

City of Delray Beach

FY2017 Budget Assumptions

FY2017 – 19 Plan Objectives

January 5, 2016

Discussion Outline

- FY2017 budget assumptions
- FY2017 budget calendar
- FY2017 – 2019 recommended objectives
- Integrating level of service into departmental plans

FY 2017 Budget Assumptions - Revenue

General Fund

- Operating millage rate reduced one-tenth mill
 - Reduces operating revenue approx. \$ 800K
- Ad valorem assessed value increases 4 %
- All other revenues increase 4.2 %
 - Faster than historical 2.8 % rate
- Redeploy \$ 3.5 million CRA spending to City revenue

Other Funds

- Adjust fees to meet long term needs
 - Revise stormwater assessment for equitability and increased revenue

FY 2017 Budget Assumptions - Operating Expense

General Fund

- Transfer to CRA (expense) increased 5.4 %
 - Based on recent history of growth in CRA district
- Operating expense increases 2 %
 - Slower than 2.5 % inflation rate
 - With forecasted 4 % salary increase, requires reduction in other operating expense and / or staffing
 - Shift emphasis to core functions
- No change from FY2016 budgeted not-for-profit funding expense

Other Funds

- Manage operations to minimize costs at target LOS

FY 2017 Budget Assumptions - Capital

Complete carry forward projects

- Provided that funding is available

Complete / substantially begin existing bond funded projects

- Beach
- Fire Station # 3

Focus on repair and replacement of existing assets

- November estimate \$ 80 million deferred investment , ex. buildings
- November estimate \$ 10 million FY2017 R & R needs
- Fully fund operational capital maintenance needs
- Property divestment / redeployment could reduce total cash needs
- Estimates being finalized

Assumes enterprise funds' capital needs internally funded

Any significant improvement in LOS and / or reduction in deferred maintenance will require new GO bond issue

Calendar

FY 2017 – 2019 Plan and FY 2017 Budget

Date	Activity
Oct 29, 2015	Commission goal setting session
Jan 5, 2016	Commission approves FY2017-19 plan and FY 2017 budget assumptions
Jan 25	Manager meets with departments to discuss budget goals
Feb 9	Update Commission on existing CIP projects / discuss capital needs
Mar 1	Manager's budget kick-off meeting
Mar 18	Finance completes preliminary revenue projections
Apr 15	Departments submit operating plans, operating and capital budgets
Apr 25	Senior staff develops preliminary CIP
Apr - May	Senior staff review / revise draft operating and capital budgets
May 17	FY2016 YTD update, full year forecast and budget amendment
Jun 6	CM presents draft budget to departments
Jun 24	FY 2017 proposed budget document to Commission

Calendar

FY 2017 – 2019 Plan and FY 2017 Budget (2)

Date	Activity
Jul 1	Receive <i>Certificate of Taxable Value</i> from Property Appraiser
Jul 12	Commission budget workshop
Jul 19	Commission reviews preliminary budget and sets tentative millage rate
Jul - Aug	Senior staff prepares proposed plan and budgets
Aug 19	Proposed budget to Commission
Sep 6	Initial public hearing for FY 2017 budget adoption
Sep 20	Final public hearing for FY 2017 budget adoption
October 31	Budget book published

Recommended FY 2017 – 2019 Objectives

1. Multi-year, integrated planning and budgeting process

Complete existing FY2016 objectives

- Program specific LOS standards
- Progress assessed and plan / budget updated semi-annually
- Identify activities to be deleted / reduced; redeploy spending

Recommended new objectives

- Fully integrated *capital planning, budgeting and control* process
 - Planning / budgeting calendar provides information to Commission and public early in process
 - Monthly budget vs actual reporting
 - Monthly management review meetings
- Update Comprehensive Plan including mission statement, climate change, West Atlantic and Arts District
- Update major plans including funding sources (e.g., downtown, NW/SW/Osceola Park neighborhoods)

Recommended FY 2017 – 2019 Objectives

2. Grow and diversify revenue base

Complete existing FY2016 objectives

- Increase revenue from fees and services to full cost recovery levels
 - Implement Special Events pricing plan
- Accelerate economic development
- Implement parking enforcement / collections program
- Support County sales tax initiative

Recommended new objectives

- Identify sustainable surplus to reduce millage
- Accelerate into FY 2016 review of City / CRA relationship
 - Present implementable TIF formula change proposal by Mar 2016
 - Implement recommendations in FY2017

Recommended FY 2017 – 2019 Objectives

3. Agree levels of service and a scheduled repair and replacement (R & R) program

Complete existing FY 2016 objectives

- Integrate asset specific LOS standards into planning / budgeting /control process
- Focus spending on achieving LOS (“no new projects”)
- Core services targets in top quartile of peer cities
 - Parks & Rec, “public works”, public safety, Planning / building

Recommended new objectives:

- At completion of facilities study, establish parameters for city property dispositions and other value adding options

Recommended FY 2017 – 2019 Objectives

4. Focus on and invest in high value assets / programs

Complete FY 2016 objectives

- Clean & safe
- Special events
- Beach master plan

Recommended new objective

- Resolve City not-for-profit (NFP) funding policy; facilitate NFP organizational rationalization / consolidation

Integrating LOS into Operating Plans

1. Identify departmental services

- Mission
- Core services
 - Full cost of each
 - Internal / external customer ?

2. Develop LOS metrics and costs for each departmental service

- LOS and related Commission approved goal
 - Actual LOS metric and full cost
 - Target LOS metric and proposed cost

3. Categorize services

- Regulatory / legal mandate
- Code / policy requirement
- Life / safety issue
- Best management practice

4. Develop departmental operating plans and operating and capital budgets to meet LOS / cost targets