

Pay Increases & New Projects, Positions Included in FY 18 Proposed Budget

When we shared the FY 16/17 proposed budget this time last year, it was one of the most promising we'd presented in a very long time. I'm happy to report that the proposed budget for FY 17/18 is even *more* promising. Not only will you **not** find the word shortfall when talking about our revenues, we're actually proposing to add significant projects and positions. And, once again, pay increases.

Helping us do this are real estate assessments, which are projected to increase for the fourth year in a row. Other tax collections are seeing modest growth, as well (i.e., general sales tax, hotel tax, restaurant tax, personal property tax).

There's so much good news to share. But, I don't want to overwhelm you with pages and pages of information. So I've included what I think will matter most.

After reading this, I hope you'll see that we listened and are responding positively to your 2016 *Quality of Work Life Member Survey* input. I continue to prioritize the recruitment, retention and acknowledgment of outstanding employees as *one of the most important things that the City does*.

For the first time in five years, a portion of your pay increase will **not** be offset by the 1 percent mandatory increase for VRS (*newer employees have paid the 5 percent employee retirement costs from the beginning*). And, health care costs for employees are **not** expected to increase in the 2018 health plan. So, the proposed pay increases would go straight to your pocket and finally feel like a true raise in pay.

Employees would be eligible to receive the following pay increases:

- ▶ On July 1, 2017:
 - **Full-time employees** would receive a 1 percent general increase and a 1 percent merit increase
 - **Part-time employees** would receive a 2 percent general increase
- ▶ Pay-range minimums and maximums would increase by 1 percent.

Merit Increase Process is Similar to this Year

- ◆ On **July 1, 2017**, a **1 percent merit increase** (explained below), which also helps to address compression, would be provided to full-time employees whose performance evaluation meets expectations.
 - ⇒ Your merit increase would be based on the *midpoint of your pay range*. Employees would receive the same dollar amount whether they're at the bottom or top of their range. The majority of you are below the midpoint. (*A PDF is provided with this newsletter that includes the proposed pay increases described above and the midpoint amounts.*)
 - ⇒ In keeping with our accountability efforts, deemed important in your Member Survey results, supervisors must **ensure performance evaluations have been completed**. Supervisors will **not** receive a merit increase until evaluations for all of their employees have been completed.
 - ⇒ Merit increases provided on July 1, 2017 would be based on performance evaluations completed between July 1, 2016 and June 30, 2017.

In addition to all of the above, we've also proposed:

- ▶ \$850,000 for the second and final year of vertical compression adjustments (for supervisors making less pay than those who report to them)
- ▶ \$350,000 for tuition reimbursement — a \$100,000 increase over what was budgeted this year

School employees would receive 2 percent pay increases, as well.

I know many of you found ways to do more with less over the past nine plus years. Your commitment to keep exceling in providing services to our citizens and to one another, in spite of our cutbacks, has been truly commendable. One critical thing I want to do next year is to add back some of the positions that we lost — 139 new positions are proposed, the highest we've added since FY 04/05. The majority of these positions are in public safety and in areas that either have external funding sources or that deliver services to the most vulnerable in our community.

Some of the proposed new positions include:

- ▶ 45.25 in Human Services (*most of the costs are offset by converting contractual positions and from State revenue*)
- ▶ 31.5 for those that are public safety-related: 12 for Police, 7.5 for EMS, 5 for Sheriff's Office, 5 for Fire, 1 for ECCS, and 1 for Emergency Mgmt.
- ▶ 23 in Public Works (*engineers, inspectors, painters, motor equipment operators, etc.*)
- ▶ 12 for the new Housing Resource Center

What about Tax/Fee Increases?

City Services Bill — There are no proposed increases for three of the four parts of the City services bill: water, sewer and trash. But, the **storm water fee** is proposed to **increase 2.5 cents per day for each of the next five years**. This would result in an average annual increase of \$9.12. This funding will be used for storm water issues. And, based on citizen requests, this bill will switch from being mailed bi-monthly to monthly.

Real Estate Tax Rate — An increase is not proposed for *City* services, but a **1.25 cent rate increase is proposed** for *Schools* to help them fund the first two years of full-day kindergarten. The real estate tax rate would go from \$0.99 cents per \$100 of assessed value to \$1.0025. This would be an average annual increase of around \$30 for a household.

What's Happening with Light Rail Funding now that it Failed?

- ▶ 1.8 cents of the real estate tax and \$5 of the auto license fee, that were dedicated to light rail, would be used for other critically important projects (you can see the entire list in the [budget document](#))
 - .8 cents of the 1.8 cents would be used to address storm water flood control issues, like those at Windsor Woods (this plus the 2.5 cent increase above would provide \$300M over the next 15 years)
 - The other 1 cent of the 1.8 cents, along with \$5 of the automobile license fee, would be used to improve roads, preserve our beaches and provide essential technological and facilities infrastructure

In addition, the following portions of the funding will be re-dedicated:

- ▶ .34 cents of the real estate tax would go back to the Agriculture Reserve Program (Transition Area) and .22 percent would go back to the meals tax for the Open Space Fund (for maintenance and development)

Some of the highlights in the Capital Improvement Program (CIP) include:

- ▶ \$11.7M to expand the Aquarium Marsh Pavilion
- ▶ \$15M over six years to update software applications based on our prioritized needs
- ▶ P&R/Landscape Management would get \$120,000 so they can mow grass in neighborhood parks every 14-18 days
- ▶ \$50.25M to replace our current City Hall, whether that's building a new facility at the Municipal Center or building a new facility at Town Center
- ▶ Using public facility revenue bonds paid from the Tourism Investment Program (TIP) Fund:
 - \$4M in FY 17/18 and an additional \$36M in FY 18/19 to construct a Field House
 - \$78.5M around the 18,000 seat arena for roadway and intersection improvements, along with improved lighting, landscaping and storm water; this will also be funded with a proposed 5-year increase in the hotel tax of \$1 per room-night
- ▶ \$46M to increase road construction (Indian River VII B, Laskin I A, Cleveland IV, and Nimmo II)
- ▶ \$27M to relocate and construct a new beach maintenance facility

You can review the entire proposed budget details [here](#).

With a little over a year as your City Manager, I'm humbled each day by your constant efforts to achieve excellence and to provide services when they're needed most (2016 flooding events are a great example). I hope everything being proposed next year is a true sign to you that I remain focused on providing the resources each of you need to perform at your very best. Thank you for what you do every day.

Sincerely,



Dave Hansen
City Manager

