



City of Decatur Budget 2013 “stub year” Proposed Budget Council Study Session April 1, 2013

- ***Overview Comments***
- ***Current Financial Performance of full year 2013***
- ***Budget Philosophies***
- ***Planned Capital Projects***
- ***Ongoing Concerns***
- ***Summary***



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Overview Comments

- ***Change of City fiscal year***
- ***“Stub Year Budget” – May 1, 2013 to December 31, 2013***
- ***2014 Budget will be presented to Council in Q4 2013***
- ***General Fund \$500,000 deficit (due to 8 vs. 12 months timing)***
- ***City considers the stub year budget as “balanced”***



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Current Financial Performance of full year 2013

- ***Desired objective to hold the General Fund cash reserve steady***
- ***Fund \$1 Million in Capital Expenditures (Actual \$0.5 million)***
- ***Began the year with General Fund cash balance of \$3.643 million***
- ***Projected General Fund cash balance at April 30 is \$3.267 million***
- ***Cash balance decrease of \$0.376 million***



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Current Financial Performance of full year 2013

- In year deficit \$0.912 million (budget deficit \$0.749 million)***
- Revenue below budget \$1.1 million (sales tax revenue \$1.2 million)***
- Spending controlled – below budget \$0.9 million***
- General Fund receivable \$0.5 million in cash balance (Recycling Fund)***



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Budget Philosophies

- ***Expense targets basically set at the 2013 budget level w/ adjustments***
- ***Comparisons difficult due to 8 month stub period vs. normal 12 month***
- ***Balanced General Fund budget remains the goal & objective***
- ***Stub budget includes \$0.5 million capital funding***
- ***Stub budget includes \$0.320 million demolition of unsafe structures***
- ***Stub budget headcount flat at 513 full time staff***



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Budget Philosophies

- ***Stub budget includes only minimal fleet replacement***
- ***\$0.316 million fleet replacement included (lease to maximize)***
- ***Vehicle replacement schedules would call for investment of \$3 million***
- ***Revenue carefully considered in the stub budget period***
- ***State Income tax distribution in arrears approximately \$2 million***



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Planned Capital Projects

- ***City will continue drainage projects in Nelson Park & NE ditch areas***
- ***Also, Main & Franklin Street(s) (Wood Street south to the lake)***
- ***Final phase of the downtown streetscape project***
- ***South Shore bridge project will likely be completed in the period***
- ***State approval of revolving loan to fund Lakeshore Drive sewer (\$10mil)***
- ***State Motor Fuel Tax funds approved for \$1.7 million street projects***



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Planned Capital Projects

- ***Preventative maintenance on Lake Decatur Dam***
- ***Asian Carp fish barrier into Lake Decatur installation***
- ***Prep Oakley Sediment Basin for basin 1 and 3 dredging (if approved)***
- ***Secondary water supply wells installation***
- ***Energy Performance Contract***



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Ongoing Concerns

- ***Rising pension expense pressure continues***
- ***\$2 million now paid from city revenue – not property tax as in past***
- ***Result - critical capital investment is deferred***
- ***This trend will continue***
- ***City previously allocated \$2 million from General Fund for capital***
- ***Now reduced to \$0.5 million***



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Ongoing Concerns

- ***Potential options exist to cure***
- ***Targeted revenues / taxes to fund road improvements & capital needs***
- ***Central Illinois City solutions***



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Summary

- ***Difficult budget preparation given short fiscal period***
- ***Revenues and expenses do not evenly align in a 12 month period***
- ***Benefits of the “new” calendar year budget period***
- ***With Council concurrence – budget can be adopted April 15, 2013***