



2003 Proposed City Budget

Mayor John T. Powers, Jr.

November 4, 2002



2003 Proposed Budget

◆ **Total Proposed Budget :** **\$427 M**

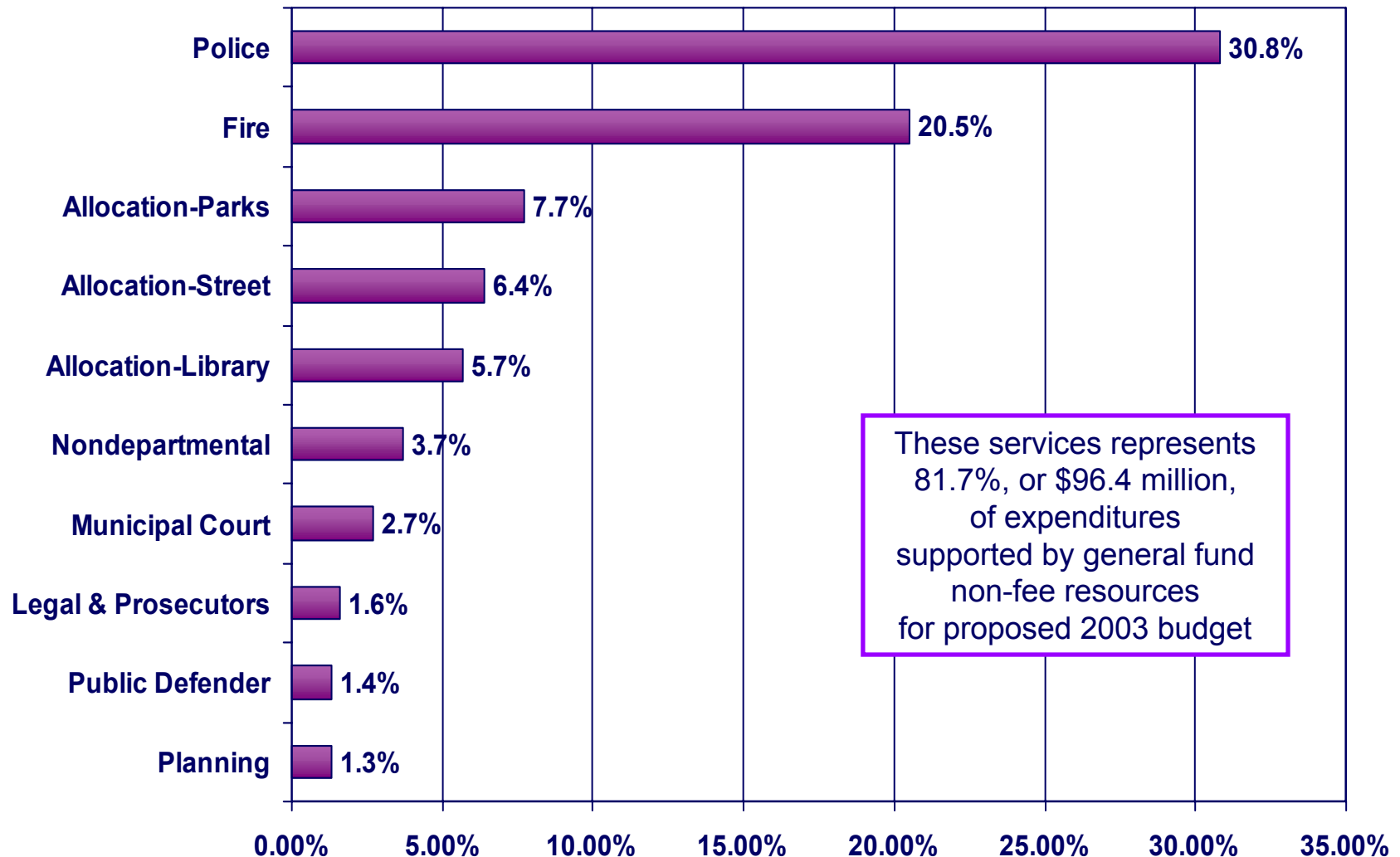
◆ **General Fund:** **\$118.0 M**

- General Fund Budget is down from nearly \$119 M in 2002 budget.

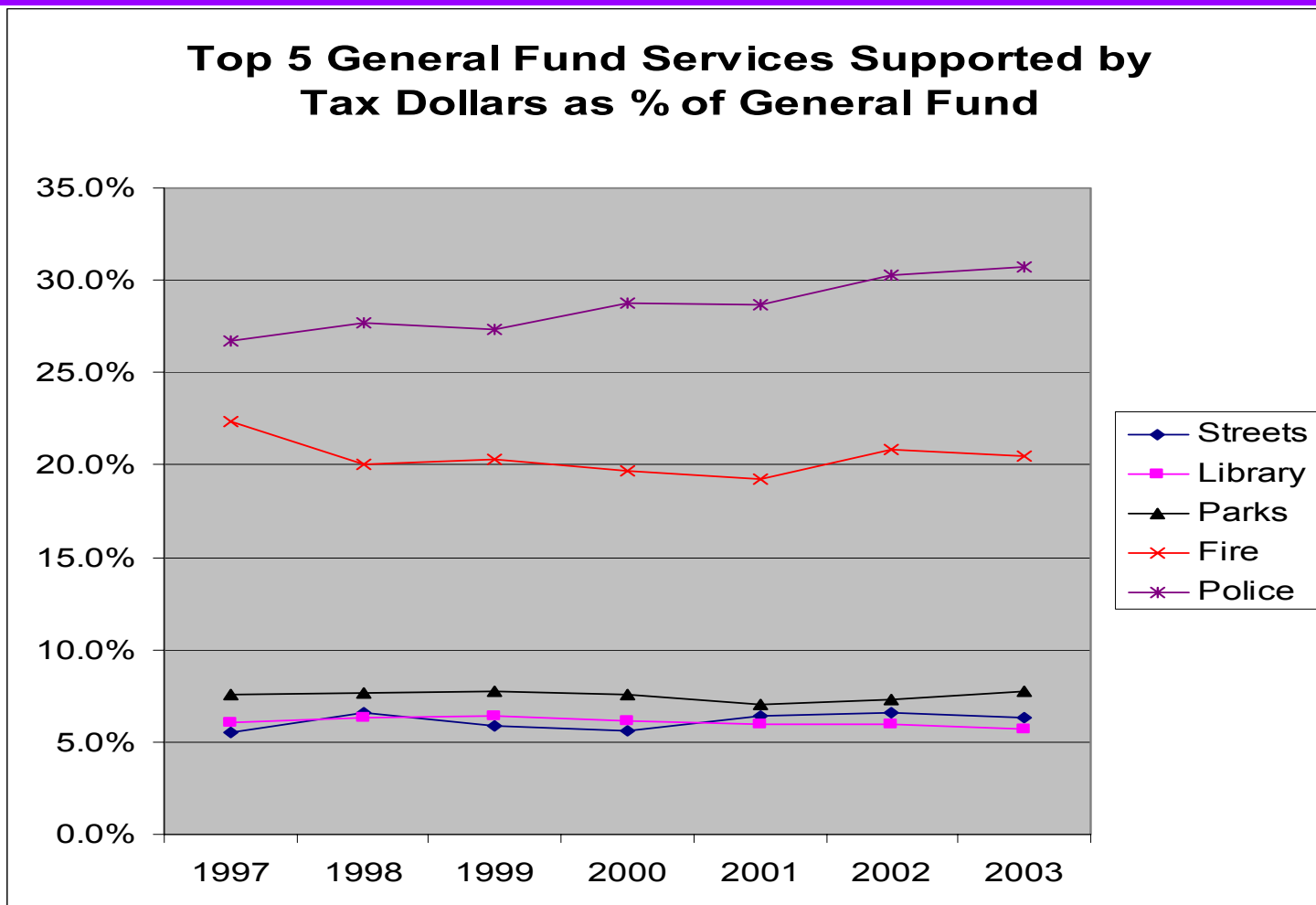
◆ **Enterprise Funds:** **\$183.1 M**

- Enterprise Budget is up from \$159 M in 2002 budget. Increase is for strategic, planned capital projects.

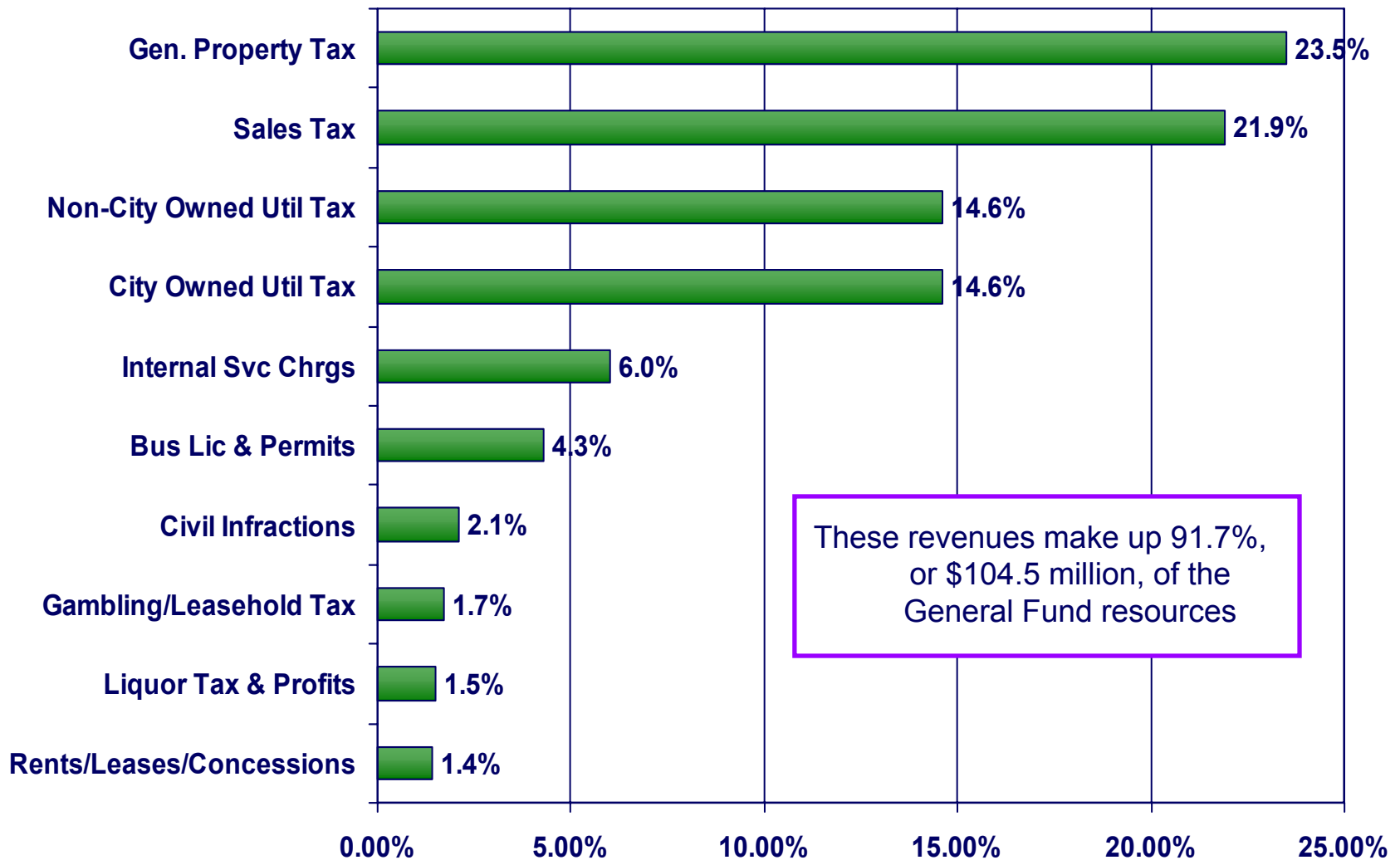
Top 10 Expenditures in GF



Top 5 Expenditures by %



Top 10 General Fund Revenues



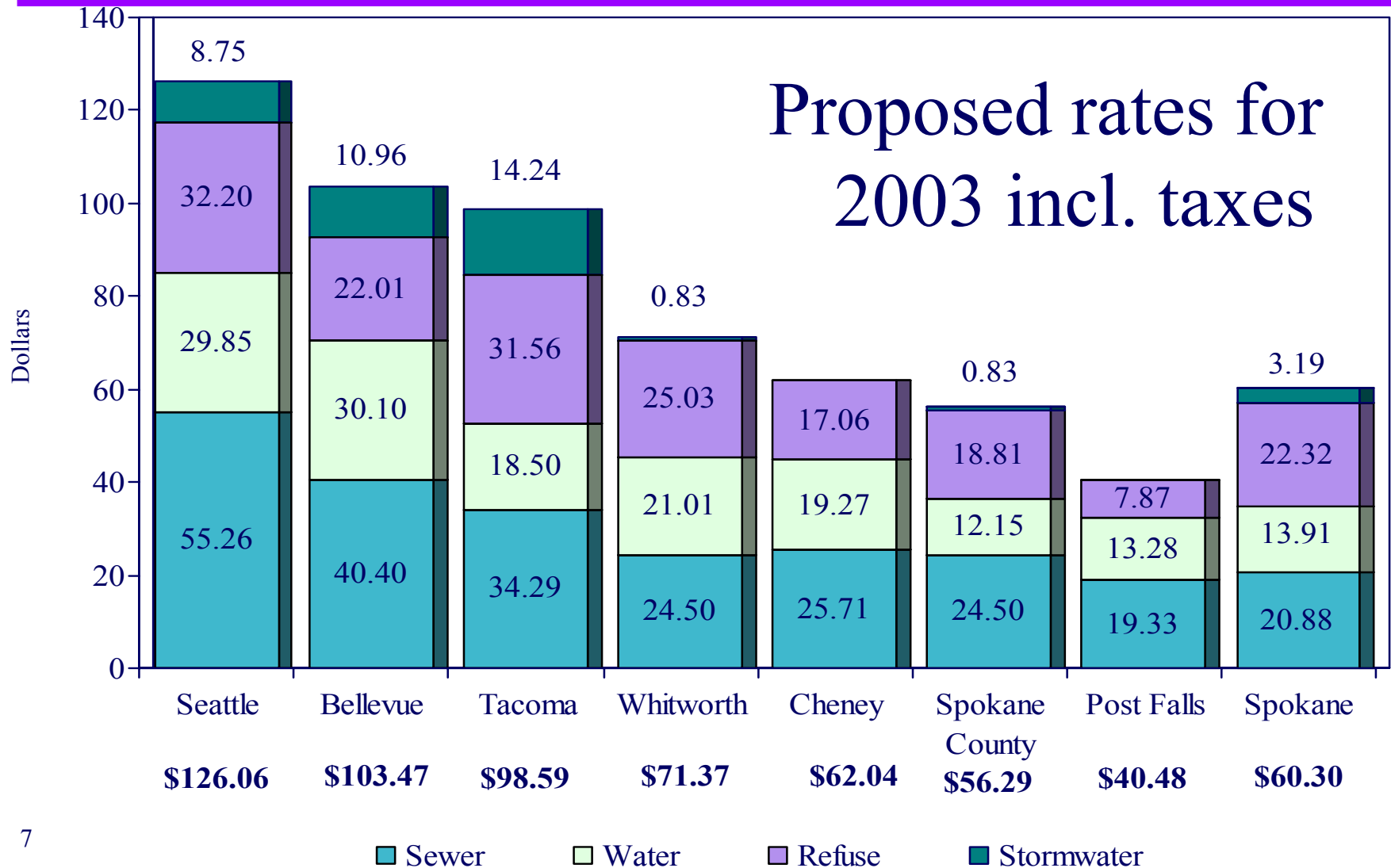


Proposed Utility Rate Increases

Utility	Proposed 2003 increase	Proposed increase (\$)*	2002 Increase
Wastewater	3.0%	\$0.58	3.25%
Water	3.5%	\$0.65	3.5%
Solid Waste	2.0%	\$0.44	4.0%

*Dollar increases are monthly based on average residential usage for water and wastewater and on two-can residential service in solid waste.

Utility Rate Comparisons





Sales & Property Taxes

◆ Sales tax projection for 2003 budget same as in 2002 budget.

- Currently, sales tax is down 1.65 percent, or \$386,868, through Oct. 2002, compared to the same period in 2001.

◆ Propose no increase in Property Tax Levy for 2003 budget.



Total Cost of Compensation

- ◆ The “total cost of compensation” includes the cost of wages and all benefits:
 - Health, dental, life & long-term disability insurance.
 - Social security.
 - Pension.
 - Deferred compensation.



Total Cost of Compensation

- ◆ Total cost of wages for 2003 is projected to be **\$102.3 million.**
- ◆ Total cost of compensation, however, is **\$133 million.**
- ◆ For each percentage point increase in the total cost of compensation for all employees, the cost to the City would be **\$1.3 million.**



Total Cost of Benefits

Proposed 2003 Budget

FICA	\$5,719,794
Retirement	\$4,128,544
Police Retirement	\$1,374,466
Deferred Comp match	\$2,663,320
VEBA	\$195,000
Medical	\$13,235,888
Police Pension Medical	\$225,000
Dental	\$2,287,431
Life Insurance	\$217,446
Disability	\$166,085
Industrial Insurance	\$156,183
TOTAL BENEFITS	\$30,369,157



Examples

Title	Base Salary	Employer Paid Taxes	Medical/Dental	Retirement	Deferred Comp.	Total Cost of Comp.
Dept. Director	\$76,358	\$5,841	\$9,823	\$5,131	\$600	\$97,753
Police Officer	\$52,032	\$754	\$9,889	\$1,488	\$2,081	\$66,244
Laborer I	\$30,108	\$2,303	\$9,499	\$2,139	\$1,020	\$45,069
Clerk I	\$25,557	\$1,995	\$9,499	\$1,717	\$1,020	\$39,788



Contingent Reserve

2002 Appropriation \$2.1 M

2003 Requested Appropriation \$3.2 M

2003 Balance \$5.3 M

NOTE: Bond rating agencies say that municipalities should have reserves equal to between 6 and 12 percent of their general fund. This request is intended to get us to \$8 million, or around 7 percent, in our reserve within three years.



Reorganization Efforts

- ◆ **Finance:** Reorganize the financial operations of the City under a new CFO.
- ◆ **Streets:** Assign Traffic Engineer duties to Eng. Services & Streets.
- ◆ **Administrative & Employee Services:** Move Fleet Services to Public Works; integrate functions related to employee relations into Director of Admin. & Employee Services.



Economic Development

- ◆ **We propose establishing an Office of Economic Development.**
- ◆ **The Utilities would pay for the Office's \$227,000 budget.**
- ◆ **The General Fund contribution would total \$202,000 for contracts with local economic development organizations.**



Recap: Gen. Fund Increases

Insurance Costs:	\$1,731,000
Risk—Liability & Property: \$442,000	
Employee Medical Insurance: \$966,000	
(FYI—Total City impact: \$2.1 M)	
Unemployment: \$53,000	
Worker’s Compensation: \$270,000	
Human Services	\$ 100,000
Streets—Lighting	\$ 500,000



Recap: Gen. Fund Increases

Parks (Charter required)	\$469,000
Legal Services: RPS Trial Prep: \$500,000 Special Counsel: \$100,000	\$600,000
Economic Development Investments SNEDA--\$18,000 INTEC--\$16,000 AHANA--\$16,000	\$ 50,000



Ending Fund Balance

	<u>Proposed</u>	<u>Adopted</u>
2000 Budget	\$2,256,035	\$2,381,853
2001 Budget	\$1,429,739	\$2,479,850
2002 Budget	\$ 142,173	\$1,912,960
2003 Budget	\$2,490,734	\$ TBD