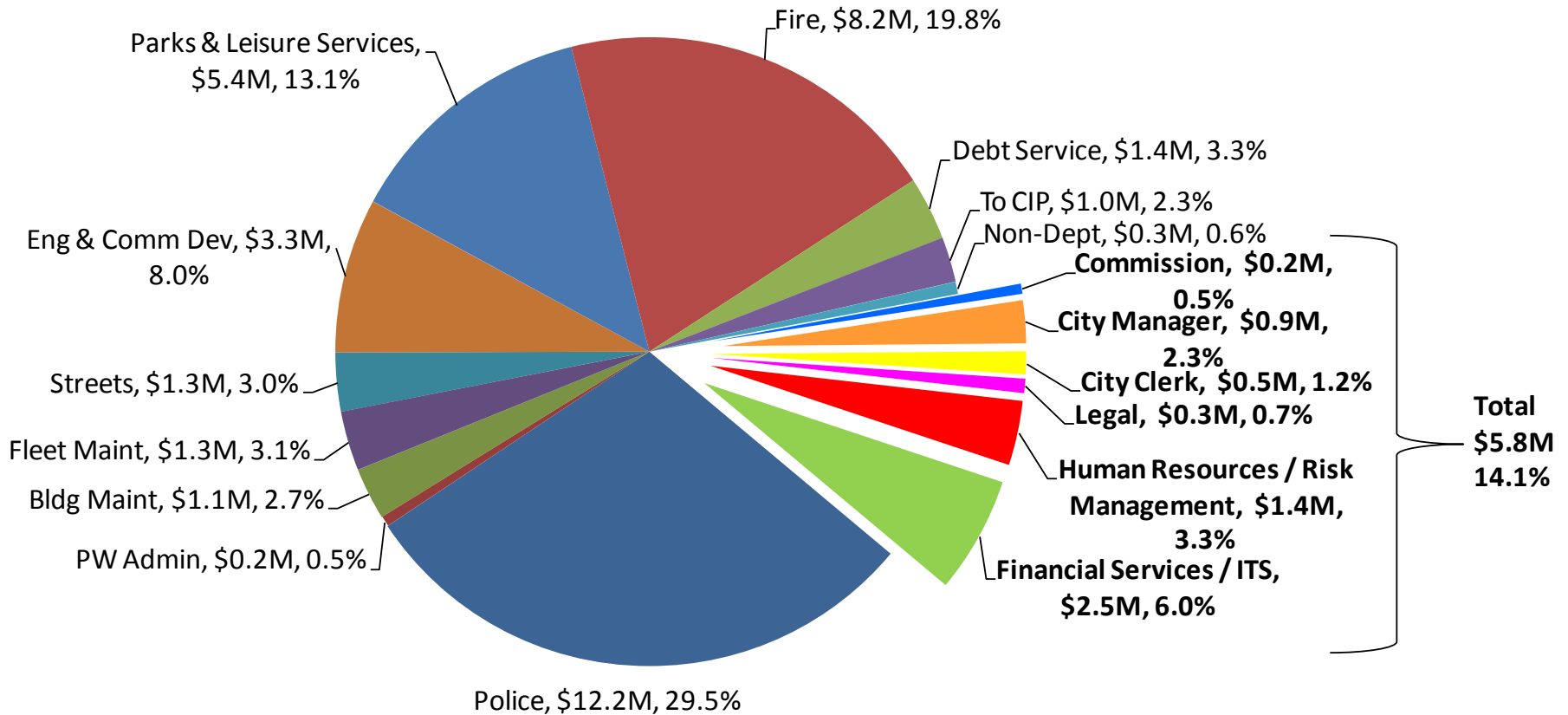


Governmental Funds – FY 12 Forecast & Options

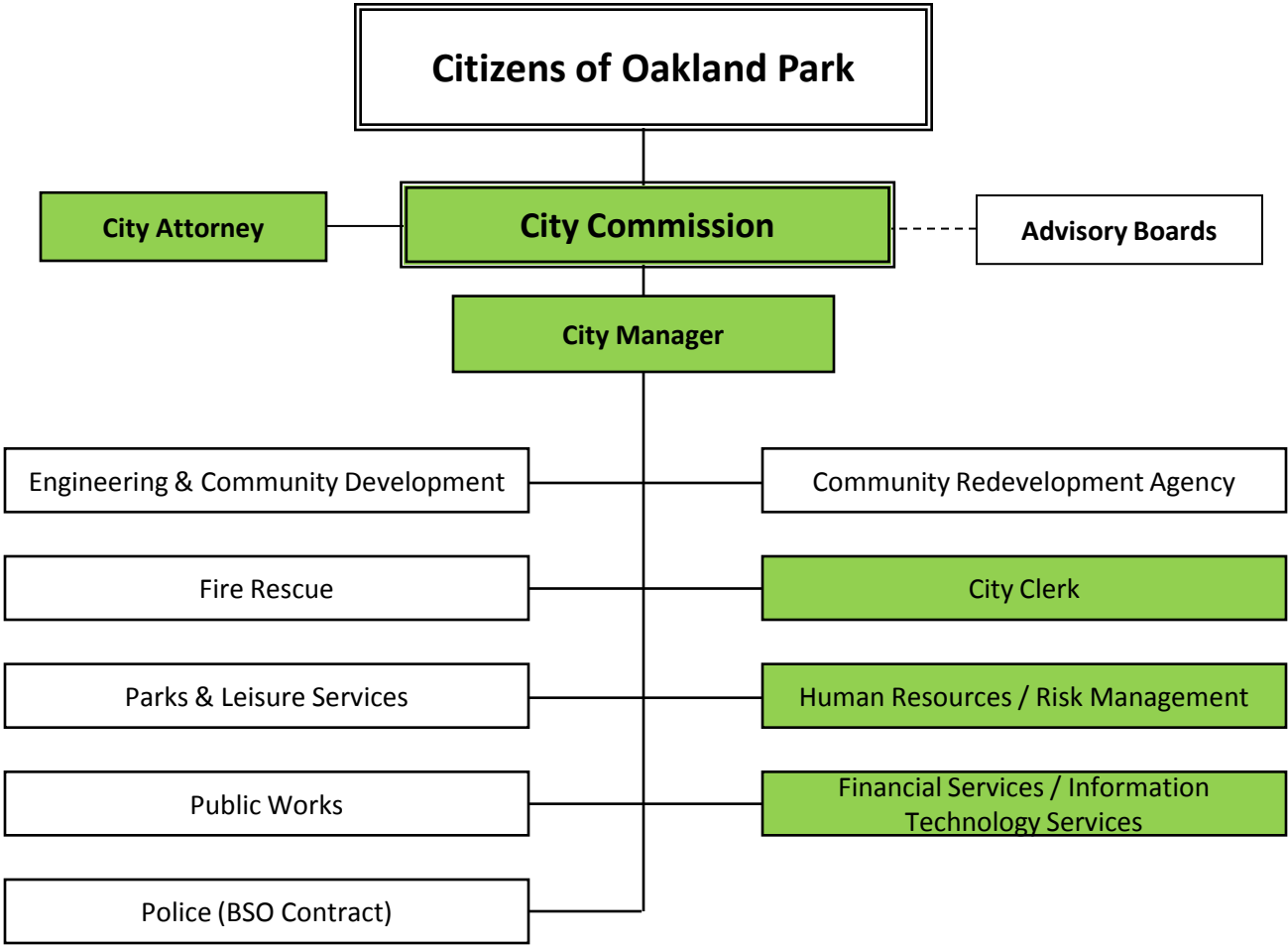
As Of February 28, 2011



Governmental Funds Expense – FY11 - \$41.5 Million



City of Oakland Park



Summary

Commission
City Manager's Office
City Clerk
Human Resources / Risk Mgmt
Legal
Financial Services / ITS

Full-Time	Part-Time	Budget
-	5	217,146
6	-	945,561
3	-	496,925
4	1	1,379,166
-	-	305,000
14	1	2,485,647
27	7	5,829,445

City Commission

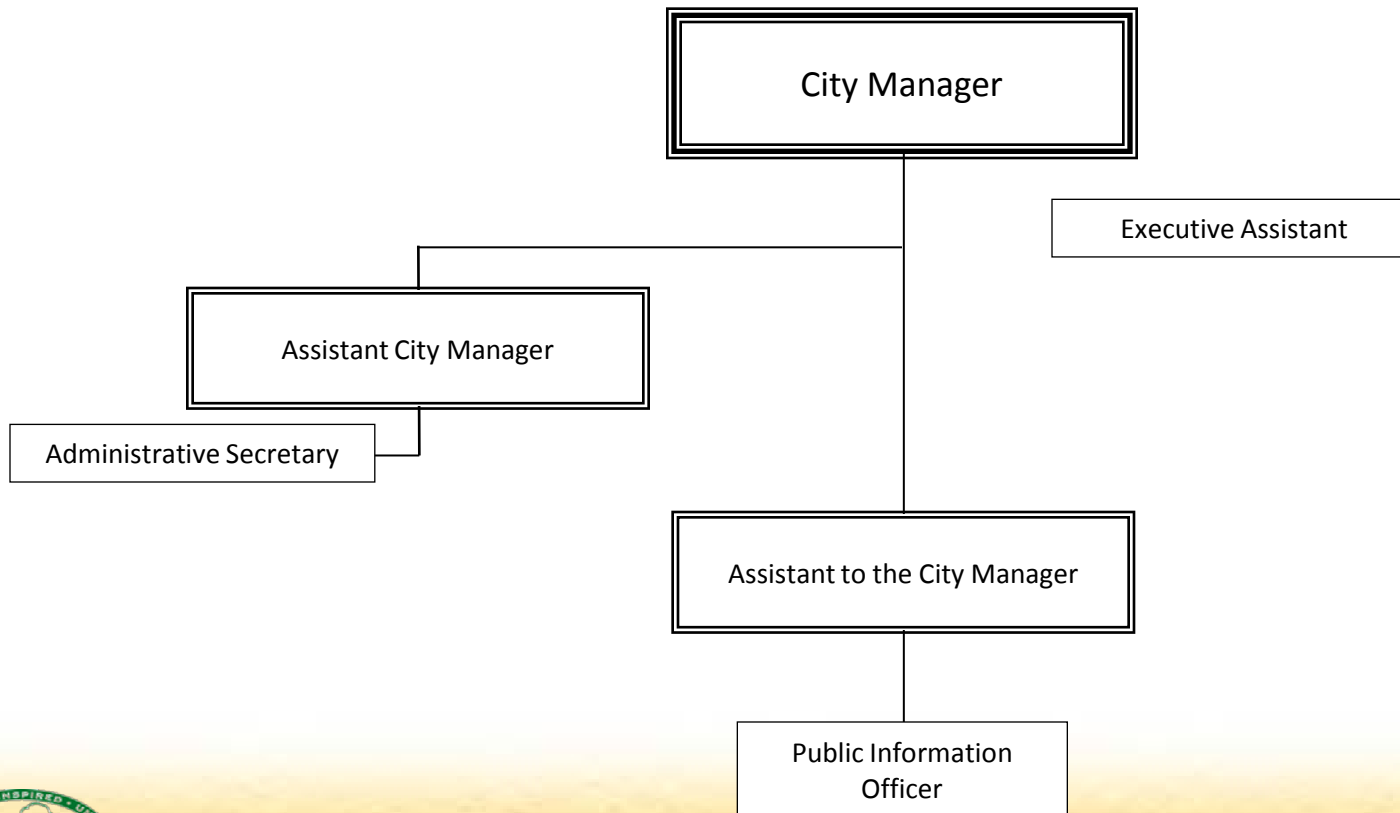
	2007	2011	% Change
<u>Staffing</u>	5	5	0%
Total Expense	\$157,211	\$217,146	38%

➤ Functions

- Establish Policy Direction And Initiatives
- Establish City Direction Through Development Oversight And Adoption Of The Strategic Plan, Business Plan, Annual City Budget And Five-Year CIP Plan
- Represent City
- Continually Monitor And Address The Needs Of The Community And The City's Responses To These Needs

City Manager's Office

	2007	2011	% Change
<u>Staffing (FTEs)</u>	8.0	6.0	-25%
<u>Total Expense</u>	\$1,114,829	\$945,561	-15%



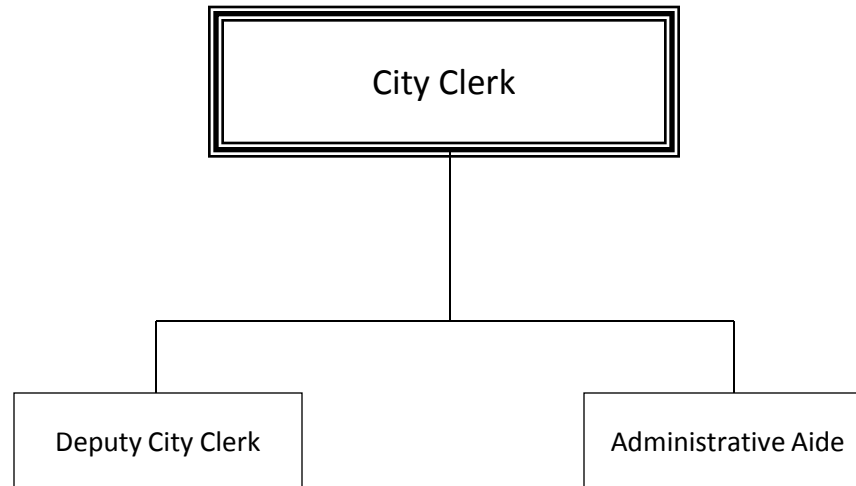
City Manager's Office

➤ Functions

- Develop Recommendations For Commission Action – Agenda
- Policy Support For Commission
- Implement Commission Policy
- Provide Administrative Leadership
- Strategic Management – Economy, Intergovernmental, Emerging Issues
- Oversight Of All City Operations
- Public Information
- Community Outreach / Engagement – Roundtable, LGA, Etc.

City Clerk

	2007	2011	% Change
<u>Staffing (FTEs)</u>	4	3	-25%
<u>Total Expense</u>	\$440,868	\$496,925	13%



City Clerk

➤ Functions

- City Elections
- Publish City Commission Agenda And Support Materials
- Records Management

➤ Operational Enhancements / Automation

- Web-Based Public Records, Commission Meetings And Agendas

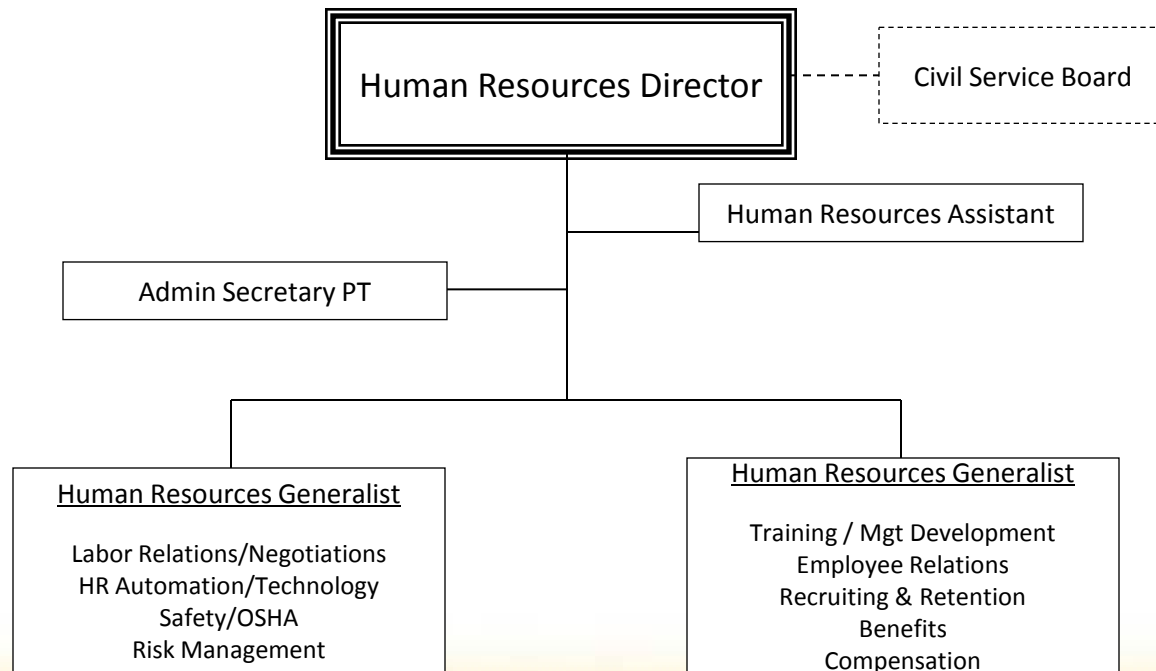


Human Resources / Risk Management

Staffing (FTEs)

HR - Ex Insurance
Insurance / Workers' Comp.
Total Expense

2007	2011	% Change
5.0	4.5	-10%
\$688,085	\$664,166	-3%
1,749,330	715,000	-59%
\$2,437,415	\$1,379,166	-43%



Human Resources / Risk Management

➤ Functions

- Employee Relations
- Benefits And Compensation
- Recruitment
- Labor Relations / Negotiations
- Personnel Records Management
- Training and Development
- Risk Management
 - Safety Program
 - Workers Compensation
 - General, Property And Auto Insurance

Human Resources / Risk Management

➤ Operational Enhancements

- New Responsibilities
 - Risk Management
 - Labor Negotiations

- Automated Systems For Efficiency And Consistency
 - Time Management – Payroll And Attendance
 - Personnel Records - Storage / Retrieval / Management
 - Electronic Employee Evaluation System
 - Risk Management
 - Workers Compensation And Safety
 - Monthly Motor Vehicle Reporting



Human Resources / Risk Management

➤ Demand

- Recruitment
 - Six Positions Posted Year-To-Date FY11
 - 432 Applications / 205 Qualified For Additional Screening
- Citywide Employee Training
- Oversight Of Staff Benefits (292 Employees)
- Labor Negotiations Requirements (Four Unions)
- Employee Disciplinary Issues
- Risk Management Issues

➤ Department Issues

- HR Data System – Labor-Intensive, Inefficient
- Citywide Employee Morale
- Limited Employee-Wide Electronic Communications
- Future Health & Pension Costs



Legal

	2007	2011	% Change
<u>Staffing (FTEs)</u>	_(1)	_(1)	NA
Total Expense	\$361,033	\$305,000	-16%

(1) Contract Service

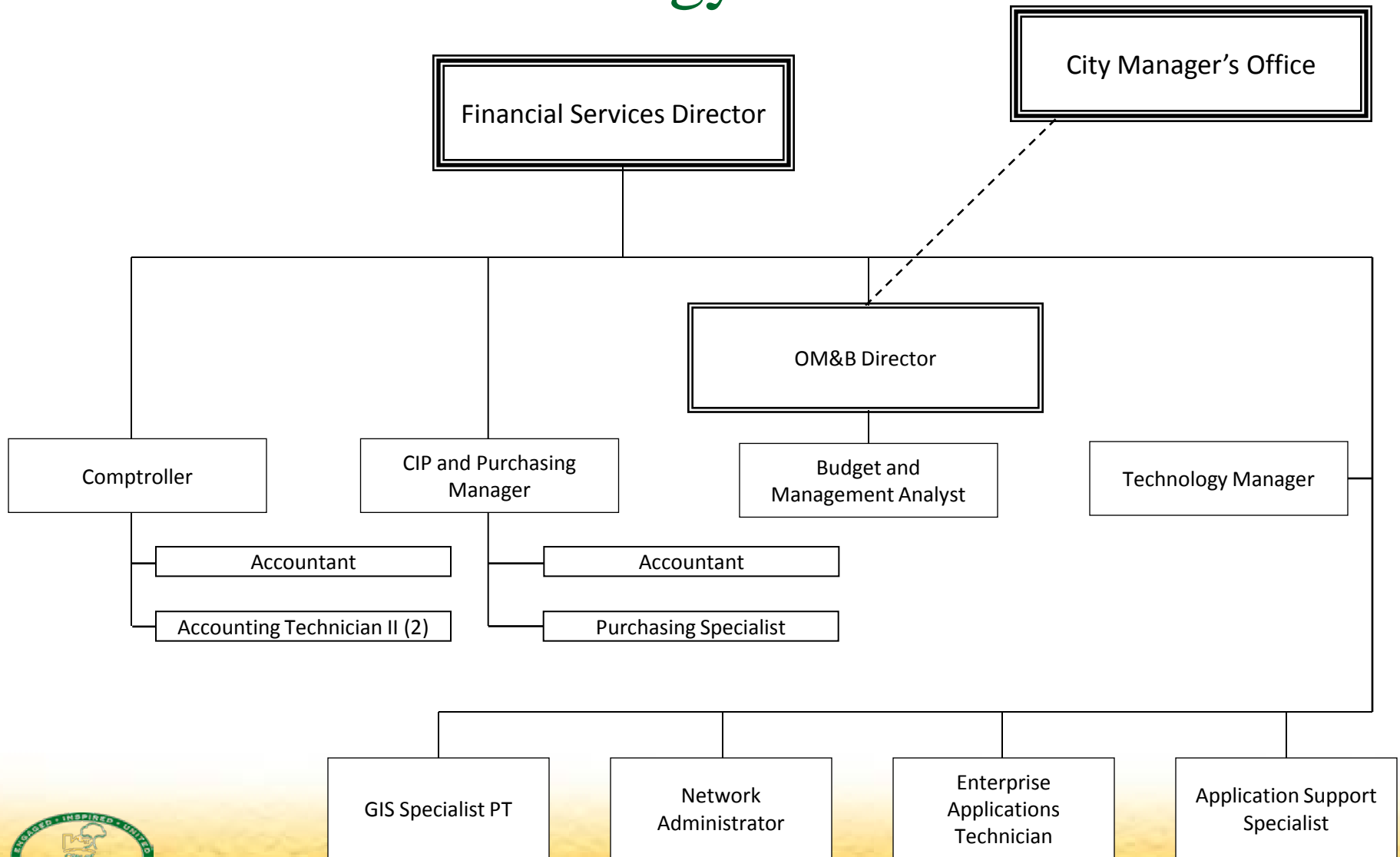
➤ Functions

- Legal Guidance For Commission Meetings And Other City Boards And Staff
- Represent City In Legal Matters Brought Against Or By The City
- Review Ordinances And Legal Documents / Contracts

Financial Services / Information Technology Services

	2007	2011	% Change
<u>Staffing (FTEs)</u>	27	15	-46%
Total Expense	\$2,802,003	\$2,485,647	-11%

Financial Services / Information Technology Services



Financial Services

- Functions – Financial Services
 - Financial Control And Reporting
 - Accounts Payable
 - Accounts Receivable
 - Payroll
 - Budgeting, Financial Evaluation, Benchmarking
 - CIP Financial Oversight
 - Purchasing Management

- Functions – ITS
 - Provide Technical Support
 - Provide / Maintain / Upgrade Technology Tools

Financial Services

- Operational Enhancements – Financial Services
 - Obtained \$14.9 Million Bond Financing For Water-Sewer Projects
 - Purchasing Card Program
 - Improved Collections Process
 - Alignment With Florida State Uniform Accounting System
 - Performance Measurement And Benchmarking Process
 - Obtained City Credit Rating Of AA-
 - Transferred Utility & Billing Services To Public Works
 - Received Governmental Financial Officers Association (GFOA) Awards For Budget And Comprehensive Financial Annual Report (CAFR)
 - Reduced Cost Of Debt Service By Refinancing



Financial Services

- Operational Enhancements - ITS
 - Wireless Connectivity – Major City Facilities, Including Library
 - Internet Protocol Phones (Voice Over Internet)
 - Implemented & Upgraded Software Applications To Enhance City Services And Cost Effectiveness
 - Hardware Continually Upgraded To Current Technology Levels
 - Web Access Applications Implemented / Maintained
 - Surveillance Cameras
 - Online Bill Payment
 - Online Registration For Parks & Leisure Programs
 - Local Business Tax Receipts
 - E-Code
 - Building Permits

Financial Services

➤ Demand – Financial Services

- Accounts Payable – 7,500 Checks/Year
- Payroll – Process 26 Bi-Weekly Pay Cycles
- External Audits
- Maintain Fiscal Integrity – Accounting, Budgeting, CIP Oversight, Purchasing
- Meet Florida Benchmarking Consortium Requirements
- Respond To Investors In Regard To City Securities
- Address Community Concerns In Regard To Cost Of Government

➤ Demand – ITS

- Support 220 City Computer Users
- Ensure Continuous Systems Availability For City And Community Users



Financial Services

- Department Issues – Financial Services
 - Maintain / Improve Bond Rating
 - Implement New Electronic Financial System
 - Continue Migration To Florida State Uniform Accounting System
 - Expansion Of Purchasing Card Program
 - Maintain Financial Indicators
 - Develop Alternatives For Pension Reform
 - Possible Future CIP Funding For Facilities Master Plan, Parks & Recreation Master Plan, Stormwater

Financial Services

- Department Issues - ITS
 - Business Continuity Plan In Emergency Situations
 - Migration To New Computing Environment – “Cloud Computing” – Telephone System / E-Mail / Service Applications
 - Identification & Implementation Of New Technologies To Leverage City Performance
 - Shift From Network And Servers Management To Contract Management – Service Vendors

Governmental Funds Revenue



Governmental Funds Revenue

- *Total Revenue Declined 16% Since FY 07*
 - \$45.5 Million (FY 07) → \$38.2 Million (FY 11)

- City Directly Controls Less Than 50% Of Total Revenue
 - Property Taxes - \$17.2 Million (FY 07) → \$12.6 Million (FY 11)
 - Fire Assessment - \$4.0 Million (FY 07) → \$4.1 Million (FY 11)

- Revenue NOT Controlled By The City
 - Other Revenue - \$24.3 Million (FY 07) → \$21.5 Million (FY 11)
 - 56% Of Total FY 11 Governmental Funds Revenue
 - Includes Sales Tax, Development Fees, Interest, Franchise And Utility Fees, etc.



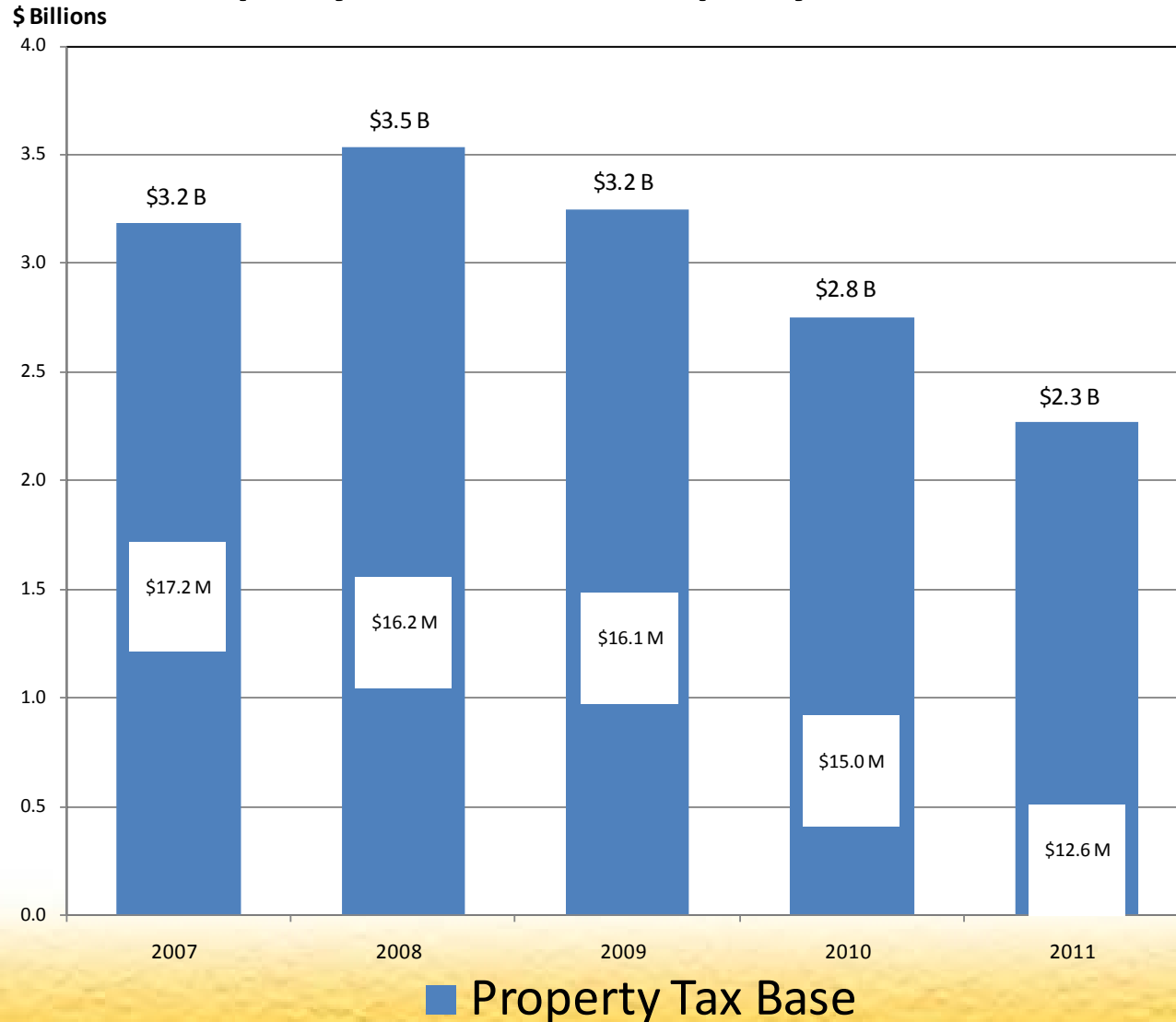
Governmental Funds Revenue – FY07 – FY11

	2007	2011	Incr / (Decr)	% Change
Property Tax	17,163,113	12,572,876	(4,590,237)	-26.7%
Fire Assessment	4,030,357	4,125,000	94,643	2.3%
Franchise Fees	3,066,551	2,836,576	(229,975)	-7.5%
Utility Taxes	3,368,683	3,664,860	296,177	8.8%
Comm Services Taxes	2,197,071	2,346,000	148,929	6.8%
State Sales Taxes	3,370,509	2,973,422	(397,087)	-11.8%
Parks & Leisure Fees	491,276	570,000	78,724	16.0%
E&CD - Development Fees	2,023,996	1,088,200	(935,796)	-46.2%
E&CD - Other Fees - Ex Fines	466,639	616,644	150,005	32.1%
Fees - Enterprise Funds	4,594,230	4,016,892	(577,338)	-12.6%
Fines & Forfeitures	381,974	651,000	269,026	70.4%
Lien Requests	40,525	130,000	89,475	220.8%
Grants / Other Gov Funding	230,465	290,008	59,543	25.8%
Transfers In - Other OP Funds	141,258	183,000	41,742	29.6%
Emergency Transport - Net	715,083	687,000	(28,084)	-3.9%
County Fire Contract	49,872	0	(49,872)	-100.0%
Fuel Tax	1,078,676	1,073,502	(5,174)	-0.5%
FDOT Street Maintenance	61,530	65,277	3,747	6.1%
Interest Income	1,559,919	102,306	(1,457,613)	-93.4%
Other	485,871	205,059	(280,812)	-57.8%
Total Revenue	45,517,598	38,197,623	(7,319,975)	-16.1%
Utilization Of Fund Balance	-	3,263,002	3,263,002	NA
Total Funding	45,517,598	41,460,625	(4,056,973)	-8.9%



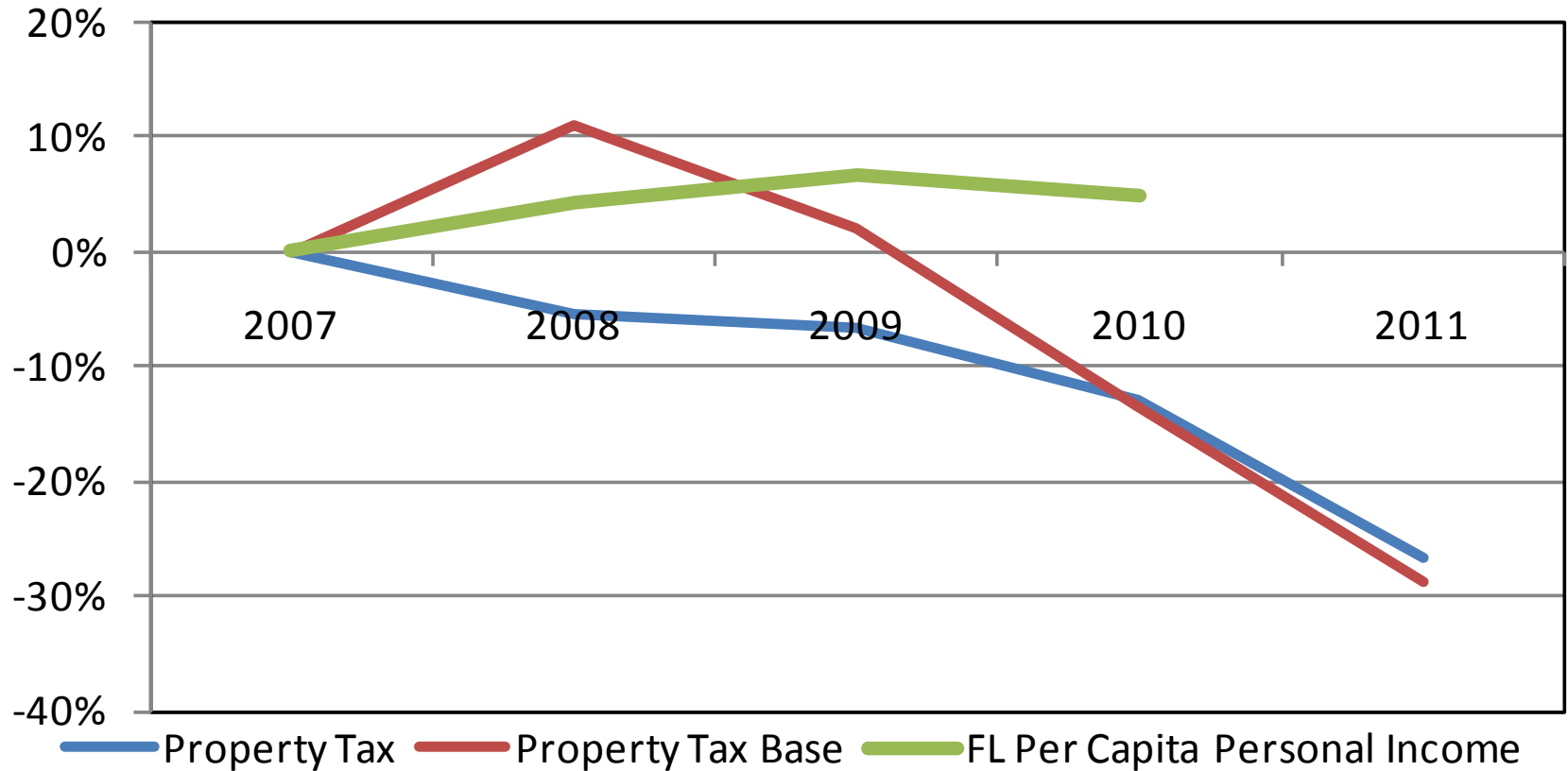
Governmental Funds – Property Tax Revenue

Property Tax Base & Property Tax Revenue



Property Tax Revenue

Cumulative Change In Property Tax Revenue, Property Tax Base & Per Capita Personal Income



Property Tax Revenue

- Florida State Statute – Tax Increase Statutorily Defined As Current Year Property Tax **Revenue Exceeding** Prior Year⁽¹⁾ Property Tax Revenue
 - Tax Increase “Signaled” By Statute Requirements
 - Advertising, Hearing, Reporting Requirements
 - Millage Rate Increase May Or May Not Be A Tax Increase As Defined By Statute
 - Millage Rate Increase Which Does Not Increase Property Tax Revenue Over Prior Year – **Not Tax Increase**
 - Millage Rate Decrease Which Does Increase Property Tax Revenue Over Prior Year – **Tax Increase**



(1) Minor 1% - 2% Adjustment For The Annual New Additions To The Property Tax Base

Property Tax Example – FY11 vs. FY10

Increased Millage Rate – No Tax Increase

	FY 10	FY 11	% Change
<u>Actual - Millage Rate - Constant</u>			
City Property Tax Base (\$B)	2.730	2.273	-16.7%
Millage Rate	5.7250	5.7250	0.0%
Collection Factor	95.0%	95.0%	
Property Tax Revenue	14,847,788	12,362,279	-16.7%
Average Homesteaded Property	63,490	51,681	-18.6%
Property Tax Revenue	345	281	-18.6%
<u>Hypothetical - Millage Rate - 10% Increase</u>			
City Property Tax Base (\$B)	2.730	2.273	-16.7%
Millage Rate	5.7250	6.2975	10.0%
Collection Factor	95.0%	95.0%	
Property Tax Revenue	14,847,788	13,598,507	-8.4%
Average Homesteaded Property	63,490	51,681	-18.6%
Property Tax Revenue	345	309	-10.5%



Property Tax Example – FY08 vs. FY07

Decreased Millage Rate – Tax Increase

	FY 07	FY 08	% Change
<u>Actual - Millage Rate - 14.6% Decrease</u>			
City Property Tax Base (\$B)	3.176	3.537	11.4%
Millage Rate	5.5823	4.7662	-14.6%
Collection Factor	95.0%	95.0%	
Property Tax Revenue	16,842,916	16,015,147	-4.9%
Average Homesteaded Property Property Tax Revenue	Not Available		
	Not Available		
<u>Hypothetical - Millage Rate - 5% Decrease</u>			
City Property Tax Base (\$B)	3.176	3.537	11.4%
Millage Rate	5.5823	5.3032	-5.0%
Collection Factor	95.0%	95.0%	
Property Tax Revenue	16,842,916	17,819,497	5.8%
Average Homesteaded Property Property Tax Revenue	Not Available		
	Not Available		



Property Tax Revenue

- Economic Turnaround Does Not Automatically Result In Additional Property Tax Revenue
- Additional Property Tax Revenue Can Only Result From A Tax Increase ⁽¹⁾
 - May Be Either An Increase Or Decrease In Millage Rate, Depending On Amount Of Change Of Property Tax Base



(1) Excludes Allowable Impact Of Small (1% - 2%) Annual Increase From Additions To Property Tax Base

Fire Assessment

- Based On Type Of Property, Not Value Of Property
 - \$4.1 Million Revenue – Up 2% Since 2007
 - Stable Revenue Source
 - Ensures Residences With No Taxable Value Pay For Fire Services
 - Replacement With Property Tax – 2.1 Mills (37%) Increase
 - Negative Impact On High-End Residential & All Non-Residential Property
 - 659 Residential Properties Would Not Pay For City Services
 - 25 Of 31 County Municipalities Have Fire Assessments
 - City Residential Rate - \$149 Per Year
 - \$25 Lower Than Average County Residential Rate
 - Unchanged Since 2005 vs. Average County Residential Rate Increase Of 33% Since 2008



Overview / Review



FY12 Preliminary Gap

(\$ Million)

	FY 11	FY 12	
	Budget	Preliminary	% Incr
Headcount (FTEs)	194.4	194.4	0.0%
<u>Revenue</u>			
Ad Valorem	\$12.6	\$11.2	-11.1%
Fire Assessment	4.1	4.1	0.0%
Sales & Fuel Taxes	4.0	4.1	1.0%
Franchise, Utility & CST Taxes	8.8	9.1	2.3%
E&CD Development-Related	1.1	1.1	0.0%
Net Emergency Transport Fees	0.7	0.7	0.0%
Interest	0.1	0.3	154.5%
Enterprise Funds Fees	4.0	4.0	0.0%
Other	2.7	2.4	-12.5%
Total Revenue	38.2	36.9	-3.5%
Utilization Of Fund Balance	\$3.3	-	-100.0%
Total Funding	\$41.5	\$36.9	-11.1%
<u>Expense</u>			
Compensation	\$19.1	\$19.1	0.1%
Other Operating Expense	7.6	7.7	1.5%
BSO	12.2	12.5	2.3%
Public Safety Dispatch	-	1.1	NA
Debt Service	1.4	1.2	-12.5%
Contingency	0.1	0.1	-27.0%
To CIP	1.0	0.5	-48.2%
Total Exepense	\$41.5	\$42.3	2.1%
Surplus / (Deficit)	-	(\$5.5)	NA



FY12 Preliminary Assumptions

	<u>FY 11</u>	<u>FY 12</u>
<u>General</u>		
GDP	3.1%	2.8%
CPI	1.2%	1.3%
Unemployment Rate	9.2%	8.2%
Three Month T-Bill	0.3%	1.1%
<u>Property Tax</u>		
Tax Base	-16.7%	-12.0%
Millage Rate Change	5.7252.	No Change
Tax Base Addtion	0.7%	1.0%
<u>Fire Assessment</u>	\$4.1 M	No Change
<u>Personnel</u>		
Headcount	194.4	No Change
Wage Increase	-----None-----	-----None-----
Pensions - All	\$4.3 M	Flat
Pensions - GEPP		Current Plan
Health Plan	\$1.5 M	14% Per Year
BSO - Inflation	2%	3% Per Year
BSO - Dispatch Cost	County	City - \$1.1 M
General Expense	Various	Most At Inflation
Vehicles	\$80,000	\$100,000 Per Year
CIP Contribution	\$964,551	\$500,000 Per Year
Contingency	\$137,008	\$100,000 Per Year



Wellington, FL- Priority Model

FUNDING PRIORITY



4

Community Add-Ons
 Leisure & Culture
 Community Beautification
 Community Events & Festivals

3

Quality of Life Services
 Security and Safety
 Parks & Recreation Facilities
 Trails: Multi-Purpose & Equestrian

2

Choice Core Businesses
 Land Use & Development
 Regulation
 Emergency Management

1

No Choice Core Businesses
 Community Governance
 Planning the Village's Future
 Mobility & Transportation
 Drainage and Flood Protection
 Water



FY11 By Department

	FY 11	
Commission	\$217,146	0.5%
City Manager	945,561	2.3%
City Clerk	496,925	1.2%
Human Resources	664,166	1.6%
Risk Management (HR)	715,000	1.7%
Legal	305,000	0.7%
Financial Services	1,268,759	3.1%
Information Technology Services	1,216,888	2.9%
Broward Sheriff's Office	12,243,050	29.5%
Fire Rescue	8,216,035	19.8%
Parks & Recreation	4,881,900	11.8%
Library	537,368	1.3%
Community Development	2,063,681	5.0%
CRA	178,678	0.4%
Engineering	1,066,339	2.6%
Public Works - Admin	225,336	0.5%
Public Works - Building Maint	1,111,386	2.7%
Public Works - Garage	1,274,231	3.1%
Public Works - Streets	1,251,717	3.0%
Charitable Grants / Emerg Ops	84,138	0.2%
Business Plan Initiatives	39,000	0.1%
To CIP	964,551	2.3%
Contingency	137,008	0.3%
Debt Service	1,356,763	3.3%
Total	\$41,460,625	100.0%



Preliminary Gap Summary

FY 11 Budget Gap	
Deferred Decisions	
Main Street Organization	\$50,000
GEPP Alternative Plan	200,000
Two Additional Deputies (Part Year)	125,000
Two School Resource Officers (Net)	120,000
Fire Assessment Increase Offset	814,000
Total Deferred Decisions	\$1,309,000
Other One-Time FY 11 Expenditures	1,954,000
Total FY 11 Budget Gap	\$3,263,000
Additional Property Tax Base Decline	1,400,000
Public Safety Dispatch	1,100,000
Miscellaneous Cost & Revenue Adjustments	(263,000)
Total FY 12 Preliminary Budget Gap	\$5,500,000



Roundtable Discussion



Townhall Meeting – April 25

- Objective – Group Participation To Develop Recommendations To Allocate Available Governmental Funds Funding Over Various City Activities