FY 2013 OPERATING BUDGET OVERVIEW

City Council Work Session April 24, 2012

Department of Budget and Evaluation

Revisions to FY 2013 Recommended Budget

1. State Revenue

—Restoration of Library Funds - +\$3,200

2. Technical Adjustments

-Correct various line items - +\$26,000

3. VRS 5% Required Contribution – the Facts

Effective July 1, 2012

- Requires up to 5% Employee
 Contribution with equal offsetting salary adjustment from the City
 - May phase-in over 5 years (complete by 2016)
 - Must be at least 1% in FY 2013

VRS 5% Required Contribution – the Facts

 All new hires after July 1 must contribute at 5% level

City cannot pay on employee's behalf

– 532 employees city-wide (419 in General Fund)

VRS Contribution - Recommendation

Recommend 5% contribution with 5% salary offset on July 1, 2012

- City costs (General Fund only)
 - Additional VRS Cost \$85,000
 - Additional Employer Cost \$74,000
 - Make "Whole" cost \$122,000
- Equals \$281,000 more to FY 2013 General Fund

VRS Contribution — Other Issues

- Now have another, different retirement program
 - Equity and pay issues
- What about NNERF employees?
- State Hybrid plan in effect July 1, 2014
 - Defined Contribution, Defined Benefits
- Will review overall City impact on all employees (NNERF and VRS) as part of FY 2014 Budget

Revisions, Continued

- Changes Recap
 - +\$ 3,200 State Library Aid
 - + 26,000 Technical Adjustments
 - + 281,000 Mandated VRS Contribution
 - +\$310,200 Change to General Fund

Revisions, Continued

Unknown impacts at this time:

Vehicle Fuel prices

 District Court Fines – State taking revenue into their coffers