



# Preparing Your Budget for the Next Recession (Part 5)

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# Discussion Topics

- Crisis Background
- Where We Are Today?
- 2026 Amendment 3 – ?¿?¿?¿?
- Budget Basics / Environment
- Public Engagement
- Vision – Ocala's Economic Hub
- Budgeting for Results
- Strategies to Manage/Reduce Cost
- Q&A Session (Interactive)

# Crisis Background



# Crisis Background

- 2007/2008 – Faced with a big economic downturn.
- Per RealtyTrac – Florida had the second most foreclosure filings in the United States for 2009, which resulted in:
  - Negatively affecting property values and tax collections

# Crisis Background, Cont.

- 2009/2010 – Florida Legislative Committee on Intergovernmental Relations ask agencies to detail effects of policies & the economy.
- Majority of the Responses:
  - Reduce Workforce
  - Reduce Services/Level of Services
  - Contract Out Services
  - Jointly Fund Services

# Crisis Background, Cont.

- COVID-19 – March 2020
  - Our Most Recent Crisis
    - Not just a health crisis (pandemic); Sparked a Financial Crisis: **INFLATION**
      - ❖ Reduction in State Shared Revenue
        - i. Reduction Work Capabilities (Capital Asset Spending)
        - ii. Reduction in Materials
      - ❖ Increase Spending (CARES Act) (ARPA)
        - i. Technology
        - ii. P.P.E. & Other Supplies
        - iii. First Responder & Enterprise Fund
        - iv. Infrastructure

# Crisis Background, Cont.

- 2027: Florida Property Tax – Amendment 3?
  - Possibility – Our next crisis
    - Legislative Reduction in Homestead Property Tax
      - No changes in cost of service
      - Cannot Touch 1<sup>st</sup> Responders Budgets
      - No State Trust Fund – Assistance
      - No Revenue Replacement



# Crisis Background, Cont.

- During times of Economic Downturn Gov't Needs to Focus on:
  - Revenue Enhancements
  - Reduce Expenses
  - Grants
  - Service Prioritization
  - Reorganization
  - Consolidation of Services
  - Long-Range Financial Planning

# Crisis Background, Cont.

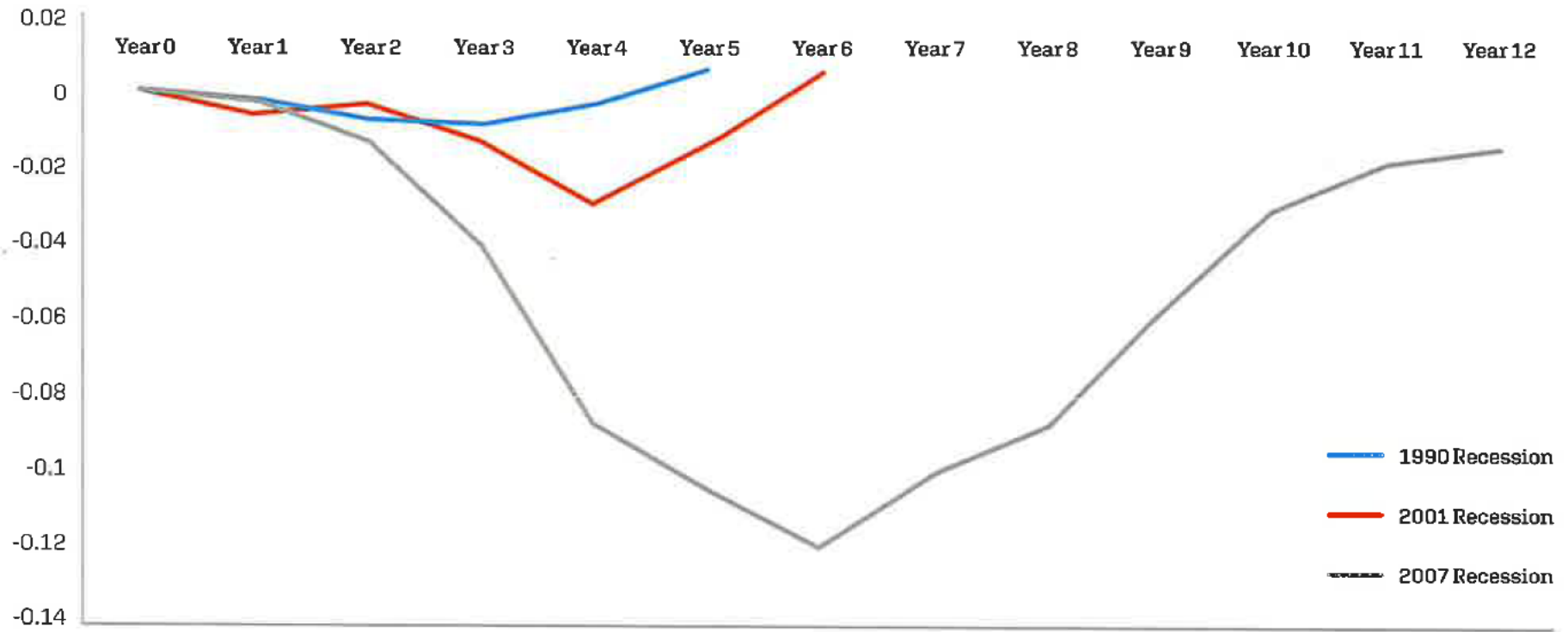
- Distress Markers: Finance
  - Lack of Contributions to Long-term Liabilities
  - Underfunding Infrastructure
  - Lack of Liquidity
  - Regular Use of Non-Recurring Revenues

# Crisis Background, Cont.

- Distress Markers: Debt & Liabilities
  - Unsustainable Debt Service Carrying Charge & Pension/OPEB Cost
  - Overleveraged on Debt
  - Lack of Active Debt Management

# Crisis Background, Cont.

**Exhibit 2:** Rebound Time for Cities' General Funds



Source: General fund data collected from the comprehensive annual financial reports of a sample of cities for a National League of Cities annual survey, including data for fiscal year 2018. An earlier version, including data through fiscal year 2017, was published in Christiana McFarland and Michael A. Pagano, *City Fiscal Conditions in 2017*.

# Where Are We Today?

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# Where Are We Today? Cont.

- Next Few Slides from FL Legislature – Office of Economic & Demographic Research – This Slide = Total Revenue Forecast

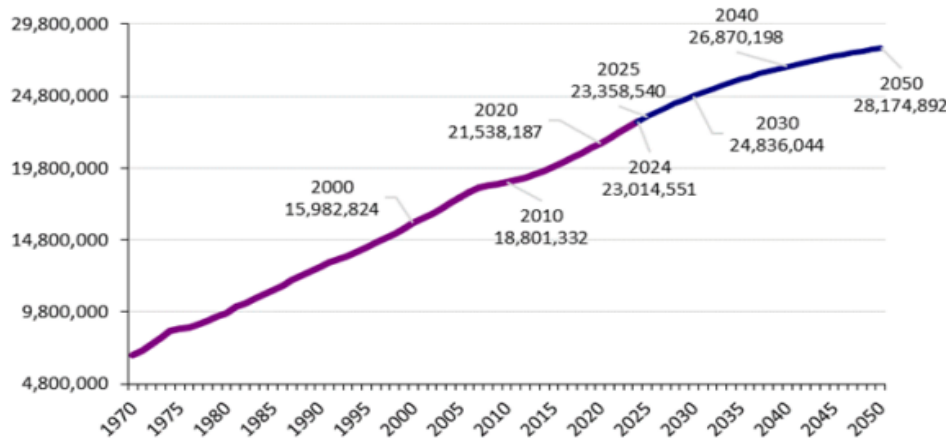
| Fiscal Year | Jan 2024 Adj<br>Forecast | August 2024<br>Forecast | Difference | Incremental YOY<br>Growth \$ | % Growth |
|-------------|--------------------------|-------------------------|------------|------------------------------|----------|
| 2005-06     | 27074.8                  |                         |            |                              | 8.4%     |
| 2006-07     | 26404.1                  |                         |            |                              | -2.5%    |
| 2007-08     | 24112.1                  |                         |            |                              | -8.7%    |
| 2008-09     | 21025.6                  |                         |            |                              | -12.8%   |
| 2009-10     | 21523.1                  |                         |            |                              | 2.4%     |
| 2010-11     | 22551.6                  |                         |            |                              | 4.8%     |
| 2011-12     | 23618.8                  |                         |            |                              | 4.7%     |
| 2012-13     | 25314.6                  |                         |            |                              | 7.2%     |
| 2013-14     | 26198.0                  |                         |            |                              | 3.5%     |
| 2014-15     | 27681.1                  |                         |            |                              | 5.7%     |
| 2015-16     | 28325.4                  |                         |            |                              | 2.3%     |
| 2016-17     | 29594.5                  |                         |            |                              | 4.5%     |
| 2017-18     | 31218.2                  |                         |            |                              | 5.5%     |
| 2018-19     | 33413.8                  |                         |            |                              | 7.0%     |
| 2019-20     | 31366.2                  |                         |            |                              | -6.1%    |
| 2020-21     | 36280.9                  |                         |            |                              | 15.7%    |
| 2021-22     | 44035.7                  |                         |            |                              | 21.4%    |
| 2022-23     | 47327.8                  |                         |            |                              | 7.5%     |
| 2023-24     | 48342.0                  |                         |            |                              | 2.1%     |
| 2024-25     | 47,581.6                 | 48,515.9                | 934.3      | 173.9                        | 0.4%     |
| 2025-26     | 48,596.9                 | 49,697.1                | 1,100.2    | 1,181.2                      | 2.4%     |
| 2026-27     | 50,405.0                 | 51,829.0                | 1,424.0    | 2,131.9                      | 4.3%     |
| 2027-28     | 51,797.9                 | 53,000.5                | 1,202.6    | 1,171.5                      | 2.3%     |
| 2028-29     | 53,253.2                 | 54,336.2                | 1,083.0    | 1,335.7                      | 2.5%     |
| 2029-30     | n/a                      | 55,754.4                | n/a        | 1,418.2                      | 2.6%     |

# Where Are We Today? Cont.

| Fiscal Year | January 2026<br>Adj Forecast | August 2026<br>Forecast | Difference | Incremental<br>YOY Growth \$ | % Growth |
|-------------|------------------------------|-------------------------|------------|------------------------------|----------|
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| 2022-23     | 47327.8                      |                         |            |                              | 7.5%     |
| 2023-24     | 48342.0                      |                         |            |                              | 2.1%     |
| 2024-25     | 49676.0                      |                         |            |                              | 2.8%     |
| 2025-26     | 51857.1                      |                         |            |                              | 4.4%     |
| 2026-27     | 51,864.8                     | 52,339.9                | 475.1      | 482.8                        | 0.9%     |
| 2027-28     | 52,781.6                     | 53,289.6                | 508.0      | 949.7                        | 1.8%     |
| 2028-29     | 54,117.6                     | 54,616.8                | 499.2      | 1,327.2                      | 2.5%     |
| 2029-30     | 55,519.0                     | 55,846.1                | 327.1      | 1,229.3                      | 2.3%     |
| 2030-31     | 57,023.3                     | 57,315.3                | 292.0      | 1,469.2                      | 2.6%     |
| 2031-32     | n/a                          | 58,849.4                | n/a        | 1,534.1                      | 2.7%     |

# Where Are We Today? Cont.

## Florida's Population Topped 23 million in 2024...

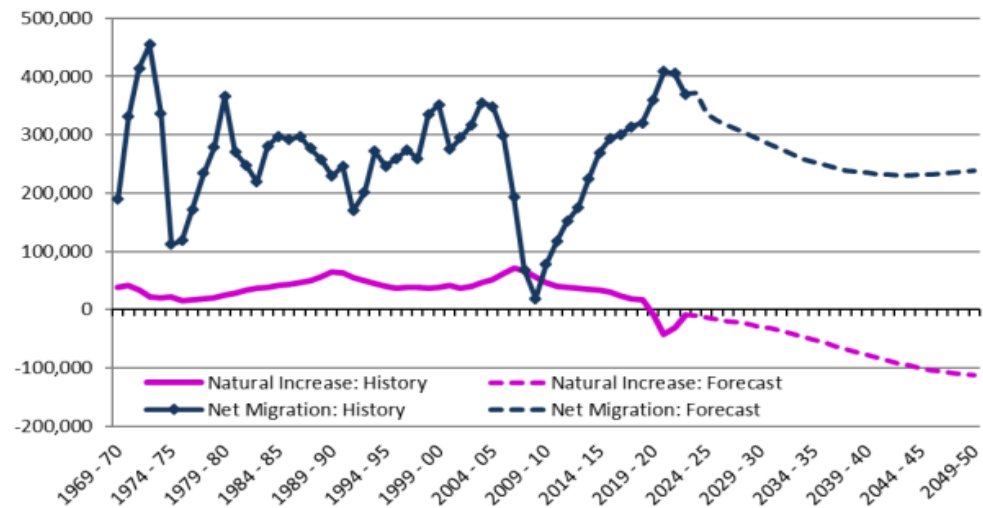


Florida's population is expected to break the 24 million mark in calendar year 2027—and sometime during 2030, the state's population is expected to reach almost 25 million residents.

Historically, the strongest April-over-April growth rate in this century was the year 2000 at 2.58%, but the largest numerical change occurred in 2005 (+403,332), immediately prior to the collapse of the housing boom and the beginning of the Great Recession.

Between 2025 and 2030, the Demographic Estimating Conference forecasts growth to average 1.23% per year. Nationally, average annual growth is expected to be about one-third of that level — averaging 0.41% per year between 2025 and 2030.

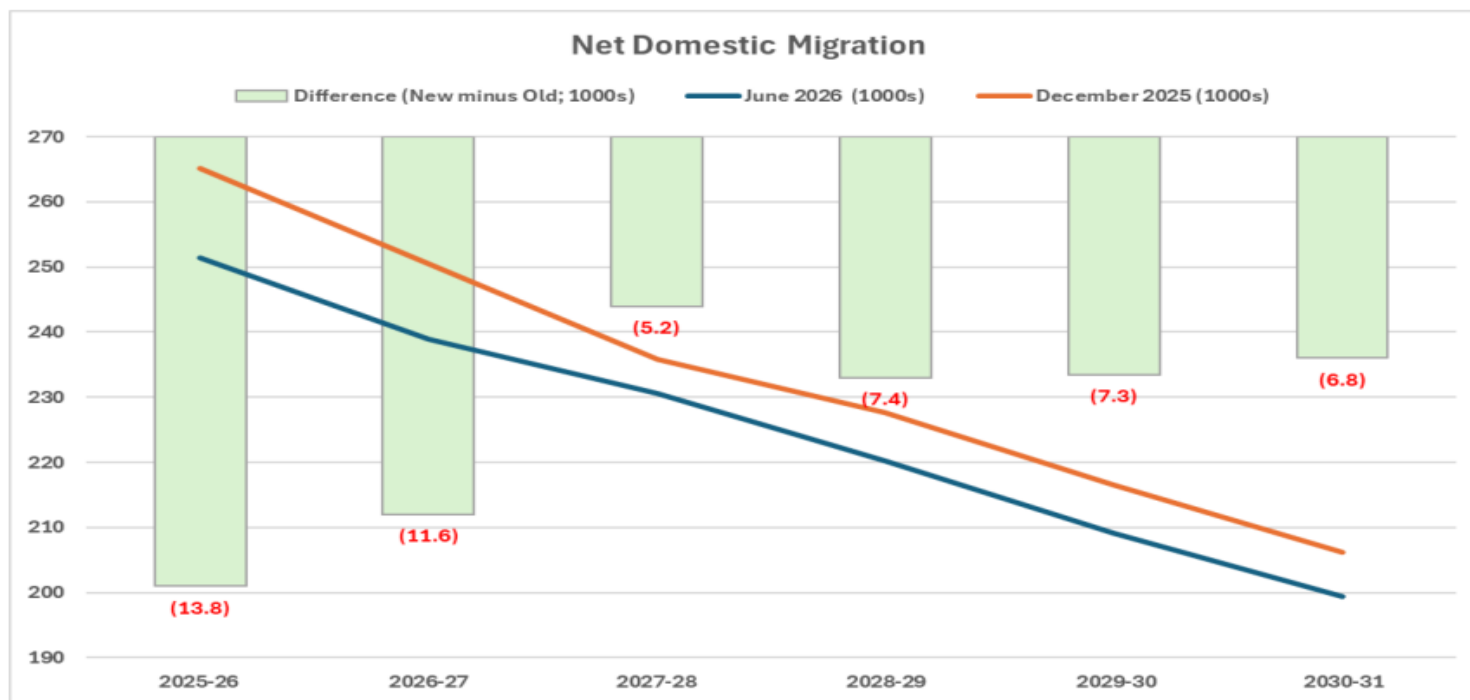
In the past, Florida's population growth has largely been from net migration. Going forward, this will produce all of Florida's population growth, as natural increase is anticipated to remain negative with deaths outnumbering births.



# Where Are We Today? Cont.

## Population Growth Slows...

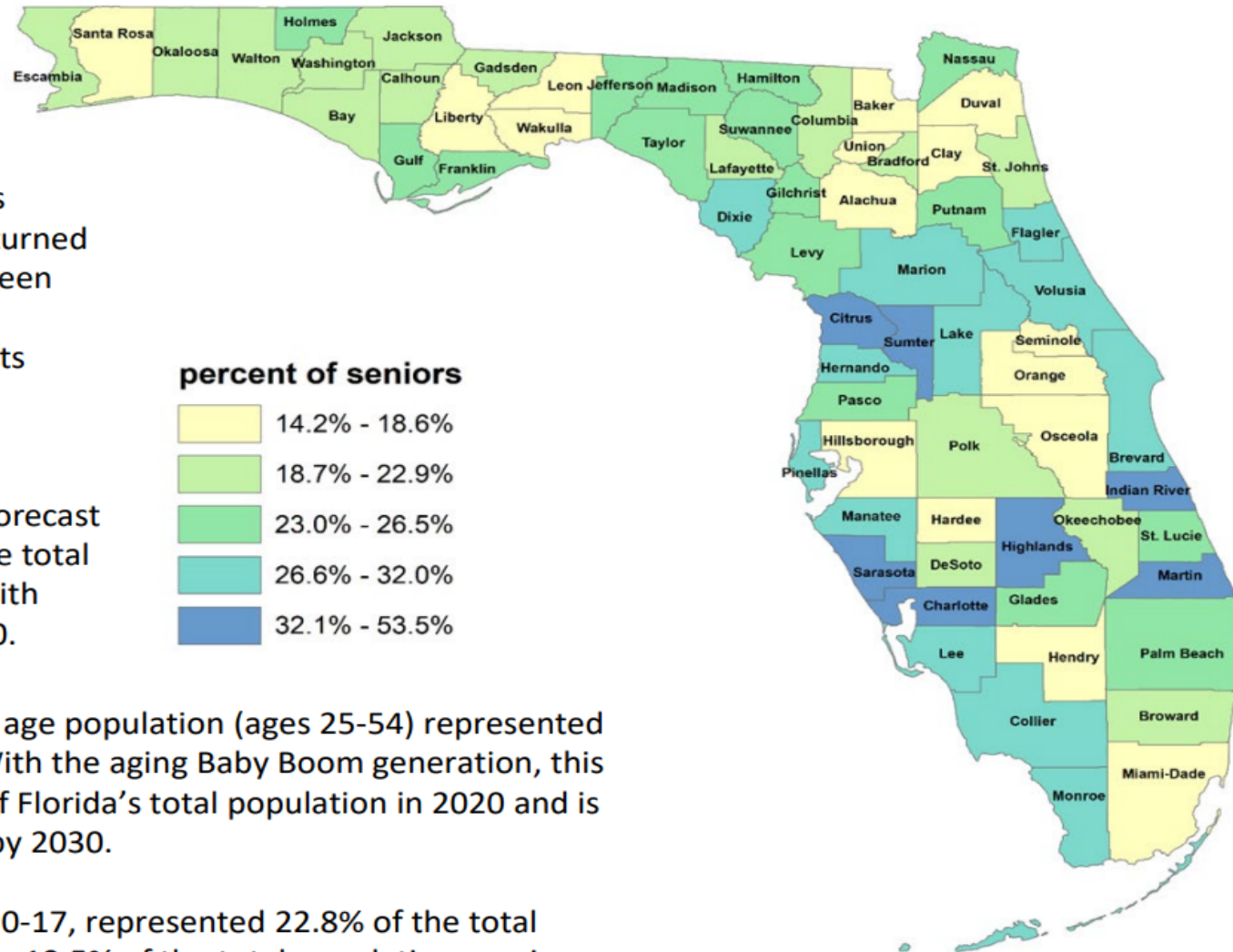
- Population growth is the state's primary engine of economic growth, fueling both employment and income growth.
- Between 2026 and 2030, the Demographic Estimating Conference forecasts growth to average 1.20 percent per year. Nationally, average annual growth is expected to be about one-third of that level—averaging 0.41 percent per year between 2026 and 2030.
- Going forward, natural increase is anticipated to remain negative with deaths outnumbering births. This has been the case every year since the state's 2020-21 fiscal year, meaning all of Florida's population growth is dependent on positive net migration. In a rare move, the Conference lowered net domestic migration in each year of its June 2026 forecast.





# Where Are We Today? Cont.

## Baby Boomers in Context...



2025

The first cohort of Baby Boomers became eligible for retirement (turned age 65) in 2011. Fifteen of nineteen cohorts have now entered the retirement phase. This represents approximately 75% of all Baby Boomers.

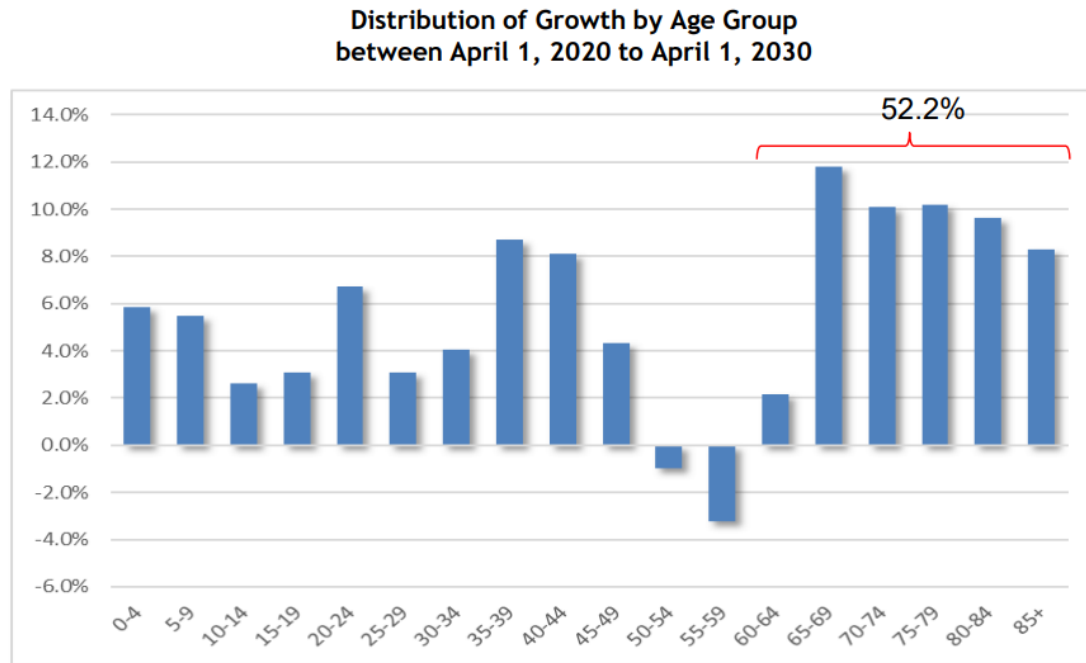
Population aged 65 and over is forecast to represent at least 24.7% of the total population in 2030, compared with 21.2% in 2020 and 17.3% in 2010.

In 2000, Florida's prime working age population (ages 25-54) represented 41.5% of the total population. With the aging Baby Boom generation, this population represented 36.8% of Florida's total population in 2020 and is anticipated to represent 36.2% by 2030.

The youngest population group, 0-17, represented 22.8% of the total population in 2000. In 2020, only 19.5% of the total population was in this age group, and its share is projected to be 19.2% in 2030.

# Where Are We Today? Cont.

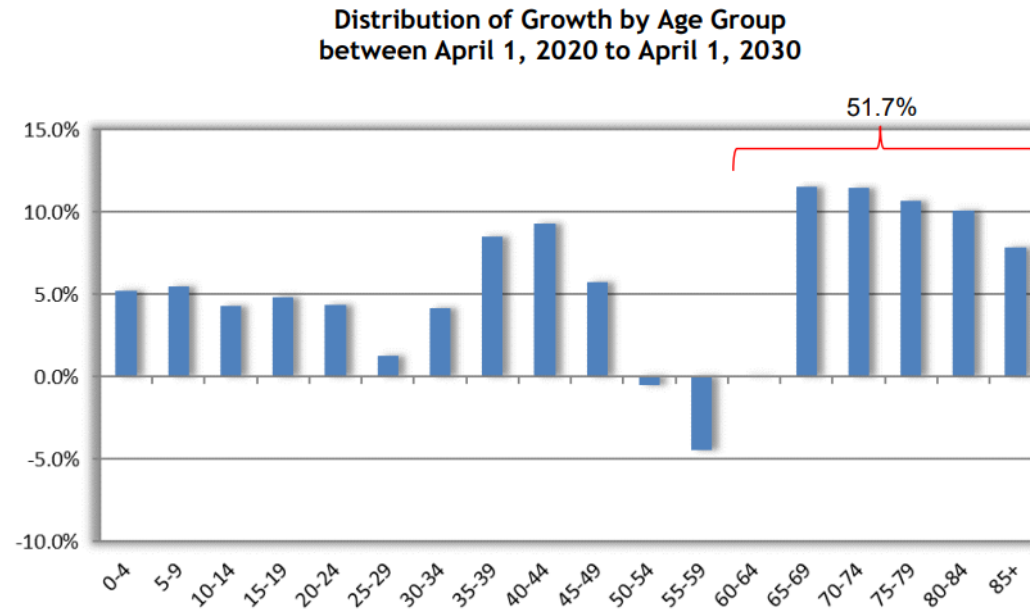
## Population Growth by Age Group...



- As a result of both net migration and natural increase, Florida is forecasted to grow by slightly over 3.2 million persons between 2020 and 2030.
- Growth by age group depends upon this overall growth and the aging of resident population, resulting in 52.2% of those gains occurring in the older population (age 60 and older).
- Florida's younger population (age 0-17) will account for 15.9% of the gains, as will the younger working age group (25-39).

# Where Are We Today? Cont.

## Population Growth by Age Group...



- As a result of both net migration and natural increase, Florida is forecast to grow by over 3.1 million persons between 2020 and 2030.
- Growth by age group depends upon this overall growth and the aging of resident population, resulting in 51.7% of those gains occurring in the older population (age 60 and older).
- Florida's younger population (age 0-17) will account for 17.8% of the gains, while the younger working age group (25-39) will account for 14.0% of the growth.

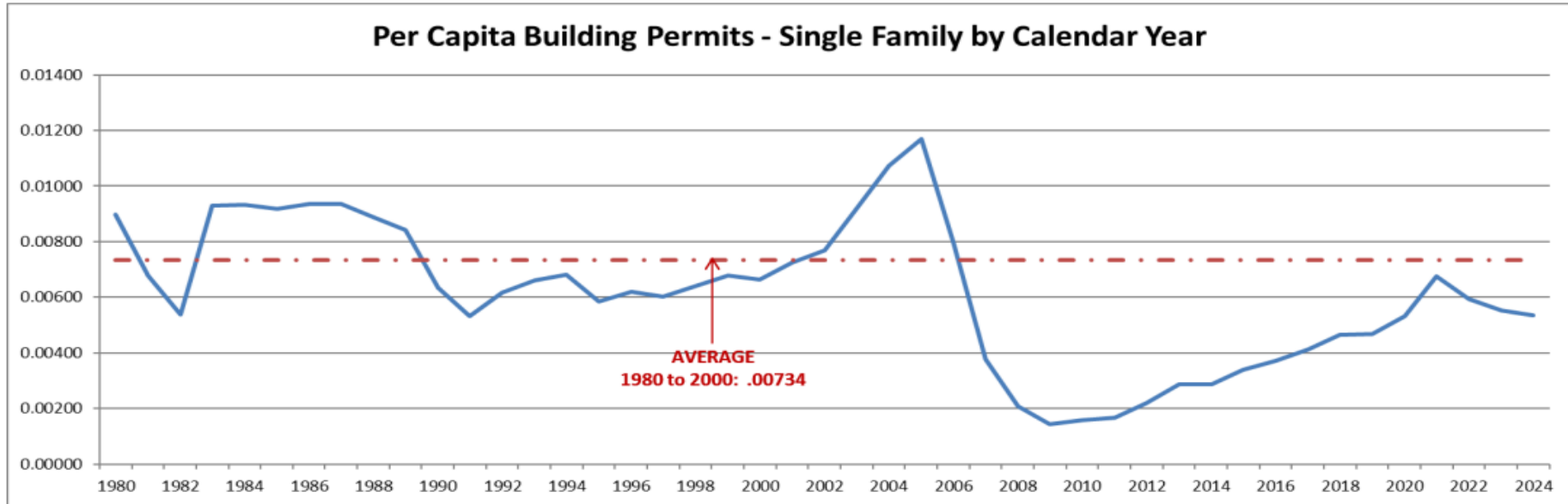
# Where Are We Today? Cont.

## Population Growth to Slow...

- Population growth is the state's primary engine of economic growth, fueling both employment and income growth.
- Florida is currently the third most populous state, behind California and Texas, with 21,538,187 permanent residents recorded as part of the 2020 Census.
- In the four years since the 2020 Census, Florida's strong migration trends have continued, increasing population by almost 1.5 million net new residents. This number takes account of both people leaving the state and losses in natural increase (more deaths than births). Between 2024 and 2030, the Demographic Estimating Conference forecasts growth to average 1.24% per year.
- Nationally, average annual growth is expected to be about one-third of that level — averaging 0.42% per year between 2024 and 2030.
- The future will be different than the past; Florida's long-term growth rate between 1970 and 1995 averaged over 3% per year.

# Where Are We Today? Cont.

## Permits Continued to Drift Downwards in 2024...

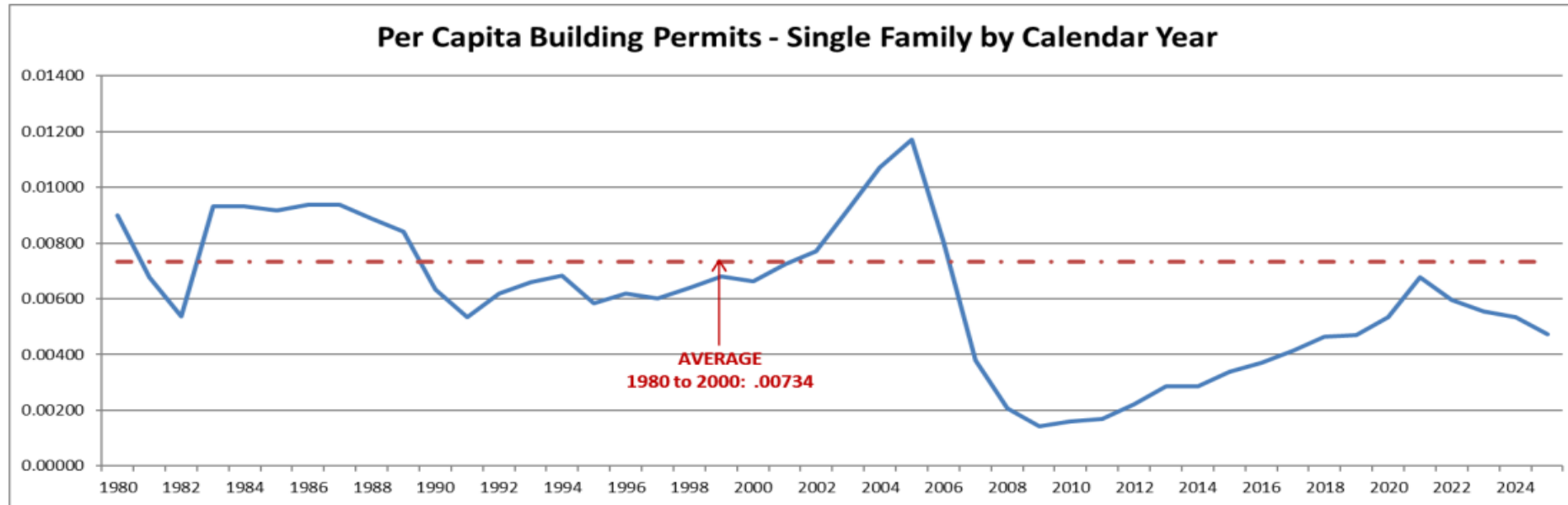


Despite the strong double-digit growth in eight of the ten calendar years from 2012 to 2021, the per capita level is still below historic standards for single family building permits. With the robust growth seen in 2021, the level finally reached 92.2 percent of the long run average; however, it reduced to 81.0 percent in 2022, 75.4% in 2023, and further down to 72.8% in 2024. This was the first negative period for the series since 2006 through 2009 during the collapse of the housing market.

The Economic Estimating Conference believes single-family starts (a closely aligned metric that lags permits) saw a strong decline in FY 2024-25 (-7.7%) and expects FY 2025-26 to be even worse (-9.0%) before positive growth resumes in FY 2026-27 (0.3%). Annual growth that runs between 2.7% and 3.0% will then persist through the end of the decade.

# Where Are We Today? Cont.

## Permits Continued to Drift Downwards in 2025...



Despite the strong double-digit growth in eight of ten calendar years from 2012 to 2021, the per capita level is still below historic standards for single family building permits. With the robust growth seen in 2021, the level finally reached 92.2 percent of the long run average; however, it reduced to 81.0 percent in 2022 and has continued to drift downward to 64.6 percent in 2025. This was the first negative period for the series since 2006 through 2009 during the collapse of the housing market.

The Economic Estimating Conference believes single-family starts (a closely aligned metric that lags permits) saw a strong decline in FY 2024-25 (-8.9%) with FY 2025-26 even worse (-10.8%). The Conference expects FY 2026-27 to remain in negative territory (-1.3%) before the series finally turns positive in FY 2027-28 (+1.4%). Thereafter, annual growth stays positive but gradually declines through FY 2032-33 before drifting negative once again.

# Where Are We Today? Cont.

- Challenges Local Govt's Facing? (According to GovPilot.com)
  1. Ransomware/Malware Attacks
  2. Aging Infrastructure
  3. Obsolete/Inefficient Processes
  4. Loss in Trust of Government
  5. Low Recruitment/Employee Retention
  6. Increasing Natural Disasters
  7. Economic Decline
  8. Utility Challenges (Clean Water/Energy Regulations)

# 2026 Amendment 3



# 2026 Amendment 3, Cont.

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What is being proposed?

**Increase** the  
homestead property  
tax exemption **from**  
**\$50,000 to**  
**\$150,000**, beginning  
January 1, 2027

**Further**  
**increase** the  
exemption **to**  
**\$250,000**,  
beginning  
January 1, 2028

**Reduces** the  
largest local  
revenue  
source

**Reduces** the cap on  
annual assessment  
increases for non-  
homestead  
properties from  
**10% to 5%**

# 2026 Amendment 3, Cont.



## Initiatives / Amendments / Revisions Database

### INCREASED HOMESTEAD EXEMPTION; LOWER CAP ON INCREASES IN NON-HOMESTEAD PROPERTY ASSESSMENTS

Status - Active

[Return to home page](#)

**Refere...** Article VII, Sections 4, 6, and 9, and Article XII, Florida Constitution

**Summa...** [View Full Text](#)

This amendment increases the homestead exemption, for all non-school taxes, to \$150,000 in 2027 and \$250,000 in 2028, and adjusts for inflation thereafter. It requires the Legislature to prescribe a uniform procedure for counties and municipalities, for their respective levies, to increase the homestead exemption up to full assessed value, and allows special districts, subject to referendum approval, to do the same. Persons who are not Florida residents on December 31, 2026, will receive the existing homestead exemption upon qualifying for a homestead exemption, with the increased homestead exemption beginning with the fifth year of exemption, to the extent permitted by the U.S. Constitution. This amendment reduces the annual cap on assessment increases for non-homestead properties from 10% to 5%. **This amendment requires counties and municipalities to use property taxes solely for public safety, education and schools, infrastructure, natural resources, bond debt service, retirement benefits for employees, and operations and administration.** Other expenditures may be approved by county officers or county or municipal governing bodies unless prohibited by general law, notwithstanding Article VII, Section 9(a) of the Florida Constitution, which allows counties and municipalities to levy property taxes for their respective purposes. This amendment takes effect January 1, 2027.

# 2026 Amendment 3, Cont.

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## What are the Numbers?

\$5

**BILLION**

Lost revenue for  
local governments in  
year one

(Source: Revenue Estimating Conference)

\$8.8

**BILLION**

Lost revenue for  
local governments  
in year two

(Source: Revenue Estimating Conference)

56%

**Public safety** accounts for  
more than **56%** of cities'  
general fund spending  
statewide

(Source: Wichita State/FIU, Dec 2025)

# 2026 Amendment 3, Cont.

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Is this a Tax Cut or a SHIFT?

The amendment **removes revenue**. The cost of services does not change.

**Homeowners below \$250,000:**

smaller city bill, but the cost shifts to other taxes, fees, and local prices.

**Homeowners above \$250,000:**

absorb a larger share through higher millage rates — subsidizing those below.

One person's **tax exemption** is another person's **tax increase**.

# 2026 Amendment 3, Cont.

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## Who Pays?



### **Local businesses:**

Higher non-homestead property taxes, rent, and local fees → passed on to customers as higher prices



### **Consumers:**

Costs passed along at the register



### **Renters:**

No homestead benefit, but landlords' taxes go up → rent goes up



### **First-Time Homebuyers:**

Five-year residency requirement disqualifies many

# 2026 Amendment 3, Cont.

What Happens When We Mess With General Fund Revenue?

|                                                                                         |                                                                                                    |                                                                                                   |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Property tax revenue backs the bonds cities issue to build and maintain infrastructure. | <b>SMALLER TAX BASE</b><br>=<br><b>LOWER BONDING CAPACITY</b><br>=<br><b>HIGHER INTEREST RATES</b> | That means <b><u>less</u></b> ability to finance roads, stormwater, utilities, public facilities. |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|

**Less money**  
for essential  
services today.



**Less capacity** to  
fund critical  
needs tomorrow.



**More** traffic.  
**Slower** emergency response.  
**Greater** vulnerability during storms.

# 2026 Amendment 3, Cont.

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## Informational

- **65 of 67** Florida counties already levy a local surtax. Most have no room to raise it further.
- Once local communities hit the ceiling, the **pressure moves to Tallahassee** to raise the state sales tax
- Sales taxes **collapse in downturns** — they fell sharply in 2008 and during COVID
- Property taxes have historically been **stable and predictable** through both



**Public safety,  
emergency response,  
roads, and water  
systems can't rely on a  
revenue source that  
drops every time the  
economy slows.**

# Budget Basics & Environment

# Budget Basics/Environment

- It is important to remind ourselves that we are not entitled to taxpayer dollars; governments are created by the governed and must be accountable and transparent.
- GASB Statement # 1 presumes taxpayers are entitled to know 3 things:
  - 1) What is the Gov't doing and how
  - 2) What the Gov't did and how well
  - 3) What the Gov't plans to do and why

# Budget Basics/Environment

- Governments allocate funds through the budget process
- The budget provides the legal authority to expend funds
- Process should involve major stakeholders and reflect their needs/priorities
- Appropriations are typically authorized for a single year

# Budget Basics/Environment

- What does the Public want?
  - No tax increases
  - Reduce the size of the government
  - Declining support on pension & healthcare
  - Show service value & run at improved efficiencies
- How do we get there?



# Public Engagement

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# Public Engagement

- What we will discuss:
  - Why Public Engagement is Important
  - Strategic Plan
  - Performance Measures
  - Goals / Strategic Priorities

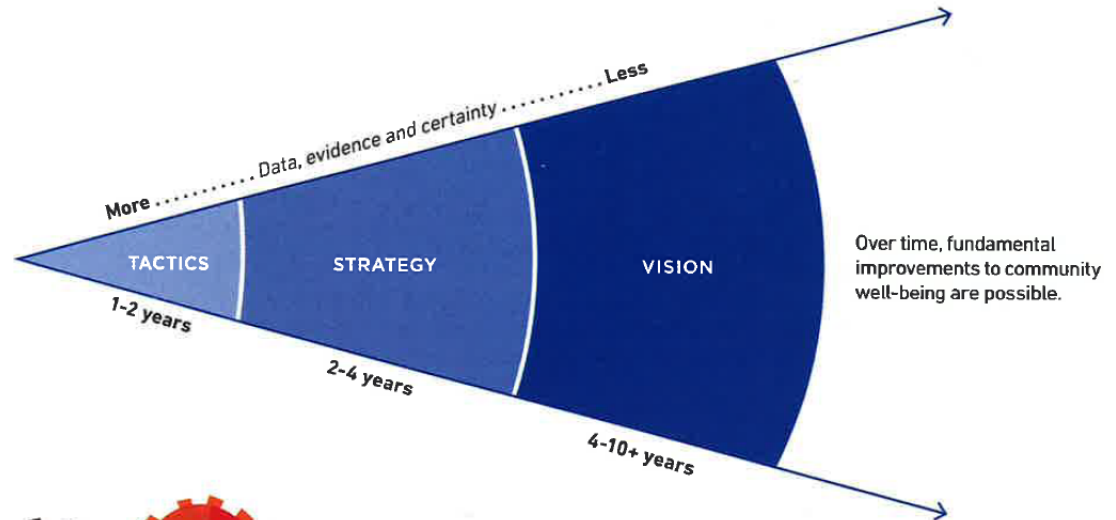
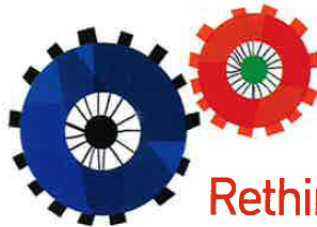
# Public Engagement: Important

- Why
  - To align public expectations with reality
  - Get feedback
  - Collaborate for results
- Results
  - Enable richer participation (overtime)
  - Generate community empathy and buy-in
  - Reduce emotional reactivity

# Public Engagement: Plan

- Vision:
  - What the communities strives for
- Strategy:
  - Defines direction and priorities to achieve the vision
- Tactics:
  - Put the strategy into action

The time cone shows us that tactics, strategy, and vision are all, simultaneously, part of strategic planning but receive different emphasis based on how far you are looking into the future.



Rethinking the Rules

# Budgeting for Results



# Budgeting for Results

1. Determine available resources/dollars
2. Prioritize needs/wants
3. Set performance measures
4. Data Driven/Results Oriented
5. Communicate performance results
6. What is feel good / What is required by law?
7. Monitor your Cash Flow

# Budgeting for Results, Cont.

- Monitor your Cash Flow
  - Review B to A Variances
  - Review Position Controls (Vacant)
  - Review Purchasing Controls
  - Review Capital Projects (Timely, Within Budget)
  - Review Overall Performances
    - ❖ Cost reductions might negatively impact services. You want to reduce cost but not reduce the level you provide.

# Budgeting for Results, Cont.

- Data Driven/Results Oriented
  - Timely Information
    - ❖ Information must be available so managers can change course (if needed)
  - Seasonal Variation
    - ❖ Dividing the annual budget to 12 equal months may not always work well for both Revenues and Expenses
  - ☐ People are more likely to hold themselves accountable when:
    - i. Their actions are transparent
    - ii. Their reputations are on the line

# Strategies to Manage/Reduce Cost

- How to Cut Cost
  - Eliminate Paper/Other Supplies/Memberships
  - Cut/Limit Travel
  - Mergers
  - Debt Refinancing
  - Lease/Rent – Not Purchase
  - Use P-Card Rewards/Program
  - Perform Services for Other Gov't/Private Sector
  - Process Improvements

# Strategies to Manage/Reduce Cost

- How to Cut, Cont.
  - Purchase Services from other Governments
  - Pension Reform (DB to DC)
  - Early Retirement
  - Personnel Freeze/Reduction In Force (RIF)/Staff Consolidation
  - Healthcare Reform
  - Take-home Vehicles
  - Office Printers
  - Delay/Cancel – Programs/Events
  - VMI = Vendor Managed Inventory

Manage/Reduce  
Cost – Personnel



# Manage/Reduce Cost – Personnel

- Remember the environment?
  - No Tax Increase
  - Reduce Gov't Size
  - Declining Support
- There is also a changing environment in staff/employee way of thinking
  - Low Morale
  - Decrease in Efficiencies
  - High Turnover

# Manage/Reduce Cost – Personnel

- Gov't must change leadership styles to survive after an economic downturn – Why?
  - When times return to good your staff will leave
    - More employment opportunities
    - Higher pay
    - Room for growth
- How do we turn this around?
  - Dynamic (Servant) Leadership

# Manage/Reduce Cost – Personnel

- A dynamic leader yearns for...
  - Knowledge & Experience
  - The ability to improve their leadership skill set
- Dynamic Leader = Servant Leader
  - Servant Leadership is the philosophy where the main goal of the leader is to serve their employee/team/staff
- Helps employees develop & perform as high as possible

# Manage/Reduce Cost – Personnel

- Cause & Effect
  - Employee Life
    - Supportive co-workers & staff, lowering stress levels, decrease in emotional exhaustion, overall positive effect on family life
  - Job Performance
    - Build upon skills, achieve personal/professional goals, overall positive effect on an individuals well being

# Manage/Reduce Cost – Personnel

- Satisfaction
  - Defined as fulfillment in one's wishes, expectations, or needs, or the pleasure derived from this.
- Engagement
  - Defined as an emotional state where we feel passionate, energetic and committed towards our work. In turn, we fully invest our best selves; our hearts, spirits, and minds into the work we do.

# Manage/Reduce Cost – Mergers

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# Manage/Reduce Cost – Mergers

- Why Mergers and/or Shared Services?
  - Derive economies of scale
  - Help address budget challenges
  - Reduce redundant and obsolete solutions
  - Enable government to cut costs while improving service quality

# Manage/Reduce Cost – Mergers, Cont.

- Between 1921 and 1996 there were 132 formal consolidation attempts with only 22 successes
- Notable Mergers:
  - New York City – all five boroughs (1898)
  - Nashville, Tennessee – Davidson County (1963)
  - Toronto, Canada – six municipalities (1998)
  - Kansas City, Kansas – Wyandotte County (1998)
  - Louisville, Kentucky – Jefferson County (2003)
  - Iowa State High Schools 1935 = 953, now 453 (2013)
  - Princeton Township – Princeton Borough, NJ (2013)

# Manage/Reduce Cost – Mergers, Cont.

- 2009 – The GFOA published “Alternative Service Delivery: Shared Services” Document
- Recommendation – That Gov’t examine the benefits of alternative service delivery & utilize the 6 below processes for successful implementation:
  - Get Started – Organize Gov’t
  - Feasibility Study
  - Come to an Agreement
  - Implementation
  - Ongoing Monitoring
  - Long-term Review & Reassessment

# Manage/Reduce Cost – Mergers, Cont.

- Types of Services Shared:
- Citizen
  - Police / Fire
  - Public Works
  - Utilities
- Back Office
  - Finance/Budget/Procurement
  - HR
  - IT

# Manage/Reduce Cost – Mergers, Cont.

- Camden County, New Jersey:
  - Police Dept is now a shared countywide PD
  - Metro Division is paid for by Camden City
  - Savings from shared use of equipment, coordination of resources, elimination of overlapping job responsibilities & purchasing supplies
    - Average Cost Per FTE-Officer went down from \$182,168 to \$99,605

# Manage/Reduce Cost – Mergers, Cont.

- Yolo County, California
  - Created – Local Agency Formation Commission (LAFCo)
  - Works with public agencies & districts to identify/develop potential opportunities to share municipal services between agencies to improve:
    - Service Efficiencies
    - Maintain High Quality Services
    - Contain Cost

Manage/Reduce  
Cost – VMI

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# Manage/Reduce Cost – VMI, Cont.

- **Eliminates Inventory Capital Cost** - By outsourcing inventory ownership, fleet pays for parts only when they were used.
- **Improves your cash flow** – without the need to store large volumes of inventory, capital expenditure is reduced, and capital can be invested elsewhere. Cash is not sitting on shelves collecting dust.
- **Drastically reduce administrative labor** – time consuming physical inventory counts and variances, redundant orders, and warranty reimbursements; delegated to parts suppliers.
- **No obsolete dead stock** – because inventory levels rely on technician demand, there's less risk of unwanted stock left sitting in your warehouse. Vendors have more knowledge are in a better position to acquire and manage parts inventory.

Manage/Reduce  
Cost – Purchasing

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# Manage/Reduce Cost – Purchasing

- Direct Purchase – CIP Projects
- Direct Purchase – Bulk Purchasing / Co-Ops
- P-Card – Program Advantages
- ACH / E-Payables Programs
- Pre-Payment Deals – Fire Truck
- Cash Management Policy
- Central Office Supply Ordering

# Manage/Reduce Cost – Purchasing, Cont.

- Prompt Payment Act (Fla. Stat. § 218.70 – 218.80)
  - Within 9 weeks of implementation:
    - A/P Average Saving of \$3.5m
    - Current Interest Earned – Approximately 3.50%
    - Annualized Saving – Over \$100k per year



# Manage/Reduce Cost – Purchasing, Cont.

- Central Office Supplies:
  - One Department creates a set of guidelines for other Departments to follow – Items include A Pre-determined set of list that can be purchased whenever.
    - Ex. 3 types/colors of pens and pencils to choose from and can be purchased at anytime.
    - Non-Prelisted items will be checked for necessity and where to purchase for best value.

# Manage/Reduce Cost – Vehicles

- Take Home Vehicle Program
  - Non-Sworn
  - Sworn
  - Management / Supervisors / Administration
  - Utility Departments
  - Lives within/out City/County Limits
  - Car Allowance

# Manage/Reduce Cost – Grants

- Local – State – Federal Grants
  - Stimulus Package – Federal Grant
  - Solar Grant – County Prison
  - FDOT Transportation Grants – County/City
  - FAA/FDOT Grants – Runway/Airport Renovations
  - FDEP/DEP/Water District Grants – Wetland Park
  - FDEP/Water District Grants – Sceptic Tanks
  - FDOT Grant – Osceola Trail
  - Public/Private Partnership – Ft. King
  - EPA – Electric Sanitation Trucks

# According to the GFOA

- Establish A Long-Term Vision
- Build Trust & Open Communication
- Use Collective Decision-Making
- Create Clear Rules
- Treat Everyone Fairly

# 4 STEPS TO SUCCESS

## FOR BUDGETING DURING A CRISIS



### STEP 1



#### UNDERSTAND THE NEXT SIX TO 18 MONTHS

**Forecast** how revenues will be affected by the pandemic-induced economic downturn.

**Develop** a range of scenarios (i.e., no recession forecast; recession forecast) tied to assumptions (i.e., magnitude and duration of losses, by source by fiscal year; pre-recession growth rates by revenue source) about the downturn's severity.

**Determine** how soon General Fund resources might be depleted.

### STEP 2a



#### REDUCE SPENDING

**Reduce** capital asset investments.

**Defer** some purchases.

**Improve** capital project management.

**Reexamine** maintenance and replacement standards

### STEP 2b



#### FIND NEW RESOURCES

**Increase** interfund charges where there is a case for it.

**Reassess** internal service fund and cost allocation formulas.

**Redesignate** general fund reserves.

**Consider** monetizing assets.

**Implement** new or revised, fees where appropriate.

**Consider** short-term borrowing.

## STEP 2c



### REDUCE MATERIALS OR CONTRACTOR COSTS

**Close** facilities where social distancing isn't possible.

**Eliminate** lower-value or no-use programs.

**Review** contractor costs and re-negotiate, if possible.

## STEP 3



### COMMUNICATE AND ENGAGE

**Use** video conferencing, Facebook Live, and other technology to keep your elected officials, employees, and community members informed and to receive feedback.

**Technology** allows new voices to participate.

**Use** social media and your community's website to provide updates.

## STEP 4



### SUPPORT DECISION MAKING

**Understanding** impacts to revenues and possible scenarios is key to good decision-making.

**Solutions** supported by governing body form the basis action.

# Questions?

