

TO: Honorable Mayor Thomas G. Ferrini and City Council Members  
 FROM: John P. Bohenko, City Manager  
 DATE: June 14, 2010  
 Re: Adopted Annual Budget for Fiscal Year 2011

CC: All Department Heads and Reference Books

The City Council adopted resolution #7-2010, General Fund Expenditures in the amount of \$86,304,454 on June 7, 2010 as shown below.

**CITY COUNCIL'S ADOPTED  
 APPROPRIATIONS JUNE 7, 2010**

<b>MUNICIPAL</b>	<b>\$15,444,772</b>
<b>POLICE</b>	<b>\$8,438,673</b>
<b>FIRE</b>	<b>\$6,722,490</b>
<b>SCHOOL</b>	<b>\$36,904,000</b>
<b>TRANSFER TO INDOOR POOL</b>	<b>\$155,000</b>
<b>COLLECTIVE BARGAINING</b>	
<b>CONTINGENCY</b>	<b>\$900,000</b>
<b>NON-OPERATING</b>	<b>\$17,739,519</b>
<b>TOTAL</b>	<b>\$86,304,454</b>

The FY 2011 Proposed Budget was submitted to the City Council on April 9, 2010. As a result of various City Council work sessions with departments, a total adjustment of (\$1,498,701) was made from the proposed expenditure budget.

	FY10	FY11 Proposed Budget	FY11 Adopted Budget	Change From FY11 Proposed Budget	Change From FY10 Adopted Budget	% Change from FY10 Budget
<b>OPERATING EXPENDITURES:</b>						
Municipal	15,654,946	15,636,233	15,444,772	(191,461)	(210,174)	-1.34%
Police	8,650,896	8,726,760	8,438,673	(288,087)	(212,223)	-2.45%
Fire	6,822,400	6,822,400	6,722,490	(99,910)	(99,910)	-1.46%
School	36,244,503	37,258,943	36,904,000	(354,943)	659,497	1.82%
Collective Bargaining Cont.	913,447	900,000	900,000	-	(13,447)	-1.47%
Transfer to Indoor Pool			155,000	155,000		
<b>Total Operating</b>	<b>\$ 68,286,192</b>	<b>\$ 69,344,336</b>	<b>68,564,935</b>	<b>(779,401)</b>	<b>278,743</b>	<b>0.41%</b>
<b>NON-OPERATING EXPENDITURES:</b>						
Debt Related Expenses/TANS	350,000	350,000	350,000	-	0	0.00%
Debt Service Payments	8,156,496	9,351,127	9,181,827	(169,300)	1,025,331	12.57%
Overlay	900,000	1,300,000	1,100,000	(200,000)	200,000	22.22%
Capital Outlay	800,000	1,487,500	1,187,500	(300,000)	387,500	48.44%
County	3,825,800	4,107,894	4,107,894	-	282,094	7.37%
Contingency	300,000	300,000	250,000	(50,000)	(50,000)	-16.67%
Other General Non-Operating	1,420,248	1,562,298	1,562,298	-	142,050	10.00%
<b>Total Non-Operating</b>	<b>15,752,544</b>	<b>18,458,819</b>	<b>17,739,519</b>	<b>(719,300)</b>	<b>1,986,975</b>	<b>12.61%</b>
<b>Total Budget</b>	<b>\$ 84,038,736</b>	<b>\$ 87,803,155</b>	<b>86,304,454</b>	<b>(1,498,701)</b>	<b>2,265,718</b>	<b>2.70%</b>

Total adjustments, including revenues, to the FY11 Proposed Budget are as follows.

**Revenues:**

Revenues from New Growth	500,000	
Increase to Revenues-School Tuition	350,000	
Use of Undesignated Fund Balance	155,000	
	<b>Total Revenue Adjustments</b>	<b>\$1,005,000</b>

**Operating Budget:**

Municipal Departments reductions	(191,461)
Police Department reductions	(288,087)
Fire Department reductions	(99,910)
School Department reduction	(354,943)
Transfer to the Indoor Pool (Funded by Undesignated Fund Balance	155,000

**Non Operating Budget:**

Debt Service reduction	(169,300)	
Overlay reduction	(200,000)	
Capital Outlay (see attached)	(300,000)	
Contingency	(50,000)	
	<b>Total Expenditure Adjustments</b>	<b>(\$1,498,701)</b>

APPENDIX PAGE		CIP FY 11-16 City Council Adopted March 15, 2010	Reduction	New Total
II-21	ELECTRONIC DOCUMENT MGT SYSTEM (EDMS)-DIGITAL ARCHIV	\$35,500		\$35,500
II-22	OUTSIDE PERIMETER CAMERAS-LIBRARY	\$12,000		\$12,000
II-24	ELEMENTARY SCHOOL UPGRADES	\$25,000		\$25,000
II-27	PRESCOTT PARK: VARIOUS BUILDING IMPROVEMENTS	\$40,000		\$40,000
II-29	HISTORIC MARKERS	\$10,000		\$10,000
II-30	PLANNING DEPARTMENT MASTER PLAN PLANNING PROCESS	\$25,000	(\$25,000)	\$0
II-31	IMPLEMENTATION OF PEIRCE ISLAND MASTER PLAN PROJECT	\$50,000		\$50,000
II-32	PLAYGROUND IMPROVEMENTS	\$100,000		\$100,000
II-33	JONES AVENUE CONCEPTUAL MASTER PLAN	\$12,500		\$12,500
II-35	HISTORIC CEMETERY IMPROVEMENTS	\$10,000		\$10,000
II-36	SEAWALL REPAIRS	\$200,000	(\$50,000)	\$150,000
II-38	MUNICIPAL COMPLEX ELEVATOR REPLACEMENT	\$200,000		\$200,000
II-39	RECLAMATION OF FORMER STUMP DUMP	\$25,000	(\$25,000)	\$0
II-40	MUNICIPAL COMPLEX STORAGE BUILDING REPLACEMENT	\$100,000	(\$100,000)	\$0
II-59	DOWNTOWN SIGNAGE AND PEDESTRIAN WAYFINDING SYSTEM	\$50,000		\$50,000
II-64	TRAFFIC SIGNAL EVALUATION AND REPLACEMENT-CITYWIDE	\$75,000		\$75,000
II-65	CITYWIDE INTERSECTION IMPROVEMENTS	\$50,000		\$50,000
II-66	INTERSECTION/SIGNAL: WOODBURY AVE TURNING LANES	\$100,000		\$100,000
II-68	TRAFFIC CALMING/UPGRADES: OCEAN RD	\$70,000		\$70,000
II-69	ALDRICH RD TRAFFIC SAFETY IMPROVEMENTS	\$25,000		\$25,000
II-70	CITYWIDE TREE REPLACEMENT PROGRAM	\$20,000		\$20,000
II-73	ISLINGTON STREET-STREETSCAPE IMPROVEMENTS	\$100,000	(\$100,000)	\$0
II-74	MAPLEWOOD AVENUE REHABILITATION	\$100,000		\$100,000
II-12	CAPITAL CONTINGENCY	\$52,500		\$52,500
	<b>TOTAL</b>	<b>\$1,487,500</b>	<b>(\$300,000)</b>	<b>\$1,187,500</b>

The proposed budget of \$87,803,155 would have resulted in a tax increase of \$1.28 for a rate of \$18.37 per \$1,000 of valuation.

Total adjustments as a result of the budget worksessions will reduce the tax increase from \$1.28 to 62¢ resulting in a tax rate of \$17.71.

**FY11 PROPOSED TAX RATE AS OF JUNE 7, 2010**

			<i>SUBMITTED APRIL 9, 2010</i>	<i>AS APPROVED ON JUNE 7, 2010</i>
	<b>FY09</b>	<b>FY10</b>	<b>FY11 Proposed Tax Rate</b>	<b>FY11 Approved Tax Rate</b>
Municipal/Local School	16.98	17.09	18.37	17.71
Increase from Prior Year		0.11	1.28	0.62
Percentage Change		0.65%	7.49%	3.63%

The Tax Rate increase in FY10 of 11¢ plus the Tax Rate increase for FY11 of 62¢ equals a total of a 73¢ Tax Rate increase over two years for an average of 36¢ per year or 2.1% each year.

The following summary page attached replaces page 57 of your proposed FY11 budget document.

# GENERAL FUND BUDGET SUMMARY - FY 2011

	DEPARTMENT REQUESTED				ADOPTED BUDGET 6/7/2010		
	FY 09/10 Budget	FY 10/11 Department Request	% Change	\$\$ Change	FY11 ADOPTED Budget	% Change	\$\$ Change from FY10
<b>OPERATING BUDGET</b>							
Municipal	15,654,946	15,636,233	-0.12%	(18,713)	15,444,772	-1.34%	(210,174)
Police	8,650,896	8,726,760	0.88%	75,864	8,438,673	-2.45%	(212,223)
Fire	6,822,400	6,822,400	0.00%	0	6,722,490	-1.46%	(99,910)
School	36,244,503	37,258,943	2.80%	1,014,440	36,904,000	1.82%	659,497
Collective Bargaining Contingency	913,447	900,000	-1.47%	(13,447)	900,000	-1.47%	(13,447)
Transfer to Indoor Pool	0	0		0	155,000		155,000
<b>Total Operating Budget</b>	<b>68,286,192</b>	<b>69,344,336</b>	<b>1.55%</b>	<b>1,058,144</b>	<b>68,564,935</b>	<b>0.41%</b>	<b>278,743</b>
<b>NON-OPERATING EXPENSE</b>							
Debt Related Costs/TANS	350,000	350,000	0.00%	0	350,000	0.00%	0
Debt Service Payments	8,156,496	9,351,127	14.65%	1,194,631	9,181,827	12.57%	1,025,331
Overlay	900,000	1,300,000	44.44%	400,000	1,100,000	22.22%	200,000
Capital Outlay	800,000	1,487,500	85.94%	687,500	1,187,500	48.44%	387,500
County	3,825,800	4,107,894	7.37%	282,094	4,107,894	7.37%	282,094
Contingency	300,000	300,000	0.00%	0	250,000	-16.67%	(50,000)
Other General Non-Operating	1,420,248	1,562,298	10.00%	142,050	1,562,298	10.00%	142,050
<b>Total Non-Operating Budget</b>	<b>15,752,544</b>	<b>18,458,819</b>	<b>17.18%</b>	<b>2,706,275</b>	<b>17,739,519</b>	<b>12.61%</b>	<b>1,986,975</b>
<b>Total Gross Budget</b>	<b>84,038,736</b>	<b>87,803,155</b>	<b>4.48%</b>	<b>3,764,419</b>	<b>86,304,454</b>	<b>2.70%</b>	<b>2,265,718</b>
<b>REVENUES</b>							
Municipal	10,592,433	10,168,649	-4.00%	(423,784)	10,168,649	-4.00%	(423,784)
School	4,610,500	5,110,500	10.84%	500,000	5,460,500	18.44%	850,000
State Revenues	2,354,687	2,661,672	13.04%	306,985	2,661,672	13.04%	306,985
State Transition Aid		0	-100.00%	(222,611)	0	-100.00%	(222,611)
Use of Reserve for property Appraisal	73,500	73,500	0.00%	0	73,500	0.00%	0
Use of Reserve for Debt/ Bond Premiums	1,360,614	900,000	-33.85%	(460,614)	900,000	-33.85%	(460,614)
Use of Fund Balance for Collective Bargaining	1,053,006	0	-100.00%	(1,053,006)	0	-100.00%	(1,053,006)
Use of Fund Balance - Indoor Pool					155,000		155,000
<b>Total</b>	<b>20,267,351</b>	<b>18,914,321</b>	<b>-6.68%</b>	<b>(1,353,030)</b>	<b>19,419,321</b>	<b>-4.18%</b>	<b>(848,030)</b>
<b>BUDGETED PROPERTY TAX LEVY</b>	<b>63,771,385</b>	<b>68,888,834</b>	<b>8.02%</b>	<b>5,117,449</b>	<b>66,885,133</b>	<b>4.88%</b>	<b>3,113,748</b>
<b>Total Property Tax Commitment</b>	<b>64,058,155</b>	<b>68,888,834</b>	<b>7.54%</b>	<b>4,830,679</b>	<b>66,885,133</b>	<b>4.41%</b>	<b>2,826,978</b>
War Service Credits	611,000	611,000	0.00%	0	611,000	0.00%	0
Adequate Education Formula	(8,447,047)	(9,038,295)	7.00%	(591,248)	(9,038,295)	7.00%	(591,248)
State Education Tax	8,447,047	9,038,295	7.00%	591,248	9,038,295	7.00%	591,248
<b>Total Property Taxes Assessed</b>	<b>64,669,155</b>	<b>69,499,834</b>	<b>7.47%</b>	<b>4,830,679</b>	<b>67,496,133</b>	<b>4.37%</b>	<b>2,826,978</b>
<b>ASSESSED VALUATION WITH UTILITIES</b>	<b>3,807,536,521</b>	<b>3,807,536,521</b>	<b>0.00%</b>	<b>0</b>	<b>3,834,536,521</b>	<b>0.71%</b>	<b>27,000,000</b>
<b>ASSESSED VALUATION NO UTILITIES</b>	<b>3,634,413,852</b>	<b>3,634,413,852</b>	<b>0.00%</b>	<b>0</b>	<b>3,661,413,852</b>	<b>0.74%</b>	<b>27,000,000</b>
<b>MUNICIPAL TAX RATE</b>	<b>13.73</b>	<b>14.80</b>	<b>7.80%</b>	<b>1.07</b>	<b>14.17</b>	<b>3.23%</b>	<b>0.44</b>
<b>COUNTY TAX RATE</b>	<b>1.04</b>	<b>1.08</b>	<b>3.74%</b>	<b>0.04</b>	<b>1.07</b>	<b>3.01%</b>	<b>0.03</b>
<b>STATE EDUCATION TAX RATE</b>	<b>2.32</b>	<b>2.49</b>	<b>7.19%</b>	<b>0.17</b>	<b>2.47</b>	<b>6.44%</b>	<b>0.15</b>
<b>COMBINED TAX RATE</b>	<b>17.09</b>	<b>18.37</b>	<b>7.49%</b>	<b>1.28</b>	<b>17.71</b>	<b>3.63%</b>	<b>0.62</b>