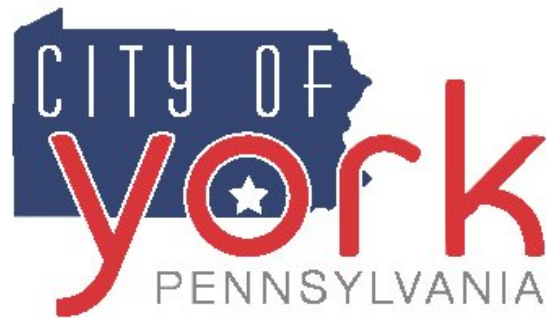


2011 Proposed Budget



C. Kim Bracey
Mayor

The 2011 Budget Process
began with a

\$6,319,207

difference in
General Fund
between
requested expenditures
and
anticipated revenue

2011 Budget Challenges

The City faces many of the same challenges year after year

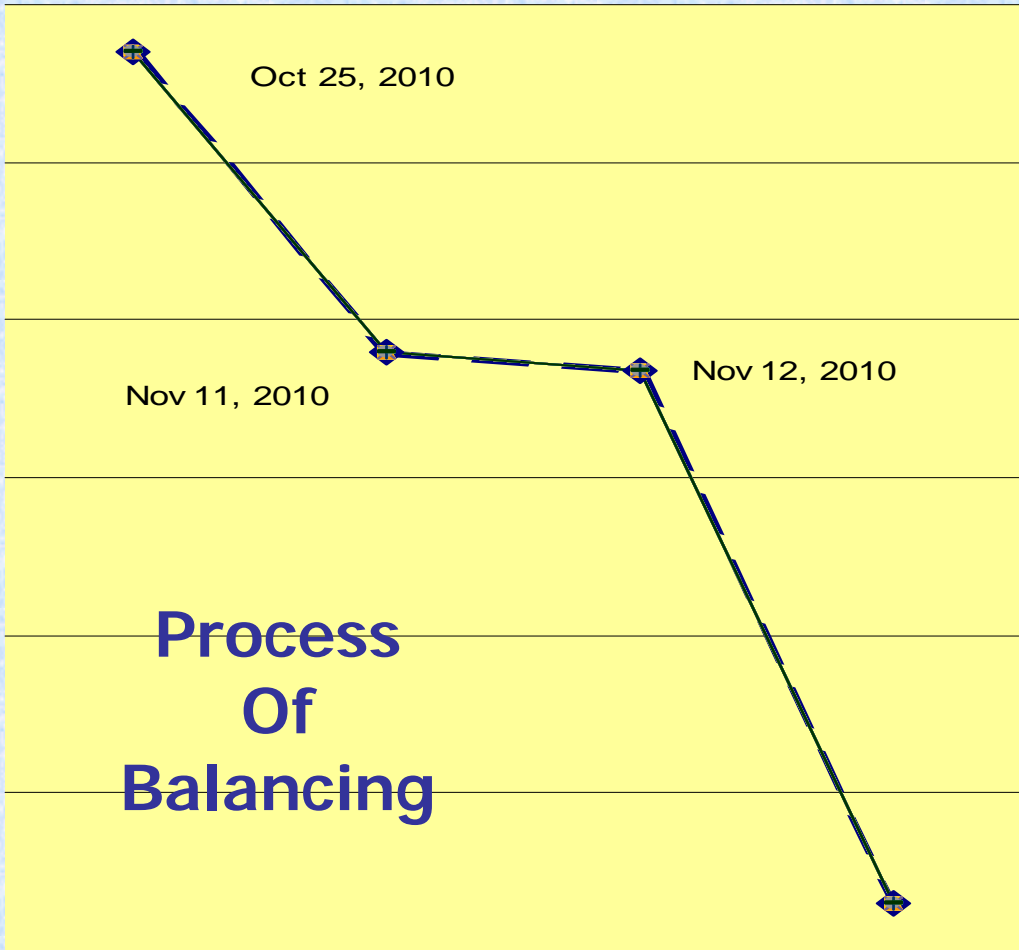
MMO obligation	\$6,575,288
Contractual wage increases	\$ 569,819
Capital Projects	\$ 2,020,824
	\$1,251,618 from outside sources
Risk Management	\$8,750,500
Debt (95, 98, 02)	\$4,349,904
Ice Rink	\$ 621,011
Sewer Debt and Treatment	\$ 7,921.221

Proposed Request Amount for General Fund

Revenue	2011	\$44,074,313
	2010	<u>\$37,588,058</u>
		\$ 6,486,255
Expense	2011	\$40,686,793
	2010	<u>\$37,575,057</u>
		\$ 3,111,736



Revenue includes
RACP Grant
\$5,000,000



Original requests received from departments

\$6,319,207 expense exceeded revenue

Calculated IMSF township payments

Calculated and corrected Real Estate Taxes

\$3,600,000 expense exceeded revenue

Reviewed and adjusted revenue projections

Department Directors were asked to review

their budgets and reduce the requests to 2010

level where possible

\$3,360,000 expense exceeded revenue

Final adjustments were made to Internal Services

Increased Taxes

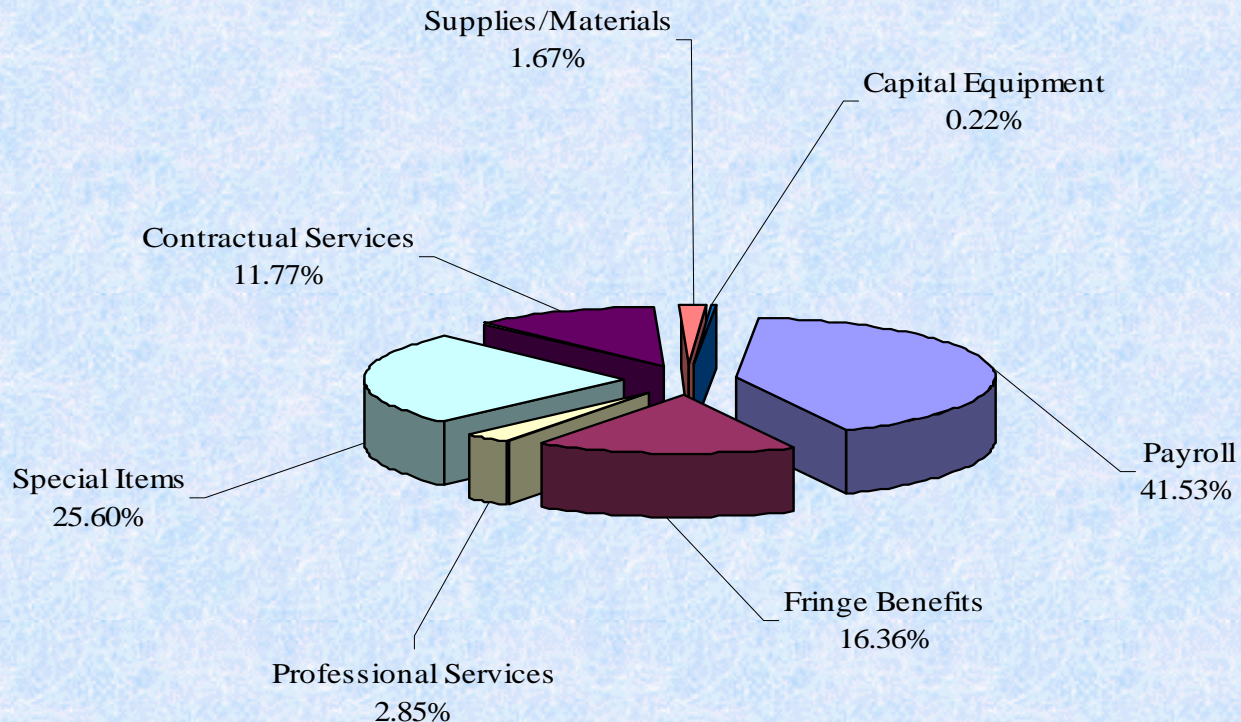
Added RACP Grant Reimbursement

Budget Balanced

**Process
Of
Balancing**

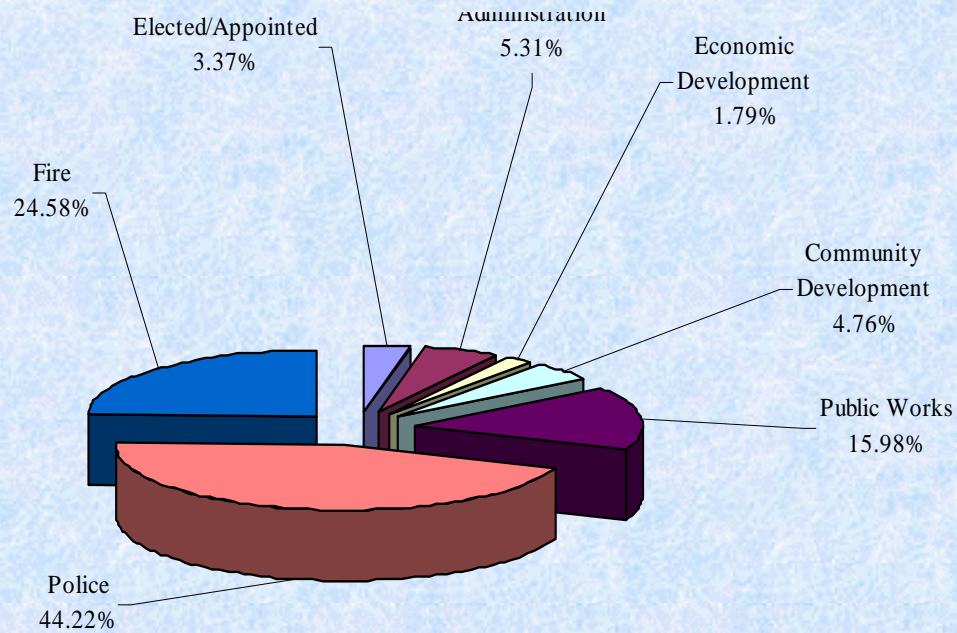
General Fund Expenditures by Type

Expense Description	Requests	Percent of Budget
Payroll	16,896,646	41.53%
Fringe Benefits	6,656,608	16.36%
Professional Services	1,157,800	2.85%
Special Items	10,416,785	25.60%
Contractual Services	4,788,822	11.77%
Supplies/Materials	678,772	1.67%
Capital Equipment	89,360	0.22%
Total	40,684,793	100%



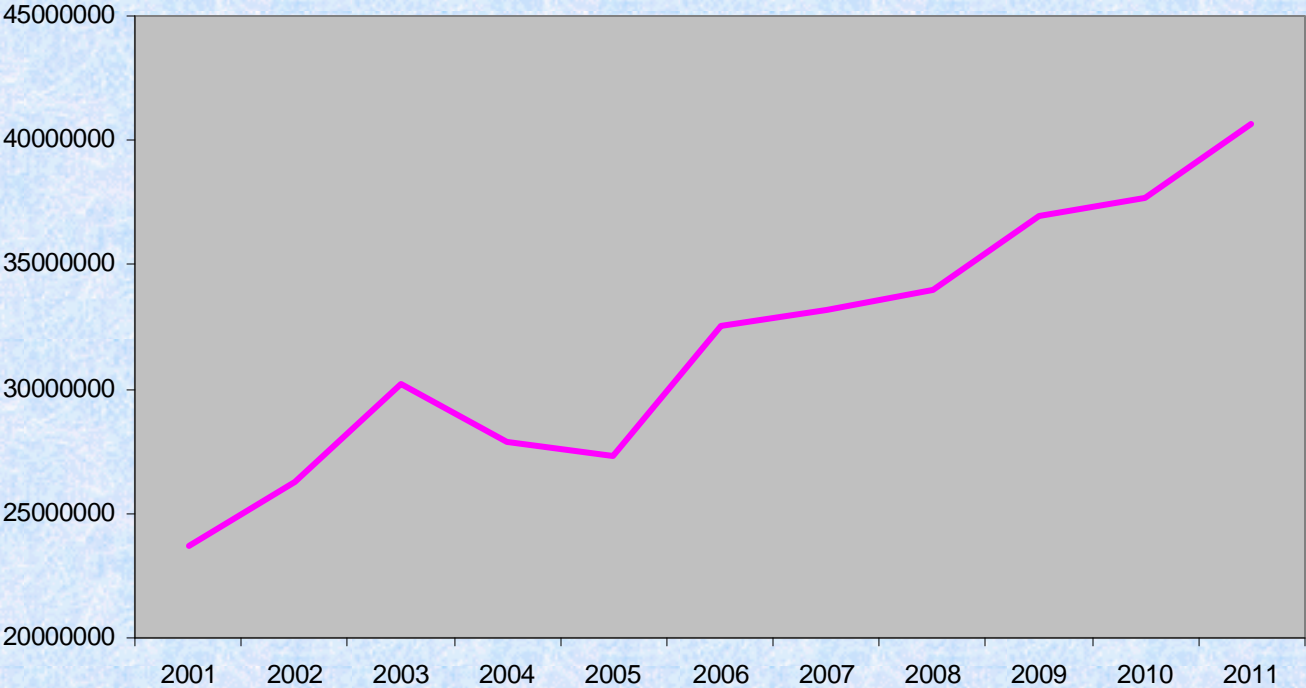
General Fund Expenditures by Department

Department	Expense	Percent of Budget
Elected/Appointed	1,369,308	3.37%
Business Administration	2,158,959	5.31%
Economic Development	727,196	1.79%
Community Development	1,937,876	4.76%
Public Works	6,500,492	15.98%
Police	17,990,957	44.22%
Fire	10,000,006	24.58%
Total	40,684,794	100%



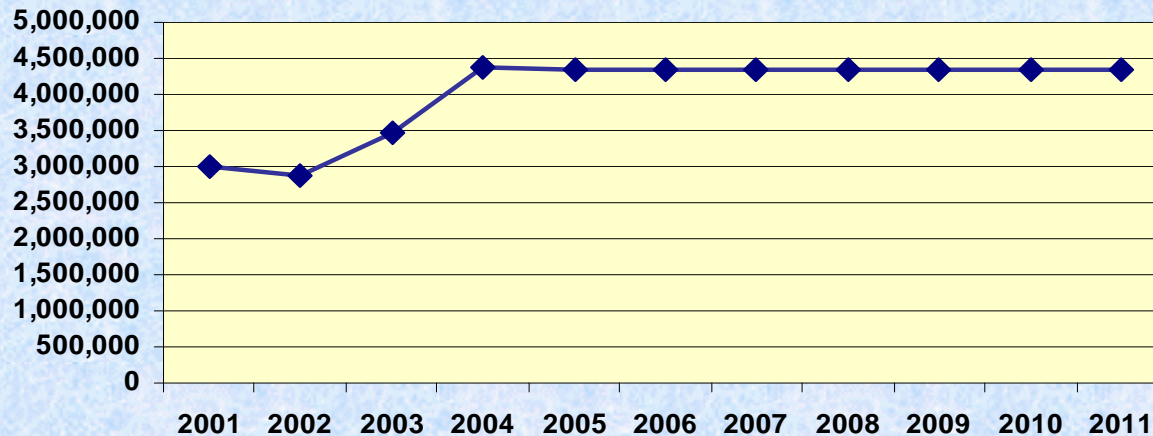
General Fund Expenditure Budget

2001	23,704,130		2007	32,947,535
2002	26,292,307		2008	34,569,252
2003	30,233,542		2009	36,982,091
2004	27,684,061	Projected	2010	37,685,449
2005	33,722,536	Requested	2011	40,684,793
2006	32,558,962			



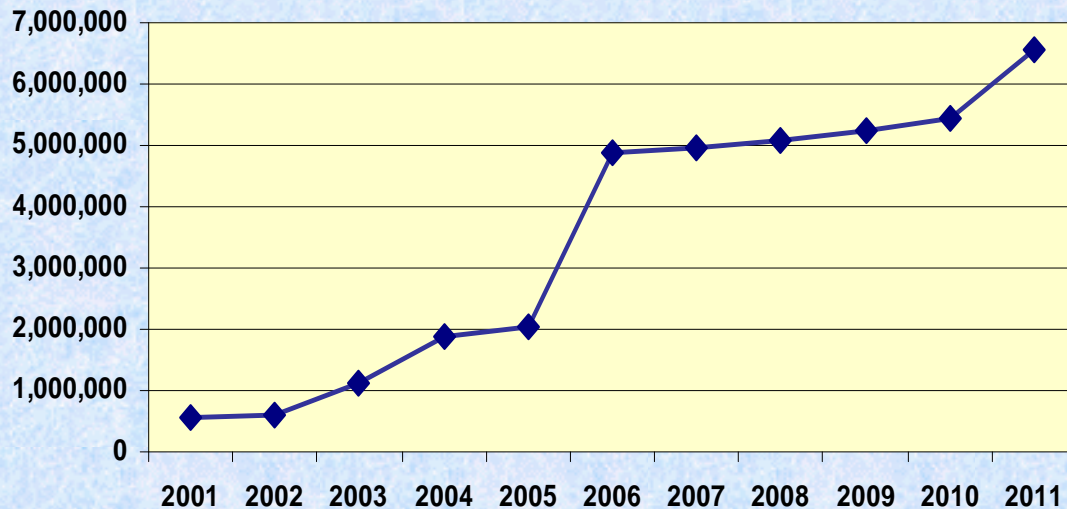
Debt Service

	1995 Bond		1998 & 2002 Bond		Total	
	Obligation	Increase from Prior Year	Obligation	Increase from Prior Year	Obligation	Increase from Prior Year
2001	2,026,781		972,913		2,999,694	
2002	2,007,440	-19,341	866,668	-106,245	2,874,108	-125,586
2003	2,199,274	191,834	1,278,599	411,931	3,477,873	603,765
2004	2,277,435	78,161	2,108,245	829,646	4,385,680	907,807
2005	2,431,161	153,726	1,919,160	-189,085	4,350,321	-35,359
2006	2,613,018	181,856	1,734,685	-184,475	4,347,703	-2,619
2007	2,649,441	36,424	1,699,760	-34,925	4,349,201	1,499
2008	2,500,090	-149,351	1,848,735	148,975	4,348,825	-376
2009	2,674,845	174,755	1,676,848	-171,888	4,351,693	2,868
2010	2,808,400	133,555	1,544,044	-132,803	4,352,444	752
2011	2,885,000	76,600	1,456,012	-88,032	4,349,904	-11,432



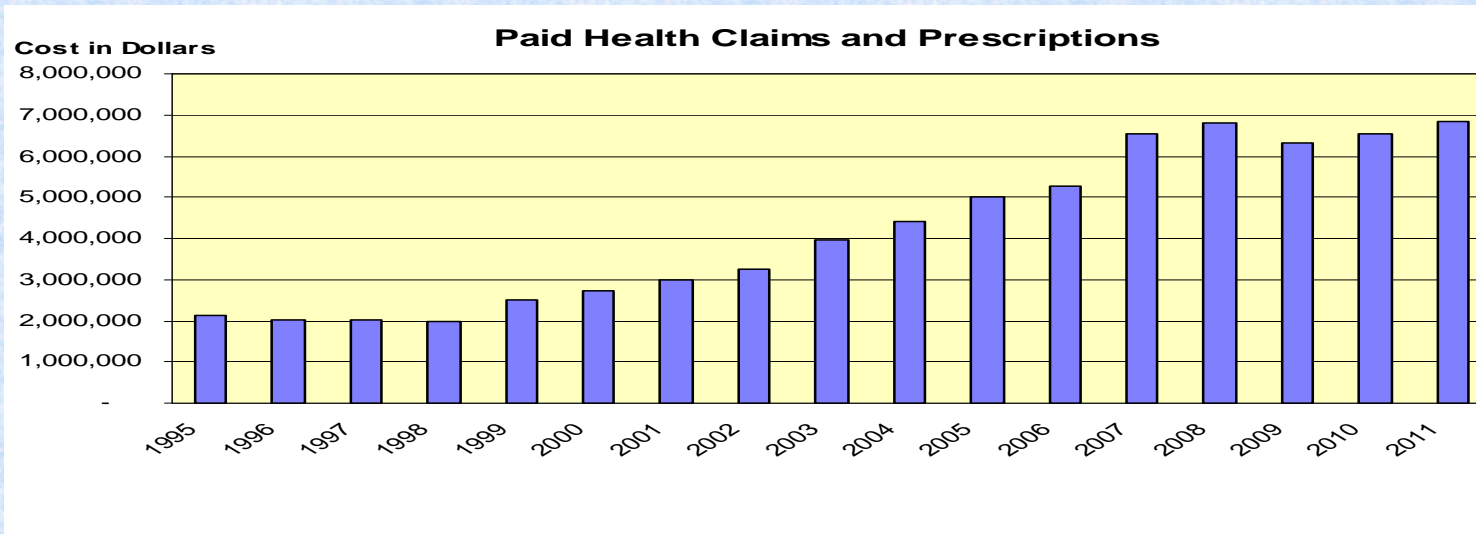
Minimum Municipal Obligation

	Police		Fire		O&E		Total	
	Obligation	<i>Increase from Prior Year</i>	Obligation	<i>Increase from Prior Year</i>	Obligation	<i>Increase from Prior Year</i>	Obligation	<i>Increase from Prior Year</i>
2001	479,208		66,834		0		546,042	
2002	527,335	48,127	68,211	1,377	18,601	18,601	614,147	68,105
2003	719,845	192,510	293,896	225,685	86,651	68,050	1,100,392	486,245
2004	1,087,478	367,633	509,242	215,346	295,282	208,631	1,892,002	791,610
2005	1,172,257	84,779	545,584	36,342	316,290	21,008	2,034,131	142,129
2006	2,949,964	1,777,707	1,621,527	1,075,943	291,572	-24,718	4,863,063	2,828,932
2007	2,988,309	38,345	1,641,164	19,637	331,360	39,788	4,960,833	97,770
2008	3,052,400	64,091	1,681,386	40,222	335,270	3,910	5,069,056	108,223
2009	3,120,389	67,989	1,785,031	103,645	344,088	8,818	5,249,508	180,452
2010	3,244,829	124,440	1,805,385	20,354	376,684	32,596	5,426,898	177,390
2011	3,842,987	598,158	1,972,854	167,469	759,447	382,763	6,575,288	1,148,390



Paid Health Claims & Prescriptions

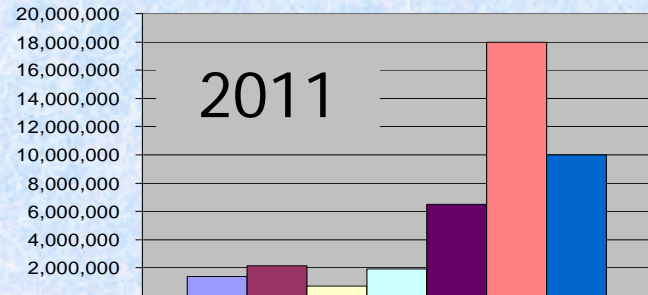
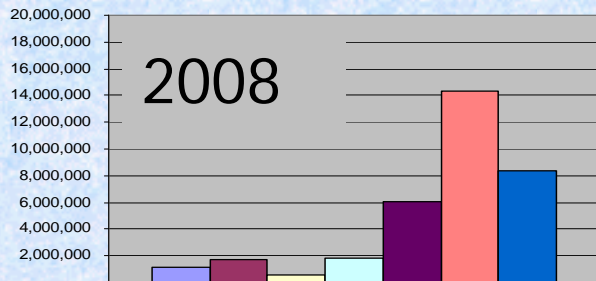
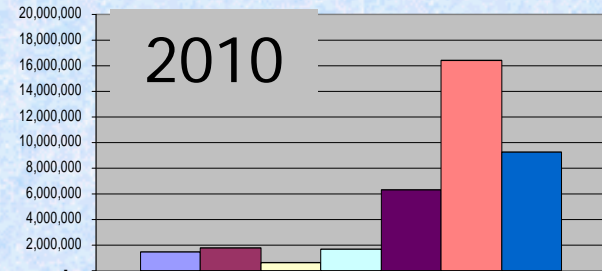
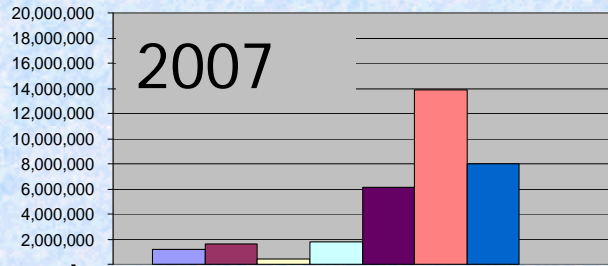
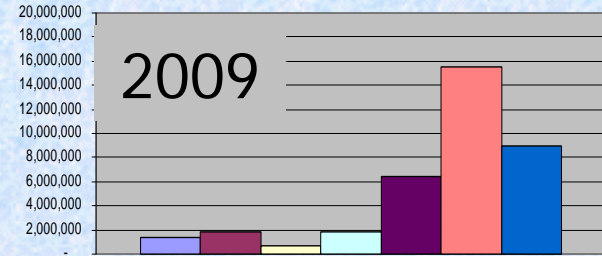
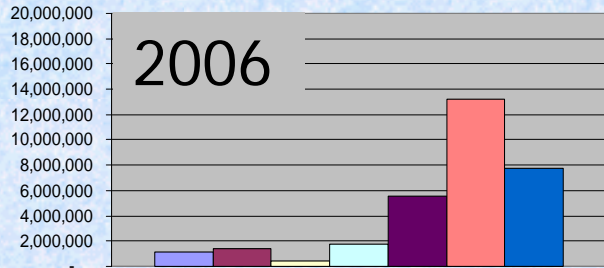
	1995	2,139,211	38.1%
	1996	2,016,539	-5.7%
	1997	2,019,071	0.1%
	1998	1,971,925	-2.3%
	1999	2,493,610	26.5%
	2000	2,727,703	9.4%
	2001	2,990,635	9.6%
	2002	3,262,165	9.1%
	2003	3,962,282	21.5%
	2004	4,403,020	11.1%
	2005	5,019,403	14.0%
	2006	5,286,136	5.3%
	2007	6,560,278	24.1%
	2008	6,818,622	3.9%
Actual	2009	6,313,490	-7.4%
Projected	2010	6,538,437	3.6%
Proposed	2011	6,850,000	4.8%

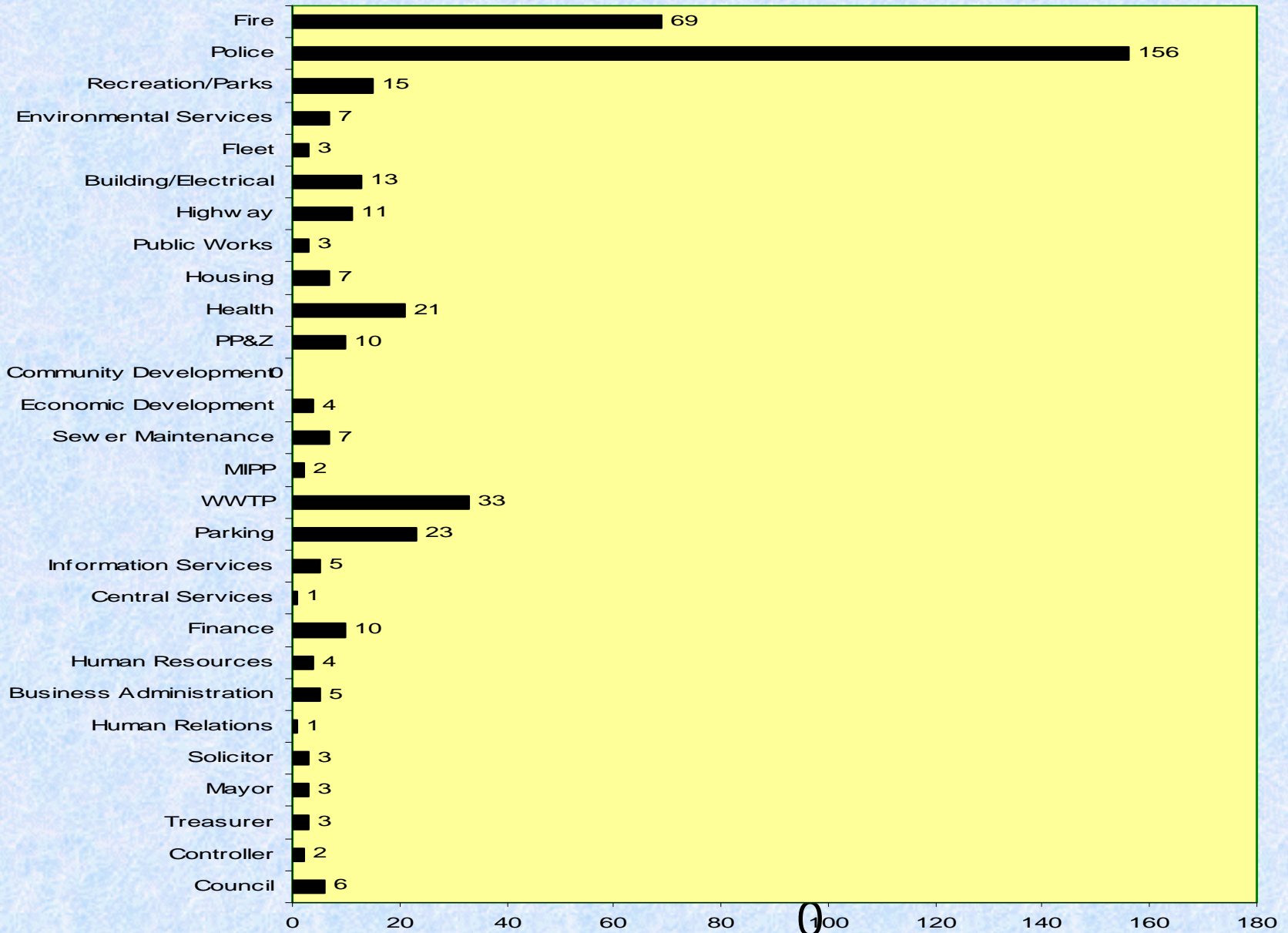


Cost of employee health care claims reflected in the year incurred

General Fund Expenditures

Annual by Department





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1

1

Actual Cost of a YPEA Employee

Average - Salary \$ 29,983.00

Internal Services

O&E Pension 4,207.00

Insurance (Health, Dental, Vision, Prescription, 19,356.00

Stop Loss, Life Insurance, Workers Comp)

\$ 23,563.00

Salary \$ 29,983.00

Internal Services \$ 23,563.00

Total Average Cost of a YPEA Employee \$ 53,546.00

Total does not include overtime

Actual Cost of a Teamsters Employee

Cost of a Teamster Employee

Average - Salary	\$	37,918.00
Internal Services		
O&E Pension		4,207.00
Insurance (Health, Dental, Vision, Prescription, Stop Loss, Life Insurance, Workers Comp)		22,296.00
	\$	<u>26,503.00</u>

Salary	\$	37,918.00
Internal Services	\$	26,503.00
Total Average Cost of a Teamster Employee	\$	64,421.00

Total does not include overtime

Actual Cost of an IBEW Employee

Average - Salary	\$	47,378.00
------------------	----	-----------

Internal Services

O&E Pension		4,207.00
-------------	--	----------

Insurance (Health, Dental, Vision, Prescription,		16,194.00
--	--	-----------

Stop Loss, Life Insurance, Workers Comp)		
--	--	--

	\$	<u>20,401.00</u>
--	----	------------------

Salary	\$	47,378.00
---------------	-----------	------------------

Internal Services	\$	20,401.00
--------------------------	-----------	------------------

Total Average Cost of a IBEW Employee	\$	67,779.00
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Total does not include overtime

Actual Cost of a Non-Affiliated Employee

Average - Salary \$ 42,766.00

Internal Services

O&E Pension 4,207.00

Insurance (Health, Dental, Vision, Prescription, 17,347.00

Stop Loss, Life Insurance, Workers Comp)

\$ 21,554.00

Salary \$ 42,766.00

Internal Services \$ 21,554.00

Total Average Cost of a NAFF Employee \$ 64,320.00

Actual Cost of a Firefighter

Average - Firefighter with 10 years \$ 56,679.00

Internal Services

Fire Pension	10,852.00
Insurance (Health, Dental, Vision, Prescription, Stop Loss, Life Insurance, Workers Comp)	33,319.00
	<hr/>
	\$ 44,171.00

Contractual Agreements

Footwear Allowance	90.00
Cleaning Allowance	335.00
Clothing Allowance	150.00
Christmas Bonus	75.00
	<hr/>
	\$ 650.00

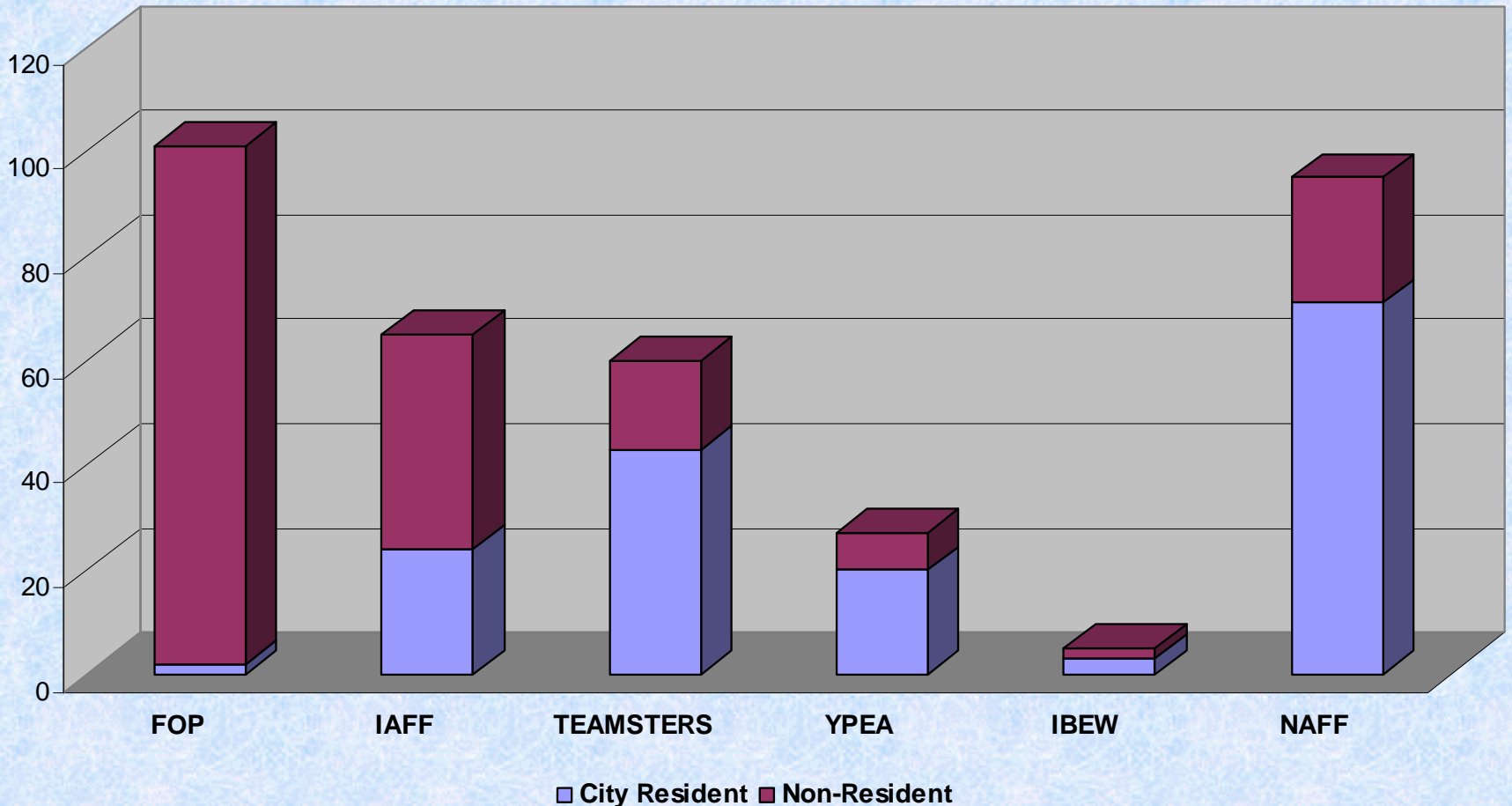
Salary	\$ 56,679.00
Internal Services	\$ 44,171.00
Contractual Agreements	\$ 650.00
	<hr/>

Total Average Cost of a Firefighter	\$ 101,500.00
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Total does not include overtime

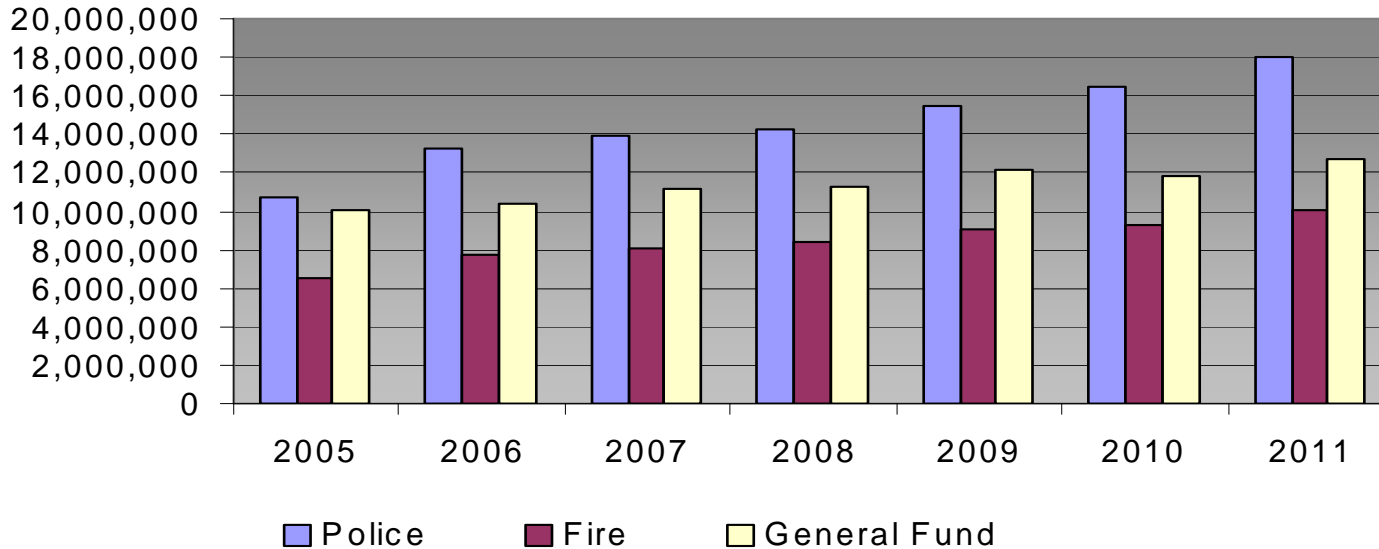
Residency by Union

	FOP	IAFF	TEAMSTERS	YPEA	IBEW	NAFF
Full Time Employees	102	65	60	27	5	95
City Resident	2	24	43	20	3	71
Non-Resident	99	41	17	7	2	24



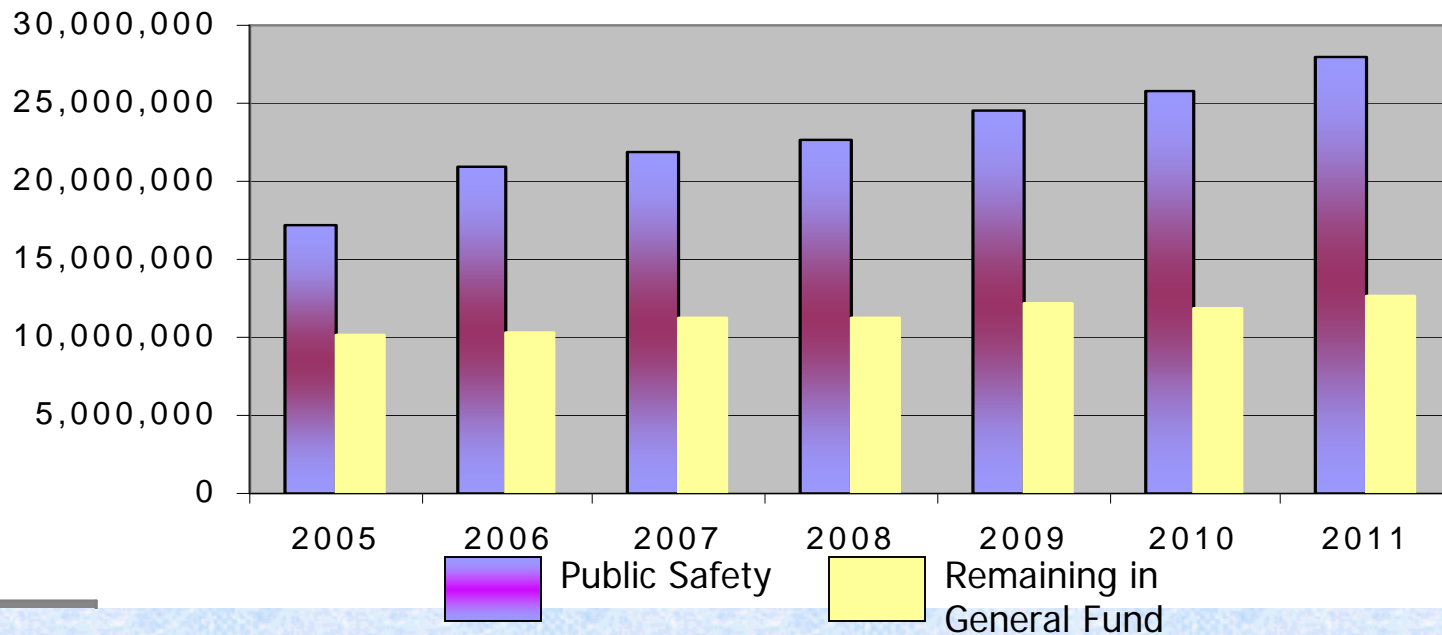
Police Fire and Remaining General Fund

	Police	% of GF	Fire	% of GF	Remaining in General Fund	
2005	10,771,781	39.41%	6,468,184	23.66%	27,335,511	10,095,546
2006	13,211,116	42.12%	7,780,288	24.81%	31,363,047	10,371,643
2007	13,903,631	41.96%	8,021,852	24.21%	33,132,768	11,207,285
2008	14,281,964	42.07%	8,351,636	24.60%	33,948,504	11,314,904
2009	15,497,011	42.31%	9,017,701	24.62%	36,628,441	12,113,729
2010	16,448,379	43.77%	9,280,005	24.70%	37,576,057	11,847,673
2011	17,990,957	44.22%	10,000,006	24.58%	40,684,793	12,693,830



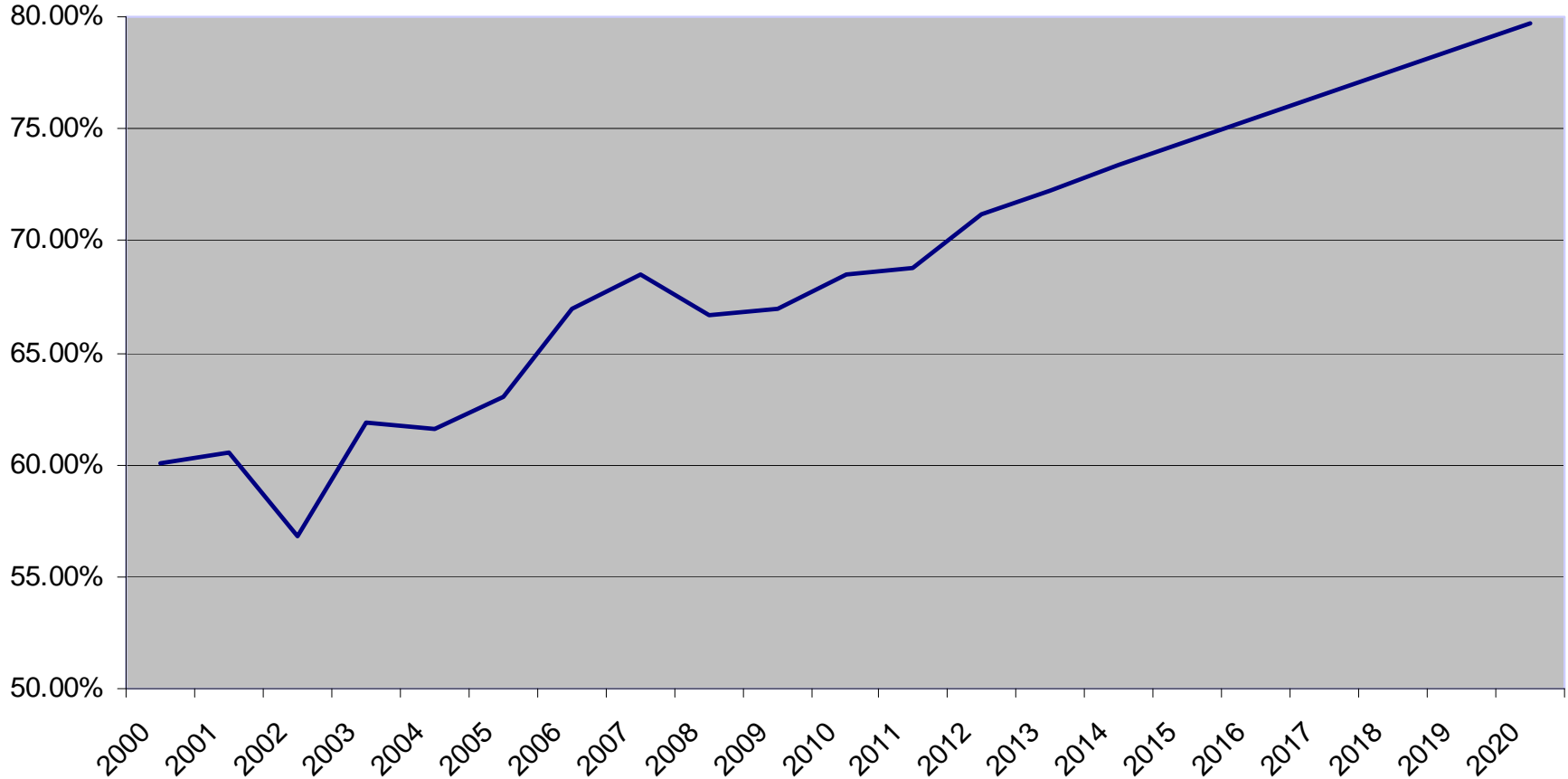
Public Safety and Remaining General Fund

	Public Safety	% of GF		Remaining in General Fund
2005	17,239,965	63.07%	27,335,511	10,095,546
2006	20,991,404	66.93%	31,363,047	10,371,643
2007	21,925,483	66.17%	33,132,768	11,207,285
2008	22,633,600	66.67%	33,948,504	11,314,904
2009	24,514,713	66.93%	36,628,441	12,113,729
2010	25,728,384	68.47%	37,576,057	11,847,673
2011	27,990,963	68.80%	40,684,793	12,693,830



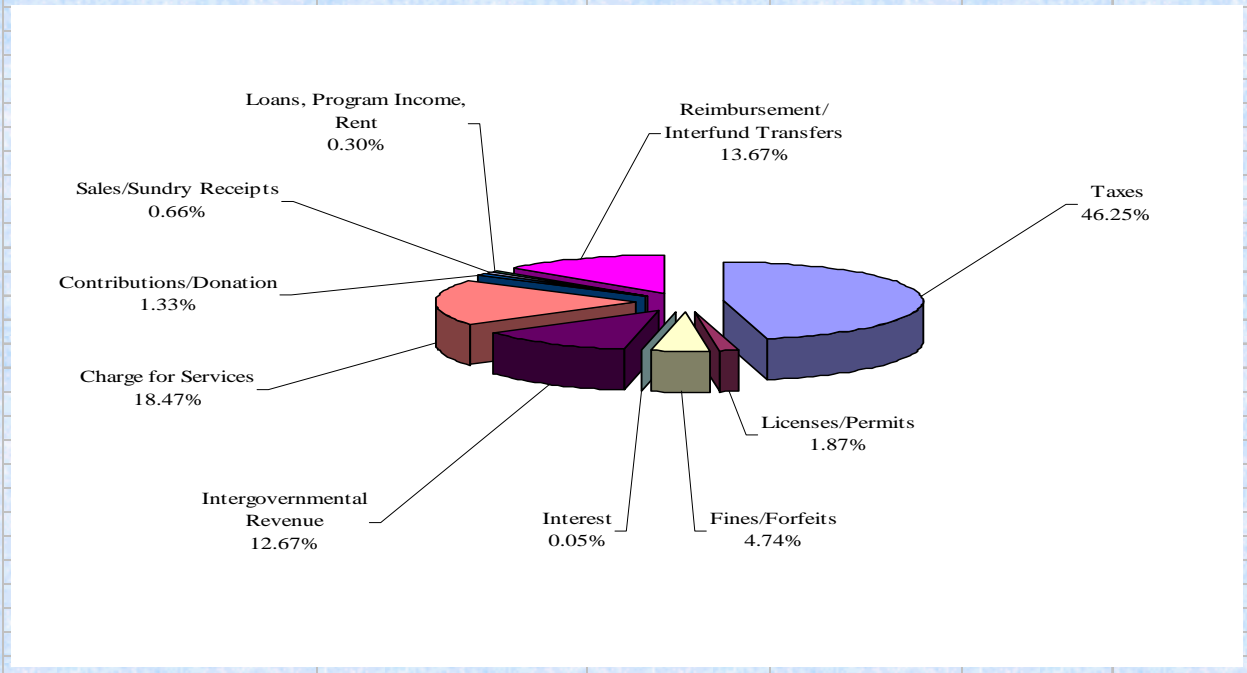
Public Safety Trend

If the cost of Public Safety continues to rise at the current rate it will consume **79.7%** of the General Fund budget by 2020



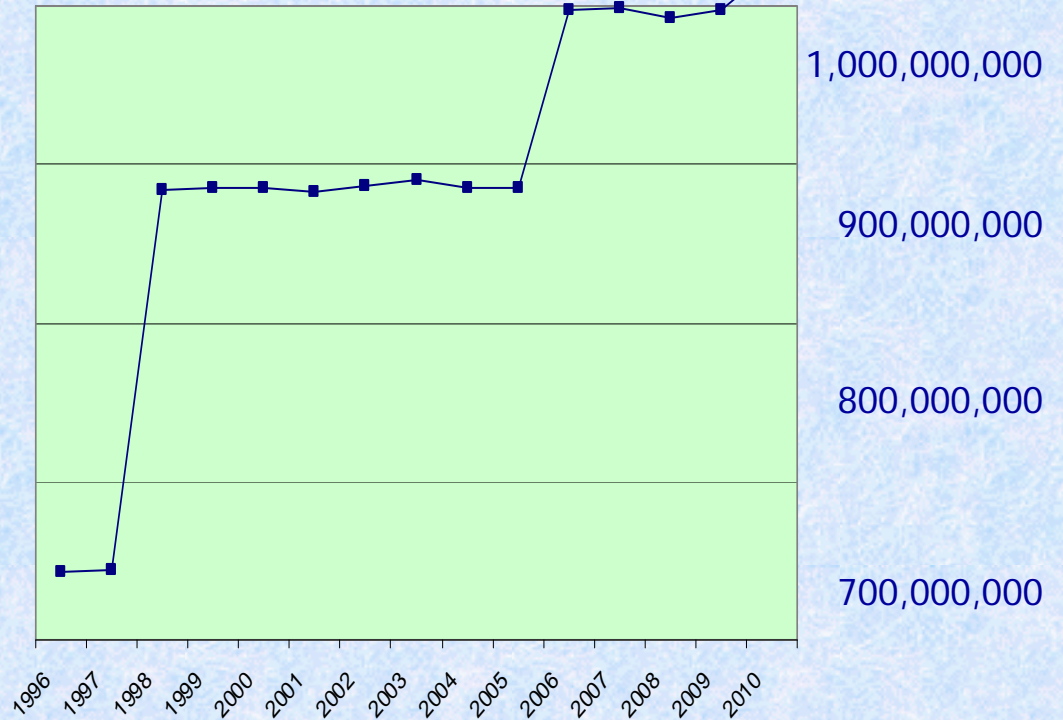
General Fund Revenue by Type

Revenue Description	2011 Requests	Percent of Budget
Taxes	20,386,341	46.25%
Licenses/Permits	822,700	1.87%
Fines/Forfeits	2,088,000	4.74%
Interest	20,000	0.05%
Intergovernmental Revenue	5,582,803	12.67%
Charge for Services	8,141,902	18.47%
Contributions/Donation	584,400	1.33%
Sales/Sundry Receipts	290,375	0.66%
Loans, Program Income, Rent	132,000	0.30%
Reimbursement/Interfund Transfers	6,025,792	13.67%
Total	44,074,313	100%



Real Estate Tax Base Value 1996 - 2010

1996	642,579,550
1997	644,492,036
1998	883,897,800
1999	885,764,470
2000	885,764,470
2001	882,831,950
2002	885,976,860
2003	889,941,530
2004	885,101,968
2005	884,572,523
2006	997,661,368
2007	998,482,040
2008	992,677,510
2009	997,594,366
2010	1,024,082,587





Growth in Revenue and Expenditures 2010 - 2011

General Fund
Public Safety
Taxes
and Everything Else



Police

- 2001 GF Budget = \$ 9,178,787
- 2011 GF Budget = \$ 17,990,957
- Difference = \$ 8,812,170
- Average Annual Increase: 9.6%



Fire

- 2001 GF Budget = \$ 5,044,471
- 2011 GF Budget = \$ 10,000,006
- Difference = \$ 4,955,535
- Average Annual Increase: 9.8%



Public Safety Increase

- 2001 GF Budget = \$ 14,223,258
- 2011 GF Budget = \$ 27,990,963
- Difference = \$ 13,767,705
- Average Annual Increase: 9.68%
- 2001 PS was 61% of GF Budget
- 2011 PS will be 68.8% of GF Budget



General Fund

- 2001 Budget : \$23,243,298
- 2011 Budget: \$40,684,793
- Difference : \$17,441,494
- Average Annual Increase: 7.5%
- Public Safety is 79% of total Increase



Real Estate Taxes

- 2001 RE Tax Rate: 11.39 mills
- 2011 RE Tax Rate: 17.64 mills
- Avg Annual Rate Increase: 5.5%
- 2001 RE TX GF \$ 6,840,911
- 2011 est RE TX GF \$12,909,610
- Difference \$ 6,068,670



Taxes, General Fund, and City Budget

- 2001: Taxes are 56.13% of all General Fund Revenue
- 2011 Taxes will be 46.25% of General Fund Revenue
- 2001 the Gen Fund was 50% of City Budget
- 2011: GF is only 41.5% of City Budget



Everything Else

- Elected and Appointed
 - 2001 4.9% of GF
 - 2011 3.37% of GF
- Public Works
 - 2001 22% of GF
 - 2011 15.98 of GF



Everything Else - continued

- Business Administration
 - 2001 6.1% of GF Budget
 - 2011 5.31% of GF Budget
- Community Development
 - 2001 4.7% of GF Budget
 - 2011 4.7% if GF Budget



Everything Else - continued

- Economic Development
 - 2001 was 1.9% of GF budget
 - 2011 will be 1.79% of GF Budget



2008-2009-2010

- 2008 GF Deficit = (\$1,449,063)
- 2009 GF Deficit = (1,690,147)
- 2010 GF Proj Def = (\$750,000)
- Total Fund Deficit = (\$3,889,210)
- Covered by Deferred MMO
- Deficit will soon be too large to be covered by MMO.



So What Do We Know?

- Public Safety is where COY puts its Tax Money plus money generated from other activities
- If Taxes were increased to keep pace with the cost of public safety the annual tax increases would have been about double over the past years.



So What Do We Know?

- Non-Public Safety Activities are being reduced to divert funding to Public Safety.
- Just to keep pace with public safety costs tax increases must be 50% higher.
- To keep up all activities would require another 10% above the current rate.



2011 Proposed Budget

- Is Balanced on
 - . the RACP Grant and
 - A tax increase of 1.75 Mills that generates about 1.35 million dollars.
 - There May not be an adequate amount in RACP Eligible Expenses
 - Then it is balanced on Cash Flow



What to Do?

- Do not reduce Tax Rate Increase Unless Expenses are reduced by \$1.3 Million +