

BUDGET SUMMARY - EXPENDITURES

<u>Expenditures by Category</u>	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Salaries & Wages	49,595,672	50,664,726	52,278,174	55,063,698
Fringe Benefits	21,201,534	19,476,861	21,290,864	22,653,111
Operating Costs	33,861,638	35,819,661	40,513,945	42,159,164
Debt Service	13,504,998	12,336,685	12,830,574	12,750,379
Capital Outlay	<u>10,110,596</u>	<u>11,600,021</u>	<u>22,392,683</u>	<u>14,872,404</u>
NET BUDGET	<u>128,274,438</u>	<u>129,897,954</u>	<u>149,306,240</u>	<u>147,498,756</u>

BUDGET HIGHLIGHTS

- Overall, the City's FY 2014-15 proposed budget shows a 1.2% decrease compared to the FY 2013-14 budget. This decrease is primarily due to the fact that the FY 2013-14 Water Resources Fund budget included an \$8.3 million fund balance appropriation for high priority capital projects. Factoring out this large FY 2013-14 fund balance appropriation, the citywide budget-to-budget increase totals 4.6%.
- The FY 2014-15 proposed budget for personnel costs (salaries & wages and fringe benefits) includes funding for a 3% cost of living adjustment (COLA) for employees. Citywide, the budget impact of a 3% COLA is approximately \$1.9 million. Also, as part of the FY 2013-14 budget, a number of positions were frozen as a budget balancing strategy. Most of those positions are being added back in FY 2014-15, which is another factor impacting the personnel budget. Finally, in FY 2013-14, the City temporarily redirected resources from the workers' compensation program to the property and liability insurance program. For FY 2014-15, contributions to the workers' compensation program are restored to prior years' levels. The impact of this change totals approximately \$900,000 and is shown as a budget-to-budget increase in fringe benefit costs. The FY 2014-15 fringe benefit budget also includes a \$200,000 increase in the City's Other Post Employment Benefits (OPEB) contribution as part of the five-year step up plan to fully fund the City's annual required contribution.
- Citywide operating costs for FY 2014-15 are budgeted to increase by 4.1%. Much of this increase is in the Stormwater Fund where operating costs show a \$1.6 million increase. Additional revenue from the Stormwater rate adjustments will be programmed into professional services expenses such as watershed assessments, and contracted service including drainage structure installation and additional maintenance. Operating costs in the Transit Services Fund show a \$560,000 increase due to overall inflation and the plan to implement limited Sunday service beginning January 1, 2015. In the General Fund, operating costs show a decrease primarily due to the fact that funding for the City's annual resurfacing contract is removed from the Public Works Department's annual operating budget and moved to the City's General Capital Projects Fund.
- The City's FY 2014-15 debt service budget totals \$12.7 million, which is essentially flat compared to the current fiscal year.
- Capital outlay includes small capital purchases in departmental operating budgets as well as transfers to the City's various capital project funds. For FY 2014-15, the capital outlay budget totals \$14.9 million. This budget is down about \$7.5 million compared to FY 2013-14, but it should be noted that the FY 2013-14 budget was inflated by the one-time \$8.3 million fund balance appropriation in the Water Resources Fund for capital projects. Even with this decrease, the FY 2014-15 Water Resources Fund budget still includes \$10.1 million in pay-as-you-go funding for capital improvement projects. The General Fund capital outlay budget, which totals \$3.7 million, includes \$3.3 million in funding from the 3-cent property tax rate increase that was approved by City Council in June 2013. Details on the City's Capital Improvement Program (CIP) can be found in the CIP section of the budget document, which begins on page 67.