

SEPTEMBER 7, 2016

Mayoral Budget Workshop



Mayor Patrick Madden

So whose budget is it anyway?



Roles, Responsibilities, Authorities

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- **City Council**

- The City Council's role is to pass the laws by which the City conducts business
- The Council has the responsibility to provide the funding for City services
- Only the Council has the authority to authorize expenditures and set the property tax rate

- **Mayor**

- The Mayor's role, along with all City department heads, is to thoroughly understand how much it costs to provide services
- It is the Mayor's responsibility to present the Council with a forthright, accurate, sensible, and prudent spending plan for providing services
- The Mayor's authority to spend funds to provide services comes from the Council



Reduction of Budget Reserves

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Between 2006 and 2015 the city's reserves **decreased** from **\$9 million** to **\$2 million**

Between 2011 - 2015: \$4 million in reserves spent

Largest Yearly Reserve Reductions:

- 2008 **\$850,000**
- 2009 **\$2.6 million**
- 2011 **\$3.2 million**
- 2014 **\$1.4 million**

Consequences:

- Average Yearly Tax Rate Increase Reduction **4%**
- 2006 to 2015 Total Cost of Tax Rate Increase Reduction **\$7 million**



Revenues Considerably Below Council Approved Estimates

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Examples of Revenue Shortfalls:

- 2014 actual property tax collections were **\$740,000 below** budgeted estimate
- 2015 actual property tax collections were **\$640,000 below** budgeted estimate



Revenues Considerably Below Council Approved Estimates

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Examples of Revenue Shortfalls:

- 2014 actual sale of City property was **\$690,000 below** budgeted estimate
- 2015 actual sale of City property was **\$1.7 million below** budgeted estimate
- 2016 actual sale of City property will be **\$1.1 million below** budgeted estimate (*projected*)



We cannot solve our problems with the same thinking we used when we created them.

Albert Einstein

