

**CITY OF MONROE
FISCAL YEAR 2012-2013
BUDGET PRESENTATION**

EDWARD SELL, FINANCE DIRECTOR

Budget Summary

- 2012 Budget in good shape
- 2013 balanced with some reductions
- Property taxable value not fully complete yet
- State budget affects SRS
- Retiree Healthcare Funding
- All capital budgeted

Budget Documents

- Budget Documents
- Line item budget reports
- Full Budget Document

Budget Process/Calendar

- April 2, 2012– First Reading of Budget Ordinance
- April 16, 2012 – Second Reading, Public Hearing, Adoption
- Work sessions scheduled for 3/13, 3/19, 3/21; 3/22 is scheduled if needed
- Adoption must occur by April 30, 2012

Budget Process/Calendar

- Includes review of FY11-12 budget
- Final amendment for FY 11-12 ???
- Millage rates, fee increases, and other budget operating authorizations approved with the adoption of the budget ordinance

FY11 BUDGET VS. ACTUAL RESULTS

	ADOPTED BUDGET JUNE 30, 2011	AMENDED BUDGET JUNE 30, 2011	ACTUAL JUNE 30, 2011
ESTIMATED BEGINNING FUND BALANCE	\$ 3,082,314	\$ 3,267,623	\$ 3,267,623
ESTIMATED REVENUE	16,736,043	16,722,519	16,596,319
TOTAL AVAILABLE RESOURCES	\$ 19,818,357	\$ 19,990,142	\$ 19,863,942
ESTIMATED EXPENDITURES	16,736,043	16,722,519	16,393,000
COMMITTED FUND BALANCE			181,000
ESTIMATED ENDING FUND BALANCE	\$ 3,082,314	\$ 3,267,623	\$ 3,289,942
INCREASE/(DECREASE) IN FUND BALANCE	\$ -	\$ -	\$ 22,319
FUND BALANCE AS % OF EXPENDITURES	18.42%	19.54%	20.07%
BUDGET STABILIZATION FUND BALANCE	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
COMBINED PERCENTAGE OF EXPENDITURES	30.37%	31.50%	32.27%

FUND BALANCE/RESERVES

	ADOPTED BUDGET JUNE 30,2011	AMENDED BUDGET JUNE 30,2011	ACTUAL JUNE 30,2011
ESTIMATED ENDING FUND BALANCE	\$ 3,082,314	\$ 3,267,623	\$ 3,289,942
BUDGET STABILIZATION FUND BALANCE	2,000,000	2,000,000	2,000,000
TOTAL FUND BALANCE FOR USE BY GENERAL FUND	\$ 5,082,314	\$ 5,267,623	\$ 5,289,942
DEDUCT: HY PROPERTY VALUE	1,391,472	1,391,472	1,250,358
LIQUID FUND BALANCE	\$ 3,690,842	\$ 3,876,151	\$ 4,039,584
LIQUID FUND BALANCE AS % OF EXPENDITURES	22.05%	23.18%	24.64%

FY 11-12 Budget Status- General Fund

	As Adopted April 2011	As Amended March 2012	As Projected March 2012
Beginning Fund Balance	3,267,623	3,289,947	3,289,947
Estimated Revenue	16,657,853	16,671,041	17,007,374
Total Available Resources	19,925,476	19,960,988	20,297,321
Estimated Expenditures	16,770,627	16,859,525	17,033,360
Ending Fund Balance	3,154,849	3,101,463	3,263,961
Fund Balance Change	(112,774)	(188,484)	(25,986)

FY12 Budget Highlights

- Revenue Sharing
- Multi-Sports Complex Revenue
- Health Insurance Cost Reduction
- Reinstates Cashier Position
- Fire Dept. Overtime
- IPA Payoff

STATE REVENUE SHARING

	STATE REVENUE SHARING AND REVENUE RECOGNITION					
	Month End					
	10/31	12/31	2/28	4/30	6/30	8/31
9/30/2010						11
9/30/2011	11	11	11	11	11	12
9/30/2012	12	12	12	12	12	12

General Fund Budget FY13

- Original budget submitted - \$389,723 deficit
- Budget submitted is balanced with use of reserve for 4th year COPS grant funding
- Capital budgeted at .99 mill, \$840,000, PY - .72 mill
- Former Capital Items now as Debt Service - .06 mill, \$51,455, PY - .18 mill
- All CIP items approved are included

PERSONNEL BUDGET ESTIMATES

- TOTAL FULL-TIME POSITIONS BUDGETED=167 (1 Reallocation), FY12=168, FY11=170, FY10=182, FY09=205, FY08=239, FY05=250
- WAGE INCREASES- 0.00% BUDGETED
- HEALTH INSURANCE (MEDICAL AND PRESCRIPTION)
 - PA152 COMPLIANT GROUPS – 5% INCREASE 1/1/13
 - NON PA152 COMPLIANT GROUPS – 10% INCREASE 1/1/13
- POST-RETIREMENT HEALTHCARE (See next slide)
 - 12/31/10 ACTUARIAL STUDY NOT YET COMPLETED
 - RETIREE HEALTHCARE CONTRIBUTION INCREASED \$264,000, \$151,000 GENERAL FUND
 - \$3.481 MILLION TOTAL CONTRIBUTION
- PENSION CONTRIBUTION
 - FIRE (57.36%), POLICE (19.05%), HYBRID (3.81%), GENERAL (0.00%)
 - TOTAL CONTRIBUTION \$1.351 MILLION, GF - \$1.287 MILLION (\$77k INCREASE)

Retiree Health Care Liability

- \$4,698,863 = ARC for FY2012
 - Normal Cost \$916,613
- Pay as you go cost - \$3.25 million
- New actuarial valuation due in spring

General Fund FY 12-13 Budget Status

	INITIAL REQUESTS	AS SUBMITTED	CHANGE +/-
REVENUE	16,434,916	16,538,462	103,546
COMMITTED FUND BALANCE	120,666	120,666	-
EXPENDITURES	16,946,455	16,659,128	(287,327)
REVENUE OVER(UNDER) EXPENDITURES	(390,873)	-	390,873

\$120,666 COMMITTED FUND BALANCE REPRESENTS USE OF RESERVE FUNDS SET ASIDE TO FUND TWO POLICE OFFICERS AT THE END OF THE COPS GRANT – CITY FULL FUNDING BEGINS 11/1/2012

BUDGET BALANCING

■ Highlights

- Revised/Increase Property Taxable Value (\$89,573)
- Reduced Engineering Intern Budget by \$13,000 (\$25,000 to \$12,000)
- Increased Engineering Department Labor Allocation to Capital Projects (\$28,000)
- Removed 1 vacant Police Officer Position (\$65,337)
- Delayed hiring of 1 Police Officer to 1/1/13(\$33,150)
- Adjusted estimated retirement vacation payouts(\$19,928)
- Fire Command Officer Retirement (\$28,642)
- Economic and Community Development Part-time elimination (\$9,600)

BUDGET BALANCING (CONTINUED)

■ Highlights

- Reduced Economic and Community Development Contract Services (\$13,000)
- Reduced Zoning/Code Enforcement Overtime (\$3,500)
- Added \$10,000 for replacement of rental skates at MMSC
- Reduced Parks and Rec Program Part-time (\$14,325)
- Miscellaneous adjustments to other line items

Budget Issues for Future

- PRHC Funding needs to increase
 - 20 year - \$264,000 per year, each year
 - 15 year - \$339,000 per year, each year
 - .311 to .40 mill
 - 2.5 to 3.2% increase in TV each year
 - 3% employee contribution - \$224,000 (140 employees)

Taxable Value

	12/31/2009	12/31/2010	12/31/2011	CHANGE	% CHANGE
REAL					
AG	180,350	183,410	337,110	153,700	83.80%
COMM	120,461,520	122,182,270	114,686,630	(7,495,640)	-6.13%
IND	346,628,600	367,053,680	377,482,040	10,428,360	2.84%
RESID	323,998,870	302,264,570	283,525,310	(18,739,260)	-6.20%
DEVEL	503,920	508,060	518,680	10,620	2.09%
TOTAL REAL	791,773,260	792,191,990	776,549,770	(15,642,220)	-1.97%
PERSONAL					
COMM	24,168,750	24,807,080	30,742,020	5,934,940	23.92%
IND	24,377,670	29,104,030	27,387,570	(1,716,460)	-5.90%
UTIL	32,081,100	29,493,900	29,199,510	(294,390)	-1.00%
TOTAL PERSONAL	80,627,520	83,405,010	87,329,100	3,924,090	4.70%
TOTAL EQUALIZED*	872,400,780	875,597,000	863,878,870	(11,718,130)	-1.34%
IFT/OPT	10,068,540	9,239,725	10,543,535	1,303,810	14.11%
LAND BANK	76,270	67,415	-	(67,415)	-100.00%
DNR	233,927	240,640	247,137	6,497	2.70%
TOTAL CITY	882,779,517	885,144,780	874,669,542	(10,475,238)	-1.18%

Property Tax Revenue Detail

	FY2012	FY2013	+/-
GENERAL OPERATING	13.726	13.726	0
REFUSE	1.448	1.448	0
PORT	0.375	0.375	0
BRIDGE	0.52	0.52	0
TOTAL MILLAGE	16.069	16.069	0
PTAF*	1.00%	1.00%	

* - CHARGED ON ALL MILLAGES

PTAF=PROPERTY TAX ADMINISTRATION FEE

PROPERTY TAX REVENUE- ESTIMATED

	<u>FISCAL YEAR 2013</u>		<u>FISCAL</u>	<u>%</u>
	<u>GENERAL</u>	<u>TOTAL</u>	<u>2012</u>	<u>CHANGE</u>
ESTIMATED TAXABLE VALUE	\$ 864,126,007	\$ 864,126,007	876,283,025	-1.39%
MILLAGE RATE	13.726	16.069	16.069	
TOTAL TAXES LEVIED	\$ 11,860,994	\$ 13,885,641	\$ 14,080,992	-1.39%
DDA/BRA CAPTURED VALUE	\$ 26,496,810	\$ 26,496,810	\$ 26,064,120	1.66%
DDA/BRA CAPTURED TAXES	\$ 355,856	\$ 416,600	\$ 418,824	
NET ADVALOREM TAXES	\$ 11,505,137	\$ 13,469,041	\$ 13,662,168	-1.41%
IFT/OPT PROPERTY TAXES	\$ 144,721	\$ 169,424	\$ 168,696	0.43%
TOTAL PROPERTY TAX REVENUE	\$ 11,649,858	\$ 13,638,465	\$ 13,830,864	-1.39%

TAXABLE VALUE FIGURES ARE ESTIMATES AND NOT FINAL

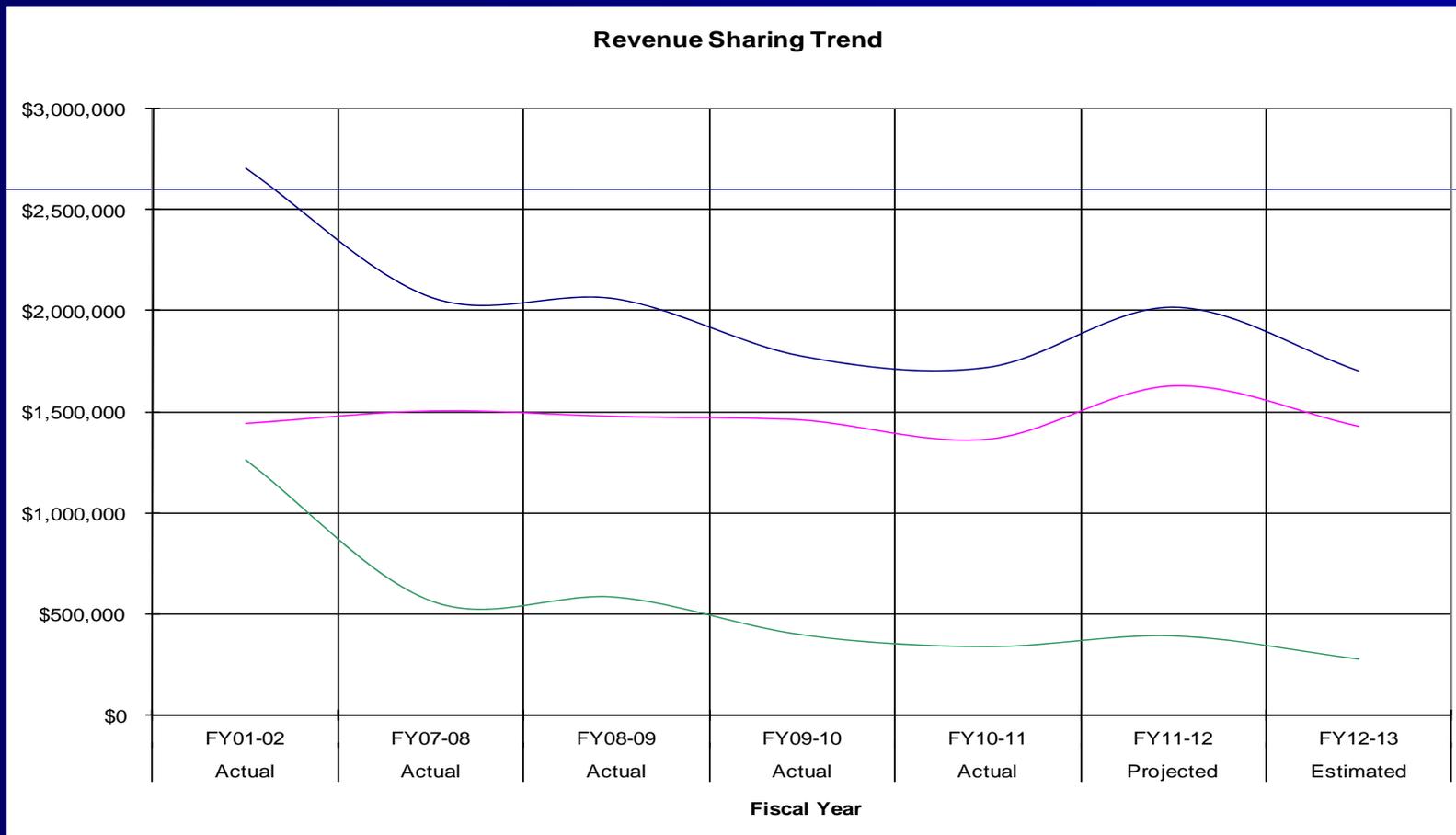
STATE REVENUE SHARING

	Actual FY01-02	Actual FY07-08	Actual FY08-09	Actual FY09-10	Actual FY10-11	Projected FY11-12	Estimated FY12-13
State Revenue Sharing	2,706,145	2,066,280	2,058,108	1,774,479	1,719,528	2,017,480	1,701,704
		(48,661)	(8,172)	(283,629)	(54,951)	297,952	(315,776)
		-2.30%	-0.40%	-13.78%	-3.10%	17.33%	-15.65%
Constitutional	1,442,812	1,504,073	1,476,942	1,458,371	1,364,140	1,628,711	1,428,455
		-0.15%	-1.80%	-1.26%	-6.46%	19.39%	-12.30%
Statutory/EVIP	1,263,333	562,207	581,166	393,907	335,388	388,769	273,249
		-2.30%	-0.40%	-10.00%	-8.25%	18.71%	-15.65%

**

** - August 2012 payment recognized as revenue in the 2011-12 fiscal year for the first time. Seven payments recognized as revenue, instead of six.

State Revenue Sharing



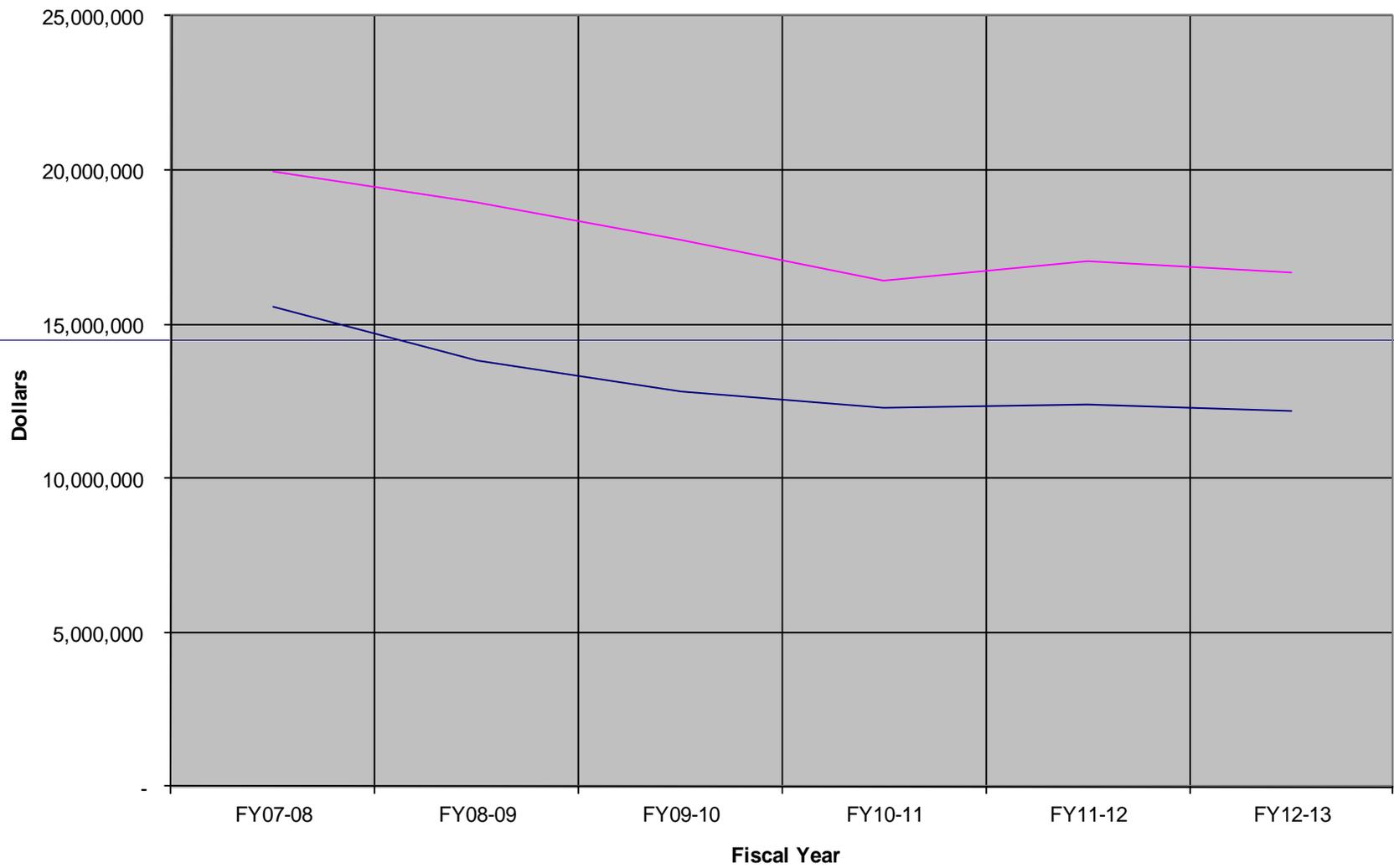
General Fund Revenue

	Actual FY06-07	Actual FY07-08	Actual FY08-09	Actual FY09-10	Actual FY10-11	Projected FY11-12	Estimated FY12-13
Property Taxes	13,385,492	13,780,109	13,616,367	13,100,618	12,289,633	12,318,729	12,187,857
State Revenue Sharing	2,114,941	2,066,280	2,058,108	1,774,479	1,719,528	2,017,480	1,701,704
Total	15,500,433	15,846,389	15,674,475	14,875,097	14,009,161	14,336,209	13,889,561
Dollar Change	214,046	345,956	(171,914)	(799,378)	(865,936)	327,048	(446,648)
Percentage Change	1.40%	2.23%	-1.08%	-5.10%	-5.82%	2.33%	-3.12%
Total Revenue	18,936,327	19,919,178	18,888,234	17,906,324	16,596,320	17,007,374	16,538,462
% of Total	81.86%	79.55%	82.99%	83.07%	84.41%	84.29%	83.98%

PERSONNEL COST % OF TOTAL

DESCRIPTION	ACTUAL FY07-08	ACTUAL FY08-09	ACTUAL FY09-10	ACTUAL FY10-11	PROJECTED FY11-12	ESTIMATED FY12-13
TOTAL PERSONNEL COST	15,545,984	13,821,556	12,835,579	12,279,018	12,370,962	12,209,176
PERCENTAGE INCREASE	8.37%	-11.09%	-7.13%	-4.34%	0.75%	-1.31%
TOTAL EXPENDITURES	19,927,717	18,971,154	17,757,452	16,392,998	17,033,360	16,659,128
PERCENTAGE INCREASE	6.48%	-4.80%	-6.40%	-7.68%	3.91%	-2.20%
PERSONNEL % OF TOTAL	78.01%	72.86%	72.28%	74.90%	72.63%	73.29%

Personnel Cost Compared to Total Cost



MULTI-SPORTS COMPLEX

	ACTUAL FY05-06	ACTUAL FY06-07	ACTUAL FY07-08	ACTUAL FY08-09	ACTUAL FY09-10	ACTUAL FY10-11	PROJECTED FY11-12	REQUESTED FY12-13
OPERATING INCOME	\$ 952,364	\$ 818,439	\$ 766,107	\$ 726,744	\$ 757,552	\$ 626,574	\$ 577,395	\$ 646,924
OPERATING EXPENDITURES	941,465	1,037,083	964,265	1,028,586	876,192	721,046	667,408	728,048
NET OPERATING INCOME/(LOSS)	10,899	(218,644)	(198,158)	(301,842)	(118,640)	(94,472)	(90,013)	(81,124)
DEBT SERVICE	489,888	429,216	452,336	456,060	458,367	460,901	466,529	461,203
NET INCOME/(LOSS)	\$(478,989)	\$(647,860)	\$(650,494)	\$(757,902)	\$(577,007)	\$(555,373)	\$(556,542)	\$(542,327)

OTHER GENERAL FUND ITEMS

- INTEREST INCOME BUDGETED AT \$100,000
- WASTEWATER ADMIN FEE FLAT AT 4.74%
- WATER ADMIN FEE – 6.29% TO 6.34%
- CONTINGENCY BUDGETED AT \$199,649
- OTHER ISSUES WITH DEPT. PRESENTATIONS

TWO YEAR FINANCIAL FORECAST

	FINANCIAL FORECAST JUNE 30,2013	FINANCIAL FORECAST JUNE 30,2014
ESTIMATED BEGINNING FUND BALANCE	\$ 3,252,779	\$ 3,249,865
ESTIMATED REVENUE	16,851,573	16,922,733
TOTAL AVAILABLE RESOURCES	\$ 20,104,352	\$ 20,172,598
ESTIMATED EXPENDITURES	16,854,487	17,333,996
ESTIMATED ENDING FUND BALANCE	\$ 3,249,865	\$ 2,838,602
INCREASE/(DECREASE) IN FUND BALANCE	\$ (2,914)	\$ (411,263)
FUND BALANCE AS % OF EXPENDITURES	19.28%	16.38%
BUDGET STABILIZATION FUND BALANCE	\$ 2,000,000	\$ 2,000,000
COMBINED PERCENTAGE OF EXPENDITURES	31.15%	27.91%

OTHER FUND BUDGETS TO REVIEW

- MAJOR STREET
- LOCAL STREET
- REFUSE FUND
- WASTEWATER
- WATER
- OTHER FUNDS LISTED ON BUDGET
ORDINANCE

MAJOR STREET FUND

- All 2013 CIP programs funded
- Projects Fund Balance of \$408,946 at 6/30/13
- Fund Balance is 88% of Operating Expenditures
- No transfer to Local Street Fund-with 25%, Fund Balance is 57%

MAJOR STREET FUND

DESCRIPTION	ACTUAL FY06-07	ACTUAL FY 07-08	ACTUAL FY 08-09	ACTUAL FY 09-10	ACTUAL FY 10-11	PROJECTED FY 11-12	REQUESTED FY 12-13
OPERATING REVENUE	\$1,086,346	\$ 1,095,052	\$ 1,061,220	\$ 1,035,666	\$ 1,086,840	\$ 1,085,848	\$ 1,075,100
CAPITAL FUNDING	470,256	679,918	195,000	810,328	817,589	549,406	910,000
INTEREST INCOME	62,906	34,296	16,739	5,343	2,517	1,050	1,000
TOTAL REVENUE	1,619,508	1,809,266	1,272,959	1,851,337	1,906,946	1,636,304	1,986,100
OPERATING EXPENDITURES	421,983	474,337	469,230	424,270	564,807	511,700	531,400
TRANSFER TO LOCAL STREETS	253,281	505,785	420,480	322,963	244,688	247,500	-
CAPITAL EXPENDITURES	1,134,091	1,158,987	492,287	1,135,902	1,365,451	893,859	1,455,000
TOTAL EXPENDITURES	1,809,355	2,139,109	1,381,997	1,883,135	2,174,946	1,653,059	1,986,400
REVENUE OVER(UNDER)EXPENSE	\$ (189,847)	\$ (329,843)	\$ (109,038)	\$ (31,798)	\$ (268,000)	\$ (16,755)	\$ (300)
OPERATING INCOME	\$ 411,082	\$ 114,930	\$ 171,510	\$ 288,432	\$ 277,345	\$ 326,648	\$ 543,700
NET CAPITAL COST	\$ (663,835)	\$ (479,069)	\$ (297,287)	\$ (325,574)	\$ (547,862)	\$ (344,453)	\$ (545,000)

LOCAL STREET FUND

- All 2013 CIP Funding included
- Estimated Fund Balance at 6/30/13 = \$195,499, uses \$422,620
- 47% of operating expenditures

Local Street Fund

DESCRIPTION	ACTUAL FY 08-09	ACTUAL FY 09-10	ACTUAL FY 10-11	PROJECTED FY 11-12	REQUESTED FY 12-13
OPERATING REVENUE	\$ 570,809	\$ 560,435	\$ 569,919	\$ 582,560	\$ 342,000
CAPITAL FUNDING	878,046	641,230	641,420	745,248	310,290
INTEREST INCOME	793	311	561	500	500
TOTAL REVENUE	1,449,648	1,201,975	1,211,900	1,328,308	652,790
OPERATING EXPENDITURES	431,312	319,297	387,643	368,320	415,120
CAPITAL EXPENDITURES	1,106,714	641,230	531,937	1,016,603	660,290
TOTAL EXPENDITURES	1,538,026	960,526	919,580	1,384,923	1,075,410
REVENUE OVER(UNDER)EXPENSE	\$ (88,378)	\$ 241,449	\$ 292,320	\$ (56,615)	\$ (422,620)
OPERATING INCOME	\$ 139,497	\$ 241,138	\$ 182,276	\$ 214,240	\$ (73,120)
NET CAPITAL COST	\$ (228,668)	\$ 0	\$ 109,483	\$ (271,355)	\$ (350,000)

REFUSE FUND

- REFUSE MILLAGE RECOMMENDED TO REMAIN AT 1.448 MILLS
- SERVICES PROVIDED
 - STREET SWEEPING
 - REFUSE REMOVAL
 - LEAF BAGS

REFUSE FUND SUMMARY

	ACTUAL FY08-09	ACTUAL FY09-10	ACTUAL FY10-11	PROJECTED FY11-12	REQUESTED FY12-13
REVENUE					
PROPERTY TAX REVENUE	1,426,248	1,330,757	1,242,382	1,247,350	1,233,633
INTEREST ON INVESTMENTS	28,158	9,939	5,886	4,000	4,000
DUMPING FEES	2,922	1,180	680	1,000	1,000
SALES-REFUSE STICKERS	4,960	3,578	3,404	3,500	3,500
TOTAL REVENUE	1,462,288	1,345,453	1,252,352	1,255,850	1,242,133
EXPENDITURES					
STREET SWEEPING	274,886	266,046	266,135	295,000	300,000
REFUSE PICK-UP	994,760	976,553	985,314	1,042,500	1,055,000
LEAF PICKUP	21,546	21,478	21,882	19,329	25,000
REFUND - BOR SETTLEMENT	859	2,279	6,289	6,500	6,500
TOTAL EXPENDITURES	1,292,051	1,266,356	1,279,620	1,363,329	1,386,500
REVENUE OVER (UNDER) EXPENDITURES	170,237	79,097	(27,268)	(107,479)	(144,367)
FUND BALANCE - BEGINNING OF YEAR	133,269	303,506	382,603	355,335	247,856
FUND BALANCE - END OF YEAR	303,506	382,603	355,335	247,856	103,489

WASTEWATER FUND

- 5.5% INCREASE IN COMMODITY RATE AND 0.0% INCREASE IN THE QUARTERLY SERVICE CHARGE RECOMMENDED
- 4.5% INCREASE OR \$13.80 PER YEAR, AVERAGE
- COMMODITY RECOMMENDED TO INCREASE FROM \$2.71 TO \$2.86
- ADMINISTRATIVE FEE UNCHANGED AT \$13.59
- FUND IS STILL IN GOOD FINANCIAL CONDITION

WATER FUND

- COMMODITY RATE RECOMMENDED TO INCREASE FROM \$1.40 TO \$1.44
- NO CHANGE IN DEBT SERVICE FEE THAT COVERS DEBT ISSUES - \$5.40
- NO CHANGE IN QUARTERLY ADMINISTRATIVE FEE \$4.50
- THE FUND SHOULD BUILD UP WORKING CAPITAL

NEXT STEP

- DEPARTMENT BUDGET PRESENTATIONS
- SEE SCHEDULE AND DEPARTMENTAL BUDGET RESPONSIBILITY

QUESTIONS/DISCUSSION