

FROM: Denise Keller, Finance Officer
DATE: October 21, 2015
TO: Mayor Pogue, Board of Aldermen
RE: Budget Revenues, Comprehensive Plan

At the previous budget work sessions, the Board was presented with a five year capital spending plan and projected 2016 departmental operating expenditures. No preliminary cuts were made to the expenses in order that the Board could see all the wants and needs of the City. Total operating expenditures, including tree removal/trimming and vehicle replacements, are \$19,268,605. Capital expenditures for 2016 total \$977,371.

Revenue projections for the upcoming year have been prepared conservatively. Sales taxes are budgeted to increase 1.5% over current year anticipated tax receipts. Revenue account details follow this memo. Combined revenues for both operating and capital budgets total \$19,258,386.

Capital fund balance of \$219,116 from previous years' surpluses will be applied to balance the capital fund budget. This leaves a shortfall of \$768,474 between revenues and expenses in the Operating fund budget. The reflected shortfall is prior to any reductions or identification of Board priorities.

Staff has compiled a list of cuts that can be made to help balance the budget. The Board may choose to accept all of the recommended cuts or select from amongst them. Additional optional cuts are also listed. In lieu of cuts or in addition to cuts, the anticipated surplus from the current year (\$336,000) can be applied against the shortfall, as can a portion of the unassigned Operating fund balance (\$2,435,000).

Guidance from the Board is requested.

City of Ballwin

Operating Fund

	2014 Actual Amount	2015 Adopted Budget	2015 Estimated Amount	2016 Proposed Budget
Revenues	\$ 18,842,579	\$ 18,895,555	\$ 19,096,124	\$ 18,500,131
Expenses:				
Administration	\$ 4,827,793	\$ 3,057,212	\$ 2,972,170	\$ 3,008,763
Public Works	\$ 4,576,612	\$ 5,262,429	\$ 5,063,199	\$ 5,515,468
Police	\$ 5,446,436	\$ 5,931,091	\$ 5,666,928	\$ 6,042,903
Parks and Recreation	\$ 4,455,514	\$ 4,663,032	\$ 4,721,050	\$ 4,701,471
Totals	<u>\$ 19,306,355</u>	<u>\$ 18,913,764</u>	<u>\$ 18,423,347</u>	<u>\$ 19,268,605</u>
Net Surplus/ (Deficit)	\$ (463,776)	\$ (18,209)	\$ 672,777	\$ (768,474)

Capital Fund

	2014 Actual Amount	2015 Adopted Budget	2015 Estimated Amount	2016 Proposed Budget
Revenue Totals	\$ 3,467,696 *	\$ 1,028,200	\$ 972,928	\$ 758,255
Expenses:				
Administration	\$ 57,324	\$ 28,000	\$ 28,836	\$ 20,000
Public Works	\$ 611,691	\$ 165,500	\$ 146,907	\$ 226,339
Parks and Recreation	\$ 2,511,236	\$ 1,263,032	\$ 1,204,761	\$ 731,032
Totals	<u>\$ 3,180,251</u>	<u>\$ 1,456,532</u>	<u>\$ 1,380,504</u>	<u>\$ 977,371</u>
Net Surplus/ (Deficit)	\$ 287,445	\$ (428,332)	\$ (407,576)	\$ (219,116)

* Includes the transfer of \$1,975,326 from operating fund reserves.

Recommended and Optional Budget Cuts

	<u>Recommended</u>	<u>Optional</u>
• Eliminate contingency amounts from all departments	\$73,000	
• Delay projected increase in electric rates to May 1	\$11,000	
• Reduce PC replacements	\$7,000	
• Reduce Ballwin Days expenses to equal projected revenues	\$5,500	
• Add vehicle for inspections program	(\$12,000)	
• Increase cost for purchase of used bucket truck	(\$18,000)	
• Remove mini-skidsteer from Parks, use Public Works'	\$21,000	
• Eliminate replacement of administrative vehicle	\$23,500	
• Reduce patrol vehicle replacement from 5 cars to 4	\$24,900	
• Delay detective surveillance vehicle - Dodge Caravan	\$21,950	
• Delay purchase of swap loader for Public Works (net of resale)	\$145,000	
• Reduce Property Services overtime	\$17,500	
• Reduce snow overtime in favor of comp time	\$20,000	
• Forgo salary range adjustments to new minimums	\$5,000	
• Lower increase for medical insurance from 5.5% to 4.5%	\$7,000	
• Eliminate tuition for Admin employee	\$2,500	
• Reduce plow and spreader maintenance expense	\$7,000	
• Remove contractual stump maintenance, perform in-house	\$10,000	
• Reduce patrol vehicle replacement from 4 cars to 3		\$24,900
• Reduce merit raises and merit checks from 3% - 2%		\$66,400
• Reduce contractual street maintenance		\$200,000
• Eliminate contractual goose chasing		\$6,500
• Eliminate City mosquito fogging		\$18,500
• Delay Caybeth wall replacement		\$54,000
	\$371,850	\$370,300