



# CITY OF AUBURN

4/2/2013

Budget 2014

# What is a Budget?

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- A budget is a financial plan for the City.
  - It determines the services or levels to be provided.
  - It sets a direction regarding goals and projects.
  - It provides priorities to the staff to implement for the year.
  - Ultimately it sets the tax rate for the City.

# Who decides/writes the budget?

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- Staff present budgets to the manager.
- The City Manager presents a budget to the Council.
- The Council reviews, changes, and approves the manager's recommendations as Council adopted.
  - The Council can by a majority:
    - Adopt or amend the policy directions of the Budget.

# How is the budget adopted? See Section 8.5 of the Charter.

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- A. *Notice and hearing.* The city council shall provide public notice of the budget process in the contemporary means of information sharing, including the city's website, if any, for:
  - 1. The times and places where copies of the message and budget are available for inspection by the public; and
  - 2. The time and place of the public hearing, not less than two weeks after the city manager submits the budget to the city council.
- B. *Amendment before adoption.* After the public hearing, the city council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income.
- C. *Adoption.* The city council shall, after at least one public hearing held at the time the city council considers its first reading of the annual appropriation resolve, adopt the budget on or before the last day of the last month of the fiscal year currently ending. If it fails to adopt the budget by this date, the budget proposed by the city manager shall go into effect.

# City Council Goals

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- Economic Development
  - Leverage existing assets, streamline interaction with other agencies, and improve communication.
- Community Safety
  - Address safety of Auburn from all perspectives. (Staff, residents, visitors, etc)
- Citizen Engagement
  - Improve or expand dialogue and interaction with citizens.

# Budget Drivers

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- The restructuring of Economic Development, Planning, Code, CDBG, and Assessing
- Sharing of CDBG staff with Code and Assessing.
- Increasing staff in General Assistance from part time to full time and sharing with Clerk's office.
- Sharing a finance position with Economic Development one day a week.
- Moving all TIF utilized expenses to Economic Development budget. (Ex. LAEGC)
- Implementing a 2 year transition to contracted recycling.

# Budget Drivers

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- Moving all Community Programs to Parks and Recreation Budget
- Funding a contracted service to mow Oak Hill Cemetery.
- Funding positions for a full year. (Asst. City Manager, Fire Chief, Asst. Planner)
- Increasing funding to MPERS for increased contribution.
- Budgeting 1% for pay increases. Intent to review salary scales.
- Including a Spring Clean Up.

# Budget Drivers

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- Adding a 2<sup>nd</sup> Deputy Fire Chief as of January 1<sup>st</sup>.
- Increasing overtime for fire per minimum staffing requirements.
- Implement a second shift supervisor in Public Works will sustaining existing staffing levels.
- Transitioning administrative position from engineering budget to public works.
- Adopting a direction to provide curbside recycling for one more year under current format. Plan is to implement an automated system for July 1, 2014.
- Increase for non-bonded capital purchases.

# Budget Drivers

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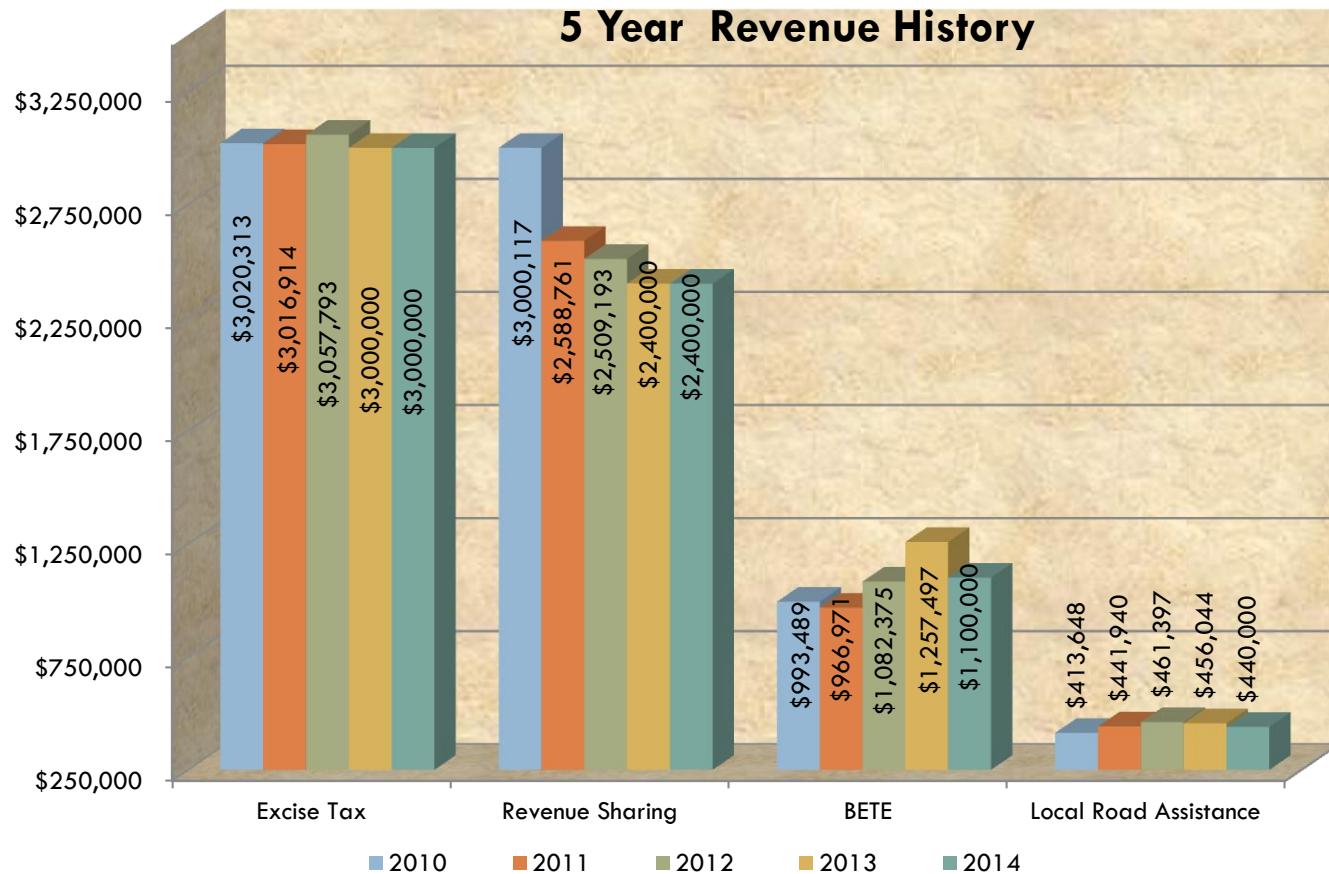
- CIP initiatives
  - Negotiate purchase of street lights over the next year to reduce long-term costs.
  - Implement a TIF funded property program consistent with comprehensive plan in Downtown.
  - Transition \$300,000 to operating budget from CIP.
  - Engineer retaining wall replacement plan.
  - Develop a five year plan to increase road maintenance and construction funding.

# Historical Trends

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# Historical Trends

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# State Budget Impacts

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## □ Loses

□ Homestead:	\$347,340*
□ BETE/BETR (est.)	\$350,000
□ Excise Tax Commercial (est.)	\$320,000
□ State Revenue Sharing (est.)	\$2,400,000
□ Total w/o Homestead	\$3,070,000
■ Expressed in Mill	1.5

# Homestead

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- This loss does not impact the City as a loss.
- The loss is to the individual home owner.
- Except for homeowners over 65 the change will eliminate the \$10,000 valuation reduction.
- With a mill rate of 19.54 this results in a \$195.40 tax increase to all persons who were eligible for the exemption.

# How to Address State Budget

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- Closing of any one of the Fire, Police, or PW completely would cover the loss.
  - Of the approximately 150 employees in all three of these departments, the City would have to layoff at least 15 in each department, total of 45 to absorb the loss.
  - And as a self insured unemployment entity we would still have to budget that loss.
- If the City closed the library completely
  - The City still needs to cut \$2.1 million

# How to address State Budget

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- The City would have to cut all paving maintenance and construction completely.
- If the City could cut the County budget in its entirety (which we can't cut at all) then that would save \$2,029,513 and we still have to cut \$1,000,000 more.

# Sustainability

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- Need to stabilize revenues, primarily the state budget.
- 5% annual growth in valuation to offset increasing costs.
- Improve Capital Improvement Plan processes to have better long-term goals.
- Increase fees for services.
- Future of General Assistance, costs, responsibility, State support?