

CITY MANAGER'S RECOMMENDED BUDGET FY 2014
"DECISION PACKAGES"

March 12, 2013

Package #1 – Fund BPOL Tax Cut in the amount of \$459,000 – “Option 7”

All businesses under \$500,000 gross receipts would pay \$25. All businesses over \$500,000 would pay the current rates.

Package #1	
Raise Real Estate Tax an additional penny	\$345,000
Cut One of the two new Medics	\$67,000
Increase employee share of health premiums	\$47,000
	\$459,000

Package #2 – Eliminate the Real Estate Tax Increase - \$1,040,000

Package #2	
Reduce School Transfer	\$325,000
Eliminate the 2% Cost-of-Living Adjustment	\$330,000
Eliminate Purchasing Agent & Two Medics	\$225,000
Eliminate Increase – Library and Museum	\$40,000
Eliminate Main Street	\$70,000
Eliminate Class & Comp Study	\$50,000

Package #3 – Important Items Not Included in the Recommended Budget

Item	Cost	Notes
Capital Projects Manager	\$105,000	Organizational Study; Major Capital Projects in FY 2014
Each Additional Medic	\$67,400	Would extend ALS Coverage
Public Information Officer	\$90,995	Organizational Study
Each Additional Dump Truck	\$75,000	For use by concrete and tree crews – replacement capital outlay
Public Asset Management System – Public Works	\$100,000	Organizational Study
Franchise MSW Collection	(\$282,500)	Savings to the City, annual
Downtown Parking Study	\$40,000	Estimate based on 2005 Study
Community Police Officer	\$63,925	Council Goals and Initiatives
School Resource Officer	\$63,295	School Board request
Fire Standard of Coverage Study	\$20,000	Organizational Study – possible regional?
Eliminate IT Strategic Plan	(\$50,000)	One time savings
Replacement Van	\$25,000	Parks and Recreation program van

**CITY MANAGER'S RECOMMENDED OPERATING BUDGET
FY 2014
GENERAL FUND BALANCE ANALYSIS**

FY 2012 Balance Sheet

Fund Balances by Category		Amount
Nonspendable		
	Inventory	29,841
	Prepays	319,104
	<i>Subtotal</i>	<i>348,945</i>
Restricted	-	-
Committed		
	Street Maintenance	37,544
	Economic Development	42,475
	Planning	40,175
	Future Capital Projects	3,789,255
	Health Insurance	950,000
	Other Purposes	145,212
	<i>Subtotal</i>	<i>5,004,661</i>
Assigned		
	Riverfront Park Debt Service	250,000
	Other Purposes	42,876
	<i>Subtotal</i>	<i>292,876</i>
Unassigned Fund Balance		\$20,255,801
Total		\$25,872,283

Discussion & Notes

The City of Fredericksburg began FY 2013 with the following use of fund balance included in the FY 2013 budget:

- \$648,000 of Unassigned Balance for General Fund Contingency and the transfer to set up the Blight Abatement and Historic Preservation Fund
- \$250,000 of Health Insurance to help lower premium costs in FY 2013
- \$1,205,045 – of Fund Balance Committed for Capital to cash fund capital projects in the capital budget.

The City Council has since amended the FY 2013 budget to include the following:

- \$89,747 of Unassigned Balance for various purposes, including Fire, Environmental Management, and the organizational study
- \$277,471 of Committed or Assigned Balances for encumbered purchases in the General Fund (part of the year-end close-out)
- \$1,400,000 in Fund Balance Committed for Capital to provide funding to the Fredericksburg City Public Schools to expand Hugh Mercer Elementary School.

The total use of balance budgeted in the FY 2013 budget now totals \$3,870,263. Actual use of balance will depend on the final financial results for both revenues and expenditures for FY 2013.

The City Manager's Recommended Budget includes the use of balance in the amount of \$1,825,000 – including \$625,000 for Contingency and \$1,200,000 for capital projects.