



City Council Chamber
735 Eighth Street South
Naples, Florida 34102

City Council Workshop Meeting – August 15, 2011 – 8:27 a.m.

Mayor Barnett called the meeting to order and presided.

ROLL CALL..... ITEM 1

Present:

Bill Barnett, Mayor
John Sorey, III, Vice Mayor

Council Members:

Douglas Finlay
Teresa Heitmann
Gary Price, II
Samuel Saad, III
Margaret Sulick

Also Present:

William Moss, City Manager
Robert Pritt, City Attorney
Tara Norman, City Clerk
Vicki Smith, Technical Writing Specialist
Roger Reinke, Assistant City Manager
Robert Middleton, Utilities Director
Joe Boscaglia, Parks & Parkways Superintendent
Gregg Strakaluse, Streets & Stormwater Director
Michael Bauer, Natural Resources Manager
Kathy Hankins, Budget & Investment Manager
David Lykins, Community Services Director
Roger Jacobsen, Code & Harbor Manager
Stephen Weeks, Technology Services Director
Thomas Weschler, Police Chief

Mark Nelson, Applications Service Manager
Brad White, Solid Waste Superintendent
Lori Parsons, Risk Manager
Robin Singer, Planning Director
Ann Marie Ricardi, Finance Director
Denise Perez, Human Resources Director
Paul Bollenback, Building Services Director
Stephen McInerney, Fire Chief
Mel Jacob
Michelle Avola

Media:

Jenna Buzzacco-Foerster, Naples Daily News
Other interested citizens and visitors.

SET AGENDA ITEM 2

MOTION by Price to SET THE AGENDA as submitted; seconded by Heitmann and unanimously carried, all members present and voting (Finlay-yes, Heitmann-yes, Price-yes, Saad-yes, Sorey-yes, Sulick-yes, Barnett-yes).

PUBLIC COMMENT ITEM 3

(8:28 a.m.) **Michelle Avola, Naples Pathways Coalition, and Mel Jacob, 1637B Spoonbill Lane**, urged that the Four Corners (intersection of US 41 and Fifth Avenue South) pedestrian crosswalk proceed as planned.

It is noted for the record that Items 4 and 5 were discussed concurrently.

FISCAL YEAR 2011-12 PROPOSED BUDGET ITEM 4

The City Manager and Department Directors will present proposed Department budgets. City Council is asked to consider the proposed budget and amend as may be deemed

appropriate. Public Hearings on the proposed budget and millage rates are scheduled for September 7th and September 21st at 5:05 p.m.

UNANSWERED CAPITAL IMPROVEMENT PLAN ISSUES..... ITEM 5
Unresolved budget issues regarding the Capital Improvement Plan (CIP), and the Fifth Avenue South Business Improvement District (FASBID) will be discussed. (It is noted for the record that excerpted text of the various department presentations and the memorandum listing the unresolved issues pertaining to Item 5 are appended hereto as Attachment 1 and 2, respectively. It is further noted for the record that a copy of the proposed budget and individual memorandums regarding each issue addressed under Item 5 are contained in the file for this meeting in the City Clerk's Office as well as a printed copy of the aforementioned electronic presentations.)

City Manager William Moss introduced the discussion by reviewing legal requirements for conducting public hearings in conjunction with the budget adoption process. Mr. Moss explained that the total budget is presented at \$94.2-million (exclusive of internal service funds) with the general fund accounting for \$33.75-million. This submittal represents a reduction of 2.1% (\$726,667) from the current fiscal year. With regard to staffing, he explained that there would be a net reduction of 4.0 full-time equivalent positions resulting in an employee level commensurate with that of 1988, prior to significant annexations and an overall personnel expense reduction of 4.5%. In addition to declining revenues, he also attributed some reductions to a lowered demand for services and to various reorganizations. Also included are assumed salary freezes to be negotiated with bargaining units and a continuation of a one-week furlough for non-union and management employees, he added.

Over and above the prescribed 10% emergency reserve and 30% of budget reserved for non-allocated needs, City Manager Moss pointed out that an additional \$2.8-million would be available for purposes of a tax stabilization fund which could be employed to maintain service levels through difficult economic times. At that time, he said, staff was recommending that \$859,091 of that \$2.8-million be utilized.

Finance Director Ann Marie Ricardi explained that the proposed millage rate is 1.1800, which is under the rolled back rate of 1.2157, and the same as the current year's millage rate; taxpayers will therefore realize a reduction in their City tax billing, Mr. Moss added. Ms. Ricardi then provided information with regard to the decline in taxable value in recent years and other millage rates applicable within the City as follows:

- Moorings Bay – maintains last year's rate of 0.0252;
- East Naples Bay – maintains its rate of 0.50000 due to the District's rate cap; and
- Naples Preserve debt millage increased to 0.0426, slightly above the prior year's rate of 0.0395.

Ms. Ricardi briefly reviewed the General Fund revenues and expenditures, clarifying that the above noted reduction of 4 full-time employees equates to an estimated savings of \$215,723; this amount is divided among the following funds: General, Community Redevelopment Agency (CRA), and Beach. In addition, she reported the Citywide use of fund balance, attributing the majority of the use to capital projects, such as the proposed Solid Waste recycling transfer facility, and funding to maintain the 1.180 millage rate.

Council Member Price expressed the viewpoint that the General Fund is in actuality being subsidized by approximately \$3.5-million via the practice of levying administrative charges to other funds for management of accounting, payroll and human resources services; taxpayers

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are therefore paying twice for these services, he said. He also pointed out that revenues have decreased 17% since 2008 and expenditures only 7%; this is not sustainable, he stated, predicting that property tax values will continue to decline for the coming 3 to 5 years. Mr. Price observed that he had identified \$5.7-million in General Fund reductions, which would allow the cessation of administrative fee charges. While agreeing that the administrative charges should be reviewed, Vice Mayor Sorey cautioned that the various enterprise funds would be required to obtain those services from outside sources, noting that he intended to submit a white paper regarding smarter cities later in the meeting. Consensus followed that a workshop discussion be scheduled to allow further discussion of the administrative fees.

Individual departmental budgets were presented and discussed in the order reflected below. (See Attachment 1 for details of each department budget.)

- City Clerk (see Attachment 1, Pages 5 through 6);
- Planning (see Attachment 1, Pages 6 through 7);
- Community Services (see Attachment 1, Pages 7 through 10);
- Police – referencing the July 27 memorandum submitted by Police Chief Thomas Weschler (Attachment 3/see also Attachment 1, Pages 10 through 12), Mayor Barnett expressed his continued support of the purchase of 15 portable radios for officers. Council Member Price clarified a prior comment as his suggestion had been that additional backup batteries be purchased, not that officers share radios and consensus followed that the radios would remain in the budget;
- Fire – Fire Chief Stephen McInerney reviewed his budget presentation as reflected in Attachment 1, Pages 12 through 14), noting the inclusion of 4 additional firefighter/paramedic personnel contained within the contingency fund. Later during the discussion, consensus was reached that the additional personnel would remain in the contingency fund awaiting the outcome of upcoming discussions with Collier County regarding Emergency Medical Services (EMS) within the City.
- Human Resources with Risk Management and Benefits (see Attachment 1, Pages 14 through 15);
- Building (see Attachment 1, Pages 16 through 17);
- Utilities – Robert Middleton, Utilities Director, reviewed his department's various budgets (see Attachment 1, Pages 17 through 21). During discussion of the Solid Waste Fund, Vice Mayor Sorey reiterated his prior disagreement with the annual CPI rate increase which is to be 3.2% the subject year. Consensus was reached and the rate increase is to be waived. Ms. Ricardi indicated that staff would return with a resolution reflecting same;
- Streets & Stormwater (see Attachment 1, Pages 21 through 24);
- Technology Services (see Attachment 1, Page 25);
- City Manager – Code & Harbor Manager Roger Jacobsen detailed the City Dock budget portion of this presentation (see Attachment 1, Pages 25 through 27) during which Council Member Finlay recommended that staff research the extension of the transient vessel docking which is currently four days, as revenue could in fact be received from this source as the mooring ball field has not been utilized as fully as had been hoped. Council concurred and staff was directed to return with recommendations;
- Mayor and City Council (see Attachment 1, Page 27);
- City Attorney (see Attachment 1, Page 28);
- Public Service Tax Fund and CDBG (Community Development Block Grant) (see Attachment 1, Pages 28 through 30); and

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- Finance – Following her presentation of the department's budget (see Attachment 1, Pages 30 through 32), Director Ricardi also reviewed a proposed capital improvement project involving upgrade/replacement of the City's integrated software (see Attachment 1, Pages 32 through 35). During the discussion, Applications Service Manager Mark Nelson confirmed for Vice Mayor Sorey that this software would in fact be capable of full integration with other City systems. Consensus was then reached that staff should develop a comprehensive plan, detailing necessary modifications to software/hardware, including a timeline for implementation.

City Manager Moss then noted the semi-annual report and proposed 2012 budget submitted by the Fifth Avenue South Business Improvement District (FASBID), as well as correspondence indicating that its Board proposed that the 2.0 mil assessment be maintained for 2012. (It is noted for the record that this documentation is contained in the file for this meeting in the City Clerk's Office.) Ms. Ricardi pointed out that the appropriate assessment resolution would be presented during the September budget hearings.

In response to Council, Mr. Moss summarized that the truck requested by Streets & Stormwater would receive additional study; however, the street sweeping service would remain in-house due to the fact that the cost of outsourcing is not only comparable, but with City personnel a higher level of service could be maintained. Ms. Ricardi confirmed for Council Member Sulick that it would be noted in the resolution addressing the waiver of the annual Solid Waste fee to the effect that the fund maintains a sufficient balance to do so.

During further discussion, Council Member Price reiterated his belief that administrative fees to enterprise funds should be abolished or at the least reviewed for possible revision. He maintained that the fees reflect a double charge for the administration of the City and by subsidizing the General Fund by \$3.5-million, a millage rate increase had thus been avoided. Vice Mayor Sorey noted that the administrative services rendered are indeed necessary and would represent a cost should they be outsourced; he requested that Ms. Ricardi provide a matrix of fees paid by each department. Council Member Sulick cautioned that outsourcing the services under discussion may in fact appear attractive initially but it should be kept in mind that the cost of these services would then be beyond the control of the City and efficiencies would be lost. Council Member Heitmann agreed, although stressing that this topic should be examined during a workshop discussion with additional information provided, especially appropriate fee levels; Council agreed. In response to Council Member Finlay, Mr. Price indicated that he believed that it would be inappropriate for him to provide his specific recommendations concerning budgetary reductions at that time.

Council Member Finlay commended staff for the comprehensive budget document and then noted the need for benchmarking for future analysis, recommending that the City join the Florida Benchmarking Consortium; Council agreed, reaching the consensus to initially limit membership to one year.

Consensus as follows:

- 1) 800 MHz police portable radios (15) to remain in budget;***
- 2) Retain four additional firefighter positions in budget contingency pending outcome of City/County EMS discussions (4-3 / Sorey, Price and Finlay dissenting);***

- 3) Waive annual solid waste CPI rate increase of 3.2% (staff to prepare resolution reflecting same);**
 - 4) Staff to research extension of transient vessel docking at City Dock and provide recommendations;**
 - 5) Staff to research total integration of City software/hardware systems and provide comprehensive plan for implementation;**
 - 6) Approval of a one-year membership to the Florida Benchmarking Consortium;**
 - 7) Review of administrative fees to be scheduled as a workshop discussion; and**
 - 8) FASBID assessment resolution to be considered during budget approval process.**
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It is noted for the record that during the above budget reviews a recess occurred between 10:33 a.m. and 10:50 a.m.; 12:07 p.m. and 12:43 p.m.; 2:59 p.m. and 3:18 p.m.; and 4:11 p.m. and 4:17 p.m.

REVIEW OF ITEMS ON THE 08/17/2011 REGULAR MEETING AGENDA..... ITEM 6

Council Member Sulick requested that Item 7-b(9) (Naples Art, Antique and Jewelry Show) be removed from the Consent Agenda for separate discussion regarding the parking plan.

CORRESPONDENCE / COMMUNICATIONS

(6:12 p.m.) Vice Mayor Sorey requested a discussion be scheduled during the September 7 meeting of the white paper he provided regarding smarter cities (a copy of which is contained in the file for this meeting in the City Clerk's Office), following which he noted the possibility of a joint beach renourishment venture with Captiva Island, Collier County and the City of Naples. In addition, he commended the City Attorney for his recent presentation to the Florida League of Cities and advised that the City could anticipate \$1.4-million of grant funding from the Big Cypress Basin Board. Council Member Heitmann then requested a workshop presentation regarding the coordination of water testing efforts throughout the County, including the County's watershed and basin management plans. Noting upcoming discussions with Collier County regarding Emergency Medical Services (EMS), Council Member Price received consensus for his participation in conjunction with the Fire Chief. Council Member Saad recommended that overall budgetary and personnel impacts be considered during the EMS discussions. He then urged his fellow Council Members to review "Seamless City", a publication by former St. Petersburg Mayor, Richard Baker, and requested a workshop discussion of amendments to the State's Growth Management Act. Mr. Saad further noted continued legislative lobbying by police and fire entities with regard to pension reform, urging that all local municipal officers also persist in their efforts.

ADJOURN

6:23 p.m.

Bill Barnett, Mayor

Tara A. Norman, City Clerk

Minutes prepared by:

Vicki L. Smith, Technical Writing Specialist

Minutes Approved: 09/21/11

Excerpted text of 081511 budget workshop presentation, Item 4:

Purpose

To discuss proposed budget document distributed on July 29, 2011 and determine most fiscally responsible budget to consider for adoption in September.

Highlights of the FY 2011-12 Budget:

- Millage rate is proposed at 1.1800, the same as the current rate of 1.18 and below rolled back rate of 1.2157;
- All funds budgeted expenditures (excluding the Internal Service Funds) are \$94.2 million; and
- The General Fund budgeted expenditures are \$33.75 million, a reduction of 2.1% or \$726,667 from the current (2010-11) budget.

Proposed budget has 445 positions, a reduction of 4 FTE:

- In the General Fund, 1.5 positions are eliminated in Community Services Department, offset by adding .5 Pool Position;
- 2 positions are eliminated in the CRA; and
- 1 position eliminated in the Beach Fund.

One and a half positions are moved:

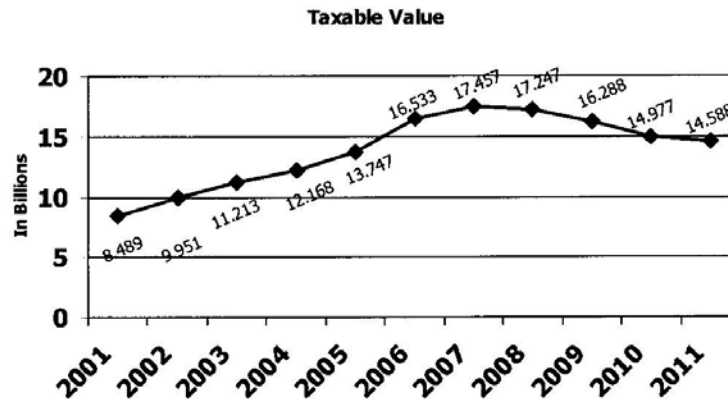
- .5 From Planning to Building Permit Fund; and
- 1 from Finance to Water/Sewer Fund.

Additional assumptions:

- Continuation of a salary freeze for employees although negotiations with the five collective bargaining units are underway;
- One week furlough for non-union/management;
- With minor exceptions, operating accounts show a decrease from the current Fiscal Year;
- Uses \$859,091 of the surplus General Fund Balance (referred to as the Tax Stabilization Fund) to balance the budget and maintain 1.1800 millage rate;
- Economic unpredictability continues for local, national and world;
- Expenditure reduction options were carefully reviewed and implemented in this budget process;
- Elimination of after school care, summer camps and some special events;
- Total Taxable Value for the City is down 2.59%; and
- Excluding new construction, taxable value is down 2.17%.

Total Taxable Value

2009	16,287,802,409	-5.57%
2008	17,248,160,366	-1.20%
2007	17,456,888,406	5.59%
2006	16,533,125,948	20.27%
2005	13,746,813,411	12.97%
2004	12,168,219,538	8.52%
2003	11,212,894,783	12.68%
2002	9,950,900,301	17.23%
2001	8,488,615,092	24.72%
2000	6,806,066,692	14.07%



Taxable Value Decline

Affects these Funds:

- General Fund (001);
- CRA Fund (380); and
- Taxing Districts (350/360).

Millage Rate

Definition: What is Rolled Back Rate:

Rolled back rate (RBR) is the ad valorem tax rate that will bring to the City the same amount of tax money as last year, excluding the value of new construction. Rolled back rate is a key element of the millage rate.

Millage Rate FY 2011-12:

- Millage Rate advertised (i.e. TRIM notice) at current year millage 1.1800;
- Budget is balanced with a millage rate of 1.1800; and
- The millage is limited by the TRIM notice rate

Taxable Value Comparison

The below chart presents the types of property in the City:

	Total	Homesteaded	
Total Parcels	20,158	6,886	34%
Single Family	5,407	3,557	66%
Condo/Co-Op	13,295	3,329	25%
Commercial/government	861	0	

There are several other classifications not shown that are just "misc" classifications;

Average Taxable Value of Single Family Unit is \$1,218,000; and

Average Taxable Value of Condo/Co-op is \$453,000.

Maximum millage rate:

- Adjusts the rolled-back rate by the change in per capita Florida personal income;
- For 2011, the percentage is 0.55%; and
- This information is for information only and is not used in this presentation.

Other City Millage Rates:

- Moorings Bay is proposed 0.0252, same as FY 10-11;
- East Naples Bay is proposed at 0.5000, same as FY 10-11 because the District has a cap; and
- Debt Millage for Naples Preserve .0426, compared to FY 10-11 of .0395 – RBR does not apply to Debt Millage rates.

Recommendations Made to Balance the General Fund Budget

- Eliminated a net of 4 positions;
- Union negotiations still underway;
- Some reductions may not be long-term - i.e. legal fees, employee ads, pre-hiring exams, printing, uniforms, etc.; and
- Uses \$859,091 of Tax Stabilization funds.

General Fund Revenues and Expenditures

	FY 10-11 Adopted	FY 10-11 Estimated	FY 11-12 Requested	Change
Revenue				
Local Taxes	20,680,815	20,286,800	20,171,265	(509,550)
Licenses and Permits	4,295,500	3,777,015	3,867,135	(428,365)
Intergovernmental	3,023,500	3,155,777	3,189,000	165,500
Charges for Service	5,342,768	5,358,897	5,219,032	(123,736)
Fines and Forfeitures	259,720	178,275	178,200	(81,520)
Miscellaneous Income	428,967	487,767	268,500	(160,467)
TOTAL REVENUE	\$34,031,270	\$33,244,531	\$32,893,132	(\$1,138,138)
Expenditures				
Mayor and City Council	345,072	342,822	359,682	14,610
City Attorney	603,164	451,534	503,828	(99,336)
City Clerk	517,156	486,656	513,312	(3,844)
City Manager's Office	1,133,468	1,120,769	1,118,410	(15,058)
Planning	477,778	462,254	427,979	(49,799)
Finance Department	1,720,748	1,698,746	1,630,801	(89,947)
Police Services	10,946,491	10,637,315	10,793,759	(152,732)
Fire Services	7,830,707	7,760,242	7,972,640	141,933
Community Services	7,083,932	6,301,880	6,494,658	(589,274)
Human Resources	454,876	446,100	473,491	18,615
Non-Departmental	2,799,115	3,119,815	2,782,663	(16,452)
Contingency	500,000	0	631,000	131,000
Transfers	66,383	66,383	50,000	(16,383)
TOTAL EXPENDITURES	\$34,478,890	\$32,894,516	\$33,752,223	(\$726,667)
Change in Financial Position	(\$447,620)	\$350,015	(\$859,091)	

Positions Changed – All Funds

<i>Fund</i>	<i>Department</i>	<i>Title</i>	<i>Estimated Cost/(Savings)</i>
General Fund	Community Services	Recreation Assistant/ 3 Part Time/Parks	(\$66,800)
General Fund	Community Services	Recreation Assistant/Pool	\$20,935
CRA		CRA Coordinator	(\$70,397)
CRA		Landscape Technician III	(\$51,067)
Beach Fund		Beach Specialist	(\$48,394)
TOTAL ESTIMATED SAVINGS			\$215,723

Citywide Use of Fund Balance

<i>Fund Title</i>	<i>9/30/2011 Fund Balance</i>	<i>FY 11-12 Budget Revenues</i>	<i>Budget Expenditures</i>	<i>Net Change</i>
General Fund	\$13,810,952	\$32,893,132	\$33,752,223	(\$859,091)
Special Revenue Funds				
Building Permits (110)	4,371,035	2,260,386	2,746,997	(486,611)
Community Dev. Block Grant (130)	25,789	110,945	100,945	10,000
Business Improvement Dist (138)	0	285,354	285,354	0
Utility Tax/ Debt Service (200)	1,122,767	4,454,438	4,633,344	(178,906)
Capital Projects Fund (340)	4,838,650	2,447,664	3,568,044	(1,120,380)
East Naples Bay District (350)	192,807	184,840	180,250	4,590
Moorings Bay District (360)	1,036,918	42,380	19,250	23,130
Community Redevelopment (380)	2,127,346	1,952,090	1,951,712	378
Streets and Traffic (390)	2,995,035	2,005,000	2,651,368	(646,368)
Total Special Revenue Funds	\$16,710,347	\$13,743,097	\$16,137,264	(\$2,394,167)
Enterprise Funds				
Water and Sewer (420)	10,333,050	30,206,750	28,891,369	1,315,381
Naples Beach Fund (430)	1,887,294	1,585,300	1,370,988	214,312
Solid Waste Fund (450)	4,874,172	6,233,800	7,919,022	(1,685,222)
City Dock Fund (460)	155,073	1,445,000	1,287,093	157,907
Storm Water Fund (470)	5,625,171	4,437,500	4,285,261	152,239
Tennis Fund (480)	280,298	474,600	563,171	(88,571)
Total Enterprise Funds	\$23,155,058	\$44,382,950	\$44,316,904	\$66,046
Internal Service Funds				
Risk Management (500)	1,558,124	2,881,820	3,149,543	(267,723)
Employee Benefits (510)	373,244	6,122,894	6,160,578	(37,684)
Technology Services (520)	487,172	1,847,079	1,916,407	(69,328)
Equipment Services (530)	348,074	2,487,065	2,479,041	8,024
Total Internal Service Funds	2,766,614	13,338,858	13,705,569	(366,711)
TOTAL	\$56,442,971	\$104,358,037	\$107,911,960	(\$3,553,923)

Use of Fund Balance:

- Most reasons are obvious, such as capital projects;
- The General Fund is using this to maintain the 1.1800 millage rate; and
- Solid Waste is a planned use for capital and a recycling transfer facility.

The Presentation:

- Each Department's proposed budget will be presented by its respective Director;
- Presentations may not follow the order of the budget document due to some directors having multiple funds; and
- Page numbers will be noted

Order of Today:

- City Clerk;
- Planning;
- Community Services;
- Police;
- Fire;
- Human Resources with Risk and Benefits;
- Building Fund;
- Public Utilities – Water/Sewer, Solid Waste, Equipment Services;
- CRA;
- Streets and Stormwater;
- Technology Services;
- City Manager;
- City Council, Attorney, Public Service Tax/Debt and CDBG (To be presented by Finance); and
- Finance (including review of software update project).

CITY CLERK'S DEPARTMENT

Operating Budget Request 2011-12

Personal Services	\$457,252
Operating Expenses	<u>\$56,060</u>
Total Request	\$513,312

Additional Expenditure:

Shelving/records center	
Phase III / CIP	\$6,680

Budget Reduction Comparison

	2010-11 Reduction	2011-12 Budget	2011-12 Change
Personal Services	-3.42%	\$441,446	3.58%
Operating Expenses	-3.98%	\$75,710	-25.95%
Change from Prior	-3.51%	\$517,156	-.74%

Personal Services:

- In 2009-10 staff reduced from 8 to 6;
- Staffing level has remained at 6; and
- \$15,806 increase in cost of employee benefits.

Reductions in Operating Expenses:

	2010-11	2011-12	Reduction
Document Imaging	\$7,000	\$0	(\$7,000)
Repair and Maintenance	\$4,000	\$2,500	(\$1,500)
Legal Ads	\$32,000	\$22,000	(\$10,000)
Duplicating	\$3,800	\$2,300	(\$1,500)

Additional Projects:

- Promote an organization-wide Records Management Center (Savings in closed rental storage: \$25,000/yr); and
- Assist GIS in identification of easements for lakes and anticipated further Citywide mapping (Savings: Eliminated title search function generally \$75-\$100 per property)

Advantages: Records Management Center

- ☐ Save on annual rental charges for external records storage;
- ☐ Manage records effectively so that expired items can be disposed systematically and in accordance with law;
- ☐ Provide storage for intermediate (5-10 year retention) records in environmentally controlled conditions; and
- ☐ Provide more immediate access to records and improved overall records management.

Final Report on Records Management Center in Fall

PLANNING DEPARTMENT

- Total budget for FY 11-12 is \$427,979, a \$49,799 decrease from FY 10-11:
 - Personal Services budget is \$361,239, a decrease of \$45,359 from the FY10-11 Budget due to ½ of a position paid for from the Building Permit Fund for plan review;
 - Operating Expenditures budget is \$66,740, \$4,440 (6%) under FY 10-11;
 - The most significant costs include building rental for \$33,820 and legal ads for \$9,000; and
 - No capital expenditures.
- Personnel – staffing level remains the same;
- Assuming greater responsibilities in the CRA;
- No reduction in services;
- Goals and Objectives – Comprehensive Plan:
 - Update the CIE;
 - Incorporate changes per HB 7207;
 - Prepare seven year report; and
 - Address transportation concurrency and mobility planning.
- Goals and Objectives – Amendments to Code of Ordinances;
 - Code Revisions:
 - Temporary Uses and Banners;
 - Seawalls;
 - Expired PD's;
 - Crayton Cove Overlay;
 - Use Chart; and

- Landscape and Parking Codes.
- Goals and Objectives – Review and Processing:
 - Business Tax Form;
 - Map Archival Petition Information; and
 - PD Documents Online.

COMMUNITY SERVICES DEPARTMENT

- FY2011-12 proposed budget is \$6,494,658 which reflects an overall General Fund **Decrease** of **\$589,314** from FY2010-11 adopted budget.

Department Divisions:

- Administration;
- Parks & Parkways;
- Recreation;
- Facilities Maintenance; and
- Enterprise Funds:
 - Beach Maintenance; and
 - Tennis.

Administration Division

- Budget Impacts:
 - FY 2011-12 funding \$533,270; and
 - An **increase** of \$15,809 from FY 2010-11.
- Reason for increase:
 - \$27,000 paid by ASG Inc for the New Years Eve Fireworks. City pays for fireworks and is reimbursed by ASG Inc.; and
 - Otherwise the Administration Division would have an actual **\$11,191 Decrease**.

Parks & Parkways Division

- Budget Impacts:
 - FY2011-12 request of \$3,120,734; and
 - **Decrease** of **\$196,321** from FY2010-11.
- Significant Reductions Include:
 - Operating Expenditures - \$61,000 reduction;
 - Water/Sewer - \$75,000 reduction; and
 - Red Tide Cleanup - \$50,000 reduction.
- Other Contractual Services- \$1,286,000 includes:
 - Mowing contracts \$530,000;
 - Tree contracts \$485,000; and
 - Other Specialized Services \$271,000.

Recreation Division

- Budget Impacts:
 - FY 2011-12 request of \$1,849,900; and
 - **Decrease** of **\$327,161** from FY 2010-11:
- Includes expenses of Fleischmann Park (Skate Park and Athletics), Cambier Park, River Park (Community Center and Pool), Anthony Park and Naples Preserve;
- Significant Reductions:
 - Elimination of the Lake Park Summer Camp Program;
 - Elimination of the Fleischmann Park After School Program (including elimination of 1.5 positions); and
 - Elimination of park staff-run Special Events (excluding River Park special events).
- Elimination of Lake Park Summer Camp Program:

- Outcome: Summer 2011 has shown a significant increase in registrations in the contracted summer specialty camps offered at Fleischmann Park and staff believe contracted specialty camps will continue to develop and increase next summer.
- Elimination of Fleischmann Park After School Program:
 - Outcome: Contracted Instructor will rent the facility and offer a specialty program during after school hours at Fleischmann Park for elementary and middle school age children.
- Recommendation:
 - Increase Professional (Contracted) Services 001-0921-572-3101 from \$165,000 to \$250,000; and
 - Increase Fleischmann Park Projected Revenues from \$226,600 to \$325,000.
- Significant Increase:
 - River Park - \$44,977 Increase in Personal Services:
 - Additional part time lifeguards for the New River Park Aquatic Center (to start mid-year 2012).
- Recreation Revenues received into the General Fund:

	Revenue	Expense	% of Exp.
▪ Fleischmann	\$226,000	\$868,080	26%
–or–	\$325,000	\$953,080	34%
▪ Norris Center	\$153,500	\$359,098	43%
▪ River Park	\$ 77,900	\$600,582	13%

Facilities Maintenance

- Budget Impacts:
 - FY2011-12 funding \$990,754;
 - **Decrease** of **\$81,611** from FY2010-11; and
 - Total Operating Expenses \$405,152: Major expenses include Operating Expenditures (\$100,000) and Other Contractual Services (\$100,000).

July 4th Fireworks Review

- Expenses (2011):

• Fireworks (paid from TDC funds)	\$30,000
• Police and Fire Personnel	\$10,070
• NDN AD (Joint Ad Fireworks <u>and</u> Parade)	\$ 2,300
• Sound System for Pier	\$ 2,200
• CSD Personnel Overtime	\$ 1,000
• Port-o-Lets	\$ 1,000
• Barricades	\$ 800
• Dumpsters	\$ 250
• <u>Sponsor Banner</u>	\$ 100
Total Expenses	\$47,720

- Revenues (2011 Donations):

• ASG	\$ 7,500
• Inn on Fifth	\$ 1,000
• Naples Airport Authority	\$ 500
• The Dock	\$ 150
• Naples Beach Hotel	\$ 100
• A Vernon Allen	\$ 100
• American Legion Post 135	\$ 50
• <u>Naples Jaguar</u>	<u>In-Kind Services</u>
Total Revenues	\$ 9,400

July 4th Fireworks NDN AD

- Reasons for Ad:
 - To Notify Public of the Time and Location of the Parade and Fireworks;

- To Promote Fireworks Music Simulcast; and
- To Recognize and Thank the Sponsors.

Beach Fund

- Budget Impacts:
 - Overall fund is \$1,370,989, an **increase** of \$32,091 from FY 2010-11 adopted budget; and
 - Fund balance of more than \$2 million. Due to the aging of the major beach feature, the Naples Pier, the intent and plan is to have sufficient funds to meet its increasing maintenance needs.
- Fishing Pier FY 2011-12 funding \$81,100:
 - **Increase** of \$3,065 from FY 2010-11 offset by TDC funding; and
 - Offsetting revenue of \$40,000 from concession contract
- Beach Maintenance FY2011-12 funding \$531,769:
 - **Increase** of \$4,584 from FY2010-11 offset by TDC funding; and
- Lowdermilk Park FY2011-12 funding \$31,201:
 - **Decrease** of \$1,999 from FY2010-11; and
 - Revenue of \$20,000 from concession contract offset 64% of the costs of park operations.

Tennis Fund

Beginning Balance - Unrestricted Net Assets:

as of Sept. 30, 2010	\$315,576
Projected Revenues FY 2010-11	\$775,515
Projected Expenditures FY 2010-11	<u>\$810,793</u>
Net Increase/(decrease)	(\$ 35,278)

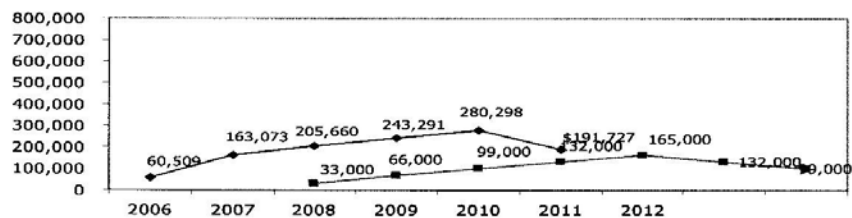
Expected Unrestricted Net Assets	
as of Sept. 30, 2011	\$280,298
Add Fiscal Year 2011-12 Budgeted Revenues	\$474,600
Less Fiscal Year 2011-12 Budgeted Expenditures	<u>\$563,171</u>
BUDGETED CASH FLOW	(\$ 88,571)

Projected Unrestricted Net Assets	
as of September 30, 2012	\$191,727

- Significant Budgetary Issues;
 - Full funding of administrative costs; and
 - General Fund support in the amount of \$50,000
 - Budgeted Expenses \$563,171
 - Debt (paid by memberships) \$ 64,960
 - » **Net Budget \$498,211**
 - Non member use est. 30% \$149,460
 - Revenues from Tournaments(\$ 99,460)
 - General Fund Transfer \$ 50,000**
- General Fund Payment Considerations:
 - Facility or court use is not exclusionary to members;
 - Tournament or event play occurs 58 or more days per year;
 - Facility provides community programs, after school, holiday and summer camp programs;
 - Facility hosts USTA designated tournaments for seniors, juniors and Naples High Tennis Team program; and
 - Facility serves a broad public purpose as tournaments and community events draw participants and spectators to other downtown businesses.

- Resident and Non-Resident Membership Fees:
 - Adult Memberships: Resident/Non-Res \$350/\$465;
 - Youth Memberships: Resident/Non-Res \$15/\$20; and
 - Executive Memberships: Resident/Non-Res \$199/\$299.
- Note: Fees shown do not include 6% sales tax
- **Challenges**
 - Retaining outside sponsorship support;
 - Balancing revenue generating tournament activity competing with general court use; and
 - Generating interest in tennis among all age groups that maintains or translates into new memberships.

Trend - Unrestricted Net Assets



POLICE DEPARTMENT

The proposed FY 2011-12 Budget is \$10,793,759.

\$9,884,211 Personal Services:

- In FY 2010-2011 the Personal Services adopted budget was \$10,019,246 - a decrease of \$135,035;
- Retirement contributions (sworn and administrative) increased from \$1,607,524 to \$1,773,537 (\$166,013) - a 10% increase;
- Regular salaries and wages (10-20) decreased from \$6,051,896 to \$5,933,056. - down 2% (\$118,840);
- Life and health insurance (25-04) cost reduction of \$72,122;
- Overtime (10-40) cost reduction of \$60,000;
- Sworn personnel staff reductions:

2007	77 OFFICERS
2008	75 OFFICERS
2009	74 OFFICERS
2010	70 OFFICERS
2011	68 OFFICERS
2012	68 OFFICERS
- Budgeted positions:

Director	1
Deputy Director	1
Captain	1
Lieutenants	4
Sergeants	10
Officers	52
Administrative Coordinator	1
Administrative Specialist II	4
Records Specialists	2
Property Evidence Technician	1

Crime Analyst	1
Crime Scene Investigator	1
Records/Fiscal Manager	1
Communications Supervisors	3
Communications Manager	1
Telecommunicator	11
Inventory Control Clerk	1
Custodian	1
School Crossing Guards	1.4
Total	98.4

\$909,548 Operating Expenditures:

- Total operating expenses decreased from \$927,245 to \$909,548 - a \$17,697 reduction;
- Fuel cost (42-11) increased from \$187,970 to \$219,387; and
- Equipment services repairs (42-10) decreased by \$45,000.

Administration (1101):

- FY 2010-2011 original budget was \$498,254;
- Requested FY 2011-2012 budget is \$484,368;
- A \$13,886 reduction;
- 10-20: Salaries decreased from \$316,163 to \$306,148;
- A \$10,015 reduction; and
- 40-00: Training and travel costs decreased from \$16,300 to \$15,800.

Criminal Investigations (1119):

- Decreased from \$2,307,174 to \$2,295,808 - a \$11,366 reduction; and
- 10-20: Salaries decreased from \$1,371,382 to \$1,332,411 - a \$38,971 reduction.

Police Operations (1120):

- Decreased from \$5,611,711 to \$5,499,230 - a \$112,481 reduction;
- 10-20: salaries decreased from \$3,215,491 to \$3,136,310 - a \$79,181 reduction; and
- 10-40: Overtime from \$165,000 to \$105,000 - a reduction of \$60,000.

Support Services (1121):

- Decreased from \$2,529,352 to \$2,514,353 - \$14,999 reduction;
- 42-10: \$45,000 reduction in equipment services – repairs; and
- 42-11: \$31,417 increase in fuel costs.

The above represents a total General Fund Decrease of \$152,732 (1.4%)

***FY 2011-2012 Capital Request 800 MHz Portable Radio Replacement**

- Five year fiscal plan for the orderly replacement of fifteen portable radios.
- Current radios have a service life of 5 to 7 years.
- The replacement schedule began in 2004 with a long term plan in place.

Radio Service Life:

- Technology advancements;
- Components may become obsolete; and
- State of Florida Law Enforcement Communication Plan recommendations.

State of Florida Law Enforcement Communications Plan

- **3.0 RADIO EQUIPMENT REPLACEMENT POLICY** - The Department of Management Services (the Department) has established guidelines for the replacement of communications equipment. Specific situations that warrant equipment replacement (with proper maintenance) are listed below:

- 1. Equipment has reached the age listed below although it may not have been in continuous use:

Type of Equipment	Age (Years)
■ Mobile Radios	8
■ Portable Radios	6

- Base and Control Station Radios 10
- Transmitter combiners 10
- Antennas and Transmission Lines
- Within 10 miles of bodies of salt water 10
- Other locations 12
- Antenna Towers
- Within 10 miles of bodies of salt water 15
- Other locations 20
- Antenna Tower Lighting Systems 10

Rationale for Individual Radios:

- Police officer radio dependency is greater than other government agencies.
- Each radio has a "Logical ID" that identifies the user.
- Dispatcher has a visual name of the user on the monitor as the officer transmits.

Radio Emergency Button:

- Officer pushes emergency button when unable to transmit.
- Alarm sounds on dispatch consoles.
- Name of user is displayed for quick ID.
- Dispatcher attempts to contact officer and emergency assistance is dispatched immediately if location is known.

Major Incidents and Special Events:

- All officers are deployed during a major incidents such as a hurricane.
- Limiting the number of radios would require officers to be on patrol without communication capabilities.
- Major special events and regular Patrol Division staffing requires at least 40 officers to be on duty at the same time.

Additional Radio Usage:

- Building and Utilities Departments take possession of radios that exceed police service recommendations.
- Nominal \$50 fee converts radios to non-emergency talk groups.
- Process extends the life of the radios for cost savings to other departments.

Conclusion:

- Technology and recommended service life.
- Emergency button and user identification.
- Major incidents and special events.

FIRE-RESCUE DEPARTMENT

Incident Responses Up 10.79% - 2010 vs 2011

- Fire Suppression;
- Emergency Medical Response;
- Technical Rescue Response;
- Hazardous Materials Response;
- Fire Training – Safety & Accountability;
- Fire Prevention and Inspections;
- Public Education; and
- Emergency Management.

Department Overview

FY 2011/2012 Proposed General Fund Operating Budget

Personal Services	\$7,398,609
Operating Budget	\$ 559,031
Non-Operating Budget	\$ 15,000

Fire-Rescue Department \$7,972,640

An increase of \$141,933 or 1.81% from the FY 2010/2011 adopted budget

Personal Services - \$7,398,609 - 92.241% of Budget

01 – Fire Chief

04 – Battalion Chiefs

01 – Fire Marshal

12 – Fire Lieutenants

39 – Firefighters

04 – Fire Inspectors – 2 Existing Bldg, 2 New Construction

01 – Fire Prevention Specialist

01 – Administrative Specialist II

63 – Total Personnel (Note – Fire had 63 personnel as of August 19, 1991 or 19 years ago)

Increased \$110,627 - 2010/2011

Regular Salaries (\$42,981)

Other Salaries (\$ 8,000)

State Incentive Pay \$ 1,320

FICA (\$11,429)

Retirement Contributions \$74,367

Life/Health Insurance \$97,350

Operating Expenses (Increased \$18,801 - 2010/2011)

<input type="checkbox"/> Other Contractual Services	\$4,910
Target Safety, SCBA Testing	
<input type="checkbox"/> Communications	\$540
Mobile CAD, Cell Phones, Embarq	
<input type="checkbox"/> Equipment Services Repairs	\$(52,500)
Apparatus Repairs	
<input type="checkbox"/> Equipment Services – Fuel	\$10,671
<input type="checkbox"/> Electricity	\$(2,000)
<input type="checkbox"/> Building Maintenance	\$(2,250)
<input type="checkbox"/> Hydrant Maintenance	\$(2,000)
<input type="checkbox"/> Uniforms	\$(8,060)
<input type="checkbox"/> Janitorial Supplies	\$(1,000)
<input type="checkbox"/> Bunker Gear (Personal Protective Equipment - PPE)	\$22,000
<input type="checkbox"/> Fire Hose & Appliances	\$15,000
<input type="checkbox"/> Specialty Team Equipment	\$36,000
<input type="checkbox"/> Books, Publications & Subscriptions	\$(2,510)

Non-Operating Expenses (Increased \$12,505 - 2010/2011)

<input type="checkbox"/> Machinery & Equipment	\$12,505
--	----------

Operating Expenses - \$559,031

Non-Operating Expenses - \$15,000

Total - \$574,031 (7.200% of Budget)

Personnel

A Shift – 18 Assigned

B Shift – 18 Assigned

C Shift – 18 Assigned

Operations Total - 54

Battalion Chief – 1 Personnel

Engine Co. 1 – 2 Personnel

Engine Co. 9 – 3 Personnel

Engine Co. 2 – 3 Personnel

Tower Co. 2 – 1-2 Personnel
Rescue Co. 2 – 2 Personnel
*Crash Fire 3 – 1 Personnel
*Crash Rescue 3 – 1 Personnel

ISO Consultant Findings

- 24/7 Battalion Chief Coverage - OK
- Tower Ladder Co. 2 Staffing 1-2 – OK
- Engine Co. 1 & Tower Ladder Co. 2 Staffing - ?
- Engine Co. 3 Addition and Staffing - ?
- Water Supply – Reclaimed Hydrants and Apparatus - OK
- Training Activities and Record Keeping – OK
- Fire Prevention and Inspection Record Keeping – OK
- Fireboat/Water Supply - ?

Fire-Rescue Staffing - currently - 14 minimum 24-7 & 365 days 2 must remain at station
no. 3 (Naples airport) - only 12 personnel available

IAFC Accreditation

Worst Risk Properties – 25 Firefighters
High Risk Properties – 17 Firefighters
Moderate Risk Properties – 15 Firefighters

Contingency Fund

4 - Firefighter/Paramedics – April 1, 2012
\$154,000 or \$38,500 per Firefighter x 4

HUMAN RESOURCES

The Human Resources Department operates from three funds: General, Risk Management, and Employee Benefits. Responsibilities include:

- Recruitment and Retention
- Performance Plans/Evaluations
- Discipline
- Training
- Collective Bargaining
- Employee Benefits
- City Insurance Programs
- Pay Plans

Human Resources General Fund:

- Department Overview
 - General Fund (Page 101)
 - Budget for Human Resources is \$473,491 which is \$18,615 greater than the 2010-11 adopted budget
- Significant Changes
 - Decrease in Professional Services, Medical Services, and Employee Development expenses
 - Increase in Repair & Maintenance
 - New Applicant Tracking Maintenance Agreement – NEOGOV
 - Increase in Personal Services costs for wages, retirement contributions, and employee benefits

Risk Management Fund

- Overview
 - Internal Service Fund (Page 236)

- Financial Summary

Expected Unrestricted Net Assets as of \$1,558,124
September 30, 2011

FY 2011-12 Budgeted Revenue \$2,881,820

FY 2011-12 Budgeted Expenditures \$3,149,543

Projected Unrestricted Net Assets as of \$1,290,401
September 30, 2012

This does not include \$1.94 million reserved for future claims

- Overview

- Budget for the Risk Management Fund is \$3,149,543 which is a 7% increase over the FY 2010-11 budget.

- Significant Changes

- Reduction of \$10,000 for unemployment claims
- Reduction of \$27,000 for workers' compensation State assessment
 - Pursuant to FS440.49(9) the Special Disability Trust Fund assessment rate was reduced 67.7%
- Reduction of \$58,564 for self insurance property damage
 - Reduced claims experience/funding
- Increase of \$123,550 for workers compensation current year
 - Increased claims experience associated with Police/Fire presumption claims
- Increase in General Liability of \$119,374 and Auto Collision Insurance of \$59,680
 - Increased claims experience associated with litigated claims.

Employee Benefits Fund

- Department Overview

- Internal Services Fund (Page 244)
- Budget for Employee Benefits Fund is \$6,160,578 which is a \$405,245 increase from FY 2010-11

- Revenue for Employee Benefits Fund from two sources:

- City (Employer) contributions, and
- Employee (or former employee) contributions

Financial Summary

Expected Unrestricted Net Assets as of \$373,244
September 30, 2011

FY 2011-12 Budgeted Revenue \$6,122,894

FY 2011-12 Budgeted Expenditures \$6,160,578

Projected Unrestricted Net Assets as of \$335,560
September 30, 2012

- Significant Changes

- Continued reduction in revenue due to greater participation in Consumer Driven Health Plan
- Unusually high health claims on the Point of Service plan
- Greater use of fund balance

- Evaluation of rate structure

- Pursuant to F.S. 112.08, Fund Balance in the Employee Benefits Fund should be adequate to cover 90 days of claims payment activity
- Budget assumes increase of 22% in FY 2011-12 as a result of decreased revenue and decreased fund balance
- Pursuant to F.S. 112.08, Fund Balance in the Employee Benefits Fund should be adequate to cover 90 days of claims payment activity
- Budget assumes increase of 22% in FY 2011-12 as a result of decreased revenue and decreased fund balance

BUILDING DEPARTMENT

- The Building Department is a Special Revenue Fund. All funds are derived from issuing construction permits and other related fees collected by the Building Department. These funds can only be used to support the operation of the Building Department.

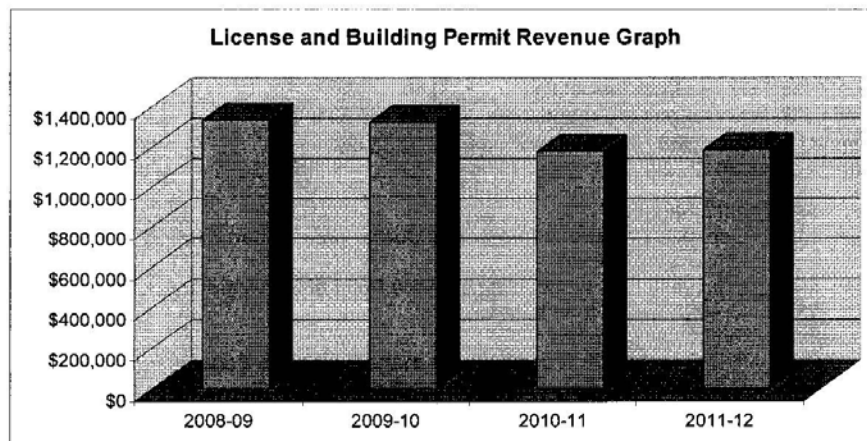
Expected Fund Balance – As of Sept. 30, 2011	4,371,035
Fiscal Year 2011-12 Budgeted Revenues	2,260,386
Less Fiscal Year 2011-12 Budgeted Expenditures	2,746,997
Projected Fund Balance – As of Sept. 30, 2012	3,884,424

- A reduction in the Building Department reserve fund is requested and will be used to fund fiscal year 2011-12 operations and capital (see graph in later slide).
 - Total Personal Services costs increased \$122,982 over previous fiscal year.
 - Transfer .5 Planner II from General Fund \$42,250
 - Part Time Clerk & Inspector \$46,240
 - Increased cost of benefits \$34,490
 - Total Operating Expenses (administrative costs / software - computer support / self-insurance fund fuel / utilities) are reduced \$84,259 from previous fiscal year costs.
 - Non-Operating Expenses \$146,056
 - Electronic Imaging & Retrieval*
 - Vehicle Replacements (2)
 - Improved Filing System*
- * Make building related documents and records quickly and easily available to both the public and staff via increased efficiency

Permit revenue summary

- Permit revenue for 2012 is projected to be 1% more than previous fiscal year
- Construction activity in the high-end custom single family market remains strong and a re-emergence of the condominium remodel market was observed this spring-summer

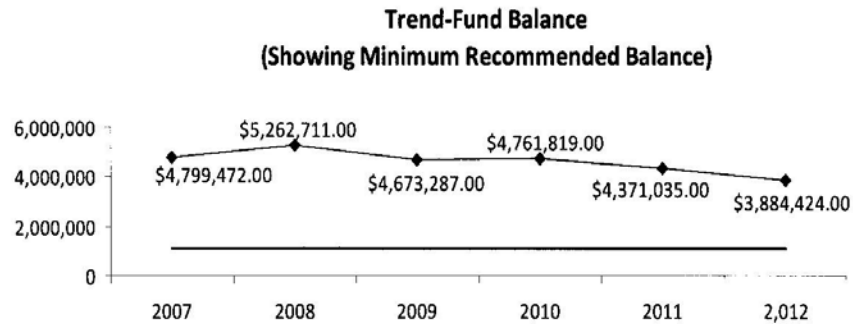
License and Building Permit Revenues



Fund Reserve Action Plan

- Fiscal year 2011-12 includes a request to use \$486,600 from the department fund balance. This is necessary to
 - 1) Cover financial obligations incurred in the fiscal year with fees that were received in previous fiscal years.
 - 2) Achieve a reduction of fund balance to an amount in keeping with accepted accounting practices is the ultimate goal.

Trend –Unrestricted Net Assets



Permit Projections Calendar Year 2010 vs. 2011

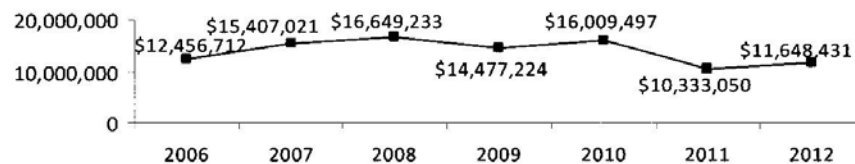
	Actual 2010 Jan-Dec	Projected 2011 Jan-Dec
Single Family New Detached	74	82
Single Family Addition/Alterations	208	215
Multi-Family Addition/Alterations	480	525
Commercial Addition/Alterations	142	150

UTILITIES DEPARTMENT

Water and Sewer Fund (Fund 420)

- Total department expenses (operating and personnel) decreased 1% (\$162,148) from the current year
- FY 2011 includes \$5.082 million in Capital Expenditures
- Utility Index Increase: 1.18%
 - Florida Public Service Commission
 - Affecting Water, Sewer, and Reclaimed Water Rates

Trend-Unrestricted Net Assets



Administration

Significant Increases:

- Other Contractual Services - \$33,851 (211%)
 - GPS Tracking System for Utilities Fleet including monthly maintenance cost

- Other Legal Services - \$35,000
 - Potential services for easement acquisition (Golden Gate Canal Transmission Main)

OVERALL: Water/Sewer Administration budget decreased by .32% (\$27,670) from FY 2011

Water Production

- 15 budgeted positions
- Treatment capacity 30 million gallons per day
- Current plant production 15.2 million gallons per day
- Population served – 65,000

There are no significant budget increases within this division

OVERALL: Water Production budget decreased by 4% (\$237,446) from FY 2011

Water Distribution

- 22 budgeted positions (increased 1 position)
 - Transferred Warehouse Coordinator from General Fund to Water/Sewer Fund
- Maintain approximately 18,000 water meters (ranging 5/8" to 10")
- Distribution system consisting of approximately 353 miles of water mains 2-inch through 36-inch

Significant Increases: Fuel - \$36,161 (60%) - *Fleet Vehicles*

OVERALL: Water Distribution budget increased by 5% (\$113,294) from FY 2011

Wastewater Treatment and Water Reclamation Facility

- 19 budgeted positions
- Plant Design Capacity 10 million gallons per day
- Average Daily Treatment 6.50 million gallons per day
- Reclaimed Water annual average flow 5.65 ADF
- Produces a Class "A" sludge
- Population Served – estimated 30,000

Significant Increases:

- Fuel - \$10,000 (33%)
 - Emergency Generators

OVERALL: Wastewater Treatment budget decreased by 3% (\$92,677) from FY 2011

Wastewater Collections

- 17 budgeted positions
- 37.2 miles of reclaimed water mains
- 2,924 manholes
- Collection system consisting of:
 - Approximately 52.3 miles of sewer force-mains
 - Approximately 165.9 miles of sewer gravity mains (including laterals)

Significant Increases:

- Fuel - \$21,050 (52%)
 - Fleet Vehicles

OVERALL: Wastewater Collections budget increased by 2% (\$34,971) from FY 2011

Utilities Maintenance

- 16 budgeted positions
- Approximately 121 sewer pump stations
- 40 large generators
- Maintain all remote facilities – *Solana, East Naples, Port Royal, and Broad Avenue Pump Stations*
- Maintain all reclaimed water magmeters
- Maintain 54 raw water wells

Significant Increases: Fuel - \$16,695 (51%) - *Fleet Vehicles*

OVERALL: Utilities Maintenance budget decreased by 2% (\$43,955) from FY 2011

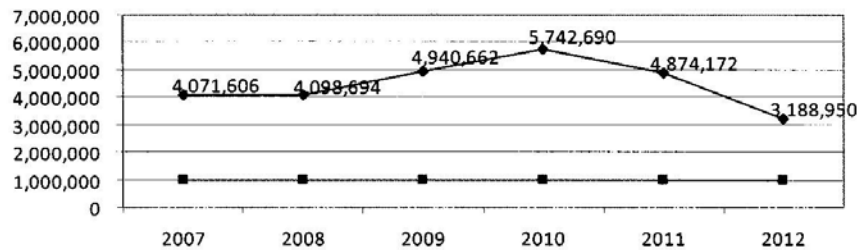
Customer Service

- Funded by the Water/Sewer Fund
- Operated under the Finance Department
- Utility Meter Readers (3) responsible for reading water meters and trouble shooting billing concerns

Solid Waste Fund

- Total department expenses (*personnel and operating*) decreased 6% (\$342,465)
- FY 2012 includes a CPI increase of 3.2%
 - Based on Department of Labor Index
- No disposal increases anticipated from Collier County for FY 2012

Unrestricted Net Assets
(With Recommended Minimum Fund Balance)



Solid Waste Division

Responsible for collection and disposal of residential, horticultural, commercial, and recyclable materials

- Residential collections from more than 6,000 single-family homes and 10,000 multi-family units
- Commercial collections from 525 commercial customers and 350 condominiums
- Recycling collections from more than 6,000 single-family homes and 10,000 multi-family units
- Administration of horticultural debris collections and compactor hauling contracts

Administration

Significant Increases:

- City Administration - \$34,018 (10%)
- Self Insurance - \$16,748 (12%)

OVERALL: SW Administration budget increased by 3% (\$42,595) from FY 2011

Residential Garbage Collection

- 11 budgeted positions
- Currently provide backdoor service
- Twice a week collection
- Large item pickup as scheduled
- This service consists of 3 routes
 - One large truck and two rangers
- Waste hauled to County Landfill

Residential

Significant Increases: Fuel - \$20,570 (25%)

OVERALL: SW Residential budget decreased by 8% (\$96,314) from FY 2011

Horticulture

Significant Increases:

- Contracted collection service with IDC Choice Environmental
- There are no significant increases associated with this Division

OVERALL: SW Horticulture budget remained the same as compared to FY 2011

Commercial Collection Service

Significant Increases: Fuel - \$22,340 (27%)

- 5 positions budgeted
- Collection includes dumpsters and compactors
- Service provided 7-days per week
 - Based on customer needs
- Consists of 3 routes
- Waste is hauled to County Landfill

OVERALL: SW Commercial budget decreased by 11% (\$265,177) from FY 2011

Residential Recycling Operations

- 6 positions budgeted
- Recycling service collected single stream as of October 1, 2010
- Collections provided by use of 35 and 65 gallon carts
- Material hauled to the Lee County Material Recovery Facility (MRF)

Recycling

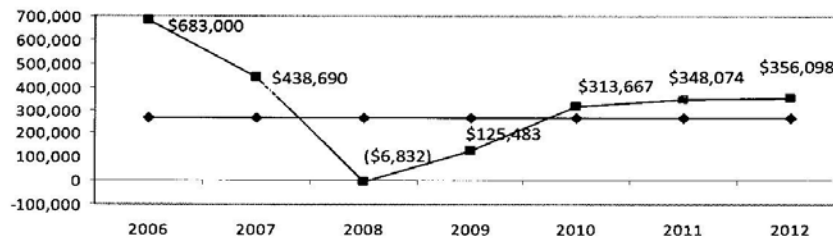
There are no significant budget increases within this Division

OVERALL: SW Recycling budget decreased by 6% (\$31,569) from FY 2011

Equipment Services (Internal Service Fund)

- Total department expenses (*personnel and operating*) increased 4% based primarily on fuel expenses

**Trend - Unrestricted Net Assets
(with Minimum Recommended Fund Balance)**



FY 2012 does not include any capital expenditure requests

- 8.5 budgeted positions
- Maintain approximately 559 pieces of equipment (including vehicles)
- Maintain vehicle wash rack and fuel depot facilities (*contains two 12,000 gallon tanks*)
- Capable of providing in-house repairs to commercial equipment (fire trucks, tractors, garbage trucks, etc.)

- All mechanics are ASE certified, with 4 holding EVT certifications
- Significant Increases:
- Fuel: \$236,522 (29%)
 - 141,000 gallons of gasoline @ \$4.15/gallon
 - 113,000 gallons of diesel @ \$4.21/gallon
- OVERALL: Equipment Services budget increased by 4% \$102,076 from FY 2011

STREETS & STORMWATER

Department Overview

- Separate Funds (Streets & Stormwater) operating under one Department
- Working collectively to fulfill three missions:
 - #1 Provide a safe, clean and well maintained transportation system of streets, sidewalks, bridges and pathways and to monitor and control the efficient operation of signalized intersections by way of the City's transportation operations center.
 - #2 Improve flood protection and water quality through the construction, maintenance and operation of the public stormwater system and the preservation and restoration of area waterways.
 - #3 To provide engineering and project management services for Citywide projects and programs, as needed.
- The Department is currently involved in 29 projects at varying degrees of development with an estimated value of over \$7,000,000
- The Department received \$1.65 million in Grants from FDOT, SFWMD in FY 10-11
- Streets Division has reduced it's operational and personnel costs 1.4% from last year
- Stormwater Division operational and personnel costs have increased 9% from last year

Streets Fund - Primarily Funded thru Gas Taxes

- Four field personnel are responsible for maintaining all City streets, traffic signals, street lights, sidewalks, roadway markings, and signage, including specialty signage, performing quarterly traffic counts

7.5 FTE's responsible for:

- \$1,197,712 in operation & maintenance
- \$750,000 in capital (CIP)
- For FY 2011/12 this fund has reduced operation and personnel costs by 1.4% from FY 2010/2011

Streets Revenues

➤ 6 Cent Gas Tax	\$790,000
➤ 5 Cent Gas Tax	\$600,000
➤ State Rev Sharing	\$240,000
➤ DOT Maintenance	\$124,000
➤ Impact Fees	\$100,000
➤ Interest Income	\$ 50,000
➤ Other Income	\$ 1,000
TOTAL	\$2,005,000

Streets Expenditures (3.2% increase)

Personnel	\$703,656
Operations & Maintenance	\$511,066
Overlay Program	\$500,000
Electricity	\$350,000
Self Insurance	\$155,085
City Admin Charge	\$115,872
Building Rental	\$ 65,689
C.I.P. Projects	\$250,000
Total Expenditures	\$2,651,368

Key Projects

➤ Overlay Program	\$500,000
➤ Sidewalk Maint & Improvs	\$150,000
➤ Alley Improvements	\$ 50,000
➤ Used Lift Truck	\$ 50,000

- 12th Street North Sidewalk \$246,743*
- Central Avenue Sidewalk \$123,013*
- * - FDOT Funded

5 Year CIP Program

**STREETS FUND 390
FIVE YEAR CAPITAL IMPROVEMENT PROGRAM**

CIP ID	PROJECT DESCRIPTION	REQUESTED				
		2011-12	2012-13	2013-14	2014-15	2015-16
12U28	Pavement Management Program**	500,000	500,000	500,000	500,000	500,000
12U29	Sidewalk Repair & Improvement	150,000	100,000	100,000	100,000	100,000
12U31	Alley Improvement Program	50,000	50,000	50,000	50,000	50,000
12U12	Lift Truck-Used	50,000	0	0	0	0
12U01	Signal System Improvement	0	130,000	100,000	0	0
Total Streets Fund		750,000	780,000	750,000	650,000	650,000
FDOT Projects (Not included in the City's budget, but provided for reference purposes only)						
	12th Street N Sidewalks	246,743	0	0	0	0
	Central Avenue Sidewalk	123,013	0	0	0	0
	Crayton Road Sidewalk Ext.	0	215,925	0	0	0
Total FDOT Funds		369,756	215,925	0	0	0

** Pavement Management Program is budgeted in the operating line item instead of Capital

Streets Revenues, Expenditures and Fund Balance

- Total Revenues: \$2,005,000
- Total Expenditures: \$2,651,368
- (\$646,368 is proposed to be utilized from Fund Balance)
- Fund Balance (09/30/2011): \$2,995,035
- Fund Balance (10/01-2011): \$2,348,667

Stormwater Fund

- Operates as an Enterprise Fund: Stormwater Utility Fee
- Responsible for drainage and flood control, through the operation, maintenance and improvement of the City's stormwater system, which includes a wide variety of water quality components. All in conjunction with the City's NPDES MS4 Permit.

6 FTE's responsible for:

- \$1,094,966 in operation and maintenance costs
- \$2,920,000 in capital projects
- For FY 2011/12:
 - Employee expenses - 1%
 - Operating expenses + 10%
 - Fuel +40%, Self Insurance +202%, City Administration +8%, Professional Services +25%

Stormwater Revenues

- FY 11-12: CPI Rate Adjustment of 3.2%
 - Rate Adjustment to \$12.39 /ARU/month
 - Est. \$4,400,000 revenue for the fiscal year
- Multi-family Impervious Option

- Est. Revenue Impact FY 11-12: - \$150,000
- Stormwater Fee Credits
 - Est. Revenue Impact FY 11-12: - \$29,736 (est. 200 ARUs)
- Anticipated SFWMD Grant: \$?
- Interest Earned - \$37,500
 - *FY 10-11: Stormwater Utility Fee (\$12.01/ARU)
 - Est. \$4,400,000
 - FY 10-11: Received \$600,000 in grants
 - Stormwater Fee Credits Issued: - 29,689 (206 ARUs)

Stormwater Expenditures

➤ Personnel	\$520,388
➤ Operations	\$574,578
➤ City Admin	\$173,470
➤ SRF Loan: Principal	\$200,650
➤ SRF Loan: Interest	\$ 69,645
➤ Capital Projects	<u>\$2,920,000</u>
Total Expenditures:	\$4,285,261

FY 2011-12 Key Projects

➤ Basin III Improvements	\$1,200,000
➤ Basin V Improvements	\$ 600,000
➤ Citywide Improvements	\$ 600,000
➤ Basin II Concept Study	\$ 260,000
➤ Street Sweeper	\$ 260,000

Stormwater Revenues, Expenditures and Fund Balance

➤ Total Revenues:	\$4,437,500
➤ Total Expenditures:	\$4,285,261
➤ Fund Balance:	\$5,777,410

5-Year CIP Program

**CAPITAL IMPROVEMENT PROJECTS
FUND 470 - STORMWATER**

PROJECT DESCRIPTION	DEPT REQUESTED	2012-13	2013-14	2014-15	2015-16
	2011-12				
Stormwater Improvements	600,000	600,000	700,000	700,000	800,000
Basin II Stormwater Improvements	260,000	500,000	650,000	0	500,000
Street Sweeper Replacement	0	0	0	0	0
Street Sweeper Replacement	260,000	0	0	0	0
Basin III Stormwater System Imp.	1,200,000	375,000	0	2,250,000	1,750,000
Basin V Stormwater Improvements	600,000	800,000	200,000	0	0
Basin IV Stormwater Improvements	0	175,000	0	225,000	225,000
Basin VIII Stormwater Improvements	0	250,000	1,500,000	0	0
Vacuum Truck Replacement	0	275,000			
Pick Up Truck	0	0	0	0	0
TOTAL FUND	2,920,000	2,975,000	3,050,000	3,175,000	3,275,000

Street Sweeping

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CITY COST

The City's cost to provide the level of service identified above is based on actual costs since February 2007, the purchase date of the City's existing street sweeper, plus projected cost through February 2012.

	PRIOR 5-YRS	NEXT 5 YRS
EQUIPMENT		
2007 Elgin Whirlwind Air Sweeper: (includes 5-year Maintenance & Warranty Program)	\$219,076	280,000
Guaranteed Salvage Value (Credit):	(\$34,000)	(\$40,000)
5-Year Fuel Cost:	\$32,500 +10%	\$35,750
5-Year Wear & Tear Cost: • Brushes, belts, filters.	\$38,055 +20%	\$45,666
Total 5-year Cost	\$255,631	\$301,416
ANNUALIZED:	\$51,126	\$60,283
LABOR		
1-FTE with benefits per year:	\$52,985 +10%	\$58,261
Overtime:	\$1,000 +10%	\$1,100
ANNUAL LABOR COST:	\$53,985	\$59,361
OTHER EXPENSES		
Annual DISPOSAL Cost:	\$21,000 +30%	\$27,300
Administrative Charges	\$10,052 +10%	\$11,169
Insurance	\$7,433	\$7,433
TOTAL ANNUALIZED COST TO THE CITY:	\$143,576	\$165,546
Monthly Equivalent:	\$11,965	\$13,796

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ESTIMATED OUTSOURCING COST

Estimated Cost: The range of costs for privately operated service has been obtained directly from company representatives authorized to provide rates. No adjustments have been made for future contract increases; however, rate adjustments are standard contract provisions. The rates below have not been provided under competitive circumstances; but, they are very consistent with what other communities are paying. The companies contacted indicate a preference to omit debris disposal from their rates (but one company would consider disposal at an additional cost around \$8.75/curb-mile); therefore, the City's annual disposal costs have been included since it is a lower variable cost.

Service Cost	
Cost per Curb-Mile: (\$28.50 - \$35.00)	
Annual Curb-Miles: 3,684	\$104,994 - \$128,940
City Contract Management Cost	
Streets & Traffic Supervisor	
\$38 /hour At 95-hours/year:	\$3,744
Accident Sweeping	
\$75 - \$95 per hour with a 3-hour minimum	
10 accidents per year = 30-hours total	\$2,250 - \$2,850
Parade Sweeping	
\$75 - \$95 per hour with a 3-hour minimum	
3 parades per year each requiring 6-hours each = 18 hours total	\$1,350 - \$1,710
Street Sweeping Disposal	
CITY'S Annual DISPOSAL Cost:	\$27,300
Administrative Charges	\$3,901
Insurance	Included in rates above.
EST. TOTAL ANNUAL COST TO THE CITY:	\$143,539 - \$168,445
Monthly Equivalent:	\$11,962 - \$14,037

TECHNOLOGY SERVICES

Fund 520

- Total *department* expenses decreased \$33,099 (-1.7%).
- FY 11-12 \$201,950 in Capital requests
 - Internal Service Fund
 - Three Divisions – 10 Employees
 - Application Services
 - 2 Employees
 - Network Services
 - 7 Employees
 - Geographic Information Systems (GIS)
 - 1 Employee
 - Application Services
 - \$323,651 - 2011-12 Operating Budget
 - \$9,446 - Decrease from 2010-2011
 - Responsible for Financial and Land Management Software, Online Payments, Time Clocks, Custom Databases and Reports
 - Network Services
 - \$1,425,555 - 2011-12 Total Division expenses decreased \$23,432 (4.45%)
 - \$35,000 moved from CIP)
 - Responsible for Network Infrastructure, Hardware, Operating Systems, Internet and Intranet, PC Applications, Security, TV Station, Telephones and 24 Hour Dispatch (911) Support
 - Geographic Information Systems (GIS)
 - \$167,201 - 2011-12 Total Expenses
 - \$221 – Decrease from 2010-11
 - Responsible for City-Wide GIS Systems, Mapping, Databases, Spatial Analysis and Interface Design
 - Capital Improvement Projects

– PC Replacement Program	\$ 80,000
– Server Replacement Program	\$ 45,000
– 10GB Network Switching	\$ 31,520
– GIS Large Format Printer	\$ 15,958
– Global Positioning Units	<u>\$ 29,112</u>
– Total	\$201,590

CITY MANAGER'S OFFICE

- The budget for the City Manager's Department is \$1,118, 410 which is \$14,058 less than the 2010-11 adopted budget
- The City Manager's Office has a budget of \$572,099 a decrease of \$18,132 less than the 2010-2011 adopted budget
- Operating Expenses are \$31,806 or \$3,823 less than FY 10-11
- The budget for the Natural Resources Division is \$390,491, an increase of \$4,377 over the FY 10-11 budget
- Personal Services have increased by \$9,312 over FY 10-11 due to increased cost of employee benefits
- Operating Expenses are \$85,026, or \$4,935 less than FY 10-11

Natural Resources– Key Projects

- Operating Expenses (\$37,700) includes lake maintenance, oyster restoration, etc.
- Professional Services (\$25,000) for contracted water quality sampling and analysis

- Lawn and Landscape Certification (\$10,000)

- The budget for the Code Enforcement Division is \$155, 820, a reduction of \$1,303.
- Personal Services are \$143,990, 92% of the budget, a decrease of \$483
- Operating Expenses are \$11,830, a decrease of \$820

CITY DOCK

Revenue

REVENUE	BUDGET 2010-11	PROJECTED 2010-11	PROPOSED 2011-12
DOCK RENTALS	450,000	400,500	425,000
FUEL SALES	500,000	665,000	912,000
BAIT & MISC. SALES	65,000	61,500	58,000
NAPLES LANDINGS REV	42,500	52,500	42,500
MOORING BALL RENTAL	3,000	3,500	3,500
CITY FINES, CHARGES, INTEREST	3,300	5,200	4,000
TOTAL CITY DOCK	\$1,063,800	\$1,188,200	\$1,445,000

Expenses

	<u>Budget 2010-11</u>	<u>Requested 2011-12</u>	<u>Change</u>
Personal Services	196,130	194,382	(1,748)
Operations	25,000	25,000	0

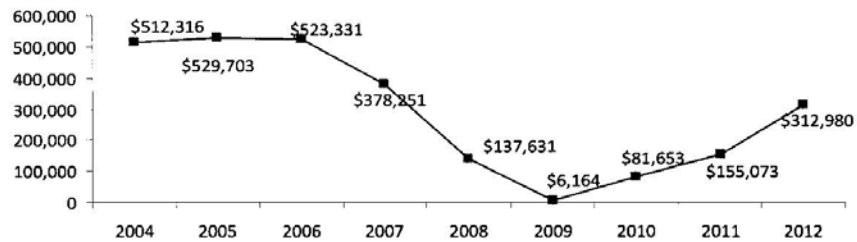
Significant changes

	<u>Budget 2010-11</u>	<u>Requested 2011-12</u>	<u>Change</u>
• Fuel	550,000	760,000	360,000
• Insurance	84,180	22,370	(61,810)

Summary

	<u>Budget 2010-11</u>	<u>Projected 2010-11</u>	<u>Requested 2011-12</u>
Expenses	768,650	918,650	1,042,711
Revenues	1,063,800	1,188,200	1,445,000

Trend-Unrestricted Net Assets



Capital Request – Replacement of 5 fuel pumps and computerized point-of-sale register
- \$50,000

Beach Fund/Enforcement

- Budget of this division is \$349,878, a \$40,900 decrease from the FY 10-11 budget
- 5.2 positions, a decrease of one (vacant) Beach Specialist position
- No other significant changes

	Budget 2010-11	Budget 2011-12	Change
Personal Services	359,823	316,341	(43,482)
Operating Expenses	30,955	33,537	2,582
Total	390,778	349,878	(40,900)

MAYOR AND CITY COUNCIL

Budget

- \$14,610 more than FY 2010-11
- Increase due to cost of health insurance and replacement of office furniture

Budget comparison

	FY 10-11 Budget	FY 11-12 Requested	Change
Personal Services	\$321,372	\$327,482	\$6,110
Operating Expenses	\$23,700	\$22,200	(\$1,500)
Capital	0	\$10,000	\$10,000
Totals	\$345,072	\$359,682	\$14,610

CITY ATTORNEY

Highlights

- One full time position
- Reductions are in legal expenses based on prior years' actual expenditures

Budget comparison

	FY10-11 Budget	FY11-12 Requested	Change
Personal Services	\$108,394	\$108,058	(\$-336)
Operating Expenses	\$494,770	\$395,770	(\$-99,000)
Totals	\$603,164	\$503,828	(\$-99,336)

PUBLIC SERVICE TAX FUNDS

Two intertwined funds, numbered 200 and 340 that pay for Debt (200) and Capital (340)

- Primary revenue source is the Public Service Tax
- Capital will be discussed by individual Departments
- This discussion is about debt/revenue

Fund 200

Expected Unrestricted Net Assets as of September 30, 2011 **\$1,122,767**

ADD: BUDGETED REVENUES:

Ad Valorem Tax-Voted Debt Service	\$589,784	
Public Service Taxes		
Electric (FPL)	2,500,000	
Natural Gas (Peoples Gas)	85,000	
Propane Sales	100,000	
Local Telecommunication Tax*	197,585	
Interest Earned	3,500	
Transfer - CRA Bonds	978,569	4,454,438

TOTAL AVAILABLE RESOURCES **\$5,577,205**

LESS: BUDGETED EXPENDITURES:

Naples Preserve Bond Debt Service	\$589,784	
Public Service Tax Debt Service	743,630	
CRA Debt Service	978,569	
General Fund Admin. Reimbursement	61,361	
Transfer to Capital Projects Fund	2,260,000	4,633,344

BUDGETED CASH FLOW **(\$178,906)**

Projected Unrestricted Net Assets as of September 30, 2012 **\$943,861**

Fund 340

Expected Fund Balance as of September 30, 2011 **\$4,838,650**

Add Fiscal Year 2010-11 Budgeted Revenues

<i>Transfer - Public Service Tax</i>	\$2,260,000	
Interest Earned	65,000	
Earned Assessment Payments	61,500	
Auction Proceeds	23,000	
CRA Loan Repayment	<u>38,164</u>	<u>2,447,664</u>

TOTAL AVAILABLE RESOURCES **\$7,286,314**

Less Fiscal Year 2010-11 Budgeted Expenditures

Capital Projects per CIP List	3,497,495	
Administrative Chargebacks	<u>70,549</u>	<u>3,568,044</u>

BUDGETED CASH FLOW **(1,120,380)**

Projected Fund Balance as of September 30, 2012 **\$3,718,270**

Items of note:

- Voted ad valorem tax for Naples Reserve is .0426 mills
- Telecommunications Tax is 5.22% with \$197,585 going to this fund and the balance to General Fund

Long-term outstanding debt: the City has debt in several funds, not just in the Public Service Tax Funds

All long-term debt outstanding:

Issue	Final Maturity	Original Amount	Principal Outstanding 9/30/2011	2011 Budgeted Debt Serv
General obligation 2004	2015	3,170,000	2,205,000	589,784
Redev. Revenue Note 2010	2022	10,093,696	9,248,126	978,569
Water Sewer Rev Bonds 2007A	2027	10,000,000	8,465,716	717,979
Water Sewer Revenue Bonds 2007B	2027	5,819,677	4,913,245	409,920
Public Service Tax Revenue Note, 2022		7,000,304	6,413,874	678,669
Public Service Tax Revenue Note, 2010		300,000	255,000	64,960
Water Sewer State Revolving Fund	2021	25,930,000	13,639,621	1,915,702
Stormwater State Revolving Fund	2021	4,830,210	2,377,508	270,309
Totals			47,518,090	5,625,892

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

- The projects are:
 - 1.) Continuation of the Cambridge Perry Park project (irrigation and landscaping);
 - 2.) On street parking on the south side of 5th Ave North, between 10th Street and Goodlette-Frank Road (8 spaces)

FINANCE

The Divisions of Finance are:

Finance/Accounting : fixed assets, accounts payable, mail, audit, cashier, payroll,

financial reports, budget, debt management, parking meter collections, investments

Customer Service : mail utility bills, read water meters, issue Business Tax Receipts

Purchasing : Bids, RFPS, Contracts, renewals, Purchase Orders

Finance

	2010-11 Budget	2011-12 Budget	Change/ Reduction
Personal Services	1,547,732	1,475,864	(71,868)
Operating Expenses	<u>173,016</u>	<u>154,937</u>	<u>(\$18,079)</u>
Total	1,720,748	1,630,801	(\$89,947)

- Number of employees decreased by 1 to 18.8 due to transfer of one employee, Warehouse Coordinator, to Utilities
- Cost of Auditing Services decreased by \$15,000
- Many other line items were decreased.

Finance Goals for FY11-12

- Prepare a banking RFP – (Contract Expires)
- Improve the Finance portion of the website
- Update the business tax licensing procedure
- Create a standard process for setting up new utility accounts and transferring account information

Challenges

- Statement 54—Fund balance
- Statement 59—Investment Omnibus
- Statement 60—Service Concession Arrangements
- Statement 61—Reporting Entity Omnibus
- Statement 62—Pre-89 FASB and AICPA Pronouncements
- Statement 63—Deferrals and Net Position
- Statement 64—Application of Hedge Accounting Termination Provisions

More Challenges

- Guidelines for Voluntary Reporting —Service Efforts and Accomplishments
- Fiscal sustainability projection in the CAFR
- Pension Accounting in the CAFR

Do these affect us? No, but until we research and learn what they mean, we don't know.

Learning takes time, implementing takes more time.

Capital Request for FY 11-12

- Integrated Software \$300,000
- Separate presentation in two minutes

Finance/Beach Fund Administration - Finance is responsible for the Administration section of the Beach fund, which is primarily parking meter collections and meter maintenance. Other functions in Beach fund are Beach Enforcement and Facility Maintenance

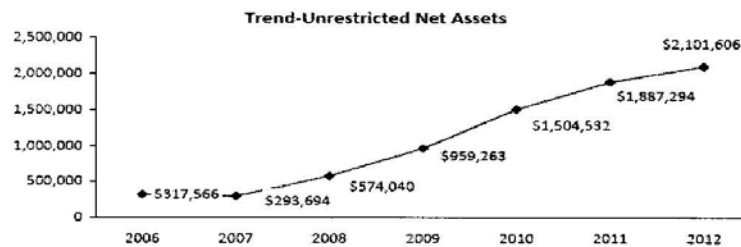
Beach Fund

BUDGETED CASH FLOW

\$214,312

Projected Unrestricted Net Assets as of September 30, 2012

\$2,101,606



Add Fiscal Year 2011-12 Budgeted Revenues

Collier County	\$500,000	
Fishing Pier Contract	40,000	
Lowdermilk Contract	20,000	
Meter Collections	650,000	
Parking Tickets	265,000	
Late Fees/Collections	27,200	
TDC or Grants	56,500	
Miscellaneous Revenue	26,600	
		<u>\$1,585,300</u>

TOTAL AVAILABLE RESOURCES

\$3,472,594

Less Fiscal Year 2011-12 Budgeted Expenditures

Administration	\$220,664	
Fishing Pier	81,100	
Beach Maintenance	531,769	
Beach Enforcement	349,878	
Lowdermilk Park	31,200	
Transfer - Self Insurance	25,853	
Transfer - City Administration	130,524	
Capital Projects	0	
		<u>\$1,370,988</u>

BUDGETED CASH FLOW

\$214,312

Overall – Positive Cash Flow

- 63% of the Revenue is dependent on Parking Meters or Beach Attendance, but costs are not
- 2006-07 Budget had a major update to Lowdermilk Parking Lot
- No capital budgeted in FY11-12

Finance/Beach Fund

	2010-11 Budget	2011-12 Budget	Change
Personal Services	61,150	70,366	9,216
Operating Expenses	<u>248,450</u>	<u>306,675</u>	<u>58,225</u>
Total	\$309,600	\$377,041	\$67,441

FY 2011-12 Beach Admin budget is \$377,041, a \$67,441 increase over FY10-11

- Personal Services includes a Meter Technician who is projected to collect \$650,000 from parking meters and the pay stations
- Main costs are operational costs of Pay Stations, July 4th Fireworks, administration and insurance.
- New project – Five year replacement program of old meter heads with new electronic heads. New meters will allow for audit function.

Finance/Water Sewer Fund

Finance is responsible for the Customer Service / Meter Reading section of the Water & Sewer fund, which is primarily responsible for bimonthly meter reading service to almost 20,000 customers

	2010-11 Budget	2011-12 Budget	Change
Personal Services	150,837	167,003	16,166
Operating Expenses	<u>40,410</u>	<u>78,066</u>	<u>37,656</u>
Total	\$191,247	\$245,069	\$53,822

Finance/Customer Service – Meter reading

Budget is \$245,069 a \$53,822 increase over 11-12

Increase is due to:

- Postage – 2010-11 postage budget was missed. Estimate is \$33,000
- Fuel (\$4,236) due to price increases
- Salary and Benefit increased \$16,166; includes \$9,800 for fund-wide annual holiday bonus that *could* have been back in the contracts. That may be removed before adoption

Finance Software Upgrade Project

CAPITAL IMPROVEMENT FUND 340 - FINANCE DEPARTMENT							
PROJECT ID	PROJECT DESCRIPTION	REVISED BUDGET 2010-11	DEPT REQUEST 2011-12	2012-13	2013-14	2014-15	2015-16
12A12	Upgrade/Repl. City Integrated Software	0	300,000	200,000	0	0	0
	Replace City Mail Van	0	0	0	0	13,000	0
FINANCE DEPARTMENT TOTAL		0	300,000	200,000	0	13,000	0

Providers

There are 8 main software providers that are used by governments

1. Lawson
2. Edmunds
3. MCSJ Cogsdale
4. SungardPS
5. Tyler/Munis Div
6. New World
7. Spring Brook
8. American Data Group

Three were determined to have all our minimum requirements.

1. Sungard PS
2. Tyler/Munis
3. Spring Brook

(is a fully integrated software, contains all modules, and has sufficient support staff)

Providers costs

Item	Current Navline	SungardPS	Cost Tyler	Springbrook
Conversion Services & New Hardware	0	201,060	407,350	265,050
iSeries Hdw & Operating system MX	12,600	12,600	12,600	12,600
Software Maintenance	91,745	75,000	0	82,888
Disaster Recovery	6,072	4,500	4,500	4,500
Questys Replacement or New Software	43,856	54,490	347,015	277,000
Year 1 Total	154,273	347,650	771,465	642,038
New iSeries + HTE Server	105,000	0	0	0
IBM Maintenance	14,399	14,399	14,399	14,399
Software Maintenance	95,415	75,000	56,549	87,032
Disaster Recovery	6,315	4,680	4,680	4,680
Additional Software & Services	0	100,000	0	0
Year 2 Total	221,129	194,079	75,628	106,111
IBM Maintenance	16,455	0	0	0
Software Maintenance	99,231	78,000	58,811	91,383
Disaster Recovery	6,567	4,867	4,867	4,867
Year 3 Total	122,254	82,867	63,678	96,250
IBM Maintenance	18,805	0	0	0
Software Maintenance	103,201	81,120	61,163	95,953
Disaster Recovery	6,830	5,062	5,062	5,062
Year 4 Total	128,836	86,182	66,225	101,015
IBM Maintenance	21,491	0	0	0
Software Maintenance	107,329	84,365	63,610	100,750
Disaster Recovery	7,103	5,264	5,264	5,264
Year 5 Total	135,923	89,629	68,874	106,014
IBM Maintenance	24,560	0	0	0
Software Maintenance	111,622	87,739	66,154	100,750
Disaster Recovery	7,388	5,475	5,475	5,475
Year 6 Total	143,569	93,214	71,629	106,225
Total for Six Years	905,984	893,622	1,117,500	1,157,653

Total for Six Years	905,984	893,622	1,117,500	1,157,653
	Current Navline	SungardPS	Cost Tyler	Springbrook
Investment	148,856	355,550	754,365	542,050
Maintenance (6 yrs)	757,128	536,273	363,135	615,603
Total	905,984	893,622	1,117,500	1,157,653
Difference	0	(12,362)	211,516	251,669

New software can start to pay for itself in less than 6 years

This is in part due to the need to replace the AS400 next year

Pricing is based on information from providers, NOT bids

Reasons for change

- ◆ This enterprise software application suite is vital to the operation of the Finance, Human Resources, Utilities, and Community Services
- ◆ iSeries Platform is 33 year old technology
- ◆ iSeries replacement cost likely next year
- ◆ Replacement of Questys \$45,000 won't be required
- ◆ City has owned this software package since 1994. It has been updated annually to remain technically correct, but is outdated in its functions and structure
- ◆ Reduced software maintenance and disaster recovery fees
- ◆ New Programming Languages utilize most productive approach
- ◆ Reporting capabilities are significantly improved
- ◆ Streamlines processes with definable and regimented work flows included in each of the applications
- ◆ Intuitive single stroke operations increases productivity

Capabilities of the SunGard Product

- ◆ Windows Platform with Smart Client Technology (Current system is not Windows)
- ◆ Microsoft Office Integration
- ◆ Flexible Account Structure and Added Budgeting Features
- ◆ Central Address & Person/Entity Database
- ◆ Rapid Migration from NavilLine to ONESolution
- ◆ Leverage Existing Investment

Some Examples of the Power of Work Flow

- Approvals
- Web forms
- Email notifications
 - ◆ Scheduled basis (i.e. listing of all purchase order items not received)
 - ◆ Event in system (i.e. when a new bid is awarded, email the interested role)
- Reports delivered in email
 - ◆ Deliver reports to user as PDF or document link
 - ◆ Scheduled Basis (i.e. Budget to Actual report emailed to all department heads each morning)
 - ◆ Triggered on event (i.e. Email buyers when minimum quantities are reached in inventory, or Email interested parties when budget reaches a certain percentage)
- Run a process
 - ◆ At the end of the approval, automatically run a ONESolution process (i.e. convert a Purchase Requisition to a Purchase Order)

Other benefits

Accounting Systems

- CAFR and other reporting requirements are built into the structure
- Workflow for Journal Entry approvals
- Attachments for Journal Entries
- Support standard recurring Journal Entry
- ALL departments (not just Finance) may run reports and monitor financial activities. Complexity of current system limits departmental use of modules.

Purchasing Systems

- ❖ Requisition entry screen consolidated with Purchase Order screen
- ❖ Attachment capability

All Systems

- ❖ Enhanced reports allowing for better management decisions
- ❖ More intuitive = shorter training (Current system can take months/years to master)
- ❖ Standardized and flexible reports
- ❖ True search fields (i.e. "vendor by city")

Budgeting Systems

- ❖ Upload/download budget worksheets with excel
- ❖ Budget checking at any level of account
- ❖ Position Budgeting
- ❖ "What if"
- ❖ Justifications

Other Questions

Q. Will this software save total working hours?

A. YES

Q. What is your estimate of this productivity increase?

A. In Finance alone, after implementation, a savings of 30 hours per week

Q. Is there another benefit?

A. Faster reports. After implementation, CAFR could be received in January, instead of the end of March. Monthly reports could be ready on the 5th instead of the 10th.

Q. Will this efficiency save money?

A. Not at first, because we use salaried people for most overtime.

Q. Could this efficiency save money?

A. Absolutely. As staff has to work less time to accomplish mundane reporting tasks, and has time to analyze reports, staff will still work extra hours, but will be time to spend on enhancing processes. Managers will see timely information, in formats they can understand. We do not do many reports now, because we do not have enough hours in the day to create them.

Q. How will this affect the Utilities?

A. Regardless of which provider is selected, Utility Billing will not be phase one. Phase one will be the base of the system, Accounting, Purchasing, Payroll, etc. That module must be installed first. We have estimated Phase II at \$200,000

Q. City wide, how many people are affected?

A. There are 144 HTE users, with an average salary of about \$30 per hour.

Q. Is there another funding option?

A. For the 2nd phase, some costs could be absorbed by the Utility funds, since the software would be directly related to utility billing



NAPLES CITY COUNCIL AGENDA MEMORANDUM

Workshop Meeting Date: August 15, 2011

Agenda Item:	Prepared By: Roger Reinke, Assistant City Manager	
5	Date: August 8, 2011	Department: City Manager
SUBJECT: Unresolved budget issues regarding the Capital Improvement Plan (CIP), and the Fifth Avenue South Business Improvement District (BID).		
BACKGROUND: <u>CIP</u> At the June 15, 2011 City Council CIP Workshop, City Council requested additional information regarding the below unresolved issues. A separate memorandum for each item is presented to offer supplementary information. Additionally, a PowerPoint presentation is provided relative to the Finance Department's CIP request. These subjects will be addressed during the departmental presentations. <ol style="list-style-type: none"> 1. Streets and Stormwater Department lift truck replacement. 2. Streets and Stormwater Department street sweeping services. 3. Police Department portable radio replacement. 4. Fire Department replacement of Fire Station No. 1. 5. Finance Department replacement of the integrated finance/management software suite. 		
<u>BID</u> The Fifth Avenue South Business Improvement District (FASBID), in accordance with the establishing assessment resolutions (10-12801 and 10-12820), and their agreement with the City of Naples, proposes the special assessment for 2012 remain at the same rate as for 2011, namely; the taxable value of real property multiplied by the numeric factor of 0.002, or 2 mils. The establishing resolutions require the not-for-profit corporation to propose, and City Council to determine, the numeric factor to be applied against the taxable value of property for each year. City Council will actually determine the 2012 assessment in conjunction with the September budget approval process. FASBID has provided a letter with their recommendation. In addition to the recommendation they have provided their semi-annual report, a report projecting 2011 expenditures, and the 2012 proposed budget.		
Reviewed by Department Director Roger Reinke	Reviewed by Finance N/A	Reviewed by City Manager A. William Moss
City Council Action:		



Memo

Office of the Chief of Police

TO: A. William Moss, City Manager
FROM: Tom Weschler, Chief of Police
DATE: July 27, 2011
SUBJECT: Proposed Purchase of Police Department Portable Radios

On June 13, 2011, City Council was asked to consider the CIP purchase of fifteen police portable radios at the cost of \$48,000. The five year plan, including the orderly radio replacement schedule, was presented for approval.

Council Member Gary Price proposed options to purchasing these items, and the approval was postponed until there was further discussion regarding the replacement rationale and purchasing schedule.

A copy of the Naples Police Department radio replacement report and PowerPoint presentation is attached for review.

Ethics above all else... Service to others before self... Quality in all that we do.

RADIO ACQUISITION AND REPLACEMENT HISTORY

DETAILED REPORT

Migration from VHF to UHF

NPPD transitioned from VHF to UHF radios in 1999 as part of a Collier County-wide project to upgrade public safety radios. This strategic move provided several benefits to us:

- Eliminated need for annual funding for renewal of 4 FCC radio licenses and maintenance of related infrastructure (antennae and towers) – I don't have \$\$ data for these costs.
- Transferred funding for maintenance and replacement of dispatch consoles and components to the County Radio Manager.
 - \$100k for the upgrade to the 800 MHz system; included radio system switch upgrades to support our consoles
 - Recurring costs to maintain approx. \$138k of existing equipment and software
 - Plans to replace consoles and peripherals during FY2012 or -13
- Enhanced our radio capabilities
 - Migrated from conventional system (Tx *and* Rx over same pre-set frequency) to trunked multiplex system (Tx *or* Rx over system-selected frequency within programmed bandwidth)
 - More talk capacity (by sharing county bandwidth) than we could obtain with conventional channels
 - Complete interoperability with all Collier County public safety and government agencies
 - Out-of-county communication capability with other agencies through the mutual aid talk groups

While the county radio manager is responsible for system management and maintenance, users of the system are responsible for the purchase, maintenance and replacement of radios and accessories.

Rationale for Individual Radios

- Individual accountability
 - Talk group setting
 - Routine care
 - Keeping battery charged
- Each radio is identified in the system via its 5-digit "Logical ID" (or *LID*)
- Each LID is assigned an 8-character alpha-numeric "Alias" that:
 - Identifies the radio's user (typically single person for a portable, or vehicle for a mobile)
 - Provides the dispatcher with a visible reference of who is transmitting
- Each portable includes an emergency button. Should a user need to press the button during an emergency:
 - An alarm will sound on *all* active radio consoles (even at CCSO for Naples emergencies)
 - Simultaneously, the user's alias will appear on the console display, enabling the dispatcher to quickly identify *who* (not simply what radio) is declaring the emergency.
 - For police officers and firefighters alike, this key feature enhances officer safety.

Radio Service Life

The internal components of radios, like computers, are affected by the rapid pace of technological advancements. We replace PCs every 3-5 years

The recommended replacement schedule for communication assets is established in the 2009 State of Florida Law Enforcement Communications Plan (App. B, pp B7 - B8): 6 years for portables, 8 for mobiles.

Manufacturers establish the service life of a radio based on the following factors:

- **Supply:** The ability of varied internal component suppliers to provide parts.
 - A radio's internal components—control board, microphone, speaker, etc—may come from several suppliers...possibly from several countries.
 - Radio manufacturers are often driven to redesign a radio model because one important internal component is obsoleted by one supplier.
- **Demand:** User requirements for capabilities and features.
 - Users typically—and understandably—want the most current technology
 - Public expectations of the services they should receive for their tax dollars also influences policy decisions

NPD Replacement Plans

Refer to the "Replacement Sched, Portables HISTORY" workbook for a graphic timeline of our portable replacement plan. There are two spreadsheets: one for all radios provides an overview of our combined purchases to help explain

- "All Portables" provides an overview of our combined purchases to help explain the orderly replacement of our once-combined assets
- "NPD Portables" reflects only the portables acquired for NPD from the totals represented in "All Portables"

The graph uses four colors to reflect phases of radio lifespan:

- Green: Spans the minimum expected useful service of a radio based on the manufacturer's published service life (5-7 years)
- Yellow: Represents the timeframe for normal replacement of a radio based on manufacturer's published service life, and is supported by the Florida Law Enforcement Communications Plan (~6 years)
- Orange: Time period beyond a radio's expected service life. Though parts are still available, they are harder to find, and the radio is surpassed by newer technology.
- Red: Beyond Manufacturer Support. Local radio service provider may scrounge parts to keep a radio working, but its technology is obsolete by at least one (possibly two) generations of newer radios.

We purchased LPE-200 type portable radios in four cycles. By April 2001, we had acquired 126 LPEs (27 for NFD, 2 of which were lost by personnel; 99 for NPD).

- 1998: 14, all for NFD
- 1999: 3 for NFD, 78 for NPD (81 total)
- 2000: 3 for NFD, 14 for NPD (17 total)
- 2001: 7 for NFD, 7 for NPD (14 total)

NPPD Command Staff determined the final total number of portables over the course of four years based on the following criteria:

- 1 radio per police officer (regardless of duty assignment)
- 1 radio per police auxiliary (e.g. CSAs and beach specialists)
- 1 radio per fire staff
- 1 radio per on-duty firefighter
- A handful of ready spares for each bureau (At any given time, Bruce had about 10 spare radios in the equipment room)

We opened the existing CIP for portable radio replacement in FY2004. Command decided to start the replacement plan by limiting the initial CIP to 12 radios per year. This brought the initial annual cost down, but pushed the orderly replacement of LPEs (71%) well beyond their service life window. Though we later increased the annual purchases, the graph shows:

- 11 radios (9%) were casualty losses
- Replaced only 26 radios (21%) during their published end-of-service window.
- Replaced 41 (33%) beyond the window.
- Replaced 48 (38%) beyond the manufacturer's support for the LPEs.

In FY2011 we bought our first installment of P7350 radios. These are two generations beyond the LPEs yet are still replacing the LPEs into FY2012—*11 years after we bought the last of the LPEs, and 5 years beyond the state's LE Comm Plan's recommendation.*

Commencing with FY2012, we need only replace NPD portables, so at this point we need only refer to the "NPD Portables" worksheet in the workbook. Assuming we continue to purchase 15 P7350s per year, we will replace NPD P7150s as follows:

- **None** before or during their published end-of-service window
- 31 (39%) beyond the window.
- **47 (59%) beyond the manufacturer's support. This raises a red flag!**

NPD replaces its portable public safety radios, on average, 9 years after purchase. This extends 2 years beyond the manufacturer's and 3 years beyond the State of Florida's recommended replacement cycles, and exceeds the practice of surrounding law enforcement jurisdictions by 3 years. The replacement trends with LPEs and P7150s illustrate that we will fall far behind the technology curve with our public safety radios and risk having nearly 60% of our P7150s obsolete. We may get to a point where we will have to purchase a large quantity at one time to bring our obsolete inventory up to date... whenever that date may be.

BRIEFING BULLETS

Migration from VHF to UHF

- Transitioned from VHF to UHF radios in 1999 as part of a Collier County-wide project
- Eliminated annual renewal of 4 FCC radio licenses and maintenance of related infrastructure
- County Radio Manager funds ~\$240k for maintenance and replacement of dispatch consoles

- Enhanced our radio capabilities
 - From conventional system to trunked multiplex system
 - More talk capacity (by sharing county bandwidth)
 - Interoperability with all Collier County public safety and government agencies
 - Out-of-county communication capability with other agencies
- Retain responsibility for purchase, maintenance and replacement of radios and accessories

Rationale for Individual Radios

- Individual accountability - Talk group setting, care, battery charging
- Each radio is identified in the system via its 5-digit “Logical ID” (or *LID*)
- Each LID is assigned an “Alias”
 - Identifies the radio’s user
 - Dispatcher gets visible reference of who is transmitting
- Each portable includes an emergency button.
 - Alarm sounds on *all* active radio consoles
 - User’s alias appears on the console display, enabling the dispatcher to quickly ID *who*
 - Enhances officer safety.

Radio Service Life

- The internal components of radios, like computers
 - Affected by the rapid pace of technological advancements
 - We replace PCs every 3-5 years
- State of Florida Law Enforcement Communications Plan
 - Effective 2009
 - Recommends replacing communication assets: 6 years for portables, 8 for mobiles
- Supply & Demand: Manufacturers establish service life of radios based on following factors
 - Radio’s internal components may come from several suppliers, several countries
 - Often compelled to redesign radio model because 1 component is obsoleted by 1 supplier.
 - Users typically want most current technology
 - Public expectations of the services they should receive for their tax dollars

NPD Replacement Plans

“Replacement Sched, Portables HISTORY” workbook provides timeline of our portable replacement plan. There are two spreadsheets

- “All Portables:” overview of our combined purchases to help explain the orderly replacement of our once-combined assets
- “NPD Portables:” Only the portables acquired for NPD

Graph colors reflect phases of radio lifespan:

- Green: Minimum service of radio based on manufacturer’s published service life (5-7 years)
- Yellow: Timeframe for normal replacement of a radio based on published service life
- Orange: Period beyond a radio’s expected service life
 - Though parts are still available, they are harder to find
 - Radio is surpassed by newer technology
- Red: Beyond Manufacturer Support
 - Local radio service provider may scrounge parts to keep old radio working

- Its technology is obsolete by at least 1 (possibly 2) generations of newer radios

LPE Portable Purchases

- 1998: 14, all for NFD
- 1999: 3 for NFD, 78 for NPD (81 total)
- 2000: 3 for NFD, 14 for NPD (17 total)
- 2001: 7 for NFD, 7 for NPD (14 total)
- Total: 126 LPEs
 - 27 for NFD, 2 of which were lost by personnel
 - 99 for NPD

NPDFD Command Staff determined total number of portables based on the following criteria

- 1 radio per police officer (regardless of duty assignment)
- 1 radio per police auxiliary (e.g. CSAs and beach specialists)
- 1 radio per fire staff
- 1 radio per on-duty firefighter
- Handful of ready spares for each bureau (~10 spare radios in equipment room)

Existing CIP for portable radio replacement (P7150 radios)

- Started FY2004
- Command limited initial CIP to 12 radios per year.
 - PRO - Brought the initial annual cost down
 - CON - Pushed orderly replacement of LPEs (71%) well beyond their service life window
- Result
 - Replaced only 26 LPEs (21%) during their published end-of-service window.
 - Replaced 41 (33%) beyond the window
 - Replaced 48 (38%) beyond the manufacturer's support
 - NOTE: 11 LPEs (9%) were casualty losses
- By FY2010
 - Had bought 98 P7150s
 - Still had 31 LPEs in use

FY2011 CIP Update - P7350 radios

- 2 generations beyond the LPE
- Still replacing LPEs into FY2012
 - 11 years after we bought the last of the LPEs
 - 5 years beyond the state's LE Comm Plan's recommendation

FY2012 CIP and Beyond

- Need only replace NPD portables (see "NPD Portables" worksheet)
- If we only purchase 15 P7350s per year, we will replace P7150s as follows:
 - **None** before or during their published end-of-service window
 - 31 (39%) beyond the window
 - **47 (59%) beyond the manufacturer's support!**

Conclusions

- Average NPD portable radio replacement is 9 years after purchase
 - Extends 2 years beyond the manufacturer's recommended replacement cycle
 - Extends 3 years beyond the State of Florida's recommended replacement cycle
 - Exceeds practice of surrounding law enforcement jurisdictions by 3 years
- Trends with LPEs and P7150s
 - Illustrate that we will fall far behind the technology curve
 - 60% of P7150s will reach obsolescence
 - May have to purchase large quantity at one time to bring obsolete inventory up to date