

CITY OF VENICE

General Operating Budget – 2017

PROBLEM: Inadequate budget funds to sufficiently support all municipal operations. Evidence of the problem includes the following:

- Inadequate staff levels in certain departments
- Absence of a funded capital depreciation plan
- Deteriorated facilities and equipment

CAUSE: Ad valorem tax revenue is the primary Operating Budget income source for the General Fund and has been insufficient to properly support all operating costs. Ad valorem revenues fluctuate with changes in the general economy resulting in an unstable and varying revenue level

POSSIBLE SOLUTION: Remove the expense burden of one Department from the General Fund budget to provide budgetary relief to that fund. Select a department or division that is suited for a fee-driven operating plan.

PROPOSAL: Remove the Fire Department from the General Fund section of the City budget and establish a Fire Fee to support the Fire Department operations. Develop the fire fee to support all operating costs of the fire service including: salaries & benefits, consumable supplies, equipment, capital costs, vehicles, facilities, pension, and capital depreciation.

Operate the Fire Department like an Enterprise Fund, providing all operating costs from a fee.

Define the base for support of the fire department to include all properties within the City

Develop a proactive pension payment plan that aggressively addresses the unfunded pension liability

Development a vehicles and facilities depreciation plan and create a multi-year plan to “catch up”

Operate the fee-driven department as a “best practices” pilot

PROCESS TO IMPLEMENT FIRE FEE STRUCTURE

Allocate funds in the fiscal 2017 Operating Budget to contract for consultant service to examine fee-driven models and recommend a model for the Venice Fire Department, for the 2018 budget year:

Develop specifications for a consultant study in the fourth quarter of the 2016 fiscal year

Employ consultant services in first quarter of 2017 fiscal year

Implement fee-driven model for 2018 fiscal year