

Budget Workshop

July 25, 2017



FY 2018 Proposed Budget

Robert Hanna
City Manager



PROPOSED REVENUES – ALL FUNDS FY 2018



PROPOSED EXPENDITURES – ALL FUNDS FY 2018



GENERAL FUND



**General Fund
Summary of Revenues & Expenditures
FY 2017-2018 Budget**

	Actual 2015-2016	Approved 2016-2017	Revised 2016-2017	Proposed 2017-2018
Beginning Balance	\$23,350,246	\$23,724,380	\$23,977,597	\$22,285,657
REVENUE				
Current Revenue	\$82,547,431	\$85,552,670	\$86,609,430	\$88,756,590
Operating Transfers In	3,819,366	3,421,510	3,590,500	3,085,000
Total Current Revenue & Transfers In	\$86,366,797	\$88,974,180	\$90,199,930	\$91,841,590
Total Resources	\$109,717,043	\$112,698,560	\$114,177,527	\$114,127,247
EXPENDITURES				
Personnel Services	\$62,191,867	\$64,853,580	\$65,000,620	\$67,385,560
Supplies	3,012,595	3,632,380	3,473,500	3,308,510
Maintenance	2,463,923	2,921,160	2,845,210	2,793,840
Other Services & Charges	12,747,290	13,750,260	13,902,210	13,777,020
Capital Expenditures	370,808	258,300	312,620	46,000
Operating Transfers	4,952,963	3,496,920	6,357,710	4,506,970
Total Expenditures	\$85,739,446	\$88,912,600	\$91,891,870	\$91,817,900
Ending Balance	\$23,977,597	\$23,785,960	\$22,285,657	\$22,309,347



General Fund

FY 2017 Revised Revenue Changes from FY 2017 Adopted Budget

Taxes and Franchise Fees	\$ 385,230
Licenses and Permits	(219,610)
Intergovernmental Revenue	(1,090)
Charges for Service	82,770
Fines and Forfeitures	(201,160)
Miscellaneous Revenue	1,010,620
Operating Transfers in	168,990
Total Increase/(Decrease)	\$ 1,225,750
% Change	1.38%



General Fund

FY 2017 Revised Expenditure Changes from FY 2017 Adopted Budget

Personnel Services	\$ 147,040
Supplies	(158,880)
Maintenance	(75,950)
Other Services and Charges	151,950
Capital Expenditures	54,320
Operating Transfers	2,860,790
Total Increase/(Decrease)	\$ 2,979,270
% Change	3.35%



General Fund

FY 2018 Revenue Changes from FY 2017 Revised Budget

Taxes and Franchise Fees	\$ 2,380,690
Licenses and Permits	98,100
Intergovernmental Revenue	56,170
Charges for Service	259,470
Fines and Forfeitures	14,420
Miscellaneous Revenue	(661,690)
Operating Transfers in	(505,500)
Total Increase/(Decrease)	\$ 1,641,660
% Change	1.82%



General Fund

FY 2018 Expenditure Changes from FY 2017 Revised Budget

Personnel Services	\$ 2,384,940
Supplies	(164,990)
Maintenance	(51,370)
Other Services and Charges	(125,190)
Capital Expenditures	(266,620)
Operating Transfers	(1,850,740)
Total Increase/(Decrease)	\$ (73,970)
% Change	-0.08%



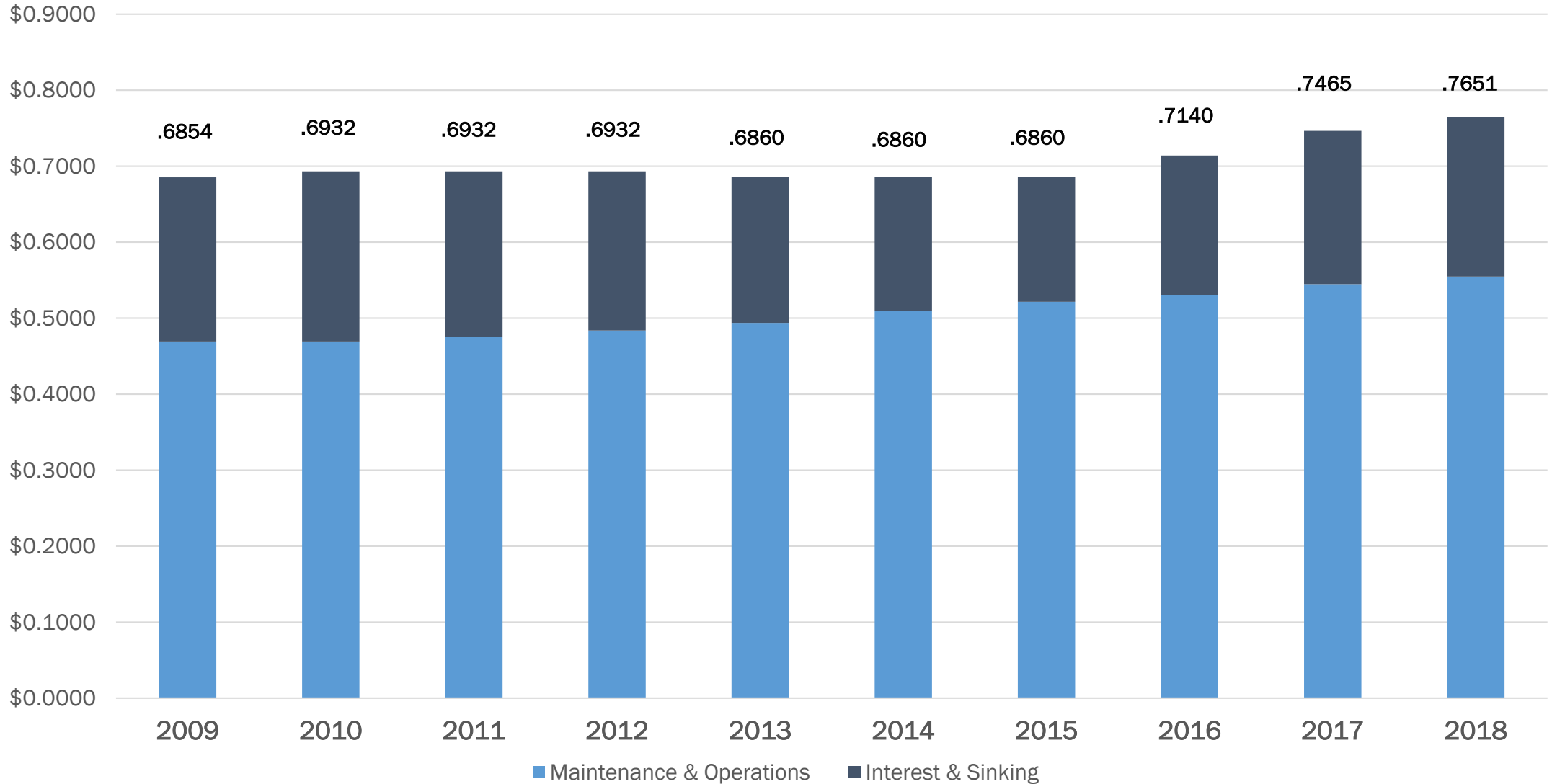
GENERAL FUND – EXPENDITURES BY CATEGORY FY 2018



GENERAL FUND – EXPENDITURES BY DEPARTMENT FY 2018



Historical Tax Rates Per \$100 Valuation



General Fund

FY 2018 Expenditure Changes from FY 2017 Revised Budget



PROPOSED 2018 BUDGET
2017 - 2018 Fiscal Year
As Filed July 7, 2017

Personnel Services	
Compensation & Class Study	\$ 173,260
3% Across the Board	775,870
Police Meet & Confer 2.5%	412,380
Fire Meet & Confer 1.5%	209,860
TMRS Rate Increase	281,800
Police Academy	275,616
Fire Trainees	139,582
All Other	116,572
Supplies	(164,990)
Maintenance	(51,370)
Other Services and Charges	(125,190)
Capital Expenditures	(266,620)
Operating Transfers	
FY 2016 End of Year Funds	(1,700,000)
Transit Transfer	(327,210)
Self Insurance Transfer	239,100
CityLink Roof Transfer	(401,000)
Fire Apparatus	600,000
All Other	(261,630)
Total Increase/(Decrease)	\$ (73,970)
% Change	-0.08%



General Fund

FY 2018 Proposed Capital Outlay

Fire

Cardiac Monitors	\$	46,000
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General Fund FY 2018 Unfunded Requests Lists

Department	Amount
General Government	\$ 692,585
Administrative Services	108,794
Finance	330,613
Planning & Development	101,658
Public Works	987,159
Fire	69,065
Transportation Services	57,760
Community Services	1,494,855
Total FY 2018 General Fund Unfunded List	\$ 3,842,489



Water Utility



Water & Sewer Operating Fund

Summary of Revenues & Expenditures

FY 2017-2018 Budget

	Actual 2015-2016	Approved 2016-2017	Revised 2016-2017	Proposed 2017-2018
Beginning Balance	\$29,596,349	\$19,714,042	\$25,470,325	\$20,264,285
REVENUE				
Charges for Service	\$47,266,052	\$54,691,920	\$54,700,050	\$55,033,340
Interest & Miscellaneous	476,238	498,000	737,930	531,430
Total Revenue	47,742,290	55,189,920	55,437,980	55,564,770
Total Resources	\$77,338,639	74,903,962	80,908,305	75,829,055
EXPENDITURES				
Personnel Services	\$7,351,339	\$8,051,680	\$8,213,770	\$8,658,050
Supplies	3,059,010	3,599,390	3,601,140	3,570,200
Maintenance	1,821,477	2,758,440	3,167,990	2,868,720
Other Services & Charges	16,621,366	22,091,380	22,146,190	20,790,540
Capital Expenditures	1,174,025	1,790,150	1,283,750	1,708,500
Debt Service	16,582,900	18,044,400	17,038,280	17,732,560
Operating Transfers	5,258,197	4,900,000	5,192,900	899,200
Total Expenditures	51,868,314	61,235,440	60,644,020	56,227,770
Ending Balance	\$25,470,325	\$13,668,522	\$20,264,285	\$19,601,285



Water & Sewer Operating Fund

FY 2017 Revised Revenue Changes from Original FY 2017 Budget

Charges for Service	\$ 8,130
Interest Earnings & Miscellaneous	239,930
Total Increase/(Decrease)	\$ 248,060
% Change	0.45%



Water & Sewer Operating Fund

FY 2017 Revised Expenditure Changes from Original FY 2017 Budget

Administration	\$ 158,070
Utility Office	18,060
Water Production	4,920
Water Treatment	229,590
Water Distribution	(617,220)
Sewage Collection	24,920
Wastewater Treatment	275,250
Quality Control	28,770
Utilities Special Services	(713,780)
Total Increase/(Decrease)	\$ (591,420)
% Change	0.97%



Water & Sewer Operating Fund

FY 2018 Revenue Changes from FY 2017 Revised Budget

Charges for Service	\$ 333,290
Interest Earnings & Miscellaneous	(206,500)
Total Increase/(Decrease)	\$ 126,790
% Change	0.23%



Water & Sewer Operating Fund

FY 2018 Expenditure Changes from FY 2017 Revised Budget

Administration	\$ (4,352,800)
Utility Office	(125,710)
Water Production	(1,235,590)
Water Treatment	160,490
Water Distribution	181,690
Sewage Collection	349,110
Wastewater Treatment	(590,610)
Quality Control	(192,400)
Utilities Special Services	1,389,570
Total Increase/(Decrease)	\$ (4,416,250)
% Change	-7.28%



WATER & SEWER OPERATING FUND – REVENUES BY CATEGORY FY 2018

Water Charges 77%

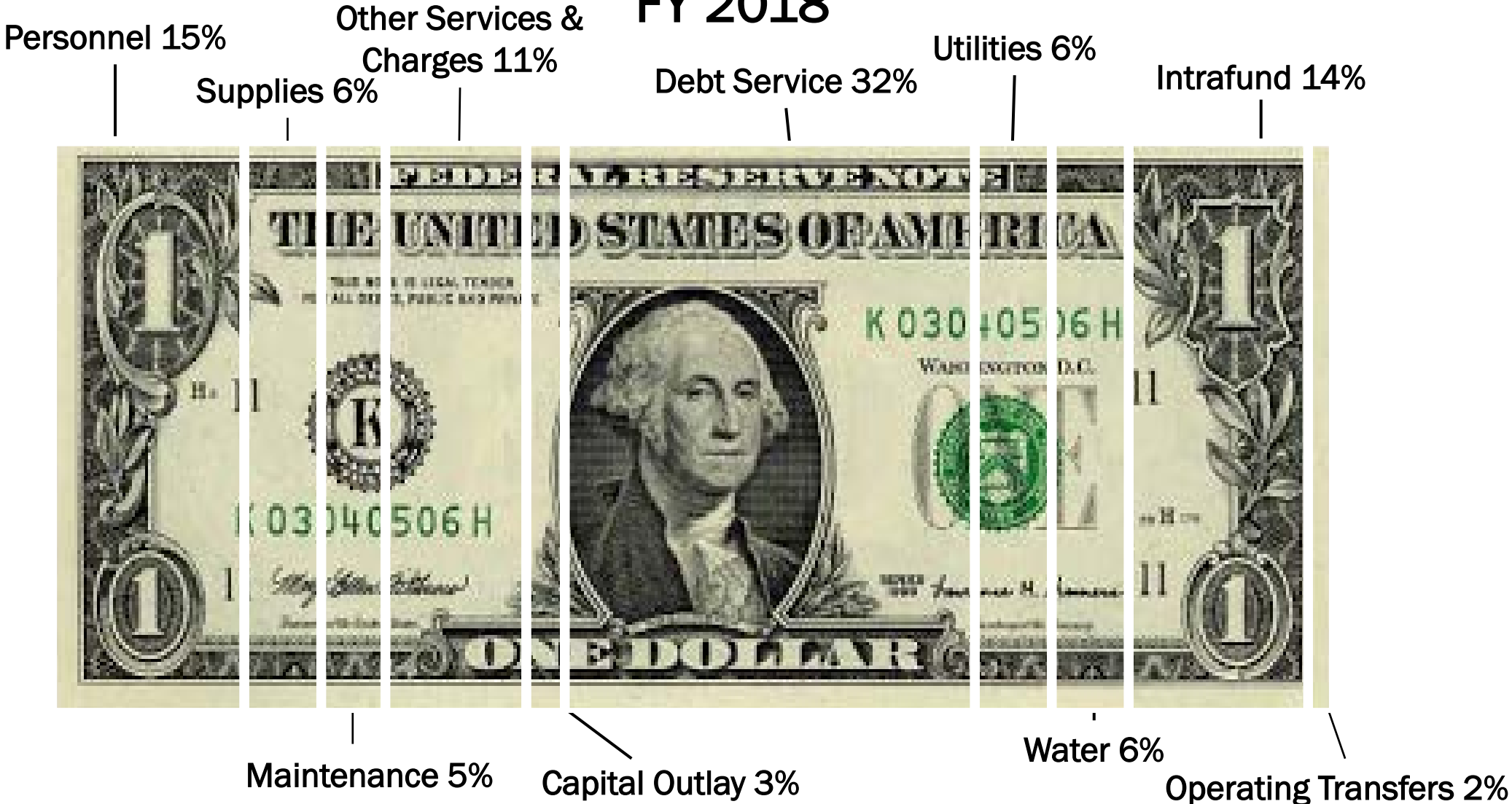
All Other 2%



Sewer Charges 21%



WATER & SEWER OPERATING FUND – EXPENDITURES BY CATEGORY FY 2018



Self Insurance Fund

Summary of Revenues & Expenditures

FY 2017-2018 Budget

	Actual 2015-2016	Approved 2016-2017	Revised 2016-2017	Proposed 2017-2018
Beginning Balance	\$6,985,982	\$2,241,652	\$1,648,958	\$238,888
REVENUE				
City Health Contributions	\$6,112,989	\$6,978,740	\$6,978,740	\$7,083,180
Employee Health Contributions	1,799,481	2,650,000	2,265,000	2,491,500
Retiree Health Contributions	216,237	300,000	210,000	231,000
Intrafund Charges	1,529,940	1,658,990	1,658,990	1,798,430
Recoveries	5,740,059	415,000	425,000	491,420
Miscellaneous	47,095	18,000	2,120	20,760
Operating Transfers In	-	-	1,045,000	2,034,100
Total Revenue	15,445,801	12,020,730	12,584,850	14,150,390
EXPENDITURES				
Health & Drug Claims	\$12,161,346	\$10,900,000	\$10,198,000	\$9,207,000
Administrative Charges	1,127,251	1,126,730	1,123,150	1,243,330
Liability/Property Premiums/Charges/Claims	1,545,641	1,658,140	1,871,200	2,039,780
Other Expenditures	500,501	559,210	531,720	492,780
Hail Damage Repairs	5,448,086	-	270,850	-
Total Expenditures	20,782,825	14,244,080	13,994,920	12,982,890
Ending Balance	\$1,648,958	\$18,302	\$238,888	\$1,406,388

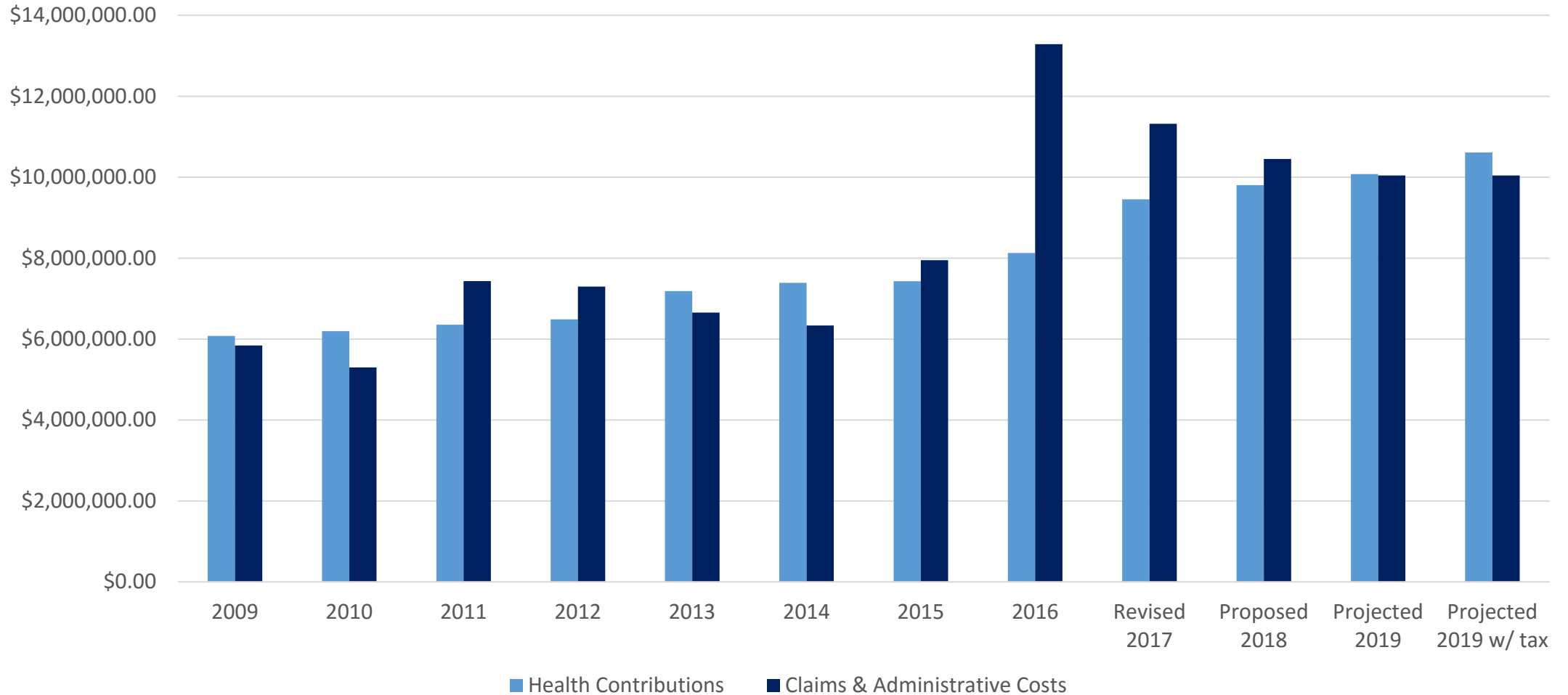


Health Insurance Plan Changes

	2016 Bronze Plan	2017 Low Plan	2018 Single Plan	% Increase 2016-2018
City Funded Transfers to Self Insurance	-	\$795,000	\$1,500,000	
City Premiums per employee-annual cost	\$5,274	5,801	5,801	10%
Employee Premiums-annual cost				
Employee only	648	1,200	1,320	104%
Employee+children	1,224	2,328	2,561	109%
Employee+spouse	2,484	4,656	5,122	106%
Employee+family	3,000	4,656	5,122	71%
Prescription Deductible	100	100	500	400%
Deductible				
Individual	2,500	3,000	3,250	30%
Family	5,000	6,000	6,500	30%
ER Deductible	150	150	250	67%
Co-insurance after deductible	70%	70%	70%	-
Maximum Out of Pocket				
Individual	6,350	6,600	6,600	4%
Family	12,700	13,200	13,200	4%



Health Contributions compared to Claims/Administrative Charges Last Ten Fiscal Years



Self Insurance – Hail Damage Funding FY 2014-2017

Fiscal Year	Insurance Proceeds	Interfund Transfers	Building & Roof Repairs	Vehicle & Other Equipment Repairs	Remaining Funds
2014	\$1,799,102	\$250,000	\$146,079	\$117,151	\$1,785,872
2015	682,318		399,158	185,101	1,883,931
2016	4,799,525		5,342,682	105,404	1,235,370
2017-Projected*		250,000	270,850		1,214,520

*-Does not include \$401,000 transfer from General Fund for CityLink Roof project in FY 2017



Fire Apparatus Fund

Summary of Revenues & Expenditures

FY 2017-2018 Budget

	Actual 2015-2016	Approved 2016-2017	Revised 2016-2017	Proposed 2017-2018
Beginning Balance	\$1,353,598	\$2,357,599	\$2,359,497	\$1,555,497
REVENUE				
Transfers in General Fund	\$1,000,000	\$500,000	\$500,000	\$1,100,000
Interest	5,899	4,000	16,000	17,440
Total Revenue	1,005,899	504,000	516,000	1,117,440
Total Resources	\$2,359,497	2,861,599	2,875,497	2,672,937
EXPENDITURES				
Fire Apparatus	-	\$1,300,000	\$1,320,000	\$1,825,000
Total Expenditures	-	1,300,000	1,320,000	1,825,000
Ending Balance	\$2,359,497	\$1,561,599	\$1,555,497	\$847,937



Fire Apparatus Funding Thru Fiscal Year 2040

Fiscal Year	General Fund Contribution	Fleet Interfund Loan	Purchase	Purchase Description	Fire Apparatus Fund Balance
Balance 9/30/2016					\$2,359,497
2017	\$500,000		\$1,320,000	2-Fire Engines	1,555,497
2018	1,100,000		1,825,000	1-Ladder, 1 Hazmat Truck & Trailer, 1-Battalion One	847,937
2019	1,100,000	1,045,063	2,993,000	2-Fire Engines, 1-Ladder	0
2020	1,100,000	(1,045,063)			54,937
2021	1,100,000	264,063	1,419,000	2-Fire Engines	0
2022	1,100,000	(264,063)			835,937
2023	1,100,000	539,063	2,475,000	1-Ladder, 1-Rescue Truck	0
2024	1,100,000	(539,063)	51,750	1-Field Resource Medic Truck	509,187
2025	1,100,000				1,609,187
2026	1,100,000		1,200,000	4-Brush Trucks	1,509,187
2027	1,100,000		91,875	1-Battalion One	2,517,312



Fire Apparatus Funding Thru Fiscal Year 2040

Fiscal Year	General Fund Contribution	Fleet Interfund Loan	Purchase	Purchase Description	Fire Apparatus Fund Balance
2028	\$1,100,000				\$3,617,312
2029	1,100,000				4,717,312
2030	1,100,000		\$1,716,000	2-Fire Engines	4,101,312
2031	1,100,000		2,120,000	1-Ladder	3,081,312
2032	1,100,000				4,181,312
2033	1,100,000		1,876,875	2-Fire Engines, 1-Field Resource Medic	3,404,437
2034	1,100,000		700,000	2-Brush Trucks	3,804,437
2035	1,100,000		4,161,000	2-Fire Engines, 1-Ladder	743,437
2036	1,100,000		108,750	1-Battalion One	1,734,687
2037	1,100,000		1,947,000	2-Fire Engines	887,687
2038	1,100,000				1,987,687
2039	1,100,000		2,440,000	1-Ladder	647,687
2040	1,100,000				1,747,687



Other items of Interest



All Other Funds

Other items to be aware of...

- The fleet replacement fund will purchase vehicle replacements as follows: \$610,500 for General Fund, \$500,000 for Water & Sewer Fund, \$1,743,900 for Solid Waste Fund, and \$265,000 for Stormwater Fund. This totals \$3,119,400. All purchases exceeding \$50,000 will require Council approval, and all will meet Council's adopted vehicle replacement policy.



Council Requested Items for Discussion

- Council Member Savage
 - Fund full PD academy on October 1
 - Fund all FD positions on October 1
 - Reduce General Fund Expenditures to pay for Self-Insurance Fund
- Council Member Kreitler
 - 2% decrease to General Fund expenditures, less Public Works
- Council Member McAlister
 - Increase tax rate 1 cent, 2 cents, or 3 cents and what would those additional dollars be used to fund?
- Council Member Price
 - 1.5% salary increase
 - Pull Fire positions back to a January 1 start date



Fund Full PD Academy on October 1

Currently, the proposed budget is recommending 10 police officers with an academy start date of April 1, 2018, this costs us \$404,908.

Description	Current	New	Increase / (Decrease)
10 officers, 10/1 start	\$404,908	\$680,010	\$275,102
12 officers, 10/1 start	\$404,908	\$807,954	\$403,046



Fund Full FD Positions on October 1

Currently, the proposed budget is recommending 5 Fire Fighters with a start date in April 1, 2018, this costs the taxpayer \$143,310. These officers will have to begin in January at the latest in order to complete paramedic training (Council Member Price’s concern). This increases our costs by \$72,000 and this cost will be funded through reduced overtime in the fire department. The new total is \$215,310.

Description	Current	New	Increase / (Decrease)
5 officers, 10/1 start	\$215,310	\$282,116	\$66,806
10 officers, 10/1 start	\$215,310	\$560,505	\$345,195



Reduce General Fund Expenditures to Fund Self-Insurance

The proposed budget recommends allocating one penny that is set to be retired from the I&S portion of the tax rate to the M&O portion of the tax rate in order to provide sustainable funding for the Self-Insurance Fund.

My recommendation to reduce General Fund expenditures to reduce the need for this is comprised of two options:

1. Do not fund the additional \$600,000 per year required to fund the Fire Apparatus Fund through 2040 at current equipment levels.



Reduce General Fund Expenditures to Fund Self-Insurance

2. Reduce the following programs already included in proposed budget:

- Herbicide increase - \$44,000
- Contract Mowing increase - \$75,000
- Cardiac Monitor replacements - \$46,000
- Facility Maintenance increase - \$75,000
- Public Records Management System - \$14,500
- Convention Center sound equipment rental - \$44,000
- Defund Dental Program - \$110,810
- Defund Call for Help - \$142,500

This totals \$551,810.00



2% Decrease to General Fund Expenditures less Public Works

The 2% target equals \$1,686,206.

- All the items on the previous slide - \$551,810
- Defund evening bus service 6:00 PM to Midnight - \$240,500
- Reduce bus routes from 12 to 8 - \$142,350
- 5 days of Furlough for all General Fund non public safety personnel - \$442,785.
- Freeze customer service position in City Manager's Office - \$45,000
- Reduce take home vehicle expenditures - \$50,000
- Zoo Society increases support for animal feed - \$108,500
- Freeze administrative assistant position in Finance - \$45,000
- Defund mileage reimbursements for employee travel - \$39,000
- Reduce professional services, travel and training - \$21,261

This totals \$1,686,206



1 cent, 2 cent, and 3 cent Tax Increase

1 cent = \$534,100

- Dedicate this penny to street maintenance and reduce residential contributions by \$1.25 to \$7.75

2 cents = \$1,068,200

- Combine these funds with the remaining funds for the Convention Center Stage Lift Project and replace the sound system in the Auditorium with appropriate acoustical treatment to create a better sound environment.

3 cents = \$1,602,300

- Fund 1 cent and 2 cent projects. Continue to dedicate 2 cents for Convention Center maintenance needs after FY 2018.



Reduce salary increase to 1.5% for Non-Public Safety

Reducing the proposed 3.0% salary increase effective January 1, 2018 to 1.5% would save the General Fund about \$499,538.

Reducing the proposed 3.0% salary increase effective January 1, 2018 to 1.5% effective October 1, 2017 would save the General Fund about \$407,428.



Pull Fire Positions Back to January 1 Start Date

This must be done, and it increases costs by \$72,000.



Questions?

