



# 2010 -2011 Preliminary Budget





# Budget Priorities

## Three Main Objectives:

- Allocate Resources based on Council Priorities.
- Align Resources to Org Structure as Recommended in Org Assessment.
- Balance Service level with impact to taxpayers.





# Budget Discussion

- General Fund Initiatives / Requests
- Internal Service Funds
- General Fund Revenues
- Property Tax Levy (estimated impacts)



# General Fund Expenditures

## 2010-2011 Overview

-  of \$834K or 2.4% for 2010 (\$36M)
-  of \$430K or 1.2% for 2011. (\$36.5M)
- Assumes 0% salary increase for 2010.
- Assumes 0% COLA, with steps restored for 2011.
- Health benefits costs are rising:
  - Single: 7.2% - 2010, 8.5%-2011
  - Family: 11% - 2010, 12.7% - 2011

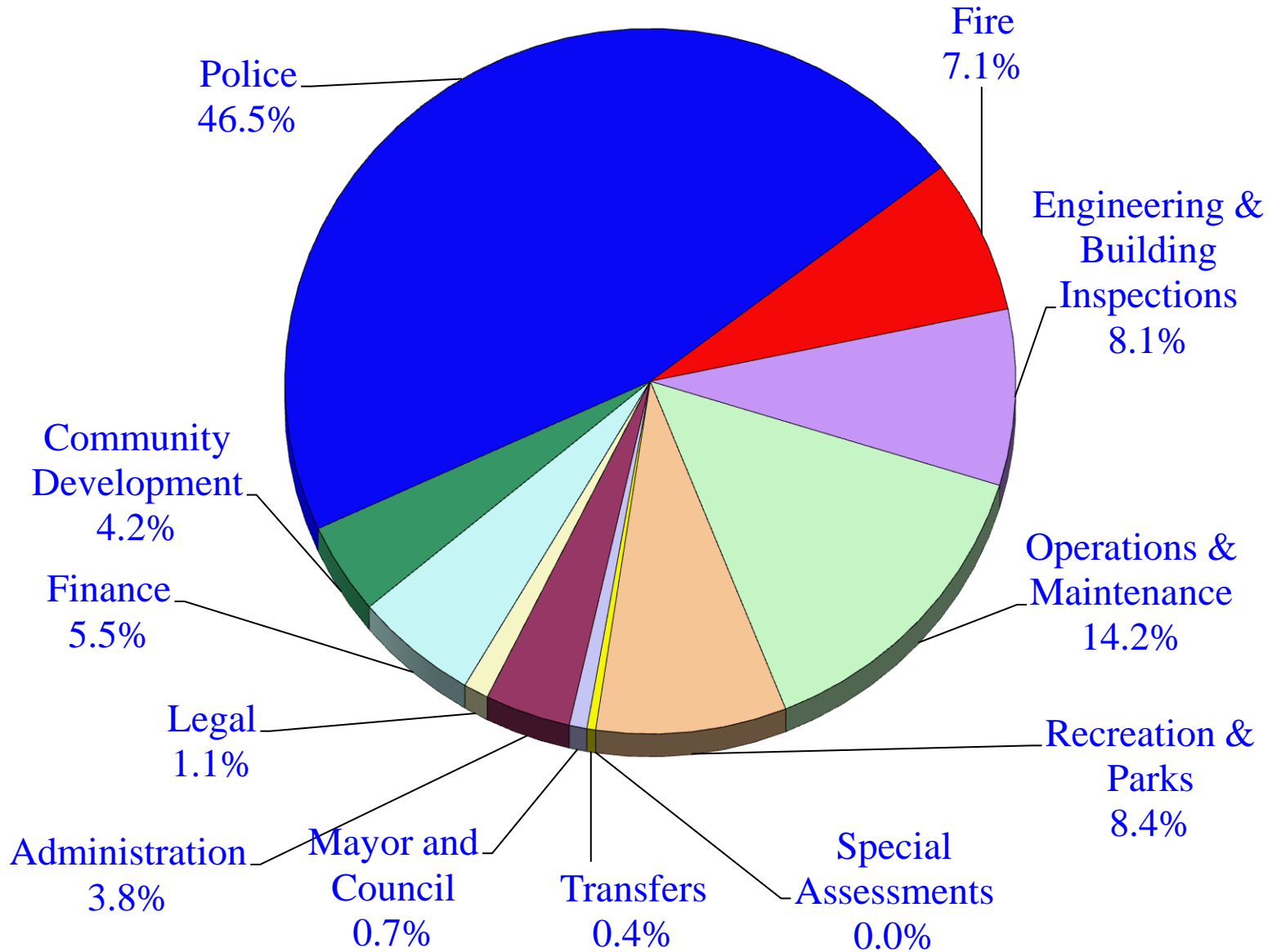


# General Fund Expenditures

## ■ 2010-2011 Preliminary

<b>Department</b>	<b>2009 Adopted Budget</b>	<b>2010 Preliminary Budget</b>	<b>2011 Preliminary Budget</b>	<b>Pct Change 2009 Adopted- 2010 Preliminary</b>	<b>Pct Change 2010-2011 Preliminary</b>
Mayor and Council	\$ 261,377	\$ 281,768	\$ 289,568	7.8%	2.8%
Administration	\$ 1,170,430	\$ 1,368,365	\$ 1,239,525	16.9%	-9.4%
Legal	\$ 399,577	\$ 399,577	\$ 411,564	0.0%	3.0%
Finance	\$ 1,875,169	\$ 1,977,073	\$ 2,008,232	5.4%	1.6%
Community Development	\$ 1,476,625	\$ 1,508,210	\$ 1,582,195	2.1%	4.9%
Police	\$16,324,294	\$16,750,604	\$17,169,102	2.6%	2.5%
Fire	\$ 2,254,405	\$ 2,547,942	\$ 2,581,512	13.0%	1.3%
Engineering & Inspections	\$ 3,074,747	\$ 2,904,000	\$ 2,950,889	-5.6%	1.6%
Operations & Maintenance	\$ 5,188,902	\$ 5,113,106	\$ 5,141,367	-1.5%	0.6%
Recreation & Parks	\$ 2,870,683	\$ 3,037,536	\$ 3,084,402	5.8%	1.5%
Special Assessments	\$ 204,720	\$ 0	\$ 0	-100.0%	0.0%

# 2010 Dept Preliminary Budget





# GF Budget Highlights

## Mayor and Council - \$20K

- Shift – NWHHSC Dues of \$29K.
- Internal charge increases - \$8,500.
- Other general cost reductions - \$17K.

## Administration - \$197K

- Restore Asst City Manager -\$100K.
- Election costs -\$150K (\$64K could be carried forward from 2009).
- Web re-design initiative - \$80K.



# GF Budget Highlights

## Finance - \$101K

- Internal charges increase - \$41K.
- Increased personal service costs, including PT within the Customer Service Center - \$75K.
- Decrease in supplies and other charges - \$20K

## Community Development - \$31.5K

- Project Management Position (Grant funded)
- Internal charges.



# GF Budget Highlights

## Police - \$426K

- Health care benefits.
- Internal Charges due to fuel costs, adding vehicles to the fleet, and ITS charges for additional MDC's and computers.

## Fire - \$293.5K

- New Assistant Fire Chief Position.
- Reduced duty crew hours.
- Increased internal charges related to Central Garage and Loss Control.



# GF Budget Highlights

## Engineering & Building Inspections

- Reduction of \$170K due mainly to personnel changes.
- Increased legal costs related to Housing Court.

## Operations & Maintenance - \$75K

- Reduction on Personnel costs.
- Increased Supplies (Salt).



# GF Budget Highlights

## Recreation & Parks -\$167K

- PT/ Seasonal increase
- Internal Charges - Building and ITS.
- Increase in contractual services – Zanewood
- Increase in teen programming / transportation for \$70k offset by grant.

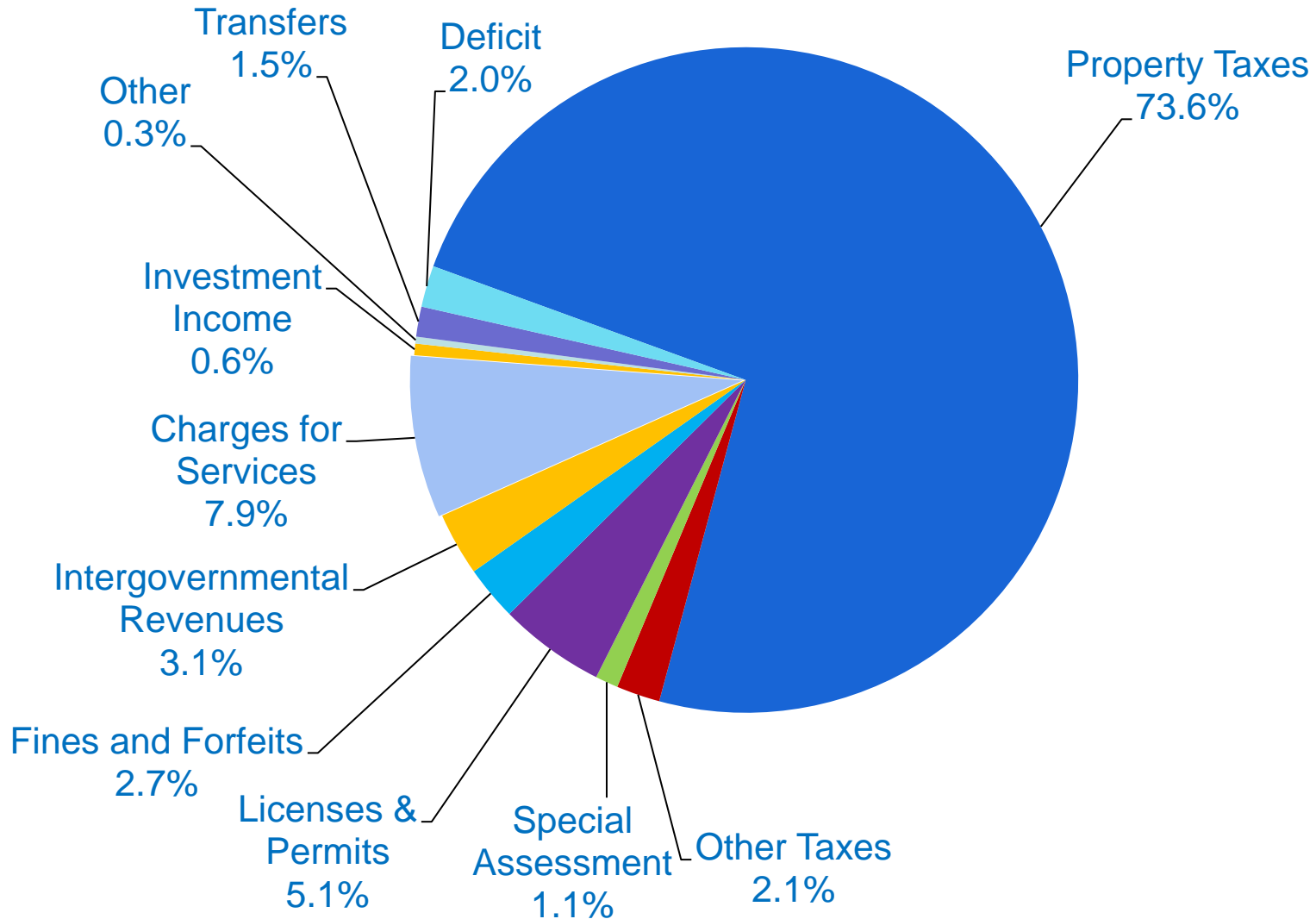


# Internal Service Funds

	2010			
	Central Building	Central Garage	ITS	Loss Control
Chargeback's:				
General Fund	\$ 1,450,230	\$ 2,362,561	\$ 1,683,830	\$ 1,038,672
Other Funds	\$ 188,149	\$ 360,244	\$ 132,717	\$ 442,656
<b>Total Revenue</b>	<b>\$ 1,638,379</b>	<b>\$ 2,722,805</b>	<b>\$ 1,816,547</b>	<b>\$ 1,481,328</b>
Operating costs	\$ 1,595,350	\$ 1,464,214	\$ 1,612,478	\$ 1,522,685
Capital Costs	\$ 27,000	\$ 1,422,860	\$ 1,098,000	
<b>Total Costs</b>	<b>\$ 1,622,350</b>	<b>\$ 2,887,074</b>	<b>\$ 2,710,478</b>	<b>\$ 1,522,685</b>
<b>Net Cash Change</b>	<b>\$ 16,029</b>	<b>\$ (164,269)</b>	<b>\$ (893,931)</b>	<b>\$ (41,357)</b>







# 2010 Proposed Budget - Revenues









# General Fund Revenues

- Projected to be \$35.3 million - \$109K (0.3%) 
- License & permits  \$348K or about 18.5%.
- Fines & Forfeitures  \$200K
- No LGA & MVHC budgeted.
- Charges for Services  \$540K (16%).



# Property Tax Values

- Taxable Market Value  6.7%
- Tax Capacity  5.3%.
  
- Housing values  over 10% for 2010
- Further reductions in 2011 are expected.
- Commercial & Industrial value  slightly for 2010.
- Expected to begin declining in 2011.
- Median Valued Home for 2010 = \$198,300.



# Property Tax Levies


## Levy Limits

- 3.9% or IPD, whichever is less.
- IPD for Levy Limits is 0.83% for 2010.
- Levy Limits in place through 2011.
- Special Levies allowed:
  - Debt Service.
  - PERA increases.
  - Police & Fire wages & benefit increases.
  - Foreclosure Costs incurred.
  - One-time MVHC & LGA unallotments.



# Property Tax Levies

## Preliminary

- General Fund - \$27.85 million.
- Heritage Fund - \$530K.
- HRA Levy - \$1.22 million.
- EDA Levy - \$861K.
- Debt Service (Referendum) - \$1.5 million.
- Debt Service (Tax Capacity) -\$1 million.
- Total  is \$1.9 million or 6.4%



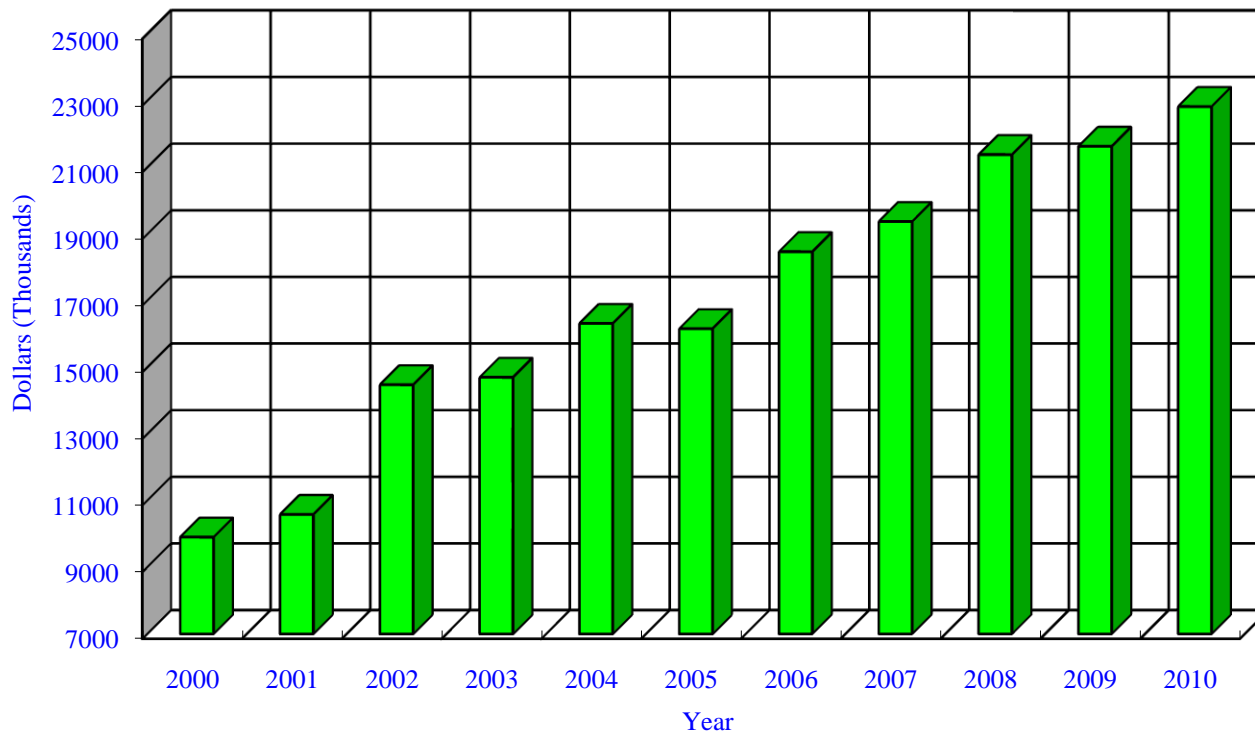
# Property Tax Levies

General Fund Ad Valorem Levy  is \$1.19 million or 5.5% over 2009.

## ■ Levy Drivers:

- \$561K 2008 MVHC Unallotment.
- \$242K 2009 1<sup>st</sup> half LGA Unallotment.
- \$102K debt levy shift (2006 Bonds)
- \$330K EDA Levy shift
- \$43K decrease in base due to levy limits.

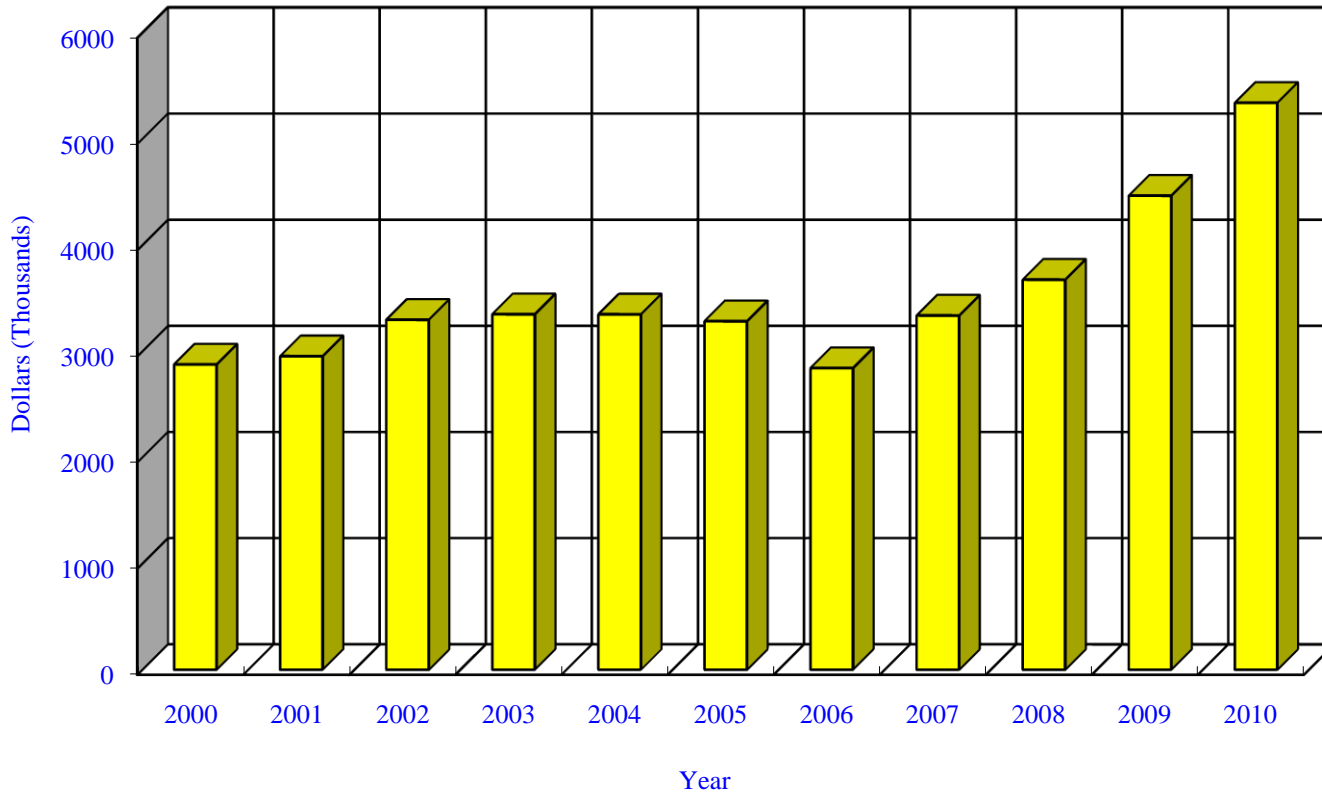
# AD VALOREM TAX OF CITY GENERAL FUND 2000-2010



## Amounts By Year

2000 - \$	9,904,388
2001 - \$	10,585,031
2002 - \$	14,477,907
2003 - \$	14,701,663
2004 - \$	16,319,035
2005 - \$	16,160,860
2006 - \$	18,472,060
2007 - \$	19,377,199
2008 - \$	21,386,698
2009 - \$	21,636,269
2010 - \$	22,828,245

# FISCAL DISPARITIES METRO AREA COMM/IND SHARED TAX BASE



## Amounts By Year

2000 - \$	2,875,034
2001 - \$	2,952,637
2002 - \$	3,295,968
2003 - \$	3,347,722
2004 - \$	3,347,190
2005 - \$	3,282,133
2006 - \$	2,840,870
2007 - \$	3,336,178
2008 - \$	3,673,857
2009 - \$	4,465,348
2010 - \$	5,340,306



# 2010 City Property Taxes

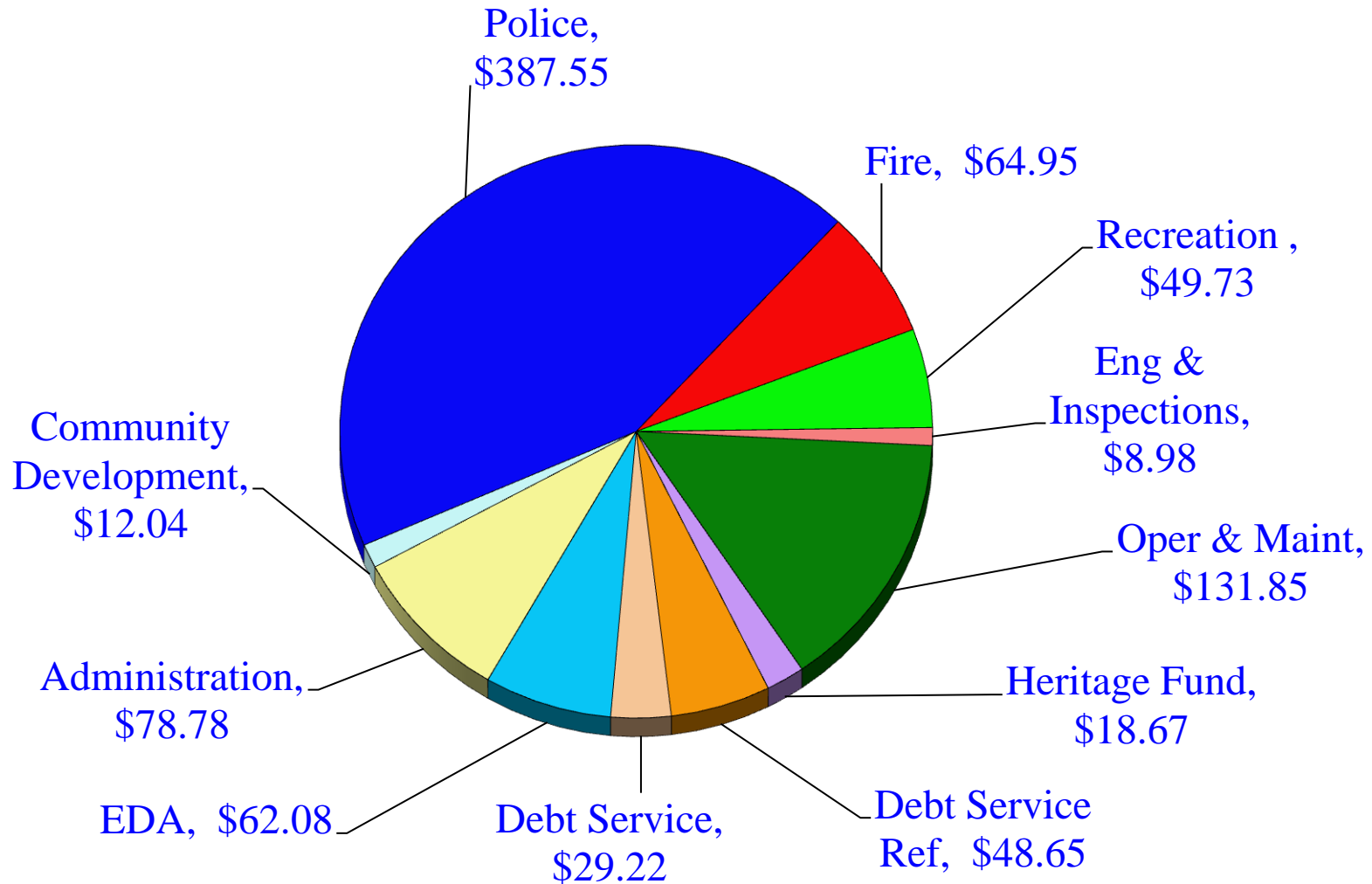
## Median Value Home

	Value	City Tax
<b>2009</b>	<b>\$221,800</b>	<b>\$892.94</b>
<b>2010</b>	<b>\$198,300</b>	<b>\$892.50</b>
<b>\$ Decrease</b>		<b>-\$0.44</b>
<b>% Change</b>	<b>-10.6%</b>	<b>0%</b>

## Tax Rate

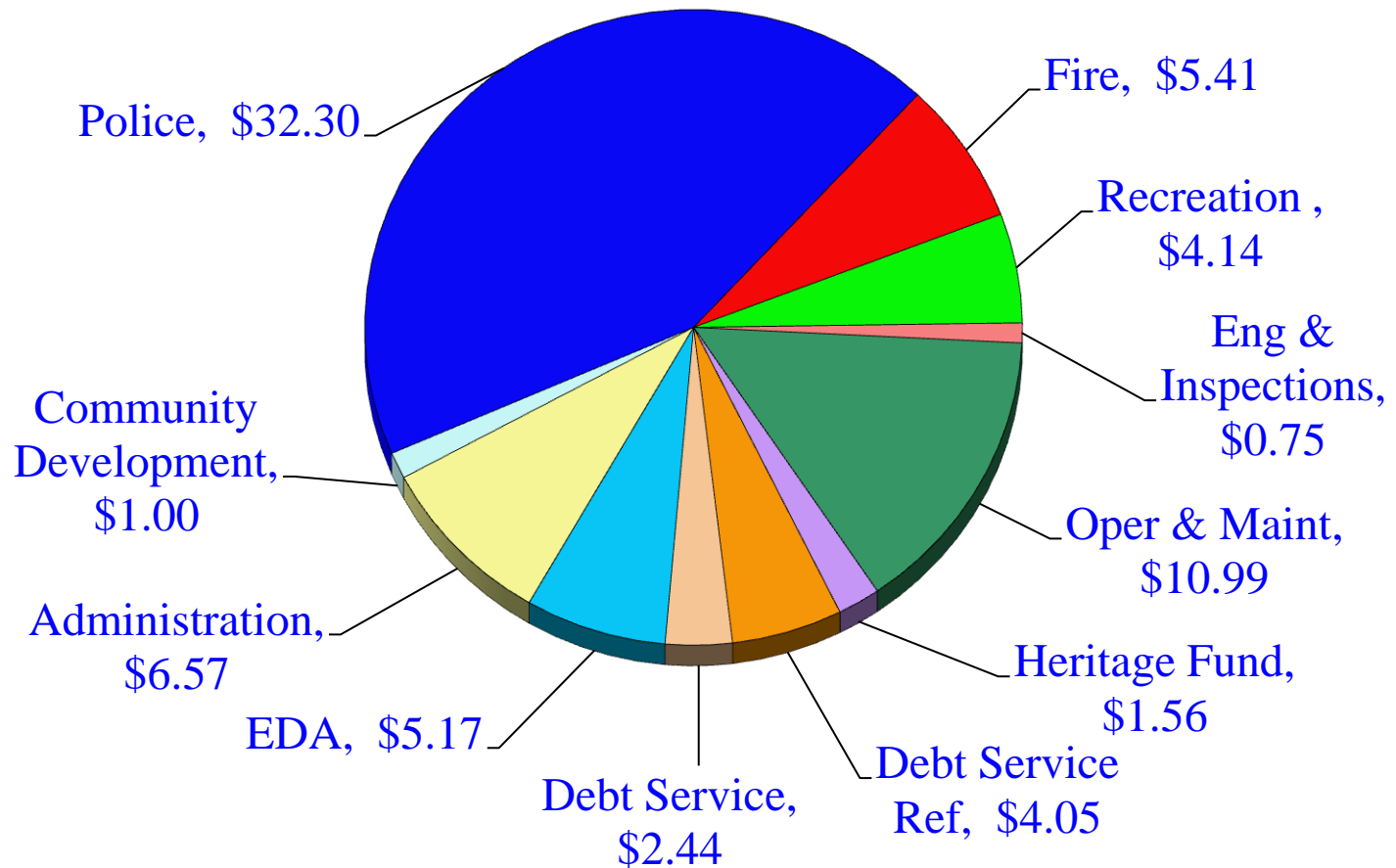
<b>2009</b>	<b>40.855</b>	
<b>2010</b>	<b>46.173</b>	
<b>Increase</b>	<b>13%</b>	

**Basic Governmental Services Annual Cost ( \$892.50)  
2010 Estimated Property Taxes  
For a Median Valued Home**



# Basic Governmental Services Estimated Monthly Cost (\$74.38)

## 2010 Estimated Property Taxes For a Median Valued Home



**Questions?**