



Legislation Text

File #: RES 14-0038, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

FROM:

Bruce Moe, Acting City Manager

SUBJECT:

Fiscal Year 2014-2015 Operating Budget (Acting City Manager Moe).

CONDUCT PUBLIC HEARING, ADOPT RESOLUTION NO. 14-0038

RECOMMENDATION:

Staff recommends that the City Council conduct a public hearing and adopt Resolution No. 14-0038 approving the Fiscal Year 2014-2015 Operating Budget.

FISCAL IMPLICATIONS:

The Fiscal Year (FY) 2014-2015 budget, including all funds, estimates revenues of \$110,051,419 and expenditures of \$111,148,246. These figures incorporate all City Council-directed changes identified through the budget study sessions, as well as staff-recommended changes and corrections to the budget. All modifications to the Proposed Budget required to implement the City Council-directed budget are listed on Attachment 2.

BACKGROUND:

The City Council has discussed the Proposed Budget at five separate occasions: four individual public budget study sessions and one discussion at the regular City Council meeting held on June 3, 2014. These meetings were broadcast live and have been productive and interactive sessions which have encouraged the community to participate. Members of the public provided input 42 times throughout the course of the discussions.

DISCUSSION:

In order to adopt the FY 2014-2015 budget, there are changes to the Proposed Budget, listed on Attachment 2. This list is essentially the same list reviewed by City Council at the fifth budget discussion held during the regular City Council meeting on June 3, 2014, with a few modifications, as directed by City Council or staff-generated corrections:

1. Removal of the full-time Graphic Artist (and reinstatement of the part-time Graphic Artist and Intern) as proposed in the budget, resulting in a decrease in expenditures of \$12,600 in the General Fund. City Council directed that the position be removed pending further review by the incoming City Manager.
2. Removal of the full-time Traffic Engineer (and reinstatement of a contract Traffic Engineer) as proposed in the budget, resulting in a decrease in expenditures of \$25,373 in the General Fund. City Council directed that the position be removed pending further review by the incoming City

Manager.

3. Addition of a day per month of power-washing on the Strand, resulting in an increase in expenditures of \$21,265 in the General Fund.
4. Adjustment by staff to account for the minimum wage increase occurring July 1, 2014, resulting in an increase in expenditures of \$24,267 in the General Fund (see separate report on the City Council agenda on the minimum wage topic).
5. Adjustment by staff to the amount of Standby Pay, resulting in a decrease of \$13,310 in the Information Systems Fund.

The following revisions were made to the list of *Changes to the Proposed Budget* as presented to City Council and the public at the June 3, 2014 regular City Council meeting. These items were not originally included in the Proposed Budget, but were contemplated during the budget study sessions and included on the open list of items seeking Council approval. There is no fiscal impact on the Proposed Budget:

1. Removal of the New City Manager Housing Loan in the amount of \$1.7 million. The loan will take place in FY 2013-2014 and therefore will not occur in FY 2014-2015. The loan was not originally included in the Proposed Budget so there is no fiscal impact to the Proposed Budget.
2. Postponement of the Arts Festival until FY 2015-2016, pending further research by staff. The Arts Festival, with estimated expenditures of \$28,773 and revenues of \$14,166, was not originally included in the Proposed Budget but was contemplated during the budget study sessions, so there is no fiscal impact on the Proposed Budget.
3. Removal of the full-time ceramics coordinator, with an estimated net additional expenditure of \$36,100 and revenues of \$16,100, pending further review by the incoming City Manager. The ceramics coordinator was not originally included in the Proposed Budget but was contemplated during the budget study sessions, so there is no fiscal impact on the Proposed Budget.
4. Removal of the conversion of two part-time transportation operators into one full-time transportation operator, with the net additional expenditure of \$13,273, pending further review by the incoming City Manager. The full-time transportation operator was not originally included in the Proposed Budget but was contemplated during the budget study sessions, so there is no fiscal impact on the Proposed Budget.
5. Removal of funding for 1736 Crisis Center in the amount of \$12,734, pending further research and City Council policy decision on the funding of local service agencies. The funding of 1736 Crisis Center was not originally included in the Proposed Budget but was contemplated during the budget study sessions, so there is no fiscal impact on the Proposed Budget.

Throughout the six month budget process, the FY 2014-2015 spending plan has been thoroughly vetted by both staff and the City Council, with ample opportunity for public input at the budget meetings, through the online portal, *MB Forum*, and via correspondence contributions to a dedicated City email address for budget input. Incorporating all changes discussed and approved by City Council, this budget is ready for adoption.

CONCLUSION:

Staff recommends that the City Council adopt resolution No. 14-0038 which adopts the Fiscal Year 2014-2015 budget.

Attachments

1. Resolution No. 14-0038
2. Recommended Changes to the FY 2014-2015 Proposed Budget
3. FY 2014-2015 Fund Balance Report