

2013 – Preliminary Budget Discussion

June 25, 2012 City Council Meeting
Robert Hartwig – Administrative Services
Director



Purpose

- Respond to City Council Request from March Council Retreat
- Provide Preliminary Estimates for 2012 and Forecast for 2013
- Notes
 - No Authoritative Source Information at this Time
 - Amounts Differ From Staff Report (Moving Daily)



2012 Revenue Estimates

- 2.3% (\$90,000) Favorable Variance at 3/31
- Year End Estimate - \$34.7M
 - Gambling Taxes – \$143K Unfavorable
 - Liquor Taxes - \$80K Unfavorable



2012 Expenditure Estimates

- Year End Estimate - \$32.0M
 - Staffing Vacancies
 - Police & Jail Savings
 - Contingency Budget Savings
 - Animal Control Savings
 - Savings in Other Departments



2012 Projection

• Beginning Fund Balance	\$ 7.4M
• Projected Revenues	34.7M
• Projected Expenditures	-32.0M
• Projected Transfers In	1.9M
• Projected Transfers Out	<u>-3.8M</u>
• Ending Fund Balance (Est)	\$ 8.2M



2013 Revenue Forecast

- Year End Forecast - \$34.2M
 - Assumptions:
 - 3.0% AV Decrease (Property Tax)
 - 4.3% Sales Tax Increase
 - 39.1% Building Permit Increase
 - Puget Sound Economic Forecaster
 - 35.8% Misc Revenue Decrease
 - Use of Fund Balance (Sidewalks) in 2012 Budget (\$500K)



New Construction

- 2013 - \$12M
- 2014 - \$20M
- 2015-2017 - \$38M/yr
- Upcoming Projects
 - Old YMCA Site (2012)
 - 152nd Ave Trailer Park
 - WSDOT Site
 - Potential SCC Dorm



2013 Expenditure Forecast

- Year End Forecast - \$33.6M
 - Assumptions:
 - 2.6% Salary Adjustment Increase
 - 7.5-10.0% Insurance Benefit Increase
 - Revenue Stabilization Fully Funded
 - 3.5% Police Contract Increase
 - 8.16% PERS Contribution Rate (Up from 7.21%)



2013 Projection

• Beginning Fund Balance	\$ 8.2M
• Projected Revenues	34.2M
• Projected Expenditures	-33.6M
• Projected Transfers In	1.8M
• Projected Transfers Out	<u>-2.6M</u>
• Ending Fund Balance (Est)	\$ 8.0M



Options

- \$135K Gap in 2013
 - Revenue Stabilization
 - Across the Board Cuts
 - Identify Specific Programs
 - New Revenue Sources
 - Other



Future Years

- Property Tax Stabilization Usage
 - 2014 - \$ 83K
 - 2015 - \$396K
 - 2016 - \$706K
- Surplus (Gap) Without Stabilization
 - 2014 - \$(353)K
 - 2015 - \$ 204K
 - 2016 - \$ 118K
- 1% Limitation on Property Tax



Unaddressed Demands

- Unfunded Operating Items
 - Arraignments
 - Indigent Defense
 - Center for Human Services
- Unfunded Capital Outlay Items
 - Tree Maintenance
 - Sidewalk Installation/Replacement
- Impacts of Voter Initiatives



Final Reminders

- No Authoritative Data Yet
- Big Picture Overview
- Amounts Will Move Up & Down as Data Becomes Available



Discussion/Comments

