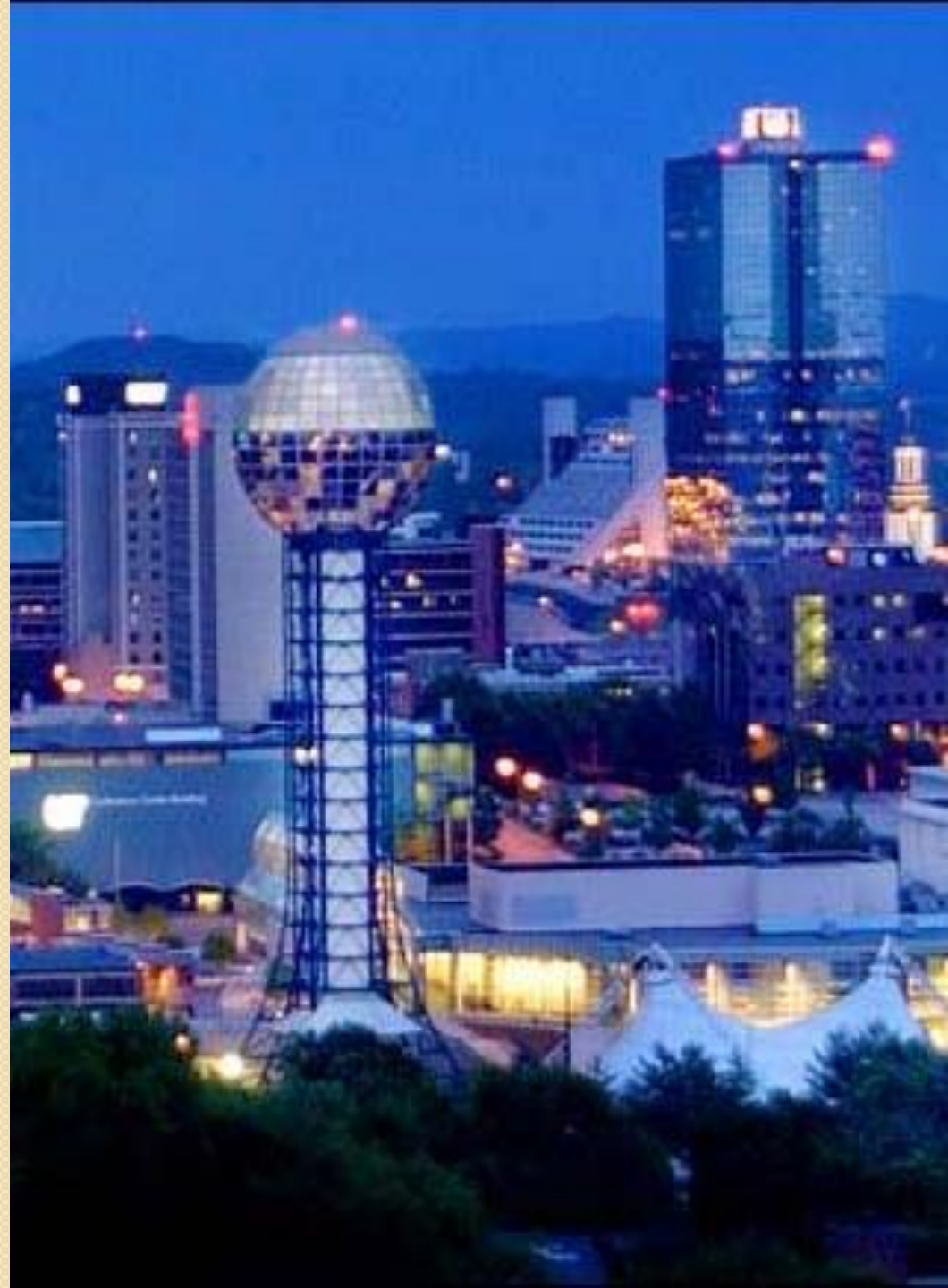


The Budget Calendar

- February 6, 2015 – Budget Retreat
- Feb. - April – Departments Submit Budget Requests, Base Numbers Calculated, and Capital Budget Prepared
- March 24 - March 26, 2015 – Mayor’s Budget Hearings
- April 29, 2015 – Mayor’s Budget Presentation
- May 12, 2015 – First Reading of Budget and Tax Ordinances
- May 14, 2015 – MPC Hearing on Capital Improvement Program
- May 20, 2015 – Council Budget Hearings
- May 20, 2015 – Public Hearing
- May 26, 2015 – Second Reading of Budget and Tax Ordinances

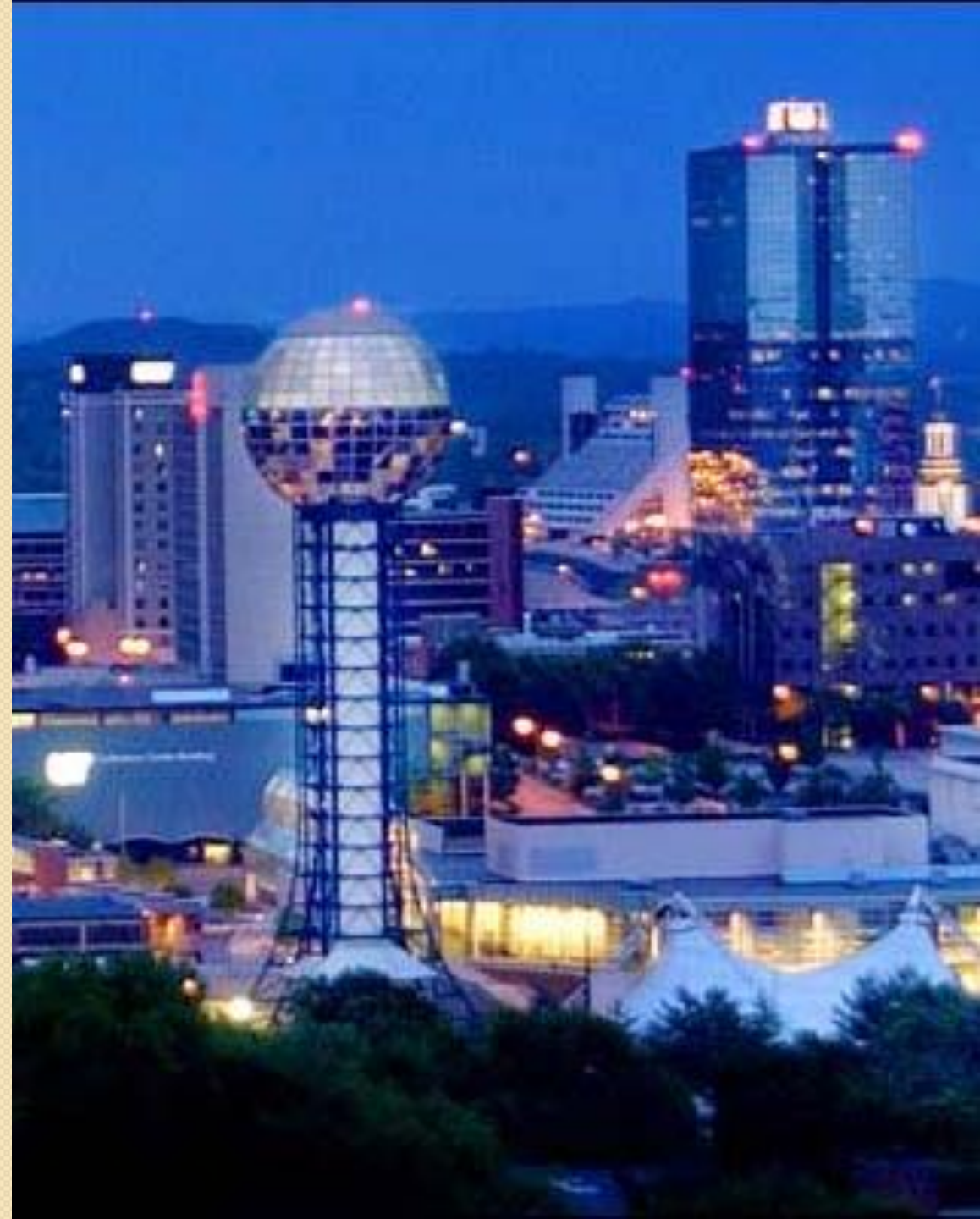




Budget Retreat – Part I

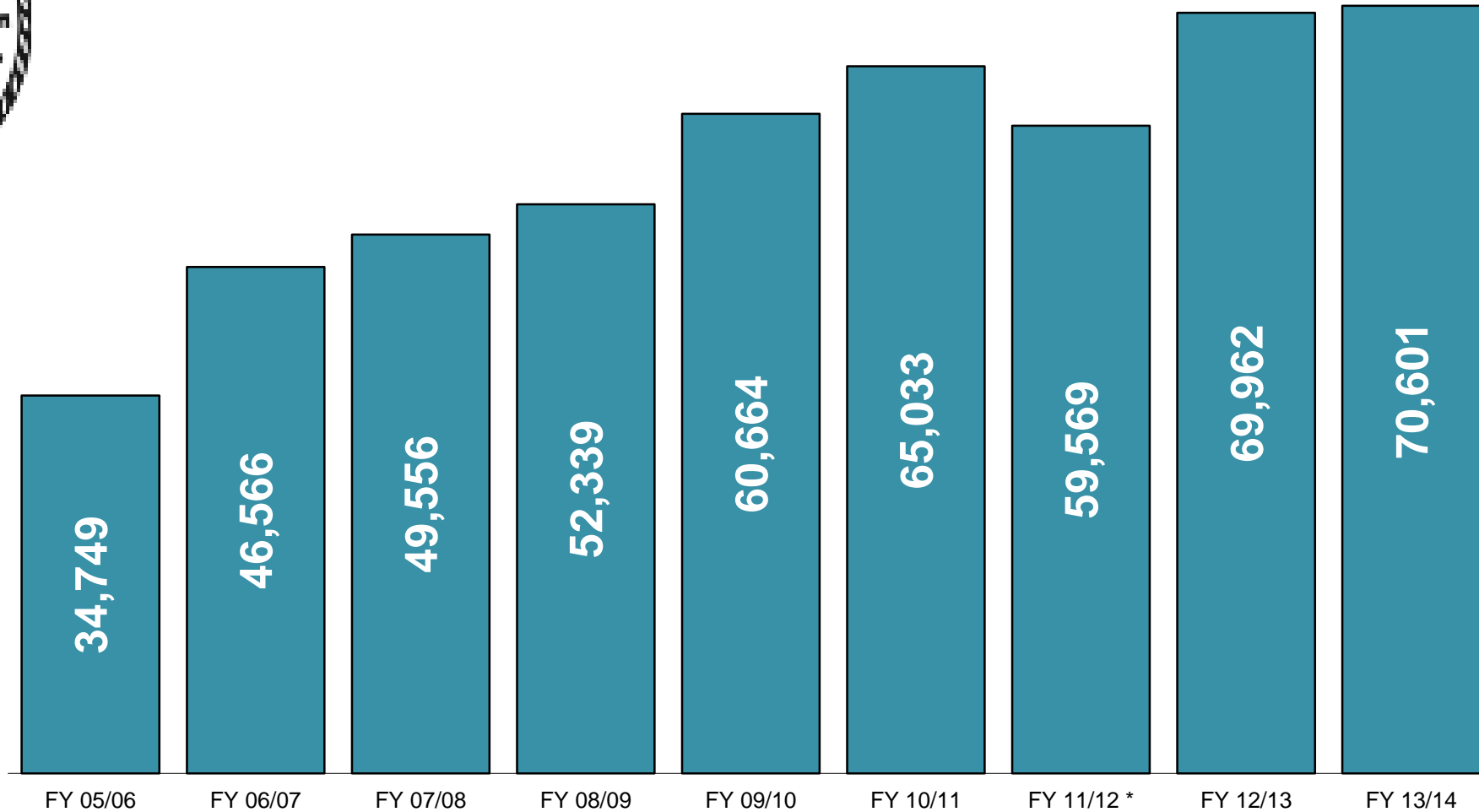
Financial Update

February 6, 2015





General Fund Ending Fund Balance



- In FY 11/12 the City provided a supplemental contribution of \$10 million to the Pension System. If not for this action, the ending fund balance in FY 11/12 and subsequent years would be \$10 million higher.
- All numbers in \$1,000's



General Fund Fund Balance

	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Non-spendable				
Prepaid	78,502	49,501	10,758	-
Inventory	<u>346,784</u>	<u>335,252</u>	<u>355,677</u>	<u>323,900</u>
Subtotal - Non-spendable	<u>425,286</u>	<u>384,753</u>	<u>366,435</u>	<u>323,900</u>
Restricted				
Encumbrances	<u>264,231</u>	-	-	-
Subtotal - Restricted	<u>264,231</u>	-	-	-
Committed				
Encumbrances	194,606	290,920	561,044	131,498
Policy	<u>34,435,594</u>	<u>34,435,594</u>	<u>36,636,086</u>	<u>40,100,512</u>
Subtotal - Committed	<u>34,630,200</u>	<u>34,726,514</u>	<u>37,197,130</u>	<u>40,232,010</u>
Assigned				
Encumbrances	-	160,690	281,423	82,718
Appropriated Fund Balance	1,725,000	4,410,000	1,850,000	2,004,600
Other	<u>230,966</u>	<u>150,045</u>	-	-
Subtotal - Assigned	<u>1,955,966</u>	<u>4,720,735</u>	<u>2,131,423</u>	<u>2,087,318</u>
Unassigned	<u>27,987,982</u>	<u>19,892,490</u>	<u>30,267,058</u>	<u>27,957,986</u>
Total Fund Balance	<u>65,263,665</u>	<u>59,724,492</u>	<u>69,962,046</u>	<u>70,601,214</u>

Definitions:

- Non-Spendable – Items included in assets that are non-cash related and cannot be spent
- Restricted – Funding that is restricted by law or contracts
- Committed – Items that have been approved by the governing body and are committed/designated
- Assigned – Reserved funds that do not meet the two above standards
- Unassigned – Balance available after above standards are met - the spendable amount



Bond Ratings

Fitch	AAA
Moody's	Aa1
Standard & Poor's	AA+

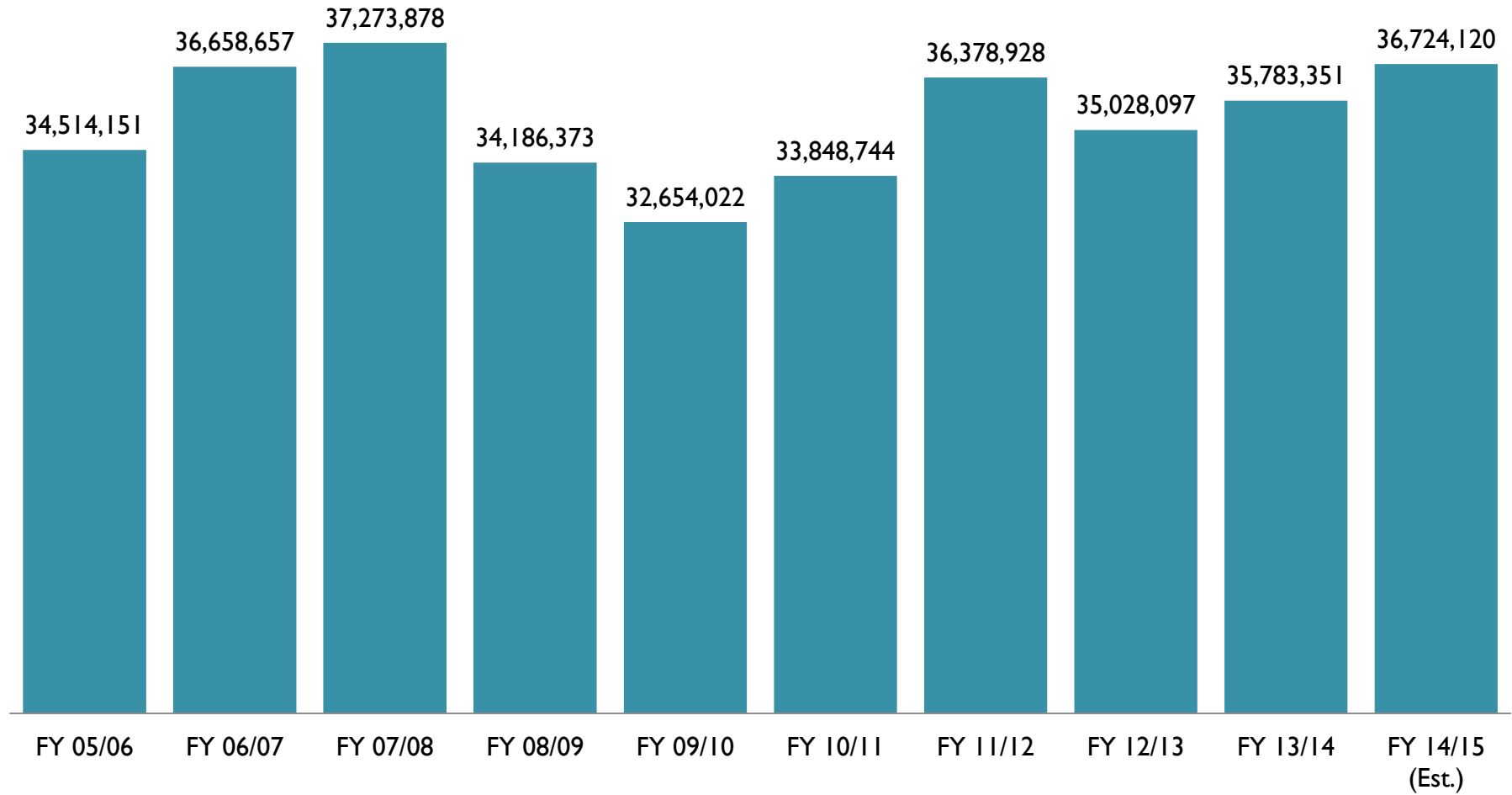


Mid-Year Forecast

- Prognosis is Mostly Positive
 - Strength in Sales Tax Receipts, KUB PILOT and Personal Property Taxes
 - Relatively Flat Growth in Real Property Taxes
 - Potential Weakness in Business Tax Collections and Alcoholic Beverage Tax Collections
- Overall Revenue Forecast is Consistent to Positive When Compared to Budget

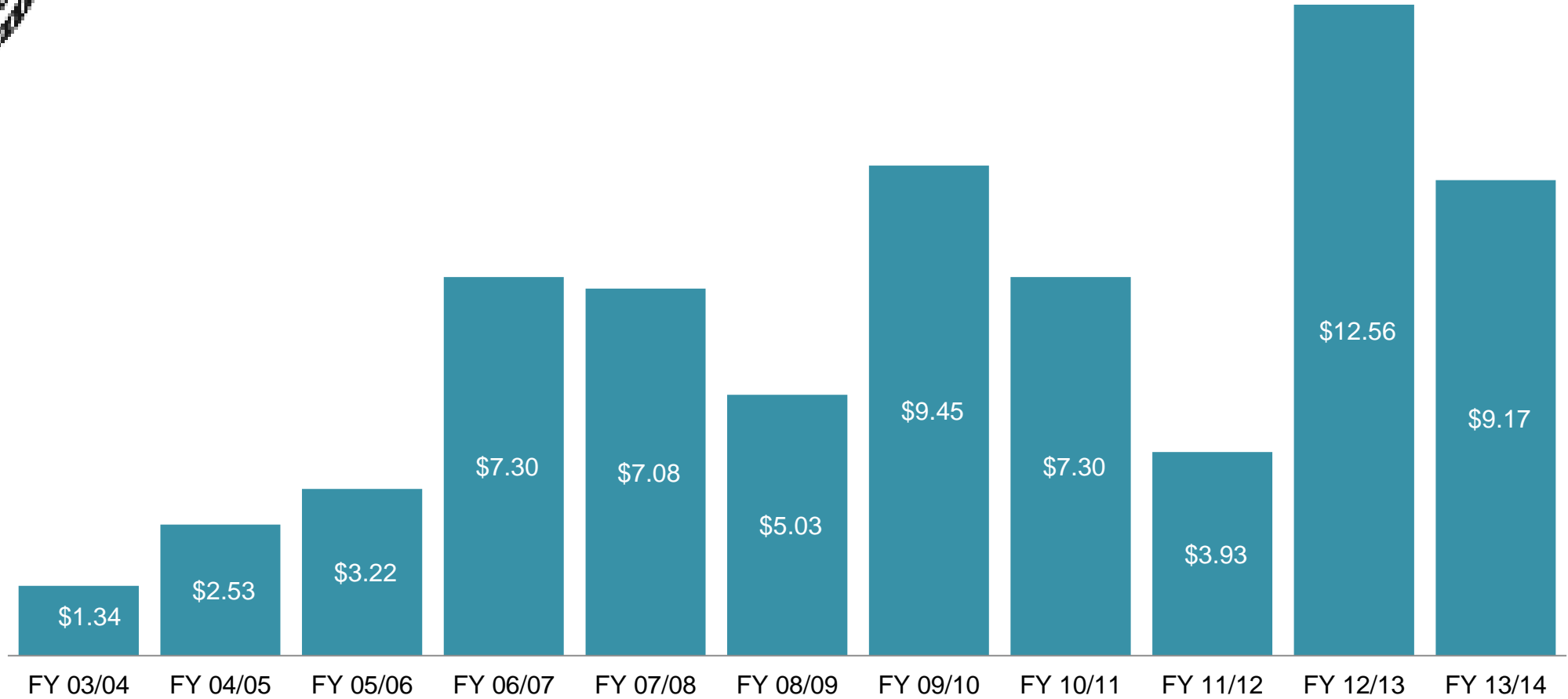


Local Option Sales Tax





Hall Tax Receipts



All amounts in million \$'s

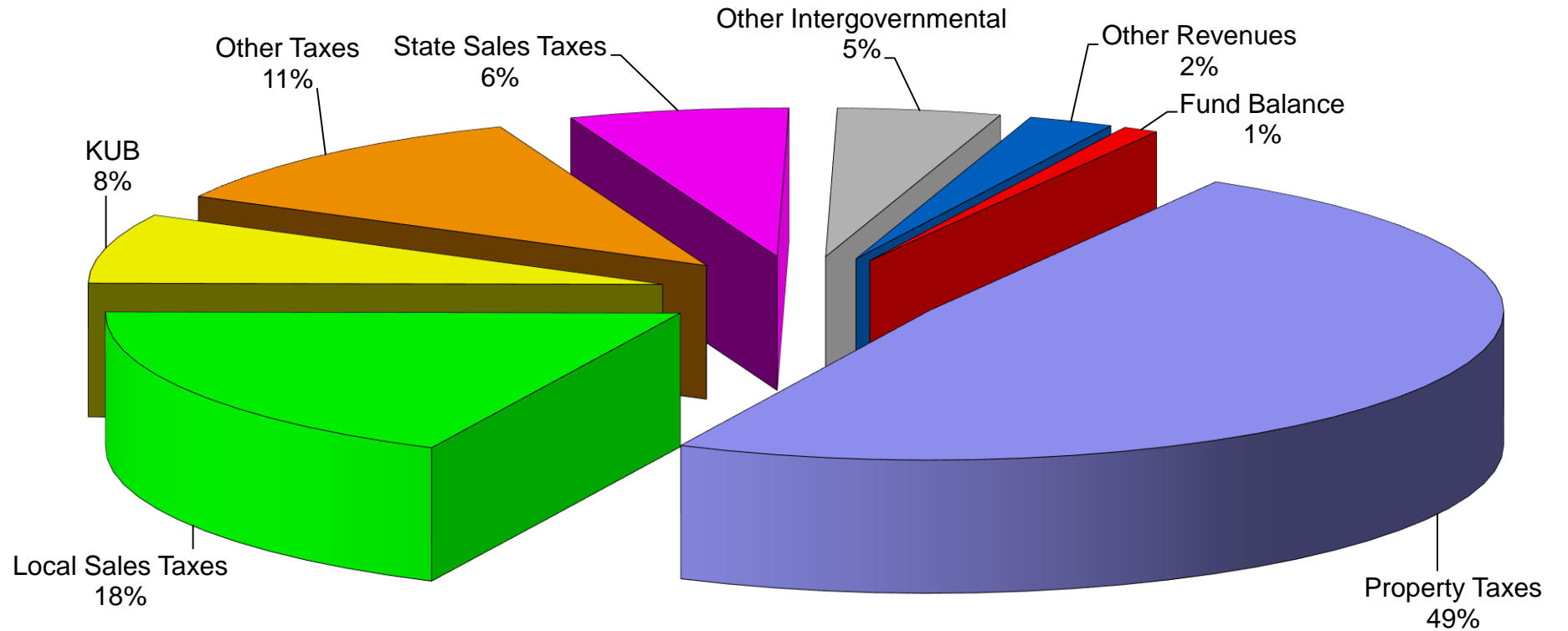


Forecast Ending 6/30/2014

	Amended Budget	Current Forecast
Revenues	196,336,610	198,907,020
Expenditures	161,783,230	157,227,890
Net Transfers	(40,907,980)	(40,807,690)
Revenues/Sources Over Uses	(6,354,600)	871,440
Beginning Fund Balance	70,601,214	70,601,214
Ending Fund Balance	64,246,614	71,472,654

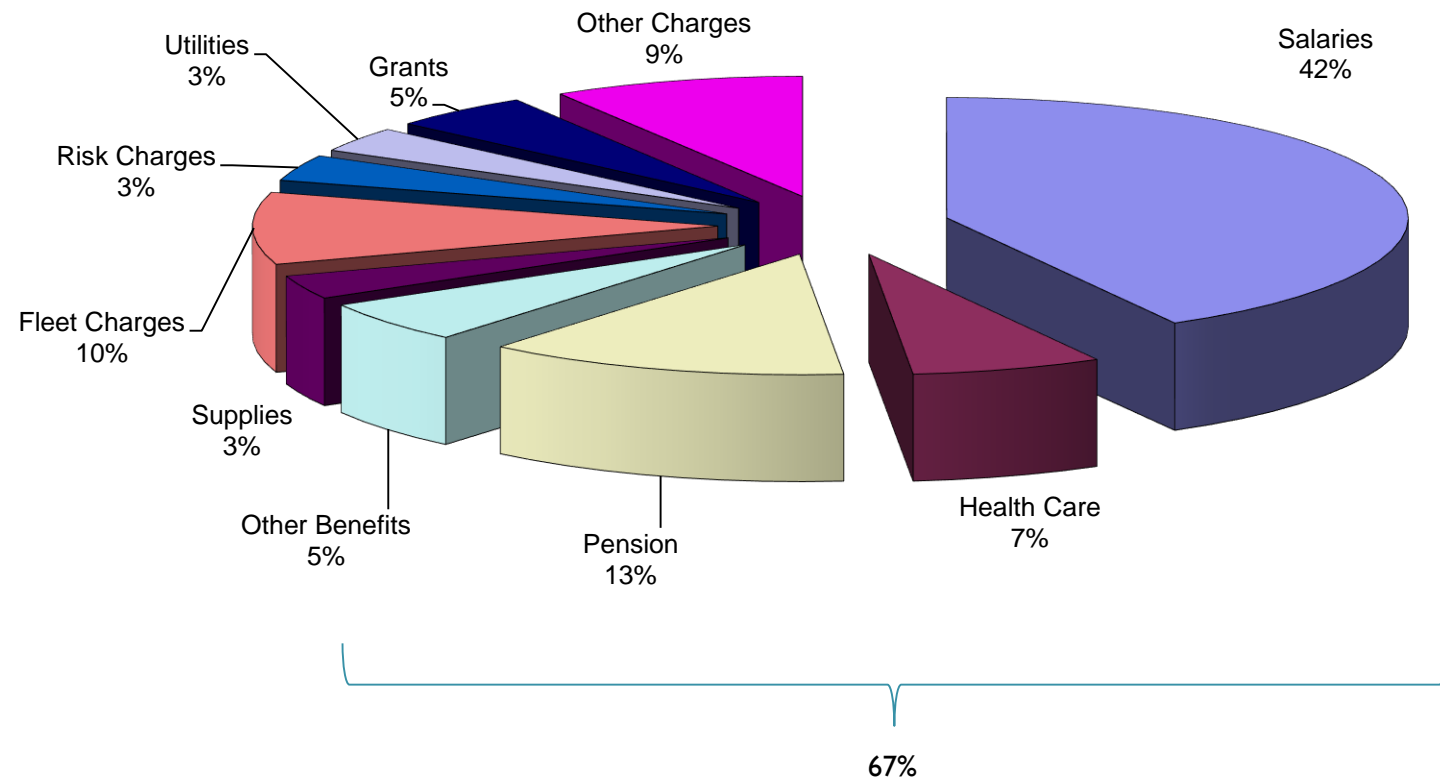


General Fund Revenues



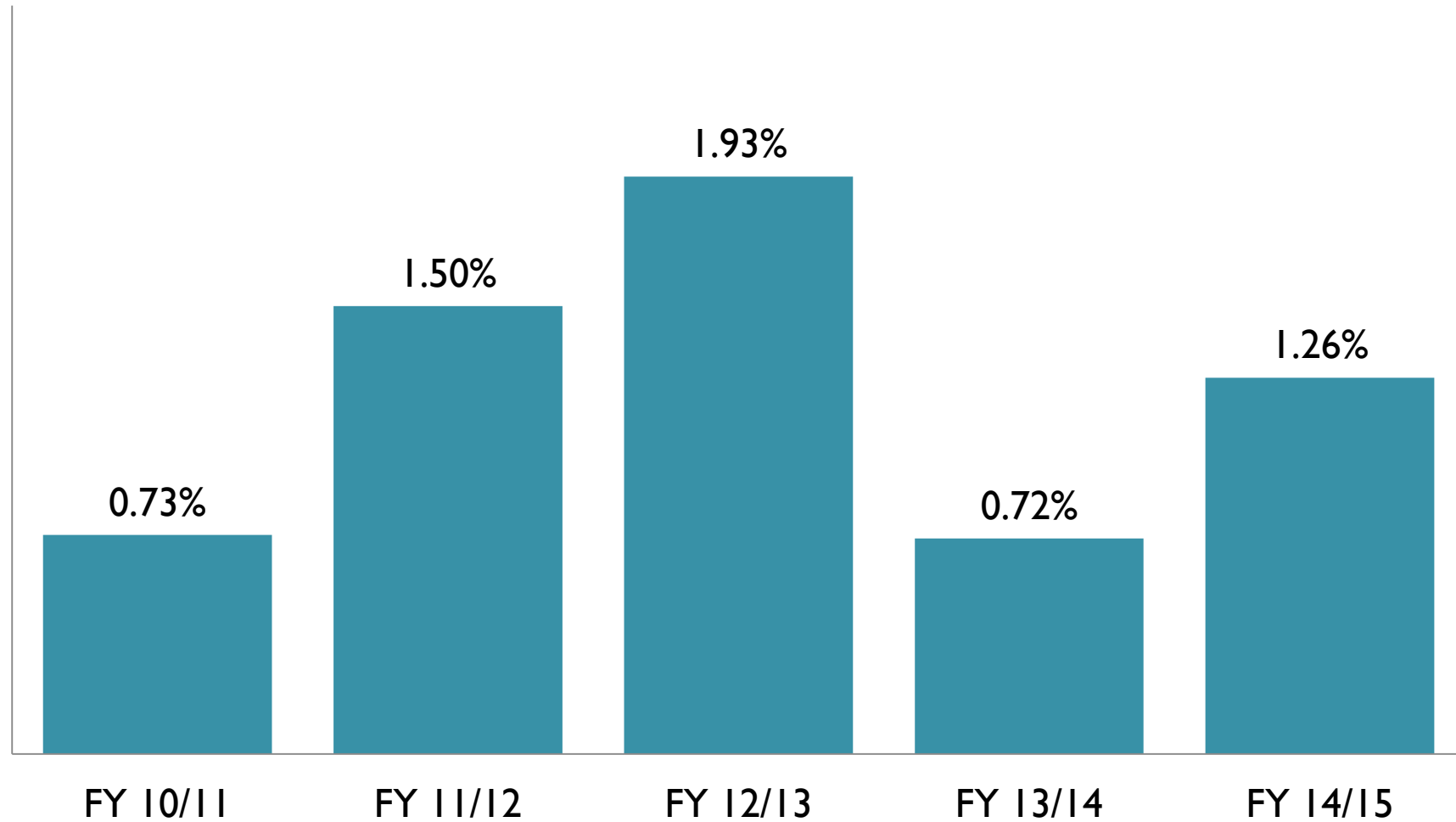


General Fund Expenditures



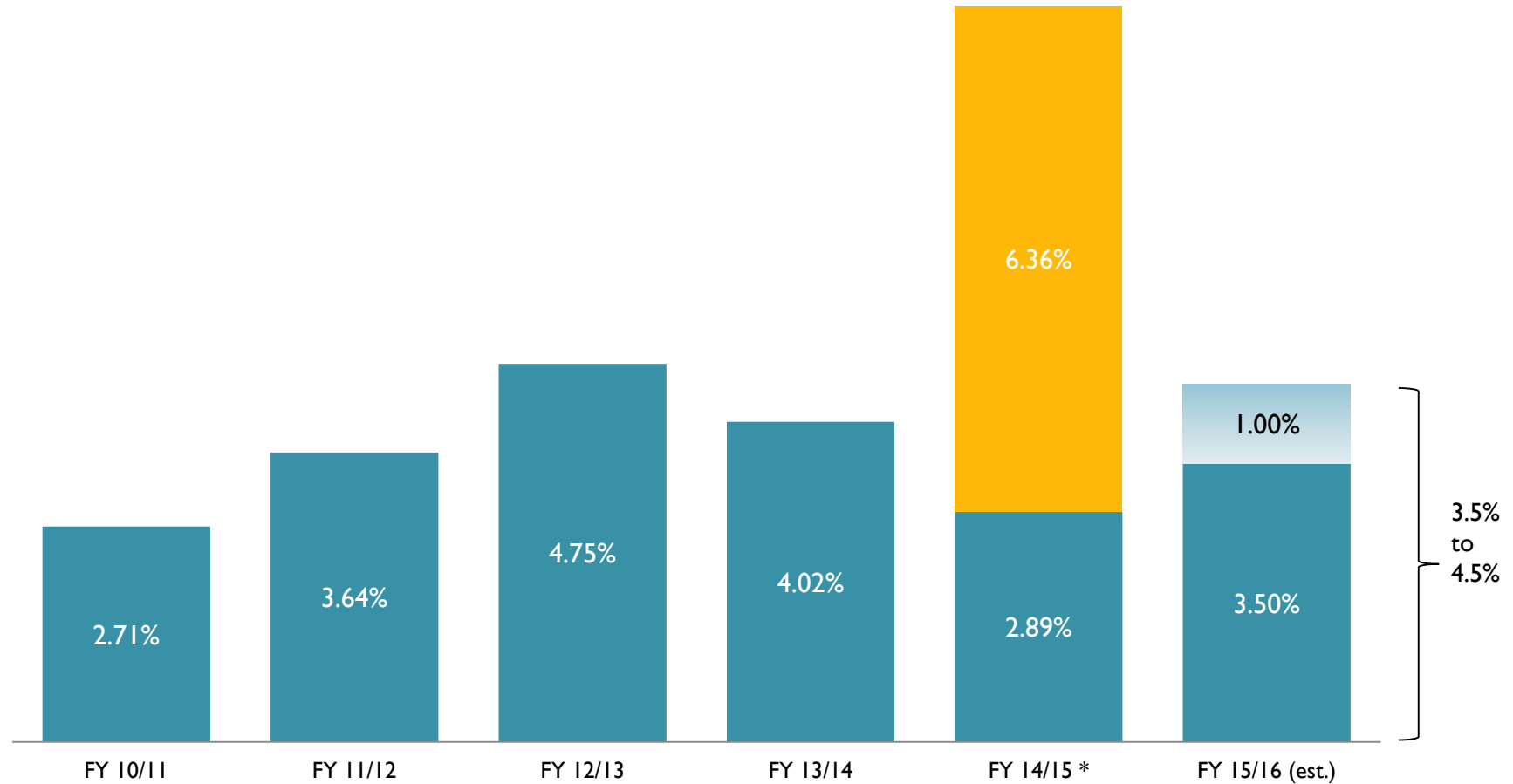


Growth in Real Property Values





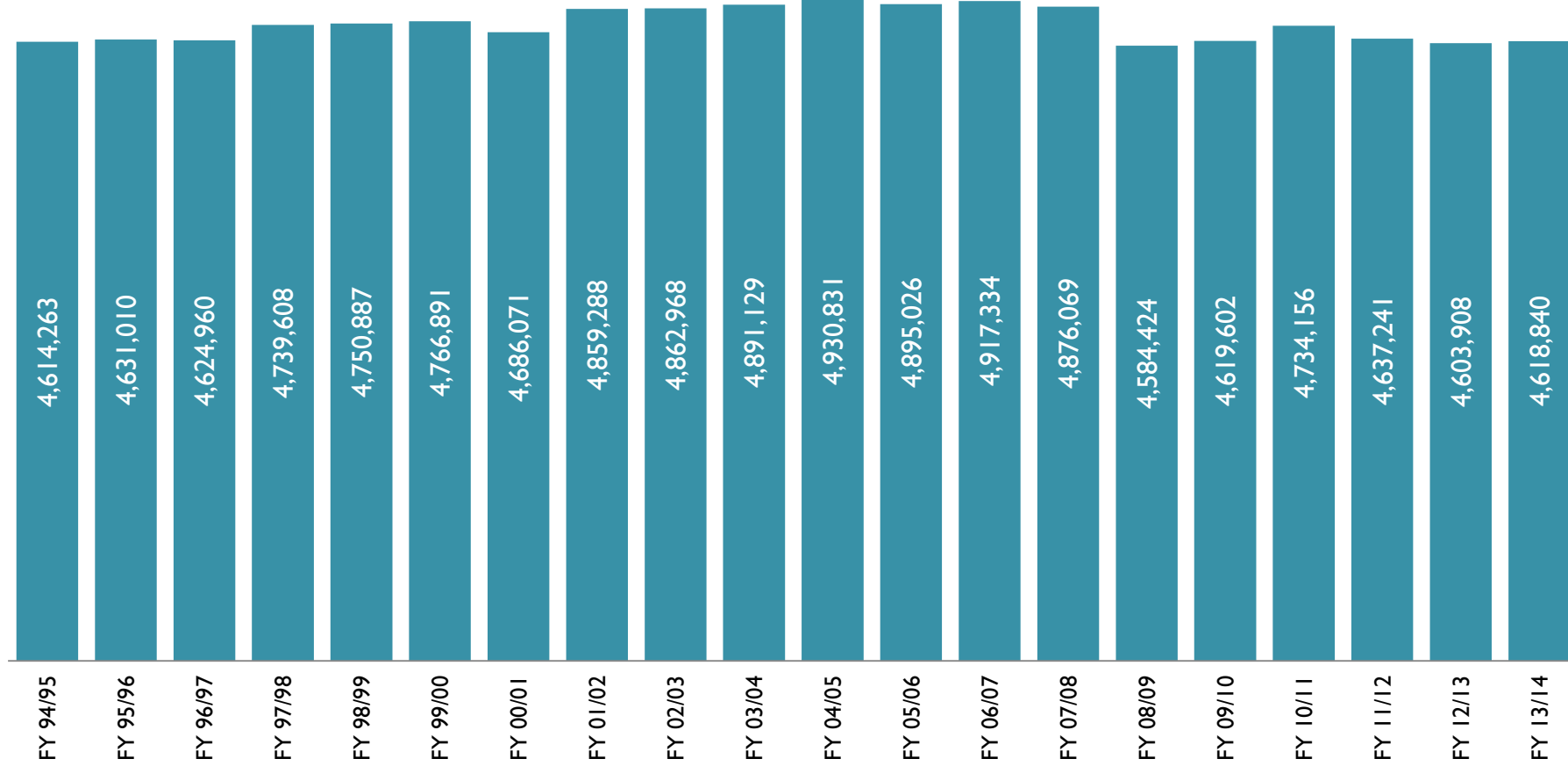
Growth in Personal Services



* FY 14/15 reflects a reduction in the pension discount rate from 8% to 7.375%. This action was taken to reduce risk and lower volatility of the investments. The result of this action is a one time increase in the base for pension costs.

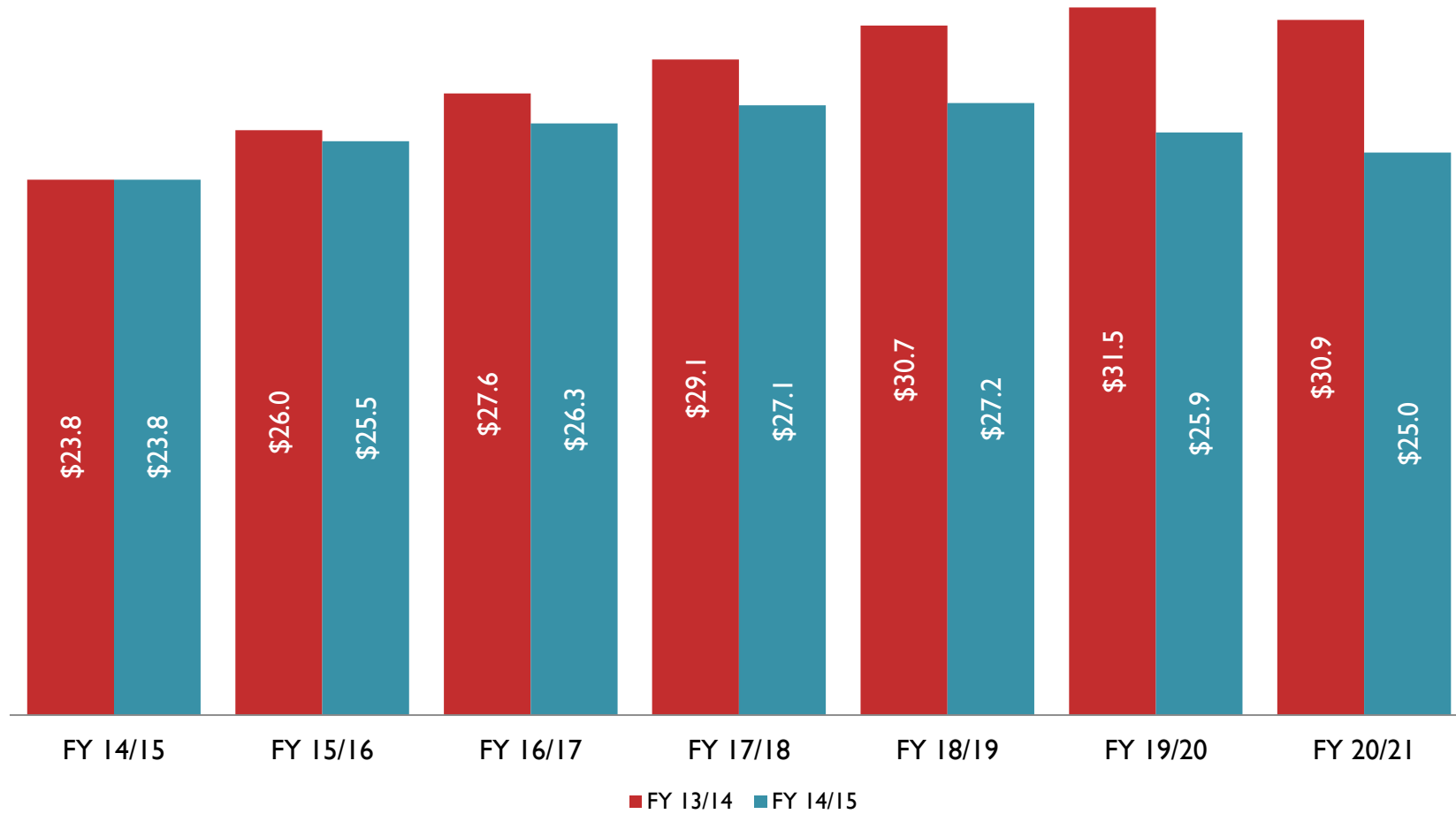


State Shared Gas Tax





Estimated Pension Costs



In \$ Millions



2015/16 Budgetary Factors

- Lower Fuel Costs
- Lower Business Tax Collections
- Cost of Living Adjustments
- Higher Pension Contributions
- Higher Health Care Costs
- Potential Federal/State Cuts
- Limited New Growth in Real Property

Budget Retreat – Part I

Financial Update

QUESTIONS

