



# CITY OF ORMOND BEACH

## Proposed FY 2016-17 Budget

### Executive Summary

#### City Commission

#### Members

**Mayor**  
Ed Kelley

**Zone 1**  
James Stowers

**Zone 2**  
Troy Kent

**Zone 3**  
Rick Boehm

**Zone 4**  
Bill Partington

**City Attorney**  
Randy Hayes

**City Manager**  
Joyce Shanahan  
22 S. Beach St.  
Ormond Beach, FL  
32174

Ph: 386-676-3200

Fax: 386-676-3384

Email: Shanahan@ormondbeach.org

The development of the proposed fiscal year 2016-17 budget for the City of Ormond Beach began with a financial trends meeting in early March to outline the fiscal state of affairs for the City. Additionally, monthly meetings were held with the Budget Advisory Board to review key areas of the budget and develop a Long-Term Financial Plan.

As in the past, the Mayor and Commissioners provided clear direction to staff during their FY 2016-17 budget workshops indicating their highest priority was to provide the lowest cost of services delivered in the most efficient means possible.

The City strives to provide a comprehensive array of municipal services within its economic constraints and continues to refine its ac-

tivities and finances to meet the requirements of its citizens.

The proposed net budget for FY 2016-17 is **\$74,270,969**, and represents a decrease of \$1,052,426 or 1.40% from the current year budget. The decrease is primarily the result of the fluctuation in capital project funding from year to year.

The budget has been prepared with a **proposed operating millage rate of 4.2843 which is 4.52% above the rolled back millage rate. The proposed total millage, including all debt millages, is 4.5362. and is slightly less than last year.** Approximately \$1.5 million in tax revenue will be set aside to provide recreation, transportation, technology, and vehicle improvements or replacements.

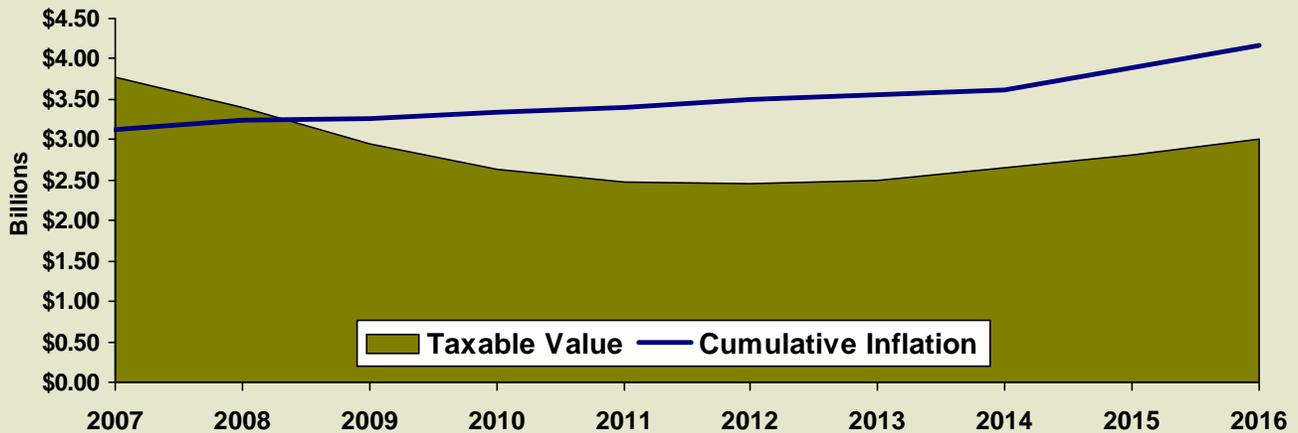
#### Proposed FY 2016-17 Budget

Description	Budget FY 2015-16	Proposed Budget FY 2016-17	\$ Change	% Change
General Fund	\$31,592,731	\$32,110,091	\$517,360	1.64%
Special Revenue Funds	11,612,063	7,861,812	(3,750,251)	(32.30%)
Debt Service Funds	1,540,435	1,527,348	(13,087)	(0.85%)
Capital Project Funds	5,379,130	4,130,211	(1,248,919)	(23.22%)
Water and Wastewater Funds	31,728,188	36,278,709	4,550,521	14.34%
Solid Waste Fund	8,434,069	8,088,836	(345,233)	(4.09%)
Internal Service Funds	<u>1,732,465</u>	<u>1,732,465</u>	0	0.00%
Total Budget	92,019,081	91,729,472	(289,609)	(0.31%)
Less: Interfund Transfers	(12,553,972)	(13,299,821)	(745,849)	5.94%
Fleet Operations	(1,448,862)	(1,376,155)	72,707	(5.02%)
Engineering	(960,387)	(1,050,062)	(89,675)	9.34%
Consolidated Insurance Fund	<u>(1,732,465)</u>	<u>(1,732,465)</u>	0	0.00%
<b>Total Net Budget</b>	<b>\$75,323,395</b>	<b>\$74,270,969</b>	<b>(\$1,052,426)</b>	<b>(1.40%)</b>

# Property Taxes

While property values have begun to recover, the City of Ormond Beach overall taxable value is \$76 million less than it was in 2007 or 20% below peak. During this same time period, the cumulative inflation has increased almost 23%.

The 2016 preliminary taxable value is \$3.01 billion and has **increased** \$164 million compared to 2015 and includes \$128.8 million from existing properties and \$35.2 million from annexations and new construction.



## Proposed Property Tax Revenue and Rates:

General operating property tax revenue (available for general operations and capital improvements) increased \$753,718 while total property tax revenue increased by \$805,872.

The **proposed operating tax rate** of 4.2843 mills is 4.52% above the rolled back tax rate (4.0990 mills). The **total property tax rate** for all Ormond Beach funds (including debt service) is proposed at 4.5362 mills.

A homesteaded property, assessed at \$150,000 in 2015, with \$50,000 in homestead exemptions, would have paid \$455.70 in property taxes to the City of Ormond Beach in FY 2015-2016. Under Save Our Homes, the annual increase in assessment for a homesteaded property shall not exceed the lower of: 1) 3% of the assessed value of the property for the prior year; or 2) the percentage change in the Consumer Price Index (CPI) as reported by the Bureau of Labor Statistics. For 2016, the CPI change was 0.7%. **Taking into account the \$50,000 in homestead exemptions, the resulting tax bill would be \$458.38, an increase of \$2.68 over the current year City tax bill.**

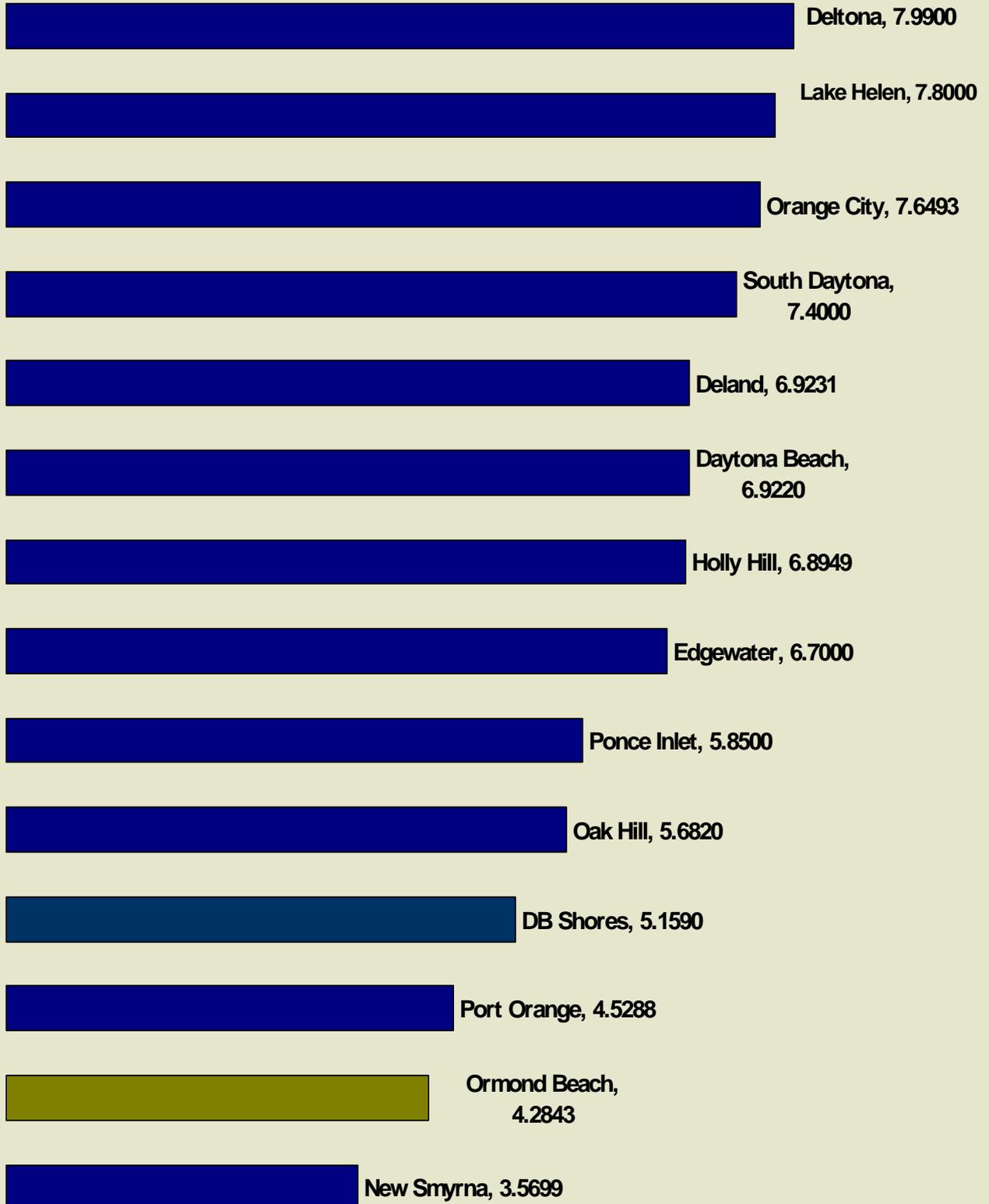
## CITY OF ORMOND BEACH — TAX RATE HISTORY

Fiscal Year	General Operating	Facility Renewal & Replacement	Capital Improvement	Transportation	Vehicle Replacement	Subtotal Operating	Rolled-Back Rate	Debt Millage	Combined Millage Rate
08-09	2.95179	0.09985	0.17098	0.16622	-	3.38884	3.38884	0.42084	3.80968
09-10	3.23588	0.12350	0.12350	0.19130	-	3.67418	3.92802	0.13550	3.80968
10-11	3.05530	0.12350	0.14350	0.33130	-	3.65360	4.11930	0.15600	3.80960
11-12*	3.29500	0.12350	0.14350	0.33130	-	3.89330	3.89330	0.30810	4.20140
12-13*	3.41490	0.12350	0.14350	0.33130	-	4.01320	4.01320	0.31300	4.32620
13-14	3.62000	0.12350	0.14350	0.23110	-	4.11810	3.95960	0.30600	4.42410
14-15	3.58700	0.15650	0.14350	0.23110	-	4.11810	3.95590	0.28790	4.40600
15-16	3.68700	0.18550	0.14350	0.23110	0.03720	4.28430	3.93830	0.27270	4.55700
16-17	3.72130	0.17350	0.13850	0.17300	0.07800	4.28430	4.09900	0.25190	4.53620

\*Rolled back tax rate was adopted

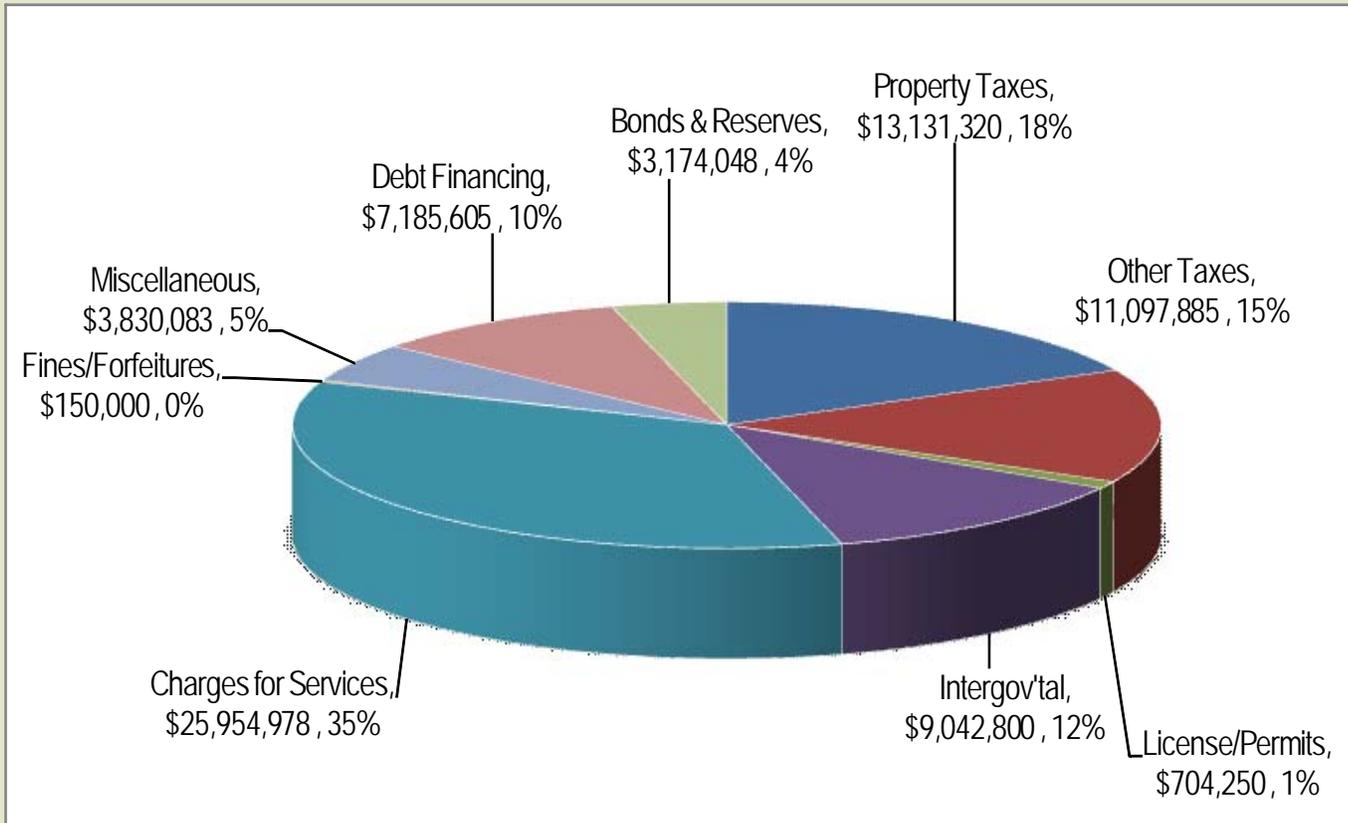
# Property Taxes

## Volusia Cities' Proposed Operating Millage Rates FY 2016-17



# Where the Money Comes From...

*FY 2016-17 Proposed Net Revenues —\$74,270,969*



Total City revenues are projected to decrease by \$1.05 million or 1.0% for the FY 2016-17 budget as non-recurring grant funding occurred in the current year.

**Property Tax Revenues** will increase by approximately \$806,000 in FY 2016-17 as a result of proposed 4.52% increase above the rolled back rate. Property taxes represent a total of 18% of all revenues for the City.

**Other Taxes** are expected to decline by \$46,000 and represents about \$11.1 million or 15% of the total budgeted funds for FY 2016-17.

**Licenses and Permits** are expected to increase by \$60,000 or 9%. Licenses and permit revenues total \$704,000 or less than 1% of total revenues for FY 2016-17.

**Intergovernmental Revenues** are expected to decrease by \$2.2 million or 19.4%. The change is associated with grant funding for airport projects.

**Charges for Services** are expected to increase by \$1.5 million or 5%. The increase is associated with prior year adjustments to water, sewer and solid waste rates and is reflective of the changes in the ongoing cost to provide these services. These revenues represent the largest share of the City's revenue stream at \$26 million or 35%.

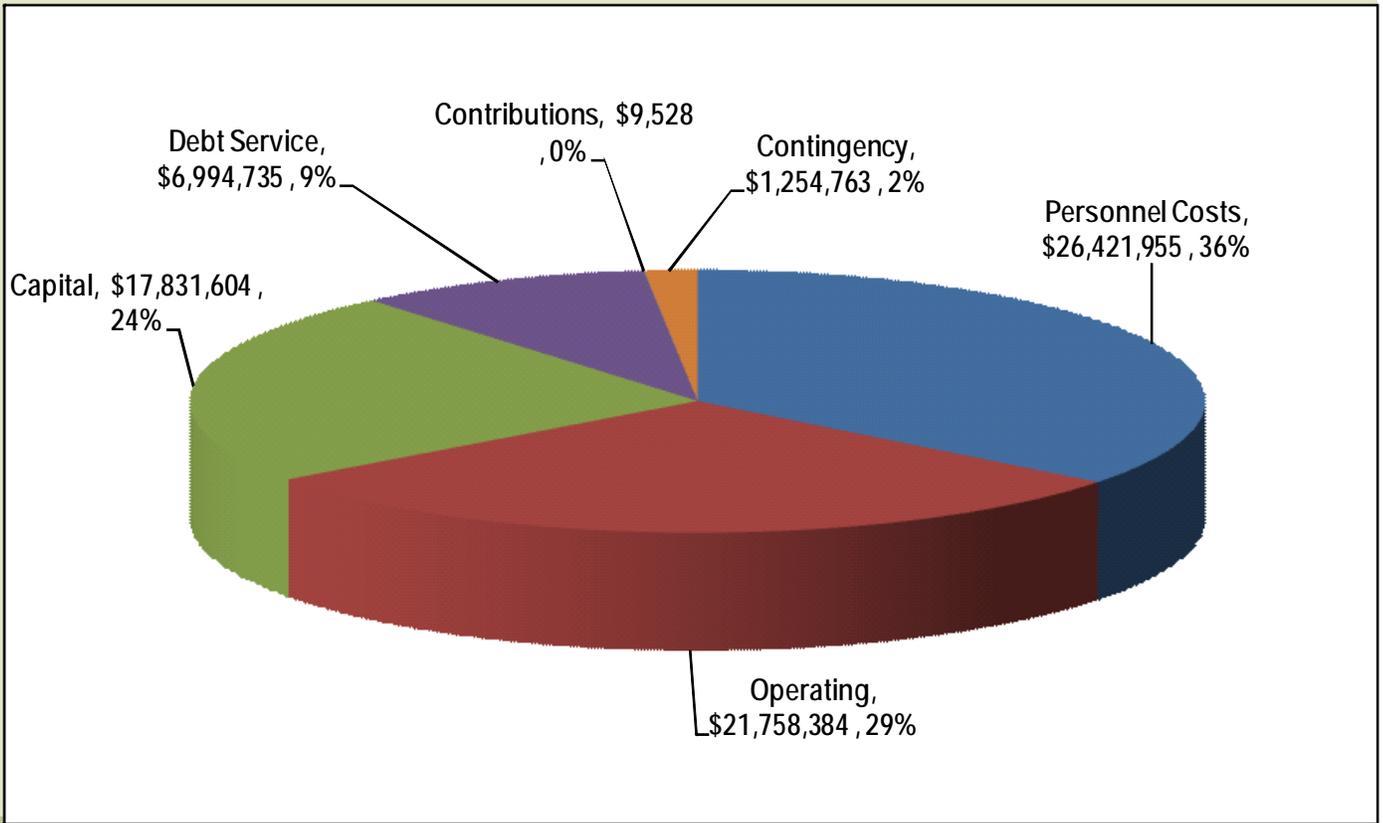
**Miscellaneous Revenues** are projected to increase by \$47,000. Miscellaneous revenues represent \$3.8 million and comprise 5% of total revenues.

**Debt Financing Revenues** are expected to be \$10.4 million and will primarily be used to fund water and sewer capital projects. Financing is expected to decrease by \$2.9 million or 22%.

**Use of Reserves** is expected to decrease \$1,712,000 reflecting a decrease in the use of reserves on water and sewer capital projects and stabilization of solid waste rates. Use of reserves for FY 2016-17 represents 6% of budgeted revenues.

# Where the Money Goes...

*FY 2016-17 Proposed Net Expenditures—\$74,270,969*



 **Personnel Costs** total \$26.4 million and make up the largest part of the proposed City's budget comprising 36% of all expenditures. Total personnel costs are expected to increase by \$260,000. While wages will increase, pension and workers' compensation costs are expected to decline. Personnel changes include a net increase of three (3) part-time positions.

\$17.8 million for FY 2016-17. These expenditures will increase by \$4.6 million due to additional expenses associated with water and wastewater projects.

 **Operating Expenses** total \$21.8 million and represent 29% of the City's total expenditures. These expenses are the general operating costs of doing business and include fuel, oil, and utility payments.

 **Debt Service** totals \$7 million and represents 9% of the City's total expenditures. Debt service on infrastructure improvements (such as water and sewer capital projects) will increase by \$400,000 in FY 2016-17.

 **Capital Projects** represent 24% of the City's total expenditures and are expected to total

 **Contributions and Contingencies** make up the balance of the proposed budget and total \$1.26 million or 2% of the City's total expenditures. Contributions will decrease by \$507,000 as a result of a one-time expense in FY 2015-16 for a partnership with the YMCA to construct a dog park for all residents. Contingencies will increase by \$520,000.

# Capital Improvements

The City's Five-Year Capital Improvement Program (CIP) represents a substantial effort to identify and schedule capital investments for a multi-year period complete with a project description and justification, as well as recommended financing for each project. The CIP reflects projects that are identified as essential to the organization and those that meet the goals and mission of the City of Ormond Beach.

Projects that have been recommended for funding are based upon the necessary or planned maintenance, renovation or construction of an existing facility, piece of equipment or infrastructure; a multi-year commitment previously approved by the Commission; enhancement of the use of an existing facility or City-maintained public area; or projects included in a master plan or conceptual plan that had been previously endorsed or reviewed by the Commission.

Some of the many **Capital Improvement Projects** scheduled for FY 2016-17 are highlighted below:

- **Wildlife Hazard Assessment at the airport** (\$110,000, 98% grant funded)
- **Assessment on Rehabilitation & Extension of Runway 8/26** (\$275,000, 98% grant funded).
- **North US1 Landscape Beautification** (\$1,000,000, 80% grant funded)
- **Rockefeller Garden Stage Shade Cover** (\$49,000)
- **Cassen Park Public Dock Construction** (\$772,100, awaiting approval of 100% grant funding)
- **Central Park I Dock Replacement** (\$50,250)
- **Sports Field Renovations** (\$35,000)

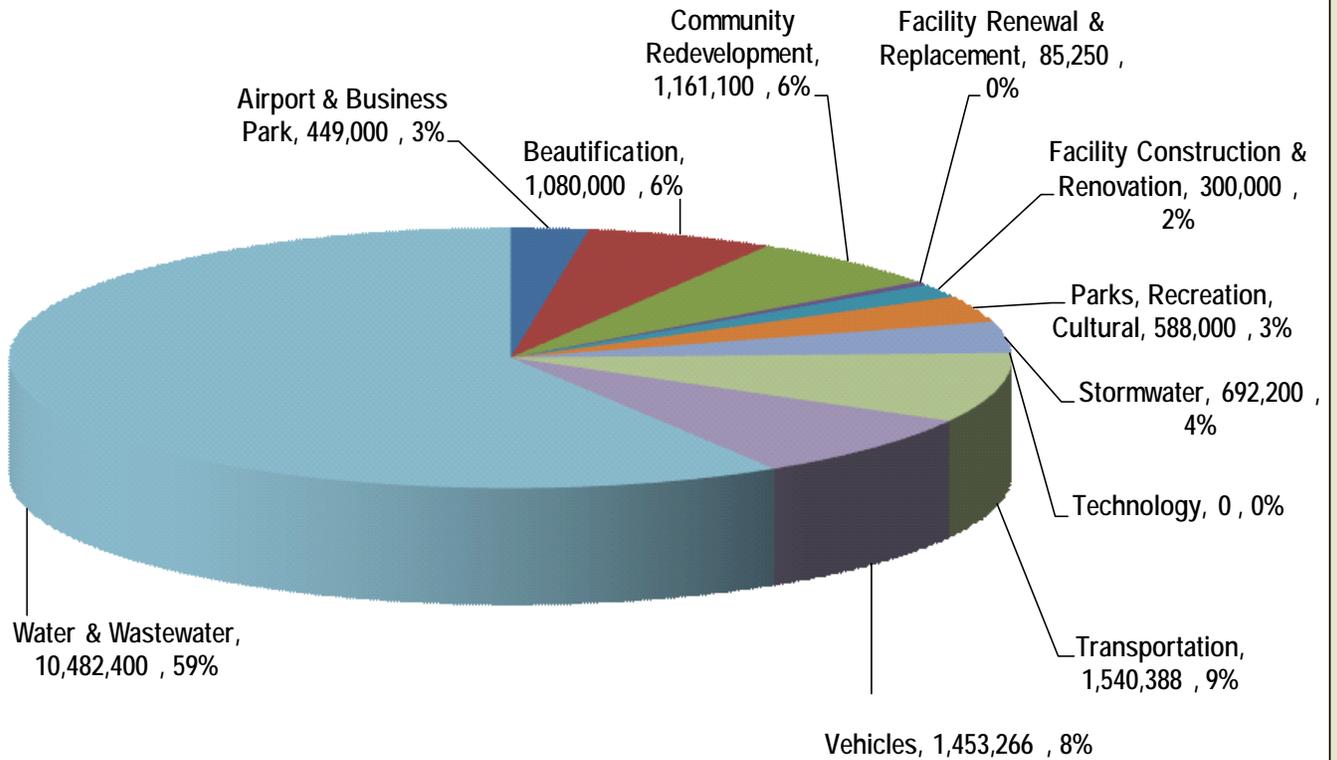
- **Ormond Beach Sports Complex Field 9 & 10 Lighting** (\$450,000)
- **Corrugated Metal Pipe Rehabilitation** (\$250,000)
- **Wilmette Avenue Pump Station** (\$171,600)
- **Road Resurfacing** (\$500,000) citywide
- **Forest Hills Trail** (\$589,288)
- **Amsden Road Rehabilitation** (\$223,000)
- **US1 North Sidewalk Design** (\$61,700)
- **Replacement of Fire Engine 94** (\$343,605)
- **Advanced Life Support Cardiac Monitors** (\$110,676)
- **Vehicle & Equipment Replacement** (\$1,009,661)
- **Watermain Replacement** (\$1,575,000)
- **South Peninsula Reclaimed** (\$3,338,400, 36% grant funded)
- **Meter Replacement Program** (\$543,000) citywide
- **North Peninsula Water System Improvements** (\$562,000)

**Funding Sources** for capital projects will be from a variety of revenues including the following:

- **Water, Sewer and Stormwater Fees** — 21.6% (\$3,857,785)
- **Property Taxes** — 9.5% (\$1,696,749)
- **Grants** — 22.0% (\$3,920,489)
- **Local Option Gas Taxes** — 2.8% (\$500,000)
- **Reserves**—4.1% (\$671,276)
- **Bond Proceeds**—40.0% (\$7,185,605)
- **Capital Project Reserves** — 4.53% (\$600,000)

# Capital Improvements

## Capital Improvements by Category



## Capital Improvements by Category

Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
Airport & Airpark	\$449,000	\$640,000	\$7,303,000	\$345,000	\$2,055,000	\$10,792,000
Beautification	1,080,000	1,000,000	0	0	0	2,080,000
Community Redevelopment	1,161,100	960,000	450,000	500,000	1,066,500	4,137,600
Facility Renewal & Replacement	85,250	30,000	25,000	0	0	140,250
Facility Construction & Renovation	300,000	428,000	90,000	0	0	818,000
Parks, Recreation, Cultural	588,000	150,000	1,040,000	56,000	500,000	2,333,000
Stormwater	692,200	250,000	250,000	250,000	250,000	1,692,200
Technology	0	935,934	0	0	0	935,934
Transportation	1,540,388	2,360,094	1,884,000	831,600	495,000	7,111,082
Vehicles	1,453,266	743,695	359,400	787,200	0	3,343,561
Water & Wastewater	10,482,400	6,183,000	2,837,000	1,282,000	1,657,500	22,441,900
<b>Total</b>	<b>\$17,831,604</b>	<b>\$13,680,723</b>	<b>\$14,238,400</b>	<b>\$4,050,800</b>	<b>\$6,024,000</b>	<b>\$55,825,527</b>

# Personnel Costs

Personnel costs for the City of Ormond Beach represent 36% of the City's total expenditures. For FY 2016-17, personnel costs are projected to be \$26.4 million, an increase of \$260,000.

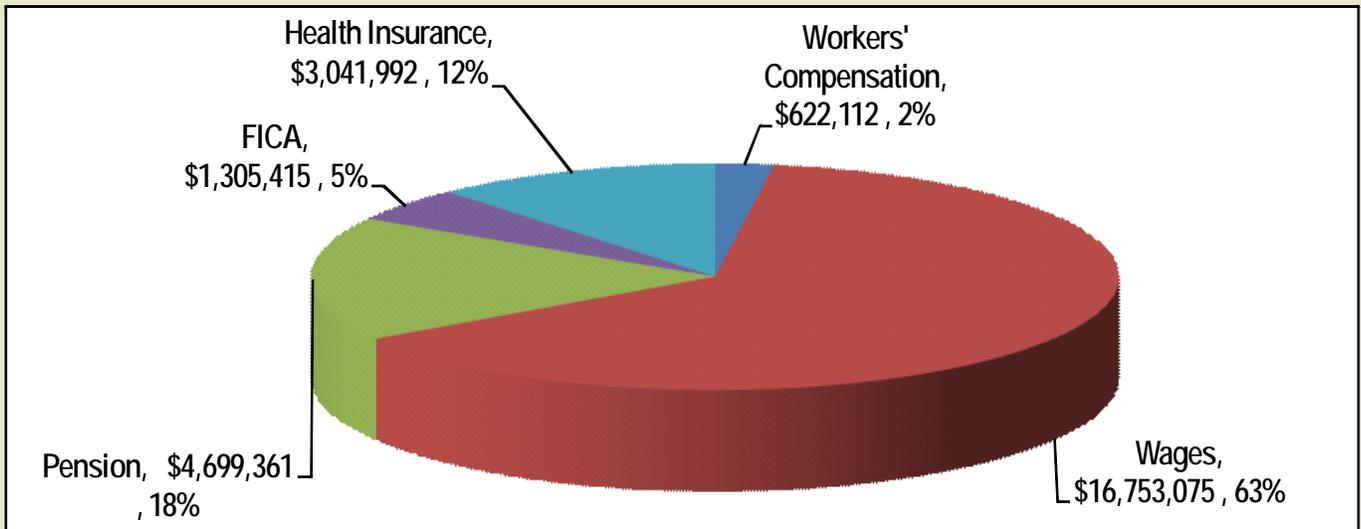
Wages increased \$396,000. Health insurance premiums are expected to increase by \$120,000. The City's required pension contributions decreased \$120,000. Contributions to the City's Workers' Compensation Fund decreased by \$136,000.

The following personnel changes are proposed in the FY 2016-17 Budget:

- Addition of five full-time positions: Two Police Lieutenants, one Building Inspector, one Principal Landscape Architect/Project Manager and one Accounting Technician.
- Addition of four part-time positions: Maintenance Workers, Office Assistant, Evidence Technician and Center Leader.
- Elimination of five full-time positions: Grant funded Police Officer positions (funding unavailable).
- Elimination of one part-time position: Accounting Clerk.

## Authorized Position Count

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u># Change from 2015-16 to 2016-17</u>	<u>% Change from 2015-16 to 2016-17</u>
Full-Time	326	324	322	323	322	322	0	0.00%
Part-Time	<u>36</u>	<u>38</u>	<u>37</u>	<u>39</u>	<u>41</u>	<u>44</u>	<u>3</u>	<u>7.30%</u>
<b>Total</b>	<b><u>362</u></b>	<b><u>362</u></b>	<b><u>359</u></b>	<b><u>362</u></b>	<b><u>363</u></b>	<b><u>366</u></b>	<b><u>3</u></b>	<b><u>0.83%</u></b>



## Budget Public Hearing Meeting Dates

Public Hearings on the City of Ormond Beach Proposed FY 2016-17 Budget will be held in the City Commission Chambers on the following dates:

Tuesday, September 6th at 7:00 p.m. - First Hearing

Tuesday, September 20th at 7:00 p.m. – Second and Final Hearing