

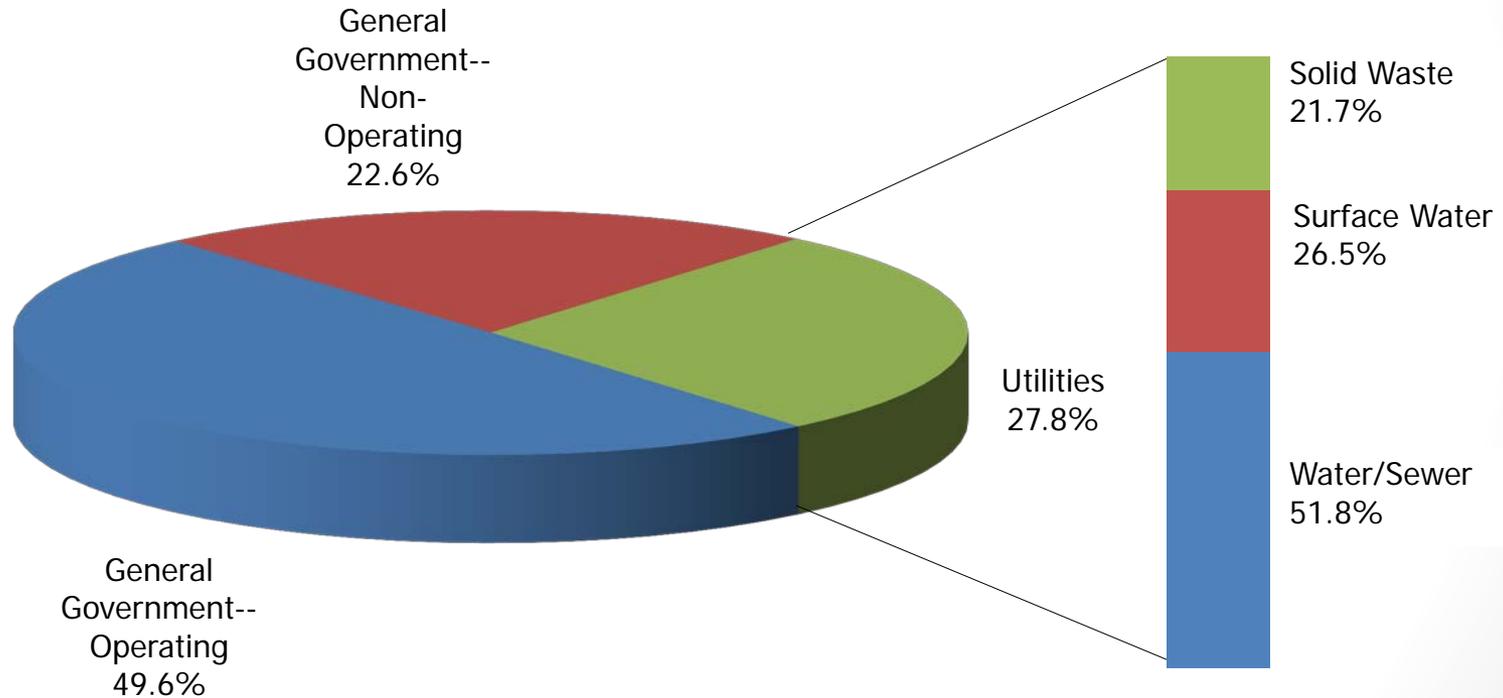
2013-14 Budget

Public Hearing

November 7, 2012

Total Biennial Budget Overview

\$540,361,367



Total Budget Change

	2011-12 Budget	2013-14 Budget	% Change
GENERAL GOV'T			
General Fund	161,231,911	171,895,906	6.6
Other Operating	18,604,602	27,609,860	48.4
Internal Service Funds	57,181,149	68,510,621	19.8
Non-Operating Funds	113,823,171	121,974,625	7.2
UTILITIES			
Water/Sewer	66,961,952	77,839,643	16.2
Surface Water	33,193,878	39,895,988	20.2
Solid Waste	25,102,501	32,634,724	30.0
TOTAL BUDGET	476,099,164	540,361,367	13.5

Why Does the Total Budget Increase 13.5%?

Full 2-year Cost of Providing Services in New Neighborhoods	
• General Government Services	1.6%
• Utility Services	1.0%
Increases in Health Benefit Costs (incl. annexation FTEs)	1.8%
Assumed Enhancements from Levies	3.3%
Capital Improvement Program	0.7%
Sinking Funds	0.8%
REET/Impact Fees	0.8%
Utility Rates/Reserve Increases	1.6%
Utility Tax Accounting Change	<u>1.9%</u>
GRAND TOTAL	13.5%

Financial Sustainability

- No basic operations funded by one-time revenues
- Incorporating reserve replenishment based on 1% of the General Fund into the on-going budget
- Replenishing revenue stabilization reserve to target
- Establishing sinking funds for Public Safety and Information Technology equipment (\$1.5 million one-time and \$950,000 per year on-going), plus setting aside funding for major IT systems replacement (\$500,000 one-time)
- Pursuing new on-going revenue sources to stabilize support of on-going programs, through placement of the levy propositions on the November 2012 ballot for Streets and Parks
- Investing in development of a Performance Management System, \$50,000

Addressing the Shortfall

- Revised revenue projections reflecting improved economic activity – \$2.4 million
- Recalibrate new neighborhood public safety service level requirements based on actual experience – reduction of \$1.9 million and 6.5 vacant FTEs
- Reprioritize service levels in selected areas – reduction of \$1.6 million and 7.1 FTEs (5.6 vacant positions and 1.5 filled positions)
- Efficiencies, process improvements, and other refinements – resulting in a savings of \$1.0 million
- Slower cost growth from moving away from inflation-based salary increases in selected labor contracts, reduced projected cost by \$0.5 million
- Savings in 2011-2012, primarily due to positions held vacant and lower than projected jail contract costs

Remaining Process

- Given current levy results, the tentative November 13 Special Study Session appears unnecessary and will not take place
- Additional Public Hearing held on November 20
- Adjustments identified by Council will be incorporated in the final budget
- Adoption of budget and final property tax levy is scheduled for Tuesday, December 11, 7:30 p.m.

Public Hearing

