



# HAINES CITY

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September 3, 2015

Mayor Kenneth Kipp  
Vice Mayor Horace West  
Commissioner H.L Roy Tyler  
Commissioner Don Mason  
Commissioner Ronnie Cotton

RE: Proposed Fiscal Year 2016 Budget

Honorable Mayor and City Commissioners:

The intent of this memorandum is to serve as the official transmittal memo for the Fiscal Year 2016 Annual Budget for the City of Haines City. As an organization, we appreciate and commend the leadership that you, the elected officials, have displayed during this challenging Fiscal Year 2016 budget process. As many of you are aware, this organization has embarked on addressing some of the most challenging initiatives to date: from pension reform to the City's most robust compensation initiative in decades. These obstacles do not come without challenges and opportunities. The leadership displayed from the City's Executive Management Team, as well as the support Staff, has been remarkable. Understanding the systemic issues "we" in municipal government face, this organization has endured and will continue to be responsive to the needs of the community, and do it in the most judicious manner. Fiscal stewardship has been a stakeholder of this organization, and we have embraced transparency from the perspective that we believe in fiscal stewardship and that our taxpayers can rest assured that we look at every conceivable way to utilize our fiscal resources in the most responsible manner. This organization continues to morph into a local government entity that is responsive and reflective of our community; it was deemed appropriate to incorporate three new organizational goals. These goals emphasize the organization's continuous growth to create a better "Haines City." These goals are as follows:

**Personnel Goal:** *Cultivate an environment that will attract, retain and recognize city employees as the organization's most valuable resource.*

This goal is intended to support our organization's most valuable resource in that without our employees the ability for this City to function will be virtually impossible.

**Environmental Goal:** *Protect our natural amenities by encouraging proactive environmental initiatives intended to safeguard our natural resources.*

As good stewards we must not look only at the financial aspects associated with our business, but also our natural resources and how we invest much needed capital to ensure that our natural amenities are preserved

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for future generations. This initiative confirms the elected officials' desires to protect and preserve the natural amenities that are uniformly enjoyed by our community.

**Communications Goal:** *Enhance and promote communications and engagement opportunities that inform, build trust, incentivize growth and generate community pride.*

Communicating with the public in an effective manner is critically important as it relates to the business of municipal government. As a transparent organization, we pride ourselves in providing superior communication without being guided or told. Transparency is the cornerstone of every high functioning organization, and we in Haines City embrace that fundamental principle.

Our value system in our community is ever evolving and adapting to the changes we face as an organization, and this year will be a monumental year for Haines City. We will begin the process of crafting a strategic plan for both our downtown and our agency. I was once told that planning without implementation is hallucination. We cannot find ourselves in the position of not planning, and preparing for the future. Addressing some of the challenges that we have in the organization will require the elected officials, the community, and business leaders to assist this agency in formulating what Haines City will look like in the next 3 to 10 years.

### **Growth and Development**

Over the past couple of years, residential construction, as well as commercial investment, has increased taxable value in Haines City by approximately 15%. The growth has been extremely beneficial in addressing some of the fiscal challenges we face as an organization. Major developments are starting to occur. Balmoral Estates is approximately a \$200 million project that will add much needed executive housing. The amenities in this community will be world class. Haines City is beginning to see exponential growth in multi-family housing. With the market demands changing, developers and investors have seen our location as an ideal place to construct modern and state-of-the-art apartment complexes. Two projects that are currently in the early stages of a plan review, and we hope to begin the permitting process within the next two quarters of Fiscal Year 2016.

The City continues its commitment to pursue economic development; the only way to address the problem as opposed to treating the symptoms our community faces is economic development. Working in collaboration with the Haines City Economic Development Council, City Staff will be working feverishly to attract, retain and encourage new business growth and development within our municipal boundaries. Some of the steps that the organization is embarking upon in order to help economic growth is a revision of the City's Land Development Regulations (LDRs). These are the guidelines whereby businesses are governed by as it relates to site and land development and other operational activities within Haines City. It is our goal as an organization to eliminate any policies that are obtrusive, arbitrary or capricious in nature and instead support policies that encourage business development and growth. This "Pro Growth" philosophy will assist the City in being more aggressive and attractive to private sector development. There continues to be additional growth along the HWY 27 corridor, which will provide ancillary services and benefits to the Heart of Florida Medical Complex, as well as our community. These medical facilities and businesses growing along HWY 27 will serve as a major catalyst for commerce in future years. With the challenges facing the citrus industry, it is anticipated that future properties along HWY 27 will develop into shops, restaurants, and other ancillary services the community desperately needs.

For three consecutive years, the City has conducted a community value survey; this survey is intended to be a tool to gauge the community's perspective on City services, but more importantly, what the City values. Overwhelmingly, three major initiatives that were mentioned by our residents were job creation, economic

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development, and the importance of pursuing higher educational institutions within our community. Those three objectives were overwhelmingly supported by our residents, and it will require strategic partnerships with academic institutions and the private sector to see those items come to fruition. Economic development is something that must be viewed on a global spectrum. The world is inherently different, and our presence via our website and in social media is profoundly important. The City is in the process of working on a marketing campaign that will not only address the immediate needs of the organization but increase Haines City's global footprint so that investors from all over the world can see the potential our community possesses.

Growth and development cannot be sustained or even discussed if the appropriate infrastructure is not in place to accommodate the needs of the private sector. The City of Haines City is embarking upon one of the largest and robust water initiatives in the region. The Central Florida Water Initiative (CFWI) is intended to look at alternative water sources to be able to sustain growth and prosperity in the region. With water being the most important commodity, and 90% of our water being drawn from the Florida aquifer, it is incumbent upon government entities to think differently and on a regional level. This initiative has unanimous support from every municipality in Polk County, and in the next couple of years, will be an entity that will assist local agencies in addressing water needs. With the changes to cities' consumptive use permits, alternative water supplies and capacities will have to be discussed and reviewed by state agencies. Haines City and other organizations are looking at ways to be the leading agencies in this discussion. The City will also be reviewing the stormwater assessment to determine its structure, as well as the opportunity to revamp the existing utility to ensure a fair and equitable way to provide stormwater treatment facilities that will address the stormwater runoff and flooding issues we experience in our community. The City's Lake Eva project is ongoing and will begin with the first quarter of the Fiscal Year 2016 budget. This initiative will assist in addressing water quality issues, as well as some of the invasive aquatic vegetation that is impacting the lake. A lakes management plan is in the process of being developed and will be a strategic component of the City's stormwater initiative.

The City will continue to invest in roadway projects by completing the Johnson Avenue construction project, as well as revamping the City's existing roadway resurfacing projects. Annually, the City has appropriated approximately \$400,000 for the purpose of addressing roadways within the community. This approach will continue until all roadways within the City's municipal boundaries meet the standards established by the City. In order to sustain economic growth, the City must invest in critical infrastructure so that the development community can flourish. As the City embarks on some major initiatives to spur growth and development, appropriate infrastructure will serve as a catalyst to attract private sector investment. The City is looking to construct a 20 inch water line that will assist in alleviating some of the low-pressure issues the City has been experiencing along the Highway 27 corridor. This project is at the beginning of the design phase and is slated to be constructed in FY 2016; capital investment will provide for additional capacity and flow for businesses and residents along Highway 27.

The City has also partnered with BCR Environmental and their sister company NuTerra to construct a composting facility that incorporates BCR's accelerated composting technology. This facility will address long-term solutions facing biosolids management. It will reduce operating expenditures for the City, as well as provide for on-site composting that will in fact reduce the trucking and land application of biosolids at landfills. This facility will be state-of-the-art and blend yard waste with biosolids and create a Class A fertilizer that will be marketable to many entities. The capital investment of \$5 million will allow for a facility that will reduce operational cost for other municipalities in the region, and allow Haines City to benefit from a contract that incorporates a concept to allow for revenue-sharing. One of the most notable projects during this Fiscal Year will be a project to address some major water quality issues in our community. The City Commission has approved this \$5.7 million project, and construction is anticipated

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to commence at the beginning of Fiscal Year 2016. Once this project is completed and fully operational, it will provide an additional 477,000 gallons per day and alleviate the City's need for 53 flush boxes, as well as preserve 174,105,000 gallons probable per annum of the state's most viable resource. Staff is confident that this project will make the water pressure issues a moot point, but it will take a concerted effort from all parties to ensure compliance of the existing water restrictions and conservation of our most valuable resource.

### **Budget Conditions**

This budget is balanced and possesses a millage rate of 7.7900 Mills; this is the third year consecutively that the City Commission has levied the effective tax rate of 7.7900 Mills, the calculated rollback rate that would generate the same revenue the City collected this year would have been 7.4432 Mills. The difference between this and the millage rate that was adopted by the City Commission was approximately \$293,725; however, the City did see a growth in taxable value to approximately \$880 million. This growth resulted in a 9% increase from previous years. Over the last two years, the City of Haines City collectively has seen an approximate 15% increase in the taxable value within Haines City. Even though the organization has experienced a 15% increase over two years it pales in comparison to its taxable value prior to the Great Recession of 2007, at which time the City's taxable value was approximately \$1.2 billion. The FY 2016 budget is \$48,026,605; the general fund budget that accounts for the ad valorem taxes is \$22,754,055. The ad valorem revenue (Property Taxes) that the City of Haines City is anticipated to collect is approximately \$6,598,100, which is up from \$6,067,110 in FY 2015, and is a modest increase from FY 2014 ad valorem revenue of approximately \$5.8 million.

In the weeks following passage of the budget document, we will be creating a "Budget-in-Brief" document, which is intended to provide residents, business owners and visitors with a snapshot of the current state of the City's finances. This document will be written utilizing common terminology so that it will be easily understood by anyone reading it for the first time. This document (FY 2016 Adopted Budget) along with the Budget-in-Brief will be available on the City's website, major City facilities, and will be available for review at the City's public library. Due to the decline in the economy and the burst of the housing market, the City lost 40% of its ad valorem revenue that was once collected. As the City continues to look for operational efficiencies, we will continue to look for savings and reductions in cost where applicable. As part of the budget process for the third year consecutively, the City conducted a community value survey in order to garner public input about services that are enjoyed throughout the community. One of the topics of discussion was the Fire Service Assessment, which was levied to fund the provisions of providing fire services and fire services alone.

As part of this budget, the City Commission adopted the Fire Service Assessment on July 16, 2015. Multiple public hearings were conducted to allow residents, business owners, and other interested parties the opportunity to offer their perspectives concerning the fee that was being proposed. The cost to property owners is estimated to be \$144.93 per parcel plus \$.85 per \$1,000 in relative improvement values. The Fire Service Assessment is a tax equity tool structured so that every resident within the City is providing funding to pay for the provisions of fire suppression services. The Haines City Fire Rescue Department's budget is approximately \$2.9 million. It is anticipated that this assessment will generate approximately \$1.8 million in revenue for the purposes of sustaining fire services within Haines City. It is important to note that this revenue can only be utilized to sustain fire suppression services, an analysis is conducted by an economist to ensure that the Emergency Medical Services (EMS) portion of the budget is extracted and only the cost attributable to fire services is assessed. Based on the two largest funding mechanisms for the City, the Fire Service Assessment and the ad valorem revenue only generate approximately \$8,398,100; to fund just police and fire services it costs approximately \$9,285,160, resulting in a deficit of \$887,060.

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The City has experienced substantial growth within the Community Redevelopment Agency (CRA); based on the growth attributable to the CRA it is no longer necessary for the general fund to subsidize the CRA. Based on budget discussions with the elected officials it was deemed to be fiscally prudent to charge some operational expenses and personnel costs to the CRA to account for services being provided within the CRA. It is important to note that if market conditions change the revenue in the CRA, reduced personnel services may result. Currently, approximately \$250,000 is slated to be utilized for the purposes of funding personnel and operating CRA facilities. There is also approximately \$300,000 that will remain unassigned within the CRA budget for the purpose of other ancillary projects or initiatives. Second, the City Commission will increase the water and wastewater rates by 1.54% determined by the Florida Public Service Commission "price increase index" for major categories of utility operating costs consistent with the average rate over the past three years. Prior to this proposed increase no increases have occurred since Fiscal Year 2012.

### **Debt**

As an organization, we have approximately \$69,038,983 in existing debt obligations, with an annual debt service payment of approximately \$5.3 million. This long-term debt significantly impacts the organization's ability to address some of the short-term and long-term challenges we face as a City. It is anticipated that the City's final debt payment should reach full maturity in Fiscal Year 2036. It is our goal to take a practical and aggressive look at ways to reduce the City's long-term debt obligations, and/or move into more stable and less volatile funding mechanisms. The City currently has \$19,894,047 of debt issued in the General Fund. Even though the debt has provided for an immense number of quality City facilities and projects, it has impacted our ability to compensate our employees in a fair and equitable manner. It is incumbent upon us as elected and appointed officials to continue to look at our debt strategy and take the necessary steps to reduce the financial burden on future generations.

### **Compensation Plan (Phase II)**

This phase will be in effect on October 1, 2015, (approximately three (3) months after Phase I). This component of the plan has two major components: (a) addresses the 50% of the employee workforce that is below market and readjusts their effective rate of pay to the new minimum, and (b) gives City employees a tiered pay raise from 4% - 0.5% depending on Years-of-Service (YOS). Those employees who were identified in the analysis as being under market will receive a tiered pay raise on top of their new minimum. Those individuals who are currently within the appropriate pay ranges will only receive the tiered pay raise structure based on YOS.

Here I will illustrate an example of what the new effective rate of pay will be for an individual that is below market and has over (5) YOS: Example: Current Salary \$35,945.44; New Minimum \$38,599.00 + 4% = \$40,142.96, which equates to approximately an 11.5% pay increase effective October 1, 2015. As you can see, there are individuals who are grossly under market, and our plan is to address those issues, as well as compensate our employees who are within their respective ranges. This particular component of the proposal will cost the City of Haines City approximately \$680,000 as part of reoccurring payroll expenditures. This particular plan only addresses two years, and as an organization we have to find recurring revenue to sustain any additional future increases. With economic development picking up, and the taxable value in Haines City increasing by 9.0%, growth will be the only way to sustain future increases. The chart below depicts the percentage increase that you can anticipate receiving in the event the City Commission approves the proposal as recommended by Staff.

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<b>FY 2016 (Oct 1. Increase) (%)</b>	<b>Date of Hire Range</b>
4%	Before 9/30/11
3%	10/1/11 – 9/30/12
2%	10/1/12 – 9/30/13
1%	10/1/13 – 9/30/14
0.5%	10/1/14 – 9/30/15

Also, as a philosophical and organizational change, this budget takes a strong policy stance as it relates to organizational compensation. As an employer, we as an organization have decided to establish that no full-time regular employee shall make below \$10 per hour, this pertains to only full-time employees that are benefits eligible. This philosophical change allows for us to be more competitive in the market, but also realize that our employees who deal with our young people in various parks and recreation capacities should not be making less than their private-sector counterparts that work at fast food chains and other restaurants. It is also our obligation as a humane employer to ensure that our employees receive a livable wage, especially for those working over 35+ hours per week. This change will have a profound impact organization-wide and will actually allow for us to be more attractive to prospective employees.

Furthermore, in order to fund the City's compensation plan, the City must withdraw from the City's Undesignated Unassigned Fund Balance approximately \$344,500. To balance the Fiscal Year 2016 Budget will require the City to utilize reserves for the purpose of funding this organization's largest compensation initiative. Over the last two (2) years, Haines City has not utilized any General Fund Reserves to balance the budget (Fiscal Years 2014 and 2015). We have provided you with quarterly financial updates for the purpose of keeping the City Commission abreast of all the changes in the market. We also created a Budget-in-Brief document that is intended to provide the utmost transparency relating to the budgeting process. Additionally, Staff has presented quarterly Citywide priority updates for the purpose of informing you, the elected officials, of City operations. Staff has worked with an independent third-party group of residents and prominent business leaders to review our budgetary processes. The Finance Advisory Board (FAB) has worked diligently to review the organization's fiscal practices to ensure they are consistent with the ideologies of the community, as well as of the City Commission.

Many conversations have been had relating to the City's Fund Balance Policies. This is a policy you, as the elected officials, have complete control over. Many organizations have various policies that vary in scope. It is my opinion that this step is absolutely necessary in the best interest of our organization. Services cannot be provided without the men and women that provide those services. We have surveyed multiple cities and looked at their fund balance policies. Currently, we carry an undesignated General Fund Balance of 23% (\$5.5 million). As part of this budget I have recommended that the City Commission support the Staff's recommendation to withdraw the necessary funds (\$344,500) to balance the Fiscal Year 2016 Budget and consider future measures to continuously offer compensation initiatives in subsequent budget cycles. Please note that from Fiscal Year 2010 through 2013, \$3.5 million was utilized for the purposes of balancing the annual budget in Haines City. In Fiscal Year 2013, \$400,000 of the \$502,700 was attributable to the Roadway Resurfacing Projects that were completed in Fiscal Year 2015; the other \$102,770 was for other projects that were re-budgeted. Below you will see a list of organizations and their Fund Balance Policies:

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City	Official Policy?	Overall Fund Balance Policy
City of Lakeland	No	7.5% of expenditures
Boca Raton	Yes	10% of expenditures
Daytona Beach	Yes	10% of expenditures
Palm Coast	Yes	10% - 20% of expenditures
St. Cloud	Yes	12.5% of expenditures
City of Frostproof	No	13% of expenditures
City of Lake Wales	Yes	15% lower limit and 20% upper limit
Ormond Beach	Yes	15% of expenditures
Port Orange	Yes	15% of expenditures
Deland	Yes	17% of expenditures
Deltona	Yes	17% of expenditures
Haines City	Yes	17% of expenditures
City of Kissimmee	Yes	20% of expenditures
Davenport	No	25% of expenditures
City of Mulberry	No	25% of expenditures
Melbourne	Yes	25% of expenditures
New Smyrna Beach	Yes	25% of expenditures
Sanford	Yes	25% of expenditures

As elected officials, there should be some trepidation when it comes to withdrawing funds from our reserves. However, I am confident in our ability as a team to make the necessary changes to be able to sustain this compensation initiative in perpetuity. Over the next couple of months, the Finance Director, the Assistant Finance Director, and the entire Executive Management Team will begin formulating a plan that will address the long-term fiscal sustainability as an organization. This plan will be the guiding principles as adopted by the City Commission for the purpose of addressing the fiscal challenges that lie ahead. The City has recently embarked in completely reforming the antiquated and unsustainable pension plan that had the potential to cost the organization millions of dollars in future benefits. The change to a 401(A), a close relative of the traditional 401(K) plan you find in the private sector, allows the organization to budget for future benefits in a more linear approach than in previous years. The long-term investment strategies are managed by the plan participant in consultation with a certified financial expert. This change in organization philosophy will render positive results for the organization, and it is anticipated that in approximately 7 to 10 years more than \$1 million will be saved by making this major plan modification. As we looked at all of our benefits throughout the organization, nothing was more important than focusing on our organization's most precious and valuable asset: our employees.

The Fiscal Year 2016 budget accounts for two major initiatives in compensation and economic development. These two factors have a large impact on this organization's prosperity. It is pertinent for us to address compensation issues immediately; not doing so places us behind the proverbial eight ball and at a great competitive disadvantage to attract, retain and reward our employees. Future compensation initiatives will need to occur in order to remain competitive in the market. The City has recommitted itself to partnering with other local government entities for the opportunity of being the sole service provider of water, wastewater and other areas of service. In order to be proactive in addressing the challenges we face as an organization we composed an outline of a Fiscal Year 2016-2017 Budget Sustainability Plan. This

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plan is intended to review and audit all operations within the City. Some of the major components of the plan and its explanations are as follows:

#### **Budget Sustainability Plan FY 2016-2017**

- **Operational** – Each department will be tasked with reviewing levels of service, as well as the cost attributable to providing those services and determining their long-term sustainability and viability in a changing economy.
- **Personnel** – The City Manager will review all vacancies to determine the service level impact and whether the position is deemed mission-critical or can be slated for elimination as part of the Fiscal Year 2016. Reductions in force will be considered as attrition occurs in the next Fiscal Year.
- **Benefits** – Staff will look to modify and adjust major cost centers like the City's employee health plan for the purpose of providing alternative options that are not cost prohibitive and provide for a reasonable benefit package with less market volatility.
- **Compensation** – Staff will be developing a merit-based "Pay for Performance Model" that will reward those who exceed expectations, as well as address those who do not obtain satisfactory evaluations.
- **Reserves** – City Staff will review expenditures for the purpose of replenishing the City's reserves on an ongoing basis. City Staff will work diligently to reduce recurring expenditures by 1 to 2% annually for the purpose of sustaining recurring compensation initiatives, as well as building a healthy reserve for the future.
- **Debt** – City Staff will consistently look at long-term stable interest rates for the purpose of mitigating any potential market volatility relating to our long-term financial instruments. When refinancing is available, Staff will look to reduce recurring expenditures for the purpose of providing financial liquidity as part of the Fiscal Year 2016-2017 Budget Stabilization Plan.
- **Revenues** – The City will explore other revenues for the purpose of sustaining its existing operations as a guiding principle. Both the Consumer Price Index (CPI) and the Municipal Price Index (MPI) will be used to ensure that the organization is consistent with the inflation rate over the next two (2) years. Pass-throughs that have been traditionally absorbed by the organization will be reviewed for the purpose of deciphering the best way to fund additional increases by vendors or other municipal agencies. Traditionally, this organization has absorbed the cost of doing business, and it is now appropriate for us to look at recouping revenue in the most fiscally responsible manner.
- **Expenditures** – Staff will review all expenditures and purchasing practices to ensure that the best value is acquired when utilizing the City's financial resources. The centralization of purchasing will occur over the next two (2) years in order to experience efficiencies in the purchasing section. Contracts for services will be reviewed and scrutinized in order to determine the most cost-effective, fiscally prudent way to manage the relationship between the contractor, i.e. 'the City' and the vendor. Every City expenditure will be consistent with the organization's goals and initiatives. Justification for any unbudgeted expenditures will be highly scrutinized and will require copious amounts of information prior to its consideration.
- **Transparency** – The City will continue to review its financial conditions in the most open and transparent way possible to ensure that the elected officials, as well as the public, are informed of financial decisions that impact the City's budget.
- **Economic Development** – The City will be a catalyst for economic viability and sustainability, and we will continue to aggressively approach industries for the purpose of encouraging growth and development over the next two (2) years. In collaboration with the Economic Development Council, City Staff will begin a marketing and branding initiative intended to spur the growth necessary to cure the issues 'we' are experiencing.

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- **Real Estate Development** – The City will look to market all nonessential parcels within the City's municipal boundaries for the purpose of replenishing the City's reserves.

Staff will proceed as recommended and create a robust, all-encompassing Fiscal Year 2016-2017 Budget Sustainability Plan. This plan will be an internal audit of all City functions and operations, intended to look for efficiencies and opportunities to reduce government spending while maintaining the existing level of services. This will be coupled with a strategic planning retreat, whereby the City Commission will outline its desires as to *how* and *what* they envision this organization to be now, three (3) years from now, and five (5) years from now. Understanding that tough decisions lie ahead, I have full faith and confidence in the mental aptitude and ability of the Executive Management Team, personnel and Staff to be able to meet these challenges in an ever-changing economy. We will be aggressively looking at efficient ways to do things uniquely differently. In closing, I know this is a difficult decision for all those involved, and your support and continued trust in the Staff will allow us to overcome these obstacles and be much appreciated.

### **Finance Advisory Board**

Staff has worked tirelessly with our Finance Advisory Board (FAB) to review the budget document that is before you in order to ensure transparency and fiscally responsible financial practices. The board has reviewed every aspect of this document and has provided significant insight with respect to what the residents and business community desire from City Services. The purpose behind the creation of the FAB was not only to allow for a third-party independent group of residents and business owners to review the City's budgetary process in order to ensure that the document truly reflects the desires of the community, but also to allow for a greater degree of transparency in fiscal stewardship between all parties involved: the elected leadership, City Staff and the FAB. A report by the Chairman Jim Fitch is attached for the public's edification with respect to the findings of the FAB.

Certainly, we understand that long-term debt obligations significantly impact our ability to have the financial liquidity we would hope for; however, the capital investments that have occurred have allowed for Haines City to elevate its image and presence throughout Polk County and the State of Florida. Staff will constantly work with the FAB to review all fiscal matters that are anticipated to have any financial impact or implications for the residents or business community of Haines City. When appropriate and applicable, the Finance Director and I will look at all available resources with regards to identifying and mapping out a plan to address the City's existing debt obligations. As an organization, we understand that having strong financial policies will allow for us to manage the instability in the market and be able to react to the demands and needs of our employees, as well as the residents. We are well aware of the debt obligations the organization possesses, but those strategic investments have assisted in putting Haines City on the proverbial map. Staff will continue to look at future investment strategies concerning the borrowing of capital; it is my recommendation that we approach each opportunity with a pragmatic and precise approach in order to ensure that our investments are well thought-out and calculated so that we can continue to be exceptional stewards of the public's funds.

### **Personnel Additions in FY 2016**

- Payroll Specialist – Finance Department
- Purchasing Specialist – Finance Department
- Part-Time Secretary – Fire Department
- Grounds Maintenance Worker-Cemetery – Parks & Recreation Department
- Building Maintenance Worker (2) – Public Works
- Transportation Maintenance Worker (2) – Public Works
- Waster Operator C (3) – Utilities Department

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- Plant Maintenance Worker – Utilities Department

#### **Personnel Deletions in FY 2016**

- Management Fellow – City Administration
- Senior Budget & Financial Analyst – Finance Department
- Part-Time Janitor (2) – Public Works

The total fiscal impact is approximately \$250,000, of which approximately \$165,000 is paid for by the Utility Fund. These positions are essential to being able to adapt to the changing demands of the organization; these positions are only being asked because they are critically important and mission-critical for this organization.

Two notable changes that were incorporated in the Fiscal Year 2016 Budget are as follows: The Leisure Services Department is changing its name back to the Parks and Recreation Department. This change will realistically reflect the department's main objectives, not to mention the previous name was not consistent with industry standards, as well as inconsistent with other nationally accredited agencies. The Parks and Recreation Department is in the process of beginning creating Standard Operational Procedures (SOP) for the purposes of beginning the national accreditation process. This process will be a three-year undertaking; however, once completed it will allow our Parks and Recreation function to be compared to other entities that have obtained this certification. The goal of this accreditation will affirm our position that our parks and recreational services are among some of the best in the country.

#### **The Future**

The future for Haines City is a bright one. With economic development beginning to occur at a rapid rate, the City is starting to see substantial growth. Of course with growth comes greater demands on City infrastructure, whereby we are one of the only communities in the State that is ready to handle the additional capacity. Currently, Staff is entertaining some major projects that will change the landscape of Haines City, in the residential, commercial, and industrial markets. Job creation is something that we would definitely like to see in our community. That is why we are looking at policies and procedures that assist in creating an environment conducive to job growth, job creation and capital investments.

Our pro-business mentality is not just a common mantra, but the way we do business. Our Staff is committed to facilitating any and all prospects that may be interested in doing business within the City of Haines City. The work of our strategic partner agencies, the Chamber of Commerce and the Economic Development Council allows the City to increase its presence throughout the County and the State. Economic growth is a way to address some of the challenges we persevere through, but investments in our personnel will certainly render the largest and most impactful results that one could ever imagine.

The teams of professionals that are within this organization are exceptional, and I have full faith in the leadership team and the direction that has been established by the City Commission. We are bound for greatness, and no obstacle or challenge will ever stop us from persevering. As the dynamics of this community change, and our industries look to morph and adapt, we as a municipal government have the same challenges internally, but it is not the challenge that define us, it is how we handle the challenge moving forward. Certainly, everything happens day by day, but we must plan and project what Haines City will look like, both now and in the future. We must live in the present but prepare for the future. *“The best thing about the future is that it comes one day at a time.”* – President Abraham Lincoln

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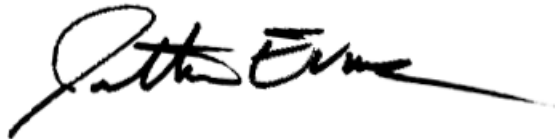
### **Acknowledgements**

In closing, I hope this budget message provides you all with some insight in regards to the challenges and opportunities that lie ahead for Haines City, yet affirms that we stand ready and willing to accept, execute and exceed the direction of the City Commission. We will remain fiscally disciplined to spend our funds where it is deemed responsible for the public. The FY 2016 budget promises to be one that has goals and objectives set forth by departments and adopted by the elected officials so that we have quantifiable measurements that we can report back on a quarterly basis. This adaptation to our budget will assist us in attempting to receive the distinguished budgeting award that has never been obtained by this organization. By implementing these performance measures, it is certain that the City Commission will see and be informed on the status of every goal and objective as defined in this document.

I would like to express my gratitude and appreciation to you for allowing me to serve as your City Manager for another year. Mayor and City Commissioners, you have been extremely supportive and have provided much insight and guidance with respect to the direction in which you wanted Haines City to go. Your commitment to this community has allowed us all to strive for the very best, and every day that each and every one of us come to work, we try to make you and the residents proud to call Haines City home. I am extremely humbled by the opportunity you have bestowed upon me, and rest assured I will never take the duties and responsibilities of being City Manager for granted.

I would be remiss if I did not recognize all the individuals that were instrumental with regards to the completion and the coordination of this year's budget document. Special thanks to Finance Director Donald Carter, and Assistant Finance Director Kari Giddens who was phenomenal in putting this document together, and of course, my Senior Executive Assistant Ms. Rosie Hernandez who has been an intricate part of this process. Lastly, the members of the best executive management team in Polk County, Public Safety Director Richard "Harold" Sloan, Parks and Recreation Director Auburn Taylor, Development Services Director Richard Greenwood, Human Resources Director Kandace Tappen, Utilities Director Michael Stripling, Public Works Director Addie Javed, IT Manager Brian Ross, City Clerk Linda Bourgeois, Assistant to the City Manager David Johnson and Management Intern Brandon Washington. Most importantly, I have to give credit to the exceptional work that the Finance Advisory Board did with respect to reviewing the budget document in its entirety. The members of this board are by far some of the best and brightest minds we could have assembled. The members of the board include the following; Chairman Jim Fitch, Chris Long, David Carter P.E., Tim James, DBA, Ph.D, U.S. Navy (Ret), and Robert Dodd. All the members of the board, and those involved in the process certainly did yeoman's work and have provided so much insight and perspective that we are truly proud of this document as a true reflection of budget transparency and teamwork.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jonathan E. Evans". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jonathan E. Evans, MPA, MBA, ICMA-CM  
City Manager

### **Our Mission**

*"Our team of professionals will provide our residents and business community with the highest quality services in a fiscally responsible manner through cooperation, strong ethical leadership with a lifelong commitment to enriching lives."*