

# CITY OF NEW SMYRNA BEACH, FL

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PROPOSED BUDGET OVERVIEW

JULY 24<sup>TH</sup>. 2018





The specific purpose for which ad valorem tax revenues are being increased by \$**910,844** in FY2018/2019 includes:

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- Wage increase for City employees (\$369,182 in the General Fund) – *one (1) Union Contract has been approved and negotiations with 2 unions still underway*
  - Police Officer Market Adjustment (\$309,439) to address recruitment, retention and County wage survey
  - Addition of three Fire Department Employees (\$235,000)
  - Proposed General Fund budget total capital expenditures are \$1,302,048. Of this, \$234,389 will be funded with impact fees and the remaining \$ 1,067,659 paid by the general fund.
- ❑ **The Proposed Operating Millage of 3.8416 will generate \$12.7M in tax revenue, or 47% of the \$26.9M General Fund budget. This is 24.8% of the Total City Budget of \$51.1M.**

Specific purpose for increase in ad valorem tax revenues



# Proposed FY2018-2019 budget modified to include changes since June 26<sup>th</sup>

- ❑ July 1<sup>st</sup> Values decreased from 3,718,360,446 to 3,691,161,425 from pre-preliminary tax roll released June 1<sup>st</sup>, 2018.
  - ❑ Tax Roll Increase – 186,066,703/Revenue - **\$519,943**
  - ❑ New Construction Increase – 99,923,066/Revenue - **\$383,647**
  - ❑ Annexations Increase – 1,888,395/Revenue - **\$7,254**
  
- ❑ A 25% increase for services requested by Southeast Volusia Humane Society (*The increase raises the annual cost for animal services from \$40,039 per year to \$ \$50,049 per year, or approximately \$10K. This is the first increase requested in 5 years and a contract for service would be presented to the City Commission in September/October of 2018*).
  
- ❑ School Board of Volusia County request to share 30% of the cost of 3 School Guardians in each of the City's elementary schools. *Overall anticipated costs are \$ 115,521 with the City's 30% portion of the arrangement totaling \$ 34,656.*



# Overview

- FY18/19 City-wide proposed budget-\$51,166,263 (FY 2017/18 revised budget \$72,744,974 - This figure includes capital projects carry forwards and budget revisions during FY2018).
- FY18/19 General Fund proposed budget -\$26,919,590 (FY 2017/18 revised budget \$30,744,972).
- Taxable property values increased - (+8.4%).
- FY18/19 proposed budget includes \$1,302,048 in capital improvements and equipment and vehicle replacements in the General Fund. (Public Safety is \$462,849 of the \$1,302,048). In addition, there is a loan payment of \$217,043 for the 3<sup>rd</sup> year of a ten year loan for the 3 fire vehicles purchased in FY2016-2017.
- A new BCBS Health Plan will be available to employees. The estimated additional cost to the City is \$50K for this benefit enhancement.

# Overview, cont'd

- Proposing an operating millage rate of **3.8416**. The proposed millage rate includes a COLA increase for employees and \$309K market adjustment for Police Officers based upon the new Teamster contract
- Debt service millage will decrease to .3750 from **.3339**

# Property Taxes



- Tax Rates:

Description	FY2017/2018 Current	FY 2018/2019 Proposed	Percentage Change from FY 2017-18 to FY 2018-19
General Operating	3.6811	3.8416	4.4%
2005 Debt Service	<u>0.3750</u>	<u>0.3339</u>	<u>-11%</u>
Total City Millage	4.0561	4.1755	2.94%

- ❑ FY2018-2019 proposed budget was prepared using an operating millage rate of 3.8416
- ❑ Revenue estimated at 95% collection rate as per state statute

Volusia County Property Appraiser

Parcel Number	Assessed Value	School Board Exemption	School Board Taxable Value	City's Exemption	City's Taxable Value
Average Residential Property Assessed Taxable Value	174,344	25,000	149,344	50,000	124,344

TAXING AUTHORITY	2019	2019	2019	2019	
	(1) Current	Current	(1) Proposed	Proposed	
	MILLAGE RATE	TAXES LEVIED	MILLAGE RATE	TAXES LEVIED	
School Board	6.6520	993.44	6.6520	993.44	
Volusia County-Countywide funds	7.0520	876.88	7.0520	876.88	
Mosquito Control	0.1880	23.38	0.1880	23.38	
Ponce Inlet/Port Authority	0.0929	11.55	0.0929	11.55	
New Smyrna Beach I & S	3.6811	457.72	3.8416	477.68	} City Taxes
New Smyrna Beach I & S	0.3750	46.63	0.3339	41.52	
St Johns River Water Management District	0.2724	35.87	0.2724	35.87	
Florida Inland Navigation District	0.0320	3.98	0.0320	3.98	
SE Volusia Hospital District	1.2790	298.43	1.2790	298.43	
	19.6244	\$ 2,747.88	19.7434	\$ 2,762.73	

Difference in Sample Taxpayer City Portion (Current vs. Proposed Rate) -

\$ 14.85

Monthly Increase in City taxes

\$ 1.24



<b>GENERAL GOVERNMENT SUMMARY</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>% CHANGE</b>
<b>BUDGET DESCRIPTION</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>REVISED</b>	<b>PROPOSED</b>	<b>from 2017-18</b>
PERSONAL SERVICES	\$14,735,067	\$15,489,539	\$16,128,913	\$ 17,491,904	8.45%
OPERATING EXPENSES	5,382,448	8,769,506	8,086,325	7,109,473	-12.08%
CAPITAL OUTLAY	1,750,159	3,480,695	3,417,494	1,302,048	-61.90%
TRANSFERS	1,560,324	1,552,325	3,112,240	1,016,165	-67.35%
<b>TOTAL BUDGET</b>	<b>\$23,427,998</b>	<b>\$29,292,065</b>	<b>\$30,744,972</b>	<b>\$ 26,919,590</b>	<b>-12.44%</b>
<b>GENERAL FUND SUMMARY</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>% CHANGE</b>
<b>DEPARTMENT BUDGET</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>REVISED</b>	<b>PROPOSED</b>	<b>from 2017-18</b>
CITY COMMISSION	\$ 230,828	\$ 239,773	\$ 226,120	\$ 236,489	4.59%
CITY MANAGER	440,896	466,149	504,512	515,739	2.23%
CITY CLERK	212,773	257,694	354,543	374,485	5.62%
BUSINESS / ECONOMIC DEVELOPMENT	230,597	237,970	177,204	182,483	2.98%
FINANCE	608,118	640,560	668,983	690,200	3.17%
INFORMATION TECHNOLOGY	442,032	425,400	627,558	599,193	-4.52%
HUMAN RESOURCES	191,430	239,118	259,912	275,005	5.81%
CITY ATTORNEY	478,491	497,373	505,488	407,769	-19.33%
PLANNING & ENGINEERING	660,090	730,191	975,579	1,176,865	20.63%
GENERAL GOVERNMENT (1)	1,229,757	3,434,927	2,199,374	131,061	-94.04%
POLICE	5,773,704	5,913,281	6,365,561	7,183,789	12.85%
FIRE	5,894,326	8,613,642	6,222,645	6,681,730	7.38%
EMERGENCY OPERATIONS CENTER	13,032	74,179	18,031	25,886	43.56%
MAINTENANCE OPERATIONS ADMINISTRATION	208,239	204,232	201,075	202,112	0.52%
STREETS	1,282,383	1,364,515	2,381,092	1,811,815	-23.91%
BUILDING MAINTENANCE	578,635	629,845	620,381	712,117	14.79%
RECREATION	1,011,733	1,013,345	1,287,855	1,401,243	8.80%
CIVIC CENTER	42,686	254,223	325,956	329,570	1.11%
PARKS	1,485,365	1,615,235	2,661,555	1,817,168	-31.73%
SPORTS COMPLEX	852,557	888,089	1,049,308	1,148,706	9.47%
TRANSFERS OUT	1,560,324	1,552,325	3,112,240	1,016,165	-67.35%
<b>TOTAL BUDGET</b>	<b>\$23,427,998</b>	<b>\$29,292,065</b>	<b>\$30,744,972</b>	<b>\$ 26,919,590</b>	<b>-12.44%</b>

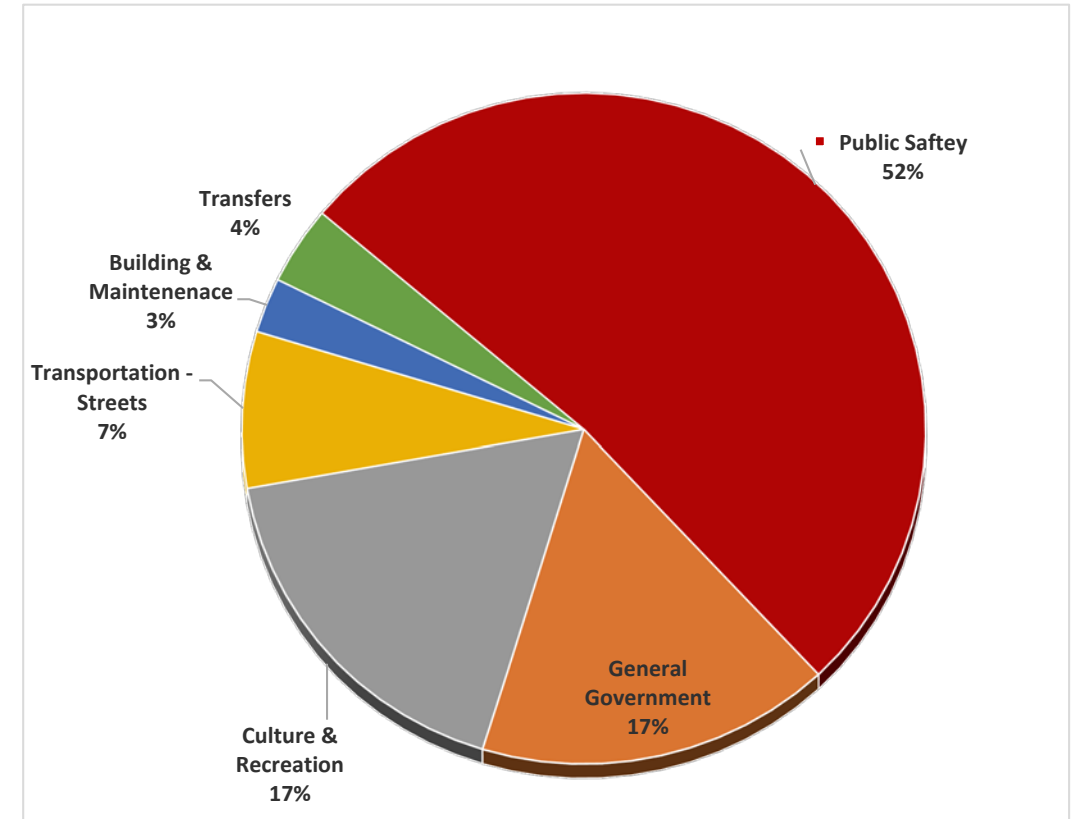
(1) The reduction in General Government is the result fewer dollars budgeted in FY2018 for capital items.



# General Fund Expenditures

by Function

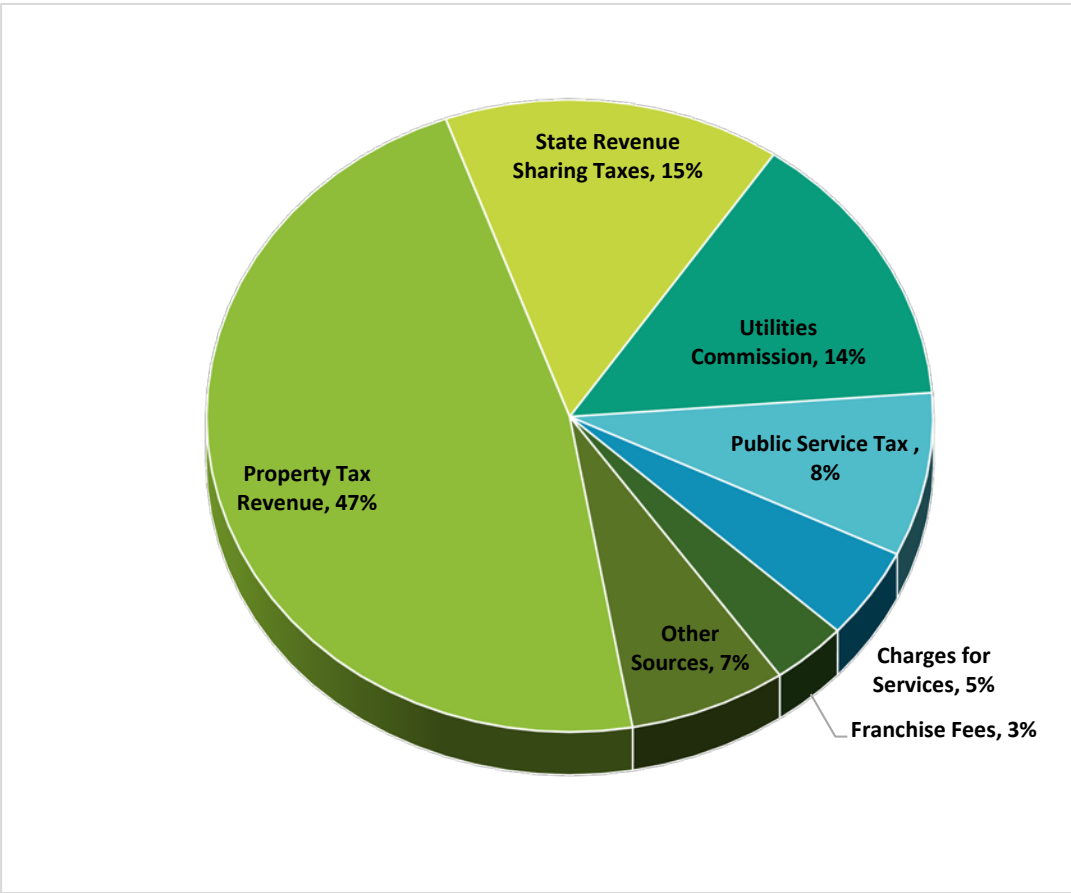
General Fund Expenditures	FY2018/19 Proposed	% of Total
Public Safety	\$ 13,958,405	<b>52%</b>
General Government	4,529,289	<b>17%</b>
Culture & Recreation	4,689,687	<b>17%</b>
Transportation - Streets	2,013,927	<b>7%</b>
Building & Maintenance	712,117	<b>3%</b>
Transfers Out to Debt Service	1,016,165	<b>4%</b>
<b>Total</b>	<b>\$ 26,919,590</b>	<b>100%</b>



# General Fund Revenues

by Source

General Fund Revenues	FY2018/19 Proposed	% of Total
Property Tax Revenue	\$ 12,713,805	47%
State Revenue Sharing Taxes	4,050,379	15%
Utilities Commission	3,849,026	14%
Public Service Tax	2,248,351	8%
Charges for Services	1,252,642	5%
Franchise Fees	910,312	3%
Other Sources	1,895,075	7%
<b>Total</b>	<b>26,919,590</b>	<b>100%</b>



# City-Wide Budget 2018/2019



CITYWIDE EXPENSES	2015-2016	2016-2017	2017-2018	2018-2019	% Change
CATEGORY SUMMARY	ACTUAL	ACTUAL	REVISED	PROPOSED	from 2017-18
Personnel Services	\$ 16,641,655	\$ 17,759,449	\$ 18,756,123	\$ 20,289,297	8.17%
Operating Expenses	15,659,465	18,548,111	22,141,021	21,512,150	-2.84%
Capital Outlay	12,547,873	5,564,010	23,412,104	4,204,074	-82.04%
Debt Service	2,406,454	2,406,405	3,026,316	3,004,042	-0.74%
Transfers	2,226,251	1,933,796	5,409,408	2,156,700	-60.13%
<b>TOTAL EXPENSES</b>	<b>\$ 49,481,698</b>	<b>\$ 46,211,770</b>	<b>\$ 72,744,974</b>	<b>\$ 51,166,263</b>	<b>-29.66%</b>
<b>CITYWIDE EXPENSES</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>% Change</b>
<b>FUND SUMMARY</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>REVISED</b>	<b>PROPOSED</b>	<b>from 2017-18</b>
General Fund	\$ 23,427,998	\$ 29,292,065	\$ 30,744,972	\$ 26,919,590	-12.44%
Stormwater Fund	3,099,635	2,002,600	13,876,928	2,351,736	-83.05%
Special Law Enforcement Trust Fund	43,400	2,500	51,000	50,000	-1.96%
Airport Fund	3,844,831	2,430,135	5,677,935	4,570,832	-19.50%
Impact Fee Funds	273,544	101,023	1,108,000	1,873,081	69.05%
Building & Inspection Fund	1,199,639	1,077,314	2,944,097	2,205,299	-25.09%
Parking Fund	168,627	134,545	1,052,346	600,000	-42.98%
Community Redevelopment Agency Fund	1,665,718	19,185	-	-	N/A
New Community Redevelopment Fund	-	71,972	439,509	564,465	28.43%
Debt Service Fund	2,430,519	2,402,571	3,026,316	3,004,042	-0.74%
Capital Projects Fund	5,740,653	761,679	4,518,688	26,652	-99.41%
Golf Course Fund	1,113,635	1,238,917	1,537,577	1,336,938	-13.05%
Sanitation Fund	5,402,196	5,577,277	6,271,575	6,302,910	0.50%
Marina Fund	270,287	238,438	488,559	300,300	-38.53%
Fleet Fund	801,014	861,549	1,007,472	1,060,418	5.26%
<b>TOTAL EXPENSES</b>	<b>\$ 49,481,698</b>	<b>\$ 46,211,770</b>	<b>\$ 72,744,974</b>	<b>\$ 51,166,263</b>	<b>-29.66%</b>

The reduction is due to the reduction in capital projects city-wide.



# SUMMARY

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- General Fund Proposed Operating Millage –3.8416 (12.3% increase over the rolled-back rate of 3.4211, and 4.4% over the current rate of 3.6811)
  
- Debt Service Millage - .3339 (11% reduction when compared to FY2018)
  
- Staff recommends proposed total City Millage of 4.1755 (current total millage 4.0561( FY2017-2018)
  - (The City remains the 2<sup>nd</sup> lowest millage of all the 17 cities in Volusia County)
  
- Trim Notice – August 2018



# Public Hearings

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- ▶ September 11<sup>th</sup> – Tentative First Public Hearing to adopt tentative millage — 5:05 pm
  
- ▶ September 25<sup>th</sup> – Tentative Second Public hearing to adopt final millage — 5:05 pm