



TENTATIVE BUDGET 2014-2015

CITY COUNCIL BUDGET

HEARING

May 27, 2014

FY14-15 Budget Calendar

Staff Capital Improvement Program (CIP) Committee Kickoff Meeting	December 11, 2013
City Council FY15 Budget Retreat	December 16, 2013
Deadline to Submit CIP Requests	January 15, 2014
Operating Budget Kickoff Meeting with Department and Division Heads	January 16, 2014
City Manager Review of CIP Requests (by Program Area)	January 29-31, 2014
Public Meetings for FY15-20 CIP (Including Planning & Zoning Commission Review)	February 2014
Operating Base Budgets and Decision Packages Due	February 28, 2014
CIP Funding/Budget Balancing – Finance and City Manager’s Office	March 2014
Review of Operating Base Budgets and Decision-Package Requests with CM and Departments	March 2014
Proposed Budget Distributed to City Council	April 23, 2014
City Council Work Sessions	April 29 - May 1, 2014
City Council Adoption of Tentative Budget	May 27, 2014
City Council Adoption of FY15 Budget	June 24, 2014

Citizen's Budget Work Group

- Embedded in the process
- Feedback incorporated as process went forward
- Invaluable contribution
- From Staff's perspective – very successful

Special Thanks to Committee Group Members

- Ron Budnick
- Lou Harper
- Sandi Schulz
- Bill Welter

Revenue and Expenditures Budget Summary by Fund

	Revenues			Expenditures		
	FY 13-14 Budget	FY 14-15 Tentative	% Change	FY 13-14 Budget	FY 14-15 Tentative	% Change
General Fund	13,571,823	15,143,892	11.6%	13,070,504	14,829,308	13.5%
Special Revenue/Grants	3,106,018	1,315,140	-70.0%	3,408,633	1,815,140	-46.7%
Capital Funds	367,809	1,269,332	291.3%	7,447,302	7,753,861	4.1%
Wastewater Enterprise	10,221,580	10,061,916	-1.6%	12,218,860	13,348,823	9.2%
Total Base	27,267,230	27,790,280	1.9%	36,145,299	37,747,132	4.4%
Carry Forward					638,022	
Total Proposed	27,267,230	27,790,280	1.9%	36,145,299	38,385,154	6.2%

Use of Reserves to Balance FY 15 Budget

	Revenues and Sources of Funds	Expenditures and Uses of Funds
	FY 14-15 <u>Tentative</u>	FY 14-15 <u>Tentative</u>
All Funds FY 14-15	\$27,790,280	\$37,747,132
Carry Forward from 13-14		\$638,022
Subtotal	\$27,790,280	\$38,385,154
Use of Fund Balance	\$10,594,874	
Total	\$38,385,154	\$38,385,154

Revenue and Expenditure Estimated Actuals Summary by Fund

	Revenues			Expenditures		
	FY 13-14 Budget	FY 13-14 Estimated Actuals	% Change	FY 13-14 Budget	FY 13-14 Estimated Actuals	% Change
General Fund	13,571,823	13,891,500	2.4%	13,070,504	12,651,371	-3.2%
Special Revenue/Grants	3,106,018	1,826,541	-41.2%	3,408,633	2,425,017	-28.9%
Capital Funds	367,809	332,100	-9.7%	7,447,302	5,169,300	-30.6%
Wastewater Enterprise	10,221,580	10,308,000	.8%	12,218,860	11,221,831	-8.2%
Total	27,267,230	26,358,141	-3.3%	36,145,299	31,467,519	-12.9%

Projection of Financial Condition by Fund

	Projected Beginning Fund Balance June 30, 2014	Projected Fiscal Year 14-15 Revenue	Transfers (Out)/In	Projected Fiscal Year 14-15 Expenditures	Projected Ending Fund Balance June 30, 2015
General Fund	\$15,789,595	\$15,143,892	(\$6,271,202)	\$14,829,308	\$9,832,977
Special Revenue/Grants	\$369,832	\$1,315,140	\$500,000	\$1,854,845	\$330,127
Capital Funds	\$6,371,935	\$1,439,332	\$5,856,283	\$8,509,961	\$5,157,589
Wastewater Enterprise	\$16,433,739	\$10,061,916	(\$85,081)	\$13,458,640	\$12,951,934
Total	\$38,965,101	\$27,960,280	\$0	\$38,652,754	\$28,272,627

2014-2015 Summary

General Fund

- Bed and Sales Tax assumes 3% ↑ from estimated 2013-2014
- Plus increase to Sales Tax allocation from 65% to 70% of total
- Overall Sales & Bed Tax ↑ \$1 Million
- State Shared Revenues ↑ \$158k
- Reduce Streets Fund Subsidy to \$500k
 - Cash finance instead of using fund balance
- Assumes all available fund balance (less Council operating reserve) is dedicated to Capital Projects (2015-2017)
 - \$8.3 Million Council Minimum Restricted Balance (2013-2014)
 - \$8.9 Million Council Minimum Proposed 2014-2015 Budget
- \$624k ↑ to Chamber Destination Marketing Program

Summary of General Fund Changes

Increase in 2014-2015 Budget over 2013-2014 Budget	\$	1,758,804
Increased Contribution to Destination Marketing		623,500
Net increase in Salaries & Benefits		174,437
Increase to Computer Hardware Replacements		130,120
Other Recommended Supplementals		117,402
New World Police/Dispatch System Upgrade		84,500
Increased Staffing (P&R Admin 50% & CSA Program)		70,700
E-Citations Upgrade/Expansion		63,000
Community Focus Areas Cultural Park & Soldier Pass		56,500
Uptown Parking Leases and Improvements		51,622
Grant Writer		50,000
Special Parks and Recreation Events		45,613
Increase in Community Service Contracts		41,400
Elections Costs		40,000
Transit Contract for Verde Lynx		40,000
Police Department Motor Vehicle Replacement		40,000
Aerial Survey		38,000
Sales Tax Collection Fees		29,000
Improvements/Reconfiguration City Offices		25,000
4th of July Event		20,000
Subtotal of Significant increases	\$	1,740,794

2014-2015 Summary

Wastewater Fund

- Assumes reduction of sales tax subsidy from 35% to 30% of total City Sales Tax
- 4% rate ↑ effective July 1, 2014
- Continue spending down fund balance for capital
 - Target \$5.7 to \$6.8 Million (depending on annual capital amount)
- Budget includes a Maintenance/Emergency contingency of \$120k
 - Budgeted in WW - Administration, requires City Manager approval to move to specific line item for use

2014-2015 Summary Wastewater Fund

Increase in 2014-15 Budget over 2013-2014	\$ 1,129,962
Increase in Capital Projects (see CIP)	1,677,474
Recommended Supplemental Budget Requests	126,317
Contingency for Emergency Maintenance & Repairs	120,000
Regularly Scheduled Maintenance - Collections	87,800
Professional services - Collections	65,000
Truck Replacement	35,000
Net increase in Salaries & Benefits	10,542
Decrease in hauling sludge & cost of polymer	(25,000)
Regular Scheduled Maintenance - Operations	(53,000)
Reduction in Debt Service	(919,874)
Subtotal of Significant increases/(decreases)	<u>\$ 1,124,259</u>

2014-2015 Summary

Streets

- ↓ subsidy from General Fund by \$1 Million
- Necessitate ↓ in Road Rehabilitation program
- Large projects will compete in CIP
- Cash funding Streets improvements from Highway Users Revenue Funds (HURF) and current general fund resources
- Restoration of Highway Users Revenue Funds (HURF) updated estimates 5-1-2014.

Questions?