

CITY

OF

GAINESVILLE

**Proposed  
Budget  
FY 2017**

**July 13, 2016**

# PHILOSOPHY

- Preparing us to be a Citizen Centered government
- The budget process should:
  - Be linked to the strategic plan
  - Start early and be flexible for input during process
  - Be inclusive, transparent and accessible
- Smart structural change including “fixing our house”
  - Re-evaluate
  - Redistribute assets and resources
  - Shape our services to meet emerging needs
- Transitional year

# CHANGES TO THE BUDGET PROCESS

Expanded and accelerated outreach

- Spring budget workshops

Design thinking principles

- Workshops & Interviews

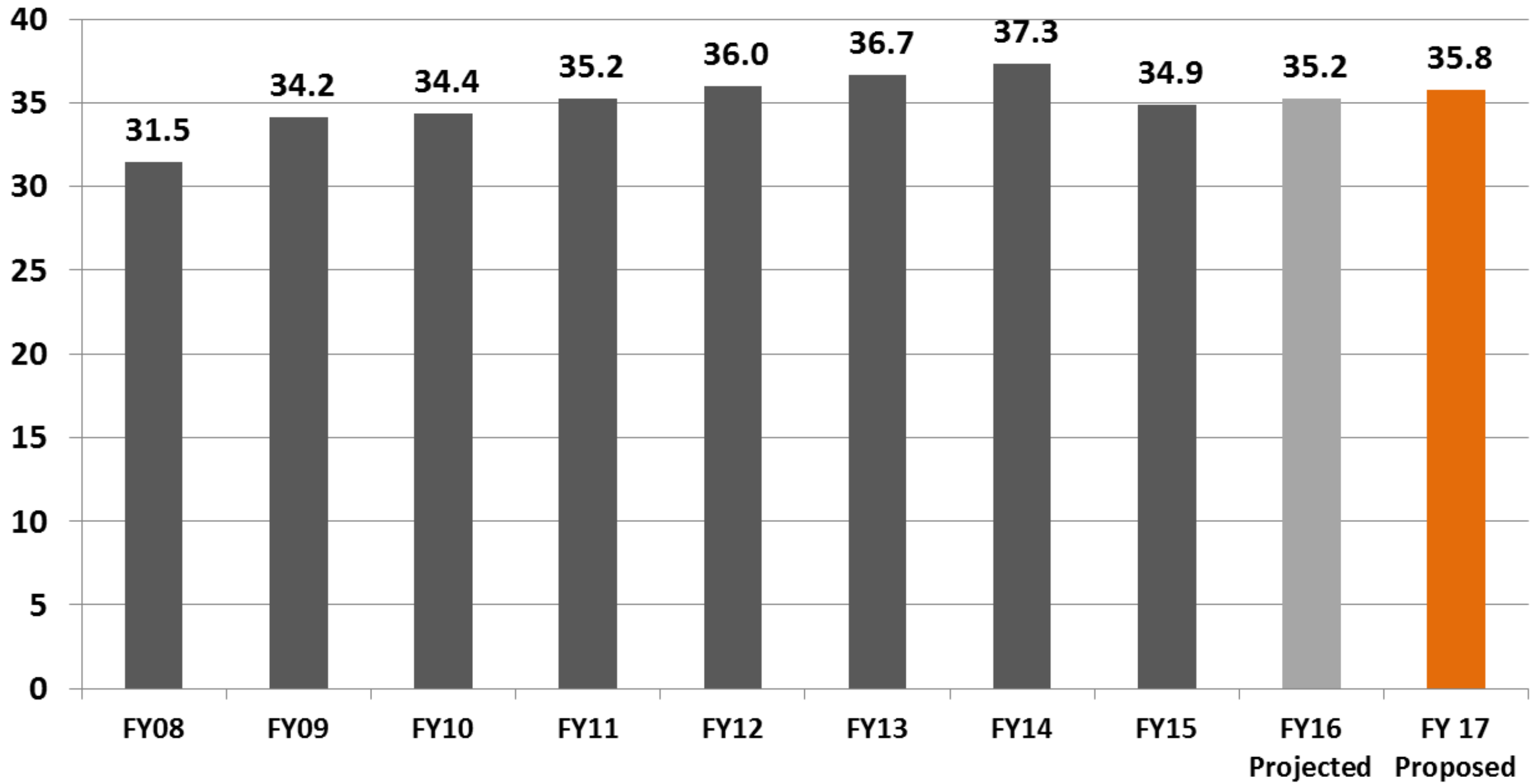
Examination of strategic planning process

Open Budget online tool

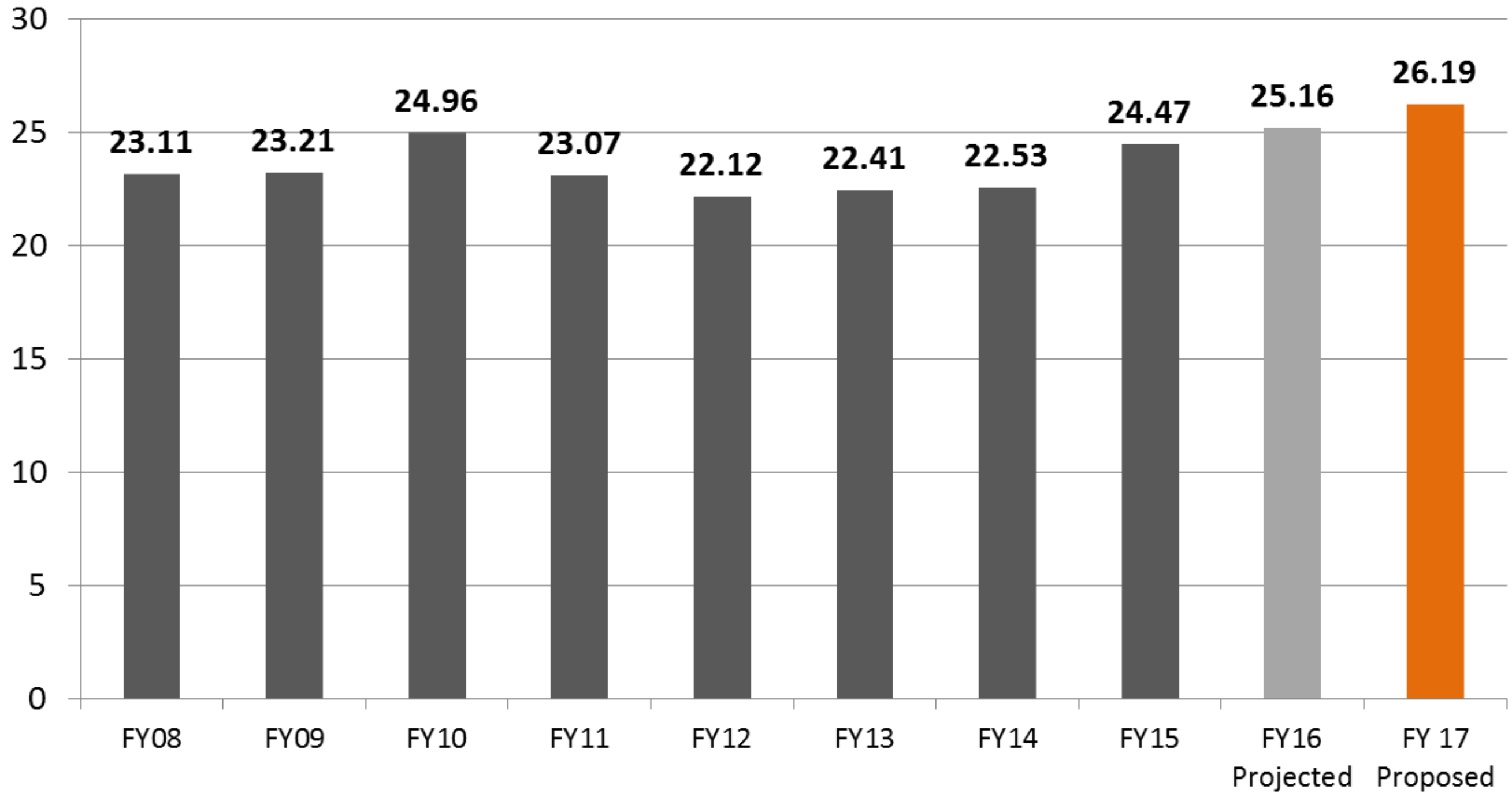
- Demo

# GENERAL FUND REVENUES

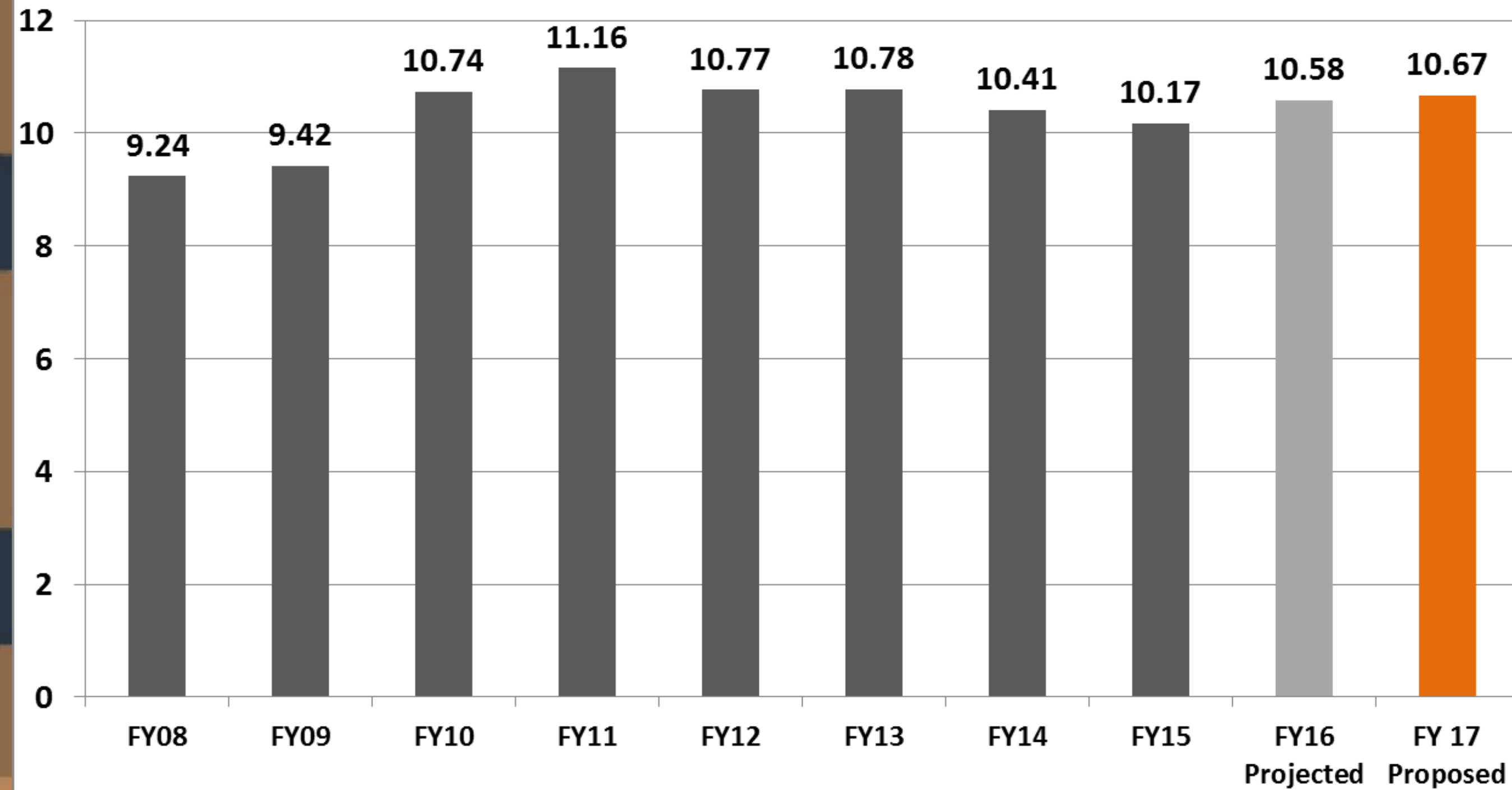
## Utility Transfer (millions)



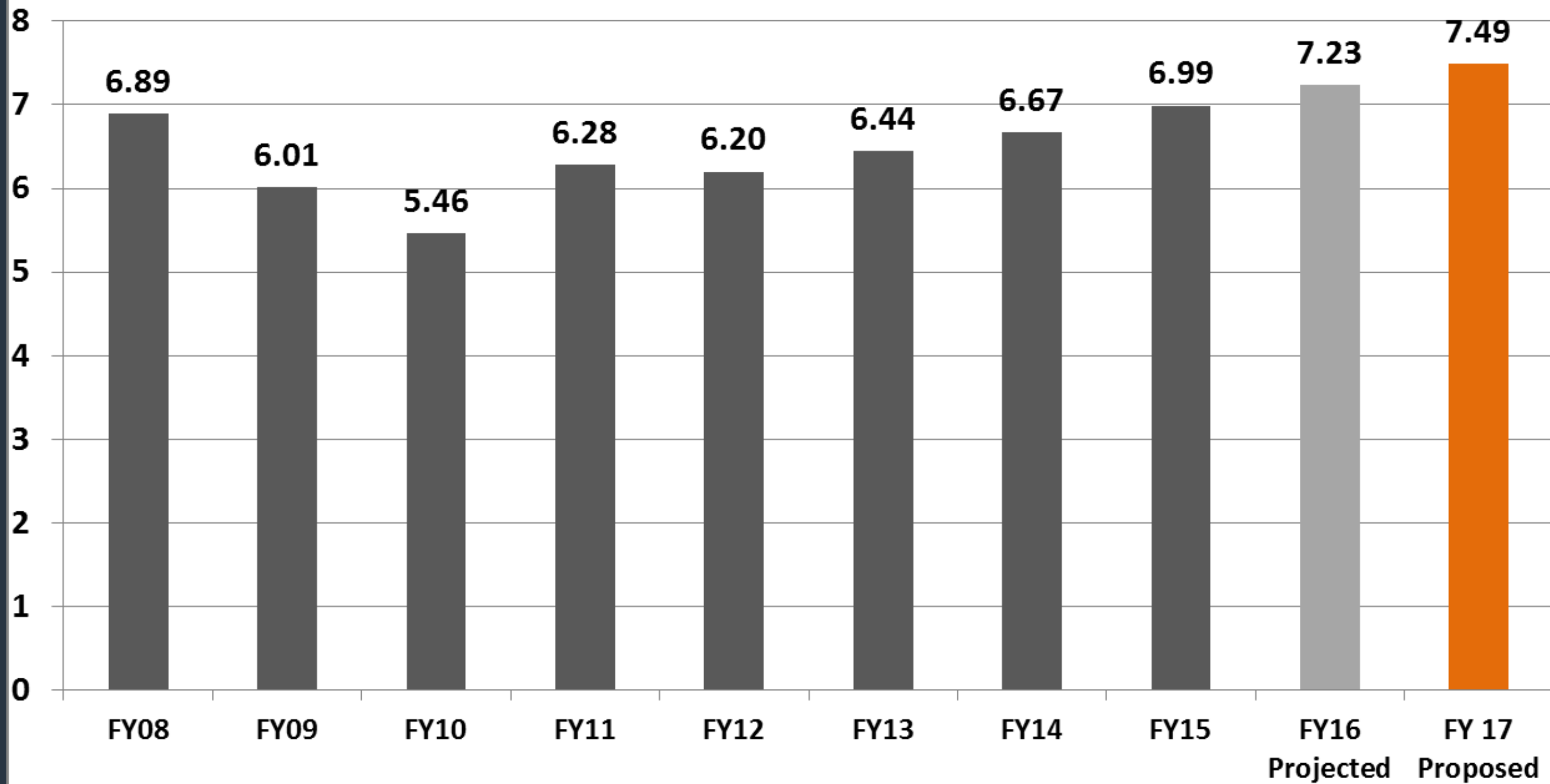
## Property Tax Revenue (millions)



## Utility Tax Revenue (millions)

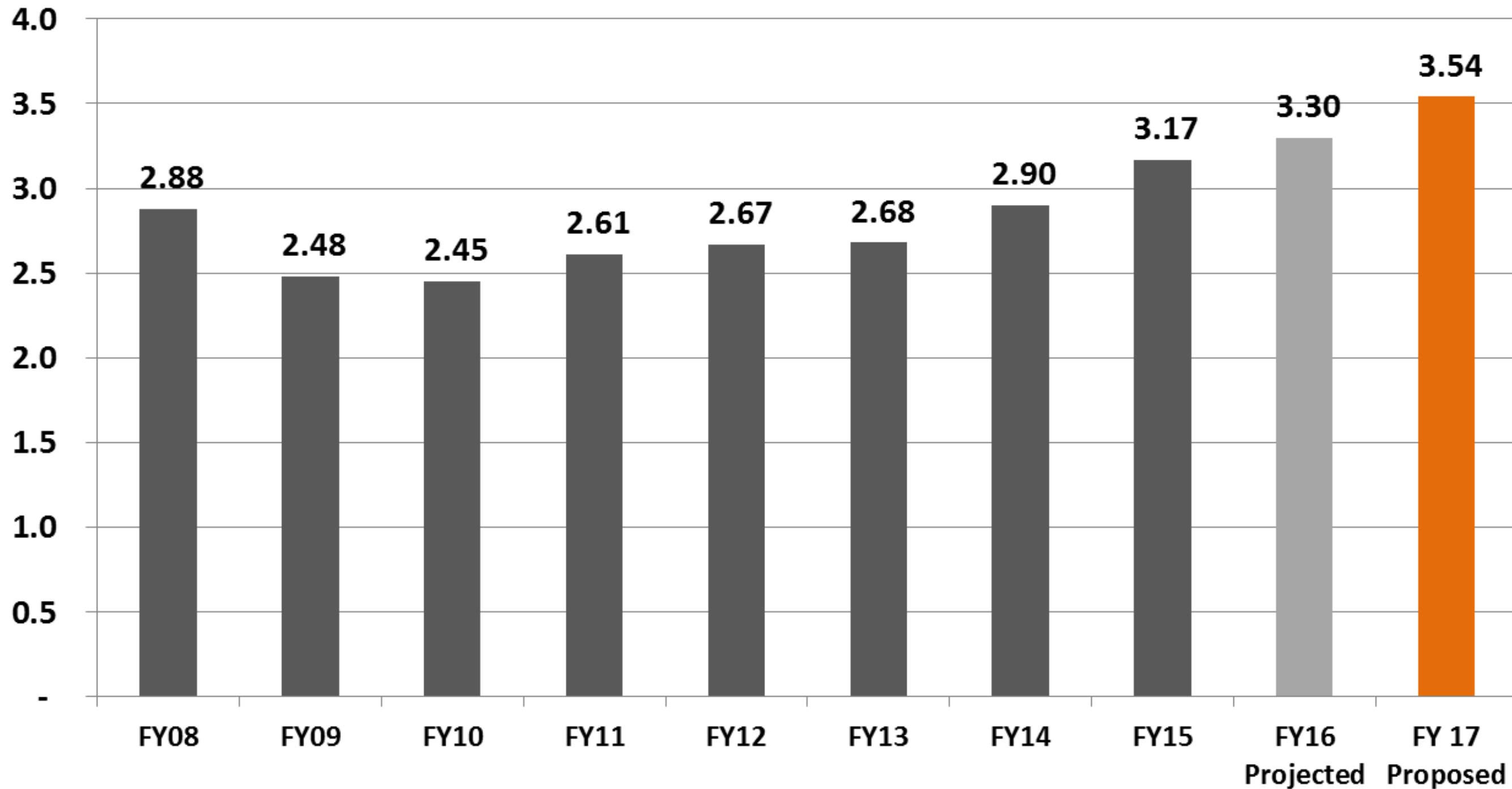


## Half Cent Sales Tax (millions)

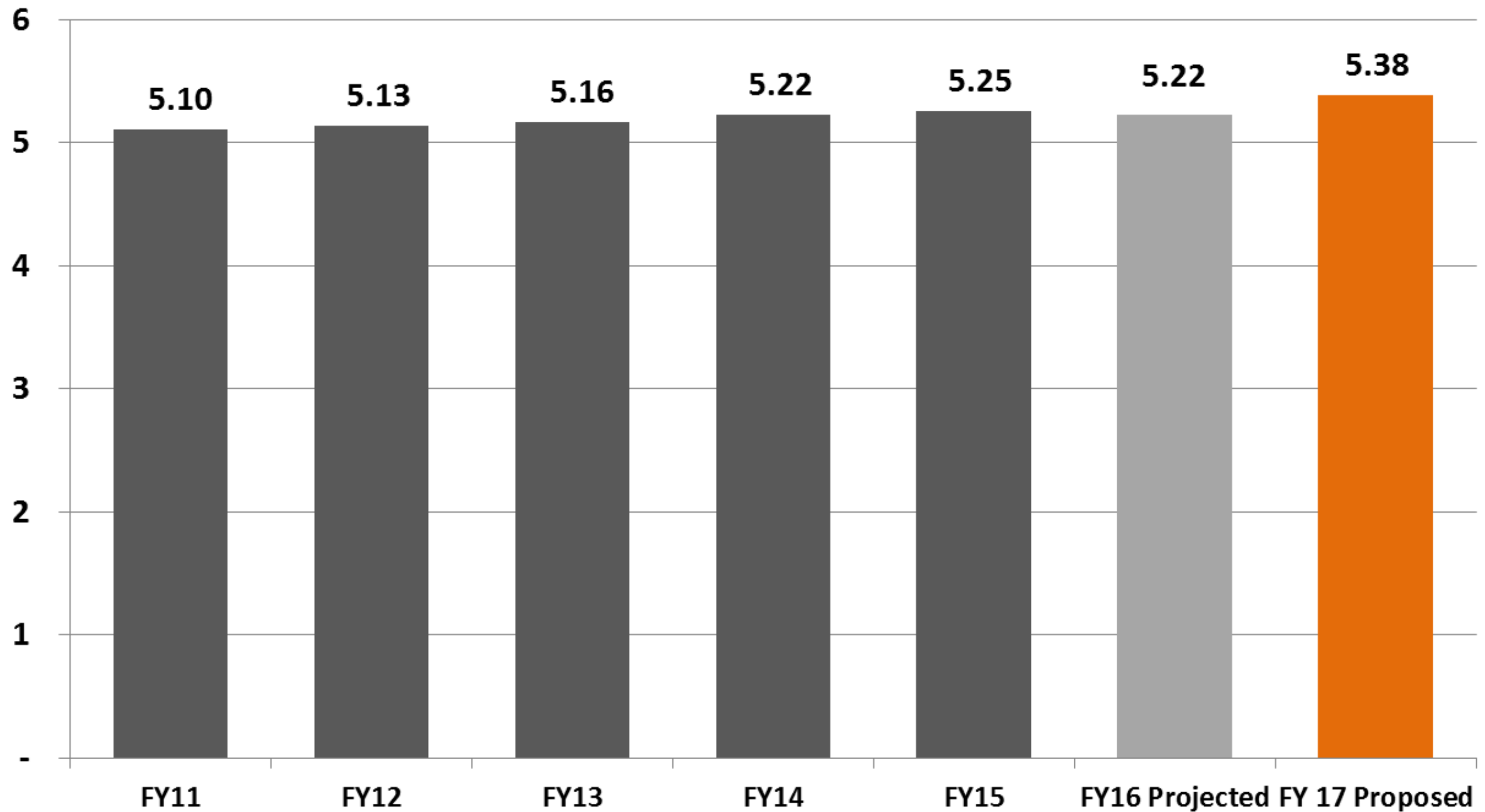




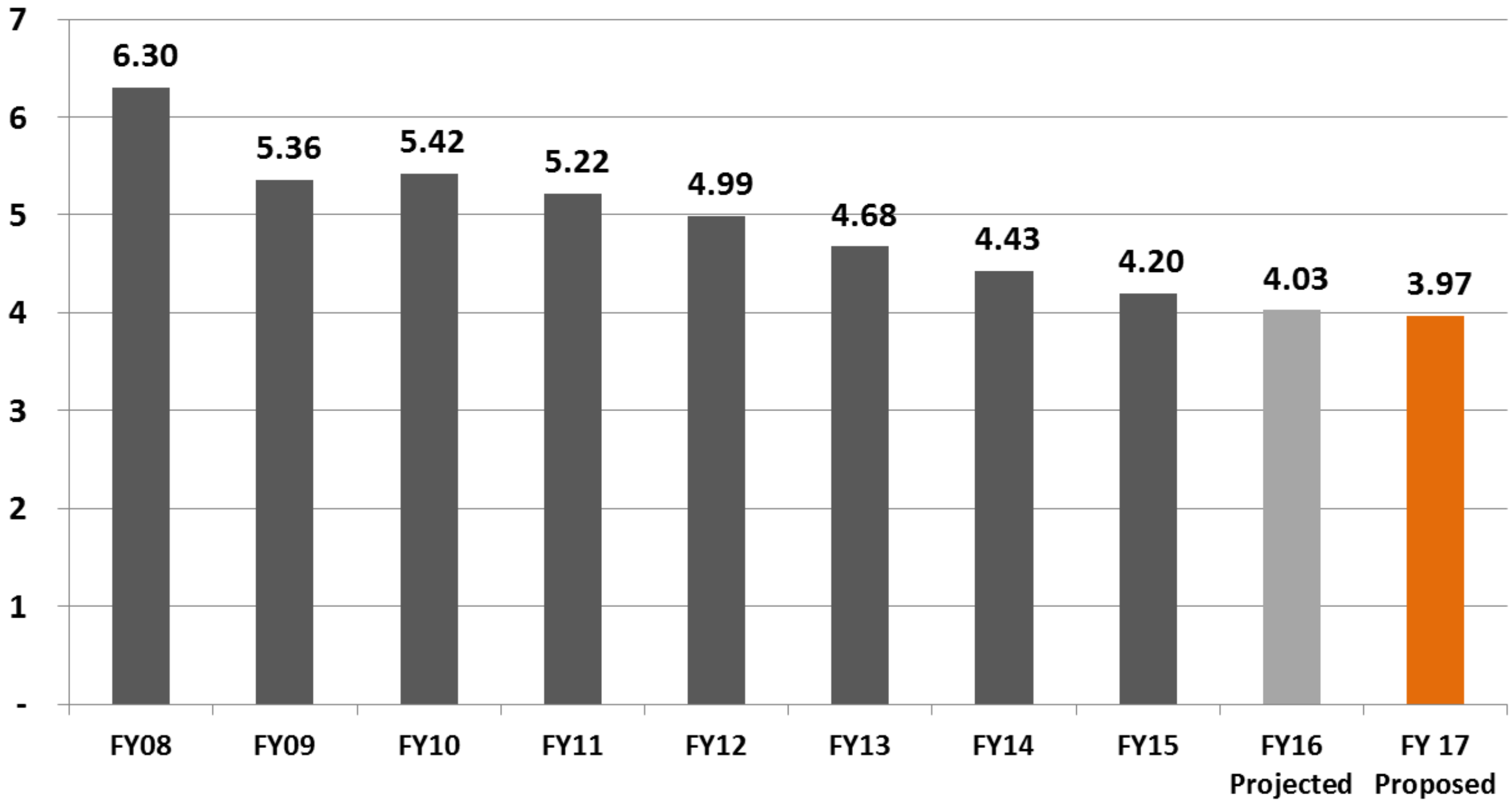
## State Revenue Sharing (millions)



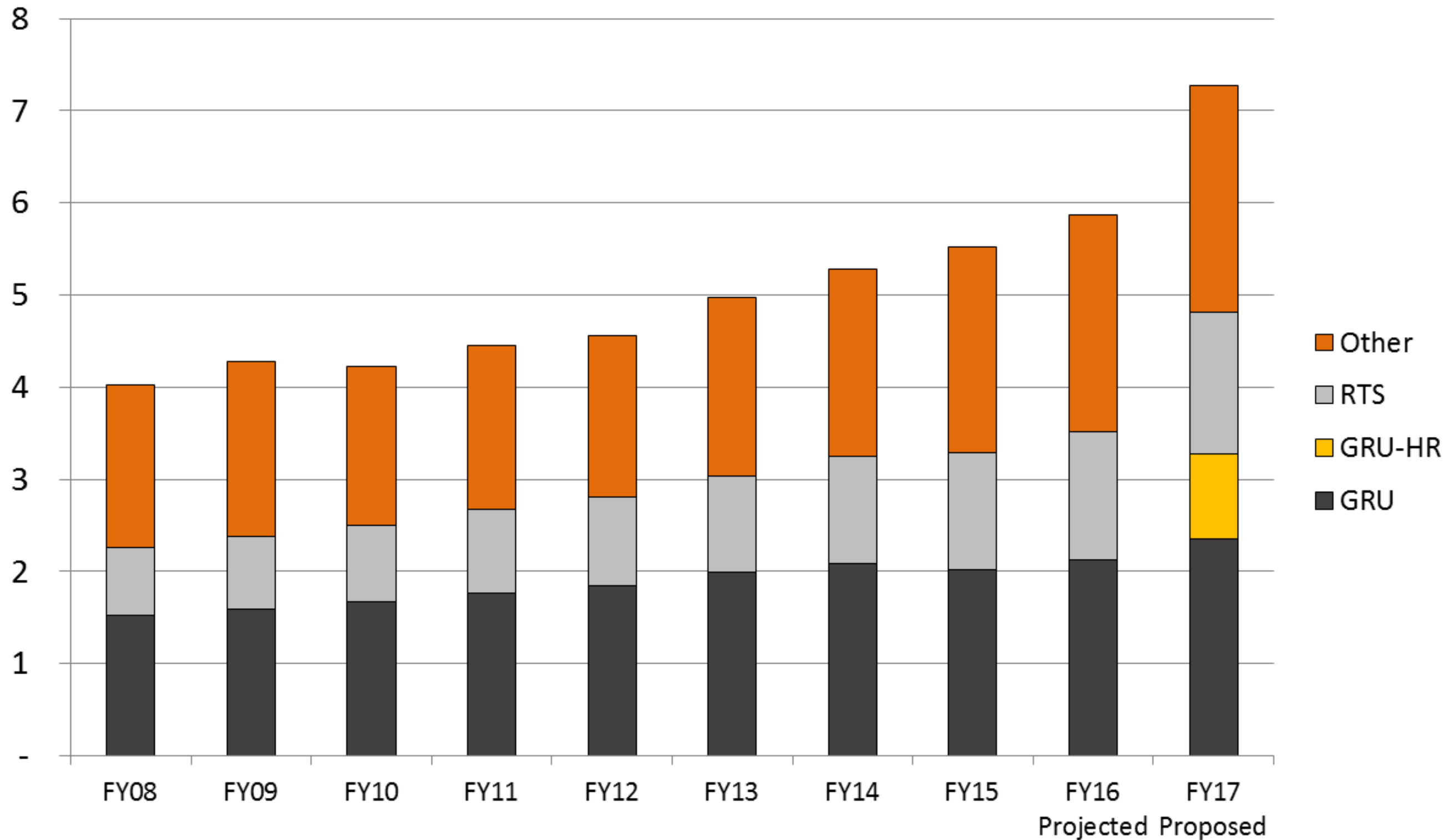
## Fire Assessment (millions)



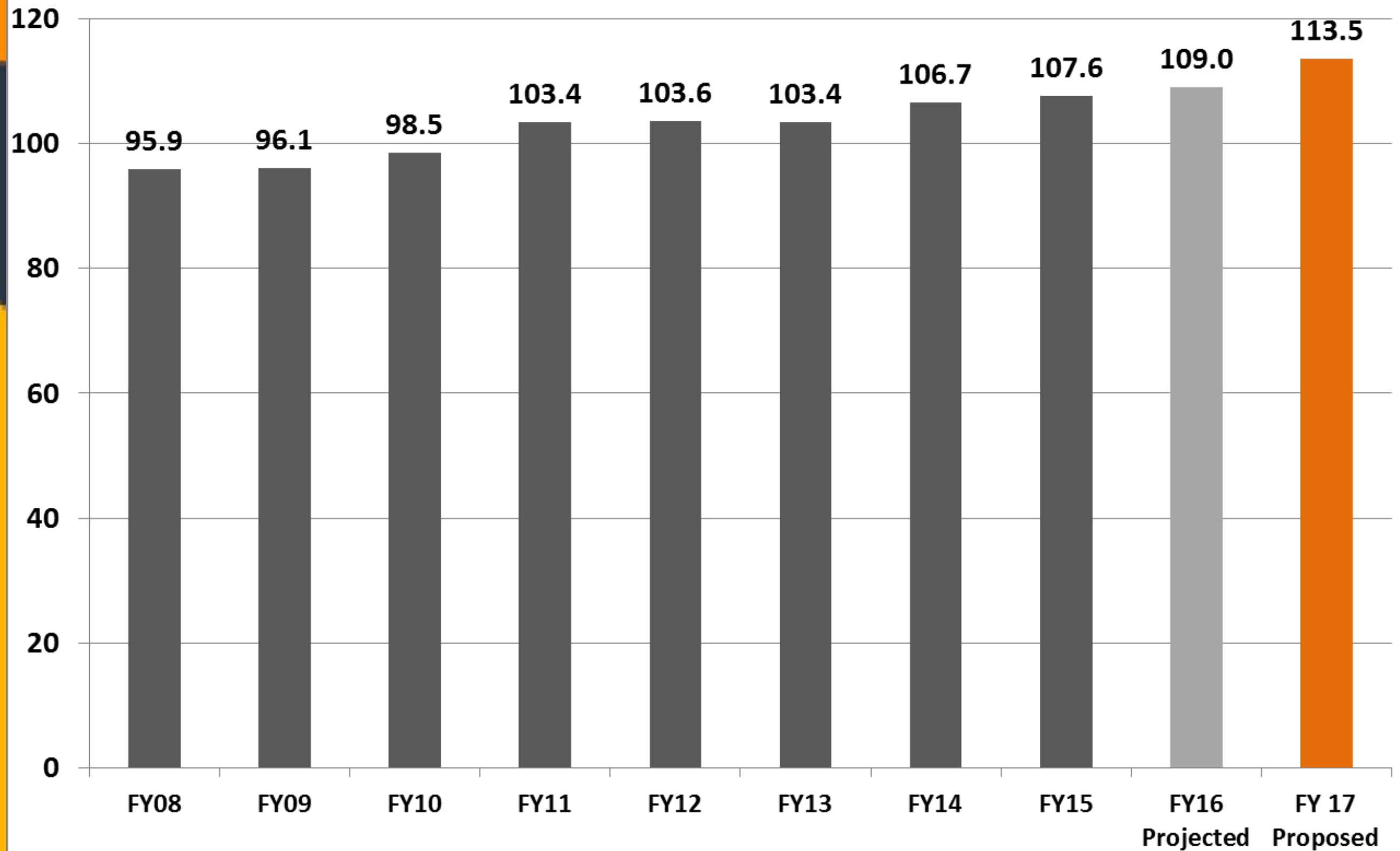
## Communications Services Tax (millions)



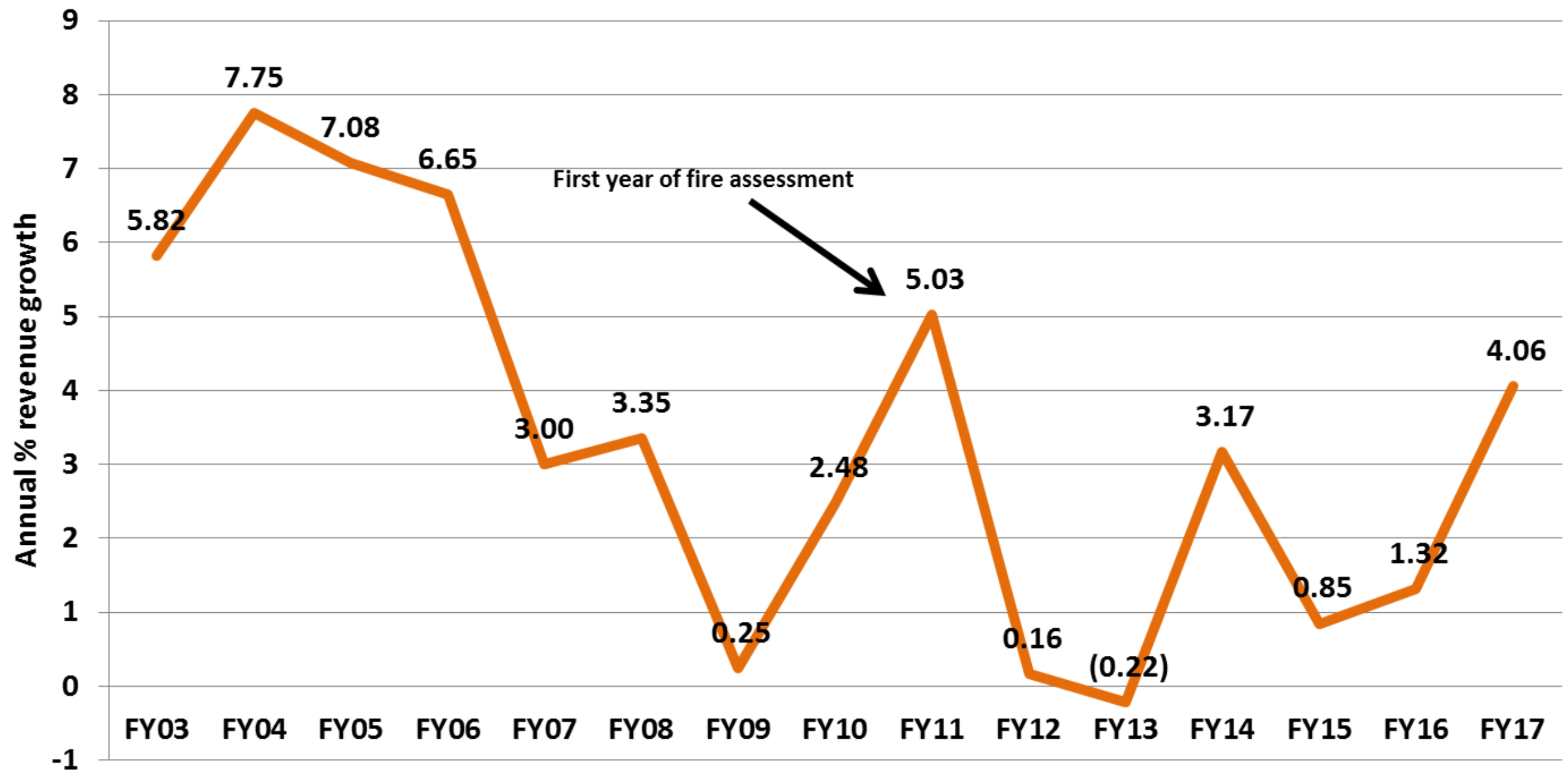
# Indirect Cost Revenue (millions)



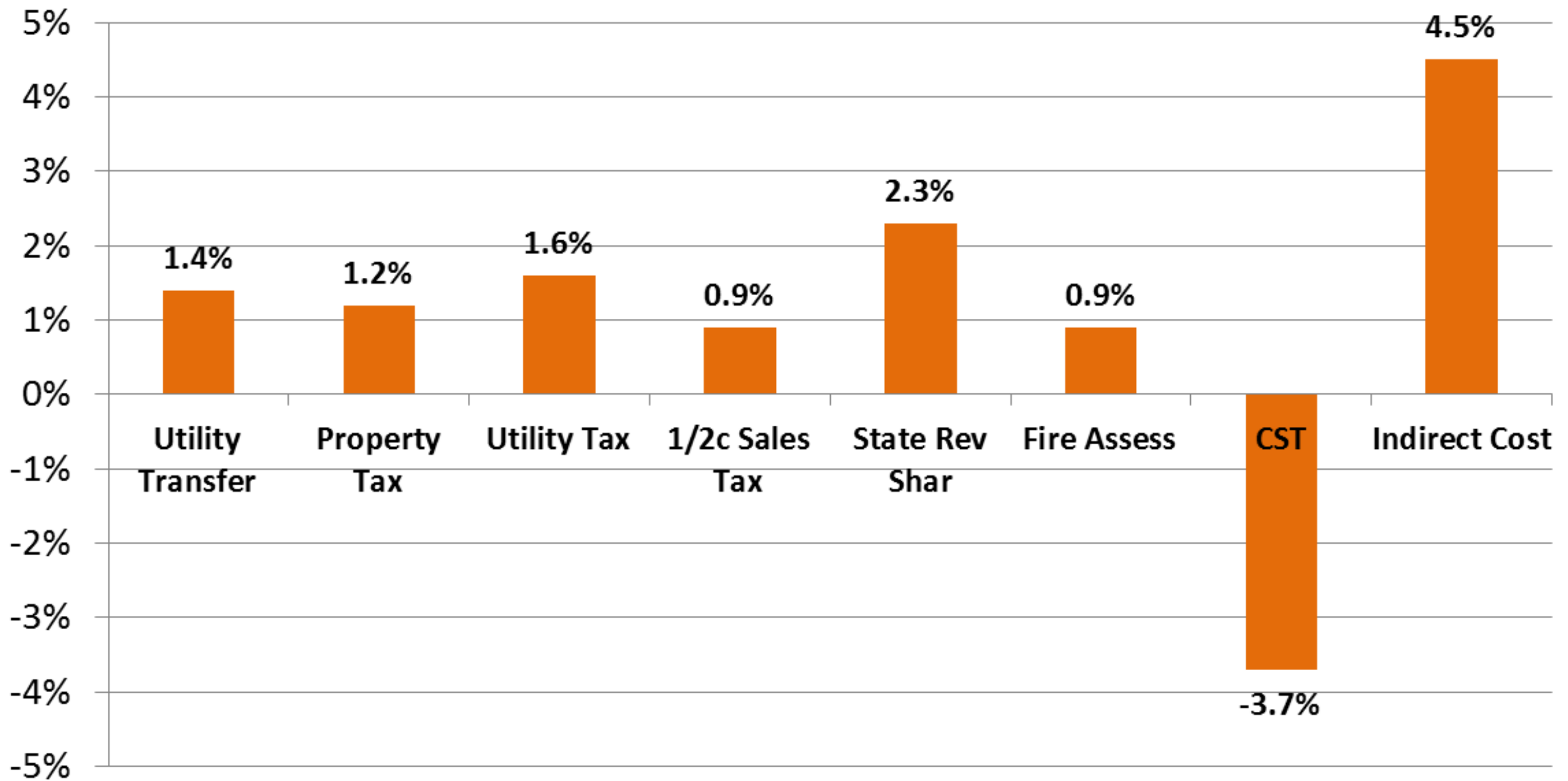
# Total General Fund Revenue (millions)



## Total General Fund Revenue - Annual Growth Percentage



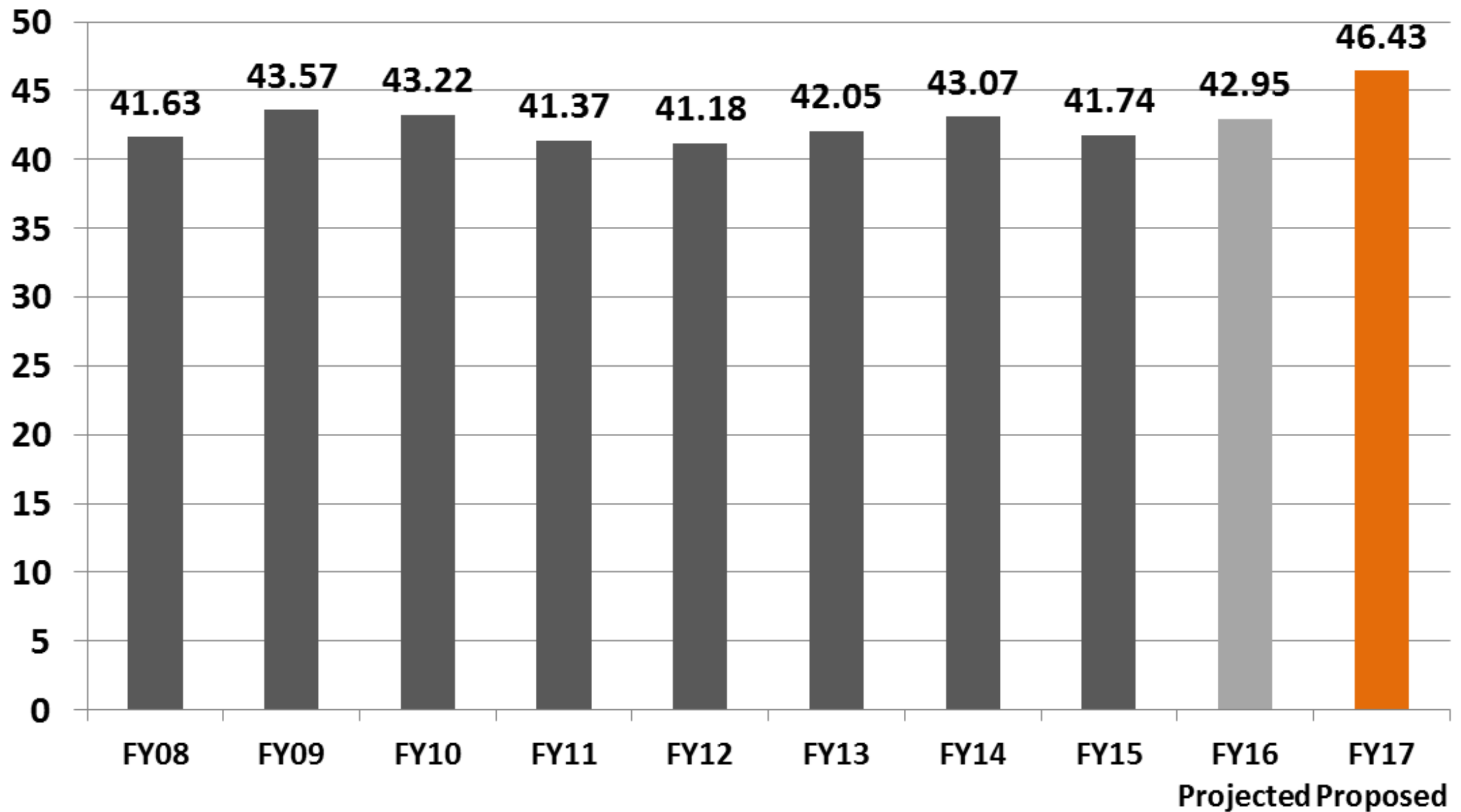
## Ten Year Average Annual Growth



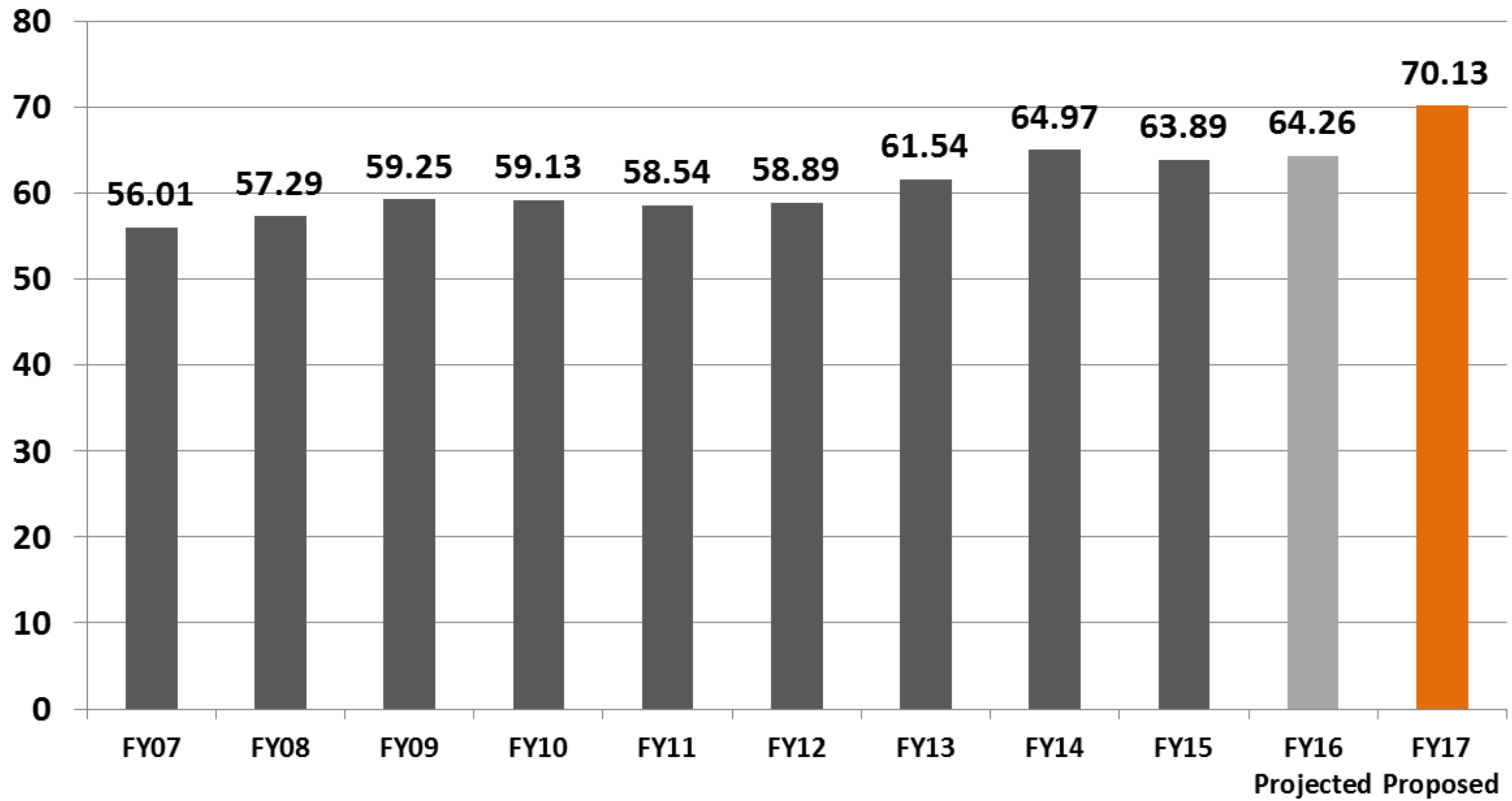
# GENERAL FUND EXPENDITURES



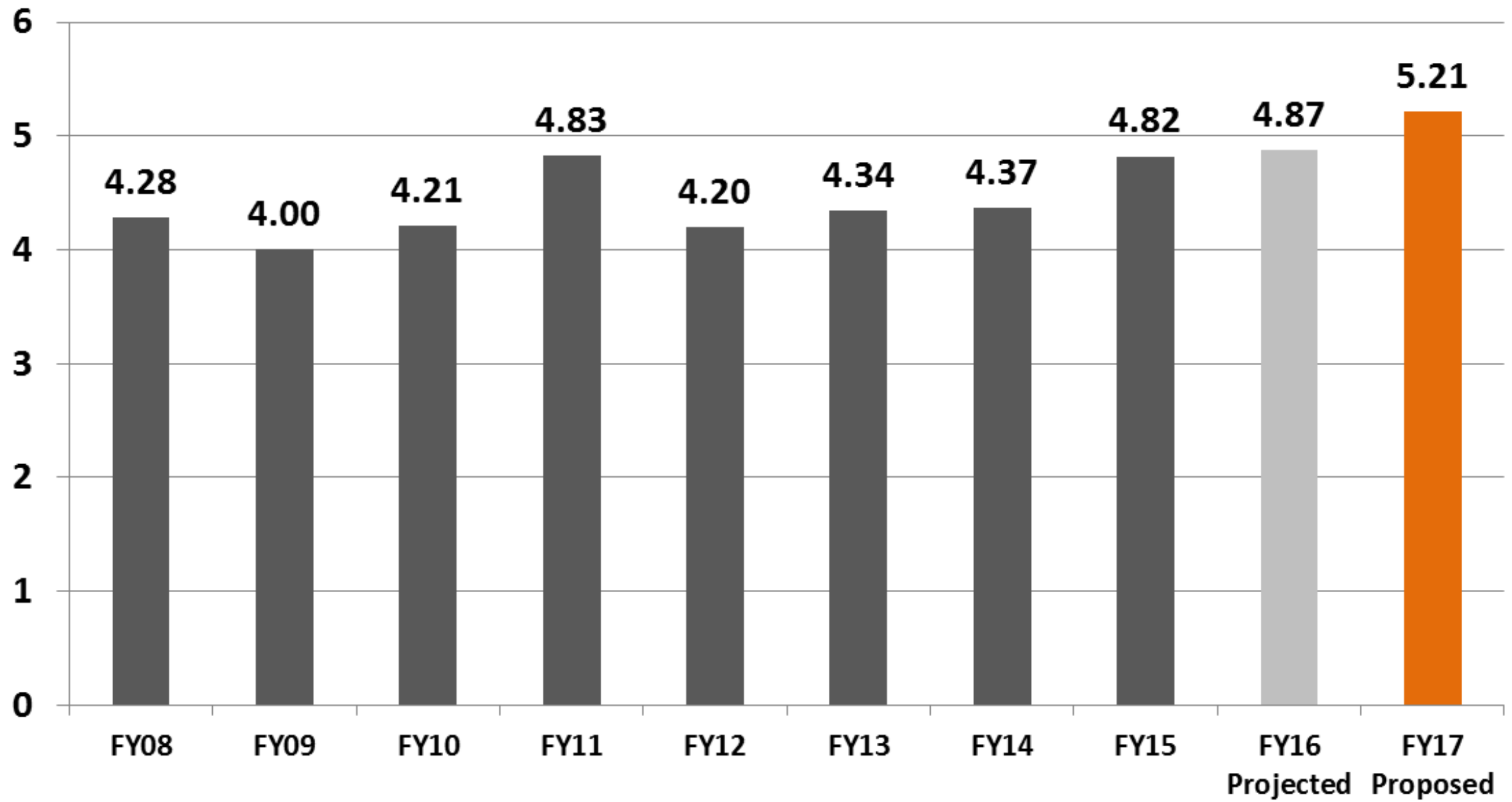
# Direct Salaries & Wages (millions)



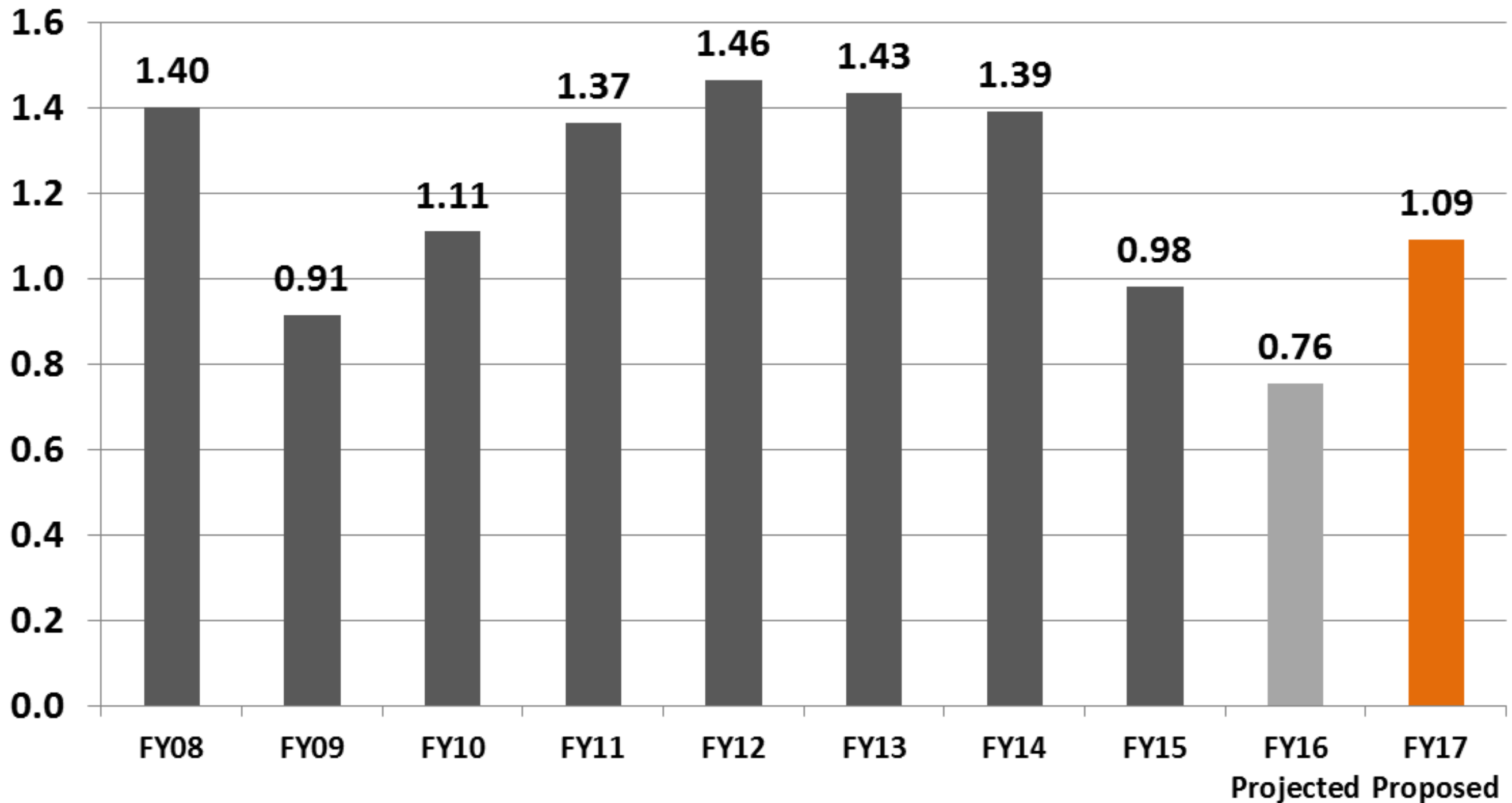
# General Fund Personal Services (millions)



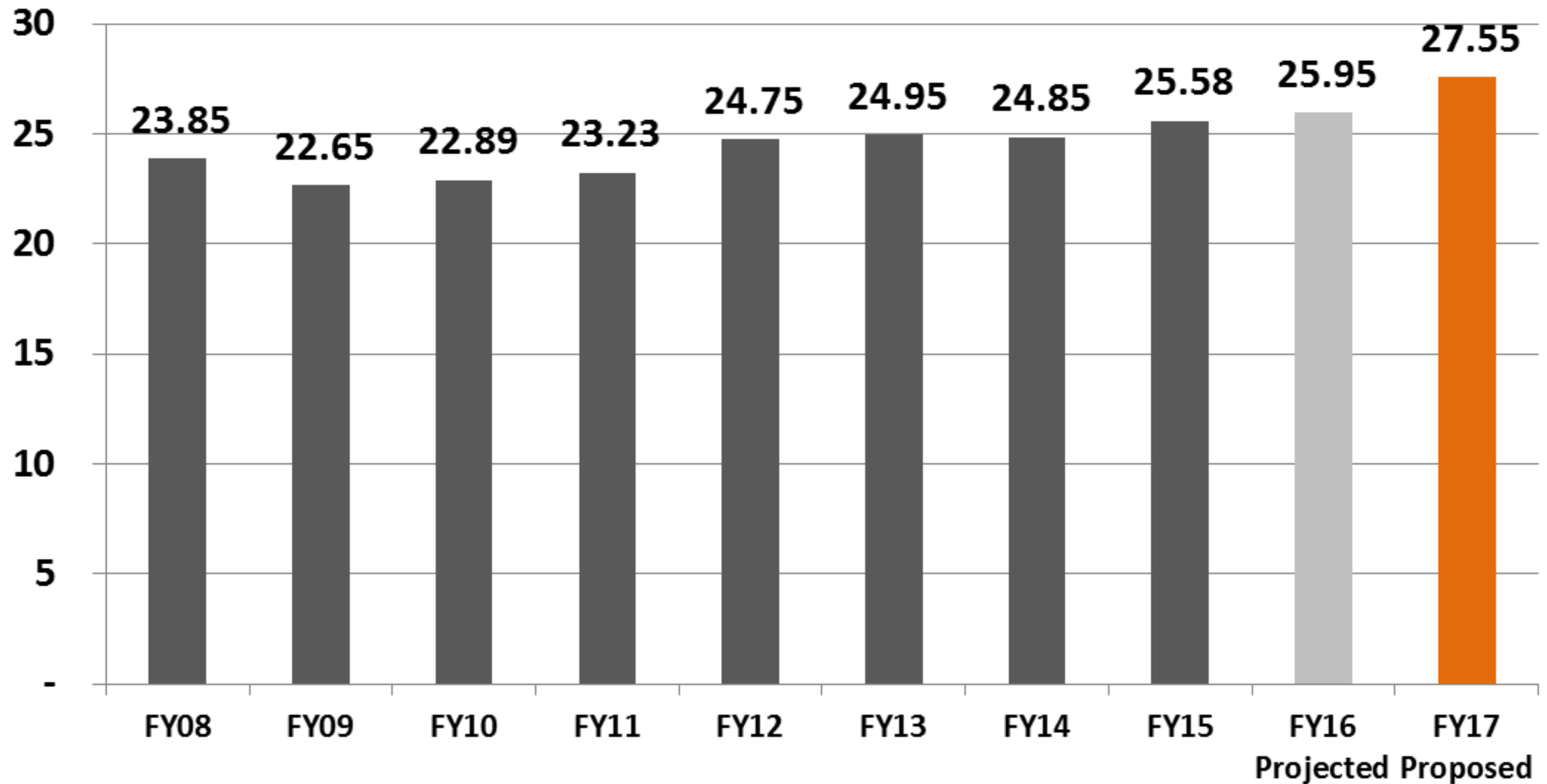
## Utilities Expenditures (millions)



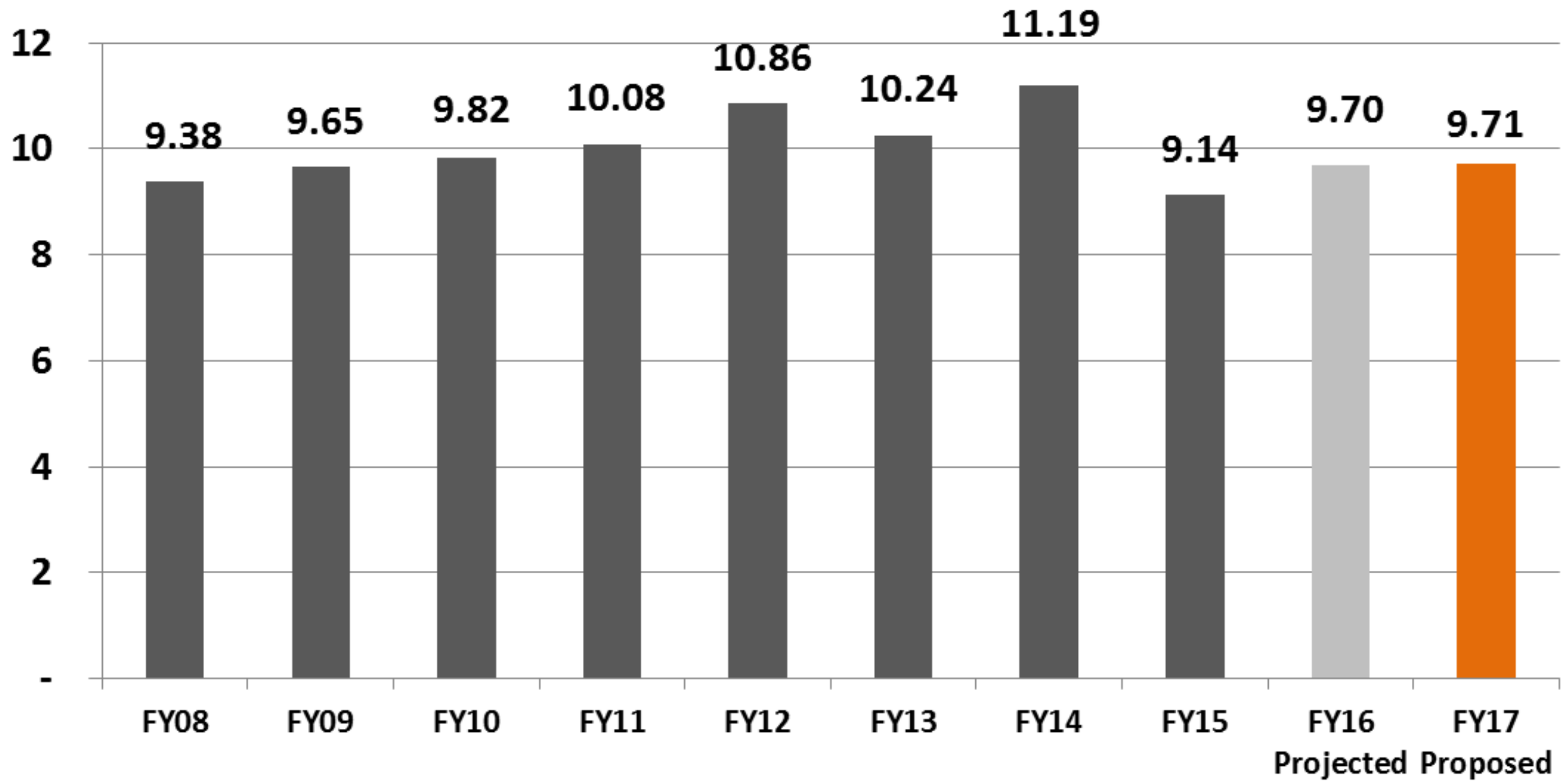
# Fuel Expenditures (millions)



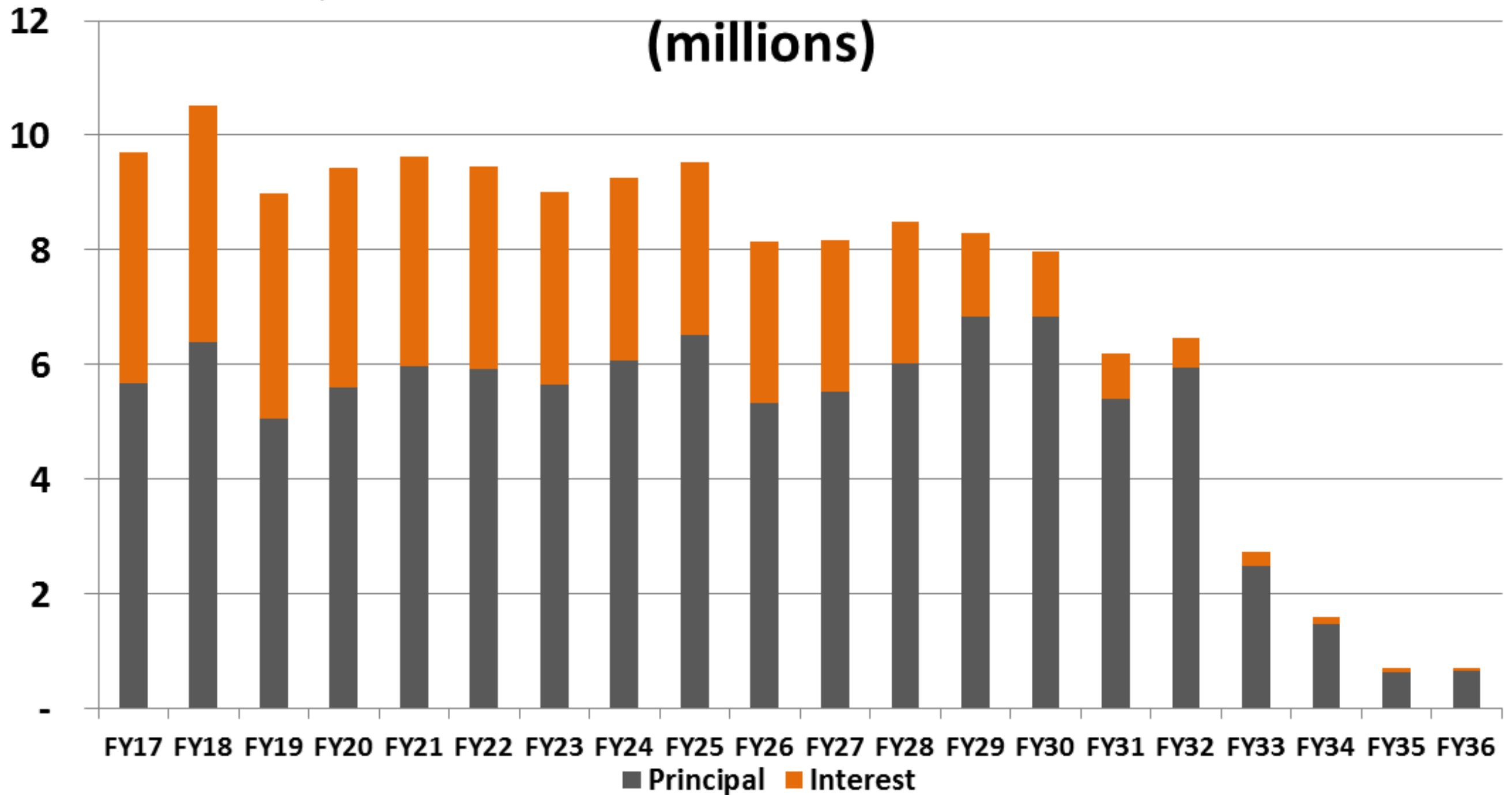
# Total Operating Expenditures (millions)



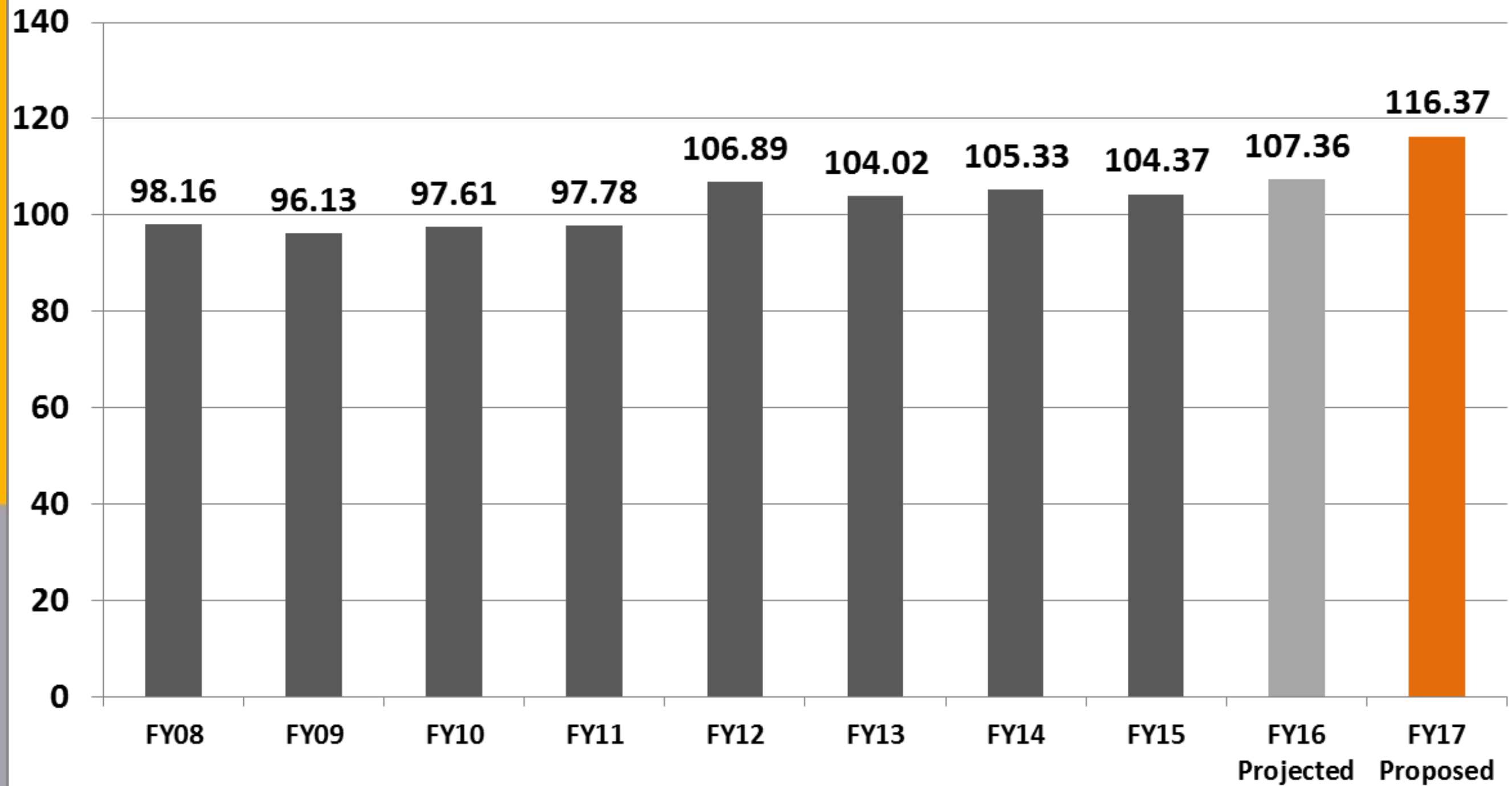
# Transfers for Debt Service (millions)



## Projected Future Transfers for Debt Service (millions)

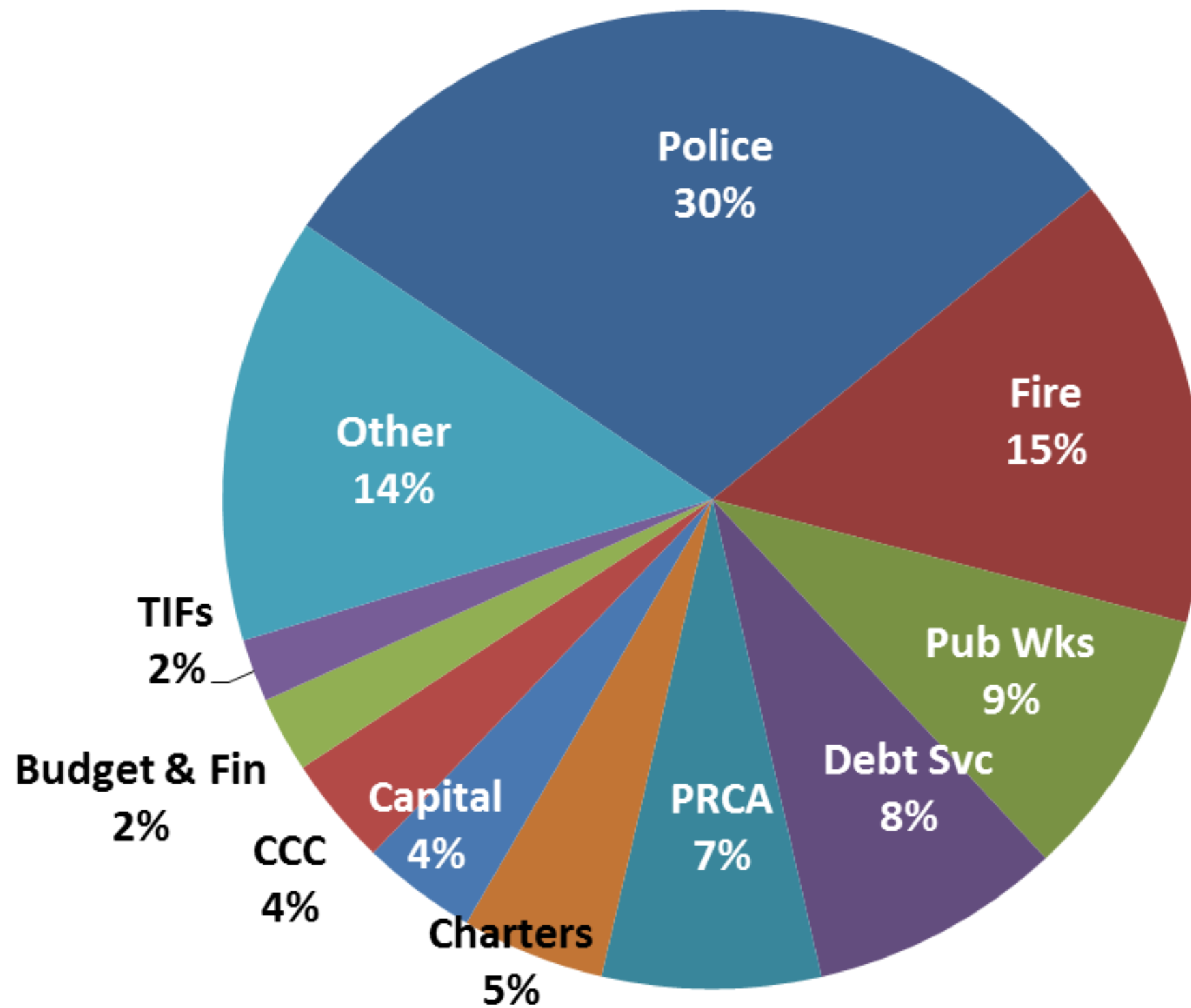


## General Fund Total Expenditures (millions)

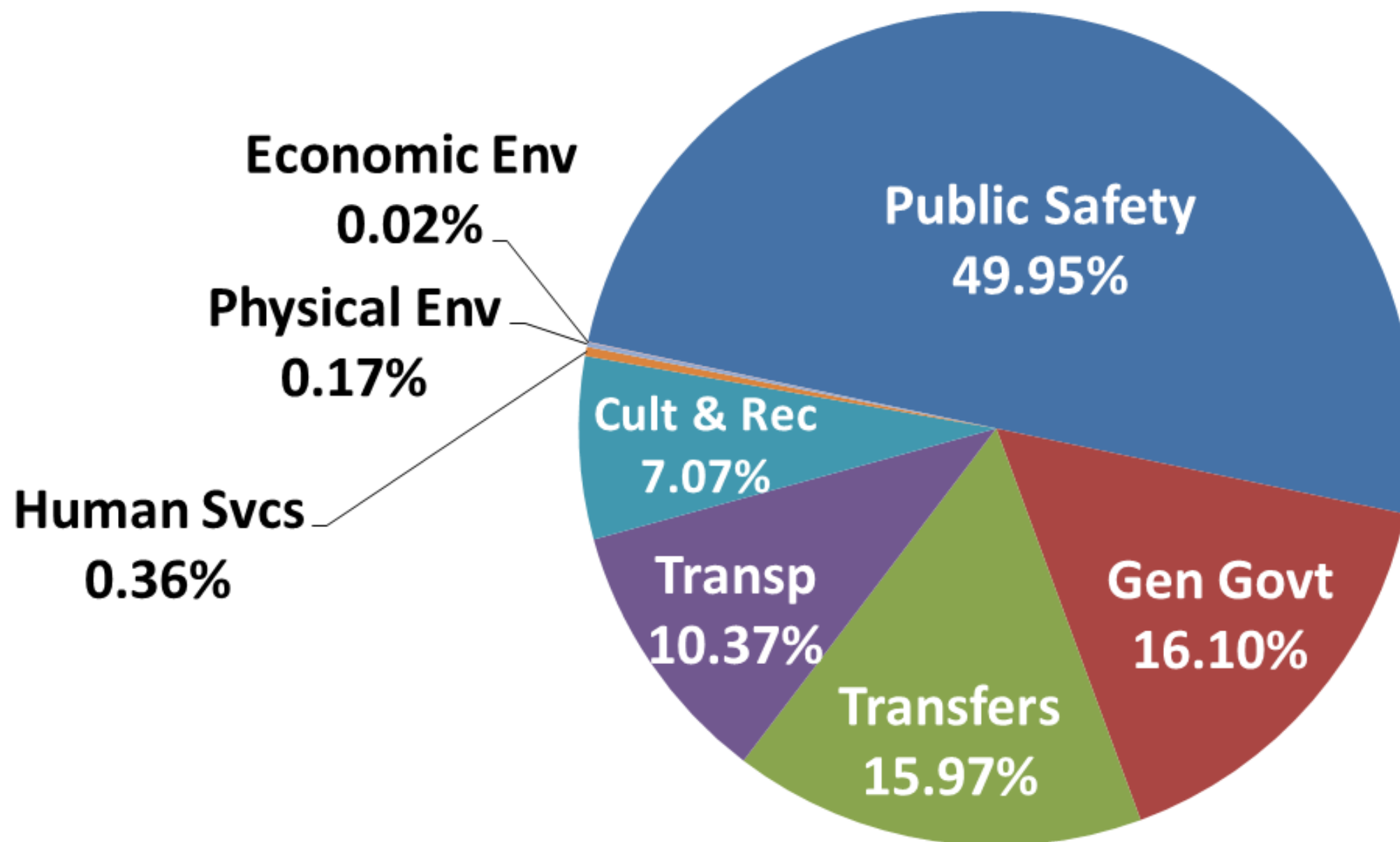




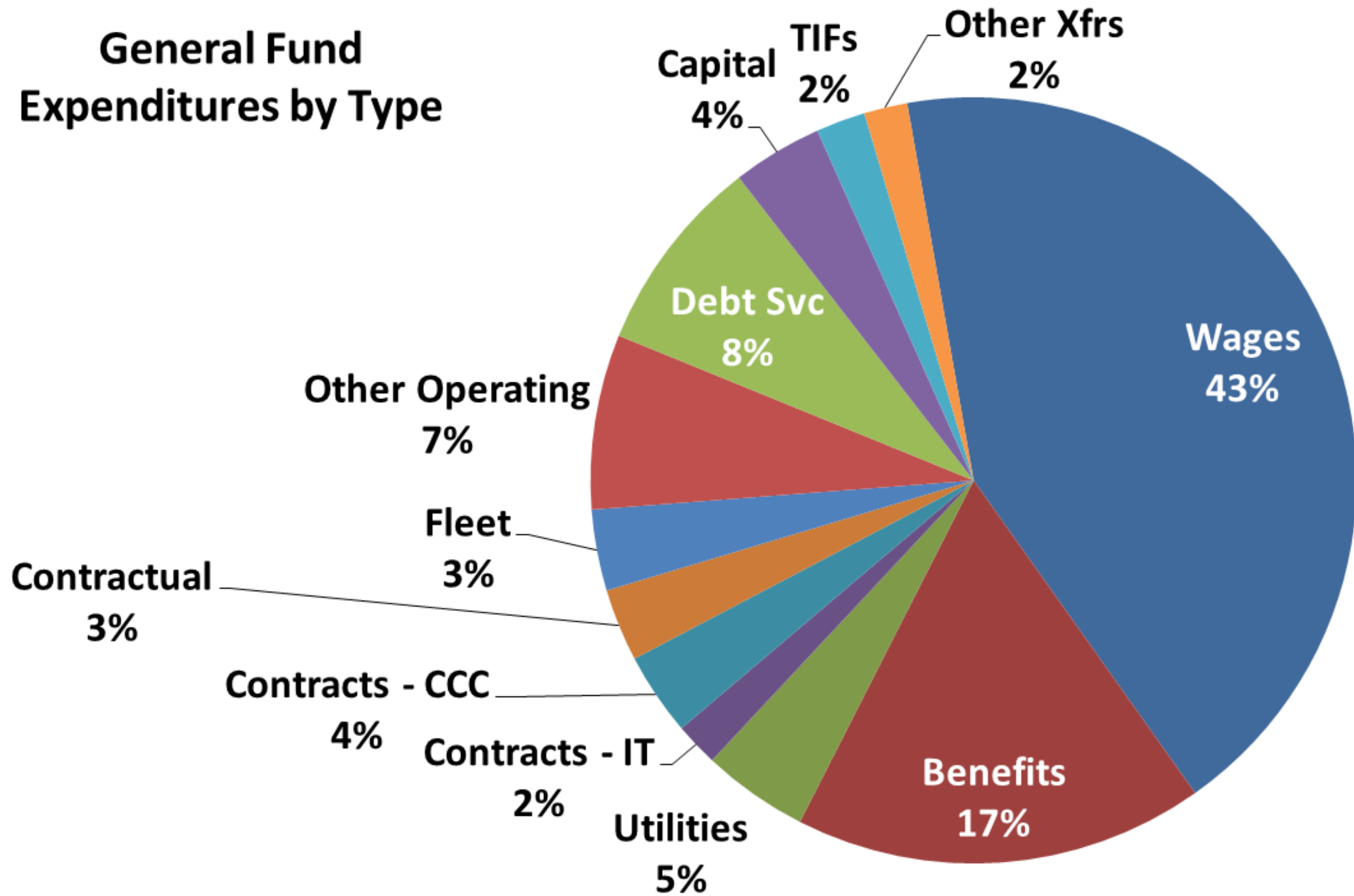
## General Fund Expenditures By Department



## General Fund Expenditures by Function



## General Fund Expenditures by Type



# GENERAL FUND BASELINE

Baseline Revenues	\$113,173,180
Baseline Expenditures	<u>111,706,248</u>
Baseline Surplus	\$1,466,932

## NOTABLE ADDITIONS TO THE BASELINE

\$555k SAFER grant expiration

\$268k COPS grant expiration

\$390k Grace Marketplace operations contract

\$250k Wild Spaces Public Places operating costs

**PROPOSED INCREMENTS**

# INVESTING IN TECHNOLOGY

## \$7M technology investment

### Funded through:

- \$4.7M from proposed new bond issue (\$331,427 annual debt service from surplus)
- \$1.868M from unassigned General Fund fund balance
- \$432K from capital project fund accumulated interest earnings

# INVESTING IN TECHNOLOGY

## Project overview – general features

- Software as a service approach
- Focus on easy to use user interface
- Mobile platforms
- Integrated systems
- Properly sized
- Properly priced
- Strong security & internal controls
- Data backup
- Customer service responsiveness and quality
- Platform for future technology and growth

# INVESTING IN TECHNOLOGY

## Project overview – products and systems

- Human resources (GRU & GG)
  - Employee records, compensation, position control
  - Learning management and online learning tools
- Payroll (GRU & GG)
  - Complex payroll due to shift work and union contracts
  - Includes retiree payroll
- Timekeeping (GRU & GG)
- Employee and manager self service (GRU & GG)
- Finance



# INVESTING IN TECHNOLOGY

## Project overview – products and systems

- Reporting
- Vendor self service and purchasing
- Case management (GRU & GG)
  - Contracts, workers comp and grievance tracking
- Document management system
- Document production
  - Integrated tool for automated reporting
- Data portal for citizens and management
- Cashiering system
  - Integrated with peripheral systems (physical and online)

# INVESTING IN TECHNOLOGY

## Project overview – products and systems

- Billing system
- Credit card payment terminals
  - PCI compliant
  - Pay on foot kiosks (similar to self pay checkouts)
    - Parking garage
    - On or near UF
    - Other City and County facilities & offsite locations
- Other peripherals
  - possibly smart parking meters
  - room to explore department and citizen needs

# INVESTING IN TECHNOLOGY

## Project plan/timeline:

- August 2016 – begin search for professional consultant to assist with:
  - System analysis and options & procurement support
- September - December 2016 – begin hiring process, work with consultant and train new staff
- January – March 2017 – issue & evaluate RFP & perform due diligence
- May - Dec 2017 – implementation, testing & training
- Jan - Mar 2018 – go live for core functionality

# INVESTING IN PUBLIC SAFETY

**\$4.5M to complete reconstruction of Fire Station 1**

- Funded by proposed bond issue (\$317,323 annual debt service)

**\$701K in planned capital from 15-19 CIP**

**\$35K for mental health training for all employees (pilot)**

**\$25K for a residential sprinkler study survey (one-time)**

# INVESTING IN EMPLOYEES

**\$946,628 raises**

- 2% ratified contracts for FY17 for:
  - CWA
  - ATU
  - PBA
  - IAFF-DC
- 3% ratified contract for FY17 for IAFF
- Open contract for FY17 for FOP
- MAPS

# INVESTING IN CITIZEN CENTERED GAINESVILLE

160155A

## \$400,000

- Adds Director of Citizen Centered Gainesville
- Adds Action Officer to City Hall front desk
- Adds recurring capital and operating for project seed funding

# INVESTING IN CORE SERVICES STAFFING

160155A

**\$157,365**

- Construction Project Manager
- Senior Buyer
- Revenue Recovery and Contract Specialist (with offsetting revenue)

# INVESTING IN PARKS, RECREATION AND CULTURE

**\$197,618 recurring**

- Operations and one position for A. Quinn Jones Museum
- Summer Heat Wave program funding
- Continuation of bike share program
- Convert three part-time temporary positions to regular full-time positions
- Smokey Bear restroom operations
- Pine Ridge summer camp



# INVESTING IN PARKS, RECREATION AND CULTURE

**\$95,787 pilot one-time**

- 352 Arts Space Coordinator position and programming
- Eastside arts initiative

**\$119,650 new capital**

- Construct restrooms at Smokey Bear Park
- Clarence Kelly scoping and design
- A. Quinn Jones museum opening costs

**\$628,946 planned capital from 15-19 CIP**

# INVESTING IN DIGNITY VILLAGE & EMPOWERMENT CENTER

160155A

## \$207,041

- Dignity Village Project Manager (pilot)
- Dignity Village GPD officers (2) (pilot)
- Bus Passes for Empowerment Center (pilot)

# INVESTING IN MARKETING AND COMMUNICATIONS

160155A

**\$112,158**

- Remote live streaming of meetings
- Pilot funding for communications/marketing outreach

# INVESTING IN ROADS & SIDEWALKS

Planned capital from FY15-19 CIP

**\$1,470,688 – Road resurfacing (primarily from Solid Waste Fund)**

**\$601,381 – Asphalt crew**

**\$100,000 – Sidewalk maintenance**

**\$60,000 – Traffic signal mast arms maintenance**

**\$15,000 – Median repair & improvement**

# **OTHER PLANNED CAPITAL FROM FY15-19 CIP**

**Planned capital from FY15-19 CIP**

**\$200,000 Technology**

**\$100,000 General facilities maintenance**

**\$25,000 Boardwalk replacement**

**\$25,000 ADA repairs**

**\$10,000 GTEC maintenance**

# FUNDING OF RECOMMENDED INCREMENTS

- **Recurring increments (including new debt service)**
  - \$1,466,932 from General Fund surplus
  - \$805,688 from General Fund unassigned fund balance
  - \$114,272 from Community Grant Program reclass/elimination
- **FY15-19 existing CIP projects**
  - \$2,482,500 from General Fund baseline
  - \$1,429,515 from Solid Waste Fund baseline
- **Pilot programs**
  - \$270,000 from QTI set aside
  - \$167,801 from General Fund unassigned fund balance
- **Additional capital**
  - \$9.2M from new bond issue
  - \$1,868,000 from General Fund unassigned fund balance
  - \$551,650 from capital project funds accumulated interest earnings

# PROPOSED USE OF GENERAL FUND FUND BALANCE

- \$ 805,688 Recurring increments (including new debt service)
  - \$ 167,801 Pilot programs
  - \$1,868,000 Additional capital
  - \$2,841,489 Total proposed use of GF unassigned fund balance
- 
- \$7,086,188 Projected 9/30/16 GF unassigned fund balance over 10%
  - - 2,841,489 Proposed uses
  - \$4,244,699 Projected 9/30/17 GF unassigned fund balance over 10%

**OTHER INCREMENTS**  
FOR CONSIDERATION



# FY16 PILOT PROGRAMS

- \$50,000 Florida Institute for Commercialization of Public Research
- \$35,000 Parent Emissary Program with ACPS
- \$15,000 Uber for the elderly program
  - \$36k at current usage levels
- \$15,000 Active Streets
- \$6,500 CDBG grant replacement program

# OTHER INCREMENTS FOR CONSIDERATION

- \$46,603 Additional funding requested for the Empowerment Center Contract
- \$10,000 Reichert House
- \$5,000 Porters Summer Camp
- \$5,000 Wilhelmena Johnson Programming
- \$824,560 (gross) Eliminate Business Tax

# EQUAL OPPORTUNITY DIRECTOR'S REQUEST

- **B2GNow Diversity Compliance Tool**
  - \$23,813 one-time and \$25,988 recurring for three years
  - Utilized by hundreds of cities, counties, airports, ports transit agencies and school districts around the country

# RECENT OBSERVATIONS

- No real-time system to report expenditure data of small, minority, women and veteran businesses; current paper intensive process for reporting and GG/GRU systems are not integrated with Office of Equal Opportunity
- No real-time online, searchable directory of firms available for internal departments and external agencies
- No comprehensive mechanism to track subcontracting expenditures
- No online dashboard and real-time reporting mechanism to citizens

# B2GNOW DIVERSITY COMPLIANCE TOOL

- Synchronize all GG and GRU expenditures in one place for reporting and tracking internally and to the public
- Track subcontractor dollars by prime vendors
- Automate small business program application
- Real-time reporting of local, small, minority, women and veteran spending via online dashboard
- Customized and searchable directory of firms (local, small, minority, women and veterans) available to internal departments and external agencies

# CITY AUDITOR INCREMENT – ADD 1 SENIOR AUDITOR



**GLOBAL AUDIT  
INFORMATION NETWORK®**

**Welcome to GAIN's 2015 Annual Benchmarking Study  
The leader in internal audit benchmarking services since 1992!**

**Report Date: 6/23/2016**

**This GAIN Annual Benchmarking Report was prepared exclusively for:**

**City of Gainesville, Florida**

Note 1: One auditor position eliminated in 2010 budget cuts.

Note 2: One Asst. City Auditor position ( \$85k) eliminated in 2015 and replaced with IT Auditor (\$70 k).

# CURRENT STATE

<u>Current Staff</u>		<u>Staff Available for Audits</u>	
Admin -	0.5	Admin -	0
Senior Auditor –	1	Senior Auditor –	1
IT Auditor –	1	IT Auditor –	1
Asst. City Auditor -	1	Available Audit time -	.8
City Auditor -	1	Available Audit time -	.5
<hr/>		<hr/>	
<b>Total Personnel</b>	<b>4.5</b>	<b>Total Available Auditors</b>	<b>3.3</b>

## Breakdown of \$109,552 increment for 1 Senior Auditor

- Mid-point Pay for Senior Auditor: \$74,769
- Other Personal Services Costs of \$27,583
- Other Costs\* \$ 7,200

(\*training, dues, professional memberships, IT licenses)

## IIA AVERAGES – 84 ORGANIZATIONS

Organization Revenue	Expenses	Total Employees	Audit Staff Count	Internal Audit Costs
\$500 Million - \$1 Billion	\$691,891,958	2,523.00	5.25	\$821,566
\$1 Billion - \$5 Billion	\$1,832,140,820	21,858.00	6.00	\$395,691

Total COG & GRU Operating and Capital Expenses proposed for 2017 = **\$633 million**

Total COG & GRU employees (not including seasonal) = **2,212**

Internal Audit Budget Including Increment:  $552,960 + 109,552 = \text{\$662,512}$



# CITY AUDITOR'S COVERAGE

- Audits for TWO Organizations: GRU and COG
- **New:** Hotline operation and internal investigations
- **New:** COSO Internal Control Program
- Requests from CCOM, Charters, DHs
- Coordinate TWO external audits yearly, oversee contract, generate RFP
- Responsible for Audit & Finance Committee Meeting Agendas
- New CCOM 6x1 Meetings

**Note:** A basic tenant of an independent audit function is that only those charge with governance have a role in funding decisions (contained in Resolution 150127\*).

\*Section I D: "...the proposed budget will be transmitted to the City Manager for inclusion without changes in the proposed City budget, and will be considered by the City Commission."

# CITY CLERK INCREMENT REQUEST

- **\$10,000 MuniCode – Research discriminatory language**
- **\$9,677 Reorganization**

# LEVERS AND FUNDING OPTIONS

# PROPERTY TAX – MILLAGE RATE

Millage Rate	Total Revenue	Change from Proposed (net of TIF xfrs)
4.5079 Proposed Millage Rate	\$26,188,944	\$0
4.4057 Rolled Back Rate	\$25,595,365	(\$538,733)
6.5926 Maximum Simple Majority Millage Rate	\$38,300,148	\$10,992,126
7.2519 Two Thirds Majority Millage Rate	\$42,130,395	\$14,468,457
10.000 Statutory Maximum Millage Rate	\$58,095,664	\$28,958,533

# OTHER REVENUE LEVERS

Revenue Type	Lever	Fiscal Impact
Fire Assessment	Factored Fire Protection Unit	Moving to 50% level generates \$1M
Business Tax	Rates can only be changed with an equity study	Unknown
Other Fees & Charges	Rec fees, parking decals, parking fines, SRO	Unknown
GRU Transfer	Negotiated or formulaic amount	Unknown
Utility Tax	Shifting between rates and fuel adjustment	1% electric rate increase results in \$79k increase in tax

# EXISTING FUNDS/FUNDING SOURCES

Existing Fund/Source	Lever	Fiscal Impact
CRA Districts	Sunset or phase out	CPUH up to \$1.2M Downtown up to \$700K
Capital Projects Funds/ Special Revenue Funds	Reallocate/Repurpose	Varies
General Fund Unassigned Fund Balance	Allocate funding above 10% threshold	Appx \$4M after proposed budget
Proposed Increments	Eliminate, reduce, change	Varies
Recurring Spending in Baseline	Eliminate, reduce, change	Varies

# FEEDBACK

- Proposed Increments
- Other Increments for Discussion
- New/Added Initiatives/Increments
- Levers

# NEXT STEPS

- July 25 10am – Budget Workshop
  - Fire Assessment rate resolution & Other Funds
- July 28 1pm – Budget Workshop
  - Adopt proposed tentative millage rate
- Late August – Design Session for the Gainesville Creative Series
- September 8 6pm – First Budget Hearing
  - Adopt final fire assessment rate resolution
- September 15 6pm – Final Budget Hearing
  - Adopt final millage rate