



# Mayor's Recommended FY 2017 Budget

# Required by the Charter

## Provisions

### ▶ Sec. 4-201

- ▶ Submit to Council the recommended annual operating and capital budget

### ▶ Sec. 7-401

- ▶ Budget Message from Mayor
- ▶ Explanation of General Fiscal Policies
- ▶ Explanation of Major Fiscal Changes Recommended
- ▶ General Summary of Budgets and Other Info

### ▶ Sec. 7-401 (cont.)

- ▶ Estimate of Unencumbered Fund Balance
- ▶ Estimate of Cash Revenues
- ▶ Proposed Expenditures by Dept, Office, Commission, Agency
- ▶ Performance Data for Depts, Offices, etc.
- ▶ Other Information for Council
- ▶ Recommended Budget Must Be BALANCED



# Recognized by Georgia Law

OCGA 36-81-4(c) – Elected chief executive of the local government may exercise an “initial budgetary policy-making” function in the form of an executive recommended budget.

# Budget Assumptions

- ▶ First Time in 16 Years We Use NO Reserve Funds to Balance Budget
- ▶ Replenish Our General Fund Reserve to 60-days
- ▶ Provides for a 2% COLA
- ▶ Maintains 70% Healthcare Subsidy
- ▶ Adopts New Pension Longevity Chart
- ▶ Reforms Police Pay to Increase Recruitment and Retention
- ▶ Adjusts User Fees and Fines
- ▶ Funds 33 New Garbage Trucks
- ▶ Funds Aquatic Center at \$1.2 million

# Basic Budget Facts

- \$269,973,787 MILLION
- 1.6% INCREASE OVER OUR FY16 ADOPTED BUDGET
  - TSPLOST/METRA
  - DEBT SERVICE ON FIRE CAPITAL LEASES
  - PROPOSED FEE REVENUE
- 1.75% INCREASE IN DIGEST
- \$68.6 MILLION IN LOST AND OLOST
- RESERVE DAY VALUE OF \$418,632

# Replenishing General Fund Reserve

- ▶ FY2015 – 56-days Reserve
- ▶ Resolution No. 224-11 and Best Practices Requires 60-days
- ▶ Due to Major Reforms:
  - ▶ FY2016 – 60.21 Days Reserve
  - ▶ FY2017 General Fund Budget is .14% Less This Year
  - ▶ FY2017 – 60.29 Days Reserve

\*FY2013 and FY2014 include 2% pay adjustments to help fund Pension Reform.

# Employee Cost of Living Adjustment

Fiscal Year	CCG Pay Increases	Employment Cost Index (ECI)	Consumer Price Index (CPI)
2012	.5%	1.1%	2.1%
2013	2.0%		
2013	.5%	1.1%	1.6%
2014	2.0%		
2014	.5%	1.6%	1.7%
2015	.5%	1.8%	-0.2%
2016	.5%	No data available for 2016	0.7%
Total	6.5%*	5.6%	5.9%

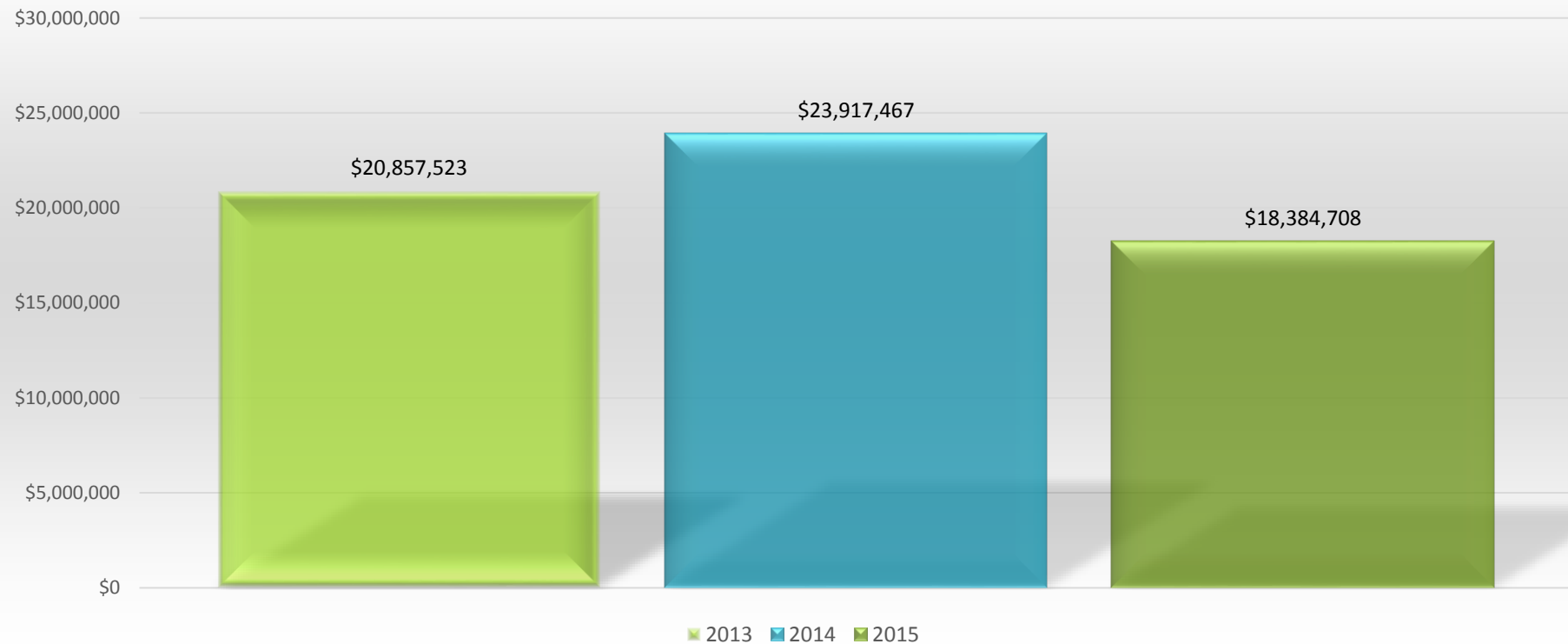
# Employee Healthcare Subsidy

- ▶ Health and Wellness Center – reduced cost to employees
- ▶ \$5.5 million in reduced medical and pharmacy claims from FY2014-FY2015
- ▶ \$1.8 million saved in claims cost due to removal of Muscogee Manor claims
- ▶ \$1.1 million saved due to Spousal Surcharge
- ▶ \$1.6 million saved for 10 highest claimants
- ▶ 22% reduction in Emergency Room visits
- ▶ 23% reduction in Office visits
- ▶ Maintained a 70% healthcare subsidy



# Employee Healthcare Subsidy (cont.)

**Annual Medical and Rx Claims  
Calendar Year (CY) 2013-2015**



# Employee Healthcare Subsidy (cont.)

- ▶ FY2016 Underfunded by \$2.19 million
- ▶ Our Benefits Manager has proposed:
  - ▶ Streamlining our multi-faceted plans – Silver Plan and Gold Plan
  - ▶ Open HWC to all employees
  - ▶ Capitalize on our successes
  - ▶ Utilize better predictive tools
- ▶ Maintain 70/30 subsidy split
- ▶ 23% increase in expected healthcare cost for FY2017
- ▶ 2% COLA will cover increases for single coverage at every pay grade

# Maintenance of Employee Pension Plan

- ▶ Instituted Pension Reform in 2012 for FY2013
- ▶ Has saved us \$9.8 million so far
- ▶ Estimated to save us \$39.1 million over 10 years
- ▶ General Government Employee Pension Plan is funded at 94.3% versus 72.9% in 2012
- ▶ Public Safety Employee Pension Plan is funded at 83% versus 71.9% in 2012
- ▶ Adopted new Longevity Table - \$2.1 million extra in pension subsidy
- ▶ But, \$18.1 million contribution is \$3.5 million **less** than our contribution in FY2016

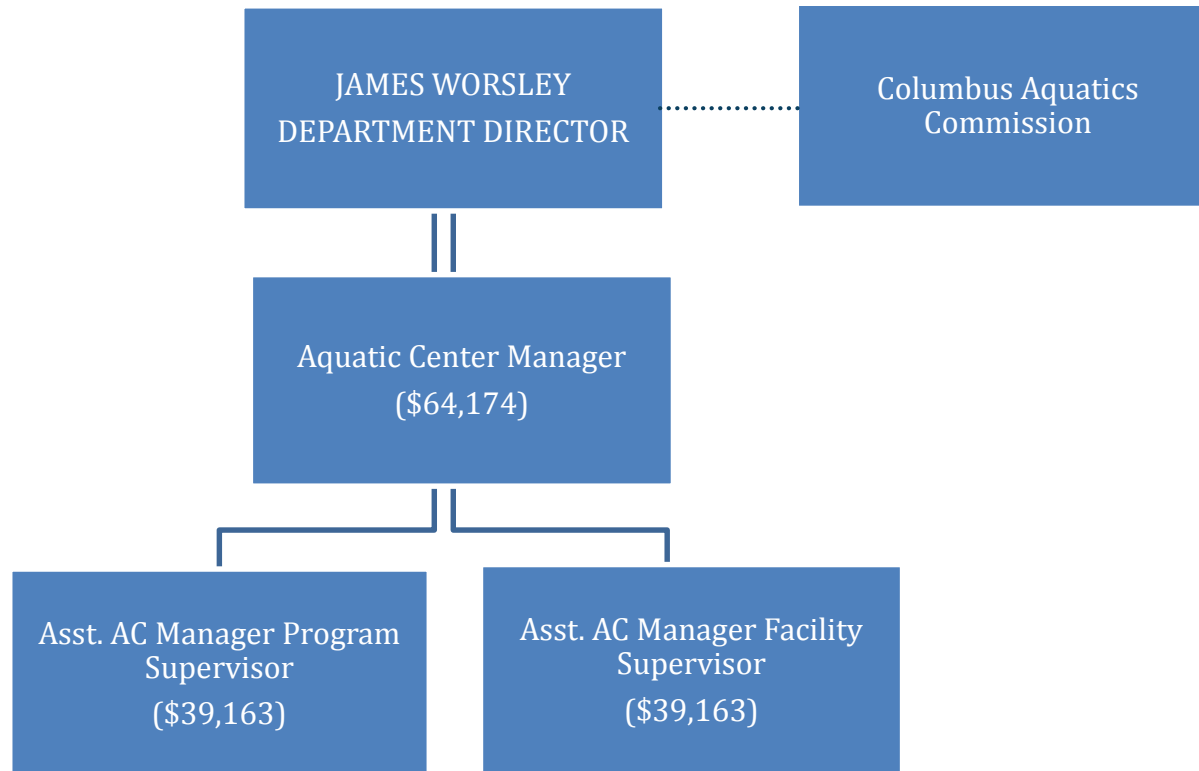
# Police Pay Reform

- ▶ FY2016 Retention and Longevity Reform
  - ▶ Re-appropriated Gap Time and Overtime - \$531,050
  - ▶ Funded bonuses from \$1,000 - \$1,500; 3-30 years
- ▶ FY2017 Recruitment and Retention Reform
  - ▶ Move all CPD officers from Steps A and B to Step C
  - ▶ Officers with degrees will be moved to Step D
  - ▶ Use salary savings from 16 funded but unfilled positions - \$649,920
- ▶ Use FY2016 salary savings to fund \$1,200 bonus for all CPD officers by June 30, 2016 at a cost of \$514,800
- ▶ Institute \$2,400 one-time bonus for POST trained hires - \$30,000/yr
- ▶ Institute \$1,200 one-time bonus for Honorably Discharged military personnel - \$15,000/yr

# Funding New Garbage Trucks

- ▶ Extraordinary level of service
- ▶ Delayed adjustment of fee for Integrated Waste Fund
- ▶ No capital or landfill investment
- ▶ \$2 per month increase
- ▶ \$17 per month fee
- ▶ Fund 33 new garbage trucks
- ▶ Annual 7-year lease of \$1.3 million
- ▶ Reassess savings and needs next year

# Funding the Aquatic Center



# Funding for Aquatic Center (cont.)

- ▶ \$1.2 million to fund 89 hours
  - ▶ \$416,000 differential
  - ▶ \$100,000 increased revenue
  - ▶ \$15,000 savings in organizational cost
  - ▶ \$299,448 in enhanced revenues spread across P&R programs and services:
    - ▶ \$200,000 increased after-school fees \$4 per child/week not \$6
    - ▶ \$24,000 increased tennis fees at Cooper Creek – CORTA agrees
    - ▶ \$50,000 increased user fees on all non-paying athletic groups (\$10 per player/per season)
    - ▶ \$5,448 increased marina fees
    - ▶ \$20,000 increased outdoor pavilion rental fees

# Funding for Aquatic Center (cont.)

- ▶ Why not cut Parks and Rec to get savings?
  - ▶ Parks and Rec has lost 166 positions in the last 10 years
  - ▶ Shortened hours of part-time employees
  - ▶ Programs and Centers are constantly re-tooled throughout the year
  - ▶ Recreation Centers have been closed
  - ▶ Outdoor Pool hours reduced
  - ▶ Britt David Art Studio hours reduced
  - ▶ Closed 8 After-school programs sites
  - ▶ Closed Tillis pool, etc.



# Third-Party Affiliate Appropriations

Discretionary Third-Party Appropriations							
	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Health Department Services	813,475	813,475	813,475	650,780	502,012	502,012	502,012
DFACS	90,000	90,000	80,000	62,400	48,135	41,500	41,500
Keep Columbus Beautiful	80,784	72,706	72,706	64,628	49,854	-	-
New Horizons	234,823	234,823	234,823	187,858	144,932	144,932	144,932
Uptown Columbus	81,000	72,900	72,900	58,320	44,988	44,988	25,000
Literary Alliance	16,200	14,580	18,822	-	-	-	-
Naval Museum Subsidy	300,000	250,000	200,000	175,000	135,000	-	-
<b>TOTAL</b>	<b>1,616,282</b>	<b>1,548,484</b>	<b>1,492,726</b>	<b>1,198,986</b>	<b>924,921</b>	<b>733,432</b>	<b>713,444</b>

# Budget Deliberation Process

- ▶ Thank you to City Manager, Deputy City Managers, Finance Department, Department Heads, Elected Officials and Agencies who participated in putting together this FY2017 Recommended Budget
- ▶ Now, Council's hard work begins
- ▶ Council adopts the actual budget
- ▶ Six weeks of meetings and review will culminate in Council's FY2017 Budget



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