

FY2015 Budget Workshop #2

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FY2015 Budget Calendar

March – April	Departmental Budget Hearings/Finance Review Phase
April – May	Senior Management/Mayor Review Phase
April 29	Budget Workshop #1
May 6	Budget Workshop #2
May 20	City Council Budget Presentation (Proposed Budget)
June 3	1 st Public Hearing on FY15 Budget and Discussion
June 17	Final Public Hearing and Adoption by City Council



Workshop Goals

- Receive feedback and direction from City Council as we develop the FY15 Budget
- Review and validate FY15 planning assumptions
- Understand public safety, public works, community development and parks priorities as part of an overall Citywide service delivery and capital program



Budget Principles

- Conservatively determine revenue and expenses.
 - Solid estimating effectively neutralizes pressures to inflate revenue estimates to cope with budgeting pressures.
- Do not use one-time revenue sources for ongoing expenses.
 - When a non-recurring source of revenue is used to fund an ongoing expense, an "automatic unfunded increase" is built into the budget for the following year.



Issues Raised in Workshop #1

- Request for additional staff in Community Development
- Non-profit funding
- Sidewalk Policy



Development Activity



Revenue increase

- Indicative of increased permit activity, development related revenues have increased

Fiscal Year	Revenue
2010	\$694,264
2011	\$652,214
2012	\$1,147,143
2013 (as per 2014 Budget Book)	\$1,661,612
2014 Through March	\$1,388,849



Development Activity

- Larger more complex projects are being reviewed and permitted
- When comparing total permit counts, the true impact of these larger projects is not captured
- A major project such as the Cox Tower or a 5-story apartment building is issued one building permit
- The construction period for larger projects is significantly longer; multiple site and building inspections are required
- Overall permit activity FY 2013 to FY 2014 is estimated to show a 15% year-over-year increase
- Increase has trended upward more significantly in the last six months
- While development activity is traditionally slower in the winter months, building inspection activity over the last six months is up 24% when compared to the same time period a year ago



Building Inspections

- Building inspections, for all types of projects - single family residential, multi-family and commercial development have increased, particularly in the last six months
- From November to April, 2014 a total of 7,157 inspections were requested, compared to 5,765 inspection requests in 2013 for the same period
- Requests called in by 2 PM are inspected the following day

Calendar Year	Building Inspections Performed
2010	8,774
2011	9,511
2012	10,857
2013	12,697
Through April 2014	4,724



Private Inspections

- The City allows inspections to be conducted by private inspectors
- Staff estimates that no more than 10% of all inspections were conducted by private inspectors (inspections totals in report does not include private inspections)
- City conducted inspections are more attractive to developers due to next day scheduling and cost



Single Family Permits

- Single Family construction has increased significantly

Calendar Year	New Single Family Permits
2010	68
2011	81
2012	215
2013	301
2014 Through April	121



Community Development Staffing

- Permit Activity by Type and Fiscal Year

2011	2012	2013	2014*	
9	20	14	8	New Commercial Buildings
68	133	271	316	New Single Family Homes
2	13	4	5	New Multi-Family Residential Buildings
387	503	488	548	Commercial Improvements
793	709	699	654	Residential Improvements
37	29	24	31	Land Disturbance Permits
34	44	84	119	Demolition Permits
108	95	134	85	Administrative Permits
431	524	468	396	Sign Permits
1083	811	687	568	Trade Permits
0	0	398	402	Tree Removal Permits
2952	2881	3271	3132	Total

**Through April 2014. Community Development staff estimates a 15% year-over-year increase between FY13 and FY14.*



FY15 Budget Assumptions – Operating

- Fixed Cost of General Government Services Contracts - \$13,434,296.96 (+2.01%)
- Renewal of subcontractor agreements - \$5,619,000 (.88%)
- Continued funding for Police Fleet Replacement Program - \$626,840
- Vehicle Acquisition Costs - \$115,000 (4 Fire)
- Upgrade Court Management System - \$100,000
- Upgrade Community Development System - \$170,000
- Continued funding for Community Events/Non-profits - \$467,500
- Funding for bi-annual Household Hazardous Waste Event - \$75,000
- Debt service for Fire Department - \$774,316
- E-911 Center operation - \$700,000
- Continued EMS subsidy for enhanced service - \$450,000



FY15 Budget Assumptions – Capital

- Continued funding for City Center Phase I Priority Projects - \$13,500,000
- Continued funding for Stormwater Infrastructure Improvements - \$1,750,000
- **Pavement Management Program - \$2,500,000**
- Intersection Improvements for Heards Ferry - \$2,000,000
- **Riverside Drive Interchange - \$500,000**
- FCC Mandatory Portable Radio Update by 2017 - \$400,000
- Dupree Sidewalk to Heards Ferry - \$425,000
- Left Turn Lane at Interstate North Parkway/Rivers Edge - \$300,000
- **T-0039 Spalding Drive/Mount Vernon Intersection - \$685,000**
- C-0007 Marsh Creek BMP Contingency - \$250,000
- Transfer of funds from Morgan Falls Road – (\$1,000,000)



Fund Balance Reserve

- Adopted as part of the approved Budgetary Policy
- Fund Balance is the cash reserve and working capital to cover the following:
 - Expenditures caused by unforeseen emergencies
 - Shortfalls caused by revenue decline
 - Eliminate short-term borrowing for cash flow purposes
 - Reserve policy calls for no less than three (3) months of operating and debt expenditures (25%)



Projected Undesignated Fund Balance

June 30, 2013 General Fund Balance	\$ 32,500,793
Add: FY14 Projected Revenues	86,901,657
Less: FY14 Projected Expenditures	91,845,798
Subtotal	27,556,652
Less: Fund Balance Reserve	(20,500,000)
YEAR END ESTIMATED UNDESIGNATED GENERAL FUND BALANCE	\$ 7,056,652



Revenue FY14 vs. FY15

	2014 Budget	2015 Projected Budget	Variance
Property Taxes	\$ 28,250,000	\$ 30,400,000	\$ 2,150,000
Sales Tax	23,375,000	23,125,000	(250,000)
Business & Occupational Tax	8,250,000	8,750,000	500,000
Franchise Fees	9,075,000	8,850,000	(225,000)
Insurance Premium Taxes	4,300,000	4,600,000	300,000
Other Revenues	7,012,120	7,404,280	297,160
Total Revenues	\$ 80,357,120	\$ 83,129,280	\$ 2,772,160

Expenditures FY14 vs. FY15



	2014 Budget	2015 Budget	Variance	Variance
City Council	188,061	224,922	38,861	19.60%
City Manager	772,151	786,745	14,594	1.89%
City Clerk	569,016	160,411	(408,605)	-71.89%
Finance	2,232,615	2,322,670	90,055	4.03%
City Attorney	808,000	823,000	15,000	1.86%
Information Services	2,088,479	2,085,783	(2,696)	-0.13%
Human Resources	295,407	276,047	(19,360)	-6.55%
Facilities Management	1,591,410	1,629,154	37,744	2.37%
Communications	1,537,556	1,228,451	(309,105)	-20.10%
General Administration	2,272,667	2,287,395	14,728	0.65%
Municipal Court	1,668,649	1,797,701	129,052	7.73%
Police	18,654,539	19,233,793	579,254	3.11%
Fire	11,726,355	11,861,209	134,854	1.15%
Emergency Management	1,752,339	1,406,400	(345,939)	-19.74%
Public Works	10,717,049	11,387,058	670,009	6.25%
Recreation and Parks	3,000,521	3,089,683	89,162	2.97%
Community Development	3,424,034	3,682,448	258,414	7.55%
Economic Development	265,935	328,063	62,128	23.36%
Transfers to Other Funds	25,786,131	25,575,000	(211,131)	-0.82%
Total General Fund:	\$89,350,913	\$90,185,932	835,019	0.93%

*Projections only.



Preliminary Task Order Analysis

Firm/Work Package	NTE Escalator	Actual Escalator	FY14 Amount	FY15 Amount	Difference
Finance/ST Services	2.50%	2.50%	\$1,673,836.00	\$1,755,000.00	4.85%
Information Services/ InterDev	5.25%	3.50%	1,315,828.80	1,361,882.81	3.50%
Communications/ Collaborative	2.20%	2.20%	513,249.00	549,917.00	7.14%
Municipal Court/Jacobs	3.00%	.86%	1,093,219.00	1,102,660.00	.86%
Call Center/Faneuil	n/a	n/a	819,757.26	450,537.98	-45.04%
Public Works/URS	4.00%	3.50%	3,514,549.00	3,732,558.22	6.20%
Recreation/Jacobs	3.00%	.86%	1,033,822.00	1,042,912.00	.86%
Community Development/ Collaborative	2.20%	2.20%	3,201,969.00	3,434,961.12	7.28%
	Total	3.14%	\$13,166,230.06	\$13,434,296.96	2.01%

*Re-bid during FY14 and awarded to Faneuil, resulting in annualized savings of \$369,218



Public Works Contractor Analysis

Firm/Service	Escalator	FY14 Amount	FY15 Amount	Difference
Blount (Street Maintenance)	0%	\$1,445,000	\$1,445,000	0%
Optech (Park Maintenance, ROW, Street Cleaning)	0%	2,720,000	2,720,000	0%
ProCutters (Mowing on Interstates)	0%	220,000	220,000	0%
Multiple Contractors (Tree Removal)	---	200,000	200,000	0%
(Road Signage)	*	310,000	350,000	12.9%
Siemens (Traffic Signals)	3.0%	550,000	566,500	3.0%
Wildcat Striping (Road Striping)	2.0%	125,000	150,000	20.0%
Total	3.0%	\$5,570,000	\$5,659,000	1.59%

**Currently out for bid, FY15 amount is an estimate based on past budget amounts.*

Review of Potential FY15 Citywide Capital Projects



FY15 Citywide Capital Projects

1. Rank Categories		
2. Estimated Allocation within Each Category		
Priority		Proposed
	T-0046 Carpenter at SR9 Realignment	900,000
	Sidewalk Program	750,000
	Abernathy/Johnson Ferry Roadway Improvements	500,000
	Intersection Improvement Program	500,000
	Sandy Springs Tennis Center Improvements	500,000
	Traffic Management Center	350,000
	Lost Corner Preserve Entrance and Parking Lot	350,000
	Windsor Parkway Pedestrian Bridge	250,000
	Old Riverside Drive Park	250,000
	Spalding Drive Park (Cowart Property)	100,000
TOTAL		\$4,450,000

Ranking of Potential FY15 Citywide Capital Projects



FY15 Citywide Capital Projects (Consolidated Rankings)

1. Rank Categories		
2. Estimated Allocation within Each Category		
PRIORITY		Est. Allocation
1	Sidewalk Program	750,000
2	Intersection Improvement Program	500,000
3	Abernathy/Johnson Ferry Roadway Improvements	500,000
4	Traffic Management Center	350,000
5	T-0046 Carpenter at SR9 Realignment	900,000
6	Lost Corner Preserve Entrance and Parking Lot	350,000
7	Windsor Parkway Pedestrian Bridge	250,000
8	Old Riverside Drive Park	250,000
9	Spalding Drive Park (Cowart Property)	100,000
10	Sandy Springs Tennis Center Improvements	500,000
	Total	\$4,450,000

Recommended FY15 Citywide Capital Projects



FY15 Citywide Capital Projects (Consolidated Rankings)

1. Rank Categories			
2. Estimated Allocation within Each Category			
PRIORITY		Est. Allocation	Amount
1	Sidewalk Program	750,000	\$750,000
2	Intersection Improvement Program	500,000	\$500,000
3	Abernathy/Johnson Ferry Roadway Improvements	500,000	\$500,000
4	Traffic Management Center	350,000	\$350,000
5	T-0046 Carpenter at SR9 Realignment	900,000	\$900,000
6	Lost Corner Preserve Entrance and Parking Lot	350,000	\$350,000
7	Windsor Parkway Pedestrian Bridge	250,000	\$250,000
8	Old Riverside Drive Park	250,000	\$250,000
9	Spalding Drive Park (Cowart Property)	100,000	\$100,000
10	Sandy Springs Tennis Center Improvements	500,000	\$240,000
	TOTAL	\$4,450,000	\$4,190,000

Discussion

