

City of Key West

**Summary of Proposed
General Fund Budget
FY 2014-15**



Adopted FY14 vs. Proposed FY15 Operating Expenditures

- **\$41.1 million vs. \$44.6 million = \$3.5 million difference**
- **Over \$3.5 million of base operating budget for FY15 is for committed/incremental expenditures not included in FY14 budget (\$1.2 million in revenue offset and one-time money)**
- ❖ Totals do not include fund balance
- ❖ 2015 amount does not include upgraded pay scale (from compensation study) but does include Commission approved EMS integration

Committed/Incremental Expenditures

		<u>Off-Setting Revenue</u>
➤ EMS	\$955,461	\$685,462
➤ Ambulance Service (6 mos.)	\$270,000	
➤ Health Care Increase	\$536,946	
➤ Painting of Police and Fire Buildings	\$140,000	
➤ Fire Station A/C Replacement	\$20,000	
➤ Hockey Rink Fence Replacement	\$12,000	
➤ Welding Shop Rental	\$86,755	
➤ Police Salaries Step Increase	\$109,246	
➤ Fire Contract Salary and Step Increase	\$185,370	
➤ Vietnam Veterans Memorial	\$500,000	\$344,000
➤ Increase in Overtime	\$56,400	
➤ Mid-year Personnel Increases	\$254,167	
➤ Increase in Utilities per Interlocal Agreements	\$35,000	
➤ Contractual Salary Contingency	\$310,000	
➤ Homeless Program	\$52,273	\$52,273
➤ TOTAL	\$3,523,618	\$1,081,735

General Fund – Expenditure Highlights

- **Health Insurance Increase**
 - **Cigna has proposed 7.8% percent premium increase**
(down from initial estimate of 9.7%)

- **Homeless Services**
 - ✓ **Budgeted at FY 2013-14 level of \$444,118 for management of KOTS & Mobile Outreach Program.**

- **Habana Plaza Lease Payments - \$438,301**
 - **City accepted Lease Extension which provided for annual discount (line item will be significantly reduced in FY 15-16)**

General Fund – Expenditure Highlights (Cont.)

Recap: Unassigned Fund Balance

➤ **October 1, 2014 Est. Unassigned Fund Balance \$11,870,000 - Approx. 105 Days**

➤ **Non Recurring Uses and Capital Transfers:**

✓ BACKHOE	\$ 200,000
✓ BUCKET TRUCK	\$ 100,000
✓ RECORD MGMT PROGRAM ARCHIVED TAMPA – FY14-75K	\$ 131,000
✓ CONVERSION-ONE SOLUTION TRAINING	\$ 60,000
✓ VIETNAM VET MEMORIAL	\$ 156,000
✓ EVALUATE CITY PENSION PROGRAM – FY14	\$ 50,000
✓ COMPREHENSIVE PLAN UPDATE – FY14	\$ 36,000
✓ LAND DEVELOPMENT REGULATION – FY14	\$ 65,000
✓ CRS FEMA UPDATE STUDY – FY14	\$ 40,000
✓ DUVAL MASTER PLAN	\$ 65,000
✓ URBAN DESIGN PLAN	\$ 125,000
✓ OLD TOWN PKNG GARAGE FEASIBILITY STUDY	\$ 85,000
✓ HOSPITALITY HOUSE	\$ 100,000
✓ PAINT FIRE AND POLICE	\$ 140,000
✓ DIGITAL DRAFTING TABLE	\$ 8,000
✓ VEHICLE & PEDESTRIAN TRAFFICE COUNTER	\$ 4,000
✓ ELECTRONIC WHITE BOARD	\$ 8,000
✓ SCOOTER	\$ 2,800
✓ ONE-TIME TRANSFER – 102 STREET DESIGN	<u>\$ 160,000</u>
Approximately 11 Days	\$1,535,800

➤ **Sept 30, 2015 Est. Unassigned Fund Balance \$10,334,200 – Represents Approx. 91.5 Days Upper - Limit of Fund Balance Policy**

Unfunded Department Requests

- Over \$3.4 million dollars of department requests, including personnel additions and reclassifications, were not submitted as part of the city manager's proposed budget
- List of items included in budget workbook

EMS Integration (General Fund Costs)

- **FY 2015 GF cost: \$954,500 (operating) + \$270,000 (6 mo. with CARE) = \$1.22 million**
- **Expected revenue (6 mos.): \$685,462**
- **Net cost to City: \$539,039**
- **Net cost to City in subsequent years: approximately \$225,000**

Compensation Study Consideration

- **Not included in proposed base budget salary totals**
- **FY 15 is first year of proposed five-year implementation of pay plan**
 - **All positions brought to minimum of market pay range**
 - **Estimated cost = \$1.2 million**

General Fund – Revenue Highlights

Cruise Ship Disembarkation

- **Total Budgeted Passengers for All Three (3) Port Locations**
 - ✓ **Fiscal Year 2013-14** **730,528**
 - ✓ **Fiscal Year 2014-15** **742,199**
 - ✓ **Approx. 2% Increase in Projected Passenger Count**

- **\$169,694 Budgeted Gain of Net Income from Prior Year**

- **Passenger Count Budgeted @ 98 Percent**

General Fund – Revenue Highlights (cont'd)

➤ State Shared Revenues

Budgeted 12% above FY 2013-14 budget estimates

➤ Federal, State, Local and TDC Grants

Approximately \$985,000

✓ Federal

- \$175K PD Officers (4) (Awarded)**
- \$ 15K Byrne Grant (Awarded)**

✓ State/Local

- \$ 127K School Resource Officer (Both KWHS & HOB) (Awarded)**
- \$ 38K Fire Academy (Awarded)**

✓ TDC

- \$380K Beach Cleaning (Awarded)**
- \$250K Vietnam Veteran Memorial (Not Awarded)**

General Fund – Revenue Highlights (cont'd)

- **Building Fees**
 - ✓ **Budgeted at \$1,900,000 or 25% above at FY2013-14 projected collections**

- **Business Tax Receipts**
 - ✓ **Budgeted for FY 2014-15 at \$1,300,000**
 - **No Change from FY 2013-14**

General Fund Summary

Fiscal Year 2014-15 Budget - Proposed (w/o pay study)	\$ 56,550,741
➤ Less: Budgeted Unrestricted Operating Reserves	(\$ 11,870,000)
➤ Approx. 105 Days @ \$113,000 Per Day	
➤ Less: Budgeted Restricted Operating Reserves	<u>(\$ 130,000)</u>
Fiscal Year 2014-15 Budget - Proposed (Less Reserves)	\$ 44,550,741

Fiscal Year 2013-14 Budget – Adopted	\$ 52,285,480
➤ Less: Budgeted Unrestricted Operating Reserves	(\$ 11,100,000)
➤ Approx. 100 Days @ \$111,000 Per Day	
➤ Less: Budgeted Restricted Operating Reserves	<u>(\$ 122,256)</u>
Fiscal Year 2012-13 Budget - Proposed (Less Reserves)	\$ 41,063,224

Unrestricted Operating Reserves

➤ General Fund Cash June 30, 2014	\$ 18,756,000
➤ Plus: Estimated Revenues for Balance of FY	\$ 5,606,172
➤ Less: Estimated Payroll for Balance of FY	(\$ 7,200,000)
➤ Less: Estimated Accts Payable for Balance of FY	(\$ 1,962,172)
➤ Less: Encumbrances and Accruals	<u>(\$ 3,330,000)</u>

Budgeted Unrestricted Operating Reserves **\$ 11,870,000**

General Fund – Ad Valorem

➤ **Growth in Total Taxable Value from 2013 (Final VAB) to 2014 DR 420**

✓ 2013 Final VAB	\$5,278,977,143
✓ 2014 DR 420	\$5,620,392,266

- **An approximate growth of 6.5 percent in Total Taxable Value**
- **“Little to No” Growth in New Construction**

General Fund – Ad Valorem (Cont.)

- **FY 2014-15 Proposed Millage Rate \$2.7625 per \$1,000**
(without employee pay study increase)
 - ✓ **\$428,000 in Taxable Value \$1,182 – City Portion**
 - **Average Single Family/Residential**
 - ✓ **Or 4.6% above Rollback Rate**
 - ✓ **<\$5 Est. Monthly Increase in City Portion of Tax Bill**

- **FY 2014-15 Proposed Millage Rate \$2.9847 per \$1,000**
(with pay scale increase)
 - ✓ **\$428,000 in Taxable Value \$1,277 – City Portion**
 - ✓ **Or 13.06% above rollback rate**
 - ✓ **<\$13 Est. Monthly Increase**

- ❖ **For Reference: 1 Percent Millage = \$138,000**