

FCCMA – Best Practices

New Smyrna Beach Budget Process
Citizen Engagement (2009 – 2012)

October 24, 2012



Budget Public Hearing September 2009



(200 + Attendees)

Toughest Budget Message Ever Delivered?

For FY 09-10 (Sept 2009) the City had budgeted \$1M in reserves to balance an \$18M General Fund Budget for recurring expenses

Message... this can not continue and we can work together as a community to define priorities & create a fiscally sustainable budget.

NSB Problem Defined...

2007-2013 Fiscal Conditions

Fiscal Year	Total Taxable Value	Total GF Millage	General FD Taxes
2007	3,743,475,297	3.36710	11,974,423
2008	3,750,485,808	3.10000	11,045,181
2009	3,443,228,086	3.10000	10,140,307
2010	2,845,189,751	3.47930	9,404,305
2011	2,507,947,973	3.47930	8,289,608
2012	2,407,847,097	3.47930	7,958,741
2013	2,456,947,166 *	3.47930	8,121,033*
	34%		32%

***% drop from FY 2007 - FY 2013**

Strategies for FY 10-11 Budget Process

- ▶ January 2010-Five Year Fiscal Forecast Presented to Commission (First time-long range forecasts were completed for the City).
- ▶ Utilized FY 10 forecast of 16% decrease in tax roll; 10% in FY 11-12, and ZERO for FY 13 (Large Deficits projected for each year).
- ▶ Used three different millage rates...current rate, roll-back (roll-up rate); and tax rate required to fund projected expenses in the 5-year forecasts for Commission discussion.

(Internal) Communication / Engagement Strategies With Employees & Unions

- ▶ City Manager & Finance Director met with ALL City employees, at various times on different shifts, and presented the same information and reviewed the “whys”...
 - Fall in property values, crash in real estate market (age old cycle in FLA...but we all missed it, as prices had gone sky high \$)
 - Interest rates (global influences on markets)
 - Decrease in State revenues as well as Federal & State grants
 - Tax reform at State level, and local level, i.e. Tea Party folks who had demanded a lower millage rate (200 attendees at Budget Hearings in September 2009)
- ▶ Established an Employee Budget Task Force w/suggestions for work process improvements, new revenues, or areas to save on expenses (and yes, we had a few lay-off Charlie comments, but also some thoughtful suggestions as well).
- ▶ Began Negotiations with Three Unions (Fire, Police & General) and shared fiscal information at the bargaining table as well.

(External) Communication / Engagement Strategies Within the Community

- ▶ Asked City Commission to appoint a six month Budget Task Force (each member nominated someone from the community).
- ▶ Task Force Chairman had been critic of City budget over the past few years, but articulate smart business person, as was Vice Chairman.
- ▶ City Manager & Finance Director presented the long-range fiscal data as background, then each department director presented to Committee (CM has to able to let go of budget process, for this approach to work).
- ▶ Task Force then presented to the City Commission, a series of recommendations, based on the TARGET Budgets prepared by Departments (Finance Director set the targets based on projected \$2M deficit, and Police & Fire were included in reductions).

Additional Strategies – FY 10-11

- ▶ Joined the UCF Performance Benchmarking Consortium to radically change the budget format (had been line-item only).
- ▶ Commission approved an early retirement incentive program for 2010 (limited % of employees - did two sign-ups). Actual cost of \$786,256; recurring savings of \$451,430.
- ▶ Amended Personnel Policies for new non-union hires to limit cost of health insurance; stopped longevity program, and personal leave annual payouts. Then presented changes to Unions for approval.
- ▶ Expanded the budget information on the City's website on projections, workshops, etc.
- ▶ Established Town Hall Meetings for the public (four over two months in each one of the Commission Districts, with the District Commissioner “hosting” and asked the attendees in small group breakouts to answer FIVE questions (responses summarized for the budget hearings).

The News-Journal Public Notices

July 2010

RIVER

PAGE A11

NSB Hosts Final Town Hall on Budget

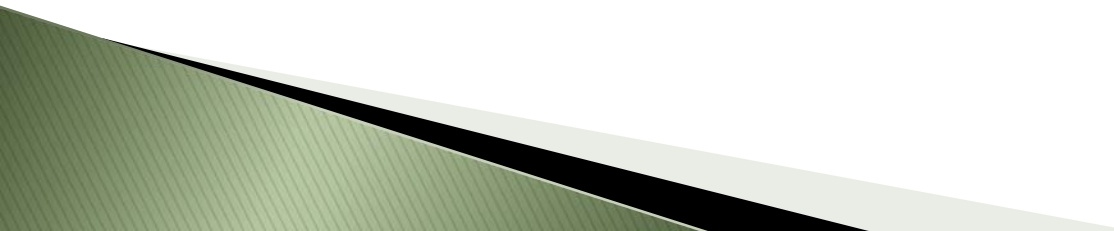
By Sandy Winkler
Special to the Observer

NEW SMYRNA BEACH - The last of the series of Town Hall Budget Meetings will be held at 6 p.m., Thursday, Sept. 2 at the Atlantic Coast Community Church, 1212 Conrad Drive, New Smyrna Beach. The public is invited and encouraged to attend. The

purpose of the meeting is to address questions or concerns relating to the Budget.

The meeting should be informative, and will also provide the Citizens an opportunity to offer suggestions that would assist as well. NSB City Department Directors will be available at the meeting to speak individually to residents on the proposed FY11 Budget.

Questions Presented @ Town Hall Meetings

- HOW DO WE GROW THE ECONOMIC HEALTH OF THE CITY OF NEW SMYRNA BEACH?
 - WHAT SERVICES DO YOU BELIEVE ARE ESSENTIAL TO THE QUALITY OF LIFE OF OUR COMMUNITY?
 - HOW DOES THE CITY CONTINUE TO FUND THE SERVICES YOU'VE DEFINED AS IMPORTANT TO YOU?
 - WHAT CONCERNS YOU THE MOST PERSONALLY ON CHANGES /REDUCTIONS TO THE CITY'S BUDGET? (EX: REDUCTION IN FREQUENCY FOR GRADING OF DIRT ROADS, MOWING OF PUBLIC R-O-W, AND POTHOLE/STREET MAINTENANCE FREQUENCY)
 - WHAT ARE YOUR THOUGHTS ON A "RIGHT-SIZE" PROPERTY TAX MILLAGE?
 - DO YOU BELIEVE THE CITY OF NEW SMYRNA BEACH IS GENERALLY HEADED IN THE RIGHT DIRECTION AND WHY?
- 

NSB residents offer advice to officials

By MARK J. JOHNSON
STAFF WRITER

NEW SMYRNA BEACH — For Kim Hardee it all comes down to the cost of two or three extra-large iced coffees per month.

Frank Spalla believes when times get tough taxpayers should be considered shareholders and not "rich uncles."

Such were two of the opinions voiced during Tuesday's town hall meeting. Taxpayers and New Smyrna Beach officials faced off one-on-one for almost two hours verbally volleying about the coming year's budget and how to fund it.

Mixed among a handful of commission meeting regulars were two dozen interested citizens eager to bend the ears of their elected officials.

Hardee, a 25-year New Smyrna Beach resident, wanted her objections to cutbacks in public safety to be heard.

"If fat is to be trimmed, the police and fire departments aren't the place to do it," she told Fire Chief Dave McCallister. Especially when the suggested property tax levy of \$3.69 per \$1,000 of taxable land values calculates to

Talk Taxes

There are three chances left to speak with New Smyrna Beach department heads. Meetings start at 6 p.m.:

JULY 29: Babe James Youth Center, 201 N. Myrtle Ave.

AUG. 11: Brannon Center, 105 S. Riverside Drive

SEPT. 2: Atlantic Coast Community Church, 1212 Conrad Drive

only \$6 more per month than she currently pays to the city.

"That is only two or three of these," she said holding up a plastic cup half-filled with ice and a milky brown liquid, which she sipped through a straw.

Spalla, a more recent full-time resident, showed up to voice his displeasure at any increase on his tax bill.

"When I read the article in the newspaper that they were raising the millage, the hair on my

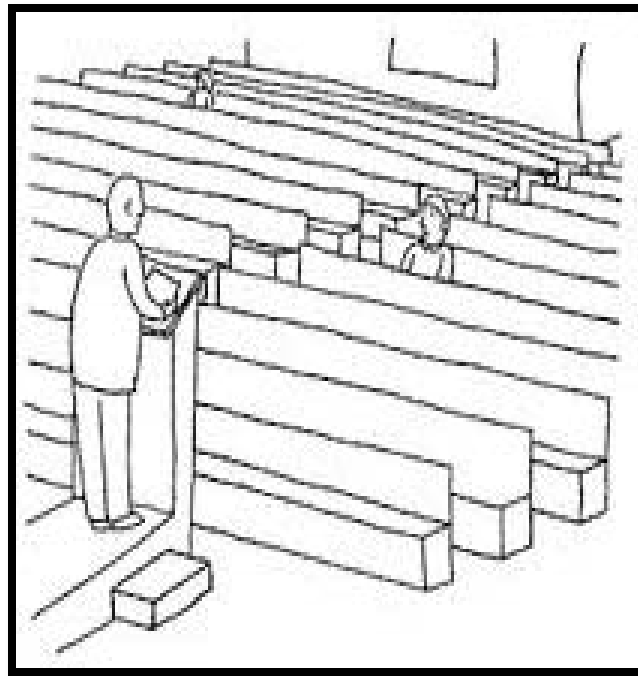
SEE NSB, PAGE 4C

mark.johnson@news-jrnl.com

Results in NSB (FY 12 & FY 13)

- ▶ FY 11,12 & 13 - Three years of Union contracts (approved by the membership w/no salary increases; suspension of longevity program and personal leave payouts).
- ▶ FY 12-13 Pension Reform (additional contributions and other plan revisions requested from Police and Fire Pension members (FS Chapter 175 and 185 Plans). Fire Union has agreed to increase contribution from 1% to 10%.
- ▶ Permanent reduction in General Fund Staff (2007-2013) from 238 to 170.5 (Police down 10.5; and Fire down 10).
- ▶ Fire Chief, with support of Budget Task Force, reduced manpower on vehicles at four stations from 4 to 2. Police Department would like to add back patrol positions, but low millage as policy decision is holding in NSB.
- ▶ Permanent reduction in General Fund taxes collected from \$9.8m in FY10 to \$8m in FY13.
- ▶ FY 12-13 was a 2%+ increase in Taxable Value (ROLL-BACK IS NO LONGER ROLL-UP).
- ▶ Five year Forecasts are positive for General Fund, and Commission approved a Stormwater Fee increase for FY 12-13.

Public Hearing September 2011 for FY12



(1 Person Attended)

LIGHT AT THE END OF THE TUNNEL

FY 12-13 Budget

- 1) A balanced operating budget supporting the 2012 City Commission Strategic Issues.
- 2) Maintained the 25% General Fund Reserves established by the City Commission.
- 3) Maintained a reasonable millage rate (second lowest of sixteen cities within Volusia County) and sustainable General Fund Budget.
- 4) Included the first salary increases for employees in four years, and addressed the long-term effect on the General Fund due to Public Safety Pension obligations.
- 5) Provided a transparent budget process and financial system for the residents. (accounts payable checks are online each month).
- 6) On September 25, 2012 the City Commission adopted roll-back millage of 3.4445 for FY 2012-13.

CITY OF NEW SMYRNA BEACH www.cityofnsb.com

Find NSB on Facebook @ www.facebook.com/nsbwaterfrontloop

For additional information or specific work products noted in presentation, email pbrangaccio@cityofnsb.com or aphilord@cityofnsb.com

You can reach the light at the end of the tunnel as well, without running into a TRAIN!

