

FY18 FINANCIAL PLANNING OVERVIEW

City Council Workshop – December 12, 2016

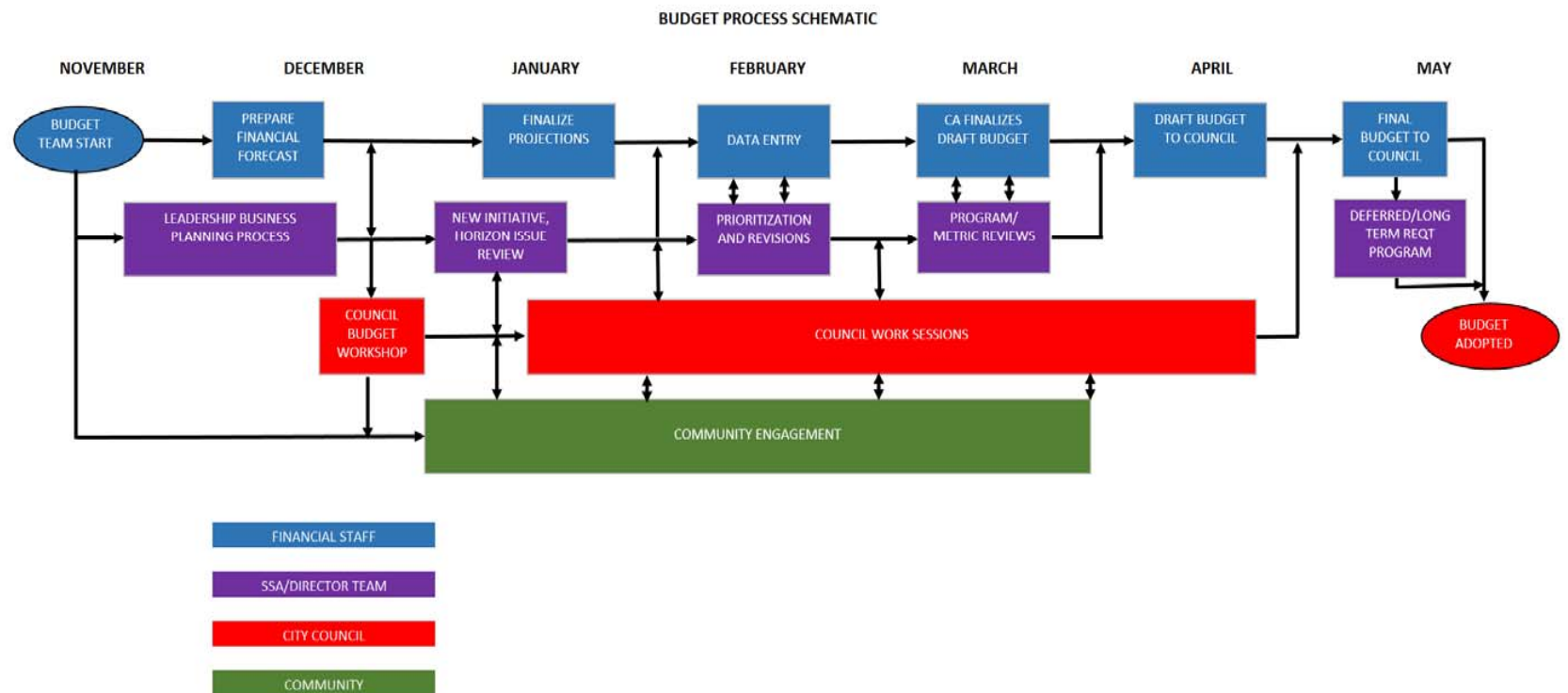


Agenda

- Session Objectives and Rules of the Road
 - General Conduct of the Workshop
 - Council Priorities for the Budgeting Process
- Setting the Stage
 - FY17 Work in Progress/Update on Council Priorities
 - Horizon Issues
 - Participatory Budgeting
- Financial Forecast
 - Revenue Forecast for the Upcoming Budget Year
- Workshop
 - Led by Ms. Julia Novak
 - Establish Council Priorities for the 2-Year Budget Plan



Overview of Budget Process



FY17 Update on Current Council Priorities

PRIORITY	TARGET	STATUS
Accessory Dwelling Units (ADU)	Passage of a zoning ordinance that expands ADU options.	Completed.
Allen Creek Greenway	Develop a Master Plan for the Allen Creek Greenway.	Work is in progress on the plan with 3QFY18 projected completion.
Rebuild Forestry Program	Rebuild the Forestry Program.	Work in progress on developing work plan/funding mechanisms.
Repairs/Reconstruction of Roads	Establish a target level of service for pavement condition and develop a plan of action to achieve that target.	<p>Condition assessment, development of reporting means, determining target level of service, and establishment of “toolbox” of methods are completed.</p> <p>Implementation will be an ongoing requirement.</p>



Update on Current Council Priorities

PRIORITY	TARGET	STATUS
Safe Systems for Auto, Pedestrian, and Bike Users	Expand the on-street bike lane and sidewalk systems while enhancing safety for users of both systems.	<p>Inventory of pedestrian and non-motorized assets completed.</p> <p>Vulnerable Road User ordinance passed on 2nd Council reading.</p> <p>Expansion of systems will require ongoing work and funding.</p> <p>Monitoring of crash and injury data will be ongoing.</p> <p>Work in progress on expanding education, enforcement, encouragement, and evaluation components.</p>



Horizon Issues are those circumstances, both known and reasonably anticipated, that may occur beyond the two-year budget cycle that will impact the long term allocations of resources and levels/types of services the City government can provide to the community.



Service Area Horizon Issues – Administration

AREA	ISSUES
Financial	<ul style="list-style-type: none"> • Balance long term growth rates of revenues and expenses. • Preserve, expand, and develop sustainable funding sources. • Pursue opportunities for competition/partnerships/creative business approaches.
Community Safety	<ul style="list-style-type: none"> • Provide comprehensive approach to safe movement of people and products. • Implement outcomes from Independent Police Review. • Sustain the deer management program.
Sustainable Economic Development/Community Quality of Life	<ul style="list-style-type: none"> • Development of City-held properties to support community values. • Enhance City's image as a favorable place to do business. • Encourage affordability of City for at all levels.
Human Capital	<ul style="list-style-type: none"> • Recruit in technical areas and encourage young workers to enter licensed trades. • Anticipate changes in the regulatory environment (e.g. health care/pensions). • Develop an environment of diversity and inclusion. • Plan for transition of staff and capture of knowledge/changing workplace dynamics.
Communications	<ul style="list-style-type: none"> • Advocate for increased community engagement by providing staff with appropriate communication tools and training resources • Promote and enhance opportunities for resident involvement and feedback.
City Clerk	<ul style="list-style-type: none"> • Staffing Boards/Commissions/Committees. • Increase in FOIA burdens.
Workplace Safety	<ul style="list-style-type: none"> • Implement facilities capital improvements necessary for a safe workplace.



Service Area Horizon Issues – Public Safety

AREA	ISSUES
Public Safety – Police	Succession Planning/Recruitment Challenges <ul style="list-style-type: none">• Balance the rate of retirements vs. replacement timeframe• Anticipate the impacts of total compensation structure on recruitment.• Pursue and sustain CALEA accreditation.
Public Safety – Fire	Implementation of Strategic Plan <ul style="list-style-type: none">• Provide for new and upgraded facilities• Address shortfalls in staffing levels and service delivery risks.• Pursue and sustain organizational accreditation.



Service Area Horizon Issues – Community Services

AREA	ISSUES
Permitting/Plan Review	<ul style="list-style-type: none">• Address cost and schedule burden of plan review/approval and permitting.• Apply technology to improve efficiencies and responsiveness.• Pursue organizational accreditation.• Adopt International Property Maintenance Code.
Parks & Recreation	<ul style="list-style-type: none">• Obtain approval of parks millage.• Obtain funding for B2B Trail Enhancements.
Planning	<ul style="list-style-type: none">• Update the Master Land Use Plan.• Adopt form-based codes for the downtown.• Develop and implement a Neighborhood Partnering Program



Service Area Horizon Issues – Public Services

AREA	ISSUES
Recycling, Environmental Resources, and Energy	<ul style="list-style-type: none">• Reinvest in recycling/solid waste facilities, plans, and programs.• Remediation of the Gelman property• Implementation of the Climate Action Plan
Water System	<ul style="list-style-type: none">• Reinvest in water system facilities, both plant and distribution.
Drainage Utility	<ul style="list-style-type: none">• Implement the components of the Allen Creek Greenway Master Plan.
Transportation Network	<ul style="list-style-type: none">• Coordinate network needs and projects with external partners and stakeholders to address funding and scheduling opportunities.



Service Area Horizon Issues - Financial

AREA	ISSUES
Information Technology	<ul style="list-style-type: none"> • Develop and launch a “Big Data Platform.” • Promote utilization of the A²I-Net • Address the needs for employee retention; personnel development; and succession planning.
External Agencies	<ul style="list-style-type: none"> • Increase base contribution levels for the pension system. • Provide ongoing Section 8 Financial Support for the AAHC. • Address parking needs and the level of revenue sharing with DDA. • Implement a 15-year LDFA extension. • Review horizon issues with 15th District Court
Enterprise Operations	<ul style="list-style-type: none"> • Perform “Cost of Services Reviews “ to determine if fees are covering costs.
General Fund	<ul style="list-style-type: none"> • Project long term balances of sources and uses of funds.
Internal	<ul style="list-style-type: none"> • Address succession planning and projected losses of key staff.



Participatory Budgeting

- Council definition and assistance in framing the process.
- Develop a “toolkit.”
- Allocation of resources.



FY 2018 Financial Projections

- **Reminder:**
- This is the start of the FY18 budget development process. Council adoption occurs in May 2017.
- City has 2 year planning cycle and FY18 is the first of the two years.
- Budget Discipline: It's important to insure recurring revenues equal or exceed recurring expenditures.
- **Projections**
- Gen. Fund Projection: FY18 (deficit) of \$(310k) and FY19 (deficit) of \$(992k)
- Projections are how much it'll cost to perform today's activities in future years, less projected revenues.
- Gen. Fund unassigned fund balance is projected to be 19% (\$14.7 mil.) at the end of FY17.
- Projections do NOT include any previous recurring requests that Council has funded on a one-time basis.

