TO: Honorable Mayor Eric Spear and City Council Members
FROM: John P. Bohenko, City Manager
DATE: June 4, 2012
Re: Adopted Annual Budget for Fiscal Year 2013

CC: All Department Heads and Reference Books

The City Council adopted resolution #5-2012, General Fund Expenditures in the amount of $90,556,268 on May 21, 2012 as shown below.

CITY COUNCIL'S ADOPTED
APPROPRIATIONS MAY 21, 2012

MUNICIPAL	**$15,905,044**
POLICE	**$8,838,885**
FIRE	**$7,155,250**
SCHOOL	**$38,302,260**
COLLECTIVE BARGAINING CONTINGENCY	**$100,000**
TRANSFER TO INDOOR POOL	**$150,000**
NON-OPERATING	**$20,104,829**
TOTAL	**$90,556,268**

The FY 2013 Proposed Budget was submitted to the City Council on April 6, 2012. As a result of use of bond premium, refunding of old debt and various City Council work sessions with departments, a total adjustment of ($932,565) was made from the proposed expenditure budget.

	FY12	FY13 Proposed Budget	FY13 Adopted Budget	Change From FY13 Proposed Budget	$Change From FY12 Adopted Budget	%Change From FY12 Adopted Budget
OPERATING EXPENDITURES:						
Municipal	15,472,527	15,905,044	15,905,044	-	432,517	2.80%
Police	8,589,781	8,838,885	8,838,885	-	249,104	2.90%
Fire	6,973,895	7,155,250	7,155,250	-	181,355	2.60%
School	37,206,584	38,302,260	38,302,260	-	1,095,676	2.94%
Collective Bargaining Cont.	314,905	172,000	100,000	(72,000)	(214,905)	-68.24%
Transfer to Indoor Pool	150,000	150,000	150,000	-	0	0.00%
Total Operating	**$ 68,707,692**	**$ 70,523,439**	**70,451,439**	**(72,000)**	**1,743,747**	**2.54%**
				-		
NON-OPERATING EXPENDITURES:						
Debt Related Expenses/TANS	350,000	350,000	350,000	-	0	0.00%
Debt Service Payments	10,232,755	11,608,196	11,325,131	(283,065)	1,092,376	10.68%
Overlay	1,150,000	1,200,000	1,150,000	(50,000)	0	0.00%
Property & Liability Ins	414,000	414,000	414,000	-	0	0.00%
County	4,199,167	4,297,188	4,297,188	-	98,021	2.33%
Contingency	250,000	250,000	250,000	-	0	0.00%
Rolling Stock	0	773,993	773,993	-	773,993	0.00%
Municipal School Renovation	600,000	0	0	-	(600,000)	-100.00%
IT Equipment Replacement	145,350	232,000	232,000	-	86,650	59.61%
Capital Outlay	1,018,150	1,550,000	1,022,500	(527,500)	4,350	0.43%
Use of Bond Premium	1,977,974	0	0	-	(1,977,974)	-100.00%
Other General Non-Operating	289,730	290,017	290,017	-	287	0.10%
Total Non-Operating	**20,627,126**	**20,965,394**	**20,104,829**	**(860,565)**	**(522,297)**	-2.53%
				-		
Total Budget	**$ 89,334,818**	**$ 91,488,833**	**90,556,268**	**(932,565)**	**1,221,450**	**1.37%**

Since April 6th, the following adjustments were approved from the proposed FY13 budget.

- On May 21, 2012, the City Council voted to appropriate bond premium from the December 14, 2011 bond issue for capital projects which reduced Capital Outlay and Debt interest.

- On May 9, 2012, the City refinanced the remaining 10 years of the $38 million High School Bond which was originally issued on September 15, 2002 saving $2,859,458.61 of interest over the next 10 years beginning in FY13.

- On May 21, 2012, the City Council voted additional reductions of ($169,500).

The total reduction of ($932,565) is as follow:

Non Operating Budget:

Collective Bargaining Contingency	($72,000)
Debt Service	($283,065)
Overlay	($50,000)
Capital Outlay (see below)	($527,500)
Total Appropriation Adjustments	($932,565)

Capital Improvements
Fiscal Year 2013
Taken from Capital Improvement Plan 2013-2018

Budget Book PAGE		City Council Adopted 3/19/2012	Changed during Budget process	FY 13 Budget
II-20	SCBA REPLACEMENT PROGRAM	$100,000		$100,000
II-21	RADIO SYSTEM IMPROVEMENTS	$35,000		$35,000
II-29	PRESCOTT PARK: FACILITIES CAPITAL IMPROVEMENTS	$87,500		$87,500
II-31	MASTER PLAN PLANNING PROCESS	$50,000		$50,000
II-32	LAND ACQUISITION	$25,000		$25,000
II-33	JONES AVENUE CONCEPTUAL MASTER PLAN	$10,000	($10,000)	$0
II-34	IMPLEMENTATION OF PEIRCE ISLAND MASTER PLAN PROJECT	$25,000		$25,000
II-35	PARK AND PLAYGROUND IMPROVEMENTS	$75,000		$75,000
II-37	RECREATION STUDY IMPLEMENTATION: OUTDOOR FIELDS	$50,000		$50,000
II-39	HISTORIC CEMETERY IMPROVEMENTS	$10,000		$10,000
II-40	SEAWALL REPAIRS	$250,000	($250,000)	$0
II-42	MUNICIPAL COMPLEX BOILER REPLACEMENT AND RELATED	$175,000		$175,000
II-58	COAKLEY RD/COTTAGE ST PEDESTRIAN IMPROVEMENTS	$180,000	($180,000)	$0
II-60	PEVERLY HILL RD - NEW SIDEWALK & SHOULDERS	$50,000	($50,000)	$0
II-61	CITYWIDE TRAFFIC SIGNAL UPGRADE PROGRAM	$100,000		$100,000
II-62	WOODBURY AVE TURNING LANES	$50,000		$50,000
II-68	CITYWIDE TREE REPLACEMENT PROGRAM	$20,000		$20,000
II-70	GATEWAY IMPROVEMENTS-EXIT 7	$120,000		$120,000
II-71	ISLINGTON STREET-STREETSCAPE IMPROVEMENTS	$100,000		$100,000
II-12	CAPITAL CONTINGENCY	$37,500	($37,500)	$0
	TOTAL	$1,550,000	($527,500)	$1,022,500

As a result of the amendments, the adopted FY13 budget will result in an estimated tax rate of $17.61 per $1,000 of valuation. This rate is an increase of 34¢ or 1.97% over FY12.

FY13 PROPOSED TAX RATE AS OF MAY 21, 2012

The Department of Revenue sets the final tax rate in mid October

	FY11 Tax Rate	FY12 Tax Rate	FY12 Tax Rate
Total Tax Rate	17.41	17.27	17.61
Municipal/Local School/State Education/County			
Increase/Decrease from Prior Year		-0.14	0.34
Percentage Change		-0.80%	1.97%

GENERAL FUND BUDGET SUMMARY - FY 2013- ADOPTED May 21, 2012

OPERATING BUDGET	FY2011 BUDGET	FY12 Budget	FY13 CM Proposed 6-Apr-12	% Change	$$ Change	FY13 ADOPTED Budget	% Change from FY12	$$ Change from FY12
General Government	**15,444,772**	**15,472,527**	**15,905,044**	2.80%	432,517	**15,905,044**	2.80%	432,517
Police	**8,518,412**	**8,589,781**	**8,838,885**	2.90%	249,104	**8,838,885**	2.90%	249,104
Fire	**6,813,755**	**6,973,895**	**7,155,250**	2.60%	181,355	**7,155,250**	2.60%	181,355
School	**36,904,000**	**37,206,584**	**38,302,260**	2.94%	1,095,676	**38,302,260**	2.94%	1,095,676
Collective Bargaining/Retire Contingency	**805,996**	**314,905**	**172,000**	-45.38%	(142,905)	**100,000**	-68.24%	(214,905)
Transfer to Indoor Pool	**155,000**	**150,000**	**150,000**	0.00%	0	**150,000**		0
Total Operating Budget	**68,641,935**	**68,707,692**	**70,523,439**	2.64%	1,815,747	**70,451,439**	2.54%	1,743,747
NON-OPERATING EXPENSE								
Debt Related Costs/TANS	**350,000**	**350,000**	**350,000**	0.00%	0	**350,000**	0.00%	0
Debt Service Payments	**9,181,827**	**10,232,755**	**11,608,196**	13.44%	1,375,441	**11,325,131**	10.68%	1,092,376
Overlay	**1,100,000**	**1,150,000**	**1,200,000**	4.35%	50,000	**1,150,000**	0.00%	0
Property & Liability Ins	**398,000**	**414,000**	**414,000**	0.00%	0	**414,000**	0.00%	0
County	**4,107,894**	**4,199,167**	**4,297,188**	2.33%	98,021	**4,297,188**	2.33%	98,021
Contingency	**250,000**	**250,000**	**250,000**	0.00%	0	**250,000**	0.00%	0
Rolling Stock	**645,980**	**0**	**773,993**	0.00%	773,993	**773,993**		773,993
Youth Recreation Center	**2,162,701**	**0**	**0**	0.00%	0	**0**		0
Municipal School Renovation	**0**	**600,000**	**0**	0.00%	(600,000)	**0**	-100.00%	(600,000)
IT Equipment Replacement	**244,350**	**145,350**	**232,000**	59.61%	86,650	**232,000**	59.61%	86,650
Capital Outlay	**1,187,500**	**1,018,150**	**1,550,000**	52.24%	531,850	**1,022,500**	0.43%	4,350
Use of Bond Premium		**1,977,974**	**0**		(1,977,974)	**0**		(1,977,974)
Other General Non-Operating	**273,968**	**289,730**	**290,017**	0.10%	287	**290,017**	0.10%	287
Total Non-Operating Budget	**19,902,220**	**20,627,126**	**20,965,394**	**1.64%**	**338,268**	**20,104,829**	-2.53%	(522,297)
Total Gross Budget	**88,544,155**	**89,334,818**	**91,488,833**	**2.41%**	2,154,015	**90,556,268**	1.37%	1,221,450
REVENUES								
Municipal	**10,168,649**	**10,364,138**	**10,174,649**	-1.83%	(189,489)	**10,174,649**	-1.83%	(189,489)
School	**5,460,500**	**5,317,500**	**5,432,500**	2.16%	115,000	**5,432,500**	2.16%	115,000
State Revenues	**2,661,672**	**2,714,053**	**2,681,242**	-1.21%	(32,811)	**2,681,242**	-1.21%	(32,811)
Use of Fund Balance: Unassigned								
Fire Department Supplemental Approp	**77,000**	**150,000**	**0**	-100.00%	(150,000)	**0**	-100.00%	(150,000)
Indoor Pool	**155,000**	**150,000**	**0**	-100.00%	(150,000)	**0**	-100.00%	(150,000)
Municipal Complex Renovations	**0**	**600,000**	**0**	-100.00%	(600,000)	**0**	-100.00%	(600,000)
Youth Recreation Center	**1,650,000**	**0**	**0**		0	**0**		0
Use of Fund Balance: Committed								
Property Appraisal	**73,500**	**73,500**	**73,500**	0.00%	0	**73,500**	0.00%	0
Debt/ Bond Premiums	**512,701**	**0**	**0**		0	**0**	0.00%	0
Debt/ Bond Proceeds	**0**	**0**	**199,242**		199,242	**199,242**	0.00%	199,242
Debt Service Reserve	**900,000**	**900,000**	**2,500,000**	177.78%	1,600,000	**2,500,000**	177.78%	1,600,000
Total	**21,659,022**	**20,269,191**	**21,061,133**	3.91%	791,942	**21,061,133**	3.91%	791,942
BUDGETED PROPERTY TAX LEVY	**66,885,133**	**69,065,627**	**70,427,700**	**1.97%**	**1,362,073**	**69,495,135**	0.62%	429,508
Total Property Tax Commitment	**66,909,535**	**67,614,472**	**70,427,700**	4.16%	2,813,228	**69,495,135**	2.78%	1,880,663
War Service Credits	**600,500**	**559,500**	**600,000**	7.24%	40,500	**600,000**	7.24%	40,500
Adequate Education Formula	**(9,038,295)**	**(9,344,223)**	**(9,361,188)**	0.18%	(16,965)	**(9,361,188)**	0.18%	(16,965)
State Education Tax	**9,038,295**	**9,344,223**	**9,361,188**	0.18%	16,965	**9,361,188**	0.18%	16,965
Total Property Taxes Assessed	**67,510,035**	**68,173,972**	**71,027,700**	4.19%	2,853,728	**70,095,135**	2.82%	1,921,163
ASSESSED VALUATION WITH UTILITIES	**3,903,031,800**	**3,971,444,698**	**4,003,444,698**	0.81%	32,000,000	**4,003,444,698**	0.81%	32,000,000
ASSESSED VALUATION NO UTILITIES	**3,721,242,300**	**3,803,608,220**	**3,835,608,220**	0.84%	32,000,000	**3,835,608,220**	0.84%	32,000,000
MUNICIPAL TAX RATE	**13.90**	**13.76**	**14.33**	4.12%	**0.57**	**14.10**	2.43%	**0.34**
COUNTY TAX RATE	**1.08**	**1.05**	**1.07**	2.23%	**0.02**	**1.07**	2.23%	**0.02**
STATE EDUCATION TAX RATE	**2.43**	**2.46**	**2.44**	-0.65%	**(0.02)**	**2.44**	-0.65%	**(0.02)**
COMBINED TAX RATE	**17.41**	**17.27**	**17.84**	**3.31%**	**0.57**	**17.61**	1.97%	**0.34**