



FY 2018 Budget and CIP

July 20, 2017

Brian Maxwell, City Manager

Budget Schedule



- Long Range Forecast presented June 23
- Capital Improvement Plan presented today, July 20
- Proposed Budget to be presented August 10
- August 10 Council meeting: Propose tax rate and schedule public hearings on tax rate and budget
- August 24 Council meeting: Budget and CIP workshop, hold public hearing on tax rate
- September 14: Hold second tax rate public hearing, hold budget public hearing, consider adopting CIP
- September 28 – Adopt budget and adopt tax rate

General Fund Changes from FY 2017



- \$2.6 million revenue growth:
 - \$1.9 million from property taxes (M&O rate constant, 3.5 cent increase for Debt Service Fund) – 6.5 percent increase in taxable value
 - \$620,000 from sales taxes, 4 percent growth
- Police: \$1.63 million increase – including CBA pay increase, 16 officers (8 potential from COPS grant) and three civilians
- Fire: \$478,000 increase including CBA pay increase
- Increase of two percent in contributions to Police and Fire pension funds (reserved under Governmental Expenditures) - \$393,000
- Transfer to Infrastructure and Debt Service Fund increase \$677,000 (6 percent of General Fund Budget)
- Civilian COLA of 2 percent - \$254,000
- Comprehensive Plan update - \$75,000
- Increased reimbursement for Public Works mill and overlay work - \$232,000
- Reduced transfer to Island Transit by \$170,000
- Net savings in other accounts - \$512,000

Police Budget (all funds)



- Eight additional police officers, reimbursed from Parking Management and Convention Center Surplus funds - \$584,000 budget increase overall
- Local match for COPS grant for eight additional officers, total of sixteen (under Governmental Expenditures) - \$142,000
- Collective Bargaining Agreement increase of 4.87 percent - \$556,000
- Full funding for classified personnel (no vacancy lapse allowance) - \$474,000
- Increase in city's pension contribution of 2 percent – \$233,000
- Three civilians positions - \$159,000
- Materials and supplies for trainees - \$78,000
- Equipment for dive team, SWAT, investigations (Special Funds) - \$77,000
- Half of FY 2018 General Fund equipment budget for police vehicles - \$500,000

Fire Budget

- Collective Bargaining Agreement increase of 4.3 percent - \$442,000
- Adjustment to Assistant Chiefs and Fire Marshal - \$34,600
- Increase in city's pension contribution of 2 percent – \$160,000
- Net reduction in protective gear from major purchase in FY 2017 - \$74,000



Other Major Operating Budget Items



- 2 percent COLA for all civilian personnel
- 8.7 percent increase in City's employer contribution to employee health insurance
- Water and Sewer Funds
 - No rate increase in FY 2018
 - Two percent growth in revenue
- Debt Service Fund – Pay debt service due for \$25 million 2017 public improvement bonds through 3.5 cent increase in property tax rate for debt service, raising overall rate to 56.1 cents per \$100 of taxable value
- Island Transit –
 - Reduce overall budget approximately \$1 million to offset loss of grants and reduce General Fund subsidy by \$170,000
 - Fund Bus Trolley system with Convention Center Surplus Funds – estimated \$600,000

Capital Improvement Plan Overview



- \$212 million in projects over five years, FY 2018-2022
- Schedule calls for all bond funded Street and Drainage projects to be under contract by end of FY 2020, completing construction by FY 2022 – Accelerate design process in support of this effort
- FY 2018 highlighted projects
 - Begin construction of 45th street from Broadway to Seawall as one \$10.4 million project
 - In-house mill and overlay of five miles of streets
 - Major CDBG funded projects underway by September 30 including Fire Station #1, 65th Street, Saladia Street, 69th Street, Avenue S, 51st Street, Sealy Street and water tank projects at the 59th Street and 30th Street Pump Stations.
 - Water - Airport pump station upgrades and 30 inch line from railroad bridge to Harborside Drive
 - Sewer – Lift Station rehabilitation, reconstruction of Pirates Beach Wastewater Treatment Plant, and reconstruction of the Airport Wastewater Treatment plant