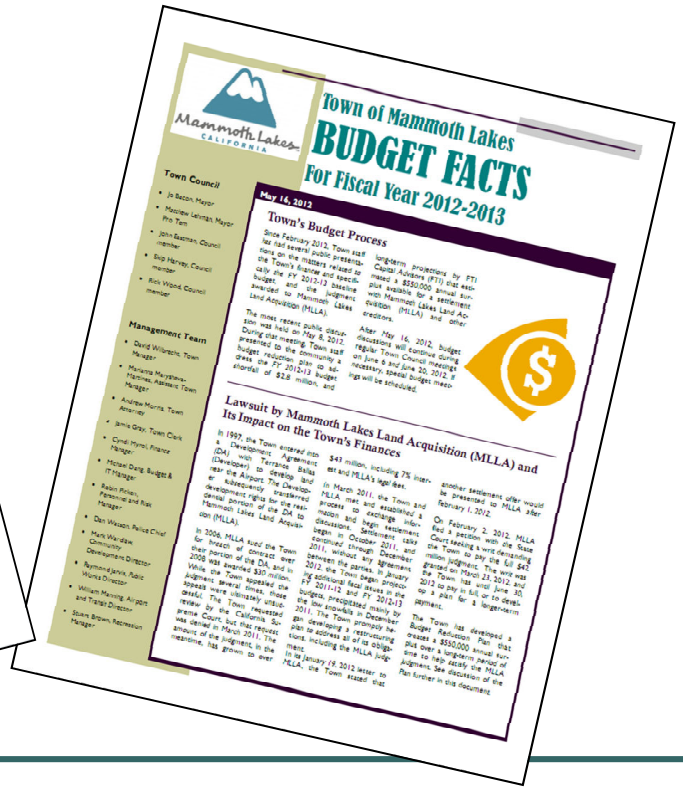
Presentation of Detailed Budget Schedules and a "Budget Facts" community summary for Fiscal Year 2012-13; Continued Discussion of the Budget Reduction Plan Presented on May 8, 2012

May 16, 2012

Town Council meeting

ITEMS IN THIS PRESENTATION

- A “Baseline Budget Document” for FY 2012-13, including summaries and departmental details.
- A “Budget Facts” community summary.

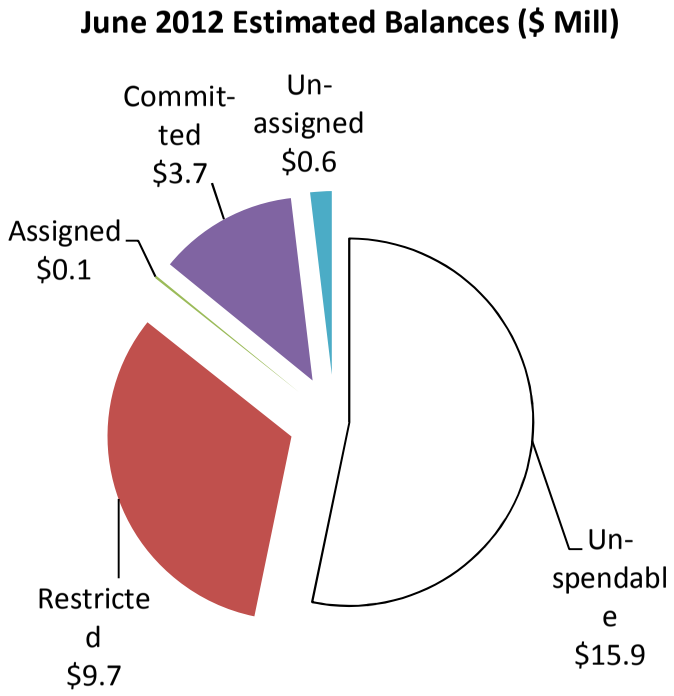


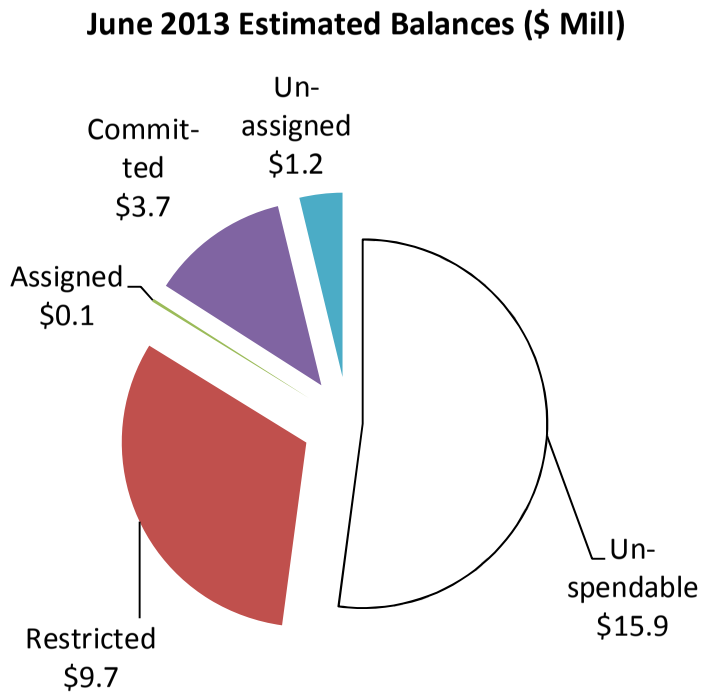
Fiscal Year 2012-13 Budget Document: SUMMARIES

- *Town-wide revenues by department*: $49 million; includes $17 million in inter-fund transfers in.
- *Town-wide expenditures by department*: $52 million; includes $17 million in inter-fund transfers out.
- The difference is mainly due to the General Fund shortfall of $2.8 million.

Fiscal Year 2012-13 Budget Document: SUMMARIES

- *Town-wide summary of funds, with balances, revenues and expenditures:* Shows 5 categories of balances, including unspendable. Spendable balances increase from $14 million to $14.6 million



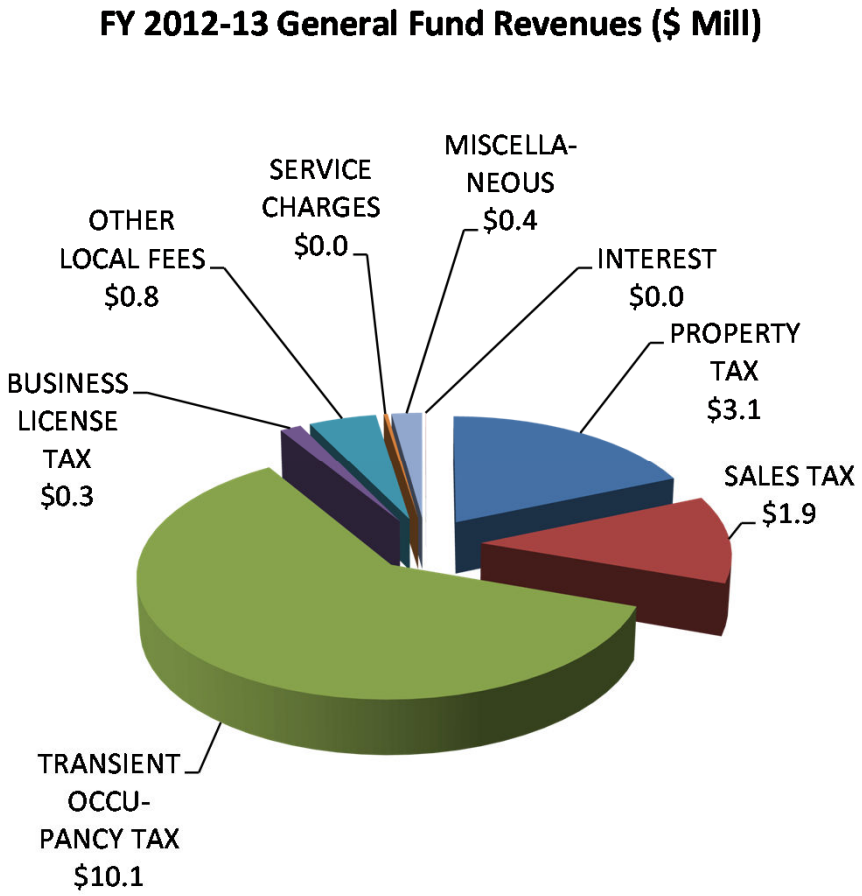


Fiscal Year 2012-13 Budget Document: SUMMARIES

- *Transfers In and Out*: Total $17 million in FY 12-13. Account for payments between and among different funds. Most transfers are subsidies from the General Fund to various Town departments.

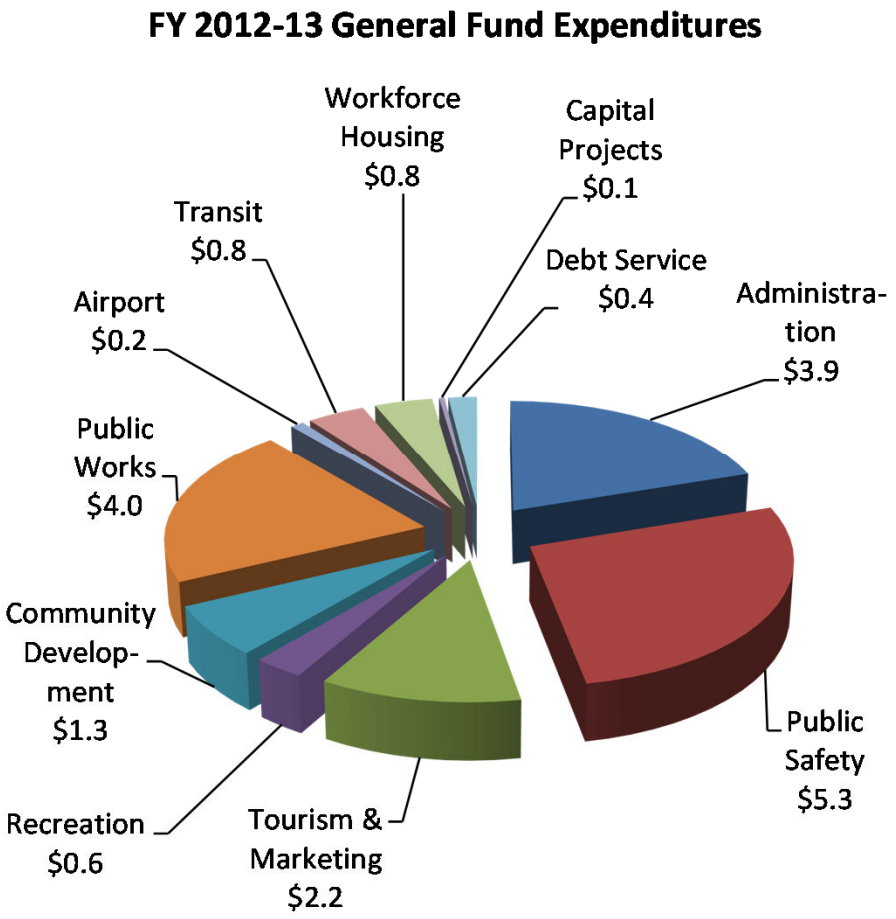
Fiscal Year 2012-13 Budget Document: SUMMARIES

- *General Fund Revenues by Type*: The General Fund is the largest fund of the Town, and accounts for nearly $17 million in revenues. The largest single source of revenue for the General fund is the Transient Occupancy Tax.



Fiscal Year 2012-13 Budget Document: SUMMARIES

- *General Fund Expenditures by Department:* FY 11-12 shortfall of $0.7 million will be covered by an REU. The Budget Balancing Plan addresses the FY 12-13 shortfall of $2.8 million



Fiscal Year 2012-13 Budget Document: BUDGET REDUCTION PLAN

- After an in-depth and diligent analysis of all of its expenses and operations, the Town has developed a Budget Reduction plan to:
  - balance the FY 12-2013 budget;
  - create surplus funds to satisfy debts, including to MLLA; and
  - put the Town on a sustainable footing for future years.

Fiscal Year 2012-13 Budget Document: BUDGET REDUCTION PLAN

- **Employee pay concessions ($1 mill):** 10% civilian, 25% sworn police.
- **Departmental program reductions ($1 mill):** Eliminate 4 civilian positions.
- **Reductions in "Voter Commitment" Funding for tourism, housing and transit ($154,000)**
- **Revenue enhancement through additional TOT enforcement ($0.5 mill)**
- **Property lease payments ($50,000)**
- **Fund only half of road rehabilitation:** At $750,000 instead of $1.5 mill. Adds back $250,000 to the current year's base.

FTI's Long-Term Fiscal Forecast

- After applying the Budget Reduction Plan to the baseline budget, the FTI model estimates:
  - In the first 5 years, some $3.6 million in net funds will be generated.
  - After 5 years, some $550,000 in annual surplus is projected.
  - The surplus cash flow is available for a settlement with MLLA and other creditors.
- The above forecast:
  - Assumes a long-term implementation of the Budget Reduction Plan.
  - Includes in the "unrestricted" category of its forecast Measures A and T (paying for tourism, housing and transit).

Fiscal Year 2012-13 Budget Document: ORGANIZATIONAL SUMMARIES

- *Town-wide organizational chart.*
- *Town-wide position summary.*

Fiscal Year 2012-13 Budget Document: DEPARTMENTAL DETAILS

- The Budget Document includes, for each department: an organizational chart, and a summary of revenues, expenditures and positions.
- Future budget document versions will also include departmental budget highlights.

Fiscal Year 2012-13 Budget Document: "BUDGET FACTS"

- A FIRST-EVER community summary of the Town's budget and related issues.
- Designed and produced in-house.