

Thoughts on Orlando's Budget (2nd edition)

Before I share a few additional thoughts on the current budget proposal by Mayor Dyer to the Orlando City Council, let me express my personal thanks to those who have taken time from their busy schedules to share ideas with me. Thank you! It's encouraging to see the level of community involvement from District 3.

Because of the brevity of this correspondence, I would like to briefly address just a few of the subjects that have been common themes throughout many of the comments that I've been receiving. And while I have heard from many that they are opposed to any increase in the millage rate, others who have written are tolerant of an increase in order to keep up the high level of service that they have come to expect from the City.

As we begin this detailed evaluation period, let me remind you of our annual process of budget proposal, review and eventual approval. Mayor Dyer presented his budget to the Orlando City Council in our annual Budget Workshop on July 14 & 15. During this time, we discussed our historical perspective, heard discussions on cost-cutting measures, reviewed the budget overview prepared by our staff and listened to the recommendations for our 2008-09 City of Orlando Budget. The City is required by law to publish a PROPOSED rate of tax on real estate property well before we introduce the details of the new budget and only as part of the introduction of this process. On July 21, the City Council approved a maximum rate of 5.65 to be published as part of your TRIM Notice, mailed to each property owner in August of each year. This TRIM Notice tells each property owner of the PROPOSED taxes, by jurisdiction, and notifies them of all public hearings (time, date and location).

At 5:01 p.m. on the evenings of September 8 and September 15, in the City Council Chambers at City Hall, we will be asking for the public to express their thoughts and ideas in our public forum. Please mark your calendars to attend these important meetings.

Many people have asked for more information about the proposed budget cuts and millage increase. In order to assure that everyone has the latest information, the Mayor has created a special budget web page, www.cityoforlando.net/budget. It contains a budget summary, power point presentations and a narrative of the Budget Camp and following Council Workshop Recap, as well as a tax calculator to see the financial impact on your property. I would encourage you to look over this information carefully as it addresses many of the questions I've received.

Another way that many mentioned cutting money out of our budget was identifying existing waste. This is something that the City is constantly working on both internally and externally. Each city department undergoes the scrutiny of an extensive internal audit every three years to determine efficiency levels and measured outcomes of their work. The City also has an audit hotline (407-246-2678) that you can call any time you suspect fraud, waste or abuse in City government. In addition, the City's own Audit Department undergoes an external audit each year, as required by federal statute.

However, this does not mean that things can't be better and more ways to save identified. The City's Finance Department has published a budget summary for the 2008-09 Budget. I'm asking you to look over this information and help me continue to identify ways we can reduce the budget without cutting services to our citizens.

In addition, I have heard many comments about the impact of the venues on our general budget. The City of Orlando and Orange County have made long-term commitments toward the building of the three venues: the Event Center, Orlando Citrus Bowl, and the Dr. Phillips Performing Arts Center. While some have suggested that we can simply abandon these commitments, it is not possible, either statutorily or ethically, to discard these covenants that we began decades ago.

In funding the venues, we have safeguarded any shortfalls from the potential downturn in the economy in such a way that no general revenue from the City of Orlando, or Orange County will be used. This was a major accomplishment of the negotiations. All bonds are separately insured and the bondholders assume the risk involved. The reason that our bonds are "secured" by a revenue stream (such as the Tourist Development Tax) is that they are narrowly defined (used only for the purpose created) and that general revenues cannot be accessed to make up the shortfalls. In other words, general revenue is not used to supplement these venue bonds and stopping the venues will have little or no impact on our general revenue.

The City will have no trouble paying its debt payments this year, and we made sure that we could sustain payment of this debt even in a 9/11- type economic downturn. In the very unlikely event that we couldn't make the payments, we then go to the bond reserves (equal to one year's debt payments) and then to insurers, but never to general revenues. Also, I think it needs to be clarified that the monies levied by the Tourist Development Tax have a very narrow scope of use and cannot be used for General Revenue purposes such as Police and Fire service. This is dictated by Florida Statute 125.0104.

For a thorough explanation of the venues process or to view the above-mentioned statute, please check out the Budget section on my District 3 website (www.CityofOrlando.net/District3).

Last, the citizens of the City of Orlando enjoy a high level of service. From public safety (police, fire and emergency services) to parks and recreation, all of us are proud of our City Beautiful. As we look toward the future, we will have to prioritize these services and look for either a reduction or elimination of certain services. Some have said that this is a poetic way of grandstanding. It could not be further from the truth. Because of the cuts in staffing in 2004, Orlando is leaner than it has been in years. Temporary additional revenue from the real estate upturn went toward increased public safety and public works projects (roads, sewer, stormwater, etc.) to help keep up with the growth in our population and geography. And, services continue to be in demand. In the next few weeks, I'll try to outline all of the services available to our citizens through our General Revenue Budget and ask for your help in prioritizing these, leaving us a better picture of possible budget cuts.

Once again, thank you for your candid comments and support. Our city is already a Great City because of the involvement of our citizens. I'm proud to represent you and look forward to your assistance as we work toward comprehensive solutions to these comprehensive issues.

Your neighbor,