



City of Auburn

Proposed Biennial Budget

FY 2007 & FY 2008

City Council Work Sessions

June 15 & 19, 2006

Key Performance Indicators

- Stable growth in City's main revenue sources, especially Occupation License Fee and Business License
- Strong growth in property taxes
- Strong fund balance
- Controlled departmental expenditures

Financial Factors of the Proposed Biennial Budget

- Fund balance goal
- Key economic factors
- City staffing
- Capital improvement plan
- Major initiatives



Fund Balance Goal



Fund Balance in General Fund

- Fund balances from past fiscal years had been higher than typical due to schedule changes in capital projects
- Current biennial budget includes planned draw-down of fund balance due to:
 - Increased debt service requirements
 - Continued commitment to school funding
- Projected ending fund balances for 2007 and 2008 are fiscally sound

Fund Balance Goal for the General Fund

General Fund ~ Fund Balance Trends			
	Budget [^]	Proposed Budget	
	FY 2006	FY 2007	FY 2008
Ending Fund Balance*	\$ 18,834,657	\$ 15,819,056	\$ 13,461,474
Expenditures and Uses	69,666,366	51,905,944	53,077,148
Fund Balance as %	27.0%	30.5%	25.4%
Permanent Reserve**	4,504,329	4,504,329	4,504,329
as % of expenditures and OFU	6.5%	8.7%	8.5%
^ Ord 2379, adopted 4/4/06			
* Fund Balance does not equal cash			
** Interest earned on the permanent reserve is added to the reserve at fiscal year-end			

Official Policy: Maintain Ending Fund Balance at 6% of expenditures and OFU

Informal Goal: Maintain Ending Fund Balance at 25% of expenditures and OFU



Key Economic Factors

Key Factors Considered in Proposed Biennial Budget

- Revenue projections
- Expenditure Trends
- Debt Service



Key Economic Factors

Revenue Projections

Revenue Projections

- Revenue projections are the foundation for the budget
- Projections based on:
 - Knowledge of City's revenue structure
 - Trends in prior years' revenues
 - Knowledge of economic factors affecting revenue sources

Economic Factors Affecting Revenue Projections

- National, regional, and local economic factors
- Auburn's economic diversity provided by industrial recruitment and commercial development
- Top four revenue sources comprise about 75% of total General Fund revenue; single largest source comprises about 40% of total

General Fund Revenue

	FY05	FY06	FY07	FY08
	Actual	Budget*	Projected	Projected
Sales Tax	\$ 18,389,727	\$ 19,100,000	\$ 19,650,000	\$ 20,500,000
Occupation Lic. Fee	6,785,103	7,000,000	7,245,000	7,535,000
Business License^	6,080,533	5,924,205	6,717,400	6,995,300
Property Tax	2,124,956	2,375,000	2,515,500	2,664,330
Total	33,380,319	34,399,205	36,127,900	37,694,630
Total General Fund Revenues	45,747,534	46,068,585	48,232,604	50,013,415
% from top four sources	72.97%	74.67%	74.90%	75.37%

* As amended at mid-biennium or proposed to be amended at end of biennium
 ^ Includes franchise fees, residential and commercial rental fees, and construction license fees

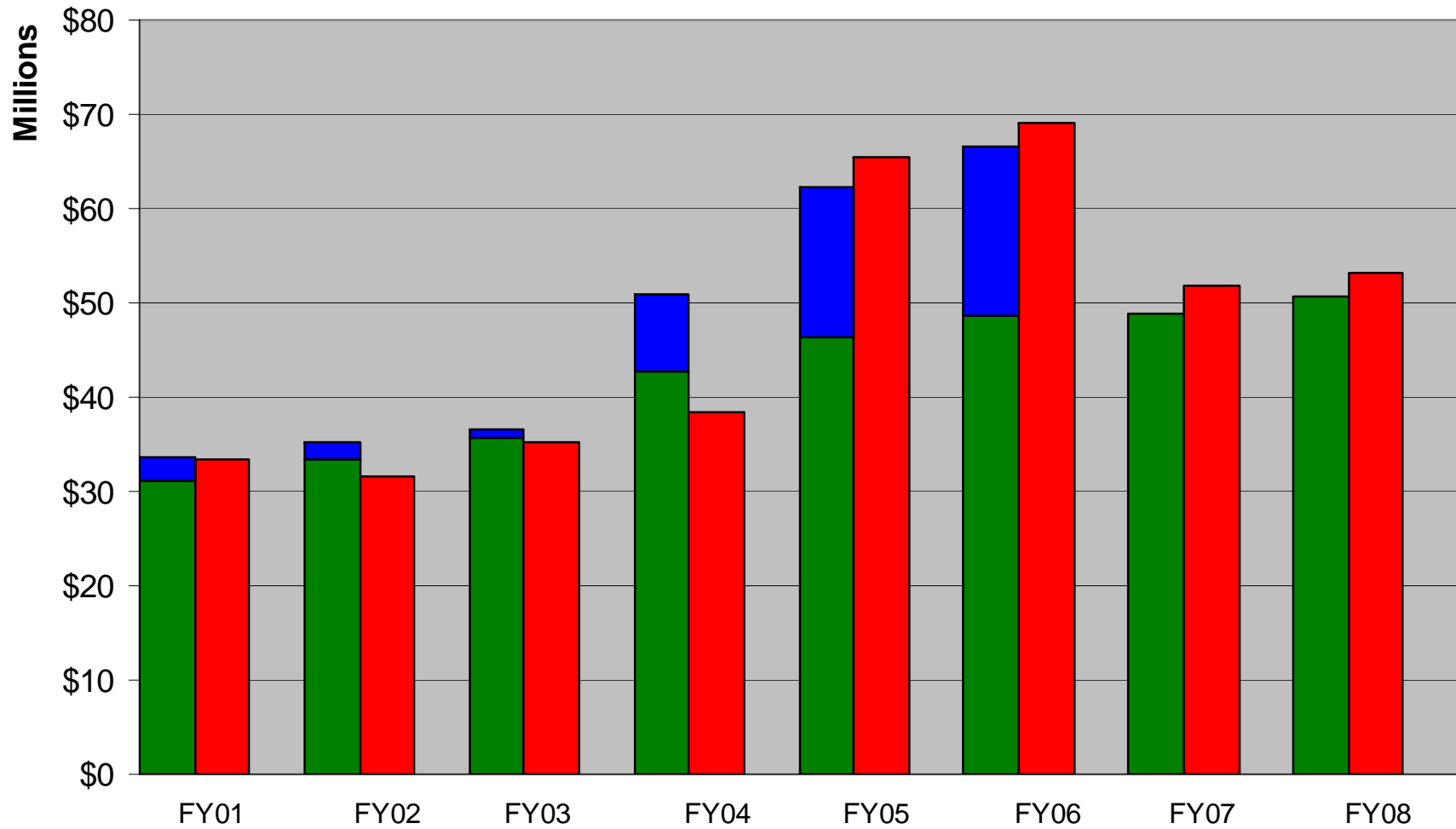
Key Economic Factors

Expenditure Trends

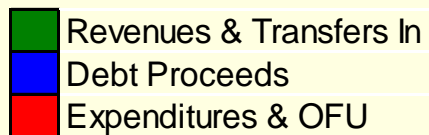
Expenditure Trends

- City Departments have excellent history of controlling departmental spending
- Expenditure growth has outpaced revenue growth over the past few years; this trend is not sustainable
 - Increased staffing levels
 - School appropriation
 - Debt service requirements

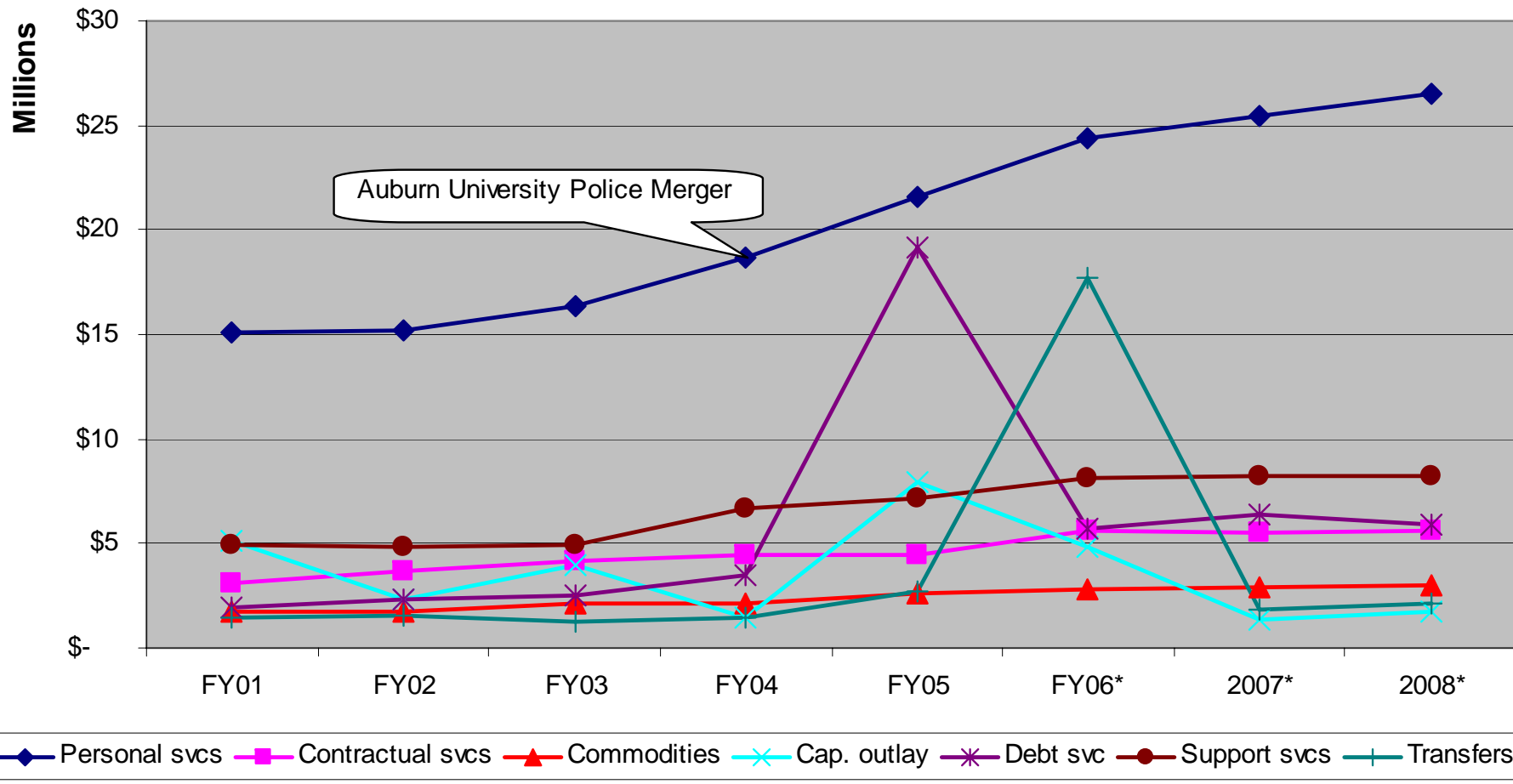
City of Auburn Revenues and Expenditures



FY04 was first full year of ½% sales tax increase



City of Auburn Expenditure Trends



*Budgeted

Key Economic Factors

Debt Service

Debt Service

- General Fund debt service requirements peak in FY07- \$6.4 million
- FY08 budget is \$5.6 million
- 50% of our outstanding General Fund debt will be repaid within 5 years



City Staffing

City Staffing

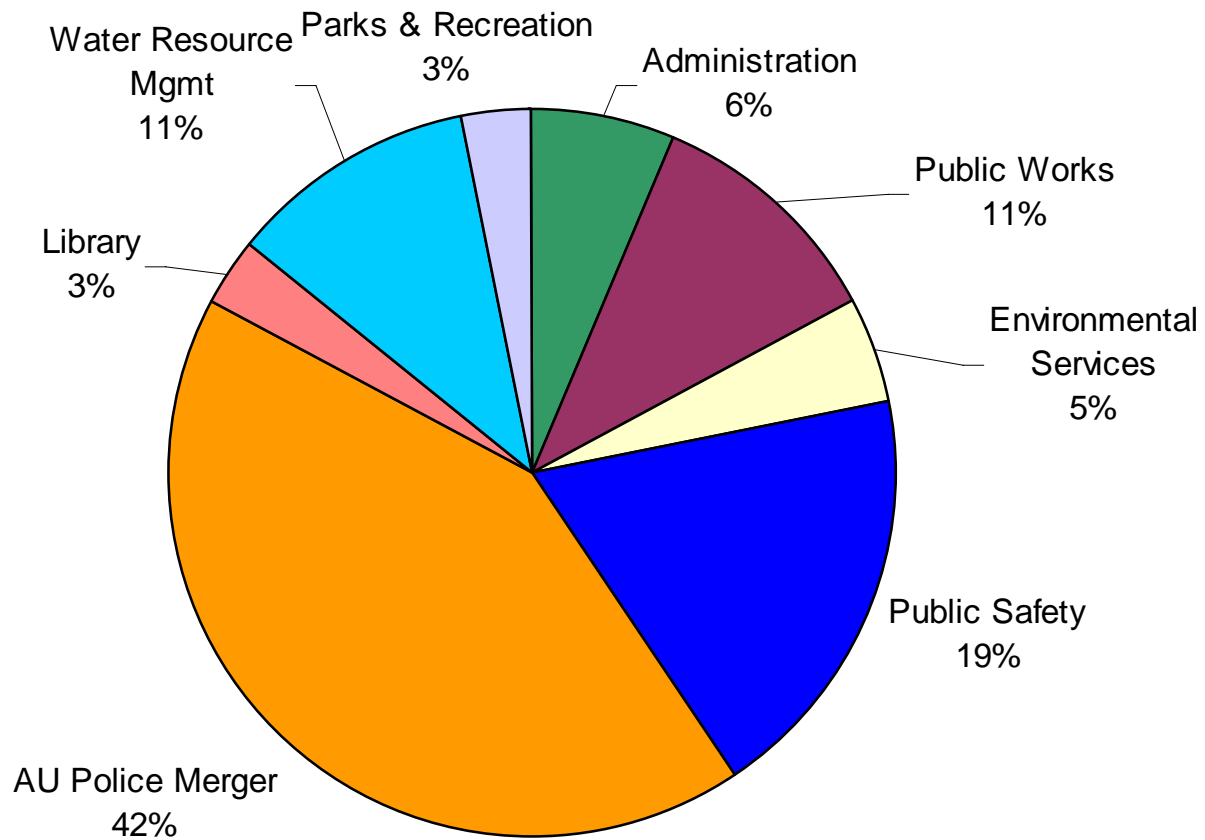
Salaries and Benefits

- Personnel costs are 50% or less of total General Fund expenditures
 - Allows us the flexibility to handle changing economic conditions
- Proposed budget includes a 3% cost of living increase for FY 2007 and FY 2008 for regular employees

City Staffing History

- 64 regular, full-time positions have been added in the last three fiscal years
- 42% of these new positions are attributable to the police merger with Auburn University
- City is fully reimbursed for Auburn University protection services
- Adding staff is an expensive long-term financial commitment.

Regular, Full-Time Positions Added by Department, FY 03-06



Regular, Full-Time Positions Added by Year:

FY04: 29 (27 Auburn University Police Merger)

FY05: 17

FY06: 18

City Staffing

New Positions FY 2007

Seven New Positions Recommended for FY07:

- Two (2) Detectives
- Two (2) Communications Officers
 - Recommended by Workforce Study to maintain adequate staffing levels
- Tennis Center Coordinator
 - Full-time Manager for Tennis Center
- Park Maintenance Worker (Temporary, Full-Time)
 - Assigned for beautification efforts
- Principal Planner
 - Focus on long-range planning



Capital Improvement Plan



Capital Improvement Plan (CIP)

- Shows planned capital projects for the 2007-2008 biennium and through 2012
- Shows planned funding sources: general revenues, borrowed funds, and grants
- CIP presents realistic picture of what we can accomplish

Capital Improvement Plan

CIP Summary^		
	FY07	FY08
Leisure Facilities	\$ 8,735,646	\$ -
Sidewalks, Bikeways & Greenways	809,000	-
Road Reconstruction	899,248	1,500,000
Traffic Signal Installation	150,000	100,000
Intersection Improvements	1,370,000	-
Bridge Improvements/Replacements	16,018,005	1,560,000
Future Roads	-	1,000,000
City Buildings	-	10,000,000
Wireless Infrastructure	1,700,000	-
GIS Aerial Photography	-	295,000
Public Safety	780,000	-
Other Projects	494,679	-
Sewer	8,242,344	7,200,000
Total *	\$ 39,198,922	\$ 21,655,000
^ Budgeted Projects Only		
* Funding from various sources - city and non-city		

Major CIP Projects

- Bent Creek Bridge Widening
- Auburn Technology Interchange at I-85
- Tennis Center
- Hwy 14/Bragg Realignment
- Road Resurfacing
- Hwy 14 Bikeway
- Downtown Parking Deck
- S5 Sewer Line
- Improvements to Northside wastewater treatment plant

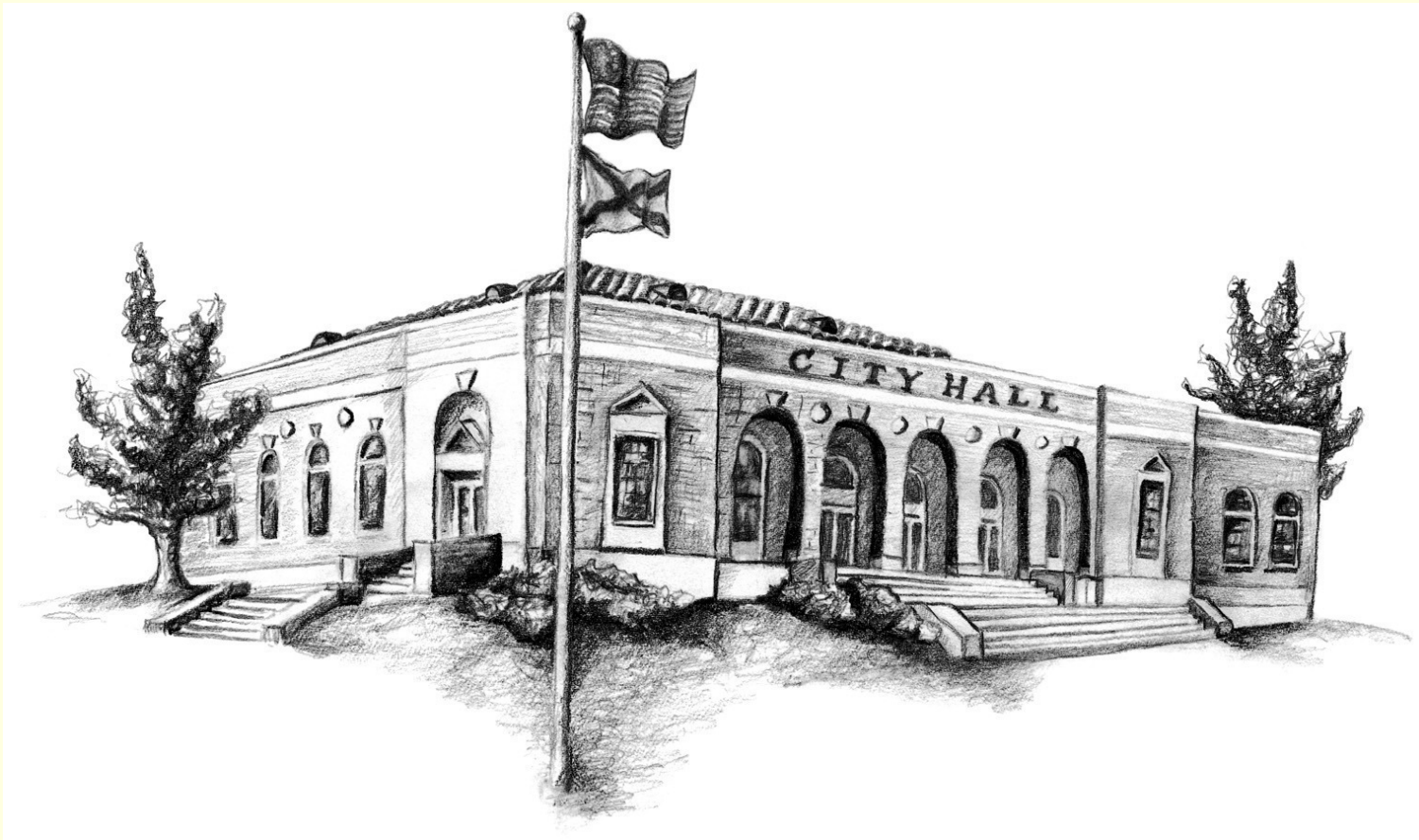
Departmental Capital Outlay

- \$308,337 provided for departmental capital outlay in FY07; \$194,196 in FY08
- Remaining capital requests (\$3 million FY07, \$2.8 million FY08) for General Fund departments are conditional
- Departments have prioritized their requests
- If revenues outperform projections and expenditures are controlled, we will make capital purchases in priority order and make a budget adjustment

Major Initiatives for FY07 & FY08

- Planning Study
- Development Review Task Force
- Auburn Technology Interchange at I-85
- Auburn University Research Park
- Water and Sewer Projects
- Quadrennial Revenue Review
- Keep Auburn Beautiful

Departmental Overview



Annual Report from the Municipal Judge

Joe S. Bailey

Environmental Services

Timothy L. Woody, Director

FY 07 Goals

- **Keep Auburn Beautiful**
 - Auburn Beautification 2007
- **Federal Emissions Standards Compliance**
 - Increased vehicle/equipment purchase and maintenance costs
- **Variable Rate Pricing Review**
 - Charges based on volume

Environmental Services, continued

FY08 Goals

- Several goals build upon FY 2007 progress
 - Keep Auburn Beautiful
 - Variable Rate Pricing
- Solid Waste Disposal Procurement

Library

Margie B. Huffman, Director

Library Expansion Timeline

- Work with architect to have expansion plans ready by December 31, 2006
- Complete bid process and award contract to successful bidder by March 31, 2007
- Complete construction of expansion by March 31, 2008

Human Resources

Steven A. Reeves, Director

FY 07-08 Projects

- Enhance current efforts to promote employee wellness and to reduce escalating health insurance costs
- Provide training in the areas of supervision, customer service, safety and risk management, and human resource management
- Working with the City Manager, develop a consolidated code of ethics statement for City employees
- Implement a safety incentive program to reduce the frequency of employee injuries and accidents
- Develop and issue a report to each regular employee showing them the City's investment in his or her employment
- Obtain an actuarial analysis to comply with GASB Statement 45 regarding funding requirements for Other Post-Employment Benefits



10 Minute Break

Public Safety

William H. James, Director

- Develop a program to track incidents, offenses, and arrests on Auburn University property
- Intensify employee recruiting activities
- Improve automatic response aid with surrounding areas
- Analyze fire inspection, prevention, and education efforts
- Implement Mobile Data System
- Expand satellite radio communications system

Public Safety, continued

- Conduct major event training drill
- Create county-wide or regional training board
- Offer department-wide CPR/AED training
- Continue removal of dilapidated structures
- Evaluate emergency response assistance with EMS

Finance

Andrea E. Jackson, Director

- Software Goals (with support from IT)
 - Implement Contract Mgt and Cashiering
 - Employ acceptance of debit & credit card payments
 - Develop web page for Water Revenue
 - Implement e-billing for utility bills
 - Implement on-line tax & license returns
- Accounting & Financial Reporting Goals
 - Publish CAFR and PAFR
 - Complete inventory of retroactive infrastructure
 - Develop & begin collecting performance measures

Finance, continued

- Process Improvements Goals
 - Begin program of internal controls reviews
 - Develop paperless filing for Accounts Payable Office (with support from IT)
 - Evaluate feasibility of purchasing card program; conduct pilot program
 - Assess feasibility of multiple utility billing cycles
 - If demand is sufficient, provide taxpayer training
 - Provide computer skills training for Water Revenue Office

Finance, continued

- Policy Goals
 - Conduct Quadrennial Revenue Review
 - Amend business licensing ordinance to conform to State's simplified business licensing statute
 - Revise City and Water Board investment policies
 - Review debt policy
 - Revise purchasing policies and procedures

Questions and Comments?



Parks & Recreation

Rebecca O. Richardson, Director (page 104)

Recreation as Economic Impact

- Tennis Center
- Softball Complex
- ISA Convention
- Soccer Complex

Parks & Recreation, continued

Step Up to Health

- Develop facilities that promote active recreation, such as Kiwanis playground at Town Creek Park
- Develop website and other media to encourage participation in active recreation
- Integrate activities into existing programs that encourage exercise

Parks & Recreation, continued

Maintenance of Existing Facilities

- Kiwanis Fitness Trail Renovation
- Continue working with Cemetery Trust to improve Westview, Pine Hill and Memorial Park Cemeteries
- Samford Pool Renovations
- Samford Avenue Tennis Resurfacing
- Frank Brown Center Renovations

Planning

Forrest E. Cotten, Director (page 108)

Comprehensive Planning Initiatives

- Population Forecasting
- Growth Modeling
- Future Land Use Plan Amendments
- Annexation Policy Adjustments

Planning, continued

Current Planning Initiatives

- Special Development Standards for Permitted and Conditional Uses
- Village District Zoning Regulations

Planning, continued

Other Planning Initiatives

- Planning Commission Annual Report
- Citizens Planning Academy

Public Works

Jeffery L. Ramsey, Director (page 85)

Planning, Designing, Construction and Project Management

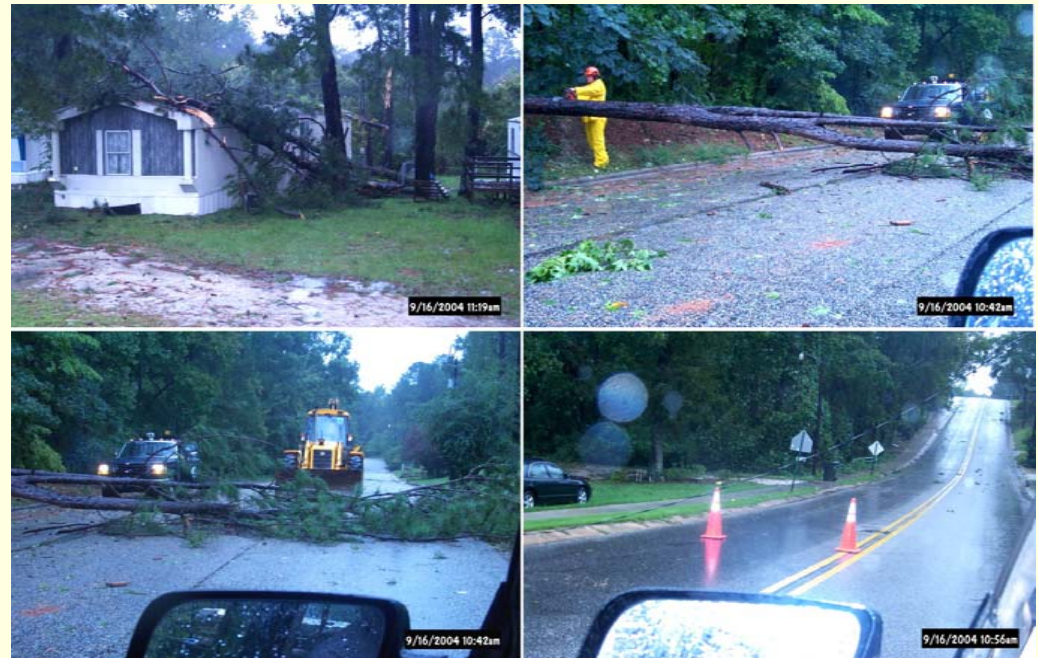
- Public Works is represented by five divisions:
 - Administration
 - Construction and Maintenance
 - Engineering
 - Inspections
 - Traffic Engineering
- Each division plays a part in fulfilling the department's mission

The strength of the Public Works Department is its people

Public Works, continued

Major Accomplishments for FY 05 and FY 06

- Streets and resurfacing
- Sidewalk and bikeway construction
- Drainage construction
- Bridge improvements
- Traffic
- Project management
- Miscellaneous



Public Works, continued

Major Objectives for FY 07 and FY 08

- Resurface various streets throughout the City
- Design and construct the Highway 14 bikeway
- Intersection improvements at Harper Avenue and Dean Road
- Design intersection improvements at Shug Jordan Parkway and Richland Road
- Finalize design for Samford Avenue from College Street to Moores Mill Road project management
- Complete engineering design to widen Moores Mill Bridge over I-85
- Update FEMA flood maps
- Develop a comprehensive engineering manual
- Construction of the Samford Avenue extension
- Design of several sidewalk and intersection projects

Economic Development

Phillip Dunlap, Director (page 69)

Commercial/Industrial Development

- Facilitate quality commercial development to ensure General Fund revenue growth
- Maintain a vibrant central business district through the provision of additional parking facilities
- Facilitate recruitment of new industrial projects and expansion of our existing industrial base to provide economic impact
- Coordinate the development of new infrastructure to ensure the development of the West Technology Park and the Auburn University Research Park

Economic Development, continued

Community Development

- Increase the supply of new affordable housing in Auburn
- Provide rehabilitation assistance to preserve housing stock in low/moderate income neighborhoods
- Provide infrastructure to low/moderate income neighborhoods
- Support delivery of key social services to low/moderate income families

Economic Development, continued

Workforce Development

- Support our industrial base through new and existing workforce development initiatives
- Support the Career Technical Program at Auburn High School
- Support new and expanding industry to secure a quality workforce through assistance in recruiting employees
- Utilize the ACDI facility as a training center to assist in the development of a higher skilled workforce



10 Minute Break

Water Resource Management

B. Scott Cummings, Director (page 112)

Wastewater Services

- Compliance and Capacity
 - S5 Gravity Sewer and Northside Transfer
 - Northside WPCF Improvements – Phase I
- Future Planning
 - Evaluate needs and strategy for wastewater services beyond current service area
 - Assess non-sewered areas and develop a strategy for service
- Rehabilitation
 - Saugahatchee Sewer Interceptor Rehabilitation
 - HC Morgan (Southside) Basin Flow Monitoring

Water Resource Management, continued

Watershed/Stormwater Services

- Expand watershed monitoring to document instream water quality in Auburn for potable water supply protection, non-point source, and wastewater discharges
- Improve water quality monitoring database within the City's GIS

Water Resource Management, continued

Water Supply Services

- Planning for the future
 - Water Supply Master Plan
 - Long-term water supply
 - Upgrade Estes Water Treatment Plant
- Network analysis – evaluate the water distribution system for quality and adequate distribution to customers
- Perform Lake Ogletree dam and spillway improvements

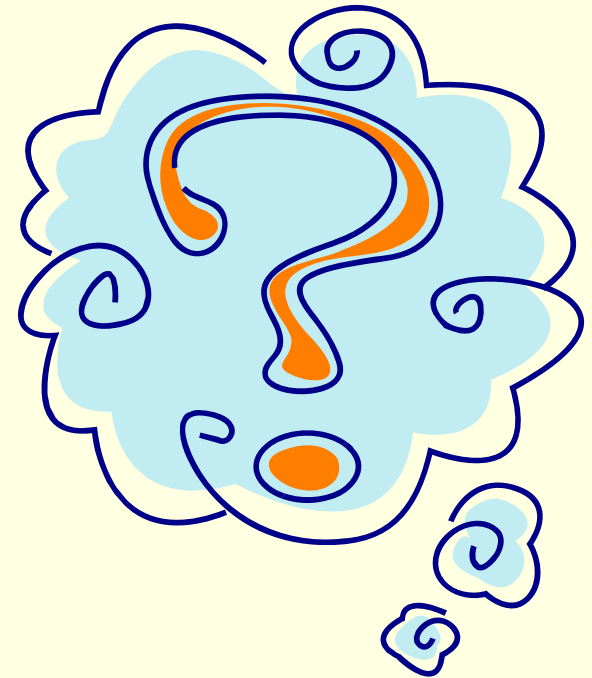
Information Technology

James C. Buston III, Director (page 59)

Key Projects –

- Redesign and enhance web site
- Develop citywide document management system
- Determine feasibility of wireless
- Wire new facilities and connect them to our network
- Look at our operations and make suggestions on how to improve efficiencies through the use of existing technologies
- Assist the various departments with their goals

Questions and Comments?





Key Decisions