

Fiscal Year 2008

# Business Plan Development Workshop

---

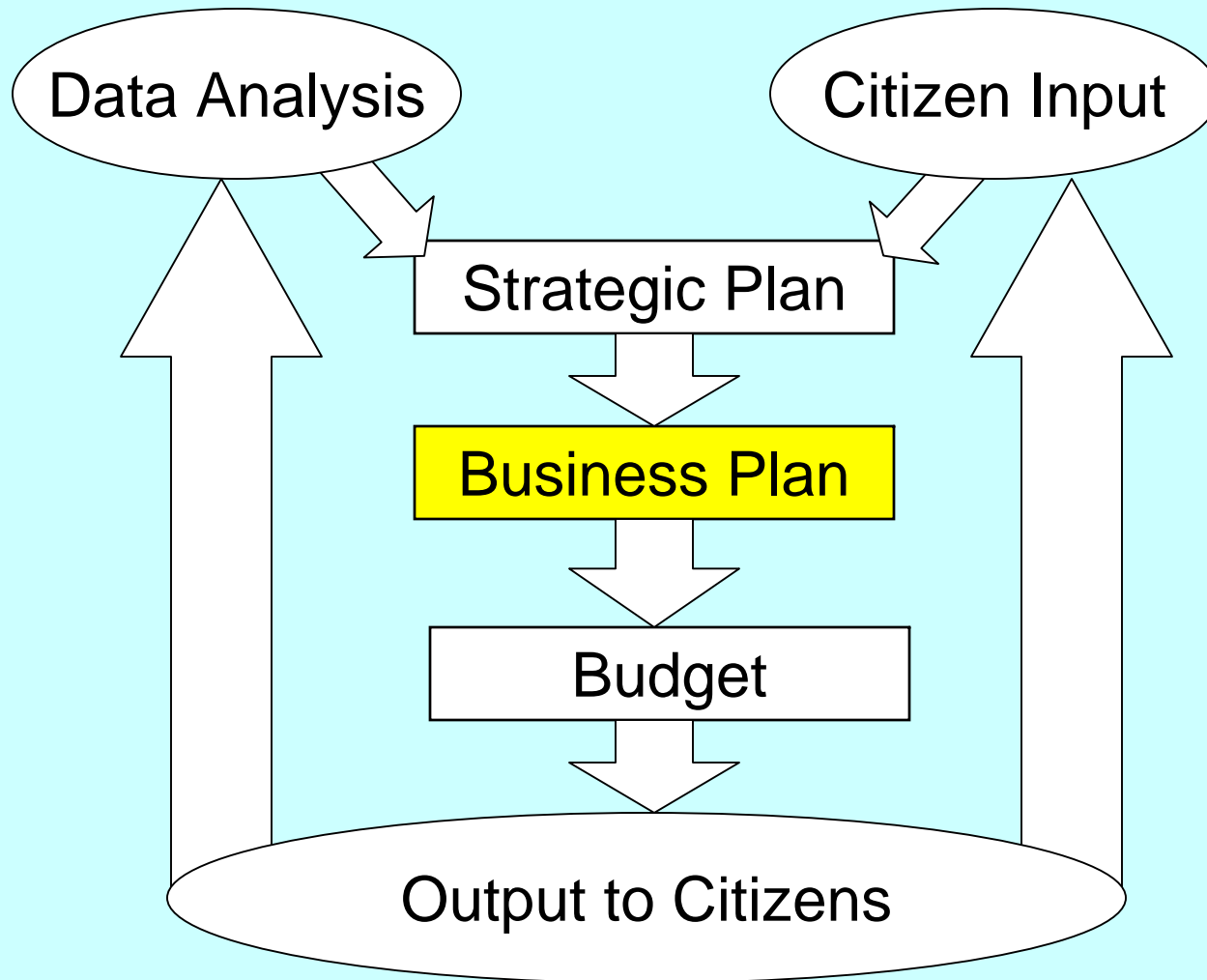
July 17, 2007



# Agenda

- Introduction
- KIO Update
- 2007 Initiative Update
- Property Tax Legislation & Impact on City
- Cost Cutting Measures
- New Initiatives for FY 2008
- Budget Balancing: Current Deficit and Non-Departmental Cuts
- Financial Strategy
- Capital Projects Fiscal Year 2008
- Fire and Solid Waste Assessments
- Water & Sewer Rates

# Business Model



# We Have Multiple Methods for Getting Citizen Input

- Commission Meetings
- Citizen Survey
- Business Survey
- “Slice of the Springs” Meetings
- Focus Groups
- Community-Oriented Policing/Police Substations
- City Hall in the Mall
- Advisory Committees/City Boards
- Community Visioning Forums
- Commissioner Office Hours
- Request for Service on City’s Website: [coralsprings.org](http://coralsprings.org)
- Neighborhood Partnerships
- Transaction Surveys
- SWOT Analysis

# Our Financial Values

- Respect the Customer
- Take the Long-Term View
- Invest any Available Reserves in Capital Outlay or Other One-Time Expenses
- Keep Fixed Costs Low
- Value the Employees Who Serve Your Customer

# Tax Reform First Identified as an Emerging Issue in 2004

- Equity Fund Capital with Surplus Reserves
- Fund Fleet & Computer Depreciation
- Pay Down Most Expensive Debt
- Subsidize Fire Fund Operating Budget
- Replenish Emergency Reserves Depleted by Hurricane Wilma

# Action Taken to Prepare for the Future

- Renegotiate PFM contract
- Modify health plan policies
- Fire Dept. MOU to reduce overtime
- 4.25% cap on increases to base salary
- Maintain defined contribution plan for general employees
- More aggressive in obtaining grants (\$6.4 million over 3 years)
- Maintain AAA bond rating, saving on debt service costs
- Freeze vacancies to accomplish work force reduction without layoffs

# Invested in Technology to Improve Productivity

- Traffic Citation System
- Field Reporting for Patrol Officers
- Phone System Efficiencies
  - \$150,000 annual cost savings
  - Customer service improvements

# FY 2007 Business Plan Initiatives That Will Not Be Completed

<b>Customer-Involved Government</b>	<b>Notes</b>
Workforce Housing	Trust fund hasn't received any contributions due to no new housing developments.
New City Hall	Pending study to determine best alternative
Rehab lift stations 20A & 20B	Project delayed one year by WCI
<b>Excellence In Education</b>	
Affordable Housing for Teachers	Researching County, State, and Federal grant opportunities
<b>Strength In Diversity</b>	
International Soccer Fest	Investigating working with the USOC Soccer Committee to incorporate international teams into its October 2007 training event
<b>Traffic Calming &amp; Connectivity</b>	
Street Index Signage	Implementing less expensive alternatives
Planning for One Cent Sales Tax	Defeated at the polls
University Drive Extension	DCA objected to removal from Thoroughfare Plan

# Property Tax Legislation – Phase I

## 1. Statutory Provision

- 2006 rolled-back rate
- Deduct an additional 5%
  - 2008 millage rate will be \$3.3596 down from \$3.8715
- Cost to the City: \$3.5 million
- Applies to City, County and special districts, but not school districts

# Property Tax Legislation – Phase II

## 2. Constitutional Provision

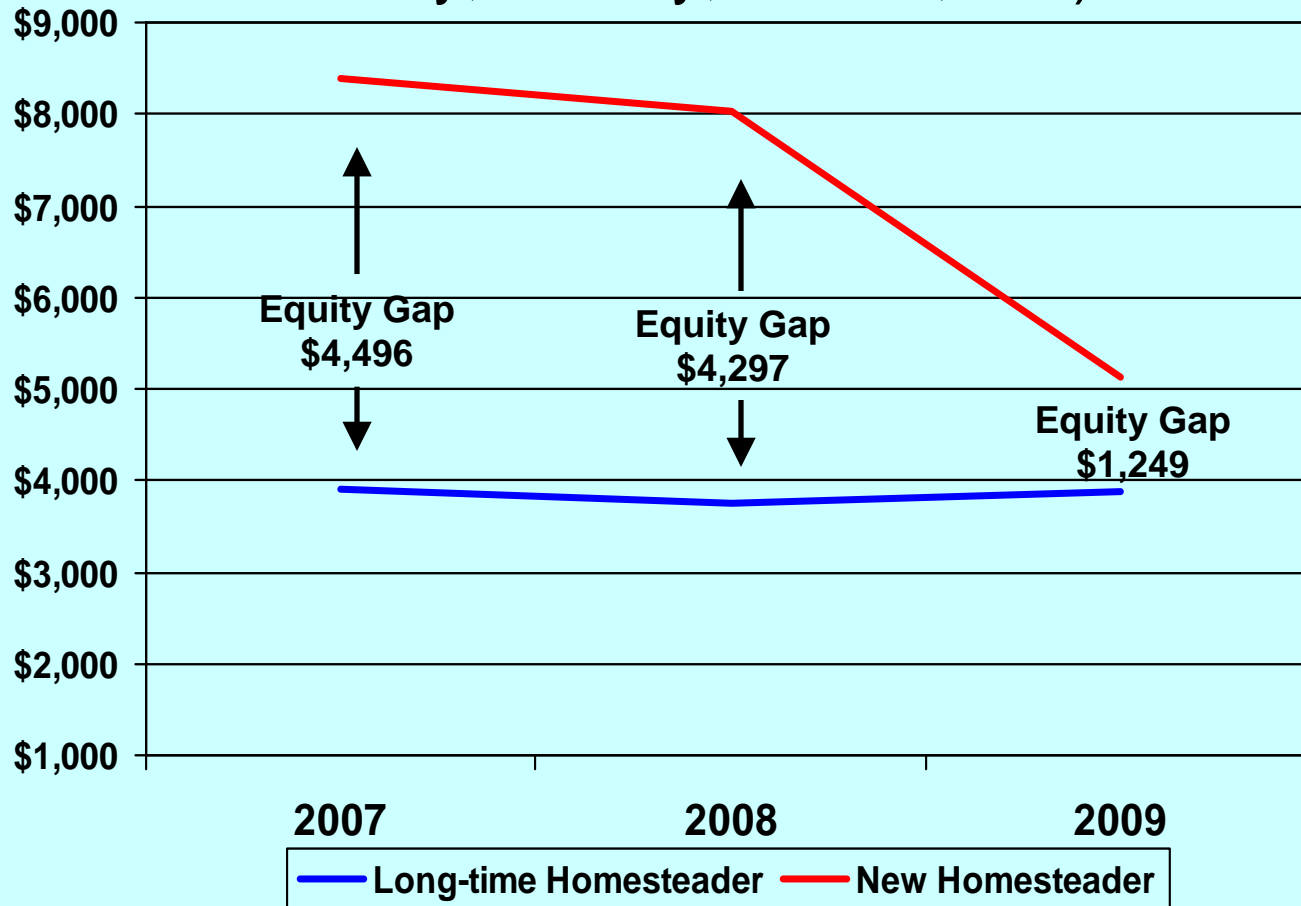
- Choice of current SOH or “super-exemption”
- Also applies to County, special districts and school districts
- Cost to the City: \$3.25 million starting FY 2009
- Must be ratified by voters in January, 2009 election

# “Save Our Homes” Inequities

- A new home owner pays 2-3 times more taxes than a homesteaded resident yet receives the same level of service
- Non-homesteaded and non-residential property owner taxes increase annually with no cap
- A homesteaded resident who sells their home loses their SOH benefit

# Constitutional Reform Has Greatest Impact on Inequity

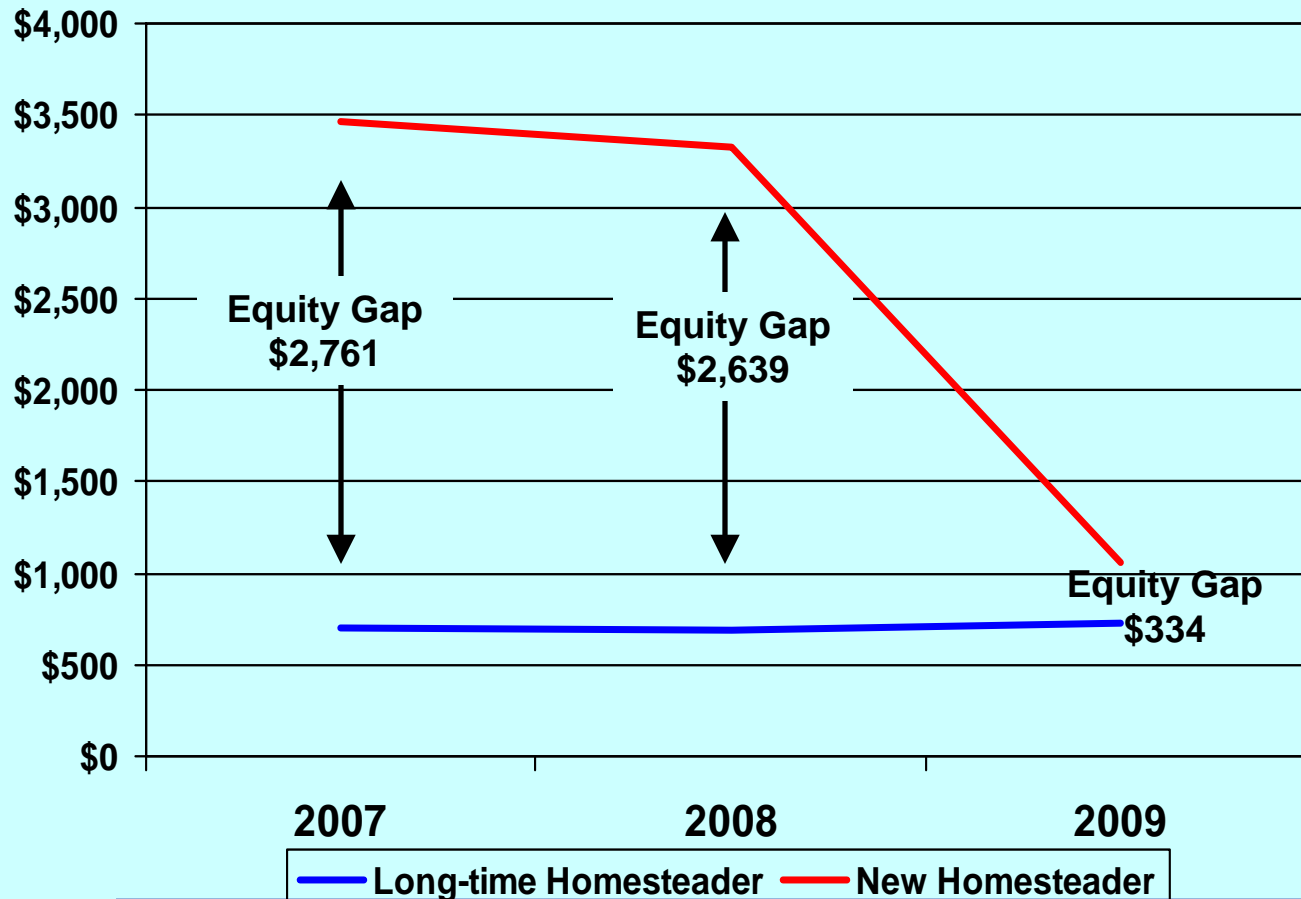
(Total Tax Bill: City, County, School, etc.)



Assumes Market Property Value of \$500,000 for Single Family Home

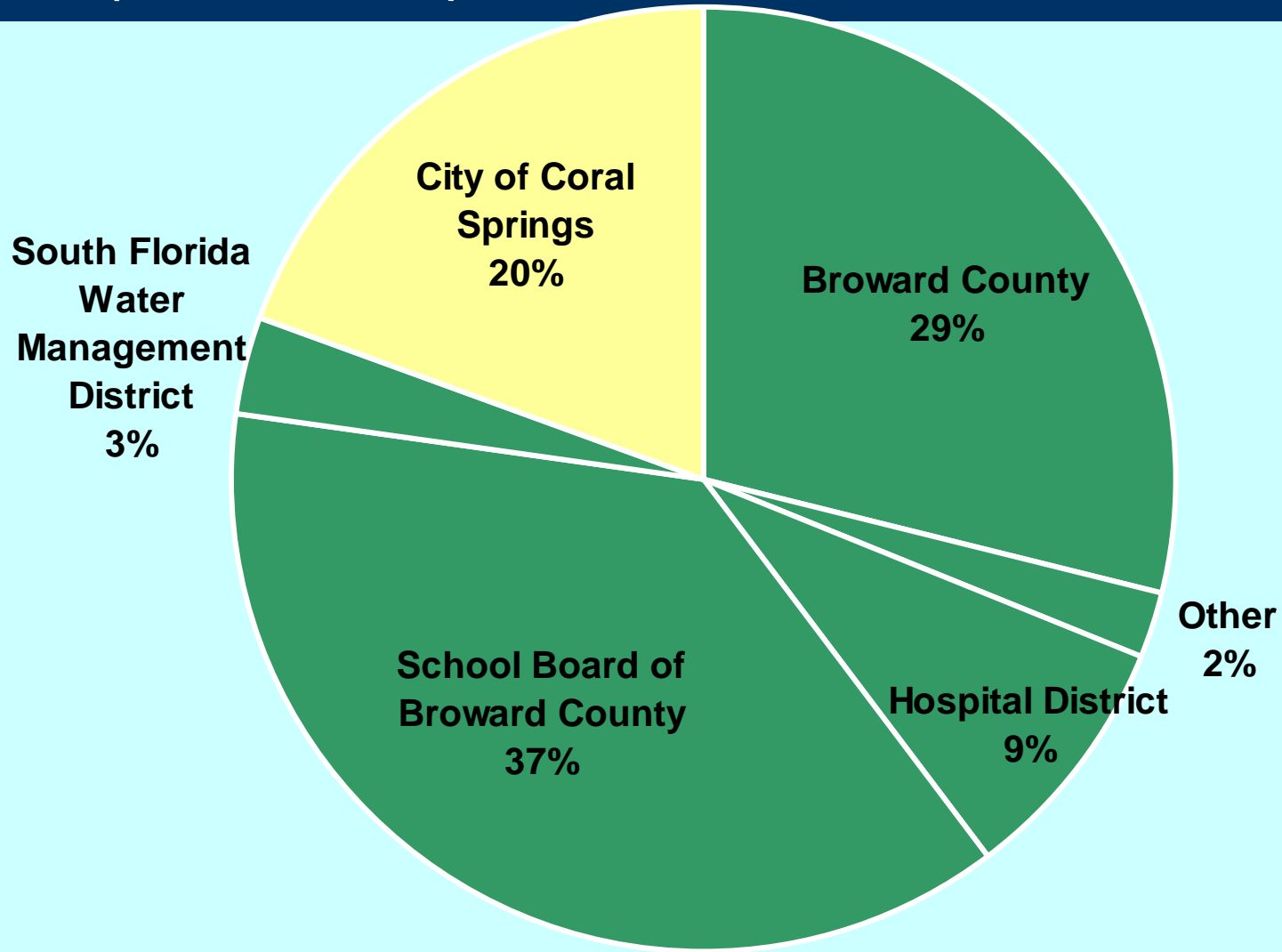
# Tax Reform Impact on a Typical Condo

(Total Tax Bill: City, County, School, etc.)



Assumes Market Property Value of \$200,000 for Condominium

# How Much of Your Tax Bill Goes to the City? (FY 2007)



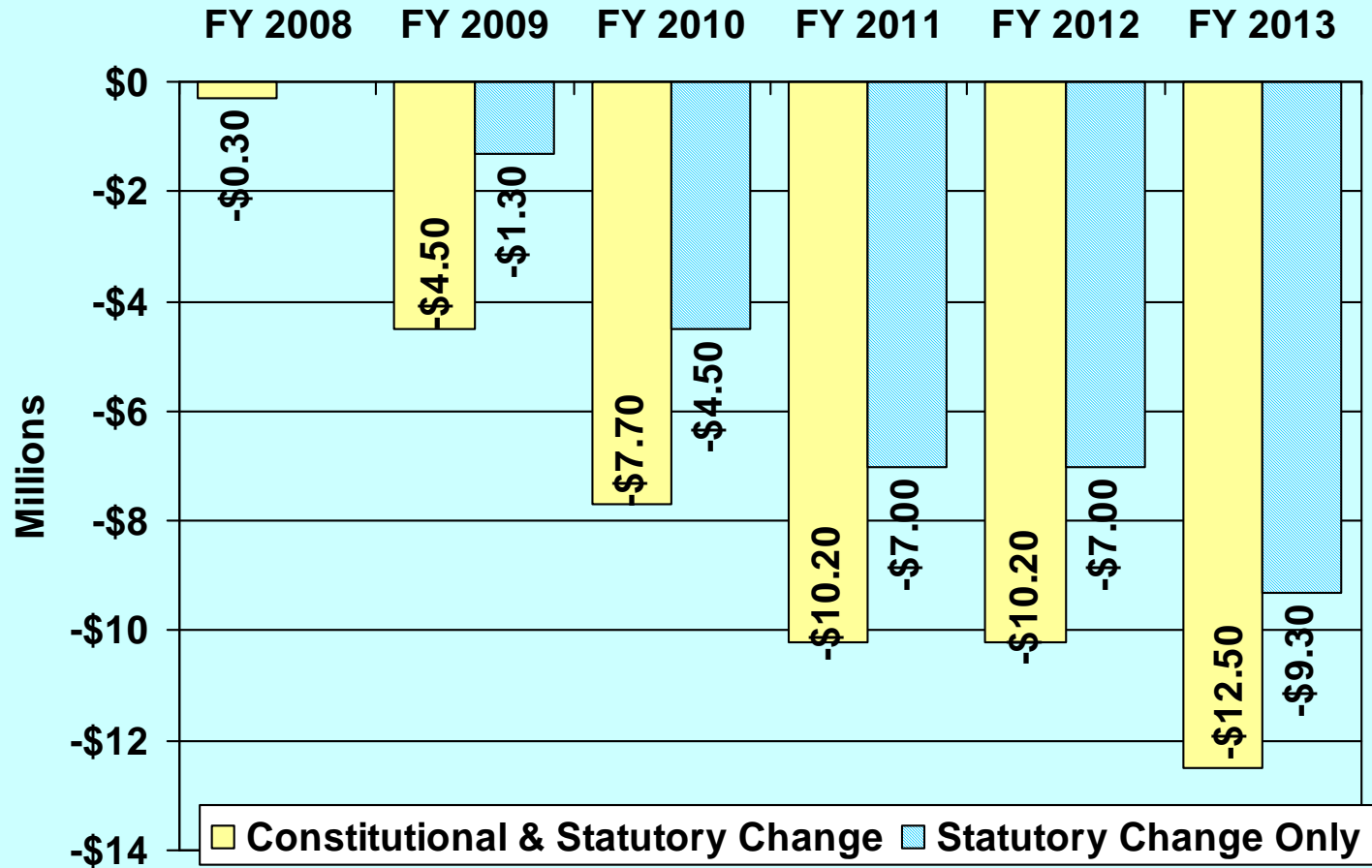
# Budget for FY 2008, Prepare for FY 2009

- Cuts for 2008 Budget must be sustainable in future years
- Make decisions that benefit City in both FY 2008 & FY 2009:
  - Replace Hurricane Wilma-depleted reserves

# Next Year's Challenge

- FY 2009 is still a very large unknown
- Constitutional Amendment election in January: Amendment may fail
- Alternative could be worse!

# Five-Year Forecast – Impact of Constitutional Provision



This chart is for planning purposes and illustrates the potential shortfalls the General Fund could face if no positive action is taken. By Florida law, the proposed budget will be balanced. Financial Strategies will be formulated to address future year shortfalls and will be included in the Fiscal Year 2008 Business Plan.

# Cost Cutting Measures for FY 2008

Eliminate 30 FTEs (11 full-time vacant positions; equivalent of 19 part-time positions)	\$1,200,000
Employee health plan modifications	\$700,000
Reduce Fire Fund Operating Subsidy	\$500,000
Eliminate City support for West Atlantic Library	\$313,000

# Cost Cutting Measures for FY 2008

Adjustments to Fleet Replacement Program	\$250,000
Renegotiate PFM and Museum subsidy	\$165,000
Reduce non-departmental spending	\$130,000
Reduce overtime (all GF departments)	\$100,000
Eliminate school crossing guards in excess of state requirements	\$75,000

# Cost Cutting Measures for FY 2008

Private funding for Baldrige application and site visit	\$50,000
Reduce mowing frequency in parks and medians	\$40,000
Miscellaneous Cuts throughout GF	\$187,000
Total	\$3,710,000

# Police

## **Customer-Involved Government**

- Internet Access for Patrol Officers

## **Financial Health & Economic Development**

- North Broward Regional Partnership / Communications Center

## **Excellence in Education**

- Elementary School Resource Officers

## **Neighborhood & Environmental Vitality**

- Security in the Parks II (Ongoing)

## **Youth Development & Family Values**

- Convert Teen Center

# Development Services

## **Customer-Involved Government**

- City/Chamber Permit & Inspection Partnership
- Building—Customer Care Center (Ongoing)

## **Financial Health & Economic Development**

- City Hall Feasibility Study

## **Neighborhood & Environmental Vitality**

- Building—Building Division Workshop Pilot
- Code—Graffiti Reduction Plan

# Community Development

## **Financial Health & Economic Development**

- Redevelopment Code Study Phase III
- Redevelopment South of 39th Street

## **Neighborhood & Environmental Vitality**

- Update Slice Meetings
- Public Art Program (Ongoing)
- Post Wilma Tree Canopy Recovery (Ongoing)
- Green Design and Maintenance

## **Traffic, Mobility & Connectivity**

- Street Indexing Signage (Ongoing)
- Downtown Pathways Phase II
- University Drive and Sawgrass Expressway Extension
- Traffic Management (Ongoing)

# Fire/EMS

## **Customer-Involved Government**

- Parkland Partnership (Ongoing)
- Station 71 Feasibility Study
- CERT Training

## **Financial Health & Economic Development**

- Increase Transport Fee Revenues

## **Excellence in Education**

- Fire Training Simulator Tower

# Public Works

## **Customer-Involved Government**

- Bus Shelters (Ongoing)
- Waste Management Franchise Agreement
- Country Club Lift Station Rehabilitation (Ongoing)

## **Financial Health & Economic Development**

- Downtown Water & Sewer Infrastructure Study

# Public Works

## **Neighborhood & Environmental Vitality**

- Enhanced Litter Removal
- Meadows & Dells Drainage Improvements (Ongoing)
- Comprehensive Water Conservation Program
- Raw Water Well Development

# Parks & Recreation

## **Neighborhood & Environmental Vitality**

- Artificial Turf
- Recycling in the Parks Pilot Program

## **Youth Development & Family Values**

- Scholarships for Recreational Programming
- Car Club

## **Traffic, Mobility & Connectivity**

- Linear Park Landscaping Upgrades

# Sportsplex

## **Neighborhood & Environmental Vitality**

- Downtown Green Market

# Human Resources

## **Excellence in Education**

- Life Skills Workshops for High School Students
- Coral Springs Government Academy
- Sterling at the Charter School

## **Youth Development & Family Values**

- Teen Civic Forum

## **Strength in Diversity**

- Family Success Center (Ongoing)
- Redesign International Dinner Dance
- CommuniTea

# Communications & Marketing

## **Customer-Involved Government**

- Redesign State of the City

## **Neighborhood & Environmental Vitality**

- Foreclosure Education

# Finance

## **Financial Health & Economic Development**

- Postcard Billing for Water Customers
- Implementation of Water Rate Study

# City Manager's Office

## **Customer-Involved Government**

- Continuous Improvement Efforts

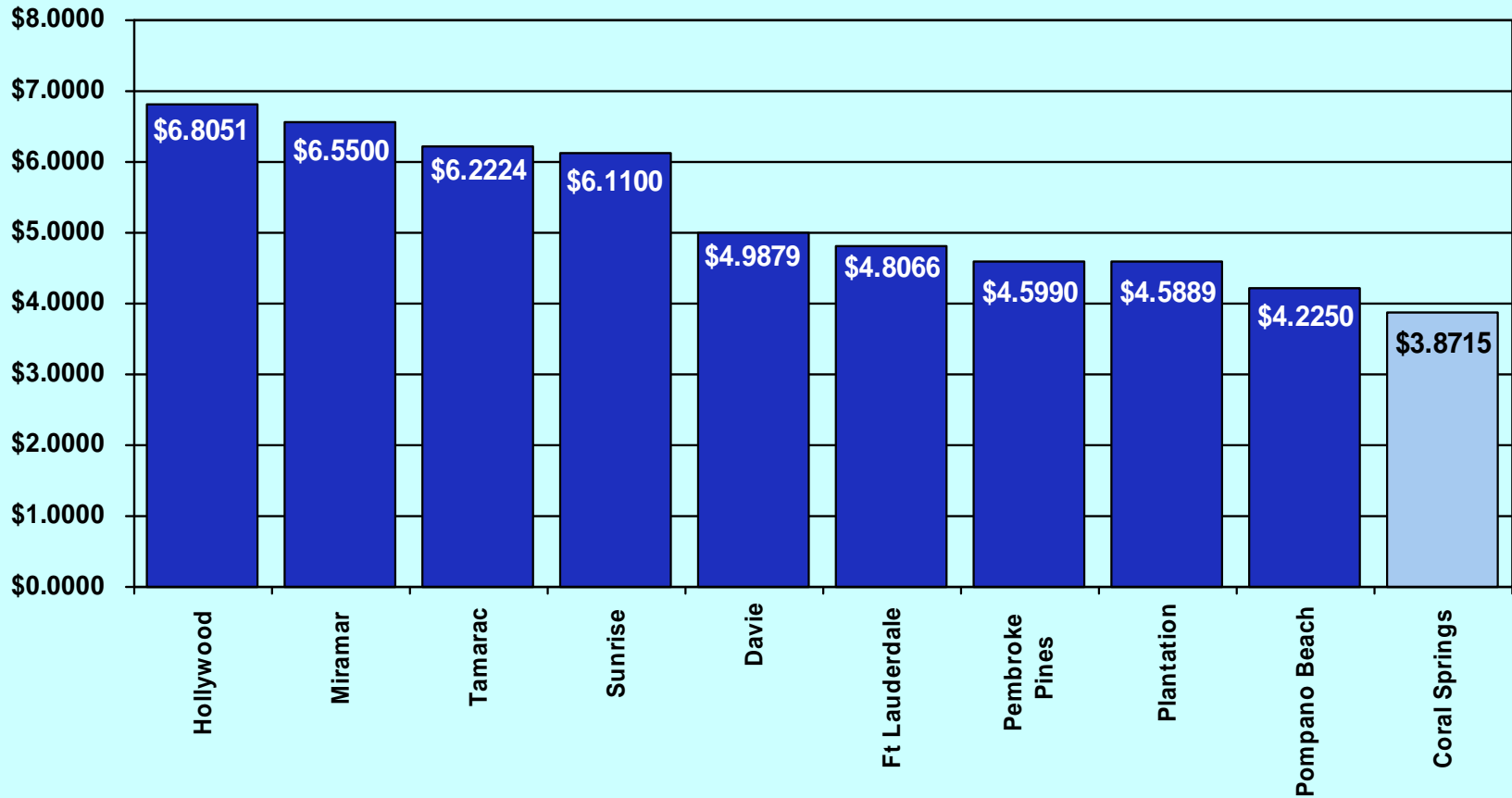
## **Financial Health & Economic Development**

- Seminole Casino Expansion in Coconut Creek
- Downtown Coral Springs (Ongoing)

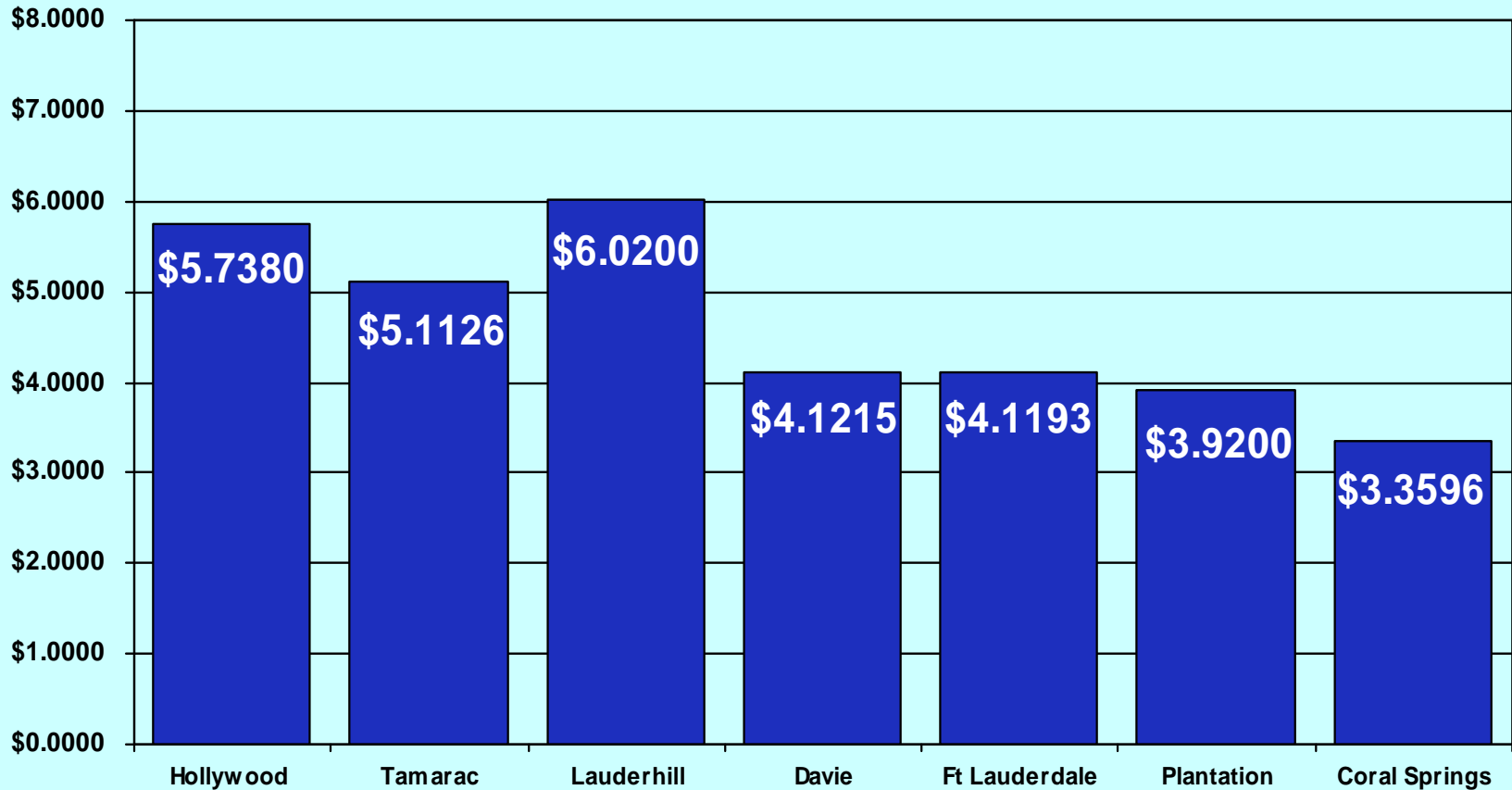
## **Neighborhood & Environmental Vitality**

- Discontinuation of West Atlantic Blvd. Branch Library Partnership

# FY 2007 Operating Millage Rate Comparison

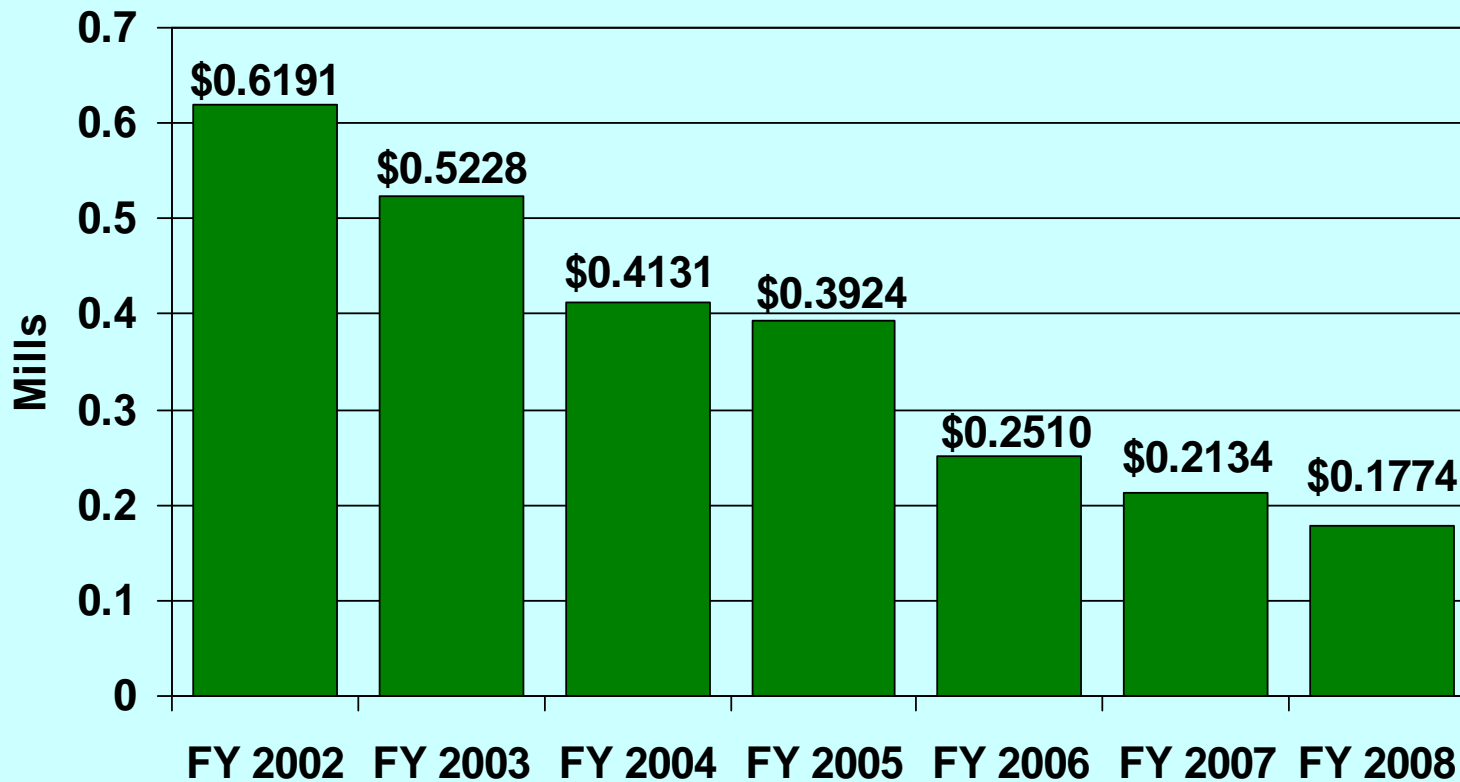


# FY 2008 Projected Operating Millage Rates



Note: Preliminary numbers only

# Debt Service Millage Rate Trend



# Budget Balancing Status

Current GF Deficit	\$289,000
Goal for Non-Departmental Cuts	(\$75,000)
	<hr/>
Remaining amount to balance by July 24 <sup>th</sup>	\$214,000

# Non-Departmental Detail

	FY 2006 Actual	FY 2007 Adopted Budget	FY 2008 Proposed Budget	\$ Change	% Change
<b>Non-Departmental Expenditures</b>					
<i>Unemployment</i>	\$22,717	\$27,500	\$27,500	\$0	0.00%
<i>Financial</i>					
Financial Services Advisor	\$15,000	20,000	15,000	(5,000)	-25.00%
Bank Charges	\$12,164	20,000	3,500	(16,500)	-82.50%
Credit Card Charges	\$44,649	38,000	38,000	0	0.00%
Accounting & Auditing	\$26,250	52,000	52,000	0	0.00%
Investment Management Fees	\$49,791	60,000	60,000	0	0.00%
Custodian Fees	\$18,664	25,000	18,000	(7,000)	-28.00%
CRA Assessments	\$67,710	67,710	150,000	82,290	121.53%
<i>Quality Program</i>					
Citizen Survey	\$50,200	45,000	20,000	(25,000)	-55.56%
Instant Employee Recognition	\$39,580	45,000	25,000	(20,000)	-44.44%
TQM Services	\$66,687	53,500	18,000	(35,500)	-66.36%
<i>Miscellaneous Cross-Departmental Expenses</i>					
Other Contractual Services	\$100,347	155,000	100,000	(55,000)	-35.48%
Festival of the Arts	\$0	10,000	10,000	0	0.00%
Lobbyist	\$37,250	45,000	45,000	0	0.00%
Courier	\$0	1,200	1,200	0	0.00%
Center for the Arts Rentals	\$25,114	20,000	15,000	(5,000)	-25.00%
Hurricane Preparedness (Safety)	\$34,315	10,600	15,000	4,400	41.51%
Special Event Banner Printing	\$847	10,000	10,000	0	0.00%
<i>Special Projects</i>					
University Partnerships	\$15,347	17,300	17,300	0	0.00%
Sign Ordinance Initiative	-\$1,750	30,000	0	(30,000)	-100.00%
AIR Program	\$20,000	20,000	20,000	0	0.00%
<i>Unallocated Reserve</i>	-\$11,278	46,946	0	(46,946)	-100.00%
<b>Total</b>	<b>\$643,604</b>	<b>\$819,756</b>	<b>\$660,500</b>	<b>-\$159,256</b>	<b>-19.43%</b>

**\$159,256 Already Proposed**

# Non-Departmental Detail (cont.)

	FY 2006 Actual	FY 2007 Adopted Budget	FY 2008 Proposed Budget	\$ Change	% Change
<b>Non-Departmental Expenditures (Commission)</b>					
<i>Boards &amp; Advisory Committees</i>					
Boards & Commissions Expense	\$37,998	\$35,000	\$35,000	\$0	0.00%
Accessibility Issues (Disability)	\$1,800	2,500	2,500	0	0.00%
Historical Advisory Committee	\$23,380	37,000	37,000	0	0.00%
Sports Commission	\$0	2,500	2,500	0	0.00%
Multi-Cultural Board	\$47,624	45,000	45,000	0	0.00%
Martin Luther King, Jr. Day Celebration	\$13,133	15,000	15,000	0	0.00%
International Partnerships	\$5,000	5,000	5,000	0	0.00%
<i>Grants</i>					
Youth & Family Grants	\$31,055	50,000	50,000	0	0.00%
Special Events Grants	\$29,411	25,000	25,000	0	0.00%
Sports Event Grants	\$35,030	40,000	40,000	0	0.00%
Community Chest	\$60,000	60,000	60,000	0	0.00%
School Nurse	\$13,500	25,000	25,000	0	0.00%
<i>Events</i>					
Holiday Parade	\$19,959	20,000	20,000	0	0.00%
4th of July	\$27,727	40,000	40,000	0	0.00%
Sponsorships	\$0	10,000	10,000	0	0.00%
<b>Total</b>	<b>\$345,617</b>	<b>\$412,000</b>	<b>\$412,000</b>	<b>\$0</b>	<b>0.00%</b>

**GOAL: \$75,000 In Additional Cuts To This Section**

# Financial Strategy

## Sources & Uses of Funds

### Sources of Funds

#### General Fund:

FY 2008 Appropriation \$1,900,000

FY 2007 Budget Surplus 1,500,000

\$3,400,000

CIP Fund Surplus 879,000

Fleet Replacement Surplus 1,000,000

#### Resource Recovery Distribution:

Redistribution Bond Proceeds 500,000

Excess Reserves 770,000

**Total Sources \$6,549,000**

### Uses of Funds

#### Capital Improvement Program:

General Fund \$3,879,000

Replenish Financial Policy Reserves 1,900,000

Raw Water Well Rehab \$770,000

**Total Uses \$6,549,000**

# Rebuilding Hurricane Depleted Reserves

Status of Financial Reserves –Start of FY 2007	(\$6,500,000)
FY 2007 Budget Appropriation	\$1,088,500
Projected '08 Beginning Deficit	(\$5,411,500)
FY 2008 Increased Contribution	(\$200,000)
FY 2008 Budget Appropriation	\$1,900,000
Net FEMA Reimbursements YTD	\$1,700,000
Needed to Restore Reserve	(\$2,011,500)
Expected future FHA, FEMA, State Reimbursements	\$2,000,000

# FY 2008 FTE Position Changes

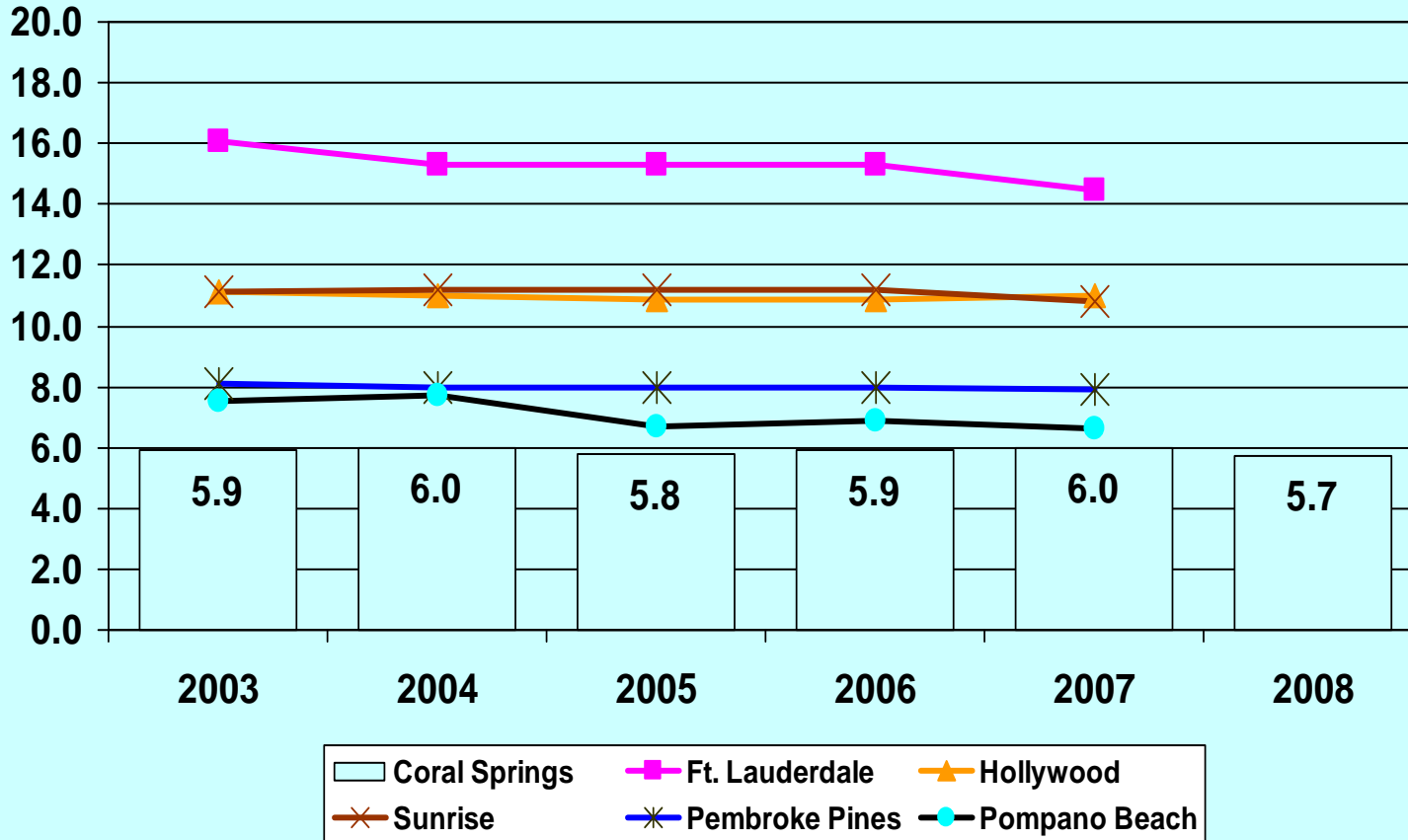
<b>Full-Time General Fund:</b>	
School Resource Officer	-6
Maintenance Worker (Parks)	-2
Engineering Inspector	-1
Office Assistant (Parks)	-1
GIS Officer	-1
	<b>-11</b>
<b>Part-time equivalent (GF):</b>	
Police (Civilian)	-4
Sportsplex	-3
Financial Services	-2
EMS Academy	-3
Human Resources	-1
Aquatics	-3
Parks and Recreation	-3
	<b>-19</b>

<b>Fire Fund:</b>	
Fire Inspector II	-1
	<b>-1</b>
<b>Water &amp; Sewer Fund:</b>	
Utilities Service Technician	-1
	<b>-1</b>

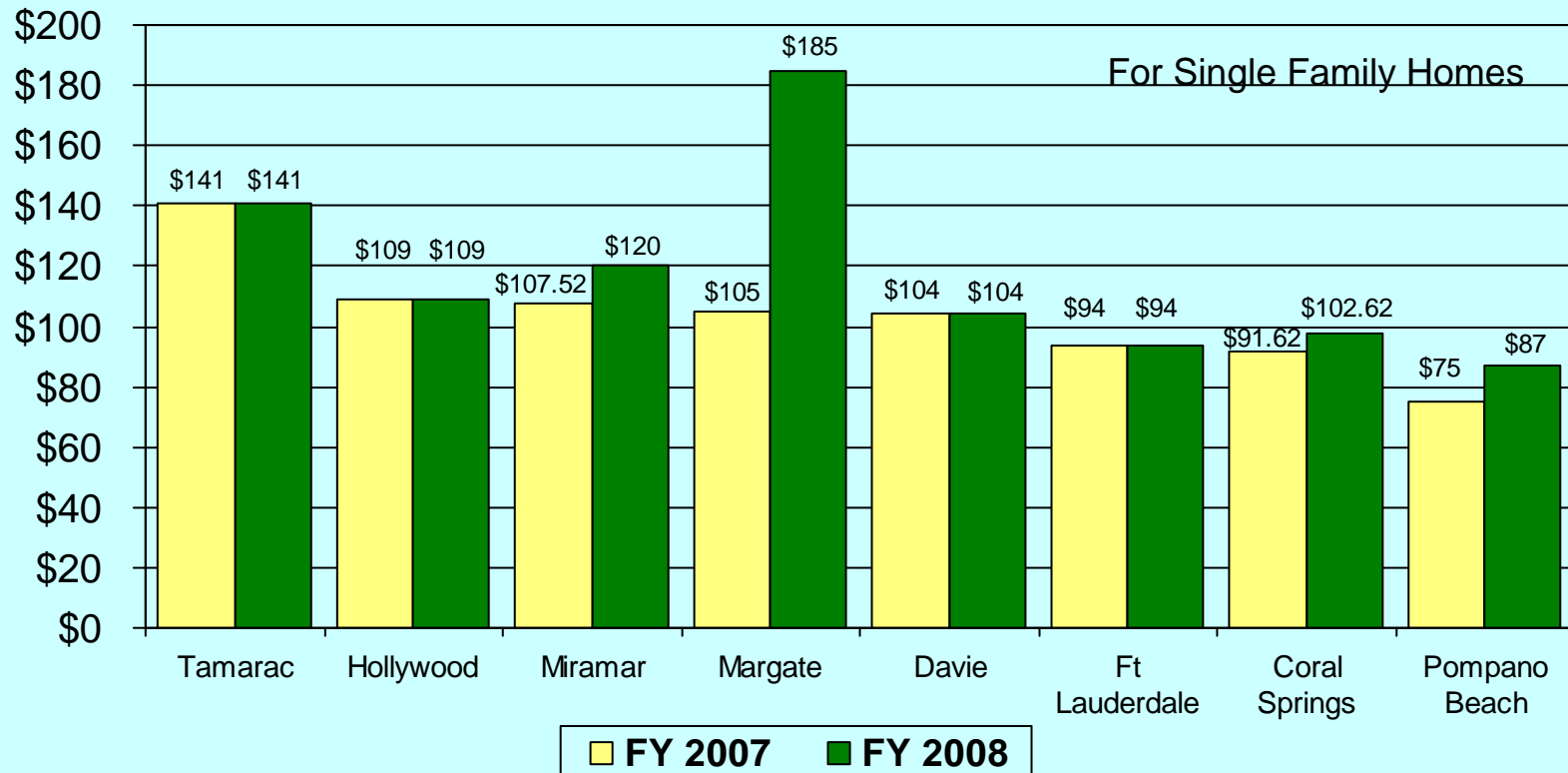
Eliminated 30 FTEs from General Fund

# Productivity Measure

## Employees per 1,000 Residents



# Proposed FY 2008 Fire Assessments



Note: All 2008 rates are preliminary

# Residential Single Family Solid Waste Assessment

	FY 2007 Actual	FY 2008 Proposed	Rate Increase	% Increase
Rate	\$226.32	\$232.20	\$5.88	2.6%

# Water & Sewer Rate Study

- Objectives:
  - Maintain financial sustainability
  - Encourage conservation
- A majority of residential customers will experience a 6.9% increase or less
- Overall, revenues will increase by 15.25%

# Major Capital Projects

- All Hazards Preparedness
  - Community Alert and Warning System \$225,600
  - Generator for Public Safety Training Center \$150,400
- Police
  - Radio Frequency Upgrade \$200,000
  - Two-Way Trunked Radios \$183,300
  - Digital Printer Mini Lab \$100,000
- Development Services
  - Neighborhood Transit Center \$175,000
  - Traffic Calming \$125,000
- Fire Fund
  - Fire Station 71 Renovation \$227,725

# Major Capital Projects (cont.)

- Parks & Recreation
  - Field Light Fixture Replacement \$400,000
  - Irrigation System Conversion \$100,000
- Transportation
  - Road Resurfacing Program \$650,000
  - Meadows and Dells Drainage Project \$359,000
  - Guard Rail Installation \$144,300
- Information Services
  - HTE & AS400 Computing Environment \$210,000
  - Network Infrastructure \$133,000
- Public Works
  - Air Conditioning Replacement \$281,700
  - Roof Replacement \$150,000

# Budget & Business Plan Next Steps

- 2<sup>nd</sup> Business Planning Workshop  
July 24 @ 2:00 pm
- Special City Commission Meeting to adopt TRIM & Assessment Rolls  
July 24 @ 5:15 pm
- 1<sup>st</sup> Budget Public Hearing  
September 14 @ 5:15 pm (Friday evening)
- 2<sup>nd</sup> Budget Public Hearing  
September 18 @ 5:15 pm

The End