2013 GENERAL FUND ENDING CASH BALANCE

Budget on a Cash Basis

2013 General Fund Ending Cash Balance $2,664,579

$  93,773 Restricted
$  633,805 Cash Flow Reserve
$  828,823 Strategic Reserve
$1,072,245 Assigned for Programs/Projects
$   35,933 Unassigned Cash Balance

$2,664,579 Total

$  100,000 Interfund Loan for Street Projects until grant revenue is received
$   68,512 PUD rebate for HVAC

$2,833,091 Adjusted Total

2014 PROJECTED TAX REVENUE

Sales Tax – Averaging 1.3% greater than 2013 actual = $22,000 over 2014 budget
Sales Tax one time for 2014 $34,000
B&O Tax – Averaging 2.7% Decrease from 2013 actual = (9,000)
Other Tax Revenue – Flat (Up on some down on others)

Program Revenues have not been fully submitted yet.

2015 INCREASED COSTS

$109,000 - Salary – COLA, Steps, Position changes, Def Comp
$  53,000 - State Retirement Inc – 1.79% Inc
$  57,000 - Medical – Increased Fixed cost of premium coupled with premium change

$219,000 - Total

Mayor Cronce

City Clerk Look
New Budget Process

2015
Are We Getting the Most Out of Our Budget Process?

We are doing well, but it could be better...
Goals

• Ensure political accountability
• Facilitate greater creativity and efficiency
• Establish an adaptable system, useful as the economy improves (or gets worse)
• Builds cooperation and efficiencies between programs
Notes

• Some of these are proposals - Must be approved by Commission
• No system is perfect, we’ll be making changes
• Finance role - consulting and audit
• Decision following a prioritization
• Not all technical steps are included herein
Budget Preparation

• Begins with City Commission
  – Collect ideas at retreat
  – Analyze ideas along with others
• Status Quo analysis
  – Finance produces spreadsheets
  – Depts may alter greyed cells but only after consulting with finance
Budget Preparation

- Initial Budget Requests
  - Must include Commission requests
  - Details not necessary, but must be accurate
- Department Head Committee
  - Made up of Department Directors
  - Changes proposed by one department that impact another must be approved by the Committee
  - Decisions must be consensus or approved by City Administrator
Proposed Reserve Policy

- Programmatic revenue will be accounted for within the department.
- In General Fund Programs - Half of revenues (including assigned tax revenue) that exceed expenses will split with the General Fund and be retained by the program into the next year.
- Over 2 years, GF Strategic Reserves, available for all programs, will be reduced from 8.5% to 4.25%.
- Requests for use of Strategic Reserves must include a replacement plan, so that minimum reserve requirements are met.
(Informal) Decision Process

- Proposals Prepared
- Presentations made to Department Head Committee
- Presentations made to Finance Committee
- Finance Committee recommends priority list to City Commission
- Commission approves or alters the priority list
- Revenue and expense estimates are updated
- Higher priority programs are approved, based on available funding
- Successful funding requests are formalized
- Preliminary budget is presented to the City Commission
- Full Commission adopts it “as is” or with changes