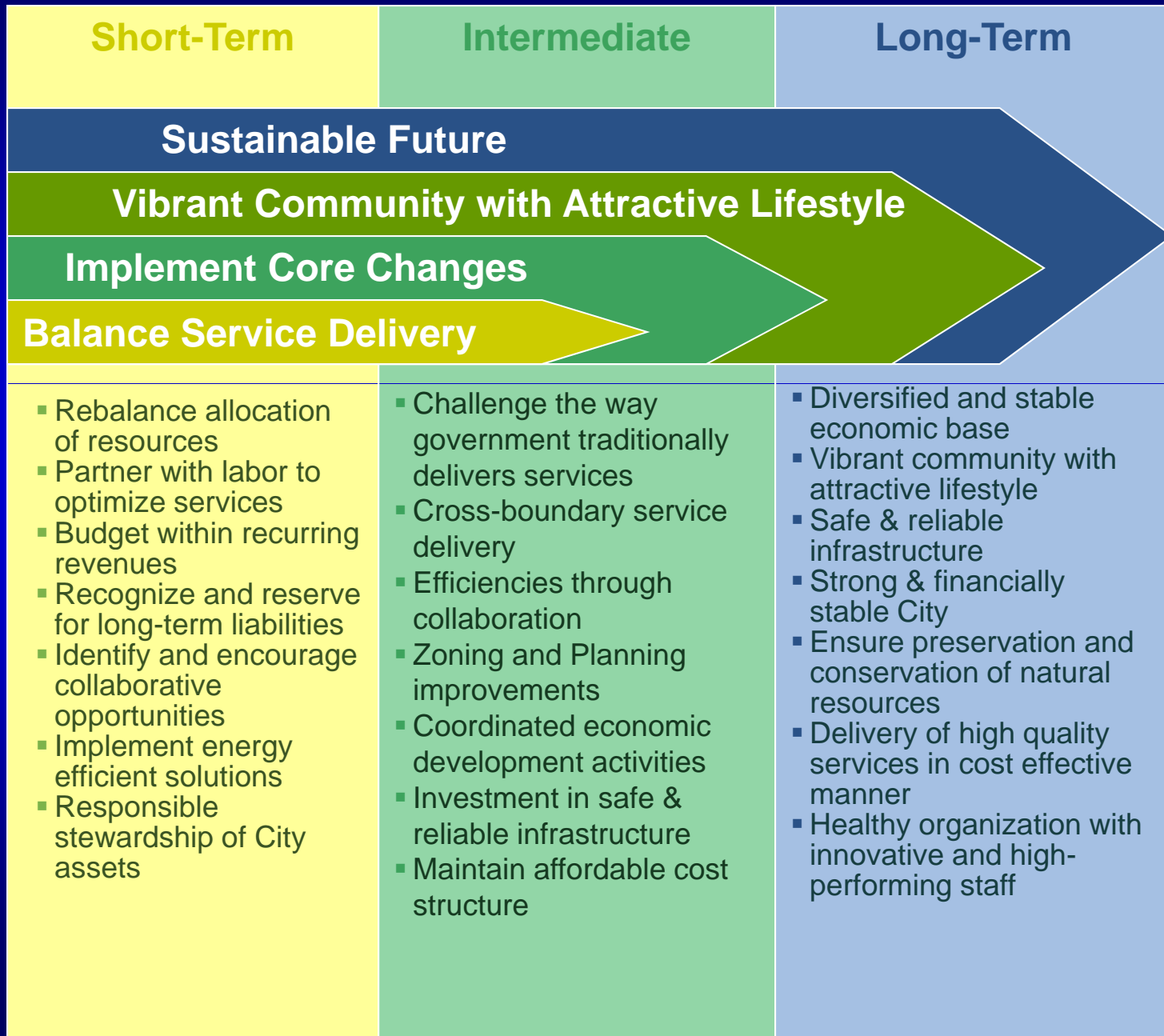
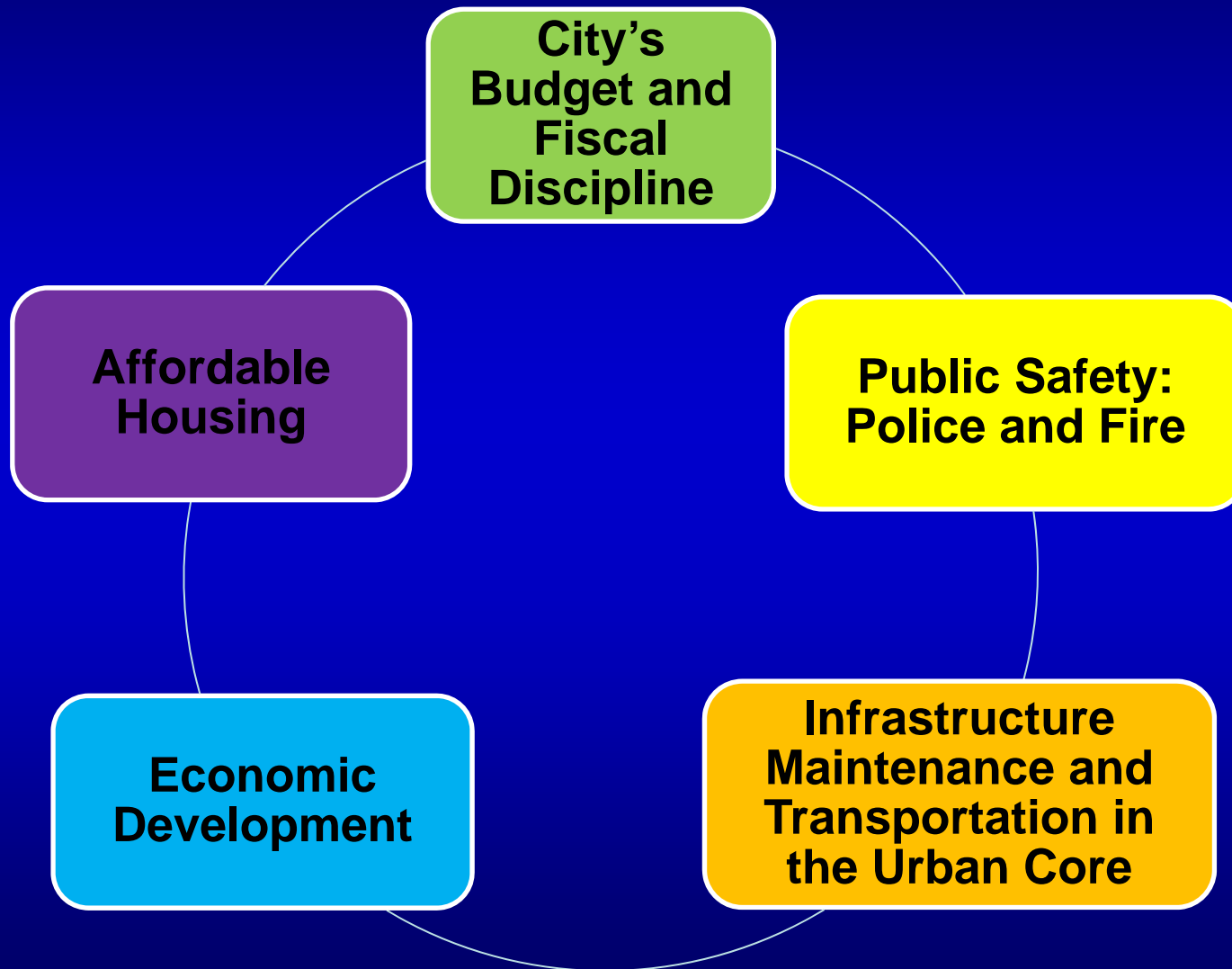




“Sustaining Our Future”



FY14-15 Council Priority Areas



FY 2014 Budget Assumptions

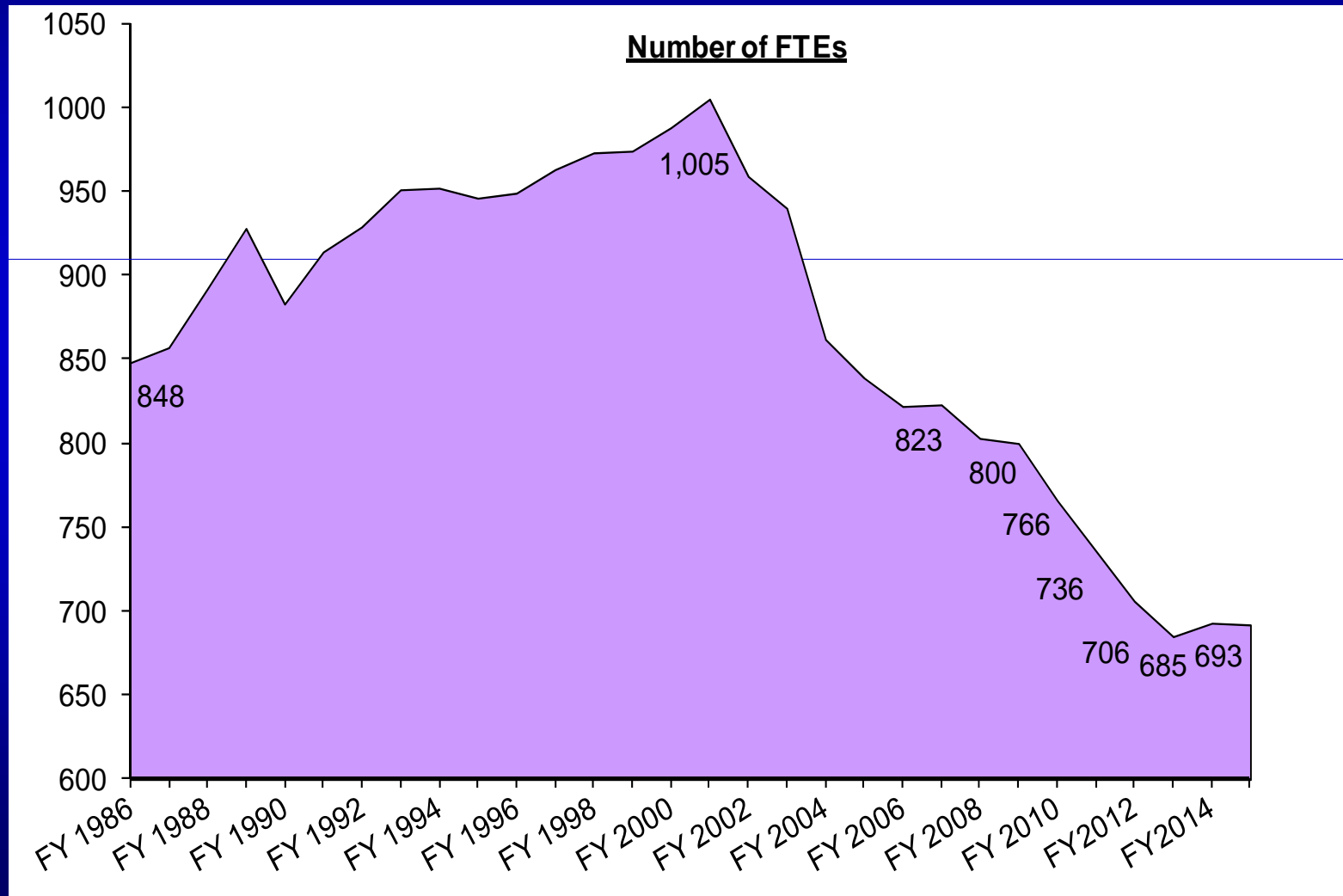
- Local Economy Continues Improving
- Maintain Existing Revenues
 - Property tax revenues up 2.3%
 - Fees based on cost of service
 - State economy and revenues continue to improve
 - Total City millage down .125 mills
- Contain Expenses
 - Health insurance no increase through plan design
 - Employees contributing 6% toward pension
 - Retiree healthcare funding increase consistent with General Fund revenues.
- Utilities
 - Fees necessary for continued investment in systems maintenance and wastewater plant project

Budget Strategies

- Create Financial Projections –forecast recurring revenues and expenditures for future years.
- Establish Targets – the amount of expenditures required to deliver the same level of services offered in the present year but adjusted upwards for inflation and economic changes
- Public Process – present projections and impacts to Council and answer questions
- Establish Recommended Budget – based on Council priorities, community concerns, and organizational needs
- Consider Long-term Financial Implications
 - How decision affects ability to balance future recurring operations
 - Can long-term liabilities be reduced to avoid future costs
 - Implication on services & org. if an economic slowdown occurs
- Plan for Non-Recurring Initiatives

History of FTEs

The City has reduced staffing 32% since 2001. Staffing levels are recommended to stabilize for FY14 and FY15.



Recommended FY2014 Budget Highlights

- Police – increase overtime and funding for county animal control (\$234k)
- Fire – funding for four positions (three grant funded) after FY 2014 and increased cost for contractual requirements (\$467k)
- Street Light Poles – increased expense to restart painting/replacement (\$60k)
- Barton/Superior Dam – regulatory related & capital improvements (\$269k)
- Building / Planning – increased revenues based on actual activity (\$138k)
- ICMA Citizen Survey – measure public perception of services (\$20k)
- Water/Sanitary Sewer/Storm sewer - average customer combined bill projected to increase 3.7%

Closing Comments

- Council's policy discipline has contributed to a sound financial position
- A talented and dedicated workforce has enabled the city to succeed during a challenging economy and organizational restructuring
- Budget responds to community concerns and Council priorities
- Improving financial forecast
- Spending restraint and prudent financial choices

Upcoming Council Budget Dates

- May 6, 2013 - Public Hearing on Recommended FY14-15 Budget and fees.
- May 20, 2013 – City Council FY14 Budget Consideration

