

Commission Letter #: 178-10

Prior Commission Letter #:127-10 from 5/17/2010

Commission Meeting: 06/07/2010

RE: **FY 09-10 Budget Amendments
For General Fund and Special Revenue Funds**

May 14, 2010

The Honorable Mayor
and
Members of City Commission

We request the approval of the budget amendments for the General and Special Revenue Funds below.

The General Fund be amended for FY2009/10 to provide funding for police and fire personnel expenditures; such as overtime costs and wages and benefit costs for those eligible to retire that were not originally budgeted in addition to police and fire retro pay costs from the settled labor contracts in 2009. The request also includes; an estimated cost for employee time-off banks payoff in the case of June layoffs, an increase in the transfer-out to the State Construction Code of \$440,000 and numerous smaller personnel cost changes in certain City departments.

Additionally, revenues such as Interest Income, State Shared Revenues and a few smaller revenues accounts are now estimated to fall short of the original budget. Based on a projection of increased expenditures (including transfers-out) and decreased revenues, use of fund balance is requested as a revenue source to offset the gap between the estimated revenue and expenditures through June 30, 2010.

This proposed budget amendment request will utilize \$4,615,260 from the General Funds fund balance, leaving a fund balance at \$5,191,638 at year-end. The original budget was approved to utilize \$1,352,123 from fund balance.

It is recommended that the following **General Fund** budget amendment resolution be approved by the City Commission:

General Fund

General Government	9,205,170
Community and Economic Development	215,660
Health and Welfare	817,010
Public Safety	25,119,800
Public Works	1,047,230
Recreation and Culture	1,139,080
Transfers Out	725,000

Expenditures Total **38,268,950**

Taxes	18,282,000
Licenses and Permits	1,356,800
Grants	4,591,500
Charges for Services	3,029,660
Fines and Forfeitures	3,622,000
Interest and Rentals	474,040
Contributions and Donations	16,490
Reimbursements	702,200
Other Revenues	94,000
Transfers In	1,485,000
Use of Fund Balance	4,615,260
Revenues, Transfers and Use of Fund Balance	38,268,950

It is recommended that the following **Major Streets Fund** budget amendment resolution be approved by the City Commission based on estimated general operating expenditure decreases, transfer to capital projects decrease and an anticipated decrease in Act 51 revenue:

Be It Resolved that the City Commission hereby approves a decrease in expenditures of \$463,930 for the FY2009/10 Major Street Fund budget and total use of fund balance of \$84,630 as a revenue source to balance, for a total amended budget of \$2,967,430.

It is recommended that the following **Local Streets Fund** budget amendment resolution be approved by the City Commission due to estimated general operating expenditure decreases, transfer to capital projects decrease and projected decrease in Act 51 revenues:

Be It Resolved that the City Commission hereby approves a decrease in expenditures of \$146,500 for the FY2009/10 Local Street Fund budget and total use of fund balance of \$457,420 as a revenue source to balance, for a total amended budget of \$2,128,690.

It is recommended that the following **Solid Waste Fund** budget amendment resolution be approved by the City Commission, as fewer solid waste disposal costs are projected.

Be It Resolved that the City Commission hereby approves a decrease of expenditures to \$5,887,850 plus a contribution to fund balance in the amount of \$1,065,150 for a FY2009/10 Solid Waste total amended budget of \$6,953,000.

It is recommended that the following **Library Fund** budget amendment resolution be approved by the City Commission, as a small decrease in tax revenue collection (relative to budget) is projected.

Be It Resolved that the City Commission hereby approves a decrease in revenues to \$2,377,880 plus a use of fund balance in the amount of \$30,570 for a FY2009/10 Library Fund total amended budget of \$2,408,450.

It is recommended that the following **State Construction Code Fund** budget amendment resolution be approved by the City Commission as building revenues have not met expenditures:

Be It Resolved that the City Commission hereby approves an increase in expenditures to \$1,515,370 plus a transfer-in from the General Fund of \$582,000 for the FY2009/10 State Construction Code total amended budget of \$1,701,550.

It is recommended that the following **Acorn Fund** budget amendment resolution be approved by the City Commission for an increase in various supplies and an offsetting increase in donations:

Be It Resolved that the City Commission hereby approves an increase in various operating expenditures with offsetting donation revenues for FY2009/10 Acorn Fund total amended budget of \$91,110, which includes a contribution to fund balance of \$41,600.

It is recommended that the following **Animal Shelter Fund** budget amendment resolution be approved by the City Commission for additional temporary wages and animal medical services:

Be It Resolved that the City Commission hereby approves an increase of revenues and expenditures of \$24,420 for the FY2009/10 Animal Shelter budget including an increase in the transfer from the Acorn Fund, an increase in donations and an increase in the use of fund balance as revenue sources, for a total amended budget of \$83,170.

It is recommended that the following **Police Grant Fund** budget amendment resolution be approved by the City Commission for an increase in various supplies and an offsetting increase in grants/forfeitures:

Be It Resolved that the City Commission hereby approves an increase in various operating expenditures with offsetting grant/forfeitures revenues for FY2009/10 Acorn Fund total amended budget of \$373,070.

It is recommended that the following **Miscellaneous Grant Fund** budget resolution be approved by the City Commission for various revenues and expenditures (Fire grants, HPRP, EECBG and NSP):

Be It Resolved that the City Commission hereby approves revenues and expenditures for FY2009/10 Miscellaneous Grant Fund total budget of \$1,781,110 which includes a contribution to fund balance of \$28,040.

Senior Citizens Services Fund – no amendment requested

Brownfield Redevelopment Authority – no amendment requested.

DDA Operating – no amendment requested

DDA Development – no amendment requested

Respectfully submitted,



Julie Rudd
Director of Finance

Approved,



Donald E. Johnson
City Manager

Memo

To: Mayor and City Commissioners
From: Julie Rudd, Director of Finance
CC: Don Johnson, City Manager
Date: **June 1, 2010**
Re: General Fund Budget Amendment Detail Memo

The General Fund is requested to be amended for FY2009/10 mostly to provide funding for police and fire personnel expenditures. **The net effect of the expenditures for the General Fund's general government, economic development, public works, and recreation functions are anticipated to come in under budget.**

The Police budget is requested to increase by \$766,180 and the Fire budget is requested to increase by \$830,020. The Ambulance Service budget is requested to increase \$279,530. Within the \$1,596,200 increase to Police and Fire, overtime is proposed to increase by \$580,000 as it is under budgeted. Wages and benefit costs for those eligible to retire that were not originally budgeted in addition to fire retro costs (approximately \$350,000) from the settled labor contract make-up the balance. The requested budget also includes an estimated cost for employee time-off banks payoff in the case of June layoffs in the amount of \$392,000 (this figure could be inaccurate due to any unanticipated retirements and unknown bank information). Transfers-out amount to \$725,000 to balance the Recreation Fund (\$143,000) and the State Construction Code (\$582,000) due to expenditures exceeding revenues.

Additionally, revenues such as Interest Income, State Shared Revenues, Taxes, and Fines and Forfeitures are now estimated to fall short of the original budget by \$644,640. Based on a projection of increased expenditures (including transfers-out) and decreased revenues, use of fund balance is requested as a revenue source to offset the gap between the estimated revenue and expenditures through June 30, 2010.

This budget amendment request will utilize \$4,615,260 from the General Funds fund balance, leaving a fund balance at \$5,191,638 at year-end. The original budget was approved to utilize \$1,352,123 from fund balance.

	Original	Final Requested
General Fund	<u>Budget</u>	<u>Budget</u>
General Government budget is reduced	\$9,314,655	\$9,205,170
Community and Economic Development budget is reduced	\$ 218,936	\$ 215,660
Health and Welfare budget is increased	\$ 537,493	\$ 817,010
Public Safety is increased	\$23,191,988	\$25,119,800
Public Works is reduced	\$1,359,224	\$1,047,230
Recreation and Culture is reduced	\$1,028,155	\$1,139,080
Transfers-Out is increased	\$ 0	\$ 725,000
TOTAL EXPENDITURES	\$35,650,451	\$38,268,950
Taxes	\$18,340,184	\$18,282,000
Licenses and Permits	\$1,081,800	\$1,356,800
Grants	\$5,034,865	\$4,591,500
Charges and Services	\$3,001,451	\$3,029,660
Fines and Forfeitures	\$3,772,000	\$3,622,000
Interest and Rentals	\$764,037	\$474,040
Contributions and Donations	\$16,491	\$16,490
Reimbursements	\$695,500	\$702,200
Other Revenues	\$107,000	\$94,000
Transfers -In	\$1,485,000	\$1,485,000
Use of fund balance	\$1,352,123	\$4,615,260
TOTAL REVENUES, TRANSFERS AND USE OF FUND BALANCE	\$35,650,451	\$38,268,950

The table below compares the (December adjusted) Budget to the Requested Budget by function and department. Also, line-item details of the requests are reported in the "2009/2010 Estimated Year-End" column in the spreadsheets that were distributed to the Commission a few weeks ago. (Please note that increases are in brackets). Again, the only functions to have a net increase in the requested/amended budget are Public Safety and Health & Welfare (Ambulance Service), as all other functions are proposed to decrease in the General Fund.

Function	Department	2009-2010 Dec Adj Budget	2009-2010 Requested Budget	Change
General government	Mayor/Commission	28,380	23,220	5,160
General government	District Court	2,522,000	2,510,200	11,800
General government	Probation	518,300	418,640	99,660
General government	City Manager	248,980	387,320	(138,340)
General government	Elections	234,320	212,550	21,770
General government	Finance	858,880	774,350	84,530
General government	Assessor	527,180	542,960	(15,780)
General government	Attorney	830,940	817,050	13,890
General government	Clerk	391,720	395,190	(3,470)
General government	Human Resources	492,220	516,630	(24,410)
General government	Purchasing	39,130	9,640	29,490
General government	Administration	1,506,280	1,552,380	(46,100)
General government	Treasurer	413,890	402,680	11,210
General government	City Office Building	441,940	435,340	6,600
Recreation and culture	Parks & Forestry	728,260	802,260	(74,000)
General government	Building Maintenance	260,090	207,020	53,070
Public safety	Police	13,579,420	14,345,600	(766,180)
Public safety	Fire	9,195,790	10,175,810	(980,020)
Health and welfare	Ambulance Services	537,480	817,010	(279,530)
Public safety	Code Enforcement	545,380	555,130	(9,750)
Community and economic development	Planning & Zoning	218,950	215,660	3,290
Public safety	Animal Protection	43,260	43,260	0
Public works	DPS	270,110	105,010	165,100
Public works	Electrical	94,790	95,540	(750)
Public works	Engineering	316,840	145,060	171,780
Public works	Street Lighting	677,500	701,620	(24,120)
Recreation and culture	Cable Communications	135,570	131,910	3,660
Recreation and culture	Community Promotion	59,960	64,060	(4,100)
Recreation and culture	Dream Cruise	104,890	140,850	(35,960)
Recreation and culture	Arts, Beats, & Eats	0	0	0
Transfers out	Transfers to Other Funds	0	725,000	(725,000)