

# Florida Local Governments 2012 and Beyond



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# City of Oakland Park Characteristics

## Statistics

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Year of Incorporation:	1929
Date of Adoption of City Charter:	July 15, 1959 (Amended)
Form of Government	Commission – City Manager
Recommended Budget - Number of Employees (FY 13)	225 Full-Time, 54 Part-Time
Recommended Budget (FY 13)	\$90,484,475
Recommended Budget - Property Tax Millage Rate (FY 13)	6.4315 Mills

Population	41,549	Miles of streets	166
Number of households	20,076*	Miles of sidewalks	67
Median Household Income	\$46,385**	Size of City	8.036 sq.mi
Per Capita Income	\$22,134 **	Public Park Facilities	190 acres
Number of Public Schools	5	Lakes	347 acres
Elementary	3	Canals and Waterways	9 miles
Middle School	1	Public Library	1
High School	1		

\*U.S. Census Bureau Population Data For 2010

\*\* CLR Search.com

### Fire Protection

Number of Stations	3
Fire Rescue – Certified	63
Support Staff	3

### Police Protection

Sworn	89
Support	10



# Happy Days Are Here To Stay!!

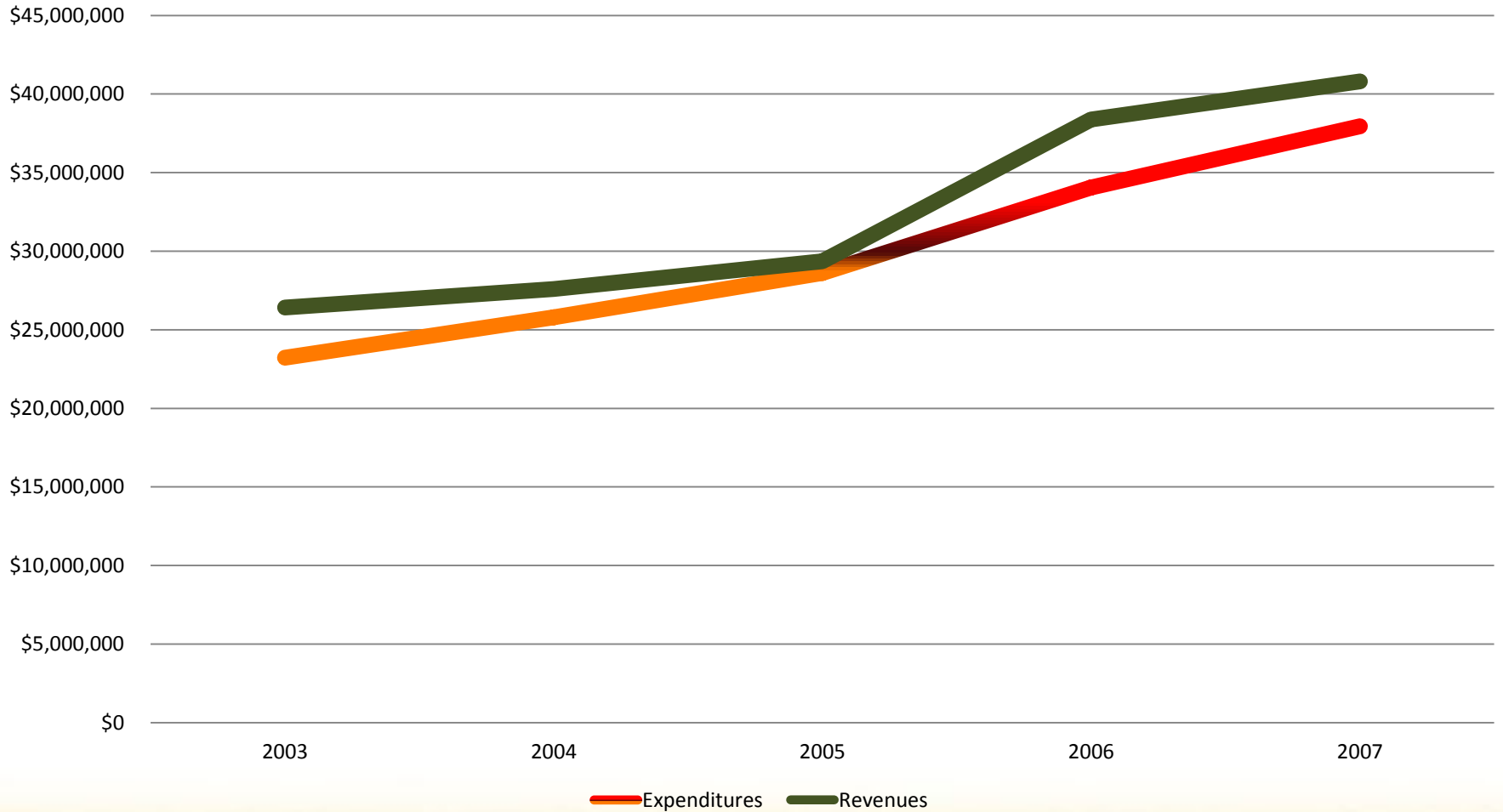
- Construction permits fly out the door
- Certificate of Occupancy climb
- Property values climb into the stratosphere
- New and older homes sales timeline is day(s)
- Ad Valorem Tax revenues continue to climb
- State shared revenues escalate

# Happy, Happy, Happy!

- Government Service levels increase
- Wage wars are commonplace for skilled positions
- Benefits to employees grow
- Employee moral at high level
- Infrastructure enhancements are expected
- Long-term forecasting not deemed important

# Happy Days!! General Fund

## Pre-recession Revenue & Expenditures



# Clouds On The Horizon

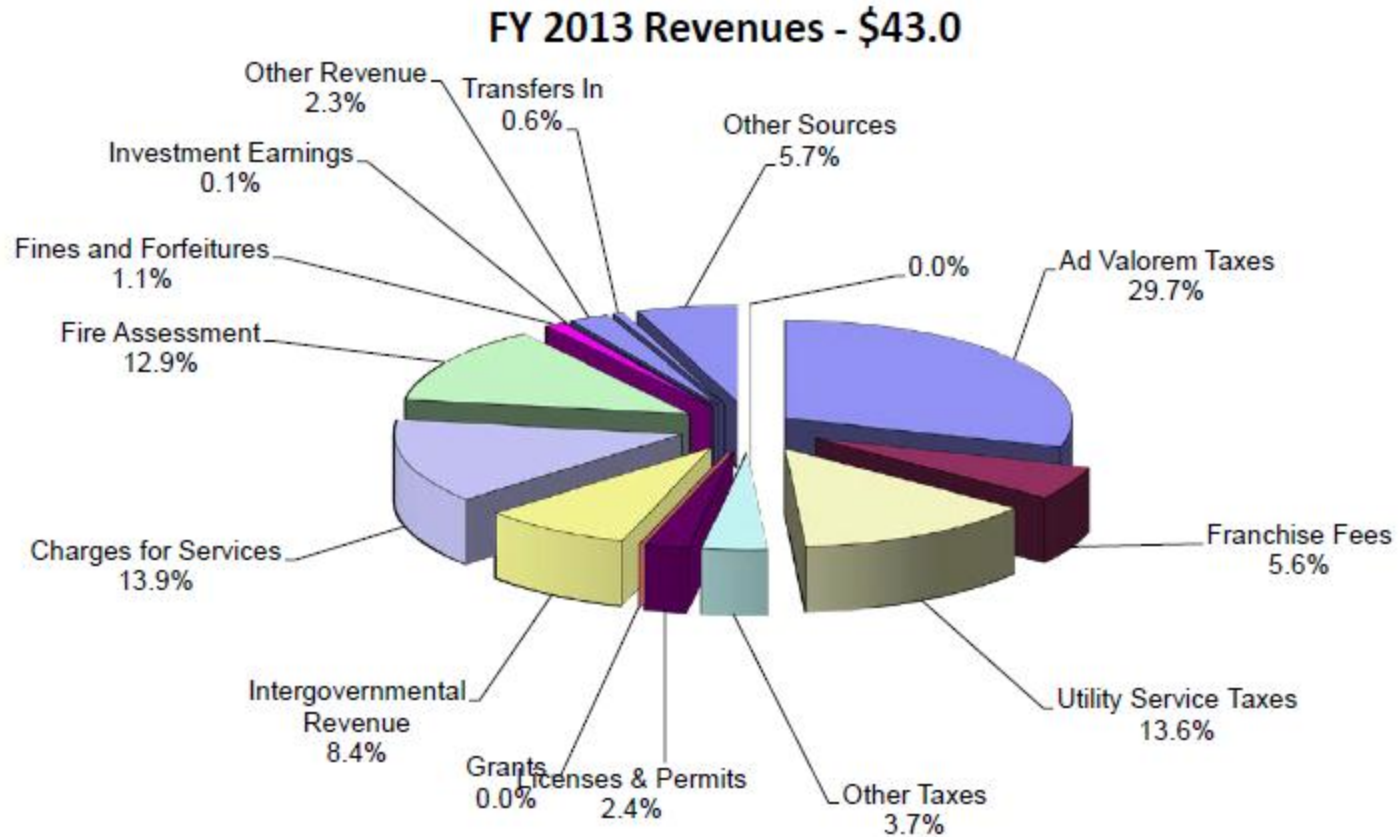
## ➤ Great Recession

- 700,000 – 1,100,000 Public Sector Positions Eliminated
- Fragile Recovery – Unemployed & Underemployed
- Shadow Foreclosures Depress Real Estate Values
- State Legislature Continues To Seek Additional Tax Reduction
- Federal Government – January 2013 “Fiscal Cliff”

## ➤ Continued Significant Financial Uncertainty

- Businesses sit on their cash
- Employment continues to elude many
- Global economy slows
- Skills gap grows

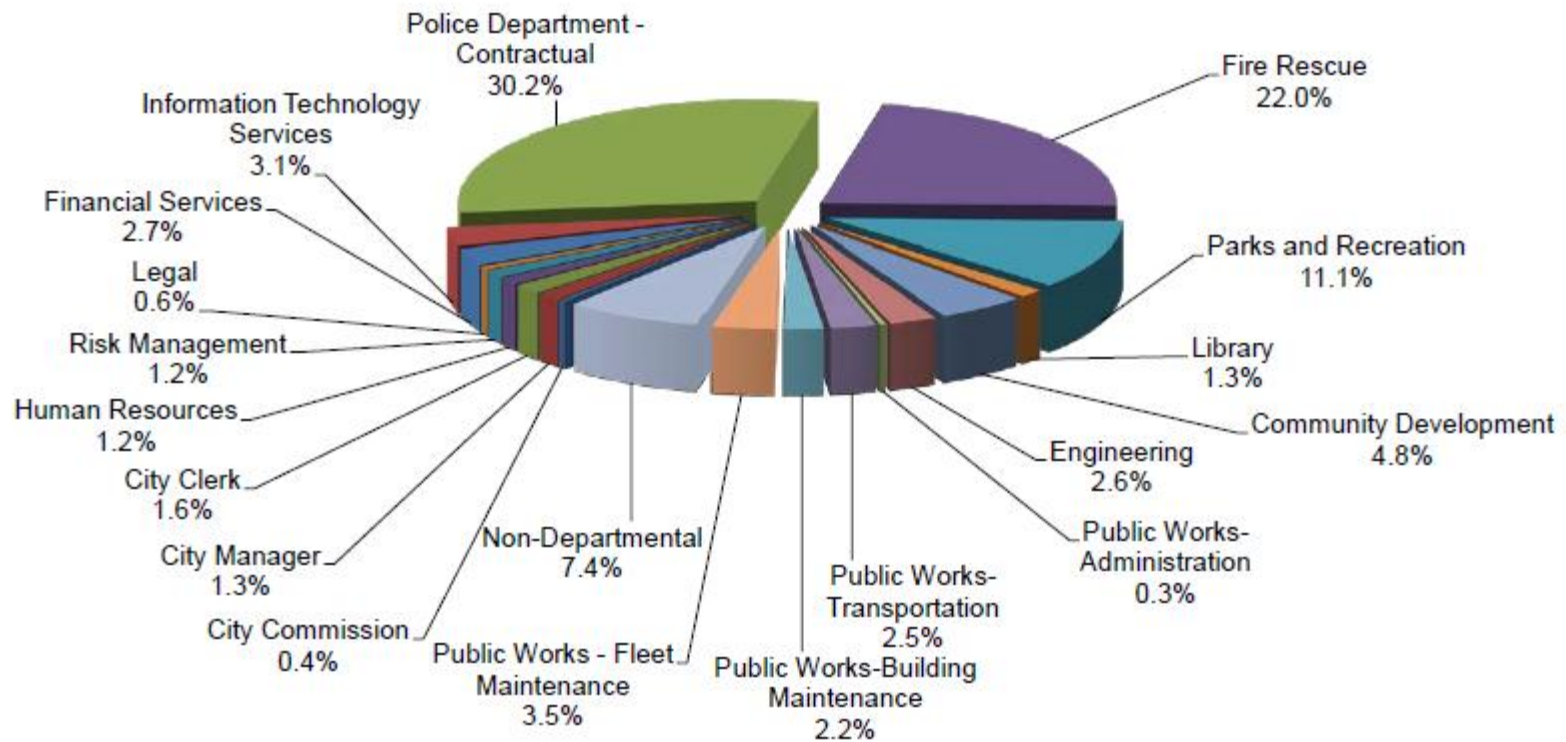
# General Fund Revenue Fiscal Year 2013





# General Fund Appropriations Fiscal Year 2013

FY 2013 Expenditures - \$43.0

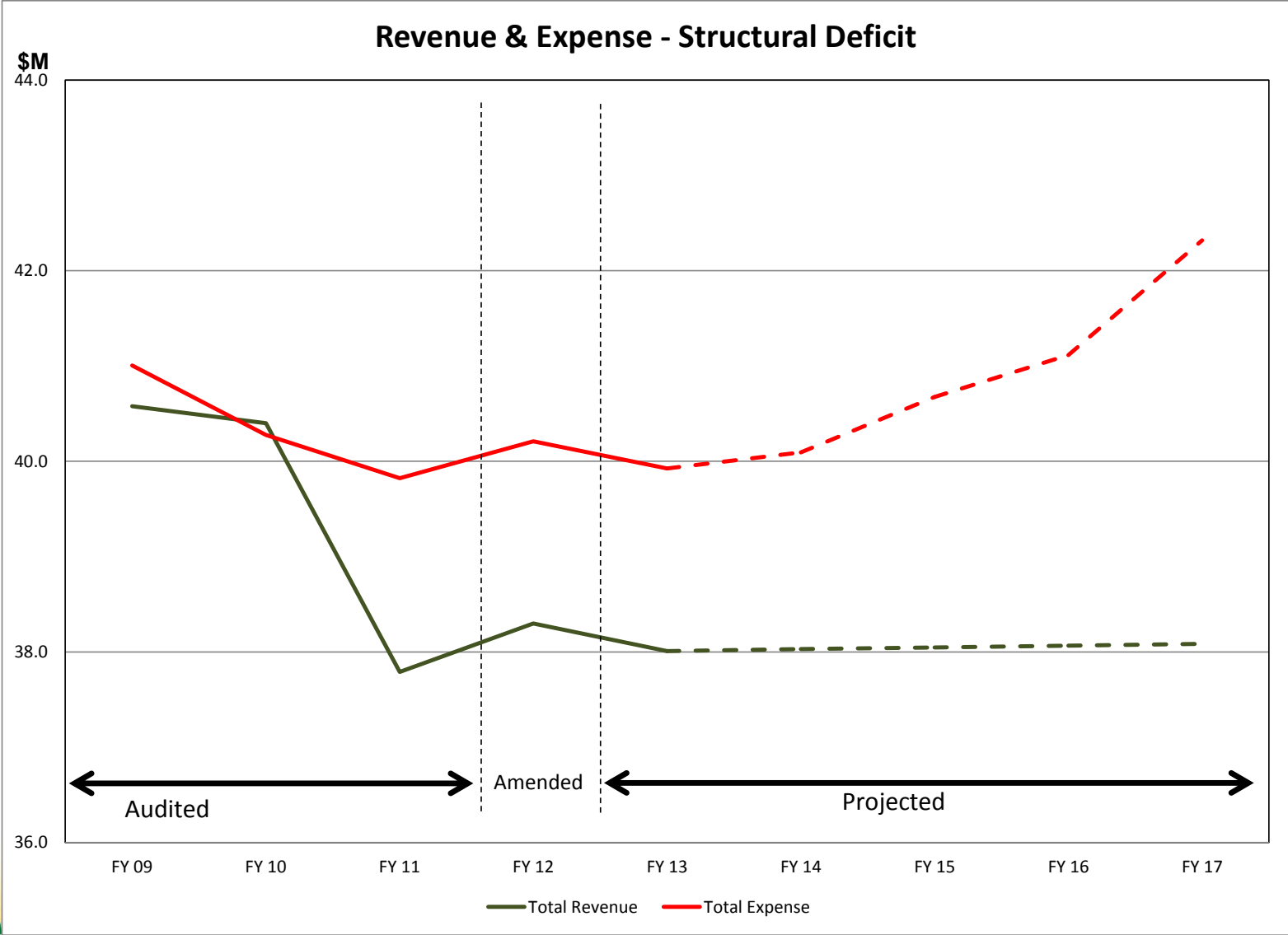




# Chickens Come Home To Roost

- Housing values descends 20%, 30%, 40% and more
- All revenue sources drastically drop
  - Utility Services Receivables Mushrooms
- Unemployment drives wages downward
- Fringe Benefits Have Uncontrollable Legacy Costs
  - Pension UAAL
  - Healthcare
- Service Levels Decline
- Employee Morale Dwindles
- Need To Determine Core Functions Again
- Structural Imbalance Burgeons Forward

# And To Roast



# Some Challenges

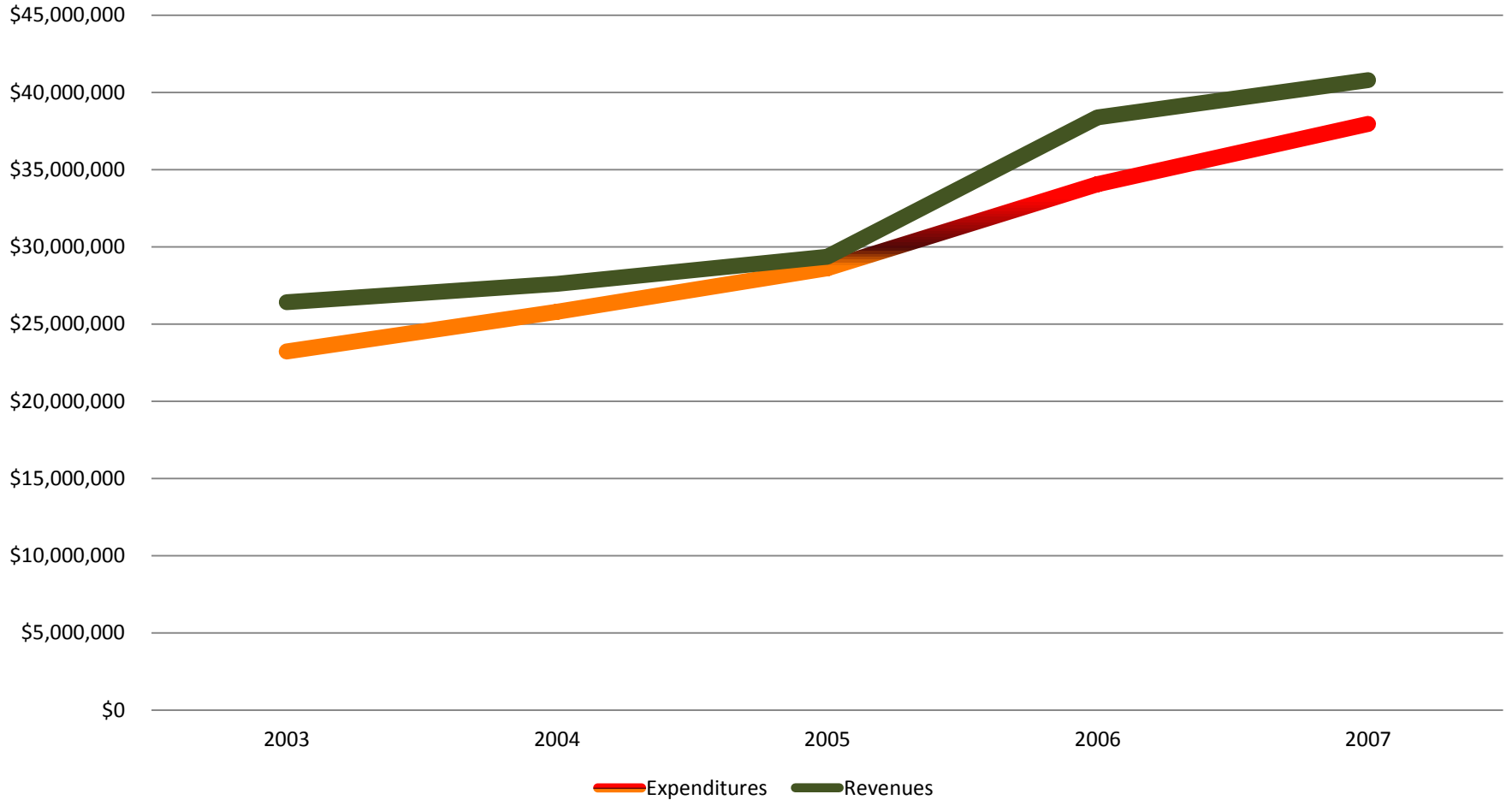
**Florida cities continue to be under economic, cultural and political challenges for the balance of the next decade.**

- ❑ Structural Changes must be made to keep local government sustainable
  - Reduce levels of services
    - ✓ A return to core services as determined by the constituents – austerity entrenched
    - ✓ Restructure retirement plans
    - ✓ Reduce number of employees
    - ✓ Privatize; Outsource; Managerize
    - ✓ Reduced cash reserves



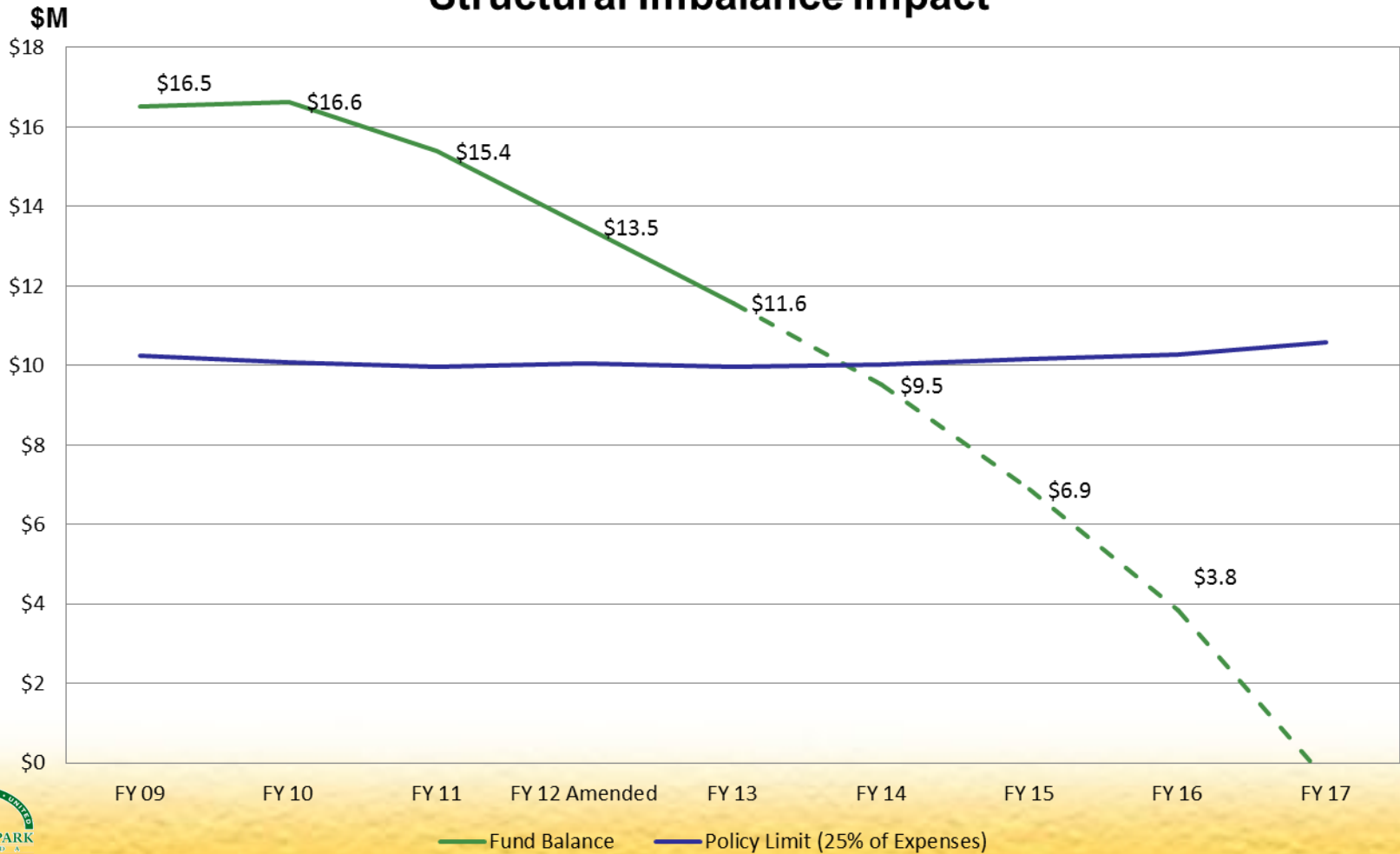
# Happy Days!! General Fund

## Pre-recession Revenue & Expenditures

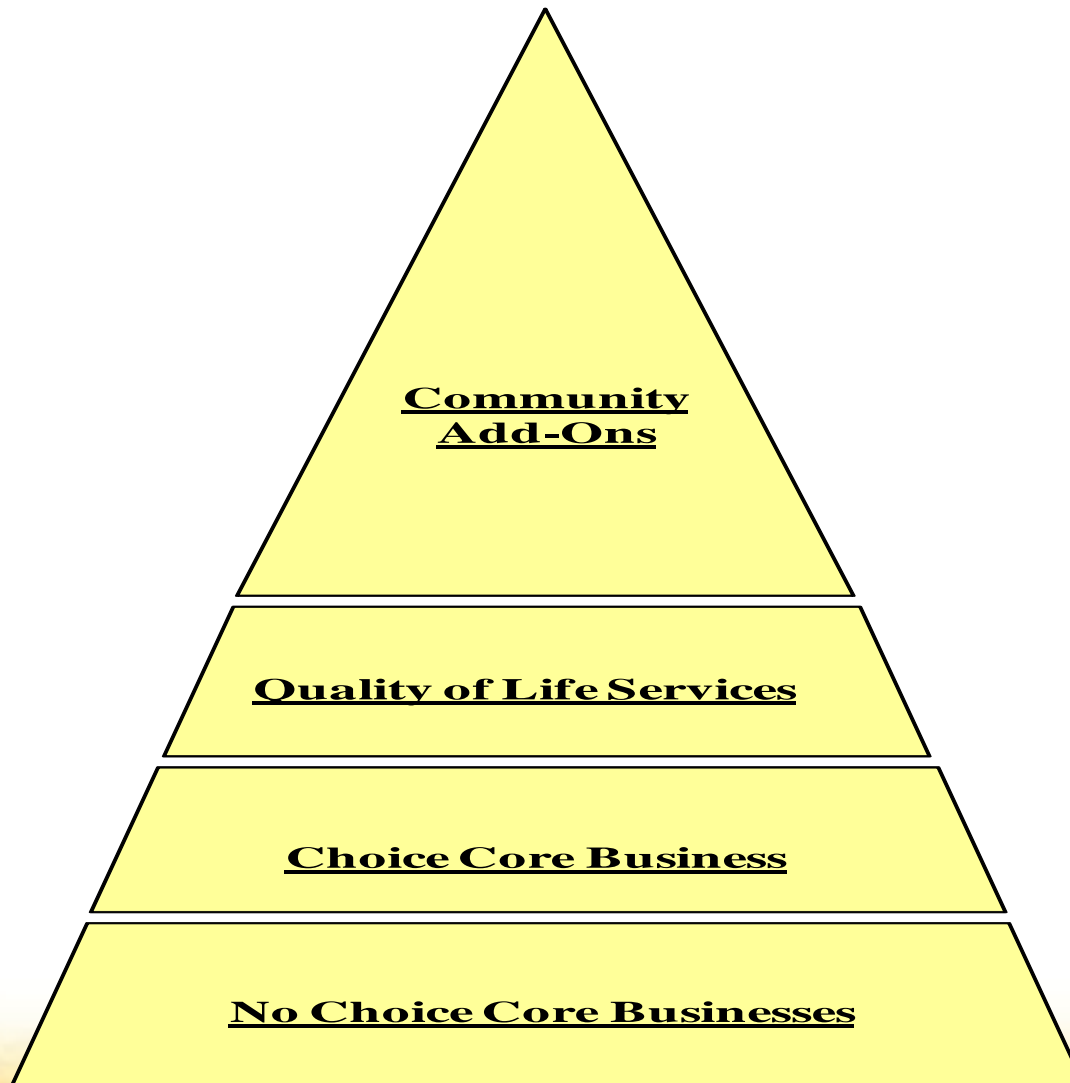


# Where To Now?

## Fund Balance Structural Imbalance Impact



# Community Priorities



# Challenges With Responses

- **Governments will determine core services**
  - Cash-Strapped Detroit To Eliminate Number Of Street Lights.
- **Governments will reduce employee benefits overhead**
  - Current defined benefit pension structures will change
- **Governments will expand collaboration**
  - For A Fee, Willmar, Minnesota, Agrees To Assist Kandiyohi County With Building Inspections.
- **Governments will continue to be innovators**
  - Cook County Considers Selling Naming Rights For Government-Owned Property.
- **Governments will reduce the number of employees**
  - Haines City, Florida, Finds Cost Benefits From Automated Wastewater Facility
    - Implement more technology and robotics





# Service Trends Meet Challenges

- 1. More intergovernmental collaboration**, resource, and expenditure sharing will occur such as police services, fire services, planning, inspections,
- 2. Employee benefits will be restricted and reduced**
  - Retirement benefits
  - Health insurance
  - Vacation and sick leave days earned
- 3. More government services will be outsourced**
  - eGov
  - BYOD
  - BYOC
  - Saas; ASP
  - Telecommuting
  - ODesk; Elance; Guru; Freelancer; DomyStuff; and others



# What A Finance Official Perceives

- Governments most likely will not see increased revenues for a few more years.
  - ✓ The political resolve to get more revenue is eroded
- Governments are studying privatization or outsource services that will result in:
  - ✓ Reduced work week hours for existing employees
  - ✓ Reduced employees
- Information technology will not be managed in-house



# Best Practices

- Adopt a Legislative sponsored fund balance policy that recognizes there will be variations in the economic cycles of the government
- During strong economic periods – **Reserve Funds!**
- Prepare for weak economic periods by setting measurable, achievable, realistic, time sensitive plans for both revenue enhancement and appropriation reductions
  - Reduce revenue collection issues
    - Use assessments where practical
- Prepare 5-year revenue and expenditure projections with agreed upon assumptions and present it to the governing body and public
- Technology is an optional substitute for more employees
  - Maybe we don't need bus drivers anymore? Google car

# Summary

## Significant Fiscal Uncertainty Continues