



City of Boulder

First Reading of Budget Ordinances

October 2, 2012

CITY MANAGER'S 2013 RECOMMENDED BUDGET

Presentation Outline

2013 Recommended Budget

Budget Overview

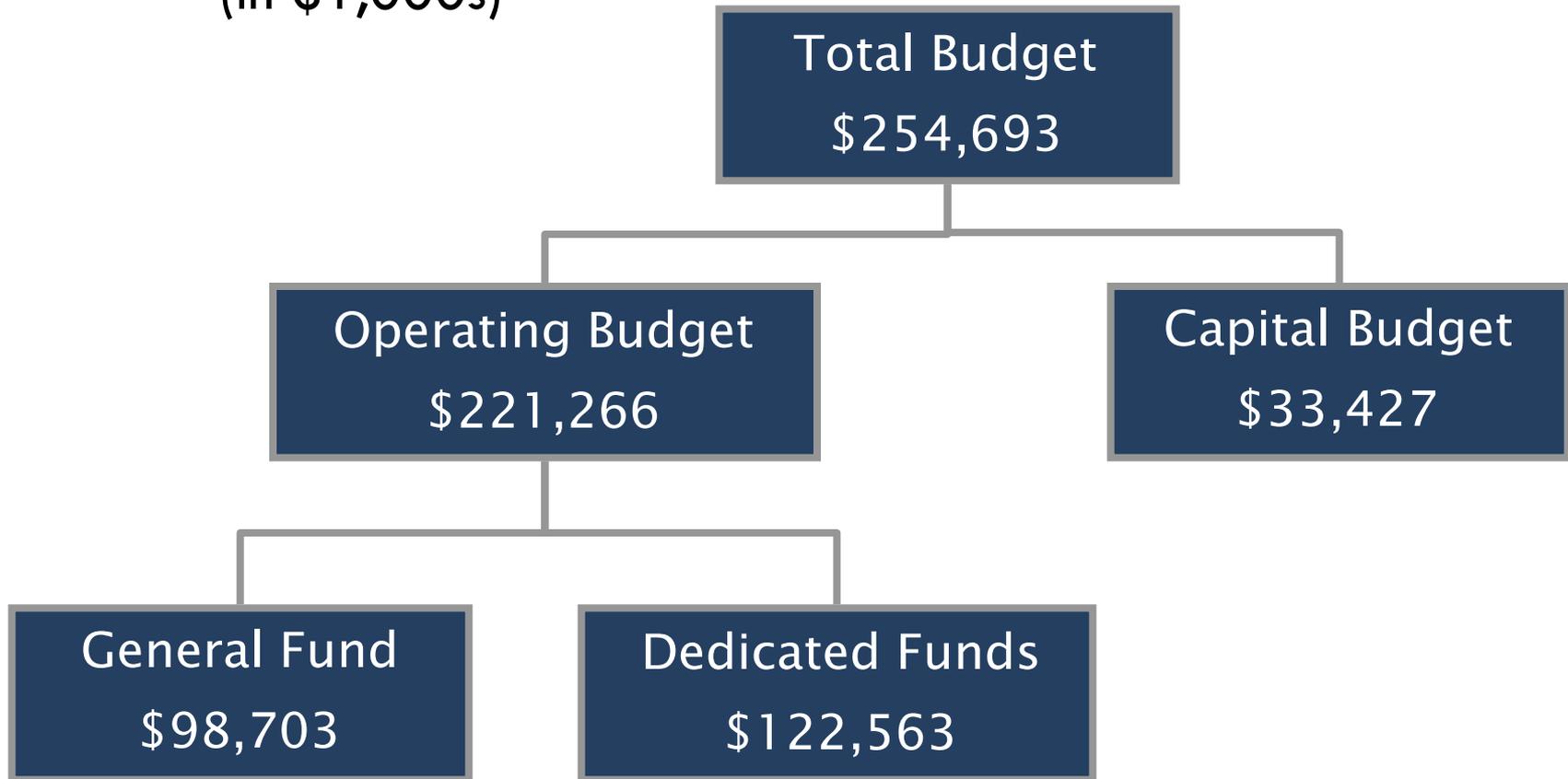
Study Session Follow-Up

Summary and Next Steps

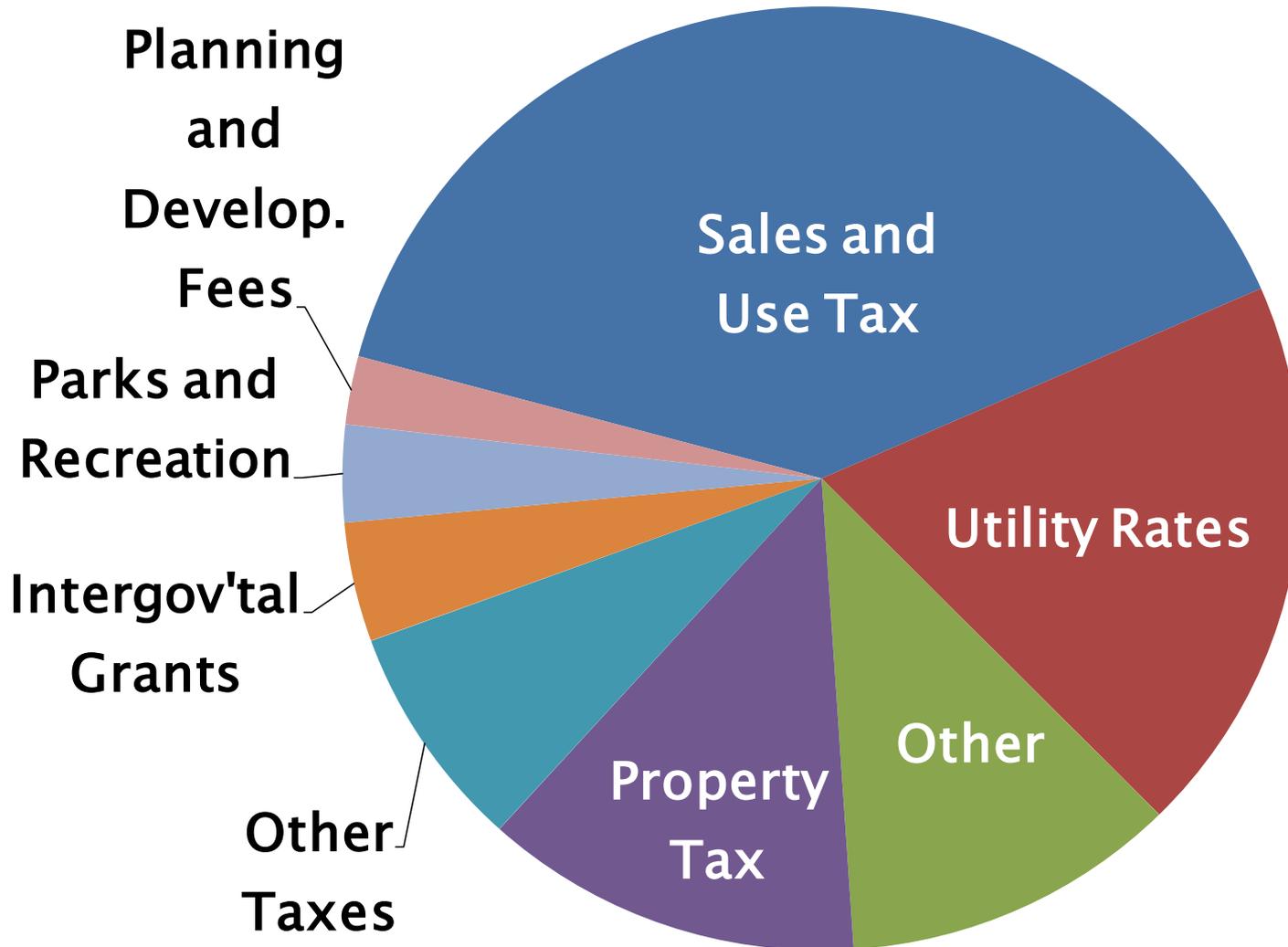
Budget Overview

Overview of Total 2013 Budget

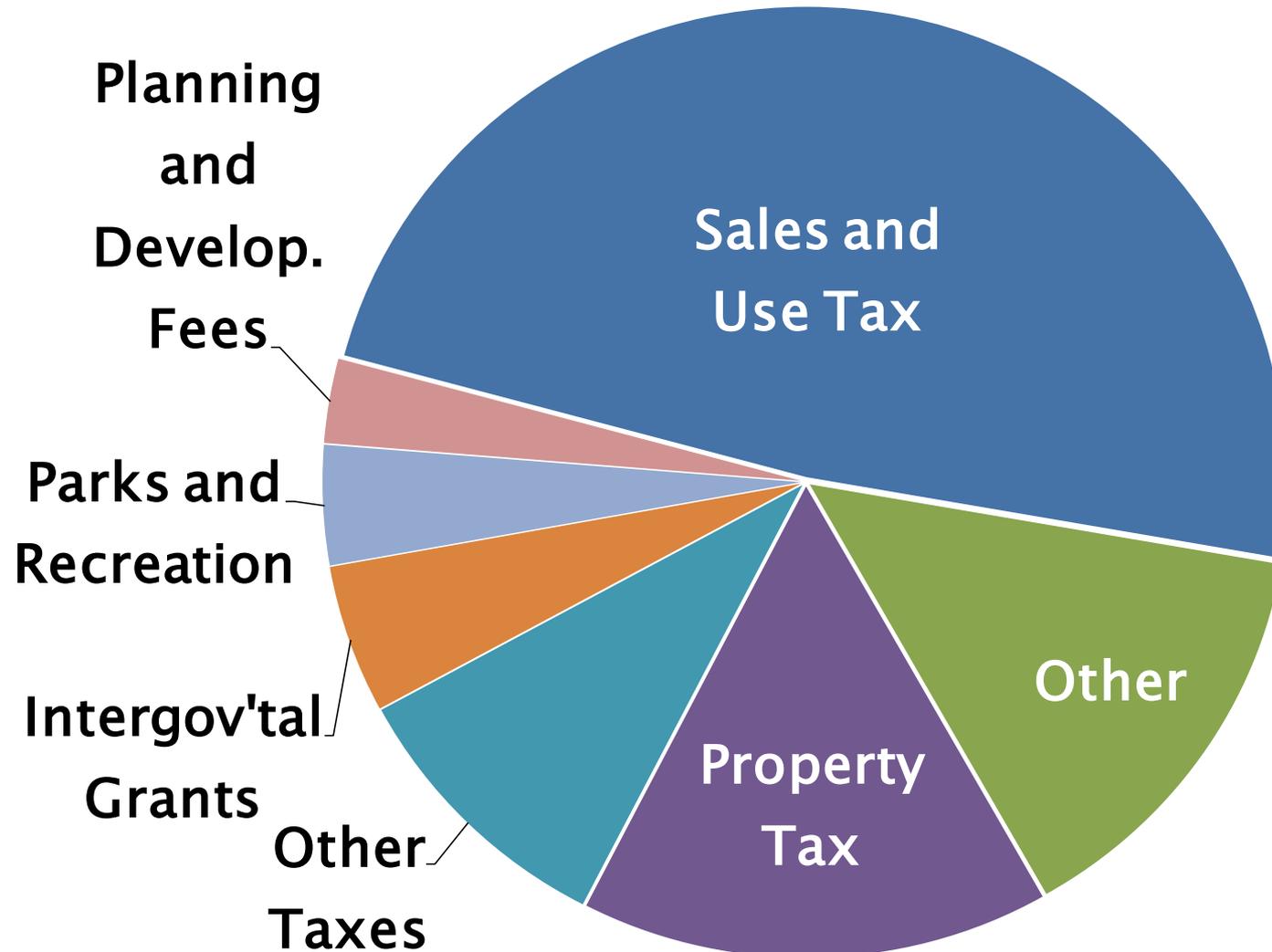
(in \$1,000s)



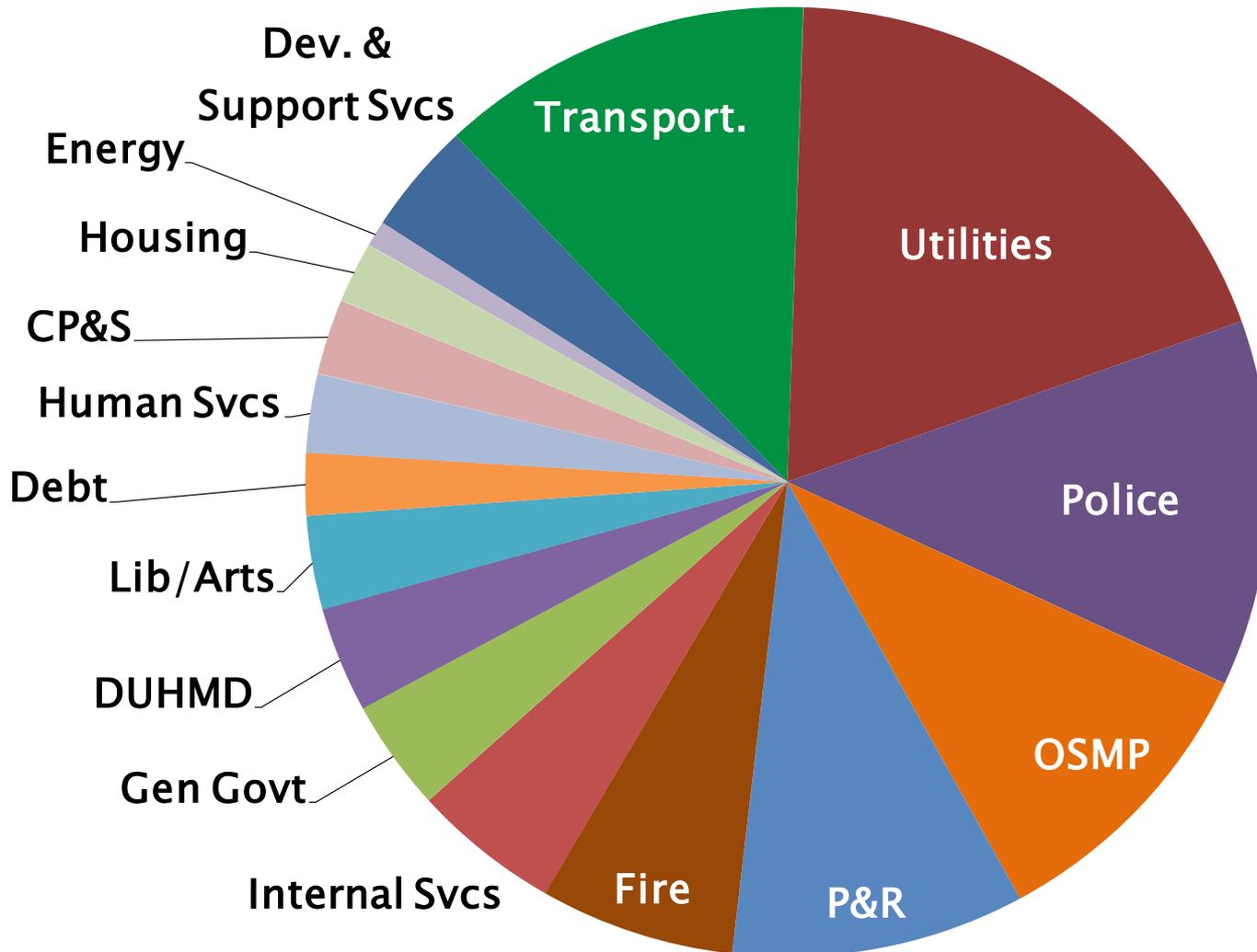
2013 City Revenues



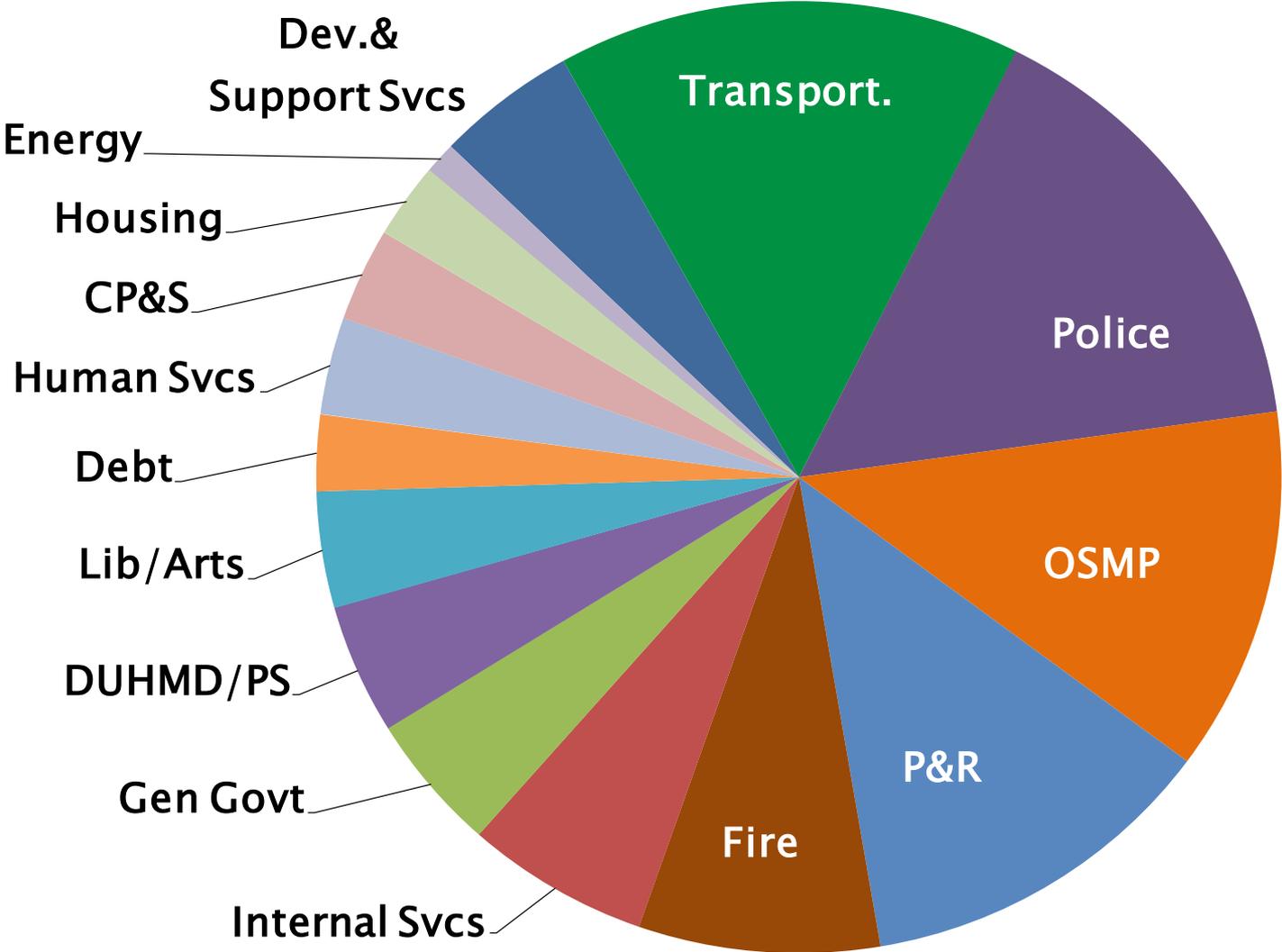
2013 City Revenues Net of Utilities



2013 City Expenditures



2013 City Expenditures Net of Utilities

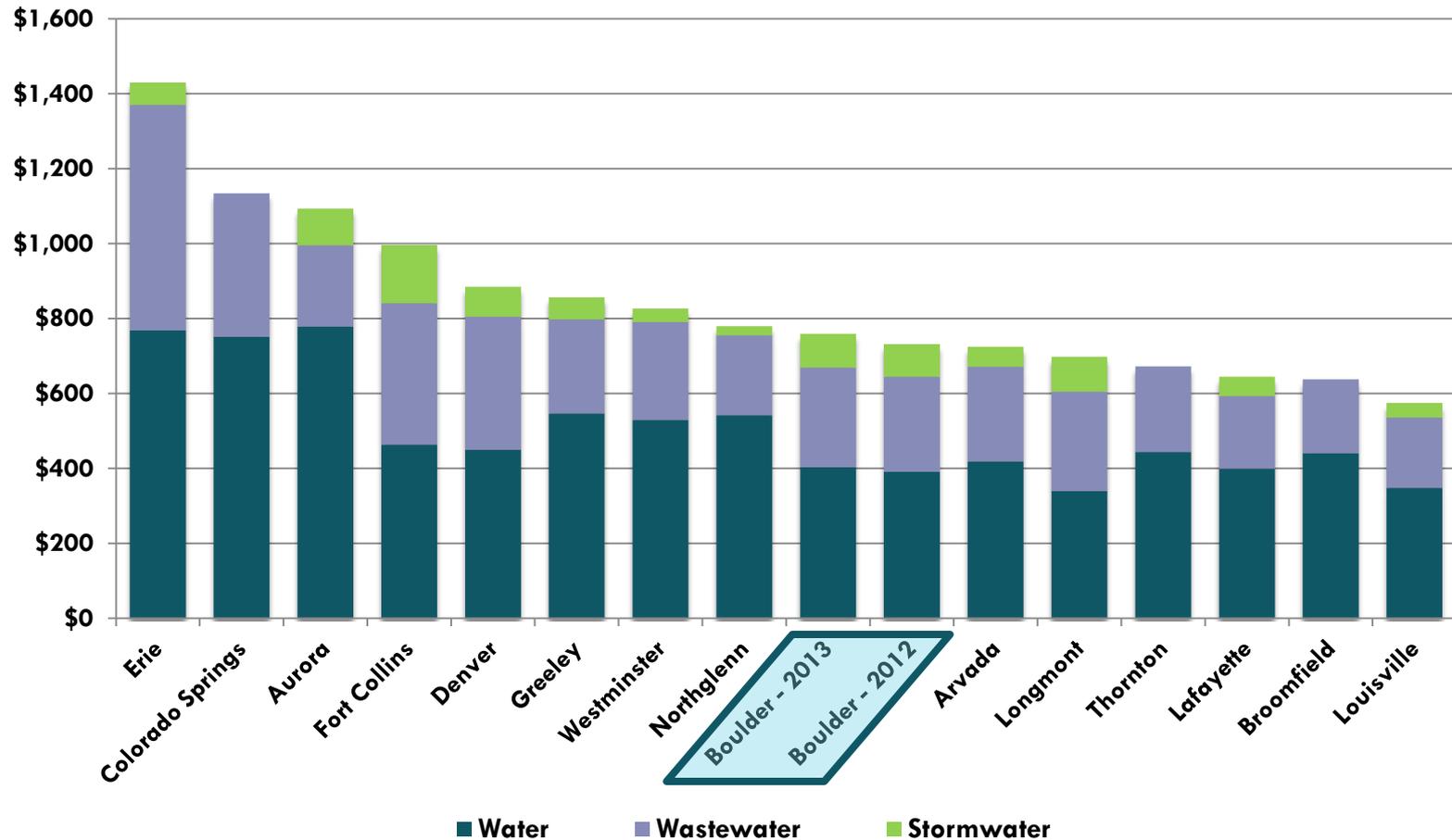


Study Session Follow-Up

Wastewater Utility Rates

- Increase of 5 percent
- Improvements to meet anticipated requirements/regulations – expected costs of \$42M through 2031
- Consistent rate increases over time rather than higher rate increases later
- Remain competitive with surrounding areas

Utility Bill Survey – 15 Communities



Homeless Resource Officer

- Breakout of projected costs of \$102,000 related to the Homeless Resource Officer:
 - ▣ \$61,500 salary
 - ▣ \$22,500 benefits
 - ▣ \$10,000 ongoing equipment, training and other non personnel costs
 - ▣ \$8,000 one time equipment and space set up costs.

Homeless Resource Officer

- Homeless people often unable to access services to which they are entitled
- Court staff in unique position to help these defendants
- Judicial orders can incentivize defendant to access help

Wildland Fire Program

- Total Program cost for 2013: \$923,514
 - OSMP contribution is \$84,734 ongoing
- OSMP contributed \$400K in 2012 for Wildland Fire Training Facility
- Both departments play role in fire prevention and management

Boulder's Energy Future

- \$1.9M Utility Occupation Tax allocated in 2013 to:
 - ▣ Legal services
 - ▣ Consulting services
 - ▣ Executive Director
- \$303,000 in one time 2013 funding for:
 - ▣ Backfill – attorneys, communications, admin.
 - ▣ Project management or financial analysis

Sales and Use Taxes Update Since Study Session

Change in Sales and Use Tax Over Prior Year

Category	2011	2012	June YTD	July YTD
Retail Sales Tax	4.9%	0.0%	1.6%	1.3%
Total Sales/Use Tax	5.3%	1.3%	0.5%	0.4%

2013 Retail Sales Tax Projection: +2.5%

2013 Total Sales and Use Tax Projection: +3.0%

Why Is COB Down and Other Cities Up in Retail Sales Tax?

COB retail major decreases in three categories:

All cities down:

- Utility sales

COB down others are not:

- Consumer Electronics (14.4%), 2011 was up 73.0%
- Computer Related Business (22.4%), 2011 (9.5%)

Total down in two categories (\$485K)

If these two categories were even with 2011, COB would be up nearly 3%

Contributing to Decrease in the Two Major Retail Categories

- COB recovered earlier and has more concentration
- Fiscal cliff equals:
 - Uncertainty, reduction in consumer confidence means drag on consumer and business spending
 - May have a greater impact due to federal labs in COB
- Increase in internet shopping
 - Tech savvy city
 - Large college student population
- Increased volatility in the economy since 2008

Property Tax Mill Levy and TABOR

- Charter and State require council to set mill levy annually
- Charter limits mill levy to 13.000 mills
- Since 1992 city's max. mill levy rate subject to TABOR
 - 9.981 mills in 1992 + 2.000 approved by voters in 1997 for a total of 11.981 mills currently
 - Mill levy can only be increased by vote of the people
 - When valuations increase greater than allowed under TABOR, credit used against mill levy
 - In 2008, voters approved phased in elimination of credit

Summary and Next Steps

Core Budget Objectives

- Maintain current programs and services
- Meet City's financial obligations
 - ▣ Planned, ongoing spending such as debt service
 - ▣ Planned, non-recurring spending such as pay period 27
- Strategically add to high priorities

Budget in Summary

- Allocate available funding in 2013 according to community and council priorities
- Increase General Fund reserve requirement to 15%
- Invest in our infrastructure
 - Capital Improvement Program up 40% in 2013
 - Capital Investment Bond projects – 2nd year

Next Steps for Council

Meeting	Date	Topic
City Council Meeting	Oct. 16	Second Reading of 2013 Recommended Budget. Includes General Improvement District Resolutions.
City Council Meeting	Nov. 1	If needed, Third Reading of 2013 Recommended Budget.

Council Questions

1. Does City Council have questions or feedback on the Recommended Budget?