

City of Florissant
 2010 Proposed Budget
 Presentation to the
 Florissant City Council
 October 17, 2009

Randy McDaniel
 Director of Finance

CAPITAL IMPROVEMENT FUND

Actual 2008	Budget 2009	Proposed 2010
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ESTIMATED REVENUE

Capital Improvement Sales Tax - ½%	3,263,832	3,250,000	3,150,000
Interest	46,996	50,000	10,000
Grants & Reimbursements	32,197	1,520,000	1,640,000
Total Budgeted Revenue	3,343,025	4,820,000	4,800,000
		Less Total Budgeted Expenditure	4,655,275
		Equal Revenue Over/(Under) Expenditure	144,725
		Plus Estimated Beginning Fund Balance	226,394
		Equal Estimated Ending Fund Balance	371,119

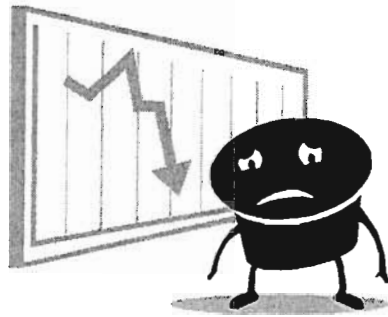
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EXPENDITURES

0329-Building Maint. & Supplies	0	0	30,000
0330-Equip. Repairs - Vehicles	0	0	100,000
0333-Materials & Supplies	0	0	110,000
0334-Street Markings	0	0	21,600
0350 Professional Service	574,796	400,700	349,775
0352 Street Contracts	1,357,325	3,200,000	3,100,000
0353 Bridge Repair & Maint.	78,297	115,000	65,000
0354 Sidewalk Repairs	224,281	240,000	235,000
0355 Debt Payment	767,099	763,000	311,000
0361 Capital Additions	1,033,870	463,500	332,900
Total	4,035,668	5,182,200	4,655,275

2009

“Where do we stand?”



2009 Budget vs. Actual Revenue as of 08/10/09

<u>General Fund</u>	<u>Budget</u>	<u>Estimated Actual</u>	<u>Over / (Under)</u>	<u>Percent</u>
Gas Tax Total	1,750,000	1,600,000	(150,000)	-8.6%
Sales Tax Total	7,500,000	6,900,000	(600,000)	-8.0%
Utility Tax Total	4,400,000	4,125,561	(274,439)	-6.2%
Building Permits	310,000	250,000	(60,000)	-19.4%
Interest Income	325,000	125,000	(200,000)	-61.5%
Court Total	2,200,000	1,900,000	(300,000)	-13.6%
Other Misc	1,115,000	700,000	(415,000)	-37.2%
Grants & Reimbursement	375,000	300,000	(75,000)	-20.0%
All other revenue	<u>4,008,000</u>	<u>3,976,894</u>	<u>(31,106)</u>	<u>-0.8%</u>
Total	21,983,000	19,877,455	(2,105,545)	-9.6%

2009 Budget vs. Actual Revenue as of 10/05/09					
<u>General Fund</u>	<u>Budget</u>	<u>Estimated Actual</u>	<u>Over / (Under)</u>	<u>Percent</u>	<u>Change from 08/10/09</u>
Gas Tax Total	1,750,000	1,627,337	(122,663)	-7.0%	27,337
Sales Tax Total	7,500,000	6,747,624	(752,376)	-10.0%	(152,376)
Utility Tax Total	4,400,000	4,075,051	(324,949)	-7.4%	(50,510)
Building Permits	310,000	254,000	(56,000)	-18.1%	4,000
Interest Income	325,000	130,000	(195,000)	-60.0%	5,000
Court Total	2,200,000	1,866,271	(333,729)	-15.2%	(33,729)
Other Misc	1,115,000	635,000	(480,000)	-43.0%	(65,000)
Grants & Reimbursement	375,000	350,000	(25,000)	-6.7%	50,000
All other revenue	4,008,000	3,992,592	(15,408)	-0.4%	15,698
Total	21,983,000	19,677,875	(2,305,125)	-10.5%	(199,580)

2009 Budget vs. Actual Revenue					
<u>Capital Improvement Sales Tax Fund</u>					
	<u>Budget</u>	<u>Estimated Actual</u>	<u>Over / (Under)</u>	<u>Percent</u>	
Cap Imp Sales Tax 08/10/09	3,250,000	3,150,000	(100,000)	-3.1%	
Cap Imp Sales Tax 10/05/09	3,250,000	3,049,085	(200,915)	-6.2%	
			Change from 08/10/09		(100,915)
<u>Park Improvement Sales Tax Fund</u>					
	<u>Budget</u>	<u>Estimated Actual</u>	<u>Over / (Under)</u>	<u>Percent</u>	
Park Imp Sales Tax 08/10/09	3,100,000	3,051,580	(48,420)	-1.6%	
Park Imp Sales Tax 10/05/09	3,100,000	2,936,715	(163,285)	-5.3%	
			Change from 08/10/09		(114,865)

Recommended Changes to Proposed Revenue

When the 2010 budget was developed we used actual revenues through the end of July to estimate where the year would end up. These numbers were revisited in October using actual revenues through the end of September to see if there were any significant changes.

Normally, the estimates are close enough so that no additional changes are warranted.

However, this is not a normal year. We are seeing an accelerated deterioration of sales tax revenues in particular as well as several other revenues.

Based on the revised projections made in October, the Mayor respectfully recommends that proposed revenues for the 2010 budget be adjusted as follows:

Recommended Adjustments to 2010 Proposed Revenue

	<u>Proposed</u> <u>Budget</u>	<u>Adjustment</u>	<u>Revised</u> <u>Budget</u>
General Fund			
Sales Tax	7,100,000	(200,000)	6,900,000
Utility Tax	6,050,000	(100,000)	5,950,000
Court	<u>1,750,000</u>	<u>(100,000)</u>	<u>1,650,000</u>
Total	14,900,000	(400,000)	14,500,000
Capital Imp. Sales Tax	3,150,000	(100,000)	3,050,000
Park Imp. Sales Tax	3,050,000	(100,000)	2,950,000

Comparison of Revenues and Expenditures

2009 vs. 2010 Budgeted Revenue Comparison as Proposed

<u>General Fund</u>	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Increase / (Decrease)</u>	<u>Percent Change</u>
Gasoline Tax	1,750,000	1,600,000	(150,000)	-8.6%
Road & Bridge Tax	690,000	650,000	(40,000)	-5.8%
Sales Tax	7,500,000	7,100,000	(400,000)	-5.3%
Utility Tax 5%	4,400,000	4,275,000	(125,000)	-2.8%
Building Permits	310,000	300,000	(10,000)	-3.2%
Interest Income	325,000	125,000	(200,000)	-61.5%
Court	2,200,000	1,750,000	(450,000)	-20.5%
Other Misc	1,115,000	900,000	(215,000)	-19.3%
Grants	375,000	200,000	(175,000)	-46.7%
Other revenue	2,618,000	2,595,000	(23,000)	-0.9%
Golf Course	<u>700,000</u>	<u>753,719</u>	<u>53,719</u>	<u>7.7%</u>
Sub-Total	21,983,000	20,248,719	(1,734,281)	-7.9%
Utility Tax + 2%	<u>0</u>	<u>1,775,000</u>	<u>1,775,000</u>	
Total	21,983,000	22,023,719	40,719	0.2%

2009 vs. 2010 Budgeted Revenue Comparison with Revised Numbers

<u>General Fund</u>	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Increase / (Decrease)</u>	<u>Percent Change</u>
Gasoline Tax	1,750,000	1,600,000	(150,000)	-8.6%
Road & Bridge Tax	690,000	650,000	(40,000)	-5.8%
Sales Tax	7,500,000	6,900,000	(600,000)	-8.0%
Utility Tax 5%	4,400,000	4,175,000	(225,000)	-5.1%
Building Permits	310,000	300,000	(10,000)	-3.2%
Interest Income	325,000	125,000	(200,000)	-61.5%
Court	2,200,000	1,650,000	(550,000)	-25.0%
Other Misc	1,115,000	900,000	(215,000)	-19.3%
Grants	375,000	200,000	(175,000)	-46.7%
Other revenue	2,618,000	2,595,000	(23,000)	-0.9%
Golf Course	<u>700,000</u>	<u>753,719</u>	<u>53,719</u>	<u>7.7%</u>
Sub-Total	21,983,000	19,848,719	(2,134,281)	-9.7%
Utility Tax + 2%	<u>0</u>	<u>1,775,000</u>	<u>1,775,000</u>	
Total	21,983,000	21,623,719	(359,281)	-1.6%

2009 vs. 2010 Budgeted Revenue Comparison with Revised Numbers

	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Increase / (Decrease)</u>	<u>Percent Change</u>
<u>Capital Improvement Fund</u>				
Sales Tax - Proposed	3,250,000	3,150,000	(100,000)	-3.1%
Sales Tax - Revised	3,250,000	3,050,000	(200,000)	-6.2%
<u>Park Improvement Fund</u>				
Sales Tax - Proposed	3,100,000	3,050,000	(50,000)	-1.6%
Sales Tax - Revised	3,100,000	2,950,000	(150,000)	-4.8%

2009 vs. 2010 Wage & Benefits Budget Comparison

General Fund Wages & Benefits	2009 Budget	2010 Budget	Increase / (Decrease)	Percent Change
IT	114,149	106,561	(7,588)	-6.6%
Senior Services	138,437	128,350	(10,087)	-7.3%
Administrative	1,279,369	1,219,461	(59,908)	-4.7%
Court	643,213	495,833	(147,380)	-22.9%
Health	741,496	659,934	(81,562)	-11.0%
Theater	218,132	205,551	(12,581)	-5.8%
Recreation	1,696,341	1,587,814	(108,527)	-6.4%
Playground	141,596	122,251	(19,345)	-13.7%
Bangert Pool	197,018	142,375	(54,643)	-27.7%
Koch Pool	255,973	211,178	(44,795)	-17.5%
Parks	1,026,785	160,828	(865,957)	-84.3%
Public Works	2,965,664	2,673,421	(292,243)	-9.9%
Police	9,448,090	8,815,265	(632,825)	-6.7%
Media	<u>134,982</u>	<u>122,899</u>	<u>(12,083)</u>	<u>-9.0%</u>
Total	19,001,245	16,651,721	(2,349,524)	-12.4%

2009 vs. 2010 Budget for All Other Expense Comparison

General Fund Other Expenses	2009 Budget	2010 Budget	Increase / (Decrease)	Percent Change
IT	28,780	20,440	(8,340)	-29.0%
Housing Center	60,752	57,984	(2,768)	-4.6%
Legislative	170,760	170,760	0	0.0%
Senior Services	53,400	57,900	4,500	8.4%
Administrative	1,620,610	1,223,965	(396,645)	-24.5%
Court	77,450	234,200	156,750	202.4%
Health	336,550	114,200	(222,350)	-66.1%
Theater	118,260	92,970	(25,290)	-21.4%
Parks	472,400	917,697	445,297	94.3%
Public Works	1,497,050	895,000	(602,050)	-40.2%
Police Capital Additions	210,000	0	(210,000)	-100.0%
Police	888,500	943,400	54,900	6.2%
Media	<u>31,800</u>	<u>31,800</u>	<u>0</u>	<u>0.0%</u>
Total	5,566,312	4,760,316	(805,996)	-14.5%

2010 Proposed Budget Highlights 1

- 3% across-the-board pay decrease proposed for all employees, full-time and part-time.
- Overtime eliminated in Information Technology, Housing Center, Senior Services, Administration, Municipal Court, Theater, Centers, Parks, and Media departments.
- Overtime reduced in Health, Public Works, Police, and PIF.
- Residency Incentive Program suspended.
- Mayor's travel expense cut in half.
- Travel and training reduced for Information Technology, Administration, Municipal Court, and Public Works.
- Employees service award recognition dinner and boards and commissions dinner eliminated.
- Organization dues drastically reduced.
- City Attorney fees reduced.

2010 Proposed Budget Highlights 2

- Part-time Assistant Court Clerk and part-time Court Bailiff positions eliminated.
- Hours and sessions adjusted for Prosecuting Attorney, Assistant Prosecuting Attorney, Judges, and Public Defender.
- Reduced number of part-time Health Kennelman from 4 to 3.
- Reduced number of trips for seniors from 180 to 146.
- Uniform allowance for certain Health, Parks and Public Works employees reduced from \$350 to \$300.
- Reduced hours for part-time Rec II and Rec III positions.
- Part-time Secretary position eliminated at the JJE Center.
- Playground program closed at Bangert Park. Personnel eliminated or reduced and shifted to the JJE camp.
- Days of operation reduced at Bangert Pool and Koch Aquatic Center which reduced the hours for part-time Pool Managers, Head Guards, Lifeguards, Cashiers, and First Aid Technician.

2010 Proposed Budget Highlights 3

- Moved the Administrative Assistant, Ranger, Class "A" Foreman, and Forester I from Parks to the Park Improvement Fund.
- Parks summer laborers reduced from 12 to 10.
- Reduced hours for part-time Park Rangers.
- Reduced the requested allocation from Billy Casper Golf.
- Public Works summer laborers reduced from 4 to 2.
- Moved the Building Maintenance & Supplies, Equipment Repairs, Materials & Supplies, and Street Markings accounts from the General Fund to the Capital Improvement Fund.
- Reduced Ice & Snow Removal due to stockpiles on hand.
- Negotiated down medical benefits premium to provide for zero rate increase.
- Reduced various materials & supplies, professional services, office supplies, printing, publicity, and other accounts.
- Reduced street lighting.

2% Utility Tax Rate Increase

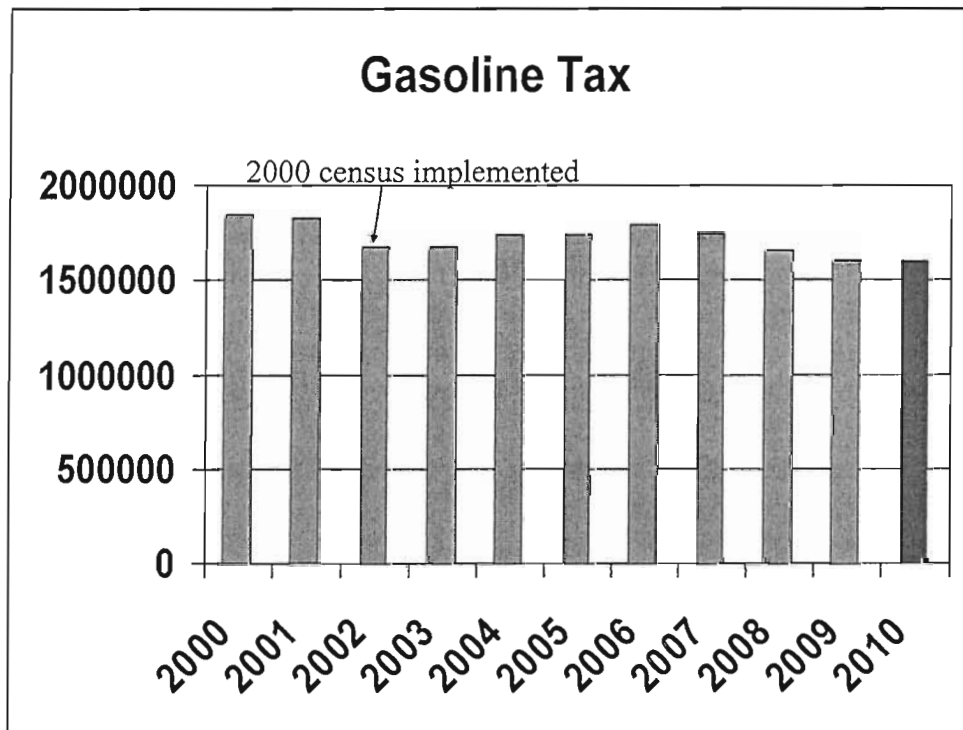
Proposed an increase in the Utility License Tax from 5% to 7%.

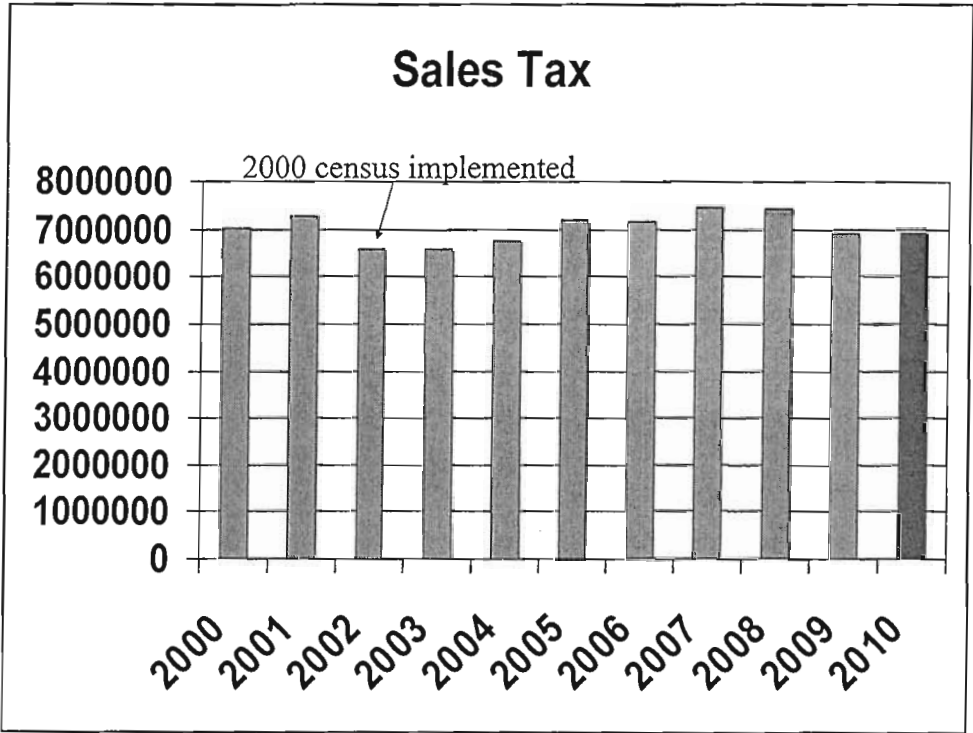
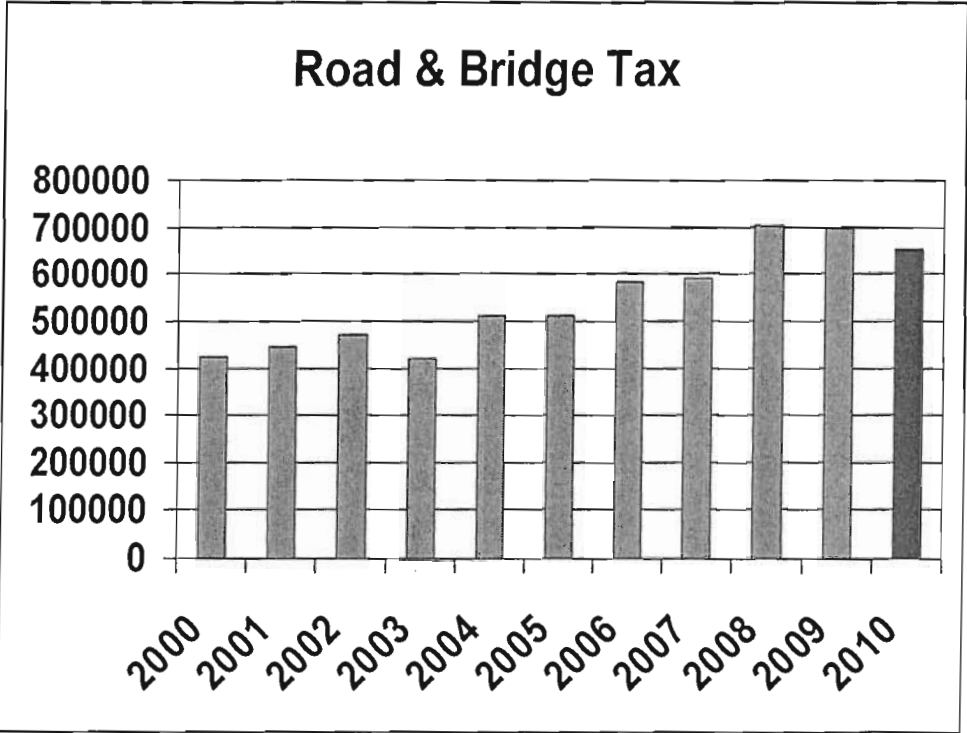
If an Ordinance is passed by the second meeting of October with an effective date of December 1, 2009, notification can be sent out to all service providers in early November. This provides for a month lead time for notification and implementation. First payments under the new rate would be received in January, 2010.

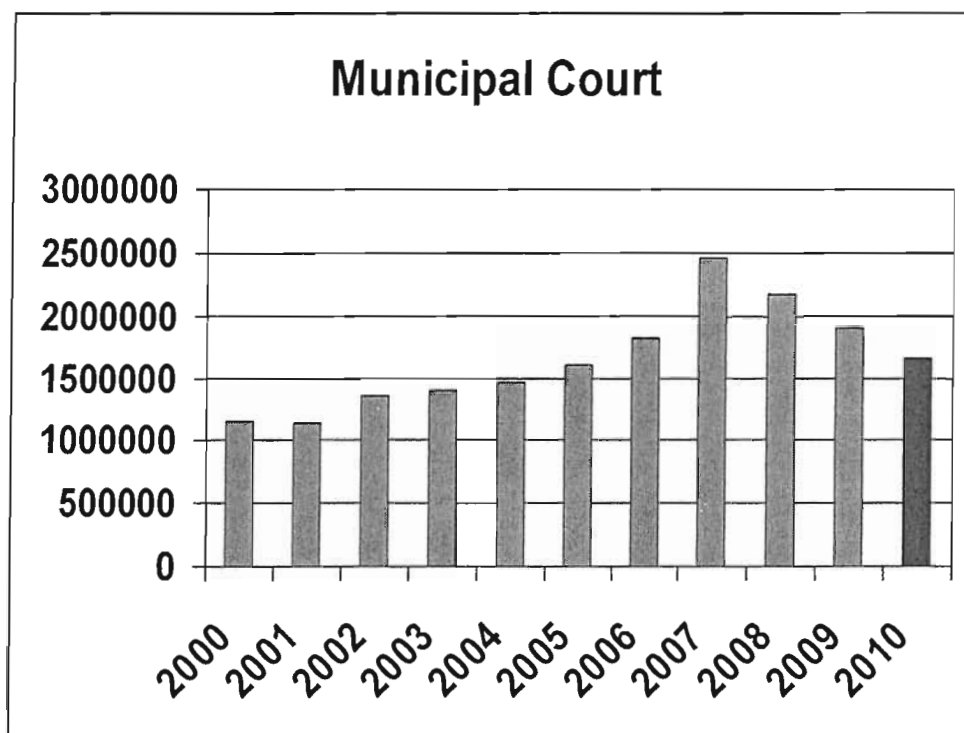
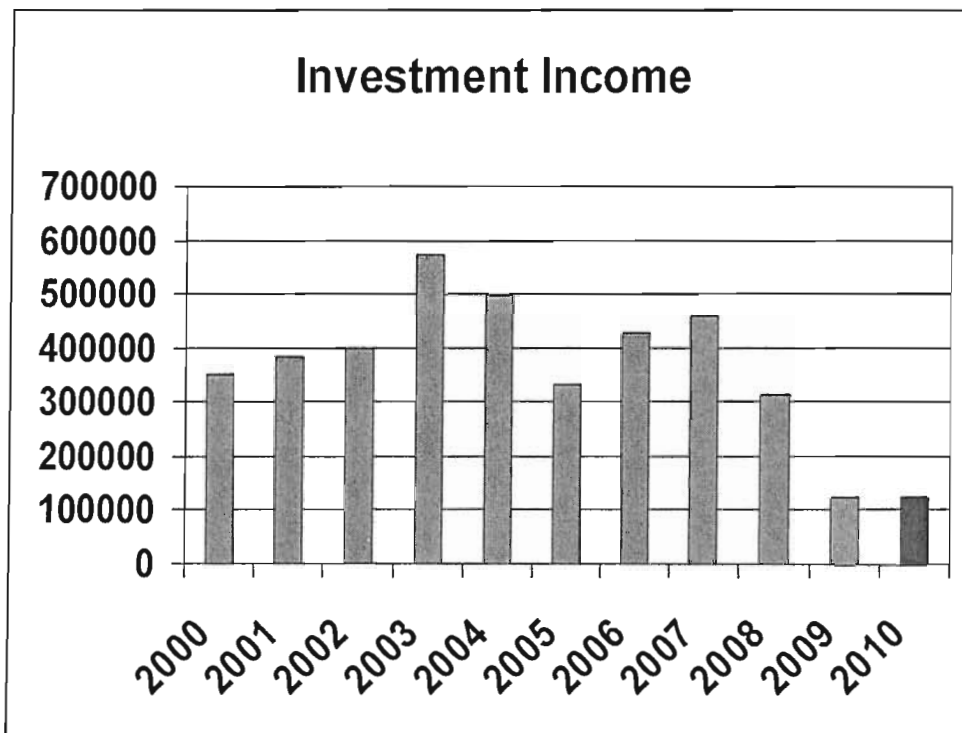
If the new rate is effective January 1st, budgeted revenues will need to be reduced by \$125,000.

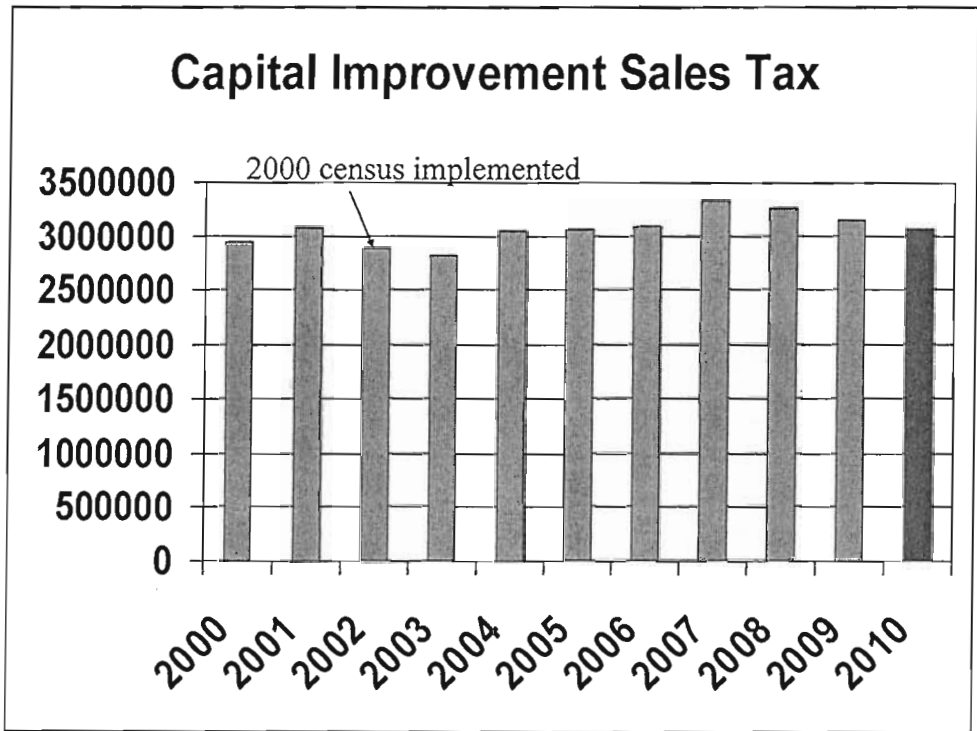
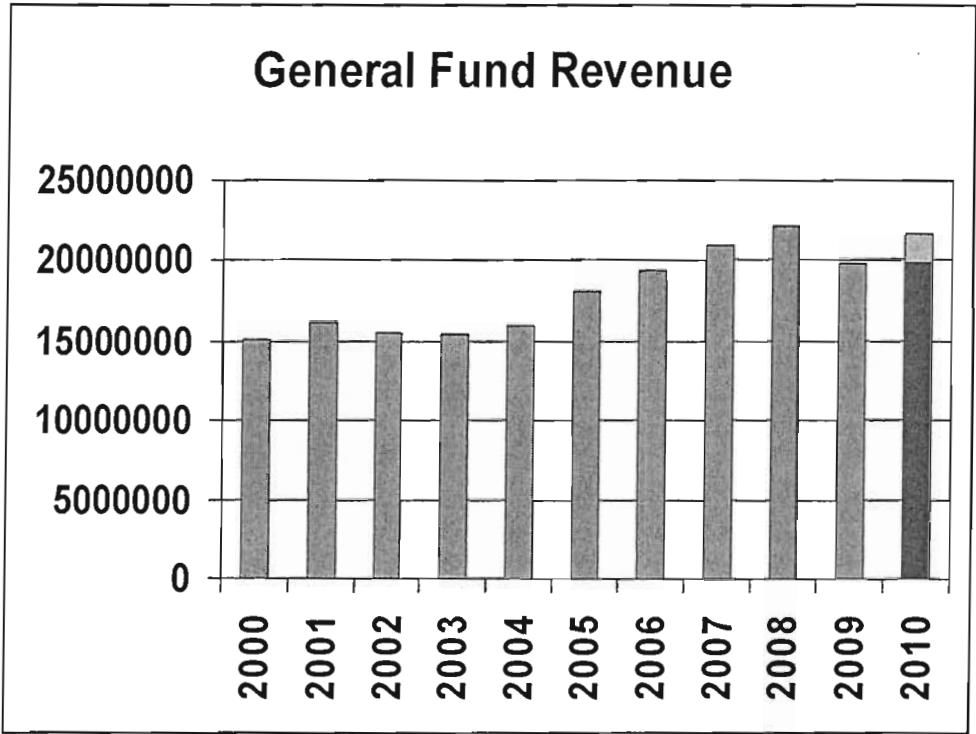
If the proposed increase is reduced to 1%, budgeted revenue will need to be reduced by \$900,000.

Revenue Trends

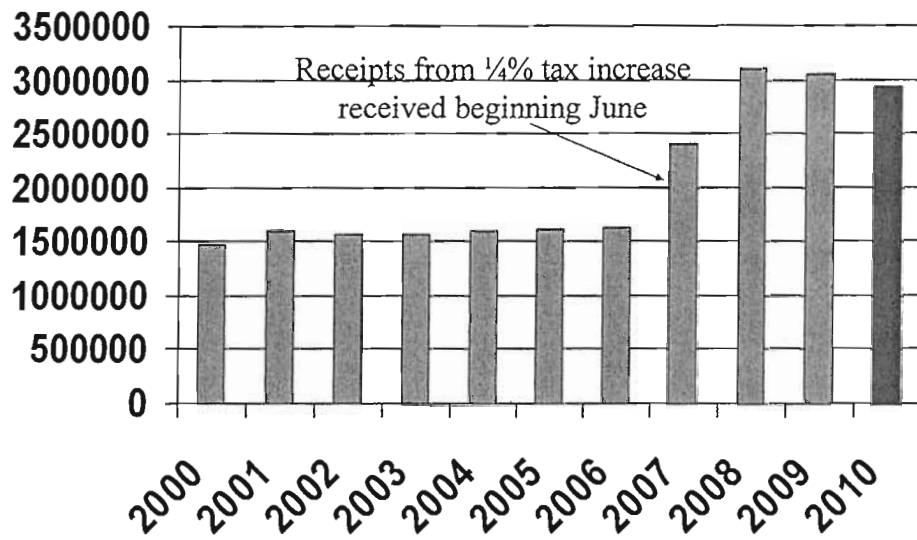




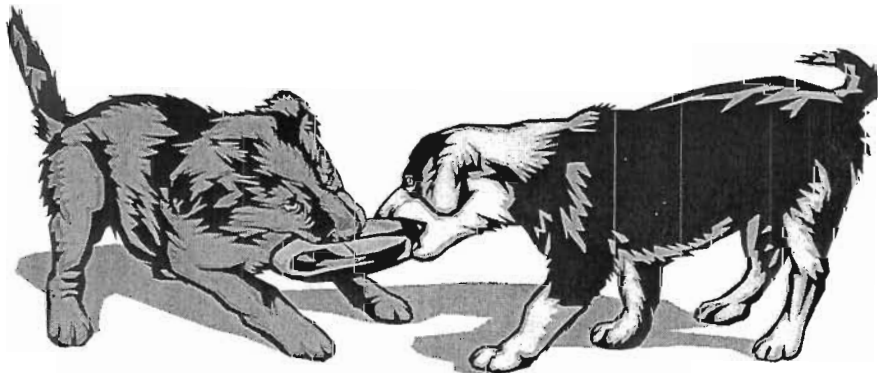




Park Improvement Sales Tax



Discussion and Analysis



Do we still have a structural budget imbalance?

The past few years we have discussed the “structural budget imbalance” as a significant problem affecting the city’s fiscal position. The structural budget imbalance was defined as a “significant and self perpetuating imbalance between budgeted revenues and expenditures that would not be resolved without a combination of controlled expenditures and increased revenues.”

The 2010 proposed budget has had to address this problem as well as a substantial across-the-board drop in revenues. While the 2010 proposed budget takes significant steps to address these problems, we are not out of the woods.

We are now dealing with the effects of the global economic malaise. We will monitor revenues as we get into the 2010 fiscal year and if they continue to deteriorate it may be necessary to seek additional expenditure reductions during the course of the next fiscal year.

Ongoing Issues

The “Other Miscellaneous” revenue item in the 2010 proposed budget includes \$600,000 in revenue from the AT&T landline settlement. This is one time revenue and will not be part of the 2011 budget. If we have revenue growth for 2011, the first \$600,000 will only offset the absence of this amount. Additional cuts may be necessary for 2011.

In 2012 the new census populations will be implemented. The city has a number of revenue sources which are based on the city’s population as part of a pooled population. These include the cigarette tax, countywide sales tax, motor vehicle fuel tax, motor vehicle fee increases, motor vehicle sales tax, and the capital improvement sales tax.

The 1990 and 2000 census results saw our population go down while the pool populations went up. If this happens again it may significantly reduce the city’s ongoing operating revenue. Additional cuts may be necessary for 2012.

Questions?

