

**CITY OF MONROE  
FISCAL YEAR 2014-2015  
BUDGET PRESENTATION**

**EDWARD SELL, FINANCE DIRECTOR**

# Budget Documents

- Budget Documents
- Line item budget reports

# Budget Process/Calendar

- Process to Date
- April 7, 2014 – First Reading of Budget Ordinance
- April 21, 2014– Second Reading, Public Hearing, Adoption
- Work sessions scheduled for 3/25, 3/26, 3/31, 4/1, and 4/2(as needed)
- Adoption must occur by April 30, 2014

# Budget Process/Calendar

- Includes review of FY13-14 budget
- Final amendment for FY 13-14 ???
- Millage rates, fee increases, and other budget operating authorizations approved with the adoption of the budget ordinance

# Budget Concepts/Terms

- Fund Balance/Net Assets
- Balanced Budget
  - Beginning Fund Balance
  - Plus Estimated Revenue
  - =Estimated Available Resources
  - Less Estimated Expenditures
  - =Estimated Ending Fund Balance

# Budget Summary

- 2014 Budget in good shape
  - Fund Balance Transfer/Reallocation
  - Winter Maintenance Costs
- 2015 Balanced
  - Demolitions, Parks Maintenance, MMSC Maint.
- State budget affects SRS
- All capital budgeted-plus Streets

# FY13 BUDGET VS. ACTUAL RESULTS

	<b>As Adopted April 2012</b>	<b>As Amended June 2013</b>	<b>Actual June 2013</b>
<b>Beginning Fund Balance</b>	3,263,961	3,639,715	3,639,715
<b>Estimated Revenue</b>	17,223,840	17,096,486	17,117,555
<b>Total Available Resources</b>	20,487,801	20,736,201	20,757,270
<b>Estimated Expenditures</b>	17,223,840	17,604,484	17,216,541
<b>Ending Fund Balance</b>	3,263,961	3,131,717	3,540,729
<b>Fund Balance Change</b>	-	(507,998)	(98,986)

\$390,439 of fund balance is non spendable

\$181,000 of fund balance set aside for COPS Grant 4th year Reclassified

\$50,565 of fund balance to be spent in 2013-14 fiscal year

# FUND BALANCE/RESERVES

	FISCAL YEAR ENDING JUNE 30, 2013		
	ADOPTED	AMENDED	ACTUAL
	BUDGET	BUDGET	
ESTIMATED ENDING FUND BALANCE	\$ 3,263,961	\$ 3,639,714	\$ 3,540,729
BUDGET STABILIZATION FUND BALANCE	2,000,000	2,000,000	2,000,000
TOTAL FUND BALANCE FOR USE			
BY GENERAL FUND	\$ 5,263,961	\$ 5,639,714	\$ 5,540,729
DEDUCT: HY PROPERTY VALUE	1,250,358	891,344	368,780
LIQUID FUND BALANCE	\$ 4,013,603	\$ 4,748,370	\$ 5,171,950
LIQUID FUND BALANCE AS A % OF EXPENDITURES	22.89%	27.00%	29.49%

# FY 13-14 Budget Status- General Fund

	FISCAL YEAR ENDING JUNE 30, 2014		
	ADOPTED BUDGET	AMENDED BUDGET	PROJECTED BUDGET
BEGINNING FUND BALANCE	\$ 3,639,714	\$ 3,540,729	\$ 3,540,729
ESTIMATED REVENUE	17,352,234	17,352,234	17,363,185
TOTAL AVAILABLE RESOURCES	20,991,948	20,892,963	20,903,914
ESTIMATED EXPENDITURES	17,533,234	17,583,801	17,539,699
ESTIMATED ENDING FUND BALANCE	\$ 3,458,714	\$ 3,309,162	\$ 3,364,215
INCREASE/(DECREASE) IN FUND BALANCE	\$ (181,000)	\$ (231,567)	\$ (176,514)

# FY14 Budget Highlights

- Most revenues in line with minor adjustments
- Recreation Revenue, primarily MMSC – down \$60,208
- Reallocation of IT User Fee, P&L Insurance
- Police Building Rent Increase - \$30,000

# FY14 Budget Highlights

- DPS Overtime Increase - \$35,000
- DPS Equipment Rent Increase - \$35,000
- Parks Repair & Maint. - \$30,000
- Demolitions Increase - \$50,000
- MMSC Expense – down \$38,054
- Contingency - \$70,000
- Transfer to Parking Fund - \$80,000

# General Fund FY 14-15 Budget Status

	INITIAL	AS	CHANGE
	REQUESTS	RECOMMENDED	+/-
REVENUE	\$ 17,523,395	\$ 17,838,185	\$314,790
EXPENDITURES	17,888,778	17,838,185	(50,593)
REVENUE OVER (UNDER)			
EXPENDITURES	\$ (365,383)	\$ -	\$365,383

# General Fund Budget FY15

- Original budget submitted - \$365,383 deficit
  - PTAX Increase
  - PRHC Allocation Method
  - New City Attorney Contract Included
  - Engineering Labor Allocation
  - Public Safety Division Personnel Cost
  - Line Items for Mowing
  - Parks Repair and Maintenance Increase
  - Demolition Increase
  - Park Plan included in Recreation
  - Increased Maintenance Funding – MMSC

# General Fund Budget FY15 (Cont'd.)

- Reduce pool funding due to closure
- Significant increase in Drain SAD Cost
  - \$95,000 for Mason Run Drain
- Contingency - \$150,000

# General Fund Budget FY15 (Cont'd.)

- Budget submitted is balanced-No use of Fund Balance
- All CIP items approved are included
- General Fund CIP approved at \$880,000 and budgeted in that amount, 0.97 mill
- Former Capital Items now as Debt Service - .0572 mill, \$51,848, PY - .0589 mill

# Taxable Value Tracking

## EQUIVALENT TAXABLE VALUE HISTORY NET OF TIF CAPTURES

Taxable Value 12/31/2012	898,723,535	
Adjusted 12/31/2012 Taxable Value	892,618,650	-0.68%
Pre-BOR Taxable Value 12/31/13	927,557,955	3.77%
INCREASE FROM INITIAL 12/31/12		3.21%

# Revenue Sharing

	Actual FY01-02	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13	Projected FY13-14	Requested FY14-15
State Revenue Sharing	2,706,145	1,774,479	1,719,528	2,100,260	1,797,585	1,850,000	1,900,000
		(283,629)	(54,951)	380,732	(302,675)	52,415	50,000
		-13.78%	-3.10%	22.14%	-14.41%	2.92%	2.70%
Constitutional	1,442,812	1,458,371	1,364,140	1,737,680	1,525,245	1,564,538	1,605,823
		-1.26%	-6.46%	27.38%	-12.23%	2.58%	2.64%
Statutory/EVIP	1,263,333	393,907	335,388	362,580	272,340	285,462	294,177
		-32.22%	-14.86%	8.11%	-24.89%	4.82%	3.05%

\*\*

\*\* - August 2012 payment (\$288,893) recognized as revenue in the 2011-12 fiscal year for the first time. Seven payments recognized as revenue, instead of six.

# PERSONNEL BUDGET ESTIMATES

- TOTAL FT & PT POSITIONS BUDGETED=166.6, same as FY 14, FY13=168, FY09=205, FY08=239, FY05=250
- WAGE INCREASES- 2.00% BUDGETED – FULL-TIME AND REGULAR –PART TIME
- HEALTH INSURANCE (MEDICAL AND PRESCRIPTION)
  - All Groups PA152 Compliant – 1/1/15
  - Budgeted up to estimated cost caps – approx 10% increase
- POST-RETIREMENT HEALTHCARE (See next slide)
  - ACTUARIAL STUDY ARC
    - FY14 \$3.691 MILLION
    - FY15 \$3.708 MILLION
  - BUDGETED CONTRIBUTION
    - FY14 \$3.909 MILLION, \$2.577 MILLION GF
    - FY15 \$3.9 MILLION, \$2.547 MILLION GF
- PENSION CONTRIBUTION
  - FIRE (62.48%), POLICE (29.5%), HYBRID (4.12%), GENERAL (0.00%)
  - TOTAL CONTRIBUTION \$1.622 MILLION, GF - \$1.553 MILLION (\$134k INCREASE)

# ARC TRACKING

	<b>PENSION</b>	<b>HEALTHCARE</b>	<b>TOTAL</b>	
6/30/2011	\$ 1,191,553	\$ 4,694,544	\$ 5,886,097	*
6/30/2012	1,274,568	4,698,863	5,973,431	*
6/30/2013	1,351,541	3,871,234	5,222,775	**
6/30/2014	1,488,154	3,691,439	5,179,593	**
6/30/2015	1,622,379	3,708,247	5,330,626	**

\* - HEALTHCARE ARC NOT FULLY FUNDED

\*\* - HEALTHCARE ARCH FULLY FUNDED

# Retiree Health Care Liability

- \$3,708,247 = ARC for FY2015
  - Normal Cost \$334,749
- Cost Allocation in Budget
- Pay as you go cost - \$3.268 million
- 12/31/12 Actuarial Valuation Rec'd
  - \$37.2 Million UAAL
  - \$52.0 Million AAL

# Budget Issues for Future

- Personal Property Tax Elimination

# Taxable Value

	12/31/2011	12/31/2012	12/31/2013	CHANGE	% CHANGE
<b>REAL</b>	**	**	*		
<b>AG</b>	337,110	192,880	195,960	3,080	1.60%
<b>COMM</b>	112,332,760	107,569,120	106,659,750	(909,370)	-0.85%
<b>IND</b>	392,842,970	404,719,680	428,237,030	23,517,350	5.81%
<b>RESID</b>	283,217,440	274,845,270	273,372,720	(1,472,550)	-0.54%
<b>DEVEL</b>	518,680	529,380	346,230	(183,150)	-34.60%
<b>TOTAL REAL</b>	789,248,960	787,856,330	808,811,690	20,955,360	2.66%
<b>PERSONAL</b>					
<b>COMM</b>	30,440,320	28,588,600	23,990,720	(4,597,880)	-16.08%
<b>IND</b>	27,607,480	32,642,160	31,900,840	(741,320)	-2.27%
<b>UTIL</b>	29,199,510	29,213,270	31,773,410	2,560,140	8.76%
<b>TOTAL PERSONAL</b>	87,247,310	90,444,030	87,664,970	(2,779,060)	-3.07%
<b>TOTAL EQUALIZED*</b>	876,496,270	878,300,360	896,476,660	18,176,300	2.07%
<b>IFT/OPT</b>	10,630,600	20,151,885	30,797,650	10,645,765	52.83%
<b>LAND BANK</b>	-	18,240	15,795	(2,445)	-13.40%
<b>DNR</b>	247,137	253,050	267,850	14,800	5.85%
<b>TOTAL CITY</b>	887,374,007	898,723,535	927,557,955	28,834,420	3.21%

\* - PRE BOR NUMBERS

\*\* - POST BOR IN MARCH

# Property Tax Revenue Detail

	<b>FY2014</b>	<b>FY2015</b>	<b>+/-</b>
GENERAL OPERATING	13.726	13.726	0
RETIREE HEALTHCARE	0.5634	0.5634	0
REFUSE	1.5023	1.5173	0.015
PORT	0.375	0.375	0
BRIDGE	0.42	0.42	0
TOTAL MILLAGE	<u>16.5867</u>	<u>16.6017</u>	<u>0.015</u>

PTAF\* 1.00% 1.00%

\* - CHARGED ON ALL MILLAGES

PTAF=PROPERTY TAX ADMINISTRATION FEE

# General Fund Revenue

	Actual FY10-11	Actual FY11-12	Actual FY12-13	Projected FY13-14	Request FY14-15
Property Taxes	12,289,633	12,288,197	12,864,816	13,068,879	13,451,215
State Revenue Sharing	1,719,528	2,100,260	1,797,585	1,850,000	1,900,000
Total	14,009,161	14,388,457	14,662,401	14,918,879	15,351,215
Dollar Change	(865,936)	379,296	273,944	256,478	432,336
Percentage Change	-5.82%	2.71%	1.90%	1.75%	2.90%
Total Revenue	16,596,320	16,926,423	17,117,559	17,363,185	17,838,185
% of Total	84.41%	85.01%	85.66%	85.92%	86.06%
Personal Property Taxes		1,134,659	1,178,342	1,268,864	1,227,670
% of Total		6.70%	6.88%	7.31%	6.88%

# PERSONNEL COST % OF TOTAL

DESCRIPTION	ACTUAL FY10-11	ACTUAL FY11-12	ACTUAL FY12-13	PROJECTED FY13-14	REQUESTED FY14-15
TOTAL PERSONNEL COST	12,279,018	11,949,725	12,347,976	12,771,181	13,133,982
PERCENTAGE INCREASE	-4.34%	-2.68%	3.33%	3.43%	2.84%
TOTAL EXPENDITURES	16,392,998	16,757,657	17,216,545	17,539,699	17,838,185
PERCENTAGE INCREASE	-7.68%	2.22%	2.74%	1.88%	1.70%
PERSONNEL % OF TOTAL	74.90%	71.31%	71.72%	72.81%	73.63%

# MULTI-SPORTS COMPLEX

	ACTUAL FY10-11	ACTUAL FY11-12	ACTUAL FY12-13	PROJECTED FY13-14	REQUESTED FY14-15
OPERATING INCOME	\$ 626,574	\$ 548,687	\$ 490,832	\$ 476,638	\$ 498,703
OPERATING EXPENDITURES	721,046	700,449	695,857	613,960	646,203
NET OPERATING INCOME/(LOSS)	(94,472)	(151,762)	(205,025)	(137,322)	(147,500)
DEBT SERVICE	460,901	466,529	425,037	430,542	432,799
NET INCOME/(LOSS)	\$(555,373)	\$(618,291)	\$(630,062)	\$(567,864)	\$(580,299)

RMSC submitted budget with \$89,783 operating subsidy

# OTHER FUND BUDGETS TO REVIEW

- MAJOR STREET
- LOCAL STREET
- REFUSE FUND
- PARKING FUND
- WASTEWATER
- WATER
- OTHER FUNDS LISTED ON BUDGET  
ORDINANCE
  - See Funding and Expenditure Summary

# MAJOR STREET FUND

- All 2015 CIP programs funded
- Projects Fund Balance of \$591,285 at 6/30/15
- Fund Balance is 81% of Operating Expenditures
- Transfer to Local Street Fund Budgeted at 20%
- Increased Surface Maint. \$45,000

# MAJOR STREET FUND- WINTER MAINTENANCE

	FY12-13 ACTUAL	FY13-14 BUDGET	FY13-14 PROJECTED	FY14-15 REQUESTED
PA51/GAS TAX FUNDED	\$ 83,670	\$ 117,000	\$ 277,000	\$ 115,000
TRUNKLINE FUNDING	14,461	27,950	51,000	40,700
TOTAL	\$ 98,131	\$ 144,950	\$ 328,000	\$ 155,700

# LOCAL STREET FUND

- All 2015 CIP Funding included
- Estimated Fund Balance at 6/30/15 = \$269,740
- 66% of operating expenditures
- Increased Surface Maintenance \$45,000

# Local Street Fund Winter Maintenance

	FY12-13	FY13-14	FY13-14	FY14-15
	ACTUAL	BUDGET	PROJECTED	REQUESTED
PA51/GAS TAX FUNDED	\$ 43,549	\$ 110,000	\$ 225,000	\$ 110,000

# REFUSE FUND

- REFUSE MILLAGE RECOMMENDED TO INCREASE TO 1.5173 MILLS, .015 INCREASE
- ESTIMATED FUND BALANCE AT 6/30/15=\$72,960, 5% OF EXPENDITURES
- SERVICES PROVIDED
  - STREET SWEEPING
  - REFUSE REMOVAL
  - LEAF BAGS

# PARKING FUND

- COLLECTS PARKING FINES AND FEES
- PAYS FOR PARKING ENFORCEMENT AND PARKING LOT MAINTENANCE
- FUND BALANCE ESTIMATED TO BE \$46,217 AT 6/30/2015
- FEES AND FINES INCREASED- ADDITIONAL PROPOSALS TO BE CONSIDERED
- \$80,000 TRANSFER FROM GF – FY14

# WASTEWATER FUND

- 7.0% INCREASE IN COMMODITY RATE AND 0.0% INCREASE IN THE QUARTERLY SERVICE CHARGE RECOMMENDED
- 5.8% INCREASE OR \$19.32 PER YEAR, AVERAGE
- COMMODITY RECOMMENDED TO INCREASE FROM \$3.04 TO \$3.25
- ADMINISTRATIVE FEE UNCHANGED AT \$13.59
- FUND IS STILL IN GOOD FINANCIAL CONDITION, REBUILDING RESERVES

# WATER FUND

- COMMODITY RATE RECOMMENDED TO INCREASE FROM \$1.47 TO \$1.51
- INCREASE IN DEBT SERVICE FEE - \$5.40 TO \$5.52
- NO CHANGE IN QUARTERLY ADMINISTRATIVE FEE \$4.50
- INCREASE IN FIRE LINE FEES RECOMMENDED

# Other Issues

- DDA CIP Funding - \$30,000 vs. \$40,000 in CIP Approved
- Port Budget Request

# NEXT STEP

- DEPARTMENT BUDGET PRESENTATIONS
- SEE SCHEDULE AND DEPARTMENTAL BUDGET RESPONSIBILITY

# QUESTIONS/DISCUSSION