



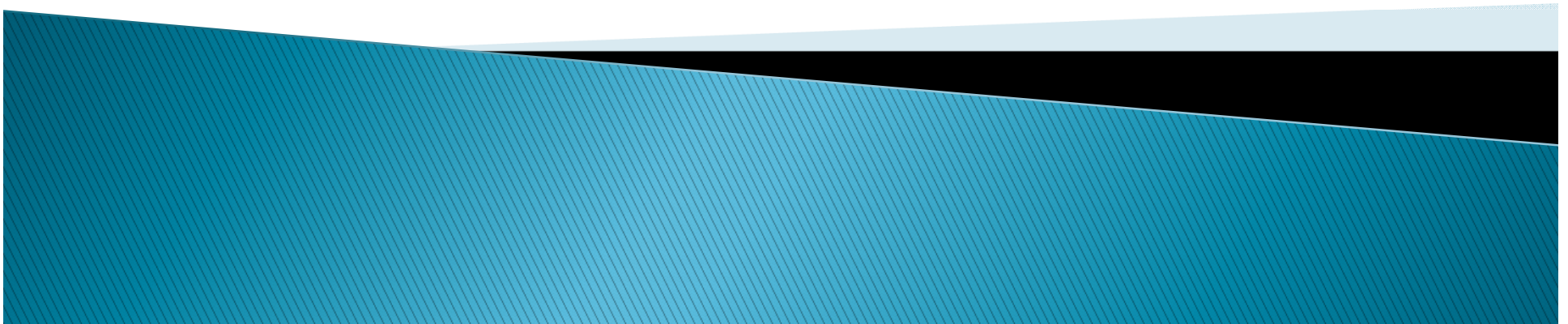
FY 2015 Proposed Budget Overview

Presented to the Bloomington City Council
February 24, 2014

Patti-Lynn Silva, Finance Director



Expenditure Overview



City Expenditures:

FY 15 Proposed Budget: \$180,518,410

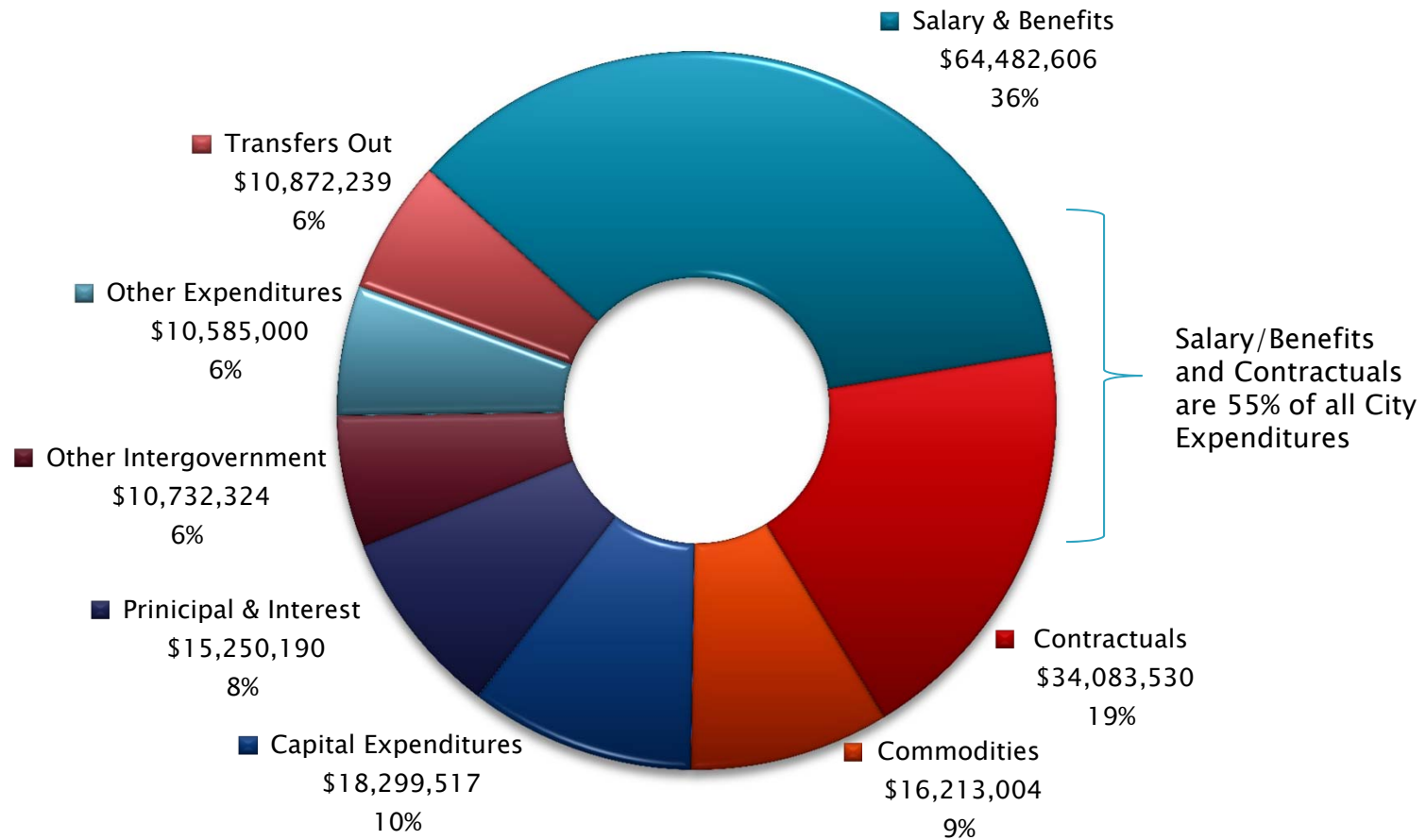
FY 14 Adopted Budget: (\$169,437,779)

Increase: \$11,080,631

The City's budget for all funds is increasing by 6.54%

City Expenditures by Function

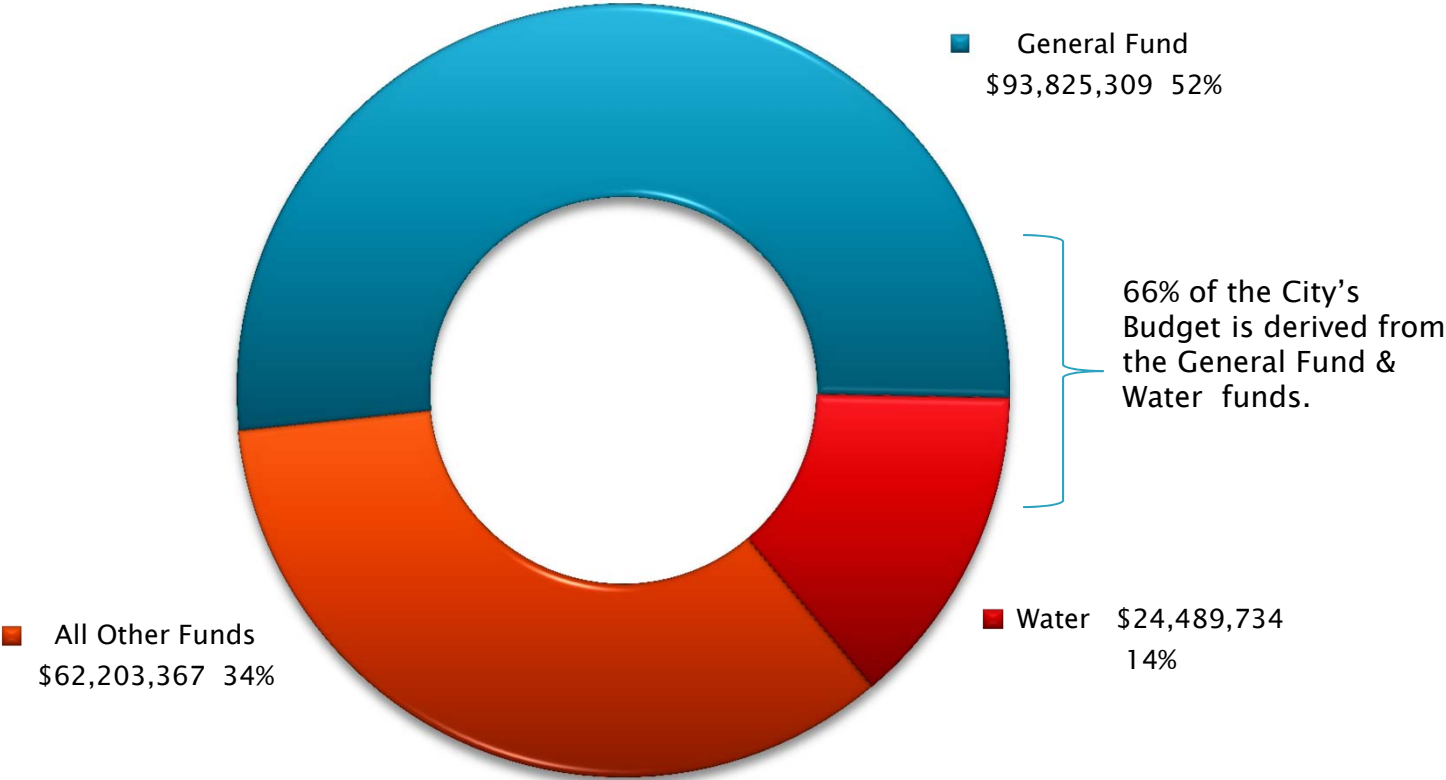
\$180,518,410



Expenditures Increase by Function

Category	FY14	FY15	\$ Difference	% Difference
<i>Salaries</i>	44,418,049	48,384,189	3,966,140	8.93%
<i>Benefits</i>	14,114,525	16,098,417	1,983,892	14.06%
<i>Contractuals</i>	30,880,877	34,083,530	3,202,653	10.37%
<i>Commodities</i>	16,434,342	16,213,004	(221,338)	-1.35%
<i>Capital Expenditures</i>	16,715,358	18,299,517	1,584,159	9.48%
<i>Principal</i>	9,927,966	11,146,426	1,218,460	12.27%
<i>Interest</i>	3,612,543	4,103,764	491,221	13.60%
<i>Intergovernmental</i>	8,979,444	10,732,324	1,752,880	19.52%
<i>Other Expenditures</i>	11,048,762	10,585,000	(463,762)	-4.20%
<i>Transfers Out</i>	13,305,913	10,872,239	(2,433,674)	-18.29%
Total All Funds:	169,437,779	180,518,410	11,080,631	6.54%

City Expenditures by Major Funds



Fund Balance Summary

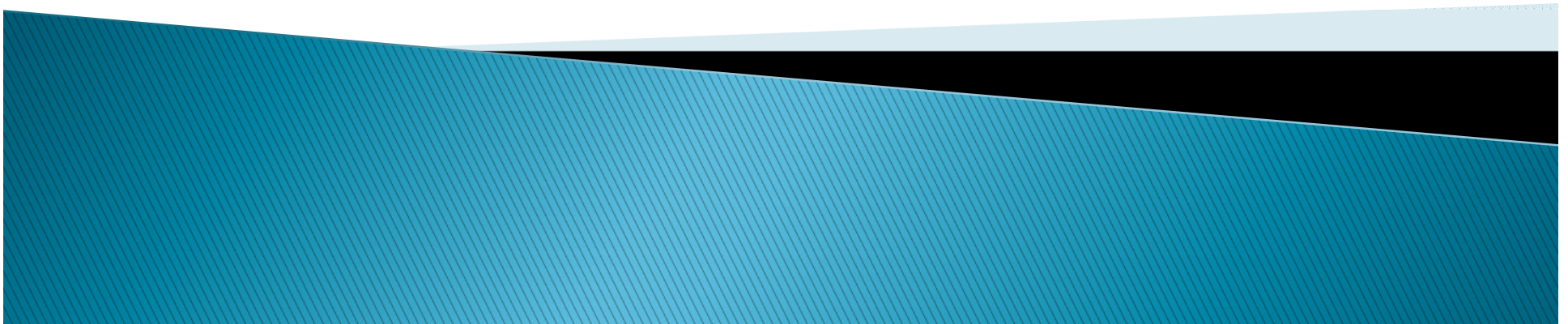
	Projected Opening Fund Balance 5-1-14	Proposed Revenues	Proposed Expenditures	Projected Ending Fund Balance 4-30-15	% of Fund Balance
General Fund	\$ 13,460,189	\$ 93,825,309	\$ 93,825,309	\$ 13,460,189	14.66%
Special Revenue Funds	\$ 9,227,080	\$ 9,218,445	\$ 8,331,061	\$ 10,114,464	104.87%
Debt Service Funds	\$ 10,245,186	\$ 8,087,116	\$ 9,326,953	\$ 9,005,349	55.10%
Capital Project Funds	\$ 9,679,389	\$ 7,002,557	\$ 7,135,557	\$ 9,546,389	70.56%
Water	\$ 21,440,384	\$ 17,879,000	\$ 24,489,734	\$ 14,829,650	79.16%
Sewer	\$ 2,556,916	\$ 5,487,106	\$ 6,001,626	\$ 2,042,396	40.99%
Storm Water	\$ 761,615	\$ 2,946,463	\$ 3,353,518	\$ 354,561	10.51%
Solid Waste	\$ (782,738)	\$ 7,379,000	\$ 7,753,490	\$ (1,157,228)	-15.11%
Golf Courses	\$ 51,103	\$ 3,127,700	\$ 3,286,771	\$ (107,968)	-3.87%
All Other Enterprise Funds	\$ 347,703	\$ 2,023,286	\$ 1,936,523	\$ 434,465	18.41%
Internal Service Funds:	\$ 4,288,159	\$ 14,624,652	\$ 14,591,436	\$ 4,321,375	33.07%
Fiduciary Fund Total:	\$ 484,299	\$ 501,000	\$ 486,432	\$ 498,868	127.32%
Grand Total:	\$ 71,759,285	\$ 172,101,634	\$ 180,518,410	\$ 63,342,510	34.30%

*The difference between revenues and expenditures proposed is the planned use of fund balance.

**More detail can be seen on page 50 in the proposed Budget Book 1.

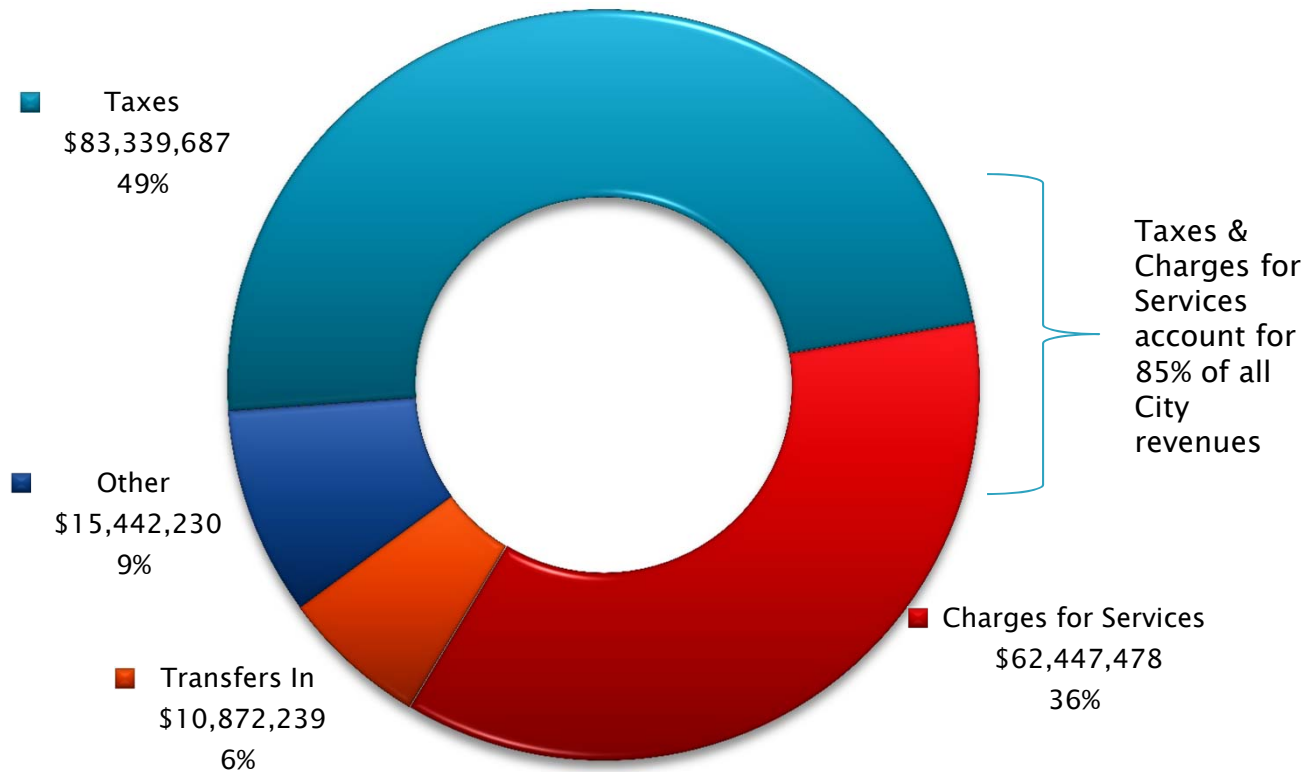


Revenue Overview



City Revenues by Function

\$172,101,634



City Taxes by Function

Tax Category	FY 15 Proposed Budget	% of Total Taxes
Property Taxes	\$ 23,369,066	28%
State & Home Rule Sales Tax	\$ 30,189,827	36%
Utility Tax	\$ 7,809,289	9%
Income Tax	\$ 7,529,874	9%
Food & Beverage Tax	\$ 4,363,447	5%
Franchise Taxes	\$ 2,190,809	3%
Replacement Tax	\$ 1,857,810	3%
Hotel / Motel Tax	\$ 1,759,003	2%
Other Taxes	\$ 3,661,063	4%
Amusement Tax	\$ 600,000	1%
Total City Taxes	\$ 83,339,687	
	No increases recommended.	
	Not able to increase these taxes.	
	Increases have been included in the proposed budget.	

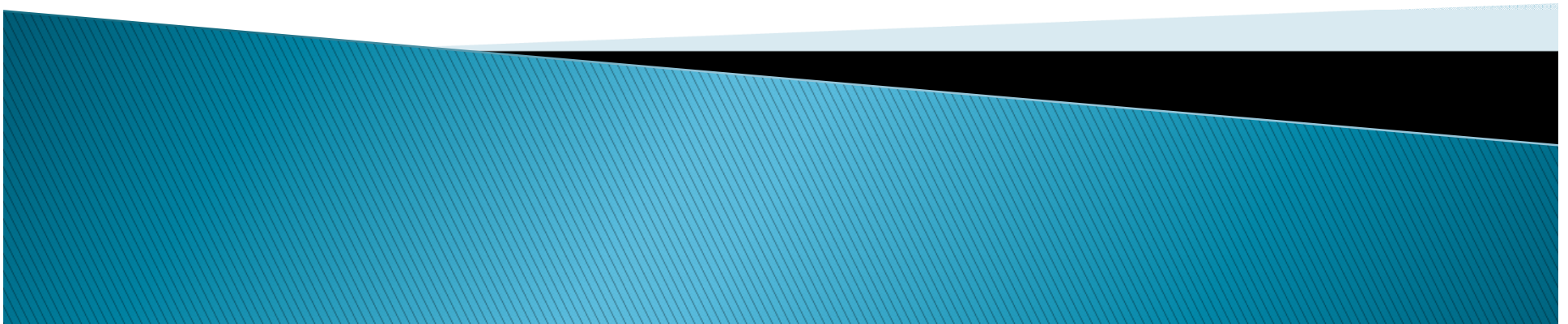
*Taxes have not increased in over 5 years. Expenditures are now outpacing revenues. The proposed budget includes increases for the Utility Tax and the creation of a new Amusement Tax.

City Charges for Services by Category

Tax Category	FY 15 Proposed Budget	% of Total Taxes
Metered Water Sales	\$ 16,800,000	26.9%
City Contribution	\$ 10,616,362	17.0%
Solid Waste Fees	\$ 5,906,000	9.5%
Activity / Program Fees	\$ 5,572,904	8.9%
Sewer Fees	\$ 5,253,515	8.4%
Storm Water Fees	\$ 2,819,213	4.5%
All Other Fees/Charges	\$ 15,479,484	24.8%
	City contributions represent transfers to self insurance funds.	
	Increases have been included in the proposed budget.	
	User fees will be reviewed through a rate study in FY15 to react to the Sewer & Storm Water Master Plan.	



General Fund



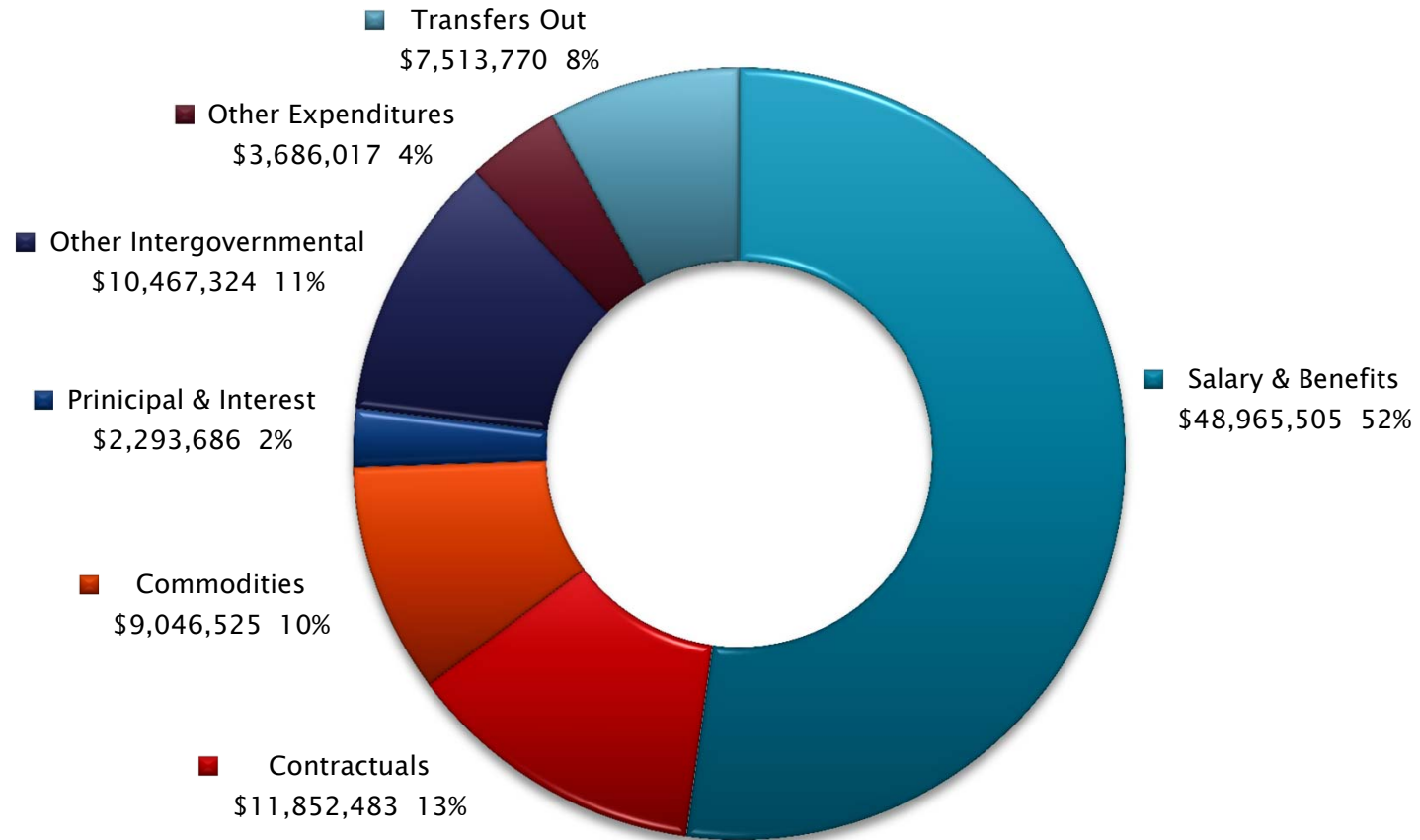
General Fund FY15 Budget:

FY 15 Proposed Budget:	\$ 93,825,307
FY 14 Adopted Budget:	<u>(\$ 87,033,496)</u>
Increase:	\$6,791,811

The General Fund budget is increasing by 7.80%



General Fund Expenditures by Category – \$93,825,309



General Fund Expenditure Increase by Function

General Fund	FY14	FY15	\$ Difference	% Difference
<i>Salaries</i>	33,220,300	37,149,976	3,929,676	11.83%
<i>Benefits</i>	9,752,473	11,815,528	2,063,055	21.15%
<i>Contractuals</i>	10,867,975	11,852,483	984,507	9.06%
<i>Commodities</i>	9,371,022	9,046,525	(324,497)	-3.46%
<i>Capital Expenditures</i>	989,351	0	(989,351)	-100.00%
<i>Principal</i>	1,258,059	2,060,117	802,058	63.75%
<i>Interest</i>	149,939	233,568	83,629	55.78%
<i>Intergovernmental</i>	8,739,444	10,467,324	1,727,880	19.77%
<i>Other Expenditures</i>	3,267,073	3,686,017	418,944	12.82%
<i>Transfers Out</i>	9,417,860	7,513,770	(1,904,090)	-20.22%
Total General Fund	87,033,496	93,825,307	6,791,811	7.80%

Expenditure Highlights:

- Salary & Benefits – Increase \$6 million
 - \$4.0 million – increases for current staffing levels (\$2.7 million is Public Safety)
 - \$1.6 million – new costs for added staff
 - \$.7 million – in new costs for Revitalizing the City Organization Plan
 - \$.3 million – in reduced contributions to Employee Healthcare Fund

- Contractuals (Worker Comp/Liability Ins. & contractual employees) – Increase \$1 million
 - Worker comp premiums increased \$1 million dollars which is not included in the total and was cut from the proposed budget. The general fund will contribute the same premium levels as FY14
 - \$.3 million – increase in insurance admin fees including \$150K proposed for a Safety Coordinator
 - \$.3 million – increase in temporary & contract employees
 - \$.2 million – increase in general liability/property

Expenditure Highlights:

- Capital Expenditures – Decreased \$1.6 million
 - Capital equipment & vehicle requests of \$4.2 million are proposed to be financed through the capital lease program. No cash for capital equipment is proposed for the general fund.

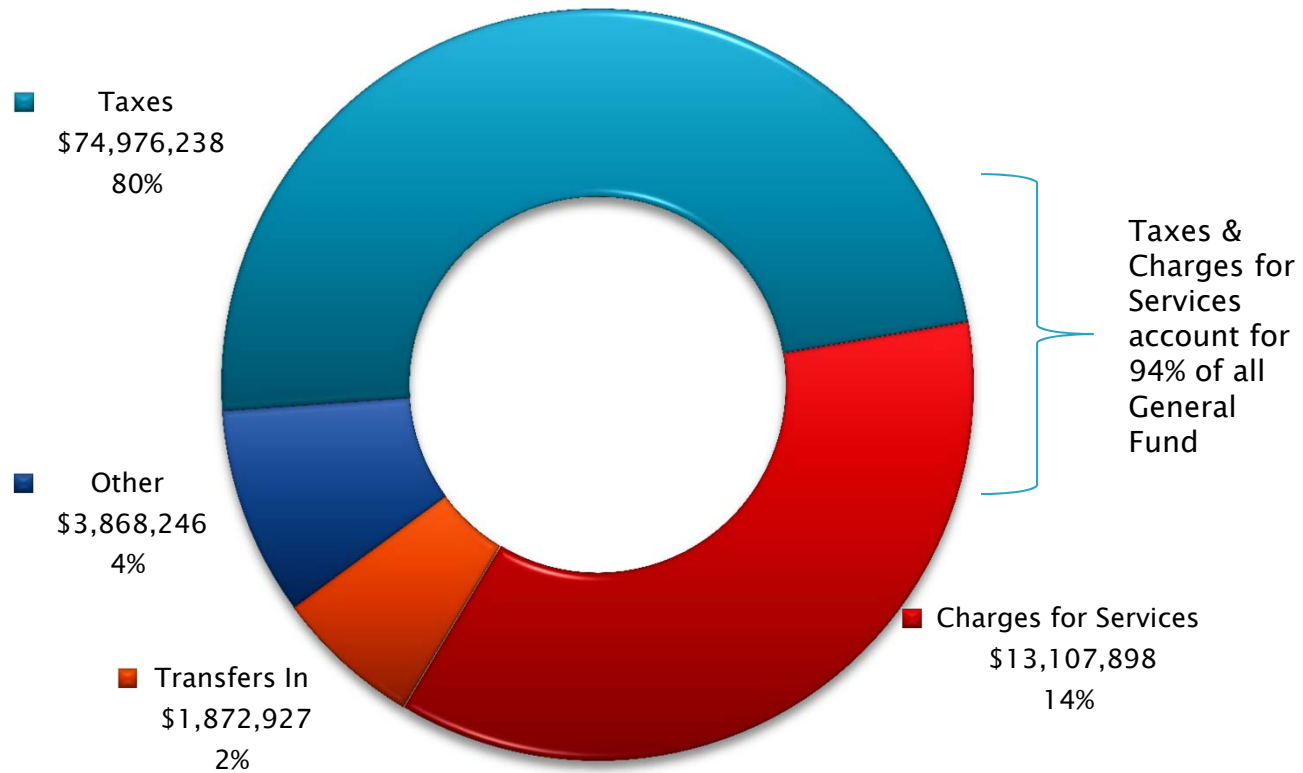
- Principal & Interest – Increase \$.9 million
 - \$.7million relates to FY15 capital equipment & vehicle requests.

Expenditure Highlights:

- ❑ Intergovernmental –Increase \$1.6 million
 - FY15 payment to the Police and Fire Pension Funds has increased \$1.6 million.

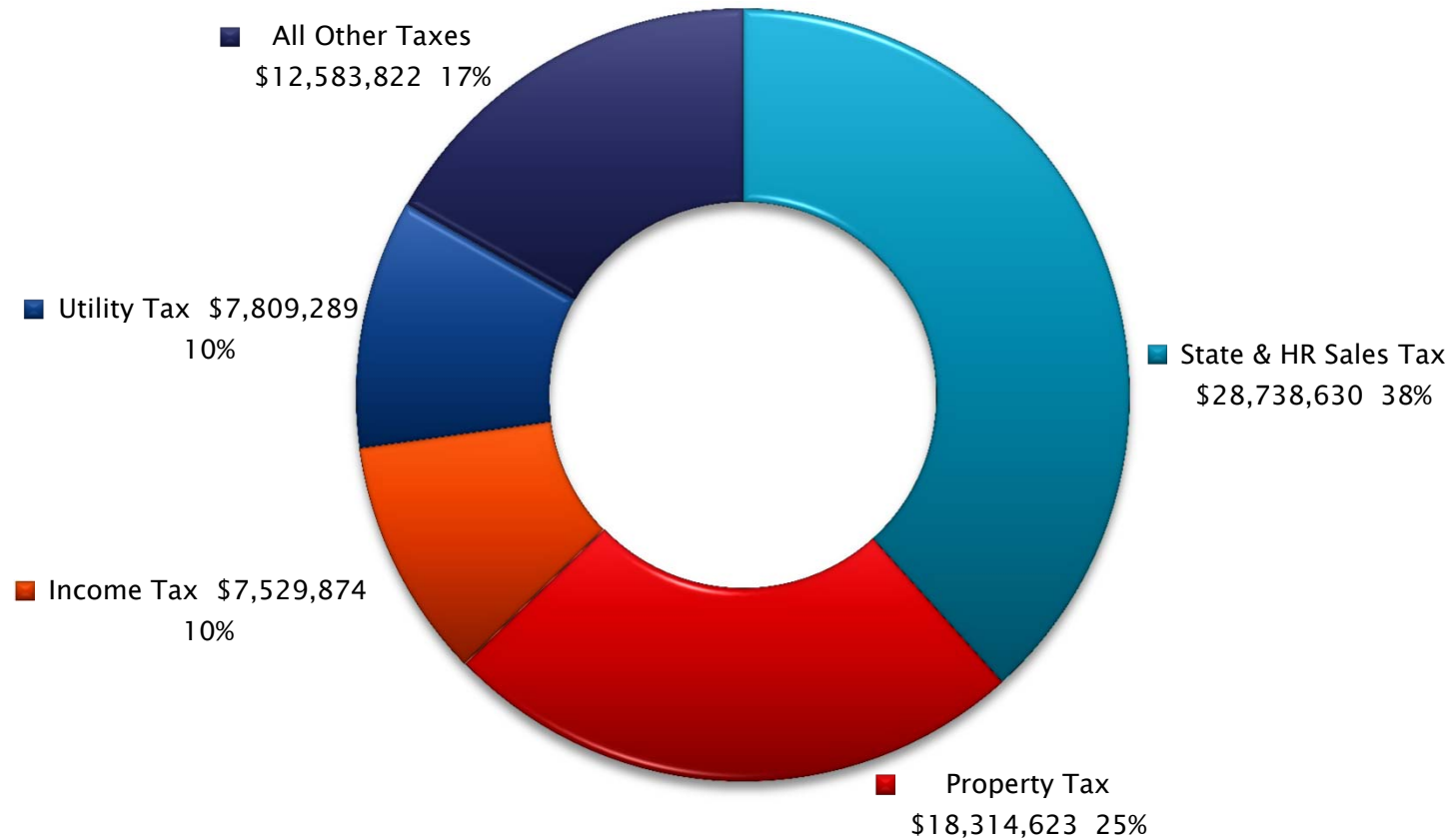
- ❑ Transfers Out – Decrease \$1.9 million
 - A modest cash transfer of \$1.5 million to the Capital Improvement Fund is proposed to continue with capital in FY15 (a decrease of \$3.2million) while capital planning occurs during FY15 for Streets, Sewer & Storm Water.
 - \$1.4 million increase to the Debt Service Fund for the \$10 million dollar street resurfacing bond and other covenants.

General Fund Revenues by Function \$ 93,825,309



General Fund Major Taxes

\$74,976,238



General Fund Revenue Highlights:

- ❑ No major General Fund revenues have been increased.
 - Property tax and sales taxes make up 63% of total general fund revenues.
 - Property taxes adopted for the FY15 budget were not increased. Property tax was last increased in FY10 (effective in FY11).
 - Home Rule sales tax is not proposed to increase in the FY15 proposed budget. Home rules sales tax was increased last in FY08 (effective in FY09) by .25%. This increase is scheduled to sunset in FY16 however, action is needed before then to continue funding the Coliseum & BCPA debt service.

- ❑ The vast majority of General Fund revenues are dependent on the success of the economy and are considered elastic. Increased revenues from growth in consumption and consumer spending has been fruitful but signs of some decline or plateaus resulted in modest projections in the FY15 proposed budget.

- ❑ To help fill the funding gap, the FY15 budget does propose to increase the utility tax and create a new amusement tax.

General Fund Revenue Highlights Cont'd:

- ❑ The City's utility taxes are proposed to be raised to the maximum statutory limits. Raising these taxes could achieve up to \$3 million in new revenue streams in FY15.
- ❑ The amusement tax is proposed to charge a 4 percent tax on amusements defined as: participative and exhibitive entertainment including but not limited to sporting events, theatrical/musical events, movies, bowling, cable and dvd movie rentals.
- ❑ Tax exemptions would apply to charitable, religious, or other not for profit organizations. The amusement tax could achieve up to \$1 million in new revenue.

Proposed Tax Increases:

	Electric (per kwh)	Natural Gas	Telecommunications	Water	Amusement
Current rate	Sliding scale per Kwh used	2.5%	3.5%	2.5%	0%
Proposed Rate	Slide scale to per Kwh used	5.0%	6.0%	5.0%	4.0%

*Utility Tax peer data can be located in the proposed budget book titled "Budget Overview & General Fund" on page 67.

Impact to Average Resident – Utility

	Electric	Natural Gas	Telecom	Water	Total Monthly Utility Tax	Monthly increase over current rate
Monthly Bill Amount	\$100.00	\$50.00	\$70.00	\$50.00	\$270.00	-
Current Utility Tax	\$2.86	\$1.29	\$2.45	\$1.25	\$7.85	-
Full Increase to Statutory Limits	\$6.28	\$2.58	\$4.20	\$2.50	\$15.56	\$7.71



Amusement Tax on Average Ticket Price

	Movies	Bowling	BCPA	Coliseum	Zoo	Golf	Cable
Amount	\$10.00	\$5.00	\$25.00	\$50.00	\$6.00	\$35.00	\$80.00
Tax	\$0.40	\$0.20	\$1.00	\$2.00	\$.24	\$1.40	\$3.20
Total	\$10.40	\$5.20	\$26.00	\$52.00	\$6.24	\$36.40	\$83.20

*Amusement tax is proposed to stay constant at 4%. Cable is shown above as a monthly charge.



Other Budget Highlights

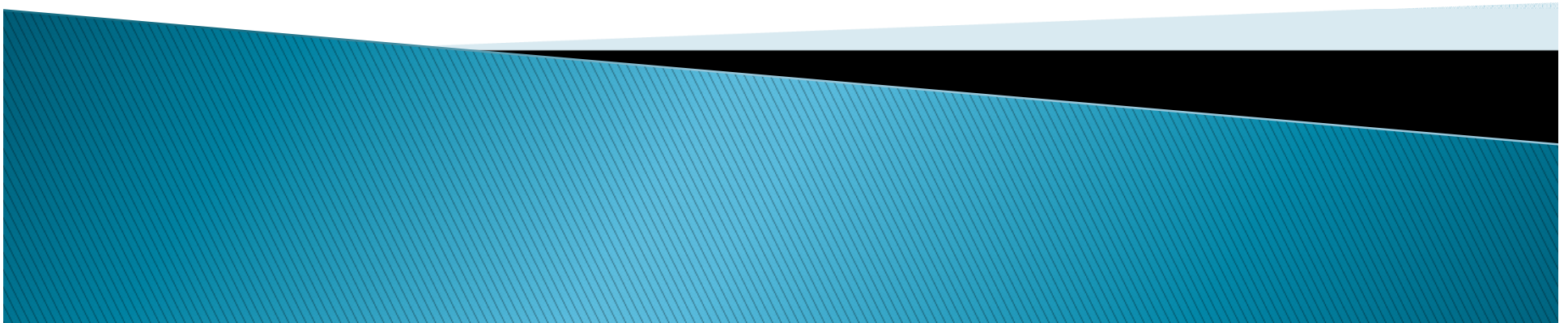
- ❑ Implementation of the Facilities Plan for \$.25 million in FY15 addresses year one life and safety issues as well as ADA compliance.
- ❑ Sewer has requested \$2.6 million in capital projects of which four are from the Sewer Master Plan. \$2 million of the Sewer Fund balance is being retained for potential exposure from City owned annexation agreements such as the Grove Subdivision.
- ❑ \$.3 million for a Streets Master Plan is proposed in the FY 15 budget.
- ❑ To maintain a positive cash position the Storm Water has no capital projects budgeted. Rates have not been increased since 2004.
- ❑ Both Sewer and Storm Water will participate in rate studies budgeted in FY 2015 to create a plan for the needs revealed by the Sewer and Storm Master Plans.

Other Budget Highlights

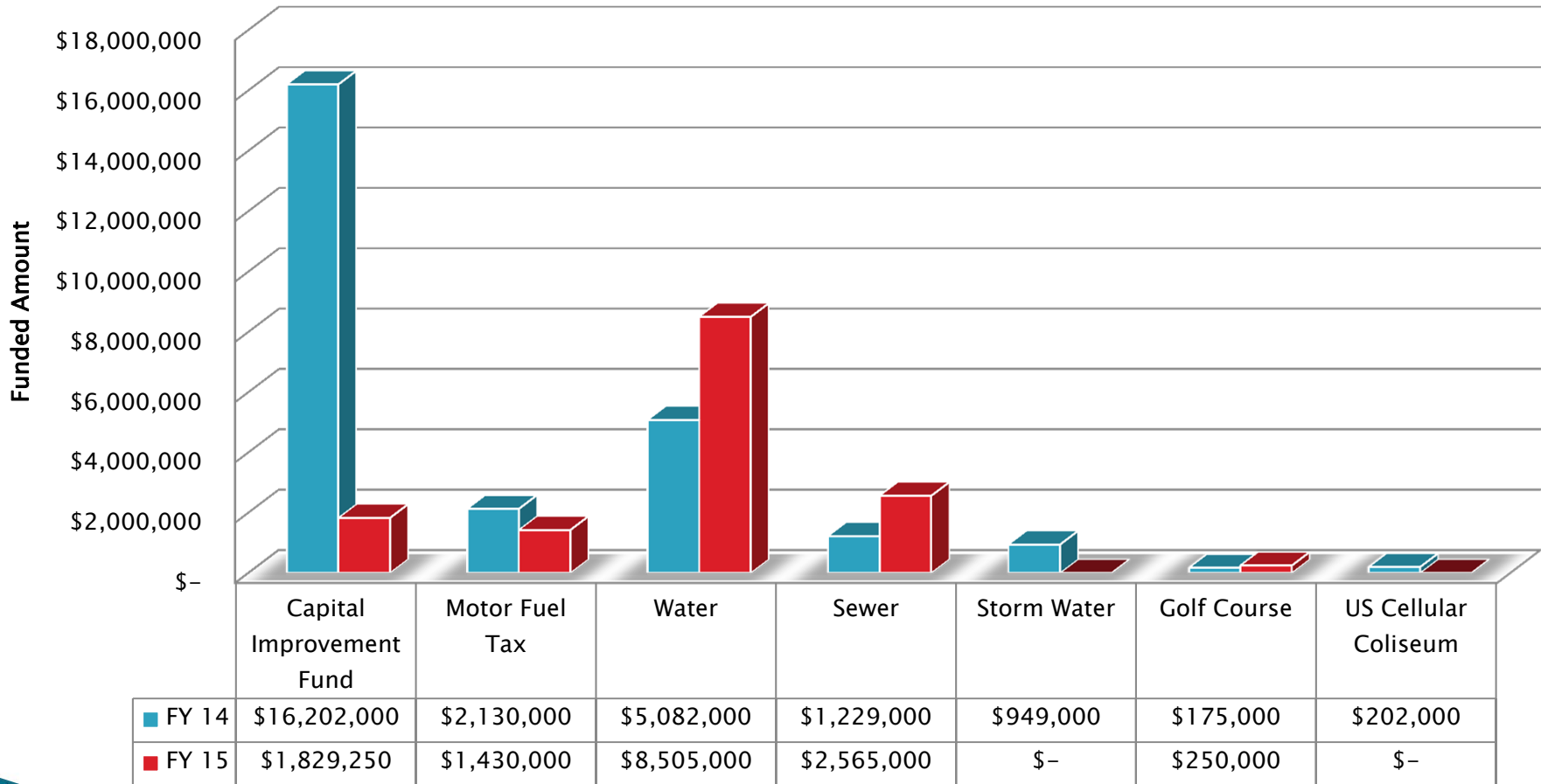
- ❑ Council adopted a new variable rate structure in FY 2014 for Solid Waste fees to be phased in over three years beginning May 1, 2014. The new rates should result in a positive fund balance by FY 2017.
- ❑ Revenues generated by the golf funds are subject to weather conditions and fluctuate markedly. Revenues are unable to support needed capital maintenance. A policy will need to be developed to determine how capital will be funded in the future and to cure any persistent negative cash positions.
- ❑ Motor Fuel Tax Fund – \$1.4M for traffic signals, Jersey & Linden St. bridge improvements and other design work for future street improvements.
- ❑ Water Fund – \$8.5M for Water projects that will address critical infrastructure replacement/upgrades including, \$1M for the South West Well Construction, numerous water main projects and SCADA upgrades for a computer controlled operating system that allows for remote monitoring and adjustments.



Capital Projects



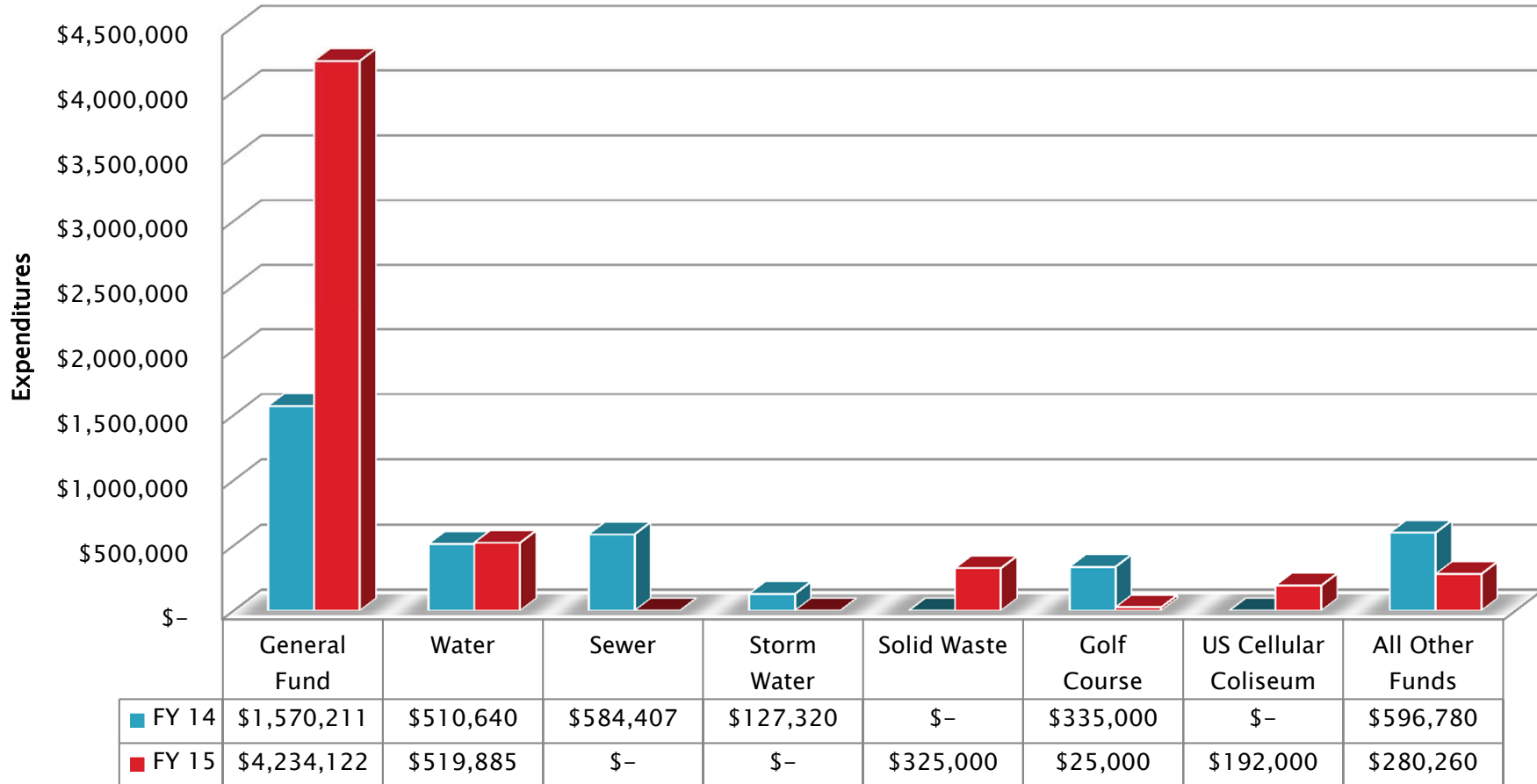
Capital Projects by Fund FY 2014 & FY 2015



*FY 2014 Capital Improvement Fund includes the \$10 million street resurfacing bond.

Capital Equipment

FY14 - \$3,724,358
 FY15 - \$5,576,267



*Includes equipment, machinery and vehicles.

Capital Equipment Highlights

- ❑ Fire Department
 - 10 year capital lease for \$1.48 million to replace two 1990's vehicles. (1) Engine Company that is a “workhorse” of the Fire Department deployed to do fire attacks and (2) Truck Company with a 100 foot ladder.
- ❑ Communications & Fire Departments
 - \$860.5K – Starcom Radio Upgrades. Mandated for Communications and will allow for more compatibility with Normal.
- ❑ The remainder of the funds are proposed for the normal rolling stock of vehicles and equipment as determined primarily by the Fleet Manager.