

Budget Background For 2013 Budget Assumptions



City Council Study Session
May 8, 2012

Presented by:
Bonnie Steele, Acting Finance Director
John Hartman, Budget Officer

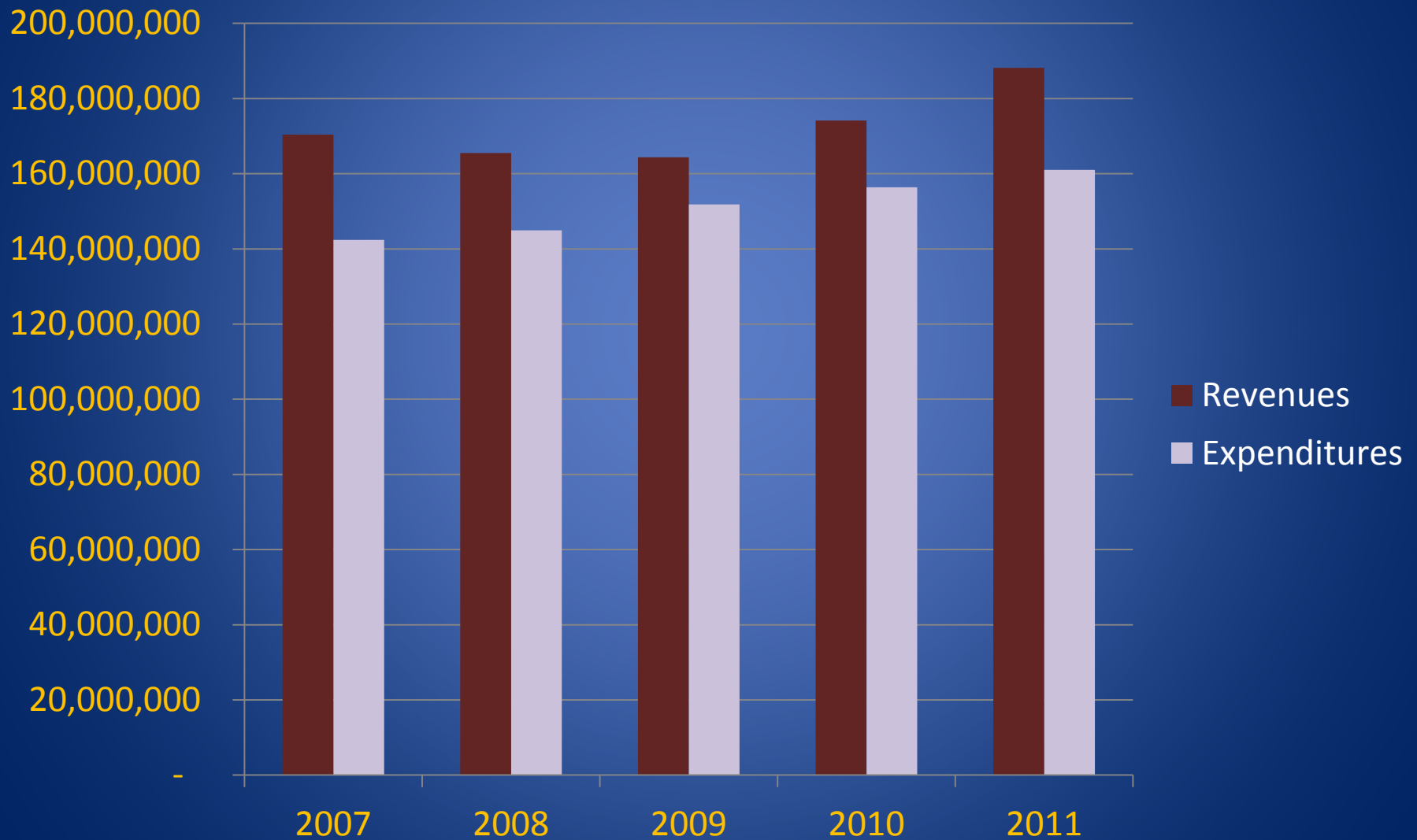
City Wide Revenues



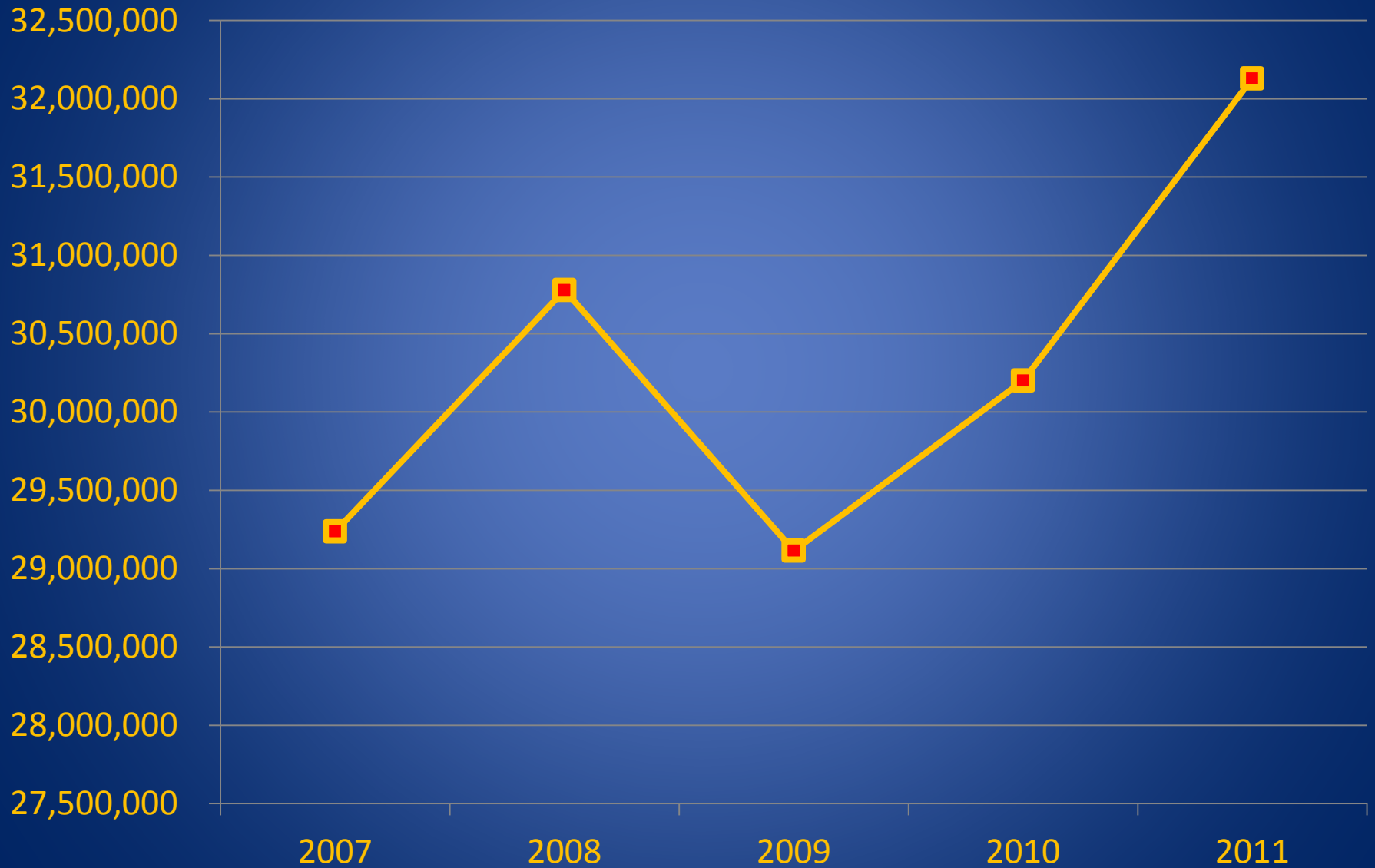
City Wide Expenditures



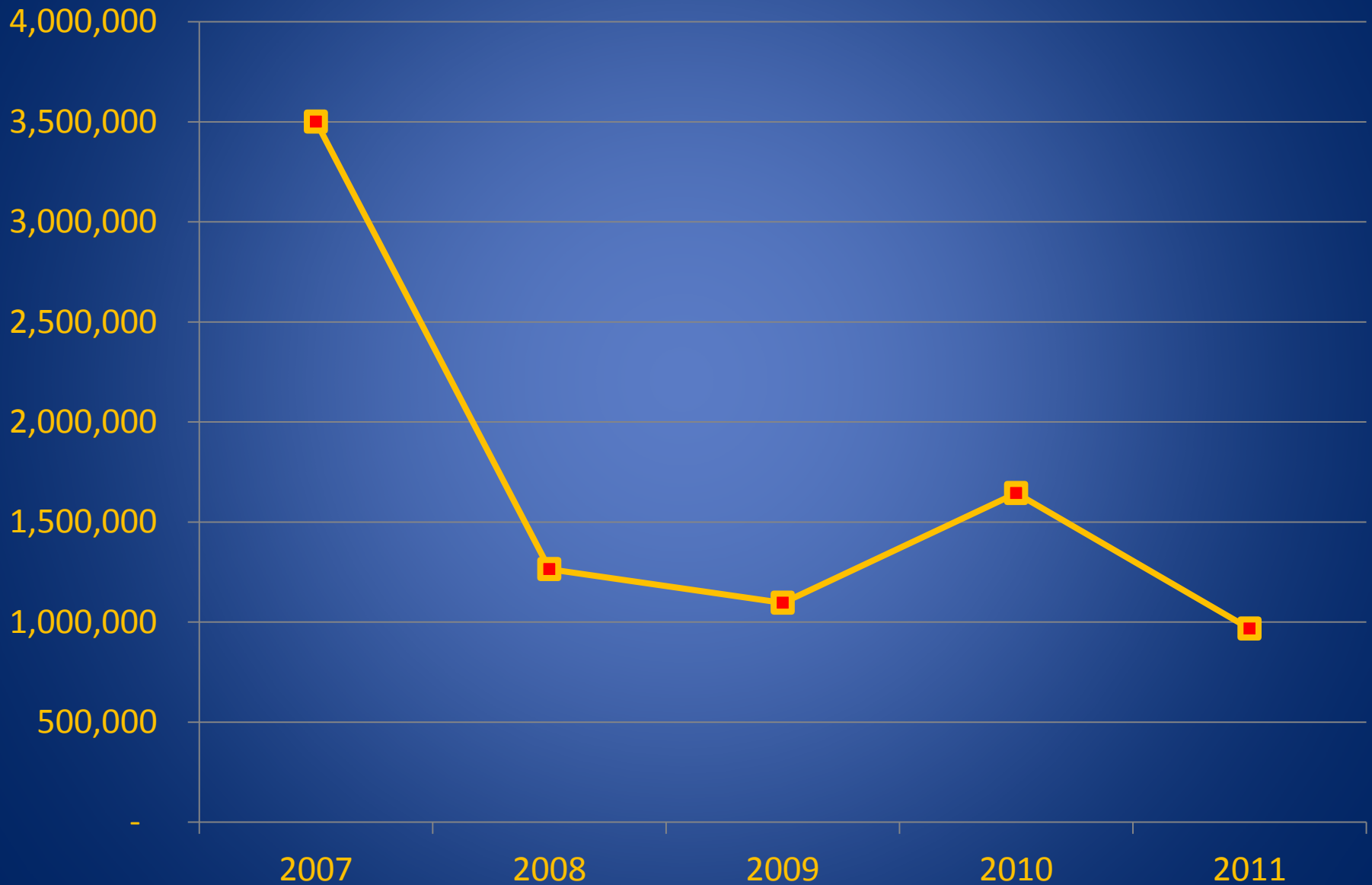
Operating Revenues & Expenditures



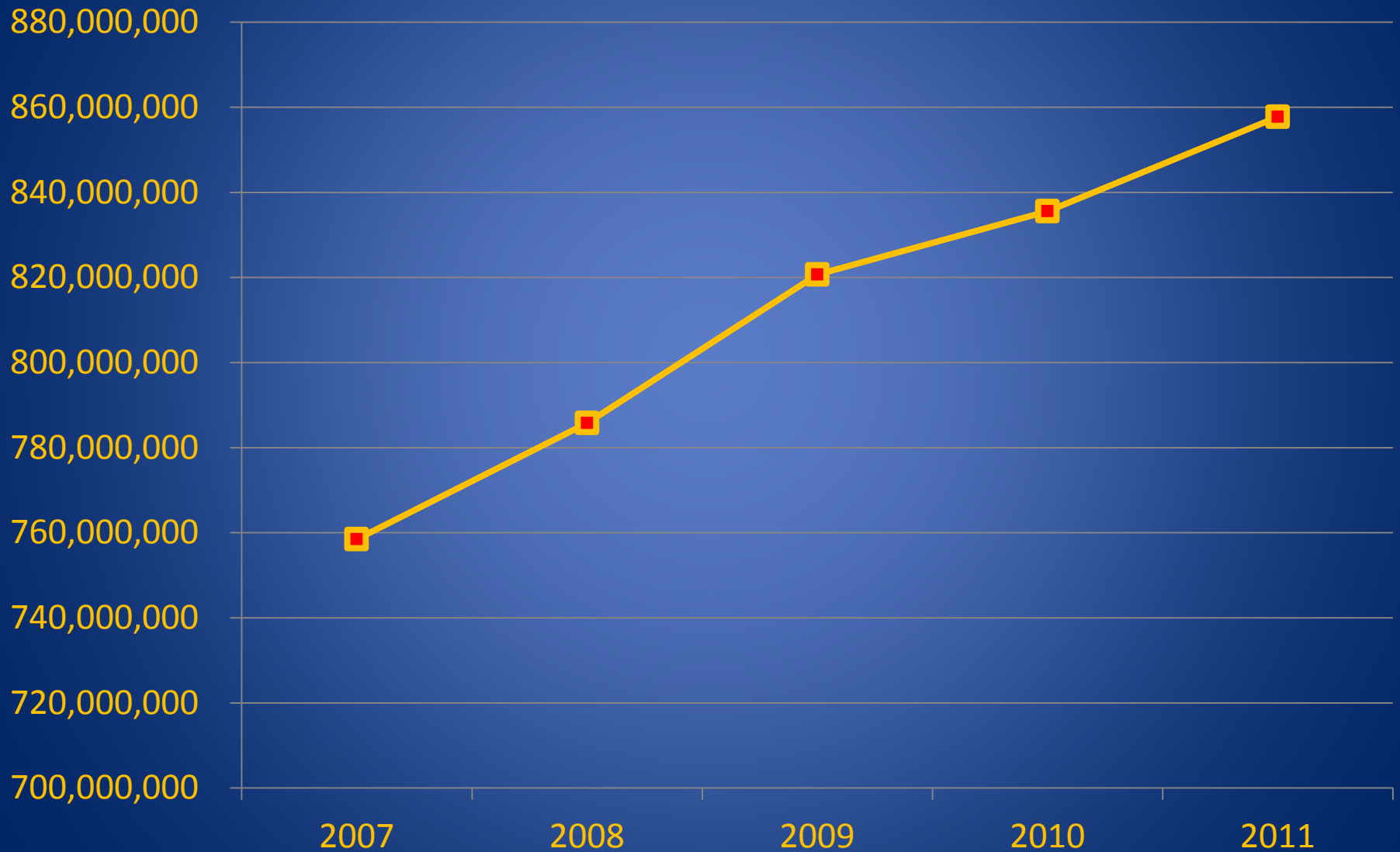
Sales Tax Revenue



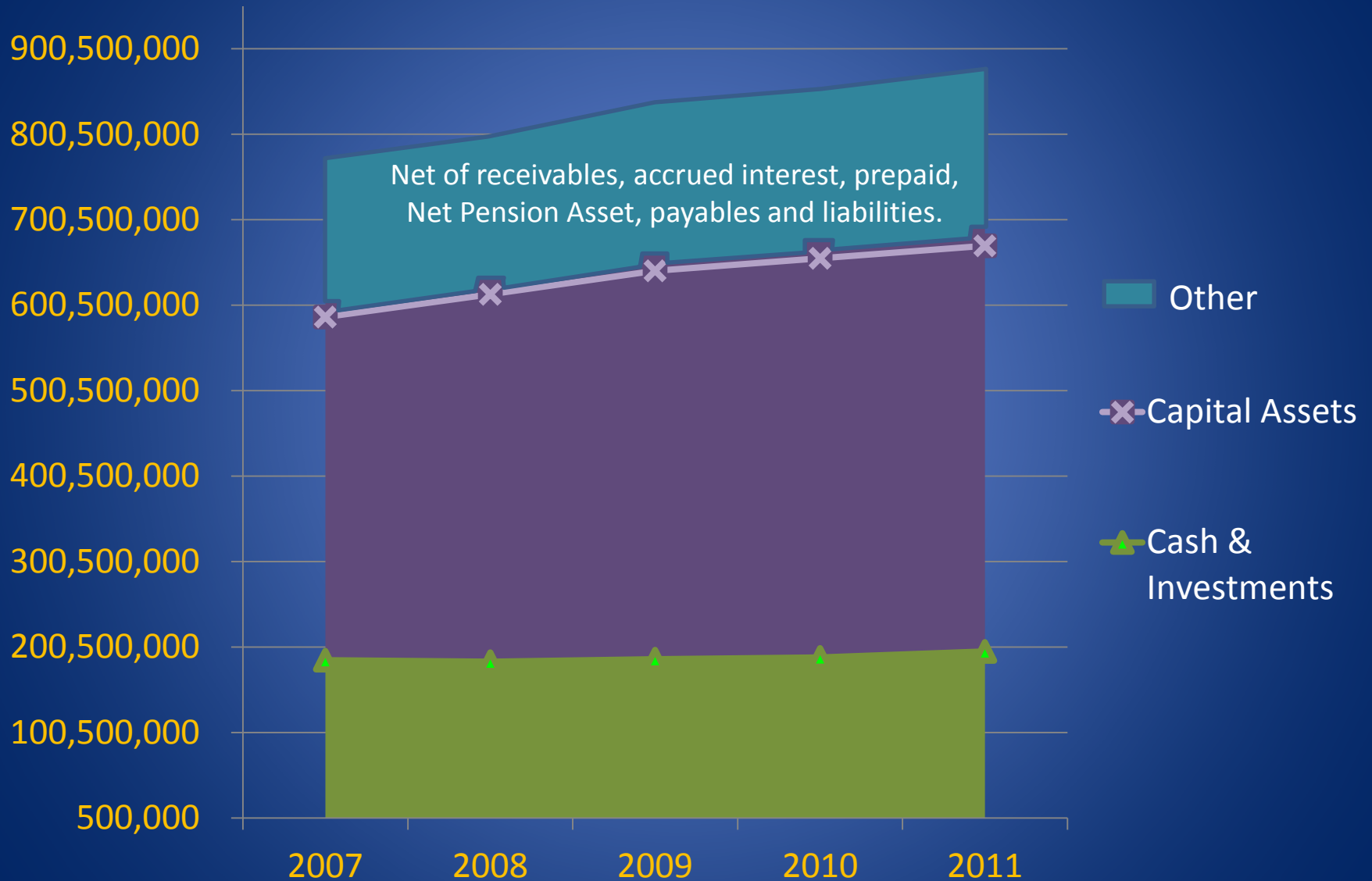
Building Use Tax Revenue



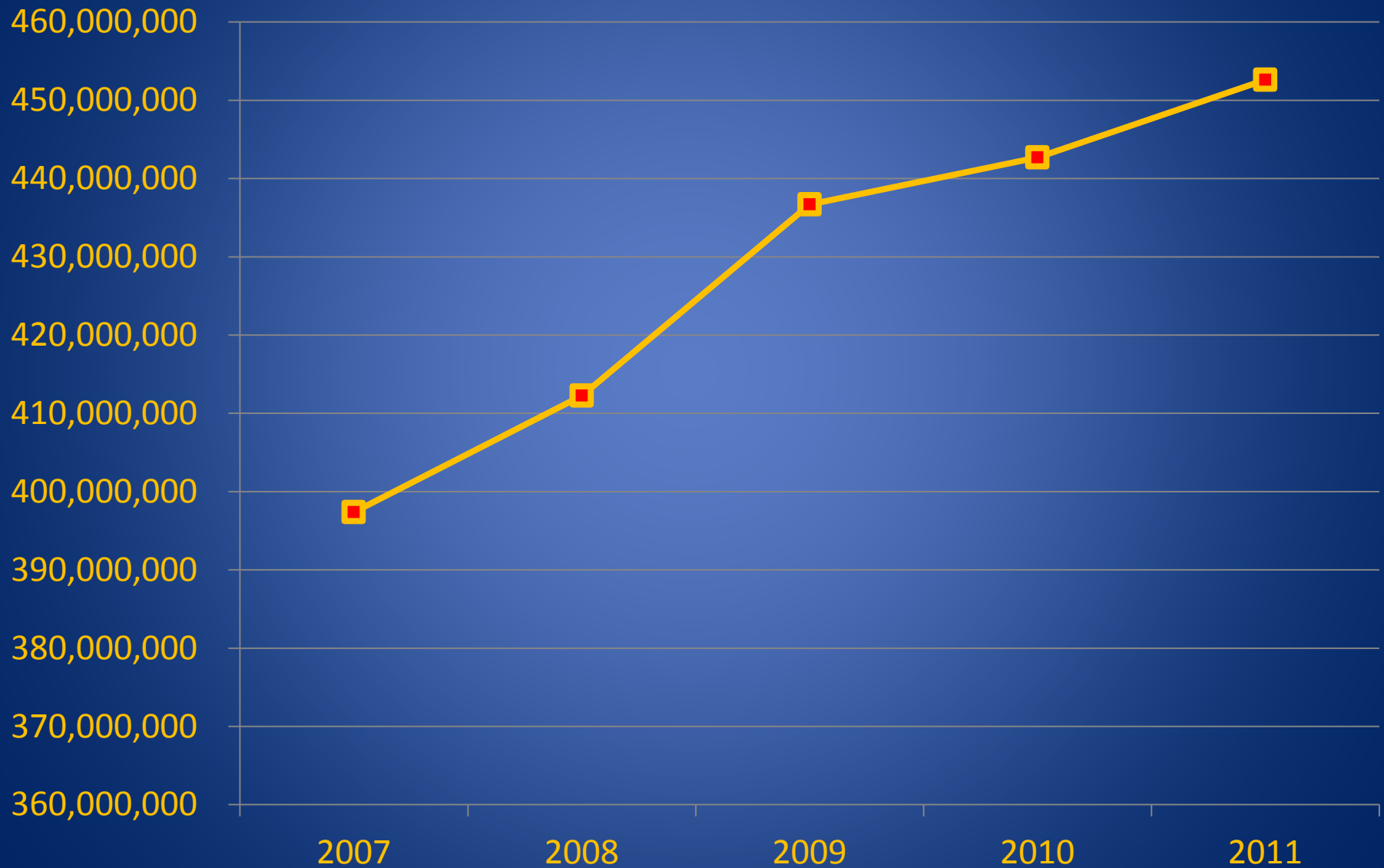
City's Net Assets



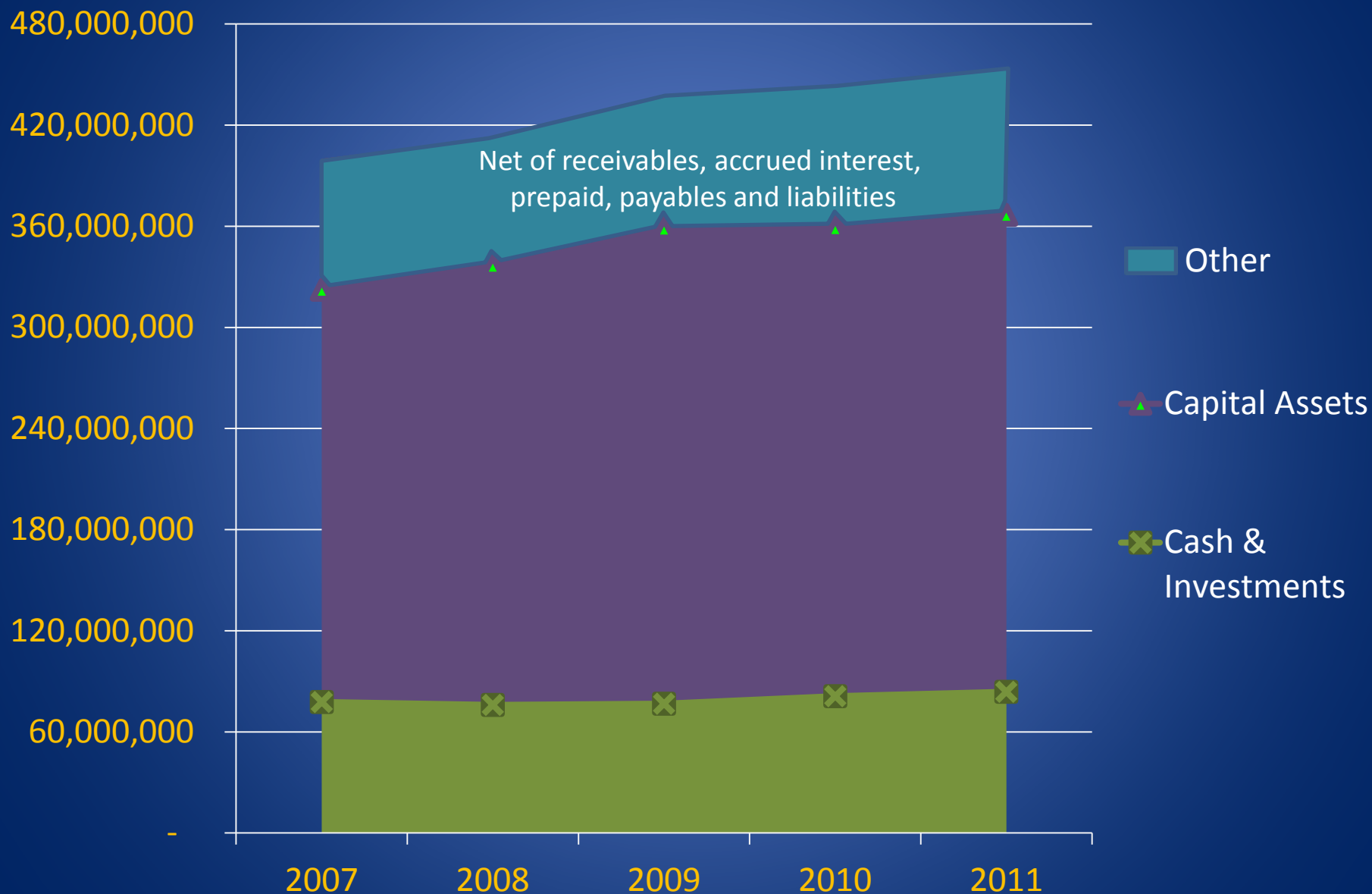
City's Net Assets



Net Assets - Enterprise Funds

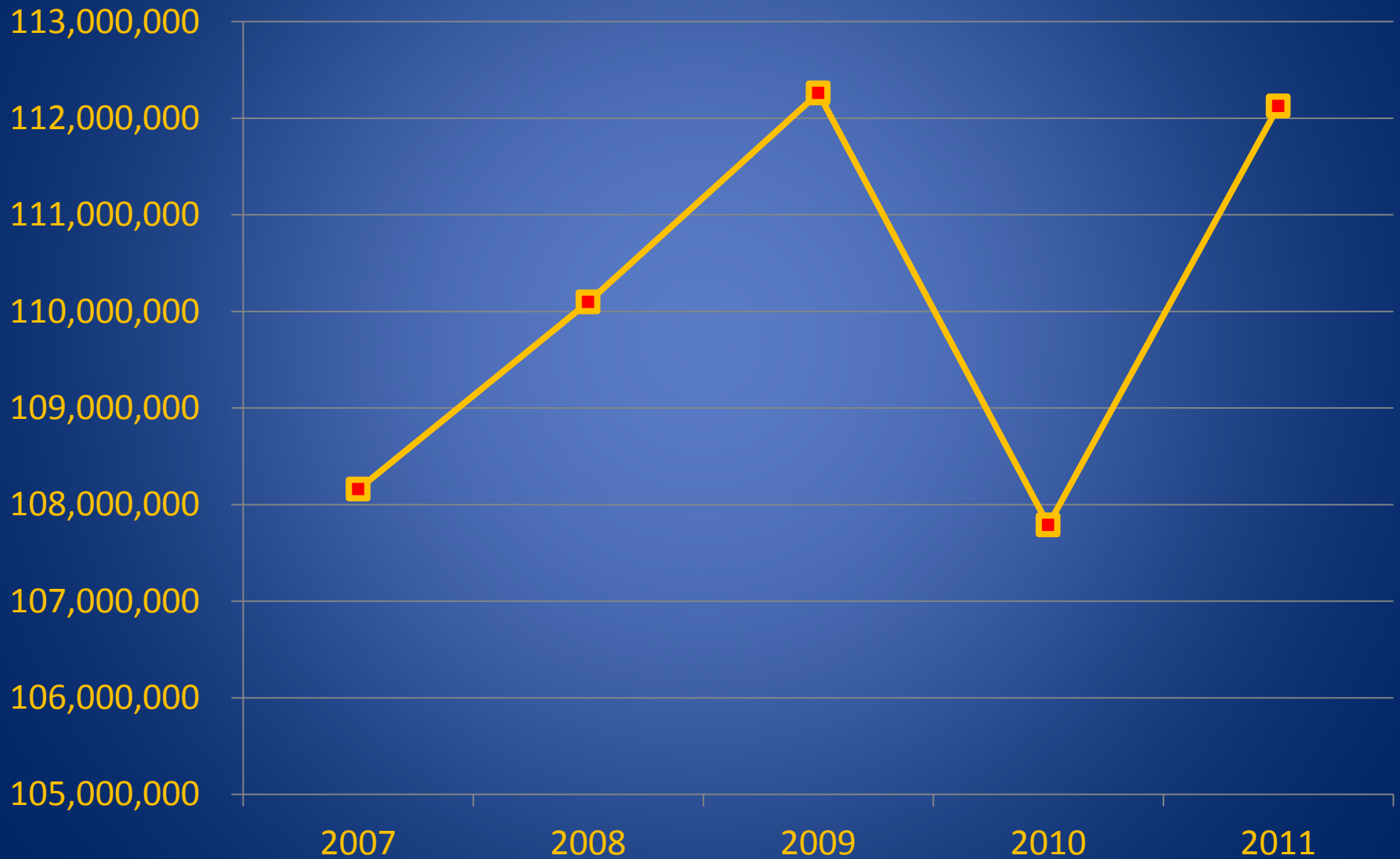


Net Assets - Enterprise Funds

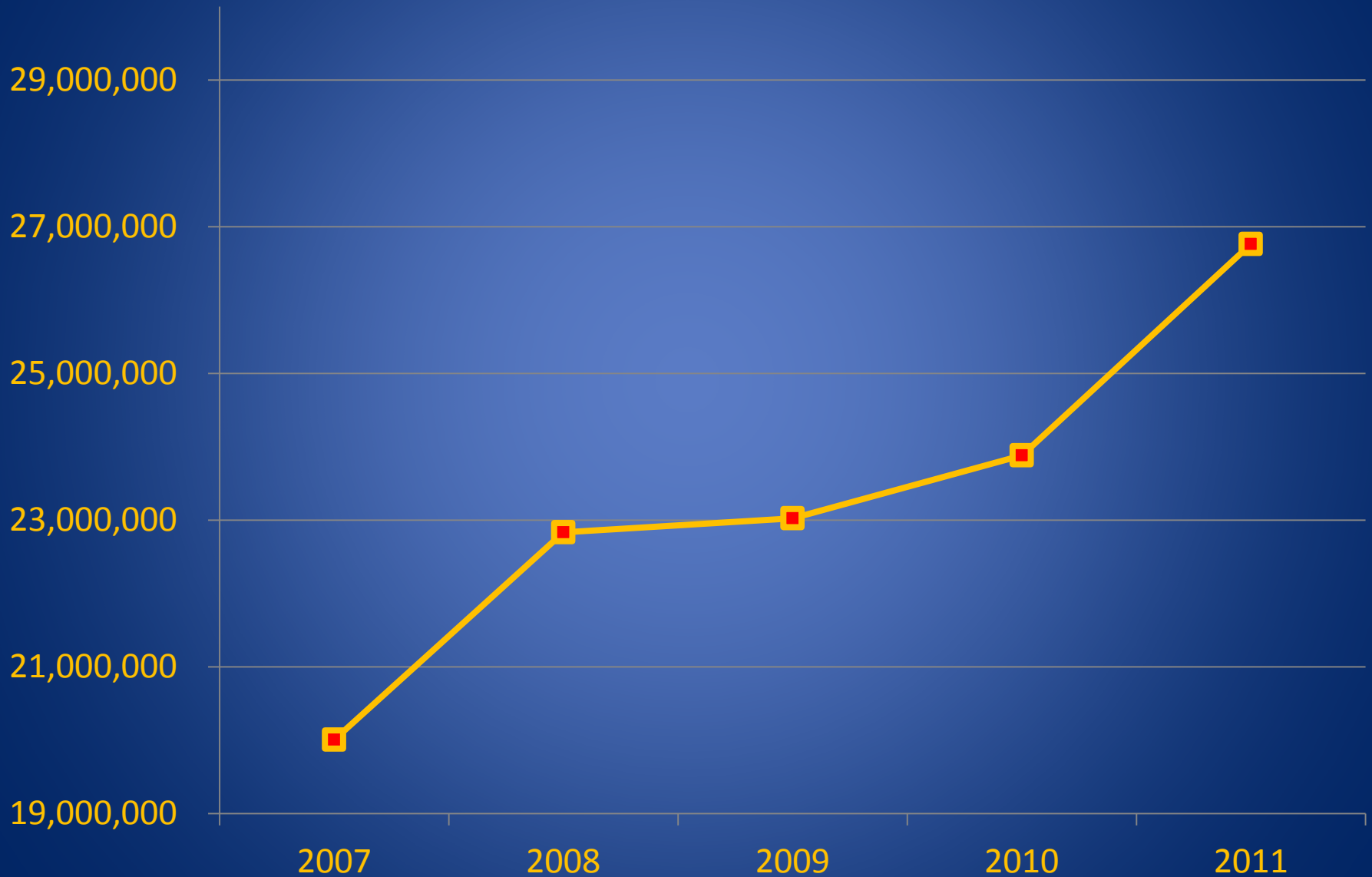


Governmental Funds

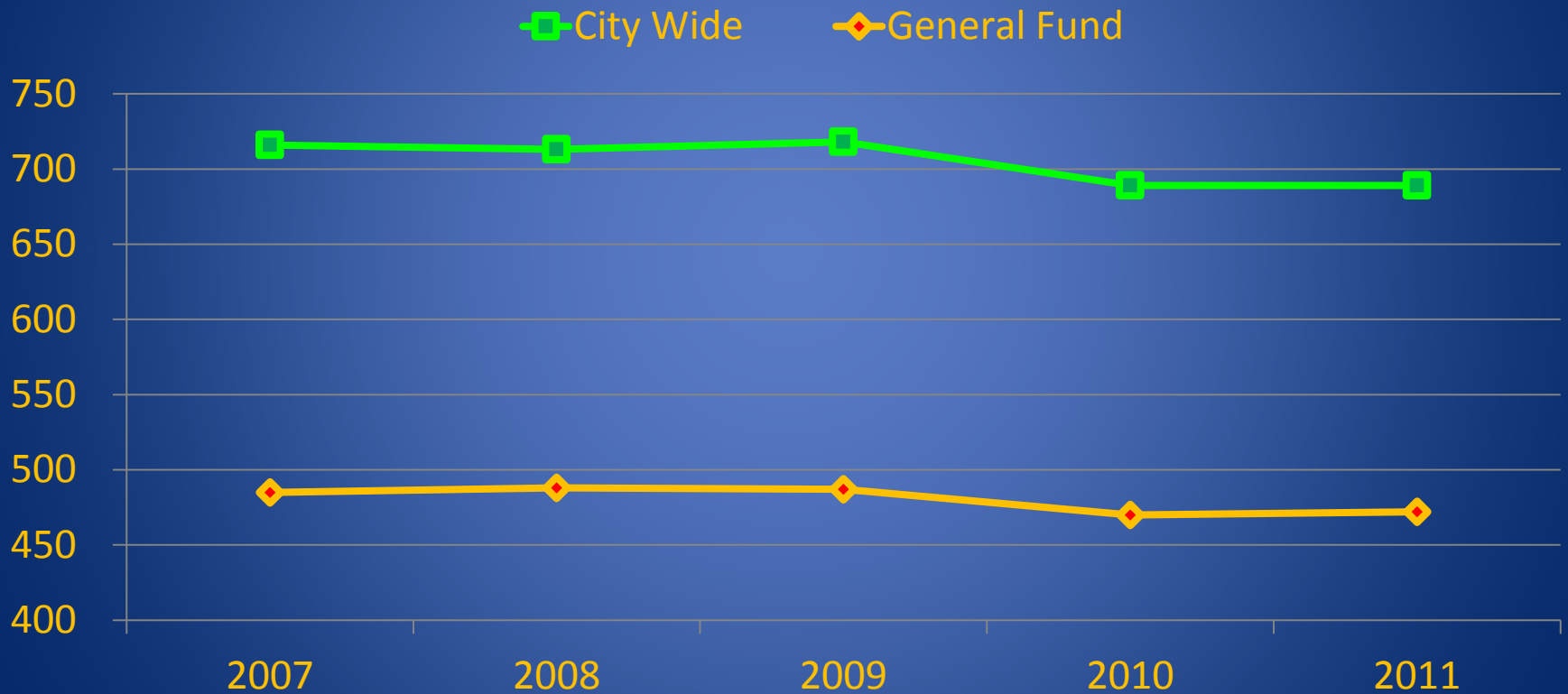
Total Fund Balance



General Fund Balance



Citywide FTE's Benefited Employees



Service Changes

Additions

- Title 18 Committee
- Homeless Task Force
- Loveland Honors Event
- Code Enforcement – shift
- Board and Commission Summit
- Legacy addressing - not new
- Loveland Sports Park
- Fairgrounds Park
- Mariana Butte GC Clubhouse
- Chilson Expansion
- Police Lab Tech to Reg'l Crime Lab
- Downtown Parking Enforcement to Police
- New Prescription Drug Take Back Days
- New Cyber Crimes Unit
- Added 2 middle school SRO's
- Added new traffic signals and monitoring technology
- New FLEX transit route
- New downtown transit service loop
- Added snowplows to trash trucks
- Increased tree maintenance through contractor
- All trash truck collection automated
- New recycling drop-offs added
- New CAD office planning
- New airport security programs
- Increased fire staff 2 to 3, several companies (not all)
- Added new servers and software
- Added iPads
- Added video conferencing
- Added video surveillance
- Restored Customer Relations division in Water & Power
- Rialto Theater Center
- Library
- Health clinic
- Pawnshop licensing
- Visitor Center
- Lodging tax
- Economic Development Department
- Retiree health benefit
- LDT
- CMC
- OCSD

Subtractions

- W Eisenhower Corridor Plan
- Animal Control Contract
- Police: combined training & personnel
- Cut transportation field inspections 20%
- Cut alley maintenance
- Cut fleet size 5%
- Ended school fleet contract
- Cut community fire prevention 70%
- Cut a film festival
- Cut a noon concert series
- Cut teen Easter Egg Hunt
- Reduced Lagoon concerts
- Earlier Museum closings
- Reduced events
- Deferred maintenance on water, power, wastewater
- Deferred maintenance on buildings and facilities
- Ended tuition reimbursement for employees
- Cut prosecutor
- Reduced street maintenance
- Reduction in benefits
- Communications & Technologies Commission

Budget Assumptions

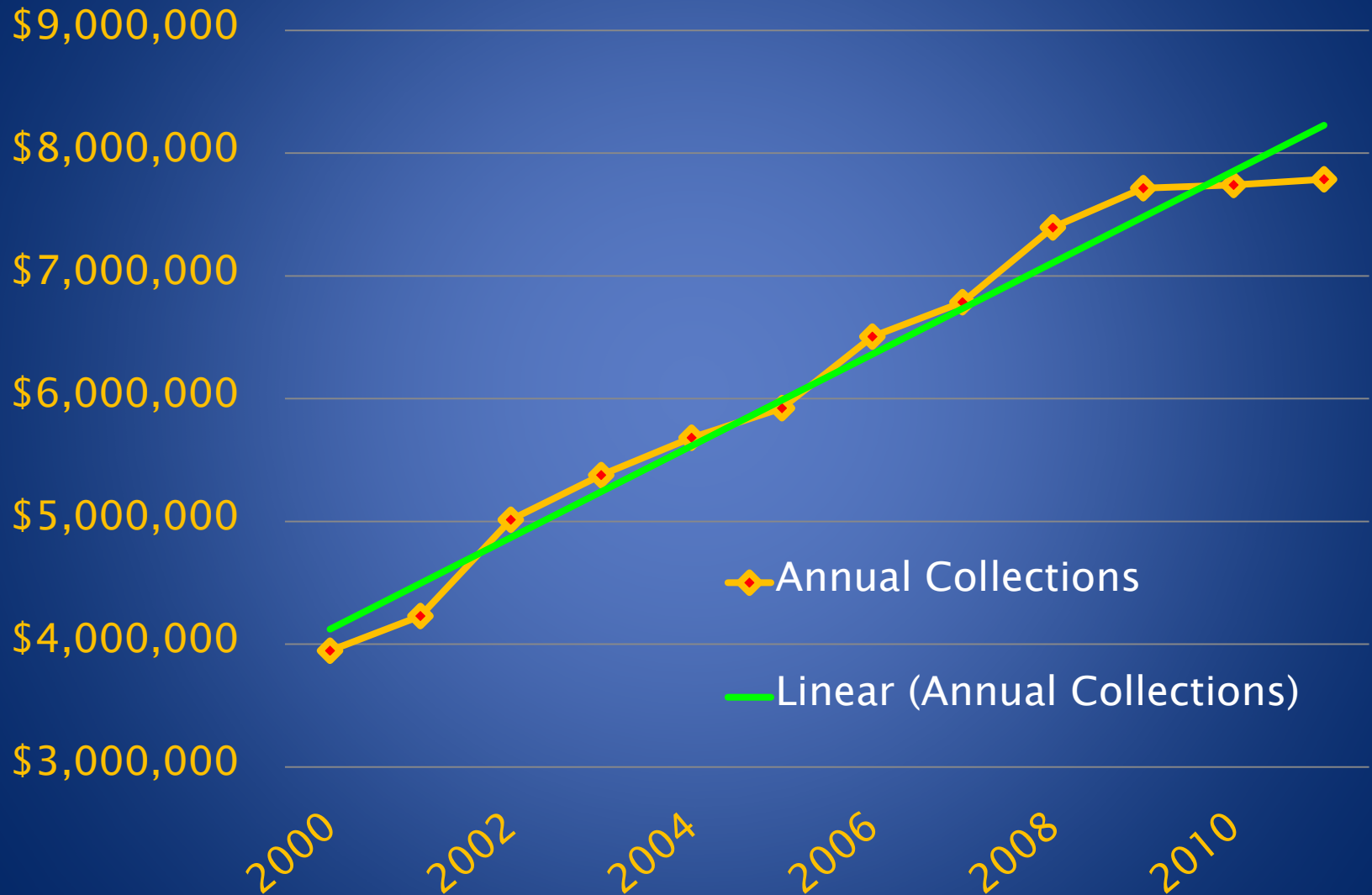
2013 Budget Development

Ten-Year Plan

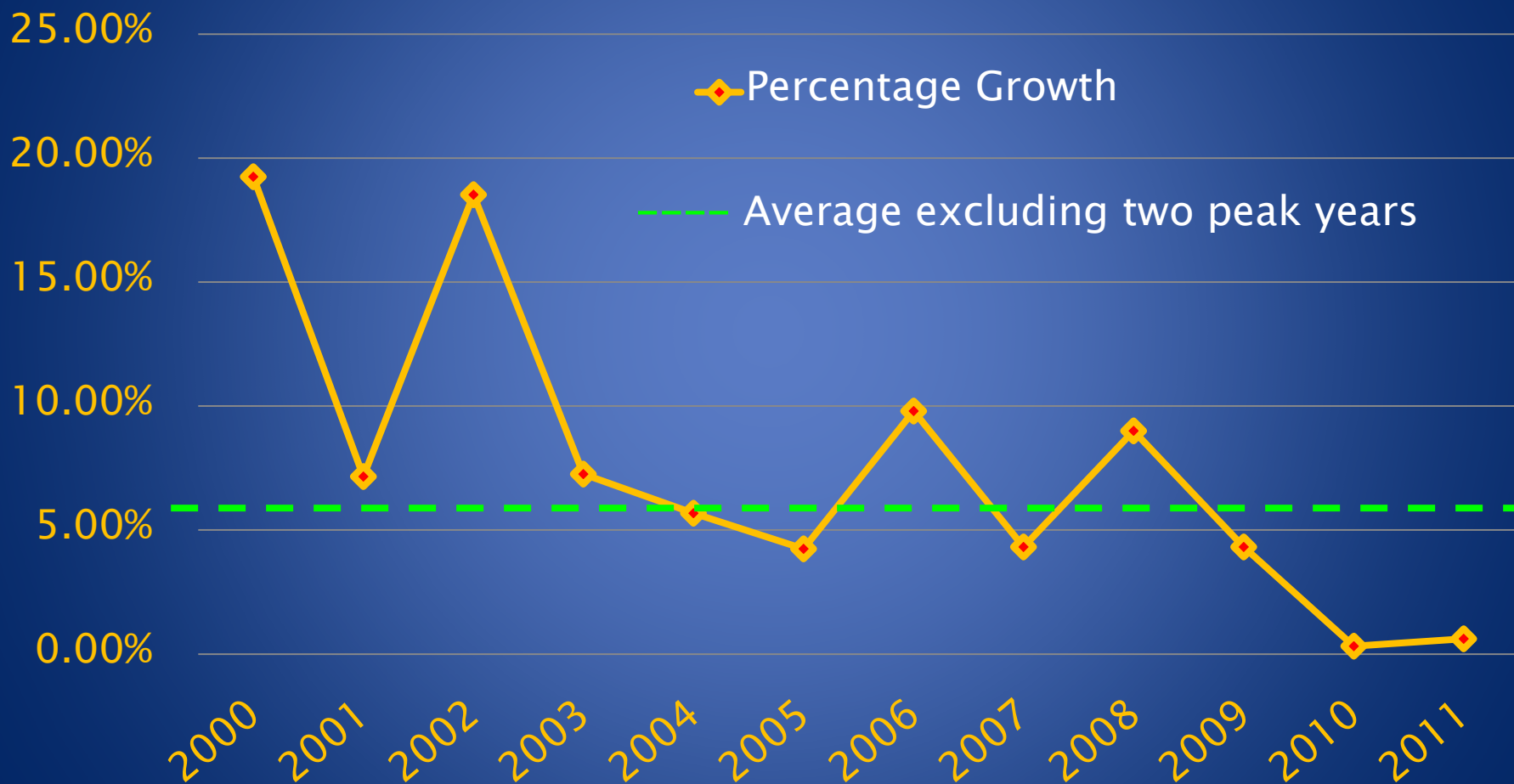
Revenue Assumptions

- Return to average Property Tax revenue growth of 5.8% by 2016;
- Return to average Sales Tax growth of 5% by 2014;
- Continued slow recovery in Building Use Tax, with 2.0% in 2013 growing to 4% by 2016 and remaining there in the out-years.

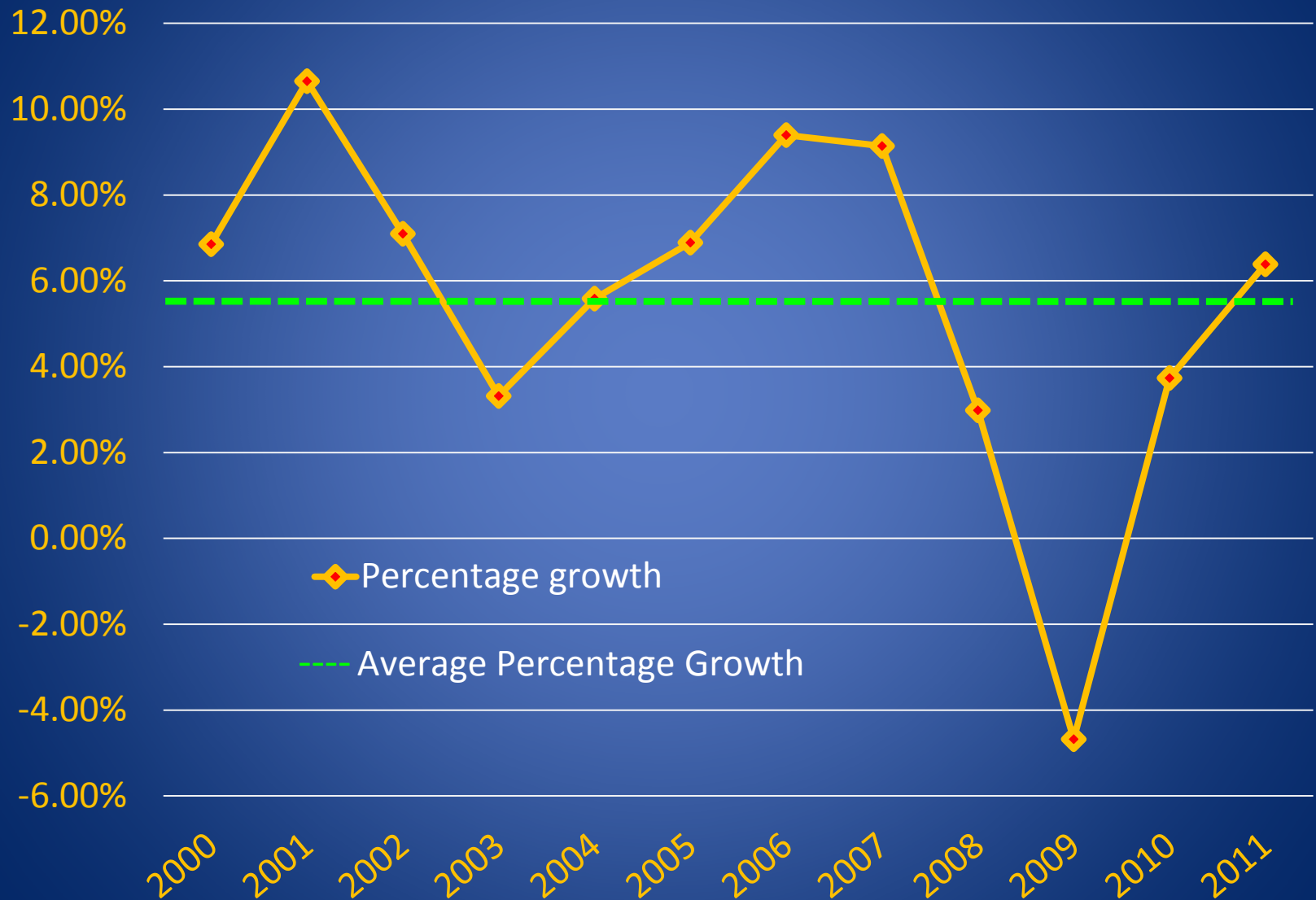
Property Tax Annual Collections



Property Tax Collections Annual Percentage Growth

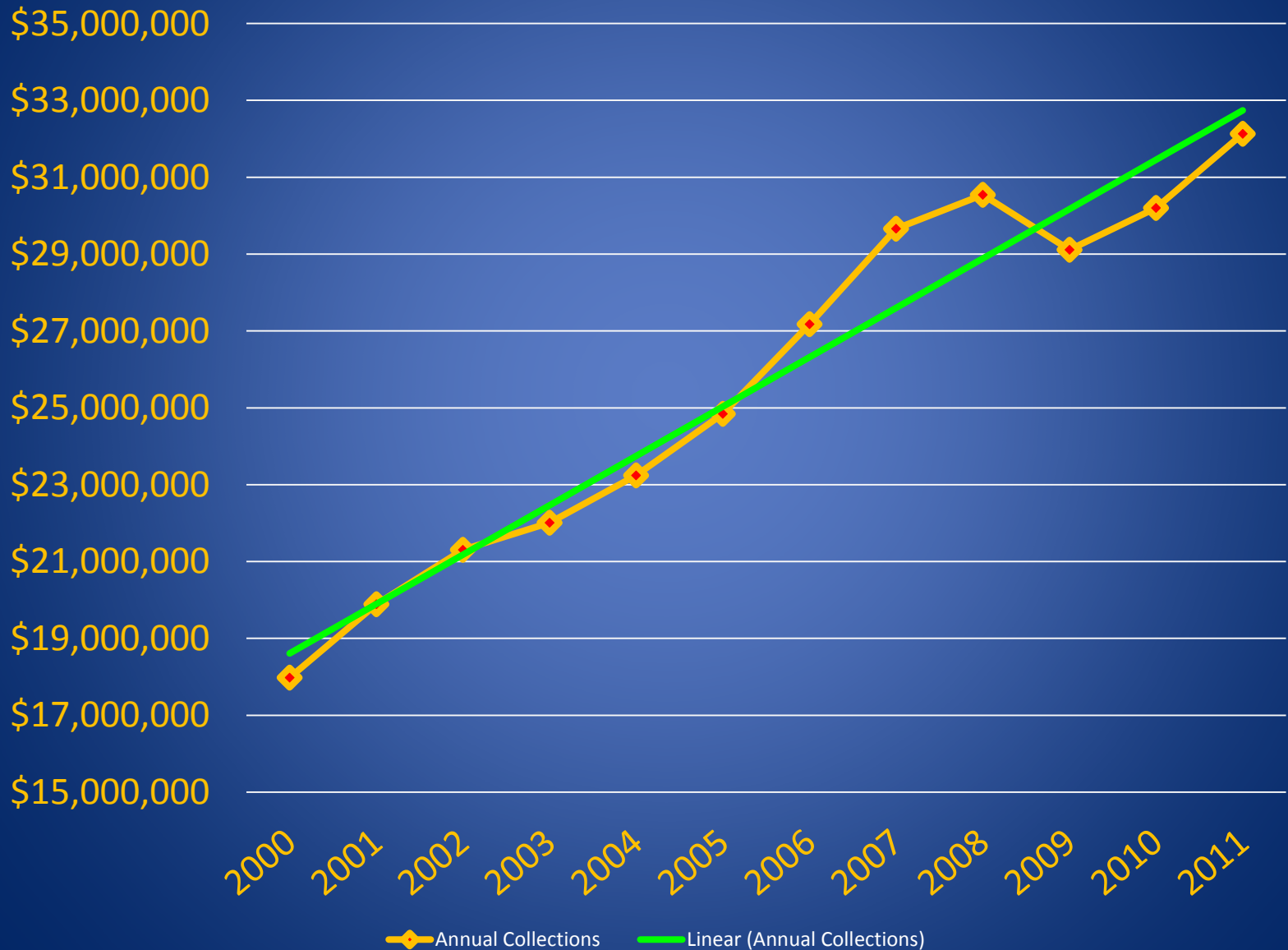


Sales Tax Annual Percentage Growth



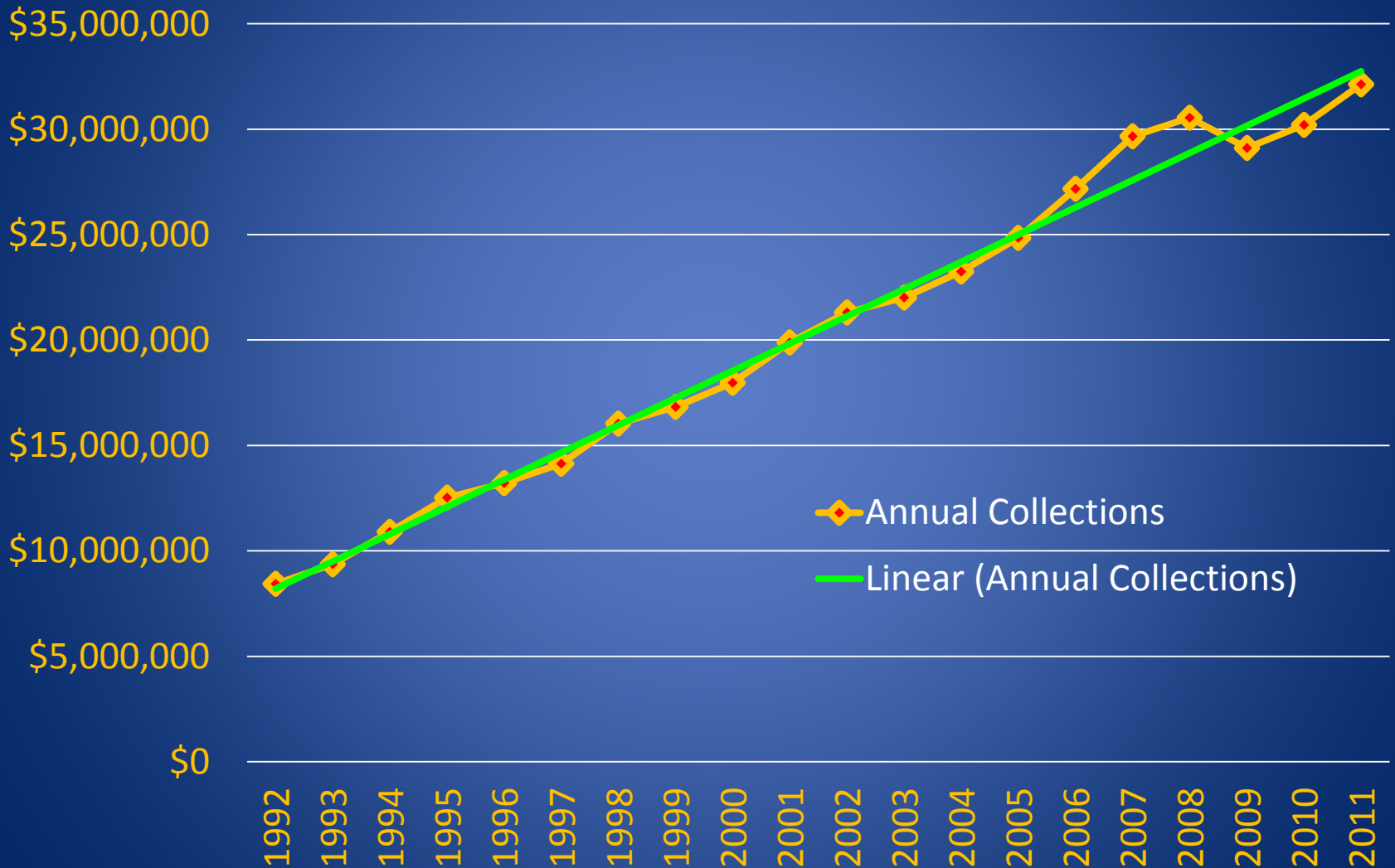
Sales Tax Annual Collections

10 Year View



Sales Tax Annual Collections

20 Year View

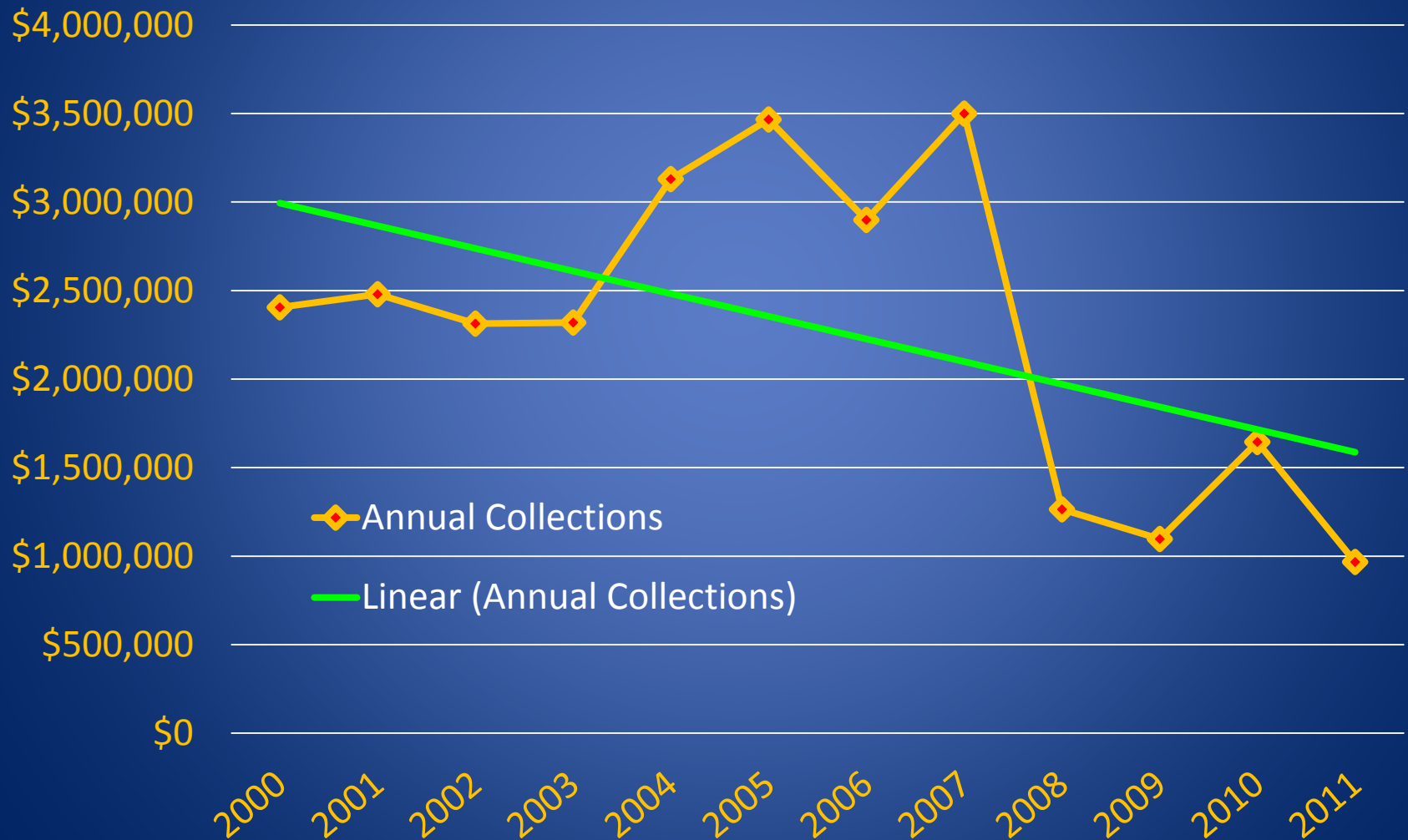


Building Use Tax Annual Percentage Change



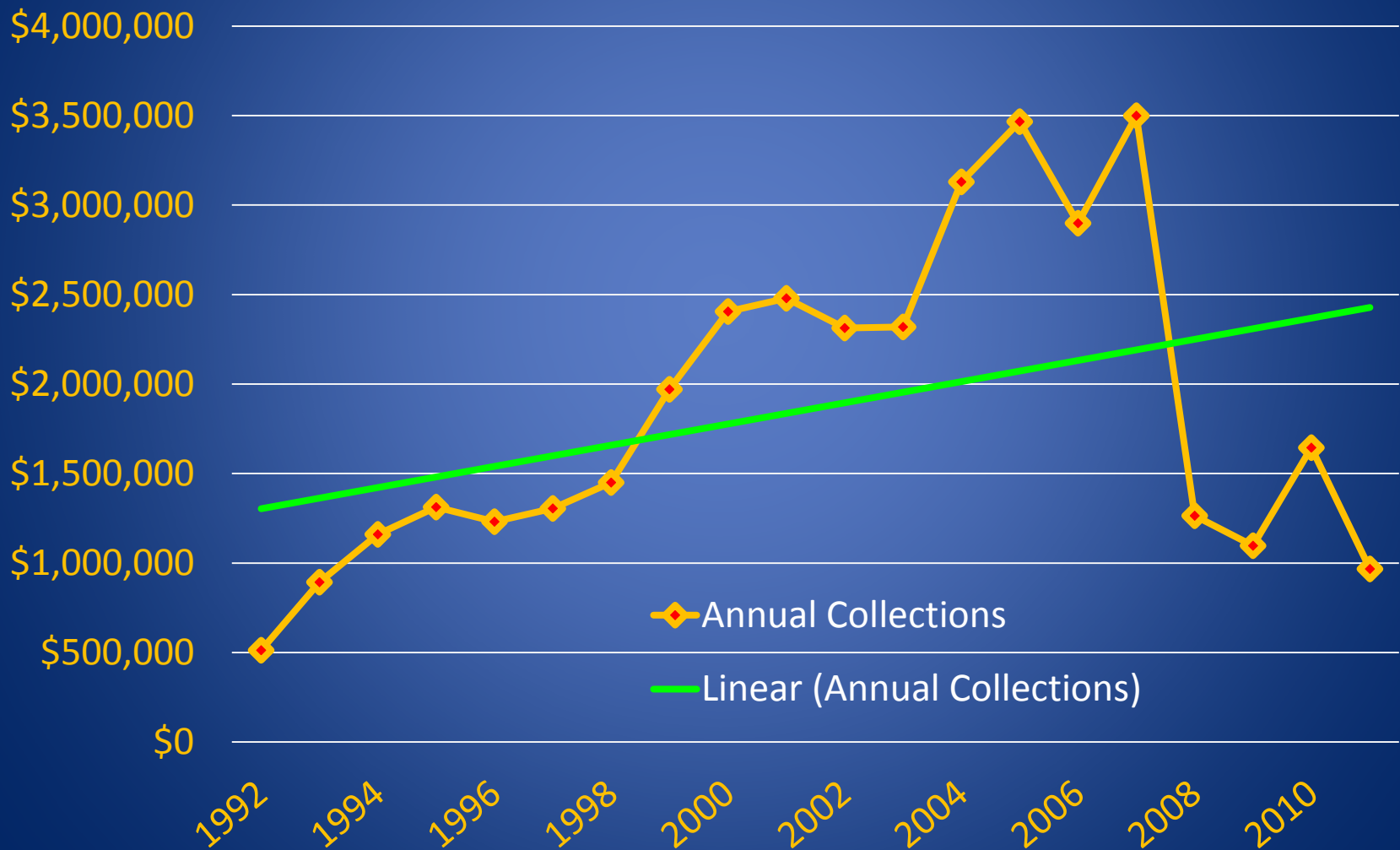
Building Use Tax Annual Collections

10 Year View



Building Use Tax Annual Collections

20 Year View



Ten-Year Plan Expense Assumptions

➤ Status Quo Plan

- a. Average expense growth at 3.5%;
- b. Additions to expenses for operating impacts from the Capital Program are the only program expansions included;
- c. No increases in staffing for population or service area growth included;
- d. All debt obligations are paid as agreed.

Ten-Year Plan Reserve Assumptions

➤ Reserves

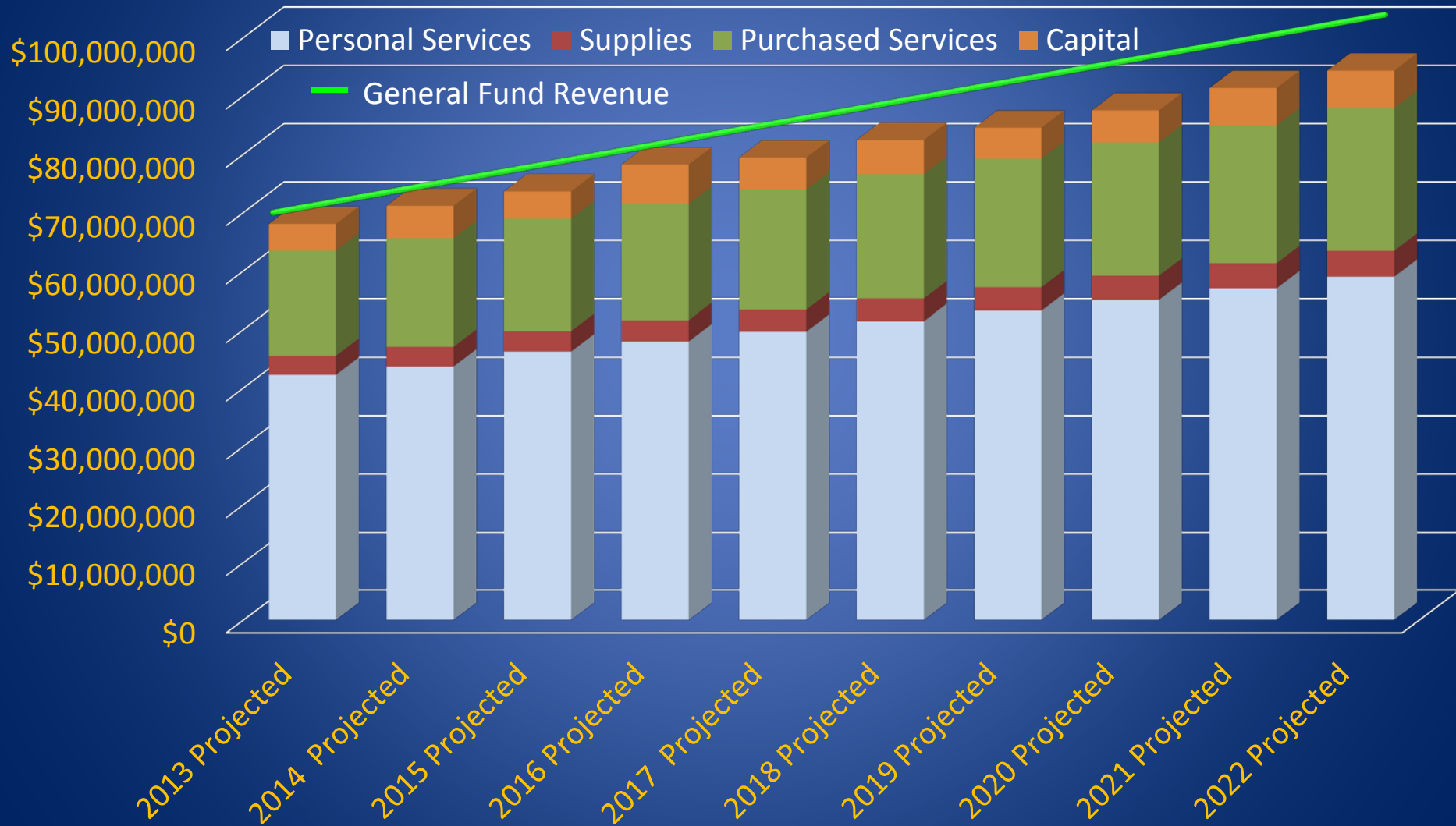
1. Per ordinance Council Reserve contribution calculated at 2.5% of taxes below TABOR limit for all years;
2. Revenues remain below the TABOR Revenue for all but 2 years;
3. Continues past policy of allocating available TABOR Revenue Reserve to cover General Fund portion of the Transportation Program.
4. Meets the Fund balance policy of 15% of operating expense in all years and remains positive in the bottom line.

Ten Year Plan Results

- Assumes the Financial Sustainability Strategy implementation will continue;
- Assumes part of the Fire Authority strategy; but not all;
- All years revenue compared to expense is positive except one.
- Ongoing adjustments will mitigate the negative amount in that year.

Ten Year Outlook

General Fund Revenue and Expense Projection



2013 Budget Assumptions

➤ Revenues

1. Property Tax growth remains flat to 2012;
2. Sales Tax growth at 4% over current 2012 forecasts;
3. Building Use Tax growth of 2.0% over 2012;
4. Interest at 1.2% of projected beginning balance;

2013 Budget Assumptions Continued

➤ Expenses

1. Merit Pool set at 3.5% of current salaries;
2. No change in City contribution to health premiums;
3. No inflation added to Core budgets – will adjust specific items such as fuel depending on current information.
4. Departments will be given General Fund subsidy targets that completed budget expenses must be within or new revenue must be identified to cover the expense to meet the target.

2013 Budget Assumptions Continued

➤ Enterprise Funds

1. Operating expense to follow similar guidelines.
2. All utilities will be evaluating potential rate increases, to meet cost of service, capital needs, and in the case of Power, potential wholesale rate increases.

Questions and Discussion