

City of Boise

FY 2012 Budget

First Year of the FY 2012/2013 Biennial Budget

Ozzie Gripentrog
August 16, 2011

Introduction

- City Budgeting Process
- Overview of City's FY 2012 Budget
- General Fund Revenues & Expenditures
- Conclusion
- Public Comments

Making Boise the Most Livable City in the Country

If you need information...

- cityofboise.org
- CDs of workshop material
- Library

The screenshot shows the City of Boise website interface. At the top, there are navigation tabs for 'City Government', 'Departments', 'Visiting Boise', 'Business', and 'Contact Us'. Below this is a search bar and a banner for 'Storytellers talk about the world of nature July 28'. The main content area is divided into several sections: 'I WOULD LIKE TO' (Find a Service, Attend Public Meeting, etc.), 'REQUEST HELP WITH' (General Info, Reservations, etc.), and 'GET INVOLVED' (Environment, Volunteer, etc.). A 'Boise Headlines' section features a red circle around the link 'City Budget & Financial Reports' under the 'Learn More About' sub-section. To the right, there is a 'Mayor's Message' section. Below the headlines, there are navigation tabs for 'NEWS', 'EVENTS', 'JOBS', 'GET INVOLVED', 'PARENTS & YOUTH', 'CONTACTS', and 'SEARCH'. The 'Finance & Administration' section is highlighted, showing a 'BUDGET LIBRARY' section. Under 'BUDGET LIBRARY', there is a 'Budget Information for fiscal year:' section with a red circle around the link '2012/2013'. Other links include '2011 Update' and '2010/2011'.

The Budget Process

1) Policy Review and Planning

- ✓ Citizens Survey
- ✓ Strategic Plan/Department Business Plans
- ✓ Economic Projection
- ✓ Long Term Financial Plan
- ✓ Capital Improvement Plan

2) Revenue and Expenditure Estimation

- ✓ Citywide Revenue/Expenditures
- ✓ Department Programs
- ✓ Capital Projects

The Budget Process

3) Budget Approval & Adoption

- ✓ Commission/Board Review
- ✓ Mayor's Recommended Budget
- ✓ Public Input & Testimony at June 21st City Council
- ✓ City Council Budget Workshop – June 27th and 28th
- ✓ Fee Increase Public Hearings – July 19th
- ✓ Public Hearing

4) Budget Implementation and Maintenance

- ✓ Periodic Financial & Economic Reports
- ✓ Budget Reallocation/Change Process
- ✓ Mid-biennium Update Process

Citywide Revenue/Expenditure by Fund

(\$ millions)

Fund	FY 2012 Budget	
	Revenue	Expense
General	\$168.9	\$168.9
Capital	7.9	11.7
Airport	41.0	47.4
Geothermal	0.7	0.7
Sewer	33.4	42.2
Solid Waste	24.0	24.7
Health Insurance	12.8	14.1
Risk Management	4.0	4.4
Other Funds	11.9	16.6
Subtotal	<u>\$304.7</u>	<u>\$330.7</u>
Contingent Appropriation	\$125.0	\$125.0

Budget Challenges

Limited and flat revenues

- Property tax revenue
 - Persistent decline in property values
 - No annexations and minimal “new growth”
- Sales tax revenue projected flat
- Development revenues projected flat
- User fees unpredictable in today’s economic climate
 - Parks and Library services
 - Airport services and expansion

Budget Challenges

Meet service demands and expectations

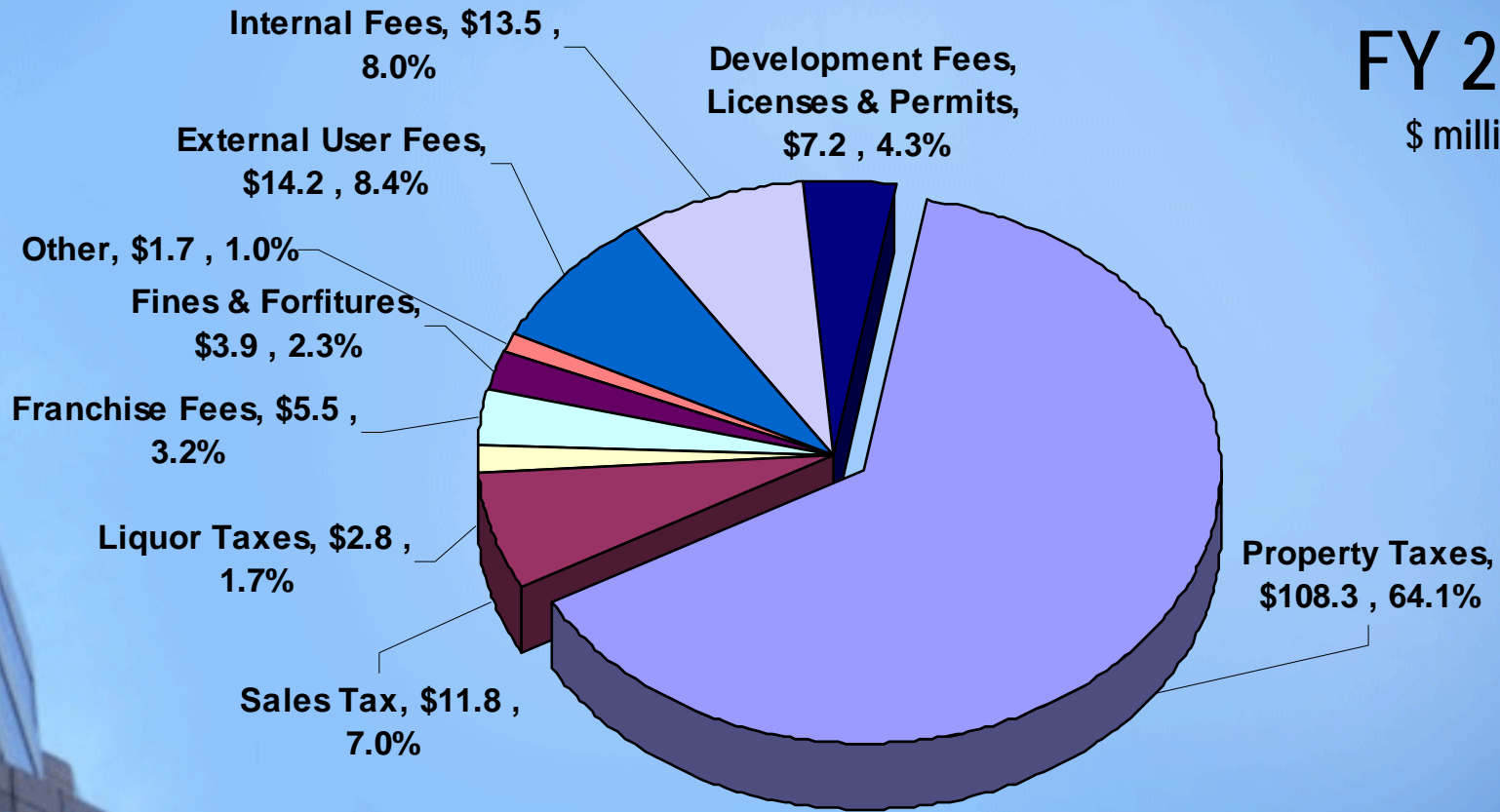
- Continuation of programs
 - Provision of services
 - Other operating cost pressures
 - Fuel costs unpredictable
 - Utility costs
- Equipment needs
- Repair and maintenance of existing facilities

Mayor's Recommendations

- Limit the increase in property tax revenue to only half of the allowable 3% to provide some taxpayer relief caused by the recession.
- No base compensation increases for general (non-union) employees.
- Discuss deferring or forgoing contracted compensation increases with the collective-bargaining units.
- Increase in electric franchise fee by .25% to maintain and repair the City's critical public assets.
- Targeted cuts in departments with the goal of no significant impact on service levels.
 - Vacant positions.
 - Reductions in operating costs such as training, supplies, minor equipment, minor repairs & maintenance, and contract service reductions.

General Fund Revenue by Category

FY 2012
\$ millions



\$168.9 million

Property Tax Revenue Formula

- Prior year's property tax revenue amount (\$) + a maximum of 3%
- Plus Annexation Value * last year's levy rate
- Plus New Construction Value * last year's levy rate



Tax Rate Estimate

Boise City budget amount (GF)

Boise City net taxable market value

FY 2012 property tax rate is estimated to be \$7.79
per \$1,000 of assessed valuation

Impact to Average Taxpayer

FY 2012 Average Homeowner Impact

	FY 2011	FY 2012	\$ Change	% Change
Average Assessed Value	\$164,024	\$146,747	(\$17,277)	-10.5%
Homeowner City Tax	\$573	\$572	(\$0.53)	-0.1%

Taxable Assessed Value	Base	NCR	Levy Rate	Levy Rate% Change over 2011	Total City Tax	Avg. Homeowner Annual Impact
\$13,856,904,213	\$107,426,315	\$592,294	0.007795292	11.7%	\$572	(\$0.53)

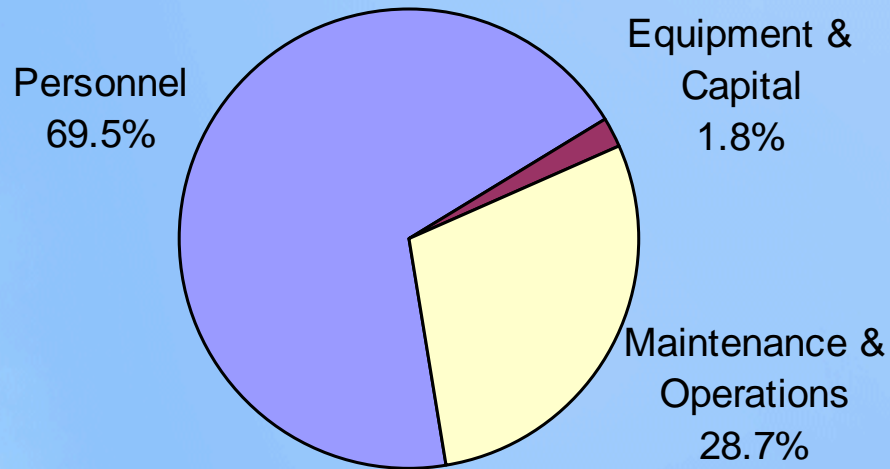
Average Commercial Impact

	Average Commercial Assessed Value	Total City Tax	\$ Change	% Change
FY 2011	\$399,873	\$2,791		
FY 2012	\$370,362	\$2,887	\$96	3.4%

-7.38% Average Decrease in Assessed Value

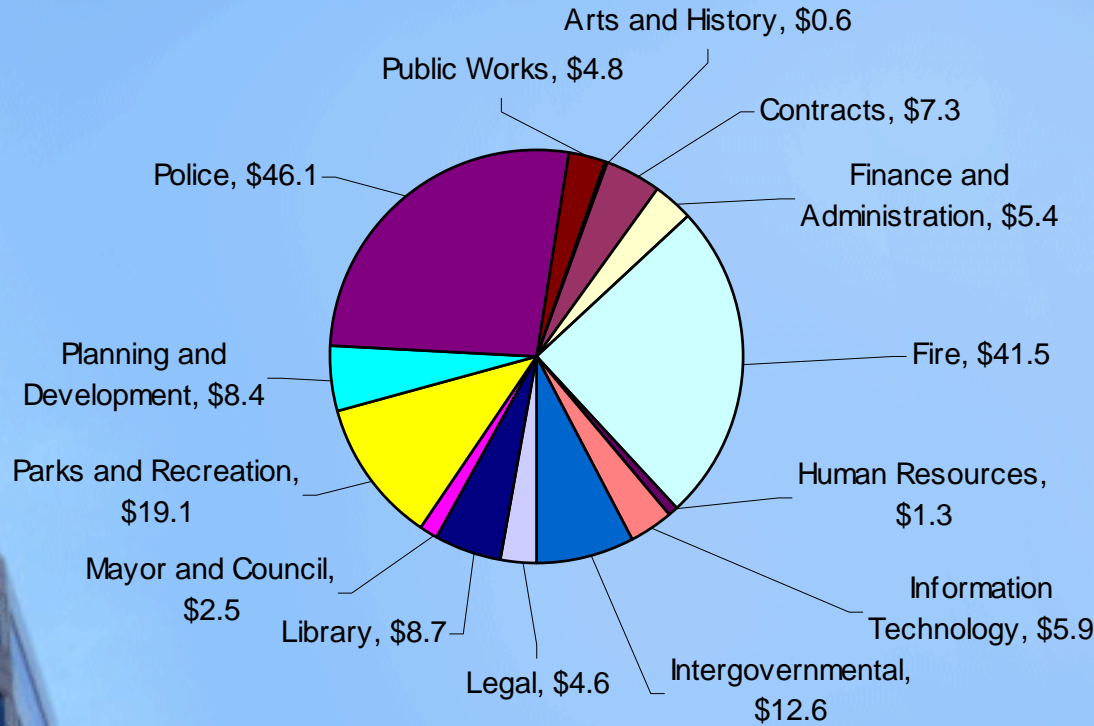
General Fund Expenditures

**General Fund Expenditures by Category
FY 2012 Budget
(\$168.9 million)**



- Largest expenditure is personnel costs.
- No general employee wage compensation increase budgeted for FY 2012 – FY 2011 funding strategy for one-time compensation increases
- Benefit increases
- Union compensation increases (renegotiation)

General Fund Expenditures by Department FY 2012 Budget (\$168.9 million)



"Other" includes Mayor/City Council Offices, Ombudsman, Economic Development, Internal Audit, Human Resources, and Boise Arts and History.

Expenditures per Capita by Department

Department	FY 2012 Budget
Police	\$223
Fire	\$201
Ingvt./Contracts	\$97
Parks & Rec.	\$93
Library	\$42
PDS	\$40
IT	\$29
DFA	\$26
Public Works	\$23
Legal	\$22
Other	\$22
TOTAL	\$818

Based on 2011 COMPASS population estimate of 206,470.

Mayor's Recommendations - Capital

- Repair & maintenance of City's physical assets – nearly 70% of general revenue is dedicated to this priority.
- City Hall Code Update (funded from cash flow reserve).
- Julia Davis Park Partnership (funded from donations).
- Marianne Williams Park (funded from impact fees).
- Green-up and limited amenities for four smaller parks (funded largely from impact fees).
- Neighborhood Reinvestment Program.

Capital Fund - \$11.5 million

- City Hall Code Updates (safety) - \$1.3 million
- Major Repairs & Maintenance (preservation) - \$3.4 million
- Technology Infrastructure - \$1.8 million
- Park Land & Recreation Development - \$4.5 million
(dedicated funding)

Summary

- Budget plan focuses on Strategic Plan priorities.
- Primary objective is to preserve citizen service expectations.
- Capital plans center on safety, preservation of our public assets, and technology enhancements & infrastructure.
- Decisions are made based on a long-term financial perspective and sustainability of services.

Next Steps

- Public comment tonight.
- Ordinance reading on August 23rd and twice on the 30th.
- Budget certified to Ada County on September 9th.
- First day of FY 2012 is October 1st.
- FY 2013 continuing progress to resolve \$3.8 million shortfall

More Information / Comments

- Brochures
- cityofboise.org
- Comment cards
- email – mayorandcitycouncil@cityofboise.org
- Mayor's hotline – 384-4404

Making Boise the Most Livable City in the Country