

City of Brisbane

Agenda Report

To: City Council via City Manager
From: Stuart Schillinger, Administrative Services Director
Subject: Budget Workshop
Date: June 9, 2018

Purpose:

Develop a fiscally prudent long-range financial plan which focuses on meeting the results of the City's Priority Based Budget

Recommendation:

Review the City Manager's Proposed Budget and provide direction concerning the programs presented. Provide direction to staff regarding any changes to budget.

Background:

The City Manager and Deputy City Manager attended a conference put on by the Center for Priority Based Budgeting in August of 2015. The City Council developed and approved 5 Goal oriented results at their workshop in February of 2016. Staff presented it first Priority Based Budget in June of 2016. Staff has taken the next step in the process this year by developing individual program definitions for each program in the budget.

Discussion:

This year's two-year budget is presented in a different format than previous years. The basics of the budget of the budget are the same.

The budget includes a Fund Summary Sheet (Pages 35-38). The General Fund is anticipated to use less than a million dollars of reserves each year to meet the current programs of the City. This is less than anticipated in previous years. Between 2012 and 2017 the City's General Fund Balance grew by \$2.1 million while setting aside over \$2.3 million in various trust and replacement funds.

A detailed explanation of revenues is provided on pages 39-57. This section goes into depth on how each revenue line item is projected and shows graphs and history for the largest revenue sources. Staff attempts to budget revenues conservatively. For example, Sales tax is budgeted at \$4,400,000 for FY 2018/19. However, the City's sales tax auditor (MuniServices) projects the City will receive about \$4,450,000 for the same period. Staff also projects property tax revenues with minimum growth whereas; sales prices within the City are still growing faster than inflation.

Personnel Allocation and salaries and benefits of each position are delineated on pages 75-78.

Individual departmental budgets begin with the City Council on page 79 and run through page 237 with Central Services. The format of these pages focuses more on programs than it has in past budgets as the City transitions further into the concept of Priority Based Budgeting. Each department has an organization chart. The organization chart shows the positions allocated to the department. New positions are highlighted in Blue. New this year on the organization chart are the major contracts that are managed by the departments to provide the public and the City Council a better understanding of how the City provides meets the needs of the community. After this there are the pages which describe the programs the department provides. These include the purpose of the program or what the program is trying to achieve. This is the area where Priority Based Budgeting has its strongest pillar. This allows the Council and the community to provide feedback to the staff to ensure the programs are accomplishing the right things as well as provide direction on how we know when it has been accomplished. To this extent staff has written comments next to a number of the programs which could elicit some of this conversation during the budget process and beyond. Since this is a new aspect of the budget, staff recognizes that City Council will not be able to go over every program in detail. We therefore, anticipate bringing back each department separately over the next 1 ½ years to spend some concentrated time on each program and to ensure when the 2020 – 2022 budget is created the programs are matching the needs of the community.

At the end of the explanation of the programs the major expenditures and new items in the budget is highlighted. Major expenditures are those items which make-up the bulk of the expenditures within the division. All new items are shown to allow City Council to provide feedback on any new initiatives proposed by staff.

After the explanation of the programs there are two charts for each division one showing the expenditures by account category (i.e. Salaries, benefits, taxes, supplies and services) and another showing it by program. The next pages in the division budget show a chart of each program broken down by account category.

After the departmental budgets there is a list of the capital projects that City Council approved in February. The three projects which Council asked to bring back will be brought forth in September when the City Council has additional time to focus on them. A list of all vehicles that will be replaced is shown on page 239. These vehicles are funded through the vehicle replacement fund which the City sets aside money for each year to ensure timely replacement of all vehicles. Debt service is shown on pages 242-243.

The end of the book has a variety of information including a glossary (pages 244-246), Acronyms (pages 247-249), guiding budget and fiscal policies (pages 250-265), the appropriation limit calculation (page 266), and finally the proposed fee schedule (pages 267-281).

At the budget meeting on June 9th staff will provide an overview of the budget highlighting new expenditures, new staff, and revenue projections. Individual departments will review their programs with the City Council for further direction. Staff will also discuss our future OPEB and Pension obligations.

Fiscal Impact:


The budget is the guiding financial document for the City for the upcoming two years. The approval of the budget provides staff direction for providing a range of programs and services for the community.

Measure of Success

The City can continue to provide the programs and services the community needs and desires.



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager