

TO: Honorable Mayor Robert J. Lister and City Council Members  
 FROM: John P. Bohenko, City Manager  
 DATE: June 12, 2014  
 Re: Adopted Annual Budget for Fiscal Year 2015

CC: All Department Heads and Reference Books

The City Council adopted resolution #7-2014, General Fund Expenditures in the amount of \$96,641,762 on June 9, 2014 as shown below.

**CITY COUNCIL'S ADOPTED  
 APPROPRIATIONS JUNE 9, 2014**

<b>MUNICIPAL</b>	<b>\$17,010,942</b>
<b>POLICE</b>	<b>\$9,343,994</b>
<b>FIRE</b>	<b>\$7,757,108</b>
<b>SCHOOL</b>	<b>\$40,975,396</b>
<b>COLLECTIVE BARGAINING</b>	<b>\$500,000</b>
<b>TRANSFER TO INDOOR POOL</b>	<b>\$150,000</b>
<b>NON-OPERATING</b>	<b>\$20,904,322</b>
<b>TOTAL</b>	<b>\$96,641,762</b>

The FY 2015 Proposed Budget was submitted to the City Council on May 2, 2014. As a result of budget worksessions held, the City Council's adopted budget includes a reduction of (\$100,000) as follows:

	FY14	FY15 City Manager's Proposed Budget	FY15 City Council Adopted Budget	Change From FY15 Proposed Budget	\$Change From FY14 Adopted Budget	%Change From FY14 Adopted Budget
<b>OPERATING EXPENDITURES:</b>						
Municipal	16,686,628	17,010,942	17,010,942	-	324,314	1.94%
Police	9,174,659	9,343,994	9,343,994	-	169,335	1.85%
Fire	7,531,078	7,757,108	7,757,108	-	226,030	3.00%
School	39,820,958	40,975,396	40,975,396	-	1,154,438	2.90%
Collective Bargaining Cont.	-	500,000	500,000	-	500,000	
Transfer to Indoor Pool	150,000	150,000	150,000	-	0	0.00%
<b>Total Operating</b>	<b>\$ 73,363,323</b>	<b>\$ 75,737,440</b>	<b>75,737,440</b>	<b>-</b>	<b>2,374,117</b>	<b>3.24%</b>
<b>NON-OPERATING EXPENDITURES:</b>						
Debt Related Expenses/TANS	350,000	275,000	275,000	-	(75,000)	-21.43%
Debt Service Payments	10,483,686	11,231,523	11,231,523	-	747,837	7.13%
Overlay	950,000	1,000,000	1,000,000	-	50,000	5.26%
Property & Liability Ins	414,000	318,000	318,000	-	(96,000)	-23.19%
County	4,540,274	4,764,174	4,764,174	-	223,900	4.93%
Contingency	250,000	250,000	250,000	-	0	0.00%
Rolling Stock	766,892	786,300	786,300	-	19,408	0.00%
IT Equipment Replacement	312,250	329,450	329,450	-	17,200	5.51%
Capital Outlay	1,365,000	1,700,000	1,600,000	(100,000)	235,000	17.22%
Other General Non-Operating	289,712	349,875	349,875	-	60,163	20.77%
<b>Total Non-Operating</b>	<b>19,721,814</b>	<b>21,004,322</b>	<b>20,904,322</b>	<b>(100,000)</b>	<b>1,182,508</b>	<b>6.00%</b>
<b>Total Budget</b>	<b>\$ 93,085,137</b>	<b>\$ 96,741,762</b>	<b>96,641,762</b>	<b>(100,000)</b>	<b>3,556,625</b>	<b>3.82%</b>

The total reduction of (\$100,000) Capital Outlay is from the following Adjustments:

**Capital Improvements  
Fiscal Year 2015  
Taken from Capital Improvement Plan 2015-2020**

Budget Book PAGE	City Council Adopted 2/18/2014	Amended 6/9/2014	FY 15
II-21 TRAFFIC PRE-EMPTION SYSTEM UPGRADES	\$30,000		\$30,000
II-22 MUNICIPAL FIRE ALARM SYSTEM: REPAIRS AND IMPROVEMENTS	\$30,000		\$30,000
II-24 FIRE STATION 3 SPACE NEEDS STUDY	\$25,000	(\$25,000)	\$0
II-25 POLICE SITE NEEDS STUDY	\$50,000		\$50,000
II-28 PRESCOTT PARK: FACILITIES CAPITAL IMPROVEMENTS	\$87,500		\$87,500
II-30 IMPLEMENTATION OF PEIRCE ISLAND MASTER PLAN PROJECT	\$25,000		\$25,000
II-33 PARK AND PLAYGROUND IMPROVEMENTS	\$125,000	(\$25,000)	\$100,000
II-38 BLEACHER/GRANDSTANDS	\$50,000		\$50,000
II-39 HISTORIC CEMETERY IMPROVEMENTS	\$50,000		\$50,000
II-42 RETAINING WALLS REPAIR AND IMPROVEMENTS	\$75,000		\$75,000
II-43 BANFIELD ROAD DRAINAGE IMPROVEMENTS	\$50,000		\$50,000
II-44 CITYWIDE STORMDRAINAGE IMPROVEMENTS	\$50,000		\$50,000
II-45 CITY WIDE FACILITIES CAPITAL IMPROVEMENTS MASTER PLAN	\$50,000		\$50,000
II-48 MASTER PLAN PLANNING PROCESS	\$100,000		\$100,000
II-62 MARKET SQUARE UPGRADE	\$50,000		\$50,000
II-63 BICYCLE INFRASTRUCTURE	\$50,000		\$50,000
II-64 MIDDLE ST BICYCLE LANES	\$25,000		\$25,000
II-65 HAMPTON BRANCH RAIL TRAIL	\$150,000		\$150,000
II-67 CITYWIDE TRAFFIC SIGNAL UPGRADE PROGRAM	\$100,000		\$100,000
II-68 INTERSECTION UPGRADE: MARKET STREET AT-GRADE CROSSING	\$76,800		\$76,800
II-69 LONGMEADOW ROAD EXTENSION	\$50,000	(\$25,000)	\$25,000
II-71 CITYWIDE TREE REPLACEMENT PROGRAM	\$20,000		\$20,000
II-73 GATEWAY IMPROVEMENTS-EXIT 7	\$120,000		\$120,000
II-74 ISLINGTON STREET-STREETSCAPE IMPROVEMENTS	\$100,000		\$100,000
II-78 BANFIELD ROAD IMPROVEMENTS	\$50,000		\$50,000
II-79 ATLANTIC HEIGHTS NEIGHBORHOOD EMERGENCY ACCESS ROAD	\$50,000		\$50,000
II-13 CAPITAL CONTINGENCY	\$60,700	(\$25,000)	\$35,700
<b>TOTAL</b>	<b>\$1,700,000</b>	<b>(\$100,000)</b>	<b>\$1,600,000</b>

In addition to the reduction of expenditures, the City Council authorized the use of Unassigned Fund Balance in the amount of \$200,000 to be used on non-recurring capital outlay projects. As a result of the amendments, the adopted FY15 budget will result in an estimated tax rate of \$18.12 per \$1,000 of valuation. This rate is an increase of 21¢ or 1.17% over FY14.

<b>FY15 PROPOSED TAX RATE</b>					
The Department of Revenue sets the final tax rate in mid October					
	FY11	FY12	FY13	FY14	Estimated Rate FY15
Total Tax Rate	17.41	17.27	17.55	17.91	18.12
Municipal/Local School/State Education/County					
Increase/Decrease from Prior Year		-0.14	0.28	0.36	0.21
Percentage Change		-0.80%	1.62%	2.05%	1.17%

# GENERAL FUND BUDGET SUMMARY-FY 2015 - Adopted June 9, 2014

	FY2013 BUDGET	FY14 Budget	FY15 City Manager Recommended	% Change	\$\$ Change	FY15 City Council Adopted Budget	From FY 14 % Change	From FY 14 \$\$ Change
<b>OPERATING BUDGET</b>								
General Government	15,905,044	16,686,628	17,010,942	1.94%	324,314	17,010,942	1.94%	324,314
Police	8,838,885	9,174,659	9,343,994	1.85%	169,335	9,343,994	1.85%	169,335
Fire	7,155,250	7,531,078	7,757,108	3.00%	226,030	7,757,108	3.00%	226,030
School	38,302,260	39,820,958	40,975,396	2.90%	1,154,438	40,975,396	2.90%	1,154,438
Collective Bargaining	100,000	0	500,000		500,000	500,000		500,000
Transfer to Indoor Pool	150,000	150,000	150,000	0.00%	0	150,000	0.00%	0
<b>Total Operating Budget</b>	<b>70,451,439</b>	<b>73,363,323</b>	<b>75,737,440</b>	<b>3.24%</b>	<b>2,374,117</b>	<b>75,737,440</b>	<b>3.24%</b>	<b>2,374,117</b>
<b>NON-OPERATING EXPENSE</b>								
Debt Related Costs/TANS	350,000	350,000	275,000	-21.43%	(75,000)	275,000	-21.43%	(75,000)
Debt Service Payments	11,325,131	10,483,686	11,231,523	7.13%	747,837	11,231,523	7.13%	747,837
Overlay	1,150,000	950,000	1,000,000	5.26%	50,000	1,000,000	5.26%	50,000
Property & Liability Ins	414,000	414,000	318,000	-23.19%	(96,000)	318,000	-23.19%	(96,000)
County	4,297,188	4,540,274	4,764,174	4.93%	223,900	4,764,174	4.93%	223,900
Contingency	250,000	250,000	250,000	0.00%	0	250,000	0.00%	0
Rolling Stock	773,993	766,892	786,300	2.53%	19,408	786,300	2.53%	19,408
IT Equipment Replacement	232,000	312,250	329,450	5.51%	17,200	329,450	5.51%	17,200
Capital Outlay	1,022,500	1,365,000	1,700,000	24.54%	335,000	1,600,000	17.22%	235,000
Other General Non-Operating	290,017	289,712	349,875	20.77%	60,163	349,875	20.77%	60,163
<b>Total Non-Operating Budget</b>	<b>20,104,829</b>	<b>19,721,814</b>	<b>21,004,322</b>	<b>6.50%</b>	<b>1,282,508</b>	<b>20,904,322</b>	<b>6.00%</b>	<b>1,182,508</b>
<b>Total Gross Budget</b>	<b>90,556,268</b>	<b>93,085,137</b>	<b>96,741,762</b>	<b>3.93%</b>	<b>3,656,625</b>	<b>96,641,762</b>	<b>3.82%</b>	<b>3,556,625</b>
<b>REVENUES</b>								
Municipal	10,174,649	10,278,418	11,851,986	15.31%	1,573,568	11,851,986	15.31%	1,573,568
School	5,432,500	5,523,700	5,623,900	1.81%	100,200	5,623,900	1.81%	100,200
State Revenues	1,362,147	1,357,975	1,355,333	-0.19%	(2,642)	1,355,333	-0.19%	(2,642)
State Revenues-School Building Aid	1,319,095	1,770,305	1,770,305	0.00%	0	1,770,305	0.00%	0
<i>Use of Fund Balance: Unassigned</i>								
Planning Department Supplemental Approp	0	150,000	0	-100.00%	(150,000)	0	-100.00%	(150,000)
Fire Department Supplemental Approp	0	97,000	0	-100.00%	(97,000)	0	-100.00%	(97,000)
Capital Outlay	0	0	0	0.00%	0	200,000		200,000
<i>Use of Fund Balance: Committed</i>								
Property Appraisal	73,500	73,500	73,500	0.00%	0	73,500	0.00%	0
Debt/ Bond Proceeds	199,242	100,000	0		(100,000)	0	-100.00%	(100,000)
Debt Service Reserve	2,500,000	1,500,000	1,500,000	0.00%	0	1,500,000	0.00%	0
<b>Total</b>	<b>21,061,133</b>	<b>20,850,898</b>	<b>22,175,024</b>	<b>6.35%</b>	<b>1,324,126</b>	<b>22,375,024</b>	<b>7.31%</b>	<b>1,524,126</b>
<b>BUDGETED PROPERTY TAX LEVY</b>	<b>69,495,135</b>	<b>72,234,239</b>	<b>74,566,738</b>	<b>3.23%</b>	<b>2,332,499</b>	<b>74,266,738</b>	<b>2.81%</b>	<b>2,032,499</b>
<b>Total Property Tax Commitment</b>	<b>69,985,791</b>	<b>72,373,853</b>	<b>74,566,738</b>	<b>3.03%</b>	<b>2,192,885</b>	<b>74,266,738</b>	<b>2.62%</b>	<b>1,892,885</b>
War Service Credits	562,000	549,500	600,000	9.19%	50,500	600,000	9.19%	50,500
Adequate Education Formula	(9,361,188)	(9,744,008)	(10,129,725)	3.96%	(385,717)	(10,129,725)	3.96%	(385,717)
State Education Tax	9,361,188	9,744,008	10,129,725	3.96%	385,717	10,129,725	3.96%	385,717
<b>Total Property Taxes Assessed</b>	<b>70,547,791</b>	<b>72,923,353</b>	<b>75,166,738</b>	<b>3.08%</b>	<b>2,243,385</b>	<b>74,866,738</b>	<b>2.66%</b>	<b>1,943,385</b>
<b>ASSESSED VALUATION WITH UTILITIES</b>	<b>4,043,767,047</b>	<b>4,096,603,575</b>	<b>4,156,403,575</b>	<b>1.46%</b>	<b>59,800,000</b>	<b>4,156,403,575</b>	<b>1.46%</b>	<b>59,800,000</b>
<b>ASSESSED VALUATION NO UTILITIES</b>	<b>3,870,081,052</b>	<b>3,917,159,080</b>	<b>3,976,959,080</b>	<b>1.53%</b>	<b>59,800,000</b>	<b>3,976,959,080</b>	<b>1.53%</b>	<b>59,800,000</b>
<b>MUNICIPAL TAX RATE</b>	<b>14.04</b>	<b>14.28</b>	<b>14.50</b>	<b>1.53%</b>	<b>0.22</b>	<b>14.42</b>	<b>0.96%</b>	<b>0.14</b>
<b>COUNTY TAX RATE</b>	<b>1.09</b>	<b>1.14</b>	<b>1.15</b>	<b>0.55%</b>	<b>0.01</b>	<b>1.15</b>	<b>0.55%</b>	<b>0.01</b>
<b>STATE EDUCATION TAX RATE</b>	<b>2.42</b>	<b>2.49</b>	<b>2.55</b>	<b>2.40%</b>	<b>0.06</b>	<b>2.55</b>	<b>2.40%</b>	<b>0.06</b>
<b>COMBINED TAX RATE</b>	<b>17.55</b>	<b>17.91</b>	<b>18.20</b>	<b>1.64%</b>	<b>0.29</b>	<b>18.12</b>	<b>1.17%</b>	<b>0.21</b>