

Where Does it Stop?

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The City of Sarasota faced with a revenue shortfall is proposing minimal cuts in expenditures for the 2011-12 fiscal year, while also proposing to raise property tax millage. Despite having identified more than \$2million of possible savings while also using more than \$1million of City reserves, Sarasota City staff proposes to raise taxes in order to keep "tax revenue constant". Unfortunately it seems that our friends in City hall have not yet realized that the citizens of Sarasota live in houses that have been shrinking in value. Some have lost their jobs. Many who still enjoy salaries have not seen raises in years. For all struggling to hold on, retirement and savings lose ground daily to sinking markets or family emergencies. While so many in our community are pulled down by the eddy of our nation's economic malaise, local government by expecting to receive "constant tax" dollars is growing in relative size to the population that it serves. Listen to the top note of the song that Sarasota has laid off 183 employees since 2007, and you will believe that there has been great reductions in salaries and wages. Look deeper and you will find that despite laying off all of those employees that salaries together with pension benefits are actually higher today than they were in 2007! Though there are fewer employees, salary costs and benefits continue to mount. In government the largest single expense is salaries and benefits. In 2007 personnel expenses as a percentage of City revenues was 72%, this year they represent 81% of revenue, and they are projected to grow to 83% of revenue by 2012. Growth in the expense category of "employees" is caused by contractual commitments that will continue to grow until our elected officials get serious about revisiting the City of Sarasota's contractual obligations that can no longer be met with a declining tax base. It is time that our elected officials recognize that a 4.7% millage increase does not stabilize government, but grows government. Despite finding more than \$2 million of possible savings staff only recommends that the Commission cut \$844,000. This is not the last stop for a tax increase. Based upon projections by City of Sarasota finance department, 2012-13 will require a millage increase of 17%, provided that real estate values increase by 1.5%. Unfortunately, according to web based real estate site ZILLOW, property values in the City of Sarasota, rather than having gone up this year, have fallen by -15.2%. It looks like we are further behind the eight ball than we thought we would be at this point in time. The City Commission votes on September 6, 2011 on whether to raise taxes or make further cuts. Let them know how you feel. Taxing is an easy business. Be courageous! Making the hard decisions is what makes community heroes out of politicians!

The Argus Foundation is a group of community leaders who have come together to facilitate communication, education and cooperation between the public and private sectors. Working through the Foundation, business leaders comment on the relevant issues facing the Sarasota community and provide actionable solutions.

City of Sarasota, Florida

General Fund

	2010-11 Budget	2011-12 Proposed	2012-13 Projected
<u>REVENUES</u>			
TAXES	\$27,967,341	\$26,962,794	\$30,221,342
LICENSES AND PERMITS	5,331,599	5,146,237	5,282,533
INTERGOVERNMENTAL	6,910,641	7,699,037	7,469,500
CHARGES FOR SERVICES	1,362,884	1,564,671	1,582,892
CHARGES TO OTHER FUNDS	4,391,908	4,359,532	4,523,625
FINES AND FORFEITS	690,100	1,012,050	1,012,050
INVESTMENT EARNINGS	885,000	487,314	500,000
MISCELLANEOUS	1,402,804	1,513,807	1,535,000
OTHER FINANCING SOURCES	3,883,256	4,339,882	4,463,533
REVENUE STABILIZATION FUND	1,006,474	2,000,000	0
TOTAL REVENUES	53,832,007	55,085,324	56,590,475
<u>EXPENDITURES</u>			
GENERAL GOVERNMENT	16,578,310	16,398,107	16,742,642
PUBLIC SAFETY	30,568,869	31,087,294	32,019,912
PHYSICAL ENVIRONMENT	2,871,146	3,192,231	3,287,998
TRANSPORTATION	3,492,788	3,228,063	3,324,905
CULTURE AND RECREATION	132,763	1,149,968	1,184,467
TRANSFERS/SUBSIDIES	188,131	29,661	30,551
TOTAL EXPENDITURES	53,832,007	55,085,324	56,590,475
EXCESS (DEFICIENCY)	0	0	0
Millage Rate	2.7771 m m	2.7771 m	3.2499 m
Percent of Increase over Prior Year	0.00%	0.00%	17.02%



Fiscal Year 2012 - 13 Assumptions:

- 1) Taxable Property Value increases 1.5%;
- 2) Assumes a 3% salary adjustment and inflationary costs
- 3) Assumes no Cops Grant in 2012-13
- 4) Assumes Sarasota County transitional funding reduces to \$670,000 from \$820,000
- 5) Assumes no increase in Medical or Pension cost