

# "Sustaining Our Future"

**Short-Term** 

**Intermediate** 

**Long-Term** 

#### **Sustainable Future**

**Vibrant Community with Attractive Lifestyle** 

**Implement Core Changes** 

#### **Balance Service Delivery**

- Rebalance allocation of resources
- Partner with labor to optimize services
- Budget within recurring revenues
- Recognize and reserve for long-term liabilities
- Identify and encourage collaborative opportunities
- Implement energy efficient solutions
- Responsible stewardship of City assets

- Challenge the way government traditionally delivers services
- Cross-boundary service delivery
- Efficiencies through collaboration
- Zoning and Planning improvements
- Coordinated economic development activities
- Investment in safe & reliable infrastructure
- Maintain affordable cost structure

- Diversified and stable economic base
- Vibrant community with attractive lifestyle
- Safe & reliable infrastructure
- Strong & financially stable City
- Ensure preservation and conservation of natural resources
- Delivery of high quality services in cost effective manner
- Healthy organization with innovative and highperforming staff

### FY14-15 Council Priority Areas

City's **Budget and Fiscal Discipline Affordable Public Safety: Housing Police and Fire** Infrastructure **Maintenance and Economic Transportation in Development** the Urban Core

#### 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

### Financial Summary – General Fund

	Adopted Budget		Projections Projections Projections						
	<u> </u>	2013	<u> </u>	2014	2015		2016		2017
RECURRING									
Revenues Expenditures	\$	79,193,112 77,714,270	\$	82,632,807 \$ 81,287,363	83,973,149 84,002,927	\$	85,086,214 85,946,036	\$	86,572,135 88,139,172
Net Recurring	\$	1,478,842	\$	1,345,444) \$	(29,778)	\$	(859,822)	\$	(1,567,037)
NON-RECURRING									
Revenues Expenditures	\$	- 1,356,572	\$	- \$ 1,605,949	- 1,599,000	\$	1	\$	- 1
Net Non-Recurring	\$	(1,356,572)	\$	(1,605,949) \$	(1,599,000)	\$	-	\$	-
Net Surplus/(Use) of Fund E	a \$	122,270	\$	(260,505) \$	(1,628,778)	<b>\\$</b>	(859,822)	\$	(1,567,037)

• 1 year recurring surplus followed by anticipated deficits if revenue growth remains approx. 1.5%.

Unassigned Fund Balance % of Expenditures

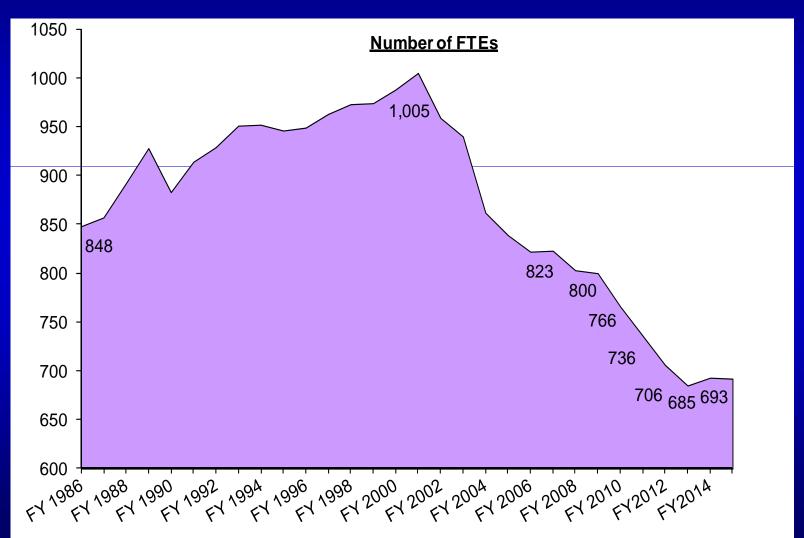
• Utilization of fund balance to pay for \$3.2 million of non-recurring items over the two years reduces fund balance to 14.4% of expenses

17.0%

14.4%

#### 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

