



CITY OF PENSACOLA, FLORIDA
ASHTON J. HAYWARD, MAYOR
FISCAL YEAR 2013 PROPOSED ANNUAL BUDGET
FOR THE YEAR ENDING SEPTEMBER 30, 2013



Explanation of Process

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Explanation of Process

- **Budget Workshop held in Committee of the Whole setting**
 - **Allows for votes to be taken and reported at next City Council Meeting**
- **Presentations on various Departments/Divisions**
 - **Opportunity to discuss policy issues pertaining to the FY 2013 Budget**
- **Meetings open to the public**

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Explanation of Process

- Request that all proposals for amending or changing budget be formally approved by a majority of Council and proposed changes be balanced.

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Overview of Issues

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



BUDGET OBJECTIVES AND REALITIES

- Continues the preservation of essential services
- Continues to position the city positively to weather current economic crisis
- Continues to align ongoing general fund expenditures with ongoing revenues

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Overview of Issues

- **Continued Decline in Property Valuations**
 - Millage Rate Proposed to Remain at FY 2012 Level – 4.2895
- **Performance Contracting of City Services**
 - Results in a net decrease of positions by 12 in FY 2013
- **Promotion of Growth of both Economy and Population**

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Overview of Issues

- **Creating opportunities to be more energy efficient.**
- **Reorganization of various functions within the City to improve efficiency and be more customer friendly.**
- **Address annual pension costs and unfunded liability.**

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



RECOMMENDED BUDGET HIGHLIGHTS

- 24 Month balanced budget plan – 10/01/12 thru 09/30/14
- Does Not Anticipate Any Fund Balance Drawdown
- Property Tax
 - Estimated Valuation Decrease - \$126,900
 - Millage Rate – Same as was adopted in the FY 2012 Budget
- Economy
- Employee Salaries and Benefits
 - Salary Freeze
 - Pension Cost Decrease - \$239,000
 - Result of 28 pension plan participants (14 General/14 Police) entering DROP
- Pension Reform
 - AFSCME – 3 Year Agreement
 - Negotiations ongoing with Police & Fire Unions
- Position Changes
 - 18 Positions Eliminated Since FY 2011
 - 12 Net Positions Eliminated in FY 2013
- New Economic Development Incentive Fund - \$1,000,000
- Interest Income

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Council Policies

- General Fund's maximum amount of appropriated Beginning Fund Balance each year should be no more than 3 percent of budgeted revenues.
 - FY 2013 Beginning Fund Balance is zero
- Recurring expenditures should be financed only with recurring revenues.
 - FY 2013 Utilizing proceeds from Army Reserve Property with the understanding that debt service is paid in FY 2013

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Council Policies

- Transfer from ESP to the General Fund should not be more than 15 percent of budgeted ESP revenues.
 - FY 2013 – 14.99%
- Fees should be set at levels sufficient to recover all costs.
 - FY 2013 includes no fee increases.

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Council Policies

- Council Reserve – A minimum reserve of 15 percent of the General Fund beginning adopted appropriations should be incrementally established and maintained for use in meeting unanticipated needs and/or emergencies.
 - FY 2013 – 15.9%

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Mayor's Goals and Objectives

- **Creating Economic Opportunity**
- **Investing in Neighborhoods**
- **Promoting a Healthy Environment**
- **Restoring Trust and Taking Action**

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Creating Economic Opportunity

Objectives

- Establish a \$1 million economic development incentive fund
- Grow our City and Tax base
- Accelerate development of the Airport Commerce Park
- Invest in Port Infrastructure

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Investing in Neighborhoods

Objectives

- Promote safe and attractive neighborhoods
- Strengthen relationships with neighborhoods
- Keep streets and neighborhoods clean
- Establish a fund to encourage voluntary demolition
- Promote mixed-income housing

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Promoting a Healthy Environment

Objectives

- Complete an energy audit of all City Facilities
- Continue to transition the City fleet to natural gas vehicles
- Extend natural gas fueling stations to commercial fleets and individuals
- Improve water quality by enhancing stormwater management
- Implement a Green Building Code

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



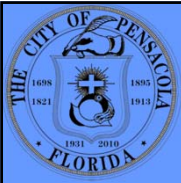
Restoring Trust and Taking Action

Objectives

- Continue to improve service delivery
- Improve delivery of public safety services
- Seek innovative solutions to improve operations
- Establish an Office of Diversity
- Address the City's unfunded pension liability and annual pension costs

PENSACOLA

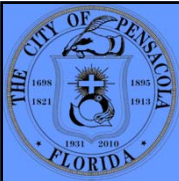
PENSACOLA
THE UPSIDE of FLORIDA



Financial Overview

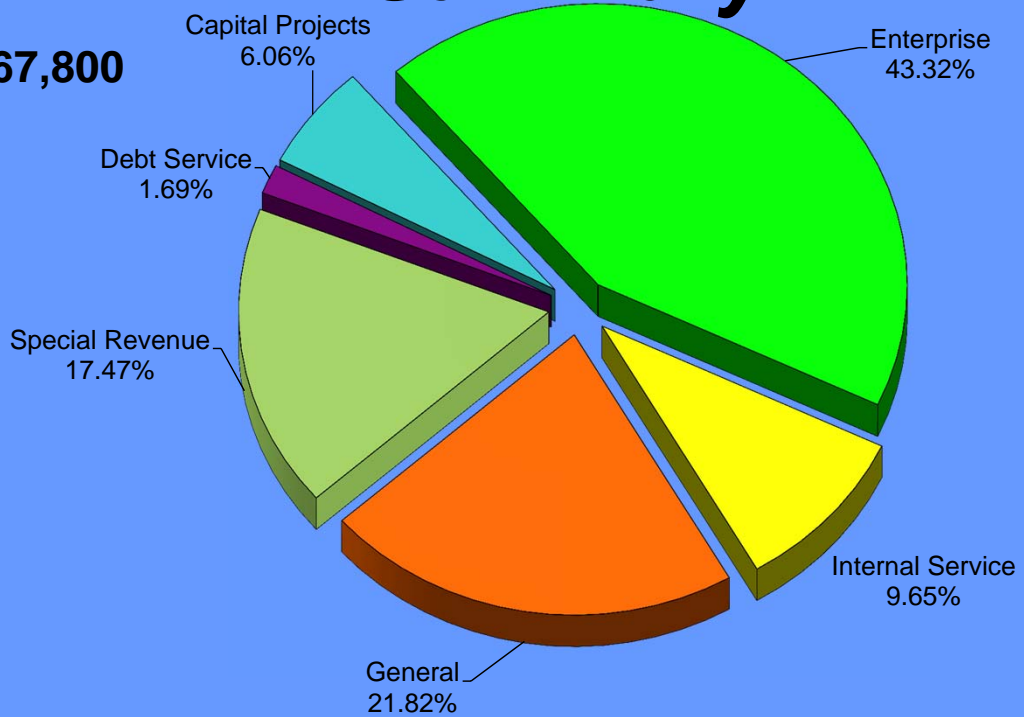
PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



FY 2013 City-Wide Budget Summary

\$221,467,800

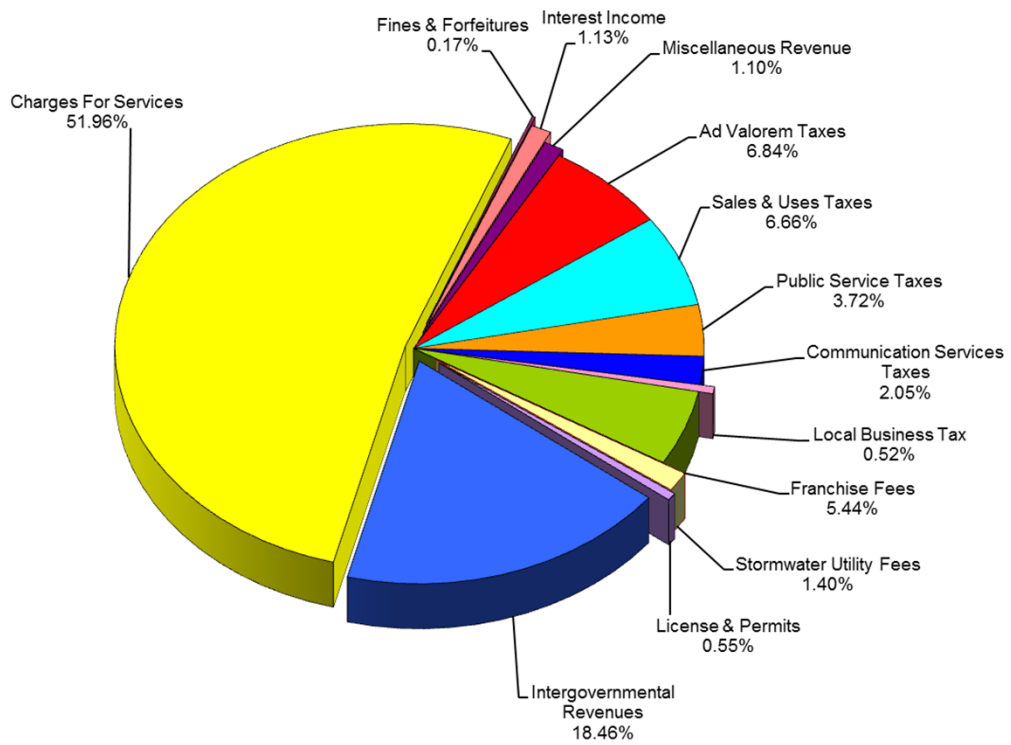


PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Where The Money Comes From

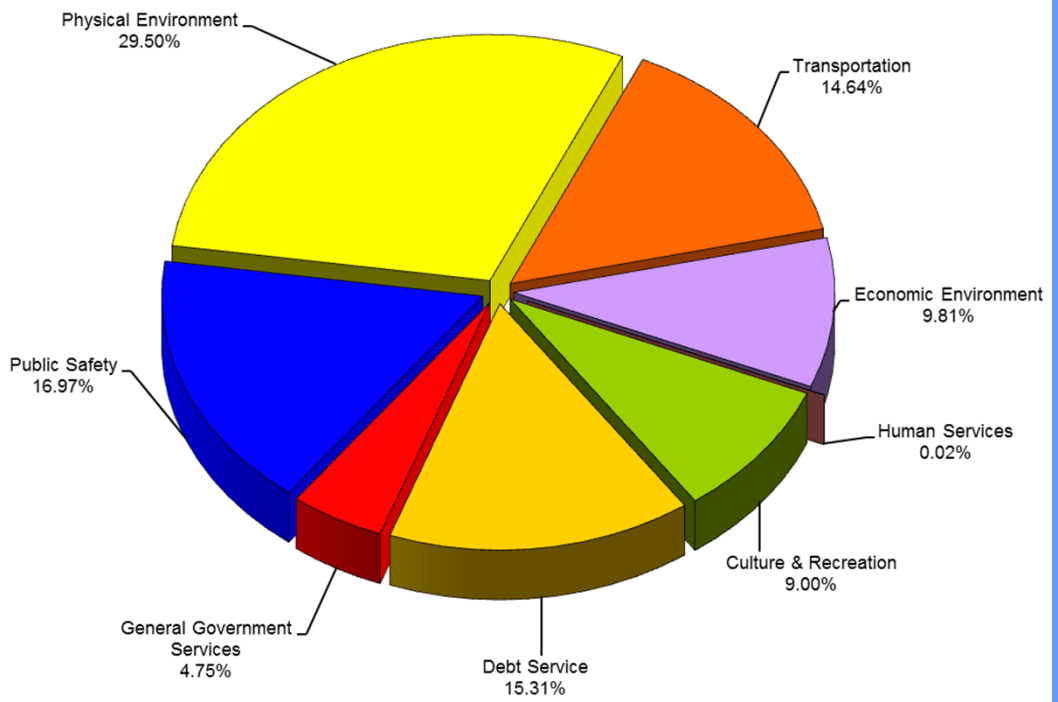


PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Where The Money Goes



PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA

**CITY OF PENSACOLA
GENERAL FUND
FY 2013 PROPOSED BUDGET**

	<u>FY 2012 APPROVED BUDGET</u>	<u>FY 2013 PROPOSED BUDGET</u>	<u>DIFFERENCE</u>
Sources:			
Fund Balance	-	-	-
Revenues			
Property Taxes	12,142,200	12,015,300	(126,900)
Franchise Fees/Utility Taxes	15,361,600	15,088,000	(273,600)
State Revenue	9,712,500	9,717,000	4,500
Other Revenue	5,385,300	3,407,500	(1,977,800)
ESP Transfer	8,000,000	8,000,000	-
Total Revenues	<u>50,601,600</u>	<u>48,227,800</u>	<u>(2,373,800)</u>
Total Sources	<u>50,601,600</u>	<u>48,227,800</u>	<u>(2,373,800)</u>
Uses:			
Personnel Expenses	35,785,600	34,572,100	(1,213,500)
Operating Expense	9,687,600	10,783,400	1,095,800
Sub-Total	<u>45,473,200</u>	<u>45,355,500</u>	<u>(117,700)</u>
Capital Outlay	-	-	-
Agency Funding	396,900	431,900	35,000
Saenger Theatre	206,000	242,900	36,900
Residential Stmwtr/Sanit Assist	6,400	6,400	-
Transfer To WFPL	1,271,400	1,487,300	215,900
Transfer to Urban Core TIF	1,451,700	1,441,900	(9,800)
Transfer to Eastside TIF	33,400	35,400	2,000
Transfer to Stmwtr Cap Prjcts	2,411,000	2,459,200	48,200
Transfer to TFFDSF	2,869,800	-	(2,869,800)
Transfer to Golf Course	110,000	100,000	(10,000)
Transfer to Inspection Services	-	-	-
Sub-Total	<u>8,756,600</u>	<u>6,205,000</u>	<u>(2,551,600)</u>
Park Purchases Fund	-	-	-
Total Uses Before Cost Recovery	<u>54,229,800</u>	<u>51,560,500</u>	<u>(2,669,300)</u>
Cost Recovery - A/O	<u>(3,628,200)</u>	<u>(3,332,700)</u>	<u>295,500</u>
Total Uses	<u>50,601,600</u>	<u>48,227,800</u>	<u>(2,373,800)</u>
Difference	<u>-</u>	<u>-</u>	<u>-</u>



FY 2013 General Fund Budget Revenue Projections

- Property Tax Revenue
 - Proposed Budget Estimates Down by \$126,900 or 1.05% From FY 12 Beginning
- State Revenues
 - Proposed Budget Estimates Up by \$4,500 or 0.05% From FY 12 Beginning
- Franchise Fee/Utility Tax Revenue
 - Proposed Budget Estimates Down by \$273,600 or 1.78% From FY 2012 Beginning

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



General Fund Overview

- General Fund budget is \$48,227,800
- Proposed General Fund budget decreased by \$2,373,800 or 4.69%.
 - TFFDSF – Last transfer out in FY 2012 (2,869,800)
- Current \$7.67 million in General Fund reserves
- ESP Transfer to remain at \$8.0 Million

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



General Fund Overview

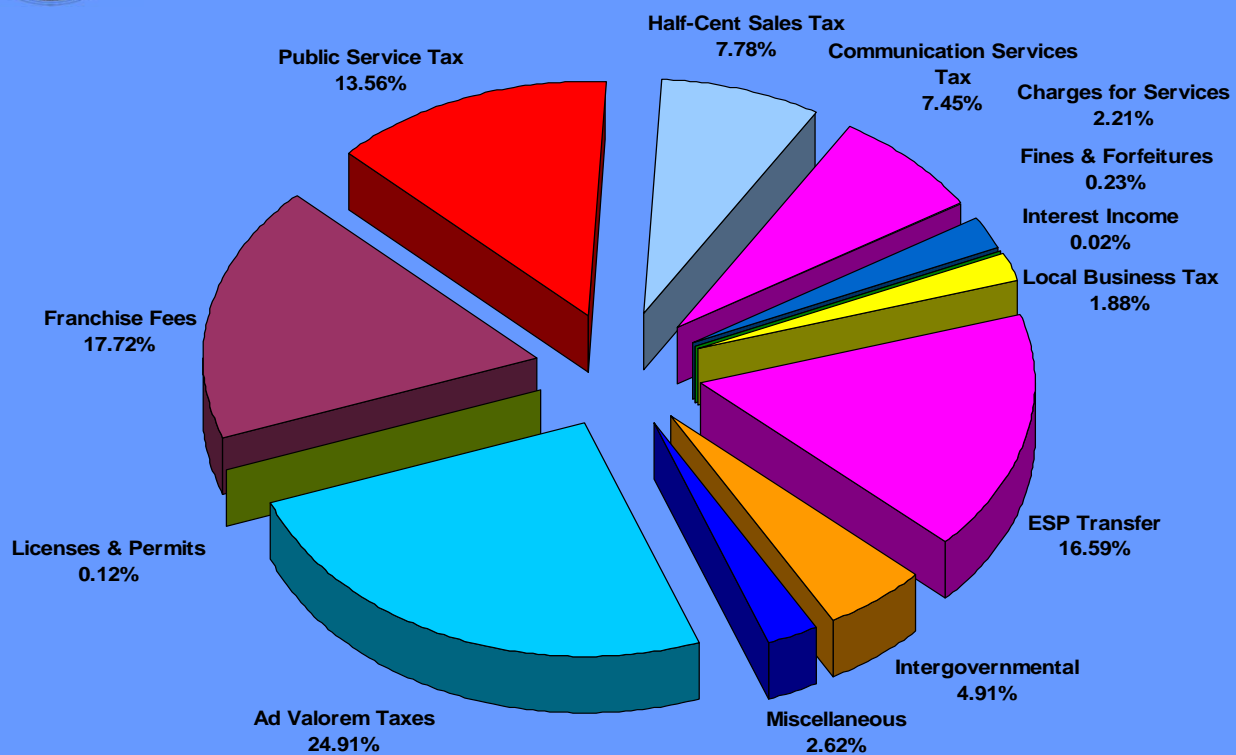
- Capital Equipment
 - Penny for Progress
 - \$750,700 Police Vehicles & Equipment
 - \$114,900 Neighborhood Services Vehicles & Equipment (including Golf & Tennis)
 - \$161,900 Public Works Vehicles and Equipment
 - \$7,900 Other General Fund Capital Equipment

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA

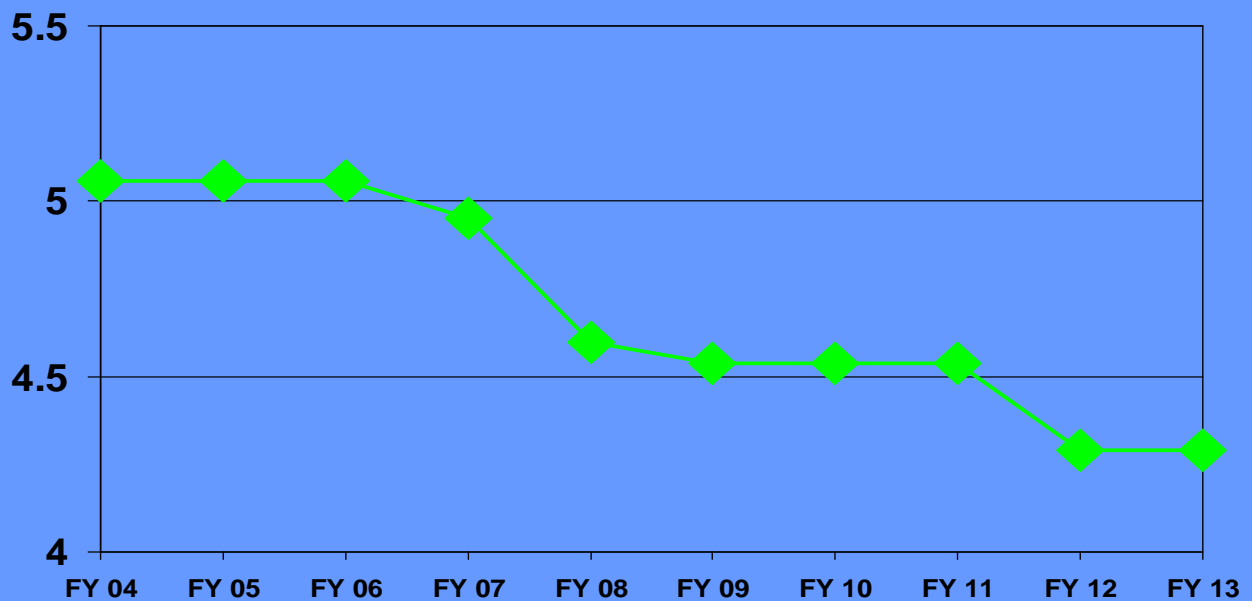


General Fund Sources





Millage Rate History

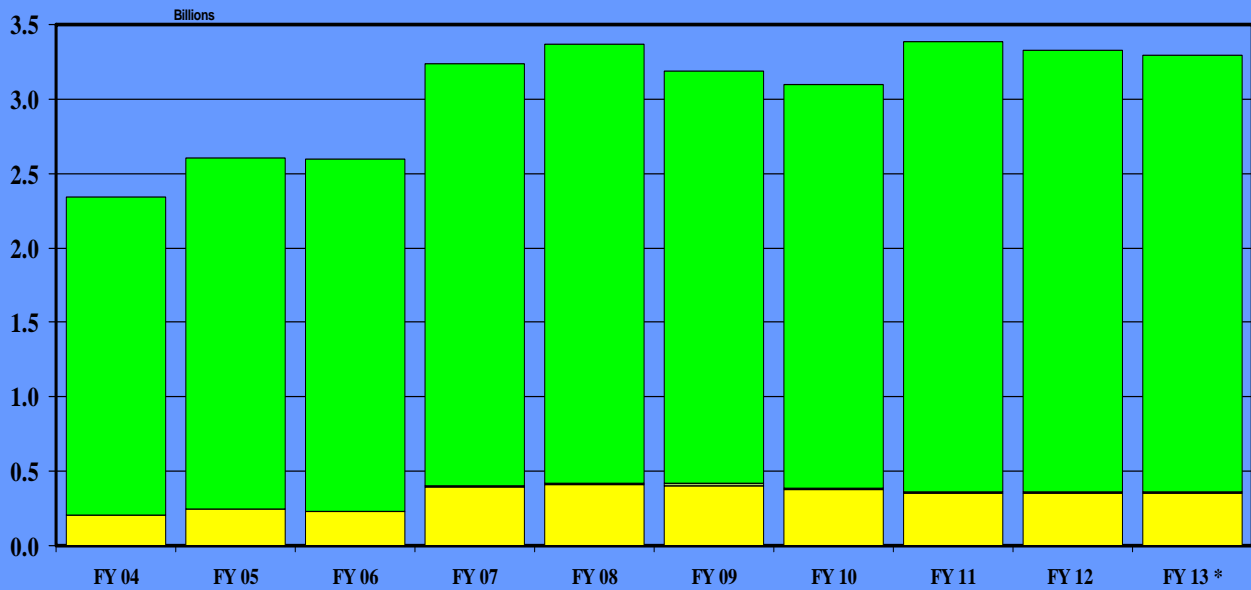


PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Property Tax Valuation



* Projected

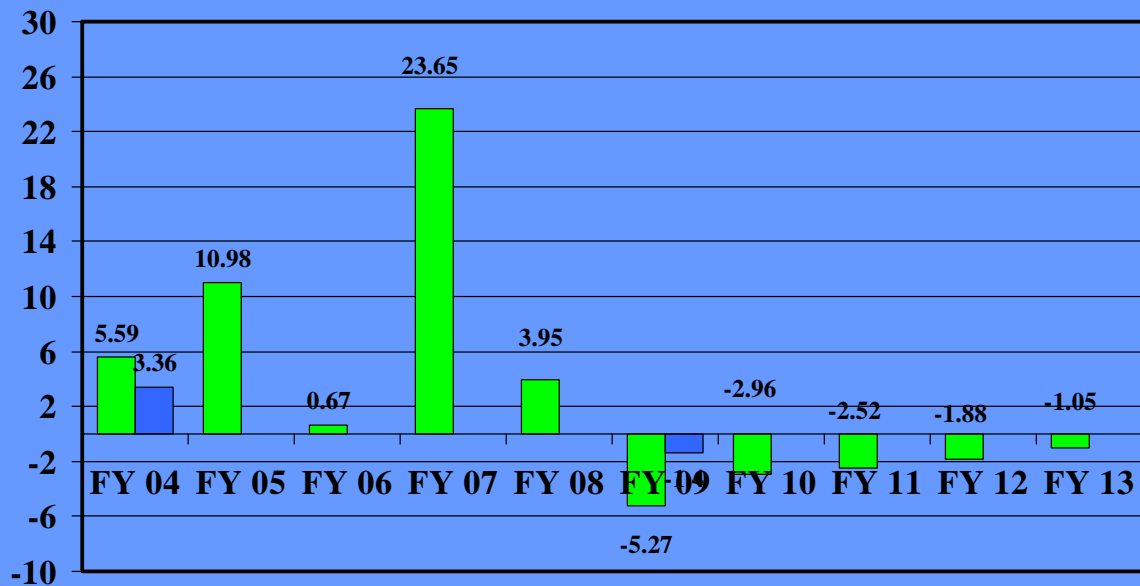
TIF Valuation Eastside TIF Valuation Westside TIF Valuation City Valuation

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



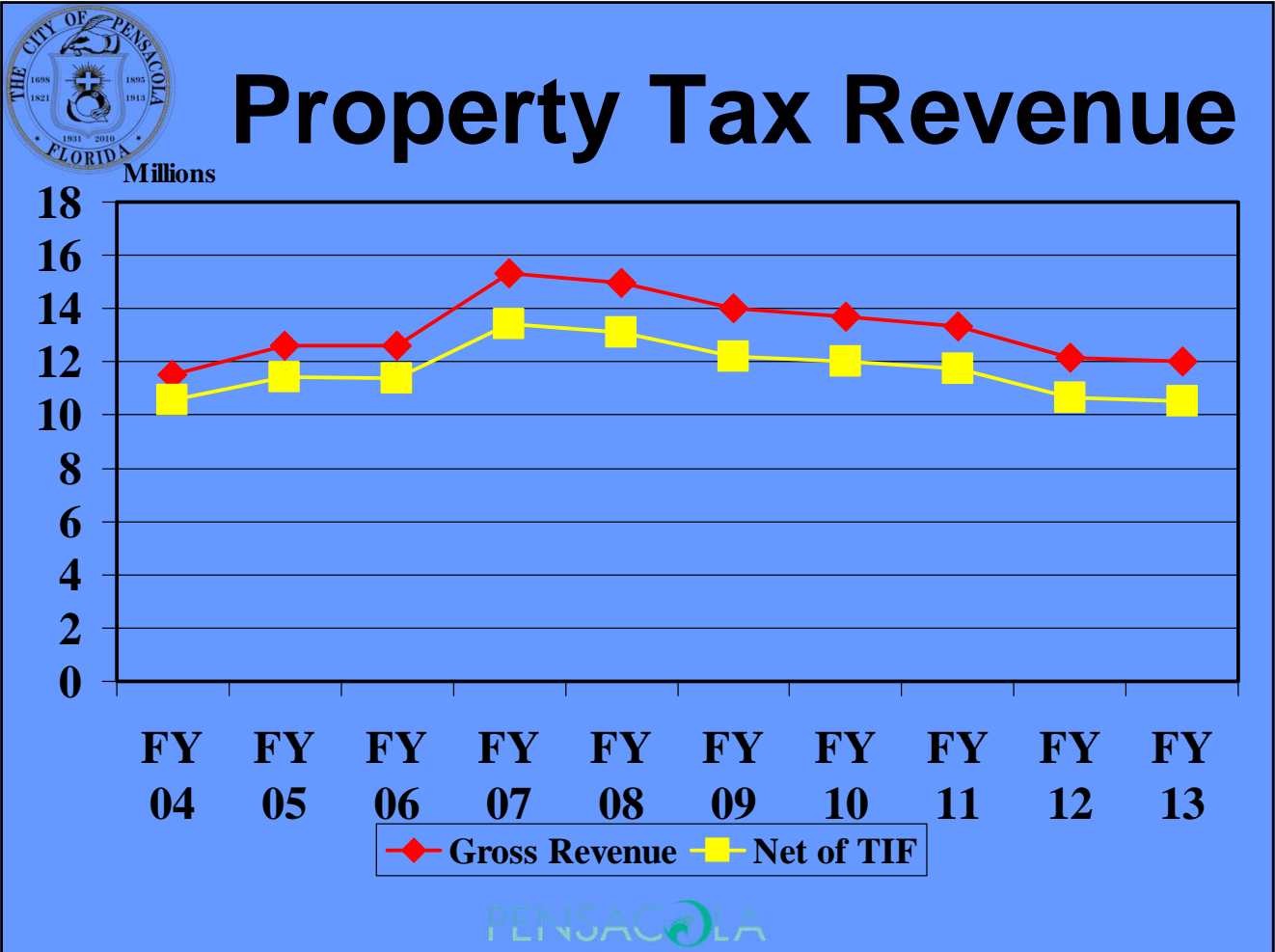
Percentage Change in Property Tax Valuation



■ City Valuation ■ Two Year Average

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA





Comparison of Net Ad Valorem Revenue Growth To Police Growth

<u>Fiscal Year</u>	<u>Net Ad Valorem Change</u>	<u>% Change</u>	<u>Police Change</u>	<u>% Change</u>
2004	686,029	6.95%	1,598,533	11.98%
2005	890,852	8.44%	199,540	1.34%
2006	(41,466)	-0.36%	1,163,927	7.68%
2007	2,019,663	17.72%	696,293	4.27%
2008	(295,316)	-2.20%	559,944	3.29%
2009	(930,616)	-7.09%	(228,384)	-1.30%
2010	(179,430)	-1.47%	337,997	1.95%
2011	(269,488)	-2.24%	807,464	4.57%
2012	(1,087,449)	-9.26%	183,306	0.99%
2013	(119,100)	-1.12%	(311,400)	-1.67%
Total	673,679		5,007,220	

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Weather Related Revenues



General Fund

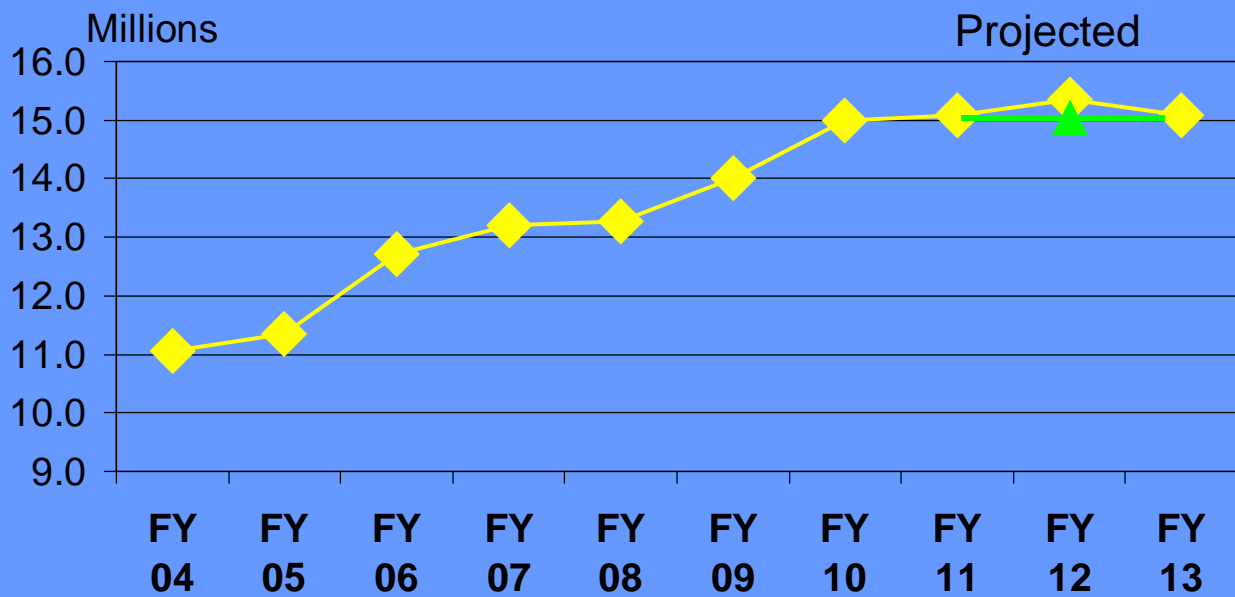
- **\$26,840,500 or 55.65%
Weather Related**

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Franchise Fees & Public Service Taxes

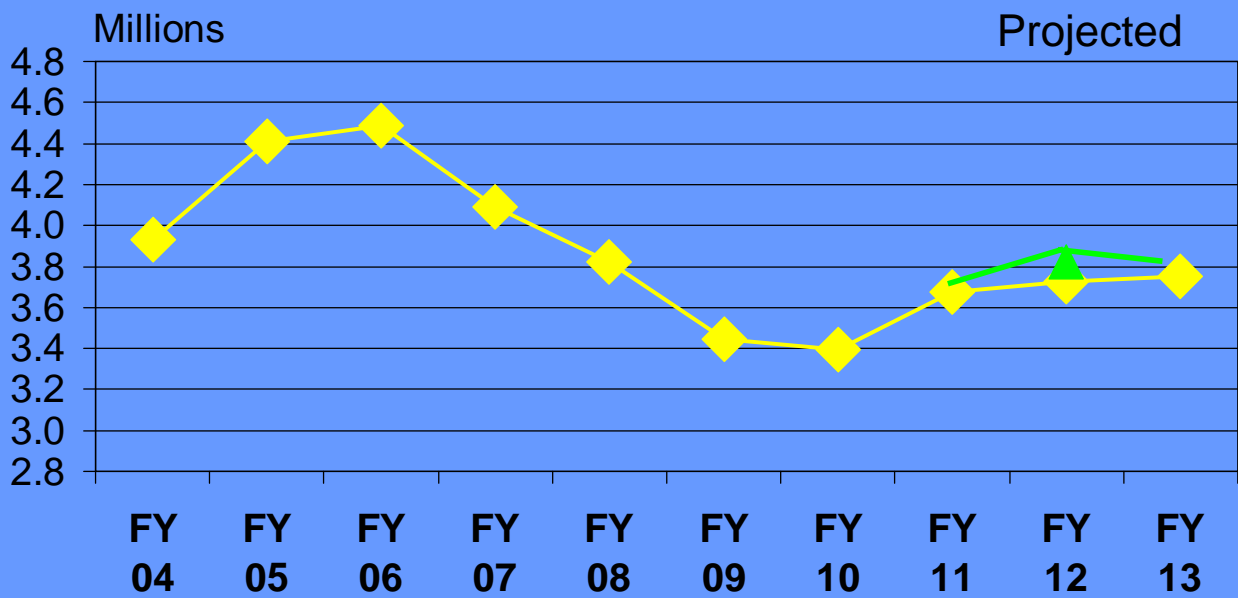
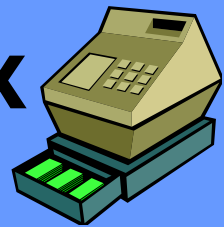


PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Half-Cent Sales Tax

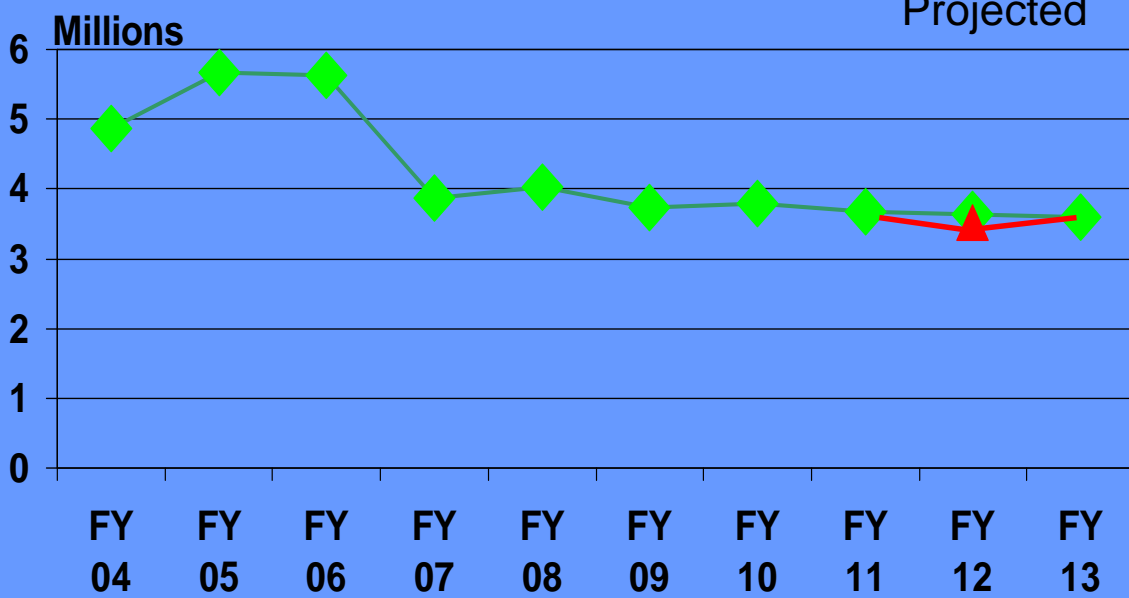


PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA

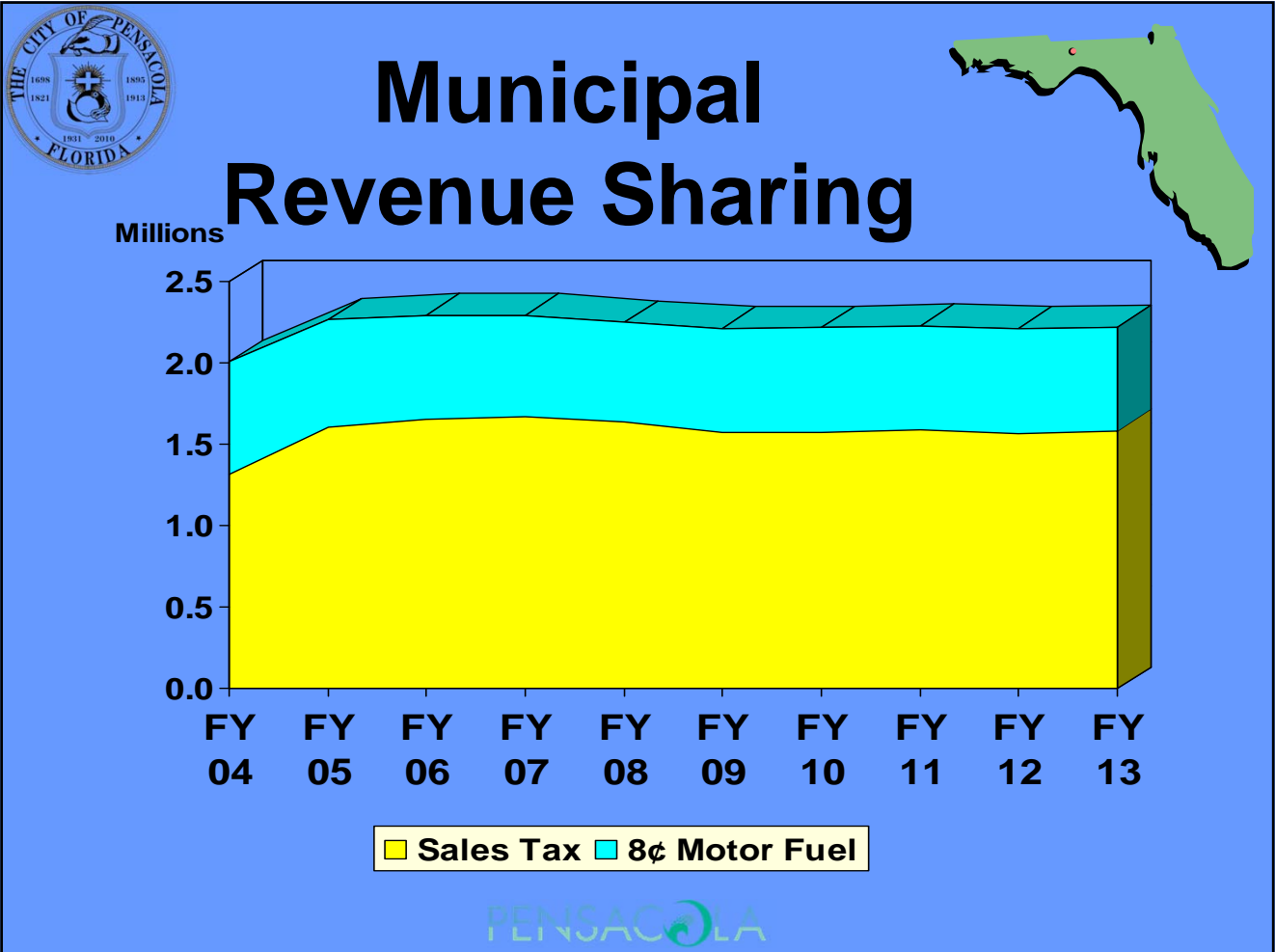


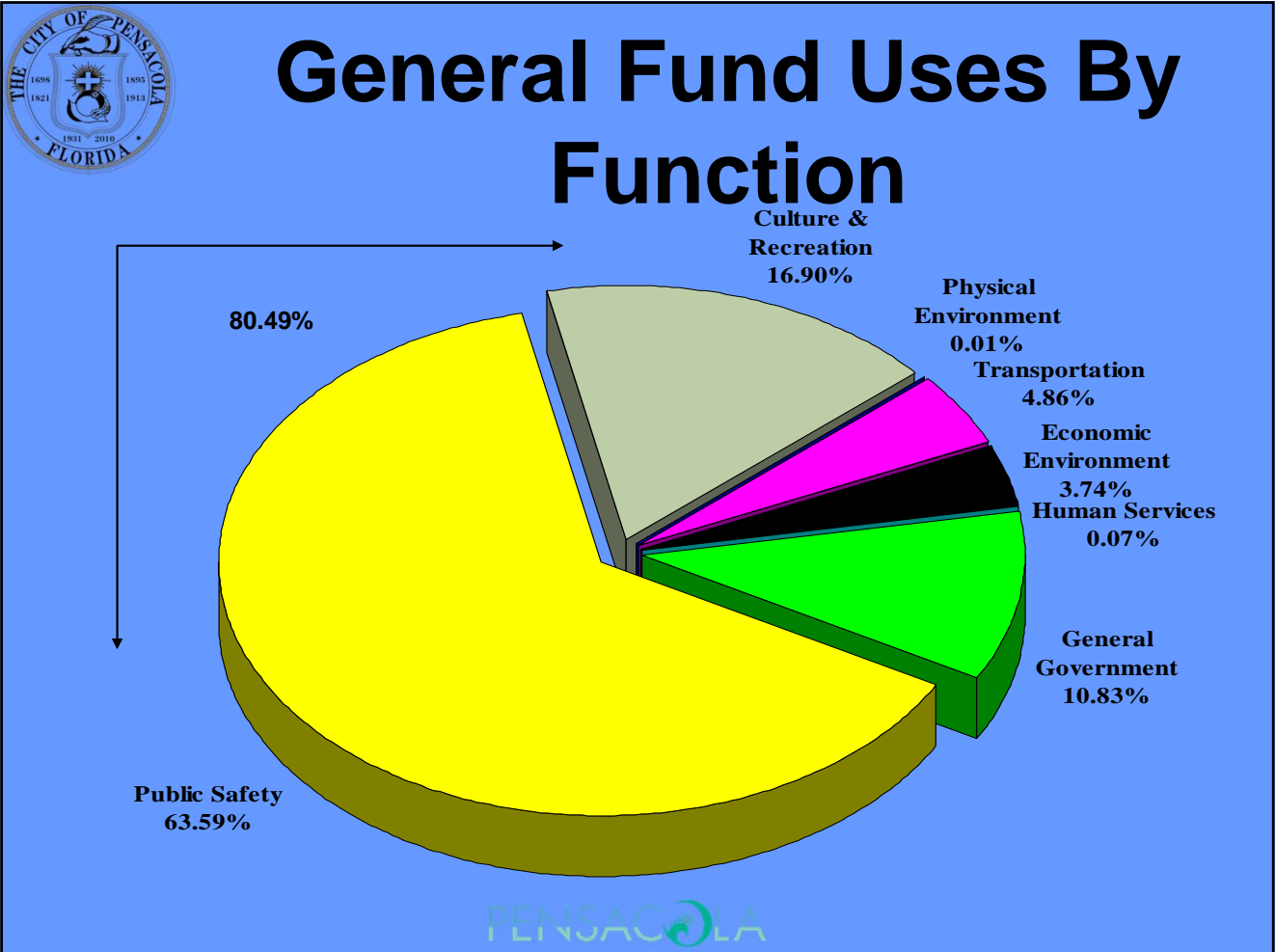
Communication Services Tax

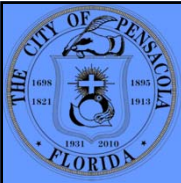


PENSACOLA

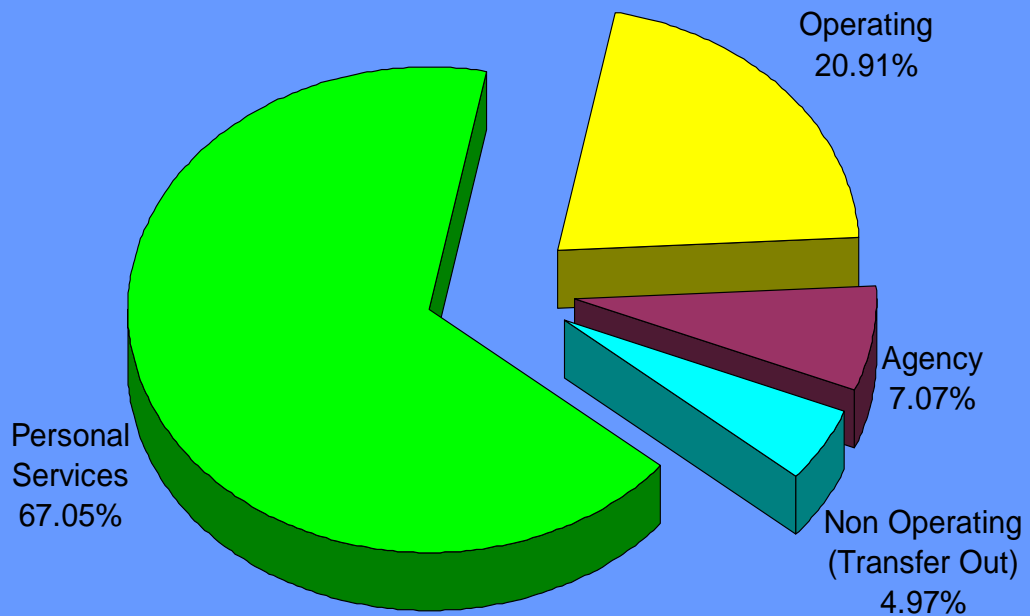
PENSACOLA
THE UPSIDE of FLORIDA







General Fund Uses By Classification



PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA



Position Changes

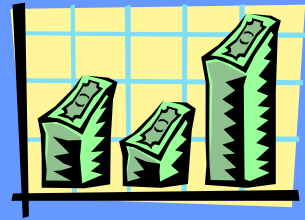
- FY 2012 Beginning Positions - 842
- Net of 12 Positions Deleted in FY 2013
- 17 Position Deleted in FY 2013 Budget
 - One (1) Clerk III in Financial Services
 - One (1) Maintenance Worker I in Neighborhood Services
 - Fourteen (14) Positions in Public Works due to Performance Contracts with Outside Vendors
 - One (1) Auto/Equipment Mechanic II in Golf
- 5 Positions Added in FY 2013 Budget
 - Three (3) Professional Firefighters
 - One (1) Administrative Officer IV (CMP Special Event Scheduling)
 - One (1) Special Event Supervisor (CMP Parking Management)
- FY 2013 Proposed Positions – 830

PENSACOLA

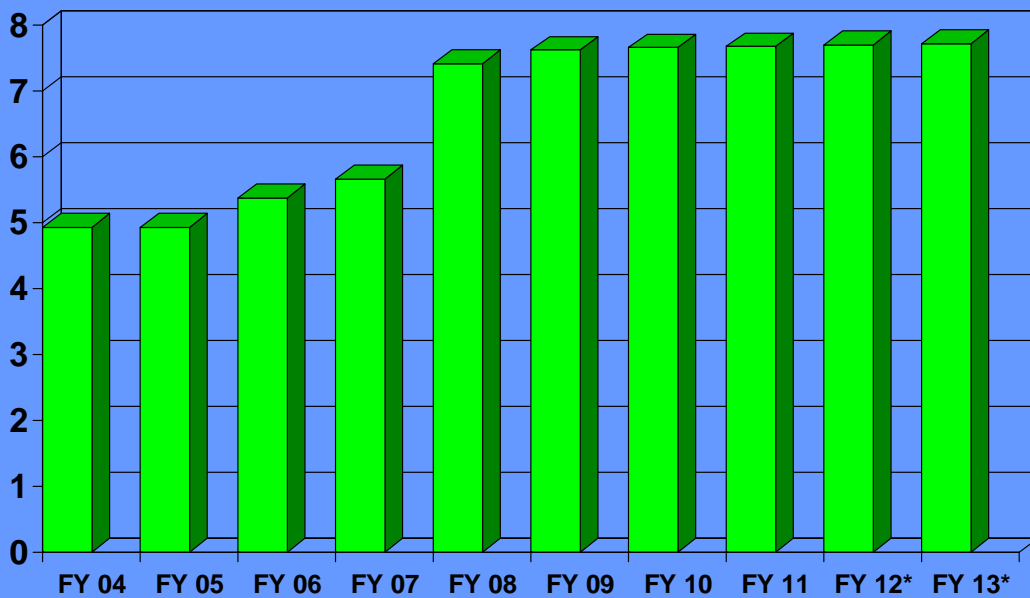
PENSACOLA
THE UPSIDE of FLORIDA



General Fund Reserves



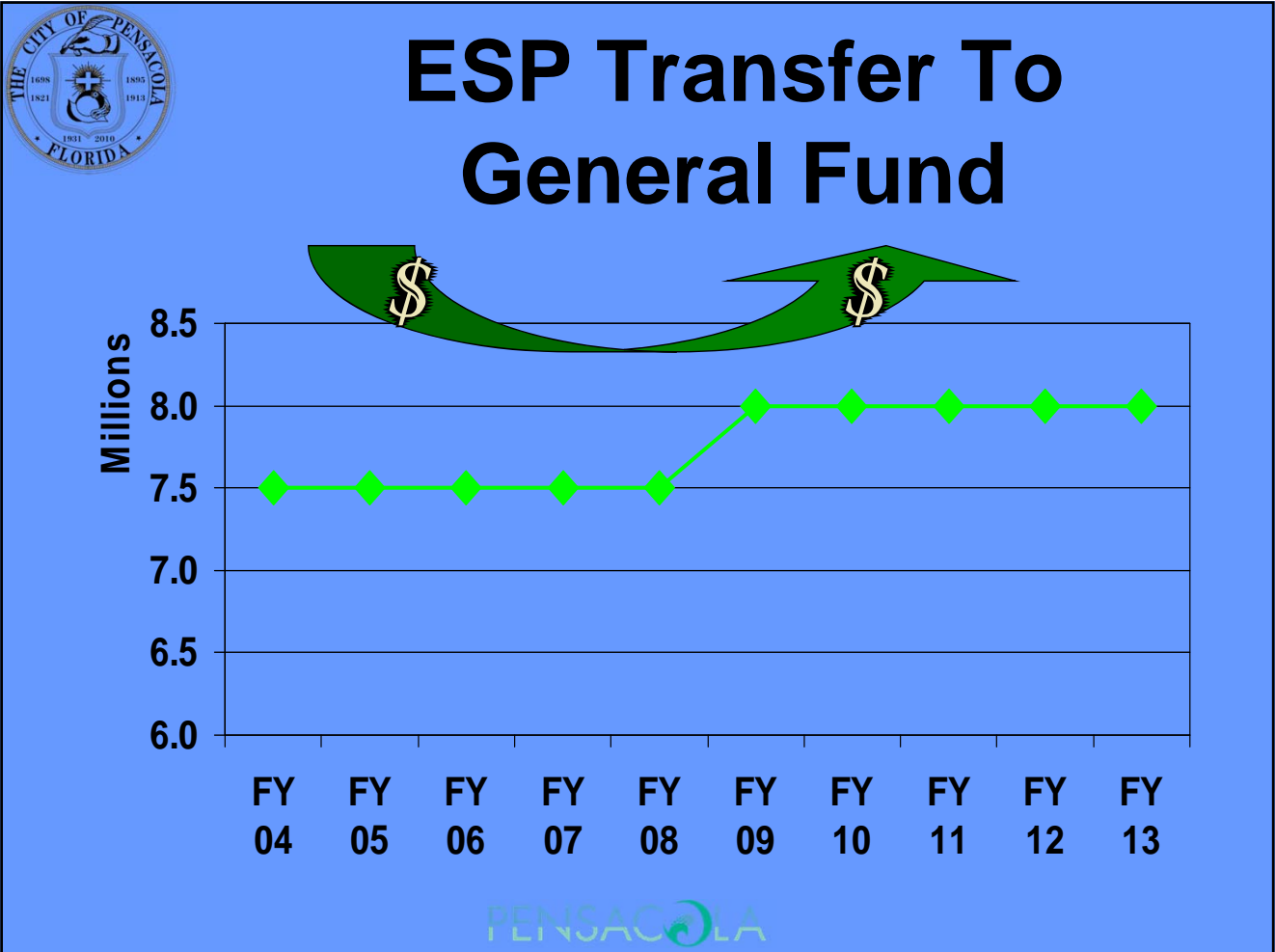
Millions



* Estimated

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA





What's Next?

- **Public Hearing Dates:**

- **Wednesday, September 05, 2012, 5:15 p.m.**

- **Wednesday, September 12, 2012, 5:15 p.m.**

- **In Council Chambers**

PENSACOLA

PENSACOLA
THE UPSIDE of FLORIDA

CITY OF PENSACOLA, FLORIDA
ASHTON J. HAYWARD, MAYOR
FISCAL YEAR 2013 PROPOSED ANNUAL BUDGET
FOR THE YEAR ENDING SEPTEMBER 30, 2013