

**2017 PROPOSED BUDGET CHANGES  
ADMINISTRATION & FINANCE COMMITTEE MEETING  
NOVEMBER 7, 2016**

General Fund Expenditure increase in Mayor's Proposed Budget	\$ 589,718	<i>a 1% increase over last year</i>
Final Expenditure increase allowed per Expenditure Restraint Program (1.3%)	\$ 749,083	<i>1.3% allowable increase per DOR notice-10/28/2016</i>
Additional Expenditure Increase Allowed:	<b>\$ 159,365</b>	

<b>OVERALL IMPACT</b>
<p>\$159,000 of additional spending would increase the originally proposed tax levy 0.4%. The originally proposed budget estimated a \$30 increase on the tax bill for a \$150,000 home. The proposed amendments change that estimate to a \$35 increase on a \$150,000 home compared to last year.</p>

ITEM	SUMMARY	AMOUNT	OPTIONS	IMPACT
1. BINS Salary Budget	<p>Misunderstanding regarding funding for Neighborhood Services and Zoning inspection staff. Historically, this amount had been funded through Community Development Block Grant Funds (CDBG). \$50,000 was not included in BINS departmental salary budget but also not included in the 2017 CDBG budget.</p>	\$ 50,000	<p>1. Amend the proposed city budget to increase the BINS salary budget by \$50,000 to cover these expenses.</p>	<p>1. Increases proposed tax levy \$50,000. Ensures funding to staff for zoning enforcement and neighborhood services efforts</p>
			<p>2. Direct staff to amend the 2017 CDBG budget to include these expenses.</p>	<p>2. Reallocation of CDBG funding to cover \$50,000 of BINS staff reduces CDBG funding for other eligible projects, but provides funding for zoning enforcement and neighborhood services efforts. This option has no tax levy impact.</p>
			<p>3. BINS budget includes \$50,000 for Vacant Zoning Inspector position added in 2016 budget with commitment from FIRE (NMTC) to fund in 2016. Position is still yet to be filled. Eliminate this position or delay funding it in 2017 to cover the \$50,000 needed.</p>	<p>3. No additional tax levy impact, but reduces the department's ability to increase zoning enforcement and neighborhood services efforts.</p>
2. Succession Planning-Early Notification of Resignation from City Service	<p>Advanced notice of separation from City Service from individuals in leadership positions provides the adequate time to review the current structure and create an appropriate hiring plan for a successor, as appropriate. Most importantly, additional time affords the ability to ensure stable continuity of services for citizens.</p>	\$ 10,000	<p>Amend the proposed city budget to add \$10,000 to fund incentives for advanced notice as defined in proposed policy</p>	<p>\$10,000 increase to proposed tax levy. Provides funding to support succession planning in all city departments</p>

ITEM	SUMMARY	AMOUNT	OPTIONS	IMPACT
3. Remaining Available ERP Capacity	2017 ERP Capacity allows for \$99,000 of additional expenses to be included in the budget. In this "use it or lose it" program foregoing this amount in 2017 restricts the city's expenditure capacity for future years. Budgeting for this additional amount provides flexibility for future years	\$ 99,000	<p>1. Wash Rack System for City Vehicles &amp; Equipment. In light of the significant cost of fire trucks and other heavy duty fleet vehicles, this would be an investment to extend the useful life of this expensive equipment.</p> <p>2. Restore this amount to the DPW Fleet budget for replacement equipment. The department request was approximately \$1.6 million but reduced to \$535,000. This would restore 10% of the \$1 million cut.</p> <p>3. Cash finance \$99,000 of street improvements. This could reduce the amount of debt needed to fund the existing capital streets request or could allow for a \$99,000 expansion of the street program for 2017</p> <p>4. Include this amount as an addition to the OPEB funding identified below.</p> <p>5. Other alderman initiatives? --Parks maintenance/other Parks funding? --City funded forgivable loans/grants to property owners for maintenance/blight issues</p>	\$99,000 increase to originally proposed tax levy. Operational impact of various options as noted.

**STAFF RECOMMENDED AMENDMENTS TO PROPOSED BUDGET FROM RESTATEMENT OF ERP WORKSHEETS WITH DOR**

ITEM	SUMMARY	AMOUNT	OPTIONS	IMPACT
4. Budgeted Transfer to City Health Insurance Fund for OPEB Liability	State legislation may require annual funding for the City's OPEB liability for Other Post-Employment Benefits (OPEB)	\$ 800,000	Staff recommends amending the city's 2017 proposed budget to include this internal transfer of funds for OPEB obligations and establish budget capacity to meet such a mandate	Funding will come from existing reserves assigned for OPEB costs, so this amendment has no impact on the tax levy or tax bills