THE CITY OF
OVIEDO
FLORIDA

400 ALEXANDRIA BOULEVARD ✷ OVIEDO, FLORIDA 32765

September 22, 2014

Honorable Mayor Persampiere, Deputy Mayor Schenck, City Council Members and Citizens of the City of Oviedo:

Submitted for your review is the FY 2014-15 Adopted Annual Budget. The budget is predicated on increasing the operating millage rate to 5.0434 mills to support General Fund operations. Setting the tax rate for the General Fund at 5.0434 mills will result in a citywide *tax increase of 9.03% above the rolled back rate of 4.6259 mills.* At a special meeting held on July 28, 2014, the City Council formally set the tentative millage rate for FY 2014-15 as required by Florida Statute (Truth in Millage law). The millage levy represents the maximum tax rate that can be set by the City Council. *In other words, the rate can be maintained or lowered at the September public hearings, but not increased*. The tentative tax rate must be set and transmitted to the Property Appraiser, Tax Collector and the State of Florida no later than August 4, 2014.

As Council is aware, the Gross Taxable Value for 2014 increased by $132,888,117 or 6.97% over the 2013 Final Gross Taxable Value. Excluding new construction, the Gross Taxable Value for 2014 increased by 5.12%. With the exception of modest increases projected for the State Half Cent Sales Tax, State Revenue Sharing, and Electric Service Taxes, virtually all other revenue sources are either flat or declining.

When preparing for the upcoming fiscal year, staff prepared financial trend projections for FY 2014-15. This information was used when instructing the Citywide Departments in the development of the FY 2014-15 proposed budgets and subsequently they were required to submit "similar service level" proposals for the year. Exceptions were made for fixed costs such as fuel, utilities and liability insurance; and employee costs such as health insurance, pension and incentives; which were calculated separately by the Budget Office.

The following "budget highlights" provide a concise summary of the FY 2014-15 Adopted Budget:

- Excluding new construction of $35.4 million, the City's tax base increased by $97.5 million or 5.12%, which was due to an increase in market values. Some of this increase was offset by the 1.5% Save Our Homes inflation adjustment for approximately half of all residential property owners.

- For the City of Oviedo, a home assessed at $146,000 (median taxable value per the property appraiser's office) in 2013, adjusted by 1.5% for save our homes inflation, and less the $50,000 homestead exemption, will pay approximately $27 more in City property taxes in 2014.

- The total adopted budget for all City funds combined is $64.08 million, a decrease of $1,809,922 from FY 2013-14. Exclusive of Interfund transfers, the total adopted budget for FY 2014-15 of $54.4 million is $446,623 or 0.83% greater than the FY 2013-14 total adopted budget. Changes include: an increase in ad valorem revenues of $601,464; a decrease in transfers of $2.3 million, of which $275,000 is due to a reduction in debt payments and the remainder is the result of interfund accounting transfers between funds for pre-approved expenses; and an increase in use of appropriated fund balance of $339,795 due to a decrease in non-ad valorem revenues..

- The General Fund property tax rate for FY 2014-15 is 5.0434 mills. The millage rate is 9.03% greater than the rolled back tax rate of 4.6259 mills. The tax rate for the General Obligation Bond is 0.2546 mills of debt service. The combined tax rate for FY 2014-15 is 5.2980 mills, an increase of 3.14% from the total combined tax rate of 5.1367 mills in FY 2013-14. The FY 2014-15 total combined tax rate of 5.2980

is 8.75% greater than the FY 2007-08 total combined tax rate of 4.8714, while budgeted ad valorem revenues for FY 2014-15 are $1,043,289 less than FY 2007-08.

- The size of the City's workforce for FY 2014-15 increased to 281.55 FTE's (full-time equivalent positions), up from 267.23 positions in the FY 2013-14 budget. The workforce (both full-time and seasonal) has been reduced by 47.74 positions since FY 2006-07 when the City employee to population ratio was 9.26 per 1,000 population as compared to 8.05 for FY 2014-15 and 7.73 for FY 2013-14. The population for FY 2014-15 increased slightly to 34,965.

- The FY 2014-15 total payroll (salaries and benefits) for all operating funds of $19,092,784 is $905,430 or 4.98% more than the total adopted payroll for FY 2013-14. The increase includes eleven (11) new positions funded to start at different times throughout the year at a cost of approximately $282,000; the increase of fifteen (15) part-time positions to full-time at a cost of approximately $207,000; an equity adjustment for Police (Sworn Officers) based on salary surveys from similar cities at a cost of approximately $280,000; and a 1.5% salary increase for all full and part-time employees at a cost of approximately $137,000.

The remaining portion of this transmittal letter presents more detailed analyses of the budget, including a more detailed analysis of the tax base, General Fund - expenditures, revenues, debt service and fund balance. Following the General Fund analysis are summary discussions about the City's Water/Wastewater Operating Fund, the City Workforce and Payroll, the Capital Improvements Program and several supporting funds.

TAX BASE SUMMARY

Based on the Certification of Taxable Value provided by the Seminole County Property Appraiser on June 24, 2014, *the City's tax base increased by $132.9 million or 6.97% compared to last year.*

Excluding $35.4 million of new construction; annexations and the reassessment of existing real properties increased by $180 million or 9.4% compared to the 2013 real property base.

The change in values between 2013 and 2014 is reflected below for the major categories of real property. *Inclusive of new construction valued at $35.4 million*, the total *real property base* increased $128 million or 7.00%.

Real Property Category	2014 Gross Taxable Value	2013 Gross Taxable Value	% Change
Residential	1,635,033,720	1,517,277,697	7.76%
Commercial	267,896,290	264,646,969	1.23%
Industrial	30,508,154	31,903,572	(4.37%)
Institutional/Other	22,712,027	14,346,739	58.31%
Total *	1,956,150,191	1,828,174,977	7.00%

**excludes value of personal property*

TAX BASE SUMMARY, CONTINUED

A summary of the changes in the entire tax base between 2007 and 2014 is depicted below:

SUMMARY OF TAX BASE DATA								
Budget Year	**FY 2007-08**	**FY 2008-09**	**FY 2009-10**	**FY 2010-11**	**FY 2011-12**	**FY 2012-13**	**FY 2013-14**	**FY 2014-15**
	FY 2006	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**
Final Gross Taxable Value	2,143,914,844	2,441,090,301	2,279,582,725	2,071,084,388	1,938,260,572	1,831,647,107	1,851,053,566	1,905,913,670
	FY 2007	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**
New Construction	101,883,443	75,050,854	41,764,994	23,840,308	30,235,479	31,259,986	24,450,953	35,381,461
Annexations	4,210,639	8,046,006	-	-	-	-	455,741	-
Re-assessment of Existing Properties *	305,935,708	(136,845,909)	(128,283,948)	(31,698,545)	(54,246,748)	75,206,995	115,776,787	180,158,252
Personal Property	(115,532,093)	(101,148,618)	(111,111,313)	(112,305,670)	(79,225,093)	(81,887,285)	(81,781,035)	(82,651,596)
Tax Base Net Inc (Dec)	296,497,697	(154,897,667)	(197,630,267)	(120,163,907)	(103,236,362)	24,579,696	58,902,446	132,888,117
Gross Taxable Value	**2,440,412,541**	**2,286,192,634**	**2,081,952,458**	**1,950,920,481**	**1,835,024,210**	**1,856,226,803**	**1,909,956,012**	**2,038,801,787**
% Inc (Dec) from Previous Year	13.83%	(6.35%)	(8.67%)	(5.80%)	(5.33%)	1.34%	3.18%	6.97%
% Inc (Dec) from FY 2007-08		**(6.32%)**	**(8.93%)**	**(14.67%)**	**(19.73%)**	**(18.81%)**	**(16.46%)**	**(10.82%)**
Operating Millage	4.6545	4.8626	4.8626	4.8626	4.8626	4.8626	4.8626	5.0434
Ad Valorem Revenues @ 96%	**10,904,544**	**10,672,167**	**9,718,754**	**9,107,084**	**8,566,069**	**8,665,045**	**8,915,858**	**9,871,193**
*** Includes the value of Personal Property**								

The Tax Base Data chart provides general information on the City's taxable value and the ad valorem revenues for the past eight years. It should be noted that at the FY 2007-08 millage rate of 4.6545 mills, Ad Valorem Revenues were $1,033,351 more than at the current millage rate of 5.0434 for FY 2014-15. The Final Gross Taxable Value was $238,001,174 more in FY 2007-08 than in FY 2014-15, similar results can be found when comparing the Gross Taxable Values between FY 2007-08 and 2014-15 with more than $400,000,000 as the difference. The City has not reached the taxable values or the Ad Valorem revenues seen in FY 2007-08.

GENERAL FUND

The City of Oviedo maintains accounting records on a budget basis as well as a GAAP (Generally Accepted Accounting Principles) basis. For financial reporting purposes, governmental funds rely on the modified accrual basis of accounting.

The total general fund budget is $25,070,020 which is $1,348,162 or 5.68% greater than the FY 2013-14 adopted budget of $23,721,858. General fund operating expenses increased $1,304,247 (excluding transfers).

General Fund Expenditures

The following service level changes were presented to the City Council at the July 28th meeting: additional Attorney fees related to Oviedo on the Park and Friends of Oviedo and a change in the City Magistrate; lobbyist fees, as they were not budgeted and approved as part of the original FY 2013-14 budget; consultant fees for development services plan reviews; repairs/maintenance for City buildings; software and hardware maintenance agreements; electricity; contractual agreements; and operating expenses related to Oviedo on Park. The increase in operating expenses also includes the following changes related to personnel: 15 part-time employees were increased to full-time; 6 new full-time positions were added; an equity adjustment for Sworn Police Officers - based on Police surveys of similar cities; and three police officers, a Safety Risk Analyst and an IT Specialist were funded for an entire year (these positions were new in FY 2013-14 and were only funded for five months of the year).

GENERAL FUND, CONTINUED

All employees will receive a 1.5% salary increase, effective October 1, 2014.

Transfers from the General Fund increased by $55,015 in FY 2014-15. These include increases in the following: transfers to the City's Health Insurance fund of $14,455 to help sustain an appropriate fund balance and help mitigate the impact of any adverse claims to the fund; transfers to the Technology Improvement Fund of $15,947 to fund the City's 5-year Computer Replacement program; transfers to the Lease Finance Fund of $11; and transfers to the Debt Service Fund of $24,602.

General Fund Revenues

General Fund operating revenues (excluding transfers and fund balance) are $1,252,241 or 5.70% greater than FY 2013-14. Of this amount, $963,335 is due to an increase in property tax revenues (plus receipt of delinquent tax payments), and $288,906 is related to higher non-ad valorem revenues. Transfers from several funds that are used to offset General Fund expenses decreased by $26,719. Of this amount, transfers from the Building Services Fund decreased by $44,654, while transfers from the Water/Wastewater Fund increased by $17,935.

Property Taxes (General Fund)

At the millage rate of 5.0434 mills, the City will budget $9,871,193 in property tax revenues (excluding delinquent tax payments) to support General Fund operations - an increase in property tax revenues of $955,335 compared to the FY 2013-14 budget.

- FY 2014-15 adopted budget: **$9,871,193** - at 5.0434 millage rate
- FY 2013-14 adopted budget: **$8,915,858** - at 4.8626 millage rate

Non-Ad Valorem Revenues

Total non-ad valorem revenues of $13,146,869 reflect a net increase of $288,906 or 2.21% measured against the FY 2013-14 non-ad valorem base of $12,857,963. Leading the most significant increases are the Electric Service Taxes $125,000, State Revenue Sharing $89,493, State Half-Cent Sales Tax $143,061, and Recreation Activity Fees $107,096. These increases were partially offset by decreases in Communications Service Tax of $130,474, and $110,000 in Electricity Franchise Fees.

Fund Balance Appropriation

In the FY 2014-15 adopted budget, the General Fund used $122,640 of the available fund balance, or .5% of General Fund revenues. This is allowed per City guidelines which states if fund balance must be appropriated to balance the budget, no more than three percent (3%) of all General Fund revenue will be comprised of appropriated fund balance.

A comparison of the FY 2014-15 and FY 2013-14 budgets by major expense category is depicted on the next page:

General Fund Expenditures
By Major Category
FY 2014-15 vs 2013-14

	Adopted Budget	Percent of Total	Adopted Budget	Percent of Total
Personal Services	$ 15,762,985	66.4%	$ 16,276,711	64.9%
Operating Expenditures	5,645,781	23.8%	6,392,150	25.5%
Vehicle Replacement Contribution	284,560	1.2%	303,288	1.2%
Capital Expenditures	7,676	0.0%	25,000	0.1%
Sub-Total: Department Operations	**$ 21,701,002**	**91.5%**	**$ 22,997,149**	**91.7%**
Debt Service (transfer to Sinking Funds)	$ 1,266,376	5.3%	$ 1,290,978	5.1%
Other Interfund Transfers*	751,480	3.2%	781,893	3.1%
Contributions (to non-profit & other agencies)	3,000	0.0%	-	0.0%
Sub-Total: Non-Departmental	**$ 2,020,856**	**8.5%**	**$ 2,072,871**	**8.3%**
TOTAL EXPENDITURES	**$ 23,721,858**	**100.0%**	**$ 25,070,020**	**100.0%**

* Other Interfund Transfers include all transfers other than those to the Debt Service Fund.

More detailed explanations of operating budget changes for each department and program can be found under the "budget highlights" section of each program's Expenditure and Staffing Summary (within the operating budget detail section of the budget document).

Debt Service and Lease Financing Support

Debt service and lease financing expenses increased by $24,613. The increase is primarily due to principal and interest payments related to a $300,000 promissory note the General Fund received from the Utility Renewal and Replacement Fund (406) in 2014. The promissory note is part of the funding for Oviedo on the Park projects, specifically: the amphitheater, culture center, boat house, playground and surrounding amenities. The General Fund's share of debt service costs and lease financing is approximately $1,446,231 or 5.77% of the FY 2014-15 adopted General Fund revenues budget. The $1.45 million debt service share is well within the standard established by the City financial policy which limits revenue bond debt to no more than 10% of General Fund operating revenues.

Fund Balance for Economic Uncertainties

An important indicator of the City's financial position is the level of its undesignated fund balance relative to the total General Fund expenditures. The Comprehensive Annual Financial Report (CAFR) stated as of September 30, 2013, the General Fund undesignated fund balance was $3,172,787. Based on year-end revenue and expenditure estimates for FY 2013-14, revenues are expected to exceed expenditures by approximately $700,000. Based on the adopted FY 2014-15 budget, revenues include the use of fund balance in the amount of $122,640 or .5% of budgeted General Fund revenues, which is within the City's guideline that the use of fund balance be no more than three percent (3%) of budgeted General Fund revenues. For FY 2014-15 the expected fund balance for the General Fund will be $3,763,266 or 15% of FY 2014-15 adopted General Fund Expenditures.

WATER AND WASTEWATER OPERATIONS

The City of Oviedo maintains accounting records on a budget basis as well as a GAAP (Generally Accepted Accounting Pirnciples) basis. For financial reporting purposes, proprietary funds use full accrual accounting.

Revenues

The revenue outlook for FY 2014-15, based on FY 2013-14 budget estimates, reflects a slight decrease in water revenues for the year. Water revenues are projected at $4,500,000, or 4.42% lower than the FY 2013-14 budget estimate of $4,708,119. The decrease in water revenue is due in part to the expected decrease in potable water usage due to an increase in customers utilizing more reclaimed water as the City completes its reclaimed water capacity expansion project. As a result of the completion of the reclaimed water expansion project, reclaimed water revenues are expected to increase over the next several years.

Total operating revenues for FY 2014-15 are estimated at $12.42 million compared to the FY 2013-14 budget level of $12.63 million. *Although based on budget projections, FY 2014-15 revenues will still exceed expenditures by $593,376.*

The budget is based on a 2 to 3 year trend analysis of the Water and Wastewater revenues. As a result, for FY 2014-15, there is no utility rate increase, nor an indexing increase on the Water/Wastewater and Reclaimed systems. A utility system revenue sufficiency and rate analysis is currently being performed, and will be completed in FY 2014-15. Information from this analysis will be used to re-evaluate the utility rate structure, and to help develop budget estimates for current and long-term operating and capital costs for the entire utility system for future years.

Expenses

The total budget for Water and Wastewater operations for FY 2014-15 (Water Production and Distribution, Wastewater and Reclaimed Water, Administration and Utility Billing/Customer Service) is set at $6,095,742, which is slightly less than FY 2013-14. One reason for the decrease in expenses is the budgeting of renewal and replacement expenses in the R&R fund for FY 2014-15, which were mainly included in the Water and Wastewater Operating Fund in FY 2013-14 and prior years. Another factor is the consolidation of all the lift-stations from the Alafaya Wastewater System with the lift stations from the City's Wastewater System, an increase in the number of lift-stations from 33 to 67 across the entire system. The completion of the Northern Lift-Station Re-route Project enabled the City to internalize some wastewater flows to the Oviedo Wastewater Reclamation Facility (OWRF) instead of paying Seminole County for contract disposal. Capital expenses for FY 2014-15 include water main improvement projects at SR 426/W Mitchell Hammock, and in the vicinity of Shane Kelly Park.

Cash Reserves (Utility Operating Fund)

The cash position at September 30, 2015 is projected to be $ 6.8 million, which is equal to approximately 277 days of operating and debt service expenses. This cash reserve level compares favorably to the 120 day minimum, as required by the City's financial policy. The revenue sufficiency and rate analysis, which is underway in FY 2013-14, will determine the impact on cash reserves and debt service coverage in future years. As per the CAFR on September 30, 2013, the debt service coverage factor was 3.10. In other words, net utility revenues were three times (3x's) the total debt service requirement, which compares favorably to the 125% minimum requirement set by the City's budget reserve guidelines.

CITY WORKFORCE AND TOTAL PAYROLL

The total number of authorized full and regular part-time positions for FY 2014-15 for all funds and departments increased to 281.55 full-time equivalent positions, which include a *Planner 1*; *Utility Customer Service Rep; Fleet Maintenance Mechanic; Utility Technician; Utility Equipment Operator; and a Maintenance Worker II. The following positions are also included for Oviedo on the Park, (3) Maintenance Worker I; Pool Maintenance Tech; and a Building Custodian.*

CITY WORKFORCE AND TOTAL PAYROLL, CONTINUED

Additionally, fifteen (15) part-time positions were increased to full-time. All new/adjusted positions are included in the FY 2014-15 adopted budget. The City employee to population ratio is 8.05 per 1,000 for FY 2014-15, a slight increase from 7.73 per 1,000 in FY 2013-14. This is still down from FY 2006-07 when the ratio was 9.26 per 1,000.

The citywide payroll of $19.1 million for all operating funds combined is an increase from FY 2013-14 of $905,430 or 4.98%. The increase is the result of the following: addition of eleven (11) new positions funded at different variables throughout the year for a cost of approximately $282,000; the increase of fifteen (15) part-time positions to full-time for a cost of approximately $207,000; an equity adjustment for Sworn Police Officers based on salary surveys from similar cities for a cost of approximately $280,000; and a 1.5% salary increase for all full and part-time employees for a cost of approximately $137,000.

Total Benefits (Payroll Matching Costs and Health Insurance)

- *Health Insurance:* Health insurance premiums established by the City through its self-insurance plan for all coverage types will remain the same as FY 2013-14. The cost of single (employee) coverage is $6,077. The City pays for single coverage on behalf of City employees. In addition, the City pays for employee's Life Insurance, Long Term Disability and a portion of any dependent care health costs.

- *City Pension Contributions:* Total pension contributions budgeted by the City for FY 2014-15 are estimated at $1,261,787. This is reflective of the general employees' contributions and the City match toward the ICMA plan. The City's contribution to both the Fire pension and Police pension plans decreased for FY 2014-15. Fire pension decreased from 11.1% in FY 2013-14 to 8% in FY 2014-15, while Police pension decreased from 21.38% in FY 2013-14 to 19.28% in FY 2014-15. For FY 2014-15, the Fire pension and Police pension accounts are budgeted at $241,084 and $732,940, respectively.

- *Workers' Compensation:* Workers' compensation is provided by Public Risk Management (PRM). The FY 2014-15 workers compensation costs are estimated at $381,434 an increase of $37,672 or 10.96% over the FY 2013-14 budget.

CAPITAL IMPROVEMENTS PROGRAM (CIP)

The 10-Year Capital Improvements Program (CIP) was reviewed by City Council on July 28, 2014, and will serve as a blueprint for future capital improvements over the next 10-year period. The total funding commitment appropriated for FY 2014-15 from various dedicated funding sources for capital improvements is approximately $10.8 million. Significant projects scheduled for FY 2014-15 include:

- ✓ Continuation of the Road Resurfacing Project of City-maintained roads
- ✓ Transportation Master Plan Road Improvements
- ✓ Stormwater Infrastructure Projects
- ✓ Vehicle and Equipment Replacement Plan
- ✓ Water/Wastewater Utility Upgrades
- ✓ Construction of Alafaya Wastewater Reclamation Facility
- ✓ SR 426/CR 419 Widening Project Phase II
- ✓ Mitchell Hammock Rd and SR 434 Intersection Safety
- ✓ Oviedo on the Park Road Improvements
- ✓ Oviedo on the Park Roadway Connectors
- ✓ Construction of right turn lane at Mitchell Hammock and Alafaya Woods Boulevard
- ✓ Evans Street/Florida National Scenic Trail Project

OTHER FUNDS

Building Services ($664,303 total budget)
FY 2010-11 was the first full year of outsourcing Building Services to a private company that started in February 2010. The contract is based on sharing of gross revenues whereby the City receives 23% of gross revenues from permit and plan review fees and the contractor receives 77%. The City is responsible for a variety of miscellaneous operating expenses and overhead costs such as utilities, insurance and telephones that are estimated at $25,377 for FY 2014-15. Revenues for FY 2014-15 are based on permit and plan review fees which are estimated at $664,303.

Stormwater Utility ($1,835,880 total budget)
Both maintenance and capital improvement projects will be funded from the $7.00 Stormwater Utility Fee ($7.00 per equivalent residential unit (ERU) per month). The Stormwater Utility Fee revenue will generate approximately $1.5 million from the $7.00 per ERU monthly fee. The FY 2014-15 budget will use $275,601 in fund balance towards capital projects totaling $622,523 and include: Garden Grove and Mitchell Hammock groundwater studies; material testing for Aulin Avenue North; construction of the Aulin Avenue Stormwater Drainage improvements; new Stormwater video inspection equipment; and a storage building for Stormwater maintenance equipment.

Solid Waste Fund ($2,665,611 total budget)
The budget increased overall from FY 2013-14 by $94,261. Revenues for garbage and solid waste collection services are expected to increase slightly for FY 2014-15, while expenditures the City pays to the contractor for garbage and solid waste collection services will remain neutral. Per the new contract with the solid waste collection provider, the more cost effective single stream recycling option was implemented in FY 2013-14 which resulted in a monthly rate decrease to customers and at the same time, a decrease in the amount the City pays to the contractor for services. The Evans Street Landfill monitoring has ended per FDEP, so there were no expenses for this in FY 2014-15. The Oviedo Landfill will continue to be monitored, and has been permitted by FDEP for long term care.

SUMMARY COMMENTS

Within the Strategic Plan, one of the Focus Areas is "High Performance Government"; with the first goal as:

Continue high levels of customer service, productivity, and efficiency while maintaining fiscal and organizational health. I believe the accomplishments of the City this past year summarized the goal and reflect the attainability of the strategic plan as a directive for future accomplishments of the City.

The FY 2014-15 Adopted Budget addresses several important City Council goals and priorities:

- **Standard & Poor's Ratings Service affirmed its rating of "AA-" for the City of Oviedo, Florida, General Obligation debt.**
- **Maintaining the City's strong financial position as measured by the projected 15% reserve level in the General Fund and the projected 48% reserve in the Utility Operating Fund.**
- **Providing the staffing and financial resources necessary to maintain current levels of service for public safety and for other core City services - despite the workforce reductions of the past years.**
- **Continuing to make a substantial investment to maintain, repair and enhance the condition of the City's infrastructure for roads, general City facilities, drainage, and utilities.**

SUMMARY COMMENTS, CONTINUED

The economic realities of the past several years challenged us to undertake a critical review of all aspects of City government in terms of the services we provide and the level at which those services are provided. We will continue to face similar - but hopefully less severe challenges in FY 2014-15 as the economy slowly improves, as proven by the increase in Gross Taxable Value within Oviedo. Nonetheless, I look forward to working closely with the City Council as we strive to maintain Oviedo's standing as a Top 100 City as recognized by: RelocateAmerica.com in

2009, 2010 and 2011; by *Family Circle Magazine* as one of the "*10 Best Towns for Families in America"*; and by *Bloomberg Business Week* as one of the country's "*Best Places to Raise Kids in 2013*".

I appreciate the City's valuable and quality employees whose daily work is the key ingredient to providing quality municipal services as reflected in the results from the 2011 National Citizen Survey. It is an honor to serve with them. I also appreciate the efforts of the City's Department Directors and staff for their efforts in preparing their respective budgets under difficult economic conditions.

Finally, I appreciate the opportunity that the City Council has bestowed on me to serve as City Manager. If you have questions about the FY 2014-15 Adopted Budget, please contact me or Ms. Hayes.

A special thank you goes to Ms. Hayes, Ms. Bigelow, Ms. Jones, Ms. Cole, Ms. Rodriguez and Mr. Belden for their dedicated work and countless hours in preparing this budget.

Respectfully Submitted,

Bryan Cobb
City Manager