

# The City of Moraine Citizen's Budget Advisory Committee



May 16, 2011

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# Agenda

- ❖ Review of 2010 Financial Results
- ❖ 2011 YTD Budget Analysis
- ❖ Potential Issues
- ❖ Performance Planning for 2011
- ❖ Options

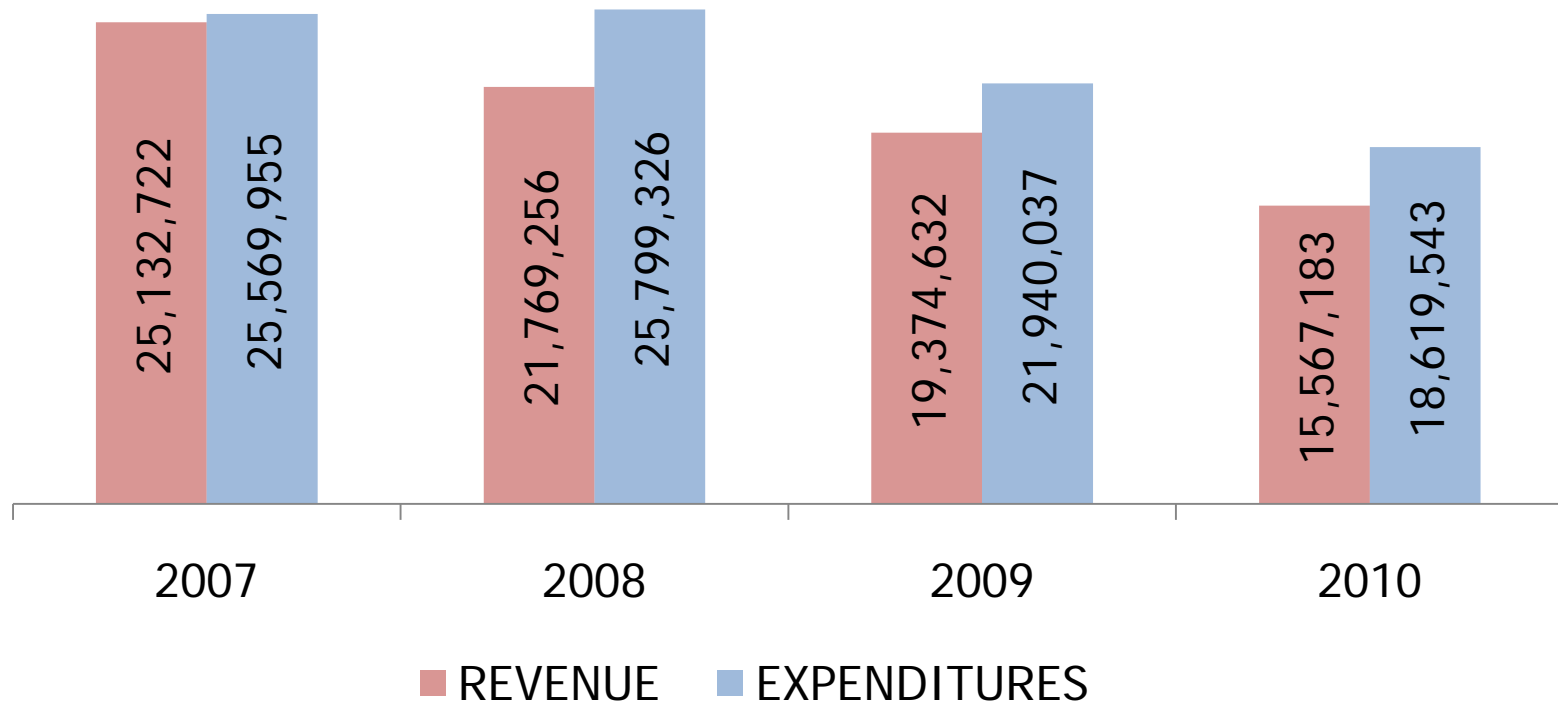
# Review of 2010 Financial Results

# Overview of the City Wide 2010 Financial Results

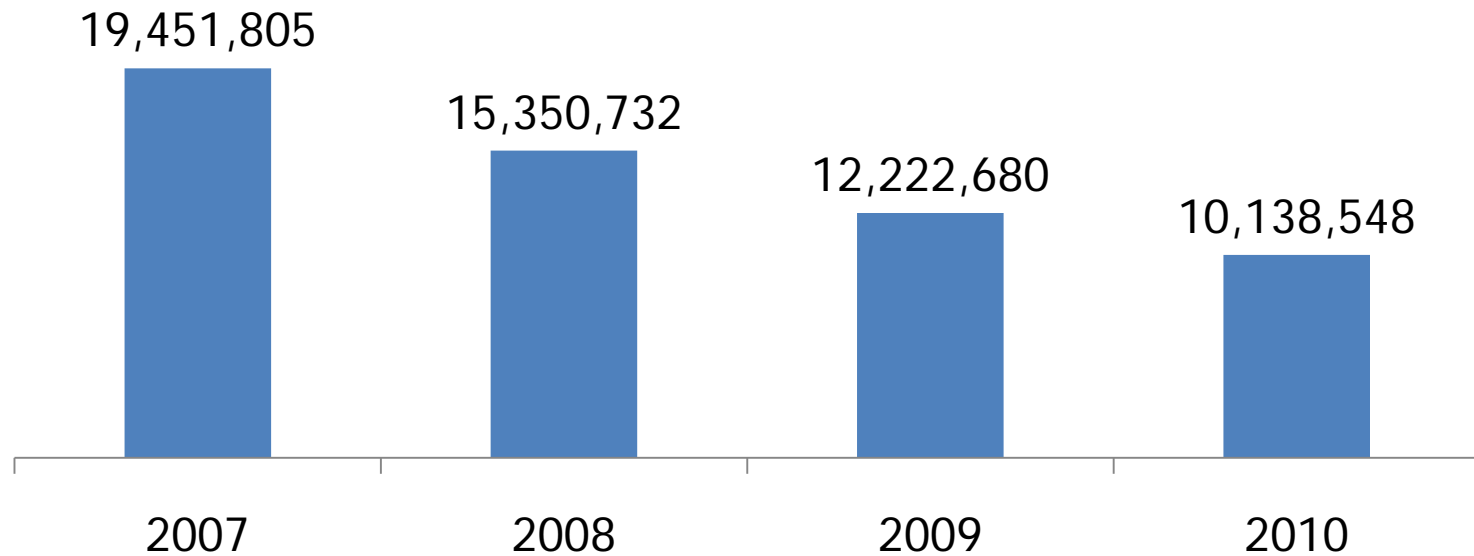
Actual overall deficit for 2010 was  
\$3,052,360, or 54% less than projected

|                 | <b>Projected</b> | <b>Actual</b> |
|-----------------|------------------|---------------|
| <b>Revenue</b>  | \$12,458,592     | \$15,567,183  |
| <b>Expenses</b> | \$19,091,388     | \$18,619,543  |
| <b>Deficit</b>  | (\$6,632,796)    | (\$3,052,360) |

# 2010 Revenue/Expenditures City Wide



# 2010 Income Tax Collections City Wide



# TAX ACCOUNT CHANGES 2005 - 2010

|  | <u>Year</u> | <u># of Employees</u> | <u>Avg Salary PER Employee</u> | <u>Tax Revenue Annually</u> |
|--|-------------|-----------------------|--------------------------------|-----------------------------|
| <u>Moved into town</u>                       |             |                       |                                |                             |
| 2005 - 7 Businesses                          |             | 357                   | \$29,279                       | \$114,841                   |
| 2006 - 8 Businesses                          |             | 287                   | \$31,081                       | \$149,629                   |
| 2007 - 10 Businesses                         |             | 379                   | \$31,046                       | \$308,181                   |
| 2008 - 10 Businesses                         |             | 269                   | \$21,835                       | \$92,078                    |
| 2009 - 4 Businesses                          |             | 62                    | \$46,406                       | \$58,770                    |
| 2010 - 2 Businesses                          |             | 54                    | \$37,634                       | \$11,719                    |
| Total 2005-2010 Business Revenue Gain        |             | 1,408                 | \$32,880                       | \$735,217                   |
| <u>Moved out of town</u>                     |             |                       |                                |                             |
| 2005-2010 Outgoing Businesses - 8 Businesses |             | 7,934                 | \$65,000                       | \$3,431,668                 |
| Major Downsize - 2 Businesses                |             | 650                   | \$35,000                       | \$455,000                   |
| Total 2005-2010 Business Revenue Loss        |             | 8,584                 | \$50,000                       | \$3,886,668                 |
| 2005-2010 Net Gain/Loss Business Revenue     |             | (7,176)               |                                | (\$3,151,450)               |

# 2010 General Fund



# Overview of the 2010 Financial Results

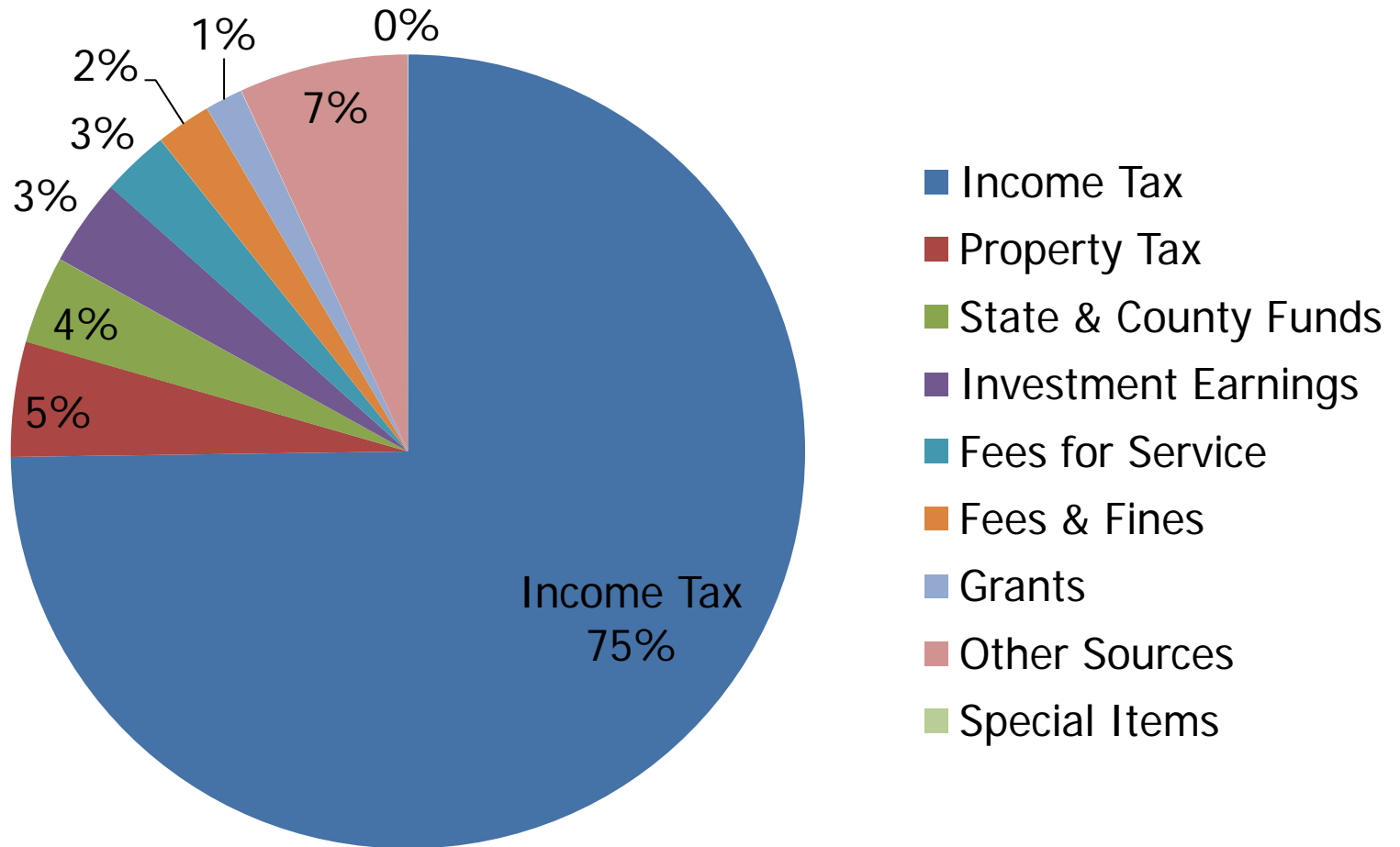
- ❖ Projected deficit of \$7,097,551 was not reached
- ❖ Actual overall deficit for 2010 was \$3,594,126, or 49.4% less than projected

|                 | <b>Projected</b> | <b>Actual</b> |
|-----------------|------------------|---------------|
| <b>Revenue</b>  | \$11,164,115     | \$11,799,237  |
| <b>Expenses</b> | \$18,261,666     | \$15,393,363  |
| <b>Deficit</b>  | (\$7,097,551)    | (\$3,594,126) |

# Overview of the 2010 General Fund Revenue Results

- ❖ Total 2010 revenues exceeded budget projections by 5.7% or \$635,122
- ❖ Income tax fell short of projections by 2.0% or \$176,271 while property tax surpassed expectations by \$155,041
- ❖ State and County Funds were down by 17.2% or \$87,894
- ❖ Despite the sluggish investment market, the investment earnings were able to come in higher than the budgeted projections

# 2010 General Fund Actual Revenue Detail



# Overview of the 2010 General Fund Expense Results

- ❖ Total 2010 expenditures did not reach the projected budget of \$18,261,666 but came in at 15.7% less or \$2,868,303
- ❖ Personnel costs were less than projected by 8.9% or \$978,381
- ❖ Operating expenses were less than projected by 30.6% or \$1,134,922 and can be attributed to increased performance management of each department

# 2011 Budget YTD Financial Results

# General Fund Revenue & Expenditures Overview

General Fund Revenues are down from 2010 by 9.4% or \$437,130.

Expenditures are 8.6% or \$424,988 less in comparison to 2010 for the same time period.

Our YTD deficit figure of \$319,875 is only \$11,942 more than the deficit we had in 2010 for the same time period.

# General Fund April YTD Revenue

- ❖ Income tax revenues when compared with prior years are low. When compared with 2010, we are down 2.5% for the same time period.
- ❖ Property tax funds have come in slightly higher due to payments from delinquent accounts as well as the establishment of payment plans with the county.
- ❖ State and county funds are down 6.9% from the same time period as 2010. This is due to the reductions in the local government fund over previous years.

# General Fund

## April YTD Expenditures

Personnel costs have increased by 3.3% over the same period in 2010 due to a combination of factors that are beyond the control of the city: several weather episodes, insurance increases and workers compensation increases. In comparison with the projections, we are actually still below the expected forecast by 9.5%.

Operating costs are down by 25.6% over forecasted numbers and are \$424,988 less than 2010 for the same period.



# Potential Issues

- ❖ Centralized Local Income Tax Collection
- ❖ Elimination of entire Local Government Fund
- ❖ Potential changes to pensions
- ❖ EMS revenues declining due to change in payment point
- ❖ Effects of Senate Bill 5
- ❖ Effects of Health Care Reform Act

# Local Government Fund 2008 - 2014

2008..... \$290,715

2009..... \$256,660

2010..... \$260,092

2011 Projected.....\$131,439

2012 Projected.....\$ 98,579

2013 Projected.....\$ 65,719

2014 Projected.....\$ 0

# Personnel Overview 2001-2011

## Staffing Reductions 2001-2011

|                                 |     |                   |
|---------------------------------|-----|-------------------|
| Total Authorized Positions 2001 | 421 |                   |
| Total Authorized Positions 2011 | 368 | -12.59% reduction |
| Total Filled Positions 2011     | 169 | 45.92% filled     |
| Total Vacant Positions 2011     | 199 | 54.08% vacant     |

# Full-Time Personnel 2001-2011

| Division                      | Full-Time                       |                                 |                             |                             |
|-------------------------------|---------------------------------|---------------------------------|-----------------------------|-----------------------------|
|                               | Authorized<br>2001<br>Positions | Authorized<br>2011<br>Positions | Filled<br>2011<br>Positions | Vacant<br>2011<br>Positions |
| Administration                | 7                               | 8                               | 6                           | 2                           |
| Dept of Finance               | 8                               | 7                               | 5                           | 2                           |
| Dept of Law                   | 1                               | 0                               | 0                           | 0                           |
| Clerk of Council              | 1                               | 1                               | 1                           | 0                           |
| Clerk of Courts               | 2                               | 2                               | 2                           | 0                           |
| Community Development         | 5                               | 6                               | 4                           | 2                           |
| Street Department*            | 22                              | 27                              | 23                          | 4                           |
| Bldg & Parks Maintenance Dept | 22                              | 10                              | 9                           | 1                           |
| Parks & Recreation            | 9                               | 7                               | 5                           | 2                           |
| Police                        | 43                              | 42                              | 36                          | 6                           |
| Fire                          | 35                              | 32                              | 30                          | 2                           |
|                               | <b>155</b>                      | <b>142</b>                      | <b>121</b>                  | <b>21</b>                   |

\*In 2011 6 positions were moved from Bldg & Parks Maintenance to Street Dept

# Part-Time & Seasonal Personnel 2001-2011

| Division                      | Part-Time and Seasonal |                   |                   |                   |
|-------------------------------|------------------------|-------------------|-------------------|-------------------|
|                               | Authorized             | Authorized        | Filled            | Vacant            |
|                               | 2001<br>Positions      | 2011<br>Positions | 2011<br>Positions | 2011<br>Positions |
| Administration                | 4                      | 3                 | 0                 | 3                 |
| Dept of Finance               | 0                      | 1                 | 0                 | 1                 |
| Dept of Law                   | 1                      | 4                 | 0                 | 4                 |
| Clerk of Council              | 1                      | 1                 | 0                 | 1                 |
| Clerk of Courts               | 1                      | 1                 | 0                 | 1                 |
| Community Development         | 2                      | 2                 | 0                 | 2                 |
| Street Department             | 3                      | 3                 | 0                 | 3                 |
| Bldg & Parks Maintenance Dept | 8                      | 5                 | 0                 | 5                 |
| Parks & Recreation            | 213                    | 180               | 36                | 144               |
| Police                        | 8                      | 6                 | 0                 | 6                 |
| Fire                          | 25                     | 20                | 12                | 8                 |
|                               | <b>266</b>             | <b>226</b>        | <b>48</b>         | <b>178</b>        |