

FY2010 Recommended Budget Review

February 9, 2010
Council Workshop

Budget Principles

- Transparent budget process
- Balanced budget
- One-time revenue not used to balance the budget
- Revenue must be sustainable
- New services will require reallocation of scarce resources from existing services
- Continue use of Citizen Survey as guide for service delivery decisions
- Continue Contingency Allocation
- Expenditure reductions to minimize impact on service reductions

FROM SEPTEMBER 18, 2008 COUNCIL WORKSHOP PRESENTATION

Budget Strategy

- FY2010 Recommended budget is balanced
- Maintain current tax rate of \$16.58
- Focus on expenditure reductions
- Police and Fire frontline staffing maintained
- Minimize service reductions
- Plan for FY2011

Budget Development

- Input sought from
 - Councilmembers' ideas and advice
 - City employees – online, phone, written
 - Public - City Source Newsletter
 - Public - 9 Council Workshops
- Budget staff/departments prepared zero-base budget

Budget at a Glance

Total Budget – \$596 million

- Operating Budget - \$476 million
 - 1.3% increase in General/Road Use Tax
- Capital Budget - \$120 million
 - 16.7% decrease from FY2009 Adopted CIP plan for FY2010
- Full-time authorized positions – 1,739*
 - All Funds - net reduction of 96

* Does not include WRA positions

Operational Privatizations

- Municipal buildings custodial services - \$730,000
- Airport custodial - \$650,000
- City land mowing - \$400,000
- Sports turf maintenance - \$50,000
- Golf - \$175,000
- Animal control - \$63,000
- Workers compensation administration - \$0

Total positions	64
Total savings	\$2,068,000
Total General Fund savings	\$1,163,000

Operational Reductions

- Police support services - \$553,000
- Fire Command restructuring - \$289,000
- Staffing reductions - City Clerk, Engineering, Finance, Comm. Development, CMO, Legal, IT – \$792,000
- Levee mowing transfer to Storm - \$200,000
- Library appropriation - \$300,000

Total positions	24
Total savings	\$2,144,000
Total G.F. savings	\$2,069,000

Management Reductions

(included in Privatization and Operational Reductions)

- Fire Command (4 District Chiefs) - \$289,000
- IT User Services Manager - \$129,000
- Assistant City Attorney (mid-year) - \$80,000
- Assistant City Manager (50% exp.) - \$75,000
- Custodial Services Supervisor - \$80,000

One-Time Cost of Employee Reductions

- Vacation and Sick Leave Payouts

Estimated \$1,000,000

(General Fund \$800,000)

- Unemployment

Estimated \$805,000

(General Fund \$450,000)

Operational Reductions

- Non-Personnel Expenses
 - Reduced General Fund appropriations by \$500,000 to \$8,100,000 (5.8%)
 - Citywide Travel and Training reduced \$188,000 (23%)
 - Reformat City elections - \$60,000
 - Music Under the Stars & Nitefall Series - \$69,000
 - Capital outlay - \$162,000

Revenue Enhancements

- Gaming revenue allocated to operating budget for the purchase of salt, sand, and asphaltic materials - \$1,000,000
- Seeking increase in Waterworks PILOT - \$400,000
- Fire inspection/plan review fee increases - \$150,000
- Citywide fee study in progress - \$250,000

Other Operating Budget Factors

- General Fund Contingency increased from \$250,000 to \$500,000
- DART subsidy planned for \$680,000 (Park & Ride funds) to **reduce DART tax levy** from \$.57 to \$.46 for Des Moines taxpayers

Property Tax Rates

	<u>FY2009</u>	<u>FY2010</u>	<u>Change</u>
Operating	12.34	12.30	(0.04)
Debt Service	4.24	4.28	0.04
Total	16.58	16.58	--

CIP – Tax Supported

	FY10 per FY09 Adopted	FY10 Recommended	Increase/ (Decrease)
Bridges	\$4,480,000	\$4,468,271	(\$11,729)
Econ Dev.	2,000,000	2,167,000	167,000
Fire	2,090,000	2,550,000	460,000
Library	6,202,582	4,792,582	(1,410,000)
Buildings	21,701,326	5,556,326	(16,145,000)
Parks	7,928,000	14,280,000	6,352,000
Sidewalks	780,000	780,000	0
Streets	40,729,000	34,688,245	(6,040,755)
Traffic Cont	825,000	1,595,000	770,000
Totals	\$86,735,908	\$70,877,424	(\$15,858,484)

CIP – Enterprise Funds

	FY10 per FY09 Adopted	FY10 Recommended	Increase/ (Decrease)
Airport	\$40,220,042	\$22,744,500	(\$17,475,542)
Parking	1,000,000	1,350,000	350,000
Sanitary	8,430,000	9,575,000	1,145,000
Storm	7,610,000	15,300,000	7,690,000
Totals	\$57,260,042	\$48,969,500	(\$8,290,542)

Capital Improvement Program

- Tax-Supported Debt Issuance Reduced

	FY10 per FY09 Adopted	FY10 Recommended	Increase/ (Decrease)
Debt Levy	\$26,017,500	\$24,539,500	(\$1,478,000)
TIF	16,695,000	3,920,000	(12,775,000)
Totals	\$42,712,500	\$28,459,500	(\$14,253,000)

Council Budget Process

- Feb 9 – Set date of public hearing on Budget and tax rate
- Feb 16 – Council workshop (7am)
- Feb 23 – Council workshop (7am)
- Feb 23 – Public hearing and Council vote on Operating Budget and CIP
- March 2 & 9 – Open workshop dates if needed
- March 9 – Backup date for Council vote on Operating Budget and CIP

Thank You