

Budget Planning & Process Review

January 15, 2004

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Presentation Preview



- Looking Back.....Review of fiscal year 2004 Budget & Lessons Learned
- Looking forward.....Review
 Forecast Assumptions / Cost
 Drivers
- Review FY 2005 Budget Calendar
- Review of Quarterly Economic Update (format)



FY 2004 Major Budget Goals



- Protect public health & safety
- Maintain basic services
- Make substantial headway towards a structurally balanced budget

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FY 2004 Budget Environment



- Assessed valuation down (3.8%)
 first time in twelve years
- Sales tax revenues continued to be weak – Over 20 consecutive months of negative to flat revenues
- Increased demand for city services



- \$ 38.2 million in expenditure reductions
 almost 90% were permanent
- 344 positions eliminated (519 city-wide)
 Primary focus on reduction of
 Executive, Management and
 administrative positions
- 2nd year of wage freezes for non-civil service employees
- Delayed opening of 10 new/expanded facilities

Reached Structural Balance!!!

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Applying Lessons Learned

- Maintain structural balance 'holding the line'
- Focus on a multi-year budget horizon
- Contain and monitor built-in cost drivers



Planning For FY 2005 – Assumptions

REVENUES:

- Property Tax
 - One more year of reduced assessed valuation
 - FY 2005 (3.3%)
 - FY 2006 +5.0%
 - Effective Rate in FY 2005
- Sales Tax
 - Moderate growth
 - 2% each year (including current year)

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Planning For FY 2005 – Cost Drivers



- Maintain current 2.0 Officers per 1,000 policy
- Maintain Task Force Staffing in Fire Department
- Funding of all public safety step & longevity pay increases
- Funding for 2% Public Safety
 Premium
- Expiring Grants

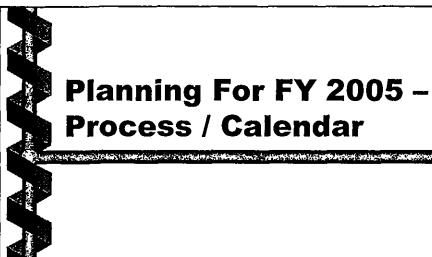


- 2. O&M for new/expanded facilities scheduled to open
- 3. Public Health services
 - Indigent health care
 - Homeless services
- 4. Wage Adjustments
- 5. Health Insurance Increases

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FY 2005 Early Forecast

	2005
	Forecast
Revenues	\$ 465.75
Expenditures	\$ 494.87
Excess / (Deficit)	\$ (29.12)
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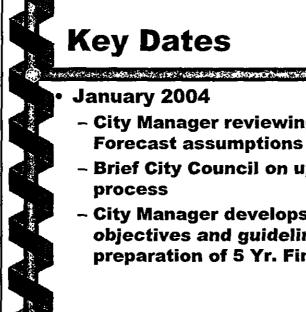


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Key Dates



- Re-evaluate / update Business Plans and Performance Measures
- December 2003 thru January 2004
 - Analysis of fiscal year 2003 actual year-end results

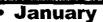


Key Dates

- January 2004
 - City Manager reviewing Financial Forecast assumptions & cost drivers
 - Brief City Council on upcoming budget process
 - City Manager develops goals & objectives and guidelines for preparation of 5 Yr. Financial Forecast

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Key Dates



- Continue Innovations Initiative & begin **Revenue Initiative**
- January 31st Departments begin preparation of 5 Yr. Financial Forecast
- **February**
 - February 5th Economic Update To City Council
 - Ongoing
 - Financial Forecast
 - Innovations Initiative
 - Revenue Initiative



Key Dates



- Complete current year Revenue and Innovation initiatives – develop recommendations
- Departments Complete 5 Yr. Financial Forecast
- March April
 - Finalize 5 Yr. Financial Forecast

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Key Dates



- April 15th Present 5 Yr. Financial Forecast To City Council
- Departments begin development of Draft Policy Budget
- May
 - May 6th Economic Update To City Council
 - May 28th Present Draft Policy Budget To City Council



Key Dates



- Ongoing
 - Departments preparing Proposed Budgets
 - City Manager finalizes Proposed Budget
 - July 29th City Manager Proposed Budget submitted to City Council
- August September
 - Budget Presentations To City Council (including Economic Update)
 - Budget Public Hearings
 - Budget Readings

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Planning For FY 2005 – Economic Update

Review Of Update Format



Economic Update Format



- February 5th
- May 6th
- August
- Review Major National & State Economic Indicators
 - Gross Domestic Product
 - Consumer Confidence
 - Unemployment

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Economic Update Format



- Employment Growth
- Sales Tax Revenues
- Hotel/Motel Bed Tax Revenues
- Airport Passenger Counts
- Building Permits Issued
- Site Plans Reviewed
- Utility Customer Connections



Economic Update Format

- Review activity related to City's Economic Development Policy
 - Quarterly focus on specific area of policy
 - Recruitment & Retention Jobs
 - Small Business Development
 - Cultural Vitality
 - Update on Economic Development projects and new companies and developments
 - Report from Economic Development Partners