

**City Manager's Proposed
Fiscal Year 2014 2015 Budget**



M E M O R A N D U M
Office of Management and Budget

TO: Robert L. Garza, City Manager
FROM: Dick Gebhart, Budget Manager *Dick*
DATE: April 14, 2014
SUBJECT: April 21, 2014 Work Session on Proposed FY15 Budget

The April 21nd Council work session on the City Manager's proposed FY15 budget, the presentation will cover:

- Economic Outlook
- Total Budget Overview
- Proposed General Fund Budget
- Funded Capital Projects

Pc: Mark Winson, ACM-CAO *MW*



PROPOSED

Budget

Fiscal Year 2014-2015

Las Cruces . New Mexico

City Manager's Proposed Budget

City Council
Work Session
April 21, 2014



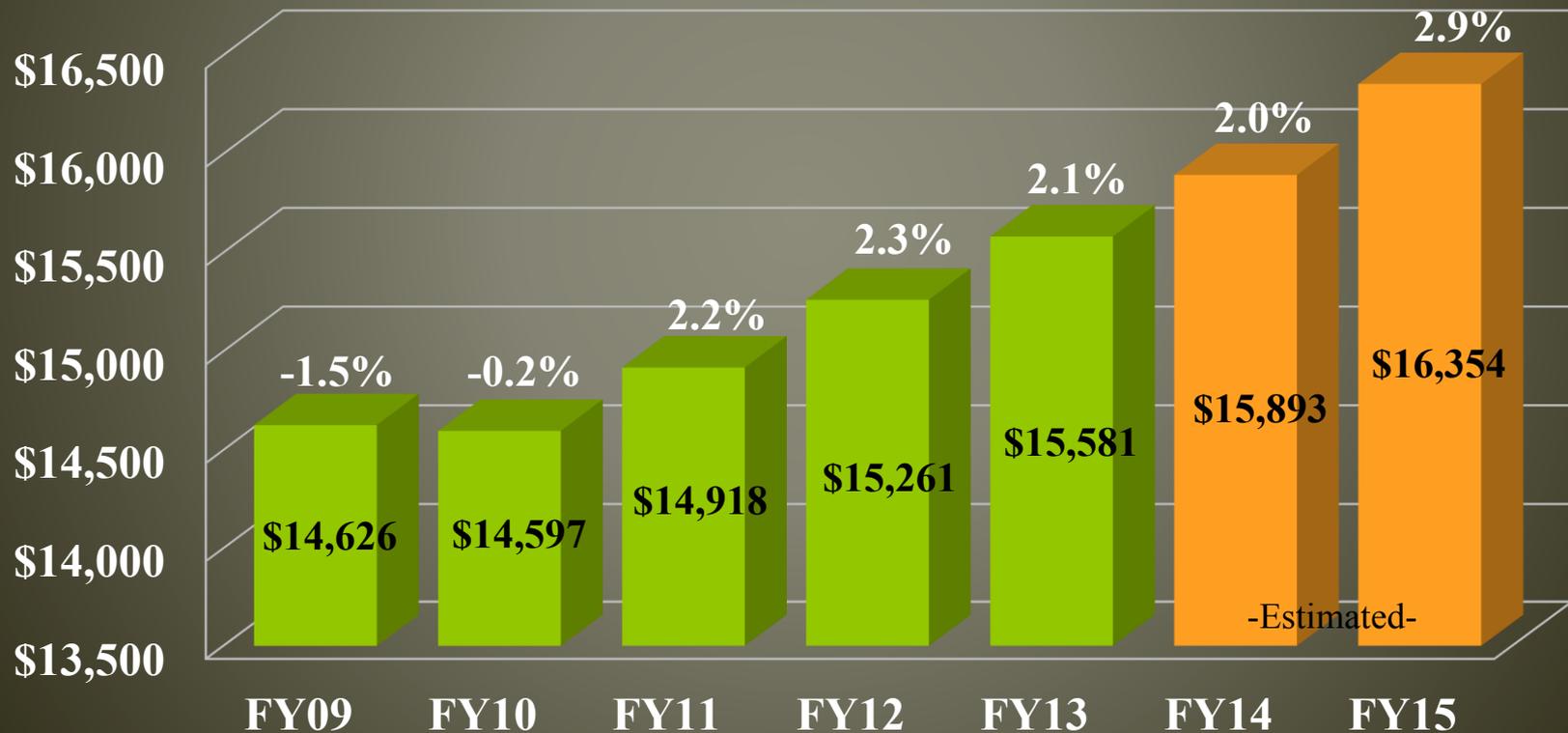
Topics Covered

- Economic Outlook
- Total Budget Overview
- Proposed General Fund Budget
- Funded Capital Projects

United States Economic Outlook

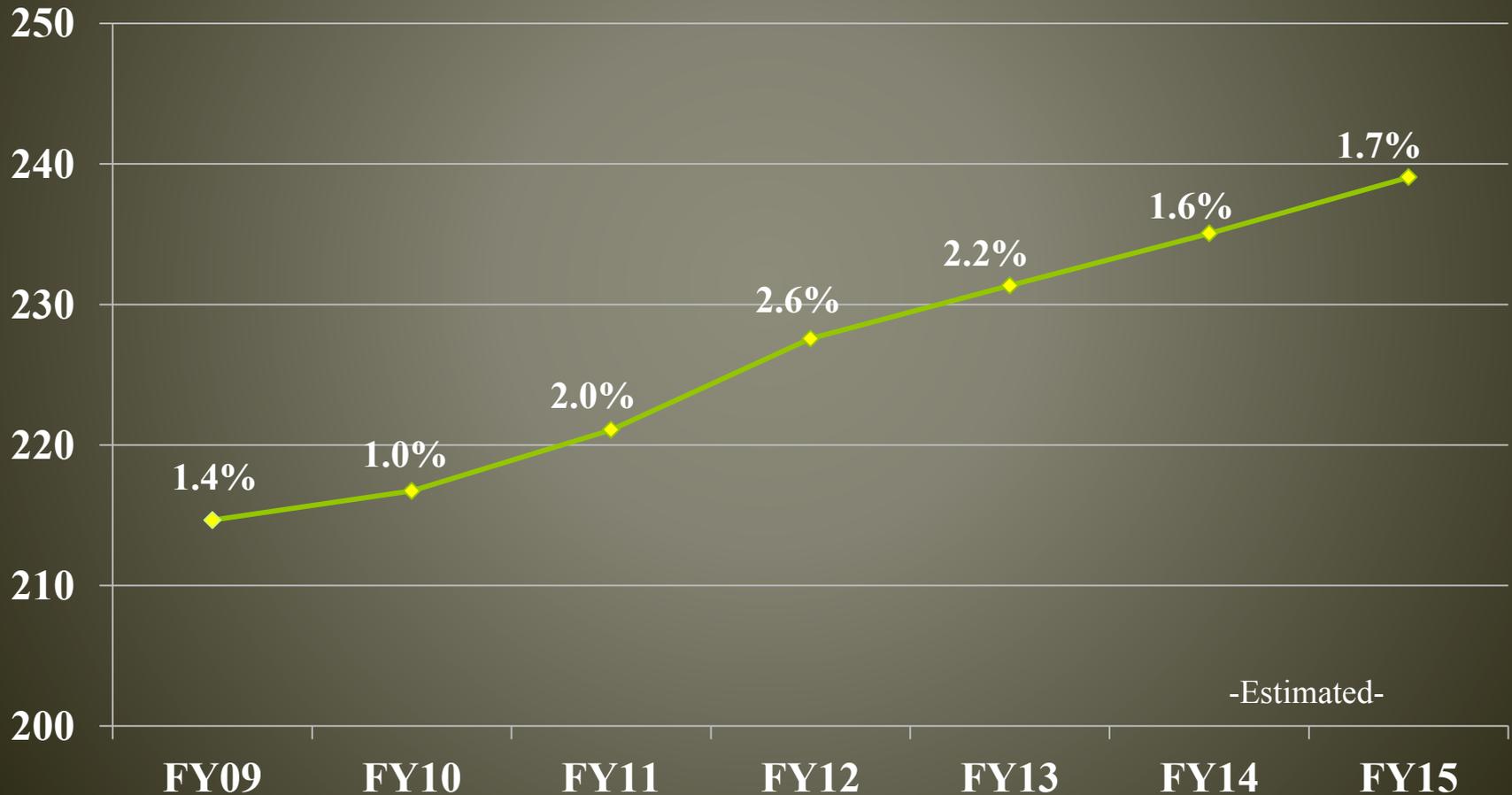
Real Gross Domestic Product in Billions, with Percent Change from Previous Year

■ Actual ■ Estimate



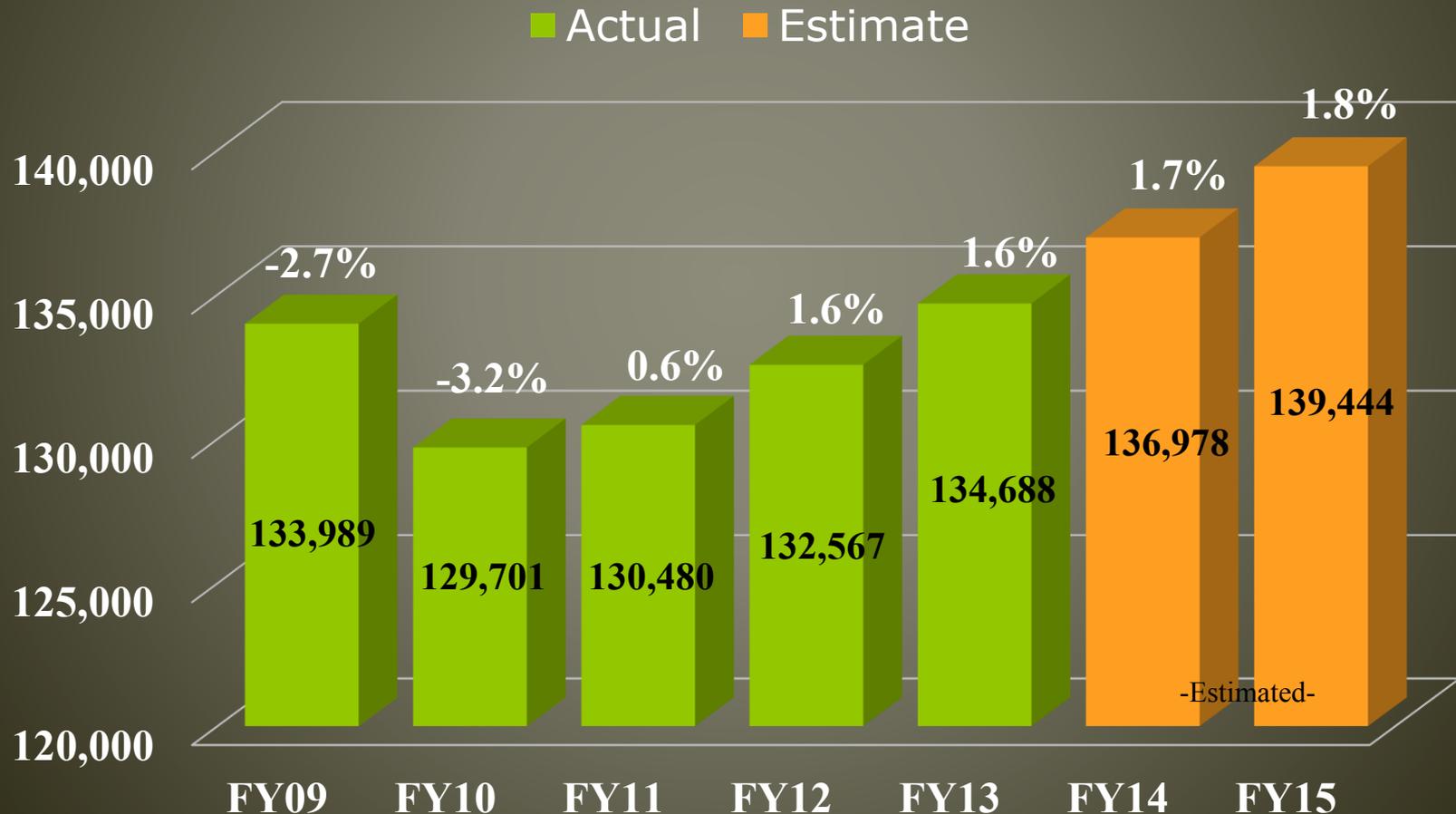
United States Economic Outlook

Inflation as Measured by U.S. CPI-U



United States Economic Outlook

Non-Agricultural Employment In Thousands, with Percent Change from Previous Year



Las Cruces Employment

Non-Agricultural Wage & Salary Growth - MSA

■ Actual ■ Estimate



Las Cruces Economic Outlook

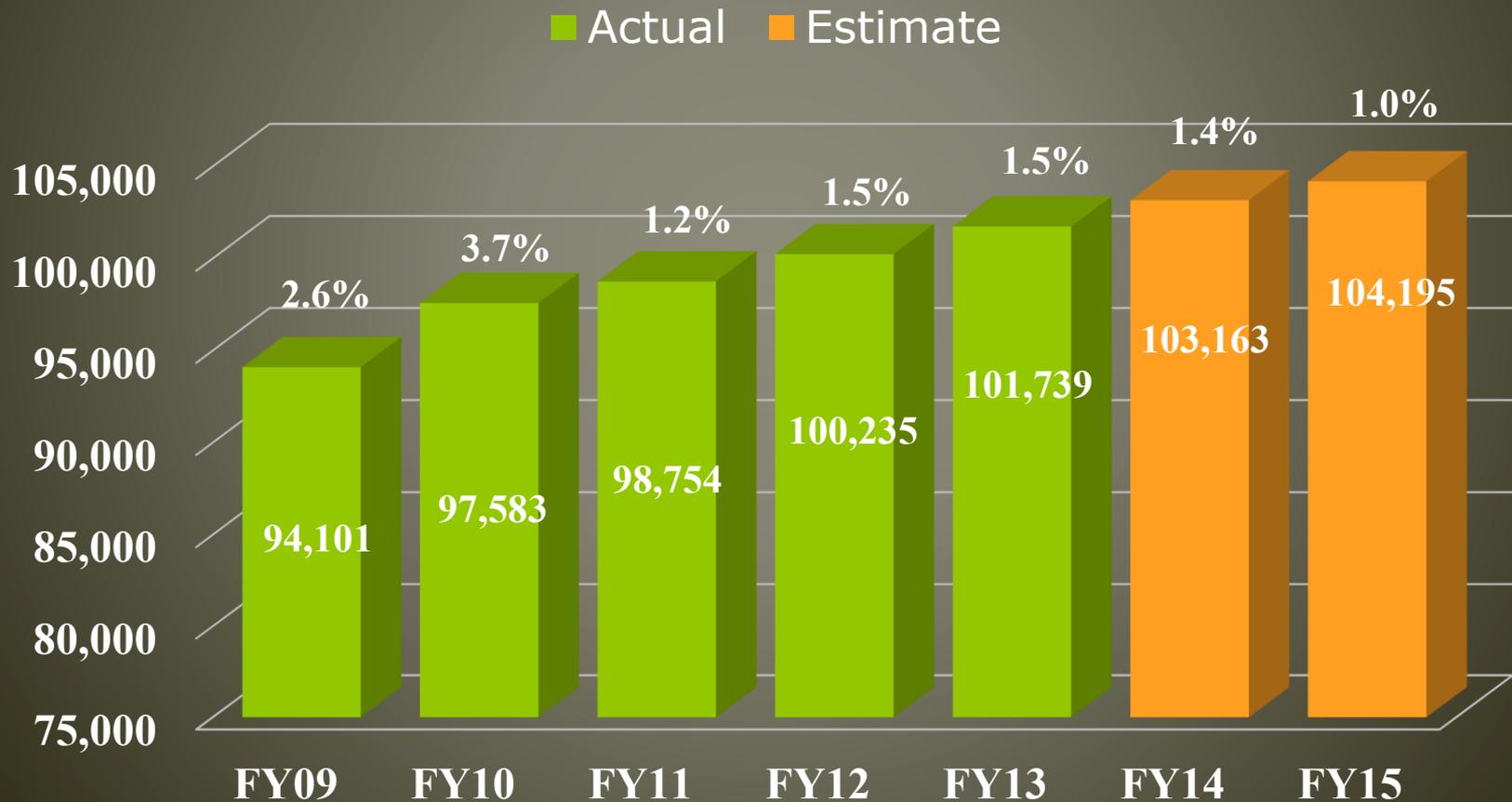
Total Permitted Valuation In Millions, with Percent Change from Previous Year

■ Actual ■ Estimate



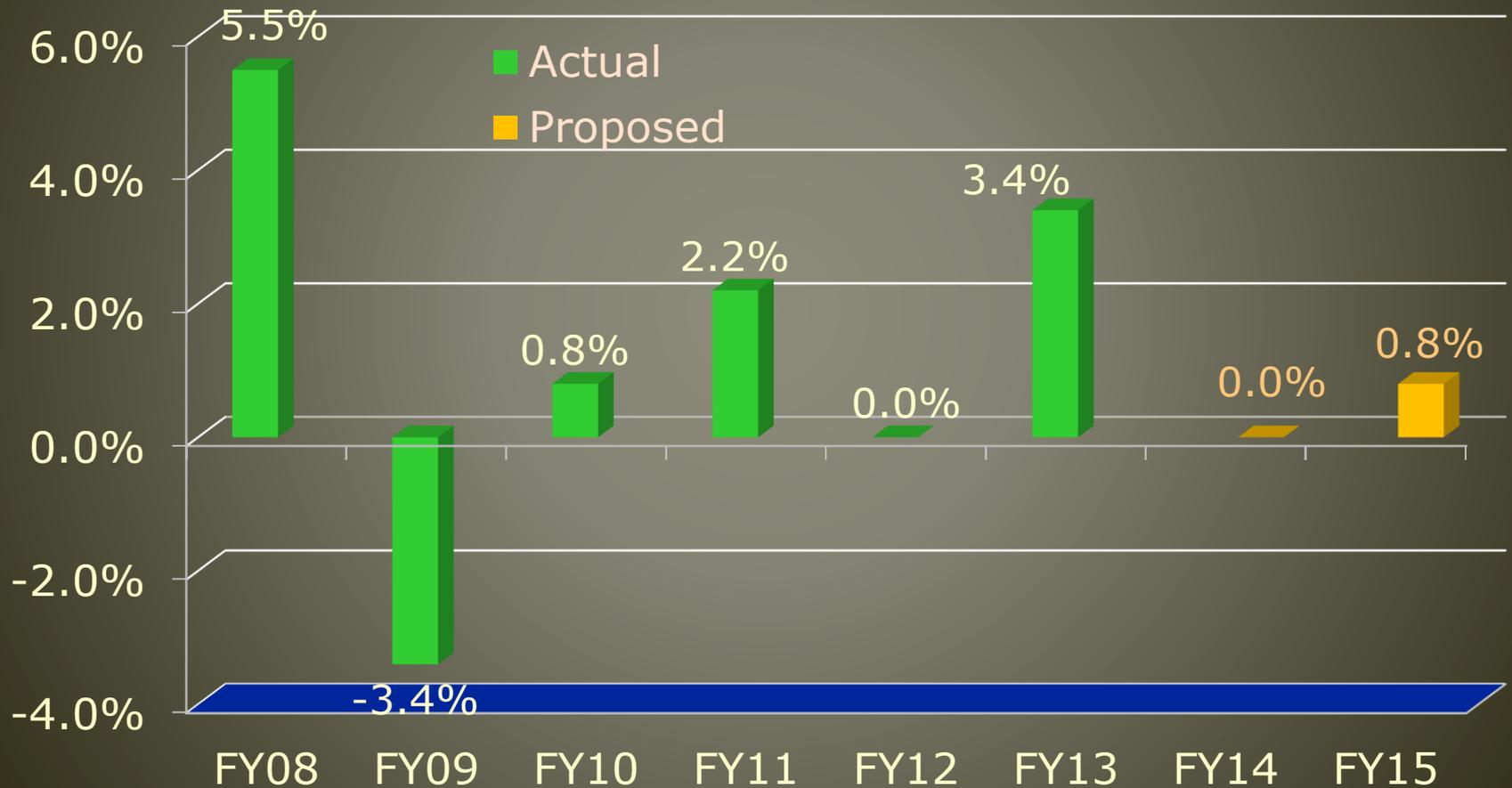
Las Cruces Population

With Percent Change from Previous Year



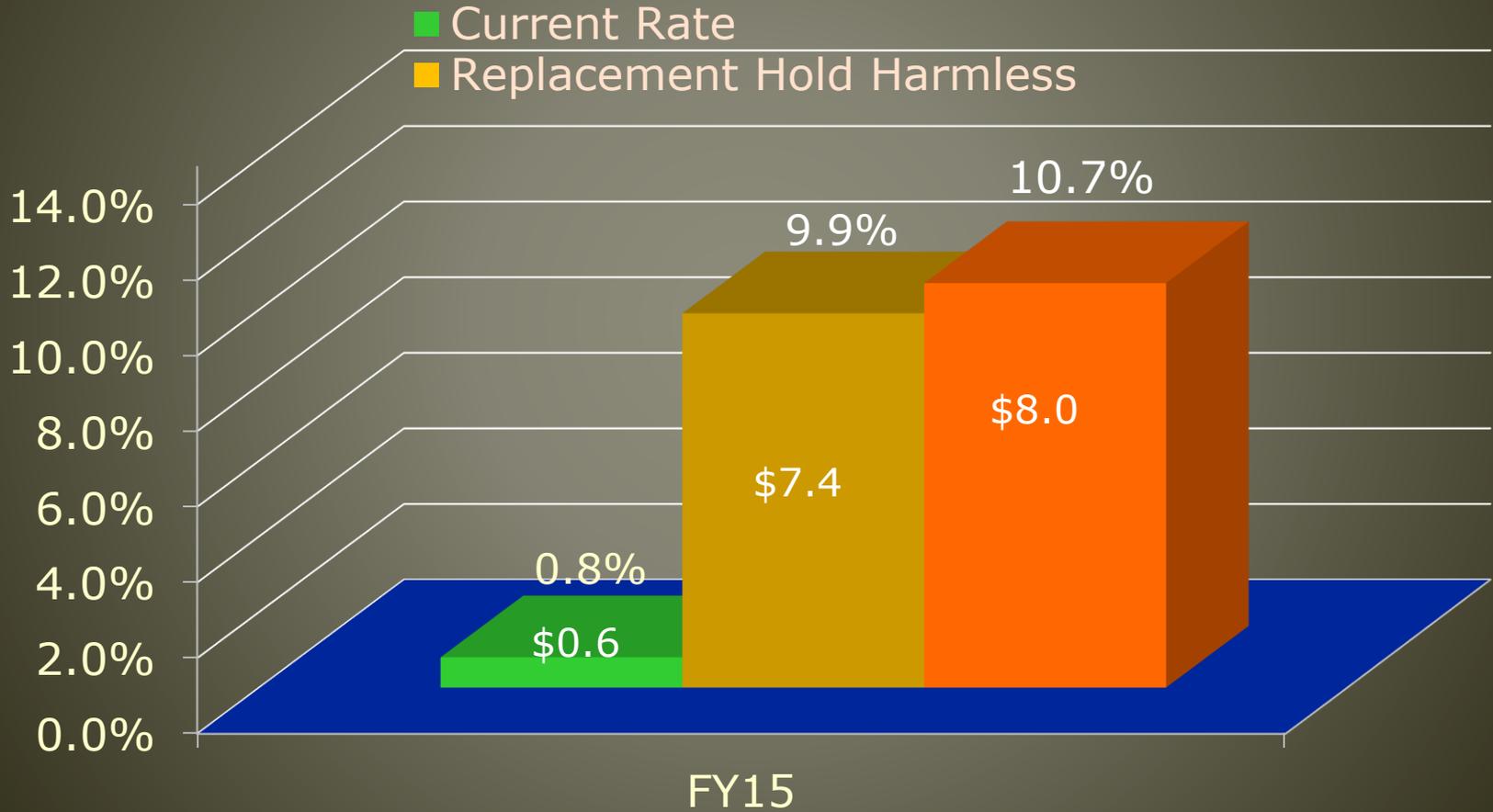
Las Cruces Revenue Outlook

Las Cruces Total Gross Receipts Tax – Excludes Replacement Hold Harmless



Las Cruces Revenue Outlook

Las Cruces FY15 Total Gross Receipts Tax Change - Dollars Millions



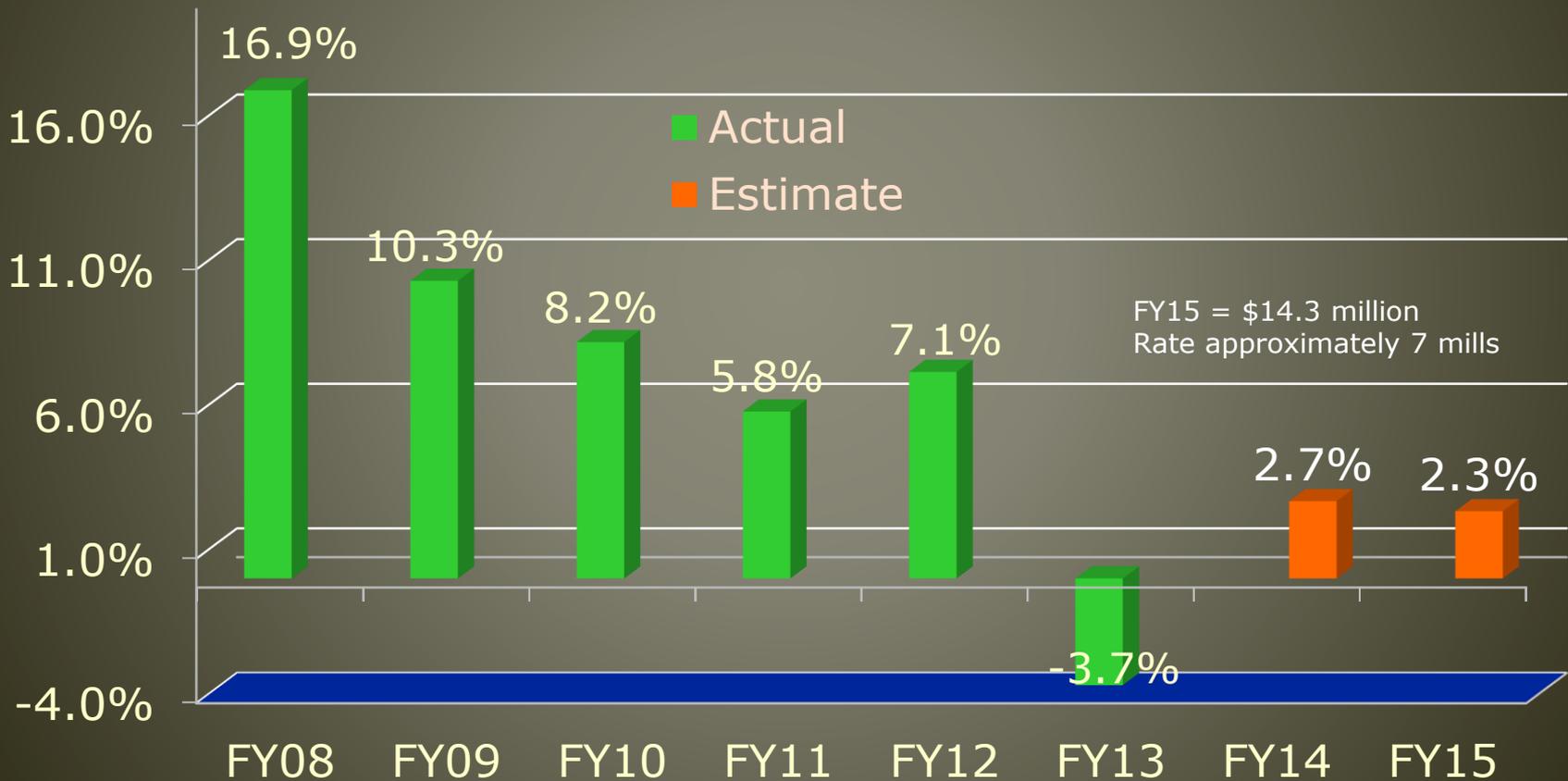
Las Cruces Revenue Outlook

Las Cruces Total Gross Receipts Tax – Includes Replacement Hold Harmless (FY15 City imposed rate = 1.5625% +.375% = 1.9375%)



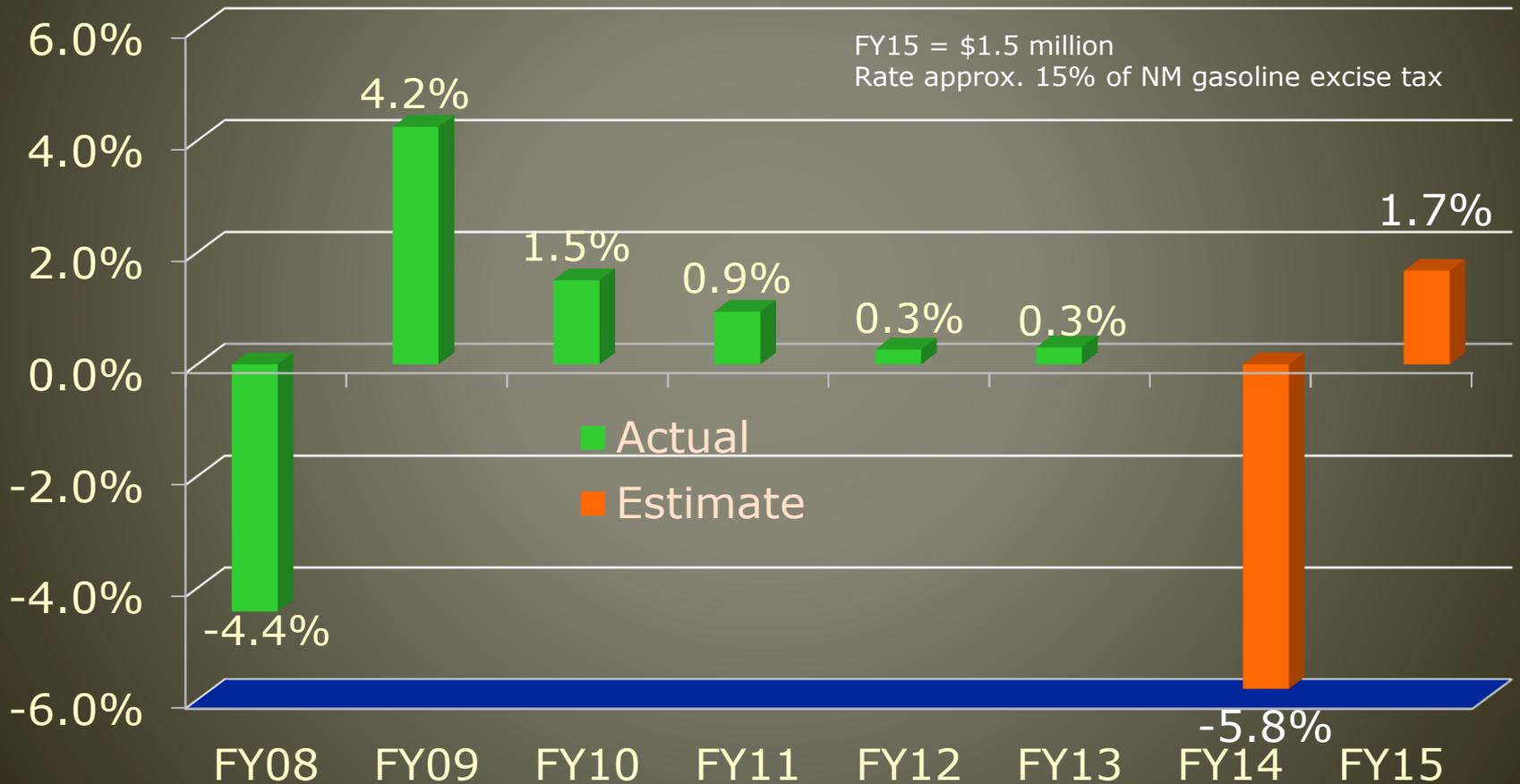
Las Cruces Revenue Outlook

Las Cruces Total Property Tax Receipts



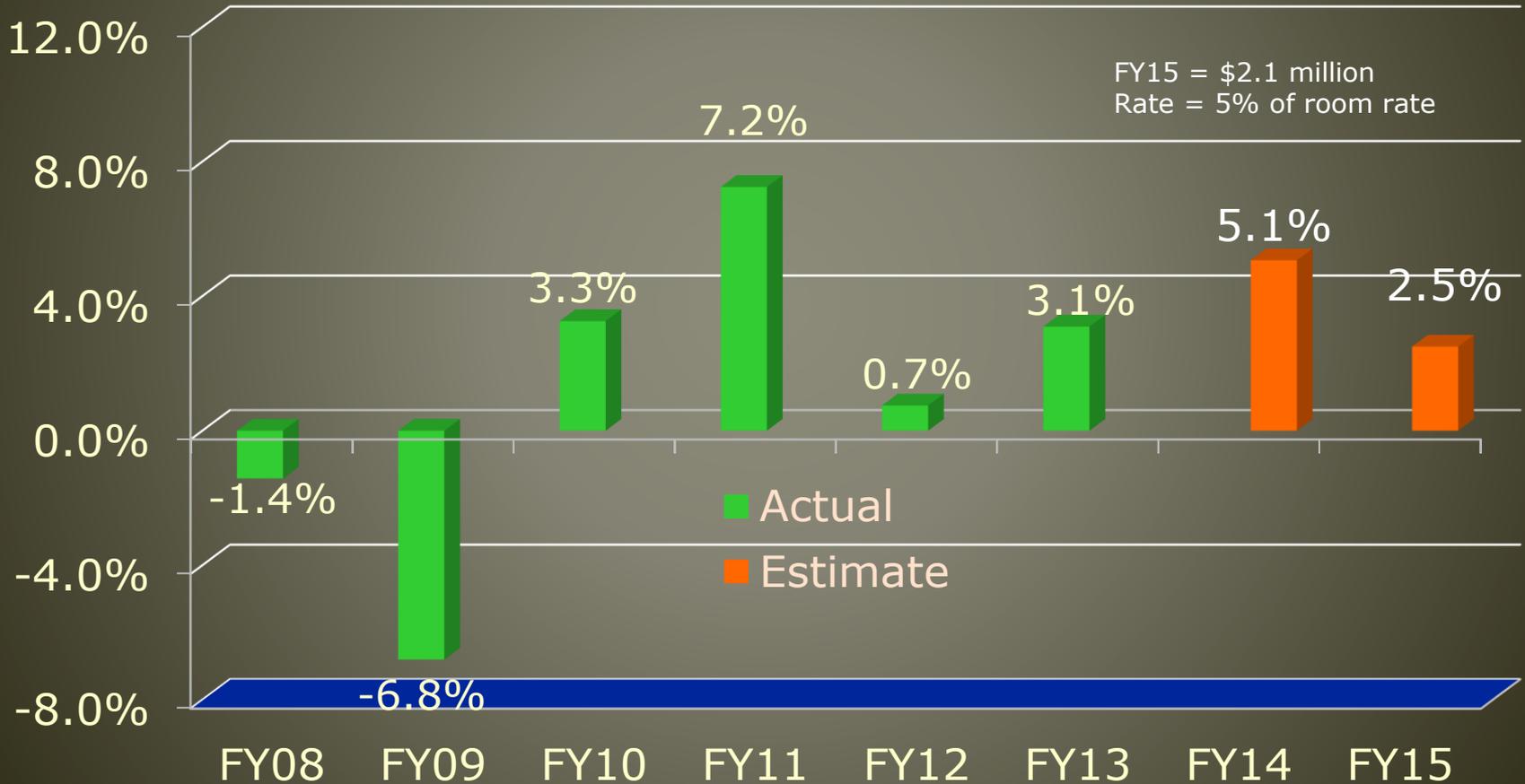
Las Cruces Revenue Outlook

Las Cruces Total Gas Tax Receipts



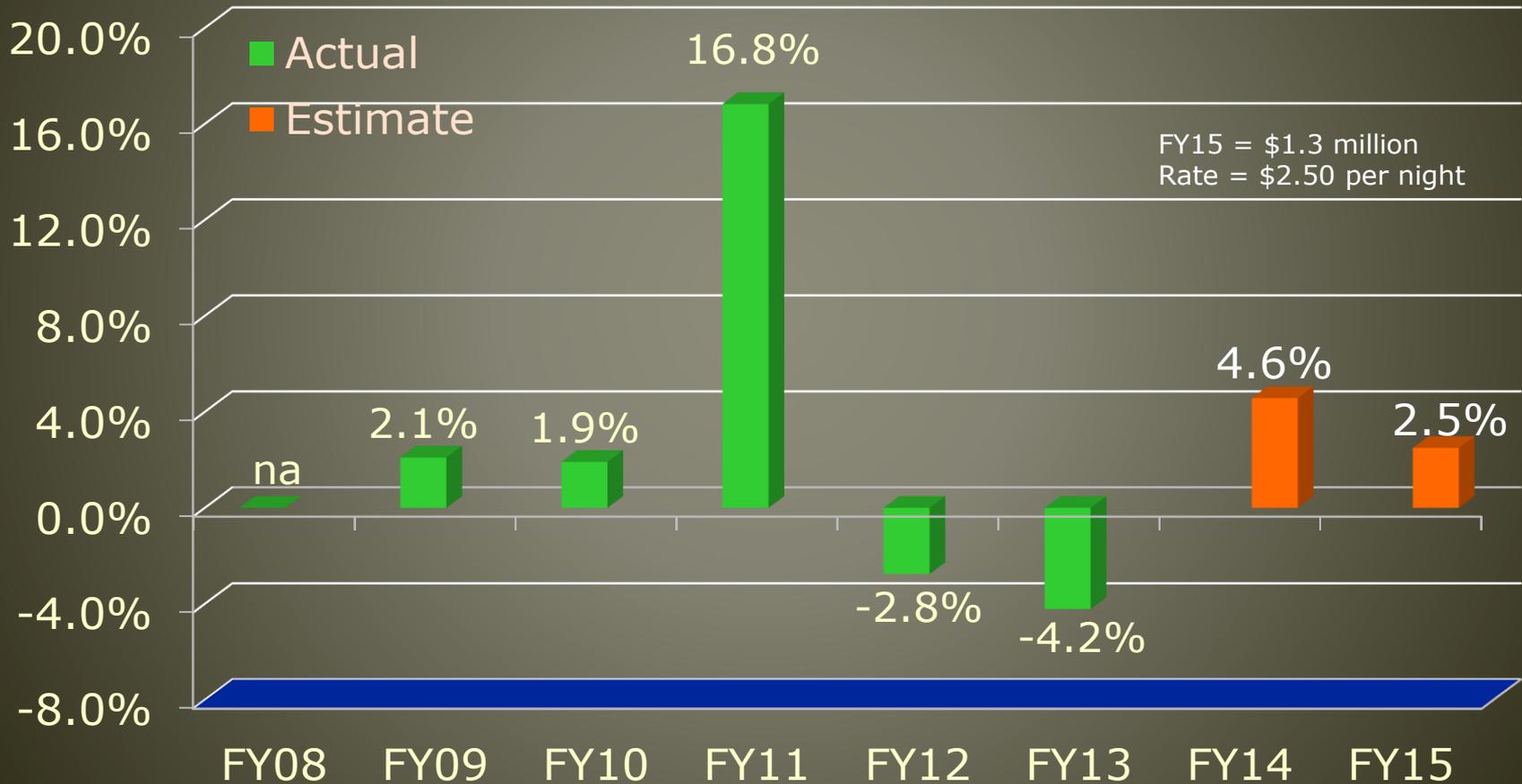
Las Cruces Revenue Outlook

Las Cruces Lodgers Tax Receipts



Las Cruces Revenue Outlook

Las Cruces Convention Center Fee

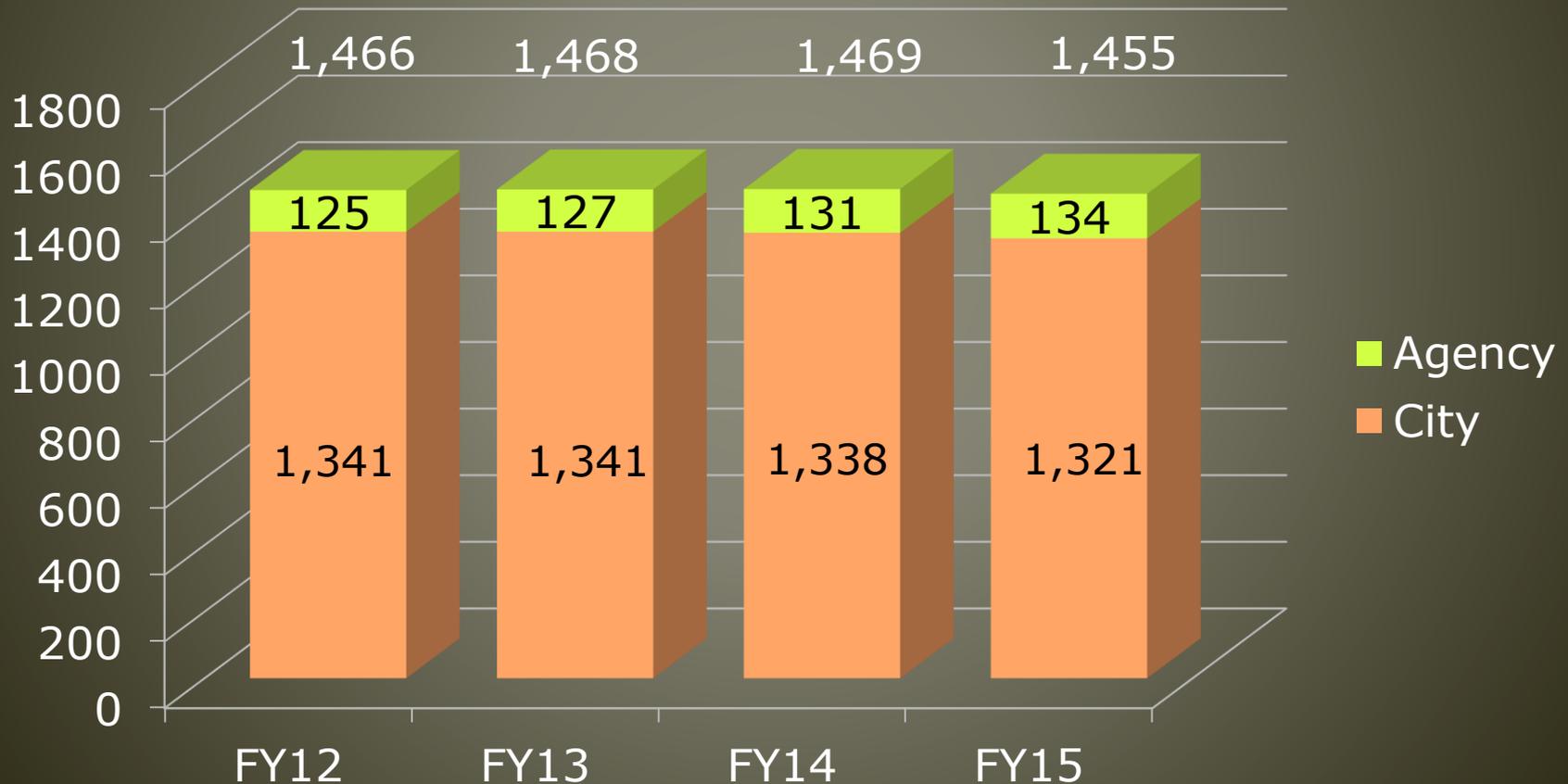


FY15 Total Budget

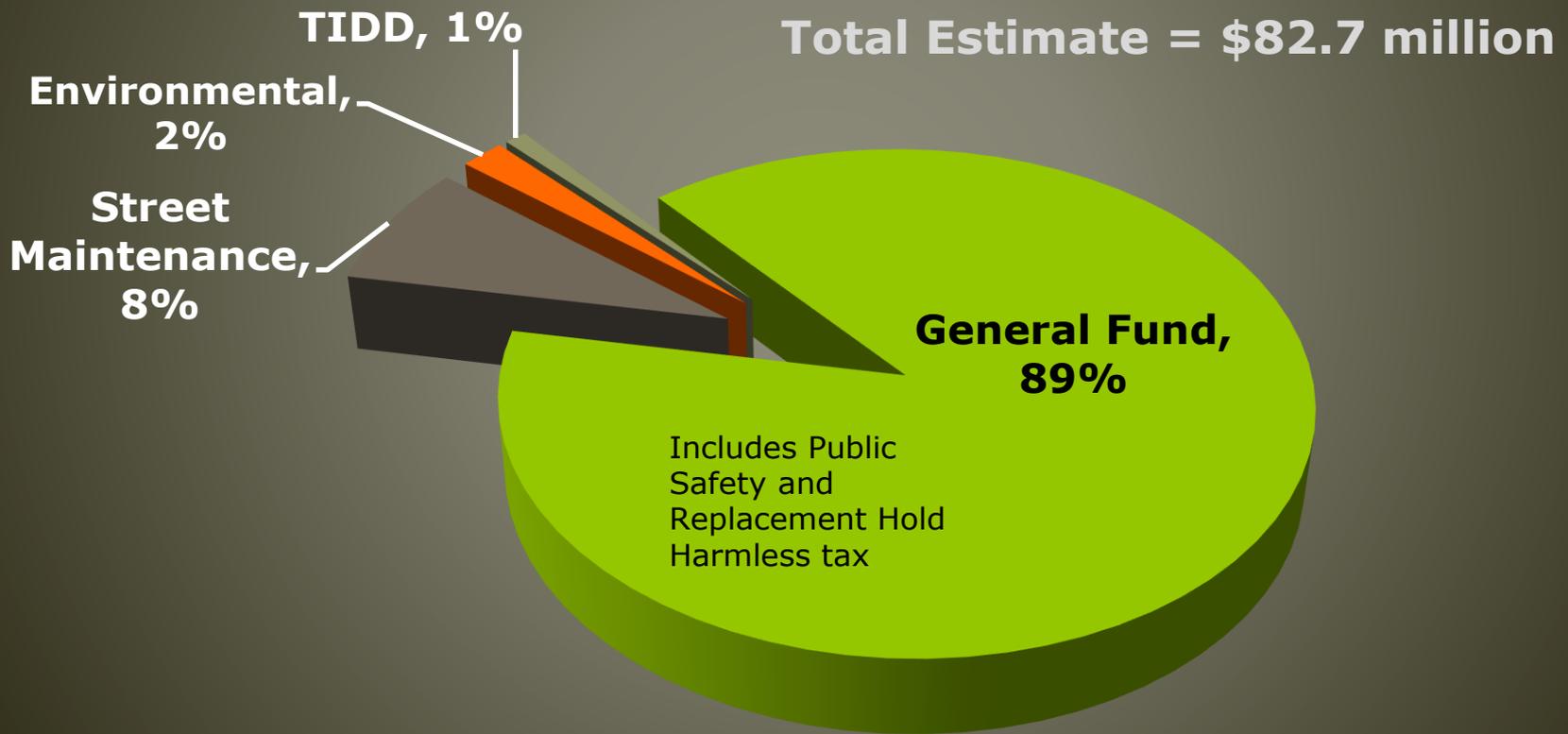
Dollars Millions

| <u>Fund Type</u> | <u>FY15</u> | <u>FY14</u> | <u>Change</u> |
|---------------------|----------------|----------------|-----------------|
| • General | \$91.4 | \$86.6 | \$4.8 |
| • Special Rev. | \$20.7 | \$26.2 | (\$5.5) |
| • Debt Service | \$17.9 | \$19.3 | (\$1.4) |
| • Capital Projects | \$42.0 | \$47.8 | (\$5.8) |
| • Enterprise | \$71.8 | \$73.8 | (\$2.0) |
| • Internal Service | <u>\$10.3</u> | <u>\$11.1</u> | <u>(\$0.8)</u> |
| • City Total | \$254.1 | \$264.8 | (\$10.7) |
| • Agency | <u>\$15.7</u> | <u>\$15.6</u> | <u>\$0.1</u> |
| • Total | \$269.9 | \$280.4 | (\$10.5) |

Full-Time Budgeted Positions

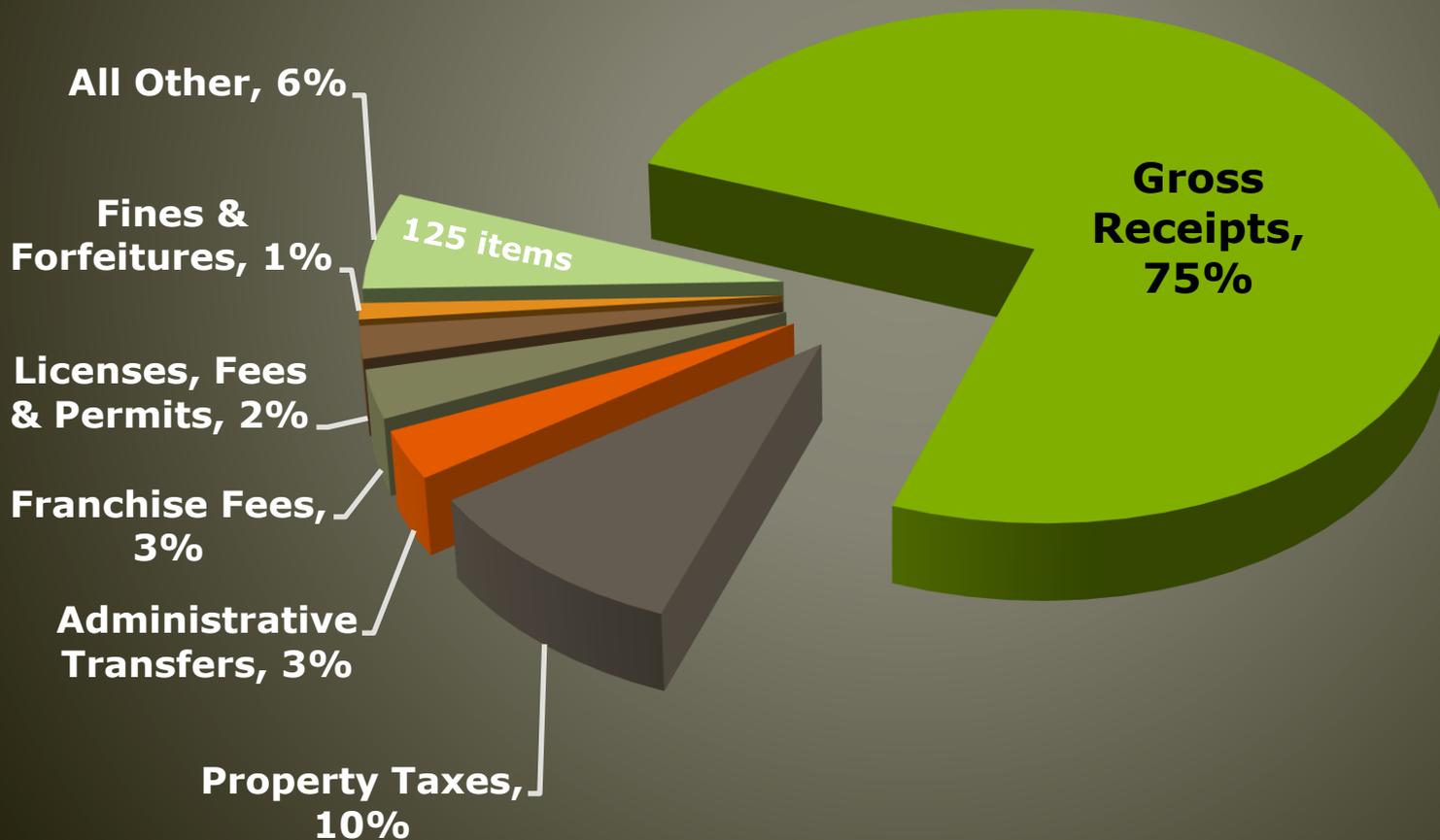


Gross Receipts Tax Distribution - FY15



Major General Fund Revenues FY15

Total Estimate = \$97.8 million



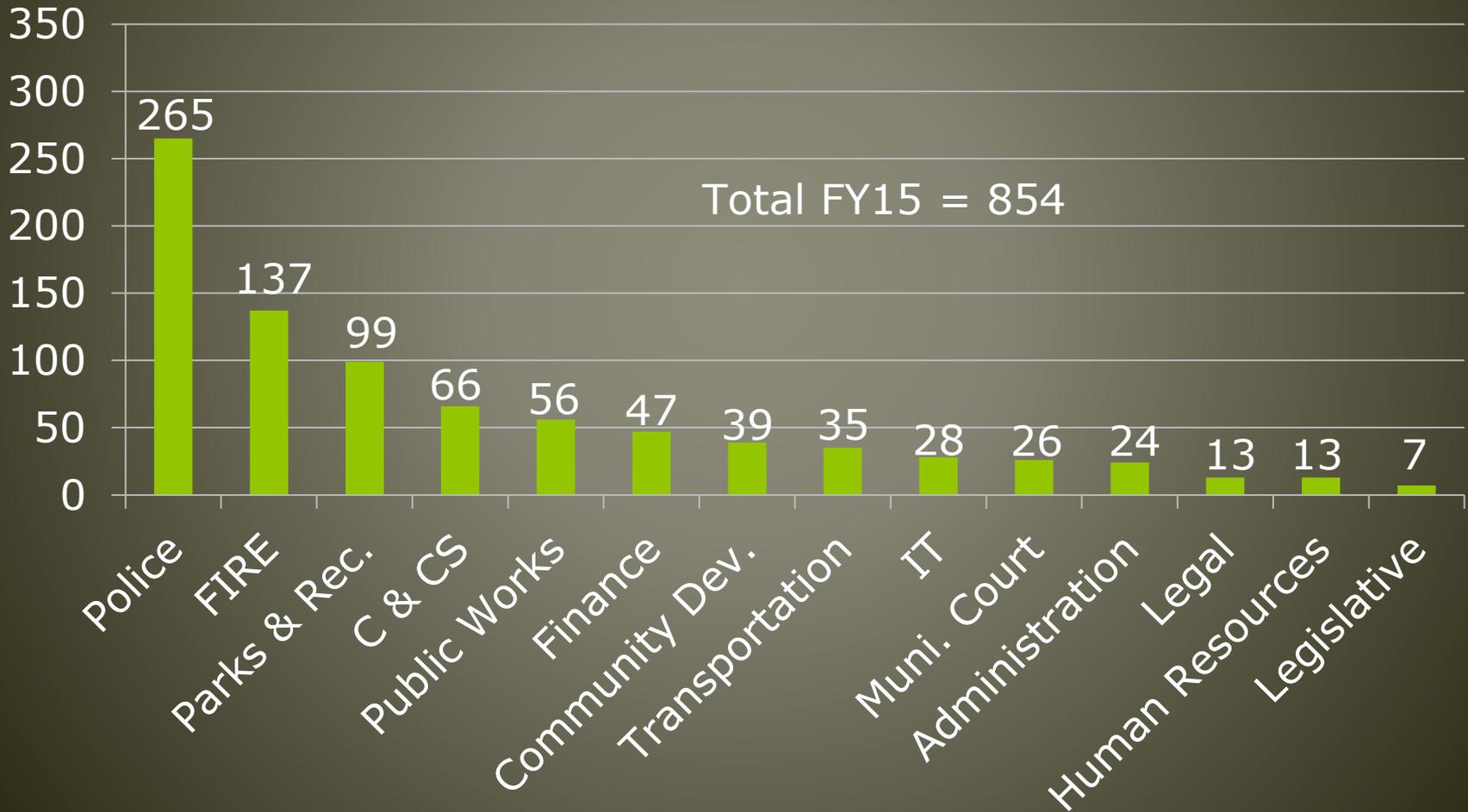
General Fund Revenue Components

| <u>Category</u> | <u>FY14</u> | <u>FY15</u> | <u>Change</u> |
|----------------------------|--------------|--------------|----------------|
| Gross Receipts | \$62.3 | \$62.8 | \$0.5 |
| <i>Repl. Hold Harmless</i> | <i>na</i> | \$7.4 | \$7.4 |
| <i>Public Safety</i> | <i>na</i> | \$3.3 | \$3.3 |
| Property Tax | \$9.9 | \$10.2 | \$0.3 |
| Admin. Trans | \$3.1 | \$3.2 | \$0.1 |
| Franchise Fees | \$2.8 | \$2.9 | \$0.1 |
| Lic., Fees, Permits | \$1.6 | \$1.6 | \$0.0 |
| Fines & For. | \$0.8 | \$0.8 | \$0.0 |
| All Other | <u>\$8.3</u> | <u>\$5.7</u> | <u>(\$2.6)</u> |
| Total | \$88.8 | \$97.8 | \$9.1 |

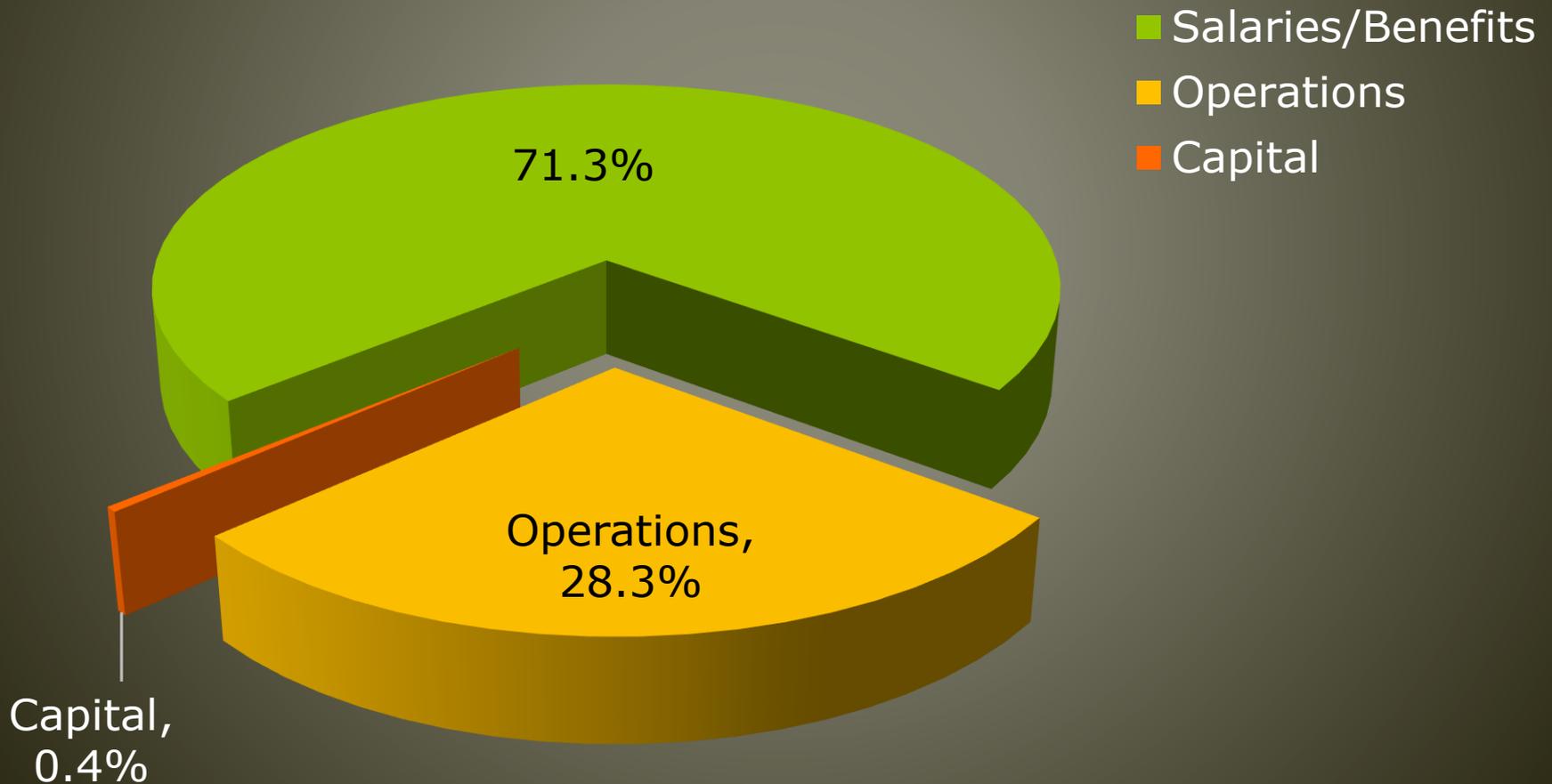
FY15 Replacement Hold Harmless and Public Safety GRT

- Public Safety GRT – \$3.3 million, rate = .125%
 - New to the General Fund
 - Not a new tax – Enacted in 2002 – Dedicated to PS
 - Appropriated to Police (67%) & FIRE (33%)
 - Change consolidates budgeting for PD & FIRE into the GF
- Replacement Hold Harmless GRT - \$7.4 million 10 mos. Rate = .375%
 - New to the GF and New revenue - Effective July 1, 2014
 - Funds set aside ,no new spending proposed in budget
 - Vehicle Acquisition \$3.5
 - Facilities Improvement \$2.0
 - Economic Development \$1.0
 - Administration Cost Tax & Rev \$0.2
 - General Fund Reserve \$0.7

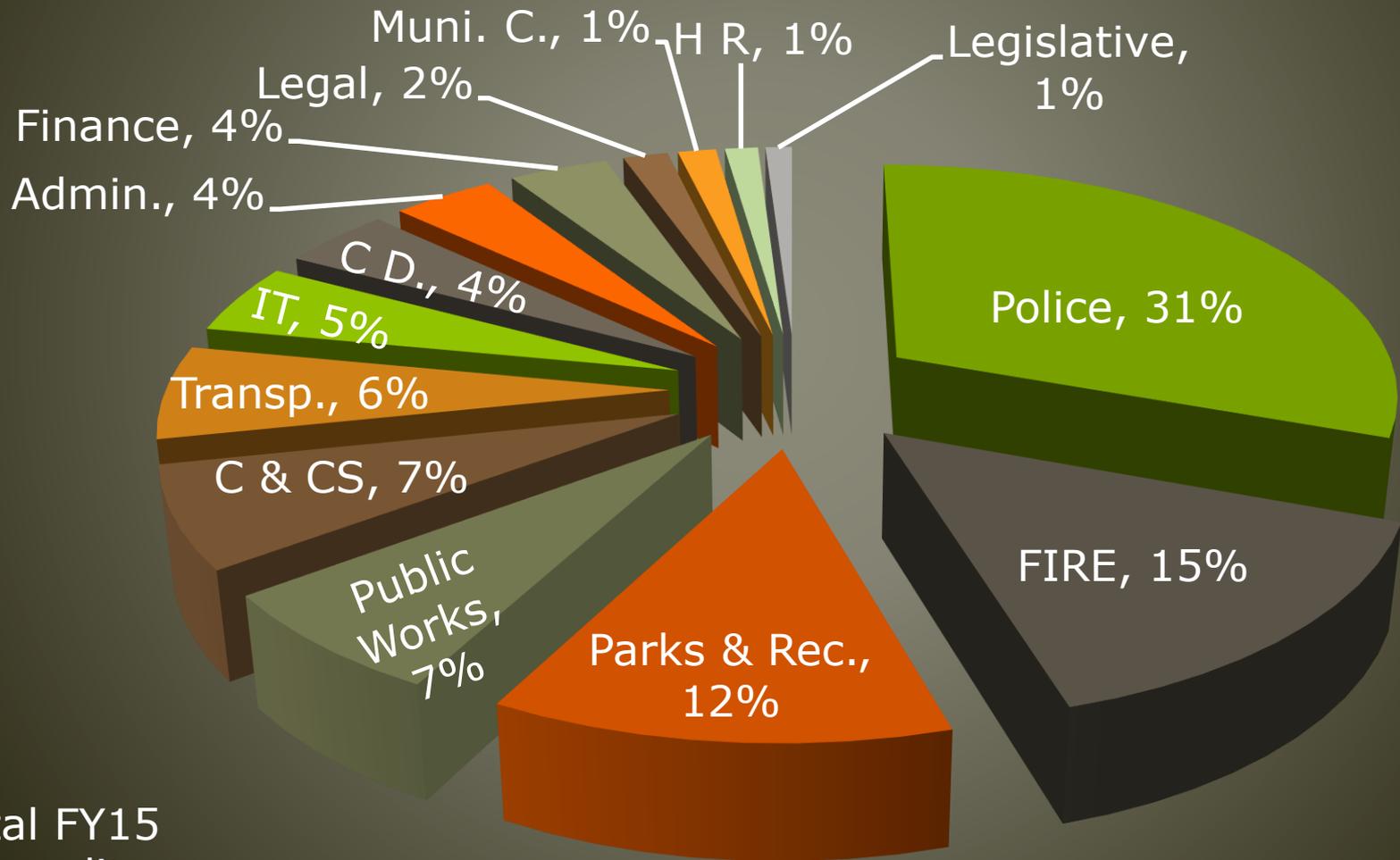
FY15 General Fund Full Time Budgeted Positions



Department FY15 General Fund Expenditures



FY15 General Fund Department Expenditures



Total FY15
Expenditure
\$79.9 Million

New Initiatives

Department

- Community Development
- Community & Cultural Services
 - Services
- Parks & Recreation

Initiatives

- Electronic Plan Review & Comp Plan 2040 public participation/project development
- Improve coverage & hours of operations at Museums
- Enhance Teen/After School/Young Adult programs plus Improve Athletic Fields/Playground Safety/Urban Forestry

New Initiatives-continued

Department

- Public Works
- Transportation

Initiatives

- Building maintenance systems plus prioritization of “dirt roads”
- Improve street maintenance & flood control

Vehicle Replacement

Dollars Thousands

| <u>Department</u> | <u>Number</u> | <u>Costs</u> |
|-------------------|---------------|----------------|
| Administration | 1 | \$29 |
| Transportation | 3 | \$167 |
| Parks & Rec. | 7 | \$270 |
| Public Works | 1 | \$31 |
| Police | 24 | \$920 |
| FIRE | <u>2</u> | <u>\$73</u> |
| Total | 38 | \$1,490 |

Proposed FY15 General Fund Summary

(Dollars Millions)

| | <u>Proposed</u> |
|---------------------|-----------------|
| Beginning Balance | \$22.5 |
| Revenue | \$97.8 |
| Expenditures | \$104.1 |
| Ending Balance | \$16.2 |
| Required 1/12 | \$ 8.1 |
| Un-Reserved Balance | \$ 8.1 |

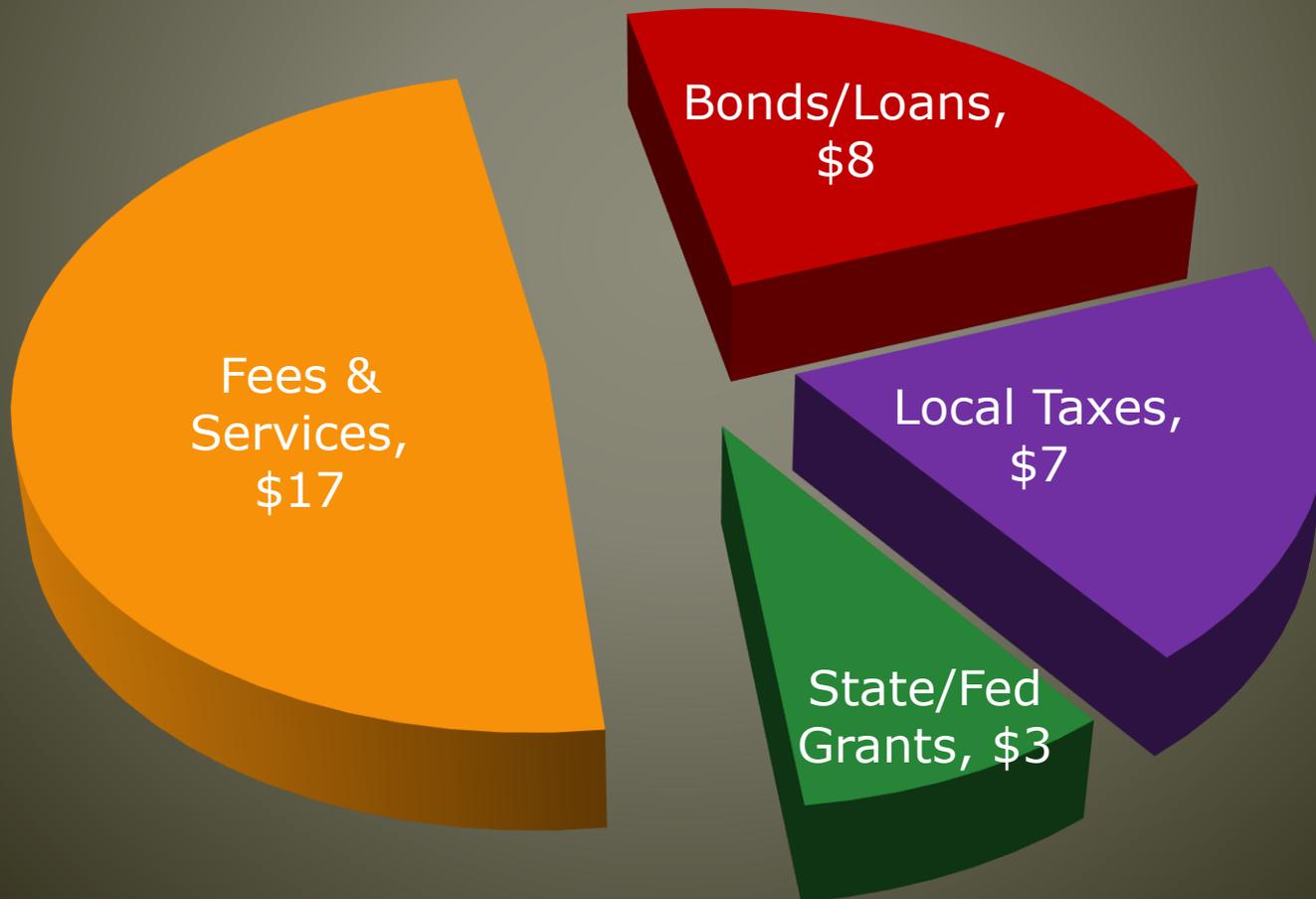
FY15 Budget & Capital Improvement Program

- The total CIP covers a 6 year period FY15 – FY20
- City Manager's Proposed FY15 Budget includes only Funded Capital Projects with secured funding
- Projects that are planned but have no secured funding are contained in the years FY16-FY20
- Projects that the City plans to fund with bond cycling (26 projects for \$23M) and those awarded as state appropriations (21 projects for \$9M) are enumerated in the FY16 time period.
- As the funds from cycling and state appropriations are finalized, budget adjustments will be brought to Council to move the projects into FY15

FY15 FCP Funding Sources

Total \$35

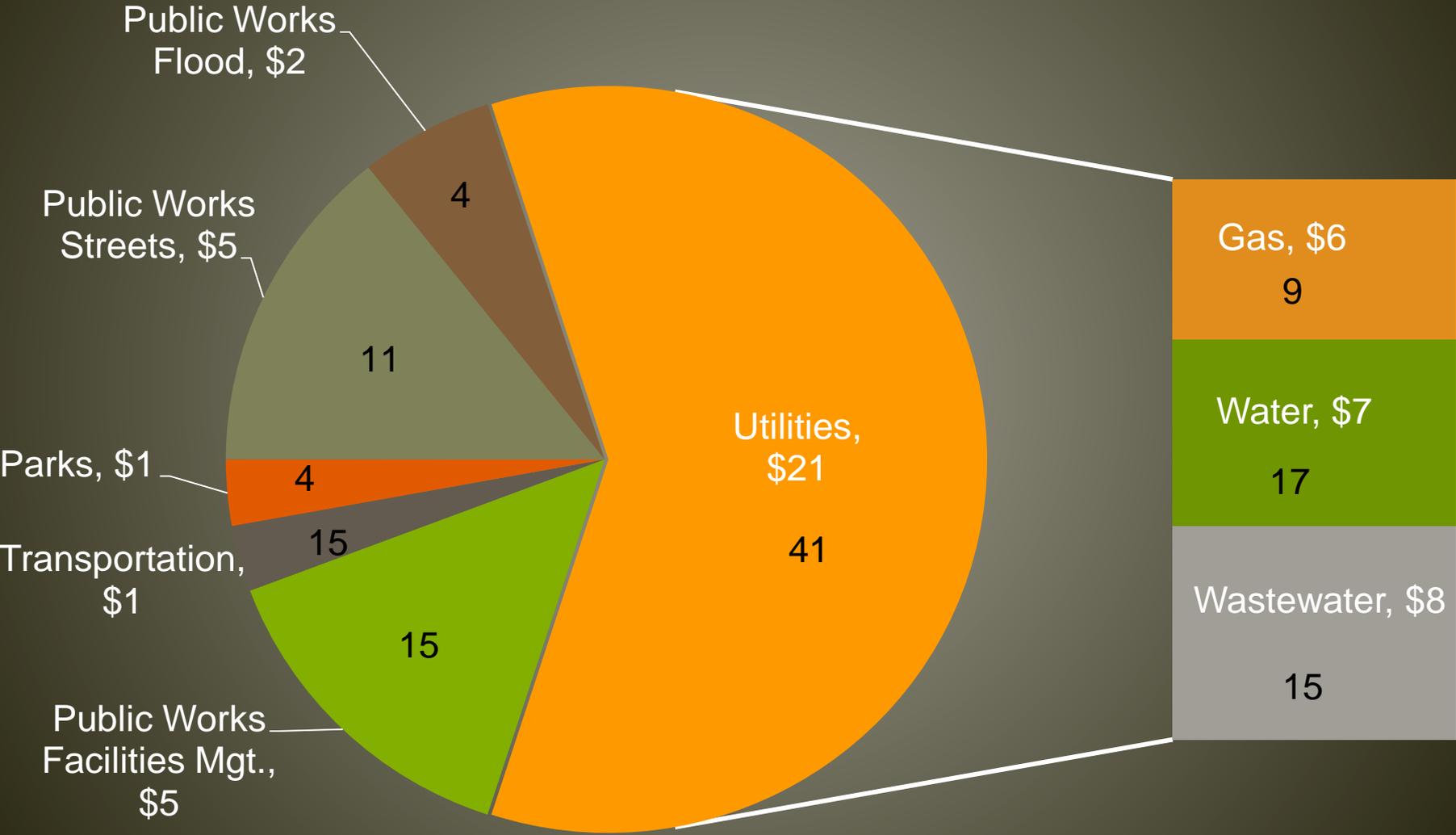
Dollars Millions



FY15 Funded Capital Projects

Total \$35 Million for 90 projects

Dollars Millions



FY15 Summary

1. Public Safety GRT and expenditures moved to GF.
2. Recognizes replacement Hold Harmless GRT but does not recommend any new expenditures.
3. Funds step increases for union employees, pay increases for unrepresented employees.
4. Allocates funds for City wide classification/compensation implementation.
5. Eliminates 17 vacant positions – Uses savings to fund increased services and expand programs.
6. Funds debt service costs for bond cycling for East Mesa, Streets, Flood Control & JU.
7. Continues City support for Arts Council and DLCP
8. Continues to fund affordable housing

FY15 Summary-

Continued

9. Increase support to MVRDA for relocation and equipment upgrade & personnel costs.
10. Increases support to ASCMV for personnel costs
11. Maintains City funding for grants to non-profits for health related activities.
12. Replaces 38 vehicles at a cost of \$1.5M.
13. Moves Weed & Seed plus Juvenile Citation into Parks and Recreation.
14. Funds 9 firefighters in the general fund for FY15
15. Maintains twice the required reserve in the general fund
16. FY15 budget contains Funded Capital Projects for 90 projects totally \$35 million.

Next Steps

- April 21nd public hearings following work session
 - Proposed fiscal year FY15 operational budget
 - Proposed ICIP
- May 5th regular Council meeting to consider two separate resolutions
 - Resolution to adopt FY15 budget
 - Resolution to adopt ICIP

Questions/Comments