



City Manager's FY 2009 Proposed Budget

February 12, 2008



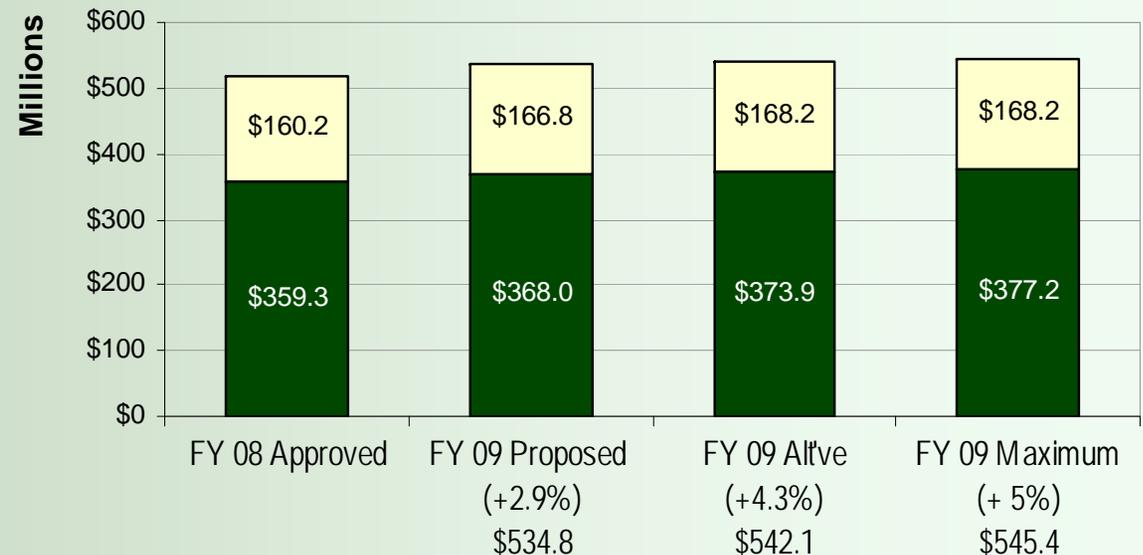
FY 2009 Proposed Budget

FY 2009 Budget Overview

- FY 2009 Proposed General Fund Operating Budget increases by only 2.9%
- 4.5% estimated inflation rate for Washington Metropolitan area

FY 2009 Budget Guidance

■ City Operating Budget □ Transfer to Schools





FY 2009 Proposed Budget

Revenue Constraints

- Revenue growth is limited as local economy is in transition
- Growth in commercial real property tax base offset by decline in residential real property base
- Other revenues declining

Average Residential Assessed Value Since 1990



Economic Slowdown Major Impacts

- Sales taxes (-\$2.4M)
- Personal property taxes (-\$1.2M)
- Interest earnings (-\$1.8M)



FY 2009 Proposed Budget

Budget Holds the Line on Spending for City Operations

- Emphasis remains on maintaining existing assets

Millions of dollars	General Fund Budget		
	FY 2008 Approved	FY 2009 Proposed	% Change FY 08-09
Education	\$160.3	\$166.8	4.1%
<u>City Managed Budget</u>			
Public Safety	88.6	91.4	3.2%
General Government	54.7	56.2	2.7%
Health & Welfare	52.9	53.7	1.5%
Public Works	42.7	43.8	2.5%
Courts & Constitutional Officers	38.2	40.1	4.9%
Cash Capital & Debt Service	40.6	39.4	-2.9%
Parks, Recreation & Culture	30.0	30.9	3.0%
Community Development	11.6	12.5	8.5%
<i>Subtotal City Managed Budget</i>	359.2	368.0	2.4%
Total	\$519.5	\$534.8	2.9%



FY 2009 Proposed Budget

- Limited increases focus on improving economic sustainability/customer service

Program

Expansions/Additions

- Regional Marketing Initiatives
- Multi-Dept. Permit Center
- TES Site Plan Review Engineer
- Transportation Planner
- Parking Planner
- Principal Neighborhood Planner



FY 2009 Proposed Budget

- Significant number of user fees increased to better recover costs

User Fee Increases for Development Activities

- Code Enforcement
- Planning and Zoning and TES Development-Related Services

Other Fee Increases

- Residential Refuse Collection
- Parking Meters
- Ambulance Fees
- OHA Fees
- Recreation Fees
- Other Transportation and Environmental Services Fees



FY 2009 Proposed Budget

Personnel Issues

- Compensation up 4.1%
- Net staffing down slightly
- No market rate adjustment (MRA) in Proposed Budget; 1.0% MRA in the Alternative Budget
- \$2.2 million proposed to address unfunded retiree healthcare and life insurance liabilities.

Title	FY 2008 Approved	FY 2009 Proposed	\$Change FY08/09	%Change FY08/09
Total Salary	\$176.9	\$180.8	\$4.0	2.2%
<u>Fringe</u>				
FICA	12.6	12.9	0.3	2.6%
Retirement	28.9	32.7	3.8	13.3%
Health	18.3	19.9	1.6	9.0%
Other*	1.9	1.8	(0.1)	(4.2%)
Total Fringe	61.7	67.4	5.7	9.3%
Total Personnel	\$238.6	\$248.2	\$9.7	4.1%



FY 2009 Proposed Budget

Progress Towards City Goals

- All core public safety programs are maintained
- Progress towards economic sustainability goals
- Progress towards transportation goals
- Increased funding not available in Proposed Budget for increases in social service programs

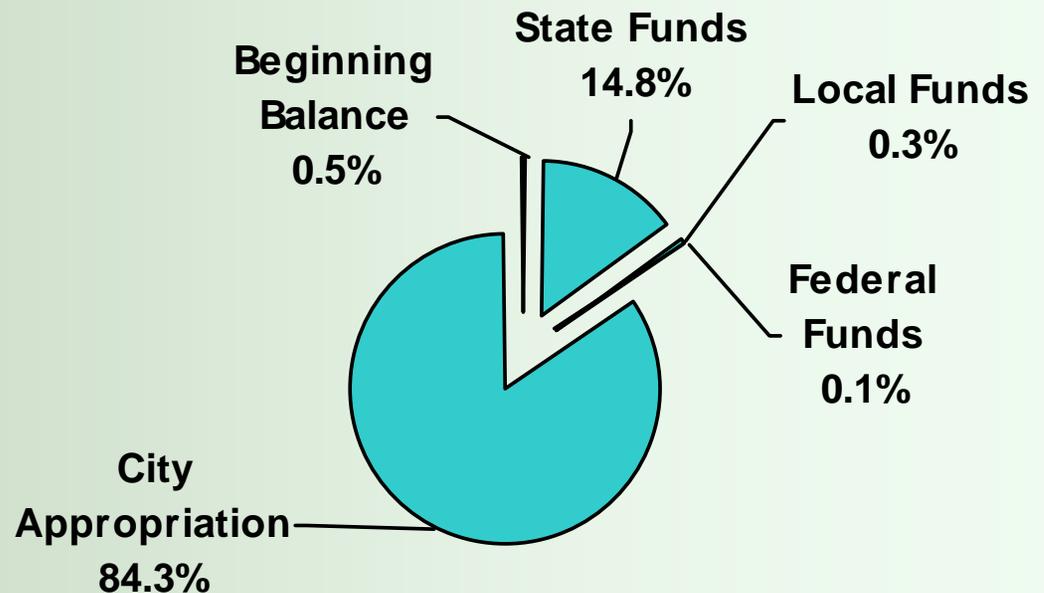


FY 2009 Proposed Budget

Schools Budget

- Proposed transfer from the City is \$166.8 million (4.1% growth)
- Proposed transfer does not fund a 1% MRA; if included, the rate of growth increases to 5.0%

FY 2009 Funding Source Breakdown



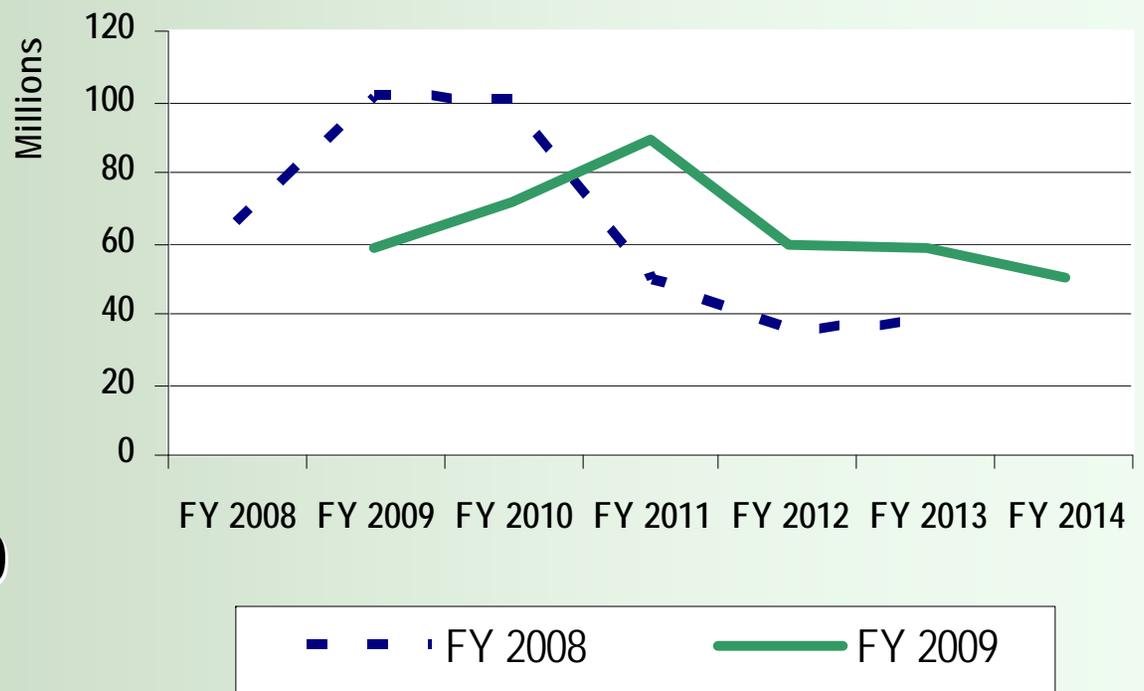


FY 2009 Proposed Budget

Capital Improvement Program

- Progress towards solving CIP challenges identified last September
- CIP shortfalls remain in FY 2010 and FY 2011

Proposed FY 2009 CIP Compared to Approved FY 2008 CIP

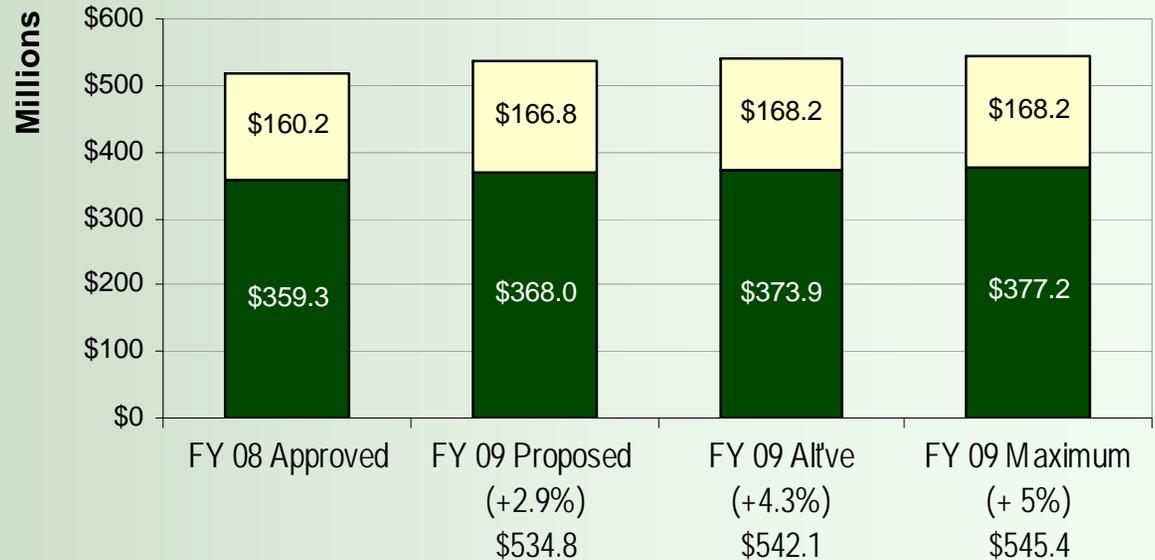




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FY 2009 Budget Guidance

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- The Alternative Budget of \$542.1 million is 4.3% above last year's budget, but \$3.3 million below the maximum budget rate of growth established by City Council

Tax Rate	FY 2009 Revenue (\$ in M)	Avg. Change Res. Tax (\$)
Rate Increase		
none	\$0.0	-\$82
1.6 cents	\$5.6	-\$2
2 cents	\$7.0	\$18
3 cents	\$10.5	\$68



FY 2009 Proposed Budget

Conclusion

- FY 2009 budget process provides significant opportunity for Council and public review and comment

Date	Time	Location	Subject
Tues Feb-12	7 pm	City Hall	Proposed Budget Presentation
Wed Feb-13	7 pm	City Hall	Revenues
Wed Feb-20	7 pm	City Hall	Personnel Compensation
Mon Feb-25	7 pm	City Hall	Capital Improvement Plan
Mon Mar-3	7:30 pm	City Hall	Schools
Mon Mar-10	7 pm	City Hall	Development Related Programs
Tues Mar-11	5 pm	City Hall	AEDP & ACVA
Tues Mar-18	7 pm	City Hall	Transportation & Transit
Tues Apr-1	7 pm	City Hall	Public Safety & Justice
Mon Apr-7	7 pm	City Hall	Caring Community Programs
Mon Apr-14	4 pm	City Hall	Budget Public Hearing
Wed Apr-16	7 pm	City Hall	BFAAC
Tues Apr-22	7 pm	City Hall	Set Effective Real Estate Tax Rate
Mon Apr-28	7 pm	City Hall	Preliminary Add/Delete
Mon May-5	6 pm	City Hall	Final Add/Delete & Adoption