

"Sustaining Our Future"

Short-Term

Intermediate

Long-Term

Sustainable Future

Vibrant Community with Attractive Lifestyle

Implement Core Changes

Balance Service Delivery

- Rebalance allocation of resources
- Partner with labor to optimize services
- Budget within recurring revenues
- Recognize and reserve for long-term liabilities
- Identify and encourage collaborative opportunities
- Implement energy efficient solutions
- Responsible stewardship of City assets

- Challenge the way government traditionally delivers services
- Cross-boundary service delivery
- Efficiencies through collaboration
- Zoning and Planning improvements
- Coordinated economic development activities
- Investment in safe & reliable infrastructure
- Maintain affordable cost structure

- Diversified and stable economic base
- Vibrant community with attractive lifestyle
- Safe & reliable infrastructure
- Strong & financially stable City
- Ensure preservation and conservation of natural resources
- Delivery of high quality services in cost effective manner
- Healthy organization with innovative and highperforming staff

FY 2013 Budget Assumptions

- Local economy has stabilized but future uncertain
- Property tax collections up 0.8%
- No new major source of revenue (e.g. income tax or property tax)
- Fees selected increases in public services
- EVIP assume city receives all state incentive payments
- Active healthcare all employees will be on same plan
- Pension all employees now contributing 6% plan to fund full actuarial requirement now and into future
- Retiree healthcare continue funding at historical levels and implement new allocation methodology focusing on where the liability is generated from
- Street repair utilize federal funding for Stadium bridges enabling substantial increase in street resurfacing program

Budget Strategies

- Create Financial Projections Forecast recurring revenues and expenditures for future years.
- Compare Projections versus Plan Modify the second year of the two-year fiscal plan as required to reflect revised projections
- Establish Recommended Budget Based on council priorities, community concerns, and organizational needs
- Consider Long-term Financial Implications Made recommendations in the context of:
 - How decision affects city's ability to balance future recurring operations
 - Can long-term liabilities be reduced to avoid future costs
 - Consider implications of an economic slowdown on services and the organization
- Plan for Non-Recurring Initiatives
- Policy Updates Establish a funding policy for retirement benefits and modify fund balance policy to reflect present economic conditions

Financial Summary – General Fund

	2012	Estimate					
	Budget	2013	2014	2015	2016		
RECURRING							
Revenues	\$78,321,015	\$79,193,112	\$79,935,068	\$80,591,642	\$81,113,727		
Expenditures	78,321,015	77,820,749	79,417,073	81,057,343	82,862,968		
Net Recurring	\$ -	\$ 1,372,363	\$ 517,995	\$ (465,701)	\$ (1,749,241)		
NON-RECURRING							
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -		
Expenditures	1,118,088	1,049,001	439,803	359,462	380,461		
Net Non-Recurring	\$ (1,118,088)	\$ (1,049,001)	\$ (439,803)	\$ (359,462)	\$ (380,461)		
Net Surplus/(Use) of Fund Balance	\$ (1,118,088)	\$ 323,362	\$ 78,192	(825,163)	\$ (2,129,702)		

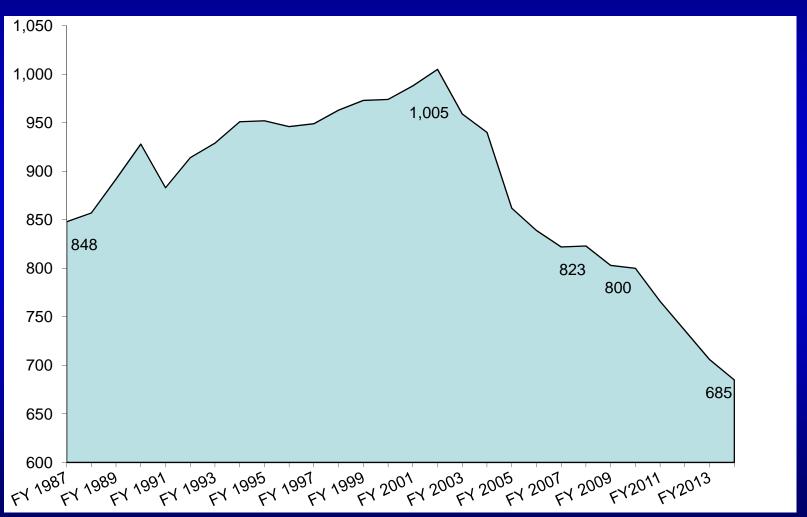
Memo:

(Risks)/Opportunities to the Projections

- Decide to continue Police Recruit Program	\$	\$ (175,000)
- EVIP (1/3) due to either reduced size or qualification	\$ (465,000)	\$ (465,000)
- Personal property tax elimination (less than \$40k)	\$ (220,000)	\$ (220,000)
- Pension investment returns (less than 7% needed return)	\$ (150,000)	\$
- Property Tax Changes (+/- 1%)	\$ _	\$ 380,000

History of FTEs

The City has reduced staffing 32% since 2001 with minor impact to services...



Recommended FY2013 Budget Highlights

- Police Patrol Restore proposed 9 lay-offs and add 1 FTE position plus up to 5 part-time positions (-\$1.2 mil.)
- Police Dispatch Contract for services with the County (+\$624k)
- Police Labor Contracts Reflect AAPOA/COAM settled contracts (+\$447k)
- Fire Revenues Increase primarily from inspections (\$+657k)
- Fire Staffing Maintain staffing levels by avoiding lay-offs (-\$584k)
- Fire Labor Contract Reflect IAFF settled contract (-\$229k)
- Parks Restore mowing to 14 days, increase seasonal maintenance staffing, and establish 3 seasonal park ranger positions
- Street lighting Reflect higher costs and DTE audit implications (-\$335k)
- Human Services Increase support over previous year (-\$10k)
- Rental Housing Inspections increased revenues from efficiencies (+\$50k)
- Water/Sanitary Sewer/Storm sewer revenue increases of 3.25% 4.25%

Closing Comments

- Council's financial discipline has resulted in the city's sound financial position
- A talented and dedicated workforce has enabled the city to navigate a challenging economy
- Budget responds to community concerns and Council priorities
- Budget addresses the city's retiree healthcare liability
- Due to uncertain future, now is the time for spending restraint and prudent financial policies
- May 7 Budget and Fee Public Hearing
- May 21 City Council Budget Consideration Prior to meeting, please work with staff to draft Council amendments and send budget questions directly to City Administrator

