

# Budget Update: Fiscal Year 2011 and 2012

City of Oskaloosa Council Meeting

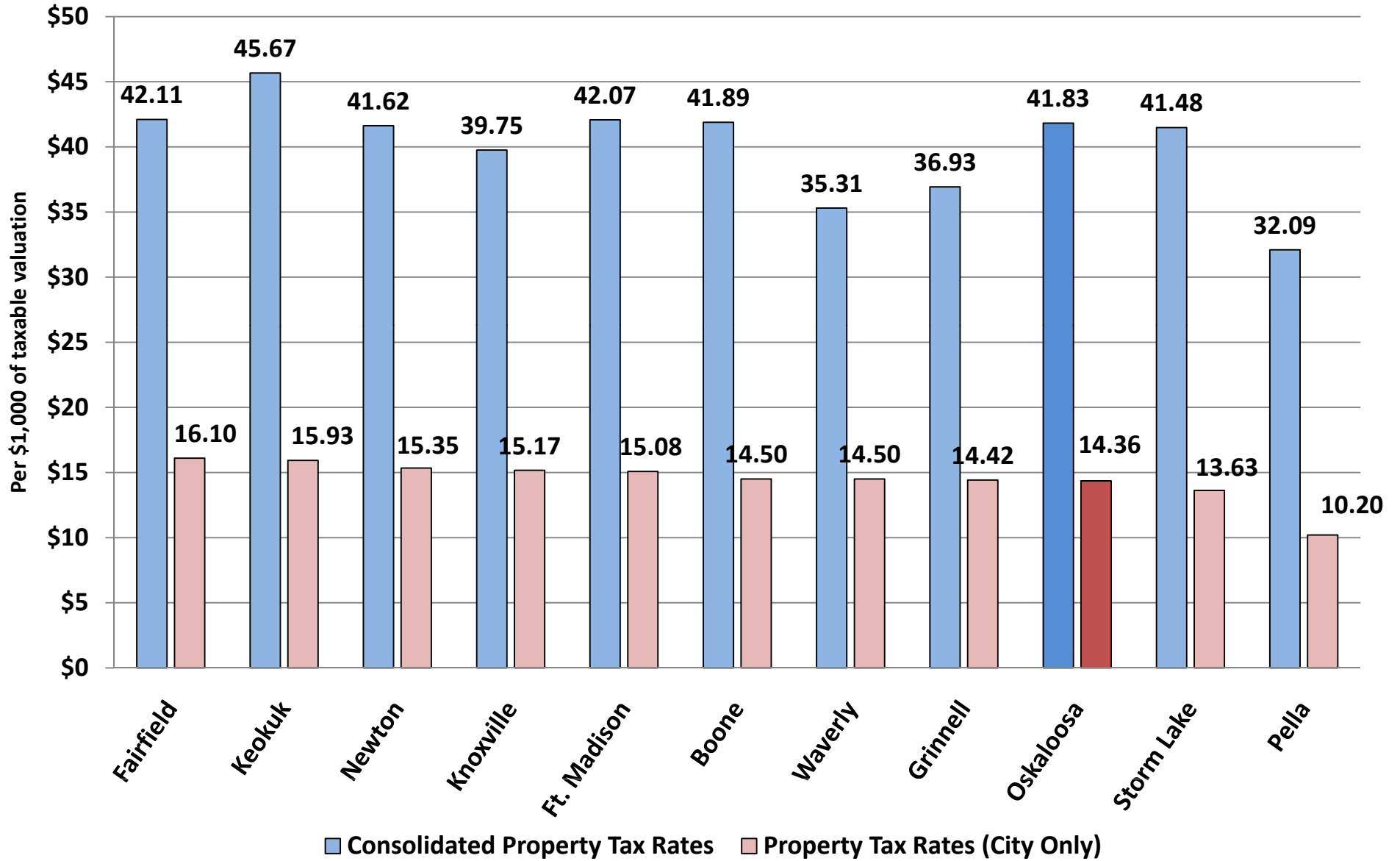
January 18, 2011

# Budget Calendar

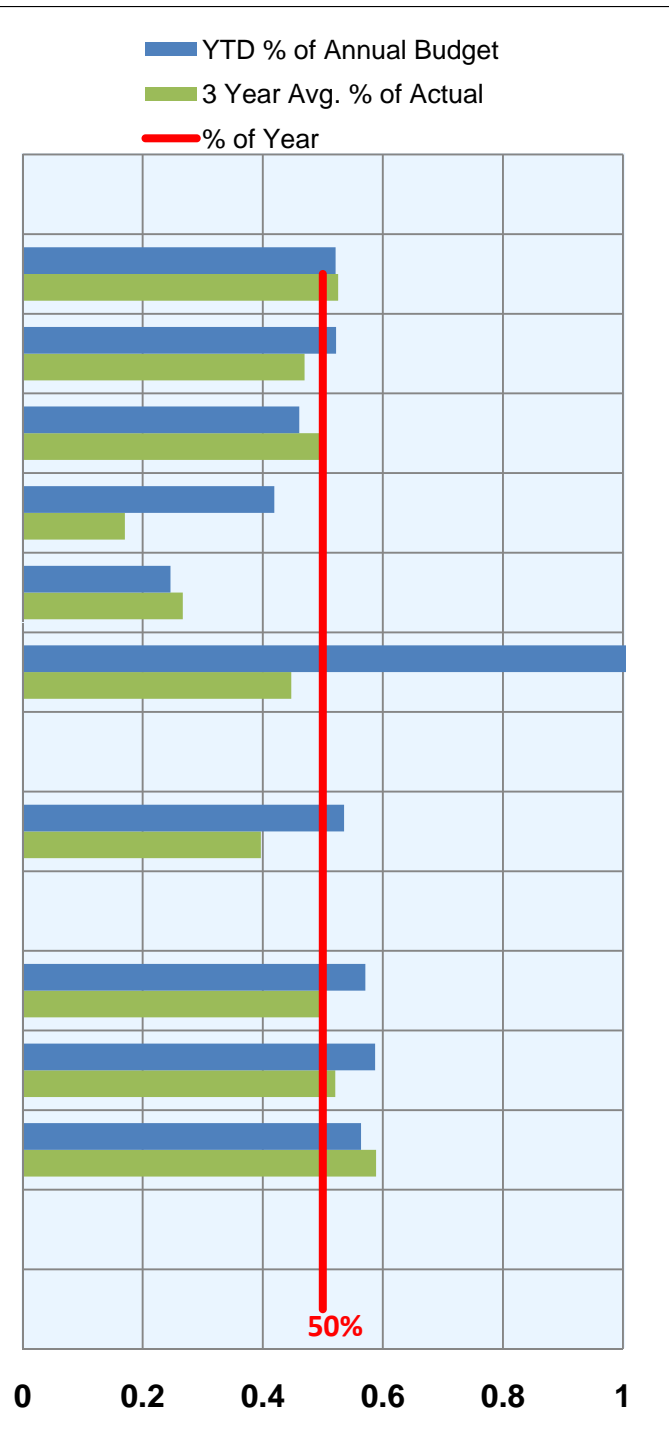
- Important Dates:
  - 01/03/2011 - Departments meet w/ City Manager
  - **01/24/2011 - Budget retreat**
  - **01/25/2011 - Budget retreat**
  - 02/07/2011 - Proposed budget to Council; public hearing set
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# Comparable Cities - City Rate High to Low

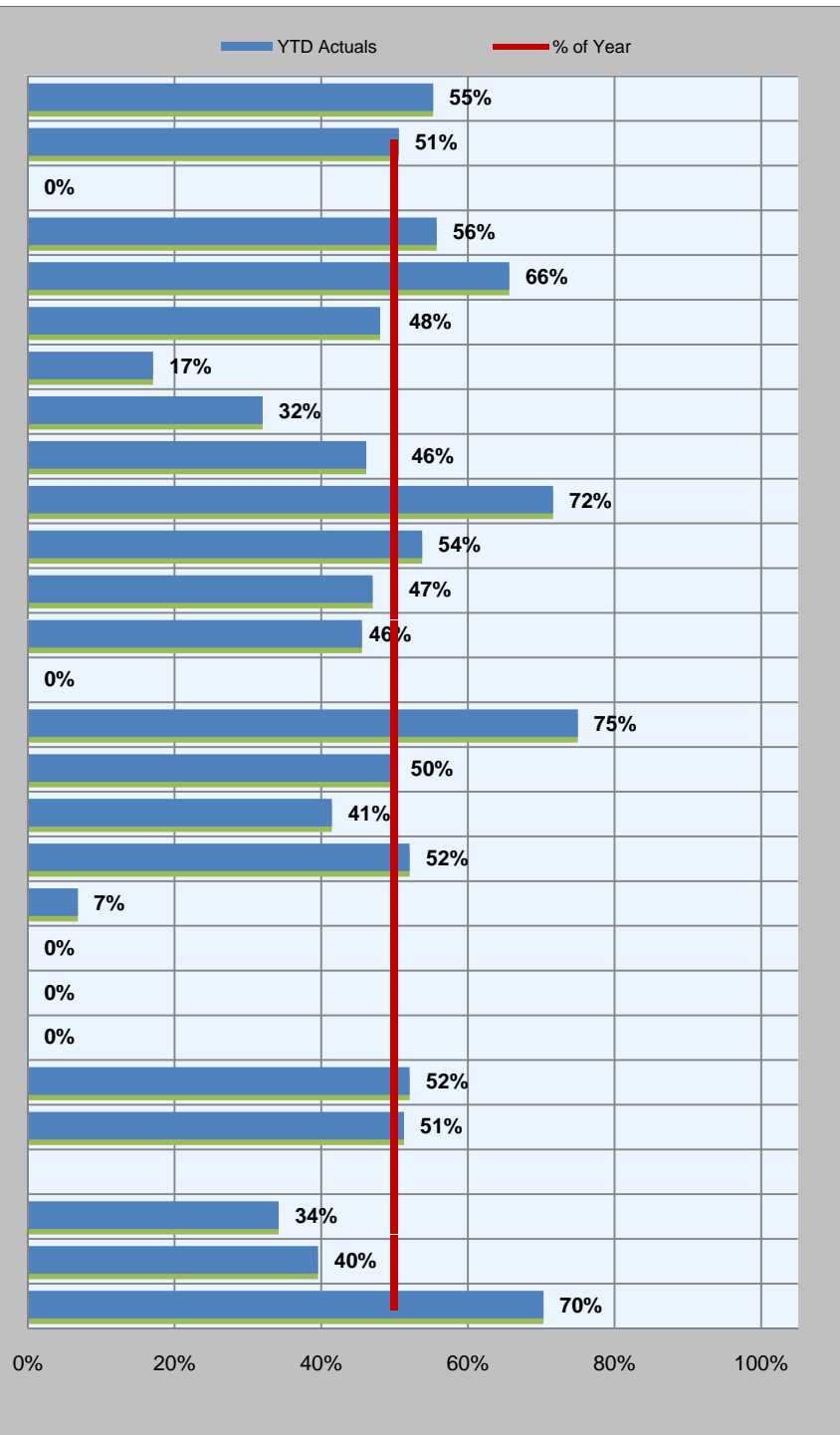
By Consolidated & Nonconsolidated Property Tax Rates



Notes	Department	FY2011 Actuals YTD	FY2011 Annual Budget	FY2011 % of Annual Budget	3 Year Avg. % of Actual
<b>GENERAL FUND ONGOING REVENUE</b>					
A	Taxes	1,264,989	2,426,875	52%	53%
B	Licenses & Permits	117,976	225,900	52%	47%
C	Use of Money & Property	4,632	10,050	46%	50%
D	Intergovernmental	78,166	186,420	42%	17%
E	Charges for Service	35,733	145,100	25%	27%
F	Miscellaneous Revenues	50,662	48,550	104%	45%
<b>SUBTOTAL ONGOING REVENUE</b>		<b>1,552,159</b>	<b>3,042,895</b>	<b>54%</b>	<b>40%</b>
G	Road Use Tax	531,055	930,419	57%	50%
H	Local Option Sales Tax	500,758	852,861	59%	52%
I	Hotel/Motel Tax	49,713	88,180	56%	59%



Notes	Department	Actuals Year to Date	Annual Budget
A.	City Hall and General Buildings	\$18,112	\$32,774
B.	Legal Services and City Attorney	\$27,425	\$54,200
C.	Elections	\$0	\$0
D.	Clerk, Treasurer and Financial Admin	\$128,971	\$231,383
E.	City Council and Mayor	\$33,793	\$51,476
F.	City Manager	\$79,833	\$166,162
G.	Planning and Zoning	\$137	\$800
H.	Housing and Urban Renewal	\$26,183	\$81,809
I.	Economic Development	\$15,000	\$32,500
J.	Pool	\$74,976	\$104,681
K.	Parks	\$75,529	\$140,469
L.	Library Services	\$253,498	\$539,025
M.	Street Lighting	\$64,688	\$142,000
N.	Roads, Bridges, Sidewalks	\$0	\$20,000
O.	911 Dispatch	\$88,016	\$117,355
P.	Animal Control	\$17,500	\$35,000
Q.	Building Inspections	\$29,918	\$72,178
R.	Fire Department	\$318,315	\$611,381
S.	Emergency Management	\$1,278	\$18,713
T.	Snow Assessments	\$0	\$10,050
U.	Tree Assessments	\$0	\$1,050
V.	Weed/Grass Assessments	\$0	\$2,550
W.	Police Operations	\$779,554	\$1,497,256
	<b>General Fund Total</b>	<b>\$2,032,724</b>	<b>\$3,962,812</b>
X.	Storm Water	\$51,597	\$150,821
Y.	Sanitary Sewer	\$417,072	\$1,054,121
Z.	Edmundson Golf	\$165,990	\$236,035



# Economic Assumptions

## FY2012 Recommended Budget

- National
  - Growth Projections Sluggish
  - GDP Growth Projected at 2.7%
  - High Unemployment at 9%+
- State
  - Deficit Concerns...again.
  - Unknown resolution
  - Property Tax Reform?
- Local
  - Concerns of State cuts
  - Inadequate Road Use funding
  - Little growth
  - Amenities struggle to generate revenue (i.e. City Pool and Golf)

# Fiscal Year 2012: General Fund Revenues

- General Fund:
  - Pays for city operations (i.e. police, fire, pool, administration and library services)
- Property Tax
  - Approximately 75 - 80% of the city's General Fund revenue
  - Increase in rate expected
- License & Permits
- Use of Money & Property
- Intergovernmental
- Charges for Service
- Miscellaneous

# Fiscal Year 2012: General Fund Revenues

- Revenue Assumptions
  - Conservative
  - Projecting overall increase but...
    - Pool attendance?
    - Permits?
    - Interest income?
  - Assessed value increase \$11,626,973 over last year
    - Residential (4.8% growth)
    - Commercial (7.8% growth)
    - Industrial (0.7% growth)
    - Agriculture (-6.3% growth)

# Fiscal Year 2012: General Fund Revenues

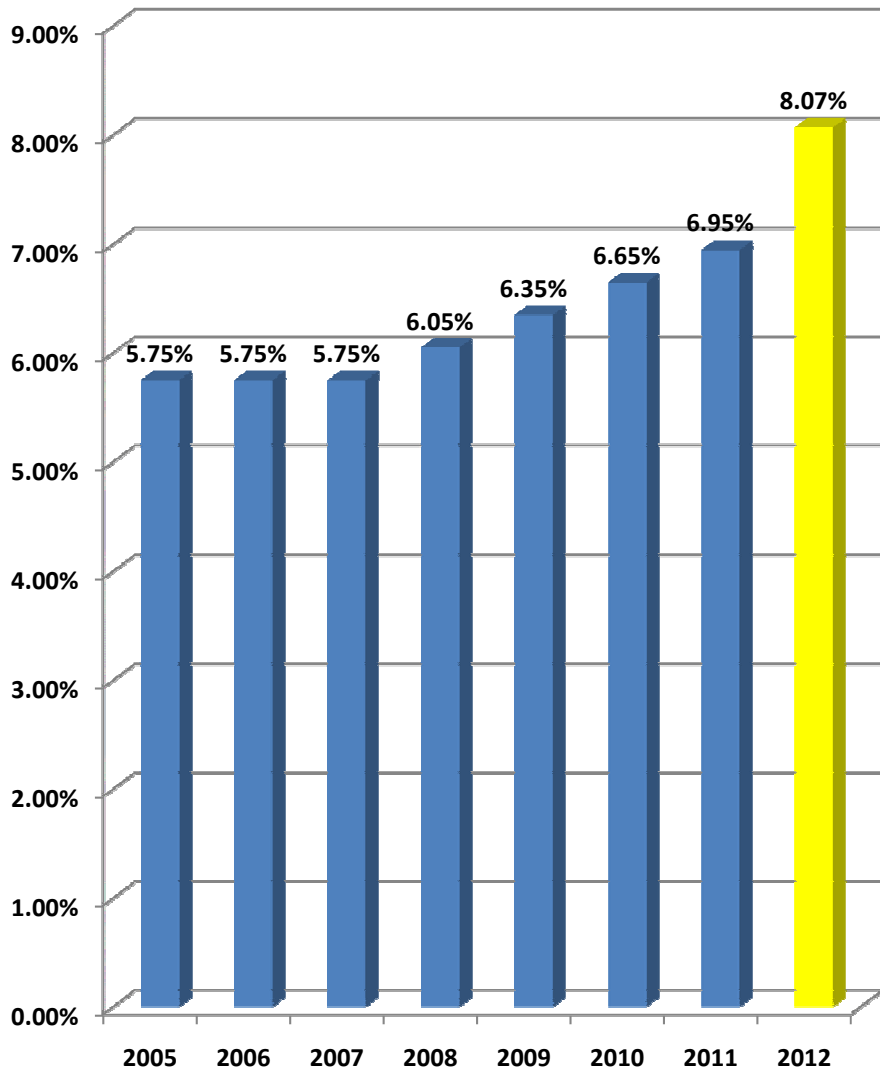
- Local Option Sales Tax (LOST)
  - Not a new revenue but...
  - Staff recommends use for pavement management program
  - Estimates of \$500,000 in FY2011 and FY2012
- Franchise Fees (0.2% currently)
  - Still needs to be addressed
  - Could bridge revenue gap for road repairs

# Fiscal Year 2012: General Fund Expenditures

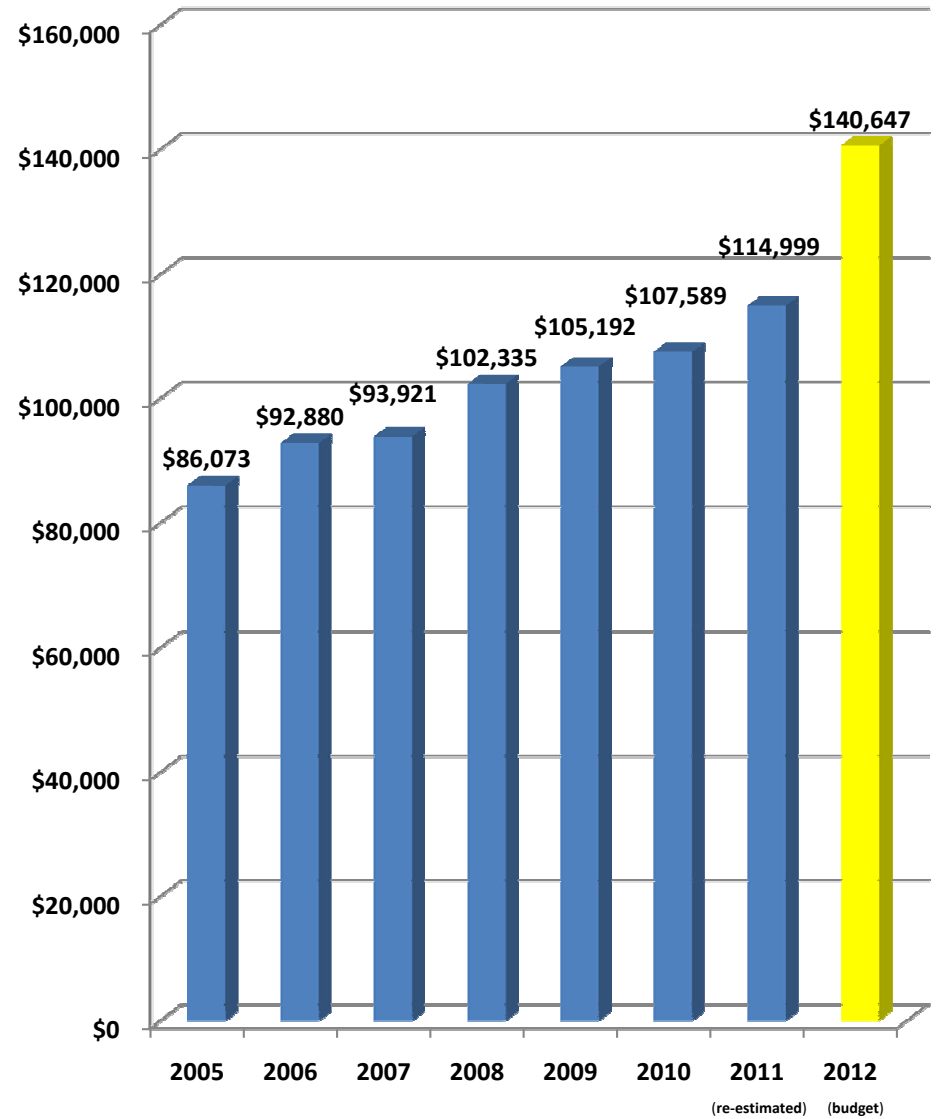
- Increased expenditures compared to FY2011
- Primarily personnel costs
  - Insurance
  - Retirement
  - 1% increase for Fire and non union
- Two union contracts still unresolved
- Minimal equipment replacement
- Fund still balance projected

## IPERS Contribution Rate

All Employees Except (Fire, Police and City Manager)



## IPERS Contribution in Dollars

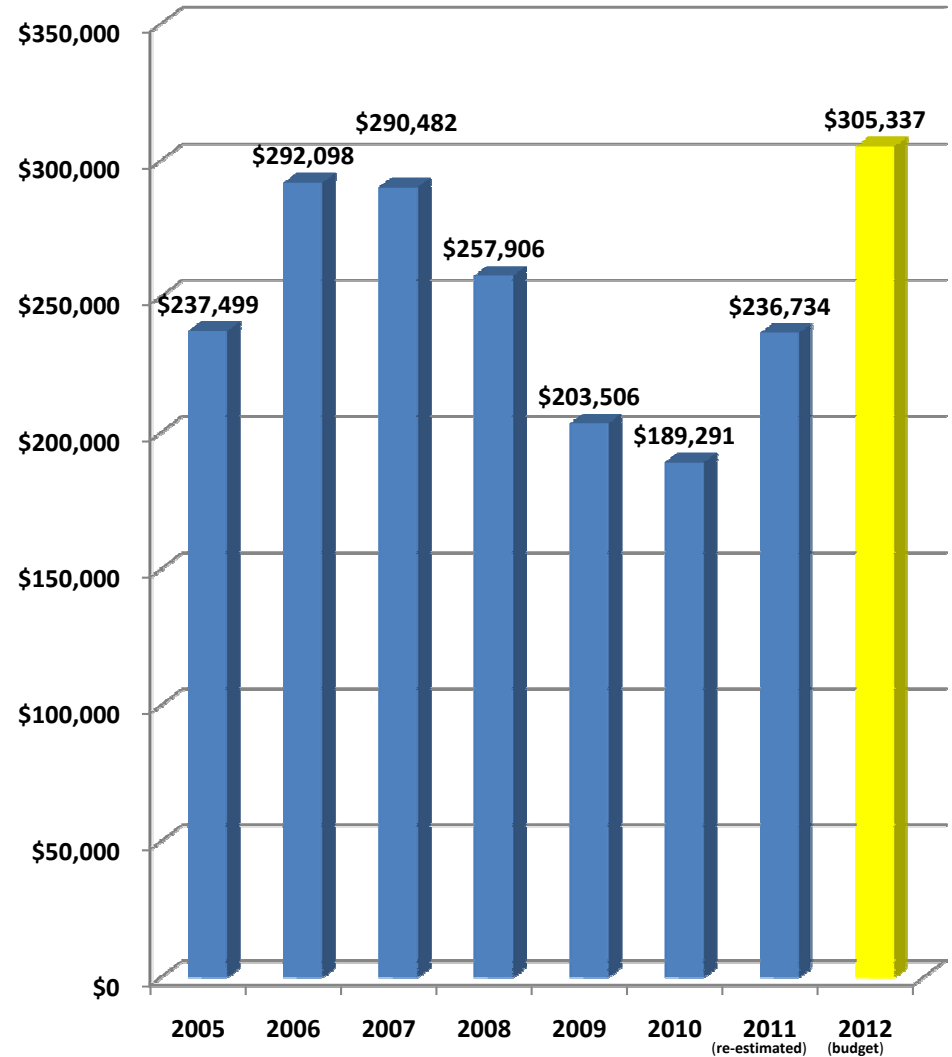
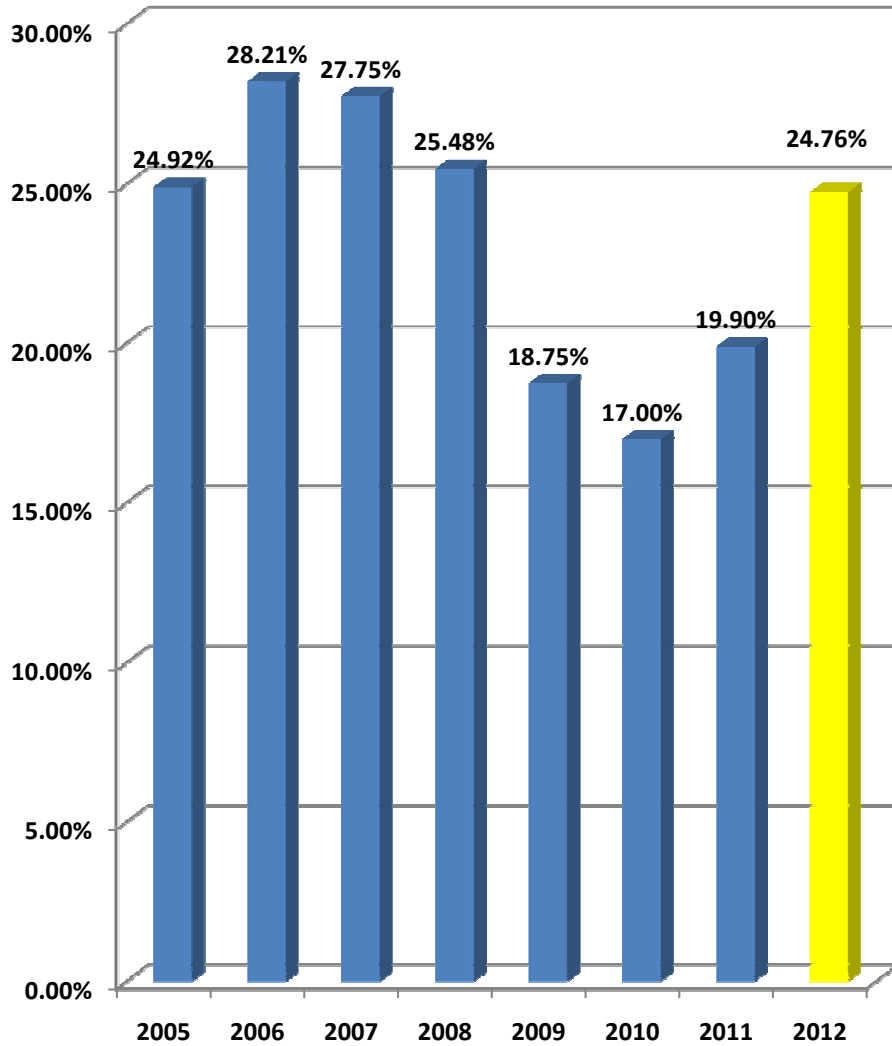




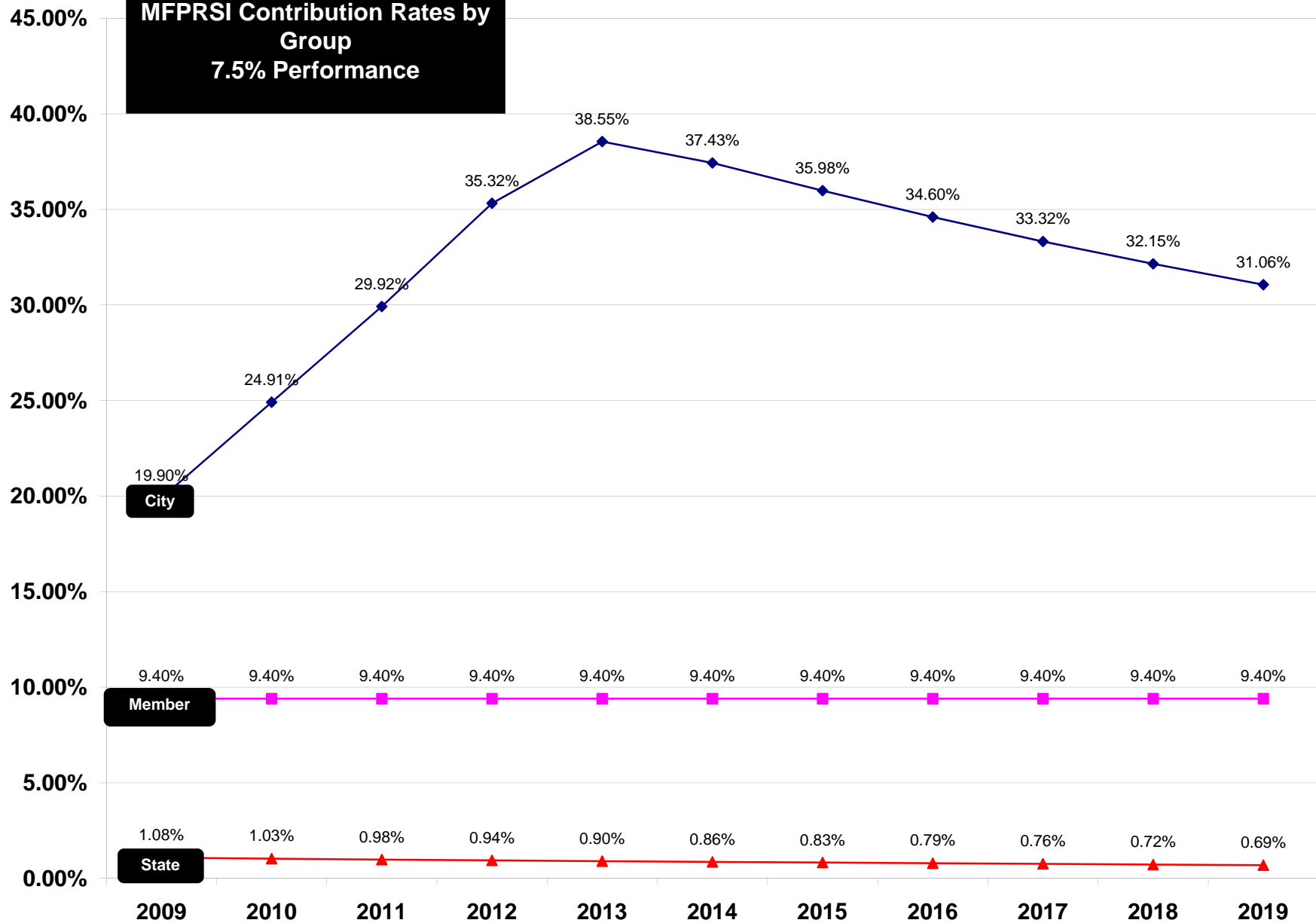
## MFPRSI Contribution Rate

Municipal Fire and Police Retirement System  
(by state code, employer's contribution rate cannot be less than 17%)

## MFPRSI Contributions in Dollars



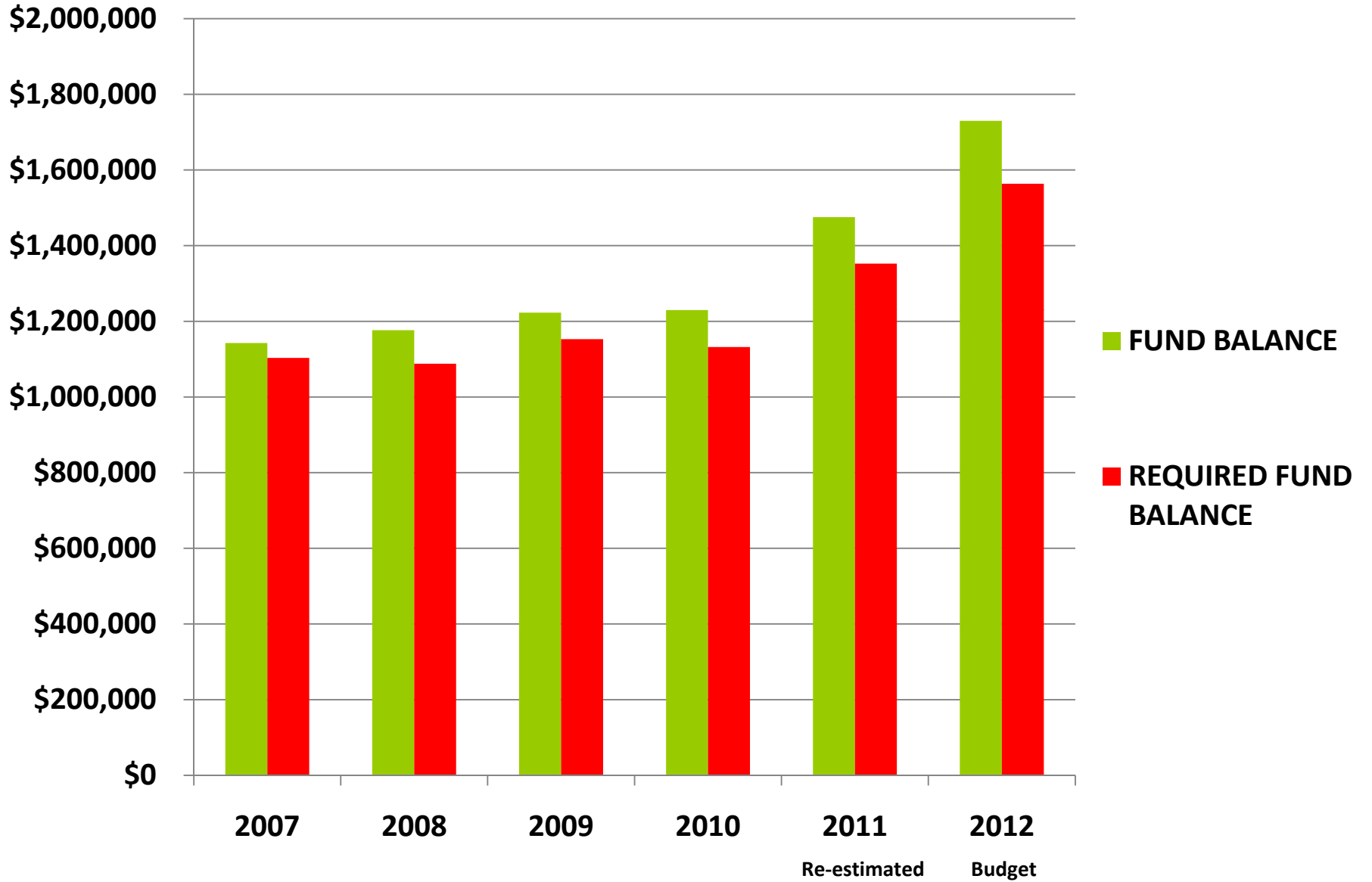
**MFPRSI Contribution Rates by Group**  
**7.5% Performance**



# Fiscal Year 2012: General Fund Expenditures

- Increased expenditures compared to FY2011
- Primarily personnel costs
  - Insurance
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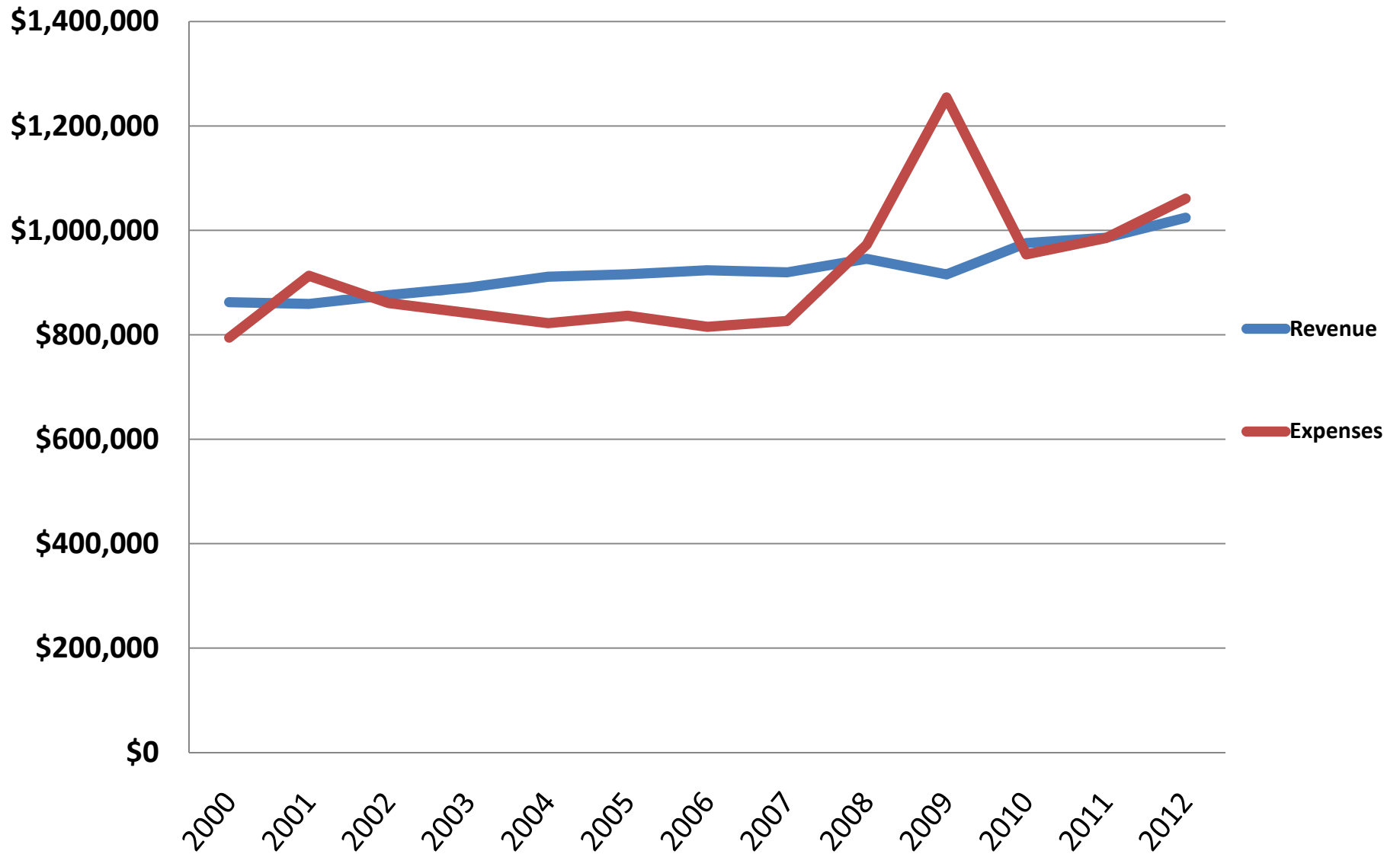
# REQUIRED FUND BALANCE: GENERAL FUND



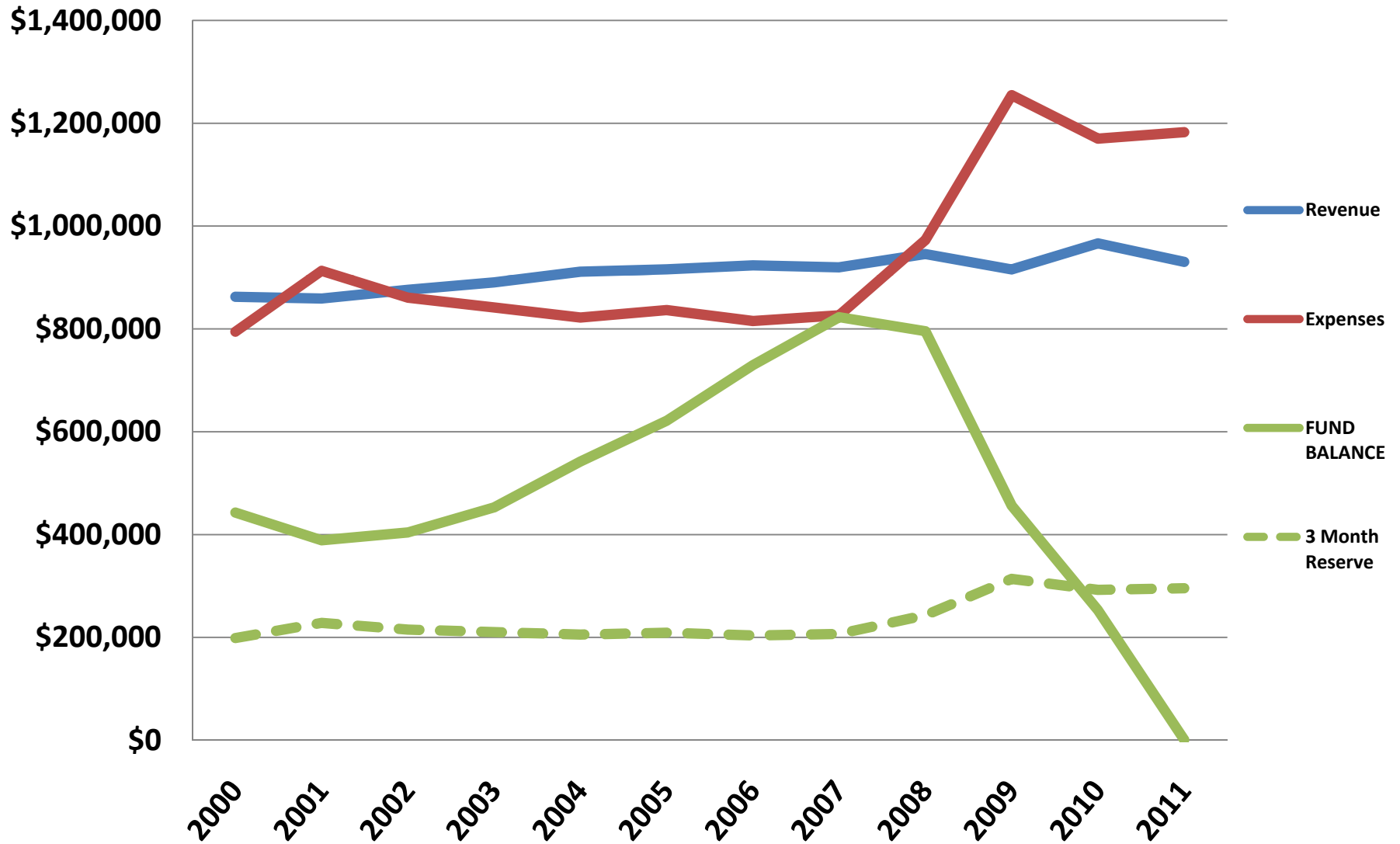
# Fiscal Year 2012: Road Use Fund Revenues

- Pays for all road related items
  - Streets maintenance/snow removal
  - Salaries
  - Equipment
  - Traffic signals
  - Lighting (split with General Fund)
- Conservative projection
  - Decrease from FY2010 by \$30,000
  - Fund will have three month reserve
  - Fund has structural deficit to correct

# ROAD USE FUND - REVENUES/EXPENDITURES

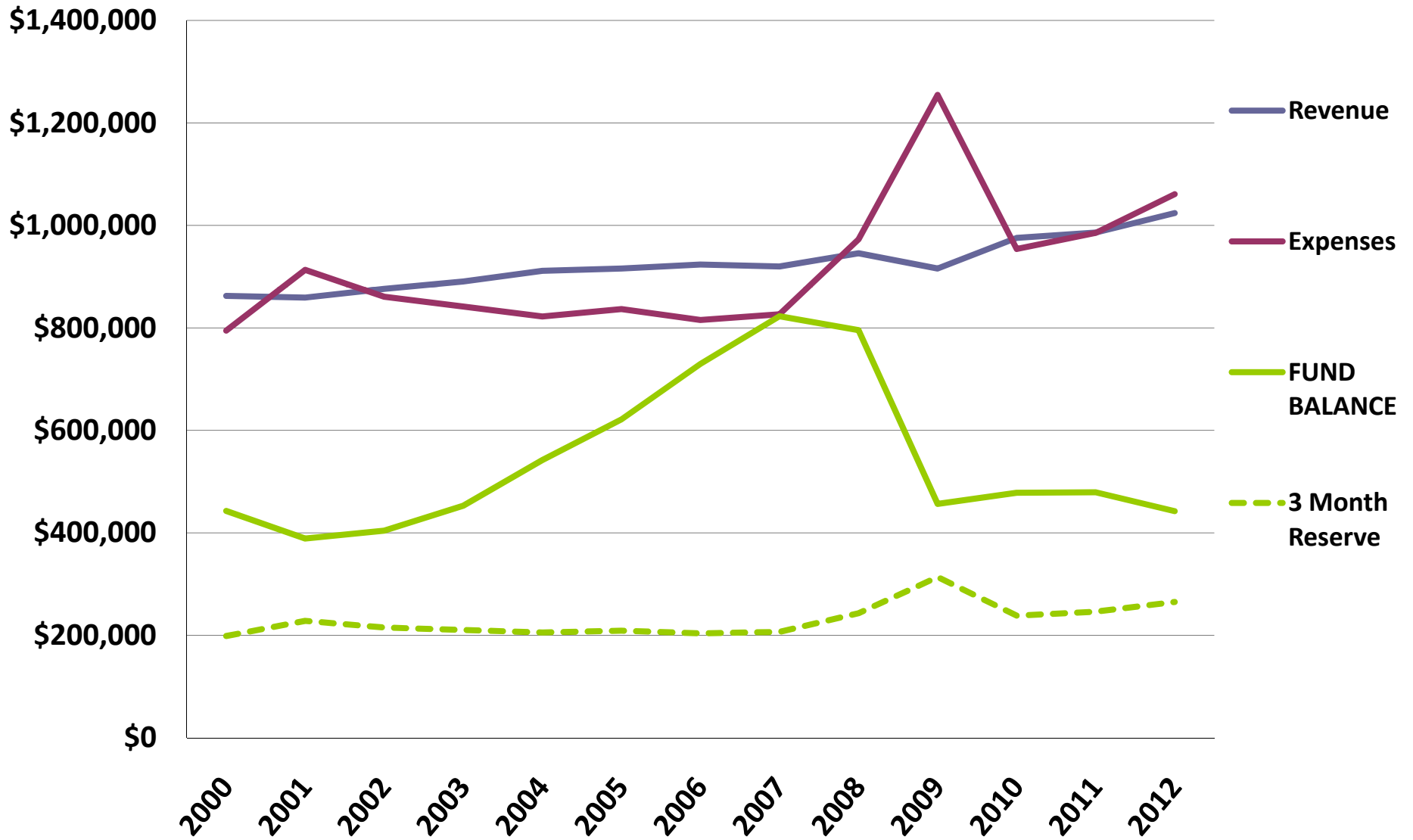


# ROAD USE FUND - THREE MONTH RESERVE: ONE YEAR AGO



# ROAD USE FUND - THREE MONTH RESERVE

## Proposed Budget FY2012 (TODAY)



# Fiscal Year 2012: Enterprise Fund Revenues

- Paid by rate payers who use the service
  - Run like a business - zero profit
  - Revenue only to be used for the service
- Sewer
  - Rates increase 6.5%
  - Pay as you go for capital projects
- Storm Water
  - Rates remain constant but need evaluation
  - Adequate reserves
  - Staff developing long term capital plan
  - Fund can pay for street sweeping costs

# Fiscal Year 2012: Enterprise Fund Revenues

- Edmundson Golf
  - Rates increased
  - Structural/operational deficit in FY2011 and beyond
    - Lack of rounds
    - Lack of annual memberships
    - Expenses constant
    - Equipment purchases
- Council direction to City Manager
  - Long term viability?

# Policy Questions for Council

- Balanced budget
  - No structural deficits
- Three month reserves
  - All funds
  - GFOA best practice
  - Road Use Fund and Edmundson Golf will need to be addressed

# Policy Questions for Council

- Annually fund replacement program?
  - Currently exists as part of reserves
  - Replace worn/dated equipment
  - Scheduled/planned replacement
    - Computers/Servers
    - Police Vehicles

# Policy Questions for Council

- Maintain existing service levels?
  - General Fund subsidies allowed?
- Organizational Restructuring?
  - Based on funding needs and limited resources
  - Based on efficient service provision

# Policy Questions for Council

- 5 Year capital improvement plan (CIP)
  - Fully funded first year
  - Projects for review
  - Council input
- Enhance road maintenance efforts
  - Long range plan/program
  - Sealcoat projects
  - Crack seal/fog seal
  - Pothole repairs
  - Snow removal

# Policy Questions to Council

- Funding Requests By 28E Agreement:
  - Stephen Memorial Animal Shelter
    - \$35,000 approved FY2010
    - \$35,000 approved FY2011
    - \$55,000 requested FY2012 (includes a one time cost of \$15,000)
  - Emergency Management
    - \$10,938 approved FY2010
    - \$10,938 approved FY2011
    - \$16,407 requested FY2012

# Policy Questions to Council

- Funding Requests By 28E Agreement:
  - E911 Operations
    - \$106,523 approved FY2010
    - \$117,355 approved FY2011
    - \$117,984 recommended FY2012
  - Law Enforcement Center (LEC)
    - \$20,000 approved FY2010
    - \$26,000 amended request FY2011
    - \$25,000 requested FY2012

# Policy Questions to Council

- Outside Agency Funding Requests:
  - Area Agency on Aging
    - \$5,000 approved FY2010
    - \$0,000 approved FY2011
    - Unspecified amount requested FY2012
  - Chamber of Commerce
    - \$30,000 approved FY2010
    - \$30,000 approved FY2011
    - \$30,000 requested FY2012

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Questions?