



"A City for All Ages"

JEFF BREMER
City Manager

CITY OF PORT ST. LUCIE

Office of the City Manager

July 1, 2015

Honorable Mayor, Vice-Mayor and Esteemed Members of City Council:

Pursuant to Section 4.04 (g) of the City Charter, the proposed budget for the Fiscal Year (FY) 2015-2016 is hereby submitted to you for your review and consideration. This submittal provides the administration's recommendations for our annual financial plan that covers all aspects of our operations. In general, all programs and service remain in place.

The proposed budget for the 2015-2016 fiscal year is recommended at \$552,287,569 for all funds. This is an increase of \$11,060,041 from the originally approved budget for FY 2014-2015. The proposed budget provides for a net increase in personnel of 8.80 FTE's for a total staffing level of 996.55 FTE's.

For the third year in a row the City has seen an increase in its taxable value, with this year producing the highest of the three years at 6.91%. This has helped our financial picture, but not at a sufficient level to address our continuing deficit spending in the General Fund. While we have provided the General Fund budget at the existing millage rate as for the FY 2014-2015 budget, in order to balance the General Fund for the upcoming fiscal year, we have had to tap into our Fund Balance in the amount of \$7,716,734. As you are aware, and as I have repeatedly stated, the reason for our deficit spending in the General Fund is directly related to our Failed Economic Investments (FEIs). This short budget message will not go into the details of this situation. This is due to the fact that I provided a detailed memorandum to you prior to the issuance of the proposed budget. A copy of this memorandum and supporting tabs is appended to this document. The memorandum provides a snapshot of how we arrived at our current situation and proposes a number of recommendations on how to resolve our deficit spending and reboot our financial picture for the future of the City of Port St. Lucie.

In the last year, we have continued to see good things happening in PSL. Among them are:

- The City was selected as the location for the 7th Veterans Administration Nursing home.

2015-16 City of Port St. Lucie Annual Budget _____ 2

- For the third year in a row the City's taxable value has increased (1.7%, 5.35%, and 6.91% this year).
- Investor's Business Daily named PSL the 2nd hottest housing market in the US for the first quarter of 2015, which was also reported in The Wall Street Journal.

In addition:

- Consumer research company ValuePenguin ranked PSL the Best City in the U.S. for firefighters to live.
- WalletHub.com ranked PSL 7th in its list of best places to retire in the US.
- Forbes.com named PSL the 8th best city for job growth in the country, saying jobs are mainly in healthcare, retail, leisure and hospitality.
- Golf Digest rated the PGA course as one of the best in the State.
- The National Weather Service recognized PSL as a StormReady Community placing us as the 19th StormReady certified City in Florida. Residents may be eligible for insurance discounts as a result.

Adding to this list is the following accomplishments thus far in the 2014-2015 fiscal year.

- Maintained the lowest crime rate in the State for cities over 100,000 population.
- Selected the Design/Build firm for the completion of the final phase of the Crosstown Parkway project.
- The PANDA system continues to improve and expand with over 35,000 permits in the system plus links to archives and "legacy" permits and the inclusion of all business tax functions allowing the business tax office to be 100% paperless.
- Completion of a two-year long vendor negotiations to migrate all current archived City permanent records for optical imaged tiff format to new vendor software in a searchable pdf format reducing the City Clerk's budget by \$15,000 annually.
- Purchased 6 foreclosed homes, rehabbed 6 houses, sold 12 rehabbed homes to new homeowners, sold 5 city-built homes and sold 8 vacant NSP lots to adjacent property owners.
- Re-implementation of the city's Facebook page.
- Creation of the following; Doing Business in PSL web page; Visit PSL web page; City Accolades web page; Doing Business in PSL brochure; McCarty Ranch brochure; Pruitt Fish Camp history video, and; Crosstown Parkway video.
- Implemented acceptance of credit card payments in code, Permits and Plan Review, Contractor Licensing, Business Tax, Animal Control, and Planning and Zoning Department.
- MIS developed over 30 new applications for our departments and citizens.
- Grand opening of the McCarty Ranch Preserve on November 8, 2014 with thousands attending. Opened to the public for multiple recreation opportunities.

- Grand Opening of C-24 Canal Park on March 2nd which provides an additional access to the ocean via the North Fork of the St. Lucie River.
- VISA program in Procurement provided cost avoidance of 3.3 FTE's for a savings of over \$290,000, received rebates of \$272,452 on expenditures of \$22,669,536.
- Installed over 45,000 linear feet of sidewalk.
- Received 1st place Click It Or Ticket Traffic Award.
- Installed 6,900 linear feet of 12" water main and fiber optic conduit along the McCarty Ranch Preserve entrance drive that, when completed, will provide potable water and public restrooms facilities, communications and security camera capabilities.
- Creation of the first Home-Based Business Expo held on June 13, 2015.
- CDBG funded a "Hawk" pedestrian signals at Tunis & Chartwell, Darwin streetlights at Belmont and Landale, D9 drainage improvements and improvements to restroom doors at parks.
- Received the Certificate of Achievement for Excellence in Financial Reporting Award from the Government Finance Officers Association stretching our consecutive years for the award to 22 years.
- Hired 194 new employees to replace those who retired or left work with the City, which included advertising, interviewing, and background checks.
- MIS installed 5 new security cameras in various City facilities.
- Increased memberships in the City's fitness centers to 1,800.
- The Parks Management staff received certification as Certified Playground Safety Inspectors (CPSI)
- Building Maintenance completed a large share of assigned renovations/projects at City Hall, including interior painting of all Building A, and the pressure cleaning and painting of the exterior of Building A, and landscape enhancements.
- Shifted the management of the City's phone system to MIS to allow OMB staff to concentrate on the financial work related to building and monitoring the annual budget.
- Awarded Florida Association of Procurement Officials Award of Achievement and Achievement of Excellence Award.
- Installed over 106,000 linear feet of swale liner.
- Installed over 1,700 linear feet of large culvert.
- Completed an Asphalt Condition Inventory of all streets.
- Code Compliance initiated over 21,000 interactions with the public.
- Building Department has developed 4 new training classes for businesses, sponsored training events for realtor associations, builder associations and businesses, has become the training center for code compliance professionals of the Treasure Coast and has established the Treasure Coast Chapter of the Construction Licensing Officials Association of Florida.
- Refinanced \$35,910,000 of Utility Bonds resulting in a future cash flow savings of \$2,996,000 which has contributed to no increases in water and sewer rates for FY 15-16.
- Paid \$12,610,000 of additional principal on special assessment district bonds.

While the above does not represent an entire list of accomplishments for the 2014-2015 fiscal year, it does demonstrate the drive that our Departments and their employees employ in continuing to make this City the best it can possibly be.

Millage Rate and Fees:

As mentioned previously, the General Fund budget has been submitted with the same millage rate as approved for the FY 2014-2015 budget. Using this rate does not resolve our deficit spending trend and will, no doubt, be the main topic of discussion during our Summer Retreat and the weeks thereafter, as we address this situation. As we saw during our recent Strategic Planning session, we have many areas that need dedicated dollars to advance this City which are not available using the current financial model. The ghosts of the past are chaining us and preventing us from moving forward. It's time to reboot and move forward, as painful as it might be.

On the good side there are no proposed increases in Stormwater fees, Street Lighting fees, Solid Waste fees, or water and sewer rates, with these services continuing to be provided at the same level of service.

Department Goals:

As a part of the preparation of this budget message I asked that each department submit two goals for the upcoming year. In a testimony to our Strategic Plan you will note distinct parallels in their thoughts.

- Increase on-line permitting, contractor licensing renewals and business tax receipt renewals.
- Explore cost-effective, user friendly avenues for placing Ordinances and Resolutions on the City's web page for easy public access, with word-search capability.
- Provide assistance for all departments to obtain additional grant funding.
- Redesign of the City's website.
- Refinance City bonds whenever the City can achieve a 5% future cash flow savings.
- Implement a new classification and compensation system city-wide.
- Deploy Microsoft Office 365 Citywide.
- Creation of a new Building Maintenance electronic Work Order system that will allow work to be performed in a more efficient manner and with proper documentation recorded.
- Assist the City Manager with the financial strain being placed on the City's General Fund by the Failed Economic Investments.
- Complete neighborhood planning for Areas 3, 4N and 4S and start efforts for Planning Areas 1, 6 and 7.

- Maintain lowest crime rate in the State for cities over 100,000.
- Continuously improve working environment and conditions for employees.
- Streamline the City's procurement process.
- Finalize Public Works/Engineering merger.
- Continue restructuring of the Customer Service and Billing work units including implementation of several of the utility industries best management practices.
- Complete the 2015 water, wastewater and reclaimed water rate study and capital charge study.
- Certification from the Florida Real Estate Commission as a continuing education provider for real estate professionals.
- Work with Building Department and Police Department to transfer a backlog of records stored on and off-site into the archives Management storage facility.
- Organize the HR Department to create efficient use of staff skills and to meet the needs of the departments.

Unmet Needs:

- Computer program for Code Compliance to replace innoprise system.
- New recording equipment for TV20 studio.
- Software system for Finance to provide financial transparency.
- Additional staffing to keep pace with increasing workloads.
- City contracts for vendors to supply access control/alarm needs, security cameras, and network cabling.
- Sufficient capital outlay to insure continued growth and maintenance of all of our infrastructure.
- Recreate specialized units in the PD (primarily Traffic Enforcement and K-9).
- Remodel second floor of PD building.
- Funding for software upgrades.
- Paving and sidewalk funding.
- Funding for the continuing replacement of outdate water mains.
- Funding for rehabbing GDC era lift stations.

Conclusion:

There are so many awesome things happening in this City and so much potential that is on the cusp of happening that should not be overlooked. Advancements and improvements for the citizens of the City of Port St. Lucie are peppered throughout the City's Strategic Planning document. Moving forward should be within our grasp, but continues to be elusive as the ghosts of the past stop progress as all available funds, including General Fund balance monies, are consumed to pay for our Failed Economic Investments. The appended memorandum that specifically discusses our financial difficulties provides a number of suggestions to stop our General Fund deficit spending and move forward. It is time to reboot the system and exercise the ghosts so that we

can clear the way for future improvements for the citizens of Port St. Lucie. They deserve nothing less.

I would like to express my appreciation to the hard working employees of the City of Port St. Lucie. They work hard every day to provide a small town feel to our service delivery. We are driven to continue to enhance our customer services through new computer programs, reorganizations and related services despite continuing pressures from a lack of funding to advance our organization. While no organization is perfect, we work every day to improve our services and interactions with our citizens. The hundreds of thousands of interactions that we have annually with our citizens and the relatively low numbers of complaints is a testament to successful customer service.

Based on the above, the proposed budget for FY 2015-2016 is submitted for your review and consideration.

Respectfully submitted,

Jeffrey A. Bremer

October 1, 2015

FOOTNOTE – Update on the final adopted budget.

At the final public hearing on the budget, held on September 28, 2015, the City Council adopted the budget (4 to 1 vote) with a one (1.0000) mill increase to the City's property tax rate. The City's total millage rate is 6.6289 for operations and voted debt. Also at the direction of the City Council, a five officer Traffic Enforcement Unit was added to the Police Department. This allows for total approved staffing of 1,004.55 FTE's. The final revised budget total is \$559,369,153 for all funds.