



City of Boulder

Second Reading of Budget Ordinances

October 16, 2012

CITY MANAGER'S 2013 RECOMMENDED BUDGET

Presentation Outline

2013 Recommended Budget

Budget Overview

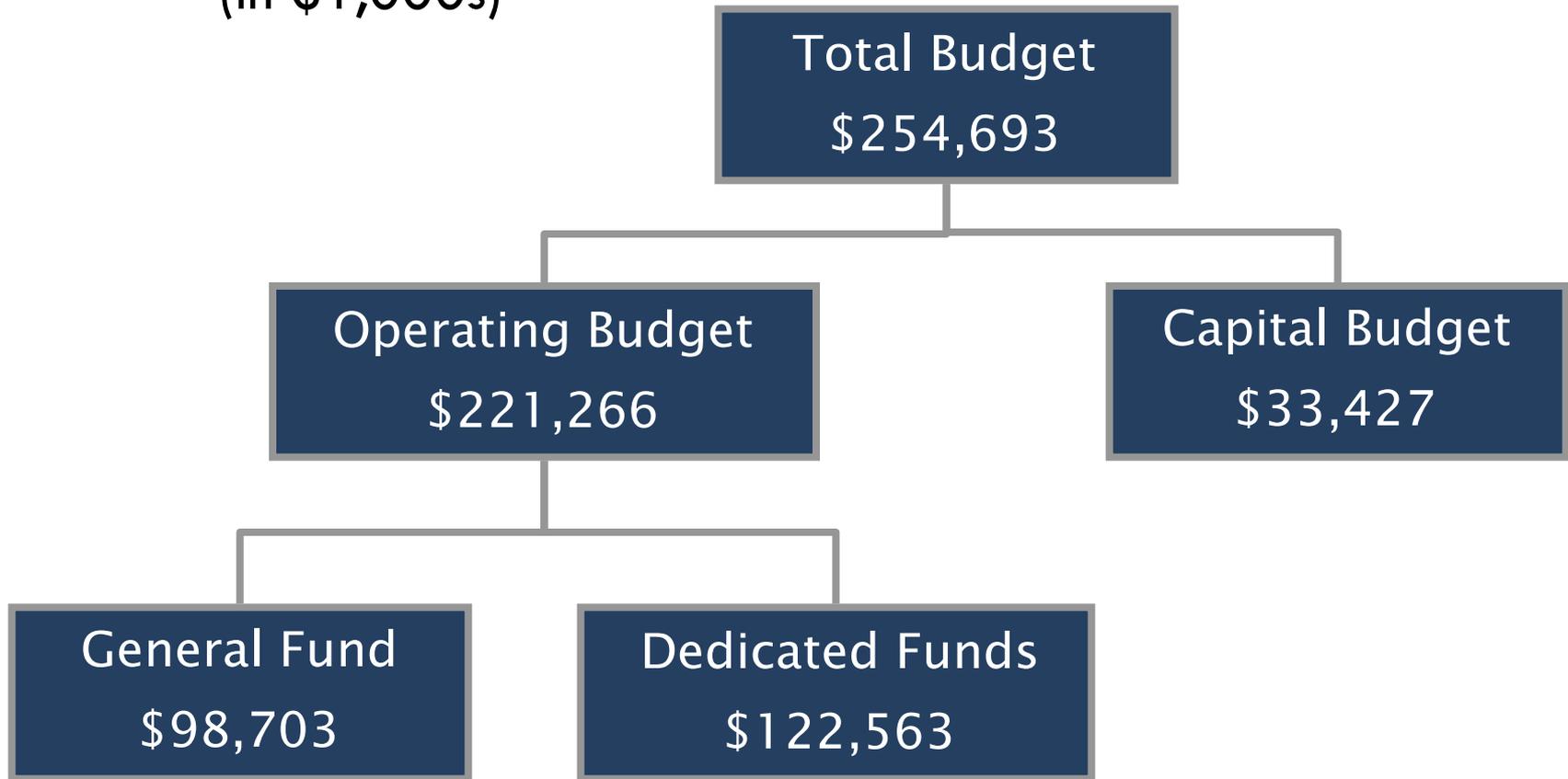
First Reading Follow-Up

Next Steps

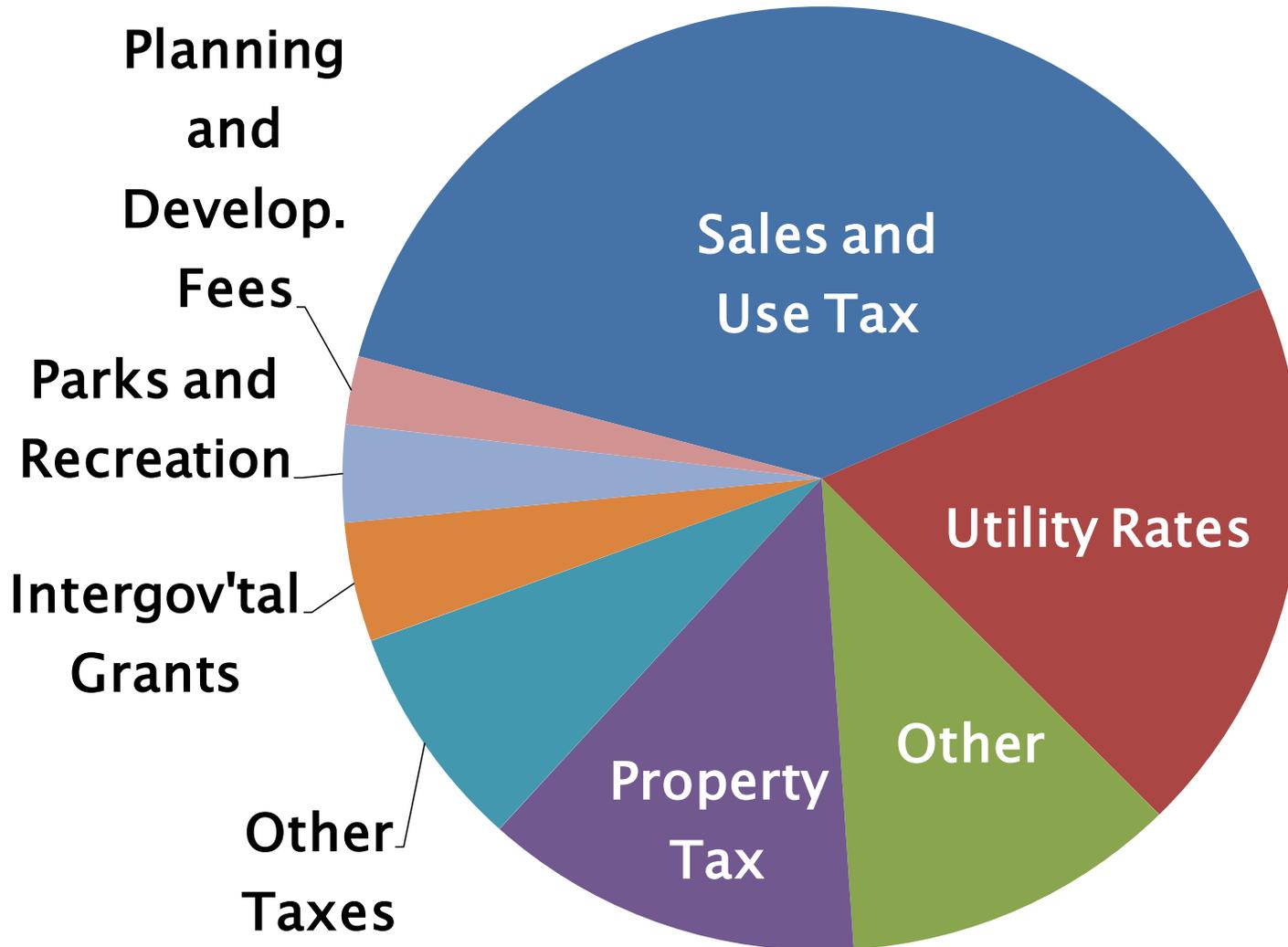
Budget Overview

Overview of Total 2013 Budget

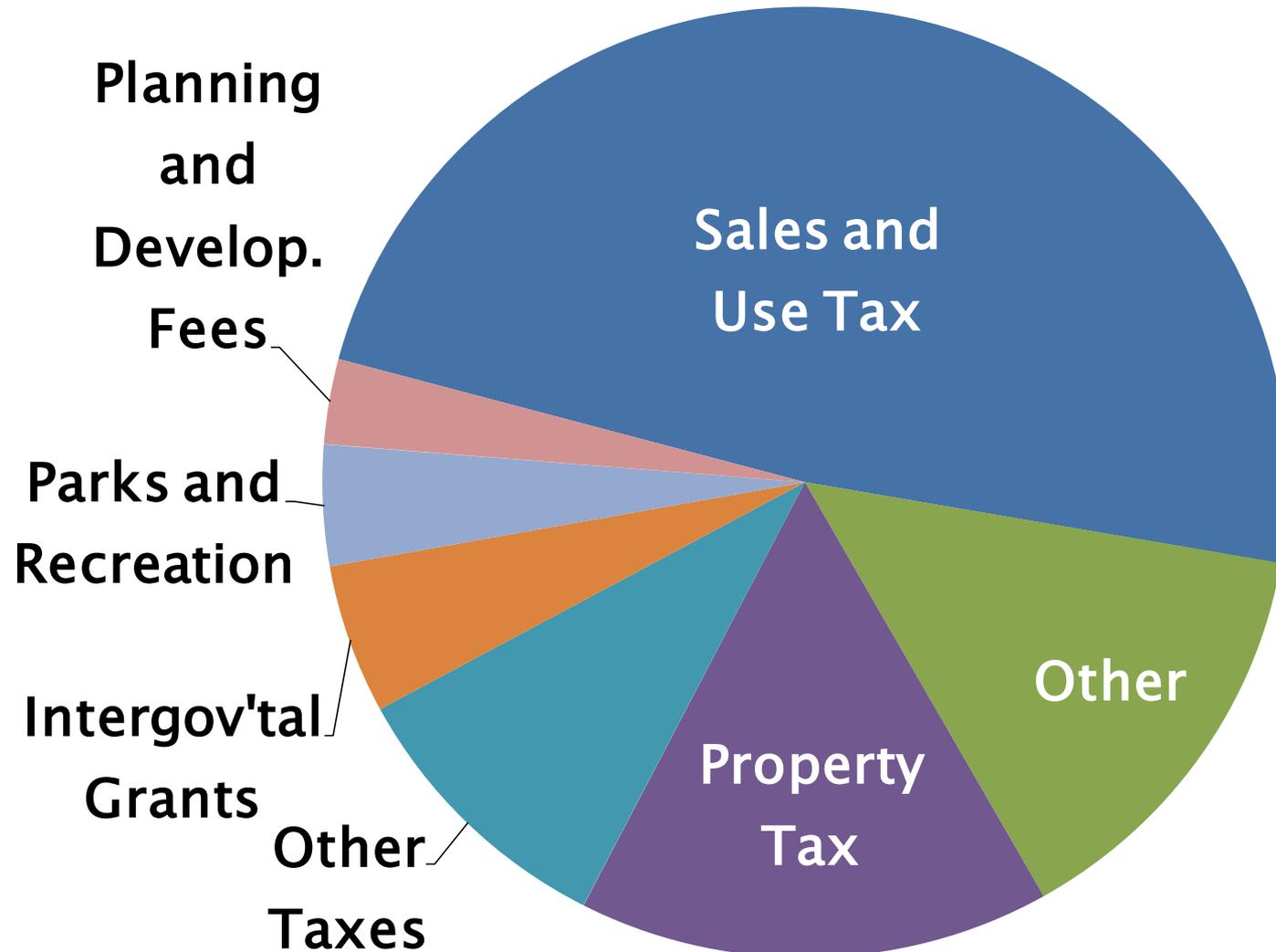
(in \$1,000s)



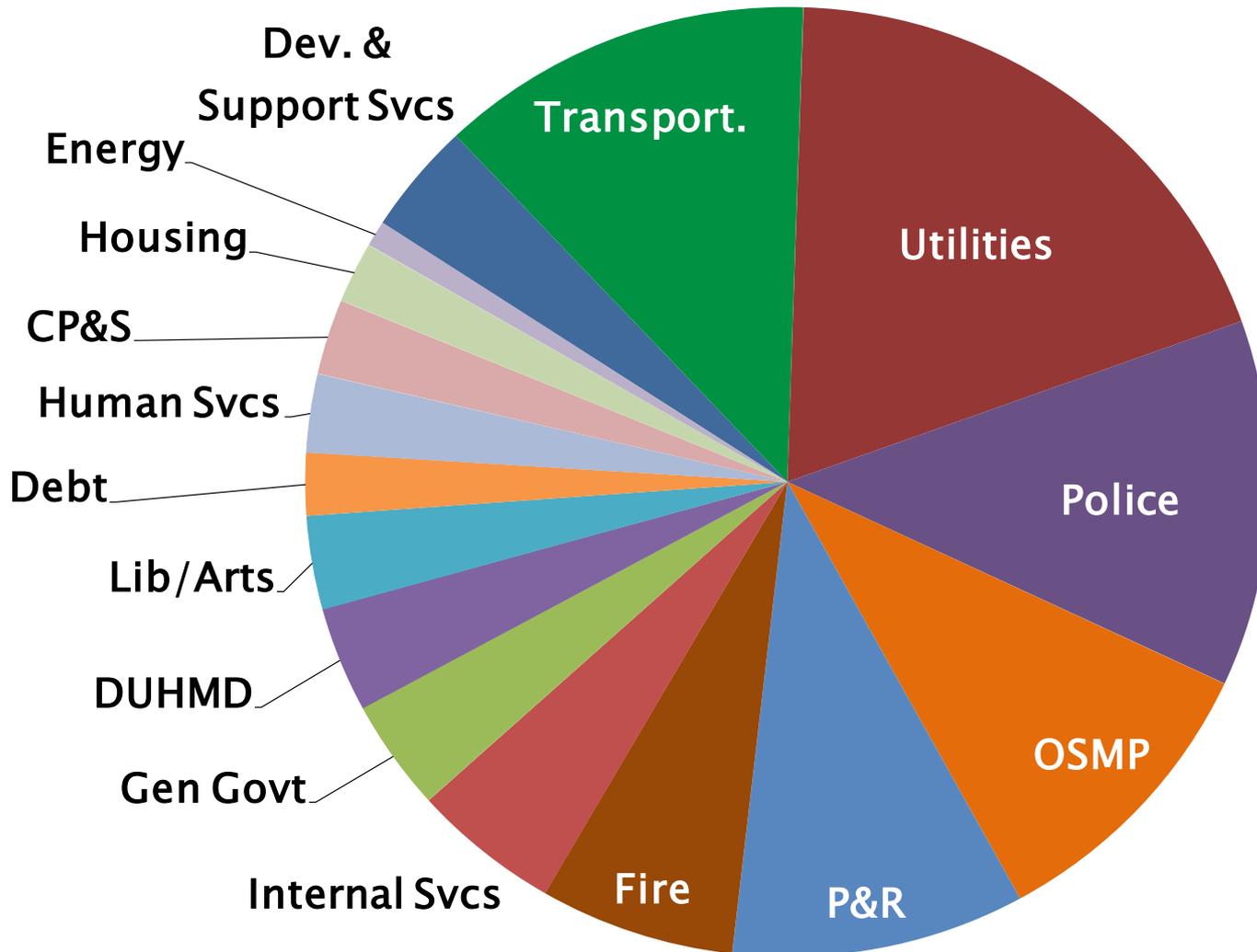
2013 City Revenues



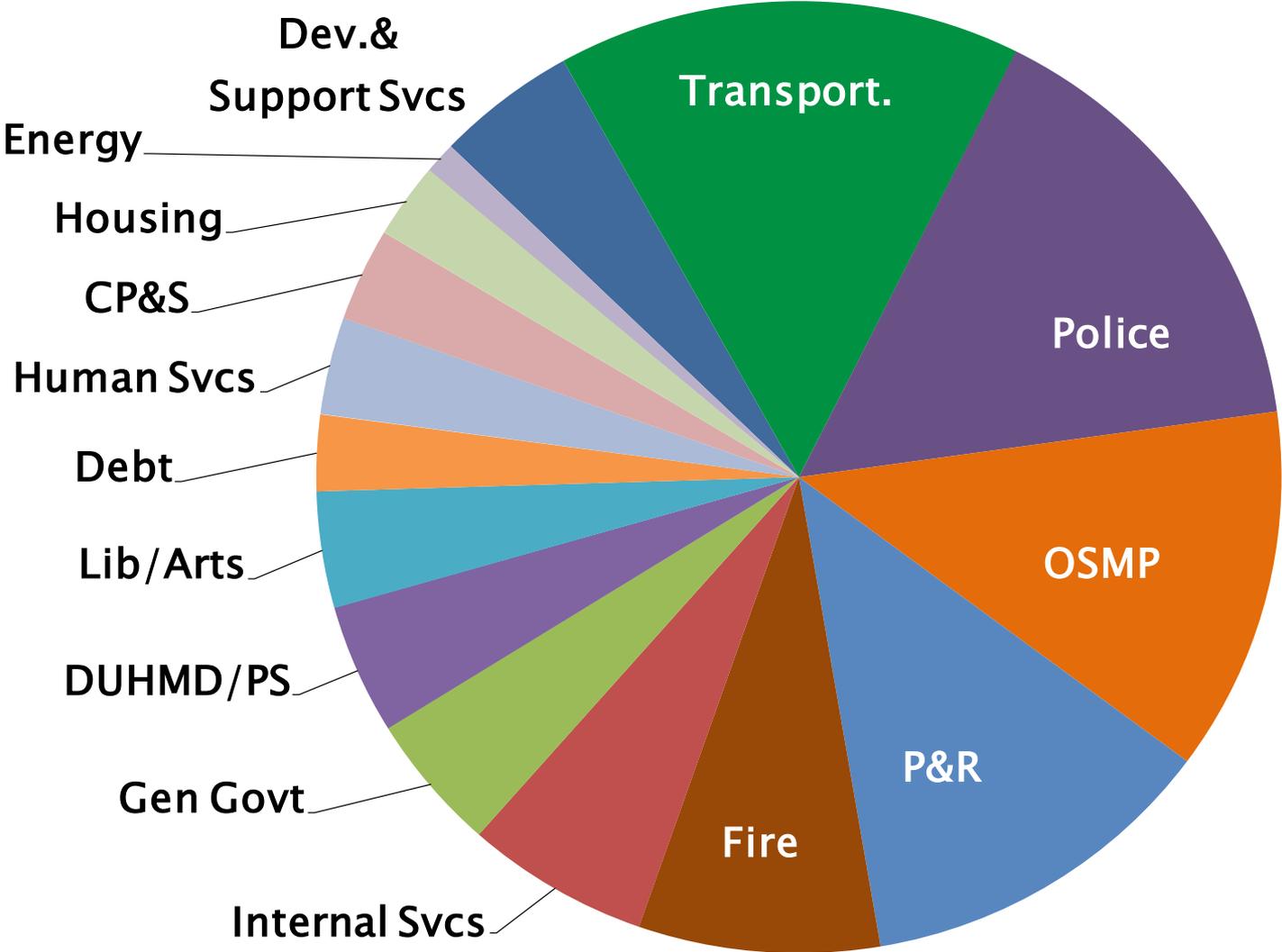
2013 City Revenues Net of Utilities



2013 City Expenditures



2013 City Expenditures Net of Utilities



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

First Reading Follow-Up

Priority Based Budgeting (PBB)

- Helps identify what to fund first based on the community outcomes we value
 - ▣ Environmentally sustainable
 - ▣ Healthy and socially thriving
 - ▣ Accessible and connected
 - ▣ Economically vital
 - ▣ Safe
 - ▣ Good governance

PBB Peer Review Group Process

- Results defined by public and council input
- Depts. score own programs for impact on results
- Peer Review Groups (PRGs) review scoring of all programs citywide
 - ▣ Each PRG is 3-5 city staff, 1 Budget Division facilitator
 - ▣ One PRG per result
 - ▣ Scores, adjusted for consistency by PRGs
- All city programs then ranked into quartiles

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%

Council Questions

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

Suggested Motion Language

Staff requests council consideration of this matter and action in the form of the following motions:

- Motion to adopt Ordinance No. 7871 adopting the 2013 City of Boulder budget
- Motion to adopt Ordinance No. 7872 establishing the City of Boulder property tax mill levy for 2012 to be collected in 2013
- Motion to adopt Ordinance No. 7873 appropriating the 2013 City of Boulder budget
- Motion to adopt Ordinance No. 7874 changing certain fees
- Motion to direct the city manager to use necessary General Fund resources to support the exploration of municipalization and alternatives