
City of Boise Department of Finance and Administration

**FY 2012/2013 Budget-Build
June 21, 2011**

Budget Overview

- ❑ **The City's Process**
- ❑ **FY 2012 Proposed Budget**
- ❑ **Mayor's Recommendations**
- ❑ **Next Steps**

The City's Process

1. **Discovery Phase – 2 - 3 months**

- Conduct citizen survey.
- Review customer/operational changes.
- Identify financial issues/challenges facing the City and department programs.

2. **Planning & Presentation Phase – 3 - 4 months**

- Establish/update goals & objectives.
- Create department plans.
- Identify outcomes to be achieved with projected resources.
- Approve department summary budgets.

3. **Execution Phase – 1- 2 months**

- Create action steps for employees.
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Historical Perspective

FY 2008

- Slowdown started
- Overall revenue amounted to 1.1% increase

FY 2009

- Slowdown confirmed
- Cost containment strategies implemented & expenditures tightly controlled
- Ended with revenue growth of 1.4% due to grants & reimbursable service contracts

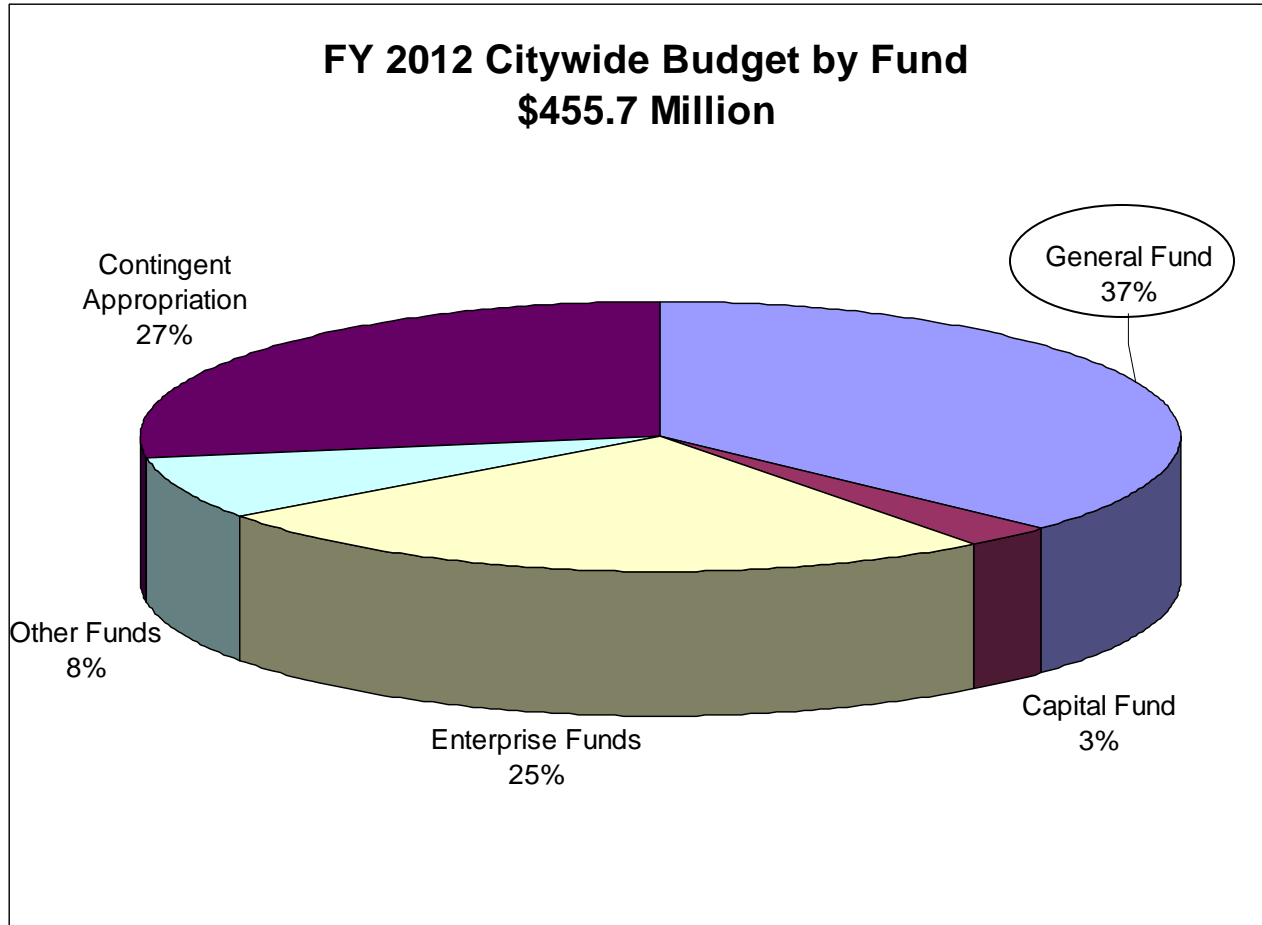
FY 2010

- Slowdown continued, sluggish recovery
- Revenue losses were offset by further cost reductions (training, supplies, contracted services)
- Deferred several minor projects and equipment replacement items

FY 2011

- Lethargic recovery
- Increasing pressure for services & increasing costs (PERSI)
- Projected net deficit = \$6.0 million before continued implementation of strategic reductions
 - Health savings, hiring freeze, new contract labor agreement
 - Utilities, maintenance contracts, and use of contingencies

Mayor's Proposed FY 2012 Budget

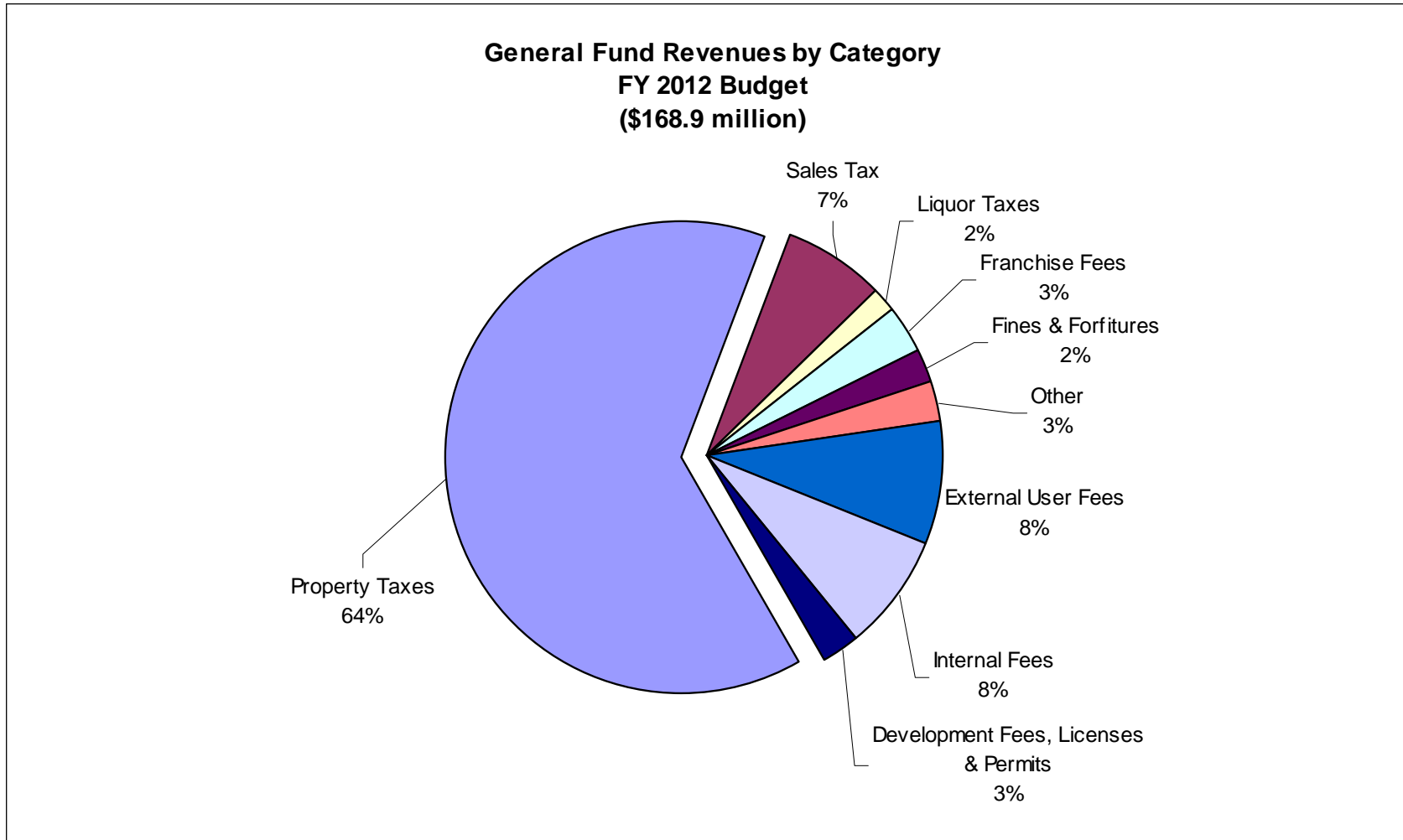


- Expenditures flat since “cost containment” measures in FY 2009

- Revenues \$29.4 less than FY 2011 Adopted Budget

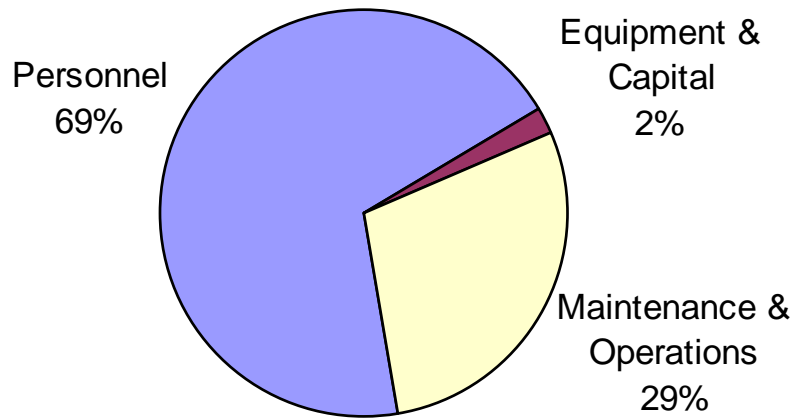
- Expenditures \$15 million less than FY 2011 Adopted Budget (excluding contingent appropriations)

Mayor's Proposed FY 2012 Budget



Mayor's Proposed FY 2012 Budget

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



- Actual costs have been flat past two fiscal years.
- Budget is \$2.3 million less than FY 2011 Adopted Budget

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.

Mayor's Recommendations

- Repair & maintenance of City's physical assets – nearly 70% of general revenue is dedicated to this priority.
- Expansion of the Airport Parking Garage (funded from the Airport Fund).
- City Hall Code Update (funded from cash flow reserve).
- Julia Davis Park Partnership (funded from public-private partnership).
- Marianne Williams Park (funded from impact fees).
- Dixie Drain Compliance Alternative (funded from the Sewer Fund).
- Green-up and limited amenities for four smaller parks (funded largely from impact fees).
- Neighborhood Reinvestment Program.

Next Steps

- Conclude the adoption process for FY 2012.
 - Budget workshop June 27th & 28th to review details of Mayor's recommendations for FY 2012.
 - Public hearing on proposed fee increases on July 19th.
 - Public hearing for FY 2012 Budget on August 16th.

- Prepare for additional cost reductions ranging \$2 - \$3.5 million for FY 2013.
 - Gain policy direction for FY 2013 and beyond during the Budget workshop June 27th and 28th.
 - Develop detailed implementation plans.
 - Reset the City's course.

- Saturday Office Hours with the Mayor – July 16th.

Comments

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Thank You!

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