
2008

City Budget

Work Session

Preliminary Overview

Budget Reminder

Overall, City finances are stable and sound.

However, there are several issues that will require extended discussion during the 2008 budget process.

As in the past, this work session will focus on the City's proposed General Fund and the 2008-2013 Capital Improvements Program.

Budget As Major Policy Tool

- ☑ Provide opportunities for public input
 - ☑ Adhere to a planned schedule
 - ☑ Meet short-term operational requirements and long-term capital needs of the City
 - ☑ Provide sufficient funding and direction in order for City Administration to adequately deliver City services
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City Taxable Valuation

2008 (estimated) **421,108,000** 14.6%

2007 **367,438,289** 14.3%

2006 **321,481,120** 8.9%

New Improvements to Real Estate

2008 (estimated)	12,633,000 51.7%
2007	8,326,252 6.6%
2006	7,811,755 (10.1%)

Tax Levy Rate

	Tax Levy Rate
2008	34.26 <i>(proposed)</i>
2007	33.09
2006	36.24
2005	40.83
2004	43.54
2003	44.39

Proposed Tax Levy Rate

Tax Levy
Rate

2008

34.26

- Slight increase in mill levy rate over 2007
 - Still the second lowest mill levy rate since 1987 (*2007 was the lowest*)
 - Adequately funds City services to accommodate 2006 and 2007 citywide growth
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Proposed Taxes to be Collected

2008 = (34.255 x 421,108,262)
or \$14,425,012

2007 = (33.088 x 367,438,286)
or \$12,157,634

\$ 2,267,378 increase

Proposed Taxes to be Collected

General	\$ 1,481,361	10.1%	
Fire Equip Reserve	150,000	1.0%	
Bond & Int.	1,587,277	11.0%	
City EBF	360,530	2.5%	
KP&F	89,094	0.6%	
Ind. Promo.	100,000	0.6%	
Library	1,372,830	9.5%	} 74.2%
Lib. EBF	299,308	2.1%	
RCPD	8,784,417	60.9%	
Health Dept.	200,195	1.4%	

Total: \$ 14,425,012

Example of Impact

My home.....

2007

Taxable Value = 20,470

USD 383 = \$ 851.02 County = \$ 658.36 City = \$ 677.31

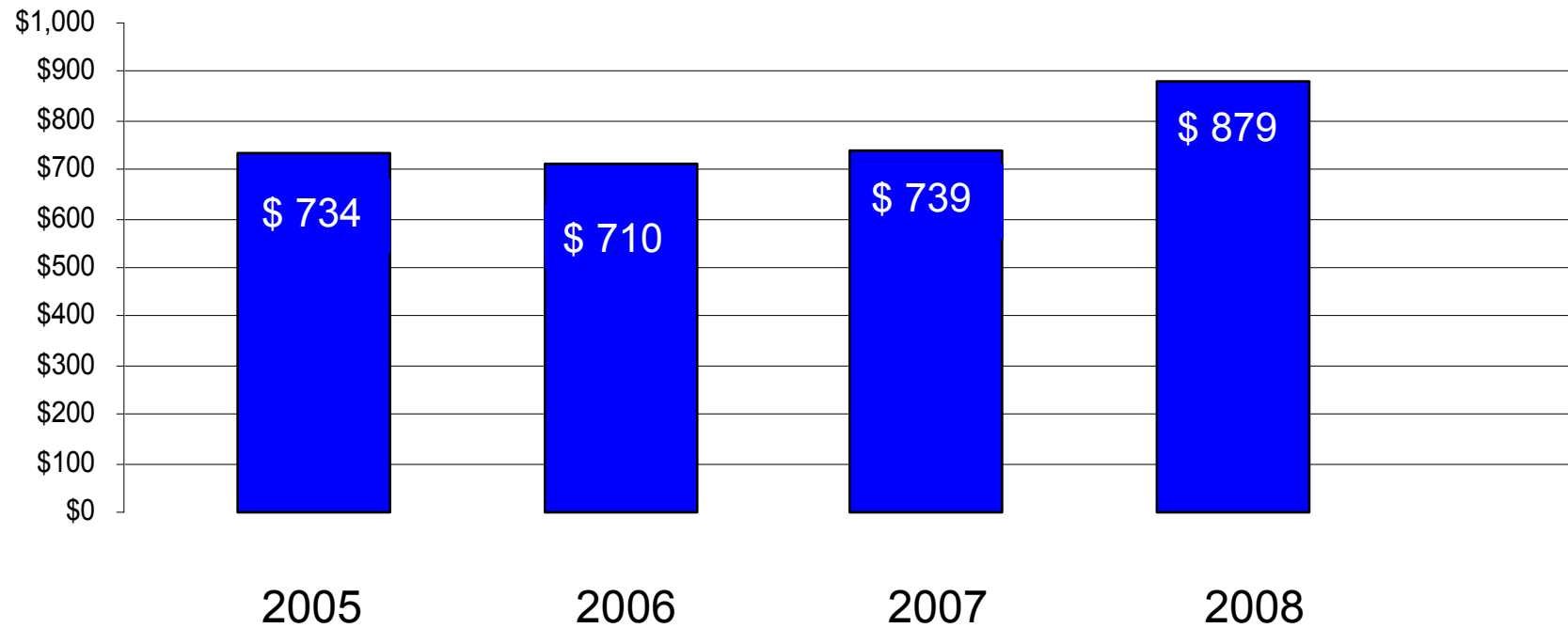
2008

Taxable Value = 20,470 *(if taxable value remained the same)*

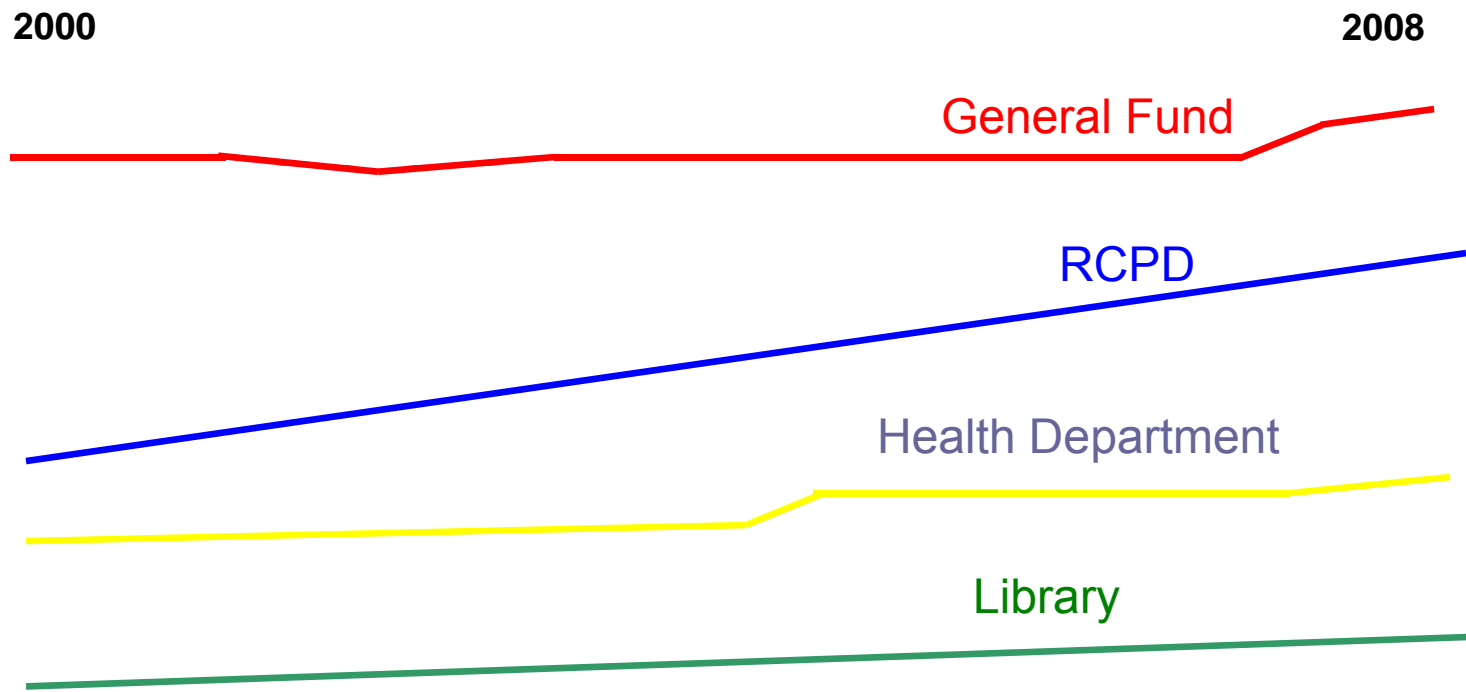
USD 383 = \$? County = \$? City = \$ 701.20

...or a 3.5% increase

Example of Impact



Overview of Operational Budgets



Revenue Review

Sales Taxes

2007 Forecast = \$8,475,000

2008 Proposed Budget = \$8,500,000

9.5% increase over the 2007 budget

General Fund Revenue Overview

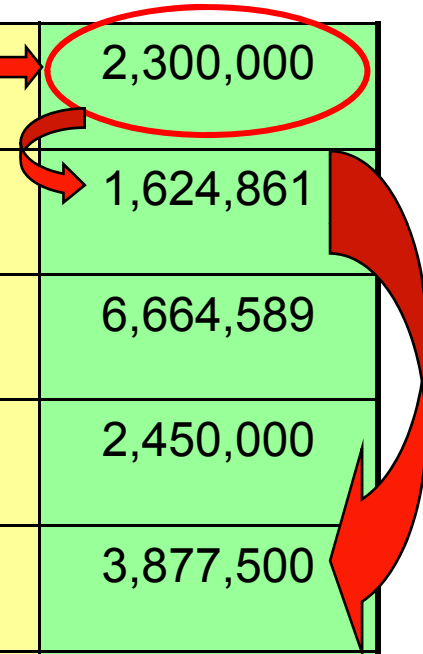
Revenues

	2006 <i>Budgeted</i>	2007 <i>Budgeted</i>	2008 <i>Proposed</i>
Beginning Fund Balance	2,500,000	2,700,000	2,300,000
Taxes & Assessments	1,092,670	1,140,714	1,624,861
Sales Taxes	5,975,000	6,286,250	6,664,589
Franchise Fees	1,711,000	2,175,000	2,450,000
Contributions & Transfers	3,521,000	2,692,400	3,877,500
All Other Revenues	4,395,068	4,412,758	4,785,050
Total Revenue Budget	19,194,738	19,407,122	21,702,000

General Fund Revenue Overview

Revenues

	2006 <i>Budgeted</i>	2007 <i>Budgeted</i>	2008 <i>Proposed</i>
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Expenditure Review

Budgeted Expenditures

All Budgeted Funds

	Total City Budget
2008	91.5 M <i>(proposed)</i>
2007	80.0 M
2006	73.0 M
2005	65.4 M
2004	60.6 M

Budgeted Expenditures

Proposed 2008 Budget Increase

(over current budget)

Economic Development Fund	\$ 1,500,000
Capital Improvement Reserve	\$ 2,100,000
Bond & Interest Fund	\$ 2,900,000
General Fund	\$ 2,300,000
Downtown TIF District	\$ 525,000
Total	\$ 9,325,000

Budgeted Expenditures

Proposed 2008 Budget Increase

...or 81% of total proposed budget increase
(\$ 9,325,000 of \$ 11,500,000)

Budgeted Expenditures

General Fund

	General Fund Budget
2008	21.7 M <i>(proposed)</i>
2007	19.4 M
2006	19.2 M
2005	16.7 M
2004	16.0 M

Budgeted Expenditures

Proposed General Fund Increase

(over current budget)

Budgeted Salary Adjustments	\$ 458,100
New Employee Positions	\$ 226,600
Contractual & Commodities	\$ 334,500
Health Insurance & Other Benefits	\$ 611,000
CIP, Debt Service, Reserves	\$ 664,800
Total	\$ 2,295,000

General Fund Budget Considerations

- The salary budget line item is planned to increase by 4.2% excluding new positions. (2007 = 4.0%)
 - New employees added to the workforce plus other salary adjustments are proposed at \$ 226,600.
 - The 2008 CIP funding level within the General Fund increases only slightly over 2007.
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Other Budget Considerations

- Probable water rate increase beginning in 2008
 - Possible budget amendment in the General Fund in order to increase the capital Improvement Reserve Fund
 - Addition of the Downtown Redevelopment Project to the 2008-2013 Capital Improvement Program
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Employee Adjustments

Issue One

Employee Adjustments

\$458,100 increase to personnel costs represents about 4.2 % in proposed salary adjustments.

Unlike other public agencies, City Management prefers that a dollar amount be allocated annually. From within that amount, any COLA or merit approved by the City Manager is distributed across the employee base.

New Employee Positions

Issue Two

New Employee Positions

Six Full-time and One Part-time New Positions in the General Fund

(all are growth related)

2008

- Customer Service Clerk (*Finance*)
 - Animal Control Officer (*Animal Shelter*)
 - Audit & Budget Analyst (*Finance*)
 - Engineering Technician (*Public Works*)
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New Employee Positions

(continued)

2008

- Discovery Center Director (*Parks & Recreation*)
Will likely be hired the latter half of 2007
- Maintenance Worker I (*Parks & Recreation*)
- Code Services Secretary (*Part-time, Code Services*)

Note: *Two positions requested by Departments were not granted by City Manager. One citizen request for a geologist position was also eliminated.*

Capital Improvements

Issue Three

Capital Improvements

Management reductions...

Nearly 1.9 million in proposed expenditures have already been cut or deferred by the City Manager from the 2008-2013 Capital Improvement Program.

Capital Improvements

None of the public projects related to the Downtown Redevelopment Project currently appear in the 2008-2013 Capital Improvement Program.

They are planned to be added in order to create a more thorough planning document.

Water Rate Increase

Issue Four

Water Rate Increase

In order for the water utility to remain viable and meet anticipated community-wide growth, a phased-in rate increase will be necessary beginning in 2008.

Capital Improvement Reserve Fund

Issue Five

Capital Improvement Reserve Fund

Fund 126 -- Capital Improvement
Reserve Fund (*\$ 1,200,000 current balance*)

2008 Budget reflects \$ 3,200,000 due to
a transfer from the 2007 General Fund

Scheduling Reminder

Budget Calendar

2nd Budget Work Session and Agency requests on **June 12th**

3rd Budget Work Session on **June 26th**
(outside agencies)

4th Budget Work Session on **July 10th**

Public hearing on the 2008 City Budget on **August 7th**

City staff would be happy to
respond to any questions
you might have.
